

Douglas County, Georgia

Dog River Park - Douglas County

Comprehensive Annual Financial Report

For the Fiscal Year Ended

December 31, 2004



DOUGLAS COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2004

Prepared by:

Department of Finance

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INTRODUCTORY SECTION

The introductory section includes a transmittal letter from the County Manager and Finance Director, a general government organization chart and a list of principal officials.



DOUGLAS COUNTY BOARD OF COMMISSIONERS

8700 Hospital Drive • Douglasville, GA 30134 • Telephone (770) 920-7268 • Fax (770) 920-7346

FINANCE DEPARTMENT

BOB HARSHBARGER
Finance Director

July 22, 2005

Honorable Members of the Douglas County Board of Commissioners, Honorable Mike Cason, County Manager, and Citizens of Douglas County, Georgia:

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements based on accounting principles presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Douglas County, Georgia for the fiscal year ended December 31, 2004.

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

The County's financial statements have been audited by Lawrence, See, & Beavers, a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Douglas County, Georgia for the fiscal year ended December 31, 2004, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Douglas County, Georgia's financial statements for the fiscal year ended December 31, 2004, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports on supplementary information, compliance, internal controls, and various supplementary schedules are included under a separate report cover.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County’s MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Douglas County is governed by a full-time Chairman, elected on a countywide basis, for a four-year term, and by four part-time district Commissioners, elected within their respective districts to staggered, four-year terms. Collectively known as the Douglas County Board of Commissioners, they appoint a full-time County Manager, who is responsible for the administration of the County operations. The Board of Commissioners establishes policy for the operation of the government, enacts ordinances for the safety, welfare, and orderly interaction of the citizens of Douglas County, adopts an annual budget, adopts a millage rate (including the Board of Education’s levy), appoints Department Heads and the County Attorney, as well as, members to various boards, agencies, and authorities within the County, and hires an independent Auditor.

Douglas County provides a full range of services including a system of courts, law enforcement, tax collection, fire protection, emergency medical services, road construction and maintenance, solid waste disposal, code enforcement, parks and recreation programs, public transportation, libraries, planning and zoning, 911 emergency dispatching, emergency management, vehicle maintenance, tax appraisal, agricultural extension services, and general administration. In addition, the County protects the health of County residents by supporting a Board of Health and supplements social and welfare services provided by an agency of the State of Georgia, the Department of Family and Children Services. The County also has an elected coroner.

There are three municipalities located in Douglas County. The largest city and county seat is Douglasville, with a population of 20,065 residents (2000 ARC estimate). The other two municipalities are only partially located in Douglas County. They are Villa Rica and Austell, and they are mainly located in other counties, Carroll and Cobb Counties respectively.

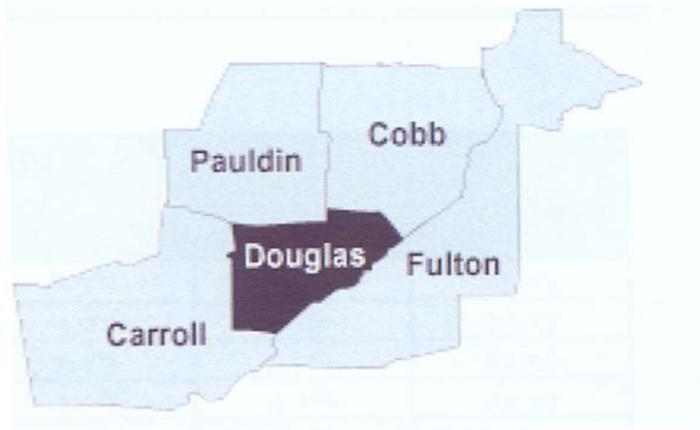
The financial statements contained herein include all activities and functions of Douglas

County that are administered by the County Manager and are under the jurisdiction of the Board of Commissioners, as set forth in state and local law. Additionally, one component unit is included in these financial statements because of its operational and financial relationship to the County. That component unit, the Douglas County Board of Health, provides a variety of health related services in the County.

Historical Information

By act of the Georgia Legislature, October 17, 1870, Douglas County was created from parts of Carroll County and old Campbell County, plus a small section of the original Cherokee County. The County was named after Stephen A. Douglas, a U. S. Congressman, and rival of Abraham Lincoln for the Presidency. Two Indian groups originally inhabited the land of Douglas County, the Creeks and the Cherokees. The County is home to several Civil War Battle sites.

The County is located 25 miles west of the City of Atlanta, along the I-20 corridor, and 30 miles east of the State of Alabama. Douglas County is bordered by, Paulding and Cobb Counties on the north, Haralson and Carroll Counties on the west, Coweta County on the south, and Fulton County on the east. All of this area is part of the Piedmont region of the Appalachian Mountains. In terms of land area, the County is one of the smaller counties, in the State of Georgia, with only 199.3 square miles.

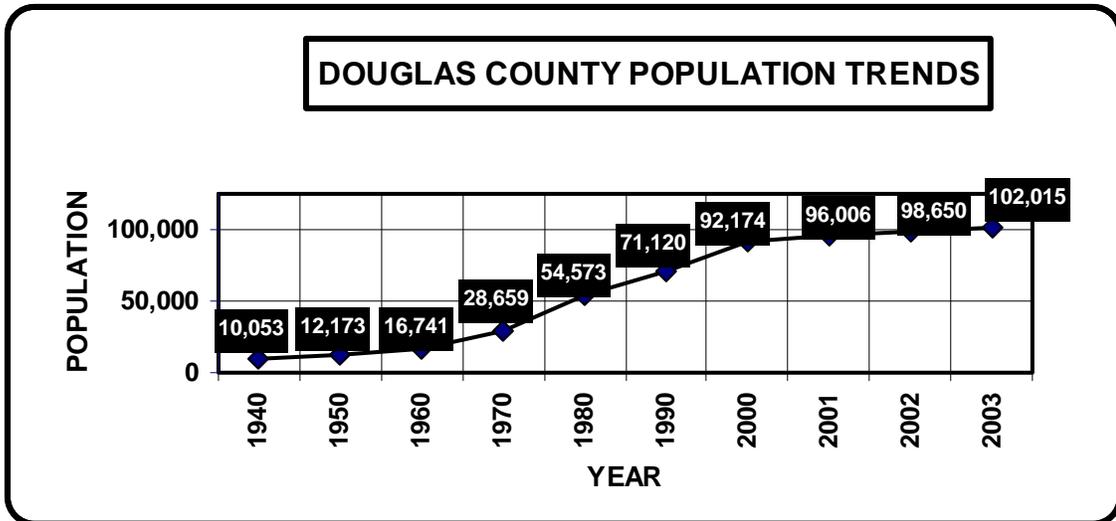


Transportation

Douglas County is located on a major interstate, I-20, that runs east/west through the County between the cities of Atlanta and Birmingham. This interstate provides easy vehicular access between most of the major cities of the South. In addition, the Norfolk Southern Railway also traverses through Douglas County providing easy rail access for all local industries. The County completed a major multi-modal transportation center in 2004 and has initiated the Georgia Regional Transportation Authority's Express bus service to Atlanta, this year. In addition, the County already has a very successful Ride Share program. Hartsfield-Jackson International Airport, one of the world's busiest airports, is located only 15 miles east of Douglas County.

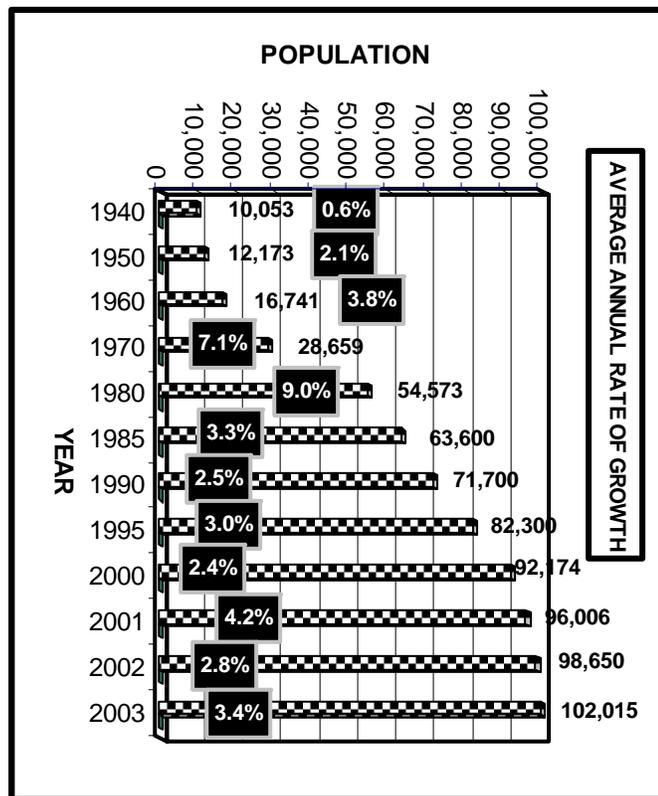
Population

According to ARC estimates, Douglas County added 24,400 residents from 1990 to 2000, an increase of 34%. In 2003, Douglas County had an estimated 102,015 residents making it the Atlanta metropolitan region's sixteenth most populated county.

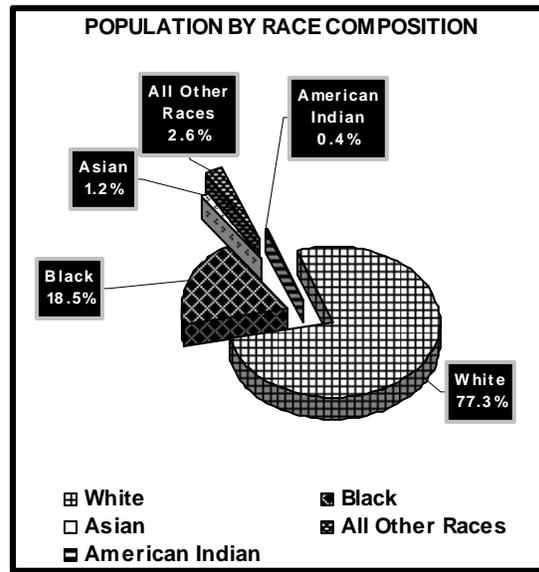
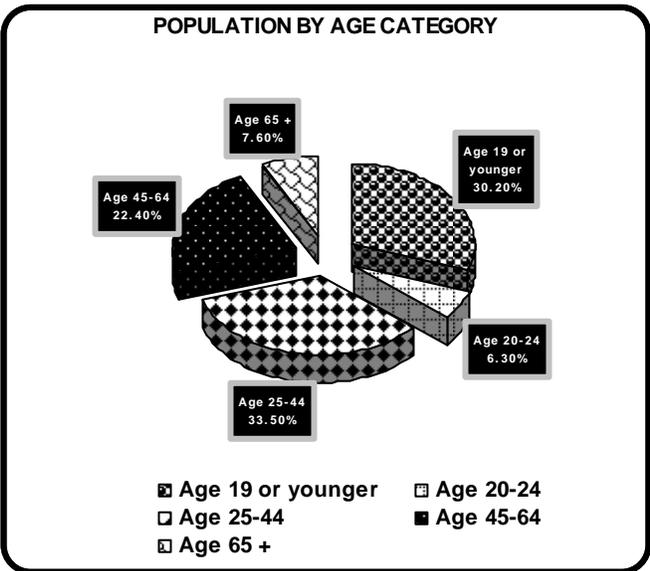


**DOUGLAS COUNTY'S
AVERAGE ANNUAL RATE OF
GROWTH**

Year	Population	Annual Rate Of Growth
1940	10,053	0.6%
1950	12,173	2.1%
1960	16,741	3.8%
1970	28,659	7.1%
1980	54,573	9.0%
1985	63,600	3.3%
1990	71,700	2.5%
1995	82,300	3.0%
2000	92,174	2.4%
2001	96,006	4.2%
2002	98,650	2.8%
2003	102,015	3.4%

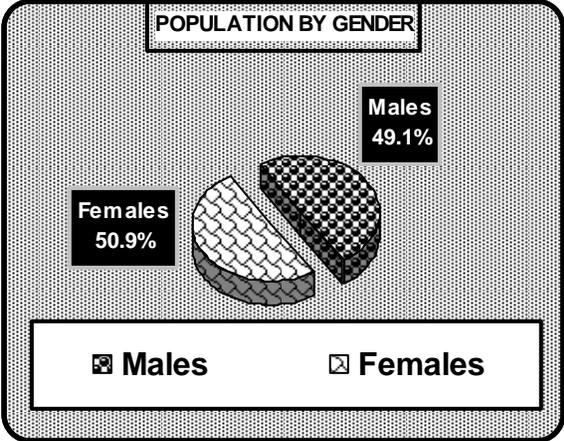


DOUGLAS COUNTY'S DEMOGRAPHICS AGE COMPOSITION	
Age 19 or younger	30.2%
Age 20-24	6.3%
Age 25-44	33.5%
Age 45-64	22.4%
Age 65 +	7.6%

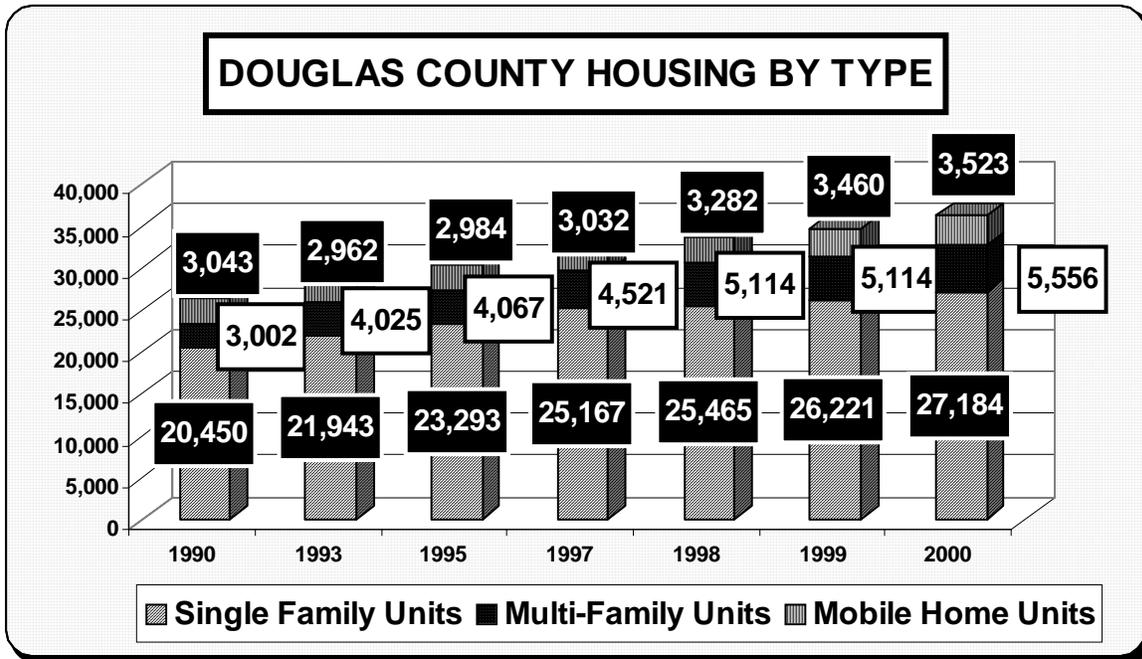


RACE COMPOSITION	
White	77.3%
Black	18.5%
Asian	1.2%
All Other Races	2.6%
American Indian	0.4%

DOUGLAS COUNTY'S DEMOGRAPHICS GENDER COMPOSITION	
Males	49.1%
Females	50.9%

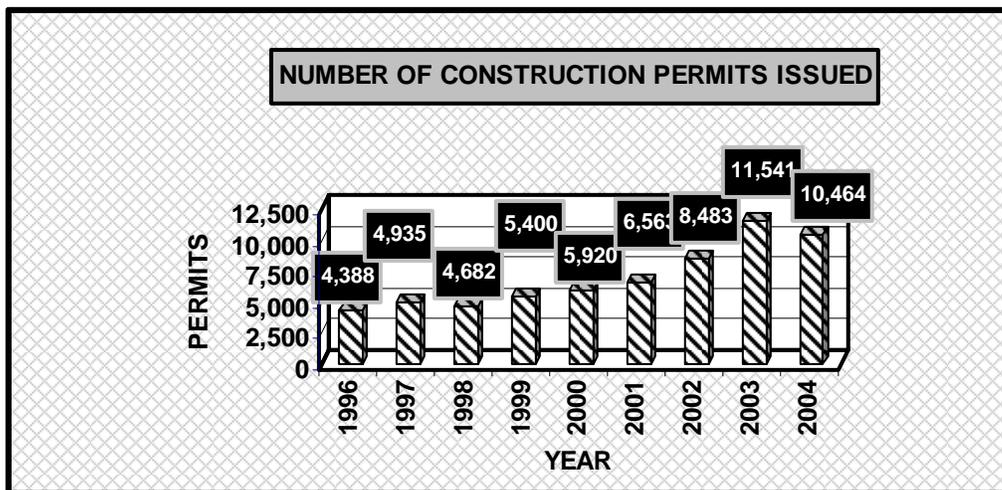


The average household size in Douglas County is 2.78 persons. In the year 2000, there were a total of 36,263 housing units in Douglas County. That was an increase of 1,468 over the previous year or a 4.5% increase. Of that 1,468 increase in housing units, 963 were Single Family Units, or 66% of the increase. About 75% of Douglas County housing is defined as Single Family Unit Housing.



Economic Condition and Outlook

As part of the Metropolitan Atlanta Region, Douglas County continues to benefit from the economic boom that the entire Atlanta region has enjoyed in recent years. Douglas County is poised to continue to prosper as a result of its strategic location as the “Western Gateway to Atlanta”. While the growth leveled off somewhat in 2004, Douglas County continues to prosper. In 2004, the County issued 1,077 less permits for construction than in 2003 but still 1,981 more than in 2002. The dollar value of construction permits issued decreased in 2004 by \$10,410,793 but still was \$21,555,499 greater than in 2002.

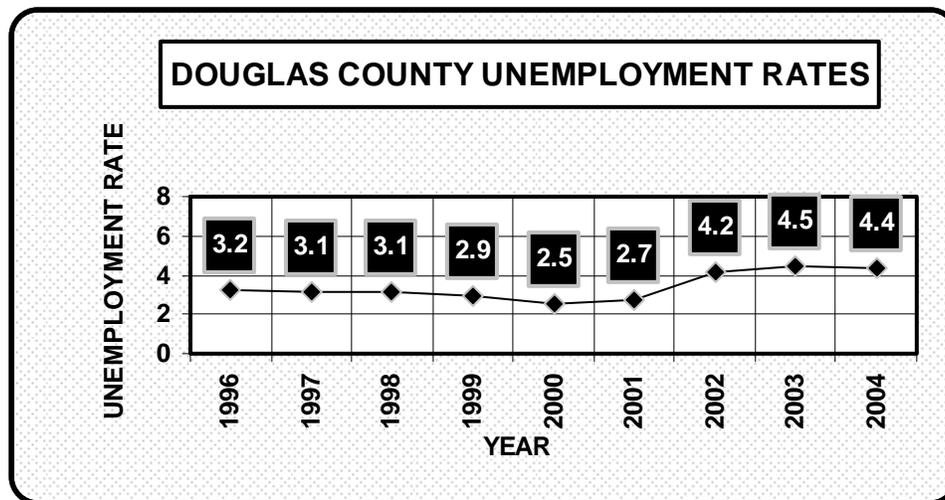


As a result of Douglas County's geographic location and its pro-active measures to assure quality and sustained growth, the economic vitality and viability of the County has strengthened. The County's population has grown significantly and is projected to continue to do so. An enhanced quality of life, expanded retail opportunities, strong growth in employment and an increasing and diverse supply of housing continues to lead to annual growth.

The County is also poised to take advantage of many of the issues that are limiting growth in other areas of the Metro-Atlanta region. Many developers and individuals are seeking alternatives to the traditional growth areas around Atlanta. For many years the I-75 and I-85 north corridors around Atlanta have seen the most dramatic growth. The opportunities in those areas are becoming more and more limited. As reported in the March 3-9, 2000 edition of the Atlanta Business Chronicle, the Trammell Crow Company recently completed a study of the I-85 corridor, and found that only 635 acres "were available for future (industrial) development sites". Douglas County and its municipalities have in excess of 1,000 acres that are developable for industrial/warehouse/distribution space. This bodes well for the future growth potential in Douglas County and for expanded employment opportunities for its citizens.

The economic well being of the general population of Douglas County is good in comparison to the rest of Georgia. The Per Capita Income in the County is \$25,234, which compares to Georgia's average per capita income of \$27,794. The County poverty rate dropped from 9.1% in 2003 to 7.8% in 2004, which is significantly lower than Georgia's rate of 13%. As more affluent subdivisions and homes are being constructed, these numbers should continue to improve.

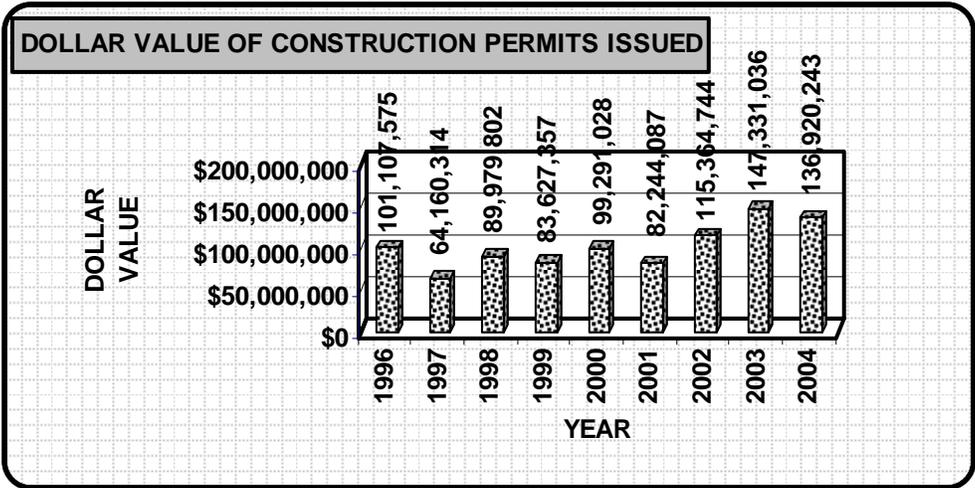
As the population increases so does the size of the labor force. The current Douglas County labor force increased 1.1% over 2003 to approximately 55,515. Although the labor force has been increasing, the unemployment rate decreased in 2004 to 4.4%. The following chart illustrates this trend:



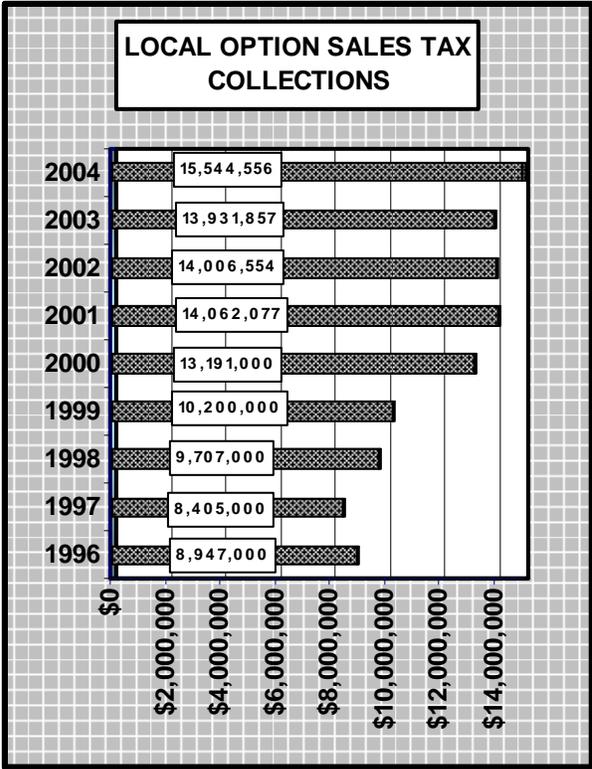
The employment opportunities in Douglas County have been increasing also. Employment has been increasing at an average annual rate of 5.4%, outpacing the average annual population growth of 3.4%. In the 1990 census, approximately 70% of the County's residents commuted to jobs outside the County. With the increase in local employment opportunities and the broad job sector growth outpacing population growth, that percentage has reduced to about 50%. Presently, Douglas County has one job for every 1.7 members of the County work force. Job growth has occurred in every sector between 1990 and 1998 except for the transportation, communication and utilities (TCU) sector. This sector should see substantial growth in the next few years as locations by industries needing the fiber optic capabilities of the area increase. This was evidenced in 1999 by the announcement of Exodus Communications locating in Douglas County and creating 100 new jobs and AT & T locating in Douglas County in 2000 and opening a new internet data center. These new job announcements have actually created a positive growth in the TCU sector over the 1990-2000 period.

The opening of the Arbor Place and surrounding retail establishments in 1999 has also resulted in a significant increase in the employment numbers in Douglas County. The mall itself is expected to directly generate some 2,000 new jobs. This is resulting in a significant number of additional indirect jobs in the service/support sectors such as general office. In 2004, Rich's-Macy's joined Arbor Place Mall. This has resulted in more business in the mall and more employment opportunities for County residents. As of December 2004, total employment in Douglas County was 52,807.

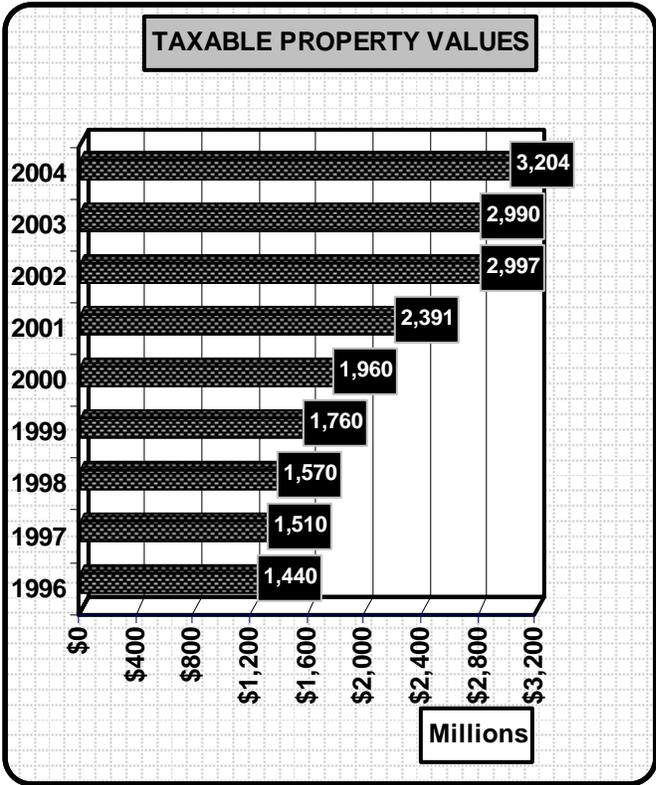
Related to the new mall and associated business, Douglas County has seen a boom in construction activity. Construction activity has been significant in recent years and will continue to be in both dollar value of construction and number of permits issued. Construction permits consist of residential, new commercial and all mechanicals in the development industry. The dollar value of construction permits issued decreased in 2004 slightly but is still well above 2002 levels as seen in the following graph.



Much of the growth in permitted construction has been in the development of new retail sites and establishments. As more and diverse retail establishments are constructed, the need to go outside the County to purchase goods and services decreases. More tax revenue is generated as these products are purchased locally. The growing population, retail shopping opportunities, increased wealth and disposable income are all factors contributing to a stable local sales tax collection in Douglas County. This chart illustrates the increasing growth of Local Option Sales Tax (LOST) collections over the last few years. In 2003 the collections dropped off slightly with the general downturn of the national economy. However, collections rebounded strongly in 2004 with a \$1,612,699 increase over 2003.



In 2004, taxable property values reflected an increase of over \$213,000,000. Growth amounted to a \$171,903,267 increase in the property values. Revaluation increased property values by \$41,783,728. This increase is a reflection of the overall vitality of the Douglas County economic environment. See the chart below.



The County did not increase their portion of the tax levy. Since 1992 the County has reduced the total tax levy by 6.899 mills. In comparison with ten other Metro-Atlanta Counties for 2004, Douglas County has the second lowest millage rate. This contributes to making Douglas County very attractive for both residential and commercial growth.

The future is bright indeed for the County due to population growth, increase in wealth of citizens, improved and diverse housing, new housing starts, new construction in all sectors, increased retail opportunities and sales, low millage rates, low unemployment, growth in all employment sectors, and available land for future development.

Major Initiatives

With the increases in population and the construction of housing units, one of the most critical needs in the County has become our roads and transportation. In order to address this need, the Douglas County Board of Commissioners called for a referendum for a 1% Special Local Option Sales Tax (SPLOST) to provide road, recreation, and fire service improvements. In March 2002 the voters of Douglas County passed this Sales Tax Referendum that, along with Intergovernmental Grants, Investment Earnings, and Revenue Bond Proceeds, will provide almost \$96,000,000 worth of Roads, Recreation, and Fire Service improvements, over the next five years. In addition, the County:

Improved Distribution of Information to the Public by:

- Installing property tax values on the internet for public observation.

Improved Information Services by:

- Installing software and equipment to implement communications through laptops at the site of a problem.

Improved the Election Process by:

- Purchasing five more voting machines and increasing the number of polling sites for future elections.

Improved the Courts and Legal System by:

- Integrating the databases of the County's various law enforcement agencies with the court's system and plan for an imaging/document management system for the courts.
- Purchasing a scanner/microfilm machine that will scan and microfilm documents at a speed five times the present rate and provide for a document retrieval system on compact disks. Also, index ten years of deed records to make past images available to the public.
- Purchasing a new server and thirty-two computers to update the legal information system.

Improved Prisoner Detention Capabilities by:

- Hiring thirteen new officers to oversee the new jail annex that will house 150 prisoners and upgrade the main control center to touch screen workstations.

Improved Homeland Security by:

- Preparing a Hazard Mitigation Plan for the County.

Improved Traffic Congestion Problems by:

- Completing the implementation of the reorganization of the Department of Transportation by employing a Traffic Operations Engineer and a Traffic Analyst along with upgrading traffic signal maintenance and sign installation.
- Improving right-of-way maintenance by purchasing an integrated tool that serves as a boom axe.
- Designing additional parking and access improvements to the Transportation Center as well as installing the compressed natural gas fueling station.

Improved Library Security by:

- Installing security cameras at the Lithia Springs Library.

Improved Fleet Vehicle Maintenance by:

- Purchasing truck and ambulance lifts.

Maintained Service Level of the County Agriculture Extension Service by:

- Assuming the cost of salary and benefits for a County Extension Agent that was formerly paid for by the State of Georgia.

Improved Development Services by:

- Reorganizing the Engineering by moving the Right-of-Way Coordinator's position to the Department of Transportation.
- Transferring two Soil Erosion Inspectors to the Water and Sewer Authority
- Hiring one additional Plan Review Engineer and one additional Construction Monitoring employee.
- Hiring two additional Building Inspectors.
- Implementing Plan Review and Construction Monitoring rate increases as well as reducing building inspection fees that were recommended by consultants through their study of Douglas County Development Services and costs.

Future Plans

The mission of Douglas County is to provide the citizens of Douglas County with an honest, well-planned, effective and efficient local government. A major part of that mission is to provide certain essential, basic services of government necessary to have the quality of life that our citizens desire. Our goal is to deliver the maximum amount of these services, which promote the health, safety, welfare, comfort and convenience of our citizens, for the least amount of cost possible. The annual operating budget is one tool that is used to see that public funds are properly accounted for, that they are prudently expended, and that they are used to meet these objectives.

The annual budget serves as the foundation for Douglas County's financial planning and control. All departments and agencies funded by the County are required to submit requests for appropriations to the County Finance Department each year. Once the Budget Officer has received all the budget requests they are compiled and forwarded to the County Manager for his review and development of a proposed budget. The County Manager then presents the proposed budget to the Board of Commissioners. The Board is required to hold public hearings on the proposed budget and to adopt a final budget no later than December 31, the close of Douglas County's fiscal year. The appropriated budget is prepared by fund (e.g., General), function (e.g., Public Safety), and department (e.g., Sheriff Enforcement). Department Heads may make transfers of appropriations within a department, except for transfers into salaries. Transfers of salaries and transfers between departments require prior approval of the Board of Commissioners.

The budget process is the plan Douglas County uses for the expenditure of public funds. It is designed to identify the needs of Douglas County citizens for services to improve their quality of life, to quantify those needs, to categorize them into cost centers for accountability, and to determine the revenues, which will be available to provide those needs. Public hearings are held to encourage input from the citizens and to provide information regarding the County plans for the coming fiscal year.

Douglas County has established the following items as priorities for the 2005 fiscal year:

Improve Information Services by:

- Housing network backups at an off-site location for better management and security.
- Purchasing a fail-over firewall to ensure that the network is secure and operates on a 24/7 basis.
- Upgrading anti-virus software to ensure no network infection.
- Replacing two network switches and one router to avoid long periods of downtime.

Improve Records Retention by:

- Converting 180,000 images to microfilm to ensure the preservation of records with long-term retention.

Improve Tax Commissioner's department by:

- Hiring an additional Tag Agent to maintain effective customer service.

Improve Tax Appraiser's Department by:

- Hiring an additional Appraisal Supervisor.

Improve GIS Department by:

- Hiring professional services to assist GIS in the detailed geodatabase design and implementation to accommodate departmental integration.

Improve Department of Transportation by:

- Replacing three pickup trucks to be able to effectively haul work crews and equipment to various maintenance and construction projects.
- Purchasing a hay blower and hydro-seeder to perform shoulder work grassing and drainage projects.
- Purchasing a retroreflectometer to perform tests on existing signs to determine if they meet reflectivity requirements.
- Purchasing a thermoplastic applicator for pavement marking and striping and a thermoplastic eradicator for pavement marking and striping removal.
- Installing raised pavement markers at intersections, auxiliary lanes and channelized areas with a pull behind trailer bitumen dispenser and glue machine.
- Making a part-time receptionist/clerk position full-time.
- Relocating utilities for GDOT project STP—186-1(17) State Route 92.

Improve Fleet Vehicle Maintenance by:

- Purchasing a new service truck

Expand Transportation Services by:

- Increasing the Commuter Van Pool by three vans.
- Starting Phase III at the Transportation Center to include three-hundred additional parking spaces and access improvements.

Improve Development Services by:

- Replacing two vehicles to operate efficiently.
- Hiring a landscape architect to review plans and assure their correct implementation on-site.

Improve the Courts and Legal System by:

- Replacing microfilm reader/printer that includes a maintenance agreement.
- Replacing copying machines in the Clerk of Superior Court, Magistrate Court and District Attorney's Office.
- Purchasing the Georgia Trial Court Desktop to stay current with the Suggested Pattern Jury Instructions.
- Upgrading Case Management Software to the newer web based version.
- Operating an in-house scanning system for records.
- Hiring a Legal Staff Assistant, Assistant Public Defender and Assistant State Public Defender.

Improve Public Safety by:

- Purchasing nineteen vehicles and a transport bus for the Sheriff's Enforcement Department.
- Building fifteen outside runs for animals at the Animal Shelter.
- Purchasing software to create the ability to make automatic inquiries on the GBI's vehicle files.
- Purchase software for in-house testing of new applicants and new software to assist with Emergency Medical Dispatch Protocol.

Improve the Service Level of the County Agriculture Extension Service by:

- Paying a supplement for an additional full-time State Extension Agent.

Staff & Operate Douglas County's New Park Facilities by:

- Hiring twelve employees to operate and maintain the Aquatic Center.
- Hiring two employees to maintain the Skateboard Complex.

- Hiring three employees to operate and maintain the Senior Center.
- Hiring six employees to operate and maintain the Boundary Waters Park.

Improve Library Security and Buildings by:

- Hiring a part-time deputy at the Lithia Springs Library.
- Replacing the roof at the Douglas County Library.

Improve Landfill Operations by:

- Purchasing two covered hook lift containers.
- Purchasing a multi-use skid steer type machine.

2004 was a year for building—building employee skills and building new facilities. Several classes were offered to employees to enhance customer service responses, to improve management techniques, and to understand the Spanish language. Also, several facilities, like the Aquatic Center, Skateboard Complex, Senior Center, Boundary Waters Park and Jail Annex, were completed or were nearly completed by the end of 2004. Douglas County has grown and will continue to grow in many directions.

In 2005, major emphasis has been placed on staffing and operating the new facilities. The new facilities will create twenty-three new positions and \$854,925 in salary, benefit, operating and capital expenditures.

Phase III of the Transportation Center will begin in 2005 with a total cost of \$825,000 of which \$742,500 is reimbursed through Federal and State grants.

The GRTA Arterial Roads Projects will be making way with approximately \$5,000,000 worth of road construction/improvements in 2005, all of which is 100% reimbursed from the State.

Because we are in the information age, it is important to tightly secure and properly maintain old and new information. From storing our network backups at off-site locations to upgrading anti-virus software to converting and scanning our records on microfilm or paperless imaging, these types of necessary improvements were included in the budget for 2005.

Awards and Acknowledgements

Douglas County applied for and received the Certificate of Achievement for Excellence in Financial Reporting, for the first time in 2003. Again this year we have published an easily readable and efficiently organized Comprehensive Annual Financial Report, which satisfies both generally accepted accounting principles and applicable legal requirements. We

therefore are respectfully submitting it to the GFOA to determine if it is eligible to receive the Certificate of Achievement for Excellence in Financial Reporting for 2004.

The County has received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning January 1, 2004. The County's budget document has been judged by the GFOA to be proficient as a policy document, as an operations guide, as a financial plan and as a communication device, and thus the County has received this award seven times.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department, as well as, the assistance and contributions by the County Manager. Credit must also be given to the Chairman and members of the Douglas County Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of Douglas County's finances.

Respectfully submitted,

A handwritten signature in cursive script that reads "Bob Harshbarger".

Bob Harshbarger, Finance Director



The Government Finance Officers Association
of the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Finance Department
Douglas County, Georgia



The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Date March 29, 2005

Douglas County Board of Commissioners



Tom Worthan
Chairman



Claude Abercrombie
District # 2



Buddy Gordon
District # 1



Deborah Woody
District # 3



David Latham
District # 4

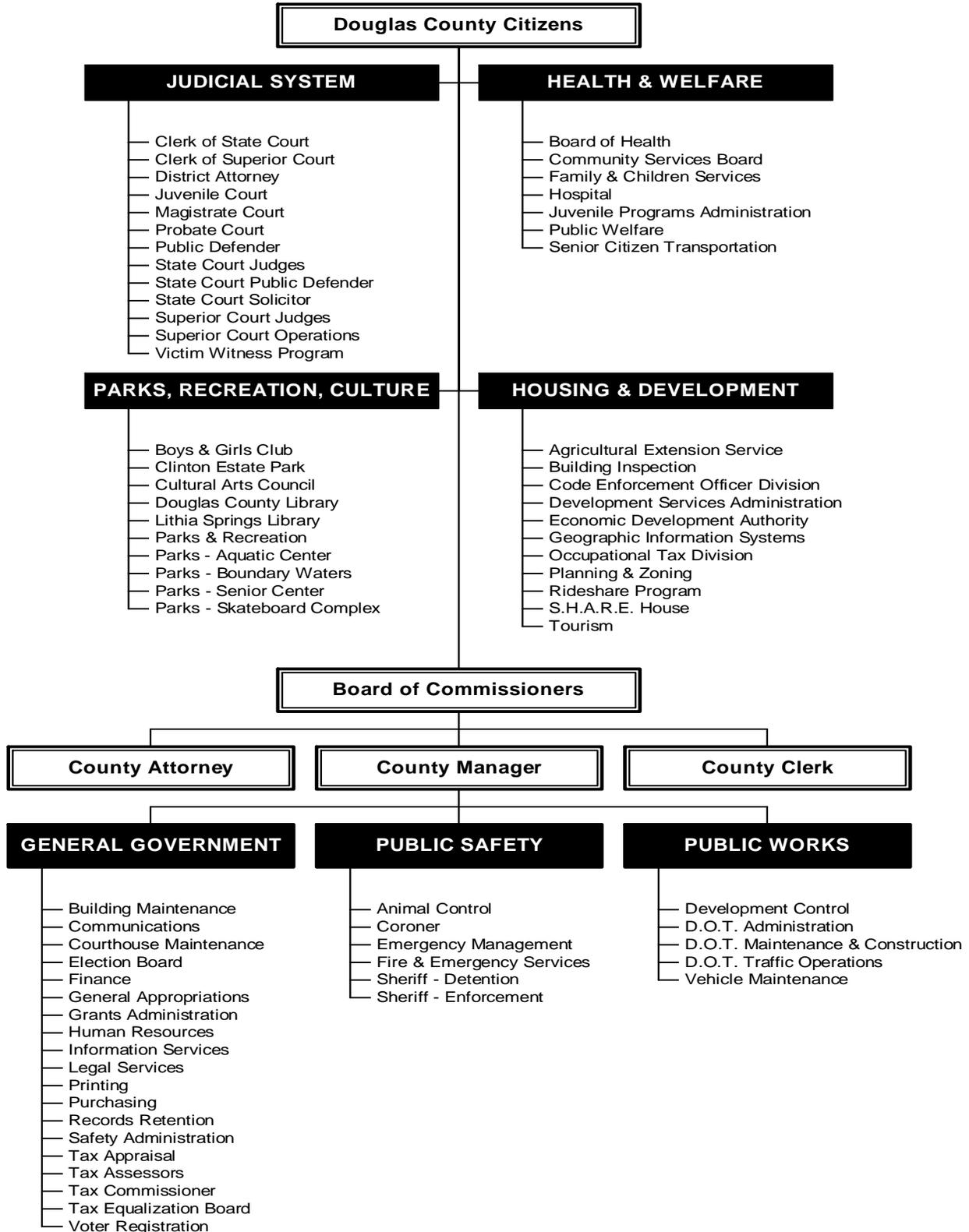


Mike Cason
County Manager

County Manager



Douglas County Government





LIST OF OFFICIALS

DOUGLAS COUNTY, GEORGIA

COMMISSIONER , CHAIRMAN.....	TOM WORTHAN
COMMISSIONER, VICE CHAIRMAN.....	CLAUDE ABERCROMBIE
COMMISSIONER.....	BUDDY GORDON
COMMISSIONER.....	DEBORAH WOODY
COMMISSIONER.....	DAVID LATHAM
COUNTY MANAGER.....	MICHAEL CASON
COUNTY ATTORNEY.....	KENNETH BERNARD
COUNTY CLERK.....	AIDA TULLIS
ACTING CHIEF APPRAISER.....	SHERRI CROCKER
CHIEF MAGISTRATE.....	SUSAN CAMP
CHIEF REGISTRAR.....	LAURIE FULTON
CLERK OF SUPERIOR COURT.....	CINDY CHAFFIN
COMMUNICATIONS DIRECTOR.....	WES TALLON
CORONER.....	RANDY DANIEL
DISTRICT ATTORNEY.....	DAVID MCDADE
ELECTIONS SUPERINTENDENT.....	BOB AKERS
EMERGENCY/E-911 DIRECTOR.....	GREG WHITAKER
FINANCE DIRECTOR.....	BOB HARSHBARGER
FIRE CHIEF.....	SCOTT SPENCER
INFORMATION SERVICES DIRECTOR.....	NEVA THORNTON
JUVENILE COURT JUDGE.....	PEGGY WALKER
LIBRARIAN.....	CHARLOTTE HURT
MAPPING AND GIS.....	STACY GREAR
PARKS AND RECREATION DIRECTOR.....	MIKE PARKER
PERSONNEL DIRECTOR.....	RAY MARTIN
PLANNING/ZONING DIRECTOR.....	ERIC LINTON
PROBATE JUDGE.....	HAL HAMRICK
PUBLIC DEFENDER.....	MONICA MYLES
PUBLIC SAFETY/EMA DIRECTOR.....	CURTIS LITTLE
DEPT OF TRANSPORTATION DIRECTOR.....	RANDY HULSEY
PURCHASING DIRECTOR.....	DIANE CONNORS
RECORD RETENTION.....	BECKY HEBERT
RIDESHARE COORDINATOR.....	GARY WATSON
SHERIFF.....	PHIL MILLER
TAX COMMISSIONER.....	ANN JONES GUIDER
VEHICLE MAINTENANCE MANAGER.....	DANNY AGAN

INDEPENDENT AUDITOR'S REPORT

Members of the Douglas County Board of Commissioners
Douglasville, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Douglas County, Georgia as of and for the year ended December 31, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Douglas County, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Douglas County Board of Health, a discretely presented component unit of the County. Those financial statements as of June 30, 2004, were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Douglas County Board of Health, is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Douglas County, Georgia as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 2, 2005 on our consideration of Douglas County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis, Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP) and Actual - General Fund, and the Schedules of Funding Progress and Employer Contributions, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Board of Commissioners
Douglas County, Georgia

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying information listed as introductory section, other supplementary information (individual nonmajor fund financial statements), and statistical section in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information included in the introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Lawrence, See § 1301

Atlanta, Georgia
June 2, 2005

Management's Discussion and Analysis

As management of Douglas County, Georgia, we offer readers of the County's financial statement this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in County's financial statements, which follow this narrative.

Financial Highlights

- ◆ The assets of the County exceeded its liabilities as of December 31, 2004 by \$105,590,651 (net assets).
- ◆ As of December 31, 2004, the County's governmental funds reported combined ending fund balances of \$40,877,187. Approximately 25 % of this total amount, \$10,061,006 is available for spending at the government's discretion (unreserved and undesignated fund balance).
- ◆ As of December 31, 2004, unreserved and undesignated fund balance for the general fund increased by \$3,888,782 to \$10,062,502 or 17 % of the total general fund expenditures.
- ◆ Douglas County's total long-term debt decreased by \$7,181,016 during the current fiscal year. The main contributing factor to this decrease was the retirement of the Development Authority of Douglas County Revenue Bonds (Parks and Recreation Projects) in the amount of \$7,635,000.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The first two statements are government-wide financial statements that provide both long-term and short-term information about the County's overall financial status in a manner similar to a private-sector business.

The remaining statements are fund financial statements that focus on individual parts of the County government, reporting the County's operations in more detail than the government-wide 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 basic

financial statements.

Following the notes is the required supplemental information.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Government's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Government's financial status as a whole.

These two statements are the 1) statement of net assets and 2) statement of activities. Net assets are the difference between the Government's total assets and total liabilities. Measuring net assets is one way to gage the Government's financial condition. 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide statements are divided into three categories: 1) government activities; 2) business-type activities; and 3) component units. The governmental activities include most of the Government's basic services such as general government, judicial system, public safety, public works, health and welfare, parks, recreation and culture, and planning/community development. Property taxes and State and Federal grant funds finance most of these activities. The business-type activities are those that the Government charges customers to provide. For Douglas County the only business-type activity is the Solid Waste Landfill. The final category is the component units. The Douglas County Health Department is a public health department. Although legally separate from the Government, the Chairman of the Board of Commissioners sits on their governing board and the County appoints three members to the governing board thereby controlling a majority of the Board of Health governing positions. Although the County does not have the authority to approve or modify the Board of Health's operational and capital budget, it does have the ability to control the amount of funding it provides to the Board of Health. Such funding is significant to the overall operations of the Board of Health. Therefore, the Board of Health is a component unit of the Douglas County Government.

Fund Financial Statements

The remaining statements are fund financial statements that focus on individual parts of the County government, reporting the County's operations in more detail than the government-wide 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. Douglas County like other state and local governments uses fund accounting to ensure and demonstrate compliance

with finance-related legal requirements. All of the funds of Douglas County can be divided into three categories: 1) governmental funds, 2) proprietary funds and 3) fiduciary funds.

Governmental Funds

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Government's basic services are accounted for in governmental funds. 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 call modified accrual accounting. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Government's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Government adopts annual budgets for its General Fund, its Special Revenue Funds, and its Debt Service Funds. The budget is a legally adopted document that incorporates input from the citizens of the Government, the management of the Government, and the decisions of the Douglas County Board of Commissioners about which services to provide and how to pay for those services. It also authorizes the Government to obtain funds from identified sources to finance these current period activities. The budgetary statements provided for these funds demonstrate how well the Government complied with the budget ordinance and whether or not the Government succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting (which is modified accrual) and is presented using the same format, language, and classifications as the Statement of Revenues, Expenditures, and Changes of Fund Balance. The statements show three columns: 1) the final budget as amended by the commission; 2) the actual resources, charges to appropriations, and ending balances in the funds; and the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds

The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for the Solid Waste Landfill. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Internal service funds are used to account for the County's Healthcare and Employee benefits and Worker's Compensation. The costs of these services have been allocated between the governmental activities and the business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Douglas County's Net Assets						
	Activities Governmental 2004	Activities Governmental 2003	Activities Business-type 2004	Activities Business-type 2003	Total 2004	Total 2003
Current and other assets	\$ 60,997,620	\$ 71,067,046	\$ 572,259	\$ 414,754	\$ 61,569,879	\$ 71,481,800
Capital assets	98,615,672	80,142,363	2,110,170	2,546,337	100,725,842	82,688,700
Total assets	159,613,292	151,209,409	2,682,429	2,961,091	162,295,721	154,170,500
Long-term liabilities outstanding	38,737,330	37,866,166	2,128,099	1,937,642	40,865,429	39,803,808
Other liabilities	15,757,859	25,659,677	81,782	174,155	15,839,641	25,833,832
Total liabilities	54,495,189	63,525,843	2,209,881	2,111,797	56,705,070	65,637,640
Net assets:						
Invested in capital assets, net of related debt	84,241,469	60,985,619	2,110,170	2,546,337	86,351,639	63,531,956
Restricted	9,090,154	31,552,971		0	9,090,154	31,552,971
Unrestricted	11,786,480	(4,855,024)	(1,637,622)	(1,697,043)	10,148,858	(6,552,067)
Total net assets	\$ 105,118,103	\$ 87,683,566	\$ 472,548	\$ 849,294	\$ 105,590,651	\$ 88,532,860

As noted earlier, net assets may serve, over time, as one useful indicator of a government's financial condition. The assets of Douglas County exceeded liabilities by \$88,532,860 as of December 31, 2003. As of December 31, 2004 net assets were \$105,590,651.

The largest portion of the net assets, \$86,351,639, (81.8 %) reflects the County's investment in capital assets (e.g. land, buildings, machinery and equipment, etc.), less any related debt still outstanding that was issued to acquire those items. This compares to \$63,531,956, (72.0 %) in 2003. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

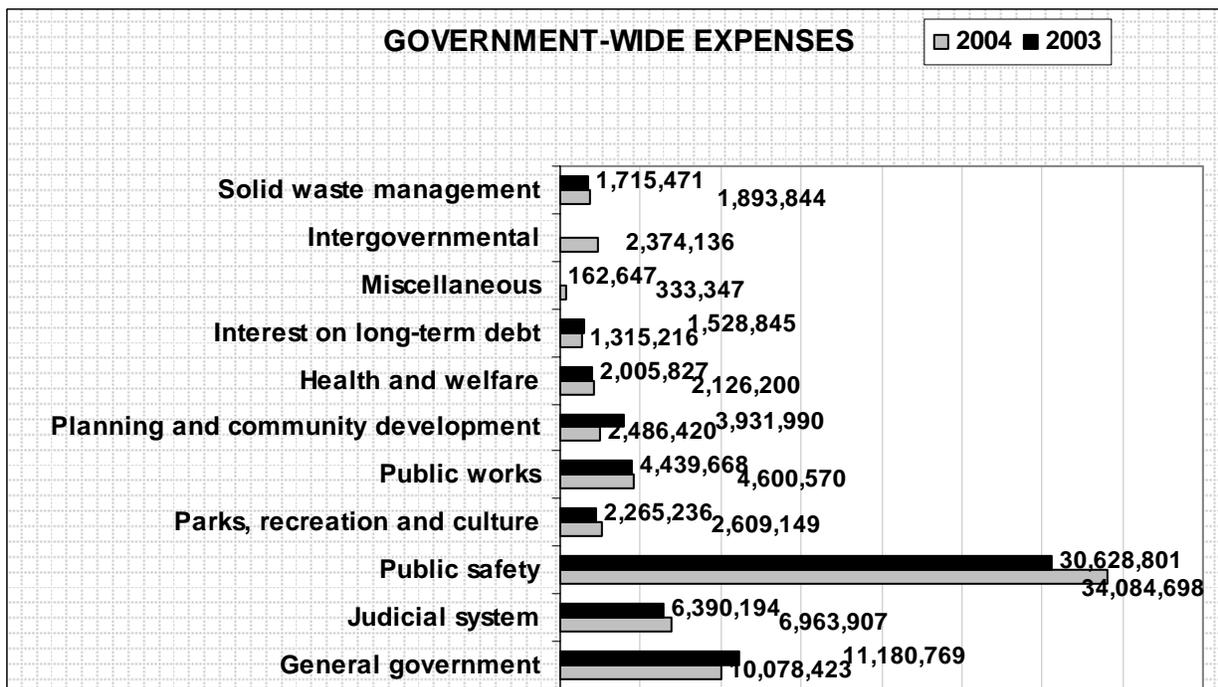
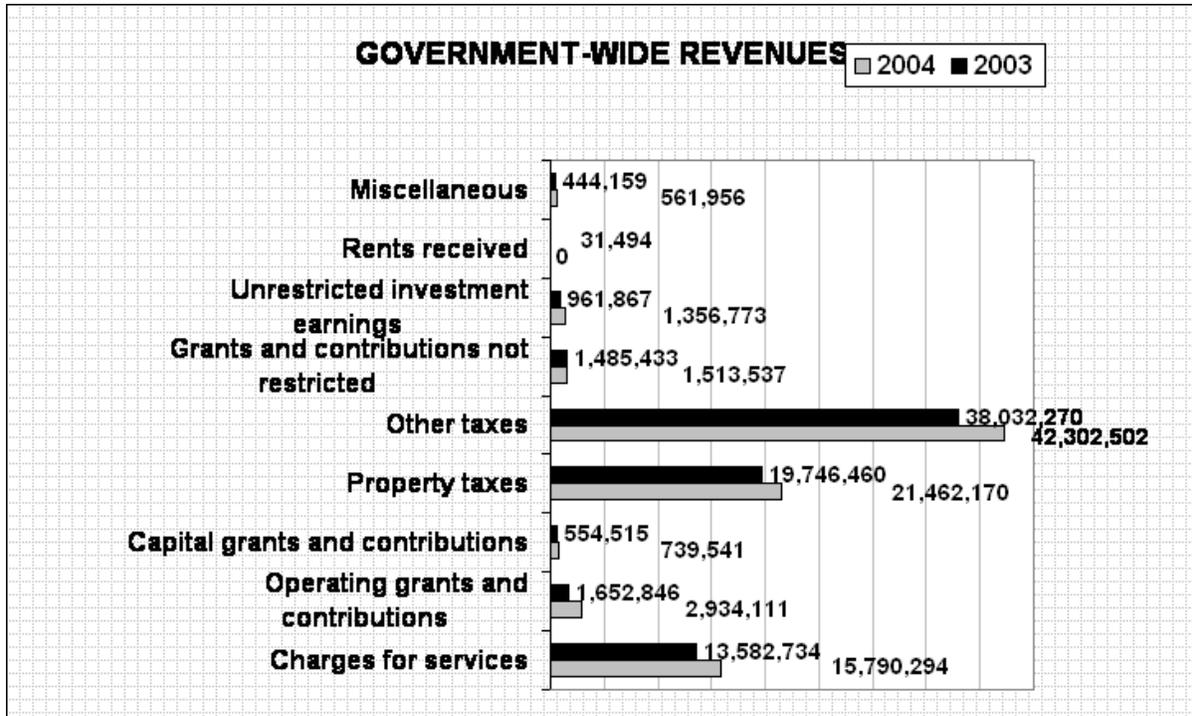
The County's unrestricted net assets are \$10,148,858 in 2004, which is 9.6 % of the total net assets as compared to \$(6,552,067) in 2003.

Another portion of the County's net assets, \$9,090,154, (8.6 %), represents resources that are subject to external restrictions on how they may be used. This compares to \$31,552,971 (36%) in 2003. Of the 2004 total, \$638,184 is restricted for capital projects, \$4,497,649 is restricted for debt service, \$2,995,184 is for Public Safety, and \$959,137 is for other purposes.

The next table shows the changes in net assets for the years ending December 31, 2003 and December 31, 2004.

Douglas County's Changes In Net Assets

	Activities Governmental 2004	Activities Governmental 2003	Activities Business-type 2004	Activities Business-type 2003	Total 2004	Total 2003
Revenues:						
Program revenues:						
Charges for services	\$ 13,830,086	\$ 12,022,128	1,960,208	\$ 1,560,606	15,790,294	\$ 13,582,734
Operating grants and contributions	2,934,111	1,652,846		0	2,934,111	1,652,846
Capital grants and contributions	739,541	554,515		0	739,541	554,515
General revenues:						
Property taxes	21,462,170	19,746,460			21,462,170	19,746,460
Other taxes	42,302,502	38,032,270			42,302,502	38,032,270
Grants and contributions not restricted	1,513,537	1,485,433			1,513,537	1,485,433
Unrestricted investment earnings	1,350,527	958,571	6,246	3,296	1,356,773	961,867
Rents received	0	31,494			0	31,494
Miscellaneous	561,956	444,159			561,956	444,159
Total revenues	84,694,430	74,927,876	1,966,454	1,563,902	86,660,884	76,491,778
Expenses:						
General government	10,078,423	11,180,769			10,078,423	11,180,769
Judicial system	6,963,907	6,390,194			6,963,907	6,390,194
Public safety	34,084,698	30,628,801			34,084,698	30,628,801
Parks, recreation and culture	2,609,149	2,265,236			2,609,149	2,265,236
Public works	4,600,570	4,439,668			4,600,570	4,439,668
Planning and community development	2,486,420	3,931,990			2,486,420	3,931,990
Health and welfare	2,126,200	2,005,827			2,126,200	2,005,827
Interest on long-term debt	1,315,216	1,528,845			1,315,216	1,528,845
Miscellaneous	333,347	162,647			333,347	162,647
Intergovernmental	2,374,136				2,374,136	
Solid waste management			1,893,844	1,715,471	1,893,844	1,715,471
Total expenses	66,972,066	62,533,977	1,893,844	1,715,471	68,865,910	64,249,448
Increase in net assets before transfers	17,722,364	12,393,899	72,610	(151,569)	17,794,974	12,242,330
Transfers						
Increase in net assets	17,722,364	12,393,899	72,610	(151,569)	17,794,974	12,242,330
Net assets, January 1	87,683,566	75,289,667	849,294	6,205	88,532,860	75,295,872
Prior period adjustment	(287,827)		(449,356)	994,658	(737,183)	994,658
Net assets, December 31	\$ 105,118,103	\$ 87,683,566	\$ 472,548	\$ 849,294	\$ 105,590,651	\$ 88,532,860



Governmental Activities

Governmental activities increased the County's net assets by \$12,393,899 in 2003 and by \$15,763,020 in 2004. Key elements of the 2004 increase are as follows:

- ◆ **Governmental Revenues.** Property tax and other taxes continue as the main source of revenue of the County, amounting to 75% of the revenues in 2004 compared to 77% in 2003. Sales tax revenues increased in 2004 by \$3,775,419, which accounts for 21% of the increase in the change of net assets. The general property taxes increased by \$1,715,710 over 2003 due to growth of the digest, as there was no millage increase.
- ◆ **Governmental Functional Expenses:** As reflected in the summary of changes in Net Assets, the County expended 61 % of the appropriations for judicial and public safety expenditures. This compares to 59% expended for judicial and public safety in 2003. The County continues to commit substantial financial resources for the safety of its citizens. Increased spending in general government, the judicial system, and public safety were mostly offset by decreased spending in public works and planning and community development.

Business-type activities:

Business-type activities increased the County's net assets by \$72,610 in 2004. This total amount of \$72,610 was due to the Solid Waste Management Operations. This compares to a decrease of \$151,569 in 2003.

Financial Analysis of the Government's Funds

The fund financial statements provide more detailed information about the County's most significant funds, not the County as a whole. As stated earlier, funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bonding covenants. The Board of Commissioners establishes other funds to control and manage money for particular purposes (like the purchase or construction on major capital facilities within the County) or to show that it is properly using certain taxes and grants (like the one cent Special Local Option Sales Tax).

Governmental funds. Most of the County's basic services are included in governmental funds, such as public safety, public works, parks, recreation, and culture, and general government. These focus on (1) cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Such information is useful in assessing Douglas County's financing requirements. Specifically, unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Douglas County's governmental funds reported combined ending fund balances of \$40,877,187, a decrease of \$6,313,401 in comparison with the prior year. This was a \$3,630,011 increase in the unreserved fund balance and a decrease of \$9,943,412 in the reserved fund balance. This reserved fund balance of \$26,632,395 has already been committed to (1) liquidate encumbrances of the prior period (\$7,183,283), (2) to be used for capital outlay (\$13,831,132), (3) to be used for debt service (\$4,915,144), and (4) to be used for prepaid items (\$702,836).

The general fund is the chief operating fund of the County. As a measure of the general fund's liquidity, it may be useful to compare both unreserved and reserved fund balance to total fund expenditures for the year. At the end of the current fiscal year, unreserved fund balance of the general fund was \$10,127,512, or 17% of general fund expenditures for the year. The reserved fund balance for the general fund was \$1,432,334, or 2% of general fund expenditures for the year. Total fund balance reached \$11,559,846, or 20% of general fund expenditures for the year. Of the general fund balance, 88% is unreserved or available for spending at year end.

The fund balance of the County's general fund increased by \$4,402,676 during the current fiscal year. This was primarily due to an increase of revenues of \$9,742,365 and only an increase in expenditures of \$3,410,782. The Board of Commissioners have thus maintained their policy of at least a 10 % reserve in the fund balance.

Key factors in the \$9,742,365 increase in general fund revenues are as follows:

- ◆ Revenues from taxes increased by \$3,875,581 in 2004. General property taxes increased by \$1,894,362 primarily as a result of getting the digest out earlier in 2004 thus having a FIFA date prior to year end. In addition, due to the improved economy and the addition of Rich's/Macy's at the Arbor Place Mall, the Local Option Sales Taxes increased by \$1,612,699. Also, as a result of the improved economy, the Insurance Premium Taxes have increased by \$224,240 this year.
- ◆ Intergovernmental Revenues increased by \$3,672,775. This was primarily due to the State Homeowner's Tax Relief, which was deferred in 2003 and in 2004 was \$3,066,553. In addition, \$586,091 was the result of State grants for the purchase of six Rideshare vans and the installation of the compressed natural gas fueling station.
- ◆ And finally there was an increase in the Courts and Law Enforcement of \$1,387,025, which was mostly due to the \$937,658 increase in the Clerk of the Superior Court revenues. This was due to an increase in the Fines and Forfeitures of \$901,217, which was due to a change in the law in July 2004 that required the State probation office to make all partial payments on a monthly basis as opposed to holding until the total was collected, as was done in the past. In addition, a court order was issued requiring the release of all the funds that had been held up to that date. The combination of those two related events resulted in a \$901,217 increase in the Clerk of the Superior Court's revenues for 2004.

Total general fund expenditures increased by \$3,410,782 in fiscal year 2004. Key factors in this increase were:

- ◆ In the public safety there was an increase of \$2,842,719, which was due to a \$2,067,177 increase in the jail due to the addition of fourteen new employees, cost-of-living and merit raises for 154 employees, an increase in insurance premiums for health insurance of \$100 per month per employee, and the completion of the jail extension that resulted in housing more prisoners thus raising costs of food, medical, utilities, etc. In addition, the Sheriff's Enforcement increased by \$330,248 primarily due to the cost-of-living and merit increases for 133 employees and the increase in medical premiums of \$100 per month per 133 employees. The same was true for the Fire Department in that they had an increase of \$475,382 due to these same increases for 157 employees.

- ◆ In the judicial system there was an increase of \$560,599, which was generally due to the cost-of-living and merit increases to the employees and the increase in the insurance premiums for all of the departments making up the judicial system. The only additional costs, other than these, was in the Juvenile Court where the increased number of court cases and the increased use of conflict attorneys resulted in an increase of \$163,163.

Proprietary Funds. Douglas County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. At the end of the current fiscal year net assets invested in capital assets net of related debt and restricted net assets were \$2,110,170 and \$0 respectively. Unrestricted net assets had a balance of \$(1,637,622). This compares to 2003 with net assets invested in capital assets net of related debt and restricted net assets of \$2,546,337 and \$0 respectively. Unrestricted net asset in 2003 were \$(1,697,043). Other factors concerning the finances of this fund have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for 2004 totaled \$2,949,429 increase in appropriations and are briefly summarized as follows:

- ◆ \$600,884 increases allocated to General Government (Some of the things which contributed to this were: \$168,500 in legal fees, \$74,567 encumbrance carryovers from 2003, \$54,888 to repair the Courthouse cupola, \$20,265 for grants received, \$14,800 for an air conditioning unit for the old courthouse, and \$53,047 to provide for a school board referendum and additional poll workers salaries to mention a few.)
- ◆ \$293,248 increases allocated to the Judicial System (Most of these were the result of additional juvenile court cases and conflict attorneys of \$194,800, \$50,000 for indigent legal fees, \$14,078 for a vehicle for the District Attorney's office, \$23,000 for interpreters and court reporters, \$5,000 for a grant, and \$10,091 for encumbrance carryovers from 2003.)
- ◆ \$675,810 increases allocated to Public Safety (The majority of these funds were for prisoner care due to increased population-\$406,305, \$54,000 for gas and oil due to increased prices, \$73,468 for grants for various fire-fighting equipment, \$60,000 for the opening of the Animal Control Shelter, \$44,640 for retirement sick pay, \$14,025 for a Sheriff department vehicle, and \$27,331 for encumbrance carryovers from 2003.)
- ◆ \$52,659 increases allocated to Parks, Recreation & Culture (Most of this was for an insurance check for items stolen or damaged at the Lithia Springs Library of \$25,184 and \$13,627 for encumbrance carryovers from 2003.)
- ◆ \$158,444 increases allocated to Public Works (All of this increase can be attributed to additional machinery and equipment purchased in 2004.)
- ◆ \$897,972 increases allocated to Planning and Community Development (The majority of this increase was the result of the construction of the Multi-modal Transportation Center of \$842,056, and encumbrance carryovers of \$22,813 from 2003.)
- ◆ \$110,164 increases allocated to Health & Welfare (\$70,000 of this was for an ARC pass through grant, \$43,771 was for juvenile user fees and a Safe and Stable grant, and \$10,910 was for insurance and maintenance for senior citizen transportation.)

- ◆ \$160,248 increases allocated to Debt Service

During the year, revenues exceeded the budgetary estimates by \$3,771,054 and expenditures were less than budgetary estimates by \$2,305,292 thus, what was budgeted to be a \$3,049,138 loss turned out to be a \$3,027,208 gain, or an improvement of \$6,076,346 in the County's planned financial position.

Capital Asset and Debt Administration

Capital Assets. Douglas County's investment in capital assets for its governmental and business-type activities as of December 31, 2004 amounts to \$86,351,639 (net of related debt). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Douglas County, Georgia's Capital Assets

	Governmental Funds	Business-Type Activity	Total
Land	\$ 14,389,998	1,574,387	15,964,385
Buildings	53,570,419	286,667	53,857,086
Machinery and equipment	5,320,486	1,725,185	7,045,671
Infrastructure	33,866,491		33,866,491
Construction in progress	12,837,561		12,837,561
Computers	578,785	12,500	591,285
Improvements	1,790,393	87,443	1,877,836
Vehicles	13,107,560	543,341	13,650,901
Total Governmental Funds Capital Assets	135,461,693	4,229,523	139,691,216

Additional information on the County's capital assets can be found in the capital asset schedules and in the notes to the financial statements of this report.

Long-term Debt. At the end of the current fiscal year, the County had total long-term debt of \$38,319,466. Of that amount \$26,795,000 are revenue bonds through an intergovernmental agreement with the Douglas County Development Authority. The County intends to make payments on these bonds from the revenues received pursuant to the County's one percent special local option sales tax. (SPLOST) However, the revenues from the SPLOST are not pledged to such payments. Another \$6,785,000 of this debt consists of certificates of participation with the Association of County Commissioner's Government (A.C.C.G.) and was issued in 2003 for the expansion of the Douglas County Jail .

Douglas County, Georgia's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Certificates of Participation	6,785,000	6,785,000		-	6,785,000	0
Special Assessment Debt	695,000	770,000			695,000	770,000
Revenue Bonds	26,795,000	34,430,000			26,795,000	34,430,000
Premium on Issue	444,602	901,752		-	444,602	0
Capital Leases	442,430	474,963			442,430	474,963
Compensated Absences	2,548,452	2,230,677	18,354	13,426	2,566,806	2,244,103
Claims and Judgments	608,982	100,000			608,982	100,000
Closure and Post-closure			1,932,473	1,961,751	1,932,473	1,961,751
	<u>38,319,466</u>	<u>45,692,392</u>	<u>1,950,827</u>	<u>1,975,177</u>	<u>40,270,293</u>	<u>39,980,817</u>

Douglas County maintains an “Aa2” rating from Moody’s Investors Services, Inc. for the uninsured bonds and an Aaa rating on the insured bonds with M.B.I.A. Insurance Corporation.

State statutes limit the amount of general obligation debt a governmental entity may issue to ten percent of the assessed value of all taxable property (tax digest) within said county. The current debt limitation for Douglas County is \$293,222,846 which is significantly in excess of the County’s outstanding general obligation debt.

During the current year the County had increases of \$508,982 in claims and judgments, \$322,703 in compensated balances, and \$216,426 in capital leases.

Additional information on the County’s long-term debt can be found on the comparative schedule of general long-term debt and in the notes to the financial statements.

Next Year’s Budget - During the year the fund balance was increased by \$4,402,676. This compares to a \$2,294,596 reduction in 2003. The County has no plans to increase the millage rate in 2005.

Requests for Information - This financial report is designed to provide a general overview of Douglas County, Georgia’s finances for those with an interest in the government’s finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Office of the Finance Director, 8700 Hospital Drive, Douglasville, Georgia 30134.

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BASIC FINANCIAL STATEMENTS

The basic financial statements include the government-wide statement of net assets and government-wide statement of activities which include all of the primary government's governmental activities, business-type activities and component units. In addition, the basic financial statements include the fund financial statements and the notes to the financial statements.

DOUGLAS COUNTY, GEORGIA
STATEMENT OF NET ASSETS
December 31, 2004

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Douglas County Board of Health
Assets:				
Cash and cash equivalents	\$ 26,604,975	\$ 682,701	\$ 27,287,676	\$ 567,745
Investments, at fair value	21,992,604	-	21,992,604	-
Receivables, net	3,735,342	114,578	3,849,920	-
Internal balances	276,461	(276,461)	-	-
Due from other governments and agencies	7,232,150	51,441	7,283,591	15,516
Prepaid items and other assets	759,835	-	759,835	-
Capital Assets:				
Nondepreciable capital assets	27,227,560	1,574,386	28,801,946	-
Depreciable capital assets, net	71,388,112	535,784	71,923,896	45,102
Unamortized bond costs	396,253	-	396,253	-
Total assets	159,613,292	2,682,429	162,295,721	628,363
Liabilities:				
Accounts payable	4,036,485	28,163	4,064,648	3,120
Accrued liabilities	1,690,679	38,981	1,729,660	-
Accrued interest payable	417,864	-	417,864	-
Due to other government	9,400,362	-	9,400,362	35,997
Due to others	630,333	-	630,333	-
Noncurrent liabilities:				
Due within one year	10,959,914	14,638	10,974,552	-
Due in more than one year	27,359,552	2,128,099	29,487,651	55,915
Total liabilities	54,495,189	2,209,881	56,705,070	95,032
Net Assets				
Invested in capital assets, net of related debt	84,241,469	2,110,170	86,351,639	45,102
Restricted for:				
Capital Projects	638,184	-	638,184	-
Debt Service	4,497,649	-	4,497,649	-
Public Safety	2,995,184	-	2,995,184	-
Other Purposes	959,137	-	959,137	11,763
Unrestricted	11,786,480	(1,637,622)	10,148,858	476,466
Total net assets	\$ 105,118,103	\$ 472,548	\$ 105,590,651	\$ 533,331

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

DOUGLAS COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the year ended December 31, 2004

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit Douglas County Board of Health
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Primary Government								
Governmental Activities:								
General government	\$ 10,078,423	\$ 2,418,720	\$ 76,373	\$ -	\$ (7,583,330)	\$ -	\$ (7,583,330)	\$ -
Judicial system	6,963,907	6,510,968	362,933	-	(90,006)	-	(90,006)	-
Public safety	34,084,698	3,696,669	294,776	38,450	(30,054,803)	-	(30,054,803)	-
Parks, recreation and culture	2,609,149	114,367	-	-	(2,494,782)	-	(2,494,782)	-
Public works	4,600,570	735,427	1,651,995	-	(2,213,148)	-	(2,213,148)	-
Planning/community development	2,486,420	353,935	452,108	701,091	(979,286)	-	(979,286)	-
Health and welfare	2,126,200	-	95,926	-	(2,030,274)	-	(2,030,274)	-
Miscellaneous	333,347	-	-	-	(333,347)	-	(333,347)	-
Intergovernmental	2,374,136	-	-	-	(2,374,136)	-	(2,374,136)	-
Interest and fiscal charges	1,315,216	-	-	-	(1,315,216)	-	(1,315,216)	-
Total governmental activities	66,972,066	13,830,086	2,934,111	739,541	(49,468,328)	-	(49,468,328)	-
Business Type-Activities:								
Solid waste	1,893,844	1,960,208	-	-	-	66,364	66,364	-
Total business-type activities	1,893,844	1,960,208	-	-	-	66,364	66,364	-
Total primary government	68,865,910	15,790,294	2,934,111	739,541	(49,468,328)	66,364	(49,401,964)	-
Component Unit								
Douglas County board of health	2,030,375	620,677	1,472,374	-	-	-	-	62,676
Total component units	\$ 2,030,375	\$ 620,677	\$ 1,472,374	\$ -	-	-	-	62,676
General revenues:								
Taxes:								
General property taxes					21,462,170	-	21,462,170	-
Recording intangibles					1,625,117	-	1,625,117	-
Real estate transfer taxes					423,401	-	423,401	-
Alcoholic beverage tax					540,382	-	540,382	-
Sales taxes					35,149,747	-	35,149,747	-
Insurance premium tax					2,958,219	-	2,958,219	-
Franchise tax					603,512	-	603,512	-
Occupation taxes					997,221	-	997,221	-
Other taxes					4,903	-	4,903	-
Grants and contributions not restricted to specific programs					1,513,537	-	1,513,537	-
Interest earned					1,350,527	6,246	1,356,773	-
Other					561,956	-	561,956	-
Total general revenues					67,190,692	6,246	67,196,938	-
Change in net assets					17,722,364	72,610	17,794,974	62,676
Net assets - beginning, as previously reported					87,683,566	849,294	88,532,860	470,655
Prior period adjustment					(287,827)	(449,356)	(737,183)	-
Net assets - beginning, as restated					87,395,739	399,938	87,795,677	470,655
Net assets - ending					\$ 105,118,103	\$ 472,548	\$ 105,590,651	\$ 533,331

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

**DOUGLAS COUNTY, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2004**

	General	Parks Debt Service Fund	2002 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 6,500,911	\$ -	\$ 11,129,289	\$ 7,892,624	\$ 25,522,824
Investments	-	2,296,028	19,696,576	-	21,992,604
Receivables (net of allowance for uncollectible):					
Interest	-	21,136	252,339	401	273,876
Taxes - property	1,524,490	-	-	17,875	1,542,365
Accounts	900,883	-	-	313,355	1,214,238
Intergovernmental	3,258,444	-	3,670,585	303,121	7,232,150
Due from other funds	4,088,959	2,458,832	-	148,052	6,695,843
Prepaid items	759,835	-	-	-	759,835
Total assets	\$ 17,033,522	\$ 4,775,996	\$ 34,748,789	\$ 8,675,428	\$ 65,233,735
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	\$ 1,377,744	\$ -	\$ 2,176,336	\$ 225,979	\$ 3,780,059
Accrued salaries	1,643,603	-	-	47,076	1,690,679
Intergovernmental payable	-	-	9,400,362	-	9,400,362
Due to other funds	1,098,206	-	4,935,201	1,337,605	7,371,012
Due to others	-	-	-	630,333	630,333
Deferred revenue	1,354,123	-	-	129,980	1,484,103
Total liabilities	5,473,676	-	16,511,899	2,370,973	24,356,548
Fund balances:					
Reserved for:					
Encumbrances	704,448	-	6,450,786	28,049	7,183,283
Capital outlay	25,050	-	11,786,104	2,019,978	13,831,132
Debt service	-	4,775,996	-	139,148	4,915,144
Prepaid items	702,836	-	-	-	702,836
Unreserved, designated for, reported in:					
General fund	65,010	-	-	-	65,010
Special revenue funds	-	-	-	4,118,776	4,118,776
Unreserved - undesignated reported in:					
General fund	10,062,502	-	-	-	10,062,502
Special revenue funds	-	-	-	(1,496)	(1,496)
Total fund balance	11,559,846	4,775,996	18,236,890	6,304,455	40,877,187
Total liabilities and fund balances	\$ 17,033,522	\$ 4,775,996	\$ 34,748,789	\$ 8,675,428	\$ 65,233,735

DOUGLAS COUNTY, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
December 31, 2004

Total Governmental Fund Balances	\$	40,877,187
 Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$ 32,969,980		98,615,672
Bond issuance costs and discounts are reported as expenditures in the governmental funds: Issuance cost total \$ 667,427 and accumulated amortization is \$ 271,174.		396,253
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		1,484,103
Special assessment debt with government commitment is included as other long-term debt on the Statement of Net Assets and therefore a receivable from the affected taxpayers is needed to reflect the actual party responsible for the debt.		695,000
Long-term liabilities, including bonds payable and similar long-term obligations, are not due and payable in the current period and therefore are not reported in the funds.		
Interest payable	\$	(417,864)
Capital leases		(442,430)
Certificates of participation		(6,785,000)
Unamortized premium on COPS		(40,071)
Revenue bonds		(26,795,000)
Unamortized premium on bonds		(404,531)
Special assessment debt with government commitment		(695,000)
Compensated absences		(2,548,452)
Claims and judgments		(100,000)
		(38,228,348)
Internal service funds are used by management to charge the cost of certain activities such as insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		1,278,237
Rounding		(1)
Net Assets of Governmental Activities	\$	105,118,103

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

**DOUGLAS COUNTY, GEORGIA
GOVERNMENTAL FUNDS
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2004**

	General	Parks Debt Service Fund	2002 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 43,930,384	\$ -	\$ 19,605,191	\$ 141,519	\$ 63,677,094
Licenses and permits	2,168,316	-	-	-	2,168,316
Intergovernmental	5,189,625	-	1,207,367	393,053	6,790,045
Charges for services	3,519,420	-	-	2,163,281	5,682,701
Courts and law enforcement	7	-	-	915,868	6,538,735
Use of money and property	154,109	207,711	1,170,172	69,643	1,601,635
Miscellaneous revenues	560,695	-	-	-	560,695
Total revenues	61,145,416	207,711	21,982,730	3,683,364	87,019,221
Expenditures:					
Current:					
General government	9,124,029	-	3,250	35,725	9,163,004
Judicial system	6,685,222	-	-	243,020	6,928,242
Public safety	30,657,256	-	-	2,109,270	32,766,526
Parks, recreation and culture	2,368,337	-	-	-	2,368,337
Public works	3,644,727	-	-	-	3,644,727
Planning/community development	3,177,118	-	-	120,982	3,298,100
Health and welfare	2,094,856	-	-	-	2,094,856
Miscellaneous	-	-	-	333,347	333,347
Intergovernmental	-	-	2,374,136	-	2,374,136
Debt service:					
Principal	235,777	7,635,000	-	88,182	7,958,959
Interest and fiscal fees	130,886	1,483,350	-	256,623	1,870,859
Capital projects:					
Public safety	-	-	925,877	4,243,298	5,169,175
Parks, recreation and culture	-	-	9,566,916	1,323	9,568,239
Public works	-	-	5,410,791	351,991	5,762,782
Total expenditures	58,118,208	9,118,350	18,280,970	7,783,761	93,301,289
Excess (deficiency) of revenues over expenditures	3,027,208	(8,910,639)	3,701,760	(4,100,397)	(6,282,068)
Other financing sources (uses):					
Capital leases	150,926	-	-	65,500	216,426
Transfers in	1,239,791	9,396,797	-	260,276	10,896,864
Transfers out	(15,249)	-	(9,396,797)	(1,484,818)	(10,896,864)
	1,375,468	9,396,797	(9,396,797)	(1,159,042)	216,426
Net change in fund balances	4,402,676	486,158	(5,695,037)	(5,259,439)	(6,065,642)
Fund balances, January 1, as previously reported	7,157,170	4,289,838	24,179,685	11,563,894	47,190,587
Prior period adjustment	-	-	(247,758)	-	(247,758)
Fund balances, January 1, as restated	7,157,170	4,289,838	23,931,927	11,563,894	46,942,829
Fund balances, December 31	\$ 11,559,846	\$ 4,775,996	\$ 18,236,890	\$ 6,304,455	\$ 40,877,187

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

DOUGLAS COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2004

Net change in Fund Balance - Total Governmental Funds \$ (6,065,642)

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

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 as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 22,005,160	
Depreciation expense	<u>(3,567,741)</u>	18,437,419

In the statements of activities, only the gain/ loss on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differ from the change in fund balance by the net book value of the assets sold (39,041)

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

Deferred revenues	(2,342,523)	
Capital asset contribution	<u>115,000</u>	(2,227,523)

The issuance of bonds and similar long-term debt provides current financial resources to governmental funds and thus contributes to the change in fund balance. In the Statement of Net Assets, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.

Capital leases		(216,426)
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The principal paid by the taxpayers who are responsible for the special assessment debt is recorded as tax revenue in the governmental funds but is offset against a long-term receivable in the Statement of Net Assets and is therefore not reported on the Statement of Activities. (75,000)

Repayment of bond principal and similar long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Capital leases	248,959	
Revenue bonds payable	7,635,000	
Special assessment debt	<u>75,000</u>	7,958,959

Governmental funds report the effect of bond issuance costs and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences follows.

Amortization of bond issuance costs	(104,955)	
Amortization of bond premiums	457,150	
Interest expense - debt obligations	<u>98,493</u>	450,688

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences		(317,775)
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Internal service funds are used by management to charge the costs of certain activities such as insurance to individuals funds. The net revenue (expenses) of the Internal service funds is reported with governmental activities. (183,293)

Rounding		<u>(2)</u>
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Change in Net Assets of Governmental Activities		<u>\$ 17,722,364</u>
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The notes to the financial statements are an integral part of this statement

DOUGLAS COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
December 31, 2004

	Business-Type Activity Enterprise Fund Solid Waste		Governmental Activities Internal Service Fund
Assets			
Current assets:			
Cash and investments	\$ 682,701	\$	1,082,151
Receivables (net of allowance for uncollectibles):			
Accounts	114,578		8,543
Interest	-		1,320
Intergovernmental	51,441		-
Due from other funds	-		951,630
Total current assets	848,720		2,043,644
Noncurrent assets:			
Capital assets:			
Non depreciable assets	1,574,386		-
Depreciable assets	535,784		-
Total noncurrent assets	2,110,170		-
Total assets	\$ 2,958,890	\$	2,043,644
Liabilities:			
Current liabilities:			
Accounts payable	\$ 28,163	\$	256,425
Other accrued liabilities	53,619		-
Claims payable	-		508,982
Due to other funds	276,461		-
Total current liabilities	358,243		765,407
Long-term liabilities:			
Closure and postclosure care costs	2,122,930		-
Compensated absences	5,169		-
Total long-term liabilities	2,128,099		-
Total liabilities	2,486,342		765,407
Net assets			
Invested in capital assets, net of related debt	2,110,170		-
Unrestricted	(1,637,622)		1,278,237
Total net assets	\$ 472,548	\$	1,278,237

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

**DOUGLAS COUNTY, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET ASSETS
 For the year ended December 31, 2004**

	Business-Type Activity Enterprise Fund Solid Waste	Governmental Activities Internal Service Fund
Operating Revenues:		
Transfer fees	\$ 585,626	\$ -
Dumping fees	1,010,297	-
Recycling sales	294,253	-
Other	70,032	-
Charges for services	-	6,485,453
Total operating revenues	1,960,208	6,485,453
Operating Expenses:		
Salaries and employee benefits	473,678	-
Supplies	13,318	-
Operating expenses	873,448	742,974
Benefits and claims	-	5,936,329
Maintenance and repairs	227,745	-
Depreciation	117,640	-
Bad debts	(55,733)	-
Closure/postclosure costs	243,748	-
Total operating expenses	1,893,844	6,679,303
Operating income (loss)	66,364	(193,850)
Nonoperating revenues:		
Interest earned	6,246	10,557
Changes in net assets	72,610	(183,293)
Total net assets, beginning of year, as previously reported	849,294	1,461,530
Prior period adjustment	(449,356)	-
Total net assets, beginning of year, as restated	399,938	1,461,530
Total net assets, end of year	\$ 472,548	\$ 1,278,237

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

**DOUGLAS COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the year ended December 31, 2004**

	Business-Type Activity Enterprise Fund Solid Waste	Governmental Activities Internal Service Fund
Cash flows from operating activities:		
Cash received from customers	\$ 2,013,350	\$ 6,273,795
Cash payments to suppliers	(1,363,136)	(6,977,213)
Cash paid to employees	(468,138)	-
Net cash provided (used) by operating activities	182,076	(703,418)
Cash flows from non-capital financing activities:		
Increase (decrease) in due to other funds	231,763	-
Net cash provided by non-capital	231,763	-
Cash flows from capital and related financing activities:		
Purchase of capital assets	(130,828)	-
Net cash (used) by capital and related financing activities	(130,828)	-
Cash flows from investing activities:		
Interest on investments	6,246	9,971
Net cash provided by investing activities	6,246	9,971
Net increase (decrease) in cash and cash equivalents	289,257	(693,447)
Cash and cash equivalents at beginning of year	393,444	1,775,598
Cash and cash equivalent at end of year	\$ 682,701	\$ 1,082,151
Reconciliation of operating income to net cash provided (required) by operating activities:		
Operating income	\$ 66,364	\$ (193,850)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	117,640	-
Landfill closure/postclosure costs	243,748	-
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(100,011)	688,237
(Increase) decrease in prepaid	35	-
Increase (decrease) in payables	(29,695)	(289,147)
(Increase) decrease in due from other funds	-	(733,497)
Increase (decrease) in due to other funds	-	(175,161)
Increase (decrease) in other accrued liabilities	5,540	-
Increase (decrease) in deferred revenue	(68,253)	-
Increase (decrease) in closure/postclosure costs	(53,292)	-
Net cash provided (used) by operating activities	\$ 182,076	\$ (703,418)

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

**DOUGLAS COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
December 31, 2004**

		<u>Agency Funds</u>
Assets:		
Cash and cash equivalents	\$	7,623,496
Receivables:		
Taxes		4,527,786
Other		28,272
Intergovernmental		61
Total assets	\$	<u><u>12,179,615</u></u>
 Liabilities:		
Due to other governments	\$	989,819
Taxes payable to others upon collection		4,527,786
Funds held in trust for others		6,662,010
Total liabilities	\$	<u><u>12,179,615</u></u>

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

**NOTES TO THE
FINANCIAL STATEMENTS**

DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

I Summary of Significant Accounting Policies

The accompanying financial statements report on the financial activities of Douglas County, Georgia and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental and financial reporting principles. The more significant of the government's accounting policies are discussed below.

(A) Reporting Entity

Douglas County (the County) is a political subdivision of the State of Georgia created by legislative act in 1870. The County is governed by an elected Board of Commissioners who are governed by State statutes and regulations. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the County (the primary government) and the component unit. The component unit discussed below is included in the County's reporting entity because of the significance of its operational or financial relationship with the County. In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards No. 14 "The Financial Reporting Entity", which was adopted by the County as of January 1, 1996, the financial statements of the component unit have been included as a discretely presented component unit. The component unit columns in the combined financial statements include the financial data for the County's one component unit, as reflected in its most recently audited financial statements. This unit is reported in columns separate from the County's financial information to emphasize that it is legally separate from the County.

A brief description of the discretely presented component unit is as follows:

Douglas County Board of Health

The Douglas County Health Department is responsible for providing environmental and physical health services to the citizens of Douglas County. Douglas County Board of Health was created by a state legislative act. During fiscal year 2004, it operated under a six member board and a full-time executive director. The County by virtue of its appointments and the presence of the Chairman of the Board of Commissioners on the Board controls a majority of Board of Health governing positions. Although the County does not have the authority to approve or modify the Board of Health's operational and capital budget, it does have the ability to control the amount of funding it provides to the Board of Health. Such funding is significant to the overall operations of the Board of Health.

Complete financial statements of the individual component unit can be obtained directly from its administration office.

Douglas County Board of Health
6770 Selman Drive
Douglasville, Georgia 30210

The financial information presented from the component unit is as of June 30, 2004.

DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

Certain county officials collect and disburse taxes, fees, fines, and other trust and agency receipts. Separate records of accountability are maintained for such receipts. For purposes of this report, these records are included as a part of agency funds with remittances to the General Fund and certain nonmajor governmental funds from these officials recorded as revenue. Operating costs for these officials are included as a part of the County's General Fund. These units include:

Tax Commissioner	State Court
Sheriff	Probate Court
Magistrate Court	Superior Court Clerk
	Juvenile Court

Douglas County participates in the West Georgia Regional Library System. The library system is considered a joint venture with Carroll, Haralson, Heard and Paulding Counties (See Note IV, D).

The Atlanta Regional Commission (ARC) is considered a joint venture with Douglas County and several other governments of metropolitan Atlanta.

(B) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reflected on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions and business-type activities. The functions are also supported by general government revenues, which include taxes, interest revenue and other items not properly included among program revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues include charges to customers for goods, services, or privileges provided, operating grants and contributions, and capital grants and contributions. Program revenues must be directly associated with the function or business-type activity. Operating grants include operating-specific and discretionary grants while the capital grants reflect capital-specific grants. The net cost (by function or business-type activity) is normally covered by general revenue.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the later 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.

DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

(C) Measurement focus, basis of accounting, and financial statement presentation

The measurement focus describes the types of transactions and events that are reported in a fund's operating statement. Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activity categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise categories combined) for the determination of major funds. County management may electively add funds as major funds, when it is determined the funds have specific community or management focus.

The focus of the Governmental Funds' measurement in the funds statements is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days 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 or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. 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, alcoholic beverage taxes, sales taxes, licenses, interest revenue and charges for services. Sales taxes collected and held by the state and merchants at year-end on behalf of the government also are recognized as revenue. Fines are not susceptible to accrual because generally they are not measurable until received in cash. Other receipts and taxes become measurable and available when cash is received by the County and are recognized as revenue at that time.

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.

DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

The County uses the following major funds:

Major Funds:

a. Governmental Funds:

- (1) The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- (2) The **2002 Special Purpose Local Option Sales Tax Capital Project Fund** is utilized to account for the proceeds of a 1 percent local option sales tax approved in March 19, 2002 for the raising of not more than \$60,945,000 for the purpose of various capital outlay projects covering water and sewer facilities for the City of Villa Rica, public safety facilities, recreation facilities, a senior citizen center; and not more than \$41,055,000 for road, street and bridge purposes. The County has entered into an Intergovernmental Agreement with the Cities of Austell, Douglasville, and Villa Rica relating to the ownership and operation of certain projects and the allocation of the "SPLOST" collections including interest earned.
- (3) The **Parks Debt Service Fund** accounts for the resources accumulated and payments made for principal and interest on the series 2002 Development Authority of Douglas County Revenue Bonds.

b. Business-type Funds:

- (1) The **Solid Waste Disposal Fund** accounts for the operating revenue and expense relating to the disposal of solid waste.

Additionally, the County reports the following fund types:

Internal Service Fund:

- a. The Group Health Insurance and Workers' Compensation Internal Service Funds provide self-funding for medical and dental claims and workers compensation.

Fiduciary Fund Types:

- a. Agency Funds account for assets held by the County as an agent for individuals, private organizations, other governments and other County departments.

Non-Current Governmental Assets and Liabilities:

GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these balances to be maintained and incorporated into the Governmental column of the government-wide Statement of Net Assets.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County applies all applicable FASB pronouncements issued on or after November 30, 1989 in accounting and reporting for its proprietary operations, unless they conflict with GASB guidance.

DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

The focus for proprietary fund measurement is upon determination of operating income, changes in net assets, financial position and cash flows. 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. Operating expenses for the enterprise funds and the internal service fund include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

The county's internal service fund is presented in the proprietary funds financial statements. Because principal users of internal services are the County's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the costs of these services are reported in the appropriate functional activity.

The County's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition, these assets are held for the benefit of a third party and cannot be used to address activities or obligations of the County, these funds are not incorporated into the government-wide statements.

(D) Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

(E) Inventories and Prepaid Items

Certain governmental fund-types had a de minimis amount of expendable supplies on hand at December 31, 2004. Accordingly, none are shown on the balance sheets at year end. The County uses the purchase method of accounting for the purchase of materials and supplies or services. These items are charged directly to the expenditure account.

Prepaid items represent payments made to vendors for whom the benefits are applicable to future accounting periods. Since these assets represent financial resources which are not available for current appropriation or expenditure from the governmental funds, there is a corresponding reservation of the respective fund's fund balance for them.

(F) Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

All trade and property tax receivables are shown net of an allowance of uncollectibles.

(G) Capital Assets

Capital assets, which include property, plant equipment and infrastructure assets (e.g. roads, bridges, sidewalks, culverts and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years. Roads, bridges and culverts are defined by the County as projects with an individual cost of \$50,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The county has included all of its infrastructure assets (roads, bridges and culverts) regardless of acquisition date using actual costs or estimated costs using the backtracking method.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the assets constructed. No business-type capital projects were in process in 2004.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and structure	25-50
Land Improvements	10-20
Vehicles	5
Machinery and equipment	5-20
Infrastructure	20-50

(H) Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 and were levied on September 7, 2004 by the Board of Commissioners. Tax bills were mailed September 23, 2004 and became delinquent on November 24, 2004. State law requires that the collection period must be at least 60 days from the mailing date. Motor vehicle taxes are assessed and collected on the owner's birth date or by company name for business.

Property taxes include amounts levied against all real property, public utility property, tangible personal property and timber located in the County.

The State, through the Property Tax Division, has been given the statutory duty of reviewing county tax digests to determine if the digests meet the criteria mandated in statute case laws and regulation for level of assessment, uniformity and equalization.

State statutes establishes the procedure for the State to equalize county property tax digests between and within counties and compel county boards of tax assessors to make adjustments in property valuations so as to insure uniformity and equity.

DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

As directed by the legislature, the State has adopted a three-year digest review cycle in which each county's tax digest is reviewed extensively to determine the level of assessment, uniformity and equalization in each property class. In any given year, one third of the county tax digests are subject to extensive statistical testing. Counties, which do not meet the criteria, set forth in the statute and regulations are allowed an opportunity during the three year cycle to correct any deficiencies by the next review year. The other counties that are not being extensively reviewed are examined for level of assessment to equalize the state levy and public utility assessments. The State approves any county's digest as being reasonably uniform and equalized if the digest meets certain standards.

For those digests submitted by counties in their digest review year, the State completes the review on or before August 1 of the following tax year or within 30 days of the date the ratio study results are provided by the State Auditor. Based upon this review, the State will approve any digest when it is found to be reasonably uniform and equalized by having met the following state established standards:

The average level of assessment for each class of property meets the state standards of 36% to 44%;

The average measure of overall equalization, the coefficient of dispersion, meets the state standard of 15% or less for residential properties and 20% or less for all other property classes;

The bias ratio, or statistical measure of price related differential, meets the state standard of 95% to 110%.

The State conditionally approves the digest and assesses a penalty of \$5.00 per taxable parcel of real property if a county's review year digest contains the same or similar deficiencies as the previous review year digest. If the overall average assessment level does not meet state standards, the county is assessed additional state tax in the amount equal to the difference between the state's one-quarter of a mill that would have been produced if the digest had been at the proper assessment level and the amount the digest actually produces for collection purposes.

For those counties submitting their digest during a non-review year, digests are evaluated by the State based on the overall average assessment ratio deviation from the proper assessment ratio of 36% to 44%.

Beginning with the 2000 tax year digest reviews, in order to measure the compliance of each county in meeting state standards for digest approval, the State utilizes the information provided by the State Auditor from the sales ratio studies developed for each county. Each county's ratio study measures the statistical standards of level of assessment, uniformity and equalization.

The Georgia Code requires the State to annually propose assessments for public utility property and to insure that these properties are assessed at the same overall average assessment level as other property in the county. Each utility company is required to annually return their properties indicating location, description, type of property and valuation. The Revenue Commissioner's staff inspects these returns to insure the accuracy of each utility company's declarations. In the 1983 legislative session, a bill was passed establishing preferential assessment of tangible real property devoted to bona fide agricultural purposes. By statute, all real property is assessed at 40% of fair market value, however, the new legislation provided for a 30% level of assessment or 75% of the value at which other taxable real property is assessed.

DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

In making application for preferential assessment, qualifying taxpayers must have signed a covenant (contract) agreeing to continuously maintain the property in agricultural pursuits for a period of 10 years.

In 1991, the Legislature embraced the "current use" valuation concept. This bill provided for the assessment for ad valorem tax purposes of certain qualifying properties based on current use value rather than fair market value. This is under an assessment program known as conservation use covenants.

Prior to 1992, timber was taxed annually as part of the tax digest. Along with Conservation Use Valuation, the amendment to the Georgia Constitution, which was approved by the electorate in 1991, also provided for a one-time assessment on harvested timber versus the annual taxation of timber as part of the value of real estate. Timber is now taxed once at its current value when harvested.

Douglas County bills and collects its own real property taxes as well as the County School System and State of Georgia and incorporated cities. The County also collects its own personal property taxes as well as those of the County School System, State of Georgia, and incorporated cities. Collection and remittance of taxes, for all of entities except the County, are accounted for in the Tax Commissioner Agency Fund. The County's property tax transaction is reported in the General Fund and Debt Service Fund.

(I) Local Option Sales Tax

The County receives 79.067 of a 1% local option sales tax levied on all retail sales made within the County. The proceeds of such tax collected each year are used to reduce, on a dollar-for-dollar basis, the millage equivalent amount of property taxes, which would otherwise be required to be levied in the subsequent year. This allocation was renegotiated with municipalities within Douglas County during 2004. The impact of these negotiations yielded no significant change to the allocation to be received for Douglas County, Georgia.

(J) Compensated Absences

Annual leave is earned at the rate of ten days per year after one year of service, ten days per year after two years of service, twelve days per year after five years of service, eighteen days per year after eleven years of service and twenty days per year after twenty years for the remainder of employment. There is no requirement that annual leave be taken; however, there is a 35-day maximum accumulation of annual leave days. Upon termination, all employees are paid for all accumulated annual leave.

Sick leave is earned at the rate of seven hours for each month of service for all employees except firefighters who earn ten and one half hours for each month of service and is allowed to accumulate indefinitely. Unused sick leave is forfeited upon termination of employment and is therefore not recorded as a liability except as provided under the next section.

An employee retiring after fifteen (15) years of service receives five (5) day's pay for each year employed by the County. (Provided the employee has accumulated enough sick hours during their employment period - 800 hours for employees on 40 hour payroll (1,200 hours for employees on 56 hour payroll); anything less than 800/1,200 hours would receive one (1) day's pay for each year employed by the County).

The current pay rate, including certain additional employer-related fringe benefits, is used to calculate compensated absences accruals at December 31. The entire liability for compensated

DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

absences is reported in the government-wide and proprietary fund statements, whereas, only the matured portion resulting from employee resignations and retirements is reported in the governmental fund statements.

(K) Cash, Cash Equivalents and Investments

The county's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, funds on deposit with the Georgia Fund I (local government investment pool) and other short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the proprietary fund type statement of cash flows, the County considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

The statutes of the State of Georgia authorize the County to invest in U.S. Government obligations; obligations fully insured or guaranteed by the U. S. Government or by a government agency of the United States; obligations of any Corporation of the U. S. Government; State of Georgia obligations and other States; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia, repurchase agreements when collateralized by U.S. Government or agency obligations; prime banker's acceptances; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds (Georgia Fund I).

In accordance with the provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, the County has reported the investments at December 31, 2004 at fair value. Fair value of the external investment pool, Georgia Fund 1, is equal to the value of the pool shares. Money market investments and those investments which had a remaining maturity at the time of purchase of one year or less are recorded at amortized cost or cost plus accrued interest, which approximates fair value. The fair value of all other investments are calculated using quoted market prices because these prices have been determined to be the most reliable and verifiable and are the most understood by investors, creditors and other users of financial information.

The Georgia Fund 1 (a local government investment pool) is not SEC registered, but is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The Office of Treasury and Fiscal Services (OTFS) assumes the daily responsibility of managing the assets of the pool. Mellon Bank serves as the custodian for the pool. The Georgia State Depository Board prescribes cash management policies and procedures for the state and provides oversight for the pool. The Board meets quarterly and is comprised of the Governor, the Commissioner of Insurance, the State Auditor, the Commissioner of Transportation, the Commissioner of Banking & Finance, the State Revenue Commissioner, and the Director of the Office of Treasury and Fiscal Services. State law requires the board to formulate such policies to maximize efficient and effective utilization of the state's cash resources. The most recent guidelines under which the pool operates were adopted on July 29, 1994.

All investment income including changes in the fair market value of investments has been reported as revenue in the operating statements.

(L) Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and

DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

amortized over the life of the bonds. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

(M) Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

(N) Interfund Transactions

All interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

(O) Contributed Capital and Capital Contributions – Proprietary Funds

Grants, entitlements and shared revenues restricted for the acquisition or construction of capital assets were recorded as contributed capital prior to the implementation of GASB Statement 33, *Accounting and Financial Reporting for Nonexchange Transactions*. As required by GASB 33, the County has begun recognizing capital contributions as revenue in the current year rather than as contributed capital. No contributions were received in 2004.

(P) Comparative Data/Reclassifications

Comparative total data for the prior year have not been presented in the fund financial statements, except for the General Fund RSI. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

(Q) Net Assets

Net assets are comprised of three categories: Net assets invested in capital assets, net of related debt; Restricted net assets; and Unrestricted net assets. The first category reflects the portion of net assets which is associated with non-liquid, capital assets, less the outstanding debt (net) related to these capital assets. The related debt (net) is the debt less the outstanding liquid assets and any associated unamortized costs. Restricted net assets are restricted assets, net of related debt. Net assets which are neither restricted nor related to capital assets are reported as unrestricted net assets.

DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

II Stewardship, Compliance and Accountability

(A) Deficit Fund Balances/Retained Earnings

The Special Tax District special revenue fund had a deficit fund balance of \$1,496 as of December 31, 2004. The deficit is currently funded by amounts owed to other funds, which will be repaid by future tax revenues.

(B) Budgetary Information

The annual budget document is the financial plan for the operation of Douglas County. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the county.

The County prepares a separately issued budget report. An annual operating budget is prepared for the General, Special Revenue and Debt Service Funds on a basis consistent with generally accepted accounting principles. The department and agency heads begin budget preparation in July. The County's finance department formulates and remits the budget to the Board of Commissioners. The Board of Commissioners with the assistance of the County Manager, Finance Director and the Budget Officer conducts budget hearings with all departments and agencies. After a review by the budget committee and public hearing, a final budget is approved when the budget resolution is adopted.

The County Budget Officer is delegated the authority to transfer funds from one budget line-item to another within a department, provided the line-items are operating and/or capital and or within the same budgetary category and departmental division. Transfers to and from salary categories cannot be made without the approval of the Board of Commissioners. No increase in the overall budget can be made without the approval of the Board of Commissioners and amendment to the budget.

The General Fund is subject to budgetary control at the department level. The Special Revenue and Debt Service Funds are subject to budgetary control on an individual fund basis. Unencumbered appropriations in the annual operating budget lapse at fiscal year end. A review is made of these lapsed appropriations with the applicable departments. Budget amendments are submitted for the subsequent year appropriations as required. The County's expenditures were within the authorization provided by the operating budget and supplemental appropriations thereto, as approved by the Board of Commissioners.

(C) Capital Improvements Budget

Major capital facilities and improvements, which are accounted for by the County within the Capital Projects Funds, are subject to budgetary control on a project basis. The County's finance department prepares the budget for projects based upon architectural and engineering estimates and other factors. Appropriations covering capital projects are normally approved by the Board of Commissioners at the time that the annual operating budgets are approved. The County Budget Officer is delegated the authority, upon the direction of and approval by unanimous vote of the buildings and properties committee, to transfer sums from one project to another. No increase in the overall capital projects budget can be made without the approval of the Board of Commissioners and amendment to the budget. Appropriations for a specific project do not lapse until completion of the project. During the fiscal year ended December 31, 2004, the County's

**DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2004**

expenditures for capital improvement projects were within the authorization provided in the budget.

(D) Excess of Expenditures over Appropriations

General Fund:

All budgeted departments ended the year at their respective budget or with a favorable variance.

Special Revenue:

Expenditures exceeded appropriations in the following funds:

Sheriff other programs	\$	1,897
Inmate Commissary Fund		198,082

All amounts were funded from available fund balances. The importance of budget amendments will be reviewed with the elected officials who control these funds.

(E) Use of Estimates in the Preparation of Financial Statements

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

III Detailed Notes on all Funds and Account Groups

(A) Deposits and Investments

Deposits - The amount of the total bank balance is classified into three categories of credit risk: 1) FDIC insured or collateralized with securities held by the County or by its agent in its name; 2) collateralized with securities held by the pledging financial institution's trust department or agent in the County's name; and, 3) uncollateralized bank accounts including any bank balance that is collateralized with securities held by the pledging institution's trust department or agent but not in the County's name.

The County's and Douglas County Board of Health's deposits are classified as follows at December 31, 2004.

	<u>1</u>	<u>Category</u>	<u>2</u>	<u>3</u>	<u>Bank</u>	<u>Carrying</u>
	\$	\$	\$	\$	Balance	Amount
Primary Government	1,630,382	32,571,818	234,765	34,436,965	34,539,316	
Component Unit:						
Douglas County						
Board of Health	567,745	-	-	567,745	567,745	
Total Reporting Entity	\$ 2,198,127	\$ 32,571,818	\$ 234,765	\$ 35,004,710	\$ 35,107,061	

DOUGLAS COUNTY, GEORGIA
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Investments – The County’s investments are categorized below to give an indication of the level of risk assumed by the County at year end. Category 1 includes investments that are insured or registered or securities held by the County’s agent in the County’s name. Category 2 includes investments that are uninsured and unregistered, with securities held by the counterparty’s trust department or agent in the County’s name. Category 3 includes uninsured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the County’s name.

	<u>Category</u>			<u>Carrying Amount</u>	<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
U.S. Government securities	\$ -	\$ 160,945	\$ -	\$ 160,945	\$ 160,945
Repurchase agreement	21,991,351	-	-	21,991,351	21,991,351
Total categorized investments	<u>\$ 21,991,351</u>	<u>\$ 160,945</u>	<u>\$ -</u>		
Investment in Georgia Fund I				<u>133,013</u>	<u>133,013</u>
Total investments				<u>\$ 22,285,309</u>	<u>\$ 22,285,309</u>

A reconciliation of cash and investments as shown on the combined balance sheet follows:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	<u>Total</u>
Cash on hand	\$ 79,151	\$ -	\$ 79,151
Balances per note above	<u>35,107,061</u>	<u>22,285,309</u>	<u>57,392,370</u>
Total Cash and Investments	<u>\$ 35,186,212</u>	<u>\$ 22,285,309</u>	<u>\$ 57,471,521</u>
Statements of net assets (page?)	\$ 27,855,421	\$ 21,992,604	\$ 49,848,025
Statement of fiduciary net asset (page?)	<u>7,623,496</u>	<u>-</u>	<u>7,623,496</u>
Total	<u>\$ 35,478,917</u>	<u>\$ 21,992,604</u>	<u>\$ 57,471,521</u>

DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

(B) Receivables

Receivables as of year end for the County's individual major funds and nonmajor governmental and Internal Service Funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	2002 SPLOST	Parks Debt Service	Nonmajor Governmental Funds	Solid Waste	Internal Service	Total
Primary Government:							
Taxes - property	\$ 1,552,272	\$ -	\$ -	\$ 17,875	\$ -	\$ -	\$ 1,570,147
Accounts	1,282,923	-	-	313,355	126,170	8,543	1,730,991
Interest	-	252,339	21,136	401	-	1,320	275,196
Intergovernmental	3,258,444	3,670,585	-	303,121	51,441	-	7,283,591
Gross receivables	6,093,639	3,922,924	21,136	634,752	177,611	9,863	10,859,925
Less: allowance for uncollectibles	(409,822)	-	-	-	(11,592)	-	(421,414)
Net total receivables	5,683,817	3,922,924	21,136	634,752	166,019	9,863	10,438,511
Component unit:							
Intergovernmental	15,516	-	-	-	-	-	15,516
Gross receivables	15,516	-	-	-	-	-	15,516
Less: allowance for uncollectibles	-	-	-	-	-	-	-
Net total net receivables	15,516	-	-	-	-	-	15,516
Total reporting entity	\$ 5,699,333	\$ 3,922,924	21,136	634,752	\$ 166,019	\$ 9,863	\$ 10,454,027

Reconcile to Statement of Net Assets:

Totals above	\$ 10,454,027
GASB 34 adjusting for special assessment debt	695,000
	<u>\$ 11,149,027</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable:		
General Fund	\$ 898,284	\$ -
Nonmajor governmental funds	17,685	-
Interest receivable - General Fund	1,073	-
Charges for services:		
General Fund	437,515	-
Nonmajor governmental funds	34,219	-
Grant funds received prior to meeting eligibility requirements:		
General Fund	-	17,251
Nonmajor governmental funds	-	78,076
	-	-
Total deferred/unearned revenue	\$ 1,388,776	\$ 95,327

DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

(C) Capital Assets

Capital asset activity for the year ended December 31, 2004 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 13,678,251	\$ 711,748	\$ -	\$ 14,389,999
Construction in progress	4,788,517	8,049,044	-	12,837,561
Total capital assets, not being depreciated	18,466,768	8,760,792	-	27,227,560
Capital assets, being depreciated:				
Buildings	47,447,171	6,123,248	-	53,570,419
Improvements other than buildings	1,623,009	167,384	-	1,790,393
Machinery and equipment	4,950,970	417,516	48,000	5,320,486
Infrastructure	28,222,401	5,644,090	-	33,866,491
Computers	488,421	90,363	-	578,784
Vehicles	12,435,656	916,767	244,863	13,107,560
Total capital assets being depreciated	95,167,628	13,359,368	292,863	108,234,133
Less accumulated depreciation for:				
Buildings	8,763,070	1,160,196	-	9,923,266
Improvements other than buildings	978,649	64,808	-	1,043,457
Machinery and equipment	2,895,400	341,312	48,000	3,188,712
Infrastructure	14,814,417	986,427	-	15,800,844
Computers	121,053	112,591	-	233,644
Vehicles	5,959,513	902,407	205,822	6,656,098
Total accumulated depreciation	33,532,102	3,567,741	253,822	36,846,021
Total capital assets, being depreciated, net	61,635,526	9,791,627	39,041	71,388,112
Governmental activities capital assets, net	\$ 80,102,294	\$ 18,552,419	\$ 39,041	\$ 98,615,672
Prior period adjustments	40,069			
Capital assets December 31, 2003	\$ 80,142,363			

DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated				
Land and improvements	\$ 1,574,386	\$ -	\$ -	\$ 1,574,386
Total capital assets, not being depreciated	1,574,386	-	-	1,574,386
 Capital assets, being depreciated:				
Buildings and structures	286,583	-	-	286,583
Machinery and equipment	1,989,199	30,328	31,812	1,987,715
Vehicles	280,338	100,500	-	380,838
Total capital assets being depreciated	2,556,120	130,828	31,812	2,655,136
 Less accumulated depreciation for:				
Buildings and structures	92,794	12,775	-	105,569
Machinery and equipment	1,564,990	70,768	31,812	1,603,946
Vehicles	375,740	34,097	-	409,837
Total accumulated depreciation	2,033,524	117,640	31,812	2,119,352
 Total capital assets being depreciated, net	522,596	13,188	-	535,784
 Business-type activities capital assets, net	\$ 2,096,982	\$ 13,188	\$ -	\$ 2,110,170
 Prior period adjustment	449,355			
Balance reported at December 31, 2003	\$ 2,546,337			

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General government	\$ 909,342
Judicial system	66,461
Public safety	1,028,404
Parks, recreation, and culture	180,551
Public works	1,164,700
Planning/Community Development	173,048
Health and welfare	45,235
Total depreciation expense - governmental activities	\$ 3,567,741
 Business-type activities:	
Landfill	117,640
Total depreciation expense - business-type activities	\$ 117,640

(D) Interfund Receivables, Payables and Transfers

Receivables/Payables

Generally, outstanding balances between funds reported as due to/from other funds include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding and other miscellaneous receivables and payables between funds. Any residual balances outstanding between the governmental activities and business-type activities are

DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

reported in the government-wide financial statements as "internal balances." Balances to which a fiduciary fund is a party are treated as external receivables and payables.

Transfers

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service. Resources are accumulated in a fund or component unit to support and simplify the administration of various projects or programs. The government-wide statement of activities eliminates transfers as reported within the segregated governmental and business-type activities columns. Only transfers between the two columns appear in this statement

The composition of interfund balances and operating transfers as of December 31, 2004 is as follows:

	Due to other funds				Total
	General Fund	2002 SPLOST Fund	Solid Waste Fund	Nonmajor Governmental Funds	
Due from other funds:					
General Fund	\$ -	\$ 2,476,369	\$ 276,461	\$ 1,336,129	\$ 4,088,959
Parks Debt Service Fund	-	2,458,832	-	-	2,458,832
Nonmajor Governmental Funds	146,576	-	-	1,476	148,052
Internal Service Funds	951,630	-	-	-	951,630
	<u>\$ 1,098,206</u>	<u>\$ 4,935,201</u>	<u>\$ 276,461</u>	<u>\$ 1,337,605</u>	<u>\$ 7,647,473</u>

	Transfer In:			Total
	General Fund	Parks Debt Service Fund	Nonmajor Governmental Funds	
Transfer Out:				
General Fund	\$ -	\$ -	\$ 15,249	\$ 15,249
2002 SPLOST Fund	-	9,396,797	-	9,396,797
Nonmajor Governmental Funds	1,239,791	-	245,027	1,484,818
Total	<u>\$ 1,239,791</u>	<u>\$ 9,396,797</u>	<u>\$ 260,276</u>	<u>\$ 10,896,864</u>

(E) Operating Leases

The County leases buildings and office facilities under noncancelable operating leases. Total costs for such leases were \$10,620 for the year ended December 31, 2004. The future minimum lease payments for these leases are as follows:

<u>Year Ending</u> <u>December 31,</u> 2005	<u>Amount</u> <u>\$ 10,620</u>
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DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

(F) Capital Leases

Equipment

The County has entered into equipment lease agreements for financing various equipment. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The following is an analysis of machinery and equipment capital assets leased under capital leases as of December 31, 2004:

Machinery and Equipment	\$ <u>854,119</u>
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The following is a schedule by years of future minimum payments under capital leases, and the present value of the net minimum lease payments at December 31, 2004:

Year ending December 31,	Capital Leases
2005	\$ 162,441
2006	250,470
2007	83,775
2008	<u>7,012</u>
Total minimum lease payments	<u>503,698</u>
Less: amount representing interest	(45,764)
Less: amount representing maintenance	<u>(15,504)</u>
Present value of minimum lease payments	\$ <u>442,430</u>

Building

Certificates of Participation – In April 2003, the County issued \$6,785,000 of Certificates of Participation through the Association County Commissioners of Georgia Leasing Program (ACCG). These Certificates represent fractionalized interests in Base Rentals to be paid under an annually renewable public purpose master lease. The County entered into a building lease purchase agreement with ACCG to finance the construction of a jail annex for administration and law enforcement staff and beds and support area for inmates, pay certain issuance costs and fund a reserve fund.

DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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(G) Long-Term Obligations

The following is a summary of changes in long-term obligations of the County during the fiscal year:

	Balance January 1, 2004	Additions	Payments/ Retirement	Balance December 31, 2004	Amounts Due Within One Year
Governmental activities:					
Capital leases	\$ 474,963	\$ 216,426	\$ 248,959	\$ 442,430	\$ 130,932
Premium on issue	47,045	-	6,974	40,071	-
Special assessment debt					
with government commitment	770,000	-	75,000	695,000	80,000
Revenue Bonds	34,430,000	-	7,635,000	26,795,000	8,285,000
Premium on issue	854,707	-	450,176	404,531	-
Certificates of Participation	6,785,000	-	-	6,785,000	680,000
Compensated absences	2,230,677	1,583,611	1,265,836	2,548,452	1,275,000
Claims and judgments	100,000	508,982	-	608,982	508,982
	<u>\$ 45,692,392</u>	<u>\$ 2,309,019</u>	<u>\$ 9,681,945</u>	<u>\$ 38,319,466</u>	<u>\$ 10,959,914</u>
Business-Type Activities:					
Closure and postclosure costs	\$ 1,932,473	\$ 190,457	\$ -	\$ 2,122,930	\$ -
Compensated absences	18,354	9,522	8,069	19,807	14,638
	<u>\$ 1,950,827</u>	<u>\$ 199,979</u>	<u>\$ 8,069</u>	<u>\$ 2,142,737</u>	<u>\$ 14,638</u>

Special Assessment Debt with Government Commitment

During 1992 the County entered into an agreement with the Douglasville/Douglas County Water and Sewer Authority whereby the Authority would issue debt for public domain improvements, such as roads, sidewalks and water and sewer infrastructure. The improvements were made in a geographic area known as Community Improvement District No. 1. The debt is to be retired from the proceeds of a special property tax levy on the taxpayers of Community Improvement District No. 1. The obligation of the Douglasville/Douglas County Water and Sewer Authority is included in General Long-Term Debt as Special Assessment Debt with Government Commitment. The obligation of the County to make the payments required by the agreement is a general obligation of the County.

The following is a summary of the County's outstanding special assessment debt with government commitment:

Year Issued	Purpose	Interest Rate (%)	Interest Date	Issue Date	Maturity Date	Authorized and Issued	Retired	Outstanding
1995	Infrastructure	3.7%	6/1, 12/1	5/19/92	12/1/11	\$ 1,400,000	\$ 705,000	\$ 695,000

DOUGLAS COUNTY, GEORGIA
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Annual debt service requirement for special assessment debt with government commitment are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 80,000	\$ 44,132	\$ 124,132
2006	85,000	39,052	124,052
2007	95,000	33,655	128,655
2008	100,000	27,623	127,623
2009	105,000	21,272	126,272
2010-2011	<u>230,000</u>	<u>22,225</u>	<u>252,225</u>
Total	\$ <u>695,000</u>	\$ <u>187,959</u>	\$ <u>882,959</u>

Revenue Bonds

On May 23, 2002 the County received \$41,898,514 into the Parks and Recreation Construction fund pursuant to a bond closing by the Development Authority of Douglas County. This amount consisted of \$40,390,000 par and \$1,508,514 of net premium.

The Development Authority of Douglas County Revenue Bonds (Parks and Recreation Projects), Series 2002 (the "Bonds"), were issued by the Development Authority of Douglas County (the "Authority"), a public body corporate and politic of the State of Georgia. The proceeds from the sale of the Bonds will be used for the purpose of (i) financing all or a portion of the costs of the acquisition, construction, development and equipping of recreation facilities and parks (the "Project"); and (ii) paying the costs of issuance of the Bonds.

The Bonds are limited obligations of the Authority. The Bonds are payable solely from payments to be made by the County pursuant to an Intergovernmental Contract, dated as of May 15, 2002 (the "Contract"), between the Authority and the County. The County's obligation to make payments to the Authority sufficient in time and amount to enable the Authority to pay the principal of and interest on the Bonds is absolute and unconditional, is secured by a pledge of the County's full faith and credit and taxing powers and will not expire so long as any of the Bonds remain outstanding and unpaid. The County intends to make payments with respect to the Project from the revenues received pursuant to the County's one percent special local option sales and use tax (the "SPLOST"). However, the revenues from the SPLOST are not pledged to such payments. The County has agreed to make payments directly to the Sinking Fund Custodian. Payment of the principal of and interest on \$6,910,000 in principal amount of the Bonds maturing on September 1, 2007 when due will be guaranteed by a municipal bond insurance policy to be issued simultaneously with the delivery of the Bonds by MBIA Insurance Corporation. The remaining Bonds will not be insured.

As the County is responsible, under the related documents to make payments to a trustee sufficient to pay principal and interest on the bonds, the related transactions, including the liability for the bonds, have been recorded in the County's financial statements and not in those of Development Authority of Douglas County.

DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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The following is a summary of the County's outstanding contractual obligation with the Development Authority of Douglas County:

<u>Year Issued</u>	<u>Purpose</u>	<u>Interest Rate (%)</u>	<u>Interest Date</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Retired</u>	<u>Outstanding</u>
2002	Parks & Recreation	2.5-5%	3-1, 9-1	5/15/02	9/1/07	\$ 40,390,000	\$ 13,595,000	\$ 26,795,000

Annual debt service requirement for the contractual obligation with the Development Authority of Douglas County:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 8,285,000	\$ 1,189,975	\$ 9,474,975
2006	8,935,000	841,425	9,776,425
2007	<u>9,575,000</u>	<u>438,775</u>	<u>10,013,775</u>
Total	<u>\$ 26,795,000</u>	<u>\$ 2,470,175</u>	<u>\$ 29,265,175</u>

Certificates of Participation

The following is a summary of the County's outstanding certificate of participation with the Association County Commissioners of Georgia:

<u>Year Issued</u>	<u>Purpose</u>	<u>Interest Rate (%)</u>	<u>Interest Date</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Retired</u>	<u>Outstanding</u>
2003	Jail Annex	1.5-5%	6-1, 12-1	4/1/03	12/1/13	\$ 6,785,000	\$ -	\$ 6,785,000

Annual debt service requirement for the contractual obligation with the Association County Commissioners of Georgia:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 680,000	\$ 205,907	\$ 885,907
2006	700,000	195,708	895,708
2007	705,000	181,707	886,707
2008	720,000	165,493	885,493
2009-2013	<u>3,980,000</u>	<u>451,427</u>	<u>4,431,427</u>
Total	<u>\$ 6,785,000</u>	<u>\$ 1,200,242</u>	<u>\$ 7,985,242</u>

(H) Short-Term Tax Anticipation Notes

On February 12, 2004, the County issued \$8,300,000 in tax anticipation notes to finance the general operations of the County through December 2004. The notes bear interest at a rate of 1.30 percent and were paid on December 30, 2004 from 2003 property tax revenues collected between September and December. Principal and interest amounts repaid were \$8,396,511.

The borrowings were allocated to the General Fund.

**DOUGLAS COUNTY, GEORGIA
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December 31, 2004**

Short-term debt activity for the year ended December 31, 2004, was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Tax anticipation notes	\$ <u> -</u>	\$ <u> 8,300,000</u>	\$ <u> 8,300,000</u>	\$ <u> -</u>

(I) Fund Balances/Retained Earnings Reserves and Designations

1. Primary Government

Reserves are used to indicate that a portion of the fund balance or retained earnings is not appropriable for expenditure or is legally segregated for a specific future use. The following reserves are used by the County:

a. General, Special Revenue and Capital Projects Funds

- (1) Reserved for encumbrances – restricted for payment of open commitments.
- (2) Reserved for prepaid expenditures – restricted for contracts already purchased.
- (3) Reserved for debt service – restricted for payment of advance funding.
- (4) Reserved for advances – restricted for payment of advance funding.
- (5) Reserved for construction and capital outlay – restricted for projects financed by general obligation bond proceeds and similar long-term obligations, sales tax revenues and transfers from the General Fund.

Designations of fund balances are not legally required segregations but are segregated for a specific purpose. The following designations of fund balance are used by the County:

General, Special Revenue and Capital Projects funds

Designated for subsequent years' expenditures – designated for future capital outlays.

2. Component Units

Reserves represent those portions of the fund equity not appropriated for expenditure or legally segregated for a specific future use. The following are used by the Board of Health:

a. Special Revenue Funds:

- (1) Reserved for encumbrances – restricted for payment of open commitments.

(J) Landfill Closure and Postclosure Care Cost

State and federal laws and regulations require that the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for a period 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

DOUGLAS COUNTY, GEORGIA
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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 capacity used during the year. The estimated liability for landfill closure and postclosure care costs has a balance of \$ 2,122,930 as of December 31, 2004, which is based on 100% of Phase I section I, the original solid waste landfill, and 58.00% of the C & D landfill Phase I, sections II and section III. This liability is recorded in the Solid Waste Enterprise Fund. It is estimated that an additional \$ 1,282,342 will be recognized as closure and postclosure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity, which is in the next 6 to 8 years. The estimated total current cost of the landfill closure and postclosure care, \$ 4,139,140 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, 2004. 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.

IV Other Information

(A) Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The State Constitution provides that the County (a political subdivision) may be immune for most forms of bodily injury and property damage arising out of its operations, if such losses are not insured. It is the policy of the County to utilize immunity as a legal defense against liability claims whenever the risk of loss is not insured and immunity may be asserted.

The County purchases commercial automotive liability insurance to cover its automobiles, trucks, and other on-road vehicles. Beyond the limits of the liability policies, the County asserts immunity and has never had to pay a claim in excess of those policies. Therefore, no reserve is established for these risk exposures.

Building and contents, and contractor's equipment are insured through an "all risk" property damage insurance policy and the County retains the first \$2,500-10,000 of each loss. This retention level is funded by an annual contingency appropriation. The appropriated limit has never been reached in any year.

During 1991, the County established a health care and employee benefits trust to provide employee benefits for losses of life and disability and for medical claims. The County is partially self-insured for these risks. Any claim exceeding \$100,000 per year per employee or total claims exceeding approximately \$5,614,651 per year are covered by a commercial insurance carrier. The contract has been based on a 12/15 run out formula.

Effective October 1, 1992, the County established a self-insured workers' compensation program. The program has a specific occurrence stop loss of \$250,000 with an aggregate stop loss liability of \$1,600,000 based on a bi-annual policy term. Claims in excess of these amounts are covered by a commercial insurance carrier.

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

DOUGLAS COUNTY, GEORGIA
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Budgeted transfers are made for both programs from the other funds to the Risk Management Internal Service Fund. These transfers are based on information supplied by an independent risk management consultant.

A third party administrator is employed to review and process claims for these self-insurance programs.

As required by GASB Statement No. 10 "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", liabilities for claims 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 pay-outs and other economic and social factors.

The changes in the liabilities for self-insurance for the last three years is as follows:

	Workers' Compensation	Health and Dental	Total
Balance, December 31, 2001	\$ 100,000	\$ 578,295	\$ 678,295
Claims and changes in estimates	390,082	4,793,145	5,183,227
Payments	(384,911)	(4,972,484)	(5,357,395)
Balance, December 31, 2002	105,171	398,956	504,127
Claims and changes in estimates	385,912	6,221,637	6,607,549
Payments	(373,867)	(5,705,736)	(6,079,603)
Balance, December 31, 2003	117,216	914,857	1,032,073
Claims and changes in estimates	509,792	4,903,446	5,413,238
Payments	(521,899)	(5,414,430)	(5,936,329)
 Balance, December 31, 2004	 \$ 105,109	 \$ 403,873	 \$ 508,982

(B) Commitments and Contingencies

Grants

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, County management believes such disallowances, if any, will not be significant.

Litigation

Various claims and legal proceedings arising in the course of providing general governmental services are pending against the County seeking monetary damages and other relief. The amount of liability from all claims and actions cannot be determined with certainty, but in the opinion of management and legal council, the ultimate liability from all pending legal proceedings, asserted legal claims, and known potential legal claims which are probable of assertion should not materially affect the financial position of the County at December 31, 2004.

DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

(C) Retirement Plans

Primary Government:

Defined Contribution Plan

The County maintains a single employer sponsored money purchase retirement plan covering substantially all employees. The Douglas County Employee Pension Fund (Group 53303) is a defined contribution plan. A defined contribution plan provides retirement benefits in return for services rendered, provides an individual account for each participant and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions and forfeitures of other participant's benefits that may be allocated to such participant's account. As established by resolution of the Board of Commissioners, all employees who have been employed for six months are eligible to participate in the plan. Participants are fully vested after five years of service. There is no vesting prior to the five year anniversary. A participant that leaves the employment of the County is entitled to their account balance, if vesting requirements are satisfied. County contributions to the Plan are four percent (4%) of employee earnings and are paid to the Plan on a quarterly basis. Investment options are selected by each Plan participant. Plan members do not make contributions to the plan, except as described below.

Effective in 1996, Douglas County adopted a funding plan feature that gives certain 401(K) aspects to the defined contribution plan. Under the new provision, the County will match contributions made by an employee to the Section 457 deferred compensation plan on a 1 for 2 basis up to a maximum contribution by the County of 3%. Therefore, an employee who contributes 6% to the deferred compensation plan will receive an additional 3% contribution to the pension plan.

The County's payroll for fiscal year 2004 was \$ 31,511,801. The County's contributions were calculated using the covered salary amount of \$ 27,289,929. The County made the required 4 percent contribution of \$ 1,091,597 and matching contributions amounting to \$ 583,048.

As reported by VALIC, the plan sponsor, fiscal year 2004 additional financial information is as follows:

Section 401A – Defined Contribution Plan

Net income from interest, dividends and appreciation (depreciation) on investments	<u>\$917,787</u>
Employee withdrawals	<u>\$602,675</u>

The plan held no securities of the County or other related parties during the year.

Defined Benefit Plan

Effective December 31, 1978, the County terminated the Douglas County Employee Defined Benefit Plan a single employer defined benefit pension plan. Employees who were retired as of the time of termination are being paid their benefits from employer contributions made to

DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

the trust prior to its termination. These payments are the sole responsibility of the Metropolitan Life Insurance Company of North America. All other employees with vested benefits as of the termination of this Plan are to receive payments from the Douglas County, Georgia General Fund. During 2004, 27 employees who have retired were paid \$ 29,479 in benefits. Benefits are being paid on a pay-as-you-go basis. The plan is administered by the Douglas County Board of Commissioners.

Since the plan is funded with annual appropriations on a cash basis (i.e. no trust fund assets are maintained) financial statements are not prepared. There are no assets to report.

Due to the de minimis amount of pension expenditures and the limited number of individuals involved (approximately 2% of active employees) all required payments are reported in the General Fund under the caption general appropriations.

As of December 31, 2004, employee membership data related to this defined benefit plan was as follows:

As of December 31, 2004, employee membership data related to this defined benefit plan was as follows:

1. Number of Plan Participants	
Retirees and beneficiaries currently receiving benefits	28
Active plan participants or terminated plan participants entitled to but not yet receiving benefits	<u>20</u>
Total	48

The pension benefit obligation was determined as part of an actuarial valuation of the Plan as of December 31, 2004. Significant actuarial assumptions used in determining the pension benefit obligations include: (a) a rate of return on the investment of present and future assets of 7% per year, (b) members not yet receiving benefits will begin receiving payments at age 65, and (c) all benefits will be paid in life annuity form and there are no death benefits payable.

2. Development of Annual Required Contribution (ARC)	
a. PV of future benefits	280,873
b. PV of future employee contributions	-
c. Actuarial value of assets	-
d. Unfunded Actuarial Accrued Liability (UAAL)	280,873
e. Total normal cost (EOY)	-
f. Expected employee contribution	-
g. Employer normal cost	-
3. Annual Pension Cost and Net Pension Obligation (NPO)	
a. ARC	29,479
b. Interest on NPO	-
c. Adjustment to ARC	-
d. Annual Pension Cost	29,479
e. Contributions made (w/interest to EOY)	29,479
f. Increase (decrease) in NPO	-
g. NPO (beginning of year)	-
h. NPO (end of year)	-

DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

In addition to the general group pension plan, the following pensions are in effect but are not under the direct control of the County:

1. Agricultural Extension Supplemental Teachers Retirement Fund

The County agent and designated employees in this office are partially paid by the County and are covered under a pension plan which requires that certain sums be contributed by the County to a state administered plan.

2. Probate Judges' Retirement Fund of Georgia

The Probate Judge is covered under a pension plan which requires that certain sums from marriage licenses and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

3. Clerk of Superior Court Retirement Fund

The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

4. Sheriffs' Retirement Fund/Peace Officers' Annuity and Benefit Fund

The Sheriff and Sheriff Deputies are covered under separate pension plans which require that certain sums from fees, fines or bond forfeitures be remitted by the Probate Judge or Clerks of Superior Court and Magistrate Court to the pension plans before the payment of any costs or other claims.

5. Firefighters' Retirement Fund

The County fire department qualified employees may contribute to the Georgia Firefighters Pension Fund.

(D) Joint Ventures

Douglas County assists with the operations of the West Georgia Regional Library through annual funding requests.

In evaluating how to define the government unit for financial reporting purposes, Library System management has considered the criteria set forth in GASB Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity". Based upon the application of the above criteria, the West Georgia Regional Library is determined to be a joint venture.

The Library Board consists of twelve members, three members each appointed by the Library Boards of Douglas and Carroll Counties and two members each appointed by the Library Boards of Haralson, Heard and Paulding Counties. The Board is without authority to determine the amount of its funding, except by submission of budget requests to local governmental units from which that Library receives support and to the State of Georgia for State and Federal funding. Membership in the Library and participation in library services is at the discretion of each participating governmental agency. The Board has the power to designate management, the power to retain unreserved fund balances of local funds for continued operations and is the lowest

DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

level of oversight responsibility for the Library's operations. The Library is not included in any other governmental "reporting entity" as defined by GASB Codification of Governmental Accounting and Financial Reporting Standards.

Condensed financial information (audited by the Georgia Department of Audits) for the Library System is as follows:

<u>Balance sheet date</u>	<u>June 30, 2003</u>
Total assets	\$ 468,257
Total liabilities	52,280
Total fund equity	415,977
Total revenue	1,779,709
Total expenditures	355,277
Excess (deficiency) of revenues over expenditures	1,424,432

Complete financial statements of the Library System can be obtained directly from their administrative office. Address for the administrative office is as follows:

West Georgia Regional Library Board
710 Rome Street
Carrollton, Georgia 30117

Douglas County, in conjunction with cities and counties in the ten-county Atlanta Region are members of the Atlanta Regional Commission (ARC) (a regional development center (RDC)). Membership in an RDC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RDC's. Each county and municipality in the state is required by law to pay minimum annual dues to the RDC. The County paid dues in the amount of \$103,900 for the year ended December 31, 2004. The RDC Board membership includes the chief elected official of each county and the chief elected official of each municipality. The County board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the non-public Board member from a County. The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RDC's as "public agencies" and instrumentalities of their members. Georgia laws also provide that the member governments are liable for any debts or obligations of an RDC beyond its resources (O.C.G.A. 50-8-39.1). Complete financial statements of the Atlanta Regional Commission can be obtained directly from their administrative office. Address for the administrative office is as follows:

Atlanta Regional Commission
40 Courtland Street, N.E.
Atlanta, Georgia 30303

(E) Other Postemployment Benefits

The County provides postretirement health and life insurance benefits to certain retirees, who meet the requirements of the local ordinances. The benefits vary depending upon the age and the years of service of the retiree. For those employees retiring before 1986, who elected to contribute \$100 per month towards their insurance premiums, the County pays the balance of their health and life insurance premiums. If an employee retires and is at least 62 years old and has 15 consecutive years of service, the County will pay 100% of the premiums for health and life

DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

insurance. If an employee retires and is at least 55 years old and has 25 consecutive years of service, the County will pay the premiums for health and life insurance on a graduating basis beginning at 50% at age 55-57 until age 62, (with graduations in between) at which time the County will pay 100% of the premiums. If an employee retires and is at least 55 years old and has 30 consecutive years of service, the County will pay the premiums for health and life insurance on a graduating basis beginning at 70% at age 55-57 until age 59 ½, (with graduations in between) at which time the County will pay 100% of the premiums. These employees are covered under the County's regular risk management plan. The County provides no dependent coverage. The retiree may pay COBRA premiums to provide for spousal coverage. Retirees may not convert the benefits into an in-lieu payment to secure coverage under independent plans.

As of year end, there were 35 employees who had retired and were receiving the 100 % premium-coverage benefit. There were 7 employees who had retired and were receiving the partial premium-coverage. The County finances the plan on a pay-as-you-go basis. For the year ended December 31, 2004, the County recognized as incurred \$228,487 of expenditures, which was net of \$14,954 of retiree contributions.

(F) Deferred Compensation Plan

The County offers its employees an optional deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all County employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the participant or other beneficiary) solely the property and rights of a Trust created by the County for the benefit of the participants. The County has adopted the provisions of GASB Statement No. 32 which required the removal of plan assets and liabilities from the financial statements of the County.

(G) Hotel/Motel Tax

Douglas County has levied a 5% lodging tax. A summary of the transactions for the year ending December 31, 2004 follows:

Lodging tax receipts	\$ <u>22,755</u>	<u>100</u> %
Douglas County Chamber of Commerce	4,551	
Tourism & Historic Commission	<u>4,551</u>	
	9,102	40 %
General Fund expenditures	<u>13,653</u>	<u>60</u> %
	\$ <u>22,755</u>	<u>100</u> %

(H) Prior Period Adjustments

Enterprise – Solid Waste

During previous years, depreciation expense and asset costs were understated. This error was corrected during the year ended December 31, 2004 and the corrections were made to the Solid

DOUGLAS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

Waste Fund's capital asset listing. The effect of correcting the error was to decrease the Solid Waste Fund's fund balance by \$449,356 at December 31, 2003, with no effect on the change in net assets in the current period.

General Government

2002 SPLOST Fund

During previous years interest earned was allocated to various municipalities based on stated allocation percentage. It has been determined that interest earnings should not have been allocated until all debt service payments on the recreation bonds have been made. Also, certain road projects have been reallocated to municipal projects. The effect of correcting the error was to decrease the 2002 SPLOST Fund's fund balance by \$247,758 at December 31, 2003, with no effect on the change in fund balance in the current year.

Capital Assets

During the year ended December 31, 2003, the capital assets were understated by \$487,049 and accumulated depreciation was understated by \$562,122. The effect of correcting the error was to decrease the governmental activities capital asset and net assets by \$40,069 at December 31, 2003, with no effect on the change in net assets in the current period.

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MD&A**

DOUGLAS COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2004

	2004			Variance with Final Budget - Positive (Negative)	2003
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
General property taxes	\$ 22,215,888	\$ 20,715,888	\$ 19,239,911	\$ (1,475,977)	\$ 17,345,549
Auto ad valorem and mobile home	2,114,000	2,114,000	2,129,512	15,512	2,140,088
Recording intangible	1,000,000	1,000,000	1,625,117	625,117	1,431,718
Interest, penalties and fees on delinquent taxes	677,000	677,000	712,458	35,458	639,850
Real estate transfer tax	335,000	335,000	423,401	88,401	597,159
Alcoholic beverage tax	555,000	555,000	540,382	(14,618)	518,847
Hotel, Motel tax	50,000	50,000	-	(50,000)	77,237
Local option sales tax	14,200,000	14,200,000	15,544,556	1,344,556	13,931,857
Railroad equipment tax	5,000	5,000	4,903	(97)	5,026
Insurance premium tax	2,790,000	2,790,000	2,958,219	168,219	2,733,979
Franchise tax	410,000	410,000	603,512	193,512	512,401
Bank business license tax	125,000	125,000	148,413	23,413	121,092
Total taxes	44,476,888	42,976,888	43,930,384	953,496	40,054,803
Licenses and permits	1,997,000	1,997,000	2,168,316	171,316	2,281,472
Intergovernmental revenues:					
Federal government	107,000	122,265	106,152	(16,113)	197,185
State of Georgia	758,841	3,062,022	4,205,394	1,143,372	482,545
Other counties, municipalities and agencies	787,000	933,026	878,079	(54,947)	837,120
Total intergovernmental	1,652,841	4,117,313	5,189,625	1,072,312	1,516,850
Charges for services:					
Tax Commissioner	742,000	742,000	1,023,234	281,234	612,345
Emergency medical service	640,000	640,000	505,399	(134,601)	554,867
Ride share	109,000	116,165	121,282	5,117	100,715
Library fees	57,000	57,000	70,660	13,660	59,817
Planning, zoning and maps	416,000	416,000	232,653	(183,347)	156,600
Prisoner housing fees	475,000	475,000	748,502	273,502	614,685
Parks and recreation	60,000	60,000	43,707	(16,293)	43,436
Street lights	510,000	510,000	735,427	225,427	580,300
Election fees	10,000	37,971	38,556	585	14,408
Total charges for services	3,019,000	3,054,136	3,519,420	465,284	2,737,173
Courts and Law Enforcement:					
Clerk of Superior Court	1,565,000	1,565,000	2,339,597	774,597	1,401,939
State Court	1,532,000	1,532,000	1,785,206	253,206	1,530,334
Magistrate Court	265,000	265,000	330,075	65,075	292,388
Probate Court	225,000	225,000	302,247	77,247	211,712
Sheriff	140,000	140,000	130,919	(9,081)	136,349
Juvenile Court	77,000	104,294	133,249	28,955	115,118
Jail maintenance surcharge	400,000	400,000	583,089	183,089	548,002
Other	2,550	17,550	18,485	935	-
Total courts and law enforcement	4,206,550	4,248,844	5,622,867	1,374,023	4,235,842

DOUGLAS COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP) AND ACTUAL (continued)
For the year ended December 31, 2004

	2004			Variance with Final Budget - Positive (Negative)	2003
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Use of money and property:					
Interest	113,500	113,500	116,687	3,187	83,290
Rents	20,500	20,500	37,422	16,922	31,494
Total use of money and property	134,000	134,000	154,109	20,109	114,784
Miscellaneous revenue	188,400	846,181	560,695	(285,486)	462,127
Total general fund revenues	55,674,679	57,374,362	61,145,416	3,771,054	51,403,051
Expenditures:					
Current:					
General government:					
Board of Commissioners	626,832	626,582	616,127	10,455	567,547
Personnel	256,046	256,046	241,943	14,103	247,511
Finance	651,705	650,930	643,840	7,090	610,292
Purchasing	267,097	269,828	264,064	5,764	228,965
County attorney	250,844	312,794	302,437	10,357	197,825
Election board	326,345	363,380	318,106	45,274	139,190
Board of Tax Assessors	71,886	172,210	167,077	5,133	90,750
Tax Commissioner	867,176	868,907	847,987	20,920	781,116
Property appraisal	970,677	963,206	899,913	63,293	849,952
Tax Equalization Board	20,150	20,550	14,383	6,167	15,550
Data processing	823,152	1,034,407	932,667	101,740	631,039
Safety director	2,970	2,970	2,740	230	3,005
Building maintenance	1,164,992	1,235,771	1,138,979	96,792	1,024,329
Print shop	158,284	160,948	158,080	2,868	141,426
General appropriations	1,947,694	1,977,331	1,971,848	5,483	2,863,457
Voters' registration	94,390	110,675	108,549	2,126	83,569
Records retention	95,474	99,524	94,210	5,314	71,465
Grant expenditures	184,999	236,106	177,350	58,756	150,379
Public relations	205,722	225,154	223,729	1,425	253,921
Total general government	8,986,435	9,587,319	9,124,029	463,290	8,951,288
Judicial system:					
Superior Court	481,412	460,777	393,479	67,298	276,623
District Attorney	1,199,960	1,189,665	1,154,491	35,174	1,036,751
Clerk of Superior Court	1,422,823	1,422,107	1,358,486	63,621	1,399,950
Public Defender	820,436	866,762	861,009	5,753	774,122
State Court	229,335	231,003	200,013	30,990	199,424
Clerk of State Court	187,613	191,743	175,146	16,597	173,560
State Court solicitor	394,883	404,101	394,028	10,073	368,632
Public Defender - State Court	66,021	66,070	64,873	1,197	62,959
Magistrate Court	432,453	432,453	428,650	3,803	411,020
Probate Court	357,395	357,677	357,657	20	327,634
Juvenile Court	810,445	1,026,570	991,226	35,344	828,063
Victim witness	69,536	76,632	72,665	3,967	60,122
Indigent cases - death and conflict	200,000	240,000	233,499	6,501	205,763
Total judicial system	6,672,312	6,965,560	6,685,222	280,338	6,124,623

DOUGLAS COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP) AND ACTUAL (continued)
For the year ended December 31, 2004

	2004			Variance with Final Budget - Positive (Negative)	2003
	Original Budget	Final Budget	Actual		Actual
Expenditures:					
Current:					
Public safety:					
Coroner	43,832	43,832	42,750	1,082	47,885
Sheriff	8,692,999	8,959,227	8,809,275	149,952	8,479,027
Jail	10,293,467	11,320,206	11,152,258	167,948	9,085,081
Fire Department and Emergency Medical Service	10,840,860	10,168,746	10,082,650	86,096	9,607,268
Emergency management	157,177	159,634	138,529	21,105	166,947
Animal Control	457,500	510,000	431,794	78,206	428,329
Total Public Safety	30,485,835	31,161,645	30,657,256	504,389	27,814,537
Parks, Recreation and Culture:					
Library	1,036,611	1,062,867	1,027,649	35,218	891,905
Parks and Recreation	1,305,771	1,332,174	1,310,688	21,486	1,190,541
Cultural Arts Council	30,000	30,000	30,000	-	20,000
Total Parks, Recreation and Culture	2,372,382	2,425,041	2,368,337	56,704	2,102,446
Public Works:					
Roads	2,047,161	2,205,838	1,943,442	262,396	2,503,585
Administration	299,074	299,718	268,465	31,253	-
Traffic operations	632,716	619,635	406,031	213,604	-
Engineering	350,495	362,699	343,412	19,287	358,209
Vehicle maintenance	734,823	734,823	683,377	51,446	632,371
Total Public Works	4,064,269	4,222,713	3,644,727	577,986	3,494,165
Planning/Community Development:					
Environment code enforcement	58,876	30,574	29,100	1,474	51,037
Code enforcement officer	139,748	162,725	157,952	4,773	-
Development services administration	162,843	162,843	161,884	959	-
Clean community	-	15,000	15,000	-	10,000
Planning and zoning	374,183	369,178	349,608	19,570	493,901
Occupational tax	83,926	83,926	80,164	3,762	-
Permits and inspections	711,318	710,641	700,696	9,945	691,457
Geographic information system and mapping	181,895	194,395	183,019	11,376	243,237
Tourism	26,000	26,000	9,102	16,898	13,191
Industrial development	160,000	160,000	160,000	-	177,704
Ride Share Program	568,873	1,450,352	1,198,440	251,912	2,207,987
Agriculture Extension Service	148,106	148,106	132,153	15,953	104,458
Total Planning/Community Development	2,615,768	3,513,740	3,177,118	336,622	3,992,972
Health and Welfare:					
General health grant	590,000	590,000	590,000	-	565,000
Community Services Board	217,490	217,490	217,490	-	217,490
Public Welfare	2,500	2,570	2,570	-	6,245
Family and Children Services	364,000	364,000	364,000	-	364,000
Senior citizens services grant	290,000	360,000	324,993	35,007	272,125
Substance Abuse Intervention	540,094	567,900	541,858	26,042	524,095
Senior Citizens Transportation	41,660	53,948	53,945	3	72,770
Total Health and Welfare	2,045,744	2,155,908	2,094,856	61,052	2,021,725

DOUGLAS COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2004

	2004			Variance with Final Budget - Positive (Negative)	2003
	Original Budget	Final Budget	Actual		Actual
Expenditures:					
Current:					
Debt Service:					
Principal	131,326	283,790	235,777	48,013	84,351
Interest	100,000	107,784	130,886	(23,102)	121,319
Total expenditures	<u>231,326</u>	<u>391,574</u>	<u>366,663</u>	<u>24,911</u>	<u>205,670</u>
Total expenditures	<u>57,474,071</u>	<u>60,423,500</u>	<u>58,118,208</u>	<u>2,305,292</u>	<u>54,707,426</u>
Excess (deficiency) of revenues over expenditures	<u>(1,799,392)</u>	<u>(3,049,138)</u>	<u>3,027,208</u>	<u>6,076,346</u>	<u>(3,304,375)</u>
Other financing sources (uses):					
Capital leases	-	149,826	150,926	1,100	-
Transfers in	1,799,392	1,379,529	1,239,791	(139,738)	1,009,779
Transfers out	-	(15,250)	(15,249)	1	-
Total other financing sources	<u>1,799,392</u>	<u>1,514,105</u>	<u>1,375,468</u>	<u>(138,637)</u>	<u>1,009,779</u>
Net change in fund balances	-	(1,535,033)	4,402,676	5,937,709	(2,294,596)
Fund balance, January 1-Restated	<u>7,157,170</u>	<u>7,157,170</u>	<u>7,157,170</u>	-	<u>9,451,766</u>
Fund balance, December 31	<u>\$ 7,157,170</u>	<u>\$ 5,622,137</u>	<u>\$ 11,559,846</u>	<u>\$ 5,937,709</u>	<u>\$ 7,157,170</u>

DOUGLAS COUNTY, GEORGIA
Required Supplementary Information – Pension Schedules
December 31, 2004

Schedule of Employer Contributions

<u>Year Ending December 31,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2002	\$ 32,196	100%
2003	30,427	100%
2004	29,479	100%

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Covered Payroll	(6) UAAL as % of Covered Payroll (3)/(5)
12/31/99	-	339,123	339,123	-	N/A	N/A
12/31/00	-	333,235	333,235	-	N/A	N/A
12/31/01	-	321,107	321,107	-	N/A	N/A
12/31/02	-	303,933	303,933	-	N/A	N/A
12/31/03	-	280,873	280,873	-	N/A	N/A
12/31/04	-	262,577	262,577	-	N/A	N/A

Additional Information

Valuation date December 31, 2004
Actuarial cost method Unit Credit
Amortization method Level dollar
Remaining amortization period Approximately 14 years
Asset valuation method N/A
Actuarial assumptions:
Investment rate of return* 7.00%
Projected salary increases N/A
Cost-of-living adjustment N/A

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

MAJOR FUNDS

Parks Debt Service Fund

2002 Special Purpose Local Option Sales Tax Capital Projects Fund

DOUGLAS COUNTY, GEORGIA
PARKS DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Use of money and property	\$ 140,000	\$ 140,000	\$ 207,711	\$ 67,711
Total revenues	<u>140,000</u>	<u>140,000</u>	<u>207,711</u>	<u>67,711</u>
Expenditures:				
Debt service:				
Principal	7,635,000	7,635,000	7,635,000	-
Interest and fiscal charges	1,483,350	1,483,350	1,483,350	-
Total expenditures	<u>9,118,350</u>	<u>9,118,350</u>	<u>9,118,350</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(8,978,350)</u>	<u>(8,978,350)</u>	<u>(8,910,639)</u>	<u>67,711</u>
Other financing sources:				
Transfers in	8,572,000	8,572,000	9,396,797	824,797
Total other financing sources	<u>8,572,000</u>	<u>8,572,000</u>	<u>9,396,797</u>	<u>824,797</u>
Net change in fund balances	<u>(406,350)</u>	<u>(406,350)</u>	<u>486,158</u>	<u>892,508</u>
Fund balance, January 1	<u>4,289,838</u>	<u>4,289,838</u>	<u>4,289,838</u>	<u>-</u>
Fund balance, December 31	<u>\$ 3,883,488</u>	<u>\$ 3,883,488</u>	<u>\$ 4,775,996</u>	<u>\$ 892,508</u>

DOUGLAS COUNTY, GEORGIA
2002 SPECIAL PURPOSE LOCAL OPTION SALES TAX CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

From inception and for the year ended December 31, 2004

	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Taxes	\$ 102,000,000	\$ 25,713,189	\$ 19,605,191	\$ 45,318,380
Intergovernmental revenue	15,481,488	871,414	1,207,367	2,078,781
Use of money and property	5,790,440	1,731,420	1,170,172	2,901,592
Total revenues	123,271,928	28,316,023	21,982,730	50,298,753
Expenditures:				
General government	500,000	485,109	3,250	488,359
Intergovernmental	22,256,740	16,648,095	2,374,136	19,022,231
Capital outlay	95,918,616	16,825,072	15,903,584	32,728,656
Total expenditures	118,675,356	33,958,276	18,280,970	52,239,246
Excess (deficiency) of revenues over expenditures	4,596,572	(5,642,253)	3,701,760	(1,940,493)
Other financing sources (uses):				
Transfers out	(46,495,086)	(12,324,334)	(9,396,797)	(21,721,131)
Bond proceeds	41,898,514	41,898,514	-	41,898,514
Total other financing sources	(4,596,572)	29,574,180	(9,396,797)	20,177,383
Net change in fund balance	\$ -	\$ 23,931,927	(5,695,037)	\$ 18,236,890
Fund balance, January 1, as restated			23,931,927	
Fund balance, December 31			\$ 18,236,890	

NONMAJOR GOVERNMENTAL FUNDS

Funds generally used to account for tax supported activities which include the nonmajor special revenue funds and the capital project funds of the County.

Debt Service Fund
Special Revenue Funds
Capital Projects Funds

**DOUGLAS COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2004**

	<u>Total Nonmajor Debt Service Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>	<u>Total Nonmajor Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 137,470	\$ 5,578,300	\$ 2,176,854	\$ 7,892,624
Taxes receivable	-	17,875	-	17,875
Accounts receivable	-	313,355	-	313,355
Interest receivable	202	-	199	401
Intergovernmental	-	25,453	277,668	303,121
Due from other funds	1,476	146,576	-	148,052
Total assets	\$ 139,148	\$ 6,081,559	\$ 2,454,721	\$ 8,675,428
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 84,601	\$ 141,378	\$ 225,979
Accrued salaries	-	47,076	-	47,076
Due to other funds	-	1,122,316	215,289	1,337,605
Due to others	-	630,333	-	630,333
Deferred revenue	-	51,904	78,076	129,980
Total liabilities	-	1,936,230	434,743	2,370,973
Fund balances				
Reserved for encumbrances	-	28,049	-	28,049
Reserved for debt service	139,148	-	-	139,148
Reserved for capital acquisitions and improvements	-	-	2,019,978	2,019,978
Unreserved - designated for specific fund purpose	-	4,118,776	-	4,118,776
Unreserved - undesignated	-	(1,496)	-	(1,496)
Total fund balance	139,148	4,145,329	2,019,978	6,304,455
Total liabilities and fund balances	\$ 139,148	\$ 6,081,559	\$ 2,454,721	\$ 8,675,428

DOUGLAS COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended December 31, 2004

	Total Nonmajor Debt Service Fund	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ -	\$ 141,519	\$ -	\$ 141,519
Intergovernmental	-	119,138	273,915	393,053
Charges for services	-	2,163,281	-	2,163,281
Courts and law enforcement	-	915,868	-	915,868
Use of money and property	1,376	38,312	29,955	69,643
Total revenues	1,376	3,378,118	303,870	3,683,364
Expenditures:				
Current:				
General government	-	-	35,725	35,725
Judicial system	-	243,020	-	243,020
Public safety	-	2,109,270	-	2,109,270
Planning/community development	-	120,982	-	120,982
Miscellaneous	-	333,347	-	333,347
Debt Service:				
Principal	-	88,182	-	88,182
Interest and fiscal charges	205,908	50,715	-	256,623
Capital Outlay:				
Public works	-	-	351,991	351,991
Public safety	-	-	4,243,298	4,243,298
Parks, recreation and culture	-	-	1,323	1,323
Total expenditures	205,908	2,945,516	4,632,337	7,783,761
Excess (deficiency) of revenues over expenditures	(204,532)	432,602	(4,328,467)	(4,100,397)
Other financing sources (uses):				
Capital leases	-	65,500	-	65,500
Transfers in	205,870	20,249	34,157	260,276
Transfers out	-	(778,948)	(705,870)	(1,484,818)
Total other financing sources (uses)	205,870	(693,199)	(671,713)	(1,159,042)
Net change in fund balances	1,338	(260,597)	(5,000,180)	(5,259,439)
Fund balance, January 1	137,810	4,405,926	7,020,158	11,563,894
Fund balance, December 31	\$ 139,148	\$ 4,145,329	\$ 2,019,978	\$ 6,304,455

Nonmajor Debt Service Fund

The Debt Service Fund is utilized to account for the accumulation and disbursement of money needed to comply with the interest and principal redemption requirements of the governmental fund type revenue bonds and contractual obligations.

Jail Annex Debt Service Fund – to account for the base rentals required to provide annual debt service payments pursuant to the issuance of \$6,785,000 Association County Commissioners of Georgia leasers program Certificates of Participation (Douglas County, Georgia Public Purpose Project Series 2003).

DOUGLAS COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUND - JAIL ANNEX DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS
December 31, 2004 and 2003

	2004	2003
Assets:		
Cash and cash equivalents	\$ 137,470	\$ 137,413
Interest receivable	202	-
Due from other funds	1,476	397
Total assets	\$ 139,148	\$ 137,810
 Liabilities and Fund Balance		
Fund balance:		
Reserved for debt service	\$ 139,148	\$ 137,810
Total fund balance	139,148	137,810
 Total liabilities and fund balance	 \$ 139,148	 \$ 137,810

DOUGLAS COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUND - JAIL ANNEX DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Use of money and property	\$ 408	\$ 408	\$ 1,376	\$ 968
Total revenues	<u>408</u>	<u>408</u>	<u>1,376</u>	<u>968</u>
Expenditures:				
Debt service:				
Interest and fiscal charges	205,908	205,908	205,908	-
Total expenditures	<u>205,908</u>	<u>205,908</u>	<u>205,908</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(205,500)</u>	<u>(205,500)</u>	<u>(204,532)</u>	<u>968</u>
Other financing sources (uses):				
Transfers in	205,870	205,870	205,870	-
Total other financing sources (uses)	<u>205,870</u>	<u>205,870</u>	<u>205,870</u>	<u>-</u>
Net change in fund balances	370	370	1,338	968
Fund balance, January 1	<u>137,810</u>	<u>137,810</u>	<u>137,810</u>	<u>-</u>
Fund balance, December 31	<u>\$ 138,180</u>	<u>\$ 138,180</u>	<u>\$ 139,148</u>	<u>\$ 968</u>

Nonmajor Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specified purposes.

Drug Abuse Treatment and Education Fund - To account for monies collected under Georgia law related to additional penalties on controlled substances offenses. Such monies are restricted for drug abuse treatment and education programs relating to controlled substances and marijuana.

Sidewalk Fund –To account for funds held for future sidewalk construction as mandated by the County's zoning and subdivision ordinances. These are monies funded totally by developer/builders.

Special Tax District - To account for tax collection levied against certain property owners to fund the debt service payments due on community improvement district special assessment debt.

Hotel/Motel Tax fund – To account for monies collected on all short-term room rentals by hotel and motels located in the unincorporated area of Douglas County.

Emergency Telephone System Fund - To account for monies collected under Georgia law by the telephone company on behalf of Douglas County. These monies are remitted to the County and are restricted to providing emergency 911 services to residents of the County.

Crime Victim Assistance Program Fund - To account for grant monies received for the purpose of providing counseling services to victims of crime and add on fine surcharges as required by the O.C.G.A.

Indigent Defense – To account for funds provided by the State of Georgia for defense of indigent defendants.

Greenspace Fund – To account for State of Georgia grant funds to be used solely for the cost of acquisition of greenspace as defined in O.C.G.A. 36-22-2(3).

Law Library - To account for fees received from Superior Court, Magistrate Court and Probate Court used to finance the Library's operations and reference materials.

District Attorney Fund – To account for monies forfeited under O.C.G.A. 16-13-49. These funds are held to provide payment for any and all necessary expenses for the operation of the District Attorney's Office.

Inmate Commissary Fund - To account for monies collected from inmates for purchase of supplies. The profit from these sales are used for the benefit of the general inmate population.

Law Enforcement Confiscated Monies - To account for monies confiscated under Federal and Georgia law by the Douglas County Sheriff's office related to controlled substances offenses. Such monies are restricted to defray the cost of complex investigations and to purchase equipment relating to said investigations.

Sheriff Other Programs– To account for monies donated by local individuals and businesses to fund the Douglas County Sheriff Office's Drug Abuse Resistance Education and Combined Accident Reduction effort programs.

**DOUGLAS COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2004**

	Drug Treatment Abuse	Sidewalk Fund	Special Tax District	Emergency Telephone System	Victim Assistance	Indigent Defense	Law Library	District Attorney Fund	Inmate Commissary Fund	Law Enforcement Confiscated Funds	Sheriff Other Programs	Total Nonmajor Special Revenue Funds
Assets:												
Cash and cash equivalents	\$ 281,696	\$ 20,258	\$ -	\$ 2,700,663	\$ 312,321	\$ 119,700	\$ 131,368	\$ 798,326	\$ 116,446	\$ 1,069,367	\$ 28,155	\$ 5,578,300
Taxes receivable	-	-	17,875	-	-	-	-	-	-	-	-	17,875
Accounts receivable	-	-	-	269,578	-	-	100	16,876	26,801	-	-	313,355
Intergovernmental	3,768	-	-	-	21,685	-	-	-	-	-	-	25,453
Due from other funds	12,399	-	-	-	-	-	8,783	4,532	6,750	114,112	-	146,576
Total assets	\$ 297,863	\$ 20,258	\$ 17,875	\$ 2,970,241	\$ 334,006	\$ 119,700	\$ 140,251	\$ 819,734	\$ 149,997	\$ 1,183,479	\$ 28,155	\$ 6,081,559
Liabilities and Fund Balances												
Liabilities:												
Accounts payable	\$ 8,575	\$ -	\$ -	\$ 71,138	\$ -	\$ -	\$ 4,836	\$ -	\$ 52	\$ -	\$ -	\$ 84,601
Accrued salaries	-	-	-	43,398	3,678	-	-	-	-	-	-	47,076
Due to other funds	8,575	-	1,686	1,013,549	47,725	44,927	-	-	5,854	-	-	1,122,316
Due to others	-	-	-	-	-	-	-	630,333	-	-	-	630,333
Deferred revenue	3,768	-	17,685	30,451	-	-	-	-	-	-	-	51,904
Total liabilities	20,918	-	19,371	1,158,536	51,403	44,927	4,836	630,333	5,906	-	-	1,936,230
Fund balance:												
Reserved for encumbrances	575	-	-	27,474	-	-	-	-	-	-	-	28,049
Unreserved - designated for specific fund purpose	276,370	20,258	-	1,784,231	282,603	74,773	135,415	189,401	144,091	1,183,479	28,155	4,118,776
Unreserved - Undesignated	-	-	(1,496)	-	-	-	-	-	-	-	-	(1,496)
Total fund balance	276,945	20,258	(1,496)	1,811,705	282,603	74,773	135,415	189,401	144,091	1,183,479	28,155	4,145,329
Total liabilities and fund balance	\$ 297,863	\$ 20,258	\$ 17,875	\$ 2,970,241	\$ 334,006	\$ 119,700	\$ 140,251	\$ 819,734	\$ 149,997	\$ 1,183,479	\$ 28,155	\$ 6,081,559

DOUGLAS COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended December 31, 2004

	Drug Treatment Abuse	Sidewalk Fund	Special Tax District	Hotel-Motel Tax	Emergency Telephone System	Victim Assistance	Indigent Defense	Green- space Fund	Law Library	District Attorney Fund	Inmate Commissary Fund	Law Enforcement Confiscated Funds	Sheriff Other Programs	Total Nonmajor Special Revenue Funds
Revenues:														
Taxes	\$ -	\$ -	\$ 118,764	\$ 22,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,519
Intergovernmental	-	-	-	-	-	-	119,138	-	-	-	-	-	-	119,138
Charges for services	-	-	-	-	1,831,675	-	-	-	-	-	302,412	-	29,194	2,163,281
Courts and law enforcement	130,090	-	-	-	-	169,597	-	-	99,653	76,847	-	439,681	-	915,868
Use of money and property	3,097	254	-	-	27,144	292	1,538	487	1,380	1,758	1,457	891	14	38,312
Total revenues	133,187	254	118,764	22,755	1,858,819	169,889	120,676	487	101,033	78,605	303,869	440,572	29,208	3,378,118
Expenditures:														
Current:														
Judicial system	-	-	-	-	-	139,621	-	-	103,399	-	-	-	-	243,020
Public safety	103,029	-	-	-	1,568,801	-	-	-	-	50,184	-	363,859	23,397	2,109,270
Planning/community development	-	-	-	-	-	-	-	120,982	-	-	-	-	-	120,982
Miscellaneous	-	-	-	-	-	-	-	-	-	-	333,347	-	-	333,347
Debt Service:														
Principal	-	-	75,000	-	-	-	-	-	-	-	13,182	-	-	88,182
Interest and fiscal charges	-	-	49,162	-	-	-	-	-	-	-	1,553	-	-	50,715
Total expenditures	103,029	-	124,162	-	1,568,801	139,621	-	120,982	103,399	50,184	348,082	363,859	23,397	2,945,516
Excess (deficiency) of revenues over expenditures	30,158	254	(5,398)	22,755	290,018	30,268	120,676	(120,495)	(2,366)	28,421	(44,213)	76,713	5,811	432,602
Other financing sources (uses):														
Capital leases	-	-	-	-	-	-	-	-	-	-	65,500	-	-	65,500
Transfers in	-	-	-	-	-	-	-	15,249	-	5,000	-	-	-	20,249
Transfers out	-	-	-	(22,755)	-	(34,789)	(162,775)	-	-	(8,629)	(550,000)	-	-	(778,948)
	-	-	-	(22,755)	-	(34,789)	(162,775)	15,249	-	(3,629)	(484,500)	-	-	(693,199)
Net change in fund balances	30,158	254	(5,398)	-	290,018	(4,521)	(42,099)	(105,246)	(2,366)	24,792	(528,713)	76,713	5,811	(260,597)
Fund balance, January 1	246,787	20,004	3,902	-	1,521,687	287,124	116,872	105,246	137,781	164,609	672,804	1,106,766	22,344	4,405,926
Fund balance, December 31	\$ 276,945	\$ 20,258	\$ (1,496)	\$ -	\$ 1,811,705	\$ 282,603	\$ 74,773	\$ -	\$ 135,415	\$ 189,401	\$ 144,091	\$ 1,183,479	\$ 28,155	\$ 4,145,329

**DOUGLAS COUNTY, GEORGIA
DRUG TREATMENT ABUSE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Courts and law enforcement	\$ 75,000	\$ 80,000	\$ 130,090	\$ 50,090
Use of money and property	2,000	2,000	3,097	1,097
Total revenues	<u>77,000</u>	<u>82,000</u>	<u>133,187</u>	<u>51,187</u>
Expenditures:				
Current:				
Public safety	102,000	107,000	103,029	3,971
Total expenditures	<u>102,000</u>	<u>107,000</u>	<u>103,029</u>	<u>3,971</u>
Excess (deficiency) of revenues over expenditures	(25,000)	(25,000)	30,158	55,158
Fund balances, January 1	<u>246,787</u>	<u>246,787</u>	<u>246,787</u>	<u>-</u>
Fund balances, December 31	<u>\$ 221,787</u>	<u>\$ 221,787</u>	<u>\$ 276,945</u>	<u>\$ 55,158</u>

DOUGLAS COUNTY, GEORGIA
SIDEWALK FUND SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Use of money and property	600	600	254	(346)
Total revenues	600	600	254	(346)
Excess (deficiency) of revenues over expenditures	600	600	254	(346)
Fund balances, January 1	20,004	20,004	20,004	-
Fund balances, December 31	\$ 20,604	\$ 20,604	\$ 20,258	\$ (346)

**DOUGLAS COUNTY, GEORGIA
SPECIAL TAX DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Taxes	\$ 124,000	\$ 124,000	\$ 118,764	\$ (5,236)
Total revenues	<u>124,000</u>	<u>124,000</u>	<u>118,764</u>	<u>(5,236)</u>
Expenditures:				
Debt service:				
Principal	75,000	75,000	75,000	-
Interest	49,232	49,232	49,162	70
Total expenditures	<u>124,232</u>	<u>124,232</u>	<u>124,162</u>	<u>70</u>
Excess (deficiency) of revenues over expenditures	(232)	(232)	(5,398)	(5,166)
Fund balances, January 1	<u>3,902</u>	<u>3,902</u>	<u>3,902</u>	<u>-</u>
Fund balances, December 31	<u>\$ 3,670</u>	<u>\$ 3,670</u>	<u>\$ (1,496)</u>	<u>\$ (5,166)</u>

DOUGLAS COUNTY, GEORGIA
HOTEL-MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Taxes	\$ 22,755	\$ 22,755	\$ 22,755	\$ -
Total revenues	<u>22,755</u>	<u>22,755</u>	<u>22,755</u>	<u>-</u>
 Other financing sources (uses):				
Transfers out	<u>(22,755)</u>	<u>(22,755)</u>	<u>(22,755)</u>	<u>-</u>
	<u>(22,755)</u>	<u>(22,755)</u>	<u>(22,755)</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balances, January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DOUGLAS COUNTY, GEORGIA
EMERGENCY TELEPHONE SYSTEM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Charges for services	\$ 1,535,000	\$ 1,574,500	\$ 1,831,675	\$ 257,175
Use of money and property	25,000	25,000	27,144	2,144
Total revenues	<u>1,560,000</u>	<u>1,599,500</u>	<u>1,858,819</u>	<u>259,319</u>
Expenditures:				
Current:				
Public safety	1,551,031	1,829,797	1,568,801	260,996
Total expenditures	<u>1,551,031</u>	<u>1,829,797</u>	<u>1,568,801</u>	<u>260,996</u>
Excess (deficiency) of revenues over expenditures	8,969	(230,297)	290,018	520,315
Fund balances, January 1	<u>1,521,687</u>	<u>1,521,687</u>	<u>1,521,687</u>	<u>-</u>
Fund balances, December 31	\$ <u>1,530,656</u>	\$ <u>1,291,390</u>	\$ <u>1,811,705</u>	\$ <u>520,315</u>

DOUGLAS COUNTY, GEORGIA
VICTIM ASSISTANCE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Courts and law enforcement	\$ 150,000	\$ 150,000	\$ 169,597	\$ 19,597
Use of money and property	500	500	292	(208)
Total revenues	<u>150,500</u>	<u>150,500</u>	<u>169,889</u>	<u>19,389</u>
Expenditures:				
Current:				
Judicial system	162,978	158,388	139,621	18,767
Total expenditures	<u>162,978</u>	<u>158,388</u>	<u>139,621</u>	<u>18,767</u>
Excess (deficiency) of revenues over expenditures	(12,478)	(7,888)	30,268	38,156
Other financing sources (uses):				
Transfers out	(30,200)	(34,790)	(34,789)	1
	<u>(30,200)</u>	<u>(34,790)</u>	<u>(34,789)</u>	<u>1</u>
Net change in fund balance	(42,678)	(42,678)	(4,521)	38,157
Fund balances, January 1	<u>287,124</u>	<u>287,124</u>	<u>287,124</u>	<u>-</u>
Fund balances, December 31	<u>\$ 244,446</u>	<u>\$ 244,446</u>	<u>\$ 282,603</u>	<u>\$ 38,157</u>

DOUGLAS COUNTY, GEORGIA
INDIGENT DEFENSE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 85,000	\$ 85,000	\$ 119,138	\$ 34,138
Use of money and property	2,000	2,000	1,538	(462)
Total revenues	<u>87,000</u>	<u>87,000</u>	<u>120,676</u>	<u>33,676</u>
Other financing sources (uses):				
Transfers out	(159,856)	(162,856)	(162,775)	81
	<u>(159,856)</u>	<u>(162,856)</u>	<u>(162,775)</u>	<u>81</u>
Net change in fund balance	(72,856)	(75,856)	(42,099)	33,757
Fund balances, January 1	<u>116,872</u>	<u>116,872</u>	<u>116,872</u>	<u>-</u>
Fund balances, December 31	<u>\$ 44,016</u>	<u>\$ 41,016</u>	<u>\$ 74,773</u>	<u>\$ 33,757</u>

**DOUGLAS COUNTY, GEORGIA
GREENSPACE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Use of money and property	835	835	487	(348)
Total revenues	<u>835</u>	<u>835</u>	<u>487</u>	<u>(348)</u>
Expenditures:				
Current:				
Planning/community development	106,000	121,250	120,982	268
Total expenditures	<u>106,000</u>	<u>121,250</u>	<u>120,982</u>	<u>268</u>
Excess (deficiency) of revenues over expenditures	(105,165)	(120,415)	(120,495)	(80)
Other financing sources (uses):				
Transfers in	-	15,250	15,249	(1)
Net change in fund balances	(105,165)	(105,165)	(105,246)	(81)
Fund balances, January 1	<u>105,246</u>	<u>105,246</u>	<u>105,246</u>	<u>-</u>
Fund balances, December 31	\$ <u>81</u>	\$ <u>81</u>	\$ <u>-</u>	\$ <u>(81)</u>

**DOUGLAS COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Courts and law enforcement	\$ 75,000	\$ 95,000	\$ 99,653	\$ 4,653
Use of money and property	2,000	2,000	1,380	(620)
Total revenues	<u>77,000</u>	<u>97,000</u>	<u>101,033</u>	<u>4,033</u>
Expenditures:				
Current:				
Judicial system	68,650	106,132	103,399	2,733
Total expenditures	<u>68,650</u>	<u>106,132</u>	<u>103,399</u>	<u>2,733</u>
Excess (deficiency) of revenues over expenditures	8,350	(9,132)	(2,366)	6,766
Fund balances, January 1	<u>137,781</u>	<u>137,781</u>	<u>137,781</u>	<u>-</u>
Fund balances, December 31	<u><u>\$ 146,131</u></u>	<u><u>\$ 128,649</u></u>	<u><u>\$ 135,415</u></u>	<u><u>\$ 6,766</u></u>

**DOUGLAS COUNTY, GEORGIA
DISTRICT ATTORNEY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Courts and law enforcement	\$ 95,000	\$ 95,000	\$ 76,847	\$ (18,153)
Use of money and property	10,000	10,000	1,758	(8,242)
Total revenues	<u>105,000</u>	<u>105,000</u>	<u>78,605</u>	<u>(26,395)</u>
Expenditures:				
Current:				
Public safety	95,000	95,000	50,184	44,816
Total expenditures	<u>95,000</u>	<u>95,000</u>	<u>50,184</u>	<u>44,816</u>
Excess (deficiency) of revenues over expenditures	<u>10,000</u>	<u>10,000</u>	<u>28,421</u>	<u>18,421</u>
Other financing sources (uses):				
Transfers in	-	-	5,000	5,000
Transfers out	-	-	(8,629)	(8,629)
	<u>-</u>	<u>-</u>	<u>(3,629)</u>	<u>(3,629)</u>
Net change in fund balances	10,000	10,000	24,792	14,792
Fund balances, January 1	<u>164,609</u>	<u>164,609</u>	<u>164,609</u>	<u>-</u>
Fund balances, December 31	<u>\$ 174,609</u>	<u>\$ 174,609</u>	<u>\$ 189,401</u>	<u>\$ 14,792</u>

DOUGLAS COUNTY, GEORGIA
INMATE COMMISSARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Charges for services	\$ 300,000	\$ 300,000	\$ 302,412	\$ 2,412
Use of money and property	2,500	2,500	1,457	(1,043)
Total revenues	<u>302,500</u>	<u>302,500</u>	<u>303,869</u>	<u>1,369</u>
Expenditures:				
Current:				
Miscellaneous	150,000	150,000	333,347	(183,347)
Debt Service:				
Principal	-	-	13,182	(13,182)
Interest and fiscal charges	-	-	1,553	(1,553)
	<u>150,000</u>	<u>150,000</u>	<u>348,082</u>	<u>(198,082)</u>
Excess (deficiency) of revenues over expenditures	<u>152,500</u>	<u>152,500</u>	<u>(44,213)</u>	<u>(196,713)</u>
Other financing sources (uses):				
Capital leases	-	-	65,500	65,500
Transfers out	(600,000)	(600,000)	(550,000)	50,000
Total other financing sources (uses)	<u>(600,000)</u>	<u>(600,000)</u>	<u>(484,500)</u>	<u>115,500</u>
Net change in fund balances	<u>(447,500)</u>	<u>(447,500)</u>	<u>(528,713)</u>	<u>(81,213)</u>
Fund balances, January 1	<u>672,804</u>	<u>672,804</u>	<u>672,804</u>	<u>-</u>
Fund balances, December 31	<u>\$ 225,304</u>	<u>\$ 225,304</u>	<u>\$ 144,091</u>	<u>\$ (81,213)</u>

DOUGLAS COUNTY, GEORGIA
LAW ENFORCEMENT CONFISCATED FUNDS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Courts and law enforcement	\$ 800,000	\$ 800,000	\$ 439,681	\$ (360,319)
Use of money and property	-	-	891	891
Total revenues	800,000	800,000	440,572	(359,428)
Expenditures:				
Current:				
Public safety	525,000	525,000	363,859	161,141
Total expenditures	525,000	525,000	363,859	161,141
 Excess (deficiency) of revenues over expenditures	 275,000	 275,000	 76,713	 (198,287)
 Fund balances, January 1	 1,106,766	 1,106,766	 1,106,766	 -
 Fund balances, December 31	 \$ 1,381,766	 \$ 1,381,766	 \$ 1,183,479	 \$ (198,287)

DOUGLAS COUNTY, GEORGIA
SHERIFF OTHER PROGRAMS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended December 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Use of money and property	\$ -	\$ -	\$ 14	\$ 14
Charges for services	21,000	21,000	29,194	8,194
Total revenues	<u>21,000</u>	<u>21,000</u>	<u>29,208</u>	<u>8,208</u>
Expenditures:				
Current:				
Public safety	21,500	21,500	23,397	(1,897)
Total expenditures	<u>21,500</u>	<u>21,500</u>	<u>23,397</u>	<u>(1,897)</u>
 Excess (deficiency) of revenues over expenditures	 (500)	 (500)	 5,811	 6,311
 Fund balances, January 1	 <u>22,344</u>	 <u>22,344</u>	 <u>22,344</u>	 <u>-</u>
 Fund balances, December 31	 <u>\$ 21,844</u>	 <u>\$ 21,844</u>	 <u>\$ 28,155</u>	 <u>\$ 6,311</u>

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Nonmajor Capital Projects Funds

The Capital Project Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary or trust funds.

The County's Nonmajor Capital Project Funds are as follows:

Courthouse Project
Lithia Springs Library Project
Jail Annex
GRTA Arterial Road

**DOUGLAS COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUND
COMBINING BALANCE SHEETS
December 31, 2004**

	<u>Courthouse Project</u>	<u>Lithia Springs Library Project</u>	<u>Jail Annex Capital Project Fund</u>	<u>GRTA Arterial Road Fund</u>	<u>Total Nonmajor Capital Projects Fund</u>
Assets:					
Cash and cash equivalents	\$ 2,080,589	\$ 8,583	\$ 10,159	\$ 77,523	\$ 2,176,854
Intergovernmental receivable	-	-	-	277,668	277,668
Interest receivable	-	-	15	184	199
Total assets	\$ 2,080,589	\$ 8,583	\$ 10,174	\$ 355,375	\$ 2,454,721
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 141,378	\$ 141,378
Due to other funds	-	-	1,476	213,813	215,289
Deferred revenue	-	-	-	78,076	78,076
Total liabilities	-	-	1,476	433,267	434,743
Fund balances:					
Reserved for capital acquisitions and improvements	2,080,589	8,583	8,698	(77,892)	2,019,978
Total fund balances	2,080,589	8,583	8,698	(77,892)	2,019,978
Total liabilities and fund balance	\$ 2,080,589	\$ 8,583	\$ 10,174	\$ 355,375	\$ 2,454,721

DOUGLAS COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2004

	Courthouse Project	Lithia Springs Library Project	Jail Annex Capital Project Fund	GRTA Arterial road Fund	Total Nonmajor Capital Projects Fund
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ 273,915	\$ 273,915
Use of money and property	19,324	123	10,324	184	29,955
Total revenues	<u>19,324</u>	<u>123</u>	<u>10,324</u>	<u>274,099</u>	<u>303,870</u>
Expenditures:					
Capital outlay:					
General government	35,725	-	-	-	35,725
Public safety	-	-	4,243,298	-	4,243,298
Parks, recreation and culture	-	1,323	-	-	1,323
Public works	-	-	-	351,991	351,991
Total expenditures	<u>35,725</u>	<u>1,323</u>	<u>4,243,298</u>	<u>351,991</u>	<u>4,632,337</u>
Excess (deficiency) of revenues over expenditures	<u>(16,401)</u>	<u>(1,200)</u>	<u>(4,232,974)</u>	<u>(77,892)</u>	<u>(4,328,467)</u>
Other financing sources (uses):					
Transfers in	-	-	34,157	-	34,157
Transfers out	(705,870)	-	-	-	(705,870)
Total other financing sources (uses)	<u>(705,870)</u>	<u>-</u>	<u>34,157</u>	<u>-</u>	<u>(671,713)</u>
Net change in fund balances	<u>(722,271)</u>	<u>(1,200)</u>	<u>(4,198,817)</u>	<u>(77,892)</u>	<u>(5,000,180)</u>
Fund balance, January 1	<u>2,802,860</u>	<u>9,783</u>	<u>4,207,515</u>	<u>-</u>	<u>7,020,158</u>
Fund balance, December 31	<u>\$ 2,080,589</u>	<u>\$ 8,583</u>	<u>\$ 8,698</u>	<u>\$ (77,892)</u>	<u>\$ 2,019,978</u>

DOUGLAS COUNTY, GEORGIA
COURTHOUSE CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
From inception and for the year ended December 31, 2004

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Taxes	\$ -	\$ 374,551	\$ -	\$ 374,551
Use of money and property	2,000,000	3,034,351	19,324	3,053,675
Miscellaneous	-	31,447	-	31,447
Total revenues	<u>2,000,000</u>	<u>3,440,349</u>	<u>19,324</u>	<u>3,459,673</u>
Expenditures:				
Capital outlay - General government	41,435,000	37,740,561	35,725	37,776,286
Excess (deficiency) of revenues over expenditures	<u>(39,435,000)</u>	<u>(34,300,212)</u>	<u>(16,401)</u>	<u>(34,316,613)</u>
Other financing sources (uses):				
Transfers in	4,284,584	5,901,172	-	5,901,172
Transfers out	-	(3,948,516)	(705,870)	(4,654,386)
Certificate of participation	35,150,416	35,150,416	-	35,150,416
Total other financing sources	<u>39,435,000</u>	<u>37,103,072</u>	<u>(705,870)</u>	<u>36,397,202</u>
Net change in fund balance	<u>\$ -</u>	<u>2,802,860</u>	<u>(722,271)</u>	<u>2,080,589</u>
Fund balance, January 1		-	2,802,860	
Fund balance, December 31		<u>\$ 2,802,860</u>	<u>\$ 2,080,589</u>	<u>\$ 2,080,589</u>

DOUGLAS COUNTY, GEORGIA
LITHIA SPRINGS LIBRARY CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
From inception and for the year ended December 31, 2004

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Intergovernmental	\$ 450,000	\$ 450,000	\$ -	\$ 450,000
Use of money and property		10,990	123	11,113
Total revenues	<u>450,000</u>	<u>460,990</u>	<u>123</u>	<u>461,113</u>
Expenditures:				
Capital outlay - Parks, recreation and culture	1,197,230	1,251,207	1,323	1,252,530
Excess (deficiency) of revenues over expenditures	<u>(747,230)</u>	<u>(790,217)</u>	<u>(1,200)</u>	<u>(791,417)</u>
Other financing sources:				
Transfer in	747,230	800,000	-	800,000
Net change in fund balance	<u>\$ -</u>	<u>\$ 9,783</u>	<u>(1,200)</u>	<u>\$ 8,583</u>
Fund balance, January 1			<u>9,783</u>	
Fund balance, December 31			<u>\$ 8,583</u>	

DOUGLAS COUNTY, GEORGIA
JAIL ANNEX CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
From inception and for the year ended December 31, 2004

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Use of money and property	\$ 125,000	\$ 21,501	\$ 10,324	\$ 31,825
Total revenues	<u>125,000</u>	<u>21,501</u>	<u>10,324</u>	<u>31,825</u>
Expenditures:				
Debt service - Issuance costs	192,246	186,166	-	186,166
Capital outlay - Public safety	6,632,758	2,327,824	4,243,298	6,571,122
Total expenditures	<u>6,825,004</u>	<u>2,513,990</u>	<u>4,243,298</u>	<u>6,757,288</u>
Excess (deficiency) of revenues over expenditures	<u>(6,700,004)</u>	<u>(2,492,489)</u>	<u>(4,232,974)</u>	<u>(6,725,463)</u>
Other financing sources:				
Transfer in	-	-	34,157	34,157
Transfer out	(137,272)	(137,272)	-	(137,272)
Premium on issue	52,276	52,276	-	52,276
Lease proceeds	6,785,000	6,785,000	-	6,785,000
Total other financing sources	<u>6,700,004</u>	<u>6,700,004</u>	<u>34,157</u>	<u>6,734,161</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 4,207,515</u>	<u>(4,198,817)</u>	<u>\$ 8,698</u>
Fund balance, January 1			<u>4,207,515</u>	
Fund balance, December 31			<u>\$ 8,698</u>	

DOUGLAS COUNTY, GEORGIA
GRTA ARTERIAL ROAD CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
From inception and for the year ended December 31, 2004

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Intergovernmental	\$ 19,719,000	\$ -	\$ 273,915	\$ 273,915
Use of money and property	-	-	184	184
Total revenues	<u>19,719,000</u>	<u>-</u>	<u>274,099</u>	<u>274,099</u>
Expenditures:				
Capital outlay - Public works	<u>19,719,000</u>	<u>-</u>	<u>351,991</u>	<u>351,991</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (77,892)</u>	<u>\$ (77,892)</u>
Fund balance, January 1			<u>-</u>	
Fund balance, December 31			<u>\$ (77,892)</u>	

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Group Health Insurance
Workers' Compensation

**DOUGLAS COUNTY, GEORGIA
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET ASSETS
December 31, 2004**

	Group Health Insurance	Workers' Compensation	Total 2004
Assets:			
Cash and cash equivalents	\$ -	\$ 1,082,151	\$ 1,082,151
Accrued interest receivable	-	1,320	1,320
Accounts receivable	-	8,543	8,543
Due from other funds	176,497	775,133	951,630
Total assets	\$ 176,497	\$ 1,867,147	\$ 2,043,644
Liabilities and Equity:			
Current liabilities:			
Accounts payable	\$ 247,243	\$ 9,182	\$ 256,425
Claims payable, current portion	403,873	105,109	508,982
Total current liabilities	651,116	114,291	765,407
Net assets	(474,619)	1,752,856	1,278,237
Total liabilities and net assets	\$ 176,497	\$ 1,867,147	\$ 2,043,644

**DOUGLAS COUNTY, GEORGIA
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN NET ASSETS
For the year ended December 31, 2004**

	<u>Group Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total 2004</u>
Operating revenues:			
Charges for services	\$ 5,929,032	\$ 556,421	\$ 6,485,453
Operating expenses:			
Claims	5,414,430	521,899	5,936,329
Administrative	583,089	159,885	742,974
Total operating expenses	<u>5,997,519</u>	<u>681,784</u>	<u>6,679,303</u>
Operating income (loss)	(68,487)	(125,363)	(193,850)
Nonoperating revenue (expenses):			
Interest earned	<u>2,044</u>	<u>8,513</u>	<u>10,557</u>
Change in net assets	(66,443)	(116,850)	(183,293)
Total net assets, January 1	<u>(408,176)</u>	<u>1,869,706</u>	<u>1,461,530</u>
Total net assets, December 31	<u>\$ (474,619)</u>	<u>\$ 1,752,856</u>	<u>\$ 1,278,237</u>

DOUGLAS COUNTY, GEORGIA
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2004

	Group Health Insurance	Workers' Compensation	Total 2004
Cash flows from operating activities:			
Cash received from customers	\$ 6,273,795	\$ -	\$ 6,273,795
Cash payments to suppliers	<u>(6,277,757)</u>	<u>(699,456)</u>	<u>(6,977,213)</u>
Net cash provided (used) by operating activities	<u>(3,962)</u>	<u>(699,456)</u>	<u>(703,418)</u>
Cash flows from investing activities:			
Interest on investments	<u>2,070</u>	<u>7,901</u>	<u>9,971</u>
Net cash provided by investing activities	<u>2,070</u>	<u>7,901</u>	<u>9,971</u>
Net increase (decrease) in cash and cash equivalents	(1,892)	(691,555)	(693,447)
Cash and cash equivalents at beginning of year	<u>1,892</u>	<u>1,773,706</u>	<u>1,775,598</u>
Cash and cash equivalents at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,082,151</u></u>	<u><u>\$ 1,082,151</u></u>
Reconciliation of operating income to net cash provided (required) by operating activities:			
Operating income (loss)	\$ (68,487)	\$ (125,363)	\$ (193,850)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	696,421	(8,184)	688,237
(Increase) decrease in due from other funds	(176,497)	(557,000)	(733,497)
Increase (decrease) in due to other funds	(175,161)	-	(175,161)
Increase (decrease) in payables	<u>(280,238)</u>	<u>(8,909)</u>	<u>(289,147)</u>
Net cash provided (used) by operating activities	<u><u>\$ (3,962)</u></u>	<u><u>\$ (699,456)</u></u>	<u><u>\$ (703,418)</u></u>

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

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FIDUCIARY FUNDS

The Fiduciary Funds are used to account for assets held by the County in a fiduciary capacity.

The County's Fiduciary-Agency Funds are as follows:

Tax Commissioner
Clerk of Superior Court
Magistrate Court
Probate Court
Juvenile Court
State Court
Sheriff

DOUGLAS COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING STATEMENTS OF FIDUCIARY ASSETS AND LIABILITIES
 December 31, 2004

	<u>Tax Commissioner</u>	<u>Clerk of Superior Court</u>	<u>Magistrate Court</u>	<u>Probate Court</u>	<u>Juvenile Court</u>	<u>State Court</u>	<u>Sheriff</u>	<u>Total 2003</u>
Assets:								
Cash and cash equivalents	\$ 929,585	\$ 6,339,126	\$ 87,837	\$ 2,343	\$ 57,192	\$ 113,757	\$ 93,656	\$ 7,623,496
Receivable (net of allowance for uncollectible):								
Property taxes	4,527,786	-	-	-	-	-	-	4,527,786
Accounts	24,051	4,221	-	-	-	-	-	28,272
Intergovernmental	-	-	-	-	-	-	61	61
Total assets	<u>\$ 5,481,422</u>	<u>\$ 6,343,347</u>	<u>\$ 87,837</u>	<u>\$ 2,343</u>	<u>\$ 57,192</u>	<u>\$ 113,757</u>	<u>\$ 93,717</u>	<u>\$ 12,179,615</u>
Liabilities and Fund Balance								
Liabilities:								
Due to other governments	\$ 769,361	\$ 220,458	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 989,819
Taxes payable to others upon collection	4,527,786	-	-	-	-	-	-	4,527,786
Due to others	184,275	6,122,889	87,837	2,343	57,192	113,757	93,717	6,662,010
Total liabilities	<u>\$ 5,481,422</u>	<u>\$ 6,343,347</u>	<u>\$ 87,837</u>	<u>\$ 2,343</u>	<u>\$ 57,192</u>	<u>\$ 113,757</u>	<u>\$ 93,717</u>	<u>\$ 12,179,615</u>

DOUGLAS COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
For the year ended December 31, 2004

	January 1, 2004	Additions	Deductions	Reclassify Cash, Receivables and Interfund Payable	December 31, 2004
<u>Tax Commissioner</u>					
Assets:					
Cash and cash equivalents	\$ 3,500,553	\$ 115,695,407	\$ 118,265,801	\$ (574)	\$ 929,585
Taxes receivable	18,982,643	-	14,454,857	-	4,527,786
Accounts receivable	21,084	2,967	-	-	24,051
Total assets	\$ 22,504,280	\$ 115,698,374	\$ 132,720,658	\$ (574)	\$ 5,481,422
Liabilities:					
Due to other funds	\$ -	\$ 31,638,876	\$ 31,638,302	\$ 574	\$ -
Due to other governments	3,276,615	82,809,989	85,317,243	-	769,361
Taxes payable to others upon collection	18,982,643	-	14,454,857	-	4,527,786
Due to others	245,022	1,249,509	1,310,256	-	184,275
Total liabilities	\$ 22,504,280	\$ 115,698,374	\$ 132,720,658	\$ 574	\$ 5,481,422
<u>Superior Court</u>					
Assets:					
Cash and cash equivalents	\$ 6,848,182	\$ 8,955,839	\$ 9,232,839	\$ (232,056)	\$ 6,339,126
Accounts receivable	72,860	39,784	72,860	(35,563)	4,221
Intergovernmental	10,355	-	10,355	-	-
Total assets	\$ 6,931,397	\$ 8,995,623	\$ 9,316,054	\$ (267,619)	\$ 6,343,347
Liabilities:					
Due to other funds	\$ 126,832	\$ 4,566,782	\$ 4,425,995	\$ 267,619	\$ -
Due to other governments	299,503	3,686,531	3,765,576	-	220,458
Due to others	6,505,062	659,095	1,041,268	-	6,122,889
Total liabilities	\$ 6,931,397	\$ 8,912,408	\$ 9,232,839	\$ 267,619	\$ 6,343,347
<u>Magistrate Court</u>					
Assets:					
Cash and cash equivalents	\$ 62,232	\$ 658,940	\$ 607,761	\$ (25,574)	\$ 87,837
Total assets	\$ 62,232	\$ 658,940	\$ 607,761	\$ (25,574)	\$ 87,837
Liabilities:					
Due to other funds	\$ -	\$ 332,753	\$ 307,179	\$ 25,574	\$ -
Due to others	62,232	352,887	327,282	-	87,837
Total liabilities	\$ 62,232	\$ 685,640	\$ 634,461	\$ 25,574	\$ 87,837

DOUGLAS COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (continued)
 For the year ended December 31, 2004

	January 1, 2004	Additions	Deductions	Reclassify Cash, Receivables and Interfund Payable	December 31, 2004
Probate Court					
Assets:					
Cash and cash equivalents	\$ 100,955	\$ 332,234	\$ 429,832	\$ (1,014)	\$ 2,343
Total assets	\$ 100,955	\$ 332,234	\$ 429,832	\$ (1,014)	\$ 2,343
Liabilities:					
Due to other funds	\$ -	\$ 323,654	\$ 322,640	\$ 1,014	\$ -
Due to others	100,955	8,580	107,192	-	2,343
Total liabilities	\$ 100,955	\$ 332,234	\$ 429,832	\$ 1,014	\$ 2,343
Juvenile Court					
Assets:					
Cash and cash equivalents	\$ 71,847	\$ 54,210	\$ 66,863	\$ (2,002)	\$ 57,192
Total assets	\$ 71,847	\$ 54,210	\$ 66,863	\$ (2,002)	\$ 57,192
Liabilities:					
Due to other funds	\$ -	\$ 53,436	\$ 51,434	\$ 2,002	\$ -
Due to others	71,847	774	15,429	-	57,192
Total liabilities	\$ 71,847	\$ 54,210	\$ 66,863	\$ 2,002	\$ 57,192
State Court					
Assets:					
Cash and cash equivalents	\$ -	\$ 2,787,605	\$ 2,408,344	\$ (265,504)	\$ 113,757
Accounts Receivables	1,492	-	1,492	-	-
Due from other funds	126,832	-	126,832	-	-
Total assets	\$ 128,324	\$ 2,787,605	\$ 2,536,668	\$ (265,504)	\$ 113,757
Liabilities:					
Due to other funds	\$ -	\$ 2,159,890	\$ 1,894,386	\$ 265,504	\$ -
Due to others	128,324	499,390	513,957	-	113,757
Total liabilities	\$ 128,324	\$ 2,659,280	\$ 2,408,343	\$ 265,504	\$ 113,757

DOUGLAS COUNTY, GEORGIA
 AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 For the year ended December 31, 2004

	January 1, 2004	Additions	Deductions	Reclassify Cash, Receivables and Interfund Payable	December 31, 2004
Sheriff					
Assets:					
Cash and cash equivalents	\$ 40,797	\$ 2,076,456	\$ 1,746,759	\$ (276,838)	\$ 93,656
Accounts receivable	306	-	306	-	-
Intergovernmental receivable	-	235,522	-	(235,461)	61
	41,103	2,311,978	1,747,065	(512,299)	93,717
Total assets	\$ 41,103	\$ 2,311,978	\$ 1,747,065	\$ (512,299)	\$ 93,717
Liabilities:					
Due to other funds	-	1,108,481	596,182	512,299	-
Due to others	41,103	1,203,191	1,150,577	-	93,717
	41,103	2,311,672	1,746,759	512,299	93,717
Total liabilities	\$ 41,103	\$ 2,311,672	\$ 1,746,759	\$ 512,299	\$ 93,717
Totals					
Assets:					
Cash and cash equivalents	\$ 10,624,566	\$ 130,560,691	\$ 132,758,199	(803,562)	\$ 7,623,496
Receivables (net of allowance for uncollectibles):					
Property taxes	18,982,643	-	14,454,857	-	4,527,786
Accounts	95,742	42,751	74,658	(35,563)	28,272
Intergovernmental	10,355	235,522	10,355	(235,461)	61
Due from other funds	126,832	-	126,832	-	-
	29,840,138	130,838,964	147,424,901	(1,074,586)	12,179,615
Total assets	\$ 29,840,138	\$ 130,838,964	\$ 147,424,901	\$ (1,074,586)	\$ 12,179,615
Liabilities:					
Due to other funds	\$ 126,832	\$ 40,183,872	\$ 39,236,118	1,074,586	-
Due to other governments	3,576,118	86,496,520	89,082,819	-	989,819
Taxes payable to others upon collection	18,982,643	-	14,454,857	-	4,527,786
Due to others	7,154,545	3,973,426	4,465,961	-	6,662,010
	29,840,138	130,653,818	147,239,755	1,074,586	12,179,615
Total liabilities	\$ 29,840,138	\$ 130,653,818	\$ 147,239,755	\$ 1,074,586	\$ 12,179,615

STATISTICAL SECTION

The statistical section includes selected financial and general information presented on a multi-year comparative basis. The statistics are used to provide detail data on the physical, economic social and political characteristics of the County government. They are intended to provide the financial report user with a broader and more complete understanding of the government and its financial affairs than is possible from the basic financial statements.

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DOUGLAS COUNTY, GEORGIA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

LAST TEN YEARS

1995-2004

<u>Fiscal Year</u>	<u>General Government</u>	<u>Judicial System</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Parks, Recreation & Culture</u>
1995	\$ 5,995,707	\$ 2,633,059	\$ 15,737,927	\$ 3,271,302	\$ 1,587,102
1996	11,901,184	2,620,542	17,592,814	4,337,824	1,725,379
1997	26,293,719	2,904,310	19,350,928	4,554,360	1,791,369
1998	14,938,023	3,467,671	20,663,721	3,336,665	1,750,675
1999	6,025,860	4,033,105	21,729,975	3,478,870	1,864,754
2000	7,002,612	4,475,554	24,376,689	4,277,378	2,334,250
2001	8,219,287	5,124,675	27,296,297	4,943,099	2,168,989
2002	7,974,452	5,518,749	26,885,043	4,105,199	2,344,044
2003	8,951,288	6,124,623	27,814,537	3,494,165	2,102,446
2004	9,124,029	6,685,222	30,657,256	3,644,727	2,368,337

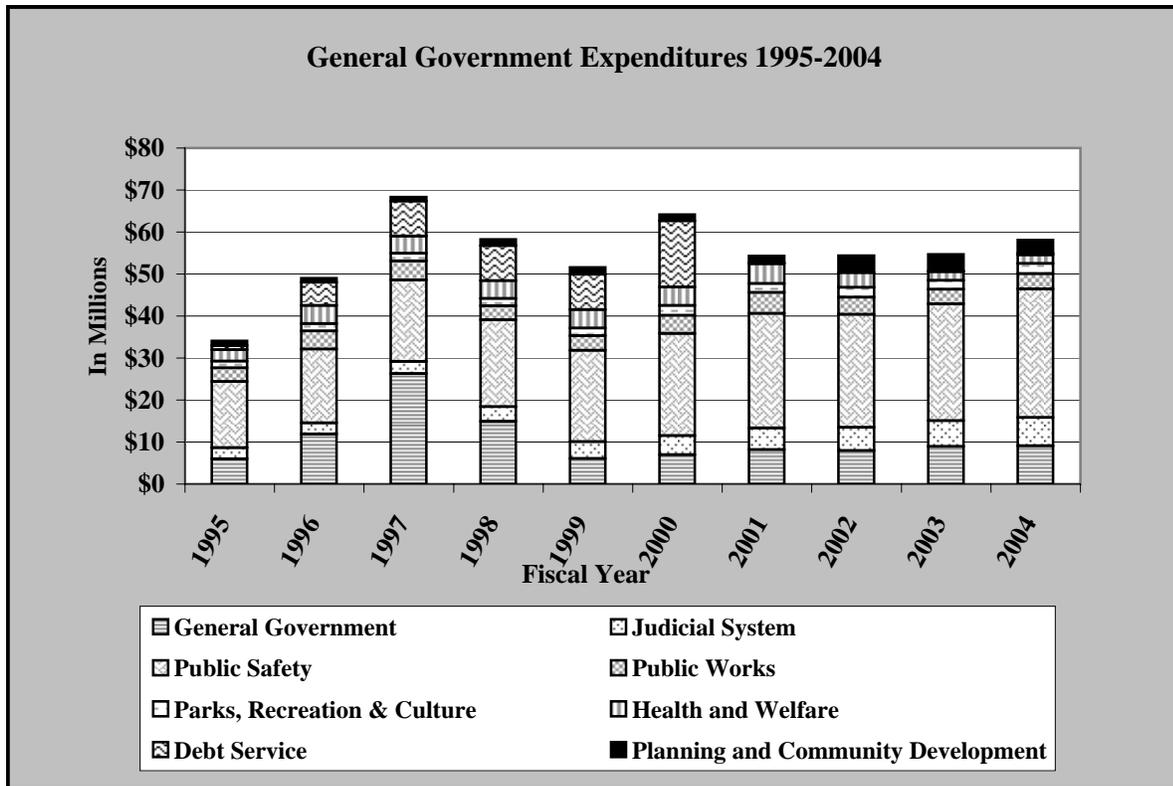
DOUGLAS COUNTY, GEORGIA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

LAST TEN YEARS

1995-2004

<u>Health and Welfare</u>	<u>Debt Service</u>	<u>Planning and Community Development</u>	<u>Total</u>
\$ 2,775,970	\$ 953,931	\$ 1,113,056	\$ 34,068,054
4,311,639	5,563,445	997,857	49,050,684
4,141,073	8,325,649	983,108	68,344,516
4,282,642	8,320,676	1,512,421	58,272,494
4,415,212	8,350,868	1,660,829	51,559,473
4,432,397	15,788,864	1,470,524	64,158,268
4,702,285	174,940	1,713,017	54,342,589
3,464,762	33,756	4,104,670	54,430,675
2,021,725	205,670	3,992,972	54,707,426
2,094,856	366,663	3,177,118	58,118,208



DOUGLAS COUNTY, GEORGIA

GENERAL GOVERNMENTAL REVENUE BY SOURCE

LAST TEN YEARS

1995-2004

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Inter- governmental</u>	<u>Charges for Services</u>
1995	\$ 25,379,822	\$ 740,811	\$ 1,073,887	\$ 3,001,829
1996	26,303,485	1,001,753	2,078,306	4,130,236
1997	26,830,692	934,515	2,776,713	3,754,693
1998	28,986,493	1,208,998	2,124,333	3,911,323
1999	32,034,637	1,448,731	3,016,817	3,341,913
2000	36,592,179	1,476,606	3,251,208	3,973,110
2001	39,081,682	1,529,926	4,038,250	4,221,070
2002	39,150,102	1,345,889	4,446,805	3,058,365
2003	40,054,803	2,281,472	1,516,850	2,737,173
2004	43,930,384	2,168,316	5,189,625	3,519,420

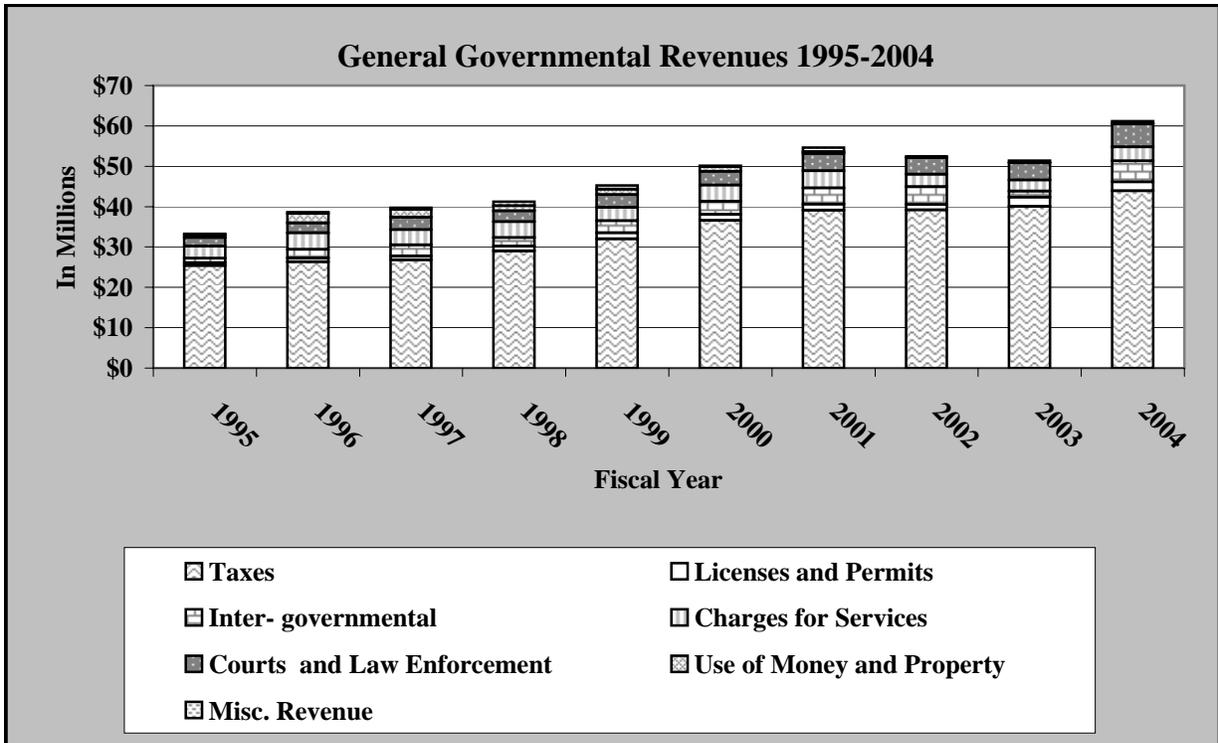
DOUGLAS COUNTY, GEORGIA

GENERAL GOVERNMENTAL REVENUE BY SOURCE

LAST TEN YEARS

1995-2004

<u>Courts and Law Enforcement</u>	<u>Use of Money and Property</u>	<u>Misc. Revenue</u>	<u>Total</u>
\$ 2,108,118	\$ 615,550	\$ 333,891	\$ 33,253,908
2,418,962	2,376,948	300,896	38,610,586
3,039,893	1,973,308	443,769	39,753,583
2,732,133	1,256,655	1,012,885	41,232,820
3,134,683	1,328,465	941,285	45,246,531
3,447,378	1,160,661	257,426	50,158,568
4,229,070	490,204	1,066,822	54,657,024
4,069,396	104,840	239,212	52,414,609
4,235,842	114,784	462,127	51,403,051
5,622,867	154,109	560,695	61,145,416



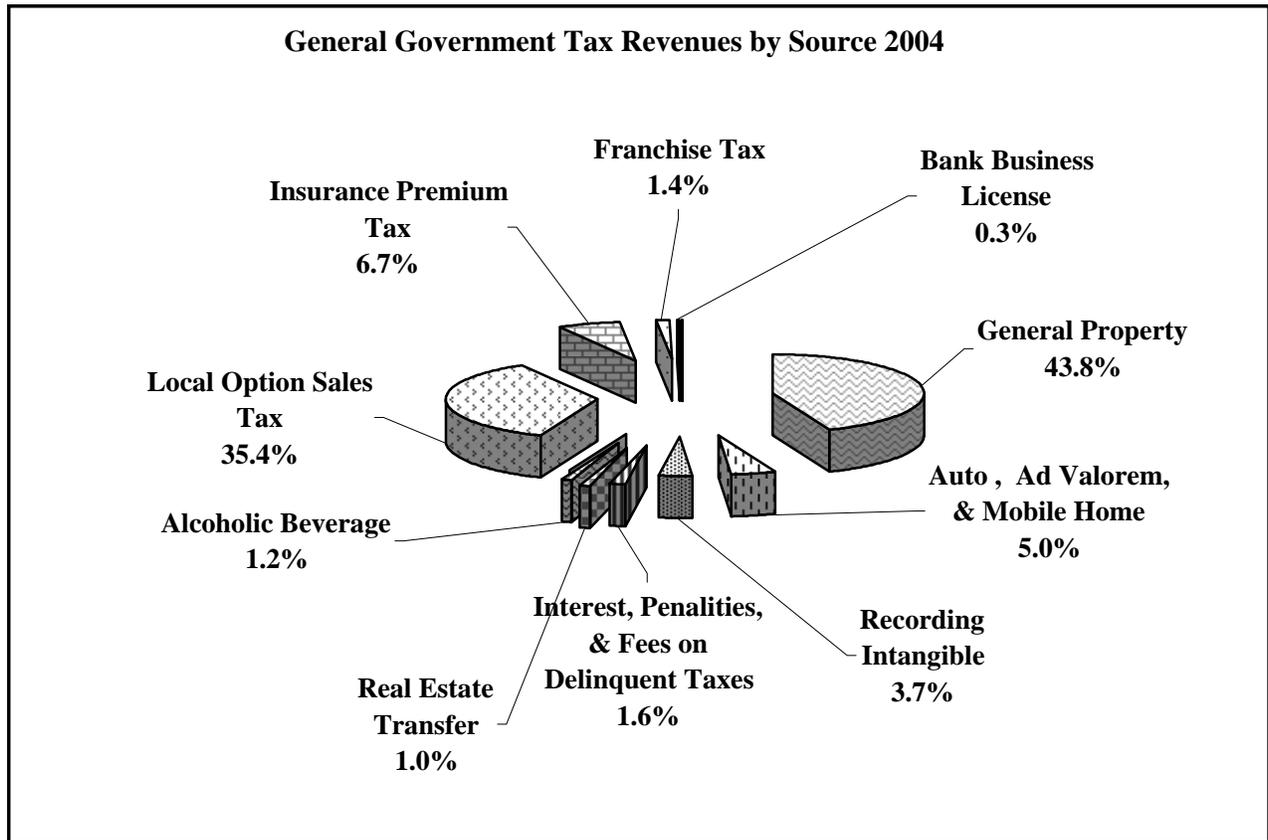
DOUGLAS COUNTY, GEORGIA

GENERAL GOVERNMENT TAX REVENUES BY SOURCE

LAST TEN YEARS

1995-2004

Fiscal Year	General Property	Auto , Ad Valorem, & Mobile Home	Recording Intangible	Interest, Penalties, & Fees on Delinquent Taxes	Real Estate Transfer	Alcoholic Beverage
1995	\$ 11,722,802	\$ 2,388,324	\$ 387,159	\$ 448,320	\$ 108,685	\$ 398,978
1996	11,551,856	2,193,581	409,559	360,259	105,215	370,385
1997	12,560,387	2,158,239	451,337	293,116	130,108	447,655
1998	12,840,444	2,155,330	768,385	400,107	174,523	424,865
1999	14,115,180	2,331,330	718,159	480,126	143,540	437,086
2000	16,271,818	2,487,907	691,697	533,194	245,387	449,678
2001	17,263,116	2,645,309	876,747	607,056	220,000	489,275
2002	17,238,607	2,546,801	1,038,285	623,891	(9,831)	570,501
2003	17,345,549	2,140,088	1,431,718	639,850	597,159	518,847
2004	19,239,911	2,129,512	1,625,117	712,458	423,401	540,382



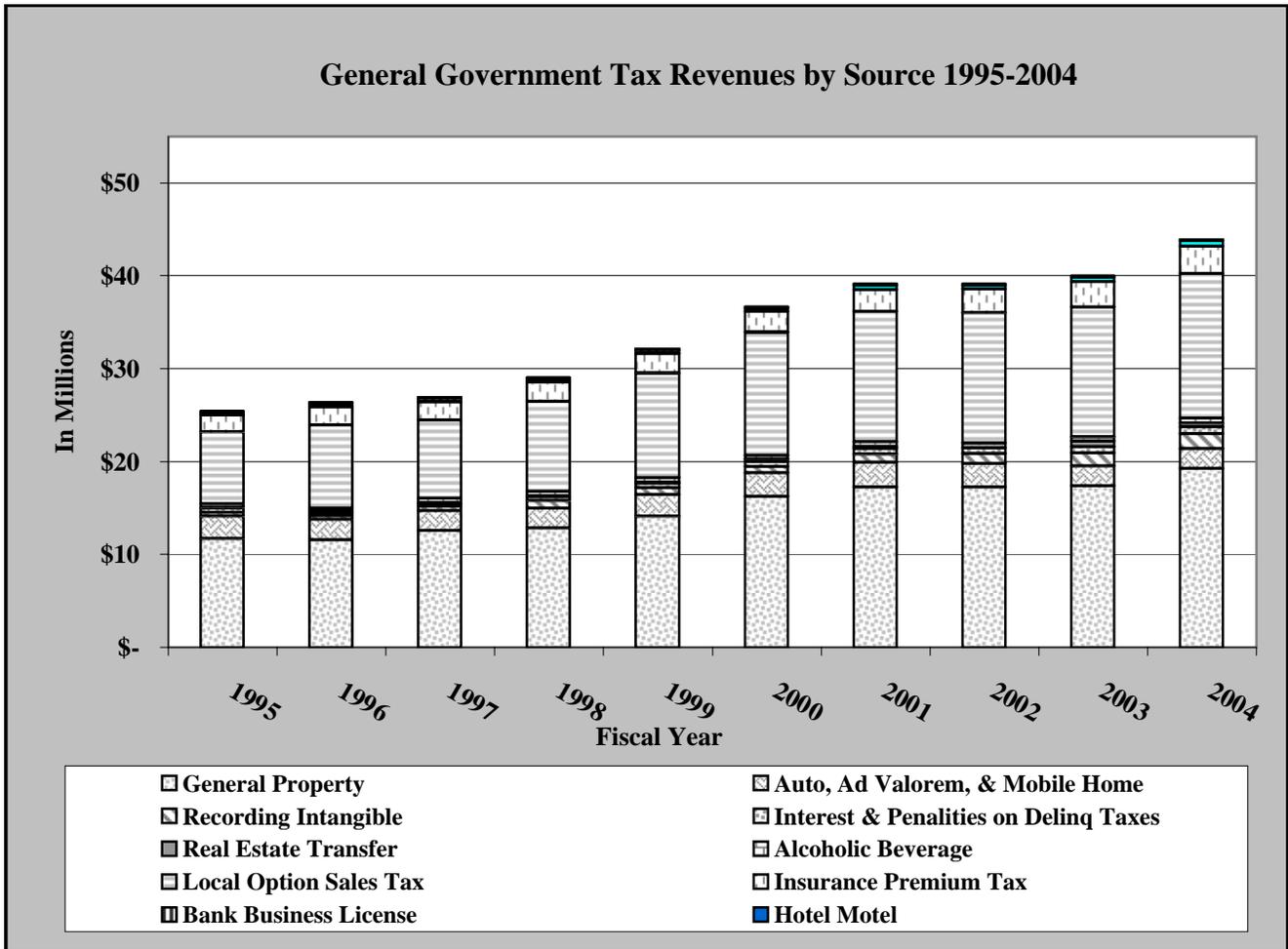
DOUGLAS COUNTY, GEORGIA

GENERAL GOVERNMENT TAX REVENUES BY SOURCE

LAST TEN YEARS

1995-2004

Local Option Sales Tax	Insurance Premium Tax	Franchise Tax	Bank Business License	Railroad Equipment	Hotel Motel	Total Taxes
\$ 7,719,930	\$ 1,835,392	\$ 288,448	\$ 81,784	\$ -	\$ 68,927	\$ 25,448,749
8,947,192	1,957,165	315,465	92,808	-	72,213	\$ 26,375,698
8,405,295	1,974,859	311,958	97,738	-	81,938	\$ 26,912,630
9,707,318	2,070,116	351,871	93,534	-	69,280	\$ 29,055,773
11,276,405	2,101,302	342,980	88,529	7,549	74,772	\$ 32,116,958
13,235,610	2,215,448	368,332	93,108	9,523	63,196	\$ 36,664,898
14,062,077	2,308,737	512,988	96,377	-	54,729	\$ 39,136,411
14,006,554	2,549,291	407,038	121,458	5,424	52,083	\$ 39,150,102
13,931,857	2,733,979	512,401	121,092	5,026	77,237	\$ 40,054,803
15,544,556	2,958,219	603,512	148,413	4,903	-	\$ 43,930,384



DOUGLAS COUNTY, GEORGIA

**ASSESSED AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY**

LAST TEN YEARS

1995-2004

Fiscal Year	Real Property		Privately Owned Public Utilities	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1995	\$ 1,003,269,084	\$ 2,508,172,710	\$ 77,026,366	\$ 192,565,915
1996	1,176,722,115	2,941,805,288	83,579,531	208,948,828
1997	1,210,907,279	3,027,268,198	93,203,738	233,009,345
1998	1,282,936,128	3,207,340,320	88,724,000	221,810,000
1999	1,447,694,865	3,619,237,163	90,151,727	225,379,318
2000	1,575,199,138	3,937,997,845	91,009,016	227,522,540
2001	1,754,487,220	4,386,218,050	88,113,655	220,284,138
2002	2,337,558,212	5,843,895,530	85,037,275	212,593,188
2003	2,344,760,105	5,861,900,263	90,829,815	227,074,538
2004	2,552,703,228	6,381,758,070	87,430,101	218,575,253

Data Source:

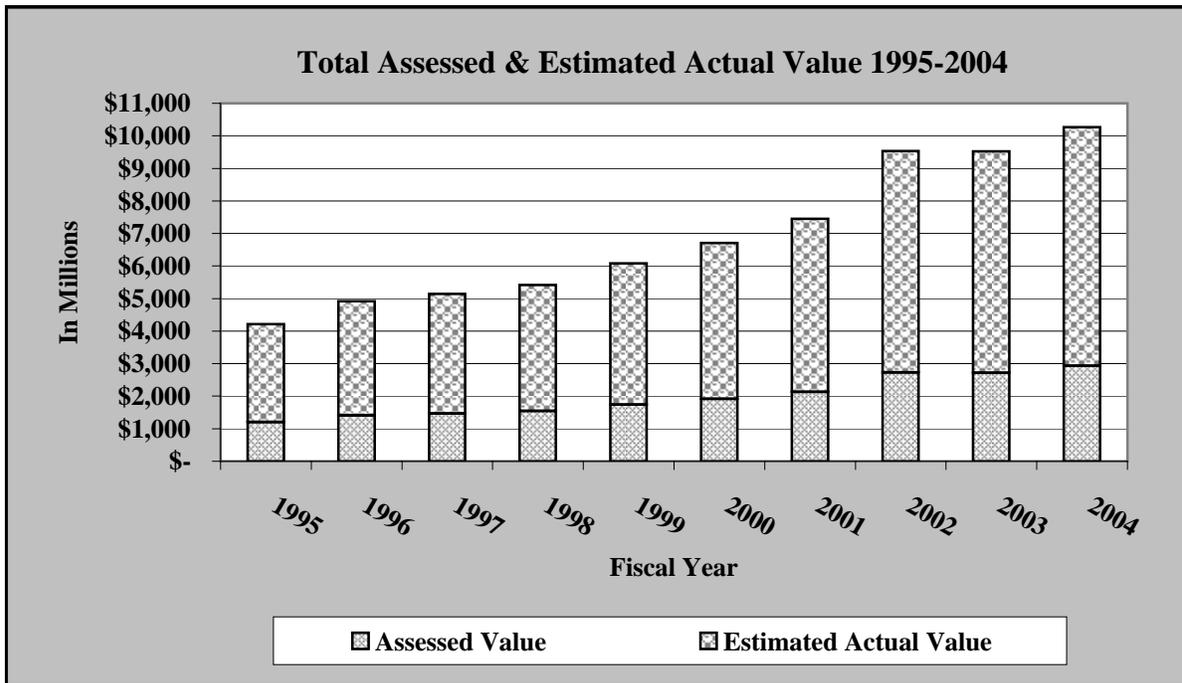
Douglas County Tax Commissioner

DOUGLAS COUNTY, GEORGIA

**ASSESSED AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY**

**LAST TEN YEARS
1995-2004**

Personal and Business		Total Value		Ratio of Total Assessed to Total Estimated Actual Value
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$ 124,725,265	\$ 311,813,163	\$ 1,205,020,715	\$ 3,012,551,788	40%
146,273,365	365,683,413	1,406,575,011	3,516,437,529	40%
166,017,617	415,044,043	1,470,128,634	3,675,321,586	40%
176,157,089	440,392,723	1,547,817,217	3,869,543,043	40%
199,751,088	499,377,720	1,737,597,680	4,343,994,201	40%
249,128,281	622,820,703	1,915,336,435	4,788,341,088	40%
285,516,194	713,790,485	2,128,117,069	5,320,292,673	40%
302,569,270	756,423,175	2,725,164,757	6,812,911,893	40%
286,359,651	715,899,128	2,721,949,571	6,804,873,929	40%
292,095,132	730,237,830	2,932,228,461	7,330,571,153	40%



DOUGLAS COUNTY, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
1995-2004

Fiscal Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections
1995	\$ 14,103,073	\$ 13,411,488	\$ 1,215,314	\$ 14,626,802
1996	14,375,692	13,229,626	744,979	13,974,605
1997	14,838,654	13,616,381	940,989	14,557,370
1998	13,226,527	12,084,523	1,596,560	13,681,083
1999	14,654,735	12,746,382	1,104,736	13,851,118
2000	16,307,009	14,897,884	1,854,721	16,752,605
2001	17,779,437	15,907,059	1,305,084	17,212,143
2002	19,388,479	16,943,329	1,852,627	18,795,956
2003	19,290,638	11,252,333	1,455,238	12,707,571
2004	20,590,111	19,005,522	5,918,035	24,923,557

Notes: Includes County Maintenance and Operations Tax and Community Improvement District as of fiscal year end.

Data Source:
Douglas County Tax Commissioner

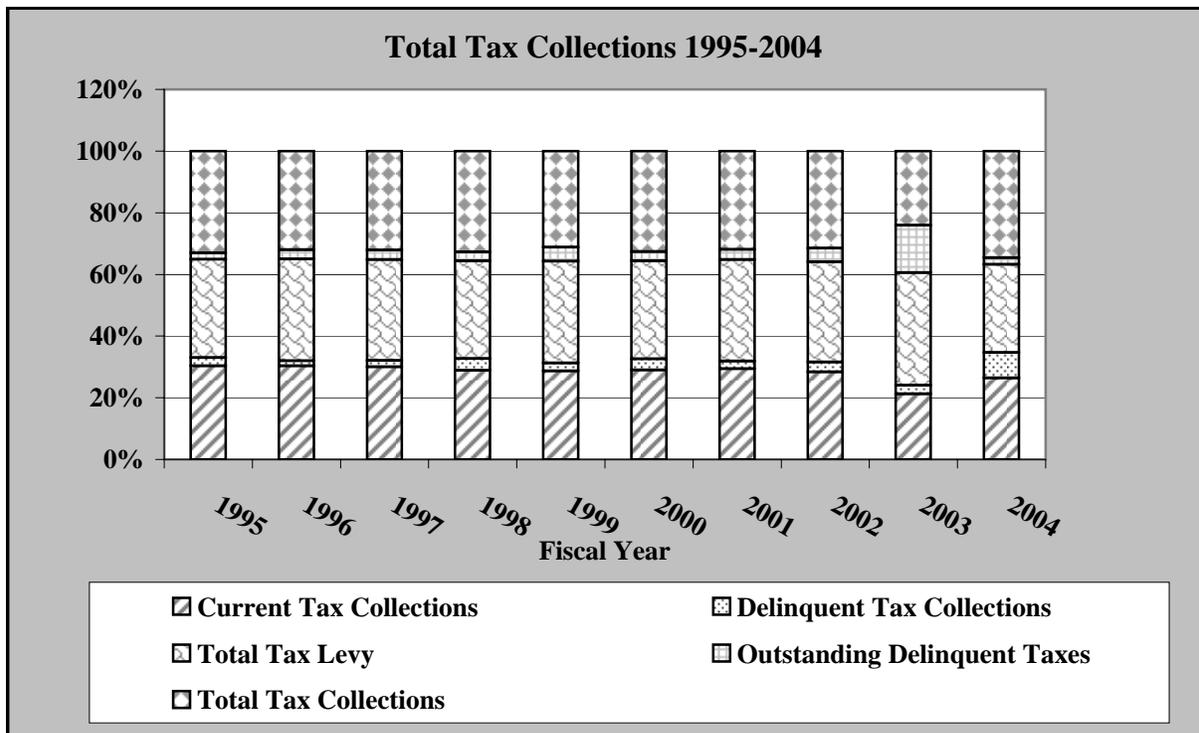
DOUGLAS COUNTY, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN YEARS

1995-2004

Percent Of Levy Collected	Total Collections As Percent Of Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
95.1%	103.7%	\$ 891,818	6.3%
92.0%	97.2%	1,303,251	9.1%
92.0%	98.1%	1,395,075	9.4%
91.8%	103.4%	1,175,953	8.9%
87.0%	94.5%	2,012,520	13.7%
91.4%	102.7%	1,563,706	9.6%
89.5%	96.8%	1,831,045	10.3%
87.4%	96.9%	2,637,100	13.6%
58.4%	65.9%	8,116,354	42.1%
92.3%	121.05%	1,550,021	7.5%



DOUGLAS COUNTY, GEORGIA

**TOTAL PROPERTY TAX RATES-ALL OVERLAPPING GOVERNMENTS
PER \$1,000 ASSESSED VALUE
LAST TEN YEARS
1995-2004**

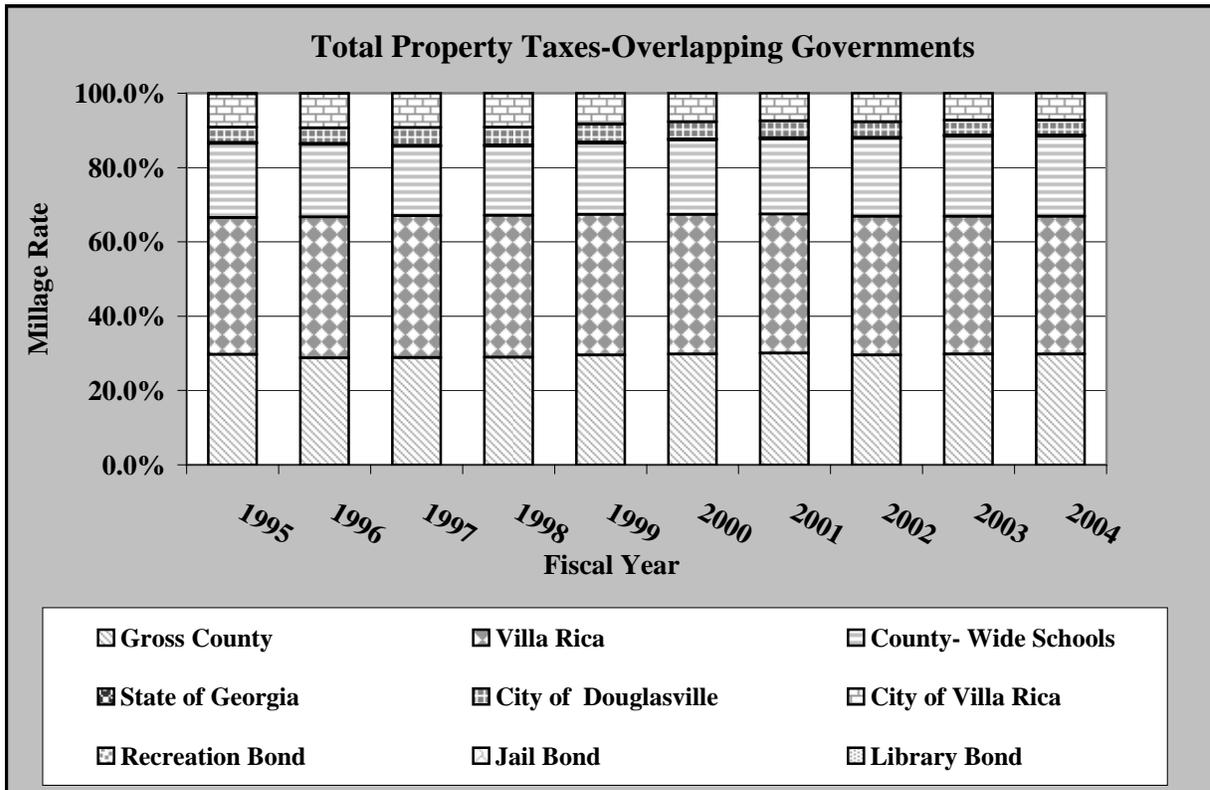
<u>Fiscal Year</u>	<u>Gross County</u>	<u>Villa Rica</u>	<u>County- Wide Schools</u>	<u>State of Georgia</u>
1995	34.39	42.64	23.18	0.25
1996	31.08	41.08	21.10	0.25
1997	28.03	37.03	18.10	0.25
1998	28.03	36.93	18.10	0.25
1999	27.83	35.63	18.10	0.25
2000	29.814	37.514	20.10	0.25
2001	28.956	36.156	19.52	0.25
2002	27.498	34.698	19.52	0.25
2003	28.778	35.798	20.80	0.25
2004	28.383	35.304	20.50	0.25

Data Source:
Douglas County Tax Commissioner

DOUGLAS COUNTY, GEORGIA

**TOTAL PROPERTY TAX RATES-ALL OVERLAPPING GOVERNMENTS
PER \$1,000 ASSESSED VALUE
LAST TEN YEARS
1995-2004**

<u>City of Douglasville</u>	<u>City of Villa Rica</u>	<u>Recreation Bond</u>	<u>Jail Bond</u>	<u>Library Bond</u>
4.74	10.50	0.02	0.09	0.05
4.60	10.00	-	-	0.05
4.60	9.00	-	-	-
4.60	8.90	-	-	-
4.60	7.80	-	-	-
4.59	7.70	-	-	-
4.41	7.20	-	-	-
3.90	7.20	-	-	-
3.90	7.02	-	-	-
3.85	6.92	-	-	-



DOUGLAS COUNTY, GEORGIA

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL
EXPENDITURES
LAST TEN YEARS
1995-2004**

<u>Year</u>	<u>Principal</u>	<u>Interest and Fees (1)</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Debt Service to Expenditures</u>
1995	\$ 570,000	\$ 57,002	\$ 627,002	\$ 34,068,054	1.8%
1996	65,000	15,362	80,362	49,050,684	0.2%
1997	-	-	-	68,344,516	-
1998	-	-	-	58,272,494	-
1999	-	-	-	51,559,473	-
2000	-	-	-	64,158,268	-
2001	-	-	-	54,342,589	-
2002	-	-	-	54,430,675	-
2003	-	-	-	54,707,426	-
2004	-	-	-	58,118,208	-

DOUGLAS COUNTY, GEORGIA

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

**LAST TEN YEARS
1995-2004**

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Tax Values</u>	<u>Gross General Bonded Debt</u>	<u>Less Debt Service Fund</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
1995	82,300 ⁽¹⁾	\$ 1,205,020,715	135,000	71,505	63,495	0.05	0.78
1996	84,104 ⁽¹⁾	1,406,575,011	70,000	(111,472)	181,472	0	2.16
1997	86,415 ⁽¹⁾	1,470,128,634	-	-	-	-	-
1998	89,144 ⁽¹⁾	1,547,817,217	-	-	-	-	-
1999	90,955 ⁽¹⁾	1,737,597,680	-	-	-	-	-
2000	92,174 ⁽¹⁾	1,915,336,435	-	-	-	-	-
2001	96,006 ⁽²⁾	2,128,117,069	-	-	-	-	-
2002	98,650 ⁽²⁾	2,725,164,757	-	-	-	-	-
2003	102,015 ⁽²⁾	2,721,949,571	-	-	-	-	-
2004	106,300 ⁽³⁾	2,932,228,461	-	-	-	-	-

Data Source:

- (1) Georgia Statistics System at <http://www.georgiastats.uga.edu/crossection03.html>
- (2) The Department of Community Affairs-Community Indicators at <http://www.dca.state.ga.us/commind/Sel2.asp>
- (3) Atlanta Regional Commission <http://www.atlantaregional.com/regionaldata/main.pdf>

DOUGLAS COUNTY, GEORGIA

DEMOGRAPHIC STATISTICS

LAST TEN YEARS

1995-2004

Fiscal Year	Population	Per Capita Income			Unemployment Rate		School Enrollment ⁽⁶⁾	Labor Force ⁽¹⁾
		County	State	Country	County	State		
1995	82,300 ⁽²⁾	\$ 20,071 ⁽⁴⁾	\$ 21,806 ⁽⁴⁾	\$ 23,255 ⁽⁴⁾	3.6 ⁽¹⁾	4.9 ⁽¹⁾	15,635	44,813
1996	84,104 ⁽²⁾	21,128 ⁽²⁾	23,055 ⁽⁴⁾	24,270 ⁽⁴⁾	3.2 ⁽¹⁾	4.6 ⁽¹⁾	16,132	47,106
1997	86,415 ⁽²⁾	22,026 ⁽²⁾	23,911 ⁽⁴⁾	25,412 ⁽⁴⁾	3.1 ⁽¹⁾	4.5 ⁽¹⁾	16,604	49,519
1998	89,144 ⁽²⁾	20,778 ⁽³⁾	22,900 ⁽³⁾	24,164 ⁽³⁾	3.1 ⁽¹⁾	4.2 ⁽¹⁾	16,862	51,863
1999	90,955 ⁽²⁾	21,564 ⁽³⁾	23,882 ⁽³⁾	24,164 ⁽³⁾	2.9 ⁽¹⁾	4.0 ⁽¹⁾	17,003	52,811
2000	92,174 ⁽²⁾	23,319 ⁽³⁾	25,839 ⁽³⁾	27,203 ⁽³⁾	2.5 ⁽¹⁾	3.7 ⁽¹⁾	17,541	51,479
2001	96,006 ⁽³⁾	23,917 ⁽³⁾	27,324 ⁽³⁾	28,546 ⁽³⁾	2.7 ⁽¹⁾	4.0 ⁽¹⁾	18,196	51,893
2002	98,650 ⁽³⁾	25,234 ⁽³⁾	27,794 ⁽³⁾	29,469 ⁽³⁾	4.2 ⁽¹⁾	5.1 ⁽¹⁾	18,775	53,023
2003	102,015 ⁽³⁾	25,936 ⁽³⁾	28,523 ⁽³⁾	30,413 ⁽³⁾	4.5 ⁽¹⁾	4.7 ⁽¹⁾	19,738	54,360
2004	106,300 ⁽⁷⁾	26,085 ⁽³⁾	28,281 ⁽³⁾	30,906 ⁽³⁾	4.4 ⁽³⁾	4.7 ⁽³⁾	19,773	55,515

Data Source:

- (1) U.S. Department of Labor at <http://www.bls.gov/>
- (2) Georgia Statistics System at <http://www.georgiastats.uga.edu/crossection03.html>
- (3) The Department of Community Affairs-Community Indicators at <http://www.dca.state.ga.us/commind/Sell.asp>
- (4) Bureau of Economic Analysis-Regional Economic <http://www.bea.gov/>
- (5) U.S. Census Bureau at <http://quickfacts.census.gov/qfd/states/13/13097.html>
- (6) Douglas County Board of Education
- (7) Atlanta Regional Commission <http://www.atlantaregional.com/regionaldata/main.pdf>

DOUGLAS COUNTY, GEORGIA

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

LAST TEN YEARS

1995-2004

Fiscal Year	Total New Construction		Single Family Residences		Bank Deposits ⁽⁹⁾
	Total Number of Permits ⁽⁷⁾	Value ⁽⁷⁾	Number of Permits ⁽⁷⁾	Value ⁽⁷⁾	
1995	565	\$ 40,169,878	494	\$ 25,821,120	\$ 467,000,000
1996	648	86,372,316	691	38,479,270	568,000,000
1997	686	53,293,978	546	30,425,570	522,000,000
1998	661	82,814,052	509	30,832,410	600,000,000
1999	783	75,146,645	761	52,864,520	636,000,000
2000	820	75,932,891	679	39,075,690	693,000,000
2001	1001	73,407,737	834	49,092,180	769,000,000
2002	1294	105,722,989	1108	66,344,800	809,000,000
2003	1833	140,706,749	1677	103,980,810	862,000,000
2004	2407	190,437,723	1704	114,477,150	973,241,000

Data Source:

(7) Douglas County Development

(8) The Georgia Statistics System: Cross Sectional Analysis

<http://www.georgiastats.uga.edu/crossection03.html>

(9) Federal Deposit Insurance Corporation

<http://www2.fdic.gov/>



DOUGLAS COUNTY, GEORGIA
MISCELLANEOUS STATISTICAL DATA

DECEMBER 31, 2004

Date Founded

October 17, 1870

Website

www.co.douglas.ga.us

Form of Government:

Board of Commissioners

Area

Miles of streets	614.67
Paved	559.07
Unpaved	55.6
Number of Streetlights	4,140

Education ⁽¹⁾:

Public Elementary Schools	19
Public Middle Schools	6
Public High Schools	4
Private Schools	7
Special Schools	1
Adult Education Schools	1
Colleges and Universities	1
Vocational/Technical	1

Population

106,300

Transportation:

Buses: Douglas County Rideshare

Communications:

Newspapers:
 Douglas County Sentinel
 The Douglas Neighbor
 Hometown Advantage
 Chapel Hill News and Views

Television:

Douglas County Access Cable TV Channel
 DCTV 23

Public Safety

Fire Department ⁽⁴⁾:

Number of stations	9
Number of firefighters	154
Fire/EMS dispatches (2004)	11,554

Sheriff's Department ⁽³⁾:

Number of precincts	4
Number of deputies	199
Service calls (2004)	81,535

Recreation and Culture:

(County-owned facilities) ⁽⁷⁾

Number of park properties	12
Total acreage of parks	1800
Number of aquatic centers	0*
*one to open in 2005	
Number of tennis centers	4*
*5 courts on 1 site, 2 on 3 sites	
11-court center to be constructed in	Jan 2006
Bocce court	1
Skateboard complex	1
Number of libraries ⁽⁶⁾	2
Number of volumes	120,853
Number of audio/visual media	14,938

Health Services:

Wellstar Douglas Hospital
 Douglas County Board of Health
 Cobb/Douglas Community Services Board

DOUGLAS COUNTY, GEORGIA

MISCELLANEOUS STATISTICAL DATA

DECEMBER 31, 2004

Major Employers:

Silver Line Building Products, Inc.	Vinyl Windows & Patio Doors	1,250
Wal-Mart	Retail	911
Douglas County Government	Government	873
Wellstar Douglas Hospital	Healthcare	549
Inner Harbour, Ltd.	Healthcare	493
APL Logistics	Distribution	370
Publix Supermarkets	Retail	355
Kroger	Retail	350
Bellsouth	Telecommunications	324
Benton-Georgia, Inc.	Underground Utility	300
GreyStone Power	Utility	232

***Douglas County- Douglasville Water & Sewer Authority⁵:**

Average daily consumption (G)	8,738,602	Number of wastewater treatment plants	7
Water storage capacity (MG)	11.8	Number of pumping stations	51
Average daily demand (G)	11,042,496	Miles of sewers	272
Water supply sources:		Sewer treatment capacity (MGD)	7.49
Bear Creek		Number of wastewater accounts	12,930
Dog River		Number of watermains constructed in 2004	16
Cobb-Marietta Water Authority		Number of water treatment plants	1
Cobb County Water System		Miles of sewers constructed in 2004	15
Miles of watermains	787	Number of water accounts	35,702

Notes:

Douglas County-Douglasville Water & Sewer Authority is an independent authority.

Data Source:

- (1) Douglas County Board of Education
- (2) Douglas County Sheriff's Department
- (3) Douglas County Fire Department
- (4) Douglasville-Douglas County Water and Sewer Authority
- (5) Douglas County Libraries
- (6) Douglas County Parks and Recreation

DOUGLAS COUNTY, GEORGIA

PRINCIPAL TAXPAYERS

FISCAL YEAR 2004

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2004 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
GreyStone Power Company	Electrical Utility	\$ 74,521,519	2.54%
BellSouth Telecommunications	Telephone Utility	37,058,812	1.26%
Arbor Place II, LLC	Shopping Center	31,673,605	1.08%
Georgia Power Company	Electrical Utility	29,227,720	1.00%
MCI WorldCom Network	Communications	25,210,480	0.86%
Tree Terrace Associates	Apartments	26,335,800	0.90%
Inland Southeast Douglasville	Shopping Center	20,850,080	0.71%
Pinnacle Homes at Douglasville,LTD	Apartments	19,079,886	0.65%
Georgia Transmission Corporation	Electrical Utility	20,931,956	0.71%
Tree Lodge, LLC	Apartments	19,459,261	0.66%
Totals		<u>\$ 304,349,119</u>	<u>10.38%</u>
Total Assessed Value			\$ 2,932,228,461

Data Source:

Douglas County Tax Commissioner

DOUGLAS COUNTY, GEORGIA
COMPUTATION OF LEGAL DEBT MARGIN
FISCAL YEAR 2004

Gross assessed value	\$ 2,932,228,461
Debt limit - 10% of assessed value	293,222,846
Amount of debt applicable to debt limit:	
Total general obligation bonded debt	<u>0</u>
Legal debt margin	<u><u>\$ 293,222,846</u></u>

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