



Fayette
COUNTY

"WHERE QUALITY
IS A LIFESTYLE"

FAYETTE COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2016



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*Prepared by the
Fayette County Finance Department*



Fayette
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IS A LIFESTYLE"

INTRODUCTORY SECTION

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"WHERE QUALITY
IS A LIFESTYLE"

December 28, 2016

Honorable Charles Oddo, Chairman,
Members of the Board of Commissioners,
and the Citizens of Fayette County, Georgia

The Comprehensive Annual Financial Report (CAFR) of Fayette County, Georgia for the fiscal year ended June 30, 2016, is hereby submitted as mandated by both Local ordinances and State statutes. These ordinances and statutes require that Fayette County, Georgia issue a report on its financial position and activity on an annual basis, and this report is to be audited by an independent firm of certified public accountants.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To provide a reasonable basis for making these representations, Fayette County has established a comprehensive internal control framework whereby the cost of a control does not exceed the benefits to be derived, as the objective is to provide reasonable, rather than absolute assurance. These internal controls are designed both to protect the government's assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the County's financial statements in accordance with generally accepted accounting principles (GAAP). To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds, account groups, and component units of Fayette County, Georgia. All disclosures necessary to enable the reader to gain an understanding of the County financial activities have been included.

Fayette County's financial statements have been audited by Nichols, Cauley & Associates, LLC, a firm of licensed Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Fayette County, Georgia for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified (i.e., clean) opinion that the Fayette County, Georgia's financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section and can be found on pages 19 through 21.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A section. Management's Discussion and Analysis is located in the Financial Section of this report and can be found immediately following the report of the independent auditors on pages 22 through 39.

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this letter of transmittal; a list of Fayette County's principal officials, department directors and elected officials; an organizational chart; and maps of the local area to add some visual perspective. The Financial Section includes the management's discussion and analysis, basic financial statements, combining and individual funds financial statements and schedules, as well as the independent auditor's report on these financial statements and schedules. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

REPORTING ENTITY

The financial reporting entity (Fayette County, Georgia) includes all the funds of the primary government, as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and included as part of the primary government. The Fayette County Public Facilities Authority (PFA) is included as a blended component unit.

Discretely presented component units are reported as a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from the primary government. The Fayette County Development Authority and the Fayette County Department of Public Health are reported as discretely presented component units.

The County provides a full range of services to its estimated 112,300 citizens. Some of the services which are available to at least a portion of those residents include police and fire protection; emergency medical services; court systems; library services; the construction and maintenance of highways, streets and infrastructure; fleet maintenance; buildings and grounds

maintenance; tax assessment and collection; planning and zoning; building permitting and inspections; recreational activities and cultural events; and inherent administrative support services.

The County also operates a potable water distribution system, a solid waste management system and a stormwater utility, which are shown as Enterprise Funds in this report. The Water System was established in 1965 and serves 29,585 customers in the unincorporated areas of the County and through the County owned distribution systems in the City of Peachtree City and the Towns of Tyrone and Woolsey. And by contractual agreement, the County operates the system owned by the Town of Brooks. The Water System also wholesales water to the City of Fayetteville pursuant to a wholesale water contract which expires in 2034.

PROFILE OF THE GOVERNMENT

Fayette County, which was established in 1821, is a body corporate and politic organized and existing under the Constitution and the laws of the State of Georgia. Encompassing only about 199 square miles, it is one of the smaller counties in the State in terms of area. Fayette County is geographically located in the northwestern part of Georgia about 15 miles south of the city limits of Atlanta and is considered an integral part of the Metro Atlanta area.

The governing authority of Fayette County is a Board of Commissioners consisting of five elected members. The commissioners serve on a part-time basis and are elected to staggered terms of four years. Fayette County holds district voting in four districts with one district electing at-large. Four commissioners are elected by the citizens in their respective district, while the fifth commissioner is elected at-large. At their first meeting each calendar year, the Commission Chairman and Vice-Chairman are selected by the Board.

In their policy making capacity, the Board of Commissioners is authorized to levy taxes; direct and control all property of the County; establish, alter, or abolish roads and bridges; fill vacancies in County offices unless others are empowered to do so; examine, settle and allow claims against the County; examine and audit the accounts of all officers having the care, management, keeping, collection, or disbursement of money belonging to the County; establish the cost of licenses; and make such rules and regulations as necessary for the protection and preservation of health, safety, welfare, and morals. The Board of Commissioners appoints the County Administrator who serves as the County's chief administrative officer. The County Administrator is responsible for the daily operations of all County functions in accordance with the policies of the Board of Commissioners.

DISTINGUISHING ATTRIBUTES OF FAYETTE COUNTY

Fayette County is bordered on the north by Fulton County, on the east by Clayton County, on the south by Spalding County, and on the west by Coweta County. This immediate area located just south of Atlanta is often referred to as the Southern Crescent. Incorporated communities located within the County include Fayetteville, which is the County seat; Brooks; Peachtree City; Tyrone and Woolsey.

An important attribute of Fayette County is its location in relationship to major transportation modes and the availability of a number of cost-effective alternatives for moving people and goods in the immediate area. Commercial air service is available at Hartsfield-Jackson International Airport which is a major hub for the air transportation business and is located just north of the County. Falcon Field which is located on the western side of the County serves as a local public airport for light aircraft including small jets.

For those wishing to travel by vehicle, the County is strategically located in close proximity to five interstate highway systems, I-20, I-75, I-85, I-675 and I-285. In addition, several principal arterial roadways, such as State Highways 54, 74, 85, 92, 279 and 314, pass through the County. Citizens also have fairly easy access to the public transportation systems which serves the immediate Atlanta area.

Other transportation needs can also be easily accommodated. For any business that might have a need to move freight, there is direct railway service which is provided by CSX Railroad along the western portion of the County. For motor freight needs, there is access to eight national or regional terminals. In addition, Savannah, Georgia and Jacksonville, Florida serve as major deep-water seaports which can be easily reached by interstate highway in a matter of hours.

For a number of years, the County's official letterhead has contained the phrase, "Where Quality is a Lifestyle". The County is considered by many to be the "crown jewel" of Metro Atlanta's many fine communities and thus is the destination many residents have chosen as their retirement home. Being considered a relatively safe community is a critical "quality of life" attribute provided by our public safety efforts. Per the Georgia Bureau of Investigation's 2015 Crime Statistics Report, the reported number of crimes within Fayette County was 1,731 compared to the average number of 16,564 reported by the ten counties within the Atlanta Regional Commission (ARC). Fayette was the lowest of the ten counties with a 1.56% crime rate of the population. The average crime rate for the ten ARC counties was 3.72% of population. The ISO rating that the County's Fire Department has attained for its service level results in our residents paying less for their home insurance premiums.

The United States Census Bureau estimates the median age of the County's population to be 43.7 years. Further breakdown reveals that 14.5 percent of our population is over 65 years of age which is about 4.5 percent higher than the average of the Metro Counties. To help serve

the medical needs of this older population, the Piedmont Fayette Hospital is a 189 bed state-of-the-art facility that opened in September of 1997 and provides a full range of health services.

Fayette County also boasts of having an excellent education system for the children that live in the community. The graduation rate for Fayette County students for 2015 was 92 percent compared to a State-wide average of 78.8 percent. Of the Fayette County residents that have received their high school diploma, 43 percent obtained a bachelor's degree or higher. The 2015 average Scholastic Aptitude Test (SAT) scores for Fayette County students was 1537 and compares quite favorably to the National average of 1490. The American College Testing (ACT) scores reported were 22.9 for Fayette County, 21 for Georgia and 21 Nationwide. Fayette County also outpaces the State and Nation in the number of students participating and successfully passing Advanced Placements (AP) classes. All Fayette County High Schools were ranked within the top 7 percent of America's Most Challenging High Schools. Only 2,300 of approximately 22,000 U.S. public high schools made the national list that looks at the number of Advanced Placement tests given in a year divided by the number of seniors who graduated in May 2015.

ECONOMIC CONDITIONS

Environmental Scan: The local economic conditions and operating environment for Fayette County, Georgia are often times directly or indirectly impacted by not only what is occurring in the United States but also globally. Thus, performing scan of economic environments both nationally and internationally can be helpful in establishing the proper perspective for economic analysis on the local level. Some of the more important economic metrics in regards to financial activity in the third quarter of calendar year 2016 are highlighted in the following bullet points:

- Real gross domestic product (GDP) increased 4.6 percent in the third quarter of 2016;
- Retail sales increased 4.3 percent for 2016. This indicates a continued growth in the broader economy since consumer spending on goods accounts for approximately 70% of GDP;
- Residential housing starts increased by 6% over 2015;
- U.S. International Trade Balance deficit decreased 2.5 percent from 2015.

Local Economy: Fayette County is strategically located just south of Atlanta in close proximity to three interstate highways, I-75, I-85 and I-285. It is just a short commute to the City of Atlanta, which is considered the Business Capital of the New South. And Hartsfield-Jackson International Airport, the World's busiest and one of the more significant economic engines for the south side of Atlanta, is located just north of the County.

Fayette County continues to benefit economically by being an integral part of one of the historically top growth areas in the United States. The Metropolitan Atlanta region represents one of the nation's primary transportation and distribution centers as well as being a major financial and consumer services leader. Georgia's geographically central location for domestic distribution, excellent surface transportation system, telecommunications infrastructure and

proximity to major consumer markets make the State an excellent base for air cargo operations.

Again, in performing a more localized environmental scan, Fayette County has an outstanding labor force, abundant higher education opportunities, a favorable business climate, a wide range of leisure opportunities and high quality housing. Each of these factors continues to make Fayette County an attractive place to live, work and play.

Fayette County is home to a highly skilled labor force. The majority of workers in the county are either high school graduates or have obtained their General Educational Development (GED) or have at least some college training. Numbers for 2015 as published by the Georgia Department of Labor indicate that there were 51,619 employed residents in Fayette County. Of that number, 43.9 percent worked at jobs located in the County. Conversely, that means that 56.1 percent commuted outside the County for employment. The two most frequent destinations for Fayette County's work force were Fulton and Clayton Counties. This is no real surprise given that the airport is located mainly in Clayton County and the Central Business District (i.e., Downtown Atlanta) is located in Fulton County.

Statistics from the Georgia Department of Labor indicate that in 2015, there were 3,762 industries located in Fayette County that produced 41,244 jobs. Of that total, 504 industries were labeled as "Goods Producing" and accounted for 6,574 jobs or 15.9 percent of the total. By far, the largest component was the "Service Providing" industries. That segment totaled 2,966 firms and represented 29,413 jobs or 71.3 percent of the total. Based on those numbers, it can also be said that Fayette County has a fairly broad industry mix and its economic well-being is not dependent on the success of any one employer or industry.

Atlanta and the Metro region have significantly regained economic stability. In the past, the Atlanta business community has benefited from several strengths of the region which include having a diverse economic base; experiencing strong in-migration and population growth; serving as a transportation, distribution and cultural center; and offering a business-friendly environment. These factors contributed greatly to economic recovery in the region. Unemployment is down. New construction has grown contributing to increased tax collections.

Forecasts predict continued favorable changes in economic indicators such as GDP, job growth and home starts. Consumer spending is predicted to grow in pace with the economy with few consumers stretching beyond their incomes. However, as income rises, spending rises at a comparable rate.

The economic outlook for Fayette County remains stable as a result of prudent planning to eliminate deficit budgeting. This proactive approach has enabled the County to maintain a strong financial position. Property values are rising and there is significant new construction in the County resulting in an increase in the 2016 tax digest of 5.7 percent. One of the benefits of having a skilled work force is that the unemployment rate continues to keep pace with the state

average. For June 2016, the rate for Fayette County was 5.2 percent compared to the State average of 5.1 percent and the national average of 4.9 percent.

The quality and quantity of services provided by the County to its residents are second to none. In Fayette County, one will find one of the highest ranked school systems in Georgia, the lowest crime rate in the Metro-Atlanta area, and an efficient County government with one of the lowest millage rates and service costs per capita in the State. Each of these quality of life factors combine to make the County an extremely attractive place in which to reside.

Economic Forecast: Based on the economic information that is currently available, one can make certain projections about the economic conditions that Fayette County will face during its next operating cycle. The more relevant highlights from the economic forecast prepared by Kiplinger's include the following projections:

- Unemployment gradually declines from 4.9 percent in 2016 to about 4.6 percent by the end of 2017;
- Growth in retail sales of 3.7 percent in 2017;
- Single-family housing starts increase 11 percent in 2017 as compared to a 9 percent increase in 2016.

MAJOR INITIATIVES

Fayette County's road system will continue to benefit from revenue provided by the Special Purpose Local Option Sales Tax (SPLOST). The construction of new roads and improvements to existing ones are necessary to ensure the attractiveness of the County going forward as new residents move to the area. During fiscal year 2016, construction activities focused on maintenance of existing paved roads using a combination of pavement preservation strategies. Other roadway/infrastructure activities include:

- All property offers were finalized for intersection of Veterans Parkway and SR 92 (West Fayetteville Bypass);
- Initial site work for two multi-use path segments along Redwine Road;
- Completed right-of-way acquisition for intersection improvements at Harp Road and SR 85. Roadway was placed in service during Fall of 2016.
- Completed the engineering for the East Fayetteville Bypass (a new capacity project);

As noted earlier, a large percentage of our residents are employed in other counties so a good road system is needed to make the daily commute easier for them. An effective road system is also needed to move those goods being manufactured by our local industries and to attract new businesses. It is important to our business community to make travel as pleasant as possible for those that want to work and shop in the County. Additionally, Fayette County is participating in the Local Maintenance & Improvement Grant (LMIG) program that helps local governments make needed improvements to local and state roads. The grant requires a match

of approximately 30 percent from the County. Unincorporated Fayette County was awarded \$594,805 for the 2016 LMIG program.

In FY 2016, the County approved an additional \$3,201,929 loan from the General Fund for the Stormwater Utility. In December of 2015, the County received record amounts of rainfall which caused flooding and roads to wash out. The additional loan funding was required for emergency pipe replacements and creating additional drainage structures that were necessary and for temporary measures that were installed to allow for road use. Major Stormwater damage repair was completed for Bernhard Road, Canterbury Lane, Lowery Road, Merrydale, and McBride Road. There are numerous other roads that are in process or continuing to need major repairs. Fayette County was awarded disaster grant reimbursement for several of the December 2015 storms. FEMA and GEMA are expected to contribute 87.5%, or approximately \$1.7M, of the \$2M cost to repair the washed out and damaged roads. For FY2016, the County has been reimbursed approximately \$165,000, with the remainder expected in FY2017.

Fayette County continues to strategically position itself for future growth and the maintenance of the current quality of life of our citizens. With the population of the Metropolitan Atlanta Statistical Area at 5.7 million, the availability of potable water is becoming one of the most important attributes affecting growth patterns in the future. Where businesses decide to locate in the future could be determined by the availability of this precious resource. With the addition of Lake McIntosh in 2013, which is a 650-acre raw water reservoir located on Line Creek which borders Fayette and Coweta Counties, total raw water reserves should be sufficient to meet our customers' potable water needs for years to come.

LONG-TERM FINANCIAL PLANNING

The financial position of the County has strengthened over the past year; the General Fund operating fund balance is expected to increase by \$1,538,348. This is due in part to careful budget management and cost control.

In February 2015, Moody's upgraded Fayette County's bond rating to the highest possible of 'Aaa'. Moody's is the second rating agency to upgrade the County following the Standard & Poor's AAA upgrade in August 2014. This rating is confirmation that the County continues to demonstrate sound financial performance.

The intergovernmental agreement between Peachtree City, City of Fayetteville, Town of Tyrone, Town of Brooks, and Fayette County; for the distribution of Local Option Sales Tax (LOST) proceeds established how the LOST proceeds are to be distributed for the years 2013 through 2022. This agreement of how local option sales tax proceeds will be allocated has enabled the County to reduce the dependence on ad valorem taxes to support the General Fund.

As is the case with most local governmental entities, the majority of services provided by Fayette County are funded through an ad valorem tax levied against real and personal property.

As the economy has stabilized and the real estate market has significantly recovered, this source of funding is returning to its pre-recession level. Market value of existing homes is rising and new construction has increased. According to the Georgia Department of Revenue, the Net Maintenance and Operation (M&O) Tax Digest for Fayette County increased by \$145,412,768 or 8.3 percent from January 1, 2014 to January 1, 2015. The increase from January 1, 2015 to January 1, 2016 was \$109,330,151 or 5.7 percent. Although the taxable digest has not yet returned to the 2009 value of \$5,457,605,221, construction starts and increasing market values are promising.

Additionally, ad valorem tax revenues are supplemented by the Title Ad Valorem Tax. This tax replaced both the sales tax and yearly ad valorem, or “birthday tax” on vehicles purchased after January 1, 2012. The law guarantees minimum proceeds equal to the 2012 base year. Initial collections and distributions were strong. However, an annual statutory recalculation of the distribution percentage resulted in a decrease of 4.45 percent in the amount allocated to local governments in calendar year 2016. This reduction in distribution has negatively impacted county revenues.

Prior to fiscal year 2014, to fund operations of the County, fund balance was extensively used to cover the excess of expenditures over revenues. Starting in FY 2014 and continued in FYs 2015 and 2016, the Board of Commissioners adopted cost saving initiatives that discontinued deficit budgeting without any impact to service delivery. The FY 2017 budget, adopted June 30, 2016, included a rollback of the maintenance and operations General Fund millage rate without the need to use unreserved fund balance. The Board again demonstrates a long-term commitment to fiscal conservatism and efficiency while maintaining an outstanding level of customer service to its citizens.

The Capital Improvement Program (CIP) plan was updated reflecting a continued focus on establishing critical needs for the upcoming five-year period. In the FY 2017 adopted budget, \$2,534,196 is projected to come from the Assigned CIP General Fund Balance to fund projects; \$324,000 in Project Contingency funding; \$579,754 from Special Revenue Funds; and \$539,040 in Federal Grants. Water System Projects total \$840,000. Available funds from prior year projects that were completed or determined to not be a priority were re-appropriated and designated as Contingency project funds to be used for additional projects approved during the fiscal year. For FY 2017, the Contingency projects accounts included the following: \$755,736 in General Fund Projects Contingency, \$983,292 in Special Revenue Funds Projects Contingency and \$661,976 in Recreation Projects Contingency. In FY2017, a proactive approach will be taken to determine when projects are completed and to move any available funds to keep replenishing the Contingency projects account.

CASH MANAGEMENT POLICIES AND PRACTICES

Cash temporarily idle during the year was invested in accordance with allowable investments per Georgia law. The County earned net interest income of \$736,427 on all investments of the Governmental and Proprietary Fund-Types for the year ended June 30, 2016. Because of the associated restrictions, a portion of these earnings is shown as “program revenues” on the Government-Wide Statements.

The County’s investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits are required to be either insured by federal depository insurance or collateralized. At June 30, 2016, all of the County’s depositories provided sufficient and/or proper collateralization of the County’s deposits. All other collateral on deposits was held either by the County, its agent, or a financial institution’s trust department in the County’s name.

REPORTING ACHIEVEMENTS AND RECENT AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Fayette County for its comprehensive annual financial report (CAFR) for the year ended June 30, 2015. The County has received this award for each of the last twenty-three years. In order to be awarded a Certificate of Achievement, Fayette County published an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, Fayette County also received the GFOA’s Award for Distinguished Budget Presentation for its annual appropriated budget for fiscal year 2016. This represents the nineteenth consecutive year that the County has received this particular award. In order to qualify for the award, the County’s budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the various County departments and officials, and in particular, the staff of the Finance Department. Our sincere appreciation is extended to each individual for the contributions made in the preparation of this report.

We would also like to thank the Board of Commissioners for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner and through whose efforts we have made substantial progress in responding to the extraordinary demands placed upon our community. We believe that the accomplishments that have been identified in this transmittal letter and the accompanying MD&A section clearly indicate that the Board of Commissioners has effectively and efficiently planned and managed the resources that were entrusted to them by the Citizens of the County.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Steve A. Rapson", with a long horizontal flourish extending to the right.

Steve A. Rapson
County Administrator

A handwritten signature in black ink, appearing to read "Mary S. Parrott", written in a cursive style.

Mary S. Parrott
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Fayette County
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

**Fayette County, Georgia
List of Principal Officials
June 30, 2016**

Elected County Officers

Board of Commissioners:

District 5 –At-Large, ChairmanCharles W. Oddo
District 2, Vice Chair Randy Ognio
District 1David Barlow
District 3Steve Brown
District 4 Charles D. Rousseau

Clerk of Courts.....Sheila Studdard
Probate Court Judge Ann Jackson
Sheriff..... Barry Babb
Tax Commissioner George Wingo
Superior Court Chief Judge.....Christopher C. Edwards

Principal Officials

County Administrator.....Steven A. Rapson, CPA
County Attorney..... Dennis Davenport
Chief Financial Officer Mary S. Parrott, CPA
County Purchasing Agent Ted Burgess
County Clerk..... Floyd Jones
Community Development..... Pete Frisina
E911 Communications Center..... Bernard Brown
Emergency Management.....Captain Michael Singleton
Fire & Emergency Medical Services Chief David Scarbrough
Human Resources Lewis Patterson
Chief Information OfficerPhillip Frieder
Library Chris Snell
Parks and RecreationAnita Godbee
Public WorksPhil Mallon
Tax Assessor.....Joel T. Benton
Water System..... Lee Pope

Special Services Providers

Auditors.....Nichols, Cauley & Associates, LLC
Bond and Disclosure Counsel.....McKenna Long & Aldridge LLP
Bond Underwriters..... Merchant Capital
Consulting Engineers.....CH2MHill

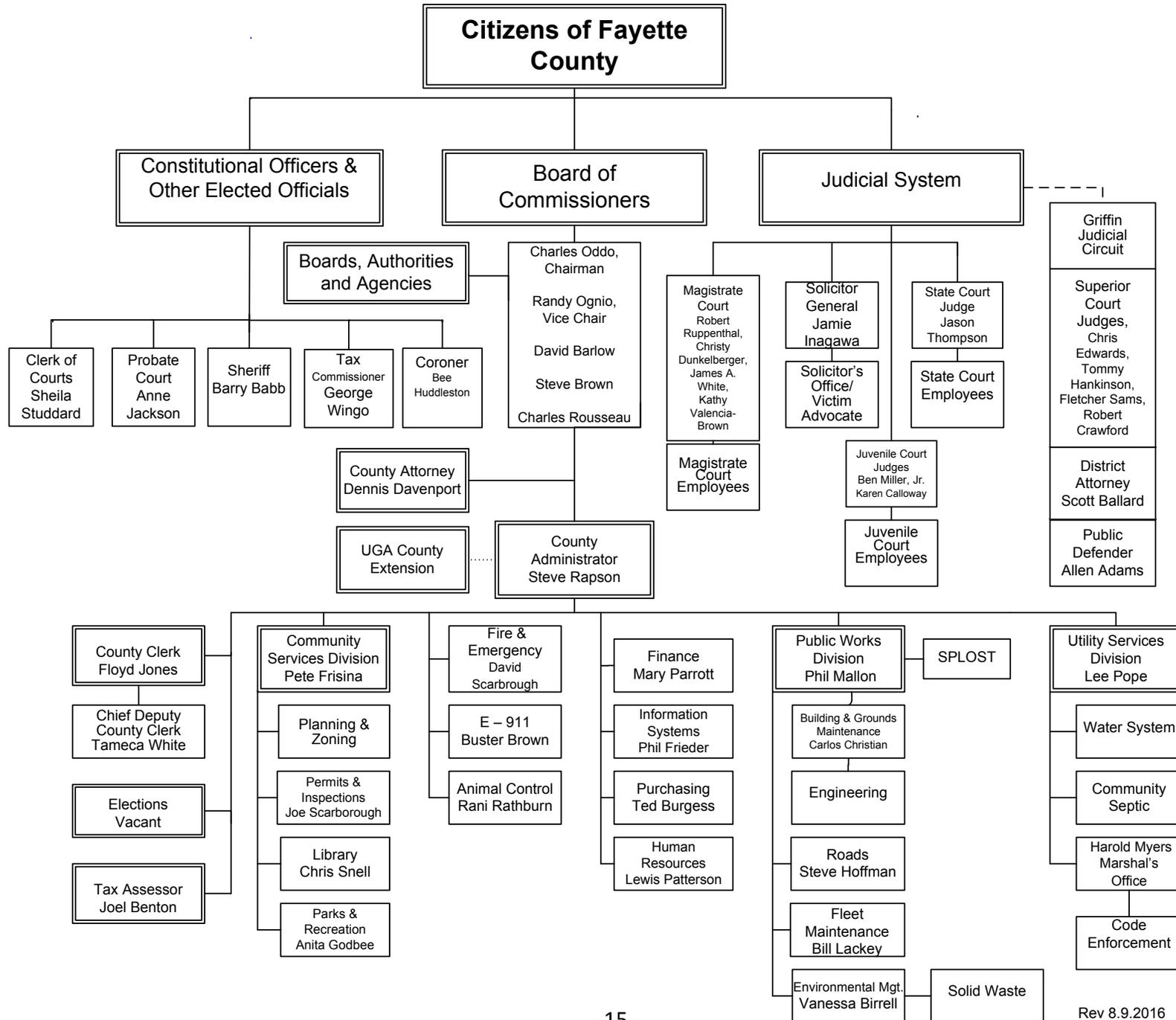
**Fayette County, Georgia
Board of Commissioners
Fiscal Year Ended June 30, 2016**



left to right: Steve Brown, David Barlow, Charles Oddo, Charles Rousseau, Randy Ognio

County Commission Mailing Address:
140 Stonewall Avenue West
Suite 100
Fayetteville, Georgia 30214
Phone: 770.305.5200
Fax: 770.305.5210

Fayette County, Georgia FY2016 Organizational Chart



**Fayette County, Georgia
Service Delivery Principles
Fiscal Year Ended June 30, 2016**

RESOLUTION 2016-01

**RESOLUTION OF THE FAYETTE COUNTY COMMISSIONERS
PLEDGE TO CITIZENS AND COUNTY STAFF ON CORE VALUES AND BELIEFS**

- WHEREAS, upon in 2016, the five commissioners desire to affirm their core values and beliefs to our constituents and county staff; and
- WHEREAS, the Board of Commissioners acknowledges they were placed in office by the voters of Fayette County and are responsible for conducting the official business of those citizens, looking out for their best interests; and
- WHEREAS, the Board is determined to give the citizenry ample opportunity to voice their comments and concerns in all meetings; and
- WHEREAS, the Board respects each individual staff member and believes that members who are treated with respect and given responsibility respond by giving their best; and
- WHEREAS, although there may not be unanimous consent on every issue, the Board requires complete honesty and integrity in everything we do while valuing everyone's opinion; and
- WHEREAS, the Board will take its commitments very seriously, and then do its utmost to live up to them, acknowledging the importance of doing what we say we are going to do; and
- WHEREAS, the Board recognizes that the work performed by each staff member is an important part of their life, and it should be fulfilling and rewarding, so we encourage an open and welcoming workplace; and
- WHEREAS, the Board vows to be good stewards of the citizen's resources, exercising the same vigilance that we would use to guard and conserve our own personal resources; and
- WHEREAS, the Board insists that each commissioner and each staff member always give their best effort in everything we undertake, refusing to accept sloppiness or lack of effort; and
- WHEREAS, the entire Board, each department director and each individual in our organization is expected to understand our mission and our goals realizing that doing so it is extremely critical to our success; and
- WHEREAS, the Board believes in the Golden Rule, and we will strive to be friendly, courteous, fair and compassionate in all our dealings; and
- WHEREAS, the Board and our staff members should always feel a sense of urgency on any matters related to our citizens, owning problems and always being responsive

NOW, THEREFORE, BE IT RESOLVED that we, the Board of Commissioners of Fayette County, Georgia do hereby pledge our acceptance of these core values and beliefs in the service of our citizens.

So resolved this 14th day of January 2016 by the

FAYETTE COUNTY BOARD OF COMMISSIONERS


Chairman Charles W. Oddo


Vice Chairman Randy Ognio


Commissioner David Barlow


Commissioner Steve Brown

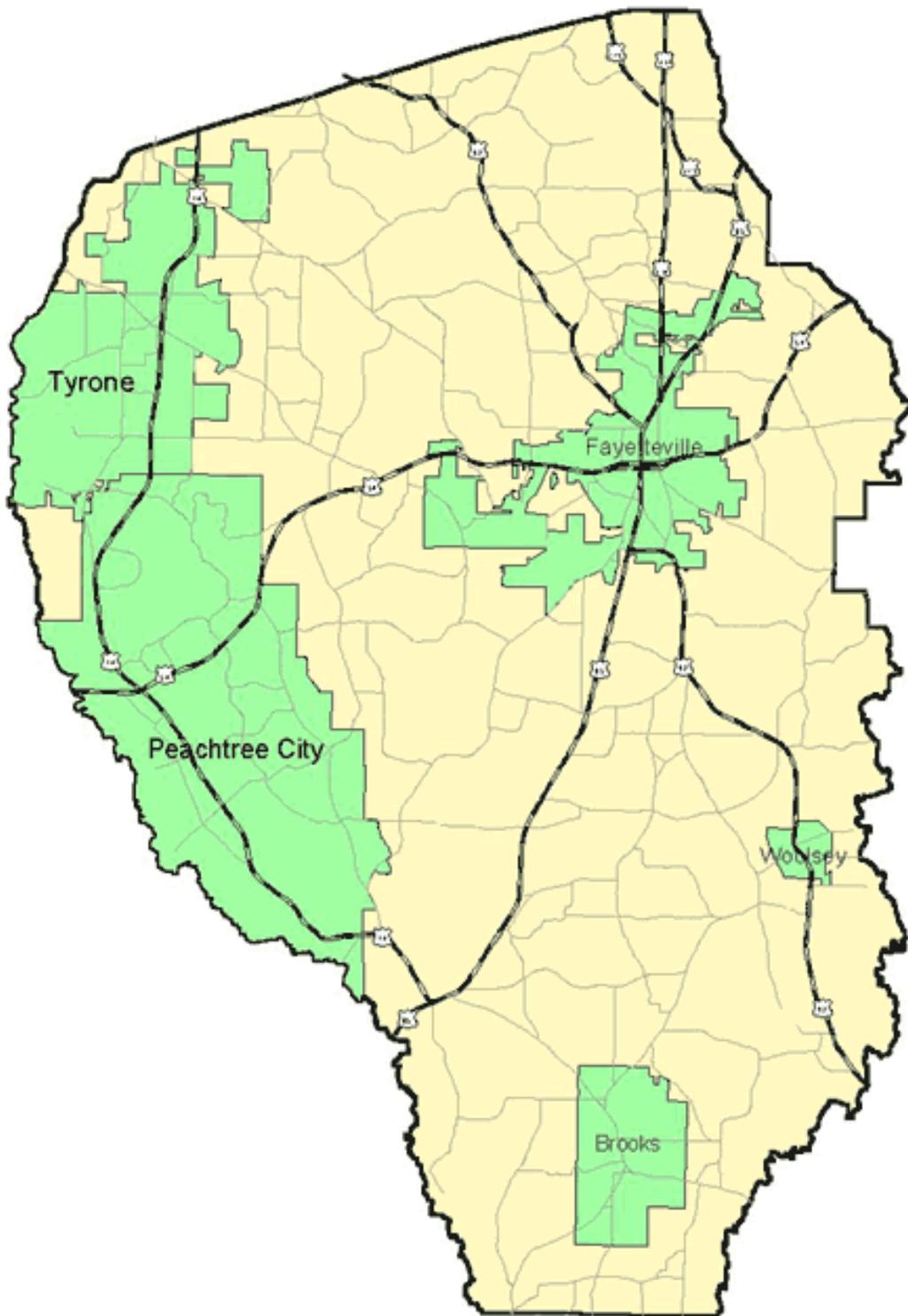

Commissioner Charles Rousseau

Fayette County, Georgia
Map of Metropolitan Atlanta Area
Fiscal Year Ended June 30, 2016



Fayette County

Fayette County, Georgia
Jurisdiction and Road Map of Fayette County
Fiscal Year Ended June 30, 2016





Fayette
COUNTY

“WHERE QUALITY
IS A LIFESTYLE”

FINANCIAL SECTION

This Section Contains the Following Subsections:

INDEPENDENT AUDITOR’S REPORT

MANAGEMENT’S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND
SCHEDULES**



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INDEPENDENT AUDITOR'S REPORT

Fayette County Board of Commissioners
Fayette County, Georgia
Fayetteville, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Fayette County, Georgia, (the County), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The County's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Fayette County Department of Public Health and the Fayette County Development Authority, which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements, were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Fayette County Department of Public Health and the Fayette County Development Authority is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison schedules for the General Fund, Fire Services Tax District Fund and Emergency Medical Services Tax District Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis (on pages 22 through 39), the Schedule of Funding Progress (on page 108), the Schedule of Changes in the County's Net Pension Liability and Related Ratios (on page 109), the Schedule of County Contributions (on page 110), the Schedule of Proportionate share of the Net Pension Liability (Page 111) and the Schedule of Contributions (on page 112) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements, the Schedule of Projects Constructed with Special Local Option Sales Tax and other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the Schedule of Projects Constructed with Special Local Option Sales are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, the combining and individual nonmajor fund financial statements and the Schedule of Projects Constructed with Special Local Option Sales Tax are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2016 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Richels, Cauley + Associates, LLC

Atlanta, Georgia
December 28, 2016

Fayette County, Georgia
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

As management of Fayette County, Georgia, we offer the readers of Fayette County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2016. The primary purpose of the ensuing discussion and analysis is to provide our Board of Commissioners, our customers, our taxpayers, our bondholders, the bond rating agencies and the other various users of our Comprehensive Annual Financial Report (CAFR) with additional insight into the financial performance of the County and to help place the operational information contained in the basic financial statements in its proper context. We encourage readers to consider the information presented here in conjunction with additional information we have included in our letter of transmittal, which can be found on pages 1 through 11 in the Introductory Section of this report.

Financial Highlights

- The *Assets and Deferred Outflows of Resources* of Fayette County, Georgia exceeded its *Liabilities and Deferred Inflows of Resources* at June 30, 2016 by \$261,248,242 (*Net Position*). Of this amount, \$47,508,082 (*Unrestricted Net Position*) can be used to meet the County's ongoing obligations to its citizens and creditors.
- The County's *Total Net Position* at June 30, 2016 decreased by \$196,176 or about 0.08% compared to the previous year's restated balance. This decrease in Total Net Position is due to an increase in expenses of 7%, yet only a 4% increase in revenues.
- At the close of the current fiscal year, the County's Governmental Funds reported combined ending fund balances of \$81,930,867. This amount represented a decrease of \$2,550,191 from the prior year (restated) and was principally attributable to expenditures in the SPLOST Road Capital Projects Funds and expenditures related to Capital Projects.
- At the end of the current fiscal year, the Unassigned Fund Balance for the General Fund was \$4,529,040. This amount represented about 9.0% of the total of the General Fund's Expenditures and Operating Transfers Out for the 2016 fiscal year. The Unassigned Fund Balance would be sufficient to cover over one month of operations if needed.
- Fayette County's total long-term debt decreased due to regularly scheduled payments, along with a refunding savings for a portion of the 2009 Water Revenue Bonds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's Basic Financial Statements. The County's Basic Financial Statements are comprised of three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Financial Statements. This report also contains other information that is considered supplementary to the Basic Financial Statements themselves.

Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of Fayette County's finances, in a manner similar to those of a private sector business. There are two *Government-Wide Financial Statements* and they are commonly referred to as the "*Statement of Net Position*" and the "*Statement of Activities*". These statements use accounting methods similar to those used by private-sector companies.

The *Statement of Net Position* presents information on all of the County's assets and liabilities, with the difference between the two being reported as *Net Position*. Basically, the statement is intended to provide financial information about the County's overall financial status that is considered to be both from a long-term and short-term perspective. And over time, increases or decreases in the *Net Position* amount may serve as an indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future years (e.g., uncollected taxes, earned but unused vacation leave). Additionally, this statement shows how much of the County's activities or functions are funded by program revenues (i.e., charges for services, grants and contributions) and how much of the County's functions rely on general revenues (primarily taxes) for funding.

Both of the *Government-Wide Financial Statements* distinguish services or functions of Fayette County that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other services or functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-Type Activities*). The *Governmental Activities* of the County include *General Government; Judicial System; Public Safety; Public Works; Health and Welfare; Culture and Recreation; and Housing and Development*. And because the Internal Service Funds primarily provide services to the *Governmental Activities*, their financial activity is included in this component. The *Business-Type Activities* of Fayette County include the Water System, Solid Waste and the Stormwater Utility Funds.

The *Government-Wide Financial Statements* include not only Fayette County itself (which is referred to as the *Primary Government*), but also legally separate entities for which the County is financially accountable (referred to as *Component Units*). The County's two *Component Units* are the Fayette

County Development Authority and the Fayette County Department of Public Health. These are legally separate entities that are considered component units due to the significance of their operational or financial relationships with the County. Financial information for these *Component Units* is reported separately from the financial information presented for the *Primary Government* itself. The Fayette County Public Facilities Authority, although also legally separate, functions for all practical purposes as a revenue bond debt financing conduit for the County and therefore has been included as an integral part of the *Primary Government*.

The *Government-Wide Financial Statements* can be found on pages 40 through 42 of this report.

Fund Financial Statements. Traditional users of governmental financial statements will find the *Fund Financial Statements* presentation more familiar. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fayette County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the various funds maintained by Fayette County can be divided into three separate categories: **Governmental Funds, Proprietary Funds and Fiduciary Funds.**

Governmental Funds. *Governmental Funds* are used to account for essentially the same functions reported as *Governmental Activities* in the *Government-Wide Financial Statements*. However, unlike the *Government-Wide Financial Statements*, *Governmental Fund Financial Statements* focus on events that produce near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Such information may be useful to the reader in evaluating a government's near-term financing requirements.

Because the focus of *Governmental Funds* is narrower than that of the *Government-Wide Financial Statements*, it is useful to compare the information presented for *Governmental Funds* with similar information presented for *Governmental Activities* in the *Government-Wide Financial Statements*. By comparing functions between the two sets of statements for *Governmental Funds* and *Governmental Activities*, readers may better understand the long-term impact of the government's near-term financing decisions. The *Governmental Fund Balance Sheet* and the *Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances* both provide a reconciliation to help facilitate this comparison between *Governmental Funds* and *Governmental Activities*.

Fayette County maintains numerous individual governmental funds that are combined into eleven (11) different funds for reporting purposes. Information is presented separately in the *Governmental Fund Balance Sheet* and in the *Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances* for those considered to be major funds. Based on the criteria set forth in the accounting standards, the major funds were determined to be the following: the General Fund, the Fire Services Tax District Special Revenue Fund, the Emergency Medical Services Tax District Special Revenue Fund and the County-Wide Roads SPLOST Capital Projects Fund. Financial information for the remaining non-major Governmental Funds is aggregated and reported in a single column labeled "Non-Major Governmental Funds". Individual fund data for each of these non-major Governmental Funds is provided in the form of combining statements in the "Combining and Individual Fund Statements and Schedules" section appearing elsewhere in this report.

Fayette County adopts an annual appropriations budget for the General Fund and each of the Special Revenue Funds. A budgetary comparison statement is provided for each of these funds in order to present budgetary compliance. Project length financial plans are adopted for the Capital Project Funds.

The basic Governmental Fund Financial Statements can be found on pages 43 through 46 of this report.

Proprietary Funds. Fayette County maintains two different types of proprietary funds (i.e., enterprise funds and internal service funds). *Proprietary Funds* are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting.

Enterprise Funds are used to report the same functions presented as *Business-Type Activities* in the *Government-Wide Financial Statements*. Fayette County uses *Enterprise Funds* to account for the operations of its Water System, Solid Waste and Stormwater Utility Funds. The cost (expenses, including depreciation) of providing each of these services to the general public is recovered in whole or in part through user charges.

Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Fayette County uses *Internal Service Funds* to account for certain employee benefit risk financing functions and for the replacement of vehicles and equipment. The *Internal Service Funds* used by the County are the Workers' Compensation Self-Insurance Fund, the Major Medical Self-Insurance Fund, the Dental and Vision Self-Insurance Fund, and the Vehicle Replacement Fund. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *Governmental Activities* in the *Government-Wide Financial Statements*.

The *Proprietary Fund Statements* provide the same type of financial information as the *Government-Wide Financial Statements*, only in more detail. Again based on the criteria established in the accounting standards, the Water System is the only one considered to be a major fund of the County with the other two being combined and identified as non-major funds in the headers of those financial statements.

Conversely, all four of the *Internal Service Funds* are combined into a single, aggregated presentation in the *Proprietary Fund Financial Statements*. Individual fund data for the *Internal Service Funds* is provided in the form of *Combining Statements* elsewhere in this report.

The basic *Proprietary Funds Financial Statements* can be found on pages 52 through 56 of this report.

Fiduciary Funds. *Fiduciary Funds* are used to account for resources held for the benefit of parties principally outside the government. *Fiduciary Funds* are **not** reflected in the Government-Wide Financial Statements because the resources of those funds are not available to support the County's own programs. The accounting used for *Fiduciary Funds* is much like that used for *Proprietary Funds*.

The basic *Fiduciary Funds Financial Statement* can be found on page 57 of this report.

Notes to the Financial Statements. The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the *Government-Wide* and *Fund Financial Statements*. The *Notes to the Financial Statements* can be found on pages 58 through 107 of this report.

Other Information. In addition to the *Basic Financial Statements* and accompanying *Notes*, this report also presents certain **Required Supplementary Information** concerning the County's progress in funding its obligations to provide pension and other postemployment benefits to its employees. *Required Supplementary Information* can be found on pages 108 through 112 of this report.

The combining statements referred to earlier in connection with *Non-major Governmental Funds*, *Non-major Enterprise Funds* and *Internal Service Funds* are presented immediately following the Required Supplementary Information on pensions and other postemployment benefits. Combining and individual fund statements and schedules can be found on pages 113 through 135 of this report.

Additional information about the County, which may be of interest to the reader, is found in the Statistical Section of this report.

Government-Wide Financial Analysis

Analysis of Net Position

As noted earlier, *Net Position* may serve over time as a useful indicator of a government's financial position. In the case of Fayette County, *Assets* and *Deferred Outflows of Resources* exceeded *Liabilities* and *Deferred Inflows of Resources* by \$261,248,242 at the close of the most recent fiscal year. The condensed financial information for Fayette County, Georgia's Net Position as of June 30, 2016 and 2015 is presented in the following table.

FAYETTE COUNTY, GEORGIA'S NET POSITION						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY2016	FY2015	FY2016	FY2015	FY2016	FY2015
Current and Other Assets	\$93,768,221	\$103,268,061	\$22,972,714	\$29,332,872	\$116,740,935	\$132,600,933
Capital Assets (Net)	119,667,652	119,646,843	111,151,868	107,091,126	230,819,520	226,737,969
Total Assets	<u>213,435,873</u>	<u>222,914,904</u>	<u>134,124,582</u>	<u>136,423,998</u>	<u>347,560,455</u>	<u>359,338,902</u>
Deferred Outflows of Resources	8,035,844	2,812,796	2,554,808	1,043,220	10,590,652	3,856,016
Long-Term Liabilities						
Outstanding	36,932,258	38,496,766	46,242,686	48,899,638	83,174,944	87,396,404
Other Liabilities	7,303,817	7,453,107	6,424,104	6,900,989	13,727,921	14,354,096
Total Liabilities	<u>44,236,075</u>	<u>45,949,873</u>	<u>52,666,790</u>	<u>55,800,627</u>	<u>96,902,865</u>	<u>101,750,500</u>
Net Investment in Capital Assets	86,967,976	85,260,463	63,456,395	55,969,849	150,424,371	141,230,312
Restricted	45,019,968	45,158,983	18,295,821	15,410,942	63,315,789	60,569,925
Unrestricted	45,247,698	49,358,381	2,260,384	10,285,800	47,508,082	59,644,181
Total Net Position	<u>\$177,235,642</u>	<u>\$179,777,827</u>	<u>\$84,012,600</u>	<u>\$81,666,591</u>	<u>\$261,248,242</u>	<u>\$261,444,418</u>

As indicated by the tabular information above, the largest portion of the County's *Net Position* (i.e., 57.6% of the total) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less any related debt still outstanding that was used to acquire those assets. Fayette County uses these capital assets to provide services to citizens; consequently, these assets are **not** available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the liabilities that are associated with them.

Further analysis of the information used to calculate this component of *Net Position* also demonstrates the capital intensive nature of operating a county government. The \$230,819,520 in *Capital Assets* (net of accumulated depreciation) that are owned by the County represents 66.4 percent of its *Total Assets*. As part of its on-going operations, these capital assets have to be maintained, insured for any associated risks and replaced at the end of their useful lives.

In reviewing the other components of the County's *Net Position*, *Restricted Net Position* was \$63,315,789 which translates into 24.2 percent of the total. *Restricted Net Position* represent resources subject to external restriction on how they may be used. For the *Governmental Activities*, the balance of \$45,019,968 primarily represents the unencumbered assets of the Special Revenue Funds that are restricted to specific purposes or programs due to their sources of funding, the proceeds from the certificates of participation that are restricted to debt service, and the two SPLOST Capital Projects Funds whose current positions are restricted to highway and bridge construction projects. And for the *Business-Type Activities*, the \$18,295,821 represents assets in the Water System Enterprise Fund that are restricted by revenue bond ordinances to future debt service, and system renewal and extension purposes.

And lastly, the *Unrestricted Net Position* component was \$47,508,082 and represents 18.2 percent of the total. This is a 20.3 percent decrease over FY2015 for Total Primary Government. *Unrestricted Net Position* may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Fayette County is able to report positive balances in all three categories of *Net Position*, both for the government as a whole, as well as for its separate *Governmental* and *Business-Type Activities*. The same situation held true for the prior fiscal year.

Analysis of Changes in Net Position

The following tabular information represents the condensed presentation of revenues, expenses and changes in net position for the fiscal years ended June 30, 2016 and 2015. As indicated by the information in the table, the Net Position for the fiscal year ended June 30, 2016 decreased by \$196,176.

FAYETTE COUNTY, GEORGIA'S CHANGES IN NET POSITION						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015
Revenues:						
Program Revenues:						
Charges for Services	\$ 11,286,512	\$ 11,063,192	\$ 16,531,053	\$ 15,945,897	\$ 27,817,565	\$ 27,009,089
Operating Grants & Contributions	943,367	453,506	-	-	943,367	453,506
Capital Grants & Contributions	1,489,132	1,995,322	1,656,881	167,928	3,146,013	2,163,250
General Revenues:						
Property Taxes	37,572,313	36,291,270	-	-	37,572,313	36,291,270
Sales Taxes	10,830,858	10,455,973	-	-	10,830,858	10,455,973
Other Taxes	3,337,009	3,333,818	-	-	3,337,009	3,333,818
Unrestricted Investment Earnings	452,737	313,394	19,120	13,551	471,857	326,945
Gain on Disposal of Capital Assets	-	310,723	(1,425)	-	(1,425)	310,723
Miscellaneous Revenues	287,798	845,587	-	129,511	287,798	975,098
Total Revenues	66,199,726	65,062,785	18,205,629	16,256,887	84,405,355	81,319,672
Expenses:						
General Government	9,414,258	8,185,246	-	-	9,414,258	8,185,246
Judicial System	6,895,680	6,230,201	-	-	6,895,680	6,230,201
Public Safety	35,986,411	33,212,515	-	-	35,986,411	33,212,515
Public Works	10,140,891	9,515,157	-	-	10,140,891	9,515,157
Health & Welfare	787,302	824,642	-	-	787,302	824,642
Culture & Recreation	2,559,163	2,430,447	-	-	2,559,163	2,430,447
Housing & Development	1,341,840	1,009,389	-	-	1,341,840	1,009,389
Interest & Fiscal Charges	1,574,938	1,648,588	-	-	1,574,938	1,648,588
Water System	-	-	15,620,548	15,501,745	15,620,548	15,501,745
Solid Waste	-	-	208,054	336,787	208,054	336,787
Stormwater Utility	-	-	72,446	59,945	72,446	59,945
Total Expenses	68,700,483	63,056,185	15,901,048	15,898,477	84,601,531	78,954,662
Increase (Decrease) in Net Position Before Transfers	(2,500,757)	2,006,600	2,304,581	358,410	(196,176)	2,365,010
Transfers	(41,428)	(347,083)	41,428	347,083	-	-
Increase (Decrease) in Net Position	(2,542,185)	1,659,517	2,346,009	705,493	(196,176)	2,365,010
Prior Period Adjustment	-	(1,757,122)	-	(713,529)	-	(2,470,651)
Net Position - Beginning*	179,777,827	179,875,432	81,666,591	81,674,627	261,444,418	261,550,059
Net Position - Ending	\$ 177,235,642	\$ 179,777,827	\$ 84,012,600	\$ 81,666,591	\$ 261,248,242	\$ 261,444,418

*As restated for FY2015

Total Primary Government. Based on the restated FY2015 Net Position, this net decrease of \$196,176 for the fiscal year ended June 30, 2016, a \$2.5M decrease was attributable to the *Governmental Activities* while the Business-Type Activities experienced an increase of \$2.3M.

In comparing the operating results between the two fiscal years, \$2,365,010 versus (\$196,176), this swing of the \$2,561,186 change between FY2016 and FY2015, increased revenues accounted for \$3.1M while an increase in expenditures reflects the variance of 5.6M. The more significant points are noted below:

Revenues:

- The *Charges for Services* category increased by \$808,476 from the prior year's amount. The majority of this change occurred in Business-Type Activities due to increased water usage of approximately \$415,000 and the implementation of the Leak Protection Program with an increase in revenues of \$135,000.
- Grants and Contributions (Operating and Capital) increased by approximately \$1.5M.
- Tax Revenues increased by \$1.6M, which includes Property Taxes of \$1.3M and Sales Taxes of \$375,000.

Expenses:

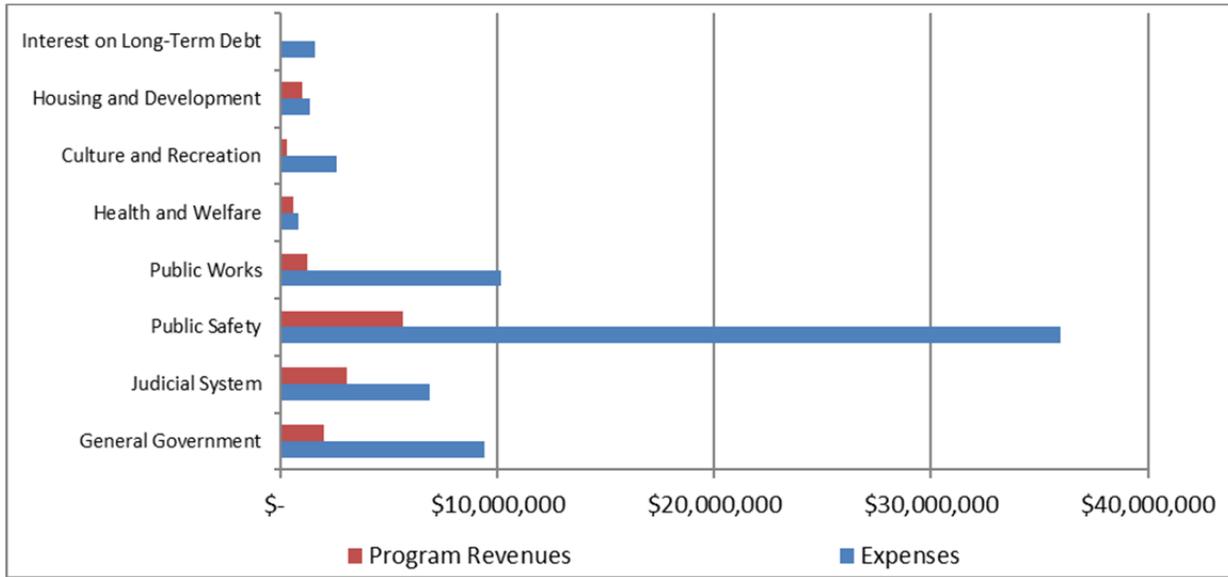
- The increase in expenses, year over year, includes a major impact as a result of the implementation of GASB 68 creating a pension asset in FY2015, thus reducing expenses in FY2015. However, in FY16, this pension asset was brought to normal levels, creating a swing in General Government between FY2015 and FY2016.
- An increase in expenses came from Public Works and Public Safety related to Capital Assets/Infrastructure and the associated depreciation expense.

FY2015 Net Position restatement was primarily due to the recognition of prior year defined contribution forfeitures, an adjustment to the beginning balance of Construction in Progress and an adjustment of accumulated depreciation in water meters. Pages 106 through 107 of the Notes provides more detail related to this change.

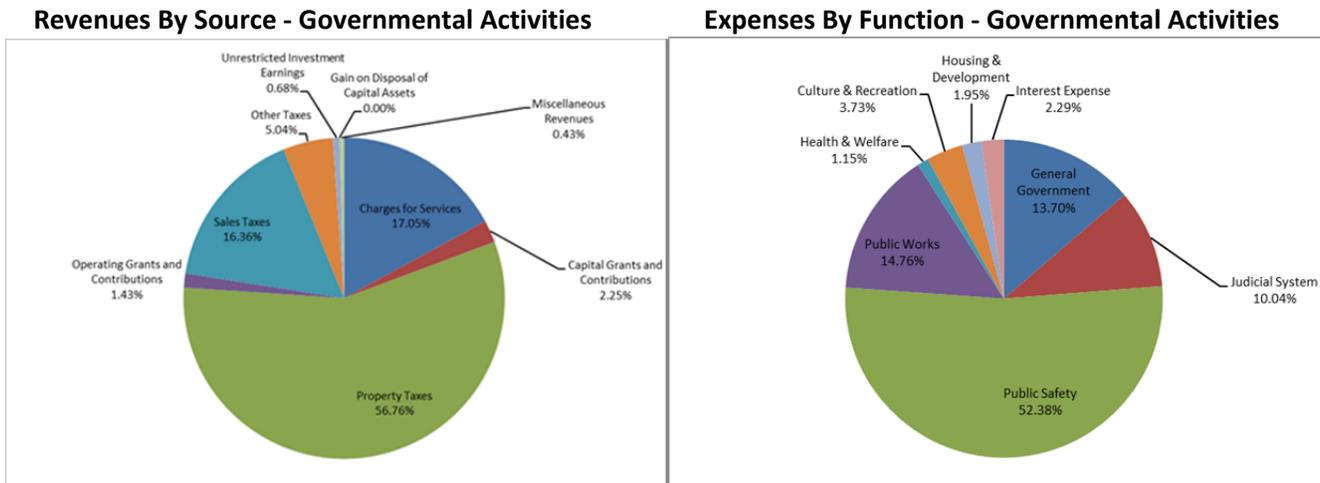
The chart provided below shows the relationship of functional expenses and the related program revenues that are generated to offset some of the expense of providing that service. Out of the \$68,700,483 in Total Governmental Activities Expenses for the 2016 fiscal year, \$13,719,011 is covered by Program Revenues. The remaining functional expenses of \$54,981,472 are funded through General Revenues such as taxes and interest income.

Functional Expenses and Program Revenues – Governmental Activities

As with any government, management attempts to achieve the right mix between revenue sources and services. While the intrinsic nature of certain services, such as recreational programs and building inspections, lends themselves to the assessment of user fees to offset the cost of delivering that service; others such as public safety functions and social programs do not.



The pie chart that follows shows the relative mix of revenues used to fund the County's *Governmental Activities* during the fiscal year ended June 30, 2016. As one might expect in the case of providing governmental services, the largest source is the Property Tax category. The second chart depicts the relative mix of functional expenses incurred by the *Governmental Activities*. Again, it comes as no real surprise that the largest expense of the County is the Public Safety function.



Business-Type Activities. A year over year increase in Net Position for the fiscal year ended June 30, 2016 of \$2,346,009 was attributable to the *Business-Type Activities*. In comparing the operating results between the two fiscal years, the key elements are discussed below:

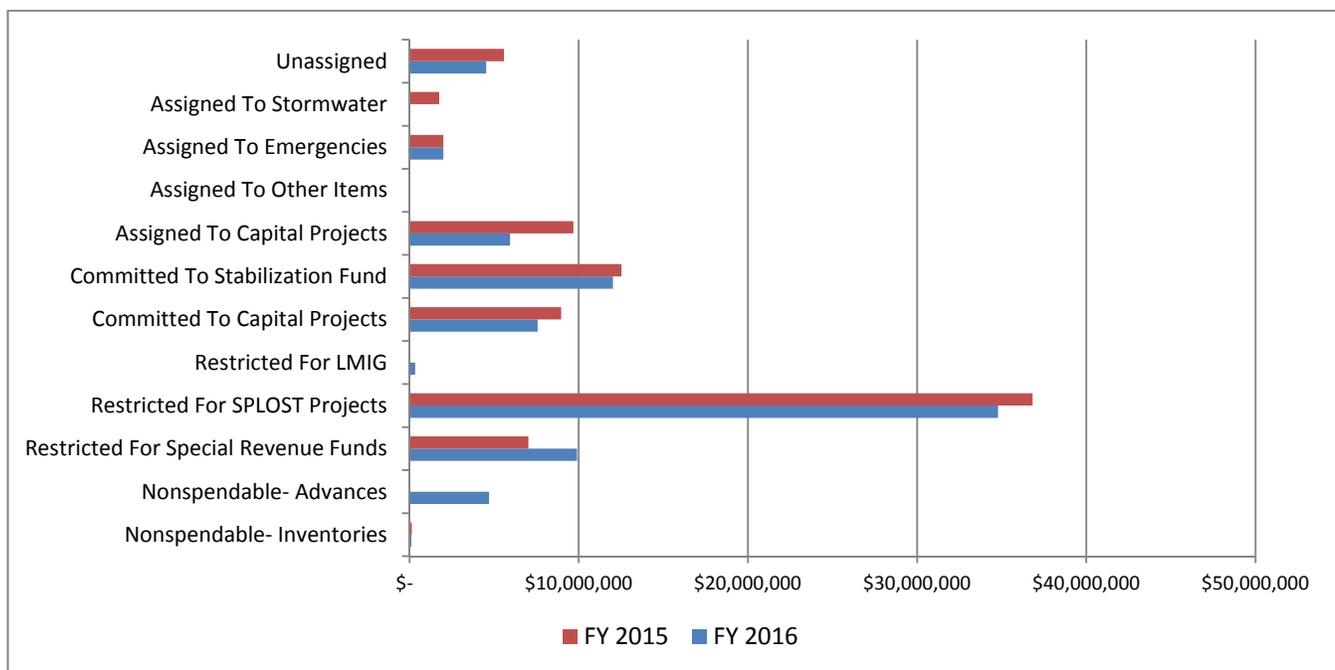
- The *Capital Grants and Contributions* category increased by \$1.5M compared to the previous fiscal year. The main reason for this increase was developer contributions for waterlines installed throughout Fayette County.
- Water Sales increased by 3% or approximately \$415,000. Revenue from the Leak Protection Program, implemented in FY2015, increased by 9% or \$135,000.

FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

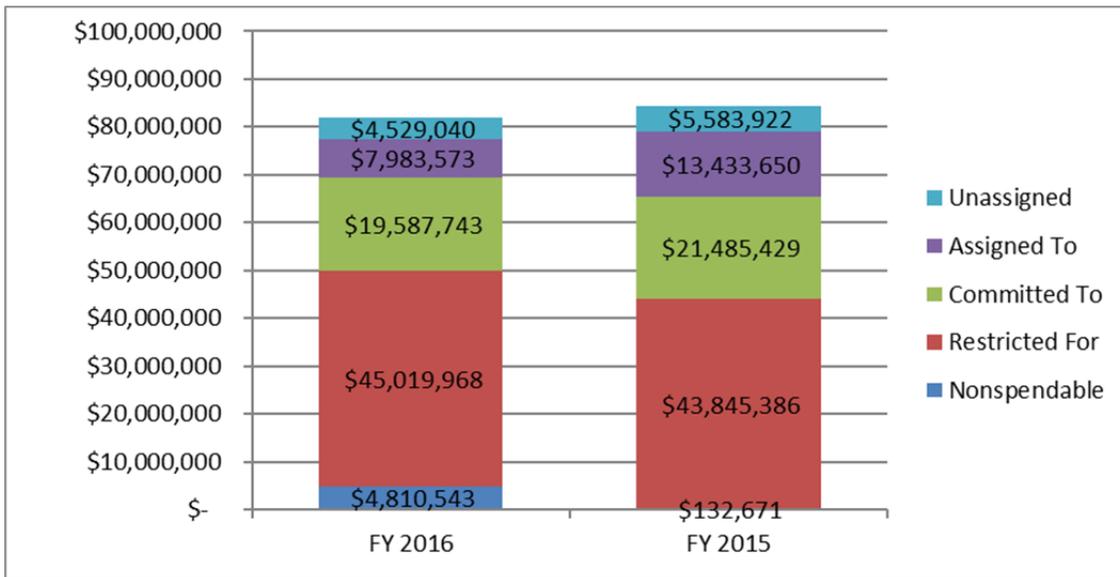
Governmental Funds. The focus of the *Governmental Funds* that the County uses is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information from a more short-term perspective is useful in assessing the County’s financing requirements. In particular, *Unassigned Fund Balance* of the General Fund may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year. It is, however, important to note that the *Unassigned Fund Balance* is not the same as cash and must be analyzed carefully to determine the actual amount of spendable resources. The same need for additional analysis is called for in regards to the *Restricted Fund Balance* for the Special Revenue Funds.

The following bar chart compares the fund balance information at June 30, 2015 and 2016. At the top of the chart is a comparison of the total for the two years. The items below “Total Fund Balance” provide an overview of how the various components of fund balance has changed as a result of the operating activity for the 2016 fiscal year. The discussion that immediately follows the chart will be helpful in understanding the underlying reasons for the increases or decreases in the particular data points.



As of June 30, 2016, Fayette County's *Governmental Funds* reported combined ending fund balances of \$81,930,867, a decrease of (\$2,550,191) or about (3.0%) percent in comparison with the previous fiscal year. There are specific spending patterns and budgetary decisions that are responsible for the net decrease. First, the fund balances of the two SPLOST Road Capital Projects Funds decreased by a total of \$2,037,832 during the period. While the County is no longer receiving any revenues from the 2005 Special Purpose Local Option Sales Tax (SPLOST) which expired in March of 2010, those tax receipts collected in previous fiscal years are being spent to construct those road improvement projects approved by the voters. Since this was a one-time revenue source dedicated to use for specific road construction projects, this trend for annual decreases in fund balance for these two SPLOST Capital Projects Funds will continue until the remaining funds of \$34,788,719 are exhausted.

Also, the excess of revenues over expenditures within the General Fund of \$1,538,348, along with the net transfers in/out of (\$3.6M) decreased fund balance by approximately \$2M. These transfers were used to provide funding for the 2017 Capital Improvement and Construction projects budget.



To gather a good understanding of the availability for appropriation in future periods or the “spendability” of the \$81,930,867 reported as *Governmental Funds* fund balance, it is critical to begin by reviewing its various components in the report. By doing so, the reader can ascertain what legal restrictions, previous commitments, or intended uses might be associated with the various fund balances. The chart above depicts these components.

In looking at the first item in the report, \$4,810,543 or 5.9% of the total is reported in the “*Nonspendable*” category. Of this \$4.8M, \$108,614 represents inventories that are considered current assets but are not in a spendable form. The remaining \$4,701,929 is categorized as Advances to the Stormwater Utility Fund as a loan to assist with expenditures related to Stormwater Projects. Thus, this amount is not available for appropriation. This Advance was not included in FY2015.

The aggregate amount for the “*Restricted For*” category is \$45,019,968 and comprises 55.0% of the total. The purpose of this category is to inform the reader that these balances carry specific legal

restrictions as to what they can be spent for in future periods. So in terms of availability, any future appropriation would have to meet the legal restrictions associated with that specific fund. This component comprises the fund balances of the Special Revenue Funds (i.e., \$9,903,217) which are legally restricted for certain programs or services based on each individual fund's revenue stream and the two SPLOST Road Capital Projects Funds (i.e., \$34,788,719) which are restricted by referendum to road construction expenditures.

The aggregate amount for the "*Committed To*" category is \$19,587,743 and comprises 23.9% of the total. This category represents the amount of fund balance that is not considered available for "new expenditures" since it has already been committed to a specific purpose by the Board of Commissioners. This component comprises the fund balances of the remaining Capital Projects Funds (i.e., \$7,567,210) which represents monies that the Board of Commissioners has committed to specific capital improvements, and a Stabilization Fund (\$12,020,533) that represents monies that the Board of Commissioners has committed to use as a working cash reserve balance in the General Fund. Since property tax revenues are not received until the middle of the fiscal year, these monies are needed to bridge the cash flow gap between expenditure outflows early in the fiscal year and revenue inflows which occur later in the operating period. To avoid the need for short-term borrowing, the Stabilization Fund was created by Board resolution and consequently these committed funds are not considered to be spendable. In terms of budgetary coverage for the General Fund, the Stabilization Fund is equal to three months of normal operating expenditures and transfers out.

The sum of the "*Assigned To*" category is \$7,983,573 or about 9.7% of the total amount. This category identifies existing limitations on the "availability" of fund balance for appropriation since a specific future use has already been formally identified. This component represents monies that the Board of Commissioners has assigned for future use in an emergency (\$2,000,000), and to provide a source of funding for the five-year capital improvements plan (\$5,937,148). There were also \$46,425 of encumbrances included in the "*Assigned To*" category.

The final component is the *Unassigned Fund Balance* for the General Fund. At June 30, 2016, the balance was \$4,529,040 which comprises 5.5% of the total. This is the amount that can be spent at the government's discretion in future periods.

Analysis of the Major Governmental Funds

General Fund: The General Fund is the chief operating fund of Fayette County. At June 30, 2016 and 2015 (restated), the *Total Fund Balance* of the General Fund was \$29,671,721 and \$31,677,649, respectively. The net change in the fund balance during the 2016 fiscal year was a decrease of (\$2,005,928) or (6.3%). This change includes an increase in revenues of \$1.2 million, an increase in expenditures of \$1.9 million and a decrease in other financing sources (uses) of approximately \$529,000 from the previous fiscal year.

FY2016 and FY2015 revenues are \$47,624,577 and \$46,411,167, respectively. The variance, year over year is approximately \$1.2 million. On the revenue side, the growth in the tax digest for Fayette County added \$300,000 in property taxes, while sales taxes increased by \$377,000 revenues. Other revenue categories showing increases included Intergovernmental revenues of \$179,000 and Charges for Services of \$314,000 providing a \$1.2M increase in revenues.

FY2016 expenditures of \$46,086,229 and FY2015 expenditures of \$44,190,178 varied, year over year, by a decrease of \$156,413, largely due to the fact that the County's Self-Insured Medical Program required no subsidies in FY2016.

The remaining variance year over year in other financing sources (uses) decreases totaled approximately \$529,000, which includes an increase in transfers out of \$137,000 to fund capital projects from the assigned capital project fund balance and an increase of transfers in, of \$685,000, to the General Fund Project Contingency reallocated from Road projects.

At June 30, 2016 and 2015, the *Unassigned Fund Balance* was \$4,529,040 and \$5,583,922, respectively representing a decrease of (\$1,054,882) or (18.9%).

As a measure of the liquidity of the General Fund, it is useful to compare both *the Unassigned Fund Balance* and *Total Fund Balance* to total fund expenditures. At June 30, 2016, *Unassigned Fund Balance* represents 9.8 percent of total General Fund expenditures; while *Total Fund Balance* represents 64.4 percent of that same amount.

Fire Services: The Fire Services Tax District Special Revenue Fund accounts for fire services that are provided to those residents living and businesses located within the tax district. The financing for the services accounted for in this fund primarily comes from a special tax levy and the insurance premium tax. This fund has a *Total Fund Balance* of \$3,487,580 at June 30, 2016, which represents an increase from the prior year of \$651,445 or 23.0%. The increase in fund balance can be traced to an increase in values related to the Tax Digest resulting in an increase in Property Taxes year over year. Again in measuring liquidity, *Total Fund Balance* for the Fire Services Fund represents 41.6 percent of its FY 2016 expenditures.

Emergency Medical Services (EMS): The EMS Tax District Special Revenue Fund accounts for emergency medical services provided to those residents living and businesses located within the tax district. The financing for the services accounted for in this fund also comes from a special tax levy. In addition to the property taxes, patient transport fees represent a significant source of funding for the provision of EMS services. This fund has a *Total Fund Balance* of \$1,736,633 at June 30, 2016, which represents an increase from the prior year of \$25,006 or 1.5%. The increase in fund balance is a combination of an increase in property values leading to an increase in Property Taxes and an increase in the transport revenues. Again in measuring liquidity, *Total Fund Balance* for the EMS Fund represents 59.5 percent of its FY 2016 expenditures.

County-Wide Roads SPLOST: The County-Wide Roads SPLOST Capital Projects Fund has a total fund balance of \$34,475,197 at June 30, 2016, which represents a decrease from the prior year of \$1,551,989 or 4.3%. The primary reasons for the decrease in fund balance is continued work on approved road

projects during the fiscal year coupled with the absence of a funding source because the SPLOST tax collection period ended in March of 2010. As noted previously, this downward trend in fund balance is expected to continue over the remaining life of the road SPLOST program.

Proprietary Funds. Fayette County's *Proprietary Funds* provide the same type of financial information found in the *Government-Wide Statements*, but in more detail. The *Total Net Position* for the three *Proprietary Funds* was \$84,012,600 at June 30, 2016 which represented an increase of \$2,346,009 from the previous year.

The *Unrestricted Net Position* of the Water System Enterprise Fund was \$321,213 June 30, 2016 which represented a decrease of \$7,993,721 compared to the previous year. The primary reason for this decrease was an increase in net investment in capital assets of \$6.3M and an increase in the funds restricted for debt service obligation of the revenue bonds of \$2.9M.

The *Total Net Position* for the Water System was \$81,228,007 at June 30, 2016 which represents an increase of \$1,900,950 during the 2016 fiscal year while Solid Waste and Stormwater had changes of (\$137,976) and \$583,035, respectively.

General Fund Budget

During Fiscal Year 2016, there was a net decrease of \$357,692 in expenditures (not including other financing uses) between the original and final amended budget. Besides the net effect of several minor budget adjustments, the major components of the difference between the original and final amended budget are as follows:

- A decrease of \$1,490,781 in expenditures of the Road Department for a grant related road project re-scheduled for FY2017 completion. The decrease in revenue identified below is related to this same project.
- An increase of \$512,731 in expenses related to the Judicial System and Courts. In particular, Judges – Court Reporters and Juvenile Court expenditures.
- An increase of \$115,061 for adjustments related to Recreation and Library.
- An increase of \$148,271 related to adjustments for legal fees.
- An increase of \$185,108 regarding expense related to Public Safety, specifically the Sheriff's Office.

On the revenue side not including other funding sources, the change in FY 2016 was a decrease of \$1,224,359. Besides the net effect of various minor budget adjustments, the major components of the revenue change are as follows:

- A decrease of \$745,600 for a Public Works related grant. This project was moved forward to FY2017 and the revenue is re-budgeted in FY2017.
- An adjustment to decrease LMIG revenue funding for \$641,047 during mid-year in order meet the requirements related to LMIG unearned revenue recognition.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. Fayette County’s investment in capital assets for its governmental and business-type activities as of June 30, 2016, amounts to \$230,819,520 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, roads, highways, bridges, improvements other than buildings, machinery and equipment, raw water reservoirs, and park facilities. The tabular information presented below provides a breakdown of capital asset balances by general classification and activity type as of June 30, 2016 and 2015.

FAYETTE COUNTY, GEORGIA'S CAPITAL ASSETS (Net of Depreciation)						
General Classification	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015
Land	\$ 12,704,859	\$ 12,664,041	\$ 20,623,552	\$ 20,599,802	\$ 33,328,411	\$ 33,263,843
Buildings and Structures	46,973,990	48,851,094	28,148,703	30,252,646	75,122,693	79,103,740
Infrastructure	30,666,052	32,024,095	45,591,807	45,358,842	76,257,859	77,382,937
Improvements Other than Buildings	4,960,634	5,247,754	6,836,559	5,301,738	11,797,193	10,549,492
Machinery and Equipment	7,228,995	5,329,907	2,301,194	2,328,711	9,530,189	7,658,618
Construction in Progress	17,133,122	15,529,952	7,650,053	3,249,387	24,783,175	18,779,339
Total Capital Assets	\$ 119,667,652	\$ 119,646,843	\$ 111,151,868	\$ 107,091,126	\$ 230,819,520	\$ 226,737,969

The total increase in the County’s investment in capital assets for the current fiscal year was \$4,081,551 or 1.8%. The increase can be further broken down into an increase of \$20,809 or 0.02% for the governmental activities and an increase of \$4,060,742 or 3.8% for the business-type activities.

The increase in investment in capital assets for Governmental Activities is primarily attributable to additional CIP projects in progress during FY2016. The increases were offset somewhat by the typical depreciation that occurs during the year. The majority of the increase for the Business-Type activities is associated with the capitalization of the Lake Peachtree Dredging project and the addition of several CIP projects in Water and Stormwater. The Stormwater projects are in large part a result of the flooding that occurred in December of 2015.

Additional information on Fayette County’s capital assets is provided in Note III. C. which can be found on pages 80 through 82 of this report.

Long-Term Debt. At the end of the current fiscal year, Fayette County had total bonded debt outstanding of \$80,375,000. This total represents a decrease of \$3,410,000 from the prior year. All of the outstanding bonds are revenue bonds which are secured by specified revenue sources. The bond debt as of June 30, 2016 and 2015 is shown in the following table.

FAYETTE COUNTY'S OUTSTANDING REVENUE BOND DEBT						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2015</u>
Revenue Bonds	\$33,475,000	\$35,260,000	\$46,900,000	\$48,525,000	\$80,375,000	\$83,785,000

The \$33,475,000 of debt shown in the Governmental Activities column represents the Fayette County Public Facilities Authority Revenue Bonds which were issued to construct the Criminal Justice Center and jail. The outstanding bonds are secured by a lease agreement with the County in which the annual installment payments on the purchase of the Criminal Justice Center and jail are equal to the annual debt service payments. At the original issue, the Public Facilities Authority Revenue Bonds received a rating of "Aa1" from Moody's Investors Service and a rating of "AA+" from Standard and Poor's.

The \$46,900,000 of debt shown in the Business-Type Activities column represents Fayette County Water Revenue Bonds which have been issued primarily for the purpose of constructing plants, storage tanks, raw water reservoirs and pipelines for the Water System, and the refunding of previous bond issues. The outstanding bonds are secured by a pledge of and lien on revenues derived by the County from the ownership and operation of the Water System. The Fayette County, Georgia Water Revenue Bonds have received a rating of "Aa2" from Moody's Investors Service and a rating of "AA" from Standard and Poor's.

In February 2015, Moody's upgraded Fayette County's bond rating to "Aaa" following Standard and Poor's upgrade to "AAA" in August 2014.

In October 2015, Standard and Poor's reaffirmed their "AA" rating for the Fayette County, Georgia Water Revenue Bonds.

Additional information on Fayette County's long-term debt is provided in Note III. F. which can be found on pages 84 through 90 of this report.

Economic Factors

National and local economies continue to show signs of stabilized growth. On the national level, the stock market is strong and employment rates are good. Locally, the real estate market is active with continued development and sales. Some important indicators of current economic conditions are:

- U.S. Department of Labor statistics indicate that the unemployment rate for the United States in June 2016 was 4.9 percent which represented a decrease of 0.4 percent from the June 2015 rate of 5.3 percent. Similarly, the jobless rate for the State of Georgia in June 2016 was 5.1 percent which was down 0.7 percent from the previous June. Fayette County's unemployment rate was 5.2 percent which is slightly above both the state and the national average.
- The Consumer Price Index (CPI) has increased by 0.9 percent from June 2015 to June 2016 according to the Bureau of Labor Statistics.
- According to the Georgia Department of Revenue, the Net Maintenance and Operation (M&O) Tax Digest for Fayette County increased by \$145,412,768 or 8.3 percent from January 1, 2014 to January 1, 2015. The increase from January 1, 2015 to January 1, 2016 was \$109,330,151 or 5.7 percent.

These economic factors were taken into consideration when preparing the County's budget for the 2017 fiscal year.

Next Year's Budget and Rates

During the current fiscal year, the *Unassigned Fund Balance* in the General Fund decreased from \$5,583,922 to \$4,529,040. For the upcoming 2017 fiscal year budget, under continuing improved economic conditions, the direction from the Board of Commissioners was to develop a balanced budget without the use of reserved fund balance thus avoiding the need to raise property taxes. In fact, the FY 2017 budget includes a rollback of the General Fund maintenance & operations millage rate. This was accomplished by focusing on continued cost containment.

The millage rates adopted for the various tax-supported Governmental Funds for fiscal years 2017 and 2016 are shown in the following table. A reduction to the General Fund maintenance and operations millage rate for the 2017 fiscal year budget was applied to eliminate any tax increase resulting from an increase in home value (known as the rollback rate), thus no change in the amount of taxes billed for General Fund operations.

<u>Governmental Fund</u>	MILLAGE RATES		NET CHANGE	
	<u>FY2017</u>	<u>FY2016</u>	<u>AMOUNT</u>	<u>PERCENT</u>
General Fund (M&O)	4.917	5.171	(0.254)	-4.91%
Fire Services	3.070	3.070	0.000	0.00%
Emergency Medical Services	0.456	0.456	0.000	0.00%
911 Communications	0.210	0.210	0.000	0.00%
Total for All Funds	8.653	8.907	(0.254)	-2.85%

For the 2017 fiscal year budget, there were no rate adjustments approved for any of the three Enterprise Funds.

Request for Information

This financial report is designed to provide a general overview of Fayette County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information can be obtained by accessing the County's website at fayettecountyga.gov, or by contacting the Finance Department at the following address and telephone number:

Fayette County Finance Department
140 Stonewall Avenue, West, Suite 101
Fayetteville, GA 30214
(770) 305-5413



Fayette
COUNTY

“WHERE QUALITY
IS A LIFESTYLE”

BASIC FINANCIAL STATEMENTS

Fayette County, Georgia
Statement of Net Position
June 30, 2016

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Development Authority	Public Health
ASSETS					
Cash and cash equivalents:					
Unrestricted	\$ 23,692,205	\$ 10,780,143	\$ 34,472,348	\$ 284,903	\$ 784,951
Restricted	738,210	14,225,307	14,963,517	640,545	-
Investments	58,701,823	-	58,701,823	-	680,096
Receivables (net of allowance for uncollectibles)	4,716,772	2,090,018	6,806,790	-	129,889
Internal balances	4,701,929	(4,701,929)	-		
Inventories	108,614	441,550	550,164	-	-
Prepaid items	68,089	29,028	97,117		
Net pension asset	1,040,579	108,597	1,149,176	-	-
Capital assets not being depreciated	29,837,981	28,273,605	58,111,586	-	-
Capital assets, net of accumulated depreciation	<u>89,829,671</u>	<u>82,878,263</u>	<u>172,707,934</u>	<u>166,186</u>	<u>27,989</u>
Total assets	<u>213,435,873</u>	<u>134,124,582</u>	<u>347,560,455</u>	<u>1,091,634</u>	<u>1,622,925</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	5,547,414	578,941	6,126,355	-	144,747
Deferred charges on bond refunding	<u>2,488,430</u>	<u>1,975,867</u>	<u>4,464,297</u>	-	-
Total deferred outflows of resources	<u>8,035,844</u>	<u>2,554,808</u>	<u>10,590,652</u>	-	<u>144,747</u>
 Total assets and deferred outflows of resources	 <u>221,471,717</u>	 <u>136,679,390</u>	 <u>358,151,107</u>	 <u>1,091,634</u>	 <u>1,767,672</u>

The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia
Statement of Net Position
June 30, 2016

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Development Authority	Public Health
LIABILITIES					
Accounts payable	1,740,549	2,138,384	3,878,933	642,957	43,917
Claims payable	581,751	-	581,751		
Salaries and benefits payable	1,840,404	180,570	2,020,974	-	-
Unearned revenue	487,748	87,900	575,648		
Accrued interest payable	112,811	373,411	486,222	-	-
Noncurrent liabilities:					
Due within one year	2,540,554	3,643,839	6,184,393	-	35,190
Due in more than one year	36,932,258	46,242,686	83,174,944	-	1,121,489
Total liabilities	<u>44,236,075</u>	<u>52,666,790</u>	<u>96,902,865</u>	<u>642,957</u>	<u>1,200,596</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	-	-	-	-	96,211
Total liabilities and deferred inflows of resources	<u>44,236,075</u>	<u>52,666,790</u>	<u>96,902,865</u>	<u>642,957</u>	<u>1,296,807</u>
NET POSITION					
Net investment in capital assets	86,967,976	63,456,395	150,424,371	166,186	27,989
Restricted for:					
Highways and streets	35,116,751	-	35,116,751	-	-
Special tax district services	5,429,442	-	5,429,442	-	-
Other purposes	4,473,775	-	4,473,775	-	787,219
Debt service	-	8,742,170	8,742,170	-	-
Renewal and extension	-	9,553,651	9,553,651	-	-
Unrestricted	45,247,698	2,260,384	47,508,082	282,491	(344,343)
Total net position	<u>\$ 177,235,642</u>	<u>\$ 84,012,600</u>	<u>\$ 261,248,242</u>	<u>\$ 448,677</u>	<u>\$ 470,865</u>

The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia
Balance Sheet
Governmental Funds
June 30, 2016

	General	Fire Services	Emergency Medical Services	County-Wide Roads SPLOST	Non-Major Governmental Funds	Total Governmental Funds
ASSETS:						
Cash and cash equivalents	\$ 1,608,299	\$ 1,703,657	\$ 1,376,131	\$ 9,669,216	\$ 6,967,819	\$ 21,325,122
Investments	23,048,220	2,068,666	-	24,812,884	5,661,962	55,591,732
Receivables (net of allowances for uncollectibles)	2,609,607	129,049	493,740	479,356	596,755	4,308,507
Advances to other funds	4,701,929	-	-	-	-	4,701,929
Inventories	108,614	-	-	-	-	108,614
Total assets	<u>\$ 32,076,669</u>	<u>\$ 3,901,372</u>	<u>\$ 1,869,871</u>	<u>\$ 34,961,456</u>	<u>\$ 13,226,536</u>	<u>\$ 86,035,904</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 890,041	\$ 6,801	\$ 16,983	\$ 6,903	\$ 567,623	\$ 1,488,351
Salary and benefits payable	1,307,729	341,509	101,536	-	89,630	1,840,404
Unearned revenue	8,392	-	-	479,356	-	487,748
Total liabilities	<u>2,206,162</u>	<u>348,310</u>	<u>118,519</u>	<u>486,259</u>	<u>657,253</u>	<u>3,816,503</u>
Deferred inflows of resources - Unavailable revenue	<u>198,786</u>	<u>65,482</u>	<u>14,719</u>	<u>-</u>	<u>9,547</u>	<u>288,534</u>
Fund balances:						
Nonspendable	4,810,543	-	-	-	-	4,810,543
Restricted	328,032	3,487,580	1,736,633	34,475,197	4,992,526	45,019,968
Committed	12,020,533	-	-	-	7,567,210	19,587,743
Assigned	7,983,573	-	-	-	-	7,983,573
Unassigned	4,529,040	-	-	-	-	4,529,040
Total fund balances	<u>29,671,721</u>	<u>3,487,580</u>	<u>1,736,633</u>	<u>34,475,197</u>	<u>12,559,736</u>	<u>81,930,867</u>
Total liabilities and fund balances	<u>\$ 32,076,669</u>	<u>\$ 3,901,372</u>	<u>\$ 1,869,871</u>	<u>\$ 34,961,456</u>	<u>\$ 13,226,536</u>	<u>\$ 86,035,904</u>

The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2016

Total fund balances - Governmental Funds \$ 81,930,867

Amounts for Governmental Activities on the Statement of Net Position are different because:

Capital assets used in Governmental Activities are not financial resources and therefore, are not reported as assets in Governmental Funds. 119,667,652

Prepaid expenses are reported on the consumption method and therefore are not reported in the Governmental Funds. 68,089

The net pension asset and related deferred inflows and outflows of resources are not due and payable in the current period and, therefore are not reported in the funds. 6,587,993

Property taxes that have been levied for the current and prior years and not collected within sixty days of the year-end are not available soon enough to pay for the current period's expenditures. Therefore, that portion of taxes receivable is reported as unavailable revenues in the Governmental Funds. 288,534

Internal Service Funds are used by management to charge the costs of certain employee insurance coverages and vehicle/equipment expenses to the individual funds. The assets and liabilities of the Internal Service Funds are included in the Governmental Activities in the Statement of Net Position.

Net position of the Internal Service Funds	\$ 9,133,937	
Less: Capital assets (included above)	<u>(3,945,237)</u>	5,188,700

Long-term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the Governmental Funds.

Revenue bonds payable	(33,475,000)	
Less: Deferred charges on refunding	2,488,430	
Add: Bond premium	(1,112,106)	
Compensated absences	(2,907,564)	
Early termination benefits	(387,933)	
Other postemployment benefits	(989,209)	
Accrued interest	<u>(112,811)</u>	<u>(36,496,193)</u>

Total net position - Governmental Activities \$ 177,235,642

The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	General	Fire Services	Emergency Medical Services	County-Wide Roads SPLOST	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:						
Taxes:						
Property	\$ 28,198,626	\$ 6,615,536	\$ 1,323,936	\$ -	\$ 1,370,245	\$ 37,508,343
Sales	10,812,469	-	-	12,872	5,517	10,830,858
Other	769,031	2,562,197	3,713	-	2,068	3,337,009
Licenses and permits	1,029,030	-	-	-	-	1,029,030
Intergovernmental	1,479,925	-	15,812	-	629,295	2,125,032
Charges for services	3,172,482	179,783	1,802,361	-	2,536,558	7,691,184
Fines and forfeitures	1,609,031	-	-	-	957,267	2,566,298
Investment earnings	323,599	22,614	672	262,874	50,603	660,362
Contributions and donations	14,232	-	-	-	5,000	19,232
Miscellaneous revenues	216,152	50,499	-	-	21,147	287,798
Total revenues	<u>47,624,577</u>	<u>9,430,629</u>	<u>3,146,494</u>	<u>275,746</u>	<u>5,577,700</u>	<u>66,055,146</u>
EXPENDITURES:						
Current:						
General government	8,840,870	-	-	-	-	8,840,870
Judicial system	5,296,961	-	-	-	590,735	5,887,696
Public safety	18,813,215	8,392,471	2,919,915	-	3,693,504	33,819,105
Public works	5,688,434	-	-	-	319,199	6,007,633
Health and welfare	782,510	-	-	-	-	782,510
Culture and recreation	2,080,220	-	-	-	-	2,080,220
Housing and development	1,320,363	-	-	-	-	1,320,363
Debt service:						
Principal retirement	1,785,000	-	-	-	-	1,785,000
Interest and fiscal charges	1,478,656	-	-	-	-	1,478,656
Capital outlay	-	-	-	1,188,189	3,777,454	4,965,643
Intergovernmental	-	-	-	639,546	2,819	642,365
Total expenditures	<u>46,086,229</u>	<u>8,392,471</u>	<u>2,919,915</u>	<u>1,827,735</u>	<u>8,383,711</u>	<u>67,610,061</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,538,348</u>	<u>1,038,158</u>	<u>226,579</u>	<u>(1,551,989)</u>	<u>(2,806,011)</u>	<u>(1,554,915)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	943,587	104,471	33,181	-	4,156,019	5,237,258
Transfers out	(4,499,015)	(496,184)	(234,754)	-	(1,018,733)	(6,248,686)
Sale of capital assets	11,152	5,000	-	-	-	16,152
Total other financing sources (uses)	<u>(3,544,276)</u>	<u>(386,713)</u>	<u>(201,573)</u>	<u>-</u>	<u>3,137,286</u>	<u>(995,276)</u>
Net change in fund balance	(2,005,928)	651,445	25,006	(1,551,989)	331,275	(2,550,191)
Fund balance, beginning of year, as restated	<u>31,677,649</u>	<u>2,836,135</u>	<u>1,711,627</u>	<u>36,027,186</u>	<u>12,228,461</u>	<u>84,481,058</u>
Fund balance, end of year	<u>\$ 29,671,721</u>	<u>\$ 3,487,580</u>	<u>\$ 1,736,633</u>	<u>\$ 34,475,197</u>	<u>\$ 12,559,736</u>	<u>\$ 81,930,867</u>

The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances
with the Statement of Activities
For the Fiscal Year Ended June 30, 2016

Net change in fund balances - total Governmental Funds \$ (2,550,191)

Amounts for Governmental Activities on the Statement of Activities are different because:

Governmental Funds report capital outlays as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

	Capital outlay	\$ 8,289,798	
	Depreciation expense	<u>(8,047,047)</u>	242,751

The net effect of various transactions involving capital assets (i.e., sales , trade-ins and donations) is to decrease Net Position. (1,537,447)

Internal Service Funds are used by management to charge the costs of certain employee insurance coverages and vehicle/equipment expenses to the individual funds. The Net revenue of certain activities of Internal Service Funds is reported with Governmental Activities. (291,333)

Prepaid expenses are reported on the purchases method in Governmental Funds but are reported as consumed in the Statement of Net Position (14,529)

Property taxes that have been levied for the current and prior years and not collected within sixty days of year-end are not considered "available" revenues and are considered to be unearned revenues in the Governmental Funds. This item decreased by this amount from the prior year. 63,970

In the Statement of Activities, certain payroll related expenses are measured by the amounts that are earned during the year. However in the Governmental Funds, expenditures for these items are recorded as financial resources used to compensate the employee during the fiscal year. The detail of changes in these accrued expenses from the prior year is as follows:

	Compensated absences	(39,060)	
	Early termination benefits	(64,742)	
	Other post employment benefits	<u>249,431</u>	145,629

Changes in the net pension asset shown in the Statement of Net Position are not recognized in the Governmental Funds since current financial resources are used in the creation of the asset. (291,982)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in Governmental Funds. Accrued interest payable on the long-term debt represents this difference. 4,243

The issuance of long-term debt provides current financial resources to Governmental Funds, while the repayment of the principal of long-term debt consumes the financial resources of Governmental Funds. Neither transaction, however, has any effect on net position. Also, Governmental Funds report the effect of premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The detail of the effect of these differences in the treatment of long-term debt and related items is as follows:

	Repayment of bond principal	1,785,000	
	Deferred charges amortization	(177,745)	
	Bond premium amortization	<u>79,449</u>	<u>1,686,704</u>

Change in net position of Governmental Activities \$ (2,542,185)

The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 40,315,300	\$ 40,315,300	\$ 39,780,126	\$ (535,174)
Licenses and permits	1,084,800	1,084,800	1,029,030	(55,770)
Intergovernmental	2,602,759	1,346,138	1,479,925	133,787
Charges for services	3,036,027	3,036,027	3,172,482	136,455
Fines and forfeitures	1,382,000	1,382,000	1,609,031	227,031
Investment earnings	275,000	275,000	323,599	48,599
Contributions and donations	2,000	2,000	14,232	12,232
Miscellaneous revenues	179,400	211,662	216,152	4,490
Total revenues	<u>48,877,286</u>	<u>47,652,927</u>	<u>47,624,577</u>	<u>(28,350)</u>
EXPENDITURES:				
Current:				
General government:				
Commissioners	491,181	495,370	430,056	65,314
Administration	341,726	349,954	348,678	1,276
Elections	674,584	707,768	663,595	44,173
Finance	1,157,488	1,190,581	1,133,127	57,454
Purchasing	201,961	207,388	204,934	2,454
Law department	255,600	403,871	403,871	-
Information systems	1,043,258	1,068,896	1,011,988	56,908
Human resources	414,401	423,825	401,063	22,762
Tax commissioner	1,080,285	1,101,121	1,089,008	12,113
Tax assessor	957,846	919,306	903,760	15,546
Buildings & grounds maintenance	1,576,543	1,610,670	1,574,489	36,181
Engineering office	239,836	246,147	205,824	40,323
Non-departmental	541,017	471,588	470,477	1,111
Total general government	<u>8,975,726</u>	<u>9,196,485</u>	<u>8,840,870</u>	<u>355,615</u>
Judicial system:				
Judges, court reporter	83,140	381,636	377,889	3,747
Clerk of superior court	1,322,311	1,349,053	1,319,408	29,645
District attorney	341,522	350,864	329,333	21,531
Clerk of state court	282,501	295,666	295,666	-
State court solicitor	597,525	641,774	619,376	22,398
State court judge	356,852	350,156	349,326	830
Magistrate court	434,264	440,880	436,602	4,278
Probate court	360,147	366,820	358,934	7,886
Juvenile court	430,186	524,868	496,622	28,246
Public defender	484,974	486,374	486,069	305
Non-departmental	232,335	250,397	227,736	22,661
Total judicial system	<u>4,925,757</u>	<u>5,438,488</u>	<u>5,296,961</u>	<u>141,527</u>

Continued on next page

The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Public safety:				
Sheriff's office	16,937,148	17,079,310	17,076,584	2,726
County coroner	92,213	98,333	98,332	1
Animal control	359,781	367,298	354,311	12,987
Emergency management	341,814	350,056	323,109	26,947
Non-departmental	939,813	960,880	960,879	1
Total public safety	<u>18,670,769</u>	<u>18,855,877</u>	<u>18,813,215</u>	<u>42,662</u>
Public works:				
Public works administration	144,919	148,844	147,600	1,244
Road department	6,432,795	4,942,014	4,561,557	380,457
Stormwater management	476,225	503,668	455,761	47,907
Fleet maintenance	599,199	618,355	523,516	94,839
Total public works	<u>7,653,138</u>	<u>6,212,881</u>	<u>5,688,434</u>	<u>524,447</u>
Health and welfare:				
Physical health	283,020	283,020	282,747	273
Fayette counseling center	125,380	125,380	125,380	-
Family and children services	39,325	39,325	39,325	-
Fayette community options	59,270	59,270	59,270	-
Fayette family connection	45,000	46,000	46,000	-
Senior citizens center	219,556	219,556	210,045	9,511
Youth protection	19,743	19,743	19,743	-
Total health and welfare	<u>791,294</u>	<u>792,294</u>	<u>782,510</u>	<u>9,784</u>
Culture and recreation:				
Recreation	1,109,431	1,206,045	1,070,231	135,814
Library	1,027,651	1,046,098	1,009,989	36,109
Total culture and recreation	<u>2,137,082</u>	<u>2,252,143</u>	<u>2,080,220</u>	<u>171,923</u>
Housing and development:				
County extension	134,320	135,277	129,661	5,616
Georgia forestry commission	3,336	3,336	3,336	-
Permits and inspections	573,199	609,126	591,017	18,109
Planning and zoning	381,545	391,311	357,942	33,369
Development authority	237,152	238,408	238,407	1
Total housing and development	<u>1,329,552</u>	<u>1,377,458</u>	<u>1,320,363</u>	<u>57,095</u>

Continued on Next Page

The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Debt service:				
Principal retirement	1,785,000	1,785,000	1,785,000	-
Interest and fiscal charges	1,478,717	1,478,717	1,478,656	61
Total debt service	<u>3,263,717</u>	<u>3,263,717</u>	<u>3,263,656</u>	<u>61</u>
Total expenditures	<u>47,747,035</u>	<u>47,389,343</u>	<u>46,086,229</u>	<u>1,303,114</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,130,251</u>	<u>263,584</u>	<u>1,538,348</u>	<u>1,274,764</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	825,830	943,587	943,587	-
Transfers out	(4,513,403)	(4,499,015)	(4,499,015)	-
Sale of capital assets	-	-	11,152	11,152
Total other financing sources (uses)	<u>(3,687,573)</u>	<u>(3,555,428)</u>	<u>(3,544,276)</u>	<u>11,152</u>
Net change in fund balance	<u>\$ (2,557,322)</u>	<u>\$ (3,291,844)</u>	(2,005,928)	<u>\$ 1,285,916</u>
Fund balance, beginning of year, as restated			<u>31,677,649</u>	
Fund balance, end of year			<u>\$ 29,671,721</u>	

The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia
Fire Services Tax District Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Taxes:				
Property	\$ 6,582,000	\$ 6,582,000	\$ 6,615,536	\$ 33,536
Other	2,367,000	2,367,000	2,562,197	195,197
Charges for services	155,000	155,000	179,783	24,783
Investment earnings	10,000	10,000	22,614	12,614
Contributions and donations	250	250	-	(250)
Miscellaneous revenues	43,000	43,000	50,499	7,499
	<u>9,157,250</u>	<u>9,157,250</u>	<u>9,430,629</u>	<u>273,379</u>
EXPENDITURES:				
Current -				
Public Safety -				
Fire services	8,467,242	8,573,985	8,392,471	181,514
	<u>8,467,242</u>	<u>8,573,985</u>	<u>8,392,471</u>	<u>181,514</u>
Excess of revenues over expenditures	<u>690,008</u>	<u>583,265</u>	<u>1,038,158</u>	<u>454,893</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	83,943	104,471	104,471	-
Transfers out	(496,184)	(496,184)	(496,184)	-
Sale of capital assets	-	-	5,000	5,000
	<u>(412,241)</u>	<u>(391,713)</u>	<u>(386,713)</u>	<u>5,000</u>
Net change in fund balance	<u>\$ 277,767</u>	<u>\$ 191,552</u>	651,445	<u>\$ 459,893</u>
Fund balance, beginning of year			<u>2,836,135</u>	
Fund balance, end of year			<u>\$ 3,487,580</u>	

The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia
Emergency Medical Services (EMS) Tax District Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	<u>Budgeted</u>	<u>Amounts</u>	<u>Actual</u>	<u>Variance With</u>
REVENUES:	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Taxes:				
Property	\$ 1,334,000	\$ 1,334,000	\$ 1,323,936	\$ (10,064)
Other	5,000	5,000	3,713	(1,287)
Intergovernmental	-	15,812	15,812	-
Charges for services	1,933,000	1,933,000	1,802,361	(130,639)
Investment earnings	250	250	672	422
	<u>3,272,250</u>	<u>3,288,062</u>	<u>3,146,494</u>	<u>(141,568)</u>
Total revenues				
	<u>3,272,250</u>	<u>3,288,062</u>	<u>3,146,494</u>	<u>(141,568)</u>
EXPENDITURES:				
Current -				
Public Safety -				
Emergency medical services	2,984,565	3,028,228	2,919,915	108,313
	<u>2,984,565</u>	<u>3,028,228</u>	<u>2,919,915</u>	<u>108,313</u>
Total expenditures	<u>2,984,565</u>	<u>3,028,228</u>	<u>2,919,915</u>	<u>108,313</u>
Excess of revenues over expenditures	<u>287,685</u>	<u>259,834</u>	<u>226,579</u>	<u>(33,255)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	33,181	33,181	33,181	-
Transfers out	(234,754)	(234,754)	(234,754)	-
	<u>(201,573)</u>	<u>(201,573)</u>	<u>(201,573)</u>	<u>-</u>
Total other financing sources (uses)	<u>(201,573)</u>	<u>(201,573)</u>	<u>(201,573)</u>	<u>-</u>
Net change in fund balance	<u>\$ 86,112</u>	<u>\$ 58,261</u>	25,006	<u>\$ (33,255)</u>
Fund balance, beginning of year			<u>1,711,627</u>	
Fund balance, end of year			<u>\$ 1,736,633</u>	

The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water System	Non-Major Enterprise Funds	Total	
ASSETS				
Current assets:				
Cash and cash equivalents:				
Unrestricted	\$ 4,373,247	\$ 6,406,896	\$ 10,780,143	\$ 2,176,048
Restricted	14,225,307	-	14,225,307	738,210
Cash with fiscal agent	-	-	-	191,035
Investments	-	-	-	3,110,091
Accounts receivable, net of allowance	1,825,946	264,072	2,090,018	408,265
Inventories	441,550	-	441,550	-
Prepaid items	29,028	-	29,028	-
Total current assets	<u>20,895,078</u>	<u>6,670,968</u>	<u>27,566,046</u>	<u>6,623,649</u>
Noncurrent assets:				
Capital assets:				
Land	20,607,035	16,517	20,623,552	-
Construction in progress	7,071,396	578,657	7,650,053	-
Buildings and structures	58,485,148	158,499	58,643,647	-
Infrastructure	90,038,995	161,941	90,200,936	-
Improvements	17,039,782	120,170	17,159,952	-
Machinery, equipment and vehicles	10,799,069	210,445	11,009,514	16,258,134
Less: accumulated depreciation	<u>(93,734,979)</u>	<u>(400,807)</u>	<u>(94,135,786)</u>	<u>(12,312,897)</u>
Total capital assets (net of accumulated depreciation)	<u>110,306,446</u>	<u>845,422</u>	<u>111,151,868</u>	<u>3,945,237</u>
Other assets -				
Net pension asset	<u>107,563</u>	<u>1,034</u>	<u>108,597</u>	<u>-</u>
Total noncurrent assets	<u>110,414,009</u>	<u>846,456</u>	<u>111,260,465</u>	<u>3,945,237</u>
Total assets	<u>131,309,087</u>	<u>7,517,424</u>	<u>138,826,511</u>	<u>10,568,886</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	573,427	5,514	578,941	-
Deferred charges on bond refunding	<u>1,975,867</u>	<u>-</u>	<u>1,975,867</u>	<u>-</u>
Total deferred outflows of resources	<u>2,549,294</u>	<u>5,514</u>	<u>2,554,808</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water System	Non-Major Enterprise Funds	Total	
LIABILITIES				
Current liabilities:				
Accounts payable	2,101,968	36,416	2,138,384	252,198
Claims payable	-	-	-	581,751
Salaries and benefits payable	180,570	-	180,570	-
Early termination benefits	21,581	-	21,581	-
Advances from other funds	-	4,701,929	4,701,929	-
Compensated absences	47,258	-	47,258	-
Unearned revenue	87,900	-	87,900	-
Accrued interest payable	373,411	-	373,411	-
Revenue bonds payable - current	3,575,000	-	3,575,000	-
Total current liabilities	<u>6,387,688</u>	<u>4,738,345</u>	<u>11,126,033</u>	<u>833,949</u>
Noncurrent liabilities:				
Compensated absences	128,780	-	128,780	-
Early termination benefits	17,566	-	17,566	-
Certificates of participation	-	-	-	601,000
Bonds payable (net of discounts and premiums)	46,096,340	-	46,096,340	-
	<u>46,242,686</u>	<u>-</u>	<u>46,242,686</u>	<u>601,000</u>
Total liabilities	<u>52,630,374</u>	<u>4,738,345</u>	<u>57,368,719</u>	<u>1,434,949</u>
NET POSITION				
Net investment in capital assets	62,610,973	845,422	63,456,395	3,344,237
Restricted for:				
Debt service	8,742,170	-	8,742,170	-
Renewal and construction	9,553,651	-	9,553,651	-
Unrestricted	321,213	1,939,171	2,260,384	5,789,700
Total net position	<u>\$ 81,228,007</u>	<u>\$ 2,784,593</u>	<u>\$ 84,012,600</u>	<u>\$ 9,133,937</u>

The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water System	Non-Major Enterprise Funds	Total	
Operating Revenues:				
Charges for sales and services:				
Water sales	\$ 15,846,990	\$ -	\$ 15,846,990	\$ -
Solid waste fees	-	70,010	70,010	-
Stormwater fees	-	614,053	614,053	-
Other services	-	-	-	8,085,167
Miscellaneous	-	-	-	-
Total operating revenues	<u>15,846,990</u>	<u>684,063</u>	<u>16,531,053</u>	<u>8,085,167</u>
Operating Expenses:				
Costs of sales and services	4,556,315	239,784	4,796,099	8,230,273
Administration	3,551,398	23,505	3,574,903	501,223
Depreciation	5,489,061	17,211	5,506,272	764,089
Total operating expenses	<u>13,596,774</u>	<u>280,500</u>	<u>13,877,274</u>	<u>9,495,585</u>
Operating income (loss)	<u>2,250,216</u>	<u>403,563</u>	<u>2,653,779</u>	<u>(1,410,418)</u>
Nonoperating Revenues (Expenses):				
Interest income	19,052	68	19,120	56,945
Interest expense	(1,878,711)	-	(1,878,711)	(2,229)
Gain on disposal of capital assets	(1,425)	-	(1,425)	70,704
Other expense	(145,063)	-	(145,063)	-
Total nonoperating revenues (expenses)	<u>(2,006,147)</u>	<u>68</u>	<u>(2,006,079)</u>	<u>125,420</u>
Income (loss) before contributions and transfers	244,069	403,631	647,700	(1,284,998)
Capital contributions	1,656,881	-	1,656,881	23,665
Transfers in	-	54,618	54,618	970,000
Transfers out	-	(13,190)	(13,190)	-
Change in net position	<u>1,900,950</u>	<u>445,059</u>	<u>2,346,009</u>	<u>(291,333)</u>
Total net position - beginning, as restated	<u>79,327,057</u>	<u>2,339,534</u>	<u>81,666,591</u>	<u>9,425,270</u>
Total net position - ending	<u>\$ 81,228,007</u>	<u>\$ 2,784,593</u>	<u>\$ 84,012,600</u>	<u>\$ 9,133,937</u>

The accompanying notes are an integral part of these financial statements

Fayette County, Georgia
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water System	Non-Major Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 16,143,587	\$ 687,251	\$ 16,830,838	\$ 1,947,462
Receipts from interfund services provided	-	-	-	5,729,440
Payments to suppliers	(5,789,512)	(220,611)	(6,010,123)	(8,507,183)
Payments to employees	(3,317,036)	(31,297)	(3,348,333)	-
Net cash provided (used) by operating activities	<u>7,037,039</u>	<u>435,343</u>	<u>7,472,382</u>	<u>(830,281)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in from other funds	-	54,618	54,618	970,000
Transfers out to other funds	-	(13,190)	(13,190)	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>41,428</u>	<u>41,428</u>	<u>970,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from issuance of revenue bonds	16,635,000		16,635,000	
Principal paid on revenue bonds	(18,260,000)	-	(18,260,000)	-
Interest paid on revenue bonds	(3,835,794)	-	(3,835,794)	-
Bond issuance costs	(145,063)	-	(145,063)	-
Interest paid on certificates of participation	-	-	-	(2,229)
Advances from other funds for capital purchases	-	4,701,929	4,701,929	-
Acquisition and construction of capital assets	(7,417,593)	(493,965)	(7,911,558)	(1,816,695)
Proceeds from sale of capital assets	-	-	-	70,704
Net cash provided (used) by capital and related financing activities	<u>(13,023,450)</u>	<u>4,207,964</u>	<u>(8,815,486)</u>	<u>(1,748,220)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	19,052	68	19,120	56,945
Purchase of investments	-	-	-	(29,787)
Net cash provided by investing activities	<u>19,052</u>	<u>68</u>	<u>19,120</u>	<u>27,158</u>
Net increase (decrease) in cash and cash equivalents	(5,967,359)	4,684,803	(1,282,556)	(1,581,343)
Cash and cash equivalents at beginning of year	<u>24,565,913</u>	<u>1,722,093</u>	<u>26,288,006</u>	<u>4,686,636</u>
Cash and cash equivalents at end of year	<u>\$ 18,598,554</u>	<u>\$ 6,406,896</u>	<u>\$ 25,005,450</u>	<u>\$ 3,105,293</u>

Continued on next page

The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Water System</u>	<u>Non-Major Enterprise Funds</u>	<u>Total</u>	
Reconciliation of Operating Income (Loss) to Net Cash Flows Provided by Operating Activities:				
Operating income (loss)	\$ 2,250,216	\$ 403,563	\$ 2,653,779	\$ (1,410,418)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	5,489,061	17,211	5,506,272	764,089
Decrease (increase) in assets:				
Accounts receivable	(286,597)	10,283	(276,314)	(408,265)
Interest receivable	-	15	15	-
Inventory	(31,630)	-	(31,630)	-
Prepaid items	5,613	-	5,613	6,750
Pension related items	108,894	7,283	116,177	-
Increase (decrease) in liabilities:				
Accounts payable	(528,965)	(56)	(529,021)	(24)
Salaries and benefits payable	8,851	(1,716)	7,135	-
Compensated absences	(4,174)	(1,240)	(5,414)	-
Early termination benefits	15,770	-	15,770	-
Unearned revenue	10,000	-	10,000	-
Claims payable	-	-	-	217,587
Total adjustments	4,786,823	31,780	4,818,603	580,137
Net cash provided (used) by operating activities	<u>\$ 7,037,039</u>	<u>\$ 435,343</u>	<u>\$ 7,472,382</u>	<u>\$ (830,281)</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

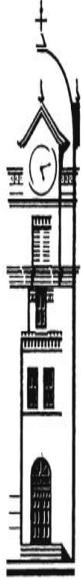
Contributions of capital assets	<u>\$ 1,656,881</u>	<u>\$ -</u>	<u>\$ 1,656,881</u>	<u>\$ 23,665</u>
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The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2016

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 6,182,553
Due from other governments	1,215
Taxes receivable	3,067,396
Total assets	\$ 9,251,164
 LIABILITIES	
Due to others	\$ 8,934,910
Tax protest / bankruptcy / tax sale	316,254
Total liabilities	\$ 9,251,164

The accompanying notes are an integral part of these financial statements.



Fayette
COUNTY

“WHERE QUALITY
IS A LIFESTYLE”

NOTES TO THE FINANCIAL STATEMENTS

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2016

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Fayette County, Georgia
Notes to the Financial Statements
June 30, 2016

NOTE I. – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Fayette County, Georgia (the “County” or the “Government”) was established in 1821 and is a body corporate and politic organized and existing under the Constitution and laws of the State of Georgia. The County operates under a Board of Commissioners – County Administrator form of government and provides the following services as authorized by its charter: Public Safety, Public Works, Culture, Recreation, Community Services and other General Government Services.

The governing authority of the County is a Board of Commissioners, consisting of five part-time members, who serve for four-year staggered terms. The Board appoints the County Administrator, who serves as the County’s chief administrative officer. The County Administrator is responsible for the daily operations of all County functions in accordance with the policies of the Board of Commissioners.

The financial statements of Fayette County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The accompanying financial statements present the County and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the County’s operations, and their financial information is aggregated and presented as a component of the appropriate County’s operations. Each discretely presented component unit is reported in a separate column in the Government-Wide Statements (see note below for description) to emphasize that it is legally separate from the County. In terms of the consistency of the financial information being reported, each of the component units also has a fiscal year ending June 30.

Blended Component Unit. The Fayette County Public Facilities Authority is governed by a three-member board appointed by the County’s Board of Commissioners. Although it is legally separate from the County Government, the Public Facilities Authority is reported in the financial statements as if it were part of the primary government because it serves as a financial conduit for debt issued to construct and/or maintain public buildings and related projects. The financial activity of this Authority is reported within the General Capital Projects Fund, a nonmajor governmental fund. Bond payments are paid from the general fund. No separate financial statements are issued by the Fayette County Public Facilities Authority.

Discretely Presented Component Units. The Fayette County Development Authority is responsible for promoting industrial and commercial development within Fayette County. The Board of Commissioners appoints the members of the Development Authority’s governing board to staggered terms. The Development Authority is responsible for adopting its own annual budget and making its

own operating decisions. However, Fayette County does provide substantial financial support each year and has contractually obligated itself to use its taxing power to guarantee the repayment of principal and interest on certain industrial revenue bonds issued by the Development Authority. The Fayette County Development Authority is presented as a governmental fund type.

The Fayette County Department of Public Health is responsible for providing environmental and physical health services to the citizens of Fayette County. The Board of Commissioners appoints the majority of the members of the Department of Public Health's governing board. The Board of Commissioners reviews the proposed annual budget of the Health Department and makes a decision as to the County's funding contribution level for each fiscal year.

The County also provides this entity with free office space at the Stonewall Village Administrative Complex. The Fayette County Department of Public Health is presented as a governmental fund type. Complete financial statements for each of the individual component units can be obtained at the entity's administrative office. Their addresses are shown below:

Fayette County Development Authority
200 Courthouse Square
Fayetteville, Georgia 30214

Fayette County Department of Public Health
140 Stonewall Avenue, W., Suite 107
Fayetteville, Georgia 30214

B. Government-Wide and Fund Financial Statements

The Government-Wide Financial Statements (i.e., the "Statement of Net Position" and the "Statement of Activities") report information on all of the nonfiduciary activities of the primary government and its component units. In these Statements, *Governmental Activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *Business-Type Activities*, which rely to a significant extent on fees and charges for support. Likewise in terms of presentation, the *Primary Government* (i.e., County and its blended component unit) is reported separately from certain legally separate *Component Units* (i.e., the Discretely Presented Component Units), for which the Primary Government is financially accountable.

The Statement of Activities demonstrates the degree to which the *Direct Expenses* of a given function or segment is offset by *Program Revenues*. *Direct Expenses* represent those expenses that are clearly identifiable with a specific function or segment of operations. *Program Revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among Program Revenues are reported instead as *General Revenues*.

Separate financial statements are provided for the Governmental Funds, Proprietary Funds, and Fiduciary Funds, even though the latter are excluded from the Government-Wide Financial Statements. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. These statements display information about major funds individually and non-major funds in the aggregate. The Fiduciary Fund statements

include financial information for the agency funds. These funds represent assets held by the County in a custodial capacity for individuals or other governments.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Government-Wide Financial Statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Proprietary Fund and Fiduciary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. In these statements, revenues are recognized when susceptible to accrual (i.e., when they are considered to be both “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible with the current period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, Fayette County considers all revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early termination benefits, other postemployment benefits, and claims and judgments, are recorded only when payment is due and the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, franchise taxes, licenses, and interest that are associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales taxes collected and held by the State of Georgia Department of Revenue at year-end on behalf of the County are also recognized as revenue. Entitlements and shared revenues are recorded at the time of receipt or earlier if susceptible to accrual criteria. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the County and are recognized as revenue at that time.

In terms of understanding the information being presented on the various financial statements, there are some important differences to consider. For example, amounts paid to acquire or construct capital assets are capitalized as *Assets* in the Government-Wide Financial Statements; however, these amounts are reported as an *Expenditure* in the Governmental Fund Financial Statements. Proceeds of long-term debt are recorded as *Liabilities* in the Government-Wide Financial Statements but they are reported as an *Other Financing Source* in the Governmental Fund Financial Statements. Also, amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of *Liabilities* in the Government-Wide Financial Statements but as a *Debt Service Expenditure* in the Governmental Fund Financial Statements.

The Government reports the following Major Governmental Funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Fire Services Tax District Special Revenue Fund* is used to account for those expenditures incurred to provide fire protection services to those citizens and businesses in the County not being served by the Peachtree City or Fayetteville Fire Departments. Revenues to fund this public safety activity are derived principally from a separate tax levy on those property owners located in the Fire Services Special Tax District.

The *Emergency Medical Services (EMS) Tax District Special Revenue Fund* is used to account for those expenditures incurred to provide emergency medical services to those citizens and businesses in the County not being served by the Peachtree City Emergency Medical Services Department. A portion of the revenues used to fund this public safety activity are derived from a separate tax levy on those property owners located in the EMS Special Tax District. Ambulance transport fees are also dedicated sources of revenue for the provision of this service.

The *County-Wide Roads SPLOST Capital Projects Fund* is used to account for a segment of the revenues and expenditures associated with the 1% Special Purpose Local Option Sales Tax (SPLOST) passed by voter referendum on November 2, 2004 for the construction of roads, streets, and bridges. This Capital Projects Fund is used to record the financial activity from 70% of the SPLOST proceeds that were earmarked for projects considered to provide a county-wide benefit.

The Government reports the following Major Proprietary Fund:

The *Water System Fund* accounts for the activities of the County's water system operations. The Water System provides potable water services to approximately 29,000 customers in the unincorporated County and in Peachtree City, Tyrone, Woolsey and Brooks.

Additionally, the government reports the following fund types:

Internal Service Funds account for operations that provide services to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis. The County uses the following Internal Service Funds: Worker's Compensation, Dental and Vision, Major Medical Self-Insurance Funds, and a Vehicle Replacement Fund.

Fiduciary Fund reporting focuses on net position. The County's fiduciary funds include agency funds. Agency funds represent the activities of the Tax Commissioner, Sheriff's Office, Superior Court, State Court, Magistrate Court, Juvenile Court, Probate Court and Griffin Judicial Circuit.

As a general rule, the effect of interfund activity has been eliminated from the Government-Wide Financial Statements. Exceptions to this general rule are charges between the Government's Water System, the Stormwater Utility function and various other functions of the Government. Elimination of these charges would distort the *Direct Expenses* and *Program Revenues* reported for the various functions concerned.

Amounts reported as *Program Revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *General Revenues* rather than as *Program Revenues*. Likewise, *General Revenues* include all taxes.

Proprietary Funds distinguish *operating revenues* and *operating expenses* from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water System Enterprise Fund, the Solid Waste Enterprise Fund, the Stormwater Utility Enterprise Fund and the Internal Service Funds are charges to customers for sales and services. The Water System Enterprise Fund also recognizes as operating revenue the portion of the tap fees intended to recover the cost of connecting new customers to the distribution system. Operating expenses for these funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Government's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. Overview of Accounting Structure and Fund Purposes

The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled

The *Special Revenue Funds* account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects).

The *Capital Projects Funds* account for the acquisition of capital assets or construction of capital projects not being financed by proprietary fund types.

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. The Water System, Solid Waste and Stormwater Utility Funds are examples of this type of fund and represent business-type activities.

Fiduciary Funds account for assets held by the County in a trustee capacity or as an agent on behalf of others. Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. Fayette County's agency funds are:

Tax Commissioner: To account for the billing, collection and remittance of taxes to the County, Board of Education, Municipal Governments, and the State of Georgia.

Sheriff's Office: To account for the collection and remittance of fines, costs, and bond forfeitures to the County.

Superior Court: To account for the collection of charges for Superior Court costs, filings and settlements and the subsequent remittance to the applicable parties.

State Court: To account for the collection of charges for State Court costs, filings and settlements and the subsequent remittance to the applicable parties.

Magistrate Court: To account for the collection of charges for Magistrate Court costs, filings, and settlements and the subsequent remittance to the applicable parties.

Juvenile Court: To account for the collections of Juvenile Court fines and settlements and subsequent remittance to the applicable parties.

Probate Court: To account for the collections of Probate Court fines and settlements and the subsequent remittance to the applicable parties.

Griffin Judicial Circuit: To account for the collections of fines and settlements and the subsequent remittance to the applicable parties.

E. Assets, Liabilities and Equity

1. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, funds on deposit in the Georgia Fund 1 State Investment Pool, and other short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the Proprietary Fund Statement of Cash Flows, the County considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

The statutes of the State of Georgia authorize the County to invest in U.S. Government obligations; U.S. Government agency obligations; State of Georgia obligations; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia which are rated "AA" or better by Moody's Investors Service, Inc.; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association; repurchase agreements when collateralized by U.S. Government or agency obligations; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the County reports investments at fair value. Money market investments and those investments, which had a remaining maturity at the time of purchase of one year or less are recorded at amortized cost or cost plus accrued interest, which approximates fair value.

Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAM rated money market funds and is regulated by the State Treasurer of the State of Georgia. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the Securities and Exchange Commission (SEC) as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on a \$1.00 per share. Due to the nature of the accounts, no amounts in this fund are categorized from an investment risk perspective.

The fair value of all other investments was calculated using quoted market prices because these prices have been determined to be the most reliable and verifiable and are the most understood by investors, creditors and other users of financial information.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivable/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances between Governmental Activities and the Business-Type Activities are reported on the Government-Wide Financial Statements as "Internal Balances".

Advances between funds, as reported in the Fund Financial Statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance for uncollectibles on receivable balances represent an estimate based on historical collection rates and account balance aging reports.

Property taxes were levied and billed on September 15, 2015. The billings are considered due upon receipt; however, the actual due date is based on a period ending 75 days after the tax bill mailing. On November 16, 2015, the bills became delinquent, the applicable property is subject to lien, and penalties and interest may be assessed by the County. The Tax Commissioner bills and collects those property taxes levied by the County, the Fayette County Board of Education, the municipalities located within the County and the State of Georgia. Collections and remittances to the County and other governmental agencies are accounted for in an Agency Fund.

All property taxes levied for the current and any previous years, but not received as of June 30, 2016, are shown as property taxes receivable at that date. Any of those taxes, which are determined to be unavailable to pay liabilities of the current period, are classified as "Unavailable Revenue" on the Governmental Fund Statements.

At year-end, the Water System had approximately \$928,000 in billed customer receivables. In addition, a receivable of \$1,024,000 was recorded for services rendered at year-end but not yet billed at June 30, 2016. The receivable was computed using the cycle billings sent to customers in July and prorating the charges based on the days applicable to the current period. Accounts receivable is shown net of an allowance for uncollectibles of \$125,000.

The Stormwater Utility had approximately \$265,000 in receivables for stormwater services at June 30, 2016. Customers are billed one time annually for stormwater services provided on a calendar year basis. The Stormwater Utility has an allowance for uncollectibles in the amount of \$8,190.

3. Inventories and Prepaid Items

Inventories in the Water System enterprise fund are valued at cost, which approximates market value using the first-in, first-out (FIFO) method. Inventories primarily consist of meters, and pipe and fittings intended for use in construction of line extensions and to support the maintenance work on the system. Inventories of Governmental Funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the Government-Wide and Proprietary Fund Financial Statements. Prepaid Items are recorded as expenditures/expenses when consumed rather than when purchased. In the governmental funds, prepaid items are recorded as expenditures when purchased.

4. Restricted Assets

Primary Government: In the Vehicle Replacement Internal Service Fund which is included in the Governmental Activities on the Government-Wide Statements, the unused proceeds of the certificates of participation are classified as restricted assets on the Statement of Net Position because their use is limited pursuant to an agreement with the Georgia Municipal Association. These monies are to be used to pay off the outstanding obligation when it becomes due.

Certain proceeds of the Water System Enterprise Fund revenue bonds, as well as certain resources set aside for their payment are classified as restricted assets on the Statement of Net Position because their use is limited by applicable bond covenants. The "revenue bond construction" account is used to report those proceeds of revenue bond issuances that are restricted for use in construction. The "revenue bond sinking fund" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "revenue bond debt service reserve" account is used to report resources set aside to subsidize the potential future deficiencies in the revenue bond sinking fund account. The "revenue bond renewal and extension" account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

Component Unit – Development Authority: As part of the bond issue for the Cooper 1996 bond series, a special covenant provided for the payment by Cooper of ad valorem property taxes on the building and other assets acquired with the bond proceeds. Over a ten-year period, Cooper will remit

payments to the Development Authority in amounts sufficient to pay current year taxes. The escrowed payments received and the investment earnings thereon will be approximately equal to the future taxes that would be paid under current property tax rates. Funds held in escrow for the payment of future years' taxes were \$640,545 at the end of the fiscal year.

5. Capital Assets

Primary Government: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, distribution lines, and similar items), are reported in the applicable Governmental or Business-Type Activities column of the Government-Wide Financial Statements. Capital assets, other than infrastructure assets, are defined by the County as assets with an initial individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The County has retroactively reported major general infrastructure assets. In this case, the government chose to include all items regardless of their acquisition date. The County engaged a consultant who was able to estimate historical cost for the initial reporting of these assets through backtrending. The Government reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction and acquisition of infrastructure assets are capitalized and reported in the Government-Wide Financial Statements regardless of their amount.

The cost of normal maintenance and repairs that do not add to the value of the asset or do not substantially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements, including infrastructure assets, are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Classification</u>	<u>Years</u>
Buildings and structures	40
Infrastructure	15 - 40
Improvements	10
Machinery and equipment	
Computer equipment	5
Office equipment	5
Vehicles	7 - 15

6. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes result in a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until then. The County has two items that qualify for reporting in this category. One is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The County also has deferred outflows of resources related to the County's pension plan. See Note IV. D.

In addition to liabilities, the Statement of Net Position will sometimes present a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one item that qualifies for reporting in this category. The County has deferred inflows of resources related to the County's pension plan. See Note IV. C. In addition to liabilities, the Balance Sheet reports a separate section for deferred inflows of resources. The County has one item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reporting only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. Compensated Absences

County employees are granted vacation, compensatory, holiday and sick leave in varying amounts. It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits up to a specified maximum number of hours. Compensatory and holiday leave is accumulated based on departmental discretion of need. In the event of termination of employment, an employee is paid for accrued annual, compensatory, and holiday leave days.

In addition, regular full-time employees hired before March 1, 1998, with three or more years of service who resign in good standing or retire from service with the County may elect to be paid at the rate of \$15 for each day of unused sick leave up to a maximum of \$900. For other employees, the balance is treated as credited service for the defined benefit pension plan.

Vacation, compensatory, holiday and termination sick leave pay are accrued when incurred in proprietary funds and reported as a fund liability. On the Government-Wide Statements, vacation, compensatory, holiday, and termination sick leave pay is accrued and reported as a liability for the Governmental Activities similar to Business-Type Activities. Vacation, compensatory, holiday, and termination sick leave pay that has matured and is reimbursable to an employee is reported as an expenditure and a fund liability of the Governmental Funds that are responsible for payment.

8. Long-Term Obligations

In the Government-Wide Financial Statements, and Proprietary Fund Types in the Fund Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Governmental Activities, Business-Type Activities, or Proprietary Fund Type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the Fund Financial Statements, Governmental Fund Types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as an Other Financing Source. Premiums received on debt issuances are reported as an Other Financing Source while discounts on debt issuances are reported as an Other Financing Use. Issuance costs, even if withheld from the actual debt proceeds received, are reported as Debt Service expenditures.

9. Pensions

The County sponsors the Association County Commissioners of Georgia (ACCG) Restated Pension Plan for Fayette County Employees (The Plan). The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan.

Plan member contributions are recognized in the period in which contributions are due. County contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 70% equities and 30% fixed income securities on a cost basis.

10. Fund Equity: Fund Balance and Net Position

Fund equity at the Governmental Fund financial reporting level is classified as "Fund Balance". Fund equity for all other reporting is classified as "Net Position".

Fund Balance: Generally, "Fund Balance" represents the difference between the assets and liabilities reported under the current financial resources measurement focus of accounting. In the Fund Financial Statements, Governmental Funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the fund can be spent.

Fund Balances are classified as follows:

- **Nonspendable** – Fund Balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items, such as inventory or prepaid insurance, that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

- **Restricted** – Fund Balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- **Committed** – Fund Balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal vote (resolution) of the County Commission. Only the County Commission may modify or rescind the commitment.
- **Assigned** – Fund Balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted or committed. Again, the Board of Commissioners is solely responsible for assigning fund balance through formal actions that it takes.
- **Unassigned** – Fund Balances are reported as unassigned when the balances do not meet any of the above criterion. The County reports a positive unassigned fund balance only in the General Fund. However, in all governmental funds, if expenditures for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in any governmental fund.

Fund Balance Flow Assumptions: When both restricted and unrestricted amounts of Fund Balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of Fund Balance, it is the County's policy to use fund balance in the following order: (1) Committed, (2) Assigned, and then (3) Unassigned.

Net Position: As noted previously, equity for the Government-Wide and Proprietary Fund Financial Statements is classified as Net Position. Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net investment amount also is adjusted by any deferred bond premiums, discounts or refunding amounts. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

11. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities; the disclosure of contingent assets and liabilities at the date of the financial statements; and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE II. – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The applicable statutes of the State of Georgia require Fayette County to operate under an annual balanced budget adopted by resolution. A budget is defined as being balanced when the sum of estimated net revenues and appropriated fund balance is equal to appropriations. Because the Board of Commissioners adopts each of its operating budgets at the department level, the applicable State statutes require that total expenditures not exceed the total amount of appropriations at the individual department level.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all of the Special Revenue Funds. Operating budgets are not prepared for the Internal Service Funds or the Agency Funds. Expenditures for those funds are controlled by legal use restrictions imposed by ordinances. For administrative control purposes, cash flow budgets are adopted for each of the Enterprise Funds. Project-length plans are adopted for the Capital Projects Funds.

The County adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

1. In April of each year, all departments submit requests for appropriation to the County Administrator so that an annual operating budget can be prepared. The budget is prepared by fund, function and department, and includes information on the past year, current year estimates and requested appropriation amounts for the next fiscal year.
2. Prior to May 1, the County Administrator submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the general fund and special revenue funds.
3. In late May and early June, public hearings are conducted to obtain taxpayer comments about the proposed budget.
4. Prior to July 1, the budget is legally enacted through the passage of an appropriation ordinance by the Commission.

Operating budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of control (i.e. the level at which the governing body must approve any over expenditures of appropriations or transfers of appropriated amounts) for each legally adopted annual operating budget for Fayette County, Georgia is at the departmental level within each fund. Unexpended appropriations lapse at year-end.

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting – under which purchase orders, contracts and other commitments for the

expenditures of resources are recorded to reserve that portion of the applicable appropriation – is utilized in the governmental funds. Encumbrances of the General Fund outstanding at year end are reported as one component of Assigned Fund Balance. Encumbrances do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Encumbrances lapse at year-end and are reappropriated as part of the ensuing year’s budget.

Formal budget integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. Individual budgets and actual statements are presented for these funds at the department level. To help ensure that each department keeps their spending during the year within its total approved appropriations amount, certain internal administrative controls are utilized. County department heads are authorized to approve budget transfers between the various line item expenditure accounts within their departments. All other transfers or supplemental appropriations, which change the total budget for a departmental cost center, must be approved by the Board of Commissioners.

B. Debt Service and Sinking Fund Requirements on Water Revenue Bonds

1. Sinking Fund Requirements

The bond resolutions require the creation and maintenance of a sinking fund that is to be used to pay the principal and interest on the revenue bonds as they become due. The bond resolutions specifically require that monies be deposited monthly into the sinking fund until such time that sufficient funds are on hand to pay the semi-annual interest payments and the bonds as they mature.

During fiscal year ended June 30, 2016, \$5,537,641 was paid from the revenue fund into the sinking fund (including the debt service reserve account) with required debt and interest payments made from the sinking funds when due.

2. Debt Service Reserve

The bond resolutions require the creation and maintenance of a debt service reserve within the sinking fund. According to the resolutions, monies are to be transferred each month from the revenue fund to the reserve so that the reserve will be fully funded by June 1, 2021. The debt reserve balance at June 30, 2016 is \$5,525,194, the sinking fund balances are \$3,216,976, for a debt service total of \$8,742,170, which is shown as restricted cash in the proprietary funds.

3. Renewal and Extension Fund

After the monthly operating and maintenance expenses have been paid and the required debt service transfers have been made, all monies remaining in the revenue fund in excess of a working capital reserve (in an amount not to exceed one month's estimated operating and maintenance expenses) are to be transferred to the renewal and extension fund. The bond resolutions restrict disbursements from this fund to the following:

- a. Paying principal of and interest on any revenue bonds then outstanding and falling due at any time for the payment of which money is not available in the Sinking Fund securing the payment of same and interest thereon;
- b. In case of an emergency having a major effect upon the System, or water and sewerage system if combined, caused by some extraordinary occurrence that makes it necessary to use the funds of the System for the alleviation or removal of such effects and an insufficiency of money exists in the Revenue Fund to meet such emergency;
- c. Making replacements, additions, extensions, and improvements to the system and acquiring equipment deemed to be reasonable and in the best interest of the County and the bond owners;
- d. Payment of the charges of the Depository of the renewal and extension fund for investment services; and
- e. The transfer of moneys, if any required, pursuant to the provisions of Section 18 of the bond resolution.

4. Rates and Fee Requirements

In accordance with the bond resolutions, the Water System's schedule of rates, fees, and charges for services shall be maintained at such a level so as to produce net revenues (after payment of reasonable and necessary cost of operating and maintaining the system) equal to at least 1.20 times the amount required to be paid in to the sinking fund in the current sinking fund year. This ratio is computed annually. For the year ended June 30, 2016, the County was in compliance with this requirement.

NOTE III. – DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

1. Summary of Cash, Cash Equivalents and Investments

A summary of cash, cash equivalents and investments for Fayette County, Georgia as of June 30, 2016 is detailed in the following tabular information:

Balances per Statement of Net Position:

Unrestricted

Cash and cash equivalents - Primary Government	\$ 34,472,348
Cash and cash equivalents - Development Authority	284,903
Cash and cash equivalents - Public Health	784,951
Investments - Primary Government	58,701,823
Investments - Public Health	680,096

Restricted:

Cash and cash equivalents - Primary Government	14,963,517
Cash and cash equivalents - Development Authority	640,545

Balances per Statement of Fiduciary Assets and Liabilities:

Cash - Agency Funds	<u>6,182,553</u>
Total cash, cash equivalents and investments	<u><u>\$ 116,710,736</u></u>

In the following table, those cash, cash equivalents and investments are summarized by general custodial classification:

	<u>Primary Government</u>	<u>Agency Funds</u>	<u>Development Authority</u>	<u>Public Health Funds</u>	<u>Total by Classification</u>
Cash and cash equivalents:					
Cash on hand	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000
Cash held by fiscal agent	191,035	-	-	-	191,035
Demand deposits at financial institutions	30,374,062	6,182,553	925,448	784,951	38,267,014
Georgia Fund 1 Investment Pool	<u>18,868,768</u>	-	-	-	<u>18,868,768</u>
Total cash and cash equivalents	49,435,865	6,182,553	925,448	784,951	57,328,817
Investments:					
Certificates of Deposit	-	-	-	680,096	680,096
BNY Mellon Investments	<u>58,701,823</u>	-	-	-	<u>58,701,823</u>
	<u><u>\$ 108,137,688</u></u>	<u><u>\$ 6,182,553</u></u>	<u><u>\$ 925,448</u></u>	<u><u>\$ 1,465,047</u></u>	<u><u>\$ 116,710,736</u></u>

2. Demand Deposits at Financial Institutions

Custodial Credit Risk: Custodial credit risk for demand deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and our bond resolutions require all deposits and investments (other than federal or state government instruments) be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities.

Primary Government and Agency Funds: At June 30, 2016, the carrying amount of the Primary Government's demand deposits was \$30,374,062 and the bank balances totaled \$31,586,274. The Agency Funds' accounts had a carrying value of \$6,182,553 and a bank balance of \$5,916,093. All of the County's deposits were covered either by FDIC coverage or collateralized with securities held by the County's agent in the County's name. The collateral pledged by the banks' trust department in the County's name is composed of various bonds of the U.S. Government Agencies and bonds of public authorities, counties and municipalities of the State of Georgia.

Component Unit – Development Authority: At year end, the carrying amount of the Authority's deposits was \$925,448, which includes \$640,545 on deposit with a broker, and the bank balance was \$956,224. The broker account is covered in accordance with provisions of the Securities Investor Protection Corporation. All of the bank balance was either covered by federal depository insurance or covered by collateral held in the pledging bank's trust department or by its agent in the Development Authority's name.

Component Unit – Public Health: At June 30, 2016, the Public Health Department's cash deposits were entirely covered by federal depository insurance and collateral held by the custodial bank in the Department of Public Health's name.

3. Investments

Credit Risk: Credit risk for investments is the risk that an issuer or other counterparty will not fulfill its obligations. State statutes authorize the County to invest in obligations of the State of Georgia or of other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or a U.S. Government Agency; obligations of any corporation of the U.S. Government; repurchase agreements backed by the U.S. Government or a U.S. Government Agency; prime banker's acceptances that are eligible for purchase by the Federal Reserve bank and have a Letter of Credit rating of A+ or better; the Local Government Investment Pool (LGIP); obligations of Other Political Subdivisions of the State of Georgia; and time deposits and savings deposits of banks organized under the laws of Georgia or the U.S. Government and operating in Georgia.

The County's investment policy permits the investment of County funds in the Georgia Fund 1, United States Treasury securities, United States Government Agency securities with the full faith and credit of the United States Government, Federal Instrumentalities (Government Sponsored Enterprises), time deposits (certificates of deposit) and savings accounts of financial institutions that are qualified public depositories, and money market funds.

One measure of the perceived credit risk of an issuer is the credit rating. The County’s investment policy provides strict guidelines and limits investments to highly rated securities with minimum ratings of AAA money market funds, AAA rated agency notes, AAA rated Government Sponsored Enterprises, AAA Federal Deposit Insurance Corp backed notes and U.S. Treasuries.

As a means of reducing the risk associated with counterparties, the County utilizes the State Investment Pool for the majority of its short-term investment needs. Georgia Fund 1, which was created by the Official Code of Georgia Annotated (“OCGA”) § 36-83-8, is a stable net asset value investment pool, which follows Standard and Poor’s criteria for AAA rated money market funds. However, Georgia Fund 1 operates in a manner consistent with a Rule 20-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. Georgia Fund 1 is not registered with the Securities and Exchange Commission as an investment company. The Georgia Office of the State Treasurer is the regulatory oversight agency of Georgia Fund 1. Georgia Fund 1’s primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. Georgia Fund 1 distributes earnings (net of management fees) on a monthly basis and determines participant’s shares sold and redeemed on \$1.00 per share.

Concentration of Credit Risk: An additional dimension of credit risk relates to the amount of investment in any one entity. The greater the reliance on a single investment vehicle or issuer, the greater the concentration of the associated risk becomes for the portfolio. However with that said, the County does not consider having a large percentage of U.S. Government issued or backed investments in the portfolio as increasing its investment risks because of the financial stability of the issuer.

To minimize this component of credit risk, the County’s investment policy also provides asset allocation limits for each security type. Issuer limits are provided for each investment type with the exception of U.S. Treasuries which have a 100% permitted allocation. The following guidelines represent maximum limits established for diversification by instrument by the Fayette County Board of Commissioners:

- U.S. Treasury Obligations 100%
- U.S. Government Agency Securities and Securities Issued by Instrumentalities of Government Sponsored Corporations 50%
- Repurchase Agreement 25%
- Prime Banker’s Acceptances 10%
- Local Government Investment Pool 100%
- Certificates of Deposit 50%
- Obligations of other political subdivisions of the State of Georgia 25%

Custodial Credit Risk: Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no specific investment policy in regards to custodial credit risk for investments.

However as part of the County’s investment program, a large percentage of the investment portfolio is held by the State of Georgia (i.e., Georgia Fund 1). In addition, the County’s externally managed open market security investments are held with a third party custodian in accordance with Georgia Code. The County’s investment holdings are designated as assets of the County in separate accounts in the County’s name.

Interest Rate Risk: Interest rate risk arises from investments in debt instruments and represents the risk that changes in the interest rate will adversely affect the fair value of an investment. For example, the amount of the loss in the fair value of a fixed-income security increase as the current market interest rate related to the investment rises.

The County employs multiple investment duration and investment management strategies which seek to minimize the County’s portfolio interest rate risk. As a means of limiting exposure to fair value losses arising from rising interest rates, the County’s Policy limits the investment of operating funds to investments with a stated maturity of no more than 5 years from the date of purchase.

The County maintains liquidity in overnight investments vehicles for short term expenditures and remaining assets are invested in short term securities with maturity limitations and by security type for the entire portfolio. The investment program is designed to diversify and minimize changes in market price as interest rates change.

The County utilizes an external investment manager to actively manage a portion of its investment portfolio. Performance is measured in total return against the 1 - 3 Year U.S. Treasury/Agency benchmark. The County utilizes two investment portfolios with the external manager, an enhanced cash portfolio with a duration of less than a year, and a core portfolio with a duration strategy between 1.5 and 2.0 years. This dual portfolio strategy is structured to manage interest rate volatility. All assets managed by the external manager are held in custody with the Bank of New York in the County’s name. As of June 30, 2016, all assets within the externally managed portfolios are rated AA or better.

As indicated in the earlier tabular information, investment cash equivalents comprised \$18,868,768 or about 24.09% of the total investment balance of \$77,570,591 at year end. These cash equivalents, which are shown in the table below, represented monies deposited into the State Investment Pool which is essentially a money market account with one day’s liquidity. With the ability to quickly access these funds should the need arise, the County feels that it has sufficient flexibility to address interest rate risk should the rates suddenly rise since there would be no real exigency to sell any of the longer term investments prior to their actual maturities.

Cash Equivalents:	<u>FAIR VALUE</u>	<u>MATURITIES</u>
Georgia Fund 1 Investment Pool	<u>\$18,868,768</u>	42 Day Weighted Average

At June 30, 2016, the County had \$58,701,823 in investments that are not considered cash equivalents by the County because of their longer maturity dates and the fact that these monies are invested over the long-term for the County by an external money manager. The chart below presents the fair value for each security type and maturity distribution for the investments, other than the aforementioned money market position, totaling \$58,701,823 as of June 30, 2016.

Type of Investment	Rating	Investment Maturities (in Years)				Fair Value
		Less than 1	1-5 Years	6-10 Years	More than 10	
US Treasuries	AA+	\$ 7,039,681	\$ 21,260,668	\$ -	\$ -	\$ 28,300,349
Government Bonds	A-1+	3,104,973	-	-	-	3,104,973
Government Bonds	AA	231,720	-	-	-	231,720
Government Bonds	AA+	7,000,386	19,376,806	687,589	-	27,064,781
		<u>\$ 17,376,760</u>	<u>\$ 40,637,474</u>	<u>\$ 687,589</u>	<u>\$ -</u>	<u>\$ 58,701,823</u>

Fair Value Measurements: The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the exchange price that would be received for an asset (exit price) in the principal or most advantageous market for a asset in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets that the County has the ability to access.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset in active markets, as well as inputs that are observable for the asset (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs for the asset which are typically based on the County's own assumptions, as there is little, if any, related market activity.

The County has the following recurring financial measurements as of June 30, 2016:

Investment	Level 1	Level 2	Level 3	Fair Value
US Treasuries	\$ 28,300,349	\$ -	\$ -	\$ 28,300,349
Government Bonds	-	30,401,474	-	\$ 30,401,474
	<u>\$ 28,300,349</u>	<u>\$ 30,401,474</u>	<u>\$ -</u>	<u>\$ 58,701,823</u>

US Treasuries classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. The investments in Government Bonds classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The Fayette County Department of Public Health has investments consisting of certificates of deposit. As of June 30, 2016, the Health Department's cash deposits and investments were entirely covered by federal depository insurance and collateral held in the Health Department's custodial bank in the Health Department's name.

B. Receivables

Receivables as of year-end for the Government's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Fire Services</u>	<u>Emergency Medical Services</u>	<u>County-Wide Roads SPLOST</u>	<u>Non-Major Govern- mental Funds</u>	<u>Water System</u>	<u>Non- Major Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Totals</u>
Receivables:									
Property taxes	\$ 525,382	\$154,424	\$ 37,214	\$ -	\$ 21,046	\$ -	\$ -	\$ -	\$ 738,066
Sales taxes	950,313	-	-	-	-	-	-	-	950,313
Interest	3,051	-	-	-	-	-	4	-	3,055
Intergovernmental Accounts	29,869	-	-	479,356	-	-	-	-	509,225
	<u>1,351,428</u>	<u>44,191</u>	<u>567,835</u>	<u>-</u>	<u>583,780</u>	<u>1,950,946</u>	<u>272,258</u>	<u>408,265</u>	<u>5,178,703</u>
Gross receivables	2,860,043	198,615	605,049	479,356	604,826	1,950,946	272,262	408,265	7,379,362
Less: Allowance for uncollectibles	<u>(250,436)</u>	<u>(69,566)</u>	<u>(111,309)</u>	<u>-</u>	<u>(8,071)</u>	<u>(125,000)</u>	<u>(8,190)</u>	<u>-</u>	<u>(572,572)</u>
Net total receivables	<u>\$2,609,607</u>	<u>\$129,049</u>	<u>\$ 493,740</u>	<u>\$ 479,356</u>	<u>\$ 596,755</u>	<u>\$1,825,946</u>	<u>\$ 264,072</u>	<u>\$ 408,265</u>	<u>\$6,806,790</u>

(This page is continued on the subsequent page)

C. Capital Assets

Capital assets for the Primary Government for the fiscal year ended June 30, 2016, are shown in the following tabulations. The first table contains a breakdown of the capital assets utilized in the operations of governmental activities by general asset classification and the associated accumulated depreciation. The tabular information also shows the activity that occurred with each asset class during the 2016 fiscal year.

Governmental Activities	Beginning Balances (as restated)	Increases	Decreases	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 12,664,041	\$ 45,327	\$ (4,509)	\$ 12,704,859
Construction in progress	15,529,952	5,184,760	(3,581,590)	17,133,122
Total capital assets, not being depreciated	<u>28,193,993</u>	<u>5,230,087</u>	<u>(3,586,099)</u>	<u>29,837,981</u>
Capital assets being depreciated:				
Buildings and structures	78,513,998	371,061	(63,032)	78,822,027
Infrastructure	311,801,390	2,378,974	(32,345)	314,148,019
Improvements	10,003,172	122,574	(376)	10,125,370
Machinery and equipment	19,652,288	2,085,887	(613,831)	21,124,344
Vehicles	12,253,703	1,687,314	(721,058)	13,219,959
Total capital assets being depreciated	<u>432,224,551</u>	<u>6,645,810</u>	<u>(1,430,642)</u>	<u>437,439,719</u>
Less accumulated depreciation for:				
Buildings and structures	(29,662,904)	(2,243,833)	58,700	(31,848,037)
Infrastructure	(279,777,295)	(3,705,548)	876	(283,481,967)
Improvements	(4,755,418)	(427,706)	18,388	(5,164,736)
Machinery and equipment	(16,222,412)	(976,944)	421,154	(16,778,202)
Vehicles	(10,353,672)	(693,016)	709,582	(10,337,106)
Total accumulated depreciation	<u>(340,771,701)</u>	<u>(8,047,047)</u>	<u>1,208,700</u>	<u>(347,610,048)</u>
Total capital assets being depreciated, net	<u>91,452,850</u>	<u>(1,401,237)</u>	<u>(221,942)</u>	<u>89,829,671</u>
Governmental activities capital assets, net	<u>\$ 119,646,843</u>	<u>\$ 3,828,850</u>	<u>\$ (3,808,041)</u>	<u>\$ 119,667,652</u>

(This page is continued on the subsequent page)

The following table shows the same type of information for those capital assets utilized by the Business-Type Activities.

Business-Type Activities	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 20,599,802	\$ 23,750	\$ -	\$ 20,623,552
Construction in progress	3,249,387	7,622,180	(3,221,514)	7,650,053
Total capital assets, not being depreciated	<u>23,849,189</u>	<u>7,645,930</u>	<u>(3,221,514)</u>	<u>28,273,605</u>
Capital assets being depreciated:				
Buildings and structures	58,637,398	6,519	(270)	58,643,647
Infrastructure	87,563,509	2,638,289	(862)	90,200,936
Improvements	15,087,824	2,072,475	(347)	17,159,952
Machinery and equipment	10,661,272	425,316	(77,074)	11,009,514
Total capital assets being depreciated	<u>171,950,003</u>	<u>5,142,599</u>	<u>(78,553)</u>	<u>177,014,049</u>
Less accumulated depreciation for:				
Buildings and structures	(28,384,752)	(2,110,462)	270	(30,494,944)
Infrastructure	(42,204,667)	(2,405,324)	862	(44,609,129)
Improvements	(9,786,086)	(537,654)	347	(10,323,393)
Machinery and equipment	(8,332,561)	(452,832)	77,073	(8,708,320)
Total accumulated depreciation	<u>(88,708,066)</u>	<u>(5,506,272)</u>	<u>78,552</u>	<u>(94,135,786)</u>
Total capital assets being depreciated, net	<u>83,241,937</u>	<u>(363,673)</u>	<u>(1)</u>	<u>82,878,263</u>
Business-type activities capital assets, net	<u>\$ 107,091,126</u>	<u>\$ 7,282,257</u>	<u>\$ (3,221,515)</u>	<u>\$ 111,151,868</u>

Depreciation expense was charged to functions/programs of the Primary Government as follows:

Governmental Activities:

General Government	\$602,812
Judicial System	960,445
Public Safety	1,790,746
Public Works	4,129,241
Health and Welfare	4,792
Culture and Recreation	537,441
Housing and Development	<u>21,570</u>
Total depreciation expense – Governmental Activities	<u>\$8,047,047</u>

Business-Type Activities:

Water System	\$5,489,061
Solid Waste	15,154
Stormwater Utility	<u>2,057</u>
Total depreciation expense – Business-Type Activities	<u>\$5,506,272</u>

The component units' capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning			Ending
	<u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u>
Fayette County Development Authority				
Capital assets being depreciated:				
Furniture and equipment	\$ 80,112	\$ 2,814	\$ -	\$ 82,926
Leasehold improvements	<u>261,931</u>	<u>-</u>	<u>-</u>	<u>261,931</u>
Total capital assets being depreciated	<u>342,043</u>	<u>2,814</u>	<u>-</u>	<u>344,857</u>
Less accumulated depreciation for:				
Furniture and equipment	(69,322)	(3,912)	-	(73,234)
Leasehold improvements	<u>(100,292)</u>	<u>(5,145)</u>	<u>-</u>	<u>(105,437)</u>
Total accumulated depreciation	<u>(169,614)</u>	<u>(9,057)</u>	<u>-</u>	<u>(178,671)</u>
Fayette County Development Authority -				
Capital assets, net	<u>\$ 172,429</u>	<u>\$ (6,243)</u>	<u>\$ -</u>	<u>\$ 166,186</u>
	Ending			Ending
	<u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u>
Fayette County Department of Public Health				
Capital assets being depreciated:				
Machinery and equipment	\$ 211,978	\$ 6,300	\$ -	\$ 218,278
Less accumulated depreciation for:				
Machinery and equipment	<u>(181,234)</u>	<u>(9,055)</u>	<u>-</u>	<u>(190,289)</u>
Fayette County Development Authority -				
Capital assets, net	<u>\$ 30,744</u>	<u>\$ (2,755)</u>	<u>\$ -</u>	<u>\$ 27,989</u>

D. Interfund Receivables, Payables and Transfers

The purpose of interfund receivables and payables is to meet temporary cash flow requirements and timing differences between receiving and recognizing certain revenues. There were interfund receivables or payables at June 30, 2016 except for the advances below.

Advances between the funds represent long-term borrowings between two funds which will be repaid over more than one fiscal year. The advances as of June 30, 2016 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Stormwater Utility Fund	<u>\$4,701,929</u>

Interfund transfers for the fiscal year ended June 30, 2016 are shown in the following table:

	Transfers In:						Total
	General Fund	Fire Fund	Emergency Medical Services Fund	Non-Major Governmental Funds	Non-Major Proprietary Funds	Internal Service Funds	
Transfers Out:							
Capital Improvement Projects:							
General Fund	\$ -	\$ 83,943	\$ 33,181	\$ 3,726,891	\$ -	\$ -	\$ 3,844,015
Fire Fund	-	-	-	296,184	-	-	296,184
Emergency Medical Services Fund	-	-	-	119,754	-	-	119,754
Non-Major Governmental Funds	943,587	20,528	-	-	54,618	-	1,018,733
Non-Major Enterprise Funds	-	-	-	13,190	-	-	13,190
Vehicle replacement:							
General Fund	-	-	-	-	-	655,000	655,000
Fire Fund	-	-	-	-	-	200,000	200,000
Emergency Medical Services Fund	-	-	-	-	-	115,000	115,000
Total	<u>\$943,587</u>	<u>\$104,471</u>	<u>\$ 33,181</u>	<u>\$ 4,156,019</u>	<u>\$ 54,618</u>	<u>\$ 970,000</u>	<u>\$6,261,876</u>

Interfund transfers are made for several reasons during the course of each fiscal year. First, transfers are made to move revenues from the fund with collection authorization to the Capital Projects Funds where the accounting for these construction projects occurs. Likewise, transfers are made from the Capital Projects Funds back to the original transferring fund for any monies not spent on the project. Second, transfers are made to move funds to the Vehicle Replacement Internal Service Fund for the purchase of vehicles and equipment. And lastly, transfers are made to move unrestricted General Fund revenues to finance various programs that the County must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

E. Closure and Postclosure Care Cost

Current State and Federal laws and regulations require the County to place a final cover on its landfill sites when municipal solid waste is no longer accepted, and to perform certain maintenance and monitoring functions at these sites for a minimum of five years after closure. Fayette County closed the Grady Avenue Landfill in 1988 and First Manassas Mile Road (FMMR) Sanitary Landfill in June of 1994. The County has entered into a contractual agreement with an outside contractor to lease an unused part of the old FMMR landfill site as a waste transfer station.

Governmental Accounting Standards Board, Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, requires that the County report closure and postclosure care costs as an operating expense in each reporting period based on landfill capacity used at the balance sheet date. With the closing of both of its sanitary landfills prior to June 30, 1994, the Solid Waste Enterprise Fund recognized 100% of the total estimated amount of the closure and postclosure care costs. As of June 30, 2016 the closure and postclosure care liability account had a zero balance. The Georgia Department of Natural Resources Environmental Protection Division provides estimates of the cost and there is a potential for change due to inflation, deflation, technology, or applicable laws or regulations.

F. Long-Term Obligations

General Obligation (G.O.) Bonds: Periodically, the County issues general obligation bonds to provide funds for the acquisition and construction of major general government capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. The County currently has no general obligation bonds outstanding.

Revenue Bonds: As certain construction needs arise that cannot be paid for out of existing cash reserves, the County issues revenue bonds to raise the necessary monies to fund those capital projects. With revenue bonds, the government pledges income derived from the acquired asset to pay debt service. The various bond indentures may contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of moneys through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverages. Management believes the County is in compliance with all such significant financial limitations and restrictions.

1. Water Revenue Bonds

The Water System (the "System") has pledged future water customer revenues, net of specified operating expenses, to repay \$46.9 million in revenue bonds. Proceeds from the outstanding bonds provided financing for various construction projects and the refunding of prior bonds. These bonds are payable solely from the System's customer net revenues and have varying maturity dates through 2030.

As a general rule, annual principal and interest payments on the bonds have been scheduled so that total debt service amount is fairly consistent from one year to the next. By design, the total annual debt service payment is in the range of \$5.5 million for the next several years. The total principal and interest remaining to be paid on the bonds is \$56,118,600. Principal and interest paid on outstanding bonds in the current year was \$5,499,625 and "net revenues" as defined by the bond ordinance were \$7,160,002.

a) Series 1996A Water Revenue Bonds

In January 1997, the County issued \$10,245,000 in Series 1996A Water Revenue Bonds. Depending upon the specific year, the amount maturing ranged from \$25,000 to \$920,000 with the longest maturity being twenty-four years (i.e., October 1, 2020) from the date of issuance. Interest rates for

the various maturities ranged from 3.6% to 5.5%. After redeeming the \$30,000 in bonds that mature on October 1, 2016, there will remain a balance of \$135,000 outstanding on this series.

The Series 1996A Bonds were issued for the purpose of refunding the outstanding Series 1986 Bonds and constructing a water tank on Highway 92 North.

b) Series 2009 Water Revenue Bonds

In August 2009, the County issued \$36,340,000 in Series 2009 Water Revenue Bonds. Depending upon the specific year, the amount maturing ranged from \$85,000 to \$4,415,000 with the longest maturity being roughly twenty years (i.e., October 1, 2029) from the date of issuance. Interest rates for the various maturities ranged from 2.0% to 5.0%. During 2016, the County refunded \$14,855,000 with the issuance of the Series 2016 Water Revenue Refunding Bonds. After redeeming the \$1,750,000 in bonds that mature on October 1, 2016, there will remain a balance of \$9,450,000 outstanding on this series.

The Series 2009 Bonds were issued for the purpose of refunding the Series 1998 Revenue Bonds, paying off seven loans from the Georgia Environmental Facilities Authority (GEFA) and providing additional funding for the Lake McIntosh Reservoir Project.

c) Series 2012A Water Revenue Bonds

In April 2012, the County issued \$8,070,000 in Series 2012A Water Revenue Bonds. Depending upon the specific year, the amount maturing ranged from \$100,000 to \$3,660,000 with the longest maturity being less than thirteen and a half years (i.e., October 1, 2025) from the date of issuance. Interest rates for the various maturities ranged from 3.0% to 5.0%. After redeeming the \$50,000 in bonds that mature on October 1, 2016, there will remain a balance of \$7,970,000 outstanding on this series. The Series 2012A Bonds were issued for the purpose of providing funding for the Crosstown Water Treatment Plant Upgrades, the South Fayette Water Treatment Plant Upgrades and the associated engineering and program management costs.

d) Series 2012B Water Revenue Refunding Bonds

In July 2012, the County issued \$15,590,000 in Series 2012B Water Revenue Refunding Bonds. Depending upon the specific year, the amount maturing ranged from \$45,000 to \$2,015,000 with the longest maturity being less than thirteen and a half years (i.e., October 1, 2025) from the date of issuance. Interest rates for the various maturities ranged from 3.0% to 5.0%. After redeeming the \$1,675,000 in bonds that mature on October 1, 2016, there will remain a balance of \$9,205,000 outstanding on this series. The Series 2012B Bonds were issued for the purpose of refunding the Series 2002 Bonds.

e) Series 2016 Water Revenue Refunding Bonds

In May 2016, the County issued \$16,635,000 in Series 2016 Water Revenue Refunding Bonds. Depending upon the specific year, the amount maturing ranged from \$70,000 to \$4,615,000 with the longest maturity being less than thirteen and a half years (i.e., October 1, 2029) from the date of issuance. Interest rates for the various maturities are 2.08%. After redeeming the \$70,000 in bonds that mature on October 1, 2016, there will remain a balance of \$16,565,000 outstanding on this series. The Series 2016 Bonds were issued for the purpose of refunding a portion of the Series 2009 Bonds.

f) Schedule of Revenue Bond Activity

The following includes a summary of Water System revenue bond transactions for the fiscal year ended June 30, 2016:

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Current Portion
<u>Revenue Bond Issues</u>					
Series 1996A	\$ 190,000	\$ -	\$ 25,000	\$ 165,000	\$ 30,000
Series 2009	27,770,000	-	16,570,000	11,200,000	1,750,000
Series 2012A	8,070,000	-	50,000	8,020,000	50,000
Series 2012B	12,495,000		1,615,000	10,880,000	1,675,000
Series 2016	-	16,635,000	-	16,635,000	70,000
Total revenue bonds	48,525,000	16,635,000	18,260,000	46,900,000	<u>\$ 3,575,000</u>
<u>Plus Deferred Amounts for:</u>					
Bond discounts /					
Premiums (net)	3,622,368	-	851,028	2,771,340	
Net revenue bonds	<u>\$ 52,147,368</u>	<u>\$16,635,000</u>	<u>\$19,111,028</u>	<u>\$ 49,671,340</u>	

g) Schedule of Future Debt Service Payments

At June 30, 2016, the County was obligated to make payments of principal and interest on its outstanding water revenue bond debt as follows:

Fiscal Years Ending June 30,	Principal	Interest	Total Debt Service
2017	\$ 3,575,000	\$ 1,601,540	\$ 5,176,540
2018	3,915,000	1,501,994	5,416,994
2019	3,950,000	1,340,975	5,290,975
2020	4,210,000	1,158,452	5,368,452
2021	4,195,000	972,441	5,167,441
2022-2026	22,325,000	2,445,910	24,770,910
2027-2030	4,730,000	197,288	4,927,288
	<u>\$ 46,900,000</u>	<u>\$ 9,218,600</u>	<u>\$ 56,118,600</u>

2. Public Facilities Authority Revenue Bonds

In June 2000, the Fayette County Public Facilities Authority (a blended component unit) issued \$55,250,000 of Series 2000 Revenue Bonds with an average interest rate of 5.87% to construct a new Criminal Justice Center. Concurrently, the County signed a contractual agreement with the Public Facilities Authority to lease purchase the Criminal Justice Center with the annual lease payments being equal to the amount of the annual debt service payments on the bonds. In September 2001, the Fayette County Public Facilities Authority issued \$50,435,000 of Series 2001 Refunding Revenue Bonds with an average interest rate of 3.82% to partially advance refund \$45,570,000 of the Series 2000 bonds.

a) Series 2011 Public Facilities Authority Revenue Bonds

In April 2011, the Fayette County Public Facilities Authority issued \$40,300,000 of Series 2011 Refunding Revenue Bonds with an average interest rate of 3.88%. This along with \$8 million in cash refunded the \$47,995,000 Series 2001 bonds. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2001 bonds. The refunding of the Series 2001 bonds reduced the total debt service payments by almost \$6.8 million and resulted in an economic gain of more than \$3.3 million.

b) Schedule of Revenue Bond Activity

The following includes a summary of the Fayette County Public Facilities Authority revenue bond transactions for the fiscal year ended June 30, 2016:

	Balance			Current	
Revenue Bond Issues	July 1, 2015	Additions	Reductions	Balance June 30, 2016	Portion
Series 2011	\$ 35,260,000	\$ -	\$ 1,785,000	\$ 33,475,000	\$ 1,835,000
<u>Plus Deferred Amounts for:</u>					
Bond discounts / premiums (net)	1,191,555	-	79,449	1,112,106	-
Net revenue bonds	<u>\$ 36,451,555</u>	<u>\$ -</u>	<u>\$ 1,864,449</u>	<u>\$ 34,587,106</u>	<u>\$ 1,835,000</u>

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c) Schedule of Future Debt Service Payments

At June 30, 2016, the County was obligated to make payments of principal and interest on the outstanding Series 2011 Fayette County Public Facilities Authority revenue bond debt as follows:

Fiscal Years Ending June 30,	Principal	Interest	Total Debt Service
2017	\$ 1,835,000	\$ 1,423,756	\$ 3,258,756
2018	1,890,000	1,368,706	3,258,706
2019	1,950,000	1,312,006	3,262,006
2020	2,025,000	1,234,006	3,259,006
2021	2,105,000	1,153,006	3,258,006
2022-2026	12,025,000	4,272,468	16,297,468
2027-2030	11,645,000	1,396,807	13,041,807
	<u>\$ 33,475,000</u>	<u>\$ 12,160,755</u>	<u>\$ 45,635,755</u>

Certificates of Participation: In June 1998, the County entered into a lease pool agreement with the Georgia Municipal Association (“the Association” or “GMA”). The funding of the lease pool was provided by the issuance of \$150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the County’s original participation totaling \$5,000,000. However, the original level of participation has decreased in recent years to only \$601,000 at June 30, 2016.

The lease pool agreement with the Association provides that the County owns its portion of the assets invested by the pool and is responsible for the payment of its portion of principal and interest of the Certificates of Participation. The remaining principal balance of \$869,000 is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year for an annual payment of \$41,420. The County may draw from the investment to lease equipment from the Association. The lease pool agreement requires the County to make payments back into its investment account to fund the interest requirements of the 1998 GMA Certificates of Participation.

As part of the issuance of the certificates of participation, the County entered into an interest rate swap agreement. Under the Swap Agreement, the County is required to pay (1) a monthly floating rate of interest based on the TBMA Municipal Swap Index (plus a spread) to, or on behalf of, the Swap Counterparty (the “Swap Payment”); and the Swap Counterparty will pay to, or on behalf of, the County a semi-annual payment based on a rate equal to the fixed rate on the Contract times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund relating to the Contract, and (ii) a one-time Swap Premium to be paid on the effective date of the Swap Agreement.

The semi-annual payments from the Swap Counterparty with respect to the County are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Under the Swap Agreement, the County’s obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the TBMA Municipal Swap Index plus 5% to be determined on the first business day of

December in the preceding year. This agreement matures on June 1, 2028. In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the County would be exposed to credit risk in the amount of the Swap's fair value. To minimize the risk, the County executed this agreement with counterparties of appropriate credit strength. All participants in the lease pool are required to participate in the interest swap agreement and the Swap Counterparty computes the fair value of the Swap Agreement on the aggregate basis only.

Early Termination Benefits: In response to the rising cost of personnel and budgetary concerns over falling revenues due to a declining real property tax digest, the County completed an early retirement incentive program prior to the end of the 2012 fiscal year. To be eligible for the early termination benefit, an employee had to be at least 55 years of age and have a minimum of 20 years of service with the County. Out of the 44 employees that met the criteria, 32 chose to accept the retirement package and their employment with the County was terminated on June 30, 2012.

As an incentive to retire early, these employees receive health coverage until age 65, are credited with an additional five years of service and were given an unreduced retirement benefit due to their age. The net present value of the estimated future health coverage benefit is \$427,080 with \$112,178 due in the 2016 fiscal year. As determined by the defined benefit plan's actuary, the estimated additional pension liability associated with the early termination program was \$2,880,000. In keeping with the Board's Resolution for the program dated March 22, 2012 and its commitment to not adversely impact future operating budgets, this amount was deposited by the County into the Defined Benefit Pension Plan on October 26, 2012.

Changes in Long-Term Obligations:

The following tabular information is a reconciliation of debt disclosures presented above to amounts reported in the Statement of Net Position:

Governmental Activities	Balance			Current	
	July 1, 2015	Additions	Reduction	June 30, 2016	Portion
Revenue bonds	\$ 35,260,000	\$ -	\$ 1,785,000	\$ 33,475,000	\$ 1,835,000
Plus deferred amounts for:					
Bond discounts / premiums (net)	1,191,555	-	79,449	1,112,106	-
Total revenue bonds payable	36,451,555	-	1,864,449	34,587,106	1,835,000
Certificates of participation	601,000	-	-	601,000	-
Compensated absences	2,893,343	588,267	574,046	2,907,564	614,957
Early termination benefits	323,191	163,317	98,575	387,933	90,597
Other postemployment benefits (OPEB) liability	1,238,640		249,431	989,209	-
Governmental Activities noncurrent liabilities	<u>\$ 41,507,729</u>	<u>\$ 751,584</u>	<u>\$ 2,786,501</u>	<u>\$ 39,472,812</u>	<u>\$ 2,540,554</u>

Business-Type Activities	Balance			Balance	Current
	July 1, 2015	Additions	Reduction	June 30, 2016	Portion
Revenue bonds	\$ 48,525,000	\$16,635,000	\$ 18,260,000	\$ 46,900,000	\$ 3,575,000
Plus deferred amounts for:					
Bond discounts / premiums (net)	3,622,368	-	851,028	2,771,340	-
Total revenue bonds payable	52,147,368	16,635,000	19,111,028	49,671,340	3,575,000
Compensated absences	181,452	42,145	47,559	176,038	47,258
Early termination benefits	35,592	23,883	20,328	39,147	21,581
Business-Type Activities noncurrent liabilities	<u>\$ 52,364,412</u>	<u>\$16,701,028</u>	<u>\$ 19,178,915</u>	<u>\$ 49,886,525</u>	<u>\$ 3,643,839</u>

For governmental activities, certificates of participation are being retired by the vehicle replacement fund. Capital leases have been retired by the emergency 911 fund. Compensated absences, early termination benefits, net pension obligations and other post employment obligation liabilities will be paid from the fund from which the employees' salaries are paid, generally from the general fund. Revenue bonds are generally paid from the general fund.

Changes in the Fayette County Department of Public Health's noncurrent liabilities for the year ended June 30, 2016 are as follow:

	Balance			Balance	Current
	July 1, 2015	Additions	Reduction	June 30, 2016	Portion
Compensated absences	\$ 103,906	\$ 34,967	\$ 35,639	\$ 103,234	\$ 35,190
Net pension liability	991,026	62,419		1,053,445	-
Total noncurrent liabilities	<u>\$ 1,094,932</u>	<u>\$ 97,386</u>	<u>\$ 35,639</u>	<u>\$ 1,156,679</u>	<u>\$ 35,190</u>

(This page is continued on the subsequent page)

G. Fund Balance Classifications

The County's governmental funds show the following fund equity accounts at June 30, 2016:

Fund Balances	General Fund	Fire Services Fund	Emergency Medical Services	County-Wide Roads SPLOST	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable:						
Inventories	\$ 108,614	\$ -	\$ -	\$ -	\$ -	\$ 108,614
Advances	4,701,929	-	-	-	-	4,701,929
Restricted:						
Capital projects	328,032	-	-	34,475,197	313,522	35,116,751
E-911 communications	-	-	-	-	2,168,674	2,168,674
Court services	-	-	-	-	668,390	668,390
Law Enforcement	-	3,487,580	1,736,633	-	1,636,711	6,860,924
Street Lights	-	-	-	-	205,229	205,229
Committed:						
Capital projects	-	-	-	-	7,567,210	7,567,210
Stabilization fund	12,020,533	-	-	-	-	12,020,533
Assigned:						
Emergencies	2,000,000	-	-	-	-	2,000,000
Capital projects	5,937,148	-	-	-	-	5,937,148
Software	30,000	-	-	-	-	30,000
Engineering	12,075	-	-	-	-	12,075
Other Purposes	4,350	-	-	-	-	4,350
Unassigned	4,529,040	-	-	-	-	4,529,040
	<u>\$ 29,671,721</u>	<u>\$ 3,487,580</u>	<u>\$ 1,736,633</u>	<u>\$ 34,475,197</u>	<u>\$ 12,559,736</u>	<u>\$ 81,930,867</u>

With its adoption of a resolution on August 25, 2011, the Board of Commissioners updated its financial policies in regard to reserve funds. One of the new policies called for a Stabilization Fund or working reserve to be established equal to at least three months (i.e., 25%) of the appropriations budget for the Governmental Tax Funds. Per the policy, this amount is to be shown in the committed fund classification of the County's financial statements. The Stabilization Fund is to be created and maintained to provide the fiscal capacity to 1) offset any significant economic downturn and the revision of any general government activity; 2) provide sufficient working capital; and 3) provide a sufficient cash flow for current financial needs without short-term borrowing. To be able to use the funds that are committed for stabilization, the Board of Commissioners must take formal action to release the funds. This type of action will only be taken when failure to take such action would result in a negative position for the unassigned fund balance.

As a second component of the resolution adopted on August 25, 2011, the Board also approved the assignment of \$2 million of fund balance. The assigned fund balance for emergencies is to be used only for natural or man-made disasters. These funds cannot be released without formal action of the Board of Commissioners.

NOTE IV. – OTHER INFORMATION

A. Risk Management

Fayette County, Georgia is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. Settled claims have not exceeded purchased commercial insurance coverage in any of the past three years.

The County established a limited risk management program for workers' compensation during the 1988 fiscal year. The purpose of the Worker's Compensation Self-Insurance Internal Service Fund is to pay workers' compensation claims from accumulated assets of the fund and minimize the total cost of workers' compensation insurance to the County. Specific and aggregate excess insurance is provided through a private insurance carrier.

The County initiated its Dental Self-Insurance Internal Service Fund in the 1991 fiscal year. The purpose of this fund was to pay claims for employees for certain health care expenses incurred up to a maximum of \$1,000 per covered individual. Claims are handled by a third party administrator as of June 1, 2005.

The County initiated its Vision reimbursement plan in the 1997 fiscal year. Employees are reimbursed up to \$300 per year per covered individual for out of pocket expenses associated with vision care. Claims are handled by a third party administrator as of June 1, 2005.

Fayette County established its Major Medical Self-Insurance Internal Service Fund in the 1991 fiscal year, and on June 1, 2002 became fully insured. In June of 2010, the County reinstated its self-insurance program for this risk.

All funds of the County participate in these programs and make payments to these Internal Service Funds based on actuarial estimates of the amounts needed to pay prior and current year claims, claim reserves, and administrative costs of the programs. The total claims liability of \$581,751 reported at June 30, 2016, is based on requirements of Governmental Accounting Standards Board Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, which requires that a liability for claims be reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

Liabilities also include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors.

Changes in the balances of claims liabilities during the past two fiscal years for each of the three self-insurance programs and the total amounts are as follows:

	Unpaid Claims At Beginning Of Fiscal Year	Incurred Claims (Including Any IBNRs)	Claim Payments	Unpaid Claims At End Of Fiscal Year
Workers Compensation Claims:				
Fiscal Year Ended June 30, 2016	\$ 68,919	\$ 1,033,575	\$ 921,439	\$ 181,055
Fiscal Year Ended June 30, 2015	49,396	652,508	632,985	68,919
Dental and Vision Claims				
Fiscal Year Ended June 30, 2016	4,083	493,764	494,205	3,642
Fiscal Year Ended June 30, 2015	4,735	456,146	456,798	4,083
Major Medical Claims				
Fiscal Year Ended June 30, 2016	291,162	6,702,934	6,597,042	397,054
Fiscal Year Ended June 30, 2015	573,933	4,684,174	4,966,945	291,162
Total Claims				
Fiscal Year Ended June 30, 2016	364,164	8,230,273	8,012,686	581,751
Fiscal Year Ended June 30, 2015	628,064	5,792,828	6,056,728	364,164

B. Encumbrances

The County employs encumbrance accounting for transactions during the fiscal year. Encumbrances are commitments related to unfilled contracts for goods and services including purchase orders. In accordance with the County’s financial policies which have been adopted by Board resolution, appropriations lapse at year-end. Any open encumbrances are recorded and those financial commitments are honored in the subsequent fiscal year. The ensuing year’s appropriations budget is adjusted by the amount of outstanding encumbrances. Encumbrances outstanding at year end are as follows:

	General Fund	Non-major Governmental Funds	Total
Total Encumbrances	\$ 46,425	\$ 183,847	\$ 230,272

C. Other PostEmployment Benefits (OPEB)

Plan Description. In addition to providing pension benefits, the County provides funding for certain health care related benefits for retired employees under a single-employer defined benefit OPEB plan. Only existing retirees participating in the plan are eligible. Future retirees are not eligible for coverage. Continued health care benefits in the form of single coverage will be paid fully by the County from the Major Medical Self-Insurance Fund. This benefit is limited to a period which is the shorter of (a) ten years or (b) the length of time it takes for the employee to reach the age at which they become eligible for Medicare benefits. The County has the authority to establish and amend the plan provisions. Separate financial statements are not prepared for the OPEB plan.

Retired employees also have the option to pay the contribution to cover their spouse and dependents under the plan.

Funding Policy. At June 30, 2016, the County had 14 employees receiving medical insurance coverage under the plan. The County has not advance funded or established a funding methodology for the annual OPEB costs or net OPEB obligations but finances the plan on a pay-as-you-go basis. The plan is administered by the County. For the year ended June 30, 2016, the County paid an estimated \$112,178 for this benefit.

Annual OPEB Cost and Net OPEB Obligation. The County’s annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer which is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liability (or funding excess) over a period not to exceed 30 years. The following table shows the calculation of the County’s annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the County’s net OPEB obligation for the fiscal year ended June 30, 2016:

Normal cost - Unit Credit Method	\$ -
Amortization of unfunded actuarial accrued liability (UAAL)	477,383
ARC	<u>477,383</u>
Interest on net OPEB obligation	18,877
Adjustment to annual required contribution	<u>(633,513)</u>
Annual OPEB cost (expense)	(137,253)
Contributions made	<u>(112,178)</u>
Increase in net OPEB obligation	(249,431)
Net OPEB obligation - beginning of the year	<u>1,238,640</u>
Net OPEB obligation - end of the year	<u><u>\$ 989,209</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB Plan, and the Net OPEB obligation for the three most recent fiscal years are shown in the following table.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual County Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2016	\$ (137,253)	\$ 112,178	-81.73%	\$ 989,209
June 30, 2015	226,722	121,354	53.53%	1,238,640
June 30, 2014	226,546	115,915	51.17%	1,133,272

Funding Status and Funding Progress. The funded status of the Health Plan as of June 30, 2016,

Actuarial accrued liability (AAL) - Unit Credit	\$ 834,575
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 834,575</u>
Funded ratio (actuarial value of plan assets / AAL)	0.0%
Covered payroll	\$ -
UAAL as a percentage of covered payroll	n/a

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality and the healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. GASB 45 requires that the schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of the Health Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. The basis for projections of benefits for financial reporting purposes is the substantive plan provisions, as understood by the employer and participating members, and include the type of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The County's actuarial valuation information is as follows:

Current valuation date:	June 30, 2016
Actuarial cost method:	Unprojected Unit credit method
Amortization method:	Closed
Initial Amortization period:	30
Remaining amortization period:	2
Asset valuation method:	Not applicable
Actuarial assumptions:	
Investment rate of return	Not applicable
Healthcare cost trend rate	

	<u>Medical</u>	<u>Pharmacy</u>
2017	8.00%	10.00%
2018	7.50%	8.00%
2019	7.00%	6.00%
2020	6.50%	5.80%
2021	6.40%	5.40%
2022	6.30%	4.60%

Discount rate	1.5240%
Inflation Assumption	1.5% (Included in above trend rates)

D. Employees' Pension Plans

Fayette County ACCG Pension Plan

In the fiscal year 2010, the County established a hybrid retirement plan for employees. The plan consists of a defined benefit and a defined contribution component. Employees are eligible for the plan if they are at least 18 years old and work a minimum of 30 hours per week. Participation in the defined benefit plan begins upon employment. Participants are vested after 5 years.

The County sponsors the Association County Commissioners of Georgia (ACCG) Restated Pension Plan for Fayette County Employees (The Plan), which is a defined benefit pension plan. The plan provides retirement, disability and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the ACCG Plan), an agent multiple-employer pension plan, administered by the Government Employee Benefits Corporation (GEBCorp). The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document.

Benefits vest after 5 years. Participants may retire at normal retirement, which is the later of 65, or 5 years of vesting service. Early retirement eligibility is the later of age 55 or 10 years of vesting service. The benefit is as follows:

- 1.50% of average annual compensation multiplied by years of credited service (not to exceed 30 if employment commencement date is prior to January 1, 2014).
- 1.25% of average annual compensation multiplied by years of credited service (not to exceed 30) if employment commencement date is on or after January 1, 2014.

Average annual compensation is defined as the highest average of the participant’s compensation over sixty consecutive months during the ten years preceding the Participant’s date of retirement or other termination if employment commencement date is prior to January 1, 2014. If the employee commencement date is on or after January 1, 2014, average annual compensation is defined as the highest average of the participant’s compensation over eight-four consecutive months during the ten plan years preceding the participants date of retirement or other termination.

Plan Membership – As of January 1, 2015, the date of the most recent actuarial valuation, the Plan’s membership consisted of the following:

Membership	
Retirees, beneficiaries and disabled receiving benefits	64
Terminated plan participants entitled to but not yet receiving benefits	105
Active employees participating in the plan	<u>573</u>
Total	<u><u>742</u></u>

Contributions - The County is required to contribute an actuarially determined amount annually to the Plan’s trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Board of Trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes. The actuarial recommended contribution based on the January 1, 2016 valuation was \$341,514.

Net Pension Liability – The County’s net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015

The total pension liability in the January 1, 2015 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	2.0% - 4.5% based on age
Investment rate of return	7.50 percent

Mortality rates were based on the RP-2000 Combined Mortality Table.

The actuarial assumptions used in the January 1, 2016 valuation were based on the results of an actuarial experience study for the period of January 1, 2014 to December 31, 2014.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The major asset classes are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30%	6.78%
Large Cap Equities	30%	9.77%
International Equities	15%	7.48%
Other equities	20%	9.23%
Real estate	5%	10.63%

* Rates shown are net of the 3.00% assumed rate of inflation

Discount rate - The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Changes in the Net Pension Liability of the County – The Changes in the components of the net pension liability of the County for the year ended June 30, 2016, were as follows:

	Schedule of Changes in Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, December 31, 2014	\$ 34,087,162	\$ 41,607,102	\$ (7,519,940)
Changes for the year:			
Service cost	868,884	-	868,884
Interest	2,508,554	-	2,508,554
Differences between expected and actual experience	1,295,636	-	1,295,636
Assumption Change	2,754,753	-	2,754,753
Contributions - County	-	350,141	(350,141)
Contributions - Employees	-	673,346	(673,346)
Net investment income	-	341,826	(341,826)
Benefit Payments	(1,279,559)	(1,279,559)	-
Administrative expense	-	(112,787)	112,787
Other	-	(195,463)	195,463
Net changes	6,148,268	(222,496)	6,370,764
Balance, December 31, 2015	\$ 40,235,430	\$ 41,384,606	\$ (1,149,176)

The required schedule of changes in the County's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to total pension liability.

Sensitivity of the County's proportional share of the net pension liability to changes in the discount rate – The following presents the net pension liability of the County, calculated using the discount rate of 7.50 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
County's Net Pension Liability (Asset)	\$ 5,300,107	\$ (1,149,176)	\$ (6,423,982)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future , and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2015 and the current sharing pattern of costs between employer and employee.

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – For the year ended June 30, 2016, the County recognized pension expense (benefit) of (\$408,159). At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 2,368,269	\$ -
Changes of assumptions	2,448,669	-
Net difference between projected and actual earnings on pension plan investments	1,151,676	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Contributions made subsequent to measurement date	157,741	-
	<u>\$ 6,126,355</u>	<u>\$ -</u>

The County’s contributions subsequent to the measurement date of \$157,741 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ 1,042,111
2018	1,042,111
2019	1,042,111
2020	1,042,112
2021	450,044
Thereafter	1,350,125

Other Defined Benefit Plans

Certain employees, elected officials, and appointed officials are eligible for participation in various multi employer cost-sharing defined benefit plans. The County does not make contributions to the plans, qualifying the plans as special funding situations under the requirements of GASB guidance. Management has determined the related impact on the financial statements to be immaterial. Further information may be obtained from the individual plans, as listed below:

Georgia Firefighters Pension Plan
Georgia Judicial Retirement System
Employees' Retirement System of Georgia
Peace Officers' Annuity and Benefit Fund of Georgia
Sheriff's Retirement System of Georgia
Judges of the Probate Courts Retirement Fund of Georgia
Magistrates' Retirement Fund of Georgia
Superior Court Clerks' Retirement Fund of Georgia

Discretely Presented Component Unit - Fayette County Department of Public Health Pension Plan

Plan Description - The Employee's Retirement System of Georgia (ERS), a cost-sharing multiple employer defined benefit pension plan, was established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees and has the powers and privileges of a corporation. The Plan is administered by the Employees' Retirement System of Georgia. The Plan is being funded in conformity with the minimum funding standard set forth in Code Section 47-20-10 of the Public Retirement Systems Standards Law and the funding policy adopted by the Board. Each plan and fund, including benefit contribution provisions, was established and can be amended by state law. The Plan issues a publicly available financial report that can be obtained at www.ers.ga.gov

Benefits Provided - The ERS Plan supports three benefits tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the old plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their memberships to GSEPS.

Under the old plan, the new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions – Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The Agency's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2016 was 24.72% of annual covered payroll for old and new plan members and 21.69% for GSEPS members. Total employer contributions to the pension plan from the Department were \$130,872 for the year ended June 30, 2016.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions - At June 30, 2016 the Department reported a liability of \$1,053,445 for its proportionate share of the collective net pension liability. The collective net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The Department's proportion of the collective net pension liability was based on the employers' shares of contributions to the pension plan relative to the total employer contributions of all participating ERS employers. At June 30, 2015, the Department's proportion was .026002%, which was an decrease of .000421% from its proportion measured as of June 30, 2014.

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For the year ended June 30, 2016, the Department recognized pension expense of \$79,150. At June 30, 2016, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 8,417
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	76,008
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,875	11,786
Contributions made subsequent to measurement date	130,872	-
	<u>\$ 144,747</u>	<u>\$ 96,211</u>

The \$130,872 reported as deferred outflows of resources related to pensions resulting from Department contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2017	\$ (33,473)
2018	(40,612)
2019	(33,878)
2020	25,627
20210	-
Thereafter	-

Actuarial Assumptions - The total pension liability as of June 30, 2015 was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	5.45 - 9.25%, including inflation
Investment rate of return	7.50%, net pension plan investment plan expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for the periods after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2004 -June 30, 2009.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Fixed income	30.00%	3.00%
Domestic large stocks	39.70%	6.50%
Domestic mid stocks	3.70%	10.00%
Domestic small stocks	1.60%	13.00%
International developed market stocks	18.90%	6.50%
International emerging market stocks	6.10%	11.00%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
	<u> </u>	<u> </u>	<u> </u>
Employer's proportionate share of net pension liability	<u>\$ 1,493,295</u>	<u>\$ 1,053,445</u>	<u>\$ 678,445</u>

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report which is publicly available at www.ers.ga.gov/formspubs/formspubs.

E. Defined Contribution Plan

In conjunction with the defined benefit plan, the County offers a defined contribution plan administered by Mass Mutual. The 401(a) pension plan is a defined contribution plan that covers substantially all full time County employees. Under the current provisions, the County will match contributions made by an employee to the deferred compensation plan on a 1-for-2 basis up to a maximum contribution by the County of 2.5%. Contributions are calculated and made on a biweekly payroll basis. During the fiscal year, employees contributed \$1,542,821 to the defined contribution plan and the County contributed \$588,092 in matching funds. The Board of Commissioners establishes matching percentages.

F. Contingent Liabilities

The County has participated in a number of grant programs funded by certain Federal and State agencies. Several of these programs are subject to program compliance audits and reviews by the grantor, some of which have not been concluded. Accordingly, the County's compliance with applicable grant requirements may be established at some future date. That amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts to be immaterial based upon previous experience. The County is a defendant in various litigations. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

G. Joint Venture

Under Georgia law, the County, in conjunction with other cities and counties in the Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC). Dues to the ARC are assessed at the County level and are, accordingly, paid by Fayette County. The County's membership dues paid to the ARC for the fiscal year ended June 30, 2016 were \$112,100. Membership in the ARC is required by the Official Code of Georgia (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC. The ARC board membership includes the chief elected official of each county and various municipalities of the area. OCGA 50-9-30.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements of the ARC may be obtained from ARC, 40 Courtland Street, NE, Atlanta, Georgia 30303.

H. Capital Contributions

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the County has recorded capital contributions received by the Water System enterprise fund as capital contributions revenue. Capital contributions include amounts received from Federal, State and other governments for aid in

The County has determined that a restatement of the beginning net position of the Business-Type Activities and the Water System Fund is required to adjust beginning net position to properly record depreciation on Water Meters purchased in FY2002 and FY2005. The meters were incorrectly capitalized with a useful life of 40 years. Management determined the beginning accumulated depreciation should be adjusted to properly record the assets with the appropriate useful life. This adjustment resulted in a change to the beginning net position for Business-Type Activities and the Water System Fund are as follows:

	Water Fund
	<hr/>
Net Position, as previously reported	\$ 80,040,586
Adjustment of beginning accumulated depreciation of water meters purchased in FY2002 and FY2005	<u>(713,529)</u>
Net Position, as restated	<u>\$ 79,327,057</u>
	Business-type Activities
	<hr/>
Net Position, as previously reported	\$ 82,380,120
Adjustment of beginning accumulated depreciation of water meters purchased in FY2002 and FY2005	<u>(713,529)</u>
Net Position, as restated	<u>\$ 81,666,591</u>



Fayette
COUNTY

“WHERE QUALITY
IS A LIFESTYLE”

REQUIRED SUPPLEMENTARY INFORMATION

**FAYETTE COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS**

Fayette County OPEB Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b - a) / c]
1/1/2009	\$ -	\$ 1,451,450	\$ 1,451,450	0.00%	\$ 32,700,000	4.44%
1/1/2011	-	2,197,298	2,197,298	0.00%	32,500,000	6.76%
6/30/2013	-	1,918,628	1,918,628	0.00%	-	0.00%
6/30/2016	-	834,575	834,575	0.00%	-	0.00%

Notes to Schedule

During 2013, the Board of Commissioners discontinued the OPEB plan and only the current 28 retired employees receiving the benefit will continue to receive. As a result, there is no covered payroll subsequent to 2013.

The assumptions used in the preparation of the above schedule are disclosed in Note IV.C to the financial statements.

FAYETTE COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY
AND RELATED RATIOS

	<u>2016</u>	<u>2015</u>
Total pension liability		
Service cost	\$ 868,884	\$ 921,991
Interest	2,508,554	2,386,445
Changes of benefit terms	--	--
Differences between expected and actual experience	1,295,636	--
Changes of assumptions	2,754,753	--
Benefit payments	<u>(1,279,559)</u>	<u>(1,040,539)</u>
Net change in total pension liability	6,148,268	2,267,897
Total pension liability-beginning	34,087,162	31,819,265
Total pension liability-ending (a)	<u>\$ 40,235,430</u>	<u>\$ 34,087,162</u>
Plan fiduciary net position		
Contributions-employer	\$ 350,141	\$ 183,425
Contributions-employee	673,346	2,530,040
Net investment income	341,826	2,872,411
Benefit payments	(1,140,530)	(1,002,929)
Employee contribution refunds	(139,029)	(214,263)
Administrative expense	(112,787)	(114,168)
Other	<u>(195,463)</u>	<u>(197,640)</u>
Net change in plan fiduciary net position	(222,496)	4,056,876
Plan fiduciary net position-beginning	41,607,102	37,550,226
Plan fiduciary net position-ending (b)	<u>\$ 41,384,606</u>	<u>\$ 41,607,102</u>
County's net pension liability (assets) - ending (a) - (b)	<u>\$ (1,149,176)</u>	<u>\$ (7,519,940)</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.86%	122.06%
Covered-employee payroll	\$ 26,898,226	\$ 29,389,328
County's net pension liability (asset) as a percentage of covered-employee payroll	-4.27%	-25.59%

Notes to the Schedule:

This schedule will present 10 years of information once its accumulated.

**FAYETTE COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS**

	2016	2015
Actuarially determined contribution	\$ 20,994	\$ 170,313
Contributions in relation to the actuarially determined contribution	350,141	183,425
Contribution deficiency (excess)	\$ (329,147)	\$ (13,112)
Covered-employee payroll	\$ 25,785,049	\$ 26,898,226
Contributions as a percentage of covered-employee payroll	1.36%	0.68%

Notes to Schedule

Valuation Date:	January 1, 2015
Actuarial cost method	Entry Age Normal
Asset valuation method	Smoothed market value with a 5-year smoothing period
Inflation	3.00%
Salary increases	2.0% - 4.5% based on age
Investment rate of return	7.50% net pension plan investment expense, including inflation
Retirement age	65
Mortality	Mortality rates were based on RP-2000 Combined Mortality Table

Other Information: This schedule is presented to illustrate the requirement to show information for 10 years. However, a full 10-year trend is not available. The Actuarially determined contribution rate was determined as of January 1, 2016, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2016.

**COMPONENT UNIT - FAYETTE COUNTY DEPARTMENT OF PUBLIC HEALTH
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
YEAR ENDED JUNE 30**

	2016	2015
Proportion of the net pension liability	2.600200%	2.642300%
Proportionate share of the net pension liability	\$ 1,053,445	\$ 991,026
Covered-employee payroll	621,644	612,597
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	169.46%	161.77%
Plan fiduciary net position as a percentage of the total pension liability	76.20%	76.20%

Notes to the Schedule:

Changes of assumptions : There were no changes in assumptions or benefits that affect the measurement of the total pension liability since the prior measurement date.

This schedule will present 10 years of information once its accumulated.

**COMPONENT UNIT - FAYETTE COUNTY DEPARTMENT OF PUBLIC HEALTH
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
YEAR ENDED JUNE 30**

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 130,872	\$ 141,321
Contributions in relation to the actuarially determined contribution	<u>130,872</u>	<u>141,321</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>
Covered-employee payroll	\$ 542,274	\$ 621,644
Contributions as a percentage of covered- employee payroll	24.13%	22.73%

Notes to Schedule

Method and assumption used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which the contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for year ended June 30, 2016 reported in that schedule:

Valuation Date:	June 30, 2013
Actuarial cost method	Entry age
Asset valuation method	Level dollar, closed
Remaining amortization period	25 years
Asset valuation method	5-year smoothed market
Inflation rate	3.00%
Salary increases	5.45% - 9.25%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Note: Schedule is intended to show information for the last 10 years. Additional years will be displayed as they become available.



"WHERE QUALITY
IS A LIFESTYLE"

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Fayette County, Georgia
Non-Major Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The County has the following five Non-Major Special Revenue Funds.

Emergency 911 Services Fund – This fund is used to account for taxes collected from a separate tax levy and user fees generated from telephone customers that are restricted to the operation of a call center to handle the communications between citizens and public safety providers.

Street Lights Fund - This fund is used to account for a separate tax levy that is restricted to the provision of street lighting services for subscribing property owners for this service.

Grants Fund - This fund is used to account for the various federal and state grant monies that are received and legally restricted for purposes specified in the grant application.

Confiscated Assets Fund – This fund is used to account for cash received from the confiscation of assets of individuals convicted of drug offenses which is restricted to law enforcement purposes.

Fine Surcharges Fund – This fund is used to account for the collection of fine surcharges which are restricted as to use for specific court or law enforcement related programs.

Capital Projects Funds

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by Proprietary Funds. The County has the following five NonMajor Capital Projects Funds.

Unincorporated County Roads SPLOST Fund – This fund is used to account for the construction of specific road and road improvements that were approved by the voters in a special referendum. Funding for these projects came from a Special Purpose Local Option Sales Tax (SPLOST) levied for this purpose.

Capital Projects Fund – This fund is used to account for miscellaneous projects that are approved as part of the Capital Improvement Program. Funding for these projects typically comes from transfers of monies from the tax supported funds.

Fayette County, Georgia
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2016

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Non-Major Governmental Funds</u>
ASSETS:			
Cash and cash equivalents	\$ 4,271,928	\$ 2,695,891	\$ 6,967,819
Investments	-	5,661,962	5,661,962
Receivables (net of allowances for uncollectibles)	550,144	46,611	596,755
Total assets	<u>\$ 4,822,072</u>	<u>\$ 8,404,464</u>	<u>\$ 13,226,536</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ 43,891	\$ 523,732	\$ 567,623
Salary and benefits payable	89,630	-	89,630
Total liabilities	<u>133,521</u>	<u>523,732</u>	<u>657,253</u>
Deferred inflows of resources - Unavailable revenue	<u>9,547</u>	<u>-</u>	<u>9,547</u>
Fund balances:			
Restricted for:			
Special programs:			
Capital projects	-	313,522	313,522
E-911 communications	2,168,674	-	2,168,674
Court services	668,390	-	668,390
Law enforcement	1,636,711	-	1,636,711
Street lights	205,229	-	205,229
Committed for -			
Capital projects	-	7,567,210	7,567,210
Total fund balances	<u>4,679,004</u>	<u>7,880,732</u>	<u>12,559,736</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,822,072</u>	<u>\$ 8,404,464</u>	<u>\$ 13,226,536</u>

Fayette County, Georgia
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2016

	Emergency 911	Street Lights	Grants	Confiscated Assets	Fine Surcharges	Totals
ASSETS:						
Cash and cash equivalents	\$ 1,870,874	\$ 204,821	\$ -	\$ 1,606,181	\$ 590,052	\$ 4,271,928
Receivables (net of allowances for uncollectibles)	415,966	2,463	-	6,172	125,543	550,144
Total assets	<u>\$ 2,286,840</u>	<u>\$ 207,284</u>	<u>\$ -</u>	<u>\$ 1,612,353</u>	<u>\$ 715,595</u>	<u>\$ 4,822,072</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 31,304	\$ -	\$ -	\$ -	\$ 12,587	\$ 43,891
Salary and benefits payable	79,370	-	-	-	10,260	89,630
Total liabilities	<u>110,674</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,847</u>	<u>133,521</u>
Deferred inflows of resources - Unearned revenue	<u>7,492</u>	<u>2,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,547</u>
Fund balances:						
Restricted for:						
Special programs:						
E-911 communications	2,168,674	-	-	-	-	2,168,674
Court services	-	-	-	-	668,390	668,390
Law enforcement	-	-	-	1,612,353	24,358	1,636,711
Street lights	-	205,229	-	-	-	205,229
Total fund balances	<u>2,168,674</u>	<u>205,229</u>	<u>-</u>	<u>1,612,353</u>	<u>692,748</u>	<u>4,679,004</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 2,286,840</u>	<u>\$ 207,284</u>	<u>\$ -</u>	<u>\$ 1,612,353</u>	<u>\$ 715,595</u>	<u>\$ 4,822,072</u>

Fayette County, Georgia
Combining Balance Sheet
Non-Major Capital Projects Funds
June 30, 2016

	Unincorporated County Roads SPLOST	General Capital Projects	Totals
ASSETS:			
Cash and cash equivalents	\$ 662,115	\$ 2,033,776	\$ 2,695,891
Investments	-	5,661,962	5,661,962
Receivables (net of allowances for uncollectibles)	-	46,611	46,611
Total assets	\$ 662,115	\$ 7,742,349	\$ 8,404,464
LIABILITIES AND FUND BALANCES:			
Liabilities -			
Accounts payable	\$ 348,593	\$ 175,139	\$ 523,732
Fund balances:			
Restricted for -			
Capital projects	313,522	-	313,522
Committed to -			
Capital projects	-	7,567,210	7,567,210
Total fund balances	313,522	7,567,210	7,880,732
Total liabilities and fund balances	\$ 662,115	\$ 7,742,349	\$ 8,404,464

Fayette County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2016

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
REVENUES:			
Taxes:			
Property	\$ 1,370,245	\$ -	\$ 1,370,245
Sales	-	5,517	5,517
Other	2,068	-	2,068
Intergovernmental	561,921	67,374	629,295
Charges for services	2,536,558	-	2,536,558
Fines and forfeitures	957,267	-	957,267
Investment earnings	326	50,277	50,603
Contributions and donations	-	5,000	5,000
Miscellaneous revenues	15,747	5,400	21,147
Total revenues	<u>5,444,132</u>	<u>133,568</u>	<u>5,577,700</u>
EXPENDITURES:			
Current:			
Judicial system	590,735	-	590,735
Public safety	3,693,504	-	3,693,504
Public works	319,199	-	319,199
Capital outlay	-	3,777,454	3,777,454
Intergovernmental	-	2,819	2,819
Total expenditures	<u>4,603,438</u>	<u>3,780,273</u>	<u>8,383,711</u>
Excess (deficiency) of revenues over (under) expenditures	<u>840,694</u>	<u>(3,646,705)</u>	<u>(2,806,011)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	65,667	4,090,352	4,156,019
Transfers out	(12,027)	(1,006,706)	(1,018,733)
Total other financing sources (uses)	<u>53,640</u>	<u>3,083,646</u>	<u>3,137,286</u>
Net change in fund balance	894,334	(563,059)	331,275
Fund balance, beginning of year	<u>3,784,670</u>	<u>8,443,791</u>	<u>12,228,461</u>
Fund balance, end of year	<u>\$ 4,679,004</u>	<u>\$ 7,880,732</u>	<u>\$ 12,559,736</u>

Fayette County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2016

REVENUES:	Emergency 911	Street Lights	Grants	Confiscated Assets	Fine Surcharges	Totals
Taxes:						
Property	\$ 996,633	\$ 373,612	\$ -	\$ -	\$ -	\$ 1,370,245
Other	2,068	-	-	-	-	2,068
Intergovernmental	-	-	-	-	561,921	561,921
Charges for services	2,536,558	-	-	-	-	2,536,558
Fines and forfeitures	-	-	-	430,297	526,970	957,267
Investment earnings	-	-	-	326	-	326
Miscellaneous revenues		11,265		4,482	-	15,747
Total revenues	<u>3,535,259</u>	<u>384,877</u>	<u>-</u>	<u>435,105</u>	<u>1,088,891</u>	<u>5,444,132</u>
EXPENDITURES:						
Current:						
Judicial system	-	-	-	-	590,735	590,735
Public safety	2,705,849	-	-	575,104	412,551	3,693,504
Public works	-	319,199	-	-	-	319,199
Total expenditures	<u>2,705,849</u>	<u>319,199</u>	<u>-</u>	<u>575,104</u>	<u>1,003,286</u>	<u>4,603,438</u>
Excess (deficiency) of revenues over (under) expenditures	829,410	65,678	-	(139,999)	85,605	840,694
OTHER FINANCING SOURCES (USES):						
Transfers in	25,667	-	-	-	40,000	65,667
Transfers out	-	-	(12,027)	-	-	(12,027)
Total other financing sources (uses)	<u>25,667</u>	<u>-</u>	<u>(12,027)</u>	<u>-</u>	<u>40,000</u>	<u>53,640</u>
Net change in fund balance	855,077	65,678	(12,027)	(139,999)	125,605	894,334
Fund balance, beginning of year	<u>1,313,597</u>	<u>139,551</u>	<u>12,027</u>	<u>1,752,352</u>	<u>567,143</u>	<u>3,784,670</u>
Fund balance, end of year	<u>\$ 2,168,674</u>	<u>\$ 205,229</u>	<u>\$ -</u>	<u>\$ 1,612,353</u>	<u>\$ 692,748</u>	<u>\$ 4,679,004</u>

Fayette County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Capital Projects Funds
For the Fiscal Year Ended June 30, 2016

	Unincorporated County Roads SPLOST	General Capital Projects	Totals
REVENUES:			
Taxes -			
Special purpose local option sales tax (SPLOST)	\$ 5,517	\$ -	\$ 5,517
Intergovernmental	-	67,374	67,374
Investment earnings	1,696	48,581	50,277
Contributions and donations	-	5,000	5,000
Miscellaneous revenues	-	5,400	5,400
Total revenues	<u>7,213</u>	<u>126,355</u>	<u>133,568</u>
EXPENDITURES:			
Capital outlay	490,237	3,287,217	3,777,454
Intergovernmental	2,819	-	2,819
Total expenditures	<u>493,056</u>	<u>3,287,217</u>	<u>3,780,273</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(485,843)</u>	<u>(3,160,862)</u>	<u>(3,646,705)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	4,090,352	4,090,352
Transfers out	-	(1,006,706)	(1,006,706)
Total other financing sources (uses)	<u>-</u>	<u>3,083,646</u>	<u>3,083,646</u>
Net change in fund balance	(485,843)	(77,216)	(563,059)
Fund balance, beginning of year	<u>799,365</u>	<u>7,644,426</u>	<u>8,443,791</u>
Fund balance, end of year	<u>\$ 313,522</u>	<u>\$ 7,567,210</u>	<u>\$ 7,880,732</u>

Fayette County, Georgia
Emergency 911 (E-911) Tax District Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Taxes:				
Property	\$ 989,600	\$ 989,600	\$ 996,633	\$ 7,033
Other	2,200	2,200	2,068	(132)
Charges for services	2,300,000	2,300,000	2,536,558	236,558
Total revenues	<u>3,291,800</u>	<u>3,291,800</u>	<u>3,535,259</u>	<u>243,459</u>
EXPENDITURES:				
Current -				
Public safety -				
Emergency 911	2,916,195	2,936,228	2,705,849	230,379
Total expenditures	<u>2,916,195</u>	<u>2,936,228</u>	<u>2,705,849</u>	<u>230,379</u>
Excess of revenues over expenditures	<u>375,605</u>	<u>355,572</u>	<u>829,410</u>	<u>473,838</u>
OTHER FINANCING SOURCES -				
Transfers in	<u>25,667</u>	<u>25,667</u>	<u>25,667</u>	<u>-</u>
Net change in fund balance	<u>\$ 401,272</u>	<u>\$ 381,239</u>	855,077	<u>\$ 473,838</u>
Fund balance, beginning of year			<u>1,313,597</u>	
Fund balance, end of year			<u>\$ 2,168,674</u>	

Fayette County, Georgia
Street Lights Tax District Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Taxes -				
Property	\$ 330,000	\$ 330,000	\$ 373,612	\$ 43,612
Miscellaneous Revenues	-	-	11,265	11,265
Total revenue	330,000	330,000	384,877	54,877
EXPENDITURES:				
Current -				
Public works -				
Street lights	330,000	330,000	319,199	10,801
Net change in fund balance	\$ -	\$ -	65,678	\$ 65,678
Fund balance, beginning of year			139,551	
Fund balance, end of year			\$ 205,229	

Fayette County, Georgia
Grants Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES -				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
EXPENDITURES -				
Current -				
Judicial system	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES (Uses) -				
Transfers out	-	-	(12,027)	(12,027)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(12,027)	<u>\$ (12,027)</u>
Fund balance, beginning of year			<u>12,027</u>	
Fund balance, end of year			<u>\$ -</u>	

Fayette County, Georgia
Confiscated Assets Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Fines and forfeitures:				
U. S. Customs	\$ -	\$ 43,164	\$ 43,165	\$ 1
Federal	-	335,729	335,729	-
State	-	51,402	51,403	1
Investment earnings	-	325	326	1
Miscellaneous revenues	-	4,482	4,482	-
Total revenues	-	435,102	435,105	3
EXPENDITURES:				
Current -				
Public safety -				
Sheriff's office:				
U. S. Customs	-	263,981	263,974	7
Federal	-	285,676	285,666	10
State	-	25,468	25,464	4
Total expenditures	-	575,125	575,104	21
Net change in fund balance	\$ -	\$ (140,023)	(139,999)	\$ 24
Fund balance, beginning of year			1,752,352	
Fund balance, end of year			\$ 1,612,353	

Fayette County, Georgia
Fine Surcharges Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Jail surcharge	\$ 241,000	\$ 241,000	\$ 198,777	\$ (42,223)
Victims' assistance surcharge	81,000	81,000	96,211	15,211
Drug court grant	221,800	220,019	220,019	-
DUI court grant	-	46,914	46,914	-
Fines and forfeitures:				
Jail surcharge	150,000	150,000	162,916	12,916
Victims' assistance surcharge	58,500	58,500	63,175	4,675
Drug abuse education surcharge	201,000	201,000	217,731	16,731
DUI court surcharge	-	-	18,528	18,528
Juvenile court supervision surcharge	15,000	15,000	14,076	(924)
Law library surcharge	60,000	60,000	50,544	(9,456)
Total revenues	1,028,300	1,073,433	1,088,891	15,458
EXPENDITURES:				
Current:				
Judicial system:				
Victims' assistance	139,500	139,500	139,500	-
Drug abuse education	348,197	346,219	320,448	25,771
DUI court	-	52,127	56,173	(4,046)
Juvenile court supervision	19,278	19,278	18,503	775
Law library	60,000	60,000	56,111	3,889
Public safety -				
Prisoner meals	391,000	412,552	412,551	1
Total expenditures	957,975	1,029,676	1,003,286	26,390
Excess of revenues over expenditures	70,325	43,757	85,605	41,848
OTHER FINANCING SOURCES:				
Transfers in	-	40,000	40,000	-
Net change in fund balance	\$ 70,325	\$ 83,757	125,605	\$ 41,848
Fund balance, beginning of year			567,143	
Fund balance, end of year			\$ 692,748	

Fayette County, Georgia
County-Wide Roads SPLOST Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Taxes -				
Special purpose local option sales tax (SPLOST)	\$ 68,333,155	\$ 12,872	\$ 68,346,027	\$ 81,100,087
Intergovernmental -				
Grants	447,824	-	447,824	-
Investment earnings	4,435,941	262,874	4,698,815	-
Total revenues	<u>73,216,920</u>	<u>275,746</u>	<u>73,492,666</u>	<u>81,100,087</u>
EXPENDITURES:				
Capital outlay -				
Streets and bridges	33,704,633	1,188,189	34,892,822	73,325,743
Intergovernmental -				
City of Fayetteville	3,690,198	639,546	4,329,744	7,774,344
Total expenditures	<u>37,394,831</u>	<u>1,827,735</u>	<u>39,222,566</u>	<u>81,100,087</u>
Excess (deficiency) of revenues over (under) expenditures	<u>35,822,089</u>	<u>(1,551,989)</u>	<u>34,270,100</u>	<u>-</u>
OTHER FINANCING SOURCES:				
Transfers in	205,000	-	205,000	-
Proceeds from the sale of capital assets	97	-	97	-
Total other financing sources (uses)	<u>205,097</u>	<u>-</u>	<u>205,097</u>	<u>-</u>
Net change in fund balance	<u>\$ 36,027,186</u>	<u>(1,551,989)</u>	<u>\$ 34,475,197</u>	<u>\$ -</u>
Fund balance, beginning of year		<u>36,027,186</u>		
Fund balance, end of year		<u>\$ 34,475,197</u>		

Fayette County, Georgia
Unincorporated County Roads SPLOST Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2016

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Taxes -				
Special purpose local option sales tax (SPLOST)	\$ 29,327,070	\$ 5,517	\$ 29,332,587	\$ 34,757,180
Intergovernmental:				
Clayton County	65,959	-	65,959	-
City of Peachtree City	63,263	-	63,263	-
Investment earnings	474,640	1,696	476,336	-
Total revenues	<u>29,930,932</u>	<u>7,213</u>	<u>29,938,145</u>	<u>34,757,180</u>
EXPENDITURES:				
Capital outlay -				
Streets and bridges	13,982,394	490,237	14,472,631	16,780,767
Intergovernmental:				
Town of Brooks	178,617	-	178,617	212,019
City of Fayetteville	3,579,308	674	3,579,982	4,247,327
City of Peachtree City	10,134,536	1,952	10,136,488	12,025,984
Town of Tyrone	1,256,712	193	1,256,905	1,491,083
Total expenditures	<u>29,131,567</u>	<u>493,056</u>	<u>29,624,623</u>	<u>34,757,180</u>
Net change in fund balance	<u>\$ 799,365</u>	(485,843)	<u>\$ 313,522</u>	<u>\$ -</u>
Fund balance, beginning of year		<u>799,365</u>		
Fund balance, end of year		<u>\$ 313,522</u>		

Fayette County, Georgia
Non-Major Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for activity for which a fee is charged to external users for goods or services. The County has the following two Non-Major Enterprise Funds.

Solid Waste Fund – This fund is used to account for residential user fees and host fees generated from Fayette County Solid Waste and Recycling transfer station. It is operated by Waste Management at 211 First Manassas Mile Road, Fayetteville, Georgia.

Stormwater Utility Fund - This fund is used to account for stormwater user fees funding Fayette County's Stormwater Management and System Improvement Programs. These funds go to maintain stormwater infrastructure within County owned properties and right-of-ways. The replacement of the infrastructures is based on a ranking system with priority given to public safety concerns.

Fayette County, Georgia
Combining Statement of Net Position
Non-Major Business-Type Enterprise Funds
June 30, 2016

	Solid Waste	Stormwater Utility	Total
ASSETS:			
Current assets:			
Cash and cash equivalents -			
Unrestricted	\$ 456,270	\$ 5,950,626	\$ 6,406,896
Accounts receivable, net of allowance	7,048	257,024	264,072
Total current assets	<u>463,318</u>	<u>6,207,650</u>	<u>6,670,968</u>
Non-current assets -			
Capital assets:			
Land	16,517	-	16,517
Construction in progress	20,467	558,190	578,657
Buildings and other structures	158,499	-	158,499
Infrastructure	-	161,941	161,941
Improvements other than buildings	120,170	-	120,170
Machinery, equipment and vehicles	210,445	-	210,445
Less: accumulated depreciation	<u>(398,750)</u>	<u>(2,057)</u>	<u>(400,807)</u>
Total capital assets (net of accumulated depreciation)	<u>127,348</u>	<u>718,074</u>	<u>845,422</u>
Other assets -			
Net pension asset	<u>1,034</u>	<u>-</u>	<u>1,034</u>
Total non-current assets	<u>128,382</u>	<u>718,074</u>	<u>846,456</u>
Total assets	<u>591,700</u>	<u>6,925,724</u>	<u>7,517,424</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>5,514</u>	<u>-</u>	<u>5,514</u>
LIABILITIES			
Current liabilities:			
Accounts payable	5,005	31,411	36,416
Advances from other funds	-	4,701,929	4,701,929
	<u>5,005</u>	<u>4,733,340</u>	<u>4,738,345</u>
NET POSITION			
Net investment in capital assets	127,348	718,074	845,422
Unrestricted	464,861	1,474,310	1,939,171
	<u>\$ 592,209</u>	<u>\$ 2,192,384</u>	<u>\$ 2,784,593</u>

Fayette County, Georgia
Combining Statement of Revenues, Expenses and Changes in Net Position
Non-Major Business-Type Enterprise Funds
For the Fiscal Year Ended June 30, 2016

	Solid Waste	Stormwater Utility	Total
Operating Revenues:			
Charges for sales and services:			
Solid waste fees	\$ 70,010	\$ -	\$ 70,010
Stormwater fees	-	614,053	614,053
Total operating revenues	<u>70,010</u>	<u>614,053</u>	<u>684,063</u>
Operating Expenses:			
Cost of sales and services	192,900	46,884	239,784
Administration	-	23,505	23,505
Depreciation	15,154	2,057	17,211
Total operating expenses	<u>208,054</u>	<u>72,446</u>	<u>280,500</u>
Operating income (loss)	<u>(138,044)</u>	<u>541,607</u>	<u>403,563</u>
Nonoperating Revenues -			
Interest income	<u>68</u>	<u>-</u>	<u>68</u>
Income (loss) before transfers	(137,976)	541,607	403,631
Tranfers:			
Transfers in	-	54,618	54,618
Transfers out	-	(13,190)	(13,190)
Net transfers	<u>-</u>	<u>41,428</u>	<u>41,428</u>
Change in net position	(137,976)	583,035	445,059
Total net position - beginning, as restated	<u>730,185</u>	<u>1,609,349</u>	<u>2,339,534</u>
Total net position - ending	<u>\$ 592,209</u>	<u>\$ 2,192,384</u>	<u>\$ 2,784,593</u>

Fayette County, Georgia
Combining Statement of Cash Flows
Non-Major Business-Type Enterprise Funds
For the Fiscal Year Ended June 30, 2016

	Solid Waste	Stormwater Utility	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 78,016	\$ 609,235	\$ 687,251
Payments to suppliers	(180,375)	(40,236)	(220,611)
Payments to employees	(31,297)	-	(31,297)
Net cash provided (used) by operating activities	<u>(133,656)</u>	<u>568,999</u>	<u>435,343</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in from other funds	-	54,618	54,618
Transfers out to other funds	-	(13,190)	(13,190)
Net cash provided by noncapital financing activities	<u>-</u>	<u>41,428</u>	<u>41,428</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Advances from other funds for capital purchases	-	4,701,929	4,701,929
Construction of capital assets	(20,466)	(473,499)	(493,965)
Net cash provided (used) by capital and related financing activities	<u>(20,466)</u>	<u>4,228,430</u>	<u>4,207,964</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	<u>68</u>	<u>-</u>	<u>68</u>
Net increase (decrease) in cash and cash equivalents	(154,054)	4,838,857	4,684,803
Cash and cash equivalents at beginning of year	<u>610,324</u>	<u>1,111,769</u>	<u>1,722,093</u>
Cash and cash equivalents at end of year	<u>\$ 456,270</u>	<u>\$ 5,950,626</u>	<u>\$ 6,406,896</u>

Fayette County, Georgia
Combining Statement of Cash Flows
Non-Major Business-Type Enterprise Funds
For the Fiscal Year Ended June 30, 2016

	Solid Waste	Stormwater Utility	Total
Reconciliation of Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (138,044)	\$ 541,607	\$ 403,563
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	15,154	2,057	17,211
Decrease (increase) in assets:			
Accounts receivable	7,991	2,292	10,283
Interest receivable	15	-	15
Pension related items	7,283	-	7,283
Increase (decrease) in liabilities:			
Accounts payable	(23,099)	23,043	(56)
Salaries and benefits payable	(1,716)	-	(1,716)
Compensated absences	(1,240)	-	(1,240)
Total adjustments	4,388	27,392	31,780
Net cash provided (used) by operating activities	\$ (133,656)	\$ 568,999	\$ 435,343

Fayette County, Georgia
Internal Service Funds

Internal Service Funds are used to account for certain risk financing activities, and the financing of goods or services provided by one department or agency to other departments or agencies on a cost reimbursement basis. The County has the following four Internal Service Funds.

Workers' Compensation Self-Insurance Fund – This fund is used to account for the financing of the risk that an employee will be injured or have health issues in the course of performing their duties at work. Individual departments and funds are assessed a charge by the fund based on the actual cost of workers' compensation claims. These assessments are used to pay workers' compensation claims and associated administrative expenses that arise during the period.

Dental and Vision Self-Insurance Fund - This fund is used to account for the risk that an employee (and their covered dependents) will require preventative or curative professional services for their teeth or eyes during the year. Each department and its employees (depending upon their particular coverage) are assessed a charge which represents a pro rata share of the cost for dental and vision coverage. These assessments are used to reimburse the employee for their dental and vision claims up to the maximum allowed annual benefit.

Major Medical Self-Insurance Fund - This fund is used to account for the risk that an employee (and their covered dependents) will require preventative or curative professional services for the maintenance of their health during the year. Each department and its employees (depending upon their particular coverage) are assessed a charge which represents a pro rata share of the cost for medical coverage. These assessments are used to pay health claims and the associated administrative expenses. This fund also pays for the Employee Assistance Program (EAP) and other health related costs such as flu shots.

Vehicle Replacement Fund – This fund was established to provide resources for the County to replace the vehicles and certain equipment of its Governmental Funds. The annual charge to the various funds is based on the replacement schedule of its fleet.

Fayette County, Georgia
Statement of Net Position
Internal Service Funds
June 30, 2016

	Self-Insurance Funds				Total
	Workers' Compensation	Dental And Vision	Major Medical	Vehicle Replacement	
ASSETS					
Current assets:					
Unrestricted cash	\$ 301,729	\$ 110,250	\$ 875,405	\$ 888,664	\$ 2,176,048
Restricted cash	-	-	-	738,210	738,210
Cash with fiscal agent	-	-	191,035	-	191,035
Investments	-	-	-	3,110,091	3,110,091
Accounts receivable	-	4	408,261	-	408,265
Total current assets	<u>301,729</u>	<u>110,254</u>	<u>1,474,701</u>	<u>4,736,965</u>	<u>6,623,649</u>
Noncurrent assets -					
Capital assets:					
Machinery, equipment and vehicles	-	-	-	16,258,134	16,258,134
Less: accumulated depreciation	-	-	-	(12,312,897)	(12,312,897)
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,945,237</u>	<u>3,945,237</u>
Total assets	<u>301,729</u>	<u>110,254</u>	<u>1,474,701</u>	<u>8,682,202</u>	<u>10,568,886</u>
LIABILITIES					
Current liabilities:					
Accounts payable	-	-	-	252,198	252,198
Claims payable	181,055	3,642	397,054	-	581,751
Total current liabilities	<u>181,055</u>	<u>3,642</u>	<u>397,054</u>	<u>252,198</u>	<u>833,949</u>
Noncurrent liabilities -					
Certificates of participation	-	-	-	601,000	601,000
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>601,000</u>	<u>601,000</u>
Total liabilities	<u>181,055</u>	<u>3,642</u>	<u>397,054</u>	<u>853,198</u>	<u>1,434,949</u>
NET POSITION					
Net investment in capital assets	-	-	-	3,344,237	3,344,237
Unrestricted	120,674	106,612	1,077,647	4,484,767	5,789,700
Total net position	<u>\$ 120,674</u>	<u>\$ 106,612</u>	<u>\$ 1,077,647</u>	<u>\$ 7,829,004</u>	<u>\$ 9,133,937</u>

Fayette County, Georgia
Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2016

	Self-Insurance Funds				Total
	Workers' Compensation	Dental And Vision	Major Medical	Vehicle Replacement	
Operating Revenues:					
Charges for sales and services	\$ 470,000	\$ 477,433	\$ 7,137,734	\$ -	\$ 8,085,167
Total operating revenues	470,000	477,433	7,137,734	-	8,085,167
Operating Expenses:					
Costs of sales and services	1,033,575	493,764	6,702,934	-	8,230,273
Administration	15,750	-	485,473	-	501,223
Depreciation	-	-	-	764,089	764,089
Total operating expenses	1,049,325	493,764	7,188,407	764,089	9,495,585
Operating income (loss)	(579,325)	(16,331)	(50,673)	(764,089)	(1,410,418)
Nonoperating Revenues (Expenses):					
Interest income	-	-	-	56,945	56,945
Interest expense	-	-	-	(2,229)	(2,229)
Gain on disposal of capital assets	-	-	-	70,704	70,704
Total nonoperating revenues (expenses)	-	-	-	125,420	125,420
Income (loss) before contributions and transfers	(579,325)	(16,331)	(50,673)	(638,669)	(1,284,998)
Other Financing Sources (Uses)					
Capital contributions	-	-	-	23,665	23,665
Transfers in	-	-	-	970,000	970,000
Change in net position	(579,325)	(16,331)	(50,673)	354,996	(291,333)
Total net position - beginning	699,999	122,943	1,128,320	7,474,008	9,425,270
Total net position - ending	\$ 120,674	\$ 106,612	\$ 1,077,647	\$ 7,829,004	\$ 9,133,937

Fayette County, Georgia
Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2016

	Self-Insurance Funds				Total
	Workers' Compensation	Dental And Vision	Major Medical	Vehicle Replacement	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users	\$ -	\$ 138,010	\$ 1,809,452	\$ -	\$ 1,947,462
Receipts from interfund services provided	470,000	339,419	4,920,021	-	5,729,440
Payments to suppliers	(930,439)	(494,205)	(7,082,539)	-	(8,507,183)
Net cash provided (used) by operating activities	(460,439)	(16,776)	(353,066)	-	(830,281)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in from other funds	-	-	-	970,000	970,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from sale of capital assets	-	-	-	70,704	70,704
Interest paid on certificates of participation	-	-	-	(2,229)	(2,229)
Purchase of capital assets	-	-	-	(1,816,695)	(1,816,695)
Net cash used by capital and related financing activities	-	-	-	(1,748,220)	(1,748,220)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	-	-	-	56,945	56,945
Purchase of investments	-	-	-	(29,787)	(29,787)
Net cash provided by investing activities	-	-	-	27,158	27,158
Net increase (decrease) in cash and cash equivalents	(460,439)	(16,776)	(353,066)	(751,062)	(1,581,343)
Cash and cash equivalents at beginning of year	762,168	127,026	1,419,506	2,377,936	4,686,636
Cash and cash equivalents at end of year	<u>\$ 301,729</u>	<u>\$ 110,250</u>	<u>\$ 1,066,440</u>	<u>\$ 1,626,874</u>	<u>\$ 3,105,293</u>

Fayette County, Georgia
Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2016

	Self-Insurance Funds				Total
	Workers' Compensation	Dental And Vision	Major Medical	Vehicle Replacement	
Reconciliation of Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:					
Operating income (loss)	\$ (579,325)	\$ (16,331)	\$ (50,673)	\$ (764,089)	\$ (1,410,418)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	-	-	-	764,089	764,089
Decrease (increase) in assets -					
Accounts receivable	-	(4)	(408,261)	-	(408,265)
Prepaid items	6,750	-	-	-	6,750
Increase (decrease) in liabilities:					
Accounts payable	-	-	(24)	-	(24)
Claims payable	112,136	(441)	105,892	-	217,587
Total adjustments	<u>118,886</u>	<u>(445)</u>	<u>(302,393)</u>	<u>764,089</u>	<u>580,137</u>
Net cash provided (used) by operating activities	<u>\$ (460,439)</u>	<u>\$ (16,776)</u>	<u>\$ (353,066)</u>	<u>\$ -</u>	<u>\$ (830,281)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Contributions of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,665</u>	<u>\$ 23,665</u>

Fayette County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2016

	<u>Balance Beginning Of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End Of Year</u>
TAX COMMISSIONER				
Assets:				
Cash and cash equivalents	\$ 3,649,110	\$ 201,043,564	\$ 201,921,038	\$ 2,771,636
Taxes receivable	2,814,906	135,228,713	134,976,223	3,067,396
Total assets	<u>\$ 6,464,016</u>	<u>\$ 336,272,277</u>	<u>\$ 336,897,261</u>	<u>\$ 5,839,032</u>
Liabilities:				
Due to others	\$ 6,013,265	\$ 336,209,321	\$ 336,699,808	\$ 5,522,778
Tax protest / bankruptcy / tax sale	450,751	62,956	197,453	316,254
Total liabilities	<u>\$ 6,464,016</u>	<u>\$ 336,272,277</u>	<u>\$ 336,897,261</u>	<u>\$ 5,839,032</u>
SHERIFF'S OFFICE				
Assets -				
Cash and cash equivalents	<u>\$ 147,656</u>	<u>\$ 923,797</u>	<u>\$ 783,163</u>	<u>\$ 288,290</u>
Liabilities -				
Due to others	<u>\$ 147,656</u>	<u>\$ 923,797</u>	<u>\$ 783,163</u>	<u>\$ 288,290</u>
SUPERIOR COURT				
Assets -				
Cash and cash equivalents	<u>\$ 1,125,876</u>	<u>\$ 6,404,335</u>	<u>\$ 5,562,894</u>	<u>\$ 1,967,317</u>
Liabilities -				
Due to others	<u>\$ 1,125,876</u>	<u>\$ 6,404,335</u>	<u>\$ 5,562,894</u>	<u>\$ 1,967,317</u>
STATE COURT				
Assets -				
Cash and cash equivalents	<u>\$ 703,738</u>	<u>\$ 2,435,947</u>	<u>\$ 2,430,927</u>	<u>\$ 708,758</u>
Liabilities -				
Due to others	<u>\$ 703,738</u>	<u>\$ 2,435,947</u>	<u>\$ 2,430,927</u>	<u>\$ 708,758</u>
MAGISTRATE COURT				
Assets -				
Cash and cash equivalents	<u>\$ 108,665</u>	<u>\$ 562,589</u>	<u>\$ 549,590</u>	<u>\$ 121,664</u>
Liabilities -				
Due to others	<u>\$ 108,665</u>	<u>\$ 562,589</u>	<u>\$ 549,590</u>	<u>\$ 121,664</u>

Fayette County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2016

	<u>Balance Beginning Of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End Of Year</u>
JUVENILE COURT				
Assets -				
Cash and cash equivalents	\$ 12,866	\$ 98,750	\$ 100,782	\$ 10,834
Liabilities -				
Due to others	\$ 12,866	\$ 98,750	\$ 100,782	\$ 10,834
PROBATE COURT				
Assets -				
Cash and cash equivalents	\$ 44,057	\$ 653,362	\$ 649,825	\$ 47,594
Liabilities -				
Due to others	\$ 44,057	\$ 653,362	\$ 649,825	\$ 47,594
GRIFFIN JUDICIAL CIRCUIT				
Assets -				
Cash and cash equivalents	\$ -	\$ 1,062,714	\$ 796,254	\$ 266,460
Due from other governments	-	1,215	-	1,215
Total assets	\$ -	\$ 1,063,929	\$ 796,254	\$ 267,675
Liabilities -				
Due to others	\$ -	\$ 1,063,929	\$ 796,254	\$ 267,675
TOTAL - ALL AGENCY FUNDS				
Assets:				
Cash and cash equivalents	\$ 5,791,968	\$ 213,185,058	\$ 212,794,473	\$ 6,182,553
Due from other governments	-	1,215	-	1,215
Taxes receivable	2,814,906	135,228,713	134,976,223	3,067,396
Total assets	\$ 8,606,874	\$ 348,414,986	\$ 347,770,696	\$ 9,251,164
Liabilities:				
Due to others	\$ 8,156,123	\$ 348,352,030	\$ 347,573,243	\$ 8,934,910
Tax protest / bankruptcy / tax sale	450,751	62,956	197,453	316,254
Total liabilities	\$ 8,606,874	\$ 348,414,986	\$ 347,770,696	\$ 9,251,164

Fayette County, Georgia
Schedule of Projects Funded Through Special Purpose Local Option Sales Tax (SPLOST)
Road, Street and Bridge Purposes
For the Fiscal Year Ended June 30, 2016

On November 2, 2004, a referendum was passed by the Fayette County voters to impose a one-percent Special Purpose Local Option Sales Tax (SPLOST) to be used solely for the funding of road, street and bridge improvements in Fayette County. As part of the referendum process, a list of the proposed projects and their estimated cost was provided.

The tax, which had a maximum collection period of five-years, began on April 1, 2005 and continued through March 31, 2010. The tax revenues generated from the SPLOST were divided into two pools of money with each component comprising a separate Capital Projects Fund for the County. The County-Wide Roads SPLOST Capital Projects Fund received 70-percent of the proceeds with those funds earmarked for projects that represented improvements that would address transportation needs from a broader or county-wide perspective. A good example would be the Fayetteville By-Pass road projects.

The Unincorporated County Roads SPLOST Capital Projects Fund received 30-percent of the revenues generated from the SPLOST. The purpose of this component was to address more localized transportation needs. Under this part of the program, the County identified specific projects located in the unincorporated portion of the County and four of the municipalities (i.e., Brooks, Fayetteville, Peachtree City and Tyrone) identified projects that addressed specific needs within their respective jurisdictions. As funds were received from the Georgia Department of Revenue, a pro rata portion of the monies was distributed to each of the municipalities based on the population numbers from the 2000 census. This distribution is shown as an "Intergovernmental" Expenditure on the County's accounting records for its governmental fund types.

Roughly 48.28% of this component of the SPLOST revenues were retained in this Capital Projects Fund and are programmed to be spent on road projects in the unincorporated portion of the County. The municipalities that received the SPLOST distributions from the County are responsible for the accounting and required financial reporting associated with those monies.

Fayette County, Georgia
Schedule of Projects Funded Through Special Purpose Local Option Sales Tax (SPLOST)
Road, Street and Bridge Purposes
For the Fiscal Year Ended June 30, 2016

MUNICIPALITIES AND UNINCORPORATED COUNTY PROJECTS - BY JURISDICTION (30% of total tax proceeds)	Original Cost Estimate	Revised Cost Estimate	Prior Years' Expenditures	Current Year's Expenditures	Total Amount Expended
Unincorporated county projects:					
Intersections	\$ 2,450,000	\$ 2,450,000	\$ 1,564,277	\$ 490,237	\$ 2,054,514
Roadways	14,330,767	14,330,767	12,418,117	-	12,418,117
Total unincorporated county projects	<u>16,780,767</u>	<u>16,780,767</u>	<u>13,982,394</u>	<u>490,237</u>	<u>14,472,631</u>
Proceeds Distributed to Municipalities For Projects:					
Town of Brooks	212,019	212,019	178,617	-	178,617
City of Fayetteville	4,247,327	4,247,327	3,579,308	674	3,579,982
City of Peachtree City	12,025,984	12,025,984	10,134,536	1,952	10,136,488
Town of Tyrone	1,491,083	1,491,083	1,256,712	193	1,256,905
Total proceeds distributed to municipalities for projects	<u>17,976,413</u>	<u>17,976,413</u>	<u>15,149,173</u>	<u>2,819</u>	<u>15,151,992</u>
Total Municipalities and unincorporated County projects - by Jurisdiction	<u>34,757,180</u>	<u>34,757,180</u>	<u>29,131,567</u>	<u>493,056</u>	<u>29,624,623</u>
COUNTY-WIDE PROJECTS (70% of total tax proceeds)					
Bridges	3,670,000	3,670,000	4,182,854	673,225	4,856,079
Intersections	3,657,400	3,657,400	1,539,457	50,662	1,590,119
Roadways	60,201,443	60,201,443	27,209,072	464,302	27,673,374
Streetscapes / paths	5,796,900	5,796,900	773,297	-	773,297
Total county-wide projects	<u>73,325,743</u>	<u>73,325,743</u>	<u>33,704,680</u>	<u>1,188,189</u>	<u>34,892,869</u>
Proceeds Distributed to Municipalities For Projects:					
City of Fayetteville	7,774,344	7,774,344	3,690,152	639,546	4,329,698
Total Municipalities and county-wide County projects - by Jurisdiction	<u>\$ 81,100,087</u>	<u>\$ 81,100,087</u>	<u>\$ 37,394,832</u>	<u>\$ 1,827,735</u>	<u>\$ 39,222,567</u>



Fayette
COUNTY

“WHERE QUALITY
IS A LIFESTYLE”

STATISTICAL SECTION

**Fayette County, Georgia
Statistical Section**

This part of the County's Comprehensive Annual Financial Report presents additional detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

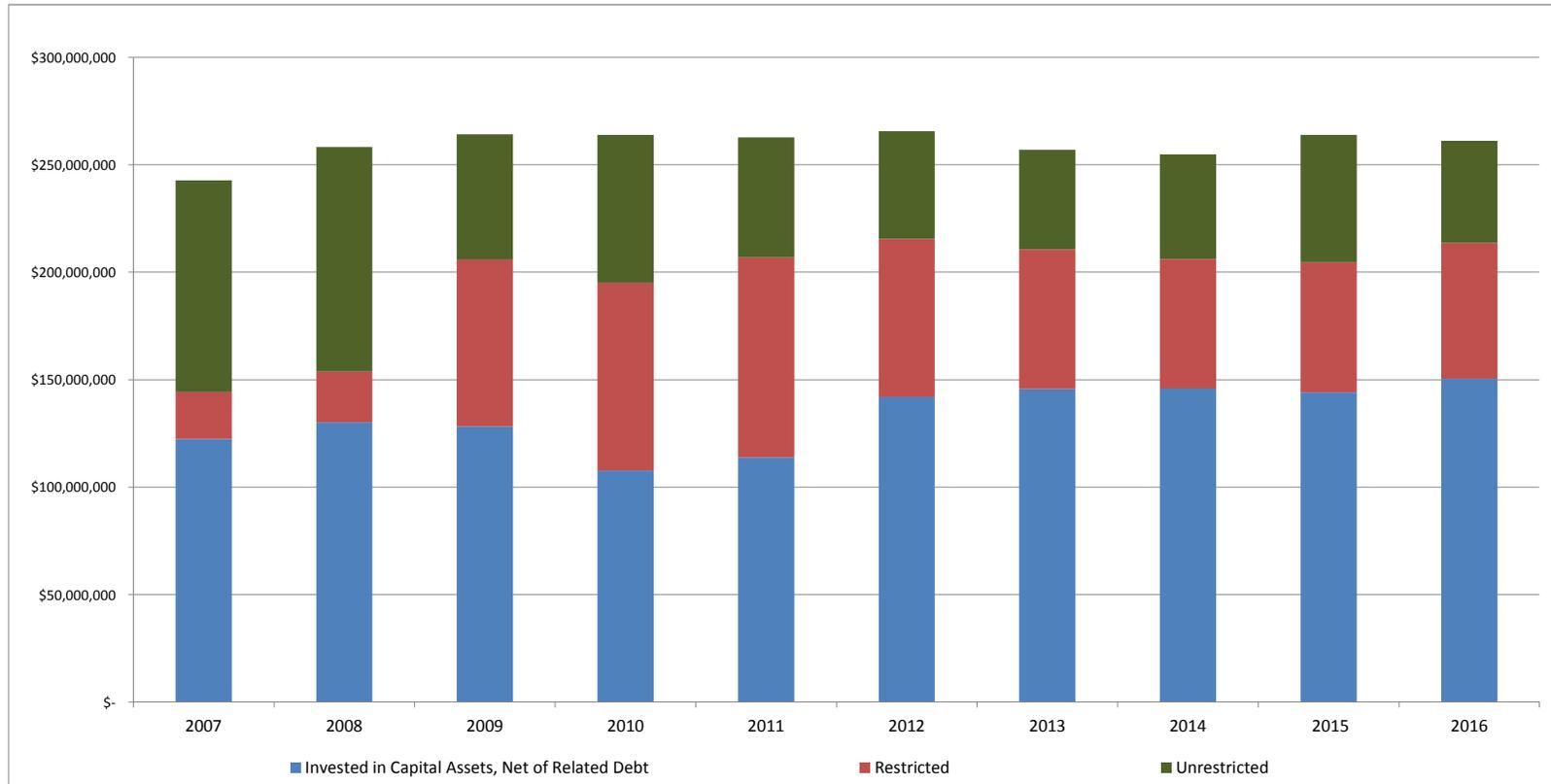
<u>Section Contents</u>	<u>Page</u>
<i>Financial Trends:</i> These schedules contain trend information to help the reader understand how the Government's financial performance and well-being have changed over time.	139
<i>Revenue Capacity:</i> These schedules contain information to help the reader assess the Government's most significant local revenue source, the property tax. The data gives insight into those factors that could affect the Government's ability to collect this revenue source going forward.	145
<i>Debt Capacity:</i> These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	149
<i>Demographic and Economic Information:</i> These schedules offer demographic and economic indicators to help the reader understand the socioeconomic environment within which the County's financial activities take place and help to make comparisons over time and with other entities.	153
<i>Operating Information:</i> These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	155

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

**Fayette County, Georgia
Net Position By Component
Last Ten Fiscal Years
(accrual basis of accounting)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 61,331,911	\$ 66,118,115	\$ 63,748,577	\$ 58,397,470	\$ 70,008,446	\$ 80,352,869	\$ 82,924,362	\$ 84,415,940	\$ 87,415,034	\$ 86,967,976
Restricted	9,206,066	11,656,300	71,244,000	74,438,174	78,946,616	59,847,388	50,612,241	45,851,519	45,158,983	45,019,968
Unrestricted	94,252,175	101,662,007	49,992,711	51,871,452	34,001,574	46,009,682	43,150,112	43,438,857	48,960,932	45,247,698
Total Governmental Activities Net Position	\$ 164,790,152	\$ 179,436,422	\$ 184,985,288	\$ 184,707,096	\$ 182,956,636	\$ 186,209,939	\$ 176,686,715	\$ 173,706,316	\$ 181,534,949	\$ 177,235,642
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 61,128,008	\$ 64,042,796	\$ 64,569,214	\$ 49,359,571	\$ 43,836,827	\$ 61,628,316	\$ 62,729,861	\$ 61,521,377	\$ 56,683,378	\$ 63,456,395
Restricted	12,661,526	12,010,175	6,284,372	12,918,243	14,127,960	13,655,049	14,380,299	14,375,769	15,410,942	18,295,821
Unrestricted	4,172,974	2,872,031	8,304,049	16,880,892	21,845,727	4,165,159	3,248,845	5,178,022	10,285,800	2,260,384
Total Business-Type Activities Net Position	\$ 77,962,508	\$ 78,925,002	\$ 79,157,635	\$ 79,158,706	\$ 79,810,514	\$ 79,448,524	\$ 80,359,005	\$ 81,075,168	\$ 82,380,120	\$ 84,012,600
Primary Government										
Net investment in capital assets	\$ 122,459,919	\$ 130,160,911	\$ 128,317,791	\$ 107,757,041	\$ 113,845,273	\$ 141,981,185	\$ 145,654,223	\$ 145,937,317	\$ 144,098,412	\$ 150,424,371
Restricted	21,867,592	23,666,475	77,528,372	87,356,417	93,074,576	73,502,437	64,992,540	60,227,288	60,569,925	63,315,789
Unrestricted	98,425,149	104,534,038	58,296,760	68,752,344	55,847,301	50,174,841	46,398,957	48,616,879	59,246,732	47,508,082
Total Primary Government Net Position	\$ 242,752,660	\$ 258,361,424	\$ 264,142,923	\$ 263,865,802	\$ 262,767,150	\$ 265,658,463	\$ 257,045,720	\$ 254,781,484	\$ 263,915,069	\$ 261,248,242

Total Primary Government Net Position



Fayette County, Georgia
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Expenses:	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental Activities:										
General Government	\$ 13,217,872	\$ 19,913,322	\$ 15,816,215	\$ 17,477,463	\$ 13,911,254	\$ 13,747,299	\$ 8,231,193	\$ 8,840,389	\$ 8,185,246	\$ 9,414,258
Judicial System	5,401,526	5,650,814	5,800,998	5,607,459	5,150,662	5,570,703	6,530,318	5,974,701	6,230,201	6,895,680
Public Safety	31,310,184	31,978,900	34,914,755	33,801,423	34,914,150	35,486,701	36,652,065	35,118,613	33,212,515	35,986,411
Public Works	15,643,667	7,673,140	13,866,560	13,183,402	10,040,669	5,109,741	10,336,908	7,921,320	9,515,157	10,140,891
Health and Welfare	705,001	719,934	726,382	695,438	761,169	765,345	759,250	826,969	824,642	787,302
Culture and Recreation	7,418,659	1,058,911	2,208,201	2,869,310	2,511,883	2,563,090	2,578,096	3,119,068	2,430,447	2,559,163
Housing and Development	1,555,478	1,392,864	1,418,307	1,260,287	1,277,307	1,408,138	1,259,508	1,223,384	1,009,389	1,341,840
Interest on Long-Term Debt	3,043,276	3,375,326	2,717,850	2,785,637	2,182,282	2,102,925	1,791,865	1,709,636	1,648,588	1,574,938
Total Governmental Activities Expenses	\$ 78,295,663	\$ 71,763,211	\$ 77,469,268	\$ 77,680,419	\$ 70,749,376	\$ 66,753,942	\$ 68,139,203	\$ 64,734,080	\$ 63,056,185	\$ 68,700,483
Business-Type Activities										
Water System	\$ 13,036,293	\$ 12,635,303	\$ 12,890,913	\$ 13,083,162	\$ 13,336,098	\$ 14,432,774	\$ 13,856,941	\$ 14,604,741	\$ 15,501,745	\$ 15,620,548
Solid Waste	138,082	160,688	165,620	162,341	163,806	333,225	249,551	348,225	336,787	208,054
Stormwater Utility	-	-	-	-	-	187,116	393,644	89,659	59,945	72,446
Total Business-Type Activities	\$ 13,174,375	\$ 12,795,991	\$ 13,056,533	\$ 13,245,503	\$ 13,499,904	\$ 14,953,115	\$ 14,500,136	\$ 15,042,625	\$ 15,898,477	\$ 15,901,048
Total Primary Government Expenses	\$ 91,470,038	\$ 84,559,202	\$ 90,525,801	\$ 90,925,922	\$ 84,249,280	\$ 81,707,057	\$ 82,639,339	\$ 79,776,705	\$ 78,954,662	\$ 84,601,531
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	\$ 940,273	\$ 1,424,473	\$ 1,090,531	\$ 1,614,489	\$ 4,185,268	\$ 423,656	\$ 1,382,169	\$ 2,833,621	\$ 1,554,865	\$ 1,700,227
Judicial System	2,362,746	2,401,949	2,607,184	2,474,750	2,695,620	2,442,258	1,090,187	1,241,212	1,305,216	2,716,600
Public Safety	5,233,571	4,352,712	7,222,617	5,139,419	6,693,329	4,642,449	6,372,134	6,514,688	6,977,036	5,297,148
Public Works	10,076	8,001	5,928	7,170	7,175	7,576	-	1,245	7,927	4,759
Health and Welfare	-	-	-	-	-	-	-	-	-	283,493
Culture and Recreation	186,265	222,459	211,795	240,786	278,526	240,857	57,774	55,422	237,655	286,240
Housing and Development	672,849	60,755	20,910	10,861	210,985	196,713	9,250	8,022	980,493	998,045
Operating Grants and Contributions	5,600	20,582	23,148	31,935	27,767	947,402	287,451	486,585	453,506	943,367
Capital Grants and Contributions	-	-	-	-	204,367	598,070	1,181,470	1,951,495	1,995,322	1,489,132
Total Governmental Activities Program Revenues	\$ 9,411,380	\$ 8,490,931	\$ 11,182,113	\$ 9,519,410	\$ 14,303,037	\$ 9,498,981	\$ 10,380,435	\$ 13,092,290	\$ 13,512,020	\$ 13,719,011
Business-Type Activities:										
Charges for Services:										
Water System	\$ 13,542,989	\$ 12,285,528	\$ 12,491,307	\$ 13,344,254	\$ 14,289,067	\$ 14,570,866	\$ 13,989,889	\$ 13,675,296	\$ 15,271,737	\$ 15,846,990
Solid Waste	361,200	85,380	109,122	120,708	140,382	132,095	115,337	80,878	66,733	70,010
Stormwater Utility	-	-	-	-	-	300,333	148,431	759,663	607,427	614,053
Capital Grants and Contributions	2,708,273	1,294,879	1,096,917	418,363	379,232	116,920	332,659	776,055	167,928	1,656,881
Total Business-Type Activities Program Revenues	\$ 16,612,462	\$ 13,665,787	\$ 13,697,346	\$ 13,883,325	\$ 14,808,681	\$ 15,120,214	\$ 14,586,316	\$ 15,291,892	\$ 16,113,825	\$ 18,187,934
Total Primary Government Program Revenues	\$ 26,023,842	\$ 22,156,718	\$ 24,879,459	\$ 23,402,735	\$ 29,111,718	\$ 24,619,195	\$ 24,966,751	\$ 28,384,182	\$ 29,625,845	\$ 31,906,945
Net (Expenses) Revenues										
Governmental Activities	\$ (68,884,283)	\$ (63,272,280)	\$ (66,287,155)	\$ (68,161,009)	\$ (56,446,339)	\$ (57,254,961)	\$ (57,758,768)	\$ (51,641,790)	\$ (49,544,165)	\$ (54,981,472)
Business-Type Activities	3,438,087	869,796	640,813	637,822	1,308,777	167,099	86,180	249,267	215,348	2,286,886
Total Primary Government Net Expenses	\$ (65,446,196)	\$ (62,402,484)	\$ (65,646,342)	\$ (67,523,187)	\$ (55,137,562)	\$ (57,087,862)	\$ (57,672,588)	\$ (51,392,523)	\$ (49,328,817)	\$ (52,694,586)

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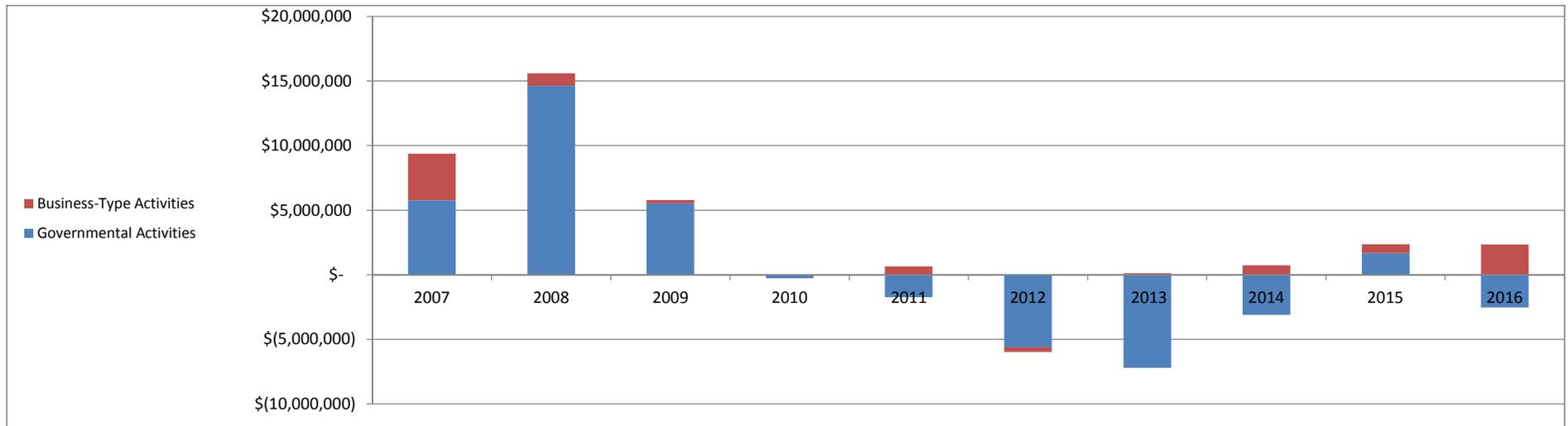
**Fayette County, Georgia
Changes in Net Position**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 33,238,968	\$ 37,601,739	\$ 37,627,125	\$ 39,052,755	\$ 37,981,404	\$ 36,089,255	\$ 34,853,932	\$ 34,950,569	\$ 36,291,270	\$ 37,572,313
Sales Taxes	10,654,218	10,313,833	8,990,109	9,635,056	9,572,548	10,011,105	9,968,049	9,998,908	10,455,973	10,830,858
Other Taxes	2,966,242	960,291	1,041,225	1,224,064	1,311,971	3,247,599	3,205,096	3,228,724	3,333,818	3,337,009
Special Purpose Local Option Sales Taxes	17,711,729	20,462,347	15,103,230	12,254,894	160,567	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	3,146,118	2,883,703	5,957,783	3,654,944	1,580,095	-	-	-	-	-
Gain on Sale of Capital Assets	61,996	132,620	59,595	61,790	16,329	-	-	-	310,723	-
Unrestricted Investment Earnings	5,186,857	4,149,265	1,424,672	764,894	391,771	905,075	97,882	442,146	313,394	452,737
Miscellaneous	1,077,945	817,812	1,004,306	520,363	2,975,137	834,182	287,887	337,545	845,587	287,798
Transfers	607,179	596,940	627,976	714,057	706,057	539,650	-	(296,501)	(347,083)	(41,428)
Total Governmental Activities	\$ 74,651,252	\$ 77,918,550	\$ 71,836,021	\$ 67,882,817	\$ 54,695,879	\$ 51,626,866	\$ 48,412,846	\$ 48,661,391	\$ 51,203,682	\$ 52,439,287
Business-Type Activities:										
Gain on Sale of Capital Assets	\$ -	\$ 6,192	\$ 2,605	\$ 3,707	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,425)
Unrestricted Investment Earnings	747,261	572,483	130,550	30,456	5,552	10,561	15,089	10,489	13,551	19,120
Miscellaneous	26,836	110,963	86,641	43,144	43,536	-	20,868	159,906	129,511	-
Transfers	(607,179)	(596,940)	(627,976)	(714,057)	(706,057)	(539,650)	-	296,501	347,083	41,428
Total Business-Type Activities	\$ 166,918	\$ 92,698	\$ (408,180)	\$ (636,750)	\$ (656,969)	\$ (529,089)	\$ 35,957	\$ 466,896	\$ 490,145	\$ 59,123
Total Primary Government	\$ 74,818,170	\$ 78,011,248	\$ 71,427,841	\$ 67,246,067	\$ 54,038,910	\$ 51,097,777	\$ 48,448,803	\$ 49,128,287	\$ 51,693,827	\$ 52,498,410
Changes in Net Position										
Governmental Activities	\$ 5,766,969	\$ 14,646,270	\$ 5,548,866	\$ (278,192)	\$ (1,750,460)	\$ (5,628,095)	\$ (7,212,323)	\$ (3,105,387)	\$ 1,659,517	\$ (2,542,185)
Business-Type Activities	3,605,005	962,494	232,633	1,072	651,808	(361,990)	122,137	716,163	705,493	2,346,009
Total Primary Government	\$ 9,371,974	\$ 15,608,764	\$ 5,781,499	\$ (277,120)	\$ (1,098,652)	\$ (5,990,085)	\$ (7,090,186)	\$ (2,389,224)	\$ 2,365,010	\$ (196,176)
	(1)			(2)	(2)	(2)	(2)	(2)		

Note (1): Net Position increased significantly for FY 2006 due to it being the first year of collections for the Special Purpose Local Option Sales Tax (SPLOST) for road construction projects.

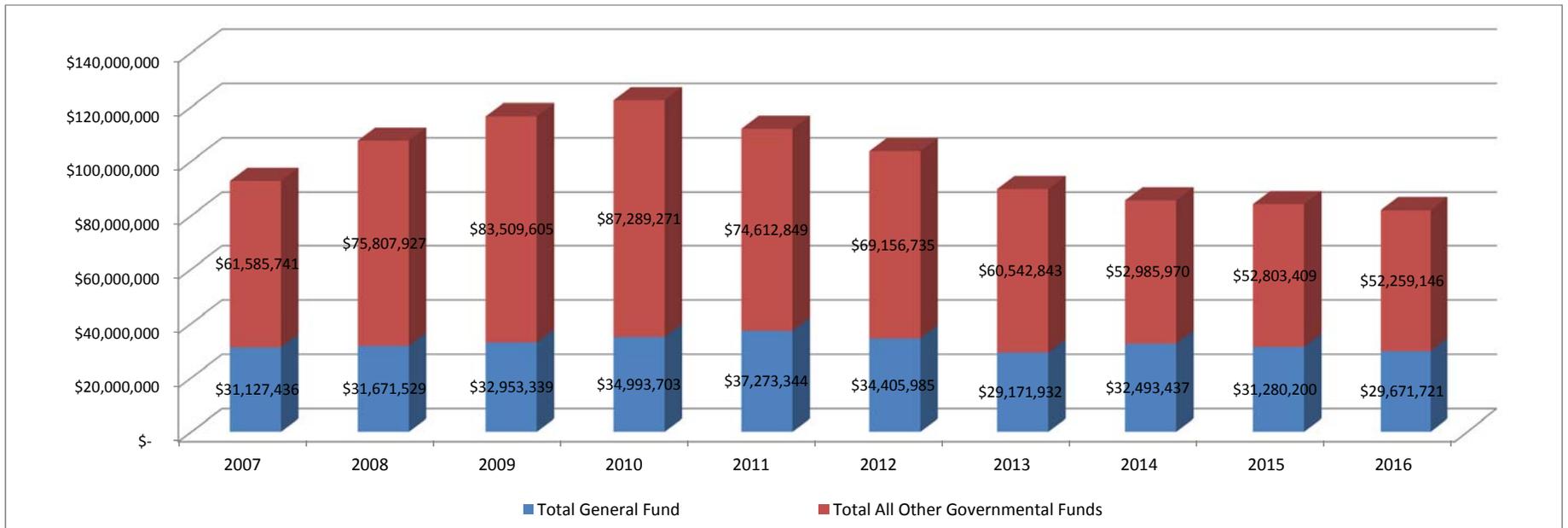
Note (2): The amount of the Change in Net Position for these fiscal years was impacted by the recession that began in 2008.

Changes in Net Position for Each Fiscal Year by Activity Type



Fayette County, Georgia
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Nonspendable	\$ 377,156	\$ 88,642	\$ 987,514	\$ 205,194	\$ 260,351	\$ 246,522	\$ 148,647	\$ 202,728	\$ 132,671	\$ 4,810,543
Restricted	-	-	-	-	-	-	-	-	-	328,032
Committed	15,385,577	14,057,471	13,661,922	13,365,551	13,633,544	11,300,171	10,971,735	10,786,253	12,527,406	12,020,533
Assigned	15,364,703	17,525,416	13,045,947	13,974,440	11,175,508	16,817,110	11,158,549	12,806,455	13,433,650	7,983,573
Unassigned	-	-	5,257,956	7,448,518	12,203,941	6,042,182	6,893,001	8,698,001	5,186,473	4,529,040
Total General Fund	\$ 31,127,436	\$ 31,671,529	\$ 32,953,339	\$ 34,993,703	\$ 37,273,344	\$ 34,405,985	\$ 29,171,932	\$ 32,493,437	\$ 31,280,200	\$ 29,671,721
All Other Governmental Funds:										
Nonspendable	\$ -	\$ 704	\$ 48,251	\$ 55,465	\$ 33,326	\$ 27,868	\$ -	\$ -	\$ -	\$ -
Restricted	37,088,062	51,116,478	58,828,786	63,055,225	65,576,980	59,062,139	49,590,241	44,524,334	43,845,386	44,691,936
Committed	10,734	2,363,877	2,651,440	2,618,608	9,002,543	10,066,728	10,952,602	8,461,636	8,958,023	7,567,210
Assigned	24,486,945	22,326,868	21,981,128	21,559,973	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 61,585,741	\$ 75,807,927	\$ 83,509,605	\$ 87,289,271	\$ 74,612,849	\$ 69,156,735	\$ 60,542,843	\$ 52,985,970	\$ 52,803,409	\$ 52,259,146
Total Governmental Funds	\$ 92,713,177	\$ 107,479,456	\$ 116,462,944	\$ 122,282,974	\$ 111,886,193	\$ 103,562,720	\$ 89,714,775	\$ 85,479,407	\$ 84,083,609	\$ 81,930,867



Fayette County, Georgia
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

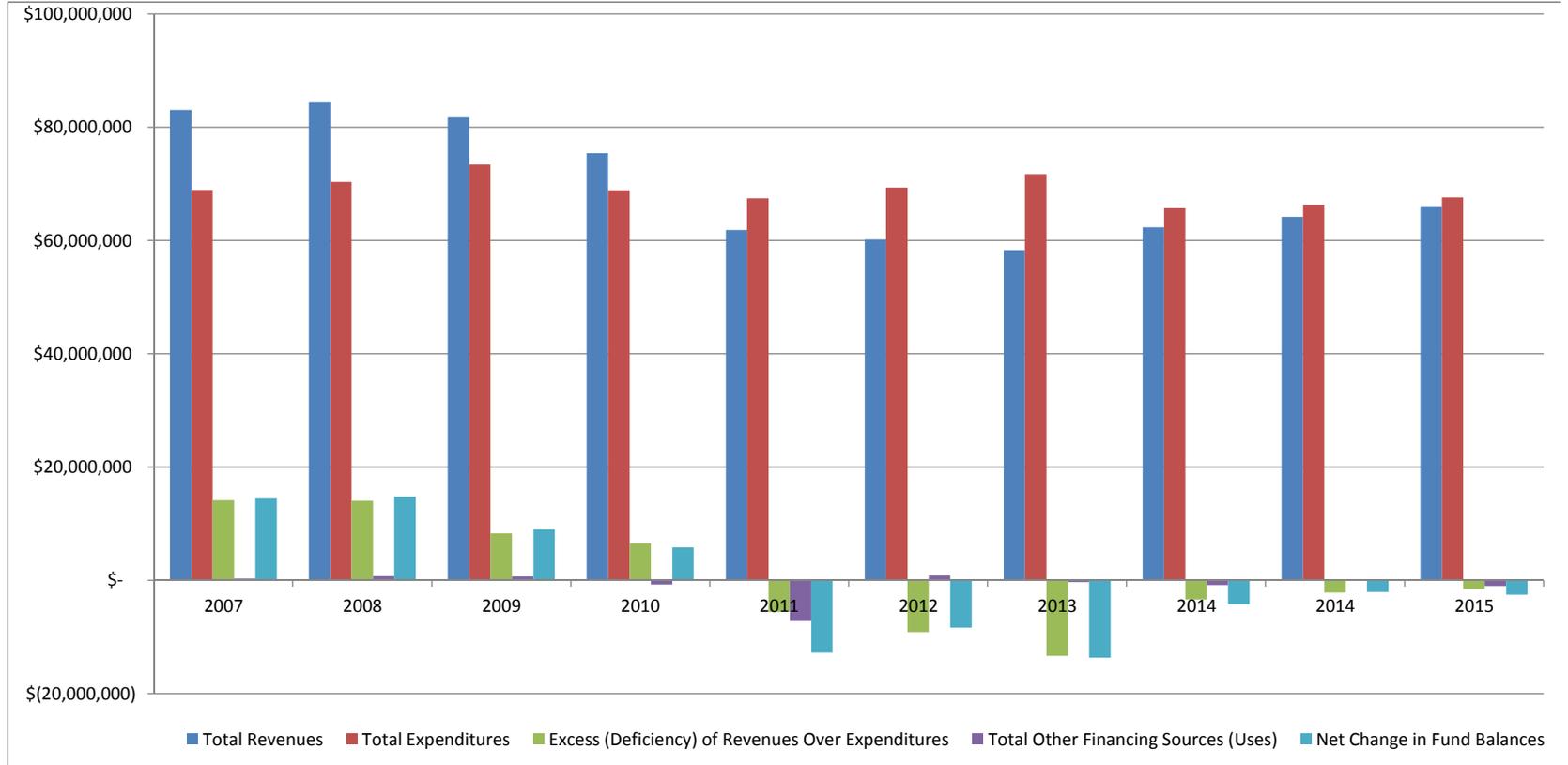
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues:										
Taxes	\$ 65,113,592	\$ 68,867,738	\$ 62,761,689	\$ 62,166,769	\$ 48,092,665	\$ 49,791,543	\$ 47,566,643	\$ 48,749,712	\$ 50,235,661	\$ 51,676,210
Licenses and Permits	856,102	698,374	414,314	424,201	451,172	215,512	775,962	1,056,793	1,020,180	1,029,030
Intergovernmental	3,398,318	2,883,703	5,957,783	3,654,944	1,580,095	1,409,544	1,400,559	2,145,554	2,138,202	2,125,032
Charges for Services	5,192,711	4,729,453	5,134,297	5,142,649	5,570,018	5,488,362	5,849,162	7,366,996	7,419,591	7,691,184
Fines and Forfeitures	3,124,534	2,757,345	5,293,648	3,142,726	4,461,473	2,273,165	2,284,648	2,225,607	2,623,171	2,566,298
Investment Income	4,452,242	3,688,800	1,236,042	334,924	510,585	468,787	115,546	414,807	436,684	660,362
Contributions	896,329	20,582	23,148	520,363	1,138,077	17,715	13,275	108,510	30,941	19,232
Miscellaneous	5,600	733,744	912,629	31,935	27,767	499,541	326,369	247,779	287,643	287,798
Total Revenues	<u>\$ 83,039,428</u>	<u>\$ 84,379,739</u>	<u>\$ 81,733,550</u>	<u>\$ 75,418,511</u>	<u>\$ 61,831,852</u>	<u>\$ 60,164,169</u>	<u>\$ 58,332,164</u>	<u>\$ 62,315,758</u>	<u>\$ 64,192,073</u>	<u>\$ 66,055,146</u>
Expenditures:										
General Government	\$ 8,037,744	\$ 8,165,598	\$ 8,424,786	\$ 7,689,333	\$ 8,038,927	\$ 8,624,978	\$ 7,957,441	\$ 7,906,318	\$ 8,474,229	\$ 8,840,870
Judicial System	5,370,540	5,674,771	5,808,638	5,552,734	5,632,112	5,483,839	5,761,405	5,387,294	5,427,604	5,887,696
Public Safety	29,628,121	30,946,091	32,824,740	31,436,915	32,862,460	35,178,886	35,707,478	32,705,193	33,161,474	33,819,105
Public Works	4,781,461	4,657,639	4,000,116	3,631,377	5,356,961	4,648,297	4,117,385	4,318,927	5,450,375	6,007,633
Health and Welfare	705,001	719,934	726,382	695,438	761,169	759,057	754,060	822,881	820,891	782,510
Culture and Recreation	1,902,937	2,070,906	2,146,860	1,980,568	1,917,872	2,019,104	2,010,788	1,991,122	2,078,287	2,080,220
Housing and Development	1,552,728	1,429,689	1,405,259	1,242,377	1,268,371	1,317,126	1,278,862	1,196,085	1,072,343	1,320,363
Capital Outlay	12,090,140	8,654,396	10,278,522	9,622,634	9,399,329	7,461,104	10,286,510	7,566,894	6,005,663	4,965,643
Intergovernmental	-	3,174,938	2,975,587	2,183,858	23,752	-	-	976,465	586,714	642,365
Debt Service:										
Principal Retirement	1,937,428	2,031,612	2,132,423	2,239,941	864,247	1,855,425	2,108,566	1,220,000	1,710,000	1,785,000
Interest Expense	2,899,990	2,804,831	2,704,186	2,597,403	1,306,503	1,968,539	1,714,752	1,612,406	1,553,637	1,478,656
Paying Agent Fees	1,671	1,546	1,436	1,364	450	-	-	-	-	-
Total Expenditures	<u>\$ 68,907,761</u>	<u>\$ 70,331,951</u>	<u>\$ 73,428,935</u>	<u>\$ 68,873,942</u>	<u>\$ 67,432,153</u>	<u>\$ 69,316,355</u>	<u>\$ 71,697,247</u>	<u>\$ 65,703,585</u>	<u>\$ 66,341,217</u>	<u>\$ 67,610,061</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 14,131,667</u>	<u>\$ 14,047,788</u>	<u>\$ 8,304,615</u>	<u>\$ 6,544,569</u>	<u>\$ (5,600,301)</u>	<u>\$ (9,152,186)</u>	<u>\$ (13,365,083)</u>	<u>\$ (3,387,827)</u>	<u>\$ (2,149,144)</u>	<u>\$ (1,554,915)</u>
Other Financing Sources (Uses):										
Proceeds from Capital Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	6,873,563	11,857,799	7,989,541	5,872,157	4,781,077	5,108,105	3,239,917	351,900	5,487,092	5,237,258
Transfers Out	(6,594,904)	(11,271,927)	(7,370,264)	(6,658,486)	(4,148,943)	(4,568,455)	(3,592,117)	(1,205,760)	(6,735,802)	(6,248,686)
Refunded Bonds Issued	-	-	-	-	40,300,000	-	-	-	-	-
Premium on Bonds Issued	-	-	-	-	1,509,351	-	-	-	-	-
Payment to Refunded Bond Escrow	-	-	-	-	(49,637,039)	-	-	-	-	-
Proceeds from Sale of Capital Assets	61,996	132,620	59,595	61,790	16,329	289,063	32,353	6,319	1,363,300	16,152
Total Other Financing Sources (Uses)	<u>\$ 340,655</u>	<u>\$ 718,492</u>	<u>\$ 678,872</u>	<u>\$ (724,539)</u>	<u>\$ (7,179,225)</u>	<u>\$ 828,713</u>	<u>\$ (319,847)</u>	<u>\$ (847,541)</u>	<u>\$ 114,590</u>	<u>\$ (995,276)</u>
Net Change in Fund Balances	<u>\$ 14,472,322</u>	<u>\$ 14,766,280</u>	<u>\$ 8,983,487</u>	<u>\$ 5,820,030</u>	<u>\$ (12,779,526)</u>	<u>\$ (8,323,473)</u>	<u>\$ (13,684,930)</u>	<u>\$ (4,235,368)</u>	<u>\$ (2,034,554)</u>	<u>\$ (2,550,191)</u>
Debt Service as a Percentage of Noncapital Expenditures	9.3%	9.0%	8.7%	9.3%	3.9%	6.6%	6.6%	5.0%	5.6%	5.3%

Note: The large increase in Tax revenues beginning in FY 2006 and ending in FY 2010 was due to the five year life span of the Special Purpose Local Option Sales Tax (SPLOST) for roads.

Note: Debt Service as a Percentage of Noncapital Expenditures is calculated using Capital Outlay

Fayette County, Georgia
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Revenues	\$ 83,039,428	\$ 84,379,739	\$ 81,733,550	\$ 75,418,511	\$ 61,831,852	\$ 60,164,169	\$ 58,332,164	\$ 62,315,758	\$ 64,192,073	\$ 66,055,146
Total Expenditures	68,907,761	70,331,951	73,428,935	68,873,942	67,432,153	69,316,355	71,697,247	65,703,585	66,341,217	67,610,061
Excess (Deficiency) of Revenues Over Expenditures	\$ 14,131,667	\$ 14,047,788	\$ 8,304,615	\$ 6,544,569	\$ (5,600,301)	\$ (9,152,186)	\$ (13,365,083)	\$ (3,387,827)	\$ (2,149,144)	\$ (1,554,915)
Total Other Financing Sources (Uses)	340,655	718,492	678,872	(724,539)	(7,179,225)	828,713	(319,847)	(847,541)	114,590	(995,276)
Net Change in Fund Balances	\$ 14,472,322	\$ 14,766,280	\$ 8,983,487	\$ 5,820,030	\$ (12,779,526)	\$ (8,323,473)	\$ (13,684,930)	\$ (4,235,368)	\$ (2,034,554)	\$ (2,550,191)

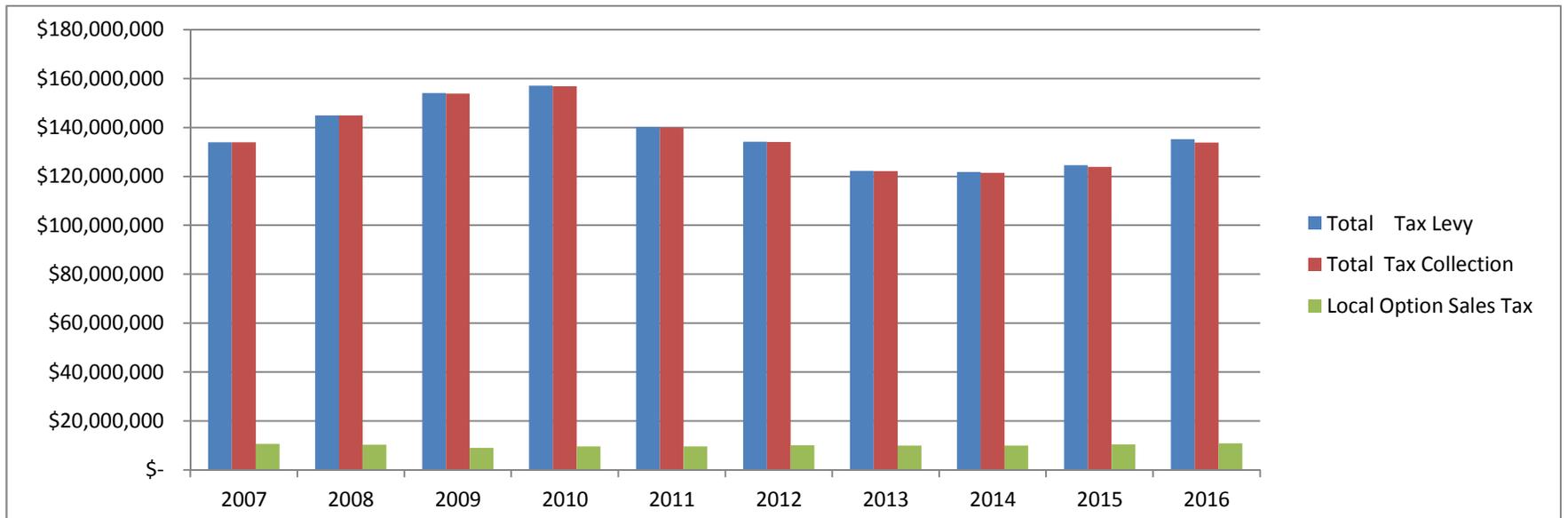


Note: The large decrease in FY 2011 are primarily the result of the Special Purpose Local Option Sales collections and expenditures.

Fayette County, Georgia
Property Tax Levies, Collections and Local Option Sales Tax Proceeds
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Year Tax Collections	Percentage of Levy Collected	Collection of Prior Years Property Taxes	Total Tax Collection	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy	Local Option Sales Tax Proceeds (1)
2007	\$ 133,958,330	\$ 131,657,606	98.28%	\$ 2,290,204	\$ 133,947,810	99.79%	\$ 10,520	0.01%	\$ 10,654,218
2008	144,974,057	138,257,418	95.37%	6,707,166	144,964,584	99.99%	9,473	0.01%	10,313,833
2009	154,107,697	149,091,541	96.75%	4,792,022	153,883,563	98.56%	224,134	0.15%	8,990,109
2010	157,080,795	151,371,828	96.37%	5,535,666	156,907,494	99.89%	173,301	0.11%	9,635,056
2011	140,148,922	134,663,746	96.09%	5,358,818	140,022,564	99.91%	126,358	0.09%	9,572,548
2012	134,178,334	131,714,621	98.16%	2,360,156	134,074,776	99.92%	103,558	0.08%	10,011,105
2013	122,284,367	119,310,658	97.57%	2,814,879	122,125,537	99.87%	158,830	0.13%	9,968,049
2014	121,777,781	117,737,859	96.68%	3,765,526	121,503,385	99.77%	274,396	0.23%	9,936,255
2015	124,530,100	122,373,029	98.27%	1,547,281	123,920,310	99.51%	609,790	0.49%	10,435,200
2016	135,228,713	131,267,629	97.07%	2,597,784	133,865,414	98.99%	1,363,299	1.01%	10,812,469

(1) Includes only local option sales tax proceeds received by Fayette County. Does not include local option sales tax proceeds received by the City of Fayetteville, the City of Peachtree City, the Town of Tyrone, the Town of Brooks, or the Town of Woolsey.

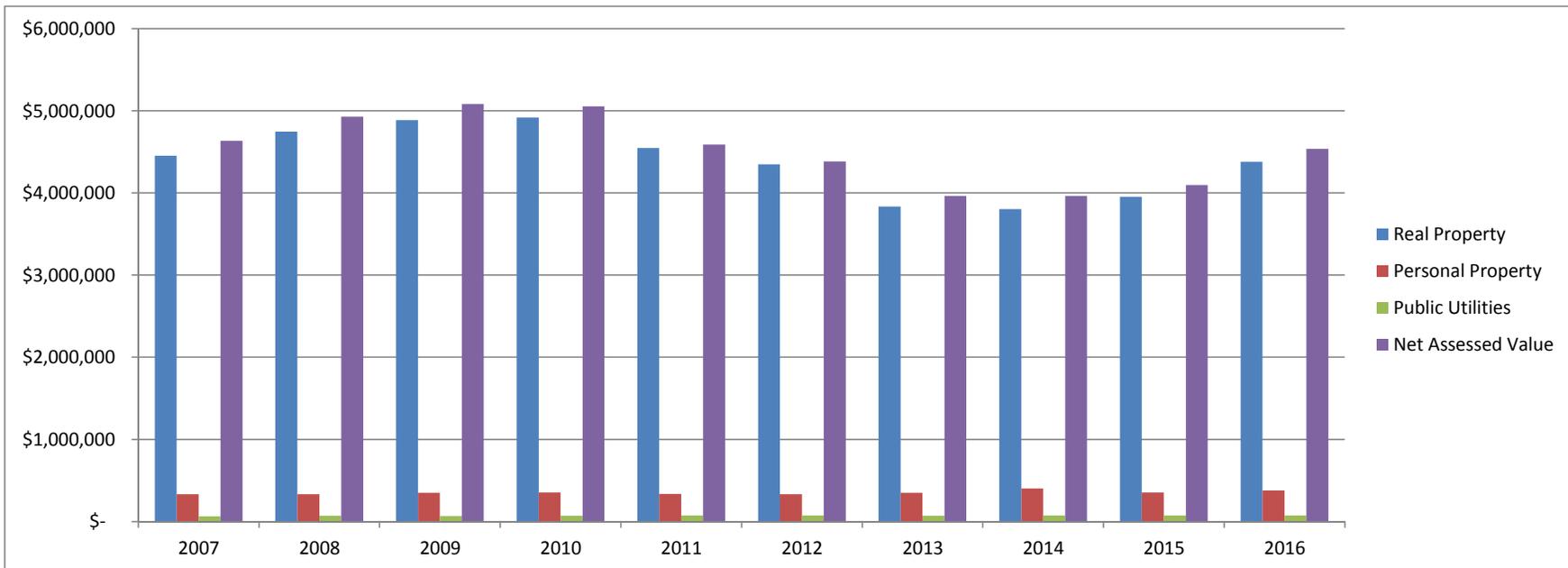


Fayette County, Georgia
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year	Real Property		Personal Property		Privately Owned Public Utilities		Total Property		Freeport-Homestead Exemption	Net Assessed Value	Total Direct Tax Rate	Ratio of Total Assessed Value to Total True Value
	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value				
2007	\$ 4,452,241	\$11,130,603	\$ 334,573	\$ 836,433	\$ 64,713	\$ 161,783	\$4,851,527	\$12,128,819	\$ 216,665	\$4,634,862	30.19	40.00%
2008	4,746,452	12,699,119	332,100	891,980	70,522	176,305	5,149,074	13,767,403	221,878	4,927,196	29.83	40.00%
2009	4,886,730	12,216,825	350,357	875,893	67,292	168,230	5,304,379	13,260,948	222,280	5,082,099	32.10	40.00%
2010	4,919,137	12,297,843	353,933	884,833	71,407	178,518	5,344,477	13,361,193	290,048	5,054,429	31.61	40.00%
2011	4,548,164	11,370,410	336,972	842,432	73,324	183,312	4,958,460	12,396,154	370,429	4,588,031	29.84	40.00%
2012	4,347,689	10,869,222	333,903	834,759	72,840	182,101	4,754,432	11,886,082	371,400	4,383,032	30.66	40.00%
2013	3,836,232	9,590,580	350,356	875,890	72,395	180,988	4,258,983	10,647,458	295,313	3,963,670	30.98	40.00%
2014	3,804,354	9,510,886	402,228	1,005,570	74,508	186,270	4,281,090	10,702,726	317,359	3,963,732	31.05	40.00%
2015	3,952,260	9,880,650	355,426	888,565	74,580	186,450	4,382,266	10,955,665	286,482	4,095,784	30.89	40.00%
2016	4,378,530	10,946,325	379,780	949,450	74,640	186,600	4,832,950	12,082,375	295,147	4,537,803	30.31	40.00%

Note: Property is reassessed annually as of January 1. The county assesses property at 40 percent of the fair market value for all real and personal property.

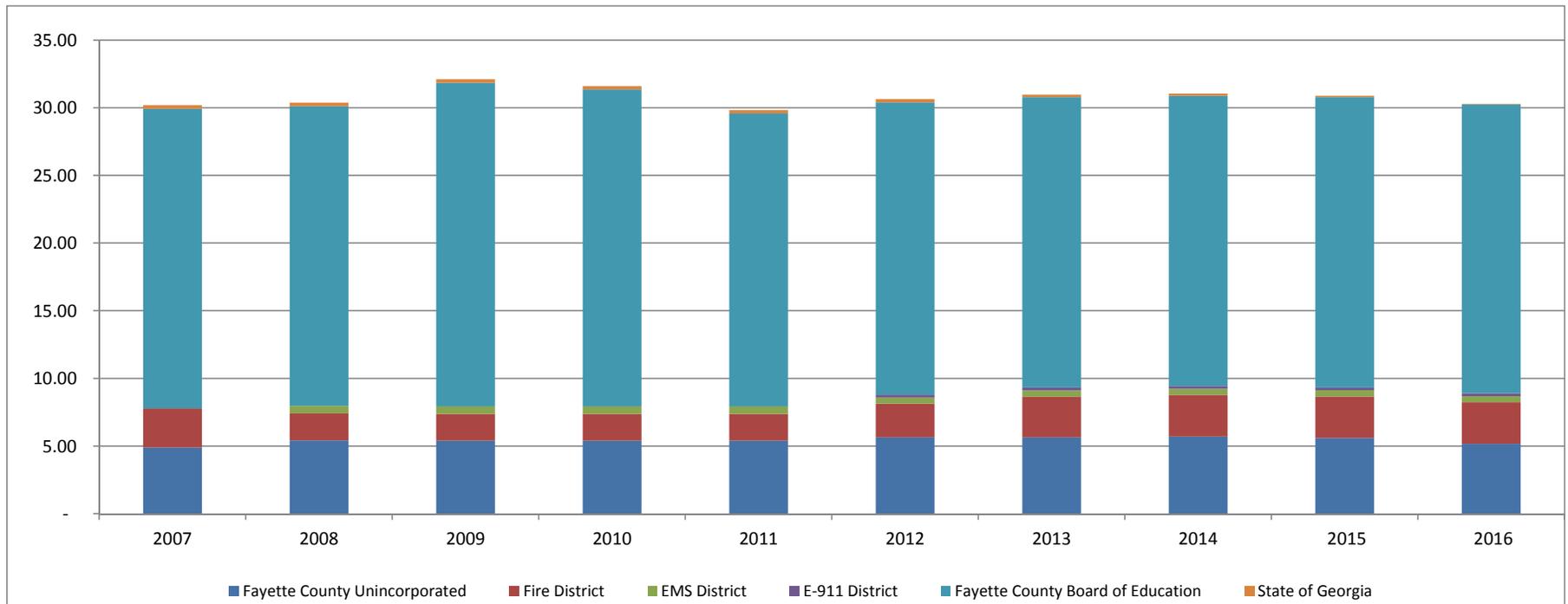
Assessed Value Information



Fayette County, Georgia
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
(millage rate per \$1,000 of assessed value)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Primary Government:										
Fayette County Unincorporated	4.89	5.43	5.40	5.40	5.40	5.65	5.65	5.71	5.60	5.17
Fire District	2.91	2.00	1.99	1.99	1.99	2.50	3.03	3.07	3.07	3.07
Emergency Medical Services (EMS) District	-	0.55	0.55	0.55	0.55	0.45	0.45	0.46	0.46	0.46
E-911 Communications District	-	-	-	-	-	0.21	0.21	0.21	0.21	0.21
Total Primary Government	7.79	7.98	7.94	7.94	7.94	8.81	9.33	9.45	9.34	8.91
Fayette County Board of Education	22.15	22.15	23.92	23.42	21.65	21.60	21.45	21.45	21.45	21.35
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.20	0.15	0.10	0.05
Total	30.19	30.38	32.11	31.61	29.84	30.66	30.98	31.05	30.89	30.31

Note: Due to taxation equity issues, the EMS and E-911 Tax Districts were created during the ten year span. Previously, they had been part of the Unincorporated millage rate.



**Fayette County, Georgia
Principal Taxpayers
Current Fiscal Year and Nine Years Ago**

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
NCR Corporation	\$ 26,701,675	1	0.55%	\$ 33,436,247	1	0.69%
Cooper Lighting	17,814,851	2	0.37%			0.00%
Coweta-Fayette EMC	15,452,757	3	0.32%	18,881,875	4	0.39%
(1) DDRTC Fayette Pavilion I & II	14,736,312	4	0.30%	-		0.00%
Hoshizaki America Inc.	14,293,577	5	0.30%	9,836,819	9	0.20%
Dixie Aerospace, Inc	13,762,298	6	0.28%	-		0.00%
DDRTC Fayette Pavilion III & IV	12,794,056	7	0.26%	-		0.00%
Sany America Inc	12,245,604	8	0.25%	-		0.00%
Atlanta Gas Light	12,052,468	9	0.25%	10,937,081	7	0.23%
(1) DDRTC Fayette Pavilion I & II	11,743,628	10	0.24%	-		0.00%
(1) Fourth Quarter Properties	-		N / A	-		0.00%
Matsushita Communication Corp	-		N / A	28,792,179	3	0.59%
Alcan Packaging-Atlanta	-		N / A	9,063,114	10	0.19%
Bellsouth Telecommunication	-		N / A	17,892,961	5	0.37%
Inland Southeast Fayette I & II	-		N / A	30,711,200	2	0.63%
Inland Southeast Fayette III	-		N / A	16,860,864	6	0.35%
Summit Properties	-		N / A	9,865,200	8	0.20%
AMLI Residential Prop	-		N / A	-		0.00%
Sub-Total Top Ten Taxpayers	\$ 151,597,226		3.14%	\$ 186,277,540		3.84%
Total Other Taxpayers	4,681,352,774		96.86%	4,665,249,460		96.16%
Total Assessed Value - All Taxpayers	<u>\$ 4,832,950,000</u>		<u>100.00%</u>	<u>\$ 4,851,527,000</u>		<u>100.00%</u>

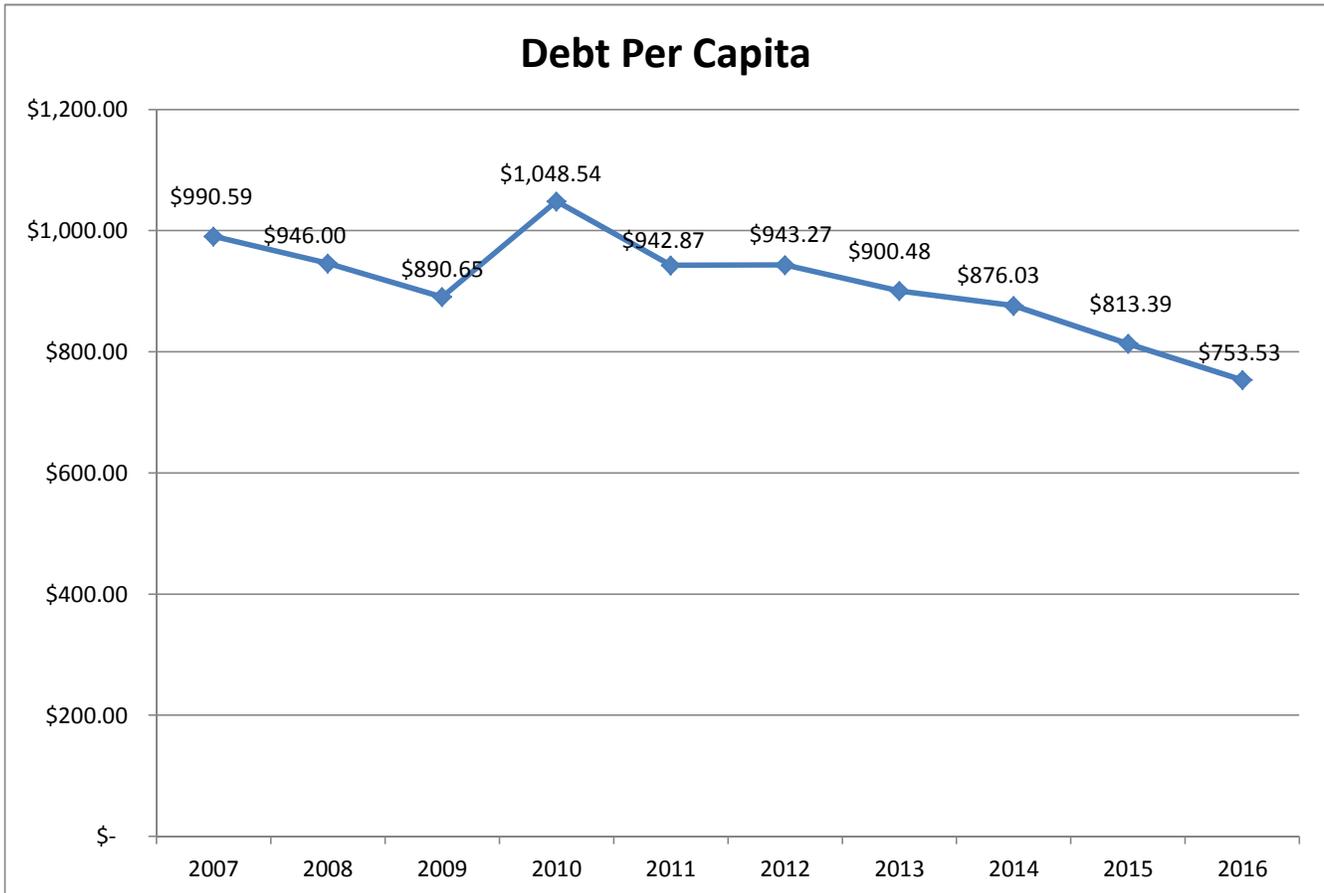
Source: Fayette County Tax Commissioner

Note (1): DDRTC Fayette Pavilion is successor owner of property previously in the name of Fourth Quarter Properties

FAYETTE COUNTY, GEORGIA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita
	Revenue Bonds	Certificates of Participation	Capital Lease Obligations	Water Revenue Bonds			
2007	\$ 52,035,000	\$ 5,000,000	\$ 5,082,214	\$ 41,150,000	\$ 103,267,214	2.40%	\$ 991
2008	50,755,000	5,000,000	4,463,309	39,490,000	99,708,309	2.34%	946.00
2009	49,410,000	3,981,203	3,672,183	37,760,000	94,823,386	2.11%	890.65
2010	47,995,000	3,220,000	2,786,133	57,970,000	111,971,133	2.31%	1,048.54
2011	40,300,000	3,220,000	1,878,632	55,080,000	100,478,632	2.18%	942.87
2012	39,350,000	1,331,000	948,566	60,040,000	101,669,566	2.12%	943.27
2013	36,518,788	872,000	-	59,432,952	96,823,740	1.90%	900.48
2014	38,241,004	872,000	-	55,817,664	94,930,668	1.81%	876.03
2015	36,451,555	601,000	-	52,147,369	89,199,924	1.52%	813.39
2016	32,362,894	601,000	-	49,671,340	82,635,234	1.41%	753.53

(1) Source: The Bureau of Economic Analysis



Note: Increase in Per Capita Debt amount for FY 2010 was due to revenue bonds issued for Lake McIntosh.

Fayette County, Georgia
Direct and Overlapping Governmental Activities Debt
As of June 30, 2016

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Fayette County Board of Education (a)	\$ 52,864,972	100%	\$ 52,864,972
Peachtree City (b)	2,155,000	100%	<u>2,155,000</u>
Subtotal for Overlapping Debt			\$ 55,019,972
Capital Leases	601,000	100%	\$ 601,000
Fayette County Public Facilities Authority	33,475,000	100%	<u>33,475,000</u>
Subtotal for Direct Debt			<u>34,076,000</u>
Total Direct and Overlapping Debt			<u>\$ 89,095,972</u>

(a) Data provided by Fayette County Board of Education Finance Office.

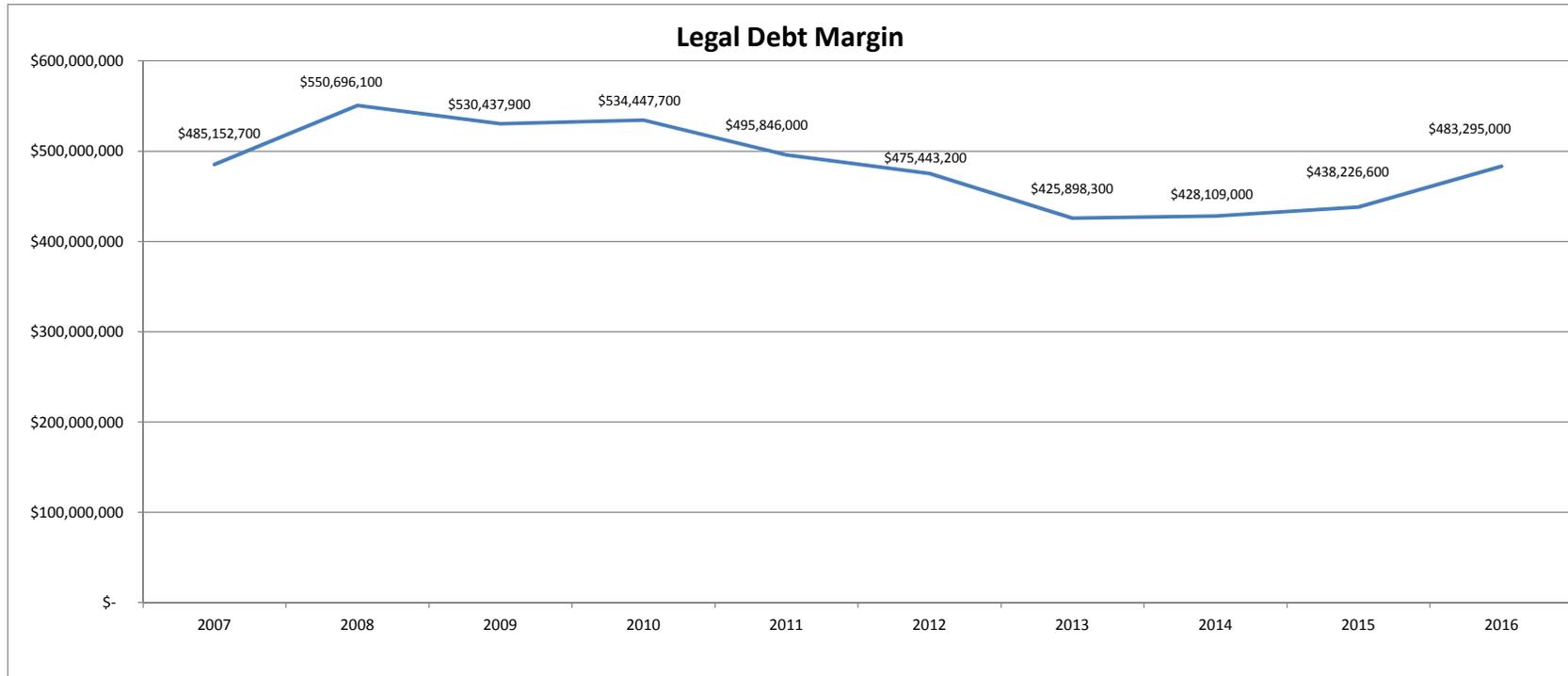
(b) Per the Peachtree City FY2015 CAFR online.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by residents and businesses.

**Fayette County, Georgia
Legal Debt Margin Information
Last Ten Fiscal Years**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Legal Debt Margin Calculation:										
Net Assessed Value of Property (amounts in \$1,000 increments)	\$ 4,851,527	\$ 5,506,961	\$ 5,304,379	\$ 5,344,477	\$ 4,958,460	\$ 4,754,432	\$ 4,258,983	\$ 4,281,090	\$ 4,382,266	\$ 4,832,950
Debt Limit (10% of Net Assessed Value) (amounts in \$1 increments)	\$ 485,152,700	\$ 550,696,100	\$ 530,437,900	\$ 534,447,700	\$ 495,846,000	\$ 475,443,200	\$ 425,898,300	\$ 428,109,000	\$ 438,226,600	\$ 483,295,000
Less: Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Add: Debt Service Funds Available	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 485,152,700	\$ 550,696,100	\$ 530,437,900	\$ 534,447,700	\$ 495,846,000	\$ 475,443,200	\$ 425,898,300	\$ 428,109,000	\$ 438,226,600	\$ 483,295,000
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Under state finance law, the County's outstanding general obligation debt should not exceed 10 percent of total assessed property value (gross digest).
By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying the general obligation bonds.



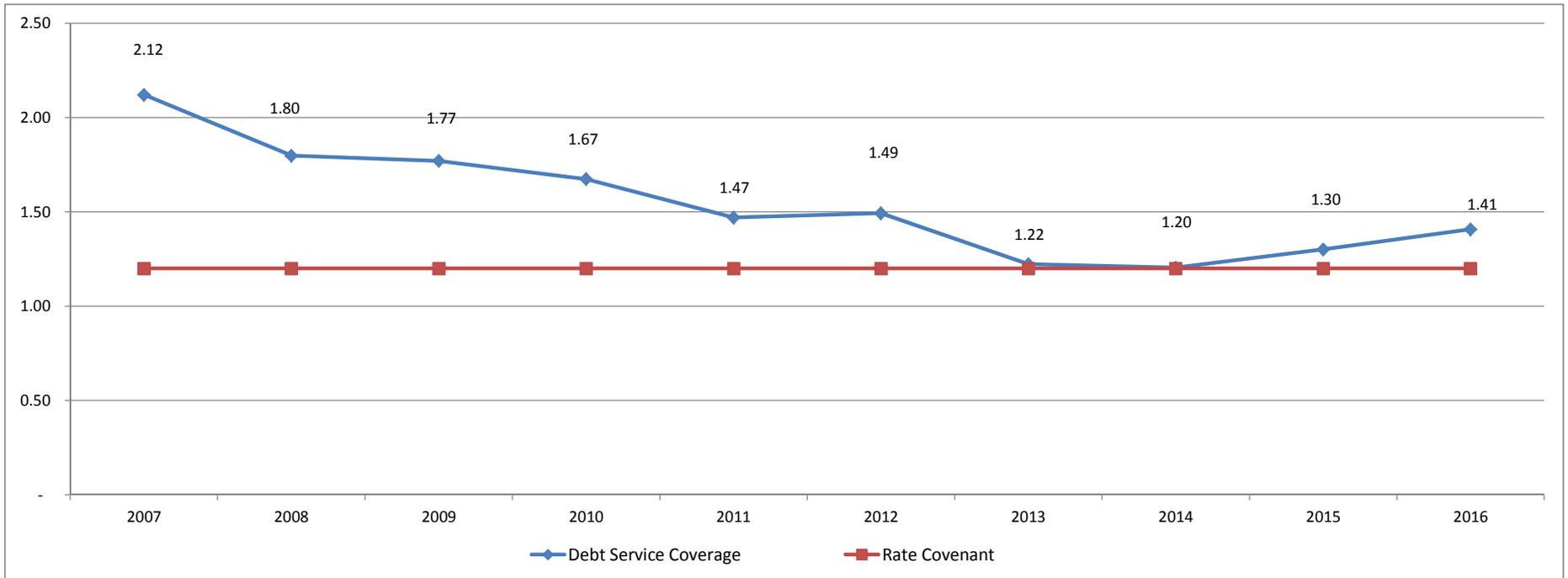
**Fayette County, Georgia
Pledged Revenue Coverage
Last Ten Fiscal Years**

	For Fiscal Year Ended June 30, 2016									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Gross Revenues (1)	\$ 13,542,989	\$ 12,285,528	\$ 12,491,307	\$ 13,344,254	\$ 14,289,067	\$ 14,570,866	\$ 13,989,889	\$ 13,675,297	\$ 15,271,737	\$ 15,846,990
Reasonable and Necessary Operating Costs (2)	5,814,275	5,730,442	6,045,049	6,060,856	6,466,224	6,450,737	6,856,701	6,904,142	8,006,078	8,107,713
Net Revenue Available for Debt Service (3)	7,728,714	6,555,086	6,446,258	7,283,398	7,822,843	8,120,129	7,133,188	6,771,155	7,265,659	7,739,277
Debt Service Payments	3,644,350	3,645,225	3,641,311	4,351,288	5,320,501	5,440,539	5,833,311	5,622,276	5,583,888	5,499,625
Coverage	2.12	1.80	1.77	1.67	1.47	1.49	1.22	1.20	1.30	1.41

(1) "Gross Revenues" represents Operating Revenues for the Water System which excludes interest income and tap fees.

(2) "Reasonable and Necessary Operating Costs" represents the Operating Expenses of the Water System less the non-cash items of depreciation and amortization expenses.

(3) Represents net revenues before depreciation and non-operating revenues and expenses.

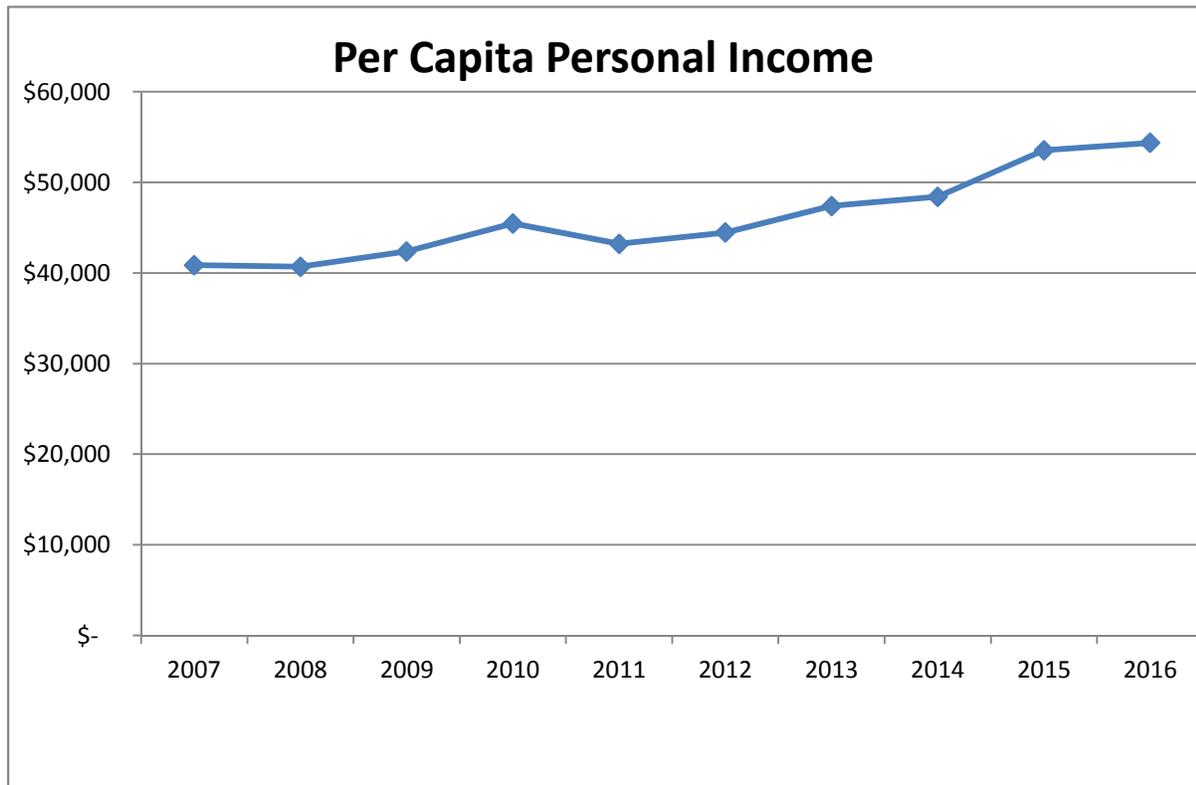


**Fayette County, Georgia
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	(1) Population	(2) Personal Income	Per Capita Personal Income	(3) Median Age	(4) School Enrollment*	(5) Unemployment Rate
2007	104,248	4,259,600,000	\$ 40,860	40	22,291	4.0%
2008	105,400	4,266,407,000	40,691	40	22,367	5.4%
2009	106,465	4,484,620,000	42,384	40	22,108	5.7%
2010	106,788	4,838,366,000	45,474	42	22,047	7.9%
2011	106,567	4,614,827,000	43,215	42	21,683	9.0%
2012	107,784	4,792,110,000	44,460	43	21,120	7.3%
2013	107,524	5,097,304,000	47,406	43	20,506	7.0%
2014	108,365	5,246,261,000	48,413	42	20,301	7.1%
2015	109,664	5,872,326,000	53,548	43	20,243	6.0%
2016	110,714	6,018,520,000	54,361	43	20,242	4.7%

- (1) Source: United States Census
- (2) Source: The Bureau of Economic Analysis
- (3) Source: United States Census
- (4) Source: Fayette County Board of Education
- (5) Source: Georgia Department of Labor

*School enrollment reported for 2006, 2007 and 2010 was corrected based on Fayette County Board of Education CAFR



**Fayette County, Georgia
Principal Employers
Current Year and Nine Years Ago**

Private Employer	2016			2007		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Piedmont Fayette Hospital	2,000	1	4.07%	930	2	3.15%
Eaton Lighting Solutions	800	2	1.63%			
Panasonic Automotive System Co.	725	3	1.47%	1,200	1	4.06%
Walmart SuperCenter	427	4	0.87%			
NCR	400	5	0.81%	550	4	1.86%
Walmart SuperCenter	400	6	0.81%			
Ply Gem Industries Inc. Windows Divison	300	7	0.61%			
Hoshizaki America Inc.	275	8	0.56%	425	5	1.44%
Kindred Transitional Care & Rehabilitation	210	9	0.43%			
Gerresheimer Peachtree City LP	208	10	0.42%			
Cooper Lighting				650	3	2.20%
TDK Components				210	6	0.71%
APAC - Georgia				200	7	0.68%
World Airways				275	8	0.93%
FAA Tracon				190	9	0.64%
Alenco, Inc				181	10	0.61%
Total	5,745		11.69%	4,811		16.28%

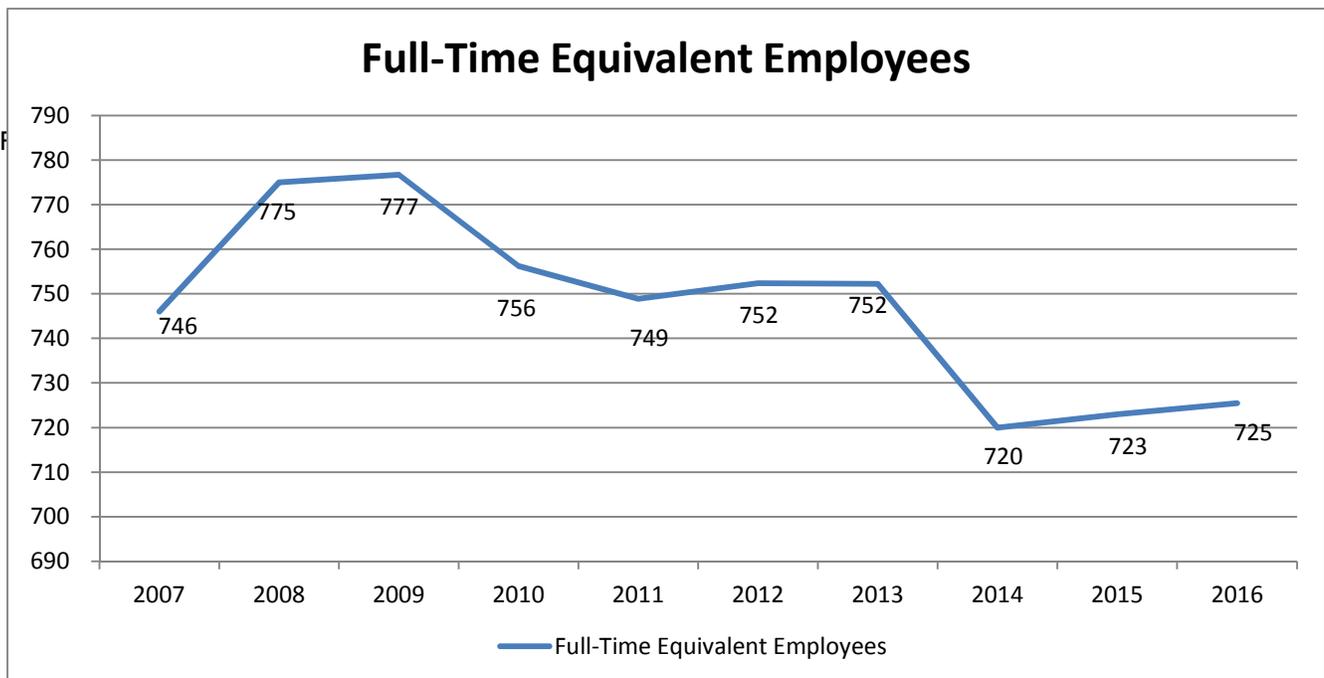
Source: Fayette County Development Authority

Fayette County, Georgia
Full-Time Equivalent County Government Employees by Function
Last Ten Fiscal Years

For Fiscal Year Ended June 30, 2016

Function	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government	120	125	124	113	111	112	112	104	106	104
Judicial System	58	58	58	56	56	59	59	56	56	56
Public Safety:										
Animal Control	6	6	7	7	7	5	5	5	6	6
Coroner	3	3	3	3	3	3	3	3	3	3
Emergency 911	36	36	36	36	36	36	36	36	36	35
Emergency Services	45	47	47	47	47	47	43	43	37	37
Fire	99	105	105	105	105	105	105	99	105	105
Marshal	12	12	12	11	11	11	11	-	-	-
Emergency Management	-	-	-	-	-	-	4	3	3	3
Sheriff	217	230	230	230	230	230	231	227	227	228
Total Public Safety	418	439	439	438	438	437	438	416	417	416
Public Works:										
Roads	49	50	51	48	45	45	45	43	43	44
Water System	62	62	63	62	61	61	61	65	63	66
Stormwater	-	-	-	5	5	5	5	5	5	7
Solid Waste Management	1	1	1	1	1	1	1	1	1	1
Total Public Works	112	113	115	116	112	112	112	114	112	118
Housing and Development	20	21	21	14	14	14	13	12	14	13
Culture and Recreation	18	19	19	18	17	18	18	18	18	18
Total	746	775	777	756	749	752	752	720	723	725

Source: Fayette County Human Resources Department, Fayette County Budget Document



Fayette County, Georgia
Operating Indicators by Function
Last Ten Fiscal Years

<u>FUNCTION</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government:										
Number of Registered Voters	71,000	71,000	75,967	75,448	76,980	79,710	73,572	80,001	83,295	84,827
Number of Parcels Assessed	41,709	42,000	42,479	42,479	42,479	42,134	42,179	42,325	42,328	42,493
Judicial System:										
State Cases	1,120	1,875	2,341	2,294	2,325	1,805	3,354	2,101	4,017	4,487
Superior Cases	903	875	872	887	900	513	3,347	3,981	5,133	4,791
Magistrate Cases							4,759	4,481	4,550	6,762
Firearms Licenses	838	893	937	1,342	1,472	1,903	2,936	2,301	2,527	3,010
Juvenile Cases Filed	2,007	2,500	1,961	1,379	1,379	1,108	1,105	1,022	1,229	1,039
Marriage Licenses	633	697	641	617	619	600	656	617	587	657
Real Estate Instruments Filed	33,193	30,500	18,449	18,800	18,800	16,236	19,942	21,214	15,525	17,833
Public Safety:										
Average Daily Jail Population	228	228	261	256	256	292	255	246	263	280
Fire/EMS Dispatch (1)	n/a	11,970	12,010	12,797	13,441	12,954	11,240	14,077	14,997	7,785
Law Enforcement Dispatch (1)	n/a	n/a	n/a	45,554	45,950	46,236	46,841	46,520	58,504	48,053
Public Works:										
Number of Vehicles Serviced	198	194	340	484	336	348	354	371	387	399
Street Maintenance (Miles)	510	601	687	576	529	528	529	530	520	522
Water Production (MGD))	7.9	8.9	8.5	7.8	7.8	8.7	8.4	7.9	8.1	9.4
Water System Customers	26,935	27,800	27,234	27,493	27,698	27,881	28,002	28,927	28,486	29,585
Housing and Development:										
Building Permits Issued	743	750	292	632	632	713	186	185	224	215
Culture and Recreation										
Monthly Circulation of Library Materials	27,083	26,867	26,832	55,181	42,400	53,601	27,681	35,306	28,525	22,000
Number of Programs and Classes Offered	327	315	398	497	497	549	619	802	581	534
Reference Questions Answered Monthly	8,083	8,167	8,145	10,417	11,436	2,594	2,925	2,984	3,266	3,268

Source: Fayette County Budget Document
Source: Department statistical data

Fayette County, Georgia
Capital Asset Statistics by Function
Last Ten Fiscal Years

<u>Function</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government:										
County Office Buildings	1	1	1	1	1	1	1	1	1	1
Senior Citizens Center	-	1	1	1	1	1	1	1	1	1
Judicial System:										
Justice Center	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Patrol Vehicles (1)	160	155	162	162	158	158	160	160	160	145
Fire Stations	9	9	9	9	9	9	9	9	9	9
Public Works:										
Miles of County Maintained Roads	510.0	601.6	687.0	576.0	529.0	528.0	529.2	530.0	520.5	521.7
Miles of Road Resurfacing	33.2	55.4	26.2	26.2	25.0	33.2	14.1	12.9	16.1	18.2
Culture and Recreation										
Park Acreage	366	366	366	366	366	366	455	455	455	455
Parks	6	6	6	6	6	6	7	7	7	7
Multi-Purpose facility	1	1	1	1	1	1	1	1	1	1
Water System:										
Water Treatment Plant	2	2	2	2	2	2	2	2	2	2

Source: Fayette County Fixed Asset Records and Department Heads

Fayette County, Georgia
Schedule of Insurance Coverages
June 30, 2016

<u>Property Coverages</u>	<u>Amount In Force</u>
Property (1)	\$ 144,691,316
Other Equipment	17,567,886
Flood and Earthquake	5,000,000

Note (1): Includes real and personal property,
and boiler and machinery coverage.

<u>Liability Coverages</u>	<u>Liability Limits</u>	
	<u>Each Occurrence</u>	<u>Aggregate</u>
General Liability	\$ 2,000,000	\$ 2,000,000
Automobile Liability	1,000,000	None
Law Enforcement Liability	2,000,000	2,000,000
Public Officials' Liability	2,000,000	2,000,000

Other Coverages

The County requires payment and performance surety bonds and builders' risk insurance of all contractors and subcontractors involved in construction activities. Surety bonds have to be issued by surety firms listed on the U.S. Treasury approved list and builders' risk insurance has to be in the amount of the contract sum.

Self-Insured Risks

The County is partially self-insured for certain risks such as medical and workers' compensation claims. Additional information on the management of these risks is contained in the Notes to the Financial Statements.