

FINANCIAL SECTION

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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, 2006, 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 aggregate discretely presented component units, the business-type activities, each major fund and the aggregate remaining fund information of Columbia County, Georgia, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, 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 a report dated November 16, 2006, on our consideration of Columbia County, Georgia'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 reporting 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
Page 2

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, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Columbia County, Georgia. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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
BAIRD & COMPANY, CPAS, LLC
Certified Public Accountants

November 16, 2006
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, 2006. 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, 2006, are as follows:

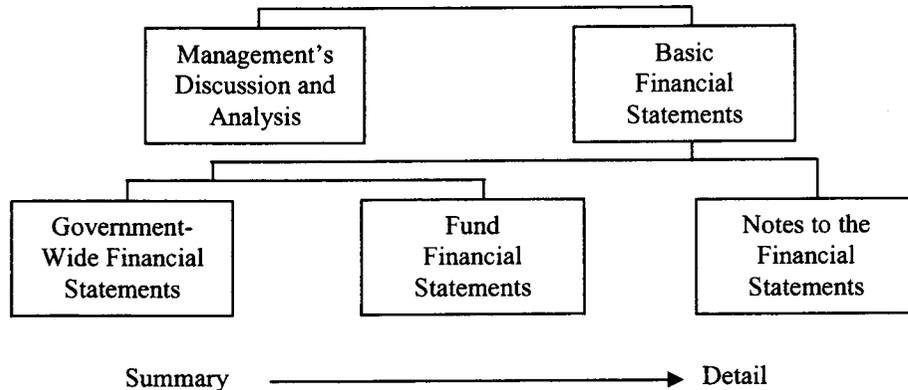
- The Government's combined net assets totaled \$280.8 million.
- The Government's total net assets increased by \$30.5 million, primarily due to increased revenue from property taxes of \$3.4 million, sales taxes of \$4.1 million, and the use of money/property of \$2.5 million.
- As of the close of the current fiscal year, the Government's governmental funds reported combined ending fund balances of \$63.5 million, a decrease of approximately \$309,000 from the prior year. Approximately 76% of this total amount, or \$48.1 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 \$20 million, or 47.2% of total General Fund expenditures for the fiscal year. Of this amount, \$14.2 million has been designated for other purposes, leaving \$5.8 million, or 13.6% of total General Fund expenditures, as undesignated.
- Combined Revenue totaled \$120.7 million of which governmental activities totaled \$84.8 million and business-type activities totaled \$35.9 million.
- Overall expenses totaled \$90.2 million of which governmental activities totaled \$67.5 million and business-type activities totaled \$22.7 million.
- Expenses of governmental activities exceeded program revenue, resulting in the use of \$50.5 million in general revenues (mostly taxes).
- Total Outstanding Long-Term Debt, excluding compensated absences and the liability for landfill closure/postclosure care costs, decreased approximately \$5.3 million primarily due to the continuing reduction in outstanding principal on existing debt.

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 2001-2005 Special Purpose Local Option Sales Tax Fund (SPLOST) and the 2004 General Obligation Bond 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 \$280.8 million as of June 30, 2006.

The largest portion of the Government's net assets, \$210.8 million or 75%, 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, \$13.5 million or 5%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$56.5 million or 20%, 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	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 67,512,253	\$ 66,113,997	\$ 63,176,935	\$ 60,347,493	\$ 130,689,188	\$ 126,461,490
Capital assets	147,072,422	129,166,401	152,636,473	146,079,785	\$ 299,708,895	\$ 275,246,186
Total assets	<u>214,584,675</u>	<u>195,280,398</u>	<u>215,813,408</u>	<u>206,427,278</u>	<u>\$ 430,398,083</u>	<u>\$ 401,707,676</u>
Long-term liabilities outstanding	53,068,626	53,026,012	88,423,556	92,087,830	\$ 141,492,182	\$ 145,113,842
Other liabilities	6,657,527	4,629,844	1,441,753	1,626,097	\$ 8,099,280	\$ 6,255,941
Total liabilities	<u>59,726,153</u>	<u>57,655,856</u>	<u>89,865,309</u>	<u>93,713,927</u>	<u>\$ 149,591,462</u>	<u>\$ 151,369,783</u>
Net assets:						
Invested in capital assets, net						
of related debt	110,640,776	96,090,012	100,164,375	92,477,458	\$ 210,805,151	\$ 188,567,470
Restricted	8,782,650	2,249,183	4,730,743	8,175,423	\$ 13,513,393	\$ 10,424,606
Unrestricted	35,435,096	39,285,347	21,052,981	12,060,470	\$ 56,488,077	\$ 51,345,817
Total net assets	<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>

Changes in Net Assets

Governmental Activities. Governmental activities increased the Government's net assets by \$17.2 million, thereby accounting for 57% 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 76% of total governmental revenues for the year ended June 30, 2006. Increases in property tax and sales tax revenues contributed approximately \$3.4 million and \$4.1 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 \$2.5 million due to the effective use of resources.

Governmental Functional Expenses: As reflected in the summary of Changes in Net Assets, the Government expended 49% 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 \$13.2 million, accounting for 43% of the total growth in the government's net assets. Key elements of this increase are as follows:

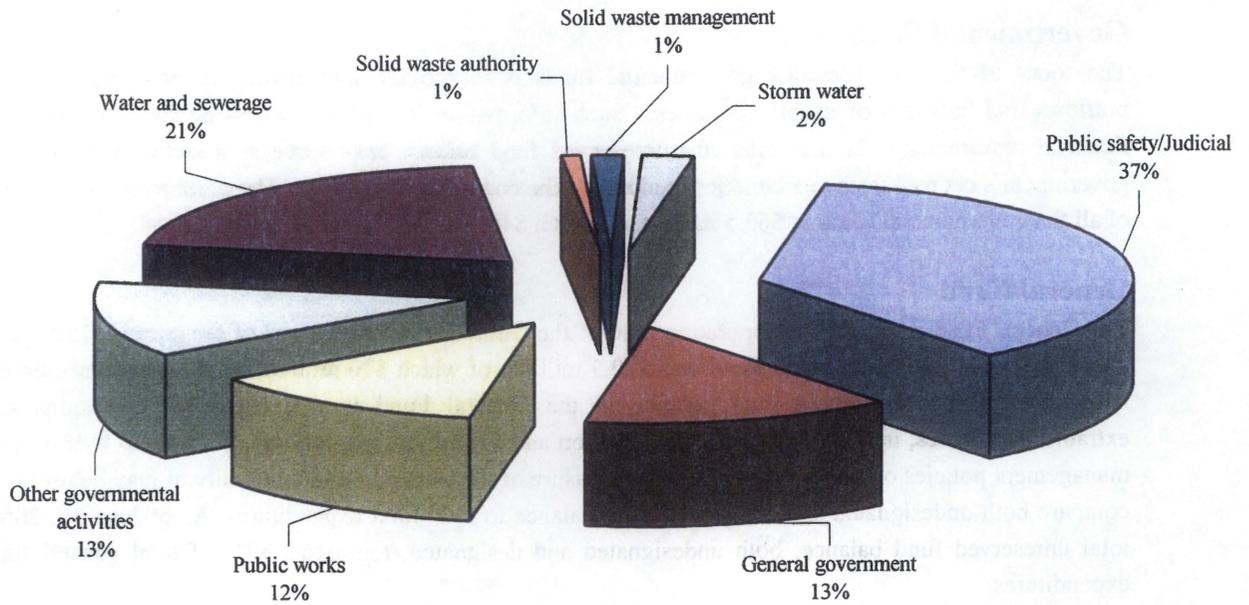
- The Water and Sewerage Fund reported an increase in net assets of \$9 million due to continued operating efficiency of the fund. As the system continues to expand, management is able to control operating costs in connection with establishing rates sufficient to ensure an increase in net assets. 1,379 customers were added to the system during the fiscal year, representing a 2% increase in customers.
- The Solid Waste Authority Fund reported a decrease in net assets of \$747,141. 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, increasing the liability for closure and postclosure care costs of the D cell by \$423,496. 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 \$3.4 million primarily due to capital contributions of \$2.8 million.

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

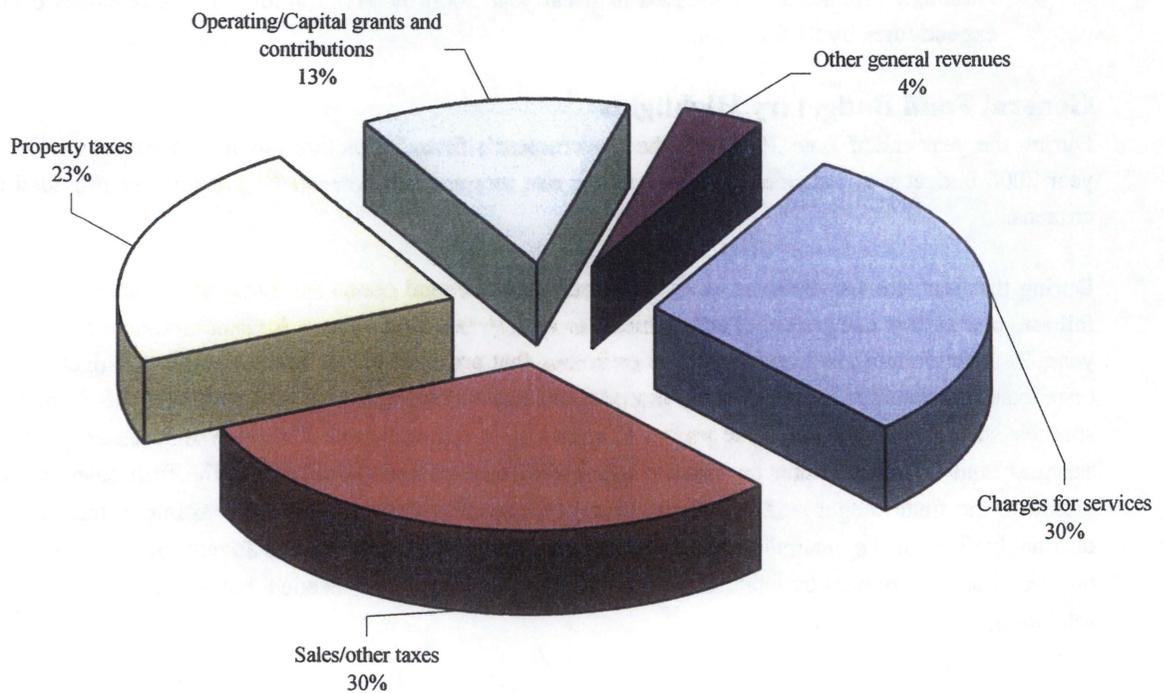
Figure 3

	Governmental Activities		Business-type Activities		Total	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Revenues:						
Program revenues:						
Charges for services	\$ 10,579,386	\$ 9,277,237	\$ 25,359,417	\$ 26,511,861	\$ 35,938,803	\$ 35,789,098
Operating grants and contributions	1,164,616	1,694,385	1,058	8,545	1,165,674	1,702,930
Capital grants and contributions	5,250,154	6,472,067	9,270,834	10,756,868	14,520,988	17,228,935
General revenues:						
Property taxes	27,678,007	24,290,609	-	-	27,678,007	24,290,609
Sales/other taxes	36,641,421	31,430,996	-	-	36,641,421	31,430,996
Revenues from use of money	2,725,032	1,153,993	1,275,916	324,624	4,000,948	1,478,617
Gain on sale of assets	111,213	74,165	-	-	111,213	74,165
Miscellaneous	611,982	539,654	-	16,350	611,982	556,004
Total revenues	<u>84,761,811</u>	<u>74,933,106</u>	<u>35,907,225</u>	<u>37,618,248</u>	<u>120,669,036</u>	<u>112,551,354</u>
Expenses:						
General government	12,100,256	10,952,376	-	-	12,100,256	10,952,376
Judicial system	4,196,206	3,921,382	-	-	4,196,206	3,921,382
Public safety	28,887,680	25,604,875	-	-	28,887,680	25,604,875
Public works	10,961,395	9,791,907	-	-	10,961,395	9,791,907
Health and welfare	1,661,255	1,589,011	-	-	1,661,255	1,589,011
Culture and recreation	3,813,790	3,518,904	-	-	3,813,790	3,518,904
Housing and development	3,632,560	2,998,369	-	-	3,632,560	2,998,369
Interest on long-term debt	2,274,689	1,906,954	-	-	2,274,689	1,906,954
Water and sewer	-	-	18,669,932	16,439,761	18,669,932	16,439,761
Storm water	-	-	1,922,818	1,945,086	1,922,818	1,945,086
Solid waste management	-	-	1,338,158	4,728,988	1,338,158	4,728,988
Solid waste authority	-	-	741,569	1,414,773	741,569	1,414,773
Total expenses	<u>67,527,831</u>	<u>60,283,778</u>	<u>22,672,477</u>	<u>24,528,608</u>	<u>90,200,308</u>	<u>84,812,386</u>
Increase in net assets before transfers	17,233,980	14,649,328	13,234,748	13,089,640	30,468,728	27,738,968
Transfers	-	19,000	-	(19,000)	-	-
Increase in net assets	17,233,980	14,668,328	13,234,748	13,070,640	30,468,728	27,738,968
Net assets, July 1	137,624,542	122,956,214	112,713,351	99,642,711	250,337,893	222,598,925
Prior period adjustment	-	-	-	-	-	-
Net assets, June 30	<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>

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 \$63.5 million, of which \$48.1 million, or 76%, 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 \$20.3 million, of which \$20 million, or 98%, was unreserved. A portion of the unreserved fund balance in the General Fund is designated for operations and extraordinary losses, in the amounts of \$13.2 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, 2006, total unreserved fund balance, both undesignated and designated, represents 47% of total general fund expenditures.

The total fund balance of the General Fund increased by \$4.9 million (32%) during the current fiscal year. Key factors contributing to this increase are as follows:

- ◆ Total revenue exceeded prior year revenue by \$5.6 million, or 13.5%, primarily due to the increase of \$5.1 million in taxes. This increase includes additional sales tax revenues of \$1.9 million and additional property taxes of \$2.6 million.
- ◆ Although expenditures increased in fiscal year 2006 by \$1.7 million, or 4%, revenues exceeded expenditures by \$4.6 million.

General Fund Budgetary Highlights

During the year ended June 30, 2006, the Government's financial picture remains impressive. The fiscal year 2006 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 \$872,806. 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 \$166,222, expenditures by \$111,222, and other financing sources/(uses) by \$(55,000) and consisted of the following:

- An increase in grant revenues of \$111,222 to fund various programs;
- A transfer out of undesignated fund balance of \$55,000 to create the Georgia Superior Court Clerk's Cooperative Authority Fund, a special revenue fund.

The actual operating revenues for the General Fund were more than the budgeted amount by \$3.2 million due to an increase in total tax revenue of \$2.8 million. 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 \$350,000 of undesignated fund balance to be used for capital expenditures.

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 \$4.9 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 2001-2005 SPLOST Fund and the 2004 General Obligation Bond Fund. The proceeds of the special purpose 1% sales tax and the 2004 general obligation bond issue are accounted for in these capital projects funds until improvement projects are completed. The fund balances as of June 30, 2006, for the SPLOST Fund and the Bond Fund total \$19.5 million and \$11.5 million, respectively, all of which is held for specific construction and improvement projects and capital acquisitions. The decrease in fund balances in the SPLOST Fund and Bond 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, \$17.2 million; Solid Waste Authority Fund, \$(138,964); Storm Water Utility Fund, \$1.8 million. The total growth (reduction) in net assets for previously mentioned funds was \$9 million, \$(747,141), and \$3.4 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, 2006, amounts to \$299.7 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:

- Purchase of land for governmental activities in the amount of \$4.3 million.
- Completion of \$9.9 million of infrastructure and other public works projects.
- Addition of water and sewer systems of \$6 million and storm water systems of \$4 million.
- Net increase in construction in process for governmental activities of \$7.7 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>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Land	\$ 32,686,922	\$ 28,207,656	\$ 1,470,680	\$ 1,470,680	\$ 34,157,602	\$ 29,678,336
Buildings	42,141,914	43,069,914	973,924	1,021,737	43,115,838	44,091,651
Improvements other than buildings	6,645,089	6,298,050	837,594	395,145	7,482,683	6,693,195
Utility plant and distribution systems	-	-	66,068,915	68,433,847	66,068,915	68,433,847
Donated subdivisions	-	-	42,005,814	38,258,649	42,005,814	38,258,649
Storm water systems	-	-	10,938,945	8,502,533	10,938,945	8,502,533
Infrastructure	34,964,336	29,102,973	-	-	34,964,336	29,102,973
Vehicles, machinery and equipment	5,836,072	5,361,219	1,595,865	1,529,386	7,431,937	6,890,605
Construction in process	24,798,089	17,126,589	28,744,736	26,467,808	53,542,825	43,594,397
Total	<u>\$ 147,072,422</u>	<u>\$ 129,166,401</u>	<u>\$ 152,636,473</u>	<u>\$ 146,079,785</u>	<u>\$ 299,708,895</u>	<u>\$ 275,246,186</u>

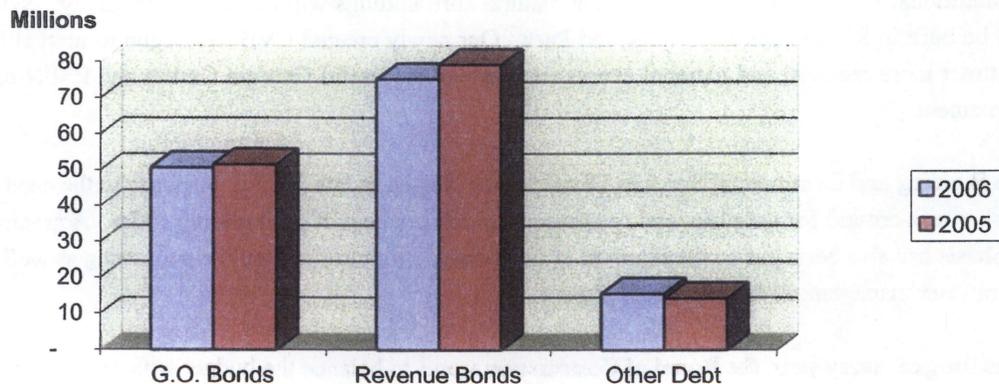
Long-Term Debt

As of June 30, 2006, the Government had a total of \$141.5 million in outstanding long-term debt. Of this amount, \$50.7 million consists of general obligation debt backed by the full faith and credit of the government, \$75.2 million consists of revenue bonds backed by the revenues of the water and sewer system, \$11.3 million consists of the liability for landfill closure, and \$4.2 million in other liabilities. The Government retired \$4.9 million of outstanding bonds during the year ended June 30, 2006.

The Government's Outstanding Debt General Obligation and Revenue Bonds June 30, 2006 and 2005

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
General obligation bonds	\$ 50,685,319	\$ 51,573,383	\$ -	\$ -	\$ 50,685,319	\$ 51,573,383
Revenue bonds	-	-	75,234,393	79,254,336	75,234,393	79,254,336
Other debt	2,383,307	1,452,629	13,189,163	12,833,494	15,572,470	14,286,123
Total debt	<u>\$ 53,068,626</u>	<u>\$ 53,026,012</u>	<u>\$ 88,423,556</u>	<u>\$ 92,087,830</u>	<u>\$ 141,492,182</u>	<u>\$ 145,113,842</u>



In September 2004, the Government made presentations to the bond rating agencies in New York in preparation for the issuance of general obligation and water and sewerage revenue bonds. The Government has maintained a bond rating of Aa3 from Moody's Investor Services for both the general obligation and water and sewerage debt. Standard and Poor's upgraded the general obligation debt from AA- to AA and the water and sewerage debt from A to AA-. Fitch upgraded the general obligation debt from AA- to AA and maintained the water and sewerage debt at AA-. 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 \$284 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, 2007

Many of our projects and goals for FY 2006-2007 have been initiated years ago and are finally coming to fruition – such as the opening for the new library, performing arts center, and amphitheater. With these wonderful facilities open, this area of the county will become the cultural “heart” of the community. We anticipate that the Government Center will soon be as busy in the evening as it is during the day with the community enjoying these new facilities.

Our park system is continually adding new features. Blanchard Woods Park should be open in 2007, and the additional soccer fields, open space, and natural surroundings will be enjoyed by many. New facilities will be built in Reed Creek and Wildwood Park. Our newly created CVB has begun to market these areas to attract more regional and national events such as our successful Georgia Games and ESPN bass fishing tournament.

The Building and Commercial Services Division was created in late 2005 in response to the need for quicker turn-around for the plans and consistency in enforcement of our building codes. A greater emphasis has also been put on the removal of dilapidated structures and online permitting as well as stormwater management for new development.

As is the goal every year, the Board of Commission wants to balance the budget without raising the property tax millage rate. This can only be done if we are diligent in our use of all our resources especially fuel and advanced planning as we open large facilities like the new library. The new Sheriff's Office substation and Emergency Operations Center on the corner of N. Belair and Ronald Reagan Drive will be open this summer.

The transition into the use of one fire department to provide fire services has gone well. They are building on a strong foundation built by the volunteer fire departments whose dedication will continue to be appreciated and followed. The County is in the process of building permanent stations where temporary stations currently stand.

The topics of incorporation and consolidation will continue to be explored as we feel that a consolidated government ensures future generations with a streamlined government and the most options for financing by being a city, a county, and a consolidated government. Name recognition for economic development, increased funding through franchise fees, continuation of our streamlined government, and fair distribution

of taxes makes consolidation a win-win situation for the County now and in the future.

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, 2006

	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
Assets							
Cash and cash equivalents	\$ 22,995,137	\$ 7,667,489	\$ 30,662,626	\$ 191,045	\$ 13,206	\$ 31,047	\$ -
Investments	37,230,275	8,678,670	45,908,945	-	-	-	-
Taxes receivable	359,429	-	359,429	-	-	-	-
Accounts receivable	1,302,723	3,828,440	5,131,163	-	52,634	-	-
Intergovernmental receivable	5,176,855	-	5,176,855	-	-	-	73,229
Internal balances	(195,697)	195,697	-	-	-	-	-
Inventories	25,007	379,275	404,282	-	-	23,192	-
Prepaid items	135,337	31,161	166,498	-	-	-	48
Deferred charges	422,187	3,416,622	3,838,809	-	-	879,955	-
Due from component units	61,000	-	61,000	-	-	-	-
Capital assets:							
Land and construction in progress	57,485,011	30,215,416	87,700,427	520,714	-	1,500,000	-
Other capital assets, net of accumulated depreciation	89,587,411	122,421,057	212,008,468	843,543	-	6,308,022	-
Restricted assets:							
Restricted cash	-	12,280,841	12,280,841	-	275,780	984,453	-
Restricted investments	-	26,698,740	26,698,740	-	-	-	-
Total assets	214,584,675	215,813,408	430,398,083	1,555,302	341,620	9,726,669	73,277
Liabilities							
Accounts payable	4,491,225	946,592	5,437,817	17,373	1,926	133,950	5,891
Accrued payroll	858,605	87,100	945,705	-	10	-	1,107
Unearned revenue	107,653	-	107,653	23,826	-	-	-
Due to component units	73,229	-	73,229	-	-	-	-
Accrued interest payable	1,126,815	301,419	1,428,234	-	-	-	-
Due to primary government	-	-	-	61,000	-	-	-
Customer deposits	-	106,642	106,642	-	-	-	-
Long-term liabilities:							
Liabilities due within one year	6,380,000	3,990,862	10,370,862	665,000	86,187	-	-
Liabilities due in greater than one year	46,688,626	84,432,694	131,121,320	2,030,000	-	10,210,900	-
Total liabilities	59,726,153	89,865,309	149,591,462	2,797,199	88,123	10,344,850	6,998
Net assets							
Invested in capital assets, net of related debt	110,640,776	100,164,375	210,805,151	1,364,257	-	(2,402,878)	-
Restricted for debt service	8,782,650	387,195	9,169,845	-	-	984,453	-
Restricted for landfill operations	-	4,343,548	4,343,548	-	-	-	-
Unrestricted	35,435,096	21,052,981	56,488,077	(2,606,154)	253,497	800,244	66,279
Total net assets	\$ 154,858,522	\$ 125,948,099	\$ 280,806,621	\$ (1,241,897)	\$ 253,497	\$ (618,181)	\$ 66,279

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, 2006

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 12,100,256	\$ 2,659,445	\$ 1,506,280	\$ 4,950,154
Judicial system	4,196,206	3,030,570	78,516	-
Public safety	28,887,680	2,468,818	59,880	-
Public works	10,961,395	62,511	(966,398)	300,000
Health and welfare	1,661,255	98,606	188,574	-
Culture and recreation	3,813,790	582,609	197,593	-
Housing and development	3,632,560	1,676,827	100,171	-
Debt service - interest and fees	2,274,689	-	-	-
Total governmental activities	<u>67,527,831</u>	<u>10,579,386</u>	<u>1,164,616</u>	<u>5,250,154</u>
Business-type activities:				
Water and sewer	18,669,932	21,012,405	1,058	6,146,522
Storm water	1,922,818	2,251,198	-	3,124,312
Solid waste management	1,338,158	2,095,814	-	-
Solid waste authority	741,569	-	-	-
Total business-type activities	<u>22,672,477</u>	<u>25,359,417</u>	<u>1,058</u>	<u>9,270,834</u>
Total primary government	<u>\$ 90,200,308</u>	<u>\$ 35,938,803</u>	<u>\$ 1,165,674</u>	<u>\$ 14,520,988</u>
Component units:				
Development Authority of Columbia County	\$ 2,234,537	\$ 72,315	\$ 1,034,954	\$ 892,424
Columbia County Board of Health	1,247,572	184,637	1,053,004	-
Bartram Trail CDC, Inc.	2,149,681	1,487,684	-	450,721
Convention and Visitors Bureau	38,384	-	104,663	-
Total component unit	<u>\$ 5,670,174</u>	<u>\$ 1,744,636</u>	<u>\$ 2,192,621</u>	<u>\$ 1,343,145</u>

General revenues:

- Taxes, property
- Taxes, sales
- Taxes, franchise
- Taxes, other
- 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
\$ (2,984,377)	\$ -	\$ (2,984,377)	\$ -	\$ -	\$ -	\$ -
(1,087,120)	-	(1,087,120)	-	-	-	-
(26,358,982)	-	(26,358,982)	-	-	-	-
(11,565,282)	-	(11,565,282)	-	-	-	-
(1,374,075)	-	(1,374,075)	-	-	-	-
(3,033,588)	-	(3,033,588)	-	-	-	-
(1,855,562)	-	(1,855,562)	-	-	-	-
(2,274,689)	-	(2,274,689)	-	-	-	-
<u>(50,533,675)</u>	<u>-</u>	<u>(50,533,675)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	8,490,053	8,490,053	-	-	-	-
-	3,452,692	3,452,692	-	-	-	-
-	757,656	757,656	-	-	-	-
-	(741,569)	(741,569)	-	-	-	-
-	<u>11,958,832</u>	<u>11,958,832</u>	-	-	-	-
<u>(50,533,675)</u>	<u>11,958,832</u>	<u>(38,574,843)</u>	-	-	-	-
\$ -	\$ -	\$ -	\$ (234,844)	\$ -	\$ -	\$ -
-	-	-	-	(9,931)	-	-
-	-	-	-	-	(211,276)	-
-	-	-	-	-	-	66,279
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (234,844)</u>	<u>\$ (9,931)</u>	<u>\$ (211,276)</u>	<u>\$ 66,279</u>
27,678,007	-	27,678,007	-	-	-	-
28,478,065	-	28,478,065	-	-	-	-
491,899	-	491,899	-	-	-	-
7,671,457	-	7,671,457	-	-	-	-
2,725,032	1,275,916	4,000,948	9,832	9,282	34,455	-
111,213	-	111,213	-	-	-	-
611,982	-	611,982	-	48,763	-	-
<u>67,767,655</u>	<u>1,275,916</u>	<u>69,043,571</u>	<u>9,832</u>	<u>58,045</u>	<u>34,455</u>	<u>-</u>
17,233,980	13,234,748	30,468,728	(225,012)	48,114	(176,821)	66,279
137,624,542	112,713,351	250,337,893	(1,016,885)	205,383	(441,360)	-
<u>\$ 154,858,522</u>	<u>\$ 125,948,099</u>	<u>\$ 280,806,621</u>	<u>\$ (1,241,897)</u>	<u>\$ 253,497</u>	<u>\$ (618,181)</u>	<u>\$ 66,279</u>

FUND FINANCIAL STATEMENTS

Columbia County, Georgia

**Balance Sheet
Governmental Funds
June 30, 2006**

	General	Special Local Option Sales Tax Fund 2001-2005	2004 General Obligation Bond Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 4,637,156	\$ 7,766,876	\$ 166,327	\$ 10,016,417	\$ 22,586,776
Investments	12,317,445	12,264,508	12,547,027	101,295	37,230,275
Taxes receivable	294,414	-	-	65,015	359,429
Accounts receivable	872,165	81,552	-	330,511	1,284,228
Intergovernmental receivable	2,398,982	-	-	2,777,873	5,176,855
Due from component units	-	61,000	-	-	61,000
Due from other funds	7,790,008	39,488	-	7,834,259	15,663,755
Inventories	25,007	-	-	-	25,007
Prepaid items	123,217	1,184	172	10,452	135,025
Total assets	\$ 28,458,394	\$ 20,214,608	\$ 12,713,526	\$ 21,135,822	\$ 82,522,350
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 1,510,648	\$ 642,862	\$ 1,217,296	\$ 618,971	\$ 3,989,777
Accrued payroll	804,496	8,267	1,293	41,086	855,142
Accrued compensated absences	165,682	2,697	632	19,575	188,586
Deferred revenue	252,109	-	-	161,741	413,850
Due to other funds	5,309,158	61,087	8,085	7,921,475	13,299,805
Due to component unit	73,229	-	-	-	73,229
Due to other governments	-	-	-	236,119	236,119
Total liabilities	8,115,322	714,913	1,227,306	8,998,967	19,056,508
Fund balances:					
Reserved for encumbrances	185,903	3,099,406	2,524,043	625,445	6,434,797
Reserved for inventories/prepaid items	148,224	1,184	172	10,452	160,032
Reserved for debt service	-	-	-	8,782,650	8,782,650
Unreserved, designated for operations	13,240,796	-	-	-	13,240,796
Unreserved, designated for extraordinary reserve	1,000,000	-	-	-	1,000,000
Unreserved, undesignated	5,768,149	16,399,105	8,962,005	-	31,129,259
Unreserved, reported in nonmajor:					
Special revenue	-	-	-	4,735,437	4,735,437
Capital projects	-	-	-	(2,017,129)	(2,017,129)
Total fund balances	20,343,072	19,499,695	11,486,220	12,136,855	63,465,842
Total liabilities and fund balances	\$ 28,458,394	\$ 20,214,608	\$ 12,713,526	\$ 21,135,822	\$ 82,522,350

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, 2006

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

Ending fund balance - governmental funds		\$ 63,465,842
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		147,072,422
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		306,197
Bond issuance costs, net of amortization, are not financial resources and, therefore, are not reported in the funds.		422,187
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	(53,068,626)	
Current portion of compensated absences reported within governmental funds	200,711	
		(52,867,915)
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.		(1,126,815)
Internal service funds are used by management to charge the costs of risk management 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.		(672,389)
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.		(1,741,007)
Net assets of governmental activities		\$ 154,858,522

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, 2006

	General	Special Local Option Sales Tax Fund 2001-2005	2004 General Obligation Bond Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes - property	\$ 20,886,846	\$ -	\$ -	\$ 6,806,530	\$ 27,693,376
Taxes - sales	13,198,325	7,169,733	-	8,110,007	28,478,065
Taxes - other	3,874,799	-	-	4,258,663	8,133,462
Licenses and permits	305,233	-	-	1,081,443	1,386,676
Intergovernmental	2,207,904	769,977	-	96,003	3,073,884
Charges for services	3,541,094	-	-	3,434,692	6,975,786
Fines and forfeitures	1,749,211	-	-	312,891	2,062,102
Investment income	709,356	858,728	692,261	449,195	2,709,540
Contributions and donations	9,988	-	-	198,911	208,899
Other	515,844	-	-	89,497	605,341
Total revenues	46,998,600	8,798,438	692,261	24,837,832	81,327,131
Expenditures					
Current:					
General government	9,487,953	1,008,578	-	689,351	11,185,882
Judicial system	3,447,933	-	-	38,421	3,486,354
Public safety	19,164,311	-	-	7,862,948	27,027,259
Public works	3,673,982	-	-	3,658,435	7,332,417
Health and welfare	1,073,859	-	-	449,149	1,523,008
Culture and recreation	3,008,926	-	-	589,879	3,598,805
Housing and development	2,505,383	-	-	1,205,656	3,711,039
Miscellaneous	-	-	-	9,535	9,535
Capital outlay	-	9,125,500	6,424,366	5,235,188	20,785,054
Debt service:					
Principal	-	-	-	580,000	580,000
Interest	-	-	-	2,507,929	2,507,929
Total expenditures	42,362,347	10,134,078	6,424,366	22,826,491	81,747,282
Excess (deficiency) of revenues over (under) expenditures	4,636,253	(1,335,640)	(5,732,105)	2,011,341	(420,151)
Other financing sources (uses)					
Sale of property	110,206	-	-	1,006	111,212
Transfers in	210,000	206,680	54,130	7,493,285	7,964,095
Transfers out	(54,107)	(54,130)	-	(7,855,858)	(7,964,095)
Total other financing sources (uses)	266,099	152,550	54,130	(361,567)	111,212
Net change in fund balances	4,902,352	(1,183,090)	(5,677,975)	1,649,774	(308,939)
Fund balances - beginning	15,440,720	20,682,785	17,164,195	10,487,081	63,774,781
Fund balances - ending	\$ 20,343,072	\$ 19,499,695	\$ 11,486,220	\$ 12,136,855	\$ 63,465,842

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, 2006**

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

Net change in fund balances - total governmental funds \$ (308,939)

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:

Capital expenditures	27,611,880	
Depreciation expense	(8,810,034)	
Net book value of disposals	<u>(895,825)</u>	
		17,906,021

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 14,529

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.

Current year amortization of premium	308,064	
Current year amortization of bond issuance costs	(84,438)	
Current year principal repayments	580,000	
Net changes in compensated absences, including amounts reported in funds	<u>(664,558)</u>	
		139,068

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. 9,614

The net revenue of certain activities of the internal service funds is reported with governmental activities. 121,028

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. (647,341)

Change in net assets of governmental activities \$ 17,233,980

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, 2006

	<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	\$ 19,698,531	\$ 19,698,531	\$ 20,886,846	\$ 1,188,315
Taxes - sales	12,134,819	12,134,819	13,198,325	1,063,506
Taxes - other	3,280,000	3,280,000	3,874,799	594,799
Licenses and permits	304,000	304,000	305,233	1,233
Intergovernmental	2,134,824	2,246,046	2,207,904	(38,142)
Charges for services	2,962,434	2,962,434	3,541,094	578,660
Fines and forfeitures	2,255,000	2,255,000	1,749,211	(505,789)
Investment income	301,200	301,200	709,356	408,156
Contributions and donations	12,000	12,000	9,988	(2,012)
Other	593,042	648,042	515,844	(132,198)
Total revenues	<u>43,675,850</u>	<u>43,842,072</u>	<u>46,998,600</u>	<u>3,156,528</u>
Expenditures				
Current:				
General government	13,831,129	10,350,694	9,487,953	862,741
Judicial system	3,261,222	3,534,199	3,447,933	86,266
Public safety	17,026,588	19,577,054	19,164,311	412,743
Public works	3,454,983	3,817,138	3,673,982	143,156
Health and welfare	1,044,753	1,089,487	1,073,859	15,628
Culture and recreation	3,011,511	3,233,825	3,008,926	224,899
Housing and development	2,474,160	2,613,171	2,505,383	107,788
Total expenditures	<u>44,104,346</u>	<u>44,215,568</u>	<u>42,362,347</u>	<u>1,853,221</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(428,496)</u>	<u>(373,496)</u>	<u>4,636,253</u>	<u>5,009,749</u>
Other financing sources (uses)				
Sale of property	104,000	104,000	110,206	6,206
Transfers in	324,496	324,496	210,000	(114,496)
Transfers out	-	(55,000)	(54,107)	893
Total other financing sources (uses)	<u>428,496</u>	<u>373,496</u>	<u>266,099</u>	<u>(107,397)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>4,902,352</u>	<u>\$ 4,902,352</u>
Fund balance - beginning			<u>15,440,720</u>	
Fund balance - ending			<u>\$ 20,343,072</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, 2006

	Business-type Activities - Enterprise Funds		
	Water and Sewerage Fund	Solid Waste Authority Fund	Storm Water Utility Fund
Assets			
Current assets			
Cash and cash equivalents	\$ 2,840,499	\$ -	\$ 2,020,807
Investments	8,678,670	-	-
Accounts receivable	3,297,036	9,068	268,412
Due from other funds	142,331	-	-
Inventories	379,275	-	-
Prepaid items	25,609	-	3,721
Restricted cash held to pay current liabilities	24,790,025	-	-
Total current assets	40,153,445	9,068	2,292,940
Noncurrent assets			
Restricted cash and investments	-	14,189,556	-
Deferred charges	3,416,622	-	-
Capital assets, net of accumulated depreciation	139,675,569	552,894	12,321,656
Total noncurrent assets	143,092,191	14,742,450	12,321,656
Total assets	183,245,636	14,751,518	14,614,596
Liabilities			
Current liabilities			
Accounts payable	727,284	-	149,690
Accrued payroll	74,950	-	8,702
Accrued compensated absences	472,155	-	14,830
Due to other funds	171,152	148,032	314,442
Payable from restricted assets			
Revenue bonds payable	3,205,000	-	-
Accrued interest payable	301,419	-	-
Customer deposits	106,642	-	-
Current portion of notes payable and capital leases	262,493	-	-
Total current liabilities	5,321,095	148,032	487,664
Noncurrent liabilities			
Notes payable	1,076,623	-	-
Estimated liability for landfill closure and postclosure care costs	-	9,846,008	-
Revenue bonds	72,029,393	-	-
Total noncurrent liabilities	73,106,016	9,846,008	-
Total liabilities	78,427,111	9,994,040	487,664

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

Non-major Solid Waste Management Fund		Total	Governmental Activities - Internal Service Funds
\$ 2,806,183	\$ 7,667,489	\$ 408,361	
-	8,678,670	-	
253,924	3,828,440	18,496	
148,032	290,363	16,653	
-	379,275	-	
1,831	31,161	312	
-	24,790,025	-	
<u>3,209,970</u>	<u>45,665,423</u>	<u>443,822</u>	
-	14,189,556	-	
-	3,416,622	-	
86,354	152,636,473	-	
<u>86,354</u>	<u>170,242,651</u>	<u>-</u>	
<u>3,296,324</u>	<u>215,908,074</u>	<u>443,822</u>	
69,618	946,592	265,329	
3,448	87,100	3,463	
36,384	523,369	12,125	
1,222,312	1,855,938	815,028	
-	3,205,000	-	
-	301,419	-	
-	106,642	-	
-	262,493	-	
<u>1,331,762</u>	<u>7,288,553</u>	<u>1,095,945</u>	
-	1,076,623	-	
1,480,670	11,326,678	-	
-	72,029,393	-	
<u>1,480,670</u>	<u>84,432,694</u>	<u>-</u>	
<u>2,812,432</u>	<u>91,721,247</u>	<u>1,095,945</u>	

Continued on the following pages.

Columbia County, Georgia
Statement of Net Assets - Continued
Proprietary Funds
June 30, 2006

	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	87,203,471	552,894	12,321,656
Restricted for debt service	387,195	-	-
Restricted for landfill operations	-	4,343,548	-
Unrestricted net assets	17,227,859	(138,964)	1,805,276
Total net assets	<u>\$ 104,818,525</u>	<u>\$ 4,757,478</u>	<u>\$ 14,126,932</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>
86,354	100,164,375	-
-	387,195	-
-	4,343,548	-
397,538	19,291,709	(652,123)
<u>\$ 483,892</u>	<u>124,186,827</u>	<u>\$ (652,123)</u>

1,113,932
 647,340
\$ 125,948,099

Columbia County, Georgia

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2006**

	Business-type Activities - Enterprise Funds		
	Water and Sewerage Fund	Solid Waste Authority Fund	Storm Water Utility Fund
Operating revenues			
Charges for services	\$ 20,567,144	\$ -	\$ 2,251,198
Intergovernmental	1,058	-	271,334
Rental income	44,300	-	-
Reimbursement	-	-	-
Other	-	-	-
Total operating revenues	<u>20,612,502</u>	<u>-</u>	<u>2,522,532</u>
Operating expenses			
Personal services	4,390,015	-	482,436
Purchased/contracted services	1,817,542	562	125,678
Supplies and materials	3,749,230	-	92,575
Repairs and maintenance	216,663	-	-
Interfund/Interdepartmental charges	464,596	148,032	547,482
Depreciation and amortization	5,078,335	317,511	784,188
Other costs	15,655	-	-
Landfill closure and postclosure care costs	-	423,496	-
Total operating expenses	<u>15,732,036</u>	<u>889,601</u>	<u>2,032,359</u>
Operating income (loss)	<u>4,880,466</u>	<u>(889,601)</u>	<u>490,173</u>
Nonoperating revenue (expense)			
Interest earned	1,450,979	142,460	85,948
Interest expense	(3,463,624)	-	-
Total nonoperating revenue (expense)	<u>(2,012,645)</u>	<u>142,460</u>	<u>85,948</u>
Income (loss) before transfers, contributions special items, and extraordinary items	<u>2,867,821</u>	<u>(747,141)</u>	<u>576,121</u>
Capital contributions	<u>6,146,522</u>	<u>-</u>	<u>2,852,978</u>
Change in net assets	<u>9,014,343</u>	<u>(747,141)</u>	<u>3,429,099</u>
Total net assets - beginning	<u>95,804,182</u>	<u>5,504,619</u>	<u>10,697,833</u>
Total net assets - ending	<u>\$ 104,818,525</u>	<u>\$ 4,757,478</u>	<u>\$ 14,126,932</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</u>		Governmental
Solid Waste Management		Activities -
Fund	Total	Internal Service Funds
\$ 2,062,338	\$ 24,880,680	\$ 3,972,806
-	272,392	738,305
-	44,300	-
148,032	148,032	-
33,476	33,476	32,097
<u>2,243,846</u>	<u>25,378,880</u>	<u>4,743,208</u>

295,907	5,168,358	207,497
724,785	2,668,567	4,339,353
160,770	4,002,575	13,419
-	216,663	-
75,631	1,235,741	57,139
94,654	6,274,688	-
11,442	27,097	-
51,606	475,102	-
<u>1,414,795</u>	<u>20,068,791</u>	<u>4,617,408</u>
<u>829,051</u>	<u>5,310,089</u>	<u>125,800</u>

41,790	1,721,177	15,494
-	(3,463,624)	-
<u>41,790</u>	<u>(1,742,447)</u>	<u>15,494</u>

870,841	3,567,642	141,294
-	8,999,500	-

870,841	12,567,142	141,294
(386,949)		(793,417)

<u>\$ 483,892</u>		<u>\$ (652,123)</u>
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20,266
 647,340
\$ 13,234,748

Columbia County, Georgia

**Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2006**

	Business-type Activities-Enterprise Funds		
	Water and Sewerage Fund	Solid Waste Authority Fund	Storm Water Utility Fund
Operating activities			
Cash received from customers	\$ 19,940,813	\$ 6,870	\$ 2,480,092
Cash paid to suppliers and others	(7,134,632)	(69,321)	(687,228)
Cash paid to employees	(4,146,102)	-	(469,935)
Net cash provided by (used in) operating activities	8,660,079	(62,451)	1,322,929
Capital and related financing activities			
Acquisition and construction of capital assets	(2,158,506)	-	(1,185,167)
Principal paid on revenue bonds	(3,065,000)	(1,235,000)	-
Principal paid on notes / capital leases	(250,585)	-	-
Interest paid on revenue bonds, notes and capital leases	(3,193,992)	(37,359)	-
Net cash provided by (used in) capital and related financing activities	(8,668,083)	(1,272,359)	(1,185,167)
Investing activities			
Interest on investments	1,450,979	142,460	85,948
Net cash provided (used) in investing activities	1,450,979	142,460	85,948
Net increase (decrease) in cash and cash equivalents/investments	1,442,975	(1,192,350)	223,710
Cash and cash equivalents/investments			
Beginning of year	34,866,219	15,381,906	1,797,097
End of year	\$ 36,309,194	\$ 14,189,556	\$ 2,020,807

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>
\$ 2,260,020	\$ 24,687,795	\$ 4,740,567
69,752	(7,821,429)	(4,681,930)
(279,408)	(4,895,445)	(200,601)
<u>2,050,364</u>	<u>11,970,921</u>	<u>(141,964)</u>
-	(3,343,673)	-
-	(4,300,000)	-
(120,114)	(370,699)	-
-	(3,231,351)	-
<u>(120,114)</u>	<u>(11,245,723)</u>	<u>-</u>
41,790	1,721,177	15,494
<u>41,790</u>	<u>1,721,177</u>	<u>15,494</u>
1,972,040	2,446,375	(126,470)
<u>834,143</u>	<u>52,879,365</u>	<u>534,831</u>
<u>\$ 2,806,183</u>	<u>\$ 55,325,740</u>	<u>\$ 408,361</u>

Continued on the following pages.

Columbia County, Georgia

**Statement of Cash Flows - Continued
Proprietary Funds
For the Year Ended June 30, 2006**

	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)	\$ 4,880,466	\$ (889,601)	\$ 490,173
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	4,590,132	317,511	784,188
Change in assets and liabilities			
Accounts receivable	(685,535)	6,870	(42,440)
Inventory	197,809	-	-
Deferred charges / prepaid expense	136,775	-	(591)
Due from other funds	(141,419)	-	-
Accounts payable	(225,775)	-	78,282
Accrued liabilities	243,913	-	12,501
Customer deposits	13,846	-	-
Due to other funds	(350,133)	79,273	816
Estimated liability for landfill closure and postclosure care cost	-	423,496	-
Total adjustments	<u>3,779,613</u>	<u>827,150</u>	<u>832,756</u>
Net cash provided by (used in) operating activities	<u>\$ 8,660,079</u>	<u>\$ (62,451)</u>	<u>\$ 1,322,929</u>
Noncash investing, capital, and financing activities:			
Capital contributions from developers	\$ 5,230,275	\$ -	\$ 2,852,978

<u>Non-major Solid Waste Management Fund</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 829,051	\$ 5,310,089	\$ 125,800
94,654	5,786,485	-
16,174	(704,931)	(2,641)
-	197,809	-
308	136,492	5
-	(141,419)	12,125
47,065	(100,428)	(50,859)
16,499	272,913	6,896
-	13,846	-
1,074,280	804,236	(233,290)
-	423,496	-
<u>1,248,980</u>	<u>6,688,499</u>	<u>(267,764)</u>
<u>\$ 2,078,031</u>	<u>\$ 11,998,588</u>	<u>\$ (141,964)</u>
\$ -	\$ 8,083,253	\$ -

Columbia County, Georgia
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2006

	<u>Pension Trust Fund</u>	
	<u>Employees' Retirement Fund</u>	<u>Agency Funds</u>
Assets		
Cash and cash equivalents	\$ 3,805,627	\$ 2,083,341
Investments, mutual funds	11,857,758	-
Total assets	<u>15,663,385</u>	<u>\$ 2,083,341</u>
Liabilities		
Due to others	-	2,083,341
Total liabilities	<u>-</u>	<u>\$ 2,083,341</u>
Net assets		
Held in trust for pension benefits	<u>\$ 15,663,385</u>	

Columbia County, Georgia
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2006

	Pension Trust Fund
	Employees' Retirement Fund
Additions	
Investment income:	
Net appreciation (depreciation) in fair value of investments \$	807,665
Interest	101,191
Total investment income	908,856
Employer contributions	1,706,471
Total additions	2,615,327
Deductions	
Benefits	584,998
Total deductions	584,998
Change in net assets	2,030,329
Total net assets - beginning	13,633,056
Total net assets - ending	\$ 15,663,385

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

