COLQUITT COUNTY, GEORGIA

Annual Financial Report

For the Year Ended June 30, 2005

COLQUITT COUNTY, GEORGIA
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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
of Colquitt County, Georgia
Moultrie, 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 Colquitt County, Georgia, as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Colquitt County, Georgia's elected officials and management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Colquitt County Health Department, which statements reflect total assets of $1,005,450 as of June 30, 2005 and net revenues of $1,600,892 for the year then ended. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Colquitt County Health Department, is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of the 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 Colquitt County, Georgia, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

L.A. Bowen, Jr., C.P.A.
Jane Freeman Phillips, C.P.A.
Tom E. Carmichael, Jr., C.P.A.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 15, 2006, on our consideration of Colquitt County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Colquitt County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Colquitt County, Georgia. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Bowen, Phillips & Carmichael, LLP

June 15, 2006
Tifton, Georgia

Management's Discussion and Analysis

As management of Colquitt County, Georgia, we offer readers of our financial statements this narrative overview and analysis of the financial activities of the County for the year ended June 30, 2005. We encourage readers to read the information presented here in conjunction with the County's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities as of June 30, 2005 by $64,180,010.
- The County's total net assets increased by $853,824.
- As of June 30, 2005, the County's governmental funds reported combined ending fund balances of $14,148,130, an increase of $609,583 in comparison to the prior year. Approximately 20% of the combined fund balances, $2,887,612 is considered unreserved and is available for spending at the County's discretion.
- As of June 30, 2005, unreserved fund balance of the general fund was $2,887,612, a decrease of $1,431,353 in comparison to the prior year.
- The County's total long-term debt decreased by $262,522 during the current year. The decrease is the result of principal payments on existing debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *supplementary information* that presents combining statements for nonmajor governmental funds. The County's basic financial statements consist of the following elements:

Government-wide Financial Statements

Government-wide financial statements provide both long-term and short-term information about the County's overall financial condition. Changes in the County's financial position may be measured over time by increases and decreases in the Statement of Net Assets. Information on how the County's net assets changed during the year is presented in the Statement of Activities.

Fund Financial Statements

Fund financial statements focus on individual parts of the County, reporting the County's operations in more detail than the government-wide financial statements. Fund financial statements include the statements for governmental, proprietary, and fiduciary funds. Financial statements for the County's component units are also presented.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Table 1 below summarizes the major features of the basic financial statements.

Table 1
Major Features of the Basic Financial Statements

		Fund Financial Statements		
	Government-wide Statements	**Governmental Funds**	**Proprietary Funds**	**Fiduciary Funds**
Scope	Entire County government (except fiduciary funds) and the County's component units	Activities of the County that are not proprietary or fiduciary	Activities of the County that are operated similar to private business	Instances where the County is the trustee or agent for someone else's resources
Required financial statements	Statement of Net Assets Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Assets Statement of Revenues, Expenditures, and Changes in Net Assets Statement of Cash Flows	Statement of Fiduciary Net Assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Condensed Statement of Net Assets

Table 2 below presents the County's condensed statement of net assets as of June 30, 2005 and 2004.

Table 2
Condensed Statement of Net Assets

	Governmental Activities		Business – type Activities		Total	
	2005	2004	2005	2004	2005	2004
Assets						
Current and other assets	$ 15,501,202	$ 14,924,618	$ (276,252)	$ (213,514)	$ 15,224,950	$ 14,711,104
Capital assets	55,890,300	55,483,530	--	--	55,890,300	55,483,530
Total assets	71,391,502	70,408,148	(276,252)	(213,514)	71,115,250	70,194,634
Liabilities						
Other liabilities	2,124,991	1,834,782	110,572	73,259	2,235,563	1,908,041
Long-term liabilities	4,699,677	4,960,407	--	--	4,699,677	4,960,407
Total liabilities	6,824,668	6,795,189	110,572	73,259	6,935,240	6,868,448
Net assets						
Invested in capital assets, net of related debt	50,928,870	50,274,824	--	--	50,928,870	50,274,824
Restricted	11,260,518	9,219,582	--	--	11,260,518	9,219,582
Unrestricted	2,377,446	4,118,553	(386,824)	(286,773)	1,990,622	3,831,780
Total net assets	$ 64,566,834	$ 63,612,959	$ (386,824)	$ (286,773)	$ 64,180,010	$ 63,326,186

The largest component of the County's net assets is its' investment in capital assets (i.e. land, buildings, equipment, infrastructure and other), less any related debt outstanding that was needed to acquire or construct the assets. The County uses these capital assets to provide services to the citizens and businesses in the County; consequently, these net assets are not available for future spending. Restricted net assets represent resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. The remaining portion of net assets is unrestricted, which can be used to finance government operations.

Condensed Statement of Activities

Table 3 below presents the County's condensed statement of activities for the years ended June 30, 2005 and 2004. Over time, increases or decreases in net assets measure whether the County's financial position is improving or deteriorating.

Table 3
Condensed Statement of Activities

	Governmental Activities		Business – type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues						
Program revenues:						
Charges for services	$ 1,831,672	$ 1,755,716	$ 1,661,013	$ 1,709,704	$ 3,492,685	$ 3,465,420
Operating grants and contributions	3,542,459	3,682,983	--	--	3,542,459	3,682,983
Capital grants and contributions	--	--	--	--	--	--
General revenues:						
Property taxes	10,388,849	9,735,591	--	--	10,388,849	9,735,591
Local option sales taxes	4,780,913	4,417,363	--	--	4,780,913	4,417,363
Other taxes and licenses	1,055,474	978,431	--	--	1,055,474	978,431
Grants and contributions not restricted to specific programs	--	--	--	--	--	--
Investment income	239,507	142,243	1,179	852	240,686	143,095
Gain on sale of capital assets	27,861	113,532	--	--	27,861	113,532
Other revenues	871,050	219,968	--	--	871,050	219,968
Total revenues	22,737,785	21,045,827	1,662,192	1,710,556	24,399,977	22,756,383
Expenses						
General government	5,005,773	5,483,752	--	--	5,005,773	5,483,752
Public safety	7,811,357	7,892,601	--	--	7,811,357	7,892,601
Court system	1,870,552	1,707,656	--	--	1,870,552	1,707,656
Roads and bridges	4,533,591	4,098,692	--	--	4,533,591	4,098,692
Public health and welfare	582,327	528,395	--	--	582,327	528,395
Recreation	567,386	572,521	--	--	567,386	572,521
Library	369,428	355,500	--	--	369,428	355,500
Economic development	772,951	2,163,103	--	--	772,951	2,163,103
Solid waste management	--	--	1,762,243	1,732,131	1,762,243	1,732,131
Interest - long-term debt	270,545	257,939	--	--	270,545	257,939
Total expenses	21,783,910	23,060,159	1,762,243	1,732,131	23,546,153	24,792,290
Increase (decrease) in net assets before transfers	953,875	(2,014,332)	(100,051)	(21,575)	853,824	(2,035,907)
Transfers	--	--	--	--	--	--
Change in net assets	$ 953,875	$ (2,014,332)	$ (100,051)	$ (21,575)	$ 853,824	$ (2,035,907)

During the year ended June 30, 2005, the net assets of the County increased $853,824. Total revenues for 2005 increased $1,643,594 over 2004. The major factor in this increase was increased revenues in the General Fund of $1,093,851 in property taxes, local options sales taxes and other taxes and licenses and $491,934 in rent income. Total expenses for 2005 decreased $1,246,137 over 2004. The major factor in this decrease was a decrease of $1,671,344 in expenses in the Capital Projects Fund relating to Special Purpose Local Options Sales Tax referendums. The increase in net assets is mainly due to the increased revenues in property taxes, local options sales taxes and other taxes and licenses.

Approximately 14.3% of the County's revenues were derived from charges for services and approximately 19.6% came from local option sales taxes. The largest portion of the County's revenue, 42.6%, came from property taxes. The County's expenses cover a range of services with 33.2% related to public safety, 19.3% related to roads and bridges, and 21.3% related to general government activities which includes the Tax Commissioner and Tax Assessor.

Program Expenses and Revenues for Governmental Activities

Table 4 below presents program expenses and revenues for governmental activities for the years ended June 30, 2005 and 2004.

Table 4
Program Expenses and Revenues
For Governmental Activities

Programs	Program Expenses 2005	Program Expenses 2004	Program Revenues 2005	Program Revenues 2004	Net Program (Expenses) Revenues 2005	Net Program (Expenses) Revenues 2004
General government	$ 5,005,773	$ 5,483,752	$ 309,625	$ 136,058	$ (4,696,145)	$ (5,347,694)
Public safety	7,811,357	7,892,601	2,995,552	3,875,138	(4,815,805)	(4,017,463)
Court system	1,870,552	1,707,656	959,130	982,347	(911,422)	(725,309)
Roads and bridges	4,533,591	4,098,692	635,037	208,620	(3,898,554)	(3,890,072)
Public health and welfare	582,327	528,395	107,430	69,697	(474,897)	(458,698)
Recreation	567,386	572,521	--	--	(567,386)	(572,521)
Library	369,428	355,500	--	--	(369,428)	(355,500)
Economic development	772,951	2,163,103	367,357	166,839	(405,594)	(1,996,264)
Interest on long-term debt	270,545	257,939	--	--	(270545)	(257,939)
Totals	$ 21,783,910	$ 23,060,159	$ 5,374,131	$ 5,438,699	$ (16,409,779)	$ (17,621,460)

Program revenues are allocated based on which program collects the revenue. Overall, program revenues were not sufficient to cover program expenses for governmental activities. The net program expenses of these governmental activities were therefore supported by general revenues, consisting mainly of taxes.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The focus of the County's governmental funds is to provide information on near-term inflows and outflows and the balance of resources available for spending. Such information is useful in assessing the County's financing requirements. In particular, unreserved, undesignated fund balances may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of June 30, 2005, the County's governmental funds reported a combined ending fund balance of $14,148,130, with $2,887,612 reported as unreserved fund balance and the remaining amount of $11,260,518 reserved for specific purposes.

The general fund is the operating fund of the County. As of June 30, 2005, unreserved fund balance of the general fund was $2,887,612 and total fund balance was $2,887,612. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 16% of the total general fund expenditures, while total fund balance represents 16%. The net change in the general fund's fund balance for the year ended June 30, 2005, was a decrease of $1,431,353 or 33%. The reason for the decrease in the fund balance was due primarily to The County's expected and budgeted use of $533,269 of unreserved fund balances in 2005 to meet budgeted expenses and a difference of

$984,614 in budgeted revenues from the Federal government for jail subsidies. All other revenue sources and expenditures were consistent with prior year revenue sources and expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

Generally, budget amendments fall into one of the following categories: 1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. There were no amendments to the original budget for 2005.

The actual revenues of the general fund were less than final budgeted amounts by $2,515,429 for the year ended June 30, 2005. The major factors contributing to this difference were $2,231,128 in budgeted State grants for road contracts that were not funded in the current year, the $533,269 budgeted use of unreserved fund balances and the $984,614 decline in revenues from the Federal government for jail subsidies

The actual expenditures of the general fund were less than final budgeted amounts by $1,611,407 for the year ended June 30, 2005. The major factor contributing to this difference was $2,129,215 in budgeted expenditures for road contracts that were not incurred due to the decrease in State grants net of $427,377 of expenditures for debt service above budgeted amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2005, the County reported $55,890,300 in capital assets. Major capital asset transactions during the year included the acquisition of machinery and equipment and road construction within the County. Refer to Note G of the Notes to Financial Statements for additional information on capital assets.

Long-term Debt

At June 30, 2005, The County reported notes payable of $4,777,611 and capital leases of $183,819. Refer to Note H of the Notes to Financial Statements for additional information on long-term debt.

NEXT YEAR'S BUDGET

The 2006 budget, as amended, contained total expenditures of $26,095,497, a 33% increase over the 2005 final budgeted amounts. The County did not appropriate any of the unreserved fund balance in the general fund to balance the 2006 budget.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Questions about this report or requests for additional information may be addressed to:

Colquitt County Finance Department
P. O. Box 517
Moultrie, Georgia 31776 – 0517
Telephone: (229) 616-740

Basic Financial Statements

COLQUITT COUNTY, GEORGIA
STATEMENT OF NET ASSETS
June 30, 2005

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	$ 2,233,781	$ 80,645	$ 2,314,426	$ 1,252,309
Investments - Georgia Fund 1	431,590	-	431,590	-
Accounts receivable, net	26,593	154,777	181,370	18,412
Property tax receivable	-	-	-	-
Inventories	-	-	-	-
Due from other governments	555,310		555,310	149,160
Interfund balances	511,674	(511,674)	-	-
Restricted assets:				
Cash and cash equivalents	870,799	-	870,799	175,283
Investments - Georgia Fund 1	9,974,480	-	9,974,480	-
Sales tax receivable	896,975	-	896,975	-
Capital assets:				-
Land	2,819,565	-	2,819,565	-
Construction in progress	-	-	-	-
Other capital assets, net of accumulated depreciation	53,070,735	-	53,070,735	34,183
Total assets	71,391,502	(276,252)	71,115,250	1,629,347
LIABILITIES				
Accounts payable	174,047	110,572	284,619	34,613
Accrued expenses	1,206,311	-	1,206,311	94,748
Due to other governments	-	-	-	31,102
Liabilities payable from restricted assets	297,714	-	297,714	-
Long-term liabilities:				
Due within one year	446,919	-	446,919	-
Due in more than one year	4,699,677	-	4,699,677	798
Total liabilities	6,824,668	110,572	6,935,240	161,261
NET ASSETS				
Invested in capital assets, net of related debt	50,928,870	-	50,928,870	34,183
Restricted for:				
Debt service	34,716	-	34,716	-
Capital projects	11,146,002	-	11,146,002	-
Public safety	-	-	-	-
Public services	79,800	-	79,800	805,102
Unrestricted	2,377,446	(386,824)	1,990,622	628,801
Total net assets	$ 64,566,834	$ (386,824)	$ 64,180,010	$ 1,468,086

See accompanying notes to financial statements.

COLQUITT COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2005

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary Government:					
Governmental activities:					
General government	$ 5,005,773	$ 288,695	$ 20,930	$ -	$ (4,696,148)
Public safety	7,811,357	551,578	2,443,974	-	(4,815,805)
Court system	1,870,552	949,338	9,792	-	(911,422)
Roads and bridges	4,533,591	42,061	592,976	-	(3,898,554)
Public health and welfare	582,327	-	107,430	-	(474,897)
Recreation	567,386	-	-	-	(567,386)
Library	369,428	-	-	-	(369,428)
Economic development	772,951	-	367,357	-	(405,594)
Interest on long-term debt	270,545	-	-	-	(270,545)
Total governmental activities	21,783,910	1,831,672	3,542,459	-	(16,409,779)
Business-type activities:					
Solid waste management	1,762,243	1,661,013	-	-	(101,230)
Total business-type activities	1,762,243	1,661,013	-	-	(101,230)
Total primary government	23,546,153	3,492,685	3,542,459	-	(16,511,009)
Component units:					
Colquitt County Health Department	1,693,704	320,663	1,280,229	-	(92,812)
Moultrie - Colquitt County Library	793,607	102,158	680,686	-	(10,763)
Total component units	$ 2,487,311	$ 422,821	$ 1,960,915	$ -	$ (103,575)

See accompanying notes to financial statements.

COLQUITT COUNTY, GEORGIA
STATEMENT OF ACTIVITIES (continued)
For the Year Ended June 30, 2005

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Change in net assets:				
Net (expense) revenue	$ (16,409,779)	$ (101,230)	$ (16,511,009)	$ (103,575)
General revenues:				
Taxes:				
Property taxes	10,388,849	-	10,388,849	-
Local option sales taxes	4,780,913	-	4,780,913	-
Other taxes and licenses	1,055,474	-	1,055,474	-
Grants and contributions not restricted to specific programs	-	-	-	-
Investment income	239,507	1,179	240,686	50,867
Gain on sale of capital assets	27,861	-	27,861	
Other revenues	871,050	-	871,050	-
Transfers	-	-	-	-
Total general revenues and transfers	17,363,654	1,179	17,364,833	50,867
Change in net assets	953,875	(100,051)	853,824	(52,708)
Net assets, beginning of year	63,612,959	(286,773)	63,326,186	1,520,794
Net assets, end of year	$ 64,566,834	$ (386,824)	$ 64,180,010	$ 1,468,086

See accompanying notes to financial statements.

COLQUITT COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2005

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 2,116,210	$ -	$ -	$ 2,116,210
Investments - Georgia Fund 1	62,742	-	-	62,742
Accounts receivable, net	26,593	-	-	26,593
Property tax receivable	-	-	-	-
Inventories	-	-	-	-
Due from other governments	532,722	22,588	-	555,310
Due from general fund	-	4,099	-	4,099
Due from other funds	721,045	-	-	721,045
Restricted assets:				
Cash and cash equivalents	28,300	545,574	296,925	870,799
Investments - Georgia Fund 1	-	9,974,480	-	9,974,480
Sales tax receivable	-	896,975	-	896,975
Total assets	3,487,612	11,443,716	296,925	15,228,253
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	174,047	-	-	174,047
Accrued expenses	421,854	-	-	421,854
Due to General Fund	-	-	182,409	182,409
Due to other funds	4,099	-	-	4,099
Liabilities payable from restricted assets	-	297,714	-	297,714
Total liabilities	600,000	297,714	182,409	1,080,123
Fund balances				
Reserved for:				
Public services	-	-	79,800	79,800
Debt service	-	-	34,716	34,716
Specific projects	-	11,146,002	-	11,146,002
Unreserved	2,887,612	-	-	2,887,612
Total fund balances	2,887,612	11,146,002	114,516	14,148,130
Total liabilities and fund balances	$ 3,487,612	$ 11,443,716	$ 296,925	$ 15,228,253

See accompanying notes to financial statements.

COLQUITT COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
June 30, 2005

Total governmental fund balances	$	14,148,130
Amounts reported for governmental activities in the statement of activities are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		55,890,300
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Notes payable		(4,777,611)
Capital leases		(183,819)
Compensated absences		(185,166)
Net assets of governmental activities	$	64,891,834

See accompanying notes to financial statements.

COLQUITT COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2005

	General Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 10,388,849	$ -	$ -	$ 10,388,849
Local option sales taxes	-	4,780,913	-	4,780,913
Other taxes and licenses	1,055,474	-	-	1,055,474
Fines, forfeitures and fees	1,374,895	-	516,870	1,891,765
Investment income	60,513	160,693	-	221,206
Intergovernmental	2,707,782	834,677	-	3,542,459
Other revenues	617,248	253,802	-	871,050
Total revenues	16,204,761	6,030,085	516,870	22,751,716
EXPENDITURES				
Current:				
General government	3,144,891	961,171	-	4,106,062
Public safety	7,633,714	23,877	-	7,657,591
Court system	1,666,215	-	-	1,666,215
Roads and bridges	3,698,326	2,135,224	-	5,833,550
Public health and welfare	364,667	357	133,914	498,938
Recreation	567,386	-	-	567,386
Library	369,428	-	-	369,428
Economic development	95,000	677,951	-	772,951
Capital projects	-	138,260	-	138,260
Debt service:				
Principal	271,804	17,264	-	289,068
Interest	248,851	21,694	-	270,545
Total expenditures	18,060,282	3,975,798	133,914	22,169,994
Excess (deficiency) of revenues over expenditures	(1,855,521)	2,054,287	382,956	581,722
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	396,307	-	-	396,307
Transfers to other funds	-	-	(396,307)	(396,307)
Sale of capital assets	27,861	-	-	27,861
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	424,168	-	(396,307)	27,861
Net change in fund balances	(1,431,353)	2,054,287	(13,351)	609,583
Fund balances, beginning of year	4,318,965	9,091,715	127,867	13,538,547
Fund balances, end of year	$ 2,887,612	$ 11,146,002	$ 114,516	$ 14,148,130

See accompanying notes to financial statements.

COLQUITT COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2005

Net change in fund balances - total governmental funds	$	609,583
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.		
Capital asset purchases capitalized		2,947,500
Depreciation expense		(2,552,030)
In the Statement of Activities, only the gain or loss on the sale or disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold or disposed.		
Total proceeds from sale or disposal		(27,861)
Total gain or (loss) on sale or disposal		27,861
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt issued		-
Debt payments made		289,068
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		(15,246)
Change in net assets of governmental activities	$	1,278,875

See accompanying notes to financial statements.

COLQUITT COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	$ 9,933,045	$ 9,933,045	$ 10,388,849	$ 455,804
Local option sales taxes	-	-	-	-
Other taxes and licenses	991,626	991,626	1,055,474	63,848
Fines, forfeitures and fees	1,545,032	1,545,032	1,374,895	(170,137)
Investment income	20,200	20,200	60,513	40,313
Intergovernmental	5,682,030	5,682,030	2,707,782	(2,974,248)
Other revenues	548,257	548,257	617,248	68,991
Total revenues	18,720,190	18,720,190	16,204,761	(2,515,429)
EXPENDITURES				
Current:				
General government				
County commissioners	142,215	142,215	145,172	(2,957)
Administrator and county clerk	165,749	165,749	114,797	50,952
Finance	68,808	68,808	63,177	5,631
Accounting	466,240	466,240	351,317	114,923
Registrar	14,798	14,798	13,006	1,792
Purchasing	108,157	108,157	102,356	5,801
Legal	23,874	23,874	20,690	3,184
Addressing / Computer maintenance	144,532	144,532	123,182	21,350
Human resources	21,786	21,786	203,121	(181,335)
Tax commissioner	355,550	355,550	353,808	1,742
Tax sssessor	517,215	517,215	468,304	48,911
Risk management	300,000	300,000	289,577	10,423
Building and grounds	394,485	394,485	340,341	54,144
Technical construction and maintenance	360,157	360,157	327,079	33,078
County agent	135,666	135,666	127,114	8,552
Forest resources	6,748	6,748	6,748	-
Building inspection	75,555	75,555	72,984	2,571
General dministration	22,144	22,144	22,118	26
Total general government	3,323,679	3,323,679	3,144,891	178,788

See accompanying notes to financial statements.

COLQUITT COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Public safety				
Sheriff	239,613	239,613	204,869	34,744
Criminal investigations	304,751	304,751	325,636	(20,885)
Uniform patrol	1,103,627	1,103,627	1,138,135	(34,508)
Records and identifications	102,225	102,225	99,169	3,056
DARE program	212,620	212,620	225,186	(12,566)
Court services	54,454	54,454	57,038	(2,584)
Drug task force	377,290	377,290	334,563	42,727
Jail	2,561,237	2,561,237	2,638,766	(77,529)
Correctional institute	1,219,119	1,219,119	1,113,071	106,048
Correctional institute - medical services	123,000	123,000	144,344	(21,344)
Fire fighting	415,100	415,100	415,100	-
Ambulance services	21,700	21,700	27,843	(6,143)
Coroner	43,724	43,724	41,280	2,444
E-911 service	819,064	819,064	793,310	25,754
Animal control	62,120	62,120	62,120	-
Emergency management	20,441	20,441	13,284	7,157
Total public safety	7,680,085	7,680,085	7,633,714	46,371
Court system				
Superior court	300,231	300,231	296,694	3,537
Clerk of superior court	413,251	413,251	399,013	14,238
Distrcit attorney	148,660	148,660	148,677	(17)
State court	121,931	121,931	118,295	3,636
Magistrate court	230,601	230,601	226,000	4,601
Probate court	368,906	368,906	235,713	133,193
Juvenile court	79,736	79,736	82,080	(2,344)
Public defender	8,999	8,999	159,743	(150,744)
Total court system	1,672,315	1,672,315	1,666,215	6,100
Roads and bridges				
Roads and bridges	3,119,080	3,119,080	3,365,377	(246,297)
Road contracts	2,231,128	2,231,128	101,913	2,129,215
Shop	244,257	244,257	231,036	13,221
Total road and bridges	5,594,465	5,594,465	3,698,326	1,896,139
Public health and welfare				
Health department	209,737	209,737	209,738	(1)
Menatl health	19,769	19,769	19,769	-
Family and children services	38,900	38,900	89,026	(50,126)
Welfare	32,500	32,500	32,177	323
Museums	12,000	12,000	12,000	-
Civic auditorium	-	-	1,957	(1,957)
Total public health and welfare	312,906	312,906	364,667	(51,761)

See accompanying notes to financial statements.

COLQUITT COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Recreation	570,000	570,000	567,386	2,614
Library	374,961	374,961	369,428	5,533
Economic development	95,000	95,000	95,000	-
Capital projects	-	-	-	-
Debt service:				
Principal	48,278	48,278	271,804	(223,526)
Interest	-	-	248,851	(248,851)
Total expenditures	19,671,689	19,671,689	18,060,282	1,611,407
Excess (deficiency) of revenues over expenditures	(951,499)	(951,499)	(1,855,521)	(904,022)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	413,230	413,230	396,307	(16,923)
Transfers to other funds	-	-	-	-
Sale of capital assets	5,000	5,000	27,861	22,861
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	418,230	418,230	424,168	5,938
Net change in fund balances	(533,269)	(533,269)	(1,431,353)	(898,084)
Fund balances, beginning of year	4,318,965	4,318,965	4,318,965	-
Fund balances, end of year	$ 3,785,696	$ 3,785,696	$ 2,887,612	$ (898,084)

See accompanying notes to financial statements.

COLQUITT COUNTY, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2005

	Business-Type Activity	Governmental Activity
	Solid Waste Management Fund	Internal Service Fund
ASSETS		
Current assets		
Cash and cash equivalents	$ 80,645	$ 117,571
Investments - Georgia Fund 1	-	368,848
Accounts receivable, net	154,777	-
Total current assets	235,422	486,419
Non - current assets		
Capital assets, net of accumulated depreciation	-	-
Total assets	235,422	486,419
LIABILITIES		
Current liabilities		
Accounts payable	110,572	-
Accrued claims payable	-	459,457
Due to General Fund	511,674	26,962
Total current liabilities	622,246	486,419
Total liabilities	622,246	486,419
NET ASSETS		
Invested in capital assets, net of related debt	-	-
Unrestricted (deficit)	(386,824)	-
Total net assets	$ (386,824)	$ -

See accompanying notes to financial statements.

COLQUITT COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended June 30, 2005

	Business-Type Activity	Governmental Activity
	Solid Waste Management Fund	Internal Service Fund
OPERATING REVENUES		
Charges for services	$ 1,661,013	$ 1,344,423
OPERATING EXPENSES		
Salaries	272,231	-
Employee benefits	95,609	-
General and administrative	268,353	-
Collection and transport fees	1,126,050	-
Insurance claims and expenses	-	1,362,724
Total operating expenses	1,762,243	1,362,724
Operating income (loss)	(101,230)	(18,301)
NON - OPERATING REVENUES (EXPENSES)		
Interest income	1,179	18,301
Income (loss) before contributions and transfers	(100,051)	-
Capital contributions	-	-
Transfers from other funds	-	-
Transfers to other funds	-	-
Change in net assets	(100,051)	-
Net assets, beginning of year	(286,773)	-
Net assets, end of year	$ (386,824)	$ -

See accompanying notes to financial statements.

COLQUITT COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2005

	Business-Type Activity	Governmental Activity
	Solid Waste Management Fund	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 1,661,150	$ -
Cash received from interfund services provided	-	1,344,423
Other operating receipts	-	-
Cash payments to employees for services	(367,840)	-
Cash payments to other suppliers of goods and services	(1,357,090)	(1,587,279)
Net cash provided (used) by operating activities	(63,780)	(242,856)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	-	-
Transfers to other funds	-	-
Net change in Due from General Fund	-	-
Net change in Due to General Fund	(320,521)	(275,579)
Net cash provided (used) by noncapital financing activities	(320,521)	(275,579)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of assets	-	-
Net cash provided (used) by capital and related financing activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Net change in investments	-	281,700
Interest received	1,179	18,301
Net cash provided (used) by investing activities	1,179	300,001
Net increase (decrease) in cash and cash equivalents	(383,122)	(218,434)
Cash and cash equivalents, beginning of year	463,767	336,005
Cash and cash equivalents, end of year	$ 80,645	$ 117,571
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Net operating income (loss)	$ (101,230)	$ (18,301)
Adjustments to reconcile net operating income to net cash provided (used) by operating activities:		
Depreciation	-	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	137	-
Increase (decrease) in accounts payable	37,313	-
Increase (decrease) in accrued claims payable	-	(224,555)
Net cash provided (used) by operating activities	$ (63,780)	$ (242,856)

See accompanying notes to financial statements.

COLQUITT COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2005

	Total Agency Funds
ASSETS	
Restricted assets:	
Cash and cash equivalents	$ 361,451
Investments - Georgia Fund 1	-
Property tax receivable	28,662
Total assets	390,113
LIABILITIES	
Due to general fund	-
Due to other governments	16,199
Held as trustee	373,914
Total liabilities	$ 390,113

See accompanying notes to financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Colquitt County, Georgia have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

I. Reporting Entity

Colquitt County was created on February 25, 1856, under the provisions of an act by the General Assembly of Georgia. The County's governing authority is a seven-member Board of Commissioners with six members elected by district and the chairman elected at large from the County. The County provides the following services as authorized by state law; public safety, court systems, public works, public health and welfare, and general administrative services.

The financial reporting entity has been determined by management in accordance with generally accepted accounting principles to be Colquitt County (the primary government) and its component units. A component unit is a legally separate organization for which the primary government is financially accountable or for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. In evaluating how to define the government for financial reporting purposes, management has considered all component units.

The criteria used to determine financial accountability are the ability of the primary government to appoint a voting majority of the organization's governing body, and effectively impose its will on the organization. Also, if there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government, financial accountability would exist. Based upon the application of these criteria, the following is a brief review of each component unit included in the County's reporting unit as discretely presented component units.

Colquitt County Health Department

The Colquitt County Board of Health administers the operations of the Colquitt County Health Department which provides public health services to the citizens of Colquitt County. The Georgia Department of Audits, Local Government Audit Section, has ruled that county boards of health should be considered component units of the county government for financial reporting purposes. The County appoints members of the Colquitt County Board of Health and provides funding annually in an amount sufficient to satisfy the local matching funds as required by the Georgia Department of Human Resources. The entity is reported as a governmental fund type component unit. Separate audited financial statements may be obtained from:

Colquitt County Health Department
P.O. Box 639
Moultrie, Georgia 31776

Moultrie-Colquitt County Library

The Moultrie-Colquitt County Library provides public library services with funding provided primarily by participating local governmental agencies and grants from the State of Georgia. The County appoints a majority of the Library's Board members and provides a majority of funding for its operations. The entity is reported as a governmental fund type component unit. Separate financial statements are not issued.

Joint Venture

Under Georgia law, the County is a member of the Southwest Georgia Regional Development Center (SGRDC) along with surrounding counties and municipalities and is required to pay dues thereto. The SGRDC is a multi-funded organization receiving funds from federal, state, and local agencies, plus member governments. Its purpose is to further the orderly growth, economic prosperity, and well-being of the people of the Southwest Georgia area. During the year ended June 30, 2005, the County paid dues to the SGRDC of approximately $22,118. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organization structure of the RDC in Georgia. The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that member governments are liable for any debts or obligations of an RDC. Separate financial statements may be obtained from:

Southwest Georgia Regional Development Center
P.O. Box 346
Camilla, Georgia 31730

II. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Assets and Statement of Changes in Net Assets) report information on all non-fiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is accountable.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment 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.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government – Wide Financial Statements

The County's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of Governmental and Business-Type activities for the County. Fiduciary activities of the County are not included in these statements.

These statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* as are the proprietary fund financial statements. The fiduciary fund financial statements are presented on the accrual basis. Accordingly, all the County's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in assets. Under the accrual basis of accounting,

revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the County are reported in three categories: 1) charges for services to customers who directly benefit from goods, services or privileges provided by a given function, 2) operating grants and contributions that are restricted to meeting the operational needs requirements of a particular function, and 3) capital grants and contributions that are restricted to meeting the capital needs requirements of a particular function.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated, however, those transactions between governmental and business-type activities have not been eliminated. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

In accordance with Statement of Accounting Standards No. 20, "Accounting and Financial Reporting For Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting," the County has elected to apply Governmental Accounting Standards Board (GASB) pronouncements as well as the following pronouncements issued on or before November 30, 1989 unless those pronouncements are inconsistent with GASB pronouncements: FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB).

Fund Financial Statements

Governmental Fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. Governmental Fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Those revenues susceptible to accrual are property taxes, sales taxes, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year end on behalf of the government also are recognized as revenue. Fines are not susceptible to accrual because generally they are not measurable until received in cash. The County considers revenues to be available if they are collected within 60 days after year end.

The County reports the following major governmental funds:

General Fund is the principal fund of the County and is used to account for all of its activities not otherwise accounted for by a specified fund.

Capital Projects Funds are used to account for financial resources for the acquisition or construction of major capital facilities and improvements other than those financed by Proprietary Funds. These projects are financed through budget appropriations, revenue bonds, sales tax proceeds and general obligation sales tax, and capital leases. The County's Capital Projects Fund is used to account for the collection and disbursement of the 1% Special Local Option Sales Tax (SPLOST) and to account for grant monies received from the Department of Housing and Urban Development under the Community Development Block Grant Program.

Additionally the County reports the following fund types:

Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Debt Service Funds are utilized to account for the accumulation and disbursement of money needed to comply with the interest and principal redemption requirements of general obligation bond issues.

Proprietary Funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting* and are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Enterprise Funds account for activities that are usually self-sustaining, principally through user charges for services rendered. The County has the following major enterprise fund:

> Solid Waste Management Fund - The Solid Waste Management Fund was established for the control of the operating revenue and expense of the County's solid waste management program.

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

Fiduciary Funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting* and are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent. The County utilizes the following fiduciary funds:

> Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and the County departments.

Component Units: All component units are reported using the *economic resources measurement focus basis* and the *accrual basis of accounting*. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

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

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles except that encumbrances are treated as budgeted expenditures in the year of the incurrence of the commitment to purchase. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored through subsequent years' budget appropriations.

Cash and Investments

Cash and cash equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents and investments with an original maturity at three months or less.

Statutes authorize the County to invest in obligations of the U. S. Treasury, other U.S. Government agencies, the State of Georgia, other counties, municipal corporations and political subdivisions of the State of Georgia, and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

Investments are stated at fair value based on published quoted market prices. The fair values of investments in external investment pools are the same as the value of the pool shares.

Receivables

Receivables and Due from Other Governments represent funds to be received from other local governments, state grant in aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

Outstanding balances between funds at the end of the fiscal year are referred to as either "Due From Other Funds" or "Due To Other Funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "Interfund Balances".

All trade and property tax receivables have been reduced to their estimated net realizable value and are shown net of an allowance for doubtful accounts. Estimated uncollectible amounts are based upon historical experience rates.

Inventories

Inventories of expendable supplies held for consumption are not considered material and are recorded as expenditures, or expenses, as appropriate, when purchased. Inventory in the General Fund consists of other supplies, which are recorded as assets at the time of purchase and as expenditures as the supplies are used. These inventories are valued at cost using the first-in, first-out method.

Proprietary fund inventories are valued at the lower of cost (weighted average and specific identification methods) or market. Governmental fund inventories are valued at cost using the first-in, first-out (FIFO) method.

Prepaid Items

Payments made to vendors for services that will benefit future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements.

Restricted Assets

Proceeds from certain revenues and other resources in the General Fund, Special Revenue Funds and Capital Projects Fund are classified as restricted assets on the balance sheet because they are maintained in separate accounts and their use is limited by applicable statutes or agreements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks and similar items) acquired after June 30, 1979, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County's policy has set the capitalization threshold at $5,000 for reporting capital assets and at $50,000 for reporting infrastructure assets. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Property, plant and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

Buildings	25 – 40 years
Machinery and Equipment	5 – 10 years
Roads	40 years
Bridges	40 years

Compensated Absences

It is the policy of the County to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. Vacation pay does not accumulate and must be taken annually by the end of each calendar year. Upon separation of service, employees are paid for any unused vacation leaves attributable to the current year.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the issue is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserved fund balances represent those portions of fund equity legally segregated for a specific future use or otherwise not appropriable for expenditure. Designated fund balances represent tentative management plans for future use of financial resources that are subject to change.

NOTE B - BUDGETS AND BUDGETARY ACCOUNTING

I. Budget Process

The annual budget document is the financial plan for the operation of the County. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the County's financial position. An annual operating budget is prepared for the General, Special Revenue and Debt Service Funds.

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

1) Prior to June 1, the County Administrator submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2) Public notice of budget and tax proposals is provided in conformance with Georgia law.
3) Public hearings are conducted to obtain taxpayer comments.
4) Prior to July 1, the budget is formally adopted.

The County Finance Director is delegated the authority to transfer funds from one budget line-item to another within a department, provided the line-items are within the same budgetary category and departmental division. No increase in the overall budget can be made without the approval of the Board of Commissioners and amendment to the budget.

The General Fund is subject to budgetary control at the department level. The Special revenue and Debt Service Funds are subject to budgetary control on an individual fund basis. Unencumbered appropriations in the annual operating budget lapse at fiscal year end.

All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are treated as budgeted expenditures in the year the commitment to purchase is incurred. Because there were no encumbrances outstanding at the end of the year, all budgets are presented on a GAAP basis.

The County was in violation of certain contractual provisions in that it did not formally adopt budgets for the year ended June 30, 2005 for its Debt Service or Special Revenue funds as required by the State of Georgia – Official Code of Georgia Annotated (O.C.G.A.) Section 36-81-3(b)(1). The County is implementing procedures to ensure that all required budgets are formally adopted in future years.

II. Capital Projects Budget

The construction of certain major capital facilities and improvements, which are accounted for by the County in the Capital Projects Fund, are subject to budgetary control on a project basis. The budgets are approved by the Board of Commissioners and are generally subject to specific provisions of voter referendums, State statutes, and/or grant agreements. Appropriations for a specific project do not lapse until completion of the project.

III. Excess of Expenditures Over Appropriations in Individual Funds

The following funds incurred expenditures in excess of budgeted amounts for the year ended June 30, 2005:

Fund	Excess of Expenditures Over Budgeted Amounts
Probation Support Fund	$ 4,285
Surcharge on Drug Cases Fund	43,230
Surcharge on Fines Fund	51,018
Juvenile Services Fund	17,689
E – 911 Surcharge Fund	413,999

NOTE C - DEPOSITS AND INVESTMENTS

I. Cash on Deposit

For cash deposits, the bank balance is classified into three categories of credit risk:

1) Cash that is insured or collateralized with securities held by the government or by its agent in the government's name.
2) Cash collateralized with securities held by the pledging financial institution's trust department or agent in the government's name.
3) Cash collateralized with securities held by the pledging financial institution's trust department or agent, but not in the government's name, or uncollateralized.

The Georgia Code requires that depository institutions collateralize cash deposits of public funds. Depositories of public funds may secure deposits by the insurance of the F.D.I.C., pledged securities, or a combination of these methods. The market value of pledged securities shall be equal to or not less than 100 percent of the deposited public funds.

As of June 30, 2005, the carrying amount of the County's deposits was $3,546,676 and the bank balance was $3,633,493. The deposits were classified as follows:

	Category 1	2	3	Total
Bank balance	$ 300,000	$ 3,333,493	$ --	$ 3,633,493

As of June 30, 2005, the carrying amount of deposits for the Colquitt County Health Department was $803,051 and the bank balances were $892,315. The deposits were classified as follows:

	Category 1	2	3	Total
Bank balance	$ 100,000	$ 792,315	$ --	$ 892,315

As of June 30, 2005, the carrying amount of deposits for the Moultrie - Colquitt County Library was $623,897 and the bank balance was $625,990. The deposits were classified as follows:

	Category			
	1	2	3	Total
Bank balance	$ 200,000	$ 425,990	$ --	$ 625,990

II. Investments

Investments are categorized into three categories of credit risk:

1) Insured or registered, or securities held by the County or its agent in the County's name.
2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the County's name.
3) Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the County's name.

As of June 30, 2005, all of the County's investments were invested in Georgia Fund 1, the local government investment pool administered by the State of Georgia. The State of Georgia Office of Treasury and Fiscal Services has regulatory oversight for the Georgia Fund 1. The Georgia Fund 1 investment pool is not subject to credit risk classification and the carrying value of $10,406,070 is equal to its fair value.

Georgia Fund I, created by OCGA 36-83-8, is a stable net asset value investment pool that follows Standard and Poor's criteria for AAAm rated money market funds. However, Georgia Fund I operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share.

NOTE D – RECEIVABLES AND TAX REVENUE

I. Property Tax

State law requires that property taxes be based on assessed value, which is 40% of market value. All real and personal property, including motor vehicles are valued as of January 1 of each year and must be returned by March 1.

The property tax calendar is as follows:

	Real / Personal Property	Motor Vehicles
Assessment Date	January 1	January 1
Levy Date	October 1	January 1
Due Date and Collection Date	December 10	Staggered
Tax Execution Date / Lien Date	December 31	n/a

Upon completion of all assessments and tax returns, the information is turned over to the Colquitt County Tax Commissioner for completion of the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval.

The Colquitt County Tax Commissioner distributes tax notices and collects tax payments. Motor vehicle taxes are due based upon the birthday of the owner. Property taxes are normally billed in October of each year. Collections of the county taxes and remittance of them to appropriate fund or government are accounted for in the Tax Commissioner Agency Fund.

II. Receivables

Receivables as of June 30, 2005 for the County's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate are as follows:

	General Fund	Capital Projects Fund	Solid Waste Management Fund	Non Major Governmental And Other Funds	Total
Accounts Receivable	$ 26,593	$ --	$ 856,454	$ --	$ 883,047
Property Tax Receivable	--	--	--	53,058	53,058
Sales Tax Receivable	--	896,975	--	--	896,975
Gross Receivables	26,593	896,975	856,454	53,058	1,833,080
Less: Allowance for Uncollectibles	--	--	(701,687)	(24,396)	(726,083)
Net Total Receivables	$ 26,593	$ 896,975	$ 154,767	$ 28,662	$ 1,106,997

NOTE E – DUE FROM OTHER GOVERNMENTS

Due from other governments as of June 30, 2005 for the County's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate are as follows:

	General Fund	Capital Projects Fund	Solid Waste Management Fund	Non Major Governmental and Other Funds	Total
Federal	$ 194,256	$ --	$ --	$ --	$ 194,256
State	135,267	22,588	--	--	245,367
City	203,199	--	--	--	203,199
Other	--	--	--	--	--
Gross Receivables	532,722	22,588	--	--	555,310
Less: Allowance for Uncollectibles	--	--	--	--	--
Net Total Receivables	$ 532,722	$ 22,588	$ --	$ --	$ 555,310

The principal amounts due from federal and state governments are for grant program reimbursements. The majority of the amounts due from city governments represent reimbursements for jointly funded departments.

NOTE F – INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

Generally outstanding balances between funds include outstanding charges by one fund to another for services or goods and other miscellaneous receivables and payables between funds. The composition of interfund receivables and payables as of June 30, 2005 is as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	$ 721,045	$ 4,099
Capital Projects Fund	4,099	--
Solid Waste Management Fund	--	511,674
Non Major Governmental Funds	--	182,409
Internal Service Fund	--	26,962
	$ 725,144	$ 725,144

Interfund transfers are generally for the purpose of reimbursing the General Fund with revenues from the Special Revenue Funds for expenditures that met the specific legal requirements. Interfund transfers for the year ended June 30, 2005 consisted of the following:

Fund	Transfers - in	Transfers - out
General Fund	$ 396,307	$ --
Non Major Governmental Funds	--	396,307
	$ 396,307	$ 396,307

NOTE G – CAPITAL ASSETS

The following is a summary of capital asset activity as of June 30, 2005:

Primary Government

Governmental Activities:

	Balance June 30, 2004	Increases	Decreases	Balance June 30, 2005
Capital assets, not being depreciated:				
Land	$ 2,819,565	$ --	$ --	$ 2,819,565
Total capital assets not being depreciated	2,819,565	--	--	2,819,565
Other capital assets				
Buildings	37,362,866	--	--	37,362,866
Machinery and equipment	8,625,375	1,325,658	(818,158)	9,132,875
Roads	29,374,798	1,532,715	--	30,907,513
Bridges	5,438,976	426,084	--	5,865,060
Total other capital assets at cost	80,802,015	3,284,457	(818,158)	83,268,314
Less accumulated depreciation for				
Buildings	12,753,917	957,416	--	13,711,333
Machinery and equipment	5,095,666	699,785	(492,501)	5,302,950
Roads	8,163,200	753,531	--	8,916,731
Bridges	2,125,267	141,298	--	2,266,565
Total accumulated depreciation	28,138,050	2,552,030	(492,501)	30,197,579
Other capital assets, net	52,663,965	732,427	(325,657)	53,070,735
Governmental activities capital assets, net	$ 55,483,530	$ 732,427	$ (325,657)	$ 55,890,300

Business-type activities:
The County had no business-type capital asset activity for the year ended June 30, 2005.

Depreciation expense was charged to functions as follows:

Governmental activities	
General government	$ 451,697
Public safety	390,952
Court system	189,217
Road and bridges	1,302,861
Public health and welfare	217,303
Recreation	--
Library	--
Economic development	--
Total governmental activities depreciation expense	$ 2,552,030
Business-type activities	$ --
Total depreciation expense	$ 2,552,030

Component Units

Capital asset activity for the Colquitt County Heath Department, a discretely presented component unit for the year ended June 30, 2005 is as follows:

Governmental Activities:

	Balance June 30, 2004	Increases	Decreases	Balance June 30, 2005
Capital assets, not being depreciated:	$ --	$ --	$ --	$ --
Other capital assets Machinery and equipment	51,073	--	--	51,073
Total other capital assets at cost	51,073	--	--	51,073
Less accumulated depreciation for Machinery and equipment	6,982	9,908	--	16,890
Total accumulated depreciation	6,982	9,908	--	16,890
Other capital assets, net	44,091	(9,908)	--	34,183
Governmental activities capital assets, net	$ 44,091	$ (9,908)	$ --	$ 34,183

Business-type activities:

The Colquitt County Health Department had no business-type capital asset activity for the year ended June 30, 2005.

Depreciation expense was charged to functions as follows:

Governmental activities Public health and welfare	$ 9,908
Total governmental activities depreciation expense	$ 9,908
Business-type activities	$ --
Total depreciation expense	$ 9,908

Capital asset activity for the Moultrie - Colquitt County Library, a discretely presented component unit for the year ended June 30, 2005 is as follows:

Governmental Activities:

	Balance June 30, 2004	Increases	Decreases	Balance June 30, 2005
Capital assets, not being depreciated:	$ --	$ --	$ --	$ --
Other capital assets				
Machinery and equipment	140,958	--	--	140,958
Total other capital assets at cost	140,958	--	--	140,958
Less accumulated depreciation for				
Machinery and equipment	140,958	--	--	140,958
Total accumulated depreciation	140,958	--	--	140,958
Other capital assets, net	--	--	--	--
Governmental activities capital assets, net	$ --	$ --	$ --	$ --

Business-type activities:

The Moultrie - Colquitt County Library had no business-type capital asset activity for the year ended June 30, 2005.

Depreciation expense was charged to functions as follows:

Governmental activities	
Library	$ --
Total governmental activities depreciation expense	$ --
Business-type activities	$ --
Total depreciation expense	$ --

NOTE H – LONG TERM DEBT

I. Note Payable

The County has entered into an installment agreement with a financial institution totaling $5,052,000 for the acquisition of land and construction of a building to house offices for the State of Georgia Department of Family and Children's Services. The note payable bears interest at 5.185% and is payable in monthly installments through October 1, 2018. At June 30, 2005, the outstanding balance of the note payable was $4,777,611.

The annual debt service requirement to maturity of the Note Payable at June 30, 2005 is as follows:

Year Ending June 30	Principal	Interest	Total
2006	$ 228,042	$ 252,990	$ 481,032
2007	251,626	229,406	481,032
2008	264,986	216,046	481,032
2009	279,056	201,976	481,032
2010	293,875	187,157	481,032
2011-2015	1,720,696	684,464	2,405,160
2016-2019	1,739,330	177,401	1,916,731
	$ 4,777,611	$ 1,949,440	$ 6,727,051

II. Capital Leases

The County leases assets under capital leases. The economic substance of the leases is that the County is financing the acquisition of the assets through the lease over its term, and accordingly, the leases have been recorded at the present value of their future minimum lease payments as of the inception date. Gross amounts of assets recorded under capital leases at June 30, 2005 was $663,058 in buildings.

The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments at June 30, 2005:

Year Ending June 30,	
2006	$ 44,076
2007	44,076
2008	44,076
2009	44,076
2010	44,076
2011-2015	15,253
Total minimum lease payments	235,633
Lease amount representing interest	(51,814)
Present value of future lease payments	$ 183,819

III. Changes in Long Term Liabilities

The following is a summary of the activity in long term liabilities for the year ended June 30, 2005:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental activities					
Notes payable	$ 4,994,536	$ --	$ (216,925)	$ 4,777,611	$ 228,042
Capital leases	214,170	--	(30,351)	183,819	33,711
Compensated absences	200,412	185,166	(200,412)	185,166	185,166
Governmental activity long term liabilities	$ 5,409,118	$ 185,166	$ (447,688)	$ 5,146,596	$ 446,919
Business-type activity long term liabilities	$ --	$ --	$ --	$ --	$ --
Total long term liabilities	$ 5,409,118	$ 185,166	$ (447,688)	$ 5,146,596	$ 446,919

Compensated absences and other long term liabilities are liquidated through disbursements from the General Fund.

NOTE I – RESERVATIONS OF FUND BALANCES

In the governmental fund financial statements, fund balances consist of reserved and unreserved amounts. Reservations of fund balances represent that portion which is not appropriable for expenditure or is legally segregated for a specific future use. The remaining portion is unreserved.

Fund balance reservations at June 30, 2005 include:

Special Revenue Funds	
Reserve for restricted purposes to reflect resources legally restricted for specific purposes	$79,800
Debt Service Fund	
Reserve for debt service to reflect resources legally restricted for payment of long term debt	$34,716
Capital Projects Fund	
Reserve for specific projects to reflect resources funded by Special Purpose Local Option Sales Tax and Federal grants	$11,146,002

NOTE J - SPECIAL PURPOSE LOCAL OPTION SALES TAX

On September 18, 2001, the voters of Colquitt County approved a referendum imposing a special one percent retail sales and use tax for a limited period of time not to exceed five years from the imposition date of January 1, 2002. The referendum will raise $24,000,000 for various capital outlay projects.

NOTE K – PENSION PLAN

Primary Government

Plan Description

The County's defined benefit pension plan, Colquitt County, Georgia Defined Benefit Plan (CCGDBP), provides retirement and disability benefits, and death benefits to plan members and beneficiaries. CCGDBP is affiliated with the Association County Commissioners of Georgia Defined Benefit Plan (ACCGDBP), an agent multiple-employer pension plan administered by the Association County Commissioners of Georgia. The Constitution of the State of Georgia enables the governing authority of the County, the Board of Commissioners, to establish and amend the benefit provisions of the plans that participate in ACCGDBP. The Association County Commissioners of Georgia issues a publicly available financial report that includes financial statements and required supplementary information for ACCGDBP. That report may be obtained by writing to the Association County Commissioners of Georgia, Suite 1000, 50 Hurt Plaza, Atlanta, Georgia 30303.

All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits vest after five years of service. Participants become eligible to retire at age 65 with 3 years of participation in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1.7% of average annual compensation for each year of service payable as 5-year certain and life annuity. Compensation is averaged over a five-year period prior to retirement or termination.

Funding Policy

The County is required to contribute at an actuarially determined rate in accordance with Section 47-20 of the Georgia Code, which sets forth the minimum funding standards for state and local government pension plans. Plan participants are not required to contribute to the Plan. The Constitution of the State of Georgia enables the governing authority of the County, the Board of Commissioners, to establish and amend the contribution rates for the County and its plan participants.

Annual Pension Cost

For the year ended June 30, 2005, the County's annual pension cost of $469,054 for CCGDBP was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2004, actuarial valuation using the "Projected Unit Credit" actuarial cost method. The actuarial assumptions used in the valuation include: (a) an 8.0% investment rate of return, compounded annually, (b) projected salary increases of 5.0% annually, (c) no annual cost-of-living adjustments, and (d) no post-retirement benefit increases. Both (a) and (b) included an inflation component of 3.0% annually. The actuarial value of CCGDBP assets was determined based on the asset's market value. The unfunded actuarial accrued liability of the CCGDBP is being amortized as a level dollar amount on a closed basis. The weighted – average remaining amortization period as of December 31, 2004 was 10 years.

Three – Year Trend Information for CCGDBP

Year Ended, June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2003	$ 269,442	100%	$ --
2004	399,284	100%	--
2005	469,054	100%	--

Schedule of Funding Progress for CCGDBP

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b – a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll ((b-a) / c)
12/31/02	$ 4,278,949	$ 5,204,465	$ 925,516	82.20%	$ 3,914,320	23.60%
12/31/03	4,904,213	6,230,372	1,326,159	78.70%	4,581,056	28.90%
12/31/04	5,247,068	6,881,926	1,634,858	31.16%	4,624,590	35.35%

Component Units

Colquitt County Health Department

The employees of the Colquitt County Health Department are covered by the Employee's Retirement System of the State of Georgia. Total retirement contributions for the year ended June 30, 2005 were $97,039 based on qualifying salaries of $932,170. Ten year historical information may be obtained from the Employee's Retirement System of Georgia.

Moultrie – Colquitt County Library

Substantially all librarians and clerical personnel employed by regional and county libraries are covered by the Teachers Retirement System of Georgia (TRS), which is a cost-sharing multiple employer defined benefit pension plan. TRS provides service retirement, disability retirement and survivor's benefits for its members in accordance with State statute. Total retirement contributions for the year ended June 30, 2005 were $29,526 based on qualifying salaries of $499,847. The Teachers Retirement System of Georgia issues a separate stand alone financial audit report and a copy can be obtained from the Georgia Department of Audits and Accounts.

NOTE L – RISK MANAGEMENT

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and General Liability and Worker's Compensation

The County has joined together with other counties in the state as part of the Interlocal Risk Management Agency (IRMA) for property and liability insurance and the Association County Commissioners of Georgia (ACCG) Group Self – Insurance Workers' Compensation Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The ACCG administers both risk pools.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Group Medical Benefits

The County is self-insured for group medical benefits up to $35,000 annually per employee and $1,000,000 annually in the aggregate, after which benefits are funded through a reinsurance agreement with an insurance company. The self-insurance program is administered by a third party insurance service company. At June 30, 2005, the estimate of claims incurred and payable was $459,457.

During the year ended June 30, 2005, there were no significant reductions in insurance coverage from the prior year and there have been no settlements exceeding insurance coverage in the years ended June 30, 2003, 2004 and 2005.

NOTE M – COMMITMENTS AND CONTINGENCIES

The County has an agreement with the Hospital Authority of Colquitt County that in the event of nonpayment by the hospital authority of the 1977 Series, 1992 Series, or 1996 Series of hospital revenue bonds, the County will levy a hospital bond tax millage rate sufficient to cover the current interest and principal payment of the hospital revenue bonds not to exceed the maximum millage set for hospital bond tax.

The County is involved in various legal proceedings and litigation arising in the normal course of operations. In the opinion of management, the outcome of such proceedings will not materially affect the financial position of the County.

The County stopped accepting solid waste at its landfill site in 1995. State and federal laws and regulations require the County to perform certain maintenance and monitoring functions at the land fill site for five years after closure. The County has no landfill postclosure liability recorded at June 30, 2005 as the County's management has estimated that there will be no further significant additional postclosure care costs. However, due to changes in technology, laws or regulations, inflation, or deflation these costs may change in the future.

Supplementary Information

COLQUITT COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2005

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ -	$ -	$ -
Investments - Georgia Fund 1	-	-	-
Accounts receivable, net	-	-	-
Property tax receivable	-	-	-
Inventories	-	-	-
Due from other governments	-	-	-
Due from General Fund	-	-	-
Due from other funds	-	-	-
Restricted assets:			
Cash and cash equivalents	262,209	34,716	296,925
Investments - Georgia Fund 1	-	-	-
Sales tax receivable	-	-	-
Total assets	262,209	34,716	296,925
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	-	-	-
Accrued expenses	-	-	-
Due to General Fund	182,409	-	182,409
Due to other funds	-	-	-
Liabilities payable from restricted assets	-	-	-
Total liabilities	182,409	-	182,409
Fund balances			
Reserved for:			
Public services	79,800	-	79,800
Debt service	-	34,716	34,716
Specific projects	-	-	-
Unreserved	-	-	-
Total fund balances	79,800	34,716	114,516
Total liabilities and fund balances	$ 262,209	$ 34,716	$ 296,925

See independent auditors' report.

COLQUITT COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2005

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES			
Property taxes	$ -	$ -	$ -
Local option sales taxes	-	-	-
Other taxes and licenses	-	-	-
Fines, forfeitures and fees	516,870	-	516,870
Investment income	-	-	-
Intergovernmental	-	-	-
Other revenues	-	-	-
Total revenues	516,870	-	516,870
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	-
Court system	-	-	-
Roads and bridges	-	-	-
Public health and welfare	133,914	-	133,914
Recreation	-	-	-
Library	-	-	-
Economic development	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	133,914	-	133,914
Excess (deficiency) of revenues over expenditures	382,956	-	382,956
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	-	-	-
Transfers to other funds	(396,307)	-	(396,307)
Sale of capital assets	-	-	-
Long - term debt issued	-	-	-
Total other financing sources (uses)	(396,307)	-	(396,307)
Net change in fund balances	(13,351)	-	(13,351)
Fund balances, beginning of year	93,151	34,716	127,867
Fund balances, end of year	$ 79,800	$ 34,716	$ 114,516

See independent auditors' report.

COLQUITT COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2005

	Probation Support Fund	Surcharge on Drug Cases Fund	Surcharge on Fines Fund	Juvenile Services Fund	E - 911 Surcharge Fund	Total Nonmajor Special Revenue Funds
ASSETS						
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -
Investments - Georgia Fund 1	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-
Property tax receivable	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Due to General Fund	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Restricted assets:						
Cash and cash equivalents	569	68,234	66,539	19,163	107,704	262,209
Investments - Georgia Fund 1	-	-	-	-	-	-
Sales tax receivable	-	-	-	-	-	-
Total assets	569	68,234	66,539	19,163	107,704	262,209
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-
Due to General Fund	-	8,709	-	-	173,700	182,409
Due to other funds	-	-	-	-	-	-
Liabilities payable from restricted assets	-	-	-	-	-	-
Total liabilities	-	8,709	-	-	173,700	182,409
Fund balances						
Reserved for:						
Public services	569	59,525	66,539	19,163	(65,996)	79,800
Debt service	-	-	-	-	-	-
Specific projects	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-
Total fund balances	569	59,525	66,539	19,163	(65,996)	79,800
Total liabilities and fund balances	$ 569	$ 68,234	$ 66,539	$ 19,163	$ 107,704	$ 262,209

See independent auditors' report.

COLQUITT COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2005

	Probation Support Fund	Surcharge on Drug Cases Fund	Surcharge on Fines Fund	Juvenile Services Fund	E - 911 Surcharge Fund	Total Nonmajor Special Revenue Funds
REVENUES						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Local option sales taxes	-	-	-	-	-	-
Other taxes and licenses	-	-	-	-	-	-
Fines, forfeitures and fees	3,000	33,312	117,557	14,998	348,003	516,870
Investment income	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	3,000	33,312	117,557	14,998	348,003	516,870
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Court system	-	-	-	-	-	-
Roads and bridges	-	-	-	-	-	-
Public health and welfare	4,285	-	832	17,689	111,108	133,914
Recreation	-	-	-	-	-	-
Library	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	4,285	-	832	17,689	111,108	133,914
Excess (deficiency) of revenues over expenditures	(1,285)	33,312	116,725	(2,691)	236,895	382,956
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	(43,230)	(50,186)	-	(302,891)	(396,307)
Sale of capital assets	-	-	-	-	-	-
Long - term debt issued	-	-	-	-	-	-
Total other financing sources (uses)	-	(43,230)	(50,186)	-	(302,891)	(396,307)
Net change in fund balances	(1,285)	(9,918)	66,539	(2,691)	(65,996)	(13,351)
Fund balances, beginning of year	1,854	69,443	-	21,854	-	93,151
Fund balances, end of year	$ 569	$ 59,525	$ 66,539	$ 19,163	$ (65,996)	$ 79,800

See independent auditors' report.

COLQUITT COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PROBATION SUPPORT FUND
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Local option sales taxes	-	-	-	-
Other taxes and licenses	-	-	-	-
Fines, forfeitures and fees	-	-	3,000	3,000
Investment income	-	-	-	-
Intergovernmental	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	3,000	3,000
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Court system	-	-	-	-
Roads and bridges	-	-	-	-
Public health and welfare	-	-	4,285	(4,285)
Recreation	-	-	-	-
Library	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	4,285	(4,285)
Excess (deficiency) of revenues over expenditures	-	-	(1,285)	(1,285)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	(1,285)	(1,285)
Fund balances, beginning of year	1,854	1,854	1,854	-
Fund balances, end of year	$ 1,854	$ 1,854	$ 569	$ (1,285)

See independent auditors' report.

COLQUITT COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SURCHARGE ON DRUG CASES FUND
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Local option sales taxes	-	-	-	-
Other taxes and licenses	-	-	-	-
Fines, forfeitures and fees	-	-	33,312	33,312
Investment income	-	-	-	-
Intergovernmental	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	33,312	33,312
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Court system	-	-	-	-
Roads and bridges	-	-	-	-
Public health and welfare	-	-	-	-
Recreation	-	-	-	-
Library	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	33,312	33,312
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	(43,230)	(43,230)
Sale of capital assets	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	(43,230)	(43,230)
Net change in fund balances	-	-	(9,918)	(9,918)
Fund balances, beginning of year	69,443	69,443	69,443	-
Fund balances, end of year	$ 69,443	$ 69,443	$ 59,525	$ (9,918)

See independent auditors' report.

COLQUITT COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SURCHARGE ON FINES FUND
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Local option sales taxes	-	-	-	-
Other taxes and licenses	-	-	-	-
Fines, forfeitures and fees	-	-	117,557	117,557
Investment income	-	-	-	-
Intergovernmental	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	117,557	117,557
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Court system	-	-	-	-
Roads and bridges	-	-	-	-
Public health and welfare	-	-	832	(832)
Recreation	-	-	-	-
Library	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	832	(832)
Excess (deficiency) of revenues over expenditures	-	-	116,725	116,725
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	(50,186)	(50,186)
Sale of capital assets	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	(50,186)	(50,186)
Net change in fund balances	-	-	66,539	66,539
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ 66,539	$ 66,539

See independent auditors' report.

COLQUITT COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
JUVENILE SERVICES FUND
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Local option sales taxes	-	-	-	-
Other taxes and licenses	-	-	-	-
Fines, forfeitures and fees	-	-	14,998	14,998
Investment income	-	-	-	-
Intergovernmental	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	14,998	14,998
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Court system	-	-	-	-
Roads and bridges	-	-	-	-
Public health and welfare	-	-	17,689	(17,689)
Recreation	-	-	-	-
Library	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	17,689	(17,689)
Excess (deficiency) of revenues over expenditures	-	-	(2,691)	(2,691)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	(2,691)	(2,691)
Fund balances, beginning of year	21,854	21,854	21,854	-
Fund balances, end of year	$ 21,854	$ 21,854	$ 19,163	$ (2,691)

See independent auditors' report.

COLQUITT COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
E-911 SURCHARGE FUND
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Local option sales taxes	-	-	-	-
Other taxes and licenses	-	-	-	-
Fines, forfeitures and fees	-	-	348,003	348,003
Investment income	-	-	-	-
Intergovernmental	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	348,003	348,003
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Court system	-	-	-	-
Roads and bridges	-	-	-	-
Public health and welfare	-	-	111,108	(111,108)
Recreation	-	-	-	-
Library	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	111,108	(111,108)
Excess (deficiency) of revenues over expenditures	-	-	236,895	236,895
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	(302,891)	(302,891)
Sale of capital assets	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	(302,891)	(302,891)
Net change in fund balances	-	-	(65,996)	(65,996)
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ (65,996)	$ (65,996)

See independent auditors' report.

COLQUITT COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Local option sales taxes	-	-	-	-
Other taxes and licenses	-	-	-	-
Fines, forfeitures and fees	-	-	-	-
Investment income	-	-	-	-
Intergovernmental	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Court system	-	-	-	-
Roads and bridges	-	-	-	-
Public health and welfare	-	-	-	-
Recreation	-	-	-	-
Library	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-		-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	34,716	34,716	34,716	-
Fund balances, end of year	$ 34,716	$ 34,716	$ 34,716	$ -

See independent auditors' report.

COLQUITT COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
From Inception and for the Year Ended June 30, 2005

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total	Variance Positive (Negative)
REVENUES					
Property taxes	$ -	$ -	$ -	$ -	$ -
Local option sales taxes	30,000,000	14,845,188	4,780,913	19,626,101	(10,373,899)
Other taxes and licenses	-	-	-	-	-
Fines, forfeitures and fees	-	-	-	-	-
Investment income	-	-	160,693	160,693	160,693
Intergovernmental	1,000,000	568,921	834,677	1,403,598	403,598
Other revenues	-	-	253,802	253,802	253,802
Total revenues	31,000,000	15,414,109	6,030,085	21,444,194	(9,555,806)
EXPENDITURES					
Current:					
General government	7,428,000	2,494,102	961,171	3,455,273	3,972,727
Public safety	-	-	23,877	23,877	(23,877)
Court system	-	-	-	-	-
Roads and bridges	10,701,600	1,562,968	2,135,224	3,698,192	7,003,408
Public health and welfare	-	-	357	357	(357)
Recreation	-	-	-	-	-
Library	-	-	-	-	-
Economic development	5,999,200	2,247,435	677,951	2,925,386	3,073,814
Capital projects	11,923,200	11,665,733	138,260	11,803,993	119,207
Debt service:					
Principal	-	-	17,264	17,264	(17,264)
Interest	-	-	21,694	21,694	(21,694)
Total expenditures	36,052,000	17,970,238	3,975,798	21,946,036	14,105,964
Excess (deficiency) of revenues over expenditures	(5,052,000)	(2,556,129)	2,054,287	(501,842)	4,550,158
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Long - term debt issued	5,052,000	5,052,000	-	5,052,000	-
Total other financing sources (uses)	5,052,000	5,052,000	-	5,052,000	-
Net change in fund balances	$ -	$ 2,495,871	2,054,287	$ 4,550,158	$ 4,550,158
Fund balances, beginning of year			9,091,715		
Fund balances, end of year			$ 11,146,002		

See independent auditors' report.

COLQUITT COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2005

	Tax Commissioner	Sheriff	Clerk of Superior Court	Magistrate Court	Probate Court	Total Agency Funds
ASSETS						
Restricted assets:						
Cash and cash equivalents	$ 3,692	$ 148,470	$ 191,082	$ 18,207	-	$ 361,451
Investments - Georgia Fund 1	-	-	-	-	-	-
Property tax receivable	28,662	-	-	-	-	28,662
Total assets	32,354	148,470	191,082	18,207	-	390,113
LIABILITIES						
Due to general fund	-	-	-	-	-	-
Due to other governments	16,199	-	-	-	-	16,199
Held as trustee	16,155	148,470	191,082	18,207	-	373,914
Total liabilities	$ 32,354	$ 148,470	$ 191,082	$ 18,207	$ -	$ 390,113

See independent auditors' report.

COLQUITT COUNTY, GEORGIA
COMBINING STATEMENT OF NET ASSETS
COMPONENT UNITS
June 30, 2005

	Component Units		
	Colquitt County Health Department	Moultrie - Colquitt County Library	Total
ASSETS			
Cash and cash equivalents	$ 803,695	$ 448,614	$ 1,252,309
Investments - Georgia Fund 1	-	-	-
Accounts receivable, net	18,412	-	18,412
Property tax receivable	-	-	-
Inventories	-	-	-
Due from other governments	149,160	-	149,160
Internal balances	-	-	-
Restricted assets:			
Cash and cash equivalents	-	175,283	175,283
Investments - Georgia Fund 1	-	-	-
Sales tax receivable	-	-	-
Capital assets:			
Land	-	-	-
Construction in progress	-	-	-
Other capital assets, net of accumulated depreciation	34,183	-	34,183
Total assets	1,005,450	623,897	1,629,347
LIABILITIES			
Accounts payable	33,352	1,261	34,613
Accrued expenses	94,748	-	94,748
Due to other governments	31,102	-	31,102
Liabilities payable from restricted assets	-	-	-
Long-term liabilities:			
Due within one year	-	-	-
Due in more than one year	-	798	798
Total liabilities	159,202	2,059	161,261
NET ASSETS			
Invested in capital assets, net of related debt	34,183	-	34,183
Restricted for:			
Debt service	-	-	-
Capital projects	-	-	-
Public safety	-	-	-
Public services	629,819	175,283	805,102
Unrestricted	182,246	446,555	628,801
Total net assets	$ 846,248	$ 621,838	$ 1,468,086

See independent auditors' report.

COLQUITT COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Year Ended June 30, 2005

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Component units:					
Colquitt County Health Department	$ 1,693,704	$ 320,663	$ 1,280,229	$ -	$ (92,812)
Moultrie - Colquitt County Library	793,607	102,158	680,686	-	(10,763)
Total component units	$ 2,487,311	$ 422,821	$ 1,960,915	$ -	$ (103,575)

See independent auditors' report.

COLQUITT COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES (continued)
COMPONENT UNITS
For the Year Ended June 30, 2005

	Component Units		
	Colquitt County Health Department	Moultrie - Colquitt County Library	Total
Change in net assets:			
Net (expense) revenue	$ (92,812)	$ (10,763)	$ (103,575)
General revenues:			
Taxes:			
Property taxes	-	-	-
Local option sales taxes	-	-	-
Other taxes and licenses	-	-	-
Grants and contributions not restricted to specific programs	-	-	-
Investment income	-	50,867	50,867
Miscellaneous	-	-	-
Transfers	-	-	-
Total general revenues and transfers	-	50,867	50,867
Change in net assets	(92,812)	40,104	(52,708)
Net assets, beginning of year	939,060	581,734	1,520,794
Net assets, end of year	$ 846,248	$ 621,838	$ 1,468,086

See independent auditors' report.

Compliance Section

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
of Colquitt County, Georgia
Moultrie, Georgia

We have audited the 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 Colquitt County, Georgia, as of and for the year ended June 30, 2005, which collectively comprise Colquitt County Georgia's basic financial statements and have issued our report thereon dated June 15, 2006. We did not audit the financial statements of the Colquitt County Health Department. Which statements reflect total assets of $1,005,450 as of June 30, 2005 and net revenues of $1,600,892 for the year then ended. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Colquitt County Health Department, 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.

Compliance

As part of obtaining reasonable assurance about whether Colquitt County Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2005-1.

L.A. Bowen, Jr., C.P.A.
Jane Freeman Phillips, C.P.A.
Tom E. Carmichael, Jr., C.P.A.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Colquitt County Georgia's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce, to a relatively low level, the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to management of Colquitt County, Georgia, in a separate letter dated June 15, 2006.

This report is intended solely for the information and use of the Colquitt County Board of Commissioners, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bowen, Phillips & Carmichael, LLP

June 15, 2006
Tifton, Georgia

Bowen, Phillips & Carmichael
Certified Public Accountants & Consultants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Commissioners
of Colquitt County, Georgia
Moultrie, Georgia

Compliance

We have audited the compliance of Colquitt County, Georgia, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. Colquitt County, Georgia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Colquitt County, Georgia's management. Our responsibility is to express an opinion on Colquitt County, Georgia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Colquitt County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Colquitt County, Georgia's compliance with those requirements.

In our opinion, Colquitt County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of Colquitt County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Colquitt County, Georgia's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with *OMB Circular A-133.*

L.A. Bowen, Jr., C.P.A.
Jane Freeman Phillips, C.P.A.
Tom E. Carmichael, Jr., C.P.A.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce, to a relatively low level, the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Colquitt County Board of Commissioners, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bowen, Phillips & Carmichael, LLP

June 15, 2006
Tifton, Georgia

COLQUITT COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2005

Federal / Grantor / Pass - Through Grantor / Program Title	Federal CFDA Number	Grant Identification Number	Program or Award Amount	Expenditures
U. S. Department of HUD				
Passed through the Georgia Department of Community Affairs				
Community Development Block Grants (Public Facilities Program)	14.219	99P - Y - 035 - 1 - 2272	$ 413,624	$ 8,937
Community Development Block Grants (Public Facilities Program)	14.219	01P - Y - 035 - 1 - 2535	500,000	369,014
Total funding passed through DCA				377,951
Total U. S. Department of HUD				377,951
U. S. Department of Homeland Security				
Passed through the Georgia Emergency Management Agency				
Office of Domestic Preparedness		PDMC-PL-04-GA-2003-05	78,850	78,850
Pre-Disaster Mitigation Program		2004-GE-T4-0012	18,750	18,750
Total funding passed through GEMA				97,600
Total U. S. Department of Homeland Security				97,600
U. S. Department of Justice				
Office of Justice Programs	16.592	2003 - LB - BX - 0451	138,762	23,877
Total U. S. Department of Justice				23,877
U. S. Marshals Service				
U. S. Marshals Program	16.603		515,386	515,386
Total U. S. Marshals Service				515,386
Total Expenditures of Federal Awards				$ 1,014,814

See independent auditors' report.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Schedule of Expenditures of Federal Awards is prepared using the modified accrual basis of accounting.

Measurement Focus

The determination of when an award is expended is based on when the activity related to the award occurs.

Program Type Determination

Type A programs are defined as Federal programs with Federal expenditures exceeding the larger of $300,000 or three percent of total Federal expenditures. The threshold of $300,000 was used in distinguishing between Type A and Type B programs.

Method of Major Program Selection

The risk based approach was used in the selection of federal programs to be tested as major programs. The County did not qualify as a low - risk auditee for the year ended June 30, 2005.

Amount Provided to Sub recipients

The County had no major programs that provided amounts to sub recipients.

COLQUITT COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2005

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:				*[unqualified]*	
Internal control over financial reporting:					
Material weakness(es) identified?				____ yes	__X__ no
Reportable condition(s) identified not considered to be material weaknesses?				____ yes	__X__ none reported
Noncompliance material to financial statements noted?				__X__ yes	____ no

Federal Awards

Internal Control over major programs:					
Material weakness(es) identified?				____ yes	__X__ no
Reportable condition(s) identified not considered to be material weaknesses?				____ yes	__X__ none reported
Type of auditors' report issued on compliance for major programs:				*[unqualified]*	
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A - 133, Section 510(a)?				____ yes	__X__ no
Identification of major programs:					
U. S. Department of HUD Community Development Block Grants (Public Facilities Program)	CFDA 14.219	$	369,014		
U. S. Marshals Service U. S. Marshals Program	CFDA 16.603	$	515,386		
Dollar threshold used to distinguish between Type A and Type B programs:		$	300,000		
Auditee qualified as low-risk auditee?				____ yes	__X__ no

See independent auditors' report.

SECTION II - FINANCIAL STATEMENT FINDINGS

Findings noted on the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards.*

2005 - 1

Condition:

The County did not adopt an annual balanced budget for its debt service or special revenue funds as required by state law - Official Code of Georgia Annotated (O.C.G.A.) Section 36-81-3(b)(1). Repeat finding.

Criteria:

Procedures and controls should be in place to ensure that annual balanced budgets are adopted for the County's debt service and special revenue funds.

Effect:

Failure to adopt annual balanced budgets for its debt service or special revenue funds is a violation of state law - Official Code of Georgia Annotated (O.C.G.A.) Section 36-81-3(b)(1) and subjects the County to potential risks with State and Federal funding.

Response of Management:

Agreed

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Findings noted on the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance With *OMB Circular A - 133.*

none reported

See independent auditors' report.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Findings noted on the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance With *OMB Circular A - 133.*

none reported

COLQUITT COUNTY, GEORGIA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FAMILY CONNECTION PROGRAM
GEORGIA DEPARTMENT OF HUMAN RESOURCES - CONTRACT # 93-25204
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Grants - Georgia Department of Human Resources	$ 53,452	$ 53,452	$ 53,452	$ -
Other revenues	-	-	-	-
Total revenues	53,452	53,452	53,452	-
EXPENDITURES				
Salaries	-	-	-	-
Client services	53,452	53,452	53,288	164
Other operating	-	-	-	-
Total expenditures	53,452	53,452	53,288	164
Excess (deficiency) of revenues over expenditures	$ -	$ -	$ 164	$ 164

See independent auditors' report.

COLQUITT COUNTY, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX EXPENDITURES
For the Year Ended June 30, 2005

	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
Special Purpose Local Option Sales Tax -1994					
Roads, Streets and Bridges - County	$ 6,424,009	$ 6,424,009	$ -	$ 6,424,009	100%
Roads, Streets and Bridges - Cities	3,104,818	3,310,770	-	3,310,770	100%
Capital Outlays to Cities	3,172,333	3,342,352	-	3,342,352	100%
Renovation of County Courthouse and Annex Construction	1,500,000	1,598,059	-	1,598,059	100%
Construction of E-911 System	500,000	500,000	-	500,000	100%
Economic Development Corporation	500,000	500,000	-	500,000	100%
	$ 15,201,160	$ 15,675,190	$ -	$ 15,675,190	
Special Purpose Local Option Sales Tax - March 16, 1999					
Renovation of County Courthouse and Annex Construction	$ 6,000,000	$ 7,241,179	$ 138,260	$ 7,379,439	100%
Total expenditures	$ 6,000,000	$ 7,241,179	$ 138,260	$ 7,379,439	
Special Purpose Local Option Sales Tax - September 18, 2001					
Capital Outlays to Cities - City of Funston	$ 100,800	$ 41,269	$ 19,823	$ 61,092	61%
Capital Outlays to Cities - City of Moultrie	5,892,000	2,180,401	864,090	3,044,491	52%
Capital Outlays to Cities - City of Berlin	151,200	26,124	3,942	30,066	20%
Capital Outlays to Cities - City of Ellenton	124,800	32,525	11,325	43,850	35%
Capital Outlays to Cities - City of Doerun	499,200	-	61,967	61,967	12%
Capital Outlays to Cities - City of Norman Park	374,400	62,876	-	62,876	17%
Capital Outlays to Cities - City of Riverside	36,000	-	-	-	0%
Moultrie - Colquitt County Library	249,600	-	-	-	0%
Sheriff's Office	271,200	-	-	-	0%
County Records Repository	249,600	-	-	-	0%
Sunset Airport	249,600	-	-	-	0%
County Museum	100,800	24,625	-	24,625	24%
Economic Development Authority	4,999,200	1,850,000	300,000	2,150,000	43%
Roads, Streets and Bridges - County	10,701,600	932,844	1,624,307	2,557,151	24%
Total expenditures	$ 24,000,000	$ 5,150,664	$ 2,885,454	$ 8,036,118	

See independent auditors' report.

Bowen, Phillips & Carmichael
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INDEPENDENT AUDITORS' REPORT ON STATE OF GEORGIA GRANT CERTIFICATION FORMS

To the Board of Commissioners
of Colquitt County, Georgia
Moultrie, Georgia

We have examined management's assertion included in the accompanying State of Georgia Grant Certification Forms about Colquitt County Georgia's compliance during the year ended June 30, 2005, with the requirement to use grant proceeds solely for the purpose or purposes for which the grant was made for the following grant awards:

Grant Identification Number	Grant Award
Governor's Emergency Fund	
GEF – 03 – E03 - 130	$15,000
Local Assistance Grant	
03 – C – L – 562	$10,000

Management is responsible for Colquitt County Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about Colquitt County, Georgia's compliance based on our examination.

Our examination was conducted in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Colquitt County Georgia's compliance with this requirement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Colquitt County Georgia's compliance with the specified requirement.

In our opinion, management's assertion that Colquitt County, Georgia complied with the requirements referred to above for the year ended June 30, 2005 is fairly stated in all material respects.

Bowen, Phillips + Carmichael, LLP

June 15, 2006
Tifton, Georgia

L.A. Bowen, Jr., C.P.A.
Jane Freeman Phillips, C.P.A.
Tom E. Carmichael, Jr., C.P.A.

STATE OF GEORGIA GRANT CERTIFICATION FORM

A	Local Government	Colquitt County, Georgia
B	Information For Year Ended	June 30, 2005
C	State Awarding Agency	Georgia Department of Community Affairs
D	Grant Identification Number	GEF - 03 - E03 - 130
E	Grant Title	Governor's Emergency Fund
F	Grant Award Date	September 11, 2002
G	Grant Amount	$15,000
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$15,000
I	Grant Receipts or Revenue Recognized	$0
J	Grant Disbursements or Expenditures	$0
K	Balance - Current Year (Cash or Accrued or Deferred Revenue) (Line H + Line I - Line J)	$15,000

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made. I understand that failure to comply with the provisions of the law applicable to this grant award shall result in a forfeiture of such grant and the return to the state of any such grant funds received.

Signature of Chief Elected Official _____ Date _____

Signature of Chief Financial Officer _____ Date _____

STATE OF GEORGIA GRANT CERTIFICATION FORM

A	Local Government	Colquitt County, Georgia
B	Information For Year Ended	June 30, 2005
C	State Awarding Agency	Georgia Department of Community Affairs
D	Grant Identification Number	03 - C - L - 562
E	Grant Title	Local Assistance Grant
F	Grant Award Date	July 17, 2002
G	Grant Amount	$10,000
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$10,000
I	Grant Receipts or Revenue Recognized	$0
J	Grant Disbursements or Expenditures	$0
K	Balance - Current Year (Cash or Accrued or Deferred Revenue) (Line H + Line I - Line J)	$10,000

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made. I understand that failure to comply with the provisions of the law applicable to this grant award shall result in a forfeiture of such grant and the return to the state of any such grant funds received.

Signature of Chief Elected Official _____ Date _____

Signature of Chief Financial Officer _____ Date _____