

FINANCIAL SECTION

Baird & Company CPAs, LLC

CERTIFIED PUBLIC ACCOUNTANTS & FINANCIAL ADVISORS

Augusta, Georgia Office

John P. Gillion, Jr., CPA, PFS, CFS, CVA, CFP®
J.T. Cosnahan, CPA, CFE, FCPA, DABFA, CICA, CGFM
Rep E. Whiddon, CPA, CVA
Brenda F. Carroll, CPA, CFE, CIA, CICA, FCPA

Thomson, Georgia Office

Benjamin B. Barmore, CPA, MCP, CITP
W. Lee Hammond, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Columbia County, Georgia
Evans, 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 aggregate remaining fund information of Columbia County, Georgia, as of and for the year ended June 30, 2007, which collectively comprise Columbia County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of Columbia County, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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 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 provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Columbia County, Georgia, as of June 30, 2007, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund 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 November 30, 2007, on our consideration of Columbia County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

To the Board of Commissioners
Columbia County, Georgia
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Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally 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 Columbia County, Georgia, basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budget and actual, special revenue fund statements, capital assets used in the operation of governmental funds statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budget and actual, special revenue fund statements, and capital assets used in the operation of governmental funds statements have been subjected to the auditing procedures applied in the 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 section and statistical section 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.


BAIRD & COMPANY, CPAS, LLC
Certified Public Accountants

November 30, 2007
Augusta, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion & Analysis

The Management's Discussion and Analysis of the Comprehensive Annual Financial Report (CAFR) of Columbia County, Georgia (the Government) provides an overall narrative and analysis of the Government's financial statements for the fiscal year ended June 30, 2007. This discussion and analysis is designed to look at the Government's financial performance as a whole. Readers should also review the additional information provided in the transmittal letter, which can be found preceding this narrative, and the complete financial statements, with notes, which follow this narrative, to enhance their understanding of the Government's financial performance.

Financial Highlights

Key financial highlights of the Primary Government for the year ended June 30, 2007, are as follows:

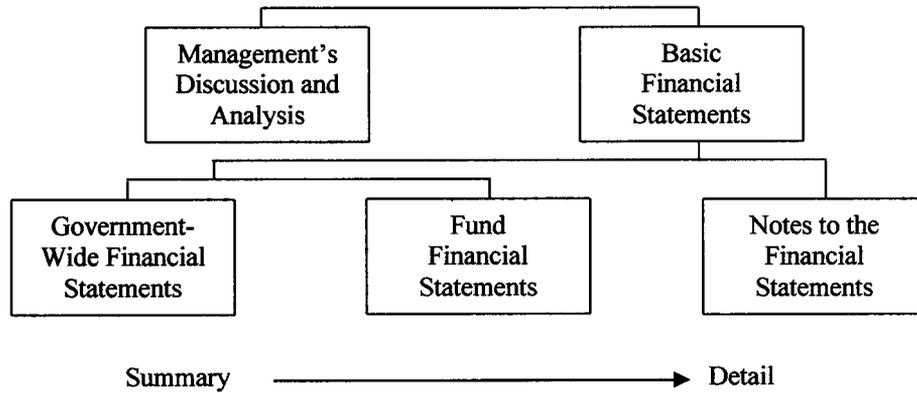
- The Government's combined net assets totaled \$321.3 million.
- The Government's total net assets increased by \$40.5 million, primarily due to increased revenue from capital grants and contributions of \$6 million, property taxes of \$3.9 million, sales taxes of \$2.8 million, and the use of money/property of \$1.4 million.
- As of the close of the current fiscal year, the Government's governmental funds reported combined ending fund balances of \$108.8 million, an increase of approximately \$45.3 million from the prior year, primarily due to the issuance of general obligation bonds during the fiscal year. Approximately 85% of this total amount, or \$92.3 million, is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$25.2 million, or 54.3% of total General Fund expenditures for the fiscal year. Of this amount, \$15.5 million has been designated for other purposes, leaving \$9.7 million, or 20.8% of total General Fund expenditures, as undesignated.
- Combined Revenue totaled \$136.1 million of which governmental activities totaled \$96.5 million and business-type activities totaled \$39.6 million.
- Overall expenses totaled \$95.6 million of which governmental activities totaled \$72.8 million and business-type activities totaled \$22.8 million.
- Expenses of governmental activities exceeded program revenue, resulting in the use of \$52.1 million in general revenues (mostly taxes).
- Total Outstanding Long-Term Debt, excluding compensated absences and the liability for landfill closure/postclosure care costs, increased approximately \$36.2 million primarily due to the issuance of \$41.9 million of general obligation bonds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Government's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the Government through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Government.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Government's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of Columbia County, Georgia's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Government's non-major governmental funds and internal service funds, all of which are added together in one column on the appropriate basic financial statements.

Government-wide Financial Statements

The Government-wide financial statements provide a broad view of the Government's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the Government's financial position, which assists in assessing the economic condition at the end of the fiscal year. These statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. This means the statements take into account all revenues and expenses connected with the fiscal year even if cash involved has not been received or paid. The government-wide financial statements include the following two statements:

The **Statement of Net Assets** presents information on all of the Government's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Government is improving or deteriorating.

The **Statement of Activities** presents information showing how the Government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave). This statement also presents a comparison between direct expense and program revenues for each function of the Government.

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities and 3) component units. The governmental activities include most of the Government's basic services such as general administration, judicial services, public safety, public works, health and welfare, culture and recreation, and housing and development. Property taxes, local option sales taxes and state and federal grant funds finance most of these activities. The business-type activities are those services that the Government charges a fee to customers in order to provide. These include solid waste management, water and sewer, and storm water. The final category is component units. The Development Authority of Columbia County serves to promote, pursue and implement economic development in the County. The Columbia County Board of Health is a public health department. The Columbia County Convention and Visitors Bureau (CCCVB) provides convention and tourist promotion services for the benefit of the County, local businesses, and neighboring counties. The Bartram Trail, CDC, Inc. is a community development corporation created to develop, construct, and operate a public golf course in Columbia County. Although legally separate from the Government, the Government appoints a voting majority of the boards for the Development Authority, the Board of Health, the CCCVB, and the Bartram Trail, CDC, Inc.

Fund Financial Statements

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. The Government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus on individual parts of the Government, reporting the Government's operations in more detail than the government-wide statements. All of the funds of the Government can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. These fund categories use different accounting approaches and should be interpreted differently.

Governmental Funds

Most of the basic services provided by the Government are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as government activities in the government-wide financial statements. However, unlike the government-wide statements, these funds focus on how assets can readily be converted into cash and the amount of funds left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which focuses on current financial resources. Such information may be useful in evaluating the government's short-term financing requirements. These statements provide a detailed short-term view of the Government's finances that assists in determining whether there will be adequate financial resources available to meet the Government's current needs. The relationship between government activities in the government-wide financial statements and the governmental funds financial statements is described in a reconciliation that is a part of the fund financial statements.

The Government has four governmental fund types: the General Fund, Special Revenue Funds, Debt Service Funds and the Capital Projects Funds. Only three individual funds are being considered major funds – the General Fund, the 2006-2010 Special Purpose Local Option Sales Tax Fund (SPLOST) and the 2006 Capital Improvements Projects Fund.

Proprietary Funds

The Government has two types of proprietary funds used to account for activities that operate similar to commercial enterprises found in the private sector. Funds that charge fees for services provided to outside customers including other local governments are known as Enterprise Funds. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Funds that charge fees for services provided to departments within the reporting government are known as Internal Service Funds. Proprietary funds use the accrual basis of accounting, thus the only reconciling items needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements relate to the elimination of internal service fund activity and interfund indirect cost allocations.

The Government has four enterprise funds: Water and Sewerage Fund, Solid Waste Authority Fund, Solid Waste Management Fund and the Storm Water Utility Fund. The Government has three internal service funds: Employee Medical Fund, Risk Management Fund and Customer Service Information Center. The Water and Sewerage Fund, Solid Waste Authority Fund and Storm Water Utility Fund are the only funds being considered major funds for presentation purposes.

Fiduciary Funds

The Fiduciary Funds are used to account for assets held by the Government as an agent for individuals, private organizations, other governments and other Columbia County departments. The Government is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These funds are not reflected in the government-wide financial statements because the resources are not available to support the Government's operations or programs.

Government-wide Financial Analysis

Net Assets

Net assets may serve over time as one useful indicator of a government's financial condition. The assets of the Government exceeded liabilities by \$321.3 million as of June 30, 2007.

The largest portion of the Government's net assets, \$234.6 million or 73%, reflects its investment in capital assets such as land, buildings, equipment and infrastructure (road, bridges, sidewalks, water lines and sewer lines) less any related debt used to acquire those assets that is still outstanding. The Government uses these capital assets to provide services to its citizens; therefore, these assets are not available for future spending. Although the Government's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Government's net assets, \$13.6 million or 4%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$73.1 million or 23%, may be used to meet the Government's ongoing obligations to citizens and creditors.

Several particular aspects of the Government's financial operations positively influenced the total *unrestricted governmental net assets*:

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 99% for real and personal property.
- Continued low cost of debt due to the County's high bond rating.
- Continued diligence in the maintenance of a 75 – 100 day (25% of operating expenditures) unreserved fund balance designated for operations in the General Fund.

The Government's Net Assets
June 30
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 113,007,725	\$ 67,512,253	\$ 68,034,499	\$ 63,176,935	\$ 181,042,224	\$ 130,689,188
Capital assets	165,415,108	147,072,422	162,393,169	152,636,473	\$ 327,808,277	\$ 299,708,895
Total assets	<u>278,422,833</u>	<u>214,584,675</u>	<u>230,427,668</u>	<u>215,813,408</u>	<u>\$ 508,850,501</u>	<u>\$ 430,398,083</u>
Long-term liabilities outstanding	92,863,053	53,068,626	85,762,238	88,423,556	\$ 178,625,291	\$ 141,492,182
Other liabilities	6,996,048	6,657,527	1,940,218	1,441,753	\$ 8,936,266	\$ 8,099,280
Total liabilities	<u>99,859,101</u>	<u>59,726,153</u>	<u>87,702,456</u>	<u>89,865,309</u>	<u>\$ 187,561,557</u>	<u>\$ 149,591,462</u>
Net assets:						
Invested in capital assets, net of related debt	122,870,737	110,640,776	111,733,508	100,164,375	\$ 234,604,245	\$ 210,805,151
Restricted	9,213,883	8,782,650	4,428,616	4,730,743	\$ 13,642,499	\$ 13,513,393
Unrestricted	46,479,112	35,435,096	26,563,088	21,052,981	\$ 73,042,200	\$ 56,488,077
Total net assets	<u>\$ 178,563,732</u>	<u>\$ 154,858,522</u>	<u>\$ 142,725,212</u>	<u>\$ 125,948,099</u>	<u>\$ 321,288,944</u>	<u>\$ 280,806,621</u>

Changes in Net Assets

Governmental Activities. Governmental activities increased the Government's net assets by \$23.7 million, thereby accounting for 58.6% of the total growth in the net assets of the Government. Key elements of this increase are as follows:

Governmental Revenues. Property tax and sales/other taxes continue as the main source of revenue for governmental activities of the Primary Government amounting to 74% of total governmental revenues for the year ended June 30, 2007. Increases in property tax and sales tax revenues contributed approximately \$3.9 million and \$2.8 million, respectively, to the increase in net assets due to growth in the County, not increases in tax rates. Also, revenues from the use of money and property increased by \$1 million due to the effective use of resources.

Governmental Functional Expenses: As reflected in the summary of Changes in Net Assets, the Government expended 50% of the governmental appropriations for judicial and public safety expenditures, which is comparable to the 49% expended in the prior year. Thus, the Government continues to commit substantial financial resources for the safety of its citizens.

Business-type activities: Business-type activities increased the Government's net assets by approximately \$16.8 million, accounting for 41.4% of the total growth in the government's net assets. Key elements of this increase are as follows:

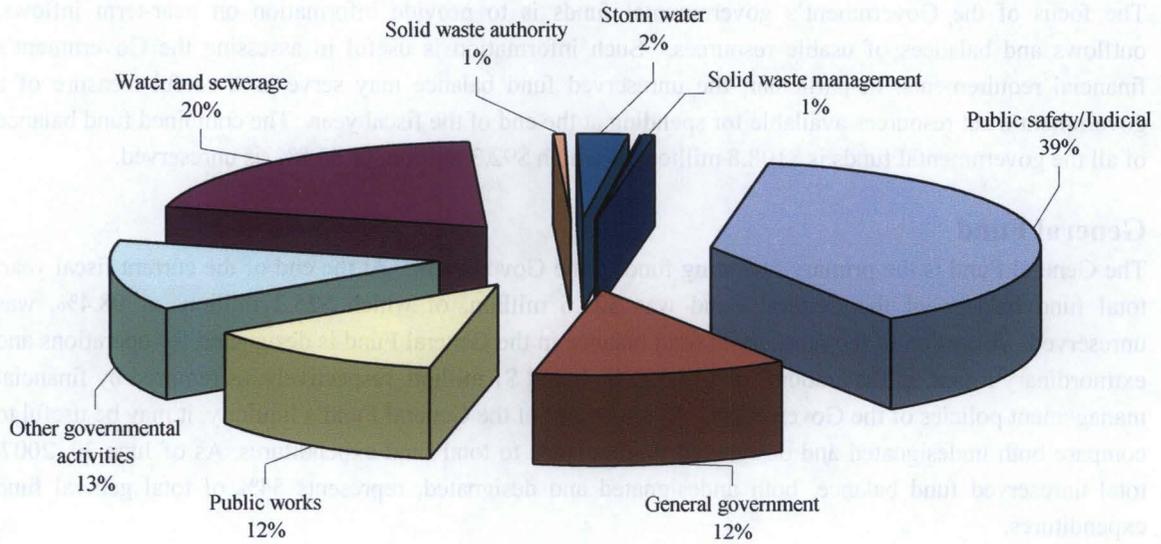
- The Water and Sewerage Fund reported an increase in net assets of \$11.7 million due to continued operating efficiency of the fund. As the system continues to expand, management is able to control operating costs in connection with establishing rates sufficient to ensure an increase in net assets. 6,319 customers were added to the system during the fiscal year, representing a 10.5% increase in customers.
- The Solid Waste Authority Fund reported a decrease in net assets of \$777,275. Because the revenue bonds outstanding were paid in full as of July 1, 2005, no further revenues were received from landfill operations in compliance with the bond resolution. The landfill D cell reached 100% capacity as of June 30, 2006, and was closed during the fiscal year ended June 30, 2007. Due to revised estimates and costs associated with the start of the closure process, the liability for closure and postclosure care costs of the D cell increased by \$429,504. Once closure of the D cell is complete, the future of the Solid Waste Authority will be determined.
- The Storm Water Utility Fund reported an increase in net assets of \$5.2 million primarily due to capital contributions of \$5.2 million.

**The Government's Changes in Net Assets
For the Year Ended June 30**

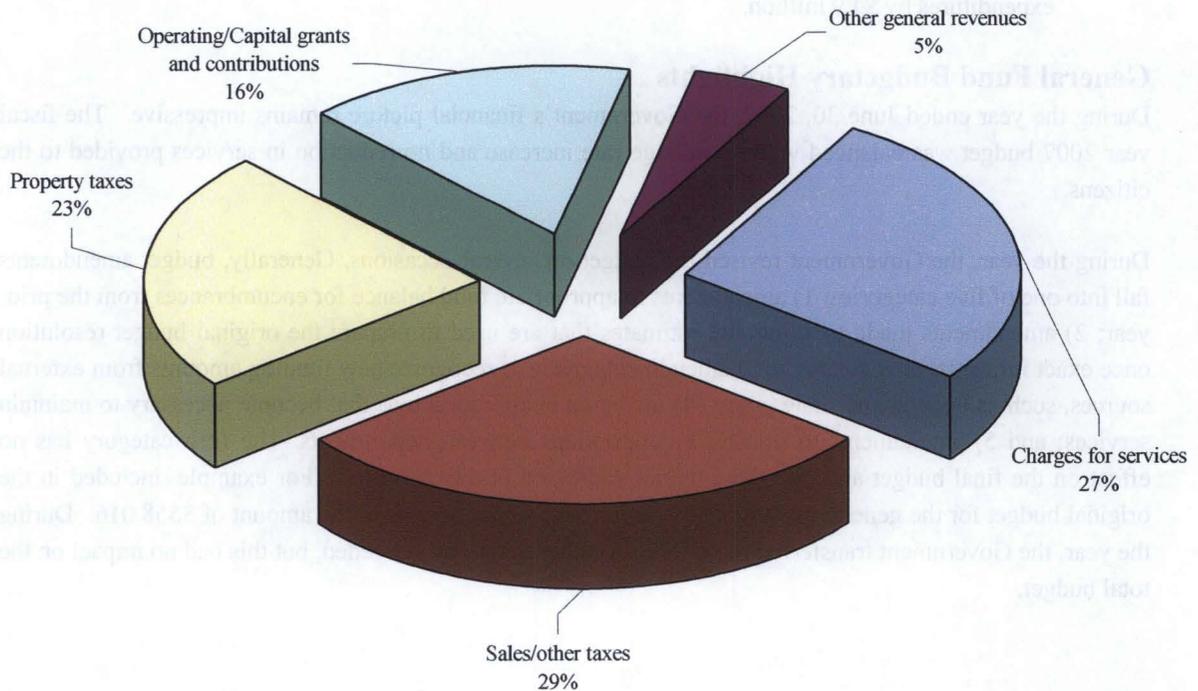
Figure 3

	Governmental Activities		Business-type Activities		Total	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenues:						
Program revenues:						
Charges for services	\$ 11,072,458	\$ 10,579,386	\$ 25,910,568	\$ 25,359,417	\$ 36,983,026	\$ 35,938,803
Operating grants and contributions	1,049,960	1,164,616	5,685	1,058	1,055,645	1,165,674
Capital grants and contributions	8,572,725	5,250,154	11,934,565	9,270,834	20,507,290	14,520,988
General revenues:						
Property taxes	31,607,726	27,678,007	-	-	31,607,726	27,678,007
Sales/other taxes	39,553,222	36,641,421	-	-	39,553,222	36,641,421
Revenues from use of money	3,757,809	2,725,032	1,640,744	1,275,916	5,398,553	4,000,948
Gain on sale of assets	517,264	111,213	-	-	517,264	111,213
Miscellaneous	340,422	611,982	121,614	-	462,036	611,982
Total revenues	<u>96,471,586</u>	<u>84,761,811</u>	<u>39,613,176</u>	<u>35,907,225</u>	<u>136,084,762</u>	<u>120,669,036</u>
Expenses:						
General government	11,940,833	12,100,256	-	-	11,940,833	12,100,256
Judicial system	4,672,983	4,196,206	-	-	4,672,983	4,196,206
Public safety	31,753,164	28,887,680	-	-	31,753,164	28,887,680
Public works	11,699,587	10,961,395	-	-	11,699,587	10,961,395
Health and welfare	1,731,268	1,661,255	-	-	1,731,268	1,661,255
Culture and recreation	4,113,533	3,813,790	-	-	4,113,533	3,813,790
Housing and development	3,414,562	3,632,560	-	-	3,414,562	3,632,560
Interest on long-term debt	3,440,446	2,274,689	-	-	3,440,446	2,274,689
Water and sewer	-	-	19,484,553	18,669,932	19,484,553	18,669,932
Storm water	-	-	2,264,348	1,922,818	2,264,348	1,922,818
Solid waste management	-	-	595,462	1,338,158	595,462	1,338,158
Solid waste authority	-	-	491,700	741,569	491,700	741,569
Total expenses	<u>72,766,376</u>	<u>67,527,831</u>	<u>22,836,063</u>	<u>22,672,477</u>	<u>95,602,439</u>	<u>90,200,308</u>
Increase in net assets	23,705,210	17,233,980	16,777,113	13,234,748	40,482,323	30,468,728
Net assets, July 1	<u>154,858,522</u>	<u>137,624,542</u>	<u>125,948,099</u>	<u>112,713,351</u>	<u>280,806,621</u>	<u>250,337,893</u>
Net assets, June 30	<u>\$ 178,563,732</u>	<u>\$ 154,858,522</u>	<u>\$ 142,725,212</u>	<u>\$ 125,948,099</u>	<u>\$ 321,288,944</u>	<u>\$ 280,806,621</u>

Government-Wide Expenses



Government-Wide Revenues



Financial Analysis of the Government's Individual Funds

Columbia County uses fund accounting to demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Government's governmental funds is to provide information on near-term inflows, outflows and balances of usable resources. Such information is useful in assessing the Government's financial requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The combined fund balance of all the governmental funds is \$108.8 million, of which \$92.3 million, or 84.8%, is unreserved.

General Fund

The General Fund is the primary operating fund of the Government. At the end of the current fiscal year, total fund balance of the General Fund was \$25.6 million, of which \$25.2 million, or 98.4%, was unreserved. A portion of the unreserved fund balance in the General Fund is designated for operations and extraordinary losses, in the amounts of \$14.5 million and \$1 million, respectively, as required by financial management policies of the Government. As a measure of the General Fund's liquidity, it may be useful to compare both undesignated and designated fund balance to total fund expenditures. As of June 30, 2007, total unreserved fund balance, both undesignated and designated, represents 54% of total general fund expenditures.

The total fund balance of the General Fund increased by \$5.2 million (25.8%) during the current fiscal year. Key factors contributing to this increase are as follows:

- ◆ Total revenue exceeded prior year revenue by \$4.4 million, or 9.3%, primarily due to the increase of \$4.6 million in taxes. This increase includes additional sales tax revenues of \$1.3 million and additional property taxes of \$3.5 million.
- ◆ Although expenditures increased in fiscal year 2007 by \$4.1 million, or 9.6%, revenues exceeded expenditures by \$4.9 million.

General Fund Budgetary Highlights

During the year ended June 30, 2007, the Government's financial picture remains impressive. The fiscal year 2007 budget was balanced with no millage rate increase and no reduction in services provided to the citizens.

During the year, the Government revised the budget on several occasions. Generally, budget amendments fall into one of five categories: 1) amendments to appropriate fund balance for encumbrances from the prior year; 2) amendments made to adjust the estimates that are used to prepare the original budget resolution once exact information is available; 3) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; 4) increases in appropriations that become necessary to maintain services; and 5) amendments to transfer appropriations between departments. The fifth category has no effect on the final budget and, therefore, is not addressed in this narrative. For example, included in the original budget for the general government function was a contingency in the amount of \$558,016. During the year, the Government transferred these funds to other functions as needed, but this had no impact on the total budget.

Amendments to the General Fund budget increased revenues by \$675,694, decreased expenditures by \$63,516, increased other financing sources by \$34,000, and increased other financing uses by \$773,210. Amendments consisted of the following:

- An increase in grant revenues and expenditures of \$23,000 to fund various emergency services programs;
- A transfer in of \$34,000 from the completion of the Windmill Sewer Project, accounted for within a capital projects fund;
- A transfer out of undesignated fund balance of \$353,653 to supplement revenues of the Fire Services Fund, a special revenue fund, and \$419,557 to complete various capital projects.

The actual operating revenues for the General Fund were more than the final budgeted amount by \$2.8 million due to an excess of total tax revenue of \$3.2 million over the budgeted amount. The individual sources within the revenues fluctuated both positively and negatively. Except for the tax category as previously mentioned, no individual source materially varied from the final budget. In order to balance revenues with expenditures, the Government budgeted as a revenue \$652,694 of undesignated fund balance to be used for interfund transfers.

As a result of superior budget management by all departments of the Government, actual operating expenditures were less than the budgeted amount by \$1.8 million. For the year, actual revenues and other financing sources exceeded actual expenditures and other financing uses by \$5.2 million.

Capital Projects Funds

The Government uses Capital Projects Funds to account for the acquisition and construction of major capital facilities that are not financed by Proprietary Funds. Two major funds included in the fund financial statements are the 2006-2010 SPLOST Fund and the 2006 Capital Improvements Projects (CIP) Fund. The proceeds of the special purpose 1% sales tax and the 2007B general obligation bond issue are accounted for in these capital projects funds until improvement projects are completed. The fund balances as of June 30, 2007, for the SPLOST Fund and the CIP Fund total \$7.9 million and \$39 million, respectively, all of which is held for specific construction and improvement projects and capital acquisitions. The increase in fund balances in the SPLOST Fund and CIP Fund is due to the timing of the collection of revenues as compared to project expenditures. The fund balances in these funds will continue to decrease each year as the capital projects are completed.

Proprietary Funds

The activities of the Government that render services to the general public on a user charge basis, or that require periodic determination of revenues for public policy, are accounted for as Enterprise Funds. The Government's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets of major proprietary funds at the end of the year were as follows: Water and Sewerage Fund, \$21.9 million; Solid Waste Authority Fund, \$(532,640); Storm Water Utility Fund, \$2.3 million. The total growth (reduction) in net assets for previously mentioned funds was \$11.7 million, \$(777,275), and \$5.2 million, respectively. Factors concerning the finances of these funds have already been addressed in the discussion of the Government's business-type activities.

Capital Assets and Debt Administration

Capital Assets

The Government's investment in capital assets for its governmental and business-type activities as of June 30, 2007, amounts to \$327.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the Government, such as roads, bridges, streets and sidewalks, drainage systems and other similar items.

Major capital asset transactions during the year include:

- Completion of \$13.1 million of infrastructure and other public works projects.
- Addition of water and sewer systems of \$31 million and storm water systems of \$5.8 million.
- Net increase in construction in progress for governmental activities of \$10 million .

Additional information on the Government's capital assets can be found in Note 6 of the notes to the financial statements of this report.

The Government's Capital Assets
(net of depreciation)
June 30
Figure 4

	Governmental Activities		Business-type Activities		Total	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Land	\$ 32,846,944	\$ 32,686,922	\$ 1,470,680	\$ 1,470,680	\$ 34,317,624	\$ 34,157,602
Buildings	39,970,291	42,141,914	927,361	973,924	40,897,652	43,115,838
Improvements other than buildings	8,366,340	6,645,089	794,600	837,594	9,160,940	7,482,683
Utility plant and distribution systems	-	-	87,056,282	66,068,915	87,056,282	66,068,915
Donated subdivisions	-	-	47,194,508	42,005,814	47,194,508	42,005,814
Storm water systems	-	-	15,663,379	10,938,945	15,663,379	10,938,945
Infrastructure	43,644,027	34,964,336	-	-	43,644,027	34,964,336
Vehicles, machinery and equipment	5,746,226	5,836,072	1,412,346	1,595,865	7,158,572	7,431,937
Construction in progress	34,841,280	24,798,089	7,874,013	28,744,736	42,715,293	53,542,825
Total	\$ 165,415,108	\$ 147,072,422	\$ 162,393,169	\$ 152,636,473	\$ 327,808,277	\$ 299,708,895

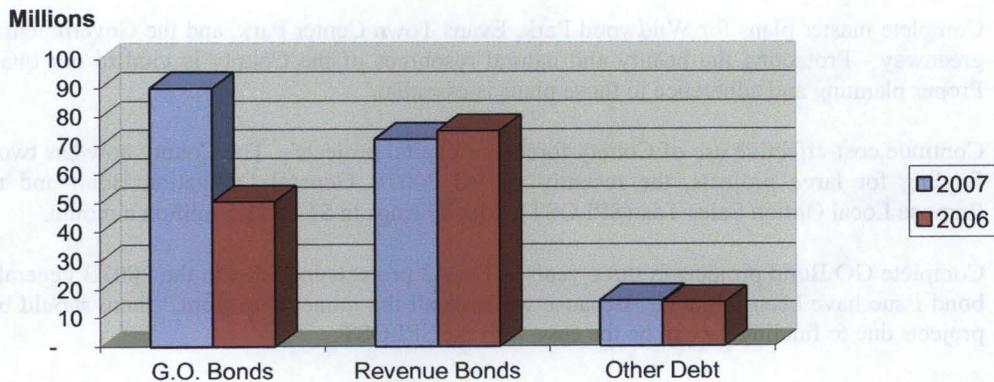
Long-Term Debt

As of June 30, 2007, the Government had a total of \$178.6 million in outstanding long-term debt. Of this amount, \$90.1 million consists of general obligation debt backed by the full faith and credit of the government, \$72.3 million consists of revenue bonds backed by the revenues of the water and sewer system, \$11.8 million consists of the liability for landfill closure, and \$4.4 million in other liabilities. The Government retired \$33.9 million of outstanding bonds during the year ended June 30, 2007, and issued \$68.7 million in new general obligation bonds.

The Government's Outstanding Debt General Obligation and Revenue Bonds June 30, 2007 and 2006

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
General obligation bonds	\$ 90,100,231	\$ 50,685,319	\$ -	\$ -	\$ 90,100,231	\$ 50,685,319
Revenue bonds	-	-	72,308,686	75,234,393	72,308,686	75,234,393
Other debt	2,762,822	2,383,307	13,453,552	13,189,163	16,216,374	15,572,470
Total debt	\$ 92,863,053	\$ 53,068,626	\$ 85,762,238	\$ 88,423,556	\$ 178,625,291	\$ 141,492,182



In December 2006, the Government made presentations to the bond rating agencies in New York in preparation for the issuance and refunding of general obligation bonds. The Government maintains a bond rating of AA from Fitch and Standard and Poor's and received an upgrade from Moody's Investor Services to Aa2 from Aa3 for the general obligation debt. Fitch and Standard and Poor's maintain a rating of AA- for the water and sewerage debt, while Moody's Investor Services maintains a rating of Aa3 for the water and sewerage debt. These bond ratings are clear indications of the sound financial condition of the Government. These high ratings are a primary factor in keeping interest costs low on the Government's outstanding debt.

The State of Georgia limits the amount of general obligation debt that a unit of government can issue to 10% of the net assessed value of taxable property located within that government's boundaries. The legal debt margin for the Government is \$293 million.

Additional information regarding the Government's long-term debt can be found in Note 7 of the notes to the financial statements of this report.

Economic Factors

The Board of Commissioners (BOC) have continued to aggressively address the current and future needs of the Government by focusing on sound financial management, the reserve policy, the use of current resources for capital expenditures and the development of capital improvement plans. With a growing, diverse population, the challenge is to continue to improve the quality of life by concentrating on the demands placed on the public infrastructure such as transportation, water supply, wastewater treatment, the demands of revitalization of many business areas and the demands of greenspace conservation. Although the nation and surrounding counties are facing financial difficulties, Columbia County is able to maintain low property tax rates and low debt levels and has increased the reserves so that we can remain a leader and provide the best place to live, work and play.

Budget Highlights for the Fiscal Year Ending June 30, 2008

Every year, the County's overall goal is to provide essential services to our citizens as cost effectively and professionally as possible. The BOC works diligently to plan for the future while ensuring that current programs and processes are working as smoothly as possible. We continually seek to improve. We are pleased that through our fiscal responsibility we are able to make some dreams come into reality this year. Here are a few of our top goals:

1. Prepare a balanced budget with no millage rate increase and millage rollback – For over eight (8) years, we have had a balanced budget with no millage rate increase. Because of increased sales taxes in the past year, we were able to have a millage rollback.
2. Complete master plans for Wildwood Park, Evans Town Center Park, and the Government Center and greenway - Protecting the beauty and natural resources of the County is vital to our quality of life. Proper planning and adherence to those plans is essential.
3. Continue cost-effective use of County forces for capital projects – The County now has two sources of funding for large projects, the recently passed 2007B General Obligation Bond and the Special Purpose Local Option Sales Tax (SPLOST), which brings in \$1 to \$1.5 million a month.
4. Complete GO Bond projects in three years – The 42 projects included in the 2007B general obligation bond issue have been initiated. Because we have all the money “up front,” there should be no lag in projects due to funding, as can be the case with the SPLOST.
5. Improve plan review turnaround time to ten work days or less – Due to our new advanced technology, inspectors in the field, reviewers in the office and the builder/developer can view plans simultaneously on their computers, consult with each other, and make needed changes.
6. Layout and design overlays for emerging nodes of development – So much time is spent on planning and zoning in such a rapidly growing county. Our “nodal” concept of areas or retail/commercial at large intersections surrounded by housing has been established in the County is expected to be adopted in several more areas.

Below are additional budget highlights of the General Fund:

Requests for Information

This report is designed to provide an overview of the Government's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, Columbia County, Georgia, 630 Ronald Reagan Drive, Evans, Georgia 30809.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Columbia County, Georgia

Statement of Net Assets

June 30, 2007

	Primary Government			Development Authority of Columbia County	Columbia County Board of Health	Bartram Trail CDC, Inc.	Convention and Visitors Bureau
	Governmental Activities	Business- Type Activities	Total				
Assets							
Cash and cash equivalents	\$ 41,694,724	\$ 12,942,660	\$ 54,637,384	\$ 1,481,571	\$ 24,474	\$ 54,029	\$ -
Investments	11,809,162	9,028,542	20,837,704	-	-	-	-
Taxes receivable	801,961	-	801,961	-	-	-	-
Accounts receivable	1,119,525	4,204,213	5,323,738	-	41,365	13,009	-
Intergovernmental receivable	5,412,665	-	5,412,665	-	-	-	120,455
Investment in Spec Building	-	-	-	590,000	-	-	-
Internal balances	(324,159)	324,159	-	-	-	-	-
Inventories	24,341	567,168	591,509	-	-	24,796	-
Prepaid items	121,444	33,355	154,799	-	-	-	196
Deferred charges	1,099,495	3,212,582	4,312,077	-	-	847,364	-
Restricted assets:							
Restricted cash	44,660,693	14,235,461	58,896,154	-	238,981	727,754	-
Restricted investments	6,587,874	23,486,359	30,074,233	-	-	-	-
Capital assets:							
Land and construction in progress	67,688,224	9,344,693	77,032,917	140,641	-	1,500,000	-
Other capital assets, net of accumulated depreciation	97,726,884	153,048,476	250,775,360	-	-	5,978,927	-
Total assets	278,422,833	230,427,668	508,850,501	2,212,212	304,820	9,145,879	120,651
Liabilities							
Accounts payable	4,455,055	1,437,201	5,892,256	10,517	1,926	143,987	8,683
Accrued payroll	691,592	105,238	796,830	10,531	10	-	1,419
Unearned revenue	141,287	-	141,287	-	-	26,017	-
Due to component units	120,455	-	120,455	-	-	-	-
Accrued interest payable	1,587,659	290,332	1,877,991	-	-	-	-
Customer deposits	-	107,447	107,447	-	-	-	-
Long-term liabilities:							
Liabilities due within one year	8,500,000	4,234,800	12,734,800	715,000	91,275	119,000	-
Liabilities due in greater than one year	84,363,053	81,527,438	165,890,491	1,765,000	-	10,026,200	-
Total liabilities	99,859,101	87,702,456	187,561,557	2,501,048	93,211	10,315,204	10,102
Net assets							
Invested in capital assets, net of related debt	122,870,737	111,733,508	234,604,245	140,641	-	(2,666,273)	-
Restricted for debt service	9,213,883	468,667	9,682,550	-	-	727,754	-
Restricted for landfill operations	-	3,959,949	3,959,949	-	-	-	-
Unrestricted	46,479,112	26,563,088	73,042,200	(429,477)	211,609	769,194	110,549
Total net assets	\$ 178,563,732	\$ 142,725,212	\$ 321,288,944	\$ (288,836)	\$ 211,609	\$ (1,169,325)	\$ 110,549

The notes to the financial statements are an integral part of this statement.

Columbia County, Georgia
Statement of Activities
For the Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 11,940,833	\$ 1,865,185	\$ 1,549,229	\$ 8,497,725
Judicial system	4,672,983	2,784,500	60,088	-
Public safety	31,753,164	2,543,311	120,845	-
Public works	11,699,587	1,138,247	(921,645)	75,000
Health and welfare	1,731,268	181,868	153,303	-
Culture and recreation	4,113,533	693,329	5,340	-
Housing and development	3,111,522	1,866,018	82,800	-
Debt service - interest and fees	3,400	-	-	-
Total governmental activities	72,766,167	11,072,458	1,049,960	8,572,725
Business-type activities:				
Water and sewer	19,484,553	23,631,075	5,685	6,766,155
Storm water	2,264,348	2,258,696	-	5,168,410
Solid waste management	595,462	20,797	-	-
Solid waste authority	491,700	-	-	-
Total business-type activities	22,836,063	25,910,568	5,685	11,934,565
Total primary government	\$ 95,602,439	\$ 36,983,026	\$ 1,055,645	\$ 20,507,290
Component units:				
Development Authority of Columbia County	\$ 799,428	\$ 50,050	\$ 921,049	\$ -
Columbia County Board of Health	1,353,032	218,773	1,051,011	-
Bartram Trail CDC, Inc.	2,273,052	1,492,790	-	200,000
Convention and Visitors Bureau	167,113	-	211,383	-
Total component unit	\$ 4,592,625	\$ 1,761,613	\$ 2,183,443	\$ 200,000

General revenues:
Taxes, general property
Taxes, sales
Taxes, franchise
Taxes, business
Taxes, real estate transfer and intangibles
Taxes, lodging and alcohol
Taxes, other property
Revenues from use of money and property
Gain on sale of capital assets
Miscellaneous
Total general revenues

Change in net assets

Net assets - beginning
Net assets - ending

The notes to the financial statements are an integral part of this statement.

**Net (Expense) Revenue and
Changes in Net Assets**

Primary Government			Component Units			
Governmental Activities	Business-type Activities	Total	Development Authority of Columbia County	Columbia County Board of Health	Bartram Trail CDC, Inc.	Convention and Visitors Bureau
\$ (28,694)	\$ -	\$ (28,694)	\$ -	\$ -	\$ -	\$ -
(1,828,395)	-	(1,828,395)	-	-	-	-
(29,089,008)	-	(29,089,008)	-	-	-	-
(11,407,985)	-	(11,407,985)	-	-	-	-
(1,396,097)	-	(1,396,097)	-	-	-	-
(3,414,864)	-	(3,414,864)	-	-	-	-
(1,465,744)	-	(1,465,744)	-	-	-	-
(3,440,446)	-	(3,440,446)	-	-	-	-
<u>(52,071,233)</u>	<u>-</u>	<u>(52,071,233)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	10,918,362	10,918,362	-	-	-	-
-	5,162,758	5,162,758	-	-	-	-
-	(574,665)	(574,665)	-	-	-	-
-	(491,700)	(491,700)	-	-	-	-
-	<u>15,014,755</u>	<u>15,014,755</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(52,071,233)</u>	<u>15,014,755</u>	<u>(37,056,478)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ 171,671	\$ -	\$ -	\$ -
-	-	-	-	(83,248)	-	-
-	-	-	-	-	(580,262)	-
-	-	-	-	-	-	44,270
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171,671</u>	<u>\$ (83,248)</u>	<u>\$ (580,262)</u>	<u>\$ 44,270</u>
31,607,726	-	31,607,726	-	-	-	-
31,275,623	-	31,275,623	-	-	-	-
554,146	-	554,146	-	-	-	-
4,598,423	-	4,598,423	-	-	-	-
1,617,247	-	1,617,247	-	-	-	-
1,492,905	-	1,492,905	-	-	-	-
14,878	-	14,878	-	-	-	-
3,757,809	1,640,744	5,398,553	39,327	10,758	29,118	-
517,264	-	517,264	742,063	-	-	-
340,422	121,614	462,036	-	30,602	-	-
<u>75,776,443</u>	<u>1,762,358</u>	<u>77,538,801</u>	<u>781,390</u>	<u>41,360</u>	<u>29,118</u>	<u>-</u>
23,705,210	16,777,113	40,482,323	953,061	(41,888)	(551,144)	44,270
154,858,522	125,948,099	280,806,621	(1,241,897)	253,497	(618,181)	66,279
<u>\$ 178,563,732</u>	<u>\$ 142,725,212</u>	<u>\$ 321,288,944</u>	<u>\$ (288,836)</u>	<u>\$ 211,609</u>	<u>\$ (1,169,325)</u>	<u>\$ 110,549</u>

FUND FINANCIAL STATEMENTS

Columbia County, Georgia

**Balance Sheet
Governmental Funds**

June 30, 2007

	General	Special Local Option Sales Tax Fund 2006-2010	2006 Capital Improvements Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 19,449,953	\$ 8,290,382	\$ 39,392,345	\$ 18,420,967	\$ 85,553,647
Investments	5,171,943	-	-	13,225,093	18,397,036
Taxes receivable	644,291	-	-	157,670	801,961
Accounts receivable	543,701	-	-	553,131	1,096,832
Intergovernmental receivable	2,516,193	2,896,472	-	-	5,412,665
Due from other funds	4,581,777	-	-	6,941,392	11,523,169
Inventories	24,341	-	-	-	24,341
Prepaid items	108,900	5	9	12,183	121,097
Total assets	\$ 33,041,099	\$ 11,186,859	\$ 39,392,354	\$ 39,310,436	\$ 122,930,748
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 1,852,802	\$ 337,568	\$ 337,260	\$ 1,393,682	\$ 3,921,312
Accrued payroll	625,597	503	839	61,076	688,015
Accrued compensated absences	230,945	-	-	19,388	250,333
Deferred revenue	308,785	-	-	204,847	513,632
Due to other funds	4,312,318	2,659,882	18,751	1,432,813	8,423,764
Due to component unit	120,455	-	-	-	120,455
Due to other governments	-	246,200	-	-	246,200
Total liabilities	7,450,902	3,244,153	356,850	3,111,806	14,163,711
Fund balances:					
Reserved for encumbrances	265,084	22,164	2,152,390	4,695,233	7,134,871
Reserved for inventories/prepaid items	133,241	5	9	12,183	145,438
Reserved for debt service	-	-	-	9,213,883	9,213,883
Unreserved, designated for operations	14,515,562	-	-	-	14,515,562
Unreserved, designated for extraordinary reserve	1,000,000	-	-	-	1,000,000
Unreserved, undesignated	9,676,310	7,920,537	36,883,105	-	54,479,952
Unreserved, reported in nonmajor:					
Special revenue	-	-	-	5,508,161	5,508,161
Capital projects	-	-	-	16,769,170	16,769,170
Total fund balances	25,590,197	7,942,706	39,035,504	36,198,630	108,767,037
Total liabilities and fund balances	\$ 33,041,099	\$ 11,186,859	\$ 39,392,354	\$ 39,310,436	\$ 122,930,748

The notes to the financial statements are an integral part of this statement.

Columbia County, Georgia
Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Assets
June 30, 2007

Amounts reported for governmental activities in the statement of net assets are different because:

Ending fund balance - governmental funds		\$ 108,767,037
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		165,415,108
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		372,345
Bond issuance costs, net of amortization, are not financial resources and, therefore, are not reported in the funds.		1,099,496
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Total long-term debt, governmental activities	(92,863,053)	
Current portion of compensated absences reported within governmental funds	<u>263,430</u>	
		(92,599,623)
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds balance sheet.		(1,587,659)
Internal service funds are used by management to charge the costs of risk management, handling citizen complaints, and employee health benefits activity to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		(503,426)
Certain activities between funds, including indirect costs and reimbursements, are recorded as revenues and expenditures in the respective funds. These interfund transactions have been eliminated in the statement of net assets.		<u>(2,399,546)</u>
Net assets of governmental activities		<u>\$ 178,563,732</u>

The notes to the financial statements are an integral part of this statement.

Columbia County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2007

	General	Special Local Option Sales Tax Fund 2006-2010	2006 Capital Improvements Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes - property	\$ 24,401,012	\$ -	\$ -	\$ 7,159,855	\$ 31,560,867
Taxes - sales	14,465,355	16,810,268	-	-	31,275,623
Taxes - other	3,724,764	-	-	4,533,550	8,258,314
Licenses and permits	341,635	-	-	1,090,782	1,432,417
Intergovernmental	1,995,776	-	-	353,983	2,349,759
Charges for services	3,580,606	-	-	3,836,713	7,417,319
Fines and forfeitures	1,774,603	-	-	316,004	2,090,607
Investment income	841,303	272,818	577,620	2,043,878	3,735,619
Contributions and donations	6,295	286,344	-	159,902	452,541
Other	240,250	-	-	100,122	340,372
Total revenues	51,371,599	17,369,430	577,620	19,594,789	88,913,438
Expenditures					
Current:					
General government	10,397,453	-	-	47,782	10,445,235
Judicial system	3,959,962	-	-	40,676	4,000,638
Public safety	21,497,060	-	-	8,397,948	29,895,008
Public works	3,940,112	-	-	3,607,046	7,547,158
Health and welfare	1,119,290	-	-	441,902	1,561,192
Culture and recreation	3,301,883	-	-	488,020	3,789,903
Housing and development	2,208,349	-	-	1,283,231	3,491,580
Capital outlay	-	2,790,312	1,894,444	14,472,039	19,156,795
Debt service:					
Principal	-	-	26,548,797	4,980,000	31,528,797
Interest	-	-	-	2,484,728	2,484,728
Other	-	-	830,996	-	830,996
Total expenditures	46,424,109	2,790,312	29,274,237	36,243,372	114,732,030
Excess (deficiency) of revenues over (under) expenditures	4,947,490	14,579,118	(28,696,617)	(16,648,583)	(25,818,592)
Other financing sources (uses)					
Proceeds from debt issuance	-	-	68,655,000	-	68,655,000
Proceeds from bond premium	-	-	1,947,523	-	1,947,523
Sale of property	517,264	-	-	-	517,264
Transfers in	233,678	677,828	1,710,114	8,693,850	11,315,470
Transfers out	(451,307)	(7,276,590)	-	(3,587,573)	(11,315,470)
Total other financing sources (uses)	299,635	(6,598,762)	72,312,637	5,106,277	71,119,787
Net change in fund balances	5,247,125	7,980,356	43,616,020	(11,542,306)	45,301,195
Fund balances - beginning	20,343,072	(37,650)	(4,580,516)	47,740,936	63,465,842
Fund balances - ending	\$ 25,590,197	\$ 7,942,706	\$ 39,035,504	\$ 36,198,630	\$ 108,767,037

The notes to the financial statements are an integral part of this statement.

Columbia County, Georgia

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2007**

Amounts reported for governmental activities in the statement of activities are different because		\$ 45,301,195
Net change in fund balances - total governmental funds		\$ 45,301,195
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlay exceeded depreciation in the current period is detailed below:</p>		
Capital expenditures	28,018,646	
Depreciation expense	(9,652,491)	
Net book value of disposals	(23,469)	18,342,686
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		66,148
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Below is the amounts of these differences in the treatment of long-term debt and related items.</p>		
Principal amount of bonds issued	(68,655,000)	
Premium related to bond issuance	(1,947,523)	
Current year amortization of premium	467,611	
Bond issuance costs, net of current year amortization	830,996	
Current year amortization of bond issuance costs	(153,688)	
Current year principal repayments	30,720,000	
Net changes in compensated absences, including amounts reported in funds	(316,797)	(39,054,401)
In the fund financial statements, interest expense on long-term debt is reported in the period that the current financial resources are used. In the statement of activities, interest expense on long-term debt is recorded as the expense is incurred. This amount is the difference between recording interest as accrued rather than as paid.		(460,844)
The net revenue of certain activities of the internal service funds is reported with governmental activities.		148,697
Certain activities between funds, including indirect costs and reimbursements, are recorded as revenues and expenditures in the respective funds. These interfund transactions have been eliminated in the statement of activities.		(638,271)
Change in net assets of governmental activities		\$ 23,705,210

The notes to the financial statements are an integral part of this statement.

**Columbia County, Georgia
General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes - property	\$ 22,463,248	\$ 22,463,248	\$ 24,401,012	\$ 1,937,764
Taxes - sales	13,383,718	13,383,718	14,465,355	1,081,637
Taxes - other	3,575,000	3,575,000	3,724,764	149,764
Licenses and permits	331,000	331,000	341,635	10,635
Intergovernmental	2,087,102	2,110,102	1,995,776	(114,326)
Charges for services	3,230,094	3,230,094	3,580,606	350,512
Fines and forfeitures	2,355,000	2,355,000	1,774,603	(580,397)
Investment income	301,200	301,200	841,303	540,103
Contributions and donations	16,000	16,000	6,295	(9,705)
Other	202,542	855,236	240,250	(614,986)
Total revenues	<u>47,944,904</u>	<u>48,620,598</u>	<u>51,371,599</u>	<u>2,751,001</u>
Expenditures				
Current:				
General government	13,717,071	11,082,752	10,397,453	685,299
Judicial system	3,754,476	4,092,903	3,959,962	132,941
Public safety	20,005,596	21,619,619	21,497,060	122,559
Public works	3,794,548	4,078,549	3,940,112	138,437
Health and welfare	1,175,459	1,203,483	1,119,290	84,193
Culture and recreation	3,220,418	3,434,992	3,301,883	133,109
Housing and development	2,661,336	2,753,090	2,208,349	544,741
Total expenditures	<u>48,328,904</u>	<u>48,265,388</u>	<u>46,424,109</u>	<u>1,841,279</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(384,000)</u>	<u>355,210</u>	<u>4,947,490</u>	<u>4,592,280</u>
Other financing sources (uses)				
Sale of property	100,000	100,000	517,264	417,264
Transfers in	284,000	318,000	233,678	(84,322)
Transfers out	-	(773,210)	(451,307)	321,903
Total other financing sources (uses)	<u>384,000</u>	<u>(355,210)</u>	<u>299,635</u>	<u>654,845</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>5,247,125</u>	<u>\$ 5,247,125</u>
Fund balance - beginning			<u>20,343,072</u>	
Fund balance - ending			<u>\$ 25,590,197</u>	

The notes to the financial statements are an integral part of this statement.

Columbia County, Georgia
Statement of Net Assets
Proprietary Funds
June 30, 2007

	Business-type Activities - Enterprise Funds		
	Water and Sewerage Fund	Solid Waste Authority Fund	Storm Water Utility Fund
Assets			
Current assets			
Cash and cash equivalents	\$ 8,749,927	\$ -	\$ 2,141,913
Investments	9,028,542	-	-
Accounts receivable	3,963,978	24,757	213,765
Due from other funds	417	-	242,217
Inventories	567,168	-	-
Prepaid items	27,178	-	4,604
Restricted cash held to pay current liabilities	23,486,359	-	-
Total current assets	45,823,569	24,757	2,602,499
Noncurrent assets			
Restricted cash and investments	-	14,235,461	-
Deferred charges	3,212,582	-	-
Capital assets, net of accumulated depreciation	144,775,632	552,894	17,035,859
Total noncurrent assets	147,988,214	14,788,355	17,035,859
Total assets	193,811,783	14,813,112	19,638,358
Liabilities			
Current liabilities			
Accounts payable	1,409,056	-	17,669
Accrued payroll	90,668	-	10,777
Accrued compensated absences	526,787	-	25,490
Due to other funds	1,497,130	557,397	287,899
Payable from restricted assets			
Revenue bonds payable	3,370,000	-	-
Accrued interest payable	290,332	-	-
Customer deposits	107,447	-	-
Current portion of notes payable	275,064	-	-
Total current liabilities	7,566,484	557,397	341,835
Noncurrent liabilities			
Notes payable	801,559	-	-
Estimated liability for landfill closure and postclosure care costs	-	10,275,512	-
Revenue bonds	68,938,686	-	-
Total noncurrent liabilities	69,740,245	10,275,512	-
Total liabilities	77,306,729	10,832,909	341,835

The notes to the financial statements are an integral part of this statement.

<u>Non-major Solid Waste Management Fund</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 2,050,820	\$ 12,942,660	\$ 801,770
-	9,028,542	-
1,713	4,204,213	22,693
495,200	737,834	21,493
-	567,168	-
1,573	33,355	347
-	23,486,359	-
<u>2,549,306</u>	<u>51,000,131</u>	<u>846,303</u>
-	14,235,461	-
-	3,212,582	-
28,784	162,393,169	-
<u>28,784</u>	<u>179,841,212</u>	<u>-</u>
<u>2,578,090</u>	<u>230,841,343</u>	<u>846,303</u>
10,476	1,437,201	287,544
3,793	105,238	3,577
37,459	589,736	13,097
494,712	2,837,138	1,021,594
-	3,370,000	-
-	290,332	-
-	107,447	-
-	275,064	-
<u>546,440</u>	<u>9,012,156</u>	<u>1,325,812</u>
-	801,559	-
1,511,681	11,787,193	-
-	68,938,686	-
<u>1,511,681</u>	<u>81,527,438</u>	<u>-</u>
<u>2,058,121</u>	<u>90,539,594</u>	<u>1,325,812</u>

Continued on the following pages.

Columbia County, Georgia
Statement of Net Assets - Continued
Proprietary Funds
June 30, 2007

	Business-type Activities - Enterprise Funds		
	Water and Sewerage Fund	Solid Waste Authority Fund	Storm Water Utility Fund
Net assets			
Invested in capital assets, net of related debt	94,115,971	552,894	17,035,859
Restricted for debt service	470,378	-	-
Restricted for landfill operations	-	3,959,949	-
Unrestricted net assets	21,918,705	(532,640)	2,260,664
Total net assets	<u>\$ 116,505,054</u>	<u>\$ 3,980,203</u>	<u>\$ 19,296,523</u>

Some amounts reported for *business-type activities* in the statement of net assets are different because of the following:

- Certain internal service fund assets and liabilities are included with business-type activities.
- Interfund indirect cost allocations have been eliminated.
- Total net assets for business-type activities

<u>Non-major Solid Waste Management Fund</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
28,784	111,733,508	-
-	470,378	-
-	3,959,949	-
491,185	24,137,914	(479,509)
<u>\$ 519,969</u>	<u>140,301,749</u>	<u>\$ (479,509)</u>

1,761,272
 662,191
\$ 142,725,212

Columbia County, Georgia

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2007**

	Business-type Activities - Enterprise Funds		
	Water and Sewerage Fund	Solid Waste Authority Fund	Storm Water Utility Fund
Operating revenues			
Charges for services	\$ 22,749,225	\$ -	\$ 2,254,245
Intergovernmental	5,685	-	-
Rental income	89,365	-	-
Reimbursement	-	-	-
Other	13,446	8,990	4,451
Total operating revenues	<u>22,857,721</u>	<u>8,990</u>	<u>2,258,696</u>
Operating expenses			
Personal services	4,540,974	-	589,836
Purchased/contracted services	1,796,912	-	126,811
Supplies and materials	3,739,018	-	50,170
Repairs and maintenance	376,511	-	-
Interfund/Interdepartmental charges	497,059	504,189	519,978
Depreciation and amortization	5,515,184	-	1,084,007
Other costs	2,935	-	-
Landfill closure and postclosure care costs	-	491,700	-
Total operating expenses	<u>16,468,593</u>	<u>995,889</u>	<u>2,370,802</u>
Operating income (loss)	<u>6,389,128</u>	<u>(986,899)</u>	<u>(112,106)</u>
Nonoperating revenue (expense)			
Interest earned	2,143,559	209,624	113,287
Interest expense	(3,612,313)	-	-
Total nonoperating revenue (expense)	<u>(1,468,754)</u>	<u>209,624</u>	<u>113,287</u>
Income (loss) before transfers, contributions special items, and extraordinary items	4,920,374	(777,275)	1,181
Capital contributions	<u>6,766,155</u>	<u>-</u>	<u>5,168,410</u>
Change in net assets	11,686,529	(777,275)	5,169,591
Total net assets - beginning	<u>104,818,525</u>	<u>4,757,478</u>	<u>14,126,932</u>
Total net assets - ending	<u>\$ 116,505,054</u>	<u>\$ 3,980,203</u>	<u>\$ 19,296,523</u>

Some amounts reported for *business-type activities* in the statement of net assets are different because of the following:

- Certain internal service fund assets and liabilities are included with business-type activities.
- Interfund indirect cost allocations have been eliminated.
- Change in net assets of business-type activities

The notes to the financial statements are an integral part of this statement

<u>Non-major Solid Waste Management Fund</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 18,342	\$ 25,021,812	\$ 4,751,639
-	5,685	735,328
-	89,365	-
504,190	504,190	-
101,630	128,517	24,060
<u>624,162</u>	<u>25,749,569</u>	<u>5,511,027</u>
234,202	5,365,012	212,554
197,084	2,120,807	5,068,903
75,359	3,864,547	20,566
-	376,511	-
47,980	1,569,206	58,580
57,570	6,656,761	-
1,003	3,938	-
31,011	522,711	-
<u>644,209</u>	<u>20,479,493</u>	<u>5,360,603</u>
<u>(20,047)</u>	<u>5,270,076</u>	<u>150,424</u>
56,124	2,522,594	22,190
-	(3,612,313)	-
<u>56,124</u>	<u>(1,089,719)</u>	<u>22,190</u>
36,077	4,180,357	172,614
-	11,934,565	-
<u>36,077</u>	<u>16,114,922</u>	<u>172,614</u>
483,892		(652,123)
<u>\$ 519,969</u>		<u>\$ (479,509)</u>
	23,917	
	638,274	
	<u>\$ 16,777,113</u>	

Columbia County, Georgia

**Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2007**

	Business-type Activities-Enterprise Funds		
	Water and Sewerage Fund	Solid Waste Authority Fund	Storm Water Utility Fund
Operating activities			
Cash received from customers	\$ 22,191,584	\$ (6,699)	\$ 2,313,343
Cash paid to suppliers and others	(4,731,526)	(157,020)	(1,098,623)
Cash paid to employees	(4,470,624)	-	(577,101)
Net cash provided by (used in) operating activities	12,989,434	(163,719)	637,619
Capital and related financing activities			
Acquisition and construction of capital assets	(3,365,756)	-	(629,800)
Principal paid on revenue bonds	(3,205,000)	-	-
Principal paid on notes / capital leases	(262,493)	-	-
Interest paid on revenue bonds, notes and capital leases	(3,344,108)	-	-
Net cash provided by (used in) capital and related financing activities	(10,177,357)	-	(629,800)
Investing activities			
Interest on investments	2,143,559	209,624	113,287
Net cash provided (used) in investing activities	2,143,559	209,624	113,287
Net increase (decrease) in cash and cash equivalents/investments	4,955,636	45,905	121,106
Cash and cash equivalents/investments Beginning of year	36,309,194	14,189,556	2,020,807
End of year	\$ 41,264,830	\$ 14,235,461	\$ 2,141,913

The notes to the financial statements are an integral part of this statement.

<u>Non-major Solid Waste Management Fund</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 876,373	\$ 25,374,601	\$ 5,506,830
(1,455,078)	(7,442,247)	(4,924,143)
(232,782)	(5,280,507)	(211,468)
<u>(811,487)</u>	<u>12,651,847</u>	<u>371,219</u>
-	(3,995,556)	-
-	(3,205,000)	-
-	(262,493)	-
<u>-</u>	<u>(3,344,108)</u>	<u>-</u>
<u>-</u>	<u>(10,807,157)</u>	<u>-</u>
<u>56,124</u>	<u>2,522,594</u>	<u>22,190</u>
<u>56,124</u>	<u>2,522,594</u>	<u>22,190</u>
<u>(755,363)</u>	<u>4,367,284</u>	<u>393,409</u>
<u>2,806,183</u>	<u>55,325,740</u>	<u>408,361</u>
<u>\$ 2,050,820</u>	<u>\$ 59,693,024</u>	<u>\$ 801,770</u>

Continued on the following pages.

Columbia County, Georgia

**Statement of Cash Flows - Continued
Proprietary Funds
For the Year Ended June 30, 2007**

	Business-type Activities-Enterprise Funds		
	Water and Sewerage Fund	Solid Waste Authority Fund	Storm Water Utility Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 6,389,128	\$ (986,899)	\$ (112,106)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	5,515,184	-	1,084,007
Change in assets and liabilities			
Accounts receivable	(666,942)	(15,689)	54,647
Inventory	(187,893)	-	-
Deferred charges / prepaid expense	(280,862)	-	(883)
Due from other funds	141,914	-	(242,217)
Accounts payable	681,772	-	(132,021)
Accrued liabilities	70,350	-	12,735
Customer deposits	805	-	-
Due to other funds	1,325,978	409,365	(26,543)
Estimated liability for landfill closure and postclosure care cost	-	429,504	-
Total adjustments	<u>6,600,306</u>	<u>823,180</u>	<u>749,725</u>
Net cash provided by (used in) operating activities	<u>\$ 12,989,434</u>	<u>\$ (163,719)</u>	<u>\$ 637,619</u>
Noncash investing, capital, and financing activities:			
Capital contributions from developers	\$ 6,766,155	\$ -	\$ 5,168,410

The notes to the financial statements are an integral part of this statement.

<u>Non-major Solid Waste Management Fund</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ (20,047)	\$ 5,270,076	\$ 150,424
57,570	6,656,761	-
252,211	(375,773)	(4,197)
-	(187,893)	-
258	(281,487)	(35)
(347,168)	(447,471)	(4,840)
(59,142)	490,609	22,215
1,420	84,505	1,086
-	805	-
(727,600)	981,200	206,566
31,011	460,515	-
<u>(791,440)</u>	<u>7,381,771</u>	<u>220,795</u>
<u>\$ (811,487)</u>	<u>\$ 12,651,847</u>	<u>\$ 371,219</u>
\$ -	\$ 11,934,565	\$ -

Columbia County, Georgia
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2007

	<u>Pension Trust Fund</u>	
	<u>Employees'</u>	<u>Agency</u>
	<u>Retirement</u>	<u>Funds</u>
	<u>Fund</u>	<u>Funds</u>
Assets		
Cash and cash equivalents	\$ 3,805,379	\$ 2,598,810
Investments, mutual funds	15,074,836	-
Total assets	<u>18,880,215</u>	<u>\$ 2,598,810</u>
Liabilities		
Due to others	-	2,598,810
Total liabilities	<u>-</u>	<u>\$ 2,598,810</u>
Net assets		
Held in trust for pension benefits	<u>\$ 18,880,215</u>	

The notes to the financial statements are an integral part of this statement.

Columbia County, Georgia
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2007

	Pension Trust Fund
	Employees' Retirement Fund
Additions	
Investment income:	
Net appreciation (depreciation) in fair value of investments	\$ 2,003,778
Interest	141,992
Total investment income	2,145,770
Employer contributions	2,040,094
Total additions	4,185,864
Deductions	
Benefits	859,637
Administrative expenses	109,397
Total deductions	969,034
Change in net assets	3,216,830
Total net assets - beginning	15,663,385
Total net assets - ending	\$ 18,880,215

The notes to the financial statements are an integral part of this statement.

