

**AUGUSTA, GEORGIA**  
**Annual Financial Statements**  
**For the Year Ended December 31, 2003**



# **AUGUSTA-RICHMOND COUNTY, GEORGIA**

## **Annual Financial Report Year Ended December 31, 2003**

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## FINANCE DEPARTMENT

DAVID PERSAUD, MPA, CGFM, CPE, FINANCE DIRECTOR

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June 1, 2004

The Honorable Mayor Bob Young  
Members of the Augusta-Richmond County Commission  
Augusta, Georgia 30911

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, is hereby submitted the annual financial report of Augusta, Georgia for the fiscal year ended December 31, 2003.

This report consists of management's representations concerning the finances of Augusta, Georgia. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Augusta, Georgia has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Augusta, Georgia financial statement in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Augusta, Georgia comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, I assert that, to the best of my knowledge and belief, this financial report is complete and reliable in all material respects.

Augusta, Georgia financial statements have been audited by Cherry Bekaert & Holland, L.L.P., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Augusta, Georgia for the fiscal year ended December 31, 2003 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering unqualified opinions that Augusta, Georgia's financial statements for the fiscal year ended December 31, 2003, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Augusta, Georgia was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are included in Augusta, Georgia's Single Audit section of this report.

GAAP 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. The Augusta, Georgia MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

Augusta is located in the east central section of the state on the south bank of the Savannah River, which serves as the boundary between Georgia and South Carolina. Augusta is on the fall line and has landscape dotted with foothills which descend to the coastal plain. Augusta is the head of the navigation on the Savannah River and is 135 miles east of Atlanta, 127 miles northwest of the port of Savannah, and 72 miles southwest of Columbia, South Carolina. Augusta is the trade center for 13 counties in Georgia and five in South Carolina, a section known as the Central Savannah River Area.

The Government was created by legislative act in the State of Georgia in 1995 from the unification of the two governments, the City of Augusta, Georgia and Richmond County, Georgia. On June 20, 1995, the citizens of Richmond County and the City of Augusta voted to consolidate into one government named Augusta, Georgia. The officials for the new government were elected and, based on the charter, took office on January 1, 1996. The unified government combined all functions and began financial operations January 1, 1996.

The Government is governed by a full-time Mayor, with a term of four years, and a ten member Commission, who serve on a part-time basis and are elected to staggered terms of four years. The Mayor and Commission appoint an Administrator who serves as a full-time administrative officer and is responsible for the daily operations of the Government.

Augusta provides a full range of services, including public safety and fire protection; the construction and maintenance of highways, streets, and other infrastructure; recreational activities and cultural events. Sanitation services, water and sewer services, transportation services and other administrative and governmental services are also provided by the Consolidated Government. Augusta also is financially accountable for the legally separate Richmond County Department of Health which is reported separately within



Augusta's financial statements. Additional information on this legally separate entity can be found in Note IB. in the notes to the financial statements.

The annual budget serves as the foundation for Augusta's financial planning and control. All agencies of Augusta are required to submit requests for appropriation to the government's administration before the month of July each year. The government's Administrator uses these requests as the starting point for developing a proposed budget. The government's Administrator then presents this proposed budget to the Commission for review prior to October 31. The Commission is required to hold public hearings on the proposed budget and to adopt a final budget by no later than December 31, the close of Augusta's fiscal year. The appropriated budget is prepared by fund, function (e.g. Public Safety), and department (Sheriff Road Patrol). Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the governing commission. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each governmental fund for which a project-length budget has been adopted.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Augusta operates.

**Local economy.** Augusta, located in the heart of the Southeast, is Georgia's second largest and second oldest city. The According to the magazine "Where to Retire", Augusta is ranked number four among the nation's low-cost cities for retirement. This is partially based on a variety of factors including cost of living, transportation, higher education, job outlook, health care, the arts, recreation and climate.

Bolstered by nearly half a million residents, the area's economy as a whole is much like that of its health care sector: clean, high tech and well supplied with skilled workers. In addition to a strong sense of history and related attractions, the city offers a rich variety of sophisticated amenities including a vibrant arts community and a wealth of fine restaurants.

The Augusta's Southern hospitality is evident from the temperate climate to the year-round greenery that reminds residents and visitors alike of Augusta's designation as the Garden City.

The MSA has a strong, stable economy, composed of (1) an extensive base of manufacturers; (2) a core of technology-based employers; and (3) an expanding service sector.

The diverse industrial base includes production of medical products, pharmaceuticals, golf carts, chemicals, industrial tools, textiles among others.

Health care, a technology-based employer in the region, employs more than 25,000 medical professionals. The Medical College of Georgia (MCG) is ranked as one of the top 20 medical schools in the nation and is Georgia's Health Sciences University. MCG has schools of Dentistry, Allied Health Sciences, Nursing and Graduate studies, as well as Medicine. A pioneer in telemedicine, MCG has received national recognition for its efforts in this field. MCG serves patients from all over the southeast, with over 80 clinics centrally located within one building. More than a dozen other major medical facilities are located in the region.

The U.S. Army Signal Center and Fort Gordon, the largest communications electronics training center in the world, rounds out Augusta's technology-based economy. The center has advanced communications technology, adapting the telephone to military usage by incorporating satellite communications and computer technology.

In addition, Fort Gordon is home to the Army's Computer Science School and home to a joint services intelligence organization that supports the Department of Defense. The teaching facilities at Eisenhower Army Medical Center (EAMC) serve as a regional tri-service medical center serving 5 southeastern states and Puerto Rico.

At the center of the technology-based employers is the Savannah River Site (SRS), a U.S. Department of Energy (DOE) facility, which comprises a majority of the MSA's economy with over 13,000 employees. The Site's mission is to reduce nuclear danger by transferring applied environmental technology to government and non-government entities cleaning up the site, managing the waste and forming economic and industrial alliances.

SRS has a significant economic impact across the two states, affecting more than a dozen counties. The current annual budget of SRS is \$1.6 billion, including a payroll of approximately \$900 million.

Westinghouse Savannah River Company (WSRC) is responsible for the day-to-day operations of the nuclear facility. Other major contractors on the site include Bechtel Savannah River Inc., Babcock & Wilcox Group (B & W Savannah River Company) and British Nuclear Fuels Limited (BNFL Savannah River Company).

The economic outlook is sound, with moderate employment gains expected over the short term. The Augusta economy is expected to continue to benefit from a diverse economic base and strategic location in the southeast region.

**Long-term financial planning.** The governing commission approved the fiscal year 2004 budget totaling \$582 million with emphasis on controlling the cost of government services. The budget will provide the level of services in fiscal year 2004 consistent with fiscal year 2003. More emphasis will be placed on managing for results by utilizing a program performance basis of budgeting in fiscal year 2004. This is a departure from the previous years line-item budgeting approach. The concept of program-performance budgeting will provide department managers with an opportunity to establish program goals and objectives and develop relative performance measures to measure program performance and results.

During fiscal year 2003 the Finance Department revised the comprehensive five year 2004-2008 capital improvements program budget totaling over \$300 million. This long-term fiscal plan is a strategic planning document consisting of an evaluation of all the capital and infrastructure needs and capital improvements necessary to allow the government to plan for capital assets acquisition and replacement for the next five years.

The Special Purpose Local Option Sales Tax (SPLOST) for the current period 2001-2005 will generate an estimated \$160 million for capital projects. This dedicated one cent sales tax provides the government with a method of funding essential on-going capital projects and provide funds for major capital needs. Discussions are in place to extend the SPLOST over the next ten years period 2006-2015 for \$320 million.

The government is planning a \$160 million issuance of water and sewerage revenue bonds in the summer of 2004. The proceeds of the bonds will be used to fund the costs of making additions, extensions and improvements to the consolidated government's water and sewer system.

The Augusta Utilities Department owns and operates the water treatment distribution facilities as well as the waste water conveyance and treatment facilities. The current water system serves over 59,210 residential customers and 6653 commercial and industrial customers. The service area encompasses approximately 210 square miles serving an estimated population in excess of 180,000. Water is supplied by the Savannah River and supplemented by ground water wells through out the county.

The current waste water system serves approximately 44,801 residential and 5074 commercial and industrial customers. The service area encompasses 106 square miles with an estimated population of 150,683.

**Cash management policies and practices.** Cash temporarily idle during the year was invested in certificates of deposit and the State Treasurer's investment pool. The maturities of the investments range from 30 days to 2 years, with an average maturity of 12 months. The average yield on investments was 1.12 percent for the government and an average yield of 12.9 percent for the pension trust fund defined benefit plans. The rate of return for the pension trust fund is attributable to the long-term character of most of its investment holdings and the dismal year for the U.S. equity investors. 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.** In 2003, the Risk Management program was transferred from the Human Resources Department to the Finance Department.

During 2003, Risk Management continued to provide annual training to the employees of Augusta Government in the areas of safety, substance abuse awareness, substance abuse policy changes, emergency evacuation procedures and new hire orientation. In addition to these established training areas, driver training education was introduced in 2003.

In addition, various control techniques, including employee accident prevention training have been implemented during the year to minimize accident-related losses.

Other areas where Risk Management has implemented successful training proposals during 2003 are monthly safety training, 12 sessions was held by Risk Management for department safety officers on policies, procedures and general safety. Substance abuse training was provided for an estimated 2600 employees. Inspections by risk Management included 201 vehicle inspections, 98 playground inspections, 52 worksite inspections, 2 ergonomic assessments and 162 safety interviews with injured employees.

In the claims administration area, Risk Management handled 40 general liability claims, 275 auto accidents (142 liability claims), 460 workers compensation claims (295 medical only and 37 lost time), 138 complaints (42 from Augusta Cares).

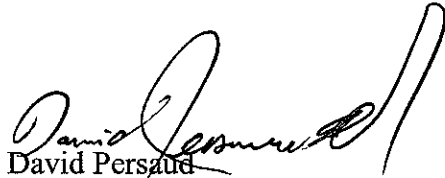
In addition to the training programs, other loss control initiatives included the continuation of the purchase and installation of video cameras in the Sheriff's Office patrol vehicle which is going since 1995.

**Fleet Management:** The Fleet maintenance services are accounted for in an Internal Service Fund with monthly allocations to all user departments. Contract maintenance represented 56% of all costs, non-contract maintenance represented 11%, fuel represented 27% and fleet operating costs represented 6% of the total expenses. Maintenance service was provided by First Vehicle Services. In 2003, 12,105 work orders were completed at a cost of each work order at \$313. In 2002 the average cost per work order was \$300. This is an increase per work order of \$13. The lease payments to the Georgia Municipal Association for vehicles and equipment of all funds remain relatively constant from year to year. Fleet Management's goals for 2004 are to continue to provide quality repairs at the lowest cost. Specific Goals include: (1) Improve maintenance facilities, (2) Implement audit and inspection processes to ensure accountability of parts and parts costs, proper invoicing for all non-contract cost repairs and (3) provide more accurate budget data to user departments for budget preparation.

**Acknowledgements**

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the governing commission for their unfailing support for maintaining the highest standards of professionalism in the management of Augusta's finances.

Respectfully submitted,



David Persaud  
Finance Director



## Elected Officials – December 31<sup>st</sup>, 2003

### **Mayor Bob Young**

One Seventh St., Suite 1801  
Augusta, Georgia 30909  
738-5575 (Home)  
821-1831 (Office)

### **Lee Beard – District One**

One-Seventh St., Ste.1703  
River Place Condos  
Augusta, Georgia 30901  
(706) 724-0916 (Home)  
(706) 832-8331 (Message Ctr)

### **Marion Williams – District Two**

1941 Kratha Drive  
Augusta, Georgia 30906  
(706) 733-2128 (Home)  
(706) 821-1838 (Fax)

### **Steve Shepard – District Three**

701 Greene Street  
Augusta, Georgia 30901  
(706) 736-8884 (Home)  
(706) 722-4817 (Fax)

### **Richard Colclough – District Four**

**Mayor Pro-Tempore**  
3508 Monte Carlo Dr.  
Augusta, Georgia 30906  
(706) 821-1823 (Bus)  
(706) 821-1838 (Fax)

### **Bobby Hankerson – District Five**

3312 Balkcom Drive  
Augusta, Georgia 30906  
(706) 790-9199 (Home/Bus)  
(706) 821-1838 (Fax)

### **Andy Cheek – District Six**

2129 Howard Road  
Augusta, Georgia 30906  
(706) 796-0078 (Home)  
(706) 796-8970 (Fax)

### **Tommy Boyles – District Seven**

2711 Boar's Head Drive  
Augusta, Georgia 30907  
(706) 863-5249 (Home)  
(706) 821-1838 (Fax)

### **Ulmer Bridges – District Eight**

P.O. Box 684  
Hephzibah, Georgia 30815  
(706) 592-5535 (Home)  
(706) 821-1838 (Fax)

### **William Mays, III – District Nine**

1221 James Brown Blvd.  
Augusta, Georgia 30903  
(706) 722-6401 (Bus)  
(706) 722-7018 (Fax)

### **Bill Kuhlke – District Ten**

10 Indian Creek Road  
Augusta, Georgia 30909  
(706) 733-8863 (Home)  
(706) 228-5526 (Fax)



## Appointed Officials – December 31<sup>st</sup>, 2003

**George R. Kolb**  
**Administrator**  
530 Greene Street – Rm 801  
Augusta, Georgia 30911  
(706) 821-2400  
(706) 821-2819 (Fax)

**Frederick L. Russell**  
**Deputy Administrator**  
530 Greene Street – Rm 801  
Augusta, Georgia 30911  
(706) 821-2400  
(706) 821-2819 (Fax)

**Walter S. Hornsby, III**  
**Deputy Administrator**  
530 Greene Street – Rm 801  
Augusta, Georgia 30911  
(706) 821-2400  
(706) 821-2819 (Fax)

**Lena Bonner**  
**Clerk of Commission**  
530 Greene Street – Rm 806  
Augusta, Georgia 30911  
(706) 821-1820  
(706) 821-1838 (Fax)

**David Persaud**  
**Finance Director**  
530 Greene Street – Rm 207  
Augusta, Georgia 30911  
(706) 821-2429  
(706) 821-2502 (Fax)

**Jim Wall**  
**County Attorney**  
454 Greene Street  
Augusta, Georgia 30903  
(706) 722-2488  
(706) 722-5984 (Fax)





## FINANCIAL SECTION





**AUGUSTA, GEORGIA**  
**ANNUAL FINANCIAL REPORT**  
**For the Fiscal Year ended**  
**December 31, 2003**





## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Augusta-Richmond County Commissioners  
Augusta, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Augusta, Georgia as of December 31, 2003 and for the year then ended, which collectively comprise Augusta's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Augusta, Georgia management. Our responsibility is to express opinions on these basic financial statements based on our audit. We did not audit the financial statements of the Augusta-Richmond County Department of Health. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Department of Health, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based upon our audit and the report of other auditors, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Augusta, Georgia, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the general fund and fire protection fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis and the schedules of funding progress and employer contributions are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion thereon.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2004 on our consideration of Augusta-Richmond County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming opinions on the basic financial statements of Augusta, Georgia, taken as a whole. The combining and individual fund statements and the accompanying schedule of expenditures of Federal awards as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations for the year ended December 31, 2003, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Cherry, Behant & Holland, LLP*

Augusta, Georgia  
May 21, 2004

## MANAGEMENT'S DISCUSSION AND ANALYSIS

## Management's Discussion & Analysis

The Management's Discussion and Analysis of the Comprehensive Annual Financial Report (CAFR) of Augusta-Richmond County, Georgia (the "Government") provides an overall narrative and analysis of the Government's financial statements for the fiscal year ended December 31, 2003. 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 for the year ended December 31, 2003 are as follows:

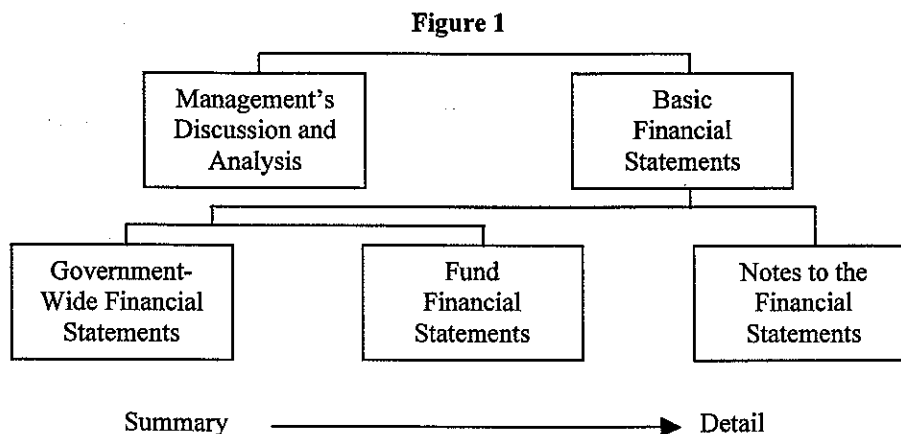
- The Government's combined net assets totaled \$358 million.
- The Government's total net assets increased by \$25 million, primarily due to capital spending funded by the Special Purpose Local Option Sales Tax revenues and other tax revenues.
- As of the close of the current fiscal year, the Government's governmental funds reported combined ending fund balances of \$176 million, an increase of \$11 million from the prior year. Approximately 60% of this total amount, or \$106 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 \$31 million, or 32% of total General Fund expenditures for the fiscal year. Of this amount, \$5 million has been designated for other purposes, leaving \$27 million, or 28% of total General Fund expenditures, as undesignated.
- Combined Revenue totaled \$255 million, of which governmental activities totaled \$175 million and business-type activities totaled \$80 million. Current year revenues increased less than 2% from those of the prior year.
- Overall expenses totaled \$230 million of which governmental activities totaled \$147 million and business-type activities totaled \$83 million. Current year expenses increased approximately 7% over those of the prior year.
- Expenses of governmental activities exceeded program revenue, resulting in the use of \$132 million in general revenues (mostly taxes).
- Total Outstanding Long-Term Debt, excluding compensated absences, decreased approximately \$2 million due to the continuing reduction in outstanding principal on existing debt.



## Overview of the Financial Statements

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

Required Components of Annual Financial Report



### 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 Augusta-Richmond 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 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 Water and Sewer, Augusta Regional Airport, Waste Management, Municipal Golf Course, Transit, Daniel Field Airport, Newman Tennis Center, Garbage Collection, and the Riverwalk. The final category is component units. The Augusta-Richmond County Board of Health is a public health department. Although legally separate from the Government, the Government appoints a voting majority of the board.

## **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 five governmental fund types: the General Fund, Special Revenue Funds, Debt Service Funds, the Capital Projects Funds, and the Permanent Fund. Only four individual funds are being considered major funds – the General Fund, Fire Protection, Special Purposes Local Option Sales Tax Fund (SPLOST) Phase III and Special Purposes Local Option Sales Tax Fund (SPLOST) Phase IV.

## *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 there is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

The Government has nine enterprise funds: Water and Sewer, Augusta Regional Airport, Waste Management, Municipal Golf Course, Transit, Daniel Field Airport, Newman Tennis Center, Garbage Collection, and the Riverwalk. The Government has seven internal service funds: Risk Management, Fleet Operations, Workers Compensation, Employee Health Benefits, Unemployment, Long-Term Disability Insurance and GMA Leases. The Water and Sewerage Fund and Augusta Regional Airport 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 Augusta-Richmond 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

Comparative data for the entity-wide governmental activities and the business-type activities is provided below.

### The Government's Net Assets December 31, 2003 and 2002

Figure 2

	Governmental Activities 2003	Business-type Activities 2003	Total 2003	Governmental Activities 2002	Business-type Activities 2002	Total 2002
Current and other assets	\$ 221,272,018	\$ 217,765,947	\$ 439,037,965	\$ 211,223,500	\$ 267,410,293	\$ 478,633,793
Capital assets	218,091,918	305,509,501	523,601,419	205,796,966	252,479,150	458,276,116
Total assets	<u>439,363,936</u>	<u>523,275,448</u>	<u>962,639,384</u>	<u>417,020,466</u>	<u>519,889,443</u>	<u>936,909,909</u>
Long-term liabilities	21,876,904	321,369,475	343,246,379	30,054,792	326,938,096	356,992,888
Other liabilities	27,226,754	16,552,039	43,778,793	20,559,536	11,256,800	31,816,336
Total liabilities	<u>49,103,658</u>	<u>337,921,514</u>	<u>387,025,172</u>	<u>50,614,328</u>	<u>338,194,896</u>	<u>388,809,224</u>
Net assets:						
Invested in capital assets, net of related debt	280,177,183	147,635,885	357,813,068	195,964,885	133,280,493	329,245,378
Restricted	67,963,626	7,755,294	75,718,920	122,169,587	12,967,555	135,137,142
Unrestricted	<u>112,119,469</u>	<u>29,962,755</u>	<u>142,082,224</u>	<u>48,271,666</u>	<u>35,446,499</u>	<u>83,718,165</u>
Total net	<u><u>390,260,278</u></u>	<u><u>185,353,934</u></u>	<u><u>575,614,212</u></u>	<u><u>366,406,138</u></u>	<u><u>181,694,547</u></u>	<u><u>548,100,685</u></u>

## **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 \$575.6 million as of December 31, 2003.

The largest portion of the Government's net assets, \$357.8 million or 62%, 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, \$76 million or 13%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$142 million or 25%, may be used to meet the Government's ongoing obligations to citizens and creditors.

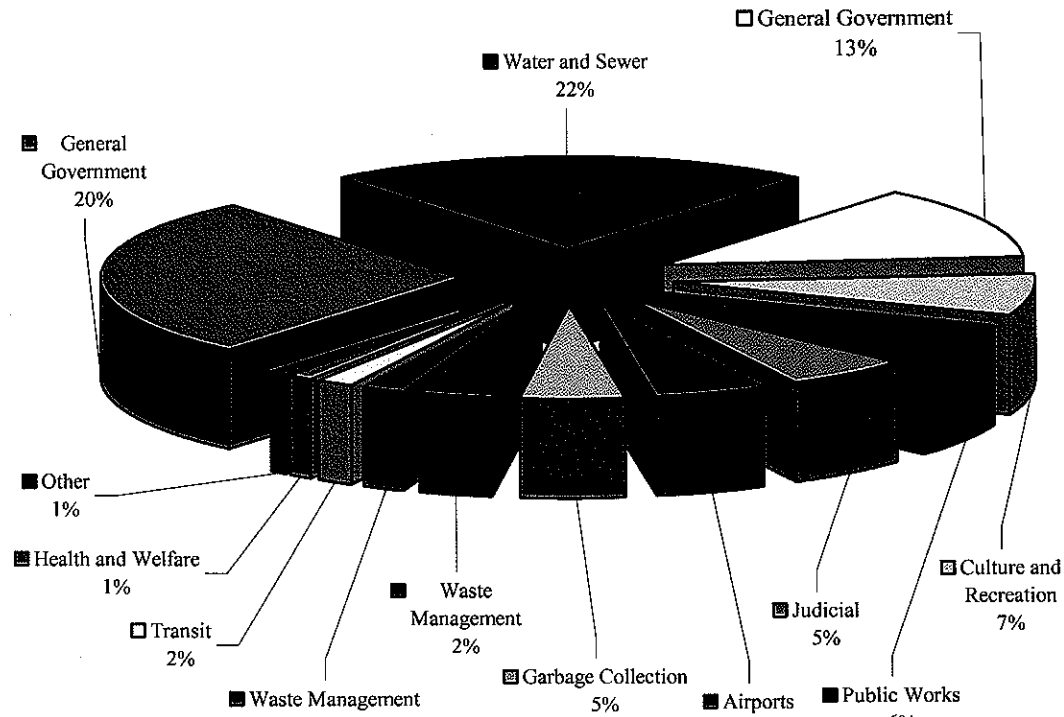
Several particular aspects of the Government's financial operations positively influenced the total *unrestricted governmental net assets*:

- 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 unreserved fund balance designated for operations in the General Fund.

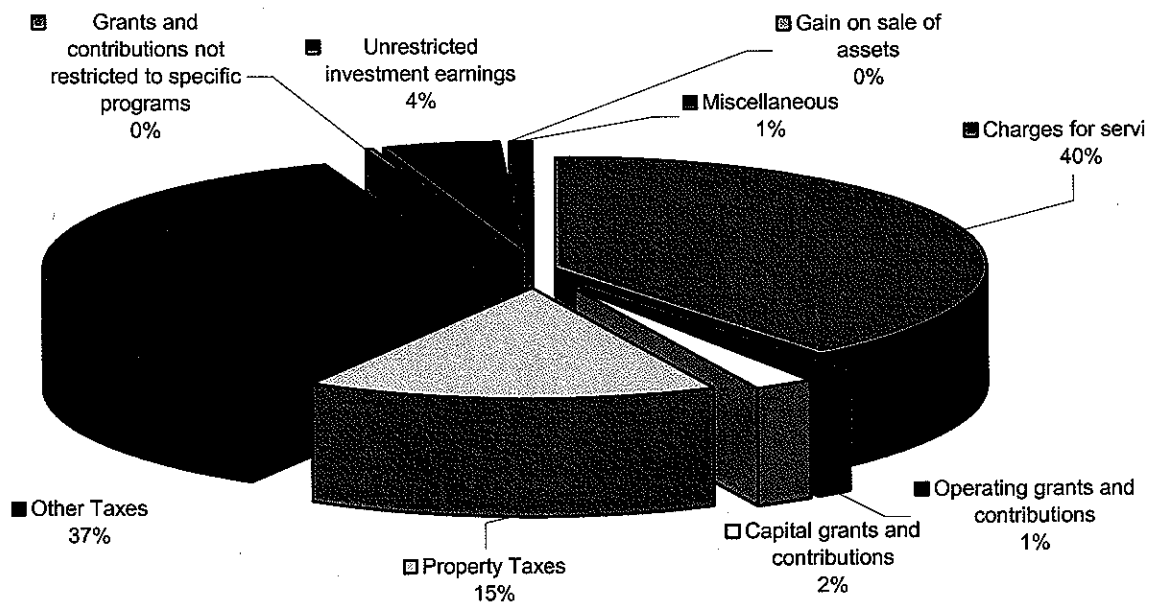
**The Government's Changes in Net Assets  
For the Years Ended December 31, 2003 and 2002  
Figure 3**

	Governmental Activities 2003	Business-type Activities 2003	Total 2003	Governmental Activities 2002	Business-type Activities 2002	Total 2002
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 31,602,875	\$ 68,890,739	\$ 100,493,614	\$ 29,663,562	\$ 65,481,527	\$ 95,145,089
Operating grants and contributions	2,614,565	1,073,267	3,687,832	1,575,442	947,443	2,522,885
Capital grants and contributions	4,039,755	1,750,073	5,789,828	5,234,369	2,144,008	7,378,377
General revenues:						
Property taxes	39,368,805	-	39,368,805	39,479,186	-	39,479,186
Other taxes	91,795,110	-	91,795,110	91,124,868	-	91,124,868
Grants and contributions not restricted to specific programs	981,463	-	981,463	984,944	-	984,944
Unrestricted investment earnings	3,919,337	7,050,734	10,970,071	3,762,503	8,577,606	12,340,109
Gain on sale of assets	-	94,904	94,904	-	246,644	246,644
Miscellaneous	695,944	1,358,408	2,054,352	433,812	1,080,633	1,514,445
Total revenues	<u>175,017,854</u>	<u>80,218,125</u>	<u>255,235,979</u>	<u>172,258,686</u>	<u>78,477,861</u>	<u>250,736,547</u>
<b>Expenses:</b>						
General government	29,460,733	-	29,460,733	27,584,914	-	27,584,914
Judicial	12,450,759	-	12,450,759	11,327,309	-	11,327,309
Public safety	64,567,666	-	64,567,666	61,423,703	-	61,423,703
Public works	13,249,489	-	13,249,489	13,424,146	-	13,424,146
Health and welfare	2,619,851	-	2,619,851	2,249,014	-	2,249,014
Culture and recreation	16,920,689	-	16,920,689	12,209,832	-	12,209,832
Housing and development	7,182,503	-	7,182,503	10,387,097	-	10,387,097
Interest on long-term debt	433,690	-	433,690	815,079	-	815,079
Waste management	-	4,796,691	4,796,691	-	4,419,230	4,419,230
Water and sewer	-	50,260,882	50,260,882	-	45,747,805	45,747,805
Airports	-	11,745,792	11,745,792	-	10,573,908	10,573,908
Municipal golf course	-	649,170	649,170	-	687,464	687,464
Transit	-	4,020,263	4,020,263	-	3,800,766	3,800,766
Newman Tennis Center	-	304,677	304,677	-	284,900	284,900
Garbage Collection	-	11,030,722	11,030,722	-	9,337,793	9,337,793
Riverwalk	-	250,849	250,849	-	229,674	229,674
Total expenses	<u>146,885,380</u>	<u>83,059,046</u>	<u>229,944,426</u>	<u>139,421,094</u>	<u>75,081,540</u>	<u>214,502,634</u>
Increase in assets before transfers	28,132,474	(2,840,921)	25,291,553	32,837,592	3,396,321	36,233,913
Transfers	<u>(4,878,890)</u>	<u>4,878,890</u>	<u>-</u>	<u>(5,642,170)</u>	<u>5,642,170</u>	<u>-</u>
Increase in net assets	23,253,584	2,037,969	25,291,553	27,195,422	9,038,491	36,233,913
Net assets, January 1	366,406,138	181,694,547	548,100,685	339,210,716	172,656,056	511,866,772
Prior period adjustments	<u>600,556</u>	<u>1,621,418</u>	<u>2,221,974</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, January 1, as restated	367,006,694	183,315,965	550,322,659	339,210,716	172,656,056	511,866,772
Net assets, December 31	<u>390,260,278</u>	<u>185,353,934</u>	<u>575,614,212</u>	<u>366,406,138</u>	<u>181,694,547</u>	<u>548,100,685</u>

### Government-Wide Expenses



### Government-Wide Revenues



## **Changes in Net Assets**

**Governmental activities.** Governmental activities increased the Government's net assets by \$23 million, and thereby accounting for 92% of the total growth in the net assets of the Government. Key elements of this increase are as follows:

**Governmental Revenues.** Property and tax other taxes continue as the main source of a revenue of the Government amounting to 88% in 2003, compared to 76% in 2002. Sales tax revenues contributed approximately \$30 million to the increase in net assets.

**Governmental Functional Expenses:** As reflected in the summary of changes in Net Assets, the Government expended 53% of the appropriations for judicial and public safety expenditures. The Government continues to commit substantial financial resources for the safety of its citizens. Other expenditures accounted for the remaining 47%.

**Business-type activities:** Business-type activities increased the Government's net assets by approximately \$2 million accounting for 8% of the total growth in the government's net assets. Key elements of this increase are as follows:

- The Waste Management Fund reported an increase in net assets of \$353,000. This increase was due to increase in user fees for services.
- The Water and Sewer Fund reported an increase in net assets of \$1.8 million. This increase was largely due to an increase in user charges due to the rate increase for new debts in 2002.
- The Augusta Regional Airport Fund reported an increase in net assets \$1.7 million. This increase was largely due to intergovernmental revenue received.
- Transit Authority net assets decrease of \$783,000, primarily due to operating costs exceeding user charges and grants.

## **Financial Analysis of the Government's Individual Funds**

Augusta-Richmond 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 \$176.2 million, of which \$101.3 million, or 57.4%, is unreserved and undesignated.

### **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 \$32.2 million, of which \$31.2 million, or 97%, was unreserved. A portion of the unreserved fund balance in the General Fund is designated for risk benefit, in the amount of \$4.7 million. 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 December 31, 2003, total unreserved fund balance, both undesignated and designated, represents 32% of total general fund expenditures.



The fund balance of the General Fund increased \$929,000 (3%) as the Board of Commissioners makes a collaborative effort to improve the reserve of the Government. A key factor to this increase was that actual expenditures were under budget for 2003 in several areas.

### **General Fund Budgetary Highlights**

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 approximately \$1 million. During the year, the Government transferred these funds to other functions as needed. Total amendments to the General Fund increased expenditures and revenues/other financing sources by only \$155,000 or <0.5%, an immaterial amount.

The actual operating revenues for the General Fund were more than the budgeted amount by \$318,482, or less than 1%. The individual sources within the revenues fluctuated both positively and negatively. No individual source materially varied from the final budget, except for *other revenues*. In order to balance revenues with expenditures, the Government budgeted as a revenue \$1.25 million of fund balance to be used for capital expenditures.

As a result of superior budget management by all departments of the Government, actual operating expenditures were less than the budgeted amount by \$1.7 million. For the year, actual revenue and other financing sources exceeded actual expenditures and other financing uses by \$1.9 million.

### **Capital Projects Funds**

The Government uses Capital Projects Funds to account for the acquisition and construction of major capital facilities that are not financed by Proprietary Funds. A major fund included in the fund financial statements is the 2001-2005 SPLOST Fund. The proceeds of the special purpose 1% sales tax are accounted for in this Capital Projects Fund until improvement projects are completed. The SPLOST Fund's fund balance is \$15.5 million, all of which is held for specific construction and improvement projects and capital acquisitions. The increase in fund balance 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 Sewer System Fund, \$21.5 million; Augusta Regional Airport, \$11.7 million; Nonmajor Enterprise funds, (\$3.1) million. The total growth (reduction) in net assets for previously mentioned funds were \$1.8 million, \$248,000 and (\$500,000), respectively. Other 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 December 31, 2003 amounts to \$521.5 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:

- Site improvements at Hyde Park for \$1.1 million
- Construction of multi-use hanger for \$1.5 million
- Construction of Eisenhower Park Gym for \$1.5 million
- Acquisition of land for water and sewer of \$4.1 million

Additional information on the Government's capital assets can be found in Note 3 of the notes to the financial statements of this report.

### The Government's Capital Assets (net of depreciation) December 31, 2003

Figure 4

	Governmental Activities	Business-type Activities	Total
Land	\$ 16,651,955	\$ 14,327,576	\$ 30,979,531
Buildings	53,453,727	24,904,721	78,358,448
Improvements other than buildings	6,215,655	2,340,643	8,556,298
Water and sewerage systems	-	160,406,857	160,406,857
Infrastructure	36,004,586	11,217,249	47,221,835
Vehicles, machinery and equipment	14,112,064	9,036,127	23,148,191
Richmond County Public Facilities	2,109,247	-	-
Construction in progress	89,544,684	83,276,326	172,821,010
Total	<u>\$ 218,091,918</u>	<u>\$ 305,509,499</u>	<u>\$ 521,492,170</u>

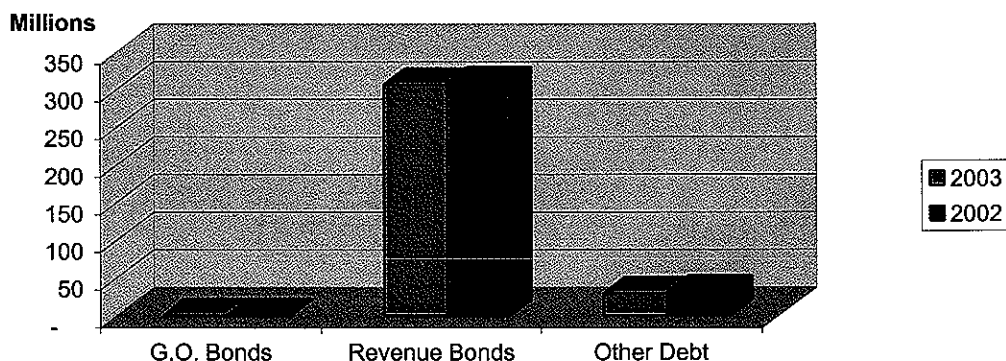
## Long-Term Debt

As of December 31, 2003, the Government had a total of \$336.7 million in outstanding long-term debt. Of this amount, \$307.3 million consists of revenue bonds backed by the revenues of the water and sewer system.

**The Government's Outstanding Debt  
General Obligation and Revenue Bonds  
December 31, 2003 and 2002**

**Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2003	2002	2003	2002	2003	2002
General obligation bonds	\$ -	\$ 350,000	\$ -	\$ -	\$ -	\$ 350,000
Revenue bonds	4,492,440	4,597,058	302,759,183	304,654,619	307,251,623	309,251,677
Other debt	19,411,988	20,829,801	10,040,712	10,694,249	29,452,700	31,524,050
Total debt	<u>\$ 23,904,428</u>	<u>\$ 25,776,859</u>	<u>\$ 312,799,895</u>	<u>\$ 315,348,868</u>	<u>\$ 336,704,323</u>	<u>\$ 341,125,727</u>



The Government has maintained a bond rating of A+ from Standard & Poor's Rating Group and an A2 rating from Moody's Investor Service. 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 \$355 million.

Additional information regarding the Government's long-term debt can be found in Note 3 of the notes to the financial statements of this report.

## **Economic Factors and Next Year's Budget and Rates**

The following key economic indicators reflect the growth and prosperity of the Government.

- The Government has an unemployment rate of 5.5%, slightly higher than the state average of 4.6%.
- The ad valorem tax rate increased from \$6.859 per \$1000 to \$7.4892 per \$1000 of valuation.

## **Budget Highlights for the Fiscal Year Ending December 31, 2004**

**Governmental Activities:** The Ad Valorem Taxes are projected to remain at the 2003 level. The 2004 tax digest has shown a slight increase of less than 1% primarily due to account corrections. Other taxes are expected to increase between 1% to 3% with no significant increase in sales tax revenues. The FY 2004 budget for the general fund is expected to be slightly above the 2003 level due to increase in the property tax revenues and some modest reductions in expenditures. The general economic climate for the city government of 2004 is expected to be stable with an estimated 5% of fund balance appropriated for budgeted expenditures. The undesignated fund balance should remain at 25% in reserves.

**Business – type Activities:** Overall Water and Sewer revenue is projected to increase 11% due to the \$149 million new debt issued in 2002 and the required rate increase to retire this debt. Airport revenue is projected to increase based on the 2004 landing fees increase.

## **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, Augusta-Richmond County, Georgia, 501 Greene Street, Augusta, Georgia 30901. Questions concerning any of the information found in this report relating to the Richmond County Board of Health should be directed to the Department of Health at 950 Laney Walker Blvd., Augusta, Georgia 30901.

## BASIC FINANCIAL STATEMENTS



## GOVERNMENT-WIDE FINANCIAL STATEMENTS





**Augusta, Georgia**  
**Statement of Net Assets**  
**December 31, 2003**

	<b>Governmental Activities</b>	<b>Business Type Activities</b>	<b>Primary Government Total</b>	<b>Department of Health</b>
<b>Assets</b>				
Cash and temporary investments	\$ 170,654,183	\$ 50,238,319	\$ 220,892,502	\$ 1,200,480
Receivables (net of allowance for doubtful accounts)				
Taxes	7,188,458	632,531	7,820,989	-
Accounts	11,335,033	7,063,009	18,398,042	140,236
Interest	113,386	914,547	1,027,933	-
Notes	3,231,004	-	3,231,004	-
Intergovernmental	274,533	1,234,566	1,509,099	987,734
Prepaid expenses	132,997	-	132,997	-
Inventory	130,925	1,854,849	1,985,774	-
Restricted cash and investments	15,213,317	162,681,573	177,894,890	-
Due from fiduciary funds	1,564,451	72,710	1,637,161	-
Internal balances	11,080,746	(11,080,746)	-	-
Land and construction in progress	106,196,639	97,592,643	203,789,282	-
Other capital assets, net of accumulated depreciation	111,895,279	207,916,858	319,812,137	7,436,328
Other assets	352,985	4,154,589	4,507,574	-
<b>Total assets</b>	<b>439,363,936</b>	<b>523,275,448</b>	<b>962,639,384</b>	<b>9,764,778</b>
<b>Liabilities</b>				
Accounts payable	5,083,932	8,044,058	13,127,990	1,114,549
Accrued interest	95,100	3,948,582	4,043,682	-
Due to others	-	39,000	39,000	46,658
Accrued salaries and vacation	3,343,141	532,489	3,875,630	563,942
Other accrued liabilities	1,490,694	162,907	1,653,601	-
Unearned revenue	10,100,757	650	10,101,407	-
Liabilities due in less than one year	7,113,130	3,824,353	10,937,483	-
Liabilities due in greater than one year	21,876,904	321,369,475	343,246,379	578,843
<b>Total liabilities</b>	<b>49,103,658</b>	<b>337,921,514</b>	<b>387,025,172</b>	<b>2,303,992</b>
<b>Net assets</b>				
Invested in capital assets net of related debt	210,177,183	147,635,885	357,813,068	6,857,485
Restricted	67,963,626	7,755,294	75,718,920	904,989
Unrestricted	112,119,469	29,962,755	142,082,224	(301,688)
<b>Total net assets</b>	<b>\$ 390,260,278</b>	<b>\$ 185,353,934</b>	<b>\$ 575,614,212</b>	<b>\$ 7,460,786</b>

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

**Augusta, Georgia**  
**Statement of Activities**  
**Year Ended December 31, 2003**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 29,460,733	\$ 13,951,515	\$ 955,771	\$ -
Judicial	12,450,759	8,776,700	389,900	-
Public safety	64,567,666	7,420,636	218,556	25,955
Public works	13,249,489	515,602	111,078	220,858
Health and welfare	2,619,851	137,877	13,052	-
Culture and recreation	16,920,689	800,545	926,208	-
Housing and development	7,182,503	-	-	3,792,942
Interest on long-term debt	433,690	-	-	-
Total governmental activities	<u>146,885,380</u>	<u>31,602,875</u>	<u>2,614,565</u>	<u>4,039,755</u>
Business-type activities:				
Waste management	4,796,691	4,943,777	35,256	-
Water and sewer	50,260,882	44,799,544	-	-
Airports	11,745,792	10,857,560	131,903	1,489,857
Municipal golf course	649,170	645,525	-	-
Transit	4,020,263	722,803	898,972	260,216
Newman Tennis Center	304,677	218,386	7,136	-
Garbage Collection	11,030,722	6,644,314	-	-
Riverwalk	250,849	58,830	-	-
Total business-type activities	<u>83,059,046</u>	<u>68,890,739</u>	<u>1,073,267</u>	<u>1,750,073</u>
Total primary government	<u>\$ 229,944,426</u>	<u>\$ 100,493,614</u>	<u>\$ 3,687,832</u>	<u>\$ 5,789,828</u>
<b>Component unit:</b>				
Richmond County Department of Health	<u>\$ 14,205,297</u>	<u>\$ 2,620,122</u>	<u>\$ 10,084,022</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Sales taxes				
Franchise taxes				
Other taxes				
Unrestricted governmental revenues				
Revenues from use of money and property				
Gain on sale of assets				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets - beginning				
Prior period adjustments				
Net assets - beginning, as restated				
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			Department of Health
Governmental Activities	Business-type Activities	Total	
\$ (14,553,447)	\$ -	\$ (14,553,447)	\$ -
(3,284,159)	-	(3,284,159)	-
(56,902,519)	-	(56,902,519)	-
(12,401,951)	-	(12,401,951)	-
(2,468,922)	-	(2,468,922)	-
(15,193,936)	-	(15,193,936)	-
(3,389,561)	-	(3,389,561)	-
(433,690)	-	(433,690)	-
(108,628,185)	-	(108,628,185)	-
-	182,342	182,342	-
-	(5,461,338)	(5,461,338)	-
-	733,528	733,528	-
-	(3,645)	(3,645)	-
-	(2,138,272)	(2,138,272)	-
-	(79,155)	(79,155)	-
-	(4,386,408)	(4,386,408)	-
-	(192,019)	(192,019)	-
-	(11,344,967)	(11,344,967)	-
(108,628,185)	(11,344,967)	(119,973,152)	-
-	-	-	(1,501,153)
39,368,805	-	39,368,805	-
62,439,388	-	62,439,388	-
14,299,247	-	14,299,247	-
15,056,475	-	15,056,475	-
981,463	-	981,463	1,337,514
3,919,337	7,050,734	10,970,071	8,794
-	94,904	94,904	-
695,944	1,358,408	2,054,352	-
(4,878,890)	4,878,890	-	-
131,881,769	13,382,936	145,264,705	1,346,308
23,253,584	2,037,969	25,291,553	(154,845)
366,406,138	181,694,547	548,100,685	7,611,878
600,556	1,621,418	2,221,974	3,753
367,006,694	183,315,965	550,322,659	7,615,631
\$ 390,260,278	\$ 185,353,934	\$ 575,614,212	\$ 7,460,786



## FUND FINANCIAL STATEMENTS

**Augusta, Georgia**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2003**

	<u>General</u>	<u>Fire Protection</u>	<u>Special Sales Tax Phase III</u>
<b>Assets</b>			
Cash and temporary investments	\$ 19,436,883	\$ 10,663,351	\$ 49,475,918
Receivables (net of allowance for doubtful accounts)			
Taxes	3,801,985	522,859	-
Accounts	4,852,681	-	133,298
Interest	-	-	26,719
Note	100,000	-	-
Intergovernmental	57,227	-	-
Prepaid items	57,997	-	75,000
Inventory	130,925	-	-
Restricted assets			
Reserve account	-	-	-
Sinking fund account	-	-	-
Perpetual care	-	-	-
Due from other funds	13,928,207	53,531	-
<b>Total assets</b>	<u>\$ 42,365,905</u>	<u>\$ 11,239,741</u>	<u>\$ 49,710,935</u>
<b>Liabilities and fund balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 1,728,499	\$ 78,613	\$ 474,258
Due to other funds	100,000	-	-
Accrued salaries and vacation	2,469,406	620,241	-
Other accrued liabilities	1,412,755	-	-
Deferred revenue	4,494,451	8,810,116	-
<b>Total liabilities</b>	<u>10,205,111</u>	<u>9,508,970</u>	<u>474,258</u>
<b>Fund balances:</b>			
Reserved for:			
Encumbrances	650,679	68,380	7,324,916
Project Maintenance	-	-	-
Debt	-	-	-
Special purposes	106,447	-	32,764,282
Inventory/prepaid items	188,922	-	75,000
Designated for:			
Risk benefit	4,705,061	250,000	-
Unreserved - undesignated	26,509,685	1,412,391	9,072,479
Unreserved, reported in nonmajor:			
Special revenue	-	-	-
Debt service	-	-	-
Capital projects	-	-	-
Permanent	-	-	-
<b>Total fund balances</b>	<u>32,160,794</u>	<u>1,730,771</u>	<u>49,236,677</u>
<b>Total liabilities and fund balances</b>	<u>\$ 42,365,905</u>	<u>\$ 11,239,741</u>	<u>\$ 49,710,935</u>

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

<b>Special Sales Tax Phase IV</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 58,757,602	\$ 31,359,963	\$ 169,693,717
-	2,863,614	7,188,458
2,397,570	882,832	8,266,381
-	86,667	113,386
-	336,835	436,835
-	217,306	274,533
-	-	132,997
-	-	130,925
-	1,571,208	1,571,208
-	204,539	204,539
-	338,625	338,625
-	162,357	14,144,095
<u>\$ 61,155,172</u>	<u>\$ 38,023,946</u>	<u>\$ 202,495,699</u>

\$ 907,402	\$ 1,066,686	\$ 4,255,458
-	1,141,568	1,241,568
61,242	155,952	3,306,841
-	77,939	1,490,694
-	2,666,984	15,971,551
<u>968,644</u>	<u>5,109,129</u>	<u>26,266,112</u>

5,094,840	3,673,205	16,812,020
-	5,596,460	5,596,460
-	2,986,302	2,986,302
(5,094,840)	16,550,138	44,326,027
-	-	263,922
-	-	4,955,061
60,186,528	-	97,181,083
-	9,690,487	9,690,487
-	(474,252)	(474,252)
-	(5,388,479)	(5,388,479)
-	280,956	280,956
<u>60,186,528</u>	<u>32,914,817</u>	<u>176,229,587</u>
<u>\$ 61,155,172</u>	<u>\$ 38,023,946</u>	<u>\$ 202,495,699</u>





**Augusta, Georgia**  
**Reconciliation of the Balance Sheet of Governmental Funds to the**  
**Statement of Net Assets**  
**December 31, 2003**

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

Ending fund balance - governmental funds	\$ 176,229,587
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	217,851,576
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Adjustment of deferred revenue	5,870,794
Long-term notes receivable	2,794,169
Annual pension asset (liability)	<u>179,218</u>
	8,844,181
Internal service funds are used by management to charge the costs of risk management, fleet operations, employee benefits, and GMA lease activity to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	256,608
Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	
Long-term liabilities	(13,000,341)
Bond issue costs capitalized	173,767
Accrued interest	<u>(95,100)</u>
	(12,921,674)
Net assets of governmental activities	<u><u>\$ 390,260,278</u></u>

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

**Augusta, Georgia**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended December 31, 2003**

	<b>General</b>	<b>Fire Protection</b>	<b>Special Sales Tax Phase III</b>
<b>Revenues</b>			
Taxes - property	\$ 25,264,680	\$ 3,383,760	\$ -
Taxes - other than property	41,485,449	7,779,134	-
Licenses and permits	1,344,602	-	-
Use of money and property	1,921,751	85,495	621,513
Charges for current services	16,011,173	15,050	2,737
Fines and forfeitures	6,624,414	-	-
Intergovernmental	2,114,173	-	1,053,221
Contributions and donations	8,487	-	-
Other	78,110	19,615	-
<b>Total revenues</b>	<b>94,852,839</b>	<b>11,283,054</b>	<b>1,677,471</b>
<b>Expenditures</b>			
Current:			
General government	21,701,088	961,131	200,230
Judicial	10,525,575	-	-
Public safety	41,986,133	16,203,602	-
Public works	5,859,635	-	1,520,392
Health and welfare	2,049,197	-	-
Culture and recreation	10,796,229	-	650,444
Housing and development	1,501,551	-	-
Capital outlay	3,103,889	-	4,984,356
Debt service	117,392	-	-
<b>Total expenditures</b>	<b>97,640,689</b>	<b>17,164,733</b>	<b>7,355,422</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(2,787,850)</b>	<b>(5,881,679)</b>	<b>(5,677,951)</b>
<b>Other financing sources (uses)</b>			
Transfers in	1,805,740	6,012,000	-
Transfers (out)	(406,831)	-	-
Capital lease proceeds	2,317,703	-	-
Proceeds of refunding bond	-	-	-
Payment of refunded debt	-	-	-
<b>Total other financing sources (uses)</b>	<b>3,716,612</b>	<b>6,012,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>928,762</b>	<b>130,321</b>	<b>(5,677,951)</b>
<b>Fund balance - beginning</b>	<b>31,232,032</b>	<b>1,600,450</b>	<b>54,914,628</b>
<b>Fund balance - ending</b>	<b>\$ 32,160,794</b>	<b>\$ 1,730,771</b>	<b>\$ 49,236,677</b>

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

<b>Special Sales Tax Phase IV</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 11,369,821	\$ 40,018,261
31,115,877	11,451,406	91,831,866
-	2,961,828	4,306,430
620,572	661,477	3,910,808
5,435	3,151,597	19,185,992
-	1,486,039	8,110,453
-	4,190,164	7,357,558
-	269,738	278,225
-	585,686	683,411
<u>31,741,884</u>	<u>36,127,756</u>	<u>175,683,004</u>
593,006	1,256,026	24,711,481
-	467,908	10,993,483
206,880	2,780,402	61,177,017
1,878,579	3,813,432	13,072,038
476,547	-	2,525,744
592,694	3,650,391	15,689,758
-	5,872,764	7,374,315
11,493,226	1,519,013	21,100,484
794,171	3,499,882	4,411,445
<u>16,035,103</u>	<u>22,859,818</u>	<u>161,055,765</u>
<u>15,706,781</u>	<u>13,267,938</u>	<u>14,627,239</u>
-	825,571	8,643,311
(18,370)	(14,402,030)	(14,827,231)
-	-	2,317,703
-	4,035,000	4,035,000
-	(3,863,767)	(3,863,767)
<u>(18,370)</u>	<u>(13,405,226)</u>	<u>(3,694,984)</u>
15,688,411	(137,288)	10,932,255
<u>44,498,117</u>	<u>33,052,105</u>	<u>165,297,332</u>
<u>\$ 60,186,528</u>	<u>\$ 32,914,817</u>	<u>\$ 176,229,587</u>

Augusta, Georgia

**Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
Year Ended December 31, 2003**

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

Net change in fund balances - total governmental funds	\$ 10,932,255
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. This is the amount by which capital outlay exceeded depreciation in the current period.	11,791,011
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(506,994)
Governmental funds report collections of long-term receivables as revenues. However, in the statement of net assets the receivables are recorded, and collection of those receivables reduce the principal amount recorded. This is the amount of current year collections of notes receivable.	76,472
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. This amount is the net effect of these differences in the treatment of long-term debt and related accounts.	
Long-term liabilities	1,109,673
Bond issue costs capitalized	173,767
Accrued interest	114,001
	<u>1,397,441</u>
The net revenue of certain activities of the internal service fund is reported with governmental activities.	<u>(436,601)</u>
Change in net assets of governmental activities	<u>\$ 23,253,584</u>

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

**Augusta, Georgia**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Year Ended December 31, 2003**

Revenues	Budgeted Amounts		Actual Amounts	Variance with Final Budget -	2002 Actual
	Original	Final		Positive (Negative)	
Taxes - property	\$ 25,570,130	\$ 24,728,570	\$ 25,264,680	\$ 536,110	\$ 23,452,043
Taxes - other than property	41,729,810	41,729,810	41,485,449	(244,361)	40,951,853
Licenses and permits	1,322,660	1,322,660	1,344,602	21,942	2,172,307
Use of money and property	2,214,000	2,214,000	1,921,751	(292,249)	1,744,293
Charges for current services	14,631,260	14,681,760	16,011,173	1,329,413	14,315,448
Fines and forfeitures	7,404,640	7,433,885	6,624,414	(809,471)	7,648,604
Intergovernmental	1,966,620	2,689,182	2,114,173	(575,009)	1,519,910
Contributions and donations	-	-	8,487	8,487	87
Other	64,100	64,100	78,110	14,010	138,723
Total revenues	94,903,220	94,863,967	94,852,839	(11,128)	91,943,268
Expenditures					
Current:					
General government	22,665,210	21,508,093	21,701,088	(192,995)	20,519,887
Judicial	10,037,530	10,554,458	10,525,575	28,883	9,541,324
Public safety	42,988,350	43,072,583	41,986,133	1,086,450	41,648,362
Public works	6,880,480	7,303,070	5,859,635	1,443,435	5,784,919
Health and welfare	2,049,920	2,263,187	2,049,197	213,990	2,041,700
Culture and recreation	11,213,690	11,132,344	10,796,229	336,115	10,467,424
Housing and development	1,471,530	1,720,890	1,501,551	219,339	1,969,401
Capital outlay	548,930	1,107,168	3,103,889	(1,996,721)	1,890,752
Debt service	147,290	147,290	117,392	29,898	124,833
Total expenditures	98,002,930	98,809,083	97,640,689	1,168,394	93,988,602
Excess (deficiency) of revenues over (under) expenditures	(3,099,710)	(3,945,116)	(2,787,850)	1,157,266	(2,045,334)
Other financing sources (uses)					
Transfers in	3,176,910	4,036,312	1,805,740	(2,230,572)	3,120,299
Transfers (out)	(77,200)	(91,196)	(406,831)	(315,635)	(537,428)
Capital lease proceeds	-	-	2,317,703	2,317,703	1,278,319
Total other financing sources (uses)	3,099,710	3,945,116	3,716,612	(228,504)	3,861,190
Net change in fund balances	\$ -	\$ -	928,762	\$ 928,762	1,815,856
Fund balance - beginning			31,232,032		29,416,176
Fund balance - ending			\$ 32,160,794		\$ 31,232,032

**Augusta, Georgia**  
**Fire Protection**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Year Ended December 31, 2003**

	Budgeted Amounts			Variance with Final Budget -	
Revenues	Original	Final	Actual Amounts	Positive (Negative)	2002 Actual
Taxes - property	\$ 3,523,850	\$ 3,399,030	\$ 3,383,760	\$ (15,270)	\$ 2,941,810
Taxes - other than property	7,770,000	7,770,000	7,779,134	9,134	7,089,803
Use of money and property	232,000	232,000	85,495	(146,505)	104,676
Charges for current services	6,000	6,000	15,050	9,050	11,450
Intergovernmental	-	64,859	-	(64,859)	-
Other	-	-	19,615	19,615	24,560
Total revenues	11,531,850	11,471,889	11,283,054	(188,835)	10,172,299
Expenditures					
Current:					
General government	658,970	620,970	961,131	(340,161)	1,133,756
Public safety	16,992,880	17,245,575	16,203,602	1,041,973	15,928,544
Capital outlay	17,000	54,855	-	54,855	8,482
Debt service	-	125,000	-	125,000	-
Total expenditures	17,668,850	18,046,400	17,164,733	881,667	17,070,782
Excess (deficiency) of revenues over (under) expenditures	(6,137,000)	(6,574,511)	(5,881,679)	692,832	(6,898,483)
Other financing sources (uses)					
Transfers in	6,137,000	6,574,511	6,012,000	(562,511)	6,512,306
Total other financing sources (uses)	6,137,000	6,574,511	6,012,000	(562,511)	6,512,306
Net change in fund balances	\$ -	\$ -	130,321	\$ 130,321	(386,177)
Fund balance - beginning			1,600,450		1,986,627
Fund balance - ending			\$ 1,730,771		\$ 1,600,450

**Augusta, Georgia**  
**Statement of Net Assets**  
**Proprietary Funds**  
**December 31, 2003**

	Enterprise Funds				Internal Service Funds
	Water and Sewer System	Augusta Regional Airport	Other Enterprise Funds	Total	
Assets					
Current assets					
Cash and temporary investments	\$ 26,092,976	\$ 13,026,708	\$ 11,118,635	\$ 50,238,319	\$ 960,466
Receivables (net of allowance for doubtful accounts)					
Taxes	-	-	632,531	632,531	-
Accounts	5,936,762	672,198	454,049	7,063,009	3,068,652
Interest	913,235	-	1,312	914,547	-
Intergovernmental	-	353,207	881,359	1,234,566	-
Inventory	1,435,013	181,388	238,448	1,854,849	-
Due from other funds	-	-	72,710	72,710	-
Total current assets	34,377,986	14,233,501	13,399,044	62,010,531	4,029,118
Noncurrent assets					
Restricted cash and investments	162,681,573	-	-	162,681,573	13,098,945
Deferred bond issuance costs	4,154,589	-	-	4,154,589	-
Capital assets, net	270,365,483	25,435,367	9,708,651	305,509,501	240,342
Total noncurrent assets	437,201,645	25,435,367	9,708,651	472,345,663	13,339,287
Total assets	\$ 471,579,631	\$ 39,668,868	\$ 23,107,695	\$ 534,356,194	\$ 17,368,405
Liabilities					
Current liabilities					
Accounts payable	\$ 6,666,104	\$ 636,191	\$ 741,763	\$ 8,044,058	\$ 828,474
Accrued interest	3,948,582	-	-	3,948,582	-
Due to others	-	39,000	-	39,000	-
Due to other funds	5,702,212	1,663,879	3,538,534	10,904,625	433,451
Accrued salaries and vacation	633,225	186,943	305,548	1,125,716	36,300
Other accrued liabilities	-	-	162,907	162,907	-
Deferred revenue	-	-	650	650	-
Current portion of notes payable	428,936	-	-	428,936	-
Current portion of leases payable	498,133	-	49,057	547,190	-
Current portion of revenue bonds payable	2,255,000	-	-	2,255,000	-
Total current liabilities	20,132,192	2,526,013	4,798,459	27,456,664	1,298,225
Noncurrent liabilities					
Closure/postclosure accrual	-	-	11,800,706	11,800,706	-
Revenue bonds payable	300,504,183	-	-	300,504,183	15,989,693
Notes payable	8,778,445	-	-	8,778,445	-
Capital leases	237,084	-	49,057	286,141	-
Total noncurrent liabilities	309,519,712	-	11,849,763	321,369,475	15,989,693
Total liabilities	329,651,904	2,526,013	16,648,222	348,826,139	17,287,918
Net assets					
Invested in capital assets, net of related debt	112,589,981	25,435,367	9,610,537	147,635,885	240,342
Restricted	7,755,294	-	-	7,755,294	-
Unrestricted	21,582,452	11,707,488	(3,151,064)	30,138,876	(159,855)
Total net assets	\$141,927,727	\$37,142,855	\$6,459,473	\$185,530,055	\$80,487

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

Certain internal fund assets and liabilities are included with business-type activities.	\$ (176,121)
Total net assets for business-type activities	<u>\$ 185,353,934</u>

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

**Augusta, Georgia**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**Year Ended December 31, 2003**

	Enterprise Funds				Internal Service Funds
	Water and Sewer System	Augusta Regional Airport	Other Enterprise Funds	Total	
<b>Operating revenues</b>					
Charges and fees	\$ 45,135,821	\$ 10,880,553	\$ 13,323,385	\$ 69,339,759	\$ 24,365,459
Total operating revenues	45,135,821	10,880,553	13,323,385	69,339,759	24,365,459
<b>Operating expenses</b>					
Personal services and employee benefits	7,945,976	2,435,033	4,136,156	14,517,165	391,723
Purchased/contracted services	7,797,023	1,541,685	11,289,047	20,627,755	415,724
Supplies	3,710,838	4,947,693	1,037,507	9,696,038	332,381
Repairs and maintenance	2,629,780	328,599	413,087	3,371,466	3,685,194
Interfund/interdepartmental charges	1,581,260	274,733	873,520	2,729,513	379
Other costs	25,000	108,310	774,212	907,522	98,787
Depreciation	10,019,815	1,555,972	1,704,145	13,279,932	96,615
Closure/postclosure accrual	-	-	817,227	817,227	-
Lease expense	-	-	-	-	3,275,020
Risk benefit charges	-	-	-	-	942,285
Insurance	-	-	-	-	15,896,194
Total operating expenses	33,709,692	11,192,025	21,044,901	65,946,618	25,134,302
<b>Operating income (loss)</b>	11,426,129	(311,472)	(7,721,516)	3,393,141	(768,843)
<b>Nonoperating revenue (expense)</b>					
Interest revenue	6,760,818	173,169	116,749	7,050,736	350,598
Sale of property	90,854	-	4,050	94,904	300
Other revenue	-	597,492	30,705	628,197	147,292
Intergovernmental	-	1,236,414	1,474,183	2,710,597	-
Interest expense	(16,442,576)	(23,287)	(76,512)	(16,542,375)	(342,069)
Total nonoperating revenue (expense)	(9,590,904)	1,983,788	1,549,175	(6,057,941)	156,121
<b>Income (loss) before transfers</b>	1,835,225	1,672,316	(6,172,341)	(2,664,800)	(612,722)
Transfers in	-	100,000	4,828,890	4,928,890	182,288
Transfers out	-	(50,000)	-	(50,000)	(182,288)
<b>Change in net assets</b>	1,835,225	1,722,316	(1,343,451)	2,214,090	(612,722)
<b>Total net assets - beginning</b>	137,659,482	35,420,539	8,614,526	181,694,547	429,886
<b>Prior period adjustment</b>	2,433,020	-	(811,602)	1,621,418	263,323
<b>Total net assets - beginning, as restated</b>	140,092,502	35,420,539	7,802,924	183,315,965	693,209
<b>Total net assets - ending</b>	\$ 141,927,727	\$ 37,142,855	\$ 6,459,473	\$ 185,530,055	\$ 80,487

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

Certain internal fund assets and liabilities are included with business-type activities.

Total net assets for business-type activities

(176,121)  
\$ 185,353,934

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



**Augusta, Georgia**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended December 31, 2003**

	Enterprise Funds			Total	Internal Service Funds
	Water & Sewer System	Augusta Regional Airport	Other Enterprise Funds		
<b>Operating activities</b>					
Cash received from customers	\$ 44,460,305	\$ 11,539,987	\$ 14,434,805	\$ 70,435,097	\$ -
Cash received from contributions	-	-	-	-	22,218,647
Cash paid to suppliers	(10,263,618)	(10,211,208)	(13,030,454)	(33,505,280)	(21,476,366)
Cash paid to employees	(7,914,113)	-	(4,086,856)	(12,000,969)	(387,075)
Cash paid for interfund services used	1,986,866	-	339,087	2,325,953	(379)
<b>Net cash provided by (used in)     operating activities</b>	<b>28,269,440</b>	<b>1,328,779</b>	<b>(2,343,418)</b>	<b>27,254,801</b>	<b>354,827</b>
<b>Noncapital financing activities</b>					
Transfers in	-	100,000	4,828,890	4,928,890	3,268,818
Transfers out	-	(50,000)	-	(50,000)	-
Operating grants	-	-	97,719	97,719	-
Interest expense on operating capital	-	-	(50,612)	(50,612)	(10,514)
Other revenue	-	580,528	-	580,528	147,292
<b>Net cash provided by noncapital     financing activities</b>	<b>-</b>	<b>630,528</b>	<b>4,875,997</b>	<b>5,506,525</b>	<b>3,405,596</b>
<b>Capital and related financing activities</b>					
Proceeds from grants	-	1,055,171	586,771	1,641,942	-
Proceeds from sale of property	90,854	-	4,050	94,904	299
Proceeds from capital leases	711,253	-	-	711,253	-
Interest on bond funds	6,456,569	-	-	6,456,569	-
Other miscellaneous income	-	-	30,705	30,705	-
Purchase of capital assets	(60,797,745)	(3,030,226)	(762,779)	(64,590,750)	1
Interest paid on capital debt	(16,064,318)	-	(25,900)	(16,090,218)	(3,555,460)
Principal paid on capital debt	(1,462,904)	(24,230)	-	(1,487,134)	-
Principal paid on revenue bonds	(2,175,000)	-	-	(2,175,000)	-
<b>Net cash provided (used) by capital and     related financing activities</b>	<b>(73,241,291)</b>	<b>(1,999,285)</b>	<b>(167,153)</b>	<b>(75,407,729)</b>	<b>(3,555,160)</b>
<b>Investing activities</b>					
Interest received	756,493	173,169	117,085	1,046,747	350,598
<b>Net cash provided by investing activities</b>	<b>756,493</b>	<b>173,169</b>	<b>117,085</b>	<b>1,046,747</b>	<b>350,598</b>
<b>Net increase in cash and cash     equivalents/investments</b>	<b>(44,215,358)</b>	<b>133,191</b>	<b>2,482,511</b>	<b>(41,599,656)</b>	<b>555,861</b>
<b>Cash and cash equivalents/investments</b>					
<b>Beginning of year</b>	<b>232,989,907</b>	<b>12,893,517</b>	<b>8,636,124</b>	<b>254,519,548</b>	<b>13,503,550</b>
<b>End of year</b>	<b>\$ 188,774,549</b>	<b>\$ 13,026,708</b>	<b>\$ 11,118,635</b>	<b>\$ 212,919,892</b>	<b>\$ 14,059,411</b>

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

**Augusta, Georgia**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended December 31, 2003**

	Enterprise Funds			Total	Internal Service Funds
	Water & Sewer System	Augusta Regional Airport	Other Enterprise Funds		
<b>Reconciliation of operating income (loss)</b>					
to net cash provided by					
(used in) operating activities					
Operating income (loss)	\$ 11,426,129	\$ (311,472)	\$ (7,721,516)	\$ 3,393,141	\$ (227,349)
Adjustments to reconcile operating income (loss)					
to net cash provided by (used in) operating					
activities:					
Depreciation	10,019,815	1,555,972	1,704,145	13,279,932	22,519
Closure/post closure costs	-	-	817,227	817,227	-
Change in assets and liabilities					
Accounts receivable	(675,515)	590,607	2,303,636	2,218,728	2,660,648
Due from other funds	-	-	160,211	160,211	1,031,374
Inventory	16,749	(7,417)	(34,013)	(24,681)	-
Taxes receivable	-	-	(632,531)	(632,531)	-
Accounts payable	1,782,318	(498,911)	(87,261)	1,196,146	(463,653)
Accrued salaries and vacation	60,135	-	49,300	109,435	7,365
Other accrued liabilities	-	-	(41,885)	(41,885)	3,010
Due to other funds	5,592,976	-	1,138,619	6,731,595	(664,277)
Unearned revenue	-	-	650	650	-
Claims payable	46,833	-	-	46,833	-
Total adjustments	16,843,311	1,640,251	5,378,098	23,861,660	2,596,986
<b>Net cash provided by (used in)</b>					
<b>operating activities</b>	<b>\$ 28,269,440</b>	<b>\$ 1,328,779</b>	<b>\$ (2,343,418)</b>	<b>\$ 27,254,801</b>	<b>\$ 2,369,637</b>

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

**Augusta, Georgia**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**December 31, 2003**

	<b>Pension Trust Funds</b>	<b>Private-purpose Trust Fund Joseph R. Lamar</b>	<b>Agency Funds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 4,363,721	\$ 190	\$ 7,639,528
Investments			
U.S. Government securities	20,524,886	-	-
Corporate bonds	17,038,735	-	-
Equity securities	47,391,791	-	-
Real estate	1,700,000	-	-
Receivables (net of allowance for doubtful accounts)			
Taxes	-	-	24,807,936
Interest	651,053	-	-
Restricted assets			
Perpetual care	-	5,000	-
Due from other funds	100,000	-	-
Total assets	<u>\$ 91,770,186</u>	<u>\$ 5,190</u>	<u>\$ 32,447,464</u>
<b>Liabilities</b>			
Accounts payable	\$ 9,167	\$ -	\$ -
Due to others	-	-	6,272,892
Due to other funds	370,525	-	1,366,636
Uncollected taxes	-	-	24,807,936
Total liabilities	<u>379,692</u>	<u>-</u>	<u>\$ 32,447,464</u>
<b>Net assets</b>			
Held in trust for pension benefits and other purposes	<u>\$ 91,390,494</u>	<u>\$ 5,190</u>	

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

**Augusta, Georgia**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**Year Ended December 31, 2003**

	<b>Pension Trust Funds</b>	<b>Private-purpose Trust Fund Joseph R. Lamar</b>
<b>Additions</b>		
Contributions	\$ 2,102,484	\$ -
Net investment income	11,148,628	307
Transfers in	1,305,030	-
Total additions	<u>14,556,142</u>	<u>307</u>
<b>Deductions</b>		
Other	-	175
Administration	590,585	-
Benefit payments	5,848,372	-
Refunds	225,313	-
Total deductions	<u>6,664,270</u>	<u>175</u>
<b>Change in net assets</b>	7,891,872	132
<b>Total net assets - beginning</b>	<u>83,498,622</u>	<u>5,058</u>
<b>Total net assets - ending</b>	<u>\$ 91,390,494</u>	<u>\$ 5,190</u>

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



## **Notes to Financial Statements**



## Notes to Financial Statements

Year Ended December 31, 2003

**Note 1 - Summary of significant accounting policies**

Augusta, Georgia ("the Government") accounts for its financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The Government's reporting entity applies all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and in the proprietary fund financial statements, the Government applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Accordingly, the Government has adopted accounting policies, as described below.

**A. Reporting entity**

Augusta is located in the east central section of the state on the south bank of the Savannah River, which serves as the boundary between Georgia and South Carolina. Augusta is on the fall line and has a landscape dotted with foothills which descend to the coastal plain. Augusta is the head of the navigation on the Savannah River and is 135 miles east of Atlanta, 127 miles northwest of the port of Savannah, and 72 miles southwest of Columbia, South Carolina. Augusta is the trade center for 13 counties in Georgia and five in South Carolina, a section known as the Central Savannah River Area.

The Government was created by legislative act in the State of Georgia in 1995 from the unification of the two governments, the City of Augusta, Georgia and Richmond County, Georgia. On June 20, 1995, the citizens of Richmond County and the City of Augusta voted to consolidate into one government named Augusta, Georgia. The officials for the new government were elected and, based on the charter, took office on January 1, 1996. The unified government combined all functions and began financial operations January 1, 1996.

The Government is governed by a full-time Mayor, with a term of four years, and a ten member Commission, who serve on a part-time basis and are elected to staggered terms of four years. The Mayor and Commission appoint an Administrator who serves as a full-time administrative officer and is responsible for the daily operations of the Government.

The Government's financial statements include the accounts of all Augusta and Richmond County operations. The criteria for including organizations as component units within Augusta's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Government holds the corporate powers of the organization
- the Government appoints a voting majority of the organization's board
- the Government is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the Government

Utilizing the above criteria, the following agencies and commissions were included using the blending method in the financial statements: Augusta Port Authority, Downtown Development Authority, and Richmond County Public Facilities, Inc. (see Note 4D).

Complete financial statements for the individual component units may be obtained at the following address: Augusta, Georgia, Finance Department, 501 Greene Street, Augusta, Georgia 30901

The Government's other component unit, the Department of Health, is included in a separate column in the accompanying government-wide financial statements. This unit is reported in a separate column to emphasize that it is legally separate from the Government. Separate financial statements may be obtained from the Richmond County Department of Health at 950 Laney Walker Blvd., Augusta, Georgia 30901

Richmond County Department of Health - A voting majority of the board is appointed by the Government.



## Notes to Financial Statements - Continued

Year Ended December 31, 2003

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Note 1 - Summary of significant accounting policies (Continued)**B. 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 Government. 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. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Government and for each function of the Government'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. 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.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

*Fund financial statements:* The fund financial statements provide information about the Government'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.

The Government reports the following major governmental funds:

**General Fund** – The General Fund is the general operating fund of the Government. 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, state grants, and various other taxes and licenses. The primary expenditures are for public safety, recreation, street maintenance and improvements, and sanitation services.

**Fire Protection Fund** – The Fire Protection Fund is a special revenue fund that accounts for the receipts and disbursements of tax revenues restricted for fire protection services in the unincorporated area only. The primary revenue source is ad valorem taxes, and the primary expenditures are for public safety.

**Special Sales Tax Phase III Fund** – The Special Sales Tax Phase III Fund is a capital projects fund that accounts for the receipts and disbursements of one percent (1%) sales tax currently collected from 1996 through 2000. The primary revenue sources are sales taxes, and the primary expenditures are capital outlay projects, primarily for public works, recreation and outside agency projects.

**Special Sales Tax Phase IV Fund** – This fund was established for expenditures specifically budgeted from revenues from the one cent sales tax (Phase IV) collected from the years 2001 – 2005 to be used primarily for public works, recreation and outside agency projects.

## Notes to Financial Statements - Continued

Year Ended December 31, 2003

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

The Government reports the following nonmajor governmental funds:

**Special Revenue Funds**

**Urban Services District Fund** - This fund accounts for revenue primarily from ad valorem taxes from areas within the former city limits and expenditures related to governmental services such as "Main Street", "Urban Street Lights", and "Sanitation".

**Emergency Telephone System Fund** - This fund accounts for the receipt and disbursement of revenues of the emergency telephone response system.

**Capital Outlay Fund** - This fund accounts for the disbursement of revenues for all capital expenditures in General Fund departments. Capital expenditures are defined as any non-disposable item over \$500 which includes vehicles, office and computer equipment, communications equipment, building renovations and office furniture.

**Law Enforcement Fund** - This fund accounts for revenue and expenditures of the Sheriff's Department and Jail.

**Occupational Tax Fund** - This fund accounts for the receipt and disbursement of tax revenues restricted for fire protection services in the unincorporated area only.

**Special Assessment Fund** - This fund accounts for the receipt and disbursement of street light assessment taxes for the installation of street lights in the Government.

**Promotion/Tourism Fund** - This fund accounts for the receipt and disbursement of hotel/motel and beer/wine tax revenues to the Augusta-Richmond County Convention & Visitors Bureau and the Augusta-Richmond County Coliseum Authority.

**Housing and Neighborhood Development Fund** - This fund accounts for the financing and construction of various community development projects from grants received from the U.S. Department of Housing and Urban Development.

**Urban Development Action Grant (UDAG) Fund** - This fund accounts for loan transactions in relation to urban development action grants. Repayments of initial grant revenue loaned to qualified recipients are restricted to additional financing to qualified applicants.

**Downtown Development Authority Fund** - This fund accounts for funding it receives from the County and from special tax on downtown merchants.

**State Capital Grants Fund** - This fund accounts for receipt and expenditure of the State Capital Grant, which is restricted for capital expenditures only.

**Law Library Fund** - This fund accounts for revenue and expenditures of the Law Library.

**5% Crime Victim's Assistance Fund** - This fund accounts for the 5% surcharge on certain fines with the proceeds used for a victim's assistance program.

**Supplemental Juvenile Service Fund** - This fund accounts for supervisory fees collected on juvenile cases.

**Building Inspection Fund** - This fund accounts for building inspection revenues and expenditures.

**Weed and Seed Federal Grant Fund** - This fund accounts for a grant designed to target high risk areas for teens and weed out the bad influences and sow the seed for a better life.

Notes to Financial Statements - Continued

Year Ended December 31, 2003

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

**Wireless Phase Fund** – This fund accounts for activities associated with 911 charges for wireless service.

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

**Perpetual Care I Fund** - This fund accounts for monies collected from sale of perpetual care contracts at Government-owned cemeteries after October 1, 1970, as well as receipt of investment earnings on all perpetual care investments and payment of cemetery maintenance expenditures.

**Landbank Authority** - This fund accounts for property owned by the County for the future progress of Augusta, GA.

**Federal Drug Fund** - This fund accounts for activities associated with drug education and enforcement.

**State Drug Fund** - This fund accounts for activities associated with drug education and enforcement.

**Debt Service Funds**

**Debt Service Fund** - This fund accounts for general obligation bonds and notes payable and any other debts not recorded in the Enterprise Funds.

**Urban Debt Service Fund** - This fund accounts for general obligation bonds related to the former City of Augusta.

**Capital Projects Funds**

**Community Development Fund** - This fund accounts for the financing and construction of various community development projects. Financing is provided by grants received from the U.S. Department of Housing and Urban Development.

**Special Sales Tax Phase I Fund** - This fund accounts for financing and construction of various road improvement projects. Financing is provided by receipts from a 1987 special one percent local option sales tax referendum.

**Special Sales Tax Phase II Fund** - This fund accounts for financing and construction of various construction and road improvements, drainage, jail improvements, and museums. Financing is to be provided by receipts from a 1991 special one percent local option sales tax referendum.

**Permanent Fund**

**Perpetual care II Fund** - This fund accounts for the principal originally donated for the sale of perpetual care contracts at government-owned cemeteries after October 1, 1970. The principal must be maintained intact and invested.

The Government reports the following major enterprise funds:

**Water and Sewer System Fund** – This fund is used to account for the activity of providing water and sewer services to the residents of the County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, operations, maintenance, financing and related debt service, and billing and collection.

**Augusta Regional Airport at Bush Field Fund** - This fund accounts for the operations of Augusta Regional Airport at Bush Field, the only airport within the County from which service from the major airlines is available.

## Notes to Financial Statements - Continued

Year Ended December 31, 2003

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

The Government reports the following nonmajor enterprise funds:

**Waste Management Fund** - This fund accounts for the provision of landfill services to residents and industries of the County. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, billing and collection.

**Municipal Golf Course Fund** - This fund accounts for the operation of the Municipal Golf Course, an 18-hole golf course located within the city limits.

**Transit Fund** - This fund accounts for the operations of the Augusta Public Transit which provides scheduled bus service within Richmond and Columbia counties.

**Daniel Field Airport Fund** - This fund accounts for revenue and expenses related to Daniel Field Airport.

**Newman Tennis Center Fund** - This fund accounts for receipt and expenses related to the operations at Newman Tennis Center.

**Garbage Collection Fund** - This fund accounts for receipt and expenses related to the Government's garbage collection contract.

**Riverwalk Fund** - This fund accounts for receipt and expenses related to the Government's Riverwalk.

Additionally, the Government reports the following fund types:

**Pension Trust Fund** - The Government has pension trust funds that account for the Government's employees' pension plans. The Government maintains the following pension trust funds: 1945 Pension Trust Fund, 1977 Pension Trust Fund, and the General Retirement Fund.

**Private Purpose Trust Fund** - The Government has a private-purpose trust fund that accounts for resources legally held in trust to finance awards for children attending Joseph R. Lamar School. The principal amount of the gift is to be maintained intact and invested. Investment earnings are used for the awards. The Government maintains the following private-purpose trust fund: Joseph R. Lamar Fund.

**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 Government holds on behalf of others. The Government maintains the following agency funds: Tax Commissioner, which accounts for tax billings, collections and remittances made by the Tax Commissioner on behalf of the County and other governmental agencies; Probate judge, which accounts for the receipt and disbursement of licenses and other fees collected by the Probate Judge; Sheriff's Department, which accounts for the receipt and disbursement of funds collected by the department from individuals posting bond; Civil Court, which accounts for the receipt and disbursement of court-ordered fines, fees and garnishments made on behalf of third parties; and Clerk of Court, which accounts for the receipt and disbursement of court-ordered fines and fees made on behalf of third parties and traffic violation fines.

## Notes to Financial Statements - Continued

Year Ended December 31, 2003

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**Note 1 - Summary of significant accounting policies (Continued)****C. Measurement Focus and Basis of Accounting**

*Government-wide, Proprietary and Fiduciary Fund Financial Statements* – The government-wide, proprietary fund and fiduciary 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 financial statements are reported using the accrual basis on 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 Government 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.

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 Government enterprise funds are charges to customers for sales and services. The Government 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. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period. The Government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for 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 Government 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 Government funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Government's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

## Notes to Financial Statements - Continued

Year Ended December 31, 2003

**Note 1 - Summary of significant accounting policies (Continued)****D. Budgets and budgetary accounting**

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

1. Budgetary hearings are held in October to discuss departmental budgets.
2. The Finance Committee presents the tentative budget to the Commission in November.
3. The permanent budget is legally adopted by the Commission prior to the start of the next fiscal year.
4. All budget revisions or changes must be approved as required by Georgia law and administrative policy. Transfer of budgeted amounts between object categories within departments requires the approval of the Government's Administrator. The Augusta-Richmond County Commission must approve revisions that alter the total expenditures of any department or fund. Budgets for capital items are reappropriated in the ensuing year's budget. Departments may request for other budget items to be reappropriated in the form of a budget adjustment, contingent of the Commission's approval.
5. Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue, Debt Service and Capital Projects Funds.
6. Budgets for these funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

Budget information for expenditures represents the operating budget (as amended) as approved by the Augusta-Richmond County Commission.

**E. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration for the General Fund, Special Revenue Funds, Debt Service and Capital Projects Funds. Encumbrances are recorded when purchase orders are issued but are not considered expenditures until liabilities for payments are incurred. Encumbrances for outstanding purchase orders do not lapse at year end. Therefore, they are reported as reservations of fund balance.

**F. Cash and cash equivalents**

The Government maintains a cash and investment pool in which the General Fund and all funds share. Each fund's portion of the pool is displayed on its respective balance sheet as cash and cash equivalents and includes non-pooled cash and investments separately held. Funds which have an excess of outstanding checks over bank balance have had these balances reclassified as a due to the General Fund for purposes of financial statement presentation. Interest income is allocated to each fund monthly based on its average monthly balance.

For the purposes of financial statement presentation, the Government considers all highly liquid investments with an original maturity of one year or less, or with insignificant early withdrawal penalties, to be cash equivalents. Exceptions include the Government's pension plans which classify only cash as cash equivalents in order to appropriately report investment activity. Cash equivalents include amounts in certificates of deposit, repurchase agreements, and U.S. Treasury bills, and are stated at cost which approximates market. All deposits are stated at cost plus accrued interest, which reasonably estimates fair value.

The State statutes authorize the Government to invest in obligations of the United States government and agencies thereof, general obligations of the State of Georgia or any of its political subdivisions, or banks and savings and loan associations to the extent that they are secured by the Federal Deposit Insurance Corporation.

## Notes to Financial Statements - Continued

Year Ended December 31, 2003

**Note 1 - Summary of significant accounting policies (Continued)****G. Investments**

Investments are reported at fair value. Fair value 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; fair value of real estate is based on appraised values.

**H. Inventories and prepaid expenses**

Inventories in the governmental funds are valued at cost using the first-in, first-out method. Inventories in the proprietary funds are valued at the lower of cost (first-in, first-out) or market. The costs of governmental fund-type inventories and prepaid expenses are recorded as expenditures when consumed rather than when purchased. Reported inventories and prepaid expenses are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources".

**I. Interfund receivables/payable 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.

**J. Bond discounts and issuance costs**

Bond discounts and issuance costs for proprietary funds are deferred and amortized over the term of the bonds using the effective-interest method. Bond discounts are presented as a reduction of the face amount of bonds payable, whereas issuance costs are recorded as deferred charges.

**K. Restricted assets**

Certain assets of the Debt Service Fund and Enterprise Funds are classified as restricted assets on the balance sheet because their use is limited by applicable debt covenants.

**L. Capital assets**

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of one year. Minimum capitalization costs are \$5,000 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 January 1, 2001, consist of the streets network that were acquired or that received substantial improvements subsequent to January 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 not capitalized.

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

Vehicles	5 years
Furniture and fixtures	7 years
Machinery and equipment	10 years
Buildings and improvements	20 years
Water and Sewer systems	30 years
Infrastructure	30 years

## Notes to Financial Statements - Continued

Year Ended December 31, 2003

**Note 1 - Summary of significant accounting policies (Continued)****M. Compensated absences**

The vacation policy of the City provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the Government's government-wide financial statements and proprietary fund financial statements, an expense and a liability for compensated absences and the salary-related payments are recorded as leave is earned. The Government has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

No accrual has been established for accumulated sick leave of employees since it is the Government's policy to record the cost of sick leave only when it is used.

**N. 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 and the reported amount of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**Note 2 - Stewardship, compliance and accountability****A. Excess of expenditures over appropriations**

	Expenditures		Variance
	Budget	Actual	Positive (Negative)
<b>Nonmajor Governmental Funds</b>			
Law Library	\$ -	\$ 15	\$ (15)
Special Assessment	1,257,020	1,525,129	(268,109)
Downtown Development Authority	426,320	672,780	(246,460)
5% Crime Assistance	383,000	397,654	(14,654)

**B. Fund Balance or Net Assets**

Following is a detail of funds with deficit fund balances or net assets. The Government plans to fund the deficits through the general operations of the Government.

<b>Nonmajor Governmental Funds</b>	
Emergency Telephone System	\$ (133,726)
Special Assessment	(16,177)
Downtown Development Authority	(86,794)
Law Library	(22,576)
<b>Nonmajor Enterprise Funds</b>	
Newman Tennis Center	\$ (201,647)
Garbage Collection	(608,281)

**Note 3 - Detailed notes on all funds****A. Deposits and investments**

At December 31, 2003, the Government's cash and temporary investments balance on the balance sheet included demand deposits, certificates of deposit, repurchase agreements, and local government investment pools. The cash balance was secured by Federal Depository Insurance Corporation (FDIC) or Savings Association Insurance Fund (SAIF) or by collateral held by the agent in the Government's name.



## Notes to Financial Statements - Continued

Year Ended December 31, 2003

## Note 3 – Detailed notes on all funds (Continued)

The local government investment pool "Georgia Fund 1", created by O.C.G.A. §36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAM rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share.

At December 31, 2003, the carrying amount of the Government's deposits with financial institutions was \$81,225,297 and the bank balance was \$82,715,798.

Amount insured by the FDIC	\$ 700,000
Amount collateralized with securities held by pledging institutions in the Government's name	<u>82,015,798</u>
Total bank balance of deposits	<u>\$ 82,715,798</u>

The Government's investments are shown by type, carrying amount, market value and level of risk assumed in the holding of the various securities. At December 31, 2003 the County's cash and investment balances were as follows:

	Category			Carrying	Market
	1	2	3	Amount	Value
Repurchase agreements	\$ 137,875,140	\$ -	\$ -	\$ 137,875,140	\$ 137,875,140
U.S. Government securities	22,446,692	41,147,399	-	63,594,091	63,594,091
Corporate securities	17,038,735	219,360	-	17,258,095	17,258,095
Equity securities	47,391,791	-	-	<u>47,391,791</u>	<u>47,391,791</u>
Local government investment pool				139,394,383	139,394,383
Carrying amount of deposits with financial institutions				81,225,297	81,225,297
Deposits with investment houses				4,314,440	4,314,440
Certificates of deposits held by investment houses				4,672,252	4,672,252
Cash on hand				<u>25,754</u>	<u>25,754</u>
				<u>\$ 495,751,243</u>	<u>\$ 495,751,243</u>

The investments that are represented by specific identifiable investment securities are classified as to credit risk.

## Notes to Financial Statements - Continued

Year Ended December 31, 2003

## Note 3 - Detailed notes on all funds (Continued)

The levels of risk assumed in the various investments are categorized as follows:

- Category 1: includes the investments that are insured or registered or for which the securities are held by the Government or its agent in the Government's name.
- Category 2: includes uninsured and unregistered investments for which the securities are held by the bank's or dealer's trust department or agent in the Government's name.
- Category 3: includes uninsured and unregistered investments for which the securities are held by the bank or dealer, or by its trust department or agent but not in the Government's name.

In addition on June 30, 2003, the carrying amount of the Department of Health's deposits was \$1,667,735 and the bank balance was \$2,163,371. Of the bank balance, \$400,000 was covered by federal depository insurance; the remaining balance of \$1,763,371 was covered by collateral held by the financial institution's agent in the Department's name. The Department's deposits were composed of the following amounts:

Governmental activities	\$ 1,200,480
Fiduciary activities – agency funds	<u>467,255</u>
	<u>\$ 1,667,735</u>

## B. Receivables

Property taxes are administered on a calendar year basis subject to the following dates:

Lien date	January 1
Levy date	August 15
Collection period	September 15 - November 15
Due date	November 15

Receivables at December 31, 2003, including the applicable allowances for uncollectible accounts, consist of the following:

	General	Fire Protection	Special Sales Tax Phase III	Special Sales Tax Phase IV	Water and Sewer	Bush Field	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	Total
Receivables:									
Taxes	\$ 4,277,258	\$ 543,950	\$ -	\$ -	\$ -	\$ -	\$ 2,978,043	\$ 1,296,602	\$ 9,095,853
Accounts	5,151,720	-	133,298	2,397,570	6,207,262	772,198	882,832	654,049	16,198,929
Interest	-	-	26,719	-	913,235	-	86,667	1,312	1,027,933
Note	100,000	-	-	-	-	-	661,656	-	761,656
Intergovernmental	57,227	-	-	-	-	353,207	217,306	881,359	1,509,099
Gross receivables	9,586,205	543,950	160,017	2,397,570	7,120,497	1,125,405	4,826,504	2,833,322	28,593,470
Less: allowance for uncollectibles	(774,312)	(21,091)	-	-	(270,500)	(100,000)	(439,250)	(864,071)	(2,469,224)
Net total receivables	<u>\$ 8,811,893</u>	<u>\$ 522,859</u>	<u>\$ 160,017</u>	<u>\$ 2,397,570</u>	<u>\$ 6,849,997</u>	<u>\$ 1,025,405</u>	<u>\$ 4,387,254</u>	<u>\$ 1,969,251</u>	<u>\$ 26,124,246</u>

	Total	Adjustments to Full Accrual	Total
Taxes	\$ 9,095,853	\$ -	\$ 9,095,853
Accounts	16,198,929	3,068,652	19,267,581
Interest	1,027,933	-	1,027,933
Note	761,656	2,794,169	3,555,825
Intergovernmental	1,509,099	-	1,509,099
Allowance	(2,469,224)	-	(2,469,224)
Net total receivables	<u>\$ 26,124,246</u>	<u>\$ 5,862,821</u>	<u>\$ 31,987,067</u>

**Notes to Financial Statements - Continued**

**Year Ended December 31, 2003**

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**Note 3 - Detailed notes on all funds (Continued)**

Adjustments to full accrual relate to long-term notes receivable and internal service funds. Internal service funds predominately serve the governmental funds. Accordingly, the internal service funds receivables balances are included in governmental activities on the accompanying government-wide financial statement.

For the above-mentioned long-term notes receivable, the bank maintains records that are not recorded in the governmental fund financial statements. These loans represent funds received through HUD's Housing Rehabilitation Program. The Housing Rehabilitation Program is designed to fund improvements to homes owned and occupied by persons in low to moderate-income ranges. In 1993, loans were also made to owners of rental units under a deferred loan arrangement as part of the Housing Rehabilitation Program. Loans made for these projects vary as to amounts and interest rates based on the level of income of the owner/occupiers. In the governmental fund financial statements, repayments of these loans are recorded as other revenue in the Housing and Neighborhood Development Fund, a nonmajor special revenue fund.

Finally, the Fiduciary fund financial statements include \$24,807,936 in taxes receivable recorded in agency funds. This amount is excluded from the foregoing schedule and represents the amount of receivables billed on behalf of other governments in an agency relationship. Also, included in the Fiduciary fund financial statements and excluded from the foregoing schedule are interest receivable totaling \$586,485 in the pension trust fund.

In a prior year, the former City of Augusta entered into an agreement with the Georgia Housing and Finance Authority (GHFA) to aid in the administration of Federal funds granted through the State for HUD's Rental Rehabilitation Program. The Government acts only in an administrative capacity and does not directly receive or disburse any funds related to this project. Therefore, the receipts, disbursements and related notes receivable for the GRFA program have not been included in the financial statements.

## Notes to Financial Statements - Continued

Year Ended December 31, 2003

## Note 3 - Detailed notes on all funds (Continued)

## C. Capital assets

A summary of changes in capital assets is as follows:

Governmental Activities

	January 1, 2003	Additions	Disposals	December 31, 2003
Capital assets, not being depreciated				
Land	\$ 15,784,481	\$ 867,474	\$ -	\$ 16,651,955
Construction in process	78,716,156	15,051,719	(4,223,191)	89,544,684
Total capital assets not being depreciated	94,500,637	15,919,193	(4,223,191)	106,196,639
Other capital assets:				
Land and Site Improvements	9,314,207	1,463,085	-	10,777,292
Buildings	67,250,535	2,287,956	-	69,538,491
Building improvements	6,631,102	83,068	-	6,714,170
Vehicles	23,297,902	3,581,976	(912,162)	25,967,716
Machinery and equipment	7,318,138	370,098	-	7,688,236
IT - hardware	2,011,277	327,912	-	2,339,189
IT - software	1,170,009	472,141	-	1,642,150
Furniture and fixtures	1,087,487	-	-	1,087,487
Infrastructure	41,516,495	569,503	-	42,085,998
Richmond County Public Facilities	12,655,483	-	-	12,655,483
Total other capital assets	172,252,635	9,155,739	(912,162)	180,496,212
Less accumulated depreciation for:				
Land and site improvements	(4,132,789)	(428,848)	-	(4,561,637)
Buildings	(18,819,592)	(2,073,161)	-	(20,892,753)
Building improvements	(1,578,576)	(327,605)	-	(1,906,181)
Vehicles	(13,476,034)	(3,586,761)	912,162	(16,150,633)
Machinery and equipment	(4,087,414)	(596,398)	-	(4,683,812)
IT - hardware	(1,370,204)	(341,756)	-	(1,711,960)
IT - software	(797,766)	(201,313)	-	(999,079)
Furniture and fixtures	(1,054,565)	(7,049)	-	(1,061,614)
Infrastructure	(4,755,897)	(1,325,515)	-	(6,081,412)
Richmond County Public Facilities	(10,546,236)	-	-	(10,546,236)
Leasehold Improvements	-	(5,616)	-	(5,616)
Total accumulated depreciation	(60,619,073)	(8,894,022)	912,162	(68,600,933)
Other capital assets, net	111,633,562	261,717	-	111,895,279
Governmental activities capital assets, net	\$ 206,134,199	\$ 16,180,910	\$ (4,223,191)	\$ 218,091,918

Depreciation expense was charge to functions as follows:

## Governmental activities

General government	\$ 3,301,308
Judicial	1,407,371
Public safety	2,859,656
Health and welfare	94,105
Culture and recreation	1,129,837
Housing and development	5,130
Fleet	76,917
Risk Management	19,698
	<u>\$ 8,894,022</u>

## Notes to Financial Statements - Continued

Year Ended December 31, 2003

## Note 3 - Detailed notes on all funds (Continued)

<u>Business-Type Activities:</u>	Balance December 31, 2002	Additions	Disposals	Balance December 31, 2003
<u>Water and Sewer</u>				
Capital assets, not being depreciated:				
Land	\$ 4,292,942	\$ 2,734,017	\$ -	\$ 7,026,959
Construction in progress	32,134,462	56,332,927	(6,884,606) *	81,582,783
Total capital assets not being depreciated	36,427,404	59,066,944	(6,884,606)	88,609,742
Other capital assets:				
Buildings	38,959,592	66,565	-	39,026,157
Vehicles	4,695,678	929,649	(417,667)	5,207,660
Machinery and equipment	5,641,631	503,697	(150,106)	5,995,222
Furniture and fixtures	421,374	-	-	421,374
Other capital	2,057,262	32,814	-	2,090,076
Water and sewerage systems	233,782,225	7,083,076	-	240,865,301
Contributed water and sewerage systems	10,563,423	-	-	10,563,423
Total capital assets being depreciated	296,121,185	8,615,801	(567,773)	304,169,213
Less accumulated depreciation for:				
Buildings	(19,500,163)	(1,204,305)	-	(20,704,468)
Vehicles	(2,800,446)	(1,118,153)	417,667	(3,500,932)
Machinery and equipment	(4,582,292)	(359,155)	149,713	(4,791,734)
Furniture and fixtures	(410,891)	(10,482)	-	(421,373)
Other capital	(1,866,086)	(107,405)	-	(1,973,491)
Water and sewerage systems	(78,436,338)	(6,711,900)	-	(85,148,238)
Contributed water and sewerage systems	(5,364,821)	(508,415)	-	(5,873,236)
Total accumulated depreciation	(112,961,037)	(10,019,815)	567,380	(122,413,472)
Other capital assets being depreciated, net	183,160,148	(1,404,014)	(393)	181,755,741
Water and sewer capital assets, net	\$ 219,587,552	\$ 57,662,930	\$ (6,884,999)	\$ 270,365,483

\* Disposals in Construction in progress are shown as additions to Capital assets being depreciated.

**Notes to Financial Statements - Continued**

**Year Ended December 31, 2003**

**Note 3 - Detailed notes on all funds (Continued)**

	Balance December 31, 2002	Additions	Disposals	Balance December 31, 2003
<u>Augusta Regional Airport</u>				
Capital assets not being depreciated:				
Land	\$ 4,684,256	\$ -	\$ -	\$ 4,684,256
Construction in progress	2,633,587	582,108	(2,098,463) *	1,117,232
Total capital assets not being depreciated	<u>7,317,843</u>	<u>582,108</u>	<u>(2,098,463)</u>	<u>5,801,488</u>
Other capital assets:				
Site improvements	1,667,085	-	-	1,667,085
Building improvements	1,101,919	788,560	-	1,890,479
Buildings	8,027,945	1,459,697	-	9,487,642
Vehicles	1,638,759	719,736	-	2,358,495
Machinery and equipment	780,057	1,106,468	-	1,886,525
Furniture and fixtures	226,759	100,349	-	327,108
Other capital	166,145	-	-	166,145
Information tech – hardware	68,468	-	-	68,468
Information tech – software	26,224	-	-	26,224
Infrastructure	20,921,719	386,031	-	21,307,750
Total capital assets being depreciated	<u>34,625,080</u>	<u>4,560,841</u>	<u>-</u>	<u>39,185,921</u>
Less accumulated depreciation for:				
Site improvements	(1)	(99,354)	-	(99,355)
Building improvements	(326,333)	(71,115)	-	(397,448)
Buildings	(6,098,887)	(391,085)	-	(6,489,972)
Vehicles	(1,397,724)	(142,246)	-	(1,539,970)
Machinery and equipment	(456,852)	(113,949)	-	(570,801)
Furniture and fixtures	(102,303)	(42,071)	-	(144,374)
Other capital	(132,915)	(33,229)	-	(166,144)
Information tech – hardware	(15,473)	(23,627)	-	(39,100)
Information tech – software	(8,367)	(6,012)	-	(14,379)
Infrastructure	(9,442,955)	(633,284)	(14,260)	(10,090,499)
Total accumulated depreciation	<u>(17,981,810)</u>	<u>(1,555,972)</u>	<u>(14,260)</u>	<u>(19,552,042)</u>
Other capital assets being depreciated, net	<u>16,643,270</u>	<u>3,004,869</u>	<u>(14,260)</u>	<u>19,633,879</u>
Augusta Regional Airport capital assets, net	\$ <u>23,961,113</u>	\$ <u>3,586,977</u>	\$ <u>(2,112,723)</u>	\$ <u>25,435,367</u>

\* Disposals in Construction in progress are shown as additions to Capital assets being depreciated.

## Notes to Financial Statements - Continued

Year Ended December 31, 2003

## Note 3 – Detailed notes on all funds (Continued)

	Balance December 31, 2002	Additions	Disposals	Balance December 31, 2003
<u>Nonmajor enterprise funds</u>				
Capital assets, not being depreciated				
Land	\$ 2,616,361	\$ -	\$ -	\$ 2,616,361
Construction in process	277,310	299,001	-	576,311
Total capital assets not being depreciated	2,893,671	299,001	-	3,192,672
Other capital assets:				
Site and building improvements	1,729,712	152,415	-	1,882,127
Landfill Cell IIC	9,399,876	-	-	9,399,876
Buildings	3,212,244	-	-	3,212,244
Vehicles	4,608,272	198,759	(33,931)	4,773,100
Machinery and equipment	2,446,658	48,869	(169,797)	2,325,730
Furniture and fixtures	-	11,385	-	11,385
Total capital assets being depreciated	21,396,762	411,428	(203,728)	21,604,462
Less accumulated depreciation for:				
Site and building improvements	(1,041,843)	(67,371)	-	(1,109,214)
Landfill Cell IIC	(7,519,901)	(935,747)	12,472	(8,443,176)
Buildings	(1,017,378)	(102,535)	-	(1,119,913)
Vehicles	(2,510,928)	(493,417)	33,931	(2,970,414)
Machinery and equipment	(1,447,816)	(104,316)	107,125	(1,445,007)
Furniture and fixtures	-	(759)	-	(759)
Total accumulated depreciation	(13,537,866)	(1,704,145)	153,528	(15,088,483)
Other capital assets, net	7,858,896	(1,292,717)	(50,200)	6,515,979
Nonmajor enterprise funds, net	10,752,567	(993,716)	(50,200)	9,708,651
Business-type activities capital assets, net	\$ 254,301,233	\$ 60,256,190	\$ (9,047,922)	\$ 305,509,501

Depreciation expense was charged to business-type activities as follows:

Waste management	\$ 1,068,939
Water and sewer	10,019,815
Augusta regional airport	1,555,972
Municipal golf course	44,831
Daniel Field airport	66,606
Transit	523,769
	<u>\$ 13,279,932</u>

Notes to Financial Statements - Continued

Year Ended December 31, 2003

Note 3 -- Detailed notes on all funds (Continued)

Capital asset activity for the Department of Health for the year ended June 30, 2003 was as follows:

	July 1, 2002	Additions	Disposals	June 30, 2003
Capital assets, not being depreciated				
Land	\$ 1,287,797	\$ 150,000	\$ -	\$ 1,437,797
Other capital assets:				
Buildings	5,324,398	654,087	-	5,978,485
Improvements	595,153	-	-	595,153
Equipment	82,129	17,700	-	99,829
Vehicles	134,215	32,586	(34,335)	132,466
	6,135,895	704,373	(34,335)	6,805,933
Less accumulated depreciation	(648,008)	(190,980)	31,586	(807,402)
Other capital assets, net	5,487,887	513,393	(2,749)	5,998,531
Governmental activities capital assets, net	\$ 6,775,684	\$ 663,393	\$ (2,749)	\$ 7,436,328

D. Accounts payable and accrued liabilities

Payables for the Government at December 31, 2003 were as follows:

	Fund Financial Statements								Total
	General	Fire Protection	Special Sales Tax Phase III	Special Sales Tax Phase IV	Water and Sewer	Augusta Regional Airport	Nonmajor Governmental Funds	Nonmajor Proprietary Funds	
Payables:									
Accounts payable	\$ 1,728,499	\$ 78,613	\$ 474,258	\$ 907,402	\$ 6,666,104	\$ 636,191	\$ 1,066,686	\$ 741,763	\$ 12,299,516
Accrued interest	-	-	-	-	3,948,582	-	-	-	3,948,582
Accrued salaries and vacation	2,469,406	620,241	-	61,242	633,225	186,943	155,952	305,548	4,432,557
Other accrued liabilities	1,412,755	-	-	-	-	-	77,939	162,907	1,653,601
Total accounts payable and accrued liabilities	\$ 5,610,660	\$ 698,854	\$ 474,258	\$ 968,644	\$ 11,247,911	\$ 823,134	\$ 1,300,577	\$ 1,210,218	\$ 22,334,256

	Government-wide Financial Statements		
	Total	Adjustments to Full-Accrual	Total
Payables:			
Accounts payable	\$ 12,299,516	\$ 828,474	\$ 13,127,990
Accrued interest	3,948,582	95,100	4,043,682
Accrued salaries and vacation	4,432,557	(556,928)	3,875,629
Other accrued liabilities	1,653,601	-	1,653,601
Total accounts payable and accrued liabilities	\$ 22,334,256	\$ 366,646	\$ 22,700,902

Adjustments to full-accrual basis include \$95,100 related to accrued interest on governmental long-term debt, \$(556,928) relating to the reclassification of accrued vacation from accrued liabilities to liabilities due within one year, and the remaining balance of \$828,474 related to internal service funds. Internal service funds predominately serve the governmental funds. Accordingly, the accounts payable and accrued liability balances for the internal service funds are included in the governmental activities on the accompanying government-wide financial statement.



## Notes to Financial Statements - Continued

Year Ended December 31, 2003

**Note 3 - Detailed notes on all funds (Continued)**

Also, the fiduciary fund financial statements include \$9,167 in other liabilities recorded in pension trust funds. This amount is excluded from the foregoing schedule and represents amounts due to various other agencies, individuals or governments.

**E. 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 is composed of the following elements:

	Deferred Revenue	Unearned Revenue
Taxes receivable net of allowance – General Fund	\$ 3,254,351	\$ -
Taxes receivable net of allowance – Fire Protection Fund	426,048	-
Taxes receivable net of allowance – Nonmajor governmental funds	2,190,395	-
Grant income received in advance of being earned – General Fund	-	432,410
Grant income received in advance of being earned – Nonmajor governmental funds	-	477,239
Business license income received in advance of being earned – General Fund	-	807,690
Insurance premium income received in advance of being earned – Fire Protection Fund	-	8,384,068
	<u>\$ 5,870,794</u>	<u>\$ 10,101,407</u>

**F. Landfill closure and postclosure costs**

State and Federal laws and regulations require the Government to place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and postclosure care costs has a balance of \$11,800,706 as of December 31, 2003, which is based on 84.70% usage (filled) of Cell II C which is operating currently, and 100% usage (filled) of Cells II A and II B. This liability is recorded in the Waste Management Enterprise Fund. It is estimated that an additional \$1,307,661 will be recognized as closure and postclosure care expenses between the date of the statement of net assets and the date the landfill is expected to be filled to capacity, which is in the next 2.05 years. The estimated total current cost of the landfill closure and postclosure care, \$13,108,366, is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2003. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The Government expects to finance the costs for the estimated landfill closure and postclosure care costs as they become due during the coming thirty years through the regular operations of the Government.

**G. Long-term debt****1. Governmental activities****General Obligation Bonds**

\$7,020,000 1973 Public Improvement Bonds – due in annual installments of \$325,000 to \$350,000, plus interest at 4.75% to 5.5% through November 2003.

\$           -

Notes to Financial Statements - Continued

Year Ended December 31, 2003

Note 3 - Detailed notes on all funds (Continued)

In a prior year, a portion of the Certificates of Participation (Series 1993) was defeased by the creation of an irrevocable trust fund. Original proceeds remaining from the issue were used to purchase U.S. Government securities that were placed in a trust fund. The investments and fixed earnings from the investment are sufficient to fully service the defeased debt until the debt matures. For financial reporting purposes, the debt is considered defeased and, therefore, not included as a liability in the government-wide financial statements Funds. As of December 31, 2003, the amount of defeased debt outstanding but removed from the governmental debt is \$1,355,000.

Notes payable

Housing and Neighborhood Development:

Section 108 loan – due in annual installments of \$65,000 to \$1,010,000, plus interest at 9%, through August 2005.

\$ 1,080,000

Revenue bonds

Downtown Development Authority:

\$2,600,000 1989 Downtown Development Authority Bonds – due in annual installments of \$125,000 to \$270,000, plus interest at 7.4% through January 2010.

\$ -

\$3,816,000 1990 Downtown Development Authority Bonds – due in annual installments of \$170,000 to \$375,000, plus interest at 7.55%, through January 2010.

-

\$4,035,000 2003 Downtown Development Authority Bonds – due in annual installments of \$535,000 to \$615,000, plus interest at 2.56%, through January 2010.

4,035,000

Augusta Port Authority:

\$1,200,000 1993 Augusta Port Authority Bonds – due in monthly principal and interest installments of \$9,773 through April 2008.

457,440

Total

\$ 4,492,440

Certificates of Participation

GMA Leases Fund:

\$16,888,000 Certificates of Participation – principal due in a lump sum payment on June 1, 2028.

Interest only payments are due annually at a rate of 4.75%, through June 1, 2028.

Original issue amount

\$ 16,888,000

Original issue discount

(898,307)

Total

\$ 15,989,693

Year ending December 31	Notes Payable		Revenue Bonds		Certificates of Participation		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 70,000	\$ 125,064	\$ 675,704	\$ 118,206	\$ -	\$ 802,180	\$ 745,704	\$ 1,045,450
2005	1,010,000	123,016	635,317	98,689	-	802,180	1,645,317	1,023,385
2006	-	-	655,923	79,195	-	802,180	655,923	881,375
2007	-	-	686,843	58,876	-	802,180	686,843	861,056
2008	-	-	623,653	39,032	-	802,180	623,653	841,212
2009-2013	-	-	1,215,000	31,296	-	4,010,900	1,215,000	4,042,196
2014-2018	-	-	-	-	-	4,010,900	-	4,010,900
2019-2023	-	-	-	-	-	4,010,900	-	4,010,900
2024 – 2028	-	-	-	-	16,888,000	3,542,962	16,888,000	3,542,962
	\$ <u>1,080,000</u>	\$ <u>248,080</u>	\$ <u>4,492,440</u>	\$ <u>425,294</u>	\$ <u>16,888,000</u>	\$ <u>19,586,562</u>	\$ <u>22,460,440</u>	\$ <u>20,259,936</u>

# AUGUSTA, GEORGIA

## Notes to Financial Statements - Continued

**Year Ended December 31, 2003**

### **Note 3 - Detailed notes on all funds and account groups (Continued)**

On April 15, 2003, the County issued Downtown Development Authority of the City of Augusta Refunding Revenue Bonds, Series 2003, in the aggregate principal amount of \$4,035,000, with interest rate of 2.56%, to current refund \$3,690,000 of outstanding Downtown Development Authority of the City of Augusta Revenue Bonds, Series 1989, with interest of 7.4% and Downtown Development Authority of the City of Augusta, Georgia Parking Revenue Bonds, Series 1990, with interest of 7.55%. The net proceeds of \$3,961,834 (after payment of \$68,600 of issuance costs and \$4,566 of additional proceeds) were used to repay the Series 1989 and Series 1990 Downtown Development Authority Revenue Bonds.

The County completed the current refunding to reduce its total debt service payments over the next 7 years by \$448,624 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately \$400,000.

#### Certificates of Participation

In June 1998, the Government entered into a lease pool agreement with the Georgia Municipal Association (the "Association"). The funding of the lease pool was provided by the issuance of \$150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the Government's participation totaling \$16,888,000, shown net of original issue discount of 898,307 at \$15,989,693. The lease pool agreement with the Association provides that the Government owns their portion of the assets invested by the pool and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. The principal of \$16,888,000 is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The Government draws from the investment to lease equipment from the Association. The lease pool agreement requires the Government to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation. Equipment in the amount of \$3,176,124 was leased during 2003.

#### 2. Business-type activities

##### Revenue bonds

##### Water and Sewer:

\$149,400,000 2002 Water and Sewer Bonds – due in annual installments of \$235,000 to \$20,610,000 starting October 2002 thru October 2032, plus interest varying from 2/5-% to 5.75% on \$57,840,000 serial bonds, with interest of 5.0% on \$91,560,000 term bonds.	\$ 148,260,000
\$97,080,000 2000 Water and Sewer Bonds – due in annual installments of \$355,000 to \$11,105,000, plus interest at 4.4% to 5.25% through October 2030.	97,080,000
\$66,640,000 1996 Water and Sewer Bonds – due in annual installments of \$920,000 to \$4,445,000, plus interest at 3.6% to 6.25% through October 2028 (this liability is reflected in the Water and Sewer Fund net of deferred refunding amount of \$2,020,740).	59,620,000
\$5,910,000 1997 Water and Sewer Bond – due in annual installments of \$100,000 to \$400,000, plus interest at 3.6% to 5.25%, through October 2021. (This liability is reflected in the Water and Sewer Fund net of deferred refunding amount of \$410,549).	4,890,000
Total	309,850,000
Less: Deferred refunding amounts	(2,331,961)
Less: Bond issue discounts	(4,758,856)
Total	<u>\$ 302,759,183</u>

## Notes to Financial Statements - Continued

Year Ended December 31, 2003

## Note 3 - Detailed notes on all funds (Continued)

Notes payable

## Water and Sewer Fund:

State revolving loan – due in quarterly principal and interest installments of \$94,668, plus interest at 4%, through May 2016. \$ 3,710,613

State revolving loan – principal and interest due in quarterly installments of \$119,392, plus interest at 4%, through July 2019. 5,496,768

Total \$ 9,207,381

Year ending December 31	Business-type Activities					
	Notes Payable		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 428,936	\$ 307,911	\$ 2,255,000	\$ 15,610,614	\$ 2,683,936	\$ 15,918,525
2005	512,729	343,511	2,340,000	15,513,920	2,852,729	15,857,431
2006	533,548	322,692	2,785,000	15,421,480	3,318,548	15,744,172
2007	555,212	301,028	3,950,000	15,307,550	4,505,212	15,608,578
2008	577,756	278,484	4,825,000	15,122,208	5,402,756	15,400,692
2009-2013	3,260,308	1,020,890	34,800,000	71,676,925	38,060,308	72,697,815
2014-2018	2,987,762	346,759	46,240,000	61,971,719	49,227,762	62,318,478
2019-2023	351,130	7,046	59,435,000	48,773,725	59,786,130	48,780,771
2024-2028	-	-	76,555,000	31,655,862	76,555,000	31,655,862
2029-2033	-	-	76,665,000	9,903,163	76,665,000	9,903,163
	\$ 9,207,381	\$ 2,928,321	\$ 309,850,000	\$ 300,957,166	\$ 319,057,381	\$ 303,885,487

During 2002, the Government issued \$149.4 million in Series 2002 Water and Sewerage Revenue bonds. A portion of the proceeds from the sale of these bonds was used to pay the outstanding balance of the Georgia Environmental Facilities Authority revolving loan in the amount of \$8,815,000 with an interest rate of 5.5%. The remaining portion of the bond proceeds \$140,585,000 was issued for the purpose of financing the costs of making additions, extensions and improvements to the Utility's water and sewer system. A portion of the net proceeds of \$8,692,368 (after payment of \$153,574 of underwriting fees and other issuance costs) was used to repay the Georgia Environmental Facilities Authority revolving loan. The remaining portion of the proceeds of \$125,691,320 (after payment of \$2,748,066 of underwriting fees and other issuance costs) plus an additional \$11,753,672 of funds from a capitalized interest fund is to be used for improvements to the Utility's water and sewer system.

No difference resulted in the current refunding between the reacquisition price and the net carrying amount of the old debt. The Government completed the refunding to obtain an economic gain (difference between present values of the old and new debt service payments) of approximately \$792,000.

During 2000, the Government issued \$97.08 million in Series 2000 Water and Sewer Revenue bonds for the purpose of financing the costs of making additions, extensions and improvements to the Utility's water and sewer system.

During 1996, the Government issued \$66.6 million in Series 1996 Water and Sewer revenue bonds. A portion of the proceeds from the sale of these bonds was used to advance refund all of the former City of Augusta's Series 1972 and 1991 Water and Sewer revenue bonds and the former Richmond County's Series 1987 and 1991 Water and Sewer revenue bonds. Proceeds of \$19.4 million plus an additional \$4.9 million of sinking fund monies from the defeased issues were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust fund with an escrow agent to provide for all future debt service payments on the above-mentioned bonds. As a result, the bonds are considered to be defeased and the liabilities for those bonds have been removed from the Water and Sewer Fund.

## Notes to Financial Statements - Continued

Year Ended December 31, 2003

**Note 3 - Detailed notes on all funds (Continued)**

In 1997, the Government issued \$5.9 million in Series 1997 Water and Sewer Revenue Bonds. A portion of the proceeds from the sale of these bonds was used to advance refund all of the former Richmond County's Series 1986 Water and Sewer Revenue Bond. Proceeds of approximately \$5.6 million plus an additional \$.9 million of sinking fund monies from the defeased issues were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust fund with an escrow agent to provide for all future debt service payments on the above-mentioned bonds. As a result, the bonds are considered defeased and the liability for those bonds have been removed from the Water and Sewer Fund.

As of December 31, 2003, the amount of these defeased debts outstanding but removed from the Water and Sewer Fund is \$2,595,281.

The advance refunding during 1996 resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$2.5 million. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2028 using the effective-interest method. The refunding increased the total debt service payments over the next 30 years by approximately \$8.6 million and produced an economic gain of approximately \$260,000.

The advance refunding during 1997 resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$540,000. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2021 using the effective-interest method. The refunding will increase total debt service payments over the next 24 years by approximately \$2.1 million and will produce an economic gain of approximately \$110,000.

The Department of Health's long-term liabilities represent compensated absences. The debt for compensated absences was \$563,942 at June 30, 2003.

**H. Leases**

The Government has entered into several long-term lease agreements for various vehicles and machinery and equipment. Although the leases contain clauses which provide that the leases are cancelable if funds are not appropriated for the periodic payments for any future fiscal periods, the leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 *Accounting for Leases* and the National Council on Governmental Accounting Statement No. 5 *Accounting and Financial Reporting Principles for Lease Agreements of State and Local Governments*.

The Government's lease agreements are through the Georgia Municipal Association and are accounted for in an internal service fund. Interest amounts are not material to the financial statements.

Future minimum lease payments under the leases and the net present value of the minimum lease payments as of December 31, 2003 are as follows:

	Governmental Activities	Business-type Activities
2004	\$ 1,326,735	\$ 547,190
2005	901,195	286,141
2006	90,302	-
2007	24,063	-
Present value of lease payments	\$ <u>2,342,295</u>	\$ <u>833,331</u>

## Notes to Financial Statements - Continued

Year Ended December 31, 2003

## Note 3 - Detailed notes on all funds (Continued)

The Government is lessor of terminal space, land and buildings at Augusta Regional Airport at Bush Field and Daniel Field under various operating leases. Revenues and related expenses for Augusta Regional Airport at Bush Field are recorded in the Augusta Regional Airport at Bush Field Fund while the revenue and related expenses for Daniel Field are recorded in the Daniel Field Airport Fund. Some of the leases provide for additional payments based on usage activity in addition to non-cancelable amounts of fixed rates.

During 2003, rental income totaled approximately \$2.1million and \$91,000 in the Augusta Regional Airport at Bush Field and Daniel Field Airport Funds, respectively.

The assets acquired through capital leases as of December 31, 2003 are as follows:

	Governmental Activities	Business-type Activities
Vehicles	\$ 13,061,844	\$ 2,503,270
Machinery and equipment	<u>2,495,395</u>	<u>1,747,129</u>
Less: accumulated depreciation	<u>(8,349,522)</u>	<u>(1,104,169)</u>
Carrying value	\$ <u>7,207,717</u>	\$ <u>3,146,230</u>

## I. Changes in long-term liabilities

The following is a summary of long-term debt transactions of the year ended December 31, 2003:

	Beginning Balances	Additions	Reductions	Ending Balances	Current Portion
Governmental activities:					
Bonds and notes payable:					
General obligation bonds payable	\$ 350,000	\$ -	\$ 350,000	\$ -	\$ -
Notes payable	1,145,000	-	65,000	1,080,000	70,000
Revenue bonds payable	<u>4,597,058</u>	<u>4,035,000</u>	<u>4,139,618</u>	<u>4,492,440</u>	<u>675,704</u>
Total bonds and notes payable	<u>6,092,058</u>	<u>4,035,000</u>	<u>4,554,618</u>	<u>5,572,440</u>	<u>745,704</u>
Certificates of participation	16,888,000	-	-	16,888,000	-
Less: original issue discount	<u>(943,222)</u>	<u>-</u>	<u>(44,915)</u>	<u>(898,307)</u>	<u>(44,915)</u>
Total certificates of participation	<u>15,944,778</u>	<u>-</u>	<u>(44,915)</u>	<u>15,989,693</u>	<u>(44,915)</u>
Other liabilities:					
Compensated absences	3,213,298	3,569,693	3,122,569	3,660,422	3,660,422
Capital leases	3,740,023	2,317,703	3,715,431	2,342,295	1,326,735
Claims and judgments	<u>1,064,635</u>	<u>1,671,958</u>	<u>1,311,409</u>	<u>1,425,184</u>	<u>1,425,184</u>
Total other liabilities	<u>8,017,956</u>	<u>7,559,354</u>	<u>8,149,409</u>	<u>7,427,901</u>	<u>6,412,341</u>
Governmental activities long-term liabilities	\$ <u>30,054,792</u>	\$ <u>11,594,354</u>	\$ <u>12,659,112</u>	\$ <u>28,990,034</u>	\$ <u>7,113,130</u>

## Notes to Financial Statements - Continued

Year Ended December 31, 2003

## Note 3 - Detailed notes on all funds (Continued)

	Beginning Balances	Additions	Reductions	Ending Balances	Current Portion
Business-type activities:					
Revenue debt:					
Revenue bonds payable	\$ 312,025,000	\$ -	\$ 2,175,000	\$ 309,850,000	\$ 2,255,000
Less: deferred refunding amounts	(2,431,289)	-	(99,328)	(2,331,961)	-
Less: bond issue discounts	(4,939,092)	-	(180,236)	(4,758,856)	-
Total revenue debt	<u>304,654,619</u>	<u>-</u>	<u>1,895,436</u>	<u>302,759,183</u>	<u>2,255,000</u>
Other liabilities:					
Compensated absences	566,728	584,830	558,331	593,227	593,227
Notes payable	9,683,367	-	475,986	9,207,381	428,936
Capital leases	1,010,882	858,421	1,035,972	833,331	547,190
Closure/postclosure accrual	11,022,500	817,227	39,021	11,800,706	-
Total other liabilities	<u>22,283,477</u>	<u>2,260,478</u>	<u>2,109,310</u>	<u>22,434,645</u>	<u>1,569,353</u>
Business-type activities long-term liabilities	<u>\$ 326,938,096</u>	<u>\$ 2,260,478</u>	<u>\$ 4,004,746</u>	<u>\$ 325,193,828</u>	<u>\$ 3,824,353</u>

## J. Interfund balances and activities

Due From/To Other Funds

The composition of interfund balances as of December 31, 2003 are as follows:

Due to other funds

Due from other funds	General Fund	Water and Sewer Fund	Bush Field	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	Trust and Agency	Total
General Fund	\$ -	\$ 5,702,212	\$ 1,663,879	\$ 1,141,568	\$ 3,538,534	\$ 433,451	\$ 1,448,563	\$ 13,928,207
Fire Protection Fund	-	-	-	-	-	-	53,531	53,531
Nonmajor Governmental Funds	-	-	-	-	-	-	162,357	162,357
Nonmajor enterprise funds	-	-	-	-	-	-	72,710	72,710
Trust and agency funds	100,000	-	-	-	-	-	-	100,000
<b>Total interfunds balances</b>	<u>\$ 100,000</u>	<u>\$ 5,702,212</u>	<u>\$ 1,663,879</u>	<u>\$ 1,141,568</u>	<u>\$ 3,538,534</u>	<u>\$ 433,451</u>	<u>\$ 1,737,161</u>	<u>\$ 14,316,805</u>

Amounts were due to other funds primarily for timing of payments from agency funds.

Transfers To/From Other Funds

Transfers in (out) for the year ended December 31, 2003 are summarized below:

Transfers out	General Fund	Fire Protection Fund	Bush Field	Nonmajor Governmental	Nonmajor Enterprise	Trust & Agency	Total
General Fund	\$ -	\$ -	\$ -	\$ 406,831	\$ -	\$ -	\$ 406,831
Special Sales Tax Phase IV	-	-	-	-	18,370	-	18,370
Bush Field	-	-	-	-	50,000	-	50,000
Nonmajor governmental	<u>1,805,740</u>	<u>6,012,000</u>	<u>100,000</u>	<u>418,740</u>	<u>4,760,520</u>	<u>1,305,030</u>	<u>14,402,030</u>
<b>Total transfers</b>	<u>\$ 1,805,740</u>	<u>\$ 6,012,000</u>	<u>\$ 100,000</u>	<u>\$ 825,571</u>	<u>\$ 4,828,890</u>	<u>\$ 1,305,030</u>	<u>\$ 14,877,231</u>

## Notes to Financial Statements - Continued

Year Ended December 31, 2003

**Note 3 – Detailed notes on all funds (Continued)**

Transfers between the nonmajor governmental funds, the General fund and other nonmajor governmental funds were primarily to support the operation of the funds.

**Note 4 - Other information****A. Risk management**

The Government 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 self-insured. The Risk Management Funds (an internal service fund) are utilized by the Government to account for and finance its self-insured risks of loss. The Risk Management Funds are maintained to provide general liability insurance, workers' compensation coverage, and unemployment coverage. The Government is self-insured for workers' compensation coverage through a self-insurance program that is administered under contracts with a third party administrator. Future claims can be paid from designated funds established in 1987 from previously unrestricted-unreserved funds. Balances as of December 31, 2003, include the following:

General Fund	\$ 4,705,061
Fire Protection Fund	250,000
Internal Service Fund	<u>564,243</u>
Total reserve	\$ <u>5,519,304</u>

Related liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

The following represents the changes in the balance of claim liabilities for the Government from January 1, 2002 to December 31, 2003:

Unpaid claims, January 1, 2002	\$ 450,000
Incurred claims (including IBNRs)	1,661,912
Claim payments	<u>(1,047,277)</u>
Unpaid claims, December 31, 2002	1,064,635
Incurred claims (including IBNRs)	1,671,958
Claim payments	<u>(1,311,409)</u>
Unpaid claims, December 31, 2003	\$ <u>1,425,184</u>

**B. Contingent liabilities**Litigation

The Government is party to various legal proceedings which normally occur in governmental operations. The Government follows the practice of recording liabilities resulting from claims and legal actions only when they become probable and measurable. The Government has accrued a liability in the Risk Management Fund (an internal service fund) for all claims for which a loss is probable and measurable.

Possible unasserted claims

The Government participates in a number of Federal and state assisted grant programs, which are subject to program compliance audits under the Single Audit Act Amendments of 1996. An audit of these programs has been performed for the year ended December 31, 2003, in compliance with the Single Audit Act Amendments of 1996 and OMB Circular A-133. However, the audit is pending final acceptance by the various grantor agencies. The amount, if any, of expenditures, which may be disallowed by the granting agencies, is expected to be immaterial.



## Notes to Financial Statements - Continued

Year Ended December 31, 2003

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## Note 4 – Other information (Continued)

**C. Contracts and commitments**Augusta-Richmond County Coliseum Authority

The Government has committed to provide funds to service the Augusta-Richmond County Coliseum Authority's debt to the extent of the 50% Hotel-Motel Excise Tax and 30% of the Beer Tax collected.

**D. Richmond County Public Facilities, Inc.**

The Richmond County Public Facilities, Inc. is a nonprofit organization, tax exempt under Internal Revenue Code Section 501(c)(3). The purpose of this nonprofit organization is to construct and maintain buildings and equipment to be leased by the Government, the Department of Family and Children Services, and the Richmond County Board of Education. The Richmond County Public Facilities, Inc. is part of the reporting entity of Augusta, Georgia, due to the degree of control the Government has over the Board of Directors of Richmond County Public Facilities, Inc.

Richmond County Public Facilities, Inc. issued Certificates of Participation to provide funds for the Government to refund the 1990 Certificates of Participation issue and for certain capital projects. The related assets are included in the financial statements of the Government in the General Fixed Asset Account Group. The Certificates of Participation were retired during 2001.

In addition, the Richmond County Public Facilities, Inc. issued Certificates of Participation of \$13,240,000 for the Richmond County Board of Education in a prior year. These Certificates of Participation are the sole responsibility of the Richmond County Board of Education and the related assets and liabilities have not been included in the financial statements of the Government.

## Note 5 - Pension plans

**A. Plan descriptions, contribution information and funding policies**

The Government has seven single-employer pension plans and one agent multiple-employer pension plan currently in existence. These plans are defined benefit plans. The Government also has a single-employer, defined contribution plan. The following is a summary of funding policies, contribution methods, and benefit provisions for each plan.

## Notes to Financial Statements - Continued

Year Ended December 31, 2003

**Note 5 – Pension plans (Continued)**Single-employer pension plans1945 Plan

The 1945 Plan was available to all former Richmond County employees hired prior to October 1, 1975 that met the Plan's age and length of service requirements. Participants in the Plan who retired at or after age 60 are entitled to a monthly benefit equal to 2% of average earnings multiplied by years of service. Also, the benefit is not to exceed 60% of the average earnings. The Plan provides death and disability benefits. These benefit provisions and all other requirements including amendments are established by Government ordinance. The Plan also provides for reduced benefits if the participant elects to retire after attaining age 50 and completing 15 years of service. Employees are required to make contributions to the Plan equal to 5% of earnings. The Government is required to contribute the remaining amounts necessary to fund the Plan. If a participant terminates employment prior to completion of ten years of credited service, the participant receives a lump-sum amount equal to his total contributions to the Plan, with 5% interest computed from January 1, 1997. After completion of at least ten years of credited service, the participant receives a monthly benefit deferred to his normal retirement date, equal to the benefit computed as for normal retirement multiplied by the percentage based on completed years of credited service, as follows: 50% after 10 years, increasing 10% each year to 100% after 15 years of credited service. This is a closed retirement plan (new employees may not participate in the Plan). The 1945 Plan does not issue a stand-alone financial statement report.

1977 Plan

The 1977 Plan was available to all former Richmond County full-time employees who were not participants in the 1945 Plan provided that they were not hired after reaching age 60. Normal retirement for the Plan is age 65 or the date when age 62 is attained and an employee completes 25 years of credited service. At that time, the employee is entitled to a monthly benefit equal to 1% of average earnings multiplied by years of credited service. The Plan provides death and disability benefits. These benefit provisions and all other requirements including amendments are established by Government ordinance. The Plan also provides for reduced benefits if the participant elects to retire after attaining age 50 and completing 15 years of service. Employees are required to make contributions to the Plan equal to 4% of earnings. The Government is required to contribute the remaining amounts necessary to fund the Plan. If a participant terminates employment prior to completion of five years of credited service, the participant receives a lump-sum amount equal to his total contributions to the Plan, with interest. After completing at least five years of credited service, the participant receives a monthly benefit deferred to his normal retirement date, equal to the benefit computed as for normal retirement. This is a closed retirement plan (new employees may not participate in the Plan). The 1977 Plan does not issue a stand-alone financial statement report.

The funding policies for the 1945 and 1977 Plans provide for actuarially determined periodic contributions at rates that, for individual employees, remain stable over time so that sufficient assets will be available to pay benefits when due. The attained age aggregate cost method has been used to compute the normal cost for the plan. Any unfunded plan costs are spread over the average future working lifetime of the participants as a level percentage of payroll. The significant actuarial assumptions used to compute pension contribution requirements are the same as those used to determine the standard measure of the pension obligation.

General Pension Plan, Policemen's Pension Plan, Firemen's Pension Plan and the City Employees' Pension Plan

These Plans covered former City of Augusta employees. Policemen and firemen hired before 1945 are covered under the General Pension Plan. Policemen hired between 1945 and 1949 are covered under the Policemen's Pension Plan. Firemen hired between 1945 and 1949 are covered under the Firemen's Pension Plan. Other former City of Augusta employees hired between 1945 and 1949 are covered by the City Employees' Pension Plan. Pension benefits are being paid under these Plans to retired employees and beneficiaries. These are closed retirement plans (new employees may not participate in the plans). These plans do not issue stand-alone financial statement reports.

## Notes to Financial Statements - Continued

Year Ended December 31, 2003

## Note 5 - Pension plans (Continued)

General Retirement Plan

Employees hired after March 1, 1949 and before March 1, 1987, whose age did not exceed thirty-five years at the time of their employment and are not participants of the 1977 Plan are covered under the General Retirement Plan. Pension benefits vest after an employee is 45 years of age and has 15 years of full-time employment. An employee may retire at age 60 with 25 years of service and receive annual pension benefits equal to 2% of the employee's average salary earned during the last three years of employment, multiplied by the number of full-time years of employment. The Plan provides death and disability benefits. These benefit provisions and all other requirements including amendments are established by Government ordinance. All full-time employees hired before July 1, 1980, must contribute 8% of gross earnings to the Plan, with the Government contributing remaining amounts sufficient to provide future pensions. This is a closed retirement plan (new employees may not participate in the Plan). The General Retirement Plan does not issue a stand-alone financial statement report.

Periodic employer contributions to the pension plan are determined on an actuarial basis using the frozen entry age cost method. The unfunded accrued liability is composed of pieces that are amortized over various periods to comply with Georgia law. When the actuarial value of assets exceeds 150% of the present value of accrued benefits, the Official Code of Georgia Annotated states that there is no minimum required contribution. The significant actuarial assumptions used to compute pension contribution requirements are the same as those used to determine the standard measure of the pension obligation.

Agent multiple-employer pension planGeorgia Municipal Employees Benefit System (GMEBS)

Employees hired after March 1, 1987 and before consolidation on December 31, 1995, and who were not participants in any other employer-sponsored retirement plan are covered under the Georgia Municipal Employees Benefit System. The Plan provides pension benefits, deferred allowances, and death and disability benefits. These benefit provisions and all other requirements including amendments are established by Government ordinance. A participant may retire after reaching the age of 65 if the participant is not classified as public safety personnel; participating public safety personnel may retire at age 65 or age 55 with 25 years of total credited service, whichever is earlier. Early retirement may be taken at age 55 with 10 years of credited service. Benefits vest after 10 years of service. Employees who retire at or after age 55 with 10 or more years of service are entitled to pension payments for the remainder of their lives equal to  $1\frac{1}{4}\%$  of their final five-year average salary times the number of years of which they were employed as a participant in the GMEBS. The final five-year average salary is the average salary of the employee during the final five years of full-time employment. Pension provisions include deferred allowances, whereby an employee may terminate his or her employment with the Government after accumulating 10 years of service but before reaching the age of 55. If the employee does not withdraw his or her accumulated contributions, the employee is entitled to all pension benefits upon reaching the age of 55. Employees must contribute 3.5% of their gross earnings to the Plan. In addition, the Government must provide annual contributions sufficient to satisfy the actuarially determined contribution requirements as amended by GMEBS. The GMEBS Retirement Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Georgia Municipal Employees Benefit System, 201 Pryor Street, SW, Atlanta, Georgia 30303.

Periodic employer contributions to the pension plan are determined on an actuarial basis using the entry age normal actuarial cost method. Normal cost is funded on a current basis. The Plan is subject to the minimum funding standards of the Public Retirement Systems Standards Law. Since the Government's policy is to contribute the pension expense in each year, the funding strategy should provide sufficient resources to pay employee pension benefits on a timely basis. The significant actuarial assumptions used to compute pension contribution requirements are the same as those used to determine the standardized measure of the pension obligation.

## Notes to Financial Statements - Continued

Year Ended December 31, 2003

## Note 5 - Pension plans (Continued)

Membership of the defined benefit plans are as follows:

	Retirees and beneficiaries receiving benefits	Terminated plan members entitled to but not yet receiving benefits	Active Plan members
1945 Plan	37	-	4
1977 Plan	72	170	626
General Pension Plan	1	-	-
Policemen's Pension Plan	3	-	-
Firemen's Pension Plan	9	-	-
City Employees' Pension Plan	15	-	-
General Retirement Plan (City 1949)	151	11	152
GMEBS	77	5	226
Total	365	186	1,008

The cost of administering the plans are financed through investment earnings.

Actuarial assumptions and other information used to determine the annual required contributions are located in the Supplementary Information section of this report.

Defined contribution planAugusta-Richmond County Board of Commissioners Retirement Savings Plan (the "1998 Plan")

All full-time employees with more than one month of service are eligible to participate in the Retirement Savings Plan. The Plan is a defined contribution plan under Section 401(a) of the Internal Revenue Code, and is administered by Nationwide Life Insurance, PPA support. The Plan was organized and may be amended by a majority vote of the full-body of the governing board, the Augusta-Richmond County Commission. Employees contribute four percent (4%) of their salary, and the Government contributes two percent (2%) of the employee's salary. At December 31, 2003, there were approximately \$1,297 plan participants. Participants are considered fully vested in the Government's contributions after completing five (5) years of service. For the year ended December 31, 2003, the employees' contributions were approximately \$1,403,334, and the Government's contributions were approximately \$701,667.

Richmond County Department of Health -- General Retirement Plan

All current full-time employees of the Department of Health participate in the Employees' Retirement System of Georgia (ERS), which is a cost-sharing multi-employer, defined benefit, public employee retirement system. The Department contributes at a specified percentage of active members payroll determined by actuarial valuation. The contribution requirements of plan members and the Department are established and may be amended by the ERS Board of Trustees. Retirement contributions made on behalf of eligible participants for the year ended June 30, 2003 were \$173,481. Members become fully vested after ten years of service.

**B. Summary of significant accounting policies**

Pension trust funds are accounted for on the accrual basis. The accrual basis of accounting recognizes revenues when earned. Expenses are recorded when incurred. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the Government has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. For information relating to reported investment values, see Note 1 G.

## Notes to Financial Statements - Continued

Year Ended December 31, 2003

## Note 5 - Pension plans(Continued)

## C. Concentrations and reserves

There are no assets legally reserved for purposes other than the payment of plan member benefits for any plans.

The plans held no individual investments whose market value exceeds five percent or more of net assets available for benefits. There are no long-term contracts for contributions.

## D. Annual pension cost and net pension obligation

The Government's annual pension cost is determined using the calculation methodology defined in GASB Statement No. 27. The annual pension cost equals the Government's annual required contribution, plus any adjustments required to reflect defined minimum and maximum amortization periods and any prior period differences between the actual contribution paid into the plans and the annual pension cost.

## E. Trend information

	Fiscal Year Beginning	Annual Pension Cost	Actual County Contribution	Percentage of APC Contributed	Net Pension (Asset) Obligation
<u>2001</u>					
1945 Plan	01/01/2001	\$ -	\$ -	100%	\$ -
1977 Plan	01/01/2001	979,131	998,983	102%	-
General Pension Plan	01/01/2001	89,008	89,008	100%	-
Policemen's Pension Plan	01/01/2001	64,863	64,863	100%	-
Firemen's Pension Plan	01/01/2001	214,272	214,272	100%	-
City Employees' Pension Plan	01/01/2001	263,080	263,080	100%	-
General Retirement Plan (City 1949)	01/01/2001	-	-	100%	-
GMEBS	01/01/2001	192,622	192,622	100%	-
	Fiscal Year Beginning	Annual Pension Cost	Actual County Contribution	Percentage of APC Contributed	Net Pension (Asset) Obligation
<u>2002</u>					
1945 Plan	01/01/2002	\$ -	\$ -	100%	\$ -
1977 Plan	01/01/2002	916,427	925,071	101%	(54,035)
General Pension Plan	01/01/2002	23,348	23,348	100%	-
Policemen's Pension Plan	01/01/2002	66,888	66,888	100%	-
Firemen's Pension Plan	01/01/2002	206,334	206,334	100%	-
City Employees' Pension Plan	01/01/2002	299,512	299,512	100%	-
General Retirement Plan (City 1949)	01/01/2002	-	-	100%	-
GMEBS	01/01/2002	168,316	168,316	100%	-

## Notes to Financial Statements - Concluded

Year Ended December 31, 2003

## Note 5 - Pension plans(Continued)

	Fiscal Year Beginning	Annual Pension Cost	Actual County Contribution	Percentage of APC Contributed	Net Pension (Asset) Obligation
<u>2003</u>					
1945 Plan	01/01/2003	\$ -	\$ -	100%	\$ -
1977 Plan	01/01/2003	620,596	655,871	106%	(179,218)
General Pension Plan	01/01/2003	24,290	24,290	100%	-
Policemen's Pension Plan	01/01/2003	70,546	70,546	100%	-
Firemen's Pension Plan	01/01/2003	182,862	182,862	100%	-
City Employees' Pension Plan	01/01/2003	285,177	285,177	100%	-
General Retirement Plan (City 1949)	01/01/2003	-	-	100%	-
GMEBS	01/01/2003	181,834	181,834	100%	-

## Note 6 - Joint venture and related organization

Joint venture

Under Georgia law, the Government, in conjunction with the sixteen counties and fifty-four cities in east Georgia known as the Central Savannah River Area (CSRA), is a member of the CSRA Regional Development Center (CSRA RDC). The CSRA RDC is a public organization that assists local governments in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development. The operations are mainly financed by membership dues and financial assistance provided by the State of Georgia. Membership in the CSRA RDC is required by the Official Code of Georgia Annotated (O.C.G.A.) §58-8-34 with annual dues based on a per capita amount. During the year ended December 31, 2003, the Government paid \$107,350 in such dues, which was based on a per capita amount of \$.55. The CSRA RDC Board membership is composed of one city official, one county official, and one private sector individual from each county. O.C.G.A. §58-8-39.1 provides that the Government is liable for any debts or obligations of the CSRA RDC. The Comprehensive Annual Financial Report of the CSRA RDC may be obtained from:

CSRA Regional Development Center  
3023 River Watch Pkwy  
Augusta, Georgia 30907

Related organization

The Government officials are responsible for appointing the members of the boards of another organization, but the Government's accountability for these organizations does not extend beyond making the appointments. The Government commission appoints the voting majority of the members of the Augusta-Richmond County Coliseum Authority.

## Note 7 - Hotel/motel lodging tax

The Government has levied a 6% lodging tax. A summary of the transactions for the year ended December 31, 2003 follows:

Lodging tax receipts	\$ 2,776,377
Disbursements to the Augusta-Richmond County Coliseum Authority, Augusta Convention and Visitors Bureau, and the Augusta Museum for promotion of tourism	<u>(2,776,377)</u>
Balance of lodging tax funds on hand at end of year	\$ <u>-</u>

## Notes to Financial Statements - Concluded

Year Ended December 31, 2003

**Note 7 – Hotel/motel lodging tax (Continued)**

The Government has received audit reports from the Augusta-Richmond County Coliseum Authority, Augusta Convention and Visitors Bureau, and the Augusta Museum covering the lodging tax monies. The subcontractor's expenditures were for promotion of tourism as required by O.C.G.A. §48-13-51.

**Note 8 – Significant contingencies**Federal and State assisted programs

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

**Arbitrage**

The City's bond issues are subject to federal arbitrage regulations, and the Government 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 the date. Although the actual amount to be paid is not presently determinable, the Government believes that arbitrage payables have been adequately provided for in the accompanying financial statements.

**Note 9 – Conduit debt obligations**

Conduit debt obligations are limited obligation revenue bonds, certificates of participation, or similar debt instruments issued for the purpose of providing capital financing for a specific third party that is not a part of the Government's financial reporting entity. The Government has no obligation for the debt beyond the resources provided by a lease or loan with the third party on whose behalf the debt was issued.

On December 14, 2000, the Government issued Special Facility Airport Revenue Bonds in the amount of \$3,110,000 which qualifies as a conduit debt obligation. The bonds are payable solely from revenues pledged under a lease agreement. As of December 31, 2003, the amount outstanding on the Special Facility Airport Revenue Bonds is \$3,110,000.

**A - Debt service requirements to maturity for bonds payable**

The following requirements to amortize debt outstanding as of December 31, 2003, including interest are as follows:

	Revenue Bonds	
	Principal	Interest
2004	\$ -	\$ 152,390
2005	-	152,390
2006	-	152,390
2007	-	152,390
2008	-	152,390
2009	-	152,390
2010	3,110,000	152,390
	<u>\$ 3,110,000</u>	<u>\$ 1,066,730</u>

**Notes to Financial Statements - Concluded**

**Year Ended December 31, 2003**

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**Note 10 – Prior period adjustments**

In a prior year, the Government made errors in reporting its capital assets and accumulated depreciation, resulting in an understatement of capital assets and an understatement of net assets in the governmental activities of \$600,556 and \$1,621,418 in the business-type activities. During the current year, an adjustment, which increased beginning net assets \$2,221,974, was made to correct these errors in the accompanying financial statements.



## **PENSION PLAN REQUIRED SUPPLEMENTARY INFORMATION**

## Defined Benefit Pension Trusts - Required Supplementary Information

December 31, 2003

## A. Schedules of funding progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability AAL Entry Age	(Funded) Unfunded AAL (FAAL) UAAL	Funded Ratio	Covered Payroll	(FAAL) UAAL as A % of Covered Payroll
<u>1945 Plan</u>						
01/01/91	\$ 9,055,522	\$ 8,084,072	\$ (971,450)	112 %	\$ 670,286	(145) %
01/01/93	10,044,942	8,595,037	(1,449,915)	117	620,412	(234)
01/01/94	10,047,526	8,927,649	(1,119,877)	113	606,450	(185)
01/01/95	9,936,022	9,440,717	(495,305)	105	598,795	(83)
01/01/96	11,537,840	9,566,390	(1,971,450)	121	629,034	(313)
01/01/98	13,934,975	9,431,701	(4,503,274)	148	160,888	(2,799)
01/01/99	13,760,620	12,535,885	(1,224,735)	110	598,795	(205)
01/01/00	13,038,384	12,251,489	(786,895)	106	168,818	(466)
01/01/01	12,352,795	12,069,544	(283,251)	102	180,462	(157)
01/01/02	11,023,816	10,075,638	(948,178)	109	184,511	(514)
01/01/03	8,897,080	9,878,269	981,189	90	193,921	506
<u>1977 Plan</u>						
01/01/91	\$ 3,018,241	\$ 1,430,898	\$ (1,587,343)	211 %	\$ 3,772,441	(42) %
01/01/93	3,892,816	1,937,061	(1,955,755)	201	4,607,419	(42)
01/01/94	4,262,572	2,813,432	(1,449,140)	152	5,180,438	(28)
01/01/95	4,439,451	3,333,577	(1,105,874)	133	6,797,338	(16)
01/01/96	5,446,380	4,332,024	(1,114,356)	126	8,952,224	(12)
01/01/97	6,285,732	5,510,585	(775,147)	114	11,509,974	(7)
01/01/99	9,976,793	14,137,712	4,160,919	71	24,454,857	17
01/01/00	10,836,439	15,060,421	4,223,982	72	21,709,421	19
01/01/01	11,136,602	15,575,523	4,438,921	72	21,705,175	20
01/01/02	14,065,581	16,860,437	2,794,356	83	21,029,237	13
01/01/03	12,609,297	18,150,192	5,540,895	69	22,187,948	25
<u>General Pension Plan</u>						
12/31/93	\$ -	\$ 629,859	\$ 629,859	- %	\$ -	- %
12/31/94	-	619,418	619,418	-	-	-
12/31/95	-	587,797	587,797	-	-	-
12/31/96	-	564,008	564,008	-	-	-
12/31/97	-	637,605	637,605	-	-	-
12/31/98	-	533,575	533,575	-	-	-
12/31/99	-	511,305	511,305	-	-	-
12/31/00	-	524,410	524,410	-	-	-
12/31/01	-	525,089	525,089	-	-	-
12/31/02	-	114,862	114,862	-	-	-
12/31/03	-	98,789	98,789	-	-	-
<u>Policemen's Pension Plan</u>						
12/31/93	\$ -	\$ 528,904	\$ 528,904	- %	\$ -	- %
12/31/94	-	437,814	437,814	-	-	-
12/31/95	-	422,070	422,070	-	-	-
12/31/96	-	417,725	417,725	-	-	-
12/31/97	-	391,153	391,153	-	-	-
12/31/98	-	389,072	389,072	-	-	-
12/31/99	-	246,783	246,783	-	-	-
12/31/00	-	246,217	246,217	-	-	-
12/31/01	-	355,840	355,840	-	-	-
12/31/02	-	380,143	380,143	-	-	-
12/31/03	-	337,186	337,186	-	-	-

## Defined Benefit Pension Trusts - Required Supplementary Information - Continued

December 31, 2003

## A. Schedules of funding progress (Continued)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability AAL Entry Age	(Funded) Unfunded AAL (FAAL) UAAL	Funded Ratio	Covered Payroll	(FAAL) UAAL as A % of Covered Payroll
<u>Firemen's Pension Plan</u>						
12/31/93	\$ -	\$ 1,475,590	\$ 1,475,590	- %	\$ -	- %
12/31/94	-	1,342,821	1,342,821	-	-	-
12/31/95	-	1,296,843	1,296,843	-	-	-
12/31/96	-	1,202,831	1,202,831	-	-	-
12/31/97	-	1,507,501	1,507,501	-	-	-
12/31/98	-	1,479,472	1,479,472	-	-	-
12/31/99	-	1,276,044	1,276,044	-	-	-
12/31/00	-	1,258,550	1,258,550	-	-	-
12/31/01	-	1,345,133	1,445,133	-	-	-
12/31/02	-	1,204,513	1,204,513	-	-	-
12/31/03	-	1,110,698	1,110,698	-	-	-
<u>City Employees' Pension Plan</u>						
12/31/93	\$ -	\$ 2,960,183	\$ 2,960,183	- %	\$ -	- %
12/31/94	-	2,704,129	2,704,129	-	-	-
12/31/95	-	2,598,066	2,598,066	-	-	-
12/31/96	-	2,584,786	2,584,786	-	-	-
12/31/97	-	2,418,723	2,418,723	-	-	-
12/31/98	-	2,266,704	2,266,704	-	-	-
12/31/99	-	2,060,501	2,060,501	-	-	-
12/31/00	-	1,911,904	1,911,904	-	-	-
12/31/01	-	1,914,347	1,914,347	-	-	-
12/31/02	-	2,063,450	2,063,450	-	-	-
12/31/03	-	1,931,942	1,931,942	-	-	-
<u>General Retirement Plan (City 1949)</u>						
01/01/93	\$ 47,314,256	\$ 38,551,529	\$ (8,762,727)	123 %	\$ 7,397,577	(119) %
01/01/94	49,875,350	36,456,408	(13,418,942)	137	7,243,580	(185)
01/01/95	47,710,074	39,699,516	(8,010,558)	120	7,053,091	(114)
01/01/96	56,004,033	41,587,715	(14,416,318)	135	6,345,073	(227)
01/01/97	59,413,476	42,712,240	(16,701,236)	139	5,165,172	(323)
01/01/99	71,138,815	51,388,074	(19,750,741)	138	5,794,554	(341)
01/01/00	70,974,830	54,306,953	(16,667,877)	131	5,112,578	(326)
01/01/01	70,721,724	54,824,779	(15,896,945)	129	5,237,225	(304)
01/01/02	66,542,266	52,471,765	(14,070,501)	127	5,473,137	(257)
01/01/03	59,091,990	53,688,662	(5,403,328)	110	5,774,707	(94)
<u>GMEBS</u>						
03/01/94	\$ 2,754,918	\$ 2,903,208	\$ 148,290	95 %	\$ 10,375,830	1.0 %
03/01/95	3,351,907	3,315,936	(35,971)	101	10,657,439	(.3)
03/01/96	3,731,118	3,568,982	(162,136)	105	9,369,684	(2.0)
03/01/97	4,144,704	5,312,277	1,167,573	78	8,082,062	14.0
03/01/98	4,609,848	5,756,304	1,146,456	80	8,913,934	13.0
03/01/00	5,559,655	6,422,501	862,846	86	7,719,739	11.2
03/01/02	6,308,424	6,887,424	579,000	91	6,913,560	8.4
03/01/03	6,477,885	7,146,314	668,429	90	6,988,509	9.6
03/01/04	6,913,410	7,553,911	640,501	91	6,637,655	9.6

## Defined Benefit Pension Trusts - Required Supplementary Information - Continued

December 31, 2003

## B. Schedules of employer contributions

	Fiscal Year	Annual Required Contribution	Percentage Contributed	
<u>1945 Plan</u>				
	1994	\$ -	-	%
	1995	-	-	
	1996	-	-	
	1998	-	-	
	1999	-	-	
	2000	-	-	
	2001	-	-	
	2002	-	-	
	2003	-	-	
<u>1977 Plan</u>				
	1994	\$ -	-	%
	1995	-	-	
	1996	-	-	
	1997	600,260	100	
	1998	897,930	100	
	1999	1,124,928	100	
	2000	940,054	100	
	2001	979,131	100	
	2002	746,287	100	
	2003	787,672	100	
<u>General Pension Plan</u>				
	1994	\$ 111,109	100	%
	1995	125,174	100	
	1996	125,874	100	
	1997	139,861	100	
	1998	107,338	100	
	1999	113,807	100	
	2000	102,476	100	
	2001	89,008	100	
	2002	23,348	100	
	2003	24,290	100	
<u>Policemen's Pension Plan</u>				
	1994	\$ 80,866	100	%
	1995	69,407	100	
	1996	69,407	100	
	1997	79,952	100	
	1998	63,169	100	
	1999	53,823	100	
	2000	44,880	100	
	2001	64,863	100	
	2002	66,888	100	
	2003	70,546	100	
<u>Firemen's Pension Plan</u>				
	1994	\$ 212,392	100	%
	1995	204,492	100	
	1996	200,757	100	
	1997	249,706	100	
	1998	237,914	100	
	1999	240,623	100	
	2000	205,435	100	
	2001	214,272	100	
	2002	206,334	100	
	2003	182,862	100	

## Defined Benefit Pension Trusts - Required Supplementary Information - Continued

December 31, 2002

## B. Schedules of employer contributions (Continued)

	Fiscal Year	Annual Required Contribution	Percentage Contributed
<u>City Employees' Pension Plan</u>			
	1994	\$ 415,480	100 %
	1995	408,999	100
	1996	369,477	100
	1997	409,881	100
	1998	331,619	100
	1999	348,792	100
	2000	302,169	100
	2001	263,080	100
	2002	299,512	100
	2003	285,177	100
<u>General Retirement Plan (City 1949)</u>			
	1994	\$ -	- %
	1995	-	-
	1996	-	-
	1997	-	-
	1998	-	-
	1999	-	-
	2000	-	-
	2001	-	-
	2002	-	-
	2003	-	-
<u>GMEBS</u>			
	1994	\$ 232,298	100 %
	1995	106,440	100
	1996	187,548	100
	1997	197,167	100
	1998	214,536	100
	1999	191,385	100
	2000	204,576	100
	2001	192,622	100
	2002	168,316	100
	2003	181,834	100

## C. Notes to required supplementary information

	1945 Plan	1977 Plan
Valuation date	1/1/03	1/1/03
Actuarial cost method	Attained age aggregate	Attained age aggregate
Amortization method	Level percentage of payroll	Level of percentage of pay
Amortization period	Average future working lifetime	Average future working lifetime
Actuarial asset valuation method	Market value	Market value
Actuarial assumptions:		
Investment rate of return	8.0%	8.0%
Projected salary increases	5.0%	5.0%
Post retirement benefit increases	5.0%	5.0%
Inflation	5.0%	5.0%

Defined Benefit Pension Trusts - Required Supplementary Information - Continued

December 31, 2002

C. Notes to required supplementary information (Continued)

	General Pension Plan	Policemen's Pension Plan
Valuation date	12/31/03	12/31/03
Actuarial cost method	Actuarial present value of total Projected benefits	Actuarial present value of total Projected benefits
Amortization method	N/A	N/A
Amortization period	N/A	N/A
Actuarial asset valuation method	N/A	N/A
Actuarial assumptions:		
Investment rate of return	8.0%	8.0%
Projected salary increases	N/A	N/A
Post retirement benefit increases	N/A	N/A
Inflation	N/A	N/A
	Firemen's Pension Plan	City Employees' Pension Plan
Valuation date	12/31/03	12/31/03
Actuarial cost method	Actuarial present value of total Projected benefits	Actuarial present value of total Projected benefits
Amortization method	N/A	N/A
Amortization period	N/A	N/A
Actuarial asset valuation method	N/A	N/A
Actuarial assumptions:		
Investment rate of return	8.0%	8.0%
Projected salary increases	N/A	N/A
Post retirement benefit increases	N/A	N/A
Inflation	N/A	N/A
	General Retirement Pension Plan (City 1949)	GMEBS
Valuation date	01/01/03	03/01/2004
Actuarial cost method	Aggregate cost method	Projected unit credit
Amortization method	Level percentage of payroll	Level dollar
Amortization period	Various periods to comply with state law	30 years open
Actuarial asset valuation method	The sum of the actuarial value of assets on the preceding valuation date, net contributions and disbursements during the preceding year, interest on the items calculated using the valuation investment return assumption, and 20% of the difference between the market value of assets on the current valuation date and the sum of the first three items.	Roll forward prior year's actuarial value with contributions, disbursements, and expended return of investments, plus 10% of investment gains (losses) during 10 prior years.
Actuarial assumptions:		
Investment rate of return	8.0%	8.0%
Projected salary increases	5.5%	5.5%
Post retirement benefit increases	4.0%	None
Inflation	4.0%	None



## COMBINING AND INDIVIDUAL FUND STATEMENTS





## NONMAJOR GOVERNMENTAL FUNDS

**Augusta, Georgia**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2003**

	Special Revenue Funds	Debt Service Funds	Capital Project Funds
<b>Assets</b>			
Cash and temporary investments	\$ 10,792,871	\$ 941,303	\$ 19,404,075
Receivables (net of allowance for doubtful accounts)			
Taxes	2,796,807	66,807	-
Accounts	882,832	-	-
Interest	57,684	-	28,983
Note	336,835	-	-
Intergovernmental	217,306	-	-
Reserve account	-	1,571,208	-
Sinking fund account	204,539	-	-
Perpetual care	-	-	-
Due from other funds	162,039	318	-
<b>Total assets</b>	<b>\$ 15,450,913</b>	<b>\$ 2,579,636</b>	<b>\$ 19,433,058</b>
<b>Liabilities and fund balances (deficits)</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 1,026,828	\$ -	\$ 39,858
Accrued interest	-	-	-
Due to other funds	862,185	-	-
Accrued salaries and vacation	155,952	-	-
Other accrued liabilities	77,939	-	-
Deferred revenue	2,599,398	67,586	-
<b>Total liabilities</b>	<b>4,722,302</b>	<b>67,586</b>	<b>39,858</b>
<b>Fund balances (deficits):</b>			
<b>Reserved for:</b>			
Encumbrances	1,038,124	-	2,635,081
Project maintenance			5,596,460
Debt	-	2,986,302	-
Special purposes	-	-	16,550,138
Inventory/prepaid expenses	-	-	-
Capital improvements	-	-	-
Risk benefit	-	-	-
<b>Designated for:</b>			
Unreserved - undesignated	9,690,487	(474,252)	(5,388,479)
<b>Total fund balances (deficits)</b>	<b>10,728,611</b>	<b>2,512,050</b>	<b>19,393,200</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 15,450,913</b>	<b>\$ 2,579,636</b>	<b>\$ 19,433,058</b>

<b>Permanent Fund</b>		<b>Total Nonmajor Governmental Funds</b>	
<b>Perpetual Care - II</b>			
\$	221,714	\$	31,359,963
	-		2,863,614
	-		882,832
	-		86,667
	-		336,835
	-		217,306
	-		1,571,208
	-		204,539
	338,625		338,625
	-		162,357
\$	560,339	\$	38,023,946
\$	-	\$	1,066,686
	-		-
	279,383		1,141,568
	-		155,952
	-		77,939
	-		2,666,984
	279,383		5,109,129
	-		3,673,205
	-		5,596,460
	-		2,986,302
	-		16,550,138
	-		-
	-		-
	-		-
	280,956		4,108,712
	280,956		32,914,817
\$	560,339	\$	38,023,946

**Augusta, Georgia**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended December 31, 2003**

	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Project Funds</b>
<b>Revenues</b>			
Taxes - property	\$ 11,337,683	\$ 32,138	\$ -
Taxes - other than property	11,451,406	-	-
Licenses and permits	2,961,828	-	-
Use of money and property	213,997	156,432	291,048
Charges for current services	3,148,258	-	1,120
Fines and forfeitures	1,486,039	-	-
Intergovernmental	4,140,088	-	50,076
Contributions and donations	269,738	-	-
Other	584,555	1,131	-
Total revenues	<u>35,593,592</u>	<u>189,701</u>	<u>342,244</u>
<b>Expenditures</b>			
Current:			
General government	1,254,176	-	1,850
Judicial	467,908	-	-
Public safety	2,730,894	-	49,508
Public works	3,467,883	-	345,549
Culture and recreation	3,650,391	-	-
Housing and development	5,872,764	-	-
Capital outlay	1,332,804	-	186,209
Debt service	3,132,947	366,935	-
Total expenditures	<u>21,909,767</u>	<u>366,935</u>	<u>583,116</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>13,683,825</u>	<u>(177,234)</u>	<u>(240,872)</u>
<b>Other financing sources (uses)</b>			
Transfers in	825,571	-	-
Transfers (out)	(14,402,030)	-	-
Proceeds of refunding bond	4,035,000	-	-
Payment of refunded debt	(3,863,767)	-	-
Total other financing sources (uses)	<u>(13,405,226)</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	278,599	(177,234)	(240,872)
<b>Fund balance - beginning</b>	<u>10,450,012</u>	<u>2,689,284</u>	<u>19,634,072</u>
<b>Fund balance - ending</b>	<u>\$ 10,728,611</u>	<u>\$ 2,512,050</u>	<u>\$ 19,393,200</u>

<b>Permanent Fund</b>		<b>Total Nonmajor Governmental Funds</b>	
<b>Perpetual Care - II</b>			
\$	-	\$	11,369,821
	-		11,451,406
	-		2,961,828
	-		661,477
	2,219		3,151,597
	-		1,486,039
	-		4,190,164
	-		269,738
	-		585,686
	2,219		36,127,756
	-		1,256,026
	-		467,908
	-		2,780,402
	-		3,813,432
	-		3,650,391
	-		5,872,764
	-		1,519,013
	-		3,499,882
	-		22,859,818
	2,219		13,267,938
	-		825,571
	-		(14,402,030)
	-		4,035,000
	-		(3,863,767)
	-		(13,405,226)
	2,219		(137,288)
	278,737		33,052,105
\$	280,956	\$	32,914,817

**Augusta, Georgia**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2003**

	<b>Urban Services District</b>	<b>Emergency Telephone System</b>	<b>Capital Outlay</b>	<b>Law Enforcement</b>
<b>Assets</b>				
Cash and temporary investments	\$ 2,984,109	\$ -	\$ 1,672,347	\$ 489,747
Receivables (net of allowance for doubtful accounts)				
Taxes	1,718,528	-	564,589	-
Accounts	599,999	230,832	1,152	7,072
Interest	5,627	-	-	-
Note	42,920	-	-	-
Intergovernmental	-	-	-	-
Sinking fund account	-	-	-	-
Due from other funds	103,078	-	44,028	-
<b>Total assets</b>	<b>\$ 5,454,261</b>	<b>\$ 230,832</b>	<b>\$ 2,282,116</b>	<b>\$ 496,819</b>
<b>Liabilities and fund balances (deficits)</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 152,684	\$ 29,248	\$ 320,419	\$ 3,104
Accrued interest	-	-	-	-
Due to other funds	-	270,777	-	-
Accrued salaries and vacation	15,814	64,533	-	-
Other accrued liabilities	77,737	-	-	-
Deferred revenue	1,168,938	-	460,769	-
<b>Total liabilities</b>	<b>1,415,173</b>	<b>364,558</b>	<b>781,188</b>	<b>3,104</b>
<b>Fund balances (deficits):</b>				
Reserved for:				
Encumbrances	3,823	24,555	547,801	24,601
Unreserved - undesignated	4,035,265	(158,281)	953,127	469,114
<b>Total fund balances (deficits)</b>	<b>4,039,088</b>	<b>(133,726)</b>	<b>1,500,928</b>	<b>493,715</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 5,454,261</b>	<b>\$ 230,832</b>	<b>\$ 2,282,116</b>	<b>\$ 496,819</b>

<b>Occupational Tax</b>	<b>Special Assessment</b>	<b>Promotion/ Tourism</b>	<b>Housing and Neighborhood Development</b>	<b>Urban Development Action Grant</b>	<b>Federal Drug Fund</b>	<b>State Drug Fund</b>
\$ 13,335	\$ 40,574	\$ 275,832	\$ 915,237	\$ 491,799	\$ 547,674	\$ 585,856
-	513,690	-	-	-	-	-
-	-	11,196	-	-	-	-
-	-	-	-	52,057	-	-
-	-	-	-	293,915	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	14,933	-	-	-	-	-
<u>\$ 13,335</u>	<u>\$ 569,197</u>	<u>\$ 287,028</u>	<u>\$ 915,237</u>	<u>\$ 837,771</u>	<u>\$ 547,674</u>	<u>\$ 585,856</u>
\$ -	\$ 89,991	\$ 279,800	\$ 6,408	\$ 283	\$ 122,712	\$ 4,225
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,281	-	32,534	-	-	-
-	-	-	-	-	-	-
-	493,102	-	-	-	-	-
-	585,374	279,800	38,942	283	122,712	4,225
-	-	-	3,633	26,616	401,181	-
13,335	(16,177)	7,228	872,662	810,872	23,781	581,631
13,335	(16,177)	7,228	876,295	837,488	424,962	581,631
<u>\$ 13,335</u>	<u>\$ 569,197</u>	<u>\$ 287,028</u>	<u>\$ 915,237</u>	<u>\$ 837,771</u>	<u>\$ 547,674</u>	<u>\$ 585,856</u>



**Augusta, Georgia**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds - Continued**  
**December 31, 2002**

	<b>Downtown Development Authority</b>	<b>State Capital Grants</b>	<b>Law Library</b>	<b>5% Victim's Crime Assistance</b>
<b>Assets</b>				
Cash and temporary investments	\$ 95,527	\$ -	\$ -	\$ 504,054
Receivables (net of allowance for doubtful accounts)				
Taxes	-	-	-	-
Accounts	-	-	2,519	26,913
Interest	-	-	-	-
Note	-	-	-	-
Intergovernmental	-	-	-	-
Sinking fund account	204,539	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 300,066</b>	<b>\$ -</b>	<b>\$ 2,519</b>	<b>\$ 530,967</b>
<b>Liabilities and fund balances (deficits)</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 29	\$ 6,120
Accrued interest	-	-	-	-
Due to other funds	386,785	-	25,066	-
Accrued salaries and vacation	-	-	-	14,582
Other accrued liabilities	75	-	-	127
Deferred revenue	-	-	-	-
<b>Total liabilities</b>	<b>386,860</b>	<b>-</b>	<b>25,095</b>	<b>20,829</b>
<b>Fund balances (deficits):</b>				
Reserved for:				
Encumbrances	-	-	-	2,569
Unreserved - undesignated	(86,794)	-	(22,576)	507,569
<b>Total fund balances (deficits)</b>	<b>(86,794)</b>	<b>-</b>	<b>(22,576)</b>	<b>510,138</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 300,066</b>	<b>\$ -</b>	<b>\$ 2,519</b>	<b>\$ 530,967</b>

Supplemental Juvenile Services	Building Inspection	Weed and Seed Federal Grant	Wireless Phase	Communtiy Greenspace	Perpetual Care - I	Land Bank Authority	Total Nonmajor Special Revenue Funds
\$ 37,107	\$ 217,768	\$ -	\$ 731,297	\$ 482,488	\$ 698,137	\$ 9,983	\$ 10,792,871
-	-	-	-	-	-	-	2,796,807
800	-	-	-	-	2,349	-	882,832
-	-	-	-	-	-	-	57,684
-	-	-	-	-	-	-	336,835
-	-	217,306	-	-	-	-	217,306
-	-	-	-	-	-	-	204,539
-	-	-	-	-	-	-	162,039
<u>\$ 37,907</u>	<u>\$ 217,768</u>	<u>\$ 217,306</u>	<u>\$ 731,297</u>	<u>\$ 482,488</u>	<u>\$ 700,486</u>	<u>\$ 9,983</u>	<u>\$ 15,450,913</u>
\$ 156	\$ 2,044	\$ 1,806	\$ 6,254	\$ -	\$ 1,545	\$ -	\$ 1,026,828
-	-	-	-	-	-	-	-
-	-	179,557	-	-	-	-	862,185
-	23,096	3,112	-	-	-	-	155,952
-	-	-	-	-	-	-	77,939
-	-	-	-	476,589	-	-	2,599,398
<u>156</u>	<u>25,140</u>	<u>184,475</u>	<u>6,254</u>	<u>476,589</u>	<u>1,545</u>	<u>-</u>	<u>4,722,302</u>
143	122	2,592	-	-	488	-	1,038,124
<u>37,608</u>	<u>192,506</u>	<u>30,239</u>	<u>725,043</u>	<u>5,899</u>	<u>698,453</u>	<u>9,983</u>	<u>9,690,487</u>
<u>37,751</u>	<u>192,628</u>	<u>32,831</u>	<u>725,043</u>	<u>5,899</u>	<u>698,941</u>	<u>9,983</u>	<u>10,728,611</u>
<u>\$ 37,907</u>	<u>\$ 217,768</u>	<u>\$ 217,306</u>	<u>\$ 731,297</u>	<u>\$ 482,488</u>	<u>\$ 700,486</u>	<u>\$ 9,983</u>	<u>\$ 15,450,913</u>

**Augusta, Georgia**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
Year Ended December 31, 2003**

	<b>Urban Services District</b>	<b>Emergency Telephone System</b>	<b>Capital Outlay</b>	<b>Law Enforcement</b>
<b>Revenues</b>				
Taxes - property	\$ 6,899,261	\$ -	\$ 3,161,535	\$ -
Taxes - other than property	7,464,281	-	-	-
Licenses and permits	-	-	-	-
Use of money and property	30,650	-	94,585	5,294
Charges for current services	223,747	2,461,649	175	103,287
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Contributions and donations	269,437	-	-	-
Other	-	-	30,325	-
Total revenues	<u>14,887,376</u>	<u>2,461,649</u>	<u>3,286,620</u>	<u>108,581</u>
<b>Expenditures</b>				
Current:				
General government	32,070	200,842	879,694	-
Judicial	-	-	51,738	-
Public safety	-	2,275,532	2,983	32,712
Public works	1,753,201	-	238,449	-
Culture and recreation	-	-	34,695	-
Housing and development	2,024	-	-	-
Capital outlay	-	-	975,589	28,656
Debt service	296,004	-	2,148,398	-
Total expenditures	<u>2,083,299</u>	<u>2,476,374</u>	<u>4,331,546</u>	<u>61,368</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>12,804,077</u>	<u>(14,725)</u>	<u>(1,044,926)</u>	<u>47,213</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	13,996	-
Transfers (out)	(12,276,350)	-	-	-
Proceeds of refunding bond	-	-	-	-
Payment of refunded debt	-	-	-	-
Total other financing sources (uses)	<u>(12,276,350)</u>	<u>-</u>	<u>13,996</u>	<u>-</u>
<b>Net change in fund balances (deficits)</b>	527,727	(14,725)	(1,030,930)	47,213
<b>Fund balance (deficits) - beginning</b>	<u>3,511,361</u>	<u>(119,001)</u>	<u>2,531,858</u>	<u>446,502</u>
<b>Fund balance (deficits) - ending</b>	<u>\$ 4,039,088</u>	<u>\$ (133,726)</u>	<u>\$ 1,500,928</u>	<u>\$ 493,715</u>

Occupational Tax	Special Assessment	Promotion/ Tourism	Housing and Neighborhood Development	Urban Development Action Grant	Federal Drug Fund	State Drug Fund
\$ -	\$ 1,264,935	\$ 11,952	\$ -	\$ -	\$ -	\$ -
766	-	3,572,554	-	-	-	-
2,057,093	-	-	-	-	-	-
8,493	-	-	1,686	14,410	-	-
-	-	-	-	-	-	-
-	-	-	-	-	612,129	549,007
-	-	-	3,686,192	-	-	-
-	-	-	-	-	-	-
1,926	-	-	465,402	-	4,652	72,267
2,068,278	1,264,935	3,584,506	4,153,280	14,410	616,781	621,274
6,000	3,240	-	122,330	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	119,616	34,343
-	1,476,233	-	-	-	-	-
-	-	3,595,654	-	-	-	-
-	-	-	4,636,892	364,136	-	-
-	45,656	-	-	-	72,203	5,300
-	-	-	170,880	-	-	-
6,000	1,525,129	3,595,654	4,930,102	364,136	191,819	39,643
2,062,278	(260,194)	(11,148)	(776,822)	(349,726)	424,962	581,631
-	315,635	-	490,150	5,790	-	-
(2,052,000)	-	-	-	(100,000)	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(2,052,000)	315,635	-	490,150	(94,210)	-	-
10,278	55,441	(11,148)	(286,672)	(443,936)	424,962	581,631
3,057	(71,618)	18,376	1,162,967	1,281,424	-	-
\$ 13,335	\$ (16,177)	\$ 7,228	\$ 876,295	\$ 837,488	\$ 424,962	\$ 581,631

**Augusta, Georgia**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Continued**  
**Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2002**

	<b>Downtown Development Authority</b>	<b>State Capital Grants</b>	<b>Law Library</b>	<b>5% Victim's Crime Assistance</b>
<b>Revenues</b>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Taxes - other than property	413,805	-	-	-
Licenses and permits	-	-	-	-
Use of money and property	327	-	-	5,776
Charges for current services	-	-	-	7,272
Fines and forfeitures	-	-	-	324,903
Intergovernmental	-	-	-	29,690
Contributions and donations	-	-	-	-
Other	-	-	-	-
Total revenues	<u>414,132</u>	<u>-</u>	<u>-</u>	<u>367,641</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	15	397,654
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Housing and development	154,790	-	-	-
Capital outlay	-	-	-	-
Debt service	517,665	-	-	-
Total expenditures	<u>672,455</u>	<u>-</u>	<u>15</u>	<u>397,654</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(258,323)</u>	<u>-</u>	<u>(15)</u>	<u>(30,013)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	26,320	-	-	-
Proceeds of refunding bond	4,035,000	-	-	-
Payment of refunded debt	(3,863,767)	-	-	-
Total other financing sources (uses)	<u>197,553</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances (deficits)</b>	<u>(60,770)</u>	<u>-</u>	<u>(15)</u>	<u>(30,013)</u>
<b>Fund balance (deficits) - beginning</b>	<u>(26,024)</u>	<u>-</u>	<u>(22,561)</u>	<u>540,151</u>
<b>Fund balance (deficits) - ending</b>	<u>\$ (86,794)</u>	<u>\$ -</u>	<u>\$ (22,576)</u>	<u>\$ 510,138</u>

Supplemental Juvenile Services	Building Inspection	Weed and Seed Federal Grant	Wireless Phase	Community Greenspace	Perpetual Care - I	Landbank Authority	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,337,683
-	-	-	-	-	-	-	11,451,406
-	904,735	-	-	-	-	-	2,961,828
429	1,315	-	4,289	5,899	40,844	-	213,997
8,950	-	-	343,178	-	-	-	3,148,258
-	-	-	-	-	-	-	1,486,039
-	-	217,306	-	206,900	-	-	4,140,088
-	-	301	-	-	-	-	269,738
-	-	-	-	-	-	9,983	584,555
9,379	906,050	217,607	347,467	212,799	40,844	9,983	35,593,592
-	-	-	10,000	-	-	-	1,254,176
18,501	-	-	-	-	-	-	467,908
-	-	218,731	46,977	-	-	-	2,730,894
-	-	-	-	-	-	-	3,467,883
-	-	-	-	-	20,042	-	3,650,391
-	713,422	-	-	1,500	-	-	5,872,764
-	-	-	-	205,400	-	-	1,332,804
-	-	-	-	-	-	-	3,132,947
18,501	713,422	218,731	56,977	206,900	20,042	-	21,909,767
(9,122)	192,628	(1,124)	290,490	5,899	20,802	9,983	13,683,825
-	-	-	-	-	-	-	825,571
-	-	-	-	-	-	-	(14,402,030)
-	-	-	-	-	-	-	4,035,000
-	-	-	-	-	-	-	(3,863,767)
-	-	-	-	-	-	-	(13,405,226)
(9,122)	192,628	(1,124)	290,490	5,899	20,802	9,983	278,599
46,873	-	33,955	434,553	-	678,139	-	10,450,012
\$ 37,751	\$ 192,628	\$ 32,831	\$ 725,043	\$ 5,899	\$ 698,941	\$ 9,983	\$ 10,728,611

**Augusta, Georgia**  
**Urban Services District Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2002 Actual</u>
<b>Revenues</b>				
Taxes - property	\$ 6,768,170	\$ 6,899,261	\$ 131,091	\$ 6,550,084
Taxes - other than property	7,691,450	7,464,281	(227,169)	7,979,456
Use of money and property	12,000	30,650	18,650	21,478
Charges for current services	156,945	223,747	66,802	-
Contributions and donations	42,440	269,437	226,997	238,514
Other	-	-	-	263
Total revenues	<u>14,671,005</u>	<u>14,887,376</u>	<u>216,371</u>	<u>14,789,795</u>
<b>Expenditures</b>				
Current:				
General government	50,570	32,070	18,500	54,000
Public works	1,809,035	1,753,201	55,834	1,639,173
Housing and development	-	2,024	(2,024)	104,917
Capital outlay	120,000	-	120,000	6,244
Debt service	296,010	296,004	6	267,056
Total expenditures	<u>2,275,615</u>	<u>2,083,299</u>	<u>192,316</u>	<u>2,071,390</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>12,395,390</u>	<u>12,804,077</u>	<u>408,687</u>	<u>12,718,405</u>
<b>Other financing sources (uses)</b>				
Transfers (out)	<u>(12,395,390)</u>	<u>(12,276,350)</u>	<u>119,040</u>	<u>(12,123,192)</u>
Total other financing sources (uses)	<u>(12,395,390)</u>	<u>(12,276,350)</u>	<u>119,040</u>	<u>(12,123,192)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>527,727</u>	<u>\$ 527,727</u>	<u>595,213</u>
<b>Fund balance - beginning</b>		<u>3,511,361</u>		<u>2,916,148</u>
<b>Fund balance - ending</b>		<u>\$ 4,039,088</u>		<u>\$ 3,511,361</u>

**Augusta, Georgia**  
**Emergency Telephone System Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit) - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2003**

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>	<b>2002 Actual</b>
<b>Revenues</b>				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Charges for current services	2,634,000	2,461,649	(172,351)	2,565,248
Total revenues	<u>2,634,000</u>	<u>2,461,649</u>	<u>(172,351)</u>	<u>2,565,248</u>
<b>Expenditures</b>				
Current:				
General government	193,080	200,842	(7,762)	305,736
Public safety	2,439,630	2,275,532	164,098	2,399,183
Capital outlay	34,151	-	34,151	6,738
Total expenditures	<u>2,666,861</u>	<u>2,476,374</u>	<u>190,487</u>	<u>2,711,657</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(32,861)</u>	<u>(14,725)</u>	<u>18,136</u>	<u>(146,409)</u>
<b>Other financing sources (uses)</b>				
Transfers (out)	207,938	-	(207,938)	196,638
Total other financing sources (uses)	<u>207,938</u>	<u>-</u>	<u>(207,938)</u>	<u>196,638</u>
<b>Net change in fund balances</b>	<u>\$ 175,077</u>	<u>(14,725)</u>	<u>\$ (189,802)</u>	<u>50,229</u>
<b>Fund balance (deficit) - beginning</b>		<u>(119,001)</u>		<u>(169,230)</u>
<b>Fund balance (deficit) - ending</b>		<u>\$ (133,726)</u>		<u>\$ (119,001)</u>



**Augusta, Georgia**  
**Capital Outlay Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2003**

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>	<b>2002 Actual</b>
<b>Revenues</b>				
Taxes - property	\$ 3,206,720	\$ 3,161,535	\$ (45,185)	\$ 2,829,473
Use of money and property	2,000	94,585	92,585	323,281
Charges for current services	-	175	175	-
Fines and forfeitures	-	-	-	80
Other	9,360	30,325	20,965	36,521
Total revenues	<u>3,218,080</u>	<u>3,286,620</u>	<u>68,540</u>	<u>3,189,355</u>
<b>Expenditures</b>				
Current:				
General government	1,082,014	879,694	202,320	960,559
Judicial	45,586	51,738	(6,152)	1,829
Public safety	-	2,983	(2,983)	36,041
Public works	178,744	238,449	(59,705)	76,616
Culture and recreation	50,340	34,695	15,645	57,240
Capital outlay	2,844,241	975,589	1,868,652	633,852
Debt service	2,031,161	2,148,398	(117,237)	751,576
Total expenditures	<u>6,232,086</u>	<u>4,331,546</u>	<u>1,900,540</u>	<u>2,517,713</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(3,014,006)</u>	<u>(1,044,926)</u>	<u>1,969,080</u>	<u>671,642</u>
<b>Other financing sources (uses)</b>				
Transfers in	(3,014,006)	13,996	3,028,002	-
Transfers (out)	-	-	-	(1,890,251)
Total other financing sources (uses)	<u>(3,014,006)</u>	<u>13,996</u>	<u>3,028,002</u>	<u>(1,890,251)</u>
<b>Net change in fund balances</b>	<u>\$ (6,028,012)</u>	<u>(1,030,930)</u>	<u>\$ 4,997,082</u>	<u>(1,218,609)</u>
<b>Fund balance - beginning</b>		<u>2,531,858</u>		<u>3,750,467</u>
<b>Fund balance - ending</b>		<u>\$ 1,500,928</u>		<u>\$ 2,531,858</u>

**Augusta, Georgia**  
**Law Enforcement Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2002 Actual</u>
<b>Revenues</b>				
Use of money and property	\$ -	\$ 5,294	\$ 5,294	\$ 6,824
Charges for current services	307,209	103,287	(203,922)	237,445
Total revenues	<u>307,209</u>	<u>108,581</u>	<u>(198,628)</u>	<u>244,269</u>
<b>Expenditures</b>				
Current:				
General government	26,517	-	26,517	-
Public safety	227,436	32,712	194,724	50,260
Capital outlay	53,256	28,656	24,600	18,663
Total expenditures	<u>307,209</u>	<u>61,368</u>	<u>245,841</u>	<u>68,923</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>47,213</u>	<u>47,213</u>	<u>175,346</u>
<b>Other financing sources (uses)</b>				
Transfers (out)	-	-	-	(15,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>47,213</u>	<u>\$ 47,213</u>	<u>160,346</u>
<b>Fund balance - beginning</b>		<u>446,502</u>		<u>286,156</u>
<b>Fund balance - ending</b>		<u>\$ 493,715</u>		<u>\$ 446,502</u>

**Augusta, Georgia**  
**Occupation Tax Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2003**

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>	<b>2002 Actual</b>
<b>Revenues</b>				
Taxes - other than property	\$ -	\$ 766	\$ 766	\$ -
Licenses and permits	2,028,000	2,057,093	29,093	2,082,308
Use of money and property	30,000	8,493	(21,507)	12,656
Other	-	1,926	1,926	2,141
Total revenues	<u>2,058,000</u>	<u>2,068,278</u>	<u>10,278</u>	<u>2,097,105</u>
<b>Expenditures</b>				
Current:				
General government	6,000	6,000	-	12,500
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>12,500</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>2,052,000</u>	<u>2,062,278</u>	<u>10,278</u>	<u>2,084,605</u>
<b>Other financing sources (uses)</b>				
Transfers (out)	(2,052,000)	(2,052,000)	-	(2,084,585)
Total other financing sources (uses)	<u>(2,052,000)</u>	<u>(2,052,000)</u>	<u>-</u>	<u>(2,084,585)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>10,278</u>	<u>\$ 10,278</u>	<u>20</u>
<b>Fund balance - beginning</b>		<u>3,057</u>		<u>3,037</u>
<b>Fund balance - ending</b>		<u>\$ 13,335</u>		<u>\$ 3,057</u>

**Augusta, Georgia**  
**Special Assessment Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit) - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2002 Actual</u>
<b>Revenues</b>				
Taxes - property	\$ 1,257,020	\$ 1,264,935	\$ 7,915	\$ 1,110,442
Total revenues	<u>1,257,020</u>	<u>1,264,935</u>	<u>7,915</u>	<u>1,110,442</u>
<b>Expenditures</b>				
Current:				
General government	7,880	3,240	4,640	-
Public works	1,195,440	1,476,233	(280,793)	1,347,975
Capital outlay	53,700	45,656	8,044	37,691
Total expenditures	<u>1,257,020</u>	<u>1,525,129</u>	<u>(268,109)</u>	<u>1,385,666</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>(260,194)</u>	<u>(260,194)</u>	<u>(275,224)</u>
Transfers in	-	315,635	315,635	-
Total other financing sources (uses)	<u>-</u>	<u>315,635</u>	<u>315,635</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>55,441</u>	<u>\$ 55,441</u>	<u>(275,224)</u>
<b>Fund balance - beginning</b>		<u>(71,618)</u>		<u>203,606</u>
<b>Fund balance (deficit) - ending</b>		<u>\$ (16,177)</u>		<u>\$ (71,618)</u>

Augusta, Georgia  
Promotion/Tourism Fund  
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Nonmajor Special Revenue Funds  
Year Ended December 31, 2003

	Budget	Actual	Variance with Final Budget - Positive (Negative)	2002 Actual
<b>Revenues</b>				
Taxes - property	\$ -	\$ 11,952	\$ 11,952	\$ -
Taxes - other than property	3,780,000	3,572,554	(207,446)	3,636,769
Other	-	-	-	10,484
Total revenues	<u>3,780,000</u>	<u>3,584,506</u>	<u>(195,494)</u>	<u>3,647,253</u>
<b>Expenditures</b>				
Current:				
Culture and recreation	3,780,000	3,595,654	184,346	3,652,497
Housing and development	-	-	-	-
Total expenditures	<u>3,780,000</u>	<u>3,595,654</u>	<u>184,346</u>	<u>3,652,497</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>(11,148)</u>	<u>(11,148)</u>	<u>(5,244)</u>
 <b>Net change in fund balances</b>	 <u>\$ -</u>	 <u>(11,148)</u>	 <u>\$ (11,148)</u>	 <u>(5,244)</u>
 <b>Fund balance - beginning</b>		 <u>18,376</u>		 <u>23,620</u>
<b>Fund balance - ending</b>		<u>\$ 7,228</u>		<u>\$ 18,376</u>

**Augusta, Georgia**  
**Housing and Neighborhood Development Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2002 Actual</u>
<b>Revenues</b>				
Use of money and property	\$ -	\$ 1,686	\$ 1,686	\$ 2,262
Intergovernmental	4,572,427	3,686,192	(886,235)	5,188,594
Other	311,051	465,402	154,351	324,321
Total revenues	<u>4,883,478</u>	<u>4,153,280</u>	<u>(730,198)</u>	<u>5,515,177</u>
<b>Expenditures</b>				
Current:				
General government	160,520	122,330	38,190	71,397
Housing and development	5,007,108	4,636,892	370,216	5,449,891
Capital outlay	35,000	-	35,000	-
Debt service	171,000	170,880	120	171,400
Total expenditures	<u>5,373,628</u>	<u>4,930,102</u>	<u>443,526</u>	<u>5,692,688</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(490,150)</u>	<u>(776,822)</u>	<u>(286,672)</u>	<u>(177,511)</u>
<b>Other financing sources (uses)</b>				
Transfers in	490,150	490,150	-	298,026
Total other financing sources (uses)	<u>490,150</u>	<u>490,150</u>	<u>-</u>	<u>298,026</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>(286,672)</u>	<u>\$ (286,672)</u>	<u>120,515</u>
<b>Fund balance - beginning</b>		<u>1,162,967</u>		<u>1,042,452</u>
<b>Fund balance - ending</b>		<u>\$ 876,295</u>		<u>\$ 1,162,967</u>

**Augusta, Georgia**  
**Urban Development Action Grant Fund (UDAG)**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2002 Actual</u>
<b>Revenues</b>				
Use of money and property	\$ -	\$ 14,410	\$ 14,410	\$ 31,364
Total revenues	<u>-</u>	<u>14,410</u>	<u>14,410</u>	<u>31,364</u>
<b>Expenditures</b>				
Current:				
Housing and development	705,790	364,136	341,654	295,936
Total expenditures	<u>705,790</u>	<u>364,136</u>	<u>341,654</u>	<u>295,936</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(705,790)</u>	<u>(349,726)</u>	<u>356,064</u>	<u>(264,572)</u>
<b>Other financing sources (uses)</b>				
Transfers in	630,790	5,790	(625,000)	-
Transfers (out)	-	(100,000)	(100,000)	-
Total other financing sources (uses)	<u>630,790</u>	<u>(94,210)</u>	<u>(725,000)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ (75,000)</u>	<u>(443,936)</u>	<u>\$ (368,936)</u>	<u>(264,572)</u>
<b>Fund balance - beginning</b>		<u>1,281,424</u>		<u>1,545,996</u>
<b>Fund balance - ending</b>		<u>\$ 837,488</u>		<u>\$ 1,281,424</u>

**Augusta, Georgia**  
**Federal Drug Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2002 Actual</u>
<b>Revenues</b>				
Fines and forfeitures	603,151	612,129	8,978	-
Other	-	4,652	4,652	-
Total revenues	<u>603,151</u>	<u>616,781</u>	<u>13,630</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Public safety	230,590	119,616	110,974	-
Capital outlay	<u>372,561</u>	<u>72,203</u>	<u>300,358</u>	<u>-</u>
Total expenditures	<u>603,151</u>	<u>191,819</u>	<u>411,332</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>424,962</u>	<u>424,962</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>424,962</u>	<u>\$ 424,962</u>	<u>-</u>
<b>Fund balance - ending</b>		<u>\$ 424,962</u>		<u>\$ -</u>



**Augusta, Georgia**  
**State Drug Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2002 Actual</u>
<b>Revenues</b>				
Fines and forfeitures	42,469	549,007	506,538	-
Other	-	72,267	72,267	-
Total revenues	<u>42,469</u>	<u>621,274</u>	<u>578,805</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Public safety	35,969	34,343	1,626	-
Capital outlay	<u>6,500</u>	<u>5,300</u>	<u>1,200</u>	<u>-</u>
Total expenditures	<u>42,469</u>	<u>39,643</u>	<u>2,826</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>581,631</u>	<u>581,631</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
 Net change in fund balances	<u>\$ -</u>	<u>581,631</u>	<u>\$ 581,631</u>	<u>-</u>
 <b>Fund balance - ending</b>		<u>\$ 581,631</u>		<u>\$ -</u>

**Augusta, Georgia**  
**Downtown Development Authority Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit) - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2002 Actual</u>
<b>Revenues</b>				
Taxes - other than property	400,000	413,805	13,805	417,135
Use of money and property	-	327	327	-
Total revenues	<u>400,000</u>	<u>414,132</u>	<u>14,132</u>	<u>417,135</u>
<b>Expenditures</b>				
Current:				
Housing and development	154,790	154,790	-	-
Debt service	<u>271,530</u>	<u>517,665</u>	<u>(246,135)</u>	<u>858,227</u>
Total expenditures	<u>426,320</u>	<u>672,455</u>	<u>(246,135)</u>	<u>858,227</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(26,320)</u>	<u>(258,323)</u>	<u>(232,003)</u>	<u>(441,092)</u>
<b>Other financing sources (uses)</b>				
Transfers (out)	26,320	26,320	-	475,196
Proceeds of refunding bond	-	4,035,000	4,035,000	-
Payment of refunded debt	<u>-</u>	<u>(3,863,767)</u>	<u>(3,863,767)</u>	<u>-</u>
Total other financing sources (uses)	<u>26,320</u>	<u>197,553</u>	<u>171,233</u>	<u>475,196</u>
 <b>Net change in fund balances</b>	 <u>\$ -</u>	 <u>(60,770)</u>	 <u>\$ (60,770)</u>	 <u>34,104</u>
<b>Fund balance (deficit) - beginning</b>		<u>(26,024)</u>		<u>(60,128)</u>
<b>Fund balance (deficit) - ending</b>		<u>\$ (86,794)</u>		<u>\$ (26,024)</u>

Augusta, Georgia  
 Law Library Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Nonmajor Special Revenue Funds  
 Year Ended December 31, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2002 Actual</u>
<b>Revenues</b>				
Other	\$ -	\$ -	\$ -	\$ 1
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
<b>Expenditures</b>				
Current:				
Judicial	-	15	(15)	212
Total expenditures	<u>-</u>	<u>15</u>	<u>(15)</u>	<u>212</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>(15)</u>	<u>(15)</u>	<u>(211)</u>
<b>Other financing sources (uses)</b>				
 Net change in fund balances	<u>\$ -</u>	<u>(15)</u>	<u>\$ (15)</u>	<u>(211)</u>
 Fund balance (deficits) - beginning		<u>(22,561)</u>		<u>(22,350)</u>
 Fund balance (deficits) - ending		<u>\$ (22,576)</u>		<u>\$ (22,561)</u>

**Augusta, Georgia**  
**5% Victim's Crime Assistance Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2002 Actual</u>
<b>Revenues</b>				
Use of money and property	\$ 9,000	\$ 5,776	\$ (3,224)	\$ 8,906
Charges for current services	-	7,272	7,272	10,906
Fines and forfeitures	374,000	324,903	(49,097)	313,221
Intergovernmental	-	29,690	29,690	29,399
Total revenues	<u>383,000</u>	<u>367,641</u>	<u>(15,359)</u>	<u>362,432</u>
<b>Expenditures</b>				
Current:				
General government	6,455	-	6,455	-
Judicial	<u>376,545</u>	<u>397,654</u>	<u>(21,109)</u>	<u>366,184</u>
Total expenditures	<u>383,000</u>	<u>397,654</u>	<u>(14,654)</u>	<u>366,184</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>(30,013)</u>	<u>(30,013)</u>	<u>(3,752)</u>
<b>Other financing sources (uses)</b>				
Transfers (out)	-	-	-	(40,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,000)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>(30,013)</u>	<u>\$ (30,013)</u>	<u>(43,752)</u>
<b>Fund balance - beginning</b>		<u>540,151</u>		<u>583,903</u>
<b>Fund balance - ending</b>		<u>\$ 510,138</u>		<u>\$ 540,151</u>

**Augusta, Georgia**  
**Supplemental Juvenile Service Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2002 Actual</u>
<b>Revenues</b>				
Use of money and property	\$ 1,000	\$ 429	\$ (571)	\$ 675
Charges for current services	17,715	8,950	(8,765)	15,849
Total revenues	<u>18,715</u>	<u>9,379</u>	<u>(9,336)</u>	<u>16,524</u>
<b>Expenditures</b>				
Current:				
Judicial	18,715	18,501	214	10,357
Total expenditures	<u>18,715</u>	<u>18,501</u>	<u>214</u>	<u>10,357</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>(9,122)</u>	<u>(9,122)</u>	<u>6,167</u>
 <b>Net change in fund balances</b>	 <u>\$ -</u>	 <u>(9,122)</u>	 <u>\$ (9,122)</u>	 <u>6,167</u>
 <b>Fund balance - beginning</b>		 <u>46,873</u>		 <u>40,706</u>
 <b>Fund balance - ending</b>		 <u>\$ 37,751</u>		 <u>\$ 46,873</u>

**Augusta, Georgia**  
**Weed and Seed Federal Grant Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2002 Actual</u>
<b>Revenues</b>				
Intergovernmental	\$ 275,000	\$ 217,306	\$ (57,694)	\$ 249,328
Contributions and donations	-	301	301	2,300
Total revenues	<u>275,000</u>	<u>217,607</u>	<u>(57,393)</u>	<u>251,628</u>
<b>Expenditures</b>				
Current:				
General government	1,250	-	1,250	-
Public safety	273,750	218,731	55,019	218,062
Capital outlay	-	-	-	30,000
Total expenditures	<u>275,000</u>	<u>218,731</u>	<u>56,269</u>	<u>248,062</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>(1,124)</u>	<u>(1,124)</u>	<u>3,566</u>
 <b>Net change in fund balances</b>	 <u>\$ -</u>	 <u>(1,124)</u>	 <u>\$ (1,124)</u>	 <u>3,566</u>
 <b>Fund balance - beginning</b>		<u>33,955</u>		<u>30,389</u>
 <b>Fund balance - ending</b>		<u>\$ 32,831</u>		<u>\$ 33,955</u>

**Augusta, Georgia**  
**Wireless Phase Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2002 Actual</u>
<b>Revenues</b>				
Use of money and property	\$ 8,000	\$ 4,289	\$ (3,711)	\$ 3,904
Charges for current services	255,000	343,178	88,178	281,751
Total revenues	<u>263,000</u>	<u>347,467</u>	<u>84,467</u>	<u>285,655</u>
<b>Expenditures</b>				
Current:				
General government	89,500	10,000	79,500	-
Public safety	173,500	46,977	126,523	190,470
Total expenditures	<u>263,000</u>	<u>56,977</u>	<u>206,023</u>	<u>190,470</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>290,490</u>	<u>290,490</u>	<u>95,185</u>
<b>Other financing sources (uses)</b>				
Transfers (out)	-	-	-	(196,638)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(196,638)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>290,490</u>	<u>\$ 290,490</u>	<u>(101,453)</u>
<b>Fund balance - beginning</b>		<u>434,553</u>		<u>536,006</u>
<b>Fund balance - ending</b>		<u>\$ 725,043</u>		<u>\$ 434,553</u>

Augusta, Georgia  
 Community Greenspace Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Nonmajor Special Revenue Funds  
 Year Ended December 31, 2003

	Budget	Actual	Variance with Final Budget - Positive (Negative)	2002 Actual
<b>Revenues</b>				
Use of money and property	\$ -	\$ 5,899	\$ 5,899	\$ 11,800
Intergovernmental	55,000	206,900	151,900	334,335
Total revenues	<u>55,000</u>	<u>212,799</u>	<u>157,799</u>	<u>346,135</u>
<b>Expenditures</b>				
Current:				
Housing and development	55,000	1,500	53,500	19,510
Capital outlay	205,400	205,400	-	326,625
Total expenditures	<u>260,400</u>	<u>206,900</u>	<u>53,500</u>	<u>346,135</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(205,400)</u>	<u>5,899</u>	<u>211,299</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Transfers in	205,400	-	(205,400)	-
Total other financing sources (uses)	<u>205,400</u>	<u>-</u>	<u>(205,400)</u>	<u>-</u>
 <b>Net change in fund balances</b>	 <u>\$ -</u>	 5,899	 <u>\$ 5,899</u>	 -
<b>Fund balance - beginning</b>		-		499,510
<b>Prior period adjustment</b>		-		(499,510)
<b>Fund balance - ending</b>		<u>\$ 5,899</u>		<u>\$ -</u>



Augusta, Georgia  
 Perpetual Care - I Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Nonmajor Special Revenue Funds  
 Year Ended December 31, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2002 Actual</u>
<b>Revenues</b>				
Use of money and property	\$ 40,000	\$ 40,844	\$ 844	\$ 29,854
Charges for current services	1,300	-	(1,300)	1,703
Total revenues	<u>41,300</u>	<u>40,844</u>	<u>(456)</u>	<u>31,557</u>
<b>Expenditures</b>				
Current:				
Culture and recreation	41,300	20,042	21,258	16,721
Total expenditures	<u>41,300</u>	<u>20,042</u>	<u>21,258</u>	<u>16,721</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>20,802</u>	<u>20,802</u>	<u>14,836</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>20,802</u>	<u>\$ 20,802</u>	<u>14,836</u>
<b>Fund balance - beginning</b>		<u>678,139</u>		<u>663,303</u>
<b>Fund balance - ending</b>		<u>\$ 698,941</u>		<u>\$ 678,139</u>

**Augusta, Georgia**  
**Landbank Authority Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2002 Actual</u>
<b>Revenues</b>				
Other	-	9,983	9,983	-
Total revenues	-	9,983	9,983	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	9,983	9,983	-
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>9,983</u>	<u>\$ 9,983</u>	-
<b>Fund balance - ending</b>		<u>\$ 9,983</u>		<u>\$ -</u>

**Augusta, Georgia**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**December 31, 2003**

	<u>Debt Service</u>	<u>Urban Debt Service</u>	<u>Total Nonmajor Debt Service Funds</u>
<b>Assets</b>			
Cash and temporary investments	\$ 705,199	\$ 236,104	\$ 941,303
Receivables (net of allowance for doubtful accounts)			
Taxes	39,017	27,790	66,807
Accounts	-	-	-
Certificates of participation investments			
Reserve account	1,571,208	-	1,571,208
Due from other funds	275	43	318
<b>Total assets</b>	<u>\$ 2,315,699</u>	<u>\$ 263,937</u>	<u>\$ 2,579,636</u>
<b>Liabilities and fund balances</b>			
<b>Liabilities:</b>			
Deferred revenue	39,021	28,565	67,586
Total liabilities	<u>39,021</u>	<u>28,565</u>	<u>67,586</u>
<b>Fund balances:</b>			
Debt	2,986,302	-	2,986,302
Unreserved - undesignated	(709,624)	235,372	(474,252)
Total fund balances	<u>2,276,678</u>	<u>235,372</u>	<u>2,512,050</u>
<b>Total liabilities and fund balances</b>	<u>\$ 2,315,699</u>	<u>\$ 263,937</u>	<u>\$ 2,579,636</u>

**Augusta, Georgia**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Debt Service Funds  
Year Ended December 31, 2003**

	<u>Debt Service</u>	<u>Urban Debt Service</u>	<u>Total Nonmajor Debt Service Funds</u>
<b>Revenues</b>			
Taxes - property	\$ 18,739	\$ 13,399	\$ 32,138
Use of money and property	150,839	5,593	156,432
Other	1,131	-	1,131
Total revenues	<u>170,709</u>	<u>18,992</u>	<u>189,701</u>
<b>Expenditures</b>			
Debt service	-	366,935	366,935
Total expenditures	<u>-</u>	<u>366,935</u>	<u>366,935</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>170,709</u>	<u>(347,943)</u>	<u>(177,234)</u>
<b>Net change in fund balances</b>	<u>170,709</u>	<u>(347,943)</u>	<u>(177,234)</u>
<b>Fund balance - beginning</b>	<u>2,105,969</u>	<u>583,315</u>	<u>2,689,284</u>
<b>Fund balance - ending</b>	<u>\$ 2,276,678</u>	<u>\$ 235,372</u>	<u>\$ 2,512,050</u>

**Augusta, Georgia**  
**Debt Service Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Debt Service Funds**  
**Year Ended December 31, 2003**

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>	<b>2002 Actual</b>
<b>Revenues</b>				
Taxes - property	\$ -	\$ 18,739	\$ 18,739	\$ -
Use of money and property	-	150,839	150,839	(112,227)
Other	-	1,131	1,131	-
Total revenues	-	170,709	170,709	(112,227)
<b>Expenditures</b>				
Debt service	-	-	-	1,029,600
Total expenditures	-	-	-	1,029,600
<b>Excess (deficiency) of revenues   over (under) expenditures</b>	-	170,709	170,709	(1,141,827)
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>170,709</u>	<u>\$ 170,709</u>	<u>(1,141,827)</u>
<b>Fund balance - beginning</b>		<u>2,105,969</u>		<u>3,092,614</u>
<b>Fund balance - ending</b>		<u>\$ 2,276,678</u>		<u>\$ 1,950,787</u>

**Augusta, Georgia**  
**Urban Debt Service Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Debt Service Funds**  
**Year Ended December 31, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2002 Actual</u>
<b>Revenues</b>				
Taxes - property	\$ -	\$ 13,399	\$ 13,399	\$ 57,711
Taxes - other than property	-	-	-	26
Use of money and property	10,000	5,593	(4,407)	13,834
Total revenues	<u>10,000</u>	<u>18,992</u>	<u>8,992</u>	<u>71,571</u>
<b>Expenditures</b>				
Debt service	<u>367,630</u>	<u>366,935</u>	<u>695</u>	<u>386,062</u>
Total expenditures	<u>367,630</u>	<u>366,935</u>	<u>695</u>	<u>386,062</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(357,630)</u>	<u>(347,943)</u>	<u>9,687</u>	<u>(314,491)</u>
<b>Other financing sources (uses)</b>				
Transfers in	<u>357,630</u>	-	<u>(357,630)</u>	-
Total other financing sources (uses)	<u>357,630</u>	-	<u>(357,630)</u>	-
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>(347,943)</u>	<u>\$ (347,943)</u>	<u>(314,491)</u>
<b>Fund balance - beginning</b>		<u>583,315</u>		<u>897,806</u>
<b>Fund balance - ending</b>		<u>\$ 235,372</u>		<u>\$ 583,315</u>

**Augusta, Georgia**  
**Combining Balance Sheet**  
**Nonmajor Capital Project Funds**  
**December 31, 2003**

	<b>Community Development</b>	<b>Special Sales Tax Phase I</b>	<b>Special Sales Tax Phase II</b>	<b>Total Nonmajor Capital Project Funds</b>
<b>Assets</b>				
Cash and temporary investments	\$ 183,514	\$ 4,343,841	\$ 14,876,720	\$ 19,404,075
Receivables (net of allowance for doubtful accounts)				
Interest	-	-	28,983	28,983
<b>Total assets</b>	<b>\$ 183,514</b>	<b>\$ 4,343,841</b>	<b>\$ 14,905,703</b>	<b>\$ 19,433,058</b>
<b>Liabilities and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 29,934	\$ -	\$ 9,924	\$ 39,858
<b>Total liabilities</b>	<b>29,934</b>	<b>-</b>	<b>9,924</b>	<b>39,858</b>
<b>Fund balances:</b>				
Encumbrances	31,573	22,695	2,580,813	2,635,081
Project Maintenance	-	2,000,000	3,596,460	5,596,460
Special purposes	(31,573)	3,282,934	13,298,777	16,550,138
Unreserved - undesignated	153,580	(961,788)	(4,580,271)	(5,388,479)
<b>Total fund balances</b>	<b>153,580</b>	<b>4,343,841</b>	<b>14,895,779</b>	<b>19,393,200</b>
<b>Total liabilities and fund balances</b>	<b>\$ 183,514</b>	<b>\$ 4,343,841</b>	<b>\$ 14,905,703</b>	<b>\$ 19,433,058</b>

**Augusta, Georgia**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Project Funds  
Year Ended December 31, 2003**

	<b>Community Development</b>	<b>Special Sales Tax Phase I</b>	<b>Special Sales Tax Phase II</b>	<b>Total Nonmajor Capital Project Funds</b>
<b>Revenues</b>				
Use of money and property	\$ -	\$ 49,218	\$ 241,830	\$ 291,048
Charges for current services	-	-	1,120	1,120
Intergovernmental	-	-	50,076	50,076
Total revenues	-	49,218	293,026	342,244
<b>Expenditures</b>				
Current:				
General government	-	-	1,850	1,850
Public safety	49,508	-	-	49,508
Public works	269,878	9,691	65,980	345,549
Capital outlay	35,804	-	150,405	186,209
Total expenditures	355,190	9,691	218,235	583,116
Excess (deficiency) of revenues over (under) expenditures	(355,190)	39,527	74,791	(240,872)
Net change in fund balances	(355,190)	39,527	74,791	(240,872)
Fund balance - beginning	508,770	4,304,314	14,820,988	19,634,072
Fund balance - ending	\$ 153,580	\$ 4,343,841	\$ 14,895,779	\$ 19,393,200



## NONMAJOR ENTERPRISE FUNDS

**Augusta, Georgia**  
**Combining Statement of Net Assets**  
**Nonmajor Enterprise Funds**  
**December 31, 2003**

	<b>Waste Management</b>	<b>Municipal Golf Course</b>	<b>Transit</b>
<b>Assets</b>			
Current assets			
Cash and temporary investments	\$ 10,723,113	\$ 179	\$ 150
Receivables			
Taxes	-	-	-
Accounts	453,630	-	419
Interest	-	-	-
Intergovernmental	-	-	881,359
Inventory	-	8,840	219,822
Due from other funds	-	-	-
Total current assets	<u>11,176,743</u>	<u>9,019</u>	<u>1,101,750</u>
Noncurrent assets			
Capital assets, net	<u>3,285,931</u>	<u>1,551,275</u>	<u>3,619,972</u>
Total noncurrent assets	<u>3,285,931</u>	<u>1,551,275</u>	<u>3,619,972</u>
<b>Total assets</b>	<u><b>\$ 14,462,674</b></u>	<u><b>\$ 1,560,294</b></u>	<u><b>\$ 4,721,722</b></u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 53,726	\$ 11,657	\$ 31,787
Due to other funds	-	87,883	2,537,788
Accrued salaries and vacation	77,392	18,750	188,648
Other accrued liabilities	161,476	144	-
Current portion of leases payable	49,057	-	-
Deferred revenue	-	650	-
Total current liabilities	<u>341,651</u>	<u>119,084</u>	<u>2,758,223</u>
Noncurrent liabilities			
Closure/postclosure accrual	11,800,706	-	-
Capital leases	49,057	-	-
Total noncurrent liabilities	<u>11,849,763</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u><b>12,191,414</b></u>	<u><b>119,084</b></u>	<u><b>2,758,223</b></u>
<b>Net assets</b>			
Invested in capital assets, net of related debt	3,187,817	1,551,275	3,619,972
Unrestricted	(916,557)	(110,065)	(1,656,473)
<b>Total net assets</b>	<u><b>\$2,271,260</b></u>	<u><b>\$1,441,210</b></u>	<u><b>\$1,963,499</b></u>

Daniel Field Airport	Newman Tennis Center	Garbage Collection	Riverwalk	Total Nonmajor Enterprise Funds
\$ 343,998	\$ 200	\$ -	\$ 50,995	\$ 11,118,635
-	-	632,531	-	632,531
-	-	-	-	454,049
1,312	-	-	-	1,312
-	-	-	-	881,359
-	9,786	-	-	238,448
-	-	72,710	-	72,710
345,310	9,986	705,241	50,995	13,399,044
1,251,473	-	-	-	9,708,651
1,251,473	-	-	-	9,708,651
\$ 1,596,783	\$ 9,986	\$ 705,241	\$ 50,995	\$ 23,107,695
\$ 23,327	\$ 3,775	\$ 608,632	\$ 8,859	\$ 741,763
15,737	200,443	696,683	-	3,538,534
-	6,128	8,207	6,423	305,548
-	1,287	-	-	162,907
-	-	-	-	49,057
-	-	-	-	650
39,064	211,633	1,313,522	15,282	4,798,459
-	-	-	-	11,800,706
-	-	-	-	49,057
-	-	-	-	11,849,763
39,064	211,633	1,313,522	15,282	16,648,222
1,251,473	-	-	-	9,610,537
306,246	(201,647)	(608,281)	35,713	(3,151,064)
\$1,557,719	(\$201,647)	(\$608,281)	\$35,713	\$6,459,473

**Augusta, Georgia**

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Nonmajor Enterprise Funds  
Year Ended December 31, 2003**

	<b>Waste Management</b>	<b>Municipal Golf Course</b>	<b>Transit</b>
<b>Operating revenues</b>			
Charges and fees	\$ 4,943,777	\$ 645,525	\$ 722,803
Total operating revenues	<u>4,943,777</u>	<u>645,525</u>	<u>722,803</u>
<b>Operating expenses</b>			
Personal services and employee benefits	917,291	260,728	2,666,136
Purchased/contracted services	792,243	43,050	81,708
Supplies	290,164	178,511	355,181
Repairs and maintenance	183,423	35,849	172,216
Interfund/interdepartmental charges	509,151	60,190	190,298
Other costs	162,212	-	-
Depreciation	1,068,939	44,831	523,769
Closure/postclosure accrual	817,227	-	-
Total operating expenses	<u>4,740,650</u>	<u>623,159</u>	<u>3,989,308</u>
<b>Operating income (loss)</b>	<u>203,127</u>	<u>22,366</u>	<u>(3,266,505)</u>
<b>Nonoperating revenue (expense)</b>			
Interest revenue	111,458	-	-
Sale of property	3,150	-	900
Other revenue (expense)	-	3,219	26,086
Intergovernmental	35,256	-	1,159,188
Interest expense	-	(25,900)	(22,010)
Total nonoperating revenue (expense)	<u>149,864</u>	<u>(22,681)</u>	<u>1,164,164</u>
<b>Income (loss) before transfers</b>	352,991	(315)	(2,102,341)
Transfers in	-	60,000	1,319,270
<b>Change in net assets</b>	<u>352,991</u>	<u>59,685</u>	<u>(783,071)</u>
<b>Total net assets - beginning</b>	2,350,093	1,323,873	3,363,032
<b>Prior period adjustment</b>	<u>(431,824)</u>	<u>57,652</u>	<u>(616,462)</u>
<b>Total net assets - beginning, as restated</b>	<u>1,918,269</u>	<u>1,381,525</u>	<u>2,746,570</u>
<b>Total net assets - ending</b>	<u>\$ 2,271,260</u>	<u>\$ 1,441,210</u>	<u>\$ 1,963,499</u>

<b>Daniel Field Airport</b>	<b>Newman Tennis Center</b>	<b>Garbage Collection</b>	<b>Riverwalk</b>	<b>Total</b>
\$ 89,750	\$ 218,386	\$ 6,644,314	\$ 58,830	\$ 13,323,385
89,750	218,386	6,644,314	58,830	13,323,385
21,428	104,888	93,088	72,597	4,136,156
15,762	106,564	10,188,972	60,748	11,289,047
6,410	80,072	10,206	116,963	1,037,507
16,860	4,229	-	510	413,087
7,186	6,695	100,000	-	873,520
-	-	612,000	-	774,212
66,606	-	-	-	1,704,145
-	-	-	-	817,227
134,252	302,448	11,004,266	250,818	21,044,901
(44,502)	(84,062)	(4,359,952)	(191,988)	(7,721,516)
4,804	-	-	487	116,749
-	-	-	-	4,050
900	500	-	-	30,705
272,603	7,136	-	-	1,474,183
-	(2,173)	(26,429)	-	(76,512)
278,307	5,463	(26,429)	487	1,549,175
233,805	(78,599)	(4,386,381)	(191,501)	(6,172,341)
50,000	53,830	3,127,550	218,240	4,828,890
283,805	(24,769)	(1,258,831)	26,739	(1,343,451)
1,094,882	(176,878)	650,550	8,974	8,614,526
179,032	-	-	-	(811,602)
1,273,914	(176,878)	650,550	8,974	7,802,924
\$ 1,557,719	\$ (201,647)	\$ (608,281)	\$ 35,713	\$ 6,459,473

Augusta, Georgia

Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
Year Ended December 31, 2003

	Waste Management	Municipal Golf Course	Transit
<b>Operating activities</b>			
Cash received from customers	\$ 5,413,460	\$ 645,525	\$ 722,384
Cash paid to suppliers	(1,416,967)	(267,678)	(643,970)
Cash paid to employees	(902,399)	(255,977)	(2,641,045)
Cash paid for interfund services used	(509,151)	(155,074)	1,117,193
Net cash provided by (used in) operating activities	2,584,943	(33,204)	(1,445,438)
<b>Noncapital financing activities</b>			
Transfers in	-	60,000	1,319,270
Operating grants	-	-	97,719
Interest expense on operating capital	-	-	(22,010)
Net cash provided by noncapital financing activities	-	60,000	1,394,979
<b>Capital and related financing activities</b>			
Proceeds from grants	35,256		271,776
Proceeds from sale of property	3,150	-	900
Other miscellaneous income		3,219	26,086
Purchase of capital assets	(251,921)	(4,115)	(249,303)
Interest paid on capital debt	-	(25,900)	-
Net cash provided (used) by capital and related financing activities	(213,515)	(26,796)	49,459
<b>Investing activities</b>			
Interest received	111,458	-	-
Net cash provided by investing activities	111,458	-	-
Net increase (decrease) in cash and cash equivalents/investments	2,482,886	-	(1,000)
<b>Cash and cash equivalents/investments</b>			
Beginning of year	8,240,227	179	1,150
End of year	\$ 10,723,113	\$ 179	\$ 150

<b>Daniel Field Airport</b>	<b>Newman Tennis Center</b>	<b>Garbage Collection</b>	<b>Riverwalk</b>	<b>Total Nonmajor Enterprise Funds</b>
\$ 89,750	\$ 218,386	\$ 7,286,470	\$ 58,830	\$ 14,434,805
(157,713)	(166,730)	(10,202,710)	(174,686)	(13,030,454)
(25,944)	(104,254)	(84,881)	(72,356)	(4,086,856)
(7,186)	(6,695)	(100,000)	-	339,087
(101,093)	(59,293)	(3,101,121)	(188,212)	(2,343,418)
50,000	53,830	3,127,550	218,240	4,828,890
-	-	-	-	97,719
-	(2,173)	(26,429)	-	(50,612)
50,000	51,657	3,101,121	218,240	4,875,997
272,603	7,136	-	-	586,771
-	-	-	-	4,050
900	500	-	-	30,705
(257,440)	-	-	-	(762,779)
-	-	-	-	(25,900)
16,063	7,636	-	-	(167,153)
5,140	-	-	487	117,085
5,140	-	-	487	117,085
(29,890)	-	-	30,515	2,482,511
373,888	200	-	20,480	8,636,124
\$ 343,998	\$ 200	\$ -	\$ 50,995	\$ 11,118,635

**Augusta, Georgia**  
**Combining Statement of Cash Flows - Continued**  
**Nonmajor Enterprise Funds**  
**Year Ended December 31, 2003**

	<u>Waste Management</u>	<u>Municipal Golf Course</u>	<u>Transit</u>
<b>Reconciliation of operating income (loss)</b>			
to net cash provided by			
(used in) operating activities			
Operating income (loss)	\$ 203,127	\$ 22,366	\$ (3,266,505)
Adjustments to reconcile operating income (loss)			
to net cash provided by (used in) operating			
activities:			
Depreciation	1,068,939	44,831	523,769
Closure/post closure costs	817,227	-	-
Change in assets and liabilities			
Accounts receivable	577,579	-	(419)
Due from other funds	-	-	-
Taxes receivable	-	-	-
Inventory	-	2,310	(43,323)
Accounts payable	(55,728)	(11,149)	8,458
Accrued salaries and vacation	14,892	4,751	25,091
Other accrued liabilities	(41,093)	(2,079)	-
Due to other funds	-	(94,884)	1,307,491
Unearned revenue	-	650	-
Total adjustments	<u>2,381,816</u>	<u>(55,570)</u>	<u>1,821,067</u>
Net cash provided by (used in) operating activities	<u>\$ 2,584,943</u>	<u>\$ (33,204)</u>	<u>\$ (1,445,438)</u>

**Noncash investing, capital, and financing activities:**



<u>Daniel Field Airport</u>	<u>Newman Tennis Center</u>	<u>Garbage Collection</u>	<u>Riverwalk</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ (44,502)	\$ (84,062)	\$ (4,359,952)	\$ (191,988)	(7,721,516)
66,606	-	-	-	1,704,145
-	-	-	-	817,227
-	-	1,726,476	-	2,303,636
-	-	160,211	-	160,211
-	-	(632,531)	-	(632,531)
-	7,000	-	-	(34,013)
33,615	(338)	(65,654)	3,535	(87,261)
(4,516)	634	8,207	241	49,300
-	1,287	-	-	(41,885)
(152,296)	16,186	62,122	-	1,138,619
-	-	-	-	650
<u>(56,591)</u>	<u>24,769</u>	<u>1,258,831</u>	<u>3,776</u>	<u>5,378,098</u>
<u>\$ (101,093)</u>	<u>\$ (59,293)</u>	<u>\$ (3,101,121)</u>	<u>\$ (188,212)</u>	<u>\$ (2,343,418)</u>



## INTERNAL SERVICE FUNDS

**Augusta, Georgia**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**December 31, 2003**

	<u>Risk Management</u>	<u>Fleet Operations</u>	<u>Workers Compensation</u>
<b>Assets</b>			
Current assets			
Cash and temporary investments	\$ 744,236	\$ -	\$ 137,340
Accounts receivable	-	-	-
Total current assets	<u>744,236</u>	<u>-</u>	<u>137,340</u>
Noncurrent assets			
Restricted investments	-	-	-
Capital assets, net	28,713	211,629	-
Total noncurrent assets	<u>28,713</u>	<u>211,629</u>	<u>-</u>
<b>Total assets</b>	<u><b>\$ 772,949</b></u>	<u><b>\$ 211,629</b></u>	<u><b>\$ 137,340</b></u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 184,704	\$ 327,656	\$ 133,372
Due to other funds	-	231,051	-
Accrued salaries and vacation	24,187	12,113	-
Total current liabilities	<u>208,891</u>	<u>570,820</u>	<u>133,372</u>
Noncurrent liabilities			
Revenue bonds payable	-	-	-
Notes payable	-	-	-
Capital leases	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u><b>208,891</b></u>	<u><b>570,820</b></u>	<u><b>133,372</b></u>
<b>Net assets</b>			
Invested in capital assets, net of related debt	28,713	211,629	-
Restricted	-	-	-
Unrestricted	535,345	(570,820)	3,968
<b>Total net assets</b>	<u><b>\$564,058</b></u>	<u><b>(\$359,191)</b></u>	<u><b>\$3,968</b></u>

<u>Employee Health Benefits</u>	<u>Unemployment</u>	<u>Long-term Disability Insurance</u>	<u>GMA Leases</u>	<u>Total</u>
\$ -	\$ 63,233	\$ 15,657	\$ -	\$ 960,466
-	-	-	3,068,652	3,068,652
-	63,233	15,657	3,068,652	4,029,118
-	-	-	13,098,945	13,098,945
-	-	-	-	240,342
-	-	-	13,098,945	13,339,287
\$ -	\$ 63,233	\$ 15,657	\$ 16,167,597	\$ 17,368,405
\$ 55	\$ 63,115	\$ -	\$ 119,572	\$ 828,474
62,116	-	-	140,284	433,451
-	-	-	-	36,300
62,171	63,115	-	259,856	1,298,225
-	-	-	15,989,693	15,989,693
-	-	-	-	-
-	-	-	-	-
-	-	-	15,989,693	15,989,693
62,171	63,115	-	16,249,549	17,287,918
-	-	-	-	240,342
-	-	-	-	-
(62,171)	118	15,657	(81,952)	(159,855)
(\$62,171)	\$118	\$15,657	(\$81,952)	\$80,487

**Augusta, Georgia**

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Internal Service Funds  
Year Ended December 31, 2003**

	<b>Risk Management</b>	<b>Fleet Operations</b>	<b>Workers Compensation</b>
<b>Operating revenues</b>			
Charges and fees	\$ 1,665,137	\$ 3,526,565	\$ 1,635,522
Total operating revenues	<u>1,665,137</u>	<u>3,526,565</u>	<u>1,635,522</u>
<b>Operating expenses</b>			
Personal services and employee benefits	286,456	105,267	-
Purchased/contracted services	346,611	26,955	-
Supplies	191,939	140,442	-
Repairs and maintenance	-	3,685,194	-
Interfund/interdepartmental charges	-	-	379
Other costs	3,869	94,918	-
Depreciation	19,697	76,918	-
Lease expense	-	6,200	-
Risk benefit charges	942,285	-	-
Insurance	-	-	1,630,967
Total operating expenses	<u>1,790,857</u>	<u>4,135,894</u>	<u>1,631,346</u>
<b>Operating income (loss)</b>	<u>(125,720)</u>	<u>(609,329)</u>	<u>4,176</u>
<b>Nonoperating revenue (expense)</b>			
Interest revenue	5,721	3,499	-
Sale of property	-	300	-
Other revenue (expense)	145,035	2,257	-
Interest expense	-	-	(4,173)
Total nonoperating revenue (expense)	<u>150,756</u>	<u>6,056</u>	<u>(4,173)</u>
<b>Income (loss) before transfers</b>	25,036	(603,273)	3
Transfers in (out)	-	-	-
Transfers out	-	-	-
<b>Change in net assets</b>	25,036	(603,273)	3
<b>Total net assets - beginning</b>	564,245	(44,464)	3,965
Prior period adjustment	<u>(25,223)</u>	288,546	-
<b>Total net assets - beginning, as restated</b>	<u>539,022</u>	<u>244,082</u>	<u>3,965</u>
<b>Total net assets - ending</b>	<u>\$ 564,058</u>	<u>\$ (359,191)</u>	<u>\$ 3,968</u>

<b>Employee Health Benefits</b>	<b>Unemployment</b>	<b>Long-term Disability Insurance</b>	<b>GMA Leases</b>	<b>Total</b>
\$ 14,076,485	\$ -	\$ 192,932	\$ 3,268,818	\$ 24,365,459
14,076,485	-	192,932	3,268,818	24,365,459
-	-	-	-	391,723
42,158	-	-	-	415,724
-	-	-	-	332,381
-	-	-	-	3,685,194
-	-	-	-	379
-	-	-	-	98,787
-	-	-	-	96,615
-	-	-	3,268,820	3,275,020
-	-	-	-	942,285
13,905,757	182,288	177,182	-	15,896,194
13,947,915	182,288	177,182	3,268,820	25,134,302
128,570	(182,288)	15,750	(2)	(768,843)
-	-	-	341,378	350,598
-	-	-	-	300
-	-	-	-	147,292
(6,268)	-	(73)	(331,555)	(342,069)
(6,268)	-	(73)	9,823	156,121
122,302	(182,288)	15,677	9,821	(612,722)
-	182,288	-	-	182,288
(182,288)	-	-	-	(182,288)
(59,986)	-	15,677	9,821	(612,722)
(2,185)	118	(20)	(91,773)	429,886
-	-	-	-	263,323
(2,185)	118	(20)	(91,773)	693,209
\$ (62,171)	\$ 118	\$ 15,657	\$ (81,952)	\$ 80,487

**Augusta, Georgia**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**Year Ended December 31, 2003**

	<b>Risk Management</b>	<b>Fleet Operations</b>	<b>Workers Compensation</b>
<b>Operating activities</b>			
Cash received from contributions	\$ 1,665,137	\$ 3,757,616	\$ 1,635,522
Cash paid to suppliers	(1,435,390)	(4,258,496)	(1,586,003)
Cash paid to employees	(283,579)	(103,496)	-
Cash paid for interfund services used	-	-	(379)
<b>Net cash provided by (used in) operating activities</b>	<b>(53,832)</b>	<b>(604,376)</b>	<b>49,140</b>
<b>Noncapital financing activities</b>			
Transfers in (out)	-	-	-
Interest expense on operating capital	-	-	(4,173)
Other revenue	145,035	2,257	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>145,035</b>	<b>2,257</b>	<b>(4,173)</b>
<b>Capital and related financing activities</b>			
Proceeds from sale of property	-	299	-
Purchase of capital assets	1	-	-
Interest paid on capital debt	-	-	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>1</b>	<b>299</b>	<b>-</b>
<b>Investing activities</b>			
Interest received	5,721	3,499	-
<b>Net cash provided by investing activities</b>	<b>5,721</b>	<b>3,499</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>96,925</b>	<b>(598,321)</b>	<b>44,967</b>
<b>Cash and cash equivalents/investments</b>			
<b>Beginning of year</b>	<b>647,311</b>	<b>598,321</b>	<b>92,373</b>
<b>End of year</b>	<b>\$ 744,236</b>	<b>\$ -</b>	<b>\$ 137,340</b>



<b>Employee Health Benefits</b>	<b>Unemployment</b>	<b>Long-term Disability Insurance</b>	<b>GMA Leases</b>	<b>Total Internal Service Funds</b>
\$ 14,138,601 (13,950,870) - -	\$ - (119,173) - -	\$ 192,912 (177,182) - -	\$ 828,859 50,748 - -	\$ 22,218,647 (21,476,366) (387,075) (379)
187,731	(119,173)	15,730	879,607	354,827
(182,288) (6,268) -	182,288 - -	- (73) -	3,268,818 - -	3,268,818 (10,514) 147,292
(188,556)	182,288	(73)	3,268,818	3,405,596
-	-	-	-	299
-	-	-	-	1
-	-	-	(3,555,460)	(3,555,460)
-	-	-	(3,555,460)	(3,555,160)
-	-	-	341,378	350,598
-	-	-	341,378	350,598
(825)	63,115	15,657	934,343	555,861
825	118	-	12,164,602	13,503,550
\$ -	\$ 63,233	\$ 15,657	\$ 13,098,945	\$ 14,059,411

**Augusta, Georgia**  
**Combining Statement of Cash Flows - Continued**  
**Internal Service Funds**  
**Year Ended December 31, 2003**

	<u>Risk Management</u>	<u>Fleet Operations</u>	<u>Workers Compensation</u>
<b>Reconciliation of operating income (loss)</b>			
to net cash provided by			
(used in) operating activities			
Operating income (loss)	\$ (125,720)	\$ (609,329)	\$ 4,176
Adjustments to reconcile operating income (loss)			
to net cash provided by (used in) operating			
activities:			
Depreciation	19,697	76,918	-
Change in assets and liabilities:			
Accounts receivable	-	-	-
Accounts payable	49,314	(304,787)	44,964
Accrued salaries and vacation	2,877	1,771	-
Due to other funds	-	231,051	-
Total adjustments	<u>71,888</u>	<u>4,953</u>	<u>44,964</u>
 <b>Net cash provided by (used in) operating activities</b>	 <u><u>\$ (53,832)</u></u>	 <u><u>\$ (604,376)</u></u>	 <u><u>\$ 49,140</u></u>

<u>Employee Health Benefits</u>	<u>Unemployment</u>	<u>Long-term Disability Insurance</u>	<u>GMA Leases</u>	<u>Total Internal Service Funds</u>
\$ 128,570	\$ (182,288)	\$ 15,750	\$ (2)	\$ (768,843)
-	-	-	-	96,615
-	-	-	1,212,886	1,212,886
(2,955)	63,115	-	50,748	(99,601)
-	-	-	-	4,648
62,116	-	(20)	(384,025)	(90,878)
<u>59,161</u>	<u>63,115</u>	<u>(20)</u>	<u>879,609</u>	<u>1,123,670</u>
<u>\$ 187,731</u>	<u>\$ (119,173)</u>	<u>\$ 15,730</u>	<u>\$ 879,607</u>	<u>\$ 354,827</u>



## FIDUCIARY FUNDS



## PENSION TRUST FUNDS

**Augusta, Georgia**  
**Combining Statement of Fiduciary Net Assets**  
**Pension Trust Funds**  
**December 31, 2003**

	<b>1945 Plan</b>	<b>1977 Plan</b>	<b>General Retirement</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 1,004,284	\$ 1,823,993	\$ 1,535,444	\$ 4,363,721
Investments				
U.S. Government securities	1,593,980	3,249,645	15,681,261	20,524,886
Corporate bonds	2,268,616	3,140,379	11,629,740	17,038,735
Equity securities	4,896,223	7,997,290	34,498,278	47,391,791
Real estate	-	-	1,700,000	1,700,000
Receivables (net of allowance for doubtful accounts)				
Interest	64,568	107,510	478,975	651,053
Due from other funds	100,000	-	-	100,000
Total assets	<u>9,927,671</u>	<u>16,318,817</u>	<u>65,523,698</u>	<u>91,770,186</u>
<b>Liabilities</b>				
Accounts payable	1,780	1,129	6,258	9,167
Due to other funds	-	-	370,525	370,525
Total liabilities	<u>1,780</u>	<u>1,129</u>	<u>376,783</u>	<u>379,692</u>
<b>Net assets</b>				
Reserved for employees' retirement benefits	<u>\$ 9,925,891</u>	<u>\$ 16,317,688</u>	<u>\$ 65,146,915</u>	<u>\$ 91,390,494</u>



**Augusta, Georgia**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Pension Trust Funds**  
**Year Ended December 31, 2003**

	<b>1945 Plan</b>	<b>1977 Plan</b>	<b>General Retirement</b>	<b>Total</b>
<b>Additions</b>				
Contributions	\$ 10,290	\$ 1,727,763	\$ 364,431	\$ 2,102,484
Net investment income	1,163,582	1,820,968	8,164,078	11,148,628
Transfers in	-	-	1,305,030	1,305,030
Total additions	<u>1,173,872</u>	<u>3,548,731</u>	<u>9,833,539</u>	<u>14,556,142</u>
<b>Deductions</b>				
Administration	68,213	153,011	369,361	590,585
Benefit payments	895,848	608,313	4,344,211	5,848,372
Refunds	-	192,799	32,514	225,313
Total deductions	<u>964,061</u>	<u>954,123</u>	<u>4,746,086</u>	<u>6,664,270</u>
<b>Change in net assets</b>	209,811	2,594,608	5,087,453	7,891,872
<b>Total net assets - beginning</b>	<u>9,716,080</u>	<u>13,723,080</u>	<u>60,059,462</u>	<u>83,498,622</u>
<b>Total net assets - ending</b>	<u>\$ 9,925,891</u>	<u>\$ 16,317,688</u>	<u>\$ 65,146,915</u>	<u>\$ 91,390,494</u>



## AGENCY FUNDS

**Augusta, Georgia**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**Agency Funds**  
**December 31, 2003**

	<u>January 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2003</u>
<b><u>Tax Commisioner</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 9,342,951	\$ 130,229,938	\$ 136,727,487	\$ 2,845,402
Receivables (net of allowance for doubtful accounts)				
Taxes	31,508,116	123,529,758	130,229,938	24,807,936
Total assets	<u>\$ 40,851,067</u>	<u>\$ 253,759,696</u>	<u>\$ 266,957,425</u>	<u>\$ 27,653,338</u>
<b>Liabilities</b>				
Due to others	\$ 6,003,448	\$ 79,614,227	\$ 83,558,106	\$ 2,059,569
Due to other funds	3,339,503	50,615,711	53,169,381	785,833
Uncollected taxes	31,508,116	123,529,758	130,229,938	24,807,936
Total liabilities	<u>\$ 40,851,067</u>	<u>\$ 253,759,696</u>	<u>\$ 266,957,425</u>	<u>\$ 27,653,338</u>
<b><u>Probate</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 6,333	\$ 265,956	\$ 266,369	\$ 5,920
Total assets	<u>\$ 6,333</u>	<u>\$ 265,956</u>	<u>\$ 266,369</u>	<u>\$ 5,920</u>
<b>Liabilities</b>				
Due to others	\$ 5,583	\$ 77,271	\$ 77,750	\$ 5,104
Due to other funds	750	188,685	188,619	816
Total liabilities	<u>\$ 6,333</u>	<u>\$ 265,956</u>	<u>\$ 266,369</u>	<u>\$ 5,920</u>
<b><u>Sheriff</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 1,067,662	\$ 2,717,856	\$ 2,496,315	\$ 1,289,203
Total assets	<u>\$ 1,067,662</u>	<u>\$ 2,717,856</u>	<u>\$ 2,496,315</u>	<u>\$ 1,289,203</u>
<b>Liabilities</b>				
Due to others	1,067,662	2,717,856	2,496,315	1,289,203
Total liabilities	<u>\$ 1,067,662</u>	<u>\$ 2,717,856</u>	<u>\$ 2,496,315</u>	<u>\$ 1,289,203</u>
<b><u>Civil Court</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 310,254	\$ 2,561,281	\$ 2,425,867	\$ 445,668
Total assets	<u>\$ 310,254</u>	<u>\$ 2,561,281</u>	<u>\$ 2,425,867</u>	<u>\$ 445,668</u>
<b>Liabilities</b>				
Due to others	\$ 305,900	\$ 2,527,020	\$ 2,387,900	\$ 445,020
Due to other funds	4,354	34,261	37,967	648
Total liabilities	<u>\$ 310,254</u>	<u>\$ 2,561,281</u>	<u>\$ 2,425,867</u>	<u>\$ 445,668</u>

**Augusta, Georgia**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities - Continued**  
**Agency Funds**  
**December 31, 2003**

	<u>January 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2003</u>
<b><u>Clerk of Court</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 2,393,551	\$ 13,459,997	\$ 12,800,213	\$ 3,053,335
Total assets	<u>\$ 2,393,551</u>	<u>\$ 13,459,997</u>	<u>\$ 12,800,213</u>	<u>\$ 3,053,335</u>
<b>Liabilities</b>				
Due to others	\$ 1,837,514	\$ 5,851,052	\$ 5,214,570	\$ 2,473,996
Due to other funds	556,037	7,608,945	7,585,643	579,339
Total liabilities	<u>\$ 2,393,551</u>	<u>\$ 13,459,997</u>	<u>\$ 12,800,213</u>	<u>\$ 3,053,335</u>
<b><u>TOTAL ALL AGENCY FUNDS:</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 13,120,751	\$ 149,235,028	\$ 154,716,251	\$ 7,639,528
Receivables (net of allowance for doubtful accounts)				
Taxes	31,508,116	123,529,758	130,229,938	24,807,936
Total assets	<u>\$ 44,628,867</u>	<u>\$ 272,764,786</u>	<u>\$ 284,946,189</u>	<u>\$ 32,447,464</u>
<b>Liabilities</b>				
Due to others	\$ 9,220,107	\$ 90,787,426	\$ 93,734,641	\$ 6,272,892
Due to other funds	3,900,644	58,447,602	60,981,610	1,366,636
Uncollected taxes	31,508,116	123,529,758	130,229,938	24,807,936
Total liabilities	<u>\$ 44,628,867</u>	<u>\$ 272,764,786</u>	<u>\$ 284,946,189</u>	<u>\$ 32,447,464</u>



## COMPLIANCE SECTION

# AUGUSTA, GEORGIA

## Schedule of Expenditures of Federal Awards

**Year Ended December 31, 2003**

Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs			
Community Development Block Grant	14.218	B-03-MC-13-0003	\$ 2,582,809
Emergency Shelter Grant	14.231	S-03-MC-13-0004	122,748
HOME Investment Partnerships Program	14.239	M-03-MC-13-0206	843,756
Supporting Housing Program	14.235	GA01B104-002	62,696
Neighborhood Initiative Program	14.246	B-02-NI-GA-AU-0002	74,183
Total U.S. Department of Housing and Urban Development			<u>3,686,192</u>
<u>U.S. Department of Justice</u>			
Direct Programs			
Juvenile Accountability Incentive Block Grant	16.523	01B-FM-0003	18,279
	16.523	02B-FM-0006	9,155
			<u>27,434</u>
Purchase of Services for Juvenile Offenders Program	16.523	02-B-ST-0002	10,116
	16.523	02B-FM-0006	1,560
			<u>11,676</u>
Local Law Enforcement Block Grant	16.592		<u>2,910</u>
Pass-through from the Office of the Governor			
Criminal Justice Coordinating Council			
Drug Control and System Improvement			
Victim Assistance Grants	16.575	01-VA-GX-0013	32,622
	16.575	2003-VA-GX-0002	10,689
	16.575	C-01-8-145	22,050
	16.575	C-03-8-008	7,640
			<u>73,001</u>
Formula Grants	16.579	B01-8-004	23,745
	16.579	B02-8-006	38,492
			<u>62,237</u>
Children and Youth Coordinating Council Grant	15.540	00J-02-0103-0006	23,019
	15.540	J02030012	8,250
			<u>31,269</u>
Executive Office for Weed & Seed	16.595	01-WS-QX-0124	217,306
Total U.S. Department of Justice			<u>422,923</u>
<u>U.S. Department of Transportation</u>			
Direct Programs			
Urban Mass Transportation Capital and Operating			
Assistance Grants	20.507	GA-90-X122	93
	20.507	GA-90-X129	10,789
	21.507	GA-90-X153	23,481
	21.507	GA-90-X166	209,536
	21.507	GA-90-XXX	769,607
	20.106	3-13-0011-22	7,353
			<u>1,020,859</u>



**AUGUSTA, GEORGIA**

**Schedule of Expenditures of Federal Awards - Continued**

**Year Ended December 31, 2003**

Federal Grantor / Pass-through Grantor / Program Title	Federal FDA Number	Agency or Pass-through Number	Federal Expenditures
<u>U.S. Department of Transportation</u>			
Direct Programs			
Federal Aviation Administration			
Airport Improvement Program Grants	20.106	3-13-0011-23	31,899
	20.106	3-13-0011-24	476,942
	20.106	3-13-0011-25	423,295
	20.106	3-13-0011-26	296,925
	20.106	3-13-0012-08	123,050
	20.106	3-13-0012-09	130,393
			<u>1,482,504</u>
Grant In Aid Security Requirements After September 11, 2001	N/A	DTSA20-03-P-50411	<u>502,190</u>
Small Community Air Service Development Pilot Program	20.XXX	SCASDPP 11590-183	<u>112,743</u>
Total U.S. Department of Transportation			<u>3,118,296</u>
<u>U.S. Department of Homeland Security</u>			
Direct Programs			
Reimbursable Agreement Security Requirements After September 11, 2001	N/A	HSTS01-04-A-LEF003	<u>17,154</u>
<u>U.S. Environmental Protection Agency</u>			
Direct Programs			
Brownfield Pilots Cooperative Agreements	66.811	BP984866-99-0	<u>71,145</u>
<u>Emergency Management Agency</u>			
Pass-through from the Georgia Emergency Management Agency			
Hazard Mitigation Grant	83.548	1311-0001	483,243
Flood Mitigation Assistance Program	83.536	FLA-PL-04GA-2000001	21,200
Local Emergency Operation Plan	53.562	EMA-202-GR-5072	7,129
Total Emergency Management Agency			<u>511,572</u>
<u>U.S. Department of Interior</u>			
Historic Preservation Fund Grant-in-Aid Program	15.904	13-03-18210-01	<u>5,472</u>
<u>U.S. Department of Defense</u>			
Military Surplus Program	N/A	N/A	<u>63,000</u>
Total			\$ <u>7,898,663</u>

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

# **AUGUSTA, GEORGIA**

## **Notes to the Schedule of Expenditures of Federal Awards**

**Year Ended December 31, 2003**

### **Note 1 - Basis of presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Augusta, 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 – Reporting entity**

The accompanying schedule of expenditures of federal awards includes the accounts of all Augusta and Richmond County operations. The Government uses the criteria for including organizations as component units within Augusta's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*. Excluded from the accompanying schedule of federal awards is the Government's discretely presented component unit, Richmond County Department of Health. Separate financial statements may be obtained from the Richmond County Department of Health at 950 Laney Walker Blvd., Augusta, Georgia 30901.

### **Note 3 - Non-cash awards**

Augusta, Georgia received non-cash federal awards of surplus military equipment totaling \$63,000 during the year ended December 31, 2003.

# **AUGUSTA, GEORGIA**

## **Summary Schedule of Prior Audit Findings**

**Year Ended December 31, 2003**

Finding 00-1 (repeat finding)

U.S. Department of Justice CFDA 16.592; Local Law Enforcement Block Grant

Criteria

The Grant Award Letter Special Conditions number 8, "the recipient agrees to establish a trust fund in which all payments received under this program, including match, must be deposited. For purposes of this grant, a trust fund is an interest-bearing account that is specifically designated for this program..."

Condition noted

Augusta, Georgia did not establish a specifically designated trust fund for receipts under this program. Receipts were deposited in the pooled cash account of Augusta, Georgia and were initially recorded as receipts on the trial balance of another fund.

Recommendation

Augusta, Georgia should set up a separate interest-bearing account for Local Law Enforcement Block Grant receipts, transfer in unexpended grant balances to this account and notify the Department of Justice to, in the future, wire advances to this account for Local Law Enforcement Block Grant funds only.

Current Status

Repeat finding this fiscal year.

Finding 01-1

U.S. Department of Housing and Urban Development – CFDA 14.239; HOME Investment Partnership Program.

Criteria

24CFR Section 92.508(a)(2)(ix) requires a report on match contributions made, using a separate HOME Match Report, HUD-4107-A, for the period covered by the Consolidated Plan Program Year, and must comply with those provisions to indicate resources from private and non-Federal sources. The applicable regulations for this standard are 92.220, 91.220(b)(2), 91.320(b)(2), 91.320(b)(2), and 91.420(b).

Summary Schedule of Prior Audit Findings - Continued

Year Ended December 31, 2003

Condition noted

The 2001 CAPER (Consolidated Annual Performance and Evaluation Report) did not provide evidence of the Augusta-Richmond County's compliance with the match requirements under HOME, as required in the regulation.

Recommendation

The City's Housing and Neighborhood Development Office should develop a financial reporting system that tracks match obligations and match contributions to ensure that the match requirements will be met by the end of the respective program year.

Current Status

Corrected during this fiscal year.

Finding 02-1

Internal control over compliance with federal awards.

U.S. Department of Housing and Urban Development -- CFDA 14.239; HOME Investment Partnership Program.

Criteria

24CFR Section 92.508 requires each participating jurisdiction to establish and maintain sufficient records to enable HUD or their agents to determine whether the participating jurisdiction has met the requirement of Program Administration.

Condition noted

Internal control over record keeping for the HOME Investment Partnership Program was not adequate to ensure that accurate information is accessible to those who need it. There was no evidence that the HOME Program Director established a record keeping system to ensure that accounting records and documentation were retained for the time period required by applicable requirements of the A-102 common rule.

Recommendation

The City's Housing and Neighborhood Development Office should establish formal internal controls that ensure maintenance, review, and reconciliation of program and project records on a contemporaneous basis with the expenditure of federal funds associated with the program and projects.

Current Status

Corrected during this fiscal year.



**Report on Compliance and on Internal Control over Financial  
Reporting Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards***

Augusta-Richmond County Commission  
Augusta, Georgia

We have audited the financial statements of Augusta, Georgia as of and for the year ended December 31, 2003, and have issued our report thereon dated May 21, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether Augusta, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 03-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Augusta, 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 assurance 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 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 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. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of Augusta, Georgia in a separate letter dated May 21, 2004.

This report is intended solely for the information and use of the finance committee, management, the Augusta-Richmond County Commission, 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.

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

Augusta, Georgia  
May 21, 2004



**Report on Compliance with Requirements Applicable to Each Major  
Program and Internal Control Over Compliance in  
Accordance with OMB Circular A-133**

Augusta-Richmond County Commission  
Augusta, Georgia

Compliance

We have audited the compliance of Augusta, 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 December 31, 2003. Augusta, 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 Augusta, Georgia's management. Our responsibility is to express an opinion on Augusta, 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 Augusta, 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 Augusta, Georgia's compliance with those requirements.

In our opinion, Augusta, 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 December 31, 2003. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questions costs as items 00-1 and 03-2.

Internal Control Over Compliance

The management of Augusta, 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 Augusta, Georgia's internal control over compliance with requirements that could have a direct and material 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 the internal control over compliance in accordance with OMB Circular A-133.

We noted no matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect Augusta, Georgia's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants.

A material weakness is a 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 the applicable requirements of laws, regulations, contracts and grants that would be material 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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

This report is intended solely for the information and use of management, the Augusta-Richmond County Commission, 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.

*Cherry, Behant & Holland, L.L.P.*

Augusta, Georgia  
May 21, 2004

# AUGUSTA, GEORGIA

## Schedule of Findings and Questioned Costs

Year Ended December 31, 2003

### I. Summary of the Auditor's Results

The auditor's report expresses unqualified opinions on the financial statements of Augusta, Georgia as of and for the year ended December 31, 2003.

No material weaknesses were identified. No reportable conditions in internal control were identified.

One instance of noncompliance is required to be reported in accordance with Government Auditing Standards, was disclosed by the audit as audit finding 03-1.

No reportable conditions in internal control over major federal award programs were disclosed by the audit as required to be reported in accordance with OMB Circular A-133.

The auditor's report expresses an unqualified opinion on compliance for major federal award programs for Augusta, Georgia as of and for the year ended December 31, 2003.

The audit disclosed findings required to be reported in accordance with OMB Circular A-133, Section 510(a) as Finding Numbers 00-1 and 03-2.

#### Identification of Major Programs

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.239	<u>U.S. Department of Housing and Urban Development</u>
14.231	HOME Investment Partnerships Program
	Emergency Shelter Grant
16.592	<u>U.S. Department of Justice</u>
	Local Law Enforcement Block Grant
DTSA20-03-P-50411	<u>U.S. Department of Transportation</u>
20.106	MOA – Security Reimbursements - TSA
	Airport Improvement Program Grants

We used a threshold of \$300,000 to distinguish between Type A and Type B programs.

Augusta, Georgia is a low-risk auditee.



Schedule of Findings and Questioned Costs - Continued

Year Ended December 31, 2003

II. Findings related to Financial Statements

Finding 03-1

Budgetary compliance

Criteria

The State of Georgia local government budgets and audits code states that the legal level of control shall be, at a minimum, expenditures for each department for each fund for which a budget is prepared (Article 1 section 14).

Condition noted

We noted that several departments across the government had expenditures above appropriations for the fiscal year.

Recommendation

Augusta-Richmond County should increase the budget level of control to the department level.

III. Findings and Questioned Costs for Major Federal Award Programs Audit

Finding 00-1 (repeat finding)

U.S. Department of Justice CFDA 16.592; Local Law Enforcement Block Grant

Criteria

The Grant Award Letter Special Conditions number 8 states, "the recipient agrees to establish a trust fund in which all payment received under this program, including match, must be deposited. For purposes of this grant, a trust fund is an interest-bearing account that is specifically designated for this program..."

Condition noted

Augusta, Georgia did not establish a specifically designated trust fund for receipts under this program. Receipts were deposited in the pooled cash account of Augusta, Georgia and were initially recorded as receipts on the trial balance of another fund.

Recommendation

Augusta, Georgia should set up a separate interest-bearing account for Local Law Enforcement Block Grant receipts, transfer any unexpended grant balances to this account and notify the Department of Justice to, in the future, wire advances to this account for Local Law Enforcement Block Grant funds only.

Finding 03-2

U.S. Department of Transportation DTSA20-03-P-5041; MOU – Security Reimbursements

Criteria

OMB Circular A-87 Cost Principles for State, Local and Indian Tribal Governments Section C(1)(h), "Factors Affecting Allowability of Costs – Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period."

**Schedule of Findings and Questioned Costs - Continued**

**Year Ended December 31, 2003**

Condition noted

The City's Augusta Regional Airport at Bush Field requested security cost reimbursements for \$39,000 of known questioned costs under the DTSA20-03-P-5041 Memorandum of Understanding that had previously been reimbursed under the Airport Improvement Program grant. Controls over record keeping for the initial period of eligibility under the Memorandum of Understanding were not sufficient to ensure that funds were not previously drawn under the AIP grant.

Recommendation

The City's Augusta Regional Airport at Bush Field should develop controls over record keeping that include review and approval of reimbursement requests by both the Security Program Director and the Finance Director to assure proper administration of Federal Awards.