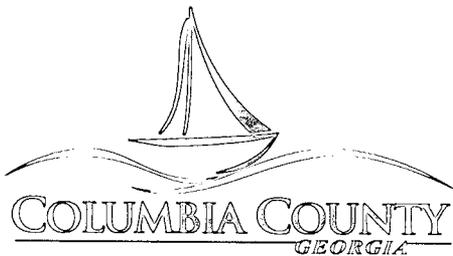


*Columbia County, Georgia*

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COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

Fiscal Year Ended June 30, 2005



Prepared by:  
Financial Services  
Leanne C. DeLoach, CPA  
Director of Financial Services

# COLUMBIA COUNTY, GEORGIA

## Annual Financial Report Year Ended June 30, 2005

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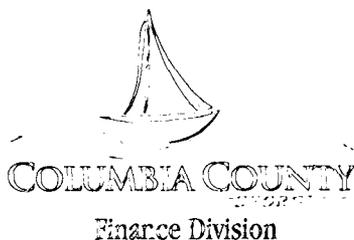
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# **INTRODUCTORY SECTION**



December 31, 2005

To the Honorable Chairman,  
Members of the Board of Commissioners, and  
Citizens of Columbia County, Georgia:

The Comprehensive Annual Financial Report (CAFR) of Columbia County, Georgia, for the year ended June 30, 2005, was prepared by the Columbia County Financial Services Division and is hereby submitted. This CAFR is being formally submitted as required by the Official Code of Georgia Annotated, Section 36-81-7 and Rule 15c2-12 of the Securities Exchange Act of 1934. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the County as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain a reasonable understanding of the County's financial affairs have been included.

The Comprehensive Annual Financial Report is presented in the following four sections:

- The introductory section includes this transmittal letter, a list of principal officials, the County's organization chart, and a copy of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2004.
- The financial section includes the independent auditor's report on the financial statements, management's discussion and analysis, the basic audited financial statements with notes, and combining fund statements.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis, and information required by the Securities and Exchange Commission under Rule 15c2-12 of the Securities Exchange Act relating to municipal bond disclosure.
- The single audit section includes schedules of expenditures of federal and state awards and the independent auditor's reports relating to these schedules.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Columbia County's MD&A can be found immediately following the report of the independent auditor.

## **PROFILE OF THE GOVERNMENT**

Columbia County, established in 1790 and named in honor of Christopher Columbus, is located in the Central Savannah River Area of Georgia approximately 135 miles east of Atlanta and five miles northwest of Augusta/Richmond County. The 290 square mile county is bounded on the north by Thurmond Lake and the Savannah River (separating Columbia County from Lincoln County, Georgia, and McCormick and Edgefield Counties, South Carolina), on the south and east by Augusta/Richmond County, and on the west by McDuffie County.

A five-member Board of Commission governs Columbia County. The Board is comprised of one chairman, elected county wide, and four commissioners, each elected from a separate commission district serving four year staggered terms. A County Administrator, who is appointed by and responsible to the Board, directs the daily operation of the County. Services provided to the approximately 100,000 residents include: public safety (Sheriff's Office, detention center, E911, fire), emergency services, community services, public works, planning and development, and other general governmental services. The County also provides water, sewer, storm water, and solid waste disposal services to the public.

## **FINANCIAL REPORTING ENTITY**

The financial reporting entity includes all activities and functions of the primary government (i.e., Columbia County, Georgia) as well as all related component units, if any. "Financial Accountability" is the benchmark used to determine which legally separate entities represent component units of the primary government. Blended component units, although legally separate entities, are, in substance, an integral part of the primary government's operations and, therefore, are included as part of the primary government. Accordingly, the Columbia County Solid Waste Management Authority is reported as an Enterprise Fund of the primary government because its sole purpose is to perform development, leasing, and long-term planning of a solid waste facility for the County.

The Development Authority of Columbia County, the Columbia County Board of Health, and Bartram Trail, CDC, Inc. are reported as discretely presented component units in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial positions. The Development Authority serves to promote, pursue, and implement economic development in the County. The Board of Health serves to operate the public health department of the County. Bartram Trail, CDC, Inc. is a community development corporation created to develop, construct, and operate a public golf course in Columbia County.

## ECONOMIC CONDITION AND OUTLOOK

The fact that MONEY magazine selected Evans, Georgia, as one of the *Best Places to Live in the Nation in 2005* illustrates that Columbia County possesses a wonderful quality of life as well as being economically sound. Our median household yearly income was much higher and our cost of housing, air pollution, and crime rates were much lower than the average for the 100 top locations intensely studied by the magazine.

Visible growth in retail and housing has occurred in the last few years, and the promise of much more creates a few “growing pains.” However, the County has strived to anticipate these needs, and the needed infrastructure for proposed projects is available with more being planned. Transportation needs are a priority, and the Georgia DOT is working closely with the County to ensure safety and adequate roadways.

For the seventh year in a row, the County has not raised the millage rate for existing services. In 2004, fire subscription fees were replaced by a dedicated millage rate which reduced homeowner cost for fire services. We maintain a “AA” bond rating from S & P, Moody’s, and Fitch, which makes Columbia County one of only five counties in Georgia to attain this high bond rating. We also received the *Certificate of Achievement* for the seventh consecutive year. These three accomplishments are the best verification that the County is fiscally responsible, is handling rapid growth well, and has a vision for the future.

Growth in all facets of Columbia County remains strong and attractive to individual families, retail/commercial, and industry alike. Our two new golf course/residential communities are progressing well and will offer a variety of housing types. The Bartram Trail public golf course successfully opened this summer. New home construction in the County is continuing with single family homes beginning at \$180,000. Area homebuilders continue to make application for subdivision plats and building permits in large numbers. These plats include single family, townhouse developments, and apartment complexes.

The activity level for retail and commercial development is ongoing with much growth along the major transportation thoroughfares of Washington Road, Belair Road, Interstate 20 intersections, and Furys Ferry Road. Plans for several large shopping centers have been announced, and a 400,000 sq. ft. retail center – anchored by Target and Kohls – opened this year. Across the street from this center will be an upscale retail shopping area anchored by a large sporting goods store. Plans for the 50-acre Marshall Square include retail and professional, a hotel and convention center, and residential housing across from the Evans Government and Justice Centers in the heart of the Evans Town Center. Another retail center has been announced that will be located on the Evans Middle School site once a new middle school has been completed. These centers represent 1.5 million square feet of retail space that will be available over the next few years. It is obvious that the retail market is following the population flow into the County and is attracted to the County’s demographics.

A significant medical corridor is developing on Belair Road. The area's largest OB/GYN practice will be moving from downtown Augusta to across the street from the University Hospital medical facility. It will include a wellness center, clothing stores, and restaurants. This area's medical personnel enjoy working close to their patients and their own homes. The area hospitals have also invested in the community by providing two free outdoor concerts by the Augusta Symphony and the Augusta Opera, which thousands attended.

The County's newest public/private partnership industrial park, Horizon North, has two tenants who are suppliers for John Deere located in the nearby Horizon South Industrial Park. Public/private partnerships have been most successful, and the concept is being encouraged throughout the County. The Horizon South Industrial Park, which had almost reached full capacity, has obtained additional property and will soon be home to a satellite campus of Augusta Tech. The Development Authority announced this summer their plans to build a spec building as well as a "pad-ready" site in the near future in one of the industrial parks.

In an effort to encourage economic opportunities and growth around the beautiful Lake Thurmond, the Clarks Hill Partnership of Georgia was established in the fall of 2005. This dynamic partnership is composed of Columbia, Lincoln, McDuffie, Washington, and Wilkes Counties and will open opportunities for grants and increased tourism. Immediate projects include the expansion of the McDuffie Airport and the Regional Business Retention and Expansion Program as well as tourism.

All efforts are focused on better customer service and cost-efficiency as we start to view ourselves from a business perspective. The County's continued growth and high quality of life are bringing in citizens from all walks of life and from all areas of the world – a welcome diversity. The Board of Commission is dedicated to providing a streamline and fiscally responsible government as we anticipate a robust future.

### **MAJOR CURRENT YEAR INITIATIVES**

***Fire Services.*** In December 2003, the Board of Commission voted to use property tax funds to provide fire services in the unincorporated area of the County. This has eliminated subscription fees and under-funding of several fire departments. As of January 1, 2006, 24/7 fire services will be provided by one fire department with a small area of the County having service provided on a "pay-per-call" basis by a city fire department. The public has been very supportive of this endeavor as service has greatly improved.

***Internal Services.*** Enterprise Resource Planning (ERP) was introduced, and all County departments have been evaluating their processes to determine how they can provide services more efficiently as the County changes its focus from the typical government perspective to functioning as a business. ERP will provide upgraded computer equipment and software to meet these goals. The start-up for this project will be in 2006 and will be phased in by departments.

*Recreation/Parks.* In the early spring, the County hosted its first CITGO/BASSMaster tournament at Wildwood Park. This new venue for the ESPN tournament was a great success. Wildwood Park is now the destination for fishing tournaments every weekend for many months and has increased the use of this 975-acre park overall. The National Disc Golf Association will be housed at Wildwood Park and national archery tournaments are planned for 2006. Phase I of both the Blanchard Woods Master Plan and the Reed Creek Master Plan have been completed.

*Water.* The Water and Sewer Division continues to perform well and had its bond rating improved to AA-. In October 2004, the County issued \$28,640,000 Columbia County, GA, Water and Sewerage Revenue Bonds for the purpose of improving the water and sewer system. The growth of the County will follow its progress. The Water Division completed a 10-year capital improvements plan for water and sewer expansion and constructed a large diameter water main to the Halali Farm Road tanks. This strategic planning has ensured that an ample water supply is available at all times.

*3-1-1.* An official 3-1-1 call center was initiated in 2005 and provides 24/7 assistance with non-emergency and informational calls. This has alleviated calls to the County's emergency 9-1-1 center and has created a centralized source of County information where complaints are tracked until completion.

*1% Special Purpose Local Option Sales Tax (SPLOST) – 2000-2005.* The “star” project of the current SPLOST is the County's new public library and performing arts center. The building is near completion and a grand opening is planned for April 2006. This building along with the 700-seat amphitheatre and lighted mile walking track will be the site for many community activities. The County built a road into the new 150-acre Blanchard Woods Park which will provide six additional soccer fields, tennis courts, and walking trails. Transportation projects are continuing as funding becomes available, and the continuation of the center turn lane on Washington Road has been a great asset.

*1% Special Purpose Local Option Sales Tax (SPLOST) – 2006-2010.* Because of several important initiatives, the County passed its 2006-2010 SPLOST referendum in July 2004 so general obligation bonds could be sold. These funds have been earmarked for four new fire stations and equipment, an emergency operations center, improvements to three recreational parks, and renovations and improvements to several County buildings.

## MAJOR FUTURE INITIATIVES

*Incorporation/Consolidation.* The Board of Commissioners feels that this is a unique time to accomplish one of its most important projects – to ensure the government of Columbia County will be streamlined and able to profit from opportunities allowed by State law for consolidated governments. Unlike many Georgia Counties which have a municipal government providing urban services to a large portion of the county's population, the Columbia County government is the major service provider in our County. Since more than 90% of the County's population is in the unincorporated area outside the city limits of both Grovetown and Harlem, the vast majority of all local governmental services are provided by the County government. It is hoped that the

incorporation/consolidation concept be on the ballot in 2006 so the citizens can decide on this important issue.

**Transportation.** The Georgia DOT has been cooperative in recognizing our rapid growth and its impact on the County's major transportation corridors. DOT funding must be combined with SPLOST funds to accomplish needed improvements. The DOT is currently widening Fury Ferry's Road, and once completed, it will greatly alleviate traffic congestion on other main traffic arteries.

Road widening, sidewalks, and street lamps have been installed on Ronald Reagan Drive where further intersection improvements are planned, with a traffic signal at North Belair Road to be installed in early 2006. The widening of North Belair Road and initial work on a connector road linking North Belair and Industrial Drive has begun.

**Growth Management Plan.** The State of Georgia requires its counties to write a revised Growth Management Plan every ten years. Because of the rapid growth in Columbia County, a new plan is currently being prepared after only five years. The updating of this plan involves a citizen committee, public meetings, and a great deal of research and decision-making on the zoning of the county. Zoning determines where all types of growth will go as well as where greenspace and recreational facilities will be located. These decisions will have a profound impact on the future quality of life in the County. A final report from this committee is expected in early 2006.

## **INTERNAL CONTROLS**

Management of the County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control process is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As part of the County's annual single audit, required in conformity with provisions of the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, tests are made to determine the adequacy of the internal control structure including that portion relating to federal financial assistance programs, as well as to determine that the County has complied with applicable laws and regulations. The single audit for the year ended June 30, 2005, disclosed no material internal control weaknesses or material violations of laws and regulations.

## BUDGETARY CONTROLS

The County is required to adopt a balanced budget each year and maintain budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Commissioners. Activities of the General Fund, Special Revenue Funds, and Debt Service Fund are included in the annual appropriated budget. Project-length plans are adopted for the Capital Projects Funds. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed appropriations) is the departmental level within each fund. The Finance Director may authorize transfers of appropriations within departments (except salary line items) that are < \$5,000. The County Administrator may authorize transfers of appropriations within departments (except salary line items) that are \$5,000 or more. Transfers of appropriations from one department to another or from one fund to another require approval of the Board of Commissioners.

The County maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, outstanding encumbrances generally are re-appropriated as part of the following year's budget. A detailed explanation of the County's budget procedures can be found in the notes to the financial statements.

## DEBT ADMINISTRATION

Columbia County continues to maintain strong bond ratings with the major credit rating services. In September 2004, the County prepared comprehensive presentations for Fitch IBCA, Standard & Poor's, and Moody's Investors Service rating agencies in an effort to upgrade the current uninsured ratings applied to the County's general obligation bonds and water and sewerage revenue bonds. Noting increased financial flexibility due to strong reserves, the County's strong tax base growth and its consistently strong financial operations, the County received notification from Fitch IBCA and Standard & Poor's that the County's general obligation bonds ratings were upgraded from AA- to AA. Moody's maintained the rating of Aa3 on the general obligation bond issues. Standard & Poor's upgraded its rating on the water and sewerage bonds from A to AA-, while Fitch and Moody's maintained their ratings of AA- and Aa3, respectively. The County will continue to follow prudent fiscal policies and practices in order to maintain its strong credit rating.

## CASH MANAGEMENT

While any investment instrument or decision carries certain elements of risk, numerous safeguards are available to minimize the risk while generating a market rate of return. Columbia County seeks to obtain market rates of return on its investments consistent with constraints imposed by its safety objectives, cash flow considerations, and Georgia state laws. Safety of principal is the foremost objective. Each investment transaction shall first seek to ensure that capital losses are avoided, whether they are from defaults or erosion of market value.

Idle funds are invested primarily in obligations of the State of Georgia and other states; obligations issued, fully insured, or guaranteed by the United States; collateralized certificates of deposit; and repurchase agreements. The County strives to maximize investment income while minimizing risk and maintaining liquidity sufficient to cover cash operating requirements. The County utilizes various forms of investment instruments to avoid incurring unreasonable risks inherent in the lack of diversification in specific instruments, individual financial institutions, or maturities. Investment maturities are scheduled to coincide with projected cash flow needs, taking into account large routine scheduled expenditures, as well as considering unanticipated revenues and expenditures.

Investment income includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the government intends to hold to maturity.

### **RISK MANAGEMENT**

The purpose of the Columbia County risk management program is to minimize the financial burden incurred by the County as a result of work-related injuries, loss of County property, and damages which may be incurred by third parties. The County has elected to utilize coverages provided by the Association County Commissioners of Georgia Interlocal Risk Management Agency (ACCG-IRMA) and the Association County Commissioners of Georgia Group Self-Insured Workers' Compensation Fund (ACCG-GSIWCF). The County continues to maintain self-insured retention levels of \$50,000 per occurrence and \$200,000 per occurrence in the ACCG-IRMA and ACCG-GSIWCF programs, respectively. An Internal Service Fund is used to account for costs associated with risk management, with the exception of workers' compensation, which continues to be accounted for within the General Fund. Reserves are being accumulated in both funds to meet potential losses. As reserves increase, retention levels may be increased, reducing the annual cost of coverage.

Management remains committed to a safe working environment. Employee education and training enhance and supplement ongoing efforts to maintain a safe and healthy environment for all County employees. Training classes, such as CPR and first aid, defensive driving, self defense, workplace violence, and office ergonomics, are made available for all County employees.

### **INDEPENDENT AUDIT**

The Code of Ordinances of Columbia County and the Official Code of Georgia require an annual independent audit of the County's financial records by a certified public accounting firm. The accounting firm of Baird & Company CPAs, LLC, was selected by the Management and Financial Services Committee and approved by the Board of Commissioners in April 2004 as independent auditor for fiscal year ended June 30, 2004, with an option to renew the contract for three additional one year periods. This option was exercised for fiscal year ended June 30, 2005. In addition to

meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports on internal controls and compliance with applicable laws and regulations are included in the single audit section of this report.

#### AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Columbia County, Georgia, for its comprehensive annual financial report for the fiscal year ended June 30, 2004. This was the seventh consecutive year that the County achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

#### ACKNOWLEDGMENTS

The preparation of this report could not have been accomplished without the support and cooperation of elected officials, County administration, other County departments, external auditors, and the efficient, dedicated efforts of the entire staff of the Finance Department. Credit must be given to the County Administrator and the Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of Columbia County's finances.

Respectfully submitted,



Leanne C. DeLoach, CPA  
Director of Financial Services

**COLUMBIA COUNTY, GEORGIA  
PRINCIPAL OFFICIALS  
June 30, 2005**

**ELECTED OFFICIALS**

**BOARD OF COMMISSIONERS**

Ron C. Cross, Chairman  
Diane H. Ford, Vice Chairperson, District 3

District 1  
District 2  
District 4

Stephen W. Brown, Jr.  
Thomas W. Mercer, Jr.  
Lee Anderson

**CONSTITUTIONAL OFFICERS**

Tax Commissioner  
Clerk of Court  
Magistrate Court Judge  
Probate Court Judge  
Sheriff  
Coroner

Kay Allen  
Cindy Mason  
Wade Padgett  
Pat Hardaway  
Clay Whittle  
Tommy King

**APPOINTED OFFICIALS**

County Administrator  
Director of Financial Services  
Director of Engineering and Environmental Services  
Director of Building and Commercial Services  
Director of Community and Leisure Services  
Director of Planning and Development Services  
Director of Water and Sewerage Services  
Director of Construction and Maintenance Services  
Director of Emergency Services  
Director of Management Services  
County Clerk  
County Attorney

Steve Szablewski  
Leanne C. DeLoach  
James Leiper  
Richard Harmon  
Barry Smith  
Jeff Browning  
William C. Clayton  
Kevin Lear  
Pamela P. Tucker  
Todd Glover  
Phebe J. Dent  
Douglas D. Batchelor, Jr.

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Columbia County,  
Georgia

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2004

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



*Nancy L. Zjelke*

President

*Jeffrey R. Emer*

Executive Director

# **FINANCIAL SECTION**

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

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 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, 2005, 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the 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, 2005, 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 December 8, 2005, 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 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  
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 tables 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 tables 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

December 8, 2005  
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, 2005. 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, 2005, are as follows:

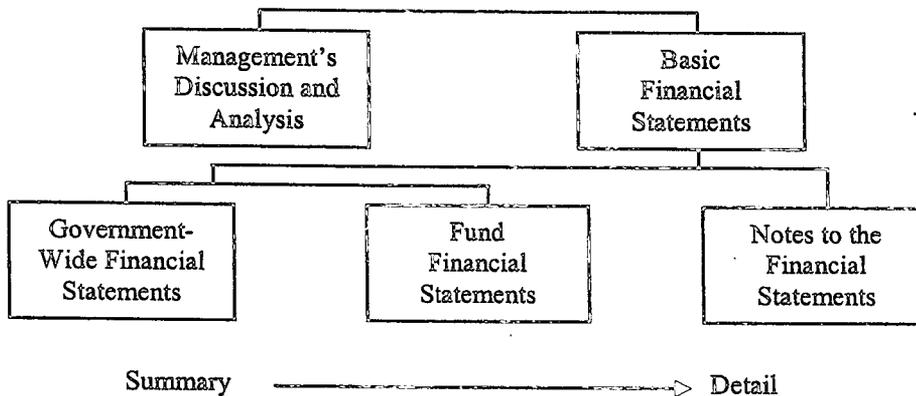
- The Government's combined net assets totaled \$250.3 million.
- The Government's total net assets increased by \$27.7 million, primarily due to increased revenue from property taxes of \$5 million, sales taxes of \$1.4 million, and capital grants/contributions of \$9.2 million.
- As of the close of the current fiscal year, the Government's governmental funds reported combined ending fund balances of \$63.8 million, an increase of \$19.5 million from the prior year. Approximately 90% of this total amount, or \$57.2 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 \$14.9 million, or 36.5% of total General Fund expenditures for the fiscal year. Of this amount, \$11.9 million has been designated for other purposes, leaving \$3 million, or 7.3% of total General Fund expenditures, as undesignated.
- Combined Revenue totaled \$112.6 million of which governmental activities totaled \$75.0 million and business-type activities totaled \$37.6 million.
- Overall expenses totaled \$84.8 million of which governmental activities totaled \$60.3 million and business-type activities totaled \$24.5 million.
- Expenses of governmental activities exceeded program revenue, resulting in the use of \$42.8 million in general revenues (mostly taxes).
- Total Outstanding Long-Term Debt, excluding compensated absences and the liability for landfill closure/post closure care costs, increased approximately \$47.2 million primarily due to the issuance of \$22.750 million of general obligation bonds and \$28.940 million of revenue 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 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, 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 \$250.3 million as of June 30, 2005.

The largest portion of the Government's net assets, \$188.6 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, \$10.4 million or 4%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$51.3 million or 21%, 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 – 90 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	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 66,113,997	\$ 47,662,711	\$ 60,347,493	\$ 36,226,952	\$126,461,490	\$ 83,889,663
Capital assets	129,166,401	108,647,331	146,079,785	136,153,844	\$275,246,186	\$ 244,801,175
Total assets	<u>195,280,398</u>	<u>156,310,042</u>	<u>206,427,278</u>	<u>172,380,796</u>	<u>\$401,707,676</u>	<u>\$ 328,690,838</u>
Long-term liabilities outstanding	53,026,012	28,732,940	92,087,830	68,297,681	\$145,113,842	\$ 97,030,621
Other liabilities	4,629,844	4,620,888	1,626,097	4,440,404	\$ 6,255,941	\$ 9,061,292
Total liabilities	<u>57,655,856</u>	<u>33,353,828</u>	<u>93,713,927</u>	<u>72,738,085</u>	<u>\$151,369,783</u>	<u>\$ 106,091,913</u>
Net assets:						
Invested in capital assets, net of related debt	96,090,012	81,177,331	92,477,458	79,637,692	\$188,567,470	\$ 160,815,023
Restricted	2,249,183	848,444	8,175,423	7,134,148	\$ 10,424,606	\$ 7,982,592
Unrestricted	39,285,347	40,930,439	12,060,470	12,870,871	\$ 51,345,817	\$ 53,801,310
Total net assets	<u>\$ 137,624,542</u>	<u>\$122,956,214</u>	<u>\$112,713,351</u>	<u>\$99,642,711</u>	<u>\$250,337,893</u>	<u>\$ 222,598,925</u>

## Changes in Net Assets

**Governmental Activities.** Governmental activities increased the Government's net assets by \$14.7 million, thereby accounting for 53% 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, 2005. Increases in property tax and sales tax revenues contributed approximately \$5 million and \$1.4 million, respectively, to the increase in net assets due to growth in the County, not increases in tax rates. Also, capital grants/contributions increased by \$2.6 million due to additional grant proceeds of \$2.9 million.

**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 46% 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 \$13.1 million, accounting for 47% 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 \$8.1 million due to continued operating efficiency of the fund. Although the demand for water was lower than in previous years due to an unseasonably wet summer, management was able to control operating costs in connection with establishing rates sufficient to ensure an increase in net assets.
- The Solid Waste Authority Fund reported an increase in net assets of \$224,627. This increase was due to a minimal change in the filled capacity of the landfill D cell from 93% as of June 30, 2004, to 97% as of June 30, 2005. This increased the liability for closure and postclosure care costs of the D cell by only \$689,785 as of June 30, 2005.
- The Storm Water Utility Fund reported an increase in net assets of \$4.4 million due to capital contributions of \$4.3 million.

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

**Figure 3**

	Governmental Activities		Business-type Activities		Total	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 9,277,237	\$ 8,908,132	\$ 26,511,861	\$ 24,416,995	\$ 35,789,098	\$ 33,325,127
Operating grants and contributions	1,694,385	2,810,736	8,545	-	1,702,930	2,810,736
Capital grants and contributions	6,472,067	3,911,264	10,756,868	4,123,601	17,228,935	8,034,865
<b>General revenues:</b>						
Property taxes	24,290,609	19,171,747	-	-	24,290,609	19,171,747
Sales/other taxes	31,430,996	29,945,007	-	-	31,430,996	29,945,007
Revenues from use of money	1,153,993	503,308	324,624	294,417	1,478,617	797,725
Gain on sale of assets	74,165	277,940	-	-	74,165	277,940
Miscellaneous	539,654	368,753	16,350	9,425	556,004	378,178
<b>Total revenues</b>	<b>74,933,106</b>	<b>65,896,887</b>	<b>37,618,248</b>	<b>28,844,438</b>	<b>112,551,354</b>	<b>94,741,325</b>
<b>Expenses:</b>						
General government	10,952,376	10,690,148	-	-	10,952,376	10,690,148
Judicial system	3,921,382	3,079,123	-	-	3,921,382	3,079,123
Public safety	25,604,875	21,614,362	-	-	25,604,875	21,614,362
Public works	9,791,907	9,943,098	-	-	9,791,907	9,943,098
Health and welfare	1,589,011	1,552,310	-	-	1,589,011	1,552,310
Culture and recreation	3,518,904	3,239,469	-	-	3,518,904	3,239,469
Housing and development	2,998,369	2,482,975	-	-	2,998,369	2,482,975
Interest on long-term debt	1,906,954	1,396,991	-	-	1,906,954	1,396,991
Water and sewer	-	-	16,439,761	15,639,176	16,439,761	15,639,176
Storm water	-	-	1,945,086	1,508,994	1,945,086	1,508,994
Solid waste management	-	-	4,728,988	4,090,072	4,728,988	4,090,072
Solid waste authority	-	-	1,414,773	1,236,723	1,414,773	1,236,723
<b>Total expenses</b>	<b>60,283,778</b>	<b>53,998,476</b>	<b>24,528,608</b>	<b>22,474,965</b>	<b>84,812,386</b>	<b>76,473,441</b>
<b>Increase in net assets before transfers</b>	<b>14,649,328</b>	<b>11,898,411</b>	<b>13,089,640</b>	<b>6,369,473</b>	<b>27,738,968</b>	<b>18,267,884</b>
<b>Transfers</b>	<b>19,000</b>	<b>-</b>	<b>(19,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase in net assets</b>	<b>14,668,328</b>	<b>11,898,411</b>	<b>13,070,640</b>	<b>6,369,473</b>	<b>27,738,968</b>	<b>18,267,884</b>
<b>Net assets, July 1</b>	<b>122,956,214</b>	<b>111,057,803</b>	<b>99,642,711</b>	<b>94,334,137</b>	<b>222,598,925</b>	<b>205,391,940</b>
<b>Prior period adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,060,899)</b>	<b>-</b>	<b>(1,060,899)</b>
<b>Net assets, June 30</b>	<b>\$ 152,292,870</b>	<b>\$ 134,854,625</b>	<b>\$ 125,783,991</b>	<b>\$ 106,012,184</b>	<b>\$ 278,076,861</b>	<b>\$ 240,866,809</b>

## **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 \$63.8 million, of which \$57.2 million, or 90%, 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 \$15.4 million, of which \$14.9 million, or 96%, was unreserved. A portion of the unreserved fund balance in the General Fund is designated for operations and extraordinary losses, in the amounts of \$10.9 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, 2005, total unreserved fund balance, both undesignated and designated, represents 37% of total general fund expenditures.

The total fund balance of the General Fund decreased by \$1.2 million (7%) during the current fiscal year due to a transfer out of undesignated fund balance in the amount of \$2.1 million to provide support for the first year of operations in the Fire Services Fund, a nonmajor Special Revenue Fund. However, fund balance designated for operations still exceeds the goal of 25% of operating expenditures. Other key factors contributing to this change are as follows:

- ◆ Total revenue exceeded prior year revenue by \$2.7 million, or 7%, primarily due to the increase of \$1.4 million in taxes. This increase includes additional sales tax revenues of \$676,004 and additional property taxes of \$1.0 million.
- ◆ Although expenditures increased in fiscal year 2005 by \$3.3 million, or 9%, revenues exceeded expenditures by \$685,830.

### **General Fund Budgetary Highlights**

During the year ended June 30, 2005, the Government's financial picture remains impressive. The fiscal year 2005 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 \$609,945. 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 \$2.6 million, expenditures by \$0.5 million, and other financing sources/(uses) by \$2.1 million and consisted of the following:

- \$523,287 increase in grant revenues to fund various programs;
- A transfer out of undesignated fund balance of \$2,109,407 to provide support to the Fire Services Fund for its first year of operations;
- \$19,000 transferred from Solid Waste Management Fund to help support the Clean and Beautiful program.

The actual operating revenues for the General Fund were less than the budgeted amount by \$1.7 million due to money budgeted from fund balance to be used for capital expenditures and interfund transfers. The individual sources within the revenues fluctuated both positively and negatively. Except for the *other* category that included budgeted fund balance, no individual source materially varied from the final budget. In order to balance revenues with expenditures, the Government budgeted as a revenue \$3.4 million of undesignated fund balance to be used for capital expenditures and a transfer to the Fire Services Fund. If budgeted fund balance is excluded from the computation, actual revenues exceeded budgeted revenues by \$1.7 million.

As a result of superior budget management by all departments of the Government, actual operating expenditures were less than the budgeted amount by \$650,332. For the year, actual expenditures and other financing uses exceeded actual revenues and other financing sources by \$1.2 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 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, 2005, for the SPLOST Fund and the Bond Fund total \$20.7 million and \$17.2 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 Bond Fund is due to the timing of the collection of revenues as compared to project expenditures.

#### 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 at the end of the year were as follows: Water and Sewerage Fund, \$11.4 million; Solid Waste Authority Fund, \$(1.6 million); Storm Water Utility Fund, \$1.6 million. The total growth (reduction) in net assets for previously mentioned funds was \$8.1 million, \$224,627, and \$4.4 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, 2005, amounts to \$275.2 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 \$8.2 million of infrastructure and other public works projects.
- Addition of water and sewer systems of \$14 million and storm water systems of \$4.8 million.
- Increase in construction in process for governmental activities of \$7.3 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>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Land	\$ 28,207,656	\$ 25,943,275	\$ 1,470,680	\$ 1,425,680	\$ 29,678,336	\$ 27,368,955
Buildings	43,069,914	43,399,861	1,021,737	1,072,482	44,091,651	44,472,343
Improvements other than buildings	6,298,050	2,407,065	395,145	952,533	6,693,195	3,359,598
Utility plant and distribution systems	-	-	68,433,847	63,062,442	68,433,847	63,062,442
Donated subdivision	-	-	38,258,649	33,650,416	38,258,649	33,650,416
Storm water systems	-	-	8,502,533	4,330,808	8,502,533	4,330,808
Infrastructure	29,102,973	24,186,101	-	-	29,102,973	24,186,101
Vehicles, machinery and equipment	5,361,219	2,881,592	1,529,386	2,018,090	6,890,605	4,899,682
Construction in progress	17,126,589	9,829,437	26,467,808	29,641,392	43,594,397	39,470,829
<b>Total</b>	<b>\$ 129,166,401</b>	<b>\$ 108,647,331</b>	<b>\$ 146,079,785</b>	<b>\$ 136,153,843</b>	<b>\$ 275,246,186</b>	<b>\$ 244,801,174</b>

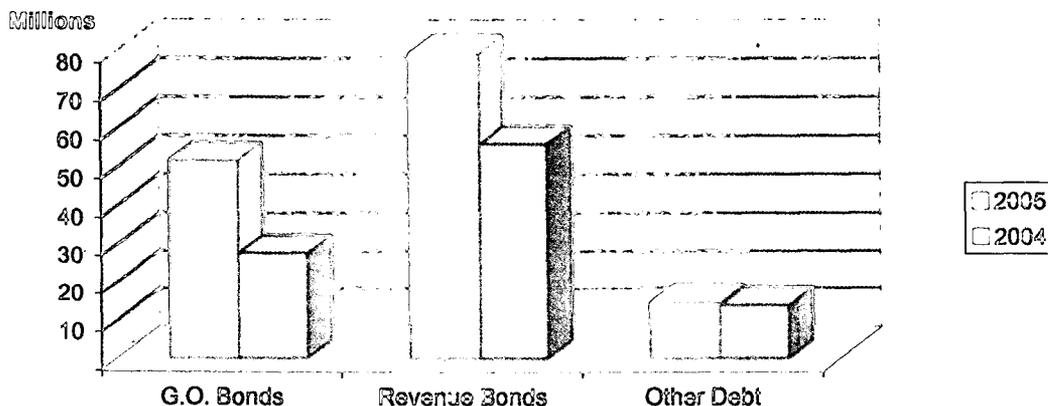
### Long-Term Debt

As of June 30, 2005, the Government had a total of \$145 million in outstanding long-term debt. Of this amount, \$51.5 million consists of general obligation debt backed by the full faith and credit of the government, \$79.5 million consists of revenue bonds backed by the revenues of the water and sewer system and the landfill, \$10.8 million consists of the liability for landfill closure, and \$3.4 million in other liabilities. The Government retired \$7.7 million of outstanding bonds during the year ended June 30, 2005, and issued \$22.75 million of general obligation bonds and \$28.94 million of water and sewer revenue bonds.

**The Government's Outstanding Debt**  
**General Obligation and Revenue Bonds**  
**June 30, 2005 and 2004**

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
General obligation bonds	\$ 51,573,383	\$ 27,470,000	\$ -	\$ -	\$ 51,573,383	\$ 27,470,000
Revenue bonds	-	-	79,254,336	55,885,405	79,254,336	55,885,405
Other debt	1,452,629	1,262,940	12,833,494	12,412,278	14,286,123	13,675,218
<b>Total debt</b>	<b>\$ 53,026,012</b>	<b>\$ 28,732,940</b>	<b>\$ 92,087,830</b>	<b>\$ 68,297,683</b>	<b>\$ 145,113,842</b>	<b>\$ 97,030,623</b>



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 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Government is \$241 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, 2006**

With the rapid growth in the County and a continual desire to improve services, passing a balanced budget with an adequate contingency without raising the operational millage rate for the eighth consecutive year is a triumph for the Constitutional Officials, staff, and the citizens of Columbia County! Because of the fiscal responsibility by the BOC in the past, Columbia County is able to weather tight financial times while seeking to provide services as cost-effectively as possible.

The County's goals for 2006 start with the continuation of fiscal responsibility and strategies for needed long-term projects. Emphasis on the following three areas—initiation of projects funded from the 2006-2010 SPLOST, revisions to the zoning ordinances reflecting recommendations from the new Growth Management Plan, and improvements for critically needed infrastructure—will be the focal points for the BOC.

As the County continues to grow, commercial and retail development is “following the housetops,” and over one million square feet of new retail space is either in the planning stage or under construction. Ensuring that this development will enhance the community financially as well as visually is an important task. More stringent architectural requirements for all commercial development and higher standards for growth at major intersections are being developed rapidly. The citizens of Columbia County want and expect the best of all worlds—a high quality of life, excellent retail buying opportunities, lower taxes than our neighbors, and first rate appearance.

In 1996, our Sheriff's Office was the first in the state to receive CALEA's (Commission on Accreditation for Law Enforcement Agencies) Sheriff's Office accreditation which they continue to maintain, and recently the Sheriff's 9-1-1 Department was the first in the state to receive CALEA's Communication Center accreditation. This rarely-achieved nationwide standard of excellence illustrates the premier community-focused public safety offered by our Sheriff's Office.

Below are additional budget highlights of the General Fund:

○ Economic development	\$ 1,035,512
○ 2% Contingency	\$ 872,806
○ 23 new positions in various County departments and other promotions and reclassifications	\$ 530,094
○ Merit/benefit increases	\$ 455,252
○ Capital equipment	\$ 1,441,920
○ Increase from prior year	8.07%

### 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, 2005

	Primary Government			Component Units		
	Governmental Activities	Business- Type Activities	Total	Development Authority of Columbia County	Columbia County Board of Health	Bartram Trail CDC, Inc.
<b>Assets</b>						
Cash and cash equivalents	\$ 27,877,390	\$ 8,248,067	\$ 36,125,457	\$ 117,802	\$ 253,119	\$ -
Investments	31,921,845	11,967,637	43,889,482	-	-	-
Taxes receivable	335,502	-	335,502	-	-	-
Accounts receivable	889,276	3,123,509	4,012,785	-	34,685	-
Intergovernmental receivable	4,420,588	-	4,420,588	-	-	-
Internal balances	(111,635)	111,635	-	-	-	-
Inventories	30,502	577,084	607,586	-	-	-
Prepaid items	182,904	31,133	214,037	231	-	-
Deferred charges	506,625	3,624,767	4,131,392	-	-	912,546
Due from component units	61,000	-	61,000	-	-	-
Capital assets:						
Land and construction in progress	45,334,245	27,938,488	73,272,733	477,494	-	7,467,503
Other capital assets, net of accumulated depreciation	83,832,156	118,141,297	201,973,453	1,781,967	-	-
Restricted assets:						
Restricted cash	-	6,621,361	6,621,361	-	-	1,566,407
Restricted investments	-	26,042,300	26,042,300	-	-	-
Total assets	195,280,398	206,427,278	401,707,676	2,377,494	287,804	9,946,456
<b>Liabilities</b>						
Accounts payable	2,742,859	1,047,020	3,789,879	13,379	3,374	180,216
Accrued payroll	667,065	65,453	732,518	-	10	-
Unearned revenue	59,058	71,625	130,683	-	-	-
Accrued interest payable	1,160,862	349,203	1,510,065	-	-	-
Due to primary government	-	-	-	61,000	-	-
Customer deposits	-	92,796	92,796	-	-	-
Long-term liabilities:						
Liabilities due within one year	1,680,000	4,942,802	6,622,802	625,000	79,037	-
Liabilities due in greater than one year	51,346,012	87,145,028	138,491,040	2,695,000	-	10,207,600
Total liabilities	57,655,856	93,713,927	151,369,783	3,394,379	82,421	10,387,816
<b>Net assets</b>						
Invested in capital assets, net of related debt	96,090,012	92,477,458	188,567,470	2,259,461	-	-
Restricted for debt service	2,249,183	8,175,423	10,424,606	-	-	-
Unrestricted	39,285,347	12,060,470	51,345,817	(3,276,346)	205,383	(441,360)
Total net assets	\$ 137,624,542	\$ 112,713,351	\$ 250,337,893	\$ (1,016,885)	\$ 205,383	\$ (441,360)

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, 2005**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 10,952,376	\$ 2,143,541	\$ 371,559	\$ 3,277,952
Judicial system	3,921,382	2,708,135	51,043	-
Public safety	25,604,875	2,229,070	556,554	-
Public works	9,791,907	-	480,226	2,984,912
Health and welfare	1,589,011	103,360	200,331	-
Culture and recreation	3,518,904	537,381	4,672	209,203
Housing and development	2,998,369	1,555,750	30,000	-
Debt service - interest and fees	1,906,954	-	-	-
<b>Total governmental activities</b>	<b>60,283,778</b>	<b>9,277,237</b>	<b>1,694,385</b>	<b>6,472,067</b>
Business-type activities:				
Water and sewer	16,439,761	18,246,249	8,545	6,499,686
Storm water	1,945,086	2,170,525	-	4,257,182
Solid waste management	4,728,988	3,476,191	-	-
Solid waste authority	1,414,773	2,618,896	-	-
<b>Total business-type activities</b>	<b>24,528,608</b>	<b>26,511,861</b>	<b>8,545</b>	<b>10,756,868</b>
<b>Total primary government</b>	<b>\$ 84,812,386</b>	<b>\$ 35,789,098</b>	<b>\$ 1,702,930</b>	<b>\$ 17,228,935</b>
<b>Component units:</b>				
Development Authority of Columbia County	\$ 477,690	\$ 1,250	\$ 955,758	\$ -
Columbia County Board of Health	1,247,519	148,444	1,018,575	-
Bartram Trail CDC, Inc.	657,262	-	-	252,595
<b>Total component unit</b>	<b>\$ 2,382,471</b>	<b>\$ 149,694</b>	<b>\$ 1,974,333</b>	<b>\$ 252,595</b>

General revenues:  
Taxes, property  
Taxes, sales  
Taxes, franchise  
Taxes, other  
Revenues from use of money and property  
Gain on sale of capital assets  
Miscellaneous  
Transfers  
Total general revenues and transfers

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.
\$ (5,159,324)	\$ -	\$ (5,159,324)	\$ -	\$ -	\$ -
(1,162,204)	-	(1,162,204)	-	-	-
(22,819,251)	-	(22,819,251)	-	-	-
(6,326,769)	-	(6,326,769)	-	-	-
(1,285,320)	-	(1,285,320)	-	-	-
(2,767,648)	-	(2,767,648)	-	-	-
(1,412,619)	-	(1,412,619)	-	-	-
(1,906,954)	-	(1,906,954)	-	-	-
<u>(42,840,089)</u>	<u>-</u>	<u>(42,840,089)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	8,314,719	8,314,719	-	-	-
-	4,482,621	4,482,621	-	-	-
-	(1,252,797)	(1,252,797)	-	-	-
-	1,204,123	1,204,123	-	-	-
-	<u>12,748,666</u>	<u>12,748,666</u>	-	-	-
<u>(42,840,089)</u>	<u>12,748,666</u>	<u>(30,091,423)</u>	-	-	-
\$ -	\$ -	\$ -	\$ 479,318	\$ -	\$ -
-	-	-	-	(80,500)	-
-	-	-	-	-	(404,667)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 479,318</u>	<u>\$ (80,500)</u>	<u>\$ (404,667)</u>
24,290,609	-	24,290,609	-	-	-
24,345,520	-	24,345,520	-	-	-
489,564	-	489,564	-	-	-
6,595,912	-	6,595,912	-	-	-
1,153,993	324,624	1,478,617	6,461	3,363	49,942
74,165	-	74,165	-	-	-
539,654	16,350	556,004	-	35,007	-
19,000	(19,000)	-	-	-	-
<u>57,508,417</u>	<u>321,974</u>	<u>57,830,391</u>	<u>6,461</u>	<u>38,370</u>	<u>49,942</u>
14,668,328	13,070,640	27,738,968	485,779	(42,130)	(354,725)
122,956,214	99,642,711	222,598,925	(1,502,664)	247,513	(86,635)
<u>\$ 137,624,542</u>	<u>\$ 112,713,351</u>	<u>\$ 250,337,893</u>	<u>\$ (1,016,885)</u>	<u>\$ 205,383</u>	<u>\$ (441,360)</u>

## FUND FINANCIAL STATEMENTS

**Columbia County, Georgia**

**Balance Sheet  
Governmental Funds  
June 30, 2005**

	General	Special Local Option Sales Tax Fund 2001-2005	2004 General Obligation Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 7,892,893	\$ 13,587,499	\$ 419,946	\$ 5,442,221	\$ 27,342,559
Investments	9,040,321	6,056,564	16,723,665	101,295	31,921,845
Taxes receivable	281,551	-	-	53,951	335,502
Accounts receivable	148,875	19,814	-	704,732	873,421
Intergovernmental receivable	2,052,358	2,368,230	-	-	4,420,588
Due from component units	-	61,000	-	-	61,000
Due from other funds	2,899,462	-	46,930	5,388,540	8,334,932
Inventories	30,502	-	-	-	30,502
Prepaid items	158,095	11,469	107	12,916	182,587
<b>Total assets</b>	<b>\$ 22,504,057</b>	<b>\$ 22,104,576</b>	<b>\$ 17,190,648</b>	<b>\$ 11,703,655</b>	<b>\$ 73,502,936</b>
<b>Liabilities and fund balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 818,300	\$ 1,164,639	\$ 25,451	\$ 418,281	\$ 2,426,671
Accrued payroll	376,339	6,273	1,002	32,311	415,925
Accrued compensated absences	159,566	1,506	-	15,967	177,039
Deferred revenue	244,884	-	-	105,842	350,726
Due to other funds	5,464,248	249,373	-	619,740	6,333,361
Accrued interest	-	-	-	24,433	24,433
<b>Total liabilities</b>	<b>7,063,337</b>	<b>1,421,791</b>	<b>26,453</b>	<b>1,216,574</b>	<b>9,728,155</b>
<b>Fund balances:</b>					
Reserved for encumbrances	392,067	2,613,296	162,993	912,092	4,080,448
Reserved for inventories/prepaid items	188,596	11,469	107	12,916	213,088
Reserved for debt service	-	-	-	2,249,183	2,249,183
Unreserved, designated for operations	10,875,044	-	-	-	10,875,044
Unreserved, designated for extraordinary reserve	1,000,000	-	-	-	1,000,000
Unreserved, undesignated	2,985,013	18,058,020	17,001,095	-	38,044,128
Unreserved, reported in nonmajor:					
Special revenue	-	-	-	4,606,624	4,606,624
Capital projects	-	-	-	2,706,266	2,706,266
<b>Total fund balances</b>	<b>15,440,720</b>	<b>20,682,785</b>	<b>17,164,195</b>	<b>10,487,081</b>	<b>63,774,781</b>
<b>Total liabilities and fund balances</b>	<b>\$ 22,504,057</b>	<b>\$ 22,104,576</b>	<b>\$ 17,190,648</b>	<b>\$ 11,703,655</b>	<b>\$ 73,502,936</b>

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, 2005

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

Ending fund balance - governmental funds	\$ 63,774,781
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	129,166,401
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	291,668
Bond issuance costs, net of amortization, are not financial resources and, therefore, are not reported in the funds.	506,625
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	(53,026,012)
Current portion of compensated absences reported within governmental funds	<u>(65,409)</u>
	(53,091,421)
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.	(1,136,429)
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.	(770,297)
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>(1,116,786)</u>
Net assets of governmental activities	<u>\$ 137,624,542</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, 2005**

	General	Special Local Option Sales Tax Fund 2001-2005	2004 General Obligation Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes - property	\$ 18,270,025	\$ -	\$ -	\$ 6,020,390	\$ 24,290,415
Taxes - sales	11,273,425	13,072,095	-	-	24,345,520
Taxes - other	3,307,572	-	-	3,778,850	7,086,422
Licenses and permits	330,763	-	-	887,188	1,217,951
Intergovernmental	2,792,220	271,900	-	3,211,826	6,275,946
Charges for services	2,986,308	-	-	3,197,753	6,184,061
Fines and forfeitures	1,564,247	-	-	310,978	1,875,225
Investment income	382,082	386,901	141,965	235,338	1,146,286
Contributions and donations	16,325	-	-	67,415	83,740
Other	466,734	5,471	-	67,449	539,654
Total revenues	<u>41,389,701</u>	<u>13,736,367</u>	<u>141,965</u>	<u>17,777,187</u>	<u>73,045,220</u>
<b>Expenditures</b>					
<b>Current:</b>					
General government	9,458,172	1,208,565	-	-	10,666,737
Judicial system	3,202,859	-	-	22,694	3,225,553
Public safety	18,393,093	-	-	6,147,521	24,540,614
Public works	3,673,896	-	-	7,433,563	11,107,459
Health and welfare	1,079,312	-	-	419,653	1,498,965
Culture and recreation	2,844,259	-	-	609,981	3,454,240
Housing and development	2,052,280	-	-	986,963	3,039,243
Miscellaneous	-	-	-	9,225	9,225
Capital outlay	-	10,913,014	6,569,702	1,448,151	18,930,867
<b>Debt service:</b>					
Principal	-	-	-	495,000	495,000
Interest	-	-	-	1,570,585	1,570,585
Total expenditures	<u>40,703,871</u>	<u>12,121,579</u>	<u>6,569,702</u>	<u>19,143,336</u>	<u>78,538,488</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>685,830</u>	<u>1,614,788</u>	<u>(6,427,737)</u>	<u>(1,366,149)</u>	<u>(5,493,268)</u>
<b>Other financing sources (uses)</b>					
Proceeds from debt issuance	-	-	21,432,395	1,317,605	22,750,000
Proceeds from bond premium	-	-	2,156,447	-	2,156,447
Sale of property	74,165	-	-	-	74,165
Transfers in	194,000	477,346	3,090	4,420,737	5,095,173
Transfers out	(2,109,407)	(3,090)	-	(2,963,676)	(5,076,173)
Total other financing sources (uses)	<u>(1,841,242)</u>	<u>474,256</u>	<u>23,591,932</u>	<u>2,774,666</u>	<u>24,999,612</u>
Net change in fund balances	(1,155,412)	2,089,044	17,164,195	1,408,517	19,506,344
<b>Fund balances - beginning</b>	<u>16,596,132</u>	<u>18,593,741</u>	<u>-</u>	<u>9,078,564</u>	<u>44,268,437</u>
<b>Fund balances - ending</b>	<u>\$ 15,440,720</u>	<u>\$ 20,682,785</u>	<u>\$ 17,164,195</u>	<u>\$ 10,487,081</u>	<u>\$ 63,774,781</u>

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, 2005

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

Net change in fund balances - total governmental funds \$ 19,506,344

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	27,994,866	
Depreciation expense	(7,446,857)	
Net book value of disposals	<u>(28,939)</u>	
		20,519,070

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (152)

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.

Principal amount of bonds issued	(22,750,000)	
Premium related to bond issuance	(2,156,447)	
Current year amortization of premium	308,064	
Bond issuance costs, net of current year amortization	591,063	
Current year amortization of bond issuance costs	(84,438)	
Current year principal repayments	495,000	
Net changes in compensated absences, including amounts reported in funds	<u>(484,896)</u>	
		(24,081,654)

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. (559,995)

The net revenue of certain activities of the internal service funds is reported with governmental activities. (114,759)

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. (599,926)

Change in net assets of governmental activities \$ 14,668,328

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, 2005**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenues</b>				
Taxes - property	\$ 18,046,180	\$ 18,046,180	\$ 18,270,025	\$ 223,845
Taxes - sales	10,778,523	10,778,523	11,273,425	494,902
Taxes - other	2,850,000	2,850,000	3,307,572	457,572
Licenses and permits	300,800	300,800	330,763	29,963
Intergovernmental	2,133,353	2,656,640	2,792,220	135,580
Charges for services	2,534,262	2,534,262	2,986,308	452,046
Fines and forfeitures	1,885,000	1,885,000	1,564,247	(320,753)
Investment income	301,200	301,200	382,082	80,882
Contributions and donations	22,000	22,000	16,325	(5,675)
Other	1,577,602	3,687,009	466,734	(3,220,275)
Total revenues	<u>40,428,920</u>	<u>43,061,614</u>	<u>41,389,701</u>	<u>(1,671,913)</u>
<b>Expenditures</b>				
Current:				
General government	12,683,991	9,572,651	9,458,172	114,479
Judicial system	3,010,565	3,268,913	3,202,859	66,054
Public safety	15,885,257	18,689,913	18,393,093	296,820
Public works	3,480,292	3,702,743	3,673,896	28,847
Health and welfare	1,021,247	1,099,695	1,079,312	20,383
Culture and recreation	2,690,431	2,887,702	2,844,259	43,443
Housing and development	2,040,133	2,132,586	2,052,280	80,306
Total expenditures	<u>40,811,916</u>	<u>41,354,203</u>	<u>40,703,871</u>	<u>650,332</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(382,996)</u>	<u>1,707,411</u>	<u>685,830</u>	<u>(1,021,581)</u>
<b>Other financing sources (uses)</b>				
Sale of property	103,500	103,500	74,165	(29,335)
Transfers in	279,496	298,496	194,000	(104,496)
Transfers out	-	(2,109,407)	(2,109,407)	-
Total other financing sources (uses)	<u>382,996</u>	<u>(1,707,411)</u>	<u>(1,841,242)</u>	<u>(133,831)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,155,412)</u>	<u>\$ (1,155,412)</u>
<b>Fund balance - beginning</b>			<u>16,596,132</u>	
<b>Fund balance - ending</b>			<u>\$ 15,440,720</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, 2005**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water and Sewerage Fund</b>	<b>Solid Waste Authority Fund</b>	<b>Storm Water Utility Fund</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 1,308,875	\$ 4,307,952	\$ 1,797,097
Investments	8,452,544	3,515,093	-
Accounts receivable	2,611,501	15,938	225,972
Due from other funds	912	-	-
Inventories	577,084	-	-
Prepaid items	25,864	-	3,130
Restricted cash/investments held to pay current liabilities	25,104,800	1,280,225	-
<b>Total current assets</b>	<b>38,081,580</b>	<b>9,119,208</b>	<b>2,026,199</b>
<b>Noncurrent assets</b>			
Restricted cash and investments	-	6,278,636	-
Deferred charges	3,624,767	-	-
Capital assets, net of accumulated depreciation	135,960,673	870,405	9,067,699
<b>Total noncurrent assets</b>	<b>139,585,440</b>	<b>7,149,041</b>	<b>9,067,699</b>
<b>Total assets</b>	<b>177,667,020</b>	<b>16,268,249</b>	<b>11,093,898</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	953,059	-	71,408
Accrued payroll	56,901	-	4,791
Accrued compensated absences	246,291	-	6,240
Deferred revenue	71,625	-	-
Due to other funds	521,285	68,759	313,626
Payable from restricted assets			
Revenue bonds payable	3,065,000	1,235,000	-
Accrued interest payable	311,844	37,359	-
Customer deposits	92,796	-	-
Current portion of notes payable and capital leases	250,585	-	-
<b>Total current liabilities</b>	<b>5,569,386</b>	<b>1,341,118</b>	<b>396,065</b>
<b>Noncurrent liabilities</b>			
Notes payable	1,339,116	-	-
Estimated liability for landfill closure and postclosure care costs	-	9,422,512	-
Revenue bonds	74,954,336	-	-
<b>Total noncurrent liabilities</b>	<b>76,293,452</b>	<b>9,422,512</b>	<b>-</b>
<b>Total liabilities</b>	<b>81,862,838</b>	<b>10,763,630</b>	<b>396,065</b>

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

		Governmental	
Non-major		Activities -	
Solid Waste		Internal	
Management		Service	
Fund	Total	Funds	
\$ 834,143	\$ 8,248,067	\$ 534,831	
-	11,967,637	-	
270,098	3,123,509	15,855	
68,759	69,671	28,778	
-	577,084	-	
2,139	31,133	317	
-	26,385,025	-	
<u>1,175,139</u>	<u>50,402,126</u>	<u>579,781</u>	
-	6,278,636	-	
-	3,624,767	-	
181,008	146,079,785	-	
<u>181,008</u>	<u>155,983,188</u>	-	
<u>1,356,147</u>	<u>206,385,314</u>	<u>579,781</u>	
22,553	1,047,020	316,188	
3,761	65,453	2,289	
19,572	272,103	6,403	
-	71,625	-	
148,032	1,051,702	1,048,318	
-	4,300,000	-	
-	349,203	-	
-	92,796	-	
120,114	370,699	-	
<u>314,032</u>	<u>7,620,601</u>	<u>1,373,198</u>	
-	1,339,116	-	
1,429,064	10,851,576	-	
-	74,954,336	-	
<u>1,429,064</u>	<u>87,145,028</u>	-	
<u>1,743,096</u>	<u>94,765,629</u>	<u>1,373,198</u>	

Continued on the following pages.

**Columbia County, Georgia**  
**Statement of Net Assets - Continued**  
**Proprietary Funds**  
**June 30, 2005**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water and Sewerage Fund</b>	<b>Solid Waste Authority Fund</b>	<b>Storm Water Utility Fund</b>
<b>Net assets</b>			
Invested in capital assets, net of related debt	83,713,460	(364,595)	9,067,699
Restricted for debt service	653,921	7,521,502	-
Unrestricted net assets	11,436,801	(1,652,288)	1,630,134
Total net assets	<u>\$ 95,804,182</u>	<u>\$ 5,504,619</u>	<u>\$ 10,697,833</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

Non-major Solid Waste Management Fund	Total	Governmental Activities - Internal Service Funds
60,894	92,477,458	-
-	8,175,423	-
(447,843)	10,966,804	(793,417)
<u>\$ (386,949)</u>	<u>111,619,685</u>	<u>\$ (793,417)</u>

(23,120)  
1,116,786  
\$ 112,713,351

**Columbia County, Georgia**

**Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds**

**For the Year Ended June 30, 2005**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water and Sewerage Fund</b>	<b>Solid Waste Authority Fund</b>	<b>Storm Water Utility Fund</b>
<b>Operating revenues</b>			
Charges for services	\$ 18,000,568	\$ 2,618,896	\$ 2,170,525
Intergovernmental	8,545	-	-
Rental income	28,500	-	-
Reimbursement	-	-	-
Other	16,350	-	-
<b>Total operating revenues</b>	<b>18,053,963</b>	<b>2,618,896</b>	<b>2,170,525</b>
<b>Operating expenses</b>			
Personal services	3,890,120	-	341,440
Purchased/contracted services	1,554,917	3,616	485,426
Supplies and materials	2,707,886	-	36,088
Repairs and maintenance	582,107	-	-
Interfund/Interdepartmental charges	411,554	1,095,203	591,242
Depreciation and amortization	4,844,400	646,654	630,016
Other costs	59,189	-	-
Landfill closure and postclosure care costs	-	689,785	-
<b>Total operating expenses</b>	<b>14,050,173</b>	<b>2,435,258</b>	<b>2,084,212</b>
<b>Operating income (loss)</b>	<b>4,003,790</b>	<b>183,638</b>	<b>86,313</b>
<b>Nonoperating revenue (expense)</b>			
Interest earned	392,843	115,707	44,192
Interest expense	(2,775,192)	(74,718)	-
<b>Total nonoperating revenue (expense)</b>	<b>(2,382,349)</b>	<b>40,989</b>	<b>44,192</b>
<b>Income (loss) before transfers, contributions special items, and extraordinary items</b>	<b>1,621,441</b>	<b>224,627</b>	<b>130,505</b>
Transfers out	-	-	-
Capital contributions	6,499,686	-	4,257,182
<b>Change in net assets</b>	<b>8,121,127</b>	<b>224,627</b>	<b>4,387,687</b>
<b>Total net assets - beginning</b>	<b>87,683,055</b>	<b>5,279,992</b>	<b>6,310,146</b>
<b>Total net assets - ending</b>	<b>\$ 95,804,182</b>	<b>\$ 5,504,619</b>	<b>\$ 10,697,833</b>

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.

Non-major Solid Waste Management Fund	Total	Governmental Activities - Internal Service Funds
\$ 2,344,997	\$ 25,134,986	\$ 3,721,984
-	8,545	998,945
-	28,500	-
1,095,203	1,095,203	-
35,991	52,341	35,731
<u>3,476,191</u>	<u>26,319,575</u>	<u>4,756,660</u>
284,715	4,516,275	162,467
424,363	2,468,322	4,681,589
147,331	2,891,305	11,041
-	582,107	-
86,566	2,184,565	47,149
131,738	6,252,808	-
2,622,682	2,681,871	-
16,966	706,751	-
<u>3,714,361</u>	<u>22,284,004</u>	<u>4,902,246</u>
(238,170)	4,035,571	(145,586)
17,563	570,305	7,707
-	(2,849,910)	-
<u>17,563</u>	<u>(2,279,605)</u>	<u>7,707</u>
(220,607)	1,755,966	(137,879)
(19,000)	(19,000)	-
-	10,756,868	-
(239,607)	12,493,834	(137,879)
(147,342)		(655,538)
<u>\$ (386,949)</u>		<u>\$ (793,417)</u>

(23,120)  
599,926  
\$ 13,070,640

**Columbia County, Georgia**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2005**

	<b>Business-type Activities-Enterprise Funds</b>		
	<b>Water and Sewerage Fund</b>	<b>Solid Waste Authority Fund</b>	<b>Storm Water Utility Fund</b>
<b>Operating activities</b>			
Cash received from customers	\$ 18,096,690	\$ 2,643,235	\$ 2,106,140
Cash paid to suppliers and others	(8,128,785)	(1,165,457)	(780,959)
Cash paid to employees	(4,009,014)	-	(356,697)
<b>Net cash provided by (used in) operating activities</b>	<b>5,958,891</b>	<b>1,477,778</b>	<b>968,484</b>
<b>Capital and related financing activities</b>			
Proceeds from issuing bonds	28,940,000	-	-
Acquisition and construction of capital assets	(4,297,370)	-	(600,019)
Principal paid on revenue bonds	(5,805,000)	(1,140,000)	-
Principal paid on notes / capital leases	(239,300)	-	-
Interest paid on revenue bonds, notes and capital leases	(2,775,192)	(108,633)	-
Interfund expenses	-	-	-
Capital and related financing activities - outflows	(1,211,381)	-	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>14,611,757</b>	<b>(1,248,633)</b>	<b>(600,019)</b>
<b>Investing activities</b>			
Interest on investments	392,843	115,707	44,192
<b>Net cash provided (used) in investing activities</b>	<b>392,843</b>	<b>115,707</b>	<b>44,192</b>
<b>Net increase (decrease) in cash and cash equivalents/investments</b>	<b>20,963,491</b>	<b>344,852</b>	<b>412,657</b>
<b>Cash and cash equivalents/investments</b>			
<b>Beginning of year</b>	<b>13,902,728</b>	<b>15,037,054</b>	<b>1,384,440</b>
<b>End of year</b>	<b>\$ 34,866,219</b>	<b>\$ 15,381,906</b>	<b>\$ 1,797,097</b>

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
\$ 3,678,788	\$ 26,524,853	\$ 4,741,864
(3,237,029)	(13,312,230)	(4,332,487)
(299,233)	(4,664,944)	(166,866)
<u>142,526</u>	<u>8,547,679</u>	<u>242,511</u>
-	28,940,000	..
1	(4,897,388)	..
-	(6,945,000)	-
(47,668)	(286,968)	-
-	(2,883,825)	-
(19,000)	(19,000)	-
-	(1,211,381)	-
<u>(66,667)</u>	<u>12,696,438</u>	<u>-</u>
<u>17,563</u>	<u>570,305</u>	<u>7,707</u>
<u>17,563</u>	<u>570,305</u>	<u>7,707</u>
<u>93,422</u>	<u>21,814,422</u>	<u>250,218</u>
<u>740,721</u>	<u>31,064,943</u>	<u>284,613</u>
<u>\$ 834,143</u>	<u>\$ 52,879,365</u>	<u>\$ 534,831</u>

Continued on the following pages.

**Columbia County, Georgia**

**Statement of Cash Flows - Continued  
Proprietary Funds  
For the Year Ended June 30, 2003**

	<b>Business-type Activities-Enterprise Funds</b>		
	<b>Water and Sewerage Fund</b>	<b>Solid Waste Authority Fund</b>	<b>Storm Water Utility Fund</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>			
Operating income (loss)	\$ 4,003,790	\$ 183,638	\$ 86,313
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	4,329,858	646,654	630,016
<b>Change in assets and liabilities</b>			
Accounts receivable	110,316	24,339	(64,385)
Inventory	(265,689)	-	-
Deferred charges / prepaid expense	(694)	-	340
Due from other funds	12,611	-	5,431
Accounts payable	(2,786,701)	-	30,788
Accrued liabilities	35,510	-	(15,257)
Customer deposits	4,036	-	-
Due to other funds	515,854	(66,638)	295,238
Estimated liability for landfill closure and postclosure care cost	-	689,785	-
Total adjustments	<u>1,955,101</u>	<u>1,294,140</u>	<u>882,171</u>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 5,958,891</b>	<b>\$ 1,477,778</b>	<b>\$ 968,484</b>
<b>Noncash investing, capital, and financing activities:</b>			
Capital contributions from developers	\$ 6,499,686	\$ -	\$ 4,257,182

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>
\$ (238,170)	\$ 4,035,571	\$ (145,586)
131,738	5,738,266	-
202,597	272,867	(14,796)
-	(265,689)	-
96	(258)	(12)
66,638	84,680	(9,186)
(32,816)	(2,788,729)	53,930
(14,518)	5,735	(4,399)
-	4,036	-
9,995	754,449	362,560
16,966	706,751	-
<u>380,696</u>	<u>4,512,108</u>	<u>388,097</u>
\$ 142,526	\$ 8,547,679	\$ 242,511
\$ -	\$ 10,756,868	\$ -

**Columbia County, Georgia**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2005**

	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
	<u>Employees' Retirement Fund</u>	<u>Funds</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 3,615,554	\$ 1,975,343
Investments, mutual funds	10,017,502	-
Total assets	<u>13,633,056</u>	<u>\$ 1,975,343</u>
<b>Liabilities</b>		
Due to others	-	1,975,343
Total liabilities	<u>-</u>	<u>\$ 1,975,343</u>
<b>Net assets</b>		
Held in trust for pension benefits	<u>\$ 13,633,056</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, 2005

	Pension Trust Fund
	Employees' Retirement Fund
<b>Additions</b>	
<b>Investment income:</b>	
Net appreciation (depreciation) in fair value of investments	\$ 626,118
Interest	81,898
Total investment income	708,016
Employer contributions	1,660,273
Total additions	2,368,289
<b>Deductions</b>	
Benefits	872,474
Total deductions	872,474
Change in net assets	1,495,815
Total net assets - beginning	12,137,241
Total net assets - ending	\$ 13,633,056

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

NOTES TO FINANCIAL STATEMENTS

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

June 30, 2005

### Note 1 - Summary of significant accounting policies

#### Introduction

The financial statements of Columbia County, Georgia (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has implemented GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and related standards. These standards provide for significant changes in terminology and presentation and for the inclusion of Management's Discussion and Analysis as required supplementary information.

As permitted by accounting principles generally accepted in the United States of America, the County has elected to apply only applicable Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 that do not contradict GASB pronouncements in its accounting and reporting practices for its government-wide and proprietary operations. The more significant of the County's accounting policies are described below.

#### Reporting entity

Columbia County, Georgia, established in 1790 and named in honor of Christopher Columbus, is located in the Central Savannah River Area of Georgia approximately 135 miles east of Atlanta and five miles northwest of Augusta-Richmond County. The 290 square mile county is bounded on the north by Thurmond Lake and the Savannah River (separating Columbia County from Lincoln County, Georgia, and McCormick and Edgefield Counties, South Carolina), on the south and east by Augusta-Richmond County, and on the west by McDuffie County. The County operates under an elected Commission form of government.

The County is governed by a board of five elected County Commissioners (the "Board"). As required by accounting principles generally accepted in the United States of America, these financial statements present the County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of the operational or financial relationships with the County.

Based upon the application of the GASB Statement No. 14, *The Financial Reporting Entity*, criteria, the following funds are included in the reporting entity.

#### Blended component unit

*Columbia County Solid Waste Management Authority* – The Columbia County Solid Waste Management Authority (SWMA) is governed by an eight member Board of Directors, of which at least three members must be elected officials. Each member of the SWMA is appointed by the Board. Although it is legally separate from the County, the SWMA is reported as if it were part of the primary government because its sole purpose is to perform development, leasing, and long-term planning of a solid waste facility (landfill), for the County. The SWMA, which is reported in the Solid Waste Management Fund, an Enterprise Fund, entered into an intergovernmental agreement with the County to subsidize its operations through the General Fund.

#### Discretely presented component units

*Development Authority of Columbia County* – The component unit column in the government-wide financial statements includes the financial data of the Development Authority of Columbia County. It is reported in a separate column to emphasize that it is legally separate from the County. The Development Authority is governed by a nine member Board of Directors appointed by the Board of Commissioners. The Development Authority serves to promote, pursue and implement economic development in the County. The Development Authority entered into an intergovernmental agreement with the County to subsidize its operations through the General Fund.

*Columbia County Board of Health* – The component unit column in the government-wide financial statements includes the financial data of the Columbia County Board of Health. It is reported in a separate column to emphasize that it is legally separate from the County. The Board of Health is comprised of seven members, four of which are appointed by the Board of Commissioners. The operations of the Board of Health are subsidized through the County's General Fund.

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

June 30, 2005

### Note 1 - Summary of significant accounting policies (Continued)

**Bartram Trail CDC, Inc.**— The component unit column in the government-wide financial statements includes the financial statements of Bartram Trail CDC, Inc. It is reported in a separate column to emphasize that it is legally separate from the County. Columbia County is the sole member of this community development corporation (CDC), which is governed by a five member Board of Directors appointed by the Board of Commissioners. The purpose of Bartram Trail CDC, Inc. is to develop, finance, construct, acquire, and operate a public golf course, clubhouse and related facilities in Columbia County; to finance costs of the project by issuing bonds, notes or other obligations; to convey title, possession and use of the project to Columbia County upon discharge of the debt; and to operate exclusively for charitable and educational purposes.

Complete financial statements of each of the blended and discretely presented component units may be obtained at the County's administrative office. The address is as follows:

Columbia County, Georgia  
General Administrative Offices  
630 Ronald Reagan Drive  
Evans, Georgia 30809

Certain County elected officials collect and disburse taxes, fees, fines, etc. Separate records of accountability are maintained for such transactions, which are recorded as agency funds of the County. Receipts transferred from these funds to the County's General Fund, Debt Service Fund and Special Revenue Funds are included as revenues in these funds. Operating costs for these officials are included as expenditures in the General Fund. These elected officials are as follows:

Tax Commissioner  
Probate Court Judge  
Magistrate Court Judge  
Clerk of Superior Court  
Sheriff

### Basis of Presentation

**Government-wide statements:** The statement of net assets and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund financial statements:** The fund financial statements provide information about the County's funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operation revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

June 30, 2005

### Note 1 - Summary of significant accounting policies (Continued)

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The County reports the following major governmental funds:

**General Fund** – The General Fund is the general operating fund of the County. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, local option sales taxes, and various other taxes and licenses. The primary expenditures are for the judicial system, public safety, development, health and welfare, recreation, street maintenance and improvements.

**Special Local Option Sales Tax Fund 2001-2005** - to account for the property acquisition and construction of projects designated to be funded by revenue from the special purpose local option sales tax collected during 2001 through 2005.

**2004 General Obligation Bond Fund** – to account for construction projects funded through the 2004 General Obligation Bonds.

The County reports the following nonmajor governmental funds:

**Building Standards Fund** - to account for building permits and inspection fees.

**Federal Asset Sharing Fund** - to account for assets seized or confiscated by federal courts.

**State Condemnation Fund** - to account for assets seized or confiscated by state courts.

**Street Lights Fund** - to account for the street light assessments used for maintenance of street lights in certain subdivisions.

**Recreation Advisory Board Fund** - to account for various projects sponsored by the Recreation Advisory Board to raise funds for recreation equipment.

**911 Fund** - to account for the 911 fees assessed on landline and cellular telephones used for the maintenance and operations of the 911 service.

**Jail Fund** - to account for fines charged by the County to be used for jail improvements.

**Drug Abuse Treatment Fund** - to account for fines charged by the County to be used for drug abuse treatment and prevention.

**Supplemental Juvenile Services Fund** - to account for fines charged to juvenile offenders to be used for juvenile services.

**Community Center Operations Fund** - to account for the activities of the Columbia County community centers.

**Community Greenspace Fund** - to account for funds used to acquire real property for the preservation of greenspace, pursuant to the Georgia Greenspace Program as established in OCGA 36-22-1 et seq.

**Hotel/Motel Fund** - to account for hotel/motel tax collections, pursuant to OCGA 48-13-50 et seq.

**Multiple Grant Fund** – to account for all grants not meeting the 2% materiality test and not used to finance general fund operations.

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

June 30, 2005

### Note 1 - Summary of significant accounting policies (Continued)

Library Board Fund – to account for the activity of the Columbia County Library Board.

Clean and Beautiful Memorial Fund – to account for funds used for beautification projects on County property.

Fire Services Fund – to account for taxes collected in special service districts within the unincorporated area for purpose of providing fire services.

Sheriff's Gift/Donations Fund – to account for funds donated to the Sheriff's office from external persons or entities.

Insurance Premium Tax Fund – to account for services funded by insurance premium taxes, pursuant to OCGA 33-8-8.3 et seq.

Special Local Option Sales Tax Fund 1996–2000 - to account for the property acquisition and construction of projects designated to be funded by revenue from the special purpose local option sales tax collected during 1996 through 2000.

Capital Road/Drainage Projects Fund - to account for grant-funded special projects.

Airport Authority Fund – to account for the activity of the Columbia County Airport Authority.

1998 General Obligation Bond Fund - to account for construction projects funded through the 1998 General Obligation Bonds.

Windmill Sewer Project Fund - to account for the extension of sewer lines to Windmill Plantation subdivision.

Debt Service Fund - 1998 General Obligation Bond – to account for property tax funds designated to be used for principal and interest payments on governmental fund debt.

Debt Service Fund – 2004 General Obligation Bond – to account for sales tax funds designated to be used for principal and interest payments on governmental fund debt.

### The County reports the following major enterprise funds:

Water and Sewerage Fund – to account for water and sewer operations as well as construction and maintenance of water and sewerage projects.

Solid Waste Authority Fund - to account for debt service, construction and property of the landfill.

Storm Water Utility Fund – to account for the cost of providing storm water management services and maintaining and improving the County's storm water infrastructure.

### The County reports the following nonmajor enterprise funds:

Solid Waste Management Fund – to account for the cost of operating and maintaining the landfill facility.

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

June 30, 2005

### Note 1 - Summary of significant accounting policies (Continued)

Additionally, the County reports the following fund types:

**Internal Service Funds** – Internal Service Funds are used to account for the operations that provide services to other departments or agencies for the government, on a cost-reimbursement basis. The County has three internal service funds:

**Employee Medical Fund** – to account for employer and employee contributions to the County's medical plan.

**Risk Management Fund** – to account for the County's risk management program.

**Customer Service/Information Center Fund** – to account for the County's customer service/information center.

**Employees' Retirement Pension Trust Fund** – This fund accounts for the employer's contributions to the retirement program, together with interest and dividend income which are used to fund the program.

**Agency Funds** – Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds:

**Clerk of Superior Court** - to account for the receipt and disbursement of court ordered fines and fees made on behalf of third parties.

**Probate Court** - to account for the receipt and disbursement of funds held on behalf of others and fees for services provided under State law.

**Magistrate Court** - to account for the receipt and disbursement of bonds and court ordered fines and fees made on behalf of third parties.

**Sheriff's Office** - to account for the receipt and disbursement of fees and services provided under State law.

**Tax Commissioner** - to account for tax billings, collections, and remittances held by the Tax Commissioner on behalf of other governmental agencies.

**General Trust and Agency** - to account for miscellaneous receipts held on behalf of other governments and/or other funds.

### Measurement Focus and Basis of Accounting

*Government-wide, Proprietary and Fiduciary Fund Financial Statements* – The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus, except for agency funds which have no measurement focus. The government-wide, proprietary fund and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

June 30, 2005

### Note 1 - Summary of significant accounting policies (Continued)

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

*Governmental Fund Financial Statements* – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual are property taxes, licenses, interest revenues and charges for services. State-shared revenues collected and held by the state at year-end on behalf of the County also are recognized as revenue. Fines, fees and permits are not susceptible to accrual because generally they are not measurable until received in cash.

Grant revenues which are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, both restricted and unrestricted net assets are available to finance the program. The County's policy is to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

#### Cash and cash equivalents

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, deposits with insignificant early withdrawal penalties, and short-term investments with an original maturity of three months or less.

The County follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Nonparticipating interest-earning investment contracts (investments whose value is not affected by interest rate or other market changes), including savings accounts, certificates of deposit, repurchase agreements, money market investments (short-term, highly liquid debt instruments including commercial paper, banker's acceptances and U.S. Treasury and agency obligations) and participating interest-bearing investment contracts, that have a remaining maturity at purchase of one year or less are reported at cost or amortized cost assuming their fair value has not been impacted by changes in the credit worthiness of the issuer or similar factors. All other investments are reported at fair value (the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale).

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

June 30, 2005

### Note 1 - Summary of significant accounting policies (Continued)

#### Investments

Investments are reported at fair value, which is determined as follows: short-term investments are reported at cost, which approximates fair value; securities traded on national exchanges are valued at current prices or current prices of similar securities; securities for which an established market does not exist are reported at estimated fair value using selling prices for similar investments for which there is an active market. There are no investments reported at amortized cost.

#### Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

#### Allowance for bad debt

The allowance for bad debt covers amounts owed from individuals, companies and other entities which have purchased services from County owned entities or which have been provided services from the County. The allowance was determined by analysis of the year-end receivable balances for those accounts which the County believes will not be collected based on past history.

#### Interfund receivables/payables and internal balances

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet of the fund financial statements and as "internal balances" on the statement of net assets in the government-wide financial statements.

#### Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

#### Restricted assets

Proceeds from debt and funds set aside for payment of Enterprise Fund revenue bonds are classified as restricted assets since their use is limited by applicable bond indebtedness. Other cash funds available for use for specific purposes are classified as restricted.

#### Capital assets

Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. This minimum capitalization cost is applicable for all categories of capital assets. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to July 1, 2002, consist of the streets network that was acquired or that received substantial improvements subsequent to July 1, 1980. The streets network is reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are expensed as incurred.

Depreciation is computed using the straight-line method. A summary of the estimated useful lives is as follows:

Vehicles	3 to 8 years
Furniture and fixtures	3 to 8 years
Machinery and equipment	5 to 10 years
Utility plant and distribution systems	10 to 50 years
Storm water systems	10 to 50 years
Land improvements	10 to 50 years
Buildings and improvements	10 to 50 years
Donated subdivisions	25 to 75 years
Infrastructure	25 to 75 years

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

June 30, 2005

### Note 1 - Summary of significant accounting policies (Continued)

#### Construction cost - capitalization

In the proprietary funds, construction costs include costs incurred in the construction of assets, engineering fees and capitalized net interest costs as defined in FASB Statement No. 34, *Capitalization of Interest Cost* and FASB Statement No. 62, *Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants*, for specified projects. Capitalized interest totaling approximately \$728,000 was recorded for the year ended June 30, 2005.

#### Compensated absences

The County's policy is to permit employees to accumulate earned but unused leave benefits. The County's government-wide and proprietary funds include an accrual for the estimated compensation costs attributable to employee earned but unused leave benefits.

#### Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, as expenditures during the period the costs are incurred. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### Net assets/fund balances

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

The equity section of the governmental fund financial statement balance sheet is comprised of these major fund balance elements: reserved, unreserved/designated and unreserved/undesignated. Reserves represent the portion of fund balance that is (1) not available for appropriation or expenditure and/or (2) is segregated legally for a specific future use. To indicate tentative future plans for current resources, a portion of unreserved fund balance is shown as designated. All other current resources are shown as unreserved, undesignated on the balance sheet.

#### Use of estimates

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

### Note 2 - Stewardship, compliance, and accountability

#### Budgetary information

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general fund, special revenue funds, and debt service funds. The County adopts a project length budget for each capital project fund.

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

June 30, 2005

### Note 2 - Stewardship, compliance, and accountability (Continued)

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Director of Financial Services begins receiving various departmental and agency budget requests for the fiscal year commencing July 1.
2. The County Administrator, Director of Financial Services, Board of Commissioners and other administrative personnel review in detail the budget requests with the departments and agencies.
3. Along with the budget review, public hearings are conducted to obtain citizen comments.
4. The proposed operating budgets are formally adopted by the Board in June for the fiscal year commencing July 1.
5. The legal level of budgetary control is the department level.
6. All appropriations lapse at year-end.
7. The operating budgets originally adopted may be amended throughout the year as presented below:
  - a. Transfers within departments, except salary line items, \$5,000 or less may be authorized by the Finance Director.
  - b. Transfers within departments, except salary line items, in excess of \$5,000 may be authorized by the County Administrator.
  - c. Transfers between departments or funds shall be by authority of the Board.
  - d. Increase or decrease in the total fund appropriation shall be by authority of the Board.
  - e. Increase or decrease in salary appropriation within any department shall be by authority of the Board.
  - f. Appropriation of fund balances in excess of established reserve requirements shall be by authority of the Board.
  - g. Items c - f above must be reviewed by the Management and Financial Services Committee.

### Excess of expenditures over appropriations in individual departments

During the year, County expenditures did not exceed the total budget authorization.

### Deficit fund balances or net assets

The following funds had deficits at June 30, 2005:

#### Special Revenue Funds

**Community Center Operations Fund** - The fund deficit of \$681,248 is due primarily to maintenance costs of the facility not supported through rental fees. The deficit will be funded by future rental fees as utilization of the Center increases and transfers from the General Fund.

#### Enterprise Funds

**Solid Waste Management Fund**- The deficit net assets of \$386,949 is primarily a result of a decrease in facility usage due to a filled capacity of 97%. The landfill is scheduled to close during the next fiscal year. The deficit will be funded with transfers from the Solid Waste Authority Fund.

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2005

Note 3 - Deposits and Investments

Deposits

Deposits and investments as of June 30, 2005 are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and cash equivalents – unrestricted	\$ 36,125,457
Investments – unrestricted	43,889,482
Cash and cash equivalents – restricted	6,621,361
Investments – restricted	26,042,300
Fiduciary funds:	
Cash and cash equivalents – unrestricted	5,590,897
Investments – unrestricted	<u>10,017,502</u>
	<u>\$128,286,999</u>

Component units – Deposits consisted of cash deposits with financial institutions, cash on hand, and deposits with brokerage houses. The amounts are classified in the accompanying balance sheet as follows:

Cash and cash equivalents – unrestricted – Development Authority	\$ 117,802
Cash and cash equivalents – unrestricted – Board of Health	253,119
Cash and cash equivalents – restricted – Bartram Trail	<u>1,566,407</u>
	\$ <u>1,937,328</u>

Investments

As of June 30, 2005, the County had the following investments and maturities.

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
U.S. Treasury	11/15/2006-2/28/2007	\$ 997,250
<u>U.S. Government Agencies</u>		
Federal National Mortgage Assn	1/9/2006-7/15/2006	9,708,218
Federal Home Loan Bank	6/16/2006-10/30/2008	7,440,905
Federal Home Loan Mortgage	1/26/2007	1,964,580
Federal Farm Credit Bank	11/8/2006	2,965,320
<u>Bond Mutual Funds</u>		
Pioneer High Yield A	4.8 years average	103,999
Schwab Total Bond Market	4.2 years average	465,710
Van Kampen Eq and Inc A	4.1 years average	<u>2,143,119</u>
Total Investments for note		25,789,101
Other Mutual Funds		7,304,674
Certificates of Deposit		<u>46,855,508</u>
Total Investments from Balance Sheet		<u>79,949,283</u>

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

June 30, 2005

### Note 3 - Deposits and investments (continued)

*Interest Rate Risk.* The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* Statutes authorize the County to invest in obligations of the State of Georgia, other states, or the United States Government; obligations fully insured or guaranteed by the United States Government or an agency or corporation of the United States Government; and/or repurchase agreements and certificates of deposit which are secured by direct obligations of Georgia or the United States Government. The County has no investment policy that would further limit its investment choices. The County's investments in US Agencies (Federal National Mortgage Assoc., Federal Home Loan Bank, Federal Home loan Mortgage and Federal Farm Credit Bank) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The Pension Trust Fund had investments in the bond mutual funds Schwab Total Bond Market Index, Van Kampen Equity Income and Pioneer High Yield Bond A, which had average credit ratings of AAA, AAA and BB, respectively.

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

*Concentration of Credit Risk.* The County places no limit on the amount that the County may invest in any one issuer. More than 5 percent of the County's investments are in Federal National Mortgage Association (12%) and Federal Home Loan Bank (9%).

### Note 4 - Receivables

Property taxes are an enforceable lien on property owned as of January 1. The tax rate is normally set by the end of August, and property taxes may be paid after receipt of the tax bill. Taxes are delinquent sixty-one days after mailing by the Tax Commissioner. Property tax revenues are recognized when they become measurable and available. Available revenues include those property tax receivables expected to be collected within sixty days.

Vehicles become subject to property tax on January 1 following the year of purchase. The tax is due on the registered owner's date of birth. Tax is determined based on the assessed value of the vehicle as of January 1.

Property taxes are recorded as receivables when levied. Property taxes receivable, reduced by an allowance for doubtful accounts and amounts collected within sixty days of the statement date (the amount "available"), is recorded as deferred revenue until collected. Such revenue is deferred because the amount is measurable, although not available.

Property taxes were levied on August 16, 2004. Tax bills were mailed on August 16, 2004 and were due upon receipt. Property taxes were delinquent if not paid by November 15, 2004.

The receivable amounts on the accompanying statements are net of an allowance for doubtful accounts. The allowances are as follows:

<u>Receivable</u>	<u>Fund</u>	<u>Amount</u>
Taxes	General Fund	\$ 15,000
Accounts	Solid Waste Management Fund	114,642

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2005

Note 5 - Interfund balances and activities

Due From/To Other Funds

The composition of interfund balances as of June 30, 2005 is as follows:

Payable Fund	Receivable Fund						Total
	2004 General Obligation Bond	2004 General Obligation Bond	Water and Sewerage	Solid Waste Management, nonmajor	Nonmajor Governmental	Internal Service	
General	\$ -	\$ 46,930	\$ -	\$ -	\$ 5,388,540	\$ 28,778	\$ 5,464,248
SPLOST 2001-2005	249,373	-	-	-	-	-	249,373
Water and Sewerage	521,285	-	-	-	-	-	521,285
Storm Water Utility	312,714	-	912	-	-	-	313,626
Solid Waste Authority	-	-	-	68,759	-	-	68,759
Solid Waste Management, nonmajor	148,032	-	-	-	-	-	148,032
Nonmajor Governmental	619,740	-	-	-	-	-	619,740
Employee Medical Internal Service	1,048,318	-	-	-	-	-	1,048,318
	\$ 2,899,462	\$ 46,930	\$ 912	\$ 68,759	\$ 5,388,540	\$ 28,778	\$ 8,433,381

The County uses Due-To / Due-From accounts to account for loans between funds for cash management purposes.

Transfers To/From Other Funds

Transfers in (out) for the year ended June 30, 2005 is summarized below:

Transfer out:	Transfer in:					
	2004 General	2004 General	SPLOST 2001- 2005	Obligation Bond	Nonmajor Governmental	Total
General	\$ -	\$ -	\$ -	\$ -	\$ 2,109,407	\$ 2,109,407
SPLOST 2001-2005	-	-	-	3,090	-	3,090
Solid Waste Management, nonmajor	19,000	-	-	-	-	19,000
Nonmajor Governmental	175,000	477,346	-	-	2,311,330	2,963,676
Total transfers	\$ 194,000	\$ 477,346	\$ 3,090	\$ 4,420,737	\$ 5,095,173	

Transfers between the General Fund and other nonmajor governmental funds were primarily to support the operations of the funds.

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

**June 30, 2005**

### Note 6 – Capital assets

A summary of changes in the capital assets is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 7,246,838	\$ 1,570,637	\$ -	\$ 8,817,475
Infrastructure - Right of way land	18,696,437	693,744	-	19,390,181
Construction in process	<u>9,829,437</u>	<u>7,388,765</u>	<u>(91,613)</u>	<u>17,126,589</u>
Total capital assets not being depreciated	<u>35,772,712</u>	<u>9,653,146</u>	<u>(91,613)</u>	<u>45,334,245</u>
Capital assets being depreciated:				
Buildings	69,040,095	2,160,284	-	71,200,379
Improvements other than buildings	2,502,659	4,003,596	-	6,506,255
Infrastructure	147,574,814	8,222,505	-	155,797,319
Vehicles, machinery and equipment	<u>11,929,049</u>	<u>4,046,948</u>	<u>(388,861)</u>	<u>15,587,136</u>
Total capital assets being depreciated	<u>231,046,617</u>	<u>18,433,333</u>	<u>(388,861)</u>	<u>249,091,089</u>
Less accumulated depreciation for:				
Buildings	(25,640,234)	(2,490,231)	-	(28,130,465)
Improvements other than buildings	(95,594)	(112,611)	-	(208,205)
Infrastructure	(123,388,713)	(3,305,633)	-	(126,694,346)
Vehicles, machinery and equipment	<u>(9,047,457)</u>	<u>(1,538,382)</u>	<u>359,922</u>	<u>(10,225,917)</u>
Total accumulated depreciation	<u>(158,171,998)</u>	<u>(7,446,857)</u>	<u>359,922</u>	<u>(165,258,933)</u>
Total capital assets being depreciated, net	<u>72,874,619</u>	<u>10,986,476</u>	<u>(28,939)</u>	<u>83,832,156</u>
Governmental activities capital assets, net	<u>\$ 108,647,331</u>	<u>\$ 20,639,622</u>	<u>\$ (120,552)</u>	<u>\$ 129,166,401</u>

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$ 283,059
Judicial	645,984
Public safety	2,165,469
Public works	3,805,520
Recreation and parks	320,011
Housing and development	68,948
Health and welfare	<u>157,866</u>
	<u>\$ 7,446,857</u>

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2005

Note 6 - Capital assets (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
<i>Business-type Activities:</i>				
<i>Water and Sewerage Fund</i>				
Capital assets not being depreciated:				
Land	\$ 472,141	\$ -	\$ -	\$ 472,141
Construction in process	29,641,392	4,657,329	(7,830,913)	26,467,808
Total capital assets not being depreciated	<u>30,113,533</u>	<u>4,657,329</u>	<u>(7,830,913)</u>	<u>26,939,949</u>
Capital assets being depreciated:				
Land Improvements	-	15,345	-	15,345
Buildings	1,499,805	-	-	1,499,805
Utility plant and distribution systems	90,037,615	7,706,154	-	97,743,769
Donated subdivisions	50,757,662	5,951,569	-	56,709,231
Machinery and equipment	2,920,220	63,900	-	2,984,120
Furniture	19,124	-	-	19,124
Vehicles	1,554,336	233,672	(19,890)	1,768,118
Total capital assets being depreciated	<u>146,788,762</u>	<u>13,970,640</u>	<u>(19,890)</u>	<u>160,739,512</u>
Less accumulated depreciation for:				
Land Improvements	-	(307)	-	(307)
Buildings	(429,004)	(49,063)	-	(478,067)
Utility plant and distribution systems	(26,975,173)	(2,334,749)	-	(29,309,922)
Donated subdivisions	(17,107,246)	(1,343,336)	-	(18,450,582)
Machinery and equipment	(1,789,808)	(406,351)	-	(2,196,159)
Furniture	(12,966)	(1,368)	-	(14,334)
Vehicles	(1,094,624)	(194,683)	19,890	(1,269,417)
Total accumulated depreciation	<u>(47,408,821)</u>	<u>(4,329,857)</u>	<u>19,890</u>	<u>(51,718,788)</u>
Total capital assets being depreciated, net	<u>99,379,941</u>	<u>9,640,783</u>	<u>-</u>	<u>109,020,724</u>
Water and Sewerage Fund capital assets, net	<u>\$ 129,493,474</u>	<u>\$ 14,298,112</u>	<u>\$ (7,830,913)</u>	<u>\$ 135,960,673</u>
<i>Solid Waste Authority Fund</i>				
Capital assets not being depreciated:				
Land	\$ 552,894	\$ -	\$ -	\$ 552,894
Capital assets being depreciated:				
Land improvements	96,101	-	-	96,101
Buildings	34,830	-	-	34,830
Improvements other than buildings	6,350,218	-	-	6,350,218
Machinery and equipment	371,593	-	-	371,593
Total capital assets being depreciated	<u>6,852,742</u>	<u>-</u>	<u>-</u>	<u>6,852,742</u>
Less accumulated depreciation for:				
Land improvements	(96,101)	-	-	(96,101)
Buildings	(33,149)	(1,682)	-	(34,831)
Improvements other than buildings	(5,397,685)	(635,021)	-	(6,032,706)
Machinery and equipment	(371,593)	-	-	(371,593)
Total accumulated depreciation	<u>(5,898,528)</u>	<u>(636,703)</u>	<u>-</u>	<u>(6,535,231)</u>
Total capital assets being depreciated, net	<u>954,214</u>	<u>(636,703)</u>	<u>-</u>	<u>317,511</u>
Solid Waste Authority Fund capital assets, net	<u>\$ 1,507,108</u>	<u>\$ (636,703)</u>	<u>\$ -</u>	<u>\$ 870,405</u>

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

June 30, 2005

**Note 6 – Capital assets (Continued)**

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Business-type Activities - continued:</b>				
<i>Solid Waste Management Fund, nonmajor</i>				
Capital assets being depreciated:				
Machinery and equipment	\$ 287,847	\$ -	\$ -	\$ 287,847
Vehicles	544,460	-	-	544,460
Total capital assets being depreciated	832,307	-	-	832,307
Less accumulated depreciation for:				
Machinery and equipment	(86,354)	(57,569)	-	(143,923)
Vehicles	(433,207)	(74,169)	-	(507,376)
Total accumulated depreciation	(519,561)	(131,738)	-	(651,299)
Total capital assets being depreciated, net	312,746	(131,738)	-	181,008
Solid Waste Management Fund capital assets, net	\$ 312,746	\$ (131,738)	\$ -	\$ 181,008
 <i>Storm Water Utility Fund</i>				
Capital assets not being depreciated:				
Land	\$ 400,645	\$ 45,000	\$ -	\$ 445,645
Capital assets being depreciated:				
Land improvements	-	64,200	-	64,200
Machinery and equipment	262,451	-	-	262,451
Furniture and fixtures	8,449	-	-	8,449
Storm water systems	8,752,243	4,748,000	-	13,500,243
Total capital assets being depreciated	9,023,143	4,812,200	-	13,835,343
Less accumulated depreciation for:				
Land improvements	-	(1,605)	-	(1,605)
Machinery and equipment	(154,233)	(51,291)	-	(205,524)
Furniture and fixtures	(7,605)	(845)	-	(8,450)
Storm water systems	(4,421,435)	(576,275)	-	(4,997,710)
Total accumulated depreciation	(4,583,273)	(630,016)	-	(5,213,289)
Total capital assets being depreciated, net	4,439,870	4,182,184	-	8,622,054
Storm Water Utility Fund capital assets, net	\$ 4,840,515	\$ 4,227,184	\$ -	\$ 9,067,699
Business-type activities capital assets, net	\$ 136,153,843	\$ 17,756,855	\$ (7,830,913)	\$ 146,079,785

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2005

Note 6 - Capital assets (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Discretely presented component units				
Development Authority				
Capital assets not being depreciated:				
Land	\$ 460,594	\$ -	\$ (11,700)	\$ 448,894
Construction in progress	28,600	-	-	28,600
Total capital assets not being depreciated	<u>489,194</u>	<u>-</u>	<u>(11,700)</u>	<u>477,494</u>
Capital assets being depreciated:				
Buildings	2,286,429	-	-	2,286,429
Land improvements	98,641	-	-	98,641
Total capital assets being depreciated	<u>2,385,070</u>	<u>-</u>	<u>-</u>	<u>2,385,070</u>
Less accumulated depreciation for:				
Buildings	(503,015)	(91,457)	-	(594,472)
Land improvements	(6,165)	(2,466)	-	(8,631)
Total accumulated depreciation	<u>(509,180)</u>	<u>(93,923)</u>	<u>-</u>	<u>(603,103)</u>
Total capital assets being depreciated, net	<u>1,875,890</u>	<u>(93,923)</u>	<u>-</u>	<u>1,781,967</u>
Development Authority capital assets, net	<u>\$ 2,365,084</u>	<u>\$ (93,923)</u>	<u>\$ (11,700)</u>	<u>\$ 2,259,461</u>
Board of Health				
Capital assets being depreciated:				
Machinery and equipment	\$ 258,743	\$ -	\$ -	\$ 258,743
Total capital assets being depreciated	<u>258,743</u>	<u>-</u>	<u>-</u>	<u>258,743</u>
Less accumulated depreciation for:				
Machinery and equipment	(231,309)	(27,434)	-	(258,743)
Total accumulated depreciation	<u>(231,309)</u>	<u>(27,434)</u>	<u>-</u>	<u>(258,743)</u>
Total capital assets being depreciated, net	<u>27,434</u>	<u>(27,434)</u>	<u>-</u>	<u>-</u>
Board of Health capital assets, net	<u>\$ 27,434</u>	<u>\$ (27,434)</u>	<u>\$ -</u>	<u>\$ -</u>
Bartram Trail CDC				
Capital assets not being depreciated:				
Land	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000
Construction in progress	2,105,810	3,861,693	-	5,967,503
Total capital assets not being depreciated	<u>3,605,810</u>	<u>3,861,693</u>	<u>-</u>	<u>7,467,503</u>
Bartram Trail CDC capital assets, net	<u>\$ 3,605,810</u>	<u>\$ 3,861,693</u>	<u>\$ -</u>	<u>\$ 7,467,503</u>

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

**June 30, 2005**

### Note 7 - Long-term and short-term obligations

#### A. General obligation bonds

##### General Obligation Bonds Series 1998 – serviced by property taxes dedicated for debt service

On October 1, 1998, the County issued the \$28,715,000 Columbia County, Georgia, General Obligation Bonds Series 1998.

The Series 1998 Bonds were issued to (a) finance the costs of acquiring, constructing and equipping a new courthouse annex and renovating the existing courthouse, (b) finance the costs of improving the existing County detention center and (c) pay certain costs of issuing the Series 1998 Bonds.

Interest on the General Obligation Bonds, Series 1998 is to be paid semi-annually on February 1 and August 1 of each year and principal is paid February 1 of each year as follows:

<b>Governmental activities</b>				
<b>General Obligation Bonds, Series 1998</b>				
June 30,	Principal	Interest	Total	Coupon Rate
2006	\$ 580,000	\$ 1,369,998	\$ 1,949,998	4.00
2007	655,000	1,346,798	2,001,798	4.05
2008	745,000	1,320,270	2,065,270	4.15
2009	830,000	1,289,352	2,119,352	4.25
2010	920,000	1,254,078	2,174,078	5.00
2011-2015	5,920,000	5,502,037	11,422,037	5.00 - 4.85
2016-2020	8,350,000	3,998,775	12,348,775	4.88 - 5.63
2021-2025	8,975,000	939,719	9,914,719	5.63 - 5.00
	<u>\$ 26,975,000</u>	<u>\$ 17,021,027</u>	<u>\$ 43,996,027</u>	

##### General Obligation Bonds Series 2004 – serviced by special purpose local option sales taxes

On November 4, 2004, the County issued the \$22,750,000 Columbia County, Georgia, General Obligation Sales Tax Bonds Series 2004.

The Series 2004 Bonds were issued to (a) finance County, public safety, and recreation facilities, (b) pay capitalized interest and (c) pay expenses incident to the issuance of the Bonds. The face amount of \$21,432,395 was recorded in the 2004 General Obligation Bond Fund, a capital projects fund, to account for the proceeds to be used for capital expenditures. The face amount of \$1,317,605 was recorded in the 2004 General Obligation Bond Debt Service Fund to account for the capitalized interest proceeds to be used for future interest payments.

Interest on the General Obligation Sales Tax Bonds, Series 2004 is to be paid semi-annually on January 1 and July 1 of each year and principal is paid January 1 of each year as follows:

<b>Governmental activities</b>				
<b>General Obligation Sales Tax Bonds, Series 2004</b>				
June 30,	Principal	Interest	Total	Coupon Rate
2006	\$ -	\$ 1,137,500	\$ 1,137,500	5.00
2007	4,325,000	1,137,500	5,462,500	5.00
2008	4,425,000	921,250	5,346,250	5.00
2009	4,535,000	700,000	5,235,000	5.00
2010	4,660,000	473,250	5,133,250	5.00
2011	4,805,000	240,250	5,045,250	5.00
	<u>\$ 22,750,000</u>	<u>\$ 4,609,750</u>	<u>\$ 27,359,750</u>	

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

June 30, 2005

### Note 7 - Long-term and short-term obligations (continued)

#### B. Revenue Bonds - serviced by the Water and Sewerage Fund (the "System")

The Water and Sewerage Revenue Bond Ordinances provide that certain funds be established and maintained while the bonds are outstanding. The funds required and the purpose of each, are as follows:

1. Revenue Fund - To receive all revenue of the water and sewer operation, and fund the other required funds.
2. Sinking Funds - To provide a means for payment of principal and interest.
3. Renewal and Extension Fund - To make replacements, additions, extensions and improvements to the system, and to pay principal and interest on bonds and any obligations payable from the sinking fund.
4. Operation, Maintenance and Repair Fund - To pay reasonable and necessary costs of operating, maintaining and repairing the system.
5. Arbitrage Rebate Fund - To assure compliance with the provisions of the Internal Revenue Code.

The ordinance specifies the minimum levels of funding required to be maintained in the sinking funds and the Renewal and Extension fund. Each bond is secured by a first lien on and pledge of the net revenues of the System. The following is a schedule of the outstanding revenue bonds in the System:

#### Series 1993

In connection with the refunding of the 1988 Water and Sewerage Refunding Revenue Bonds, the System issued Series 1993 Water and Sewerage Refunding Revenue Bonds in the aggregate principal amount of \$10,735,000.

The Series 1993 Bonds were paid in full during the fiscal year in connection with the issuance of the \$28,940,000 Water and Sewerage Revenue Bonds, Series 2004.

#### Series 1996

On March 1, 1996, the System issued \$14,800,000 Water and Sewerage Revenue Bonds, Series 1996. In connection with the refunding Series 2001A, the System partially refunded Series 1996 in the amount of \$10,395,000.

The Series 1996 Bonds were issued to provide funds, together with other available funds of the System, to (a) finance, in whole or in part, the cost of adding to, improving, extending and equipping the Water and Sewerage System of said County, and (b) pay certain expenses necessary to accomplish the foregoing.

The Series 1996 Bonds are secured by a first lien on and pledge of the net revenues of the Water and Sewerage System on a parity with the Columbia County Water and Sewerage Bonds, Series 1986 and 1988 issued during prior years. Principal and interest on the Series 1996 Bonds is insured by a municipal bond insurance policy issued by AMBAC Indemnity Corporation simultaneously with the delivery of the Series 1996 Bonds.

Interest is to be paid semi-annually on June 1 and December 1 of each year and principal is to be paid annually on June 1 of each year.

#### Series 1996A

In connection with the refunding of the 1991A Water and Sewerage Revenue Bonds, the System issued Series 1996A Water and Sewerage Refunding Revenue Bonds in the aggregate principal amount of \$6,970,000.

Interest is to be paid semi-annually on June 1 and December 1 of each year and principal is to be paid annually on June 1 of each year.

#### Series 2000

On March 1, 2000, the System issued \$25,000,000 Water & Sewerage Revenue Bonds Series 2000. In connection with the refunding Series 2001A, the System partially refunded Series 2000 in the amount of \$8,510,000.

The Series 2000 Bonds were issued to provide funds, together with other funds of the County available therefore, to (a) finance, in whole or in part, the cost of adding to, improving, extending and equipping the Water and Sewerage System of said County, and (b) pay certain expenses necessary to accomplish the foregoing.

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

June 30, 2005

### Note 7 – Long-term and short-term obligations (continued)

The Series 2000 Bonds are secured by a first lien on and pledge of the net revenues of the Water and Sewerage System. Payment of the principal and interest on the Series 2000 Bonds is insured by a municipal bond insurance policy which was issued by Financial Guaranty Insurance Company simultaneously with the delivery of the Series 2000 Bonds.

Interest is to be paid semi-annually on June 1 and December 1 of each year and principal is to be paid annually on June 1 of each year.

#### Series 2001

In connection with the refunding of the 1992 Water and Sewerage Revenue Bonds, the System issued Series 2001 Water and Sewerage Refunding Revenue Bonds in the aggregate principal amount of \$12,155,000.

Interest is to be paid semi-annually on June 1 and December 1 of each year and principal is to be paid annually on June 1 of each year.

#### Series 2001A

In connection with the refunding of the 1996 Water and Sewerage Revenue Bonds and 2000 Water and Sewerage Revenue Bonds, the System issued Series 2001A Water and Sewerage Refunding Revenue Bonds in the aggregate principal amount of \$21,020,000.

Interest is to be paid semi-annually on June 1 and December 1 of each year and principal is to be paid annually on June 1 of each year.

#### Series 2004

In connection with the refunding of the 1993 Water & Sewerage Refunding Revenue Bonds, the System issued Series 2004 Water and Sewerage Revenue Bonds in the aggregate principal amount of \$28,940,000.

\$25,785,000 of the Series 2004 Bonds were issued for the purpose of (a) paying the costs of the acquisition, construction and equipping of improvements to the Water and Sewerage System of said County, (b) paying the premium for a municipal bond insurance policy and the premium for a municipal bond debt service reserve insurance policy and (c) paying the costs of issuing the Series 2004 Bonds. \$3,155,000 of the Series 2004 Bonds were issued for the purpose of refunding the Water and Sewerage Revenue Bonds, Series 1993 maturing on December 1, 2008.

The Series 2004 Bonds are secured by a pledge of and lien on the net revenues of the Water and Sewerage System. Payment of the principal and interest on the Series 2004 Bonds is insured by a municipal bond insurance policy which was issued by Financial Security Assurance Inc. simultaneously with the delivery of the Series 2004 Bonds.

Interest is to be paid semi-annually on June 1 and December 1 of each year and principal is to be paid annually on June 1 of each year.

### C. Revenue Bonds – serviced by the Solid Waste Authority Fund

On November 1, 1994, the Solid Waste Management Authority of Columbia County, Georgia, issued \$7,970,000 Landfill Revenue Bonds, Series 1994.

The Series 1994 Bonds were issued to (a) finance the cost of certain improvements to the Landfill Facility, and (b) to pay certain costs of issuing the Series 1994 Bonds.

The Series 1994 Bonds are limited, special obligations of the Authority and are secured and payable from revenues received under an Intergovernmental Agreement for the development, leasing and operation of a solid waste facility between the Authority and Columbia County. The scheduled payment of principal and interest on the Series 1994 Bonds when due is guaranteed under an insurance policy issued with the delivery of the Series 1994 Bonds by Municipal Bond Investors Assurance Corporation.

Interest is to be paid semi-annually on January 1 and July 1 of each year and principal is to be paid annually on July 1 each year.

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2005

Note 7 - Long-term and short-term obligations (continued)

D. Summary of Revenue Bonds outstanding

A summary of revenue bond indebtedness as of June 30, 2005, is as follows:

Water and Sewerage Unrefunded Revenue Bonds, Series 1996	\$ 40,000
Water and Sewerage Refunding Revenue Bonds, Series 1996A	5,080,000
Water and Sewerage Unrefunded Revenue Bonds, Series 2000	15,565,000
Water and Sewerage Refunding Revenue Bonds, Series 2001	9,560,000
Water and Sewerage Refunding Revenue Bonds, Series 2001A	20,450,000
Water and Sewerage Revenue Bonds, Series 2004	28,835,000
Solid Waste Management Authority Revenue Bonds, Series 1994	1,235,000
Total Outstanding Revenue Debt	<u>80,765,000</u>
Bond issue premiums	1,380,494
Bond issue discounts	(73,622)
Deferred loss on refunding	<u>(2,817,536)</u>
	 \$ <u>79,254,336</u>

The annual requirements of principal and interest to amortize each of the County's outstanding revenue debt as of June 30, 2005 are as follows:

June 30,	Business-type Activities			Coupon Rate
	Revenue Bond Debt			
	Principal	Interest	Total	
<u>Water and Sewerage Unrefunded Revenue Bonds, Series 1996</u>				
2006	\$ 40,000	\$ 2,020	\$ 42,020	5.05
	<u>\$ 40,000</u>	<u>\$ 2,020</u>	<u>\$ 42,020</u>	
<u>Water and Sewerage Refunding Revenue Bonds, Series 1996A</u>				
2006	\$ 795,000	\$ 266,333	\$ 1,061,333	5.05
2007	840,000	226,185	1,066,185	5.10
2008	880,000	183,345	1,063,345	5.20
2009	925,000	137,585	1,062,585	5.30
2010	970,000	88,560	1,058,560	5.40
2011	670,000	36,180	706,180	5.40
	<u>\$ 5,080,000</u>	<u>\$ 938,188</u>	<u>\$ 6,018,188</u>	

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

**June 30, 2005**

Note 7 - Long-term and short-term obligations (continued)

<b>Business-type Activities, continued</b>				
<b>Revenue Bond Debt</b>				
June 30,	Principal	Interest	Total	Coupon Rate
<b><u>Water and Sewerage Unrefunded Revenue Bonds, Series 2000</u></b>				
2006	\$ 400,000	\$ 860,435	\$ 1,260,435	4.93
2007	450,000	840,715	1,290,715	4.98
2008	500,000	818,305	1,318,305	5.02
2009	550,000	793,205	1,343,205	5.07
2010	600,000	765,320	1,365,320	5.12
2011-2015	-	3,673,000	3,673,000	5.12
2016-2020	3,205,000	3,579,700	6,784,700	5.12
2021-2025	9,860,000	1,690,425	11,550,425	5.12
	\$ 15,565,000	\$ 13,021,105	\$ 28,586,105	
<b><u>Water and Sewerage Refunding Revenue Bonds, Series 2001</u></b>				
2006	\$ 800,000	\$ 387,973	\$ 1,187,973	3.50
2007	800,000	359,972	1,159,972	3.65
2008	795,000	330,773	1,125,773	3.80
2009	1,580,000	300,562	1,880,562	4.00
2010	2,035,000	237,363	2,272,363	4.25
2011-2012	3,550,000	211,437	3,761,437	4.25
	\$ 9,560,000	\$ 1,828,080	\$ 11,388,080	
<b><u>Water and Sewerage Refunding Revenue Bonds, Series 2001A</u></b>				
2006	\$ 155,000	\$ 886,355	\$ 1,041,355	3.13
2007	195,000	881,511	1,076,511	3.38
2008	195,000	874,930	1,069,930	3.60
2009	205,000	867,910	1,072,910	3.70
2010	175,000	860,325	1,035,325	3.80
2011-2015	15,355,000	3,194,100	18,549,100	4.00 - 4.40
2016-2018	4,170,000	395,040	4,565,040	4.50 - 4.70
	\$ 20,450,000	\$ 7,960,171	\$ 28,410,171	

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2005

Note 7 - Long-term and short-term obligations (continued)

June 30,	Business-type Activities, continued			Coupon Rate
	Revenue Bond Debt			
	Principal	Interest	Total	
<u>Water and Sewerage Revenue Bonds, Series 2004</u>				
2006	\$ 875,000	\$ 1,300,987	\$ 2,175,987	2.50
2007	920,000	1,279,112	2,199,112	2.50
2008	1,000,000	1,256,112	2,256,112	2.50
2009	255,000	1,231,112	1,486,112	2.50
2010	-	1,224,738	1,224,738	--
2011-2015	400,000	6,123,688	6,523,688	0.00 - 3.50
2016-2020	11,300,000	5,115,663	16,415,663	3.63 - 5.00
2021-2025	14,085,000	2,131,313	16,216,313	5.00
	<u>\$ 28,835,000</u>	<u>\$ 19,662,725</u>	<u>\$ 48,497,725</u>	
<u>Solid Waste Management Authority Revenue Bonds, Series 1994</u>				
2006	\$ 1,235,000	\$ 37,359	\$ 1,272,359	6.05
	<u>\$ 1,235,000</u>	<u>\$ 37,359</u>	<u>\$ 1,272,359</u>	

E. Notes Payable

The Water and Sewerage System has entered into agreements with the Georgia Environmental Facilities Authority (GEFA) whereby the System receives a loan for each agreement to assist in various pre-approved construction projects. Notes payable to the Georgia Environmental Facilities Authority are as follows:

The \$226,569 note payable to GEFA, with quarterly payments of \$4,728, including principal and interest at 6.8%.	\$ 107,536
The \$707,006 note payable to GEFA, with quarterly payments of \$15,235, including principal and interest at 6.0%.	178,728
The \$646,607 note payable to GEFA, with quarterly payments of \$13,158, including principal and interest at 5.3%.	188,591
The \$1,000,000 note payable to GEFA, with quarterly payments of \$21,985, including principal and interest at 6.25%.	452,109
The \$1,569,027 note payable to GEFA, under the State of Georgia Revolving Loan Fund Program with quarterly payments of \$23,845, including principal and interest at 2.0%.	662,737
	<u>\$ 1,589,701</u>

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

**June 30, 2005**

**Note 7 - Long-term and short-term obligations (continued)**

The annual requirements of principal and interest to amortize each of the County's outstanding notes payable as of June 30, 2005 are as follows:

Year ending June 30,	Notes Payable		
	Principal	Interest	Total
2006	\$ 250,585	\$ 65,216	\$ 315,801
2007	262,493	53,308	315,801
2008	275,064	40,737	315,801
2009	241,944	28,153	270,097
2010	183,494	18,735	202,229
2011-2013	376,121	14,801	390,922
	\$ 1,589,701	\$ 220,950	\$ 1,810,651

**F. Refunding and Advance Refunding**

In 1993, the Water and Sewerage System refunded the Series 1988, Water and Sewerage Refunding Revenue Bonds with the \$10,735,000 Series 1993, Water and Sewerage Refunding Revenue Bonds. As a result, the refunded bonds are no longer a liability of the System. The Series 1993 Bonds were paid in full during the fiscal year in connection with the issuance of the \$28,940,000 Water and Sewerage Revenue Bonds, Series 2004.

In 1996, the Water and Sewerage System advance refunded the Series 1991A, Water and Sewerage Revenue Bonds with the \$6,970,000 Series 1996A, Water and Sewerage Refunding Revenue Bonds. The System issued bonds to provide resources to purchase direct obligations of the United States of America which were placed in an irrevocable escrow account with an escrow agent to defease the maturities.

The escrow obligations, together with the earnings thereon, were sufficient to pay the redemption price of the bonds on June 1, 2001. As a result, the refunded bonds are no longer a liability of the System and have no outstanding principal at June 30, 2005.

On September 26, 2001, the County issued Water and Sewerage Refunding Revenue Bonds in the aggregate principal amount of \$12,155,000, with interest rates ranging from 3% - 4.25%, to refund \$11,850,000 of outstanding 1992 Water and Sewerage Revenue Bonds with interest rates ranging from 5.7% to 6.25%. The net proceeds of \$12,022,027 (after payment of \$190,901 of underwriting fees and other issuance costs) plus an additional \$430,053 of the 1992 Series sinking fund monies were used to repay the 1992 Water and Sewerage Revenue Bonds.

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$955,029. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2012 using the straight-line method, which is not significantly different from the effective-interest method. The County completed the refunding to reduce its total debt service payments over the next 11 years by approximately \$1.3 million and to obtain an economic gain (difference between present values of the old and new debt service payments) of approximately \$1.4 million.

On October 17, 2001, the County issued Water and Sewerage Refunding Revenue Bonds in the aggregate principal amount of \$21,020,000 with interest rates ranging from 3% to 4.7%, to advance refund a portion (\$10,395,000) of outstanding 1996 Water and Sewerage Revenue Bonds with interest rates ranging from 5.15% to 5.7%, and to advance refund a portion (\$8,510,000) of outstanding 2000 Water and Sewerage Revenue Bonds with interest rates ranging from 5% to 6.25%. The net proceeds of \$20,629,262 (after payment of \$307,173 of underwriting fees and other issuance costs) plus an additional \$366,112 of the debt service fund monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for the refunded portions' debt service payments on the 1996 Series bonds and the 2000 Series bonds. As a result, the refunded portions of the 1996 Series bonds and the 2000 Series bonds are considered to be defeased and the liability for those bonds have been reduced by the refunded portions.

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2005

Note 7 - Long-term and short-term obligations (continued)

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$2,512,970. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2018 using the straight-line method, which is not significantly different from the effective-interest method. The advance refunding increased the County's total debt service payments over the next 24 years by approximately \$775,000 and resulted in an economic loss (difference between present values of the old and new debt service payments) of approximately \$2.5 million guaranteed under an insurance policy issued with the delivery of the Series 1994 Bonds by Municipal Bond Investors Assurance Corporation.

On November 1, 2004, included in the Series 2004 Water and Sewerage Revenue Bonds, the County issued Water and Sewerage Revenue Bonds in the aggregate principal amount of \$3,155,000 with an interest rate of 2.5% to refund \$3,125,000 of outstanding 1993 Water and Sewerage Refunding Revenue Bonds with an interest rate of 5.55%. The net proceeds associated with the refunding bonds of \$3,139,453 (after payment of \$15,547 of underwriting fees and other issuance costs) plus an additional \$72,266 of the debt service fund monies were used to purchase U.S. government securities. Those securities were deposited in an escrow fund with an escrow agent to provide sufficient money to pay when due the debt service on the Series 1993 refunded bonds and to call the Series 1993 refunded bonds on December 1, 2004. The unrefunded portion of the Series 1993 bonds in the principal amount of \$830,000 matured on December 1, 2004. As a result, the Series 1993 bonds are no longer a liability of the System and have no outstanding principal at June 30, 2005.

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$86,308. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2007 using the straight-line method, which is not significantly different from the effective-interest method. The County completed the refunding to reduce its total debt service payments over the next 5 years by approximately \$233,156 and to obtain an economic gain (difference between present values of the old and new debt service payments) of approximately \$277,133.

G. Capitalized lease obligations

The County has entered into agreements for the lease of certain machinery and equipment. The term of each agreement provides options to purchase the machinery and equipment at any time during the period of the lease. The leases meet the criteria of capital leases as defined by Statements of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee.

The capitalized leases at June 30, 2005 are shown in the financial statements as follows:

	Business-type Activities
Machinery and equipment	\$ <u>323,958</u>

The following is a schedule by year of future lease payments:

Year Ending June 30,	Business-type Activities
2006	\$ <u>122,187</u>
Total minimum lease payments	122,187
Amount representing interest	<u>(2,073)</u>
Present value of minimum lease payments	\$ <u>120,114</u>

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

June 30, 2005

**Note 7 - Long-term and short-term obligations (continued)**

**H. Changes in long-term liabilities**

The following is a summary of long-term debt transactions of the year ended June 30, 2005:

	Beginning Balances	Additions	Reductions	Ending Balances	Current Portion
<b>Governmental activities:</b>					
Bonds payable:					
General Obligation Bonds:					
Series 1998	\$ 27,470,000	\$ -	\$ (495,000)	\$ 26,975,000	\$ 580,000
Series 2004	-	22,750,000	-	22,750,000	-
Deferred amounts:					
For bond issuance premiums	-	(308,064)	2,156,447	1,848,383	-
Total bonds payable	<u>27,470,000</u>	<u>22,441,936</u>	<u>1,661,447</u>	<u>51,573,383</u>	<u>580,000</u>
Other liabilities:					
Compensated absences	<u>1,262,940</u>	<u>1,290,254</u>	<u>(1,100,565)</u>	<u>1,452,629</u>	<u>1,100,000</u>
<b>Governmental activities long-term liabilities</b>	<b><u>\$ 28,732,940</u></b>	<b><u>\$ 23,732,190</u></b>	<b><u>\$ 560,882</u></b>	<b><u>\$ 53,026,012</u></b>	<b><u>\$ 1,680,000</u></b>
<b>Business-type activities:</b>					
Revenue debt:					
Water and Sewerage Refunding Bonds:					
Series 1993	\$ 3,955,000	\$ -	\$ (3,955,000)	\$ -	\$ -
Series 1996	75,000	-	(35,000)	40,000	40,000
Series 1996A	5,845,000	-	(765,000)	5,080,000	795,000
Series 2000	15,865,000	-	(300,000)	15,565,000	400,000
Series 2001	10,295,000	-	(735,000)	9,560,000	800,000
Series 2001A	20,600,000	-	(150,000)	20,450,000	155,000
Series 2004	-	28,940,000	(105,000)	28,835,000	875,000
Deferred amounts:					
For bond issuance premiums	45,274	(71,930)	1,407,150	1,380,494	-
For bond issuance discounts	(93,372)	-	19,750	(73,622)	-
For deferred loss on refunding	(3,076,497)	(86,309)	345,270	(2,817,536)	-
SWMA Revenue Bonds, Series 1994	<u>2,375,000</u>	<u>-</u>	<u>(1,140,000)</u>	<u>1,235,000</u>	<u>1,235,000</u>
Total revenue debt	<u>55,885,405</u>	<u>28,781,761</u>	<u>(5,412,830)</u>	<u>79,254,336</u>	<u>4,300,000</u>
Other liabilities:					
Water and Sewerage Notes Payable to GEFA	1,829,002	-	(239,301)	1,589,701	250,585
Capital leases	167,782	-	(47,668)	120,114	120,114
Compensated absences	270,669	201,436	(200,002)	272,103	272,103
Liability for landfill closure and postclosure care costs	<u>10,144,825</u>	<u>706,751</u>	<u>-</u>	<u>10,851,576</u>	<u>-</u>
Total other liabilities	<u>12,412,278</u>	<u>908,187</u>	<u>(486,971)</u>	<u>12,833,494</u>	<u>642,802</u>
<b>Business-type activities long-term liabilities</b>	<b><u>\$ 68,297,683</u></b>	<b><u>\$ 29,689,948</u></b>	<b><u>\$ (5,899,801)</u></b>	<b><u>\$ 92,087,830</u></b>	<b><u>\$ 4,942,802</u></b>

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2005

Note 7 - Long-term and short-term obligations (continued)

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$6,402 of internal service funds compensated absences is included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general fund.

I. Discretely presented component units

Development Authority Taxable Revenue Bonds, Series 1993

During 1986, the Development Authority of Columbia County issued \$1,120,000 Industrial Development Revenue Bonds, Series 1986. During 1992, the Development Authority obtained a loan with a bank which it used to pay off the Series 1986 Bonds. During 1993, the Development Authority issued \$7,515,000 Development Authority of Columbia County, Georgia, Industrial Park Taxable Revenue Bonds, Series 1993. A portion of the proceeds in the amount of \$705,171 was used to pay off the bank loan mentioned above. The remaining proceeds were used for various improvements to the existing industrial park sites. The improvements included the provision of water, sewerage, drainage and similar facilities and transportation, power and communication facilities which are incidental to the use of such land as industrial parks, except with respect to such facilities, does not include the provision of structures or buildings. The Development Authority has the right to acquire up to 100 acres of additional land contiguous to the 284 acres fronting on Lewiston and Wrightsboro Roads, and to develop such additional land as part of that industrial site.

The Series 1993 Bonds are limited, special obligations of the Authority and are secured by a letter of credit issued by SunTrust, Atlanta, Georgia, and from payments received under an Intergovernmental Agreement for the development and marketing of an industrial park between the Development Authority and Columbia County.

Interest on the Series 1993 Bonds is to be paid monthly. The interest rate is adjusted weekly in connection with the bond market fluctuations, which was 3.25% at June 30, 2005. Principal is due on March 1 of each year. At June 30, 2005, the outstanding balance of this Revenue Bond amounted to \$3,320,000.

The annual requirements of principal and interest to amortize the Development Authority's outstanding revenue debt as of June 30, 2005 are as follows:

Development Authority			
Taxable Revenue Bonds,			
Series 1993			
June 30,	Principal	Interest	Total
2006	\$ 625,000	\$ 20,313	\$ 645,313
2007	665,000	21,613	686,613
2008	715,000	23,238	738,238
2009	770,000	25,025	795,025
2010	545,000	17,713	562,713
	<u>\$ 3,320,000</u>	<u>\$ 107,902</u>	<u>\$ 3,427,902</u>

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

**June 30, 2005**

**Note 7 – Long-term and short-term obligations (continued)**

**Bartram Trail CDC, Inc., Certificates of Participation, Series 2003**

During the year ended June 30, 2004, Bartram Trail CDC, Inc. issued \$8,800,000 Certificates of Participation, Series 2003, for the purpose of construction of a golf course facility. The certificates have a stated maturity of July 1, 2032, and are subject to mandatory sinking fund redemption, in order of maturity, in part by lot on July 1, beginning July 1, 2008, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption.

Interest on the Series 2003 COP is to be paid semi-annually on July 1 and January 1 of each year, beginning after January 1, 2004. For a portion of the certificates (“promissory note one”), in the amount of \$7,920,000, the interest rate is 5.5% through June 30, 2010, and then will be adjusted periodically to the five-year United States Treasury Note Rate plus 1.75%, but in no event shall the interest rate exceed 12% per annum. At June 30, 2005, the outstanding balance of promissory note one was \$7,920,000. For the remaining portion of the certificates (“promissory note two”), in the amount of \$880,000, the interest rate is fixed at 10%. For promissory note one and note two, principal is due on July 1 of each year.

<u>Bartram Trail CDC, Inc.</u>			
<u>Certificates of Participation</u>			
<u>Series 2003</u>			
Year ending June 30,	Principal	Interest	Total
2006	\$ -	\$ 523,600	\$ 523,600
2007	-	523,600	523,600
2008	162,000	523,600	685,600
2009	171,000	514,015	685,015
2010	181,000	503,845	684,845
2011-2015	1,082,000	2,343,975	3,425,975
2016-2020	1,445,000	1,981,165	3,426,165
2021-2025	1,928,000	1,497,100	3,425,100
2026-2030	2,574,000	851,305	3,425,305
2031-2032	1,257,000	113,405	1,370,405
	<u>\$ 8,800,000</u>	<u>\$ 9,375,610</u>	<u>\$ 18,175,610</u>

**Bartram Trail CDC, Inc., Subordinated Promissory Note**

During the year ended June 30, 2004, Eucler Creek Investors, Inc. issued to Bartram Trail CDC, Inc. a promissory note in the principal amount of \$1,500,000 for the purchase of approximately 200 acres of land, on which a golf course facility shall be constructed. This note is subordinate to the \$8,800,000 Certificates of Participation, Series 2003. Until all amounts due under the Certificates of Participation agreement have been paid in full, no payment shall be required on this note, although the note may be prepaid in whole or in part at any time without penalty. The principal balance outstanding shall bear interest at the fixed rate of 4% per annum. A total of 36 monthly payments will be made commencing 30 days after the final payment is made on the Certificates of Participation, with the final payment being due on or before July 30, 2035. The payment amount for the first 35 payments shall be equal to the sum of 1/120<sup>th</sup> of the outstanding principal balance due and 1/120<sup>th</sup> of any accrued and unpaid interest as of the commencement date. The final payment will be a balloon payment consisting of the remaining outstanding principal and interest due.

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2005

Note 7 – Long-term and short-term obligations (continued)

The following is a summary of long-term debt transactions for the discretely presented component units for the year ended June 30, 2005:

	Beginning Balances	Additions	Reductions	Ending Balances	Current Portion
<b>Development Authority</b>					
Revenue debt:					
Taxable Revenue bonds, Series 1993	\$ 3,895,000	\$ -	\$ (575,000)	\$ 3,320,000	\$ 625,000
Total revenue debt	<u>\$ 3,895,000</u>	<u>\$ -</u>	<u>\$ (575,000)</u>	<u>\$ 3,320,000</u>	<u>\$ 625,000</u>
Development Authority long-term liabilities	<u>\$ 3,895,000</u>	<u>\$ -</u>	<u>\$ (575,000)</u>	<u>\$ 3,320,000</u>	<u>\$ 625,000</u>
<b>Board of Health</b>					
Other liabilities:					
Compensated absences	\$ 79,095	\$ -	\$ (58)	\$ 79,037	\$ 79,037
Total other liabilities	<u>79,095</u>	<u>-</u>	<u>(58)</u>	<u>79,037</u>	<u>79,037</u>
Board of Health long-term liabilities	<u>\$ 79,095</u>	<u>\$ -</u>	<u>\$ (58)</u>	<u>\$ 79,037</u>	<u>\$ 79,037</u>
<b>Bartram Trail CDC</b>					
Revenue debt:					
Series 2003 Certificates of Participation	\$ 8,800,000	\$ -	\$ -	\$ 8,800,000	\$ -
Less: Bond issue discount	<u>(95,700)</u>	<u>-</u>	<u>3,300</u>	<u>(92,400)</u>	<u>-</u>
Total revenue debt	<u>8,704,300</u>	<u>-</u>	<u>3,300</u>	<u>8,707,600</u>	<u>-</u>
Note payable to Euchee Creek investors	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>1,500,000</u>	<u>-</u>
Bartram Trail CDC long-term liabilities	<u>\$ 10,204,300</u>	<u>\$ -</u>	<u>\$ 3,300</u>	<u>\$ 10,207,600</u>	<u>\$ -</u>

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

June 30, 2005

### Note 8 - Deferred/unearned revenues

The balance of deferred revenues in the fund financial statements (includes both the deferred and unearned amounts disclosed below) and unearned revenues in the government-wide financial statements at year-end are composed of the following elements:

	Deferred Revenue	Unearned Revenue
Taxes receivable net of allowance, unavailable - General Fund	\$ 244,587	\$ -
Taxes receivable net of allowance, unavailable - Special Revenue Fund	27,178	-
Taxes receivable net of allowance, unavailable - Debt Service Fund	19,903	-
Rental income received in advance of being earned - General Fund	-	297
Rental income received in advance of being earned - Special Revenue Fund	-	58,761
	\$ 291,668	\$ 59,058

### Note 9 - Landfill closure and postclosure care cost

State and Federal laws and regulations require that the County place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, the County is required to report a portion of these costs as operating expense in each period based on landfill capacity used as of each balance sheet date. After the initial calculation of the current closure and postclosure care costs, these costs are required to be adjusted annually for the effects of inflation or deflation, technology, or applicable laws or regulations.

#### Closed unlined cell

The estimated liability for landfill closure and postclosure care costs of the closed unlined cell is \$1,429,064 which is based on 100% usage (filled) of the cell. The County no longer accepts waste at the cell location.

The County expects that future costs will be paid from earnings in the Solid Waste Management Fund.

#### D cell

The estimated liability for landfill closure and postclosure care costs of the D cell is \$9,422,512 as of June 30, 2005, which is based on 97% usage (filled) of the D cell. Estimated total cost of the D cell closure and postclosure care is \$9,713,930 and will be accrued ratably based on the usage over ten years, which is the estimated life of the D cell, beginning with the fiscal year ended June 30, 1996.

### Note 10 - Conduit debt obligations

From time to time, the Development Authority of Columbia County has issued tax exempt industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the Development Authority, the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2005, there were five series of Development Authority tax exempt industrial revenue bonds outstanding, with an aggregate principal amount of \$57,568,200.

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

June 30, 2005

**Note 11 - Risk management**

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government is a member of a public entity risk pool. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. As of June 30, 2005, the County had recorded no liability for claims.

The County has joined together with other municipalities in the state as part of the Association of County Commissioners of Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund (ACCG-IRMA) and the ACCG Group Self-Insurance Workers Compensation Fund (ACCG-GSIWCF), a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agent and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

As a participant in the ACCG-GSIWCF, which also provides claims administration and loss control services, the County has a \$200,000 loss retention. This program is accounted for in the General Fund. Premiums are paid into the General Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claims expenditure reported in the General Fund.

Changes in the balances of worker's compensation claims during fiscal years 2005 and 2004 are as follows:

	<u>2005</u>	<u>2004</u>
Unpaid claims, beginning of fiscal year	\$ -	\$ -
Incurred claims	170,104	118,284
Claim payments	<u>(170,104)</u>	<u>(118,284)</u>
Unpaid claims, end of year	\$ <u>          </u>	\$ <u>          </u>

During 1994, Columbia County entered into an agreement with the ACCG-IRMA to provide coverage for property, automobile, general liability, law enforcement liability, public officials liability, crime and boiler and machinery exposures. The County has a loss retention of \$50,000 per occurrence. The County separately budgets funds for claims for which no governmental immunity exists, and other claims which the County deems appropriate for payment. This program is accounted for in the Risk Management Fund, an Internal Service Fund.

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

June 30, 2005

### Note 11 - Risk management (continued)

Changes in the balances of property and liability claims during fiscal years 2005 and 2004 are as follows:

	<u>2005</u>	<u>2004</u>
Unpaid claims, beginning of fiscal year	\$ 7,574	\$ 3,686
Incurred claims	490,587	338,022
Claim payments	<u>(479,978)</u>	<u>(334,133)</u>
Unpaid claims, end of year	<u>\$ 18,183</u>	<u>\$ 7,574</u>

The County made no reduction in its insurance coverage during the year ended June 30, 2005. During the past three years claims have not exceeded insurance coverage. The County believes that the insurance coverage is adequate.

The County accounts for the financial operations of a self-insured employee group health program in an Internal Service Fund. Specific stop loss coverage in the amount of \$50,000 per covered individual is maintained to reduce the exposure from catastrophic claims. A third party administrator is employed to process claims for the program. Claims "incurred but not reported" are accounted for as accrued expenses in the Internal Service Fund in accordance with FASB Statement No. 5.

Changes in the balances of medical claims during the fiscal years 2005 and 2004 are as follows:

	<u>2005</u>	<u>2004</u>
Unpaid claims, beginning of fiscal year	\$ 254,393	\$ 182,434
Incurred claims	3,320,023	3,080,390
Claim payments	<u>(3,278,859)</u>	<u>(3,008,432)</u>
Unpaid claims, end of year	<u>\$ 295,557</u>	<u>\$ 254,393</u>

#### Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's management and counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

COLUMBIA COUNTY, GEORGIA

Notes to Financial Statements - Continued

June 30, 2005

Note 12 - Pension plans

Defined Contribution Plan

The County and its qualified employees participate in the Columbia County Money Purchase Retirement Plan. Columbia County executed an Adoption Agreement (restated and signed 12/17/02) with Government Employee Benefits Corporation of Georgia (GEBCorp) electing to become a sponsoring employer of the ACCG 401(a) Defined Contribution Plan for Employees of Columbia County by adopting Plan and Trust agreements in full. GEBCorp provides at least 15 investment options covering a variety of asset classes ranging from aggressive growth equity mutual funds to bond mutual funds to stable value and money market funds. Employees can invest in one or all of the funds.

Compensation as defined by the Adoption Agreement is the total amount of all payments, direct or indirect, made by Columbia County to an Employee (working at least 1,000 hours per year) for services rendered to the Employer. Compensation includes before-tax or salary deferral contributions made under Code Sections 125, 402(g), 457 or 414(h) to the Plan or other plans, on behalf of a Participant for such Plan Year. Plan provisions and contribution requirements are established and may be amended by the Columbia County Board of Commissioners.

At June 30, 2005, 98% or 784 of the County's 800 employees were participants in the defined contribution plan.

The payroll for all employees for the year ended June 30, 2005, amounted to \$26,577,900. All regular employees who work more than 1,000 hours during the calendar year are eligible to participate in the plan. The payroll for covered employees amounted to \$26,496,645 for the year ended June 30, 2005. During the year ended June 30, 2005 the County contributed \$1,660,273 to the defined contribution plan, or approximately 6% of the covered payroll. The defined contribution plan assets at June 30, 2005, are as follows:

Money Funds	\$	3,615,554
Mutual Funds		<u>10,017,502</u>
Total assets	\$	<u>13,633,056</u>

Plan assets are reported at fair value for financial reporting purposes.

The maximum contribution by the County to an employee's retirement account is 8%, which consists of (a) a base amount equal to 4% of the annual salary of an employee plus (b) a matching contribution equal to one half the amount an employee voluntarily contributes into the deferred compensation plan, up to a maximum of 4% of the employee's annual salary. The vesting schedule for the employer portion of the contribution is as follows:

Year 1	0%
Year 2	25%
Year 3	50%
Year 4	75%
Year 5	100%

Deferred Compensation Plan

The County has adopted a deferred compensation plan, the Columbia County Deferred Compensation Plan, in accordance with Section 457 of the Internal Revenue Code. The plan allows any employee participant to voluntarily defer up to 25% of the participant's gross compensation not to exceed \$14,000 per year. All administration costs of the plan are deducted from the participants' accounts. Benefit payments are payable upon termination of employment, unforeseeable emergency, retirement or death. The Custodial Account Agreement requires the County set aside assets and income from the plan in trust for the exclusive benefit of the participants and their beneficiaries. The County is in compliance with the agreement.

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

**June 30, 2005**

**Note 12 - Pension plans (continued)**

The County believes that it has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

Investments are managed by the Plan Administrator under one of three investment options, or a combination thereof. The available options include fixed annuity, variable annuity and universal life insurance. The choice of the investment option(s) is made by the participant.

At June 30, 2005, 79% or 631 of the County's 800 employees were participants in the deferred compensation plan.

The employees of the County contributed \$1,669,869 to the deferred compensation plan during the year ended June 30, 2005.

The County has amended its plan to comply with the requirements of subsection (g) of Internal Revenue Code Section 457 and it has adopted GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. All assets and income of the plan described in subsection (b)(6) are held in trust for the exclusive benefit of the participants and their beneficiaries.

**Note 13 - Construction commitments**

The County has active construction projects as of June 30, 2005. The projects include construction of water facilities, a County library and office expansion, road improvements, and recreational facilities. At year end the County's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Blanchard Plant Expansion Phase I & II	\$ 11,225,714	\$ 682,624
Main Library and County Office Additions	9,339,904	6,487,931
Recreational Facilities and Parks	1,524,845	562,996
Road improvement construction	2,356,325	1,877,956
Road paving construction	3,412,264	638,870
Total	<u>\$ 27,859,052</u>	<u>\$ 10,250,377</u>

**Note 14 - Hotel/motel lodging tax**

Columbia County has levied a 5% lodging tax pursuant to Official Code of Georgia Annotated (O.C.G.A.) 48-13-51. The County has entered into a contract with the Augusta Metropolitan Convention and Visitors Bureau, Inc. (AMCVB) to be the principal provider of convention and tourist promotion services. The County has received an audit report from the AMCVB for expenditure of the lodging tax monies, which were used for the promotion of tourism as required by O.C.G.A. 48-13-51. The receipts and disbursements for these monies are accounted for in a nonmajor special revenue fund, the Hotel/Motel Fund. A summary of the transactions for the year ended June 30, 2005 follows:

Lodging tax receipts	\$ <u>349,724</u>
Disbursements:	
Paid to AMCVB (43%)	\$ 151,351
Other (42%)	<u>145,532</u>
Total disbursements	\$ <u>296,883</u>

# COLUMBIA COUNTY, GEORGIA

## Notes to Financial Statements - Continued

June 30, 2005

### Note 15 - Joint venture

Under Georgia law, the County, in conjunction with other cities and counties in the Central Savannah River Area, is a member of the Central Savannah River Area Regional Development Center (RDC) and is required to pay annual dues thereto. During its year ended June 30, 2005, the County paid \$61,039 in such dues. Membership in the RDC is required by the O.C.G.A. Section 50-8-34 which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. 50-8-39.1 provides that the member governments are liable for any debts or obligations of the RDC. Separate financial statements may be obtained from:

Central Savannah River Area  
Regional Development Center  
Augusta, Georgia 30903

### Note 16 - Significant contingencies

#### Federal and State assisted programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

#### Claims and judgments

The County is a defendant in various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these matters will not have a material adverse effect on the financial condition of the County.

#### Arbitrage

The County's bond issues are subject to federal arbitrage regulations, and the County has elected to review its potential arbitrage liability annually on the bond issue dates. The arbitrage rebate payments are payable on the fifth anniversary of the bond issue date and every fifth year subsequent to that date. Although the actual amount to be paid is not presently determinable, the County believes that arbitrage payables are not significant.

COMBINING AND INDIVIDUAL  
FUND STATEMENTS

GENERAL FUND

**COLUMBIA COUNTY, GEORGIA**  
**General Fund by Object**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2005**

	Final Budget	Actual Amount	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>			
Taxes - property			
Property tax	\$ 15,445,747	\$ 15,945,344	\$ 499,597
Motor vehicle tax and penalties	2,327,787	2,087,228	(240,559)
Mobile home tax	88,269	73,081	(15,188)
Timber tax	34,377	38,100	3,723
Interest and penalties	150,000	126,272	(23,728)
	<u>18,046,180</u>	<u>18,270,025</u>	<u>223,845</u>
Taxes - sales			
Sales tax	10,778,523	11,273,425	494,902
Taxes - other			
Occupation tax	700,000	780,475	80,475
Real estate transfer tax	250,000	269,915	19,915
Alcohol tax	800,000	849,223	49,223
Recording intangibles	750,000	906,377	156,377
Cablevision	350,000	489,564	139,564
Other	-	12,018	12,018
	<u>2,850,000</u>	<u>3,307,572</u>	<u>457,572</u>
Licenses and permits			
Alcohol licenses	245,000	286,992	41,992
Land disturbing permit	40,000	28,888	(11,112)
Other	15,800	14,883	(917)
	<u>300,800</u>	<u>330,763</u>	<u>29,963</u>
Intergovernmental			
General overhead	1,323,334	1,422,569	99,235
Juvenile Court	57,725	51,043	(6,682)
Emergency Services	533,677	542,429	8,752
Roads and Bridges	644,850	697,398	52,548
Public Transit	97,054	78,781	(18,273)
	<u>2,656,640</u>	<u>2,792,220</u>	<u>135,580</u>
Charges for services			
Commissions	1,100,000	1,224,596	124,596
Sheriff	85,462	126,686	41,224
Recreation	336,000	348,845	12,845
Clerk of Superior Court	450,000	656,152	206,152
Probate Court	100,000	52,000	(48,000)
Magistrate Court	70,000	113,599	43,599
Wildwood Park	78,000	115,991	37,991
Planning and Development	189,800	249,933	60,133
Other	125,000	98,506	(26,494)
	<u>2,534,262</u>	<u>2,986,308</u>	<u>452,046</u>
Fines and forfeitures			
Clerk of Superior Court	500,000	525,946	25,946
Probate Court	1,200,000	885,965	(314,035)
Magistrate Court	150,000	108,443	(41,557)
Other	35,000	43,893	8,893
	<u>1,885,000</u>	<u>1,564,247</u>	<u>(320,753)</u>

COLUMBIA COUNTY, GEORGIA

General Fund by Object - Continued

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2005

	Final Budget	Actual Amount	Variance with Final Budget - Positive (Negative)
<b>Revenues (Continued)</b>			
<b>Investment income</b>			
Interest	\$ 301,200	\$ 382,082	\$ 80,882
<b>Contributions and donations</b>			
Developer reimbursements	10,000	12,903	2,903
Donations	12,000	3,422	(8,578)
	<u>22,000</u>	<u>16,325</u>	<u>(5,675)</u>
<b>Other</b>			
Rental	190,892	185,476	(5,416)
Other	3,496,117	281,258	(3,214,859)
	<u>3,687,009</u>	<u>466,734</u>	<u>(3,220,275)</u>
<b>Total revenues</b>	\$ 43,061,614	\$ 41,389,701	\$ (1,671,913)
<b>Expenditures</b>			
<b>General government</b>			
<b>Board of Commissioners</b>			
Personal service	\$ 176,948	\$ 183,576	\$ (6,628)
Operating	759,320	744,271	15,049
Capital improvements	4,000	10,000	(6,000)
	<u>940,268</u>	<u>937,847</u>	<u>2,421</u>
<b>Finance</b>			
Personal service	432,467	440,300	(7,833)
Operating	117,085	107,356	9,729
	<u>549,552</u>	<u>547,656</u>	<u>1,896</u>
<b>Human Resources</b>			
Personal service	287,641	286,706	935
Operating	321,374	322,274	(900)
	<u>609,015</u>	<u>608,980</u>	<u>35</u>
<b>Procurement/Distribution</b>			
Personal service	325,287	327,032	(1,745)
Operating	94,376	99,868	(5,492)
Capital improvements	15,000	6,127	8,873
	<u>434,663</u>	<u>433,027</u>	<u>1,636</u>
<b>Information Technology</b>			
Personal service	919,525	944,263	(24,738)
Operating	618,352	1,087,830	(469,478)
Capital improvements	625,080	130,864	494,216
	<u>2,162,957</u>	<u>2,162,957</u>	<u>-</u>
<b>County Administrator</b>			
Personal service	190,677	196,642	(5,965)
Operating	25,311	19,346	5,965
	<u>215,988</u>	<u>215,988</u>	<u>-</u>

**COLUMBIA COUNTY, GEORGIA**  
**General Fund by Object - Continued**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2005**

	Final Budget	Actual Amount	Variance with Final Budget - Positive (Negative)
<b>Expenditures (Continued)</b>			
<b>General government (Continued)</b>			
<b>Tax Commissioner</b>			
Personal service	\$ 919,739	\$ 914,153	\$ 5,586
Operating	259,651	237,355	22,296
Capital improvements	5,000	-	5,000
	<u>1,184,390</u>	<u>1,151,508</u>	<u>32,882</u>
<b>Tax Assessor</b>			
Personal service	707,572	687,562	20,010
Operating	137,143	122,860	14,283
	<u>844,715</u>	<u>810,422</u>	<u>34,293</u>
<b>Engineering Services</b>			
Personal service	640,408	623,303	17,105
Operating	90,555	70,222	20,333
Capital improvements	15,700	14,529	1,171
	<u>746,663</u>	<u>708,054</u>	<u>38,609</u>
<b>Board of Elections</b>			
Personal service	130,361	136,713	(6,352)
Operating	306,516	300,119	6,397
	<u>436,877</u>	<u>436,832</u>	<u>45</u>
<b>Management Services</b>			
Personal service	123,577	125,695	(2,118)
Operating	1,321,711	1,319,206	2,505
	<u>1,445,288</u>	<u>1,444,901</u>	<u>387</u>
Total general government	<u>9,570,376</u>	<u>9,458,172</u>	<u>112,204</u>
<b>Judicial system</b>			
<b>Superior Court</b>			
Personal service	653,695	662,627	(8,932)
Operating	494,346	461,894	32,452
	<u>1,148,041</u>	<u>1,124,521</u>	<u>23,520</u>
<b>Probate Court</b>			
Personal service	507,314	512,752	(5,438)
Operating	122,621	78,301	44,320
Capital improvements	5,000	-	5,000
	<u>634,935</u>	<u>591,053</u>	<u>43,882</u>
<b>Juvenile Court/Youth</b>			
Personal service	327,518	280,845	46,673
Operating	106,700	153,373	(46,673)
	<u>434,218</u>	<u>434,218</u>	<u>-</u>
<b>Magistrate Court</b>			
Personal service	571,747	582,294	(10,547)
Operating	107,247	96,692	10,555
	<u>678,994</u>	<u>678,986</u>	<u>8</u>

COLUMBIA COUNTY, GEORGIA  
 General Fund by Object - Continued  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 For the Fiscal Year Ended June 30, 2005

Expenditures (Continued)	Final Budget	Actual Amount	Variance with Final Budget - Positive (Negative)
District Attorney			
Operating	375,000	374,081	919
Total judicial system	3,271,188	3,202,859	68,329
Public safety			
Sheriff			
Personal service	8,032,409	8,162,905	(130,496)
Operating	1,794,612	1,792,810	1,802
Capital improvements	819,453	559,394	260,059
	10,646,474	10,515,109	131,365
Emergency Services			
Personal service	179,946	180,966	(1,020)
Operating	147,455	134,851	12,604
Capital improvements	462,319	458,643	3,676
	789,720	774,460	15,260
Jail			
Personal service	4,496,882	4,392,642	104,240
Operating	1,591,940	1,571,041	20,899
	6,088,822	5,963,683	125,139
Emergency Medical Service			
Operating	500,000	500,000	-
Animal Care and Control			
Personal service	412,760	410,115	2,645
Operating	96,260	116,315	(20,055)
Capital improvements	64,000	27,799	36,201
	573,020	554,229	18,791
Coroner			
Personal service	48,307	53,058	(4,751)
Operating	43,570	32,554	11,016
	91,877	85,612	6,265
Total public safety	18,689,913	18,393,093	296,820

**COLUMBIA COUNTY, GEORGIA**

**General Fund by Object - Continued**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual**

**For the Fiscal Year Ended June 30, 2005**

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Expenditures (Continued)</b>			
Public works			
Roads and Bridges			
Personal service	\$ 1,701,751	\$ 1,631,529	\$ 70,222
Operating	<u>769,885</u>	<u>812,209</u>	<u>(42,324)</u>
	<u>2,471,636</u>	<u>2,443,738</u>	<u>27,898</u>
Fleet Services			
Personal service	446,220	439,019	7,201
Operating	119,799	106,130	13,669
Capital improvements	<u>21,000</u>	<u>41,000</u>	<u>(20,000)</u>
	<u>587,019</u>	<u>586,149</u>	<u>870</u>
Facility Maintenance			
Personal service	333,484	321,685	11,799
Operating	<u>310,604</u>	<u>322,324</u>	<u>(11,720)</u>
	<u>644,088</u>	<u>644,009</u>	<u>79</u>
 Total public works	 <u>3,702,743</u>	 <u>3,673,896</u>	 <u>28,847</u>
Health and welfare			
Public Health			
Operating	416,228	419,195	(2,967)
Capital improvements	<u>6,500</u>	<u>-</u>	<u>6,500</u>
	<u>422,728</u>	<u>419,195</u>	<u>3,533</u>
Family and Children Services			
Operating	<u>70,702</u>	<u>70,561</u>	<u>141</u>
Senior Center			
Personal service	238,139	214,171	23,968
Operating	<u>157,140</u>	<u>164,482</u>	<u>(7,342)</u>
	<u>395,279</u>	<u>378,653</u>	<u>16,626</u>
Public Transit			
Personal service	119,638	132,011	(12,373)
Operating	40,348	38,098	2,250
Capital improvements	<u>51,000</u>	<u>40,794</u>	<u>10,206</u>
	<u>210,986</u>	<u>210,903</u>	<u>83</u>
 Total health and welfare	 <u>1,099,695</u>	 <u>1,079,312</u>	 <u>20,383</u>

COLUMBIA COUNTY, GEORGIA

General Fund by Object - Continued

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2005

	Final Budget	Actual Amount	Variance with Final Budget - Positive (Negative)
<b>Expenditures (Continued)</b>			
<b>Culture and recreation</b>			
<b>Recreation</b>			
Personal service	\$ 1,024,429	\$ 1,018,577	\$ 5,852
Operating	653,054	638,573	14,481
Capital improvements	34,541	34,042	499
	<u>1,712,024</u>	<u>1,691,192</u>	<u>20,832</u>
<b>Wildwood Park</b>			
Personal service	35,341	35,517	(176)
Operating	67,142	45,347	21,795
Capital improvements	8,659	8,659	-
	<u>111,142</u>	<u>89,523</u>	<u>21,619</u>
<b>Libraries</b>			
Personal service	469,107	466,579	2,528
Operating	403,825	405,456	(1,631)
	<u>872,932</u>	<u>872,035</u>	<u>897</u>
<b>Community Services</b>			
Personal service	161,139	162,481	(1,342)
Operating	30,465	29,028	1,437
	<u>191,604</u>	<u>191,509</u>	<u>95</u>
<b>Total culture and recreation</b>	<u>2,887,702</u>	<u>2,844,259</u>	<u>43,443</u>
<b>Housing and development</b>			
<b>Extension Service</b>			
Personal service	68,342	64,380	3,962
Operating	67,933	65,748	2,185
Capital improvements	5,625	-	5,625
	<u>141,900</u>	<u>130,128</u>	<u>11,772</u>
<b>Forestry</b>			
Operating	8,390	7,222	1,168
<b>Geographic Information Systems</b>			
Operating	54,524	64,591	(10,067)
Operating	205,695	204,261	1,434
Capital improvements	38,632	29,288	9,344
	<u>298,851</u>	<u>298,140</u>	<u>711</u>
<b>Planning and Development</b>			
Personal service	474,397	440,088	34,309
Operating	165,226	153,988	11,238
	<u>639,623</u>	<u>594,076</u>	<u>45,547</u>
<b>Code Compliance</b>			
Personal service	88,326	88,543	(217)
Operating	3,700	3,454	246
	<u>92,026</u>	<u>91,997</u>	<u>29</u>
<b>Economic Development</b>			
Operating	951,796	930,717	21,079
<b>Total housing and development</b>	<u>2,132,586</u>	<u>2,052,280</u>	<u>80,306</u>

**COLUMBIA COUNTY, GEORGIA**  
**General Fund by Object - Concluded**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2005**

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Expenditures (Continued)</b>			
<b>Total expenditures</b>	\$ <u>41,354,203</u>	\$ <u>40,703,871</u>	\$ <u>650,332</u>
Excess of revenues over expenditures	<u>1,707,411</u>	<u>685,830</u>	<u>(1,021,581)</u>
<b>Other financing sources (uses)</b>			
Sale of property	103,500	74,165	(29,335)
Operating transfers in	298,496	194,000	(104,496)
Operating transfers out	<u>(2,109,407)</u>	<u>(2,109,407)</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>(1,707,411)</u>	<u>(1,841,242)</u>	<u>(133,831)</u>
Excess of revenues and other sources over expenditures and other uses	<u>-</u>	<u>(1,155,412)</u>	<u>(1,155,412)</u>
Fund balance at beginning of year		<u>16,596,132</u>	
Fund balance at end of year		<u>\$ 15,440,720</u>	

NOTE: Expenditures for capital outlay are included within the appropriate function in the preceding schedule.

NONMAJOR GOVERNMENTAL FUNDS

**Columbia County, Georgia**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2005**

	<u>Capital Projects Funds</u>			
	<u>Special Revenue Funds</u>	<u>Special Local Option Sales Tax Fund 1996-2000</u>	<u>Capital Road/ Drainage Projects Fund</u>	<u>Airport Authority Fund</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 1,315,889	\$ 1,800,544	\$ -	\$ -
Investments	101,295	-	-	-
Taxes receivable	30,884	-	-	-
Accounts receivable	237,615	-	442,309	-
Due from other funds	4,162,491	-	1,225,699	350
Prepaid items	12,916	-	-	-
<b>Total assets</b>	<u>\$ 5,861,090</u>	<u>\$ 1,800,544</u>	<u>\$ 1,668,008</u>	<u>\$ 350</u>
<b>Liabilities and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 278,769	\$ 27,756	\$ 33,762	\$ -
Accrued payroll	32,311	-	-	-
Accrued compensated absences	15,967	-	-	-
Deferred revenue	85,939	-	-	-
Due to other funds	619,740	-	-	-
Accrued interest	-	-	-	-
<b>Total liabilities</b>	<u>1,032,726</u>	<u>27,756</u>	<u>33,762</u>	<u>-</u>
<b>Fund balances:</b>				
Reserved for encumbrances	208,824	254,850	178,433	-
Reserved for inventories/prepaid items	12,916	-	-	-
Reserved for debt service	-	-	-	-
Unreserved, undesignated	4,606,624	1,517,938	1,455,813	350
<b>Total fund balances</b>	<u>4,828,364</u>	<u>1,772,788</u>	<u>1,634,246</u>	<u>350</u>
<b>Total liabilities and fund balances</b>	<u>\$ 5,861,090</u>	<u>\$ 1,800,544</u>	<u>\$ 1,668,008</u>	<u>\$ 350</u>

<u>1998 General Obligation Bonds Projects Fund</u>	<u>Windmill Sewer Project Fund</u>	<u>Debt Service Fund 1998 General Obligation Bond</u>	<u>Debt Service Fund 2004 General Obligation Bond</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 52,686	\$ 26,583	\$ 1,094,061	\$ 1,152,458	\$ 5,442,221
-	-	-	-	101,295
-	-	23,067	-	53,951
-	24,808	-	-	704,732
-	-	-	-	5,388,540
-	-	-	-	12,916
<u>\$ 52,686</u>	<u>\$ 51,391</u>	<u>\$ 1,117,128</u>	<u>\$ 1,152,458</u>	<u>\$ 11,703,655</u>
\$ 52,686	\$ 24,808	\$ -	\$ 500	\$ 418,281
-	-	-	-	32,311
-	-	-	-	15,967
-	-	19,903	-	105,842
-	-	-	-	619,740
-	24,433	-	-	24,433
<u>52,686</u>	<u>49,241</u>	<u>19,903</u>	<u>500</u>	<u>1,216,574</u>
269,985	-	-	-	912,092
-	-	-	-	12,916
-	-	1,097,225	1,151,958	2,249,183
(269,985)	2,150	-	-	7,312,890
<u>-</u>	<u>2,150</u>	<u>1,097,225</u>	<u>1,151,958</u>	<u>10,487,081</u>
<u>\$ 52,686</u>	<u>\$ 51,391</u>	<u>\$ 1,117,128</u>	<u>\$ 1,152,458</u>	<u>\$ 11,703,655</u>

**Columbia County, Georgia**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2005**

	<b>Capital Projects Funds</b>			
	<b>Special Revenue Funds</b>	<b>Special Local Option Sales Tax Fund 1996-2000</b>	<b>Capital Road/ Drainage Projects Fund</b>	<b>Airport Authority Fund</b>
<b>Revenues</b>				
Taxes - property	\$ 3,909,500	\$ -	\$ -	\$ -
Taxes - other	3,778,850	-	-	-
Licenses and permits	887,188	-	-	-
Intergovernmental	226,914	-	2,984,912	-
Charges for services	3,197,753	-	-	-
Fines and forfeitures	310,978	-	-	-
Investment income	80,602	49,619	66,302	-
Contributions and donations	67,415	-	-	-
Other	67,449	-	-	-
<b>Total revenues</b>	<b>12,526,649</b>	<b>49,619</b>	<b>3,051,214</b>	<b>-</b>
<b>Expenditures</b>				
<b>Current:</b>				
Judicial system	22,694	-	-	-
Public safety	6,147,521	-	-	-
Public works	3,422,199	-	4,003,596	-
Health and welfare	419,653	-	-	-
Culture and recreation	609,981	-	-	-
Housing and development	986,963	-	-	-
Miscellaneous	9,225	-	-	-
Capital outlay	-	905,181	-	-
<b>Debt service:</b>				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>11,618,236</b>	<b>905,181</b>	<b>4,003,596</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>908,413</b>	<b>(855,562)</b>	<b>(952,382)</b>	<b>-</b>
<b>Other financing sources (uses)</b>				
Proceeds from debt issuance	-	-	-	-
Transfers in	4,109,407	-	-	-
Transfers out	(963,676)	-	(2,000,000)	-
<b>Total other financing sources (uses)</b>	<b>3,145,731</b>	<b>-</b>	<b>(2,000,000)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>4,054,144</b>	<b>(855,562)</b>	<b>(2,952,382)</b>	<b>-</b>
<b>Fund balances - beginning</b>	<b>774,220</b>	<b>2,628,350</b>	<b>4,586,628</b>	<b>350</b>
<b>Fund balances - ending</b>	<b>\$ 4,828,364</b>	<b>\$ 1,772,788</b>	<b>\$ 1,634,246</b>	<b>\$ 350</b>

1998 General Obligation Bonds Projects Fund	Windmill Sewer Project Fund	Debt Service Fund 1998 General Obligation Bond	Debt Service Fund 2004 General Obligation Bond	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 2,110,890	\$ -	\$ 6,020,390
-	-	-	-	3,778,850
-	-	-	-	887,188
-	-	-	-	3,211,826
-	-	-	-	3,197,753
-	-	-	-	310,978
903	83	22,872	14,957	235,338
-	-	-	-	67,415
-	-	-	-	67,449
<u>903</u>	<u>83</u>	<u>2,133,762</u>	<u>14,957</u>	<u>17,777,187</u>
-	-	-	-	22,694
-	-	-	-	6,147,521
7,768	-	-	-	7,433,563
-	-	-	-	419,653
-	-	-	-	609,981
-	-	-	-	986,963
-	-	-	-	9,225
542,970	-	-	-	1,448,151
-	-	495,000	-	495,000
-	-	1,389,981	180,604	1,570,585
<u>550,738</u>	<u>-</u>	<u>1,884,981</u>	<u>180,604</u>	<u>19,143,336</u>
<u>(549,835)</u>	<u>83</u>	<u>248,781</u>	<u>(165,647)</u>	<u>(1,366,149)</u>
-	-	-	1,317,605	1,317,605
311,330	-	-	-	4,420,737
-	-	-	-	(2,963,676)
<u>311,330</u>	<u>-</u>	<u>-</u>	<u>1,317,605</u>	<u>2,774,666</u>
(238,505)	83	248,781	1,151,958	1,408,517
238,505	2,067	848,444	-	9,078,564
<u>\$ -</u>	<u>\$ 2,150</u>	<u>\$ 1,097,225</u>	<u>\$ 1,151,958</u>	<u>\$ 10,487,081</u>

**Columbia County, Georgia**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2005**

	<b>Building Standards Fund</b>	<b>Federal Asset Sharing Fund</b>	<b>State Condemnation Fund</b>	<b>Street Lights Fund</b>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 26,718	\$ 8,597	\$ -
Investments	-	-	-	-
Taxes receivable	-	-	-	5,633
Accounts receivable	-	-	-	-
Due from other funds	605,428	-	-	578,616
Prepaid items	2,674	-	-	-
<b>Total assets</b>	<b>\$ 608,102</b>	<b>\$ 26,718</b>	<b>\$ 8,597</b>	<b>\$ 584,249</b>
<b>Liabilities and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 3,553	\$ -	\$ -	\$ 92,819
Accrued payroll	11,732	-	-	-
Accrued compensated absences	7,896	-	-	-
Deferred revenue	-	-	-	4,472
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>23,181</b>	<b>-</b>	<b>-</b>	<b>97,291</b>
<b>Fund balances:</b>				
Reserved for encumbrances	54	-	-	-
Reserved for inventories/prepaid items	2,674	-	-	-
Unreserved, undesignated	582,193	26,718	8,597	486,958
<b>Total fund balances</b>	<b>584,921</b>	<b>26,718</b>	<b>8,597</b>	<b>486,958</b>
<b>Total liabilities and fund balances</b>	<b>\$ 608,102</b>	<b>\$ 26,718</b>	<b>\$ 8,597</b>	<b>\$ 584,249</b>

<u>Recreation Advisory Board Fund</u>	<u>911 Fund</u>	<u>Jail Fund</u>	<u>Drug Abuse Treatment Fund</u>	<u>Supple- mental Juvenile Services Fund</u>
\$ 30,757	\$ 449,706	\$ 326,476	\$ 94,818	\$ 99,329
-	-	-	-	-
-	200,433	-	-	-
-	621,789	-	-	-
-	3,066	-	-	-
<u>\$ 30,757</u>	<u>\$ 1,274,994</u>	<u>\$ 326,476</u>	<u>\$ 94,818</u>	<u>\$ 99,329</u>
\$ 43	\$ 38,085	\$ -	\$ -	\$ 1,381
-	12,770	-	-	-
-	5,777	-	-	-
-	-	-	-	-
12,135	-	-	-	-
<u>12,178</u>	<u>56,632</u>	<u>-</u>	<u>-</u>	<u>5,184</u>
-	-	-	-	<u>6,565</u>
-	234	-	-	-
-	3,066	-	-	-
18,579	1,215,062	326,476	94,818	-
<u>18,579</u>	<u>1,218,362</u>	<u>326,476</u>	<u>94,818</u>	<u>92,764</u>
\$ 30,757	\$ 1,274,994	\$ 326,476	\$ 94,818	\$ 99,329

Continued on the following pages.

Columbia County, Georgia  
**Combining Balance Sheet - Continued**  
**Nonmajor Special Revenue Funds**  
**June 30, 2005**

	Community Center Operations Fund	Community Greenspace Fund	Hotel/ Motel Fund	Multiple Grant Fund
<b>Assets</b>				
Cash and cash equivalents	\$ 50	\$ -	\$ -	\$ -
Investments	-	-	-	-
Taxes receivable	-	-	-	-
Accounts receivable	8,555	-	26,832	-
Due from other funds	-	-	314,812	-
Prepaid items	481	-	-	-
Total assets	<u>\$ 9,086</u>	<u>\$ -</u>	<u>\$ 341,644</u>	<u>\$ -</u>
<b>Liabilities and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 29,678	\$ -	\$ 11,833	\$ -
Accrued payroll	1,593	-	-	-
Accrued compensated absences	1,112	-	-	-
Deferred revenue	58,761	-	-	-
Due to other funds	599,190	-	-	-
Total liabilities	<u>690,334</u>	<u>-</u>	<u>11,833</u>	<u>-</u>
<b>Fund balances:</b>				
Reserved for encumbrances	298	-	1,420	-
Reserved for inventories/prepaid items	481	-	-	-
Fund balance	(682,027)	-	328,391	-
Total fund balances	<u>(681,248)</u>	<u>-</u>	<u>329,811</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 9,086</u>	<u>\$ -</u>	<u>\$ 341,644</u>	<u>\$ -</u>

<u>Library Board Fund</u>	<u>Clean and Beautiful Memorial Fund</u>	<u>Fire Services Fund</u>	<u>Sheriff's Gifts/ Donations Fund</u>	<u>Insurance Premium Tax Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 264,338	\$ 1,025	\$ -	\$ 14,075	\$ -	\$ 1,315,889
101,295	-	-	-	-	101,295
-	-	25,251	-	-	30,884
1,795	-	-	-	-	237,615
-	1,250	1,479,378	-	561,218	4,162,491
-	-	-	-	6,695	12,916
<u>\$ 367,428</u>	<u>\$ 2,275</u>	<u>\$ 1,504,629</u>	<u>\$ 14,075</u>	<u>\$ 567,913</u>	<u>\$ 5,861,090</u>
\$ 7,211	\$ -	\$ 27,903	\$ -	\$ 66,263	\$ 278,769
-	-	-	-	6,216	32,311
-	-	-	-	1,182	15,967
-	-	22,706	-	-	85,939
3,231	-	-	-	-	619,740
<u>10,442</u>	<u>-</u>	<u>50,609</u>	<u>-</u>	<u>73,661</u>	<u>1,032,726</u>
-	-	380	-	206,438	208,824
-	-	-	-	6,695	12,916
356,986	2,275	1,453,640	14,075	281,119	4,606,624
<u>356,986</u>	<u>2,275</u>	<u>1,454,020</u>	<u>14,075</u>	<u>494,252</u>	<u>4,828,364</u>
<u>\$ 367,428</u>	<u>\$ 2,275</u>	<u>\$ 1,504,629</u>	<u>\$ 14,075</u>	<u>\$ 567,913</u>	<u>\$ 5,861,090</u>

**Columbia County, Georgia**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2005**

	<u>Building Standards Fund</u>	<u>Federal Asset Sharing Fund</u>	<u>State Condemnation Fund</u>	<u>Street Lights Fund</u>
<b>Revenues</b>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-
Licenses and permits	887,188	-	-	-
Intergovernmental	17,711	-	-	-
Charges for services	116,753	-	-	983,600
Fines and forfeitures	-	9,998	39,297	-
Investment income	15,825	159	25	18,166
Contributions and donations	-	-	-	44,763
Other	751	-	-	-
<b>Total revenues</b>	<u>1,038,228</u>	<u>10,157</u>	<u>39,322</u>	<u>1,046,529</u>
<b>Expenditures</b>				
<b>Current:</b>				
Judicial system	-	-	-	-
Public safety	-	61,598	31,640	-
Public works	-	-	-	1,231,208
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Housing and development	986,963	-	-	-
Miscellaneous	-	-	-	-
<b>Total expenditures</b>	<u>986,963</u>	<u>61,598</u>	<u>31,640</u>	<u>1,231,208</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>51,265</u>	<u>(51,441)</u>	<u>7,682</u>	<u>(184,679)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	51,265	(51,441)	7,682	(184,679)
<b>Fund balances - beginning</b>	<u>533,656</u>	<u>78,159</u>	<u>915</u>	<u>671,637</u>
<b>Fund balances - ending</b>	<u>\$ 584,921</u>	<u>\$ 26,718</u>	<u>\$ 8,597</u>	<u>\$ 486,958</u>

Recreation Advisory Board Fund	911 Fund	Jail Fund	Drug Abuse Treatment Fund	Supple- mental Juvenile Services Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
27,817	1,808,128	-	-	21,565
-	-	154,528	62,427	-
51	10,596	1,166	272	335
-	-	-	-	-
15,345	-	-	-	-
<u>43,213</u>	<u>1,818,724</u>	<u>155,694</u>	<u>62,699</u>	<u>21,900</u>
-	-	-	-	22,694
-	1,272,926	-	-	-
-	-	-	-	-
41,992	-	-	-	-
-	-	-	-	-
-	-	-	-	7,725
<u>41,992</u>	<u>1,272,926</u>	<u>-</u>	<u>-</u>	<u>30,419</u>
<u>1,221</u>	<u>545,798</u>	<u>155,694</u>	<u>62,699</u>	<u>(8,519)</u>
-	-	-	-	-
-	-	(150,000)	(25,000)	-
-	-	(150,000)	(25,000)	-
1,221	545,798	5,694	37,699	(8,519)
<u>17,358</u>	<u>672,564</u>	<u>320,782</u>	<u>57,119</u>	<u>101,283</u>
<u>\$ 18,579</u>	<u>\$ 1,218,362</u>	<u>\$ 326,476</u>	<u>\$ 94,818</u>	<u>\$ 92,764</u>

**Columbia County, Georgia**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Continued  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2005**

	<b>Community Center Operations Fund</b>	<b>Community Greenspace Fund</b>	<b>Hotel/ Motel Fund</b>	<b>Multiple Grant Fund</b>
<b>Revenues</b>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	349,724	-
Licenses and permits	-	-	-	-
Intergovernmental	-	209,203	-	-
Charges for services	239,890	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	1,211	6,372	-
Contributions and donations	750	-	6,552	-
Other	46,559	-	-	-
<b>Total revenues</b>	<b>287,199</b>	<b>210,414</b>	<b>362,648</b>	<b>-</b>
<b>Expenditures</b>				
<b>Current:</b>				
Judicial system	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	419,653	-	-	-
Culture and recreation	-	217,445	296,883	-
Housing and development	-	-	-	-
Miscellaneous	-	-	-	1,500
<b>Total expenditures</b>	<b>419,653</b>	<b>217,445</b>	<b>296,883</b>	<b>1,500</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(132,454)</b>	<b>(7,031)</b>	<b>65,765</b>	<b>(1,500)</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(132,454)</b>	<b>(7,031)</b>	<b>65,765</b>	<b>(1,500)</b>
<b>Fund balances - beginning</b>	<b>(548,794)</b>	<b>7,031</b>	<b>264,046</b>	<b>1,500</b>
<b>Fund balances - ending</b>	<b>\$(681,248)</b>	<b>\$ -</b>	<b>\$ 329,811</b>	<b>\$ -</b>

Library Board Fund	Clean and Beautiful Memorial Fund	Fire Services Fund	Sheriff's Gifts/Donations Fund	Insurance Premium Tax Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 3,909,500	\$ -	\$ -	\$ 3,909,500
-	-	72,117	-	3,357,009	3,778,850
-	-	-	-	-	887,188
-	-	-	-	-	226,914
-	-	-	-	-	3,197,753
44,728	-	-	-	-	310,978
11,625	-	-	-	14,799	80,602
-	1,250	-	14,100	-	67,415
4,794	-	-	-	-	67,449
<u>61,147</u>	<u>1,250</u>	<u>3,981,617</u>	<u>14,100</u>	<u>3,371,808</u>	<u>12,526,649</u>
-	-	-	-	-	22,694
-	-	4,473,608	8,313	299,436	6,147,521
-	-	-	-	2,190,991	3,422,199
-	-	-	-	-	419,653
53,661	-	-	-	-	609,981
-	-	-	-	-	986,963
-	-	-	-	-	9,225
<u>53,661</u>	<u>-</u>	<u>4,473,608</u>	<u>8,313</u>	<u>2,490,427</u>	<u>11,618,236</u>
7,486	1,250	(491,991)	5,787	881,381	908,413
-	-	4,109,407	-	-	4,109,407
(401,547)	-	-	-	(387,129)	(963,676)
<u>(401,547)</u>	<u>-</u>	<u>4,109,407</u>	<u>-</u>	<u>(387,129)</u>	<u>3,145,731</u>
(394,061)	1,250	3,617,416	5,787	494,252	4,054,144
751,047	1,025	(2,163,396)	8,288	-	774,220
<u>\$ 356,986</u>	<u>\$ 2,275</u>	<u>\$ 1,454,020</u>	<u>\$ 14,075</u>	<u>\$ 494,252</u>	<u>\$ 4,828,364</u>

**Columbia County, Georgia**  
**Building Standards Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2005**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues</b>			
Licenses and permits	\$ 896,091	\$ 887,188	\$ (8,903)
Intergovernmental	20,000	17,711	(2,289)
Charges for services	128,500	116,753	(11,747)
Investment income	25,000	15,825	(9,175)
Other	500	751	251
Total revenues	<u>1,070,091</u>	<u>1,038,228</u>	<u>(31,863)</u>
<b>Expenditures</b>			
Current:			
Housing and development	<u>1,070,091</u>	<u>986,963</u>	<u>83,128</u>
Total expenditures	<u>1,070,091</u>	<u>986,963</u>	<u>83,128</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ -</u>	<u>51,265</u>	<u>\$ 51,265</u>
<b>Fund balance - beginning</b>		<u>533,656</u>	
<b>Fund balance - ending</b>		<u>\$ 584,921</u>	

Columbia County, Georgia  
 Federal Asset Sharing Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2005

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>			
Fines and forfeitures	\$ 20,000	\$ 9,998	\$ (10,002)
Investment income	-	159	159
Other	42,000	-	(42,000)
Total revenues	<u>62,000</u>	<u>10,157</u>	<u>(51,843)</u>
<b>Expenditures</b>			
Current:			
Public safety	<u>62,000</u>	<u>61,598</u>	<u>402</u>
Total expenditures	<u>62,000</u>	<u>61,598</u>	<u>402</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>(51,441)</u>	<u>\$ (51,441)</u>
Fund balance - beginning		<u>78,159</u>	
Fund balance - ending		<u>\$ 26,718</u>	

**Columbia County, Georgia  
State Condemnation Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2005**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues</b>			
Fines and forfeitures	\$ 50,000	\$ 39,297	\$ (10,703)
Investment income	-	25	25
Total revenues	<u>50,000</u>	<u>39,322</u>	<u>(10,678)</u>
<b>Expenditures</b>			
Current:			
Public safety	<u>50,000</u>	<u>31,640</u>	<u>18,360</u>
Total expenditures	<u>50,000</u>	<u>31,640</u>	<u>18,360</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ -</u>	7,682	<u>\$ 7,682</u>
<b>Fund balance - beginning</b>		<u>915</u>	
<b>Fund balance - ending</b>		<u>\$ 8,597</u>	

Columbia County, Georgia  
Street Lights Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2005

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>			
Charges for services	\$ 983,600	\$ 983,600	\$ -
Investment income	18,167	18,166	(1)
Contributions and donations	44,763	44,763	-
Other	184,680	-	(184,680)
Total revenues	<u>1,231,210</u>	<u>1,046,529</u>	<u>(184,681)</u>
<b>Expenditures</b>			
<b>Current:</b>			
Public works	<u>1,231,210</u>	<u>1,231,208</u>	<u>2</u>
Total expenditures	<u>1,231,210</u>	<u>1,231,208</u>	<u>2</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ -</u>	<u>(184,679)</u>	<u>\$ (184,679)</u>
Fund balance - beginning		<u>671,637</u>	
Fund balance - ending		<u>\$ 486,958</u>	

**Columbia County, Georgia  
Recreation Advisory Board Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2005**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues</b>			
Charges for services	\$ 52,000	\$ 27,817	\$ (24,183)
Investment income	-	51	51
Other	8,000	15,345	7,345
Total revenues	<u>60,000</u>	<u>43,213</u>	<u>(16,787)</u>
<b>Expenditures</b>			
Current:			
Culture and recreation	60,000	41,992	18,008
Total expenditures	<u>60,000</u>	<u>41,992</u>	<u>18,008</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ -</u>	1,221	<u>\$ 1,221</u>
<b>Fund balance - beginning</b>		<u>17,358</u>	
<b>Fund balance - ending</b>		<u>\$ 18,579</u>	

Columbia County, Georgia  
 911 Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2005

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>			
Charges for services	\$ 1,460,851	\$ 1,808,128	\$ 347,277
Investment income	-	10,596	10,596
<b>Total revenues</b>	<u>1,460,851</u>	<u>1,818,724</u>	<u>357,873</u>
<b>Expenditures</b>			
<b>Current:</b>			
Public safety	1,460,851	1,272,926	187,925
<b>Total expenditures</b>	<u>1,460,851</u>	<u>1,272,926</u>	<u>187,925</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ -</u>	545,798	<u>\$ 545,798</u>
Fund balance - beginning		<u>672,564</u>	
Fund balance - ending		<u>\$ 1,218,362</u>	

**Columbia County, Georgia**  
**Jail Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2005**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues</b>			
Fines and forfeitures	\$ 150,000	\$ 154,528	\$ 4,528
Investment income	-	1,166	1,166
Total revenues	<u>150,000</u>	<u>155,694</u>	<u>5,694</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>150,000</u>	<u>155,694</u>	<u>5,694</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	-
Total other financing sources (uses)	<u>(150,000)</u>	<u>(150,000)</u>	-
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>5,694</u>	<u>\$ 5,694</u>
<b>Fund balance - beginning</b>		<u>320,782</u>	
<b>Fund balance - ending</b>		<u>\$ 326,476</u>	

Columbia County, Georgia  
Drug Abuse Treatment Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2005

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Fines and forfeitures	\$ 25,000	\$ 62,427	\$ 37,427
Investment income	-	272	272
Total revenues	<u>25,000</u>	<u>62,699</u>	<u>37,699</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,000</u>	<u>62,699</u>	<u>37,699</u>
Other financing sources (uses)			
Transfers out	(25,000)	(25,000)	-
Total other financing sources (uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>37,699</u>	<u>\$ 37,699</u>
Fund balance - beginning		<u>57,119</u>	
Fund balance - ending		<u>\$ 94,818</u>	

**Columbia County, Georgia  
Supplemental Juvenile Services Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2005**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues</b>			
Charges for services	\$ 49,000	\$ 21,565	\$ (27,435)
Investment income	-	335	335
<b>Total revenues</b>	<u>49,000</u>	<u>21,900</u>	<u>(27,100)</u>
<b>Expenditures</b>			
Current:			
Judicial system	41,000	22,694	18,306
Miscellaneous	8,000	7,725	275
<b>Total expenditures</b>	<u>49,000</u>	<u>30,419</u>	<u>18,581</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ -</u>	<u>(8,519)</u>	<u>\$ (8,519)</u>
<b>Fund balance - beginning</b>		<u>101,283</u>	
<b>Fund balance - ending</b>		<u>\$ 92,764</u>	

Columbia County, Georgia  
Community Center Operations Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2005

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>			
Charges for services	\$ 337,000	\$ 239,890	\$ (97,110)
Contributions and donations	-	750	750
Other	118,800	46,559	(72,241)
<b>Total revenues</b>	<u>455,800</u>	<u>287,199</u>	<u>(168,601)</u>
<b>Expenditures</b>			
<b>Current:</b>			
Health and welfare	455,800	419,653	36,147
<b>Total expenditures</b>	<u>455,800</u>	<u>419,653</u>	<u>36,147</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ -</u>	<u>(132,454)</u>	<u>\$ (132,454)</u>
Fund balance - beginning		<u>(548,794)</u>	
Fund balance - ending		<u>\$ (681,248)</u>	

**Columbia County, Georgia  
Community Greenspace Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2005**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues</b>			
Intergovernmental	\$ -	\$ 209,203	\$ 209,203
Investment income	9,000	1,211	(7,789)
Other	526,501	-	(526,501)
<b>Total revenues</b>	<u>535,501</u>	<u>210,414</u>	<u>(325,087)</u>
<b>Expenditures</b>			
Current:			
Culture and recreation	535,501	217,445	318,056
<b>Total expenditures</b>	<u>535,501</u>	<u>217,445</u>	<u>318,056</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ -</u>	<u>(7,031)</u>	<u>\$ (7,031)</u>
<b>Fund balance - beginning</b>		<u>7,031</u>	
<b>Fund balance - ending</b>		<u>\$ -</u>	

Columbia County, Georgia  
Hotel / Motel Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues</b>			
Taxes - other than property	\$ 324,490	\$ 349,724	\$ 25,234
Investment income	-	6,372	6,372
Contributions and donations	-	6,552	6,552
Total revenues	<u>324,490</u>	<u>362,648</u>	<u>38,158</u>
<b>Expenditures</b>			
<b>Current:</b>			
Culture and recreation	<u>324,490</u>	<u>296,883</u>	<u>27,607</u>
Total expenditures	<u>324,490</u>	<u>296,883</u>	<u>27,607</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>65,765</u>	<u>\$ 65,765</u>
Fund balance - beginning		<u>264,046</u>	
Fund balance - ending		<u>\$ 329,811</u>	

**Columbia County, Georgia**  
**Multiple Grants Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2005**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues</b>			
Intergovernmental	\$ 10,000	\$ -	\$ (10,000)
Total revenues	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
<b>Expenditures</b>			
Current:			
Miscellaneous	10,000	1,500	8,500
Total expenditures	<u>10,000</u>	<u>1,500</u>	<u>8,500</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ -</u>	(1,500)	<u>\$ (1,500)</u>
<b>Fund balance - beginning</b>		<u>1,500</u>	
<b>Fund balance - ending</b>		<u>\$ -</u>	

Columbia County, Georgia  
 Library Board Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2005

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>			
Fines and forfeitures	\$ 50,000	\$ 44,728	\$ (5,272)
Investment income	4,000	11,625	7,625
Contributions and donations	2,000	-	(2,000)
Other	406,000	4,794	(401,206)
Total revenues	<u>462,000</u>	<u>61,147</u>	<u>(400,853)</u>
<b>Expenditures</b>			
Current:			
Culture and recreation	60,000	53,661	6,339
Total expenditures	<u>60,000</u>	<u>53,661</u>	<u>6,339</u>
Excess (deficiency) of revenues over (under) expenditures	<u>402,000</u>	<u>7,486</u>	<u>(394,514)</u>
<b>Other financing sources (uses)</b>			
Transfers out	(402,000)	(401,547)	453
Total other financing sources (uses)	<u>(402,000)</u>	<u>(401,547)</u>	<u>453</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(394,061)</u>	<u>\$ (394,061)</u>
Fund balance - beginning		<u>751,047</u>	
Fund balance - ending		<u>\$ 356,986</u>	

**Columbia County, Georgia**  
**Clean and Beautiful Memorial Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2005**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues</b>			
Contributions and donations	\$ 1,000	\$ 1,250	\$ 250
Total revenues	<u>1,000</u>	<u>1,250</u>	<u>250</u>
<b>Expenditures</b>			
Current:			
Culture and recreation	1,000	-	1,000
Total expenditures	<u>1,000</u>	<u>-</u>	<u>1,000</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ -</u>	1,250	<u>\$ 1,250</u>
<b>Fund balance - beginning</b>		<u>1,025</u>	
<b>Fund balance - ending</b>		<u>\$ 2,275</u>	

Columbia County, Georgia  
 Fire Services Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2005

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Taxes - property	\$ 4,015,555	\$ 3,909,500	\$ (106,055)
Taxes - other	-	72,117	72,117
Total revenues	<u>4,015,555</u>	<u>3,981,617</u>	<u>(33,938)</u>
Expenditures			
Current:			
Public safety	4,516,555	4,473,608	42,947
Total expenditures	<u>4,516,555</u>	<u>4,473,608</u>	<u>42,947</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(501,000)</u>	<u>(491,991)</u>	<u>9,009</u>
Other financing sources (uses)			
Transfers in	501,000	4,109,407	3,608,407
Total other financing sources (uses)	<u>501,000</u>	<u>4,109,407</u>	<u>3,608,407</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>3,617,416</u>	<u>\$ 3,617,416</u>
Fund balance - beginning		<u>(2,163,396)</u>	
Fund balance - ending		<u>\$ 1,454,020</u>	

**Columbia County, Georgia**  
**Sheriff's Gifts/Donations Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2005**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues</b>			
Contributions and donations	\$ 9,000	\$ 14,100	\$ 5,100
Total revenues	<u>9,000</u>	<u>14,100</u>	<u>5,100</u>
<b>Expenditures</b>			
Current:			
Public safety	9,000	8,313	687
Total expenditures	<u>9,000</u>	<u>8,313</u>	<u>687</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ -</u>	5,787	<u>\$ 5,787</u>
<b>Fund balance - beginning</b>		<u>8,288</u>	
<b>Fund balance - ending</b>		<u>\$ 14,075</u>	

Columbia County, Georgia  
Insurance Premium Tax Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2005

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>			
Taxes - other	\$ 3,065,768	\$ 3,357,009	\$ 291,241
Investment income	-	14,799	14,799
<b>Total revenues</b>	<u>3,065,768</u>	<u>3,371,808</u>	<u>306,040</u>
<b>Expenditures</b>			
<b>Current:</b>			
Public safety	576,674	299,436	277,238
Public works	2,489,094	2,190,991	298,103
<b>Total expenditures</b>	<u>3,065,768</u>	<u>2,490,427</u>	<u>575,341</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>881,381</u>	<u>881,381</u>
<b>Other financing sources (uses)</b>			
Transfers out	-	(387,129)	(387,129)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(387,129)</u>	<u>(387,129)</u>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>494,252</u>	<u>\$ 494,252</u>
Fund balance - beginning		<u>-</u>	
Fund balance - ending		<u>\$ 494,252</u>	

**Columbia County, Georgia**  
**Debt Service Fund - 1998 General Obligation Bond**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2005**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues</b>			
Taxes - property	\$ 1,885,050	\$ 2,110,890	\$ 225,840
Investment income	-	22,872	22,872
<b>Total revenues</b>	<u>1,885,050</u>	<u>2,133,762</u>	<u>248,712</u>
<b>Expenditures</b>			
Debt service:			
Principal	495,000	495,000	-
Interest	1,390,050	1,389,981	69
<b>Total expenditures</b>	<u>1,885,050</u>	<u>1,884,981</u>	<u>69</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>248,781</u>	<u>248,781</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>248,781</u>	<u>\$ 248,781</u>
<b>Fund balance - beginning</b>		<u>848,444</u>	
<b>Fund balance - ending</b>		<u>\$ 1,097,225</u>	

Columbia County, Georgia  
Debt Service Fund - 2004 General Obligation Bond  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2005

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>			
Investment income	\$ 15,000	\$ 14,957	\$ (43)
Total revenues	<u>15,000</u>	<u>14,957</u>	<u>(43)</u>
<b>Expenditures</b>			
Debt service:			
Principal	1,152,001	-	1,152,001
Interest	180,604	180,604	-
Total expenditures	<u>1,332,605</u>	<u>180,604</u>	<u>1,152,001</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,317,605)</u>	<u>(165,647)</u>	<u>1,151,958</u>
<b>Other financing sources (uses)</b>			
Proceeds from bond premium	1,317,605	1,317,605	-
Total other financing sources (uses)	<u>1,317,605</u>	<u>1,317,605</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	1,151,958	<u>\$ 1,151,958</u>
Fund balance - beginning		<u>-</u>	
Fund balance - ending		<u>\$ 1,151,958</u>	

INTERNAL SERVICE FUNDS

**Columbia County, Georgia**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**June 30, 2005**

	<b>Employee Medical Fund</b>	<b>Risk Management Fund</b>	<b>Customer Service Information Center</b>	<b>Total</b>
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 534,831	\$ -	\$ -	\$ 534,831
Accounts receivable	15,627	228	-	15,855
Due from other funds	-	20,332	8,446	28,778
Prepaid items	-	294	23	317
Total current assets	<u>550,458</u>	<u>20,854</u>	<u>8,469</u>	<u>579,781</u>
Total assets	<u>550,458</u>	<u>20,854</u>	<u>8,469</u>	<u>579,781</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	295,557	18,183	2,448	316,188
Accrued payroll	-	1,275	1,014	2,289
Accrued compensated absences	-	1,396	5,007	6,403
Due to other funds	1,048,318	-	-	1,048,318
Total current liabilities	<u>1,343,875</u>	<u>20,854</u>	<u>8,469</u>	<u>1,373,198</u>
Total liabilities	<u>1,343,875</u>	<u>20,854</u>	<u>8,469</u>	<u>1,373,198</u>
<b>Net assets</b>				
Unrestricted net assets	(793,417)	-	-	(793,417)
Total net assets	<u>\$ (793,417)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (793,417)</u>

Columbia County, Georgia

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Internal Service Funds  
For the Year Ended June 30, 2005

	Employee Medical Fund	Risk Management Fund	Customer Service Information Center	Total
Operating revenues				
Charges for services	\$ 3,721,984	\$ -	\$ -	\$ 3,721,984
Intergovernmental	-	907,106	91,839	998,945
Other	35,731	-	-	35,731
<b>Total operating revenues</b>	<b>3,757,715</b>	<b>907,106</b>	<b>91,839</b>	<b>4,756,660</b>
Operating expenses				
Personal services	-	89,363	73,104	162,467
Purchased/contracted services	3,856,152	810,474	14,963	4,681,589
Supplies and materials	-	7,269	3,772	11,041
Interfund/Interdepartmental charges	47,149	-	-	47,149
<b>Total operating expenses</b>	<b>3,903,301</b>	<b>907,106</b>	<b>91,839</b>	<b>4,902,246</b>
Operating income (loss)	(145,586)	-	-	(145,586)
Nonoperating revenue (expense)				
Interest earned	7,707	-	-	7,707
<b>Total nonoperating revenue (expense)</b>	<b>7,707</b>	<b>-</b>	<b>-</b>	<b>7,707</b>
Change in net assets	(137,879)	-	-	(137,879)
Total net assets - beginning	(655,538)	-	-	(655,538)
Total net assets - ending	\$ (793,417)	\$ -	\$ -	\$ (793,417)

**Columbia County, Georgia**

**Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2005**

	<u>Employee Medical Fund</u>	<u>Risk Management Fund</u>	<u>Customer Service Information Center</u>	<u>Total</u>
<b>Operating activities</b>				
Cash received from customers	\$ 3,742,088	\$ 907,937	\$ 91,839	\$ 4,741,864
Cash paid to suppliers and others	(3,499,577)	(815,960)	(16,950)	(4,332,487)
Cash paid to employees	-	(91,977)	(74,889)	(166,866)
<b>Net cash provided by (used in) operating activities</b>	<u>242,511</u>	<u>-</u>	<u>-</u>	<u>242,511</u>
<b>Investing activities</b>				
Interest on investments	<u>7,707</u>	<u>-</u>	<u>-</u>	<u>7,707</u>
<b>Net cash provided (used) in investing activities</b>	<u>7,707</u>	<u>-</u>	<u>-</u>	<u>7,707</u>
<b>Net decrease in cash and cash equivalents/investments</b>	<u>250,218</u>	<u>-</u>	<u>-</u>	<u>250,218</u>
<b>Cash and cash equivalents</b>				
<b>Beginning of year</b>	<u>284,613</u>	<u>-</u>	<u>-</u>	<u>284,613</u>
<b>End of year</b>	<u>\$ 534,831</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 534,831</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>				
Operating income (loss)	<u>\$ (145,586)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (145,586)</u>
<b>Change in assets and liabilities</b>				
Accounts receivable	(15,627)	831	-	(14,796)
Deferred charges / prepaid expense	-	(10)	(2)	(12)
Due from other funds	-	(8,816)	(370)	(9,186)
Accounts payable	41,164	10,609	2,157	53,930
Accrued liabilities	-	(2,614)	(1,785)	(4,399)
Due to other funds	362,560	-	-	362,560
<b>Total adjustments</b>	<u>388,097</u>	<u>-</u>	<u>-</u>	<u>388,097</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 242,511</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 242,511</u>

## AGENCY FUNDS

**Columbia County, Georgia**

**Combining Statement of Changes in Fiduciary Assets and Liabilities  
Agency Funds  
For the Year Ended June 30, 2005**

	<u>July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2005</u>
<b><u>Clerk of Superior Court</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 891,910	\$ 6,009,265	\$ 5,957,745	\$ 943,430
Total assets	<u>\$ 891,910</u>	<u>\$ 6,009,265</u>	<u>\$ 5,957,745</u>	<u>\$ 943,430</u>
<b>Liabilities</b>				
Due to other funds	\$ 306,879	\$ 2,981,320	\$ 3,288,199	\$ -
Due to others	585,031	3,338,914	2,980,515	943,430
Total liabilities	<u>\$ 891,910</u>	<u>\$ 6,320,234</u>	<u>\$ 6,268,714</u>	<u>\$ 943,430</u>
<b><u>Probate Court</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 309,840	\$ 2,053,095	\$ 2,146,629	\$ 216,306
Total assets	<u>\$ 309,840</u>	<u>\$ 2,053,095</u>	<u>\$ 2,146,629</u>	<u>\$ 216,306</u>
<b>Liabilities</b>				
Due to other funds	\$ 145,371	\$ 1,174,441	\$ 1,319,812	\$ -
Due to others	164,469	985,287	933,450	216,306
Total liabilities	<u>\$ 309,840</u>	<u>\$ 2,159,728</u>	<u>\$ 2,253,262</u>	<u>\$ 216,306</u>
<b><u>Magistrate Court</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 124,917	\$ 665,680	\$ 681,924	\$ 108,673
Total assets	<u>\$ 124,917</u>	<u>\$ 665,680</u>	<u>\$ 681,924</u>	<u>\$ 108,673</u>
<b>Liabilities</b>				
Due to other funds	\$ 60,159	\$ 271,167	\$ 331,326	\$ -
Due to others	64,758	429,739	385,824	108,673
Total liabilities	<u>\$ 124,917</u>	<u>\$ 700,906</u>	<u>\$ 717,150</u>	<u>\$ 108,673</u>
<b><u>Sheriff's Office</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 333,028	\$ 714,898	\$ 721,440	\$ 326,486
Total assets	<u>\$ 333,028</u>	<u>\$ 714,898</u>	<u>\$ 721,440</u>	<u>\$ 326,486</u>
<b>Liabilities</b>				
Due to other funds	\$ 7,173	\$ 98,598	\$ 105,771	\$ -
Due to others	325,855	624,546	623,915	326,486
Total liabilities	<u>\$ 333,028</u>	<u>\$ 723,144</u>	<u>\$ 729,686</u>	<u>\$ 326,486</u>

Tax Commissioner

## Assets

Cash and cash equivalents	\$ 725,221	\$ 74,936,442	\$ 75,281,215	\$ 380,448
Total assets	<u>\$ 725,221</u>	<u>\$ 74,936,442</u>	<u>\$ 75,281,215</u>	<u>\$ 380,448</u>

## Liabilities

Due to other funds	\$ 181,501	\$ 26,537,204	\$ 26,718,705	\$ -
Due to others	543,720	48,506,155	48,669,427	380,448
Total liabilities	<u>\$ 725,221</u>	<u>\$ 75,043,359</u>	<u>\$ 75,388,132</u>	<u>\$ 380,448</u>

General Trust and Agency

## Assets

Cash and cash equivalents	\$ 96,324	\$ 153	\$ 96,477	\$ -
Total assets	<u>\$ 96,324</u>	<u>\$ 153</u>	<u>\$ 96,477</u>	<u>\$ -</u>

## Liabilities

Due to others	\$ 96,324	\$ 153	\$ 96,477	\$ -
Total liabilities	<u>\$ 96,324</u>	<u>\$ 153</u>	<u>\$ 96,477</u>	<u>\$ -</u>

Total Agency Funds

## Assets

Cash and cash equivalents	\$ 2,481,240	\$ 84,379,533	\$ 84,885,430	\$ 1,975,343
Total assets	<u>\$ 2,481,240</u>	<u>\$ 84,379,533</u>	<u>\$ 84,885,430</u>	<u>\$ 1,975,343</u>

## Liabilities

Due to other funds	\$ 701,083	\$ 31,062,730	\$ 31,763,813	\$ -
Due to others	1,780,157	53,884,794	53,689,608	1,975,343
Total liabilities	<u>\$ 2,481,240</u>	<u>\$ 84,947,524</u>	<u>\$ 85,453,421</u>	<u>\$ 1,975,343</u>

CAPITAL ASSETS  
USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS

**Columbia County, Georgia**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Comparative Schedules By Source**  
**June 30, 2005 and 2004**

	2005	2004
Governmental funds capital assets:		
Land	\$ 28,207,656	\$ 25,943,275
Buildings	71,200,379	69,040,095
Improvements other than buildings	6,506,255	2,502,659
Infrastructure	155,797,319	147,574,814
Vehicles, machinery and equipment	15,587,136	11,929,049
Construction in progress	17,126,589	9,829,437
Total governmental funds capital assets	\$ 294,425,334	\$ 266,819,329
Investments in governmental funds capital assets by source:		
General fund	\$ 24,537,765	\$ 23,575,490
Special revenue fund	2,022,617	1,026,103
Capital projects fund	267,864,952	242,217,736
Total governmental funds capital assets	\$ 294,425,334	\$ 266,819,329

**Columbia County, Georgia**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule By Function and Activity**  
**June 30, 2005**

Function and Activity	Land	Buildings	Improvements other than Buildings	Infrastructure	Vehicles, Machinery and Equipment	Construction in Progress	Total
General Government:							
Legislative	\$ 4,749,185	\$ 653,865	\$ -	\$ -	\$ 1,752,623	\$ -	\$ 7,155,673
Judicial	-	16,927,976	-	-	131,539	563,111	17,622,626
Executive and Administrative	20,024	6,162,063	-	-	-	4,621,118	10,803,205
	-	-	-	-	-	-	-
Public Safety	153,192	34,021,266	8,448	-	7,270,061	1,409,126	42,862,093
	-	-	-	-	-	-	-
Public Works	19,450,407	3,401,790	4,393,030	155,797,319	5,254,742	34,263	188,331,551
	-	-	-	-	-	-	-
Culture and Recreation	3,606,366	6,196,059	2,104,777	-	457,372	9,135,901	21,500,475
	-	-	-	-	-	-	-
Health and Welfare	20,888	3,408,464	-	-	298,667	1,363,070	5,091,089
	-	-	-	-	-	-	-
Housing and Development	207,594	428,896	-	-	422,132	-	1,058,622
Total governmental funds capital assets	<u>\$ 28,207,656</u>	<u>\$ 71,200,379</u>	<u>\$ 6,506,255</u>	<u>\$ 155,797,319</u>	<u>\$ 15,587,136</u>	<u>\$ 17,126,589</u>	<u>\$ 294,425,334</u>

**Columbia County, Georgia**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes By Function and Activity**  
**For the fiscal year ended June 30, 2005**

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Funds Capital Assets June 30, 2005</u>
General Government:				
Legislative	\$ 5,872,248	\$ 1,283,425	\$ -	\$ 7,155,673
Judicial	17,059,515	563,111	-	17,622,626
Executive and Administrative	9,466,269	1,336,936	-	10,803,205
Public Safety	37,718,248	5,566,452	422,607	42,862,093
Public Works	174,887,542	13,485,977	41,968	188,331,551
Culture and Recreation	16,058,304	5,458,071	15,900	21,500,475
Health and Welfare	4,781,376	309,713	-	5,091,089
Housing and Development	<u>975,827</u>	<u>82,795</u>	<u>-</u>	<u>1,058,622</u>
Total governmental funds capital assets	<u>\$ 266,819,329</u>	<u>\$ 28,086,480</u>	<u>\$ 480,475</u>	<u>\$ 294,425,334</u>

# STATISTICAL SECTION

- *Statistical Tables*
- *Revenue Bonds Disclosure*
- *General Obligation Bonds Disclosure*

# Statistical Tables

Columbia County, Georgia

Table 1

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	General Government	Judicial System	Public Safety	Public Works	Health & Welfare	Culture & Recreation	Housing & Development	Debt Service	Other	Total
1996	6,284,902	1,460,714	9,208,051	2,811,392	760,116	1,891,957	134,861	232,300		22,784,293
1997	5,914,344	1,656,768	11,211,087	3,137,791	862,363	1,908,705	141,076	227,869		25,060,003
1998	6,284,392	1,730,907	10,747,009	3,523,993	1,018,211	1,885,993	139,108	227,697		25,557,310
1999	6,173,098	2,068,061	11,686,168	3,546,658	893,004	2,288,844	1,100,017	597,489		28,353,339
2000	6,380,124	2,016,575	12,745,804	4,000,708	922,078	2,556,605	1,404,108	1,664,420		31,690,422
2001	6,694,384	2,335,273	14,161,894	3,770,180	1,033,054	2,548,726	1,660,079	1,831,978		34,035,568
2002	7,246,260	2,332,561	15,231,798	4,001,920	574,293	2,515,717	1,519,680	1,699,356	6,284	35,121,585
2003	8,144,544	2,824,742	16,572,849	4,330,504	953,662	3,089,540	2,538,060	1,769,499	6,865	40,229,684
2004	8,877,274	3,034,259	20,278,423	4,445,760	1,440,922	3,387,854	2,458,435	1,831,354	6,865	45,761,146
2005	9,458,172	3,225,553	24,540,614	7,096,095	1,498,965	3,454,240	3,039,243	2,065,585	9,225	54,387,692

NOTES:

(1) Includes General, Special Revenue and Debt Service Funds of Primary Government.

Columbia County, Georgia

Table 2

**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)**

**LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended June 30,</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Inter- governmental</u>	<u>Charges for Services</u>	<u>Fines and Forfeitures</u>	<u>Investment Income</u>	<u>Other</u>	<u>Total</u>
1996	18,738,566	779,603	502,515	1,301,629	1,851,117	209,120	360,188	23,742,738
1997	19,485,613	829,900	875,916	1,287,194	2,424,420	205,596	293,737	25,402,376
1998	20,220,101	876,708	1,315,943	830,545	2,617,466	271,888	704,942	26,837,593
1999	24,432,264	466,314	1,345,062	1,896,152	2,682,118	385,418	963,558	32,170,886
2000	26,416,860	552,333	1,624,097	2,736,060	1,818,968	554,120	618,397	34,320,835
2001	28,054,324	478,022	2,264,892	2,579,899	1,645,981	600,630	485,530	36,109,278
2002	29,957,262	674,380	1,516,275	3,178,470	1,665,627	296,461	1,064,032	38,352,507
2003	30,389,503	1,023,026	2,851,214	4,935,923	2,243,567	322,260	507,407	42,272,900
2004	33,700,936	1,165,757	2,432,319	5,675,020	1,993,768	213,600	423,237	45,604,637
2005	42,650,262	1,217,951	3,019,134	6,184,061	1,875,225	500,513	617,923	56,065,069

NOTES:

(1) Includes General, Special Revenue and Debt Service Funds of Primary Government.

Columbia County, Georgia

Table 3

PROPERTY TAX LEVIES AND COLLECTIONS (1)  
BY TAX YEAR

LAST TEN YEARS

Calendar Year of Levy	Total Tax Levy (4)	Total Tax Collections (2)	Percent Collected	Delinquent Taxes (3)	Percent Delinquent
1996	9,773,717	9,773,717	100.00%	0	0.00%
1997	10,218,394	10,218,389	100.00%	5	0.00%
1998	12,318,066	12,317,617	100.00%	449	0.00%
1999	12,854,961	12,853,742	99.99%	1,219	0.01%
2000	13,744,441	13,737,819	99.95%	6,622	0.05%
2001	14,314,939	14,306,871	99.94%	8,068	0.06%
2002	14,962,378	14,943,278	99.87%	19,100	0.13%
2003	16,087,795	16,068,370	99.88%	19,425	0.12%
2004	21,163,294	21,063,179	99.53%	100,115	0.47%
2005	23,756,299	22,011,433	92.66%	1,744,866	7.34%

SOURCE: Tax Commissioner's Office

NOTES:

- (1) Above amounts include taxes levied and collected for the Columbia County Board of Commissioners only.
- (2) Total Tax Collections are as of November 18, 2005.
- (3) 2005 property taxes are due November 15, 2005.
- (4) Total tax levy includes all adjustments made to original approved digest as of November 18, 2005.

**ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY**

**LAST TEN YEARS**

Calendar Year of Levy	Assessed Value (1): Real Property (2)	Personal Property	Motor Vehicle	Mobile Homes	Public Utilities	Total Assessed Value of Property	Less: M & O Exemptions	Total: Net Assessed Value	Total Estimated Actual Value	Ratio of Net Assessed Value to Total Estimated Actual Value
1996	1,319,171,555	139,935,691	177,620,544	7,411,689	44,689,861	1,688,829,340	(146,404,217)	1,542,425,123	4,222,073,350	36.53%
1997	1,381,370,723	147,173,343	201,935,533	9,287,109	45,018,373	1,784,785,081	(155,915,032)	1,628,870,049	4,461,962,703	36.51%
1998	1,462,125,538	157,798,551	202,267,930	9,362,105	46,648,199	1,878,202,323	(165,293,687)	1,712,908,636	4,691,431,243	36.51%
1999	1,560,709,822	170,516,511	210,452,787	13,596,286	46,672,921	2,001,948,327	(183,557,192)	1,818,391,135	5,004,870,817	36.33%
2000	1,698,045,665	191,960,824	232,554,654	13,605,887	46,656,796	2,182,823,826	(203,197,278)	1,979,626,548	5,457,059,565	36.28%
2001	1,856,724,006	228,476,830	260,114,310	13,505,383	46,110,040	2,404,930,569	(233,029,706)	2,171,900,863	6,012,326,423	36.12%
2002	1,922,410,017	233,705,404	264,703,966	12,789,471	46,343,527	2,479,952,385	(247,371,998)	2,232,580,387	6,199,880,963	36.01%
2003	2,067,487,973	234,157,580	267,976,520	11,959,826	47,691,780	2,629,273,679	(251,887,437)	2,377,386,242	6,573,184,198	36.17%
2004	2,263,819,288	229,529,099	273,784,980	11,294,070	49,646,249	2,828,073,686	(237,776,088)	2,590,297,598	7,070,184,215	36.64%
2005	2,533,736,320	274,818,412	275,130,330	11,035,149	49,951,904	3,144,672,115	(272,145,643)	2,872,526,472	7,861,680,288	36.54%

SOURCE: Tax Commissioner's Office

NOTES:

(1) Under Georgia law, property, other than timber, is assessed for taxes at 40% of fair market value.

(2) Includes assessed value of timber.

Columbia County, Georgia

Table 5

PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$1,000 OF ASSESSED VALUE)

LAST TEN YEARS

Calendar Year	State of Georgia	COUNTY GOVERNMENT				COUNTY SCHOOL DISTRICT				
		Gross County M & O	County LOST Reduction (1)	County Net M & O	County Fire (2)	County Debt Service	School M & O	School Debt Service	Total Unincorporated Area	Total Incorporated Area
1996	0.25	9.88	(3.33)	6.55		0.15	14.76	3.75	25.46	25.46
1997	0.25	10.25	(3.68)	6.57		0.13	17.51	0.50	24.96	24.96
1998	0.25	9.92	(3.36)	6.56		1.14	17.51	0.50	25.96	25.96
1999	0.25	10.27	(3.71)	6.56		1.14	17.51	0.00	25.46	25.46
2000	0.25	10.26	(3.70)	6.56		1.14	17.18	0.00	25.13	25.13
2001	0.25	11.05	(3.70)	7.35		0.35	17.18	0.00	25.13	25.13
2002	0.25	10.65	(3.60)	7.05		0.65	17.18	0.00	25.13	25.13
2003	0.25	10.62	(3.69)	6.93		0.77	17.18	0.00	25.13	25.13
2004	0.25	10.63	(3.70)	6.93	1.68	0.77	17.18	0.00	26.81	25.13
2005	0.25	10.83	(3.80)	7.03	1.68	0.67	17.18	0.00	26.81	25.13

SOURCE: Tax Commissioner's Office

NOTES:

- (1) Rollback of property taxes based on the receipt of sales tax revenues as required by Georgia Law.
- (2) Fire tax applies to unincorporated areas only.

(Continued)

**PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$1,000 OF ASSESSED VALUE)**

**LAST TEN YEARS**

Calendar Year	CITY OF HARLEM				CITY OF GROVETOWN			
	City of Harlem Gross	Harlem LOST Reduction (1)	City of Harlem Net M & O	Total Harlem & County	City of Grovetown Gross	Grovetown LOST Reduction (1)	City of Grovetown Net M & O	Total Grovetown & County
1996	21.65	(16.15)	5.50	30.96	22.66	(17.96)	4.70	30.16
1997	19.01	(13.51)	5.50	30.46	22.45	(17.75)	4.70	29.66
1998	22.55	(17.05)	5.50	31.46	21.27	(16.57)	4.70	30.66
1999	24.90	(19.40)	5.50	30.96	20.35	(15.65)	4.70	30.16
2000	24.91	(19.41)	5.50	30.63	21.08	(16.38)	4.70	29.83
2001	26.74	(21.24)	5.50	30.63	20.25	(15.55)	4.70	29.83
2002	26.62	(21.12)	5.50	30.63	19.58	(14.94)	4.64	29.77
2003	27.25	(21.83)	5.42	30.55	17.56	(12.92)	4.64	29.77
2004	24.08	(18.66)	5.42	30.55	17.38	(12.74)	4.64	29.77
2005								

SOURCE: Tax Commissioner's Office

NOTES:

(1) Rollback of property taxes based on the receipt of sales tax revenues as required by Georgia Law.

Columbia County, Georgia

Table 6

PRINCIPAL TAXPAYERS  
December 31, 2005

TAXPAYER	ACTIVITY	2005 ASSESSED VALUATION	PERCENTAGE OF TOTAL ASSESSED VALUATION	COUNTY TAXES LEVIED (1)(2)	PERCENTAGE OF TOTAL COUNTY TAXES LEVIED
Quebecor World Inc.	Catalog Printing	\$ 32,605,681	1.26%	\$ 229,218	1.28%
John Deere Commercial Products	Small Tractor Assembly	30,055,071	1.18%	211,287	1.18%
Georgia Power	Electric Power Utility	23,967,276	0.93%	168,490	0.94%
Club Car Inc	Utility/Golf Carts	16,889,274	0.65%	118,478	0.66%
Pollard Land Company	Timber Processing	16,050,267	0.62%	112,499	0.63%
Bell South Telecommunications	Telephone Utility	11,928,438	0.46%	83,857	0.47%
Wal-Mart Real Estate Business	Retail	11,203,699	0.43%	78,762	0.44%
Greenfield Industries	Tool Manufacturing	7,974,921	0.31%	56,064	0.31%
Georgia Iron Works	Pump Manufacturing	7,135,778	0.28%	50,165	0.28%
Atlanta Gas Light Company	Natural Gas Utility	<u>6,370,765</u>	<u>0.25%</u>	<u>44,786</u>	<u>0.25%</u>
Total principal taxpayers		<u>\$ 164,181,170</u>	<u>6.34%</u>	<u>\$ 1,153,606</u>	<u>6.43%</u>
Net assessed value/taxes levied (2005)		<u>\$ 2,590,297,598</u>		<u>\$ 17,950,762</u>	

SOURCE: Tax Commissioner's Office

Notes:

(1) Includes taxes levied for Columbia County Board of Commissioners only.

(2) Does not include taxes levied in Special Districts for fire services in unincorporated areas.

Columbia County, Georgia

Table 7

**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS**

**LAST TEN FISCAL YEARS**

Columbia County has not incurred any Special Assessment Debt

Columbia County, Georgia

Table 8

COMPUTATION OF LEGAL DEBT MARGIN

June 30, 2005

	<u>Bond Digest</u>	<u>Maintenance and Operations Digest</u>
Net Assessed Value:		
Assessed Value	\$3,144,672,115	\$3,144,672,115
Less Applicable Exemptions	<u>(236,873,816)</u>	<u>(272,145,643)</u>
Net Assessed Value	<u>\$2,907,798,299</u>	<u>\$2,872,526,472</u>
Legal Debt Margin:		
Debt Limitation - 10% of net assessed value	\$290,779,830	<u>\$287,252,647</u>
General Obligation Bonds applicable to debt limitation	<u>(49,725,000)</u>	
Legal Debt Margin	<u>\$241,054,830</u>	
Debt Guaranteed by General Fund Revenues:		
Development Authority Revenue Bonds		\$3,320,000
Solid Waste Management Authority Revenue Bonds		<u>1,235,000</u>
Debt Guaranteed by General Fund Revenues		<u>\$4,555,000</u>

**RATIO OF NET GENERAL OBLIGATION BONDED DEBT  
TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA**

**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Population (1)	Net Assessed Value (2)	Gross Bonded Debt (3)	Less Debt Service Fund (4)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1996	83,077	1,542,425,123	955,000	40,945	914,055	0.06%	11
1997	85,106	1,628,870,049	780,000	25,714	754,286	0.05%	9
1998	86,675	1,712,908,636	595,000	1,669	593,331	0.03%	7
1999	88,280	1,818,391,135	29,115,000	1,350,715	27,764,285	1.53%	315
2000	89,826	1,979,626,548	28,905,000	1,984,204	26,920,796	1.36%	300
2001	91,944	2,171,900,863	28,515,000	2,628,666	25,886,334	1.19%	282
2002	94,958	2,232,580,387	28,245,000	3,355,234	24,889,766	1.11%	262
2003	97,220	2,377,386,242	27,895,000	715,729	27,179,271	1.14%	280
2004	99,985	2,590,297,598	27,470,000	848,444	26,621,556	1.03%	266
2005	103,414	2,872,526,472	49,725,000	2,249,183	47,475,817	1.65%	459

## NOTES:

(1) Source: The Georgia County Guide and the Columbia County Planning Department.

(2) From Table 4.

(3) Amount does not include revenue bonds.

(4) Amount available for repayment of general obligation bonds.

Columbia County, Georgia

Table 10

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED  
DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES(1)

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Principal	Interest (2)	Total Debt Service	Total General Governmental Expenditures (3)	Ratio of Debt Service to General Governmental Expenditures
1996	170,000	61,488	231,488	22,784,293	1.02%
1997	175,000	52,128	227,128	25,060,003	0.91%
1998	185,000	41,950	226,950	25,557,310	0.89%
1999	195,000	401,700	596,700	28,353,339	2.10%
2000	210,000	1,454,420	1,664,420	31,690,422	5.25%
2001	390,000	1,441,978	1,831,978	34,035,568	5.38%
2002	270,000	1,428,892	1,698,892	35,121,585	4.84%
2003	350,000	1,419,499	1,769,499	40,229,684	4.40%
2004	425,000	1,406,354	1,831,354	45,761,146	4.00%
2005	495,000	1,570,585	2,065,585	54,387,692	3.80%

NOTES:

(1) Includes General, Special Revenue and Debt Service Funds of Primary Government.

(2) Excludes bond issuance and other costs.

(3) From Table 1.

**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
GENERAL OBLIGATION BONDS**

June 30, 2005

	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Columbia County	Amount Applicable to Columbia County
	<hr/>		
Direct General Obligation Debt: Columbia County	\$49,725,000	100.00%	\$49,725,000
Overlapping General Obligation Debt: Columbia County Board of Education (1)	<u>52,540,000</u>	100.00%	<u>52,540,000</u>
Total Direct and Overlapping General Obligation Debt	<u><u>\$102,265,000</u></u>		<u><u>\$102,265,000</u></u>

NOTES:

(1) Per the Columbia County Board of Education

REVENUE BOND COVERAGE  
WATER AND SEWERAGE DEPARTMENT

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Gross Revenues (1)	Operating Expenses (2)	Net Income Available for Debt Service	Debt service Requirements (3)			Coverage
				Principal	Interest (4)	Total	
1996	13,342,239	4,417,286	8,924,953	4,976,177	2,263,099	7,239,276	1.23
1997	10,158,778	4,316,241	5,842,537	2,055,762	2,179,984	4,235,746	1.38
1998	11,462,003	4,607,053	6,854,950	1,630,001	2,275,220	3,905,221	1.76
1999	13,229,156	5,305,150	7,924,006	1,710,000	2,307,334	4,017,334	1.97
2000	14,916,472	5,783,695	9,132,777	1,780,000	2,305,079	4,085,079	2.24
2001	13,977,635	6,170,639	7,806,996	1,875,000	3,211,108	5,086,108	1.53
2002	15,334,220	7,187,774	8,146,446	2,115,000	2,000,840	4,115,840	1.98
2003	16,375,630	7,518,751	8,856,879	2,540,000	2,002,424	4,542,424	1.95
2004	16,898,021	9,202,214	7,695,807	2,690,000	1,956,589	4,646,589	1.66
2005	18,299,644	9,205,773	9,093,871	2,920,000	2,699,361	5,619,361	1.62

## NOTES:

- (1) Total revenues excluding interest income on construction fund.
- (2) Total operating expenses exclusive of depreciation and amortization.
- (3) Includes principal and interest of revenue bonds only. It does not include debt defeasance transactions.
- (4) Excludes capitalized interest.

**DEMOGRAPHIC STATISTICS****LAST TEN YEARS**

<u>Year</u>	<u>Population</u>	<u>Per Capita Income</u>	<u>Median Age</u>	<u>School Enrollment (1)</u>	<u>Number of Business Establishments (2)</u>	<u>Retail Sales in Thousands</u>	<u>Unemployment Rate</u>
1996	83,077	21,017	31.2	17,100	2,658	643,106	4.10%
1997	85,106	22,014	31.2	17,979	2,731	692,144	3.90%
1998	86,675	23,346	31.2	18,582	2,845	748,055	3.30%
1999	88,280	24,142	31.2	18,664	2,936	N/A	3.10%
2000	89,826	25,707	31.2	18,690	2,933	832,828	2.90%
2001	91,944	26,487	35.4	18,775	3,065	870,927	2.60%
2002	94,958	30,345	35.4	19,042	3,662	935,398	3.40%
2003	97,220	31,562	35.4	19,633	3,960	858,395	2.90%
2004	99,985	N/A	35.4	20,167	4,039	N/A	2.50%
2005	103,414	N/A	35.4	20,936	4,487	N/A	3.70%

SOURCE: Georgia County Guide, University of Georgia

NOTES: N/A = Not Available

(1) Per Columbia County Board of Education. Enrollment figures are as of September 30, 2005.

(2) Per Columbia County Planning and Development Services as of November 21, 2005.

Columbia County, Georgia

Table 14

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS  
LAST TEN YEARS

Year	Property Value (1)			Construction		Total Value*	Bank Deposits *
	Commercial (2)	Residential	Total	Commercial/Industrial Number of Units	Residential Number of Units		
1996	863,617,485	3,358,455,865	4,222,073,350	31	811	101,092	357,818
1997	1,296,610,540	3,165,352,163	4,461,962,703	66	868	108,424	494,388
1998	1,734,508,143	2,956,923,100	4,691,431,243	68	1,272	137,665	575,212
1999	1,855,214,320	3,149,656,498	5,004,870,817	106	1184	146,354	593,152
2000	2,025,983,450	3,431,076,115	5,457,059,565	100	943	149,633	632,732
2001	2,379,195,248	3,633,131,175	6,012,326,423	70	1059	175,897	709,156
2002	2,350,907,935	3,848,973,028	6,199,880,963	68	1,489	204,726	808,763
2003	2,436,750,450	4,136,433,748	6,573,184,198	53	1,148	243,865	889,154
2004	2,559,082,590	4,511,101,625	7,070,184,215	49	1,180	214,818	N/A
2005	2,825,031,830	5,036,648,458	7,861,680,288	66	1,070	299,237	N/A

SOURCE: Columbia County Tax Commissioner  
 Columbia County Engineering Services  
 The Georgia County Guide

NOTES: N/A = Not Available  
 \* Amounts expressed in thousands

(1) Total Estimated Actual Value of Property from Table 4.

(2) Includes all property not classified as residential.

**MISCELLANEOUS STATISTICS****June 30, 2005**

Date of Incorporation		1790
Form of Government	Five Member Board of Commissioners 4 Commission Districts, Chairman elected at large	
Number of Employees:		
Police		311
Other		465
Area in square miles		290
Columbia County Facilities and Services:		
Miles of County maintained roads		653
Culture and Recreation:		
Gym Complex Center		1
Community Centers		3
Parks		9
Libraries		3
Miles of lake shoreline		1,200
Police Protection:		
Number of Personnel		322
Number of calls for service		50,829
Number of prisoners processed		3,113
Civil & criminal cases processed		8,111
Court System:		
Number of traffic and fish & game cases		7,684
Number of marriage licenses		607
Number of gun permits		629
Sewer System:		
Number of treatment plants		4
Maximum daily capacity of treatment plant in gallons		9,350,000
Number of Accounts		26,591
Water System:		
Daily water treatment production capacity in gallons		39,000,000
Number of Accounts		32,785
Facilities and Services not included in the reporting entity:		
Education:		
Number of elementary schools		16
Number of middle schools		7
Number of high schools		4
Number of alternative schools		1
Fire Protection:		
Number of unincorporated fire stations		19
Number of fire stations within city limits:		
Grovetown		2
Harlem		2
Medical Facilities in the Metro Augusta area:		
Number of hospitals		7
Number of patient beds		3,000

# **Revenue Bonds Disclosure**

COLUMBIA COUNTY, GEORGIA  
Water and Sewerage Revenue Bonds  
Continuing Disclosure

Water and Sewer Rates

The following water and sewerage rates became effective in April 2005.

Residential

<u>Water Tap Size</u>	<u>Amount</u>	<u>Water</u>		<u>Sewer</u>	
		<u>Base</u>	<u>Per 1,000 gallons</u>	<u>Base</u>	<u>Per 1,000 gallons</u>
1" and Smaller	<10,000 gallons	\$7.92	\$1.63	\$9.30	\$1.83
	10,000 – 29,999 gallons	7.92	2.26	Levelized Winter Billing	
	30,000 – 49,999 gallons	7.92	3.27		
	>50,000 gallons	7.92	4.44		

Commercial

<u>Water Tap Size</u>	<u>Water</u>		<u>Sewer</u>	
	<u>Base</u>	<u>Per 1,000 gallons</u>	<u>Base</u>	<u>Per 1,000 gallons</u>
1.0"	\$14.05	\$1.64	\$16.58	\$1.83
1.5"	31.61	1.64	37.31	1.83
2.0"	56.06	1.64	66.32	1.83
3.0"	126.43	1.64	149.22	1.83
4.0"	224.77	1.64	265.31	1.83
6.0"	505.18	1.64	600.26	1.83

Source: Columbia County Water and Sewer Services Division.

Tap and Connection Charges

All water and sewer tap-in fees are based on three different conditions that exist in the System. These conditions are as follows:

(A) Applicant applies for a tap inside a developed area in which the developer has furnished water and/or sewer mains, taps, and meter boxes.

(B) Applicant applies for a tap inside a developed area in which the developer has furnished only the water and/or sewer mains.

(C) Applicant lives adjacent to a water and/or sewer main installed by the System.

*Residential Water Tap-in Fees.*

- (1) Cost of 5/8" residential service tap:
  - (A) \$323
  - (B) 646
  - (C) 969
  
- (2) Cost of 1" residential service tap:
  - (A) \$445
  - (B) 727
  - (C) 1,091

- (3) Cost of 1 1/2" residential service tap:  
 (A) \$ 565  
 (B) 969  
 (C) 1,213

*Residential Sewer Tap-in Fees.*

- (1) Cost for residential sewer tap:  
 (A) \$646  
 (B) 807  
 (C) 969

*Commercial Water and Sewer Tap-In Fees.*

- (1) Cost for 1" service for commercial use:

	<u>Water</u>	<u>Sewer</u>
(A)	\$323	\$ 807
(B)	807	1,130
(C)	1,212	1,347

- (2) Cost for 1 1/2" service for commercial use:

	<u>Water</u>	<u>Sewer</u>
(A)	\$807	\$ 969
(B)	1,049	1,253
(C)	1,453	1,526

- (3) Cost for 2" service for commercial use:

	<u>Water</u>	<u>Sewer</u>
(A)	\$1,050	\$4,178
(B)	1,364	5,007
(C)	1,888	5,653

- (4) Cost for 3" service for commercial use:

	<u>Water</u>	<u>Sewer</u>
(A)	\$2,182	\$6,784
(B)	2,745	7,592
(C)	3,231	8,399

- (5) Cost for 4" service for commercial use:

	<u>Water</u>	<u>Sewer</u>
(A)	\$3,554	\$12,114
(B)	4,361	12,818
(C)	4,846	13,729

(6) Cost for 6" service for commercial use:

	<u>Water</u>	<u>Sewer</u>
(A)	\$7,107	\$24,230
(B)	7,915	26,652
(C)	8,884	28,267

Top Ten Customers

The following table shows the ten largest users of the System and the revenues derived from such customers for the fiscal year ended June 30, 2005.

<u>User</u>	<u>Business</u>	<u>Total Revenues</u>	<u>Percentage of Total Operating Revenues</u>
City of Grovetown	Local Government	\$350,924	1.94%
Quebecor	Manufacturer	195,128	1.08
City Hall (Harlem)	Local Government	168,976	0.94
Brandon Wilde	Retirement Community	95,383	0.53
Columbia County Board of Education	Local Government	81,848	0.45
Westwood Club	Apartment Complex	41,615	0.23
Wedgewood Apartments	Apartment Complex	40,639	0.23
Jensens Inc. (Wymberly)	Retirement Community	38,437	0.21
Shenandoah, Ridge Assoc.	Apartment Complex	33,858	0.19
Club Car Inc.	Manufacturer	<u>29,721</u>	<u>0.16</u>
Total		<u>\$1,076,529</u>	<u>5.96%</u>

Source: Columbia County Water and Sewer Services Division.

Source: Columbia County Water and Sewer Services Division.

Total Customers

The following table presents the number of customers of the System for the last ten years.

Water and Sewerage Customers

<u>Year</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
1996	22,235	16,911	39,146
1997	23,197	17,919	41,116
1998	24,009	18,833	42,842
1999	25,069	19,739	44,808
2000	26,001	20,536	46,537
2001	26,919	21,281	48,200
2002	28,054	22,332	50,386
2003	29,853	23,882	53,735
2004	31,240	25,170	56,410
2005	32,834	26,191	59,025

Source: Columbia County Water and Sewer Services Division.

**Historical Water and Wastewater Demand**

Set forth below are water demand statistics for the past five fiscal years.

<u>Plant</u>		<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Blanchard 3.17 MGD	Avg. Flow MGD	9.91	10.10	9.67	11.64	12.49
	Max. Flow MGD	16.86	20.84	14.94	23.26	23.26
Clark's Hill 8.0 MGD	Avg. Flow MGD	1.72	1.73	1.90	2.70	2.45
	Max. Flow MGD	3.01	3.51	3.82	3.98	3.78
Total	Avg. Flow MGD	11.63	11.83	11.57	14.34	14.94
	Max. Flow MGD	19.87	24.35	18.76	27.24	27.04

Source: Columbia County Water and Sewer Services Division.

Set forth below are wastewater demand statistics for the past five fiscal years.

<u>Plant</u>		<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Reed Creek 4.55 MGD	Avg. Flow MGD	3.22	3.07	3.32	3.31	3.21
	Max. Flow MGD	4.65	4.08	5.50	4.46	5.56
Crawford Creek 1.5 MGD	Avg. Flow MGD	0.98	0.91	1.06	0.88	0.94
	Max. Flow MGD	1.39	1.24	1.90	1.98	1.43
Little River 3.0/6.0 MGD	Avg. Flow MGD	1.79	2.00	2.39	2.42	2.50
	Max. Flow MGD	2.59	2.71	3.62	2.99	3.74
Kiokee Creek 0.3 MGD	Avg. Flow MGD	N/A	N/A	N/A	N/A	0.02
	Max. Flow MGD	N/A	N/A	N/A	N/A	0.05

Source: Columbia County Water and Sewer Services Division.

Five Year Operating History

Set forth below is a historical, comparative summary of the operating revenues of the System for the past five fiscal years. For more detailed information regarding the financial results and condition of the System, see the audited financial statements of the System for the fiscal year ended June 30, 2005, included in the financial section of the Comprehensive Annual Financial Report. The information in the following table has been extracted from the audited financial statements of the County for the fiscal years ended June 30, 2001 through 2004.

COLUMBIA COUNTY WATER AND SEWERAGE SYSTEM  
 Summary of Operating Results  
 Fiscal Years Ended June 30

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Operating Revenue					
Charges for Services	\$13,295,603	\$14,619,971	\$14,744,628	\$15,416,122	\$16,590,135
Tap Fees	682,032	863,564	1,278,702	1,340,324	1,410,433
Other	<u>0</u>	<u>0</u>	<u>74,138</u>	<u>34,425</u>	<u>53,395</u>
Total Operating Revenue	<u>13,977,635</u>	<u>15,483,535</u>	<u>16,097,468</u>	<u>16,790,871</u>	<u>18,053,963</u>
Operating Expenses					
Operating Expenses	6,170,639	7,187,774	7,518,751	9,202,214	9,205,773
Depreciation and Amortization	<u>3,511,489</u>	<u>3,778,252</u>	<u>4,305,952</u>	<u>4,449,845</u>	<u>4,844,400</u>
Total Operating Expenses	<u>9,682,128</u>	<u>10,966,026</u>	<u>11,824,703</u>	<u>13,652,059</u>	<u>14,050,173</u>
Operating Income	<u>4,295,507</u>	<u>4,517,509</u>	<u>4,272,765</u>	<u>3,138,812</u>	<u>4,003,790</u>
Non-Operating Revenues and (Expenses)					
Interest Income	2,473,439	918,302	290,766	161,438	392,843
Interest Expense	(3,326,632)	(2,107,218)	(2,099,158)	(2,043,152)	(2,775,192)
Other	<u>21,789</u>	<u>344,837</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Non-Operating Revenue (Expenses)	<u>(831,404)</u>	<u>(844,079)</u>	<u>(1,808,392)</u>	<u>(1,881,714)</u>	<u>(2,382,349)</u>
Income before Contributions/Transfers	<u>3,464,103</u>	<u>3,673,430</u>	<u>2,464,373</u>	<u>1,257,098</u>	<u>1,621,441</u>
Contributions/Transfers					
Capital Contributions	1,949,136	2,297,201	2,129,501	2,954,986	6,499,686
Transfers	<u>0</u>	<u>(628,569)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Contributions/Transfers	<u>1,949,136</u>	<u>1,668,632</u>	<u>2,129,501</u>	<u>2,954,986</u>	<u>6,499,686</u>
Net Income/Change in Net Assets	<u>\$5,413,239</u>	<u>\$5,342,062</u>	<u>\$4,593,874</u>	<u>\$4,212,084</u>	<u>\$8,121,127</u>

### Historical Debt Service Coverage

The following table shows the historical debt service coverage of the System for the past five fiscal years.

	Fiscal Year ended June 30				
	2001	2002	2003	2004	2005
Net Income/Change in Net Assets	<u>\$5,413,239</u>	<u>\$5,342,062</u>	<u>\$4,593,874</u>	<u>\$4,212,084</u>	<u>\$8,121,127</u>
Plus:					
Interest Expense	3,326,632	2,107,218	2,099,158	2,043,152	2,775,192
Depreciation and Amortization	<u>3,511,489</u>	<u>3,778,252</u>	<u>4,305,952</u>	<u>4,449,845</u>	<u>4,844,400</u>
	<u>\$6,838,121</u>	<u>\$5,885,470</u>	<u>\$6,405,110</u>	<u>\$6,492,997</u>	<u>\$7,619,592</u>
Less:					
Interest Income on					
Construction Fund and	\$2,473,439	\$ 439,048	\$ 12,604	\$ 54,288	\$147,162
Investment Account					
Capital Contributions	1,949,136	2,297,201	2,129,501	2,954,986	6,499,686
Other Nonrecurring Revenue	<u>21,789</u>	<u>344,837</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$4,444,364</u>	<u>\$3,081,086</u>	<u>\$2,142,105</u>	<u>\$3,009,274</u>	<u>\$6,646,848</u>
Net Income Available for Debt Service	<u>\$7,806,996</u>	<u>\$8,146,446</u>	<u>\$8,856,879</u>	<u>\$7,695,807</u>	<u>\$9,093,871</u>
Total Annual Debt Service <sup>(1)</sup>	<u>\$5,086,108</u>	<u>\$4,115,840</u>	<u>\$4,542,424</u>	<u>\$4,646,589</u>	<u>\$5,619,361</u>
Historical Debt Service Coverage	1.53x	1.98x	1.95x	1.66x	1.62x

<sup>(1)</sup> Total annual debt service includes principal and interest of outstanding revenue bonds only, excludes GEFA Loans.

# **General Obligation Bonds Disclosure**

COLUMBIA COUNTY, GEORGIA  
General Obligation Bonds  
Continuing Disclosure

Sales and Use Tax

Pursuant to an election held in the County in 2000, the County authorized the levy and collection of a special purpose local option sales and use tax (the "Existing Sales and Use Tax"), which commenced on January 1, 2001, and will expire on December 31, 2005. Pursuant to an election held in the County in 2004, the County authorized the levy and collection of a special purpose local option sales and use tax, which will commence on January 1, 2006, for a period of time not to exceed five years or until such time as \$100 million is collected. The County entered into intergovernmental agreements with the Cities of Harlem and Grovetown, Georgia. Pursuant to these agreements, the County is required to remit 2.7 % and 5.8% of the proceeds of the Sales and Use Tax to Harlem and Grovetown, respectively. The amounts remitted to the cities will not be available to pay debt service on the bonds. Set forth below are historical collections of the County's portion of the Existing Sales and Use Tax for the past five calendar years. These historical collections are indicative of anticipated collections of the Sales and Use Tax; however, no assurance can be made that future collections will equal or exceed past collections of the Existing Sales and Use Tax.

<u>Calendar Year</u>	<u>County's Portion of Existing Sales and Uses Tax</u>
2001	\$ 8,886,941
2002	9,755,012
2003	10,337,743
2004	11,673,323
2005 <sup>(1)</sup>	9,449,686

<sup>(1)</sup> Nine months of collections.

Tax Levies and Collection

The Columbia County Tax Commissioner collects taxes which have been levied by the State of Georgia, the County, the Columbia County School District and the Cities of Grovetown and Harlem. Tax bills are normally mailed in September and may be paid without interest or penalty through November 15th of each year. However, whenever the tax bills are mailed a taxpayer has 60 days to pay. After the due date, interest at the rate of 1% per month (or any portion thereof) and a penalty fee of 10% per annum (after 90 days) are added.

<u>Calendar Year of Levy</u>	<u>Total Levy<sup>(1)</sup></u>	<u>Total Tax Collections<sup>(2)</sup></u>	<u>% of Total Levy Collected</u>	<u>Outstanding Delinquent Taxes</u>
2001	14,314,939	14,306,871	99.94	8,069
2002	14,962,378	14,943,278	99.87	19,100
2003	16,087,795	16,068,370	99.88	19,425
2004	21,163,294	21,063,179	99.53	100,116
2005	23,756,299	22,011,433	92.66	1,744,866

<sup>(1)</sup> Includes all taxes levied by the Columbia County Board of Commissioners only.

<sup>(2)</sup> As of November 18, 2005.

Source: Columbia County Tax Commissioner.

### Historical Property Tax Data

The following table presents the assessed value (40% of fair market value, except timber which is 100% of fair market value) of taxable property within the County for the last five calendar years.

	<u>Assessed Values</u>				<u>Gross Tax Digest</u>	<u>Bond Exemptions</u>	<u>General Obligation Bond Tax Digest<sup>(1)</sup></u>	<u>Maintenance &amp; Operations Exemptions</u>	<u>Maintenance &amp; Operations Tax Digest<sup>(2)</sup></u>	<u>Estimated Actual Value</u>
	<u>Real and Personal Property<sup>(3)</sup></u>	<u>Motor Vehicles</u>	<u>Mobile Homes</u>	<u>Public Utilities</u>						
2001	2,085,200,836	260,114,310	13,505,383	46,110,040	2,404,930,569	(201,181,313)	2,203,749,256	(233,029,706)	2,171,900,863	6,012,326,423
2002	2,156,115,421	264,703,966	12,789,471	46,343,527	2,479,952,385	(213,562,493)	2,266,389,892	(247,371,998)	2,232,580,387	6,199,880,963
2003	2,301,645,553	267,976,520	11,959,826	47,691,780	2,629,273,679	(217,793,437)	2,411,480,242	(251,887,437)	2,377,386,242	6,573,184,198
2004	2,493,348,387	273,784,980	11,294,070	49,646,249	2,828,073,686	(203,164,088)	2,624,909,598	(237,776,088)	2,590,297,598	7,070,184,215
2005	2,808,554,732	275,130,330	11,035,149	49,951,904	3,144,672,115	(236,873,816)	2,907,798,299	(272,145,643)	2,872,526,472	7,861,680,288

<sup>(1)</sup>Total assessed value, after deducting exemptions, for purposes of levying tax for County's general obligation bonds.

<sup>(2)</sup>Total assessed value, after deducting exemptions, for purposes of levying tax for the support and maintenance of the County.

<sup>(3)</sup>Includes assessed value of timber.

Source: Columbia County Tax Commissioner.

Tax Rates - Mills

Set forth below is information concerning the rate of levy of property taxes per \$1,000 of assessed value (millage rates) of the County for the past five calendar years.

Calendar Year	County			School District	State of Georgia	Totals	
	Net M&O	Debt Service	Fire(1)			Unincorporated Area	Incorporated Area
2001	7.35	0.35		17.18	0.25	25.13	25.13
2002	7.05	0.65		17.18	0.25	25.13	25.13
2003	6.93	0.77		17.18	0.25	25.13	25.13
2004	6.93	0.77	1.68	17.18	0.25	26.81	25.13
2005	7.03	0.67	1.68	17.18	0.25	26.81	25.13

(1) Fire Tax applies to unincorporated areas only.

Source: Columbia County Tax Commissioner.

Principal Taxpayers

Set forth below are the ten largest taxpayers of the County in 2005. No independent investigation has been made of, and consequently no representation can be made as to, the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the County.

	Taxpayer	Assessed Valuation	Taxes Levied
1.	Quebecor World Inc.	\$32,605,681	\$229,218
2.	John Deere Commercial Products	30,055,071	211,287
3.	Georgia Power	23,967,276	168,490
4.	Club Car Inc.	16,889,274	118,478
5.	Pollard Lumber Company	16,050,267	112,499
6.	Bell South Telecommunications	11,928,438	83,857
7.	WalMart Real Estate Business	11,203,699	78,762
8.	Greenfield Industries	7,974,921	56,064
9.	Georgia Iron Works	7,135,778	50,165
10.	Atlanta Gas Light Company	6,370,765	44,786
		<u>\$164,181,170</u>	<u>\$1,153,606</u>

Source: Columbia County Tax Commissioner.

# **SINGLE AUDIT**

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners  
Columbia County, Georgia  
Evans, Georgia

We have audited the financial statements of the governmental activities, the business type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Columbia County, Georgia as of and for the year ended June 30, 2005 which collectively comprise the County's basic financial statements and have issued our report thereon dated December 8, 2005. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Columbia County, Georgia's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Commissioners  
Columbia County, Georgia  
Page 2

This report is intended solely for the information and use of the Board of Commissioners, audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Baird & Company, CPAs, LLC". The signature is written in a cursive, flowing style.

BAIRD & COMPANY, CPAS, LLC  
Certified Public Accountants

December 8, 2005  
Augusta, Georgia

REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Commissioners  
Columbia County, Georgia  
Evans, Georgia

Compliance

We have audited the compliance of Columbia County, Georgia, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. Columbia County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Columbia County, Georgia's management. Our responsibility is to express an opinion on Columbia County Georgia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non Profit Organizations*. Those standards and OMB Circular A-133, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Columbia County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Columbia County, Georgia's compliance with those requirements.

In our opinion, Columbia County, Georgia, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of Columbia County, Georgia is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Columbia County, Georgia's internal control over compliance with requirements that could have a direct and material

To The Board of Commissioners  
Columbia County, Georgia  
Page -2-

effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses

This report is intended solely for the information and use of the Board of Commissioners, audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



BAIRD & COMPANY, CPAS, LLC  
Certified Public Accountants

December 8, 2005  
Augusta, Georgia

COLUMBIA COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2005

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Community Development Block Grant	14.219	00p-y036-1-2389	\$ 8,545
<u>U.S. Department of Justice</u>			
Juvenile Accountability Block Grant	16.523	00B-ST-001	3,307
Juvenile Accountability Block Grant	16.523	02B-ST-002	10,308
			<u>13,615</u>
Local Law Enforcement Block Grant	16.592	2002-LB-BX-1932	697
Family Solutions Program Grant/CYCC	16.540	03J-02-0304-0008	14,096
			<u>28,408</u>
<u>U.S. Department of Interior</u>			
(Passed through the Georgia Department of Natural Resources)			
Reed Creek Park Redevelopment	15.916	13-00809	<u>75,000</u>
<u>U.S. Department of Transportation</u>			
(Passed through the Georgia Department of Transportation)			
UMTA/Transit Operating Assistance	20.507	GA-18-9023	97,053
UMTA/Transit Operating Assistance	20.507	GA-18-9024	53,798
			<u>150,851</u>
ISTEA	20.205	STP-0002-00(284)	130,000
Transportation Enhancement	20.205	STP-000E(107)	115,042
			<u>245,042</u>
			<u>395,893</u>
<u>U.S. Department of Homeland Security</u>			
Hazard Mitigation	83.516	HMGP 1033-0128 (1)	159,015
HMGP - Local Government Plan	83.557	HMGP 1311-0009	1,081
Community Emergency Response Team	83.564		34,677
Local All Hazards Emergency Operations Planning Agreement	83.562		21,272
			<u>216,044</u>
Pre-Disaster Mitigation Program - Ridge Crossing	97.017	PDMC-PJ-04-GA-2003-008	64,200
Homeland Security Grant	97.004	ODP FY03 Phase II	448,287
			<u>512,487</u>
			<u>728,531</u>
			<u>\$ 1,236,378</u>

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

## COLUMBIA COUNTY, GEORGIA

### NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2005

#### Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Columbia County, Georgia and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

#### Note 2 – Non-cash Awards

Columbia County, Georgia did not receive any non-cash federal awards during the year ended June 30, 2005.

COLUMBIA COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

I. Summary of Auditor's Results

- A. An unqualified opinion was issued on the financial statements of Columbia County, Georgia.
- B. Our audit of the financial statements disclosed no material weaknesses in internal controls over financial reporting.
- C. Our audit of the financial statements disclosed no instances of noncompliance with laws, regulations and the provisions of contracts and grant agreements that are material to the basic financial statements.
- D. Our audit of compliance with the types of compliance requirements applicable to the County's major program disclosed no material weaknesses in internal controls over compliance.
- E. An unqualified opinion was issued on Columbia County, Georgia's compliance with the types of compliance requirements applicable to its major federal program.
- F. Our audit disclosed no audit findings which relate to federal awards which are required to be reported.
- G. The major federal program for Columbia County, Georgia for the fiscal year ended June 30, 2005 is:

<u>Program Name</u>	<u>CFDA#</u>
Homeland Security Grant	97.004

- H. The threshold for determining Type A programs for Columbia County, Georgia is \$300,000.
- I. Columbia County, Georgia qualified as a low risk auditee.

II. Findings Related to the audit of the Basic Financial Statements of Columbia County, Georgia

There were no findings noted for the year ended June 30, 2005 which are required to be reported in accordance with *Government Auditing Standards*.

III. Findings and Questioned Costs Related to the Audit of Federal Awards.

There were no findings noted for the year ended June 30, 2005 which are required to be reported under OMB Circular A-133 criteria.