

COLQUITT COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2013

COLQUITT COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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FINANCIAL SECTION



CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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 year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Colquitt County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Colquitt County Health Department, which represents 47%, 44%, and 74% of the assets, net position, and revenues, respectively, of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Colquitt County Health Department, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* as well as Statement No. 65, *Items Previously Reported as Assets and Liabilities* as of July 1, 2012. Our opinions are not modified with respect to this matter.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 13) and the Schedule of Funding Progress (on page 56) 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 inquiries, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Colquitt County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 and schedules and the schedule of expenditures of special purpose local option sales tax proceeds are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2015, 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* in considering Colquitt County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Albany, Georgia
June 23, 2015

COLQUITT COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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, 2013. 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 \$80,272,353 (net position). Of this amount, \$8,694,127 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net position decreased by \$302,179. The decrease occurred in the Governmental funds.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$22,025,408, an increase of \$765,364.
- At the close of the current fiscal year, unassigned fund balance of the general fund was \$8,280,278 or 42% of the General Fund expenditures.
- The County's total long-term debt decreased by \$414,556 during the current year. The decrease is the result of the paying down of the long term debt being incurred.

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 position* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases and decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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).

COLQUITT COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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 14 through 17 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 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, 2013 SPLOST Fund, and 2007 SPLOST Fund, all of which are considered to be major funds. Data from the other nine 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 to demonstrate compliance with the budget.

COLQUITT COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Basic governmental fund financial statements can be found on pages 18 through 25 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 26 through 29 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 30 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 31 through 55 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 56 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 57 through 60 of this report.

COLQUITT COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the Statement of net position for the County as of June 30, 2013 and 2012.

Summary of net position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Current & other assets	\$ 24,153,233	\$ 22,765,759	\$ (126,404)	\$ (193,849)	\$ 24,026,829	\$ 22,571,910
Capital assets	60,583,782	61,917,206	1,043,567	1,186,446	61,627,349	63,103,652
Total assets	<u>84,737,015</u>	<u>84,682,965</u>	<u>917,163</u>	<u>992,597</u>	<u>85,654,178</u>	<u>85,675,562</u>
Long-term debt	2,232,540	2,607,741	235,602	307,601	2,468,142	2,915,342
Other liabilities	2,805,161	2,043,847	108,522	141,841	2,913,683	2,185,688
Total liabilities	<u>5,037,701</u>	<u>4,651,588</u>	<u>344,124</u>	<u>449,442</u>	<u>5,381,825</u>	<u>5,101,030</u>
Net position:						
Net investment in						
capital assets	58,052,853	59,041,759	739,316	813,204	58,792,169	59,854,963
Restricted	12,786,057	11,269,628	-	-	12,786,057	11,269,628
Unrestricted	8,860,404	9,719,990	(166,277)	(270,049)	8,694,127	9,449,941
Total net position	<u>\$ 79,699,314</u>	<u>\$ 80,031,377</u>	<u>\$ 573,039</u>	<u>\$ 543,155</u>	<u>\$ 80,272,353</u>	<u>\$ 80,574,532</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$80,272,353 at the close of the most recent fiscal year.

By far, the largest component of the County's net position (73 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 position (16 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 position 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 position for the governmental activities. Unrestricted net position totaled \$8,694,127, an 8 percent decrease compared to the prior year. Total net position decreased by approximately \$302,179 from the prior year.

COLQUITT COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

The following table summarizes the changes in net position for the primary government for the fiscal years ended June 30, 2013 and 2012.

Changes in net position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues:						
Charges for services	\$ 5,105,010	\$ 5,929,878	\$ 2,594,847	\$ 2,283,497	\$ 7,699,857	\$ 8,213,375
Operating grants and contributions	438,632	457,095	-	-	438,632	457,095
Capital grants and contributions	961,696	606,500	-	-	961,696	606,500
General Revenues:						
Property taxes	15,189,567	14,575,705	-	-	15,189,567	14,575,705
Sales taxes	5,533,072	5,824,674	-	-	5,533,072	5,824,674
Business taxes	1,360,922	1,276,675	-	-	1,360,922	1,276,675
Other taxes	268,101	235,982	-	-	268,101	235,982
Unrestricted investment earnings	13,656	13,466	552	634	14,208	14,100
Gain on sale of capital assets	19,194	-	-	-	19,194	-
Total revenues	<u>\$ 28,889,850</u>	<u>\$ 28,919,975</u>	<u>\$ 2,595,399</u>	<u>\$ 2,284,131</u>	<u>\$ 31,485,249</u>	<u>\$ 31,204,106</u>
Program Expenses:						
General government	\$ 3,865,216	\$ 3,082,878	\$ -	\$ -	\$ 3,865,216	\$ 3,082,878
Judicial	2,642,150	2,499,531	-	-	2,642,150	2,499,531
Public safety	11,199,108	10,581,567	-	-	11,199,108	10,581,567
Public works	8,944,777	7,039,428	-	-	8,944,777	7,039,428
Health and welfare	502,489	502,048	-	-	502,489	502,048
Culture and recreation	1,193,575	1,236,214	-	-	1,193,575	1,236,214
Housing and development	733,313	466,022	-	-	733,313	466,022
Interest on long-term debt	141,285	156,778	-	-	141,285	156,778
Solid waste	-	-	2,565,515	2,228,955	2,565,515	2,228,955
Total expenses	<u>\$ 29,221,913</u>	<u>\$ 25,564,466</u>	<u>\$ 2,565,515</u>	<u>\$ 2,228,955</u>	<u>\$ 31,787,428</u>	<u>\$ 27,793,421</u>
Change in net position	<u>\$ (332,063)</u>	<u>\$ 3,355,509</u>	<u>\$ 29,884</u>	<u>\$ 55,176</u>	<u>\$ (302,179)</u>	<u>\$ 3,410,685</u>

Governmental activities. Governmental activities decreased the County's net position by \$332,063, thereby accounting for all of the total decrease in the net position of the County for 2013.

- Spending outpaced revenues. 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 2013. Overall tax revenues increased \$438,626 from the prior year. Property taxes increased by \$613,862 and special local option sales taxes decreased \$291,602, respectively. Other taxes increased by \$116,366 in total.

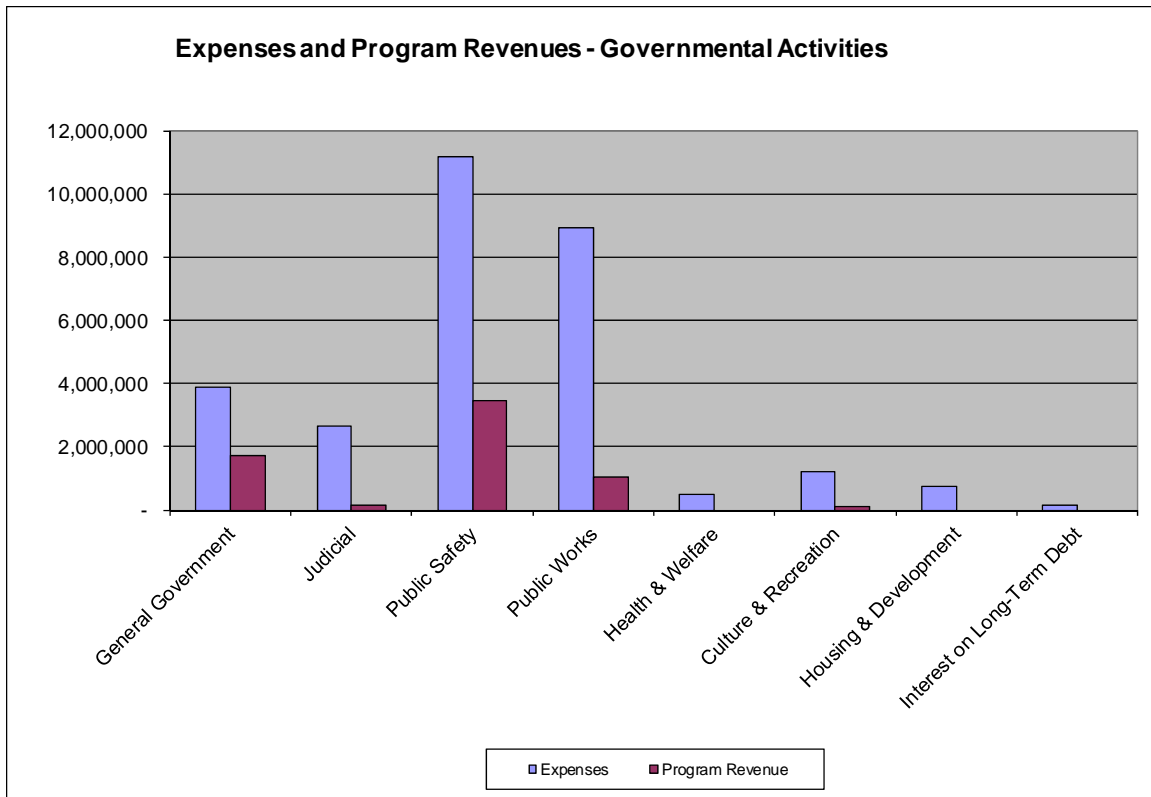
COLQUITT COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Approximately 53 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 18 percent of the total revenues. The County's expenses cover a range of services. The largest expenses are related to public safety (approximately 38 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 31 percent), which include roads and bridges, landfill closure and the County maintenance shop.

For the fiscal year ended June 30, 2013, governmental activities expenses exceeded program revenues, resulting in the use of approximately \$22.7 million of general tax and other revenues.

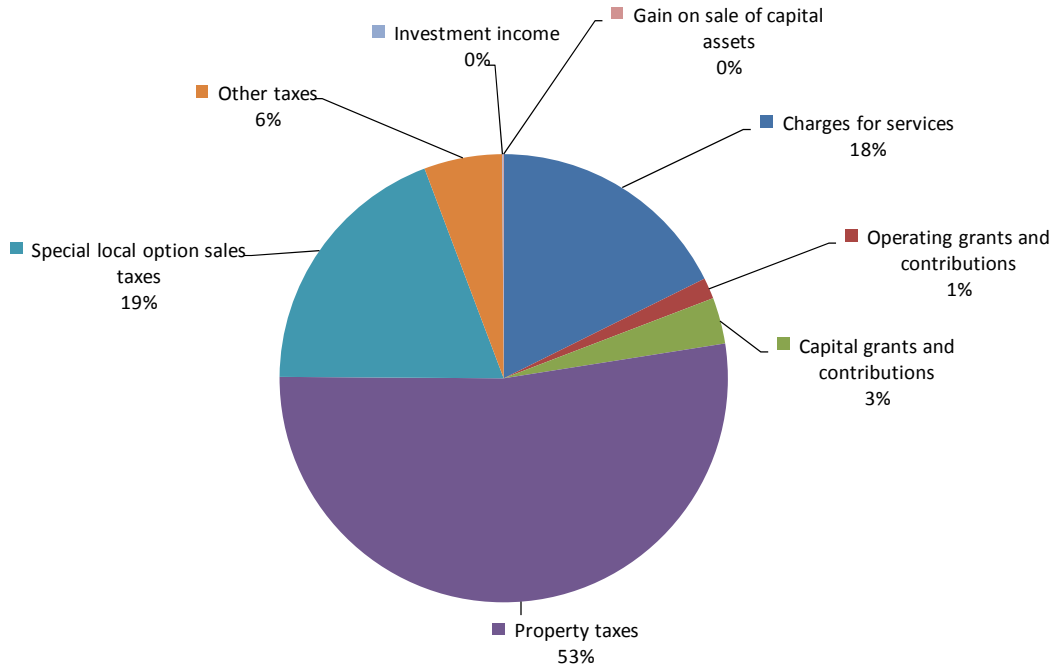


COLQUITT COUNTY, GEORGIA

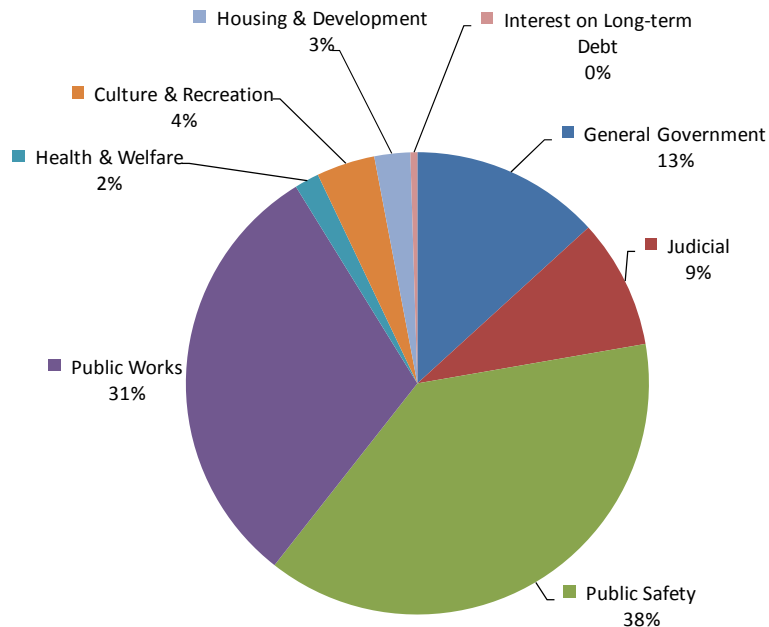
MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Revenues by Source - Governmental Activities



Expenses by Source - Governmental Activities



COLQUITT COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Business-type activities. Business-type activities increased the County's net position by \$29,884, thereby accounting for the growth in the County's net position for 2013. The key element of this increase is that the Solid Waste Fund revenues exceeded expenses by \$29,884. This was a decrease over the prior year of approximately \$25,300. Expenses increased approximately \$336,560 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 \$22,025,408, an increase of \$765,364 in comparison to the prior year. Approximately 38 percent of this total amount (\$8,280,278) constitutes *unassigned fund balance* that is available for spending in future years without restrictions that are more limited than the purpose of the fund. The restricted portions of fund balance totaling \$12,786,057 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 (\$459,073), or (2) classified as advances to other funds (\$300,000); or *committed* for future retirement benefits (\$200,000).

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 \$8,280,278, while total fund balance was \$9,222,933. 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 42 percent of the total general fund expenditures, as compared to 38 percent in 2012. The total fund balance represents 46 percent of the same amount, compared to 49 percent in the prior year.

The fund balance of the County's General Fund decreased \$169,757 during the current fiscal year. Key factors in this decrease are as follows:

- The County's General Fund expenditures outpacing revenues for the year. The decrease was expected to be significantly greater, but was lessened by departments being under budget and several revenue items more than anticipated for the year.

The Capital Projects Fund has total fund balance of \$897,228, all of which is restricted for capital outlay. The increase is from intergovernmental revenues not yet used for capital projects.

COLQUITT COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

The 2007 SPLOST fund has a total fund balance of \$7,536,924, all of which is restricted for capital outlay. The County began receiving revenue from this tax in fiscal year 2007 and the increase of \$161,190 was the result of utilizing revenue collected in prior years for capital projects.

The 2013 SPLOST fund has a total fund balance of \$1,488,883, all of which is restricted for capital outlay. The County began receiving revenue from this tax this fiscal year and the increase of \$1,488,883 in fund balance during the current year was the result of revenues being collected to complete projects funded by special local option sales taxes in future years.

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 position of the Solid Waste Fund at the end of the current year amounted to a deficit of \$166,277, a decrease in deficit of \$103,772 over the prior year. Operating revenues were approximately \$312,000 more than the prior year. Operating expenses were approximately \$327,921 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 \$1,291,737 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 \$1,070,693 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, 2013, the County's investment in capital assets for its governmental and business-type activities amounts to \$61,627,349 (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 decrease in the County's investment in capital assets for the current fiscal year was \$1,476,303 or 2.3 percent (a 2.2 percent decrease for governmental activities and a 12 percent decrease for business-type activities).

COLQUITT COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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 46 and 47 for additional information on capital assets.

Long-term debt. At the end of the current year, the County had one outstanding loan in the amount of \$2,530,929 secured by a building. The County also has a capital lease with a balance of \$304,251 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 two garbage trucks. Refer to Note 7 of the Notes to Financial Statements on pages 48 and 49 for additional information on long-term debt.

NEXT YEAR'S BUDGET

The 2014 General Fund budget contains total expenditures of \$20,308,250, a 3.4% increase over the 2013 final budgeted amounts. The County did not appropriate any unassigned fund balance to fund the 2014 fiscal year expenditures.

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 POSITION

JUNE 30, 2013

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 6,678,792	\$ 175,687	\$ 6,854,479
Investments	15,205,368	-	15,205,368
Taxes receivable	466,580	-	466,580
Accounts receivable	404,565	187,404	591,969
Internal balances	541,868	(541,868)	-
Due from other governments	286,983	-	286,983
Prepaid expenses	459,073	52,373	511,446
Other assets	69,889	-	69,889
Restricted cash	40,115	-	40,115
Capital assets, non-depreciable	3,058,864	573,485	3,632,349
Capital assets, depreciable, net of accumulated depreciation	57,524,918	470,082	57,995,000
Total assets	84,737,015	917,163	85,654,178
LIABILITIES			
Accounts payable	1,648,905	20,782	1,669,687
Accrued liabilities	397,463	2,822	400,285
Due to other governments	199,320	-	199,320
Unearned revenues	39,814	-	39,814
Capital leases due within one year	-	71,903	71,903
Capital leases due in more than one year	-	232,348	232,348
Notes payable due within one year	342,643	-	342,643
Notes payable due in more than one year	2,188,286	-	2,188,286
Compensated absences due within one year	177,016	13,015	190,031
Compensated absences due in more than one year	44,254	3,254	47,508
Total liabilities	5,037,701	344,124	5,381,825
NET POSITION			
Net investment in capital assets	58,052,853	739,316	58,792,169
Restricted for:			
Judicial	35,931	-	35,931
Public safety	470,723	-	470,723
Economic development	498,744	-	498,744
Capital outlay	11,780,659	-	11,780,659
Special use	-	-	-
Unrestricted	8,860,404	(166,277)	8,694,127
Total net position	\$ 79,699,314	\$ 573,039	\$ 80,272,353

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

Component Units	
Colquitt County Health Department	Moultrie - Colquitt County Library
\$ 838,300	\$ 947,217
-	174,283
-	-
-	-
-	-
124,820	-
-	-
-	-
-	-
-	-
<u>23,800</u>	<u>3,575</u>
<u>986,920</u>	<u>1,125,075</u>
12,350	6,839
-	4,591
60	-
-	-
-	-
-	-
-	-
-	-
9,859	-
<u>88,733</u>	<u>-</u>
<u>111,002</u>	<u>11,430</u>
23,800	3,575
-	-
-	-
-	-
-	-
754,463	-
<u>97,655</u>	<u>1,110,070</u>
<u>\$ 875,918</u>	<u>\$ 1,113,645</u>

COLQUITT COUNTY, GEORGIA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,865,216	\$ 1,459,289	\$ 245,078	\$ -
Judicial	2,642,150	166,290	-	1,799
Public safety	11,199,108	3,255,637	193,554	12,437
Public works	8,944,777	223,794	-	820,790
Health and welfare	502,489	-	-	-
Culture and recreation	1,193,575	-	-	126,670
Housing and development	733,313	-	-	-
Interest on long-term debt	141,285	-	-	-
Total governmental activities	<u>29,221,913</u>	<u>5,105,010</u>	<u>438,632</u>	<u>961,696</u>
Business-type activities:				
Solid waste	2,565,515	2,594,847	-	-
Total business-type activities	<u>2,565,515</u>	<u>2,594,847</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 31,787,428</u>	<u>\$ 7,699,857</u>	<u>\$ 438,632</u>	<u>\$ 961,696</u>
Component units:				
Colquitt County Health Department	\$ 2,085,397	\$ 978,377	\$ 1,188,542	\$ -
Moultrie - Colquitt County Library	719,263	107,901	656,799	-
Total component units	<u>\$ 2,804,660</u>	<u>\$ 1,086,278</u>	<u>\$ 1,845,341</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Sales taxes				
Business taxes				
Other taxes				
Unrestricted investment earnings				
Gain on sale of capital assets				
Total general revenues				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business-type Activities	Total	Component Units	
			Colquitt County Health Department	Moultrie - Colquitt County Library
\$ (2,160,849)	\$ -	\$ (2,160,849)	\$ -	\$ -
(2,474,061)	-	(2,474,061)	-	-
(7,737,480)	-	(7,737,480)	-	-
(7,900,193)	-	(7,900,193)	-	-
(502,489)	-	(502,489)	-	-
(1,066,905)	-	(1,066,905)	-	-
(733,313)	-	(733,313)	-	-
(141,285)	-	(141,285)	-	-
<u>(22,716,575)</u>	<u>-</u>	<u>(22,716,575)</u>	<u>-</u>	<u>-</u>
-	29,332	29,332	-	-
-	29,332	29,332	-	-
<u>\$ (22,716,575)</u>	<u>\$ 29,332</u>	<u>\$ (22,687,243)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 81,522	\$ -
-	-	-	-	45,437
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,522</u>	<u>\$ 45,437</u>
\$ 15,189,567	\$ -	\$ 15,189,567	\$ -	\$ -
5,533,072	-	5,533,072	-	-
1,360,922	-	1,360,922	-	-
268,101	-	268,101	-	-
13,656	552	14,208	-	1,979
19,194	-	19,194	-	-
<u>22,384,512</u>	<u>552</u>	<u>22,385,064</u>	<u>-</u>	<u>1,979</u>
(332,063)	29,884	(302,179)	81,522	47,416
80,031,377	543,155	80,574,532	794,396	1,066,229
<u>\$ 79,699,314</u>	<u>\$ 573,039</u>	<u>\$ 80,272,353</u>	<u>\$ 875,918</u>	<u>\$ 1,113,645</u>

COLQUITT COUNTY, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS

JUNE 30, 2013

ASSETS	General	Capital Projects Fund	2013 SPLOST Fund	2007 SPLOST Fund
Cash and cash equivalents	\$ 4,429,729	\$ 1,123,586	\$ 111,807	\$ 80,702
Investments	4,072,114	-	1,375,153	8,053,426
Taxes receivable	32,686	-	430,357	-
Accounts receivable	245,350	-	-	-
Due from other funds	795,544	16,428	-	-
Due from other governments	143,072	72,363	-	-
Prepaid expenditures	442,655	-	-	-
Restricted cash	40,115	-	-	-
Advance to other funds	300,000	-	-	-
Total assets	<u>\$ 10,501,265</u>	<u>\$ 1,212,377</u>	<u>\$ 1,917,317</u>	<u>\$ 8,134,128</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 440,773	\$ 315,149	\$ 44,431	\$ 373,644
Accrued expenses	386,527	-	-	-
Due to other funds	369,817	-	228,238	193,584
Due to other governments	13,579	-	155,765	29,976
Unearned revenue	39,814	-	-	-
Total liabilities	<u>1,250,510</u>	<u>315,149</u>	<u>428,434</u>	<u>597,204</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - property taxes	27,822	-	-	-
Total deferred inflow of resources	<u>27,822</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Prepaid expenditures	442,655	-	-	-
Advances to other funds	300,000	-	-	-
Restricted for:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	897,228	1,488,883	7,536,924
Committed to:				
Retirement benefits	200,000	-	-	-
Unassigned	8,280,278	-	-	-
Total fund balances	<u>9,222,933</u>	<u>897,228</u>	<u>1,488,883</u>	<u>7,536,924</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 10,473,443</u>	<u>\$ 1,212,377</u>	<u>\$ 1,917,317</u>	<u>\$ 8,134,128</u>

Amounts reported for governmental activities in the statement of net position are different because:

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

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

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.

The net pension asset used in governmental activities is not a financial resource and, therefore, is not reported in governmental funds.

Net position of governmental activities

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

Other Governmental Funds	Total
\$ 744,518	\$ 6,490,342
1,703,562	15,204,255
3,537	466,580
135,259	380,609
502,566	1,314,538
71,548	286,983
16,418	459,073
-	40,115
-	300,000
<u>\$ 3,177,408</u>	<u>\$ 24,942,495</u>

\$ 15,630	\$ 1,189,627
-	386,527
282,338	1,073,977
-	199,320
-	39,814
<u>297,968</u>	<u>2,889,265</u>

-	27,822
-	27,822

16,418	459,073
-	300,000
35,931	35,931
470,723	470,723
498,744	498,744
1,857,624	11,780,659
-	200,000
-	8,280,278
<u>2,879,440</u>	<u>22,025,408</u>

\$ 3,177,408

60,583,782
27,822
(2,763,135)
(244,452)
69,889
<u>\$ 79,699,314</u>

COLQUITT COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General	Capital Projects Fund	2013 SPLOST Fund	2007 SPLOST Fund
Revenues:				
Property taxes	\$ 13,396,405	\$ -	\$ -	\$ -
Sales taxes	-	-	2,612,419	2,920,653
Business taxes	1,360,922	-	-	-
Other taxes	268,101	-	-	-
Licenses and permits	189,768	-	-	-
Intergovernmental	245,078	819,503	-	-
Charges for services	2,416,062	-	-	-
Fines and forfeitures	788,329	-	-	-
Interest income	12,188	900	298	12,039
Other revenues	877,860	-	-	-
Total revenues	19,554,713	820,403	2,612,717	2,932,692
Expenditures:				
Current:				
General government	3,503,473	-	-	-
Judicial	2,409,030	-	-	-
Public safety	8,782,644	-	-	-
Public works	3,738,179	-	-	-
Health and welfare	341,665	-	-	-
Culture and recreation	437,910	-	-	-
Housing and development	207,441	-	-	-
Intergovernmental payments	-	45,483	860,430	1,146,637
Capital outlay	-	487,179	263,404	1,947,245
Debt service:				
Principal	344,518	-	-	-
Interest	142,342	-	-	-
Total expenditures	19,907,202	532,662	1,123,834	3,093,882
Excess (deficiency) of revenues over (under) expenditures	(352,489)	287,741	1,488,883	(161,190)
Other financing sources (uses):				
Proceeds from sale of capital assets	42,363	-	-	-
Transfers in	156,160	15,791	-	-
Transfers out	(15,791)	-	-	-
Total other financing sources (uses)	182,732	15,791	-	-
Net change in fund balances	(169,757)	303,532	1,488,883	(161,190)
Fund balances, beginning of year	9,392,690	593,696	-	7,698,114
Fund balances, end of year	\$ 9,222,933	\$ 897,228	\$ 1,488,883	\$ 7,536,924

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

Other Governmental Funds	Total
\$ 1,773,320	\$ 15,169,725
-	5,533,072
-	1,360,922
-	268,101
-	189,768
320,056	1,384,637
651,119	3,067,181
181,872	970,201
3,845	29,270
77	877,937
<u>2,930,289</u>	<u>28,850,814</u>
-	3,503,473
21,570	2,430,600
1,697,836	10,480,480
-	3,738,179
9,126	350,791
681,924	1,119,834
277,163	484,604
405,186	2,457,736
377,428	3,075,256
-	344,518
-	142,342
<u>3,470,233</u>	<u>28,127,813</u>
<u>(539,944)</u>	<u>723,001</u>
-	42,363
290,331	462,282
<u>(446,491)</u>	<u>(462,282)</u>
<u>(156,160)</u>	<u>42,363</u>
(696,104)	765,364
<u>3,575,544</u>	<u>21,260,044</u>
<u>\$ 2,879,440</u>	<u>\$ 22,025,408</u>

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, 2013

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	765,364
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.		(1,310,255)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(23,169)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		19,842
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. This is the amount of principal payments on notes payable.		344,518
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.		(182,153)
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.		53,790
Net change in net position - governmental activities	\$	<u><u>(332,063)</u></u>

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

COLQUITT COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (GAAP) BASIS AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 13,065,120	\$ 13,065,120	\$ 13,396,405	\$ 331,285
Business taxes	1,265,000	1,265,000	1,360,922	95,922
Other taxes	220,000	220,000	268,101	48,101
Licenses and permits	136,000	136,000	189,768	53,768
Intergovernmental	96,000	245,505	245,078	(427)
Charges for services	2,444,000	2,444,000	2,416,062	(27,938)
Fines and forfeitures	845,000	845,000	788,329	(56,671)
Interest income	15,000	15,000	12,188	(2,812)
Miscellaneous	1,942,430	2,610,825	877,860	(1,732,965)
Total revenues	20,028,550	20,846,450	19,554,713	(1,291,737)
Expenditures:				
Current:				
General government:				
County commissioners	221,223	221,790	201,410	20,380
Administrator and county clerk	225,230	236,320	201,798	34,522
Registrar	62,893	66,464	61,453	5,011
Finance	320,951	326,140	287,723	38,417
Purchasing	110,797	116,066	113,550	2,516
Legal services	40,000	40,000	31,280	8,720
Information systems	134,402	137,911	134,037	3,874
Tax commissioner	510,749	522,954	520,142	2,812
Tax assessor	661,858	682,159	663,873	18,286
Risk management	315,000	321,750	315,889	5,861
Buildings and grounds	435,939	524,011	507,777	16,234
Technical maintenance	374,155	420,086	417,562	2,524
General administration	313,168	190,743	46,979	143,764
Total general government	3,726,365	3,806,394	3,503,473	302,921
Judicial:				
Superior court	256,506	257,245	217,064	40,181
Substance abuse/mental health court	-	136,085	54,911	81,174
Clerk of courts	622,724	656,468	636,261	20,207
District attorney	241,657	242,127	241,916	211
State court	266,252	269,213	258,933	10,280
Magistrate court	284,505	290,250	273,135	17,115
Probate court	340,211	344,503	315,773	28,730
Juvenile court	153,381	153,381	118,252	35,129
Public defender	299,611	299,611	292,785	6,826
Total judicial	2,464,847	2,648,883	2,409,030	239,853

(Continued)

COLQUITT COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (GAAP) BASIS AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures: (Continued)				
Current: (Continued)				
Public safety:				
Law enforcement administration	\$ 706,152	\$ 711,207	\$ 587,473	\$ 123,734
Criminal investigation	388,698	416,697	405,411	11,286
Drug enforcement team	351,710	361,972	348,165	13,807
Uniform patrol	1,282,291	1,317,858	1,291,328	26,530
Records and identification	124,499	128,679	126,074	2,605
Youth investigations	331,386	347,501	335,153	12,348
Jail	3,153,245	3,276,335	3,252,037	24,298
Court services	353,435	366,959	365,295	1,664
Correctional institute	1,639,349	1,838,095	1,788,533	49,562
Ambulance services	170,980	186,980	149,087	37,893
Coroner	56,130	58,130	52,865	5,265
Animal control	65,014	65,714	65,011	703
Emergency management	17,514	17,609	16,212	1,397
Total public safety	8,640,403	9,093,736	8,782,644	311,092
Public works:				
Roads and bridges	3,517,312	3,570,493	3,410,341	160,152
Shop	317,319	327,843	327,838	5
Total public works	3,834,631	3,898,336	3,738,179	160,157
Health and welfare:				
Public health administration	229,900	229,900	229,899	1
Welfare administration	68,162	73,742	70,943	2,799
Welfare general assistance	42,075	42,075	40,823	1,252
Total health and welfare	340,137	345,717	341,665	4,052
Culture and recreation:				
Museum	11,400	11,400	11,400	-
Library	426,511	426,511	426,510	1
Total culture and recreation	437,911	437,911	437,910	1
Housing and development:				
Agricultural resources - county agents	193,908	203,270	191,793	11,477
Forestry resources	15,648	15,648	15,648	-
Total housing and development	209,556	218,918	207,441	11,477

(Continued)

COLQUITT COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (GAAP) BASIS AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures: (Continued)				
Current: (Continued)				
Debt service:				
Principal	\$ 450,000	\$ 385,000	\$ 344,518	\$ 40,482
Interest	78,000	143,000	142,342	658
Total debt service	528,000	528,000	486,860	41,140
 Total expenditures	 20,181,850	 20,977,895	 19,907,202	 1,070,693
 Excess (deficiency) of revenues over (under) expenditures	 (153,300)	 (131,445)	 (352,489)	 (221,044)
Other financing sources (uses):				
Proceeds from sale of capital assets	15,000	15,000	42,363	27,363
Transfers in	156,000	156,000	156,160	160
Transfers out	(17,700)	(39,555)	(15,791)	23,764
Total other financing sources (uses)	153,300	131,445	182,732	51,287
 Net change in fund balances	 -	 -	 (169,757)	 (169,757)
Fund balance, beginning of year	9,392,690	9,392,690	9,392,690	-
Fund balance, end of year	\$ 9,392,690	\$ 9,392,690	\$ 9,222,933	\$ (169,757)

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

COLQUITT COUNTY, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS

JUNE 30, 2013

	Major Enterprise Fund <u>Solid Waste Fund</u>	Governmental Activities- Internal Service Funds
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 175,687	\$ 188,450
Investments	-	1,113
Accounts receivable, net of allowances	187,404	23,956
Due from other funds	-	1,307
Prepaid expenses	52,373	-
Total current assets	415,464	214,826
NONCURRENT ASSETS		
Capital assets:		
Nondepreciable	573,485	-
Depreciable, net of accumulated depreciation	470,082	-
Total noncurrent assets	1,043,567	-
Total assets	1,459,031	214,826
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	20,782	-
Claims payable	-	459,278
Accrued expenses	2,822	-
Due to other funds	241,868	-
Current portion - compensated absences	13,015	-
Current portion - capital lease	71,903	-
Total current liabilities	350,390	459,278
LONG-TERM LIABILITIES		
Advance from other funds	300,000	-
Compensated absences, net of current portion	3,254	-
Capital lease, net of current portion	232,348	-
Total long-term liabilities	535,602	-
Total liabilities	885,992	459,278
NET POSITION		
Net investment in capital assets	739,316	-
Unrestricted	(166,277)	(244,452)
Total net position (deficit)	\$ 573,039	\$ (244,452)

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

COLQUITT COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Major Enterprise Fund Solid Waste Fund	Governmental Activities- Internal Service Funds
OPERATING REVENUES		
Charges for services	\$ 2,594,696	\$ 3,923,871
Miscellaneous	151	-
Total operating revenues	2,594,847	3,923,871
OPERATING EXPENSES		
Salaries and benefits	1,055,269	-
Cost of sales and services	920,901	-
Supplies	301,600	-
Claims	-	3,179,362
Insurance	-	22,266
Administration	79,150	904,404
Depreciation	196,186	-
Total operating expenses	2,553,106	4,106,032
Operating income (loss)	41,741	(182,161)
NONOPERATING INCOME (EXPENSE)		
Interest income	552	8
Interest expense	(12,409)	-
Total nonoperating income (expense)	(11,857)	8
Change in net position	29,884	(182,153)
NET POSITION (DEFICIT), beginning of year	543,155	(62,299)
NET POSITION (DEFICIT), end of year	\$ 573,039	\$ (244,452)

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, 2013

	Major Enterprise Fund Solid Waste Fund	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 2,419,825	\$ 3,913,970
Payments to suppliers	(1,369,265)	(904,404)
Payments for insurance claims	-	(3,133,989)
Payments to employees	(1,055,751)	-
Net cash used in operating activities	(5,191)	(124,423)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(53,307)	-
Net cash used in capital and related financing activities	(135,655)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	-	(1,008)
Interest on investments	552	8
Net cash provided by (used in) investing activities	552	(1,000)
Net decrease in cash and cash equivalents	(140,294)	(125,423)
Cash and cash equivalents:		
Beginning of year	315,981	313,873
End of year	\$ 175,687	\$ 188,450

(Continued)

COLQUITT COUNTY, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Major Enterprise Fund	Governmental Activities- Internal Service Funds
	Solid Waste Fund	
Reconciliation of operating income (loss) to net cash used in operating activities:		
Operating income (loss)	\$ 41,741	\$ (182,161)
Adjustments to reconcile operating income (loss) to net cash used in operating activities		
Depreciation expense	196,186	-
Increase in accounts receivable	(13,686)	(9,901)
Increase in prepaid expenses	(32,717)	-
Decrease in accounts payable	(34,897)	-
Increase in claims payable	-	67,639
Decrease in due to other funds	(161,336)	-
Decrease in compensated absences	(482)	-
Net cash used in operating activities	\$ (5,191)	\$ (124,423)

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

COLQUITT COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES AGENCY FUNDS

JUNE 30, 2013

ASSETS	Agency Funds
Cash	\$ 660,876
Investments	7,892
Taxes receivable	<u>31,576</u>
Total assets	<u>\$ 700,344</u>
LIABILITIES	
Due to others	\$ 668,768
Uncollected taxes	<u>31,576</u>
Total liabilities	<u>\$ 700,344</u>

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

COLQUITT COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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.

Discretely Presented Component Units

The Colquitt County Health Department (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 Health Department, 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.

NOTES TO FINANCIAL STATEMENTS

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 position and the statement of changes in net position) 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.

NOTES TO FINANCIAL STATEMENTS

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

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 **2013 SPLOST Fund** is a capital projects fund used to account for the County's receipt and expenditure of special purpose sales tax from the 2013 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.

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

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 position. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide statement of net position 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, 2013.

NOTES TO FINANCIAL STATEMENTS

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:

<u>Asset Category</u>	<u>Years</u>
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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year the debt is issued.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Long-Term Obligations (Continued)

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 and premiums on the issue are 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.

J. Deferred Outflows/Inflows of Resources

The County implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of July 1, 2012. These new standards establish accounting and financial reporting for deferred outflows/inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any items that qualify for reporting in this category.

In addition to liabilities, the balance sheet and statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. *Unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and other receivables, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. *Effective hedge* is reported in the government-wide statement of net position. The effective hedge results from the change in market value of a swap agreement related to the certificates of participation. The amount is deferred and will mature on June 1, 2028, at the same time as the certificates of participation.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. 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 position.”

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. 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 Position - Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net position 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 position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

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

L. 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.

NOTES TO FINANCIAL STATEMENTS

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 position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. 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 \$2,763,135 difference are as follows:

Notes payable	\$ (2,530,929)
Accrued interest	(10,936)
Compensated absences	<u>(221,270)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$ (2,763,135)</u></u>

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 position 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 \$1,310,255 difference are as follows:

Capital outlay	\$ 1,895,501
Depreciation expense	<u>(3,205,756)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u><u>\$ (1,310,255)</u></u>

NOTES TO FINANCIAL STATEMENTS

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 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 \$53,790 difference are as follows:

Accrued interest	\$ 1,057
Net pension asset	52,168
Compensated absences	<u>565</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities</i>	<u><u>\$ 53,790</u></u>

NOTE 3. BUDGETS AND BUDGETARY ACCOUNTING

Budget Policies

Formal budgetary accounting is employed as a management control device for the General Fund and special revenue funds. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

Budget Process

The County distributes budget forms to all department managers for their preparation and the requests are submitted to the Finance Director. The department budgets are formed during the various work sessions that include the department managers, elected officials, the Finance Director and the County Administrator. Prior to June 1, the County Administrator submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Public notice of budget and tax proposals is provided in compliance with State of Georgia law. Public hearings are conducted to obtain taxpayer comments. Prior to July 1, the final budget is adopted by the County Commission.

Encumbrances

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

NOTE 4. DEPOSITS AND INVESTMENTS

At June 30, 2013, the County had the following investments:

<u>Investments</u>	<u>Maturities</u>	<u>Rating</u>	<u>Fair Value</u>
Primary government:			
Amounts as presented in the entity-wide statement of net assets:			
Georgia Fund 1	43 days weighted average	AAAm	\$ 15,205,368
Amounts as presented in the statement of fiduciary assets and liabilities:			
Certificates of deposit	8 months	N/A	7,892
Component unit: Moultrie - Colquitt County Library			
Certificates of deposit	1 month weighted average	N/A	174,283
Total			<u><u>\$ 15,387,543</u></u>

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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

Custodial Credit Risk – Deposits. 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, 2013, 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 Health Department. 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 Health Department. 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, 2013, the Health Department did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Receivables at June 30, 2013, for the County's individual major and nonmajor funds in the aggregate are as follows:

	General	2013 SPLOST Fund	Nonmajor Governmental Funds	Solid Waste Fund	Internal Service Fund	Total
Receivables:						
Taxes	\$ 33,786	\$ 430,357	\$ 3,537	\$ -	\$ -	\$ 467,680
Accounts	245,350	-	135,259	1,043,907	23,956	1,448,472
Gross receivables	<u>279,136</u>	<u>430,357</u>	<u>138,796</u>	<u>1,043,907</u>	<u>23,956</u>	<u>1,916,152</u>
Less allowance for uncollectibles	(1,100)	-	-	(856,503)	-	(857,603)
Net receivables	<u>\$ 278,036</u>	<u>\$ 430,357</u>	<u>\$ 138,796</u>	<u>\$ 187,404</u>	<u>\$ 23,956</u>	<u>\$ 1,058,549</u>

Property taxes were levied on October 1, 2012. Bills are payable on or before December 10, 2012, 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 2012 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the fiscal year ended June 30, 2013, and collected by August 31, 2013, are recognized as revenues in the fiscal year ended June 30, 2013. Net receivables estimated to be collected subsequent to August 31, 2013 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, 2012.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the fiscal year ended June 30, 2013, 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	845,310	860,194	-	(1,551,217)	154,287
Total capital assets, not being depreciated	<u>3,749,887</u>	<u>860,194</u>	<u>-</u>	<u>(1,551,217)</u>	<u>3,058,864</u>
Capital assets, being depreciated:					
Buildings	35,868,531	315,363	-	1,446,467	37,630,361
Infrastructure	55,885,516	176,580	-	104,750	56,166,846
Machinery and equipment	11,426,857	543,364	(156,998)	-	11,813,223
Total capital assets, being depreciated	<u>103,180,904</u>	<u>1,035,307</u>	<u>(156,998)</u>	<u>1,551,217</u>	<u>105,610,430</u>
Less accumulated depreciation for:					
Buildings	(17,015,278)	(1,016,868)	-	-	(18,032,146)
Infrastructure	(19,318,870)	(1,393,913)	-	-	(20,712,783)
Machinery and equipment	(8,679,437)	(794,975)	133,829	-	(9,340,583)
Total accumulated depreciation	<u>(45,013,585)</u>	<u>(3,205,756)</u>	<u>133,829</u>	<u>-</u>	<u>(48,085,512)</u>
Total capital assets, being depreciated, net	<u>58,167,319</u>	<u>(2,170,449)</u>	<u>(23,169)</u>	<u>1,551,217</u>	<u>57,524,918</u>
Governmental activities capital assets, net	<u>\$ 61,917,206</u>	<u>\$ (1,310,255)</u>	<u>\$ (23,169)</u>	<u>\$ -</u>	<u>\$ 60,583,782</u>
Business-type Activities:					
Capital assets, not being depreciated:					
Land	\$ 573,485	\$ -	\$ -	\$ -	\$ 573,485
Total capital assets, not being depreciated	<u>573,485</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>573,485</u>
Capital assets, being depreciated:					
Equipment and vehicles	1,419,268	53,307	-	-	1,472,575
Total	<u>1,419,268</u>	<u>53,307</u>	<u>-</u>	<u>-</u>	<u>1,472,575</u>
Less accumulated depreciation for:					
Equipment and vehicles	(806,307)	(196,186)	-	-	(1,002,493)
Total	<u>(806,307)</u>	<u>(196,186)</u>	<u>-</u>	<u>-</u>	<u>(1,002,493)</u>
Total capital assets, being depreciated, net	<u>612,961</u>	<u>(142,879)</u>	<u>-</u>	<u>-</u>	<u>470,082</u>
Business-type activities capital assets, net	<u>\$ 1,186,446</u>	<u>\$ (142,879)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,043,567</u>

NOTES TO FINANCIAL STATEMENTS

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	\$	230,335	
Judicial		208,322	
Public safety		741,576	
Public works		1,766,643	
Health and welfare		151,698	
Culture and recreation		72,762	
Housing and development		34,420	
Total depreciation expense - governmental activities	\$	<u>3,205,756</u>	

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	(62,216)	(2,657)	-	(64,873)
Total accumulated depreciation	(62,216)	(2,657)	-	(64,873)
Total capital assets, net	\$ 26,457	\$ (2,657)	\$ -	\$ 23,800

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	(26,416)	(1,430)	-	(27,846)
Total accumulated depreciation	(26,416)	(1,430)	-	(27,846)
Total capital assets, net	\$ 5,005	\$ (1,430)	\$ -	\$ 3,575

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2013:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Notes payable	\$ 2,875,447	\$ -	\$ (344,518)	\$ 2,530,929	\$ 342,643
Compensated absences	221,835	326,606	(327,171)	221,270	177,016
Governmental activities long-term liabilities	<u>\$ 3,097,282</u>	<u>\$ 326,606</u>	<u>\$ (671,689)</u>	<u>\$ 2,752,199</u>	<u>\$ 519,659</u>
Business-type activities:					
Capital lease payable	\$ 373,242	\$ -	\$ (68,991)	\$ 304,251	\$ 71,903
Compensated absences	16,751	23,795	(24,277)	16,269	13,015
Business-type activities long-term liabilities	<u>\$ 389,993</u>	<u>\$ 23,795</u>	<u>\$ (93,268)</u>	<u>\$ 320,520</u>	<u>\$ 84,918</u>

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, 2013:

<u>Purpose</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Balance at June 30, 2013</u>
Building purchase	\$ 5,052,000	5.19%	2020	\$ 2,530,929
				2,530,929
			Less current maturities	(342,643)
				<u>\$ 2,188,286</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Notes payable (Continued)

Annual debt service requirements are as follows:

	Principal	Interest	Total
Fiscal Year Ending June 30,			
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	421,425	44,886	466,311
2019-2021	625,850	24,821	650,671
	\$ 2,530,929	\$ 451,297	\$ 2,982,226

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. Depreciation on leased asset under capital lease was \$53,320 as of June 30, 2013.

The following is an analysis of leased assets under capital lease as of June 30, 2013:

	Business-type Activities
Equipment	\$ 373,242
Less: Accumulated depreciation	(62,207)
	\$ 311,035

The following is a schedule of future minimum lease payments together with the present value of net minimum lease payments as of June 30, 2013:

	Business-type Activities
Fiscal Year Ending June 30,	
2014	\$ 82,198
2015	82,198
2016	82,198
2017	82,198
Total minimum lease payments	328,792
Less: Amount representing interest	(24,541)
Present value of future minimum lease payments	\$ 304,251

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2013, is as follows:

Due to/from other funds:		
Receivable Fund	Payable Fund	Amount
General Fund	2007 SPLOST Fund	\$ 193,584
General Fund	2013 SPLOST Fund	228,238
General Fund	Nonmajor Governmental Funds	131,854
General Fund	Solid Waste Fund	241,868
Capital Projects Fund	General Fund	16,428
Nonmajor Governmental Funds	General Fund	352,082
Internal Service Fund	General Fund	1,307
Nonmajor Governmental Funds	Nonmajor Governmental Funds	150,484
		\$ 1,315,845
Advances to/from other funds:		
Receivable Fund	Payable Fund	Amount
General Fund	Solid Waste Fund	\$ 300,000

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 In	Transfers Out		Total
	General Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 156,160	\$ 156,160
Capital Projects Fund	15,791	-	15,791
Nonmajor Governmental Funds	-	290,331	290,331
Total	\$ 15,791	\$ 446,491	\$ 462,282

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.

NOTES TO FINANCIAL STATEMENTS

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, 2013, 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, 2013, the County employees contributed \$71,296.

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.

NOTES TO FINANCIAL STATEMENTS

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:

	2013
<u>Derivation of Annual Pension Cost</u>	
Annual Required Contribution	\$ 996,525
Interest on Net Pension Obligation	(1,373)
Amortization of Net Pension Obligation	1,469
Annual Pension Cost	\$ 996,621
<u>Derivation of Net Pension Obligation</u>	
Annual Pension Cost for Fiscal Year 2011	\$ 996,621
Actual Contributions to Plan for Fiscal Year 2011	1,048,789
Increase (Decrease) in Net Pension Obligation	(52,168)
Net Pension Obligation as of June 30, 2011	(17,721)
Net Pension Obligation (Asset) as of June 30, 2012	\$ (69,889)
<u>Basis of Valuation</u>	
Current Valuation Date	January 1, 2013
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)
1/1/2013	\$ 996,621	\$ 1,048,789	105 %	\$ (69,889)
1/1/2012	974,465	1,009,289	104	(17,721)
1/1/2011	921,395	975,541	106	17,103

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS (CONTINUED)

B. Defined Benefit Plan (Continued)

Required Supplementary Information Schedule of Funding Progress

Year Ending	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Accrued Liability as a Percentage of Covered Payroll
12/31/2012	\$ 10,431,326	\$ 15,677,346	\$ 5,246,020	66.5 %	\$ 8,680,209	60.4 %

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 position 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, 2013.

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.

NOTES TO FINANCIAL STATEMENTS

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, 2013 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, 2013	June 30, 2012
Unpaid claims, beginning of fiscal year	\$ 391,639	\$ 642,386
Incurred claims and changes in estimates	3,247,001	2,788,336
Claim payments	(3,179,362)	(3,039,083)
Unpaid claims, end of fiscal year	\$ 459,278	\$ 391,639

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.

NOTES TO FINANCIAL STATEMENTS

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, 2013, 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, 2013, 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 \$244,451 for June 30, 2013. The Self Insurance Fund deficit is intended to be eliminated through increased charges to other funds and increases in employee premiums.

REQUIRED SUPPLEMENTARY INFORMATION

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

Year Ending	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Accrued Liability as a Percentage of Covered Payroll
12/31/2012	\$ 10,431,326	\$ 15,677,346	\$ 5,246,020	66.5 %	\$ 8,680,209	60.4 %
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

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.

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

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

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

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.

COLQUITT COUNTY, GEORGIA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2013

ASSETS	Special Revenue Funds				
	Special Service District Fund	Confiscated Assets Fund	E911 Fund	Jail Fund	Drug Fund
Cash and cash equivalents	\$ -	\$ 61,983	\$ 276,759	\$ 171,947	\$ 29,214
Investments	-	-	-	-	-
Taxes receivable	3,537	-	-	-	-
Accounts receivable	-	-	135,259	-	-
Due from other funds	502,566	-	-	-	-
Due from other governments	-	-	68,546	2,985	17
Prepaid expenses	908	-	15,510	-	-
Total assets	\$ 507,011	\$ 61,983	\$ 496,074	\$ 174,932	\$ 29,231
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 7,359	\$ -	\$ 6,739	\$ -	\$ -
Due to other funds	-	-	282,338	-	-
Total liabilities	7,359	-	289,077	-	-
FUND BALANCES					
Nonspendable:					
Prepaid expenditures	908	-	15,510	-	-
Restricted for:					
Judicial	-	-	-	-	-
Public safety	-	61,983	191,487	174,932	29,231
Economic development	498,744	-	-	-	-
Capital outlay	-	-	-	-	-
Total fund balances	499,652	61,983	206,997	174,932	29,231
Total liabilities and fund balances	\$ 507,011	\$ 61,983	\$ 496,074	\$ 174,932	\$ 29,231

Capital Projects Funds				
Law Library	Juvenile Services Fund	1999 SPLOST Fund	2002 SPLOST Fund	Total
\$ 37,213	\$ 13,340	\$ 944	\$ 153,118	\$ 744,518
-	-	43,003	1,660,559	1,703,562
-	-	-	-	3,537
-	-	-	-	135,259
-	-	-	-	502,566
-	-	-	-	71,548
-	-	-	-	16,418
\$ 37,213	\$ 13,340	\$ 43,947	\$ 1,813,677	\$ 3,177,408
\$ 1,282	\$ 250	\$ -	\$ -	\$ 15,630
-	-	-	-	282,338
1,282	250	-	-	297,968
-	-	-	-	16,418
35,931	-	-	-	35,931
-	13,090	-	-	470,723
-	-	-	-	498,744
-	-	43,947	1,813,677	1,857,624
35,931	13,090	43,947	1,813,677	2,879,440
\$ 37,213	\$ 13,340	\$ 43,947	\$ 1,813,677	\$ 3,177,408

COLQUITT COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Special Revenue Funds				
	Special Service District Fund	Confiscated Assets Fund	E911 Fund	Jail Fund	Drug Fund
Revenues:					
Property taxes	\$ 1,773,320	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	193,554	-	-
Charges for services	-	-	651,119	-	-
Fines and forfeitures	-	15,582	-	115,474	34,711
Interest income	-	-	410	142	31
Other revenues	-	-	77	-	-
Total revenues	1,773,320	15,582	845,160	115,616	34,742
Expenditures:					
Current:					
Judicial	-	-	-	-	-
Public safety	550,368	11,978	1,135,490	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	681,924	-	-	-	-
Housing and development	277,163	-	-	-	-
Intergovernmental payments	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	1,509,455	11,978	1,135,490	-	-
Excess (deficiency) of revenues over (under) expenditures	263,865	3,604	(290,330)	115,616	34,742
Other financing sources (uses):					
Transfers in	-	-	290,331	-	-
Transfers out	(290,331)	-	-	(126,000)	(30,160)
Total other financing sources (uses)	(290,331)	-	290,331	(126,000)	(30,160)
Net change in fund balances	(26,466)	3,604	1	(10,384)	4,582
Fund balances, beginning of year	526,118	58,379	206,996	185,316	24,649
Fund balances, end of year	\$ 499,652	\$ 61,983	\$ 206,997	\$ 174,932	\$ 29,231

Capital Projects Funds				
Law Library	Juvenile Services Fund	1999 SPLOST Fund	2002 SPLOST Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 1,773,320
-	-	-	126,502	320,056
-	-	-	-	651,119
10,045	6,060	-	-	181,872
45	-	86	3,131	3,845
-	-	-	-	77
<u>10,090</u>	<u>6,060</u>	<u>86</u>	<u>129,633</u>	<u>2,930,289</u>
21,570	-	-	-	21,570
-	-	-	-	1,697,836
-	9,126	-	-	9,126
-	-	-	-	681,924
-	-	-	-	277,163
-	-	-	405,186	405,186
-	-	21,069	356,359	377,428
<u>21,570</u>	<u>9,126</u>	<u>21,069</u>	<u>761,545</u>	<u>3,470,233</u>
<u>(11,480)</u>	<u>(3,066)</u>	<u>(20,983)</u>	<u>(631,912)</u>	<u>(539,944)</u>
-	-	-	-	290,331
-	-	-	-	(446,491)
-	-	-	-	(156,160)
<u>(11,480)</u>	<u>(3,066)</u>	<u>(20,983)</u>	<u>(631,912)</u>	<u>(696,104)</u>
<u>47,411</u>	<u>16,156</u>	<u>64,930</u>	<u>2,445,589</u>	<u>3,575,544</u>
<u>\$ 35,931</u>	<u>\$ 13,090</u>	<u>\$ 43,947</u>	<u>\$ 1,813,677</u>	<u>\$ 2,879,440</u>

COLQUITT COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Project Description	Original Costs	Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
<u>1999 REFERENDUM</u>					
Courthouse Renovations	\$ 6,000,000	\$ 6,000,000	\$ 8,800,527	\$ 21,069	\$ 8,821,596
<u>2002 REFERENDUM</u>					
Moultrie - Colquitt County Library	\$ 249,600	\$ 249,600	\$ 226,924	\$ 253,982	\$ 480,906
Sheriff's Department	271,200	271,200	950,722	3,727	954,449
County Records Repository	249,600	249,600	-	-	-
Sunset Airport	249,600	249,600	150,949	98,650	249,599
County Museum	100,800	100,800	100,800	-	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	5,612,992	279,009	5,892,001
City of Norman Park Projects	374,400	374,400	248,223	126,177	374,400
City of Riverside Projects	36,000	36,000	36,000	-	36,000
Totals	\$ 24,000,000	\$ 24,000,000	\$ 22,708,015	\$ 761,545	\$ 23,469,560
<u>2007 REFERENDUM</u>					
Moultrie - Colquitt County Library	\$ 75,000	\$ 75,000	\$ 18,392	\$ 26,556	\$ 44,948
Sheriff Administration Building	1,000,000	1,000,000	1,111,317	48,129	1,159,446
CCCI Prison Project	1,000,000	1,000,000	1,470,304	35,076	1,505,380
Moultrie Municipal Airport	275,000	275,000	72,428	139,850	212,278
Economic Development Authority	2,000,000	2,000,000	749,970	-	749,970
Roads, Streets and Bridges	12,500,000	12,500,000	8,465,556	1,697,635	10,163,191
City of Berlin Projects	176,000	176,000	122,641	22,220	144,861
City of Doerun Projects	600,000	600,000	541,336	-	541,336
City of Ellenton Projects	130,000	130,000	106,316	2,269	108,585
City of Funston Projects	126,000	126,000	83,796	28,765	112,561
City of Moultrie Projects	11,725,000	11,725,000	10,343,790	1,049,579	11,393,369
City of Norman Park Projects	353,000	353,000	249,582	15,659	265,241
City of Riverside Projects	40,000	40,000	12,344	28,144	40,488
Totals	\$ 30,000,000	\$ 30,000,000	\$ 23,347,772	\$ 3,093,882	\$ 26,441,654

COLQUITT COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Project Description	Original Costs	Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
<u>2013 REFERENDUM</u>					
Public Safety and Public Works Vehicles and Equipment	\$ 4,000,000	\$ 4,000,000	\$ -	\$ 261,829	\$ 261,829
County Buildings	1,000,000	1,000,000	-	1,575	1,575
Roads, Streets and Bridges	13,998,500	13,998,500	-	-	-
Technology Equipment and Upgrades	500,000	500,000	-	-	-
City of Moultrie Projects	11,391,000	11,391,000	-	718,931	718,931
City of Norman Park Projects	722,000	722,000	-	-	-
City of Doerun Projects	652,000	652,000	-	-	-
City of Funston Projects	290,000	290,000	-	-	-
City of Berlin Projects	375,000	375,000	-	742	742
City of Ellenton Projects	231,500	231,500	-	14,529	14,529
Town of Riverside Projects	40,000	40,000	-	-	-
Hospital Authority Projects	2,000,000	2,000,000	-	126,228	126,228
Development Authority Projects	1,000,000	1,000,000	-	-	-
Airport Authority Projects	150,000	150,000	-	-	-
Totals	<u>\$ 36,350,000</u>	<u>\$ 36,350,000</u>	<u>\$ -</u>	<u>\$ 1,123,834</u>	<u>\$ 1,123,834</u>

COLQUITT COUNTY, GEORGIA

SCHEDULE OF STATE AWARDS EXPENDED

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

<u>State Department and Program Name</u>	<u>Grant Contract Number</u>	<u>Deferred Revenue 6/30/2012</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Deferred Revenue 6/30/2013</u>
Georgia Department of Human Resources: Family Connection Program	427-93-10100267-99	\$ 43,089	\$ 44,507	\$ 47,781	\$ 39,815
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, 2013

<u>ASSETS</u>	<u>Tax Commissioner</u>	<u>Jail Inmate</u>	<u>Clerk of Superior Court</u>	<u>Probate Court</u>
Cash	\$ 272,781	\$ 52,057	\$ 139,932	\$ 3,014
Investments	-	-	-	7,892
Taxes receivable	31,576	-	-	-
Total assets	<u>\$ 304,357</u>	<u>\$ 52,057</u>	<u>\$ 139,932</u>	<u>\$ 10,906</u>
 <u>LIABILITIES</u>				
Due to others	\$ 272,781	\$ 52,057	\$ 139,932	\$ 10,906
Uncollected taxes	31,576	-	-	-
Total liabilities	<u>\$ 304,357</u>	<u>\$ 52,057</u>	<u>\$ 139,932</u>	<u>\$ 10,906</u>

<u>Sheriff's Office</u>	<u>Magistrate Court</u>	<u>Total</u>
\$ 136,170	\$ 56,922	\$ 660,876
-	-	7,892
-	-	31,576
<u>\$ 136,170</u>	<u>\$ 56,922</u>	<u>\$ 700,344</u>

\$ 136,170	\$ 56,922	\$ 668,768
-	-	31,576
<u>\$ 136,170</u>	<u>\$ 56,922</u>	<u>\$ 700,344</u>

COLQUITT COUNTY, GEORGIA
BALANCE SHEET
MOULTRIE – COLQUITT COUNTY LIBRARY

JUNE 30, 2013

ASSETS

Cash and cash equivalents	\$ 947,217
Investments	174,283
Total assets	<u>\$ 1,121,500</u>

LIABILITIES AND FUND BALANCE

Accounts payable	\$ 6,839
Accrued expenses	4,591
Total liabilities	<u>11,430</u>
Fund balance, assigned for library activities	<u>1,110,070</u>
Total liabilities and fund balance	<u>\$ 1,121,500</u>

COLQUITT COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE MOULTRIE – COLQUITT COUNTY LIBRARY FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Revenues:

Intergovernmental	\$	656,799
Charges for services		107,901
Interest revenue		1,979
Total revenues		<u>766,679</u>

Expenditures717,833

Net change in fund balances

48,846

Fund balance, beginning of year1,061,224**Fund balance, end of year**\$ 1,110,070

COMPLIANCE SECTION



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, 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, 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 (the "County") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Colquitt County, Georgia's basic financial statements and have issued our report thereon dated June 23, 2015. Our report includes a reference to other auditors who audited the financial statements of the Colquitt County Health Department, as described in our report on Colquitt County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. Our report also includes a reference to the changes in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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 a 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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiency in internal control, described as item 2013-001 in the accompanying schedule of findings and responses that we consider 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*.

Colquitt County, Georgia's Responses to Findings

Colquitt County, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Colquitt County, Georgia's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Albany, Georgia
June 23, 2015

COLQUITT COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

SECTION I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

yes no

Significant deficiencies identified not considered to be material weaknesses?

yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

There was not an audit of major federal award programs as of June 30, 2013 due to the total amount expended being less than \$500,000.

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

2013 - 001. 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, 2013, 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.

COLQUITT COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

SECTION III

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not Applicable.

COLQUITT COUNTY, GEORGIA
SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

2012 - 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 2013-001.

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.

Auditee Response/Status: The above finding was corrected for the fiscal year ended June 30, 2013.

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, 2013.

Call me should you have any questions.

Sincerely,

MAULDIN & JENKINS, LLC



Craig Moyer

CM:djb
Enclosures