

Comprehensive Annual Financial Report

DeKalb County, Georgia



Year Ended December 31, 2005

COMPREHENSIVE ANNUAL FINANCIAL REPORT

DEKALB COUNTY, GEORGIA

YEAR ENDED DECEMBER 31, 2005

Prepared by:

Department of Finance

DEKALB COUNTY, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED DECEMBER 31, 2005

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INTRODUCTORY SECTION

**LETTER OF TRANSMITTAL
CERTIFICATE OF ACHIEVEMENT
PRINCIPAL OFFICIALS
ORGANIZATIONAL CHART**



DeKalb County, Georgia
1300 Commerce Drive, Decatur, Georgia 30030
(404) 371-2741 (404) 371-2750 FAX

June 23, 2006

Chief Executive Officer and Members
DeKalb County Board of Commissioners
DeKalb County, Georgia

The Comprehensive Annual Financial Report (CAFR) of DeKalb County, Georgia, (the County) for the fiscal year ended December 31, 2005 is submitted herewith. This report is prepared in accordance with the requirements of the Act providing uniform standards for audits of municipalities and counties within the State of Georgia, approved April 21, 1967 (Ga. Laws 1967, p. 883) as amended by an Act approved March 28, 1968 (Ga. Laws 1968, p. 464).

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the 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 generally accepted accounting principles (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 assert that, to the best of our knowledge and belief, this financial statement is complete and reliable in all material respects.

The County's financial statements have been audited by KPMG LLP licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2005, 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 the County's financial statements for the fiscal year ended December 31, 2005, 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 are available in the County's separately issued Single Audit Report.

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

Profile of the Government

DeKalb County is an urban county providing a full range of services to 700,500 citizens. Included in these services are traditional county functions such as road maintenance and court-related activities, as well as a number of municipal services such as police, fire, solid waste collection and disposal, and water and sewer. There are nine incorporated municipalities within the County, including a portion of the City of Atlanta. Those municipalities comprise approximately 13% of the total population of the County, and provide services to their citizens in varying degrees. Selected County demographic information is provided in the statistical section of this report.

A 1981 Act of the General Assembly of Georgia provides for distinct executive and legislative branches of County government. The executive branch is headed by the elective position of Chief Executive Officer (CEO). The legislative branch is made up of the Board of Commissioners, composed of seven members, which elects from its membership a Presiding Officer and Deputy Presiding Officer. The CEO may preside at Board meetings and may vote in the event of a tie vote, except the CEO does not preside nor vote on zoning matters. The CEO has veto power, which may be overridden by a two-thirds majority vote of the Board of Commissioners. The Board of Commissioners has the power and authority to fix and establish, by appropriate resolution or ordinance (entered on its minutes), policies, rules and regulations governing all matters reserved to its jurisdiction. The CEO has exclusive power to supervise, direct and control the administration of the County government.

The financial statements, schedules, and statistical tables included in this report pertain to all functions and funds directly under the control of the DeKalb County CEO and Board of Commissioners. Also included are trust and agency funds administered and controlled by various elected or appointed officials, which are not reported upon by any other entity. The Board of Health and the Public Library are included as component units of the County. These component units are partially funded by the County, and derive significant funding from Federal and State grants and user fees. The Board of Health provides a broad range of physical health services, and the Public Library provides a wide range of information services. Both units ended the year in good financial positions.

Certain other entities are not included within the scope of this report. These exclusions consist of the DeKalb County Board of Education, the Fulton-DeKalb Hospital Authority, the DeKalb Board of Family and Children Services, the DeKalb Community Service Board, the DeKalb Housing Authority and the Development Authority of DeKalb County. These entities have not met the established criteria for inclusion in this report. However, any amounts appropriated for disbursement to these entities as well as any amounts for which the County has contractual liability have been included in the County's financial statements. The Fulton-DeKalb Hospital Authority is considered a joint venture between DeKalb County and Fulton County, Georgia, and summary financial information is provided in the notes to the financial statements.

Annual budgets are adopted by the Board of Commissioners each year for the General, Special Revenue and Debt Service Funds. The level of control (the level at which expenditures may not exceed appropriations) for each annual budget is the department level within each fund. Revenue and

appropriation adjustments may be made, when the Board of Commissioners approves property tax millage rates. Supplemental allocations can also be made by the Board of Commissioners from the County's General Fund contingency account to fund unforeseen expenditures within the County's Governmental Funds' departments. Individual departments are charged with operating within the scope of their allocated budget and intra-departmental transfers must be submitted for approval by the Finance Department and/or the Chief Executive Officer.

Factors Affecting Financial Condition

DeKalb County's overall financial position remains favorable. At the end of 2005, the County's sales tax receipts increased by 7.2% compared to 2004. The number of new construction permits increased with over \$1,581,513,000 in construction value on building permits issued. The County's annual unemployment rate of 6.3% for 2005 compared to the rate in Georgia of 5.3% is a result of several major corporate restructurings in the metropolitan area. In accordance with the Homestead Option Sales Tax, the County has granted a homestead exemption on operating levies of 59.07% and 54.64% in 2004 and 2005, respectively. As a result of this exemption and other favorable conditions, the number of homestead properties in the County has increased from 125,000 in 1999 to 147,447 in 2005. Revenue from business related fees and taxes (hotel/motel, alcoholic beverage, business licenses and building permits) decreased slightly by \$12,700 during 2005 compared to 2004.

DeKalb County is a mature County, which is mostly developed in many areas. The Atlanta metropolitan area, of which DeKalb is a part, serves as a center for banking, communications, transportation, accounting, insurance, and other services.

For 2005, there was an increase in the tax-supported budgets of 4.8%. The Fund Balance at year-end was \$32 million in the General Fund, a \$10.5 million increase from the previous year.

In December 2004, the DeKalb Public Safety and Judicial Facilities Authority issued \$50 million in bonds for the purposes of acquiring, constructing and equipping new headquarters for Police Services and Fire & Rescue Services, as well as several new Police precincts and Fire & Rescue stations and related maintenance facilities. The DeKalb Building Authority issued \$35,670,000 in July 2005 to construct a new Juvenile Justice Center. There are lease agreements between the County and these Authorities. In November 2005, the County opened a 40,000 square foot multi-purpose Senior Center to serve a growing component of the population.

In past years DeKalb relied heavily on the property tax as a primary revenue source as it did not have a local option sales tax. On March 18, 1997, the voters of the County approved a permanent one-percent Homestead Option Sales Tax, to be effective July 1, 1997. In 2005, 80% of this sales tax was used to reduce property taxes (in the form of an increased homestead exemption) collected for County operations (including General Government, Fire Protection, Hospital Services and Special District Services) from homestead properties. \$16.75 million was dedicated to capital outlay (infrastructure) projects from HOST funds in 2005.

Cash management policies and practices.

The County maintains a pooled cash and investments account for most County funds. The County seeks to obtain market rates of return on its investments, consistent with constraints imposed by its safety objectives, cash flow considerations, and Georgia state laws. Safety of principal is the foremost objective. Competitive bids are required on all County investments.

Risk Management and Employee Services

DeKalb County has a Risk Management and Employee Services Division within its Finance Department. The focus of this office is to minimize loss to the County through data analysis and loss prevention programs, and to administer the County's surety, liability, and employee group insurance programs including workers' compensation. Although the number of workers' compensation claims changed slightly from 1,110 in 2004 to 1,104 in 2005, the lost work days per 1,000 employees remains below national levels.

Pension and other post employment benefits.

The County sponsors a single-employer two-tiered defined benefit pension plan for all County employees. Each year, an independent actuary engaged by the Pension Board calculates the amount of the annual contribution that the County must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As of April 1, 2005, the date of the last actuarial report, the County's pension plan had funded 99.04% of the actuarial accrued liability of the plan. Effective September 1, 2005, new employees will be covered by pension benefits that have been scaled back. Contribution rates from the employer and employees have been increased starting 2004 to maintain adequate funding levels.

The County currently offers to provide post employment health and life insurance benefits for all retirees. These benefits are financed on a pay-as-you-go basis. As of December 31, 2005, GAAP does not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

Awards

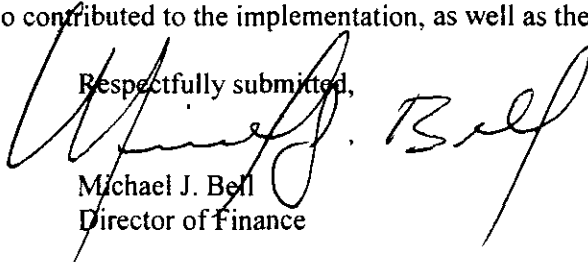
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to DeKalb County for its comprehensive annual financial report for the fiscal year ended December 31, 2004. This was the 27th consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report has been accomplished through the efficient and dedicated efforts of the entire staff of the Finance Department, particularly the Accounting Services Division, and through the cooperation of the various elected officials. The County has upgraded their Financial Management Information System to state of the art technology, integrated with numerous other systems. This was performed by the dedication of a significant number of staff. I wish to express my sincere appreciation to everyone who contributed to the implementation, as well as the preparation of this report.

Respectfully submitted,


Michael J. Bell
Director of Finance

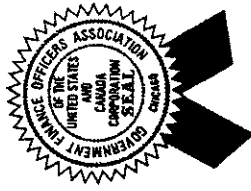
Certificate of Achievement for Excellence in Financial Reporting

Presented to

DeKalb County,
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



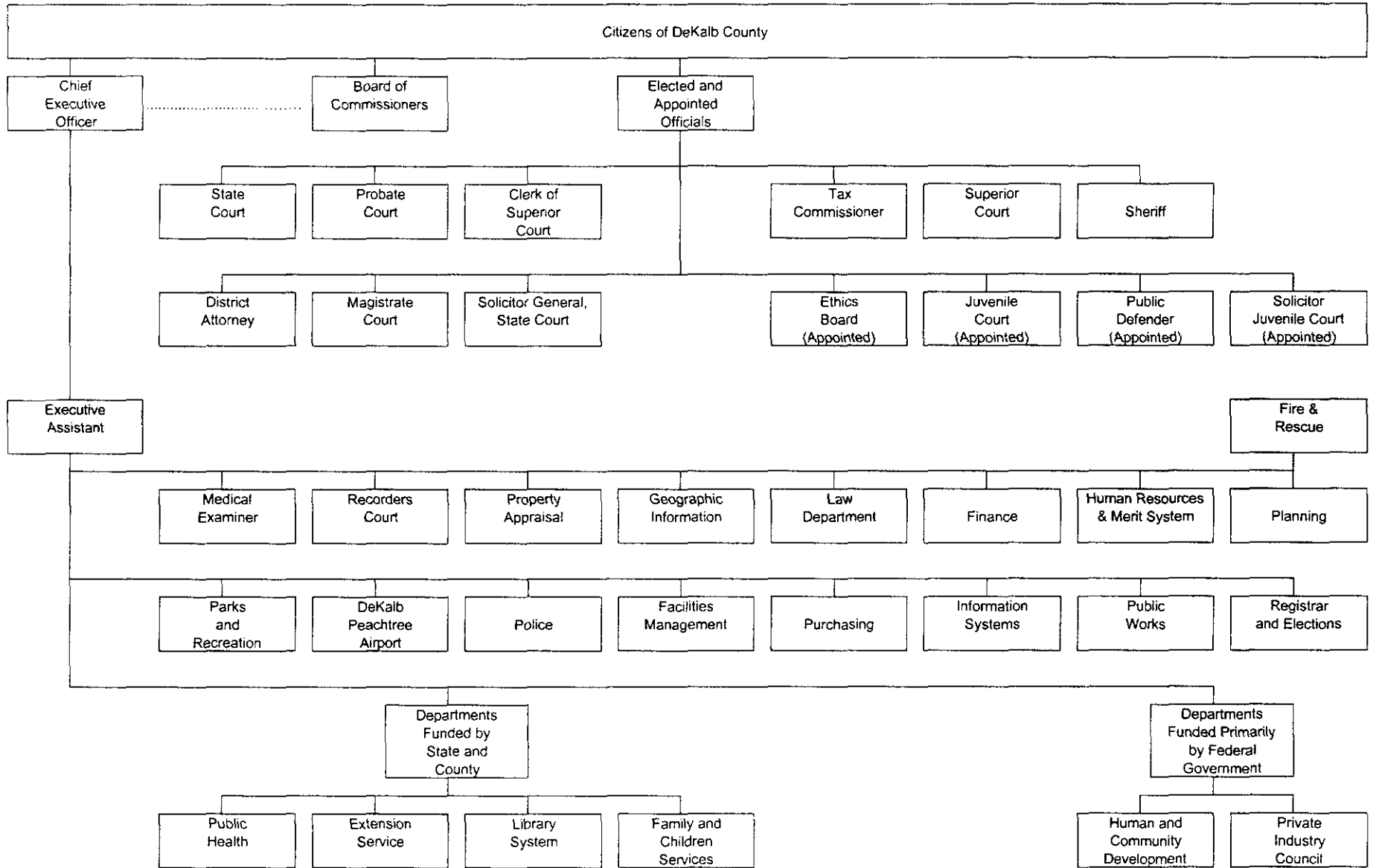
Carol E. Perry

President

Jeffrey R. Egan

Executive Director

DeKalb County Organization



DeKalb County, Georgia

Chief Executive Officer

Vernon Jones

Board of Commissioners

Elaine C. Boyer
Gale A. Walldorff
Larry Johnson
Burrell Ellis, Presiding Officer
Henry C. "Hank" Johnson, Jr.
Kathie Gannon
Connie Stokes

District One
District Two
District Three
District Four
District Five
District Six
District Seven

Executive Assistant to Chief Executive
Officer and the Board of Commissioners

Richard A. Stogner

Department of Finance

Director
Assistant Director
Deputy Director for:
 Treasury and Accounting Services
 Budget and Grants
 Internal Audit and Licensing
 Risk Management and Employee Services

Michael J. Bell
Joel I. Gottlieb

States R. Finley III
Russell W. Frankofsky
Eugene O'Mard
William R. Pickens



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
BASIC FINANCIAL STATEMENTS



KPMG LLP
Suite 2000
303 Peachtree Street, NE
Atlanta, GA 30308

Independent Auditors' Report

Chief Executive Officer and Honorable Members
of the Board of Commissioners
DeKalb County, Georgia:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of DeKalb County, Georgia (the County) as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the County. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the DeKalb County Board of Health, which represent 80% and 70%, respectively, of the assets and revenue of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the DeKalb 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of DeKalb County, Georgia as of December 31, 2005, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Special Tax District – Designated Services Fund and the Special Tax District – Unincorporated Fund for the year then ended in conformity with U.S. generally accepted accounting principles.

As discussed in note 1(c), the County adopted the provisions of Governmental Accounting Standards Board Statement No. 40, *Deposits and Investment Risk Disclosures*, during 2005.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2006 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, the schedule of funding progress, and the schedule of employer contributions on pages F2 through F11 and page F50, respectively, are not a required part of the basic financial statements, but is supplementary information required by U.S. generally accepted accounting principles. 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining nonmajor fund financial statements, and introductory and statistical sections listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

June 23, 2006

Management's Discussion and Analysis

As management of DeKalb County (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2005.

Financial Highlights

The assets of the County exceeded its liabilities at the close of the fiscal year by \$1,734,707,000 (*net assets*). Of this amount, \$150,215,000 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.

The County's total net assets increased by \$77,945,000 during 2005. \$60,367,000 of the increase was due to governmental activities with the business-type funds experiencing an increase of \$17,578,000.

As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$263,319,000 an increase of \$56,625,000 in comparison with the previous year.

At the close of the fiscal year, unreserved fund balance for the General Fund was \$23,893,000, or 10.9% of total general fund expenditures.

The County's total debt increased by \$18,060,000 (5.6%) during the current fiscal year. In July of 2005, the County entered into a supplemental lease agreement with the DeKalb Building Authority to construct and equip a Juvenile Justice Center totaling \$35,670,000. This was offset by bond retirement.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, civil and criminal court system, planning, public works, community development, parks and recreation, health and welfare, and other miscellaneous activities. The business-type

activities of the County include water and sewerage, sanitation, DeKalb-Peachtree Airport, and the stormwater utility program.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate Board of Health and the Public Library Board for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages F12-F13 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains forty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the special tax district designated services fund and the special tax district unincorporated fund, which are considered to be major funds. Data from the other thirty-seven funds are combined into a single aggregated presentation.

The basic governmental fund financial statements can be found on pages F14-F20 of this report.

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 *enterprise funds* to account for its water and sewerage system fund, sanitation fund, DeKalb Peachtree Airport fund, and stormwater utility fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its vehicle maintenance fund, vehicle replacement fund, and risk management fund. Because the risk management fund predominantly benefits governmental activities rather than business-type functions, it has been included within governmental activities in the government-wide financial statements. Because the vehicle maintenance fund and vehicle replacement fund predominantly benefit business-type functions rather than governmental, they have been included within 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. The proprietary fund financial statements provide separate information for the water and sewerage system fund and the sanitation fund. The DeKalb Peachtree Airport fund and stormwater utility fund are combined into a single aggregated presentation. Conversely, all three internal service funds are combined into a single

aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages F21-F23 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages F24-F25 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages F28-F49 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$1,734,707,000 at the close of the fiscal year.

By far the largest portion of the County's net assets (85 percent) reflects its investment in capital assets (e.g., land, buildings, infrastructure, equipment, etc.), less any related debt used to acquire those assets that is still outstanding. 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 related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

DeKalb County's Net Assets
December 31, 2005 and 2004
(In thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$354,990	\$289,508	\$243,712	\$267,741	\$598,702	\$557,249
Capital assets	977,351	940,339	1,180,471	1,145,791	2,157,822	2,086,130
Total assets	<u>1,332,341</u>	<u>1,229,847</u>	<u>1,424,183</u>	<u>1,413,532</u>	<u>2,756,524</u>	<u>2,643,379</u>
Long-term liabilities	380,607	355,413	502,152	512,032	882,759	867,445
Other liabilities	92,800	75,867	46,258	43,305	139,058	119,172
Total liabilities	<u>473,407</u>	<u>431,280</u>	<u>548,410</u>	<u>555,337</u>	<u>1,021,817</u>	<u>986,617</u>
Net assets:						
Capital assets, net of related debt	762,138	723,385	720,427	695,273	1,482,565	1,418,658
Restricted	58,419	41,118	43,508	58,580	101,927	99,698
Unrestricted	38,377	34,064	111,838	104,342	150,215	138,406
Total net assets	<u>\$858,934</u>	<u>\$798,567</u>	<u>\$875,773</u>	<u>\$858,195</u>	<u>\$1,734,707</u>	<u>\$1,656,762</u>

An additional portion of the County's net assets (6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$150,215,000) may be used to meet the governments' ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The government's net assets increased by \$77,945,000 during the current fiscal year. Governmental activities had an increase of \$60,367,000 while business-type activities increased by \$17,578,000.

The most significant changes between 2004 and 2005 in both governmental activities and business-type activities relate to additions to capital assets and an increase in debt predominately related to those capital assets. See more explanation of the capital asset and long-term debt activity in later sections of this analysis.

DeKalb County's Changes in Net Assets
For the Years Ended December 31, 2005 and 2004
(In thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for services	\$86,658	\$94,421	\$200,169	\$193,626	\$286,827	\$288,047
Operating grants and contributions	12,714	17,901	-	-	12,714	17,901
Capital grants and contributions	37,276	28,250	21,330	17,875	58,606	46,125
General revenues:						
Property taxes	231,516	209,783	-	-	231,516	209,783
Sales taxes	91,488	85,365	-	-	91,488	85,365
Other taxes	78,919	77,728	-	-	78,919	77,728
Grants not restricted to specific programs	27,930	21,439	-	-	27,930	6,868
Other	23,997	21,139	4,526	2,286	28,523	23,425
Total revenues	590,498	556,026	226,025	213,787	816,523	769,813
Expenses:						
General government	64,812	66,013	-	-	64,812	66,013
Public safety	167,085	166,585	-	-	167,085	166,585
Civil and criminal court system	124,713	123,479	-	-	124,713	123,479
Planning	1,703	1,686	-	-	1,703	1,686
Public works	60,965	63,510	-	-	60,965	63,510
Community development	13,559	13,323	-	-	13,559	13,323
Parks and recreation	23,213	23,306	-	-	23,213	23,306
Library	12,054	11,699	-	-	12,054	11,699
Health and welfare	34,728	35,118	-	-	34,728	35,118
Miscellaneous	22,306	16,984	-	-	22,306	16,984
Interest on long-term debt	14,741	16,205	-	-	14,741	16,205
Water	-	-	55,269	53,187	55,269	53,187
Sewer	-	-	70,343	62,437	70,343	62,437
Stormwater Utility	-	-	13,319	5,038	13,319	5,038
Sanitation	-	-	56,783	44,037	56,783	44,037
Airport	-	-	2,985	2,815	2,985	2,815
Total expenses	539,879	537,908	198,699	167,514	738,578	705,422
Increase in net assets before transfers	50,619	18,118	27,326	46,273	77,945	64,391
Transfers	9,748	695	(9,748)	(695)	-	-
Increase in net assets	60,367	18,813	17,578	45,578	77,945	64,391
Net assets-beginning	798,567	779,754	858,195	812,617	1,656,762	1,592,371
Net assets-ending	\$858,934	\$798,567	\$875,773	\$858,195	\$1,734,707	\$1,656,762

Analysis of governmental activities.

Net assets of the governmental activities of the County increased by \$60,367,000 in 2005. Property taxes accounted for 39% of the governmental activities revenues, sales taxes accounted for 15%, and charges for services accounted for an additional 15%. Public safety expenses accounted for 31% of governmental activities expenses and were used for police, fire, and rescue services. The civil and criminal court system accounted for an additional 23% of the total expenses for governmental activities. General government expenses, which represented 12% of the total expenses for governmental activities, included the general administration of the County such as management of finances, information systems, human resources, and facilities management, as well as the executive and legislative functions of County government. Public works, which includes the management of roads and transportation networks of the County, accounted for 11% of the total expenses of the governmental activities.

Charges for services decreased in the areas of emergency management services and tax commissioner fees. Property taxes increased 10.4% due to an increase in the overall digest of 6 percent and a lower homestead exemption.

Analysis of business-type activities.

Charges for services accounted for 89% of business-type activities revenues. Water expenses accounted for 28% of business-type activities expenses, sewer expenses accounted for 35%, sanitation services accounted for 29%, the Stormwater Utility program incurred expenses in 2005 for 7%, and the Peachtree-DeKalb Airport accounted for 1% of expenses.

Sanitation expenses increased due to capital costs associated with the operation of the landfill and expansion of the new roll-off service. A residential recycling program was initiated in 2005.

Water & sewer metered rates were increased by 22 percent effective January 2005, but remain the lowest fees in the metropolitan area. Rates were last increased in 2002, and this recent increase supports a significant capital improvements program for the Water & Sewer Department. Operating expenses increased due to personnel expenses and cost of contracted services for expanded compliance inspections and rehabilitation of sewers.

The County adopted a Stormwater Utility Program and fee in December 2002. This program has begun to address the County's needs in the area of stormwater collection and treatment. The fee was first collected on the 2004 tax bill. Capital projects were designed and constructed starting in 2005.

Analysis of the County's Funds.

Governmental Funds

As noted earlier, the focus of the County's governmental fund statements is to provide information on near-term inflows, outflows, and balances of resources available to spend. In its general and special revenue funds, the County reported combined ending fund balances of \$68,557,000, an increase of \$20,926,000 over the prior year. Of this total fund balance for general and special revenue funds, \$55,924,000 is unreserved. Additionally, the governmental funds include the debt service and capital project funds with a total fund balance of \$194,762,000 which will be spent on outstanding debt and capital projects of the County.

At the end of the year, fund balance in the General Fund was \$31,933,000, representing an increase of \$10,532,000 from the fund balance in the prior year. The increase resulted from a reduction in expenditures and increased sales tax and property tax receipts. The fund balance of the Special Tax District - Designated Services Fund at year-end was \$9,845,000, which represented an increase of \$1,492,000 from the prior year and resulted from an increase in

transfers from the Special Tax District – Unincorporated Fund. The Special Tax District – Unincorporated Fund had a decrease in fund balance of \$1,997,000 from the prior year to end the year with a deficit of \$954,000. The decrease in fund balance was result of a higher transfer to the Special Tax District - Designated Services Fund

Proprietary Funds

The County's proprietary funds report the activities of the water and sewer, sanitation, airport and stormwater utility services within the County and report the same level of activity, with an overall increase in net assets of \$22,350,000, as the business-type activities described earlier only in greater detail. The increase in net assets was predominately in the Water & Sewerage System, which increased its net assets by \$18,347,000. The increase resulted from revenues that were generated by development fees and infrastructure contributions from developers of \$5.7 million. The Sanitation Fund's net assets increased by \$2,968,000, as revenues exceeded expenditures for the year. Revenue remained flat with expenses, primarily operating charges, increasing 29%. The Stormwater Utility Fund's assets declined \$5,854,000 after a transfer of \$9,748,000 to the Governmental Capital Improvement Program Fund to reimburse for expenses related to construction of drainage facilities. The increase in assets gained by the DeKalb Peachtree Airport Fund resulted from FAA grants of \$2,614,000 and the sale of surplus real property.

Each of the funds has charges for its services as the major source of revenue within the fund with the expenses being predominately for salaries, employee benefits, and operating services and charges. Additionally, the Water and Sewerage System has significant expenses for interest on its long-term bonds and for depreciation of the capital assets of the system.

General Fund Budgetary Highlights

Sales tax receipts increased 7.2%. Property taxes increased 10% in the General Fund in 2005 as a result of an increase in the overall digest and a lower homestead exemption. Investment income increased as interest rates steadily increased throughout the year. There were no significant changes between the original and final amended budgets. Actual results differed from the amended budget due to the following reasons. Expenses exceeded the budgeted amounts for only one department: Law Department relating to outside attorney fees for litigation.

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of year-end, amounts to \$2,157,822,000 (net of accumulated depreciation). The investment in capital assets includes land, land improvements, buildings, plants, infrastructure, vehicles and portable equipment, other equipment, leaseholds, and construction in progress. The County continued to purchase land in 2005 under the Greenspace Program. Infrastructure assets increased by \$12 million relating to roads, sidewalks and drainage improvements.

The Water & Sewer System completed the \$85 million reservoir project in 2005 giving the county a raw water storage capacity of 1 billion gallons. The system is also nearing completion of the water treatment plant valued at \$155 million. Improvements to the landfill have also been undertaken. Readers should refer to note 7 of the financial statements for more information on capital asset activity.

Capital asset balances at year-end are as follows:

Capital Assets
December 31, 2005 and 2004
(In thousands of dollars, net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$207,168	\$201,515	\$41,672	\$41,669	\$248,840	\$243,185
Land improvements	14,860	15,443	126,297	42,572	141,157	58,015
Buildings	229,675	233,700	4,991	5,323	234,666	239,024
Plants	-	-	98,165	101,310	98,165	101,310
Infrastructure	416,636	404,542	498,107	431,093	914,743	835,635
Vehicles and portable equipment	-	-	34,003	37,668	34,003	37,668
Other equipment	13,343	19,574	41,607	41,841	54,950	61,415
Leaseholds	-	-	145,367	148,843	145,367	148,843
Construction in progress	95,669	65,563	190,262	295,472	285,931	361,035
Total	\$977,351	\$940,337	\$1,180,471	\$1,145,791	\$2,157,822	\$2,086,130

Debt Administration

DeKalb County's financial condition is demonstrated by the current ratings of its bonds as of year-end:

	Moody's Investors Service	Standard and Poors
General Obligation	Aaa	AA*
Refunded General Obligation	Aaa	AAA
Water and Sewerage System Revenue	Aa2	AA
Refunded Water and Sewerage Revenue	Aaa	AAA
Certificates of Participation	Aa1	AA

*Standard & Poor's upgraded the County's General Obligation debt to AAA in early 2006.

Outstanding Debt at Year End
(In thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
General obligation bonds	\$218,865	\$234,500	-	-	\$218,865	\$234,500
Certificates of participation	24,040	24,525	-	-	24,040	24,525
Revenue bonds	98,600	64,420	\$490,900	\$497,815	589,500	562,235
Total	\$341,505	\$323,445	\$490,900	\$497,815	\$832,405	\$821,260

Since 2001, the County's General Obligation debt has been rated by Moody's as Aaa. Standard & Poor's upgraded the County's General Obligation debt to AAA in 2006.

On a budget basis, \$15,635,000 of general obligation bonds were retired during the year. The County's gross principal amount, less debt retirement funds available on general obligation debt at year-end was \$203,187,000. The constitutional debt limit for general obligation bonds is 10% of the assessed value of taxable property within the County. Based on current gross assessed property values of \$23,540,000,000 the County's net outstanding debt of \$203,187,000 represented only 0.86% of gross assessed property values.

In terms of bonded debt per capita, the net direct general obligation debt outstanding at year-end represented \$290.06 per capita compared to \$318.44 in the previous year. Total direct and overlapping debt applicable to the County at year-end was \$283,615,000 or \$404.88 per capita. This compares to last year's amount of \$438.33. Details of direct and overlapping debt and legal debt margin are contained in the Statistical Section of this report.

Readers should refer to note 8 of the financial statements for more information on long-term debt activity. The DeKalb Building Authority issued \$35,670,000 in revenue bonds, on behalf of the County, to construct and equip a Juvenile Justice Center. The County will make lease payments to the DeKalb Building Authority.

Economic Factors and Next Year's Budgets and Rates

In accordance with the Homestead Option Sales Tax legislation, the County may allocate up to 20 percent of the previous year's receipts to capital outlay projects. The 2005 Budget adopted by the County provided for the use of 20 percent, or \$16.75 million for capital outlay projects. As a result of the growth in the number and value of homesteads, the Homestead Exemption in 2005 decreased to 54.64 percent from 59.07 percent.

Primarily due to historically low home mortgage interest rates, the number of homestead properties in the County has increased from 125,000 in 1999 to 147,447 in 2005, or an increase of 18 percent. Population has increased from 610,000 in 1999 to 700,500 in 2005. This increase has impacted the need for services, especially, in the areas of public safety and the business-type activities (sanitation and water & sewer).

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Director, 1300 Commerce Drive, Decatur, GA 30030, 404-371-2741.

DeKalb County, Georgia
Statement of Net Assets
December 31, 2005
(in thousands of dollars)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 276,443	\$ 107,405	\$ 383,848	\$ 2,951
Investments	-	-	-	710
Accounts receivable (net)	5,176	20,308	25,484	1,374
Taxes receivable (net)	51,446	-	51,446	-
Due from other governments	10,548	1,664	12,212	1,607
Due from others	8,733	-	8,733	-
Inventories and prepaid items	551	3,983	4,534	70
Deferred bond issuance costs	2,093	9,602	11,695	-
Restricted assets:				
Cash and cash equivalents	-	100,750	100,750	399
Capital assets not being depreciated	302,837	231,934	534,771	-
Capital assets net of accumulated depreciation	674,514	948,537	1,623,051	1,625
Total assets	<u>1,332,341</u>	<u>1,424,183</u>	<u>2,756,524</u>	<u>8,736</u>
LIABILITIES				
Accounts payable	14,341	12,711	27,052	172
Accrued interest payable	3,665	-	3,665	-
Other accrued liabilities	11,230	2,797	14,027	-
Advanced payments and deposits	2,635	237	2,872	-
Due to other governments	684	2,795	3,479	1,217
Due to other funds	7,841	-	7,841	-
Due to others	1,076	-	1,076	-
Unearned revenue	2,186	-	2,186	94
Liabilities payable from restricted assets:				
Accrued interest on revenue bonds	-	6,094	6,094	-
Due to others	-	10,028	10,028	-
Noncurrent liabilities:				
Due within one year	49,142	11,596	60,738	322
Due in more than one year	380,607	502,152	882,759	1,270
Total liabilities	<u>473,407</u>	<u>548,410</u>	<u>1,021,817</u>	<u>3,075</u>
NET ASSETS				
Invested in capital assets, net of related debt	762,138	720,427	1,482,565	1,594
Restricted for debt service	12,246	7,747	19,993	-
Restricted for grants	166	-	166	399
Restricted for capital projects	46,007	35,761	81,768	-
Unrestricted	38,377	111,838	150,215	3,668
Total net assets	<u>\$ 858,934</u>	<u>\$ 875,773</u>	<u>\$ 1,734,707</u>	<u>\$ 5,661</u>

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

DeKalb County, Georgia
Statement of Activities
For the Year Ended December 31, 2005
(in thousands of dollars)

Functions / Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 64,812	\$ 11,432	\$ -	\$ -	\$ (53,380)	\$ -	\$ (53,380)	\$ -
Public safety	167,085	20,995	3,975	-	(142,115)	-	(142,115)	-
Civil and criminal court system	124,713	34,280	904	-	(89,529)	-	(89,529)	-
Planning	1,703	190	-	-	(1,513)	-	(1,513)	-
Public works	60,965	16,338	-	36,348	(8,279)	-	(8,279)	-
Community development	13,559	-	5,204	-	(8,355)	-	(8,355)	-
Parks and recreation	23,213	3,323	-	928	(18,962)	-	(18,962)	-
Library	12,054	-	-	-	(12,054)	-	(12,054)	-
Health and welfare	34,728	100	2,631	-	(31,997)	-	(31,997)	-
Bond issuance expense	624	-	-	-	(624)	-	(624)	-
Non-departmental	21,682	-	-	-	(21,682)	-	(21,682)	-
Interest on long-term debt	14,741	-	-	-	(14,741)	-	(14,741)	-
Total governmental activities	539,879	86,658	12,714	37,276	(403,231)	-	(403,231)	-
Business-type activities:								
Water	55,269	52,792	-	7,902	-	5,425	5,425	-
Sewer	70,343	67,190	-	10,058	-	6,905	6,905	-
Sanitation	56,783	57,067	-	-	-	284	284	-
DeKalb Peachtree Airport	2,985	6,247	-	3,370	-	6,632	6,632	-
Stormwater Utility	13,319	16,873	-	-	-	3,554	3,554	-
Total business-type activities	198,699	200,169	-	21,330	-	22,800	22,800	-
Total primary government	738,578	286,827	12,714	58,606	(403,231)	22,800	(380,431)	-
Component units:								
Board of health	30,752	6,807	17,577	-	-	-	-	(6,368)
Public library board	12,982	720	61	-	-	-	-	(12,201)
Total component units	\$ 43,734	\$ 7,527	\$ 17,638	\$ -	-	-	-	(18,569)
General revenues:								
Sales tax					91,488	-	91,488	-
Property tax					231,516	-	231,516	-
Motor vehicle tax					20,817	-	20,817	-
Hotel / motel tax					6,446	-	6,446	-
Alcoholic beverage tax					4,268	-	4,268	-
Insurance premium tax					27,786	-	27,786	-
Business license tax					19,602	-	19,602	-
Payments from primary government					-	-	-	16,189
Unrestricted investment earnings					6,048	4,526	10,574	24
Grants not restricted to specific purpose					27,930	-	27,930	906
Fees / other					17,949	-	17,949	366
Transfers					9,748	(9,748)	-	-
Total general revenues and transfers					463,598	(5,222)	458,376	17,485
Change in net assets					60,367	17,578	77,945	(1,084)
Net assets - beginning					798,567	858,195	1,656,762	6,745
Net assets - ending					\$ 858,934	\$ 875,773	\$ 1,734,707	\$ 5,661

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

DeKalb County, Georgia
 Governmental Funds
 Balance Sheet
 December 31, 2005
 (in thousands of dollars)

	Special Tax				Total Governmental Funds
	General	District - Designated Services	Special Tax District - Unincorporated	Other Governmental Funds	
ASSETS					
Cash and cash equivalents	\$ 28,249	\$ 11,829	\$ 1	\$ 222,863	\$ 262,942
Taxes receivable (net)	14,529	1,629	29,005	6,283	51,446
Accounts receivable (net)	4,243	2	-	931	5,176
Due from other governments	-	-	-	10,548	10,548
Due from other funds	8,319	1,490	-	-	9,809
Inventories and prepaid items	9	-	-	-	9
Total assets	<u>55,349</u>	<u>14,950</u>	<u>29,006</u>	<u>240,625</u>	<u>339,930</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts and contracts payable	5,518	1,332	385	5,513	12,748
Other accrued liabilities	6,425	2,924	139	1,742	11,230
Advance payments and deposits	423	-	1,761	451	2,635
Due to other governments	-	-	684	-	684
Due to other funds	-	-	1,490	7,427	8,917
Due to others	435	-	-	641	1,076
Deferred revenue	10,615	849	25,501	2,356	39,321
Total liabilities	<u>23,416</u>	<u>5,105</u>	<u>29,960</u>	<u>18,130</u>	<u>76,611</u>
Fund balances:					
Reserved for encumbrances	8,031	3,189	54	34,550	45,824
Reserved for inventories and prepaid items	9	-	-	-	9
Unreserved, reported in:					
General fund	23,893	-	-	-	23,893
Special revenue funds	-	6,656	(1,008)	26,383	32,031
Debt service funds	-	-	-	15,911	15,911
Capital projects funds	-	-	-	145,651	145,651
Total fund balances (deficit)	<u>31,933</u>	<u>9,845</u>	<u>(954)</u>	<u>222,495</u>	<u>263,319</u>
Total liabilities and fund balances	<u>\$ 55,349</u>	<u>\$ 14,950</u>	<u>\$ 29,006</u>	<u>\$ 240,625</u>	<u>\$ 339,930</u>

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

DeKalb County, Georgia
 Reconciliation of the Governmental Funds Balance Sheet
 To the Statement of Net Assets
 (in thousands of dollars)

December 31, 2005

Total fund balances for governmental funds \$ 263,319

Total net assets reported for governmental activities in the Statement of Net Assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 977,351

An internal service fund is used by management to charge the costs of risk management to individual funds. The assets and liabilities of the risk management fund have been allocated to the governmental activities on the Statement of Net Assets. 727

Some of the County's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds. 37,135

Deferred bond issuance cost is not recognized as an asset in the governmental funds. 2,093

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the Statement of Net Assets.

Accrued interest on bonds	\$	(3,665)	
Contractual obligations payable		(6,552)	
Certificates of participation payable		(24,040)	
GO bonds payable		(218,865)	
Revenue bonds payable		(98,600)	
Unamortized premium on bonds payable		(6,184)	
Deferred loss on debt refunding		3,806	
Claims and judgments not accounted for in the internal service funds		(5,155)	
Net pension obligation		(31,957)	
Compensated absences		(30,479)	
Total long-term liabilities		(421,691)	(421,691)

Total net assets of governmental activities \$ 858,934

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

DeKalb County, Georgia
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2005
(in thousands of dollars)

<u>REVENUES</u>	General	Special Tax District - Designated Services	Special Tax District - Unincorporated	Other Governmental Funds	Total Governmental Funds
Taxes	\$ 182,898	\$ 38,761	\$ 55,882	\$ 103,486	\$ 381,027
Licenses and permits	167	698	19,795	10,097	30,757
Use of money and property	1,354	192	174	6,355	8,075
Intergovernmental	12,663	2,736	-	47,658	63,057
Fines and forfeitures	15,414	-	13,751	2,264	31,429
Charges for services	22,980	2,532	-	16,955	42,467
Miscellaneous	3,926	424	-	2,946	7,296
Total revenues	<u>239,402</u>	<u>45,343</u>	<u>89,602</u>	<u>189,761</u>	<u>564,108</u>
 <u>EXPENDITURES</u>					
Current:					
General government	50,710	-	1,255	6,384	58,349
Public safety	16,335	79,202	1,062	59,318	155,917
Civil and criminal court system	111,514	-	3,255	1,159	115,928
Planning	1,053	-	635	-	1,688
Public works	376	24,770	-	15,023	40,169
Community development	-	-	-	13,457	13,457
Parks and recreation	-	17,148	-	1,783	18,931
Library	11,446	-	-	-	11,446
Health and welfare	10,632	-	-	23,495	34,127
Miscellaneous	13,007	4,234	178	3,347	20,766
Debt service	3,235	-	-	29,040	32,275
Bonds issuance costs	-	-	-	624	624
Capital outlay:					
General government	-	-	-	4,167	4,167
Public safety	-	-	-	2,461	2,461
Civil and criminal court system	-	-	-	8,245	8,245
Public works	-	-	-	23,545	23,545
Parks and recreation	-	-	-	13,004	13,004
Health and welfare	-	-	-	55	55
Total expenditures	<u>218,308</u>	<u>125,354</u>	<u>6,385</u>	<u>205,107</u>	<u>555,154</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21,094</u>	<u>(80,011)</u>	<u>83,217</u>	<u>(15,346)</u>	<u>8,954</u>
 <u>OTHER FINANCING SOURCES (USES)</u>					
Issuance of debt	-	-	-	35,670	35,670
Premium on bond issuance	-	-	-	637	637
Contractual purchase obligations	-	-	-	1,616	1,616
Transfers in	9,826	85,214	-	38,098	133,138
Transfers out	(20,388)	(3,711)	(85,214)	(14,077)	(123,390)
Total other financing sources (uses)	<u>(10,562)</u>	<u>81,503</u>	<u>(85,214)</u>	<u>61,944</u>	<u>47,671</u>
Net change in fund balance	10,532	1,492	(1,997)	46,598	56,625
Fund balance - beginning	21,401	8,353	1,043	175,897	206,694
Fund balance (deficit) - ending	<u>\$ 31,933</u>	<u>\$ 9,845</u>	<u>\$ (954)</u>	<u>\$ 222,495</u>	<u>\$ 263,319</u>

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

DeKalb 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, 2005
 (amounts expressed in thousands)

Net change in fund balance - Total Governmental Funds \$ 56,625

The change in net assets reported for governmental activities in the Statement of Activities is 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 and reported as depreciation expense. This is the amount by which capital outlays (\$58,155 net of \$10,944 that was not capitalized due to capitalization thresholds) and donated infrastructure assets (\$17,850) exceeded depreciation (\$27,425) in the current period: 37,636

Bond proceeds are reported as financing sources in governmental funds and thus contribute 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. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Assets. This adjustment combines the net changes of the following:

Bond sales	\$ (35,670)	
Premium on bond sales	(637)	
Repayments of bonds	17,610	
Amortization of bond issuance expense	(178)	
Amortization of premium on bond sales	731	
Amortization of loss on bond refunding	<u>(532)</u>	(18,676)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes of the following:

Net pension obligation	\$ (19,622)	
Claims and judgments	(5,155)	
Compensated absences	(4,363)	
Capital leases	1,741	
Accrued interest on bonds	<u>(141)</u>	(27,540)

Deferred revenue in governmental funds is susceptible to full accrual on the Statement of Activities. 6,924

An internal service fund is used by management to charge the costs of risk management to individual funds. The net revenue of the risk management fund is reported with governmental activities. 5,398

Change in net assets of governmental activities \$ 60,367

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

DeKalb County, Georgia
General Fund

F18

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2005
Non-GAAP Budget Basis (in thousands of dollars)

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues:				
Property taxes	\$ 122,954	\$ 124,546	\$ 130,796	\$ 6,250
Sales taxes	51,900	51,900	43,152	(8,748)
Other taxes	5,550	5,550	5,623	73
Licenses and permits	175	175	167	(8)
Intergovernmental	13,382	13,382	12,663	(719)
Charges for services	25,723	25,683	22,577	(3,106)
Fines and forfeitures	14,635	14,635	15,412	777
Investment income	250	250	1,150	900
Miscellaneous	3,090	3,014	2,379	(635)
Total revenues	237,659	239,135	233,919	(5,216)
Expenditures:				
Current:				
General government:				
Chief executive officer	1,853	1,890	1,789	(101)
Board of commissioners	1,281	1,281	1,112	(169)
Law department	2,969	3,294	3,804	510
Ethics	2	2	-	(2)
Geographic information system	1,996	1,996	1,472	(524)
Facilities management	14,719	14,719	13,145	(1,574)
Purchasing	3,520	3,520	3,284	(236)
Human resources and merit system	3,751	3,751	2,444	(1,307)
Office of information systems	12,386	12,386	8,861	(3,525)
Finance	6,261	6,344	5,274	(1,070)
Property appraisal and assessments	4,861	4,861	4,208	(653)
Tax commissioner	6,532	6,547	6,247	(300)
Registrar and elections	2,296	2,589	2,093	(496)
Total general government	62,427	63,180	53,733	(9,447)
Public safety:				
Administration and communications	5,537	5,541	1,636	(3,905)
Animal control	2,250	2,246	2,037	(209)
Police	763	763	680	(83)
Fire and rescue services	16,610	16,610	14,619	(1,991)
Total public safety	25,160	25,160	18,972	(6,188)
Civil and criminal court system:				
Sheriff	65,506	65,811	61,657	(4,154)
Juvenile court	6,114	6,049	5,382	(667)
Superior court	7,420	7,720	7,123	(597)
Clerk superior court	5,010	5,010	4,296	(714)
State court	10,878	10,873	9,960	(913)
Solicitor state court	4,174	4,174	3,519	(655)
District attorney	9,246	9,310	8,734	(576)
Child advocate	727	727	616	(111)
Probate Court	1,584	1,584	1,505	(79)
Medical examiner	2,149	2,149	2,128	(21)
Public defender	6,617	6,617	5,617	(1,000)
Magistrate court	2,219	2,219	1,935	(284)
Total civil and criminal court system	121,644	122,243	112,472	(9,771)

(continued)

DeKalb County, Georgia
 General Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 2005
 Non-GAAP Budget Basis (in thousands of dollars)
 (continued)

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
Expenditures (continued):				
Current (continued):				
Planning	\$ 1,268	\$ 1,268	\$ 1,120	\$ (148)
Public works:				
Administration	465	465	391	(74)
Economic development	1,079	1,079	1,019	(60)
Total public works	1,544	1,544	1,410	(134)
Library system	11,907	11,907	11,430	(477)
Health and welfare:				
Public health	5,297	5,347	5,319	(28)
Community service board	2,194	2,194	2,194	-
Human and community development	1,428	1,428	1,197	(231)
Family and children services	2,063	2,063	1,956	(107)
Total health and welfare	10,982	11,032	10,666	(366)
Miscellaneous:				
Cooperative extension	1,043	1,043	925	(118)
Non-departmental	26,375	26,247	12,700	(13,547)
Total miscellaneous	27,418	27,290	13,625	(13,665)
Total expenditures	262,350	263,624	223,428	(40,196)
Excess (deficiency) of revenues over expenditures	(24,691)	(24,489)	10,491	34,980
Other financing sources (uses):				
Transfers in	13,737	13,737	9,826	(3,911)
Transfers out	(19,142)	(19,142)	(20,388)	(1,246)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(30,096)	(29,894)	(71)	29,823
Fund balance, beginning of year	30,096	29,894	29,894	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,823</u>	<u>\$ 29,823</u>

Explanation of differences between budget and GAAP:

Deficiency of revenues and other sources over expenditures and other uses - budget basis	(71)
Differences - budget to GAAP:	
Due to revenues:	
Accrued receivables 12-31-2004	(8,260)
Accrued receivables 12-31-2005	13,329
Deferred revenues 12-31-2004	3,302
Deferred revenues 12-31-2005	(2,887)
Due to expenditures:	
Accrued payables 12-31-2004	13,451
Accrued payables 12-31-2005	(8,332)
Net change in fund balance - GAAP basis	<u>\$ 10,532</u>

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

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

For the Year Ended December 31, 2005
 Non-GAAP Budget Basis (in thousands of dollars)

	Major Special Revenue Funds Special Tax District - Designated Services				Major Special Revenue Funds Special Tax District - Unincorporated			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues:								
Property taxes	\$ 46,593	\$ 47,059	\$ 36,808	\$ (10,251)	\$ -	\$ -	\$ -	\$ -
Sales taxes	1,203	1,203	1,798	595	14,626	14,626	22,475	7,849
Other taxes	-	-	-	-	32,258	32,258	34,556	2,298
Licenses and permits	675	675	698	23	20,000	20,000	19,795	(205)
Intergovernmental	2,961	2,962	2,736	(226)	-	-	-	-
Charges for services	3,153	3,153	2,532	(621)	-	-	-	-
Fines and forfeitures	-	-	-	-	14,418	14,411	13,751	(660)
Investment income	13	13	118	105	15	23	173	150
Miscellaneous	127	127	425	298	-	-	-	-
Total revenues	54,725	55,192	45,115	(10,077)	81,317	81,318	90,750	9,432
Expenditures:								
Current:								
General government								
Chief executive officer	-	-	-	-	164	164	164	-
Finance	-	-	-	-	1,149	1,149	1,094	(55)
Total general government	-	-	-	-	1,313	1,313	1,258	(55)
Public safety:								
Police	87,963	84,369	79,599	(4,770)	-	-	-	-
Code enforcement	-	-	-	-	1,412	1,412	1,086	(326)
Total public safety	87,963	84,369	79,599	(4,770)	1,412	1,412	1,086	(326)
Civil and criminal court system - recorders court	-	-	-	-	3,284	3,284	2,928	(356)
Planning	-	-	-	-	788	788	638	(150)
Public works:								
Transportation	4,894	4,828	4,029	(799)	-	-	-	-
Roads and drainage	25,869	26,128	21,822	(4,306)	-	-	-	-
Total public works	30,763	30,956	25,851	(5,105)	-	-	-	-
Parks and recreation	19,600	19,600	17,408	(2,192)	-	-	-	-
Arts, culture, and entertainment	984	984	811	(173)	-	-	-	-
Miscellaneous	3,610	3,610	3,580	(30)	182	182	178	(4)
Total expenditures	142,920	139,519	127,249	(12,270)	6,979	6,979	6,088	(891)
Excess (deficiency) of revenues over expenditures	(88,195)	(84,327)	(82,134)	2,193	74,338	74,339	84,662	10,323
Other financing sources (uses):								
Transfers in	74,898	74,898	85,214	10,316	-	-	-	-
Transfers out	-	(3,665)	(3,711)	(46)	(74,898)	(74,898)	(85,214)	(10,316)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(13,297)	(13,094)	(631)	12,463	(560)	(559)	(552)	7
Fund balance, beginning of year	13,297	13,094	13,094	-	560	559	552	(7)
Fund balance, end of year	\$ -	\$ -	\$ 12,463	\$ 12,463	\$ -	\$ -	\$ -	\$ -
Explanation of differences between budget and GAAP:								
Deficiency of revenues and other sources over expenditures and other uses - budget basis			(631)				(552)	
Differences - budget to GAAP:								
Due to revenues:								
Accrued receivables 12-31-2004			(1,505)				(24,544)	
Accrued receivables 12-31-2005			1,476				25,017	
Deferred revenues 12-31-2004			1,106				23,881	
Deferred revenues 12-31-2005			(849)				(25,501)	
Due to expenditures:								
Accrued payables 12-31-2004			5,140				172	
Accrued payables 12-31-2005			(3,245)				(470)	
Net change in fund balance - GAAP basis			\$ 1,492				\$ (1,997)	

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

DeKalb County, Georgia
Proprietary Funds Statement of Net Assets
December 31, 2005
(in thousands of dollars)

<u>ASSETS</u>	Water and Sewerage System	Sanitation	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Current assets:					
Cash and cash equivalents	\$ 7,501	\$ 38,118	\$ 10,642	\$ 56,261	\$ 64,645
Accounts receivable (net)	17,059	2,069	1,180	20,308	-
Due from other governments	442	-	1,222	1,664	-
Inventories and prepaid items	2,412	-	-	2,412	2,113
Restricted:					
Cash and cash equivalents	100,750	-	-	100,750	-
Total current assets	128,164	40,187	13,044	181,395	66,758
Noncurrent assets:					
Deferred bond issuance costs	9,602	-	-	9,602	-
Capital assets (net)	1,051,576	44,401	49,013	1,144,990	35,481
Total noncurrent assets	1,061,178	44,401	49,013	1,154,592	35,481
Total assets	1,189,342	84,588	62,057	1,335,987	102,239
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	3,925	2,487	692	7,104	7,200
Claims and judgments payable, current portion	-	-	-	-	7,575
Obligation under capital leases, current portion	-	-	-	-	2,366
Other accrued liabilities	1,737	758	41	2,536	261
Advance payments and deposits	230	-	7	237	-
Due to other governments	2,795	-	-	2,795	-
Payable from restricted assets:					
Revenue bonds payable, current portion	7,315	-	-	7,315	-
Accrued interest on revenue bonds	6,094	-	-	6,094	-
Due to others	10,028	-	-	10,028	-
Total current liabilities	32,124	3,245	740	36,109	17,402
Noncurrent liabilities:					
Claims and judgments payable, long term portion	-	-	-	-	4,148
Landfill closure and postclosure cost	-	12,412	-	12,412	-
Obligation under capital leases, long term portion	-	-	-	-	3,136
Compensated absences payable	3,007	1,757	90	4,854	633
Revenue bonds payable, long term portion	483,585	-	-	483,585	-
Unamortized premium on bonds payable	7,166	-	-	7,166	-
Deferred loss on debt refunding	(7,719)	-	-	(7,719)	-
Total noncurrent liabilities	486,039	14,169	90	500,298	7,917
Total liabilities	518,163	17,414	830	536,407	25,319
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt	596,437	44,401	49,013	689,851	30,258
Restricted for debt service	7,747	-	-	7,747	-
Restricted for capital projects	35,761	-	-	35,761	-
Unrestricted	31,234	22,773	12,214	66,221	46,662
Total net assets	\$ 671,179	\$ 67,174	\$ 61,227	799,580	\$ 76,920
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				76,193	
Net assets of business-type activities				\$ 875,773	

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

Proprietary Funds

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

For the Year Ended December 31, 2005

(In thousands of dollars)

	Water and Sewerage System	Sanitation	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<i>Operating revenues:</i>					
Metered sales	\$ 106,241	\$ -	\$ -	\$ 106,241	\$ -
Collection and disposal fees	-	56,127	-	56,127	-
Rental fees	-	-	3,631	3,631	-
Intergovernmental	-	-	2,614	2,614	193
Charges for services	-	-	16,873	16,873	119,126
Miscellaneous	13,741	940	2	14,683	403
Total operating revenues	119,982	57,067	23,120	200,169	119,722
<i>Operating expenses:</i>					
Salaries and employee benefits	37,426	24,486	1,170	63,082	7,790
Supplies	13,539	1,318	2,846	17,703	15,160
Operating services and charges	23,013	26,603	11,702	61,318	71,250
Leasehold operating expenses	11,277	-	-	11,277	-
Miscellaneous	1,163	797	-	1,960	500
Depreciation and amortization	26,110	2,117	509	28,736	18,931
Labor, overhead, and vehicle charges capitalized	(5,454)	-	-	(5,454)	-
Total operating expenses	107,074	55,321	16,227	178,622	113,631
Operating income	12,908	1,746	6,893	21,547	6,091
<i>Nonoperating revenues (expenses)</i>					
Interest income	2,784	1,222	520	4,526	1,388
Interest expense	(15,305)	-	-	(15,305)	(146)
Loss on sale of capital assets	-	-	-	-	(6,707)
Income before capital donations and transfers	387	2,968	7,413	10,768	626
Capital donations	17,960	-	3,370	21,330	-
Transfers out	-	-	(9,748)	(9,748)	-
Change in net assets	18,347	2,968	1,035	22,350	626
Net assets - beginning	652,832	64,206	60,192		76,294
Net assets - ending	\$ 671,179	\$ 67,174	\$ 61,227		\$ 76,920
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(4,772)	
Change in net assets of business-type activities				\$ 17,578	

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

DeKalb County, Georgia
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2005
(In thousands of dollars)

	Water and Sewerage System	Sanitation	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:					
Cash received from customers	\$ 120,058	\$ 56,956	\$ 20,184	\$ 197,198	\$ 119,619
Cash payments to suppliers for goods and services	(42,507)	(30,102)	(15,175)	(87,784)	(87,492)
Cash payments to employees for services	(37,193)	(24,256)	(1,172)	(62,621)	(7,790)
Other operating revenues	13,759	1,159	1,853	16,771	-
Net cash provided by operating activities	<u>54,117</u>	<u>3,757</u>	<u>5,690</u>	<u>63,564</u>	<u>24,337</u>
Cash flows from noncapital financing activities:					
Transfers to other funds	-	-	(9,748)	(9,748)	-
Net cash provided (required) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>(9,748)</u>	<u>(9,748)</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(43,767)	(9,302)	(3,354)	(56,423)	(14,772)
Proceeds from sale of capital assets	-	-	-	-	1,159
Principal and interest paid on revenue bonds	(32,111)	-	-	(32,111)	-
Payments on leases	-	-	-	-	(2,466)
Decrease in escrow deposits	(277)	-	-	(277)	-
Capital donations	12,352	-	3,370	15,722	(71)
Net cash required by capital and related financing activities	<u>(63,803)</u>	<u>(9,302)</u>	<u>16</u>	<u>(73,089)</u>	<u>(16,150)</u>
Cash flows from investing activities:					
Interest on investments	2,684	1,222	498	4,404	1,388
Net cash provided by investing activities	<u>2,684</u>	<u>1,222</u>	<u>498</u>	<u>4,404</u>	<u>1,388</u>
Net increase (decrease) in cash and cash equivalents	(7,002)	(4,323)	(3,544)	(14,869)	9,575
Cash and cash equivalents at beginning of year	115,253	42,441	14,186	171,880	55,070
Cash and cash equivalents at end of year	<u>108,251</u>	<u>38,118</u>	<u>10,642</u>	<u>157,011</u>	<u>64,645</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	12,908	1,746	6,893	21,547	6,091
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	26,110	2,117	509	28,736	18,931
Change in assets and liabilities:					
(Increase) decrease in receivables	13,835	1,173	(839)	14,169	-
(Increase) decrease in inventories	60	-	-	60	(525)
Increase (decrease) in payables	1,151	(1,280)	(875)	(1,004)	(174)
Increase (decrease) in other liabilities	15	1	2	18	14
Increase (decrease) in advance deposits	38	-	-	38	-
Net cash provided by operating activities	<u>54,117</u>	<u>3,757</u>	<u>5,690</u>	<u>63,564</u>	<u>24,337</u>
Noncash capital donations	<u>\$ 5,608</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,608</u>	<u>\$ -</u>

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

DeKalb County, Georgia
 Fiduciary Funds
 Statement of Fiduciary Net Assets
 December 31, 2005
 (in thousands of dollars)

	General Employees' Pension	Agency Funds
	<u> </u>	<u> </u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 105,482	\$ 50,246
Investments:		-
US government securities	152,180	-
Collateralized mortgage obligations	43,018	-
Corporate bonds	103,509	-
Corporate stocks	720,402	-
Accrued interest receivable	2,271	-
Taxes receivable	-	29,947
Total assets	<u>1,126,862</u>	<u>80,193</u>
<u>LIABILITIES</u>		
Accounts payable	626	-
Due to other funds	892	-
Due to others	123	80,193
Total liabilities	<u>1,641</u>	<u>\$ 80,193</u>
<u>NET ASSETS</u>		
Held in trust for pension benefits and other purposes (see Note 1A of Required Supplemental Information)	<u>\$ 1,125,221</u>	

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

DeKalb County, Georgia

Fiduciary Funds

Statement of Changes in Fiduciary Net Assets

For the Year Ended December 31, 2005
(in thousands of dollars)

	General Employees' Pension
Additions:	
Contributions:	
Employer	\$ 7,355
Employee	3,761
Other	141
Total contributions	<u>11,257</u>
Investment earnings:	
Dividends and interest	25,235
Net increase in fair market value of investments	<u>21,211</u>
Total investment earnings	46,446
Less investment expense	<u>(4,416)</u>
Net investment earnings	<u>42,030</u>
Total additions	<u>53,287</u>
Deductions:	
Benefit payments	60,083
Refunds of contributions	291
Administrative expenses	331
Total deductions	<u>60,705</u>
Change in net assets	(7,418)
Net assets, beginning of year	<u>1,132,639</u>
Net assets, end of year	<u>\$ 1,125,221</u>

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

DeKalb County, Georgia

Component Units

Statement of Net Assets

December 31, 2005

(In thousands of dollars)

	Board of Health	Public Library Board	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,440	\$ 511	\$ 2,951
Cash and cash equivalents, restricted	399	-	399
Investments	-	710	710
Accounts receivable (net)	1,288	86	1,374
Due from other governments	1,607	-	1,607
Prepaid items	70	-	70
Capital assets (net)	1,192	433	1,625
Total assets	<u>6,996</u>	<u>1,740</u>	<u>8,736</u>
<u>LIABILITIES</u>			
Accounts and contracts payable	54	118	172
Due to other governments	1,217	-	1,217
Deferred revenue	94	-	94
Noncurrent liabilities:			
Due within one year	304	18	322
Due in more than one year	1,217	53	1,270
Total liabilities	<u>2,886</u>	<u>189</u>	<u>3,075</u>
<u>NET ASSETS</u>			
Invested in capital assets (net of related debt)	1,192	402	1,594
Restricted	399	-	399
Unrestricted	2,519	1,149	3,668
Total net assets	<u>\$ 4,110</u>	<u>\$ 1,551</u>	<u>\$ 5,661</u>

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

DeKalb County, Georgia

Component Units

Statement of Activities

Year Ended December 31, 2005

(In thousands of dollars)

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for	Operating Grants	Board of	Public	Total
		Services	and Contributions	Health	Library Board	
Board of Health	\$ 30,752	\$ 6,807	\$ 17,577	\$ (6,368)	\$ -	\$ (6,368)
Public Library Board	12,982	720	61	-	(12,201)	(12,201)
Total component units	<u>\$ 43,734</u>	<u>\$ 7,527</u>	<u>\$ 17,638</u>	<u>(6,368)</u>	<u>(12,201)</u>	<u>(18,569)</u>
General revenues:						
				-	906	906
				5,146	11,043	16,189
				-	24	24
				173	193	366
				<u>5,319</u>	<u>12,166</u>	<u>17,485</u>
				(1,049)	(35)	(1,084)
				<u>5,159</u>	<u>1,586</u>	<u>6,745</u>
				<u>\$ 4,110</u>	<u>\$ 1,551</u>	<u>\$ 5,661</u>

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

DEKALB COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

1. Summary of Significant Accounting Policies

The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental units. The County's significant accounting policies are described below.

(A) The Financial Reporting Entity

DeKalb County, Georgia (the "County") was created by legislative act in 1822, and operates under an elected Chief Executive Officer and County Commission (seven members) form of government. As required by GAAP, the financial statements of the financial reporting entity include those of DeKalb County (the primary government), and its component units. Also, the fiduciary activities of the County's pension plan and various constitutional officers, judges, and other judicial officials are included in the fiduciary funds. These include the Tax Commissioner, Sheriff, Clerk of Superior Court, State Court, State Court Probation, Juvenile Court, Probate Court, and Magistrate Court.

The component units discussed below are included in the County's financial reporting entity because of the County's financial accountability for the entities and the significance of their operational and financial relationships with the County. In conformity with GAAP, the financial statements of the DeKalb County Board of Health and the DeKalb County Public Library Board have been included as discretely presented component units. The component units column in the financial statements includes the financial data for the County's two component units, as reflected in their most recent audited financial statements. These component units are reported in a column separate from the County's financial information to emphasize that they are legally separate from the County. The following discretely presented component units are incorporated into the County's financial report:

DeKalb County Board of Health - The governing board of the Board of Health consists of seven members: The Chief Executive Officer of the County, the Superintendent of the DeKalb County Board of Education (both by virtue of their offices), three members appointed by the County Commission, and two members appointed by other jurisdictions. The County, by virtue of its appointments and the presence of the Chief Executive Officer on the board, controls a majority of the Board of Health's governing body positions. Although the County does not have the authority to approve or modify the Board of Health's operational and capital budgets, 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.

DeKalb County Public Library Board - The governing board of the Public Library Board consists of twelve members: the Chief Executive Officer of the County, the Executive Assistant to the Chief Executive Officer (both by virtue of their offices), eight members appointed by the County Commission, and two members appointed by other jurisdictions. The County, by virtue of its appointments and the presence of the Chief Executive Officer and the Executive Assistant to the Chief Executive Officer on the Board, controls a majority of Public Library Board governing body positions. Although the County does not have the authority to approve or modify the Public Library Board's operational and capital budgets, it does have the ability to control the amount of funding it provides to the Public Library Board. Such funding is significant to the overall operations of the Public Library Board.

Both component units have June 30 year-ends, consistent with the practice of most organizations receiving significant funding from the State.

Complete financial statements of the individual component units can be obtained directly from their administrative offices. Addresses for these administrative offices are as follows:

DeKalb County Board of Health
445 Winn Way Richardson Health Center
Decatur, GA 30030

DeKalb County Public Library Board
215 Sycamore Street
Decatur, GA 30030

In 2003, the County established the DeKalb County Building Authority (the "Building Authority") which is governed by a board comprised solely of members appointed by the CEO and Board of Commissioners. The Public Safety and Judicial Facilities Authority was also created in 2003, established to construct and equip County court related facilities. Although both are legally separate from the County's Board of Commissioners, these authorities are reported as if they were a part of the primary government, as blended component units, because their sole purpose is to finance and construct County public buildings. The Building Authority's funds are included as non-major debt service and capital projects funds. The Public Safety and Judicial Facilities Authority's funds are included as non-major capital projects funds. No separate financial statements are available.

The County is also responsible for appointing the members of the DeKalb County Housing Authority, but the County's accountability for the Authority does not extend beyond making the appointments.

The Fulton-DeKalb Hospital Authority is considered a joint venture with Fulton County, Georgia. The Atlanta Regional Commission is considered a joint venture with other governments of metropolitan Atlanta.

(B) Basis of presentation

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) display information about the primary government and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Administrative overhead charges are included in direct expenses for the business-type activities. Program revenues include 1) fees, fines, and charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

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 the funds principal ongoing operations. The principal operating revenues of the County's proprietary funds are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, other governmental units, and/or other funds.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

The County reports the following major governmental funds:

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Tax District Designated Services Fund accounts for operations of the County's police, roads and drainage, and recreation departments. Financing is provided by a specific annual property tax levy and operating transfers from the special tax district unincorporated fund. Such property taxes are used only to provide police, roads and drainage, and recreation services for all residents of the County not provided with these services by other municipalities.

The Special Tax District Unincorporated Fund accounts for operations of various County activities which collect revenues that are restricted for use in the unincorporated areas of the County.

The County reports the following major proprietary funds:

The Water and Sewerage System Fund accounts for the provision of water and sewer services to the residents of the County. All activities necessary to provide such services are accounted for in this fund.

The Sanitation Fund accounts for the provision of sanitation services to residents of the County. All activities necessary to provide such services are accounted for in this fund.

The County reports the following fiduciary funds:

The General Employees' Pension Fund accounts for accumulated resources for pension benefit payments to qualified County employees.

The agency funds account for the assets held by the County in a trustee capacity as an agent for individuals, governmental units, and/or other funds.

The County reports the following other fund types:

Internal service funds account for vehicle maintenance, vehicle replacement, and risk management related activities provided to other departments of the County on a cost reimbursement basis.

(C) Measurement Focus, Basis of Accounting

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. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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.

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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of grants which are recognized when all eligibility requirements have been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

All governmental and business-type activities of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The County has elected not to follow the option allowed under GASB Statement 20 and thus does not follow any FASB Statements issued after November 30, 1989.

During fiscal year 2005, the County adopted the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. This pronouncement requires additional disclosures presented in these notes, but has no impact on the County's net assets. These disclosures address common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Included as an element of interest rate risk, Statement No. 40 requires disclosures of investments that have fair values that are highly sensitive to changes in interest rates

During fiscal year 2005, the County adopted the provisions of GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. During fiscal year 2005, the County did not experience any capital asset impairment loss with respect to these provisions

(D) Budgetary Data

An operating budget is legally adopted each fiscal year for all governmental funds except capital projects funds, library fund, and alternative dispute resolution fund. The level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is the department level. Supplemental appropriations may be made annually at mid-year by the Board of Commissioners. Supplemental appropriations are also made out of the County's General Fund contingency account by the Board of Commissioners to fund unforeseen expenditures within the County's governmental funds at any time during the year. Presented final budgetary information reflects all supplemental appropriations as legally adopted by the Board of Commissioners. Individual amendments were not material in relation to the original appropriations. The Board of Commissioners must approve any department level changes to a previously adopted budget. Management may amend the budget without seeking the approval of the Board at any level below the department level.

In accordance with Georgia law, the County has project length balanced budgets for all capital projects funds.

The annual budget cycle begins in September of the preceding year when budget workbooks are distributed to each department. The County Code requires that the Chief Executive Officer of the County submit a proposed budget to the Board of Commissioners by December 15. The Chief Executive Officer and Board of Commissioners advertise and conduct public hearings on the proposed budget in adherence to local ordinance and state law and adopt a final budget prior to March 1.

The tax millage is set and tax bills are issued around July 1. A revised budget, based on fund balance carryovers and current revenue and expenditure trends, may be adopted prior to this date. Unencumbered appropriations lapse at year-end.

(E) Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the appropriation, is employed in the governmental funds.

(F) Property Taxes

Property tax billing and collection cycle dates are as follows: lien date - January 1 of each year; levy date - Fourth Tuesday in June; due dates - August 15 and November 15; and collection dates - anytime during the year.

(G) Cash, Cash Equivalents, and Investments

Cash management pools which are used essentially as demand deposit accounts and investments with maturities within 90 days of purchase are considered cash equivalents for purposes of the statement of cash flows. Investments are stated at fair value, based on quoted market prices. 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. Therefore, fair value of the County's investment in the Georgia Fund 1 is based on the price of the County's share in the pool. The Georgia Office of Treasury and Fiscal Services is the agency with regulatory oversight for Georgia Fund 1.

(H) Inventories

Inventories are determined by actual physical count and are stated at cost (using average cost flow assumptions) for the governmental activities and at the lower of average cost or market for the business-type activities. The consumption method is used to account for inventories.

(I) Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. General infrastructure assets consist of the road network assets that were acquired or that received substantial improvements subsequent to January 1, 1980 and are reported at estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The County capitalized \$10,074,000 of interest incurred in business-type activities for the year. Capital assets are depreciated using the straight-line method over the following estimated useful lives and with the following capitalization thresholds:

<u>Asset Class</u>	<u>Estimated Useful Lives (In years)</u>	<u>Capitalization Threshold</u>
Buildings	20-50	\$40,000 - 100,000
Land improvements	15-50	30,000 - 100,000
Infrastructure	10-50	20,000 - 100,000
Vehicles	1-10	any amount
Equipment	5	5,000

(J) Restricted Assets

Proceeds from the sale of water and sewer revenue bonds plus interest earned on the investment of these funds are restricted to the construction of new capital facilities and other improvements to the water and sewerage system. All monies in excess of those required to maintain the working capital of the water and sewerage system's operations are transferred to a separate account and restricted to the construction of new capital facilities and other expenditures as allowed by the system's bond resolutions. Sinking fund monies are restricted to the payment of bond principal and interest requirements as they become due as well as the maintenance of required reserves. Liabilities payable from these restricted assets are reported separately to indicate that the source of payment is the restricted assets.

(K) Claims, Judgments, and Compensated Absences

Liabilities for claims and judgments against the County, including estimated liabilities for claims incurred but not reported at year-end, have been accrued in the appropriate funds. Liabilities for compensated absences have been accrued in the government-wide and proprietary fund financial statements and are all considered long-term obligations of the County. A liability for these amounts is reported in the governmental funds if they have matured and are expected to be paid with expendable available resources.

Employees earn annual leave at the rate of 15 days per year for the first 5 years up to a maximum of 30 days per year after 25 years. There is no requirement that annual leave be taken, but the maximum permissible accumulation at year end is 60 days. Any accumulation of annual leave greater than 60 days is converted to sick leave at year end. At termination, employees are paid for any accumulated annual leave up to the 60 day maximum. Employees earn sick leave at the rate of 13 days per year with no limitations. At termination accumulated sick leave is converted to annual leave at the rate of 15 days to 1 day and is subject to the 60-day limitation.

(L) Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require the County to place a final cover on its Seminole Road landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$12,412,000 reported as landfill closure and postclosure cost liability at year-end represents the cumulative amount reported to date based on the use of 94% of the estimated capacity of the landfill, net of related expenditures to date of \$8,357,000. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,326,000 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure in 2005. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. Closure and postclosure care financial assurance requirements will be met by adjusting the sanitation rate structures in the business-type activities as required. The County expects to close the current landfill in the year 2007 but has already acquired enough additional land to meet landfill needs through 2019.

(M) Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amount of revenues and expenditures / expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include: useful life of capital assets, allowances, legal liabilities, and landfill closure and postclosure cost estimations

2. Joint Ventures

DeKalb County is party to a contract with Fulton County and the Fulton-DeKalb Hospital Authority (the "Authority") for the operation of Grady Memorial Hospital (the "Hospital"). The Hospital provides health services to indigent citizens of both counties. Three members of the Authority's Board of Trustees are appointed by the DeKalb County Board of Commissioners with another seven members appointed by the Fulton County Board of Commissioners. The entire operations of the Authority are disclosed as a component unit in the Fulton County, Georgia Comprehensive Annual Financial Report. DeKalb County has a financial interest in the Authority because operating deficits of the Hospital, up to an annually predetermined amount, relating to indigent care must be funded by Fulton County or DeKalb County under the terms of the contract. The funding formula is based on the ratio of patient levels between the two counties. For the year, DeKalb County funded \$14,135,000 of the Hospital's operating deficit. DeKalb County has limited control over the operating budget of the Hospital but must approve any debt issuance of the Authority. The Authority's debt is secured by a pledge of the operating revenues of the Hospital. Payments to the Authority are made from the County's other governmental funds. Separate financial statements may be obtained from: Fulton-DeKalb Hospital Authority; 80 Butler St SE; Atlanta Georgia 30314.

Condensed financial information for the Authority as of and for the year ended December 31, 2004 is as follows (in thousands of dollars) (December 31, 2005 amounts are unavailable):

Total Assets	\$ 519,721	Total Operating Revenues	\$ 510,144
Total Liabilities	\$ 488,806	Total Operating Expenses	\$ 613,675
Total Net Assets	\$ 30,915	Nonoperating Revenue (Net)	\$ (12,154)
Current Debt	\$ 45,505	Fulton County and DeKalb County Contributions	\$ 105,279
Long-Term Debt	\$ 264,562	Decrease in Net Assets	\$ (10,406)

Under Georgia law, the County, in conjunction with other cities and counties in metropolitan Atlanta, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto. During the past year, the County paid \$846,560 in such dues. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC. The ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from: Atlanta Regional Commission; 40 Courtland St NE, Atlanta Georgia 30303.

There were no known related party transactions involving either joint venture.

3. Budget Basis of Accounting

Due to legal requirements, revenues and appropriations for governmental funds are budgeted on a basis that is not consistent with GAAP. The actual results of operations on the budget basis for the General Fund and Major Special Revenue Funds are presented in this report.

The major differences between the budget and GAAP are

- (1) Revenues (principally property taxes, accounts receivable, grants, and interest receivables) are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);
- (2) Expenditures (principally payroll, workers' compensation, and purchases) are recorded when paid (budget) as opposed to when incurred (GAAP);
- (3) Debt service requirements due January 1, 2006 are recorded as expenditures in 2005 (budget) as opposed to 2006 when obligations are due (GAAP);

4. Cash, Cash Equivalents, and Investments

The County maintains a cash and investment pool that is available for use by all County funds, except for certain of the trust and agency funds. In addition, cash, cash equivalents and investments are separately held by other funds, including the General Employees' Pension Fund. At year-end, the carrying amount of the County's cash, cash and equivalents and investments was \$1,659,435,000 and the bank balance was \$1,334,958,000. All of the bank balance was covered by federal depository insurance or by collateral held by the County's custodial bank in the County's name.

Statutes authorize the County to invest in obligations of the United States Treasury or Agencies, banker's acceptances, bank money market accounts, repurchase agreements, and the Georgia Fund 1 (a local government investment pool). The General Employees' Pension Fund is also authorized to invest in corporate bonds and debentures which are not in default as to principal and interest; corporate stocks, common or preferred; first loans on real estate where the loans are guaranteed by the Administrator of Veterans Affairs or by the Federal Housing Authority of the United States; certificates of deposit in national banks and state banks insured by the FDIC; and any other investments approved by the Pension Board. The Pension Trust Fund also invests in collateralized mortgage obligations (CMOs). These securities are based on cash flows from interest and principal payments on underlying mortgages. CMOs are sensitive to prepayments by mortgages, which may result from a decline in interest rates. The County invests in these securities in part to maximize yields and in part to hedge against a rise in interest rates.

Custodial Credit Risk - Deposits

To control custodial credit risk, the County's investment policy requires all securities and collateral to be held by an independent third party custodian in the County's name. The custodian provides the County with monthly values. The County's investment in the Georgia I investment pool is stated at fair value, which also approximates the value of the investment upon withdrawal.

Concentration of Credit Risk

The County diversifies its use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities. The County's primary government investment policy limits County investments to the following maximum percentages: U.S. Treasury Obligations 100%, Obligations of U.S. Government Agencies 100%, Repurchase Agreements 25%, Certificates of Deposits (Commercial Banks) 75%, Certificates of Deposit (S&L Associations) 10%, Local Government Investment Pool (State Sponsored) 100%, and Commercial Bank Money Market Accounts 25%. Maximums may be exceeded temporarily with the prior approval of the Finance Director. The County's investment policy also requires that maturities shall be timed such that a minimum of 80% be invested for a period of less than one year and 100% be invested for a period less than two years. The County's investment policy limits the pension investments to the following maximum percentages: Domestic securities 60%, Non-domestic securities 10%, and Fixed income investments and Cash 40%.

As of December 31, 2005, the County's reporting entity had the following investments:
(In thousands of dollars)

Type of Investment	Fair Value	Investments Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
Primary Government					
Georgia Fund I	315,758	315,758	-	-	-
Restricted Trust Accounts	64,941	64,941	-	-	-
Money Market	33,697	33,697	-	-	-
Total Primary Government (non-fiduciary)	414,396	414,396	-	-	-
Fiduciary Fund					
Pension Trust Fund					
Corporate Stocks	720,402	n/a	n/a	n/a	n/a
Mutual Funds	105,482	105,482	-	-	-
U.S. Government Securities	152,180	25,622	25,901	29,767	70,890
CMO's	43,018	-	866	2,689	39,463
Corporate Bonds	103,509	327	49,127	35,292	18,763
Total Pension Trust Fund	1,124,591	131,431	75,894	67,748	129,116

Credit Risk - Investments

As a means of limiting exposure to credit risk, the risk of loss due to the failure of the security issuer or backer, the County limits investments to obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government and those deposit-type items which can be collateralized at 110% of the face value. The County's pension funds are not collateralized and are subject to credit and interest rate risk.

The County's investment policy requires that repurchase agreements be "marked to Market," i.e., the current market value of securities purchased must meet or exceed the cost of investment plus anticipated interest earnings. The County did not hold repurchase agreements in 2005.

The County's pension trust fund investment policy requires that the fixed income portfolio be of high quality and chosen with respect to maturity ranges, coupon levels, refunding characteristics and marketability. Fixed income managers are engaged to reduce volatility of the Plan's assets, provide a deflation hedge, and produce a highly predictable and dependable source of income. The quality rating of the overall portfolio must be A or better at all times. As of December 31, 2005, the weighted average of the fixed income portfolio was Aa2 by Moody's Investors Service.

Interest Rate Risk - Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. This risk is managed within the portfolio using the duration method. This method is used in the management of fixed income portfolios to quantify the portfolio's sensitivity to interest rate changes. As of December 31, 2005, the weighted average of the OA duration of the pension fund's fixed income portfolio was 4.58 years as compared to the benchmark LB Aggregate Bond Index duration of 4.57 years.

The Georgia Office of Treasury and Fiscal Services is the oversight agency for Georgia Fund I. Georgia Fund I is rated AAAM by Standard and Poor's.

5. Allowance For Uncollectible Receivables

Allowances for uncollectible receivables at December 31 are as follows (in thousands of dollars).

Governmental activities:		Business-type activities:	
Taxes receivable	\$ 936	Accounts receivable	\$ 5,707
Accounts receivable	29,332		
	<u>\$ 30,268</u>		

6. Due From Other Governments

Amounts due from other governments at December 31 are as follows (in thousands of dollars)

Governmental activities:		Business-type activities:	
Georgia Emergency Management Agency	\$ 2,877	Georgia Emergency Management Agency	77
Georgia Department of Labor	1,769	Federal Aviation Administration	\$ 1,102
Georgia Department of Transportation	1,584	Georgia Department of Transportation	43
Housing & Urban Development	1,583	Other local governments	442
US Department of Justice	1,561	Total	<u>\$ 1,664</u>
Other	1,174		
Total	<u>\$ 10,548</u>	Component Units:	
		Miscellaneous State Agencies	<u>\$ 1,607</u>

7. Capital Assets

Changes in capital assets are as follows (in thousands of dollars):

	Balance 12/31/2004	Additions	Deletions	Balance 12/31/2005	Accumulated Depreciation and Amortization 12/31/2004	Additions	Deletions	Accumulated Depreciation and Amortization 12/31/2005	Book Value 12/31/2005
<u>Governmental activities</u>									
Not depreciated:									
Land	\$ 201,515	\$ 5,653	\$ -	\$ 207,168					\$ 207,168
Construction in progress	65,563	44,138	(14,032)	95,669					95,669
Depreciated:									
Land improvements	26,509	-	-	26,509	\$ 11,066	\$ 583	\$ -	\$ 11,649	14,860
Buildings	307,247	2,043	-	309,290	73,547	6,068	-	79,615	229,675
Infrastructure	524,773	23,755	-	548,528	120,231	11,661	-	131,892	416,636
Other equipment	42,188	2,882	(10,471)	34,599	22,614	9,113	(10,471)	21,256	13,343
Totals	<u>\$ 1,167,795</u>	<u>\$ 78,471</u>	<u>\$ (24,503)</u>	<u>\$ 1,221,763</u>	<u>\$ 227,458</u>	<u>\$ 27,425</u>	<u>\$ (10,471)</u>	<u>\$ 244,412</u>	<u>\$ 977,351</u>
<u>Business-type activities</u>									
Not depreciated:									
Land	\$ 41,669	\$ 3	\$ -	\$ 41,672					\$ 41,672
Construction in progress	295,472	61,057	(166,267)	190,262					190,262
Depreciated:									
Land improvements	56,713	85,652	-	142,365	\$ 14,141	\$ 1,927	\$ -	\$ 16,068	126,297
Buildings	11,733	-	-	11,733	6,410	332	-	6,742	4,991
Plants	159,864	-	-	159,864	58,554	3,145	-	61,699	98,165
Lines	607,729	79,936	(3,019)	684,646	176,634	12,924	(3,019)	186,539	498,107
Water meters	51,958	4,448	(481)	55,925	18,526	3,605	(481)	21,650	34,275
Vehicles and portable equipment	130,415	15,422	(7,424)	138,413	92,747	18,630	(8,966)	104,411	34,002
Other equipment	18,706	2,040	(1,236)	19,510	10,301	3,113	(1,236)	12,178	7,332
Leaseholds	169,411	-	-	169,411	20,567	3,476	-	24,043	145,368
Totals	<u>\$ 1,543,670</u>	<u>\$ 248,558</u>	<u>\$ (178,427)</u>	<u>\$ 1,613,801</u>	<u>\$ 397,880</u>	<u>\$ 47,152</u>	<u>\$ (11,702)</u>	<u>\$ 433,330</u>	<u>\$ 1,180,471</u>
<u>Component units</u>									
Depreciated:									
Other equipment	\$ 4,681	\$ 352	\$ (519)	\$ 4,514	\$ 2,820	\$ 588	\$ (519)	\$ 2,889	\$ 1,625

During fiscal year 2005, the County did not experience any capital asset impairment loss with respect to the provisions of GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*.

Depreciation was charged to functions / programs of the primary government as follows (in thousands of dollars):

<u>Governmental activities:</u>		<u>Business-type activities</u>	
General government	\$ 3,556	Water and sewerage system	\$ 25,595
Public safety	4,226	Sanitation	2,117
Civil and criminal court system	3,639	DeKalb-Peachtree Airport	509
Planning	39	Vehicle maintenance	301
Public works	11,903	Vehicle replacement	18,630
Community development	105		<u>\$ 47,152</u>
Library	605		
Parks and recreation	1,198		
Health and welfare	978		
Miscellaneous	1,176		
	<u>\$ 27,425</u>		

Construction in progress at December 31 is composed of the following (in thousands of dollars):

	Project Authoriza- tion	Expended as of 12/31/2005	Committed	Required Future Financing
<u>Governmental activities</u>				
Parks and recreation	\$ 91,686	\$ 13,818	\$ 77,868	\$ -
Health centers	1,503	96	1,407	-
Public safety facilities	53,207	22,649	30,558	-
Court facilities	61,127	12,484	48,643	-
General government facilities	70,561	24,782	45,779	-
Infrastructure	44,022	21,840	22,182	-
Totals	<u>\$ 322,106</u>	<u>\$ 95,669</u>	<u>\$ 226,437</u>	<u>\$ -</u>
<u>Business-type activities</u>				
Water and sewer facilities	\$ 201,001	\$ 171,281	\$ 29,720	\$ -
Sanitation facilities	52,922	12,310	40,612	-
Airport facilities	13,248	6,316	6,932	-
Stormwater facilities	1,340	355	985	-
Totals	<u>\$ 268,511</u>	<u>\$ 190,262</u>	<u>\$ 78,249</u>	<u>\$ -</u>

8. Long-Term Obligations

Changes in long-term obligations for the year are as follows (in thousands of dollars):

	Balance 12/31/2004	Additions	Payments/ Retirements	Balance 12/31/2005	Current Portion	Long-term Portion
<u>Governmental activities</u>						
Claims and judgments payable	\$ 12,474	\$ 75,029	\$ (70,625)	\$ 16,878	\$ 12,730	\$ 4,148
Net pension obligation	12,335	19,622	-	31,957	-	31,957
Compensated absences payable	26,116	12,579	(8,216)	30,479	12,579	17,900
Capital leases (equipment)	8,293	1,616	(3,357)	6,552	3,869	2,683
General obligation bonds payable	234,500	-	(15,635)	218,865	15,985	202,880
Revenue bonds payable	64,420	35,670	(1,490)	98,600	2,785	95,815
Certificates of participation payable	24,525	-	(485)	24,040	970	23,070
Unamortized premium on bonds payable	6,278	637	(731)	6,184	718	5,466
Deferred loss on bond refunding	(4,338)	-	532	(3,806)	(494)	(3,312)
Totals	<u>\$ 384,603</u>	<u>\$ 145,153</u>	<u>\$ (100,007)</u>	<u>\$ 429,749</u>	<u>\$ 49,142</u>	<u>\$ 380,607</u>
<u>Business-type activities</u>						
Landfill closure and postclosure cost	\$ 15,283	\$ -	\$ (2,871)	\$ 12,412	\$ -	\$ 12,412
Compensated absences payable	4,980	2,205	(1,698)	5,487	2,205	3,282
Contractual obligations payable	-	-	-	-	-	-
Capital leases (vehicles)	3,536	4,287	(2,321)	5,502	2,367	3,135
Revenue bonds payable	497,815	-	(6,915)	490,900	7,315	483,585
Unamortized premium on bonds payable	7,582	-	(416)	7,166	415	6,751
Deferred loss on bond refunding	(8,422)	-	703	(7,719)	(705)	(7,014)
Totals	<u>\$ 520,774</u>	<u>\$ 6,492</u>	<u>\$ (13,518)</u>	<u>\$ 513,748</u>	<u>\$ 11,597</u>	<u>\$ 502,151</u>
<u>Component Units</u>						
Compensated absences payable	\$ 1,445	\$ 322	\$ (175)	\$ 1,592	\$ 322	\$ 1,270
Contractual obligations payable	34	-	(34)	-	-	-
Totals	<u>\$ 1,479</u>	<u>\$ 322</u>	<u>\$ (209)</u>	<u>\$ 1,592</u>	<u>\$ 322</u>	<u>\$ 1,270</u>

Governmental activities

Claims and judgments payable typically have been liquidated in the other governmental funds and in the internal service funds. Compensated absences payable have typically been liquidated in the General Fund, the Special Tax District-Designated Services Fund, the Special Tax District-Unincorporated Fund, other governmental funds, and in the internal service funds. Capital leases have typically been liquidated in the General Fund, other governmental funds, and the internal service funds.

The following is a schedule by years of future minimum installment purchase payments on capital leases (equipment) in the governmental activities with the present value of the net minimum payments as of December 31 (in thousands of dollars):

<u>Year Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 3,869	\$ 183	\$ 4,052
2007	2,011	69	2,080
2008	624	17	641
2009	48	-	48
Totals	<u>\$ 6,552</u>	<u>\$ 269</u>	<u>\$ 6,821</u>

For financial accounting and reporting purposes, all governmental activities bonds refunded (a total of \$122,165,000) are considered defeased and, along with the funds held in trust are not included in the accompanying financial statements

The following is a summary of the County's outstanding general obligation bond issues at December 31 (in thousands of dollars):

<u>Year Issued</u>	<u>Purpose</u>	<u>Interest Rate (%)</u>	<u>Interest Dates</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Retired</u>	<u>Outstanding</u>
1992	Refunding issue	6.00	1-1 7-1	12/01/92	01/01/20	\$ 64,775	\$ 55,705	\$ 9,070
1998	Jail	5.00	1-1 7-1	08/01/98	01/01/20	2,000	-	2,000
2001	Parks	3.50-5.00	6-1 12-1	10/01/01	12/01/15	125,000	31,535	93,465
2003	Refunding issue	3.00-5.00	1-1 7-1	07/22/03	01/01/20	53,295	11,335	41,960
2003	Refunding issue	4.00-5.00	1-1 7-1	12/05/03	01/01/20	74,620	2,250	72,370
	Totals					<u>\$ 319,690</u>	<u>\$ 100,825</u>	<u>\$ 218,865</u>

The following is a summary of general obligation bonds debt service requirements to maturity as of December 31 (in thousands of dollars):

<u>Year Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 15,985	\$ 9,789	\$ 25,774
2007	16,410	8,999	25,409
2008	17,810	8,227	26,037
2009	18,435	7,393	25,828
2010	19,050	6,541	25,591
2011-2015	86,225	21,473	107,698
2016-2020	44,950	5,450	50,400
Totals	<u>\$ 218,865</u>	<u>\$ 67,872</u>	<u>\$ 286,737</u>

The County is subject to the laws of the State of Georgia, which limit the amount of net bonded debt (exclusive of revenue bonds) the County may have outstanding to 10% of the assessed valuation of taxable property within the County. At year-end, general obligation bonds outstanding, net of amounts available in the Debt Service Funds, totaled \$209,320,000. The statutory limit at that date was \$2,354,400,000, providing a debt margin of \$2,145,080,000.

The following is a summary of the County's outstanding Certificates of Participation at December 31 (in thousands of dollars):

Year Issued	Purpose	Interest Rate (%)	Interest Dates	Issue Date	Maturity Date	Authorized and Issued	Retired	Outstanding
2003	Office building and courthouse	2.25-4.75	6-1 & 12-1	10/14/03	12/01/23	\$ 25,000	\$ 960	\$ 24,040

The following is a summary of Certificates of Participation debt service requirements to maturity as of year end (in thousands of dollars):

Year Payable	Interest Rate (%)	Principal	Interest	Total
2006	2.25	\$ 970	\$ 983	\$ 1,953
2007	2.5	995	961	1,956
2008	2.875	1,020	937	1,957
2009	3.125	1,045	907	1,952
2010	4.0	1,080	874	1,954
2011-2015	4.00-4.50	6,095	3,672	9,767
2016-2020	4.20-4.50	7,490	2,286	9,776
2021-2023	4.625-4.75	5,345	512	5,857
Totals		\$ 24,040	\$ 11,132	\$ 35,172

In July 2005, the Building Authority issued \$35,670,000 of DeKalb County Building Authority Revenue Bonds, the proceeds of which will be used to construct the juvenile justice center.

The following is a summary of the County's outstanding governmental activities revenue bond issues at December 31 (in thousands of dollars):

Year Issued	Purpose	Interest Rate (%)	Interest Dates	Issue Date	Maturity Date	Authorized and Issued	Retired	Outstanding
2003	Juvenile Justice Center	2.0-5.0	6-1 & 12-1	07/01/03	12/01/20	\$ 15,000	\$ 1,170	\$ 13,830
2004	Public Safety and Judicial Facilities	3.0-5.0	6-1 & 12-1	12/29/04	12/01/34	50,000	900	49,100
2005	Juvenile Justice Center	3.0-5.0	6-1 & 12-1	07/14/05	12/01/25	35,670	-	35,670
						\$ 100,670	\$ 2,070	\$ 98,600

The following is a summary of the County's governmental activities revenue bonds debt service requirements to maturity as of December 31 (in thousands of dollars):

Year Payable	Interest Rate (%)	Principal	Interest	Total
2006	2.0-4.0	\$ 2,785	\$ 4,029	\$ 6,814
2007	2.0-5.0	2,865	3,940	6,805
2008	2.0-3.0	2,975	3,835	6,810
2009	2.5-3.0	3,060	3,752	6,812
2010	2.5-3.0	3,145	3,663	6,808
2011-2015	2.63-5.0	17,425	16,617	34,042
2016-2020	3.40-4.0	20,975	13,072	34,047
2021-2025	4.125-5.0	23,375	8,506	31,881
2026-2030	5.0	11,025	4,452	15,477
2031-2034	5.0	10,970	1,404	12,374
Totals		\$ 98,600	\$ 63,270	\$ 161,870

Business-type activities:

The following is a schedule by years of future minimum installment purchase payments on capital leases for vehicles in the business-type activities with the present value of the net minimum payments as of December 31 (in thousands of dollars)

Year Payable	Principal	Interest	Total
2006	\$ 2,366	\$ 174	\$ 2,540
2007	1,793	93	1,886
2008	626	42	668
2009	336	25	361
2010	351	10	361
2011	30	-	30
Totals	<u>\$ 5,502</u>	<u>\$ 344</u>	<u>\$ 5,846</u>

The following is a summary of the County's outstanding business-type activities revenue bond issues as of December 31 (in thousands of dollars):

Series	Interest Rate (%)	Interest Dates	Issue Date	Maturity Date	Authorized and Issued	Retired	Out-standing	Callable	Call Premiums
1997	6.25	4-1 10-1	07/09/97	10/01/06	\$ 42,870	\$ 36,915	\$ 5,955	\$ -	
1999	4.2-5.0	4-1 10-1	05/01/99	10/01/28	96,345	-	96,345	92,955	0-1%
2000	4.5-5.625	4-1 10-1	11/01/00	10/01/35	214,525	4,920	209,605	195,600	0-1%
2003	2.5-5.0	4-1 10-1	11/18/03	10/01/35	179,865	870	178,995	145,875	None
Totals					<u>\$ 533,605</u>	<u>\$ 42,705</u>	<u>\$ 490,900</u>	<u>\$ 434,430</u>	

The following is the purpose of each series of the County's outstanding business-type activities revenue bond issues as of December 31:

Series	Purpose
1997	Refunding issue
1999	Water reservoir expansion, City of Atlanta Phosphorous Reduction Program
2000	New Filter Plant, sewer plant improvements, relief sewers
2003	Refunding issue, Nancy Creek Tunnel, new Water & Sewer administration building, sewer renovation

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverages. As of year-end, the County believes it was in compliance with all such significant limitations and restrictions.

The following is a summary of the County's outstanding *business-type activities revenue bonds* debt service requirements to maturity as of year-end (in thousands of dollars):

<u>Year Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 7,315	\$ 24,797	\$ 32,112
2007	5,550	24,375	29,925
2008	8,910	24,160	33,070
2009	9,445	23,802	33,247
2010	9,835	23,414	33,249
2011-2015	56,530	109,698	166,228
2016-2020	72,550	93,686	166,236
2021-2025	93,650	73,002	166,652
2026-2030	108,575	46,886	155,461
2031-2035	118,540	19,124	137,664
Totals	<u>\$ 490,900</u>	<u>\$ 462,944</u>	<u>\$ 953,844</u>

Capital Leases

The County has entered into a *multiyear lease purchase arrangement* pursuant to OCGA 36-60-13 for the purchase of certain vehicles, equipment and other capital outlay projects. These leases are paid over periods not to exceed five (5) years.

The following is a schedule summarizing leases by the following major asset class (in thousands of dollars):

	<u>Equipment</u>	<u>Vehicles</u>	<u>Total</u>
Governmental activities:	\$ 6,552	\$ -	\$ 6,552
Business-type activities:	-	5,502	5,502
	<u>\$ 6,552</u>	<u>\$ 5,502</u>	<u>\$ 12,054</u>

9. Employee Benefits

(A) Defined Benefits Pension Plan Description

The County provides pension benefits for substantially all of its full-time and permanent part-time employees through a *single employer defined benefit plan* (the "Plan"). The Plan is administered by the DeKalb County Pension Board (the "Board") composed of seven voting members (the Chief Executive Officer of DeKalb County, two members elected by County employees, two members selected by the DeKalb County Board of Commissioners, one member elected by County retirees, and one member appointed by the other voting members of the Board) and two non-voting members (the County Director of Finance and the County Merit System Director). The Plan does not issue separate financial statements. The County's payroll for employees covered by the Plan for the year was \$284,391,000, as compared to a total County payroll of \$301,779,000.

Employees participating prior to September 1, 2005: The Plan provides retirement benefits of 2.75% of average salary (based on the highest consecutive 36 months of pay over the last ten years of employment) times years of service with a maximum retirement benefit of 82.5% of average salary. Normal retirement, with at least 10 years of service, is at age 55 or older. Early retirement (subject to reductions in benefits) is allowed at age 50 with 10 or more years of service. Employees with 30 years of service can retire at any age with no reduction in benefits. An employee can retire at age 65 with three or more years of service.

Termination benefits are as follows. Within the first three years of service, the participant's contributions will be returned without interest. After three but less than ten years of service, the participant may either withdraw contributions plus interest or leave contributions in the Plan and receive a monthly benefit to commence at age 65 equal to his accrued benefit as of the date of termination. After ten years of service, the participant may either withdraw contributions plus interest or leave contributions in the Plan and receive a monthly benefit to commence at his normal retirement date equal to his accrued benefit as of the date of termination. Such terminating employee may elect to receive reduced benefits any time after he attains 50 years of age.

New employees participating on or after September 1, 2005: The Plan provides retirement benefits of 2.25% of average salary (based on the highest consecutive 36 months of pay over the last ten years of employment) times years of service with a maximum retirement benefit of 67.5% of average salary. Normal retirement, with at least 10 years of service, is at age 62 or older. Early retirement (subject to reductions in benefits) is allowed at age 55 with 10 or more years of service. Employees age 55 with 25 years of service can retire with no reduction in benefits. An employee can retire at age 65 with seven or more years of service.

Termination benefits are as follows. Within the first three years of service, the participant's contributions will be returned without interest. After three but less than seven years of service, the participant's contributions plus interest shall be returned. After seven years of service, the participant may either withdraw contributions plus interest or leave contributions in the Plan and receive a monthly benefit to commence at his normal retirement date equal to his accrued benefit as of the date of termination. Such terminating employee may elect to receive reduced benefits any time after he attains 55 years of age.

Retirement benefits are payable monthly for life (ten years guaranteed) with survivor options available subject to reduced monthly benefits. The Plan also provides disability benefits. These benefit provisions and all other requirements are established by State statute and by the DeKalb Pension Act. Any changes to the Plan benefits must be approved by the DeKalb County Board of Commissioners. Contribution levels to the Plan are determined using the actuarial basis specified by statute. Current contribution levels, as approved by the DeKalb County Board of Commissioners, are employee 1.5% and County 3.0% of employee earnings. The accrual basis of accounting is used to report the activities of the Plan. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Assets are valued at fair value, based on quoted market prices, with actuarial valuations of investments adjusted to market at a 5 year smoothed rate. As of year end, no investment in any one organization represented 5% or more of plan assets. Administrative costs of the Plan are financed through investment earnings. As of year end, Plan membership was composed of the following:

Ten year vested active employees covered by the Plan	2,325
Three year vested active employees covered by the Plan	1,513
Nonvested active employees covered by the Plan	2,522
Retirees currently receiving normal retirement benefits	2,085
Retirees currently receiving disability benefits	116
Beneficiaries of deceased retirees currently receiving benefits	227
Terminated employees entitled to benefits but not yet receiving them because of age	314
Total members	<u>9,102</u>

(B) Actuarial assumptions

The actuarial accrued liability was computed as part of an actuarial valuation performed as of April 1, 2005. Significant actuarial assumptions used in the valuation include: (a) rate of return on investment of present and future assets of 8.0% per year compounded annually, (b) projected salary increases of 3.5% for inflation plus 0% to 4.3% for merit / seniority based on an age-graduated scale, compounded annually, (c) no postretirement benefit increases were assumed.

(C) Actuarially Determined Pension Plan Contribution Requirements and Contribution Made

The Plan's funding policy provides for actuarially determined contributions at rates that, for individual employees, are a level percentage of payroll. The contribution rate for normal cost is determined using the projected unit credit cost method. The required contribution includes the normal cost less amortization of the assets in excess of the actuarial accrued liability. Amortization is taken as a level percentage of payroll over 0.25 to 30 years for various bases. The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the actuarial accrued liability as described above. The total contributions to the Plan for the year of \$3,799,000 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed April 1, 2004. Employer contributions of \$2,093,000 represent 9% of the employer annual required contribution. The net pension obligation of \$31,957,000 was determined in accordance with GASB Statement No. 27. The amortization period for the County's actuarial accrued surplus is open.

(D) Schedule of Contributions as a percentage of salary

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Employee	1.5%	5%	.5%	.5%	.5%	.5%	.5%	.5%	2.50%	2.50%
Employer	3.0%	.5%	.5%	.5%	.5%	.5%	.5%	.5%	.5-3.25%	3.25%

The Board of Commissioners have approved the following increases in the employee and employer contributions to the Pension Plan:

	2008	2007	2006
Employee	3.5%	3.0%	2.5%
Employer	7.0%	5.5%	4.0%

(E) Other Post Retirement Benefits

Group health benefits are available to all retirees and beneficiaries of retirees with the County paying up to 70% of the total cost and the retiree paying the remaining amount. These benefits are provided by the DeKalb County Board of Commissioners each year and are not statutory, contractual, or required by other authority. The total cost of retiree health benefits (including retirees portions), \$15,855,000 for the year, is recognized as an expense in the Internal Service Funds as claims are incurred.

(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 and administered by third parties. 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.

10. Proprietary Funds

Contracts and agreements

The County has a shared interest in various water pollution control plants with the City of Atlanta, Gwinnett County, Henry County, and Fulton County. Each of these agreements requires the County to pay a pro rata share of the plants' operating costs and additional capital improvements which may be made by the other equity interest. During the year, the County incurred the following operating costs (no capital costs were incurred) (in thousands of dollars):

R. M. Clayton Plant - City of Atlanta	\$	9,673
Big Creek Plant, John's Creek Plant, Marsh Creek Plant - Fulton County		563
Jackson Creek Plant - Gwinnett County		981
Total	<u>\$</u>	<u>11,217</u>

11. Fund Deficits

The Special Tax District - Unincorporated Fund ended the year with a net assets deficit of \$954,000. The County will increase this fund's tax allocation and reduce the transfer to the Special Tax District - Designated Services in future years to eliminate this deficit. The Street Light Fund ended the year with a fund balance deficit of \$142,000. The County will increase charges for these services and reduce expenditures to eliminate this deficit.

12. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; law enforcement liability; injuries to employees; assumed risks for employee benefits; damage to private parties; and natural disasters. By provision of the State Constitution, the County may be immune from liability 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.

DeKalb County has a Risk Management Fund to account for and to finance its purchase of insurance and coverage of uninsured risks of loss when immunity cannot be asserted. Under this program, the Risk Management Fund finances two reserves: workers' compensation and incurred but unpaid claims under a self-funded employee medical benefit program. The County retains the first \$500,000 of expense for each occurrence of workers' compensation injuries, and it retains the first \$175,000 of medical expense claims per year for each covered employee under the comprehensive medical insurance plan. Beyond these limits, the County purchases specific excess insurance to limit further loss. No claim has ever exceeded the excess limits of the workers' compensation or excess medical insurance policies. Reserves are established for the medical insurance liabilities based on actuarial projection provided by the plan administrator (Blue Cross and Blue Shield of Georgia). Reserves for workers' compensation are established in two manners: (1) an estimate of future expenses for known claims and known treatment needs, and (2) a statistical projection of incurred but unreported claims, based on recent historical experience of loss development in the County's claims.

The County purchases commercial automobile liability insurance to cover its automobile, trucks, and other on-road vehicles. It also purchases liability coverage for its helicopter fleet and for airport operations. Beyond the limits of the liability policies, the County asserts immunity, and has never had to pay a claim in excess of those policies. Consequently, no reserve is established for these risk exposures.

Buildings and contents are insured through an "all risk" property damage insurance policy, and the County retains the first \$100,000 of each loss, with no aggregate limits. This retention level is funded by an annual appropriation of \$300,000 which, historically, has proven adequate to cover all claims.

The changes in the liabilities for self-insurance for the last four years are as follows (in thousands of dollars):

	2005	2004	2003	2002
Workers' compensation				
Incurred claims, net of any changes	\$ 2,952	\$ 5,380	\$ 3,493	\$ 1,800
Payments	(3,244)	(3,026)	(2,887)	(2,411)
Ending balance	<u>7,341</u>	<u>7,633</u>	<u>5,279</u>	<u>4,673</u>
Health and dental:				
Incurred claims, net of any changes	57,424	53,631	46,552	39,828
Payments	(57,883)	(53,803)	(45,461)	(38,484)
Ending balance	<u>4,382</u>	<u>4,841</u>	<u>5,013</u>	<u>3,922</u>
Total liability for self insurance	<u>\$ 11,723</u>	<u>\$ 12,474</u>	<u>\$ 10,292</u>	<u>\$ 8,595</u>

13. Interfund Balances and Activity

(A) Balances Due To / From Other Funds

Balances due to / from other funds at year end consist of the following (in thousands of dollars):

\$ 7,427	Due to the General Fund from other governmental funds representing short-term loans.
892	Due to the General Fund from the General Employee's Pension fund representing a short-term loan.
1,490	Due to the Special Tax District Designated Services Fund from the Special Tax District Unincorporated Fund representing a short-term loan.
<u>\$ 9,809</u>	Total

(B) Transfers to / from Other Funds

Transfers to / from other funds for the year consist of the following:

\$ 1,150	Transfer from General Fund to other governmental funds to match federal and state grants.
19,238	Transfer from General Fund to other governmental funds for capital projects.
3,711	Transfer from Special Tax District Designated Services Fund to other governmental funds to match federal and state grants.
85,214	Transfer from Special Tax District Unincorporated Fund to Special Tax District Designated Services Fund to fund operations
9,826	Transfer from other governmental funds to General Fund to fund programs.
1,972	Transfers between other governmental funds for capital projects.
1,003	Transfers between other governmental funds to fund programs.
2	Transfers between other governmental funds to match federal and state grants.
1,274	Transfers between other governmental funds to fund debt service
9,748	Transfer from other enterprise funds to other governmental funds for capital projects.
<u>\$ 133,138</u>	

14. Commitments And Contingencies

The County Board of Commissioners voted during fiscal year 2005 to approve giving a portion of the hotel / motel tax received by the County to the DeKalb County Convention and Visitors Bureau. During the year, the County paid \$2,307,186 on this agreement.

Litigation - The County is defendant in various legal actions in the nature of claims for alleged damages to persons and property, civil rights violations, zoning matters, and other similar types of actions arising in the course of normal County operations. In the opinion of the County's management and legal counsel there are no suits pending or unasserted claims that would have a material adverse effect on the financial condition of the County.

Grant Contingencies - The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County's management expects such amounts, if any, will not be significant.

15. Budget Information

The County exceeded the legal level of budgeted expenditures in the following departments (in thousands of dollars):

<u>Fund</u>	<u>Department</u>	<u>Amount</u>
General	Law	\$ 510
Special Revenue - Streetlights	Public Works - Transportation	171
Special Revenue - Grant-in-Aid	District Attorney	79
Special Revenue - Grant-in-Aid	Workforce Development	1,273

These overages were caused by unexpected expenditures in these funds during 2005. The budgets for these departments in 2006 are expected to be sufficient to cover expenditures.

As mandated by Georgia law, the County maintains a project-length balanced budget for each capital projects fund. The following is a summary of each of these funds project-length budgets (in thousands of dollars)

	<u>1987 Parks Bonds</u>	<u>Jail Bonds</u>	<u>Health Facilities Bonds</u>	<u>COPS Bonds</u>	<u>HOST Capital Projects</u>	<u>Community Greenspace Program</u>	<u>2001 Parks Bonds</u>
Project-length revenues:							
Budget	\$ 155	\$ 2,203	\$ 160	\$ 12,589	\$ 35,181	\$ 85	\$ 62,957
Actual	160	2,287	165	12,829	19,851	35	66,748
Project-length expenditures:							
Budget	155	2,203	160	12,589	35,181	85	62,957
Actual	-	14	55	1,545	8,973	2	13,661
	<u>Capital Improvement Projects</u>	<u>Building Authority Juvenile Court Project</u>	<u>Public Safety Judicial Facilities Authority</u>	<u>Total</u>			
Project-length revenues:							
Budget	\$ 67,955	\$ 38,937	\$ 29,934	\$ 250,156			
Actual	61,268	40,750	30,298	234,391			
Project-length expenditures:							
Budget	67,955	38,937	29,934	250,156			
Actual	23,698	7,714	2,243	57,905			

16. Fund Balance Reserves

Reserved fund balances in the various funds are as follows (in thousands of dollars):

	General	Special Tax District - Designated Services	Special Tax District - Unincorporated	Other Governmental Funds	Total Governmental Funds
Reserved for encumbrances	\$ 8,031	\$ 3,189	\$ 54	\$ 34,550	\$ 45,824
Reserved for inventories	9	-	-	-	9
Total reserved	<u>\$ 8,040</u>	<u>\$ 3,189</u>	<u>\$ 54</u>	<u>\$ 34,550</u>	<u>\$ 45,833</u>

DEKALB COUNTY, GEORGIA
REQUIRED SUPPLEMENTAL INFORMATION

DECEMBER 31, 2005

(Unaudited)

1. Employee Benefits

(A) Unaudited Schedule of Funding Progress (in thousands of dollars where applicable):

	Valuation Date					
	4-1-2005	4-1-2004	4-1-2003	4-1-2002	4-1-2001	4-1-2000
Actuarial value of plan assets	\$ 1,129,397	\$ 1,137,597	\$ 1,122,066	\$ 1,161,884	\$ 1,002,973	\$ 995,071
Actuarial accrued liability	\$ 1,140,305	\$ 1,038,214	\$ 983,393	\$ 978,606	\$ 851,877	\$ 790,994
Percentage funded	99.04%	109.57%	114.10%	118.73%	117.74%	125.80%
Assets in excess/shortage of actuarial accrued liability	(10,908)	\$ 99,383	\$ 138,673	\$ 183,278	\$ 151,096	\$ 204,077
Annual covered payroll	\$ 266,022	\$ 261,248	\$ 254,259	\$ 249,746	\$ 206,419	\$ 196,590
Assets in excess/shortage of actuarial accrued liability as a % of annual covered payroll	-4.10%	38.04%	54.54%	73.39%	73.20%	103.81%

(B) Unaudited Schedule of Employer Contributions (in thousands of dollars where applicable):

	2005	2004	2003	2002	2001	2000
Annual required contribution / annual pension cost	\$ 22,322	\$ 16,624	\$ 6,270	\$ 13,800	\$ 1,188	\$ 2,264
Annual employer contributions made	\$ 2,093	\$ 1,297	\$ 1,298	\$ 1,271	\$ 1,164	\$ 1,089
Interest on net pension obligation	\$ 987	\$ (250)	\$ (675)	\$ (1,745)	\$ (1,791)	\$ (1,932)
Annual required contribution adjustment	\$ 1,593	\$ (380)	\$ (1,014)	\$ (2,597)	\$ (2,338)	\$ (2,522)
Amortization	7.74	8.21	8.31	8.39	9.57	9.57
Pension cost	\$ 21,716	\$ 16,754	\$ 6,609	\$ 14,653	\$ 1,735	\$ 2,854
Change in net pension obligation	\$ 19,622	\$ 15,458	\$ 5,310	\$ 13,382	\$ 571	\$ 1,766
Net pension obligation, end of year	\$ 31,957	\$ 12,335	\$ (3,123)	\$ (8,433)	\$ (21,815)	\$ (22,386)
Percentage of annual employer contributions made to annual required contributions	9.38%	7.80%	20.70%	9.21%	97.98%	48.10%

DEKALB COUNTY, GEORGIA

COMBINING STATEMENTS AND SCHEDULES

DEKALB COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

DeKalb County, Georgia
 Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2005
 (in thousands of dollars)

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 28,128	\$ 15,559	\$ 179,176	\$ 222,863
Taxes receivable (net)	5,413	870	-	6,283
Accounts receivable (net)	931	-	-	931
Due from other governments	7,723	-	2,825	10,548
Total assets	<u>42,195</u>	<u>16,429</u>	<u>182,001</u>	<u>240,625</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts and contracts payable	3,059	-	2,454	5,513
Other accrued liabilities	1,742	-	-	1,742
Advance payments and deposits	451	-	-	451
Due to other funds	7,427	-	-	7,427
Due to others	641	-	-	641
Deferred revenue	1,142	518	696	2,356
Total liabilities	<u>14,462</u>	<u>518</u>	<u>3,150</u>	<u>18,130</u>
Fund balances:				
Reserved	1,350	-	33,200	34,550
Unreserved	26,383	15,911	145,651	187,945
Total fund balances	<u>27,733</u>	<u>15,911</u>	<u>178,851</u>	<u>222,495</u>
Total liabilities and fund balances	<u>\$ 42,195</u>	<u>\$ 16,429</u>	<u>\$ 182,001</u>	<u>\$ 240,625</u>

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year Ended December 31, 2005

(in thousands of dollars)

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 75,097	\$ 28,389	\$ -	\$ 103,486
Licenses and permits	10,097	-	-	10,097
Use of money and property	650	264	5,441	6,355
Intergovernmental	31,478	-	16,180	47,658
Fines and forfeitures	2,264	-	-	2,264
Charges for services	16,955	-	-	16,955
Miscellaneous	1,663	-	1,283	2,946
Total revenues	<u>138,204</u>	<u>28,653</u>	<u>22,904</u>	<u>189,761</u>
EXPENDITURES				
Current:				
General government	6,384	-	-	6,384
Public safety	59,318	-	-	59,318
Civil and criminal court system	1,159	-	-	1,159
Public works	15,023	-	-	15,023
Community development	13,457	-	-	13,457
Parks and recreation	1,783	-	-	1,783
Health and welfare	23,495	-	-	23,495
Miscellaneous	3,347	-	-	3,347
Debt service	-	27,202	1,838	29,040
Bond issuance costs	-	-	624	624
Capital outlay:				
General government	-	-	4,167	4,167
Public safety	-	-	2,461	2,461
Civil and criminal court system	-	-	8,245	8,245
Public works	-	-	23,545	23,545
Parks and recreation	-	-	13,004	13,004
Health and welfare	-	-	55	55
Total expenditures	<u>123,966</u>	<u>27,202</u>	<u>53,939</u>	<u>205,107</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,238</u>	<u>1,451</u>	<u>(31,035)</u>	<u>(15,346)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of bond issuance	-	-	35,670	35,670
Premium on bond issuance	-	-	637	637
Contractual purchase obligations	1,616	-	-	1,616
Transfers in	5,867	1,274	30,957	38,098
Transfers out	(10,831)	-	(3,246)	(14,077)
Total other financing sources (uses)	<u>(3,348)</u>	<u>1,274</u>	<u>64,018</u>	<u>61,944</u>
Net change in fund balance	10,890	2,725	32,983	46,598
Fund balance - beginning	16,843	13,186	145,868	175,897
Fund balance - ending	<u>\$ 27,733</u>	<u>\$ 15,911</u>	<u>\$ 178,851</u>	<u>\$ 222,495</u>

DeKalb County, Georgia
Nonmajor Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

The following Nonmajor Special Revenue Funds are used by the County:

Development Fund - to account for operations of the County's development department, whose financing is provided by license and permit fees.

PEG Support Fund - to account for monies collected from cable companies to provide infrastructure for government access channels.

County Jail Fund - to account for monies collected as a result of a 10% penalty on certain court cases, which are used for the construction, operation, and staffing of County detention facilities.

Victim Assistance Fund - to account for fines assessed in State and Superior Courts in DeKalb County which are used for victim assistance programs.

Recreation Fund - to account for the operations of various recreational activities provided by the County whose financing is through user fees.

Juvenile Services Fund - to account for monies collected under Georgia law for probation services to juvenile offenders which are used for providing treatment to juvenile offenders.

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

Law Enforcement Confiscated Monies Fund - to account for monies confiscated under Georgia law by DeKalb law enforcement officers related to controlled substances offenses which are used to defray the cost of complex investigations and to purchase equipment relating to said investigations.

Street Lights Fund - to account for street light assessments on County residents and businesses which are used for providing street light services for the County's citizens.

Speed Humps Fund - to account for speed hump assessments on County residents which are used for providing speed hump services for the County's citizens.

Emergency Telephone System Fund - to account for monies collected under Georgia law by the telephone company on behalf of DeKalb County which are used for providing emergency 911 services to residents of the County.

Grant-in-Aid Fund - to account for operations of various grant-in-aid programs. Financing is provided by contributions from various governmental agencies. Such contributions are used only to finance expenditures permitted by the various grant-in-aid contracts and agreements.

2001 Local Law Enforcement Block Grant Fund - to account for year 2001 local law enforcement block grant monies which are used to support law enforcement in the County.

2002 Local Law Enforcement Block Grant Fund - to account for year 2002 local law enforcement block grant monies which are used to support law enforcement in the County.

2003 Local Law Enforcement Block Grant Fund - to account for year 2003 local law enforcement block grant monies which are used to support law enforcement in the County.

2004 Local Law Enforcement Block Grant Fund - to account for year 2004 local law enforcement block grant monies which are used to support law enforcement in the County.

2005 Justice Assistance Grant Fund (formerly LLEBG) - to account for year 2005 local law enforcement block grant monies which are used to support law enforcement in the County.

Fire Fund - to account for operations of the County's fire department whose financing is provided by a specific annual property tax levy. Such property taxes are used to provide fire protection for all residents of the County not protected by municipal fire departments.

Hospital Fund - to account for contractual payments made by the County to the Fulton DeKalb Hospital Authority whose financing is provided by a specific annual property tax levy.

Hotel/Motel Tax Fund - to account for taxes collected by hotels and motels within the County which are used for the promotion of tourism and convention trade within the County.

Law Library - to account for fees received from State and Superior Courts and used to finance the Law Library's operation and purchase of reference materials.

Alternative Dispute Resolution - to account for fees received from State, Magistrate, Probate, and Superior Courts and used to fund dispute resolution matters.

DeKalb County, Georgia
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 December 31, 2005
 (in thousands of dollars)

	Development	PEG Support	Victim Assistance	Recreation	Juvenile Services	Drug Abuse Treatment & Education	Law Enforcement Confiscated Monies	Street Lights	Speed Humps	Emergency Telephone System	Grant-in-Aid
ASSETS											
Cash and cash equivalents	\$ 2,400	\$ 1,622	\$ 596	\$ 171	\$ 77	\$ 43	\$ 2,651	\$ -	662	\$ 11,643	\$ -
Taxes receivable (net)	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable (net)	-	-	-	-	-	-	-	153	7	617	-
Due from other governments	-	-	-	-	-	-	-	-	-	-	7,723
Total assets	2,400	1,622	596	171	77	43	2,651	153	669	12,260	7,723
LIABILITIES AND FUND BALANCE											
Liabilities:											
Accounts and contracts payable	920	181	-	38	-	-	445	-	-	531	822
Other accrued liabilities	240	-	-	25	-	-	-	3	-	-	258
Advance payments and deposits	-	-	-	-	-	-	451	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	282	-	-	6,556
Due to others	-	-	-	-	-	-	637	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	87
Total liabilities	1,160	181	-	63	-	-	1,533	295	-	531	7,723
Fund balances											
Reserved	297	41	23	74	2	-	108	8	-	27	-
Unreserved	943	1,400	573	34	75	43	1,010	(150)	669	11,702	-
Total fund balances	1,240	1,441	596	108	77	43	1,118	(142)	669	11,729	-
Total liabilities and fund balances	\$ 2,400	\$ 1,622	\$ 596	\$ 171	\$ 77	\$ 43	\$ 2,651	\$ 153	\$ 669	\$ 12,260	\$ 7,723

(continued)

DeKalb County, Georgia
Nonmajor Special Revenue Funds

Combining Balance Sheet

December 31, 2005

(in thousands of dollars)

(continued)

	2001 Local Law Enforcement Block Grant	2002 Local Law Enforcement Block Grant	2003 Local Law Enforcement Block Grant	2004 Local Law Enforcement Block Grant	2005 Justice Assistance Grant	Fire	Hospital	Hotel & Motel Tax	Law Library	Alternative Dispute Resolution	Total Nonmajor Special Revenue Funds
ASSETS											
Cash and cash equivalents	\$ 1	\$ 14	\$ 92	\$ 146	\$ 34	\$ 6,347	\$ 68	\$ 230	\$ 160	\$ 1,171	\$ 28,128
Taxes receivable (net)	-	-	-	-	-	3,696	1,555	162	-	-	5,413
Accounts receivable (net)	-	-	-	-	-	103	-	-	6	45	931
Due from other governments	-	-	-	-	-	-	-	-	-	-	7,723
Total assets	<u>1</u>	<u>14</u>	<u>92</u>	<u>146</u>	<u>34</u>	<u>10,146</u>	<u>1,623</u>	<u>392</u>	<u>166</u>	<u>1,216</u>	<u>42,195</u>
LIABILITIES AND FUND BALANCE											
Liabilities:											
Accounts and contracts payable	-	-	2	-	-	120	-	-	-	-	3,059
Other accrued liabilities	-	-	-	-	-	1,216	-	-	-	-	1,742
Advance payments and deposits	-	-	-	-	-	-	-	-	-	-	451
Due to other funds	-	-	-	-	-	-	-	-	-	579	7,427
Due to others	-	-	-	-	-	-	-	-	4	-	641
Deferred revenue	-	-	-	-	-	700	355	-	-	-	1,142
Total liabilities	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>2,036</u>	<u>355</u>	<u>-</u>	<u>4</u>	<u>579</u>	<u>14,462</u>
Fund balances:											
Reserved	-	-	119	-	-	651	-	-	-	-	1,350
Unreserved	<u>1</u>	<u>14</u>	<u>(29)</u>	<u>146</u>	<u>34</u>	<u>7,459</u>	<u>1,268</u>	<u>392</u>	<u>162</u>	<u>637</u>	<u>26,383</u>
Total fund balances	<u>1</u>	<u>14</u>	<u>90</u>	<u>146</u>	<u>34</u>	<u>8,110</u>	<u>1,268</u>	<u>392</u>	<u>162</u>	<u>637</u>	<u>27,733</u>
Total liabilities and fund balances	<u>\$ 1</u>	<u>\$ 14</u>	<u>\$ 92</u>	<u>\$ 146</u>	<u>\$ 34</u>	<u>\$ 10,146</u>	<u>\$ 1,623</u>	<u>\$ 392</u>	<u>\$ 166</u>	<u>\$ 1,216</u>	<u>\$ 42,195</u>

DeKalb County, Georgia
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year Ended December 31, 2005
 (in thousands of dollars)

REVENUES	Development	PEG Support	County Jail	Victim Assistance	Recreation	Juvenile Services	Drug Abuse Treatment & Education	Law	Street Lights	Speed Humps	Emergency Telephone System
								Enforcement Confiscated Monies			
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	10,097	-	-	-	-	-	-	-	-	-	-
Use of money and property	44	60	-	-	10	1	-	81	-	15	351
Intergovernmental	-	-	70	100	-	-	-	908	-	-	-
Fines and forfeitures	-	-	1,511	722	-	-	31	-	-	-	-
Charges for services	74	-	-	-	1,300	69	-	-	3,192	224	12,096
Miscellaneous	585	86	-	-	-	-	-	-	-	-	-
Total revenues	10,800	146	1,581	822	1,310	70	31	989	3,192	239	12,447
EXPENDITURES											
Current											
General government	-	288	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	400	-	-	1,713
Civil and criminal court system	-	-	-	201	-	9	-	101	-	-	-
Public works	11,449	-	-	-	-	-	-	-	3,573	1	-
Community development	-	-	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	1,297	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	11,449	288	-	201	1,297	9	-	501	3,573	1	1,713
Excess (deficiency) of revenues over (under) expenditures	(649)	(142)	1,581	621	13	61	31	488	(381)	238	10,734
OTHER FINANCING SOURCES (USES)											
Contractual purchase obligations	1,616	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(1,581)	(530)	-	-	-	(1,002)	-	-	(7,715)
Total other financing sources (uses)	1,616	-	(1,581)	(530)	-	-	-	(1,002)	-	-	(7,715)
Net change in fund balance	967	(142)	-	91	13	61	31	(514)	(381)	238	3,019
Fund balance - beginning	273	1,583	-	505	95	16	12	1,632	239	431	8,710
Fund balance - ending	\$ 1,240	\$ 1,441	\$ -	\$ 596	\$ 108	\$ 77	\$ 43	\$ 1,118	\$ (142)	\$ 669	\$ 11,729

(continued)

DeKalb County, Georgia
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 For the Year Ended December 31, 2005
 (in thousands of dollars)
 (continued)

	2001 Local Law		2002 Local Law		2003 Local Law		2004 Local Law		2005 Justice		Hotel \ Motel Tax	Law Library	Alternative Dispute Resolution	Total Nonmajor Special Revenue Funds
	Grant-in-Aid	Enforcement Block Grant	Enforcement Block Grant	Enforcement Block Grant	Enforcement Block Grant	Enforcement Block Grant	Grant	Fire	Hospital	Assistance				
REVENUES														
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,175	\$ 21,594	\$ -	\$ 2,328	\$ -	\$ -	\$ 75,097
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	10,097
Use of money and property	-	-	-	5	4	-	48	-	-	-	-	2	29	650
Intergovernmental	26,637	-	-	-	-	-	2,615	1,148	-	-	-	-	-	31,478
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	-	2,264
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-	16,955
Miscellaneous	212	-	-	-	-	-	113	-	-	-	-	83	584	1,663
Total revenues	26,849	-	-	5	4	-	53,951	22,742	2,328	-	85	613	138,204	
EXPENDITURES														
Current:														
General government	4,160	-	-	-	-	-	-	-	1,936	-	-	-	-	6,384
Public safety	8,286	-	20	64	46	-	48,789	-	-	-	-	-	-	59,318
Civil and criminal court system	848	-	-	-	-	-	-	-	-	-	-	-	-	1,159
Public works	-	-	-	-	-	-	-	-	-	-	-	-	-	15,023
Community development	13,457	-	-	-	-	-	-	-	-	-	-	-	-	13,457
Parks and recreation	486	-	-	-	-	-	-	-	-	-	-	-	-	1,783
Health and welfare	1,762	-	-	-	-	-	-	21,733	-	-	-	-	-	23,495
Miscellaneous	2,680	-	-	-	-	-	-	-	-	-	80	587	-	3,347
Total expenditures	31,679	-	20	64	46	-	48,789	21,733	1,936	-	80	587	123,966	
Excess (deficiency) of revenues over (under) expenditures	(4,830)	-	(20)	(59)	(42)	-	5,162	1,009	392	-	5	26	14,238	
OTHER FINANCING SOURCES (USES)														
Contractual purchase obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	1,616
Transfers in	4,833	-	-	-	-	34	1,000	-	-	-	-	-	-	5,867
Transfers out	(3)	-	-	-	-	-	-	-	-	-	-	-	-	(10,831)
Total other financing sources (uses)	4,830	-	-	-	-	34	1,000	-	-	-	-	-	-	(3,348)
Net change in fund balance	-	-	(20)	(59)	(42)	34	6,162	1,009	392	-	5	26	10,890	
Fund balance - beginning	-	1	34	149	188	-	1,948	258	-	-	157	611	16,843	
Fund balance - ending	\$ -	\$ 1	\$ 14	\$ 90	\$ 146	\$ 34	\$ 8,110	\$ 1,268	\$ 392	\$ -	\$ 162	\$ 637	\$ 27,733	

DeKalb County, Georgia

Nonmajor Special Revenue Funds

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

For the Year Ended December 31, 2005

Non-GAAP Budget Basis (in thousands of dollars)

	Development			PEG Support		
	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues:						
Licenses and permits	\$ 11,533	\$ 10,097	\$ (1,436)	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	5	75	70	-	-	-
Investment income	25	37	12	20	54	34
Miscellaneous	100	22	(78)	150	86	(64)
Total revenues	11,663	10,231	(1,432)	170	140	(30)
Expenditures:						
Current:						
General government	-	-	-	1,779	315	(1,464)
Public works - development	12,517	9,478	(3,039)	-	-	-
Total expenditures	12,517	9,478	(3,039)	1,779	315	(1,464)
Excess (deficiency) of revenues over expenditures	(854)	753	1,607	(1,609)	(175)	1,434
Other financing sources (uses):						
Transfers out	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(854)	753	1,607	(1,609)	(175)	1,434
Fund balance, beginning of year	854	843	(11)	1,609	1,609	-
Fund balance, end of year	\$ -	\$ 1,596	\$ 1,596	\$ -	\$ 1,434	\$ 1,434

Explanation of differences between budget and GAAP:

Deficiency of revenues and other sources over expenditures and other uses - budget basis	753	(175)
Differences - budget to GAAP:		
Due to revenues:		
Accrued receivables 12-31-2005	7	6
Due to expenditures:		
Accrued payables 12-31-2004	570	27
Accrued payables 12-31-2005	(363)	-
Net change in fund balance - GAAP basis	\$ 967	\$ (142)

(continued)

DeKalb County, Georgia

Nonmajor Special Revenue Funds

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

For the Year Ended December 31, 2005

Non-GAAP Budget Basis (in thousands of dollars)
(continued)

	County Jail			Victim Assistance			Recreation		
	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues:									
Intergovernmental	\$ 107	\$ 70	\$ (37)	\$ 453	\$ 100	\$ (353)	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	1,895	1,300	(595)
Fines and forfeitures	1,739	1,511	(228)	900	723	(177)	-	-	-
Investment income	-	-	-	-	-	-	-	9	9
Miscellaneous	-	-	-	-	-	-	-	-	-
Total revenues	<u>1,846</u>	<u>1,581</u>	<u>(265)</u>	<u>1,353</u>	<u>823</u>	<u>(530)</u>	<u>1,895</u>	<u>1,309</u>	<u>(586)</u>
Expenditures:									
Current:									
Civil and criminal court system - district attorney	-	-	-	865	284	(581)	-	-	-
Parks and recreation	-	-	-	-	-	-	2,062	1,344	(718)
Total expenditures	-	-	-	<u>865</u>	<u>284</u>	<u>(581)</u>	<u>2,062</u>	<u>1,344</u>	<u>(718)</u>
Excess (deficiency) of revenues over expenditures	1,846	1,581	(265)	488	539	51	(167)	(35)	132
Other financing sources (uses):									
Transfers out	(1,846)	(1,581)	265	(1,076)	(530)	546	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	(588)	9	597	(167)	(35)	132
Fund balance, beginning of year	-	-	-	588	588	-	167	167	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 597</u>	<u>\$ 597</u>	<u>\$ -</u>	<u>\$ 132</u>	<u>\$ 132</u>
Explanation of differences between budget and GAAP:									
Deficiency of revenues and other sources over expenditures and other uses - budget basis					9			(35)	
Differences - budget to GAAP:									
Due to revenues:									
Accrued receivables 12-31-2005		-			-			1	
Due to expenditures:									
Accrued payables 12-31-2004		-			82			72	
Accrued payables 12-31-2005		-			-			(25)	
Net change in fund balance - GAAP basis		<u>\$ -</u>			<u>\$ 91</u>			<u>\$ 13</u>	

(continued)

DeKalb County, Georgia

Nonmajor Special Revenue Funds

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

For the Year Ended December 31, 2005

Non-GAAP Budget Basis (in thousands of dollars)
(continued)

	Juvenile Services			Drug Abuse Treatment & Education			Law Enforcement Confiscated Monies		
	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues:									
intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 908	\$ 908	\$ -
Charges for services	71	70	(1)	-	-	-	-	-	-
Fines and forfeitures	-	-	-	65	33	(32)	-	-	-
Investment income	-	1	1	1	(2)	(3)	-	74	74
Miscellaneous	-	-	-	-	-	-	-	-	-
Total revenues	<u>71</u>	<u>71</u>	<u>-</u>	<u>66</u>	<u>31</u>	<u>(35)</u>	<u>908</u>	<u>982</u>	<u>74</u>
Expenditures:									
Current:									
Public safety - police	-	-	-	-	-	-	1,571	915	(656)
Civil and criminal court system - sheriff	-	-	-	-	-	-	302	32	(270)
Civil and criminal court system - juvenile court	86	10	(76)	-	-	-	-	-	-
Civil and criminal court system - district attorney	-	-	-	-	-	-	222	112	(110)
Health and welfare	-	-	-	169	91	(78)	-	-	-
Total expenditures	<u>86</u>	<u>10</u>	<u>(76)</u>	<u>169</u>	<u>91</u>	<u>(78)</u>	<u>2,095</u>	<u>1,059</u>	<u>(1,036)</u>
Excess (deficiency) of revenues over expenditures	(15)	61	76	(103)	(60)	43	(1,187)	(77)	1,110
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(1,003)	(1,002)	1
Excess (deficiency) of revenues and other sources over expenditures and other uses	(15)	61	76	(103)	(60)	43	(2,190)	(1,079)	1,111
Fund balance, beginning of year	15	16	1	103	103	-	2,190	2,190	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ 77</u>	<u>\$ 77</u>	<u>\$ -</u>	<u>\$ 43</u>	<u>\$ 43</u>	<u>\$ -</u>	<u>\$ 1,111</u>	<u>\$ 1,111</u>

Explanation of differences between budget and GAAP:

Deficiency of revenues and other sources over expenditures and other uses - budget basis	61	(60)	(1,079)
Differences - budget to GAAP:			
Due to revenues:			
Accrued receivables 12-31-2005	-	-	7
Due to expenditures:			
Accrued payables 12-31-2004	-	91	558
Accrued payables 12-31-2005	-	-	-
Net change in fund balance - GAAP basis	<u>\$ 61</u>	<u>\$ 31</u>	<u>\$ (514)</u>

(continued)

DeKalb County, Georgia

Nonmajor Special Revenue Funds

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

For the Year Ended December 31, 2005

Non-GAAP Budget Basis (in thousands of dollars)
(continued)

	Street Lights			Speed Humps			Emergency Telephone System		
	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues:									
Charges for services	\$ 3,100	\$ 3,219	\$ 119	\$ 150	\$ 217	\$ 67	\$ 11,204	\$ 12,379	\$ 1,175
Investment income	1	(5)	(6)	2	13	11	90	306	216
Total revenues	<u>3,101</u>	<u>3,214</u>	<u>113</u>	<u>152</u>	<u>230</u>	<u>78</u>	<u>11,294</u>	<u>12,685</u>	<u>1,391</u>
Expenditures:									
Current:									
Public safety	-	-	-	-	-	-	10,419	1,182	(9,237)
Public works - transportation	3,403	3,574	171	-	-	-	-	-	-
Public works - roads and drainage	-	-	-	585	3	(582)	-	-	-
Total expenditures	<u>3,403</u>	<u>3,574</u>	<u>171</u>	<u>585</u>	<u>3</u>	<u>(582)</u>	<u>10,419</u>	<u>1,182</u>	<u>(9,237)</u>
Excess (deficiency) of revenues over expenditures	(302)	(360)	(58)	(433)	227	660	875	11,503	10,628
Other financing sources (uses):									
Transfers out	-	-	-	-	-	-	(8,686)	(7,715)	971
Excess (deficiency) of revenues and other sources over expenditures and other uses	(302)	(360)	(58)	(433)	227	660	(7,811)	3,788	11,599
Fund balance, beginning of year	302	67	(235)	433	433	-	7,811	7,811	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ (293)</u>	<u>\$ (293)</u>	<u>\$ -</u>	<u>\$ 660</u>	<u>\$ 660</u>	<u>\$ -</u>	<u>\$ 11,599</u>	<u>\$ 11,599</u>

Explanation of differences between budget and GAAP:

Deficiency of revenues and other sources over expenditures and other uses - budget basis	(360)							3,788
Differences - budget to GAAP:								
Due to revenues:								
Accrued receivables 12-31-2004		(175)			-			(900)
Accrued receivables 12-31-2005		153			9			662
Due to expenditures:								
Accrued payables 12-31-2004		3			2			-
Accrued payables 12-31-2005		(2)			-			(531)
Net change in fund balance - GAAP basis		<u>\$ (381)</u>			<u>\$ 238</u>			<u>\$ 3,019</u>

(continued)

DeKalb County, Georgia

Nonmajor Special Revenue Funds

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

For the Year Ended December 31, 2005

Non-GAAP Budget Basis (in thousands of dollars)
(continued)

	Grant-in-Aid			2001 Local Law Enforcement Block Grant			2002 Local Law Enforcement Block Grant		
	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues									
Intergovernmental	\$ 75,364	\$ 12,433	\$ (62,931)	\$ -	\$ -	\$ -	\$ -	\$ (21)	\$ (21)
Investment income	-	-	-	-	-	-	2	-	(2)
Miscellaneous	31,950	213	(31,737)	1	-	(1)	19	-	(19)
Total revenues	107,314	12,646	(94,668)	1	-	(1)	21	(21)	(42)
Expenditures									
Current									
General government									
Finance	(3)	(5)	(2)	-	-	-	-	-	-
Workforce development	2,967	4,240	1,273	-	-	-	-	-	-
Total general government	2,964	4,235	1,271	-	-	-	-	-	-
Public safety									
Police	9,022	7,939	(1,083)	1	-	(1)	35	(1)	(36)
Fire and rescue services	1,517	493	(1,024)	-	-	-	-	-	-
Total public safety	10,539	8,432	(2,107)	1	-	(1)	35	(1)	(36)
Civil and criminal court system									
Sheriff	17	-	(17)	-	-	-	-	-	-
Juvenile court	885	129	(756)	-	-	-	-	-	-
Superior court	672	340	(332)	-	-	-	-	-	-
State court	14	6	(8)	-	-	-	-	-	-
Solicitor	444	232	(212)	-	-	-	-	-	-
District attorney	88	167	79	-	-	-	-	-	-
Magistrate court	6	-	(6)	-	-	-	-	-	-
Total civil and criminal court system	2,126	874	(1,252)	-	-	-	-	-	-
Public works - development	165	-	(165)	-	-	-	-	-	-
Community development	25,432	13,609	(11,823)	-	-	-	-	-	-
Parks and recreation	1,477	478	(999)	-	-	-	-	-	-
Health and welfare									
Public health	16	2	(14)	-	-	-	-	-	-
Senior citizens services	5,178	3,039	(2,139)	-	-	-	-	-	-
Family and children services	1,890	1,753	(137)	-	-	-	-	-	-
Total health and welfare	7,084	4,794	(2,290)	-	-	-	-	-	-
Miscellaneous	64,367	378	(63,989)	-	-	-	-	-	-
Total expenditures	114,154	32,800	(81,354)	1	-	(1)	35	(1)	(36)
Excess (deficiency) of revenues over expenditures	(6,840)	(20,154)	(13,314)	-	-	-	(14)	(20)	(6)
Other financing sources (uses)									
Transfers in	6,840	4,833	(2,007)	-	-	-	14	-	(14)
Transfers out	-	699	699	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	(14,622)	(14,622)	-	-	-	-	(20)	(20)
Fund balance, beginning of year	-	(5,898)	(5,898)	-	1	1	-	34	34
Fund balance, end of year	\$ -	\$ (20,520)	\$ (20,520)	\$ -	\$ 1	\$ 1	\$ -	\$ 14	\$ 14
Explanation of differences between budget and GAAP									
Deficiency of revenues and other sources over expenditures and other uses - budget basis		(14,622)						(20)	
Differences - budget to GAAP									
Due to revenues									
Accrued receivables 12-31-2004		(6,858)							
Accrued receivables 12-31-2005		22,714							
Due to expenditures									
Accrued payables 12-31-2004		960							
Accrued payables 12-31-2005		(542)							
Net change in fund balance - GAAP basis		\$ 1,652			\$ -			\$ (20)	

(continued)

DeKalb County, Georgia

Nonmajor Special Revenue Funds

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

For the Year Ended December 31, 2005

Non-GAAP Budget Basis (in thousands of dollars)
(continued)

	2003 Local Law Enforcement Block Grant			2004 Local Law Enforcement Block Grant			2005 Justice Assistance Grant		
	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues:									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	188	188	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Investment income	4	5	1	-	5	5	-	-	-
Miscellaneous	116	-	(116)	188	-	(188)	-	-	-
Total revenues	120	5	(115)	188	193	5	-	-	-
Expenditures:									
Current:									
Public safety - police	388	182	(206)	188	46	(142)	-	-	-
Public safety - fire and rescue services	-	-	-	-	-	-	-	-	-
Total expenditures	388	182	(206)	188	46	(142)	-	-	-
Excess (deficiency) of revenues over expenditures	(268)	(177)	91	-	147	147	-	-	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	34	34
Excess (deficiency) of revenues and other sources over expenditures and other uses	(268)	(177)	91	-	147	147	-	34	34
Fund balance, beginning of year	268	268	-	-	-	-	-	-	-
Fund balance, end of year	\$ -	\$ 91	\$ 91	\$ -	\$ 147	\$ 147	\$ -	\$ 34	\$ 34
Explanation of differences between budget and GAAP:									
Deficiency of revenues and other sources over expenditures and other uses - budget basis		(177)			147			34	
Differences - budget to GAAP:									
Due to revenues:									
Accrued receivables 12-31-2004		-			(189)			-	
Accrued receivables 12-31-2005		-			-			-	
Deferred revenues 12-31-2004		-			-			-	
Deferred revenues 12-31-2005		-			-			-	
Due to expenditures:									
Accrued payables 12-31-2004		119			-			-	
Accrued payables 12-31-2005		(1)			-			-	
Net change in fund balance - GAAP basis		\$ (59)			\$ (42)			\$ 34	

(continued)

DeKalb County, Georgia

Nonmajor Special Revenue Funds

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

For the Year Ended December 31, 2005

Non-GAAP Budget Basis (in thousands of dollars)
(continued)

	Fire			Hospital			Hotel \ Motel Tax		
	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues:									
Property taxes	\$ 34,075	\$ 35,192	\$ 1,117	\$ 13,767	\$ 15,425	\$ 1,658	\$ -	\$ -	\$ -
Sales taxes	13,581	16,182	2,601	5,190	6,293	1,103	-	-	-
Intergovernmental	971	2,615	1,644	-	-	-	2,400	2,339	(61)
Charges for services	75	-	(75)	2,541	1,148	(1,393)	-	-	-
Investment income	1	18	17	-	(135)	(135)	-	-	-
Miscellaneous	56	93	37	-	-	-	-	-	-
Total revenues	48,759	54,100	5,341	21,498	22,731	1,233	2,400	2,339	(61)
Expenditures:									
Current:									
General government	-	-	-	-	-	-	2,609	2,317	(292)
Health and welfare - hospital	-	-	-	21,605	21,600	(5)	-	-	-
Public safety - fire and rescue services	53,438	49,690	(3,748)	-	-	-	-	-	-
Total expenditures	53,438	49,690	(3,748)	21,605	21,600	(5)	2,609	2,317	(292)
Excess (deficiency) of revenues over expenditures	(4,679)	4,410	9,089	(107)	1,131	1,238	(209)	22	231
Other financing sources (uses):									
Transfers in	1,000	1,000	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(3,679)	5,410	9,089	(107)	1,131	1,238	(209)	22	231
Fund balance, beginning of year	3,679	3,679	-	107	107	-	209	209	-
Fund balance, end of year	\$ -	\$ 9,089	\$ 9,089	\$ -	\$ 1,238	\$ 1,238	\$ -	\$ 231	\$ 231
Explanation of differences between budget and GAAP:									
Deficiency of revenues and other sources over expenditures and other uses - budget basis		5,410			1,131			22	
Differences - budget to GAAP:									
Due to revenues:									
Accrued receivables 12-31-2004		(1,285)			(572)			(172)	
Accrued receivables 12-31-2005		951			385			161	
Deferred revenues 12-31-2004		885			420			-	
Deferred revenues 12-31-2005		(700)			(355)			-	
Due to expenditures:									
Accrued payables 12-31-2004		2,131			-			381	
Accrued payables 12-31-2005		(1,230)			-			-	
Net change in fund balance - GAAP basis		\$ 6,162			\$ 1,009			\$ 392	

DeKalb County, Georgia

Nonmajor Debt Service Funds

The following Nonmajor Debt Service Funds are used by the County:

Building Authority Revenue Bonds Debt Service Fund - to account for rental and other revenues used to fund the principal and interest requirements on revenue bonds issued by the Building Authority.

2001 Parks General Obligation Bonds Debt Service Fund - to account for taxes levied to fund the principal and interest requirements on the 2001 general obligation parks bonds.

Other General Obligation Bonds Debt Service Fund - to account for taxes levied to fund the principal and interest requirements on all other general obligation bond issues of the County.

DeKalb County, Georgia
 Nonmajor Debt Service Funds
 Combining Balance Sheet
 December 31, 2005
 (in thousands of dollars)

	Building Authority Revenue Bonds Debt Service	2001 Parks General Obligation Bonds Debt Service	Other General Obligation Bonds Debt Service	Total Nonmajor Debt Service Funds
ASSETS				
Cash and cash equivalents	\$ 233	\$ 3,022	\$ 12,304	\$ 15,559
Taxes receivable (net)	-	398	472	870
Total Assets	<u>233</u>	<u>3,420</u>	<u>12,776</u>	<u>16,429</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts and contracts payable	-	-	-	-
Deferred revenue	-	222	296	518
Total Liabilities	<u>-</u>	<u>222</u>	<u>296</u>	<u>518</u>
Fund balance	<u>233</u>	<u>3,198</u>	<u>12,480</u>	<u>15,911</u>
Total liabilities and fund balances	<u>\$ 233</u>	<u>\$ 3,420</u>	<u>\$ 12,776</u>	<u>\$ 16,429</u>

DeKalb County, Georgia
 Nonmajor Debt Service Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 For the Year Ended December 31, 2005
 (in thousands of dollars)

	Building Authority Revenue Bonds Debt Service	2001 Parks General Obligation Bonds Debt Service	Other General Obligation Bonds Debt Service	Total Nonmajor Debt Service Funds
REVENUES				
Taxes	\$ -	\$ 13,421	\$ 14,968	\$ 28,389
Use of money and property	32	116	116	264
Total revenues	<u>32</u>	<u>13,537</u>	<u>15,084</u>	<u>28,653</u>
EXPENDITURES				
Debt service	<u>1,077</u>	<u>12,005</u>	<u>14,120</u>	<u>27,202</u>
Excess (deficiency) of revenues over (under) expenditures	(1,045)	1,532	964	1,451
OTHER FINANCING SOURCES (USES)				
Transfers in	1,274	-	-	1,274
Total other financing sources (uses)	<u>1,274</u>	<u>-</u>	<u>-</u>	<u>1,274</u>
Net change in fund balance	229	1,532	964	2,725
Fund balance - beginning	<u>4</u>	<u>1,666</u>	<u>11,516</u>	<u>13,186</u>
Fund balance - ending	<u>\$ 233</u>	<u>\$ 3,198</u>	<u>\$ 12,480</u>	<u>\$ 15,911</u>

DeKalb County, Georgia

Nonmajor Debt Service Funds

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

For the Year Ended December 31, 2005

Non-GAAP Budget Basis (in thousands of dollars)

	Building Authority Revenue Bonds Debt Service			2001 Parks General Obligation Bonds Debt Service			Other General Obligation Bonds Debt Service		
	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues:									
Property taxes	\$ -	\$ -	\$ -	\$ 12,501	\$ 13,385	\$ 884	\$ 14,158	\$ 14,947	\$ 789
Investment income	-	-	-	76	103	27	35	75	40
Miscellaneous	1,121	32	(1,089)	-	-	-	-	-	-
Total revenues	1,121	32	(1,089)	12,577	13,488	911	14,193	15,022	829
Expenditures:									
Debt service	1,125	1,077	(48)	14,104	12,006	(2,098)	14,344	14,057	(287)
Excess (deficiency) of revenues over expenditures	(4)	(1,045)	(1,041)	(1,527)	1,482	3,009	(151)	965	1,116
Excess (deficiency) of revenues and other sources over expenditures and other uses	(4)	(1,045)	(1,041)	(1,527)	1,482	3,009	(151)	965	1,116
Fund balance, beginning of year	4	4	-	1,527	1,527	-	151	151	-
Fund balance, end of year	\$ -	\$ (1,041)	\$ (1,041)	\$ -	\$ 3,009	\$ 3,009	\$ -	\$ 1,116	\$ 1,116

Explanation of differences between budget and GAAP:

Deficiency of revenues and other sources over expenditures and other uses - budget basis	(1,045)	1,482	965
Differences - budget to GAAP:			
Due to revenues:			
Accrued receivables 12-31-2004	-	(407)	(504)
Accrued receivables 12-31-2005	1,273	411	513
Deferred revenues 12-31-2004	-	268	349
Deferred revenues 12-31-2005	-	(222)	(296)
Due to expenditures:			
Debt service payment due 12-31-2004	-	-	(11,210)
Debt service payment due 12-31-2005	-	-	11,147
Net change in fund balance - GAAP basis	\$ 228	\$ 1,532	\$ 964

DeKalb County, Georgia

Nonmajor Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities for the County's governmental funds.

The following Nonmajor Capital Projects Funds are used by the County:

1987 Parks Bonds Fund - to account for the proceeds of the 1987 General Obligation Bond issue and the related capital expenditures for parks.

Jail Bonds Fund - to account for the proceeds of the 1991 General Obligation Bond issues and the related capital expenditures for a new County jail.

Health Facilities Bonds Fund - to account for the proceeds of the 1993 General Obligation Bond issue and the related capital expenditures for health facilities.

2001 Parks Bonds Fund - to account for the proceeds of the 2001 General Obligation Bond issue and the related capital expenditures for parks.

HOST Capital Projects Fund - to account for the proceeds from the homestead sales tax revenues designated for capital projects.

Capital Improvement Projects Fund - to account for all other monies related to capital expenditures of the County's governmental funds.

COPS Bond Projects Fund - to account for the proceeds of the 2003 Certificate of Participation Bond issue and the related capital expenditures.

COPS Morgue Project Fund - to account for the proceeds of the 1994 Certificate of Participation Bond issue and the related capital expenditures for the construction of a morgue / forensic science center.

Community Greenspace Program Fund - to account for monies donated for green space acquisitions within the County.

Public Safety and Judicial Facilities Authority Projects Fund - to account for the proceeds of the 2004 Revenue Bond issue and the related capital projects for purchase and renovation of various buildings for the Public Safety Department.

Building Authority Juvenile Court Project Fund - to account for the proceeds of the 2003 and 2005 Revenue Bonds and the related expenditures for the construction of a juvenile court facility for the County.

DeKalb County, Georgia

Nonmajor Capital Project Funds

Combining Balance Sheet

December 31, 2005

(in thousands of dollars)

	1987 Parks Bonds	Jail Bonds	Health Facilities Bonds	2001 Parks Bonds	HOST Capital Projects	Capital Improvement Projects	COPS Bond Projects	COPS Morgue Project	Community Greenspace Program	Public Safety Judicial Facilities Authority Projects	Building Authority Juvenile Court Project	Total Nonmajor Capital Project Funds
ASSETS												
Cash and cash equivalents	\$ 160	\$ 2,281	\$ 110	\$ 53,691	\$ 10,939	\$ 38,623	\$ 13,284	\$ 1	\$ 32	\$ 28,176	\$ 31,879	\$ 179,176
Due from other governments	-	-	-	-	133	\$ 2,692	-	-	\$ -	-	-	2,825
Total assets	160	2,281	110	53,691	11,072	41,315	13,284	1	32	28,176	31,879	182,001
LIABILITIES AND FUND BALANCE												
Liabilities:												
Accounts and contracts payable	-	-	-	127	241	1,812	1	-	-	100	173	2,454
Deferred revenue	-	-	-	-	-	696	-	-	-	-	-	696
Total liabilities	-	-	-	127	241	2,508	1	-	-	100	173	3,150
Fund balance:												
Reserved	-	-	-	2,344	2,579	1,306	273	-	1	965	25,732	33,200
Unreserved	160	2,281	110	51,220	8,252	37,501	13,010	1	31	27,111	5,974	145,651
Total fund balance	160	2,281	110	53,564	10,831	38,807	13,283	1	32	28,076	31,706	178,851
Total liabilities and fund balances	\$ 160	\$ 2,281	\$ 110	\$ 53,691	\$ 11,072	\$ 41,315	\$ 13,284	\$ 1	\$ 32	\$ 28,176	\$ 31,879	\$ 182,001

DeKalb County, Georgia

Nonmajor Capital Project Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year Ended December 31, 2005

(in thousands of dollars)

	1987 Parks Bonds	Jail Bonds	Health Facilities Bonds	2001 Parks Bonds	HOST Capital Projects	Capital Improvement Projects	COPS Bond Projects	COPS Morgue Project	Community Greenspace Program	Public Safety Judicial Facilities Authority Projects	Building Authority Juvenile Court Project	Total Nonmajor Capital Project Funds
Revenues												
Use of money and property	\$ 4	\$ 68	\$ 3	\$ 1,771	\$ 299	\$ -	\$ 2,293	\$ -	\$ -	\$ 549	\$ 454	\$ 5,441
Intergovernmental	-	-	-	397	7,394	8,389	-	-	-	-	-	16,180
Miscellaneous	-	-	-	531	-	752	-	-	-	-	-	1,283
Total revenues	4	68	3	2,699	7,693	9,141	2,293	-	-	549	454	22,904
Expenditures												
Debt service	-	-	-	-	75	1,763	-	-	-	-	-	1,838
Bond issuance costs	-	-	-	-	-	-	-	-	-	-	624	624
Capital outlay												
General government	-	-	-	-	-	4,167	-	-	-	-	-	4,167
Public safety	-	-	-	-	-	54	-	-	-	2,407	-	2,461
Civil and criminal court system	-	13	-	-	-	-	1,546	-	-	-	6,686	8,245
Public works	-	-	-	-	6,969	16,576	-	-	-	-	-	23,545
Parks and recreation	-	-	-	12,941	-	61	-	-	2	-	-	13,004
Health and welfare	-	-	55	-	-	-	-	-	-	-	-	55
Total expenditures	-	13	55	12,941	7,044	22,621	1,546	-	2	2,407	7,310	53,939
Excess (deficiency) of revenues over expenditures	4	55	(52)	(10,242)	649	(13,480)	747	-	(2)	(1,858)	(6,856)	(31,035)
Other Financing Sources (Uses)												
Issuance of Debt	-	-	-	-	-	-	-	-	-	-	35,670	35,670
Premium on bond issuance	-	-	-	-	-	-	-	-	-	-	637	637
Transfers in	-	-	-	-	100	30,857	-	-	-	-	-	30,957
Transfers out	-	-	-	-	(1,972)	-	-	-	-	-	(1,274)	(3,246)
Total other financing sources (uses)	-	-	-	-	(1,872)	30,857	-	-	-	-	35,033	64,018
Net change in fund balance	4	55	(52)	(10,242)	(1,223)	17,377	747	-	(2)	(1,858)	28,177	32,983
Fund balance - beginning	156	2,226	162	63,806	12,054	21,430	12,536	1	34	29,934	3,529	145,868
Fund balance - ending	\$ 160	\$ 2,281	\$ 110	\$ 53,564	\$ 10,831	\$ 38,807	\$ 13,283	\$ 1	\$ 32	\$ 28,076	\$ 31,706	\$ 178,851

DeKalb County, Georgia

Nonmajor Enterprise Funds

The following Nonmajor Enterprise Funds are used by the County:

DeKalb Peachtree Airport Fund - to account for the provision of airport services to the residents of the County. All activities necessary to provide such services are accounted for in this fund.

Stormwater Utility Fund - to account for the provision of a Stormwater drainage system for residents of the County. All activities necessary to provide such services are accounted for in this fund.

DeKalb County, Georgia
 Nonmajor Proprietary Funds
 Statement of Net Assets
 December 31, 2005
 (in thousands of dollars)

<u>ASSETS</u>	DeKalb- Peachtree Airport	Stormwater Utility	Total
Current assets:			
Cash and cash equivalents	\$ 6,882	\$ 3,760	\$ 10,642
Accounts receivable (net)	115	1,065	1,180
Due from other governments	1,222	-	1,222
Total current assets	8,219	4,825	13,044
Noncurrent assets:			
Capital assets (net)	48,658	355	49,013
Total assets	56,877	5,180	62,057
 <u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	568	124	692
Other accrued liabilities	41	-	41
Advance payments and deposits	7	-	7
Total current liabilities	616	124	740
Noncurrent liabilities:			
Compensated absences payable	90	-	90
Total liabilities	706	124	830
 <u>NET ASSETS</u>			
Invested in capital assets, net of related debt	48,658	355	49,013
Unrestricted	7,513	4,701	12,214
Total net assets	\$ 56,171	\$ 5,056	61,227

DeKalb County, Georgia
 Nonmajor Proprietary Funds
 Statement of Revenues, Expenses, and Changes in Fund Net Assets
 For the Year Ended December 31, 2005
 (In thousands of dollars)

	DeKalb- Peachtree Airport	Stormwater Utility	Total
Operating revenues:			
Rental fees	\$ 3,631	\$ -	\$ 3,631
Intergovernmental	2,614	-	2,614
Charges for services	-	16,873	16,873
Miscellaneous	<u>2</u>	<u>-</u>	<u>2</u>
Total operating revenues	<u>6,247</u>	<u>16,873</u>	<u>23,120</u>
Operating expenses:			
Salaries and employee benefits	1,170	-	1,170
Supplies	295	2,551	2,846
Operating services and charges	934	10,768	11,702
Depreciation and amortization	<u>509</u>	<u>-</u>	<u>509</u>
Total operating expenses	<u>2,908</u>	<u>13,319</u>	<u>16,227</u>
Operating income	3,339	3,554	6,893
Nonoperating revenues:			
Interest income	<u>180</u>	<u>340</u>	<u>520</u>
Income before capital donations and transfers	3,519	3,894	7,413
Capital donations	3,370	-	3,370
Transfers out	<u>-</u>	<u>(9,748)</u>	<u>(9,748)</u>
Change in net assets	6,889	(5,854)	1,035
Net assets - beginning	<u>49,282</u>	<u>10,910</u>	<u>60,192</u>
Net assets - ending	<u>\$ 56,171</u>	<u>\$ 5,056</u>	<u>\$ 61,227</u>

DeKalb County, Georgia
 Nonmajor Enterprise Funds
 Statement of Cash Flows
 For the Year Ended December 31, 2005
 (In thousands of dollars)

	DeKalb- Peachtree Airport	Stormwater Utility	Total
Cash flows from operating activities:			
Cash received from customers	\$ 3,631	\$ 16,553	\$ 20,184
Cash payments to suppliers for goods and services	(908)	(14,267)	(15,175)
Cash payments to employees for services	(1,172)	-	(1,172)
Other operating revenues	1,853	-	1,853
Net cash provided by operating activities	3,404	2,286	5,690
Cash flows from noncapital financing activities:			
Transfers to other funds	-	(9,748)	(9,748)
Net cash required by noncapital financing activities	-	(9,748)	(9,748)
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(2,999)	(355)	(3,354)
Capital donations	3,370	-	3,370
Net cash required by capital and related financing activities	371	(355)	16
Cash flows from investing activities:			
Interest on investments	158	340	498
Net cash provided by investing activities	158	340	498
Net increase (decrease) in cash and cash equivalents	3,933	(7,477)	(3,544)
Cash and cash equivalents at beginning of year	2,949	11,237	14,186
Cash and cash equivalents at end of year	6,882	3,760	10,642
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	3,339	3,554	6,893
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	509	-	509
Change in assets and liabilities			
(Increase) decrease in receivables	(519)	(320)	(839)
Increase (decrease) in payables	73	(948)	(875)
Increase (decrease) in other liabilities	2	-	2
Net cash provided by operating activities	3,404	2,286	5,690
Noncash capital donations	\$ 3,370	\$ -	\$ 3,370

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

DeKalb County, Georgia

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the County on a cost reimbursement basis.

The following Internal Service Funds are maintained by the County:

Vehicle Maintenance Fund - to account for operations of the County's Vehicle Maintenance Department which maintains and repairs all of the County's vehicles.

Vehicle Replacement Fund - to account for all purchases and dispositions of the County's vehicles.

Risk Management Fund - to account for all of the County's risk management related revenues and expenditures. This includes unemployment compensation insurance, group health and life insurance, general liability insurance, and worker's compensation insurance.

DeKalb County, Georgia

Internal Service Funds

Combining Statement of Net Assets

December 31, 2005
(In thousands of dollars)

	Vehicle Maintenance	Vehicle Replacement	Risk Management	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,666	\$ 49,478	\$ 13,501	\$ 64,645
Inventories and prepaid items	1,571	-	542	2,113
Total current assets	<u>3,237</u>	<u>49,478</u>	<u>14,043</u>	<u>66,758</u>
Noncurrent assets:				
Capital assets (net)	<u>1,758</u>	<u>33,723</u>	<u>-</u>	<u>35,481</u>
Total assets	<u>4,995</u>	<u>83,201</u>	<u>14,043</u>	<u>102,239</u>
LIABILITIES				
Current liabilities:				
Accounts payable	733	4,874	1,593	7,200
Claims and judgments payable, current portion	-	-	7,575	7,575
Obligation under capital leases, current portion	-	2,366	-	2,366
Other accrued liabilities	261	-	-	261
Total current liabilities	<u>994</u>	<u>7,240</u>	<u>9,168</u>	<u>17,402</u>
Noncurrent liabilities:				
Claims and judgments payable, long term portion	-	-	4,148	4,148
Obligation under capital leases, long term portion	-	3,136	-	3,136
Compensated absences payable	633	-	-	633
Total long-term liabilities	<u>633</u>	<u>3,136</u>	<u>4,148</u>	<u>7,917</u>
Total Liabilities	<u>1,627</u>	<u>10,376</u>	<u>13,316</u>	<u>25,319</u>
NET ASSETS				
Invested in capital assets	1,758	28,500	-	30,258
Restricted for capital projects	-	-	-	-
Unrestricted	1,610	44,325	727	46,662
Total net assets	<u>\$ 3,368</u>	<u>\$ 72,825</u>	<u>\$ 727</u>	<u>\$ 76,920</u>

DeKalb County, Georgia

Internal Service Funds

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

For the Year Ended December 31, 2005
(In thousands of dollars)

	Vehicle Maintenance	Vehicle Replacement	Risk Management	Totals
Operating revenues:				
Charges for services	\$ 25,289	\$ 21,793	\$ 72,044	\$ 119,126
Intergovernmental	193	-	-	193
Miscellaneous	371	32	-	403
Total operating revenues	<u>25,853</u>	<u>21,825</u>	<u>72,044</u>	<u>119,722</u>
Operating expenses:				
Salaries and employee benefits	7,790	-	-	7,790
Supplies	15,160	-	-	15,160
Operating services and charges	1,801	2,803	66,646	71,250
Miscellaneous	500	-	-	500
Depreciation	301	18,630	-	18,931
Total operating expenses	<u>25,552</u>	<u>21,433</u>	<u>66,646</u>	<u>113,631</u>
Operating Income (Loss)	301	392	5,398	6,091
Other income (expense):				
Interest income	-	1,388	-	1,388
Interest expense	-	(146)	-	(146)
Loss on sale of capital assets	-	(6,707)	-	(6,707)
Loss before transfers	301	(5,073)	5,398	626
Change in net assets	301	(5,073)	5,398	626
Net assets (deficit) - beginning	<u>3,067</u>	<u>77,898</u>	<u>(4,671)</u>	<u>76,294</u>
Net assets (deficit) - ending	<u>\$ 3,368</u>	<u>\$ 72,825</u>	<u>\$ 727</u>	<u>\$ 76,920</u>

DeKalb County, Georgia

Internal Service Funds

Combining Statement of Cash Flows

Year Ended December 31, 2005

(In thousands of dollars)

	Vehicle Maintenance	Vehicle Replacement	Risk Management	Totals
Cash flows from operating activities:				
Cash received from customers	\$ 25,782	\$ 21,793	\$ 72,044	\$ 119,619
Cash payments to suppliers for goods and services	(17,988)	(2,199)	(67,305)	(87,492)
Cash payments to employees for services	(7,790)	-	-	(7,790)
Net cash provided by operating activities	<u>4</u>	<u>19,594</u>	<u>4,739</u>	<u>24,337</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(43)	(14,729)	-	(14,772)
Proceeds from sale of capital assets	-	1,159	-	1,159
Capital Donations	(71)	-	-	(71)
Payments on leases	-	(2,466)	-	(2,466)
Net cash required by capital and related financing activities	<u>(114)</u>	<u>(16,036)</u>	<u>-</u>	<u>(16,150)</u>
Cash flows from investing activities:				
Interest on investments	-	1,388	-	1,388
Net increase (decrease) in cash and cash equivalents	(110)	4,946	4,739	9,575
Cash and cash equivalents at beginning of year	<u>1,776</u>	<u>44,532</u>	<u>8,762</u>	<u>55,070</u>
Cash and cash equivalents at end of year	<u>1,666</u>	<u>49,478</u>	<u>13,501</u>	<u>64,645</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	301	392	5,398	6,091
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	301	18,630	-	18,931
Change in assets and liabilities:				
(Increase) decrease in inventories and prepaid expenses	(510)	-	(15)	(525)
Increase (decrease) in payables	(102)	572	(644)	(174)
Increase (decrease) in other liabilities	14	-	-	14
Net cash provided by operating activities	<u>4</u>	<u>19,594</u>	<u>4,739</u>	<u>24,337</u>

DeKalb County, Georgia

Agency Funds

Tax Commissioner - to account for all real, personal, intangible, and intangible recording taxes collected and forwarded to the County and other governmental units.

Sheriff - to account for collection fees, proceeds from judicial sales, bond forfeitures, and cash bonds, which are disbursed to other elected officials and agencies, the County, and individuals. The Sheriff also collects, maintains, and disburses monies for civil suits and minors per court order.

Seized Property - to account for monies seized by public safety during arrests. These monies are either returned to victims, the arrested party, or forfeited to the County.

The following agency funds are used to account for fines, fees, and other monies collected by the courts and remitted to other parties in accordance with court orders and state law:

Clerk of Superior Court
State Court
Juvenile Court

Probate Court
Magistrate Court
State Court Probation

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year Ended December 31, 2005

(In thousands of dollars)

	Balance			Balance				Balance			
	12/31/2004	Additions	Deductions	12/31/2005				12/31/2005			
<u>TAX COMMISSIONER</u>				<u>PROBATE COURT</u>							
ASSETS				ASSETS							
Cash and Cash Equivalents	\$ 13,833	\$ 916,058	\$ 911,392	\$ 18,499	Cash and Cash Equivalents	\$ 285	\$ 1,156	\$ 1,121	\$ 320		
Taxes Receivable	26,903	695,146	692,102	29,947	LIABILITIES						
Total Assets	\$ 40,736	\$ 1,611,204	\$ 1,603,494	\$ 48,446	Due to Others	\$ 285	\$ 1,156	\$ 1,121	\$ 320		
LIABILITIES				<u>MAGISTRATE COURT</u>							
Due to Others	\$ 40,736	\$ 1,611,204	\$ 1,603,494	\$ 48,446	ASSETS						
<u>SHERIFF</u>				Cash and Cash Equivalents							
ASSETS				\$ 35					\$ 1,188	\$ 1,191	\$ 32
Cash and Cash Equivalents	\$ 5,921	\$ 7,499	\$ 6,593	\$ 6,827	LIABILITIES						
LIABILITIES				Due to Others							
Due to Others	\$ 5,921	\$ 7,499	\$ 6,593	\$ 6,827	\$ 35	\$ 1,188	\$ 1,191	\$ 32			
<u>CLERK SUPERIOR COURT</u>				<u>STATE COURT PROBATION</u>							
ASSETS				ASSETS							
Cash and Cash Equivalents	\$ 5,936	\$ 54,340	\$ 39,180	\$ 21,096	Cash and Cash Equivalents	\$ 1,386	\$ 3,398	\$ 2,929	\$ 1,855		
LIABILITIES				LIABILITIES							
Due to Others	\$ 5,936	\$ 54,340	\$ 39,180	\$ 21,096	Due to Others	\$ 1,386	\$ 3,398	\$ 2,929	\$ 1,855		
<u>STATE COURT</u>				<u>SEIZED PROPERTY</u>							
ASSETS				ASSETS							
Cash and Cash Equivalents	\$ 944	\$ 12,689	\$ 12,325	\$ 1,308	Cash and Cash Equivalents	\$ 299	\$ 224	\$ 236	\$ 287		
LIABILITIES				LIABILITIES							
Due to Others	\$ 944	\$ 12,689	\$ 12,325	\$ 1,308	Due to Others	\$ 299	\$ 224	\$ 236	\$ 287		
<u>JUVENILE COURT</u>				<u>TOTALS</u>							
ASSETS				ASSETS							
Cash and Cash Equivalents	\$ 21	\$ 204	\$ 203	\$ 22	Cash and Cash Equivalents	\$ 28,660	\$ 996,756	\$ 975,170	\$ 50,246		
LIABILITIES				Taxes Receivable							
Due to Others	\$ 21	\$ 204	\$ 203	\$ 22	Total Assets	\$ 55,563	\$ 1,691,902	\$ 1,667,272	\$ 80,193		
				LIABILITIES							
				Due to Others							
				\$ 55,563					\$ 1,691,902	\$ 1,667,272	\$ 80,193



STATISTICAL SECTION

DeKalb County, Georgia

Statistical Section (Unaudited)

Statistical tables differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. These tables reflect social and economic data, financial trends, and the fiscal capacity of the government.

DeKalb County, Georgia

Comments Relative to the Statistical Section

The following statistical tables that are recommended for inclusion by the Government Finance Officer's Association are not included for the reasons stated below:

Special Assessment Collections - Last Ten Fiscal Years. (County has had no special assessments for the past ten years related to any debt for which the County is obligated in some manner.)

DeKalb County, Georgia

General Governmental Revenues By Source and Expenditures By Function

Last Ten Years
(In thousands of dollars)

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Revenues By Source:										
Taxes	\$ 381,027	\$ 356,629	\$ 353,904	\$ 318,756	\$ 296,665	\$ 282,191	\$ 265,959	\$ 309,268	\$ 264,053	\$ 226,554
Licenses and Permits	30,757	28,432	26,833	27,625	29,385	27,686	28,254	22,163	21,257	20,396
Use of Money and Property	8,075	2,467	4,284	4,237	7,280	10,556	7,302	7,391	5,211	5,751
Intergovernmental	63,057	46,613	46,704	47,228	48,929	55,613	28,860	40,169	16,992	17,400
Fines and Forfeitures	31,429	33,674	29,311	24,162	21,571	20,171	19,277	19,155	19,474	17,835
Charges for Services	42,467	46,786	35,835	35,580	28,994	28,894	26,499	24,191	22,053	21,900
Miscellaneous	7,296	8,043	6,742	4,262	5,470	3,610	3,950	4,141	5,315	3,024
Total	\$ 564,108	\$ 522,644	\$ 503,613	\$ 461,850	\$ 438,294	\$ 428,721	\$ 380,101	\$ 426,478	\$ 354,355	\$ 312,860
Expenditures By Function:										
General Government	\$ 58,349	\$ 60,197	\$ 62,020	\$ 55,369	\$ 51,986	\$ 49,551	\$ 45,123	\$ 41,290	\$ 36,957	\$ 38,031
Public Safety	155,917	160,407	143,940	136,441	128,107	118,265	114,840	103,288	93,282	88,625
Civil and Criminal Court System	115,928	115,295	109,274	101,229	97,039	91,326	82,810	73,481	66,188	60,436
Planning	1,688	1,664	1,569	1,341	1,750	1,923	2,234	1,920	1,943	1,943
Public Works	40,169	40,858	43,605	41,107	38,346	42,459	30,063	42,757	26,075	24,430
Community Development	13,457	12,929	9,443	8,094	8,642	7,361	8,183	5,839	6,225	6,027
Parks and Recreation	18,931	18,433	17,697	19,578	18,245	16,562	15,722	14,935	14,166	13,247
Library	11,446	11,004	10,828	10,071	10,171	8,525	7,377	6,963	6,663	6,106
Health and Welfare	34,127	33,801	33,960	33,526	26,596	25,787	25,716	25,830	19,032	23,670
Miscellaneous	20,766	15,650	11,738	10,294	9,636	7,569	10,618	7,664	7,049	8,730
Debt Service	32,899	30,051	35,362	34,112	27,201	26,201	21,418	19,628	19,838	20,188
Capital Outlays	51,477	101,517	71,934	46,650	42,148	16,473	28,544	30,270	14,709	9,239
Total	\$ 555,154	\$ 601,806	\$ 551,370	\$ 497,812	\$ 459,867	\$ 412,002	\$ 392,648	\$ 373,865	\$ 312,127	\$ 300,672

General governmental revenues and expenditures include all revenues and expenditures of governmental fund types. Transfers to or from other funds are not included.

Source: DeKalb County Finance Department

DeKalb County, Georgia
Operating Revenues, Expenses, and Income of Enterprise Funds

Last Ten Years
(In thousands of dollars)

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Water and Sewerage System Fund:										
Operating revenues	\$ 119,982	\$ 115,350	\$ 120,398	\$ 109,013	\$ 109,928	\$ 111,054	\$ 103,633	\$ 86,882	\$ 83,634	\$ 82,049
Operating expenses	107,074	100,230	93,181	80,195	84,480	78,306	71,600	65,224	62,838	61,805
Operating income	<u>\$ 12,908</u>	<u>\$ 15,120</u>	<u>\$ 27,217</u>	<u>\$ 28,818</u>	<u>\$ 25,448</u>	<u>\$ 32,748</u>	<u>\$ 32,033</u>	<u>\$ 21,658</u>	<u>\$ 20,796</u>	<u>\$ 20,244</u>
Sanitation Fund:										
Operating revenues	\$ 57,067	\$ 58,405	\$ 52,506	\$ 54,934	\$ 46,374	\$ 41,545	\$ 41,277	\$ 38,202	\$ 37,971	\$ 34,179
Operating expenses	55,321	42,980	46,397	46,718	40,125	38,268	40,584	33,525	31,865	33,508
Operating income	<u>\$ 1,746</u>	<u>\$ 15,425</u>	<u>\$ 6,109</u>	<u>\$ 8,216</u>	<u>\$ 6,249</u>	<u>\$ 3,277</u>	<u>\$ 693</u>	<u>\$ 4,677</u>	<u>\$ 6,106</u>	<u>\$ 671</u>
DeKalb-Peachtree Airport Fund:										
Operating revenues	\$ 6,247	\$ 3,178	\$ 2,766	\$ 2,808	\$ 2,625	\$ 2,509	\$ 2,855	\$ 2,160	\$ 2,096	\$ 1,950
Operating expenses	2,908	2,747	2,771	2,583	2,429	2,250	2,150	2,059	1,863	2,174
Operating income (loss)	<u>\$ 3,339</u>	<u>\$ 431</u>	<u>\$ (5)</u>	<u>\$ 225</u>	<u>\$ 196</u>	<u>\$ 259</u>	<u>\$ 705</u>	<u>\$ 101</u>	<u>\$ 233</u>	<u>\$ (224)</u>
Stormwater Utility Fund:										
Operating revenues	\$ 16,873	\$ 16,693	\$ -							
Operating expenses	13,319	5,038	597							
Operating income (loss)	<u>\$ 3,554</u>	<u>\$ 11,655</u>	<u>\$ (597)</u>							

Source: DeKalb County Finance Department

DeKalb County, Georgia
Property Tax Rates and Levies

Last Ten Years

Property Tax Rates Per \$1,000 Real and Personal Property:	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
County:										
General	8.21	8.31	8.73	8.03	5.65	9.01	6.36	6.46	8.44	8.19
Special tax district- designated services:										
Avondale	2.05	2.89	2.76	3.49	4.29	3.72	4.03	2.37	2.38	2.34
Chamblee	0.83	1.17	1.12	1.42	1.74	1.51	1.64	0.96	0.97	0.95
Clarkston	1.73	2.44	2.33	2.94	3.62	3.14	3.40	2.00	2.01	1.98
Decatur	1.09	1.53	1.47	1.85	2.28	1.98	2.14	1.26	1.26	1.24
Doraville	1.15	1.62	1.56	1.96	2.41	2.09	2.27	1.33	1.34	1.32
Lithonia	1.79	2.53	2.42	3.05	3.75	3.26	3.53	2.07	2.08	2.05
Pine Lake	2.05	2.89	2.76	3.49	4.29	3.72	4.03	2.37	2.38	2.34
Stone Mountain	1.54	2.17	2.07	2.62	3.21	2.79	3.02	1.78	1.78	1.76
Unincorporated	2.55	2.69	2.76	2.94	4.20	1.96	3.93	3.05	2.60	2.71
Hospital services	0.98	0.88	0.92	1.05	1.30	1.30	1.09	1.79	1.25	1.80
Fire protection	2.43	2.30	1.99	2.31	2.43	1.44	2.73	2.54	2.60	2.60
Bond retirement and interest	1.31	1.30	1.18	1.25	1.45	0.97	1.07	1.09	1.29	1.33
Total County *	<u>15.48</u>	<u>15.48</u>	<u>15.58</u>	<u>15.58</u>	<u>15.03</u>	<u>14.68</u>	<u>15.18</u>	<u>14.93</u>	<u>16.18</u>	<u>16.63</u>

* The total County millage rate shown above is for the unincorporated portion of the County which comprises over 86% of the total County.

Property Tax Levies (In thousands
of dollars)

Real and Personal Property:

County:

General	\$ 112,450	\$103,863	\$102,320	\$ 74,393	\$ 44,444	\$ 65,870	\$ 43,828	\$ 72,239	\$ 86,574	\$ 79,374
Special tax district- designated services	31,373	30,762	29,291	25,130	30,288	13,943	25,124	31,182	24,660	24,229
Hospital services	13,423	10,999	10,730	9,728	10,226	9,504	7,511	20,017	12,822	17,445
Fire protection	30,704	26,556	21,469	19,963	17,961	9,940	17,906	26,620	25,098	23,733
Bond retirement and interest	25,775	24,041	20,806	21,035	22,508	14,319	14,242	13,492	14,732	14,430
Total County	<u>\$ 213,725</u>	<u>\$196,221</u>	<u>\$184,616</u>	<u>\$150,249</u>	<u>\$125,427</u>	<u>\$113,576</u>	<u>\$108,611</u>	<u>\$163,550</u>	<u>\$163,886</u>	<u>\$159,211</u>

(continued)

Source: DeKalb County Finance Department

DeKalb County, Georgia
Property Tax Rates and Levies (continued)

	Last Ten Years									
	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Property Tax Levies (continued)										
<i>(In thousands of dollars)</i>										
Public Utilities:										
County:										
General	\$ 3,937	\$ 3,886	\$ 4,168	\$ 2,389	\$ 2,492	\$ 3,746	\$ 2,775	\$ 2,507	\$ 3,318	\$ 3,294
Special tax district-										
designated services	1,042	1,086	1,106	1,085	1,543	751	1,534	1,030	902	942
Hospital services	470	411	439	443	573	540	475	695	491	724
Fire protection	1,025	943	812	857	910	520	1,087	897	927	930
Bond retirement and interest	563	539	503	475	575	403	467	423	507	535
Total County	<u>\$ 7,037</u>	<u>\$ 6,865</u>	<u>\$ 7,028</u>	<u>\$ 5,249</u>	<u>\$ 6,093</u>	<u>\$ 5,960</u>	<u>\$ 6,338</u>	<u>\$ 5,552</u>	<u>\$ 6,145</u>	<u>\$ 6,425</u>
Motor Vehicle and Mobile Homes:										
County:										
General	\$ 11,467	\$ 12,295	\$ 11,999	\$ 9,114	\$ 14,243	\$ 10,181	\$ 8,753	\$ 10,529	\$ 11,395	\$ 8,661
Special tax district-										
designated services	3,490	3,708	4,280	6,040	3,294	5,769	3,861	3,148	3,500	3,742
Hospital services	1,219	1,312	1,760	2,025	2,087	1,785	2,425	1,651	2,468	2,365
Fire protection	2,964	2,664	3,617	3,524	2,319	4,042	3,256	3,119	3,397	3,261
Bond retirement and interest	1,691	1,608	1,987	2,145	1,486	1,697	1,477	1,621	1,837	1,735
Total County	<u>\$ 20,831</u>	<u>\$ 21,587</u>	<u>\$ 23,643</u>	<u>\$ 22,848</u>	<u>\$ 23,429</u>	<u>\$ 23,474</u>	<u>\$ 19,772</u>	<u>\$ 20,068</u>	<u>\$ 22,597</u>	<u>\$ 19,764</u>
Total County Property Tax Levies	<u>\$ 241,593</u>	<u>\$224,673</u>	<u>\$215,287</u>	<u>\$178,346</u>	<u>\$154,949</u>	<u>\$143,010</u>	<u>\$134,721</u>	<u>\$189,170</u>	<u>\$192,628</u>	<u>\$185,400</u>

Source: DeKalb County Finance Department

DeKalb County, Georgia
Property Tax Levies and Collections
(County Portion Only)
Last Ten Years
(In thousands of dollars)

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Total Tax Levy	<u>\$ 241,593</u>	<u>\$224,673</u>	<u>\$215,287</u>	<u>\$178,346</u>	<u>\$154,949</u>	<u>\$143,010</u>	<u>\$134,721</u>	<u>\$189,170</u>	<u>\$192,628</u>	<u>\$185,400</u>
Collection of Current Years' Taxes During Year	<u>\$ 230,053</u>	<u>\$215,878</u>	<u>\$203,674</u>	<u>\$172,814</u>	<u>\$154,249</u>	<u>\$135,206</u>	<u>\$131,593</u>	<u>\$185,728</u>	<u>\$187,964</u>	<u>\$181,337</u>
Percentage of Levy Collected During Year	<u>95.22%</u>	<u>96.09%</u>	<u>94.61%</u>	<u>96.90%</u>	<u>99.55%</u>	<u>94.54%</u>	<u>97.68%</u>	<u>98.18%</u>	<u>97.58%</u>	<u>97.81%</u>
Collection of Prior Years' Taxes During Year	<u>\$ 7,199</u>	<u>\$ 6,643</u>	<u>\$ 7,676</u>	<u>\$ 6,729</u>	<u>\$ 6,512</u>	<u>\$ 5,483</u>	<u>\$ 6,223</u>	<u>\$ 4,537</u>	<u>\$ 4,187</u>	<u>\$ 7,235</u>
Total Collections	<u>\$ 237,252</u>	<u>\$222,521</u>	<u>\$211,350</u>	<u>\$179,543</u>	<u>\$160,761</u>	<u>\$140,689</u>	<u>\$137,816</u>	<u>\$190,265</u>	<u>\$192,151</u>	<u>\$188,572</u>
Percentage of Total Collections to Tax Levy	<u>98.20%</u>	<u>99.04%</u>	<u>98.17%</u>	<u>100.67%</u>	<u>103.75%</u>	<u>98.38%</u>	<u>102.30%</u>	<u>100.58%</u>	<u>99.75%</u>	<u>101.71%</u>
Accumulated Delinquent Taxes	<u>\$ 9,275</u>	<u>\$ 8,167</u>	<u>\$ 10,134</u>	<u>\$ 7,404</u>	<u>\$ 8,085</u>	<u>\$ 9,717</u>	<u>\$ 6,316</u>	<u>\$ 5,878</u>	<u>\$ 6,137</u>	<u>\$ 5,788</u>
Percentage of Accumulated Delinquent Taxes to Current Years' Tax Levy	<u>3.84%</u>	<u>3.64%</u>	<u>4.71%</u>	<u>4.15%</u>	<u>5.22%</u>	<u>6.79%</u>	<u>4.69%</u>	<u>3.11%</u>	<u>3.19%</u>	<u>3.12%</u>

Source: DeKalb County Finance Department, DeKalb County Tax Commissioner

DeKalb County, Georgia
Assessed and Estimated Actual Value of Taxable Property

Last Ten Years
(in millions of dollars)

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
General Purposes and Bond Retirement:										
Real property:										
Assessed value	\$ 19,952	\$ 18,728	\$ 17,636	\$ 16,545	\$ 15,135	\$ 13,565	\$ 12,033	\$ 11,118	\$ 10,168	\$ 9,674
Estimated market value	49,880	46,820	44,090	41,363	37,838	33,913	30,083	27,795	25,420	24,185
Personal property:										
Assessed value	1,752	1,686	1,763	1,850	1,916	1,806	1,825	1,881	1,771	1,655
Estimated market value	4,380	4,215	4,408	4,625	4,790	4,515	4,563	4,703	4,428	4,138
Motor vehicle and mobile homes:										
Assessed value	1,378	1,439	1,513	1,509	1,489	1,750	1,355	723	1,318	1,213
Estimated market value	3,445	3,598	3,783	3,773	3,723	4,375	3,388	1,808	3,295	3,033
Privately owned public utilities:										
Assessed value	458	477	424	441	416	419	436	388	393	411
Estimated market value	1,145	1,193	1,060	1,103	1,040	1,048	1,090	970	983	1,028
Total value for bond retirement (gross):										
Assessed value	\$ 23,540	\$ 22,330	\$ 21,336	\$ 20,345	\$ 18,956	\$ 17,540	\$ 15,649	\$ 14,110	\$ 13,650	\$ 12,953
Estimated market value	<u>\$ 58,850</u>	<u>\$ 55,826</u>	<u>\$ 53,341</u>	<u>\$ 50,864</u>	<u>\$ 47,391</u>	<u>\$ 43,851</u>	<u>\$ 39,124</u>	<u>\$ 35,276</u>	<u>\$ 34,126</u>	<u>\$ 32,384</u>
Ratio of Total Assessed Value to Total Estimated Market Value	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>
Homestead Exemption	<u>\$ 1,833</u>	<u>\$ 1,534</u>	<u>\$ 1,499</u>	<u>\$ 1,452</u>	<u>\$ 1,407</u>	<u>\$ 1,353</u>	<u>\$ 1,313</u>	<u>\$ 1,336</u>	<u>\$ 1,309</u>	<u>\$ 1,310</u>
Freeport Exemption	<u>\$ 289</u>	<u>\$ 240</u>	<u>\$ 265</u>	<u>\$ 258</u>	<u>\$ 281</u>	<u>\$ 292</u>	<u>\$ 294</u>	<u>\$ 365</u>	<u>\$ 327</u>	<u>\$ 326</u>
Net Assessed Value for General Purposes	<u>\$ 21,418</u>	<u>\$ 20,556</u>	<u>\$ 19,572</u>	<u>\$ 18,634</u>	<u>\$ 17,268</u>	<u>\$ 15,895</u>	<u>\$ 14,042</u>	<u>\$ 12,409</u>	<u>\$ 12,014</u>	<u>\$ 11,317</u>

Note: Assessments are made as of January 1 of each year.

Source: DeKalb County Finance Department; DeKalb County Property Appraisal Department

DeKalb County, Georgia
 Total Property Tax Rates - All Direct and Overlapping Governments
 Per \$1,000 Assessed Value

	Last Ten Years									
	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
DeKalb County	<u>38.71</u>	<u>38.71</u>	<u>38.81</u>	<u>37.81</u>	<u>37.26</u>	<u>37.16</u>	<u>37.91</u>	<u>37.66</u>	<u>40.16</u>	<u>41.51</u>
Atlanta	<u>41.27</u>	<u>42.10</u>	<u>43.60</u>	<u>43.99</u>	<u>38.95</u>	<u>46.22</u>	<u>45.05</u>	<u>46.66</u>	<u>48.42</u>	<u>50.09</u>
Decatur	<u>42.25</u>	<u>43.38</u>	<u>43.44</u>	<u>43.77</u>	<u>40.35</u>	<u>42.26</u>	<u>44.41</u>	<u>45.95</u>	<u>48.09</u>	<u>54.31</u>
Avondale	<u>47.53</u>	<u>48.02</u>	<u>48.06</u>	<u>48.29</u>	<u>47.25</u>	<u>49.42</u>	<u>49.51</u>	<u>48.48</u>	<u>51.44</u>	<u>52.64</u>
Chamblee	<u>41.32</u>	<u>40.63</u>	<u>42.82</u>	<u>39.77</u>	<u>38.21</u>	<u>40.72</u>	<u>40.62</u>	<u>40.57</u>	<u>43.53</u>	<u>44.75</u>
Clarkston	<u>48.22</u>	<u>42.38</u>	<u>42.38</u>	<u>42.20</u>	<u>41.24</u>	<u>43.94</u>	<u>43.38</u>	<u>42.61</u>	<u>45.57</u>	<u>46.78</u>
Lithonia	<u>48.98</u>	<u>49.56</u>	<u>50.30</u>	<u>48.87</u>	<u>48.21</u>	<u>50.46</u>	<u>49.51</u>	<u>48.68</u>	<u>51.64</u>	<u>52.85</u>
Doraville	<u>44.14</u>	<u>44.95</u>	<u>46.81</u>	<u>42.80</u>	<u>41.37</u>	<u>43.79</u>	<u>42.25</u>	<u>41.94</u>	<u>44.90</u>	<u>46.12</u>
Pine Lake	<u>52.02</u>	<u>52.72</u>	<u>52.89</u>	<u>52.83</u>	<u>54.75</u>	<u>59.92</u>	<u>47.01</u>	<u>46.98</u>	<u>50.94</u>	<u>53.14</u>
Stone Mountain	<u>45.03</u>	<u>46.50</u>	<u>47.81</u>	<u>46.96</u>	<u>43.67</u>	<u>45.99</u>	<u>45.00</u>	<u>44.39</u>	<u>47.34</u>	<u>48.56</u>

Note: Total property tax rates include the taxes for general County government, schools, the State, and any additional taxes levied by the respective cities. All of the above are assessed at 40% of fair market value except Decatur and Doraville at 50%. No street lights are included in the above rates.

Source: DeKalb County Finance Department

DeKalb County, Georgia

Ratio of Net General Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita

Last Ten Years

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Population (in thousands)	<u>701</u>	<u>695</u>	<u>691</u>	<u>686</u>	<u>675</u>	<u>666</u>	<u>610</u>	<u>599</u>	<u>594</u>	<u>590</u>
Assessed Value (in millions of dollars)	<u>\$ 23,540</u>	<u>\$ 22,330</u>	<u>\$ 21,336</u>	<u>\$ 20,345</u>	<u>\$ 18,956</u>	<u>\$ 17,540</u>	<u>\$ 15,649</u>	<u>\$ 14,110</u>	<u>\$ 13,650</u>	<u>\$ 12,953</u>
Gross Bonded Debt (in thousands of dollars)	<u>\$ 218,865</u>	<u>\$ 234,500</u>	<u>\$ 250,345</u>	<u>\$ 267,640</u>	<u>\$ 282,275</u>	<u>\$ 168,335</u>	<u>\$ 175,920</u>	<u>\$ 183,360</u>	<u>\$ 188,620</u>	<u>\$ 195,510</u>
Less Reserve for General Bond Debt Service (in thousands of dollars)	<u>15,678</u>	<u>13,182</u>	<u>10,814</u>	<u>14,976</u>	<u>17,610</u>	<u>12,979</u>	<u>12,618</u>	<u>12,861</u>	<u>13,148</u>	<u>12,770</u>
Net Bonded Debt (in thousands of dollars)	<u>\$ 203,187</u>	<u>\$ 221,318</u>	<u>\$ 239,531</u>	<u>\$ 252,664</u>	<u>\$ 264,665</u>	<u>\$ 155,356</u>	<u>\$ 163,302</u>	<u>\$ 170,499</u>	<u>\$ 175,472</u>	<u>\$ 182,740</u>
Ratio of Net Bonded Debt to Assessed Value	<u>0.0086</u>	<u>0.0099</u>	<u>0.0112</u>	<u>0.0124</u>	<u>0.0140</u>	<u>0.0089</u>	<u>0.0104</u>	<u>0.0121</u>	<u>0.0129</u>	<u>0.0141</u>
Net Bonded Debt Per Capita	<u>\$ 290.06</u>	<u>\$ 318.44</u>	<u>\$ 346.64</u>	<u>\$ 368.31</u>	<u>\$ 392.10</u>	<u>\$ 233.27</u>	<u>\$ 267.71</u>	<u>\$ 284.64</u>	<u>\$ 295.41</u>	<u>\$ 309.73</u>

Source: DeKalb County Planning Department, DeKalb County Finance Department; DeKalb County Property Appraisal Department

DeKalb County, Georgia

Ratio of Annual Debt Service For General Bonded Debt
To Total General ExpendituresLast Ten Years
(In thousands of dollars)

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
General Governmental Expenditures*	<u>\$ 555,154</u>	<u>\$ 601,806</u>	<u>\$ 551,370</u>	<u>\$ 497,812</u>	<u>\$ 459,867</u>	<u>\$ 412,002</u>	<u>\$ 392,648</u>	<u>\$ 373,865</u>	<u>\$ 312,127</u>	<u>\$ 300,672</u>
Debt Service Expenditures for General Bonded Debt**	<u>\$ 26,125</u>	<u>\$ 26,140</u>	<u>\$ 28,495</u>	<u>\$ 28,318</u>	<u>\$ 20,866</u>	<u>\$ 17,029</u>	<u>\$ 17,177</u>	<u>\$ 17,306</u>	<u>\$ 17,454</u>	<u>\$ 17,443</u>
Ratio (%) of Debt Service Expenditures to General Governmental Expenditures	<u>4.71%</u>	<u>4.34%</u>	<u>5.17%</u>	<u>5.69%</u>	<u>4.54%</u>	<u>4.13%</u>	<u>4.37%</u>	<u>4.63%</u>	<u>5.59%</u>	<u>5.80%</u>

* Includes all expenditures by governmental fund types. Transfers to other funds are not included.

** Includes all governmental funds general obligation bond expenditures.

Source: DeKalb County Finance Department

DeKalb County, Georgia
 Computation of Legal Debt Margin
 December 31, 2005
 (In thousands of dollars)

Assessed Value		<u>\$ 23,540,000</u>
Debt Limit - 10% of assessed value		2,354,000
Amount of Debt Applicable to Debt Limit:		
Total bonded debt	\$ 808,365	
Less:		
General obligation bonds fund balance	\$ 15,678	
Governmental activities revenue bonds	98,600	
Water and sewerage system revenue bonds	<u>490,900</u>	<u>605,178</u>
Total debt applicable to debt limit		<u>203,187</u>
Legal Debt Margin		<u>\$ 2,150,813</u>

NOTE: The constitutional debt limit for general obligation tax bonds which may be issued by the Commissioners of DeKalb County is 10% of the assessed valuation of taxable property within the County.

Source: DeKalb County Finance Department

DeKalb County, Georgia
 Computation of Direct and Overlapping Debt
 December 31, 2005
 (In thousands of dollars)

	Gross Debt Less Debt Retirement Funds	Percentage Debt Applicable to DeKalb County	DeKalb County's Share of Debt
DeKalb County	<u>\$ 203,187</u>	100.00%	<u>\$ 203,187</u>
Overlapping Debt:			
City of Atlanta (A)	283,865	2.60%	7,380
Fulton-DeKalb Hospital Authority (B)	<u>248,970</u>	29.34%	<u>73,048</u>
Total Overlapping Debt	<u>532,835</u>		<u>80,428</u>
Total Direct and Overlapping Debt	<u>\$ 736,022</u>		<u>283,615</u>
Total Direct and Overlapping Debt Per Capita			<u>\$ 404.88</u>

(A) Debt overlaps only property in the County which lies within city limits of Atlanta.

(B) Debt overlaps Countywide. These bonds are a closed lien on a limited tax contracted to be levied by Fulton and DeKalb Counties. The Authority has no power to levy taxes.

Source: DeKalb County Finance Department, City of Atlanta; Fulton-DeKalb Hospital Authority

DeKalb County, Georgia

Water and Sewerage System

Schedule of Revenue Bond Coverage

Last Ten Years
(In thousands of dollars)

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Net Operating Revenue as Defined in Bond Resolution*	\$ 60,269	\$ 46,915	\$ 48,584	\$ 45,132	\$ 47,180	\$ 52,878	\$ 49,313	\$ 40,511	\$ 38,430	\$ 38,397
Current Annual Debt Service Requirement	\$ 32,110	\$ 31,500	\$ 31,474	\$ 29,993	\$ 29,993	\$ 29,995	\$ 15,215	\$ 13,304	\$ 13,304	\$ 13,618
Ratio	1.88	1.49	1.54	1.50	1.57	1.76	3.24	3.05	2.89	2.82

* Net Operating Revenue = Collected revenues (cash basis revenues including interest earned on operating funds, renewal and extension funds, and fully reserved sinking funds), less accrued expenses.

Source: DeKalb County Finance Department

DeKalb County, Georgia

Property Value, Construction Activity, and Bank Deposits

Last Ten Years

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Property Value (In millions of dollars)	\$ 58,850	\$ 55,826	\$ 53,341	\$ 50,864	\$ 47,391	\$ 43,851	\$ 39,124	\$ 35,276	\$ 34,126	\$ 32,384
Construction Permits	10,923	9,115	8,785	9,283	10,051	9,530	9,331	9,363	7,159	6,361
Construction Value (In millions of dollars)	\$ 1,582	\$ 1,754	\$ 1,312	\$ 1,831	\$ 2,601	\$ 1,644	\$ 1,436	\$ 984	\$ 825	\$ 690
Bank Deposits (In millions of dollars)	\$ 8,711	\$ 8,223	\$ 8,553	\$ 7,916	\$ 7,876	\$ 11,107	\$ 8,392	\$ 8,186	\$ 8,390	\$ 6,590

* Bank deposits are for fiscal years ending June 30 of the respective years.

Source: DeKalb County Development Department and Federal Reserve Bank

DeKalb County, Georgia
Salaries and Bonds of Principal Officials
Year Ended December 31, 2005

	STATUTORY BOND	STATUTORY SALARY
Chief Executive Officer - Vernon Jones	\$ 50,000	\$ 144,491
Board of Commissioners - Elaine C. Boyer; Burrell Ellis; Kathie Gannon; Henry C. "Hank" Johnson, Jr.; Larry Johnson; Connie Stokes; Gale A. Walldorff	10,000	36,123-37,323
Clerk of Superior Court - Linda Carter	25,000	109,342
Probate Court Judge - J. Rosh	100,000	122,818
Sheriff - Thomas E. Brown, Jr.	25,000	117,845
Tax Commissioner - Thomas R. Scott	100,000	118,576
The following officials and all other County employees are covered by a blanket \$200,000 bond, as required:		
State Court Judges - Alvin T. Wong; Johnny Panos; Barbara Mobley; Janis Gordon; Jose A. DelCampo; Wayne M. Purdom; Edward E. Carriere		130,042
Solicitor State Court - Shawn LaGrua		130,042
District Attorney - Gwendolyn Keyes Fleming		135,099
Superior Court Judges - Gregory Adams; Clarence F. Seeliger; Daniel M. Coursey, Jr.; Michael E. Hancock; Gail C. Flake; Robert J. Castellani; Linda W. Hunter; Mark Scott; Anne Workman; Cynthia J. Becker		144,491
Juvenile Court Judges - Elliot Shoenthal; Desiree Peagler		130,042
Magistrate Court Judges - Charles D. Wood; Winston P. Bethel; R. Hopkins Kidd		96,532-108,368

Source: DeKalb County Finance Department

DeKalb County, Georgia
Principal Taxpayers For 2005

	Type of Business	Total Valuation (In thousands)	Assessed Valuation (In thousands)	Ratio of Assessed Valuation to Total County Assessed Valuation	Tax Paid (In thousands)
Bell South	Utility	\$ 680,932	\$ 252,285	1.07%	\$ 9,607
GA-Perimeter Center LLC	Investment	371,641	148,656	0.63%	6,046
Georgia Power	Utility	325,494	120,596	0.51%	4,642
General Motors	Industrial	328,319	106,400	0.45%	4,424
Perimeter Mall LLC	Retail	164,145	65,658	0.28%	2,833
Post Apartment Homes LP	Developer	171,561	68,625	0.29%	2,550
Hewlett Packard Co	Retail	134,998	53,378	0.23%	1,995
Stone Mountain Industrial Park	Developer	115,983	46,393	0.20%	1,841
Koger Ravinia LLC	Developer	100,609	40,244	0.17%	1,723
Highwoods/Forsyth LTD	Developer	105,133	42,053	0.18%	1,652
Total		\$ 2,498,815	\$ 944,288	4.01%	\$ 37,313
 Total County		\$ 58,850,000	\$ 23,540,000		

Source: DeKalb County Finance Department; DeKalb County Property Appraisal Department

DeKalb County, Georgia

Insurance In Force

December 31, 2005

<u>Coverage</u>	<u>Limits</u>
Buildings, Contents, Records, Equipment:	
Fire, lightning, extended coverage, vandalism, and malicious mischief (blanket coverage \ replacement cost \$250,000 deductible) per occurrence -	Scheduled Property
All risk marine floater (specified property, equipment, and records)	Scheduled Property
Boiler and machinery - each occurrence (specified location and equipment exclusions) \$10,000 deductible	\$ 25,000,000
Aircraft:	
Rotocraft Liability (per occurrence) - Hull coverage (deductible-5% of insured value)	\$ 5,000,000
Owner, Landlords, & Tenants - DeKalb-Peachtree Airport	\$ 5,000,000
Money and Securities (destruction, disappearance, wrongful abstraction) \$10,000 deductible	\$ 200,000
Employee Faithful Performance Blanket Position Bond	\$ 100,000
Excess Workers' Compensation - per loss (self-insured retentions \$500,000)	\$ 10,000,000
Group Life - 2.25 times annual salary	Schedule
Group Hospital and Surgery - employee and dependents:	
Major medical (70%-80% of expenses after \$200 deductible up to \$1,500 out of pocket then 100%). Optional HMO's available	Unlimited
Umbrella - \$1,000,000 deductible	\$ 5,000,000

Source: DeKalb County Finance Department

DeKalb County, Georgia

Demographic Statistics

School Enrollment (Source: DeKalb County School Board)	102,310
Unemployment Rate (Source: State Department of Labor)	6.10%

Population (Source: DeKalb County Planning Department):

1900	21,112
1910	27,881
1920	44,051
1930	70,378
1940	86,942
1950	136,395
1960	256,782
1970	415,387
1980	483,024
1990	545,837
2000	665,865
2004	695,100
2005	700,500

Major Employers (Source: DeKalb County Planning Department):

Emory University & Hospital	14,700
DeKalb County Schools	13,727
DeKalb County Government	7,400
U.S. Centers for Disease Control & Prevention	5,089
General Motors Corporation (Doraville)	3,100
DeKalb Medical Center	3,000
Children's Healthcare of Atlanta	2,100
Veteran's Administration Hospital	2,000

DeKalb County, Georgia

Miscellaneous Statistical Information

DeKalb County was created by Legislative Act in 1823.

Form of Government: A Chief Executive Officer and a Board of Commissioners consisting of seven members

Area in square miles	270
Miles of paved roads	2,746
Miles of unpaved roads	2
Business licenses issued	21,390
Building permits:	
Issued during year	9,039
Number of inspections made	29,875
Fire and EMS protection:	
Number of stations	25
Number of training academies	1
Number of fire employee positions	641
Number of fire and EMS calls	98,995
Number of fire hydrants (including private hydrants)	15,200
Number of EMS employee positions	208
Police protection:	
Number of police officers	1,056
Number of arrests	54,686
Recreation (County owned facilities):	
Number of parks	130
Total acreage of parks	5,948
Number of swimming pools	12
Number of athletic fields	158
Number of recreation centers	11
Number of tennis centers	3
Number of tennis courts	105
Number of picnic shelters	90
Number of golf courses	2

Number of streetlights 39,884

Number of registered voters 388,993

County water system:

Daily average consumption - gallons	72,340,000
Plant capacity - gallons/day	128,000,000
Treated water storage capacity - gallons	67,500,000
Raw water storage capacity - gallons	1,000,000,000
Water supply source	Chattahoochee River
Miles of water mains	2,827
Miles of water mains constructed during year	31
Number of customers	291,034
Number of water meters	182,329

County sewer system:

Number of advanced treatment disposal plants	2
Number of pumping stations	57
Miles of sewers	2,184
Miles of sewers constructed during year	18
Sewer treatment capacity - gallons/day	56,000,000

County sanitation:

Number of employee positions	709
Number of residential customers	153,748
Number of commercial customers	8,256
Number of weekly pickups	2

County airport:

Number of employee positions	27
Number of flights (take-offs and landings) during year	202,251
Number of planes based	608

Number of County employees:

Full-time positions	7,512
Part-time / temporary positions	708
Total number of positions	<u>8,220</u>

Source: DeKalb County Departments: Geographic Information Systems, Public Works-Roads & Drainage, Finance, Fire and Rescue, Police Services, Parks and Recreation, Public Works - Transportation, Voter Registration, Public Works - Water & Sewer, Airport, Human Resources