

FAYETTE COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2008



FAYETTE COUNTY

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2008

Prepared by

County Finance Office



INTRODUCTORY SECTION

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EXCELLENCE IN FINANCIAL REPORTING

LISTING OF PRINCIPAL OFFICERS

ORGANIZATIONAL CHART

Fayette County, Georgia

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Fayette County GEORGIA

Where Quality Is A Lifestyle

December 30, 2008

Honorable Jack Smith, Chairman,
Members of the Board of Commissioners
and the Citizens of Fayette County, Georgia

The Comprehensive Annual Financial Report of Fayette County, Georgia for the fiscal year ended June 30, 2008, 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 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.

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, and an organizational chart. 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.

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.

140 Stonewall Avenue West, Fayetteville, Georgia 30214 • Phone 770.460.5730 Ext. 5400 • Fax 770.460.9412 • Web Site www.fayettecountyga.gov

Reporting Entity

The financial reporting entity (Fayette County) 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 105,400 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 and a solid waste management system, which are shown as Enterprise Funds in this report. The Water System was established in 1965 and serves approximately 27,010 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. The Water System also wholesales water to the City of Fayetteville and the Town of Brooks pursuant to wholesale water contracts, which expire in 2034 and 2024, respectively.

The Fayette County Board of Education and the Fayette County Department of Family and Children Services are not included as a part of the County's reporting entity because their operations do not meet the potential component unit inclusion criteria set forth in Governmental Accounting Standards Board Statement No. 14, The Reporting Entity. The principal reasons for their exclusion are that they have their own governing boards, prepare their own budgets, and are financially independent.

Government Structure, Local Economic Condition and Outlook

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. While all five commissioners are elected at large, three must come from the different road districts within the County. 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.

The economic condition and outlook for Fayette County remains stable. The assessment of property in the County has increased 6.5% from $4,923,406 in 2007 to $5,243,135 in 2008. The unemployment rate at June 30, 2008 was 5.4 percent compared to the State average of 5.6 percent.

Collections from sales taxes within Fayette County decreased during the end of fiscal year 2008. The local option sales taxes were $10.3 million for 2008, a 3.9% decrease over last year's collections. The special local option sales tax for road infrastructure improvements totaled $20.5 million for fiscal year 2008.

Fayette County continues to benefit economically by being an integral part of one of the 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.

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.

Accounting and Budgetary Controls

Management of Fayette County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not

exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the County's internal accounting controls adequately safeguard assets and provide reasonable assurance for the proper recording of financial transactions.

The County maintains budgetary controls to ensure compliance with the legal provision of the annual appropriations budget approved by the Board of Commissioners. Statutes of the State of Georgia require the County to operate under an annual balanced budget adopted by resolution. The County Administrator is responsible for preparing the annual budget, which is then submitted to the Board of Commissioners for discussion and adoption.

Activities of the General Fund and Special Revenue Funds are included in the annual appropriations budget. Cash flow budgets are prepared and adopted for both of the Enterprise Funds. Project length financial plans are approved for the construction projects that are reported in the Capital Projects Funds.

The applicable State statutes require that the County not exceed its budget at the department level. The legal level of County budget control (the level at which expenditures may not exceed appropriations) for each legally adopted annual operating budget is at the department level. Administrative budgetary control is maintained internally at an object of expenditure level within the department or function. County Department Heads can authorize the transfer of appropriations among accounts within their department's budget. The Board of Commissioners must approve all other transfers or supplemental appropriations. The County's budget procedures are more fully explained in the accompanying Notes to the Financial Statements.

The County maintains an encumbrance accounting system as another means of accomplishing budgetary control. Encumbered amounts at year-end are recorded as a reservation of fund balance and carried forward into the ensuing year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management.

Cash Management

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, U.S. Government securities and repurchase agreements. At June 30, 2008, the County has investments in certificates of deposit, U.S. Government securities, repurchase agreements, and the Georgia Fund 1 State Investment Pool. The County earned interest revenue of $4.7 million on all investments of the governmental and proprietary types for the year ended June 30, 2008.

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, 2008, 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.

Risk Management

Fayette County is self-insured for employee dental and vision coverage. Third party administrators are employed to process claims for the dental and vision programs.

The County's Human Resource Department monitors all self-funded and fully insured programs to develop programs for accident prevention and claims reduction in all County departments.

Independent Audit

State statutes require an annual audit by independent certified public accountants. The accounting firm of Cherry, Bekaert & Holland LLP was selected by Fayette County to perform the June 30, 2008 audit. This report has been prepared in accordance with those State requirements set forth. The auditors' report on the basic financial statements and the combining and individual funds statements and schedules are included in the financial section of this report.

Reporting Achievements

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 for the year ended June 30, 2007. The County has received this award for each of the last fifteen 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 2008.

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 Chairman and members of 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,

Jack Krakeel
County Administrator

Mary S. Holland
Chief Financial Officer

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, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Alice S. Cox

President

Jeffrey R. Esser

Executive Director

FAYETTE COUNTY, GEORGIA

LISTING OF PRINCIPAL OFFICIALS

June 30, 2008

BOARD OF COMMISSIONERS

Jack R. Smith, Chairman
Herbert E. Frady, Vice Chairman
Robert Horgan
Eric Maxwell
Peter Pfeifer

ACTING COUNTY ADMINISTRATOR

Jack J. Krakeel

CHIEF FINANCIAL OFFICER

Mary S. Holland

COUNTY PURCHASING AGENT

Tim Jones

COUNTY ATTORNEY

Scott Bennett

TAX COMMISSIONER

George Wingo

SHERIFF

Randall Johnson

MAGISTRATE COURT JUDGE

Charles R. Floyd, Jr., Chief Magistrate

PROBATE COURT JUDGE

Martha Stephenson

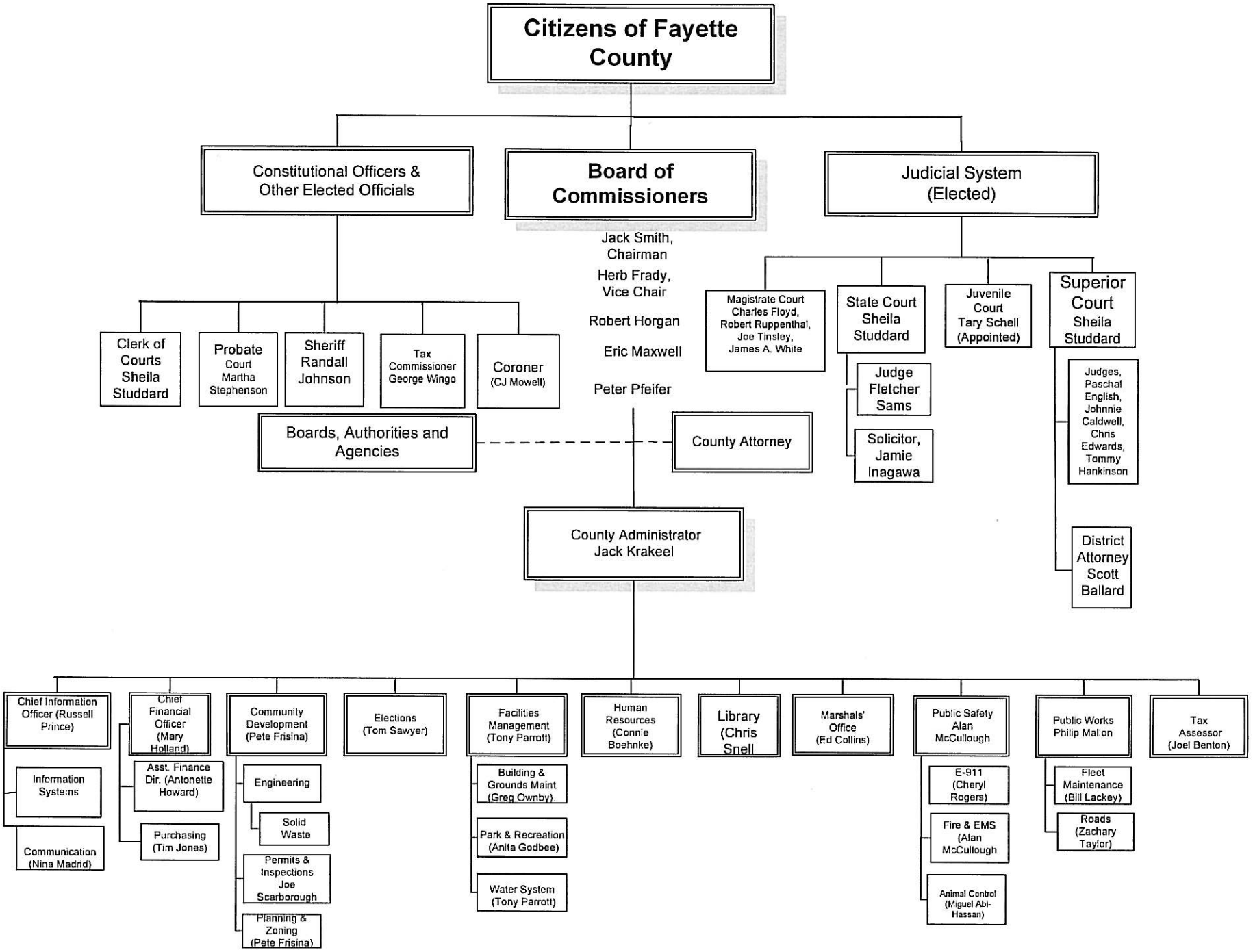
CLERK OF SUPERIOR COURT

Sheila Studdard

AUDITORS

Cherry, Bekaert & Holland, L.L.P.

Fayette County, Georgia
Organizational Chart



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FINANCIAL SECTION

This Section Contains the Following Subsections:

INDEPENDENT AUDITORS' REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

CHERRY BEKAERT& HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Fayette County Georgia
Fayetteville, Georgia

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, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 represents 100 percent of the assets and 100 percent of the revenues of the aggregate discretely presently 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 amounts included for the Fayette County Department of Public Health and the Fayette County Development Authority is based solely on the reports 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the 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, 2008, and the respective changes in financial position and the cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2008 on our consideration of the County's internal control over financial reporting and 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, not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 14 and the Required Supplementary Information on pages 56 through 60 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements and schedules, internal service funds, fiduciary funds, and statistical section are presented for purposes of additional analysis and are not part of the basic financial statements. The combining and individual fund statements and schedules, internal service funds, and fiduciary funds and the schedule of projects constructed with Special Purpose Local Option Sales Tax (S.P.L.O.S.T.) have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken 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 express no opinion on them.

Cherry, Bekaert & Holland, L.L.P.

Atlanta, Georgia
December 30, 2008

Fayette County, Georgia
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008

Management's discussion and analysis provides a narrative overview and analysis of the financial activities of the Fayette County Board of Commissioners for the fiscal year ended June 30, 2008. Management encourages 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 v-x in the introductory section of this report and the Government's financial statements following.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. These basic statements consist of three sections: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other information supplementary to the basic financial statements themselves.

Government-wide Financial Statements

Government-wide financial statements include a Statement of Net Assets and a Statement of Activities, and provide both long-term and short-term information about the County's overall financial status. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net assets of governmental activities and business-type activities and the change in net assets. Governmental Activities are primarily supported by property taxes, sales taxes, other taxes, federal and state grants, fines, and charges for services. Business-type activities are supported by charges to the users of those activities, such as water service charges.

The Statement of Net Assets presents information on the County's assets and liabilities. Net assets, the difference between these assets and liabilities, is a useful way to measure the County's financial health. Over time, increases or decreases in net assets 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 assets changed during this current fiscal year. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid. Therefore, some revenues and expenses are reported here that will only result in cash flows in future years, such as uncollected taxes and earned but unused vacation leave. Additionally, this statement shows how much of the County's activities are funded by program revenue (charges for services, grants, and contributions) and how much the County's functions rely on general revenues (primarily taxes) for funding.

The government-wide financial statements include not only the County itself (called the primary government), but also legally separate entities for which the County is financially accountable (called component units). The activities of the primary government are comprised of functions of the County that are primarily financed by taxes and intergovernmental revenues. Examples include courts and law enforcement, public safety, planning and community development and general government. The County's statements include two component units for which the County is financially responsible: the Fayette County Development Authority and the Fayette County Department of Public Health. The

financial information for these component units is reported separately from the financial information presented for the primary government. Complete financial statements for each of the individual component units can be obtained from:

Fayette County Development Authority
200 Courthouse Square
Fayetteville, Georgia 30214

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

Fayette County Public Facilities Authority although legally separate, functions for all practical purposes as part of the County, and therefore the activities of the Authority have been included as an integral part of the primary government.

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 uses fund accounting to insure and demonstrate compliance with finance-related legal requirements. All funds of Fayette County can be divided into three 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, this set of financial statements focuses 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.

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. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison.

Fayette County maintains individual governmental funds. 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: the General Fund, the Fire District Fund, SPLOST County-wide roads CIP, Criminal Justice Center Capital Project Fund, and EMS District Fund. The EMS District Fund was created during the current fiscal year. Individual data from the remaining non-major governmental funds are combined into a single, aggregate column marked "Non-Major Governmental Funds". Individual fund data for each of these non-major governmental funds is provided in the form of combining statements.

Fayette County adopts an annual appropriated budget for the General Fund and for each Special Revenue Fund. A budgetary comparison statement is provided for the General Fund, and each of the Special Revenue Funds, in order to present budgetary compliance. Project Length Budgets are adopted for each Capital Project Fund. Budgetary comparison statements are presented, in order to present budgetary compliance.

Proprietary funds - The financial statements of Fayette County include four internal service funds: the Worker's Compensation Self-Insurance Fund, the Medical Self-Insurance Fund, the Dental/Vision Self-Insurance Fund, and the Vehicle Replacement Fund. Internal service funds are a type of proprietary fund used to accumulate and allocate costs internally among various

functions in the County. Also, included in the financial statements are two enterprise funds: Water System Fund and Solid Waste Fund which are types of proprietary funds. Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

Financial Highlights

- The assets of Fayette County Governmental Activities exceeded its liabilities at June 30, 2008 by $179,436,422 (net assets). Of this amount, $101,662,007 is unrestricted net assets. Fayette County's Business-type Activities exceeded its liabilities at June 30, 2008 by $78,925,002 (net assets). Of this amount, $2,872,031 is unrestricted net assets. The Primary Government's total unrestricted net assets is $104,534,038 and may be used to meet the County's ongoing obligations to citizens and creditors.

Fayette County's Net Assets

	Government Activities		Business Type Activities		Primary Government	
	2008	2007	2008	2007	2008	2007
Current and other assets	$ 126,162,077	$111,303,126	$ 17,418,933	$ 19,158,793	$143,581,010	$130,461,919
Capital assets	121,336,423	123,449,125	109,310,041	108,524,319	230,646,464	231,973,444
Total assets	247,498,500	234,752,251	126,728,974	127,683,112	374,227,474	362,435,363
Long-term liabilities	62,366,944	61,958,029	45,366,324	45,180,423	107,733,268	107,138,452
Other liabilities	5,695,134	8,004,070	2,437,648	4,540,181	8,132,782	12,544,251
Total liabilities	68,062,078	69,962,099	47,803,972	49,720,604	115,866,050	119,682,703
Net assets:						
Invested in capital assets, net of related debt	66,118,115	61,331,911	64,042,796	61,128,008	130,160,911	122,459,919
Restricted	11,656,300	9,206,066	12,010,175	12,661,526	23,666,475	21,867,592
Unrestricted	101,662,007	94,252,175	2,872,031	4,172,974	104,534,038	98,425,149
Total net assets	$179,436,422	$164,790,152	$78,925,002	$77,962,508	$258,361,424	$242,752,660

Statement of Net Assets & Activities

As noted earlier, changes in net assets over time can be a useful indicator of a government's financial position. At the end of fiscal year ending June 30, 2008, the County's assets exceeded liabilities by $258,361,424 or an increase of $15,608,764, a 6.43% increase over 2007.

Governmental activities total net assets increased in part due to an overall decrease in the liabilities from a $2 million reduction in debt. The increase in the business type activities net assets during the current fiscal year was also the result of a decrease in the long-term liabilities.

The following summarizes the components of the County's net assets at June 30, 2008 for the primary government.

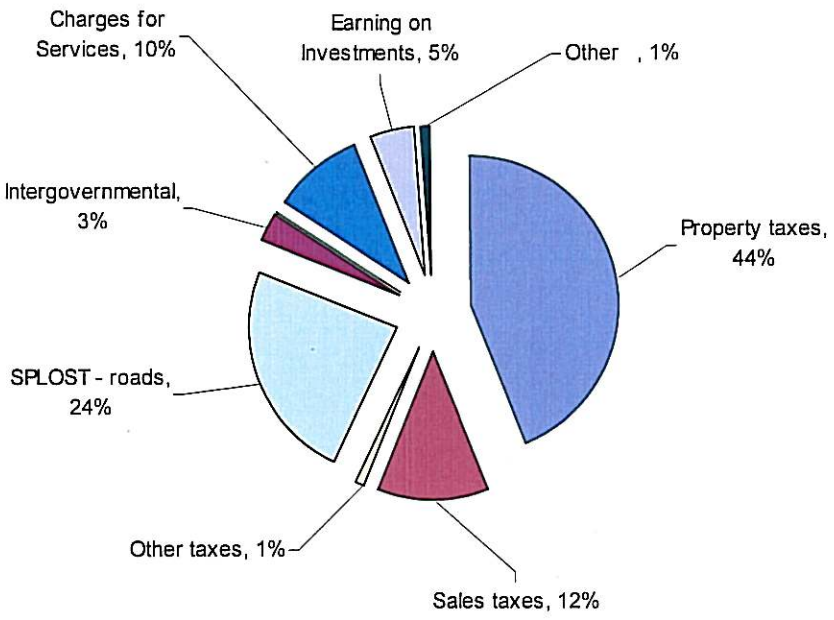
Fayette County's investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment), less any outstanding related debt used to acquire the asset and accumulated depreciation, equals 50 percent of net assets. The County uses these capital assets to provide services to citizens and, 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 assets themselves are not readily available to liquidate these liabilities.

Fayette County's net assets also include restricted net assets of $23,666,475 (or 9 percent of net assets), and unrestricted net assets of $104,534,038 (or 41 percent of net assets). Restricted net assets represent resources subject to external restriction on how they may be used. Unrestricted net assets may be used to meet the County's ongoing obligations to citizens and creditors.

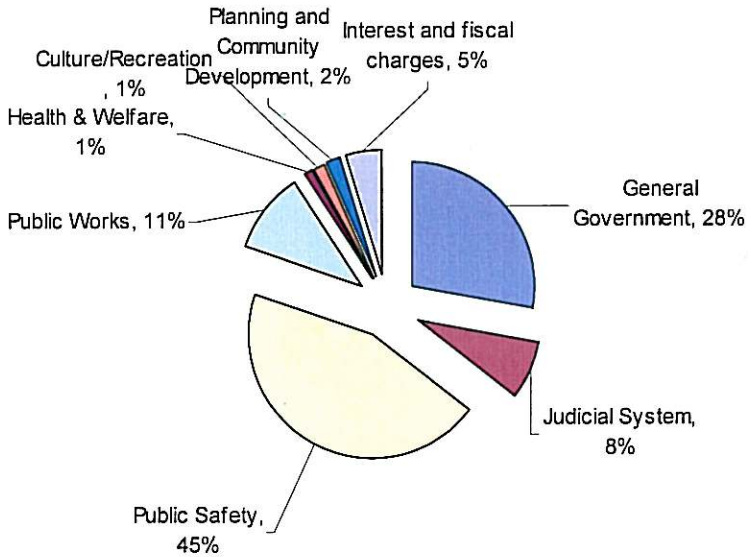
Fayette County's Statement of Activities and Changes in Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
Revenues:	2008	2007	2008	2007	2008	2007
Program revenues						
Charges for services	$8,470,349	$9,405,780	$12,370,908	$13,904,189	$20,841,257	$23,309,969
Operating grants and contributions	20,582	5,600	-	-	20,582	5,600
Capital grants and contributions			1,294,879	2,708,273	1,294,879	2,708,273
General revenues:						
Property taxes	37,601,739	33,238,968	-	-	37,601,739	33,238,968
Sales taxes	10,313,833	10,654,218	-	-	10,313,833	13,690,730
SPLOST – roads	20,462,347	17,711,729	-	-	20,462,347	14,675,217
Other taxes	960,291	2,966,242	-	-	960,291	2,966,242
Earning on Investments	4,149,265	5,186,857	572,483	747,261	4,721,748	5,934,118
Intergovernmental	2,883,703	3,146,118	-	-	2,883,703	3,146,118
Other	950,432	1,139,941	117,155	26,836	1,067,587	1,166,777
Total revenues	85,812,541	83,455,453	14,355,425	17,386,559	100,167,966	100,842,012
Expenses:						
General government	19,913,322	13,217,872	-	-	19,913,322	13,217,872
Judicial	5,650,814	5,401,526	-	-	5,650,814	5,401,526
Public safety	31,978,900	31,310,184	-	-	31,978,900	31,310,184
Public works	7,673,140	15,643,667	-	-	7,673,140	15,643,667
Health and welfare	719,934	705,001	-	-	719,934	705,001
Culture and recreation	1,058,911	7,418,659	-	-	1,058,911	7,418,659
Planning and development	1,392,864	1,555,478	-	-	1,392,864	1,555,478
Interest and fiscal charges	3,375,326	3,043,276	-	-	3,375,326	3,043,276
Water System	-	-	12,635,303	13,036,293	12,635,303	13,036,293
Solid Waste	-	-	160,688	138,082	160,688	138,082
Total expenses	71,763,211	78,295,663	12,795,991	13,174,375	84,559,202	91,470,038
Excess(deficiency) before transfers	14,049,330	5,159,790	1,559,434	4,212,184	15,608,764	9,371,974
Transfers						
Transfers in	596,940	607,179	-	-	596,940	607,179
Transfers out	-	-	(596,940)	(607,179)	(596,940)	(607,179)
Total transfers	596,940	607,179	(596,940)	(607,179)	-	
Increase (decrease) in net assets	14,646,270	5,766,969	962,494	3,605,005	15,608,764	9,371,974
Net assets, beginning of year	164,790,152	159,023,183	77,962,508	74,357,503	242,752,660	233,380,686
Net assets, end of year	$179,436,422	$164,790,152	$78,925,002	$77,962,508	$258,361,424	$242,752,660

Governmental Activities Revenue by Source



Governmental Activities Expenses by Function



As of June 30, 2008, Fayette County's total governmental funds reported combined ending fund balances of $107,479,456, an increase of $14,766,279 in comparison with the previous fiscal year. More information on this increase can be found in the individual fund sections starting below. Approximately 94 percent or $101,173,029 is made up of unreserved fund balance that is available to meet the County's ongoing obligations to creditors. The remainder of the fund balance, $6,306,427, is reserved to indicate that it is not available for new spending because it has already been committed. The amount reserved for purchase order commitments is $30,626.

- The debt of Fayette County decreased by $1,280,000 the principal payment of the Fayette County Public Facilities Authority during the current fiscal year.

- Fayette County's capital lease debt decreased by $618,905 for fiscal year 2008.

- The maintenance and operations property tax rates of the General Fund and the Fire Fund were changed from FY2007 to FY2008 as follows:

Fund	M&O Tax Rate FY2008	M&O Tax Rate FY2007	Change in Tax Rate	Percentage Change
General	5.432	4.888	0.544	11%
Fire	2.000	2.906	(0.906)	(31%)
EMS	.550	0	0	0

Fund Financial Information

Major Governmental Funds

General Fund

The General Fund is the chief operating fund of the County. At June 30, 2008 the unreserved fund balance in the General Fund was $31,564,804, which is designated as follows: for emergencies ($2,000,000), working capital ($12,039,388), future expenditures ($1,642,532) and capital improvements ($15,882,884). As a measure of the liquidity of the General Fund, it is useful to compare both unreserved fund balance and total fund balance to total fund expenditures, unreserved fund balance represents 72 percent of total General Fund expenditures, while total fund balance represents 72 percent of that same amount.

The fund balance of the County's General Fund increased by $1,318,670 during the current fiscal year. Compared to FY2007's figure of $5 million, revenues were $3.1 million over expenditures in FY2008. This decrease in revenue over expenditures from the prior year was the result of a decreased revenue receipts in the current year.

Transfers offset the excess of the $3.1 million revenues over expenditures by transfers of $4.3 million to capital projects in FY 2008 compared to $5 million to capital projects and vehicle replacement in FY2007.

General Fund Budgetary Highlights

The leadership of Fayette County desires to provide quality governmental services at an optimum cost. In order to achieve this objective, the budgetary process provides assurance that approved budgets are fully justified.

During fiscal year 2008, the actual revenue budgets of the General Fund were $1,013,104 less than final budgetary estimates. Sales taxes came in $586,167 weaker than anticipated. Also, the licenses and permits were $166,826 lower than final budget estimates as a result in the decrease in the construction industry. In addition, investment income was lower than anticipated due to the drop in interest rates during the fiscal year.

During the current fiscal year there were a number of changes made to the property tax rates. First, the insurance premium tax was moved from the general fund to the fire fund. This caused the general property taxes to increase. However, it resulted in a lower fire district tax rate. In addition, an EMS tax district was created. The effect to the overall tax rate was a minimal increase. Further, the County Departments have been provisioned with ample resources to continue delivery of first class governmental services.

Other Major Governmental Funds

The Fire District Fund has a total fund balance of $2,397,805, which represents a decrease from the prior year of $2,940,034. Total fund balance for the Fire District Fund is 33 percent of its 2008 expenditures. The fund balance was budgeted to decrease $2,754,249 during fiscal year 2008 as planned to provide the necessary funding for the planned capital outlay as outlined in the five year capital improvement program.

The Criminal Justice Center Capital Project Fund has a total fund balance of $8,144,981, which represents an increase from the prior year of $238,937. The increase in fund balance is the result of investment earnings.

The SPLOST County-Wide Roads Capital Project Fund has a total fund balance of $45,793,444, which represents an increase from the prior year of $13,816,412. The primary reason for the increase is continuation of collections of a one-cent Special Purpose Local Option Sales Tax (SPLOST) for Road and Bridge purposes. The proceeds of this tax will provide an estimated $115,867,000 for construction of transportation projects within the County and improvements to the County's transportation infrastructure. The tax was effective on April 1, 2005. During fiscal 2008, S.P.L.O.S.T. proceeds totaled $14,323,643. While expenditures were $1,930,514.

The EMS District Fund was established in the current year. The EMS fund accounts for emergency services provided within the EMS district. The financing for the fund comes from a special tax levy. During the current year, the fund had a decrease of $290,056. The decrease resulted from revenues being lower than anticipated.

Non-Major Governmental Funds

Special Revenue Funds

At June 30, 2008, the fund balances for the Non-Major Special Revenue Funds totaled $2,228,463. During the fiscal year, the total fund balances for these funds decreased by $1,962,394. The majority of this change was due to the Emergency 911 fund which transferred

$1,282,779 to capital projects in accordance with the capital improvement plan. Total fund balance of the Emergency 911 fund is 29 percent of its 2008 expenditures.

Capital Projects

At June 30, 2008 the Non-Major Capital Projects funds had a combined fund balance totaling $16,758,713. This fund is used to accumulate funds necessary to construct or acquire capital assets. During the fiscal year, the total fund balances for these funds increased by $4,585,285. The primary reason for the increase is the result of the transfers from the fire fund and E911 fund for future capital projects in accordance with the capital improvement plan.

Major Proprietary Funds

Water System

The Water System provides water services to approximately 27,010 customers in Fayette County. The analysis provides summary financial information for the Water System and should be read in conjunction with the financial statements on pages 22 –25 and the related footnotes.

Financial Highlights

- The Water System's total assets exceeded total liabilities by $77.5 million.

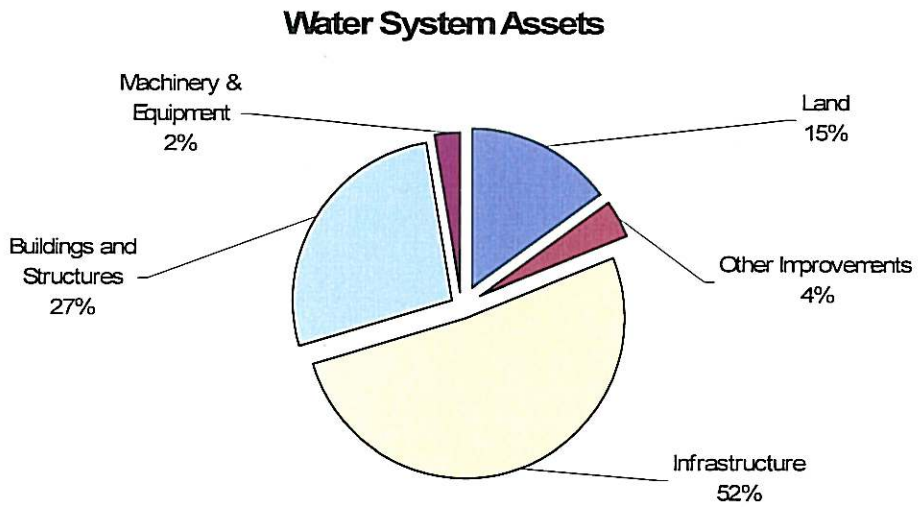
The following summarizes the components of the Water System's net assets at June 30, 2008 and 2007:

	2008	2007
Current & other assets	$ 4,068,855	$ 5,127,137
Restricted assets	12,010,175	12,661,526
Capital assets	109,235,601	108,437,896
Total assets	125,314,631	126,226,559
Other liabilities	4,812,425	4,533,030
Long-term liabilities	42,980,731	45,179,618
Total liabilities	47,793,156	49,712,648
Net assets:		
Invested in capital assets, net of related debt	63,968,356	61,041,585
Restricted	12,010,075	12,661,526
Unrestricted	1,542,944	2,810,800
Total net assets	$ 77,521,475	$76,513,911

- The Water System adopted the State of Georgia's water regulations in 2004. Detailed water restrictions and information can be obtained on the County's website fayettecountyga.gov.

- Water sales revenue decreased $1,252,366 or 9% under 2007 revenue.

Fayette County Water System's investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment), less any outstanding related debt used to acquire the asset and accumulated depreciation, equals 83 percent of net assets. The Water System uses these capital assets to provide services to customers and consequently, these assets are not available for future spending.



Water distribution system includes 608 miles of water line of various diameters and materials. Infrastructure additions for fiscal year 2008 totaled $2,298,842 which includes 9 miles of water lines, meters and fire hydrants. The following tabulation shows water line footage by size, including current year additions for the year ending June 30, 2008. The amount of pipe smaller than 6" is insignificant and not reported as part of the distribution system.

Pipe Size	Beginning Balance	Additions	Ending Balance
30"	37,802	-	37,802
24"	106,950	-	106,950
20"	222,803	2,600	222,803
18"	8,390	-	8,390
16"	144,912	-	144,912
12"	264,500	5,980	270,480
10"	277,307	7	277,314
8"	1,318,558	39,079	1,357,667
6"	782,045	426	782,471
Totals	$ 3,163,297	$ 45,492	$ 3,208,789

Fayette County Water System's net assets also include restricted assets of $12,010,175 (15 percent of net assets) and unrestricted net assets of $1,542,944 (2 percent of net assets). Restricted net assets represent resources subject to external restriction on how they may be used. Unrestricted net assets may be used to meet the Water System's ongoing obligations to creditors.

The Water System's total net assets increased $1,294,879 or 2 percent during the fiscal year. This indicates that the revenue sources exceed the ongoing cost of the Water System.

Water System's Changes in Revenue, Expense and Change in Fund Net Assets:

	2008	2007
Revenues and capital contributions		
Water sales	$11,938,823	$13,191,189
Other operating	346,705	351,800
Non-operating	659,400	729,441
Capital Contributions	1,294,879	2,708,273
Total revenues and capital contributions	14,239,807	16,980,703
Expenses and Transfers		
Operating expenses	5,793,108	5,879,900
Non-operating expenses	2,438,760	2,614,861
Transfer – Overhead	596,940	586,721
Depreciation expense	4,403,435	4,541,532
Total expenses	13,232,243	13,623,014
Increase in net assets	1,007,564	3,357,689
Net assets, beginning of year	76,513,911	73,156,222
Net assets, ending of year	$77,521,475	$76,513,911

The Water System's total revenues and capital contributions decreased $2,740,896 or 16% during the fiscal year. The decrease in revenues can be attributed to a decrease in water sales as a result of mandatory water conservation from the state.

The total expense decreased $390,771 or 3% during the fiscal year. The decrease can be attributed to Fayette County's exercise of fiscal self-control, careful resource allocation, competitive procurement process, and a steadfast determination to maximize the use of the available resources.

Long-term debt – At the end of the current fiscal year, Fayette County Water System's total revenue bonded debt is $46,731,552, of which $39,490,000 is revenue bond debt (see page 52 in Notes to the Financial Statements) and $7,241,552 is for Georgia Environmental Facilities Authority loans (see pages 49-52 in Notes to the Financial Statements). Principal payments made in fiscal year 2008 were $2,246,962 reducing long term debt 5%.

Non-Major Proprietary Funds

Solid Waste

Fayette County closed the First Manassas Mile Road landfill in 1997. To provide Fayette County citizens with disposal services, Georgia Waste Management operates a transfer station and the County is paid host fees and leaf and limb revenue based on tonnage. At fiscal year end for 2008, Solid Waste fund's net assets equated to $1,403,527.

The Georgia Environmental Protection Division (EPD) has completed a review of the landfill financial test mechanism. Fayette County is in compliance until December 30, 2008, for the closure and post-closure care financial assurance requirements in the 2007 fiscal year.

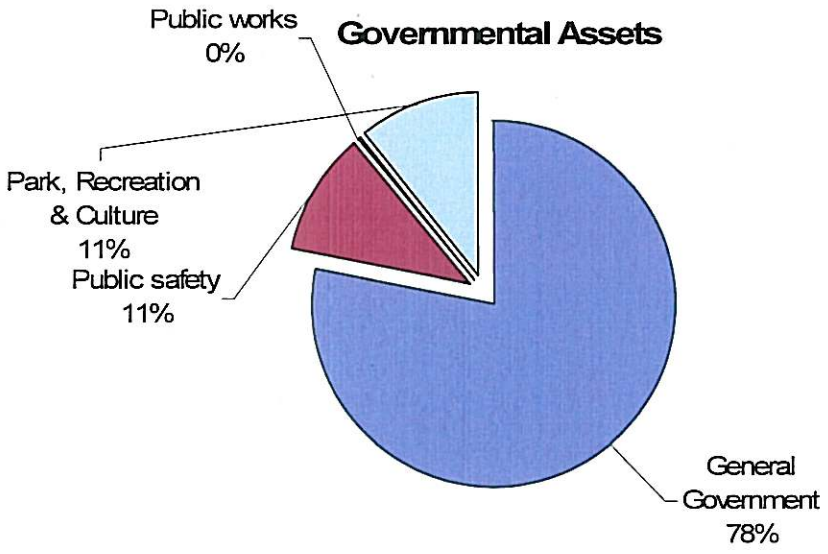
The relative financial strength ratio is 0.01 for 2008 fiscal year. The EPD requires a relative financial strength ratio equal to or less than 0.20. The County's relative financial strength ratio is exceptional.

The major goals for 2008 were; Continue to monitor the groundwater and methane to assure natural attenuation is correcting the groundwater contamination at the Southside Landfill, and maintain the yard waste operation in order to minimize the negative change in net assets at the end of the fiscal year. The change in net assets for 2008 was a decrease of $45,070, or 3 percent.

	2008	2007
Current Assets	$1,339,903	$1,370,130
Capital Assets, net of accumulated depreciation	74,440	86,423
Total Assets	1,414,343	1,456,553
Current Liabilities	9,415	7,151
Long-term Liabilities	1,402	805
Total Liabilities	10,816	7,956
Net Assets:		
Invested in capital assets, net of related debt	74,440	86,423
Unrestricted	1,329,087	1,362,174
Total Net Assets	$1,403,527	$1,448,597

Capital Assets

Capital assets - Fayette County's capital assets as of June 30, 2008, totaled $230,646,464 net of accumulated depreciation. Governmental activity accounts for $121,336,423 while business type totals $109,310,041. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress. (see Note III B. Capital Assets on pages 43-45)



The Government's Debt

Long-term debt – At the end of the current fiscal year, Fayette County governmental activities has total bonded debt outstanding of $60,218,309. This amount represents the Fayette County Public Facilities Authority Revenue Bonds of $50,755,000 issued to construct the Criminal Justice Center, the capital leases of $4,463,309 for the 841 Mhz radio system for E911 and various copiers throughout the county, and the GMA lease pool certificate of participation of $5,000,000. (see pages 46-52) The Fayette County Water System's total revenue bond indebtedness is discussed beginning on page 47 of the Notes to the Statements.

Other Financial Information

On November 2, 2004, a referendum was passed by Fayette County voters to impose a 1% Special Purpose Local Options Sales Tax (SPLOST) for use for road, street and bridge purposes in Fayette County.

The tax began April 1, 2005 and will continue through March 31, 2010 or at the end of the quarter where the raising of $115,857,267 is obtained, whichever occurs first.

The tax has been subdivided into two parts with 70 percent of the available funding earmarked for County-Wide Projects and the remaining 30 percent of available funding earmarked for use of projects sponsored by a city, town, or the unincorporated portion of Fayette County (see pages 73-75).

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 finance@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



Where Quality Is A Lifestyle

BASIC FINANCIAL STATEMENTS

Fayette County, Georgia
Statement of Net Assets

June 30, 2008

	Primary Government		Primary Government Total	Component Unit Total
	Governmental Activities	Business-type Activities		
ASSETS				
Unrestricted cash	$ 55,326,947	$ 1,734,936	$ 57,061,884	$ 893,646
Restricted cash	62,648,193	5,725,859	68,374,052	321,016
Unrestricted investment	-	1,353,119	1,353,119	-
Restricted Investment	-	6,284,316	6,284,316	595,292
Taxes receivable, net	2,559,320		2,559,320	-
Other receivables	5,226,848	1,364,665	6,591,513	64,158
Inventory and prepaid expenses	179,138	604,147	783,285	6,044
Unamortized debt issue costs	221,631	351,890	573,521	-
Capital assets, non depreciable	9,070,983	14,966,136	24,037,119	-
Capital assets, net of accumulated depreciation	112,265,440	84,823,688	197,089,128	299,078
Construction in process	-	9,520,217	9,520,217	-
Total assets	247,498,500	126,728,974	374,227,474	2,179,234
LIABILITIES				
Accounts payable	3,038,337	1,729,562	4,767,899	933,495
Salaries and benefits payable	1,307,463	101,257	1,408,720	-
Unearned revenues	1,048,808	85,200	1,134,008	-
Accrued interest	300,526	521,629	822,155	-
Current compensated absences	942,046	61,390	1,003,436	-
Current portion of long-term obligations	2,180,690	2,322,802	4,503,492	89,224
Capital lease, net of current portion	3,627,618	-	3,627,618	-
Long term compensated absences payable	1,206,590	37,689	1,244,279	-
Certificate of participation payable	5,000,000	-	5,000,000	-
Notes payable, net of current portion	-	6,648,751	6,648,751	
Bonds payable, net of current portion	49,410,000	36,295,692	85,705,692	-
Total liabilities	68,062,078	47,803,972	115,866,050	1,022,719
NET ASSETS				
Invested in capital assets, net of related debt	66,118,115	64,042,796	130,160,911	299,078
Restricted for:				
Debt service	5,469,844	5,725,859	11,195,703	-
Renewal and extension		6,284,316	6,284,316	-
Capital improvements	6,186,456	-	6,186,456	-
Unrestricted	101,662,007	2,872,031	104,534,038	857,437
TOTAL NET ASSETS	$ 179,436,422	$ 78,925,002	$ 258,361,424	$ 1,156,515

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

Fayette County, Georgia
Statement of Activities

For the fiscal year ended June 30, 2008

Functions/Program Activities	Expenses	Program Revenues: Charges for Services and Fines	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business Activities	Primary Government: Total	Component Units
Primary government								
Governmental Activities:								
General Government	$ 19,913,322	$ 1,424,473	$ 3,350	$ -	$ (18,485,499)	$ -	$ (18,485,499)	$ -
Judicial	5,650,814	2,401,949	-	-	(3,248,865)	-	(3,248,865)	-
Public Safety	31,978,900	4,352,712	5,677	-	(27,620,511)	-	(27,620,511)	-
Public Works	7,673,140	8,001	-	-	(7,665,139)	-	(7,665,139)	-
Health and Welfare	719,934	-	-	-	(719,934)	-	(719,934)	-
Culture/Recreation	1,058,911	222,459	11,555	-	(824,897)	-	(824,897)	-
Planning & Community Develop.	1,392,864	60,755	-	-	(1,332,109)	-	(1,332,109)	-
Interest and fiscal charges	3,375,326	-	-	-	(3,375,326)	-	(3,375,326)	-
Total governmental activities	71,763,211	8,470,349	20,582	-	(63,272,280)	-	(63,272,280)	-
Business-type activities:								
Water System	12,635,303	12,285,527	-	1,294,879	-	945,104	945,104	-
Solid Waste	160,688	85,380	-	-	-	(75,308)	(75,308)	-
Total business-type activity	12,795,991	12,370,908	-	1,294,879	-	869,796	869,796	-
Total primary government	$ 84,559,202	$ 20,841,257	$ 20,582	$ 1,294,879	(63,272,280)	869,796	(62,402,483)	-
Component units:								
Governmental-type	$ 3,068,340	$ 1,507,381	$ 821,584	$ -	-	-	-	(739,375)
Total component units	$ 3,068,340	$ 1,507,381	$ 821,584	$ -	-	-	-	(739,375)
General revenues								
Property taxes					37,601,739		37,601,739	-
Sales taxes					10,313,833		10,313,833	-
Other taxes					960,291		960,291	-
SPLOST					20,462,347		20,462,347	-
Intergovernmental					2,883,703		2,883,703	300,382
Sales of capital assets					132,620	6,192	138,812	-
Miscellaneous revenues					817,812	110,963	928,775	25,485
Interest					4,149,265	572,483	4,721,748	381,246
Transfers					596,940	(596,940)	-	-
Total general revenues and transfers					77,918,550	92,698	78,011,248	707,113
Change in net assets					14,646,270	962,494	15,608,764	(32,262)
Net assets - beginning of year					164,790,152	77,962,508	242,752,660	1,188,777
Net assets - end of year					$ 179,436,422	$ 78,925,002	$ 258,361,424	$ 1,156,515

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

Fayette County, Georgia
Balance Sheet
Governmental Funds

June 30, 2008

	Major Governmental Funds						
	General	Fire District	SPLOST County-Wide Roads CIP	Criminal Justice Center Capital Project	EMS District Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets							
Unrestricted cash	$ 31,279,033	$ 2,942,423	$ -	$ -	$ -	$ 17,933,025	$ 52,154,481
Restricted cash	-		43,741,492	8,144,981	184,183	1,557,269	53,627,925
Taxes receivable	2,428,640	103,101	-	-	24,520	3,059	2,559,320
Other receivables	1,008,442	39,641	2,384,810	-	482,026	1,311,748	5,226,668
Inventory	20,272		-	-	-	-	20,272
Prepaid items	68,370	639	-	-	10,245	20,739	99,993
Total assets	$ 34,804,757	$ 3,085,804	$ 46,126,302	$ 8,144,981	$ 700,975	$ 20,825,840	113,688,659
Liabilities							
Accounts payable	$ 748,163	$ 56,759	$ 321,087	$ -	$ 28,552	$ 1,518,588	$ 2,673,149
Due to other governments	-		-	-	-	47	47
Salary and benefits payable	927,364	235,578	-	-	85,143	59,378	1,307,463
Compensated absences payable	628,244	223,291	-	-	59,261	31,250	942,046
Contracts payable	-		11,771	-	-	225,918	237,689
Deferred revenue	829,458	172,370	-	-	43,498	3,483	1,048,809
Total liabilities	3,133,228	687,999	332,858	-	216,454	1,838,663	6,209,203
Fund Balances							
Reserved for encumbrances	18,083	2,339	-	-	-	10,204	30,626
Reserved for Inventories	20,272	-	-	-	-	-	20,272
Reserved for prepaid assets	68,370	639	-	-	-	65	69,073
Reserved for future expenditures	-	-	-	-	-	6,186,456	6,186,456
Unreserved:							-
Designated for emergencies	2,000,000	-	-	-	-	-	2,000,000
Designated for working capital	12,039,388	1,866,813	-	-	484,521	-	14,390,722
Designated for future expenditures	1,642,532	-	45,793,444	8,144,981	-	-	55,580,957
Non-major special revenues	-	-	-	-	-	1,498,187	1,498,187
Designated for capital improvements	15,882,884	350,000	-	-	-	-	16,232,884
Non-major capital projects	-	-	-	-	-	10,982,257	10,982,257
Undesignated	-	178,014	-	-	-	-	178,014
Non-major special revenues	-	-	-	-	-	310,006	310,006
Total fund balances	31,671,529	2,397,805	45,793,444	8,144,981	484,521	18,987,176	107,479,456
Total liabilities and fund balances	$ 34,804,757	$ 3,085,804	$ 46,126,302	$ 8,144,981	$ 700,975	$ 20,825,840	$113,688,659

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

Fayette County, Georgia

Reconcilation of the Governmental Funds
Balance Sheet to the Statement of Net Assets

June 30, 2008

Total fund balances - governmental funds		$ 107,479,456
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		116,358,574
An internal service fund is used to charge the costs of supplies to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.		12,323,815
Capital assets	$ 4,977,849	
Certificate of participation	(5,000,000)	
Other	12,345,966	
	12,323,815	
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabililities at year end consist of:		
Bonds payable, net of current portion	(49,410,000)	
Current portion of long term debt	(2,180,690)	
Capital Leases Payable	(3,627,618)	
Accrued Interest Payable (bonds)	(300,526)	
Compensated absences payable, net of current portion	(1,206,590)	
		(56,725,424)
Total net assets - governmental activities		$ 179,436,422

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, 2008

	Major Governmental Funds						
	General	Fire District Fund	SPLOST County-Wide Roads CIP	Criminal Justice Center Capital Project	EMS District Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:							
Taxes							
Property taxes	$ 27,889,022	$ 7,268,344	$ -	$ -	$ 1,770,468	$ 203,432	$ 37,131,266
Sales taxes	10,313,833	-	-	-	-	-	10,313,833
Other taxes	960,291	-	-	-	-	-	960,291
Special local option sales tax	-	-	14,323,643	-	-	6,138,704	20,462,347
Licenses and permits	698,374	-	-	-	-	-	698,374
Intergovernmental	2,016,637	241,449	112,800	-	4,905	507,912	2,883,703
Charges for services	1,726,869	92,141	-	-	939,366	1,971,077	4,729,453
Fines & forfeitures	1,541,516	-	-	-	-	1,215,830	2,757,345
Investment income	1,475,847	155,084	1,417,561	238,397	1,247	400,663	3,688,800
Miscellaneous revenues	347,592	125,451	-	-	-	260,701	733,744
Contributions/Donations	19,382	1,200	-	-	-	-	20,582
Total revenues	46,989,364	7,883,669	15,854,004	238,397	2,715,986	10,698,319	84,379,738
Expenditures:							
Current:							
General Government	8,165,598	-	-	-	-	-	8,165,598
Judicial System	4,666,322	-	-	-	-	1,008,451	5,674,773
Public Safety	17,682,520	7,174,133	-	-	2,994,895	3,094,542	30,946,090
Public Works	4,390,480	-	-	-	-	267,159	4,657,639
Health and Welfare	719,934	-	-	-	-	-	719,934
Culture/Recreation	1,912,701	-	-	-	-	158,205	2,070,906
Planning & Community Development	1,429,689	-	-	-	-	-	1,429,689
Capital outlay							
General Government	-	-	-	-	-	2,127,453	2,127,453
Judicial System						1,594	1,594
Public Works	-	-	1,930,514	-	-	1,100,826	3,031,340
Public Safety	-	-	-	-	14,445	772,706	787,151
Other/Culture/Recreation	-	-	-	-	-	2,706,858	2,706,858
Intergovernmental						3,174,939	3,174,939
Debt service - principal	2,031,612	-	-	-	-	-	2,031,612
Debt service - interest	2,804,831	-	-	-	-	-	2,804,831
Paying agent fees/bonds	1,544	-	-	-	-	-	1,544
Total expenditures	43,805,230	7,174,133	1,930,514	-	3,009,340	14,412,733	70,331,951
Excess (deficiency) of revenues over (under) expenditures	3,184,134	709,536	13,923,490	238,397	(293,355)	(3,714,414)	14,047,787
Other financing sources (uses):							
Transfers in	2,462,179	2,331	-	-	-	9,393,290	11,857,799
Transfers out	(4,453,664)	(3,655,200)	(107,078)	-	-	(3,055,986)	(11,271,927)
Proceeds from sale of capital assets	126,022	3,299	-	-	3,299	-	132,620
Total other financing uses	(1,865,463)	(3,649,570)	(107,078)	-	3,299	6,337,304	718,492
Net change in fund balance	1,318,671	(2,940,034)	13,816,412	238,397	(290,056)	2,622,890	14,766,278
Fund balances at the beginning of year	30,352,859	5,337,839	31,977,032	7,906,584	774,577	16,364,286	92,713,177
Fund balances at end of year	$ 31,671,530	$ 2,397,805	$ 45,793,444	$ 8,144,981	$ 484,521	$ 18,987,176	$107,479,455

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, 2008

Total net change in fund balances - governmental funds	$ 14,766,279
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. The cost of capital assets sold is recognized as an expense in the entity wide statements but not in the fund level statements	
Depreciation expense	(10,310,539)
Capital outlays	8,420,944
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	1,280,000
Repayment of lease principal is an expenditure in the capital project funds, but the repayment reduces long-term liabilities in the statement of net assets.	794,079
The issuance of long-term debt provides current financial resources to governmental funds but has not effect on net assets.	(175,174)
The net effect of various transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net assets	(234,571)
Property taxes levied for the current and prior years not collected within sixty days after the County's fiscal year ends, are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues related to prior years decreased by this amount this year.	470,473
In the statement of activities, certain operating expenses - compensated absences (sick pay and vacations) - are measured by the amounts earned during the year In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts paid) Vacation and sick earned exceeded amounts paid by this amount.	665,837
The net revenue (expense) of the Internal Service Funds is reported with the Governmental activities.	(1,065,628)
Long-term debt charges in the statement of activities differs from the amount reported in the governmental funds because charges are recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, charges are recognized as they accrue, regardless of when it is due.	
Accrued Interest	34,570
Change in net assets of governmental activities	$ 14,646,270

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

Fayette County, Georgia
Statement of Net Assets
Proprietary Funds
June 30, 2008

ASSETS	Major Enterprise Fund Water System	Non-Major Enterprise Fund Solid Waste	Total	Governmental Activities-Internal Service Funds
Current Assets				
Unrestricted cash	$ 402,687	$ 1,332,250	$ 1,734,936	$ 3,172,466
Restricted cash	5,725,859	-	5,725,859	9,020,268
Unrestricted investment	1,353,119	-	1,353,119	-
Restricted investment	6,284,316	-	6,284,316	-
Prepaid expenses	30,975	-	30,975	58,874
Other receivables, net of allowance for doubtful accounts of $125,000	1,357,012	7,653	1,364,665	180
Inventory	573,172	-	573,172	-
Total current assets	15,727,140	1,339,903	17,067,043	12,251,788
Non-Current Assets				
Unamortized debt issue costs	351,890	-	351,890	221,631
Capital assets, net of accumulated depreciation				
Land	14,949,619	16,517	14,966,136	-
Land improvements	3,975,011	39,720	4,014,731	-
Infrastructure	51,179,820	-	51,179,820	-
Buildings	27,168,094	13,489	27,181,584	-
Machinery, equipment and vehicles	2,442,838	4,714	2,447,552	4,977,849
Construction in progress	9,520,217	-	9,520,217	-
Total capital assets	109,235,601	74,440	109,310,041	4,977,849
Total Assets	125,314,631	1,414,343	126,728,974	17,451,268
LIABILITIES				
Current Liabilities				
Accounts payable	1,364,174	6,857	1,371,032	105,459
Contracts payable	358,530	-	358,530	-
Claims payable	-	-	-	21,994
Accrued interest payable	521,629	-	521,629	
Salaries and benefits payable	99,901	1,356	101,257	-
Compensated absences	60,189	1,201	61,390	-
Unearned revenue	85,200	-	85,200	-
Current portion of long-term obligations	2,322,802	-	2,322,802	-
Total current liabilities	4,812,425	9,415	4,821,839	127,453
Long-Term Liabilities				
Compensated absences	36,288	1,402	37,689	-
Certificates of Participation	-	-	-	5,000,000
Notes Payable	6,648,751	-	6,648,751	-
Bonds payable	36,295,692	-	36,295,692	-
Long-Term Liabilities, net of current portion	42,980,731	1,402	42,982,133	5,000,000
Total Liabilities	47,793,156	10,816	47,803,972	5,127,453
NET ASSETS				
Invested in capital assets, net of related debt	63,968,356	74,440	64,042,796	4,977,849
Restricted for:				
Renewal & extension	6,284,316	-	6,284,316	-
Debt service	5,725,859	-	5,725,859	5,469,844
Unrestricted	1,542,944	1,329,087	2,872,031	1,876,122
TOTAL NET ASSETS	$ 77,521,475	$ 1,403,527	$ 78,925,002	$ 12,323,815

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

Fayette County, Georgia
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds

For the fiscal year ended June 30, 2008

	Major Enterprise Fund Water System	Non-Major Enterprise Fund Solid Waste	Total	Governmental Activites - Internal Service Funds
Operating revenues:				
Charges for sales and services	$ 11,938,823	$ 85,380	$ 12,024,203	$ -
Charges to other funds		-	-	285,177
Penalties	120,392	-	120,392	-
Miscellaneous	226,313	-	226,313	84,063
Total operating revenues	12,285,527	85,380	12,370,908	369,240
Operating expenses:				
Personal services	1,710,130	38,763	1,748,893	-
Contractual services	1,061,562	41,624	1,103,186	130,955
Other operating	167,972	29,544	197,516	600,407
Water production cost	2,790,778	-	2,790,778	-
Amortization	62,665	-	62,665	11,082
Depreciation	4,403,435	11,983	4,415,418	938,803
Closure/post closure care	-	38,775	38,775	-
Total operating expenses	10,196,543	160,688	10,357,231	1,681,247
Operating income (loss)	2,088,985	(75,308)	2,013,677	(1,312,007)
Non-operating activities				
Interest income	543,666	28,817	572,483	460,465
Gain on disposition of equipment	4,771	1,421	6,192	-
Miscellaneous	110,963	-	110,963	-
Interest expense (including amortization of bond discount)	(2,438,760)	-	(2,438,760)	(179,744) -
Loss on disposition of equipment	-	-	-	(45,410)
Total non-operating activites	(1,779,360)	30,238	(1,749,123)	235,311
Income before capital contributions and transfers	309,624	(45,070)	264,555	(1,076,696)
Capital contributions and transfers				
Capital contributions	1,294,879	-	1,294,879	-
Transfers in	-	-	-	11,068
Transfers out	(596,940)	-	(596,940)	-
Total capital contributions and transfers	697,939	-	697,939	11,068
Change in Net Assets	1,007,564	(45,070)	962,494	(1,065,628)
Net Assets, beginning of year	76,513,911	1,448,597	77,962,508	13,389,443
Net Assets, end of year	$ 77,521,475	$ 1,403,527	$ 78,925,002	$ 12,323,815

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, 2008

	Major Enterprise Fund Water	Non-Major Enterprise Fund Solid Waste	Enterprise Fund Total	Governmental Activities Internal Service Funds
Cash flows from operating activities:				
Cash received from customers	$ 12,854,524	$ 77,727	$ 12,932,252	$ 369,060
Cash received from others	-	-	-	-
Cash payments to suppliers for goods and services	(2,685,965)	(145,845)	(2,831,810)	(123,899)
Cash payments to employees for services	(2,746,036)	-	(2,746,036)	(678,366)
Net cash provided (used) by operating activities	7,422,524	(68,118)	7,354,406	(433,205)
Cash flows from noncapital financing activities:				
Transfers in from other funds	-	-	-	11,068
Transfers out to other funds	(596,940)	-	(596,940)	-
Net cash provided (used) by noncapital financing activities	(596,940)	-	(596,940)	11,068
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(4,200,344)		(4,200,344)	(890,396)
Capital contributions	368,498	-	368,498	-
Proceeds from sale of equipment	4,771	1,421	6,192	-
Payment of Interest on Certificates of Participation	-	-	-	(179,744)
Principal paid on revenue bonds and loans	(2,246,962)	-	(2,246,962)	-
Payment of bond interest and loans	(2,339,772)	-	(2,339,772)	-
Net cash (used) by capital and related financing activities	(8,413,810)	1,421	(8,412,389)	(1,070,140)
Cash flows from investing activities:				
Interest on investments	543,666	28,817	572,483	460,465
Net cash provided by investing activities	543,666	28,817	572,483	460,465
Net increase in cash and cash equivalents	(1,044,560)	(37,880)	(1,082,440)	(1,031,812)
Cash and cash equivalents at beginning of year	14,810,540	1,370,130	16,180,670	13,224,546
Cash and cash equivalents at end of year	$ 13,765,980	$ 1,332,250	$ 15,098,230	$ 12,192,734
Classified as:				
Unrestricted cash	402,687	1,332,250	1,734,936	3,172,466
Unrestricted investments	1,353,119	-	1,353,119	-
Restricted cash	5,725,859	-	5,725,859	9,020,268
Restricted investments	6,284,316	-	6,284,316	-
	$ 13,765,980	$ 1,332,250	$ 15,098,230	$ 12,192,734

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, 2008

	Major Enterprise Fund Water	Non-Major Enterprise Fund Solid Waste	Enterprise Fund Total	Governmental Activities Internal Service Funds
Reconciliation of operating income (loss) to cash provided (used) by operating activities:				
Operating income (loss)	$ 2,088,985	$ (75,308)	$ 2,013,677	$ (1,312,007)
Adjustments to reconcile operating income to Net cash provided by operating activities:				
Depreciation expense	4,403,435	11,983	4,415,418	938,803
Amortization expense	62,665	-	62,665	11,082
Decrease/(Increase) in accounts receivable	586,897	(7,653)	579,244	-
Decrease in Inventory	50,545	-	50,545	-
Increase in accounts payable	248,783	1,791	250,574	(12,029)
Increase in salaries and benefits payable	25,657	1,069	26,726	-
Increase in prepaid items	(21,041)	-	(21,041)	(59,054)
Decrease in contracts payable	(5,502)	-	(5,502)	-
Decrease in unearned revenue	(17,900)	-	(17,900)	-
Estimated claims payable	-	-	-	-
Total adjustments	5,333,539	7,190	5,340,729	878,802
Net cash provided (used) by operating activities	$ 7,422,524	$ (68,118)	7,354,406	$ (433,205)

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

Fayette County, Georgia

Statement of Fiduciary Assets and Liabilities

June 30, 2008

	Totals Agency Funds
Assets	
Cash and Cash Equivalents	$ 2,185,203
Total Assets	$ 2,185,203
Liabilities	
Due to Others	$ 2,096,613
Tax Protest/Bankruptcy	88,590
Total Liabilities	$ 2,185,203

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

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Where Quality Is A Lifestyle

NOTES TO THE FINANCIAL STATEMENTS

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

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NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Fayette County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of Fayette County are described below.

A. Reporting Entity

Fayette County, Georgia (the "County") 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 Commission-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.

As required by generally accepted accounting principles, these financial statements present Fayette County, Georgia and its' component units, entities for which the government is considered to be financially accountable. The discretely presented component units are reported in a separate column in the Government-wide financial statements to emphasize that they are legally separate from the County. Each of these governmental entities also has a fiscal year ending June 30.

Blended Component Unit. Blended component units, although legally separate entities, are in substance, part of the Government's operations.

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 CAFR as if it were part of the primary government because it serves as a financial conduit for debt issued to construct/maintain public buildings and related projects. This authority is reported as the Criminal Justice Center Capital Projects Fund, which is a major governmental fund. No separate financial statements are issued by the Fayette County Public Facilities Authority.

Discretely Presented Component Units. Discretely presented component units are reported in a separate column in the Government-wide financial statements to emphasize they are legally separate from the government.

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 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 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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity - Continued

services to the citizens of Fayette County. The Board of Commissioners appoints the majority of the members of the Health Department'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, West
Suite 107
Fayetteville, Georgia 30214

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

Government-wide Financial Statements

Government-wide financial statements (i.e. the statement of net assets and the statement of activities) display information about the reporting government as a whole, except for its fiduciary activities. These 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.

The Government-wide financial statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as its discretely presented component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for the support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable. Program revenues include charges for services, fines and forfeitures, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the Statement of Activities to present the net cost of each program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

wide financial statements rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of liability, rather than as an expenditure.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

The underlying accounting system of the Government 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.

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in the aggregate for governmental and proprietary funds. The fiduciary fund statements include financial information for the agency funds. These funds represent assets held by the Government in a custodial capacity for individuals or other governments.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

Governmental Funds are used to account for the County's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period. Fayette County considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, franchise taxes, licenses, and interest are susceptible to accrual. Sales taxes collected and held by the State of Georgia at year-end on behalf of the County are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the County and are recognized as revenue at that time.

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.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

Fund Financial Statements - Continued

Major governmental funds include:

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 *SPLOST County Wide Roads Construction in Progress Fund* accounts for the construction of roads, streets, and bridges within the county. Financing is derived from a 1% Special Purpose Local Option Sales Tax passed by voter referendum on November 2, 2004.

The *Fire District Special Revenue Fund* accounts for fire protection within the fire district. Financing is derived principally from a special tax levy against property owners.

The EMS *District Special Revenue Fund* accounts for emergency services within the EMS district. Financing is derived principally from a special tax levy against property owners.

The *Criminal Justice Center Capital Projects Fund* accounts for the construction, including additional jail space, a jail administrative building, a three story judicial complex, parking lot and renovation of the existing Court/Sheriff annex.

Additionally, the government reports the following fund types:

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 fixed assets or construction of capital projects not being financed by proprietary fund types.

Proprietary Funds are accounted for on the flow of economic resources management focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Pursuant to the Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting,* the County has chosen to apply all GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 to account for the proprietary funds.

Proprietary funds distinguish operating revenues and 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 County's proprietary funds are charges to customers for sales and services. Operating expenses for these funds included 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 and capital contributions.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when the service is received and the related liability is incurred. All utility service receivables are recorded at year end.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

B. Measurement Focus, Basis of Accounting, and Basis of Presentation - Continued

Major proprietary funds include:

Water System Fund accounts for the County's water system's operations serving approximately 27,010 customers in unincorporated County and through the System owned distributions in Peachtree City, Tyrone, Woolsey, and parts of Brooks and Fayetteville.

Other proprietary funds include:

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. Solid Waste is the other County proprietary fund.

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 Self-Insurance Funds and Vehicle Replacement Fund.

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. These funds are used to account for assets that Fayette County holds for others in an agency capacity. The County's combining statements of Fiduciary Funds are located on pages 85-86. 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 - to account for the collection and remittance of fines, costs, and bond forfeitures to the County.

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

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

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

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

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

B. Measurement Focus, Basis of Accounting, and Basis of Presentation - Continued

Basis of Presentation

GASB Statement 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/ expenses of either fund category or the Governmental and Enterprise combined) for the determination of major funds. The County has used GASB 34 minimum criteria for major fund determination. The non-major funds are combined in a column in the fund financial statements and detailed in the combining section of this report.

Policy for eliminating internal activity from the Statement of Activities

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and the other charges between the government's water function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Non-current Government Assets/Liabilities - GASB Statement 34 requires non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as general obligation bonds and capital leases, be reported in the governmental activities column in the government-wide statement of net assets.

C. Assets, Liabilities, Equity, and Revenues

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 "A" 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. The fair value of investments in the Georgia Fund 1 State Investment Pool is equal to cost.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

C. Assets, Liabilities, Equity, and Revenues - continued

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. All investment income, changes in the fair value of investments, has been reported as revenue in the operating statements.

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 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 uncollectible. The allowance for uncollectible on receivable balances represent estimates based on historical collection rates and account balance aging reports.

Property taxes were levied and billed on September 1, 2007. The billings are considered due upon receipt; however, the actual due date is based on a period ending 60 days after the tax bill mailing or November 15, 2007. On November 16, 2007, 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, 2008, 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, have been deferred.

A Water receivable has been recorded for services rendered but not billed at June 30, 2008, net of allowance for doubtful accounts of $125,000. 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.

3. Inventories and Prepaid Items

Inventories in the Water System Enterprise Fund are valued at cost, which approximates market using the first-in, first-out (FIFO) method. Inventories primarily consist of pipe and fittings intended for use in construction of line extensions and to support the maintenance work on the system. In addition, other materials and supplies are maintained to service the vehicles and equipment used in system operations.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

C. Assets, Liabilities, Equity, and Revenues - Continued

Prepaid items represent payments made to vendors for which the benefits are applicable to future accounting periods. Since these assets represent financial resources that are not available for current appropriation or expenditure from the Governmental Fund types, there is a corresponding reservation of the respective fund's fund balance.

4. Restricted Assets

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 assets 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.

5. Capital Assets

Capital assets used in Governmental Fund types of the County are reported in the applicable governmental or business-type activities column in the government-wide financial statements at cost or estimated historical cost if purchased or constructed . Capital assets include property, plant and equipment. Public domain (infrastructure) assets, consist of certain improvements other than buildings such as roads, bridges and sidewalks. In the prior fiscal year, Fayette County adopted the provision of GASB 34 related to the capitalization of infrastructure assets that were purchased or completed prior to June 30, 2002.

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. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or do not substantially exted 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 fixed 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:

Asset Classifications	Years
Building Improvements	10
Buildings	40
Computer Equipment	5
Infrastructure	15-40
Office Equipment	5
Vehicles	7-15

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

C. Assets, Liabilities, Equity, and Revenues - Continued

6. Compensated Absences

County employees are granted vacation 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 specified maximum number of hours. In the event of termination of employment, an employee is paid for accrued annual 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 are paid at the rate of $15 for each day of unused sick leave up to a maximum of $900. Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences,* required employers to report a liability for leave earned by employees whenever the following two criteria have been met: (1) the leave relates to past service; and (2) eventual payment to the employee is considered probable. Only those amounts expected to be paid within sixty days of the fiscal year end are reported in the governmental funds. Compensated absences are reported in governmental funds only if they have matured (i.e. unused reimbursable leave still outstanding following an employee's resignation or retirement.)

Vacation and termination sick leave pay are accrued when incurred in Proprietary Funds and reported as a fund liability. On the government wide statements, vacation and termination sick leave pay is accrued and reported as a liability for the governmental activities similar to business-type activities. Vacation and termination sick leave pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental funds that are responsible for payment.

7. Long-term Obligations

The County reports long-term debt of Governmental Funds on the statement of net assets. Long-term debt and other obligations financed by Proprietary Funds are reported as liabilities in the appropriate funds.

For Governmental Fund types, bond premiums and discounts, as well as issuance costs are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For Proprietary Fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

8. Net Assets/Fund Equity

The carrying amount of capital assets less related outstanding debt is reported as a component of net assets called capital assets net of related debt.

Restricted net assets reflect amounts restricted by contracts, laws and regulations for specific purposes such as amounts that have been accumulated in the Debt Service Accounts as well as a working capital reserve as described in the Bond Resolutions.

Fayette County records two general types of reserves. One type (for funds of all types) is used to indicate that a portion of the fund balance or retained earnings is legally segregated for a specific use. An example of this type of reserve is the net excess of restricted assets over liabilities payable from restricted assets shown in the Water

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Assets, Liabilities, Equity, and Revenues - continued

System Enterprise Fund. This segregation of fund equity is required by the bond resolutions. The second type of reserve (for a Governmental Fund type) is to indicate that a portion of the fund balance is not appropriable for expenditures. Examples of this type of reserve would be a reservation of fund balance for prepaid items or encumbrances.

9. 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 construction and development of the Water System. Also included are amounts received from real estate sub-dividers for water line extensions built by sub-dividers and contributed to the Water System, both of which are capitalized as part of the Water System's capital assets. It also includes amounts received for meter, connection and tap fees from sub-dividers and other customers. The actual cost of meter installations has been capitalized as part of the water distribution system.

In the Solid Waste Enterprise Fund, the County has recorded the transfers of plant, property and equipment (net of depreciation) as capital contributions. In addition, some monies received from the operator of the landfill to help offset the costs of water and methane gas monitoring are also recorded as capital contributions.

NOTE I I - 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.

NOTE I I - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information - continued

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 the 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 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 outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Encumbrances lapse at year end and are reappropriated on 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 items expenditures 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. During the 2008 fiscal year, several supplementary appropriations were necessary.

In the General Fund, total budget adjustments made during the fiscal year resulted in a net change as follows:

	Budget Adjustment	
Increase Revenues	$	(385,774)
Increase Expenditures		527,564
Increase other financing uses		1,213,881
Total Net Change	$	1,355,671

NOTE I I - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information - continued

In the Special Revenue Funds, the following increases (decreases) in appropriations were necessary during the 2008 fiscal year.

Special Revenue Fund	Expenditure
Fire District	$ 40,127
EMS District	(19,145)
Grants	189,452
Emergency 911	(3,907)
Street Lights	33,260
U.S. Customs/Federal Confiscated Monies	1,210,126
Fines and Surcharges	405,816
Total Special Revenue Funds	$ 1,855,729

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 the fiscal year ended June 30, 2008, $139,777 was paid from the Revenue Fund into the Sinking Fund (including the Debt Service Reserve Account).

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 in sufficient amounts so that by July 1, 2008 the reserve will at least be equal to the highest combined principal and interest payments on the Revenue Bonds in any succeeding sinking fund year (October 1 to September 30). The minimum amount required for this reserve is $3,691,665 which represents the debt service for the sinking fund year ended September 30, 2004 (highest combined principal and interest payments). The debt reserve balance at June 30, 2008 is $3,910,969 the sinking fund balances are $1,814,890 for a debt service total of $5,725,859, 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:

NOTE I I - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

3. Renewal and Extension Fund- continued

a. Paying principal and interest on any revenue bonds falling due when there are insufficient funds in the Sinking Fund to make the payment.

b. Emergency expenditures if there are insufficient funds in the Revenue Fund (operating account).

c. Replacements, additions, extensions and improvements to the system in the best interests of the County and bondholders.

d. Payments of investment services for the investment of monies held in the Renewal and Extension Fund (renewal and extension account).

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 into the Sinking Fund and the Debt Service Reserve in the current sinking fund year. This ratio is computed annually.

For the year ended June 30, 2008, the County was in compliance with this requirement.

NOTE I I I - DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents, and Investments

Following is a reconciliation of the County's deposit and investment balances as of June 30, 2008:

	Government-wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Unrestricted Cash	$ 57,061,884	$ 2,185,203	$ 59,247,087
Restricted Cash	68,374,052	-	68,374,052
Unrestricted Investments	1,353,119	-	1,353,119
Restricted Investments	6,284,316		6,284,316
Total	$ 133,073,371	$ 2,185,203	$ 135,258,574

NOTE I I I - DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents, and Investments- continued

1. Cash Deposits

At June 30, 2008, the carrying amount of the County's deposits were $135,258,574 and the bank balances were $139,730,795 of the bank balances, $400,000 was covered by Federal Depository Insurance Corporation and the remaining $139,330,795 was covered by collateral held in the pledging banks' trust department in the County's name. There were no deposits uninsured or uncollateralized at June 30, 2008.

The blended component units' bank balances are presented as part of the governmental activities column on the government wide statement. Fiduciary funds are shown separately see pages 85-86, for a detail of the agency accounts. Fayette County's agency funds are; Tax Commissioner, Sheriff, and Juvenile, Magistrate, Probate, State, and Superior Courts (elected officials of Fayette County).

State statutes and bond resolutions require that all deposits be collateralized by depository insurance; obligations of the United States or certain obligations guaranteed by the U.S. Government; obligations of the State of Georgia; and obligations of other counties, municipal corporations and subdivisions of the State of Georgia. 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.

2. Investments

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 market funds. 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 as an investment company. The Georgia Office of Treasury and Fiscal Services is the regulatory oversight agency of Georgia Fund 1. 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 $1.00 per share.

As of June 30, 2008, the carrying values of the County's investments were as follows:

Georgia Fund 1 (LGIP)	AAAm rated	$	97,143,132	24 day Weighted Average Maturity Method

As of June 30, 2008, the carrying values of the Water System's investments were as as follows:

Georgia Fund 1 (LGIP)	AAAm rated	$	7,637,435	24 day Weighted Average Maturity Method

NOTE I I I - DETAILED NOTES ON ALL FUNDS

2. Investments
Primary Government's Investment Policy

Fayette County's policy establishes a framework for implementing such safeguards, authorized particular types of allowable investment instruments, and creates oversight responsibilities of investment activities. The overriding purpose of this policy is to acknowledge clearly that any investment instrument or decision carries with it certain elements of risks. There are, however, numerous safeguards that can be instituted to minimize such risks while endeavoring to earn a market rate of return.

Fayette County's investment objectives in order of priority are: (1) safeguards the principal, (2) provides the liquidity required to meet financial obligations is a timely manner, and given these two goals, (3) provides the best return on investment.

Funds of Fayette County will be invested in compliance with the provisions of Georgia Code Section 36-83-4 and in accordance with these policies and any written administrative procedures. Certain funds have outstanding bond issues which have specific investment policies contained within the bond ordinances and official statements. Those policies will be adhered to and are not in conflict with the terms of this policy.

Acceptable investments, set forth in Georgia Code Section 36-83-4 are:

- Obligations of the State of Georgia or of other states
- Obligations issued by the United States Government
  - U.S. Treasury Bills
  - U.S. Treasury Notes
  - U.S. Treasury Bonds
- Obligations fully insured or guaranteed by the United States Government or a United States Government Agency
- Repurchase agreements backed by the U.S. Government or 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.
- Local Government Investment Pool (LGIP)
- Obligations of other Political subdivisions of the State of Georgia
- Time deposits and savings deposits of banks organized under the laws of Georgia or the U.S. Government and operating in Georgia

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 Agreements	25%

NOTE I I I - DETAILED NOTES ON ALL FUNDS

2. Investments-continued

- 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%

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.

Proceeds from the sale of bonds must be invested in compliance with the specific requirements of the bond covenants and may be invested in securities with longer maturities.

B. Capital Assets

Capital Assets for the County for the fiscal year ended June 30, 2008, are shown in the following tabulation.

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Governmental activities:					
Capital assets not being depreciated:					
Land	$ 9,070,983	$ -	$ -	$ -	$ 9,070,983
Capital assets being depreciated:					
Buildings and Structures	68,344,852	447,305	(55,187)	-	68,736,970
Infrastructure	293,656,283	3,900	-	-	293,660,183
Improvements other than buildings	3,444,117	6,792,530	(1,280,397)	-	8,956,250
Machinery and equipment	13,800,700	859,670	(1,073,528)	175,000	13,761,842
Vehicles	678,309	317,540	(101,967)	-	893,882
Governmental-type assets being depreciated	379,924,261	8,420,945	(2,511,079)	175,000	386,009,126
Internal service funds being depreciated:					
Equipment	3,984,272	56,264	-	-	4,040,536
Vehicles	11,022,700	928,422	(715,226)	-	11,235,896
Internal service fund assets being depreciated	15,006,972	984,685	(715,226)	-	15,276,432
Total capital assets being depreciated	394,931,233	9,405,630	(3,226,305)	175,000	401,285,558
Less accumulated depreciation for:					
Buildings and Structures	12,955,482	1,957,090	(38,575)	-	14,873,997
Infrastructure	244,513,431	6,441,288		-	250,954,719
Improvements other than buildings	2,525,394	273,388	(1,097,151)	-	1,701,631
Machinery and equipment	10,149,141	1,536,056	(1,063,868)	175,000	10,796,330
Vehicles	369,057	102,717	(76,914)	-	394,859
Total General Fund	270,512,505	10,310,539	(2,276,508)	175,000	278,721,536
Internal Service Fund :					-
Machinery and equipment	2,879,509	180,908	-	-	3,060,417
Vehicles	7,150,085	757,895	(669,815)	-	7,238,165
Total Internal Service Fund	10,029,594	938,803	(669,815)	-	10,298,582
Total capital assets being depreciated, net	114,389,134	(1,843,712)	(279,982)	-	112,265,440
Governmental activity capital assets, net	$ 123,460,117	$ (1,843,712)	$ (279,982)	$ -	$ 121,336,423

The beginning balance of the governmental activity capital assets, net varies from the prior year by $10,992 as a result of a reclassification of a transfer in the asset system.

NOTE I I I - DETAILED NOTES ON ALL FUNDS

B. Capital Assets-continued

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Business-type activities:					
Water System:					
Land	$ 14,948,119	$ 1,500	$ -	$ -	$ 14,949,619
Construction in process	7,206,328	4,106,055	(1,792,166)	-	9,520,217
Total capital assets not being depreciated	22,154,447	4,107,555	(1,792,166)	-	24,469,836
Capital assets being depreciated:					
Buildings and Structures	43,301,099	395,610	(555)	-	43,696,154
Infrastructure	74,971,394	2,298,842	-	-	77,270,236
Improvements other than buildings	11,054,682	51,540	(9,215)	-	11,097,007
Machinery and equipment	8,950,564	139,759	(230,050)	-	8,860,273
Total capital assets being depreciated	138,277,739	2,885,751	(239,820)	-	140,923,670
Less accumulated depreciation for:					
Buildings and Structures	14,944,642	1,583,972	(555)	-	16,528,059
Infrastructure	24,043,217	2,047,198	-	-	26,090,415
Improvements other than buildings	6,753,740	377,471	(9,215)	-	7,121,996
Machinery and equipment	6,252,691	394,794	(230,050)	-	6,417,435
Total accumulated depreciation	51,994,290	4,403,435	(239,820)	-	56,157,905
Total capital assets being depreciated, net	86,283,449	(1,517,684)	-	-	84,765,765
Water System capital assets, net	108,437,896	2,589,871	(1,792,166)	-	109,235,601
Solid Waste:					
Land	16,517	-	-	-	16,517
Capital assets being depreciated:					
Buildings and Structures	301,172	-	(142,673)	-	158,499
Improvements other than buildings	120,170	-	-	-	120,170
Machinery and equipment	252,478	-	(13,000)	(175,000)	64,478
Total capital assets being depreciated	673,820	-	(155,673)	(175,000)	343,147
Less accumulated depreciation for:					
Buildings and Structures	287,243	440	(142,673)	-	145,010
Improvements other than buildings	72,805	7,645	-	-	80,450
Machinery and equipment	243,866	3,898	(13,000)	(175,000)	59,764
Total accumulated depreciation	603,914	11,983	(155,673)	(175,000)	285,224
Total capital assets being depreciated, net	69,906	(11,983)	-	-	57,923
Solid Waste capital assets, net	86,423	(11,983)	-	-	74,440
Business-type capital assets, net	$ 108,524,319	$ 2,577,888	$ (1,792,166)	$ -	$ 109,310,041

NOTE I I I - DETAILED NOTES ON ALL FUNDS

Depreciation expense was charged to functions as follows:

Governmental-type assets:	Current Provision	Accumulated Depreciation
General Government	$ 8,389,757	$ 266,435,459
Judicial System	18,204	482,026
Public Safety	1,492,063	8,392,790
Public Works	23,117	498,911
Planning & Community Development	11,401	31,090
Parks, Recreation and Culture	375,998	2,881,259
Total Governmental	10,310,539	278,721,536
Internal Service Fund	938,803	10,298,582
Total	$ 11,249,342	$ 289,020,118

The cost of capital assets acquired through a capital lease program total $7,760,000, $6,603,899 in buildings and structures class and $1,156,101 in machinery and equipment class. The future lease payments are included in Note D.

C. Interfund Receivables and Payables

The purpose of interfund receivables and payables is to meet temporary cash flow requirements and timing differences between receiving and recognizing certain revenues.

Interfund transfers for the year ended June 30, 2008 consisted of the following amounts:

Major Governmental Funds' Transfers:

Transfers from General Fund		
To: Non-Major Special Revenue Funds	$	126,260
Non-Major Capital Project Funds		4,316,336
Vehicle Replacement Fund		11,068
	$	4,453,664
Transfers from Fire Fund		
To: Non-Major Capital Project Funds	$	3,655,200
	$	3,655,200
Transfers from Non-Major Special Revenue Funds		
To: Non-Major Capital Project Funds	$	1,282,779
	$	1,282,779

Proprietary Funds Transfers

Transfers from Water System and Solid Waste Funds		
To: General Fund - Water System	$	596,940
	$	596,940

NOTE I I I - DETAILED NOTES ON ALL FUNDS

C. Interfund Receivables and Payables - continued

Non-major Governmental Funds:

Transfers from Non-Major Special Revenue Funds		
To: General Fund	$	1,000
	$	1,000
Transfers from Non-Major Capital Projects Funds		
To: General Fund	$	1,864,239
Fire Services Fund		2,331
E911 Fund		12,715
	$	1,879,285

The purpose of the interfund transfers is to recognize budget funds appropriated for fiscal year 2008 and funds received through donations for specific projects or funds. During fiscal year 2008, amounts totaling $4,453,664 were transferred from the General Fund to various other funds. Of that amount, $4,316,336 was used to fund Capital Projects including $861,200 for parks.

During fiscal year 2008, the Water System was charged $596,940 for overhead cost allocation including administration, finance, budgeting, purchasing, information systems, human resources, and marshal services.

D. Leases

The County entered into an equipment lease-purchase agreement with Motorola, Inc. on December 27, 2002 for an 841 Mhz Radio System with six satellites and one prime site. The total purchase price was $7,760,000. Under the terms of the financing the County is required to make annual lease payments in the amount of $993,761 covering a ten-year lease term.

The County has entered into capital leases for 12 copiers. The total cost of the copiers was $119,567. The leases end at varying times until fiscal year 2012.

At June 30, 2008, the County was obligated to make payments of principal and interest as follows:

Cost of leased assets	$	7,879,567
Accumulated depreciation		2,585,931
Value of assets	$	5,293,636

Fiscal years ending June 30,	Principal	Interest	Total Debt Service
2009	$ 835,691	$ 206,338	$ 1,042,029
2010	872,839	168,820	1,041,659
2011	893,067	129,514	1,022,581
2012	913,146	88,336	1,001,482
2013	948,566	45,195	993,761
Totals	$ 4,463,309	$ 638,203	$ 5,101,512

NOTE I I I - DETAILED NOTES ON ALL FUNDS

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 cost. As of June 30, 2008 the closure and postclosure care liability account had a zero balance. EPD provides estimates of the cost, there is a potential for change due to inflation,deflation technology or applicable laws or regulations.

F. Long-Term Debt

General Obligations Bonds. Periodically, the County issues general obligation bonds to provide funds for the acquisition and construction of major general government capital facilities. General Obligation (G.O.) 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. The County issues bonds where the issuer pledges income derived from the acquired or constructed assets to pay debt service.

The County issued revenue bonds for the construction of capital assets, which are currently outstanding and reported in the Water System Enterprise Fund as follows:

	Debt
$10,245,000 Series 1996A, Water Revenue Bonds, due in annual installments of $25,000 to $920,000 through October 1, 2020; interest at 3.6% to 5.5%, net of unamortized bond discount of $3,742, deferred refunding difference of $144,397.	$ 3,695,000
$18,090,000 Series 1998, Water Revenue Bonds, due in annual installments of $130,000 to $3,325,000 through October 1, 2028; interest at 3.7% to 5.00%, net of unamortized bond discount of $77,596, deferred refunding difference of $537,452.	15,215,000
$22,670,000 Series 2002, Water Revenue Bonds, due in annual installments of $50,000 to $2,250,000 through October 1, 2032; interest at 3.25% to 5.125%, net of unamortized bond discount of $61,121, deferred refunding difference of $757,896.	20,580,000
Current Portion and Long Term Portion of Revenue Bonds	$ 39,490,000

NOTE I I I - DETAILED NOTES ON ALL FUNDS

F. Long-Term Debt - Continued

The following includes a summary of Water System revenue bond transactions for the fiscal year ended June 30, 2008:

Water Revenue Bond	Balance, July 1, 2007	Additions	Reductions	Balance, June 30, 2008	Current Portion
Series 1996A	$ 4,455,000	$ -	$ 760,000	$ 3,695,000	$ 795,000
Series 1998	15,675,000	-	460,000	15,215,000	480,000
Series 2002	21,020,000	-	440,000	20,580,000	455,000
Total Water Revenue Bonds	41,150,000	-	1,660,000	39,490,000	$ 1,730,000
Less the Unamortized Portion of :					
Refunding Difference	(1,439,745)	-	(103,902)	(1,335,843)	
Bond Discounts	(142,459)	-	(13,993)	(128,466)	
Net Water Revenue Bonds	$ 39,567,796	$ -	$ 1,542,105	$ 38,025,691	

At June 30, 2008, 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
2009	$ 1,730,000	$ 1,911,311	$ 3,641,311
2010	1,810,000	1,831,114	3,641,114
2011	1,890,000	1,744,949	3,634,949
2012	1,980,000	1,652,639	3,632,639
2013	2,075,000	1,559,006	3,634,006
2014-2018	11,960,000	6,151,814	18,111,814
2019-2023	15,340,000	2,674,342	18,014,342
2024-2028	1,185,000	543,848	1,728,848
2029-2033	1,520,000	202,334	1,722,334
Totals	$ 39,490,000	$ 18,271,357	$ 57,761,357

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 percent to construct a new Criminal Justice Center. 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 percent to partially advance refund $45,570,000 of the Series 2000 bonds. The net proceeds of $49,668,979 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2000 bonds. As a result, $45,570,000 of the Series 2000 bonds are considered to be defeased and the liability for those bonds has been removed from the long-term debt group.

The Fayette County Public Facilities Authority advance refunded the Series 2000 bonds to reduce its total debt service payments by almost $3.4 million and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $1.8 million.

NOTE I I I - DETAILED NOTES ON ALL FUNDS

F. Long-Term Debt - Continued

The following includes a summary of the Fayette County Public Facilities Authority revenue bond transactions for the fiscal year ended June 30, 2008:

	Balance, July 1, 2007	Additions	Reductions	Balance, June 30, 2008	Current Portion
Series 2000 revenue bonds	$ 3,375,000	$ -	$ 1,065,000	$ 2,310,000	$ 1,125,000
Series 2001 refunding revenue bonds	48,660,000	-	215,000	48,445,000	220,000
Total Revenue Bonds	$ 52,035,000	$ -	$ 1,280,000	$ 50,755,000	$ 1,345,000

At June 30, 2008, the County was obligated to make payments of principal and interest on the Series 2000 and Series 2001 Fayette County Public Facilities Authority outstanding revenue bond debt as follows:

Fiscal year ending June 30,	Principal	Interest	Total Debt Service
2009	$ 1,345,000	$ 2,497,852	$ 3,842,852
2010	1,415,000	2,428,583	3,843,583
2011	1,490,000	2,353,978	3,843,978
2012	1,550,000	2,291,398	3,841,398
2013	1,615,000	2,224,748	3,839,748
2014-2018	9,285,000	9,922,102	19,207,102
2019-2023	11,815,000	7,389,750	19,204,750
2024-2028	15,095,000	4,124,250	19,219,250
2029-2030	7,145,000	540,250	7,685,250
Totals	$ 50,755,000	$ 33,772,911	$ 84,527,911

Advance Refunding. In prior years, the County advance refunded certain water revenue bonds by placing the proceeds of the new bond issues in irrevocable trusts with escrow agents for the purpose of generating resources for all future debt service payments of the refunded debt. With this financial arrangement, the refunded bonds are considered to be defeased in substance. Accordingly, the trust account assets and liability for the defeased bonds are not included in the County's financial statements.

At June 30, 2008, $45,940,000 of outstanding revenue bonds are considered defeased. Fayette County Public Facilities Authority defeased bond amount is $45,570,000 and the Water System's defeased bonds are $370,000.

Georgia Environmental Facilities Authority (GEFA) Loans. The Georgia Environmental Facilities Authority is a State agency which offers low interest financing to other political subdivisions of the State of Georgia for their water and sewer capital needs. The Water System Enterprise Fund has received nine GEFA loans for various water system construction projects.

NOTE I I I - DETAILED NOTES ON ALL FUNDS - CONTINUED

F. Long-Term Debt - Continued

At June 30, 2008, the Water System Enterprise Fund's long-term liabilities included the following loans:

$24,612 represents the principal balance remaining on the original loan amount of $593,063 for the construction of the Quarters Road water line. This December 1988 loan was made by GEFA for a period of twenty years and is payable in quarterly installments of $12,574 beginning March 1, 1989. The interest rate is 5.8% over the life of the loan. The current principal portion of the loan is $24,612.16. The debt is serviced through the Water System Enterprise Fund.

$47,535 represents the principal balance remaining on the original loan amount of $603,000 for the construction of the Crabapple water tank. This June 1989 loan was made by GEFA for a period of twenty years and is payable in quarterly installments of $12,280 beginning September 1, 1989. The interest rate is 5.3% over the life of the loan. The current principal portion of the loan is $47,535. The debt is serviced through the Water System Enterprise Fund.

$323,792 represents the principal balance remaining on the original loan amount of $797,000 for the construction of Phase 1 of the Water Line Looping Project. This August 1994 loan was made by GEFA for a period of twenty years and payable in quarterly installments of $15,109 beginning November 1, 1994. The interest rate is 4.8% for the life of the loan. The current principal portion of the loan is $45,709. The debt is serviced through the Water System Enterprise Fund.

$560,346 represents the principal balance remaining on the original loan amount of $1,434,000 for the construction of Phase 2 of the Water Line Looping Project. This February 1995 loan was made by GEFA for a period of twenty years and is payable in quarterly installments of $26,948 beginning March 1, 1996. The interest rate is 5.12% over the life of the loan. The current principal portion of the loan is $80,634. The debt is serviced through the Water System Enterprise Fund.

$577,632 represents the principal balance remaining on the original loan amount of $1,450,000 for the construction of Phase 5 of the Water Line Looping Project. Of the original loan amount, $209,766 was not needed for the project and was returned to the Georgia Loan Fund. This May 1995 loan was made by GEFA for a period of twenty years and is payable in quarterly installments of $21,978 beginning October 1, 1996. The interest rate is 5.6% over the life of the loan. The current principal portion of the loan is $56,742. The debt is serviced through the Water System Enterprise Fund.

$1,039,402 represents the principal balance remaining on the original loan amount of $2,087,000 for the construction of Phase 3 of the Water Line Looping Project. Of the original loan amount, $321,290 was not needed for the project and was returned to the Georgia Loan Fund. This September 1996 loan was made by GEFA for a period of twenty years and is payable in quarterly installments of $41,978 beginning November 1, 1996. The interest rate is 5.16% over the life of the loan. The current principal portion of the loan is $90,154. The debt is serviced through the Water System Enterprise Fund.

$1,364,191 represents the principal balance remaining on the original loan amount of $2,000,000 for the construction of Phase 4 of the Water Line Looping Project. This September 1999 loan was made by GEFA for a period of twenty years and is payable in quarterly installments of $40,027 beginning November 1, 1999. The interest rate is 5.10% over the life of the loan. The current principal portion of the loan is $92,280. The debt is serviced through the Water System Enterprise Fund.

NOTE I I I - DETAILED NOTES ON ALL FUNDS - CONTINUED

F. Long-Term Debt - Continued

$1,585,877 represents the principal balance remaining on the original loan amount of $2,000,000 for the construction of the South Fayette Water Treatment Plant. This December 2000 loan was made by GEFA for a period of twenty years and is payable in quarterly installments of $41,037 beginning February 1, 2002. The interest rate is 5.4% over the life of the loan. The current principal portion of the loan is $80,115. The debt is serviced through the Water System Enterprise Fund.

$1,718,166 represents the principal balance remaining on the original loan amount of $2,000,000 for the construction of the Ellis Road Water Tank. This May 2003 loan was made by GEFA for a period of twenty years and is payable in quarterly installments of $38,997 beginning May 1, 2004. The interest rate is 4.79% over the life of the loan. The current principal portion of the loan is $75,022. The debt is serviced through the Water System Enterprise Fund.

The following is a summary of GEFA loan transactions for the year ended June 30, 2008.

	Balance, July 1, 2007	Additions	Reductions	Balance, June 30, 2008	Current Portion
Quarters Road Water Line Loan	$ 71,760	$ -	$ 47,148	$ 24,612	$ 24,612
Crabapple Water Tank Loan	92,631	-	45,096	47,535	47,535
Phase 1 Water Line Loop Loan	367,371	-	43,579	323,792	45,709
Phase 2 Water Line Loop Loan	636,980	-	76,634	560,346	80,634
Phase 5 Water Line Loop Loan	631,304	-	53,672	577,632	56,742
Phase 3 Water Line Loop Loan	1,125,050	-	85,649	1,039,401	90,154
Phase 4 Water Line Loop Loan	1,451,910	-	87,719	1,364,191	92,280
South Fayette Water Plant Loan	1,661,808	-	75,931	1,585,877	80,115
Ellis Road Water Tank Loan	1,789,700	-	71,534	1,718,166	75,022
Total GEFA Loan Debt	$ 7,828,514	$ -	$ 586,962	$ 7,241,552	$ 592,803

At June 30, 2008, the Water System Enterprise Fund was obligated to make payments of principal and interest on its outstanding Georgia Environmental Facilities Authority (GEFA) loans as follows:

Fiscal years ending June 30,	Principal	Interest	Total Debt Service
2009	$ 592,802	$ 359,910	$ 952,712
2010	547,955	330,489	878,444
2011	576,690	301,754	878,444
2012	606,936	271,508	878,444
2013	638,771	239,672	878,444
2014-2018	2,751,867	735,594	3,487,461
2019-2023	1,412,288	183,341	1,595,629
2024	114,243	2,747	116,990
Totals	$ 7,241,552	$ 2,425,015	$ 9,666,568

NOTE I I I - DETAILED NOTES ON ALL FUNDS - CONTINUED

F. Long-Term Debt - Continued

Certificates of Participation. In June 1998, the County entered into a lease pool agreement with the Georgia Municipal Association (the "Association"). 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 participation totaling $5,000,000. 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 principal of $5,000,000 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 $237,500. The County draws 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. The County received no funds during fiscal year 2008.

Following is a reconciliation of debt disclosures presented above to amounts reported in the statement of net assets:

	Balance	Current Year		Balance
Governmental Activities	July 1, 2007	Payments	Additions	June 30, 2008
Public Facilities Authority	$ 52,035,000	$ 1,280,000	$ -	$ 50,755,000
Certificate of Participation	5,000,000	-	-	5,000,000
	57,035,000	1,280,000	-	55,755,000
Less: current portion of long term debt				(1,345,000)
				$ 54,410,000
Business-Type Activities				
Revenue Bonds	41,150,000	1,660,000	-	39,490,000
Less the unamortized portion of				
Refunding difference	(1,439,745)	(103,902)	-	(1,335,843)
Bond discounts	(142,459)	(13,993)	-	(128,462)
GEFA loans	7,828,514	586,962	-	7,241,552
	$ 47,396,310	$ 2,129,067	-	45,267,247
Less: current portion of long-term debt				(2,322,804)
				$ 42,944,443

Changes in Long-Term Liabilities. During the fiscal year ended June 30, 2008, changes occurred in liabilities reported as long-term debt as follows:

Governmental Activities	Balance, July 1, 2007	Additions	Reductions	Balance, June 30, 2008	Due within One Year
Compensated Absences	$ 2,496,908		$ 348,272	$ 2,148,636	$ 942,046
Revenue Bonds	52,035,000	-	1,280,000	50,755,000	1,345,000
Certificates of Participation	5,000,000	-	-	5,000,000	-
Capital Leases	5,082,214	175,174	794,079	4,463,309	835,691
Totals	$ 64,614,122	$ 175,174	$ 2,422,352	$ 62,366,945	$ 3,122,737
Business-Type Activities					
Compensated Absences	$ 90,696	$ 8,383		$ 99,079	$ 61,390
Loans	7,828,514	-	586,962	7,241,552	592,802
Revenue Bonds and Loans	41,150,000	-	1,660,000	39,490,000	1,730,000
Totals	$ 49,069,210	$ 8,383	$ 2,246,962	$ 46,830,631	$ 2,384,192

The governmental funds typically used to liquidate compensated absences are the general fund and special revenue funds.

NOTE I V - 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 Workers' 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.

Fayette County established its Major Medical Self-Insurance Internal Service Fund in the 1991 fiscal year, and on June 1, 2002 became fully insured. Fayette County no longer carries the specific and aggregate excess insurance through a private concern. This fund is still maintained in the event the Board of Commissioners decide to self-insure again. The purpose of this fund is to pay claims for employees for certain health care expenses incurred with an unlimited amount per covered individual.

The County initiated its Vision reimbursement plan in the 1997 fiscal year. Employees are reimbursed up to $200 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.

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 claims liability of $ 21,994 reported at June 30, 2008, 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 funds' claims liability amounts in fiscal years 2007 and 2008 were as follows:

	Beginning of Fiscal Year Liabilities	Current Year Claims and Changes in Estimates	Less Claim Payments	End of Fiscal Year Liabilities
Workers' Compensation Self-Insurance Fund:				
FY 2007	$ 2,509	$ 352,988	$ 355,497	$ -
FY 2008	-	278,373	261,771	16,602
Dental/Vision Self-Insurance Fund:				
FY 2007	$ 21,882	$ 383,053	$ 363,856	$ 41,079
FY 2008	41,079	302,949	338,636	5,392
Medical Self-Insurance Fund (EAP):				
FY 2007	$ 2,981	$ 116,395	$ 119,376	$ -
FY 2008	-	-	-	-

NOTE IV - OTHER INFORMATION - CONTINUED

B Post-employment Healthcare Plan

In addition to providing pension benefits, during FY 2000 the County began to provide funding for certain health care related benefits for retired employees. A majority of the County's employees may become eligible for this new benefit upon reaching the minimum age of 55 and having at least 25 years of service. 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 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 amend this benefit.

In lieu of having the major medical coverage, an eligible retiree may elect to take a cash payment equal to the total amount of the contributions that the County would have made into the insurance fund on their behalf. Retired employees also have the option to pay the contribution amount to cover their spouse and dependents under the plan.

At June 30, 2008, the County has nineteen (19) employees eligible for this benefit, there are two retirees receiving medical insurance coverage. The County finances the plan on a pay-as-you-go basis. For the year ended June 30, 2008 the County paid $3,352 for this benefit.

C. Segment Information Enterprise Funds

The County maintains two enterprise funds, which are intended to be self-supporting through user fees charged for services to the public. The Water System accounts for the provision of potable water service to the majority of the County citizens. Solid Waste accounts for the closed municipal waste landfills, an operational construction and demolition landfill, and a transfer station, which provides waste disposal services for all citizens.

D. 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. The 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.

E. Employees' Pension Plan

The County has adopted a prototype pension plan administered by the Hartford Insurance. The 401(a) pension plan is a defined contribution (money purchase pension) plan that covers substantially all full time County employees.

NOTE IV - OTHER INFORMATION - CONTINUED

E. Employees' Pension Plan - continued

Under the current provisions, the County is required to contribute an amount equal to 4% of each participant's annual compensation. In addition, 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 4%. Contributions are calculated and made on a biweekly payroll basis. The Board of Commissioners establishes required contribution and matching percentages.

Employees become eligible for the plan if they are at least 18 years old and work a minimum of 30 hours per week. Actual participation in the plan begins with the first payroll of the quarter following the completion of a successful probationary period. Participants are 40% vested in the plan after four years of service and 100% vested after five years.

The 401(a) pension plan had total contributions of $1,896,331, of which $1,219,461 is the four percent base contributed by the County. The County's matching portion to the employee contributions to the deferred compensation plan was $828,850. For the fiscal year ended June 30, 2008, payroll covered by this plan was $30.4 million.

F. 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 year ended June 30, 2008 were $106,550. 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 their ARC. Separate financial statements of the ARC may be obtained from ARC, 40 Courtland Street, NE, Atlanta, Georgia 30303.



Where Quality Is A Lifestyle

REQUIRED SUPPLEMENTARY INFORMATION

Fayette County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
General Fund

For fiscal year ended June 30, 2008

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
Revenues:				
Property taxes	$ 27,764,000	$ 27,766,800	$ 27,889,022	$ 122,222
Sales taxes	10,900,000	10,900,000	10,313,833	(586,167)
Other taxes	890,800	912,600	960,291	47,691
Licenses and permits	864,500	865,200	698,374	(166,826)
Intergovernmental	1,908,200	2,076,200	2,016,637	(59,563)
Charges for services	1,785,550	1,884,650	1,726,869	(157,781)
Fines and forfeitures	1,500,000	1,500,000	1,541,516	41,516
Investment Income	1,775,000	1,775,000	1,475,847	(299,153)
Contributions/Donations	2,000	19,302	19,382	80
Miscellaneous revenues	226,644	302,716	347,592	44,876
Total revenues	47,616,694	48,002,468	46,989,364	(1,013,104)
Expenditures:				
Current:				
General Government				
Commissioners	718,261	602,786	602,777	9
Administration	423,179	423,572	314,241	109,331
Elections	372,758	437,654	437,640	14
Finance	915,354	914,604	848,556	66,048
Purchasing	319,979	245,519	235,130	10,389
Law Department	-	303,300	120,026	183,274
Information Systems	738,664	738,249	738,237	12
Human Resources	479,028	472,201	463,029	9,172
Tax Commissioner	1,085,180	1,085,180	1,037,157	48,023
Tax Assessor	828,636	817,974	796,852	21,122
Building & Grounds Maintenance	1,717,277	1,733,052	1,697,104	35,948
Engineering Office	419,554	415,227	321,813	93,414
Contingency	1,000,000	749,856	-	749,856
Non-Departmental	826,552	826,552	553,034	273,518
Total General Government	9,844,422	9,765,726	8,165,598	1,600,128
Judicial System				
Judges, Court Reporter	495,990	505,487	505,482	5
Clerk of Superior Court	1,111,259	1,110,279	1,075,347	34,932
District Attorney	332,644	332,644	331,945	699
Clerk of State Court	214,331	214,051	205,340	8,711
State Court Solicitor	331,688	331,188	322,678	8,510
State Court Judge	359,577	359,577	346,738	12,839
Magistrate Court	449,363	451,561	450,734	827
Probate Court	387,252	388,217	344,580	43,637
Juvenile Court	323,377	324,909	324,483	426
Public Defender	490,000	490,000	490,000	-
Non-Departmental	286,748	286,748	268,994	17,754
Total Judicial System	4,782,229	4,794,661	4,666,322	128,339

Continued

Fayette County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
General Fund

For fiscal year ended June 30, 2008

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
Public Safety				
Marshal	784,142	784,435	752,118	32,317
Sheriff's Department	15,568,020	15,643,838	15,385,663	258,175
County Coroner	68,021	68,021	67,015	1,006
Animal Control	332,320	332,354	329,431	2,923
Public Safety & Emergency Management	364,676	464,674	444,438	20,236
Non-Departmental	666,400	703,856	703,855	1
Total Public Safety	17,783,579	17,997,178	17,682,520	314,658
Public Works				
Public Works Administration	183,453	191,452	191,445	7
Road Department	4,730,570	5,127,300	3,747,944	1,379,356
Maintenance & Shop	453,786	453,786	451,092	2,694
Total Public Works	5,367,809	5,772,538	4,390,480	1,382,058
Health and Welfare				
Department of Physical Health	355,775	351,300	351,298	2
Fayette Counseling Center	133,270	133,270	133,270	-
Department of Family & Children Services	44,300	44,300	41,800	2,500
Fayette Community Options	63,000	63,000	63,000	-
Senior Citizens Center	110,000	110,000	110,000	-
Youth Protection	20,566	20,566	20,566	-
Total Health and Welfare	726,911	722,436	719,934	2,502
Culture/Recreation				
Recreation	1,193,913	1,222,792	1,144,799	77,993
Libraries	759,022	768,117	767,902	215
Total Culture/Recreation	1,952,935	1,990,909	1,912,701	78,208
Planning & Community Development				
County Extension	134,812	134,812	116,679	18,133
Ga Forestry Commission	2,516	2,516	2,516	-
Permits & Inspections	733,046	728,211	544,428	183,783
Planning & Zoning	517,001	461,156	452,803	8,353
Development Authority	310,582	313,263	313,262	1
Total Planning & Community Development	1,697,957	1,639,958	1,429,689	210,269
Total current expenditures	42,155,842	42,683,406	38,967,243	3,716,163
Debt Service				
Principal payment	2,031,612	2,031,612	2,031,612	-
Interest payments	2,807,059	2,807,059	2,806,375	684
Total debt service	4,838,671	4,838,671	4,837,987	684
Total expenditures	46,994,513	47,522,077	43,805,231	3,716,846

Continued

Fayette County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
General Fund

For fiscal year ended June 30, 2008

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
Excess of revenues over expenditures	622,181	480,391	3,184,133	2,703,742
Other financing sources (uses):				
Transfers in-Street Lights	1,000	1,000	1,000	-
Transfers in-Water System	596,940	596,940	596,940	-
Transfers in-SPLOST	-	-	177,052	(177,052)
Transfers in-Senior Services Center	-	329,834	329,834	-
Trainsfers in-Capital Projects	-	1,342,551	1,342,551	
Transfers in-Kelly Park	-	14,802	14,802	-
Transfers out-Kenwood Park	-	(861,200)	(861,200)	-
Transfers out- Vitim's Assistance	-	(87,000)	(87,000)	-
Transfers out-Juvenille Offenders Programs	-	(4,500)	(4,500)	-
Transfer out-Street Lights	-	(34,760)	(34,760)	-
Transfer out-Warning Sirens	-	(90,000)	(90,000)	-
Transfer out-Capital Projects	(1,476,614)	(3,365,136)	(3,365,136)	-
Transfers out-Vehicle Replacement	-	(11,068)	(11,068)	-
Sale of capital assets	50,000	125,982	126,023	41
Total other financing sources (uses)	(828,674)	(2,042,555)	(1,865,463)	(177,011)
Net change in fund balances	(206,493)	(1,562,164)	1,318,670	2,526,731
Fund balances - beginning	30,352,859	30,352,859	30,352,859	-
Fund balances - ending	$ 30,146,366	$ 28,790,695	$ 31,671,529	$ 2,526,731

Fayette County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Fire District Special Revenue Fund

For the fiscal year ended June 30, 2008

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
Revenues:				
Taxes	$ 7,187,500	$ 7,187,500	$ 7,268,344	$ 80,844
Charges for services	105,000	105,000	92,141	(12,859)
Intergovernmental	350,000	350,000	241,449	(108,551)
Interest Earned	200,000	200,000	155,084	(44,916)
Donations	-	1,200	1,200	-
Other miscellaneous revenues	235,000	235,000	125,451	(109,549)
Total revenues	8,077,500	8,078,700	7,883,669	(195,031)
Expenditures:				
Current:				
Public safety:				
Fire services	7,089,288	7,130,708	7,125,148	5,560
Captial Outlay:				
Fire services	50,665	49,372	48,986	386
Total expenditures	7,139,953	7,180,080	7,174,133	5,947
Other financing sources (uses):				
Transfers in	-	2331	2331	-
Transfers out	(937,547)	(3,655,200)	(3,655,200)	-
Sales of general fixed assets	-	-	3,299	3,299
Total other financing (uses)	(937,547)	(3,652,869)	(3,649,570)	3,299
Net change in fund balances	-	(2,754,249)	(2,940,034)	(185,785)
Fund balances - beginning	5,337,839	5,337,839	5,337,839	-
Fund balances - ending	$ 5,337,839	$ 2,583,590	$ 2,397,805	$ (185,785)

Fayette County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
EMS District Special Revenue Fund

For the fiscal year ended June 30, 2008

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
Revenues:				
Taxes	$ -	$ 1,890,700	$ 1,770,468	$ (120,232)
Charges for services	1,210,000	1,210,000	939,366	(270,634)
Intergovernmental	-	4,905	4,905	-
Interest Income	-	-	1,247	1,247
Other miscellaneous revenues	-	-	-	-
Total revenues	1,210,000	3,105,605	2,715,986	(389,619)
Expenditures:				
Current:				
Public safety:				
EMS Program	3,007,884	2,994,915	2,994,895	20
Capital Outlay:				
Public safety:	20,623	14,447	14,445	2
Total expenditures	3,028,507	3,009,362	3,009,340	22
Other financing sources (uses):				
Sales of general fixed assets	-	-	3,299	3,299
Total other financing (uses)	-	-	3,299	3,299
Net change in fund balances	(1,818,507)	96,243	(290,056)	(386,299)
Fund balances - beginning	774,577	774,577	774,577	-
Fund balances - ending	$ (1,043,930)	$ 870,820	$ 484,521	$ (386,299)

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS AND CAPITAL PROJECT FUNDS

Special Revenue Funds for specific purposes are used to account for revenue sources that are legally restricted to specific expenditures defined by the revenue.

Emergency 911

To account for monies collected from private and commercial telephone customers for emergency telephone services. These monies will be used for expenditures of the E-911 System.

Grants

This is a summary of multiple funds used to account for various grants received by the County.

Street Lights Fund

To account for the creation and maintenance of street lighting in unincorporated Fayette County. Financing is derived principally from a special tax levy against property owners serviced.

Law Enforcement Confiscated Monies (L.E.C.M.)

To account for revenues generated by Federal and State agencies' seizure condemnation of drug monies which are used to enhance law enforcement.

Fine Surcharges

To account for various surcharge revenues collected from court cases. These monies will be used for juvenile education and reformation programs, drug education programs, victim assistance programs, and jail construction.

The Capital Project Funds account for resources provided to acquire or construct major capital facilities (other than enterprise fund facilities). Sale of bonds, State or Federal grants, special levies, or transfers of resources from other funds may finance capital projects.

The County uses the following Capital Project Funds:

Special Purpose Local Option Sales Tax (S.P.L.O.S.T.)

To account for funds received from the special purpose local option sales tax for the County's Library.
To account for the construction of roads in unincorporated Fayette County.
On November 2, 2004, a referendum was passes by Fayette County voters to impose a 1% S.P.L.O.S.T. for road, street, and bridge purposes of benefit to Fayette County. The tax began April 1, 2005.

Kelly Park Construction

To account for the construction of a park in Peachtree City.

Kenwood Park Construction

To account for the construction of a park in North Fayette County.

Senior Citizen Center Construction

To account for construction of a senior citizens center in Fayette County.

Early Warning Siren System

To account for the construction of early warning siren system within Fayette County.

General Capital Projects

To account for other capital projects as approved in the County's Capital Improvement Program.

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

June 30, 2008

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Assets			
Unrestricted cash	$ 2,051,865	$ 15,881,160	$ 17,933,025
Restricted cash	-	1,557,269	1,557,269
Receivables	289,686	1,022,062	1,311,748
Prepaid	1,905	18,834	20,739
Taxes (net of allowance for uncollectible accounts)	3,059	-	3,059
Total assets	$ 2,346,515	$ 18,479,325	$ 20,825,840
Liabilities:			
Accounts payable	$ 23,894	$ 1,494,694	$ 1,518,588
Contracts payable	-	225,918	225,918
Accrued payroll and withholdings	59,378	-	59,378
Compensated absences payable	31,250	-	31,250
Due to others	47	-	47
Deferred revenue	3,483	-	3,483
Total liabilities	118,052	1,720,612	1,838,664
Fund Balances:			
Reserved for:			
Future Expenditures	$ -	$ 6,186,456	$ 6,186,456
Encumbrances	10,204	-	10,204
Prepaids	65	-	65
Unreserved:			
Designated for L.E.C.M. federal/state	1,035,712	-	1,035,712
Designated for law library	35,641	-	35,641
Designated for victim assistance	892	-	892
Designated for drug abuse	97,157	-	97,157
Designated for juvenile court supervision	71,261	-	71,261
Designated for county jail construction	257,525	-	257,525
Designated for future expenditures	-		-
Designated for capital improvements	410,000	10,572,257	10,982,257
Unreserved, undesignated	310,006	-	310,006
Total fund balances	2,228,463	16,758,713	18,987,177
Total liabilities and fund balances	$ 2,346,514	$ 18,479,325	$ 20,825,840

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

June 30, 2008

	Emergency 911	Grants	Street Lights	Law Enforcement Confiscated Monies (L.E.C.M.)	Fine Surcharges	Total
ASSETS						
Unrestricted cash	$ 565,088	$ 10,802	$ 8,157	$ 1,036,334	$ 431,484	$ 2,051,865
Accounts receivable	238,384	1,060	-	-	50,242	289,686
Prepaid Items	65	-	-	-	1,840	1,905
Taxes (net of allowance for uncollectible accounts)	-	-	3,059	-	-	3,059
Total assets	$ 803,537	$ 11,862	$ 11,216	$ 1,036,334	$ 483,566	$ 2,346,515
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	18,421	265	-	575	4,633	23,894
Accrued payroll and withholdings	51,503	-	-	-	7,875	59,378
Compensated absences payable	22,668	-	-	-	8,582	31,250
Due to others	-	-	-	48	-	48
Deferred revenues	-	-	3,483	-	-	3,483
Total liabilities	92,592	265	3,483	623	21,090	118,053
Fund Balances:						
Reserved for encumbrances	10,204	-	-	-	-	10,204
Reserved for prepaids	65	-	-	-	-	65
Unreserved:						
Designated for L.E.C.M. federal/state	-	-	-	1,035,712	-	1,035,712
Designated for law library	-	-	-	-	35,641	35,641
Designated for victim assistance	-	-	-	-	892	892
Designated for drug abuse	-	-	-	-	97,157	97,157
Designated for juvenile court supervision	-	-	-	-	71,261	71,261
Designated for county jail construction	-	-	-	-	257,525	257,525
Designated for capital improvements	410,000	-	-	-	-	410,000
Undesignated	290,676	11,597	7,733	-	-	310,006
Total fund balances	710,945	11,597	7,733	1,035,712	462,476	2,228,463
Total liabilities and fund balances	$ 803,537	$ 11,862	$ 11,216	$ 1,036,334	$ 483,566	$ 2,346,515

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

June 30, 2008

	SPLOST Roads Unincorporated	SPLOST Library	Kenwood Park Construction	Senior Citizen Center Construction	Early Warning Siren System	General Capital Projects	Totals
ASSETS							
Cash and cash equivalents	$ 5,060,261	$ 1,557,269	$ 746,929	$ 23,317	$ 86,097	$ 9,964,556	$ 17,438,429
Other Receivables	1,022,062						1,022,062
Prepaid	-	18,834	-	-	-	-	18,834
Total assets	6,082,323	1,576,103	746,929	23,317	86,097	9,964,556	18,479,325
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	1,440,107	1,735	10,034	3,264	-	39,555	1,494,694
Retainage payable	30,127	-	-	20,054	-	175,737	225,918
Deferred revenues	-	-	-	-	-	-	-
Total liabilities	1,470,235	1,735	10,034	23,317	-	215,291	1,720,612
Fund Balances:							
Reserved for:							
Future expenditures	4,612,088	1,574,368	-	-	-	-	6,186,456
Unreserved:							
Designated for capital improvements	-	-	736,895	-	86,097	9,749,265	10,572,257
Total fund balances	4,612,088	1,574,368	736,895	-	86,097	9,749,265	16,758,713
Total liabilities and fund balances	$ 6,082,323	$ 1,576,103	$ 746,929	$ 23,317	$ 86,097	$ 9,964,556	$ 18,479,325

Fayette County, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Governmental Funds

For the fiscal year ended June 30, 2008

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:			
Property taxes	$ 203,432	$ -	$ 203,432
Sales taxes	-	6,138,704	6,138,704
Intergovernmental	507,912	-	507,912
User charges	1,971,077	-	1,971,077
Fine surcharges	1,215,830	-	1,215,830
Interest income	27,253	373,410	400,663
Other revenue	260,701	-	260,701
Total revenues	4,186,205	6,512,114	10,698,319
Expenditures:			
Current:			
Judicial System	1,008,451	-	1,008,451
Public Safety	3,094,542	-	3,094,542
Public Works	267,159	-	267,159
Parks, Recreaton and Culture		158,205	158,205
Capital Outlay:			
General Government	-	2,127,453	2,127,453
Judicial	1,594	-	1,594
Public Safety	632,049	140,657	772,706
Public Works	-	1,100,826	1,100,826
Parks, Recreation and Culture	-	2,706,858	2,706,858
Intergovernmental	-	3,174,938	3,174,938
Total expenditures	5,003,795	9,408,937	14,412,731
Excess (deficiency) of revenues over (under) expenditures	(817,590)	(2,896,822)	(3,714,412)
Other Financing sources (uses):			
Transfers in	138,975	9,254,315	9,393,290
Transfers out	(1,283,779)	(1,772,207)	(3,055,986)
Total other financing sources (uses)	(1,144,804)	7,482,108	6,337,304
Net change in fund balances	(1,962,394)	4,585,285	2,622,892
Fund balances - beginning	4,190,858	12,173,428	16,364,286
Fund balances - ending	$ 2,228,463	$ 16,758,713	$ 18,987,178

Fayette County, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Special Revenue Funds

For the fiscal year ended June 30, 2008

	Emergency 911	Grants	Street Lights	Law Enforcement Confiscated Monies (L.E.C.M.)	Fine Surcharges	Total
Revenues:						
Property taxes	$ -	$ -	$ 203,432	$ -	$ -	$ 203,432
Intergovernmental	-	6,040	-	-	501,872	507,912
User charges	1,899,129	-	-	-	71,948	1,971,077
Fine surcharges	-	-	-	916,995	298,835	1,215,830
Interest income	21,958	-	-	4,218	1,077	27,253
Other revenue	100,499	-	-	160,202	-	260,701
Total revenues	2,021,586	6,040	203,432	1,081,415	873,732	4,186,205
Expenditures:						
Current:						
Judicial System	-	5,540	-	-	1,002,911	1,008,451
Public Safety	2,445,673	-	-	648,870		3,094,542
Public Works	-	-	267,159	-		267,159
Capital outlay:						
Judicial System	-	-	-	-	1,594	1,594
Public Safety	30,325	-	-	601,724	-	632,049
Public Works	-	-	-	-	-	-
Total expenditures	2,475,997	5,540	267,159	1,250,594	1,004,505	5,003,795
Excess (deficiency) of revenues over (under) expenditures	(454,412)	500	(63,727)	(169,179)	(130,773)	(817,590)
Other financing sources (uses):						
Transfers in	12,715	4,500	34,760	-	87,000	138,975
Transfers out	(1,282,779)	-	(1,000)	-	-	(1,283,779)
Total other financing sources (uses)	(1,270,064)	4,500	33,760	-	87,000	(1,144,804)
Net change in fund balances	(1,724,476)	5,000	(29,967)	(169,179)	(43,773)	(1,962,394)
Fund balances - beginning	2,435,421	6,597	37,700	1,204,891	506,249	4,190,858
Fund balances - ending	$ 710,945	$ 11,597	$ 7,733	$ 1,035,712	$ 462,476	$ 2,228,463

Fayette County, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Capital Project Funds

For the fiscal year ended June 30, 2007

	SPLOST Roads Unincorporated	SPLOST Library	Kelly Park Construction	Kenwood Park Construction	Senior Citizen Center Const	Early Warning Siren System	General Capital Projects	Total Non-Major Capital Project Funds
Revenues:								
Interest income	$ 143,513	$ 51,452	$ 459	$ 9,385	$ 28,616	$ 455	$ 139,531	$ 373,410
Sales tax	6,138,704	-	-	-	-	-	-	6,138,704
Miscellaneous revenues	-	-	-	-	-	-	-	-
Contributions/Donations	-	-	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-	-	-
Total revenues	6,282,217	51,452	459	9,385	28,616	455	139,531	6,512,114
Expenditures:								
Current:								
General Government	-	-	-	-	-	-	-	-
Debt Service - Principal	-	-	-	-	-	-	-	-
Debt Service - Interest	-	-	-	-	-	-	-	-
Parks, Recreation and Culture	-	158,205	-	-	-	-	-	158,205
Capital outlay:								
Public Safety	-	-	-	-	-	140,657	-	140,657
Public Works	1,100,826	-	-	-	-	-		1,100,826
Parks, Recreation and Culture	-	12,892	-	1,636,710	1,057,256	-	-	2,706,858
General Government	-	-	-	-	-	-	2,127,453	2,127,453
Intergovernmental	3,174,938	-	-	-	-	-	-	3,174,938
Total current expenditures	4,275,764	171,097	-	1,636,710	1,057,256	140,657	2,127,453	9,408,937
Excess (deficiency) of revenues over (under) expenditures	2,006,453	(119,645)	459	(1,627,325)	(1,028,640)	(140,202)	(1,987,923)	(2,896,822)
Other financing sources (uses):								
Transfers in	-	-	-	861,200		90,000	8,303,115	9,254,315
Transfers out	(69,974)	-	(14,802)	-	(329,834)	-	(1,357,597)	(1,772,207)
Total other financing sources (uses)	(69,974)	-	(14,802)	861,200	(329,834)	90,000	6,945,517	7,482,108
Net change in fund balances	1,936,479	(119,645)	(14,343)	(766,125)	(1,358,474)	(50,202)	4,957,595	4,585,285
Fund balances - beginning	2,675,609	1,694,013	14,343	1,503,020	1,358,474	136,299	4,791,670	12,173,428
Fund balances - ending	$ 4,612,088	$ 1,574,368	$ 0	$ 736,895	$ 0	$ 86,097	$ 9,749,265	$ 16,758,713

Fayette County, Georgia
Emergency 911 Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual

For the fiscal year ended June 30, 2008

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
Revenues:				
Charges for services	$ 1,824,586	$ 1,824,586	$ 1,899,129	$ 74,543
Intergovernmental	-	-	-	-
Interest Income	60,000	60,000	21,958	(38,042)
Other Revenue	-	-	100,499	100,499
Total revenues	1,884,586	1,884,586	2,021,586	137,000
Expenditures:				
Current:				
Public Safety:				
Emergency Services	2,509,458	2,505,551	2,434,910	70,641
Capital outlay	46,164	46,164	41,087	5,077
Total expenditures	2,555,622	2,551,715	2,475,998	75,717
Other financing sources (uses):				
Transfers in	-	12,715	12,715	-
Transfers out	-	(1,282,779)	(1,282,779)	-
Total other financing uses	-	(1,270,064)	(1,270,064)	-
Net change in fund balances	(671,036)	(1,937,193)	(1,724,476)	212,717
Fund balances - beginning	2,435,421	2,435,421	2,435,421	-
Fund balances - ending	$ 1,764,385	$ 498,228	$ 710,945	$ 212,717

Fayette County, Georgia
Street Lights Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual

For the fiscal year ended June 30, 2008

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
Revenues:				
Charges for services	$ 193,000	$ 193,000	$ 203,432	$ 10,432
Total revenues	193,000	193,000	203,432	10,432
Expenditures:				
Current:				
Public Works:				
Street Lights	233,900	267,160	267,159	1
Total expenditures	233,900	267,160	267,159	1
Other financing sources (uses):				
Transfers in	-	34,760	34,760	-
Transfers out	(1,000)	(1,000)	(1,000)	-
Total other financing uses	(1,000)	33,760	33,760	-
Net change in fund balances	(41,900)	(40,400)	(29,967)	10,433
Fund balances - beginning	37,700	37,700	37,700	-
Fund balances - ending	$ (4,200)	$ (2,700)	$ 7,733	$ 10,433

Fayette County, Georgia
Law Enforcement Confiscated Monies Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual

For the fiscal year ended June 30, 2008

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
Revenues:				
Fines & forfeitures				
Federal funds	$ -	$ 897,331	$ 897,333	$ 2
State funds	20,000	101,224	101,224	-
US Customs funds	-	4,694	4,695	1
Other revenue				-
Federal funds	-	73,944	73,945	1
Interest income	-	4,217	4,218	1
Total revenues	20,000	1,081,410	1,081,415	5
Expenditures:				
Current:				
Public Safety:				
Investigative Services				
Federal funds	-	608,346	608,333	13
State funds	42,700	49,401	39,128	10,273
U S Customs	-	1,409	1,408	1
Capital outlay:				
Federal funds	-	555,458	555,454	4
State funds	25,900	19,199	1,358	17,841
U S Customs	-	44,913	44,913	-
Total expenditures	68,600	1,278,726	1,250,594	28,132
Net change in fund balances	(48,600)	(197,316)	(169,179)	28,137
Fund balances - beginning	1,204,891	1,204,891	1,204,891	-
Fund balances - ending	$ 1,156,291	$ 1,007,575	$ 1,035,712	$ 28,137

Fayette County, Georgia
Fines and Surcharges Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual

For the fiscal year ended June 30, 2008

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
Revenues:				
Intergovernmental:				
Jail Construction Surcharge	$ 410,000	$ 527,000	$ 539,160	$ 12,160
Victim Assistance	178,000	265,000	252,030	(12,970)
Drug Abuse Education Services	60,000	60,000	70,121	10,121
Juvenile Court Supervision	23,500	23,500	26,395	2,895
Total Fine Surcharges	671,500	875,500	887,706	12,206
Law Library	55,000	73,024	73,026	2
Total Fees	55,000	73,024	73,026	2
Total revenues	726,500	948,524	960,732	12,208
Expenditures:				
Current:				
Judicial System:				
Juvenile Court Supervision	30,000	23,500	24,501	(1,001)
Law Library	76,250	90,458	90,458	-
Victim Assistance	359,572	359,414	354,661	4,753
Drug Abuse Education Services	54,265	53,329	51,538	1,792
Public Safety:				
Jail Construction Surcharge	70,235	481,753	481,753	-
Capital Outlay	13,910	1,594	1,594	-
Total expenditures	604,232	1,010,048	1,004,505	5,544
Net change in fund balances	122,268	(61,524)	(43,773)	17,752
Fund balances - beginning	506,249	506,249	506,249	-
Fund balances - ending	$ 628,517	$ 444,725	$ 462,476	$ 17,752

Fayette County, Georgia
Grants Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual

For the fiscal year ended June 30, 2008

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
Revenues:				
Intergovernmental	$ 246,406	$ 265,308	$ -	$ (265,308)
Juvenile Offenders Grant	5,000	6,040	6,040	-
Total revenues	251,406	271,348	6,040	(265,308)
Expenditures:				
Current:				
Public Safety	6,114	6,114	-	6,114
Judicial System	-	5,540	5,540	-
Public Safety				
Capital outlay	-	183,912	-	183,912
Total expenditures	6,114	195,566	5,540	190,026
Other financing sources (uses):				
Transfers in	-	32,690	4,500	28,190
Transfers out	-	(103,472)	-	(103,472)
Total other financing uses	-	(70,782)	4,500	(75,282)
Net change in fund balances	245,292	5,000	5,000	-
Fund balances - beginning	6,597	6,597	6,597	-
Fund balances - ending	$ 251,889	$ 11,597	$ 11,597	$ -

Fayette County, Georgia
Special Purpose L.O.S.T. Non-Major Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual

For the fiscal year ended June 30, 2008

	County Library			
	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Interest income	75,000	75,000	51,452	(23,548)
Total revenues	75,000	75,000	51,452	(23,548)
Expenditures:				
Current:				
Parks, Recreation and Culture:				
Library Services	240,000	221,355	158,205	63,150
Capital outlay:				
Intergovernmental	16,493	35,138	12,892	22,246
Total expenditures	256,493	256,493	171,097	85,396
Net change in fund balances	(181,493)	(181,493)	(119,645)	61,848
Fund balances - beginning	1,694,013	1,694,013	1,694,013	-
Fund balances - ending	$ 1,512,520	$1,512,520	$ 1,574,368	$ 61,848

Fayette County, Georgia
Schedule of Projects Funded through Special Purpose Local Option Sales Tax (S.P.L.O.S.T.)
Road, Street, and Bridge Purposes
For the fiscal year ended June 30, 2008

CITIES, TOWNS, AND UNINCORPORATED COUNTY PROJECTS - BY JURISDICTION (30 % Of Total Tax Proceeds)	ORIGINAL COST ESTIMATED	REVISED COST ESTIMATED	PRIOR YEARS EXPENDITURES	CURRENT YEAR EXPENDITURES	PRIOR YEARS INTEREST EARNED	CURRENT YEAR INTEREST EARNED
UNINCORPORATED FAYETTE COUNTY PROJECTS:						
INTERSECTIONS	$ 2,450,000	$ 2,450,000	$ 36,750	$ 41,480	$ -	$ -
ROADWAYS	14,330,767	14,330,767	3,939,111	1,129,320	-	-
INTEREST EARNED	-	-	-	-	200,038	143,513
TOTAL - UNINCORPORATED FAYETTE COUNTY PROJECTS	$ 16,780,767	$ 16,780,767	$ 3,975,861	$ 1,170,800	$ 200,038	$ 143,513
TOWN OF BROOKS PROJECTS:						
TOTAL - TOWN OF BROOKS PROJECTS	$ 212,019	$ 212,019	$ 81,511	$ 37,446	$ 51	$ -
CITY OF FAYETTEVILLE PROJECTS:						
TOTAL - CITY OF FAYETTEVILLE PROJECTS	$ 4,247,327	$ 4,247,327	$ 1,632,902	$ 750,150	$ 597	$ -
PEACHTREE CITY PROJECTS:						
TOTAL - PEACHTREE CITY PROJECTS	$ 12,025,984	$ 12,025,984	$ 4,623,437	$ 2,123,992	$ 1,691	$ -
TOWN OF TYRONE PROJECTS:						
TOTAL - TOWN OF TYRONE PROJECTS	$ 1,491,083	$ 1,491,083	$ 573,253	$ 263,350	$ 357	$ -
TOTAL - CITIES, TOWNS, AND UNINCORPORATED COUNTY PROJECTS	$ 34,757,180	$ 34,757,180	$ 10,886,965	$ 4,345,738	$ 202,734	$ 143,513

COUNTYWIDE PROJECTS (70 % Of Total Tax Proceeds)	ORIGINAL COST ESTIMATED	REVISED COST ESTIMATED	PRIOR YEARS EXPENDITURES	CURRENT YEAR EXPENDITURES	PRIOR YEARS INTEREST EARNED	CURRENT YEAR INTEREST EARNED
BRIDGES	$ 3,670,000	$ 3,670,000	$ -	$ 44	$ -	$ -
INTERSECTIONS	3,657,400	3,657,400	-	-	-	-
ROADWAYS	67,975,787	67,975,787	532,918	1,910,772	-	-
STREETSCAPES/PATHS	5,796,900	5,796,900	602,707	126,777	-	-
INTEREST EARNED	-	-	-	-	1,476,207	1,417,561
TOTAL - COUNTY WIDE PROJECTS	$ 81,100,087	$ 81,100,087	$ 1,135,626	$ 2,037,593	$ 1,476,207	$ 1,417,561
TOTAL - ALL PROJECTS	$ 115,857,267	$ 115,857,267	$ 12,022,590	$ 6,383,331	$ 1,678,941	$ 1,561,074

Fayette County, Georgia
Schedule of Projects Funded through Special Purpose Local Option Sales Tax (S.P.L.O.S.T.)
Road, Street, and Bridge Purposes
June 30, 2008

On November 2, 2004, a referendum was passed by Fayette County voters to impose a 1% Special Purpose Local Option Sales Tax (SPLOST) for use soley for road, street, and bridge purposes in Fayette County.

The tax began April 1, 2005 and will continue through March 31, 2010 or the end of the quarter where the raising of $115,857,267 is reached, whichever occurs first.

The tax has been subdivided into two parts with 70 percent of the available funding earmarked for County-Wide Projects and the remaining 30 percent of available funding earmarked for use of projects sponsored by a city, town, or the unincorporated portion of Fayette County.

The 30 percent portion of the tax is further subdivided among the cities and towns within Fayette County and the Unincorporated portion of Fayette County based upon the respective population share of each jurisdiction compared to the total population for Fayette County.

The County has used population data from the 2000 Census as published by the U.S. Census Bureau.

Jurisdiction Name	Population Share
UNINCORPORATED FAYETTE COUNTY	48.28%
TOWN OF BROOKS	0.61%
CITY OF FAYETTEVILLE	12.22%
PEACHTREE CITY	34.60%
TOWN OF TYRONE	4.29%
TOTAL	**100.00%**

Fayette County, Georgia

Schedule of Projects Funded through Special Sale Tax Proceeds S.P.L.O.S.T.

For the fiscal year ended June 30, 2008

Project	Year Approved	Original Cost Estimated	Expenditures 1993 - 1997	Expenditures 1998 - 2007	Expenditures 2008	Interest Earned	Surplus Funds
Library Construction and Services	November 1992	$ 4,000,000	$ 2,131,607	$ 1,468,630	$ 171,098	$ 1,345,703	$ 1,574,368

The library services S.P.L.O.S.T. revenues have constructed and furnished a 28,000 square foot library at a cost of $3,771,335. The original project cost was $4,000,000. The County's stewardship of these funds is evident. The total construction cost closed under budget saving $228,665 for future library services and programs. The surplus funds of $1,574,368 will fund library improvements.

On November 3, 1992, a referendum was held on the question of a special 1% sales and use tax being imposed in Fayette County for a period of time not to exceed three (3) calendar quarters (nine (9) months) for the raising of no more than $4,000,000.00 for the purpose of opening a new library within the County, and to include costs of construction, land acquisition, furnishings, equipment, books, and materials with any remaining funds to be used in improving libraries currently operating within the County.

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COMPONENT UNITS

COMPONENT UNITS

FAYETTE COUNTY DEVELOPMENT AUTHORITY

The Fayette County Development Authority (the "Authority") was established by resolution of the Board of Commissioners of Fayette County pursuant to the enabling legislation of the Official Code of Georgia Annotated Section 36-62-4 (b). The purpose of the Authority is to develop and promote for the public good and general welfare, trade, commerce, industry and employment opportunities and to promote the general welfare within Fayette County. The Authority is a component unit of Fayette County, Georgia (the primary government) based upon operational and financial relationships with the County (as district from legal relationships).

The Fayette County Board of Commissioners appoints the Authority's governing board. The County provides a substantial portion of the Authority's revenue ($300,382 in the year ended June 30, 2008). The Authority cannot levy taxes and cannot issue bonded debt without approval of the Fayette County Board of Commissioners.

FAYETTE COUNTY DEPARTMENT OF PUBLIC HEALTH

The Fayette County Board of Health was created by House Bill 1068 (1984 GA Legislature), the department's governing body. The Board is made up of seven members, four are appointed by the County Board of Commissioners, two by Peachtree City (largest municipality of the County) and one appointed by the Fayette County Board of Education, Superintendent of Fayette County Schools.

Member	Appointed by:
Robert Horgan	Chief Executive Officer of the governing authority of County or appointee
John Decotis, PhD	County Superintendent of Schools, appointed by Board of Education
Michael Strain, MD, Chair	Physician actively participating, appointed by governing authority of County.
Thomas B, Faulkner, MD, MHA	Consumer or licensed nurse, appointed by Peachtree City
Harold Logsdon	Mayor of Peachtree City, appointed by Peachtree City
Lynette Peterson	Consumer representing the needy, underprivileged, or elderly appointed by governing authority of County (Board of Commissioners).
Lyn Redwood	Consumer representing consumers of Mental Health, Mental Retardation, and substance abuse, appointed by governing authority of County.

The Fayette County Department of Public Health major functions are:

- Promote and encourage healthy behaviors by providing education and counseling.
- Provide preventative health care and educational services to the general public. These services include, but are not limited to, communicable diseases, immunizations, family planning, cancer screening, physical assessments, administering the WIC program, chronic diseases such as diabetes and hypertension, child health, and refugee services.

The Fayette County Department of Public Health adopts annual budgets in accordance with the programmatic requirements as issued by the Georgia Department of Human Resources. Fayette County Department of Public Health receives significant revenue from the Georgia Department of Human Resources. The County appropriates funds annually to cover a portion of its operating cost ($341,000 in the year ended June 30, 2008).

The employees of the Health Department are employees of the State of Georgia, and participate in the Georgia State Employees Retirement System.

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Fayette County, Georgia
Combining Statement of Net Assets
Component Units

June 30, 2008

	Fayette County Department of Public Health	Development Authority	Component Unit Totals
Assets:			
Cash in bank	$ 585,137	$ 308,509	$ 893,646
Restricted cash	-	321,016	321,016
Receivables	64,158	-	64,158
Prepaid items	-	6,044	6,044
Restricted Investment	-	595,292	595,292
Capital assets, net of depreciation	38,278	260,800	299,078
Total assets	687,573	1,491,661	2,179,234
Liabilities and net assets			
Liabilities:			
Accounts payable	16,175	1,012	17,187
Accrued expenses	-	-	-
Due in more than one year	89,224	-	89,224
Payable from restricted assets	-	916,308	916,308
Total liabilities	105,399	917,320	1,022,719
Net assets			
Invested in capital assets, net of related debt	38,278	260,800	299,078
Restricted	-	-	-
Unrestricted	543,896	313,541	857,437
Total net assets	$ 582,174	$ 574,341	$ 1,156,515

Fayette County, Georgia
Combining Statement of Activities
Component Units

For the Fiscal Year Ended June 30, 2008

Functions/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes In Net Assets: Governmental Activities
Governmental Activities:				
Development Authority	$ 1,565,394	$ 950,000	$ -	$ (615,394)
Health Department	1,502,946	557,381	821,584	(123,981)
Total Governmental Activities	3,068,340	1,507,381	821,584	(739,375)
General revenues:				
Investment earnings				
Development Authority				355,403
Health Department				25,843
Payments from Fayette County - Development Authority				300,382
Miscellaneous - Development Authority				25,485
Total general revenues				707,113
Change in net assets				(32,262)
Net assets at beginning of year				1,188,777
Net assets at end of year				$ 1,156,515



Where Quality Is A Lifestyle

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments or agencies or to other governmental units on a cost-reimbursement basis.

The County uses the following Internal Service Funds:

Worker's Compensation Self-Insurance Fund

The Worker's Compensation Self-Insurance Fund was established to provide resources for payment of workers' compensation claims of County employees. Individual departments are charged for worker's compensation based upon previous insurance carriers' cost charges.

Dental/Vision Self-Insurance Fund

The Dental/Vision Self-Insurance Fund was established to provide resources for payment of employee claims. The County's portion of the dental and vision costs is transferred to the self-insurance fund each pay period. The employee's portion of the cost is withheld from the employee and transferred to the self-insurance fund each pay period.

Medical Self-Insurance Fund

The Medical Self-Insurance Fund was established in 1991 to provide resources for payment of employee medical cliams, and on June 1, 2002 the County became fully insured. This fund is still maintained in the event the Board of Commissioners decide to self-insure again. The Employee Assistance Program (EAP) cost to the County are recorded in this fund as well as the annual expense for flu shots.

Vehicle Replacement Fund

The Vehicle Replacement Fund was established to provide resources for the County to replace vehicles. Replacement vehicles are purchased through this fund.

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Fayette County, Georgia
Combining Statement of Net Assets
Internal Service Funds

June 30, 2008

ASSETS	Self Insurance Fund: Worker's Compensation	Dental/Vision	Medical	Vehicle Replacement	Total
Current Assets					
Unrestricted Cash	$ 1,450,087	$ 6,647	$ 1,715,732	$ -	$ 3,172,466
Restricted Cash	-	-	-	9,020,268	9,020,268
Prepaid Items	58,874	-	-	-	58,874
Accounts receivable	-	-	180	-	180
Total Current Assets	1,508,961	6,647	1,715,912	9,020,268	12,251,788
Noncurrent assets					
Capital assets					
Machinery and equipment	-	-	-	4,040,535	4,040,535
Vehicles	-	-	-	11,235,896	11,235,896
Total Capital Assets	-	-	-	15,276,431	15,276,431
Accumulated depreciation	-	-	-	(10,298,582)	(10,298,582)
Total Capital Assets (net of accumulated depreciation)	-	-	-	4,977,849	4,977,849
Other assets					
Unamortized Debt Issue Cost	-	-	-	221,631	221,631
Total Assets	1,508,961	6,647	1,715,912	14,219,748	17,451,268
LIABILITIES					
Current Liabilities					
Accounts payable	-	-	7,056	98,403	105,459
Claims payable	16,602	5,392	-	-	21,994
Total current liabilities	16,602	5,392	7,056	98,403	127,453
Long-Term Liabilities					
Certificates of Participation	-	-	-	5,000,000	5,000,000
Total long-term liabilities	-	-	-	5,000,000	5,000,000
Total Liabilities	16,602	5,392	7,056	5,098,403	5,127,453
NET ASSETS					
Invested in capital assets	-	-	-	4,977,849	4,977,849
Restricted for debt service	-	-	-	5,469,844	5,469,844
Unrestricted	1,492,359	1,255	1,708,856	(1,326,348)	1,876,122
Total Net Assets	$ 1,492,359	$ 1,255	$ 1,708,856	$ 9,121,345	$ 12,323,815

Fayette County, Georgia
Combining Statement of Revenues, Expenses and Changes in Net Assets
Internal Service Funds

For the fiscal year ended June 30, 2008

	Self Insurance Fund				
	Workers' Compensation	Dental/Vision	Medical	Vehicle Replacement Fund	Total
Operating Revenues:					
Charges to other funds	$ -	$ 271,855	$ 13,322	$ -	$ 285,177
Employee contributions	-	80,274	3,789	-	84,063
Total Operating Revenues	-	352,129	17,111	-	369,240
Operating Expenses:					
Claims expense	261,771	338,636	-	-	600,407
Excess insurance purchased	3,734	-	-	-	3,734
Administrator's fees	670	22,620	13,740	-	37,030
Other services and charges	6,234	-	-	-	6,234
Acquisition of capital assets	-	-	-	83,957	83,957
Amortization expense	-	-	-	11,082	11,082
Depreciation expense	-	-	-	938,803	938,803
Total Operating Expenses	272,409	361,256	13,740	1,033,842	1,681,247
Operating Income (loss)	(272,409)	(9,127)	3,371	(1,033,842)	(1,312,007)
Non-Operating Revenues:					
Interest income	50,468	551	51,941	357,505	460,465
Total Non-Operating Revenues	50,468	551	51,941	357,505	460,465
Non-Operating Expenses:					
Interest expense	-	-	-	179,744	179,744
Net Loss on disposition of capital assets	-	-	-	45,410	45,410
Total Non-Operating Expenses	-	-	-	225,154	225,154
Income (Loss) Before Transfers	(221,941)	(8,576)	55,312	(901,491)	(1,076,696)
Transfers from other funds					
General Fund	-	-	-	11,068	11,068
Medical Fund	-	-	-	-	-
Solid Waste Fund				-	
Fire Fund	-	-	-	-	-
Total Transfers from Other Funds	-	-	-	11,068	11,068
Change in net assets	(221,941)	(8,576)	55,312	(890,423)	(1,065,628)
Total net assets-beginning of year	1,714,300	9,831	1,653,544	10,011,768	13,389,443
Total net assets-end of year	$ 1,492,359	$ 1,255	$ 1,708,856	$ 9,121,345	$ 12,323,815

Fayette County, Georgia
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the fiscal year ended June 30, 2008

	Self Insurance Fund				
	Workers' Compensation	Dental/Vision	Medical	Vehicle Replacement Fund	Totals
Cash Flows from Operating Activities:					
Premiums Received from Other Funds	$ -	$ 271,855	$ 13,322	$ -	$ 285,177
Premiums Received from Employees	-	80,274	3,609	-	83,883
Claim Payments	(304,043)	(374,323)	-	-	(678,366)
Receipts from Charges for Services	-	-	-	-	-
Payments to Suppliers for Goods or Services	-			(83,957)	(83,957)
Insurance Purchases	(3,734)		-	-	(3,734)
Administrative and Other Charges	(6,904)	(22,620)	(6,684)	-	(36,208)
Net Cash Provided by (Used in) Operating Activities	(314,681)	(44,814)	10,247	(83,957)	(433,205)
Cash Flows from Noncapital Financing Activities:					
Receipts from Equity Transfer from General Fund	-	-	-	11,068	11,068
Receipts from Equity Transfer from Medical Fund	-	-	-	-	-
Receipts from Equity Transfer from Solid Waste Fund				-	
Receipts from Equity Transfer from Fire Fund	-	-	-	-	-
Net Cash Provided by Noncapital Financing Activities	-	-	-	11,068	11,068
Cash Flows from Capital and Related Financing Activities:					
Purchase of Fixed Assets	-	-	-	(890,396)	(890,396)
Transfer of Equity to Dental/Vision Fund	-	-	-		
Payment of Interest on Certificates of Participation	-	-	-	(179,744)	(179,744)
Net Cash Provided by (Used in) Capital and Related Financing Activities	-	-	-	(1,070,140)	(1,070,140)
Cash Flows from Investing Activities:					
Interest on Checking	50,468	551	51,941	357,505	460,465
Net Cash Provided by Investing Activities	50,468	551	51,941	357,505	460,465
Net Increase (Decrease) in Cash and Cash Equivalents	(264,213)	(44,263)	62,188	(785,524)	(1,031,812)
Cash and Cash Equivalents at Beginning of Year	1,714,300	50,910	1,653,544	9,805,792	13,224,546
Cash and Cash Equivalents at End of Year	$ 1,450,087	$ 6,647	$ 1,715,732	$ 9,020,268	$ 12,192,734
Classified As:					
Current Assets	$ 1,450,087	$ 6,647	$ 1,715,732	$ 9,020,268	$ 12,192,734

Fayette County, Georgia
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the fiscal year ended June 30, 2008

	Self Insurance Fund			Vehicle	
	Workers' Compensation	Dental/Vision	Medical	Replacement Fund	Totals
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities					
Operating Gain (Loss)	$ (272,409)	$ (9,127)	$ 3,371	$ (1,033,842)	$ (1,312,007)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities:					
Amortization Expense	-	-	-	11,082	11,082
Depreciation Expense	-	-	-	938,803	938,803
Increase in Current Assets	(58,874)		(180)		(59,054)
	-	-	-	-	-
Increase (Decrease) in Current Liabilities:					-
Other Payables	-	-	7,056	-	7,056
Estimated Claims Payable	16,602	(35,687)	-	-	(19,085)
Total Adjustments	(42,272)	(35,687)	6,876	949,885	878,802
Net Cash Provided by (Used in) Operating Activities	$ (314,681)	$ (44,814)	$ 10,247	$ (83,957)	$ (433,205)



Where Quality Is A Lifestyle

FIDUCIARY FUNDS

Fayette County, Georgia
Fiduciary Funds
Statement of Changes in Assets and Liabilities

For the fiscal year ended June 30, 2008

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
TAX COMMISSIONER				
Assets				
Cash	$ 62,797	$ 164,281,019	$ 164,249,122	$ 94,694
Liabilities				
Due to Others	$ 2,138	$ 164,176,900	$ 164,172,934	$ 6,104
Tax Protest/Bankruptcy/Tax Sale	60,659	104,119	76,188	88,590
Total Liabilities	$ 62,797	$ 164,281,019	$ 164,249,122	$ 94,694
SHERIFF				
Assets				
Cash	$ 256,765	$ 782,727	$ 889,196	$ 150,296
Liabilities				
Due to Others	$ 256,765	$ 782,727	$ 889,196	$ 150,296
Total Liabilities	$ 256,765	$ 782,727	$ 889,196	$ 150,296
SUPERIOR COURT				
Assets				
Cash	$ 1,465,779	$ 7,244,512	$ 7,189,328	$ 1,520,963
Liabilities				
Due to Others	$ 1,465,779	$ 7,244,512	$ 7,189,328	$ 1,520,963
Total Liabilities	$ 1,465,779	$ 7,244,512	$ 7,189,328	$ 1,520,963
STATE COURT				
Assets				
Cash	$ 526,078	$ 2,325,846	$ 2,511,844	$ 340,080
Liabilities				
Due to Others	$ 526,078	$ 2,325,846	$ 2,511,844	$ 340,080
Total Liabilities	$ 526,078	$ 2,325,846	$ 2,511,844	$ 340,080

Continued on next page.

Fayette County, Georgia
Fiduciary Funds
Statement of Changes in Assets and Liabilities

For the fiscal year ended June 30, 2008

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
MAGISTRATE COURT				
Assets				
Cash	$ 68,011	$ 501,411	$ 502,007	$ 67,415
Liabilities				
Due to Others	$ 68,011	$ 501,411	$ 502,007	$ 67,415
Total Liabilities	$ 68,011	$ 501,411	$ 502,007	$ 67,415
JUVENILE COURT				
Assets				
Cash	$ 12,076	$ 151,653	$ 151,974	$ 11,755
Liabilities				
Due to Others	$ 12,076	$ 151,653	$ 151,974	$ 11,755
Total Liabilities	$ 12,076	$ 151,653	$ 151,974	$ 11,755
PROBATE COURT				
Assets				
Cash	$ -	$ 202,079	$ 202,079	$ -
Liabilities				
Due to Others	$ -	$ 202,079	$ 202,079	$ -
Total Liabilities	$ -	$ 202,079	$ 202,079	$ -
TOTALS-ALL FIDUCIARY FUNDS				
Assets				
Cash	$ 2,391,506	$ 175,489,247	$ 175,695,550	$ 2,185,203
Liabilities				
Due to Other agencies or funds	$ 2,330,847	$ 175,385,128	$ 175,619,362	$ 2,096,613
Tax Protest/Bankruptcy/Tax Sale	60,659	104,119	76,188	88,590
Total Liabilities	$ 2,391,506	$ 175,489,247	$ 175,695,550	$ 2,185,203



STATISTICAL SECTION

"Unaudited"

FAYETTE COUNTY, GEORGIA
Net Assets By Component
Last Six Fiscal Years
(accrual basis of accounting)
"Unaudited"

	Fiscal Year Ended June 30					
	2003	**2004**	**2005**	**2006**	**2007**	**2008**
Governmental activities						
Invested in capital assets, net of related debt	$ 346,856	$ 8,402,602	$ 12,626,621	$ 11,881,854	$ 61,331,911	$ 66,118,115
Restricted	1,463,122	1,291,320	4,643,916	9,369,988	9,206,066	11,656,300
Unrestricted	74,027,281	65,245,850	66,600,723	82,196,989	94,252,175	101,662,007
Total governmental activities net assets	$ 75,837,259	$ 74,939,772	$ 83,871,260	$103,448,831	$164,790,152	$ 179,436,422
Business-type activities						
Invested in capital assets, net of related debt	$ 55,043,365	$ 55,537,244	$ 57,616,988	$ 58,928,256	$ 61,128,008	$ 64,042,796
Restricted	8,844,631	9,817,295	11,095,278	11,073,367	12,661,526	12,010,175
Unrestricted	4,874,309	4,272,575	3,329,148	4,355,880	4,172,974	2,872,031
Total business-type activities net assets	$ 68,762,305	$ 69,627,114	$ 72,041,414	$ 74,357,503	$ 77,962,508	$ 78,925,002
Primary government						
Invested in capital assets, net of related debt	$ 55,390,221	$ 63,939,846	$ 70,243,609	$ 70,810,110	$122,459,919	$ 130,160,911
Restricted	10,307,753	11,108,615	15,739,194	20,443,355	21,867,592	23,666,475
Unrestricted	78,901,590	69,518,425	69,929,871	86,552,869	98,425,149	104,534,038
Total primary government net assets	$ 144,599,564	$ 144,566,886	$ 155,912,674	$177,806,334	$242,752,660	$ 258,361,424

Data for the last six years is being reported. Data prior to GASB 34 implementation (2003) is not available.
The significant increase in invested in capital assets, net of related debt in 2007 was the result of including infrastructure assets that were purchased or completed prior to June 30, 2002.

FAYETTE COUNTY, GEORGIA
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(accrual basis of accounting)
"Unaudited"

	For the Fiscal Year Ended June 30					
	2003	2004	2005	2006	2007	2008
Expenses						
Primary government:						
General government	$ 13,082,785	$ 15,045,408	$ 8,734,408	$ 13,589,479	$ 13,217,872	$ 19,913,322
Judicial	3,878,507	8,727,224	4,336,761	4,677,929	5,401,526	5,650,814
Public safety	23,806,488	21,690,558	25,422,795	29,331,567	31,310,184	31,978,900
Public works	5,037,712	5,228,876	4,611,615	5,433,833	15,643,667	7,673,140
Health and welfare	641,558	598,801	819,266	689,879	705,001	719,934
Culture and recreation	1,728,369	2,006,950	1,774,572	1,871,303	7,418,659	1,058,911
Planning and community development	1,501,851	1,463,997	1,435,272	1,460,636	1,555,478	1,392,864
Interest on long-term debt and fiscal charges	3,301,823	4,231,058	3,152,414	3,156,175	3,043,276	3,375,326
Total governmental activities expenses	52,979,093	58,992,872	50,287,103	60,210,801	78,295,663	71,763,211
Business-type activities	12,260,039	12,505,934	12,560,631	12,515,761	13,174,375	12,795,991
Total business-type activities expenses	12,260,039	12,505,934	12,560,631	12,515,761	13,174,375	12,795,991
Total primary government expenses	$ 65,239,132	$ 71,498,806	$ 62,847,734	$ 72,726,562	$ 91,470,038	$ 84,559,202
Program revenues						
Primary government:						
Charges for services and fines:						
General government	$ 597,872	$ 651,272	$ 1,296,466	$ 521,225	$ 940,273	$ 1,424,473
Judicial	2,878,715	2,502,618	2,584,575	2,597,880	2,362,746	2,401,949
Public safety	3,317,936	4,043,766	4,162,141	5,267,301	5,233,571	4,352,712
Public works	-	-	413,361	438,362	10,076	8,001
Culture and recreation	151,825	201,582	218,950	189,840	186,265	222,459
Planning and community development	28,870	51,983	582,363	665,972	672,849	60,755
Operating grants and contributions	34,616	129,527	85,068	808,590	5,600	20,582
Total governmental activities program revenues	7,009,834	7,580,748	9,342,924	10,489,170	9,411,380	8,490,931
Business-type activities						
Charges for services and fines:	11,102,693	11,631,756	11,691,434	12,572,078	13,904,189	12,370,908
Capital grants and contributions	2,365,115	1,515,916	2,729,684	2,262,050	2,708,273	1,294,879
Total business-type activities program revenues	$ 13,467,808	$ 13,147,672	$ 14,421,118	$ 14,834,128	$ 16,612,462	$ 13,665,787
Total Primary government program revenues	$ 20,477,642	$ 20,728,420	$ 23,764,042	$ 25,323,298	$ 26,023,842	$ 22,156,718

(continued)

FAYETTE COUNTY, GEORGIA

CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS

(accrual basis of accounting)
"Unaudited"

	For the Fiscal Year Ended June 30					
	2003	2004	2005	2006	2007	2008
Net (expenses)/revenues						
Governmental activities	$ (45,969,259)	$ (51,412,124)	$ (40,944,179)	$ (49,721,631)	$ (68,884,283)	$(63,272,280)
Business-type activities	1,207,769	641,738	1,860,487	2,318,367	3,438,087	869,796
Total primary government net expense	(44,761,490)	(50,770,386)	(39,083,692)	(47,403,264)	(65,446,196)	(62,402,484)
General Revenues and Other Changes in Net Assets						
Primary government:						
Taxes						
Property taxes	24,338,916	32,538,816	30,178,341	32,103,630	33,238,968	37,601,739
Sales taxes	7,889,458	8,737,301	9,092,061	10,296,451	10,654,218	10,313,833
Other taxes	9,685,832	2,915,465	2,495,302	2,874,588	2,966,242	960,291
Special Purpose Local Option Sales Taxes	-	-	3,242,853	16,676,100	17,711,729	20,462,347
Licenses and permits	405,163	535,467	-	-	-	-
Intergovernmental	3,590,403	4,226,291	1,324,636	2,880,454	3,146,118	2,883,703
Gain on sale of capital assets	60,867	26,103	86,466	20,511	61,996	132,620
Investment earnings	907,363	749,668	1,916,256	3,194,159	5,186,857	4,149,265
Miscellaneous	611,946	905,114	982,332	663,405	1,077,945	817,810
Transfers	-	-	557,420	589,904	607,179	596,940
Total governmental activities	$ 47,489,948	$ 50,634,225	$ 49,875,667	$ 69,299,202	$ 74,651,252	$ 77,918,548
Business-type activities:						
Gain on sale of capital assets	105,840	15,000	700	12,582	-	6,192
Investment earnings	198,300	88,478	253,588	550,275	747,261	572,483
Miscellaneous	147,503	5	428,093	24,769	26,836	110,963
Transfers	-	-	(557,420)	(589,904)	(607,179)	(596,940)
Total business-type activities	$ 451,643	$ 103,483	$ 124,961	$ (2,278)	$ 166,918	$ 92,698
Total primary government	$ 47,941,591	$ 50,737,708	$ 50,000,628	$ 69,296,924	$ 74,818,170	$ 78,011,248
Change in Net Assets						
Governmental activities	$ 1,520,689	$ (777,899)	$ 8,931,488	$ 19,577,571	$ 5,766,969	$ 14,646,270
Business-type activities	1,659,412	745,221	1,985,448	2,316,089	3,605,005	962,494
Total primary government	$ 3,180,101	$ (32,678)	$ 10,916,936	$ 21,893,660	$ 9,371,974	$ 15,608,764

Data for the last six years is being reported. Data prior to GASB 34 implementation (2003) is not available.

FAYETTE COUNTY, GEORGIA

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
"Unaudited"

	Fiscal Year Ended June 30									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	$ 341,732	$ 655,779	$ 623,651	$ 547,720	$ 296,610	$ 403,077	$ 212,473	$ 168,270	$ 887,824	$ 106,725
Unreserved	13,577,411	17,764,014	23,121,241	21,833,565	24,363,075	26,722,824	28,346,527	29,267,067	30,239,612	31,564,804
Total General Fund	$ 13,919,143	$ 18,419,793	$23,744,892	$ 22,381,285	$ 24,659,685	$27,125,901	$28,559,000	$29,435,337	$31,127,436	$ 31,671,529
All Other Governmental Funds										
Reserved	$ 958,358	$ 1,215,114	$ 1,120,087	$ 1,628,367	$ 6,882,395	$ 2,018,237	$ 36,871	$ 23,324	$ 4,380,356	$ 6,199,702
Unreserved, reported in:										
Special revenue funds	3,653,687	3,958,738	4,631,127	4,682,878	5,116,075	7,012,090	12,211,096	8,918,364	8,853,559	4,687,541
Capital projects funds	5,475,079	57,840,933	52,309,217	32,930,874	21,480,488	16,618,700	16,677,312	39,863,830	48,351,826	64,920,684
Total All Other Governmental Funds	$ 10,087,124	$ 63,014,785	$58,060,431	$ 39,242,119	$ 33,478,958	$25,649,027	$28,925,279	$48,805,518	$61,585,741	$ 75,807,927
Total Governmental Funds	$ 24,006,267	$ 81,434,578	$81,805,323	$ 61,623,404	$ 58,138,643	$52,774,928	$57,484,279	$78,240,855	$92,713,177	$ 107,479,456

FAYETTE COUNTY, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
"Unaudited"

	Fiscal Year Ending June 30									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes	$ 28,846,267	$ 30,561,372	$ 36,176,148	$ 40,066,861	$ 41,028,475	$ 43,529,775	$ 45,085,843	$ 62,441,421	$ 65,113,592	$ 68,867,738
Licenses and permits	759,890	704,397	666,359	729,437	405,163	535,467	745,967	841,083	856,102	698,374
Intergovernmental	639,710	1,035,360	1,989,619	3,237,852	3,590,403	4,226,290	4,677,370	2,880,454	3,398,318	2,883,703
Charges for services	-	-	-	-	4,686,386	4,847,003	4,727,117	5,070,445	5,192,711	4,729,453
Fines and forfeitures	2,027,340	1,943,572	2,107,730	2,252,351	2,096,707	2,303,760	2,193,837	3,239,194	3,124,534	2,757,345
Investment Income	-	-	-	-	2,081,945	592,460	1,222,210	2,697,022	4,452,242	3,688,800
Contributions	-	-	-	-	34,616	9,939	39,875	808,590	896,329	20,582
Miscellaneous	4,076,668	4,456,643	8,751,074	8,505,515	446,196	546,676	990,392	658,057	5,600	733,744
Total revenues	36,349,875	38,701,344	49,690,930	54,792,016	54,369,891	56,591,370	59,682,611	78,636,266	83,039,428	84,379,739
Expenditures										
General government	4,051,610	4,266,256	$ 4,295,242	$ 4,441,482	$ 6,962,277	$ 7,433,934	$ 7,754,982	$ 7,942,522	$ 8,037,744	$ 8,165,598
Judical	2,721,097	3,021,851	3,237,992	3,294,422	3,779,507	4,020,094	4,290,835	4,619,714	5,370,540	5,674,771
Public safety	14,585,527	15,720,103	17,820,547	19,643,429	22,709,542	24,002,693	24,832,261	26,516,676	29,628,121	30,946,091
Public works	4,944,998	5,315,261	5,533,761	6,365,787	4,800,697	4,828,440	4,599,815	5,187,982	4,781,461	4,657,639
Health and welfare	504,687	577,352	441,826	575,413	641,558	637,974	819,266	689,879	705,001	719,934
Culture and recreation	1,183,089	1,267,068	1,473,895	1,396,527	1,532,083	1,751,545	1,551,419	1,768,694	1,902,937	2,070,906
Planning & community development	704,198	725,519	662,757	833,499	1,489,063	1,460,306	1,442,581	1,438,092	1,552,728	1,429,689
Capital Outlay	4,434,013	4,254,583	6,068,223	29,953,560	18,378,722	11,768,883	4,025,852	3,903,023	12,090,140	8,654,396
Intergovernmental	67,484	53,646	45,614	-	-	-	-	-	-	3,174,938
Debt service:	657,100	1,322,017	4,814,264	8,748,709	-	-	-	-	-	-
Principal retirement	-	-	-	-	1,010,000	1,676,902	1,758,656	1,849,800	1,937,428	2,031,612
Interest and fiscal charges	-	-	-	-	2,831,957	3,156,311	3,074,266	2,989,997	2,899,990	2,804,831
Paying agent fees/bonds	-	-	-	-	-	1,175	1,175	2,225	1,671	1,546
Total expenditures	33,853,803	36,523,656	44,394,121	75,252,828	64,135,406	60,738,257	54,151,108	56,908,604	68,907,761	70,331,951
Excess (deficiency)of revenues over expenditures	2,496,072	2,177,688	5,296,809	(20,460,812)	(9,765,515)	(4,146,887)	5,531,503	21,727,662	14,131,667	14,047,788
(Continued)										
Debt Service as a precentage of noncapital expenditures	2.3%	4.3%	14.4%	23.9%	9.2%	11.0%	10.7%	10.1%	9.3%	9.0%

FAYETTE COUNTY, GEORGIA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
"Unaudited"

	Fiscal Year Ending June 30									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Other financing sources (uses)										
Proceeds from capital lease	$ -	$ -	$ -	$ -	$ 7,760,000	$ -	$ -	$ -	$ -	$ -
Transfers in	2,345,623	5,322,984	994,004	6,410,418	3,579,658	2,491,003	5,036,640	6,887,887	6,873,563	11,857,799
Transfers out	(2,120,043)	(6,100,749)	(7,355,886)	(6,542,566)	(5,119,771)	(3,731,835)	(5,945,258)	(7,879,484)	(6,594,904)	(11,271,927)
Proceeds from sale of capital assets	89,126	987,046	784,951	11,512	60,867	24,004	86,466	20,511	61,996	132,620
Proceeds of Revenue Bonds	-	55,041,342	-	50,068,507	-	-	-	-	-	-
Payment to Refund Bond Escrow Agent	-	-	-	(49,668,978)	-	-	-	-	-	-
Proceeds of Refunding Certificates	-	-	-	-	-	-	-	-	-	-
Payment to Refunded Certificates Escrow Agent	-	-	-	-	-	-	-	-	-	-
Beginning Fund Balance Restated	-	-	650,867	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Total of other financing sources (uses)	314,706	55,250,623	(4,926,064)	278,893	6,280,754	(1,216,828)	(822,152)	(971,086)	340,655	718,492
Net change in fund balance	$ 2,810,778	$ 57,428,311	$ 370,745	$ (20,181,919)	$ (3,484,761)	$ (5,363,715)	$ 4,709,351	$ 20,756,576	$ 14,472,322	$ 14,766,279

FAYETTE COUNTY, GEORGIA
PROPERTY TAX LEVIES, COLLECTIONS AND
LOCAL OPTION SALES TAX PROCEEDS
Last Ten Calendar Years
"Unaudited"

Levy Year	Total Tax Levy	Current Tax Collections	Pecentage of Levy Collected	Collection of Prior Years Taxes	Total Tax Collection	Ratio of Total Tax Collections To Total Tax Levy	Outstanding Delinquent Tax	Ratio of Delinquent Tax To Total Tax Levy	Local Option Sales Tax Proceeds (1)
1998	73,262,980	71,753,763	97.94%	789,661	$72,543,425	99.02%	1,797,743	2.45%	6,579,868
1999	77,931,212	75,671,207	97.10%	1,577,140	$77,248,348	99.12%	2,300,138	2.95%	7,133,732
2000	87,653,979	85,883,758	97.98%	1,113,078	$86,996,837	99.25%	2,039,677	2.33%	7,542,051
2001	98,318,458	95,804,711	97.44%	1,231,744	$97,036,456	98.70%	2,666,609	2.71%	8,058,581
2002	98,383,520	106,593,238	108.34%	1,391,020	$107,984,259	109.76%	3,930,126	3.99%	7,889,458
2003	108,827,457	106,001,805	97.40%	1,448,920	$107,450,726	98.73%	4,011,248	3.69%	8,737,001
2004	118,001,735	114,100,400	96.69%	1,557,474	$115,657,875	98.01%	3,629,115	3.08%	9,092,061
2005	124,459,002	121,851,632	97.91%	2,131,166	$123,982,798	99.62%	3,727,920	3.00%	13,155,414
2006	133,958,330	131,657,606	98.28%	2,016,370	$ 133,673,976	99.79%	3,813,117	2.85%	10,654,218
2007	144,974,057	138,257,418	95.37%	1,568,262	$ 139,825,680	96.45%	3,527,833	2.43%	10,313,833

(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)
"Unaudited"

Year	Real Property Assessed Valued	Real Property Estimated True Value	Personal Property Assessed Valued	Personal Property Estimated True Value	Privately Owned Public Utilties Assessed Valued	Privately Owned Public Utilties Estimated True Value	Total Property Assessed Valued	Total Property Estimated True Value	Freeport-Homestead Exemption	Net Assessed Value	Total Direct Tax Rate	Ratio Total Assessed Value to Total True Value
1999	$ 2,040,979	$ 5,102,447	$ 538,042	$ 1,345,105	$ 51,610	$ 129,025	$2,630,631	$ 6,576,577	$ 211,758	$ 2,418,873	$ 33.45	40.00%
2000	2,188,484	5,471,210	576,575	1,441,438	51,610	129,025	2,816,669	7,041,673	201,423	2,615,246	$ 32.99	40.00%
2001	2,487,551	6,218,878	629,262	1,573,155	55,367	138,418	3,172,180	7,930,451	220,621	2,951,559	$ 32.97	40.00%
2002	2,769,201	6,923,001	676,250	1,690,626	57,599	143,998	3,503,050	8,757,625	236,391	3,266,659	$ 32.45	40.00%
2003	3,096,054	7,740,135	686,184	1,715,461	61,966	154,916	3,844,204	9,610,512	235,677	3,608,527	$ 31.71	40.00%
2004	3,379,741	8,449,353	675,928	1,689,820	62,756	156,890	4,118,425	10,296,063	235,057	3,883,368	$ 32.20	40.00%
2005	3,714,393	9,285,983	667,973	1,669,933	64,305	160,762	4,446,671	11,116,678	236,660	4,210,011	$ 31.58	40.00%
2006	4,139,511	10,348,778	322,690	806,725	64,757	161,893	4,526,958	11,317,395	190,619	4,336,339	$ 30.88	40.00%
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	5,079,647	12,699,119	356,792	891,980	70,522	176,305	5,506,961	13,767,403	263,826	5,243,135	$ 29.83	40.00%

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

FAYETTE COUNTY, GEORGIA

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(rate per $1,000 of assessed value)
"Unaudited"

	Fiscal Year Ended June 30									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Fayette County	5.21	5.21	6.56	6.64	6.19	5.87	5.42	5.19	4.89	5.43
Fayette County Board of Education	23.99	23.53	22.38	21.78	21.69	22.69	22.68	22.35	22.15	22.15
Fire District	4.00	4.00	3.78	3.78	3.58	3.39	3.23	3.09	2.91	2.00
State	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Total	33.45	32.99	32.97	32.45	31.71	32.20	31.58	30.88	30.19	29.83

FAYETTE COUNTY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
"Unaudited"

Taxpayer	2008 Taxable Assessed Value	2008 Rank	2008 Percentage of Total Taxable Assessed Value	1999 Taxable Assessed Value	1999 Rank	1999 Percentage of Total Taxable Assessed Value
NCR Corporation	$ 31,901,923	1	0.58%	$ 49,522,136	1	1.88%
Inland Southeast Fayette I & II	31,027,200	2	0.56%			
Inland Southeast Fayette III	22,646,940	3	0.41%			
Coweta Fayette EMC	19,571,691	4	0.36%	9,180,426	7	0.35%
Bellsouth Telecommunication	14,284,425	5	0.26%	-		
Matsushita Communication Corp	13,212,738	6	0.24%	23,394,752	2	0.89%
AMLI Residental Properties	12,683,400	7	0.23%			
Atlanta Gas Light Company	11,188,307	8	0.20%	8,012,902	8	0.30%
Hoshizaki America Inc	10,397,343	9	0.19%	12,994,612	4	0.49%
Georgia Power Company	10,166,458	10	0.18%	-		-
Summit Properties Partnership	9,865,200		0.18%	-		-
Alcan Packaging-Atlanta	9,835,582					
TDK/Electronic Corporation	-			19,133,920	3	0.73%
Photocircuits Corporation	-			10,300,020	6	0.39%
Fasson Roll Division	-			11,700,022	5	0.44%
Totals	$ 196,781,207		3.57%	$ 144,238,790		5.48%
Total taxable assessed value	$ 5,506,961,516			$ 2,630,631,000		

Source: Fayette County Tax Commissioner

NOTE: Fourth Quarter Properties was the original owner of Fayette Pavilion. Inland Southest purchased the Fayette Pavilion from Fourth Quarter Properties. TDK/Electronic Corporation and Photocircuits Corporation are no longer in business.

FAYETTE COUNTY, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
"Unaudited"

Fiscal Year	Governmental Activities				Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds Lease Purchase Obligations	Certificate of Participation	Capital Lease Obligations	Water Revenue Bonds			
1999	$ -	$ -	$ 5,000,000	$ 5,275,000	47,530,000	$ 57,805,000	1.93%	$ 635.92
2000	-	55,250,000	5,000,000	5,674,840	46,470,000	112,394,840	3.45%	1,220.24
2001	-	54,330,000	5,000,000	4,415,000	45,365,000	109,110,000	3.09%	1,154.79
2002	-	57,590,000	5,000,000	-	44,210,000	106,800,000	2.97%	1,107.47
2003	-	56,580,000	5,000,000	7,760,000	47,145,000	116,485,000	3.17%	1,178.56
2004	-	55,525,000	5,000,000	7,138,098	45,735,000	113,398,098	2.91%	1,119.06
2005	-	54,420,000	5,000,000	6,484,442	44,270,000	110,174,442	2.74%	1,085.46
2006	-	53,255,000	5,000,000	5,799,642	42,740,000	106,794,642	2.58%	1,029.84
2007	-	52,035,000	5,000,000	5,082,214	41,150,000	103,267,214	2.40%	990.59
2008	-	50,755,000	5,000,000	4,463,309	39,490,000	99,708,309	2.34%	946.00

(1) Source: The Bureau of Economic Analysis, U.S. Department of Commerce

FAYETTE COUNTY, GEORGIA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2008
"Unaudited"

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable(b)	Estimated Share of Overlapping Debt
Fayette County Board of Education (a)	$ 122,345,800	100%	$ 122,345,800
Peachtree City (b)	$ 6,535,000	100%	$ 6,535,000
Subtotal, overlapping debt			$ 128,880,800
Fayette County Public Facilities Authority	$ 50,755,000	100%	$ 50,755,000
Total direct and overlapping debt			$ 179,635,800

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

(b) Data provided by Peachtree City Finance Office.

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
"Unaudited"

	Fiscal Year Ended June 30, 2008									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt Limit	$ 263,063,100	$ 281,666,900	$ 317,218,000	$ 350,305,000	$ 384,420,400	$ 411,842,500	$ 444,667,100	$ 452,695,800	$ 485,152,700	$ 550,696,100
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 263,063,100	$ 281,666,900	$ 317,218,000	$ 350,305,000	$ 384,420,400	$ 411,842,500	$ 444,667,100	$ 452,695,800	$ 485,152,700	$ 550,696,100
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-	-	-	-	-	-
Legal Debt margin Calculation for Fiscal Year 1997										
Assessed value	$2,630,631,000	$2,816,669,000	$3,172,180,000	$3,503,050,000	$3,844,204,000	$4,118,425,000	$4,446,671,000	$4,526,958,000	$4,851,527,000	$5,506,961,000
Debt limit (10% of assessed value)	263,063,100	281,666,900	317,218,000	350,305,000	384,420,400	411,842,500	444,667,100	452,695,800	485,152,700	550,696,100
Debt applicable to limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Less: Amount set aside for repayment of General obligation debt	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 263,063,100	$ 281,666,900	$ 317,218,000	$ 350,305,000	$ 384,420,400	$ 411,842,500	$ 444,667,100	$ 452,695,800	$ 485,152,700	$ 550,696,100

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

FAYETTE COUNTY WATER SYSTEM

REVENUE BOND COVERAGE

LAST TEN FISCAL YEARS

"Unaudited"

	Fiscal Year Ended June 30, 2008									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Gross Revenues (1)	$ 9,822,865	$ 11,150,765	$ 10,942,013	$ 11,272,140	$ 11,046,078	$ 11,550,276	$ 11,887,582	$ 12,463,488	$ 13,542,989	$ 12,285,527
Operating Expenses (1)	3,617,372	3,981,842	4,596,143	4,508,066	5,000,024	5,570,037	5,697,835	5,298,587	5,879,900	5,793,108
Net Revenue Available for Debt Service (2)	6,205,493	7,168,923	6,345,870	6,764,074	6,046,054	5,980,239	6,189,747	7,164,901	7,663,089	6,492,419
Debt Service Payments	3,540,918	3,560,873	3,583,492	3,553,872	3,242,372	3,654,175	3,648,231	3,650,154	3,644,350	3,645,224
Coverage	1.75	2.01	1.77	1.90	1.86	1.64	1.70	1.96	2.10	1.78

(1) Refer to "Statement of Revenue, Expenses, and Changes in Fund Net Assets" (page 23)

(2) Represents revenue before depreciation and non-operating revenues and expenses.

FAYETTE COUNTY, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
"Unaudited"

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands) (2)	Per Capita Personal Income	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
1999	90,900	$ 2,999,000	$ 32,992	n/a	18,943	2.1%
2000	92,109	3,262,000	35,415	38.2	19,320	2.3%
2001	94,485	3,533,000	37,392	38.5	19,833	1.9%
2002	96,436	3,593,000	37,258	38.8	20,817	3.0%
2003	98,837	3,675,000	37,182	38.9	21,239	3.0%
2004	101,333	3,895,000	38,438	39	21,624	2.9%
2005	101,500	4,016,000	39,567	39	22,338	4.6%
2006	103,700	4,136,000	39,884	39	22,513	4.3%
2007	104,248	4,259,600	40,860	40	22,214	4.0%
2008	105,400	4,266,407	40,691	40	22,108	5.4%

(1) Source: Atlanta Regional Commission
(2) Source: The Bureau of Economic Analysis, U.S. Department of Commerce
(3) Source: United States Census
(4) Source: Fayette County Board of Education
(5) Source: Georgia Department of Labor

FAYETTE COUNTY, GEORGIA
Principal Employers
Current Year
"Unaudited"

	2008		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**
Panasonic	1,100	1	2.09%
Piedmont Fayette Hospital	930	2	1.77%
Cooper Lighting	650	3	1.23%
NCR	550	4	1.04%
Hoshizaki America, Inc	425	5	0.81%
Global Aero Logistics	275	6	0.52%
Alenco, Inc	221	7	0.42%
TDK Components	210	8	0.40%
APAC - Georgia	200	9	0.38%
Dolce Atlanta - Peachtree City	198	10	0.38%
Total	4,759		9.04%

Source: Development Authority of County
Data for 1999 not available.

FAYETTE COUNTY, GEORGIA

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

"Unaudited"

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government	101	106	108	107	107	107	113	113	120	125
Judicial	43	44	44	45	50	50	53	54	58	58
Public Safety										
Animal Control	5	5	5	5	5	5	5	6	6	6
Coroner	3	3	3	3	3	3	3	3	3	3
Emergency 911	27	27	30	30	30	30	30	30	36	36
Emergency Services	18	18	24	24	34	34	37	41	45	47
Fire	83	83	86	86	90	90	93	97	99	105
Marshal	9	10	10	10	10	10	10	10	12	12
Sheriff	133	141	149	149	215	212	214	216	217	230
Total Public Safety	278	287	307	307	387	384	392	403	418	439
Public Works										
Roads	45	47	47	47	47	47	49	47	49	50
Water System	56	62	65	65	66	65	61	62	62	62
Planning & Development	20	22	22	22	22	22	19	20	20	21
Culture and Recreation	14	14	14	14	19	19	17	17	18	19
Solid Waste Management	2	2	2	2	2	2	-	1	1	1
Total	559	584	609	609	700	695	704	717	746	775

Source: Fayette County Human Resources Department

FAYETTE COUNTY, GEORGIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
"Unaudited"

FUNCTION	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Number of Registered Voters	52,888	55,878	58,909	60,422	62,730	63,637	67,851	70,000	71,000	71,000
Number of Parcels assessed	33,650	34,700	36,121	37,643	38,110	39,194	39,194	40,348	41,709	42,000
Judicial										
Civil cases	627	569	620	771	1,443	1,543	1,570	n/a	1,120	1,875
Criminal cases	910	699	593	526	844	816	825	n/a	903	875
Firearms licenses	908	926	786	686	765	902	969	1,256	838	893
Juvenile cases filed	1,658	1,765	1,795	1,655	1,750	1,948	2,025	2,100	2,007	2,500
Marriage licenses	581	600	594	610	719	666	699	1,100	633	697
Passports	1,252	1,490	988	925	613	310	251	360	261	288
Real estate instruments filed	31,746	25,049	32,229	38,715	48,903	34,152	35,125	n/a	33,193	30,500
Public Safety										
Average daily jail population	177	210	225	234	246	226	217	220	228	228
Burning permits	11,203	11,508	12,103	12,250	12,302	13,586	15,161	12,700	15,161	0
Emergency response activity	4,457	5,021	5,103	5,051	5,021	5,792	6,463	6,250	6,418	6,418
Fire/EMS disptach	7,900	8,899	9,082	9,239	9,239	10,625	10,874	11,589	n/a	11,970
Law enforcement dispatch	39,427	38,364	39,451	51,372	51,372	44,827	46,070	46,737	n/a	n/a
Traffic tickets written	4,870	5,200	5,303	7,403	2,189	1,765	2,546	2,650	2,450	1,425
Public Works										
Number of vehicles serviced	160	171	191	191	200	195	220	196	198	194
Street maintenance (Miles)	225	231	457	464	466	466	475	478	510	601
Water production (million gallons per day)	2,920	2,860	2,941	2,917	2,719	8.7	9.0	9.1	7.9	8.9
Water System Customers	20,745	21,595	22,362	23,395	24,096	25,071	26,057	26,945	26,935	27,800
Planning & Development										
Building permits issued	1,104	964	737	829	773	918	833	800	743	750
Culture & Recreation										
Monthly circulation of library materials	127,000	27,000	38,093	40,000	42,581	24,954	25,997	27,083	27,083	26,867
Number of programs and classes offered	290	229	201	190	189	377	341	350	327	315
Reference questions answered monthly	24,100	55,000	74,392	8,333	7,500	7,750	7,917	8,083	8,083	8,167

Source: Fayette County Budget Document

FAYETTE COUNTY, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years
"Unaudited"

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government										
County Office Buildings	1	1	1	1	1	1	1	1	1	1
Senior Citizens Center										1
Judicial system										
Justice Center	1	1	1	1	1	1	1	1	1	1
Public Safety										
Patrol Vehicles (1)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	160	160	155
Fire Stations	8	8	9	9	9	9	9	9	9	9
Public Works										
Miles of County Maintained Roads	224.8	230.8	456.6	463.6	466.1	465.6	474.5	478.2	510.0	601.6
Miles of Road Resurfacing	29.6	26.5	27.1	30.8	27	49.5	38.9	33.24	33.24	55.4
Culture and Recreation										
Park Acreage	187	359	359	359	366	366	366	366	366	366
Parks	5	6	6	6	6	6	6	6	6	6
Multi-purpose facility	1	1	1	1	1	1	1	1	1	1
Water System										
Water Treatment Plant	1	1	1	2	2	2	2	2	2	2

(1) Information not available for years 1999 through 2005.

Source: Fayette County Fixed Asset Records and Department Heads

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