

AUGUSTA, GEORGIA

Annual Financial Statements

For the Year Ended December 31, 2009

AUGUSTA, GEORGIA
Annual Financial Report
Year Ended December 31, 2009

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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, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Augusta, Georgia as of December 31, 2009 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, which represent two of the discretely presented component units. 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 aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Augusta, Georgia, as of December 31, 2009, 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.

As discussed in Note 11 to the financial statements, certain errors resulting in understatement of beginning net assets as of December 31, 2009, were discovered by management of the Department of Health, a component unit of Augusta, Georgia during the current year. Accordingly, adjustments have been made to beginning net assets as of December 31, 2009 to correct the errors. As a result of these errors, management of the Department of Health has restated previously issued financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2010 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. 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress and employer contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the

information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Augusta, Georgia's basic financial statements as a whole. The combining and individual fund statements for the year ended December 31, 2009, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Chung, Bekant & Holland, L.L.P.

Augusta, Georgia
June 30, 2010

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, 2009. 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, 2009 are as follows:

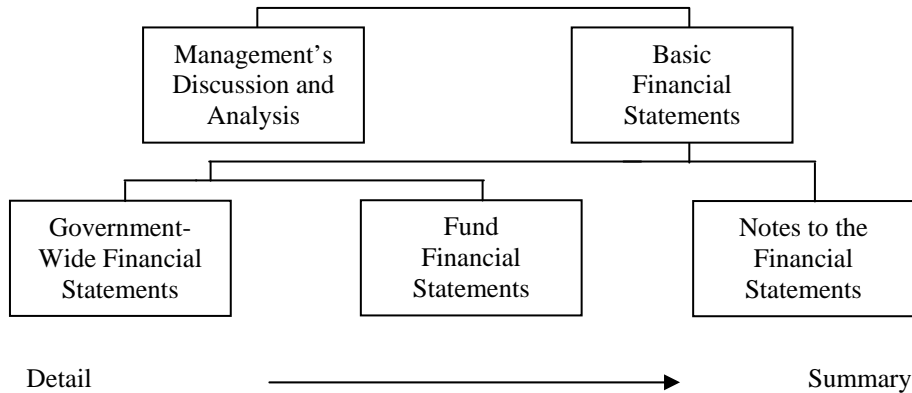
- The Government's combined net assets totaled \$839.1 million.
- The Government's total net assets increased by \$37.5 million, primarily due to capital spending funded by the Special Purpose Local Option Sales Tax revenues, federal aviation grants, and other tax revenues.
- As of the close of the current fiscal year, the Government's governmental funds reported combined ending fund balances of \$280.2 million, a decrease of \$4.1 million from the prior year. Approximately 61% of this total amount, or \$171 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 \$30.2 million, or 24% of total General Fund expenditures for the fiscal year. Of this amount, \$4.7 million has been designated for other purposes, leaving \$25.5 million, or 84% of total General Fund balance, as undesignated.
- Combined Revenue totaled \$341.3 million, of which governmental activities totaled \$222.9 million and business-type activities totaled \$118.4 million. Current year revenues decreased approximately (5.5) % from those of the prior year.
- Overall expenses totaled \$303.8 million of which governmental activities totaled \$183.6 million and business-type activities totaled \$120.2 million. Current year expenses decreased approximately 3% over those of the prior year.
- Expenses of governmental activities exceeded program revenue by \$138.6 million, resulting in the use of general revenues (mostly taxes).
- Total Outstanding Long-Term Debt, excluding compensated absences, increased approximately \$21 million.

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, and Garbage Collection. 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 five 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 seven enterprise funds: Water and Sewer, Augusta Regional Airport, Waste Management, Municipal Golf Course, Transit, Daniel Field Airport, and Garbage Collection. 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.

	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
	2009	2009	2009	2008	2008	2008
Current and other assets	\$ 319,816,593	\$ 148,997,935	\$ 468,814,528	\$ 330,278,371	\$ 220,203,957	\$ 550,482,328
Capital assets	335,639,193	676,273,663	1,011,912,856	269,552,981	609,417,651	878,970,632
Total assets	<u>655,455,786</u>	<u>825,271,598</u>	<u>1,480,727,384</u>	<u>599,831,352</u>	<u>829,621,608</u>	<u>1,429,452,960</u>
Long-term liabilities	60,815,329	510,855,784	571,671,113	36,753,737	516,513,673	553,267,410
Other liabilities	43,101,202	26,821,059	69,922,261	44,552,852	29,975,179	74,528,031
Total liabilities	<u>103,916,531</u>	<u>537,676,843</u>	<u>641,593,374</u>	<u>81,306,589</u>	<u>546,488,852</u>	<u>627,795,441</u>
Net assets:						
Invested in capital assets, net of related debt	316,625,846	208,865,726	525,491,572	270,333,969	172,210,733	442,544,702
Restricted	169,810,821	17,717,103	187,527,924	190,117,858	15,056,403	205,174,261
Unrestricted	<u>65,102,588</u>	<u>61,011,926</u>	<u>126,114,514</u>	<u>58,072,936</u>	<u>95,865,620</u>	<u>153,938,556</u>
Total net assets	<u>\$ 551,539,255</u>	<u>\$ 287,594,755</u>	<u>\$ 839,134,010</u>	<u>\$ 518,524,763</u>	<u>\$ 283,132,756</u>	<u>\$ 801,657,519</u>

Net Assets

Net assets may serve over time as one useful indicator of a government's financial condition. The assets of the Government exceeded liabilities by \$839.1 million as of December 31, 2009.

The largest portion of the Government's net assets, \$525.5 million or 63%, 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, \$187.5 million or 22%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$126.1 million or 15%, 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 maintenance of 75 -90 days unreserved fund balance in the General Fund.
- 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.

**The Government's Changes in Net Assets
For the Years Ended December 31, 2009 and 2008
Figure 3**

	Governmental Activities <u>2009</u>	Business-type Activities <u>2009</u>	Total <u>2009</u>	Governmental Activities <u>2008</u>	Business-type Activities <u>2008</u>	Total <u>2008</u>
Revenues:						
Program revenues:						
Charges for services	\$ 35,528,497	\$ 114,444,934	\$ 149,973,431	\$ 33,837,433	\$ 124,327,772	\$ 158,165,205
Operating grants and contributions	9,489,973	563,865	10,053,838	10,272,966	336,403	10,609,369
Capital grants and contributions	-	1,615,277	1,615,277	173,210	2,292,179	2,465,389
General revenues:						
Property taxes	53,131,398	-	53,131,398	54,880,218	-	54,880,218
Other taxes	113,766,336	-	113,766,336	112,849,736	-	112,849,736
Unrestricted governmental revenues	952,413	-	952,413	2,352,101	-	2,352,101
Revenues from use of money and property	6,757,096	926,056	7,683,152	11,154,486	6,153,252	17,307,738
Miscellaneous	3,302,450	834,159	4,136,609	1,236,361	1,464,938	2,701,299
Total revenues	<u>222,928,163</u>	<u>118,384,291</u>	<u>341,312,454</u>	<u>226,756,511</u>	<u>134,574,544</u>	<u>361,331,055</u>
Expenses:						
General government	32,303,249	-	32,303,249	37,327,653	-	37,327,653
Judicial	17,133,889	-	17,133,889	16,553,255	-	16,553,255
Public safety	84,927,821	-	84,927,821	84,098,300	-	84,098,300
Public works	14,844,645	-	14,844,645	17,542,611	-	17,542,611
Health and welfare	2,218,245	-	2,218,245	2,755,659	-	2,755,659
Culture and recreation	19,876,636	-	19,876,636	22,494,025	-	22,494,025
Housing and development	11,418,135	-	11,418,135	10,291,908	-	10,291,908
Housing and development-MCG	-	-	-	10,000,000	-	10,000,000
Interest on long-term debt	885,661	-	885,661	1,136,879	-	1,136,879
Waste management	-	10,992,158	10,992,158	-	5,485,075	5,485,075
Water and sewer	-	73,677,334	73,677,334	-	65,098,051	65,098,051
Airports	-	14,928,202	14,928,202	-	19,526,505	19,526,505
Municipal golf course	-	579,601	579,601	-	651,455	651,455
Transit	-	4,847,776	4,847,776	-	5,067,023	5,067,023
Garbage Collection	-	15,202,611	15,202,611	-	14,946,189	14,946,189
Total expenses	<u>183,608,281</u>	<u>120,227,682</u>	<u>303,835,963</u>	<u>202,200,290</u>	<u>110,774,298</u>	<u>312,974,588</u>
Increase in net assets before transfers	39,319,882	(1,843,391)	37,476,491	24,556,221	23,800,246	48,356,467
Transfers	(6,305,390)	6,305,390	-	(7,404,540)	7,404,540	-
Increase in net assets	33,014,492	4,461,999	37,476,491	17,151,681	31,204,786	48,356,467
Net assets, January 1	<u>518,524,763</u>	<u>283,132,756</u>	<u>801,657,519</u>	<u>501,373,082</u>	<u>251,927,970</u>	<u>753,301,052</u>
Net assets, December 31	<u>\$ 551,539,255</u>	<u>\$ 287,594,755</u>	<u>\$ 839,134,010</u>	<u>\$ 518,524,763</u>	<u>\$ 283,132,756</u>	<u>\$ 801,657,519</u>

Changes in Net Assets

Governmental activities. Governmental activities increased the Government's net assets by \$33 million, and thereby accounting for 88% of the total growth in the net assets of the Government. Key elements of this increase are as follows:

Governmental Revenues. Property tax (40%) and other taxes (60%) continue as the main source of revenue of the Government amounting to 75% in 2009, compared to 74% in 2008. Sales tax revenues contributed approximately \$72 million to the increase in net assets.

Governmental Functional Expenses: As reflected in the summary of changes in Net Assets, the Government expended 56% 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 44%.

Business-type activities: Business-type activities increased the Government's net assets by approximately \$4.5 million accounting for 12% 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 \$2.6 million. This increase was due to maintaining volumes similar to 2008 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 \$2.6 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 \$353 thousand. This increase was largely due additional cash generated from operations and intergovernmental revenue received for capital spending.
- Garbage Collection net assets increase of \$1.7 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 \$280.2 million, of which \$171 million, or 61%, 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 \$31.2 million, of which \$30.2 million, or 97%, was unreserved. A portion of the unreserved fund balance in the General Fund is designated for risk benefit, in the amount of \$4.7 million. As a measure of the General Fund's liquidity, it may be useful to compare both undesignated and designated fund balance to total fund expenditures. As of December 31, 2009, total unreserved fund balance, both undesignated and designated, represents 24% of total general fund expenditures.

The fund balance of the General Fund increased \$12 million (63%). Key factors to this result include receiving the 2008 Homeowner Tax Relief Grant from the State of Georgia in the amount of \$2.1 million in June of 2009. As part of the SPLOST Referendum that was approved on June 16, 2009, \$10 million the was a onetime use of fund balance for an Economic Revitalization project involving the Medical College of Georgia was returned to fund balance.

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.

The actual operating revenues for the General Fund were less than the budgeted amount by \$213 thousand, or .17%. The individual sources within the revenues fluctuated both positively and negatively. No individual source materially varied from the final budget.

The 2009 adopted budget (November 18, 2008) projected Ad Valorem tax revenues to increase based on an anticipated growth in the tax digest at a conservative 1.5% and an increase of 1% in sales tax revenues. As the economy continued to struggle and the recession deepened, the Augusta Commission was unwilling to compound the effects on its citizens by considering a tax increase and approved significant expenditure reduction and use of \$1 million in fund balance to fund a budgeted deficit. In July 2009 the Augusta Commission voted to keep the 2009 mill rate at the 2008 levels.

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 \$33 million, the SPLOST Fund Phase IV's fund balance is \$66 million and the SPLOST Fund Phase V's fund balance is \$95 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, \$43.1 million; Augusta Regional Airport, \$8.1 million; Nonmajor Enterprise funds, \$10.2 million. The total growth (reduction) in net assets for previously mentioned funds were \$2.6 million, \$.4 million and \$1.7 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, 2009 amounts to \$1.01 billion (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, 2009

Figure 4

	Governmental Activities	Business-type Activities	Total
Land	\$ 21,157,064	\$ 18,390,781	\$ 39,547,845
Buildings	50,213,709	46,033,568	96,247,277
Improvements other than buildings	25,054,129	7,293,392	32,347,521
Water and sewerage systems	-	450,032,294	450,032,294
Infrastructure	80,493,928	12,021,355	92,515,283
Vehicles, machinery and equipment	16,483,023	17,918,860	34,401,883
Richmond County Public Facilities	2,109,247	-	2,109,247
Construction in progress	140,128,093	124,583,413	264,711,506
	\$ 335,639,193	\$ 676,273,663	\$ 1,011,912,856

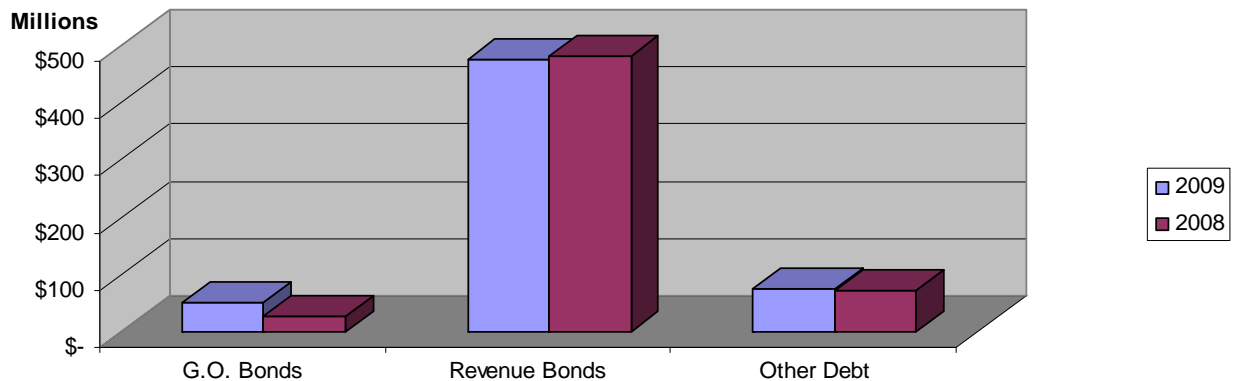
Long-Term Debt

As of December 31, 2009, the Government had a total of \$603.7 million in outstanding long-term debt. Of this amount, \$475.6 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, 2009

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 51,458,058	\$ 27,869,922	\$ -	\$ -	\$ 51,458,058	\$ 27,869,922
Revenue bonds	-	-	475,597,884	483,110,959	475,597,884	483,110,959
Other debt	28,289,184	26,617,373	48,319,708	45,363,819	76,608,892	71,981,192
Total debt	\$ 79,747,242	\$ 54,487,295	\$ 523,917,592	\$ 528,474,778	\$ 603,664,834	\$ 582,962,073



The Government had maintained A1 rating from Moody's Investor Service this rating was increased to Aa2 in June 2010. The bond ratings are clear indications of the sound financial condition of the Government. The 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 \$475 million based on the 2009 County-wide bond digest of \$4.75 billion

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 continued stability of the Government.

- There is a budgeted use of existing fund balance in the 2009 adopted budget without increasing the county wide millage rate.
- The downtown area has within a one mile radius the following capital projects under construction
 - The Government backed project
 - Trade, Event and Exhibit Center - \$38 Million
 - Library - \$24 Million
 - Judicial Center - \$67 Million
 - Private / Other Development
 - KROC Center - \$98 Million
 - MCG School of Dentistry – \$112 Million
- The Government has received the following national rankings
 - Forbes Magazine - #5 in the nation “Best Bang for the Buck” Cities.
 - Forbes Magazine - #22 Fastest recovering Cities in America
 - Business Week - #23 “Forty Strongest Metro Economies”
 - Business Week - #11 “America’s 25 Next Recovering Job Markets”
 - Forbes Magazine - #44 “100 Cities where Americans are getting Richer”
- The Government has an unemployment rate of 9.8 %, slightly higher than the state average of 9.6%.
- The 2009 tax digest decreased by 1.4%, with .47% of this from normal factors such as increased exemptions and the remaining .93% from reassessments.
- In 2009 the monthly Local Option Sales Tax collections decreased at a rate of 2.43% over 2008, as compared to other similar governments whose sales tax collection decreased at rates of 7.13% to 9.33%.

Budget Highlights for the Fiscal Year Ending December 31, 2010

Each year, the County's overall goal is to provide essential services to our citizens as cost effectively and professionally as possible. The Augusta Commission works diligently to plan for the future while insuring current programs and services are working as smoothly as possible. We continually seek to improve. We are pleased that through our fiscal responsibility we are able to maintain our current level of service without an increase in taxes.

Governmental Activities: The Ad Valorem Taxes are projected to remain steady or slightly decrease from the 2009 level. The 2009 tax digest has shown a decrease of approximately 1.4%. Other taxes are expected to remain steady or slightly decrease with an expected 1% decrease in sales tax revenues. The FY 2010 budget for the general fund is expected to be slightly above the 2009 level due to funding for the operating deficit of the transit department, and the continued rise in the cost of fuel and operating supplies. Funded in the judicial area is the new state court judge position, a public defender position for Juvenile Court, and a drug court. Various cultural and recreational programs were added and funding budgeted for demolition of condemned houses and an additional medical outreach program. The general economic climate for the city government of 2010 is expected to be stable. The undesignated fund balance should decrease slightly by \$1 million due budgeted use of fund balance to balance the General fund instead of increasing the county's millage rate.

Business – type Activities: Overall Water and Sewer revenue is projected to increase by more than 3% 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, 936 Broad Street, Suite 107, Augusta, Georgia 30901.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

AUGUSTA, GEORGIA

Statement of Net Assets December 31, 2009

	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	\$ 205,946,147	\$ 55,711,892	\$ 261,658,039	\$ 1,864,305	\$ 849,002	\$ 205,838
Receivables (net of allowance (for doubtful accounts)						
Taxes	5,968,449	-	5,968,449	-	-	-
Accounts	17,186,569	18,792,904	35,979,473	846,518	169,362	-
Interest	324,557	14,485	339,042	-	-	-
Notes	3,611,220	-	3,611,220	-	-	-
Intergovernmental	-	161,701	161,701	-	-	-
Prepaid expenses	1,017,438	243,967	1,261,405	-	21,304	-
Inventory	98,481	2,992,184	3,090,665	-	36,140	-
Restricted cash and investments	75,647,520	57,883,522	133,531,042	-	2,108,615	-
Internal balances	8,089,433	(8,089,433)	-	-	-	-
Capital assets						
Land and construction in progress	161,285,157	142,974,196	304,259,353	1,947,997	672,014	-
Other capital assets, net of accumulated depreciation	174,354,036	533,299,467	707,653,503	8,238,236	12,967,895	3,323,170
Other assets	1,926,779	21,286,713	23,213,492	-	-	6,205
Total assets	655,455,786	825,271,598	1,480,727,384	12,897,056	16,824,332	3,535,213
Liabilities						
Accounts payable	9,340,647	7,410,926	16,751,573	1,172,313	90,967	44,472
Accrued interest	336,417	5,728,426	6,064,843	-	-	-
Accrued salaries and vacation	2,250,872	360,078	2,610,950	377,731	35,666	-
Other accrued liabilities	11,308,661	259,821	11,568,482	39,436	-	33,527
Unearned revenue	932,692	-	932,692	-	-	-
Liabilities due in less than one year	18,931,913	13,061,808	31,993,721	37,985	-	615,000
Liabilities due in greater than one year	60,815,329	510,855,784	571,671,113	549,913	-	-
Total liabilities	103,916,531	537,676,843	641,593,374	2,177,378	126,633	692,999
Net assets						
Invested in capital assets net of related debt	316,625,846	208,865,726	525,491,572	9,787,172	13,639,909	2,708,170
Restricted for:						
Capital projects	169,472,196	6,149,602	175,621,798	-	2,155,501	-
Debt service	-	11,567,501	11,567,501	-	-	-
Perpetual care	338,625	-	338,625	-	-	-
Health and welfare	-	-	-	1,238,169	-	-
Unrestricted	65,102,588	61,011,926	126,114,514	(305,663)	902,289	134,044
Total net assets	\$ 551,539,255	\$ 287,594,755	\$ 839,134,010	\$ 10,719,678	\$ 16,697,699	\$ 2,842,214

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

AUGUSTA, GEORGIA
Statement of Activities
Year Ended December 31, 2009

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 32,303,249	\$ 16,331,975	\$ 960,075	\$ -
Judicial	17,133,889	8,438,155	222,837	-
Public safety	84,927,821	7,378,213	1,816,591	-
Public works	14,844,645	2,241,896	-	-
Health and welfare	2,218,245	98,496	331,254	-
Culture and recreation	19,876,636	1,039,762	1,120,587	-
Housing and development	11,418,135	-	5,038,629	-
Interest on long-term debt	885,661	-	-	-
Total governmental activities	<u>183,608,281</u>	<u>35,528,497</u>	<u>9,489,973</u>	<u>-</u>
Business-type activities:				
Waste management	10,992,158	9,810,436	-	-
Water and sewer	73,677,334	75,675,852	-	-
Airports	14,928,202	13,036,813	338,441	1,023,680
Municipal golf course	579,601	420,148	-	-
Transit	4,847,776	703,450	225,424	591,597
Garbage collection	15,202,611	14,798,235	-	-
Total business-type activities	<u>120,227,682</u>	<u>114,444,934</u>	<u>563,865</u>	<u>1,615,277</u>
Total primary government	<u>\$ 303,835,963</u>	<u>\$ 149,973,431</u>	<u>\$ 10,053,838</u>	<u>\$ 1,615,277</u>
Component units:				
Richmond County Department of Health	\$ 15,205,577	\$ 2,564,068	\$ 11,067,366	\$ -
Augusta Canal Authority	1,651,761	475,398	372,835	125,300
Downtown Development Authority	655,308	23,087	338,750	634,426
Total component units	<u>\$ 17,512,646</u>	<u>\$ 3,062,553</u>	<u>\$ 11,778,951</u>	<u>\$ 759,726</u>

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,
Prior period adjustment
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
\$ (15,011,199)	\$ -	\$ (15,011,199)	\$ -	\$ -	\$ -
(8,472,897)	-	(8,472,897)	-	-	-
(75,733,017)	-	(75,733,017)	-	-	-
(12,602,749)	-	(12,602,749)	-	-	-
(1,788,495)	-	(1,788,495)	-	-	-
(17,716,287)	-	(17,716,287)	-	-	-
(6,379,506)	-	(6,379,506)	-	-	-
(885,661)	-	(885,661)	-	-	-
<u>(138,589,811)</u>	<u>-</u>	<u>(138,589,811)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(1,181,722)	(1,181,722)	-	-	-
-	1,998,518	1,998,518	-	-	-
-	(529,268)	(529,268)	-	-	-
-	(159,453)	(159,453)	-	-	-
-	(3,327,305)	(3,327,305)	-	-	-
-	(404,376)	(404,376)	-	-	-
<u>-</u>	<u>(3,603,606)</u>	<u>(3,603,606)</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ (138,589,811)	\$ (3,603,606)	\$ (142,193,417)	\$ -	\$ -	\$ -
-	-	-	(1,574,143)	-	-
-	-	-	-	(678,228)	-
-	-	-	-	-	340,955
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,574,143)</u>	<u>(678,228)</u>	<u>340,955</u>
53,131,398	-	53,131,398	-	-	-
72,345,483	-	72,345,483	-	-	-
22,214,336	-	22,214,336	-	-	-
19,206,517	-	19,206,517	-	-	-
952,413	-	952,413	1,431,997	-	-
6,757,096	926,056	7,683,152	13,409	13,653	5,216
3,302,450	834,159	4,136,609	-	52,799	-
(6,305,390)	6,305,390	-	-	-	-
<u>171,604,303</u>	<u>8,065,605</u>	<u>179,669,908</u>	<u>1,445,406</u>	<u>66,452</u>	<u>5,216</u>
33,014,492	4,461,999	37,476,491	(128,737)	(611,776)	346,171
518,524,763	283,132,756	801,657,519	9,295,811	17,309,475	2,496,043
-	-	-	1,552,604	-	-
<u>518,524,763</u>	<u>283,132,756</u>	<u>801,657,519</u>	<u>10,848,415</u>	<u>17,309,475</u>	<u>2,496,043</u>
<u>\$ 551,539,255</u>	<u>\$ 287,594,755</u>	<u>\$ 839,134,010</u>	<u>\$ 10,719,678</u>	<u>\$ 16,697,699</u>	<u>\$ 2,842,214</u>

FUND FINANCIAL STATEMENTS

AUGUSTA, GEORGIA

**Balance Sheet
Governmental Funds
December 31, 2009**

Assets	General	Fire Protection	Special Sales Tax Phase III
Cash and temporary investments	\$ 18,169,841	\$ 15,020,990	\$ 32,940,079
Receivables (net of allowance for doubtful accounts)			
Taxes	3,923,217	570,932	-
Accounts	7,916,240	1,800	-
Interest	56,315	-	44,483
Note	-	-	-
Prepaid items	393,881	-	-
Inventory	98,481	-	-
Restricted assets			
Reserve account	-	-	-
Perpetual care	-	-	-
Due from other funds	10,501,056	-	-
Total assets	\$ 41,059,031	\$ 15,593,722	\$ 32,984,562
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ 2,869,771	\$ 335,126	\$ 294,987
Due to other funds	-	-	-
Accrued salaries and vacation	1,678,422	393,162	-
Other accrued liabilities	2,196,019	-	-
Deferred revenue	3,149,086	338,345	-
Total liabilities	9,893,298	1,066,633	294,987
Fund balances:			
Reserved for:			
Encumbrances	462,758	560,605	8,673,440
Inventory/prepaid items	492,362	-	-
GOB Projects	-	-	-
Unreserved - designated for:			
Other	-	10,821,499	-
Risk benefit	4,705,061	250,000	-
Unreserved - undesignated	25,505,552	2,894,985	24,016,135
Unreserved, reported in nonmajor:			
Special revenue	-	-	-
Debt service	-	-	-
Capital projects	-	-	-
Permanent	-	-	-
Total fund balances	31,165,733	14,527,089	32,689,575
Total liabilities and fund balances	\$ 41,059,031	\$ 15,593,722	\$ 32,984,562

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
\$ 67,506,837	\$ 54,348,630	\$ 16,508,701	\$ 204,495,078
-	-	1,474,300	5,968,449
11,868	3,171,650	2,171,092	13,272,650
-	212,892	10,867	324,557
-	-	3,611,220	3,611,220
-	-	623,557	1,017,438
-	-	-	98,481
-	40,356,116	22,522,938	62,879,054
-	-	338,625	338,625
-	-	-	10,501,056
<u>\$ 67,518,705</u>	<u>\$ 98,089,288</u>	<u>\$ 47,261,300</u>	<u>\$ 302,506,608</u>
\$ 1,150,259	\$ 2,960,031	\$ 1,177,401	\$ 8,787,575
-	-	1,159,504	1,159,504
36,452	-	105,431	2,213,467
-	-	17,508	2,213,527
-	-	4,434,815	7,922,246
<u>1,186,711</u>	<u>2,960,031</u>	<u>6,894,659</u>	<u>22,296,319</u>
17,764,298	29,750,673	915,253	58,127,027
-	-	623,557	1,115,919
-	28,396,239	21,533,270	49,929,509
-	-	-	10,821,499
-	-	-	4,955,061
48,567,696	36,982,345	-	137,966,713
-	-	13,530,421	13,530,421
-	-	912,528	912,528
-	-	2,353,121	2,353,121
-	-	498,491	498,491
<u>66,331,994</u>	<u>95,129,257</u>	<u>40,366,641</u>	<u>280,210,289</u>
<u>\$ 67,518,705</u>	<u>\$ 98,089,288</u>	<u>\$ 47,261,300</u>	<u>\$ 302,506,608</u>

AUGUSTA, GEORGIA

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets December 31, 2009

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

Ending fund balance - governmental funds	\$ 280,210,289
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Historical cost of capital assets	455,818,999
Accumulated depreciation	(120,179,806)
	<u>335,639,193</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	6,989,554
Bond issue costs capitalized	312,739
	<u>7,302,293</u>

Net assets of internal service funds	1,346,170
Less: cumulative amounts allocated to business-type activities	361,921
Less: capital assets included in adjustment for capital assets	(401,003)
	<u>1,307,088</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.

General obligation bonds payable	(51,458,058)
Compensated absences	(4,696,888)
Capital leases	(1,225,613)
Claims and judgements	(6,107,498)
Other post employment benefits liability	(8,534,019)
Annual pension liability	(561,115)
Accrued interest	(336,417)
	<u>(72,919,608)</u>

Net assets of governmental activities	<u><u>\$ 551,539,255</u></u>
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AUGUSTA, GEORGIA

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2009**

	<u>General</u>	<u>Fire Protection</u>	<u>Special Sales Tax Phase III</u>
Revenues			
Taxes - property	\$ 39,531,917	\$ 5,869,215	\$ -
Taxes - other than property	52,604,037	10,821,499	-
Licenses and permits	1,396,547	-	-
Use of money and property	1,741,840	173,709	449,683
Charges for current services	17,676,616	168,844	-
Fines and forfeitures	4,967,862	-	-
Intergovernmental	4,253,024	-	352,633
Contributions and donations	16,097	1,000	-
Other	62,798	-	-
Total revenues	<u>122,250,738</u>	<u>17,034,267</u>	<u>802,316</u>
Expenditures			
Current:			
General government	26,807,908	-	55,830
Judicial	15,496,291	-	-
Public safety	57,767,154	21,068,619	-
Public works	5,972,836	-	1,558,392
Health and welfare	2,093,270	-	-
Culture and recreation	13,101,902	-	82,150
Housing and development	2,163,830	-	-
Capital outlay	-	1,135,655	4,886,667
Debt service	-	-	-
Total expenditures	<u>123,403,191</u>	<u>22,204,274</u>	<u>6,583,039</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,152,453)</u>	<u>(5,170,007)</u>	<u>(5,780,723)</u>
Other financing sources (uses)			
Transfers in	14,375,443	4,960,000	2,190,850
Transfers (out)	(2,399,116)	-	(2,562,693)
Capital lease proceeds	1,127,154	-	-
Bonds proceeds	-	-	-
Premium on bonds sold	-	-	-
Total other financing sources (uses)	<u>13,103,481</u>	<u>4,960,000</u>	<u>(371,843)</u>
Net change in fund balances	11,951,028	(210,007)	(6,152,566)
Fund balance - beginning	<u>19,214,705</u>	<u>14,737,096</u>	<u>38,842,141</u>
Fund balance - ending	<u>\$ 31,165,733</u>	<u>\$ 14,527,089</u>	<u>\$ 32,689,575</u>

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
\$ -	\$ -	\$ 11,623,746	\$ 57,024,878
-	36,567,939	13,772,861	113,766,336
-	-	3,225,002	4,621,549
826,805	3,216,093	367,551	6,775,681
-	-	7,485,168	25,330,628
-	-	595,299	5,563,161
686,890	-	5,130,693	10,423,240
-	-	-	17,097
2,000,000	-	1,025,370	3,088,168
<u>3,513,695</u>	<u>39,784,032</u>	<u>43,225,690</u>	<u>226,610,738</u>
558,695	-	3,458,005	30,880,438
-	-	415,964	15,912,255
70,691	-	3,894,089	82,800,553
3,735,195	1,026,683	4,764,129	17,057,235
7,133,625	31,405,130	-	40,632,025
553,456	584,261	4,894,157	19,215,926
-	-	9,196,530	11,360,360
8,903,715	11,905,830	1,785,638	28,617,505
-	-	11,239,810	11,239,810
<u>20,955,377</u>	<u>44,921,904</u>	<u>39,648,322</u>	<u>257,716,107</u>
<u>(17,441,682)</u>	<u>(5,137,872)</u>	<u>3,577,368</u>	<u>(31,105,369)</u>
2,911,493	3,621,900	10,797,050	38,856,736
(3,621,900)	(9,707,050)	(27,231,263)	(45,522,022)
-	-	-	1,127,154
-	-	30,550,000	30,550,000
-	-	1,971,444	1,971,444
<u>(710,407)</u>	<u>(6,085,150)</u>	<u>16,087,231</u>	<u>26,983,312</u>
(18,152,089)	(11,223,022)	19,664,599	(4,122,057)
<u>84,484,083</u>	<u>106,352,279</u>	<u>20,702,042</u>	<u>284,332,346</u>
<u>\$ 66,331,994</u>	<u>\$ 95,129,257</u>	<u>\$ 40,366,641</u>	<u>\$ 280,210,289</u>

AUGUSTA, GEORGIA

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Year Ended December 31, 2009**

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

Net change in fund balances - total governmental funds \$ (4,122,057)

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	77,888,644	
Depreciation expense	(11,779,426)	
	66,109,218	66,109,218

Governmental funds recognize revenues when current resources are provided; the Statement of Activities recognizes revenue when earned, resulting in a timing difference of current period revenues relating to converting from modified-accrual basis to full accrual basis. (3,895,342)

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		(23,588,136)
Compensated absences		(170,527)
Capital leases		311,186
Claims and judgements		(1,767,555)
Bond issue costs capitalized		(46,747)
Accrued interest		29,248
		(25,232,531)

The net revenue of certain activities of the internal service fund is reported with governmental 155,204

Change in net assets of governmental activities \$ 33,014,492

AUGUSTA, GEORGIA

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Year Ended December 31, 2009

With comparative amounts for December 31, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -	2008 Actual
	Original	Final		Positive (Negative)	
Revenues					
Taxes - property	\$ 37,576,410	\$ 37,576,410	\$ 39,531,917	\$ 1,955,507	\$ 34,689,439
Taxes - other than property	51,806,610	51,806,610	52,604,037	797,427	50,611,562
Licenses and permits	1,557,000	1,557,000	1,396,547	(160,453)	1,202,725
Use of money and property	2,176,050	2,176,050	1,741,840	(434,210)	2,584,056
Charges for current services	17,709,130	17,779,930	17,676,616	(103,314)	16,376,340
Fines and forfeitures	5,829,000	5,829,000	4,967,862	(861,138)	5,586,506
Intergovernmental	4,331,700	5,719,786	4,253,024	(1,466,762)	4,373,592
Contributions and donations	10,000	12,500	16,097	3,597	39,693
Other	25,000	6,000	62,798	56,798	60,571
Total revenues	121,020,900	122,463,286	122,250,738	(212,548)	115,524,484
Expenditures					
Current:					
General government	24,816,930	27,809,158	26,807,908	1,001,250	25,478,184
Judicial	16,338,885	15,786,927	15,496,291	290,636	15,097,688
Public safety	57,811,470	58,263,261	57,767,154	496,107	56,851,181
Public works	7,260,200	6,921,838	5,972,836	949,002	6,526,018
Health and welfare	2,069,590	2,094,590	2,093,270	1,320	2,385,170
Culture and recreation	13,668,145	13,601,346	13,101,902	499,444	13,492,481
Housing and development	2,471,570	2,433,527	2,163,830	269,697	1,950,215
Housing and development - MCG	-	-	-	-	10,000,000
Capital outlay	-	67,914	-	67,914	-
Debt service	-	-	-	-	46,668
Total expenditures	124,436,790	126,978,561	123,403,191	3,575,370	131,827,605
Excess (deficiency) of revenues over (under) expenditures	(3,415,890)	(4,515,275)	(1,152,453)	3,362,822	(16,303,121)
Other financing sources (uses)					
Transfers in	4,713,120	4,677,470	14,375,443	9,697,973	3,937,079
Transfers (out)	(2,302,540)	(2,302,540)	(2,399,116)	(96,576)	(2,460,104)
Capital lease proceeds	-	-	1,127,154	1,127,154	1,167,644
Total other financing sources (uses)	2,410,580	2,374,930	13,103,481	10,728,551	2,644,619
Net change in fund balances	\$ (1,005,310)	\$ (2,140,345)	11,951,028	\$ 14,091,373	(13,658,502)
Fund balance - beginning			19,214,705		32,873,207
Fund balance - ending			\$ 31,165,733		\$ 19,214,705

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, 2009

With comparative amounts for December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget -</u>	<u>2008 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>	
Revenues					
Taxes - property	\$ 5,645,640	\$ 5,645,640	\$ 5,869,215	\$ 223,575	\$ 5,156,426
Taxes - other than property	10,880,000	10,880,000	10,821,499	(58,501)	10,924,360
Licenses and permits	-	-	-	-	250
Use of money and property	340,000	340,000	173,709	(166,291)	355,652
Charges for current services	127,000	127,000	168,844	41,844	169,090
Contributions and donations	-	-	1,000	1,000	-
Other	-	-	-	-	52,637
Total revenues	<u>16,992,640</u>	<u>16,992,640</u>	<u>17,034,267</u>	<u>41,627</u>	<u>16,658,415</u>
Expenditures					
Current:					
Public safety	21,210,970	21,250,070	21,068,619	181,451	22,237,391
Capital outlay	741,670	1,987,600	1,135,655	851,945	630,674
Total expenditures	<u>21,952,640</u>	<u>23,237,670</u>	<u>22,204,274</u>	<u>1,033,396</u>	<u>22,868,065</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,960,000)</u>	<u>(6,245,030)</u>	<u>(5,170,007)</u>	<u>1,075,023</u>	<u>(6,209,650)</u>
Other financing sources (uses)					
Transfers in	<u>4,960,000</u>	<u>4,960,000</u>	<u>4,960,000</u>	<u>-</u>	<u>4,858,923</u>
Total other financing sources (uses)	<u>4,960,000</u>	<u>4,960,000</u>	<u>4,960,000</u>	<u>-</u>	<u>4,858,923</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (1,285,030)</u>	<u>\$ (210,007)</u>	<u>\$ 1,075,023</u>	<u>\$ (1,350,727)</u>
Fund balance - beginning			<u>14,737,096</u>		<u>16,087,823</u>
Fund balance - ending			<u>\$ 14,527,089</u>		<u>\$ 14,737,096</u>

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

AUGUSTA, GEORGIA

Statement of Net Assets Proprietary Funds December 31, 2009

Assets	Enterprise Funds			Total	Internal Service Funds
	Water and Sewer System	Augusta Regional Airport	Other Enterprise Funds		
Current assets					
Cash and temporary investments	\$ 20,951,144	\$ 10,101,170	\$ 24,659,578	\$ 55,711,892	\$ 1,451,069
Receivables (net of allowance for doubtful accounts)					
Accounts	14,534,005	700,413	3,558,486	18,792,904	3,913,919
Interest	13,793	-	692	14,485	-
Intergovernmental	-	161,701	-	161,701	-
Prepaid expenses	243,967	-	-	243,967	1,614,040
Inventory	2,443,629	333,397	215,158	2,992,184	-
Due from other funds	-	-	-	-	-
Total current assets	38,186,538	11,296,681	28,433,914	77,917,133	6,979,028
Noncurrent assets					
Restricted cash and investments	38,017,798	19,456,804	408,920	57,883,522	12,429,841
Deferred bond issuance costs	5,550,730	926,443	299,154	6,776,327	-
Prepaid bond interest	14,510,386	-	-	14,510,386	-
Capital assets, net	584,319,205	53,514,455	38,440,003	676,273,663	401,003
Total noncurrent assets	642,398,119	73,897,702	39,148,077	755,443,898	12,830,844
Total assets	680,584,657	85,194,383	67,581,991	833,361,031	19,809,872
	Liabilities				
Current liabilities					
Accounts payable	4,170,709	843,381	2,396,836	7,410,926	553,072
Accrued interest	5,728,426	-	-	5,728,426	-
Due to other funds	4,548,996	3,060,619	117,897	7,727,512	1,614,040
Accrued salaries and vacation	744,893	227,394	236,292	1,208,579	37,405
Other accrued liabilities	-	-	259,821	259,821	-
Current portion of notes payable	2,195,289	-	-	2,195,289	-
Current portion of leases payable	794,517	-	1,068,501	1,863,018	-
Current portion of revenue bonds payable	6,455,000	-	1,700,000	8,155,000	-
Total current liabilities	24,637,830	4,131,394	5,779,347	34,548,571	2,204,517
Noncurrent liabilities					
Closure/postclosure accrual	-	-	15,494,735	15,494,735	-
Revenue bonds payable	445,640,085	19,605,000	2,197,799	467,442,884	16,259,185
Notes payable	20,225,006	-	-	20,225,006	-
Capital leases	6,099,377	-	1,593,782	7,693,159	-
Total noncurrent liabilities	471,964,468	19,605,000	19,286,316	510,855,784	16,259,185
Total liabilities	496,602,298	23,736,394	25,065,663	545,404,355	18,463,702
	Net assets				
Invested in capital assets, net of related debt	133,711,781	42,867,747	32,286,198	208,865,726	401,003
Restricted for debt service	7,215,948	4,348,910	2,643	11,567,501	-
Restricted for capital projects	-	6,149,602	-	6,149,602	-
Unrestricted	43,054,630	8,091,730	10,227,487	61,373,847	945,167
Total net assets	\$ 183,982,359	\$ 61,457,989	\$ 42,516,328	\$ 287,956,676	\$ 1,346,170

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.	\$ (206,717)
Certain internal fund expenses are allocated to business-type activities.	(155,204)
Total net assets for business-type activities	\$ 287,594,755

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

AUGUSTA, GEORGIA

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Year Ended December 31, 2009**

	Enterprise Funds			Total	Internal Service Funds
	Water and Sewer System	Augusta Regional Airport	Other Enterprise Funds		
Operating revenues					
Charges and fees	\$ 75,675,852	\$ 12,177,674	\$ 25,822,558	\$ 113,676,084	\$ 31,918,065
Total operating revenues	<u>75,675,852</u>	<u>12,177,674</u>	<u>25,822,558</u>	<u>113,676,084</u>	<u>31,918,065</u>
Operating expenses					
Personal services and employee benefits	13,733,178	3,755,084	5,056,424	22,544,686	483,520
Purchased/contracted services	9,606,026	1,009,843	14,508,643	25,124,512	496,710
Supplies	7,174,942	6,179,213	1,525,756	14,879,911	174,368
Repairs and maintenance	5,072,150	227,967	1,245,333	6,545,450	4,561,360
Interfund/interdepartmental charges	2,208,050	226,432	568,763	3,003,245	-
Other costs	336	2,866	-	3,202	72,203
Depreciation	17,644,049	2,245,763	2,423,771	22,313,583	28,451
Closure/postclosure accrual	-	-	6,310,583	6,310,583	-
Lease expense	-	-	-	-	2,628,232
Risk benefit charges	-	-	-	-	1,536,838
Insurance	-	-	-	-	22,520,603
Total operating expenses	<u>55,438,731</u>	<u>13,647,168</u>	<u>31,639,273</u>	<u>100,725,172</u>	<u>32,502,285</u>
Operating income (loss)	<u>20,237,121</u>	<u>(1,469,494)</u>	<u>(5,816,715)</u>	<u>12,950,912</u>	<u>(584,220)</u>
Nonoperating revenue (expense)					
Interest revenue	374,523	132,253	305,761	812,537	259,196
Sale of property	114,370	41,661	2,505	158,536	10,145
Other revenue	-	1,520,428	26,448	1,546,876	231,352
Intergovernmental	-	1,165,342	1,013,800	2,179,142	-
Interest expense	(18,142,085)	(1,037,088)	(159,491)	(19,338,664)	(276,369)
Total nonoperating revenue (expense)	<u>(17,653,192)</u>	<u>1,822,596</u>	<u>1,189,023</u>	<u>(14,641,573)</u>	<u>224,324</u>
Income (loss) before transfers	<u>2,583,929</u>	<u>353,102</u>	<u>(4,627,692)</u>	<u>(1,690,661)</u>	<u>(359,896)</u>
Transfers in	-	-	6,430,390	6,430,390	359,896
Transfers out	-	-	(122,526)	(122,526)	-
Change in net assets	<u>2,583,929</u>	<u>353,102</u>	<u>1,680,172</u>	<u>4,617,203</u>	<u>-</u>
Total net assets - beginning	<u>181,398,430</u>	<u>61,104,887</u>	<u>40,836,156</u>		<u>1,346,170</u>
Total net assets - ending	<u>\$ 183,982,359</u>	<u>\$ 61,457,989</u>	<u>\$ 42,516,328</u>		<u>\$ 1,346,170</u>

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.	(155,204)
Total change in net assets for business-type activities	<u>\$ 4,461,999</u>

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, 2009

	Enterprise Funds			Total	Internal Service Funds
	Water & Sewer System	Augusta Regional Airport	Other Enterprise Funds		
Operating activities					
Cash received from customers	\$ 73,645,995	\$ 12,014,589	\$ 25,532,295	\$ 111,192,879	\$ -
Cash received from contributions	-	-	-	-	33,506,159
Repayment of interfund advances	-	-	(19,423)	(19,423)	-
Cash paid to suppliers	(23,206,637)	(5,900,407)	(16,361,380)	(45,468,424)	(32,892,417)
Cash paid to employees	(14,176,610)	(3,887,253)	(5,193,862)	(23,257,725)	(499,413)
Cash paid for interfund services used	(1,647,065)	-	(511,856)	(2,158,921)	-
Cash paid to General Fund	-	-	-	-	(134,777)
Net cash provided by (used in) operating activities	34,615,683	2,226,929	3,445,774	40,288,386	(20,448)
Noncapital financing activities					
Transfers in	-	-	6,430,390	6,430,390	403,874
Transfers out	-	-	(122,526)	(122,526)	(43,978)
Operating grants	-	-	225,424	225,424	-
Interest expense on operating capital	-	-	(476)	(476)	(30,806)
Other revenue	-	-	-	-	230,873
Other expense	-	(14,538)	-	(14,538)	-
Net cash provided by (used in) noncapital financing activities	-	(14,538)	6,532,812	6,518,274	559,963
Capital and related financing activities					
Proceeds from grants	-	1,051,168	788,376	1,839,544	-
Proceeds from sale of property	114,370	41,661	2,505	158,536	10,145
Proceeds from capital leases	-	-	723,629	723,629	-
Interest on bond funds	375,087	-	-	375,087	-
Other miscellaneous income	-	1,570,598	26,448	1,597,046	478
Purchase of capital assets	(73,709,358)	(801,807)	(14,670,474)	(89,181,639)	(5,446)
Payments on bonds issued	-	-	(1,650,000)	(1,650,000)	-
Interest paid on capital debt	(16,739,941)	(1,037,088)	(172,996)	(17,950,025)	(199,379)
Payments on capital leases	(1,367,827)	-	(1,189,894)	(2,557,721)	-
Principal paid on revenue bonds	(5,610,000)	-	-	(5,610,000)	-
Net cash used in capital and related financing activities	(96,937,669)	824,532	(16,142,406)	(112,255,543)	(194,202)
Investing activities					
Interest received	193,701	132,253	311,390	637,344	257,927
Net cash provided by investing activities	193,701	132,253	311,390	637,344	257,927
Net decrease in cash and cash equivalents/investments	(62,128,285)	3,169,176	(5,852,430)	(64,811,539)	603,240
Cash and cash equivalents/investments					
Beginning of year	121,097,227	26,388,798	30,920,928	178,406,953	13,277,670
End of year	\$ 58,968,942	\$ 29,557,974	\$ 25,068,498	\$ 113,595,414	\$ 13,880,910

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, 2009

	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)	\$ 20,237,121	\$ (1,469,494)	\$ (5,816,715)	\$ 12,950,912	\$ (584,220)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	17,644,049	2,245,763	2,423,771	22,313,583	28,451
Closure/post closure costs	-	-	6,310,583	6,310,583	-
Department of the Army loan	(2,455,980)	-	-	(2,455,980)	-
Net change in assets and liabilities:					
Accounts receivable	426,123	(163,085)	(290,263)	(27,225)	902,494
Inventory	(303,779)	(69,456)	(3,761)	(376,996)	-
Prepaid expenses	8,494	-	-	8,494	(1,614,040)
Accounts payable	(4,383,515)	43,549	888,438	(3,451,528)	(186,848)
Accrued salaries and vacation	(443,432)	(132,580)	(137,438)	(713,450)	(15,893)
Other accrued liabilities	-	-	33,675	33,675	-
Due to other funds	3,886,602	1,772,232	37,484	5,696,318	1,449,608
Total adjustments	<u>14,378,562</u>	<u>3,696,423</u>	<u>9,262,489</u>	<u>27,337,474</u>	<u>563,772</u>
Net cash provided by (used in) operating activities	<u>\$ 34,615,683</u>	<u>\$ 2,226,929</u>	<u>\$ 3,445,774</u>	<u>\$ 40,288,386</u>	<u>\$ (20,448)</u>
Reconciliation of cash and cash equivalents to the balance sheets					
Cash and cash equivalents in current assets	\$ 20,951,144	\$ 10,101,170	\$ 24,659,578	\$ 55,711,892	\$ 1,451,069
Restricted cash and cash equivalents included in noncurrent cash and investments	38,017,798	19,456,804	408,920	57,883,522	12,429,841
Net cash and cash equivalents	<u>\$ 58,968,942</u>	<u>\$ 29,557,974</u>	<u>\$ 25,068,498</u>	<u>\$ 113,595,414</u>	<u>\$ 13,880,910</u>
Noncash transactions					
Amortization of interest expense	\$ 1,233,297	\$ 35,632	\$ -	\$ -	\$ -
Accrued interest on notes payable	(2,634)	-	-	-	-
Principal and interest reduction of note payable - Department of Army	2,455,980	-	-	-	-
Premiums on bonds sold	644,244				

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

AUGUSTA, GEORGIA

**Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2009**

	Pension Trust Funds	Private-purpose Trust Fund Joseph R. Lamar	Agency Funds
Assets			
Cash and cash equivalents	\$ 4,409,046	\$ 977	\$ 9,417,343
Investments			
U.S. Government securities	14,455,905	-	-
Corporate bonds	7,435,729	-	-
Equity securities	39,368,701	-	-
Receivables (net of allowance for doubtful accounts)			
Taxes	-	-	21,639,055
Accounts	1,608,547	-	-
Interest	319,031	-	-
Perpetual care	-	5,000	-
Total assets	<u>67,596,959</u>	<u>5,977</u>	<u>31,056,398</u>
Liabilities			
Accounts payable	8,707	-	-
Due to others	-	-	9,417,343
Uncollected taxes	-	-	21,639,055
Total liabilities	<u>8,707</u>	<u>-</u>	<u>31,056,398</u>
Net assets			
Held in trust for pension benefits and other purposes	<u>\$ 67,588,252</u>	<u>\$ 5,977</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, 2009**

	Pension Trust Funds	Private-purpose Trust Fund Joseph R. Lamar
Additions		
Contributions		
Contributions - employer	\$ 2,924,826	\$ -
Contributions - plan member	383,246	-
Total contributions	3,308,072	-
Investment earnings		
Interest and dividend income	12,084	307
Net increase (decrease) in fair value of investments	8,801,227	-
Total Investment earnings	8,813,311	307
Less investment expense	(391,534)	-
Net investment earnings	8,421,777	307
Total additions	11,729,849	307
Deductions		
Other	-	175
Benefit payments	6,405,517	-
Total deductions	6,405,517	175
Net increase (decrease) in plan net assets	5,324,332	132
Total net assets - beginning	62,263,920	5,845
Total net assets - ending	\$ 67,588,252	\$ 5,977

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, 2009

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, 530 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 936 Broad Street, Suite 107, 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.

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2009

Note 1 - Summary of significant accounting policies (Continued)

Information for the Department of Health is presented for the year ended June 30, 2009, 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, and fiscal dependency.
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.

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

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2009

Note 1 - Summary of significant accounting policies (Continued)

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 revenue from the one percent (1%) 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 the one percent (1%) sales tax collected beginning March 2006 and expiring the quarter after the total of \$160 million has been collected. The revenue sources are sales tax and earned interest, and expenditures will be for capital outlay projects, primarily for public facilities, public works, recreation, and outside agency projects. The funds will also be used to repay \$44 million bonds issued for the expansion at the Webster Detention Center and the construction of the Trade, Event and Exhibit Center. Additionally the funds will be used for the repayment of \$8 million bonds issued by 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, 2009

Note 1 - Summary of significant accounting policies (Continued)

Law Library – This fund accounts for receipt and disbursement of the Library.

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

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

Building Inspection Fund – This fund accounts for building inspection licensing and fees revenue and related expenditures.

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.

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.

Transportation and Tourism Fund – This fund accounts for a fee to provide enhanced public transportation services and to enhance the tourism opportunities in the Historic Heritage District. The Government has implemented a \$1.00 per night room fee. In exchange for the transportation fee, payers of the fee shall be entitled to free use of the public transportation systems for the duration of their hotel stay in Augusta. The revenues generated by the transportation fee shall be used to fund and enhance public transportation operation, management of the Trade Exhibit and Event Center, and to revitalize the Historic Heritage Districts of Augusta to enhance the transportation and tourism services available in Augusta.

Drug Court – This fund accounts for activities associated with drug education and enforcement.

Debt Service Funds

2006 GO Sales Tax Bonds Debt Service Fund – This fund accounts for the general obligation bonds related to the General Obligation Sales Tax Bonds, Series 2006. The bonds are to be repaid with funds from SPLOST Phase V.

2009 GO Sales Tax Bonds Debt Service Fund – This fund account for the general obligation bonds related to the General Obligation Sales Tax Bonds, Series 2009. The bonds are to be repaid with fund from SPLOST Phase VI.

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 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.

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2009

Note 1 - Summary of significant accounting policies (Continued)

Special Sales Tax Phase VI Fund – This fund is a capital projects fund that accounts for the receipts and disbursements of the one percent (1%) sales tax approved by the taxpayers on June 16, 2009. Collections are projected to start January 1, 2011. In 2009 the City of Augusta bonded \$30.5 million of the estimated 184.7 million SPLOST. The revenue sources are sales tax and earned interest and expenditures will be primarily for the following: \$10 million dollars was returned to the general fund as a reimbursement for the one time use of general fund balance for the purchase and demolition of the Gilbert Manor Housing projects by the Medical College of Georgia for the expansion of MCG's dental school, \$18 million for renovations to the municipal building, \$17 million to replace emergency services vehicles and 10.9 million to parks and recreation. Of the estimated \$184.7 million dollars, \$124 million will go towards infrastructure and \$60.7 million will go towards non infrastructure projects.

Permanent Fund

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

The Government reports the following major enterprise funds:

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

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

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.

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

The Government also reports the following internal service funds:

Risk Management Fund – This fund accounts for the receipt and disbursement of settlement exposure and damage expense claims, commercial insurance premiums and bond on certain employees and elected officials.

Fleet Operations Fund – This fund accounts for the operation and maintenance of County vehicles. The Fund bills other County funds at amounts that will approximately recover all the cost of the services provided.

Workers' Compensation Fund – This fund accounts for the receipt and disbursement of self-insured workers' compensation claims.

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2009

Note 1 - Summary of significant accounting policies (Continued)

Employee Health Benefits Fund – This fund accounts for the receipt and disbursement of self-insured employee group health insurance claims.

Unemployment Fund – This fund accounts for the receipt and disbursement of unemployment benefits.

Long-term Disability Insurance Fund – This fund accounts for the receipt and disbursement of long-term disability claims.

GMA Leases Fund – This fund accounts for the receipt and disbursement of the lease pool agreement with the Georgia Municipal Association.

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.

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

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2009

Note 1 - Summary of significant accounting policies (Continued)

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.

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.

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2009

Note 1 - Summary of significant accounting policies (Continued)

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.

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 asset

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

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2009

Note 1 - Summary of significant accounting policies (Continued)

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	30 years
Water and Sewer systems	30 - 70 years
Infrastructure	30 years

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.

O. Reclassification

Certain 2008 amounts have been reclassified to conform to the 2009 financial statement presentation.

Note 2 - Stewardship, compliance and accountability

A. Excess of expenditures over appropriations

	Expenditures		Variance (Negative)
	Budget	Actual	
Nonmajor Governmental Funds			
Special Assessment Fund			
General government	\$ 13,990	\$ 15,660	\$ (1,670)

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	
Housing and Neighborhood development	\$ (121,341)
Internal Service Funds	
Fleet Operations	(126,657)
GMA Leases	(31,799)

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2009

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, 2009 approximately \$295,800,000 of the Government's approximate \$297,700,000 bank balance was uninsured. Of these uninsured deposits, none were collateralized with securities held by the financial institution's trust department or agent in the Government's name, approximately \$277,700,000 were collateralized with securities held by the financial institution, by its trust department or agency, but not in the Government's name, and approximately \$18,100,000 were 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.
- 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.

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2009

Note 3 - Detailed notes on all funds (Continued)

- 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.

At December 31, 2009, the Government had outstanding repurchase agreement to resell \$40,356,116 of U.S. Government securities with a fair value of \$40,356,116. The agreement yield is 4.882% and matures January 4, 2010.

As of December 31, 2009 the investments of the Government were:

Type of Investment	Fair Value	4-12 Months	1 - 5 Years
U.S. Government securities	\$ 14,455,905	\$ 3,331,986	\$ 11,123,919
Corporate securities	7,435,729	933,688	6,502,041
		\$ 4,265,674	\$ 17,625,960
Equity securities	39,368,701		
Georgia Fund 1	96,949,675		
Georgia Extended Asset Pool	12,670,933		
Total investments	\$ 170,880,943		

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	BBB+
U.S. Government securities	\$ 14,455,905	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate securities	7,435,729	1,059,403	1,041,495	653,289	1,382,936	2,778,201	520,406
	\$ 21,891,634	\$ 1,059,403	\$ 1,041,495	\$ 653,289	\$ 1,382,936	\$ 2,778,201	\$ 520,406

Additionally, as of December 31, 2009, the Government has money market funds in the amount of \$5,576,291 and \$56,165,547 included in cash and temporary investments and restricted cash and investments, respectively, on the Statement of Net Assets. The Government money market funds in the amount of \$4,227,287 are included in cash and cash equivalents on the Statement of Fiduciary Net Assets. The balance of these money market funds was categorized as follows as of December 31, 2009:

Type of Investment	Average Credit Rating	Fair Value	Maturity Period Less than 1 Year
Money market funds	AAA	\$ 56,165,547	\$ 56,165,547
Money market funds	Not rated	9,803,578	9,803,578

The local government investment pool "Georgia Fund 1", created by O.C.G.A. §36-83-8, is a stable net asset value investment pool. Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company; the regulatory oversight of the pool is assigned to the State of Georgia's Office of Treasury and Fiscal Services.

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2009

Note 3- Detailed notes on all funds (Continued)

The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share. 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	\$ 261,658,039
Restricted cash and investments	133,531,042
Pension and agency funds	75,086,724
Total	\$ <u>470,275,805</u>

Notes to the financial statements:

Cash on hand	\$ 27,400
Deposits	299,367,462
Investments	170,880,943
Total	\$ <u>470,275,805</u>

Department of Health

At June 30, 2008, 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, 2009

Note 3 - Detailed notes on all funds (Continued)

Augusta Canal Authority

As of December 31, 2009, the bank balance totaled \$2,962,946. Of the total bank balance, \$500,000 was insured through the Federal Depository Insurance Corporation (FDIC). \$2,434,123 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. The remaining \$28,823 was uncollateralized.

As of December 31, 2009, the Authority had no investments.

B. Receivables

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

Lien date	January 1
Levy date	July 28
Collection period	August 14 - November 16
Due date	November 16

Receivables at December 31, 2009, 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	Water and Sewer
Receivables:						
Taxes	\$ 4,522,622	\$ 653,475	\$ -	\$ -	\$ -	\$ -
Accounts	8,213,959	1,800	-	11,868	3,171,650	15,148,033
Interest	56,315	-	44,843	-	212,892	13,793
Note	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Gross receivables	12,792,896	655,275	44,843	11,868	3,384,542	15,161,826
Less: allowance for uncollectibles	(897,124)	(82,543)	-	-	-	(614,028)
Net total receivables	\$ 11,895,772	\$ 572,732	\$ 44,843	\$ 11,868	\$ 3,384,542	\$ 14,547,798

	Bush Field	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	Total	Adjustments to Full Accrual	Statement of Net Assets
Receivables (Cont.):						
Taxes	\$ -	\$ 1,686,792	\$ -	\$ 6,862,889	\$ -	\$ 6,862,889
Accounts	800,413	2,191,533	4,410,230	33,949,486	3,913,919	37,863,405
Interest	-	10,867	692	339,042	-	339,042
Note	-	3,672,335	-	3,672,335	-	3,672,335
Intergovernmental	161,701	-	-	161,701	-	161,701
Gross receivables	962,114	7,561,527	4,410,922	44,985,453	3,913,919	48,899,372
Less: allowance for uncollectibles	(100,000)	(294,048)	(851,744)	(2,839,487)	-	(2,839,487)
Net total receivables	\$ 862,114	\$ 7,267,479	\$ 3,559,178	\$ 42,145,966	\$ 3,913,919	\$ 46,059,885

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,

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2009

Note 3 - Detailed notes on all funds (Continued)

repayments of these loans are recorded as other revenue in the Housing and Neighborhood Development Fund, a nonmajor special revenue fund.

Finally, the Fiduciary fund financial statements include \$21,639,055 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 \$319,031 and accounts receivable totaling \$1,608,547 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, 2008	Additions	Disposals	December 31, 2009
Capital assets, not being depreciated				
Land	\$ 20,607,064	\$ 550,000	\$ -	\$ 21,157,064
Construction in process	84,164,763	72,655,935	(16,692,605)	140,128,093
Total capital assets not being depreciated	104,771,827	73,205,935	(16,692,605)	161,285,157
Other capital assets:				
Land and Site Improvements	10,132,390	1,548,422	-	11,680,812
Buildings	83,020,529	209,905	-	83,230,434
Building improvements	18,300,874	3,174,347	(6,217)	21,469,004
Vehicles	33,543,648	4,094,145	(1,344,594)	36,293,199
Machinery and equipment	15,705,898	651,269	(161,385)	16,195,782
IT – hardware	3,993,634	30,498	(27,582)	3,996,550
IT – software	2,908,265	358,457	-	3,266,722
Furniture and fixtures	1,898,883	63,224	-	1,962,107
Other capital	20,980	-	-	20,980
Infrastructure	92,535,914	11,226,855	-	103,762,769
Richmond County Public Facilities	12,655,483	-	-	12,655,483
Total other capital assets	274,716,498	21,357,122	(1,539,778)	294,533,842
Less accumulated depreciation for:				
Land and site improvements	(3,193,339)	(502,795)	-	(3,696,134)
Buildings	(30,455,221)	(2,561,504)	-	(33,016,725)
Building improvements	(3,687,332)	(717,817)	5,596	(4,399,553)
Vehicles	(26,860,676)	(3,115,673)	1,340,402	(28,635,947)
Machinery and equipment	(7,857,651)	(1,170,805)	161,385	(8,867,071)
IT – hardware	(3,136,330)	(376,505)	27,581	(3,485,254)
IT – software	(2,651,221)	(192,084)	-	(2,843,305)
Furniture and fixtures	(1,298,222)	(112,086)	-	(1,410,308)
Other capital	(6,236)	(4,196)	-	(10,432)
Infrastructure	(20,242,880)	(3,025,961)	-	(23,268,841)
Richmond County Public Facilities	(10,546,236)	-	-	(10,546,236)
Total accumulated depreciation	(109,935,344)	(11,779,426)	1,534,964	(120,179,806)
Other capital assets, net	164,781,154	9,577,696	(4,814)	174,354,036
Governmental activities capital assets, net	\$ 269,552,981	\$ 82,783,631	\$ (16,697,419)	\$ 335,639,193

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2009

Note 3 - Detailed notes on all funds (Continued)

Depreciation expense was charged to functions as follows:

Governmental activities	
General government	\$ 892,182
Judicial	1,285,349
Public safety	3,674,948
Public works	3,953,211
Health and welfare	124,975
Culture and Recreation	1,772,553
Housing and development	47,757
Fleet	26,729
Risk	1,722
	\$ 11,779,426

	Balance December 31, 2008	Additions	Disposals	Balance December 31, 2009
<u>Water and Sewer</u>				
Capital assets, not being depreciated:				
Land	\$ 8,533,683	\$ 1,421,077	\$ -	\$ 9,954,760
Construction in progress	207,605,661	10,538,969	(115,298,032)	102,846,598
Total capital assets not being depreciated	216,139,344	11,960,046	(115,298,032)	112,801,358
Other capital assets:				
Buildings	39,114,130	853,571	-	39,967,701
Vehicles	6,661,862	675,371	(714,960)	6,622,273
Machinery and equipment	15,131,204	207,896	(245,790)	15,093,310
Furniture and fixtures	475,552	65,583	-	541,135
Other capital	5,800,930	422,703	(12,744)	6,210,889
Water and sewerage systems	417,250,930	174,822,211	-	592,073,141
Contributed water and sewerage systems	10,563,423	-	-	10,563,423
Total capital assets being depreciated	494,998,031	177,047,335	(973,494)	671,071,872
Less accumulated depreciation for:				
Buildings	(26,691,145)	(1,200,777)	-	(27,891,922)
Vehicles	(5,683,099)	(469,095)	714,960	(5,437,234)
Machinery and equipment	(6,943,054)	(1,030,605)	245,790	(7,727,869)
Furniture and fixtures	(446,320)	(14,389)	-	(460,709)
Other capital	(5,166,258)	(266,471)	708	(5,432,021)
Water and sewerage systems	(130,548,327)	(14,383,562)	-	(144,931,889)
Contributed water and sewerage systems	(7,393,232)	(279,149)	-	(7,672,381)
Total accumulated depreciation	(182,871,435)	(17,644,048)	961,458	(199,554,025)
Other capital assets being depreciated, net	312,126,596	159,403,287	(12,036)	471,517,847
Water and sewer capital assets, net	\$ 528,265,940	\$ 171,363,333	\$ (115,310,068)	\$ 584,319,205

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2009

Note 3 - Detailed notes on all funds (Continued)

	Balance December 31, 2008	Additions	Disposals	Balance December 31, 2009
<u>Augusta Regional Airport</u>				
Capital assets not being depreciated:				
Land	\$ 5,741,152	\$ -	\$ -	\$ 5,741,152
Construction in progress	33,009	172,090	(33,009)	172,090
Total capital assets not being depreciated	5,774,161	172,090	(33,009)	5,913,242
Other capital assets:				
Site improvements	3,084,273	371,103	-	3,455,376
Building improvements	1,703,324	8,200	-	1,711,524
Buildings	39,398,227	78,180	-	39,476,407
Vehicles	2,102,860	175,475	-	2,278,335
Machinery and equipment	2,893,600	24,581	-	2,918,181
Furniture and fixtures	601,889	5,187	-	607,076
Other capital	166,144	-	-	166,144
Information tech – hardware	74,411	-	-	35,832
Information tech – software	35,832	-	-	74,411
Infrastructure	25,291,904	-	-	25,291,904
Total capital assets being depreciated	75,352,464	662,726	-	76,015,190
Less accumulated depreciation for:				
Site improvements	(1,306,319)	(209,980)	-	(1,516,299)
Building improvements	(1,152,733)	(32,577)	-	(1,185,310)
Buildings	(6,556,269)	(950,106)	-	(7,506,375)
Vehicles	(1,788,188)	(102,031)	-	(1,890,219)
Machinery and equipment	(1,576,143)	(209,233)	-	(1,785,376)
Furniture and fixtures	(343,991)	(54,554)	-	(398,545)
Other capital	(166,144)	-	-	(166,144)
Information tech – hardware	(69,756)	(594)	-	(70,350)
Information tech – software	(27,933)	(641)	-	(28,574)
Infrastructure	(13,180,738)	(686,047)	-	(13,866,785)
Total accumulated depreciation	(26,168,214)	(2,245,763)	-	(28,413,977)
Other capital assets being depreciated, net	49,184,250	(1,583,037)	-	47,601,213
Augusta Regional Airport capital assets, net	\$ 54,958,411	\$ (1,410,947)	\$ (33,009)	\$ 53,514,455

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2009

Note 3 – Detailed notes on all funds (Continued)

	Balance December 31, 2008	Additions	Disposals	Balance December 31, 2009
<u>Nonmajor enterprise funds</u>				
Capital assets, not being depreciated				
Land	\$ 2,694,869	\$ -	\$ -	\$ 2,694,869
Construction in process	8,468,022	13,167,725	(71,022)	21,564,725
Total capital assets not being depreciated	11,162,891	13,167,725	(71,022)	24,259,594
Other capital assets:				
Site and building improvements	2,581,219	-	(80,000)	2,501,219
Landfill Cell IIC	9,399,876	-	-	9,399,876
Landfill Cell IIIC	5,616,841	-	-	5,616,841
Buildings	3,164,904	-	-	3,164,904
Vehicles	7,133,848	640,980	(134,059)	7,640,769
Machinery and equipment	7,299,585	814,427	-	8,114,012
Infrastructure	1,485,833	-	-	1,485,833
IT – hardware	75,338	118,364	-	193,702
IT - software	483,023	-	-	483,023
Total capital assets being depreciated	37,240,467	1,573,771	(214,059)	38,600,179
Less accumulated depreciation for:				
Site and building improvements	(1,570,907)	(118,265)	80,000	(1,609,172)
Landfill Cell IIC	(9,399,876)	-	-	(9,399,876)
Landfill Cell IIIC	(780,116)	(374,457)	-	(1,154,573)
Buildings	(1,602,405)	(100,956)	-	(1,703,361)
Vehicles	(4,759,713)	(647,595)	134,059	(5,273,249)
Machinery and equipment	(2,711,235)	(1,114,080)	-	(3,825,315)
Infrastructure	(840,070)	(49,527)	-	(889,597)
IT – hardware	(73,539)	(7,556)	-	(81,095)
IT – software	(472,197)	(11,335)	-	(483,532)
Total accumulated depreciation	(22,210,058)	(2,423,771)	214,059	(24,419,770)
Other capital assets, net	15,030,409	(850,000)	-	14,180,409
Nonmajor enterprise funds, net	26,193,300	12,317,725	(71,022)	38,440,003
Business-type activities capital assets, net	\$ 609,417,651	\$ 182,270,111	\$ (115,414,099)	\$ 676,273,663

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

Waste management and garbage collection	\$ 1,876,377
Transit	426,971
Daniel Field Airport	89,401
Municipal golf course	31,022
	\$ 2,423,771

Construction costs include, among other things, capitalized interest costs. Capitalized net interest costs were approximately \$6,500,000 for the year ended December 31, 2009.

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2009

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, 2009 was as follows:

	June 30, 2008			June 30, 2009
	As restated	Additions	Disposals	
Capital assets, not being depreciated				
Land	\$ 1,947,997	\$ -	\$ -	\$ 1,947,997
Other capital assets:				
Buildings	9,846,066	-	-	9,846,066
Improvements	556,193	-	-	556,193
Equipment	671,307	36,875	-	708,182
Vehicles	152,393	-	-	152,393
	<u>11,225,959</u>	<u>36,875</u>	<u>-</u>	<u>11,262,834</u>
Less accumulated depreciation for:				
Buildings	(2,000,638)	(251,255)	-	(2,251,893)
Improvements	(382,384)	(27,810)	-	(410,194)
Equipment	(176,323)	(86,299)	-	(262,622)
Vehicles	(88,049)	(11,840)	-	(99,889)
Total accumulated depreciation	<u>(2,647,394)</u>	<u>(377,204)</u>	<u>-</u>	<u>(3,024,598)</u>
Other capital assets, net	<u>8,578,565</u>	<u>(340,329)</u>	<u>-</u>	<u>8,238,236</u>
Governmental activities capital assets, net	<u>\$ 10,526,562</u>	<u>\$ (340,329)</u>	<u>\$ -</u>	<u>\$ 10,186,233</u>

Augusta Canal Authority

Capital asset activity for the Augusta Canal Authority for the year ended December 31, 2009 was as follows:

	December 31,			December 31,
	2008	Additions	Deletions	
Capital assets not being depreciated:				
Land	\$ 467,000	\$ -	\$ -	\$ 467,000
Construction in process	92,641	112,373	-	205,014
Total capital assets not being depreciated	<u>559,641</u>	<u>112,373</u>	<u>-</u>	<u>672,014</u>
Capital assets being depreciated:				
Leasehold improvements	3,968,156	-	-	3,968,156
Boats	697,071	-	-	697,071
Vehicles	24,621	-	-	24,621
Machinery and equipment	19,575	-	-	19,575
Computer equipment	18,649	-	-	18,649
Office equipment	4,601	-	-	4,601
Furniture and fixtures	32,676	-	-	32,676
Infrastructure	10,069,481	127,563	-	10,197,044
Total capital assets being depreciated	<u>14,834,830</u>	<u>127,563</u>	<u>-</u>	<u>14,962,393</u>
Less accumulated depreciation for:				
Leasehold improvements	(828,320)	(147,082)	-	(975,402)
Boats	(140,576)	(27,883)	-	(168,459)
Vehicles	(16,173)	(2,676)	-	(18,849)
Machinery and equipment	(12,791)	(2,346)	-	(15,137)
Computer equipment	(16,402)	(578)	-	(16,980)
Office equipment	(4,348)	(160)	-	(4,508)
Furniture and fixtures	(21,358)	(2,757)	-	(24,115)
Infrastructure	(521,485)	(249,563)	-	(771,048)
Total accumulated depreciation	<u>(1,561,453)</u>	<u>(433,045)</u>	<u>-</u>	<u>(1,994,498)</u>
Total capital assets being depreciated - net	<u>13,273,377</u>	<u>(305,482)</u>	<u>-</u>	<u>12,967,895</u>
Governmental activities capital assets, net	<u>\$ 13,833,018</u>	<u>\$ (193,109)</u>	<u>\$ -</u>	<u>\$ 13,639,909</u>

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2009

Note 3 – Detailed notes on all funds (Continued)

Downtown Development Authority

Capital asset activity for the year ended December 31, 2009 was as follows:

	December 31, 2008	Additions	Deletions	December 31, 2009
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	7,920	-	-	7,920
Total capital assets	6,465,313	-	-	6,465,313
Less accumulated depreciation for:				
Port Royal parking deck	(1,235,000)	(65,000)	-	(1,300,000)
Riverfront parking deck	(1,717,200)	(95,400)	-	(1,812,600)
Clock	(19,849)	(4,139)	-	(23,988)
Furniture and equipment	(4,163)	(1,392)	-	(5,555)
Total accumulated depreciation	(2,976,212)	(165,931)	-	(3,142,143)
Capital assets, net	\$ 3,489,101	\$ (165,931)	\$ -	\$ 3,323,170

Depreciation expense for the year ended December 31, 2009 was \$165,931.

The Downtown Development Authority (the “Authority”) owns additional properties which were contributed in prior years. The Authority did not obtain valuations of the properties at the date of contribution and records are not available to reflect the correct fair market value of the properties on the date contributed. Therefore, the Authority’s financial statements do not reflect the value of these properties. If the property values were attainable, the net assets of the Authority would increase by the respective property values. The assets that are excluded from the financial statements are as follows:

Date Property was Transferred	Property Description
October 18, 1993	18 Eighth Street, Augusta, GA
April 27, 1994	1 Fifth Street, Augusta, GA
November 12, 1999	1 James Brown Blvd., Augusta, GA
December 20, 1999	925 Reynolds Street, Augusta, GA
April 11, 2000	3 Eighth Street, Augusta, GA

D. Accounts payable and accrued liabilities

Payables for the Government at December 31, 2009 were as follows:

	Governmental Funds	Enterprise Funds	Total	Adjustments To Full Accrual	Statement of Net Assets
Payables:					
Accounts payable	\$ 8,787,575	\$ 7,410,926	\$ 16,198,501	\$ 553,072	\$ 16,751,573
Accrued interest	-	5,728,426	5,728,426	336,417	6,064,843
Accrued salaries and vacation	2,213,467	1,208,579	3,422,046	(811,096)	2,610,950
Other accrued liabilities	2,213,527	259,821	2,473,348	9,095,134	11,568,482
Total accounts payable and accrued liabilities	\$ 13,214,569	\$ 14,607,752	\$ 27,822,321	\$ 9,173,527	\$ 36,995,848

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2009

Note 3 - Detailed notes on all funds (Continued)

Adjustments to full-accrual basis include \$336,417 related to accrued interest on governmental long-term debt, \$8,534,019 to other liabilities related to unfunded health insurance contribution for retirees, \$561,115 to other liabilities related to unfunded annual pension cost, \$(848,501) 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 \$553,072 and \$37,405, 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.

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	\$ 2,216,394	\$ -
Taxes receivable net of allowance – Fire Protection Fund	338,345	-
Taxes receivable net of allowance – Nonmajor governmental funds	944,417	-
Grant income received in advance of being earned – General Fund	-	31,467
Business license income received in advance of being earned – General Fund	-	901,225
Housing and Development long-term notes receivable – Nonmajor governmental funds	3,490,398	-
	\$ 6,989,554	\$ 932,692

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 \$15,494,735 as of December 31, 2009, which is based on 95.11% usage (filled) of Cell II C and 4.52% usage (filled) of Cell III, 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 \$11,855,133 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 2013 and 2146, respectively. The estimated total current cost of the landfill closure and postclosure care, \$27,349,868, 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, 2009. 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.

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2009

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

G. Long-term debt

Primary government

1. 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, 2009 the amount of defeased debt outstanding but removed from the governmental debt is \$620,000.

In 2007, the Housing and Neighborhood Development Section 108 loan was defeased by the creation of an irrevocable trust fund. Funds received from repayment of a loan to a local hotel 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, 2009, the amount of defeased debt outstanding but removed from the governmental debt is \$2,500,000.

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.	\$ 18,640,000
\$30,550,000 2009 sales tax bonds – due in annual installments of \$5,000,000 to \$11,800,000, plus interest at 3% to 5% through October 2015.	<u>30,550,000</u>
Total	<u>49,190,000</u>
Add: Bond issue premiums	<u>2,268,058</u>
	<u>\$ 51,458,058</u>

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	<u>(628,815)</u>
Total	<u>\$ 16,259,185</u>

<u>Year ending December 31</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 9,135,000	\$ 1,776,530
2011	18,255,000	1,717,600
2012	-	655,792
2013	5,000,000	654,000
2014	5,000,000	504,000
2015 – 2019	11,800,000	472,000
2020 – 2024	-	-
2025 – 2029	-	-
	<u>\$ 49,190,000</u>	<u>\$ 5,779,922</u>

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2009

Note 3 - Detailed notes on all funds (Continued)

Continued Year ending December 31	Certificates of Participation		Total	
	Principal	Interest	Principal	Interest
2010	\$ -	\$ 802,180	\$ 9,135,000	\$ 2,578,710
2011	-	802,180	18,255,000	2,519,780
2012	-	802,180	-	1,457,972
2013	-	802,180	5,000,000	1,456,180
2014	-	802,180	5,000,000	1,306,180
2015 – 2019	-	4,010,900	11,800,000	4,482,900
2020 – 2024	-	4,010,900	-	4,010,900
2025 – 2029	16,888,000	2,740,782	16,888,000	2,740,782
	<u>\$ 16,888,000</u>	<u>\$ 14,773,482</u>	<u>\$ 66,078,000</u>	<u>\$ 20,553,404</u>

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 \$1,937,871 was leased during 2009.

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
\$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.	104,255,000
\$97,080,000 2000 Water and Sewer Bonds – due in annual installments of \$355,000 to \$11,105,000, plus interest at 4.4% to 5.25% through October 2030.	7,125,000
\$177,010,000 2007 Water and Sewer Bonds – due in annual installments of \$2,060,000 to \$12,260,000 plus interest at 4.0% to 5.0% through October 2030 (this liability is reflected in the Water and Sewer Fund net of deferred refunding amount of \$6,874,618).	<u>173,209,999</u>
Total	444,589,999
Less: Deferred refunding amounts	(6,874,618)
Less: Bond issue discounts	(813,257)
Add: Bond issue premiums	<u>15,192,961</u>
Total revenue bonds – Water and sewer	<u>\$ 452,095,085</u>

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2009

Note 3 - Detailed notes on all funds (Continued)

Augusta Regional Airport at Bush Field

Airport Passenger Facility Charge and General Revenue Bonds (Series 2005A) – issued in the original amount of \$8,990,000 in 2005 with interest of 5.15% payable semi-annually beginning July 1, 2005 and principal payable annually beginning January 2031 ranging from \$540,000 to \$2,165,000 through 2034 and principal payable of \$2,275,000 on January 1, 2035. \$ 8,990,000

Airport Passenger Facility Charge and General Revenue Bonds (Series 2005B) – issued in the original amount of \$4,415,000 in 2005 with interest of 5.35% payable semi-annually beginning July 1, 2005 and principal payable annually beginning January 1, 2025 ranging from \$1,355,000 to \$1,505,000 through 2027 and principal payable of \$130,000 on maturity at January 1, 2028. 4,415,000

Airport Passenger Facility Charge and General Revenue Bonds (Series 2005C) – issued in the original amount of \$6,200,000 in 2005 with interest of 5.45% payable semi-annually beginning July 1, 2005 and principal payable annually beginning January 1, 2028 ranging from \$1,455,000 to \$1,760,000 through 2030 and principal payable of \$1,315,000 on maturity at January 1, 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 \$ 3,765,000

Add: Bond issue premium 132,799

Total revenue bonds – Waste Management 3,897,799

Total revenue bonds \$ 475,597,884

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. \$ 2,157,974

\$6,553,217 State revolving loan – principal and interest due in quarterly installments of \$119,392, bearing interest at 4%, through July 2019. 3,759,019

\$19,196,880 Federal Government loan – due in monthly principal and interest installments of \$204,665, bearing interest at 5.11%, through March 2018. 16,503,302

Total \$ 22,420,295

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2009

Note 3 - Detailed notes on all funds (Continued)

Year ending December 31	Business-type Activities					
	Notes Payable		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 2,195,289	\$ 997,538	\$ 8,155,000	\$ 23,601,138	\$ 10,350,289	\$ 24,598,676
2011	2,388,070	924,149	7,820,000	23,283,130	10,208,070	24,207,279
2012	2,505,412	806,807	7,760,000	22,960,448	10,265,412	23,767,255
2013	2,628,586	683,635	8,095,000	22,628,957	10,723,586	23,312,592
2014	2,757,881	554,339	8,495,000	22,227,269	11,252,881	22,781,608
2015-2019	9,945,057	873,336	49,235,000	104,386,503	59,180,057	105,259,839
2020-2024	-	-	61,455,000	91,037,690	61,455,000	91,037,690
2025-2029	-	-	86,245,000	73,292,959	86,245,000	73,292,959
2030-2034	-	-	108,449,999	49,114,053	108,449,999	49,114,053
2035-2039	-	-	122,250,000	19,656,875	122,250,000	19,656,875
	<u>\$ 22,420,295</u>	<u>\$ 4,839,804</u>	<u>\$ 467,959,999</u>	<u>\$ 452,189,022</u>	<u>\$ 490,380,294</u>	<u>\$ 457,028,826</u>

Series 2007 Water and Sewerage Revenue Bonds

During 2007, the Government issued \$177,010,000 in Series 2007 Water and Sewerage Revenue Bonds. A portion of the proceeds from the sale of these bonds was used to refund all of the former Series 1996 and 1997 Water and Sewerage Revenue Bonds in the amount of \$56,875,000. The remaining portion of the bond proceeds of \$120,135,000 was used to advance refund a portion of the Series 2000 and 2002 Water and Sewerage Revenue Bonds. The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$4,300,000. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2030 using the effective-interest method. The refunding decreased the total debt service payments over the next 21 years by approximately \$5,600,000 and produced an economic gain of approximately \$3,700,000. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$3,200,000. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2030 using the effective-interest method. The refunding decreased the total debt service payments over the next 23 years by approximately \$7,200,000 and produced an economic gain of approximately \$4,600,000. Proceeds of approximately \$126,793,000 from the defeased issues were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust fund with an escrow agency to provide for all future debt service payments on the above mentioned bonds. As of December 31, 2009, the amount of these defeased debts outstanding but removed from the Water and Sewer Fund is \$121,265,000.

Series 2004 Water and Sewerage Bonds

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.

Series 2004 Solid Waste Management Authority of Augusta Revenue Bonds

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.

Series 2002 Water and Sewerage Revenue Bonds

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.

AUGUSTA, GEORGIA

Notes to Financial Statements - Continued

Year Ended December 31, 2009

Note 3 - Detailed notes on all funds (Continued)

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.

Series 2000 Water and Sewerage Revenue Bonds

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.

Series 1996 Water and Sewerage Revenue Bonds

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. 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.

Series 1997 Water and Sewerage Revenue Bonds

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. The advance refunding during 1997 resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$540,000. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2021 using the effective-interest method. The refunding will increase total debt service payments over the next 24 years by approximately \$2,100,000 and will produce an economic gain of approximately \$110,000.

As of December 31, 2009, the amount of these defeased debts outstanding but removed from the Water and Sewer Fund is \$700,000.

Revenues Pledged

The Water and Sewer Fund has pledged future water customer revenues, net of specified operating expenses, to repay \$444.6 million remaining in water system revenue bonds issued in 2000, 2002, 2004 and 2007. Proceeds from the bonds provided financing for the construction of making additions, extensions and improvements to the Utilities' water and sewer system. The bonds are payable solely from water customer net revenues and are payable through 2043. Annual principal and interest payments on the bonds are expected to require less than 34.2 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$874.1 million. Principal and interest paid for the current year and total customer net revenues were \$22.3 million and \$65.3 million, respectively.

The Augusta Regional Airport has pledged certain future revenues to repay \$19,605,000 in Airport Revenue Bonds issued in 2005. Proceeds from the bonds provided financing for the acquisition, construction and installation of a new airline passenger terminal and certain other capital improvements.

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2009

Note 3 – Detailed notes on all funds (Continued)

The Airport Passenger Facility Charge and General Revenue Bonds Series 2005A and 2005B are payable through 2035 primarily from Passenger Facility Charge No. 99-01-C-AGS approved by the Federal Aviation Administration in 2004. Should the proceeds of the Passenger Facility Charge not be sufficient to pay when due interest and principal on Series 2005A and 2005B, the interest and principal shortfall will be paid from Airport Net General Revenues, derived by the Government from the ownership and operation of the Airport, remaining after the payment of expenses of operating, maintaining, and repairing the Airport (“Net General Revenues”), and (2) those passenger facility charge revenues that are allocable to the 2005 Project (“PFC Revenues”). The total principal and interest remaining to be paid on the Series 2005A and 2005B Revenue Bonds was approximately \$28,744,000 as of December 31, 2009. There were no principal payments in the current year, while interest paid was approximately \$699,000. Total Passenger Facility Charge revenue was \$703,863 for the year ended December 31, 2009.

The Series 2005C Revenue Bonds are payable through 2031 solely from and secured by a first priority pledge or and lien on Net General Revenues only. Annual principal and interest payments on the bonds are expected to require less than 35 percent of net revenues through 2012. The total principal and interest remaining to be paid on the bonds was approximately \$13,118,000 as of December 31, 2009. There were no principal payments in the current year, while interest paid was approximately \$338,000. Total net general revenues were \$1,620,300 for the year ended December 31, 2009.

Financial Covenants

Pursuant to the Bond Resolution, the Augusta Regional Airport is subject to meeting certain financial covenants related to the Airport Revenue Bonds. The financial covenants include requirements to (i) provide for 100 percent of the Expenses of Operation and Maintenance and for the accumulation in the Operation and Maintenance Reserve Fund of the Operating Reserve; and (ii) produce Net General Revenues, together with Other Available Moneys, in each fiscal year which will (a) equal at least 125 percent of the Debt Service Requirement on all General Revenue Bonds then outstanding for the sinking fund year ending on the next January 1 and at least 100 percent of the debt service or other amounts payable on all Subordinate Bonds and Other Airport Obligations payable from Net General Revenues then outstanding for the year of computation, (b) enable the Aviation Commission to make all required payments, if any, into the Debt Service Reserve Account, the PFC Debt Service Reserve Account, the Rebate Fund, the Renewal and Replacement Fund and on any Contract or Other Airport Obligation, (c) enable the Aviation Commission to accumulate an amount to be held in the Capital Improvement Fund, which in the judgment of the Aviation Commission is adequate to meet the costs of major renewals, replacements, repairs, additions, betterments, and improvements to the Airport, necessary to keep the same in good operating condition or as is required by any governmental agency having jurisdiction over the Airport, and (d) remedy all deficiencies in required payments from the Revenue Fund from prior fiscal years. As of December 31, 2009 the Airport was in compliance with all covenants.

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 \$566,568 and the debt for the obligation under capital lease was \$399,061 at June 30, 2009.

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.

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2009

Note 3 – Detailed notes on all funds (Continued)

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
2010	\$ 615,000	7,872

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 has 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.

Future minimum lease payments under the leases and the net present value of the minimum lease payments as of December 31, 2009 are as follows:

	Governmental Activities	Business-type Activities
2010	\$ 767,058	\$ 2,123,986
2011	377,843	2,020,001
2012	40,356	1,540,024
2013	40,356	1,200,209
2014	-	934,877
2015 – 2019	-	2,899,823
Total minimum lease payment	1,255,613	10,718,920
Less: Amount representing interest	-	(1,162,743)
Present value of lease payments	\$ 1,255,613	\$ 9,556,177

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 2009, rental income totaled approximately \$2,281,000 and \$90,000 in the Augusta Regional Airport at Bush Field and Daniel Field Airport Funds, respectively.

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2009

Note 3 – Detailed notes on all funds (Continued)

The assets acquired through capital leases as of December 31, 2009 are as follows:

	Governmental Activities	Business-type Activities
Vehicles	\$ 2,381,886	\$ 748,875
Machinery and equipment	-	9,285,874
	2,381,886	10,034,749
Less: accumulated depreciation	(503,267)	(1,927,652)
Carrying value	\$ 1,878,619	\$ 8,107,097

I. Changes in long-term liabilities

Primary government

The following is a summary of long-term debt transactions of the year ended December 31, 2009:

	Beginning Balances	Additions	Reductions	Ending Balances	Current Portion
Governmental activities:					
Bonds and notes payable:					
Tax Anticipation Note	\$ -	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -
General obligation bonds payable	27,425,000	30,550,000	8,785,000	49,190,000	9,135,000
Add: Bond issue premiums	444,922	1,971,444	148,308	2,268,058	476,881
Total bonds and notes payable	27,869,922	42,521,444	18,933,308	51,458,058	9,611,881
Certificates of participation	16,888,000	-	-	16,888,000	-
Less: original issue discount	(673,730)	-	(44,915)	(628,815)	-
Total certificates of participation	16,214,270	-	(44,915)	16,259,185	-
Other liabilities:					
Compensated absences	4,602,447	4,317,760	4,223,319	4,696,888	4,696,888
Capital leases	1,460,713	1,214,242	1,449,342	1,225,613	767,058
Claims and judgments	4,339,943	3,554,471	1,786,916	6,107,498	3,856,086
Total other liabilities	10,403,103	9,086,473	7,459,577	12,029,999	9,320,032
Governmental activities long-term liabilities	\$ 54,487,295	\$ 51,607,917	\$ 26,347,970	\$ 79,747,242	\$ 18,931,913
Business-type activities:					
Revenue debt:					
Revenue bonds payable	\$ 475,220,000	\$ -	\$ 7,260,001	\$ 467,959,999	\$ 8,155,000
Less: deferred refunding amounts	(7,205,362)	-	(330,744)	(6,874,618)	-
Less: bond issue discounts	(887,660)	-	(74,403)	(813,257)	-
Add: bond issue premiums	15,983,981	-	658,221	15,325,760	-
Total revenue debt	483,110,959	-	7,513,075	475,597,884	8,155,000
Other liabilities:					
Compensated absences	800,539	959,235	911,273	848,501	848,501
Notes payable	24,593,234	-	2,172,939	22,420,295	2,195,289
Capital leases	10,785,894	723,629	1,953,346	9,556,177	1,863,018
Closure/postclosure accrual	9,184,152	6,310,583	-	15,494,735	-
Total other liabilities	45,363,819	7,993,447	5,037,558	48,319,708	4,906,808
Business-type activities long-term liabilities	\$ 528,474,778	\$ 7,993,447	\$ 12,550,633	\$ 523,917,592	\$ 13,061,808

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2009

Note 3 – Detailed notes on all funds (Continued)

The total interest incurred for the year ended December 31, 2009 was approximately \$25,600,000. Of this amount, approximately \$6,500,000 was capitalized as a component of the cost of capital assets constructed during the year and approximately \$19,100,000 was charged to expense.

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.

Department of Health

At June 30, 2009, the Department of Health’s long-term liabilities consisted of obligations for compensated absences and an obligation under capital lease.

Capital lease

The Department has entered into a long-term lease agreement for land and buildings. The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 (SFAS 13) *Accounting for Leases*.

The future minimum lease payments under the lease and the net present value of the value of minimum lease payments at June 30, 2009 are as follows:

Fiscal Year Ending	Principal	Interest	Total
2010	\$ 37,985	\$ 26,731	\$ 64,716
2011	40,731	23,985	64,716
2012	43,675	21,041	64,716
2013	46,832	17,884	64,716
2014	50,218	14,498	64,716
2015-2019	179,620	20,683	200,303
Totals	\$ 399,061	\$ 124,822	\$ 523,883

Long-term liability activity for the year ended June 30, 2009 was as follows:

	Beginning Balances	Additions	Reductions	Ending Balances
Compensated absences	\$ 621,886	\$ 404,994	\$ (460,312)	\$ 566,568
Obligations under capital lease	434,485	-	(35,424)	399,061
Totals	\$ 1,056,371	\$ 404,994	\$ (495,736)	\$ 965,629

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2009

Note 3 – Detailed notes on all funds (Continued)

Downtown Development Authority

Long-term debt activity for the year ended December 31, 2009 was as follows:

	General Long-term Debt Development Authority Revenue Bonds, Series 2003
Debt outstanding at December 31, 2008	\$ 1,215,000
Principal payments	<u>(600,000)</u>
Debt outstanding at December 31, 2009	\$ <u>615,000</u>
Current portion	\$ <u>615,000</u>

J. Due From/To Other Funds

The composition of interfund balances as of December 31, 2009 are as follows:

<u>Due from other funds</u>	Due to Other Funds					<u>Funds Total</u>
	<u>Water and Sewer Fund</u>	<u>Bush Field</u>	<u>Nonmajor Governmental</u>	<u>Nonmajor Enterprise</u>	<u>Internal Service</u>	
General Fund	\$ 4,548,996	\$ 3,060,619	\$ 1,159,504	\$ 117,897	\$ 1,614,040	\$ 10,501,056
Total interfund balances	<u>\$ 4,548,996</u>	<u>\$ 3,060,619</u>	<u>\$ 1,159,504</u>	<u>\$ 117,897</u>	<u>\$ 1,614,040</u>	<u>\$ 10,501,056</u>

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

Note 4 – Other information

A. Risk management

The Government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Government is self-insured. The Risk Management Funds (an internal service fund) are utilized by the Government to account for and finance its self-insured risks of loss. The Risk Management Funds are maintained to provide general liability insurance, workers' compensation coverage, and unemployment coverage. The Government is self-insured for workers' compensation coverage through a self-insurance program that is administered under contracts with a third party administrator. Future claims can be paid from designated funds established in 1987 from previously unrestricted-unreserved funds. Balances as of December 31, 2009, include the following:

General Fund - undesignated	\$ 2,775,061
General Fund – Transit asset reserve	<u>1,930,000</u>
Total General Fund	4,705,061
Fire Protection Fund	250,000
Risk Management Fund	<u>1,035,166</u>
Total reserve	\$ <u>5,990,227</u>

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

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2009

Note 4 – Other information (Continued)

The following represents the changes in the balance of claim liabilities for the Government from January 1, 2008 to December 31, 2009:

Unpaid claims, January 1, 2008	\$ 4,214,997
Incurred claims (including IBNRs)	109,209
Claim payments	<u>(1,152,984)</u>
Unpaid claims, December 31, 2007	3,171,222
Incurred claims (including IBNRs)	2,471,780
Claim payments	<u>(1,786,916)</u>
 Unpaid claims, December 31, 2009	 \$ <u>3,856,086</u>

Transfers To/From Other Funds

Transfers in (out) for the year ended December 31, 2009 are summarized below:

Transfers in	Transfers out						Total
	General Fund	Nonmajor Governmental	Special Sales Tax Phase III	Special Sales Tax Phase IV	Special Sales Tax Phase V	Nonmajor Enterprise	
General Fund	\$ -	\$ 14,250,443	\$ -	\$ -	\$ -	\$ 125,000	\$ 14,375,443
Fire Protection Fund	-	4,960,000	-	-	-	-	4,960,000
Special Sales Tax Phase III	-	2,190,850	-	-	-	-	2,190,850
Special Sales Tax Phase IV	-	348,800	2,562,693	-	-	-	2,911,493
Special Sales Tax Phase V	-	-	-	3,621,900	-	-	3,621,900
Nonmajor Governmental	1,090,000	-	-	-	9,707,050	-	10,797,050
Nonmajor Enterprise	974,040	5,456,350	-	-	-	-	6,430,390
Internal Service	<u>335,076</u>	<u>24,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>359,896</u>
Total transfers	<u>\$ 2,399,116</u>	<u>\$ 27,231,263</u>	<u>\$ 2,562,693</u>	<u>\$ 3,621,900</u>	<u>\$ 9,707,050</u>	<u>\$ 125,000</u>	<u>\$ 45,647,022</u>

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.

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, 2009, 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.

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2009

Note 4 – Other information (Continued)

C. Contracts and commitments

Augusta-Richmond County Coliseum Authority

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

D. Richmond County Public Facilities, Inc.

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

Richmond County Public Facilities, Inc. issued Certificates of Participation to provide funds for the Government to refund the 1990 Certificates of Participation issue and for certain capital projects. The related assets are included in the financial statements of the Government in the 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.

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. The Government has a single-employer post-retirement plan that provides medical and death benefits to eligible retirees and their spouses. 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 funding policies for the 1945 Plan provides 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

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2009

Note 5 – Pension plans (Continued)

actuarial assumptions used to compute pension contribution requirements are the same as those used to determine the standard measure of the pension obligation.

1977 Plan

During the year ended December 31, 2008, the employees in the 1977 Plan transferred their existing benefits plan into a revised GMEBS 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.

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.

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, 2008 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.

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

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2009

Note 5 – Pension plans (Continued)

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 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 November 1, 2008 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.

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	33	0	4
General Pension Plan	0	0	0
Policemen’s Pension Plan	2	0	0
Firemen’s Pension Plan	5	0	0
City Employees’ Pension Plan	9	0	0
General Retirement Plan (City 1949)	144	9	135
GMEBS	210	142	1,926
Total	403	151	2,065

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

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, 2009, there were approximately 245 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, 2009, the employees’ contributions were approximately \$441,995, and the Government’s contributions were approximately \$220,998. This is a closed retirement plan (new employees may not participate in the Plan).

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2009

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, 2008 were \$608,015. Members become fully vested after ten years of service.

B. Summary of significant accounting policies

Basis of Accounting

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.

Method used to Value Investments

Investments are reported at fair value. Money market mutual funds are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price or exchange rate. Net appreciation (depreciation) in fair value of investments includes the difference between cost and fair value of investments held as well as the net realized gains or losses from securities sold. Interest and dividend income is recognized on the accrual basis when earned. Purchases and sales of investments are recorded on a trade date basis.

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

Employer contributions have been determined as follows:

	1945 Plan	1977 Plan
Valuation date	1/1/08	1/1/08
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%

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2009

Note 5 – Pension plans (Continued)

	General Pension Plan	Policemen's Pension Plan
Valuation date	12/31/08	12/31/08
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	12/31/08	12/31/08
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	01/01/08	11/01/2008
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	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
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

The aggregate actuarial cost method is used to determine the annual required contribution of the employer for the General Retirement Pension Plan (City 1949). Because the method does not identify or separately amortize unfunded actuarial liabilities, information about the Plan's funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and the information presented is intended to serve as a surrogate for the funded status and funding progress of the Plan.

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2008

Note 5 – Pension plans (Continued)

Three-year trend information is as follows:

	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	\$ 331,330	100%	\$ (9)
1977 Plan	01/01/2006	974,653	103,5126	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	217,945	100%	-
	Fiscal Year Beginning	Annual Pension Cost	Actual County Contribution	Percentage of APC Contributed	Net Pension (Asset) Obligation
<u>2007</u>					
1945 Plan	01/01/2007	\$ 214,686	\$ 220,377	103%	\$ (5,700)
1977 Plan	01/01/2007	714,806	934,962	131%	(367,712)
General Pension Plan	01/01/2007	13,219	13,219	100%	-
Policemen’s Pension Plan	01/01/2007	50,480	50,480	100%	-
Firemen’s Pension Plan	01/01/2007	179,202	179,202	100%	-
City Employees’ Pension Plan	01/01/2007	297,368	297,368	100%	-
General Retirement Plan (City 1949)	01/01/2007	-	-	100%	-
GMEBS	01/01/2007	271,945	271,945	100%	-
	Fiscal Year Beginning	Annual Pension Cost	Actual County Contribution	Percentage of APC Contributed	Net Pension (Asset) Obligation
<u>2008</u>					
1945 Plan	01/01/2008	\$ 143,673	\$ 191,465	133%	\$ (53,492)
General Pension Plan	01/01/2008	6,610	6,610	100%	-
Policemen’s Pension Plan	01/01/2008	48,960	48,960	100%	-
Firemen’s Pension Plan	01/01/2008	131,558	131,558	100%	-
City Employees’ Pension Plan	01/01/2008	276,009	276,009	100%	-
General Retirement Plan (City 1949)	01/01/2008	-	-	100%	-
GMEBS	01/01/2008	2,527,165	1,912,558	76%	614,607

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2009

Note 5 – Pension plans (Continued)

The net pension obligation (asset) has been calculated as follows:

	1945 Plan	General Pension Plan
Annual required contribution	\$ 156,630	\$ 6,610
Interest on net pension obligation	(5,266)	-
Adjustment on annual required contribution	(7,691)	-
Annual pension cost	143,673	6,610
Contributions made	(191,465)	(6,610)
Increase (decrease) in net obligation	\$ (47,792)	\$ -
Net pension obligation (asset) (beginning of year)	\$ (5,700)	\$ -
Net OPEB obligation (asset) (end of year)	\$ (53,492)	\$ -

	Policeman's Pension Plan	Fireman's Pension Plan
Annual required contribution	\$ 48,960	\$ 131,558
Interest on net pension obligation	-	-
Adjustment on annual required contribution	-	-
Annual pension cost	48,960	131,558
Contributions made	(48,960)	(131,558)
Increase (decrease) in net obligation	\$ -	\$ -
Net pension obligation (asset) (beginning of year)	\$ -	\$ -
Net OPEB obligation (asset) (end of year)	\$ -	\$ -

	City Employees' Pension Plan	General Retirement Pension Plan (City 1949)	GMEBS
Annual required contribution	\$ 276,009	\$ -	\$ 2,527,165
Interest on net pension obligation	-	-	-
Adjustment on annual required contribution	-	-	-
Annual pension cost	276,009	-	2,527,165
Contributions made	(276,009)	-	(1,912,558)
Increase (decrease) in net obligation	\$ -	\$ -	\$ 614,607
Net pension obligation (asset) (beginning of year)	\$ -	\$ -	\$ -
Net OPEB obligation (asset) (end of year)	\$ -	\$ -	\$ 614,607

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2009

Note 5 – Pension plans (Continued)

E. Funded status

The funded status of each plan as of the most recent valuation date is as follows:

	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability AAL Entry Age	(Funded) Unfunded AAL (FAAL) UAAL	Funded Ratio	Covered Payroll	(FAAL) UAAL as A % of Covered Payroll
<u>1945 Plan</u>							
01/01/08	\$ 9,839,493	\$ 11,083,498	\$ 1,244,005	89	\$ 252,660	492	
<u>General Pension Plan</u>							
12/31/08	-	-	-	-	-	-	
<u>Policemen's Pension Plan</u>							
12/31/08	-	188,987	188,987	-	-	-	
<u>Firemen's Pension Plan</u>							
12/31/08	-	558,594	558,594	-	-	-	
<u>City Employees' Pension Plan</u>							
12/31/08	-	1,265,155	1,265,155	-	-	-	
<u>General Retirement Plan (City 1949)</u>							
01/01/08	74,862,875	70,398,531	(44,643,44)	106	6,416,602	(70)	
<u>GMEBS</u>							
11/01/08	48,945,634	64,678,455	15,732,821	76	60,618,181	26	

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability.

F. Post-employment retirement benefits

Plan description. Augusta-Richmond County sponsors a single-employer post-retirement plan provides medical and death benefits to eligible retirees and their spouses.

Annual OPEB cost and net OPEB obligation. The Government's annual other post-retirement benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Government's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Government's net OPEB obligation:

Components of net OPEB obligation	
Annual required contribution	\$ 6,920,509
Interest on net OPEB obligation	143,649
Adjustment on annual required contribution	-
Annual OPEB cost (expense)	<u>7,064,158</u>
Contributions made or accrued	<u>(1,141,943)</u>
Increase in net obligation	<u>\$ 5,922,215</u>
Net OPEB obligation (beginning of year)	\$ 2,611,804
Net OPEB obligation (end of year)	\$ 8,534,019

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2009

Note 5 – Pension plans (Continued)

The Government's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost</u>	<u>Net OPEB Obligation</u>
12/31/2008	\$ 7,064,158	16.2%	\$ 8,534,819
12/31/2007	4,371,442	40.3%	2,611,804

Funding policy. The Government intends to continue to fund the OPEB on an actual pay-as-you-go expense. OPEB is fully funded by the Government and plan members are not required to contribute. Contribution requirements may be amended by a majority vote of the full-body of the governing board, the Augusta-Richmond County Commission.

Funded status and funding progress. As of January 1, 2008, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$82,912,060 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$ 82,912,060.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial methods and assumptions. Projections of benefits for financial reporting purposes are based on substantive plan (the plan as understood by the employer and the plan members) and includes the type of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 5.5% investment rate of return (net of administrative expenses), based on the employer's own investments and used to discount liabilities at the valuation date, and an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 5% after three years. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at January 1, 2008 was 30 years.

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, 2009, the Government paid \$151,270 in such dues, which was based on a per capita amount of \$1.00. 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

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2009

Note 6 – Joint venture and related organization (Continued)

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, 2009 follows:

Lodging tax receipts	\$ 3,840,128
Disbursements to the Augusta-Richmond County Coliseum Authority and the Augusta Convention and Visitors Bureau -for promotion of tourism	<u>(3,585,192)</u>
Balance of lodging tax funds on hand at end of year	<u>\$ 254,936</u>

The Government has received audit reports from the Augusta-Richmond County Coliseum Authority and the Augusta Convention and Visitors Bureau, 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 Government’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. As of December 31, 2009, the estimate arbitrage payable of \$2,251,412 has been included in claims and judgments in the accompanying financial statements.

Note 9 – Conduit debt obligations

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

On December 14, 2000, the Government issued Special Facility Airport Revenue Bonds in the amount of \$3,110,000 which qualifies as a conduit debt obligation. The bonds are payable solely from revenues pledged under a lease agreement. As of December 31, 2009, 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, 2009, including interest are as follows:

	Revenue Bonds	
	Principal	Interest
2010	\$ 3,110,000	\$ 152,390

AUGUSTA, GEORGIA

Notes to Financial Statements – Continued

Year Ended December 31, 2009

Note 10 – Expenditure of federal grant funds

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, 2009. 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.

Note 11 – Prior period adjustments

Department of Health

Prior period adjustment to beginning net assets in the entity-wide financial statements has been made to correct presentation of real property. Additionally, adjustment is reflected in restatement of beginning amounts for fixed assets.

Note 12 – New accounting pronouncements

GASB issued GASB Statement No. 51, *Accounting and Financial Reporting of Intangible Assets*, which, among other things, establishes uniform accounting and financial reporting requirements for intangible assets. Entities possess many different types of assets that may be considered intangible assets, including easements, water rights, timber rights, patents, trademarks, and computer software. The statement provides that all intangible assets not specifically excluded by its scope provisions be classified as capital assets and amortized according to the useful life of the intangible asset. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009. The Government's management is currently evaluating the impact GASB No. 51 will have on the Government's financial statements.

GASB issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which, among other things, enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010. The Government's management is currently evaluating the impact GASB No. 54 will have on the Government's financial statements.

Note 13– Subsequent events

In June 2010, the City of Augusta issued \$8 million bond as part of an intergovernmental contract with the Urban Redevelopment Authority. For 2010, this newly created organization will be considered a component unit of the City.

In May 2010, legal cases tried in 2009 were settled, resulting in a judgment in the amount of \$550,000. This resolved all claims in both cases.

On March 26, 2010, the Augusta Utilities entered into a Clean Water State Revolving Fund agreement with the Georgia Environmental Facilities Authority for the purpose of funding Phase II of the replacement of the main interceptor sewer line leading to the Messlerley Wastewater Treatment Plant. The loan amount is \$8,105,000 due in monthly principal and interest installments of \$44,950, including interest at 3% to begin on May 1, 2010 through April 1, 2030.

PENSION PLAN REQUIRED SUPPLEMENTARY INFORMATION

AUGUSTA, GEORGIA

Defined Benefit Pension Trusts – Required Supplementary Information (Unaudited) December 31, 2009

Schedules of funding progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability AAL Entry Age	(Funded) Unfunded AAL (FAAL) UAAL	Funded Ratio	Covered Payroll	(FAAL) UAAL as A % of Covered Payroll
1945 Plan						
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
01/01/07	9,749,998	10,469,945	719,947	93	240,629	299
01/01/08	9,839,493	11,083,498	1,244,005	89	252,660	492
1977 Plan						
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
01/01/07	23,686,629	30,488,774	6,802,145	78	18,882,710	36
General Pension Plan						
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	-	-	-	-	-	-
12/31/07	-	40,450	40,450	-	-	-
12/31/08	-	-	-	-	-	-
Policemen's Pension Plan						
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	-	-	-
12/31/07	-	201,920	201,920	-	-	-
12/31/08	-	188,987	188,987	-	-	-

AUGUSTA, GEORGIA

Defined Benefit Pension Trusts - Required Supplementary Information - Continued (Unaudited) December 31, 2009

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						
12/31/96	\$ -	\$ 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	-	-	-
12/31/07	-	788,489	788,489	-	-	-
12/31/08	-	558,594	558,594	-	-	-
City Employees' Pension Plan						
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	-	-	-
12/31/07	-	1,412,498	1,412,498	-	-	-
12/31/08	-	1,265,155	1,265,155	-	-	-
General Retirement Plan (City 1949)						
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
01/01/07	72,348,604	71,720,302	(628,302)	101	6,082,087	(10)
01/01/08	74,862,875	70,398,531	(4,464,344)	106	6,416,602	(70)
GMEBS						
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
11/01/08	48,945,634	64,678,455	15,732,821	76	60,618,181	26.0

**COMBINING AND INDIVIDUAL
FUND STATEMENTS**

NONMAJOR GOVERNMENTAL FUNDS

AUGUSTA, GEORGIA

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2009**

	Special Revenue Funds	Capital Project Funds	Debt Service Funds
Assets			
Cash and temporary investments	\$ 13,617,850	\$ 2,715,279	\$ 15,706
Receivables (net of allowance for doubtful accounts)			
Taxes	1,474,300	-	-
Accounts	2,171,092	-	-
Interest	-	10,867	-
Note	3,611,220	-	-
Prepaid items	623,557	-	-
Restricted assets			
Reserve account	-	21,534,764	988,174
Perpetual care	-	-	-
Total assets	\$ 21,498,019	\$ 24,260,910	\$ 1,003,880
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ 1,085,649	\$ 400	\$ 91,352
Due to other funds	1,159,504	-	-
Accrued salaries and vacation	105,431	-	-
Other accrued liabilities	17,508	-	-
Deferred revenue	4,434,815	-	-
Total liabilities	6,802,907	400	91,352
Fund balances :			
Reserved for:			
Encumbrances	541,134	374,119	-
Inventory/prepaid items	623,557	-	-
GOB Projects	-	21,533,270	-
Unreserved - undesignated	13,530,421	2,353,121	912,528
Total fund balances	14,695,112	24,260,510	912,528
Total liabilities and fund balances	\$ 21,498,019	\$ 24,260,910	\$ 1,003,880

<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Perpetual Care - II</u>	
\$ 159,866	\$ 16,508,701
-	1,474,300
-	2,171,092
-	10,867
-	3,611,220
-	623,557
-	22,522,938
338,625	338,625
<u>\$ 498,491</u>	<u>\$ 47,261,300</u>

\$ -	\$ 1,177,401
-	1,159,504
-	105,431
-	17,508
-	4,434,815
<u>-</u>	<u>6,894,659</u>

-	915,253
-	623,557
-	21,533,270
498,491	17,294,561
<u>498,491</u>	<u>40,366,641</u>
<u>\$ 498,491</u>	<u>\$ 47,261,300</u>

AUGUSTA, GEORGIA

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2009**

	Special Revenue Funds	Capital Project Funds	Debt Service Funds
Revenues			
Taxes - property	\$ 11,623,746	\$ -	\$ -
Taxes - other than property	13,772,861	-	-
Licenses and permits	3,225,002	-	-
Use of money and property	227,128	83,684	-
Charges for current services	7,484,933	-	-
Fines and forfeitures	595,299	-	-
Intergovernmental	5,130,693	-	-
Other	1,025,370	-	-
Total revenues	<u>43,085,032</u>	<u>83,684</u>	<u>-</u>
Expenditures			
Current:			
General government	3,448,705	9,300	-
Judicial	415,964	-	-
Public safety	3,894,089	-	-
Public works	4,667,600	96,529	-
Culture and recreation	4,894,157	-	-
Housing and development	9,196,530	-	-
Capital outlay	1,718,664	66,974	-
Debt service	1,441,658	-	9,798,152
Total expenditures	<u>29,677,367</u>	<u>172,803</u>	<u>9,798,152</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,407,665</u>	<u>(89,119)</u>	<u>(9,798,152)</u>
Other financing sources (uses)			
Transfers in	1,090,000	-	9,707,050
Transfers (out)	(14,691,613)	(12,539,650)	-
Transfers in (out) between nonmajor funds	-	31,533,270	(31,533,270)
Bonds proceeds	-	-	30,550,000
Premium on bonds sold	-	-	1,971,444
Total other financing sources (uses)	<u>(13,601,613)</u>	<u>18,993,620</u>	<u>10,695,224</u>
Net change in fund balances	(193,948)	18,904,501	897,072
Fund balance - beginning	<u>14,889,060</u>	<u>5,356,009</u>	<u>15,456</u>
Fund balance - ending	<u>\$ 14,695,112</u>	<u>\$ 24,260,510</u>	<u>\$ 912,528</u>

<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Perpetual Care - II</u>	
\$ -	\$ 11,623,746
-	13,772,861
-	3,225,002
56,739	367,551
235	7,485,168
-	595,299
-	5,130,693
-	1,025,370
<u>56,974</u>	<u>43,225,690</u>
-	3,458,005
-	415,964
-	3,894,089
-	4,764,129
-	4,894,157
-	9,196,530
-	1,785,638
-	11,239,810
<u>-</u>	<u>39,648,322</u>
<u>56,974</u>	<u>3,577,368</u>
-	10,797,050
-	(27,231,263)
-	-
-	30,550,000
-	1,971,444
<u>-</u>	<u>16,087,231</u>
56,974	19,664,599
<u>441,517</u>	<u>20,702,042</u>
<u>\$ 498,491</u>	<u>\$ 40,366,641</u>

AUGUSTA, GEORGIA
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009

	<u>Urban Services District</u>	<u>Emergency Telephone System</u>	<u>Capital Outlay</u>	<u>Law Enforcement</u>
Assets				
Cash and temporary investments	\$ 1,921,647	\$ 176,240	\$ 4,883,128	\$ 227,901
Receivables (net of allowance for doubtful accounts)				
Taxes	1,058,352	-	410,950	-
Accounts	746,229	697,476	-	5,691
Note	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 3,726,228</u>	<u>\$ 873,716</u>	<u>\$ 5,294,078</u>	<u>\$ 233,592</u>
Liabilities and fund balances (deficits)				
Liabilities:				
Accounts payable	\$ 30,457	\$ 40,367	\$ 124,056	\$ -
Due to other funds	-	-	-	-
Accrued salaries and vacation	4,818	46,759	-	-
Other accrued liabilities	17,381	-	-	-
Deferred revenue	534,025	-	219,329	-
Total liabilities	<u>586,681</u>	<u>87,126</u>	<u>343,385</u>	<u>-</u>
Fund balances (deficits):				
Reserved for:				
Encumbrances	909	681	433,043	-
Inventory/prepaid items	-	-	-	-
Unreserved - undesignated	3,138,638	785,909	4,517,650	233,592
Total fund balances (deficits)	<u>3,139,547</u>	<u>786,590</u>	<u>4,950,693</u>	<u>233,592</u>
Total liabilities and fund balances (deficits)	<u>\$ 3,726,228</u>	<u>\$ 873,716</u>	<u>\$ 5,294,078</u>	<u>\$ 233,592</u>

Occupational Tax	Special Assessment	Hotel/Motel Tax and Promotion/ Tourism	Housing and Neighborhood Development	Urban Development Action Grant	Federal Drug Fund	State Drug Fund
\$ -	\$ 464,745	\$ 309,121	\$ 287,701	\$ 92,794	\$ 708,793	\$ 778,784
-	-	-	-	-	-	-
-	278,303	-	355,741	4,708	-	-
-	-	-	3,492,762	118,458	-	-
-	-	-	685	-	-	-
<u>\$ -</u>	<u>\$ 743,048</u>	<u>\$ 309,121</u>	<u>\$ 4,136,889</u>	<u>\$ 215,960</u>	<u>\$ 708,793</u>	<u>\$ 778,784</u>
\$ -	\$ 260,281	\$ 309,121	\$ 267,922	\$ 36,336	\$ -	\$ -
-	-	-	473,345	28,912	-	-
-	3,800	-	26,565	-	-	-
-	-	-	-	-	-	-
-	191,063	-	3,490,398	-	-	-
-	455,144	309,121	4,258,230	65,248	-	-
-	87,869	-	14,449	-	-	-
-	-	-	685	-	-	-
-	200,035	-	(136,475)	150,712	708,793	778,784
-	287,904	-	(121,341)	150,712	708,793	778,784
<u>\$ -</u>	<u>\$ 743,048</u>	<u>\$ 309,121</u>	<u>\$ 4,136,889</u>	<u>\$ 215,960</u>	<u>\$ 708,793</u>	<u>\$ 778,784</u>

AUGUSTA, GEORGIA

**Combining Balance Sheet
Nonmajor Special Revenue Funds - Continued
December 31, 2009**

	Law Library	5% Victim's Crime Assistance	Supplemental Juvenile Services	Building Inspection
Assets				
Cash and temporary investments	\$ -	\$ 143,455	\$ 40,020	\$ 905,953
Receivables (net of allowance for doubtful accounts)				
Taxes	-	-	-	-
Accounts	1,458	46,583	-	-
Note	-	-	-	-
Prepaid items	-	-	-	-
Total assets	\$ 1,458	\$ 190,038	\$ 40,020	\$ 905,953
Liabilities and fund balances (deficits)				
Liabilities:				
Accounts payable	\$ -	\$ 2,272	\$ -	\$ 10,597
Due to other funds	1,458	-	-	-
Accrued salaries and vacation	-	6,412	-	17,077
Other accrued liabilities	-	127	-	-
Deferred revenue	-	-	-	-
Total liabilities	1,458	8,811	-	27,674
Fund balances (deficits):				
Reserved for:				
Encumbrances	-	-	-	2,451
Inventory/prepaid items	-	-	-	-
Unreserved - undesignated	-	181,227	40,020	875,828
Total fund balances (deficits)	-	181,227	40,020	878,279
Total liabilities and fund balances (deficits)	\$ 1,458	\$ 190,038	\$ 40,020	\$ 905,953

Wireless Phase	Perpetual Care - I	Downtown Development	Canine Forfeitures	NPDES Permit Fees	Transportation and Tourism	Drug Court	Total Nonmajor Special Revenue Funds
\$ 1,910,204	\$ 367,953	\$ -	\$ 19,664	\$ 110,844	\$ 256,127	\$ 12,776	\$ 13,617,850
-	-	4,998	-	-	-	-	1,474,300
-	3,792	28,131	-	-	-	2,980	2,171,092
-	-	-	-	-	-	-	3,611,220
-	-	622,872	-	-	-	-	623,557
<u>\$ 1,910,204</u>	<u>\$ 371,745</u>	<u>\$ 656,001</u>	<u>\$ 19,664</u>	<u>\$ 110,844</u>	<u>\$ 256,127</u>	<u>\$ 15,756</u>	<u>\$ 21,498,019</u>
\$ 729	\$ 3,511	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,085,649
-	-	655,789	-	-	-	-	1,159,504
-	-	-	-	-	-	-	105,431
-	-	-	-	-	-	-	17,508
-	-	-	-	-	-	-	4,434,815
<u>729</u>	<u>3,511</u>	<u>655,789</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,802,907</u>
-	1,732	-	-	-	-	-	541,134
-	-	622,872	-	-	-	-	623,557
<u>1,909,475</u>	<u>366,502</u>	<u>(622,660)</u>	<u>19,664</u>	<u>110,844</u>	<u>256,127</u>	<u>15,756</u>	<u>13,530,421</u>
<u>1,909,475</u>	<u>368,234</u>	<u>212</u>	<u>19,664</u>	<u>110,844</u>	<u>256,127</u>	<u>15,756</u>	<u>14,695,112</u>
<u>\$ 1,910,204</u>	<u>\$ 371,745</u>	<u>\$ 656,001</u>	<u>\$ 19,664</u>	<u>\$ 110,844</u>	<u>\$ 256,127</u>	<u>\$ 15,756</u>	<u>\$ 21,498,019</u>

AUGUSTA, GEORGIA

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended December 31, 2009**

	Urban Services District	Emergency Telephone System	Capital Outlay	Law Enforcement
Revenues				
Taxes - property	\$ 7,839,331	\$ -	\$ 3,784,415	\$ -
Taxes - other than property	8,637,125	-	-	-
Licenses and permits	-	-	-	-
Use of money and property	64,746	10,241	58,336	3,315
Charges for current services	376,887	2,794,286	-	391,459
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Other	-	-	-	-
Total revenues	<u>16,918,089</u>	<u>2,804,527</u>	<u>3,842,751</u>	<u>394,774</u>
Expenditures				
Current:				
General government	1,360,254	3,326	1,227,771	-
Judicial	-	-	62,130	-
Public safety	-	3,389,542	-	70,149
Public works	373,455	-	62,738	-
Culture and recreation	6,672	-	203,202	-
Housing and development	341,525	-	103,699	-
Capital outlay	-	89,543	1,052,661	55,570
Debt service	-	-	1,438,340	-
Total expenditures	<u>2,081,906</u>	<u>3,482,411</u>	<u>4,150,541</u>	<u>125,719</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,836,183</u>	<u>(677,884)</u>	<u>(307,790)</u>	<u>269,055</u>
Other financing sources (uses)				
Transfers in	-	340,000	-	-
Transfers (out)	(11,440,280)	-	(179,815)	(500,000)
Transfers in (out) between nonmajor funds	(2,614,983)	-	-	-
Total other financing sources (uses)	<u>(14,055,263)</u>	<u>340,000</u>	<u>(179,815)</u>	<u>(500,000)</u>
Net change in fund balances (deficits)	780,920	(337,884)	(487,605)	(230,945)
Fund balance (deficits) - beginning	<u>2,358,627</u>	<u>1,124,474</u>	<u>5,438,298</u>	<u>464,537</u>
Fund balance (deficits) - ending	<u>\$ 3,139,547</u>	<u>\$ 786,590</u>	<u>\$ 4,950,693</u>	<u>\$ 233,592</u>

Occupational Tax	Special Assessment	Hotel/Motel Tax and Promotion/Tourism	Housing and Neighborhood Development	Urban Development Action Grant	Federal Drug Fund	State Drug Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	4,637,904	-	-	-	-
2,193,810	-	-	-	-	-	-
3,022	750	-	-	4,789	8,045	10,241
-	2,051,472	-	-	-	-	-
-	-	-	-	-	167,897	120,219
-	-	-	4,879,990	35,000	-	215,703
5,226	-	-	1,018,694	1,450	-	-
<u>2,202,058</u>	<u>2,052,222</u>	<u>4,637,904</u>	<u>5,898,684</u>	<u>41,239</u>	<u>175,942</u>	<u>346,163</u>
5,360	15,660	-	154,270	8,100	-	-
-	-	-	-	-	-	-
-	-	-	-	-	2,862	158,129
-	4,231,407	-	-	-	-	-
-	-	4,637,903	-	-	-	-
-	-	-	6,560,064	836,186	-	238,656
-	30,866	-	-	-	50,661	253,855
-	-	-	-	-	-	-
<u>5,360</u>	<u>4,277,933</u>	<u>4,637,903</u>	<u>6,714,334</u>	<u>844,286</u>	<u>53,523</u>	<u>650,640</u>
<u>2,196,698</u>	<u>(2,225,711)</u>	<u>1</u>	<u>(815,650)</u>	<u>(803,047)</u>	<u>122,419</u>	<u>(304,477)</u>
-	750,000	-	-	-	-	-
(2,196,698)	-	-	(12,410)	-	-	-
-	1,719,860	-	580,123	803,818	-	-
<u>(2,196,698)</u>	<u>2,469,860</u>	<u>-</u>	<u>567,713</u>	<u>803,818</u>	<u>-</u>	<u>-</u>
-	244,149	1	(247,937)	771	122,419	(304,477)
-	43,755	(1)	126,596	149,941	586,374	1,083,261
<u>\$ -</u>	<u>\$ 287,904</u>	<u>\$ -</u>	<u>\$ (121,341)</u>	<u>\$ 150,712</u>	<u>\$ 708,793</u>	<u>\$ 778,784</u>

AUGUSTA, GEORGIA

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Continued
Nonmajor Special Revenue Funds
Year Ended December 31, 2009**

	Law Library	5% Victim's Crime Assistance	Supplemental Juvenile Services	Building Inspection	Wireless Phase
Revenues					
Taxes - property	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - other than property	-	-	-	-	-
Licenses and permits	-	-	-	1,024,801	-
Use of money and property	-	2,161	438	11,664	17,627
Charges for current services	-	-	6,475	-	867,354
Fines and forfeitures	-	280,492	-	-	-
Intergovernmental	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>-</u>	<u>282,653</u>	<u>6,913</u>	<u>1,036,465</u>	<u>884,981</u>
Expenditures					
Current:					
General government	-	7,740	1,580	26,030	-
Judicial	-	350,844	2,990	-	-
Public safety	-	-	-	-	273,407
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Housing and development	-	-	-	935,310	-
Capital outlay	-	-	-	185,508	-
Debt service	-	-	-	-	-
Total expenditures	<u>-</u>	<u>358,584</u>	<u>4,570</u>	<u>1,146,848</u>	<u>273,407</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(75,931)</u>	<u>2,343</u>	<u>(110,383)</u>	<u>611,574</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	(12,410)	-
Transfers in (out) between nonmajor funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,410)</u>	<u>-</u>
Net change in fund balances (deficits)	<u>-</u>	<u>(75,931)</u>	<u>2,343</u>	<u>(122,793)</u>	<u>611,574</u>
Fund balance (deficits) - beginning	<u>-</u>	<u>257,158</u>	<u>37,677</u>	<u>1,001,072</u>	<u>1,297,901</u>
Fund balance (deficits) - ending	<u>\$ -</u>	<u>\$ 181,227</u>	<u>\$ 40,020</u>	<u>\$ 878,279</u>	<u>\$ 1,909,475</u>

Perpetual Care - I	Downtown Development	Canine Forefeitures	NPDES Permit Fees	Transportation and Tourism	Drug Court	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,623,746
-	497,832	-	-	-	-	13,772,861
-	-	-	6,391	-	-	3,225,002
27,387	-	212	1,299	2,795	60	227,128
-	-	-	-	997,000	-	7,484,933
-	-	595	-	-	26,096	595,299
-	-	-	-	-	-	5,130,693
-	-	-	-	-	-	1,025,370
<u>27,387</u>	<u>497,832</u>	<u>807</u>	<u>7,690</u>	<u>999,795</u>	<u>26,156</u>	<u>43,085,032</u>
-	628,214	-	-	-	10,400	3,448,705
-	-	-	-	-	-	415,964
-	-	-	-	-	-	3,894,089
-	-	-	-	-	-	4,667,600
46,380	-	-	-	-	-	4,894,157
-	181,090	-	-	-	-	9,196,530
-	-	-	-	-	-	1,718,664
-	3,318	-	-	-	-	1,441,658
<u>46,380</u>	<u>812,622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,400</u>	<u>29,677,367</u>
<u>(18,993)</u>	<u>(314,790)</u>	<u>807</u>	<u>7,690</u>	<u>999,795</u>	<u>15,756</u>	<u>13,407,665</u>
-	-	-	-	-	-	1,090,000
-	-	-	-	(350,000)	-	(14,691,613)
-	315,000	-	-	(803,818)	-	-
<u>-</u>	<u>315,000</u>	<u>-</u>	<u>-</u>	<u>(1,153,818)</u>	<u>-</u>	<u>(13,601,613)</u>
(18,993)	210	807	7,690	(154,023)	15,756	(193,948)
<u>387,227</u>	<u>2</u>	<u>18,857</u>	<u>103,154</u>	<u>410,150</u>	<u>-</u>	<u>14,889,060</u>
<u>\$ 368,234</u>	<u>\$ 212</u>	<u>\$ 19,664</u>	<u>\$ 110,844</u>	<u>\$ 256,127</u>	<u>\$ 15,756</u>	<u>\$ 14,695,112</u>

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, 2009

With comparative amounts for December 31, 2008

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2008 Actual
Revenues				
Taxes - property	\$ 7,748,780	\$ 7,839,331	\$ 90,551	\$ 7,204,224
Taxes - other than property	8,970,790	8,637,125	(333,665)	8,829,904
Use of money and property	65,000	64,746	(254)	107,693
Charges for current services	345,000	376,887	31,887	291,833
Total revenues	<u>17,129,570</u>	<u>16,918,089</u>	<u>(211,481)</u>	<u>16,433,654</u>
Expenditures				
Current:				
General government	1,644,400	1,360,254	284,146	1,406,267
Public works	505,500	373,455	132,045	447,399
Culture and recreation	7,350	6,672	678	6,673
Housing and development	343,300	341,525	1,775	301,676
Total expenditures	<u>2,500,550</u>	<u>2,081,906</u>	<u>418,644</u>	<u>2,162,015</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,629,020</u>	<u>14,836,183</u>	<u>207,163</u>	<u>14,271,639</u>
Other financing sources (uses)				
Transfers (out)	(12,099,390)	(11,440,280)	659,110	(12,073,365)
Transfers in (out) between nonmajor funds	<u>(2,529,630)</u>	<u>(2,614,983)</u>	<u>(85,353)</u>	<u>(2,541,652)</u>
Total other financing sources (uses)	<u>(14,629,020)</u>	<u>(14,055,263)</u>	<u>573,757</u>	<u>(14,615,017)</u>
Net change in fund balances	<u>\$ -</u>	<u>780,920</u>	<u>\$ 780,920</u>	<u>(343,378)</u>
Fund balance - beginning		<u>2,358,627</u>		<u>2,702,005</u>
Fund balance - ending		<u>\$ 3,139,547</u>		<u>\$ 2,358,627</u>

AUGUSTA, GEORGIA

**Emergency Telephone System Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Nonmajor Special Revenue Funds
 Year Ended December 31, 2009
 With comparative amounts for December 31, 2008**

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2008 Actual
Revenues				
Use of money and property	\$ 8,000	\$ 10,241	\$ 2,241	\$ 29,062
Charges for current services	2,928,180	2,794,286	(133,894)	3,030,054
Total revenues	<u>2,936,180</u>	<u>2,804,527</u>	<u>(131,653)</u>	<u>3,059,116</u>
Expenditures				
Current:				
General government	3,670	3,326	344	9,447
Public safety	3,647,160	3,389,542	257,618	3,348,778
Capital outlay	112,000	89,543	22,457	-
Total expenditures	<u>3,762,830</u>	<u>3,482,411</u>	<u>280,419</u>	<u>3,358,225</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(826,650)</u>	<u>(677,884)</u>	<u>148,766</u>	<u>(299,109)</u>
Other financing sources (uses)				
Transfers in	340,000	340,000	-	300,000
Total other financing sources (uses)	<u>340,000</u>	<u>340,000</u>	<u>-</u>	<u>300,000</u>
Net change in fund balances	<u>\$ (486,650)</u>	<u>(337,884)</u>	<u>\$ 148,766</u>	891
Fund balance - beginning		<u>1,124,474</u>		<u>1,123,583</u>
Fund balance - ending		<u>\$ 786,590</u>		<u>\$ 1,124,474</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, 2009

With comparative amounts for December 31, 2008

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2008 Actual
Revenues				
Taxes - property	\$ 3,626,620	\$ 3,784,415	\$ 157,795	\$ 3,337,694
Use of money and property	-	58,336	58,336	23,701
Intergovernmental	-	-	-	173,210
Contributions and donations	-	-	-	2,800
Other	-	-	-	2,423
Total revenues	<u>3,626,620</u>	<u>3,842,751</u>	<u>216,131</u>	<u>3,539,828</u>
Expenditures				
Current:				
General government	2,601,366	1,227,771	1,373,595	1,383,470
Judicial	69,064	62,130	6,934	5,143
Public works	207,320	62,738	144,582	239,868
Culture and recreation	250,653	203,202	47,451	374,571
Housing and development	103,700	103,699	1	198,000
Capital outlay	3,084,803	1,052,661	2,032,142	1,475,355
Debt service	1,438,340	1,438,340	-	1,462,972
Total expenditures	<u>7,755,246</u>	<u>4,150,541</u>	<u>3,604,705</u>	<u>5,139,379</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,128,626)</u>	<u>(307,790)</u>	<u>3,820,836</u>	<u>(1,599,551)</u>
Other financing sources (uses)				
Transfers in	-	-	-	200,000
Transfers (out)	<u>(213,750)</u>	<u>(179,815)</u>	<u>33,935</u>	<u>(101,471)</u>
Total other financing sources (uses)	<u>(213,750)</u>	<u>(179,815)</u>	<u>33,935</u>	<u>98,529</u>
 Net change in fund balances	 <u><u>\$ (4,342,376)</u></u>	 <u><u>(487,605)</u></u>	 <u><u>\$ 3,854,771</u></u>	 <u><u>(1,501,022)</u></u>
 Fund balance - beginning		 <u>5,438,298</u>		 <u>6,939,320</u>
 Fund balance - ending		 <u><u>\$ 4,950,693</u></u>		 <u><u>\$ 5,438,298</u></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, 2009

With comparative amounts for December 31, 2008

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2008 Actual</u>
Revenues				
Use of money and property	\$ -	\$ 3,315	\$ 3,315	\$ 15,722
Charges for current services	500,000	391,459	(108,541)	69,922
Total revenues	<u>500,000</u>	<u>394,774</u>	<u>(105,226)</u>	<u>85,644</u>
Expenditures				
Current:				
Public safety	544,430	70,149	474,281	85,052
Capital outlay	55,570	55,570	-	163,918
Total expenditures	<u>600,000</u>	<u>125,719</u>	<u>474,281</u>	<u>248,970</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(100,000)</u>	<u>269,055</u>	<u>369,055</u>	<u>(163,326)</u>
Other financing sources (uses)				
Transfers (out)	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u><u>\$ (600,000)</u></u>	<u>(230,945)</u>	<u><u>\$ 369,055</u></u>	<u>(163,326)</u>
Fund balance - beginning		<u>464,537</u>		<u>627,683</u>
Fund balance - ending		<u><u>\$ 233,592</u></u>		<u><u>\$ 464,357</u></u>

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, 2009

With comparative amounts for December 31, 2008

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2008 Actual</u>
Revenues				
Licenses and permits	\$ 2,450,000	\$ 2,193,810	\$ (256,190)	\$ 2,290,711
Use of money and property	20,000	3,022	(16,978)	16,222
Other	1,500	5,226	3,726	1,487
Total revenues	<u>2,471,500</u>	<u>2,202,058</u>	<u>(269,442)</u>	<u>2,308,420</u>
Expenditures				
Current:				
General government	5,360	5,360	-	5,220
Total expenditures	<u>5,360</u>	<u>5,360</u>	<u>-</u>	<u>5,220</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,466,140</u>	<u>2,196,698</u>	<u>(269,442)</u>	<u>2,303,200</u>
Other financing sources (uses)				
Transfers (out)	<u>(2,466,140)</u>	<u>(2,196,698)</u>	269,442	<u>(2,303,200)</u>
Total other financing sources (uses)	<u>(2,466,140)</u>	<u>(2,196,698)</u>	269,442	<u>(2,303,200)</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund balance - beginning		<u>-</u>		<u>-</u>
Fund balance - ending		<u>\$ -</u>		<u>\$ -</u>

AUGUSTA, GEORGIA

Special Assessment Fund

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2009

With comparative amounts for December 31, 2008

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2008 Actual
Revenues				
Charges for current services	\$ 2,030,920	\$ 2,051,472	\$ 20,552	\$ 1,757,247
Use of money and property	-	750	750	-
Total revenues	<u>2,030,920</u>	<u>2,052,222</u>	<u>21,302</u>	<u>1,757,247</u>
Expenditures				
Current:				
General government	13,990	15,660	(1,670)	32,810
Public works	4,421,790	4,231,407	190,383	3,942,023
Capital outlay	65,000	30,866	34,134	-
Total expenditures	<u>4,500,780</u>	<u>4,277,933</u>	<u>222,847</u>	<u>3,974,833</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,469,860)</u>	<u>(2,225,711)</u>	<u>244,149</u>	<u>(2,217,586)</u>
Other financing sources (uses)				
Transfers in	750,000	750,000	-	567,810
Transfers in (out) between nonmajor funds	<u>1,719,860</u>	<u>1,719,860</u>	<u>-</u>	<u>1,528,720</u>
Total other financing sources (uses)	<u>2,469,860</u>	<u>2,469,860</u>	<u>-</u>	<u>2,096,530</u>
Net change in fund balances	<u>\$ -</u>	244,149	<u>\$ 244,149</u>	(121,056)
Fund balance - beginning		<u>43,755</u>		<u>164,811</u>
Fund balance - ending		<u>\$ 287,904</u>		<u>\$ 43,755</u>

AUGUSTA, GEORGIA

**Hotel/Motel Tax and Promotion/Tourism Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit)
 Budget and Actual
 Nonmajor Special Revenue Funds
 Year Ended December 31, 2009
 With comparative amounts for December 31, 2008**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2008 Actual</u>
Revenues				
Taxes - other than property	\$ 4,650,000	\$ 4,637,904	\$ (12,096)	\$ 4,482,649
Total revenues	<u>4,650,000</u>	<u>4,637,904</u>	<u>(12,096)</u>	<u>4,482,649</u>
Expenditures				
Current:				
Culture and recreation	4,650,000	4,637,903	12,097	4,482,651
Total expenditures	<u>4,650,000</u>	<u>4,637,903</u>	<u>12,097</u>	<u>4,482,651</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1</u>	<u>1</u>	<u>(2)</u>
 Net change in fund balances	 <u>\$ -</u>	 1	 <u>\$ 1</u>	 (2)
Fund balance (deficit) - beginning		<u>(1)</u>		<u>1</u>
Fund balance (deficit) - ending		<u>\$ -</u>		<u>\$ (1)</u>

AUGUSTA, GEORGIA

**Housing and Neighborhood Development Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit)
 Budget and Actual
 Nonmajor Special Revenue Funds
 Year Ended December 31, 2009
 With comparative amounts for December 31, 2008**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2008 Actual</u>
Revenues				
Intergovernmental	\$ 11,807,970	\$ 4,879,990	\$ (6,927,980)	\$ 5,510,330
Other	<u>1,146,580</u>	<u>1,018,694</u>	<u>(127,886)</u>	<u>481,985</u>
Total revenues	<u>12,954,550</u>	<u>5,898,684</u>	<u>(7,055,866)</u>	<u>5,992,315</u>
Expenditures				
Current:				
General government	154,270	154,270	-	150,500
Housing and development	12,761,917	6,560,064	6,201,853	6,504,003
Capital outlay	<u>509,133</u>	<u>-</u>	<u>509,133</u>	<u>-</u>
Total expenditures	<u>13,425,320</u>	<u>6,714,334</u>	<u>6,710,986</u>	<u>6,654,503</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(470,770)</u>	<u>(815,650)</u>	<u>(344,880)</u>	<u>(662,188)</u>
Other financing sources (uses)				
Transfers (out)	-	(12,410)	(12,410)	-
Transfers in (out) between nonmajor funds	<u>470,770</u>	<u>580,123</u>	<u>109,353</u>	<u>666,669</u>
Total other financing sources (uses)	<u>470,770</u>	<u>567,713</u>	<u>96,943</u>	<u>666,669</u>
 Net change in fund balances	 <u><u>\$ -</u></u>	 <u><u>(247,937)</u></u>	 <u><u>\$ (247,937)</u></u>	 <u><u>4,481</u></u>
Fund balance - beginning		<u>126,596</u>		<u>122,115</u>
Fund balance (deficit) - ending		<u><u>\$ (121,341)</u></u>		<u><u>\$ 126,596</u></u>

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, 2009
 With comparative amounts for December 31, 2008**

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2008 Actual
Revenues				
Use of money and property	\$ 8,000	\$ 4,789	\$ (3,211)	\$ 6,818
Intergovernmental	-	35,000	35,000	-
Other	-	1,450	1,450	3,900
Total revenues	<u>8,000</u>	<u>41,239</u>	<u>33,239</u>	<u>10,718</u>
Expenditures				
Current:				
General government	8,100	8,100	-	7,900
Housing and development	884,689	836,186	48,503	79,923
Total expenditures	<u>892,789</u>	<u>844,286</u>	<u>48,503</u>	<u>87,823</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(884,789)</u>	<u>(803,047)</u>	<u>81,742</u>	<u>(77,105)</u>
Other financing sources (uses)				
Transfers in (out) between nonmajor funds	846,389	803,818	(42,571)	50,154
Fund balance appropriations	38,400	-	-	-
Total other financing sources (uses)	<u>884,789</u>	<u>803,818</u>	<u>(42,571)</u>	<u>50,154</u>
Special items	-	-	-	-
Extraordinary items	-	-	-	-
Net change in fund balances	<u>\$ -</u>	<u>771</u>	<u>\$ 39,171</u>	<u>(26,951)</u>
Fund balance - beginning		<u>149,941</u>		<u>176,892</u>
Fund balance - ending		<u>\$ 150,712</u>		<u>\$ 149,941</u>

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, 2009

With comparative amounts for December 31, 2008

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2008 Actual</u>
Revenues				
Use of money and property	\$ -	\$ 8,045	\$ 8,045	\$ 16,198
Fines and forfeitures	600,000	167,897	(432,103)	141,982
Total revenues	<u>600,000</u>	<u>175,942</u>	<u>(424,058)</u>	<u>158,180</u>
Expenditures				
Current:				
Public safety	549,339	2,862	546,477	50,325
Capital outlay	50,661	50,661	-	103,491
Total expenditures	<u>600,000</u>	<u>53,523</u>	<u>546,477</u>	<u>153,816</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>122,419</u>	<u>122,419</u>	<u>4,364</u>
Net change in fund balances	<u>\$ -</u>	<u>122,419</u>	<u>\$ 122,419</u>	<u>4,364</u>
Fund balance - beginning		<u>586,374</u>		<u>582,010</u>
Fund balance - ending		<u>\$ 708,793</u>		<u>\$ 586,374</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, 2009

With comparative amounts for December 31, 2008

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2008 Actual</u>
Revenues				
Use of money and property	\$ -	\$ 10,241	\$ 10,241	\$ 33,268
Fines and forfeitures	800,000	120,219	(679,781)	33,949
Intergovernmental	-	215,703	215,703	-
Total revenues	<u>800,000</u>	<u>346,163</u>	<u>(453,837)</u>	<u>67,217</u>
Expenditures				
Current:				
Public safety	523,185	158,129	365,056	58,353
Housing and development	238,660	238,656	4	-
Capital outlay	253,858	253,855	3	7,439
Total expenditures	<u>1,015,703</u>	<u>650,640</u>	<u>365,063</u>	<u>65,792</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(215,703)</u>	<u>(304,477)</u>	<u>(88,774)</u>	<u>1,425</u>
Net change in fund balances	<u><u>\$ (215,703)</u></u>	<u>(304,477)</u>	<u><u>\$ (88,774)</u></u>	1,425
Fund balance - beginning		<u>1,083,261</u>		<u>1,081,836</u>
Fund balance - ending		<u><u>\$ 778,784</u></u>		<u><u>\$ 1,083,261</u></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, 2009

With comparative amounts for December 31, 2008

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2008 Actual
Revenues				
Use of money and property	\$ 5,000	\$ 2,161	\$ (2,839)	\$ 7,713
Fines and forfeitures	302,500	280,492	(22,008)	316,428
Other	-	-	-	-
Total revenues	<u>307,500</u>	<u>282,653</u>	<u>(24,847)</u>	<u>324,141</u>
Expenditures				
Current:				
General government	7,740	7,740	-	7,550
Judicial	379,660	350,844	28,816	325,642
Total expenditures	<u>387,400</u>	<u>358,584</u>	<u>28,816</u>	<u>333,192</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(79,900)</u>	<u>(75,931)</u>	<u>3,969</u>	<u>(9,051)</u>
Net change in fund balances	<u><u>\$ (79,900)</u></u>	<u><u>(75,931)</u></u>	<u><u>\$ 3,969</u></u>	<u><u>(9,051)</u></u>
Fund balance - beginning		<u>257,158</u>		<u>266,209</u>
Fund balance - ending		<u><u>\$ 181,227</u></u>		<u><u>\$ 257,158</u></u>

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, 2009
 With comparative amounts for December 31, 2008**

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2008 Actual
Revenues				
Use of money and property	\$ -	\$ 438	\$ 438	\$ 990
Charges for current services	22,800	6,475	(16,325)	9,997
Total revenues	<u>22,800</u>	<u>6,913</u>	<u>(15,887)</u>	<u>10,987</u>
Expenditures				
Current:				
General government	1,580	1,580	-	1,540
Judicial	21,220	2,990	18,230	4,463
Total expenditures	<u>22,800</u>	<u>4,570</u>	<u>18,230</u>	<u>6,003</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>2,343</u>	<u>2,343</u>	<u>4,984</u>
Net change in fund balances	<u>\$ -</u>	<u>2,343</u>	<u>\$ 2,343</u>	<u>4,984</u>
Fund balance - beginning		<u>37,677</u>		<u>32,693</u>
Fund balance - ending		<u>\$ 40,020</u>		<u>\$ 37,677</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, 2009

With comparative amounts for December 31, 2008

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2008 Actual</u>
Revenues				
Licenses and permits	\$ 950,000	\$ 1,024,801	\$ 74,801	\$ 974,253
Use of money and property	8,000	11,664	3,664	31,305
Total revenues	<u>958,000</u>	<u>1,036,465</u>	<u>78,465</u>	<u>1,005,558</u>
Expenditures				
Current:				
General government	26,030	26,030	-	25,390
Housing and development	1,074,820	935,310	139,510	991,156
Capital outlay	271,561	185,508	86,053	32,215
Total expenditures	<u>1,372,411</u>	<u>1,146,848</u>	<u>225,563</u>	<u>1,048,761</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(414,411)</u>	<u>(110,383)</u>	<u>304,028</u>	<u>(43,203)</u>
Other financing sources (uses)				
Transfers in	-	-	-	9,511
Transfers (out)	-	(12,410)	(12,410)	-
Total other financing sources (uses)	<u>-</u>	<u>(12,410)</u>	<u>(12,410)</u>	<u>9,511</u>
Net change in fund balances	<u><u>\$ (414,411)</u></u>	<u>(122,793)</u>	<u><u>\$ 291,618</u></u>	<u>(33,692)</u>
Fund balance - beginning		<u>1,001,072</u>		<u>1,034,764</u>
Fund balance - ending		<u><u>\$ 878,279</u></u>		<u><u>\$ 1,001,072</u></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, 2009

With comparative amounts for December 31, 2008

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2008 Actual</u>
Other financing sources (uses)				
Transfers (out)	\$ -	\$ -	\$ -	\$ (12,661)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,661)</u>
 Net change in fund balances	 <u>\$ -</u>	 <u>-</u>	 <u>\$ -</u>	 <u>(12,661)</u>
 Fund balance - beginning		 <u>-</u>		 <u>12,661</u>
 Fund balance - ending		 <u>\$ -</u>		 <u>\$ -</u>

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, 2009

With comparative amounts for December 31, 2008

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2008 Actual
Revenues				
Use of money and property	\$ 9,000	\$ 17,627	\$ 8,627	\$ 25,512
Charges for current services	444,540	867,354	422,814	731,660
Total revenues	<u>453,540</u>	<u>884,981</u>	<u>431,441</u>	<u>757,172</u>
Expenditures				
Current:				
Public safety	453,540	273,407	180,133	220,867
Total expenditures	<u>453,540</u>	<u>273,407</u>	<u>180,133</u>	<u>220,867</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>611,574</u>	<u>611,574</u>	<u>536,305</u>
Net change in fund balances	<u>\$ -</u>	<u>611,574</u>	<u>\$ 611,574</u>	<u>536,305</u>
Fund balance - beginning		<u>1,297,901</u>		<u>761,596</u>
Fund balance - ending		<u>\$ 1,909,475</u>		<u>\$ 1,297,901</u>

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, 2009

With comparative amounts for December 31, 2008

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2008 Actual</u>
Revenues				
Use of money and property	\$ 79,800	\$ 27,387	\$ (52,413)	\$ 38,524
Total revenues	<u>79,800</u>	<u>27,387</u>	<u>(52,413)</u>	<u>38,524</u>
Expenditures				
Current:				
Culture and recreation	58,800	46,380	12,420	53,877
Capital outlay	21,000	-	21,000	-
Total expenditures	<u>79,800</u>	<u>46,380</u>	<u>33,420</u>	<u>53,877</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(18,993)</u>	<u>(18,993)</u>	<u>(15,353)</u>
Net change in fund balances	<u>\$ -</u>	<u>(18,993)</u>	<u>\$ (18,993)</u>	<u>(15,353)</u>
Fund balance - beginning		<u>387,227</u>		<u>402,580</u>
Fund balance - ending		<u>\$ 368,234</u>		<u>\$ 387,227</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, 2009

With comparative amounts for December 31, 2008

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2008 Actual</u>
Expenditures				
Housing and development	\$ -	\$ -	\$ -	\$ 58,484
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,484</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(58,484)</u>
Net change in fund balances	<u><u>\$ -</u></u>	<u>-</u>	<u><u>\$ -</u></u>	<u>(58,484)</u>
Fund balance - beginning		<u>-</u>		<u>58,484</u>
Fund balance - ending		<u><u>\$ -</u></u>		<u><u>\$ -</u></u>

AUGUSTA, GEORGIA

**Downtown Development Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit)
 Budget and Actual
 Nonmajor Special Revenue Funds
 Year Ended December 31, 2009
 With comparative amounts for December 31, 2008**

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2008 Actual
Revenues				
Taxes - other than property	\$ 488,310	\$ 497,832	\$ 9,522	\$ 474,957
Other	-	-	-	95,527
Total revenues	<u>488,310</u>	<u>497,832</u>	<u>9,522</u>	<u>570,484</u>
Expenditures				
Current:				
General government	628,220	628,214	6	628,262
Housing and development	181,090	181,090	-	154,790
Debt service	18,000	3,318	14,682	11,031
Total expenditures	<u>827,310</u>	<u>812,622</u>	<u>14,688</u>	<u>794,083</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(339,000)</u>	<u>(314,790)</u>	<u>24,210</u>	<u>(223,599)</u>
Other financing sources (uses)				
Transfers in (out) between nonmajor funds	339,000	315,000	(24,000)	346,263
Total other financing sources (uses)	<u>339,000</u>	<u>315,000</u>	<u>(24,000)</u>	<u>346,263</u>
Net change in fund balances (deficit)	<u>\$ -</u>	210	<u>\$ 210</u>	122,664
Fund balance (deficit) - beginning		<u>2</u>		<u>(122,662)</u>
Fund balance - ending		<u>\$ 212</u>		<u>\$ 2</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, 2009

With comparative amounts for December 31, 2008

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2008 Actual</u>
Revenues				
Use of money and property	\$ -	\$ 212	\$ 212	\$ 511
Fines and forfeitures	20,000	595	(19,405)	-
Total revenues	<u>20,000</u>	<u>807</u>	<u>(19,193)</u>	<u>511</u>
Expenditures				
Current:				
Public safety	20,000	-	20,000	-
Total expenditures	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>807</u>	<u>807</u>	<u>511</u>
Net change in fund balances	<u>\$ -</u>	<u>807</u>	<u>\$ 807</u>	<u>511</u>
Fund balance - beginning		<u>18,857</u>		<u>18,346</u>
Fund balance - ending		<u>\$ 19,664</u>		<u>\$ 18,857</u>

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, 2009

With comparative amounts for December 31, 2008

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2008 Actual</u>
Revenues				
Licenses and permits	\$ 30,000	\$ 6,391	\$ (23,609)	\$ 14,545
Use of money and property	1,370	1,299	(71)	2,815
Total revenues	<u>31,370</u>	<u>7,690</u>	<u>(23,680)</u>	<u>17,360</u>
Expenditures				
Current:				
Public works	31,370	-	31,370	5,560
Total expenditures	<u>31,370</u>	<u>-</u>	<u>31,370</u>	<u>5,560</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>7,690</u>	<u>7,690</u>	<u>11,800</u>
Net change in fund balances	<u>\$ -</u>	<u>7,690</u>	<u>\$ 7,690</u>	<u>11,800</u>
Fund balance - beginning		<u>103,154</u>		<u>91,354</u>
Fund balance - ending		<u>\$ 110,844</u>		<u>\$ 103,154</u>

AUGUSTA, GEORGIA

Transportation and Tourism

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2009

With comparative amounts for December 31, 2008

	Amended Budget	Actual	Variance with Final Budget - Positive (Negative)	2008 Actual
Revenues				
Use of money and property	\$ -	\$ 2,795	\$ 2,795	\$ 6,837
Charges for current services	915,200	997,000	81,800	803,467
Total revenues	<u>915,200</u>	<u>999,795</u>	<u>84,595</u>	<u>810,304</u>
Excess (deficiency) of revenues over (under) expenditures	<u>915,200</u>	<u>999,795</u>	<u>84,595</u>	<u>810,304</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	(350,000)	(350,000)	-	(350,000)
Transfers in (out) between nonmajor funds	<u>(846,389)</u>	<u>(803,818)</u>	<u>42,571</u>	<u>(50,154)</u>
Total other financing sources (uses)	<u>(1,196,389)</u>	<u>(1,153,818)</u>	<u>42,571</u>	<u>(400,154)</u>
Net change in fund balances	<u><u>\$ (281,189)</u></u>	<u>(154,023)</u>	<u><u>\$ 127,166</u></u>	410,150
Fund balance - beginning		<u>410,150</u>		<u>-</u>
Fund balance - ending		<u><u>\$ 256,127</u></u>		<u><u>\$ 410,150</u></u>

AUGUSTA, GEORGIA

Drug Court

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2009

With comparative amounts for December 31, 2008

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2008 Actual</u>
Revenues				
Use of money and property	\$ -	\$ 60	\$ 60	\$ -
Fines and forfeitures	81,780	26,096	(55,684)	-
Total revenues	<u>81,780</u>	<u>26,156</u>	<u>(55,624)</u>	<u>-</u>
Expenditures				
Current:				
General government	81,780	10,400	71,380	-
Total expenditures	<u>81,780</u>	<u>10,400</u>	<u>71,380</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>15,756</u>	<u>15,756</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>15,756</u>	<u>\$ 15,756</u>	<u>-</u>
Fund balance - beginning		<u>-</u>		<u>-</u>
Fund balance - ending		<u>\$ 15,756</u>		<u>\$ -</u>

AUGUSTA, GEORGIA
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2009

	2006 GO Sales Tax Bonds Debt Service	2009 GO Sales Tax Bonds Debt Service	Total Nonmajor Debt Service Funds
Assets			
Cash and temporary investments	\$ 15,706	\$ -	\$ 15,706
Restricted assets			
Reserve account	-	988,174	988,174
Total assets	\$ 15,706	\$ 988,174	\$ 1,003,880
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ -	\$ 91,352	\$ 91,352
Total liabilities	-	91,352	91,352
Fund balances:			
Unreserved - undesignated	15,706	896,822	912,528
Total fund balances	15,706	896,822	912,528
Total liabilities and fund balances	\$ 15,706	\$ 988,174	\$ 1,003,880

AUGUSTA, GEORGIA

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended December 31, 2009**

	<u>2006 GO Sales Tax Bonds Debt Service</u>	<u>2009 GO Sales Tax Bonds Debt Service</u>	<u>Total Nonmajor Debt Service Funds</u>
Expenditures			
Debt service	\$ 9,706,800	\$ 91,352	\$ 9,798,152
Total expenditures	<u>9,706,800</u>	<u>91,352</u>	<u>9,798,152</u>
Excess (deficiency) of revenues over (under) expenditures			
	<u>(9,706,800)</u>	<u>(91,352)</u>	<u>(9,798,152)</u>
Other financing sources (uses)			
Transfers in	9,707,050	-	9,707,050
Transfers in (out) between nonmajor funds	-	(31,533,270)	(31,533,270)
Bonds proceeds	-	30,550,000	30,550,000
Premium on bonds sold	-	1,971,444	1,971,444
Total other financing sources (uses)	<u>9,707,050</u>	<u>988,174</u>	<u>10,695,224</u>
Net change in fund balances	250	896,822	897,072
Fund balance - beginning	<u>15,456</u>	<u>-</u>	<u>15,456</u>
Fund balance - ending	<u><u>\$ 15,706</u></u>	<u><u>\$ 896,822</u></u>	<u><u>\$ 912,528</u></u>

AUGUSTA, GEORGIA

2006 GO Sales Tax Bonds Debt Service Fund

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

Nonmajor Debt Service Funds

Year Ended December 31, 2009

With comparative amounts for December 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2008 Actual</u>
Revenues				
Use of money and property	\$ -	\$ -	\$ -	\$ 5,812
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,812</u>
Expenditures				
Debt service	9,707,050	9,706,800	250	9,716,550
Total expenditures	<u>9,707,050</u>	<u>9,706,800</u>	<u>250</u>	<u>9,716,550</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,707,050)</u>	<u>(9,706,800)</u>	<u>250</u>	<u>(9,710,738)</u>
Other financing sources (uses)				
Transfers in	9,707,050	9,707,050	-	9,716,000
Total other financing sources (uses)	<u>9,707,050</u>	<u>9,707,050</u>	<u>-</u>	<u>9,716,000</u>
Net change in fund balances	<u>\$ -</u>	250	<u>\$ 250</u>	5,262
Fund balance - beginning		<u>15,456</u>		<u>10,194</u>
Fund balance - ending		<u>\$ 15,706</u>		<u>\$ 15,456</u>

AUGUSTA, GEORGIA

**2009 GO Sales Tax Bonds Debt Service Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Nonmajor Debt Service Funds
 Year Ended December 31, 2009
 With comparative amounts for December 31, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2008 Actual</u>
Expenditures				
Debt service	\$ 988,174	\$ 91,352	\$ 896,822	\$ -
Total expenditures	<u>988,174</u>	<u>91,352</u>	<u>896,822</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(988,174)</u>	<u>(91,352)</u>	<u>896,822</u>	<u>-</u>
Other financing sources (uses)				
Transfers in (out) between nonmajor funds	(31,533,270)	(31,533,270)	-	-
Bonds proceeds	30,550,000	30,550,000	-	-
Premium on bonds sold	1,971,444	1,971,444	-	-
Total other financing sources (uses)	<u>988,174</u>	<u>988,174</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>896,822</u>	<u>\$ 896,822</u>	<u>-</u>
Fund balance - beginning		<u>-</u>		<u>-</u>
Fund balance - ending		<u>\$ 896,822</u>		<u>\$ -</u>

AUGUSTA, GEORGIA
Combining Balance Sheet
Nonmajor Capital Project Funds
December 31, 2009

	<u>Community Development</u>	<u>Special Sales Tax Phase II</u>	<u>Special Sales Tax Phase VI</u>	<u>Total Nonmajor Capital Project Funds</u>
Assets				
Cash and temporary investments	\$ 137,697	\$ 2,577,582	\$ -	\$ 2,715,279
Receivables (net of allowance for doubtful accounts)				
Interest	-	10,867	-	10,867
Restricted assets				
Reserve account	-	-	21,534,764	21,534,764
Total assets	<u>\$ 137,697</u>	<u>\$ 2,588,449</u>	<u>\$ 21,534,764</u>	<u>\$ 24,260,910</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ -	\$ 400	\$ -	\$ 400
Total liabilities	<u>-</u>	<u>400</u>	<u>-</u>	<u>400</u>
Fund balances:				
Encumbrances	-	374,119	-	374,119
GOB Projects	-	-	21,533,270	21,533,270
Unreserved - undesignated	137,697	2,213,930	1,494	2,353,121
Total fund balances	<u>137,697</u>	<u>2,588,049</u>	<u>21,534,764</u>	<u>24,260,510</u>
Total liabilities and fund balances	<u>\$ 137,697</u>	<u>\$ 2,588,449</u>	<u>\$ 21,534,764</u>	<u>\$ 24,260,910</u>

AUGUSTA, GEORGIA

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Funds
Year Ended December 31, 2009**

	Community Development	Special Sales Tax Phase II	Special Sales Tax Phase VI	Total Nonmajor Capital Project Funds
Revenues				
Use of money and property	\$ -	\$ 82,190	\$ 1,494	\$ 83,684
Total revenues	<u>-</u>	<u>82,190</u>	<u>1,494</u>	<u>83,684</u>
Expenditures				
Current:				
General government	-	9,300	-	9,300
Public works	-	96,529	-	96,529
Capital outlay	-	66,974	-	66,974
Total expenditures	<u>-</u>	<u>172,803</u>	<u>-</u>	<u>172,803</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(90,613)</u>	<u>1,494</u>	<u>(89,119)</u>
Other financing sources (uses)				
Transfers (out)	-	(2,539,650)	(10,000,000)	(12,539,650)
Transfers in (out) between nonmajor funds	-	-	31,533,270	31,533,270
Total other financing sources (uses)	<u>-</u>	<u>(2,539,650)</u>	<u>21,533,270</u>	<u>18,993,620</u>
Net change in fund balances	<u>-</u>	<u>(2,630,263)</u>	<u>21,534,764</u>	<u>18,904,501</u>
Fund balance - beginning	<u>137,697</u>	<u>5,218,312</u>	<u>-</u>	<u>5,356,009</u>
Fund balance - ending	<u>\$ 137,697</u>	<u>\$ 2,588,049</u>	<u>\$ 21,534,764</u>	<u>\$ 24,260,510</u>

NONMAJOR ENTERPRISE FUNDS

AUGUSTA, GEORGIA

**Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2009**

	Waste Management	Municipal Golf Course	Transit
Assets			
Current assets			
Cash and temporary investments	\$ 18,996,691	\$ -	\$ 881,690
Receivables			
Accounts	989,493	19,039	754,396
Interest	-	-	-
Inventory	-	9,558	205,600
Total current assets	<u>19,986,184</u>	<u>28,597</u>	<u>1,841,686</u>
Noncurrent assets			
Restricted cash and investments	408,920	-	-
Deferred bond issuance costs	299,154	-	-
Capital assets, net	29,739,070	1,367,799	3,446,724
Total noncurrent assets	<u>30,447,144</u>	<u>1,367,799</u>	<u>3,446,724</u>
Total assets	<u><u>50,433,328</u></u>	<u><u>1,396,396</u></u>	<u><u>5,288,410</u></u>
Liabilities			
Current liabilities			
Accounts payable	756,583	19,354	640,626
Due to other funds	-	56,907	-
Accrued salaries and vacation	47,915	16,731	151,558
Other accrued liabilities	259,821	-	-
Current portion of leases payable	297,300	-	-
Current portion of revenue bonds payable	1,700,000	-	-
Total current liabilities	<u>3,061,619</u>	<u>92,992</u>	<u>792,184</u>
Noncurrent liabilities			
Closure/postclosure accrual	15,494,735	-	-
Revenue bonds payable	2,197,799	-	-
Capital leases	485,264	-	-
Total noncurrent liabilities	<u>18,177,798</u>	<u>-</u>	<u>-</u>
Total liabilities	<u><u>21,239,417</u></u>	<u><u>92,992</u></u>	<u><u>792,184</u></u>
Net assets (deficit)			
Invested in capital assets, net of related debt	25,464,984	1,367,799	3,446,724
Restricted for debt service	2,643	-	-
Unrestricted	3,726,284	(64,395)	1,049,502
Total net assets (deficit)	<u><u>\$ 29,193,911</u></u>	<u><u>\$ 1,303,404</u></u>	<u><u>\$ 4,496,226</u></u>

Daniel Field Airport	Garbage Collection	Total Nonmajor Enterprise Funds
\$ 379,373	\$ 4,401,824	\$ 24,659,578
178	1,795,380	3,558,486
692	-	692
-	-	215,158
<u>380,243</u>	<u>6,197,204</u>	<u>28,433,914</u>
-	-	408,920
-	-	299,154
1,675,769	2,210,641	38,440,003
<u>1,675,769</u>	<u>2,210,641</u>	<u>39,148,077</u>
<u>2,056,012</u>	<u>8,407,845</u>	<u>67,581,991</u>
-	980,273	2,396,836
60,990	-	117,897
1,134	18,954	236,292
-	-	259,821
-	771,201	1,068,501
-	-	1,700,000
<u>62,124</u>	<u>1,770,428</u>	<u>5,779,347</u>
-	-	15,494,735
-	-	2,197,799
-	1,108,518	1,593,782
-	<u>1,108,518</u>	<u>19,286,316</u>
<u>62,124</u>	<u>2,878,946</u>	<u>25,065,663</u>
1,675,769	330,922	32,286,198
-	-	2,643
318,119	5,197,977	10,227,487
<u>\$ 1,993,888</u>	<u>\$ 5,528,899</u>	<u>\$ 42,516,328</u>

AUGUSTA, GEORGIA

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Nonmajor Enterprise Funds
Year Ended December 31, 2009**

	Waste Management	Municipal Golf Course	Transit
Operating revenues			
Charges and fees	\$ 9,810,436	\$ 420,498	\$ 703,450
Total operating revenues	<u>9,810,436</u>	<u>420,498</u>	<u>703,450</u>
Operating expenses			
Personal services and employee benefits	1,185,613	267,689	3,180,390
Purchased/contracted services	256,698	55,103	132,743
Supplies	907,734	152,243	444,117
Repairs and maintenance	777,006	24,694	429,336
Interfund/interdepartmental charges	260,712	48,031	213,194
Depreciation	1,128,974	31,022	426,971
Closure/postclosure accrual	6,310,583	-	-
Total operating expenses	<u>10,827,320</u>	<u>578,782</u>	<u>4,826,751</u>
Operating income (loss)	<u>(1,016,884)</u>	<u>(158,284)</u>	<u>(4,123,301)</u>
Nonoperating revenue (expense)			
Interest revenue	252,153	-	15,252
Sale of property	2,505	-	-
Other revenue	3,606	10,302	226
Intergovernmental	-	-	817,021
Interest expense	(159,015)	(476)	-
Total nonoperating revenue (expense)	<u>99,249</u>	<u>9,826</u>	<u>832,499</u>
Income (loss) before transfers	<u>(917,635)</u>	<u>(148,458)</u>	<u>(3,290,802)</u>
Transfers in	-	98,100	3,351,450
Transfers out	(125,000)	-	-
Change in net assets	<u>(1,042,635)</u>	<u>(50,358)</u>	<u>60,648</u>
Total net assets (deficit) - beginning	<u>30,236,546</u>	<u>1,353,762</u>	<u>4,435,578</u>
Total net assets (deficit) - ending	<u>\$ 29,193,911</u>	<u>\$ 1,303,404</u>	<u>\$ 4,496,226</u>

Daniel Field Airport	Garbage Collection	Total
\$ 89,939	\$ 14,798,235	\$ 25,822,558
89,939	14,798,235	25,822,558
46,041	376,691	5,056,424
11,009	14,053,090	14,508,643
13,928	7,734	1,525,756
1,908	12,389	1,245,333
11,666	35,160	568,763
89,401	747,403	2,423,771
-	-	6,310,583
173,953	15,232,467	31,639,273
(84,014)	(434,232)	(5,816,715)
7,599	30,757	305,761
-	-	2,505
12,314	-	26,448
196,779	-	1,013,800
-	-	(159,491)
216,692	30,757	1,189,023
132,678	(403,475)	(4,627,692)
-	2,980,840	6,430,390
-	2,474	(122,526)
132,678	2,579,839	1,680,172
1,861,210	2,949,060	40,836,156
\$ 1,993,888	\$ 5,528,899	\$ 42,516,328

AUGUSTA, GEORGIA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended December 31, 2009

	Waste Management	Municipal Golf Course	Transit
Operating activities			
Cash received from customers	10,148,238	\$ 420,053	\$ 203,144
Repayment of interfund advances	-	-	-
Cash paid to suppliers	(1,606,232)	(232,157)	(421,908)
Cash paid to employees	(1,204,192)	(287,624)	(3,259,670)
Cash paid for interfund services used	(260,712)	8,876	(213,194)
Net cash provided by (used in) operating activities	7,077,102	(90,852)	(3,691,628)
Noncapital financing activities			
Transfers in	-	98,100	3,351,450
Transfers out	(125,000)	-	-
Operating grants	-	-	225,424
Interest expense on operating capital	-	(476)	-
Net cash provided by noncapital financing activities	(125,000)	97,624	3,576,874
Capital and related financing activities			
Proceeds from sale of property	2,505	-	-
Proceeds from grants	-	-	591,597
Proceeds from capital leases	493,165	-	-
Payments on bonds issued	(1,650,000)	-	-
Payments on capital leases	(418,692)	-	-
Purchase of capital assets	(13,215,933)	(17,796)	(667,959)
Interest paid on capital debt	(172,996)	-	-
Other miscellaneous income	3,606	10,302	226
Net cash provided by (used in) capital and related financing activities	(14,958,345)	(7,494)	(76,136)
Investing activities			
Interest received	252,153	-	15,252
Net cash provided by investing activities	252,153	-	15,252
Net increase (decrease) in cash and cash equivalents/investments	(7,754,090)	(722)	(175,638)
Cash and cash equivalents/investments			
Beginning of year	27,159,701	722	1,057,328
End of year	\$ 19,405,611	\$ -	\$ 881,690

Daniel Field Airport	Garbage Collection	Total Nonmajor Enterprise Funds
\$ 88,528	\$ 14,672,332	\$ 25,532,295
(19,423)	-	(19,423)
(36,618)	(14,064,465)	(16,361,380)
(51,049)	(391,327)	(5,193,862)
(11,666)	(35,160)	(511,856)
<u>(30,228)</u>	<u>181,380</u>	<u>3,445,774</u>
-	2,980,840	6,430,390
-	2,474	(122,526)
-	-	225,424
-	-	(476)
<u>-</u>	<u>2,983,314</u>	<u>6,532,812</u>
-	-	2,505
196,779	-	788,376
-	230,464	723,629
-	-	(1,650,000)
-	(771,202)	(1,189,894)
(443,603)	(325,183)	(14,670,474)
-	-	(172,996)
12,314	-	26,448
<u>(234,510)</u>	<u>(865,921)</u>	<u>(16,142,406)</u>
<u>13,228</u>	<u>30,757</u>	<u>311,390</u>
<u>13,228</u>	<u>30,757</u>	<u>311,390</u>
<u>(251,510)</u>	<u>2,329,530</u>	<u>(5,852,430)</u>
<u>630,883</u>	<u>2,072,294</u>	<u>30,920,928</u>
<u>\$ 379,373</u>	<u>\$ 4,401,824</u>	<u>\$ 25,068,498</u>

AUGUSTA, GEORGIA

**Combining Statement of Cash Flows - Continued
Nonmajor Enterprise Funds
Year Ended December 31, 2009**

	<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)	\$ (1,016,884)	\$ (158,284)	\$ (4,123,301)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,128,974	31,022	426,971
Closure/post closure costs	6,310,583	-	-
Accounts receivable	337,802	(445)	(500,306)
Inventory	-	174	(3,935)
Accounts payable	301,531	(291)	588,223
Accrued salaries and vacation	(18,579)	(19,935)	(79,280)
Other accrued liabilities	33,675	-	-
Due to other funds	-	56,907	-
Total adjustments	<u>8,093,986</u>	<u>67,432</u>	<u>431,673</u>
Net cash provided by (used in) operating activities	<u>\$ 7,077,102</u>	<u>\$ (90,852)</u>	<u>\$ (3,691,628)</u>
Reconciliation of cash and cash equivalents to the balance sheets			
Cash and cash equivalents in current assets	\$ 18,996,691	\$ -	\$ 881,690
Restricted cash and cash equivalents included in noncurrent cash and investments	<u>408,920</u>	<u>-</u>	<u>-</u>
Net cash and cash equivalents	<u>\$ 19,405,611</u>	<u>\$ -</u>	<u>\$ 881,690</u>

Daniel Field Airport	Garbage Collection	Total Nonmajor Enterprise Funds
\$ (84,014)	\$ (434,232)	(5,816,715)
89,401	747,403	2,423,771
-	-	6,310,583
(1,411)	(125,903)	(290,263)
-	-	(3,761)
(9,773)	8,748	888,438
(5,008)	(14,636)	(137,438)
-	-	33,675
(19,423)	-	37,484
<u>53,786</u>	<u>615,612</u>	<u>9,262,489</u>
<u>\$ (30,228)</u>	<u>\$ 181,380</u>	<u>\$ 3,445,774</u>
\$ 379,373	\$ 4,401,824	24,659,578
-	-	408,920
<u>\$ 379,373</u>	<u>\$ 4,401,824</u>	<u>\$ 25,068,498</u>

INTERNAL SERVICE FUNDS

AUGUSTA, GEORGIA

**Combining Statement of Net Assets
Internal Service Funds
December 31, 2009**

	<u>Risk Management</u>	<u>Fleet Operations</u>	<u>Workers Compensation</u>
Assets			
Current assets			
Cash and temporary investments	\$ 1,022,893	\$ 188,874	\$ 177,095
Accounts receivable	25,225	754	-
Prepaid expenses	-	-	-
Total current assets	<u>1,048,118</u>	<u>189,628</u>	<u>177,095</u>
Noncurrent assets			
Restricted investments	-	-	136,944
Capital assets, net	314,442	86,561	-
Total noncurrent assets	<u>314,442</u>	<u>86,561</u>	<u>136,944</u>
Total assets	<u>1,362,560</u>	<u>276,189</u>	<u>314,039</u>
Liabilities			
Current liabilities			
Accounts payable	10,140	391,530	151,402
Due to other funds	-	-	-
Accrued salaries and vacation	26,089	11,316	-
Total current liabilities	<u>36,229</u>	<u>402,846</u>	<u>151,402</u>
Noncurrent liabilities			
Revenue bonds payable	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>36,229</u>	<u>402,846</u>	<u>151,402</u>
Net assets (deficit)			
Invested in capital assets, net of related debt	314,442	86,561	-
Unrestricted	1,011,889	(213,218)	162,637
Total net assets (deficit)	<u>\$ 1,326,331</u>	<u>\$ (126,657)</u>	<u>\$ 162,637</u>

Employee Health Benefits	Unemployment	Long-term Disability Insurance	GMA Leases	Total
\$ -	\$ -	\$ 15,658	\$ 46,549	\$ 1,451,069
-	-	-	3,887,940	3,913,919
1,614,040	-	-	-	1,614,040
<u>1,614,040</u>	<u>-</u>	<u>15,658</u>	<u>3,934,489</u>	<u>6,979,028</u>
-	-	-	12,292,897	12,429,841
-	-	-	-	401,003
-	-	-	12,292,897	12,830,844
<u>1,614,040</u>	<u>-</u>	<u>15,658</u>	<u>16,227,386</u>	<u>19,809,872</u>
-	-	-	-	553,072
1,614,040	-	-	-	1,614,040
-	-	-	-	37,405
<u>1,614,040</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,204,517</u>
-	-	-	16,259,185	16,259,185
-	-	-	16,259,185	16,259,185
<u>1,614,040</u>	<u>-</u>	<u>-</u>	<u>16,259,185</u>	<u>18,463,702</u>
-	-	-	-	401,003
-	-	15,658	(31,799)	945,167
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,658</u>	<u>\$ (31,799)</u>	<u>\$ 1,346,170</u>

AUGUSTA, GEORGIA

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
Year Ended December 31, 2009**

	<u>Risk Management</u>	<u>Fleet Operations</u>	<u>Workers Compensation</u>
Operating revenues			
Charges and fees	\$ 1,987,941	\$ 5,050,641	\$ 2,013,003
Total operating revenues	<u>1,987,941</u>	<u>5,050,641</u>	<u>2,013,003</u>
Operating expenses			
Personal services and employee benefits	354,385	129,135	-
Purchased/contracted services	425,633	21,021	-
Supplies	26,020	148,348	-
Repairs and maintenance	-	4,561,360	-
Other costs	15,253	56,950	-
Depreciation	1,722	26,729	-
Lease expense	-	-	-
Risk benefit charges	1,409,249	113,660	6,130
Insurance	-	-	2,007,579
Total operating expenses	<u>2,232,262</u>	<u>5,057,203</u>	<u>2,013,709</u>
Operating income (loss)	<u>(244,321)</u>	<u>(6,562)</u>	<u>(706)</u>
Nonoperating revenue (expense)			
Interest revenue	14,196	-	706
Sale of property	-	10,145	-
Other revenue	230,124	478	-
Interest expense	-	(4,061)	-
Total nonoperating revenue (expense)	<u>244,320</u>	<u>6,562</u>	<u>706</u>
Income (loss) before transfers	(1)	-	-
Transfers in	-	-	-
Transfers between Internal Service Funds	-	-	-
Change in net assets	(1)	-	-
Total net assets (deficit) - beginning	<u>1,326,332</u>	<u>(126,657)</u>	<u>162,637</u>
Total net assets (deficit) - ending	<u>\$ 1,326,331</u>	<u>\$ (126,657)</u>	<u>\$ 162,637</u>

Employee Health Benefits	Unemployment	Long-term Disability Insurance	GMA Leases	Total
\$ 19,527,213	\$ 209,515	\$ 501,520	\$ 2,628,232	\$ 31,918,065
19,527,213	209,515	501,520	2,628,232	31,918,065
-	-	-	-	483,520
50,056	-	-	-	496,710
-	-	-	-	174,368
-	-	-	-	4,561,360
-	-	-	-	72,203
-	-	-	-	28,451
-	-	-	2,628,232	2,628,232
5,920	-	1,879	-	1,536,838
19,763,137	207,538	542,349	-	22,520,603
19,819,113	207,538	544,228	2,628,232	32,502,285
(291,900)	1,977	(42,708)	-	(584,220)
-	-	-	244,294	259,196
-	-	-	-	10,145
750	-	-	-	231,352
(24,768)	(1,977)	(1,269)	(244,294)	(276,369)
(24,018)	(1,977)	(1,269)	-	224,324
(315,918)	-	(43,977)	-	(359,896)
359,896	-	-	-	359,896
(43,978)	-	43,978	-	-
-	-	1	-	-
-	-	15,657	(31,799)	1,346,170
\$ -	\$ -	\$ 15,658	\$ (31,799)	\$ 1,346,170

AUGUSTA, GEORGIA
Combining Statement of Cash Flows
Internal Service Funds
Year Ended December 31, 2009

	<u>Risk Management</u>	<u>Fleet Operations</u>	<u>Workers Compensation</u>
Operating activities			
Cash received from contributions	\$ 1,962,716	\$ 5,049,919	\$ 2,013,003
Cash paid to suppliers	(1,896,011)	(4,982,284)	(1,945,892)
Cash paid to employees	(366,208)	(133,205)	-
Cash paid to General Fund	-	-	-
Net cash provided by (used in) operating activities	<u>(299,503)</u>	<u>(65,570)</u>	<u>67,111</u>
Noncapital financing activities			
Transfers in	-	-	-
Transfers out	-	-	-
Interest earned (expensed) on operating capital	-	(4,061)	-
Other miscellaneous income	230,124	-	-
Net cash provided by (used in) noncapital financing activities	<u>230,124</u>	<u>(4,061)</u>	<u>-</u>
Capital and related financing activities			
Proceeds from sale of property	-	10,145	-
Other miscellaneous income	-	478	-
Purchase of capital assets	-	(5,446)	-
Interest paid on capital debt	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>5,177</u>	<u>-</u>
Investing activities			
Interest received	14,196	-	706
Net cash provided by investing activities	<u>14,196</u>	<u>-</u>	<u>706</u>
Net increase (decrease) in cash and cash equivalents	<u>(55,183)</u>	<u>(64,454)</u>	<u>67,817</u>
Cash and cash equivalents/investments			
Beginning of year	<u>1,078,076</u>	<u>253,328</u>	<u>246,222</u>
End of year	<u>\$ 1,022,893</u>	<u>\$ 188,874</u>	<u>\$ 314,039</u>

Employee Health Benefits	Unemployment	Long-term Disability Insurance	GMA Leases	Total Internal Service Funds
\$ 21,141,254	\$ 209,515	\$ 501,520	\$ 2,628,232	\$ 33,506,159
(21,433,153)	(207,538)	(585,362)	(1,842,177)	(32,892,417)
-	-	-	-	(499,413)
-	-	-	(134,777)	(134,777)
<u>(291,899)</u>	<u>1,977</u>	<u>(83,842)</u>	<u>651,278</u>	<u>(20,448)</u>
359,896	-	43,978	-	403,874
(43,978)	-	-	-	(43,978)
(24,768)	(1,977)	-	-	(30,806)
749	-	-	-	230,873
<u>291,899</u>	<u>(1,977)</u>	<u>43,978</u>	<u>-</u>	<u>559,963</u>
-	-	-	-	10,145
-	-	-	-	478
-	-	-	-	(5,446)
-	-	-	(199,379)	(199,379)
-	-	-	(199,379)	(194,202)
-	-	(1,269)	244,294	257,927
-	-	(1,269)	244,294	257,927
-	-	(41,133)	696,193	603,240
-	-	56,791	11,643,253	13,277,670
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,658</u>	<u>\$ 12,339,446</u>	<u>\$ 13,880,910</u>

AUGUSTA, GEORGIA

**Combining Statement of Cash Flows - Continued
Internal Service Funds
Year Ended December 31, 2009**

	<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)	\$ (244,321)	\$ (6,562)	\$ (706)
Adjustments to reconcile operating income (loss)			
to net cash provided by (used in) operating			
activities:			
Depreciation and amortization	1,722	26,729	-
Change in assets and liabilities:			
Accounts receivable	(25,225)	(722)	-
Prepaid expenses	-	-	-
Accounts payable	(19,856)	(80,945)	67,817
Accrued salaries and vacation	(11,823)	(4,070)	-
Due to other funds	-	-	-
	<u>(55,182)</u>	<u>(59,008)</u>	<u>67,817</u>
Net cash provided by (used in) operating activities	<u>\$ (299,503)</u>	<u>\$ (65,570)</u>	<u>\$ 67,111</u>
Reconciliation of cash and cash equivalents			
to the balance sheets			
Cash and cash equivalents in current assets	\$ 1,022,893	\$ 188,874	\$ 177,095
Restricted cash and cash equivalents included in			
noncurrent cash and investments	-	-	136,944
Net cash and cash equivalents	<u>\$ 1,022,893</u>	<u>\$ 188,874</u>	<u>\$ 314,039</u>

Employee Health Benefits	Unemployment	Long-term Disability Insurance	GMA Leases	Total Internal Service Funds
\$ (291,900)	\$ 1,977	\$ (42,708)	\$ -	\$ (584,220)
-	-	-	-	28,451
29,656	-	-	898,785	902,494
(1,614,040)	-	-	-	(1,614,040)
-	-	(41,134)	(112,730)	(186,848)
-	-	-	-	(15,893)
1,584,385	-	-	(134,777)	1,449,608
<u>1</u>	<u>-</u>	<u>(41,134)</u>	<u>651,278</u>	<u>563,772</u>
<u>\$ (291,899)</u>	<u>\$ 1,977</u>	<u>\$ (83,842)</u>	<u>\$ 651,278</u>	<u>\$ (20,448)</u>
\$ -	\$ -	\$ 15,658	\$ 46,549	\$ 1,451,069
-	-	-	12,292,897	12,429,841
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,658</u>	<u>\$ 12,339,446</u>	<u>\$ 13,880,910</u>

FIDUCIARY FUNDS

PENSION TRUST FUNDS

AUGUSTA, GEORGIA

**Combining Statement of Fiduciary Net Assets
Pension Trust Funds
December 31, 2009**

	1945 Plan	General Retirement	Total
Assets			
Cash and cash equivalents	\$ 1,392,856	\$ 3,016,190	\$ 4,409,046
Investments			
U.S. Government securities	1,041,439	13,414,466	14,455,905
Corporate bonds	1,458,572	5,977,157	7,435,729
Equity securities	3,869,651	35,499,050	39,368,701
Accounts	302,173	1,306,374	1,608,547
Interest	35,631	283,400	319,031
Total assets	8,100,322	59,496,637	67,596,959
Liabilities			
Accounts payable	-	8,707	8,707
Total liabilities	-	8,707	8,707
Net assets			
Reserved for employees' retirement benefits	\$ 8,100,322	\$ 59,487,930	\$ 67,588,252

AUGUSTA, GEORGIA

**Combining Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
Year Ended December 31, 2009**

	1945 Plan	General Retirement	Total
Additions			
Contributions			
Contributions - employer	\$ 302,173	\$ 2,622,653	\$ 2,924,826
Contributions - plan member	12,344	370,902	383,246
Total contributions	<u>314,517</u>	<u>2,993,555</u>	<u>3,308,072</u>
Investment earnings			
Interest and dividend income	12,079	5	12,084
Net increase (decrease) in fair value of investments	965,280	7,835,947	8,801,227
Total investment earnings	<u>977,359</u>	<u>7,835,952</u>	<u>8,813,311</u>
Less investment expense	(37,573)	(353,961)	(391,534)
Net investment earnings	<u>939,786</u>	<u>7,481,991</u>	<u>8,421,777</u>
Total additions	<u>1,254,303</u>	<u>10,475,546</u>	<u>11,729,849</u>
Deductions			
Benefit payments	<u>945,174</u>	<u>5,460,343</u>	<u>6,405,517</u>
Net increase (decrease) in plan net assets	309,129	5,015,203	5,324,332
Total net assets - beginning	<u>7,791,193</u>	<u>54,472,727</u>	<u>62,263,920</u>
Total net assets - ending	<u>\$ 8,100,322</u>	<u>\$ 59,487,930</u>	<u>\$ 67,588,252</u>

AGENCY FUNDS

AUGUSTA, GEORGIA

**Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
December 31, 2009**

	<u>January 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2009</u>
<u>Tax Commisioner</u>				
Assets				
Cash and cash equivalents	\$ 2,062,036	\$ 91,539,160	\$ 91,269,029	\$ 2,332,167
Receivables (net of allowance for doubtful accounts)				
Taxes	21,490,053	168,375,433	168,226,431	21,639,055
Total assets	<u>\$ 23,552,089</u>	<u>\$ 259,914,593</u>	<u>\$ 259,495,460</u>	<u>\$ 23,971,222</u>
Liabilities				
Due to others	\$ 2,062,036	\$ 91,539,160	\$ 91,269,029	\$ 2,332,167
Uncollected taxes	21,490,053	168,375,433	168,226,431	21,639,055
Total liabilities	<u>\$ 23,552,089</u>	<u>\$ 259,914,593</u>	<u>\$ 259,495,460</u>	<u>\$ 23,971,222</u>
<u>Probate</u>				
Assets				
Cash and cash equivalents	\$ 8,997	\$ 196,719	\$ 190,796	\$ 14,920
Total assets	<u>\$ 8,997</u>	<u>\$ 196,719</u>	<u>\$ 190,796</u>	<u>\$ 14,920</u>
Liabilities				
Due to others	\$ 8,997	\$ 196,719	\$ 190,796	\$ 14,920
Total liabilities	<u>\$ 8,997</u>	<u>\$ 196,719</u>	<u>\$ 190,796</u>	<u>\$ 14,920</u>
<u>Sheriff</u>				
Assets				
Cash and cash equivalents	\$ 1,893,022	\$ 2,900,458	\$ 3,103,364	\$ 1,690,116
Total assets	<u>\$ 1,893,022</u>	<u>\$ 2,900,458</u>	<u>\$ 3,103,364</u>	<u>\$ 1,690,116</u>
Liabilities				
Due to others	\$ 1,893,022	\$ 2,900,458	\$ 3,103,364	\$ 1,690,116
Total liabilities	<u>\$ 1,893,022</u>	<u>\$ 2,900,458</u>	<u>\$ 3,103,364</u>	<u>\$ 1,690,116</u>
<u>Civil Court</u>				
Assets				
Cash and cash equivalents	\$ 477,237	\$ 1,809,108	\$ 1,864,268	\$ 422,077
Total assets	<u>\$ 477,237</u>	<u>\$ 1,809,108</u>	<u>\$ 1,864,268</u>	<u>\$ 422,077</u>
Liabilities				
Due to others	\$ 477,237	\$ 1,809,108	\$ 1,864,268	\$ 422,077
Total liabilities	<u>\$ 477,237</u>	<u>\$ 1,809,108</u>	<u>\$ 1,864,268</u>	<u>\$ 422,077</u>

AUGUSTA, GEORGIA

Combining Statement of Changes in Fiduciary Assets and Liabilities - Continued
Agency Funds
December 31, 2009

	<u>January 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2009</u>
<u>Clerk of Court</u>				
Assets				
Cash and cash equivalents	\$ 4,561,794	\$ 6,079,805	\$ 5,683,536	\$ 4,958,063
Total assets	<u>\$ 4,561,794</u>	<u>\$ 6,079,805</u>	<u>\$ 5,683,536</u>	<u>\$ 4,958,063</u>
Liabilities				
Due to others	\$ 4,561,794	\$ 6,079,805	\$ 5,683,536	\$ 4,958,063
Total liabilities	<u>\$ 4,561,794</u>	<u>\$ 6,079,805</u>	<u>\$ 5,683,536</u>	<u>\$ 4,958,063</u>
<u>TOTAL ALL AGENCY FUNDS:</u>				
Assets				
Cash and cash equivalents	\$ 9,003,086	\$ 102,525,250	\$ 102,110,993	\$ 9,417,343
Receivables (net of allowance for doubtful accounts)				
Taxes	21,490,053	168,375,433	168,226,431	21,639,055
Total assets	<u>\$ 30,493,139</u>	<u>\$ 270,900,683</u>	<u>\$ 270,337,424</u>	<u>\$ 31,056,398</u>
Liabilities				
Due to others	\$ 9,003,086	\$ 102,525,250	\$ 102,110,993	\$ 9,417,343
Uncollected taxes	21,490,053	168,375,433	168,226,431	21,639,055
Total liabilities	<u>\$ 30,493,139</u>	<u>\$ 270,900,683</u>	<u>\$ 270,337,424</u>	<u>\$ 31,056,398</u>

