COLQUITT COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2012

MAULDIN & JENKINS

COLQUITT COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

	Page
FINANCIAL SECTION	
Independent Auditor's Report	1 and 2
Management's Discussion and Analysis	3 - 12
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	13 and 14
Statement of Activities	15 and 16
Fund Financial Statements:	
Balance Sheet – Governmental Funds	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
General Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	20 - 22
E911 Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	23
Statement of Net Assets – Proprietary Funds	24
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	25
Statement of Cash Flows – Proprietary Funds	26
Statement of Fiduciary Assets and Liabilities – Agency Funds	27
Notes to Financial Statements	28 - 52
Required Supplementary Information:	
Schedule of Funding Progress – Defined Benefit Retirement Plan	53
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	54 and 55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	56 and 57
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds	58
Schedule of State Awards Expended	59
Combining Balance Sheet – Agency Funds	60 and 61
Component Unit Statements:	
Balance Sheet – Moultrie – Colquitt County Library	62
Statement of Revenues, Expenditures and Changes in Fund Balance – Moultrie – Colquitt County Library	63

COLQUITT COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

Page

COMPLIANCE SECTION

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* ..... 64 and 65

Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 ..... 66 and 67

Schedule of Expenditures of Federal Awards 68

Schedule of Findings and Questioned Costs ..... 69 - 71

Schedule of Prior Year Findings 72

MAULDIN & JENKINS

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 (the "County")**, as of and for the fiscal year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Colquitt County, Georgia's 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 46.41% and 73.92% of the assets and revenues, respectively, of the aggregately discretely presented component units for the fiscal year ended June 30, 2012. 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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Colquitt County, Georgia as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and E911 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 January 15, 2013, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 and the Required Supplementary Information on page 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Colquitt County, Georgia's financial statements. The combining and individual nonmajor fund financial statements; the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia Annotated 48-8-121; the schedule of state awards expended, as required by the Official Code of Georgia 50-20-1 through 50-20-8; and the schedule of expenditures of federal awards, as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* (Circular A-133) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of expenditures of special purpose local option sales tax proceeds, the schedule of state awards expended, and the schedule of expenditure of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Mauldin & Jenkins, LLC

Albany, Georgia
January 15, 2013

COLQUITT COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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, 2012. 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 $80,574,532 (net assets). Of this amount, $9,445,911 (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 $3,410,686. Ninety-eight 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 $21,260,044, an increase of $1,540,609.
- At the close of the current fiscal year, unassigned fund balance of the general fund was $7,423,814 or 38% of the general funds expenditures.
- The County's total long-term debt decreased by $92,285 during the current year. The change is a result of new capital leases and payments on notes payable and the environmental remediation liability.

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 are comprised 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 a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of 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 that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities).* The governmental activities of the County include general government, judicial, public safety, public works, health and welfare, culture and recreation, and housing and 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 financially 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 13 through 16 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, 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 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 12 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, E911 Fund, 2002 SPLOST Fund, and 2007 SPLOST Fund, all of which are considered to be major funds. Data from the other 8 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 and other special revenue funds. A budgetary comparison statement has been provided for the General Fund and E911 Fund to demonstrate compliance with the budget.

Basic governmental fund financial statements can be found on pages 20 through 23 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 24 through 26 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 27 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 28 through 52 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 budget process and the County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 53 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 54 through 57 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, 2012 and 2011.

Summary of Net Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Current & other assets	$ 22,765,759	$ 21,032,312	$ (193,849)	$ (431,898)	$ 22,571,910	$ 20,600,414
Capital assets	61,917,206	60,792,060	1,186,446	947,149	63,103,652	61,739,209
Total assets	84,682,965	81,824,372	992,597	515,251	85,675,562	82,339,623
Long-term debt	2,607,741	2,923,616	307,601	2,699	2,915,342	2,926,315
Other liabilities	2,043,847	2,224,888	141,841	24,573	2,185,688	2,249,461
Total liabilities	4,651,588	5,148,504	449,442	27,272	5,101,030	5,175,776
Net assets:						
Invested In capital, net of related debt	59,041,759	57,551,832	813,204	947,149	59,854,963	58,498,981
Restricted	11,269,628	10,106,137	-	-	11,269,628	10,106,137
Unrestricted	9,719,990	9,017,899	(270,049)	(459,170)	9,449,941	8,558,729
Total net assets	$ 80,031,377	$ 76,675,868	$ 543,155	$ 487,979	$ 80,574,532	$ 77,163,847

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 $80,574,532 at the close of the most recent fiscal year.

By far the largest component of the County's net assets (74 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 (14 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 for the governmental activities. Unrestricted net assets total $9,445,911, a 10 percent increase compared to the prior year. Total net assets increased by approximately $3.41 million from the prior year.

The following table summarizes the changes in net assets for the primary government for the fiscal years ended June 30, 2012 and 2011.

Changes in Net Assets

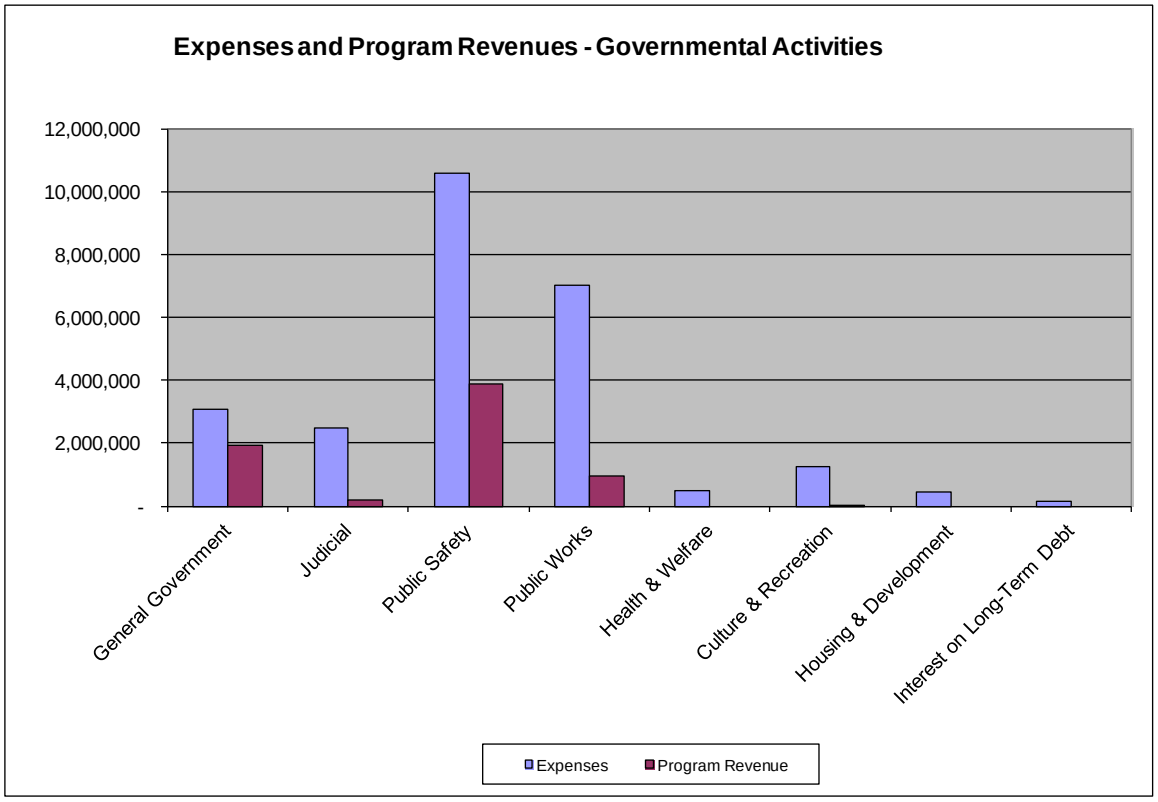
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenues:						
Charges for services	$ 5,929,878	$ 5,678,836	$ 2,283,497	$ 2,166,599	$ 8,213,375	$ 7,845,435
Operating grants and contributions	457,095	263,546	-	-	457,095	263,546
Capital grants and contributions	606,500	1,951,500	-	-	606,500	1,951,500
General Revenues:						
Property taxes	14,575,705	14,494,699	-	-	14,575,705	14,494,699
Sales taxes	5,824,674	5,548,004	-	-	5,824,674	5,548,004
Insurance premium taxes	1,177,671	1,171,324	-	-	1,177,671	1,171,324
Business taxes	99,004	83,116	-	-	99,004	83,116
Other taxes	235,982	268,531	-	-	235,982	268,531
Unrestricted investment earnings	13,466	44,317	634	1,317	14,100	45,634
Gain on sale of capital assets	-	72,848	-	-	-	72,848
Total revenues	$ 28,919,975	$ 29,576,721	$ 2,284,131	$ 2,167,916	$ 31,204,106	$ 31,744,637
Program Expenses:						
General government	$ 3,082,878	$ 3,720,958	$ -	$ -	$ 3,082,878	$ 3,720,958
Judicial	2,499,531	2,547,787	-	-	2,499,531	2,547,787
Public safety	10,581,567	10,300,824	-	-	10,581,567	10,300,824
Public works	7,039,428	8,604,168	-	-	7,039,428	8,604,168
Health and welfare	502,048	496,632	-	-	502,048	496,632
Culture and recreation	1,236,214	1,169,619	-	-	1,236,214	1,169,619
Housing and development	466,022	496,023	-	-	466,022	496,023
Interest on long-term debt	156,778	181,058	-	-	156,778	181,058
Solid waste	-	-	2,228,955	2,064,169	2,228,955	2,064,169
Total expenses	$ 25,564,466	$ 27,517,069	$ 2,228,955	$ 2,064,169	$ 27,793,421	$ 29,581,238
Change in net assets	$ 3,355,509	$ 2,059,652	$ 55,176	$ 103,747	$ 3,410,685	$ 2,163,399

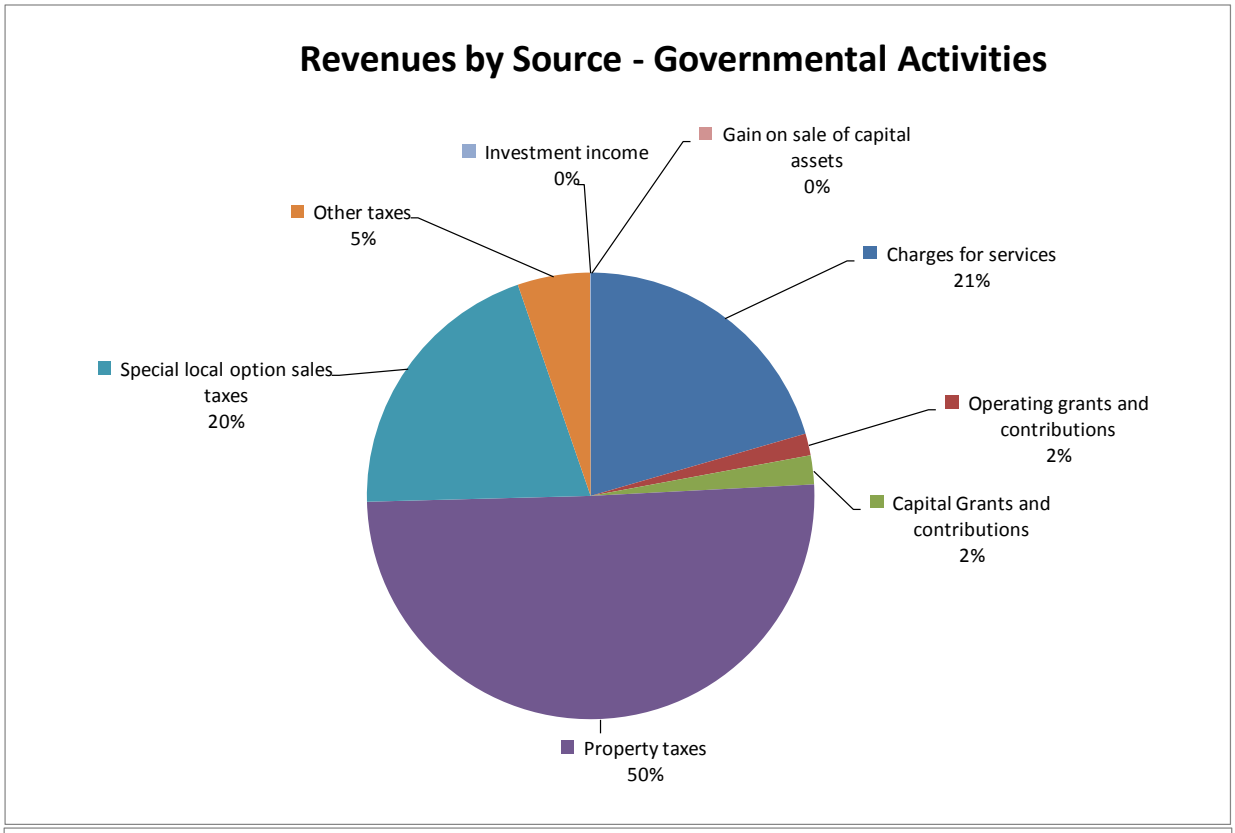
Governmental activities. Governmental activities increased the County's net assets by $3,355,510, thereby accounting for 98 percent of the total growth in the net assets of the County for 2012.

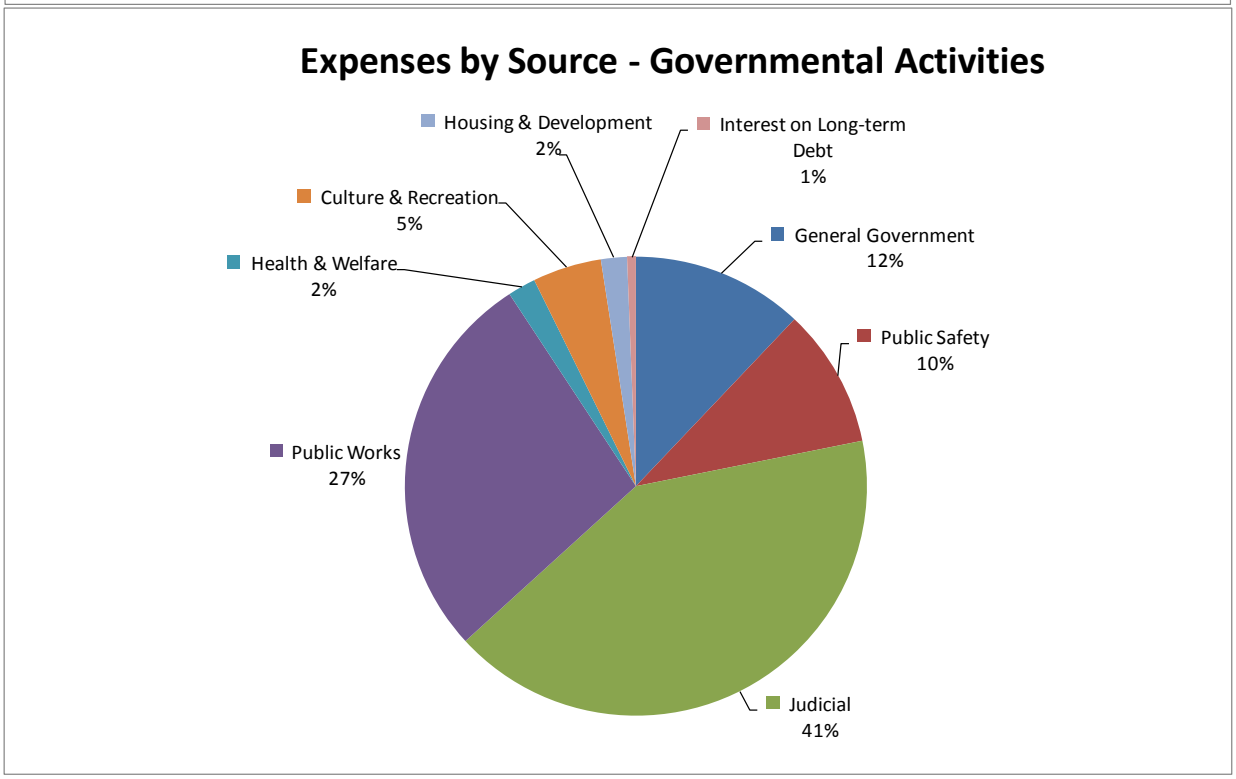
- Revenues outpaced spending. Included in revenues is a special purpose local option sales tax (1 percent) that is used to fund a variety of capital projects. Spending for the projects vary from the revenue collections as many of the projects take several years to complete.
- Higher tax revenue in 2012. Overall tax revenues increased $347,362 from the prior year. Property taxes and special local option sales taxes increased by $81,006 and $276,670, respectively. Other taxes decreased by $10,314 in total.

Approximately 50 percent of the County's governmental activities total revenues were derived from property taxes and approximately 25 percent came from taxes other than property taxes. Charges for services provided approximately 21 percent of the total revenues. The County's expenses cover a range of services. The largest expenses are related to public safety (approximately 41 percent), which include the Sheriff's office, E-911 services, county prison, ambulance service, animal control and the Coroner's office, and public works (approximately 28 percent), which include roads and bridges, landfill closure and the County maintenance shop.

For the fiscal year ended June 30, 2012, governmental activities expenses exceeded program revenues, resulting in the use of approximately $21.9 million of general tax and other revenues.




Revenues by Source - Governmental Activities
Investment income 0%
Gain on sale of capital assets 0%
Other taxes 5%
Charges for services 21%
Special local option sales taxes 20%
Operating grants and contributions 2%
Capital Grants and contributions 2%
Property taxes 50%


Expenses by Source - Governmental Activities
Housing & Development 2%
Interest on Long-term Debt 1%
Culture & Recreation 5%
General Government 12%
Health & Welfare 2%
Public Safety 10%
Public Works 27%
Judicial 41%

Business-type activities. Business-type activities increased the County's net assets by $55,176, thereby accounting for 2 percent of total growth in the County's net assets for 2012. The key element of this increase is that the Solid Waste Fund revenues exceeded expenses by $55,176. This was a decrease over the prior year of approximately $48,600. Expenses increased approximately $165,000 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, *unassigned 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 $21,260,044, an increase of $1,540,609 in comparison to the prior year. Approximately 35 percent of this total amount ($7,423,814) constitutes *unassigned fund balance* that is available for spending in futures years without restrictions that are more limited than the purpose of the fund. The restricted portions of fund balance totaling $11,273,658 represent funding for capital projects, economic development, public safety, and the judicial system. Most of these projects are funded by special purpose local option sales tax, a legally restricted revenue source. The remainder of the fund balance is either *nonspendable* to indicate that it is not available for new spending because it has already been (1) paid for prepaid assets ($442,046), or (2) classified as advances to other funds ($600,000); or *committed* for future retirement benefits ($200,000) or to balance the fiscal year 2013 General Fund budget ($726,830).

The General Fund is the main operating fund of the County. At the end of the current year, unassigned fund balance of the General Fund was $7,423,814, while total fund balance was $9,392,690. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 38 percent of the total general fund expenditures, which is no change from 2011. The total fund balance represents 49 percent of the same amount, compared to 47 percent in the prior year.

The fund balance of the County's General Fund increased $475,972 during the current fiscal year. Key factors in this increase are as follows:

- The County's General Fund receiving more property taxes and charges for services than originally budgeted along with several departments being significantly under budget for the year.

The E911 Fund has a fund balance of $206,996, all of which is restricted for public safety related to the E911 system.

The 2002 SPLOST fund has a total fund balance of $2,445,589, all of which is restricted for capital outlay. The net decrease in fund balance of $238,256 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 $7,698,114, all of which is restricted for capital outlay. The County began receiving revenue from this tax in fiscal year 2007 and the increase of $1,339,413 was the result of receiving revenue at a faster rate than the completion of projects was 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 $270,049, a decrease in deficit of $189,121 over the prior year. Operating revenues were approximately $117,000 more than the prior year. Operating expenses were approximately $178,000 more than the prior year because of the increase in cost of services provided.

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 less than final budgeted amounts by $172,435 for the current year. The major factors contributing to this difference was the receiving of less miscellaneous income offset by receiving more property taxes, intergovernmental revenues, and charges for services than budgeted.

The actual expenditures of the General Fund were less than final budgeted amounts by $775,270 for the current year. The major factors contributing to this difference were the net positive variances in budgeted expenditures for general government, judicial, County prison and roads and bridges.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. As of June 30, 2012, the County's investment in capital assets for its governmental and business-type activities amounts to $63,103,652 (net of depreciation). This investment includes land, buildings and improvements, machinery and equipment, infrastructure, and construction in progress. Construction in progress was retained in the 2007 SPLOST fund and Capital Projects fund and as those projects are completed they are transferred to the appropriate capital asset category. The total increase in the County's investment in capital assets for the current fiscal year was $4,535,436 or 4.3 percent (a 4.0 percent increase for governmental activities and a 24.3 percent increase for business-type activities).

Major capital asset transactions during the year included the completion of several new roads and bridges for the County, the purchase of nine new vehicles for the Sheriff's department, a new ambulance for the ambulance services, a new tractor, with boom mower, for roads and bridges, two new garbage trucks for residential waste, and leasehold improvements and equipment for the new County prison. Refer to Note 6 of the Notes to Financial Statements on pages 43 through 44 for additional information on capital assets.

Long-term debt. At the end of the current year, the County had an outstanding loan in the amount of $2,860,082 secured by a building and an equipment loan with a balance of $15,365. The County also has a capital lease with a balance of $373,242 at year end. 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. The capital lease is secured by 2 garbage trucks. Refer to Note 7 of the Notes to Financial Statements on pages 45 and 46 for additional information on long-term debt.

NEXT YEAR'S BUDGET

At the end of the current fiscal year, unassigned fund balance in the General Fund amounted to $7,423,814. The County has appropriated $726,830 of this unassigned fund balance to fund 2013 fiscal year expenditures. The 2013 General Fund budget contains total expenditures of $20,199,550, a 1.2% increase over the 2012 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, 2012

	Primary Government		
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**
Cash and cash equivalents	$ 6,555,361	$ 315,981	$ 6,871,342
Investments	13,927,886	-	13,927,886
Taxes receivable	504,361	-	504,361
Accounts receivable	295,556	173,718	469,274
Internal balances	703,204	(703,204)	-
Due from other governments	255,833	-	255,833
Due from primary government	-	-	-
Prepaid expenses	446,077	19,656	465,733
Other assets	17,721	-	17,721
Restricted cash	59,760	-	59,760
Capital assets, non-depreciable	3,749,887	573,485	4,323,372
Capital assets, depreciable, net of accumulated depreciation	58,167,319	612,961	58,780,280
Total assets	84,682,965	992,597	85,675,562
LIABILITIES			
Accounts payable	1,069,126	55,679	1,124,805
Accrued liabilities	370,734	3,770	374,504
Due to other governments	52,199	-	52,199
Due to component units	19,158	-	19,158
Unearned revenues	43,089	-	43,089
Capital leases due within one year	-	68,991	68,991
Capital leases due in more than one year	-	304,251	304,251
Notes payable due within one year	340,731	-	340,731
Notes payable due in more than one year	2,534,716	-	2,534,716
Compensated absences due within one year	148,810	13,401	162,211
Compensated absences due in more than one year	73,025	3,350	76,375
Total liabilities	4,651,588	449,442	5,101,030
NET ASSETS			
Invested in capital assets, net of related debt	59,041,759	813,204	59,854,963
Restricted for:			
Judicial	47,411	-	47,411
Public safety	488,374	-	488,374
Economic development	525,210	-	525,210
Capital outlay	10,208,633	-	10,208,633
Special use	-	-	-
Unrestricted	9,719,990	(270,049)	9,449,941
Total net assets	$ 80,031,377	$ 543,155	$ 80,574,532

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

Component Units	
Colquitt County Health Department	Moultrie - Colquitt County Library
$ 812,448	$ 894,060
-	174,283
-	-
7,269	-
-	-
64,045	-
19,158	-
-	-
-	-
-	-
26,457	5,005
929,377	1,073,348
26,803	4,922
-	2,197
45	-
-	-
-	-
-	-
-	-
-	-
-	-
10,813	-
97,320	-
134,981	7,119
26,457	5,005
-	-
-	-
-	-
-	-
634,488	-
133,451	1,061,224
$ 794,396	$ 1,066,229

COLQUITT COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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	$ 3,082,878	$ 1,631,601	$ 305,108	$ -
Judicial	2,499,531	195,957	-	1,799
Public safety	10,581,567	3,716,134	151,987	12,437
Public works	7,039,428	386,186	-	592,096
Health and welfare	502,048	-	-	-
Culture and recreation	1,236,214	-	-	168
Housing and development	466,022	-	-	-
Interest on long-term debt	156,778	-	-	-
Total governmental activities	25,564,466	5,929,878	457,095	606,500
Business-type activities:				
Solid waste	2,228,955	2,283,497	-	-
Total business-type activities	2,228,955	2,283,497	-	-
Total primary government	$ 27,793,421	$ 8,213,375	$ 457,095	$ 606,500
Component units:				
Colquitt County Health Department	$ 2,236,765	$ 902,634	$ 1,180,458	$ -
Moultrie - Colquitt County Library	661,860	103,819	628,140	-
Total component units	$ 2,898,625	$ 1,006,453	$ 1,808,598	$ -
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 Units	
Governmental Activities	Business-type Activities	Total	Colquitt County Health Department	Moultrie - Colquitt County Library
$ (1,146,169)	$ -	$ (1,146,169)	$ -	$ -
(2,301,775)	-	(2,301,775)	-	-
(6,701,009)	-	(6,701,009)	-	-
(6,061,146)	-	(6,061,146)	-	-
(502,048)	-	(502,048)	-	-
(1,236,046)	-	(1,236,046)	-	-
(466,022)	-	(466,022)	-	-
(156,778)	-	(156,778)	-	-
(18,570,993)	-	(18,570,993)	-	-
-	54,542	54,542	-	-
-	54,542	54,542	-	-
$ (18,570,993)	$ 54,542	$ (18,516,451)	$ -	$ -
$ -	$ -	$ -	$ (153,673)	$ -
-	-	-	-	70,099
$ -	$ -	$ -	$ (153,673)	$ 70,099
$ 14,575,705	$ -	$ 14,575,705	$ -	$ -
5,824,674	-	5,824,674	-	-
1,177,671	-	1,177,671	-	-
99,004	-	99,004	-	-
235,982	-	235,982	-	-
13,466	634	14,100	-	3,083
21,926,502	634	21,927,136	-	3,083
3,355,509	55,176	3,410,685	(153,673)	73,182
76,675,868	487,979	77,163,847	948,069	993,047
$ 80,031,377	$ 543,155	$ 80,574,532	$ 794,396	$ 1,066,229

COLQUITT COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

ASSETS	General	E911 Fund	2002 SPLOST Fund	2007 SPLOST Fund	Other Governmental Funds	Total
Cash and cash equivalents	$ 4,478,348	$ 302,716	$ 69,511	$ 287,017	$ 1,103,896	$ 6,241,488
Investments	3,907,819	-	2,376,078	7,586,957	56,927	13,927,781
Taxes receivable, net of allowance	12,623	-	-	488,628	3,110	504,361
Accounts receivable, net of allowance	139,964	141,537	-	-	-	281,501
Due from other funds	571,795	-	-	-	523,067	1,094,862
Due from other governments	166,685	54,992	-	-	34,156	255,833
Prepaid expenditures	442,046	3,122	-	-	909	446,077
Restricted cash	59,760	-	-	-	-	59,760
Advance to other funds	600,000	-	-	-	-	600,000
Total assets	$ 10,379,040	$ 502,367	$ 2,445,589	$ 8,362,602	$ 1,722,065	$ 23,411,663
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 218,835	$ 7,536	$ -	$ 271,964	$ 198,310	$ 696,645
Accrued expenses	358,741	-	-	-	-	358,741
Due to other funds	305,506	287,835	-	392,524	7,100	992,965
Due to other governments	52,199	-	-	-	-	52,199
Deferred revenue	51,069	-	-	-	-	51,069
Total liabilities	986,350	295,371	-	664,488	205,410	2,151,619
FUND BALANCES						
Nonspendable:						
Prepaid expenditures	442,046	3,122	-	-	908	446,076
Advances to other funds	600,000	-	-	-	-	600,000
Restricted for:						
Judicial	-	-	-	-	47,411	47,411
Public safety	-	203,874	-	-	284,500	488,374
Economic development	-	-	-	-	525,210	525,210
Capital outlay	-	-	2,445,589	7,698,114	64,930	10,208,633
Committed to:						
Retirement benefits	200,000	-	-	-	-	200,000
Budgetary stabilization	726,830	-	-	-	-	726,830
Assigned for:						
Capital outlay	-	-	-	-	593,696	593,696
Unassigned	7,423,814	-	-	-	-	7,423,814
Total fund balances	9,392,690	206,996	2,445,589	7,698,114	1,516,655	21,260,044
Total liabilities and fund balances	$ 10,379,040	$ 502,367	$ 2,445,589	$ 8,362,602	$ 1,722,065	

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.	61,917,206
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	7,980
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(3,109,275)
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.	(62,299)
The net pension asset used in governmental activities is not a financial resource and, therefore, is not reported in governmental funds.	17,721
Net assets of governmental activities	$ 80,031,377

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, 2012

	General	E911 Fund	2002 SPLOST Fund	2007 SPLOST Fund	Other Governmental Funds	Total
Revenues:						
Property taxes	$ 12,826,914	$ -	$ -	$ -	$ 1,768,709	$ 14,595,623
Sales taxes	-	-	-	5,824,674	-	5,824,674
Insurance premium tax	1,177,671	-	-	-	-	1,177,671
Business taxes	99,004	-	-	-	-	99,004
Other taxes	235,982	-	-	-	-	235,982
Licenses and permits	150,314	-	-	-	-	150,314
Intergovernmental	305,108	151,987	-	-	590,809	1,047,904
Charges for services	2,496,896	659,734	-	-	-	3,156,630
Fines and forfeitures	1,032,968	-	-	-	239,229	1,272,197
Interest	13,648	487	2,962	8,037	3,946	29,080
Other revenues	1,350,737	77	-	-	-	1,350,814
Total revenues	19,689,242	812,285	2,962	5,832,711	2,602,693	28,939,893
Expenditures:						
Current:						
General government	3,231,453	-	-	-	-	3,231,453
Judicial	2,249,380	-	-	-	17,645	2,267,025
Public safety	8,832,092	1,040,266	-	-	492,533	10,364,891
Public works	3,567,349	-	-	-	-	3,567,349
Health and welfare	341,728	-	-	-	8,622	350,350
Culture and recreation	417,911	-	-	-	681,924	1,099,835
Housing and development	186,145	-	-	-	260,331	446,476
Intergovernmental payments	-	-	107,140	1,428,428	813,500	2,349,068
Capital outlay	-	-	134,078	3,064,870	-	3,198,948
Debt service:						
Principal	364,781	-	-	-	-	364,781
Interest	159,108	-	-	-	-	159,108
Total expenditures	19,349,947	1,040,266	241,218	4,493,298	2,274,555	27,399,284
Excess (deficiency) of revenues over (under) expenditures	339,295	(227,981)	(238,256)	1,339,413	328,138	1,540,609
Other financing sources (uses):						
Transfers in	157,333	227,980	-	-	20,656	405,969
Transfers out	(20,656)	-	-	-	(385,313)	(405,969)
Total other financing sources (uses)	136,677	227,980	-	-	(364,657)	-
Net change in fund balances	475,972	(1)	(238,256)	1,339,413	(36,519)	1,540,609
Fund balances, beginning of year	8,916,718	206,997	2,683,845	6,358,701	1,553,174	19,719,435
Fund balances, end of year	$ 9,392,690	$ 206,996	$ 2,445,589	$ 7,698,114	$ 1,516,655	$ 21,260,044

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, 2012

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	1,540,609
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.		1,125,266
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		(120)
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.		(19,918)
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. Additionally, the obligation for environmental remediation does not provide current resources to governmental funds, however, the payment of the obligation consumes current financial resources. This amount is the net effect of those transactions.		469,781
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.		238,560
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.		1,331
	$	3,355,509

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, 2012

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Property taxes	$ 12,660,050	$ 12,716,680	$ 12,826,914	$ 110,234
Insurance premium tax	1,171,300	1,171,300	1,177,671	6,371
Business taxes	83,000	83,000	99,004	16,004
Other taxes	215,000	215,000	235,982	20,982
Licenses and permits	151,000	151,000	150,314	(686)
Intergovernmental	93,924	229,109	305,108	75,999
Charges for services	2,383,500	2,383,500	2,496,896	113,396
Fines and forfeitures	880,000	881,720	1,032,968	151,248
Interest income	25,000	25,000	13,648	(11,352)
Miscellaneous	1,664,713	2,005,368	1,350,737	(654,631)
Total revenues	19,327,487	19,861,677	19,689,242	(172,435)
Expenditures:				
Current:				
General government:				
County commissioners	210,647	234,062	222,007	12,055
Administrator and county clerk	219,134	219,134	217,211	1,923
Registrar	19,790	19,790	17,579	2,211
Finance	308,002	308,002	243,923	64,079
Purchasing	111,154	111,154	106,838	4,316
Legal services	40,000	40,000	33,454	6,546
Information systems	169,804	169,804	166,339	3,465
Tax commissioner	519,181	519,181	510,812	8,369
Tax assessor	595,484	596,884	586,227	10,657
Risk management	315,000	315,000	273,354	41,646
Buildings and grounds	407,437	448,037	442,631	5,406
Technical maintenance	362,221	368,971	340,752	28,219
General administration	260,168	87,060	70,326	16,734
Total general government	3,538,022	3,437,079	3,231,453	205,626
Judicial:				
Superior court	207,623	218,823	209,790	9,033
Clerk of courts	586,323	586,323	572,986	13,337
District attorney	241,657	241,942	241,939	3
State court	265,436	265,436	248,201	17,235
Magistrate court	280,883	280,883	274,638	6,245
Probate court	261,740	261,740	254,306	7,434
Juvenile court	128,390	155,110	145,031	10,079
Public defender	299,611	302,511	302,489	22
Total judicial	2,271,663	2,312,768	2,249,380	63,388

(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, 2012

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Current: (Continued)				
Public safety:				
Law enforcement administration	$ 647,493	$ 907,021	$ 878,500	$ 28,521
Criminal investigation	440,037	420,557	394,151	26,406
Drug enforcement team	357,312	482,047	477,747	4,300
Uniform patrol	1,234,958	1,244,558	1,244,543	15
Records and identification	114,321	120,076	119,898	178
Youth investigations	307,149	281,779	264,397	17,382
Jail	3,057,548	3,218,970	3,200,851	18,119
Court services	343,920	347,490	342,805	4,685
Correctional institute	1,622,658	1,643,453	1,551,608	91,845
Ambulance services	118,500	245,800	230,359	15,441
Coroner	58,024	58,024	43,691	14,333
Animal control	65,014	65,015	65,014	1
Emergency management	18,234	21,234	18,528	2,706
Total public safety	8,385,168	9,056,024	8,832,092	223,932
Public works:				
Roads and bridges	3,370,548	3,383,548	3,219,559	163,989
Post-closure care	52,000	60,000	57,534	2,466
Shop	296,730	298,430	290,256	8,174
Total public works	3,719,278	3,741,978	3,567,349	174,629
Health and welfare:				
Public health administration	229,900	229,900	229,900	-
Welfare administration	68,162	71,437	71,435	2
Welfare general assistance	42,075	42,075	40,393	1,682
Total health and welfare	340,137	343,412	341,728	1,684
Culture and recreation:				
Museum	11,400	11,400	11,400	-
Library	406,511	406,511	406,511	-
Total culture and recreation	417,911	417,911	417,911	-
Housing and development:				
Agricultural resources - county agents	166,910	172,425	169,975	2,450
Forestry resources	15,648	16,170	16,170	-
Total housing and development	182,558	188,595	186,145	2,450

(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, 2012

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Current: (Continued)				
Debt service:				
Principal	$ 473,750	$ 473,750	$ 364,781	$ 108,969
Interest	153,700	153,700	159,108	(5,408)
Total debt service	627,450	627,450	523,889	103,561
Total expenditures	19,482,187	20,125,217	19,349,947	775,270
Excess (deficiency) of revenues over (under) expenditures	(154,700)	(263,540)	339,295	602,835
Other financing sources (uses):				
Proceeds from sale of capital assets	15,000	15,000	-	(15,000)
Capital leases	-	112,000	-	(112,000)
Transfers in	157,200	157,200	157,333	133
Transfers out	(17,500)	(20,660)	(20,656)	4
Total other financing sources (uses)	154,700	263,540	136,677	(126,863)
Net change in fund balances	-	-	475,972	475,972
Fund balance, beginning of year	8,916,718	8,916,718	8,916,718	-
Fund balance, end of year	$ 8,916,718	$ 8,916,718	$ 9,392,690	$ 475,972

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

COLQUITT COUNTY, GEORGIA

E911 FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Intergovernmental	$ 195,560	$ 195,560	$ 151,987	$ (43,573)
Charges for services	668,675	668,675	659,734	(8,941)
Interest income	-	-	487	487
Other revenues	-	-	77	77
Total revenues	864,235	864,235	812,285	(51,950)
Expenditures:				
Current:				
Public safety	1,157,561	1,157,561	1,040,266	117,295
Excess (deficiency) of revenues over (under) expenditures	(293,326)	(293,326)	(227,981)	65,345
Other financing sources:				
Transfers in	293,326	293,326	227,980	(65,346)
Total other financing sources	293,326	293,326	227,980	(65,346)
Net change in fund balances	-	-	(1)	(1)
Fund balance, beginning of year	206,997	206,997	206,997	-
Fund balance, end of year	$ 206,997	$ 206,997	$ 206,996	$ (1)

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

COLQUITT COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	Major Enterprise Fund Solid Waste Fund	Governmental Activities- Internal Service Funds
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 315,981	$ 313,873
Investments	-	105
Accounts receivable, net of allowances	173,718	14,055
Due from other funds	-	1,307
Prepaid expenses	19,656	-
Total current assets	509,355	329,340
NONCURRENT ASSETS		
Capital assets:		
Nondepreciable	573,485	-
Depreciable, net of accumulated depreciation	612,961	-
Total noncurrent assets	1,186,446	-
Total assets	1,695,801	329,340
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	55,679	-
Claims payable	-	391,639
Accrued expenses	3,770	-
Due to other funds	103,204	-
Current portion - compensated absences	13,401	-
Current portion - capital lease	68,991	-
Total current liabilities	245,045	391,639
LONG-TERM LIABILITIES		
Advance from other funds	600,000	-
Compensated absences, net of current portion	3,350	-
Capital lease, net of current portion	304,251	-
Total long-term liabilities	907,601	-
Total liabilities	1,152,646	391,639
NET ASSETS (DEFICIT)		
Invested in capital assets, net of related debt	813,204	-
Unrestricted	(270,049)	(62,299)
Total net assets (deficit)	$ 543,155	$ (62,299)

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, 2012

	Major Enterprise Fund	Governmental Activities-
	Solid Waste Fund	Internal Service Funds
OPERATING REVENUES		
Charges for services	$ 2,279,241	$ 4,067,850
Miscellaneous	4,256	-
Total operating revenues	2,283,497	4,067,850
OPERATING EXPENSES		
Salaries and benefits	996,215	-
Cost of sales and services	745,004	-
Supplies	273,306	-
Claims	-	3,039,083
Insurance	-	22,657
Administration	60,242	767,550
Depreciation	150,418	-
Total operating expenses	2,225,185	3,829,290
Operating income	58,312	238,560
NONOPERATING INCOME (EXPENSE)		
Interest income	634	-
Interest expense	(3,770)	-
Total nonoperating income (expense)	(3,136)	-
Change in net assets	55,176	238,560
NET ASSETS (DEFICIT), beginning of year	487,979	(300,859)
NET ASSETS (DEFICIT), end of year	$ 543,155	$ (62,299)

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, 2012

	Major Enterprise Fund Solid Waste Fund	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 2,350,720	$ 4,366,416
Payments to suppliers	(1,037,583)	(767,550)
Payments for insurance claims	-	(3,312,487)
Payments to employees	(992,960)	-
Net cash provided by operating activities	320,177	286,379
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(16,473)	-
Net cash used in capital and related financing activities	(16,473)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	634	-
Net cash provided by investing activities	634	-
Net increase in cash and cash equivalents	304,338	286,379
Cash and cash equivalents:		
Beginning of year	11,643	27,494
End of year	$ 315,981	$ 313,873
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 58,312	$ 238,560
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation expense	150,418	-
(Increase) decrease in accounts receivable	(7,595)	250,654
Decrease in due from other funds	-	47,912
Increase in prepaid expenses	(934)	-
Increase in accounts payable	41,903	-
Decrease in claims payable	-	(250,747)
Increase in due to other funds	74,818	-
Increase in compensated absences	3,255	-
Net cash provided by operating activities	$ 320,177	$ 286,379
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Capital lease	$ 373,242	$ -

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

COLQUITT COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2012

	Agency Funds
ASSETS	
Cash	$ 339,904
Investments	7,836
Taxes receivable	13,026
Total assets	$ 360,766
LIABILITIES	
Due to others	$ 347,740
Uncollected taxes	13,026
Total liabilities	$ 360,766

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, culture and recreation, 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 units. 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 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 30th 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 ***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.

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 ***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 State Treasurer. 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. Prepaid Items

Certain payments made to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. 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.

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets is included as part of the capitalized value of the assets constructed. No interest expense was capitalized during the fiscal year ended June 30, 2012.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

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

H. 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.

I. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net assets."

Fund Balance - Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- ***Nonspendable*** - Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

- ***Restricted*** - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- ***Committed*** - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commission through the adoption of a resolution. Only the County Commission may modify or rescind the commitment.

- ***Assigned*** - Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the County Commission has authorized the County Administrator to assign fund balances.

- ***Unassigned*** - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Equity (Continued)

Flow Assumptions - When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Assets - Net assets represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net assets are reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net assets are reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

K. 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 $3,109,275 difference are as follows:

Notes payable	$ (2,875,447)
Accrued interest	(11,993)
Compensated absences	(221,835)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$ (3,109,275)

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 $1,125,266 difference are as follows:

Capital outlay	$ 4,145,841
Depreciation expense	(3,020,575)
Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities*	$ 1,125,266

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 transactions, however, has any effect on net assets." The details of this $469,781 difference are as follows:

Environmental remediation costs	$	(6,731)
Principal payments - notes payable		364,781
Payment of environmental remediation liability		111,731
Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities*	$	469,781

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 $1,331 difference are as follows:

Accrued interest	$	2,330
Net pension asset		34,824
Compensated absences		(35,823)
Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities*	$	1,331

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. 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.

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.

NOTE 3. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2012, expenditures exceeded budget, as follows:

Department	Excess
General Fund:	
Debt service - interest	$ 5,408

This overexpenditure was funded by greater than anticipated revenues and underexpenditures in other departments of the General Fund.

NOTE 4. DEPOSITS AND INVESTMENTS

At June 30, 2012, 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	48 days weighted average	AAAm	$ 13,927,886
Amounts as presented in the statement of fiduciary assets and liabilities:			
Certificates of deposit	8 months	N/A	7,836
Component unit: Moultrie - Colquitt County Library			
Certificates of deposit	1 month weighted average	N/A	174,283
Total			$ 14,110,005

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.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits. The County does not have a formal custodial credit risk policy. 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, 2012, 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.

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, 2012, 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, 2012, for the County's individual major and nonmajor funds in the aggregate are as follows:

	General	E911 Fund	2007 SPLOST Fund	Nonmajor Governmental Funds	Solid Waste Fund	Internal Service Fund	Total
Receivables:							
Taxes	$ 16,916	$ -	$ 488,628	$ 3,110	$ -	$ -	$ 508,654
Accounts	139,964	141,537	-	-	1,021,953	14,055	1,317,509
Gross receivables	156,880	141,537	488,628	3,110	1,021,953	14,055	1,826,163
Less allowance for uncollectibles	(4,293)	-	-	-	(848,235)	-	(852,528)
Net receivables	$ 152,587	$ 141,537	$ 488,628	$ 3,110	$ 173,718	$ 14,055	$ 973,635

Property taxes were levied on August 15, 2011. Bills are payable on or before December 10, 2011, 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 2011 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the fiscal year ended June 30, 2012, and collected by August 31, 2012, are recognized as revenues in the fiscal year ended June 30, 2012. Net receivables estimated to be collected subsequent to August 31, 2012 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, 2011.

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	$ 2,904,577	$ -	$ -	$ -	$ 2,904,577
Construction in progress	668,838	2,689,114	(120)	(2,512,522)	845,310
Total capital assets, not being depreciated	3,573,415	2,689,114	(120)	(2,512,522)	3,749,887
Capital assets, being depreciated:					
Buildings	35,600,530	134,041	-	133,960	35,868,531
Infrastructure	52,711,781	661,213	-	2,512,522	55,885,516
Machinery and equipment	10,899,344	661,473	-	(133,960)	11,426,857
Total capital assets, being depreciated	99,211,655	1,456,727	-	2,512,522	103,180,904
Less accumulated depreciation for:					
Buildings	(16,097,566)	(917,712)	-	-	(17,015,278)
Infrastructure	(17,975,510)	(1,343,360)	-	-	(19,318,870)
Machinery and equipment	(7,919,934)	(759,503)	-	-	(8,679,437)
Total accumulated depreciation	(41,993,010)	(3,020,575)	-	-	(45,013,585)
Total capital assets, being depreciated, net	57,218,645	(1,563,848)	-	2,512,522	58,167,319
Governmental activities capital assets, net	$ 60,792,060	$ 1,125,266	$ (120)	$ -	$ 61,917,206
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	1,029,553	389,715	-	-	1,419,268
Total	1,029,553	389,715	-	-	1,419,268
Less accumulated depreciation for:					
Equipment and vehicles	(655,889)	(150,418)	-	-	(806,307)
Total	(655,889)	(150,418)	-	-	(806,307)
Total capital assets, being depreciated, net	373,664	239,297	-	-	612,961
Business-type activities capital assets, net	$ 947,149	$ 239,297	$ -	$ -	$ 1,186,446

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:	
General government	$ 246,104
Judicial	209,150
Public safety	595,012
Public works	1,718,556
Health and welfare	151,698
Culture and recreation	60,204
Housing and development	39,851
Total depreciation expense - governmental activities	$ 3,020,575

B. Discretely Presented Component Unit – Colquitt County Health Department

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	$ 88,673	$ -	$ -	$ 88,673
Total capital assets, being depreciated	88,673	-	-	88,673
Less accumulated depreciation for:				
Machinery and equipment	(59,444)	(2,772)	-	(62,216)
Total accumulated depreciation	(59,444)	(2,772)	-	(62,216)
Total capital assets, net	$ 29,229	$ (2,772)	$ -	$ 26,457

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	$ 31,421	$ -	$ -	$ 31,421
Total capital assets, being depreciated	31,421	-	-	31,421
Less accumulated depreciation for:				
Machinery and equipment	(22,397)	(4,019)	-	(26,416)
Total accumulated depreciation	(22,397)	(4,019)	-	(26,416)
Total capital assets, net	$ 9,024	$ (4,019)	$ -	$ 5,005

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2012:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable	$ 3,240,228	$ -	$ (364,781)	$ 2,875,447	$ 340,731
Compensated absences	186,012	351,467	(315,644)	221,835	148,810
Net pension obligation (asset)	17,103	974,465	(1,009,289)	(17,721)	-
Environmental remediation liability	105,000	6,731	(111,731)	-	-
Governmental activities long-term liabilities	$ 3,548,343	$ 1,332,663	$ (1,801,445)	$ 3,079,561	$ 489,541
Business-type activities:					
Capital lease payable	$ -	$ 373,242	$ -	$ 373,242	$ 68,991
Compensated absences	13,496	25,672	(22,417)	16,751	13,401
Business-type activities long-term liabilities	$ 13,496	$ 398,914	$ (22,417)	$ 389,993	$ 82,392

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.

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, 2012:

Purpose	Original Amount	Interest Rate	Due Date	Balance at June 30, 2012
Building purchase	$ 5,052,000	5.19%	2020	$ 2,860,082
Equipment purchase	140,000	4.07%	2013	15,365
				2,875,447
		Less current maturities		(340,731)
				$ 2,534,716

NOTE 7. LONG-TERM DEBT (CONTINUED)

Notes payable (Continued)

Annual debt service requirements are as follows:

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2013	$ 340,731	$ 141,087	$ 481,818
2014	342,643	123,668	466,311
2015	360,837	105,474	466,311
2016	379,998	86,313	466,311
2017	400,176	66,135	466,311
2018-2020	1,051,062	69,707	1,120,769
	$ 2,875,447	$ 592,384	$ 3,467,831

Capital Leases. The County has entered into a lease agreement as lessee for financing the acquisition of various types of equipment. The lease agreement qualifies as a capital lease for accounting purposes (titles transfer at the end of the lease term) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

The following is an analysis of leased assets under capital lease as of June 30, 2012:

	Business-type Activities
Equipment	$ 373,242
Less: Accumulated depreciation	(8,887)
	$ 364,355

The following is a schedule of future minimum lease payments together with the present value of net minimum lease payments as of June 30, 2012:

	Business-type Activities
Fiscal Year Ending June 30,	
2013	$ 82,198
2014	82,198
2015	82,198
2016	82,198
2017	82,198
Total minimum lease payments	410,990
Less: Amount representing interest	(37,748)
Present value of future minimum lease payments	$ 373,242

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2012, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	2007 SPLOST Fund	$ 392,524
General Fund	E911 Fund	68,967
General Fund	Nonmajor Governmental Funds	7,100
General Fund	Solid Waste Fund	103,204
Nonmajor Governmental Funds	E911 Fund	218,868
Internal Service Fund	General Fund	1,307
Nonmajor Governmental Funds	General Fund	304,199
		$ 1,096,169

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Solid Waste Fund	$ 600,000

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	$ -	$ 157,333	$ 157,333
E911 Fund	-	227,980	227,980
Nonmajor Governmental Funds	20,656	-	20,656
Total	$ 20,656	$ 385,313	$ 405,969

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 and (2) 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, 2012, there were 55 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 fiscal year ended June 30, 2012, the County employees contributed $75,196.

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. Participants contribute 3% of their salary to the Benefit Plan. The Benefit Plan was closed to new hires after June 30, 2011.

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:

	2012	2011
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 996,525	$ 974,558
Interest on Net Pension Obligation	(1,373)	1,325
Amortization of Net Pension Obligation	1,469	(1,418)
Annual Pension Cost	$ 996,621	$ 974,465

Derivation of Net Pension Obligation	
Annual Pension Cost for Fiscal Year 2011	$ 974,465
Actual Contributions to Plan for Fiscal Year 2011	1,009,289
Increase (Decrease) in Net Pension Obligation	(34,824)
Net Pension Obligation as of June 30, 2011	17,103
Net Pension Obligation (Asset) as of June 30, 2012	$ (17,721)

Basis of Valuation	
Current Valuation Date	January 1, 2012
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)
1/1/2012	$ 996,621	$ N/A	N/A	$ (17,721)
1/1/2011	974,465	1,009,289	104 %	17,103
1/1/2010	921,395	975,541	106 %	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
12/31/2011	$ 9,376,495	$ 13,574,473	$ 4,197,978	69.1 %	$ 6,383,094	65.8 %

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, 2012.

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.

NOTE 10. RISK MANAGEMENT (CONTINUED)

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.

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, 2012 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 fiscal years ended June 30 are as follows:

	June 30, 2012	June 30, 2011
Unpaid claims, beginning of fiscal year	$ 642,386	$ 628,333
Incurred claims and changes in estimates	2,788,336	3,238,476
Claim payments	(3,039,083)	(3,224,423)
Unpaid claims, end of fiscal year	$ 391,639	$ 642,386

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 11. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Environmental Matters:

The County is involved in an environmental remediation action to clean up hazardous waste at a former manufacturing facility located in Moultrie, Georgia. The County completed the corrective action plan necessary to bring the site into compliance as of June 30, 2012, however, final review and approval by the Georgia Environmental Protection Division has not been obtained. The County is, therefore, subject to the environmental laws and regulations and the related compliance costs arising from the Georgia Environmental Protection Division's review. At this time, the County does not anticipate that any additional costs associated with corrective action will be incurred.

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 fiscal year ended June 30, 2012, the County paid $28,168 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. DEFICIT NET ASSETS

The Self Insurance Fund reported a deficit net asset balance of $62,299 for June 30, 2012. The Self Insurance Fund deficit is intended to be eliminated through increased charges to other funds and increases in employee premiums.

NOTE 14. PRIOR PERIOD ADJUSTMENT

Component Unit – Colquitt County Health Department

Net assets and the assigned fund balance were decreased by $69,111 to reflect prior period grant funds receivable that were determined to have been received in prior years.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS
DEFINED BENEFIT RETIREMENT PLAN

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
12/31/2011	$ 9,376,495	$ 13,574,473	$ 4,197,978	69.1 %	$ 6,383,095	65.8 %
12/31/2010	8,700,464	12,819,814	4,119,350	67.9	6,338,110	65.0
12/31/2009	7,928,143	11,902,928	3,974,785	66.6	6,140,886	64.7
12/31/2008	7,540,877	10,829,159	3,288,282	69.6	5,785,824	56.8
12/31/2007	7,417,908	9,837,777	2,419,869	75.4	5,333,676	45.4
12/31/2006	6,702,358	8,903,812	2,201,454	75.3	5,262,128	41.8

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

Confiscated Assets Fund is used to account for confiscated assets awarded to the County that are restricted on law enforcement expenditures at the discretion of the Sheriff.

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

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, 2012

	Special Revenue				
ASSETS	**Special Service District Fund**	**Confiscated Assets Fund**	**Jail Fund**	**Drug Fund**	**Law Library**
Cash and cash equivalents	$ 1,364	$ 58,379	$ 181,543	$ 31,406	$ 47,411
Investments	-	-	-	-	-
Taxes receivable	3,110	-	-	-	-
Due from other funds	520,736	-	-	-	-
Due from other governments	-	-	3,773	343	-
Prepaid expenses	908	-	-	-	-
Total assets	$ 526,118	$ 58,379	$ 185,316	$ 31,749	$ 47,411
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	-	$ -	$ -
Due to other funds	-	-	-	7,100	-
Total liabilities	-	-	-	7,100	-
FUND BALANCES					
Nonspendable:					
Prepaid expenditures	908	-	-	-	-
Restricted for:					
Judicial	-	-	-	-	47,411
Public safety	-	58,379	185,316	24,649	-
Economic development	525,210	-	-	-	-
Capital outlay	-	-	-	-	-
Assigned for:					
Capital outlay	-	-	-	-	-
Total fund balances	526,118	58,379	185,316	24,649	47,411
Total liabilities and fund balances	$ 526,118	$ 58,379	$ 185,316	$ 31,749	$ 47,411

	Capital Projects			
Juvenile Services Fund	Capital Projects Fund	1999 SPLOST Fund	Total
$ 16,516	$ 675,028	$ 92,249	$ 1,103,896
-	-	56,927	56,927
-	-	-	3,110
-	2,332	-	523,068
-	30,040	-	34,156
-	-	-	908
$ 16,516	$ 707,400	$ 149,176	$ 1,722,065
$ 360	$ 113,704	$ 84,246	$ 198,310
-	-	-	7,100
360	113,704	84,246	205,410
-	-	-	908
-	-	-	47,411
16,156	-	-	284,500
-	-	-	525,210
-	-	64,930	64,930
-	593,696	-	593,696
16,156	593,696	64,930	1,516,655
$ 16,516	$ 707,400	$ 149,176	$ 1,722,065

COLQUITT COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Special Revenue				
	Special Service District Fund	Confiscated Assets Fund	Jail Fund	Drug Fund	Law Library
Revenues:					
Property taxes	$ 1,768,709	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-
Fines and forfeitures	-	43,272	135,635	37,783	17,421
Interest income	-	-	230	33	58
Total revenues	1,768,709	43,272	135,865	37,816	17,479
Expenditures:					
Current:					
Judicial	-	-	-	-	17,645
Public safety	479,850	12,683	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	681,924	-	-	-	-
Housing and development	260,331	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	1,422,105	12,683	-	-	17,645
Excess (deficiency) of revenues over (under) expenditures	346,604	30,589	135,865	37,816	(166)
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	(227,980)	-	(131,200)	(26,000)	-
Total other financing sources (uses)	(227,980)	-	(131,200)	(26,000)	-
Net change in fund balances	118,624	30,589	4,665	11,816	(166)
Fund balances, beginning of year	407,494	27,790	180,651	12,833	47,577
Fund balances, end of year	$ 526,118	$ 58,379	$ 185,316	$ 24,649	$ 47,411

	Capital Projects		
Juvenile Services Fund	Capital Projects Fund	1999 SPLOST Fund	Total
$ -	$ -	$ -	$ 1,768,709
-	590,809	-	590,809
5,118	-	-	239,229
-	3,437	188	3,946
5,118	594,246	188	2,602,693
-	-	-	17,645
-	-	-	492,533
8,622	-	-	8,622
-	-	-	681,924
-	-	-	260,331
-	717,653	95,847	813,500
8,622	717,653	95,847	2,274,555
(3,504)	(123,407)	(95,659)	328,138
-	20,656	-	20,656
-	(133)	-	(385,313)
-	20,523	-	(364,657)
(3,504)	(102,884)	(95,659)	(36,519)
19,660	696,580	160,589	1,553,174
$ 16,156	$ 593,696	$ 64,930	$ 1,516,655

COLQUITT COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Project Description	Original Costs	Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
1999 REFERENDUM					
Courthouse Renovations	$ 6,000,000	$ 6,000,000	$ 8,704,680	$ 95,847	$ 8,800,527
2002 REFERENDUM					
Moultrie - Colquitt County Library	$ 249,600	$ 249,600	$ 226,924	$ -	$ 226,924
Sheriff's Department	271,200	271,200	892,819	57,903	950,722
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	76,175	100,800
Economic Development Authority	4,999,200	4,999,200	3,802,819	-	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	5,517,125	95,867	5,612,992
City of Norman Park Projects	374,400	374,400	236,950	11,273	248,223
City of Riverside Projects	36,000	36,000	36,000	-	36,000
Totals	$ 24,000,000	$ 24,000,000	$ 22,466,797	$ 241,218	$ 22,708,015
2007 REFERENDUM					
Moultrie - Colquitt County Library	$ 75,000	$ 75,000	$ 18,392	$ -	$ 18,392
Sheriff Administration Building	1,000,000	1,000,000	1,111,317	-	1,111,317
CCCI Prison Project	1,000,000	1,000,000	372,064	1,098,240	1,470,304
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	6,498,926	1,966,630	8,465,556
City of Berlin Projects	176,000	176,000	86,055	36,586	122,641
City of Doerun Projects	600,000	600,000	223,599	317,737	541,336
City of Ellenton Projects	130,000	130,000	86,969	19,347	106,316
City of Funston Projects	126,000	126,000	80,536	3,260	83,796
City of Moultrie Projects	11,725,000	11,725,000	9,352,131	991,659	10,343,790
City of Norman Park Projects	353,000	353,000	195,572	54,010	249,582
City of Riverside Projects	40,000	40,000	6,515	5,829	12,344
Totals	$ 30,000,000	$ 30,000,000	$ 18,854,474	$ 4,493,298	$ 23,347,772

COLQUITT COUNTY, GEORGIA

SCHEDULE OF STATE AWARDS EXPENDED
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

State Department and Program Name	Grant Contract Number	Deferred Revenue 6/30/2011	Revenues	Expenditures	Deferred Revenue 6/30/2012
Georgia Department of Human Resources:					
Family Connection Program	427-93-10100267-99	$ 36,188	$ 23,572	$ 16,671	$ 43,089
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, 2012

ASSETS	Tax Commissioner	Jail Inmate	Clerk of Superior Court	Probate Court
Cash	$ 378	$ 55,880	$ 89,592	$ 2,738
Investments	-	-	-	7,836
Taxes receivable	13,026	-	-	-
Total assets	$ 13,404	$ 55,880	$ 89,592	$ 10,574
LIABILITIES				
Due to others	$ 378	$ 55,880	$ 89,592	$ 10,574
Uncollected taxes	13,026	-	-	-
Total liabilities	$ 13,404	$ 55,880	$ 89,592	$ 10,574

Sheriff's Office	Magistrate Court	Total
$ 120,133	$ 71,183	$ 339,904
-	-	7,836
-	-	13,026
$ 120,133	$ 71,183	$ 360,766
$ 120,133	$ 71,183	$ 347,740
-	-	13,026
$ 120,133	$ 71,183	$ 360,766

COLQUITT COUNTY, GEORGIA

BALANCE SHEET
MOULTRIE - COLQUITT COUNTY LIBRARY
JUNE 30, 2012

ASSETS		
Cash and cash equivalents	$	894,060
Investments		174,283
Total assets	$	1,068,343
LIABILITIES AND FUND BALANCE		
Accounts payable	$	4,922
Accrued expenses		2,197
Total liabilities		7,119
Fund balance, assigned for library activities		1,061,224
Total liabilities and fund balance	$	1,068,343

COLQUITT COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MOULTRIE - COLQUITT COUNTY LIBRARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Revenues:		
Intergovernmental	$	628,140
Charges for services		103,819
Interest revenue		3,083
Total revenues		735,042
Expenditures		657,841
Net change in fund balances		77,201
Fund balance, beginning of year		984,023
Fund balance, end of year	$	1,061,224

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 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, 2012, which collectively comprise Colquitt County, Georgia's basic financial statements and have issued our report thereon dated January 15, 2013. 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 includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control Over Financial Reporting

Management of Colquitt County, Georgia is responsible for establishing and maintaining effective 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 questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

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 deficiency described in the accompanying schedule of findings and questioned costs as item 2012-2 to be a material weakness.

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 deficiency described in the accompanying schedule of findings and questioned costs as item 2012-1 to be a significant deficiency.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain additional matters that we reported to the management of Colquitt County, Georgia in a separate letter dated January 15, 2013.

Colquitt County, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. 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, others within the entity 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
January 15, 2013

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Commissioners
of Colquitt County, Georgia
Moultrie, Georgia

Compliance

We have audited Colquitt County, Georgia's compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Colquitt County, Georgia's major federal programs for the year ended June 30, 2012. Colquitt County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Colquitt County, Georgia's management. Our responsibility is to express an opinion on Colquitt County, Georgia's compliance based on our audit.

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

In our opinion, Colquitt County, Georgia, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of Colquitt County, Georgia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Colquitt County, Georgia's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Colquitt County, Georgia's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, 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
January 15, 2013

COLQUITT COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

SECTION I
SUMMARY OF AUDITOR'S 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?	____ yes X no

Federal Awards

Internal Control over major programs:	
Material weaknesses identified?	____ yes X no
Significant deficiencies identified not considered to be material weaknesses?	____ yes X none reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	____ yes X no

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
14.228	CDBG – State-Administered CDBG Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	____ yes X no

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2012 - 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 ended June 30, 2012, 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 the County's 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.

2012 - 2. 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, 2012 as it relates to accounts payable within the Solid Waste Fund, Non-Major Funds, and 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, 2012.

Effect: An adjustment to increase accounts payable in the amount of $46,349 and increase expenditures in the same amount was required to be recorded in the Solid Waste Fund. An adjustment to increase accounts payable in the amount of $4,812 and increase expenditures in the same amount was required to be recorded in the Non-Major Funds. Adjustments to decrease accounts payable in the amount of $3,260 and decrease expenditures in the same amount were required to be made to the accounting records of the Moultrie-Colquitt County Library.

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

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

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.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

COLQUITT COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

2011 - 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 2012-1.

2011 - 2. 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, 2011 as it relates to accounts payable of the Moultrie – Colquitt County Library.

Auditee Response/Status: Unresolved – See current year financial audit finding 2012-2.

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

January 22, 2013

Mr. Wayne Putnal
Colquitt County Board of Commissioner
101 East Central Avenue
Room 206
Moultrie, Georgia 31768

Dear Wayne:

We are enclosing twelve (12) bound copies of the Financial Report of Colquitt County, Georgia for the year ended June 30, 2012.

Call me should you have any questions.

Sincerely,

MAULDIN & JENKINS, LLC

Craig Moye

CM:djb
Enclosures