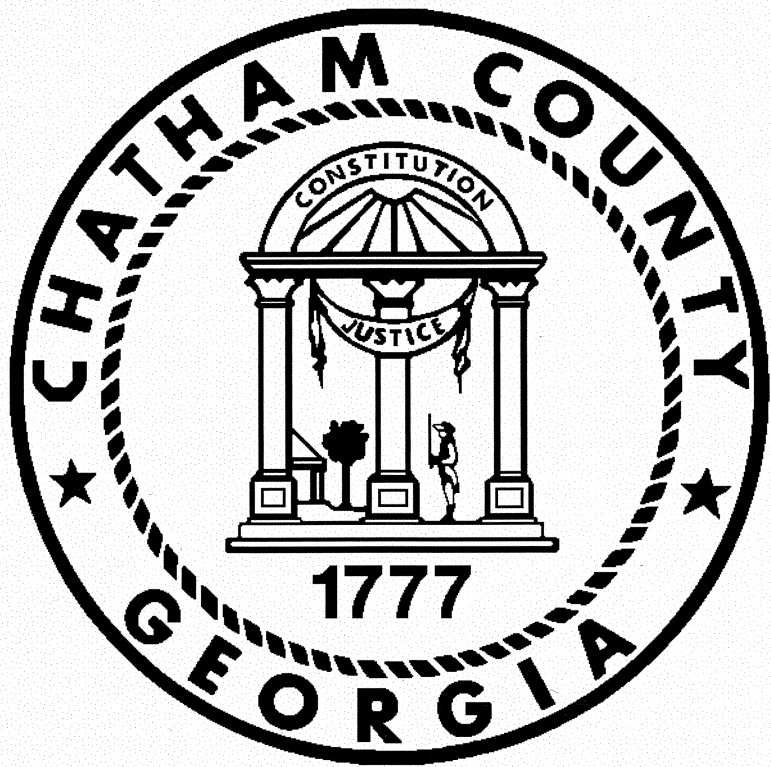


# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**CHATHAM COUNTY, GEORGIA**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2007**

|   | Primary Government         |                             |                       | Component Units                   |                              |
|---|----------------------------|-----------------------------|-----------------------|-----------------------------------|------------------------------|
|   | Governmental<br>Activities | Business-type<br>Activities | Total                 | Chatham County<br>Board of Health | Live Oak Public<br>Libraries |
| <b>ASSETS</b>                                       |                            |                             |                       |                                   |                              |
| Cash and investments                                | \$ 247,880,847             | \$ 8,369,776                | \$ 256,250,623        | \$ 474,695                        | \$ 2,936,945                 |
| Receivables   | 26,162,438                 | 2,955,861                   | 29,118,299            | 1,138,249                         | 308,284                      |
| Internal balances                                   | 579,673                    | (579,673)                   | -                     | -                                 | -                            |
| Pension asset                                       | 35,546                     | -                           | 35,546                | -                                 | -                            |
| Prepaid items                                       | 183,445                    | 190,755                     | 374,200               | 49,706                            | -                            |
| Inventories   | 170,243                    | 189,990                     | 360,233               | -                                 | -                            |
| Deferred charges                                    | 686,852                    | -                           | 686,852               | -                                 | -                            |
| Restricted cash and investments                     | 20,525                     | 6,249,301                   | 6,269,826             | -                                 | -                            |
| Capital assets:                                     |                            |                             |                       |                                   |                              |
| Land, improvements, and<br>construction in progress | 378,472,645                | 9,757,723                   | 388,230,368           | -                                 | 2,282,096                    |
| Other capital assets,<br>net of depreciation        | 348,626,676                | 24,728,164                  | 373,354,840           | 140,944                           | 9,416,241                    |
| <b>Total assets</b>                                 | <b>1,002,818,890</b>       | <b>51,861,897</b>           | <b>1,054,680,787</b>  | <b>1,803,594</b>                  | <b>14,943,566</b>            |
| <b>LIABILITIES</b>                                  |                            |                             |                       |                                   |                              |
| Accounts payable                                    | 17,527,726                 | 1,774,826                   | 19,302,552            | 497,929                           | 244,302                      |
| Due to fiduciary funds                              | -                          | -                           | -                     | -                                 | -                            |
| Other liabilities                                   | 180,969                    | 852,638                     | 1,033,607             | -                                 | -                            |
| Unearned revenue                                    | 26,754                     | 8,332                       | 35,086                | -                                 | 86,851                       |
| Noncurrent liabilities:                             |                            |                             |                       |                                   |                              |
| Due within one year                                 | 5,218,220                  | 860,773                     | 6,078,993             | 104,176                           | 219,344                      |
| Due in more than one year                           | 44,691,865                 | 8,856,731                   | 53,548,596            | 416,705                           | 505,837                      |
| <b>Total liabilities</b>                            | <b>67,645,534</b>          | <b>12,353,300</b>           | <b>79,998,834</b>     | <b>1,018,810</b>                  | <b>1,056,334</b>             |
| <b>NET ASSETS</b>                                   |                            |                             |                       |                                   |                              |
| Invested in capital assets,<br>net of related debt  | 696,028,733                | 28,956,177                  | 724,984,910           | 140,944                           | 11,698,337                   |
| Restricted for:                                     |                            |                             |                       |                                   |                              |
| Capital projects                                    | 187,164,302                | -                           | 187,164,302           | -                                 | 1,932,501                    |
| Debt service  | 101,146                    | -                           | 101,146               | -                                 | -                            |
| Education and recycling                             | -                          | 3,234,176                   | 3,234,176             | -                                 | -                            |
| Other purposes                                      | 1,823,201                  | -                           | 1,823,201             | 1,097,551                         | 334,492                      |
| Unrestricted  | 50,055,974                 | 7,318,244                   | 57,374,218            | (453,711)                         | (78,098)                     |
| <b>Total net assets</b>                             | <b>\$ 935,173,356</b>      | <b>\$ 39,508,597</b>        | <b>\$ 974,681,953</b> | <b>\$ 784,784</b>                 | <b>\$ 13,887,232</b>         |

CHATHAM COUNTY, GEORGIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007

| <u>Functions/Programs</u>               | <u>Expenses</u>       | <u>Program Revenues</u>     |   |   |
|---|-----------------------|-----------------------------|---|---|
|   |                       | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| <b>Primary government:</b>              |                       |                             |   |   |
| Governmental Activities:                |                       |                             |   |   |
| General Government                      | \$ 31,378,123         | \$ 7,144,308                | \$ 154,453                                | \$ -                                    |
| Judiciary                               | 24,177,726            | 6,876,140                   | 1,381,492                                 | -                                       |
| Public Safety                           | 63,510,567            | 4,520,152                   | 3,088,893                                 | 26,698                                  |
| Public Works                            | 59,577,210            | 513,869                     | -   | 11,441,760                              |
| Health and Welfare                      | 9,510,033             | 60,180                      | -   | -                                       |
| Culture and Recreation                  | 14,430,717            | 428,166                     | 30,171                                    | 14,841                                  |
| Housing and Development                 | 3,893,952             | 217,290                     | -   | -                                       |
| Interest on Long-term debt              | 1,853,056             | -                           | -   | -                                       |
| Total governmental activities           | <u>208,331,384</u>    | <u>19,760,105</u>           | <u>4,655,009</u>                          | <u>11,483,299</u>                       |
| Business-type activities:               |                       |                             |   |   |
| Environmental services - Solid waste    | 2,386,961             | 640,648                     | -   | -                                       |
| Transportation services - Bus system    | 16,800,605            | 4,272,812                   | 3,135,668                                 | 1,396,623                               |
| Recreational services - Golf            | 944,428               | 781,391                     | -   | -                                       |
| Other services:                         |                       |                             |   |   |
| Water and Sewer                         | 1,734,867             | 1,922,083                   | -   | -                                       |
| Parking                                 | 282,492               | 267,945                     | -   | -                                       |
| Building Safety and Regulatory Services | 1,372,667             | 961,674                     | -   | -                                       |
| Total business-type activities          | <u>23,522,020</u>     | <u>8,846,553</u>            | <u>3,135,668</u>                          | <u>1,396,623</u>                        |
| Total primary government                | <u>\$ 231,853,404</u> | <u>\$ 28,606,658</u>        | <u>\$ 7,790,677</u>                       | <u>\$ 12,879,922</u>                    |
| <b>Component Units:</b>                 |                       |                             |   |   |
| Chatham County Board of Health          | \$ 12,614,120         | \$ 2,648,317                | \$ 7,848,391                              | \$ -                                    |
| Live Oak Public Libraries               | 9,336,896             | 240,824                     | 1,432,606                                 | -                                       |
| Total component units                   | <u>\$ 21,951,016</u>  | <u>\$ 2,889,141</u>         | <u>\$ 9,280,997</u>                       | <u>\$ -</u>                             |

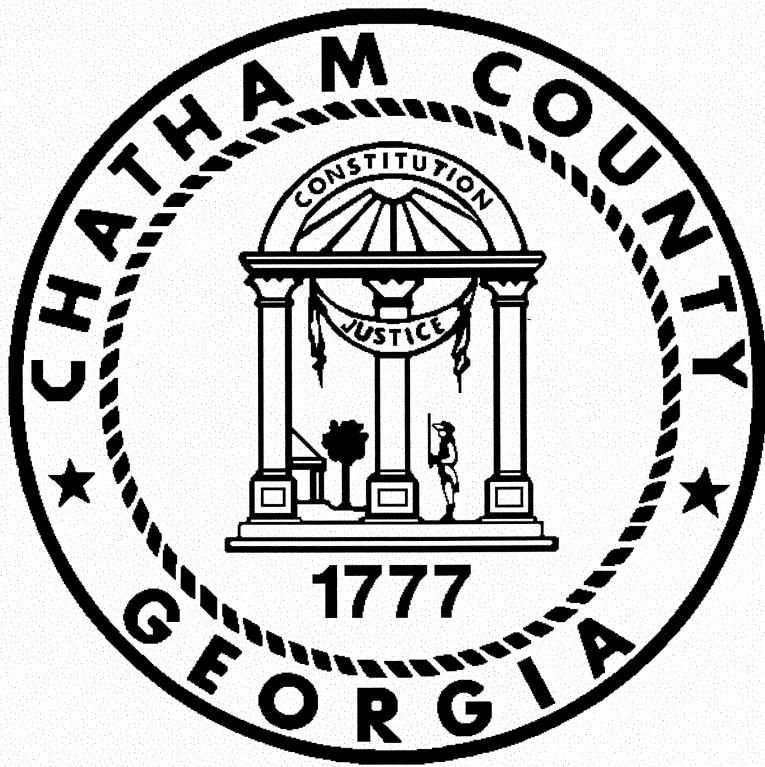
**General revenues:**

|  |  |
|--|--|
| Taxes:   |  |
| Property taxes, levied for general purposes                  |  |
| Property taxes, levied for unincorporated area               |  |
| Property taxes, levied for transportation purposes           |  |
| Sales taxes for general purposes                             |  |
| Special purpose local option sales taxes                     |  |
| Other taxes  |  |
| Grants and contributions not restricted to specific programs |  |
| Unrestricted investment earnings                             |  |
| Miscellaneous  |  |
| Transfers  |  |
| Total general revenues and transfers                         |  |
| Change in net assets   |  |
| Net assets - beginning                                       |  |
| Net assets - ending  |  |

CHATHAM COUNTY, GEORGIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007

| Net (Expense) Revenue and Changes in Net Assets |                             |                       |                                   |                              |
|---|-----------------------------|-----------------------|-----------------------------------|------------------------------|
| Primary Government                              |                             |                       | Component Units                   |                              |
| Governmental<br>Activities                      | Business-type<br>Activities | Total                 | Chatham County<br>Board of Health | Live Oak Public<br>Libraries |
| \$ (24,079,362)                                 |                             | \$ (24,079,362)       |                                   |                              |
| (15,920,094)                                    |                             | (15,920,094)          |                                   |                              |
| (55,874,824)                                    |                             | (55,874,824)          |                                   |                              |
| (47,621,581)                                    |                             | (47,621,581)          |                                   |                              |
| (9,449,853)                                     |                             | (9,449,853)           |                                   |                              |
| (13,957,539)                                    |                             | (13,957,539)          |                                   |                              |
| (3,676,662)                                     |                             | (3,676,662)           |                                   |                              |
| (1,853,056)                                     |                             | (1,853,056)           |                                   |                              |
| <u>(172,432,971)</u>                            |                             | <u>(172,432,971)</u>  |                                   |                              |
| -   | \$ (1,746,313)              | (1,746,313)           |                                   |                              |
| -   | (7,995,502)                 | (7,995,502)           |                                   |                              |
| -   | (163,037)                   | (163,037)             |                                   |                              |
| -   | 187,216                     | 187,216               |                                   |                              |
| -   | (14,547)                    | (14,547)              |                                   |                              |
| -   | (410,993)                   | (410,993)             |                                   |                              |
| -   | <u>(10,143,176)</u>         | <u>(10,143,176)</u>   |                                   |                              |
| <u>(172,432,971)</u>                            | <u>(10,143,176)</u>         | <u>(182,576,147)</u>  |                                   |                              |
|   |                             |                       | \$ (2,117,412)                    |                              |
|   |                             |                       | -                                 | \$ (7,663,466)               |
|   |                             |                       | <u>(2,117,412)</u>                | <u>(7,663,466)</u>           |
| 103,489,281                                     | -                           | 103,489,281           | -                                 | -                            |
| 13,683,689                                      | -                           | 13,683,689            | -                                 | -                            |
| -   | 6,410,747                   | 6,410,747             | -                                 | -                            |
| 11,131,700                                      | -                           | 11,131,700            | -                                 | -                            |
| 63,129,402                                      | -                           | 63,129,402            | -                                 | -                            |
| 8,837,226                                       | -                           | 8,837,226             | -                                 | -                            |
| 3,996,029                                       | -                           | 3,996,029             | -                                 | 11,211,847                   |
| 11,683,260                                      | 712,810                     | 12,396,070            | -                                 | 76,709                       |
| 4,601,500                                       | 4,375                       | 4,605,875             | 1,245,443                         | 19,255                       |
| (3,965,774)                                     | 3,965,774                   | -                     | -                                 | -                            |
| <u>216,586,313</u>                              | <u>11,093,706</u>           | <u>227,680,019</u>    | <u>1,245,443</u>                  | <u>11,307,811</u>            |
| 44,153,342                                      | 950,530                     | 45,103,872            | (871,969)                         | 3,644,345                    |
| 891,020,014                                     | 38,558,067                  | 929,578,081           | 1,656,753                         | 10,242,887                   |
| <u>\$ 935,173,356</u>                           | <u>\$ 39,508,597</u>        | <u>\$ 974,681,953</u> | <u>\$ 784,784</u>                 | <u>\$ 13,887,232</u>         |

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



## **FUND FINANCIAL STATEMENTS**

CHATHAM COUNTY, GEORGIA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2007

|                                      | General Fund         | Special Service<br>District | Sales Tax I          | Sales Tax II        |
|--------------------------------------|----------------------|-----------------------------|----------------------|---------------------|
| <b>ASSETS</b>                        |                      |                             |                      |                     |
| Cash and investments                 | \$ 24,530,592        | \$ 10,114,347               | \$ 21,875,258        | \$ 8,828,996        |
| Receivables                          | 11,541,695           | 1,403,702                   | 110,757              | 28,460              |
| Due from other funds                 | 1,038,915            | 350,679                     | -                    | -                   |
| Inventories                          | 170,243              | -                           | -                    | -                   |
| Prepaid items                        | 178,534              | 4,911                       | -                    | -                   |
| Restricted cash                      | -                    | -                           | -                    | -                   |
| Total assets                         | <u>\$ 37,459,979</u> | <u>\$ 11,873,639</u>        | <u>\$ 21,986,015</u> | <u>\$ 8,857,456</u> |
| <b>LIABILITIES AND FUND BALANCES</b> |                      |                             |                      |                     |
| Liabilities:                         |                      |                             |                      |                     |
| Accounts payable                     | \$ 2,472,790         | \$ 499,706                  | \$ 264,484           | \$ 353,702          |
| Taxes withheld and accrued           | 219                  | -                           | -                    | -                   |
| Due to other funds                   | 1,574,332            | -                           | -                    | -                   |
| Other payables                       | 70,752               | 23,190                      | -                    | -                   |
| Deferred revenue                     | 10,354,239           | 771,397                     | -                    | -                   |
| Total liabilities                    | <u>14,472,332</u>    | <u>1,294,293</u>            | <u>264,484</u>       | <u>353,702</u>      |
| Fund balances:                       |                      |                             |                      |                     |
| Reserved for:                        |                      |                             |                      |                     |
| Inventories and prepaid items        | 348,777              | 4,911                       | -                    | -                   |
| Encumbrances                         | 1,671,666            | 147,896                     | -                    | -                   |
| Restricted fees                      | 793,960              | -                           | -                    | -                   |
| Debt service                         | -                    | -                           | -                    | -                   |
| Public safety                        | -                    | 381,960                     | -                    | -                   |
| Unreserved:                          |                      |                             |                      |                     |
| Designated, reported in:             |                      |                             |                      |                     |
| General fund                         | 8,407,528            | -                           | -                    | -                   |
| Special revenue funds                | -                    | 2,884,609                   | -                    | -                   |
| Undesignated, reported in:           |                      |                             |                      |                     |
| General fund                         | 11,765,716           | -                           | -                    | -                   |
| Special revenue funds                | -                    | 7,159,970                   | -                    | -                   |
| Capital projects funds               | -                    | -                           | 21,721,531           | 8,503,754           |
| Total fund balances                  | <u>22,987,647</u>    | <u>10,579,346</u>           | <u>21,721,531</u>    | <u>8,503,754</u>    |
| Total liabilities and fund balances  | <u>\$ 37,459,979</u> | <u>\$ 11,873,639</u>        | <u>\$ 21,986,015</u> | <u>\$ 8,857,456</u> |



| <u>Sales Tax III</u> | <u>Sales Tax IV</u>  | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total</u>          |
|----------------------|----------------------|---|-----------------------|
| \$ 77,418,152        | \$ 67,312,741        | \$ 30,121,767                           | \$ 240,201,853        |
| 243,540              | 10,728,858           | 1,922,673                               | 25,979,685            |
| -                    | -                    | 1,507,628                               | 2,897,222             |
| -                    | -                    | -                                       | 170,243               |
| -                    | -                    | -                                       | 183,445               |
| -                    | -                    | 20,525                                  | 20,525                |
| <u>\$ 77,661,692</u> | <u>\$ 78,041,599</u> | <u>\$ 33,572,593</u>                    | <u>\$ 269,452,973</u> |

|                |                  |                  |                   |
|----------------|------------------|------------------|-------------------|
| \$ 343,378     | \$ 6,340,463     | \$ 2,631,580     | \$ 12,906,103     |
| -              | -                | -                | 219               |
| -              | -                | 743,217          | 2,317,549         |
| -              | -                | -                | 93,942            |
| -              | 2,235,949        | 11,829           | 13,373,414        |
| <u>343,378</u> | <u>8,576,412</u> | <u>3,386,626</u> | <u>28,691,227</u> |

|                      |                      |                      |                       |
|----------------------|----------------------|----------------------|-----------------------|
| -                    | -                    | -                    | 353,688               |
| -                    | -                    | -                    | 1,819,562             |
| -                    | -                    | -                    | 793,960               |
| -                    | -                    | 101,146              | 101,146               |
| -                    | -                    | 1,029,241            | 1,411,201             |
| -                    | -                    | -                    | 8,407,528             |
| -                    | -                    | -                    | 2,884,609             |
| -                    | -                    | -                    | 11,765,716            |
| -                    | -                    | 573,016              | 7,732,986             |
| 77,318,314           | 69,465,187           | 28,482,564           | 205,491,350           |
| <u>77,318,314</u>    | <u>69,465,187</u>    | <u>30,185,967</u>    | <u>240,761,746</u>    |
| <u>\$ 77,661,692</u> | <u>\$ 78,041,599</u> | <u>\$ 33,572,593</u> | <u>\$ 269,452,973</u> |

CHATHAM COUNTY, GEORGIA  
 GOVERNMENTAL FUNDS  
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
 TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
 JUNE 30, 2007

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Total fund balances, governmental funds \$ 240,761,746

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets. 727,099,321

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 13,382,206

Bond issuance costs and losses on early retirement are reported as expenditures in the governmental funds. 686,852

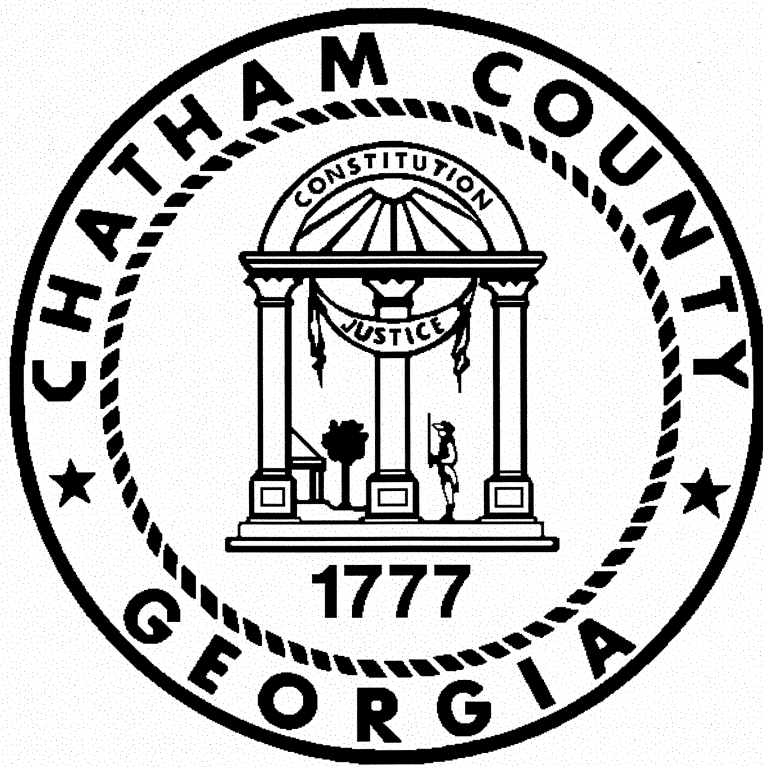
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable ), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets:

|                              |                  |              |
|------------------------------|------------------|--------------|
| Capital leases               | (2,876,831)      |              |
| Contractual Obligations      | (37,156,172)     |              |
| Pollution Control Facilities | (109,758)        |              |
| Compensated Absences         | (9,451,324)      |              |
| Claims and Judgements        | <u>(316,000)</u> | (49,910,085) |

Interest payable on long-term obligations is not due and payable in the current period and therefore is not reported in the governmental funds. (762,671)

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. 3,915,987

Net Assets of Governmental Activities in the Statement of Net Assets \$ 935,173,356



CHATHAM COUNTY, GEORGIA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2007

|  | General Fund         | Special Service<br>District | Sales Tax I          | Sales Tax II        |
|--|----------------------|-----------------------------|----------------------|---------------------|
| <b>REVENUES</b>  |                      |                             |                      |                     |
| Property taxes   | \$ 102,517,178       | \$ 13,632,924               | \$ -                 | \$ -                |
| Local option sales tax                                       | 11,340,317           | -                           | -                    | -                   |
| Other taxes  | 374,884              | 6,935,430                   | -                    | -                   |
| Penalties and interest                                       | 1,330,130            | 27,839                      | -                    | -                   |
| Licenses and permits   | 961,866              | -                           | -                    | -                   |
| Homeowners tax relief grant                                  | 3,472,017            | 524,012                     | -                    | -                   |
| Intergovernmental  | 2,064,022            | 1,348,867                   | 132,424              | 469,588             |
| Charges for services   | 8,880,618            | 362,918                     | -                    | -                   |
| Fees and fines   | 3,700,458            | 1,965,979                   | -                    | -                   |
| Investment income  | 908,508              | 513,588                     | 1,175,852            | 438,307             |
| Other revenue  | 446,045              | 10,385                      | 101,665              | -                   |
| Total revenues   | <u>135,996,043</u>   | <u>25,321,942</u>           | <u>1,409,941</u>     | <u>907,895</u>      |
| <b>EXPENDITURES</b>  |                      |                             |                      |                     |
| Current:   |                      |                             |                      |                     |
| General government   | 25,594,449           | 2,952,218                   | -                    | -                   |
| Judicial   | 22,483,204           | 580,044                     | -                    | -                   |
| Public safety  | 42,150,808           | 11,330,492                  | -                    | -                   |
| Public works   | 1,051,649            | 4,775,757                   | -                    | -                   |
| Health and welfare   | 9,414,523            | -                           | -                    | -                   |
| Culture and recreation                                       | 9,280,696            | -                           | -                    | -                   |
| Housing and development                                      | 371,731              | 1,141,634                   | -                    | -                   |
| Debt service:  |                      |                             |                      |                     |
| Principal  | 3,670,524            | 50,836                      | -                    | -                   |
| Interest and other charges                                   | 1,830,802            | 11,280                      | -                    | -                   |
| Capital outlay   | -                    | -                           | 3,185,741            | 2,789,732           |
| Total expenditures   | <u>115,848,386</u>   | <u>20,842,261</u>           | <u>3,185,741</u>     | <u>2,789,732</u>    |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>20,147,657</u>    | <u>4,479,681</u>            | <u>(1,775,800)</u>   | <u>(1,881,837)</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                      |                             |                      |                     |
| Capital leases   | -                    | -                           | -                    | -                   |
| Transfers in   | 481,602              | 790,456                     | -                    | -                   |
| Transfers out  | (14,344,572)         | (3,495,270)                 | -                    | -                   |
| Total other financing sources (uses)                         | <u>(13,862,970)</u>  | <u>(2,704,814)</u>          | <u>-</u>             | <u>-</u>            |
| Net change in fund balances                                  | 6,284,687            | 1,774,867                   | (1,775,800)          | (1,881,837)         |
| Fund balances - beginning                                    | 16,702,960           | 8,804,479                   | 23,497,331           | 10,385,591          |
| Fund balances - ending                                       | <u>\$ 22,987,647</u> | <u>\$ 10,579,346</u>        | <u>\$ 21,721,531</u> | <u>\$ 8,503,754</u> |

| Sales Tax III        | Sales Tax IV         | Other<br>Governmental<br>Funds | Total                 |
|----------------------|----------------------|--------------------------------|-----------------------|
| \$ -                 | \$ -                 | \$ -                           | \$ 116,150,102        |
| -                    | -                    | -                              | 11,340,317            |
| -                    | 64,306,690           | 1,526,912                      | 73,143,916            |
| -                    | -                    | -                              | 1,357,969             |
| -                    | -                    | 217,241                        | 1,179,107             |
| -                    | -                    | -                              | 3,996,029             |
| -                    | 1,720                | 3,893,029                      | 7,909,650             |
| -                    | -                    | 2,626,343                      | 11,869,879            |
| -                    | -                    | 113,437                        | 5,779,874             |
| 4,206,170            | 3,021,739            | 1,148,813                      | 11,412,977            |
| 111                  | 130                  | 2,112,321                      | 2,670,657             |
| <u>4,206,281</u>     | <u>67,330,279</u>    | <u>11,638,096</u>              | <u>246,810,477</u>    |
| -                    | -                    | 3,445                          | 28,550,112            |
| -                    | -                    | 240,953                        | 23,304,201            |
| -                    | -                    | 7,122,908                      | 60,604,208            |
| -                    | -                    | 633,835                        | 6,461,241             |
| -                    | -                    | -                              | 9,414,523             |
| -                    | -                    | 42,341                         | 9,323,037             |
| -                    | -                    | 1,665,714                      | 3,179,079             |
| -                    | -                    | 120,000                        | 3,841,360             |
| -                    | -                    | 66,394                         | 1,908,476             |
| 7,480,261            | 48,261,491           | 9,993,283                      | 71,710,508            |
| <u>7,480,261</u>     | <u>48,261,491</u>    | <u>19,888,873</u>              | <u>218,296,745</u>    |
| <u>(3,273,980)</u>   | <u>19,068,788</u>    | <u>(8,250,777)</u>             | <u>28,513,732</u>     |
| -                    | -                    | 1,279,942                      | 1,279,942             |
| -                    | -                    | 10,198,479                     | 11,470,537            |
| -                    | -                    | (791,081)                      | (18,630,923)          |
| -                    | -                    | 10,687,340                     | (5,880,444)           |
| <u>(3,273,980)</u>   | <u>19,068,788</u>    | <u>2,436,563</u>               | <u>22,633,288</u>     |
| 80,592,294           | 50,396,399           | 27,749,404                     | 218,128,458           |
| <u>\$ 77,318,314</u> | <u>\$ 69,465,187</u> | <u>\$ 30,185,967</u>           | <u>\$ 240,761,746</u> |

CHATHAM COUNTY, GEORGIA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007

Net change in fund balances - total governmental funds: \$ 22,633,288

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays \$31,707,503 exceeded depreciation \$14,148,318 in the current period. 17,559,185

Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in net assets differs from the change in fund balance by the net book value of the asset sold. (124,646)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. 1,309,509

Governmental funds report debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which payments exceeded proceeds. 2,561,418

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     | \$ (121,198) |        |
| Amortization of bond discounts/premiums | 127,367      |        |
| Interest expense - debt obligations     | 49,250       |        |
|   | 55,419       | 55,419 |

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 | \$ (510,168) |           |
| Claims and judgments | 74,000       |           |
|                      | (436,168)    | (436,168) |

Internal service funds are used by management to charge the costs of certain activities such as insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. 595,337

Change in net assets of governmental activities \$ 44,153,342

CHATHAM COUNTY, GEORGIA  
 PROPRIETARY FUNDS  
 STATEMENT OF FUND NET ASSETS  
 JUNE 30, 2007

|  | Business-type Activities - Enterprise Funds |                     |                           |                      | Governmental<br>Activities |
|--|---|---------------------|---------------------------|----------------------|----------------------------|
|  | Chatham Area<br>Transit<br>Authority        | Solid Waste<br>Fund | Other Enterprise<br>Funds | Total                | Internal Service<br>Funds  |
| <b>ASSETS</b>                                      |   |                     |                           |                      |                            |
| Current assets:                                    |   |                     |                           |                      |                            |
| Cash and investments                               | \$ 2,328,975                                | \$ 2,013,768        | \$ 4,027,033              | \$ 8,369,776         | \$ 7,678,994               |
| Receivable, net                                    | 1,784,645                                   | 41,136              | 1,130,080                 | 2,955,861            | 182,753                    |
| Inventories  | 189,990                                     | -                   | -                         | 189,990              | -                          |
| Prepaid Expenses                                   | 145,795                                     | -                   | 44,960                    | 190,755              | -                          |
| Restricted cash                                    | -   | -                   | 223,713                   | 223,713              | -                          |
| Total current assets                               | <u>4,449,405</u>                            | <u>2,054,904</u>    | <u>5,425,786</u>          | <u>11,930,095</u>    | <u>7,861,747</u>           |
| Non-current assets:                                |   |                     |                           |                      |                            |
| Restricted cash                                    | -   | 6,025,588           | -                         | 6,025,588            | -                          |
| Capital assets,<br>net of accumulated depreciation | 16,886,845                                  | 1,991,835           | 15,607,207                | 34,485,887           | -                          |
| Total non-current assets                           | <u>16,886,845</u>                           | <u>8,017,423</u>    | <u>15,607,207</u>         | <u>40,511,475</u>    | <u>-</u>                   |
| Total assets                                       | <u>21,336,250</u>                           | <u>10,072,327</u>   | <u>21,032,993</u>         | <u>52,441,570</u>    | <u>7,861,747</u>           |
| <b>LIABILITIES</b>                                 |   |                     |                           |                      |                            |
| Current Liabilities:                               |   |                     |                           |                      |                            |
| Accounts payable                                   | 1,115,689                                   | 253,664             | 405,473                   | 1,774,826            | 171,802                    |
| Payable from restricted assets                     | -   | -                   | 223,713                   | 223,713              | -                          |
| Due to other funds                                 | -   | -                   | 579,673                   | 579,673              | -                          |
| Other accrued expenses                             | 628,925                                     | -                   | -                         | 628,925              | -                          |
| Unearned revenue                                   | -   | -                   | 8,332                     | 8,332                | -                          |
| Current portion of long-term liabilities           | 802,522                                     | 17,634              | 40,617                    | 860,773              | -                          |
| Total current liabilities                          | <u>2,547,136</u>                            | <u>271,298</u>      | <u>1,257,808</u>          | <u>4,076,242</u>     | <u>171,802</u>             |
| Non-current liabilities:                           |   |                     |                           |                      |                            |
| Due in more than one year                          | 4,692,415                                   | 3,797,392           | 366,924                   | 8,856,731            | 3,773,958                  |
| Total non-current liabilities                      | <u>4,692,415</u>                            | <u>3,797,392</u>    | <u>366,924</u>            | <u>8,856,731</u>     | <u>3,773,958</u>           |
| Total liabilities                                  | <u>7,239,551</u>                            | <u>4,068,690</u>    | <u>1,624,732</u>          | <u>12,932,973</u>    | <u>3,945,760</u>           |
| <b>NET ASSETS</b>                                  |   |                     |                           |                      |                            |
| Invested in capital assets,<br>net of related debt | 11,391,908                                  | 1,991,835           | 15,572,434                | 28,956,177           | -                          |
| Restricted for education and recycling             | -   | 3,234,176           | -                         | 3,234,176            | -                          |
| Unrestricted                                       | 2,704,791                                   | 777,626             | 3,835,827                 | 7,318,244            | 3,915,987                  |
| Total net assets                                   | <u>\$ 14,096,699</u>                        | <u>\$ 6,003,637</u> | <u>\$ 19,408,261</u>      | <u>\$ 39,508,597</u> | <u>\$ 3,915,987</u>        |

CHATHAM COUNTY, GEORGIA  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN FUND NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2007

|   | Business-type Activities - Enterprise Funds |                     |                              |                      | Governmental<br>Activities |
|---|---|---------------------|------------------------------|----------------------|----------------------------|
|   | Chatham Area<br>Transit Authority           | Solid Waste<br>Fund | Other<br>Enterprise<br>Funds | Total                | Internal Service<br>Funds  |
| <b>OPERATING REVENUES</b>                           |   |                     |                              |                      |                            |
| Charges for services                                | \$ 3,491,529                                | \$ 624,704          | \$ 3,878,108                 | \$ 7,994,341         | \$ 17,567,514              |
| Miscellaneous                                       | 781,283                                     | 15,944              | 54,985                       | 852,212              | -                          |
| Total operating revenues                            | <u>4,272,812</u>                            | <u>640,648</u>      | <u>3,933,093</u>             | <u>8,846,553</u>     | <u>17,567,514</u>          |
| <b>OPERATING EXPENSES</b>                           |   |                     |                              |                      |                            |
| Personal services                                   | 8,816,631                                   | 906,972             | 1,647,083                    | 11,370,686           | -                          |
| Contractual services                                | 2,248,722                                   | 840,005             | 1,558,514                    | 4,647,241            | 20,453,562                 |
| Supplies  | 3,601,838                                   | 207,837             | 428,669                      | 4,238,344            | -                          |
| Interdepartment charges                             | -   | 196,225             | 76,166                       | 272,391              | -                          |
| Depreciation  | 1,816,461                                   | 235,922             | 613,652                      | 2,666,035            | -                          |
| Other costs   | -   | -                   | 8,130                        | 8,130                | -                          |
| Total operating expenses                            | <u>16,483,652</u>                           | <u>2,386,961</u>    | <u>4,332,214</u>             | <u>23,202,827</u>    | <u>20,453,562</u>          |
| Operating income (loss)                             | <u>(12,210,840)</u>                         | <u>(1,746,313)</u>  | <u>(399,121)</u>             | <u>(14,356,274)</u>  | <u>(2,886,048)</u>         |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>            |   |                     |                              |                      |                            |
| Intergovernmental                                   | 3,135,668                                   | -                   | -                            | 3,135,668            | -                          |
| Special district tax                                | 6,410,747                                   | -                   | -                            | 6,410,747            | -                          |
| Interest and investment revenue                     | 98,306                                      | 418,644             | 195,860                      | 712,810              | 286,773                    |
| Interest expense and other                          | (316,953)                                   | -                   | (2,240)                      | (319,193)            | -                          |
| Gain (loss) on sale of capital assets               | 4,375                                       | -                   | -                            | 4,375                | -                          |
| Total non-operating revenue (expenses)              | <u>9,332,143</u>                            | <u>418,644</u>      | <u>193,620</u>               | <u>9,944,407</u>     | <u>286,773</u>             |
| Income (loss) before contributions<br>and transfers | (2,878,697)                                 | (1,327,669)         | (205,501)                    | (4,411,867)          | (2,599,275)                |
| Capital contributions                               | 1,396,623                                   | -                   | -                            | 1,396,623            | -                          |
| Transfers in  | 1,559,240                                   | 1,729,020           | 704,514                      | 3,992,774            | 3,194,612                  |
| Transfers out                                       | -   | -                   | (27,000)                     | (27,000)             | -                          |
| Change in net assets                                | <u>77,166</u>                               | <u>401,351</u>      | <u>472,013</u>               | <u>950,530</u>       | <u>595,337</u>             |
| Total net assets - beginning                        | 14,019,533                                  | 5,602,286           | 18,936,248                   | 38,558,067           | 3,320,650                  |
| Total net assets - ending                           | <u>\$ 14,096,699</u>                        | <u>\$ 6,003,637</u> | <u>\$ 19,408,261</u>         | <u>\$ 39,508,597</u> | <u>\$ 3,915,987</u>        |



CHATHAM COUNTY, GEORGIA  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2007

|  | Business-type Activities - Enterprise Funds |                       |                              |                        | Governmental<br>Activities |
|--|---|-----------------------|------------------------------|------------------------|----------------------------|
|  | Chatham Area<br>Transit<br>Authority        | Solid Waste<br>Fund   | Other<br>Enterprise<br>Funds | Total                  | Internal Service<br>Funds  |
| Cash flows from operating activities:  |   |                       |                              |                        |                            |
| Passenger fares and other revenues   | \$ 4,203,658                                | \$ 647,508            | \$ -                         | \$ 4,851,166           | \$ 370,834                 |
| Cash received from customers   | -   | -                     | 3,887,548                    | 3,887,548              | -                          |
| Cash payments to employees for services  | (8,770,611)                                 | (906,972)             | (1,628,134)                  | (11,305,717)           | -                          |
| Cash payments to suppliers<br>for goods and services                                       | (5,379,946)                                 | (1,113,288)           | (2,237,963)                  | (8,731,197)            | (19,810,508)               |
| Cash received from contributions   | -   | -                     | -                            | -                      | 17,155,334                 |
| Net cash provided (used) by operating activities   | <u>(9,946,899)</u>                          | <u>(1,372,752)</u>    | <u>21,451</u>                | <u>(11,298,200)</u>    | <u>(2,284,340)</u>         |
| Cash flows from noncapital financing activities:   |   |                       |                              |                        |                            |
| Special district transit tax   | 6,221,601                                   | -                     | -                            | 6,221,601              | -                          |
| Federal and state grants   | 2,892,549                                   | -                     | -                            | 2,892,549              | -                          |
| Borrowings from (repayments to) other funds  | -   | -                     | (238,665)                    | (238,665)              | -                          |
| Transfers in   | 1,414,760                                   | 1,729,020             | 704,514                      | 3,848,294              | 3,194,612                  |
| Transfers out  | -   | -                     | (27,000)                     | (27,000)               | -                          |
| Net cash provided (used) by noncapital financing activities                                | <u>10,528,910</u>                           | <u>1,729,020</u>      | <u>438,849</u>               | <u>12,696,779</u>      | <u>3,194,612</u>           |
| Cash flows from capital and related financing activities:                                  |   |                       |                              |                        |                            |
| Capital contributed by other governments   | 4,410,053                                   | -                     | -                            | 4,410,053              | -                          |
| Payments from developers   | -   | -                     | 11,187                       | 11,187                 | -                          |
| Interest payments on debt  | (316,953)                                   | -                     | (2,240)                      | (319,193)              | -                          |
| Principal payments on debt   | (763,242)                                   | (154,896)             | (40,247)                     | (958,385)              | -                          |
| Proceeds from disposal of capital assets   | 4,375                                       | -                     | -                            | 4,375                  | -                          |
| Acquisitions and construction of capital assets  | (3,482,782)                                 | (913,468)             | (375,234)                    | (4,771,484)            | -                          |
| Net cash (used) by capital and related financing activities                                | <u>(148,549)</u>                            | <u>(1,068,364)</u>    | <u>(406,534)</u>             | <u>(1,623,447)</u>     | <u>-</u>                   |
| Cash flows from investing activities:  |   |                       |                              |                        |                            |
| Interest earned on cash and investments  | 98,306                                      | 418,644               | 195,860                      | 712,810                | 286,773                    |
| Net cash provided (used) by investing activities   | <u>98,306</u>                               | <u>418,644</u>        | <u>195,860</u>               | <u>712,810</u>         | <u>286,773</u>             |
| Increase (decrease) in cash and cash equivalents   | 531,768                                     | (293,452)             | 249,626                      | 487,942                | 1,197,045                  |
| Cash and cash equivalents, beginning of year   | 1,797,207                                   | 8,332,808             | 4,001,120                    | 14,131,135             | 6,481,949                  |
| Cash and cash equivalents, end of year   | <u>\$ 2,328,975</u>                         | <u>\$ 8,039,356</u>   | <u>\$ 4,250,746</u>          | <u>\$ 14,619,077</u>   | <u>\$ 7,678,994</u>        |
| Reconciliation of operating income to net cash provided by (used in) operating activities: |   |                       |                              |                        |                            |
| Operating income (loss)  | \$ (12,210,840)                             | \$ (1,746,313)        | \$ (399,121)                 | \$ (14,356,274)        | \$ (2,886,048)             |
| Adjustments to reconcile operating income to net cash provided by operating activities:    |   |                       |                              |                        |                            |
| Depreciation   | 1,816,461                                   | 235,922               | 613,652                      | 2,666,035              | -                          |
| Change in assets and liabilities:  |   |                       |                              |                        |                            |
| (Increase) decrease in accounts receivables  | (69,154)                                    | 6,860                 | (53,877)                     | (116,171)              | (41,346)                   |
| (Increase) decrease in inventory   | (29,381)                                    | -                     | -                            | (29,381)               | -                          |
| (Increase) decrease in prepaid items   | 51,497                                      | -                     | (37,753)                     | 13,744                 | -                          |
| Increase (decrease) in accounts/claims payable   | 494,518                                     | 130,779               | (109,782)                    | 515,515                | 643,054                    |
| Increase (decrease) in unearned revenue  | -   | -                     | 8,332                        | 8,332                  | -                          |
| Total adjustments  | <u>2,263,941</u>                            | <u>373,561</u>        | <u>420,572</u>               | <u>3,058,074</u>       | <u>601,708</u>             |
| Net cash provided (used) by operating activities   | <u>\$ (9,946,899)</u>                       | <u>\$ (1,372,752)</u> | <u>\$ 21,451</u>             | <u>\$ (11,298,200)</u> | <u>\$ (2,284,340)</u>      |

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

CHATHAM COUNTY, GEORGIA  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET ASSETS  
 JUNE 30, 2007

|  | <b>Agency Funds</b> | <b>Pension Trust Fund</b> |
|--|---------------------|---------------------------|
| <b>ASSETS</b>  |                     |                           |
| Cash   | \$ 24,631,826       | \$ 6,463,085              |
| Receivables:   |                     |                           |
| Interest and dividend  | -                   | 604,755                   |
| Sale of investments  | -                   | 281,649                   |
| Accounts   | -                   | 63,157                    |
| Investments, at fair value:  |                     |                           |
| U.S. government and agency obligations   | -                   | 10,624,106                |
| Mortgage backed securities   | -                   | 3,399,212                 |
| Corporate bonds  | -                   | 24,891,582                |
| Domestic stocks  | -                   | 53,706,860                |
| Real estate investment trust   | -                   | 2,466,856                 |
| International equity funds   | -                   | 13,097,157                |
| Total Investments  | -                   | 108,185,773               |
| Total assets   | 24,631,826          | 115,598,419               |
| <br><b>LIABILITIES</b>   |                     |                           |
| Accounts payable   | -                   | 1,119,178                 |
| Due to others  | 24,631,826          | -                         |
| Total liabilities  | \$ 24,631,826       | 1,119,178                 |
| <br><b>NET ASSETS</b>  |                     |                           |
| Held in trust for retirement benefits (See schedule of funding progress on page E-9) |                     | \$ 114,479,241            |

CHATHAM COUNTY, GEORGIA  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2007

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|  | <b>Pension Trust<br/>Fund</b> |
|--|-------------------------------|
| <b>ADDITIONS</b>   |                               |
| Contributions:   |                               |
| Employer   | \$ 6,486,117                  |
| Plan members   | 1,380,873                     |
| Total contributions  | 7,866,990                     |
| Investment earnings:   |                               |
| Net appreciation (depreciation) in fair value of investments       | 10,276,017                    |
| Interest   | 2,351,265                     |
| Dividends  | 2,308,036                     |
| Total  | 14,935,318                    |
| Less investment expense  | 613,636                       |
| Net investment income  | 14,321,682                    |
| Total additions  | 22,188,672                    |
| <b>DEDUCTIONS</b>  |                               |
| Benefits   | 6,344,871                     |
| Refunds of contributions   | 211,281                       |
| Administrative expense   | (55,520)                      |
| Total deductions   | 6,500,632                     |
| Change in net assets   | 15,688,040                    |
| Net assets - beginning   | 98,791,201                    |
| Net assets - ending (See schedule of funding progress on page E-9) | \$ 114,479,241                |

