

AUGUSTA, GEORGIA

Annual Financial Statements

For the Year Ended December 31, 2006

AUGUSTA, GEORGIA

Annual Financial Report Year Ended December 31, 2006

Table of Contents (continued)

Page

COMBINING AND INDIVIDUAL FUND STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet - Nonmajor Governmental Funds 90 - 91

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances --
Nonmajor Governmental Funds 92 - 93

Combining Balance Sheet - Nonmajor Special Revenue Funds 94 - 97

Combining Statement of Revenues, Expenditures and Changes in Fund Balances --
Nonmajor Special Revenue Funds 98 - 101

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual --
Nonmajor Special Revenue Funds

Urban Services District Fund 102

Emergency Telephone System Fund 103

Capital Outlay Fund 104

Law Enforcement Fund 105

Occupation Tax Fund 106

Special Assessment Fund 107

Promotion/Tourism Fund 108

Housing and Neighborhood Development Fund 109

Urban Development Action Grant Fund 110

Federal Drug Fund 111

State Drug Fund 112

Law Library Fund 113

5% Victim's Crime Assistance Fund 114

Supplemental Juvenile Service Fund 115

Building Inspection 116

Weed and Seed Federal Grant Fund 117

Wireless Phase Fund 118

Community Greenspace Fund 119

Perpetual Care - I Fund 120

Landbank Authority Fund 121

Downtown Development 122

Canine Forfeitures Fund 123

NPDES Permit Fees Fund 124

Combining Balance Sheet - Nonmajor Debt Service Funds 125

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt
Service Funds 126

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual --
Nonmajor Debt Service Funds

Debt Service Fund 127

Urban Debt Service 128

AUGUSTA, GEORGIA
Annual Financial Report
Year Ended December 31, 2006

Table of Contents

FINANCIAL SECTION

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 14
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Assets	19
Statement of Activities	20-21
Fund Financial Statements:	
Balance Sheet – Governmental Funds	24-25
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Assets	27
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	28-29
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	32
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Fire Protection Fund	33
Statement of Net Assets - Proprietary Funds	34
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	35
Statement of Cash Flows - Proprietary Funds	36-37
Statement of Fiduciary Net Assets - Fiduciary Funds	38
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	39
Notes to Financial Statements	43-79
REQUIRED SUPPLEMENTARY INFORMATION	
Pension Plans- Required Supplementary Information – Schedules of Funding Progress	82-83
Pension Plans - Required Supplementary Information - Schedules of Employer Contributions and Notes to Required Schedules	84-86

AUGUSTA, GEORGIA
Annual Financial Report
Year Ended December 31, 2006

Table of Contents (continued)

	<u>Page</u>
Combining Balance Sheet - Nonmajor Capital Project Funds	129
Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Project Funds	130
 NONMAJOR ENTERPRISE FUNDS	
Combining Statement of Net Assets - Nonmajor Enterprise Funds	132 - 133
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Nonmajor Enterprise Funds	134 - 135
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	136 - 137
 INTERNAL SERVICE FUNDS	
Combining Statement of Net Assets - Internal Service Funds	140 - 141
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Funds	142 - 143
Combining Statement of Cash Flows - Internal Service Funds	146 - 147
 FIDUCIARY FUNDS	
Combining Statement of Fiduciary Net Assets – Pension Trust Funds	152
Combining Statement of Changes in Fiduciary Net Assets – Pension Trust Funds	153
Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds	156 - 157

FINANCIAL SECTION



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, Augusta Canal Authority, each major fund and the aggregate remaining fund information of Augusta, Georgia as of December 31, 2006 and for the year then ended, which collectively comprise Augusta, Georgia'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 or Downtown Development Authority. Those financial statements were audited by other auditors whose reports thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Department of Health and Downtown Development Authority, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 reports 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, the Augusta Canal Authority, each major fund and the aggregate remaining fund information of Augusta, Georgia, as of December 31, 2006, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2007 on our consideration of Augusta, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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 on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Augusta, Georgia's basic financial statements. 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, 2006, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and the accompanying schedule of expenditures of Federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Cherry, Bekart & Holland, LLP.

Augusta, Georgia
June 29, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion & Analysis (unaudited)

The Management's Discussion and Analysis of the Annual Financial Statements of Augusta, Georgia (the "Government") provides an overall narrative and analysis of the Government's financial statements for the fiscal year ended December 31, 2006. This discussion and analysis is designed to look at the Government's financial performance as a whole. Readers should also review the additional information provided in the transmittal letter, which can be found preceding this narrative, and the complete financial statements, with notes, which follow this narrative, to enhance their understanding of the Government's financial performance.

Financial Highlights

Key financial highlights for the year ended December 31, 2006 are as follows:

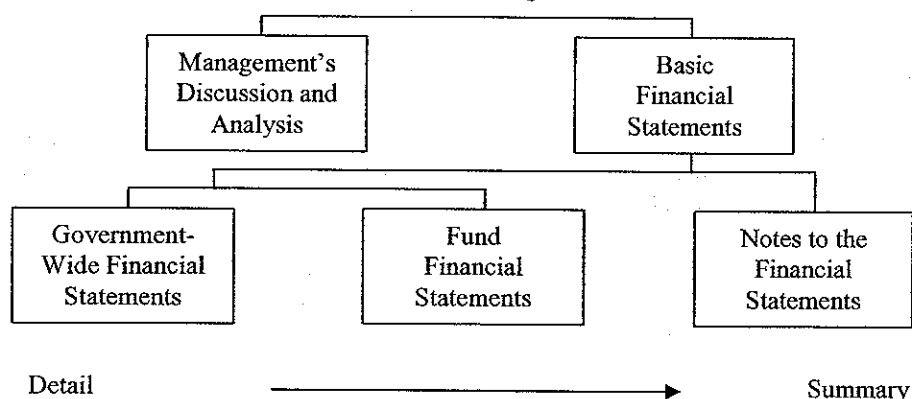
- The Government's combined net assets totaled \$683.3 million.
- The Government's total net assets increased by \$41.9 million, primarily due to capital spending funded by the Special Purpose Local Option Sales Tax revenues, federal aviation grants, and other tax revenues.
- As of the close of the current fiscal year, the Government's governmental funds reported combined ending fund balances of \$264.8 million, an increase of \$62.6 million from the prior year. Approximately 77% of this total amount, or \$202.7 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 \$26.9 million, or 25% of total General Fund expenditures for the fiscal year. Of this amount, \$4.7 million has been designated for other purposes, leaving \$22.2 million, or 83% of total General Fund fund balance, as undesignated.
- Combined Revenue totaled \$321.6 million, of which governmental activities totaled \$197 million and business-type activities totaled \$124.6 million. Current year revenues increased approximately 10% from those of the prior year.
- Overall expenses totaled \$279.7 million of which governmental activities totaled \$172.8 million and business-type activities totaled \$106.9 million. Current year expenses increased approximately 9% over those of the prior year.
- Expenses of governmental activities exceeded program revenue by \$131.3 million, resulting in the use of general revenues (mostly taxes).
- Total Outstanding Long-Term Debt, excluding compensated absences, increased approximately \$40.9 million mainly due to the issuance of \$44 million General Obligation Sales Tax Bonds.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of Augusta, 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. Augusta Canal Authority and Downtown Development Authority are also component units for which the Government is fiscally responsible.

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, Special Purposes Local Option Sales Tax Fund (SPLOST) Phase IV and Special Purposes Local Option Sales Tax Fund (SPLOST) Phase V.

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, except for the allocation of internal service fund activity.

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 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, 2006 and 2005
Figure 2

	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
	2006	2006	2006	2005	2005	2005
Current and other assets	\$ 316,588,395	\$ 343,725,039	\$ 660,313,434	\$ 251,458,405	\$ 364,135,276	\$ 615,593,681
Capital assets	229,164,702	420,611,468	649,776,170	224,192,436	385,272,573	609,465,009
Total assets	545,753,097	764,336,507	1,310,089,604	475,650,841	749,407,849	1,225,058,690
Long-term liabilities	55,617,736	508,933,469	564,551,205	20,232,853	512,515,078	532,747,931
Other liabilities	40,317,977	21,963,251	62,281,228	29,837,750	21,148,121	50,985,871
Total liabilities	95,935,713	530,896,720	626,832,433	50,070,603	533,663,199	583,733,802
Net assets:						
Invested in capital assets, net of related debt	224,230,109	130,616,469	354,846,578	221,099,127	123,314,401	344,413,528
Restricted	219,256,694	16,429,773	235,686,467	163,891,687	15,481,771	179,373,458
Unrestricted	6,330,581	86,393,545	92,724,126	40,589,424	76,948,478	117,537,902
Total net	\$ 449,817,384	\$ 233,439,787	\$ 683,257,171	\$ 425,580,238	\$ 215,744,650	\$ 641,324,888

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 \$683.3 million as of December 31, 2006.

The largest portion of the Government's net assets, \$354.8 million or 52%, 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, \$235.7 million or 34%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$92.8 million or 14%, 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 in the General Fund.

**The Government's Changes in Net Assets
For the Years Ended December 31, 2006 and 2005**

Figure 3

	Governmental Activities 2006	Business-type Activities 2006	Total 2006	Governmental Activities 2005	Business-type Activities 2005	Total 2005
Revenues:						
Program revenues:						
Charges for services	\$ 33,156,088	\$ 98,384,056	\$ 131,540,144	\$ 30,932,803	\$ 85,021,780	\$ 115,954,583
Operating grants and contributions	8,296,754	1,030,173	9,326,927	6,285,773	599,930	6,885,703
Capital grants and contributions	-	4,276,819	4,276,819	71,553	9,122,494	9,194,047
General revenues:						
Property taxes	47,510,238	-	47,510,238	41,706,778	-	41,706,778
Other taxes	99,296,470	-	99,296,470	99,778,156	-	99,778,156
Grants and contributions not restricted to specific programs	950,923	-	950,923	985,698	-	985,698
Unrestricted investment earnings	12,907,142	13,859,220	26,766,362	7,179,887	10,839,456	18,019,343
Gain on sale of assets	-	-	-	-	-	-
Miscellaneous	1,228,979	711,659	1,940,638	1,132,239	661,240	1,793,479
Total revenues	<u>203,346,594</u>	<u>118,261,927</u>	<u>321,608,521</u>	<u>188,072,887</u>	<u>106,244,900</u>	<u>294,317,787</u>
Expenses:						
General government	28,232,054	-	28,232,054	36,021,952	-	36,021,952
Judicial	14,766,171	-	14,766,171	14,153,022	-	14,153,022
Public safety	73,164,301	-	73,164,301	69,258,040	-	69,258,040
Public works	12,182,770	-	12,182,770	17,083,761	-	17,083,761
Health and welfare	2,027,300	-	2,027,300	2,296,497	-	2,296,497
Culture and recreation	32,131,742	-	32,131,742	16,810,542	-	16,810,542
Housing and development	9,469,828	-	9,469,828	6,915,284	-	6,915,284
Interest on long-term debt	769,618	-	769,618	120,177	-	120,177
Waste management	-	5,859,827	5,859,827	-	4,141,638	4,141,638
Water and sewer	-	68,152,898	68,152,898	-	59,260,707	59,260,707
Airports	-	14,271,584	14,271,584	-	12,525,408	12,525,408
Municipal golf course	-	688,293	688,293	-	664,908	664,908
Transit	-	4,960,174	4,960,174	-	4,560,558	4,560,558
Newman Tennis Center	-	1,370	1,370	-	322,711	322,711
Garbage Collection	-	12,998,308	12,998,308	-	11,316,057	11,316,057
Riverwalk	-	-	-	-	247,406	247,406
Total expenses	<u>172,743,784</u>	<u>106,932,454</u>	<u>279,676,238</u>	<u>162,659,275</u>	<u>93,039,393</u>	<u>255,698,668</u>
Increase in assets before transfers	30,602,810	11,329,473	41,932,283	25,413,612	13,205,507	38,619,119
Transfers	(6,365,664)	6,365,664	-	(9,549,819)	9,549,819	-
Increase in net assets	24,237,146	17,695,137	41,932,283	15,863,793	22,755,326	38,619,119
Net asset, January 1	<u>425,580,238</u>	<u>215,744,650</u>	<u>641,324,888</u>	<u>409,716,445</u>	<u>192,989,324</u>	<u>602,705,769</u>
Net assets, December 31	<u>\$ 449,817,384</u>	<u>\$ 233,439,787</u>	<u>\$ 683,257,171</u>	<u>\$ 425,580,238</u>	<u>\$ 215,744,650</u>	<u>\$ 641,324,888</u>

Changes in Net Assets

Governmental activities. Governmental activities increased the Government's net assets by \$24.2 million, and thereby accounting for 58% of the total growth in the net assets of the Government. Key elements of this increase are as follows:

Governmental Revenues. Property tax and other taxes continue as the main source of a revenue of the Government amounting to 75% in 2006, compared to 75% in 2005. Sales tax revenues contributed approximately \$64.3 million to the increase in net assets.

Governmental Functional Expenses: As reflected in the summary of changes in Net Assets, the Government expended 51% 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 49%.

Business-type activities: Business-type activities increased the Government's net assets by approximately \$17.7 million accounting for 42% 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 \$5.0 million. This increase was due to maintaining volumes similar to 2005 volumes. The increase in volumes was stemmed from a volume based discount issued in 2004.
- The Water and Sewer Fund reported an increase in net assets of \$5.2 million. This increase was largely due to an increase in user charges due to rate increases approved upon issuance of the most recent Water & Sewer Revenue Bonds in 2004.
- The Augusta Regional Airport Fund reported an increase in net assets of \$6.1 million. This increase was largely due additional cash generated from operations and intergovernmental revenue received for capital spending.
- Garbage Collection net assets increase of \$1.8 million. This increase was due to increase in user fees for services.

Financial Analysis of the Government's Individual Funds

Augusta, Georgia 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 \$264.8 million, of which \$178.2 million, or 67%, 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 \$27.7 million, of which \$22.2 million, or 80%, 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, 2006, total unreserved fund balance, both undesignated and designated, represents 25% of total general fund expenditures.

The fund balance of the General Fund increased \$3.5 million (15%). Key factors to accomplishing this result includes the increase from property taxes due a millage increase, increased revenue from investments, mid year adjustments to the level of budgetary expenditures and interfund transfers and a temporary hiring delay for vacancies in non-critical positions.

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 \$.5 million. During the year, the Government transferred a portion of these funds to other functions as needed. The most notable changes to the 2006 were approved by the Board of Commissions on August 1, 2006. The planned use of Fund Balance was reduced from \$3.8 million to \$346,000. Revenue projections were revised and budgets adjusted according to record additional revenue. Amounts budgeted for transfers between funds were revised to reflect corrected anticipated amounts. Savings attributed to a temporary hiring freeze were recorded. A transfer was budgeted to cover the anticipated loss in the Transit department. Tax revenue projections were revised to reflect the 1.06 mill increase for the General Fund and .5 mills for Fire Protection. Total amendments to the General Fund increased revenues/other financing sources by \$8 million or 7.5%.

The actual operating revenues for the General Fund were more than the budgeted amount by (\$753 thousand), or .7%. The individual sources within the revenues fluctuated both positively and negatively. No individual source materially varied from the final budget.

As a result of sound budget management by all departments of the Government, actual operating expenditures were less than the budgeted amount by \$6.3 million. For the year, actual revenue and other financing sources were over actual expenditures and other financing uses by \$3.5 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. Major funds included in the fund financial statements are the SPLOST Fund Phase III, SPLOST Fund Phase IV and SPLOST Fund Phase V. The proceeds of the special purpose 1% sales tax are accounted for in Capital Projects Funds until improvement projects are completed. The SPLOST Fund Phase III fund balance is \$47.1 million, the SPLOST Fund Phase IV's fund balance is \$101.3 million and the SPLOST Fund Phase V's fund balance is \$14.1 million, all of which is held for specific construction and improvement projects and capital acquisitions.

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, \$68.3 million; Augusta Regional Airport, \$7.9 million; Nonmajor Enterprise funds, \$10.4 million. The total growth (reduction) in net assets for previously mentioned funds were \$5.2 million, \$6.1 million and \$6.6 million, 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, 2006 amounts to \$649.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the Government, such as roads, bridges, streets and sidewalks, drainage systems and other similar items.

Major capital asset transactions during the year included construction of infrastructure, buildings, acquisition of public safety vehicles, construction of water and sewerage systems, and construction of a new airport terminal and building.

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, 2006

Figure 4

	Governmental Activities	Business-type Activities	Total
Land	\$ 20,378,818	\$ 15,194,172	\$ 35,572,990
Buildings	56,212,512	20,959,599	77,172,111
Improvements other than buildings	5,099,566	7,491,628	12,591,194
Water and sewerage systems	-	224,857,954	224,857,954
Infrastructure	61,286,597	14,517,459	75,804,056
Vehicles, machinery and equipment	14,079,235	12,693,662	26,772,897
Richmond County Public Facilities	2,109,247	-	2,109,247
Construction in progress	69,998,727	124,896,994	194,895,721
Total	<u>\$ 229,164,702</u>	<u>\$ 420,611,468</u>	<u>\$ 649,776,170</u>

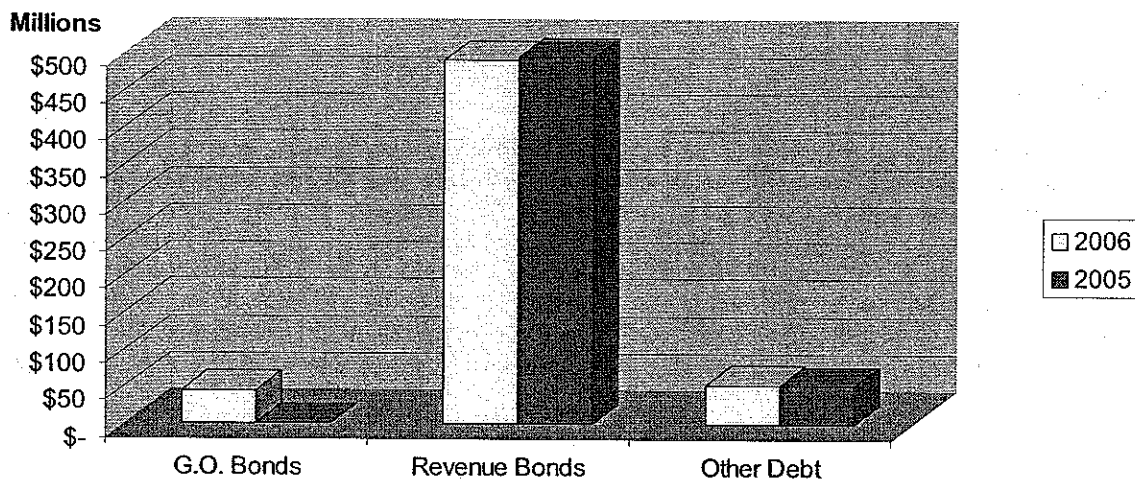
Long-Term Debt

As of December 31, 2006, the Government had a total of \$589.2 million in outstanding long-term debt. Of this amount, \$462.8 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, 2006

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
General obligation bonds	\$ 44,741,536	\$ -	\$ -	\$ -	\$ 44,741,536	\$ -
Revenue bonds	157,434	262,909	491,121,382	495,331,828	491,278,816	495,594,737
Other debt	27,688,084	29,459,380	25,528,616	23,226,675	53,216,700	52,686,055
Total debt	\$ 72,587,054	\$ 29,722,289	\$ 516,649,998	\$ 518,558,503	\$ 589,237,052	\$ 548,280,792



The Government has maintained a bond rating of A+ from Standard & Poor's Rating Group and an A1 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 \$434 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 6.2%, slightly higher than the state average of 4.6%.
- The ad valorem tax rate is expected to increase in 2007 by .34 mills in the General Fund.
- There is no budgeted use of existing fund balance in the 2007 adopted budget.
- The 2007 tax digest increased by approximately 6%, approximately 57% of this is from new growth and the remainder from reassessments.

Budget Highlights for the Fiscal Year Ending December 31, 2007

Governmental Activities: The Ad Valorem Taxes are projected to increase from the 2006 level. The 2007 tax digest has shown an increase of approximately 6%. Other taxes are expected to increase slightly with an expected 2% increase in sales tax revenues. The FY 2007 budget for the general fund is expected to be slightly above the 2006 level due to a mid year COLA increase of 2%, funding for the operating deficit of the transit department, and the continued rise in the cost of fuel and operating supplies. The general economic climate for the city government of 2007 is expected to be stable. There is no appropriation of fund balance for budgeted expenditures. The undesignated fund balance should remain at 83% in reserve.

Business – type Activities: Overall Water and Sewer revenue is projected to increase of more than 11% due to the increased rates.

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. Questions concerning any of the information found in this report relating to Augusta Canal Authority should be directed to Augusta Canal Authority, 1450 Greene Street, Suite 400, Augusta, Georgia 30903. Questions concerning any of the information found in this report relating to Downtown Development Authority should be directed to Downtown Development Authority, 111 Tenth Street, Augusta, Georgia 30901.

BASIC FINANCIAL STATEMENTS

Figure 1: A.1

GOVERNMENT-WIDE FINANCIAL STATEMENTS

1. The first part of the paper is devoted to the study of the

Augusta, Georgia
Statement of Net Assets
December 31, 2006

	Primary Government			Component Units		
	Governmental Activities	Business Type Activities	Primary Government Total	Department of Health	Augusta Canal Authority	Downtown Development Authority
Assets						
Cash and temporary investments	\$ 212,448,265	\$ 91,400,910	\$ 303,849,175	\$ 1,266,362	\$ 311,064	\$ 403,014
Receivables (net of allowance for doubtful accounts)						
Taxes	7,962,073	-	7,962,073	-	-	-
Accounts	16,920,625	12,688,420	29,609,045	479,623	100,874	-
Interest	216,534	997,238	1,213,772	-	-	-
Notes	3,695,694	500,000	4,195,694	-	-	-
Intergovernmental	161,843	1,206,138	1,367,981	-	-	-
Prepaid expenses	378,694	-	378,694	-	32,593	-
Inventory	204,130	2,640,233	2,844,363	-	30,159	-
Noncurrent note receivable	-	-	-	-	-	170,000
Restricted cash and investments	59,283,006	229,103,947	288,386,953	-	1,151,843	-
Internal balances	14,411,139	(14,411,139)	-	-	-	-
Capital assets						
Land and construction in progress	90,377,545	140,091,166	230,468,711	1,647,997	501,949	-
Other capital assets, net of accumulated depreciation	138,787,157	280,520,302	419,307,459	7,525,150	13,786,594	3,820,964
Other assets	906,392	19,599,292	20,505,684	-	-	80,678
Total assets	<u>545,753,097</u>	<u>764,336,507</u>	<u>1,310,089,604</u>	<u>10,919,132</u>	<u>15,915,076</u>	<u>4,474,656</u>
Liabilities						
Accounts payable	6,297,462	5,059,724	11,357,186	836,143	649,620	73,624
Accrued interest	625,601	6,072,824	6,698,425	-	-	-
Accrued salaries and vacation	3,783,668	717,046	4,500,714	132,812	33,013	-
Other accrued liabilities	1,659,369	2,397,128	4,056,497	23,921	-	38,644
Unearned revenue	10,982,559	-	10,982,559	-	-	-
Liabilities due in less than one year	16,969,318	7,716,529	24,685,847	30,809	360,000	575,000
Liabilities due in greater than one year	55,617,736	508,933,469	564,551,205	865,954	-	1,800,000
Total liabilities	<u>95,935,713</u>	<u>530,896,720</u>	<u>626,832,433</u>	<u>1,889,639</u>	<u>1,042,633</u>	<u>2,487,268</u>
Net assets						
Invested in capital assets net of related debt	224,230,109	130,616,469	354,846,578	8,674,818	13,928,543	1,445,964
Restricted for:						
Capital projects	218,918,069	5,339,190	224,257,259	-	1,151,843	-
Debt service	-	11,090,583	11,090,583	-	-	-
Perpetual care	338,625	-	338,625	-	-	-
Health and welfare	-	-	-	622,764	-	-
Unrestricted	6,330,581	86,393,545	92,724,126	(268,089)	(207,943)	541,424
Total net assets	<u>\$ 449,817,384</u>	<u>\$ 233,439,787</u>	<u>\$ 683,257,171</u>	<u>\$ 9,029,493</u>	<u>\$ 14,872,443</u>	<u>\$ 1,987,388</u>

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

Augusta, Georgia
Statement of Activities
Year Ended December 31, 2006

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 28,232,054	\$ 14,564,327	\$ 158,644	\$ -
Judicial	14,766,171	8,364,637	218,275	-
Public safety	73,164,301	7,466,982	868,341	-
Public works	12,182,770	1,463,811	-	-
Health and welfare	2,027,300	173,665	444,472	-
Culture and recreation	32,131,742	1,122,666	369,059	-
Housing and development	9,469,828	-	6,237,963	-
Interest on long-term debt	769,618	-	-	-
Total governmental activities	172,743,784	33,156,088	8,296,754	-
Business-type activities:				
Waste management	5,859,827	9,485,104	-	-
Water and sewer	68,152,898	61,982,373	-	-
Airports	14,271,584	13,871,917	331,246	4,054,722
Municipal golf course	688,293	463,058	-	-
Transit	4,960,174	723,058	698,927	222,097
Newman Tennis Center	1,370	-	-	-
Garbage Collection	12,998,308	11,858,546	-	-
Riverwalk	-	-	-	-
Total business-type activities	106,932,454	98,384,056	1,030,173	4,276,819
Total primary government	\$ 279,676,238	\$ 131,540,144	\$ 9,326,927	\$ 4,276,819
Component units:				
Richmond County Department of Health	\$ 14,235,929	\$ 2,257,577	\$ 10,179,141	\$ 2,190,762
Augusta Canal Authority	1,225,752	645,705	803,738	8,503,097
Downtown Development Authority	-	-	-	-
Total component units	\$ 15,461,681	\$ 2,903,282	\$ 10,982,879	\$ 10,693,859
General revenues:				
Property taxes				
Sales taxes				
Franchise taxes				
Other taxes				
Unrestricted governmental revenues				
Revenues from use of money and property				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets - beginning, as restated for changes in component unit status				
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			Component Units		
Governmental Activities	Business-type Activities	Total	Department of Health	Augusta Canal Authority	Downtown Development Authority
\$ (13,509,083)	\$ -	\$ (13,509,083)		\$ -	\$ -
(6,183,259)	-	(6,183,259)	-	-	-
(64,828,978)	-	(64,828,978)	-	-	-
(10,718,959)	-	(10,718,959)	-	-	-
(1,409,163)	-	(1,409,163)	-	-	-
(30,640,017)	-	(30,640,017)	-	-	-
(3,231,865)	-	(3,231,865)	-	-	-
(769,618)	-	(769,618)	-	-	-
(131,290,942)	-	(131,290,942)	-	-	-
-	3,625,277	3,625,277	-	-	-
-	(6,170,525)	(6,170,525)	-	-	-
-	3,986,301	3,986,301	-	-	-
-	(225,235)	(225,235)	-	-	-
-	(3,316,092)	(3,316,092)	-	-	-
-	(1,370)	(1,370)	-	-	-
-	(1,139,762)	(1,139,762)	-	-	-
-	-	-	-	-	-
-	(3,241,406)	(3,241,406)	-	-	-
(131,290,942)	(3,241,406)	(134,532,348)	-	-	-
-	-	-	391,551	-	-
-	-	-	-	8,726,788	-
-	-	-	-	-	419,962
-	-	-	391,551	8,726,788	419,962
47,510,238	-	47,510,238	-	-	-
64,329,125	-	64,329,125	-	-	-
16,991,594	-	16,991,594	-	-	-
17,975,751	-	17,975,751	-	-	-
950,923	-	950,923	1,394,416	59,404	-
12,907,142	13,859,220	26,766,362	28,500	-	3,364
1,228,979	711,659	1,940,638	-	357,730	-
(6,365,664)	6,365,664	-	-	-	-
155,528,088	20,936,543	176,464,631	1,422,916	417,134	3,364
24,237,146	17,695,137	41,932,283	1,814,467	9,143,922	423,326
425,580,238	215,744,650	641,324,888	7,214,157	5,728,521	1,564,062
-	-	-	869	-	-
425,580,238	215,744,650	641,324,888	7,215,026	5,728,521	1,564,062
\$ 449,817,384	\$ 233,439,787	\$ 683,257,171	\$ 9,029,493	\$ 14,872,443	\$ 1,987,388

FUND FINANCIAL STATEMENTS

Augusta, Georgia
Balance Sheet
Governmental Funds
December 31, 2006

	General	Fire Protection	Special Sales Tax Phase III
Assets			
Cash and temporary investments	\$ 8,666,718	\$ 13,817,127	\$ 47,064,661
Investments	-	-	-
Receivables (net of allowance for doubtful accounts)			
Taxes	4,729,086	687,533	-
Accounts	7,335,184	7,342	51,228
Interest	-	-	101,468
Note	100,000	-	-
Intergovernmental	161,843	-	-
Prepaid items	144,420	-	-
Inventory	204,130	-	-
Restricted assets			
Reserve account	-	-	-
Perpetual care	-	-	-
Due from other funds	17,415,695	-	-
Total assets	\$ 38,757,076	\$ 14,512,002	\$ 47,217,357
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ 1,898,007	\$ 98,465	\$ 102,796
Due to other funds	-	-	-
Accrued salaries and vacation	2,789,894	704,043	-
Other accrued liabilities	1,575,906	17,840	-
Deferred revenue	4,806,537	10,918,083	-
Total liabilities	11,070,344	11,738,431	102,796
Fund balances:			
Reserved for:			
Encumbrances	429,280	245,658	1,722,392
Project Maintenance	-	-	-
Debt service	-	-	-
Inventory/prepaid items	348,550	-	-
GOB Projects	-	-	-
Unreserved - designated for:			
Risk benefit	4,705,061	250,000	-
Unreserved - undesignated	22,203,841	2,277,913	45,392,169
Unreserved, reported in nonmajor:			
Special revenue	-	-	-
Debt service	-	-	-
Capital projects	-	-	-
Permanent	-	-	-
Total fund balances	27,686,732	2,773,571	47,114,561
Total liabilities and fund balances	\$ 38,757,076	\$ 14,512,002	\$ 47,217,357

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

Special Sales Tax Phase IV	Special Sales Tax Phase V	Other Governmental Funds	Total Governmental Funds
\$ 101,632,776	\$ 10,593,253	\$ 27,927,418	\$ 209,701,953
-	-	-	-
-	-	2,545,454	7,962,073
42,296	2,669,246	2,148,669	12,253,965
-	-	115,066	216,534
-	-	3,595,694	3,695,694
-	-	-	161,843
233,500	-	774	378,694
-	-	-	204,130
-	44,855,811	12	44,855,823
-	-	338,625	338,625
-	-	-	17,415,695
<u>\$ 101,908,572</u>	<u>\$ 58,118,310</u>	<u>\$ 36,671,712</u>	<u>\$ 297,185,029</u>

\$ 520,694	\$ 105,562	\$ 1,386,821	\$ 4,112,345
-	-	920,879	920,879
54,501	-	186,524	3,734,962
-	-	65,623	1,659,369
-	-	6,227,918	21,952,538
<u>575,195</u>	<u>105,562</u>	<u>8,787,765</u>	<u>32,380,093</u>

4,688,506	2,230,799	1,171,384	10,488,019
-	-	4,696,460	4,696,460
-	-	2,500,000	2,500,000
233,500	-	774	582,824
-	43,866,010	-	43,866,010
-	-	-	4,955,061
96,411,371	11,915,939	-	178,201,233
-	-	11,764,126	11,764,126
-	-	276,351	276,351
-	-	6,918,919	6,918,919
-	-	555,933	555,933
<u>101,333,377</u>	<u>58,012,748</u>	<u>27,883,947</u>	<u>264,804,936</u>
<u>\$ 101,908,572</u>	<u>\$ 58,118,310</u>	<u>\$ 36,671,712</u>	<u>\$ 297,185,029</u>

Augusta, Georgia

Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Assets
December 31, 2006

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

Ending fund balance - governmental funds	\$ 264,804,936
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Historical cost of capital assets	323,983,904
Accumulated depreciation	(94,819,202)
	<u>229,164,702</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Adjustment of deferred revenue	10,969,979
Bond issue costs capitalized	599,144
Annual pension asset (liability)	307,248
	<u>11,876,371</u>
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.	
Net assets of internal service funds	1,234,660
Less: cumulative amounts allocated to business-type activities	195,477
Less: capital assets included in adjustment for capital assets	(385,654)
Plus: capital leases included in adjustment for capital leases	15,108
	<u>1,059,591</u>
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.	
Revenue bonds payable	(157,434)
Notes payable	(2,500,000)
General obligation bonds payable	(44,741,536)
Compensated absences	(4,104,746)
Capital leases	(1,535,623)
Claims and judgements	(3,423,275)
Accrued interest	(625,601)
	<u>(57,088,215)</u>
Net assets of governmental activities	<u>\$ 449,817,385</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, 2006

	General	Fire Protection	Special Sales Tax Phase III
Revenues			
Taxes - property	\$ 31,488,520	\$ 4,921,327	\$ -
Taxes - other than property	48,080,964	9,775,390	-
Licenses and permits	1,354,747	2,613	-
Use of money and property	3,649,704	517,060	2,142,576
Charges for current services	15,965,526	87,462	-
Fines and forfeitures	6,054,609	-	-
Intergovernmental	2,575,023	486,484	53,082
Contributions and donations	100,537	3,250	-
Other	108,011	31,850	-
Total revenues	109,377,641	15,825,436	2,195,658
Expenditures			
Current:			
General government	24,855,810	969,097	101,529
Judicial	13,076,206	-	-
Public safety	46,918,835	18,368,600	-
Public works	5,896,084	-	774,729
Health and welfare	1,948,608	-	-
Culture and recreation	13,574,079	-	183,361
Housing and development	1,827,947	-	-
Capital outlay	-	407,679	1,467,441
Debt service	117,278	11,511	-
Total expenditures	108,214,847	19,756,887	2,527,060
Excess (deficiency) of revenues over (under) expenditures	1,162,794	(3,931,451)	(331,402)
Other financing sources (uses)			
Transfers in	5,290,776	4,241,820	-
Transfers (out)	(2,985,260)	-	-
Capital lease proceeds	71,495	-	-
Bonds proceeds	-	-	-
Premium on bonds sold	-	-	-
Total other financing sources (uses)	2,377,011	4,241,820	-
Net change in fund balances	3,539,805	310,369	(331,402)
Fund balance - beginning	24,146,927	2,463,202	47,445,963
Fund balance - ending	\$ 27,686,732	\$ 2,773,571	\$ 47,114,561

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

Special Sales Tax Phase IV	Special Sales Tax Phase V	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 9,787,888	\$ 46,197,735
5,102,031	23,120,411	13,217,674	99,296,470
-	-	3,195,036	4,552,396
4,744,104	736,601	1,139,772	12,929,817
-	-	5,314,879	21,367,867
-	-	1,218,399	7,273,008
11,868	-	6,009,688	9,136,145
-	-	-	103,787
-	-	3,064,578	3,204,439
9,858,003	23,857,012	42,947,914	204,061,664
339,027	599,144	3,181,511	30,046,118
-	-	356,699	13,432,905
175,890	-	3,501,665	68,964,990
2,457,556	-	4,102,541	13,230,910
577,106	321,497	-	2,847,211
3,839,213	9,665,159	4,128,676	31,390,488
-	-	7,608,550	9,436,497
4,603,568	-	2,093,540	8,572,228
-	-	1,270,985	1,399,774
11,992,360	10,585,800	26,244,167	179,321,121
(2,134,357)	13,271,212	16,703,747	24,740,543
2,045,000	-	425,104	12,002,700
-	-	(15,916,898)	(18,902,158)
-	-	-	71,495
-	44,000,000	-	44,000,000
-	741,536	-	741,536
2,045,000	44,741,536	(15,491,794)	37,913,573
(89,357)	58,012,748	1,211,953	62,654,116
101,422,734	-	26,671,994	202,150,820
\$ 101,333,377	\$ 58,012,748	\$ 27,883,947	\$ 264,804,936

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, 2006

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

Net change in fund balances - total governmental funds \$ 62,654,116

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.

Capital outlay	15,038,609
Depreciation expense	<u>(9,985,029)</u>

5,053,580

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

1,312,503

The change in the net pension obligation or asset does not affect current financial resources and are not reported as a revenue or expense in the funds.

50,528

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.

(2,015,510)

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.

General obligation bonds payable	(44,741,536)
Revenue bonds payable	105,475
Compensated absences	(100,417)
Capital leases	1,295,048
Claims and judgements	621,582
Bond issue costs capitalized	599,144
Accrued interest	<u>(599,407)</u>
	<u>(42,820,111)</u>

The net revenue of certain activities of the internal service fund is reported with governmental activities.

2,040

Change in net assets of governmental activities

\$ 24,237,146

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, 2006
With comparative amounts for December 31, 2005

	Budgeted Amounts			Variance with Final Budget -	
Revenues	Original	Final	Actual Amounts	Positive (Negative)	2005 Actual
Taxes - property	\$ 27,524,310	\$ 31,995,210	\$ 31,488,520	\$ (506,690)	\$ 27,457,756
Taxes - other than property	46,701,490	46,728,990	48,080,964	1,351,974	44,234,000
Licenses and permits	1,468,390	1,468,390	1,354,747	(113,643)	1,538,827
Use of money and property	1,765,880	1,969,040	3,649,704	1,680,664	1,855,418
Charges for current services	16,718,740	16,626,430	15,965,526	(660,904)	14,672,206
Fines and forfeitures	6,083,800	6,083,800	6,054,609	(29,191)	6,050,426
Intergovernmental	3,017,010	3,647,329	2,575,023	(1,072,306)	1,865,348
Contributions and donations	2,000	90,760	100,537	9,777	12,926
Other	14,900	14,900	108,011	93,111	289,520
Total revenues	103,296,520	108,624,849	109,377,641	752,792	97,976,427
Expenditures					
Current:					
General government	25,024,500	22,910,624	24,855,810	(1,945,186)	22,620,588
Judicial	14,429,950	14,536,802	13,076,206	1,460,596	12,721,089
Public safety	48,199,980	50,739,824	46,918,835	3,820,989	46,324,969
Public works	6,887,680	7,637,774	5,896,084	1,741,690	6,640,384
Health and welfare	1,915,880	1,951,796	1,948,608	3,188	2,419,736
Culture and recreation	13,704,310	14,410,630	13,574,079	836,551	11,594,363
Housing and development	2,008,950	2,072,569	1,827,947	244,622	1,688,616
Capital outlay	120,260	120,260	-	120,260	-
Debt service	117,290	117,290	117,278	12	117,279
Total expenditures	112,408,800	114,497,569	108,214,847	6,282,722	104,127,024
Excess (deficiency) of revenues over (under) expenditures	(9,112,280)	(5,872,720)	1,162,794	7,035,514	(6,150,597)
Other financing sources (uses)					
Transfers in	2,975,260	7,020,470	5,290,776	(1,729,694)	2,517,790
Transfers (out)	(1,161,130)	(1,147,750)	(2,985,260)	(1,837,510)	(4,221,551)
Capital lease proceeds		-	71,495	71,495	1,982,314
Total other financing sources (uses)	1,814,130	5,872,720	2,377,011	(3,495,709)	278,553
Net change in fund balances	\$ (7,298,150)	\$ -	3,539,805	\$ 3,539,805	(5,872,044)
Fund balance - beginning			24,146,927		30,018,971
Fund balance - ending			\$ 27,686,732		\$ 24,146,927

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

Augusta, Georgia
Fire Protection
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2006
With comparative amounts for December 31, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2005 Actual
	Original	Final			
Revenues					
Taxes - property	\$ 3,505,670	\$ 4,925,670	\$ 4,921,327	\$ (4,343)	\$ 3,424,774
Taxes - other than property	9,540,350	9,775,390	9,775,390	-	9,086,046
Licenses and permits	-	-	2,613	2,613	249
Use of money and property	60,700	440,700	517,060	76,360	290,067
Charges for current services	45,700	45,700	87,462	41,762	56,398
Intergovernmental	798,080	997,580	486,484	(511,096)	275,027
Contributions and donations	-	3,250	3,250	-	1,500
Other	-	-	31,850	31,850	-
Total revenues	<u>13,950,500</u>	<u>16,188,290</u>	<u>15,825,436</u>	<u>(362,854)</u>	<u>13,134,061</u>
Expenditures					
Current:					
General government	1,231,830	728,620	969,097	(240,477)	802,038
Public safety	18,131,330	19,083,240	18,368,600	714,640	17,556,062
Capital outlay	536,730	628,660	407,679	220,981	440,914
Debt service	10,610	10,610	11,511	(901)	11,130
Total expenditures	<u>19,910,500</u>	<u>20,451,130</u>	<u>19,756,887</u>	<u>694,243</u>	<u>18,810,144</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,960,000)</u>	<u>(4,262,840)</u>	<u>(3,931,451)</u>	<u>331,389</u>	<u>(5,676,083)</u>
Other financing sources (uses)					
Transfers in	5,960,000	4,262,840	4,241,820	(21,020)	5,882,562
Total other financing sources (uses)	<u>5,960,000</u>	<u>4,262,840</u>	<u>4,241,820</u>	<u>(21,020)</u>	<u>5,882,562</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>310,369</u>	<u>\$ 310,369</u>	<u>206,479</u>
Fund balance - beginning			<u>2,463,202</u>		<u>2,256,723</u>
Fund balance - ending			<u>\$ 2,773,571</u>		<u>\$ 2,463,202</u>

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

Augusta, Georgia
Statement of Net Assets
Proprietary Funds
December 31, 2006

	Enterprise Funds				
	Water and Sewer System	Augusta Regional Airport	Other Enterprise Funds	Total	Internal Service Funds
Assets					
Current assets					
Cash and temporary investments	\$ 60,165,904	\$ 8,108,365	\$ 23,126,641	\$ 91,400,910	\$ 2,746,312
Receivables (net of allowance for doubtful accounts)					
Accounts	8,714,556	722,907	3,250,957	12,688,420	4,666,660
Interest	989,651	-	7,587	997,238	-
Note receivable	500,000	-	-	500,000	-
Intergovernmental	-	1,206,138	-	1,206,138	-
Inventory	2,103,833	324,995	211,405	2,640,233	-
Total current assets	72,473,944	10,362,405	26,596,590	109,432,939	7,412,972
Noncurrent assets					
Restricted cash and investments	201,655,321	21,458,785	5,989,841	229,103,947	14,088,558
Deferred bond issuance costs	6,642,426	1,033,340	299,154	7,974,920	-
Prepaid bond interest	11,624,372	-	-	11,624,372	-
Capital assets, net	355,523,487	45,835,083	19,252,898	420,611,468	385,654
Total noncurrent assets	575,445,606	68,327,208	25,541,893	669,314,707	14,474,212
Total assets	647,919,550	78,689,613	52,138,483	778,747,646	21,887,184
Liabilities					
Current liabilities					
Accounts payable	2,950,396	1,215,779	893,549	5,059,724	2,185,117
Accrued interest	6,072,824	-	-	6,072,824	-
Due to other funds	10,401,245	2,010,214	1,804,203	14,215,662	2,279,154
Accrued salaries and vacation	858,935	307,028	297,633	1,463,596	48,706
Other accrued liabilities	2,147,857	-	249,271	2,397,128	-
Current portion of notes payable	555,212	-	-	555,212	-
Current portion of leases payable	82,084	-	842,683	924,767	15,108
Current portion of revenue bonds payable	3,950,000	-	1,540,000	5,490,000	-
Total current liabilities	27,018,553	3,533,021	5,627,339	36,178,913	4,528,085
Noncurrent liabilities					
Closure/postclosure accrual	-	-	13,234,255	13,234,255	-
Revenue bonds payable	458,851,646	19,605,000	7,174,736	485,631,382	16,124,439
Notes payable	7,176,956	-	-	7,176,956	-
Capital leases	23,793	-	2,867,083	2,890,876	-
Total noncurrent liabilities	466,052,395	19,605,000	23,276,074	508,933,469	16,124,439
Total liabilities	493,070,948	23,138,021	28,903,413	545,112,382	20,652,524
Net assets					
Invested in capital assets, net of related debt	75,448,534	42,356,033	12,811,902	130,616,469	400,762
Restricted	11,090,583	5,332,835	6,355	16,429,773	-
Unrestricted	68,309,485	7,862,724	10,416,813	86,589,022	833,898
Total net assets	\$ 154,848,602	\$ 55,551,592	\$ 23,235,070	\$ 233,635,264	\$ 1,234,660

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.	\$ (35,326)
Certain internal fund expenses are allocated to business-type activities.	(160,151)
Total net assets for business-type activities	<u>\$ 233,439,787</u>

Augusta, Georgia

Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Year Ended December 31, 2006

	Enterprise Funds				Internal Service Funds
	Water and Sewer System	Augusta Regional Airport	Other Enterprise Funds	Total	
Operating revenues					
Charges and fees	\$ 62,066,142	\$ 13,680,415	\$ 22,640,086	\$ 98,386,643	\$ 27,879,620
Total operating revenues	62,066,142	13,680,415	22,640,086	98,386,643	27,879,620
Operating expenses					
Personal services and employee benefits	10,891,276	3,610,264	4,212,757	18,714,297	459,535
Purchased/contracted services	8,158,093	1,161,848	13,390,455	22,710,396	499,018
Supplies	5,373,315	7,134,898	1,442,198	13,950,411	200,108
Repairs and maintenance	4,153,850	378,290	740,400	5,272,540	4,371,329
Interfund/interdepartmental charges	2,158,461	264,500	1,339,221	3,762,182	-
Other costs	-	6,575	44,206	50,781	159,342
Depreciation	11,953,686	1,466,439	1,454,932	14,875,057	81,312
Closure/postclosure accrual	-	-	1,359,185	1,359,185	-
Lease expense	-	-	-	-	1,374,097
Risk benefit charges	-	-	-	-	1,300,700
Insurance	-	-	-	-	20,061,477
Total operating expenses	42,688,681	14,022,814	23,983,354	80,694,849	28,506,918
Operating income (loss)	19,377,461	(342,399)	(1,343,268)	17,691,794	(627,298)
Nonoperating revenue (expense)					
Interest revenue	11,098,280	1,328,248	1,314,056	13,740,584	655,739
Sale of property	57,960	800	14,683	73,443	12,817
Other revenue	-	687,447	3,357	690,804	128,713
Intergovernmental	-	4,382,048	927,604	5,309,652	-
Interest expense	(25,375,252)	-	(641,401)	(26,016,653)	(831,659)
Total nonoperating revenue (expense)	(14,219,012)	6,398,543	1,618,299	(6,202,170)	(34,390)
Income (loss) before transfers	5,158,449	6,056,144	275,031	11,489,624	(661,688)
Transfers in	-	-	6,415,608	6,415,608	533,794
Transfers out	-	-	(49,944)	(49,944)	-
Change in net assets	5,158,449	6,056,144	6,640,695	17,855,288	(127,894)
Total net assets - beginning	149,690,153	49,495,448	16,594,375		1,362,554
Total net assets - ending	\$ 154,848,602	\$ 55,551,592	\$ 23,235,070		\$ 1,234,660

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

Certain internal fund expenses are allocated to business-type activities.

Total change in net assets for business-type activities

(160,151)
\$ 17,695,137

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, 2006

	Enterprise Funds				
	Water & Sewer System	Augusta Regional Airport	Other Enterprise Funds	Total	Internal Service Funds
Operating activities					
Cash received from customers	\$ 60,730,376	\$ 13,390,219	\$ 21,274,108	\$ 95,394,703	\$ -
Cash received from contributions	-	-	-	-	27,828,966
Repayment of interfund advances	-	-	(172,979)	(172,979)	1,196,972
Cash paid to suppliers	(17,021,859)	(11,867,428)	(17,619,988)	(46,509,275)	(27,718,249)
Cash paid to employees	(10,813,834)	-	(4,227,623)	(15,041,457)	(456,134)
Cash paid for interfund services used	(1,454,304)	-	(1,455,062)	(2,909,366)	-
Net cash provided by (used in) operating activities	31,440,379	1,522,791	(2,201,544)	30,761,626	851,555
Noncapital financing activities					
Transfers in	-	-	6,415,608	6,415,608	587,439
Transfers out	-	-	(49,944)	(49,944)	(53,645)
Operating grants	-	-	1,143,197	1,143,197	-
Interest expense on operating capital	-	-	(304,478)	(304,478)	(87,689)
Other revenue	-	3,609	-	3,609	110,916
Net cash provided by noncapital financing activities	-	3,609	7,204,383	7,207,992	557,021
Capital and related financing activities					
Proceeds from grants	-	5,400,404	3,920	5,404,324	-
Proceeds from sale of property	57,960	800	56,230	114,990	12,817
Proceeds from capital leases	-	-	2,919,806	2,919,806	(30,215)
Interest on bond funds	8,468,718	-	-	8,468,718	-
Other miscellaneous income	-	638,356	3,358	641,714	17,799
Purchase of capital assets	(32,041,632)	(12,654,888)	(5,558,981)	(50,255,501)	-
Bond issuance costs paid	-	35,633	-	35,633	-
Payments on bonds issued	-	-	(1,490,000)	(1,490,000)	-
Interest paid on capital debt	(23,508,954)	-	(345,346)	(23,854,300)	(694,051)
Interest paid on operating capital	-	-	(5,558)	(5,558)	-
Payments on capital leases	(709,712)	-	(303,385)	(1,013,097)	-
Collection of receivable	500,000	-	-	500,000	-
Principal paid on revenue bonds	(2,785,000)	-	-	(2,785,000)	-
Net cash provided (used) by capital and related financing activities	(50,018,620)	(6,579,695)	(4,719,956)	(61,318,271)	(693,650)
Investing activities					
Interest received	2,651,337	1,373,730	1,314,455	5,339,522	650,735
Net cash provided by investing activities	2,651,337	1,373,730	1,314,455	5,339,522	650,735
Net increase in cash and cash equivalents/investments	(15,926,904)	(3,679,565)	1,597,338	(18,009,131)	1,365,661
Cash and cash equivalents/investments					
Beginning of year	277,853,031	33,246,715	27,519,144	338,618,890	15,469,209
End of year	\$ 261,926,127	\$ 29,567,150	\$ 29,116,482	\$ 320,609,759	\$ 16,834,870

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, 2006

	Enterprise Funds			Total	Internal Service Funds
	Water & Sewer System	Augusta Regional Airport	Other Enterprise Funds		
Reconciliation of operating income (loss)					
to net cash provided by					
(used in) operating activities					
Operating income (loss)	\$ 19,377,461	\$ (342,399)	\$ (1,343,268)	\$ 17,691,794	\$ (627,298)
Adjustments to reconcile operating income (loss)					
to net cash provided by (used in) operating					
activities:					
Depreciation and amortization	11,953,686	1,466,439	1,454,934	14,875,059	81,314
Closure/post closure costs	-	-	1,359,185	1,359,185	-
Change in assets and liabilities					
Accounts receivable	(1,385,963)	(290,196)	(1,365,978)	(3,042,137)	(1,463,549)
Inventory	(210,828)	(21,181)	12,793	(219,216)	-
Prepaid expenses	-	-	-	-	-
Accounts payable	(1,252,723)	(908,341)	53,901	(2,107,163)	1,660,717
Accrued salaries and vacation	77,442	-	(22,344)	55,098	3,399
Other accrued liabilities	-	16,759	(30,731)	(13,972)	-
Due to other funds	2,831,107	1,601,710	(1,362,151)	3,070,666	1,196,972
Unearned revenue	50,197	-	(2,500)	47,697	-
Decrease in closure liability	-	-	(955,385)	(955,385)	-
Total adjustments	12,062,918	1,865,190	(858,276)	13,069,832	1,478,853
Net cash provided by (used in)					
operating activities	\$ 31,440,379	\$ 1,522,791	\$ (2,201,544)	\$ 30,761,626	\$ 851,555

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

Augusta, Georgia
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2006

	Pension Trust Funds	Private-purpose Trust Fund Joseph R. Lamar	Agency Funds
Assets			
Cash and cash equivalents	\$ 6,437,741	\$ 583	\$ 8,856,440
Investments			
U.S. Government securities	23,008,750	-	-
Corporate bonds	11,332,783	-	-
Equity securities	63,826,722	-	-
Receivables (net of allowance for doubtful accounts)			
Taxes	-	-	23,027,263
Accounts	572,482	-	-
Interest	573,684	-	-
Restricted assets			
Perpetual care	-	5,000	-
Total assets	<u>105,752,162</u>	<u>5,583</u>	<u>\$ 31,883,703</u>
Liabilities			
Accounts payable	18,883	-	-
Due to others	-	-	8,856,440
Due to other funds	-	-	-
Uncollected taxes	-	-	23,027,263
Total liabilities	<u>18,883</u>	<u>-</u>	<u>\$ 31,883,703</u>
Net assets			
Held in trust for pension benefits and other purposes	<u>\$ 105,733,279</u>	<u>\$ 5,583</u>	
(See Schedules of Funding Progress)			

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, 2006

	Pension Trust Funds	Private-purpose Trust Fund Joseph R. Lamar
Additions		
Charges and fees	\$ 138,517	\$ -
Contributions - employer	\$ 3,492,760	\$ -
Contributions - plan member	1,140,267	-
Net investment income	11,334,522	306
Total additions	<u>16,106,066</u>	<u>306</u>
Deductions		
Other	-	175
Administration	503,466	-
Benefit payments	6,933,377	-
Refunds	261,459	-
Total deductions	<u>7,698,302</u>	<u>175</u>
Net increase in plan net assets	8,407,764	131
Total net assets - beginning	<u>97,325,515</u>	<u>5,452</u>
Total net assets - ending	<u>\$ 105,733,279</u>	<u>\$ 5,583</u>

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

Notes to Financial Statements

AUGUSTA, GEORGIA

Notes to Financial Statements

Year Ended December 31, 2006

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 Government
- 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, due to degree of fiscal dependency on the Government, 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 units, the Department of Health, Augusta Canal Authority, and Downtown Development Authority are included in separate columns in the accompanying government-wide financial statements. These units are reported in separate columns to emphasize that they are 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. Separate financial statements for the Downtown Development Authority may be obtained from the Downtown Development Authority at 111 Tenth Street, Augusta, Georgia, 30901. Separate financial statements for the Augusta Canal Authority may be obtained from the Augusta Canal Authority at 1450 Greene Street, Suite 400, Augusta, Georgia, 30903.

Notes to Financial Statements - Continued

Year Ended December 31, 2006

Note 1 - Summary of significant accounting policies (Continued)

Information for the Department of Health is presented for the year ended June 30, 2006, which were the latest financial statements available. The Department of Health operates with the June 30 fiscal year end, which is different from the governments fiscal year end.

Augusta Canal Authority – A voting majority of the board is appointed by the Government.

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

Downtown Development Authority – A voting majority of the board is appointed by the Government.

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.

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2006

Note 1 - Summary of significant accounting policies (Continued)

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 – 2006 to be used primarily for public works, recreation and outside agency projects.

Special Sales Tax Phase V Fund – This fund is a capital projects fund that accounts for receipts and disbursements of one percent (1%) sales tax collected beginning March 2006 and expiring after five years or the quarter after a total of \$160 million has been collected, whichever occurs first. The revenue sources are sales tax and earned interest, and expenditures will be for capital outlay projects, primarily for public works, recreation, and outside agency projects. The funds will also be used to repay \$44 million bonds issued for the expansion on the Webster Detention Center and \$8 million bonds issued for the Canal Authority.

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.

Hotel/Motel tax and 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.

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.

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2006

Note 1 - Summary of significant accounting policies (Continued)

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 licensing and fees revenue and related 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.

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

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.

Downtown Development Fund - This fund accounts for excise taxes collected on rental motor vehicles, and debt payments made and appropriations given to the Downtown Development Authority.

Canine Forfeitures - This fund accounts for proceeds recovered from drug arrests, which are allocated to the canine unit in return for their assistance.

NPDES Permit Fees - This fund accounts for a per acre environmental fee charged to all contractors who disturb more than one acre of land at a building site.

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.

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2006

Note 1 - Summary of significant accounting policies (Continued)

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.

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, 2006

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 of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the 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.

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2006

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 August to discuss departmental budgets.
2. The Administrator presents the tentative budget to the Commission in October.
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 within operating categories within departments can be requested by department directors. Transfer of budget amounts involving capital outlay or salaries require approval of the Augusta-Richmond County Commission. The Augusta-Richmond County Commission must approve revisions that alter the total expenditures of any department or fund. Budgets for capital items may be 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 three months 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, 2006

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

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2006

Note 1 - Summary of significant accounting policies (Continued)

M. Compensated absences

The vacation policy of the Government 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)
General Fund			
General government	\$ 22,910,624	\$ 24,855,810	\$ (1,945,186)
Fire Protection Fund			
General government	728,620	969,097	(240,477)
Debt service	10,610	11,511	(901)
Nonmajor Governmental Funds			
Urban Services District Fund			
General government	1,642,500	1,665,740	(23,240)
Public works	428,480	438,934	(10,454)
Law Enforcement Fund			
Capital outlay	22,570	24,859	(2,289)
Special Assessment Fund			
General government	8,710	10,610	(1,900)
Public works	3,229,040	3,497,643	(268,603)
Promotion and Tourism Fund			
Culture and Recreation	3,730,000	4,027,930	(297,930)
Housing and Neighborhood Development Fund			
Debt service	29,378	126,474	(97,096)
Supplemental Juvenile Service Fund			
General government	1,090	1,092	(2)
Weed and Seed Federal Grant Fund			
General government	9,500	9,504	(4)
Landbank Authority Fund			
Housing and development	-	777	(777)
Downtown Development Fund			
General government	621,690	621,691	(1)
Housing and development	154,790	154,791	(1)
Debt service	6,000	20,423	(14,423)

Notes to Financial Statements - Continued

Year Ended December 31, 2006

Note 2 - Stewardship, compliance and accountability (Continued)

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.

Nonmajor Governmental Funds

Downtown Development	\$ (134,432)
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Nonmajor Enterprise Funds

Garbage Collection	(759,112)
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Internal Service Funds

Fleet Operations	(141,766)
GMA Leases	(31,800)

Note 3 - Detailed notes on all funds

A. Deposits and investments

Primary government

Deposits:

Custodial Credit Risk for deposits is the risk that, in the event of bank failure, a government's deposits may not be returned to it. At December 31, 2006 \$12,626,430 of the Government's \$478,570,000 bank balance was exposed to custodial credit risk as uninsured and uncollateralized.

Investments:

Primary Government (Other than Pension Trust Funds)

The investment policy of the Government is consistent with the State of Georgia's policy, which is to maximize the protection of State funds on deposit while accruing an advantageous yield on those funds in excess of those required for current operating expenses (Official Code of Georgia Annotated [OCGA] 50-17-51).

Authorized pool investments are limited to the following in accordance with State statutes:

- 1) Obligations of the State of Georgia or of other states;
- 2) Obligations issued by the United States government;
- 3) Obligations fully insured or guaranteed by the United States government or a United States government agency;
- 4) Obligations of any corporation of the United States government;
- 5) Prime banker's acceptances;
- 6) Repurchase Agreements;
- 7) Obligations of other political subdivisions of the State; and
- 8) Commercial paper issued by domestic corporations.

Authorized investments are subject to certain restrictions.

Pooled cash and cash equivalents and investments are grouped into portfolios for investment purposes according to the operating needs of the State of Georgia and other pool contributors.

Pension Trust Funds

In accordance with Official Code of Georgia Annotated Public Retirement System Investment Authority Law, Public Retirement Systems may invest in the following:

- 1) United States or Canadian corporations or their obligations with limits as to the corporations' size and credit rating.

Notes to Financial Statements - Continued

Year Ended December 31, 2006

Note 3 - Detailed notes on all funds (Continued)

- 2) Repurchase and reverse repurchase agreements for direct obligations of the United States government and for obligations unconditionally guaranteed by agencies.
- 3) FDIC insured cash assets or deposits.
- 4) Bonds, notes, warrants, loans or other debt issued or guaranteed by the United States government.
- 5) Taxable bonds, notes warrants or other securities issued and guaranteed by any state, the District of Columbia, Canada or any province in Canada.
- 6) Bonds, debentures or other securities issued or insured or guaranteed by an agency, authority, unit, or corporate body created by the government of the United States of America.
- 7) Investment grade collateralized mortgage obligations.
- 8) Obligations issued, assumed or guaranteed by the International Bank for Reconstruction and Development or the International Financial Corporation.
- 9) Bonds, debentures, notes and other evidence of indebtedness issued, assumed, or guaranteed by any solvent institution existing under the laws of the United States of America or of Canada, or any state or province thereof, which are not in default and are secured to a certain level.
- 10) Secured and unsecured obligations issued by any solvent institution existing under the laws of the United States of America or of Canada, or any state or province thereof, bearing interest at a fixed rate, with mandatory principal and interest due at a specified time with additional limits.
- 11) Equipment trust obligations or interests in transportation equipment, wholly or in part within the United States of America, and the right to receive determinated portions or related income.
- 12) Loans that are secured by pledge or securities eligible for investment.
- 13) Purchase money mortgages or like securities received upon the sale or exchange of real property acquired.
- 14) Secured mortgages or mortgage participation, pass-through, conventional pass-through, trust certificate, or other similar securities with restrictions.
- 15) Land and buildings on such land used or acquired for use as a fund's office for the convenient transaction of its own business with restrictions.
- 16) Real property and equipment acquired under various circumstances.

In addition, large retirement systems have restrictions as to the concentration of investments in corporations and equities and additional stipulations exist related to decreases in a fund's asset value.

As of December 31, 2006 the investments of the Government were:

Type of Investment	Fair Value	Maturities in Years		
		4-12 Months	1 - 5 Years	6 - 10 Years
U.S. Government securities	\$ 34,161,632	\$ 13,308,996	\$ 15,436,751	\$ 5,415,885
Corporate securities	11,332,783	3,522,527	5,479,547	2,330,709
		<u>\$ 16,831,523</u>	<u>\$ 20,916,298</u>	<u>\$ 7,746,594</u>
Equity securities	63,826,724			
Georgia Fund I	107,425,512			
Georgia Extended Asset Pool	11,135,390			
Total investments	<u>\$ 227,882,041</u>			

The exposure of the Government's debt securities to credit quality risk is indicated below (as rated by Standard & Poor's):

Type of investment	Fair Value	AAA	AA	AA-	A+	A
U.S. Government securities	\$ 34,161,632	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate securities	11,332,783	2,235,438	1,690,839	2,032,013	1,109,547	4,264,946
	<u>\$ 45,494,415</u>	<u>\$ 2,235,438</u>	<u>\$ 1,690,839</u>	<u>\$ 2,032,013</u>	<u>\$ 1,109,547</u>	<u>\$ 4,264,946</u>

The local government investment pool "Georgia Fund I", created by O.C.G.A. §36-83-8, is a stable net asset value investment pool. Georgia Fund I 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 regulatory oversight of the pool is assigned to the State of Georgia's Office of Treasury and Fiscal Services. The

Notes to Financial Statements - Continued

Year Ended December 31, 2006

Note 3- Detailed notes on all funds (Continued)

pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share. As a public fund, Georgia Fund 1 is exempt from any disclosure of custodial credit risk.

The Georgia Extended Asset Pool (GEAP) is offered by the State of Georgia to counties, municipalities, public colleges and universities, board of education, special districts, state agencies, and other authorized entities as an alternative to Georgia Fund I. A primary objective of GEAP is the prudent management of public funds on behalf of state and local governments. GEAP was designed for those investors seeking taxable income higher than money market rates and willing to accept price fluctuations.

Deposit and investment transactions are subject to a variety of risks. The Government's adopted investment policies seek to promote the safety of principal, provide adequate liquidity for operation needs, earn market rates of return on investments consistent with liquidity needs and investment quality, and conform with legal requirements.

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The Government's investment policy states that the Government will structure its portfolio to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to their maturity. The policy also emphasizes the purchase of shorter term or more liquid investment. The policy does not place formal limits on investment maturities. The Georgia Fund 1 has an interest rate risk of 24 day weighted average maturity.

Credit Risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The Government's investment policy seeks to minimize credit risk through diversification of investments within the choices allowed under state statutes. Investments in all corporate securities are limited to investment grade or higher as rated by a nationally recognized rating agency.

All of the Government's investments in U.S. Government securities carry the explicit guarantee of the U.S. government. U.S. Agency securities underlie the repurchase agreements.

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Disclosures are required for any issuer that represents 5% or more of total investments, exclusive of mutual funds, external investment pools and investments issued or guaranteed by the U.S. government. No single issuer represented more than 5% of the total portfolio. The Government does not have a formally adopted policy for managing concentration of credit risk.

There are no limits on fixed income securities issued directly by the U.S. government or any agency thereof.

Deposits and investments are reconciled between the financial statements and note disclosure as follows:

Basic financial statements:

Cash and temporary investments	\$ 303,849,175
Restricted cash and investments	288,386,953
Pension and agency funds	113,463,069
Total	<u>\$ 705,699,197</u>

Notes to the financial statements:

Cash on hand	\$ 27,730
Deposits	477,789,426
Investments	227,882,041
Total	<u>\$ 705,699,197</u>

Department of Health

At June 30, 2006, all of the Department of Health's deposits were either secured by Federal Depository Insurance Corporation (FDIC) or by collateral held by the agent in the Government's name.

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2006

Note 3 - Detailed notes on all funds (Continued)

Augusta Canal Authority

As of December 31, 2006, the bank balance totaled \$490,358. Of the total bank balance, \$466,556 was insured through the Federal Depository Insurance Corporation (FDIC). The remaining \$23,802 was collateralized with pooled securities held by the financial institutions' trust departments. These securities are held in the name of the financial institution and not that of the Authority.

As of December 31, 2006, the only investments of the Authority were repurchase agreements. The fair value of the agreements is \$1,010,480, which are included in cash and cash equivalents. U.S Agency securities underlie the repurchase agreements.

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, 2006, including the applicable allowances for uncollectible accounts, consist of the following:

	General	Fire Protection	Special Sales Tax Phase III	Special Sales Tax Phase IV	Special Sales Tax Phase V	
Receivables:						
Taxes	\$ 5,204,359	\$ 708,624	\$ -	\$ -	\$ -	
Accounts	7,632,903	7,342	51,228	42,296	2,669,246	
Interest	-	-	101,468	-	-	
Note	100,000	-	-	-	-	
Intergovernmental	161,843	-	-	-	-	
Gross receivables	13,099,105	715,966	152,696	42,296	2,669,246	
Less: allowance for uncollectibles	(772,992)	(21,091)	-	-	-	
Net total receivables	\$ 12,326,113	\$ 694,875	\$ 152,696	\$ 42,296	\$ 2,669,246	

	Water and Sewer	Bush Field	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	Total	Adjustments to Full Accrual	Statement of Net Assets
Receivables (Cont.):							
Taxes	\$ -	\$ -	\$ 2,638,328	\$ -	\$ 8,551,311	\$ -	\$ 8,551,311
Accounts	8,985,056	822,907	2,169,111	4,102,701	26,482,790	4,666,660	31,149,450
Interest	989,651	-	115,066	7,587	1,213,772	-	1,213,772
Note	500,000	-	3,694,567	-	4,294,567	-	4,294,567
Intergovernmental	-	1,206,138	-	-	1,367,981	-	1,367,981
Gross receivables	10,474,707	2,029,045	8,617,072	4,110,288	41,910,421	4,666,660	46,577,081
Less: allowance for uncollectibles	(270,500)	(100,000)	(212,189)	(851,744)	(2,228,516)	-	(2,228,516)
Net total receivables	\$ 10,204,207	\$ 1,929,045	\$ 8,404,883	\$ 3,258,544	\$ 39,681,905	\$ 4,666,660	\$ 44,348,565

Adjustments to full accrual relate to 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.

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2006

Note 3 - Detailed notes on all funds (Continued)

Finally, the Fiduciary fund financial statements include \$23,027,263 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 \$573,684 and accounts receivable totaling \$572,482 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.

C. Capital assets

A summary of changes in capital assets is as follows:

Governmental Activities

	December 31, 2005	Additions	Disposals	December 31, 2006
Capital assets, not being depreciated				
Land	\$ 20,075,644	\$ 303,174	\$ -	\$ 20,378,818
Construction in process	58,928,121	12,673,874	(1,603,268)	69,998,727
Total capital assets not being depreciated	79,003,765	12,977,048	(1,603,268)	90,377,545
Other capital assets:				
Land and Site Improvements	7,482,299	410,247	-	7,892,546
Buildings	78,760,613	-	-	78,760,613
Building improvements	7,559,190	66,256	-	7,625,446
Vehicles	31,898,496	1,319,234	(1,421,908)	31,795,822
Machinery and equipment	8,788,192	1,922,413	(243,939)	10,466,666
IT - hardware	2,931,821	688,153	-	3,619,974
IT - software	2,771,107	177,519	(125,850)	2,822,776
Furniture and fixtures	1,318,490	101,248	-	1,419,738
Infrastructure	77,776,450	387,797	(1,616,952)	76,547,295
Richmond County Public Facilities	12,655,483	-	-	12,655,483
Total other capital assets	231,942,141	5,072,867	(3,408,649)	233,606,359
Less accumulated depreciation for:				
Land and site improvements	(2,247,115)	(545,865)	-	(2,792,980)
Buildings	(24,681,477)	(2,563,913)	-	(27,245,390)
Building improvements	(2,562,313)	(365,844)	-	(2,928,157)
Vehicles	(21,667,271)	(2,974,996)	1,385,126	(23,257,141)
Machinery and equipment	(5,717,499)	(934,191)	221,546	(6,430,144)
IT - hardware	(2,501,972)	(455,246)	-	(2,957,218)
IT - software	(1,806,328)	(449,423)	17,479	(2,238,272)
Furniture and fixtures	(1,122,383)	(40,583)	-	(1,162,966)
Infrastructure	(13,900,876)	(1,654,968)	295,146	(15,260,698)
Richmond County Public Facilities	(10,546,236)	-	-	(10,546,236)
Total accumulated depreciation	(86,753,470)	(9,985,029)	1,919,297	(94,819,202)
Other capital assets, net	145,188,671	(4,912,162)	(1,489,352)	138,787,157
Governmental activities capital assets, net	\$ 224,192,436	\$ 8,064,886	\$ (3,092,620)	\$ 229,164,702

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2006

Note 3 - Detailed notes on all funds (Continued)

Depreciation expense was charged to functions as follows:

Governmental activities

General government	\$ 958,894
Judicial	1,307,676
Public safety	3,766,729
Public works	2,289,254
Health and welfare	78,692
Culture and Recreation	1,477,752
Housing and development	24,720
Risk	37,888
Fleet	43,424
	<u>\$ 9,985,029</u>

	Balance December 31, 2005	Additions	Disposals	Balance December 31, 2006
<u>Water and Sewer</u>				
Capital assets, not being depreciated:				
Land	\$ 7,592,871	\$ 288,183	\$ -	\$ 7,881,054
Construction in progress	120,666,829	-	(16,056,165) *	104,610,664
Total capital assets not being depreciated	<u>128,259,700</u>	<u>288,183</u>	<u>(16,056,165)</u>	<u>112,491,718</u>
Other capital assets:				
Buildings	39,026,157	21,516	-	39,047,673
Vehicles	5,657,719	357,973	(214,844)	5,800,848
Machinery and equipment	6,594,415	132,265	(150,304)	6,576,376
Furniture and fixtures	440,474	-	-	440,474
Other capital	2,273,262	2,875,808	-	5,149,070
Water and sewerage systems	284,723,149	44,422,052	-	329,145,201
Contributed water and sewerage systems	10,563,423	-	-	10,563,423
Total capital assets being depreciated	<u>349,278,599</u>	<u>47,809,614</u>	<u>(365,148)</u>	<u>396,723,065</u>
Less accumulated depreciation for:				
Buildings	(23,111,921)	(1,197,156)	-	(24,309,077)
Vehicles	(4,783,078)	(501,272)	214,844	(5,069,506)
Machinery and equipment	(5,628,925)	(424,208)	150,304	(5,902,829)
Furniture and fixtures	(433,576)	(6,367)	-	(439,943)
Other capital	(2,126,381)	(992,890)	-	(3,119,271)
Water and sewerage systems	(99,382,928)	(8,586,462)	-	(107,969,390)
Contributed water and sewerage systems	(6,635,949)	(245,331)	-	(6,881,280)
Total accumulated depreciation	<u>(142,102,758)</u>	<u>(11,953,686)</u>	<u>365,148</u>	<u>(153,691,296)</u>
Other capital assets being depreciated, net	<u>207,175,841</u>	<u>35,855,928</u>	<u>-</u>	<u>243,031,769</u>
Water and sewer capital assets, net	<u>\$ 335,435,541</u>	<u>\$ 36,144,111</u>	<u>\$ (16,056,165)</u>	<u>\$ 355,523,487</u>

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

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2006

Note 3 - Detailed notes on all funds (Continued)

	Balance December 31, 2005	Additions	Disposals	Balance December 31, 2006
<u>Augusta Regional Airport</u>				
Capital assets not being depreciated:				
Land	\$ 4,684,256	\$ -	\$ -	\$ 4,684,256
Construction in progress	13,431,047	12,360,975	(5,505,692) *	20,286,330
Total capital assets not being depreciated	<u>18,115,303</u>	<u>12,360,975</u>	<u>(5,505,692)</u>	<u>24,970,586</u>
Other capital assets:				
Site improvements	1,667,085	1,104,650	-	2,771,735
Building improvements	1,890,479	-	(2)	1,890,477
Buildings	9,487,642	-	-	9,487,642
Vehicles	2,422,652	26,886	-	2,449,538
Machinery and equipment	2,132,187	420,770	-	2,552,957
Furniture and fixtures	327,108	-	-	327,108
Other capital	166,145	-	(1)	166,144
Information tech – hardware	68,468	5,943	-	74,411
Information tech – software	26,224	9,608	-	35,832
Infrastructure	21,338,950	4,231,751	-	25,570,701
Total capital assets being depreciated	<u>39,526,940</u>	<u>5,799,608</u>	<u>(3)</u>	<u>45,326,545</u>
Less accumulated depreciation for:				
Site improvements	(773,191)	(92,552)	-	(865,743)
Building improvements	(957,635)	(219,848)	-	(1,177,483)
Buildings	(6,776,578)	(205,500)	-	(6,982,078)
Vehicles	(1,808,523)	(127,368)	-	(1,935,891)
Machinery and equipment	(963,312)	(198,659)	-	(1,161,971)
Furniture and fixtures	(234,497)	(45,061)	-	(279,558)
Other capital	(166,144)	-	-	(166,144)
Information tech – hardware	(68,468)	-	-	(68,468)
Information tech – software	(26,224)	(427)	-	(26,651)
Infrastructure	(11,221,037)	(577,024)	-	(11,798,061)
Total accumulated depreciation	<u>(22,995,609)</u>	<u>(1,466,439)</u>	<u>-</u>	<u>(24,462,048)</u>
Other capital assets being depreciated, net	<u>16,531,331</u>	<u>4,333,169</u>	<u>(3)</u>	<u>20,864,497</u>
Augusta Regional Airport capital assets, net	\$ <u>34,646,634</u>	\$ <u>16,694,144</u>	\$ <u>(5,505,695)</u>	\$ <u>45,835,083</u>

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

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2006

Note 3 – Detailed notes on all funds (Continued)

	Balance December 31, 2005		Additions	Disposals	Balance December 31, 2006
<u>Nonmajor enterprise funds</u>					
Capital assets, not being depreciated					
Land	\$ 2,628,861	\$ 1	\$ -		\$ 2,628,862
Construction in process	4,539,205	-	(4,539,205)		-
Total capital assets not being depreciated	<u>7,168,066</u>	<u>1</u>	<u>(4,539,205)</u>		<u>* 2,628,862</u>
Other capital assets:					
Site and building improvements	1,962,763	605,820	-		2,568,583
Landfill Cell IIC	9,399,876	-	-		9,399,876
Landfill Cell IIIC	-	5,616,841	-		5,616,841
Buildings	3,227,079	-	(62,175)		3,164,904
Vehicles	6,103,102	1,272,981	(795,068)		6,581,015
Machinery and equipment	3,015,764	2,566,447	11,385		5,593,596
Furniture and fixtures	11,385	-	(11,385)		-
Infrastructure	1,485,833	-	-		1,485,833
IT – hardware	67,250	8,088	-		75,338
IT – software	441,734	28,008	-		469,742
Total capital assets being depreciated	<u>25,714,786</u>	<u>** 10,098,185</u>	<u>(857,243)</u>		<u>34,955,728</u>
Less accumulated depreciation for:					
Site and building improvements	(1,244,620)	(85,933)	-		(1,330,553)
Landfill Cell IIC	(9,399,876)	-	-		(9,399,876)
Landfill Cell IIIC	-	(31,205)	-		(31,205)
Buildings	(1,325,324)	(100,834)	25,669		(1,400,489)
Vehicles	(3,539,704)	(774,520)	790,025		(3,524,199)
Machinery and equipment	(982,219)	(406,314)	(1,898)		(1,390,431)
Furniture and fixtures	(1,898)	-	1,898		-
Infrastructure	(691,486)	(49,528)	-		(741,014)
IT – hardware	(63,976)	(4,171)	-		(68,147)
IT – software	(443,351)	(2,427)	-		(445,778)
Total accumulated depreciation	<u>(17,692,454)</u>	<u>** (1,454,932)</u>	<u>815,694</u>		<u>(18,331,692)</u>
Other capital assets, net	<u>8,022,332</u>	<u>8,643,253</u>	<u>(41,549)</u>		<u>16,624,036</u>
Nonmajor enterprise funds, net	<u>15,190,398</u>	<u>8,643,254</u>	<u>(4,580,754)</u>		<u>19,252,898</u>
Business-type activities capital assets, net	<u>\$ 385,272,573</u>	<u>\$ 61,481,509</u>	<u>\$ (26,142,614)</u>		<u>\$ 420,611,468</u>

Depreciation expense was charged to non-major enterprise funds as follows:

Waste management and garbage collection	\$ 686,755
Transit	647,495
Daniel Field Airport	85,514
Municipal golf course	35,168
	<u>\$ 1,454,932</u>

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

** Note: Amounts totaling \$508,640 were reclassified as of December 31, 2005 in order to correct presentation by major class of asset and accumulated depreciation. There was no net affect on Other capital assets, net.

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2006

Note 3 – Detailed notes on all funds (Continued)

Department of Health

Capital asset activity for the Department of Health for the year ended June 30, 2006 was as follows:

	June 30, 2005	Additions	Disposals	June 30, 2006
Capital assets, not being depreciated				
Land	\$ 1,437,797	\$ 210,200	\$ -	\$ 1,647,997
Other capital assets:				
Buildings	5,978,485	1,876,562	-	7,855,047
Improvements	595,153	-	(38,960)	556,193
Equipment	202,338	163,173	-	365,511
Vehicles	150,754	17,639	(16,000)	152,393
	<u>6,926,730</u>	<u>2,057,374</u>	<u>(54,960)</u>	<u>8,929,144</u>
Less accumulated depreciation for:				
Buildings	(721,236)	(178,022)	-	(899,258)
Improvements	(317,622)	(48,102)	38,960	(326,764)
Equipment	(88,483)	(26,068)	-	(114,551)
Vehicles	(66,270)	(13,151)	16,000	(63,421)
Total accumulated depreciation	<u>(1,193,611)</u>	<u>(265,343)</u>	<u>54,960</u>	<u>(1,403,994)</u>
Other capital assets, net	<u>5,733,119</u>	<u>1,792,031</u>	<u>-</u>	<u>7,525,150</u>
Governmental activities capital assets, net	<u>\$ 7,170,916</u>	<u>\$ 2,002,231</u>	<u>\$ -</u>	<u>\$ 9,173,147</u>

Augusta Canal Authority

Capital asset activity for the Augusta Canal Authority for the year ended December 31, 2006 was as follows:

	December 31, 2005	Additions	Deletions	December 31, 2006
Capital assets not being depreciated:				
Land	\$ 217,000	\$ 250,000	\$ -	\$ 467,000
Construction in process	8,116,459	1,524,736	(9,606,246) *	34,949
Total capital assets not being depreciated	<u>8,333,459</u>	<u>1,774,736</u>	<u>(9,606,246)</u>	<u>501,949</u>
Capital assets being depreciated:				
Leasehold improvements	3,869,106	-	-	3,869,106
Boats	697,071	-	-	697,071
Vehicles	19,621	-	-	19,621
Machinery and equipment	15,685	748	-	16,433
Computer equipment	15,761	-	-	15,761
Office equipment	4,602	-	-	4,602
Furniture and fixtures	22,424	-	-	22,424
Infrastructure	294,737	9,606,246	-	9,900,983
Total capital assets being depreciated	<u>4,939,007</u>	<u>9,606,994</u>	<u>-</u>	<u>14,546,001</u>
Less accumulated depreciation for:				
Leasehold improvements	(395,677)	(143,759)	-	(539,436)
Boats	(56,927)	(27,883)	-	(84,810)
Vehicles	(9,156)	(1,963)	-	(11,119)
Machinery and equipment	(7,324)	(1,631)	-	(8,955)
Computer equipment	(13,209)	(1,294)	-	(14,503)
Office equipment	(3,026)	(635)	-	(3,661)
Furniture and fixtures	(14,922)	(2,775)	-	(17,697)
Infrastructure	(26,611)	(52,615)	-	(79,226)
Total accumulated depreciation	<u>(526,852)</u>	<u>(232,555)</u>	<u>-</u>	<u>(759,407)</u>
Total capital assets being depreciated - net	<u>4,412,155</u>	<u>9,374,439</u>	<u>-</u>	<u>13,786,594</u>
Governmental activities capital assets, net	<u>\$ 12,745,614</u>	<u>\$ 11,149,175</u>	<u>\$ (9,606,246)</u>	<u>\$ 14,288,543</u>

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

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2006

Note 3 - Detailed notes on all funds (Continued)

Downtown Development Authority

Capital asset activity for the year ended December 31, 2006 was as follows:

	December 31, 2005	Additions	Deletions	December 31, 2006
Capital assets:				
Port Royal parking deck	\$ 2,600,000	\$ -	\$ -	\$ 2,600,000
Riverfront parking deck	3,816,000	-	-	3,816,000
Clock	41,393	-	-	41,393
Furniture and equipment	3,578	4,342	-	7,920
Total capital assets	6,460,971	4,342	-	6,465,313
Less accumulated depreciation for:				
Port Royal parking deck	(1,040,000)	(65,000)	-	(1,105,000)
Riverfront parking deck	(1,431,000)	(95,400)	-	(1,526,400)
Clock	(7,432)	(4,139)	-	(11,571)
Furniture and equipment	(130)	(1,248)	-	(1,378)
Total accumulated depreciation	(2,478,562)	(165,787)	-	(2,644,349)
Capital assets, net	3,982,409	(161,445)	-	3,820,964
Related debt	(2,925,000)	-	550,000	(2,375,000)
Capital assets, net of related debt	\$ 1,057,409	\$ (161,445)	\$ 550,000	\$ 1,445,964

Depreciation expense for the year ended December 31, 2006 was \$165,787.

D. Accounts payable and accrued liabilities

Payables for the Government at December 31, 2006 were as follows:

	Governmental Funds	Enterprise Funds	Total	Adjustments To Full Accrual	Statement of Net Assets
Payables:					
Accounts payable	\$ 4,112,345	\$ 5,059,724	\$ 9,172,069	\$ 2,185,117	\$ 11,357,186
Accrued interest	-	6,072,824	6,072,824	625,601	6,698,425
Accrued salaries and vacation	3,734,962	1,463,596	5,198,558	(697,844)	4,500,714
Other accrued liabilities	1,659,369	2,397,128	4,056,497	-	4,056,497
Total accounts payable and accrued liabilities	\$ 9,506,676	\$ 14,993,272	\$ 24,499,948	\$ 2,112,874	\$ 26,612,822

Adjustments to full-accrual basis include \$625,601 related to accrued interest on governmental long-term debt, \$746,550 relating to the reclassification of accrued vacation from accrued liabilities to liabilities due within one year, and account payable and accrued salaries and vacation of \$2,185,117 and \$48,706, respectively, 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.

Also, the fiduciary fund financial statements include \$18,883 in accounts payable recorded in pension trust funds. This amount is excluded from the foregoing schedule and represents amounts due to various other agencies, individuals or governments.

Notes to Financial Statements - Continued

Year Ended December 31, 2006

Note 3 - Detailed notes on all funds (Continued)

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	\$ 4,205,981	\$ -
Taxes receivable net of allowance – Fire Protection Fund	536,080	-
Taxes receivable net of allowance – Nonmajor governmental funds	2,710,160	-
Grant income received in advance of being earned – General Fund	-	18,101
Grant income received in advance of being earned – Fire Protection Fund	-	154,492
Business license income received in advance of being earned – General Fund	-	582,455
Housing and Development long-term notes receivable – Nonmajor governmental funds	3,422,231	
Accounts receivable – Nonmajor governmental funds	95,527	
Insurance premium income received in advance of being earned – Fire Protection Fund to match to related expenses in future year	-	10,227,511
	<u>\$ 10,969,979</u>	<u>\$ 10,982,559</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 \$13,234,255 as of December 31, 2006, which is based on 97.28% usage (filled) of Cell II C and 4.86% usage (filled) of Cell III stage 1, which are 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 \$15,392,755 be recognized as closure and postclosure care expenses between the date of the statement of net assets and the date the landfills are expected to be filled to capacity, which is in 2007 and 2031, respectively. The estimated total current cost of the landfill closure and postclosure care, \$28,627,010, 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, 2006. 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

Primary government1. Governmental activities

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, 2006, the amount of defeased debt outstanding but removed from the governmental debt is \$1,010,000.

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2006

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

Notes payable

Housing and Neighborhood Development:

\$2,500,000 Section 108 loan for revitalization of locally owned historic hotel due in annual installments of \$125,000 to \$216,000 beginning October 2011, plus variable interest at LIBOR plus .2% varying annually through 2025. \$ 2,500,000

Revenue bonds

Augusta Port Authority:

\$1,200,000 1993 Augusta Port Authority Bonds – due in monthly principal and interest installments of \$9,773 through April 2008, bearing interest at 5.45%. \$ 157,434

General obligation bonds

\$44,000,000 2006 sales tax bonds – due in annual installments of \$8,125,000 to \$9,505,000, plus interest at 4% through December 2011. \$ 44,000,000

Add: Bond issue premiums 741,536

\$ 44,741,536

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 (763,560)

Total \$ 16,124,440

Year ending December 31	Notes Payable		Revenue Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ -	\$ 137,850	\$ 111,843	\$ 5,436	\$ 8,125,000	\$ 1,602,389
2008	-	137,850	45,591	440	8,450,000	1,266,000
2009	-	137,850	-	-	8,785,000	921,300
2010	-	137,850	-	-	9,135,000	562,900
2011	125,000	137,850	-	-	9,505,000	190,100
2012 – 2016	703,000	580,292	-	-	-	-
2017 – 2021	856,000	370,320	-	-	-	-
2022 – 2026	816,000	114,691	-	-	-	-
2027 - 2031	-	-	-	-	-	-
	<u>\$ 2,500,000</u>	<u>\$ 1,754,553</u>	<u>\$ 157,434</u>	<u>\$ 5,876</u>	<u>\$ 44,000,000</u>	<u>\$ 4,542,689</u>

Continued Year ending December 31	Certificates of Participation		Total	
	Principal	Interest	Principal	Interest
2007	\$ -	\$ 802,180	\$ 8,236,843	\$ 2,547,855
2008	-	802,180	8,495,591	2,206,470
2009	-	802,180	8,785,000	1,861,330
2010	-	802,180	9,135,000	1,502,930
2011	-	802,180	9,630,000	1,130,030
2012 – 2016	-	4,010,900	703,000	4,591,192
2017 – 2021	-	4,010,900	856,000	4,381,220
2022 – 2026	-	4,010,900	816,000	4,125,591
2027 - 2031	16,888,000	1,136,422	16,888,000	1,136,422
	<u>\$ 16,888,000</u>	<u>\$ 17,180,022</u>	<u>\$ 63,545,434</u>	<u>\$ 23,483,140</u>

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2006

Note 3 - Detailed notes on all funds (Continued)

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 of \$15,989,693 through to the participating municipalities with the Government's participation totaling \$16,888,000, net of original issue discount of \$898,307. 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 \$2,919,806 was leased during 2006.

2. Business-type activities

Revenue bonds

Water and Sewer:

\$160,000,000 2004 Water and Sewer Bonds – due in interest only payments of \$8,400,000 through October 2032. Principal due in annual installments beginning October 2033 through October 2039. From \$19,500,000 to \$26,510,000, plus interest of 5.25%.	\$ 160,000,000
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\$149,400,000 2002 Water and Sewer Bonds – due in annual installments of \$235,000 to \$20,610,000 starting October 2002 through October 2032, plus interest varying from 2.50% to 5.75% on \$57,840,000 serial bonds, with interest of 5.0% on \$91,560,000 term bonds.	145,405,000
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\$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.	96,725,000
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\$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).	56,000,000
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\$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).	4,340,000
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Total	462,470,000
Less: Deferred refunding amounts	(2,033,974)
Less: Bond issue discounts	(4,218,146)
Add: Bond issue premiums	6,583,766

Total revenue bonds – Water and sewer	462,801,646
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Augusta Regional Airport at Bush Field

\$8,990,000 2005A Airport Passenger Facility Charge and General Revenue Bonds – due in annual interest only payments of \$462,985 through January 2030. Principal due in annual installments beginning January 2031 ranging from \$540,000 to \$2,275,000 plus interest of 5.15% through January 2035.	8,990,000
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\$4,414,000 2005B Airport Passenger Facility Charge and General Revenue Bonds – due in annual interest only payments of \$236,203 through January 2024. Principal due in annual installments beginning January 2025 ranging from \$1,355,000 to \$1,505,000 through January 2027 plus interest of 5.15% and final payment of \$130,000 plus interest of 5.15% due January 2028.	4,415,000
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AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2006

Note 3 - Detailed notes on all funds (Continued)

Bush Field (Continued)

\$6,200,000 2005C Airport Passenger Facility Charge and General Revenue Bonds – due in annual interest only payments of \$337,900 through January 2027. Principal due in annual installments beginning January 2028 through January 2035 ranging from \$1,455,000 to \$1,760,000 plus interest of 5.45% through January 2030 and final payment of \$1,315,000 plus interest of 5.45% due January 2031.

\$ 6,200,000

Total revenue bonds – Bush Field

19,605,000

Waste Management:

\$11,475,000 Solid Waste Management Authority of Augusta Revenue Bonds, Series 2004 – due in annual installments of \$170,000 to \$1,700,000, starting December 1, 2005 through December 1, 2019, plus interest of 3.0% to 4.0% payable semi-annually on June 1 and December 1, beginning December 1, 2004

8,540,000

Add: Bond issue premium

174,736

Total revenue bonds – Waste Management

8,714,736

Total revenue bonds

\$ 491,121,382

Notes payable

Water and Sewer Fund:

\$5,143,272 State revolving loan – due in quarterly principal and interest installments of \$94,668, bearing interest at 4%, through May 2016.

\$ 2,980,587

\$6,553,217 State revolving loan – principal and interest due in quarterly installments of \$119,392, bearing interest at 4%, through July 2019.

4,751,581

Total

\$ 7,732,168

Year ending December 31	Business-type Activities					
	Notes Payable		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ 555,212	\$ 301,028	\$ 5,490,000	\$ 24,609,571	\$ 6,045,212	\$ 24,910,599
2008	577,757	278,484	6,410,000	24,413,659	6,987,757	24,692,143
2009	601,215	255,024	7,225,000	24,135,194	7,826,215	24,390,218
2010	625,627	230,612	8,120,000	23,849,022	8,745,627	24,079,634
2011	651,030	205,209	7,805,000	23,522,746	8,456,030	23,727,955
2012-2016	3,483,516	608,349	42,795,000	112,138,659	46,278,516	112,747,008
2017-2021	1,237,811	75,501	54,330,000	100,291,295	55,567,811	100,366,796
2022-2026	-	-	72,005,000	85,243,917	72,005,000	85,243,917
2027-2031	-	-	97,375,000	64,253,557	97,375,000	64,253,557
2032-2036	-	-	113,430,000	37,350,178	113,430,000	37,350,178
2037-2041	-	-	75,630,000	8,076,600	75,630,000	8,076,600
	<u>\$ 7,732,168</u>	<u>\$ 1,954,207</u>	<u>\$ 490,615,000</u>	<u>\$ 527,884,398</u>	<u>\$ 498,347,168</u>	<u>\$ 529,838,605</u>

During the year ended December 31, 2006, the City entered into an interest rate swap transaction which hedges an aggregate principal amount of \$160 million, Series 2004 Water and Sewerage Revenue Bonds. The notional amount is \$160 million, maturing over 33 years from the effective date of the interest rate swap agreement of June 1, 2006. The interest rate swap agreement requires the City to pay to Deutsche Bank AG, the Bond Market Association municipal swap index (BMA) (tax exempt variable rate) and receive in return from Deutsche Bank 75.02% of USDA LIBOR rate. The City considers the credit risk related to the interest rate swap to be low because such instruments are entered into only with financial institutions having a high credit rating and are settled on a net basis. The City is exposed to credit loss in the event of nonperformance by the other party to the interest rate swap agreement. However, the City does not anticipate nonperformance by the counterparty.

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2006

Note 3 - Detailed notes on all funds (Continued)

During 2004, the Government issued \$160,000,000 in Series 2004 Water and Sewerage Revenue bonds for the purpose of financing the costs of making additions, extensions and improvement to the Utilities' water and sewer system.

During 2004, the Government issued \$11,475,000 in Series 2004 Solid Waste Management Authority of Augusta Revenue bonds for the purpose of paying all or a portion of the costs of improving and equipping the Government's municipal solid waste landfill.

During 2002, the Government issued \$149,400,000 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 of \$140,585,000 was issued for the purpose of financing the costs of making additions, extensions and improvements to the Utilities' 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 Utilities' 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 \$97,080,000 in Series 2000 Water and Sewerage Revenue bonds for the purpose of financing the costs of making additions, extensions and improvements to the Utilities' water and sewer system.

During 1996, the Government issued \$66,600,000 in Series 1996 Water and Sewerage 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 Sewerage revenue bonds and the former Richmond County's Series 1987 and 1991 Water and Sewer revenue bonds. Proceeds of \$19,400,000 plus an additional \$4,900,000 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.

In 1997, the Government issued \$5,900,000 in Series 1997 Water and Sewerage 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 Sewerage Revenue Bond. Proceeds of approximately \$5,600,000 plus an additional \$900,000 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, 2006, the amount of these defeased debts outstanding but removed from the Water and Sewer Fund is \$3,025,000.

The advance refunding during 1996 resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$2,500,000. 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 \$8,600,000 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.

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2006

Note 3 - Detailed notes on all funds (Continued)

The refunding will increase total debt service payments over the next 24 years by approximately \$2,100,000 and will produce an economic gain of approximately \$110,000.

Department of Health

The Department of Health's long-term liabilities represent compensated absences and an obligation under capital lease. The debt for compensated absences was \$531,246 and the debt for the obligation under capital lease was \$498,329 at June 30, 2006.

Augusta Canal Authority

Notes payable

\$1,800,000 note payable to a bank due in five annual installments of \$360,000, beginning June 2003. The note bears interest at a variable rate equal to 75% of the lender's Prime Rate, which was 6.19% at December 31, 2006, and is paid semi-annually. The note is collateralized by all equipment, furniture, fixtures, and other personal property owned by the Authority and is used or to be used in connection with the Visitors and Interpretive Center; property leased to Standard Textile Augusta, Inc. is not included in the collateral.

Year Ending December 31,	Notes Payable	
	Principal	Interest
2007	\$ 360,000	\$ 11,138

Downtown Development Authority

Development Authority Refunding Revenue Bonds, Series 2003:

In May of 2003, the Development Authority of the City of Augusta issued \$4,035,000 Development Authority Revenue Bonds, Series 2003. The proceeds of these bonds were used to redeem two previous issuances of revenue bonds, Development Authority Parking revenue Bonds, Series 1989 and 1991. The original bond issuances were used to fund the construction of two parking decks in downtown Augusta, Georgia.

The Series 2003 Bonds are limited, special obligations of the Authority and are secured from payments received under an intergovernmental lease between the City of Augusta and the development Authority for use of the two parking decks.

Interest on the Series 2003 development Authority Bonds is paid semi-annually. The interest rate is 2.56%. Principal is due on January 1 of each year as follows:

Year	Principal Payments	Interest Payments
2007	\$ 575,000	\$ 53,440
2008	585,000	38,592
2009	600,000	23,424
2010	615,000	7,872
	<u>\$ 2,375,000</u>	<u>\$ 123,328</u>

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. They also have lease agreements other the Georgia Municipal Association agreements that are accounted for within the business-type activities and for governmental activities within the general long-term debt account group.

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2006

Note 3 – Detailed notes on all funds (Continued)

Future minimum lease payments under the leases and the net present value of the minimum lease payments as of December 31, 2006 are as follows:

	Governmental Activities	Business-type Activities
2007	\$ 1,111,791	\$ 936,566
2008	410,679	856,039
2009	28,321	877,222
2010	13	583,961
2011	-	583,961
Total minimum lease payment	1,550,804	3,837,749
Less: Amount representing interest	(15,181)	(22,106)
Present value of lease payments	\$ 1,535,623	\$ 3,815,643

Interest amounts are not material to the financial statements.

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 2006, rental income totaled approximately \$2.1 million and \$109,734 in the Augusta Regional Airport at Bush Field and Daniel Field Airport Funds, respectively.

The assets acquired through capital leases as of December 31, 2006 are as follows:

	Governmental Activities	Business-type Activities
Vehicles	\$ 2,841,065	\$ 845,875
Machinery and equipment	648,041	4,061,938
	3,489,106	4,907,813
Less: accumulated depreciation	(1,291,514)	(813,815)
Carrying value	\$ 2,197,592	\$ 4,093,998

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2006

Note 3 – Detailed notes on all funds (Continued)

I. Changes in long-term liabilities

Primary government

The following is a summary of long-term debt transactions of the year ended December 31, 2006:

	Beginning Balances	Additions	Reductions	Ending Balances	Current Portion
Governmental activities:					
Bonds and notes payable:					
Notes payable	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000	\$ -
General obligation bonds payable	-	44,000,000	-	44,000,000	8,125,000
Add: Bond issue premiums	-	741,536	-	741,536	148,307
Revenue bonds payable	262,909	-	105,475	157,434	111,843
Total bonds and notes payable	2,762,909	44,741,536	105,475	47,398,970	8,385,150
Certificates of participation	16,888,000	-	-	16,888,000	-
Less: original issue discount	(808,476)	-	(44,916)	(763,560)	(44,916)
Total certificates of participation	16,079,524	-	(44,916)	16,124,440	(44,916)
Other liabilities:					
Compensated absences	4,004,329	3,950,065	3,849,648	4,104,746	4,104,746
Capital leases	2,830,671	71,495	1,366,543	1,535,623	1,101,064
Claims and judgments	4,044,857	430,491	1,052,073	3,423,275	3,423,275
Total other liabilities	10,879,857	4,452,051	6,268,264	9,063,644	8,629,085
Governmental activities long-term liabilities	\$ 29,722,290	\$ 49,193,587	\$ 6,328,823	\$ 72,587,054	\$ 16,969,319
Business-type activities:					
Revenue debt:					
Revenue bonds payable	\$ 494,890,000	\$ -	\$ 4,275,000	\$ 490,615,000	\$ 5,490,000
Less: deferred refunding amounts	(2,133,303)	-	(99,329)	(2,033,974)	(99,329)
Less: bond issue discounts	(4,398,381)	-	(180,235)	(4,218,146)	(180,235)
Add: bond issue premiums	6,973,512	-	215,010	6,758,502	215,010
Total revenue debt	495,331,828	-	4,210,446	491,121,382	5,425,446
Other liabilities:					
Compensated absences	699,061	1,456,903	1,409,414	746,550	746,550
Notes payable	8,265,716	-	533,548	7,732,168	555,212
Capital leases	1,375,386	2,919,806	479,549	3,815,643	924,767
Closure/postclosure accrual	12,830,455	1,359,185	955,385	13,234,255	-
Total other liabilities	23,170,618	5,735,894	3,377,896	25,528,616	2,226,529
Business-type activities long-term liabilities	\$ 518,502,446	\$ 5,735,894	\$ 7,588,342	\$ 516,649,998	\$ 7,651,975

Typically, the General Fund has been used to liquidate claims and judgments. Compensated absences are liquidated by the fund which recorded the related salary costs, primarily the General Fund, Fire Protection Fund, and the Water and Sewer System Fund. Capital leases are liquidated by the fund which received the benefit of the related asset.

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2006

Note 3 – Detailed notes on all funds (Continued)

Augusta Canal Authority

The following is a summary of long-term debt transactions for Augusta Canal Authority of the year ended December 31, 2006:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Current Portion</u>
Governmental activities:					
Notes payable:					
Notes payable	\$ 720,000	\$ -	\$ 360,000	\$ 360,000	\$ 360,000
Revenue payable	8,000,000	-	8,000,000	-	-
Total notes payable	<u>8,720,000</u>	<u>-</u>	<u>8,360,000</u>	<u>360,000</u>	<u>360,000</u>
Other liabilities:					
Compensated absences	17,077	13,371	11,040	19,408	19,408
Total other liabilities	<u>17,077</u>	<u>13,371</u>	<u>11,040</u>	<u>19,408</u>	<u>19,408</u>
Governmental activities long-term liabilities	\$ <u>8,737,077</u>	\$ <u>13,371</u>	\$ <u>8,371,040</u>	\$ <u>379,408</u>	\$ <u>379,408</u>

Downtown Development Authority

Long-term debt activity for the year ended December 31, 2006 was as follows:

	<u>General Long-term Debt Development Authority Bonds, Series 2003</u>
Debt outstanding at December 31, 2005	\$ 2,925,000
Principal payments	<u>(550,000)</u>
Debt outstanding at December 31, 2006	\$ <u>2,375,000</u>
Current portion	\$ <u>575,000</u>

J. Due From/To Other Funds

The composition of interfund balances as of December 31, 2006 are as follows:

	<u>Due to Other Funds</u>					
<u>Due from other funds</u>	<u>Water and Sewer Fund</u>	<u>Bush Field</u>	<u>Nonmajor Governmental</u>	<u>Nonmajor Enterprise</u>	<u>Internal Service</u>	<u>Funds Total</u>
General Fund	\$ <u>10,401,245</u>	\$ <u>2,010,214</u>	\$ <u>920,879</u>	\$ <u>1,804,203</u>	\$ <u>2,279,154</u>	\$ <u>17,415,695</u>

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

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2006

Note 3 – Detailed notes on all funds (Continued)

Transfers To/From Other Funds

Transfers in (out) for the year ended December 31, 2006 are summarized below:

<u>Transfers out</u>	<u>General Fund</u>	<u>Fire Protection Fund</u>	<u>Special Sales Tax Phase IV</u>	<u>Nonmajor Governmental</u>	<u>Nonmajor Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
General Fund	\$ -	\$ -	\$ -	\$ 425,104	\$ 2,089,162	\$ 470,994	\$ 2,985,260
Nonmajor governmental	5,240,832	4,241,820	2,045,000	-	4,326,446	62,800	15,916,898
Nonmajor enterprise	49,944	-	-	-	-	-	49,944
Total transfers	\$ 5,290,776	\$ 4,241,820	\$ 2,045,000	\$ 425,104	\$ 6,415,608	\$ 533,794	\$ 18,952,102

Transfers are used to move unrestricted revenues in the general fund and nonmajor governmental funds to finance various programs that the Government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies for nonmajor governmental funds, nonmajor enterprise funds and internal service funds. In the year ended December 31, 2006, the Government made a one-time transfer of \$2,045,000 from a nonmajor capital projects fund to Special Sales Tax Phase IV in order to reallocate unrestricted funds for specific projects in the Special Sales Tax Phase IV fund.

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, 2006, include the following:

General Fund	\$ 4,705,061
Fire Protection Fund	250,000
Internal Service Fund	200,000
Total reserve	\$ 5,155,061

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.

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2006

Note 4 – Other information (Continued)

The following represents the changes in the balance of claim liabilities for the Government from January 1, 2005 to December 31, 2006:

Unpaid claims, January 1, 2005	\$ 4,218,757
Incurred claims (including IBNRs)	1,166,142
Claim payments	(1,340,042)
Unpaid claims, December 31, 2005	4,044,857
Incurred claims (including IBNRs)	430,491
Claim payments	(1,052,073)
Unpaid claims, December 31, 2006	\$ 3,423,275

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, 2006, 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.

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©(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 governmental activities. 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.

Notes to Financial Statements – Continued

Year Ended December 31, 2006

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.

Single-employer pension plans

1945 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.

The annual required contribution is determined as part of a January 1, 2006 actuarial valuation using the attained age aggregate method. The actuarial assumptions included (a) an 8% investment rate of return, (b) projected future salary adjustment of 5%, and (c) a post retirement benefit increase of 5%. An inflation component of 5% is included. The actuarial value of plan assets is determined using market value.

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 annual required contribution is determined as part of a January 1, 2006 actuarial valuation using the attained age aggregate method. The actuarial assumptions included (a) an 8% investment rate of return, (b) projected future salary adjustment of 5.5%, and (c) a post retirement benefit increase of 5%. An inflation component of 5% is included. The actuarial value of plan assets is determined using market value.

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.

Notes to Financial Statements – Continued

Year Ended December 31, 2006

Note 5 – Pension plans (Continued)

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.

The annual required contributions for the General Pension Plan, Policemen's Pension Plan, Firemen's Pension Plan and the City Employee's Pension Plan are determined as part of a December 31, 2006 actuarial valuations using the actuarial present value of total projected benefits. This actuarial method does not identify or separately amortize the unfunded actuarial liabilities. The actuarial assumptions included (a) an 8% investment rate of return, (b) no projected future salary adjustment, and (c) no post retirement benefit increase. An adjustment for inflation is not included.

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.

Employer contributions are determined as part of the January 1, 2006 actuarial valuation 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 as a level percentage of payroll. 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.

The actuarial assumptions included (a) an 8% investment rate of return, (b) projected future salary adjustment of 5.5%, and (c) a post retirement benefit increase of 4%. An inflation component of 4% is included. The actuarial value of plan assets is determined with a smoothing method that uses 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.

Agent multiple-employer pension plan

Georgia Municipal Employees Benefit System (GMEBS)

Employees hired after March 1, 1987 and before consolidation on December 31, 1996, 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 ¼% 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

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2006

Note 5 – Pension plans (Continued)

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.

The employer contributions are determined as part of a March 1, 2007 actuarial valuation using the projected unit credit actuarial cost method. The actuarial value of plan assets are computed with a smoothing method that uses a roll forward of prior year's actuarial value with contributions, disbursements, and expended return of investments, plus 10% of investment gains (losses) during 10 prior years. 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. The plan's unfunded actuarial accrued liability is being amortized over 30 years as a level dollar.

The actuarial assumptions included (a) an 8% investment rate of return, (b) projected future salary adjustment of 5.5%, and (c) no post retirement benefit increase. An adjustment for inflation is not included.

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	35	-	4
1977 Plan	91	95	516
General Pension Plan	1	-	-
Policemen's Pension Plan	2	-	-
Firemen's Pension Plan	7	-	-
City Employees' Pension Plan	11	-	-
General Retirement Plan (City 1949)	147	8	137
GMEBS	79	5	201
Total	373	108	858

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 plan

Augusta-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. Contribution requirements may be amended by a majority vote of the full-body of the governing board, the Augusta-Richmond County Commission. At December 31, 2006, there were approximately 1603 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, 2006, the employees' contributions were approximately \$1,813,771, and the Government's contributions were approximately \$906,910.

Notes to Financial Statements – Continued

Year Ended December 31, 2006

Note 5 – Pension plans (Continued)

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, 2006 were \$620,418. Members become fully vested after ten years of service.

Post-employment retirement benefits

The Government provides certain health care and life insurance benefits for retired employees of the Government, as authorized through ordinances adopted by the Government's commission. The Government's employees who are also participants in one of the retirement plans are eligible for these post-employment retirement benefits if they reach normal retirement age or are totally disabled while employed by the Government. The cost of these benefits is recognized as expenditures as claims and premiums are paid. For the year ended December 31, 2006, there were retirees eligible for these post-retirement benefits, which cost approximately \$1,280,439.

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.

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.

Trend information

	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%	-

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2006

Note 5 – Pension plans (Continued)

	Fiscal Year Beginning	Annual Pension Cost	Actual County Contribution	Percentage of APC Contributed	Net Pension (Asset) Obligation
<u>2004</u>					
1945 Plan	01/01/2004	\$ 170,881	\$ 170,890	100%	\$ -
1977 Plan	01/01/2004	913,601	955,819	105%	(214,493)
General Pension Plan	01/01/2004	25,092	25,092	100%	-
Policemen's Pension Plan	01/01/2004	72,874	72,874	100%	-
Firemen's Pension Plan	01/01/2004	188,896	188,896	100%	-
City Employees' Pension Plan	01/01/2004	249,565	249,565	100%	-
General Retirement Plan (City 1949)	01/01/2004	-	-	100%	-
GMEBS	01/01/2004	200,432	200,432	100%	-
	Fiscal Year Beginning	Annual Pension Cost	Actual County Contribution	Percentage of APC Contributed	Net Pension (Asset) Obligation
<u>2005</u>					
1945 Plan	01/01/2005	\$ 361,352	\$ 361,352	100%	\$ (9)
1977 Plan	01/01/2005	1,036,647	1,087,175	105%	(256,711)
General Pension Plan	01/01/2005	24,752	24,752	100%	-
Policemen's Pension Plan	01/01/2005	72,141	72,141	100%	-
Firemen's Pension Plan	01/01/2005	186,522	186,522	100%	-
City Employees' Pension Plan	01/01/2005	281,140	281,140	100%	-
General Retirement Plan (City 1949)	01/01/2005	-	-	100%	-
GMEBS	01/01/2005	213,565	213,565	100%	-
	Fiscal Year Beginning	Annual Pension Cost	Actual County Contribution	Percentage of APC Contributed	Net Pension (Asset) Obligation
<u>2006</u>					
1945 Plan	01/01/2006	\$ 331,330	\$ 360,238	109%	\$ (28,917)
1977 Plan	01/01/2006	974,653	1,035,126	106%	(307,239)
General Pension Plan	01/01/2006	13,219	13,219	100%	-
Policemen's Pension Plan	01/01/2006	50,480	50,480	100%	-
Firemen's Pension Plan	01/01/2006	179,202	179,202	100%	-
City Employees' Pension Plan	01/01/2006	297,368	297,368	100%	-
General Retirement Plan (City 1949)	01/01/2006	138,517	138,517	100%	-
GMEBS	01/01/2006	271,945	271,945	100%	-

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2006

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, 2006, 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 do not extend beyond making the appointments. The Government commission appoints the voting majority of the members of the Augusta-Richmond County Coliseum Authority and the Housing Authority of the City of Augusta, Georgia.

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, 2006 follows:

Lodging tax receipts	\$ 3,243,401
Disbursements to the Augusta-Richmond County Coliseum Authority, Augusta Convention and Visitors Bureau, and the Augusta Museum for promotion of tourism	(3,243,401)
Balance of lodging tax funds on hand at end of year	\$ -

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.

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.

Notes to Financial Statements – Continued

Year Ended December 31, 2006

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, 2006, 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, 2006, including interest are as follows:

	Revenue Bonds	
	Principal	Interest
2007	\$ -	\$ 152,390
2008	-	152,390
2009	-	152,390
2010	3,110,000	152,390
	<u>\$ 3,110,000</u>	<u>\$ 609,560</u>

Note 10 – Prior period adjustments – Department of Health

For the component unit Department of Health, prior period adjustments were made to two beginning fund balances to correct variances in prior year accruals as required by Georgia DHR. The error resulted in an understatement of net assets of \$869. During the year ended June 30, 2006, the error was corrected.

Note 11 – Long-term obligation for Water and Sewer**Swaption**

Object of the swaption. The Utilities entered into a swaption contract that provided the Utilities a nonrefundable premium of \$2,121,000 payable in an up-front payment of \$121,000 and annual option premium payments of \$500,000 payable on October 1, 2004, 2005, 2006 and 2007. This nonrefundable premium has been deferred and is being amortized over the life of the agreement. As a synthetic refunding of its Series 1996A and 1997 bonds, this payment represents the risk-adjusted, present-value savings of a refunding as of October 1, 2007, without issuing refunding bonds at July 2004. The swaption gave the counterparty the option to make the Utilities enter into a floating-to-fixed interest rate swap.

Terms. The swaption was entered into in July 2004. The \$2,121,000 payment was based on a notional amount of \$62,475,000. The counterparty exercised the agreement on October 1, 2006 – the Utilities' Series 1996A and 1997 bonds' first call date. The interest rate swap commenced on October 1, 2006, and effectively fixes the interest rate at 4.54% to the counterparty. In return the Utilities receive variable interest from the counterparty at a rate of 67% of the 1-month LIBOR, which was approximately 3.57% at December 31, 2006.

Fair value. As of December 31, 2006, the swap had a negative fair value of \$5,154,671, based on quoted market prices.

Credit risk. The Utilities considers the credit risk related to the interest rate swaps to be low because such instruments are entered into only with financial institutions having high credit ratings and are settled on a net basis. The Utilities are exposed to credit loss in the event of nonperformance by the other party to the interest rate swap agreements. However, the Utilities do not anticipate nonperformance by the counterparty.

Notes to Financial Statements – Continued

Year Ended December 31, 2006

Note 12 – New accounting pronouncements

In August 2004, GASB issued SGAS No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and establishes accounting and financial reporting standards for employer costs and obligations relating to postemployment healthcare and other nonpension benefits (“OPEB”). This statement generally requires that state and local governmental employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due. The provisions of SGAS No. 45 may be applied prospectively and do not require governments to fund their OPEB plans. An employer may establish its OPEB liability at zero as of the beginning of the initial year of implementation; however, the unfunded actuarial liability is required to be amortized over future periods. This statement also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and, for certain employers, the extent to which the plan has been funded over time. The earliest that SGAS No. 45 provisions will be effective is for financial statement periods beginning after December 15, 2006. The Government’s management has not yet determined the impact that implementation of SGAS No. 45 will have on the Government’s financial statements.

Note 13 – Subsequent events

Subsequent to December 31, 2006, the City Commissioners voted to merge the eligibility requirements of three of the existing benefit plans – “GMEBS”, the “1977 plan”, and the “1998 plan” – into a new set of eligibility requirements and benefits offered to current and future employees of the Government. This change in eligibility requirements and benefits offered will be provided through changes to the existing GMEBS plan. Employees will be given the option to either transfer out of their existing benefit plan and into the revised GMEBS plan, or remain in their existing plan.

The basic benefit terms of the new plan will be a defined benefit plan, with a 1.4% of salary benefit formula, beginning in 2008, with 4% employee contribution. Management estimates the unfunded actuarial liability at the effective date of the availability of the new plan to be approximately \$14.4 million, which is an increase in the future financial obligation of the existing plans of approximately \$3.4 million. Management estimates the estimated annual cost of the pension plan to be approximately \$2.1 million, which approximates the annual cost of the currently offered benefit plans.

Subsequent to December 31, 2006, the City Commissioners also voted to extend medical insurance coverage to retirees. Management is unable to determine the potential financial impact, as terms of coverage and availability have not yet been formalized.

Augusta, Georgia entered into an interest rate swap transaction in July 2006, which hedges an aggregate principal amount of \$160 million, Series 2004 Water and Sewerage Revenue Bonds. The notional amount is \$160 million, maturing over 33 years from the effective date of the interest rate swap agreement of June 1, 2006. The interest rate swap agreement requires Augusta, Georgia to pay to Deutsche Bank AG, the Bond Market Association municipal swap index (BMA) (tax exempt variable rate) and receive in return from Deutsche Bank 75.02% of USDA LIBOR rate.

Subsequent to December 31, 2006, Augusta, Georgia elected to terminate the swap agreement, which resulted in a termination payment of \$1.19 million received by the Government during 2007.

Note 14 – Expenditure of federal grant funds

The City does not have effective management oversight to insure that federal grant funds are expended in accordance with restrictive provisions. General deficiencies applicable to all federal grants have been identified, and specific deficiencies have been identified for grants from the U. S. Department of Housing and Urban Development, U. S. Department of Justice, and the U. S. Department of Transportation, all of which are more fully described in the City’s Single Audit report for the year ended December 31, 2006. These deficiencies may result in federal claims for refunds for these grants. The City has not estimated or recorded a liability for any potential claim.

PENSION PLAN REQUIRED SUPPLEMENTARY INFORMATION

AUGUSTA, GEORGIA

Defined Benefit Pension Trusts – Required Supplementary Information (Unaudited) December 31, 2006

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
1945 Plan						
01/01/93	\$ 10,044,942	\$ 8,595,037	\$ (1,449,905)	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
01/01/04	9,124,231	10,075,778	951,547	91	193,922	491
01/01/05	8,854,874	10,619,028	1,764,154	83	220,633	800
01/01/06	9,009,519	10,338,640	1,329,121	87	223,443	595
1977 Plan						
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	2,794,856	83	21,029,237	13
01/01/03	12,609,297	18,150,192	5,540,895	69	22,187,948	25
01/01/04	15,744,214	21,606,884	5,862,670	73	22,187,948	26
01/01/05	17,680,815	27,427,503	9,746,688	64	19,071,203	51
01/01/06	19,872,346	28,094,174	8,221,828	71	19,130,743	43
General Pension Plan						
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	-	-	-
12/31/04	-	81,433	81,433	-	-	-
12/31/05	-	125,270	125,270	-	-	-
12/31/06	-	-	-	-	-	-
Policemen's Pension Plan						
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	-	-	-
12/31/04	-	290,791	290,791	-	-	-
12/31/05	-	332,653	332,653	-	-	-
12/31/06	-	251,635	251,635	-	-	-

AUGUSTA, GEORGIA

**Defined Benefit Pension Trusts - Required Supplementary Information - Continued
(Unaudited)**

December 31, 2006

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
Firemen's Pension Plan						
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	1,345,133	-	-	-
12/31/02	-	1,204,513	1,204,513	-	-	-
12/31/03	-	1,110,698	1,110,698	-	-	-
12/31/04	-	1,009,371	1,009,371	-	-	-
12/31/05	-	1,102,891	1,102,891	-	-	-
12/31/06	-	975,046	975,046	-	-	-
City Employees' Pension Plan						
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	-	-	-
12/31/04	-	1,789,910	1,789,910	-	-	-
12/31/05	-	1,999,996	1,999,996	-	-	-
12/31/06	-	1,710,832	1,710,832	-	-	-
General Retirement Plan (City 1949)						
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)
01/01/04	65,345,259	58,984,857	(6,360,402)	111	5,774,708	(110)
01/01/05	66,064,583	65,169,939	(894,644)	101	5,714,554	(16)
01/01/06	67,859,472	68,750,121	890,649	99	5,751,403	15
GMEBS						
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
03/01/05	7,372,466	8,036,105	663,639	92	6,641,379	10.0
03/01/06	8,023,690	9,161,600	1,137,910	88	6,985,599	16.3
03/01/07	8,566,194	9,877,759	1,311,565	87	6,858,000	19.1

AUGUSTA, GEORGIA

Defined Benefit Pension Trusts - Required Supplementary Information - Continued (Unaudited) December 31, 2006

B. Schedules of employer contributions

	Fiscal Year	Annual Required Contribution	Percentage Contributed	
<u>1945 Plan</u>				
	1996	\$ -	-	%
	1998	-	-	
	1999	-	-	
	2000	-	-	
	2001	-	-	
	2002	-	-	
	2003	-	-	
	2004	170,881	100	
	2005	361,352	100	
	2006	331,330	109	
<u>1977 Plan</u>				
	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	
	2004	955,819	100	
	2005	1,087,175	100	
	2006	1,035,126	100	
<u>General Pension Plan</u>				
	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	
	2004	25,092	100	
	2005	24,752	100	
	2006	13,219	100	
<u>Policemen's Pension Plan</u>				
	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	
	2004	72,874	100	
	2005	72,141	100	
	2006	50,480	100	
<u>Firemen's Pension Plan</u>				
	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	
	2004	188,896	100	
	2005	186,522	100	
	2006	179,202	100	

AUGUSTA, GEORGIA

Defined Benefit Pension Trusts - Required Supplementary Information - Continued (Unaudited) December 31, 2006

B. Schedules of employer contributions (Continued)

	Fiscal Year	Annual Required Contribution	Percentage Contributed
<u>City Employees' Pension Plan</u>			
	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
	2004	249,565	100
	2005	281,140	100
	2006	297,368	100
<u>General Retirement Plan (City 1949)</u>			
	1996	\$ -	- %
	1997	-	-
	1998	-	-
	1999	-	-
	2000	-	-
	2001	-	-
	2002	-	-
	2003	-	-
	2004	-	-
	2005	-	-
	2006	138,517	100
<u>GMEBS</u>			
	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
	2004	200,432	100
	2005	213,565	100
	2006	271,945	100

C. Notes to required supplementary information

	1945 Plan	1977 Plan
Valuation date	1/1/06	1/1/06
Actuarial cost method	Attained age aggregate	Attained age aggregate
Amortization method	Level percentage of payroll	Level of percentage of payroll
Amortization period	Average future working lifetime	Average future working lifetime
Actuarial asset valuation method	Market value plus receivables	Market value plus receivables
Actuarial assumptions:		
Investment rate of return	8.0%	8.0%
Projected salary increases	5.0%	5.5%
Post retirement benefit increases	5.0%	5.0%
Inflation	5.0%	5.0%

Defined Benefit Pension Trusts - Required Supplementary Information - Continued
(Unaudited)
December 31, 2006

C. Notes to required supplementary information (Continued)

	General Pension Plan	Policemen's Pension Plan
Valuation date	12/31/06	12/31/06
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	12/31/06	12/31/06
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	01/01/06	03/01/2007
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	Varies for the bases
Actuarial asset valuation method	Market value plus receivables	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, 2006

	Special Revenue Funds	Debt Service Funds	Capital Project Funds
Assets			
Cash and temporary investments	\$ 14,579,976	\$ 279,608	\$ 12,850,526
Receivables (net of allowance for doubtful accounts)			
Taxes	2,503,205	42,249	-
Accounts	2,148,669	-	-
Interest	-	-	115,066
Note	3,595,694	-	-
Prepaid items	774	-	-
Restricted assets			
Reserve account	-	12	-
Perpetual care	-	-	-
Total assets	\$ 22,828,318	\$ 321,869	\$ 12,965,592
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ 878,612	\$ -	\$ 508,209
Due to other funds	920,879	-	-
Accrued salaries and vacation	186,524	-	-
Other accrued liabilities	65,623	-	-
Deferred revenue	6,182,400	45,518	-
Total liabilities	8,234,038	45,518	508,209
Fund balances :			
Reserved for:			
Encumbrances	329,380	-	842,004
Project maintenance	-	-	4,696,460
Debt service	2,500,000	-	-
Inventory/prepaid items	774	-	-
Unreserved - undesignated	11,764,126	276,351	6,918,919
Total fund balances	14,594,280	276,351	12,457,383
Total liabilities and fund balances	\$ 22,828,318	\$ 321,869	\$ 12,965,592

<u>Permanent Fund</u>		<u>Total Nonmajor Governmental Funds</u>	
<u>Perpetual Care - II</u>			
\$	217,308	\$	27,927,418
-			2,545,454
-			2,148,669
-			115,066
-			3,595,694
-			774
-			12
	338,625		338,625
\$	555,933	\$	36,671,712
\$	-	\$	1,386,821
-			920,879
-			186,524
-			65,623
-			6,227,918
-			8,787,765
-			1,171,384
-			4,696,460
-			2,500,000
-			774
	555,933		19,515,329
	555,933		27,883,947
\$	555,933	\$	36,671,712

Augusta, Georgia

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2006**

	Special Revenue Funds	Debt Service Funds	Capital Project Funds
Revenues			
Taxes - property	\$ 9,781,684	\$ 6,204	\$ -
Taxes - other than property	13,217,674	-	-
Licenses and permits	3,195,036	-	-
Use of money and property	446,237	28,967	664,568
Charges for current services	5,314,131	-	-
Fines and forfeitures	1,218,399	-	-
Intergovernmental	5,926,738	-	82,950
Contributions and donations	-	-	-
Other	3,064,578	-	-
Total revenues	<u>42,164,477</u>	<u>35,171</u>	<u>747,518</u>
Expenditures			
Current:			
General government	3,173,409	-	3,912
Judicial	356,699	-	-
Public safety	3,501,665	-	-
Public works	3,989,181	-	113,360
Culture and recreation	4,128,676	-	-
Housing and development	7,608,550	-	-
Capital outlay	1,301,312	-	792,228
Debt service	1,270,985	-	-
Total expenditures	<u>25,330,477</u>	<u>-</u>	<u>909,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,834,000</u>	<u>35,171</u>	<u>(161,982)</u>
Other financing sources (uses)			
Transfers in	425,104	-	-
Transfers (out)	(13,106,898)	(765,000)	(2,045,000)
Transfers in (out) between nonmajor funds	(60,817)	-	-
Total other financing sources (uses)	<u>(12,742,611)</u>	<u>(765,000)</u>	<u>(2,045,000)</u>
Net change in fund balances	4,091,389	(729,829)	(2,206,982)
Fund balance - beginning	<u>10,502,891</u>	<u>1,006,180</u>	<u>14,664,365</u>
Fund balance - ending	<u>\$ 14,594,280</u>	<u>\$ 276,351</u>	<u>\$ 12,457,383</u>

Permanent Fund		Total Nonmajor Governmental Funds	
Perpetual Care - II			
\$	-	\$	9,787,888
	-		13,217,674
	-		3,195,036
	-		1,139,772
	748		5,314,879
	-		1,218,399
	-		6,009,688
	-		-
	-		3,064,578
	748		42,947,914
	4,190		3,181,511
	-		356,699
	-		3,501,665
	-		4,102,541
	-		4,128,676
	-		7,608,550
	-		2,093,540
	-		1,270,985
	4,190		26,244,167
	(3,442)		16,703,747
	-		425,104
	-		(15,916,898)
	60,817		-
	60,817		(15,491,794)
	57,375		1,211,953
	498,558		26,671,994
\$	555,933	\$	27,883,947

Augusta, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2006

	Urban Services District	Emergency Telephone System	Capital Outlay	Law Enforcement	Occupational Tax
Assets					
Cash and temporary investments	\$ 708,305	\$ 364,001	\$ 5,063,055	\$ 434,522	\$ -
Receivables (net of allowance for doubtful accounts)					
Taxes	1,873,198	-	630,007	-	-
Accounts	678,165	568,211	-	-	-
Note	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	\$ 3,259,668	\$ 932,212	\$ 5,693,062	\$ 434,522	\$ -
Liabilities and fund balances (deficits)					
Liabilities:					
Accounts payable	\$ 154,589	\$ 24,789	\$ 58,135	\$ -	\$ -
Due to other funds	-	-	-	-	-
Accrued salaries and vacation	9,178	95,654	-	-	-
Other accrued liabilities	17,381	-	48,115	-	-
Deferred revenue	1,701,333	-	546,785	-	-
Total liabilities	1,882,481	120,443	653,035	-	-
Fund balances (deficits):					
Reserved for:					
Encumbrances	228	1,420	130,234	-	-
Debt service	-	-	-	-	-
Inventory/prepaid items	-	-	-	-	-
Unreserved - undesignated	1,376,959	810,349	4,909,793	434,522	-
Total fund balances (deficits)	1,377,187	811,769	5,040,027	434,522	-
Total liabilities and fund balances (deficits)	\$ 3,259,668	\$ 932,212	\$ 5,693,062	\$ 434,522	\$ -

Special Assessment	Hotel/Motel Tax and Promotion/ Tourism	Housing and Neighborhood Development	Urban Development Action Grant	Federal Drug Fund	State Drug Fund
\$ 317,786	\$ 275,260	\$ 3,172,422	\$ 77,211	\$ 426,196	\$ 1,012,981
-	-	-	-	-	-
471,651	4,940	116,023	2,463	109,016	11,406
-	-	3,415,725	179,969	-	-
-	-	774	-	-	-
<u>\$ 789,437</u>	<u>\$ 280,200</u>	<u>\$ 6,704,944</u>	<u>\$ 259,643</u>	<u>\$ 535,212</u>	<u>\$ 1,024,387</u>

\$ 256,096	\$ 280,200	\$ 7,591	\$ -	\$ 18,477	\$ 15,679
-	-	713,345	-	-	-
7,040	-	34,784	-	-	-
-	-	-	-	-	-
416,524	-	3,422,231	-	-	-
<u>679,660</u>	<u>280,200</u>	<u>4,177,951</u>	<u>-</u>	<u>18,477</u>	<u>15,679</u>

97,299	-	2,307	-	66,336	26,370
-	-	2,500,000	-	-	-
-	-	774	-	-	-
12,478	-	23,912	259,643	450,399	982,338
109,777	-	2,526,993	259,643	516,735	1,008,708
<u>\$ 789,437</u>	<u>\$ 280,200</u>	<u>\$ 6,704,944</u>	<u>\$ 259,643</u>	<u>\$ 535,212</u>	<u>\$ 1,024,387</u>

Augusta, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds - Continued
December 31, 2006

	5% Victim's Crime Assistance	Supplemental Juvenile Services	Building Inspection	Weed and Seed Federal Grant
Assets				
Cash and temporary investments	\$ 206,637	\$ 18,662	\$ 967,802	\$ 16,124
Receivables (net of allowance for doubtful accounts)				
Taxes	-	-	-	-
Accounts	9,576	1,800	-	-
Note	-	-	-	-
Prepaid items	-	-	-	-
Total assets	\$ 216,213	\$ 20,462	\$ 967,802	\$ 16,124
Liabilities and fund balances (deficits)				
Liabilities:				
Accounts payable	\$ 439	\$ -	\$ 8,429	\$ 802
Due to other funds	-	-	-	-
Accrued salaries and vacation	9,958	-	26,709	2,661
Other accrued liabilities	127	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	10,524	-	35,138	3,463
Fund balances (deficits):				
Reserved for:				
Encumbrances	-	-	740	246
Debt service	-	-	-	-
Inventory/prepaid items	-	-	-	-
Unreserved - undesignated	205,689	20,462	931,924	12,415
Total fund balances (deficits)	205,689	20,462	932,664	12,661
Total liabilities and fund balances (deficits)	\$ 216,213	\$ 20,462	\$ 967,802	\$ 16,124

Wireless Phase	Perpetual Care - I	Land Bank Authority	Downtown Development	Canine Forfeitures	NPDES Permit Fees	Total Nonmajor Special Revenue Funds
\$ 871,958	\$ 423,749	\$ 132,142	\$ -	\$ 17,098	\$ 74,065	\$ 14,579,976
-	-	-	-	-	-	2,503,205
-	5,357	-	168,890	-	1,171	2,148,669
-	-	-	-	-	-	3,595,694
-	-	-	-	-	-	774
<u>\$ 871,958</u>	<u>\$ 429,106</u>	<u>\$ 132,142</u>	<u>\$ 168,890</u>	<u>\$ 17,098</u>	<u>\$ 75,236</u>	<u>\$ 22,828,318</u>
\$ 49,620	\$ 151	\$ 610	\$ 261	\$ -	\$ 2,744	\$ 878,612
-	-	-	207,534	-	-	920,879
-	-	540	-	-	-	186,524
-	-	-	-	-	-	65,623
-	-	-	95,527	-	-	6,182,400
<u>49,620</u>	<u>151</u>	<u>1,150</u>	<u>303,322</u>	<u>-</u>	<u>2,744</u>	<u>8,234,038</u>
-	4,200	-	-	-	-	329,380
-	-	-	-	-	-	2,500,000
-	-	-	-	-	-	774
<u>822,338</u>	<u>424,755</u>	<u>130,992</u>	<u>(134,432)</u>	<u>17,098</u>	<u>72,492</u>	<u>11,764,126</u>
<u>822,338</u>	<u>428,955</u>	<u>130,992</u>	<u>(134,432)</u>	<u>17,098</u>	<u>72,492</u>	<u>14,594,280</u>
<u>\$ 871,958</u>	<u>\$ 429,106</u>	<u>\$ 132,142</u>	<u>\$ 168,890</u>	<u>\$ 17,098</u>	<u>\$ 75,236</u>	<u>\$ 22,828,318</u>

Augusta, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended December 31, 2006

	Urban Services District	Emergency Telephone System	Capital Outlay	Law Enforcement	Occupational Tax
Revenues					
Taxes - property	\$ 6,539,134	\$ -	\$ 3,212,127	\$ -	\$ -
Taxes - other than property	8,716,106	-	-	-	1,007
Licenses and permits	592	-	-	-	2,052,714
Use of money and property	34,063	-	12,300	19,138	36,324
Charges for current services	264,057	2,997,609	39	73,933	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Contributions and donations	-	-	-	-	-
Other	-	2,700	-	-	2,251
Total revenues	15,553,952	3,000,309	3,224,466	93,071	2,092,296
Expenditures					
Current:					
General government	1,665,740	243,119	411,912	-	10,476
Judicial	-	-	68,844	-	-
Public safety	-	2,974,522	-	17,469	-
Public works	438,934	-	25,578	-	-
Culture and recreation	-	-	43,040	-	-
Housing and development	27,000	-	-	-	-
Capital outlay	-	29,471	500,218	24,859	-
Debt service	-	-	1,124,088	-	-
Total expenditures	2,131,674	3,247,112	2,173,680	42,328	10,476
Excess (deficiency) of revenues over (under) expenditures	13,422,278	(246,803)	1,050,786	50,743	2,081,820
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers (out)	(10,962,278)	(31,400)	-	-	(2,081,820)
Proceeds from Section 108 loan	-	-	-	-	-
Transfers in (out) between nonmajor funds	(2,576,364)	489,050	333,996	-	-
Total other financing sources (uses)	(13,538,642)	457,650	333,996	-	(2,081,820)
Net change in fund balances (deficits)	(116,364)	210,847	1,384,782	50,743	-
Fund balance (deficits) - beginning	1,493,551	600,922	3,655,245	383,779	-
Fund balance (deficits) - ending	\$ 1,377,187	\$ 811,769	\$ 5,040,027	\$ 434,522	\$ -

Special Assessment	Hotel/Motel Tax and Promotion/ Tourism	Housing and Neighborhood Development	Urban Development Action Grant	Federal Drug Fund	State Drug Fund
\$ 30,423	\$ -	\$ -	\$ -	\$ -	\$ -
-	4,027,930	-	-	-	-
-	-	-	-	-	-
-	-	80	13,146	127,451	49,931
1,289,181	-	-	-	-	-
-	-	-	-	454,366	506,193
-	-	5,847,412	-	-	50,373
-	-	-	-	-	-
-	-	3,058,063	-	-	-
1,319,604	4,027,930	8,905,555	13,146	581,817	606,497
10,610	-	151,482	4,908	-	-
-	-	-	-	-	-
-	-	-	-	-	65,557
3,497,643	-	-	-	-	-
-	4,027,930	-	-	-	-
-	-	6,604,310	20,199	-	-
64,865	-	-	-	311,672	370,227
-	-	126,474	-	-	-
3,573,118	4,027,930	6,882,266	25,107	311,672	435,784
(2,253,514)	-	2,023,289	(11,961)	270,145	170,713
325,104	-	-	-	-	-
-	-	(15,700)	-	-	-
-	-	-	-	-	-
1,641,492	-	245,004	6,396	-	-
1,966,596	-	229,304	6,396	-	-
(286,918)	-	2,252,593	(5,565)	270,145	170,713
396,695	-	274,400	265,208	246,590	837,995
\$ 109,777	\$ -	\$ 2,526,993	\$ 259,643	\$ 516,735	\$ 1,008,708

Augusta, Georgia

Continued

Nonmajor Special Revenue Funds
Year Ended December 31, 2006

	5% Victim's Crime Assistance	Supplemental Juvenile Services	Building Inspection	Weed and Seed Federal Grant
Revenues				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Taxes - other than property	-	-	-	-
Licenses and permits	-	-	1,105,713	-
Use of money and property	8,061	887	41,492	1,594
Charges for current services	-	7,000	4,138	-
Fines and forfeitures	256,818	-	-	-
Intergovernmental	-	-	-	28,953
Contributions and donations	-	-	-	-
Other	-	-	-	1,564
Total revenues	<u>264,879</u>	<u>7,887</u>	<u>1,151,343</u>	<u>32,111</u>
Expenditures				
Current:				
General government	10,848	1,092	30,744	9,504
Judicial	281,698	6,157	-	-
Public safety	-	-	-	122,584
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Housing and development	-	-	801,473	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>292,546</u>	<u>7,249</u>	<u>832,217</u>	<u>132,088</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(27,667)</u>	<u>638</u>	<u>319,126</u>	<u>(99,977)</u>
Other financing sources (uses)				
Transfers in	-	-	-	100,000
Transfers (out)	-	-	(15,700)	-
Proceeds from Section 108 loan	-	-	-	-
Transfers in (out) between nonmajor funds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(15,700)</u>	<u>100,000</u>
Net change in fund balances (deficits)	<u>(27,667)</u>	<u>638</u>	<u>303,426</u>	<u>23</u>
Fund balance (deficits) - beginning	<u>233,356</u>	<u>19,824</u>	<u>629,238</u>	<u>12,638</u>
Fund balance (deficits) - ending	<u>\$ 205,689</u>	<u>\$ 20,462</u>	<u>\$ 932,664</u>	<u>\$ 12,661</u>

Wireless Phase	Perpetual Care - I	Landbank Authority	Downtown Development	Canine Forefeitures	NPDES Permit Fees	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	9,781,684
-	-	-	472,631	-	-	13,217,674
891	-	-	-	-	35,126	3,195,036
38,767	52,314	6,301	-	725	3,663	446,237
678,174	-	-	-	-	-	5,314,131
-	-	-	-	1,022	-	1,218,399
-	-	-	-	-	-	5,926,738
-	-	-	-	-	-	-
-	-	-	-	-	-	3,064,578
717,832	52,314	6,301	472,631	1,747	38,789	42,164,477
1,283	-	-	621,691	-	-	3,173,409
-	-	-	-	-	-	356,699
321,533	-	-	-	-	-	3,501,665
-	-	-	-	-	27,026	3,989,181
-	51,705	6,001	-	-	-	4,128,676
-	-	777	154,791	-	-	7,608,550
-	-	-	-	-	-	1,301,312
-	-	-	20,423	-	-	1,270,985
322,816	51,705	6,778	796,905	-	27,026	25,330,477
395,016	609	(477)	(324,274)	1,747	11,763	16,834,000
-	-	-	-	-	-	425,104
-	-	-	-	-	-	(13,106,898)
-	-	-	-	-	-	-
(489,050)	(60,817)	-	349,476	-	-	(60,817)
(489,050)	(60,817)	-	349,476	-	-	(12,742,611)
(94,034)	(60,208)	(477)	25,202	1,747	11,763	4,091,389
916,372	489,163	131,469	(159,634)	15,351	60,729	10,502,891
\$ 822,338	\$ 428,955	\$ 130,992	\$ (134,432)	\$ 17,098	\$ 72,492	\$ 14,594,280

Augusta, Georgia
Urban Services District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Year Ended December 31, 2006
With comparative amounts for December 31, 2005

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2005 Actual
Revenues				
Taxes - property	\$ 6,420,800	\$ 6,539,134	\$ 118,334	\$ 6,505,343
Taxes - other than property	8,730,100	8,716,106	(13,994)	8,111,185
Licenses and permits	-	592	592	-
Use of money and property	42,100	34,063	(8,037)	46,968
Charges for current services	313,200	264,057	(49,143)	300,773
Total revenues	<u>15,506,200</u>	<u>15,553,952</u>	<u>47,752</u>	<u>14,964,269</u>
Expenditures				
Current:				
General government	1,642,500	1,665,740	(23,240)	1,499,325
Public works	428,480	438,934	(10,454)	320,316
Housing and development	27,000	27,000	-	50,000
Total expenditures	<u>2,097,980</u>	<u>2,131,674</u>	<u>(33,694)</u>	<u>1,869,641</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,408,220</u>	<u>13,422,278</u>	<u>14,058</u>	<u>13,094,628</u>
Other financing sources (uses)				
Transfers in	334,000	-	(334,000)	-
Transfers (out)	(11,011,360)	(10,962,278)	49,082	(12,389,609)
Transfers in (out) between nonmajor funds	<u>(2,730,860)</u>	<u>(2,576,364)</u>	<u>154,496</u>	<u>(2,515,391)</u>
Total other financing sources (uses)	<u>(13,408,220)</u>	<u>(13,538,642)</u>	<u>(130,422)</u>	<u>(14,905,000)</u>
Net change in fund balances	<u>\$ -</u>	<u>(116,364)</u>	<u>\$ (116,364)</u>	<u>(1,810,372)</u>
Fund balance - beginning		<u>1,493,551</u>		<u>3,303,923</u>
Fund balance - ending		<u>\$ 1,377,187</u>		<u>\$ 1,493,551</u>

Augusta, Georgia
Emergency Telephone System Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) - Budget and Actual
Nonmajor Special Revenue Funds
Year Ended December 31, 2006
With comparative amounts for December 31, 2005

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2005 Actual
Revenues				
Charges for current services	\$ 2,688,230	\$ 2,997,609	\$ 309,379	\$ 3,018,609
Other	-	2,700	2,700	-
Total revenues	2,688,230	3,000,309	312,079	3,018,609
Expenditures				
Current:				
General government	245,450	243,119	2,331	218,109
Public safety	3,388,730	2,974,522	414,208	2,867,941
Capital outlay	344,950	29,471	315,479	-
Total expenditures	3,979,130	3,247,112	732,018	3,086,050
Excess (deficiency) of revenues over (under) expenditures	(1,290,900)	(246,803)	1,044,097	(67,441)
Other financing sources (uses)				
Transfers in	647,350	-	(647,350)	18,000
Transfers (out)	-	(31,400)	(31,400)	(18,015)
Transfers in (out) between nonmajor funds	643,550	489,050	(154,500)	126,000
Total other financing sources (uses)	1,290,900	457,650	(833,250)	144,000
Net change in fund balances	<u>\$ -</u>	<u>210,847</u>	<u>\$ 210,847</u>	<u>76,559</u>
Fund balance (deficit) - beginning		<u>600,922</u>		<u>524,363</u>
Fund balance (deficit) - ending		<u>\$ 811,769</u>		<u>\$ 600,922</u>

Augusta, Georgia
Capital Outlay Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Year Ended December 31, 2006
With comparative amounts for December 31, 2005

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2005 Actual
Revenues				
Taxes - property	\$ 3,201,920	\$ 3,212,127	\$ 10,207	\$ 3,139,773
Use of money and property	-	12,300	12,300	7,100
Charges for current services	-	39	39	-
Intergovernmental	-	-	-	9,994
Total revenues	<u>3,201,920</u>	<u>3,224,466</u>	<u>22,546</u>	<u>3,156,867</u>
Expenditures				
Current:				
General government	1,096,911	411,912	684,999	281,919
Judicial	134,676	68,844	65,832	14,267
Public safety	-	-	-	2,770
Public works	119,383	25,578	93,805	9,622
Culture and recreation	155,093	43,040	112,053	76,029
Capital outlay	3,051,041	500,218	2,550,823	1,122,064
Debt service	1,300,000	1,124,088	175,912	1,558,937
Total expenditures	<u>5,857,104</u>	<u>2,173,680</u>	<u>3,683,424</u>	<u>3,065,608</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,655,184)</u>	<u>1,050,786</u>	<u>3,705,970</u>	<u>91,259</u>
Other financing sources (uses)				
Transfers in	2,321,184	-	(2,321,184)	203,290
Transfers in (out) between nonmajor funds	334,000	333,996	(4)	-
Total other financing sources (uses)	<u>2,655,184</u>	<u>333,996</u>	<u>(2,321,188)</u>	<u>203,290</u>
Net change in fund balances	<u>\$ -</u>	<u>1,384,782</u>	<u>\$ 1,384,782</u>	<u>294,549</u>
Fund balance - beginning		<u>3,655,245</u>		<u>3,360,696</u>
Fund balance - ending		<u>\$ 5,040,027</u>		<u>\$ 3,655,245</u>

Augusta, Georgia
Law Enforcement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Year Ended December 31, 2006
With comparative amounts for December 31, 2005

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2005 Actual
Revenues				
Use of money and property	\$ 6,500	\$ 19,138	\$ 12,638	\$ 16,047
Charges for current services	108,140	73,933	(34,207)	77,200
Total revenues	114,640	93,071	(21,569)	93,247
Expenditures				
Current:				
Public safety	317,570	17,469	300,101	198,686
Capital outlay	22,570	24,859	(2,289)	66,714
Total expenditures	340,140	42,328	297,812	265,400
Excess (deficiency) of revenues over (under) expenditures	(225,500)	50,743	276,243	(172,153)
Net change in fund balances	\$ -	50,743	\$ 50,743	(172,153)
Fund balance - beginning		383,779		555,932
Fund balance - ending		\$ 434,522		\$ 383,779

Augusta, Georgia
Occupation Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Year Ended December 31, 2006
With comparative amounts for December 31, 2005

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2005 Actual
Revenues				
Taxes - other than property	\$ -	\$ 1,007	\$ 1,007	\$ -
Licenses and permits	2,000,000	2,052,714	52,714	1,987,189
Use of money and property	10,480	36,324	25,844	18,289
Other	-	2,251	2,251	1,996
Total revenues	<u>2,010,480</u>	<u>2,092,296</u>	<u>81,816</u>	<u>2,007,474</u>
Expenditures				
Current:				
General government	10,480	10,476	4	6,192
Total expenditures	<u>10,480</u>	<u>10,476</u>	<u>4</u>	<u>6,192</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,000,000</u>	<u>2,081,820</u>	<u>81,820</u>	<u>2,001,282</u>
Other financing sources (uses)				
Transfers (out)	<u>(2,000,000)</u>	<u>(2,081,820)</u>	<u>(81,820)</u>	<u>(1,922,562)</u>
Total other financing sources (uses)	<u>(2,000,000)</u>	<u>(2,081,820)</u>	<u>(81,820)</u>	<u>(1,922,562)</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>78,720</u>
Fund balance - beginning		<u>-</u>		<u>(78,720)</u>
Fund balance - ending		<u>\$ -</u>		<u>\$ -</u>

Augusta, Georgia
Special Assessment Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) - Budget and Actual
Nonmajor Special Revenue Funds
Year Ended December 31, 2006
With comparative amounts for December 31, 2005

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2005 Actual
Revenues				
Charges for current services	\$ 1,371,160	\$ 1,319,604	\$ (51,556)	\$ 1,263,859
Total revenues	<u>1,371,160</u>	<u>1,319,604</u>	<u>(51,556)</u>	<u>1,263,859</u>
Expenditures				
Current:				
General government	8,710	10,610	(1,900)	4,572
Public works	3,229,040	3,497,643	(268,603)	2,989,202
Capital outlay	164,865	64,865	100,000	139,826
Total expenditures	<u>3,402,615</u>	<u>3,573,118</u>	<u>(170,503)</u>	<u>3,133,600</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,031,455)</u>	<u>(2,253,514)</u>	<u>(222,059)</u>	<u>(1,869,741)</u>
Other financing sources (uses)				
Transfers in	389,965	325,104	(64,861)	315,633
Transfers in (out) between nonmajor funds	1,641,490	1,641,492	2	1,593,681
Total other financing sources (uses)	<u>2,031,455</u>	<u>1,966,596</u>	<u>(64,859)</u>	<u>1,909,314</u>
Net change in fund balances	<u>\$ -</u>	<u>(286,918)</u>	<u>\$ (286,918)</u>	<u>39,573</u>
Fund balance - beginning		<u>396,695</u>		<u>357,122</u>
Fund balance (deficit) - ending		<u>\$ 109,777</u>		<u>\$ 396,695</u>

Augusta, Georgia
 Hotel/Motel Tax and Promotion/Tourism Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 Year Ended December 31, 2006
 With comparative amounts for December 31, 2005

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2005 Actual
Revenues				
Taxes - other than property	\$ 3,730,000	\$ 4,027,930	\$ 297,930	\$ 3,938,276
Total revenues	<u>3,730,000</u>	<u>4,027,930</u>	<u>297,930</u>	<u>3,938,276</u>
Expenditures				
Current:				
Culture and recreation	3,730,000	4,027,930	(297,930)	3,936,228
Total expenditures	<u>3,730,000</u>	<u>4,027,930</u>	<u>(297,930)</u>	<u>3,936,228</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,048</u>
 Net change in fund balances	 <u>\$ -</u>	 <u>-</u>	 <u>\$ -</u>	 <u>2,048</u>
 Fund balance - beginning		 <u>-</u>		 <u>(2,048)</u>
 Fund balance - ending		 <u>\$ -</u>		 <u>\$ -</u>

Augusta, Georgia
Housing and Neighborhood Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Year Ended December 31, 2006
With comparative amounts for December 31, 2005

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2005 Actual
Revenues				
Use of money and property	\$ -	\$ 80	\$ 80	\$ 9,153
Intergovernmental	6,501,344	5,847,412	(653,932)	3,597,470
Other	446,806	3,058,063	2,611,257	647,413
Total revenues	6,948,150	8,905,555	1,957,405	4,254,036
Expenditures				
Current:				
General government	160,212	151,482	8,730	115,154
Housing and development	7,035,180	6,604,310	430,870	6,682,887
Debt service	29,378	126,474	(97,096)	1,103,425
Total expenditures	7,224,770	6,882,266	342,504	7,901,466
Excess (deficiency) of revenues over (under) expenditures	(276,620)	2,023,289	2,299,909	3,656,583
Other financing sources (uses)				
Transfers in	31,620	-	(31,620)	-
Transfers (out)	-	(15,700)	(15,700)	(3,603)
Proceeds from Section 108 loan	-	-	-	2,500,000
Transfers in (out) between nonmajor funds	245,000	245,004	4	519,920
Total other financing sources (uses)	276,620	229,304	(47,316)	3,019,920
Net change in fund balances	\$ -	2,252,593	\$ 2,252,593	(636,663)
Fund balance - beginning		274,400		911,063
Fund balance - ending		\$ 2,526,993		\$ 274,400

Augusta, Georgia
Urban Development Action Grant Fund (UDAG)
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Year Ended December 31, 2006
With comparative amounts for December 31, 2005

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2005 Actual
Revenues				
Use of money and property	\$ (20,000)	\$ 13,146	\$ 33,146	\$ 22,026
Total revenues	(20,000)	13,146	33,146	22,026
Expenditures				
Current:				
General government	4,910	4,908	2	6,063
Housing and development	100,000	20,199	79,801	106,492
Total expenditures	104,910	25,107	79,803	112,555
Excess (deficiency) of revenues over (under) expenditures	(124,910)	(11,961)	112,949	(90,529)
Other financing sources (uses)				
Transfers in	118,510	-	(118,510)	-
Transfers in (out) between nonmajor funds	6,400	6,396	(4)	6,350
Total other financing sources (uses)	124,910	6,396	(118,514)	6,350
Net change in fund balances	\$ -	(5,565)	\$ (5,565)	(84,179)
Fund balance - beginning		265,208		349,387
Fund balance - ending		\$ 259,643		\$ 265,208

Augusta, Georgia
Federal Drug Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Year Ended December 31, 2006
With comparative amounts for December 31, 2005

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2005 Actual
Revenues				
Use of money and property	\$ -	\$ 127,451	\$ 127,451	\$ 6,255
Fines and forfeitures	617,683	454,366	(163,317)	114,151
Total revenues	<u>617,683</u>	<u>581,817</u>	<u>(35,866)</u>	<u>120,406</u>
Expenditures				
Current:				
Public safety	306,000	-	306,000	16,120
Capital outlay	311,683	311,672	11	33,155
Total expenditures	<u>617,683</u>	<u>311,672</u>	<u>306,011</u>	<u>49,275</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>270,145</u>	<u>270,145</u>	<u>71,131</u>
Net change in fund balances	<u>\$ -</u>	<u>270,145</u>	<u>\$ 270,145</u>	<u>71,131</u>
Fund balance - beginning		<u>246,590</u>		<u>175,459</u>
Fund balance - ending		<u>\$ 516,735</u>		<u>\$ 246,590</u>

Augusta, Georgia
 State Drug Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 Year Ended December 31, 2006
 With comparative amounts for December 31, 2005

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2005 Actual
Revenues				
Use of money and property	\$ -	\$ 49,931	\$ 49,931	\$ 31,052
Fines and forfeitures	991,010	506,193	(484,817)	262,368
Intergovernmental	-	50,373	50,373	-
Total revenues	<u>991,010</u>	<u>606,497</u>	<u>(384,513)</u>	<u>293,420</u>
Expenditures				
Current:				
Public safety	586,780	65,557	521,223	287,375
Capital outlay	404,230	370,227	34,003	53,765
Total expenditures	<u>991,010</u>	<u>435,784</u>	<u>555,226</u>	<u>341,140</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>170,713</u>	<u>170,713</u>	<u>(47,720)</u>
 Net change in fund balances	 <u>\$ -</u>	 <u>170,713</u>	 <u>\$ 170,713</u>	 <u>(47,720)</u>
Fund balance - beginning		<u>837,995</u>		<u>885,715</u>
Fund balance - ending		<u>\$ 1,008,708</u>		<u>\$ 837,995</u>

Augusta, Georgia
 5% Victim's Crime Assistance Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 Year Ended December 31, 2006
 With comparative amounts for December 31, 2005

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2005 Actual
Revenues				
Use of money and property	\$ 5,000	\$ 8,061	\$ 3,061	\$ 7,149
Fines and forfeitures	333,000	256,818	(76,182)	241,485
Total revenues	338,000	264,879	(73,121)	248,634
Expenditures				
Current:				
General government	10,850	10,848	2	14,580
Judicial	361,850	281,698	80,152	329,975
Total expenditures	372,700	292,546	80,154	344,555
Excess (deficiency) of revenues over (under) expenditures	(34,700)	(27,667)	7,033	(95,921)
Other financing sources (uses)				
Transfers in	34,700	-	(34,700)	-
Total other financing sources (uses)	34,700	-	(34,700)	-
Net change in fund balances	\$ -	(27,667)	\$ (27,667)	(95,921)
Fund balance - beginning		233,356		329,277
Fund balance - ending		\$ 205,689		\$ 233,356

Augusta, Georgia
Supplemental Juvenile Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Year Ended December 31, 2006
With comparative amounts for December 31, 2005

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2005 Actual
Revenues				
Use of money and property	\$ 400	\$ 887	\$ 487	\$ 649
Charges for current services	16,000	7,000	(9,000)	10,600
Total revenues	16,400	7,887	(8,513)	11,249
Expenditures				
Current:				
General government	1,090	1,092	(2)	1,344
Judicial	25,000	6,157	18,843	22,575
Total expenditures	26,090	7,249	18,841	23,919
Excess (deficiency) of revenues over (under) expenditures	(9,690)	638	10,328	(12,670)
Other financing sources (uses)				
Transfers in	9,690	-	(9,690)	-
Total other financing sources (uses)	9,690	-	(9,690)	-
Net change in fund balances	<u>\$ -</u>	<u>638</u>	<u>\$ 638</u>	<u>(12,670)</u>
Fund balance - beginning		<u>19,824</u>		<u>32,494</u>
Fund balance - ending		<u>\$ 20,462</u>		<u>\$ 19,824</u>

Augusta, Georgia
 Building Inspection
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 Year Ended December 31, 2006
 With comparative amounts for December 31, 2005

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2005 Actual
Revenues				
Licenses and permits	\$ 989,360	\$ 1,105,713	\$ 116,353	\$ 1,066,734
Use of money and property	2,700	41,492	38,792	17,428
Charges for current services	-	4,138	4,138	-
Total revenues	<u>992,060</u>	<u>1,151,343</u>	<u>159,283</u>	<u>1,084,162</u>
Expenditures				
Current:				
General government	156,480	30,744	125,736	26,452
Housing and development	835,580	801,473	34,107	745,594
Capital outlay	199,000	-	199,000	-
Total expenditures	<u>1,191,060</u>	<u>832,217</u>	<u>358,843</u>	<u>772,046</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(199,000)</u>	<u>319,126</u>	<u>518,126</u>	<u>312,116</u>
Other financing sources (uses)				
Transfers in	199,000	-	(199,000)	-
Transfers (out)	-	(15,700)	(15,700)	(5,405)
Total other financing sources (uses)	<u>199,000</u>	<u>(15,700)</u>	<u>(214,700)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>303,426</u>	<u>\$ 303,426</u>	<u>312,116</u>
Fund balance - beginning		<u>629,238</u>		<u>317,122</u>
Fund balance - ending		<u>\$ 932,664</u>		<u>\$ 629,238</u>

Augusta, Georgia
Weed and Seed Federal Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Year Ended December 31, 2006
With comparative amounts for December 31, 2005

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2005 Actual
Revenues				
Use of money and property	\$ -	\$ 1,594	\$ 1,594	\$ 86
Charges for current services	5,000	-	(5,000)	500
Intergovernmental	-	28,953	28,953	74,773
Other	-	1,564	1,564	-
Total revenues	5,000	32,111	27,111	77,572
Expenditures				
Current:				
General government	9,500	9,504	(4)	3,671
Public safety	130,810	122,584	8,226	125,309
Capital outlay	-	-	-	8,925
Total expenditures	140,310	132,088	8,222	137,905
Excess (deficiency) of revenues over (under) expenditures	(135,310)	(99,977)	35,333	(60,333)
Transfers in	135,310	100,000	(35,310)	46,628
Total other financing sources (uses)	135,310	100,000	(35,310)	46,628
Net change in fund balances	\$ -	23	\$ 23	(13,705)
Fund balance - beginning		12,638		26,343
Fund balance - ending		\$ 12,661		\$ 12,638

Augusta, Georgia
Wireless Phase Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Year Ended December 31, 2006
With comparative amounts for December 31, 2005

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2005 Actual
Revenues				
Licenses and permits	\$ -	\$ 891	\$ 891	\$ -
Use of money and property	5,000	38,767	33,767	24,472
Charges for current services	340,000	678,174	338,174	482,401
Total revenues	345,000	717,832	372,832	506,873
Expenditures				
Current:				
General government	11,400	1,283	10,117	1,920
Public safety	333,600	321,533	12,067	284,420
Total expenditures	345,000	322,816	22,184	286,340
Excess (deficiency) of revenues over (under) expenditures	-	395,016	395,016	220,533
Other financing sources (uses)				
Transfers in	489,050	-	(489,050)	-
Transfers in (out) between nonmajor funds	(489,050)	(489,050)	-	(76,000)
Total other financing sources (uses)	-	(489,050)	(489,050)	(76,000)
Net change in fund balances	\$ -	(94,034)	\$ (94,034)	144,533
Fund balance - beginning		916,372		771,839
Fund balance - ending		\$ 822,338		\$ 916,372

Augusta, Georgia
 Perpetual Care - I Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 Year Ended December 31, 2006
 With comparative amounts for December 31, 2005

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2005 Actual
Revenues				
Use of money and property	\$ 25,000	\$ 52,314	\$ 27,314	\$ 42,086
Total revenues	25,000	52,314	27,314	42,086
Expenditures				
Current:				
Culture and recreation	69,800	51,705	18,095	20,023
Capital outlay	26,000	-	26,000	24,651
Total expenditures	95,800	51,705	44,095	44,674
Excess (deficiency) of revenues over (under) expenditures	(70,800)	609	71,409	(2,588)
Other financing sources (uses)				
Transfers in	70,800	-	(70,800)	-
Transfers in (out) between nonmajor funds	-	(60,817)	(60,817)	-
Total other financing sources (uses)	70,800	(60,817)	(131,617)	-
Net change in fund balances	<u>\$ -</u>	<u>(60,208)</u>	<u>\$ (60,208)</u>	<u>(2,588)</u>
Fund balance - beginning		<u>489,163</u>		<u>491,751</u>
Fund balance - ending		<u>\$ 428,955</u>		<u>\$ 489,163</u>

Augusta, Georgia
 Landbank Authority Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 Year Ended December 31, 2006
 With comparative amounts for December 31, 2005

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2005 Actual
Revenues				
Use of money and property	\$ -	\$ 6,301	\$ 6,301	\$ 3,585
Other	-	-	-	3,980
Total revenues	-	6,301	6,301	7,565
Expenditures				
Current:				
Culture and recreation	4,860	6,001	(1,141)	-
Housing and development	-	777	(777)	1,544
Total expenditures	4,860	6,778	(1,918)	1,544
Excess (deficiency) of revenues over (under) expenditures	(4,860)	(477)	4,383	6,021
Net change in fund balances	\$ -	(477)	\$ (477)	6,021
Fund balance - beginning		131,469		125,448
Fund balance - ending		\$ 130,992		\$ 131,469

Augusta, Georgia
 Downtown Development Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 Year Ended December 31, 2006
 With comparative amounts for December 31, 2005

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2005 Actual
Revenues				
Taxes - other than property	\$ 433,010	\$ 472,631	\$ 39,621	\$ 461,480
Total revenues	<u>433,010</u>	<u>472,631</u>	<u>39,621</u>	<u>461,480</u>
Expenditures				
Current:				
General government	621,690	621,691	(1)	799,053
Housing and development	154,790	154,791	(1)	154,790
Debt service	6,000	20,423	(14,423)	12,711
Total expenditures	<u>782,480</u>	<u>796,905</u>	<u>(14,425)</u>	<u>966,554</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(349,470)</u>	<u>(324,274)</u>	<u>25,196</u>	<u>(505,074)</u>
Other financing sources (uses)				
Transfers in (out) between nonmajor funds	349,470	349,476	6	345,440
Total other financing sources (uses)	<u>349,470</u>	<u>349,476</u>	<u>6</u>	<u>345,440</u>
Net change in fund balances (deficit)	<u>\$ -</u>	<u>25,202</u>	<u>\$ 25,202</u>	<u>(159,634)</u>
Fund balance (deficit) - beginning		<u>(159,634)</u>		<u>-</u>
Fund balance (deficit) - ending		<u>\$ (134,432)</u>		<u>\$ (159,634)</u>

Augusta, Georgia
Canine Forfeitures
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Year Ended December 31, 2006
With comparative amounts for December 31, 2005

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2005 Actual
Revenues				
Use of money and property	\$ -	\$ 725	\$ 725	\$ 392
Fines and forfeitures	10,000	1,022	(8,978)	3,087
Total revenues	10,000	1,747	(8,253)	3,479
Expenditures				
Current:				
Public safety	10,000	-	10,000	-
Total expenditures	10,000	-	10,000	-
Excess (deficiency) of revenues over (under) expenditures	-	1,747	1,747	3,479
Net change in fund balances	\$ -	1,747	\$ 1,747	3,479
Fund balance - beginning		15,351		11,872
Fund balance - ending		\$ 17,098		\$ 15,351

Augusta, Georgia
NPDES Permit Fees
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
Year Ended December 31, 2006
With comparative amounts for December 31, 2005

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2005 Actual
Revenues				
Licenses and permits	\$ 35,000	\$ 35,126	\$ 126	\$ 22,222
Use of money and property	400	3,663	3,263	1,563
Charges for current services	11,700	-	(11,700)	-
Total revenues	<u>47,100</u>	<u>38,789</u>	<u>(8,311)</u>	<u>23,785</u>
Expenditures				
Current:				
General government	3,300	-	3,300	-
Public works	43,800	27,026	16,774	5,423
Total expenditures	<u>47,100</u>	<u>27,026</u>	<u>20,074</u>	<u>5,423</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>11,763</u>	<u>11,763</u>	<u>18,362</u>
Net change in fund balances	<u>\$ -</u>	<u>11,763</u>	<u>\$ 11,763</u>	<u>18,362</u>
Fund balance - beginning		<u>60,729</u>		<u>42,367</u>
Fund balance - ending		<u>\$ 72,492</u>		<u>\$ 60,729</u>

Augusta, Georgia
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2006

	<u>Debt Service</u>	<u>Urban Debt Service</u>	<u>Total Nonmajor Debt Service Funds</u>
Assets			
Cash and temporary investments	\$ 5,266	\$ 274,342	\$ 279,608
Investments	-	-	-
Taxes	26,342	15,907	42,249
Reserve account	12	-	12
Total assets	<u><u>\$ 31,620</u></u>	<u><u>\$ 290,249</u></u>	<u><u>\$ 321,869</u></u>
Liabilities and fund balances			
Liabilities:			
Deferred revenue	28,707	16,811	45,518
Total liabilities	<u>28,707</u>	<u>16,811</u>	<u>45,518</u>
Fund balances:			
Unreserved - undesignated	2,913	273,438	276,351
Total fund balances	<u>2,913</u>	<u>273,438</u>	<u>276,351</u>
Total liabilities and fund balances	<u><u>\$ 31,620</u></u>	<u><u>\$ 290,249</u></u>	<u><u>\$ 321,869</u></u>

Augusta, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended December 31, 2006

	Debt Service	Urban Debt Service	Total Nonmajor Debt Service Funds
Revenues			
Taxes - property	\$ 2,902	\$ 3,302	\$ 6,204
Use of money and property	17,774	11,193	28,967
Total revenues	20,676	14,495	35,171
Excess (deficiency) of revenues over (under) expenditures	20,676	14,495	35,171
Other financing sources (uses)			
Transfers (out)	(765,000)	-	(765,000)
Total other financing sources (uses)	(765,000)	-	(765,000)
Net change in fund balances	(744,324)	14,495	(729,829)
Fund balance - beginning	747,237	258,943	1,006,180
Fund balance - ending	\$ 2,913	\$ 273,438	\$ 276,351

Augusta, Georgia
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Debt Service Funds
Year Ended December 31, 2006
With comparative amounts for December 31, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2005 Actual</u>
Revenues				
Taxes - property	\$ -	\$ 2,902	\$ 2,902	\$ 3,405
Use of money and property	-	17,774	17,774	22,611
Total revenues	-	20,676	20,676	26,016
Excess (deficiency) of revenues over (under) expenditures	-	20,676	20,676	26,016
Other financing sources (uses)				
Transfers in	765,000	-	(765,000)	-
Transfers (out)	(765,000)	(765,000)	-	-
Total other financing sources (uses)	-	(765,000)	(765,000)	-
Net change in fund balances	<u>\$ -</u>	<u>(744,324)</u>	<u>\$ (744,324)</u>	26,016
Fund balance - beginning		<u>747,237</u>		<u>2,276,678</u>
Fund balance - ending		<u>\$ 2,913</u>		<u>\$ 2,302,694</u>

Augusta, Georgia
Urban Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Debt Service Funds
Year Ended December 31, 2006
With comparative amounts for December 31, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2005 Actual</u>
Revenues				
Taxes - property	\$ -	\$ 3,302	\$ 3,302	\$ 4,751
Use of money and property	-	11,193	11,193	7,765
Total revenues	-	14,495	14,495	12,516
Excess (deficiency) of revenues over (under) expenditures	-	14,495	14,495	12,516
Net change in fund balances	\$ -	14,495	\$ 14,495	12,516
Fund balance - beginning		258,943		253,372
Fund balance - ending		\$ 273,438		\$ 265,888

Augusta, Georgia
Combining Balance Sheet
Nonmajor Capital Project Funds
December 31, 2006

	Community Development	Special Sales Tax Phase I	Special Sales Tax Phase II	Total Nonmajor Capital Project Funds
Assets				
Cash and temporary investments	\$ 135,577	\$ 2,639,029	\$ 10,075,920	\$ 12,850,526
Receivables (net of allowance for doubtful accounts)				
Interest	-	-	115,066	115,066
Total assets	\$ 135,577	\$ 2,639,029	\$ 10,190,986	\$ 12,965,592
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 508,209	\$ 508,209
Total liabilities	-	-	508,209	508,209
Fund balances:				
Encumbrances	-	-	842,004	842,004
Project maintenance	-	1,100,000	3,596,460	4,696,460
Unreserved - undesignated	135,577	1,539,029	5,244,313	6,918,919
Total fund balances	135,577	2,639,029	9,682,777	12,457,383
Total liabilities and fund balances	\$ 135,577	\$ 2,639,029	\$ 10,190,986	\$ 12,965,592

Augusta, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Funds
Year Ended December 31, 2006

	Community Development	Special Sales Tax Phase I	Special Sales Tax Phase II	Total Nonmajor Capital Project Funds
Revenues				
Use of money and property	\$ 380	\$ 130,837	\$ 533,351	\$ 664,568
Intergovernmental	-	58,480	24,470	82,950
Total revenues	380	189,317	557,821	747,518
Expenditures				
Current:				
General government	564	1,296	2,052	3,912
Public works	-	19,500	93,860	113,360
Capital outlay	-	-	792,228	792,228
Total expenditures	564	20,796	888,140	909,500
Excess (deficiency) of revenues over (under) expenditures	(184)	168,521	(330,319)	(161,982)
Other financing sources (uses)				
Transfers (out)	-	(900,000)	(1,145,000)	(2,045,000)
Total other financing sources (uses)	-	(900,000)	(1,145,000)	(2,045,000)
Net change in fund balances	(184)	(731,479)	(1,475,319)	(2,206,982)
Fund balance - beginning	135,761	3,370,508	11,158,096	14,664,365
Fund balance - ending	\$ 135,577	\$ 2,639,029	\$ 9,682,777	\$ 12,457,383

NONMAJOR ENTERPRISE FUNDS

Augusta, Georgia
Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2006

Assets	Waste Management	Municipal Golf Course	Transit
Current assets			
Cash and temporary investments	\$ 22,208,808	\$ 33,430	\$ 226,494
Receivables			
Accounts	1,627,976	-	79,971
Interest	-	-	-
Inventory	-	9,740	201,665
Total current assets	23,836,784	43,170	508,130
Noncurrent assets			
Restricted cash and investments	5,989,841	-	-
Deferred bond issuance costs	299,154	-	-
Capital assets, net	10,312,076	1,444,382	3,863,688
Total noncurrent assets	16,601,071	1,444,382	3,863,688
Total assets	40,437,855	1,487,552	4,371,818
Liabilities			
Current liabilities			
Accounts payable	246,791	18,270	51,490
Due to other funds	-	-	-
Accrued salaries and vacation	62,199	17,354	195,548
Other accrued liabilities	245,250	4,021	-
Current portion of leases payable	362,706	-	-
Current portion of revenue bonds payable	1,540,000	-	-
Total current liabilities	2,456,946	39,645	247,038
Noncurrent liabilities			
Closure/postclosure accrual	13,234,255	-	-
Revenue bonds payable	7,174,736	-	-
Capital leases	947,176	-	-
Total noncurrent liabilities	21,356,167	-	-
Total liabilities	23,813,113	39,645	247,038
Net assets (deficit)			
Invested in capital assets, net of related debt	6,270,944	1,444,382	3,863,688
Restricted	6,355	-	-
Unrestricted	10,347,443	3,525	261,092
Total net assets (deficit)	\$ 16,624,742	\$ 1,447,907	\$ 4,124,780

Daniel Field Airport	Newman Tennis Center	Garbage Collection	Riverwalk	Total Nonmajor Enterprise Funds
\$ 568,552	\$ -	\$ 89,357	\$ -	\$ 23,126,641
-	-	1,543,010	-	3,250,957
7,587	-	-	-	7,587
-	-	-	-	211,405
576,139	-	1,632,367	-	26,596,590
-	-	-	-	5,989,841
-	-	-	-	299,154
1,272,866	-	2,359,886	-	19,252,898
1,272,866	-	2,359,886	-	25,541,893
1,849,005	-	3,992,253	-	52,138,483
437	-	576,561	-	893,549
39,490	-	1,764,713	-	1,804,203
12,325	-	10,207	-	297,633
-	-	-	-	249,271
-	-	479,977	-	842,683
-	-	-	-	1,540,000
52,252	-	2,831,458	-	5,627,339
-	-	-	-	13,234,255
-	-	-	-	7,174,736
-	-	1,919,907	-	2,867,083
-	-	1,919,907	-	23,276,074
52,252	-	4,751,365	-	28,903,413
1,272,886	-	(39,998)	-	12,811,902
-	-	-	-	6,355
523,867	-	(719,114)	-	10,416,813
\$ 1,796,753	\$ -	\$ (759,112)	\$ -	\$ 23,235,070

Augusta, Georgia

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

Nonmajor Enterprise Funds

Year Ended December 31, 2006

	Waste Management	Municipal Golf Course	Transit
Operating revenues			
Charges and fees	\$ 9,485,104	\$ 463,728	\$ 723,058
Total operating revenues	9,485,104	463,728	723,058
Operating expenses			
Personal services and employee benefits	870,423	274,257	2,910,083
Purchased/contracted services	754,702	76,028	33,068
Supplies	628,904	210,823	551,757
Repairs and maintenance	216,248	15,290	488,940
Interfund/interdepartmental charges	986,415	71,016	252,413
Other costs	36,505	-	7,701
Depreciation	646,758	35,168	647,495
Closure/postclosure accrual	1,359,185	-	-
Total operating expenses	5,499,140	682,582	4,891,457
Operating income (loss)	3,985,964	(218,854)	(4,168,399)
Nonoperating revenue (expense)			
Interest revenue	1,298,107	-	-
Sale of property	4,203	-	10,480
Other revenue	-	501	2,771
Intergovernmental	-	-	923,684
Interest expense	(331,365)	(5,558)	(46,783)
Total nonoperating revenue (expense)	970,945	(5,057)	890,152
Income (loss) before transfers	4,956,909	(223,911)	(3,278,247)
Transfers in	-	225,000	3,059,932
Transfers out	-	-	-
Change in net assets	4,956,909	1,089	(218,315)
Total net assets (deficit) - beginning	11,667,833	1,446,818	4,343,095
Total net assets (deficit) - ending	\$ 16,624,742	\$ 1,447,907	\$ 4,124,780

Daniel Field Airport	Newman Tennis Center	Garbage Collection	Riverwalk	Total
\$ 109,650	\$ -	\$ 11,858,546	\$ -	\$ 22,640,086
109,650	-	11,858,546	-	22,640,086
26,898	-	131,096	-	4,212,757
12,061	-	12,514,596	-	13,390,455
12,777	1,370	36,567	-	1,442,198
19,922	-	-	-	740,400
11,521	-	17,856	-	1,339,221
-	-	-	-	44,206
85,514	-	39,997	-	1,454,932
-	-	-	-	1,359,185
168,693	1,370	12,740,112	-	23,983,354
(59,043)	(1,370)	(881,566)	-	(1,343,268)
15,949	-	-	-	1,314,056
-	-	-	-	14,683
84	-	-	1	3,357
3,920	-	-	-	927,604
-	-	(257,695)	-	(641,401)
19,953	-	(257,695)	1	1,618,299
(39,090)	(1,370)	(1,139,261)	1	275,031
144,162	-	2,986,514	-	6,415,608
-	-	-	(49,944)	(49,944)
105,072	(1,370)	1,847,253	(49,943)	6,640,695
1,691,681	1,370	(2,606,365)	49,943	16,594,375
\$ 1,796,753	\$ -	\$ (759,112)	\$ -	\$ 23,235,070

Augusta, Georgia

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended December 31, 2006

	Waste Management	Municipal Golf Course	Transit
Operating activities			
Cash received from customers	\$ 8,794,850	\$ 463,728	\$ 694,609
Repayment of interfund advances	-	-	-
Cash paid to suppliers	(2,454,649)	(303,227)	(1,053,725)
Cash paid to employees	(857,205)	(276,937)	(2,930,586)
Cash paid for interfund services used	(986,415)	(71,016)	(368,254)
Net cash provided by (used in) operating activities	4,496,581	(187,452)	(3,657,956)
Noncapital financing activities			
Transfers in	-	225,000	3,059,932
Transfers out	-	-	-
Operating grants	-	-	1,143,197
Interest expense on operating capital	-	-	(46,783)
Net cash provided by noncapital financing activities	-	225,000	4,156,346
Capital and related financing activities			
Proceeds from sale of property	40,707	-	15,523
Proceeds from grants	-	-	-
Proceeds from capital leases	519,922	-	-
Payments on bonds issued	(1,490,000)	-	-
Payments on capital leases	(303,385)	-	-
Purchase of capital assets	(2,851,092)	-	(290,340)
Interest paid on operating capital	-	(5,558)	-
Interest paid on capital debt	(345,346)	-	-
Other miscellaneous income	-	502	2,771
Net cash provided (used) by capital and related financing activities	(4,429,194)	(5,056)	(272,046)
Investing activities			
Interest received	1,298,107	-	-
Net cash provided by investing activities	1,298,107	-	-
Net increase (decrease) in cash and cash equivalents/investments	1,365,494	32,492	226,344
Cash and cash equivalents/investments			
Beginning of year	26,833,155	938	150
End of year	\$ 28,198,649	\$ 33,430	\$ 226,494

Daniel Field Airport	Newman Tennis Center	Garbage Collection	Riverwalk	Total Nonmajor Enterprise Funds
\$ 109,650	\$ -	\$ 11,211,271	\$ -	\$ 21,274,108
(172,979)	-	-	-	(172,979)
(45,176)	(879)	(13,753,680)	(8,652)	(17,619,988)
(26,417)	-	(129,480)	(6,998)	(4,227,623)
(11,521)	-	(17,856)	-	(1,455,062)
(146,443)	(879)	(2,689,745)	(15,650)	(2,201,544)
144,162	-	2,986,514	-	6,415,608
-	-	-	(49,944)	(49,944)
-	-	-	-	1,143,197
-	-	(257,695)	-	(304,478)
144,162	-	2,728,819	(49,944)	7,204,383
-	-	-	-	56,230
3,920	-	-	-	3,920
-	-	2,399,884	-	2,919,806
-	-	-	-	(1,490,000)
-	-	-	-	(303,385)
(17,665)	-	(2,399,884)	-	(5,558,981)
-	-	-	-	(5,558)
-	-	-	-	(345,346)
84	-	-	1	3,358
(13,661)	-	-	1	(4,719,956)
16,348	-	-	-	1,314,455
16,348	-	-	-	1,314,455
406	(879)	39,074	(65,593)	1,597,338
568,146	879	50,283	65,593	27,519,144
\$ 568,552	\$ -	\$ 89,357	\$ -	\$ 29,116,482

Augusta, Georgia
Combining Statement of Cash Flows - Continued
Nonmajor Enterprise Funds
Year Ended December 31, 2006

	<u>Waste Management</u>	<u>Municipal Golf Course</u>	<u>Transit</u>
Reconciliation of operating income (loss)			
to net cash provided by			
(used in) operating activities			
Operating income (loss)	\$ 3,985,964	\$ (218,854)	\$ (4,168,399)
Adjustments to reconcile operating income (loss)			
to net cash provided by (used in) operating			
activities:			
Depreciation and amortization	646,758	35,169	647,495
Closure/post closure costs	1,359,185	-	-
Change in assets and liabilities			
Accounts receivable	(690,254)	-	(28,449)
Inventory	-	-	-
Accounts payable	171,668	(5,107)	27,741
Accrued salaries and vacation	13,218	(2,680)	(20,503)
Other accrued liabilities	(34,573)	4,020	-
Due to other funds	-	-	(115,841)
Unearned revenue	-	-	-
Decrease in closure liability	(955,385)	-	-
Total adjustments	<u>510,617</u>	<u>31,402</u>	<u>510,443</u>
Net cash provided by (used in) operating activities	<u>\$ 4,496,581</u>	<u>\$ (187,452)</u>	<u>\$ (3,657,956)</u>

<u>Daniel Field Airport</u>	<u>Newman Tennis Center</u>	<u>Garbage Collection</u>	<u>Riverwalk</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ (59,043)	\$ (1,370)	\$ (881,566)	\$ -	(1,343,268)
85,514	-	39,998	-	1,454,934
-	-	-	-	1,359,185
-	-	(647,275)	-	(1,365,978)
-	12,793	-	-	12,793
(416)	(2,147)	(129,186)	(8,652)	53,901
481	(7,477)	1,615	(6,998)	(22,344)
-	(178)	-	-	(30,731)
(172,979)	-	(1,073,331)	-	(1,362,151)
-	(2,500)	-	-	(2,500)
-	-	-	-	(955,385)
<u>(87,400)</u>	<u>491</u>	<u>(1,808,179)</u>	<u>(15,650)</u>	<u>(858,276)</u>
\$ (146,443)	\$ (879)	\$ (2,689,745)	\$ (15,650)	\$ (2,201,544)

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INTERNAL SERVICE FUNDS

Augusta, Georgia
Combining Statement of Net Assets
Internal Service Funds
December 31, 2006

	<u>Risk Management</u>	<u>Fleet Operations</u>	<u>Workers Compensation</u>
Assets			
Current assets			
Cash and temporary investments	\$ 1,074,591	\$ 94,202	\$ 34,219
Accounts receivable	23,413	19,207	-
Total current assets	<u>1,098,004</u>	<u>113,409</u>	<u>34,219</u>
Noncurrent assets			
Restricted investments	-	-	198,393
Capital assets, net	198,205	187,449	-
Total noncurrent assets	<u>198,205</u>	<u>187,449</u>	<u>198,393</u>
Total assets	<u>1,296,209</u>	<u>300,858</u>	<u>232,612</u>
Liabilities			
Current liabilities			
Accounts payable	30,547	414,542	69,975
Due to other funds	-	-	-
Accrued salaries and vacation	35,732	12,974	-
Current portion of leases payable	-	15,108	-
Total current liabilities	<u>66,279</u>	<u>442,624</u>	<u>69,975</u>
Noncurrent liabilities			
Revenue bonds payable	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>66,279</u>	<u>442,624</u>	<u>69,975</u>
Net assets (deficit)			
Invested in capital assets, net of related debt	198,205	202,557	-
Unrestricted	1,031,725	(344,323)	162,637
Total net assets (deficit)	<u>\$ 1,229,930</u>	<u>\$ (141,766)</u>	<u>\$ 162,637</u>

<u>Employee Health Benefits</u>	<u>Unemployment</u>	<u>Long-term Disability Insurance</u>	<u>GMA Leases</u>	<u>Total</u>
\$ 1,490,830	\$ -	\$ 52,470	\$ -	\$ 2,746,312
6,307	4,030	-	4,613,703	4,666,660
<u>1,497,137</u>	<u>4,030</u>	<u>52,470</u>	<u>4,613,703</u>	<u>7,412,972</u>
-	-	-	13,890,165	14,088,558
-	-	-	-	385,654
-	-	-	13,890,165	14,474,212
<u>1,497,137</u>	<u>4,030</u>	<u>52,470</u>	<u>18,503,868</u>	<u>21,887,184</u>
1,497,136	-	36,812	136,105	2,185,117
-	4,030	-	2,275,124	2,279,154
-	-	-	-	48,706
-	-	-	-	15,108
<u>1,497,136</u>	<u>4,030</u>	<u>36,812</u>	<u>2,411,229</u>	<u>4,528,085</u>
-	-	-	16,124,439	16,124,439
-	-	-	16,124,439	16,124,439
<u>1,497,136</u>	<u>4,030</u>	<u>36,812</u>	<u>18,535,668</u>	<u>20,652,524</u>
-	-	-	-	400,762
1	-	15,658	(31,800)	833,898
<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 15,658</u>	<u>\$ (31,800)</u>	<u>\$ 1,234,660</u>

Augusta, Georgia

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

Internal Service Funds

Year Ended December 31, 2006

	Risk Management	Fleet Operations	Workers Compensation
Operating revenues			
Charges and fees	\$ 1,857,652	\$ 4,825,685	\$ 1,330,333
Total operating revenues	1,857,652	4,825,685	1,330,333
Operating expenses			
Personal services and employee benefits	339,766	119,769	-
Purchased/contracted services	421,412	25,072	-
Supplies	13,038	187,070	-
Repairs and maintenance	-	4,371,329	-
Other costs	57,782	101,560	-
Depreciation	37,888	43,424	-
Lease expense	-	-	-
Risk benefit charges	1,139,396	139,908	2,484
Insurance	-	-	1,325,122
Total operating expenses	2,009,282	4,988,132	1,327,606
Operating income (loss)	(151,630)	(162,447)	2,727
Nonoperating revenue (expense)			
Interest revenue	40,714	-	5,004
Sale of property	-	12,817	-
Other revenue	110,916	17,797	-
Interest expense	-	(3,794)	-
Total nonoperating revenue (expense)	151,630	26,820	5,004
Income (loss) before transfers	-	(135,627)	7,731
Transfers in	-	-	-
Transfers between Internal Service Funds	-	-	-
Change in net assets	-	(135,627)	7,731
Total net assets (deficit) - beginning	1,229,930	(6,139)	154,906
Total net assets (deficit) - ending	\$ 1,229,930	\$ (141,766)	\$ 162,637

Employee Health Benefits	Unemployment	Long-term Disability Insurance	GMA Leases	Total
\$ 17,752,450	\$ 160,052	\$ 450,406	\$ 1,503,042	\$ 27,879,620
17,752,450	160,052	450,406	1,503,042	27,879,620
-	-	-	-	459,535
52,534	-	-	-	499,018
-	-	-	-	200,108
-	-	-	-	4,371,329
-	-	-	-	159,342
-	-	-	-	81,312
-	-	-	1,374,097	1,374,097
17,916	-	996	-	1,300,700
18,075,278	160,052	501,025	-	20,061,477
18,145,728	160,052	502,021	1,374,097	28,506,918
(393,278)	-	(51,615)	128,945	(627,298)
-	-	-	610,021	655,739
-	-	-	-	12,817
-	-	-	-	128,713
(86,870)	-	(2,029)	(738,966)	(831,659)
(86,870)	-	(2,029)	(128,945)	(34,390)
(480,148)	-	(53,644)	-	(661,688)
533,794	-	-	-	533,794
(53,645)	-	53,645	-	-
1	-	1	-	(127,894)
-	-	15,657	(31,800)	1,362,554
\$ 1	\$ -	\$ 15,658	\$ (31,800)	\$ 1,234,660

Augusta, Georgia
Combining Statement of Cash Flows
Internal Service Funds
Year Ended December 31, 2006

	Risk Management	Fleet Operations	Workers Compensation
Operating activities			
Cash received from contributions	\$ 1,834,239	\$ 4,808,781	\$ 1,330,333
Repayment of interfund advances	-	-	-
Cash paid to suppliers	(1,635,299)	(4,781,966)	(1,376,244)
Cash paid to employees	(337,187)	(118,947)	-
Net cash provided (used) by operating activities	(138,247)	(92,132)	(45,911)
Noncapital financing activities			
Transfers in	-	-	-
Transfers out	-	-	-
Interest expense on operating capital	-	(3,794)	5,004
Other miscellaneous income	110,916	-	-
Net cash provided (used) by noncapital financing activities	110,916	(3,794)	5,004
Capital and related financing activities			
Proceeds from capital leases	-	(30,215)	-
Proceeds from sale of property	-	12,817	-
Other miscellaneous income	-	17,799	-
Purchase of capital assets	-	-	-
Interest paid on capital debt	-	-	-
Net cash provided (used) by capital and related financing activities	-	401	-
Investing activities			
Interest received	40,714	-	-
Net cash provided by investing activities	40,714	-	-
Net increase (decrease) in cash and cash equivalents	13,383	(95,525)	(40,907)
Cash and cash equivalents/investments			
Beginning of year	1,061,208	189,727	273,519
End of year	\$ 1,074,591	\$ 94,202	\$ 232,612

Employee Health Benefits	Unemployment	Long-term Disability Insurance	GMA Leases	Total Internal Service Funds
\$ 17,746,143	\$ 156,022	\$ 450,406	\$ 1,503,042	\$ 27,828,966
-	-	-	1,196,972	1,196,972
(16,648,592)	(156,022)	(465,209)	(2,654,917)	(27,718,249)
-	-	-	-	(456,134)
1,097,551	-	(14,803)	45,097	851,555
533,794	-	53,645	-	587,439
(53,645)	-	-	-	(53,645)
(86,870)	-	(2,029)	-	(87,689)
-	-	-	-	110,916
393,279	-	51,616	-	557,021
-	-	-	-	(30,215)
-	-	-	-	12,817
-	-	-	-	17,799
-	-	-	-	-
-	-	-	(694,051)	(694,051)
-	-	-	(694,051)	(693,650)
-	-	-	610,021	650,735
-	-	-	610,021	650,735
1,490,830	-	36,813	(38,933)	1,365,661
-	-	15,657	13,929,098	15,469,209
<u>\$ 1,490,830</u>	<u>\$ -</u>	<u>\$ 52,470</u>	<u>\$ 13,890,165</u>	<u>\$ 16,834,870</u>

Augusta, Georgia
Combining Statement of Cash Flows - Continued
Internal Service Funds
Year Ended December 31, 2006

	<u>Risk Management</u>	<u>Fleet Operations</u>	<u>Workers Compensation</u>
Reconciliation of operating income (loss)			
to net cash provided by			
(used in) operating activities			
Operating income (loss)	\$ (151,630)	\$ (162,447)	\$ 2,727
Adjustments to reconcile operating income (loss)			
to net cash provided by (used in) operating			
activities:			
Depreciation and amortization	37,888	43,426	-
Change in assets and liabilities:			
Accounts receivable	(23,413)	(16,904)	-
Accounts payable	(3,671)	42,973	(48,638)
Accrued salaries and vacation	2,579	820	-
Due to other funds	-	-	-
Total adjustments	<u>13,383</u>	<u>70,315</u>	<u>(48,638)</u>
Net cash provided (used) by operating activities	<u>\$ (138,247)</u>	<u>\$ (92,132)</u>	<u>\$ (45,911)</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>
\$ (393,278)	\$ -	\$ (51,615)	\$ 128,945	\$ (627,298)
-	-	-	-	81,314
(6,307)	-	-	(1,416,925)	(1,463,549)
1,497,136	-	36,812	136,105	1,660,717
-	-	-	-	3,399
-	-	-	1,196,972	1,196,972
<u>1,490,829</u>	<u>-</u>	<u>36,812</u>	<u>(83,848)</u>	<u>1,478,853</u>
 \$ 1,097,551	 \$ -	 \$ (14,803)	 \$ 45,097	 \$ 851,555

FIDUCIARY FUNDS

1930-1931

PENSION TRUST FUNDS

Augusta, Georgia
Combining Statement of Fiduciary Net Assets
Pension Trust Funds
December 31, 2006

	1945 Plan	1977 Plan	General Retirement	Total
Assets				
Cash and cash equivalents	\$ 1,272,986	\$ 2,054,544	\$ 3,110,211	\$ 6,437,741
Investments				
U.S. Government securities	1,643,503	5,412,424	15,952,823	23,008,750
Corporate bonds	1,601,808	3,401,236	6,329,739	11,332,783
Equity securities	5,415,640	12,289,567	46,121,515	63,826,722
Receivables (net of allowance for doubtful accounts)				
Accounts	331,330	102,635	138,517	572,482
Interest	64,672	137,079	371,933	573,684
Total assets	<u>10,329,939</u>	<u>23,397,485</u>	<u>72,024,738</u>	<u>105,752,162</u>
Liabilities				
Accounts payable	2,205	10,059	6,619	18,883
Total liabilities	<u>2,205</u>	<u>10,059</u>	<u>6,619</u>	<u>18,883</u>
Net assets				
Reserved for employees' retirement benefits	<u>\$ 10,327,734</u>	<u>\$ 23,387,426</u>	<u>\$ 72,018,119</u>	<u>\$ 105,733,279</u>

Augusta, Georgia

Combining Statement of Changes in Fiduciary Net Assets

Pension Trust Funds

Year Ended December 31, 2006

	1945 Plan	1977 Plan	General Retirement	Total
Additions				
Charges and fees	\$ -	\$ -	\$ 138,517	\$ 138,517
Contributions - employer	692,682	1,317,547	1,482,531	3,492,760
Contributions - plan member	16,892	741,940	381,435	1,140,267
Net investment income	1,010,189	2,291,754	8,032,579	11,334,522
Total additions	1,719,763	4,351,241	10,035,062	16,106,066
Deductions				
Administration	49,612	112,605	341,249	503,466
Benefit payments	910,091	837,002	5,186,284	6,933,377
Refunds	-	211,265	50,194	261,459
Total deductions	959,703	1,160,872	5,577,727	7,698,302
Net increase (decrease) in plan net assets	760,060	3,190,369	4,457,335	8,407,764
Total net assets - beginning	9,567,674	20,197,057	67,560,784	97,325,515
Total net assets - ending	\$ 10,327,734	\$ 23,387,426	\$ 72,018,119	\$ 105,733,279

AGENCY FUNDS

Augusta, Georgia
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
December 31, 2006

	January 1, 2006	Additions	Deductions	December 31, 2006
<u>Tax Commissioner</u>				
Assets				
Cash and cash equivalents	\$ 841,142	\$ 78,852,324	\$ 77,696,109	\$ 1,997,357
Receivables (net of allowance for doubtful accounts)				
Taxes	22,645,698	141,893,854	141,512,289	23,027,263
Total assets	<u>\$ 23,486,840</u>	<u>\$ 220,746,178</u>	<u>\$ 219,208,398</u>	<u>\$ 25,024,620</u>
Liabilities				
Due to others	\$ 841,142	\$ 78,852,324	\$ 77,696,109	\$ 1,997,357
Uncollected taxes	22,645,698	141,893,854	141,512,289	23,027,263
Total liabilities	<u>\$ 23,486,840</u>	<u>\$ 220,746,178</u>	<u>\$ 219,208,398</u>	<u>\$ 25,024,620</u>
<u>Probate</u>				
Assets				
Cash and cash equivalents	\$ 8,238	\$ 116,825	\$ 116,502	\$ 8,561
Total assets	<u>\$ 8,238</u>	<u>\$ 116,825</u>	<u>\$ 116,502</u>	<u>\$ 8,561</u>
Liabilities				
Due to others	\$ 8,238	\$ 116,825	\$ 116,502	\$ 8,561
Total liabilities	<u>\$ 8,238</u>	<u>\$ 116,825</u>	<u>\$ 116,502</u>	<u>\$ 8,561</u>
<u>Sheriff</u>				
Assets				
Cash and cash equivalents	\$ 1,714,562	\$ 3,575,235	\$ 3,257,155	\$ 2,032,642
Total assets	<u>\$ 1,714,562</u>	<u>\$ 3,575,235</u>	<u>\$ 3,257,155</u>	<u>\$ 2,032,642</u>
Liabilities				
Due to others	\$ 1,714,562	\$ 3,575,235	\$ 3,257,155	\$ 2,032,642
Total liabilities	<u>\$ 1,714,562</u>	<u>\$ 3,575,235</u>	<u>\$ 3,257,155</u>	<u>\$ 2,032,642</u>
<u>Civil Court</u>				
Assets				
Cash and cash equivalents	\$ 430,133	\$ 1,823,861	\$ 1,795,821	\$ 458,173
Total assets	<u>\$ 430,133</u>	<u>\$ 1,823,861</u>	<u>\$ 1,795,821</u>	<u>\$ 458,173</u>
Liabilities				
Due to others	\$ 430,133	\$ 1,823,861	\$ 1,795,821	\$ 458,173
Total liabilities	<u>\$ 430,133</u>	<u>\$ 1,823,861</u>	<u>\$ 1,795,821</u>	<u>\$ 458,173</u>

Augusta, Georgia

Combining Statement of Changes in Fiduciary Assets and Liabilities - Continued
Agency Funds
December 31, 2006

	January 1, 2006	Additions	Deductions	December 31, 2006
Clerk of Court				
Assets				
Cash and cash equivalents	\$ 4,078,214	\$ 10,530,429	\$ 10,248,936	\$ 4,359,707
Total assets	<u>\$ 4,078,214</u>	<u>\$ 10,530,429</u>	<u>\$ 10,248,936</u>	<u>\$ 4,359,707</u>
Liabilities				
Due to others	\$ 4,078,214	\$ 10,530,429	\$ 10,248,936	\$ 4,359,707
Total liabilities	<u>\$ 4,078,214</u>	<u>\$ 10,530,429</u>	<u>\$ 10,248,936</u>	<u>\$ 4,359,707</u>
TOTAL ALL AGENCY FUNDS:				
Assets				
Cash and cash equivalents	\$ 7,072,289	\$ 94,898,674	\$ 93,114,523	\$ 8,856,440
Receivables				
(net of allowance for doubtful accounts)				
Taxes	22,645,698	141,893,854	141,512,289	23,027,263
Total assets	<u>\$ 29,717,987</u>	<u>\$ 236,792,528</u>	<u>\$ 234,626,812</u>	<u>\$ 31,883,703</u>
Liabilities				
Due to others	\$ 7,072,289	\$ 94,898,674	\$ 93,114,523	\$ 8,856,440
Uncollected taxes	22,645,698	141,893,854	141,512,289	23,027,263
Total liabilities	<u>\$ 29,717,987</u>	<u>\$ 236,792,528</u>	<u>\$ 234,626,812</u>	<u>\$ 31,883,703</u>

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