COLQUITT COUNTY, GEORGIA

Annual Financial Report

For the Year Ended June 30, 2006

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, 2006, 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 $1,116,854 as of June 30, 2006 and net revenues of $1,882,042 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, 2006, 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 January 3, 2007, 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. 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

January 3, 2007
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, 2006. 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, 2006 by $66,961,639.
- The County's total net assets increased by $2,781,629.
- As of June 30, 2006, the County's governmental funds reported combined ending fund balances of $16,050,208, an increase of $1,902,078 in comparison to the prior year. Approximately 26% of the combined fund balances, $4,183,268 is considered unreserved and is available for spending at the County's discretion.
- As of June 30, 2006, unreserved fund balance of the general fund was $4,183,268, an increase of $1,295,656 in comparison to the prior year.
- The County's total long-term debt increased by $660,922 during the current year. The increase is the result of the acquisition of new 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, 2006 and 2005.

Table 2
Condensed Statement of Net Assets

	Governmental Activities		Business – type Activities		Total	
	2006	2005	2006	2005	2006	2005
Assets						
Current and other assets	$ 17,560,432	$ 15,501,202	$ 373,403	$ (276,252)	$ 17,933,835	$ 15,224,950
Capital assets	56,384,373	55,890,300	504,670	--	56,889,043	55,890,300
Total assets	73,944,805	71,391,502	878,073	(276,252)	74,822,878	71,115,250
Liabilities						
Other liabilities	1,835,224	2,124,991	218,497	110,572	2,053,721	2,235,563
Long-term liabilities	4,756,428	4,699,677	1,051,090	--	5,807,518	4,699,677
Total liabilities	6,591,652	6,824,668	1,269,587	110,572	7,861,239	6,935,240
Net assets						
Invested in capital assets, net of related debt	51,835,408	50,928,870	--	--	51,835,408	50,928,870
Restricted	11,866,940	11,260,518	--	--	11,866,940	11,260,518
Unrestricted	3,650,805	2,377,446	(391,514)	(386,824)	3,259,291	1,990,622
Total net assets	$ 67,353,153	$ 64,566,834	$ (391,514)	$ (386,824)	$ 66,961,639	$ 64,180,010

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, 2006 and 2005. 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	
	2006	2005	2006	2005	2006	2005
Revenues						
Program revenues:						
Charges for services	$ 3,659,846	$ 1,831,672	$ 1,752,811	$ 1,661,013	$ 5,412,657	$ 3,492,685
Operating grants and contributions	1,907,118	3,542,459	--	--	1,907,118	3,542,459
Capital grants and contributions	--	--	--	--	--	--
General revenues:						
Property taxes	12,521,456	10,388,849	--	--	12,521,456	10,388,849
Local option sales taxes	5,581,965	4,780,913	--	--	5,581,965	4,780,913
Other taxes and licenses	1,126,724	1,055,474	--	--	1,126,724	1,055,474
Grants and contributions not restricted to specific programs	--	--	--	--	--	--
Investment income	438,346	239,507	2,002	1,179	440,348	240,686
Gain on sale of capital assets	22,100	27,861	--	--	22,100	27,861
Other revenues	1,103,338	871,050	--	--	1,103,338	871,050
Total revenues	26,360,893	22,737,785	1,754,813	1,662,192	28,115,706	24,399,977
Expenses						
General government	5,239,943	5,005,773	--	--	5,239,943	5,005,773
Public safety	8,374,033	7,811,357	--	--	8,374,033	7,811,357
Court system	1,841,982	1,870,552	--	--	1,841,982	1,870,552
Roads and bridges	5,404,197	4,533,591	--	--	5,404,197	4,533,591
Public health and welfare	579,868	582,327	--	--	579,868	582,327
Recreation	600,720	567,386	--	--	600,720	567,386
Library	368,645	369,428	--	--	368,645	369,428
Economic development	919,595	772,951	--	--	919,595	772,951
Solid waste management	--	--	1,759,503	1,762,243	1,759,503	1,762,243
Interest - long-term debt	245,591	270,545	--	--	245,591	270,545
Total expenses	23,574,574	21,783,910	1,759,503	1,762,243	25,334,077	23,546,153
Increase (decrease) in net assets before transfers	2,786,319	953,875	(4,690)	(100,051)	2,781,629	853,824
Transfers	--	--	--	--	--	--
Change in net assets	$ 2,786,319	$ 953,875	$ (4,690)	$ (100,051)	$ 2,781,629	$ 853,824

During the year ended June 30, 2006, the net assets of the County increased $2,781,629. Total revenues for 2006 increased $3,715,729 over 2005. The major factor in this increase was increased revenues in the General Fund of $3,004,909 in property taxes, local options sales taxes and other taxes and licenses. Total expenses for 2006 increased $1,787,924 over 2005. The major factor in this increase was an increase of $870,606 in expenses in the Capital Projects Fund relating to Special Purpose Local Options Sales Tax referendums and an increase of $562,676 in expenses relating to public safety and local law enforcement grants. The increase in net

assets is mainly due to the increased revenues in property taxes, local options sales taxes and other taxes and licenses, net of the increase in expenditures.

Approximately 19.3% of the County's revenues were derived from charges for services and approximately 19.9% came from local option sales taxes. The largest portion of the County's revenue, 44.5%, came from property taxes. The County's expenses cover a range of services with 33.1% related to public safety, 21.3% related to roads and bridges, and 20.7% 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, 2006 and 2005.

Table 4
Program Expenses and Revenues
For Governmental Activities

Programs	Program Expenses		Program Revenues		Net Program (Expenses) Revenues	
	2006	2005	2006	2005	2006	2005
General government	$ 5,239,943	$ 5,005,773	$ 344,680	$ 309,625	$ (4,902,558)	$ (4,696,148)
Public safety	8,374,033	7,811,357	2,627,367	2,995,552	(5,739,371)	(4,815,805)
Court system	1,841,982	1,870,552	899,368	959,130	(942,614)	(911,422)
Roads and bridges	5,404,197	4,533,591	1,646,073	635,037	(3,758,124)	(3,898,554)
Public health and welfare	579,868	582,327	49,476	107,430	(530,392)	(474,897)
Recreation	600,720	567,386	--	--	(600,720)	(567,386)
Library	368,645	369,428	--	--	(368,645)	(369,428)
Economic development	919,595	772,951	--	367,357	(919,595)	(405,594)
Interest on long-term debt	245,591	270,545	--	--	(245,591)	(270,545)
Totals	$ 23,574,574	$ 21,783,910	$ 5,566,964	$ 5,374,131	$ (18,007,610)	$ (16,409,779)

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, 2006, the County's governmental funds reported a combined ending fund balance of $16,050,208, with $4,183,268 reported as unreserved fund balance and the remaining amount of $11,866,940 reserved for specific purposes.

The general fund is the operating fund of the County. As of June 30, 2006, unreserved fund balance of the general fund was $4,183,268 and total fund balance was $4,183,268. 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 23% of the total general fund expenditures, while total fund balance represents 23%. The

net change in the general fund's fund balance for the year ended June 30, 2006, was an increase of $1,295,656 or 45%. The reason for the increase in the fund balance was due primarily to The County's increased revenues from property taxes, local options sales taxes and other taxes and licenses, net of the increase in expenditures relating to Special Purpose Local Options Sales Tax referendums and public safety and local law enforcement grants. 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 2006.

The actual revenues of the general fund were less than final budgeted amounts by $6,398,264 for the year ended June 30, 2006. The major factors contributing to this difference were $4,890,937 in budgeted State grants for road contracts that were not funded in the current year and $1,317,300 in budgeted State direct operating grants that were not funded in the current year.

The actual expenditures of the general fund were less than final budgeted amounts by $7,912,020 for the year ended June 30, 2006. The major factor contributing to this difference was $7,394,968 in budgeted expenditures for roads and bridges that were not incurred due to the decrease in State grants.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2006, the County reported $56,384,373 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, 2006, The County reported notes payable of $5,600,055. Refer to Note H of the Notes to Financial Statements for additional information on long-term debt.

NEXT YEAR'S BUDGET

The 2007 budget, as amended, contained total expenditures of $24,755,072, a 5% decrease over the 2006 final budgeted amounts.

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) 616-7400

Basic Financial Statements

COLQUITT COUNTY, GEORGIA
STATEMENT OF NET ASSETS
June 30, 2006

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	$ 3,184,161	$ 1,165,871	$ 4,350,032	$ 1,308,131
Investments - Georgia Fund 1	433,768	-	433,768	-
Accounts receivable, net	66,990	196,774	263,764	9,701
Property tax receivable	-	-	-	-
Inventories	-	-	-	-
Due from other governments	22,588		22,588	262,797
Interfund balances	989,242	(989,242)	-	-
Restricted assets:				
Cash and cash equivalents	1,223,164	-	1,223,164	175,283
Investments - Georgia Fund 1	10,855,183	-	10,855,183	-
Sales tax receivable	785,336	-	785,336	-
Capital assets:				-
Land	2,819,565	-	2,819,565	-
Construction in progress	-	-	-	-
Other capital assets, net of accumulated depreciation	53,564,808	504,670	54,069,478	33,762
Total assets	73,944,805	878,073	74,822,878	1,789,674
LIABILITIES				
Accounts payable	649,652	215,037	864,689	23,208
Accrued expenses	681,709	3,460	685,169	123,205
Due to other governments	-	-	-	50,322
Liabilities payable from restricted assets	178,863	-	178,863	-
Long-term liabilities:				
Due within one year	552,910	1,051,090	1,604,000	-
Due in more than one year	4,528,518	-	4,528,518	798
Total liabilities	6,591,652	1,269,587	7,861,239	197,533
NET ASSETS				
Invested in capital assets, net of related debt	51,835,408	-	51,835,408	33,762
Restricted for:				
Debt service	34,717	-	34,717	-
Capital projects	11,453,845	-	11,453,845	-
Public safety	-	-	-	-
Public services	378,378	-	378,378	903,219
Unrestricted	3,650,805	(391,514)	3,259,291	655,160
Total net assets	$ 67,353,153	$ (391,514)	$ 66,961,639	$ 1,592,141

See accompanying notes to financial statements.

COLQUITT COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2006

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	$ 5,239,943	$ 344,680	$ -	$ -	$ (4,895,263)
Public safety	8,374,033	788,983	1,838,384	-	(5,746,666)
Court system	1,841,982	880,110	19,258	-	(942,614)
Roads and bridges	5,404,197	1,646,073	-	-	(3,758,124)
Public health and welfare	579,868	-	49,476	-	(530,392)
Recreation	600,720	-	-	-	(600,720)
Library	368,645	-	-	-	(368,645)
Economic development	919,595	-	-	-	(919,595)
Interest on long-term debt	245,591	-	-	-	(245,591)
Total governmental activities	23,574,574	3,659,846	1,907,118	-	(18,007,610)
Business-type activities:					
Solid waste management	1,759,503	1,752,811	-	-	(6,692)
Total business-type activities	1,759,503	1,752,811	-	-	(6,692)
Total primary government	25,334,077	5,412,657	1,907,118	-	(18,014,302)
Component units:					
Colquitt County Health Department	1,806,910	691,796	1,190,246	-	75,132
Moultrie - Colquitt County Library	675,006	104,330	615,727	-	45,051
Total component units	$ 2,481,916	$ 796,126	$ 1,805,973	$ -	$ 120,183

See accompanying notes to financial statements.

COLQUITT COUNTY, GEORGIA
STATEMENT OF ACTIVITIES (continued)
For the Year Ended June 30, 2006

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Change in net assets:				
Net (expense) revenue	$ (18,007,610)	$ (6,692)	$ (18,014,302)	$ 120,183
General revenues:				
Taxes:				
Property taxes	12,521,456	-	12,521,456	-
Local option sales taxes	5,581,965	-	5,581,965	-
Other taxes and licenses	1,126,724	-	1,126,724	-
Grants and contributions not restricted to specific programs	-	-	-	-
Investment income	438,346	2,002	440,348	3,872
Gain on sale of capital assets	22,100	-	22,100	
Other revenues	1,103,338	-	1,103,338	-
Transfers	-	-	-	-
Total general revenues and transfers	20,793,929	2,002	20,795,931	3,872
Change in net assets	2,786,319	(4,690)	2,781,629	124,055
Net assets, beginning of year	64,566,834	(386,824)	64,180,010	1,468,086
Net assets, end of year	$ 67,353,153	$ (391,514)	$ 66,961,639	$ 1,592,141

See accompanying notes to financial statements.

COLQUITT COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2006

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 3,026,284	$ -	$ -	$ 3,026,284
Investments - Georgia Fund 1	-	-	-	-
Accounts receivable, net	66,990	-	-	66,990
Property tax receivable	-	-	-	-
Inventories	-	-	-	-
Due from other governments	-	22,588	-	22,588
Due from general fund	-	4,099	-	4,099
Due from other funds	1,833,387	-	-	1,833,387
Restricted assets:				
Cash and cash equivalents	27,561	394,515	801,088	1,223,164
Investments - Georgia Fund 1	-	10,855,183	-	10,855,183
Sales tax receivable	-	785,336	-	785,336
Total assets	4,954,222	12,061,721	801,088	17,817,031
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	649,652	-	-	649,652
Accrued expenses	117,203	-	-	117,203
Due to General Fund	-	429,013	387,993	817,006
Due to other funds	4,099	-	-	4,099
Liabilities payable from restricted assets	-	178,863	-	178,863
Total liabilities	770,954	607,876	387,993	1,766,823
Fund balances				
Reserved for:				
Public services	-	-	378,378	378,378
Debt service	-	-	34,717	34,717
Specific projects	-	11,453,845	-	11,453,845
Unreserved	4,183,268	-	-	4,183,268
Total fund balances	4,183,268	11,453,845	413,095	16,050,208
Total liabilities and fund balances	$ 4,954,222	$ 12,061,721	$ 801,088	$ 17,817,031

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, 2006

Total governmental fund balances	$	16,050,208
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.		56,384,373
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Environmental remediation liability		(325,000)
Notes payable		(4,548,965)
Compensated absences		(207,463)
Net assets of governmental activities	$	67,353,153

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, 2006

	General Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 12,521,456	$ -	$ -	$ 12,521,456
Local option sales taxes	-	5,581,965	-	5,581,965
Other taxes and licenses	1,126,724	-	-	1,126,724
Fines, forfeitures and fees	2,955,545	-	704,301	3,659,846
Investment income	71,882	366,464	-	438,346
Intergovernmental	1,907,118	-	-	1,907,118
Other revenues	563,724	539,614	-	1,103,338
Total revenues	19,146,449	6,488,043	704,301	26,338,793
EXPENDITURES				
Current:				
General government	3,258,721	1,270,428	-	4,529,149
Public safety	7,915,693	230,456	-	8,146,149
Court system	1,660,252	-	-	1,660,252
Roads and bridges	3,329,194	3,568,661	-	6,897,855
Public health and welfare	372,196	-	95,138	467,334
Recreation	600,720	-	-	600,720
Library	368,645	-	-	368,645
Economic development	20,000	899,595	-	919,595
Capital projects	-	211,060	-	211,060
Debt service:				
Principal	412,465	-	-	412,465
Interest	245,591	-	-	245,591
Total expenditures	18,183,477	6,180,200	95,138	24,458,815
Excess (deficiency) of revenues over expenditures	962,972	307,843	609,163	1,879,978
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	310,584	-	-	310,584
Transfers to other funds	-	-	(310,584)	(310,584)
Sale of capital assets	22,100	-	-	22,100
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	332,684	-	(310,584)	22,100
Net change in fund balances	1,295,656	307,843	298,579	1,902,078
Fund balances, beginning of year	2,887,612	11,146,002	114,516	14,148,130
Fund balances, end of year	$ 4,183,268	$ 11,453,845	$ 413,095	$ 16,050,208

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, 2006

Net change in fund balances - total governmental funds	$	1,902,078
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		3,088,800
Depreciation expense		(2,594,727)
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		(22,100)
Total gain or (loss) on sale or disposal		22,100
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		412,465
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		(22,297)
Change in net assets of governmental activities	$	2,786,319

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, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	$ 12,596,772	$ 12,596,772	$ 12,521,456	$ (75,316)
Local option sales taxes	-	-	-	-
Other taxes and licenses	1,055,267	1,055,267	1,126,724	71,457
Fines, forfeitures and fees	7,859,688	7,859,688	2,955,545	(4,904,143)
Investment income	14,500	14,500	71,882	57,382
Intergovernmental	3,479,876	3,479,876	1,907,118	(1,572,758)
Other revenues	538,610	538,610	563,724	25,114
Total revenues	25,544,713	25,544,713	19,146,449	(6,398,264)
EXPENDITURES				
Current:				
General government				
County commissioners	159,322	159,322	158,172	1,150
Administrator and county clerk	194,229	194,229	195,590	(1,361)
Finance	69,462	69,462	67,464	1,998
Accounting	469,687	469,687	266,637	203,050
Registrar	17,177	17,177	15,277	1,900
Purchasing	127,426	127,426	110,365	17,061
Legal	23,992	23,992	24,684	(692)
Addressing / Computer maintenance	157,776	157,776	140,499	17,277
Human resources	22,786	22,786	47,295	(24,509)
Tax commissioner	387,687	387,687	381,072	6,615
Tax assessor	602,408	602,408	543,576	58,832
Risk management	300,000	300,000	280,644	19,356
Building and grounds	372,937	372,937	388,156	(15,219)
Technical construction and maintenance	341,265	341,265	354,259	(12,994)
County agent	185,035	185,035	175,003	10,032
Forest resources	6,748	6,748	6,748	-
Building inspection	80,333	80,333	79,776	557
General administration	22,144	22,144	23,504	(1,360)
Total general government	3,540,414	3,540,414	3,258,721	281,693

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, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Public safety				
Sheriff	255,910	255,910	217,197	38,713
Criminal investigations	344,667	344,667	379,570	(34,903)
Uniform patrol	1,258,942	1,258,942	1,325,692	(66,750)
Records and identifications	110,933	110,933	118,061	(7,128)
DARE program	338,890	338,890	214,129	124,761
Court services	73,928	73,928	74,327	(399)
Drug task force	389,924	389,924	381,434	8,490
Jail	2,530,714	2,530,714	2,513,360	17,354
Correctional institute	1,246,978	1,246,978	1,065,144	181,834
Correctional institute - medical services	134,760	134,760	152,620	(17,860)
Fire fighting	408,600	408,600	444,469	(35,869)
Ambulance services	59,400	59,400	59,129	271
Coroner	44,472	44,472	29,034	15,438
E-911 service	922,165	922,165	879,063	43,102
Animal control	62,120	62,120	62,220	(100)
Emergency management	17,938	17,938	244	17,694
Total public safety	8,200,341	8,200,341	7,915,693	284,648
Court system				
Superior court	195,530	195,530	182,252	13,278
Clerk of superior court	428,712	428,712	422,068	6,644
District attorney	164,926	164,926	165,110	(184)
State court	136,555	136,555	138,113	(1,558)
Magistrate court	248,909	248,909	215,938	32,971
Probate court	187,995	187,995	162,634	25,361
Juvenile court	79,771	79,771	102,117	(22,346)
Public defender	276,875	276,875	272,020	4,855
Total court system	1,719,273	1,719,273	1,660,252	59,021
Roads and bridges				
Roads and bridges	3,464,270	3,464,270	3,059,739	404,531
Road contracts	7,000,201	7,000,201	-	7,000,201
Shop	259,691	259,691	269,455	(9,764)
Total roads and bridges	10,724,162	10,724,162	3,329,194	7,394,968
Public health and welfare				
Health department	210,000	210,000	210,000	-
Mental health	19,769	19,769	19,769	-
Family and children services	25,250	25,250	77,274	(52,024)
Welfare	38,900	38,900	53,153	(14,253)
Museums	12,000	12,000	12,000	-
Civic auditorium	-	-	0	-
Total public health and welfare	305,919	305,919	372,196	(66,277)

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, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Recreation	600,717	600,717	600,720	(3)
Library	374,461	374,461	368,645	5,816
Economic development	95,000	95,000	20,000	75,000
Capital projects	-	-	-	-
Debt service:				
Principal	535,210	535,210	412,465	122,745
Interest	-	-	245,591	(245,591)
Total expenditures	26,095,497	26,095,497	18,183,477	7,912,020
Excess (deficiency) of revenues over expenditures	(550,784)	(550,784)	962,972	1,513,756
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	530,784	530,784	310,584	(220,200)
Transfers to other funds	-	-	-	-
Sale of capital assets	20,000	20,000	22,100	2,100
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	550,784	550,784	332,684	(218,100)
Net change in fund balances	-	-	1,295,656	1,295,656
Fund balances, beginning of year	2,887,612	2,887,612	2,887,612	-
Fund balances, end of year	$ 2,887,612	$ 2,887,612	$ 4,183,268	$ 1,295,656

See accompanying notes to financial statements.

COLQUITT COUNTY, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2006

	Business-Type Activity	Governmental Activity
	Solid Waste Management Fund	Internal Service Fund
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,165,871	$ 157,877
Investments - Georgia Fund 1	-	433,768
Accounts receivable, net	196,774	-
Total current assets	1,362,645	591,645
Non - current assets		
Capital assets, net of accumulated depreciation	504,670	-
Total assets	1,867,315	591,645
LIABILITIES		
Current liabilities		
Accounts payable	215,037	-
Accrued liabilities	3,460	-
Accrued claims payable	-	564,506
Due to General Fund	989,242	27,139
Long-term liabilities:		
Due within one year	1,051,090	
Due in more than one year	-	
Total current liabilities	2,258,829	591,645
Total liabilities	2,258,829	591,645
NET ASSETS		
Invested in capital assets, net of related debt	-	-
Unrestricted (deficit)	(391,514)	-
Total net assets	$ (391,514)	$ -

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, 2006

	Business-Type Activity	Governmental Activity
	Solid Waste Management Fund	Internal Service Fund
OPERATING REVENUES		
Charges for services	$ 1,752,811	$ 1,742,876
OPERATING EXPENSES		
Salaries	245,676	-
Employee benefits	101,526	-
General and administrative	86,812	-
Collection and transport fees	1,325,489	-
Insurance claims and expenses	-	1,766,334
Total operating expenses	1,759,503	1,766,334
Operating income (loss)	(6,692)	(23,458)
NON - OPERATING REVENUES (EXPENSES)		
Interest income	2,002	23,458
Income (loss) before contributions and transfers	(4,690)	-
Capital contributions	-	-
Transfers from other funds	-	-
Transfers to other funds	-	-
Change in net assets	(4,690)	-
Net assets, beginning of year	(386,824)	-
Net assets, end of year	$ (391,514)	$ -

See accompanying notes to financial statements.

COLQUITT COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2006

	Business-Type Activity	Governmental Activity
	Solid Waste Management Fund	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 1,710,814	$ -
Cash received from interfund services provided	-	1,742,876
Other operating receipts	-	-
Cash payments to employees for services	(347,202)	-
Cash payments to other suppliers of goods and services	(1,298,296)	(1,661,285)
Net cash provided (used) by operating activities	65,316	81,591
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	-	-
Transfers to other funds	-	-
Proceeds from the issuance of debt	540,340	
Net change in Due from General Fund	-	-
Net change in Due to General Fund	477,568	177
Net cash provided (used) by noncapital financing activities	1,017,908	177
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from the issuance of debt	510,750	-
Acquisition of assets	(510,750)	-
Net cash provided (used) by capital and related financing activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Net change in investments	-	(64,920)
Interest received	2,002	23,458
Net cash provided (used) by investing activities	2,002	(41,462)
Net increase (decrease) in cash and cash equivalents	1,085,226	40,306
Cash and cash equivalents, beginning of year	80,645	117,571
Cash and cash equivalents, end of year	$ 1,165,871	$ 157,877
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Net operating income (loss)	$ (6,692)	$ (23,458)
Adjustments to reconcile net operating income to net cash provided (used) by operating activities:		
Depreciation	6,080	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(41,997)	-
Increase (decrease) in accounts payable	104,465	-
Increase (decrease) in accrued liabilities	3,460	-
Increase (decrease) in accrued claims payable	-	105,049
Net cash provided (used) by operating activities	$ 65,316	$ 81,591

See accompanying notes to financial statements.

COLQUITT COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2006

	Total Agency Funds
ASSETS	
Restricted assets:	
Cash and cash equivalents	$ 341,892
Investments - Georgia Fund 1	-
Property tax receivable	8,187
Total assets	350,079
LIABILITIES	
Due to general fund	-
Due to other governments	3,946
Held as trustee	346,133
Total liabilities	$ 350,079

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, 2006, the County paid dues to the SGRDC of approximately $23,504. 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, 2006 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 the General Fund

The following departments incurred expenditures in excess of budgeted amounts for the year ended June 30, 2006:

Department	Excess of Expenditures Over Budgeted Amounts	Department	Excess of Expenditures Over Budgeted Amounts
General government		Public safety	
Administrator and	$	Fire fighting	$ 35,869
county clerk	1,361	Animal control	100
Legal	692	Court system	
Human resources	24,509	District attorney	184
Building and grounds	15,219	State court	1,558
Technical construction		Juvenile court	22,346
and maintenance	12,994	Roads and bridges	
General administration	1,360	Shop	9,764
Public safety		Public health and welfare	
Criminal investigations	34,903	Family and children services	52,024
Uniform patrol	66,750	Welfare	14,253
Records and identifications	7,128	Recreation	3
Court services	399	Debt service	
Correctional institute		Interest	245,591
- medical services	17,860		

IV. Excess of Expenditures Over Appropriations in Individual Funds

The following funds incurred expenditures in excess of budgeted amounts for the year ended June 30, 2006:

Fund	Excess of Expenditures Over Budgeted Amounts
Probation Support Fund	$ 569
Surcharge on Drug Cases Fund	60,000
Surcharge on Fines Fund	46,006
Juvenile Services Fund	3,020
E – 911 Surcharge Fund	296,127

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, 2006, the carrying amount of the County's deposits was $5,915,088 and the bank balance was $6,592,421. The deposits were classified as follows:

	Category			
	1	2	3	Total
Bank balance	$ 423,360	$ 6,169,061	$ --	$ 6,592,421

As of June 30, 2006, the carrying amount of deposits for the Colquitt County Health Department was $810,594 and the bank balances were $810,594. The deposits were classified as follows:

	Category			
	1	2	3	Total
Bank balance	$ 100,000	$ 710,594	$ --	$ 810,594

As of June 30, 2006, the carrying amount of deposits for the Moultrie - Colquitt County Library was $672,820 and the bank balance was $691,973. The deposits were classified as follows:

	Category			
	1	2	3	Total
Bank balance	$ 200,000	$ 491,973	$ --	$ 691,973

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, 2006, 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 $11,288,951 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, 2006 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	$ 66,990	$ --	$ 869,150	$ --	$ 936,140
Property Tax Receivable	--	--	--	41,869	41,869
Sales Tax Receivable	--	785,336	--	--	785,336
Gross Receivables	66,990	785,336	869,150	41,869	1,763,345
Less: Allowance for Uncollectibles	--	--	(672,376)	(33,682)	(706,058)
Net Total Receivables	$ 66,990	$ 785,336	$ 196,774	$ 8,187	$ 1,057,287

NOTE E – DUE FROM OTHER GOVERNMENTS

Due from other governments as of June 30, 2006 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	$ --	$ --	$ --	$ --	$ --
State	--	22,588	--	--	22,588
City	--	--	--	--	--
Other	--	--	--	--	--
Gross Receivables	--	22,588	--	--	22,588
Less: Allowance for Uncollectibles	--	--	--	--	--
Net Total Receivables	$ --	$ 22,588	$ --	$ --	$ 22,588

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, 2006 is as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	$ 1,833,387	$ 4,099
Capital Projects Fund	4,099	429,013
Solid Waste Management Fund	--	989,242
Non Major Governmental Funds	--	387,993
Internal Service Fund	--	27,139
	$ 1,837,486	$ 1,837,486

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, 2006 consisted of the following:

Fund	Transfers - in	Transfers - out
General Fund	$ 310,584	$ --
Non Major Governmental Funds	--	310,584
	$ 310,584	$ 310,584

NOTE G – CAPITAL ASSETS

The following is a summary of capital asset activity as of June 30, 2006:

Primary Government

Governmental Activities:

	Balance June 30, 2005	Increases	Decreases	Balance June 30, 2006
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	9,132,875	589,963	-,-	9,722,838
Roads	30,907,513	2,479,767	--	33,387,280
Bridges	5,865,060	19,070	--	5,884,130
Total other capital assets at cost	83,268,314	3,088,800	-,-	86,357,114
Less accumulated depreciation for				
Buildings	13,711,333	957,982	--	14,669,315
Machinery and equipment	5,302,950	686,195	--	5,989,145
Roads	8,916,731	803,685	--	9,720,416
Bridges	2,266,565	146,865	--	2,413,430
Total accumulated depreciation	30,197,579	2,594,727	--	32,792,306
Other capital assets, net	53,070,735	494,073	--	53,564,808
Governmental activities capital assets, net	$ 55,890,300	$ 494,073	$ --	$ 56,384,373

Business-type activities:

	Balance June 30, 2005	Increases	Decreases	Balance June 30, 2006
Capital assets, not being depreciated:	$ --	$ --	$ --	$ --
Other capital assets				
Machinery and equipment	--	510,750	--	510,750
Total other capital assets at cost	--	510,750	--	510,750
Less accumulated depreciation for				
Machinery and equipment	--	6,080	--	6,080
Total accumulated depreciation	--	6,080	--	6,080
Other capital assets, net	--	504,670	--	504,670
Governmental activities capital assets, net	$ --	$ 504,670	$ --	$ 504,670

Depreciation expense was charged to functions as follows:

Governmental activities	
General government	$ 477,437
Public safety	414,277
Court system	178,141
Roads and bridges	1,317,200
Public health and welfare	207,672
Recreation	--
Library	--
Economic development	--
Total governmental activities depreciation expense	$ 2,594,727
Business-type activities	$ 6,080
Total depreciation expense	$ 2,600,807

Component Units

Capital asset activity for the Colquitt County Heath Department, a discretely presented component unit for the year ended June 30, 2006 is as follows:

Governmental Activities:

	Balance June 30, 2005	Increases	Decreases	Balance June 30, 2006
Capital assets, not being depreciated:	$ --	$ --	$ --	$ --
Other capital assets				
Machinery and equipment	51,073	9,600	--	60,673
Total other capital assets at cost	51,073	9,600	--	60,673
Less accumulated depreciation for				
Machinery and equipment	16,890	10,021	--	26,911
Total accumulated depreciation	16,890	10,021	--	26,911
Other capital assets, net	34,183	(421)	--	33,762
Governmental activities capital assets, net	$ 34,183	$ (421)	$ --	$ 33,762

Business-type activities:

The Colquitt County Health Department had no business-type capital asset activity for the year ended June 30, 2006.

Depreciation expense was charged to functions as follows:

Governmental activities	
Public health and welfare	$ 10,021
Total governmental activities depreciation expense	$ 10,021
Business-type activities	$ --
Total depreciation expense	$ 10,021

Capital asset activity for the Moultrie - Colquitt County Library, a discretely presented component unit for the year ended June 30, 2006 is as follows:

Governmental Activities:

	Balance June 30, 2005	Increases	Decreases	Balance June 30, 2006
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, 2006.

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. Notes Payable

Primary Government

Governmental Activities:

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, 2006, the outstanding balance of the note payable was $4,548,965.

The annual debt service requirement to maturity of the Notes Payable at June 30, 2006 is as follows:

Year Ending June 30	Principal	Interest	Total
2007	$ 240,447	$ 230,489	$ 470,936
2008	263,846	217,186	481,032
2009	277,856	203,176	481,032
2010	292,610	188,422	481,032
2011	308,151	172,881	481,032
2012-2016	1,804,268	600,892	2,405,160
2017-2019	1,361,787	113,998	1,475,785
	$ 4,548,965	$ 1,727,044	$ 6,276,009

Business-type activities:

The Solid Waste Management Fund has entered into a promissory note and security agreement totaling $1,051,090 with a financial institution for the purchase of machinery and equipment. The note payable bears interest at 3.95% and is due with accrued interest on December 31, 2006. At June 30, 2006, the outstanding balance of the note payable was $1,051,090.

Year Ending June 30	Principal	Interest	Total
2007	$ 1,051,090	$ 20,298	$ 1,071,388
	$ 1,051,090	$ 20,298	$ 1,071,388

II. Environmental Remediation Liability

The County is involved in an environmental remediation action to clean up hazardous waste at a former manufacturing facility located in Moultrie, Georgia. The liability for remediation costs is based on a Corrective Action Plan to achieve compliance with applicable Resource Conservation Recovery Act Remediation Goals and Georgia Hazardous Site Response Act risk reduction standards. At June 30, 2006 the amount of the environmental remediation liability included in long term liabilities is $325,000.

III. Changes in Long Term Liabilities

The following is a summary of the activity in long term liabilities for the year ended June 30, 2006:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental activities					
Notes payable	$ 4,777,611	$ --	$ (228,646)	$ 4,548,965	$ 240,447
Capital leases	183,819	--	(183,819)	--	--
Environmental Remediation Liability	325,000	--	--	325,000	105,000
Compensated absences	185,166	207,463	(185,166)	207,463	207,463
Governmental activity long term liabilities	$ 5,471,596	$ 207,463	$ (597,631)	$ 5,081,428	$ 552,910
Business-type activity long term liabilities	$ --	$ 1,051,090	$ --	$ 1,051,090	$ 1,051,090
Total long term liabilities	$ 5,471,596	$ 1,258,553	$ (597,631)	$ 6,132,518	$ 1,604,000

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, 2006 include:

Special Revenue Funds Reserve for restricted purposes to reflect resources legally restricted for specific purposes	$378,378
Debt Service Fund Reserve for debt service to reflect resources legally restricted for payment of long term debt	$34,717
Capital Projects Fund Reserve for specific projects to reflect resources funded by Special Purpose Local Option Sales Tax and Federal grants	$11,453,845

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, 2006, the County's annual pension cost of $649,564 for CCGDBP was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2005, 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.

Three – Year Trend Information for CCGDBP

Year Ended, June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2004	$ 399,284	100%	$ --
2005	469,054	100%	--
2006	649,564	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)
12/31/03	$ 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	76.20%	4,624,590	35.35%
12/31/05	5,970,310	8,352,061	2,381,751	71.50%	5,136,652	46.40%

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, 2006 were $101,533 based on qualifying salaries of $979,443. 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, 2006 were $19,261 based on qualifying salaries of $408,905. 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, 2006, the estimate of claims incurred and payable was $564,506.

During the year ended June 30, 2006, 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, 2004, 2005 and 2006.

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, 2006 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, 2006

	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	766,371	34,717	801,088
Investments - Georgia Fund 1	-	-	-
Sales tax receivable	-	-	-
Total assets	766,371	34,717	801,088
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	-	-	-
Accrued expenses	-	-	-
Due to General Fund	387,993	-	387,993
Due to other funds	-	-	-
Liabilities payable from restricted assets	-	-	-
Total liabilities	387,993	-	387,993
Fund balances			
Reserved for:			
Public services	378,378	-	378,378
Debt service	-	34,717	34,717
Specific projects	-	-	-
Unreserved	-	-	-
Total fund balances	378,378	34,717	413,095
Total liabilities and fund balances	$ 766,371	$ 34,717	$ 801,088

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, 2006

	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	704,301	-	704,301
Investment income	-	-	-
Intergovernmental	-	-	-
Other revenues	-	-	-
Total revenues	704,301	-	704,301
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	-
Court system	-	-	-
Roads and bridges	-	-	-
Public health and welfare	95,138	-	95,138
Recreation	-	-	-
Library	-	-	-
Economic development	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	95,138	-	95,138
Excess (deficiency) of revenues over expenditures	609,163	-	609,163
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	-	-	-
Transfers to other funds	(310,584)	-	(310,584)
Sale of capital assets	-	-	-
Long - term debt issued	-	-	-
Total other financing sources (uses)	(310,584)	-	(310,584)
Net change in fund balances	298,579	-	298,579
Fund balances, beginning of year	79,799	34,717	114,516
Fund balances, end of year	$ 378,378	$ 34,717	$ 413,095

See independent auditors' report.

COLQUITT COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2006

	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	-	22,555	117,970	22,390	603,456	766,371
Investments - Georgia Fund 1	-	-	-	-	-	-
Sales tax receivable	-	-	-	-	-	-
Total assets	-	22,555	117,970	22,390	603,456	766,371
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-
Due to General Fund	-	8,709	-	-	379,284	387,993
Due to other funds	-	-	-	-	-	-
Liabilities payable from restricted assets	-	-	-	-	-	-
Total liabilities	-	8,709	-	-	379,284	387,993
Fund balances						
Reserved for:						
Public services	-	13,846	117,970	22,390	224,172	378,378
Debt service	-	-	-	-	-	-
Specific projects	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-
Total fund balances	-	13,846	117,970	22,390	224,172	378,378
Total liabilities and fund balances	$ -	$ 22,555	$ 117,970	$ 22,390	$ 603,456	$ 766,371

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, 2006

	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	-	14,321	97,438	6,247	586,295	704,301
Investment income	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	-	14,321	97,438	6,247	586,295	704,301
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Court system	-	-	-	-	-	-
Roads and bridges	-	-	-	-	-	-
Public health and welfare	569	-	1,006	3,020	90,543	95,138
Recreation	-	-	-	-	-	-
Library	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	569	-	1,006	3,020	90,543	95,138
Excess (deficiency) of revenues over expenditures	(569)	14,321	96,432	3,227	495,752	609,163
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	(60,000)	(45,000)	-	(205,584)	(310,584)
Sale of capital assets	-	-	-	-	-	-
Long - term debt issued	-	-	-	-	-	-
Total other financing sources (uses)	-	(60,000)	(45,000)	-	(205,584)	(310,584)
Net change in fund balances	(569)	(45,679)	51,432	3,227	290,168	298,579
Fund balances, beginning of year	569	59,525	66,538	19,163	(65,996)	79,799
Fund balances, end of year	$ -	$ 13,846	$ 117,970	$ 22,390	$ 224,172	$ 378,378

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, 2006

	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	-	-	569	(569)
Recreation	-	-	-	-
Library	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	569	(569)
Excess (deficiency) of revenues over expenditures	-	-	(569)	(569)
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	-	-	(569)	(569)
Fund balances, beginning of year	569	569	569	-
Fund balances, end of year	$ 569	$ 569	$ -	$ (569)

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, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Local option sales taxes	-	-	-	-
Other taxes and licenses	-	-	-	-
Fines, forfeitures and fees	-	-	14,321	14,321
Investment income	-	-	-	-
Intergovernmental	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	14,321	14,321
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	-	-	14,321	14,321
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	(60,000)	(60,000)
Sale of capital assets	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	(60,000)	(60,000)
Net change in fund balances	-	-	(45,679)	(45,679)
Fund balances, beginning of year	59,525	59,525	59,525	-
Fund balances, end of year	$ 59,525	$ 59,525	$ 13,846	$ (45,679)

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, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Local option sales taxes	-	-	-	-
Other taxes and licenses	-	-	-	-
Fines, forfeitures and fees	-	-	97,438	97,438
Investment income	-	-	-	-
Intergovernmental	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	97,438	97,438
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Court system	-	-	-	-
Roads and bridges	-	-	-	-
Public health and welfare	-	-	1,006	(1,006)
Recreation	-	-	-	-
Library	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	1,006	(1,006)
Excess (deficiency) of revenues over expenditures	-	-	96,432	96,432
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	(45,000)	(45,000)
Sale of capital assets	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	(45,000)	(45,000)
Net change in fund balances	-	-	51,432	51,432
Fund balances, beginning of year	66,538	66,538	66,538	-
Fund balances, end of year	$ 66,538	$ 66,538	$ 117,970	$ 51,432

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, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Local option sales taxes	-	-	-	-
Other taxes and licenses	-	-	-	-
Fines, forfeitures and fees	-	-	6,247	6,247
Investment income	-	-	-	-
Intergovernmental	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	6,247	6,247
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Court system	-	-	-	-
Roads and bridges	-	-	-	-
Public health and welfare	-	-	3,020	(3,020)
Recreation	-	-	-	-
Library	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	3,020	(3,020)
Excess (deficiency) of revenues over expenditures	-	-	3,227	3,227
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	-	-	3,227	3,227
Fund balances, beginning of year	19,163	19,163	19,163	-
Fund balances, end of year	$ 19,163	$ 19,163	$ 22,390	$ 3,227

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, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Local option sales taxes	-	-	-	-
Other taxes and licenses	-	-	-	-
Fines, forfeitures and fees	-	-	586,295	586,295
Investment income	-	-	-	-
Intergovernmental	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	586,295	586,295
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Court system	-	-	-	-
Roads and bridges	-	-	-	-
Public health and welfare	-	-	90,543	(90,543)
Recreation	-	-	-	-
Library	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	90,543	(90,543)
Excess (deficiency) of revenues over expenditures	-	-	495,752	495,752
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	(205,584)	(205,584)
Sale of capital assets	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	(205,584)	(205,584)
Net change in fund balances	-	-	290,168	290,168
Fund balances, beginning of year	(65,996)	(65,996)	(65,996)	-
Fund balances, end of year	$ (65,996)	$ (65,996)	$ 224,172	$ 290,168

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, 2006

	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	34,717	34,717	34,717	-
Fund balances, end of year	$ 34,717	$ 34,717	$ 34,717	$ -

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, 2006

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total	Variance Positive (Negative)
REVENUES					
Property taxes	$ -	$ -	$ -	$ -	$ -
Local option sales taxes	30,000,000	19,626,101	5,581,965	25,208,066	(4,791,934)
Other taxes and licenses	-	-	-	-	-
Fines, forfeitures and fees	-	-	-	-	-
Investment income	-	160,693	366,464	527,157	527,157
Intergovernmental	1,000,000	1,403,598	-	1,403,598	403,598
Other revenues	-	253,802	539,614	793,416	793,416
Total revenues	31,000,000	21,444,194	6,488,043	27,932,237	(3,067,763)
EXPENDITURES					
Current:					
General government	7,428,000	3,455,273	1,270,428	4,725,701	2,702,299
Public safety	-	23,877	230,456	254,333	(254,333)
Court system	-	-	-	-	-
Roads and bridges	10,701,600	3,698,192	3,568,661	7,266,853	3,434,747
Public health and welfare	-	357	-	357	(357)
Recreation	-	-	-	-	-
Library	-	-	-	-	-
Economic development	5,999,200	2,925,386	899,595	3,824,981	2,174,219
Capital projects	11,923,200	11,803,993	211,060	12,015,053	(91,853)
Debt service:					
Principal	-	17,264	-	17,264	(17,264)
Interest	-	21,694	-	21,694	(21,694)
Total expenditures	36,052,000	21,946,036	6,180,200	28,126,236	7,925,764
Excess (deficiency) of revenues over expenditures	(5,052,000)	(501,842)	307,843	(193,999)	4,858,001
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	$ -	$ 4,550,158	307,843	$ 4,858,001	$ 4,858,001
Fund balances, beginning of year			11,146,002		
Fund balances, end of year			$ 11,453,845		

See independent auditors' report.

COLQUITT COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2006

	Tax Commissioner	Sheriff	Clerk of Superior Court	Magistrate Court	Probate Court	Total Agency Funds
ASSETS						
Restricted assets:						
Cash and cash equivalents	$ 16,613	$ 68,731	$ 241,436	$ 13,975	1,137	$ 341,892
Investments - Georgia Fund 1	-	-	-	-	-	-
Property tax receivable	8,187	-	-	-	-	8,187
Total assets	24,800	68,731	241,436	13,975	1,137	350,079
LIABILITIES						
Due to general fund	-	-	-	-	-	-
Due to other governments	3,946	-	-	-	-	3,946
Held as trustee	20,854	68,731	241,436	13,975	1,137	346,133
Total liabilities	$ 24,800	$ 68,731	$ 241,436	$ 13,975	$ 1,137	$ 350,079

See independent auditors' report.

COLQUITT COUNTY, GEORGIA
COMBINING STATEMENT OF NET ASSETS
COMPONENT UNITS
June 30, 2006

	Component Units		
	Colquitt County Health Department	Moultrie - Colquitt County Library	Total
ASSETS			
Cash and cash equivalents	$ 810,594	$ 497,537	$ 1,308,131
Investments - Georgia Fund 1	-	-	-
Accounts receivable, net	9,701	-	9,701
Property tax receivable	-	-	-
Inventories	-	-	-
Due from other governments	262,797	-	262,797
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	33,762	-	33,762
Total assets	1,116,854	672,820	1,789,674
LIABILITIES			
Accounts payable	21,947	1,261	23,208
Accrued expenses	123,205	-	123,205
Due to other governments	50,322	-	50,322
Liabilities payable from restricted assets	-	-	-
Long-term liabilities:			
Due within one year	-	-	-
Due in more than one year	-	798	798
Total liabilities	195,474	2,059	197,533
NET ASSETS			
Invested in capital assets, net of related debt	33,762	-	33,762
Restricted for:			
Debt service	-	-	-
Capital projects	-	-	-
Public safety	-	-	-
Public services	727,936	175,283	903,219
Unrestricted	159,682	495,478	655,160
Total net assets	$ 921,380	$ 670,761	$ 1,592,141

See independent auditors' report.

COLQUITT COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Year Ended June 30, 2006

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	$ 1,806,910	$ 691,796	$ 1,190,246	$ -	$ 75,132
Moultrie - Colquitt County Library	675,006	104,330	615,727	-	45,051
Total component units	$ 2,481,916	$ 796,126	$ 1,805,973	$ -	$ 120,183

See independent auditors' report.

COLQUITT COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES (continued)
COMPONENT UNITS
For the Year Ended June 30, 2006

	Component Units		
	Colquitt County Health Department	Moultrie - Colquitt County Library	Total
Change in net assets:			
Net (expense) revenue	$ 75,132	$ 45,051	$ 120,183
General revenues:			
Taxes:			
Property taxes	-	-	-
Local option sales taxes	-	-	-
Other taxes and licenses	-	-	-
Grants and contributions not restricted to specific programs	-	-	-
Investment income	-	3,872	3,872
Miscellaneous	-	-	-
Transfers	-	-	-
Total general revenues and transfers	-	3,872	3,872
Change in net assets	75,132	48,923	124,055
Net assets, beginning of year	846,248	621,838	1,468,086
Net assets, end of year	$ 921,380	$ 670,761	$ 1,592,141

See independent auditors' report.

Compliance Section

Bowen, Phillips & Carmichael
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCEWITH *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, 2006, which collectively comprise Colquitt County, Georgia's basic financial statements and have issued our report thereon dated January 3, 2007. We did not audit the financial statements of the Colquitt County Health Department. Which statements reflect total assets of $1,116,854 as of June 30, 2006 and net revenues of $1,882,042 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.

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.

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

Compliance and Other Matters

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 financial statement findings.

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 January 3, 2007.

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

January 3, 2007
Tifton, Georgia

COLQUITT COUNTY, GEORGIA
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2006

FINANCIAL STATEMENT FINDINGS

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

2006 - 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

See independent auditors' report.

COLQUITT COUNTY, GEORGIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2006

Status of Prior Year 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 Audit 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.

Status:

The County has not adopted an annual balanced budget for its debt service or special revenue funds. The County is in the process of implementing procedures and controls to ensure that annual balanced budgets are adopted for the County's debt service and special revenue funds.

See independent auditors' report.

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, 2006

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Grants - Georgia Department of Human Resources	$ 49,476	$ 49,476	$ 49,476	$ -
Other revenues	-	-	-	-
Total revenues	49,476	49,476	49,476	-
EXPENDITURES				
Salaries	-	-	-	-
Client services	49,476	49,476	50,212	(736)
Other operating	-	-	-	-
Total expenditures	49,476	49,476	50,212	(736)
Excess (deficiency) of revenues over expenditures	$ -	$ -	$ (736)	$ (736)

See independent auditors' report.

COLQUITT COUNTY, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX EXPENDITURES
For the Year Ended June 30, 2006

	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	$ 7,379,439	$ 211,060	$ 7,590,499	100%
Total expenditures	$ 6,000,000	$ 7,379,439	$ 211,060	$ 7,590,499	
Special Purpose Local Option Sales Tax - September 18, 2001					
Capital Outlays to Cities - City of Funston	$ 100,800	$ 61,092	$ 16,022	$ 77,114	77%
Capital Outlays to Cities - City of Moultrie	5,892,000	3,044,491	828,908	3,873,399	66%
Capital Outlays to Cities - City of Berlin	151,200	30,066	82,827	112,893	75%
Capital Outlays to Cities - City of Ellenton	124,800	43,850	-	43,850	35%
Capital Outlays to Cities - City of Doerun	499,200	61,967	342,637	404,604	81%
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	2,150,000	836,318	2,986,318	60%
Roads, Streets and Bridges - County	10,701,600	2,557,151	1,630,951	4,188,102	39%
Total expenditures	$ 24,000,000	$ 8,036,118	$ 3,737,663	$ 11,773,781	

See independent auditors' report.

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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, 2006, 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, 2006 is fairly stated in all material respects.

Bowen, Phillips & Carmichael, LLP

January 3, 2007
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, 2006
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 John B. Gildersleeve Date 1-3-07

Signature of Chief Financial Officer Miriam Faircloth Date 1-3-07

STATE OF GEORGIA GRANT CERTIFICATION FORM

A	Local Government	Colquitt County, Georgia
B	Information For Year Ended	June 30, 2006
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 John B. Alderman Date 1-3-07

Signature of Chief Financial Officer William Faircloth Date 1-3-07