

Glynn County, Georgia

**Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2006**

**Prepared by:
Finance Department**

GLYNN COUNTY, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Board of Commissioners Glynn County

701 "G" Street
Brunswick, Georgia 31520
(912) 554-7400



Don Hogan
Chairman
Carl Johnson
District One
Ulrich Keller
District Two
Tony Thaw
District Three

Howard Lynn
District Four
Jerome Clark
District Five
Cap Fendig
At-Large Post Two
Charles Stewart
County Administrator

December 18, 2006

Members of the Glynn County Board of Commissioners
And the Citizens of Glynn County, Georgia

State law required that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. We hereby issue the comprehensive annual financial report of Glynn County, Georgia ("County") for the fiscal year ended June 30, 2006.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Karp, Ronning, & Tindol, CPA, PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2006, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2006, and the financial statements are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Glynn County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Glynn County, chartered by an Act of the Georgia General Assembly on February 5, 1777, is located along the Atlantic coast in the southeastern part of the state, and ranks as one of the top tourist areas of Georgia. Glynn County currently occupies a land area of 457 square miles and serves a population of 71,800. Glynn County is empowered to levy a property tax on both real and personal properties located within its boundaries.

Glynn County operates under the Commissioner-administrator form of government. Policy-making and legislative authority are vested in a governing Board of Commissioners (Board) consisting of a chairman and six other members. The Board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the government's administrator, attorney, and police chief. The County's administrator is responsible for carrying out the policies and ordinances of the Board, for overseeing the day-to-day operations of the government, and for appointing the directors of the various departments. Commissioners serve four-year staggered terms, with elections held every two years. Five of the commissioners are elected by district and the two remaining commissioners are elected at large.

The County provides a full range of services extending beyond those provided by many other counties in Georgia. Certain of the services provided fall within the classic definition of "municipal services"; however, none of the services exceed the authority granted the County by general law or local acts of the Georgia General Assembly. Services provided include public safety (police and fire protection, emergency management, animal control, and jail operation); the construction and maintenance of highways, streets and infrastructure; zoning and code enforcement; court-related functions; water and sewer services; recreational activities and cultural events; tax appraisal and administration; solid waste collection; general administrative services; and outside agency support. The Glynn County Airport Commission and the Glynn County Board of Health are reported in the County's CAFR as component units as required by Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity".

The annual budget serves as the foundation for the County's financial planning and control. All departments and agencies of the County are required to submit requests for appropriation to the County Administrator's Budget Team prior to the end of February each year. The Budget Team uses these requests as the starting point for developing a proposed budget. The County Administrator then presents this proposed budget to the Board for review prior to the end of May. The Board is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than June 30, the close of the County's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g. police). Department directors may make transfers of appropriations within a department except that they may not transfer funds into or out of personal services or capital without approval by the County Administrator. Transfers into or out of Capital improvements must be approved by the Board. Transfers of appropriations between departments also require the approval of the Board. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as required supplementary information on pages E-1 through E-2. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the supplementary data subsection of this report, which starts on page F-1. Also included in the supplementary data subsection are project-length budget-to-actual comparisons for each governmental fund for which a project-length budget has been adopted (i.e., the sales tax construction funds).

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local economy. Glynn County's economy has generally reflected steady growth. Growth in the property tax digest as a result of new construction increased approximately 3.3 percent. Local option sales tax collections increased by 15.22 percent when compared to the previous twelve months. Accommodation excise tax revenues increased by 7.24 percent from the previous year. Tourism is a chief reason Glynn County's unemployment rate is consistently at one to one and one-half percent lower than that of the rest of the state. The County participates in attracting visitors to the area by providing approximately 55% of the collected accommodation excise tax to the Brunswick Golden Isles Convention and Visitors Bureau for destination marketing. The most recent report on the economic impact of travel expenditures in Glynn County, for the calendar year 2005, prepared by leading consultants in the field, reflected that an estimated 1.12 million visitors spent \$290.5 million on transportation, lodging, food, entertainment and recreation, and incidentals (up 9.9%), creating 3,800 direct jobs in the hospitality industry with total wages of \$80.35 million and generating local tax revenues of \$8.78 million.

The expanded port facilities operated by the state are another economic plus for Glynn County. The replacement of the bridge at the entrance to the harbor was completed and opened to traffic in April 2003. This new bridge allows larger ships to use the port and it is anticipated that the activity at the port will increase as a result of its construction.

Based on current projections, only a moderate expansion in the economy is expected to continue through the decade. To maintain the present high level of services, the County must maximize the uses of present financial resources and explore new methods of obtaining additional financial resources.

Long-term financial planning. Maintenance and upgrading of County facilities has become a priority in the last few years and the County has used a capital project based 1% sales tax to fund approximately \$184 million of capital assets over the last twenty-one years. During the next few years an additional \$135 million in capital projects will be funded through the current Special Purpose Local Option Sales Tax (SPLOST) and a new SPLOST will be go into effect in January 2007.

The County has continued to strive to reduce its dependence on tax anticipation notes (TANs) in the latter part of each calendar year. The General Fund balance has increased from \$3.99 million in fiscal year 1995 to \$23.48 million in the current fiscal year. As a result TANs borrowing which amounted to \$4 million in May, 1995 and decreased to \$3 million in September, 2003, has not been necessary since that time. The Board of Commissioners implemented an earlier property tax due date starting with the 2005 property taxes which further reduces the need for the borrowing.

Cash management policies and practices. The County currently invests substantially all temporarily idle cash, except for pension program funds, in high interest-bearing checking accounts, certificates of deposit and the State's local government investment pool. The average monthly yield for funds in 2006 4.44 percent for checking accounts, 3.9 percent for certificates of deposits and 4.2 percent for the local government pool. Pension program funds are held and invested by third party administrators. Total interest earnings for the County for fiscal 2006 amounted to \$3,338,327.

Risk management. The County is self-insured for workers' compensation and employee group health. The County maintains excess coverage for specific stop loss claims exceeding \$300,000 for the workers' compensation program and \$75,000 for the employee group health program. The County contracts with third party administrators for both of these programs. The County purchased property and liability coverage for general/vehicular coverage with various levels of deductibles. Employee long-term disability coverage is also fully insured. The County's Human Resources Department monitors all self-funded and

fully insured programs to develop programs for accident prevention and claims reduction in all County departments.

Pension plan and other post-employment benefits. The County sponsors a single-employer defined benefit pension plan for its employees. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the County must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the County fully funds each year's annual required contribution to the pension plan as determined by the actuary. As a result of the County's conservative funding policy, Glynn County has succeeded as of January 1, 2005, in funding 85 percent of the present value of the projected benefits earned by employees. The remaining unfunded amount is being systematically funded over 15 years as part of the annual required contribution calculated by the actuary.

The County also provides post-retirement health benefits for certain retirees and their dependents. As of the end of the current fiscal year, there were eleven retired employees receiving these benefits, which are financed on a pay-as-you-go basis. GAAP do not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

Additional information on the County's pension plan and post-employment benefits can be found in Notes IV.A and IV.B in the notes to the financial statements.

Awards and Acknowledgements

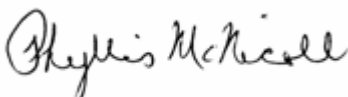
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Glynn County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2005. This was the nineteenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both the GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year ended June 30, 2006. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Board of Commissioners for its unfailing support for maintaining the highest standards of professionalism in the management of the County's finances.

Respectfully submitted,



Phyllis McNicoll
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Glynn County
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

GLYNN COUNTY, GEORGIA

June 30, 2006

BOARD OF COMMISSIONERS

Chairman- At Large	Don Hogan
Vice Chairman – District Three	Tony Thaw
At Large	Cap Fendig
District One	Carl R. Johnson
District Two	Ulrich "Uli" Keller
District Four	Paul "Howard" Lynn
District Five	Alan "Jerome" Clark

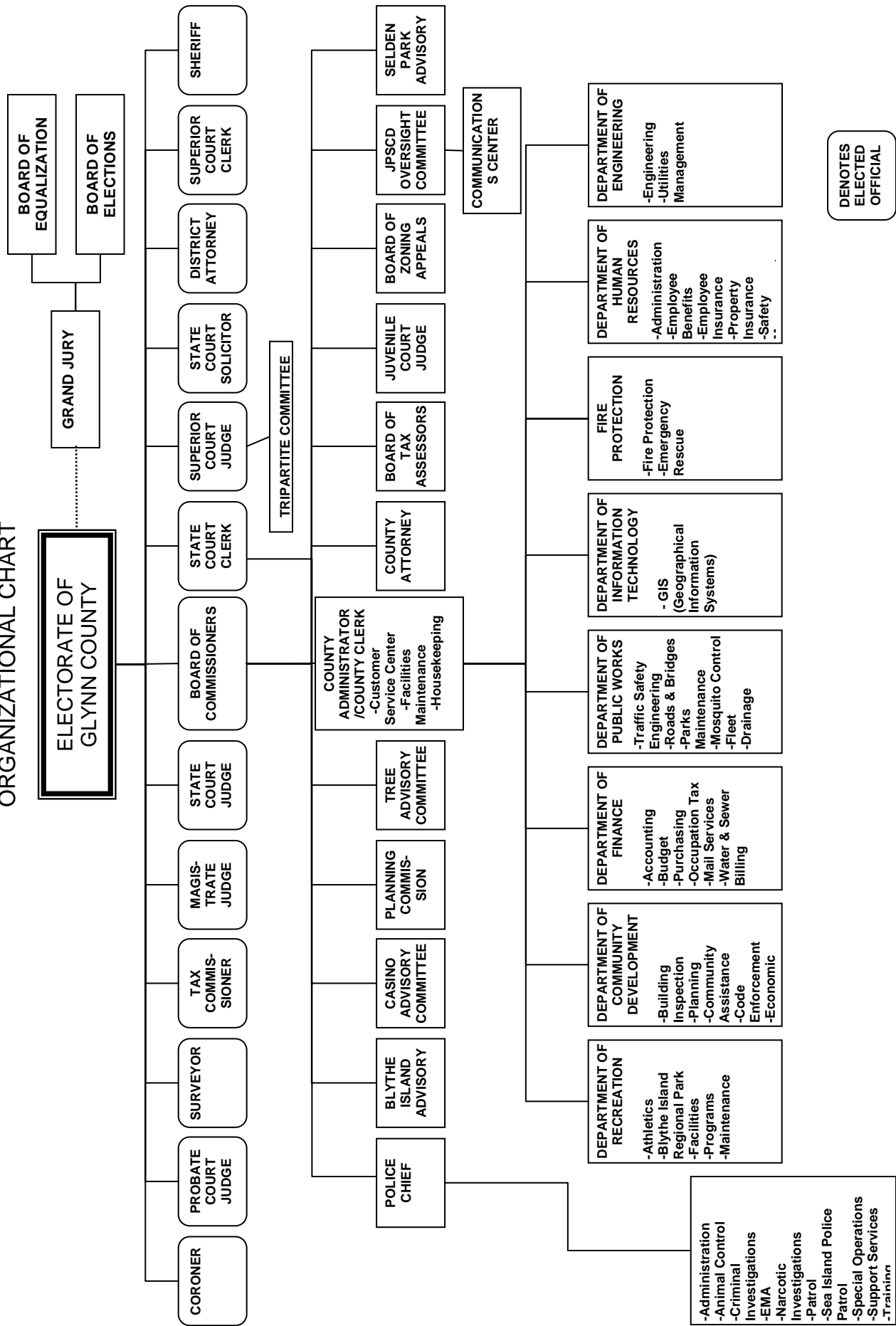
Charles T. Stewart, County Administrator

Gary Moore, County Attorney

DEPARTMENT OF FINANCE

Finance Director	Phyllis C. McNicoll
Budget Analyst	Russell D. Chunn
Accountant III	John Hunter
Accountant III	Vickie McClinton
Accountant II	Laura Shiver
Purchasing Agent	Kay Young
Occupation Tax Officer	Sarah Johnson
Administrative Supervisor	Tammy Henderson
Accounting Technician II	Angelika Hilton
Accounting Technician II	Sandra Hutto
Accounting Technician II	Carol Lee
Accounting Technician II	Sonia Raines
Accounting Technician II	Earlene Ransom
Accounting Technician II	Lori Young
Accounting Technician I	Teresa Grantham
Accounting Technician I	Mary Smith
Mail Clerk	Maria Buchan

GLYNN COUNTY GOVERNMENT ORGANIZATIONAL CHART



DENOTES ELECTED OFFICIAL

Report of Independent Auditor

KARP, RONNING & TINDOL, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

123 ABERCORN STREET
SAVANNAH, GEORGIA 31401
(912) 232-0475

INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the
Glynn County Board of Commissioners
Brunswick, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Glynn County, Georgia (County), as of and for the year ended June 30, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the County. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Glynn County Board of Health, which represent 9.93% of the assets, 4.66% of net assets and 82.15% of revenues 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 Glynn County Board of Health 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of 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 the County, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 8, 2006, on our consideration of the County's internal control over financial reporting and 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 compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Required Supplementary Information

The Management's Discussion and Analysis and the required supplementary information other than Management's Discussion and Analysis beginning on page C-1 and E-1, respectively, are not a required part of the financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Supplementary Data – Combining Fund Financial Statements and Schedules

Our audit was made for the purpose of forming opinions on the financial statements which collectively comprise the County's basic financial statements. The supplementary data listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the County. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Introductory and Statistical Sections

The information identified in the table of contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the County. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Karp, Rowing & Tindol, P.C.

December 8, 2006

Management's Discussion and Analysis

**GLYNN COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of Glynn County, Georgia, (the County) we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Glynn County, Georgia for the fiscal year ended June 30, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages A-1 through A-5 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$178,430 (*net assets*). Of this amount, \$20,519 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$21,452. Approximately 20 percent of this increase is attributable to an increase in capital contributions in the Water and Sewer Fund and approximately one fourth of the increase is due to the excess of revenues over expenditures in the Sales Tax #4 Fund.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$62,682, an increase of \$8,775 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$20,864 or 45 percent of total general fund expenditures.
- The County's total debt increased by \$806 during the current fiscal year. This increase was due to an increase in capital leases in the Water and Sewer Fund for the purchase of water meters and a generator at the St. Simons Island Wastewater Treatment Plant and an increase in Georgia Environmental Facilities Authority (GEFA) loans for the construction of water and sewer lines.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate Airport Commission for which the County is financially accountable and a Board of Health on which the County 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.

**GLYNN COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The government-wide financial statements can be found on pages D-1 through D-3 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 with finance-related legal 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 22 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 and the Sales Tax #4 Fund, both of which are considered to be major funds. Data from the other 20 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages D-4 through D-7 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 enterprise funds to account for its Water and Sewer Fund, Solid Waste Collection and Disposal funds and Revolving Loan fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its administrative services, employee benefits, and property and liability insurance. Because these services predominantly 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 separate information for the Water and Sewer Fund which is considered to be a major fund of the County. Conversely, the non-major enterprise funds and all internal service funds are combined into single, aggregated presentations in the proprietary fund financial statements. Individual fund data for the non-major enterprise funds and internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages D-8 through D-10 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 statement 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.

**GLYNN COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The basic fiduciary fund financial statements can be found on pages D-11 and D-12 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a 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 D-13 through D-37 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 pages E-1 and E-5 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, enterprise funds, and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages F-1 through F-38 of this report.

Government-wide Financial Analysis

The following table presents a summary of the Statement of Net Assets for the County as of June 30, 2006 and 2005:

Summary of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 73,276	\$ 61,736	\$ 17,451	\$ 18,064	\$ 90,727	\$ 79,800
Capital assets	74,324	70,795	48,659	37,985	122,983	108,780
Total assets	\$ 147,600	\$ 132,531	\$ 66,110	\$ 56,049	\$ 213,710	\$ 188,580
Long-term liabilities outstanding	\$ 2,051	\$ 1,853	\$ 18,327	\$ 17,548	\$ 20,378	\$ 19,401
Other liabilities	10,472	7,356	4,430	4,845	14,902	12,201
Total liabilities	\$ 12,523	\$ 9,209	\$ 22,757	\$ 22,393	\$ 35,280	\$ 31,602
Net assets:						
Invested in capital assets, net of related debt	\$ 74,324	\$ 68,962	\$ 36,011	\$ 28,396	\$ 110,335	\$ 97,358
Restricted	40,521	36,123	7,055	4,903	47,576	41,026
Unrestricted	20,232	18,237	287	357	20,519	18,594
Total net assets	\$ 135,077	\$ 123,322	\$ 43,353	\$ 33,656	\$ 178,430	\$ 156,978

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$178,430 at the close of the most recent fiscal year.

By far the largest portion of the County's net assets (62 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; 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.

**GLYNN COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

An additional portion of the County's net assets (27 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$20,519) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets for the governmental activities and business-type activities.

The following table summarizes the changes in net assets for the primary government for the fiscal years ended June 30, 2006 and 2005:

Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Charges for services	\$ 10,663	\$ 9,898	\$ 8,648	\$ 7,892	\$ 19,311	\$ 17,790
Operating grants and contributions	1,346	1,801	-	-	1,346	1,801
Capital grants and contributions	569	929	9,117	5,134	9,686	6,063
General revenues:						
Property taxes	27,885	27,144	659	568	28,544	27,712
Sales taxes	13,459	11,681	-	-	13,459	11,681
SPLOST	20,704	17,910	-	-	20,704	17,910
Other taxes	8,570	8,026	-	-	8,570	8,026
Unrestricted investment earnings	2,562	1,041	776	379	3,338	1,420
Intergovernmental revenues	803	-	-	-	803	-
Miscellaneous	1,098	447	-	-	1,098	447
Total revenues	<u>\$ 87,659</u>	<u>\$ 78,877</u>	<u>\$ 19,200</u>	<u>\$ 13,973</u>	<u>\$106,859</u>	<u>\$ 92,850</u>

**GLYNN COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Changes in Net Assets (Continued)

	Governmental Activities		Business-type		Total	
	2006	2005	2006	2005	2006	2005
Expenses:						
General government	\$ 9,309	\$ 9,586	\$ -	\$ -	\$ 9,309	\$ 9,586
Judicial	5,990	5,618	-	-	5,990	5,618
Public safety	29,505	27,200	-	-	29,505	27,200
Public works	19,444	14,870	-	-	19,444	14,870
Health and welfare	2,899	4,929	-	-	2,899	4,929
Culture and recreation	3,823	1,687	-	-	3,823	1,687
Housing and community development	4,754	1,339	-	-	4,754	1,339
Interest on long-term debt	-	4	-	-	-	4
Water and sewer	-	-	6,873	6,454	6,873	6,454
Other activities	-	-	2,810	3,128	2,810	3,128
Total expenses	<u>\$ 75,724</u>	<u>\$ 65,233</u>	<u>\$ 9,683</u>	<u>\$ 9,582</u>	<u>\$ 85,407</u>	<u>\$ 74,815</u>
Change in net assets before transfers	\$ 11,935	\$ 13,644	\$ 9,517	\$ 4,391	\$ 21,452	\$ 18,035
Transfers	<u>(180)</u>	<u>215</u>	<u>180</u>	<u>(215)</u>	<u>-</u>	<u>-</u>
Change in net assets	\$ 11,755	\$ 13,859	\$ 9,697	\$ 4,176	\$ 21,452	\$ 18,035
Net assets - beginning of year	<u>123,322</u>	<u>109,463</u>	<u>33,656</u>	<u>29,480</u>	<u>156,978</u>	<u>138,943</u>
Net assets - end of year	<u>\$135,077</u>	<u>\$123,322</u>	<u>\$ 43,353</u>	<u>\$ 33,656</u>	<u>\$178,430</u>	<u>\$156,978</u>

Governmental activities. Governmental activities increased the County's net assets by \$11,755, thereby accounting for 55 percent of the total growth in the net assets of the County.

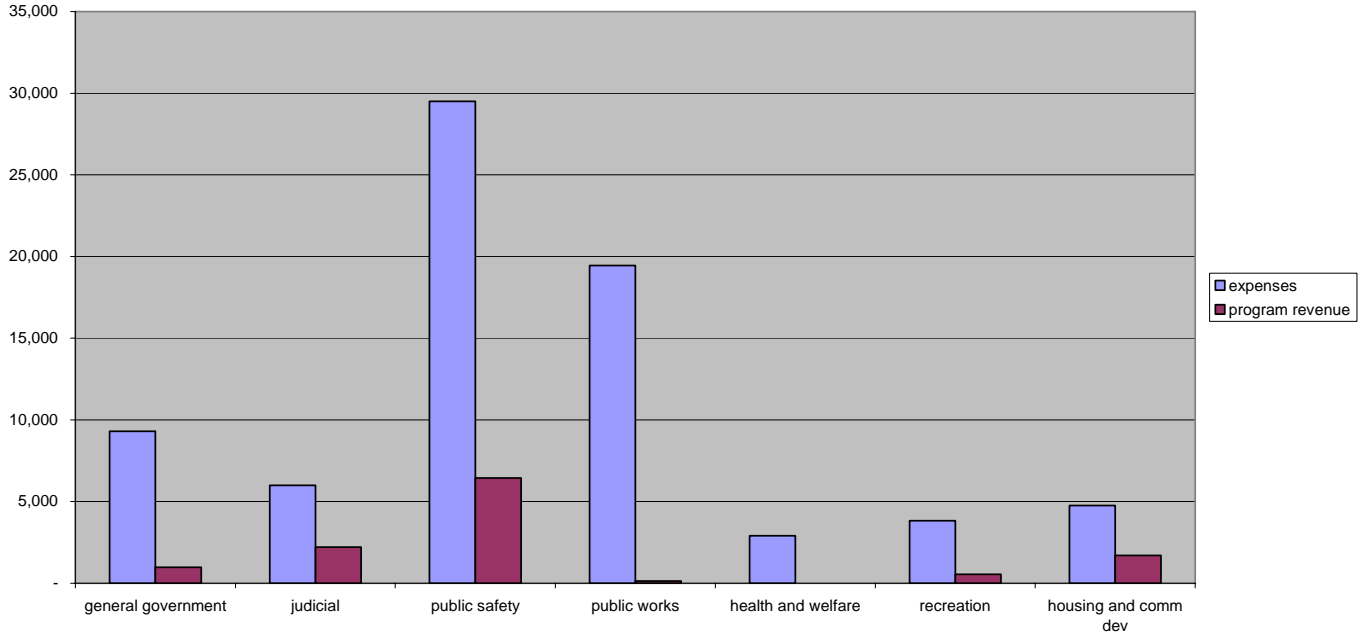
- Sales Tax #4 excess of revenues over expenditures amounted to \$4,910 in the current fiscal year. Several large construction projects were begin in the current fiscal and several others will be moving into the construction phase in the next fiscal year.
- The General Fund balance increased primarily due to increases in taxes and investment revenues which reflected positive budget variances of \$3,153 and \$996, respectively. Funds remain in the General Fund balance for projects which were budgeted in the current or previous years but will be spent in future years.

Approximately 32% of the County's total revenue came from property taxes and 49% from other taxes, while 5% resulted from grants, contributions and investment earnings. Charges for various goods and services provided 12% of the total revenues. The County's expenses cover a range of services. The largest expenses (39%) are related to providing public safety which includes police and fire protection, E-911 services, animal control, 800 mhz operations, the Sheriff's Office and the Coroner's Office.

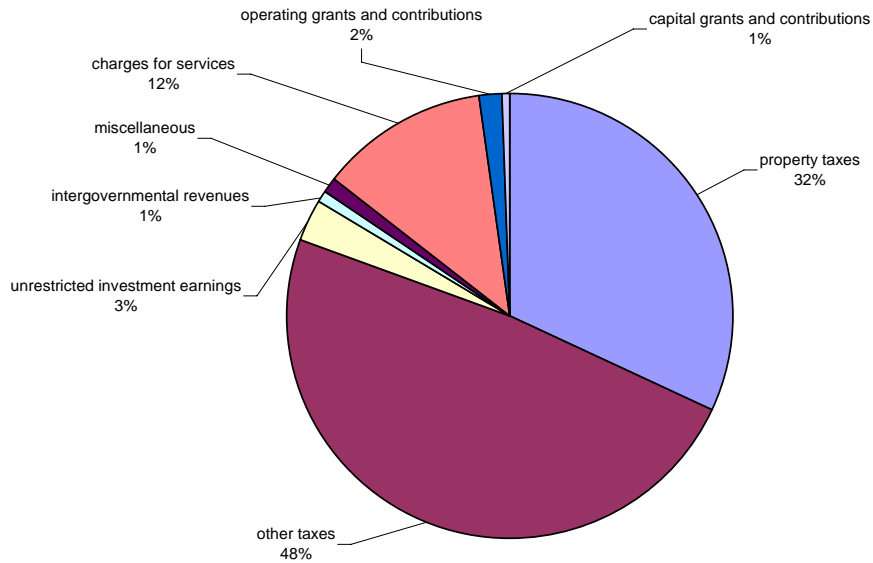
At the end of June 2006, governmental activities expenses exceeded program revenues, resulting in the use of \$63.1 million in general tax revenues. In contrast, program revenues exceeded net expenses from business-type activities.

**GLYNN COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities

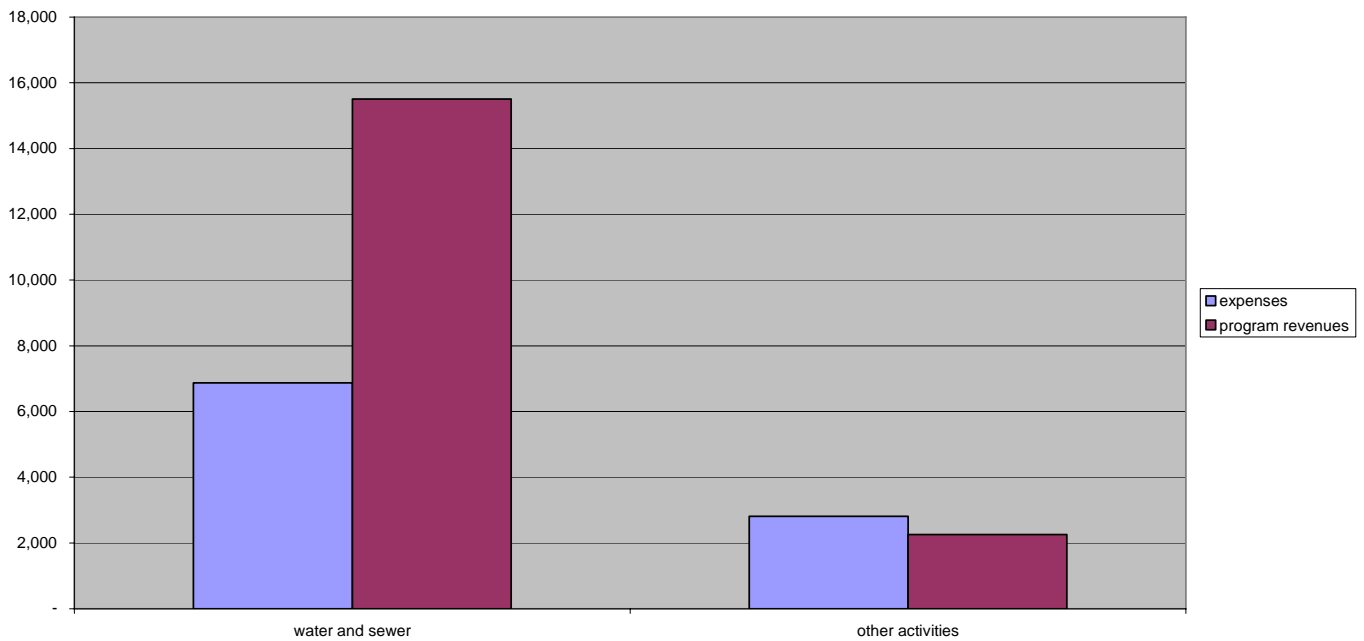


**GLYNN COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

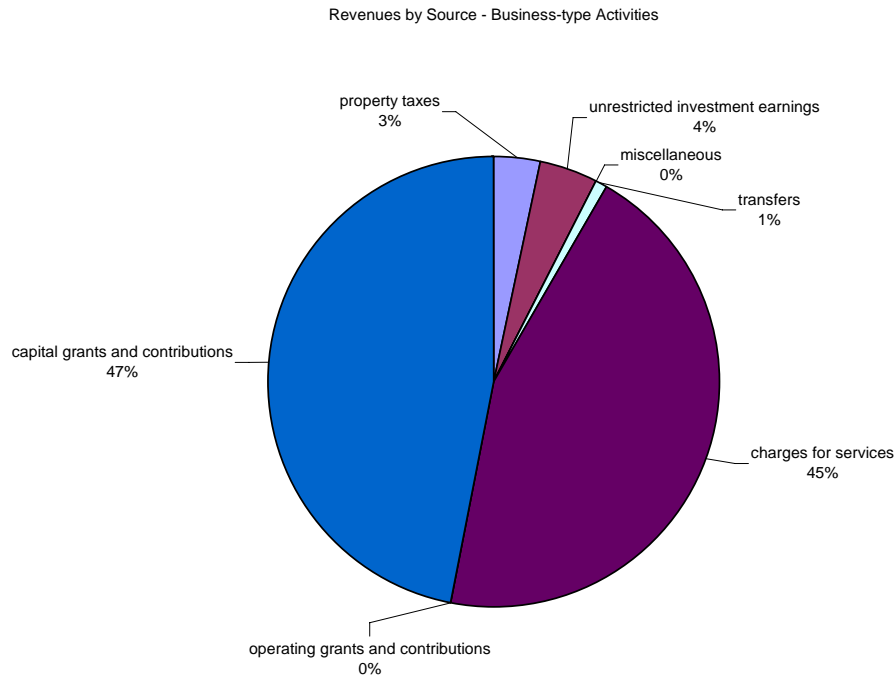
Business-type activities. Business-type activities increased the County's net assets by \$9,697, accounting for 45 percent of the total growth in the government's net assets. Key elements of this increase are as follows.

- Charges for services for business-type activities increased by 9.6 percent. The Water and Sewer Fund revenue increased by 16 percent as a result of an increase in Water and Sewer rates which were required in order to fund the revenue bond along with an aggressive meter change-out program, and more accurate meter readings.
- Capital contributions continue as a major revenue source for the Water and Sewer fund during the current fiscal year, producing \$9,117 in revenue, an increase of 78 percent over the previous year. Increases in development in areas that are served by Glynn County Water and Sewer have resulted in this consistent revenue source.

Expenses and Program Revenues - Business type Activities



**GLYNN COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS**



Financial Analysis of the Government's Funds

As noted earlier, Glynn County uses 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 *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$62,682, an increase of \$8,775 in comparison with the prior year. Approximately 96 percent of this total amount (\$60,065) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period (\$1,180), (2) to distribute confiscated monies according to court orders when cases are resolved (\$239), (3) to be restricted according to Georgia local legislation (\$1,081) and (4) for inventories and prepaid assets (\$116).

The general fund is the chief operating fund of the government. At the end of the current fiscal year, unreserved fund balance of the general fund was \$20,864, while total fund balance reached \$23,481. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 45 percent of total general fund expenditures, while total fund balance represents 50 percent of that same amount.

**GLYNN COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The fund balance of the County's general fund increased by \$4,405 during the current fiscal year. Key factors in this growth are as follows:

- Property taxes increased by \$1,580 which resulted from the use of new construction and revaluation increases to the tax digest.
- Other taxes increased by \$2,325 over the previous fiscal year. Increases in sales taxes amounted to \$7,778 or 15.2 percent over the previous year.

The Sales Tax #4 fund has a total fund balance of \$30,775, all of which is unreserved. The net increase in fund balance of \$4,910 during the current year was the result of receiving revenue at a faster rate than completion of projects was accomplished.

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

Unrestricted net assets of the Water and Sewer Fund at the end of the year amounted to a deficit of \$121. The total growth in net assets for this fund was \$9,290. The Water and Sewer Fund had an operating income of \$109 which was an increase of \$559 over the deficit of the previous year. The operating income along with capital contributions of \$9,117 resulted in the positive growth in net assets.

General Fund Budgetary Highlights

The Board of Commissioners amended the General Fund budget throughout fiscal year 2006. The amended budget appropriations totaled \$8.2 million. The most significant expenditure amendments are summarized as follows:

- Budget carried forward from fiscal year 2005 to the current fiscal year accounts for \$5,371 in increases in appropriations in various departments in the general fund.
- Budgets for encumbrances outstanding at the end of fiscal year 2005 in the amount of \$473 were carried forward into the current fiscal year.
- \$731 in merit raises and contingency budgets were reallocated from the Administration department to other departments.
- Fleet charges in the amount of \$903 were reallocated from the Public Works Department to other departments that utilized their services.

Although the County's final budget projected a loss of \$8.2 million in the General Fund, the fund actually had an increase of \$4.4 million. This increase can be attributed to the fact that several large projects were budgeted but expenditures were not incurred during the fiscal year. Revenue budgets of \$95 thousand and expenditures budgets of \$4.6 million have been carried forward into fiscal year 2007.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business type activities as of June 30, 2006, amounts to \$122,983 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure and construction in progress. To comply with GASB 34 the County is researching historical records to determine the cost of infrastructure and calculate appropriate depreciation. The County has reported all assets acquired during fiscal years 2003 through 2006, and all assets that could be identified from previous periods. The research will continue and assets identified will be added within the next year. The total increase in the County's investment in capital assets for the current fiscal year was 13.1 percent (a 5 percent increase for governmental activities and a 28.1 percent increase for business-type activities).

**GLYNN COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Major capital asset events during the current fiscal year included the following:

- Construction continued on water systems and wastewater treatment facilities for the Water and Sewer Fund and construction in progress as of the close of the fiscal year reached \$23,106 for the business-type activities. Of this amount, \$7,651 was contributed by the Sales Tax Construction 3 and 4 funds.
- A variety of roads, bridges, sidewalks and drainage projects were under construction during the fiscal year and \$1,243 of governmental infrastructure projects were completed during the year.

**Capital Assets
(net of depreciation)**

	Governmental activities		Business-type activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 7,330	\$ 7,330	\$ 150	\$ 150	\$ 7,480	\$ 7,480
Buildings	42,436	40,652	822	884	43,258	41,536
Improvements other than buildings	3,447	2,291	23,987	23,509	27,434	25,800
Machinery and equipment	9,512	10,678	594	398	10,106	11,076
Infrastructure	5,963	4,979	-	-	5,963	4,979
Construction in progress	<u>5,636</u>	<u>4,865</u>	<u>23,106</u>	<u>13,044</u>	<u>28,742</u>	<u>17,909</u>
Total	<u>\$ 74,324</u>	<u>\$ 70,795</u>	<u>\$ 48,659</u>	<u>\$ 37,985</u>	<u>\$ 122,983</u>	<u>\$ 108,780</u>

Additional information on the County's capital assets can be found in note III.D. on pages D-25 through D-27 of this report.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$11,955 in Series 2003 Water and Sewer Revenue Bonds. In May 2003, the County issued \$13,430 of revenue bonds to finance upgrades of the water and sewer system. As a part of the bond issuance the County refunded \$1,055 in outstanding debt for Series 1979 Water and Sewer Revenue Bonds and prepaid all outstanding GEFA loans in the amount of \$2,063, in an effort to reduce debt service expenses. The County borrowed \$1.4 million from GEFA in the current fiscal year to fund various water and sewer projects. The County has no general obligation debt.

Additional information on the County's long-term debt can be found in note III.G. on pages D-29 through D-31 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County is currently 4.4 percent, which is an increase from a rate of 4.3 percent a year ago. This compares favorably to the state's unemployment rate of 5.2 percent.
- Since tourism is a major industry in Glynn County, trends in accommodation excise and sales taxes are good indicators of the local economy. Accommodation excise tax receipts were 7.24% above the last fiscal year. Local option sales tax receipts were 15.22% over the last fiscal year.

These factors were considered in preparing the County's budget for the 2007 fiscal year.

At the end of the current fiscal year, unreserved fund balance in the general fund amounted to \$20,864. The County has appropriated \$4.6 million of the amount for spending in the 2007 fiscal year budget in order to complete projects which were budgeted but not spent in fiscal year 2006.

**GLYNN COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Water and Sewer Fund rates were increased by 6.25 percent for the 2006 budget year. The increase was necessary to finance capital leases and GEFA loans used for water and sewer equipment and infrastructure expansion and rehabilitation. A rate study which was done by a professional consultant in fiscal year 2005 recommended the fiscal year 2006 increase and a 6.25 percent rate increase was also approved for the beginning of the 2007 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of Glynn 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 Glynn County Finance Director, 1725 Reynolds Street, Suite 300, Brunswick, Georgia 31520.

Basic Financial Statements

GLYNN COUNTY, GEORGIA
STATEMENT OF NET ASSETS

JUNE 30, 2006

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Glynn County Health Department	Glynn County Airport Commission
ASSETS					
Cash and investments	\$ 62,689,002	\$ 6,695,654	\$ 69,384,656	\$ 1,799,708	\$ 857,614
Receivables	9,459,587	1,521,195	10,980,782	1,247,768	622,451
Internal balances	260,523	(260,523)	-	-	-
Prepaid items	757,163	-	757,163	-	22,523
Inventories	109,704	-	109,704	-	-
Deferred charges	-	246,048	246,048	-	-
Restricted cash and investments	-	9,248,517	9,248,517	-	107,265
Intangible asset	-	-	-	-	351,017
Capital assets:					
Land, improvements, and construction in progress	12,965,368	23,256,325	36,221,693	-	11,833,612
Other capital assets, net of depreciation	61,358,820	25,402,574	86,761,394	493,032	18,305,969
Total assets	<u>147,600,167</u>	<u>66,109,790</u>	<u>213,709,957</u>	<u>3,540,508</u>	<u>32,100,451</u>
LIABILITIES					
Accounts payable	8,742,300	2,182,639	10,924,939	1,517,101	697,707
Other liabilities	1,728,670	164,644	1,893,314	-	33,435
Unearned revenue	-	1,293,117	1,293,117	-	257,980
Payable from restricted assets	-	789,948	789,948	-	107,265
Noncurrent liabilities:					
Due within one year	1,322,090	805,806	2,127,896	105,000	102,214
Due in more than one year	729,487	17,520,587	18,250,074	421,075	277,645
Total liabilities	<u>12,522,547</u>	<u>22,756,741</u>	<u>35,279,288</u>	<u>2,043,176</u>	<u>1,476,246</u>
NET ASSETS					
Invested in capital assets, net of related debt	74,324,188	36,011,479	110,335,667	493,032	29,744,943
Restricted for:					
Capital projects	35,031,091	6,799,802	41,830,893	-	-
Other purposes	5,490,145	254,730	5,744,875	504,300	-
Unrestricted	20,232,196	287,038	20,519,234	500,000	879,262
Total net assets	<u>\$ 135,077,620</u>	<u>\$ 43,353,049</u>	<u>\$ 178,430,669</u>	<u>\$ 1,497,332</u>	<u>\$ 30,624,205</u>

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

GLYNN COUNTY, GEORGIA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2006

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General Government	\$ 9,308,775	\$ 927,379	\$ 35,590	\$ 10,000
Judiciary	5,989,757	1,875,084	339,720	-
Public Safety	29,505,326	5,826,059	619,004	48,549
Public Works	19,443,688	7,263	131,015	3,180
Health	2,899,010	-	-	-
Culture and Recreation	3,823,084	507,584	38,950	-
Housing and Development	4,754,216	1,519,190	181,918	506,908
Total governmental activities	<u>75,723,856</u>	<u>10,662,559</u>	<u>1,346,197</u>	<u>568,637</u>
Business-type activities:				
Water and Sewer	6,873,401	6,391,504	-	9,116,639
Solid waste disposal	-	18,023	-	-
Solid waste collection	2,806,279	2,225,782	-	-
Revolving loan fund	3,757	13,273	-	-
Total business-type activities	<u>9,683,437</u>	<u>8,648,582</u>	<u>-</u>	<u>9,116,639</u>
Total primary government	<u>\$ 85,407,293</u>	<u>\$ 19,311,141</u>	<u>\$ 1,346,197</u>	<u>\$ 9,685,276</u>
Component Units:				
Glynn County Health Department	\$ 12,526,180	\$ 2,552,477	\$ 9,241,820	\$ -
Glynn County Airport Commission	2,983,729	1,996,518	-	666,675
Total component units	<u>\$ 15,509,909</u>	<u>\$ 4,548,995</u>	<u>\$ 9,241,820</u>	<u>\$ 666,675</u>

General revenues:

Taxes:
 Property taxes
 Sales taxes for general purposes
 Special purpose local option sales taxes
 Other taxes
 Intergovernmental revenues
 Unrestricted investment earnings
 Miscellaneous
 Transfers
 Total general revenues and transfers
 Change in net assets
 Net assets - beginning
 Net assets - ending

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

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Glynn County Health Department	Glynn County Airport Commission
\$ (8,335,806)		\$ (8,335,806)		
(3,774,953)		(3,774,953)		
(23,011,714)		(23,011,714)		
(19,302,230)		(19,302,230)		
(2,899,010)		(2,899,010)		
(3,276,550)		(3,276,550)		
(2,546,200)		(2,546,200)		
<u>(63,146,463)</u>		<u>(63,146,463)</u>		
-	\$ 8,634,742	8,634,742		
-	18,023	18,023		
-	(580,497)	(580,497)		
-	9,516	9,516		
<u>-</u>	<u>8,081,784</u>	<u>8,081,784</u>		
<u>(63,146,463)</u>	<u>8,081,784</u>	<u>(55,064,679)</u>		
			\$ (731,883)	
			-	\$ (320,536)
			<u>(731,883)</u>	<u>(320,536)</u>
27,885,223	659,200	28,544,423	-	-
13,459,060	-	13,459,060	-	-
20,703,697	-	20,703,697	-	-
8,570,427	-	8,570,427	-	-
802,836	-	802,836	402,295	-
2,562,484	775,843	3,338,327	-	28,185
1,098,352	-	1,098,352	187,345	-
(180,094)	180,094	-	-	-
<u>74,901,985</u>	<u>1,615,137</u>	<u>76,517,122</u>	<u>589,640</u>	<u>28,185</u>
11,755,522	9,696,921	21,452,443	(142,243)	(292,351)
123,322,098	33,656,128	156,978,226	1,639,575	30,916,556
<u>\$ 135,077,620</u>	<u>\$ 43,353,049</u>	<u>\$ 178,430,669</u>	<u>\$ 1,497,332</u>	<u>\$ 30,624,205</u>

GLYNN COUNTY, GEORGIA

GOVERNMENTAL FUNDS
BALANCE SHEET

JUNE 30, 2006

	General Fund	Sales Tax 4	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 25,606,337	\$ 30,921,336	\$ 6,052,477	\$ 62,580,150
Receivables	4,472,013	3,601,234	1,071,512	9,144,759
Due from other funds	846,740	-	3,835,553	4,682,293
Inventories	109,704	-	-	109,704
Prepaid items	7,745	-	84,590	92,335
Total assets	<u>\$ 31,042,539</u>	<u>\$ 34,522,570</u>	<u>\$ 11,044,132</u>	<u>\$ 76,609,241</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,997,293	\$ 3,638,660	\$ 1,587,788	\$ 8,223,741
Other payables	-	-	137,942	137,942
Due to other funds	3,952,812	109,309	621,408	4,683,529
Due to fiduciary fund	57,766	-	-	57,766
Deferred revenue	553,920	-	270,721	824,641
Total liabilities	<u>7,561,791</u>	<u>3,747,969</u>	<u>2,617,859</u>	<u>13,927,619</u>
Fund balances:				
Reserved for:				
Inventories and prepaid items	116,212	-	-	116,212
Encumbrances	1,180,483	-	-	1,180,483
Public works and improvements	1,081,129	-	-	1,081,129
Public safety	239,233	-	-	239,233
Unreserved:				
Undesignated, reported in:				
General fund	20,863,691	-	-	20,863,691
Special revenue funds	-	-	4,169,783	4,169,783
Capital projects funds	-	30,774,601	4,256,490	35,031,091
Total fund balances	<u>23,480,748</u>	<u>30,774,601</u>	<u>8,426,273</u>	<u>62,681,622</u>
Total liabilities and fund balances	<u>\$ 31,042,539</u>	<u>\$ 34,522,570</u>	<u>\$ 11,044,132</u>	<u>\$ 76,609,241</u>

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

GLYNN COUNTY, GEORGIA

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ASSETS

JUNE 30, 2006

Total fund balance, governmental funds	\$ 62,681,622
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.	74,324,188
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	824,641
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets. See the long-term debt note.	(2,051,577)
Internal service funds are used by management to charge the cost of certain activities such as insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	(701,254)
Net Assets of Governmental Activities in the Statement of Net Assets	<u><u>\$ 135,077,620</u></u>

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

GLYNN COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2006

	General Fund	Sales Tax 4	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 39,254,578	\$ 20,703,697	\$ 12,022,790	\$ 71,981,065
Licenses and permits	1,697,750	-	6,913	1,704,663
Intergovernmental	1,355,668	-	848,808	2,204,476
Charges for services	4,677,842	-	1,871,932	6,549,774
Fees and fines	1,732,940	-	221,028	1,953,968
Investment earnings	1,176,788	1,136,241	233,809	2,546,838
Other revenue	758,161	15,261	468,276	1,241,698
Total revenues	<u>50,653,727</u>	<u>21,855,199</u>	<u>15,673,556</u>	<u>88,182,482</u>
EXPENDITURES				
Current:				
General government	10,309,968	-	103,035	10,413,003
Judicial	4,897,053	-	545,466	5,442,519
Public safety	18,503,466	-	9,076,394	27,579,860
Public works	7,194,690	-	220,203	7,414,893
Health and welfare	775,575	-	-	775,575
Culture and recreation	2,125,682	-	1,276,325	3,402,007
Housing and development	2,692,100	-	2,055,534	4,747,634
Capital outlay	-	16,944,810	2,564,539	19,509,349
Total expenditures	<u>46,498,534</u>	<u>16,944,810</u>	<u>15,841,496</u>	<u>79,284,840</u>
Excess (deficiency) of revenues over expenditures	<u>4,155,193</u>	<u>4,910,389</u>	<u>(167,940)</u>	<u>8,897,642</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	57,019	-	-	57,019
Transfers in	2,267,766	-	2,815,627	5,083,393
Transfers out	(2,075,279)	-	(3,188,208)	(5,263,487)
Total other financing sources (uses)	<u>249,506</u>	<u>-</u>	<u>(372,581)</u>	<u>(123,075)</u>
Net change in fund balances	4,404,699	4,910,389	(540,521)	8,774,567
Fund balances - beginning	19,076,049	25,864,212	8,966,794	53,907,055
Fund balances - ending	<u>\$ 23,480,748</u>	<u>\$ 30,774,601</u>	<u>\$ 8,426,273</u>	<u>\$ 62,681,622</u>

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

GLYNN COUNTY, GEORGIA

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

FOR THE YEAR ENDED JUNE 30, 2006

Net change in fund balances - total governmental funds:		\$ 8,774,567
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.</p>		
This is the amount by which capital outlays \$7,781,990 exceeded depreciation \$4,123,632 in the current period.		3,658,358
<p>Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in net assets differs from the change in fund balance by the net book value of the asset sold.</p>		
		(128,682)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(452,220)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:</p>		
Compensated absences	3,820	
Claims and judgments	(202,500)	(198,680)
<p>Internal service funds are used by management to charge the costs of certain activities such as insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.</p>		
		102,179
Change in net assets of governmental activities		\$ 11,755,522

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

GLYNN COUNTY, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS

JUNE 30, 2006

	Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Other Enterprise Funds	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 3,291,111	\$ 3,404,543	\$ 6,695,654	\$ 108,852
Receivables	1,043,332	179,712	1,223,044	314,828
Due from other funds	124,500	160,953	285,453	459,480
Prepaid items	-	-	-	664,828
Restricted cash	9,248,517	-	9,248,517	-
Total current assets	<u>13,707,460</u>	<u>3,745,208</u>	<u>17,452,668</u>	<u>1,547,988</u>
Noncurrent assets:				
Receivables	-	298,151	298,151	-
Deferred charges	246,048	-	246,048	-
Capital assets (net of accumulated depreciation)	48,381,641	277,258	48,658,899	-
Total non-current assets	<u>48,627,689</u>	<u>575,409</u>	<u>49,203,098</u>	<u>-</u>
Total assets	<u>62,335,149</u>	<u>4,320,617</u>	<u>66,655,766</u>	<u>1,547,988</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,743,467	439,172	2,182,639	460,793
Accrued liabilities	164,644	-	164,644	198,257
Due to other funds	542,454	3,522	545,976	197,721
Unearned revenue	-	1,293,117	1,293,117	-
Payable from restricted assets	789,948	-	789,948	-
Current portion of long-term debt	805,806	-	805,806	-
Total current liabilities	<u>4,046,319</u>	<u>1,735,811</u>	<u>5,782,130</u>	<u>856,771</u>
Noncurrent liabilities:				
Accrued liabilities	-	1,899,104	1,899,104	1,392,471
Due to others	923,541	-	923,541	-
Due in more than one year	14,697,942	-	14,697,942	-
Total noncurrent liabilities	<u>15,621,483</u>	<u>1,899,104</u>	<u>17,520,587</u>	<u>1,392,471</u>
Total liabilities	<u>19,667,802</u>	<u>3,634,915</u>	<u>23,302,717</u>	<u>2,249,242</u>
NET ASSETS				
Invested in capital assets, net of related debt	35,734,221	277,258	36,011,479	-
Restricted for:				
Capital Projects	6,799,802	-	6,799,802	-
Debt Service	254,730	-	254,730	-
Unrestricted	(121,406)	408,444	287,038	(701,254)
Total net assets	<u>\$ 42,667,347</u>	<u>\$ 685,702</u>	<u>\$ 43,353,049</u>	<u>\$ (701,254)</u>

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

GLYNN COUNTY, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN FUND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2006

	Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Other Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 6,322,237	\$ 2,224,688	\$ 8,546,925	\$ 3,812,022
Risk management fees	-	-	-	6,111,235
Investment income	-	13,273	13,273	-
Miscellaneous	69,267	19,117	88,384	1,044,897
Total operating revenues	<u>6,391,504</u>	<u>2,257,078</u>	<u>8,648,582</u>	<u>10,968,154</u>
OPERATING EXPENSES				
Personal services	118,752	188,954	307,706	2,289,362
Contractual services	2,351,289	2,513,268	4,864,557	1,020,881
Supplies	1,224,191	345	1,224,536	406,801
Interdepartment charges	824,221	84,442	908,663	7,163,077
Depreciation	1,206,971	23,027	1,229,998	-
Other costs	556,990	-	556,990	1,500
Total operating expenses	<u>6,282,414</u>	<u>2,810,036</u>	<u>9,092,450</u>	<u>10,881,621</u>
Operating income (loss)	<u>109,090</u>	<u>(552,958)</u>	<u>(443,868)</u>	<u>86,533</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	655,414	120,429	775,843	15,646
Property tax	-	659,200	659,200	-
Interest expense	(600,077)	-	(600,077)	-
Gain (loss) on sale of capital assets	9,090	-	9,090	-
Total non-operating revenue (expenses)	<u>64,427</u>	<u>779,629</u>	<u>844,056</u>	<u>15,646</u>
Income (loss) before contributions and transfers	173,517	226,671	400,188	102,179
Capital contributions	9,116,639	-	9,116,639	-
Transfers in	-	180,094	180,094	-
Change in net assets	<u>9,290,156</u>	<u>406,765</u>	<u>9,696,921</u>	<u>102,179</u>
Total net assets - beginning	<u>33,377,191</u>	<u>278,937</u>	<u>33,656,128</u>	<u>(803,433)</u>
Total net assets - ending	<u>\$ 42,667,347</u>	<u>\$ 685,702</u>	<u>\$ 43,353,049</u>	<u>\$ (701,254)</u>

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

GLYNN COUNTY, GEORGIA

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2006

	Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Other Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:				
Cash received from customers and users	\$ 6,475,569	\$ 2,716,341	\$ 9,191,910	\$ 1,056,225
Cash received from interfund services provided	-	-	-	10,171,164
Cash payments to suppliers for goods and services	(4,482,681)	(2,539,996)	(7,022,677)	(8,906,611)
Cash payments to employees for services	(118,752)	(188,954)	(307,706)	(2,289,362)
Net cash provided (used) by operating activities	<u>1,874,136</u>	<u>(12,609)</u>	<u>1,861,527</u>	<u>31,416</u>
Cash flows from noncapital financing activities:				
Property taxes	-	659,200	659,200	-
Borrowings from (repayments to) other funds	(397,824)	(28,594)	(426,418)	-
Transfers in	-	180,094	180,094	-
Net cash provided (used) by noncapital financing activities	<u>(397,824)</u>	<u>810,700</u>	<u>412,876</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Capital contributions	1,312,830	-	1,312,830	-
Acquisition and construction of capital assets	(5,243,006)	(218,572)	(5,461,578)	-
Issuance of debt	1,877,483	-	1,877,483	-
Disposal of capital assets	9,090	-	9,090	-
Principal payments on debt	(1,069,808)	-	(1,069,808)	-
Interest payments on debt	(585,477)	-	(585,477)	-
Net cash provided (used) by capital and related financing activities	<u>(3,698,888)</u>	<u>(218,572)</u>	<u>(3,917,460)</u>	<u>-</u>
Cash flows from investing activities:				
Interest earned on cash and investments	655,414	120,429	775,843	15,646
Net cash provided (used) by investing activities	<u>655,414</u>	<u>120,429</u>	<u>775,843</u>	<u>15,646</u>
Net increase (decrease) in cash and cash equivalents	(1,567,162)	699,948	(867,214)	47,062
Cash and cash equivalents, beginning of year	14,106,790	2,704,595	16,811,385	61,790
Cash and cash equivalents, end of year	<u>\$ 12,539,628</u>	<u>\$ 3,404,543</u>	<u>\$ 15,944,171</u>	<u>\$ 108,852</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income (loss)	<u>\$ 109,090</u>	<u>\$ (552,958)</u>	<u>\$ (443,868)</u>	<u>\$ 86,533</u>
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,206,971	23,027	1,229,998	-
Change in assets and liabilities:				
Decrease (increase) in accounts receivable	(3,368)	308,401	305,033	259,235
Decrease (increase) in due from other funds	-	(182,667)	(182,667)	-
Decrease (increase) in prepaid items	-	-	-	(155,136)
(Decrease) Increase in accounts payable and accrued liabilities	474,010	218,494	692,504	(159,216)
(Decrease) Increase in customer deposits	87,433	-	87,433	-
(Decrease) Increase in due to other funds	-	5,924	5,924	-
(Decrease) Increase in unearned revenues	-	167,170	167,170	-
Total adjustments	<u>1,765,046</u>	<u>540,349</u>	<u>2,305,395</u>	<u>(55,117)</u>
Net cash provided (used) by operating activities	<u>\$ 1,874,136</u>	<u>\$ (12,609)</u>	<u>\$ 1,861,527</u>	<u>\$ 31,416</u>

Non-cash transactions were from capital projects funded by the SPLOST funds in the amount of \$7,803,809 for the water and sewer fund.

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

GLYNN COUNTY, GEORGIA
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2006

	Agency Funds	Pension Trust Fund
ASSETS		
Cash	\$ 3,663,046	\$ 984,746
Accounts receivable	-	308,627
Taxes receivable	2,293,347	-
Due from other funds	-	57,766
Investments, at fair value:		
U.S. government and agency obligations	-	10,340,324
Corporate bonds	-	9,802,934
Domestic stocks	-	25,537,272
Total Investments	-	45,680,530
Total assets	5,956,393	47,031,669
LIABILITIES		
Accounts payable	5,956,393	-
Total liabilities	\$ 5,956,393	-
NET ASSETS		
Held in trust for retirement benefits (See schedule of funding progress on page E-4)		\$ 47,031,669

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

GLYNN COUNTY, GEORGIA
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2006

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 2,475,861
Plan Members	-
Total contributions	2,475,861
Investment earnings:	
Net appreciation (depreciation) in fair value of investments	402,059
Interest and dividends	1,562,762
Total	1,964,821
Less investment expense	125,000
Net investment income	1,839,821
Total additions	4,315,682
DEDUCTIONS	
Benefits	1,996,134
Refunds of contributions	-
Administrative expense	61,097
Total deductions	2,057,231
Change in net assets	2,258,451
Net assets - beginning	44,773,218
Net assets - ending (See schedule of funding progress on page E-4)	\$ 47,031,669

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

Notes to Financial Statements

GLYNN COUNTY, GEORGIA
Notes to Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. Certain of the significant changes in the Statement include the following:

1. A Management Discussion and Analysis (MD&A) section providing an analysis of the County's overall financial position and results of operations.
2. Financial statements prepared using full accrual accounting for all of the County's activities, including infrastructure (roads, bridges, etc.).
3. A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The County implemented the general provisions of the Statement for the fiscal year ended June 30, 2003 and plans to retroactively report infrastructure (assets acquired prior to July 1, 2002) in the fiscal year ending June 30, 2007.

A. Reporting entity

The County is a political subdivision of the State of Georgia and is governed by a seven member Board of County Commissioners. Five members represent a geographical district within the County, while two members represent the County at large. There are additional officers elected countywide. State law pertaining to county government provides for the independent election of these county officials. The officials are all part of the County's legal entity. These elected officials are the Sheriff, Tax Commissioner, State Court Judge, Magistrate Court Judge, Probate Court Judge, Clerk of Superior Court, Clerk of State Court, and the Coroner. The offices of the independently elected officials are not separate from the County and therefore are reported as part of the primary government.

The state constitution and state law pertaining to county government provide for the independent election of the Superior Court Judges and the District Attorney of the Brunswick Judicial Circuit. The cost of operations of the Superior Court Judges and the District Attorney Office is shared with the State of Georgia and other counties in the Judicial Circuit. Only that portion of the cost for which the County is responsible is reported in these financial statements.

The County entered into an intergovernmental agreement with the Georgia Circuit Public Defender Office of the Brunswick Judicial Circuit to provide for criminal indigent defense. The cost of operations is shared with the State and other counties in the Circuit. Only the portion of the costs for which the County is responsible is reported in these financial statements.

The County has implemented the Governmental Accounting Standards Board Statement 14 "The Financial Reporting Entity". The financial reporting entity consists of (a) primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The nucleus of a financial reporting entity usually is a primary government; however, a governmental organization other than a primary government (such as a component unit, a joint venture, a jointly governed organization, or another stand alone government) serves as the nucleus for its own reporting entity when it issues separate financial statements.

The County has met the criteria for classification as a primary government. The County has a separately elected governing body, is legally separate and is fiscally independent of other state and

GLYNN COUNTY, GEORGIA
Notes to Financial Statements

local governments. All funds, organizations, institutions, agencies, departments, and officers that are not legally separate of the primary government, for financial reporting purposes, are part of the primary government and are included in the financial statements of the County.

1. Discretely Presented Component Units

The component unit columns in the government-wide financial statements include the financial data of the County's component units. They are reported in separate columns to emphasize that they are legally separate from the County.

Glynn County Airport Commission – The Airport Commission (the "Commission"), which operates the County's two airports, was created by ordinance of the Board of Commissioners of Glynn County, Georgia to have perpetual existence. The Commission's powers and its relationship with the Brunswick and Glynn County Development Authority (the "Authority") distinguishes it as separate from the County. The Commission's Board is appointed by the Authority and, in the event of dissolution, all the Commission's real and personal, tangible and intangible property will be turned over to the Authority. A significant amount of property carried on the Commission's financial statements was deeded to the County by the Federal Government and leased by the County to the Authority. The County approves the Commission's budgets and subleases of property. Complete financial statements of the Commission can be obtained from its administrative offices at 295 Aviation Parkway, Brunswick, Georgia 31525.

Glynn County Board of Health – The Glynn County Board of Commissioners is responsible for appointing a voting majority of the members of the Glynn County Board of Health. The County appoints four of the seven members of the Board of Health's governing board. The County has the authority to modify and approve the Board of Health's budget and the ability to approve environmental health service fees. Executive management is by the State, and all employees are hired by the Board of Health, but subject to the approval of the State Department of Human Resources Services. The Board of Health is made up of two component units, which are the Glynn County Public Health Center and the Coastal Area Community Mental Health/Mental Retardation/Substance Abuse Center. The Board of Health through its component units provides health, mental health, mental retardation and substance abuse services to citizens of Glynn, Camden, Liberty, Long and McIntosh counties under a contract with the Georgia Department of Human Resources. Complete financial statements of the Board of Health can be obtained from its administrative offices at 1609 2747 Forth Street, Georgia 31520.

2. Joint Ventures

The County is a participant with the City of Brunswick (the "City") in a joint venture to provide hospital related health care to their citizens and the citizens of nearby counties. The Glynn-Brunswick Memorial Hospital Authority was created pursuant to the provisions of the Hospital Authority Law of the State of Georgia and a joint resolution of the respective Boards of Commissioners of the County and City. The Authority appoints its governing board from lists provided equally by the County and City. The Hospital Authority's complete financial statement can be obtained from the administrative offices of the Hospital Authority at 3100 Kemble Avenue, Brunswick, Georgia 31520.

The County is also a participant with the City of Brunswick for the purpose of developing, promoting and expanding economic development through the Brunswick and Glynn County Development Authority. The Authority was created by an act of the General Assembly of the State of Georgia. Authority board members are appointed by joint resolution of the Boards of Commissioners of the County and City. The County has contracted with the Authority to carry-out certain economic development activities. In return, the County has agreed to pay the Authority sufficient funds to conduct these activities. During the year ended June 30, 2006, the County appropriated \$316,800 to the Authority. Complete financial statements of the Authority can be obtained from its administrative offices at 4 Glynn Avenue, Brunswick, Georgia 31520.

GLYNN COUNTY, GEORGIA
Notes to Financial Statements

Under Georgia law, the County, in conjunction with other cities and counties in the nine county coastal Georgia region, is also a member of the Coastal Georgia Regional Development Center (the "RDC") and is required to pay annual dues thereto. During its year ended June 30, 2006, the County paid \$46,771 in such dues. Membership in the RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional development center. Separate financial statements may be obtained from Coastal Georgia Regional Development Center, 127 F Street, Brunswick, Georgia 31520.

3. County Agency Funds

Certain County officials collect and disburse taxes, fees, fines, etc. Separate records of accountability are maintained for such receipts. For purposes of this report, these records are included as a part of agency funds, with remittances to the General Fund and other funds where they are recorded as revenue. Operating costs for these officials are included as a part of the County's General Fund. These units include:

- Tax Commissioner
- Clerk of Superior Court
- Probate Court
- Juvenile Court
- Child Support Receiver
- Clerk of State Court
- Sheriff's Office
- Magistrate Court

B. Government-wide and fund financial statements

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. While the previous model emphasized fund types (the total of all funds of a particular type), in the new reporting model the focus is on either the County as a whole or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type. In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (general government, judiciary, public safety, public works, etc.), which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants and contributions. The program revenues must be directly associated with the function or a business-type activity. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a function or segment, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales and other taxes, intergovernmental revenues, investment income, etc.). Historically, the previous model did not summarize or present net cost by function or activity.

The government-wide focus is more on the sustainability of the County as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. In the process of

GLYNN COUNTY, GEORGIA
Notes to Financial Statements

aggregating data for the statement of the net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds are eliminated or reclassified in the government-wide financial statements.

The fund financial statements are, in substance, very similar to the financial statements presented in the previous model. Emphasis here is on the major funds in either the governmental or business-type categories. Non-major funds (by category) or fund type are summarized into a single column.

Unless an internal service fund is combined with the business-type activities (deemed to be an infrequent event), totals on the business-type activity fund statements should directly reconcile to the business-type activity column presented in the government-wide statements.

The governmental funds major fund statements in the fund financial statements are presented on a current financial resources measurement focus and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the County's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented following each statement, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

The County's fiduciary funds are presented in the fund financial statements by type (pension and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The fiduciary funds are presented using the economic resources measurement focus.

The focus of the revised model is on the County as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the fiduciary funds, (by category) and the component units. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

C. Basis of presentation

The financial transactions of the County are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The new model (Statement 34) sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

The County uses the following fund types:

1. Governmental Funds:

The focus of governmental fund measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the County:

- a. **General Fund** is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

GLYNN COUNTY, GEORGIA
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- b. **Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. **Capital Projects Funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Business-type/Proprietary Funds). The major fund, (Sales Tax Construction 4), is where the proceeds of a special one cent sales tax adopted by referendum and expenditures for roads, drainage, equipment and other improvements are accounted.

2. Proprietary Funds:

The focus of Proprietary Fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the County:

- a. **Enterprise Funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) has a pricing policy designed for the fees and charges to recover similar costs. The major fund, (Water & Sewer), accounts for business-type activities for the provision of water and sewer services to the residents of the County.
- b. **Internal Service Funds** account for the County's insurance claims relating to health, life, workers compensation, unemployment, automobile and property damage, general liability, personal injury and errors and omissions. The internal service funds also account for the expense of normal County administration services that are provided to other departments or funds of the County on a cost-reimbursement basis.

3. Fiduciary Funds:

- a. **Fiduciary Funds** are used to report assets held in a trustee or agency capacity for others and therefore are not available to support County programs. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. Trust and Agency Funds are used to account for the pension trust fund and agency funds, which are custodial in nature. The County has one pension trust fund that accounts for the retirement benefits of the County's employees. There are eight agency funds, which account for the receipts and disbursements of funds by the tax commissioner, clerk of superior court, probate court, juvenile court, child support receiver, clerk of state court, sheriff's office, and magistrate court.

4. Non-Current Governmental Assets/Liabilities:

GASB Statement 34 eliminates the presentation of Accounts Groups, but provides for these records to be maintained and incorporates the information into the Governmental column in the government-wide Statement of Net Assets.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

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 GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and

GLYNN COUNTY, GEORGIA
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enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance. The Governmental Funds in the Fund Financial Statements are presented on a modified accrual basis.

1. Accrual:

All proprietary funds, the pension trust fund, and agency funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, usually 60 days. Revenues considered susceptible to accrual are property taxes, charges for services, and investment income. In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement 33, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met should, under most circumstances, be reported as advances by the provider and deferred revenue by the recipient. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt is recognized when due.

E. Assets, Liabilities and Fund Equity

1. Deposits and Investments

The County has defined cash and cash equivalents to include cash on hand, demand deposits, cash with fiscal agent, and short term investments with original maturities of three months or less from the date of acquisition. Investments are stated at fair value, (quoted market price or the best estimate thereof).

2. Receivables

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the accrual basis. Accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

The major receivable for the County is property taxes receivable. Real and personal property taxes are levied after acceptance of the County's tax digest by the State of Georgia Department of Revenue. Property taxes were levied and mailed on September 15, 2005. The taxes are based on January 1, 2005 assessed values and are due November 15, 2005, after which date liens can be attached. Motor vehicle taxes are assessed January 1, based on values on January 1; due dates are based on the birth date of the registered owner.

The County bills and collects its own property taxes and also collects various taxes for the Glynn County Board of Education, the City of Brunswick, and the State of Georgia. Collection of the County's taxes and for the other government agencies is the responsibility of the Tax Commissioner's office, which is accounted for as an agency fund. County property tax revenues are recognized when levied to the extent they result in current receivables.

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3. Inventories and Prepaid Items

Inventory is valued at cost, determined on a first-in, first-out basis. Inventory in the General Fund consists of expendable supplies held for consumption. The cost is recorded as an expenditure in the General Fund at the time the inventory is consumed (consumption method). Reported General Fund inventory is equally offset by a reservation of fund balance which indicates that it does not constitute an "available spendable resource" even through it is a component of net current assets.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. Restricted Assets

Enterprise Funds - The Water & Sewer Fund maintains a separate fund to account for the provision of water and sewer services for residents of the unincorporated area of Glynn County. Funds received in payment of customer deposits are recorded in this account and refunds of customer deposits are paid from this account. Liabilities payable from restricted assets are reported separately to indicate that the source of payment is the restricted assets.

5. Capital Assets

Capital assets purchased in the governmental fund types are recorded as expenditures at the time of purchase. Such assets are capitalized at cost if a unit cost is \$5,000 or more in the general capital assets. The County's policy is to capitalize significant interest costs incurred during construction as a part of the cost of capital assets. Gifts or contributions are recorded at their estimated fair market value on the date donated. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Governmental Assets	Years
Buildings	7 - 50
Improvements other than Buildings	30
Machinery and equipment	2 - 30
Infrastructure	20 - 40
Business-type Assets	Years
Water related	5 - 50
Sewer related	5 - 50
Solid waste disposal related	5 - 20
Buildings	20 - 50
General and vehicles	5 - 10

Pursuant to GASB Statement 34, an extended period of deferral (FY2006-07) is available before the requirement to record and depreciate infrastructure assets becomes effective. This category is likely to be the largest asset class of the government and has historically not been reflected nor a measure of its consumption charged. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. GASB Statement 34 requires the reporting and depreciation of new infrastructure expenditures effective with the beginning of the implementation year.

6. Long-Term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial

GLYNN COUNTY, GEORGIA
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statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The County has various insurance coverages provided through self-insurance plans, which are accounted for in the Internal Service Funds. Claims incurred and reported to the County are shown as accounts payable in the Internal Service Funds. Claims incurred but not reported are determined using third-party administrator and historical estimates. These estimated liabilities are recorded as accrued liabilities in the Internal Service Funds.

7. Compensated Absences

The liability for compensated absences has been accrued. In governmental funds, liabilities are not considered current until they are expected to be liquidated with expendable available financial resources; therefore, only the current liability is accrued in the governmental funds. Compensated absences are generally liquidated by the general and special revenue funds. The total liability for proprietary funds is recorded in the proprietary fund type.

The County's policy is to permit employees to accumulate earned but unused vacation and sick pay benefits. Employees of the County may carry over a maximum of 400 hours (some fire department employees may carry over 600 hours) of vacation to the next year. The accumulated benefits will be liquidated in future years as employees elect to use them. In the normal course of business, all payments of these accumulated benefits will be funded from appropriations of the year in which they are to be paid. All compensated absences are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. 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. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

An employee can accrue an unlimited number of sick leave days. Sick leave can be taken only for personal illness or illness of an immediate family member. The accumulated unused sick leave is \$6,513,175 at June 30, 2006.

8. Equity Classifications

Equity is classified as net assets and displayed in three components in the government-wide financial statements.

- a) **Invested in capital assets, net of related debt** consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) **Restricted net assets** consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) **Unrestricted net assets** consists of all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

F. Revenues, Expenditures and Expenses

1. Operating and Non-operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and or services. Also included are all revenues and expenses not related to capital and related financing, non-capital financing, or investing activities. 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, the County's policy is to use restricted resources first, then unrestricted resources as needed.

2. Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for governmental activities. Administrative overhead charges are made to various functions and are included in direct expenses. In the fund financial statements, governmental fund expenditures are classified by character, i.e. current (further classified by function), debt service, and capital outlay. Proprietary fund expenses are classified as operating and non-operating.

In the fund financial statements, governmental funds report expenditures of current financial resources. Proprietary funds report expenses relating to use of economic resources.

3. Interfund Transactions

Interfund transactions are reflected as loans, services provided, reimbursement or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide columnar presentation.

4. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may affect the amounts reported in the financial statements and the related notes. Accordingly, actual results could differ from these estimates.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Net Assets

The Solid Waste Disposal Fund has unrestricted net (liability) assets of \$(554,155). The deficit resulted when landfill post-closure expenses were recorded. The County expects that the deficit will be reversed by interest earnings in the next ten years. The Employee Benefit Plan and Administrative Services funds have net (liability) assets of \$(748,232) and \$(52,160), respectively. These internal service fund deficits will be reduced by increased rates charged to other funds and customers.

B. Budget Variances

The Accomodation Excise Tax Fund, the County Athletic Fund and the Police Seizure Fund transfers out exceed the approved final budget by \$232,854, \$22,486 and \$2,171, respectively.

GLYNN COUNTY, GEORGIA
Notes to Financial Statements

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

General:

Individual bank accounts and investments are maintained in each fund of the County. The cash and investments of the Glynn County Defined Benefit Pension Plan (GCDBPP) are also held separately and reported within the Pension Trust Fund.

Deposits:

Custodial Credit Risk for deposits is the risk that, in the event of bank failure, a government's deposits may not be returned to it. At June 30, 2006 all of the County's deposits were either covered by federal depository insurance or collateralized through the Georgia Public Funds Pledging Pool, a multiple financial institution collateral pool administered by the Georgia Bankers Association for the State of Georgia.

Georgia law governs collateral requirements and forms of collateral under O.C.G.A. Section 45-8-12 which is incorporated by reference within the County's Investment Policy. The County has no custodial credit risk policies requiring additional collateral. In summary, Georgia law states:

- All deposits shall be collateralized within 10 days of deposit by a surety bond, a guarantee of insurance, or collateral.
- The face value of any surety bond, guarantee of insurance or collateral shall be at least 110% of the public funds being secured, net of deposit insurance.
- If a depository elects the pooled method (O.C.G.A. Section 45-8-13.11), the aggregate market value of pledged securities may not be less than 110% of the daily pool balance.

Authorized security for deposits enumerated under law includes surety bonds, FDIC insurance, obligations of the United States or the State of Georgia, obligations of Georgia counties or municipalities, bonds of any Georgia public authority, industrial revenue bonds of any Georgia development authority, and obligations of any subsidiary corporation of the United States government fully guaranteed by the United States (such as Federal Home Loan Bank, Federal National Mortgage Association, etc).

Investments:

In its investment of both public and pension trust funds, the County follows state statutes and adopted investment policies. As of June 30, 2006 the investments of the Primary Government and the GCDBPP were:

	Average Credit Rating	Fair Value	Maturities in Years			
			Less than 1	1 to 3	4 to 5	Greater than 5
Primary government:						
Georgia Fund 1	Aaa	\$ 23,801,878	\$ 23,801,878	\$ -	\$ -	\$ -
Certificates of deposit	NR	26,527,745	26,527,745	-	-	-
Pension Trust Fund:						
US Treasury Notes	AAA	10,340,324	8,700,403	481,094	498,359	660,468
Corporate bonds	A	4,832,368	1,226,397	-	436,066	3,169,905
Corporate bonds	AAA	781,118	-	-	484,676	296,442
Corporate bonds	BBB	3,907,448	151,298	248,683	484,587	3,022,880
Corporate bonds	NR	282,000	-	-	-	282,000
Domestic stock	NR	25,537,272	25,537,272	-	-	-
		<u>\$ 96,010,153</u>	<u>\$ 85,944,993</u>	<u>\$ 729,777</u>	<u>\$ 1,903,688</u>	<u>\$ 7,431,695</u>

GLYNN COUNTY, GEORGIA
Notes to Financial Statements

Under state law, investments of the County's public funds may be placed in obligations of (or obligations guaranteed by) the U.S. government, obligations of agencies of corporations in the U.S. government, obligations of any state or any political subdivision of any state, certificates of deposit or time deposits of financial institutions with deposits insured by FDIC, prime bankers acceptances, repurchase agreements, and the Georgia Fund 1. During the year the County invested public funds in certificates of deposits and time deposits of local banks, U.S. Government obligations, obligations of agencies guaranteed by the U.S. Government, repurchase agreements through local banks, and the Georgia Fund 1.

State law also governs the investment of retirement funds (O.C.G.A. 47-20-84) and limits investments to maximum concentrations by investment category (at cost). The County's defined benefit plan qualifies as a "large retirement system", a designation which allows the plan additional investments in equity securities.

The Georgia Fund 1 is considered to be a 2a7-like-pool that operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Georgia Fund 1 was created under O.C.G.A. 36-83-8 and is managed by the State of Georgia's Office of Treasury and Fiscal Services. The pool is not registered with the SEC as an investment company. The fair value of the pool is the same as the value of the pool shares. As a public fund, Georgia Fund 1 is exempt from any disclosure of custodial credit risk.

Deposit and investment transactions are subject to a variety of risks. The County seeks to promote the safety of principal, provide adequate liquidity for operational needs, earn market rates of return on investments consistent with liquidity needs and investment quality, and conform with legal requirements.

Interest rate risk is the risk that changes in interest rates that will adversely affect the value of an investment. The County does not have a policy that addresses this risk.

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The County does not have a policy that addresses this risk. GCDBPP policies minimize credit risk by allowing investments in debt instruments of corporations rated "Bank Investment Grade" by Moody's Rating Service and Standard & Poor's Rating Service.

All of the GCDBPP's investments in U.S. Treasury and Agency securities carry the explicit guarantee of the U.S. government.

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Disclosures are required for any issuer that represents 5% of more of total investments, exclusive of mutual funds, external investment pools and investments issued or guaranteed by the U.S. government. The GCDBPP Investment Policy seeks a diversified portfolio of fully negotiable, equity, fixed income, and money market securities, with the following maximum investment limits, stated at cost:

1. A minimum of 45% of the fund assets should be invested in fixed income and fixed maturity securities with a maximum of 65% of the fund allowable.
2. A maximum of 55% of the total portfolio may be invested in common stocks.
3. The maximum investment in any one equity security is limited to 1% of the total portfolio value at the time the investment is made. The maximum investment in any one macro-economic sector will not exceed 15% and the maximum position for any one common stock is to be no more than 5% of the entire portfolio.

Deposits and investments are reconciled between the financial statements and note disclosure as follows:

GLYNN COUNTY, GEORGIA
Notes to Financial Statements

Basic financial statements:

Cash and investments	\$ 69,384,656
Restricted cash	9,248,517
Pension and agency funds	50,328,322
Total	<u><u>\$ 128,961,495</u></u>

Notes to financial statements:

Deposits	\$ 32,941,622
Investments	96,010,153
Cash on hand	9,720
Total	<u><u>\$ 128,961,495</u></u>

B. Receivables

Receivables as of year end for the government's individual major funds and non-major, internal service, and fiduciary funds in the aggregate including the applicable allowance for uncollectible accounts, are as follows:

Receivable	General	Sales Tax #4	Water and Sewer	Nonmajor Governmental
Taxes	\$ 688,266	\$ -	\$ -	\$ 138,237
Accounts	649,532	97,435	1,161,845	693,178
Notes - current portion	-	-	-	-
Notes - long term portion	-	-	-	-
Intergovernmental	3,154,863	3,503,799	577	244,244
Gross receivables	<u>4,492,661</u>	<u>3,601,234</u>	<u>1,162,422</u>	<u>1,075,659</u>
Less:				
Allowance for uncollectibles	(20,648)	-	(119,090)	(4,147)
Net receivables	<u><u>\$ 4,472,013</u></u>	<u><u>\$ 3,601,234</u></u>	<u><u>\$ 1,043,332</u></u>	<u><u>\$ 1,071,512</u></u>

Receivable	Nonmajor Enterprise	Internal Service	Total
Taxes	\$ 14,960	\$ -	\$ 841,463
Accounts	156,946	314,828	3,073,764
Notes - current portion	23,076	-	23,076
Notes - long term portion	298,151	-	298,151
Intergovernmental	14,925	-	6,918,408
Gross receivables	<u>508,058</u>	<u>314,828</u>	<u>11,154,862</u>
Less:			
Allowance for uncollectibles	(30,195)	-	(174,080)
Net receivables	<u><u>\$ 477,863</u></u>	<u><u>\$ 314,828</u></u>	<u><u>\$ 10,980,782</u></u>

GLYNN COUNTY, GEORGIA
Notes to Financial Statements

C. Notes Receivable

In connection with a 1988 grant received from the State of Georgia Department of Community Affairs, the County has established a revolving loan fund. As of June 30, 2006 the following notes were outstanding.

Description of note receivable	Total	Current	Long Term
Keebler, Inc., payable in 179 monthly installments of \$2,959, including interest at 4%, beginning October 3, 2002.	\$ 321,227	\$ 23,076	\$ 298,151
Total notes receivable	<u>\$ 321,227</u>	<u>\$ 23,076</u>	<u>\$ 298,151</u>

D. Capital Assets

Capital asset activity for the year ended June 30, 2006 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental Activities:				
<i>Non-Depreciable Assets:</i>				
Land	\$ 7,329,563	\$ -	\$ -	\$ 7,329,563
Construction in Progress	4,865,396	4,764,505	(3,994,096)	5,635,805
Total non-depreciable capital assets	<u>12,194,959</u>	<u>4,764,505</u>	<u>(3,994,096)</u>	<u>12,965,368</u>
<i>Depreciable Assets:</i>				
Buildings and Improvements	56,889,454	3,082,318	(257,056)	59,714,716
Machinery and Equipment	26,668,300	1,406,355	(674,698)	27,399,957
Infrastructure	5,858,146	1,242,945	-	7,101,091
Improvements - Other	3,083,926	1,279,963	-	4,363,889
Total depreciable capital assets	<u>92,499,826</u>	<u>7,011,581</u>	<u>(931,754)</u>	<u>98,579,653</u>
<i>Accumulated Depreciation</i>				
Buildings and Improvements	(16,237,021)	(1,265,253)	(223,025)	(17,279,249)
Machinery and Equipment	(15,990,861)	(2,475,792)	(580,047)	(17,886,606)
Improvements - Other	(793,027)	(124,130)	-	(917,157)
Infrastructure	(879,364)	(258,457)	-	(1,137,821)
Sub-total accumulated depreciation	<u>(33,900,273)</u>	<u>(4,123,632)</u>	<u>(803,072)</u>	<u>(37,220,833)</u>
Total Governmental Activities	<u>70,794,512</u>	<u>7,652,454</u>	<u>(4,122,778)</u>	<u>74,324,188</u>

GLYNN COUNTY, GEORGIA
Notes to Financial Statements

Business-Type Activities:

Non-Depreciable Assets:

Land	149,855	-	-	149,855
Construction in Progress	13,043,577	10,070,893	(8,000)	23,106,470
Total non-depreciable capital assets	<u>13,193,432</u>	<u>10,070,893</u>	<u>(8,000)</u>	<u>23,256,325</u>

Depreciable Assets:

Land and Land Improvements	140,000	-	-	140,000
Plant, Buildings and Improvements	39,664,244	1,567,903	(14,318)	41,217,829
Machinery and Equipment	2,200,815	291,168	(34,385)	2,457,598
Total depreciable capital assets	<u>42,005,059</u>	<u>1,859,071</u>	<u>(48,703)</u>	<u>43,815,427</u>

Accumulated Depreciation

Land and Land Improvements	(140,000)	-	-	(140,000)
Buildings and Improvements	(15,271,758)	(1,137,139)	-	(16,408,897)
Machinery and Equipment	(1,801,188)	(92,858)	(30,090)	(1,863,956)
Sub-total accumulated depreciation	<u>(17,212,946)</u>	<u>(1,229,997)</u>	<u>(30,090)</u>	<u>(18,412,853)</u>

Total Business-Type Activities	<u>37,985,545</u>	<u>10,699,967</u>	<u>(26,613)</u>	<u>48,658,899</u>
Total Capital Assets	<u>\$ 108,780,057</u>	<u>\$ 18,352,421</u>	<u>\$ (4,149,391)</u>	<u>\$ 122,983,087</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 524,361
Judiciary	551,675
Public safety	2,048,067
Public works	586,346
Culture and recreation	345,282
Health	67,901
Total depreciation expense	<u>\$ 4,123,632</u>

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Notes to Financial Statements

Component Unit	Glynn County Airport Commision			
	Beginning Balance	Increases	Decreases	Ending Balance
<i>Non-Depreciable Assets:</i>				
Land	\$ 10,408,759	\$ -	\$ -	\$ 10,408,759
Construction in progress	11,837,998	1,367,997	(11,781,142)	1,424,853
<i>Depreciable Assets:</i>				
Land improvements	16,390,665	-	-	16,390,665
Buildings	3,668,517	9,368,630	(171,285)	12,865,862
Machinery and equipment	423,752	134,380	(3,432)	554,700
Office equipment and furniture	270,245	148,120	-	418,365
Motor vehicles	113,468	-	-	113,468
Airfield roads and grounds	10,841,923	2,043,729	-	12,885,652
Total depreciable capital assets	<u>53,955,327</u>	<u>13,062,856</u>	<u>(11,955,859)</u>	<u>55,062,324</u>
<i>Accumulated Depreciation</i>				
Land improvements	(16,381,071)	(9,594)	-	(16,390,665)
Buildings	(1,718,083)	(515,771)	(70,690)	(2,163,164)
Machinery and equipment	(315,504)	(57,946)	(3,171)	(370,279)
Office equipment and furniture	(127,587)	(57,666)	-	(185,253)
Motor vehicles	(105,416)	(5,610)	-	(111,026)
Airfield roads and grounds	(5,067,470)	(634,886)	-	(5,702,356)
Sub-total accumulated depreciation	<u>(23,715,131)</u>	<u>(1,281,473)</u>	<u>(73,861)</u>	<u>(24,922,743)</u>
Total Component Unit Capital Assets	<u>\$ 30,240,196</u>	<u>\$ 11,781,383</u>	<u>\$ (11,881,998)</u>	<u>\$ 30,139,581</u>

E. Interfund Receivables, Payables and Transfers

Interfund receivable and payable balances at June 30, 2006, are as follows:

Due To	Due From			
	General	Sales Tax 4	Nonmajor Governmental	Water and Sewer
General	\$ -	\$ 96,770	\$ 9,437	\$ 542,454
Nonmajor Governmental	3,384,240	-	451,313	-
Water and Sewer	108,797	12,539	-	-
Nonmajor Enterprise	295	-	160,658	-
Internal Service	459,480	-	-	-
Fiduciary Fund - Pension Trust	57,766	-	-	-
Total	<u>\$ 4,010,578</u>	<u>\$ 109,309</u>	<u>\$ 621,408</u>	<u>\$ 542,454</u>

Due To	Nonmajor Enterprise	Internal Service	Total
	General	\$ 3,522	\$ 194,557
Nonmajor Governmental	-	-	3,835,553
Water and Sewer	-	3,164	124,500
Nonmajor Enterprise	-	-	160,953
Internal Service	-	-	459,480
Fiduciary Fund - Pension Trust	-	-	57,766
Total	<u>\$ 3,522</u>	<u>\$ 197,721</u>	<u>\$ 5,484,992</u>

GLYNN COUNTY, GEORGIA
Notes to Financial Statements

These balances represent loans between the borrower fund and the lender fund. 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. Interfund receivables and payables are reported in the fund financial statements; however, they are eliminated in the government-wide financial statements if the interfund loan is between governmental funds.

A summary of interfund transfers by fund type is as follows:

	Transfer From		
	General	Nonmajor Governmental	Total
Transfer to			
General	\$ -	\$ 2,267,766	\$ 2,267,766
Nonmajor Governmental	2,075,279	740,348	2,815,627
Nonmajor Enterprise	-	180,094	180,094
Total	\$ 2,075,279	\$ 3,188,208	\$ 5,263,487

Interfund transfers are used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfer from the general fund to the emergency telephone system fund in the amount of \$686,787 is to supplement the revenues collected from the fees assessed, which do not cover cost of operations in that fund. The transfers of this type are recorded as other financing uses and other financing sources in the governmental funds financial statements. However, transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group.

F. Capital Lease Obligations

The County has purchased new water meters for its water and sewer system under two capital lease agreements, which are payable from Water and Sewer Fund revenues. The individual water meters are less than the County's capitalization threshold of \$5,000 and are therefore not included in the capital asset balances as of June 30, 2006. The County also purchased a generator under a capital lease. The cost of the generator is \$516,451 with accumulated depreciation of \$25,823 for a net book value of \$490,628 at year-end.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2006, were as follows:

Year Ending June 30,	Business-Type Activities
2007	\$ 369,223
2008	369,240
2009	272,983
2010	272,984
2011	272,983
2012-2015	1,062,514
Total minimum lease payments	2,619,927
Less: amount representing interest	(417,638)
Present value of minimum lease payments	\$ 2,202,289

GLYNN COUNTY, GEORGIA
Notes to Financial Statements

G. Long-term Liabilities

Business-Type Activities

Revenue Bonds:

Bonds payable at June 30, 2006 are comprised of the following issues (excluding unamortized bond discount of \$29,703 for the Water and Sewer Fund):

Water and Sewer Revenue Refunding and Improvement Bonds Series 2003, due in annual installments of \$450,000 to \$960,000 until 2023; interest at 2.0% to 5%	<u>\$ 11,955,000</u>
--	----------------------

The Water and Sewer Revenue Refunding and Improvement Bonds, Series 2003 in the amount of \$13,430,000 were issued April 1, 2003. The Series 2003 bonds were issued to 1) currently refund and redeem all of the County's outstanding water and sewer revenue bonds (the 1979 St. Simons Island Water and Sewer District serial bonds), 2) prepay all outstanding Georgia Environmental Facilities Authority loans of the County, 3) acquire, construct, and equip additions and improvements to the County's water and sewer system, 4) fully fund the debt service reserve requirement for the Series 2003 bonds through the purchase of a surety bond, and 5) pay the necessary costs of issuing the Series 2003 bonds. Federal arbitrage regulations are not applicable for fiscal year 2006.

The following summarizes maturities of bonded debt (excluding bond discount of \$29,703 for the Water and Sewer Revenue Refunding and Improvement Bonds, series 2003) and related interest requirements due subsequent to June 30, 2006:

Year Payable	Total Debt Service	Principal	Interest
2007	\$ 1,002,418	\$ 525,000	\$ 477,418
2008	999,293	535,000	464,293
2009	1,000,918	550,000	450,918
2010	1,005,105	570,000	435,105
2011	1,002,150	585,000	417,150
2012-2016	5,037,230	3,285,000	1,752,230
2017-2021	5,060,770	4,025,000	1,035,770
2022-2026	2,022,000	1,880,000	142,000
	<u>\$ 17,129,884</u>	<u>\$ 11,955,000</u>	<u>\$ 5,174,884</u>

Defeased Bonds

In fiscal year 1993, shortly after the County's Beach Renourishment Project was canceled, the County defeased (made null or void) the \$2,555,000 Brunswick Glynn County Development Authority (Georgia) Refunding Revenue Bonds (Glynn County Beach Renourishment Project), Series 1991-A issuance by placing sufficient funds in an irrevocable trust to provide for all future debt service payments of the defeased bonds. Accordingly, the trust amounts and the defeased bonds are not included in the County's financial statements. The U.S. Treasury securities mature in an adequate amount to service the Bond's bi-annual interest and principle payments through the final payment of August 2, 2011. At June 30, 2006, \$1,150,000 of the defeased debt was outstanding.

GLYNN COUNTY, GEORGIA
Notes to Financial Statements

Georgia Environmental Facilities Authority Construction Period Loan

On January 18, 2005, the County executed an agreement with the Georgia Environmental Facilities Authority for the construction of water and sewer systems. The construction period loan has an interest rate of 3.82% and a maximum loan amount of \$1,000,000 (2004 L06WJ – Highway 99 systems). When the construction period loan is closed to a permanent loan, the permanent loan will have an interest rate of 3.82% and a monthly payment of \$5,965 for twenty years. As of June 30, 2006, the County had drawn \$966,563 on the construction period loan.

On August 4, 2005, the County executed an agreement with the Georgia Environmental Facilities Authority for the construction of water and sewer systems. The construction period loan has an interest rate of 4.0% and a maximum loan amount of \$480,422 (2005 L13WQ – Clearwater systems). When the construction period loan is closed to a permanent loan, the permanent loan will have an interest rate of 4.2% and a monthly payment of \$3,641 for twenty years. As of June 30, 2006, the County had drawn \$409,599 on the construction period loan.

On May 18, 2006, the County executed an agreement with the Georgia Environmental Facilities Authority for the construction of water and sewer systems. This loan was amended on August 3, 2006. The construction period loan has an interest rate of 4.0% and a maximum loan amount of \$5,442,335 (2005 L40WQ – Highway 341 systems). When the construction period loan is closed to a permanent loan, the permanent loan will have an interest rate of 4.05% and a monthly payment of \$33,123 for twenty years. As of June 30, 2006, the County had drawn \$0 on the construction period loan.

Other Long-term Liabilities

Due to Others:

The County has entered into contracts whereby impact fee credits were given to developers for construction done on water and sewer lines. The credits are applied in lieu of impact fees due when building permits are issued on property owned by the developer where the improvements were made. There is no deadline delineated in the contracts for the final impact fee credit. Based upon analysis, the obligations have been classified as follows:

<u>Remaining Impact for Credit</u> <u>June 30, 2006</u>	<u>St. Simons</u> <u>Water/Sewer</u> <u>District</u>	<u>Mainland</u> <u>Water/Sewer</u> <u>District</u>	<u>Total</u>
Due to J.A. Hammock for water and sewer impact fee credits, initial credit of \$17,228 given in 1997.	\$ 17,228	\$ -	\$ 17,228
Due to Charles and Norma Yawn for water and sewer impact fee credits, initial credit of \$13,250 given in 1996.	12,479	-	12,479
Due to Branigar Organization for water sewer impact fee credits, initial credit of \$39,936 given in 2002.	-	893,834	893,834
Total due to developers	\$ 29,707	\$ 893,834	\$ 923,541

Closure and Postclosure Care Cost for Solid Waste Disposal Enterprise Fund

State and federal laws and regulations require the County to meet certain requirements in order to close its landfill and to perform certain maintenance and monitoring functions at the landfill site for a period of thirty years after closure. Although closure and post-closure care costs will generally be paid

GLYNN COUNTY, GEORGIA
Notes to Financial Statements

near or after the date the landfill stops accepting waste, generally accepted accounting principles require a portion of the estimated closure and post-closure care costs to be reported as an operating expense in each period for which the landfill accepts waste. The \$1,899,104 reported as landfill closure and postclosure care liability at June 30, 2006, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of both the sanitary and the dry bulk landfills. Amounts for closure and post-closure care costs are based on what it would cost to perform all postclosure care in 2006, adjusted annually for inflation. Actual costs may be different due to changes in inflation, technology, regulations, etc.

Changes in Long-term Liabilities

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

	Primary Government				Amounts Due Within One Year
	Beginning Balance	Additions	Reductions	Ending Balance	
Governmental Activities:					
Compensated absences	\$ 1,852,897	\$ 1,331,905	\$ 1,335,725	\$ 1,849,077	\$ 1,322,090
Claims and judgments	-	202,500	-	202,500	-
Total Governmental Activities	\$ 1,852,897	\$ 1,534,405	\$ 1,335,725	\$ 2,051,577	\$ 1,322,090
Business-Type Activities:					
Bonds payable	\$ 12,470,000	\$ -	\$ 515,000	\$ 11,955,000	\$ 525,000
GEFA construction loan	24,285	1,351,877	-	1,376,162	-
Capital lease obligations	1,942,953	525,606	266,270	2,202,289	280,806
Closure and postclosure costs	1,927,698	-	28,594	1,899,104	-
Due to others	1,213,841	-	290,300	923,541	-
Deferred Amounts:					
Bond discount	(31,465)	-	(1,762)	(29,703)	-
Total Business-Type Activities	\$ 17,547,312	\$ 1,877,483	\$ 1,098,402	\$ 18,326,393	\$ 805,806
Component Unit - Glynn County Airport Commission					
Notes payable	\$ 315,678	\$ -	\$ 68,822	\$ 246,856	\$ 62,477
Capital lease obligations	186,460	-	53,457	133,003	39,737
Compensated absences	18,147	5,731	-	23,878	-
Total long-term debt	\$ 520,285	\$ 5,731	\$ 122,279	\$ 403,737	\$ 102,214

Compensated absences are generally liquidated by the general and special revenue funds.

H. Reserves of Fund Balances and Restrictions of Net Assets and Restricted Assets

1. Reserves are used to indicate a portion of the fund balance or retained earnings is legally segregated for a specific future use. The County uses the following reservations of fund balance:

Reserved for prepaid items - General Fund - The reserve is used to segregate a portion of fund balance to indicate that, using the consumption method, inventories of supplies do not represent "available spendable resources" even though they are a component of net current assets.

Reserved for public safety expenditures - General Fund - The reserve is restricted for payment confiscated funds as directed by court orders.

Reserved for public works and improvements - General Fund - The reserve was set up by local

GLYNN COUNTY, GEORGIA
Notes to Financial Statements

legislation and may be expended only after advertising and public hearings.

Reserved for encumbrances – General Fund – The reserve is used to segregate a portion of fund balance to indicate that expenditures will ultimately result if unperformed contracts for goods or services in process at year end are completed.

Reserved for employee’s retirement system – Pension Trust Fund - The reserve is restricted for payment of retirement benefits.

The following is a summary of changes in fund balance reservations:

Fund / Purpose	Balance 6/30/2005	Change	Balance 6/30/2006
General Fund			
Reserved for inventories & prepaid items	\$ 133,896	\$ (17,684)	\$ 116,212
Reserved for public safety expenditures	211,242	27,991	239,233
Reserved for public works and improvements	1,081,129	-	1,081,129
Reserved for encumbrances	456,139	724,344	1,180,483
	<u>\$ 1,882,406</u>	<u>\$ 734,651</u>	<u>\$ 2,617,057</u>
Pension Trust Fund			
Reserved for employee retirement benefits	<u>\$ 44,773,218</u>	<u>\$ 2,258,451</u>	<u>\$ 47,031,669</u>

2. Restrictions of net assets are used to indicate a portion of net assets that have constraints placed on the use either by external groups or law. The County uses the following restrictions of net assets:

Governmental Activities

Restricted for other purposes – This restriction represents \$4,169,783 in the nonmajor special revenue funds, \$239,233 for public safety expenditures and \$1,081,129 for public works projects and improvements.

Business-type Activities

Restricted for Capital Improvements – Water and Sewer Fund – This restriction is used to segregate a portion of net assets for impact fees charged by the County for connections to the water and sewer systems. The amount restricted for these fees was \$6,799,802.

Restricted for Debt Service – Water and Sewer Fund – This restriction is used to segregate a portion of net assets for debt service requirements of the revenue bond issue. \$254,730 was restricted for debt service.

3. Restricted assets

The balances of the restricted asset accounts in the enterprise funds are as follows:

Fund / Purpose	Balance 6/30/2006
Water and Sewer Fund	
Customer deposits	\$ 806,461
Capital improvement districts	4,910,288
Capital lease escrow account	56,427
Bond construction fund	3,220,611
Debt service	254,730
Total restricted assets	<u>\$ 9,248,517</u>

GLYNN COUNTY, GEORGIA
Notes to Financial Statements

IV. Other Information

A. Retirement Plan

Plan Description

The Glynn County Pension Plan (the "Plan") is a single employer defined benefit pension plan administered by Marshwinds Advisory Company and Synovus Trust Company, jointly. The plan provides retirement and death benefits to plan members and beneficiaries. Benefit provisions and contributions are established and may be amended by the Glynn County Board of Commissioners. The accounting and financial reporting functions are done by the County finance department, and the plan's audited financial statement is included in the County's Comprehensive Annual Financial Report as a Pension Trust Fund.

At January 1, 2006, the Retirement Plan of Glynn County membership consisted of:

	<u>Public Safety Employees</u>	<u>General Employees</u>	<u>Total</u>
Retirees and beneficiaries receiving benefits	64	145	209
Terminated plan members entitled to but not yet receiving benefits	74	230	304
Active plan members	334	283	617
Total membership	<u>472</u>	<u>658</u>	<u>1,130</u>

Summary of Significant Accounting Policies

The pension plan's financial statements are reported as the County Employees Pension Trust Fund using the trust's pension plan fiscal year, and are prepared using the accrual basis of accounting. No plan member contributions are required. Employer contributions to the Plan are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investments are reported at fair value as described at note I.E.1.

Funding Policy

The contribution requirements of the County are established and may be amended by the Glynn County Board of Commissioners. The County is required to contribute at an actuarially determined rate; the current rate is 8.63% of annual covered payroll.

Annual Pension Cost and Net Pension Obligation

The County's annual pension cost and net pension obligation to the plan for the current year were as follows:

Annual pension cost/ required contribution	<u>\$ 2,496,537</u>
Contribution made	<u>(2,496,537)</u>
Increase (decrease) in net pension obligation	-
Net pension obligation, beginning of year	-
Net pension obligation, end of year	<u>\$ -</u>

GLYNN COUNTY, GEORGIA
Notes to Financial Statements

The annual required contribution for the current year was determined as part of the January 1, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions include (a) 8.0% investment rate of return (net of investment expenses) and (b) projected salary increases of 5.5% per year, including an inflation rate of 4.5%. The assumptions did not include post retirement benefit increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll (increasing 5.5% per year) on an open basis. The remaining amortization period at January 1, 2006 was 15 years.

Schedule of Employer Contributions

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2004	\$ 2,199,093	100.0	\$ -
6/30/2005	2,406,337	100.0	-
6/30/2006	2,496,537	100.0	-

B. Postretirement Health Care Benefits

In addition to providing pension benefits in accordance with the requirements of a local ordinance, the County makes health care benefits available for substantially all retired employees. Substantially all of the County's employees may become eligible for those benefits if they reach normal retirement age while working for the County with a minimum of ten years of service. The cost of retiree health care benefits is recognized as an expense as claims are incurred. A policy adopted by the Board of Commissioners on April 1, 1999, included retirees and their dependents in the County's health care plan subject to the retiree paying the County's health insurance rate and dependent coverage costs, and the employee being less than 65 years of age. The retiree pays the same per-employee cost paid by County departments, as well as the dependent coverage fee, if this coverage is desired. The County's health care plan is accounted for in an internal service fund. The cost to the County for those benefits in fiscal year 2006 was \$25,998 for 13 retirees.

C. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors or omissions; injuries to employees; natural disasters; and losses resulting from providing accident and health benefits to employees, retirees, and their dependents. The County established risk management funds (County Insurance Fund and Employee Benefit Fund, both internal service funds) prior to July 1, 1993. Under these programs, the risk management funds provide coverage for up to a maximum of \$75,000 for employee accident or health claims; \$300,000 for each workers compensation claim and \$100,000 for torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters. The County purchases commercial insurance for claims in excess of coverage provided by the Funds and for all other risks of loss.

All funds of the County participate in the program and make payments to the risk management funds based on the individual fund's risk exposure, i.e., payroll costs, budget amount, capital asset values, etc.

The claims liability of \$1,461,901 and \$323,178 as of June 30, 2006 of the Employee Benefit Plan Fund and County Insurance Fund, respectively, are based on the requirements of Governmental Accounting Standards Board Statement Number 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probably that a liability

GLYNN COUNTY, GEORGIA
Notes to Financial Statements

has been incurred at the date of the financial statements and the amount of the loss can be reasonable estimated. Because actual claims liabilities depend upon such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liability is reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

Incurred-But-Not-Reported (IBNR) claims have been accrued as a claims liability in the County Insurance Fund \$323,178 and in the Employee Benefit Plan Fund \$1,069,293 based primarily upon each fund's third party administrator's claims projections. These amounts are included in the total claims liability balances in the preceding paragraph.

The County pays unemployment claims to the state department of labor on a reimbursement basis. Liabilities for such claims are immaterial and are not accrued.

There were no significant reductions of insurance coverage compared to the prior year. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

Changes in the respective Fund's claims liabilities amount in fiscal years 2004 through 2006 were:

Fiscal Year 2004	Beginning	Claims Estimates	Claims Paid	Ending
County Insurance Fund	\$ 349,919	\$ 656,084	\$ 695,590	\$ 310,413
Employee Benefit Plan Fund	1,602,663	4,965,872	4,668,214	1,900,321
Total	<u>\$ 1,952,582</u>	<u>\$ 5,621,956</u>	<u>\$ 5,363,804</u>	<u>\$ 2,210,734</u>

Fiscal Year 2005	Beginning	Claims Estimates	Claims Paid	Ending
County Insurance Fund	\$ 310,413	\$ 719,975	\$ 741,204	\$ 289,184
Employee Benefit Plan Fund	1,900,321	3,918,461	4,038,688	1,780,094
Total	<u>\$ 2,210,734</u>	<u>\$ 4,638,436</u>	<u>\$ 4,779,892</u>	<u>\$ 2,069,278</u>

Fiscal Year 2006	Beginning	Claims Estimates	Claims Paid	Ending
County Insurance Fund	\$ 289,184	\$ 745,171	\$ 711,177	\$ 323,178
Employee Benefit Plan Fund	1,780,094	4,847,233	5,165,426	1,461,901
Total	<u>\$ 2,069,278</u>	<u>\$ 5,592,404</u>	<u>\$ 5,876,603</u>	<u>\$ 1,785,079</u>

D. Commitments and Contingencies

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Grants – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures, which may be disallowed by the grantor, cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

GLYNN COUNTY, GEORGIA
Notes to Financial Statements

Construction Commitments – In addition to the liabilities enumerated in the balance sheet at June 30, 2006, the County has contractual commitments on uncompleted construction contracts of approximately \$6,137,645. Of this amount, approximately \$4,809,640 is for the construction, renovation, and upgrade of water and sewer infrastructure.

Component Unit – Glynn County Airport Commission

The Commission receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by the federal and state agencies for expenditures disallowed under the terms and conditions of the appropriate grant agency. In the opinion of the Commission's management, such disallowances, if any will not be significant to the Commission's financial statements.

The following is a summary of the major construction contract commitments as of June 30, 2006. Amounts listed are for contractors only and do not include architects and engineers.

Capital Project	Spent-to-Date	Remaining Commitment
Terminal Renovation	\$ 9,539,264	\$ 486,985

E. Deferred Compensation Plan

The County has implemented Governmental Accounting Standards Board Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. All assets and income of the County's Deferred Compensation Plan are being held in a trust administered by third parties for the exclusive benefit of the participants and their beneficiaries. Therefore, the Deferred Compensation Plan is not presented as part of the County's financial statements.

F. Component Unit As Lessor

The Glynn County Airport Commission is lessor of various land and buildings. The original leases have terms ranging from one to thirty-five years. Each is accounted for as an operating lease. The minimum future rentals for non-cancelable leases for the next five years and subsequently as of June 30, 2006, are as follows:

Year Ending June 30,	Amount
2007	\$ 1,443,891
2008	1,367,395
2009	1,356,858
2010	1,253,703
2011	847,961
Subsequent years	3,448,012
	\$ 9,717,820

G. Subsequent Events

Water an Sewer Loans:

During fiscal year 2007, the County has executed two agreements with the Georgia Environmental Facilities Authority for the construction of water and sewer systems. The maximum loan amounts are \$5,700,000 and \$2,510,693.

Settlement:

On November 21, 2006, the County announced that a settlement had been reached with a chemical company arising from damages to County-owned waterfront property, punitive damages and the cleanup of the Turtle River estuary. The County is expecting to realize approximately \$18,000,000; however, the finalization of the settlement is still pending.

Required Supplementary Information

GLYNN COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 36,101,736	\$ 36,101,736	\$ 39,254,578	\$ 3,152,842
Licenses and permits	1,674,725	1,674,725	1,697,750	23,025
Intergovernmental	576,993	1,538,908	1,355,668	(183,240)
Charges for services	4,162,048	4,355,997	4,677,842	321,845
Fines and forfeitures	1,593,800	1,686,569	1,732,940	46,371
Investment income	180,600	180,600	1,176,788	996,188
Other	38,060	171,251	758,161	586,910
Total revenues	44,327,962	45,709,786	50,653,727	4,943,941
Expenditures				
Current				
General government				
County administrator	3,120,145	6,191,931	3,775,618	2,416,313
County attorney	412,503	419,278	419,278	-
County commission	351,423	530,201	441,515	88,686
Elections	206,913	219,019	210,924	8,095
Finance	77,942	79,844	79,670	174
Information technology services	711,647	732,304	726,414	5,890
Property tax appraisal	1,150,510	1,250,424	1,149,723	100,701
Tax commissioner	932,742	988,242	913,433	74,809
Administrative services	2,852,170	3,165,844	2,593,393	572,451
Total general government	9,815,995	13,577,087	10,309,968	3,267,119
Judiciary				
District Attorney	504,346	591,715	590,021	1,694
Juvenile Court	653,642	700,651	658,567	42,084
Magistrate Court	170,802	171,325	167,411	3,914
Probate Court	304,160	306,035	286,145	19,890
Public Defender	367,793	388,077	386,998	1,079
Solicitor of State Court	262,243	267,268	266,130	1,138
Superior Court	1,052,883	1,096,135	1,059,161	36,974
Superior Court Judge	661,303	754,466	616,359	138,107
State Court	639,537	645,638	620,394	25,244
State Court Judge	249,616	250,490	245,867	4,623
Total judiciary	4,866,325	5,171,800	4,897,053	274,747
Public safety				
Coroner	73,319	83,508	81,975	1,533
Fire department	2,595,267	2,678,319	2,666,266	12,053
Police department	7,032,813	7,733,197	7,673,704	59,493
Sheriff	7,722,820	8,184,823	8,081,521	103,302
Total public safety	17,424,219	18,679,847	18,503,466	176,381

(Continued)

GLYNN COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Works				
Public works	\$ 5,825,222	\$ 6,594,593	\$ 5,126,289	\$ 1,468,304
Engineering	1,111,938	2,430,427	2,062,116	368,311
Solid waste disposal and recycling	-	60,354	6,285	54,069
Total public works	<u>6,937,160</u>	<u>9,085,374</u>	<u>7,194,690</u>	<u>1,890,684</u>
Health and Welfare				
Community services	273,000	273,000	273,000	-
Health	429,810	429,810	428,853	957
Welfare	76,000	76,000	73,722	2,278
Total health and welfare	<u>778,810</u>	<u>778,810</u>	<u>775,575</u>	<u>3,235</u>
Culture and Recreation				
Recreation	1,825,124	2,043,851	1,840,682	203,169
Libraries	285,000	285,000	285,000	-
Total culture and recreation	<u>2,110,124</u>	<u>2,328,851</u>	<u>2,125,682</u>	<u>203,169</u>
Housing and Development				
Conservation	71,698	71,698	55,369	16,329
Community development	2,227,281	3,875,029	2,636,731	1,238,298
Total housing and development	<u>2,298,979</u>	<u>3,946,727</u>	<u>2,692,100</u>	<u>1,254,627</u>
Total current	<u>44,231,612</u>	<u>53,568,496</u>	<u>46,498,534</u>	<u>7,069,962</u>
Debt service				
Principal	146,562	146,562	-	146,562
Interest and fiscal agent fees	18,644	18,644	-	18,644
Total debt service	<u>165,206</u>	<u>165,206</u>	<u>-</u>	<u>165,206</u>
Total expenditures	<u>44,396,818</u>	<u>53,733,702</u>	<u>46,498,534</u>	<u>7,235,168</u>
Excess revenues over (under) expenditures	(68,856)	(8,023,916)	4,155,193	12,179,109
Other financing sources (uses)				
Transfers in	1,840,791	2,017,947	2,267,766	249,819
Transfers out	(1,814,535)	(2,238,238)	(2,075,279)	162,959
Sale of capital assets	42,600	61,236	57,019	(4,217)
Total Other financing sources (uses)	<u>68,856</u>	<u>(159,055)</u>	<u>249,506</u>	<u>408,561</u>
Net change in fund balance	-	(8,182,971)	4,404,699	12,587,670
Fund balance at beginning of year	19,076,049	19,076,049	19,076,049	-
Fund balance at end of year	<u>\$ 19,076,049</u>	<u>\$ 10,893,078</u>	<u>\$ 23,480,748</u>	<u>\$ 12,587,670</u>

(Concluded)

GLYNN COUNTY, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

A. Budgets and Budgetary Accounting

State law requires that the County adopt by ordinances or resolutions an annual balanced budget for its upcoming fiscal year (June 30). A budget is balanced when the sum of estimated revenues and appropriated fund balance is equal to appropriations. The legal level of budgetary control over expenditures is exercised by the County at the department level for its general and special revenue funds. Appropriations lapse at year-end.

The County follows these procedures in establishing the budgetary data reflected in the financial statements.

Prior to year-end, 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.

1. Public hearings are conducted at the County Courthouse to obtain taxpayer comments.
2. Prior to July 1, the budget is legally enacted through approval by the Board of Commissioners.
3. Budgets for the general fund and all special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Project length budgets are adopted for the capital projects funds.

The Board of Commissioners has the authority to amend its budget as follows:

Any increase in appropriation in any fund for a department, whether accomplished through a change in anticipated revenues in any fund or through a transfer of appropriations among departments, shall require the approval of the Board of Commissioners. Transfers of appropriations in any fund among the various accounts within a department shall require only the approval of the budget officer.

Supplemental and decreases in budget appropriations were properly approved by the Board of Commissioners. For the year ended June 30, 2006, the following supplemental appropriations were approved:

<u>Fund Type</u>	<u>Original Appropriations</u>	<u>Supplemental Appropriations</u>	<u>Supplemental Decreases</u>	<u>Final Appropriations</u>
General	\$ 46,211,353	\$ 9,760,587	\$ -	\$ 55,971,940

B. Excess of Expenditures Over Appropriations in Individual Funds

Accommodation Excise Tax Fund	
Transfers out	\$ 232,854
County Athletic Fund	
Transfers out	\$ 22,486
Insurance Premium Tax Fund	
Transfers out	\$ 116
Police Seizure Fund	
Transfers out	\$ 2,171

GLYNN COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

JUNE 30, 2006

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
01/01/2000	\$ 27,812,990	\$ 31,879,344	\$ 4,066,354	87.2 %	\$ 16,925,574	24.0 %
01/01/2001	30,936,170	34,731,997	3,795,827	89.1	19,452,416	19.5
01/01/2002	34,251,890	38,995,885	4,743,995	87.8	19,315,549	24.6
01/01/2003	36,770,228	42,920,921	6,150,693	85.7	22,541,814	27.3
01/01/2004	40,393,073	47,518,709	7,125,636	85.0	23,957,624	29.7
01/01/2005	44,388,255	51,022,299	6,634,044	87.0	24,475,286	27.1
01/01/2006	47,829,437	56,289,810	8,460,373	85.0	25,708,470	32.9

GLYNN COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS

JUNE 30, 2006

<u>Year Ended June 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2000	\$ 1,729,743	100 %
2001	1,670,114	100
2002	2,097,153	100
2003	2,091,526	100
2004	2,199,093	100
2005	2,406,337	100
2006	2,496,537	100

Nonmajor Governmental Funds

Special Revenue Funds

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

The **Park Development Fund** accounts for contributions made by developers in previous years. The County previously required developers either to set aside land for public use or to make contributions for improvements to the County's public recreational facilities.

The **Sea Island Special Police District Fund** accounts for operations of the Sea Island Police. Financing is provided by property tax assessments and transfers from the County's Insurance Premium Tax Fund.

The **Fire Protection District Fund** accounts for operations of the County's Fire Department. Financing is provided by property tax assessments and local insurance tax receipts.

The **Emergency Telephone System Fund** accounts for operations of the County's E-911 program. Financing is provided by telephone service charges, contributions from the City of Brunswick and transfers from the County's General Fund.

The **Police Seizure Fund** accounts for the receipt of condemned monies awarded to the County by court order and expenditures of these funds by the County Police Department.

The **County Drug Abuse/Education Fund** accounts for the fees added to each fine issued by the Courts and expenditure of these funds as provided by State law.

The **County Jail Fund** accounts for the fees added to each fine issued by the Courts and expenditures of these funds for operations of the Jail as provided by State law.

The **Accommodation Excise Tax Fund** accounts for the Hotel/Motel accommodation excise tax receipts and distributions to tourism promoting organizations as required by agreements with these organizations.

The **Law Enforcement Block Grant Fund** accounts for the Department of Justice grant and local county match to purchase capital items for the Police Department.

The **Drug Court Grant Fund** accounts for grants which provide funding for the Drug Court and local county expenditures incurred for the operation of the local Drug Court.

The **County Athletic Fund** accounts for operations of the County's athletic programs. Financing is provided by entry fees and transfers from the County's General Fund.

The **Sheriff Seizure Fund** accounts for condemned monies awarded to the County by court order.

The **Insurance Premium Tax Fund** accounts for the disbursement of the insurance premium taxes as provided by State law.

Nonmajor Governmental Funds (Continued)

The **Sheriff Commissary Fund** accounts for operations of the Commissary. The Commissary purchases items for resale to inmates of the County's Detention Center.

The **Juvenile Services Fund** accounts for fees paid by juveniles who receive supervision in Juvenile Court. The supervision fees are used to fund community based services.

Capital Projects Funds

The Capital Projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The **Sales Tax Construction Fund #2** accounts for expenditures relating to construction of a new courthouse, renovation of existing County buildings, construction of roads, and implementation of a road sign project. Funding is provided by a 1% special purpose sales tax.

The **Sales Tax Construction Fund #3** accounts for expenditures relating to renovation of various County buildings, construction of roads, water and sewer projects, recreation projects, and public safety projects. Funding is provided by a 1% special purpose sales tax.

The **General Capital Projects Fund** accounts for general capital projects of the County. Funding is provided by transfers from the General Fund.

The **Building, Roads, and Equipment Fund** accounts for major expenditures relating to buildings, roads and equipment. Funding is provided by a transfer from the General Fund.

The **TEA Projects Fund** accounts for projects that are funded by the Transportation Enhancement Activity Grants and local matches.

GLYNN COUNTY, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2006

<u>Special Revenue Funds</u>					
	<u>Accomodation Excise Tax</u>	<u>County Athletic</u>	<u>County Drug Abuse/ Education</u>	<u>Drug Court Grant</u>	<u>Emergency Telephone System</u>
Assets					
Cash and investments	\$ -	\$ -	\$ 630	\$ 473,426	\$ 282,089
Receivables	502,875	-	-	137,642	245,457
Due from other funds	7,088	5,200	199,577	1,349	10,747
Prepaid items	-	-	-	-	84,590
Total assets	<u>\$ 509,963</u>	<u>\$ 5,200</u>	<u>\$ 200,207</u>	<u>\$ 612,417</u>	<u>\$ 622,883</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 491,121	\$ 5,200	\$ -	\$ 59,372	\$ 35,435
Accrued liabilities	18,842	-	-	-	22,930
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	122,740	-
Total liabilities	<u>509,963</u>	<u>5,200</u>	<u>-</u>	<u>182,112</u>	<u>58,365</u>
Fund balances:					
Unreserved reported in:					
Special revenue funds	-	-	200,207	430,305	564,518
Capital project funds	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>200,207</u>	<u>430,305</u>	<u>564,518</u>
Total liabilities and fund balances	<u>\$ 509,963</u>	<u>\$ 5,200</u>	<u>\$ 200,207</u>	<u>\$ 612,417</u>	<u>\$ 622,883</u>

<u>Fire Protection District</u>	<u>Insurance Premium Tax</u>	<u>Jail Commissary</u>	<u>Jail Fund</u>	<u>Juvenile Services</u>	<u>Law Enforcement Block Grant</u>
\$ 70,076	\$ -	\$ 39,242	\$ 6,924	\$ 390	\$ 52,990
165,196	-	-	-	-	-
2,513,987	625,291	-	230,068	1,286	2,341
-	-	-	-	-	-
<u>\$ 2,749,259</u>	<u>\$ 625,291</u>	<u>\$ 39,242</u>	<u>\$ 236,992</u>	<u>\$ 1,676</u>	<u>\$ 55,331</u>
\$ 61,159	\$ 13,320	\$ 34,242	\$ 5,331	\$ -	\$ 6,582
90,435	-	-	-	-	-
-	611,971	-	-	-	-
112,106	-	-	-	-	35,054
<u>263,700</u>	<u>625,291</u>	<u>34,242</u>	<u>5,331</u>	<u>-</u>	<u>41,636</u>
2,485,559	-	5,000	231,661	1,676	13,695
-	-	-	-	-	-
<u>2,485,559</u>	<u>-</u>	<u>5,000</u>	<u>231,661</u>	<u>1,676</u>	<u>13,695</u>
<u>\$ 2,749,259</u>	<u>\$ 625,291</u>	<u>\$ 39,242</u>	<u>\$ 236,992</u>	<u>\$ 1,676</u>	<u>\$ 55,331</u>

(Continued)

GLYNN COUNTY, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2006

	Park Development	Police Seizure	Sea Island Special Police District	Sheriff Drug Seizure
Assets				
Cash and investments	\$ 13,134	\$ -	\$ 1,774	\$ 6,755
Receivables	-	-	1,980	-
Due from other funds	-	71,191	149,939	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 13,134</u>	<u>\$ 71,191</u>	<u>\$ 153,693</u>	<u>\$ 6,755</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ -	\$ 240	\$ -	\$ 281
Accrued liabilities	-	-	5,735	-
Due to other funds	216	-	-	318
Deferred revenue	-	-	821	-
Total liabilities	<u>216</u>	<u>240</u>	<u>6,556</u>	<u>599</u>
Fund balances:				
Unreserved reported in:				
Special revenue funds	12,918	70,951	147,137	6,156
Capital project funds	-	-	-	-
Total fund balances	<u>12,918</u>	<u>70,951</u>	<u>147,137</u>	<u>6,156</u>
Total liabilities and fund balances	<u>\$ 13,134</u>	<u>\$ 71,191</u>	<u>\$ 153,693</u>	<u>\$ 6,755</u>

GLYNN COUNTY, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2006

Capital Projects

Special Purpose Sales Tax 2	Special Purpose Sales Tax 3	General Capital Projects	Buildings, Roads and Equipment	TEA Projects	Total Other Governmental Funds
\$ 1,014	\$ 4,075,585	\$ -	\$ 1,028,448	\$ -	\$ 6,052,477
-	18,362	-	-	-	1,071,512
-	-	2,773	14,716	-	3,835,553
-	-	-	-	-	84,590
<u>\$ 1,014</u>	<u>\$ 4,093,947</u>	<u>\$ 2,773</u>	<u>\$ 1,043,164</u>	<u>\$ -</u>	<u>\$ 11,044,132</u>
\$ -	\$ 871,207	\$ -	\$ 4,298	\$ -	\$ 1,587,788
-	-	-	-	-	137,942
-	8,903	-	-	-	621,408
-	-	-	-	-	270,721
<u>-</u>	<u>880,110</u>	<u>-</u>	<u>4,298</u>	<u>-</u>	<u>2,617,859</u>
-	-	-	-	-	4,169,783
1,014	3,213,837	2,773	1,038,866	-	4,256,490
<u>1,014</u>	<u>3,213,837</u>	<u>2,773</u>	<u>1,038,866</u>	<u>-</u>	<u>8,426,273</u>
<u>\$ 1,014</u>	<u>\$ 4,093,947</u>	<u>\$ 2,773</u>	<u>\$ 1,043,164</u>	<u>\$ -</u>	<u>\$ 11,044,132</u>

(Concluded)

GLYNN COUNTY, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2006

Special Revenue Funds					
	Accommodation Excise Tax	County Athletic	County Drug Abuse/ Education	Drug Court Grant	Emergency Telephone System
Revenues					
Taxes	\$ 3,845,342	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	319,729	353,799
Charges for services	305,333	156,508	-	-	1,410,087
Fees and fines	-	-	11,119	72,162	-
Investment earnings	-	-	-	14,259	8,419
Other revenue	98,328	-	-	-	13,860
Total revenues	<u>4,249,003</u>	<u>156,508</u>	<u>11,119</u>	<u>406,150</u>	<u>1,786,165</u>
Expenditures					
Current:					
General government	99,364	-	-	-	-
Judiciary	-	-	612	541,354	-
Public safety	-	-	-	-	2,373,468
Public works	58,125	-	-	-	-
Culture and recreation	1,142,087	134,022	-	-	-
Housing and development	2,055,534	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>3,355,110</u>	<u>134,022</u>	<u>612</u>	<u>541,354</u>	<u>2,373,468</u>
Excess (deficiency) of revenues over expenditures	<u>893,893</u>	<u>22,486</u>	<u>10,507</u>	<u>(135,204)</u>	<u>(587,303)</u>
Other financing sources (uses)					
Transfers in	-	-	-	111,708	686,787
Transfers out	<u>(893,893)</u>	<u>(22,486)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>(893,893)</u>	<u>(22,486)</u>	<u>-</u>	<u>111,708</u>	<u>686,787</u>
Net change in fund balances	-	-	10,507	(23,496)	99,484
Fund balances - beginning	-	-	189,700	453,801	465,034
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,207</u>	<u>\$ 430,305</u>	<u>\$ 564,518</u>

Fire Protection District	Insurance Premium Tax	Jail Commissary	Jail Fund	Juvenile Services	Law Enforcement Block Grant
\$ 5,695,154	\$ 2,289,104	\$ -	\$ -	\$ -	\$ -
6,913	-	-	-	-	-
96,126	-	-	-	-	69,154
4	-	-	-	-	-
500	-	-	106,869	4,836	-
-	-	137	-	-	3,369
28,185	-	318,552	-	-	-
<u>5,826,882</u>	<u>2,289,104</u>	<u>318,689</u>	<u>106,869</u>	<u>4,836</u>	<u>72,523</u>
-	3,671	-	-	-	-
-	-	-	-	3,500	-
5,753,679	-	316,280	169,752	-	76,364
-	162,078	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,753,679</u>	<u>165,749</u>	<u>316,280</u>	<u>169,752</u>	<u>3,500</u>	<u>76,364</u>
73,203	2,123,355	2,409	(62,883)	1,336	(3,841)
534,611	-	-	-	-	7,026
<u>(22,378)</u>	<u>(2,123,355)</u>	<u>-</u>	<u>(110,170)</u>	<u>-</u>	<u>-</u>
512,233	(2,123,355)	-	(110,170)	-	7,026
585,436	-	2,409	(173,053)	1,336	3,185
1,900,123	-	2,591	404,714	340	10,510
<u>\$ 2,485,559</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 231,661</u>	<u>\$ 1,676</u>	<u>\$ 13,695</u>

(Continued)

GLYNN COUNTY, GEORGIA

NON-MAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2006

	Park Development	Police Seizure	Sea Island Special Police District	Sheriff Drug Seizure
Revenues				
Taxes	\$ -	\$ -	\$ 193,190	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fees and fines	-	25,539	-	3
Investment earnings	567	-	951	3
Other revenue	-	-	-	-
Total revenues	<u>567</u>	<u>25,539</u>	<u>194,141</u>	<u>6</u>
Expenditures				
Current:				
General government	-	-	-	-
Judiciary	-	-	-	-
Public safety	-	4,878	379,625	2,348
Public works	-	-	-	-
Culture and recreation	216	-	-	-
Housing and development	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>216</u>	<u>4,878</u>	<u>379,625</u>	<u>2,348</u>
Excess (deficiency) of revenues over expenditures	<u>351</u>	<u>20,661</u>	<u>(185,484)</u>	<u>(2,342)</u>
Other financing sources (uses)				
Transfers in	-	-	189,811	-
Transfers out	-	(7,026)	-	-
Total other financing sources and uses	<u>-</u>	<u>(7,026)</u>	<u>189,811</u>	<u>-</u>
Net change in fund balances	<u>351</u>	<u>13,635</u>	<u>4,327</u>	<u>(2,342)</u>
Fund balances - beginning	<u>12,567</u>	<u>57,316</u>	<u>142,810</u>	<u>8,498</u>
Fund balances - ending	<u>\$ 12,918</u>	<u>\$ 70,951</u>	<u>\$ 147,137</u>	<u>\$ 6,156</u>

GLYNN COUNTY, GEORGIA

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2006

Capital Projects

Special Purpose Sales Tax 2	Special Purpose Sales Tax 3	General Capital Projects	Buildings, Roads and Equipment	TEA Projects	Total Other Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,022,790
-	-	-	-	-	6,913
-	-	-	10,000	-	848,808
-	-	-	-	-	1,871,932
-	-	-	-	-	221,028
71	189,589	-	16,444	-	233,809
-	9,351	-	-	-	468,276
<u>71</u>	<u>198,940</u>	<u>-</u>	<u>26,444</u>	<u>-</u>	<u>15,673,556</u>
-	-	-	-	-	103,035
-	-	-	-	-	545,466
-	-	-	-	-	9,076,394
-	-	-	-	-	220,203
-	-	-	-	-	1,276,325
-	-	-	-	-	2,055,534
-	2,261,724	-	288,042	14,773	2,564,539
-	<u>2,261,724</u>	<u>-</u>	<u>288,042</u>	<u>14,773</u>	<u>15,841,496</u>
<u>71</u>	<u>(2,062,784)</u>	<u>-</u>	<u>(261,598)</u>	<u>(14,773)</u>	<u>(167,940)</u>
-	-	-	959,716	325,968	2,815,627
-	(8,900)	-	-	-	(3,188,208)
-	(8,900)	-	959,716	325,968	(372,581)
71	(2,071,684)	-	698,118	311,195	(540,521)
943	5,285,521	2,773	340,748	(311,195)	8,966,794
<u>\$ 1,014</u>	<u>\$ 3,213,837</u>	<u>\$ 2,773</u>	<u>\$ 1,038,866</u>	<u>\$ -</u>	<u>\$ 8,426,273</u>

(Concluded)

GLYNN COUNTY, GEORGIA
 ACCOMODATION EXCISE TAX FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 3,701,000	\$ 3,756,000	\$ 3,845,342	\$ 89,342
Charges for services	259,500	262,506	305,333	42,827
Other	103,860	106,439	98,328	(8,111)
Total revenues	<u>4,064,360</u>	<u>4,124,945</u>	<u>4,249,003</u>	<u>124,058</u>
Expenditures				
Current				
General government				
Finance	130,046	130,046	99,364	30,682
Public works				
Public works department	72,800	72,800	58,125	14,675
Culture and recreation				
Recreation	1,158,862	1,275,736	1,108,587	167,149
Libraries	33,500	33,500	33,500	-
Economic development				
Community development	1,988,743	2,077,483	2,055,534	21,949
Total expenditures	<u>3,383,951</u>	<u>3,589,565</u>	<u>3,355,110</u>	<u>234,455</u>
Excess revenues over (under) expenditures	680,409	535,380	893,893	358,513
Other financing sources (uses)				
Transfers in	-	125,659	-	(125,659)
Transfers out	(680,409)	(661,039)	(893,893)	(232,854)
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GLYNN COUNTY, GEORGIA
COUNTY ATHLETIC FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 180,975	\$ 180,975	\$ 156,508	\$ (24,467)
Total revenues	<u>180,975</u>	<u>180,975</u>	<u>156,508</u>	<u>(24,467)</u>
Expenditures				
Current				
Culture and recreation				
Recreation	<u>182,779</u>	<u>183,264</u>	<u>134,022</u>	<u>49,242</u>
Total expenditures	<u>182,779</u>	<u>183,264</u>	<u>134,022</u>	<u>49,242</u>
Excess revenues over (under) expenditures	(1,804)	(2,289)	22,486	24,775
Other financing sources (uses)				
Transfers out	-	-	(22,486)	(22,486)
Net change in fund balance	<u>(1,804)</u>	<u>(2,289)</u>	<u>-</u>	<u>2,289</u>
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ (1,804)</u>	<u>\$ (2,289)</u>	<u>\$ -</u>	<u>\$ 2,289</u>

GLYNN COUNTY, GEORGIA
COUNTY DRUG ABUSE/EDUCATION FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ 12,000	\$ 12,000	\$ 11,119	\$ (881)
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>11,119</u>	<u>(881)</u>
Expenditures				
Current				
Judiciary				
Judges of Superior Court	623	623	612	11
Total expenditures	<u>623</u>	<u>623</u>	<u>612</u>	<u>11</u>
Net change in fund balance	11,377	11,377	10,507	(870)
Fund balance at beginning of year	189,700	189,700	189,700	-
Fund balance at end of year	<u>\$ 201,077</u>	<u>\$ 201,077</u>	<u>\$ 200,207</u>	<u>\$ (870)</u>

GLYNN COUNTY, GEORGIA
 DRUG COURT GRANT FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 458,862	\$ 558,481	\$ 319,729	\$ (238,752)
Fines and forfeitures	74,342	74,342	72,162	(2,180)
Investment income	119	119	14,259	14,140
Total revenues	533,323	632,942	406,150	(226,792)
Expenditures				
Current				
Judiciary				
Judges of Superior Court	645,031	774,650	541,354	233,296
Total expenditures	645,031	774,650	541,354	233,296
Excess revenues over (under) expenditures	(111,708)	(141,708)	(135,204)	6,504
Other financing sources (uses)				
Transfers in	111,708	111,708	111,708	-
Net change in fund balance	-	(30,000)	(23,496)	6,504
Fund balance at beginning of year	453,801	453,801	453,801	-
Fund balance at end of year	\$ 453,801	\$ 423,801	\$ 430,305	\$ 6,504

GLYNN COUNTY, GEORGIA
 EMERGENCY TELEPHONE SYSTEM FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 389,466	\$ 389,466	\$ 353,799	\$ (35,667)
Charges for services	1,431,500	1,481,500	1,410,087	(71,413)
Investment income	-	-	8,419	8,419
Other revenue	-	-	13,860	13,860
Total revenues	<u>1,820,966</u>	<u>1,870,966</u>	<u>1,786,165</u>	<u>(84,801)</u>
Expenditures				
Current				
Public Safety				
E 911 Communications	2,576,989	2,638,635	2,373,468	265,167
Total expenditures	<u>2,576,989</u>	<u>2,638,635</u>	<u>2,373,468</u>	<u>265,167</u>
Excess revenues over (under) expenditures	(756,023)	(767,669)	(587,303)	180,366
Other financing sources (uses)				
Transfers in	756,023	756,023	686,787	(69,236)
Net change in fund balance	<u>-</u>	<u>(11,646)</u>	<u>99,484</u>	<u>111,130</u>
Fund balance at beginning of year	465,034	465,034	465,034	-
Fund balance at end of year	<u>\$ 465,034</u>	<u>\$ 453,388</u>	<u>\$ 564,518</u>	<u>\$ 111,130</u>

GLYNN COUNTY, GEORGIA
 FIRE PROTECTION DISTRICT FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 5,282,251	\$ 5,282,251	\$ 5,695,154	\$ 412,903
Licenses and permits	3,400	3,400	6,913	3,513
Intergovernmental	38,002	144,047	96,126	(47,921)
Charges for services	-	-	4	4
Fees and fines	-	-	500	500
Other	1,200	26,200	28,185	1,985
Total revenues	<u>5,324,853</u>	<u>5,455,898</u>	<u>5,826,882</u>	<u>370,984</u>
Expenditures				
Current				
Public Safety				
Fire department	5,855,963	6,030,723	5,753,679	277,044
Total expenditures	<u>5,855,963</u>	<u>6,030,723</u>	<u>5,753,679</u>	<u>277,044</u>
Excess revenues over (under) expenditures	(531,110)	(574,825)	73,203	648,028
Other financing sources (uses)				
Transfers in	499,788	534,611	534,611	-
Transfers out	(22,378)	(22,378)	(22,378)	-
Net change in fund balance	<u>(53,700)</u>	<u>(62,592)</u>	<u>585,436</u>	<u>648,028</u>
Fund balance at beginning of year	1,900,123	1,900,123	1,900,123	-
Fund balance at end of year	<u>\$ 1,846,423</u>	<u>\$ 1,837,531</u>	<u>\$ 2,485,559</u>	<u>\$ 648,028</u>

GLYNN COUNTY, GEORGIA
INSURANCE PREMIUM TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 2,140,000	\$ 2,290,000	\$ 2,289,104	\$ (896)
Total revenues	<u>2,140,000</u>	<u>2,290,000</u>	<u>2,289,104</u>	<u>(896)</u>
Expenditures				
Current				
General government				
Finance	3,671	3,671	3,671	-
Public works				
Public works department	150,000	163,090	162,078	1,012
Total expenditures	<u>153,671</u>	<u>166,761</u>	<u>165,749</u>	<u>1,012</u>
Excess revenues over (under) expenditures	1,986,329	2,123,239	2,123,355	116
Other financing sources (uses)				
Transfers out	<u>(1,986,329)</u>	<u>(2,123,239)</u>	<u>(2,123,355)</u>	<u>(116)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GLYNN COUNTY, GEORGIA
 SHERIFF COMMISSARY FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ -	\$ -	\$ 137	\$ 137
Other	23,000	320,700	318,552	(2,148)
Total revenues	<u>23,000</u>	<u>320,700</u>	<u>318,689</u>	<u>(2,011)</u>
Expenditures				
Current				
Public safety				
Sheriff	23,000	320,700	316,280	4,420
Total expenditures	<u>23,000</u>	<u>320,700</u>	<u>316,280</u>	<u>4,420</u>
Net change in fund balance	-	-	2,409	2,409
Fund balance at beginning of year	2,591	2,591	2,591	-
Fund balance at end of year	<u>\$ 2,591</u>	<u>\$ 2,591</u>	<u>\$ 5,000</u>	<u>\$ 2,409</u>

GLYNN COUNTY, GEORGIA
COUNTY JAIL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ 100,000	\$ 349,445	\$ 106,869	\$ (242,576)
Total revenues	<u>100,000</u>	<u>349,445</u>	<u>106,869</u>	<u>(242,576)</u>
Expenditures				
Current				
Public safety				
Sheriff	952	181,064	169,752	11,312
Total expenditures	<u>952</u>	<u>181,064</u>	<u>169,752</u>	<u>11,312</u>
Excess revenues over (under) expenditures	99,048	168,381	(62,883)	(231,264)
Other financing sources (uses)				
Transfers out	-	(113,870)	(110,170)	3,700
Net change in fund balance	<u>99,048</u>	<u>54,511</u>	<u>(173,053)</u>	<u>(227,564)</u>
Fund balance at beginning of year	404,714	404,714	404,714	-
Fund balance at end of year	<u>\$ 503,762</u>	<u>\$ 459,225</u>	<u>\$ 231,661</u>	<u>\$ (227,564)</u>

GLYNN COUNTY, GEORGIA
 JUVENILE SERVICES FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ -	\$ 3,947	\$ 4,836	\$ 889
Total revenues	<u>-</u>	<u>3,947</u>	<u>4,836</u>	<u>889</u>
Expenditures				
Current				
Judiciary				
Juvenile Court	-	3,947	3,500	447
Total expenditures	<u>-</u>	<u>3,947</u>	<u>3,500</u>	<u>447</u>
Net change in fund balance	-	-	1,336	1,336
Fund balance at beginning of year	340	340	340	-
Fund balance at end of year	<u>\$ 340</u>	<u>\$ 340</u>	<u>\$ 1,676</u>	<u>\$ 1,336</u>

GLYNN COUNTY, GEORGIA
LAW ENFORCEMENT BLOCK GRANT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ -	\$ 104,208	\$ 69,154	\$ (35,054)
Investment income	350	350	3,369	3,019
Total revenues	<u>350</u>	<u>104,558</u>	<u>72,523</u>	<u>(32,035)</u>
Expenditures				
Current				
Public Safety				
Police department	3,931	116,427	76,364	40,063
Total expenditures	<u>3,931</u>	<u>116,427</u>	<u>76,364</u>	<u>40,063</u>
Excess revenues over (under) expenditures	(3,581)	(11,869)	(3,841)	8,028
Other financing sources (uses)				
Transfers in	-	4,855	7,026	2,171
Net change in fund balance	<u>(3,581)</u>	<u>(7,014)</u>	<u>3,185</u>	<u>10,199</u>
Fund balance at beginning of year	10,510	10,510	10,510	-
Fund balance at end of year	<u>\$ 6,929</u>	<u>\$ 3,496</u>	<u>\$ 13,695</u>	<u>\$ 10,199</u>

GLYNN COUNTY, GEORGIA
PARK DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ 216	\$ 216	\$ 567	\$ 351
Other	-	-	-	-
Total revenues	<u>216</u>	<u>216</u>	<u>567</u>	<u>351</u>
Expenditures				
Current				
Culture and recreation				
Recreation	216	216	216	-
Total expenditures	<u>216</u>	<u>216</u>	<u>216</u>	<u>-</u>
Net change in fund balance	-	-	351	351
Fund balance at beginning of year	12,567	12,567	12,567	-
Fund balance at end of year	<u>\$ 12,567</u>	<u>\$ 12,567</u>	<u>\$ 12,918</u>	<u>\$ 351</u>

GLYNN COUNTY, GEORGIA
POLICE SEIZURE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ -	\$ 21,941	\$ 25,539	\$ 3,598
Investment income	503	503	-	(503)
Total revenues	<u>503</u>	<u>22,444</u>	<u>25,539</u>	<u>3,095</u>
Expenditures				
Current				
Public Safety				
Police department	503	22,444	4,878	17,566
Total expenditures	<u>503</u>	<u>22,444</u>	<u>4,878</u>	<u>17,566</u>
Excess revenues over (under) expenditures	-	-	20,661	20,661
Other financing sources (uses)				
Transfers out	-	(4,855)	(7,026)	(2,171)
Net change in fund balance	-	(4,855)	13,635	18,490
Fund balance at beginning of year	57,316	57,316	57,316	-
Fund balance at end of year	<u>\$ 57,316</u>	<u>\$ 52,461</u>	<u>\$ 70,951</u>	<u>\$ 18,490</u>

GLYNN COUNTY, GEORGIA
SEA ISLAND SPECIAL POLICE DISTRICT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 179,975	\$ 191,375	\$ 193,190	\$ 1,815
Fines and forfeitures	50	50	-	(50)
Investment income	150	150	951	801
Other	-	-	-	-
Total revenues	<u>180,175</u>	<u>191,575</u>	<u>194,141</u>	<u>2,566</u>
Expenditures				
Current				
Public Safety				
Police department	360,349	379,749	379,625	124
Total expenditures	<u>360,349</u>	<u>379,749</u>	<u>379,625</u>	<u>124</u>
Excess revenues over (under) expenditures	(180,174)	(188,174)	(185,484)	2,690
Other financing sources (uses)				
Transfers in	180,174	188,174	189,811	1,637
Net change in fund balance	<u>-</u>	<u>-</u>	<u>4,327</u>	<u>4,327</u>
Fund balance at beginning of year	142,810	142,810	142,810	-
Fund balance at end of year	<u>\$ 142,810</u>	<u>\$ 142,810</u>	<u>\$ 147,137</u>	<u>\$ 4,327</u>

GLYNN COUNTY, GEORGIA
 SHERIFF DRUG SEIZURE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ -	\$ 2,232	\$ 3	\$ (2,229)
Investment income	124	124	3	(121)
Total revenues	<u>124</u>	<u>2,356</u>	<u>6</u>	<u>(2,350)</u>
Expenditures				
Current				
Public safety				
Sheriff	124	2,356	2,348	8
Total expenditures	<u>124</u>	<u>2,356</u>	<u>2,348</u>	<u>8</u>
Net change in fund balance	-	-	(2,342)	(2,342)
Fund balance at beginning of year	8,498	8,498	8,498	-
Fund balance at end of year	<u>\$ 8,498</u>	<u>\$ 8,498</u>	<u>\$ 6,156</u>	<u>\$ (2,342)</u>

Nonmajor Enterprise Funds

Operations of enterprise funds are designed to be self-supporting.

The **Solid Waste Disposal Fund** accounts for post closure costs of the County landfill.

The **Solid Waste Collection Fund** accounts for the County's commercial and residential garbage and trash collection services. Financing is provided by property tax assessments, user fees and local insurance premium tax receipts.

The **Revolving Loan Fund** accounts for the lending activities of the Fund. The Fund was established with the proceeds of a State grant.

GLYNN COUNTY, GEORGIA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2006

	Solid Waste Disposal	Solid Waste Collection	Revolving Loan	Total
ASSETS				
Current assets:				
Cash	\$ 1,321,197	\$ 1,917,948	\$ 165,398	\$ 3,404,543
Receivables	24,325	131,454	23,933	179,712
Due from other funds	-	160,953	-	160,953
Total current assets	<u>1,345,522</u>	<u>2,210,355</u>	<u>189,331</u>	<u>3,745,208</u>
Noncurrent assets:				
Notes receivable	-	-	298,151	298,151
Capital assets (net of accumulated depreciation)	-	277,258	-	277,258
Total noncurrent assets	<u>-</u>	<u>277,258</u>	<u>298,151</u>	<u>575,409</u>
Total assets	<u>1,345,522</u>	<u>2,487,613</u>	<u>487,482</u>	<u>4,320,617</u>
LIABILITIES				
Current liabilities:				
Accounts payable	433	438,739	-	439,172
Due to other funds	140	-	3,382	3,522
Unearned revenue	-	1,293,117	-	1,293,117
Total current liabilities	<u>573</u>	<u>1,731,856</u>	<u>3,382</u>	<u>1,735,811</u>
Non-current liabilities:				
Accrued liabilities	1,899,104	-	-	1,899,104
Total non-current liabilities	<u>1,899,104</u>	<u>-</u>	<u>-</u>	<u>1,899,104</u>
Total liabilities	<u>1,899,677</u>	<u>1,731,856</u>	<u>3,382</u>	<u>3,634,915</u>
NET ASSETS				
Invested in capital assets, net of related debt	-	277,258	-	277,258
Unrestricted	(554,155)	478,499	484,100	408,444
Total net assets	<u>\$ (554,155)</u>	<u>\$ 755,757</u>	<u>\$ 484,100</u>	<u>\$ 685,702</u>

GLYNN COUNTY, GEORGIA

NON-MAJOR ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2006

	Solid Waste Disposal	Solid Waste Collection	Revolving Loan	Total
OPERATING REVENUES				
Charges for services	\$ -	\$ 2,224,688	\$ -	\$ 2,224,688
Investment income	-		13,273	13,273
Miscellaneous	18,023	1,094	-	19,117
Total operating revenues	<u>18,023</u>	<u>2,225,782</u>	<u>13,273</u>	<u>2,257,078</u>
OPERATING EXPENSES				
Personal services	-	188,954	-	188,954
Contractual services	-	2,510,454	2,814	2,513,268
Supplies	-	345	-	345
Interdepartment charges	-	83,499	943	84,442
Depreciation	-	23,027	-	23,027
Total operating expenses	<u>-</u>	<u>2,806,279</u>	<u>3,757</u>	<u>2,810,036</u>
Operating income (loss)	<u>18,023</u>	<u>(580,497)</u>	<u>9,516</u>	<u>(552,958)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	57,594	56,498	6,337	120,429
Property taxes	-	659,200	-	659,200
Total non-operating revenue (expenses)	<u>57,594</u>	<u>715,698</u>	<u>6,337</u>	<u>779,629</u>
Income (loss) before transfers	<u>75,617</u>	<u>135,201</u>	<u>15,853</u>	<u>226,671</u>
Transfers in	-	180,094	-	180,094
Change in net assets	75,617	315,295	15,853	406,765
Total net assets - beginning	<u>(629,772)</u>	<u>440,462</u>	<u>468,247</u>	<u>278,937</u>
Total net assets - ending	<u>\$ (554,155)</u>	<u>\$ 755,757</u>	<u>\$ 484,100</u>	<u>\$ 685,702</u>

GLYNN COUNTY, GEORGIA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006

	Solid Waste Disposal	Solid Waste Collection	Revolving Loan	Total
Cash flows from operating activities:				
Cash received from customers and users	\$ (4,828)	\$ 2,703,446	\$ 17,723	\$ 2,716,341
Cash payments to suppliers for goods and services	425	(2,558,896)	18,475	(2,539,996)
Cash payments to employees for services	-	(188,954)	-	(188,954)
Net cash provided (used) by operating activities	<u>(4,403)</u>	<u>(44,404)</u>	<u>36,198</u>	<u>(12,609)</u>
Cash flows from noncapital financing activities:				
Property taxes	-	659,200	-	659,200
Borrowings from other funds	(28,594)	-	-	(28,594)
Transfers in	-	180,094	-	180,094
Net cash provided (used) by noncapital financing activities	<u>(28,594)</u>	<u>839,294</u>	<u>-</u>	<u>810,700</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	-	(218,572)	-	(218,572)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(218,572)</u>	<u>-</u>	<u>(218,572)</u>
Cash flows from investing activities:				
Interest earned on cash and investments	57,594	56,498	6,337	120,429
Net cash provided (used) by investing activities	<u>57,594</u>	<u>56,498</u>	<u>6,337</u>	<u>120,429</u>
Net increase (decrease) in cash and cash equivalents	24,597	632,816	42,535	699,948
Cash and cash equivalents, beginning of year	1,296,600	1,285,132	122,863	2,704,595
Cash and cash equivalents, end of year	<u>\$ 1,321,197</u>	<u>\$ 1,917,948</u>	<u>\$ 165,398</u>	<u>\$ 3,404,543</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income (loss)	<u>\$ 18,023</u>	<u>\$ (580,497)</u>	<u>\$ 9,516</u>	<u>\$ (552,958)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	-	23,027	-	23,027
Change in assets and liabilities:				
Decrease (increase) in accounts receivable	(24,325)	310,494	22,232	308,401
Decrease (increase) in due from other funds	-	(182,667)	-	(182,667)
(Decrease) Increase in accounts payable and accrued liabilities	425	218,069	-	218,494
(Decrease) Increase in due to other funds	1,474	-	4,450	5,924
(Decrease) Increase in unearned revenue	-	167,170	-	167,170
Total adjustments	<u>(22,426)</u>	<u>536,093</u>	<u>26,682</u>	<u>540,349</u>
Net cash provided (used) by operating activities	<u>\$ (4,403)</u>	<u>\$ (44,404)</u>	<u>\$ 36,198</u>	<u>\$ (12,609)</u>

Internal Services Funds

Operations of the Internal Service Funds are designed to be self-supporting.

The **Employee Benefit Plan** accounts for the County's insurance claims related to health, life, workers compensation and unemployment. The fund is financed by charges to other County funds and agencies, employees who have elected dependent coverage, and former employees under COBRA arrangements.

The **County Insurance Fund** accounts for the County's insurance claims related to automobile and property damage, general liability, personal injury and errors and omissions. The fund is financed by charges to other County funds and agencies.

The **Administrative Service Fund** accounts for expenses of the Administration, Finance, Information Resources and Human Resources departments and the costs of the annual audit performed by the independent CPA. The fund is financed by charges to other County funds and agencies.

GLYNN COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2006

	<u>Employee Benefit Plan</u>	<u>County Insurance</u>	<u>Administrative Services</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 83,852	\$ 25,000	\$ -	\$ 108,852
Receivables	313,871	797	160	314,828
Due from other funds	272,264	-	187,216	459,480
Prepaid items	46,846	617,982	-	664,828
Total assets	<u>716,833</u>	<u>643,779</u>	<u>187,376</u>	<u>1,547,988</u>
LIABILITIES				
Current liabilities:				
Accounts payable	392,608	26,906	41,279	460,793
Accrued liabilities	-	-	198,257	198,257
Due to other funds	3,164	194,557	-	197,721
Total current liabilities	<u>395,772</u>	<u>221,463</u>	<u>239,536</u>	<u>856,771</u>
Non-current liabilities:				
Accrued liabilities	1,069,293	323,178	-	1,392,471
Total liabilities	<u>1,465,065</u>	<u>544,641</u>	<u>239,536</u>	<u>2,249,242</u>
NET ASSETS				
Unrestricted	(748,232)	99,138	(52,160)	(701,254)
Total net assets	<u>\$ (748,232)</u>	<u>\$ 99,138</u>	<u>\$ (52,160)</u>	<u>\$ (701,254)</u>

GLYNN COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2006

	Employee Benefit Plan	County Insurance	Administrative Services	Total
OPERATING REVENUES				
Charges for services	\$ -	\$ -	\$ 3,812,022	\$ 3,812,022
Risk management fees	5,281,400	829,835	-	6,111,235
Other contribution	994,736	34,875	15,286	1,044,897
Total operating revenues	<u>6,276,136</u>	<u>864,710</u>	<u>3,827,308</u>	<u>10,968,154</u>
OPERATING EXPENSES				
Personal services	-	-	2,289,362	2,289,362
Contractual services	-	-	1,020,881	1,020,881
Supplies	-	-	406,801	406,801
Interdepartment charges	6,197,120	857,193	108,764	7,163,077
Other costs	-	-	1,500	1,500
Total operating expenses	<u>6,197,120</u>	<u>857,193</u>	<u>3,827,308</u>	<u>10,881,621</u>
Operating income (loss)	<u>79,016</u>	<u>7,517</u>	<u>-</u>	<u>86,533</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue	15,646	-	-	15,646
Total non-operating revenue (expenses)	<u>15,646</u>	<u>-</u>	<u>-</u>	<u>15,646</u>
Change in net assets	94,662	7,517	-	102,179
Total net assets - beginning	(842,894)	91,621	(52,160)	(803,433)
Total net assets - ending	<u>\$ (748,232)</u>	<u>\$ 99,138</u>	<u>\$ (52,160)</u>	<u>\$ (701,254)</u>

GLYNN COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006

	Employee Benefit Plan	County Insurance	Administrative Services	Total
Cash flows from operating activities:				
Cash received from customers and users	\$ 994,736	\$ 46,363	\$ 15,126	\$ 1,056,225
Cash received from interfund services provided	5,529,307	829,835	3,812,022	10,171,164
Cash payments to suppliers for goods and services	(6,498,919)	(869,888)	(1,537,804)	(8,906,611)
Cash payments to employees for services	-	-	(2,289,362)	(2,289,362)
Net cash provided (used) by operating activities	<u>25,124</u>	<u>6,310</u>	<u>(18)</u>	<u>31,416</u>
Cash flows from investing activities:				
Interest earned on cash and investments	15,646	-	-	15,646
Net cash provided (used) by investing activities	<u>15,646</u>	<u>-</u>	<u>-</u>	<u>15,646</u>
Net increase (decrease) in cash and cash equivalents	40,770	6,310	(18)	47,062
Cash and cash equivalents, beginning of year	43,082	18,690	18	61,790
Cash and cash equivalents, end of year	<u>\$ 83,852</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 108,852</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income (loss)	<u>\$ 79,016</u>	<u>\$ 7,517</u>	<u>\$ -</u>	<u>\$ 86,533</u>
Adjustments to reconcile operating income to net cash provided by operating activities:				
Decrease (increase) in accounts receivable	247,907	11,488	(160)	259,235
Decrease (increase) in prepaid	(1,696)	(153,440)	-	(155,136)
(Decrease) Increase in accounts payable and accrued liabilities	(318,193)	51,575	49,391	(217,227)
(Decrease) Increase in interfund items	18,090	89,170	(49,249)	58,011
Total adjustments	<u>(53,892)</u>	<u>(1,207)</u>	<u>(18)</u>	<u>(55,117)</u>
Net cash provided (used) by operating activities	<u>\$ 25,124</u>	<u>\$ 6,310</u>	<u>\$ (18)</u>	<u>\$ 31,416</u>

Agency Funds

The **Tax Commissioner Fund** accounts for all real, personal and intangible taxes collected and forwarded to the County and other governmental units.

The **Sheriff's Office Fund** accounts for collection of fees, proceeds from judicial sales and cash bonds which are disbursed to other agencies, the County, and individuals.

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

Clerk of Superior Court
Probate Court
Juvenile court
Child Support Receiver
State Court
Magistrate Court

GLYNN COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2006

	<u>Balance July 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2006</u>
TAX COMMISSIONER				
Assets:				
Cash and investments	\$ 484,736	\$ 72,366,545	\$ 72,054,634	\$ 796,647
Taxes receivable	<u>3,567,682</u>	<u>61,986,926</u>	<u>63,261,261</u>	<u>2,293,347</u>
Total Assets	<u>\$ 4,052,418</u>	<u>\$ 134,353,471</u>	<u>\$ 135,315,895</u>	<u>\$ 3,089,994</u>
Liabilities:				
Due to others	\$ 484,736	\$ 72,366,545	\$ 72,054,634	\$ 796,647
Due to others - uncollected taxes	<u>3,567,682</u>	<u>61,986,926</u>	<u>63,261,261</u>	<u>2,293,347</u>
Total Liabilities	<u>\$ 4,052,418</u>	<u>\$ 134,353,471</u>	<u>\$ 135,315,895</u>	<u>\$ 3,089,994</u>
CLERK OF SUPERIOR COURT				
Assets:				
Cash and investments	\$ 635,641	\$ 4,709,461	\$ 4,438,070	\$ 907,032
Total Assets	<u>\$ 635,641</u>	<u>\$ 4,709,461</u>	<u>\$ 4,438,070</u>	<u>\$ 907,032</u>
Liabilities:				
Due to others	\$ 635,641	\$ 4,709,461	\$ 4,438,070	\$ 907,032
Total Liabilities	<u>\$ 635,641</u>	<u>\$ 4,709,461</u>	<u>\$ 4,438,070</u>	<u>\$ 907,032</u>
PROBATE COURT				
Assets:				
Cash and investments	\$ 1,876,360	\$ 66,691	\$ 614,217	\$ 1,328,834
Total Assets	<u>\$ 1,876,360</u>	<u>\$ 66,691</u>	<u>\$ 614,217</u>	<u>\$ 1,328,834</u>
Liabilities:				
Due to others	\$ 1,876,360	\$ 66,691	\$ 614,217	\$ 1,328,834
Total Liabilities	<u>\$ 1,876,360</u>	<u>\$ 66,691</u>	<u>\$ 614,217</u>	<u>\$ 1,328,834</u>

(Continued)

GLYNN COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2006

	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006
JUVENILE COURT				
Assets:				
Cash and investments	\$ -	\$ 11,282	\$ 9,008	\$ 2,274
Total Assets	<u>\$ -</u>	<u>\$ 11,282</u>	<u>\$ 9,008</u>	<u>\$ 2,274</u>
Liabilities:				
Due to others	\$ -	\$ 11,282	\$ 9,008	\$ 2,274
Total Liabilities	<u>\$ -</u>	<u>\$ 11,282</u>	<u>\$ 9,008</u>	<u>\$ 2,274</u>
CHILD SUPPORT RECEIVER				
Assets:				
Cash and investments	\$ 75	\$ 3,246,393	\$ 3,246,377	\$ 91
Total Assets	<u>\$ 75</u>	<u>\$ 3,246,393</u>	<u>\$ 3,246,377</u>	<u>\$ 91</u>
Liabilities:				
Due to others	\$ 75	\$ 3,246,393	\$ 3,246,377	\$ 91
Total Liabilities	<u>\$ 75</u>	<u>\$ 3,246,393</u>	<u>\$ 3,246,377</u>	<u>\$ 91</u>
STATE COURT				
Assets:				
Cash and investments	\$ 422,097	\$ 1,570,596	\$ 1,468,494	\$ 524,199
Total Assets	<u>\$ 422,097</u>	<u>\$ 1,570,596</u>	<u>\$ 1,468,494</u>	<u>\$ 524,199</u>
Liabilities:				
Due to others	\$ 422,097	\$ 1,570,596	\$ 1,468,494	\$ 524,199
Total Liabilities	<u>\$ 422,097</u>	<u>\$ 1,570,596</u>	<u>\$ 1,468,494</u>	<u>\$ 524,199</u>

(Continued)

GLYNN COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2006

	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006
SHERIFF'S OFFICE				
Assets:				
Cash and investments	\$ 29,240	\$ 854,788	\$ 856,571	\$ 27,457
Total Assets	<u>\$ 29,240</u>	<u>\$ 854,788</u>	<u>\$ 856,571</u>	<u>\$ 27,457</u>
Liabilities:				
Due to others	\$ 29,240	\$ 854,788	\$ 856,571	\$ 27,457
Total Liabilities	<u>\$ 29,240</u>	<u>\$ 854,788</u>	<u>\$ 856,571</u>	<u>\$ 27,457</u>
MAGISTRATE COURT				
Assets:				
Cash and investments	\$ 72,372	\$ 883,491	\$ 879,351	\$ 76,512
Total Assets	<u>\$ 72,372</u>	<u>\$ 883,491</u>	<u>\$ 879,351</u>	<u>\$ 76,512</u>
Liabilities:				
Due to others	\$ 72,372	\$ 883,491	\$ 879,351	\$ 76,512
Total Liabilities	<u>\$ 72,372</u>	<u>\$ 883,491</u>	<u>\$ 879,351</u>	<u>\$ 76,512</u>
TOTAL				
Assets:				
Cash and investments	\$ 3,520,521	\$ 83,709,247	\$ 83,566,722	\$ 3,663,046
Taxes receivable	3,567,682	61,986,926	63,261,261	2,293,347
Total Assets	<u>\$ 7,088,203</u>	<u>\$ 145,696,173</u>	<u>\$ 146,827,983</u>	<u>\$ 5,956,393</u>
Liabilities:				
Due to others	\$ 3,520,521	\$ 83,709,247	\$ 83,566,722	\$ 3,663,046
Due to others - uncollected taxes	3,567,682	61,986,926	63,261,261	2,293,347
Total Liabilities	<u>\$ 7,088,203</u>	<u>\$ 145,696,173</u>	<u>\$ 146,827,983</u>	<u>\$ 5,956,393</u>

(Concluded)

Supplemental Schedules

GLYNN COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
U.S. Federal Emergency Management Agency Pass through from the Georgia Emergency Management Agency Emergency Services	83.516/97.039	FEMA - 1560-DR-GA	\$ 110,199
Total Georgia Emergency Management Agency			<u>110,199</u>
Total U.S. Federal Emergency Management Agency			<u>110,199</u>
U.S. Department of Homeland Security Pass-through from the Georgia Emergency Management Agency Fire Equipment Grant (Fire Department)	97.067	BW#0663	28,710
Fire Equipment Grant (Fire Department)	97.067	BW#0664	22,853
Fire Equipment Grant (Fire Department)	97.067	BW#0665	6,603
Fire Equipment Grant (Police Department)	97.067	BW#0666	152,417
Total U.S. Department of Homeland Security			<u>210,583</u>
U. S. Department of Health and Human Services Pass-through from the Georgia Department of Human Resources Southeast Coastal GA Regional Drug Court	93.959	427-93-527 AAM	98,423
Total U.S. Department of Health and Human Services			<u>98,423</u>
National Oceanic Atmospheric Administration Pass through from Georgia Department of Natural Resources Glynn County NPDES Phase II Implementation Initiative	11.419	Glynn County Cycle VI	25,000
Total National Oceanic Atmospheric Administration			<u>25,000</u>
U.S. Department of Transportation Pass through from the Georgia Department of Transportation Brunswick Area Transportation Study	20.505	PL-0005-00-994 & MTG 0120-00-008	67,355
Total U.S. Department of Transportation			<u>67,355</u>
U. S. Department of Housing and Urban Development Pass-through Georgia Department of Community Affairs CHIP Housing Program	14.239	99m-y-063-1-2246	60,175
Glynn County Rail Connector Project	14.218	05q-y-063-1-3165	380,968
Total U.S. Department of Housing and Urban Development			<u>441,143</u>

GLYNN COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
U. S. Department of Justice			
Direct			
Local Law Enforcement Block Grant	16.592	N/A	<u>69,154</u>
Pass-through from the Criminal Justice Coordinating Council			
Domestic Violence Grant	16.575	C04-8-054	11,057
Domestic Violence Grant	16.575	2004-VA-GX-0004	<u>30,938</u>
Total Criminal Justice Coordinating Council			<u>41,995</u>
Pass-through from the Council of Juvenile Court Judges of Georgia			
Juvenile Court Accountability Program	16.523	03B-IC-0002	17,188
Purchase of Services - Juvenile Offenders	16.523	03B-ST-0003	<u>9,774</u>
Total Council of Juvenile Court Judges of Georgia			<u>26,962</u>
Total U.S. Department of Justice			<u>138,111</u>
Total Federal Expenditures			<u>\$ 1,090,814</u>

Note: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

GLYNN COUNTY, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS (SPLOST #2)
FOR THE YEAR ENDED JUNE 30, 2006

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Year	Current Year	Total
New Courthouse	\$ 10,900,000	\$ 13,631,000	\$ 13,630,919	\$ -	\$ 13,630,919
New Courthouse Construction Repairs	159,975	344,600	399,780	-	399,780
Renovation of Old Courthouse	1,500,000	1,402,200	1,402,131	-	1,402,131
Renovation of Courthouse Annex	3,900,000	4,366,400	4,359,960	-	4,359,960
Roads and Drainage	13,550,000	20,086,000	19,864,587		19,864,587
Sign Project	150,000	91,000	90,949	-	90,949
Total all Projects	<u>\$ 30,159,975</u>	<u>\$ 39,921,200</u>	<u>\$ 39,748,326</u>	<u>\$ -</u>	<u>\$ 39,748,326</u>

GLYNN COUNTY, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS (SPLOST #3)
FOR THE YEAR ENDED JUNE 30, 2006

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Year	Current Year	Total
Roads and Drainage	\$ 14,170,000	\$ 16,120,294	\$ 13,238,584	\$ 1,484,973	\$ 14,723,557
Public Safety Projects					
Public Safety Complex/800 Mhz	10,080,000	17,037,700	16,713,567	(46,641)	16,666,926
Hampton Fire Station/Truck	580,000	580,000	567,919	42,313	610,232
Snorkel Replacement	600,000	600,000	575,200	-	575,200
Recreation Projects	5,000,000	5,342,065	5,315,019	36,000	5,351,019
Water & Sewer Projects	5,100,000	5,579,565	4,266,179	753,978	5,020,157
Public Buildings Projects	2,500,000	2,705,000	2,604,823	-	2,604,823
City of Brunswick Projects	19,200,000	19,200,000	19,200,000	-	19,200,000
TOTAL ALL PROJECTS	\$ 57,230,000	\$ 67,164,624	\$ 62,481,291	\$ 2,270,623	\$ 64,751,914

GLYNN COUNTY, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS (SPLOST #4)
FOR THE YEAR ENDED JUNE 30, 2006

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Year	Current Year	Total
Roads and Drainage	\$ 13,605,000	\$ 13,605,000	\$ 4,784,069	\$ 707,245	\$ 5,491,314
Public Safety Projects					
Fire Station #2	1,035,000	1,785,000	1,626,621	416,574	2,043,195
Pumper #8	275,000	275,000	254,302	-	254,302
Public Safety Vehicles	3,050,000	3,050,000	1,419,752	623,124	2,042,876
Public Safety Complex Ph2	975,000	975,000	-	-	-
Fire Maintenance Complex	545,000	545,000	-	6,636	6,636
Detention Facility Expansion	1,000,000	1,000,000	-	44,378	44,378
Tactical Support Vehicle	180,000	180,000	-	-	-
Pumper #11	300,000	300,000	-	-	-
Ladder Truck	545,000	545,000	-	-	-
Recreation Projects	4,075,000	4,075,000	441,376	-	441,376
Road Equipment	450,000	450,000	416,950	-	416,950
Water & Sewer Projects	28,237,000	28,237,000	5,009,029	7,572,702	12,581,731
Public Buildings Projects	12,050,000	12,050,000	3,749,887	1,777,116	5,527,003
City of Brunswick Projects	28,370,000	28,370,000	16,209,840	5,797,035	22,006,875
TOTAL ALL PROJECTS	\$ 94,692,000	\$ 95,442,000	\$ 33,911,826	\$ 16,944,810	\$ 50,856,636

GLYNN COUNTY, GEORGIA
SCHEDULE OF REQUIRED EXPENDITURES
GENERATED BY THE HOTEL / MOTEL TAX
FOR THE YEAR ENDED JUNE 30, 2006

Revenue:	
Hotel/motel taxes	\$ <u>3,827,623</u>
Total Hotel/motel taxes	\$ <u>3,827,623</u>
Expenditures:	
Tourism expenditures	\$ 2,040,221
Lighting at exits on I-95	<u>58,125</u>
Total expenditures	\$ <u>2,098,346</u>
Percentage of expenditures to revenues	55%

Statistical Section

This part of Glynn County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the county's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain information to help the reader understand how the county's financial performance and well-being have changed over time.	G-1
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the county's ability to generate its property and sales taxes.	G-4
Debt Capacity These schedules present information to help the reader assess the affordability of the county's current levels of outstanding debt and the county's ability to issue additional debt in the future.	G-15
Demographic and Economic Information These schedules offer demographic and economic indicators to help understand the environment within which the county's financial activities take place and to help make comparisons over time and with other governments.	G-18
Operating Information These schedules contain information about the county's operations and resources to help the reader understand how the county's financial information relates to the services the county provides and the activities it performs.	G-20

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The county's implemented Statement 34 in 2003; schedules presenting government-wide information include beginning in that year.*

GLYNN COUNTY, GEORGIA

NET ASSETS BY COMPONENT
(accrual basis of accounting)
LAST FOUR FISCAL YEARS

	Fiscal Year			
	2003	2004	2005	2006
Governmental activities				
Invested in capital assets, net of related debt	\$ 63,328,377	\$ 65,922,964	\$ 68,962,096	\$ 74,324,188
Restricted	-	-	36,123,377	40,521,236
Unrestricted	35,659,325	43,540,228	18,236,624	20,232,196
Total governmental activities net assets	<u>\$ 98,987,702</u>	<u>\$109,463,192</u>	<u>\$123,322,097</u>	<u>\$135,077,620</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 23,725,584	\$ 24,182,128	\$ 28,396,002	\$ 36,011,479
Restricted	5,592,789	11,848,226	4,902,767	7,054,532
Unrestricted	(1,685,611)	(6,552,534)	357,359	287,038
Total business-type activities net assets	<u>\$ 27,632,762</u>	<u>\$ 29,477,820</u>	<u>\$ 33,656,128</u>	<u>\$ 43,353,049</u>
Primary government				
Invested in capital assets, net of related debt	\$ 87,053,961	\$ 90,105,092	\$ 97,358,098	\$110,335,667
Restricted	5,592,789	11,848,226	41,026,144	47,575,768
Unrestricted	33,973,714	36,987,694	18,593,983	20,519,234
Total primary government net assets	<u>\$126,620,464</u>	<u>\$138,941,012</u>	<u>\$156,978,225</u>	<u>\$178,430,669</u>

Note: 10 years information not available. GASB 34 implementation year was 2003

GLYNN COUNTY, GEORGIA

CHANGE IN NET ASSETS
(accrual basis of accounting)
LAST FOUR FISCAL YEARS

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Expenses				
Governmental activities:				
General government	\$ 17,879,785	\$ 11,458,460	\$ 9,586,480	\$ 9,308,775
Judiciary	5,660,768	6,038,929	5,617,757	5,989,757
Public safety	23,873,198	27,245,844	27,199,770	29,505,326
Public works	4,538,616	8,832,337	14,869,824	19,443,688
Health & Welfare	562,743	812,807	4,929,187	2,899,010
Culture and Recreation	3,639,824	3,479,427	1,687,211	3,823,084
Housing and development	2,594,388	3,548,865	1,339,106	4,754,216
Economic development	1,907,262	1,884,056	-	-
Interest on long-term debt	42,479	28,596	4,001	-
Total governmental activities expenses	<u>60,699,063</u>	<u>63,329,321</u>	<u>65,233,336</u>	<u>75,723,856</u>
Business-type activities:				
Water and sewer	4,776,114	5,416,392	6,453,810	6,873,401
Other services	1,982,931	2,932,079	3,128,021	2,810,036
Total business-type activities expenses	<u>6,759,045</u>	<u>8,348,471</u>	<u>9,581,831</u>	<u>9,683,437</u>
Total primary government expenses	<u>\$ 67,458,108</u>	<u>\$ 71,677,792</u>	<u>\$ 74,815,167</u>	<u>\$ 85,407,293</u>
Program Revenues				
Governmental activities:				
Charges for services	\$ 10,741,525	\$ 11,415,416	\$ 9,897,768	\$ 10,662,559
Operating grants and contributions	1,034,254	2,699,850	1,801,045	1,346,197
Capital grants and contributions	540,482	704,722	928,912	568,637
Total governmental activities program revenues	<u>12,316,261</u>	<u>14,819,988</u>	<u>12,627,725</u>	<u>12,577,393</u>
Business-type activities:				
Charges for services	5,055,073	7,100,560	7,892,247	8,648,582
Operating grants and contributions	81,574	85,820	-	-
Capital grants and contributions	3,750,661	2,457,610	5,133,810	9,116,639
Total business-type activities program revenues	<u>8,887,308</u>	<u>9,643,990</u>	<u>13,026,057</u>	<u>17,765,221</u>
Total primary government program revenues	<u>\$ 21,203,569</u>	<u>\$ 24,463,978</u>	<u>\$ 25,653,782</u>	<u>\$ 30,342,614</u>
Net expense/revenue				
Governmental activities	\$(48,382,802)	\$(48,509,333)	\$(52,605,611)	\$(63,146,463)
Business-type activities	2,128,263	1,295,519	3,444,226	8,081,784
Total primary government net expense	<u>\$(46,254,539)</u>	<u>\$(47,213,814)</u>	<u>\$(49,161,385)</u>	<u>\$(55,064,679)</u>

(continued)

GLYNN COUNTY, GEORGIA

CHANGE IN NET ASSETS
(accrual basis of accounting)
LAST FOUR FISCAL YEARS

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes	\$ 21,951,970	\$ 23,783,490	\$ 27,144,399	\$ 27,885,223
Other taxes	33,377,920	35,430,755	37,617,559	42,733,184
Intergovernmental revenues	-	-	-	802,836
Unrestricted investment earnings	826,853	731,510	1,040,995	2,562,484
Gain on sale of capital assets	787,922	15,652	-	-
Miscellaneous	-	-	446,683	1,098,352
Transfers	(86,292)	(125,230)	214,881	(180,094)
Total governmental activities	<u>56,858,373</u>	<u>59,836,177</u>	<u>66,464,517</u>	<u>74,901,985</u>
Business-type activities:				
Property taxes	488,009	268,108	568,472	659,200
Unrestricted investment earnings	111,609	136,290	378,516	775,843
Miscellaneous	27,179	19,911	-	-
Transfers	86,292	125,230	(214,881)	180,094
Total business-type activities	<u>713,089</u>	<u>549,539</u>	<u>732,107</u>	<u>1,615,137</u>
Total primary government	<u>\$ 57,571,462</u>	<u>\$ 60,385,716</u>	<u>\$ 67,196,624</u>	<u>\$ 76,517,122</u>
Change in Net Assets				
Governmental activities	\$ 8,475,571	\$ 11,326,844	\$ 13,858,906	\$ 11,755,522
Business-type activities	2,841,352	1,845,058	4,176,333	9,696,921
Total primary government	<u>\$ 11,316,923</u>	<u>\$ 13,171,902</u>	<u>\$ 18,035,239</u>	<u>\$ 21,452,443</u>

Note: 10 years information not available. GASB 34 implementation year was 2003

GLYNN COUNTY, GEORGIA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 (accrual basis of accounting)
 LAST FOUR FISCAL YEARS

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>General Sales Tax</u>	<u>Special Purpose Local Option Sales Tax</u>	<u>Other Taxes</u>	<u>Total</u>
2003	\$ 21,951,970	\$ 10,099,880	\$ 15,504,384	\$ 7,773,656	\$ 55,329,890
2004	23,783,490	10,869,709	16,750,776	7,810,270	59,214,245
2005	27,144,399	11,680,993	17,910,386	8,026,180	64,761,958
2006	27,885,223	13,459,060	20,703,697	8,570,427	70,618,407

Note: 10 years information not available. GASB 34 implementation year was 2003

GLYNN COUNTY, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS
(modified accrual basis of accounting)
LAST TEN FISCAL YEARS

	Fiscal Year				
	1997	1998	1999	2000	2001
General Fund					
Reserved	\$ 590,547	\$ 716,818	\$ 606,416	\$ 767,209	\$ 1,022,038
Unreserved	4,055,392	3,366,096	4,082,219	6,799,596	4,635,237
Total General Fund	<u>\$ 4,645,939</u>	<u>\$ 4,082,914</u>	<u>\$ 4,688,635</u>	<u>\$ 7,566,805</u>	<u>\$ 5,657,275</u>
All other governmental funds					
Reserved	\$ 289,239	\$ 58,106	\$ 72,422	\$ 251,154	\$ 1,847
Unreserved, reported in:					
Special revenue funds	176,480	354,657	1,049,620	1,058,260	1,474,225
Capital projects funds	2,499,464	8,573,251	14,241,887	18,444,140	23,109,593
Total all other governmental funds	<u>\$ 2,965,183</u>	<u>\$ 8,986,014</u>	<u>\$ 15,363,929</u>	<u>\$ 19,753,554</u>	<u>\$ 24,585,665</u>

Fiscal Year				
2002	2003	2004	2005	2006
\$ 635,246	\$ 789,889	\$ 1,593,574	\$ 1,882,406	\$ 2,617,057
5,891,139	7,963,160	13,286,967	17,193,643	20,863,691
<u>\$ 6,526,385</u>	<u>\$ 8,753,049</u>	<u>\$ 14,880,541</u>	<u>\$ 19,076,049</u>	<u>\$ 23,480,748</u>
\$ -	\$ -	\$ -	\$ -	\$ -
1,008,854	1,786,319	2,863,632	3,648,004	4,169,783
<u>22,321,972</u>	<u>26,708,757</u>	<u>27,323,105</u>	<u>31,183,002</u>	<u>35,031,091</u>
<u>\$ 23,330,826</u>	<u>\$ 28,495,076</u>	<u>\$ 30,186,737</u>	<u>\$ 34,831,006</u>	<u>\$ 39,200,874</u>

GLYNN COUNTY, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
(modified accrual basis of accounting)
LAST TEN FISCAL YEARS

	Fiscal Year			
	1997	1998	1999	2000
Revenues				
Property tax	\$ -	\$ 15,666,468	\$ 18,375,098	\$ 18,180,159
Local option sales tax	7,702,653	7,971,449	8,770,537	10,112,831
Special purpose local option sales tax	4,201,988	12,143,682	14,086,096	15,948,811
Other taxes	5,445,553	5,854,812	6,474,947	6,815,988
Licenses and permits	1,070,528	1,257,512	1,170,397	1,213,124
Intergovernmental	1,971,645	2,515,558	2,394,311	2,079,525
Charges for services	697,797	743,684	-	277,121
Fines and forfeitures	2,273,837	2,262,117	2,653,403	2,347,838
Investment Income	547,797	613,279	914,428	1,385,575
Other revenue	4,011,246	4,246,824	4,599,681	4,509,409
Total revenues	<u>27,923,044</u>	<u>53,275,385</u>	<u>59,438,898</u>	<u>62,870,381</u>
Expenditures				
General government	11,614,540	11,007,510	11,699,868	11,407,078
Judiciary	-	-	-	-
Public safety	15,369,498	15,470,707	16,418,012	17,999,209
Public works	5,739,249	5,574,089	4,844,666	5,032,491
Health and Welfare	1,862,903	1,665,525	1,435,738	1,352,955
Culture and recreation	3,212,803	3,462,616	3,486,162	3,546,594
Housing and development	1,799,465	1,944,353	2,129,521	2,270,191
Capital Outlay	7,063,401	8,617,666	12,243,089	13,834,817
Debt Service	-	126,129	166,120	158,346
Total expenditures	<u>46,661,859</u>	<u>47,868,595</u>	<u>52,423,176</u>	<u>55,601,681</u>
Excess of revenues over (under) expenditures	(18,738,815)	5,406,790	7,015,722	7,268,700
Other financing sources (uses)				
Transfers in	1,362,562	1,530,550	3,102,195	2,027,689
Transfers out	(1,626,038)	(1,531,015)	(3,157,895)	(2,028,358)
Proceeds from sale of capital assets	-	-	-	-
Proceeds from capital lease	181,258	83,908	-	-
Total other financing sources (uses)	<u>(82,218)</u>	<u>83,443</u>	<u>(55,700)</u>	<u>(669)</u>
Net change in fund balances	<u><u>\$(18,821,033)</u></u>	<u><u>\$ 5,490,233</u></u>	<u><u>\$ 6,960,022</u></u>	<u><u>\$ 7,268,031</u></u>
Debt services as a percentage of noncapital expenditures	0.0%	0.3%	0.4%	0.4%

Fiscal Year					
2001	2002	2003	2004	2005	2006
\$ 19,101,419	\$ 21,479,140	\$ 21,769,042	\$ 23,548,539	\$ 26,951,251	\$ 29,247,881
9,936,963	9,742,441	10,099,880	10,869,709	11,680,993	13,459,060
14,344,317	15,299,008	15,504,384	16,750,776	17,910,386	20,703,697
8,459,938	7,282,277	7,773,656	7,810,270	8,026,180	8,570,427
1,345,922	1,202,130	1,219,817	1,327,771	1,731,140	1,704,663
2,269,734	2,633,744	2,163,255	3,691,164	2,903,218	2,204,476
276,262	354,367	2,621,037	4,837,579	5,933,028	6,549,774
2,302,497	2,434,701	2,131,744	2,260,021	1,875,266	1,953,968
1,669,816	865,136	826,853	731,460	1,037,525	2,546,838
4,735,054	4,704,717	4,180,408	2,702,317	498,534	1,241,698
<u>64,441,922</u>	<u>65,997,661</u>	<u>68,290,076</u>	<u>74,529,606</u>	<u>78,547,521</u>	<u>88,182,482</u>
12,529,912	14,792,797	7,353,999	6,870,755	8,576,474	10,413,003
-	-	5,396,516	5,594,774	5,547,319	5,442,519
19,389,453	34,173,031	24,091,003	25,100,280	25,234,289	27,579,860
4,209,535	7,665,764	5,459,305	8,327,460	6,032,601	7,414,893
1,448,265	1,482,478	798,801	765,204	2,701,442	775,575
3,659,106	5,042,232	3,448,523	3,198,619	3,154,925	3,402,007
2,234,231	2,404,390	4,429,931	5,421,604	2,652,943	4,747,634
13,265,061	375,253	10,674,447	11,183,773	15,888,666	19,509,349
271,799	1,176,512	185,492	180,433	165,205	-
<u>57,007,362</u>	<u>67,112,457</u>	<u>61,838,017</u>	<u>66,642,902</u>	<u>69,953,864</u>	<u>79,284,840</u>
7,434,560	(1,114,796)	6,452,059	7,886,704	8,593,657	8,897,642
2,226,387	8,659,127	4,218,348	9,000,185	4,723,775	5,083,393
(7,461,846)	(8,742,251)	(4,304,640)	(9,125,415)	(4,508,894)	(5,263,487)
-	-	1,014,549	57,679	31,240	57,019
725,000	812,191	-	-	-	-
<u>(4,510,459)</u>	<u>729,067</u>	<u>928,257</u>	<u>(67,551)</u>	<u>246,121</u>	<u>(123,075)</u>
<u>\$ 2,924,101</u>	<u>\$ (385,729)</u>	<u>\$ 7,380,316</u>	<u>\$ 7,819,153</u>	<u>\$ 8,839,778</u>	<u>\$ 8,774,567</u>
0.6%	1.8%	0.4%	0.3%	0.3%	0.0%

GLYNN COUNTY, GEORGIA

ASSESED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
(in thousands)

Fiscal Year	Real Property	Personal Property	Motor Vehicles	Mobile Homes	Public Utilities	Timber
2006	\$ 3,083,196	\$263,400	\$ 177,847	\$ 11,102	\$ 67,434	\$ 14,518
2005	2,787,974	281,085	188,983	11,815	68,587	11,219
2004	2,507,275	293,307	187,412	14,528	59,104	14,214
2003	2,395,622	269,904	185,034	11,691	61,497	9,219
2002	1,868,425	263,237	179,301	15,219	62,937	11,818
2001	1,789,090	272,778	224,494	14,457	63,581	9,227
2000	1,602,228	179,694	187,254	12,300	73,114	10,653
1999	1,558,463	181,953	85,230	10,925	69,426	8,379
1998	1,422,382	157,904	141,970	10,909	68,348	5,887
1997	1,292,870	208,849	126,372	8,565	68,348	6,475

Source: Glynn County Tax Digest

<u>Heavy Duty Equipment</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Taxable Assessed Value as a Percentage of Taxable Actual Value</u>
\$ 68	\$ 3,617,565	7.557	\$ 9,022,136	40%
27	3,349,690	7.603	8,357,397	40%
26	3,075,866	7.622	7,668,344	40%
4	2,932,971	7.872	7,318,599	40%
22	2,400,959	8.930	5,984,671	40%
466	2,374,093	8.986	5,921,392	40%
-	2,065,243	9.040	5,147,128	40%
-	1,914,376	8.928	4,773,372	40%
-	1,807,400	9.284	4,509,670	40%
-	1,711,479	9.255	4,268,985	40%

GLYNN COUNTY, GEORGIA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(rate per \$1,000 of assessed value)

	Fiscal Year Ended June 30,				
	1997	1998	1999	2000	2001
Glynn County					
M&O - Districts 1-5	7.520	7.520	7.220	6.990	6.990
M&O - District 6	6.560	6.560	6.300	6.070	6.070
Fire - Districts 3-5	1.510	1.510	1.510	2.020	2.020
Sanitation - Districts 2-5	0.580	0.580	0.490	0.400	0.260
Sea Is. Police - District 5	0.600	0.600	0.560	0.560	0.530
Total Direct Tax Rate	9.255	9.284	8.928	9.040	8.986
 Brunswick - District 1	 11.000	 11.000	 11.000	 11.000	 11.000
 Board of Education					
M&O	16.020	16.050	16.120	16.570	16.990
Debt Service	1.140	1.110	1.040	0.930	0.900
 State of Georgia	 0.250	 0.250	 0.250	 0.250	 0.250
 Total Unincorporated					
District 2	25.510	25.510	25.120	25.140	25.390
District 3	27.020	27.020	26.630	27.160	27.410
District 4	27.020	27.020	26.630	27.160	27.410
District 5	27.620	27.620	27.190	27.720	27.940
District 6	23.970	23.970	23.710	23.820	24.210
 Total Incorporated					
Brunswick	35.930	35.930	35.630	35.740	36.130

Fiscal Year Ended June 30,				
2002	2003	2004	2005	2006
6.990	5.950	5.897	5.897	5.897
6.070	5.330	5.028	5.028	5.028
2.020	1.930	1.839	1.712	1.656
0.260	0.190	0.071	0.185	0.185
0.120	0.340	0.332	0.295	0.293
8.930	7.872	7.622	7.603	7.557
11.000	13.000	12.864	12.250	12.250
16.390	16.500	15.820	15.809	16.349
0.840	0.710	0.680	0.673	0.631
0.250	0.250	0.250	0.250	0.250
24.730	23.600	22.718	22.814	23.312
26.750	25.530	24.557	24.526	24.968
26.750	25.530	24.557	24.526	24.968
26.870	25.870	24.889	24.821	25.261
23.550	22.790	21.778	21.760	22.258
35.470	36.410	35.511	34.879	35.377

GLYNN COUNTY, GEORGIA
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2006			1997		
	Taxable Assessed Value <i>(in thousands)</i>	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value <i>(in thousands)</i>	Rank	Percentage of Total Taxable Assessed Value
Sea Island Company	\$ 125,931	1	3.48%	\$ 44,868	2	2.62%
Koch Cellulose LLC (formerly Georgia Pacific Corp.)	67,019	2	1.85%	107,868	1	6.30%
Georgia Power Co.	47,166	3	1.30%	44,603	3	2.61%
Hercules Inc.	21,746	4	0.60%	23,906	4	1.40%
Coastal Community Retirement Corp.	12,441	5	0.34%			
Bell South	11,515	6	0.32%	12,448	6	0.73%
Dover Hall Plantation LLC	10,531	7	0.29%			
Marelda Glynn Place Mall LLC	9,309	8	0.26%			
Rich Sea-Pak Corporation	8,585	9	0.24%	15,516	5	0.91%
St. Andrews Plantation LLC	8,465	10	0.23%			
SCM Corporation				11,470	7	0.67%
Union Camp Corporation				10,591	8	0.62%
King & Prince Seafood				7,153	9	0.42%
Astolat				5,287	10	0.31%
Totals	<u>\$ 322,708</u>		<u>8.92%</u>	<u>\$ 283,710</u>		<u>16.59%</u>

Source: Glynn County Board of Assessors

GLYNN COUNTY, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Original Levy</u>		<u>Amount</u>	<u>Percentage of Adjusted Levy</u>
1997	\$14,257,659	\$13,051,828	91.54%	\$1,204,899	\$14,256,727	99.99%
1998	15,120,021	14,284,454	94.47%	832,657	15,117,111	99.98%
1999	16,017,325	15,627,253	97.56%	388,328	16,015,581	99.99%
2000	16,518,085	16,057,098	97.21%	437,606	16,494,704	99.86%
2001	17,022,254	16,486,789	96.85%	505,420	16,992,209	99.82%
2002	19,039,250	18,596,980	97.68%	423,793	19,020,773	99.90%
2003	20,019,914	18,816,783	93.99%	1,157,906	19,974,689	99.77%
2004	20,921,271	19,643,150	93.89%	1,171,099	20,814,249	99.49%
2005	22,907,560	22,100,646	96.48%	620,970	22,721,616	99.19%
2006	24,874,864	24,469,571	98.37%	-	24,469,571	98.37%

Source: Tax Commissioner

GLYNN COUNTY, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		Business-type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita Income (1)
	Tax Anticipation Notes	Capital Leases	Water & Sewer Bonds	GEFA Loans	Capital Leases			
1997	\$ 3,200,000	\$ 160,118	\$ 1,780,000	\$2,119,888	\$ 456,328	\$ 7,716,334	0.317%	\$ 24,489
1998	4,800,000	201,761	1,675,000	2,746,214	384,867	9,807,842	0.261%	25,610
1999	5,000,000	150,053	1,565,000	2,619,799	307,467	9,642,319	0.278%	26,822
2000	4,000,000	95,314	1,450,000	2,495,923	223,644	8,264,881	0.330%	27,265
2001	-	658,051	1,325,000	2,355,134	-	4,338,185	0.667%	28,945
2002	-	440,210	1,195,000	2,206,275	-	3,841,485	0.762%	29,259
2003	-	302,166	13,430,000	-	-	13,732,166	0.216%	29,629
2004	-	155,604	12,980,000	-	352,553	13,488,157	0.224%	30,210
2005	-	-	12,470,000	24,285	1,942,953	14,437,238	0.222%	32,049
2006	-	-	11,955,000	1,376,162	2,202,289	15,533,451	0.215%	33,331

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

GLYNN COUNTY, GEORGIA

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Debt limit	\$171,147,950	\$180,740,026	\$191,437,643	\$206,524,317
Total net debt applicable to limit	<u>3,200,000</u>	<u>4,800,000</u>	<u>5,000,000</u>	<u>4,000,000</u>
Legal debt margin	<u>\$167,947,950</u>	<u>\$175,940,026</u>	<u>\$186,437,643</u>	<u>\$202,524,317</u>
Total net debt applicable to the limit as a percentage of debt limit	1.87%	2.66%	2.61%	1.94%

The Constitutional debt limitation of 10 percent of total assessed property values applies to all general obligation bonds authorized. Additional general obligation bonds may be authorized to be issued if so approved by a majority of those voting in an election held for that purpose. Glynn County has no general obligation bonds authorized but unissued.

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$237,409,279	\$240,095,946	\$293,297,079	\$307,586,594	\$334,969,076	\$ 361,756,497
0	0	0	0	0	0
<u>\$237,409,279</u>	<u>\$240,095,946</u>	<u>\$293,297,079</u>	<u>\$307,586,594</u>	<u>\$334,969,076</u>	<u>\$ 361,756,497</u>

0.00% 0.00% 0.00% 0.00% 0.00% 0.00%

Legal Debt Margin Calculation for Fiscal Year 2006

Assessed value	\$ 3,617,564,972
Less: Exemptions for Bond Purposes	-
Total assessed value	<u>3,617,564,972</u>
Debt Limit (10% of net assessed value)	<u>361,756,497</u>
General Obligation Bonds	0
Amount set aside for repayment of general obligation debt	<u>0</u>
Total Net Debt Applicable to Limit	<u>0</u>
Legal Debt Margin	<u><u>\$ 361,756,497</u></u>

GLYNN COUNTY, GEORGIA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Total Personal Income (amounts expressed in thousands) (1)	Per Capita Personal Income (1)	Median Age (3)	School Enrollment (4)	Unemployment Rate (2)
1997	65,565	\$ 1,605,639	\$ 24,489	34.1	11,009	3.3
1998	66,170	1,694,609	25,610	34.1	10,929	3.5
1999	66,808	1,791,952	26,822	34.1	11,204	3.3
2000	67,426	1,838,363	27,265	37.9	11,246	3.1
2001	67,669	1,958,705	28,945	37.9	11,892	3.4
2002	68,695	2,009,949	29,259	37.9	11,827	3.6
2003	69,383	2,055,777	29,629	37.9	11,230	3.9
2004	70,362	2,125,645	30,210	37.9	11,261	4.0
2005	71,047	2,276,961	32,049	38.0	11,824	4.1
2006	71,800	2,393,163	33,331	38.0	12,076	4.4

(1) Source: Bureau of Economic Analysis: Regional Economic Accounts

(2) Source: U. S. Bureau of labor Statistics

(3) Source: U. S. Bureau of the Census, Census 1990 and 2000; 2005 American Community Survey

(4) Source: Glynn County Board of Education

NOTES: 2006 population, per capita, and personal income are estimates based on past regional trends.

GLYNN COUNTY, GEORGIA
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO

Employer	2006			1997		
	Number of Employees (1)	Rank	Percentage of Total County Employment (2)	Number of Employees (1)	Rank	Percentage of Total County Employment (2)
Federal Law Enforcement Training Center	3,047	1	7.82%	1,814	2	5.42%
Sea Island Company	2,100	2	5.39%	1,330	4	3.97%
Glynn County Board of Education	1,900	3	4.88%	1,850	1	5.52%
Southeast Georgia Regional Medical Center	1,682	4	4.32%	1,500	3	4.48%
Glynn County Board of Commissioners	850	5	2.18%	776	6	2.32%
Koch Cellulose, LLC (formerly Ga Pacific)	790	6	2.03%	947	5	2.83%
Rich-Sea Pak Corporation	600	7	1.54%	775	7	2.31%
King and Prince Seafood	570	8	1.46%	620	8	1.85%
Wal Mart Superstore	570	9	1.46%	-		
Hercules-Pinova Division	356	10	0.91%	417	9	1.24%
Jekyll Island Authority	-			380	10	1.13%
Total	<u>12,465</u>		<u>32.00%</u>	<u>10,409</u>		<u>31.07%</u>

(1) Source: Brunswick Golden Isles Chamber of Commerce

(2) Source: U.S. Bureau of Labor Statistics

GLYNN COUNTY, GEORGIA

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
General Government	78.00	83.50	87.00	106.50	107.28
Judiciary	66.50	66.50	68.75	68.25	65.50
Public Safety	337.00	344.00	351.00	365.00	370.50
Public Works	114.20	114.20	111.00	105.00	107.90
Culture & Recreation	60.30	67.10	103.65	78.40	76.19
Housing & Development	<u>42.00</u>	<u>39.00</u>	<u>24.00</u>	<u>24.00</u>	<u>24.00</u>
Total	<u><u>698.00</u></u>	<u><u>714.30</u></u>	<u><u>745.40</u></u>	<u><u>747.15</u></u>	<u><u>751.37</u></u>

Source: Payroll records

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
110.35	113.93	112.93	116.93	113.13
66.00	66.50	67.00	57.50	55.67
389.37	404.37	402.87	403.87	395.00
101.87	102.87	104.87	106.87	98.87
68.07	63.32	59.00	56.64	55.14
<u>26.00</u>	<u>24.00</u>	<u>26.00</u>	<u>27.00</u>	<u>26.00</u>
<u><u>761.66</u></u>	<u><u>774.99</u></u>	<u><u>772.67</u></u>	<u><u>768.81</u></u>	<u><u>743.81</u></u>

GLYNN COUNTY, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	1997	1998	1999	2000
General Government				
Building Permits Issued	1,236	1,236	1,487	1,246
Occupation tax certificates issued	3,172	3,203	3,170	3,392
Registered voters	39,292	37,562	34,006	33,909
Real Property Reviews	N/A	N/A	N/A	N/A
Judiciary				
Marriage Licenses	811	801	839	863
Firearm Permits	452	437	497	607
Public Safety				
Sheriff - Jail Bookings	5,695	6,147	5,806	5,554
Sheriff - Meals Served	347,115	343,830	352,590	386,535
Sheriff - Inmate/Patient transports	N/A	528	642	699
Sheriff - Avg Daily Jail Population	272	269	277	308
Sheriff - Warrants/Civil papers served	12,710	16,201	14,972	15,305
Police calls answered	37,861	44,030	43,923	41,697
Police - Traffic Offenses	N/A	N/A	N/A	N/A
Fire calls answered	N/A	3,729	3,738	3,980
EMS calls answered	N/A	5,054	5,707	6,036
Fire - Inspections & Plan Reviews	N/A	204	263	386
Public Works				
Ditches maintained (miles)	N/A	N/A	N/A	N/A
Right of Way mowing (acres)	N/A	N/A	N/A	N/A
Street sweeping (miles)	N/A	N/A	N/A	N/A
Mosquito spraying (acres)	N/A	N/A	N/A	N/A
Culture and Recreation				
Campsites rented	N/A	N/A	N/A	N/A
Participants in Athletics	N/A	N/A	N/A	N/A

N/A = Information not Available

Sources: Various County departments

2001	2002	2003	2004	2005	2006
1,302	1,302	1,326	1,563	1,586	1,833
3,085	3,150	3,449	2,690	3,061	3,487
33,909	32,575	32,767	33,808	37,375	38,357
N/A	17,000	15,000	16,000	23,500	27,500
801	781	745	897	991	1,031
532	608	526	552	602	595
5,685	5,822	5,598	5,555	5,743	6,069
404,055	382,155	410,625	430,335	480,705	516,840
602	649	681	785	1,083	1,158
324	304	330	348	394	427
17,532	17,395	17,582	17,018	16,521	15,042
42,298	43,008	50,512	52,228	46,930	48,700
N/A	N/A	N/A	1,218	1,805	2,528
3,848	4,084	4,638	5,110	4,961	4,810
6,427	7,114	8,021	8,619	9,509	9,223
500	368	534	605	532	964
N/A	N/A	N/A	N/A	N/A	600
N/A	N/A	N/A	N/A	N/A	17,276
N/A	N/A	N/A	N/A	N/A	135
N/A	N/A	N/A	N/A	N/A	313,503
N/A	10,102	9,306	9,996	10,977	12,874
N/A	3,075	3,380	3,854	3,583	3,556

GLYNN COUNTY, GEORGIA

CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	1997	1998	1999	2000
Public Safety:				
Police stations/substations	6	6	6	6
Jail	1	1	1	1
Fire Stations	6	6	6	7
Public Works:				
County maintained miles of roads:				
Paved	424	445	460	483
Unimproved	77	56	60	44
Traffic Signals	50	50	52	57
Culture & Recreation				
Parks	22	22	38	38
Swimming Pools	3	3	3	3
Tennis Courts	14	14	14	14
Community Centers	6	6	6	6
Ball Fields	20	20	20	20
Campground sites	137	137	137	137

Sources: Various county departments

Note: No capital asset indicators are available for the general government function.

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
6	6	6	6	6	6
1	1	1	1	1	1
7	8	8	8	8	8
483	502	505	540	553	563
44	32	42	42	40	30
57	57	64	72	74	76
38	46	47	47	40	40
3	3	3	3	3	3
14	14	14	14	14	14
6	6	6	6	6	6
20	20	20	29	33	33
137	137	137	137	137	137

GLYNN COUNTY, GEORGIA

WATER AND SEWER MISCELLANEOUS INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Number of water customers	11,610 (based on number of meters)
Total water consumption	1,140,143 gallons (in thousands)
Miles of water mains	300 miles (approximately)
Miles of sanitary sewers	280 miles (approximately)

Average daily treated wastewater	3.400 MGD
Maximum daily treated wastewater	10.820 MGD
Average daily water production	3.800 MGD
Maximum daily water production	6.155 MGD

Five largest water and sewer customer accounts

- (1) Sea Island Company
- (2) Epworth by the Sea
- (3) King and Prince
- (4) McCaskill Trailer Park
- (5) Blue Beacon, Inc.

Total costs of capital improvements made from system revenues:

Radio Read Meter System	\$ 628,891
SCADA Phase 2	193,396
Manhole Rehabilitation	375,544
SSI Masterplan	237,790
SSI Sewer Lines Repairs and Upgrades	62,525
SSI Water Pollution Control Plant	5,616,451
SSI Tank Inspection and Repair	9,456
CIP - 5 Neighborhoods Sewer Rehab	1,634,608
CIP - Clearwater	338,014
CIP - Colonels Island Sewer	21,386
CIP - East Beach Water & Sewer Rehab	49,535
CIP - S.R. 99 Water & Sewer System	332,846
CIP - S.R. 341 Sewer	200,313
CIP - Wastewater Capacity Study	223
CIP - SSI Wastewater Treatment Plant	(195,627)
Total	<u>\$ 9,505,349</u>

Water & Sewer Rates (Unit = 1,000 gallons):

Water Only Accounts	\$ 4.07	Base Charge
Per Unit	\$ 1.00	
Per Unit greater than or equal to 10 Units	\$ 4.47	
Water (with Sewer Connection)	\$ 4.07	Base Charge
Per Unit	\$ 1.00	
Per Unit greater than or equal to 10 Units	\$ 1.84	
Sewer - St. Simons and South Mainland	\$ 4.07	Base Charge
Per Unit of Water used	\$ 2.66	
Sewer - North Mainland	\$ 4.07	Base Charge
Per Unit of Water used	\$ 3.74	

Compliance Section

KARP, RONNING & TINDOL, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

123 ABERCORN STREET
SAVANNAH, GEORGIA 31401

(912) 232-0475

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

To the Chairman and Members of the
Glynn County Board of Commissioners
Brunswick, Georgia

We have audited the financial statements of the Glynn County Board of Commissioners (the County), as of and for the year ended June 30, 2006, and have issued our report thereon dated December 8, 2006. We did not audit the financial statements of the Glynn County Health Department, a discretely presented component unit of the County. Those financial statements were audited by other auditors whose reports thereon were furnished to us, and our opinion, insofar as it relates to the amounts included for this component unit, is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We also noted certain matters that we reported to management of the County in a separate letter dated December 8, 2006.

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

Karp, Ronning & Tindol, P.C.

December 8, 2006

KARP, RONNING & TINDOL, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

123 ABERCORN STREET
SAVANNAH, GEORGIA 31401

(912) 232-0475

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

To the Chairman and Members of the
Glynn County Board of Commissioners
Brunswick, Georgia

Compliance

We have audited the compliance of the Glynn County Board of Commissioners (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

The County's basic financial statements include the operations of the Glynn County Airport Commission and the Glynn County Board of Health, which received \$653,536 and \$5,756,116, respectively in federal awards which are not included in the schedule during the year ended June 30, 2006. Our audit described below did not include the operations of the Glynn County Airport Commission or the Glynn County Board of Health, because those entities engaged other auditors to perform an audit in accordance with OMB Circular A-133.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control Over Compliance

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

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

We noted certain matters that we reported to management of the County in a separate letter dated December 8, 2006.

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

Karp, Rosning & Tindol, P.C.

December 8, 2006

GLYNN COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS AND STATUS OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2006

I. SCHEDULE OF FINDINGS AND QUESTIONED COSTS

A. Summary of Auditors' Results

Financial Statements

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the Glynn County Board of Commissioners.
2. Internal control over financial reporting:
 - a Material weakness(es) identified? _____ yes X no
 - b Reportable condition(s) identified that are not considered to be material weaknesses? _____ yes X none reported
3. Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

4. Internal control over major programs:
 - a Material weakness(es) identified? _____ yes X no
 - b Reportable condition(s) identified that are not considered to be material weaknesses? _____ yes X none reported
5. The auditors' report expresses an unqualified opinion for all major programs.
6. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? _____ yes X no
7. The programs tested as major programs include:

Name of Federal Program	<u>CFDA Number</u>
Community Development Block Grant Program	14.218
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The County was determined to be a low-risk auditee.

B. Findings – Financial Statement Audit

None reported.

C. Findings and Questioned Costs – Major Federal Award Programs Audit

None reported.

II. STATUS OF PRIOR YEAR AUDIT FINDINGS

No findings were reported relative to Major Federal Award Programs for the year ended June 30, 2005.