# COLQUITT COUNTY, GEORGIA

## FINANCIAL REPORT

## FOR THE FISCAL YEAR ENDED
## JUNE 30, 2010

# INTRODUCTORY SECTION

# COLQUITT COUNTY, GEORGIA

## FINANCIAL REPORT
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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# COLQUITT COUNTY, GEORGIA

## FINANCIAL REPORT
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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# FINANCIAL SECTION

MAULDIN & JENKINS

CERTIFIED PUBLIC ACCOUNTANTS, LLC

# INDEPENDENT AUDITOR'S REPORT

**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, 2010, which collectively comprise Colquitt County, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Colquitt County, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Colquitt County Board of Health, which represents 58.94% and 73.55% of the assets and revenues, respectively, of the aggregately discretely presented component units for the year ended June 30, 2010. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Colquitt County Board of Health in the component unit column is based solely on the reports 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 reports of the other auditors provide a reasonable basis for our opinions.

In our opinion and 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Colquitt County, Georgia as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2011, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis (on pages 3 through 11) and the Required Supplementary Information on page 50 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Colquitt County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Colquitt County, Georgia. The schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia Annotated 48-8-121, and is not a required part of the basic financial statements. The schedule of state awards expended is presented for the purpose of additional analysis as required by the Official Code of Georgia 50-20-1 through 50-20-8 and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, the schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of state awards expended have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mauldin & Jenkins, LLC

Albany, Georgia
May 23, 2011

As management of Colquitt County, Georgia, (the County) we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Colquitt County, Georgia for the fiscal year ended June 30, 2010. 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 at the close of the most recent fiscal year by $75,000,448 (net assets). Of this amount, $8,988,034 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets increased by $800,835. Seventy-five percent of this increase occurred in the Governmental funds and the remainder was related to Business–type activities.
- As of close of the current fiscal year, the County's governmental funds reported combined ending fund balances of $19,060,613, an increase of $2,328,299.
- At the close of the current fiscal year, unreserved fund balance of the general fund was $7,439,420 or 42% of the general funds expenditures.
- The County's total long-term debt decreased by $483,328 during the current year. The decrease is the result of payments on existing debt.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions and are intended to recover all or significant portion of their costs through user fees and charges *(business-type activities).* The governmental activities of the County include general government, judicial, public safety, public works, health and welfare, and economic development. The business-type activities of the County include solid waste collection and disposal system.

The government-wide financial statements include not only the County itself (known as the *primary government)*, but also the Health Department and Public Library for which the County financial supports and is able to impose its will. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 12 through 15 of this report.

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

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

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

The County maintains 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, 2002 SPLOST Fund, and 2007 SPLOST Fund, all of which are considered to be major funds. Data from the other 10 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

Basic governmental fund financial statements can be found on pages 16 through 21 of this report.

***Proprietary funds.*** The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses an enterprise fund to account for its solid waste collection and disposal activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for its employee health and life insurance benefits. Because these services predominately benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide the information for the Solid Waste Fund, the County's only enterprise fund. It is considered a major fund for the County.

The basic proprietary fund financial statements can be found on pages 22 through 24 of this report.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary financial statements can be found on page 25 of this report.

**Notes to the financial statements.** The 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. The notes to the financial statements can be found on pages 26 through 49 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 50 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 51 through 54 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the Statement of Net Assets for the County as of June 30, 2010 and 2009.

**Summary of Net Assets**

| | Governmental Activities | | Business – type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| **Assets** | | | | | | |
| Current and other assets | $ 20,561,373 | $ 18,747,147 | $ (616,141) | $ (285,151) | $ 19,945,232 | $ 18,461,996 |
| Capital assets | 59,651,058 | 61,462,610 | 1,061,476 | 1,195,240 | 60,712,534 | 62,657,850 |
| Total assets | 80,212,431 | 80,209,757 | 445,335 | 910,089 | 80,657,766 | 81,119,846 |
| **Liabilities** | | | | | | |
| Other liabilities | 2,300,443 | 2,014,833 | 57,429 | 72,888 | 2,357,872 | 2,079,311 |
| Long-term liabilities | 3,295,772 | 4,181,515 | 3,674 | 650,997 | 3,299,446 | 4,832,512 |
| Total liabilities | 5,596,215 | 6,196,348 | 61,103 | 723,885 | 5,657,318 | 6,911,823 |
| **Net assets** | | | | | | |
| Invested in capital assets, net of related debt | 56,067,595 | 57,677,294 | 1,061,476 | 544,243 | 57,129,071 | 58,221,537 |
| Restricted | 8,883,343 | 10,454,308 | - - | - - | 8,883,343 | 10,454,308 |
| Unrestricted | 9,665,278 | 5,881,807 | (677,244) | (358,039) | 8,988,034 | 5,523,768 |
| Total net assets, as restated | $ 74,616,216 | $ 74,013,409 | $ 384,232 | $ 186,204 | $ 75,000,448 | $ 74,199,613 |

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by $75,000,448 at the close of the most recent fiscal year.

By far the largest component of the County's net assets (76 percent) reflects its' investment in capital assets such as land, buildings, equipment, and infrastructure, less any related debt used to acquire or construct the assets that is still outstanding. The County uses these capital assets to provide services to the citizens and businesses in the County; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets (12 percent) represents 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 meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets. Unrestricted net assets total $8,988,034, a 65 percent increase compared to the prior year. Total net assets increased by approximately $801,000 from the prior year.

The following table summarizes the changes in net assets for the primary government for the fiscal years ended June 30, 2010 and 2009.

**Changes in Net Assets**

| | Governmental Activities | | Business – type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| **Revenues** | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | $ 5,381,962 | $ 3,318,358 | $ 2,035,730 | $ 2,156,720 | $ 7,417,692 | $ 5,475,078 |
| Operating grants and contributions | 1,401,016 | 1,928,947 | -- | -- | 1,401,016 | 1,928,947 |
| Capital grants and contributions | 608,343 | -- | -- | -- | 608,343 | -- |
| General revenues: | | | | | | |
| Property taxes | 14,316,002 | 14,797,042 | -- | -- | 14,316,002 | 14,797,042 |
| Special purpose local option sales taxes | 5,006,290 | 5,513,282 | -- | -- | 5,006,290 | 5,513,282 |
| Other taxes | 1,564,749 | 1,328,630 | -- | -- | 1,564,749 | 1,328,630 |
| Investment income | 34,276 | 159,511 | 3,163 | 9,927 | 37,439 | 169,438 |
| Gain on sale of capital assets | -- | 15,572 | -- | -- | -- | 15,572 |
| Other revenues | -- | 381,391 | -- | -- | -- | 381,391 |
| Total revenues | 28,312,638 | 27,442,733 | 2,038,893 | 2,166,647 | 30,351,531 | 29,609,380 |
| **Expenses** | | | | | | |
| General government | 4,682,535 | 8,265,588 | -- | -- | 4,682,535 | 8,265,588 |
| Public safety | 9,383,258 | 9,316,500 | -- | -- | 9,383,258 | 9,316,500 |
| Judicial | 2,221,072 | 2,304,213 | -- | -- | 2,221,072 | 2,304,213 |
| Public works | 8,920,076 | 5,769,227 | -- | -- | 8,920,076 | 5,682,805 |
| Health and welfare | 537,768 | 538,668 | -- | -- | 537,768 | 538,668 |
| Culture and recreation | 1,152,767 | 1,092,643 | -- | -- | 1,152,767 | 1,092,643 |
| Housing and development | 603,233 | 344,277 | -- | -- | 603,233 | 344,277 |
| Solid waste management | -- | -- | 1,825,994 | 2,017,074 | 1,825,994 | 2,017,074 |
| Interest - long-term debt | 209,122 | 203,176 | 14,871 | 30,086 | 223,993 | 203,176 |
| Total expenses | 27,709,831 | 27,834,292 | 1,840,865 | 2,047,160 | 29,550,696 | 29,881,452 |
| Increase (decrease) in net assets before transfers | 602,807 | (391,559) | 198,028 | 119,487 | 800,835 | (272,072) |
| Transfers | -- | -- | -- | -- | -- | -- |
| **Change in net assets** | $ 602,807 | $ (391,559) | $ 198,028 | $ 119,487 | $ 800,835 | $ (272,072) |

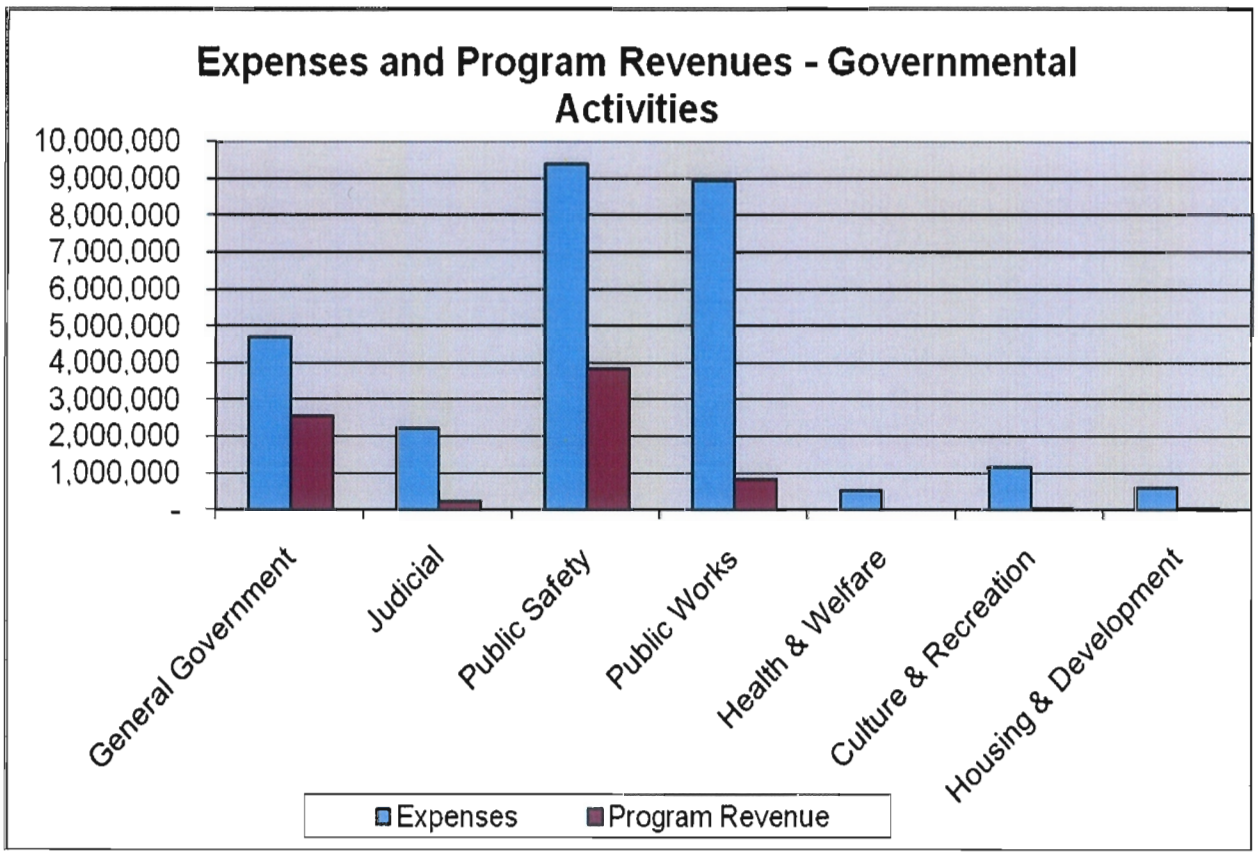
**Governmental activities.** Governmental activities increased the County's net assets by $602,807, thereby accounting for 75.3 percent of the total growth in the net assets of the County for 2010.

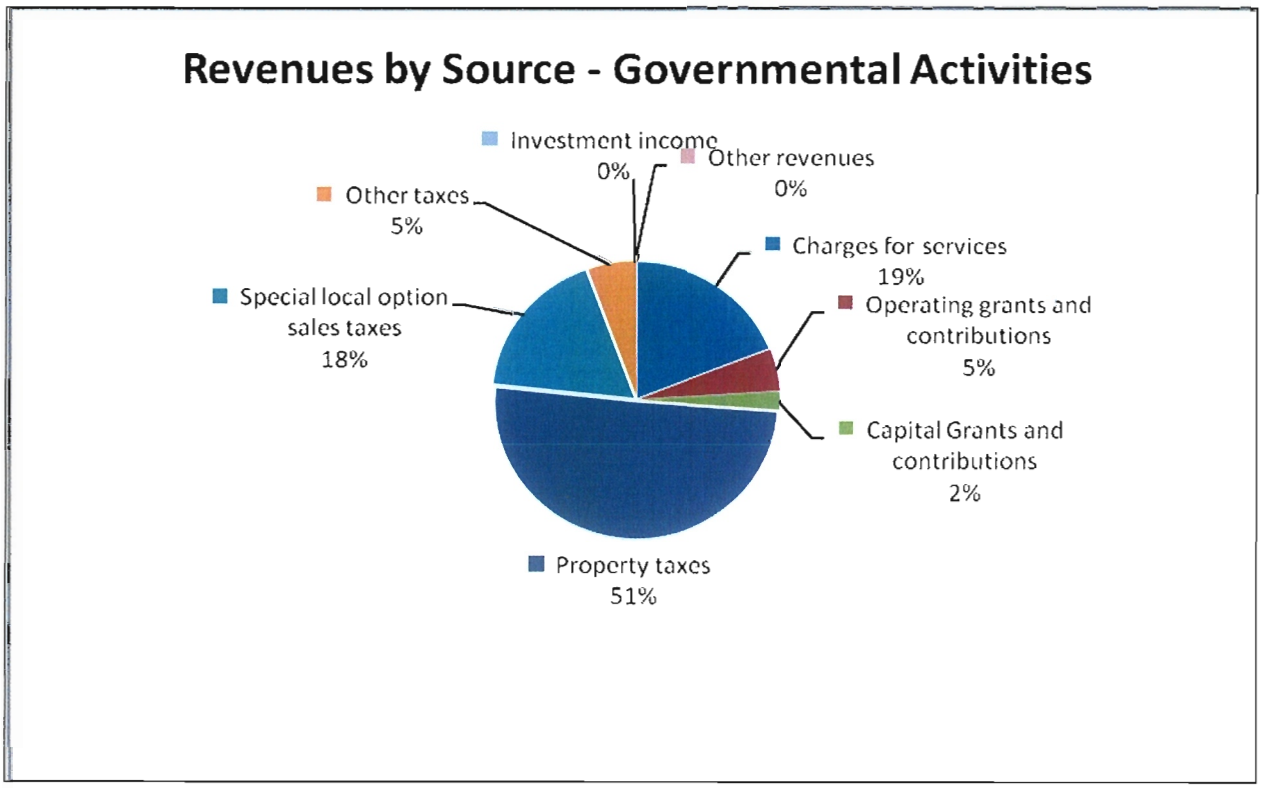
- Revenues outpaced spending. Included in revenues is a special purpose local option sales tax (1 percent) that is used to fund a variety of capital projects. Spending for the projects vary from the revenue collections as many of the projects take several years to complete.

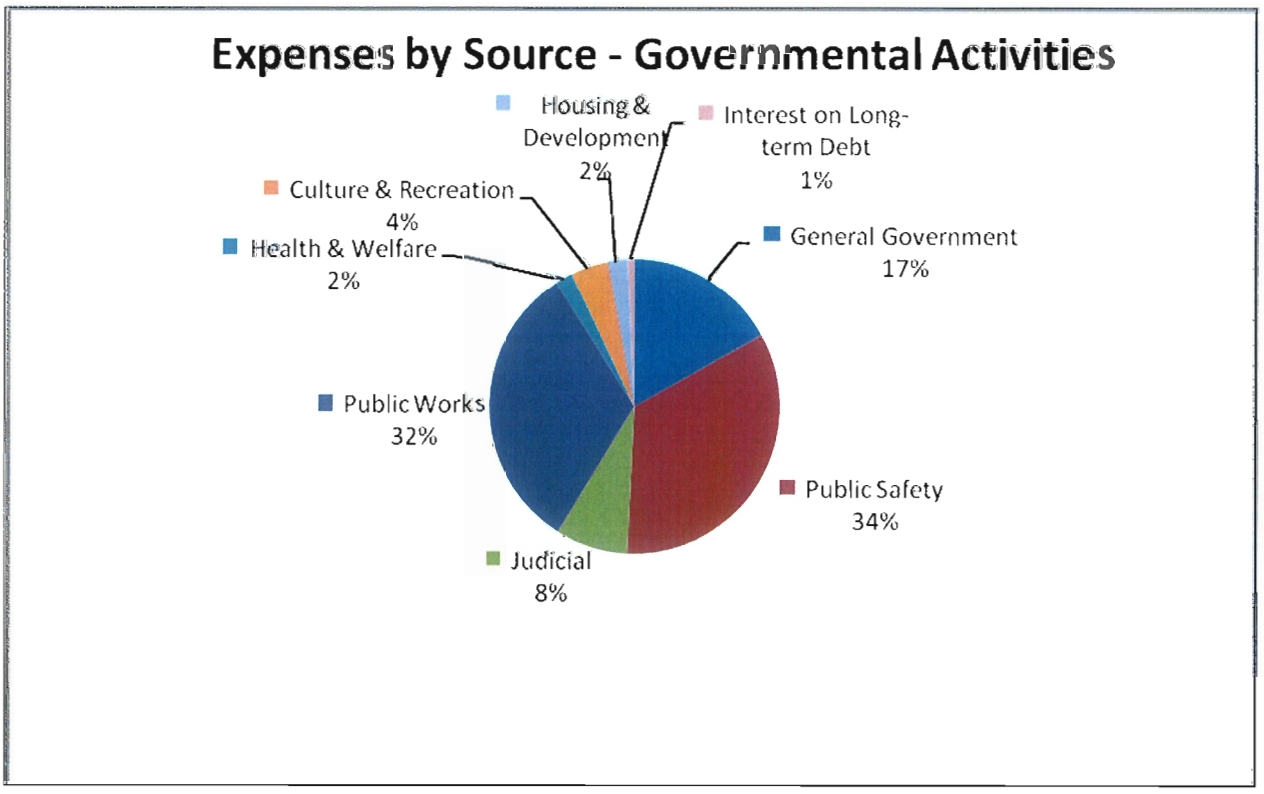
- Lower tax revenue in 2010. Overall tax revenues decreased $751,913 from the prior year. Property taxes and special local option sales taxes decreased by $481,040 and $506,992, respectively. Other taxes increased by $236,119.
- Lower investment earnings. Lower interest rates resulted in a $125,235 decrease in investment earnings.

Approximately 50.6 percent of the County's governmental activities total revenues were derived from property taxes and approximately 23.2% came from other taxes. Charges for services provided approximately 19 percent of the total revenues. The County's expenses cover a range of services. The largest expenses are related to public safety (33.9 percent), which include the Sheriff's office, E-911 services, county prison, ambulance service, animal control and the Coroner's office, and public works (32.2 percent), which include roads and bridges, landfill closure and the county maintenance shop.

For the fiscal year ended June 30, 2010, governmental activities expenses exceeded program revenues, resulting in the use of approximately $20.9 million of general tax and other revenues.




Revenues by Source - Governmental Activities
Investment income 0%
Other revenues 0%
Other taxes 5%
Charges for services 19%
Special local option sales taxes 18%
Operating grants and contributions 5%
Capital Grants and contributions 2%
Property taxes 51%


Expenses by Source - Governmental Activities
Housing & Development 2%
Interest on Long-term Debt 1%
Culture & Recreation 4%
General Government 17%
Health & Welfare 2%
Public Works 32%
Public Safety 34%
Judicial 8%

**Business-type activities.** Business-type activities increased the County's net assets by $198,028, thereby accounting for 24.7 percent of County's assets for 2010. This was an increase over the prior year of approximately $79,000. Expenses decreased approximately $200,000 when compared to the prior year.

## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, Colquitt County utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

At the end of the current year, the County's governmental funds reported a combined ending fund balance of $19,060,613, an increase of $2,328,299 in comparison to the prior year. Approximately 94 percent of this total amount ($17,886,016) constitutes *unreserved fund balance*. Of this amount, $8,302,690 is available for spending in futures years without restrictions that are more limited than the purpose of the fund. Other unrestricted portions of fund balance totaling $9,583,326 represent funding for capital projects. Most of these projects are funded by special purpose local option sales tax, a legally restricted revenue source. The County has designated funds for future retirement benefits ($300,000). The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed for prepaid assets ($374,597) and for advances to other funds ($500,000).

The General Fund is the main operating fund of the County. At the end of the current year, unreserved fund balance of the General Fund was $7,439,420, while total fund balance was $8,614,017. 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 42.2 percent of the total General Fund expenditures, as compared to 30.5 percent in 2009. The total fund balance represents 48.8 percent of the same amount, compared to 30.5 percent in the prior year.

The fund balance of the County's General Fund increased $2,433,588 during the current fiscal year. Key factors in this increase are as follows:

- The County receiving approximately $1.2 million from FEMA for disaster relief related to flooding that occurred in April, 2009.
- The County Commission elected to utilize an accumulated pension asset and save approximately $300,000 in pension expense for 2010.
- The County decreased capital outlay to just over $300,000 for 2010 as compared to approximately $590,000 in 2009.

The 2002 SPLOST fund has a total fund balance of $3,266,243, all of which is unreserved. The net decrease in fund balance of $513,838 during the current year was the result of using revenue collected in prior years to complete projects funded by special purpose local option sales taxes.

The 2007 SPLOST fund has a total fund balance of $5,379,490, all of which is unreserved. The County began receiving revenue from this tax in fiscal year 2007 and the increase of $827,169 was the result of receiving revenue at a faster rate than projects were completed.

***Proprietary funds.*** The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Solid Waste Fund at the end of the current year amounted to a deficit of $677,244, an increase in the deficit of $319,205 over the prior year. This occurred mainly because the County advanced the Solid Waste Fund approximately $430,000 from the General Fund to payoff its bank loan due to rising interest rates. Operating expenses were $191,080 less than the prior year because of the decrease in cost of services provided and administration.

## 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.

The actual revenues of the General Fund were more than final budgeted amounts by $844,300 for the current year. The major factors contributing to this difference was the receipt of FEMA reimbursements for flood damage and a significant increase in the charges for services offset with less than anticipated collections of miscellaneous revenues.

The actual expenditures of the General Fund were less than final budgeted amounts by $1,459,138 for the current year. The major factors contributing to this difference were the net positive variances in budgeted expenditures for general government, judicial, public safety, and roads and bridges.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital assets.** As of June 30, 2010, the County's investment in capital assets for its governmental and business-type activities amounts to $60,712,534 (net of depreciation). This investment includes land, buildings and improvements, machinery and equipment, infrastructure, and construction in progress. Governmental activity assets (net of depreciation) in the amount of $1,141,086 were removed from the County's assets in the fiscal year 2010. Construction in progress was retained in the 1999/Courthouse SPLOST fund, 2002 SPLOST fund, 2007 SPLOST fund, and Capital Projects fund and as those projects are completed they are transferred to the appropriate capital asset category. The total decrease in the County's investment in capital assets for the current fiscal year was $1,945,316 or 3.1 percent (a 2.9 percent decrease for governmental activities and a 1.2 percent decrease for business-type activities).

Major capital asset transactions during a year included the completion of the Sheriff Department's building addition to the Justice Center complex and new court room in the Courthouse Annex, purchase of five new patrol cars, and the down payment on a new radio system for the E-911 system. Refer to Note 6 of the Notes to Financial Statements on pages 38 through 40 for additional information on capital assets.

**Long-term debt.** At the end of the current year, the County had one outstanding loan in the amount of $3,468,390 secured by a building, and an equipment loan with a balance of $115,073. The building loan is for a building that is leased to the Georgia Department of Human Services. The rent payments from the Georgia Department of Human Services are pledged for the debt service payments of the building loan. Refer to Note 7 of the Notes to Financial Statements on pages 40 and 41 for additional information on long-term debt.

## NEXT YEAR'S BUDGET

At the end of the current fiscal year, unreserved fund balance in the General Fund amounted to $7,439,420. The County has appropriated $223,923 of this unreserved fund balance to fund 2011 fiscal year expenditures. The 2011 General Fund budget contains total expenditures of $18,829,491, a 1.5% decrease over the 2010 final budgeted amounts.

## CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of Colquitt County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Colquitt County Finance Director, P. O. Box 517, Moultrie, Georgia 31776 – 0517.

# COLQUITT COUNTY, GEORGIA

## STATEMENT OF NET ASSETS
## JUNE 30, 2010

| ASSETS | Primary Government | | |
|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total |
| Cash and cash equivalents | $ 6,077,872 | $ 274,734 | $ 6,352,606 |
| Investments | 11,543,172 | - | 11,543,172 |
| Taxes receivable | 470,780 | - | 470,780 |
| Accounts receivable | 300,373 | 155,660 | 456,033 |
| Internal balances | 1,061,181 | (1,061,181) | - |
| Due from other governments | 689,315 | - | 689,315 |
| Due from primary government | - | - | - |
| Prepaid expenses | 374,597 | 14,646 | 389,243 |
| Restricted cash | 44,083 | - | 44,083 |
| Capital assets, non-depreciable | 3,666,173 | 573,485 | 4,239,658 |
| Capital assets, depreciable, net of accumulated depreciation | 55,984,885 | 487,991 | 56,472,876 |
| Total assets | 80,212,431 | 445,335 | 80,657,766 |
| **LIABILITIES** | | | |
| Accounts payable | 1,138,488 | 42,732 | 1,181,220 |
| Accrued liabilities | 311,677 | - | 311,677 |
| Due to other governments | 44,719 | - | 44,719 |
| Due to component units | 19,158 | - | 19,158 |
| Unearned revenues | 44,732 | - | 44,732 |
| Other liabilities | 176,249 | - | 176,249 |
| Note payable due within one year | 343,236 | - | 343,236 |
| Note payable due in more than one year | 3,240,227 | - | 3,240,227 |
| Compensated absences due within one year | 222,184 | 14,697 | 236,881 |
| Compensated absences due in more than one year | 55,545 | 3,674 | 59,219 |
| Total liabilities | 5,596,215 | 61,103 | 5,657,318 |
| **NET ASSETS** | | | |
| Invested in capital assets, net of related debt | 56,067,595 | 1,061,476 | 57,129,071 |
| Restricted for: | | | |
| Capital projects | 8,883,343 | - | 8,883,343 |
| Special use | - | - | - |
| Unrestricted | 9,665,278 | (677,244) | 8,988,034 |
| Total net assets | $ 74,616,216 | $ 384,232 | $ 75,000,448 |

**The accompanying notes are an integral part of these financial statements.**

| Component Units | |
|---|---|
| Colquitt County Health Department | Moultrie - Colquitt County Library |
| $ 962,464 | $ 684,673 |
| - | 174,283 |
| - | - |
| - | - |
| - | - |
| 229,195 | - |
| 19,158 | - |
| - | - |
| - | - |
| - | - |
| - | - |
| 32,640 | 7,443 |
| 1,243,457 | 866,399 |
| 41,380 | 15,831 |
| - | 2,276 |
| 39,490 | - |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| 1,027 | - |
| 101,654 | - |
| 183,551 | 18,107 |
| 32,640 | 7,443 |
| - | - |
| 695,020 | - |
| 332,246 | 840,849 |
| $ 1,059,906 | $ 848,292 |

# COLQUITT COUNTY, GEORGIA

## STATEMENT OF ACTIVITIES
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions |
|---|---|---|---|---|
| **Primary government:** | | | | |
| Governmental activities: | | | | |
| General government | $ 4,682,535 | $ 1,310,361 | $ 1,239,439 | $ - |
| Judicial | 2,221,072 | 220,748 | - | 4,551 |
| Public safety | 9,383,258 | 3,649,101 | 161,577 | 1,515 |
| Public works | 8,920,076 | 201,752 | - | 601,756 |
| Health and welfare | 537,768 | - | - | - |
| Culture and recreation | 1,152,767 | - | - | 52 |
| Housing and development | 603,233 | - | - | 469 |
| Interest on long-term debt | 209,122 | - | - | - |
| Total governmental activities | 27,709,831 | 5,381,962 | 1,401,016 | 608,343 |
| Business-type activities: | | | | |
| Solid waste | 1,840,865 | 2,035,730 | - | - |
| Total business-type activities | 1,840,865 | 2,035,730 | - | - |
| Total primary government | $ 29,550,696 | $ 7,417,692 | $ 1,401,016 | $ 608,343 |
| **Component unit:** | | | | |
| Colquitt County Health Department | $ 1,905,488 | $ 895,310 | $ 1,089,521 | $ - |
| Moultrie - Colquitt County Library | 733,080 | 106,586 | 602,193 | - |
| Total component unit | $ 2,638,568 | $ 1,001,896 | $ 1,691,714 | $ - |
| General revenues: | | | | |
| Property taxes | | | | |
| Sales taxes | | | | |
| Insurance premium taxes | | | | |
| Business taxes | | | | |
| Other taxes | | | | |
| Unrestricted investment earnings | | | | |
| Total general revenues | | | | |
| Change in net assets | | | | |
| Net assets, beginning of year, as restated | | | | |
| Net assets, end of year | | | | |

**The accompanying notes are an integral part of these financial statements.**

| Net (Expense) Revenue and Changes in Net Assets | | | | |
|---|---|---|---|---|
| | | | Component Unit | Component Unit |
| Governmental Activities | Business-type Activities | Total | Colquitt County Health Department | Moultrie - Colquitt County Library |
| $ (2,132,735) | $ - | $ (2,132,735) | $ - | $ - |
| (1,995,773) | - | (1,995,773) | - | - |
| (5,571,065) | - | (5,571,065) | - | - |
| (8,116,568) | - | (8,116,568) | - | - |
| (537,768) | - | (537,768) | - | - |
| (1,152,715) | - | (1,152,715) | - | - |
| (602,764) | - | (602,764) | - | - |
| (209,122) | - | (209,122) | - | - |
| (20,318,510) | - | (20,318,510) | - | - |
| - | 194,865 | 194,865 | - | - |
| - | 194,865 | 194,865 | - | - |
| $ (20,318,510) | $ 194,865 | $ (20,123,645) | $ - | $ - |
| $ - | $ - | $ - | $ 79,343 | $ - |
| - | - | - | - | (24,301) |
| $ - | $ - | $ - | $ 79,343 | $ (24,301) |
| $ 14,316,002 | $ - | $ 14,316,002 | $ - | $ - |
| 5,006,290 | - | 5,006,290 | - | - |
| 1,204,357 | - | 1,204,357 | - | - |
| 73,597 | - | 73,597 | - | - |
| 286,795 | - | 286,795 | - | - |
| 34,276 | 3,163 | 37,439 | - | 4,947 |
| 20,921,317 | 3,163 | 20,924,480 | - | 4,947 |
| 602,807 | 198,028 | 800,835 | 79,343 | (19,354) |
| 74,013,409 | 186,204 | 74,199,613 | 980,563 | 867,646 |
| $ 74,616,216 | $ 384,232 | $ 75,000,448 | $ 1,059,906 | $ 848,292 |

# COLQUITT COUNTY, GEORGIA

## BALANCE SHEET
## GOVERNMENTAL FUNDS
## JUNE 30, 2010

| ASSETS | General | 2002 SPLOST Fund | 2007 SPLOST Fund | Other Governmental Funds | Total |
|---|---|---|---|---|---|
| Cash and cash equivalents | $ 4,246,787 | $ 451,335 | $ 43 | $ 1,027,917 | $ 5,726,082 |
| Investments | 2,848,706 | 2,688,314 | 5,678,457 | 327,590 | 11,543,067 |
| Taxes receivable | 20,471 | - | 447,436 | 2,873 | 470,780 |
| Accounts receivable | 136,214 | - | - | - | 136,214 |
| Due from other funds | 844,462 | 126,792 | - | 724,344 | 1,695,598 |
| Due from other governments | 582,879 | - | - | 106,436 | 689,315 |
| Prepaid expenses | 374,597 | - | - | - | 374,597 |
| Restricted cash | 44,083 | - | - | - | 44,083 |
| Advance to other funds | 500,000 | - | - | - | 500,000 |
| Total assets | $ 9,598,199 | $ 3,266,441 | $ 6,125,936 | $ 2,189,160 | $ 21,179,736 |
| **LIABILITIES AND FUND BALANCES** | | | | | |
| **LIABILITIES** | | | | | |
| Accounts payable | $ 181,388 | $ - | $ 116,734 | $ 212,033 | $ 510,155 |
| Accrued expenses | 296,086 | - | - | - | 296,086 |
| Due to other funds | 386,121 | 198 | 629,712 | 175,614 | 1,191,645 |
| Due to other governments | 44,719 | - | - | - | 44,719 |
| Due to component units | 19,158 | - | - | - | 19,158 |
| Deferred revenue | 56,710 | - | - | 650 | 57,360 |
| Total liabilities | 984,182 | 198 | 746,446 | 388,297 | 2,119,123 |
| **FUND BALANCES** | | | | | |
| Fund balances: | | | | | |
| Reserved for: | | | | | |
| Prepaid assets | 374,597 | - | - | - | 374,597 |
| Advances to other funds | 500,000 | - | - | - | 500,000 |
| Unreserved, designated for: | | | | | |
| Retirement benefits | 300,000 | | | | 300,000 |
| Unreserved, undesignated reported in: | | | | | |
| General fund | 7,439,420 | - | - | - | 7,439,420 |
| Special revenue funds | - | - | - | 828,553 | 828,553 |
| Debt service fund | | | | 34,717 | 34,717 |
| Capital projects funds | - | 3,266,243 | 5,379,490 | 937,593 | 9,583,326 |
| Total fund balances | 8,614,017 | 3,266,243 | 5,379,490 | 1,800,863 | 19,060,613 |
| Total liabilities and fund balances | $ 9,598,199 | $ 3,266,441 | $ 6,125,936 | $ 2,189,160 | |

| | |
|---|---|
| Amounts reported for governmental activities in the statement of net assets are different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 59,651,058 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | 12,628 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | (3,981,783) |
| Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities. | (55,051) |
| The net pension obligation is not due and payable in the current period and therefore is not reported in governmental funds. | (71,249) |
| Net assets of governmental activities | $ 74,616,216 |

**The accompanying notes are an integral part of these financial statements.**

# COLQUITT COUNTY, GEORGIA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS
### FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | General | 2002 SPLOST Fund | 2007 SPLOST Fund | Other Governmental Funds | Total |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Property taxes | $ 12,560,973 | $ - | $ - | $ 1,742,401 | $ 14,303,374 |
| Sales taxes | - | - | 5,006,290 | - | 5,006,290 |
| Insurance premium tax | 1,204,357 | - | - | - | 1,204,357 |
| Business taxes | 73,597 | - | - | - | 73,597 |
| Other taxes | 286,795 | - | - | - | 286,795 |
| Licenses and permits | 93,917 | - | - | - | 93,917 |
| Intergovernmental | 1,239,439 | - | - | 743,504 | 1,982,943 |
| Charges for services | 2,506,954 | - | - | 643,823 | 3,150,777 |
| Fines and forfeitures | 936,195 | - | - | 270,100 | 1,206,295 |
| Interest | 30,483 | 7,944 | 14,956 | 7,309 | 60,692 |
| Other revenues | 925,801 | - | - | 5,172 | 930,973 |
| Total revenues | 19,858,511 | 7,944 | 5,021,246 | 3,412,309 | 28,300,010 |
| **Expenditures:** | | | | | |
| Current: | | | | | |
| General government | 3,193,460 | - | - | - | 3,193,460 |
| Judicial | 1,984,435 | - | - | 23,096 | 2,007,531 |
| Public safety | 7,323,597 | - | - | 1,707,997 | 9,031,594 |
| Public works | 3,452,477 | - | - | - | 3,452,477 |
| Health and welfare | 382,920 | - | - | 3,150 | 386,070 |
| Culture and recreation | 400,435 | - | - | 681,927 | 1,082,362 |
| Housing and development | 372,828 | - | - | 100,000 | 472,828 |
| Intergovernmental payments | - | 99,122 | 3,190,330 | 1,266,442 | 4,555,894 |
| Capital outlay | - | 422,660 | 1,003,747 | - | 1,426,407 |
| Debt service: | | | | | |
| Principal | 345,557 | - | - | - | 345,557 |
| Interest | 193,531 | - | - | - | 193,531 |
| Total expenditures | 17,649,240 | 521,782 | 4,194,077 | 3,782,612 | 26,147,711 |
| Excess (deficiency) of revenues over (under) expenditures | 2,209,271 | (513,838) | 827,169 | (370,303) | 2,152,299 |
| **Other financing sources (uses):** | | | | | |
| Proceeds from sale of assets | - | - | - | 36,000 | 36,000 |
| Notes payable | 140,000 | - | - | - | 140,000 |
| Transfers in | 176,300 | - | - | 333,179 | 509,479 |
| Transfers out | (91,983) | - | - | (417,496) | (509,479) |
| Total other financing sources (uses) | 224,317 | - | - | (48,317) | 176,000 |
| Net change in fund balances | 2,433,588 | (513,838) | 827,169 | (418,620) | 2,328,299 |
| **Fund balances, beginning of year, as restated** | 6,180,429 | 3,780,081 | 4,552,321 | 2,219,483 | 16,732,314 |
| **Fund balances, end of year** | $ 8,614,017 | $ 3,266,243 | $ 5,379,490 | $ 1,800,863 | $ 19,060,613 |

**The accompanying notes are an integral part of these 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 FISCAL YEAR ENDED JUNE 30, 2010

| | | |
|---|---|---|
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Net change in fund balances - total governmental funds | $ | 2,328,299 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation expense and capital outlay in the current period. | | (670,466) |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. | | (1,141,086) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Deferred revenues decreased during the year by this amount. | | 12,628 |
| 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, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items. | | 205,557 |
| The internal service fund is used by management to charge the cost of employee health insurance to individual funds. The net revenue of the internal service fund is reported with governmental activities. | | (55,051) |
| 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. | | (77,074) |
| | $ | 602,807 |

**The accompanying notes are an integral part of these financial statements.**

# COLQUITT COUNTY, GEORGIA

## GENERAL FUND
## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Budgeted Amounts | | | Variance with Final |
|---|---|---|---|---|
| | Original | Final | Actual | Budget |
| **Revenues:** | | | | |
| Property taxes | $ 12,687,658 | $ 12,687,658 | $ 12,560,973 | $ (126,685) |
| Insurance premium tax | 1,221,876 | 1,221,876 | 1,204,357 | (17,519) |
| Business taxes | 45,000 | 45,000 | 73,597 | 28,597 |
| Other taxes | 139,000 | 139,000 | 286,795 | 147,795 |
| Licenses and permits | 134,750 | 134,750 | 93,917 | (40,833) |
| Intergovernmental | - | - | 1,239,439 | 1,239,439 |
| Charges for services | 2,048,450 | 2,048,450 | 2,506,954 | 458,504 |
| Fines and forfeitures | 855,000 | 855,000 | 936,195 | 81,195 |
| Interest income | 50,000 | 50,000 | 30,483 | (19,517) |
| Miscellaneous | 1,740,494 | 1,832,477 | 925,801 | (906,676) |
| Total revenues | 18,922,228 | 19,014,211 | 19,858,511 | 844,300 |
| **Expenditures:** | | | | |
| **Current:** | | | | |
| General government: | | | | |
| County commissioners | 211,521 | 211,521 | 178,780 | 32,741 |
| Administrator and county clerk | 211,152 | 214,572 | 196,447 | 18,125 |
| Registrar | 19,086 | 19,086 | 17,120 | 1,966 |
| Finance | 361,900 | 361,902 | 297,927 | 63,975 |
| Purchasing | 139,214 | 139,214 | 129,898 | 9,316 |
| Legal services | 50,000 | 50,000 | 19,071 | 30,929 |
| Information systems | 158,785 | 158,785 | 143,081 | 15,704 |
| Human resources | 105,401 | 105,399 | 85,525 | 19,874 |
| Tax commissioner | 458,751 | 458,751 | 428,058 | 30,693 |
| Tax assessor | 572,727 | 572,727 | 527,690 | 45,037 |
| Risk management | 405,000 | 405,000 | 312,061 | 92,939 |
| Buildings and grounds | 363,134 | 435,134 | 404,733 | 30,401 |
| Technical maintenance | 442,296 | 442,296 | 390,364 | 51,932 |
| General administration | 222,144 | 143,224 | 62,705 | 80,519 |
| Total general government | 3,721,111 | 3,717,611 | 3,193,460 | 524,151 |
| Judicial: | | | | |
| Superior court | 229,822 | 229,822 | 173,712 | 56,110 |
| Clerk of courts | 544,516 | 544,516 | 498,784 | 45,732 |
| District attorney | 241,657 | 241,657 | 241,888 | (231) |
| State court | 249,480 | 249,480 | 234,301 | 15,179 |
| Magistrate court | 270,965 | 270,965 | 246,623 | 24,342 |
| Probate court | 222,641 | 222,641 | 193,518 | 29,123 |
| Juvenile court | 119,443 | 119,443 | 117,014 | 2,429 |
| Public defender | 296,661 | 296,661 | 278,595 | 18,066 |
| Total judicial | 2,175,185 | 2,175,185 | 1,984,435 | 190,750 |

**(Continued)**

# COLQUITT COUNTY, GEORGIA

## GENERAL FUND
## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Budgeted Amounts | | | Variance with Final |
|---|---|---|---|---|
| | Original | Final | Actual | Budget |
| **Expenditures: (Continued)** | | | | |
| **Current: (Continued)** | | | | |
| Public safety: | | | | |
| Law enforcement administration | $ 271,569 | $ 271,569 | $ 250,490 | $ 21,079 |
| Criminal investigation | 425,926 | 425,926 | 414,091 | 11,835 |
| Drug enforcement team | 354,683 | 354,683 | 316,474 | 38,209 |
| Uniform patrol | 1,499,963 | 1,429,313 | 1,468,580 | (39,267) |
| Records and identification | 115,388 | 115,388 | 108,521 | 6,867 |
| Youth investigations | 324,577 | 324,577 | 278,847 | 45,730 |
| Jail | 2,753,735 | 2,753,735 | 2,682,704 | 71,031 |
| Court services | 335,304 | 335,304 | 295,687 | 39,617 |
| Correctional institute | 1,516,176 | 1,516,176 | 1,334,629 | 181,547 |
| Ambulance services | 65,873 | 65,873 | 57,497 | 8,376 |
| Coroner | 57,223 | 57,223 | 42,988 | 14,235 |
| Animal control | 59,014 | 59,014 | 59,014 | - |
| Emergency management | 21,386 | 21,386 | 14,075 | 7,311 |
| Total public safety | 7,800,817 | 7,730,167 | 7,323,597 | 406,570 |
| Public works: | | | | |
| Roads and bridges | 3,409,315 | 3,409,315 | 3,091,909 | 317,406 |
| Post-closure care | 106,964 | 106,964 | 76,781 | 30,183 |
| Shop | 298,639 | 298,639 | 283,787 | 14,852 |
| Total public works | 3,814,918 | 3,814,918 | 3,452,477 | 362,441 |
| Health and welfare: | | | | |
| Public health administration | 229,900 | 229,900 | 229,900 | - |
| Mental health | 22,775 | 22,775 | 1,898 | 20,877 |
| Welfare administration | 23,988 | 23,988 | 112,000 | (88,012) |
| Welfare general assistance | 43,225 | 43,225 | 39,122 | 4,103 |
| Total health and welfare | 319,888 | 319,888 | 382,920 | (63,032) |
| Culture and recreation: | | | | |
| Museum | 11,400 | 11,400 | 11,400 | - |
| Library | 389,035 | 389,035 | 389,035 | - |
| Total culture and recreation | 400,435 | 400,435 | 400,435 | - |
| Housing and development: | | | | |
| Agricultural resources - county agents | 192,351 | 195,851 | 190,686 | 5,165 |
| Forestry resources | 6,259 | 6,259 | 5,737 | 522 |
| Compliance | 203,664 | 203,664 | 176,405 | 27,259 |
| Total housing and development | 402,274 | 405,774 | 372,828 | 32,946 |

**(Continued)**

# COLQUITT COUNTY, GEORGIA

## GENERAL FUND
## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Budgeted Amounts | | | Variance with Final |
|---|---|---|---|---|
| | Original | Final | Actual | Budget |
| **Expenditures: (Continued)** | | | | |
| **Current: (Continued)** | | | | |
| Debt service: | | | | |
| Principal | $ 473,750 | $ 544,400 | $ 345,557 | $ 198,843 |
| Interest | - | - | 193,531 | (193,531) |
| Total debt service | 473,750 | 544,400 | 539,088 | 5,312 |
| Total expenditures | 19,108,378 | 19,108,378 | 17,649,240 | 1,459,138 |
| Excess (deficiency) of revenues over (under) expenditures | (186,150) | (94,167) | 2,209,271 | 2,303,438 |
| **Other financing sources (uses):** | | | | |
| Proceeds from sale of assets | 11,150 | 11,150 | - | (11,150) |
| Capital leases | - | - | 140,000 | 140,000 |
| Transfers in | 175,000 | 175,000 | 176,300 | 1,300 |
| Transfers out | - | (91,983) | (91,983) | - |
| Total other financing sources (uses) | 186,150 | 94,167 | 224,317 | 130,150 |
| Net change in fund balances | - | - | 2,433,588 | 2,433,588 |
| **Fund balance, beginning of year** | 6,180,429 | 6,180,429 | 6,180,429 | - |
| **Fund balance, end of year** | $ 6,180,429 | $ 6,180,429 | $ 8,614,017 | $ 2,433,588 |

**The accompanying notes are an integral part of these financial statements.**

# COLQUITT COUNTY, GEORGIA

## STATEMENT OF NET ASSETS
## PROPRIETARY FUNDS
## JUNE 30, 2010

| | Major Enterprise Fund | Governmental Activities- |
|---|---|---|
| | Solid Waste Fund | Internal Service Funds |
| **ASSETS** | | |
| **CURRENT ASSETS** | | |
| Cash and cash equivalents | $ 274,734 | $ 351,790 |
| Investments | - | 105 |
| Accounts receivable, net of allowances | 155,660 | 164,159 |
| Due from other funds | - | 57,470 |
| Prepaid expenses | 14,646 | - |
| Total current assets | 445,040 | 573,524 |
| **NONCURRENT ASSETS** | | |
| Capital assets: | | |
| Nondepreciable | 573,485 | - |
| Depreciable, net of accumulated depreciation | 487,991 | - |
| Total noncurrent assets | 1,061,476 | - |
| Total assets | 1,506,516 | 573,524 |
| **LIABILITIES** | | |
| **CURRENT LIABILITIES** | | |
| Accounts payable | 42,732 | - |
| Claims payable | - | 628,333 |
| Due to other funds | 561,181 | 242 |
| Current portion - compensated absences | 14,697 | - |
| Total current liabilities | 618,610 | 628,575 |
| **LONG-TERM LIABILITIES** | | |
| Advance from other funds | 500,000 | - |
| Compensated absences, net of current portion | 3,674 | - |
| Total long-term liabilities | 503,674 | - |
| Total liabilities | 1,122,284 | 628,575 |
| **NET ASSETS (DEFICIT)** | | |
| Invested in capital assets | 1,061,476 | - |
| Unrestricted | (677,244) | (55,051) |
| Total net assets | $ 384,232 | $ (55,051) |

**The accompanying notes are an integral part of these financial statements.**

# COLQUITT COUNTY, GEORGIA

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
## PROPRIETARY FUNDS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Major Enterprise Fund Solid Waste Fund | Governmental Activities- Internal Service Funds |
|---|---|---|
| **OPERATING REVENUES** | | |
| Charges for services | $ 2,005,479 | $ 2,969,918 |
| Miscellaneous | 30,251 | 39 |
| Total operating revenues | 2,035,730 | 2,969,957 |
| **OPERATING EXPENSES** | | |
| Salaries and benefits | 827,320 | - |
| Cost of sales and services | 574,531 | - |
| Supplies | 222,105 | - |
| Claims | - | 2,446,335 |
| Insurance | - | 25,062 |
| Administration | 61,173 | 553,611 |
| Depreciation | 140,865 | - |
| Total operating expenses | 1,825,994 | 3,025,008 |
| Operating income (loss) | 209,736 | (55,051) |
| **NONOPERATING INCOME (EXPENSE)** | | |
| Interest income | 3,163 | - |
| Interest expense | (14,871) | |
| Total nonoperating income | (11,708) | - |
| Change in net assets | 198,028 | (55,051) |
| **NET ASSETS, beginning of year** | 186,204 | - |
| **NET ASSETS (DEFICIT), end of year** | $ 384,232 | $ (55,051) |

**The accompanying notes are an integral part of these financial statements.**

# COLQUITT COUNTY, GEORGIA

## STATEMENT OF CASH FLOWS
## PROPRIETARY FUNDS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Major Enterprise Fund Solid Waste Fund | Governmental Activities- Internal Service Funds |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Receipts from customers and users | $ 2,499,283 | $ 3,193,986 |
| Payments to suppliers | (850,187) | (553,611) |
| Payments for insurance claims | - | (2,552,953) |
| Payments to employees | (821,806) | - |
| Net cash provided by operating activities | 827,290 | 87,422 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | |
| Acquisition and construction of capital assets | (7,101) | - |
| Principal paid on notes payable | (650,997) | - |
| Interest paid | (14,871) | - |
| Net cash used in capital and related financing activities | (672,969) | - |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Interest on investments | 3,163 | - |
| Net cash provided by investing activities | 3,163 | - |
| Net increase in cash and cash equivalents | 157,484 | 87,422 |
| **Cash and cash equivalents:** | | |
| Beginning of year | 117,250 | 264,368 |
| End of year | $ 274,734 | $ 351,790 |
| **Reconciliation of operating income (loss) to net cash provided by operating activities:** | | |
| Operating income (loss) | $ 209,736 | $ (55,051) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | |
| Depreciation expense | 140,865 | - |
| Decrease in accounts receivable | 46,758 | 58,549 |
| Decrease in due from other funds | - | 165,238 |
| Increase in prepaid expenses | (14,646) | - |
| Decrease in accounts payable | (17,299) | - |
| Decrease in claims payable | - | (81,556) |
| Decrease in accrued expenses | (12,857) | - |
| Increase in due to other funds | 456,362 | 242 |
| Increase in compensated absences | 18,371 | - |
| Net cash provided by operating activities | $ 827,290 | $ 87,422 |

**The accompanying notes are an integral part of these financial statements.**

# COLQUITT COUNTY, GEORGIA

## STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
## AGENCY FUNDS
## JUNE 30, 2010

| ASSETS | Agency Funds |
|---|---|
| Cash | $ 633,135 |
| Investments | 7,647 |
| Taxes receivable | 20,864 |
| Total assets | $ 661,646 |
| **LIABILITIES** | |
| Due to others | $ 640,782 |
| Uncollected taxes | 20,864 |
| Total liabilities | $ 661,646 |

**The accompanying notes are an integral part of these financial statements.**

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### A. Reporting Entity

Colquitt County was created on February 25, 1856 under the laws of the State of Georgia. The County operates under a commission-administrator form of government, and provides the following services: public safety (police and fire), courts, public works, public health and welfare, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of Colquitt County, Georgia (the "primary government") and its component unit. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. In conformity with accounting principles generally accepted in the United States of America, as set forth in Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity", as amended by GASB 39 "Determining Whether Certain Organizations are Component Units", the financial statements of the component units are discretely presented in the government-wide financial statements.

**Discretely Presented Component Units**

The Colquitt County Board of Health (the "Board of Health") is governed by a seven-member board consisting of four members appointed by the County Commissioners. The County appoints members of the 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 County has the authority to modify and approve the Board of Health's budget and the ability to approve health service fees. The Board of Health has a June 30$^{th}$ year-end.

The Board of Health's financial statements can be obtained by writing to the Colquitt County Board of Health, P.O. Box 639, Moultrie, Georgia 31776.

The Moultrie-Colquitt County Library provides public library services with funding 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. Separate financial statements are not issued.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### B. Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the 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.

### C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements, although the agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The County reports the following major governmental funds:

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

The ***2002 SPLOST Fund*** is a capital projects fund used to account for the County's receipt and expenditure of special purpose sales tax from the 2002 sales tax referendum.

The ***2007 SPLOST Fund*** is a capital projects fund used to account for the County's receipt and expenditure of special purpose sales tax from the 2007 sales tax referendum.

The County reports the following major proprietary fund:

The ***Solid Waste Fund*** is used to account for the operations related to the County's solid waste collections.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Additionally, the County reports the following fund types:

The ***special revenue funds*** account for specific revenues that are legally restricted to expenditure for particular purposes.

The ***capital project funds*** account for the acquisition or construction of capital facilities.

The ***debt service fund*** accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The ***internal service fund*** accounts for a self-insured program for health insurance. This Fund was created to accommodate the payment of claims and administrative expenses for the self-insured program.

The ***agency funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments and ad valorem and property taxes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the County's solid waste function and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services provided. Operating expenses for the 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 nonoperating revenues and expenses.

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.

### D. Deposits and Investments

The County considers highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

State statutes authorize the County to invest in obligations of the State of Georgia or other states, obligations issued by the U.S. Government, obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States, prime bankers' acceptances, the local government investment pool established by state law, repurchase agreements and obligations of other political subdivisions of the State of Georgia.

Cash in excess of current requirements is invested in the State of Georgia's Local Government Investment Pool (Georgia Fund 1). Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard & Poor's criteria for AAAm rated money market funds and is regulated by the Georgia Office of Treasury and Fiscal Services. However, Georgia Fund 1 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 participants' shares sold and redeemed based on $1.00 per share.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### E. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. For the most part, the effect of interfund activity has been removed from the government-wide statement of net assets. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide statement of net assets as "internal balances." In the major fund balance sheets, these receivables and payables are classified as "due from other funds" and "due to other funds."

### F. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB 34, infrastructure assets acquired after June 30, 1980 have been capitalized. Capital assets are defined by the County as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred.

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

| Asset Category | Years |
|---|---|
| Primary Government | |
| Buildings | 25 - 40 |
| Infrastructure | 40 |
| Machinery and equipment | 5 - 10 |
| Colquitt County Board of Health | |
| Machinery and equipment | 5 - 10 |
| Moultrie-Colquitt County Library | |
| Machinery and equipment | 5 - 10 |

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### G. Compensated Absences

It is the County's policy 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 the employees separate from service with the County. Therefore, all sick pay is expensed when incurred. The County does allow for employees to accumulate earned but unused vacation time with such time being fully vested when earned. For the County's government-wide funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

### H. 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 straight line method, which is not materially different from 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 debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### I. Fund Equity

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

### J. Use of Estimates

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

## NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

### A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $3,981,783 difference are as follows:

| | |
|---|---|
| Notes payable | $ (3,583,463) |
| Accrued interest | (15,591) |
| Environmental remediation liability | (105,000) |
| Compensated absences | (277,729) |
| Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities* | $ (3,981,783) |

### B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this $670,466 difference are as follows:

| | |
|---|---|
| Capital outlay | $ 2,208,783 |
| Depreciation expense | (2,879,249) |
| Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities* | $ (670,466) |

## NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities (Continued)**

Another element of that reconciliation states that "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, however, has any effect on net assets." The details of this $205,557 difference are as follows:

| | | |
|---|---|---|
| Debt issued - notes payable | $ | (140,000) |
| Principal payments - notes payable | | 345,557 |
| Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities* | $ | 205,557 |

Another element of that reconciliation explains that "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." The details of this $77,074 difference are as follows:

| | | |
|---|---|---|
| Compensated absences | $ | 9,766 |
| Net pension obligation | | (71,249) |
| Accrued interest | | (15,591) |
| Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities* | $ | (77,074) |

## NOTE 3. BUDGETS AND BUDGETARY ACCOUNTING

**Budget Policies**

Formal budgetary accounting is employed as a management control device for the General Fund, E911 Fund, Jail Fund, Drug Fund, Juvenile Services Fund and Special Service District Fund. Budgets were not adopted for the Law Library Fund or the Confiscated Assets Fund. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for all governmental funds. The GAAP basis of accounting is used in preparing the budgets of all budgeted funds. The GAAP basis of accounting is used to reflect actual revenues and expenditures/expenses recognized which is not consistent with accounting principles generally accepted in the United States of America. Budgets for Capital Project Funds are adopted on a project basis, spanning more than one fiscal year. Budgetary control is exercised at the departmental level or by projects.

## NOTE 3. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

### Budget Process

The County distributes budget forms to all department managers for their preparation and the requests are submitted to the Finance Director. The department budgets are formed during the various work sessions that include the department managers, elected officials, the Finance Director and the County Administrator. 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. Public notice of budget and tax proposals is provided in compliance with State of Georgia law. Public hearings are conducted to obtain taxpayer comments. Prior to July 1, the final budget is adopted by the County Commission.

### Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by Colquitt County.

### Excess of Expenditures over Appropriations

For the year ended June 30, 2010, expenditures exceeded budget, as follows:

| Department | Excess |
|---|---|
| General Fund: | |
| District attorney | $ 231 |
| Uniform patrol | 39,267 |
| Welfare administration | 88,012 |

These overexpenditures were funded by greater than anticipated revenues and underexpenditures in other departments of the General Fund.

## NOTE 4. DEPOSITS AND INVESTMENTS

At June 30, 2010, the County had the following investments:

| Investments | Maturities | Rating | Fair Value |
|---|---|---|---|
| **Primary government:** | | | |
| Amounts as presented in the entity-wide statement of net assets: | | | |
| Georgia Fund 1 | 46 days weighted average | AAAm | $ 11,543,172 |
| Amounts as presented in the statement of fiduciary assets and liabilities: | | | |
| Certificates of deposit | 8 months | N/A | 7,647 |
| **Component unit: Moultrie - Colquitt County Library** | | | |
| Certificates of deposit | 1 month weighted average | N/A | 174,283 |
| Total | | | $ 11,725,102 |

**Interest Rate Risk.** The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk.** State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

**Custodial Credit Risk – Deposits.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2010, the County had no uncollateralized deposits.

**Custodial Credit Risk – Investments.** Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

## NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

**Interest Rate Risk – Colquitt County Board of Health.** The Board of Health does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Custodial Credit Risk – Deposits – Colquitt County Board of Health.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Board of Health will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2010, the Health Department did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

## NOTE 5. RECEIVABLES

Receivables at June 30, 2010, for the County's individual major and nonmajor funds in the aggregate are as follows:

| | General | 2007 SPLOST Fund | Other Governmental Funds | Solid Waste Fund | Total |
|---|---|---|---|---|---|
| Receivables: | | | | | |
| Taxes | $ 23,049 | $ 447,436 | $ 2,873 | $ - | $ 473,358 |
| Accounts | 136,214 | - | - | 920,419 | 1,056,633 |
| Gross receivables | 159,263 | 447,436 | 2,873 | 920,419 | 1,529,991 |
| Less allowance for uncollectibles | (2,578) | - | - | (764,759) | (767,337) |
| Net receivables | $ 156,685 | $ 447,436 | $ 2,873 | $ 155,660 | $ 762,654 |

Property taxes were levied on March 10, 2009. Bills are payable on or before December 10, 2009, after which the applicable property is subject to lien and penalties and interest as assessed. The County bills and collects its own property taxes. Property taxes levied for 2009 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended June 30, 2010, and collected by August 31, 2010, are recognized as revenues in the year ended June 30, 2010. Net receivables estimated to be collected subsequent to August 31, 2010 are recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually. Property taxes attached as an enforceable lien on property as of January 1, 2010.

## NOTE 6. CAPITAL ASSETS

### A. Primary Government

Capital asset activity for the year ended June 30, 2010, was as follows:

| | Beginning Balance | Increases | Decreases | Transfers | Ending Balance |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land and improvements | $ 2,819,565 | $ 85,012 | $ - | $ - | $ 2,904,577 |
| Construction in progress | 1,674,750 | 1,646,793 | - | (2,559,947) | 761,596 |
| Total capital assets, not being depreciated | 4,494,315 | 1,731,805 | - | (2,559,947) | 3,666,173 |
| Capital assets, being depreciated: | | | | | |
| Buildings | 37,362,866 | 18,963 | (4,363,310) | 2,582,011 | 35,600,530 |
| Infrastructure | 49,098,272 | 72,539 | - | (42,057) | 49,128,754 |
| Machinery and equipment | 11,568,107 | 385,476 | (4,422) | 19,993 | 11,969,154 |
| Total capital assets, being depreciated | 98,029,245 | 476,978 | (4,367,732) | 2,559,947 | 96,698,438 |
| Less accumulated depreciation for: | | | | | |
| Buildings | (17,543,261) | (866,764) | 3,226,646 | - | (15,183,379) |
| Infrastructure | (15,534,322) | (1,227,211) | - | 62,052 | (16,699,481) |
| Machinery and equipment | (7,983,367) | (785,274) | - | (62,052) | (8,830,693) |
| Total accumulated depreciation | (41,060,950) | (2,879,249) | 3,226,646 | - | (40,713,553) |
| Total capital assets, being depreciated, net | 56,968,295 | (2,402,271) | (1,141,086) | 2,559,947 | 55,984,885 |
| Governmental activities capital assets, net | $ 61,462,610 | $ (670,466) | $ (1,141,086) | $ - | $ 59,651,058 |

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

| | |
|---|---|
| Governmental activities: | |
| General government | $ 250,019 |
| Judicial | 184,128 |
| Public safety | 523,464 |
| Public works | 1,668,765 |
| Health and welfare | 151,698 |
| Culture and recreation | 59,251 |
| Housing and development | 41,924 |
| Total depreciation expense - governmental activities | $ 2,879,249 |

## NOTE 6. CAPITAL ASSETS (CONTINUED)

### A. Primary Government (Continued)

| | Beginning Balance | Increases | Decreases | Transfers | Ending Balance |
|---|---|---|---|---|---|
| **Business-type Activities:** | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | $ 573,485 | $ - | $ - | $ - | $ 573,485 |
| Total capital assets, not being depreciated | 573,485 | - | - | - | 573,485 |
| Capital assets, being depreciated: | | | | | |
| Equipment and vehicles | 993,428 | 7,101 | - | - | 1,000,529 |
| Total | 993,428 | 7,101 | - | - | 1,000,529 |
| Less accumulated depreciation for: | | | | | |
| Equipment and vehicles | (371,673) | (140,865) | - | - | (512,538) |
| Total | (371,673) | (140,865) | - | - | (512,538) |
| Total capital assets, being depreciated, net | 621,755 | (133,764) | - | - | 487,991 |
| Business-type activities capital assets, net | $ 1,195,240 | $ (133,764) | $ - | $ - | $ 1,061,476 |

### B. Discretely Presented Component Unit – Colquitt County Health Department

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Capital assets, being depreciated: | | | | |
| Machinery and equipment | $ 60,673 | $ 28,000 | $ - | $ 88,673 |
| Total capital assets, being depreciated | 60,673 | 28,000 | - | 88,673 |
| Less accumulated depreciation for: | | | | |
| Machinery and equipment | (53,893) | (2,140) | - | (56,033) |
| Total accumulated depreciation | (53,893) | (2,140) | - | (56,033) |
| Total capital assets, net | $ 6,780 | $ 25,860 | $ - | $ 32,640 |

## NOTE 6. CAPITAL ASSETS (CONTINUED)

### C. Discretely Presented Component Unit – Moultrie – Colquitt County Library

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Capital assets, being depreciated: | | | | |
| Machinery and equipment | $ 24,271 | $ - | $ - | $ 24,271 |
| Total capital assets, being depreciated | 24,271 | - | - | 24,271 |
| Less accumulated depreciation for: | | | | |
| Machinery and equipment | (11,974) | (4,854) | - | (16,828) |
| Total accumulated depreciation | (11,974) | (4,854) | - | (16,828) |
| Total capital assets, net | $ 12,297 | $ (4,854) | $ - | $ 7,443 |

## NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2010:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| Notes payable | $ 3,789,020 | $ 140,000 | $ (345,557) | $ 3,583,463 | $ 343,236 |
| Compensated absences | 287,495 | 113,095 | (122,861) | 277,729 | 222,184 |
| Net pension obligation | (293,372) | 364,621 | - | 71,249 | - |
| Environmental remediation liability | 105,000 | 42,420 | (42,420) | 105,000 | - |
| Governmental activities long-term liabilities | $ 3,888,143 | $ 660,136 | $ (510,838) | $ 4,037,441 | $ 565,420 |
| **Business-type activities:** | | | | | |
| Notes payable | $ 650,997 | $ - | $ (650,997) | $ - | $ - |
| Compensated absences | - | 24,652 | (6,281) | 18,371 | 14,697 |
| Business-type activities long-term liabilities | $ 650,997 | $ 24,652 | $ (657,278) | $ 18,371 | $ 14,697 |

**Compensated absences.** For governmental funds, compensated absences are liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Solid Waste Fund.

## NOTE 7. LONG-TERM DEBT (CONTINUED)

### Governmental Activities Debt

**Notes payable.** The County has incurred debt to a local financial institution for a building and equipment purchases. These notes are as follows at June 30, 2010:

| Purpose | Original Amount | Interest Rate | Due Date | Balance at June 30, 2010 |
|---|---|---|---|---|
| Building purchase | $ 5,052,000 | 5.19% | 2020 | $ 3,468,390 |
| Equipment purchase | 140,000 | 4.07% | 2013 | 115,073 |
| | | | | 3,583,463 |
| | | Less current maturities | | (343,236) |
| | | | | $ 3,240,227 |

Annual debt service requirements are as follows:

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2011 | $ 343,236 | $ 176,852 | $ 520,088 |
| 2012 | 358,814 | 159,245 | 518,059 |
| 2013 | 340,731 | 141,131 | 481,862 |
| 2014 | 342,643 | 123,668 | 466,311 |
| 2015 | 360,837 | 105,474 | 466,311 |
| 2016-2020 | 1,837,202 | 222,336 | 2,059,538 |
| | $ 3,583,463 | $ 928,706 | $ 4,512,169 |

**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 comply with the Resource Conservation and Recovery Act and the Georgia Hazardous Site Response Act. At June 30, 2010 the amount of the environmental remediation liability included in long term liabilities was $105,000.

## NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2010, is as follows:

Due to/from other funds:

**Due to/from other funds:**

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| General Fund | 2002 SPLOST Fund | $ 198 |
| General Fund | 2007 SPLOST Fund | 193,665 |
| General Fund | Nonmajor Governmental Funds | 89,418 |
| General Fund | Solid Waste Fund | 561,181 |
| Nonmajor Governmental Funds | Nonmajor Governmental Funds | 86,196 |
| Nonmajor Governmental Funds | Internal Service Fund | 242 |
| Nonmajor Governmental Funds | 2007 SPLOST Fund | 309,255 |
| 2002 SPLOST Fund | 2007 SPLOST Fund | 126,792 |
| Internal Service Fund | General Fund | 57,470 |
| Nonmajor Governmental Funds | General Fund | 328,651 |
| | | $ 1,753,068 |

**Advances to/from other funds:**

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| General Fund | Solid Waste Fund | $ 500,000 |

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Advances to/from other funds represent amounts not expected to be repaid within one year from the date of the financial statements.

Interfund transfers:

| | Transfers Out | | |
|---|---|---|---|
| Transfers In | General Fund | Nonmajor Governmental Funds | Total |
| General Fund | $ - | $ 176,300 | $ 176,300 |
| Nonmajor Governmental Funds | 91,983 | 241,196 | 333,179 |
| Total | $ 91,983 | $ 417,496 | $ 509,479 |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## NOTE 9. RETIREMENT PLANS

### A. Defined Contribution Plan

The County maintains a defined contribution plan, the ACCG 457 Deferred Compensation Plan for Colquitt County (the "Plan"). The Plan is administered by GebCorp. At June 30, 2010, there were 48 active participants. The County does not make any contributions to the Plan. Plan participants can contribute up to the annual ceiling established by the Internal Revenue Service. All contributions vest at the time they are made. All employees are eligible to participate in the Plan. Plan provisions and contribution requirements are established by and may be amended by the Colquitt County Board of Commissioners. For the year ended June 30, 2010, the County employees contributed $61,489.

### B. Defined Benefit Plan

#### Plan Description

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Colquitt County Employees (the "Benefit Plan"), which is a defined benefit pension plan. All full-time employees are eligible to participate in the County's noncontributory defined benefit pension plan after completion of three years of service.

The Benefit Plan provides retirement, disability and death benefits to plan participants and beneficiaries. The Benefit Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (The "ACCG Plan"), an agent multiple-employer pension plan administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of the ACCG Plan document. Complete financial statements for the Association County Commissioners of Georgia (ACCG) Defined Benefit Pension Plan can be obtained from GEBCorp, 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia 30339.

#### Funding Policy

The County is required to contribute an actuarially determined amount annually to the Benefit Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and intended to satisfy the minimum contribution requirements as set forth in the State of Georgia statutes. Benefit Plan participants do not contribute to the Benefit Plan.

## NOTE 9. RETIREMENT PLANS (CONTINUED)

### B. Defined Benefit Plan (Continued)

### Annual Pension Cost

The County's annual pension cost and net pension asset for the Benefit Plan for the current and prior years are as follows:

| | 2010 | 2009 |
|---|---|---|
| **Derivation of Annual Pension Cost** | | |
| Annual Required Contribution | $ 921,781 | $ 860,918 |
| Interest on Net Pension Obligation | 5,522 | (22,736) |
| Amortization of Net Pension Obligation | (5,908) | 24,327 |
| Annual Pension Cost | $ 921,395 | $ 862,509 |

### Annual Pension Cost (Continued)

| | |
|---|---|
| **Derivation of Net Pension Obligation** | |
| Annual Pension Cost for Fiscal Year 2009 | $ 862,509 |
| Actual Contributions to Plan for Fiscal Year 2009 | 497,888 |
| Increase (Decrease) in Net Pension Obligation | 364,621 |
| Net Pension Obligation (Asset) as of June 30, 2009, as restated | (293,372) |
| Net Pension Obligation (Asset) as of June 30, 2010 | $ 71,249 |

| | |
|---|---|
| **Basis of Valuation** | |
| Current Valuation Date | January 1, 2010 |
| Annual Return on Invested Plan Assets | 7.75% |
| Projected Annual Salary Increases | 4.0% -6.5% based on age |
| Expected Annual Inflation | 3.0% |
| Actuarial Value of Assets | Market Value |
| Actuarial Funding Method | Projected Unit Credit |
| Amortization Method | Level Percent of Pay (Closed) |

The period for amortizing the initial unfunded actuarial accrued liability is 15 years from 1983 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, and over 30 years for changes in actuarial assumptions and cost methods.

**Trend Information for The Plan**

| Fiscal Year Beginning | Annual Pension Cost (APC) | Actual County Contribution | Percentage of APC Contributed | Net Pension Obligation (Asset) |
|---|---|---|---|---|
| 1/1/2008 | $ 729,857 | $ 779,995 | 107 % | $ (243,234) |
| 1/1/2009 | 862,509 | 497,888 | 58 | (293,372) |
| 1/1/2010 | 921,395 | N/A | N/A | 71,249 |

## NOTE 9. RETIREMENT PLANS (CONTINUED)

### B. Defined Benefit Plan (Continued)

Required Supplementary Information Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability | Unfunded Actuarial Accrued Liability | Funded Ratio | Annual Covered Payroll | Accrued Liability as a Percentage of Covered Payroll |
|---|---|---|---|---|---|---|
| 12/31/2009 | $ 7,928,143 | $ 11,902,928 | $ 3,974,785 | 66.6% | $ 6,140,886 | 64.7% |

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial liability.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2010.

## NOTE 10. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in the Association of County Commissioners of Georgia (ACCG) Group Self-Insurance Workers' Compensation Fund and the Interlocal Risk Management Agency Property and Liability Insurance Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

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 pools' 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 pools' 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 government contract and in accordance with the Workers' Compensation Law of Georgia. The funds are to pay all costs 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.

## NOTE 10. RISK MANAGEMENT (CONTINUED)

Settled claims in the past three years have not exceeded the coverages.

The County maintains a self-insured medical benefit plan for their employees. The plan is accounted for as an internal service fund of the County, is funded according to plan experience, and serves to reduce overall healthcare costs of the County and their employees. The County purchases specific and aggregate stop loss insurance coverage to protect itself in unusual circumstances. Claims payable at June 30, 2010 were estimated based on the loss analysis report provided by a third-party administrator and pending specific stop loss reimbursements.

Changes in medical claims payable for the years ended June 30 are as follows:

| | June 30, 2010 | June 30, 2009 |
|---|---|---|
| Unpaid claims, beginning of fiscal year | $ 709,889 | $ 845,522 |
| Incurred claims and changes in estimates | 2,364,779 | 2,979,237 |
| Claim payments | (2,446,335) | (3,114,870) |
| Unpaid claims, end of fiscal year | $ 628,333 | $ 709,889 |

## NOTE 11. COMMITMENTS AND CONTINGENCIES

### Litigation:

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

### Grant Contingencies:

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

## NOTE 12. JOINT VENTURES

Under Georgia law, the County, in conjunction with other cities and counties in the Southwest Georgia area, is a member of the Southwest Georgia Regional Commission (RC) and is required to pay annual dues thereto. During the year ended June 30, 2010, the County paid $26,451 in such dues. Membership in the RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of regional commissions in Georgia.

The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional commission. Separate financial statements may be obtained from Southwest Georgia Regional Commission, 30 West Broad Street, Camilla, Georgia 31730.

## NOTE 13. PRIOR PERIOD RESTATEMENTS

The County has determined that a restatement of beginning net assets of governmental activities is required to reflect corrections for errors in the June 30, 2009 financial report. These restatements are as follows:

| | |
|---|---|
| Governmental activities net assets, as previously reported | $ 72,241,082 |
| Adjustment needed to properly state the County's capital assets | 1,674,750 |
| Individual fund level prior period adjustments discussed below | 97,577 |
| Governmental type activities net assets, as restated | $ 74,013,409 |

Additionally, the County has determined that restatements of fund balance are required to reflect corrections for errors in the June 30, 2009 financial report. These restatements are as follows:

| | Confiscated Assets Fund | Law Library Fund |
|---|---|---|
| Fund balance as previously reported | $ - | $ - |
| Individual fund level prior period adjustments discussed below | 49,052 | 48,525 |
| Fund balance as restated | $ 49,052 | $ 48,525 |

## NOTE 13. PRIOR PERIOD RESTATEMENTS (CONTINUED)

The County has determined that a restatement of governmental fund assets and liabilities is required to reflect corrections in the County's Other Governmental Funds. The restatement within the Confiscated Assets Fund properly increased cash by $49,052 and increased fund balance by the same amount. The restatement within the Law Library fund properly increased cash by $48,525 and increased fund balance by the same amount.

To further explain the above restatements, the following thoughts are provided:

**Recording of Capital Assets.** The County noted instances of errors related to capital assets of governmental activities. These errors caused a variety of asset understatements relative to the carrying value of capital assets. Such errors were related to not properly capitalizing construction in progress in prior years. The County has determined an adjustment to capital assets was required to appropriately reflect capital assets of governmental activities as of June 30, 2009.

**Recording of the Confiscated Asset Fund.** The Local Government Uniform Chart of Accounts and Reporting Act (HB491) was passed by the Georgia General Assembly in 1997. This Act called for the Georgia Department of Community Affairs to develop a uniform chart of accounts to be used by local governments in the state. All of Georgia's county and municipal governments, and organizations controlled by them, are required to comply with the provisions set forth in the uniform chart of accounts beginning with the years ending December 31, 2001. The uniform chart of accounts identifies the Confiscated Asset Fund as a special revenue fund required to account for the cash received either from a cash confiscation, or cash received from a sale of capital assets acquired from a drug raid. The County elected to record a restatement relative to the June 30, 2009 financial report to include the Confiscated Asset Fund. Activity related to confiscated assets had been recorded in the Sherriff Agency Fund in prior years.

**Recording of the Law Library Fund.** The Local Government Uniform Chart of Accounts and Reporting Act (HB491) was passed by the Georgia General Assembly in 1997. This Act called for the Georgia Department of Community Affairs to develop a uniform chart of accounts to be used by local governments in the state. All of Georgia's county and municipal governments, and organizations controlled by them, are required to comply with the provisions set forth in the uniform chart of accounts beginning with the years ending December 31, 2001. The uniform chart of accounts identifies the Law Library Fund as a special revenue fund required to account for the county-operated law libraries. The County elected to record a restatement relative to the June 30, 2009 financial report to include the Law Library Fund. Activity related to the Law Library had been recorded in the Clerk of Courts Agency Fund in prior years.

## NOTE 14. DEFICIT NET ASSETS

The Self Insurance Fund reported a deficit net asset balance of $55,051 for June 30, 2010. The Self Insurance deficit is intended to be eliminated through increased charges to other funds.

## REQUIRED SUPPLEMENTARY INFORMATION

## DEFINED BENEFIT RETIREMENT PLAN
## SCHEDULE OF FUNDING PROGRESS

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability | Unfunded Actuarial Accrued Liability | Funded Ratio | Annual Covered Payroll | Accrued Liability as a Percentage of Covered Payroll |
|---|---|---|---|---|---|---|
| 12/31/2004 | $ 5,247,068 | $ 6,881,926 | $ 1,634,858 | 76.2% | $ 4,624,590 | 35.4% |
| 12/31/2005 | 5,970,310 | 8,352,061 | 2,381,751 | 71.5% | 5,136,652 | 46.4% |
| 12/31/2006 | 6,702,358 | 8,903,812 | 2,201,454 | 75.3% | 5,262,128 | 41.8% |
| 12/31/2007 | 7,417,908 | 9,837,777 | 2,419,869 | 75.4% | 5,333,676 | 45.4% |
| 12/31/2008 | 7,540,877 | 10,829,159 | 3,288,282 | 69.6% | 5,785,824 | 56.8% |
| 12/31/2009 | 7,928,143 | 11,902,928 | 3,974,785 | 66.6% | 6,140,886 | 64.7% |

The assumptions used in the preparation of the above schedule are disclosed in Note 9 to the financial statements.

# NONMAJOR GOVERNMENTAL FUNDS

## Special Revenue Funds

**Special Tax District Fund** is used to account for the receipts and expenditures of additional taxes from unincorporated areas to pay for police and fire protection, economic development, and recreation.

**Confiscated Assets Fund** is used to account for confiscated assets awarded to the County to be spent on law enforcement at the discretion of the Sheriff.

**E-911 System Fund** is used to account for the County's emergency communications operations by providing an open channel between citizens and public safety providers.

**Jail Fund** is used to account for revenues collected by the imposition of a 10% add-on fine as provided for by the Georgia Jail Construction and Staffing Act.

**Drug Fund** is used to account for the collection of additional penalties for certain drug related crimes, donations related to drug education, and for expenditure of those funds solely and exclusively for drug abuse treatment and education programs relating to controlled substances and marijuana. (OCGA 15-21-100).

**Law Library Fund** is used to account for the resources received from the various courts of Colquitt County and disbursements for the support of a centralized law library.

**Juvenile Service Fund** is used to account for the County's funds collected for the support of juvenile services in the County.

## Debt Service Fund

**Debt Service Fund** is used to account for the repayment of debt payments.

## Capital Projects Funds

**Capital Projects Fund** is used to account for the County's construction projects.

**1999 SPLOST Fund** is used to account for courthouse renovations and annex construction financed by a special purpose sales and use tax.

# COLQUITT COUNTY, GEORGIA

## COMBINING BALANCE SHEET
## NONMAJOR GOVERNMENTAL FUNDS
## JUNE 30, 2010

| | Special Revenue | | | | |
|---|---|---|---|---|---|
| ASSETS | Special Service District Fund | Confiscated Assets Fund | E911 Fund | Jail Fund | Drug Fund |
| Cash and cash equivalents | $ - | $ 92,246 | $ 149,387 | $ 201,605 | $ 24,133 |
| Investments | - | - | - | - | - |
| Taxes receivable | 2,873 | - | - | - | - |
| Due from other funds | 328,651 | - | 86,438 | - | - |
| Due from other governments | - | - | 106,436 | - | - |
| Total assets | $ 331,524 | $ 92,246 | $ 342,261 | $ 201,605 | $ 24,133 |
| **LIABILITIES AND FUND BALANCES** | | | | | |
| **LIABILITIES** | | | | | |
| Accounts payable | $ - | $ - | $ 100,328 | $ - | $ - |
| Due to other funds | 86,196 | - | 34,936 | - | 11,300 |
| Deferred revenue | - | - | - | - | - |
| Total liabilities | 86,196 | - | 135,264 | - | 11,300 |
| **FUND BALANCES** | | | | | |
| Unreserved, undesignated | 245,328 | 92,246 | 206,997 | 201,605 | 12,833 |
| Total fund balances | 245,328 | 92,246 | 206,997 | 201,605 | 12,833 |
| Total liabilities and fund balances | $ 331,524 | $ 92,246 | $ 342,261 | $ 201,605 | $ 24,133 |

| | | Debt Service | Capital Projects | | |
|---|---|---|---|---|---|
| Law Library | Juvenile Services Fund | Debt Service Fund | Capital Projects Fund | 1999 SPLOST Fund | Total |
| $ 46,471 | $ 23,073 | $ 34,717 | $ 450,243 | $ 6,042 | $ 1,027,917 |
| - | - | - | - | 327,590 | 327,590 |
| - | - | - | - | - | 2,873 |
| - | - | - | 309,255 | - | 724,344 |
| - | - | - | - | - | 106,436 |
| $ 46,471 | $ 23,073 | $ 34,717 | $ 759,498 | $ 333,632 | $ 2,189,160 |
| | | | | | |
| $ - | $ - | $ - | $ 15,683 | $ 96,022 | $ 212,033 |
| - | - | - | 43,182 | - | 175,614 |
| - | - | - | 650 | - | 650 |
| - | - | - | 59,515 | 96,022 | 388,297 |
| | | | | | |
| 46,471 | 23,073 | 34,717 | 699,983 | 237,610 | 1,800,863 |
| 46,471 | 23,073 | 34,717 | 699,983 | 237,610 | 1,800,863 |
| $ 46,471 | $ 23,073 | $ 34,717 | $ 759,498 | $ 333,632 | $ 2,189,160 |

# COLQUITT COUNTY, GEORGIA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Special Revenue | | | | |
|---|---|---|---|---|---|
| | Special Service District Fund | Confiscated Assets Fund | E911 Fund | Jail Fund | Drug Fund |
| **Revenues:** | | | | | |
| Property taxes | $ 1,742,401 | $ - | $ - | $ - | $ - |
| Intergovernmental | - | - | 161,577 | - | - |
| Charges for services | - | - | 643,823 | - | - |
| Fines and forfeitures | - | 49,352 | - | 164,569 | 29,023 |
| Interest income | - | - | 1,435 | 1,017 | 89 |
| Other revenues | - | - | - | - | - |
| Total revenues | 1,742,401 | 49,352 | 806,835 | 165,586 | 29,112 |
| **Expenditures:** | | | | | |
| Current: | | | | | |
| Judicial | - | - | - | - | - |
| Public safety | 473,950 | 6,158 | 1,227,889 | - | - |
| Health and welfare | - | - | - | - | - |
| Culture and recreation | 681,927 | - | - | - | - |
| Housing and development | 100,000 | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Total expenditures | 1,255,877 | 6,158 | 1,227,889 | - | - |
| Excess (deficiency) of revenues over (under) expenditures | 486,524 | 43,194 | (421,054) | 165,586 | 29,112 |
| **Other financing sources (uses):** | | | | | |
| Proceeds from sale of assets | - | - | - | - | - |
| Transfers in | - | - | 241,196 | - | - |
| Transfers out | (241,196) | - | - | (150,000) | (26,300) |
| Total other financing sources (uses) | (241,196) | - | 241,196 | (150,000) | (26,300) |
| Net change in fund balances | 245,328 | 43,194 | (179,858) | 15,586 | 2,812 |
| **Fund balances, beginning of year, as restated** | - | 49,052 | 386,855 | 186,019 | 10,021 |
| **Fund balances, end of year** | $ 245,328 | $ 92,246 | $ 206,997 | $ 201,605 | $ 12,833 |

| | | Debt Service | Capital Projects | | |
|---|---|---|---|---|---|
| Law Library | Juvenile Services Fund | Debt Service Fund | Capital Projects Fund | 1999 SPLOST Fund | Total |
| $ - | $ - | $ - | $ - | $ - | $ 1,742,401 |
| - | - | - | 581,927 | - | 743,504 |
| - | - | - | - | - | 643,823 |
| 20,909 | 6,247 | - | - | - | 270,100 |
| 133 | - | - | 1,119 | 3,516 | 7,309 |
| - | - | - | 5,172 | - | 5,172 |
| 21,042 | 6,247 | - | 588,218 | 3,516 | 3,412,309 |
| | | | | | |
| 23,096 | - | - | - | - | 23,096 |
| - | - | - | - | - | 1,707,997 |
| - | 3,150 | - | - | - | 3,150 |
| - | - | - | - | - | 681,927 |
| - | - | - | - | - | 100,000 |
| - | - | - | 297,127 | 969,315 | 1,266,442 |
| 23,096 | 3,150 | - | 297,127 | 969,315 | 3,782,612 |
| | | | | | |
| (2,054) | 3,097 | - | 291,091 | (965,799) | (370,303) |
| | | | | | |
| - | - | - | 36,000 | - | 36,000 |
| - | - | - | 91,983 | - | 333,179 |
| - | - | - | - | - | (417,496) |
| | | | | | |
| - | - | - | 127,983 | - | (48,317) |
| | | | | | |
| (2,054) | 3,097 | - | 419,074 | (965,799) | (418,620) |
| | | | | | |
| 48,525 | 19,976 | 34,717 | 280,909 | 1,203,409 | 2,219,483 |
| | | | | | |
| $ 46,471 | $ 23,073 | $ 34,717 | $ 699,983 | $ 237,610 | $ 1,800,863 |

# COLQUITT COUNTY, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| Project Description | Original Costs | Estimated Costs | Expenditures | | |
|---|---|---|---|---|---|
| | | | Prior Years | Current Year | Total |
| **1999 REFERENDUM** | | | | | |
| Courthouse Renovations | $ 6,000,000 | $ 6,000,000 | $ 7,657,957 | $ 969,315 | $ 8,627,272 |
| **2002 REFERENDUM** | | | | | |
| Moultrie - Colquitt County Library | $ 249,600 | $ 249,600 | $ 226,924 | $ - | $ 226,924 |
| Sheriff's Department | 271,200 | 271,200 | 410,776 | 322,660 | 733,436 |
| County Records Repository | 249,600 | 249,600 | - | - | - |
| Sunset Airport | 249,600 | 249,600 | 150,949 | - | 150,949 |
| County Museum | 100,800 | 100,800 | 24,625 | - | 24,625 |
| Economic Development Authority | 4,999,200 | 4,999,200 | 3,702,819 | 100,000 | 3,802,819 |
| Roads, Streets and Bridges | 10,701,600 | 10,701,600 | 10,701,600 * | - | 10,701,600 |
| City of Berlin Projects | 151,200 | 151,200 | 152,188 | - | 152,188 |
| City of Doerun Projects | 499,200 | 499,200 | 499,199 | - | 499,199 |
| City of Ellenton Projects | 124,800 | 124,800 | 124,799 | - | 124,799 |
| City of Funston Projects | 100,800 | 100,800 | 100,800 | - | 100,800 |
| City of Moultrie Projects | 5,892,000 | 5,892,000 | 4,993,629 | 99,122 | 5,092,751 |
| City of Norman Park Projects | 374,400 | 374,400 | 233,570 | - | 233,570 |
| City of Riverside Projects | 36,000 | 36,000 | 36,000 | - | 36,000 |
| Totals | $ 24,000,000 | $ 24,000,000 | $ 21,357,878 | $ 521,782 | $ 21,879,660 |
| **2007 REFERENDUM** | | | | | |
| Moultrie - Colquitt County Library | $ 75,000 | $ 75,000 | $ - | $ 11,154 | $ 11,154 |
| Sheriff Administration Building | 1,000,000 | 1,000,000 | 1,107,813 | 12 | 1,107,825 |
| CCCI Prison Project | 1,000,000 | 1,000,000 | - | - | - |
| Moultrie Municipal Airport | 275,000 | 275,000 | 72,428 | - | 72,428 |
| Economic Development Authority | 2,000,000 | 2,000,000 | 749,970 | - | 749,970 |
| Roads, Streets and Bridges | 12,500,000 | 12,500,000 | 4,032,004 * | 992,582 | 5,024,586 |
| City of Berlin Projects | 176,000 | 176,000 | 33,967 | 21,600 | 55,567 |
| City of Doerun Projects | 600,000 | 600,000 | 63,533 | 63,533 | 127,066 |
| City of Ellenton Projects | 130,000 | 130,000 | 86,969 | - | 86,969 |
| City of Funston Projects | 126,000 | 126,000 | 33,386 | - | 33,386 |
| City of Moultrie Projects | 11,725,000 | 11,725,000 | 3,855,019 | 2,958,538 | 6,813,557 |
| City of Norman Park Projects | 353,000 | 353,000 | 46,027 | 146,658 | 192,685 |
| City of Riverside Projects | 40,000 | 40,000 | - | - | - |
| Totals | $ 30,000,000 | $ 30,000,000 | $ 10,081,116 | $ 4,194,077 | $ 14,275,193 |

# COLQUITT COUNTY, GEORGIA

## SCHEDULE OF STATE AWARDS EXPENDED
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| State Department and Program Name | Grant Contract Number | Deferred Revenue 6/30/2009 | Revenues | Expenditures | Deferred Revenue 6/30/2010 |
|---|---|---|---|---|---|
| Georgia Department of Human Resources: | | | | | |
| Family Connection Program | 427-93-10100267-99 | $ 33,371 | $ 54,641 | $ 43,929 | $ 44,083 |
| Total expenditures | | | | | |

**Notes to the Schedule of State Awards Expended**

1. The Schedule of State Awards Expended includes the state grant activity of Colquitt County, GA and is presented on the modified accrual basis of accounting.

# AGENCY FUNDS

**Tax Commissioner** – This fund is used to account for all real, personal and intangible taxes collected and forwarded to the County and other government units.

**Jail Inmate Fund** – This fund accounts for jail inmate funds while in custody, and for the purchase of items from the Jail Commissary and related activities on behalf of inmates and the correctional institution.

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

**Clerk of Superior Court**
**Probate Court**
**Sheriff's Office**
**Magistrate Court**

# COLQUITT COUNTY, GEORGIA

## COMBINING BALANCE SHEET
## AGENCY FUNDS
## JUNE 30, 2010

| ASSETS | Tax Commissioner | Jail Inmate | Clerk of Courts | Probate Court |
|---|---|---|---|---|
| Cash | $ 17,219 | $ 59,147 | $ 427,264 | $ 2,544 |
| Investments | - | - | - | 7,647 |
| Taxes receivable | 20,864 | - | - | - |
| Total assets | $ 38,083 | $ 59,147 | $ 427,264 | $ 10,191 |
| **LIABILITIES** | | | | |
| Due to others | $ 17,219 | $ 59,147 | $ 427,264 | $ 10,191 |
| Uncollected taxes | 20,864 | - | - | - |
| Total liabilities | $ 38,083 | $ 59,147 | $ 427,264 | $ 10,191 |

| Sheriff | Magistrate Court | Total |
|---|---|---|
| $ 121,422 | $ 5,539 | $ 633,135 |
| - | - | 7,647 |
| - | - | 20,864 |
| $ 121,422 | $ 5,539 | $ 661,646 |

| | | |
|---|---|---|
| $ 121,422 | $ 5,539 | $ 640,782 |
| - | - | 20,864 |
| $ 121,422 | $ 5,539 | $ 661,646 |

# COLQUITT COUNTY, GEORGIA

## BALANCE SHEET
## COMPONENT UNIT - MOULTRIE - COLQUITT COUNTY LIBRARY
## JUNE 30, 2010

| | | |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | $ | 684,673 |
| Investments | | 174,283 |
| Total assets | $ | 858,956 |
| **LIABILITIES AND FUND BALANCE** | | |
| Accounts payable | | 15,831 |
| Accrued expenses | | 2,276 |
| Total liabilities | | 18,107 |
| Fund balance, unreserved | | 840,849 |
| Total liabilities and fund balance | $ | 858,956 |

# COLQUITT COUNTY, GEORGIA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
## COMPONENT UNIT - MOULTRIE - COLQUITT COUNTY LIBRARY
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | | |
|---|---|---|
| **Revenues:** | | |
| Intergovernmental | $ | 602,193 |
| Charges for services | | 106,586 |
| Interest revenue | | 4,947 |
| Total revenues | | 713,726 |
| **Expenditures** | | 728,225 |
| Net change in fund balances | | (14,499) |
| **Fund balance, beginning of year** | | 855,348 |
| **Fund balance, end of year** | $ | 840,849 |

# COMPLIANCE SECTION

MAULDIN & JENKINS

CERTIFIED PUBLIC ACCOUNTANTS, LLC

# INDEPENDENT AUDITOR'S 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*

**Board of Commissioners**
**of Colquitt County, Georgia**
**Moultrie, Georgia**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Colquitt County, Georgia as of and for the year ended June 30, 2010, which collectively comprise Colquitt County, Georgia's basic financial statements, and have issued our report thereon dated May 23, 2011. Our report includes a reference to 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. Other auditors audited the financial statements of the Colquitt County Board of Health, as described in our report on Colquitt County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Colquitt County, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose expressing an opinion on the effectiveness of Colquitt County, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Colquitt County, Georgia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2010-2 and 2010-4 to be material weaknesses.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in the accompanying schedule of findings and responses as items 2010-1 and 2010-3 to be significant deficiencies.

**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 grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2010-2 and 2010-5.

We also noted certain additional matters that we reported to the management of Colquitt County, Georgia in a separate letter dated May 23, 2011.

Colquitt County, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Colquitt County, Georgia's responses and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management and the Board of Commissioners of Colquitt County, Georgia, 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.

Mauldin & Jenkins, LLC

Albany, Georgia
May 23, 2011

# COLQUITT COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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### SECTION I
### SUMMARY OF AUDIT RESULTS

***Financial Statements***

| | |
|---|---|
| Type of auditor's report issued | Unqualified |
| Internal control over financial reporting: | |
| Material weaknesses identified? | __X__ yes _____no |
| Significant deficiencies identified not considered to be material weaknesses? | __X__ yes _____none reported |
| Noncompliance material to financial statements noted? | __X__ yes _____no |

***Federal Awards***

There was not an audit of major federal award programs as of June 30, 2010 due to the total amount expended being less than $500,000.

### SECTION II
### FINANCIAL STATEMENT FINDINGS AND RESPONSES

**2010 - 1. Segregation of Duties**

Criteria: Internal controls should be in place to provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: For the fiscal year ending June 30, 2010, we noted a lack of proper segregation of duties within several areas of Colquitt County, Georgia's operations, including the Clerk of Court, Probate Court, Magistrate Court, Sheriff's Office and County Finance Department.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures.

Effect: Failure to properly segregate duties between recording, distribution and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business.

Recommendation: The duties of recording, distribution and reconciliation of accounts should be segregated between employees.

Views of Responsible Officials and Planned Corrective Action: We concur. We will work with staff to segregate duties and apply compensating controls to the extent possible.

# COLQUITT COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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### SECTION II
### SUMMARY OF AUDIT RESULTS (CONTINUED)

**2010 - 2. Uniform Chart of Accounts**

Criteria: The Official Code of Georgia (OCGA) Section 36-81-1 requires governments to maintain separate special revenue funds for revenues received related to asset forfeitures and activity related to the County's law library.

Condition: At June 30, 2010, the City had not yet fully adopted the State of Georgia Uniform Chart of Accounts in accordance with the Official Code of Georgia Annotated (OCGA) Section 36-81-1 with respect to certain special revenue fund activities.

Context: See above condition.

Effect: By not maintaining a separate Confiscated Assets Fund and Law Library Fund, the County was not in compliance with the Uniform Chart of Accounts.

Cause: The County has maintained asset forfeiture activities in its Sheriff's Agency Fund and the law library activities in the Clerk of Court Agency Fund in prior years.

Recommendation: The County should implement the Uniform Chart of Accounts immediately in accordance with the Official Code of Georgia Annotated.

Views of Responsible Officials and Planned Corrective Action: We concur with the recommendation. We will maintain the activities of the Asset Forfeiture Fund and the Law Library Fund in separate special revenue funds, and these fund's activities will be included within our financial report in future years.

**2010 - 3. Management of Accounts Payable Accounts**

Criteria: Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.

Condition: The County did not properly address the above criteria as of June 30, 2010 as it relates to accounts payable of the Moultrie – Colquitt County Library.

Context: We addressed this matter with County officials and they were able to determine the amount of accounts payable that should be recorded in this fund as of June 30, 2010.

Effect: An adjustment to increase accounts payable in the amount of $3,196 and increase expenditures in the same amount was required to be made to the books of the Moultrie – Colquitt County Library.

### SECTION II
### SUMMARY OF AUDIT RESULTS (CONTINUED)

**2010-3. Management of Accounts Payable Accounts (Continued)**

Cause: Reconciliations of accounts payable and accrued expenditures are not being performed on a monthly basis.

Recommendation: We recommend the County implement procedures to reconcile all accounts payable and accrued expenditure subsidiary ledgers to the general ledger on a monthly basis.

Views of Responsible Officials and Planned Corrective Action: We concur. We will establish procedures to reconcile subsidiary ledgers with the general ledger on a monthly basis.

**2010-4. Management of Capital Assets**

Criteria: Generally accepted accounting principles generally require the reporting of all capital assets at their historical cost, which is written off periodically, or depreciated, in a systematic and rational manner.

Condition: The County did not properly record depreciation expense of the Moultrie – Colquitt County Library during the year ended June 30, 2010.

Context: See above condition.

Effect: An audit adjustment to increase depreciation expense in the amount of $4,854 and to increase accumulated depreciation by the same amount was required to be reported within the Moultrie – Colquitt County Library as of June 30, 2010.

Recommendation: We recommend the County review all capital asset activity and verify that depreciation is being properly recorded.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will review all capital asset activity and properly record depreciation expense.

**2010 - 5. Special Revenue Fund Budgets**

Criteria: House Bill 1364 of the 1998 session of the Georgia General Assembly requires an annual balanced budget for the General Fund, each special revenue fund, each debt service fund and requires a project length balanced budget for each capital projects fund.

Condition: For the fiscal year ending December 31, 2010, no annual budget was adopted for the Confiscated Assets Fund and the Law Library Fund in accordance with the Official Code of Georgia (OCGA) Sections 36-81-2 through 36-81-6.

# COLQUITT COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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### SECTION II
### SUMMARY OF AUDIT RESULTS (CONTINUED)

**2010 - 5. Special Revenue Fund Budgets (Continued)**

Context: See above condition.

Effect: By not adopting a budget for all of the required funds, the County is not in compliance with state law.

Cause: The County did not include the above funds in the budgeting process.

Recommendation: The County should adopt an annual balanced budget for each special revenue fund.

Views of Responsible Officials and Planned Corrective Action: We concur. A budget will be adopted for all required funds going forward.

### SECTION III
### FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not Applicable

# COLQUITT COUNTY, GEORGIA

## SCHEDULE OF PRIOR YEAR FINDINGS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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**2009 - 1. Segregation of Duties**

Criteria: Duties should be segregated between employees so that the responsibility for authorizing transactions, approving transactions and maintaining custody of assets are assigned to different personnel.

Condition: Colquitt County, Georgia is a small local government and has a limited amount of resources and employees. Therefore, the County does not have an adequate number of employees to provide for proper segregation of duties.

Auditee Response/Status: Unresolved – See current year financial audit finding 2010-1.

**2009 - 2. Management of Due to/from (Internal) Accounts**

Criteria: Policies, procedures and monitoring controls should be in place to provide for the recording of transactions to internal accounts.

Condition: The County's procedures for recording and monitoring internal accounts did not prevent misstatements in the Capital Projects Fund.

Auditee Response/Status: The above finding was corrected for the fiscal year ending June 30, 2010.

**2009 - 3. Management of Cash Accounts**

Criteria: Policies, procedures and monitoring controls should be in place to provide for the recording of transactions to cash accounts.

Condition: The County's policies and procedures for recording and monitoring cash accounts did not prevent misstatements in the Magistrate Court.

Auditee Response/Status: The above finding was corrected for the fiscal year ending June 30, 2010.

**2009 - 4. Management of Cash Accounts**

Criteria: Policies, procedures and monitoring controls should be in place to provide for the recording of transactions to cash accounts.

Condition: The County's policies and procedures for recording and monitoring cash accounts did not prevent misstatements in the Moultrie – Colquitt County Library.

Auditee Response/Status: The above finding was corrected for the fiscal year ending June 30, 2010.

# COLQUITT COUNTY, GEORGIA

## SCHEDULE OF PRIOR YEAR FINDINGS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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**2009 - 5. Management of Capital Asset Accounts**

Criteria: Policies, procedures and monitoring controls should be in place to provide for the recording of capital asset transactions.

Condition: The County's policies and procedures for recording and monitoring accumulated depreciation did not prevent misstatements in the Moultrie – Colquitt County Library.

Auditee Response/Status: Unresolved – See current year financial audit finding 2010-4.

MAULDIN & JENKINS

CERTIFIED PUBLIC ACCOUNTANTS, LLC

# INDEPENDENT ACCOUNTANT'S REPORT ON LOCAL ASSISTANCE GRANTS

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

We have examined management's assertion included in the accompanying State of Georgia Grant Certification Form about Colquitt County, Georgia's compliance during the year ended June 30, 2010, with the requirement to use grant proceeds solely for the purpose or purposes for which the grant was made for Local Assistance Grants 06-C-L-110. 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 made in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting Colquitt County, Georgia's compliance with the above mentioned 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 aforementioned requirement for the year ended June 30, 2010, is fairly stated, in all material respects.

This report is intended solely for the information and use of the Colquitt County, Georgia Board of Commissioners and the Georgia Department of Audits and Accounts, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Albany, Georgia
May 23, 2011

# State of Georgia Grant Certification Form
## Local Government Recipient (with no subrecipient)

| LINE | | |
|---|---|---|
| A | Local Government | **Colquitt County, Georgia** |
| B | State Awarding Agency | **Department of Community Affairs State of Georgia** |
| C | Grant Identification Number | **06-C-L-110** |
| D | Grant Title | **Local Assistance Grant** |
| E | Grant Award Date | **08/23/06** |
| F | Grant Amount | **$15,000.00** |

| | | COLUMN 1<br>**Current Year Activity**<br>For the Year Ended:<br>June 30, 2010 | COLUMN 2<br>**Cumulative Grant Activity**<br>Through the Year Ended:<br>June 30, 2010 |
|---|---|---|---|
| G | | | |
| H | Balance - Prior Year (Cash or Accrued or Deferred Revenue) | $4,296.00 | |
| I | Grant Receipts or Revenue Recognized | $0.00 | $15,000.00 |
| J | Grant Disbursements or Expenditures EXCLUDING AUDIT FEES | $4,296.00 | $15,000.00 |
| K | Disbursements or Expenditures for Audit Fees | $0.00 | $0.00 |
| L | Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K] | $0.00 | $0.00 |

### 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.

Signature of Chief Elected Official _____ Date_____

Signature of Chief Financial Officer_____ Date_____

# State of Georgia Grant Certification Form
## Local Government Recipient (with no subrecipient)

| LINE | | |
|---|---|---|
| A | Local Government | **Colquitt County, Georgia** |
| B | State Awarding Agency | **Department of Community Affairs State of Georgia** |
| C | Grant Identification Number | **07-C-L-110** |
| D | Grant Title | **Local Assistance Grant** |
| E | Grant Award Date | **08/23/06** |
| F | Grant Amount | **$15,000.00** |

| | | COLUMN 1<br>**Current Year Activity**<br>For the Year Ended:<br>June 30, 2010 | COLUMN 2<br>**Cumulative Grant Activity**<br>Through the Year Ended:<br>June 30, 2010 |
|---|---|---|---|
| H | Balance - Prior Year (Cash or Accrued or Deferred Revenue) | $4,296.00 | |
| I | Grant Receipts or Revenue Recognized | $0.00 | $15,000.00 |
| J | Grant Disbursements or Expenditures EXCLUDING AUDIT FEES | $4,296.00 | $15,000.00 |
| K | Disbursements or Expenditures for Audit Fees | $0.00 | $0.00 |
| L | Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K] | $0.00 | $0.00 |

### 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.

Signature of Chief Elected Official _____ Date 5/23/2011

Signature of Chief Financial Officer Wayne Putnal, CPA Date 5/23/2011

# State of Georgia Grant Certification Form
## Local Government Recipient (with no subrecipient)

| LINE | | |
|---|---|---|
| A | Local Government | Colquitt County, Georgia |
| B | State Awarding Agency | Department of Community Affairs State of Georgia |
| C | Grant Identification Number | 07-C-L-211 |
| D | Grant Title | Local Assistance Grant |
| E | Grant Award Date | 08/23/06 |
| F | Grant Amount | $44,902.00 |

| | | COLUMN 1<br>Current Year Activity<br>For the Year Ended:<br>June 30, 2010 | COLUMN 2<br>Cumulative Grant Activity<br>Through the Year Ended:<br>June 30, 2010 |
|---|---|---|---|
| G | | | |
| H | Balance - Prior Year (Cash or Accrued or Deferred Revenue) | $98.00 | |
| I | Grant Receipts or Revenue Recognized | $0.00 | $44,902.00 |
| J | Grant Disbursements or Expenditures EXCLUDING AUDIT FEES | $98.00 | $44,902.00 |
| K | Disbursements or Expenditures for Audit Fees | $0.00 | $0.00 |
| L | Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K] | $0.00 | $0.00 |

### 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.

Signature of Chief Elected Official John B. Alderman Date 5/23/2011

Signature of Chief Financial Officer Wayne Rutland, CPA Date 5/23/2011

MAULDIN & JENKINS

CERTIFIED PUBLIC ACCOUNTANTS, LLC

# INDEPENDENT ACCOUNTANT'S REPORT

**Board of Commissioners**
**of Colquitt County, Georgia**
**Moultrie, Georgia**

We have examined management's assertion included in the accompanying Annual Report of 9-1-1 Collections and Expenditures about Colquitt County, Georgia's compliance during the fiscal year ended June 30, 2010 with the requirement that information presented in the Annual Report of 9-1-1 Collections and Expenditures is accurate and correct and that 9-1-1 funds were expended in compliance with the expenditure requirements specified in the Official Code of Georgia Annotated, Section 46-5-134. 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 the attestation 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 the above mentioned 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 aforementioned requirement during the fiscal year ended June 30, 2010 is fairly stated, in all material respects.

This report is intended solely for the information and use of management and the Georgia Department of Audits and Accounts, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Albany, Georgia
May 23, 2011

Colquitt County, Georgia

Annual Report of 9-1-1 Collections and Expenditures

For the Year Ended June 30, 2010

| Line No. | | O.C.G.A. Reference: | | |
|---|---|---|---|---|
| 1 | Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one): | | | |
| | __X__ Special Revenue Fund ____ Enterprise Fund | | | |
| 2 | Monthly 9-1-1 charge billed to each exchange access facility subscriber: | 46-5-134(a)(1) | $ 1.50 | |
| 3 | Total revenue from exchange access facility subscribers: | | | $ 250,260 |
| 4 | Does 9-1-1 system provide automatic number identification of a wireless telecommunications connection? (choose one) | | | |
| | __X__ Yes ____ No | | | |
| 5 | If the answer to Line 4 is "yes", indicate below which of the following apply (choose one) | | | |
| | ____ System provides location of base station or cell site | 46-5-134(a)(2)(A) | | |
| | __X__ System provides automatic location identification | 46-5-134(a)(2)(B) | | |
| 6 | If the answer to Line 4 is "yes", identify the monthly 9-1-1 charge billed to each wireless telecommunications connection subscriber: | 46-5-134(a)(2) | $ 1.00 | |
| 7 | Total revenue from wireless telecommunications connection subscribers: | | | $ 393,563 |
| 8 | Total Line 3 plus Line 7 (should equal UCOA Revenue Source 34.2500) | | | $ 643,823 |
| 9 | Additional revenue sources: | | | |
| 9a | Federal (UCOA Revenue Source 33.1000) Identify each funding agency individually. Attach list, if necessary. | 46-5-134(j) | | |
| | _____ | | | $ _____ |
| | _____ | | | $ _____ |
| 9b | State (UCOA Revenue Source 33.4000) Identify each funding agency individually. Attach list, if necessary. | 46-5-134(j) | | |
| | _____ | | | $ _____ |
| | _____ | | | $ _____ |
| 9c | Local (UCOA Revenue Source 33.6000) Identify each unit of local government individually. Attach list, if necessary. | 46-5-134(j) | | |
| | City of Moultrie | | | $ 161,577 |
| | _____ | | | $ _____ |
| 9d | Private (UCOA Revenue Source 37.1000) Identify each private source individually. Attach list, if necessary. | 46-5-134(j) | | |
| | _____ | | | $ _____ |
| | _____ | | | $ _____ |

Colquitt County, Georgia

Annual Report of 9-1-1 Collections and Expenditures

For the Year Ended June 30, 2010

| Line No. | | O.C.G.A. Reference: | | |
|---|---|---|---|---|
| 10 | Investment Income (UCOA Revenue Source 36.1000 through 36.3000) | | $ | 1,435 |
| 11 | Other revenue sources not included above. Identify each source individually. Transfers from other funds of the local government should be reported on Line 25 and not included here. | | | |
| | | | $ | |
| | | | $ | |
| 12 | Total Revenues (total of all amounts reported on Lines 8 through 11) | | $ | 806,835 |
| | Expenditures (UCOA Activity 3800) | | | |
| 13 | Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary) | 46-5-134(e) | | |
| | AT&T Mobility | | $ | 25,004 |
| | | | $ | |
| 14 | Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system: | | | |
| 14a | Lease costs | 46-5-134(f)(1) | $ | |
| 14b | Purchase costs | 46-5-134(f)(1) | $ | 4,463 |
| 14c | Maintenance costs | 46-5-134(f)(1) | $ | |
| 15 | Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges | 46-5-134(f)(2) | $ | 78,069 |
| 16 | Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system: Number of employees classified as: Full time 22 Part time 1 | | | |
| 16a | Salaries and wages | 46-5-134(f)(3) | $ | 563,701 |
| 16b | Employee benefits | 46-5-134(f)(3) | $ | 172,800 |

Colquitt County, Georgia

Annual Report of 9-1-1 Collections and Expenditures

For the Year Ended June 30, 2010

| Line No. | | O.C.G.A. Reference: | |
|---|---|---|---|
| 17 | Cost of training of employees who work as dispatchers | 46-5-134(f)(3) | $ 3,832 |
| 18 | Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services | 46-5-134(f)(4) | $ 3,477 |
| 19a | Building used as a public safety answering point: | | |
| 19a1 | Lease costs | 46-5-134(f)(5) | $ |
| 19a2 | Purchase costs | 46-5-134(f)(5) | $ 33,429 |
| 19b | Has the local government completed its street addressing plan? (choose one) | 46-5-134(f)(5) | $ |
| | __X__ Yes _____ No | | |
| 20 | Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems: | | |
| 20a | Lease costs | 46-5-134(f)(6) | $ |
| 20b | Purchase costs | 46-5-134(f)(6) | $ 95,341 |
| 20c | Maintenance costs | 46-5-134(f)(6) | $ 62,759 |
| 21 | Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials | 46-5-134(f)(7) | $ 564 |
| 22 | Logging recorders used at a public safety answering point to record telephone and radio traffic: | | |
| 22a | Lease costs | 46-5-134(f)(8) | $ |
| 22b | Purchase costs | 46-5-134(f)(8) | $ |
| 22c | Maintenance costs | 46-5-134(f)(8) | $ |
| 23 | Other expenditures not included in Lines 13 through 22 above. Identify by object and purpose. Transfers to other funds of the local government should be reported on Line 26 and not included here. | | |
| | Vehicle maintenance | | $ 1,544 |
| | Refund of overpayment from City of Moultrie | | $ 182,906 |
| | | | $ |
| | | | $ |
| 24 | Total Expenditures (total of all amounts reported on Lines 13 through 23 above) | | $ 1,227,889 |

Colquitt County, Georgia

Annual Report of 9-1-1 Collections and Expenditures

For the Year Ended June 30, 2010

| Line No. | | O.C.G.A. Reference: | |
|---|---|---|---|
| 25 | Transfers From Other Funds (identify by fund) | | |
| | Special Service District Fund | | $ 241,196 |
| | | | $ |
| 26 | Transfers To Other Funds (identify by fund) | | |
| | | | $ |
| | | | $ |
| 27 | Proceeds from Capital Lease (identify by asset class and, if equipment, purpose) | | |
| | | | $ |
| | | | $ |
| 28 | Net Change in Fund Balance (Line 12 - Line 24 + Line 25 - Line 26 + Line 27) | | $ (179,858) |
| 29 | Fund Balance - Beginning of Year | | $ 386,855 |
| 30 | Fund Balance - End of Year | | $ 206,997 |

31a Do amounts on Lines 12, 24, 28, 29, and 30 agree to amounts reported in the government's audited financial statements submitted to the Georgia Department of Audits and Accounts?

_X_ Yes _____ No

31b If the answer to Line 31a is "no", provide explanation (including amounts) to reconcile each line item specified in Line 31a above to government's audited financial statements. Reconciliation should be attached to this report.

**Certification of Local Government Officials**

I have reviewed the information presented in this report and certify that it is accurate and correct. I further certify that the 9-1-1 funds were expended in compliance with the expenditure requirements specified in the Official Code of Georgia Annotated (OCGA), Section 46-5-134. I understand that, in accordance with OCGA Section 46-5-134(m)(2), any local government which makes expenditures not in compliance with this Code section may be held liable for pro rata reimbursement to telephone and wireless telecommunications subscribers of amounts improperly expended. Further, the noncompliant local government shall be solely financially responsible for the reimbursement and for any costs associated with the reimbursement. Such reimbursement shall be accomplished by service providers abating the imposition of the 9-1-1 charges and 9-1-1 wireless enhanced charges until such abatement equals the total amount of the rebate.

Signature of Chief Elected Official John B. Alderman Date 5/23/2011

Print Name of Chief Elected Official John B. Alderman

Title of Chief Elected Official Chairman, Board of Commissioners

Signature of Chief Financial Officer Wayne Putnal Date 5/23/2011

Print Name of Chief Financial Officer WAYNE PUTNAL