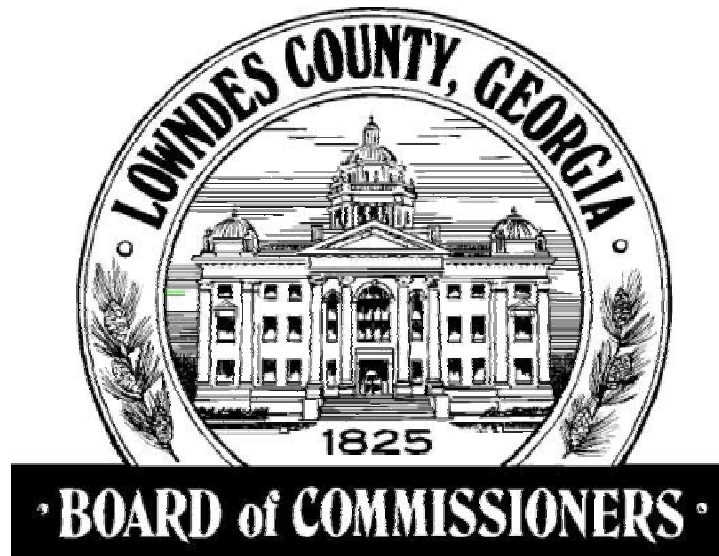


COMPREHENSIVE ANNUAL FINANCIAL REPORT

LOWNDES COUNTY, GEORGIA

For The Fiscal Year
July 1, 2006 - June 30, 2007



FINANCE DEPARTMENT
Stephanie Black, Finance Director

LOWNDES COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Year Ending June 30, 2007

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 For The Year Ending June 30, 2007**

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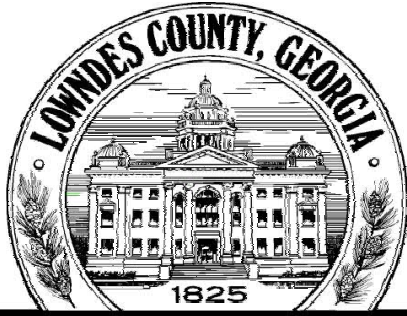
LOWNDES COUNTY, GEORGIA
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INTRODUCTORY SECTION



BOARD of COMMISSIONERS

Lowndes County Finance Department

Stephanie Black
Finance Director

300 North Patterson Street • Valdosta, Georgia 31601 • Phone (229) 671-2525 • Fax (229) 671-2596

December 31, 2007

The Honorable Rodney N. Casey, Chairman
Members of the Lowndes County Board of Commissioners
And Citizens of Lowndes County

The Comprehensive Annual Financial Report of Lowndes County, Georgia for the fiscal year ended June 30, 2007, is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures rests with the County. We believe the data presented is accurate in all material respects and that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds. All disclosures necessary to enable interested citizens to gain a reasonable understanding of the County's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: an Introductory Section, a Financial Section, a Statistical Section and Special Reports.

The Introductory Section includes this letter of transmittal, a general governmental organization chart, and a list of principal officials of Lowndes County.

The Financial Section includes the auditor's report on the financial statements, Management's Discussion and Analysis (MD&A), the basic audited financial statements with notes, combining fund statements and supplementary schedules. This section also includes Required Supplementary Information. The MD&A provides summarized financial information and comparisons to the prior year as well as an overview of the current future financial condition of the County. This is an informative section for our financial readers.

The Statistical Section contains selected historical financial data, debt statistics and miscellaneous social and economic data of the County generally presented on a multi-year basis.

The Special Reports Section includes schedules and report required by the State of Georgia and also includes an auditors' report on compliance and internal control required under *Governmental Auditing Standards*.

REPORTING ENTITY

Lowndes County was originally established as a Georgia county on December 23, 1825 by an Act of the General Assembly of Georgia. The Board is comprised of one chairman, elected county wide, and three commissioners each elected from a separate commission district serving four year staggered terms. Daily operations are directed by a County Manager who is appointed by and responsible to the Board of Commissioners. The County provides services to approximately 96,000 residents living in a 510.7 square mile area. Services provided include judicial services including the Superior, State, Magistrate, Probate and Juvenile Courts and the District Attorney and the Public Defender. The County provides public safety including the Sheriff's office, 911 emergency communications, animal control, emergency medical services and fire protection. Public works services include road maintenance and construction, building maintenance and sanitation. The County provides health and welfare services through the public health department, the Department of Family and Children Services and mental health services through Behavioral Health Services of South Georgia. Culture and recreation are provided through the parks and recreation department, the regional library, the local arts commission and the historical society.

The incorporated areas of Lowndes County consist of five municipalities which are the cities of Dasher, Hahira, Lake Park, Remerton and Valdosta. Each city is governed by a mayor and city council.

The financial statements contained herein include all the activities and functions of Lowndes County that are under the jurisdiction of the Board of Commissioners, as set forth in state and local law. Additionally, two component units are included in these financial statements because of their operational and financial relationships to the County. The Lowndes County Board of Health provides numerous health services to all county residents. The Valdosta-Lowndes County Industrial Authority provides assistance to new and present business to operate and expand business in Lowndes County.

NATURAL FEATURES AND LAND USE

Lowndes County is located on the Florida border with a major interstate highway system (I-75) that is utilized by many tourist to visit Florida's vacation attractions from across the United States and Canada. The County also has a major state highway that provides commerce and tourism the ability to reach the Georgia coast.

The County has experienced tremendous growth in residential and commercial development in the last 10 years. The real and personal property tax digest has grown an average of 7.5% over those years. Through planning and zoning the County attempts to maintain a balanced use of land and provide defined areas for residential growth and development as well as areas for commercial and industrial growth. At the same time the County is also expanding recreational land use through the development of new parks. The County is also protective of land use within the areas close to Moody Air Force Base to prevent encroachment that would hamper the mission of the base.

POPULATION

The County population has grown over 17% in the last ten years. The growth has been driven in part by the expansion of missions at Moody Air Force Base, the local college becoming a state University, growth in industrial and commercial job opportunities and most recently by an increase in retirees looking for lower cost alternatives to traditional retirement locations. New housing developments are keeping pace with this growth and the County continues to expand roads and water and sewer systems to keep the infrastructure at the levels needed to meet the new demands of this growth.

ECONOMIC CONDITION AND OUTLOOK

Lowndes County provides many state mandated and other services that are the economic back bone for the local economy. Like many counties, Lowndes County is providing new services, that in the past were considered municipal services, to the fastest growing sections of the county in the unincorporated areas.

In November 2003, Lowndes County received an Aaa rating from Moody's Investors Service and has maintained that rating. That same year the County received an AAA rating from Standards and Poor's. The Triple A rating is the most highly acclaimed indicator of the overall financial strength of a community. These ratings provided by these independent services demonstrate the conservative and sound fiscal policies that Lowndes County has developed as a management philosophy.

The County has averaged a 3.6% unemployment rate the last five years compared to a State average of 4.7%. County population is estimated to have grown more than 7% since the 2000 census which showed a population of 92,114. County wide sales tax collections have averaged 8% growth in the last three fiscal years. The gross tax digest was up 5.6% from the prior year.

New industry growth as well as growth of existing industries continues to be steady. Continued growth in enrollment at Valdosta State University requiring faculty growth and expansion at Moody Air Force Base continue to increase jobs for direct and indirect services to these two entities.

MAJOR INITIATIVES

For The Year:

The County began construction of a new Judicial and Administrative Complex to house a growing court system and provide expanded and more efficient facilities for administrative personnel. The Judicial component to be built under phase one of the project will include state of the art security for the court personnel and visitors.

The County will begin phase two of a Jail renovation and expansion project that will include new prisoner housing. This project was paid for with the new special purpose local option sales tax that just recently passed.

The County has continued the expansion work that is part of their water and wastewater service five year capital improvement master plan that was prepared by Ingram & Watkins, LLC. With revenue bonds, special purpose local option sales tax funds and GEFA loans, 65% of the master projects planned which exceed \$22 million in estimated cost will be completed in the next few years.

The County continued paving and repairs to roads in the current fiscal year expending over \$3.3 million of special purpose local option sales tax revenue.

MAJOR INITIATIVES

For The Future:

The County has numerous capital improvement projects that will be needed in the near future to be completed. These include the following:

1. The second phase of the Judicial and Administrative Complex.
2. The completion of the other 35% of construction projects on the County's five year capital improvement master plan for the Water and Sewer Fund,
3. The completion of plans and building of a third phase of the jail which will include additional prisoner housing.
4. Complete over \$11.7 million in road projects from special purpose local option sales tax funds.
5. Complete several smaller capital improvement projects that include renovations to the current Courthouse, improvements to parks, fire station and equipment improvements and public safety building improvements all of which are funded with special purpose local option sales tax.

The County also continues to work with other local governments to review and plan for the future now that the County is part of a Metropolitan Service Area.

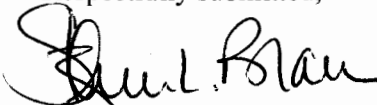
Other Information

Independent Audit. State statues require an annual audit by independent certified public accountants. The accounting firm of Valenti, Rackley and Associates, LLC was selected by the Board of Commissioners. The auditors' report on the basic financial statements is noted in the table of contents.

Acknowledgements. Appreciation is expressed to all members of the staff and to our financial consulting firm, Tillman & Tillman, LLP for their contribution toward preparation of the CAFR as well as the direction and support of the County Manager's Office.

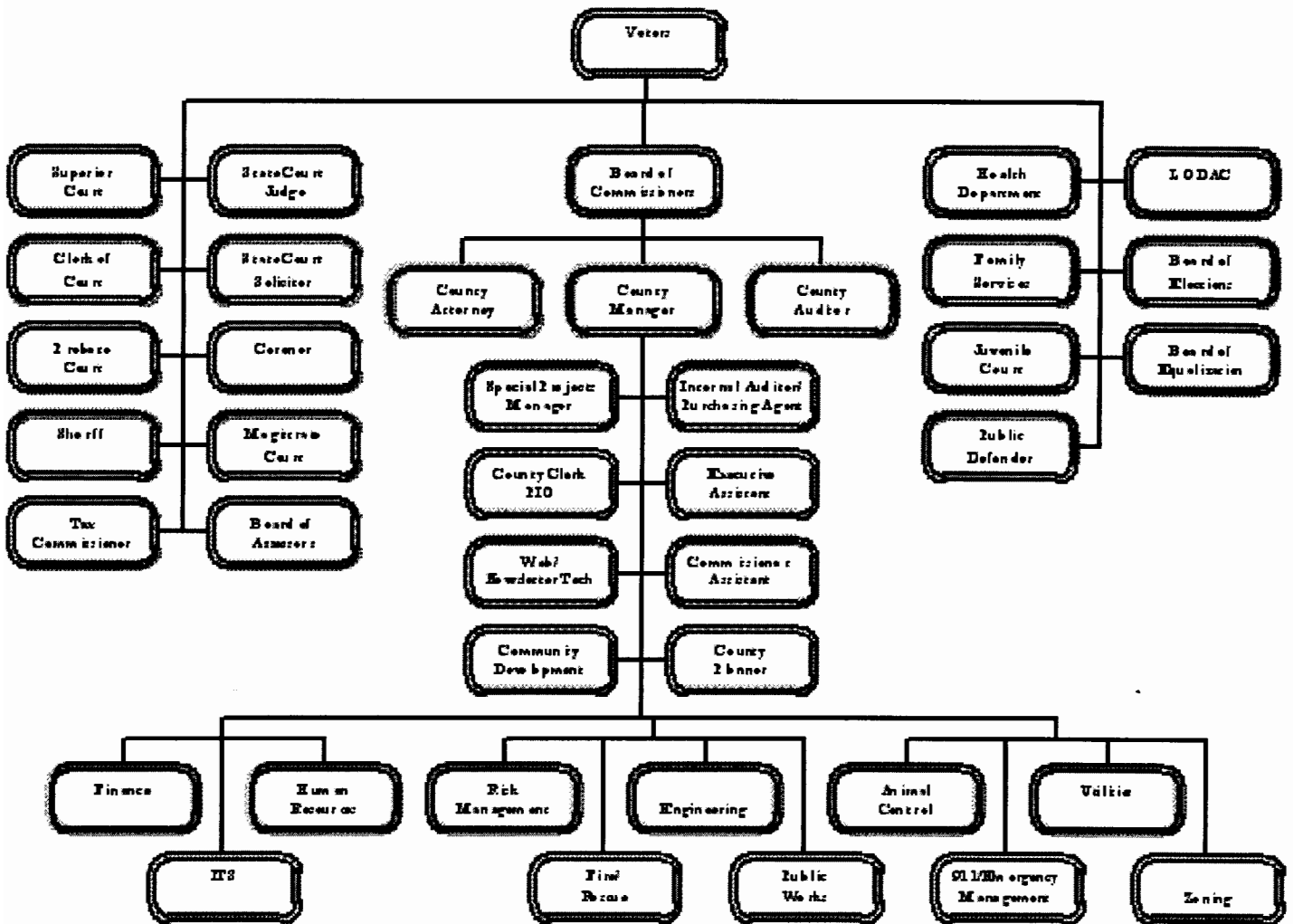
We also wish to acknowledge the leadership on the Board of Commissioners in its guidance of the financial affairs of the County.

Respectfully submitted,



Stephanie Black
Finance Director

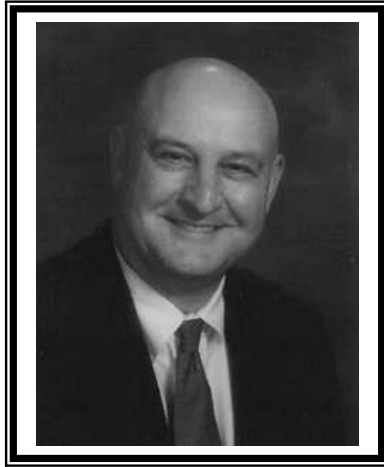
General Government Organizational Chart



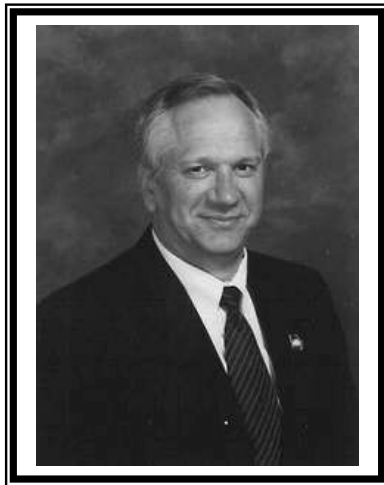
Lowndes County, Georgia
Principle Officials



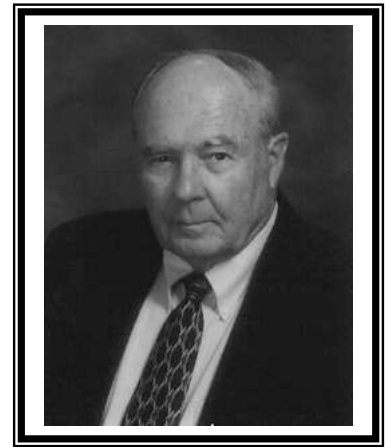
J. Edgar Roberts
Commissioner District 1



Rodney N. Casey
Chairman



Richard C. Lee
Commissioner District 2



G. Robert Carter
Commissioner District 3

County Manager
Joe Pritchard

County Attorney
Walter G. Elliott

Elected Officials

Tax Commissioner
Clerk of Court
Sheriff
Superior Court Judge
State Court Judge
Magistrate Court Judge
Probate Judge

Mary Nell Robertson
Sara Crow
Ashley Paulk
H. Authur McLane
John Kent Edwards
Joni B. Parker
Ruby Sirmans

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Lowndes County, Georgia
Valdosta, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of Lowndes County, Georgia as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Lowndes County, Georgia's, management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Valdosta-Lowndes County Industrial Authority, which represents 3.94% and 3.84%, respectively, of the total assets and revenues of Lowndes County, Georgia. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for Valdosta-Lowndes County Industrial Authority in the component unit columns, is based on the report of the other auditor. We did not audit the financial statements of Lowndes County Board of Health, which represents 1.26% and 10.58%, respectively, of the total assets and revenues of Lowndes County, Georgia. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for Lowndes County Board of Health in the component unit columns, is based on the report of the other auditor.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lowndes County, Georgia as of June 30, 2007, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Board of Commissioners
Lowndes County, Georgia
Page Two

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2007, on our consideration of Lowndes County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 9 through 19 and 69 through 80, are not a required part of the basic 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lowndes County, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, statistical tables and the Schedule of Projects Constructed With Special Sales Tax Proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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 Lowndes County, Georgia. The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, the Schedule of Projects Constructed With Special Sales Tax Proceeds, Source and Application of Funds Schedule – CDBG Grant and Project Cost Schedule – CDBG Grant have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.


Valenti, Rackley & Associates, LLC

Valdosta, Georgia
December 31, 2007

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MANAGEMENT DISCUSSION AND ANALYSIS

LOWNDES COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2007

As Management of Lowndes County, Georgia, we offer readers of the County's basic financial statements this narrative overview and analysis of the financial activities of the County for the year ending June 30, 2007. We encourage our readers to consider the information presented within this Management's discussion and analysis in conjunction with the basic financial statements. The intent of this discussion and analysis is to look at the County's financial performance as a whole.

Financial Highlights

Key financial highlights for FY07 are as follows:

The County's total net assets decreased by \$3,103,54 due in part to the spending down of accumulated special purpose local option sales tax funds collected in prior years and expenditures in the capital project fund.

At the end of the current year, the County's governmental funds reported an ending fund balance of \$53,497,609, an increase of \$184,176 from the prior year fund balance. Of this amount, \$2,344,590 is available for spending (unreserved and undesignated fund balance) on behalf of its citizens.

At the end of the current year, unreserved and undesignated fund balance for the General Fund was \$2,344,590, which represents 5.4 percent of total General Fund expenditures.

Net assets for business-type activities increased from \$20,838,092 to \$21,970,143 an increase of \$1,132,051.

The County has \$5,928,255 of water and sewer construction in progress.

The County has \$5,897,522 of road construction in progress.

Overview of the Financial Statements

This annual report consists of a series of financial statements. These statements are organized so the reader can understand the County as a financial whole or as an entire operating entity. The statements also provide a detailed look at specific financial conditions.

The County's basic financial statements are comprised of three components: the County-wide financial statements, fund financial statements, and 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.

LOWNDES COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2007

Statement of Net Assets and the Statement of Activities

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. The statement of activities presents information showing how the County's net assets changed during the current year. These statements are prepared using the accrual basis of accounting similar to the accounting method used by private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses, regardless of when the cash is received or paid.

The change in net assets is important because it tells the reader whether, for the County as a whole, the financial position of the County has improved or diminished. However, in evaluating the overall position of the County, non-financial information such as changes in the County's tax base and the condition of the County's capital assets will also need to be evaluated.

In the statement of net assets and the statement of activities, the County is divided into three kinds of activities:

Governmental Activities—Most of the County's programs and services are reported here, including general government, judicial, public safety, public works, health, human services, culture and recreation and housing and development. These services are funded primarily by taxes and intergovernmental revenues, including federal and state grants and other shared revenues.

Business-Type Activities—These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The County's Water and Sewer, Landfill, Special Lighting Districts and Sanitation operations are reported here.

Component Units—The County's financial statements include financial data of the Valdosta-Lowndes County Industrial Authority and the Lowndes County Board of Health. These component units are described in the notes to the financial statements. The component units are separate and may buy, sell, lease, and mortgage property in their own name and can sue or be sued in their own name.

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 objects. 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. Fund financial statements provide detailed information about the County's major funds. Based on the restriction on the use of moneys, the County has established many funds that account for the multitude of services provided to our residents. The County's major governmental funds are the General Fund, the 911 Emergency Telephone Fund, the Capital Projects Special Purpose Sales Tax V Fund and the Capital Projects Judicial Complex Fund.

LOWNDES COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2007

Governmental Funds—Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. Most of the County's basic services are reported in these funds that focus on how money flows into and out of the funds and the year end balances available for spending. These funds are reported on the modified accrual basis of accounting that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services being provided, along with the financial resources available.

Because the focus of the 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 on the government-wide financial statements.

By doing so, readers may better understand the long-term effect of the government's short-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 a multitude of individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other 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.

Proprietary Funds—Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The County uses enterprise funds to account for the Water and Sewer, Landfill, Special Tax Lighting District and Sanitation services. Internal Service funds are used to account for the financing of goods or services provided by one department to other departments of the County on a cost-reimbursement basis. The County used internal service funds to account for Equipment Operations, Self-Insurance and Fleet Management.

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

Notes to the Financial Statements—The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements.

Other Information—In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules.

LOWNDES COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2007

Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Assets:

Lowndes County's Net Assets
(in millions of dollars)

| | Governmental | | Business-Type | | Total | | Total Percentage Change 2006-2007 |
|--|---------------------|------------------|----------------------|-----------------|------------------|------------------|--|
| | Activities | | Activities | | | | |
| | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | |
| Assets | | | | | | | |
| Current and other assets | \$ 60.00 | \$ 57.32 | \$ 9.55 | \$ 7.49 | \$ 69.55 | \$ 64.81 | -6.82% |
| Capital assets, net | 160.27 | 153.76 | 30.02 | 32.17 | 190.29 | 185.93 | -2.29% |
| Total Assets | 220.27 | 211.08 | 39.57 | 39.66 | 259.84 | 250.74 | -3.50% |
| Liabilities | | | | | | | |
| Current and other liabilities | 9.99 | 7.12 | 2.84 | 5.32 | 12.83 | 12.44 | -3.04% |
| Long-term liabilities | 17.74 | 15.65 | 15.89 | 12.37 | 33.63 | 28.02 | -16.68% |
| Total Liabilities | 27.73 | 22.77 | 18.73 | 17.69 | 46.46 | 40.46 | -12.91% |
| Net Assets | | | | | | | |
| Invested in capital assets, net of related debt | 139.61 | 136.07 | 19.65 | 20.51 | 159.26 | 156.58 | -1.68% |
| Restricted | 33.67 | 32.76 | - | - | 33.67 | 32.76 | -2.70% |
| Unrestricted | 19.26 | 19.48 | 1.19 | 1.46 | 20.45 | 20.94 | 2.40% |
| Total Net Assets | \$ 192.54 | \$ 188.31 | \$ 20.84 | \$ 21.97 | \$ 213.38 | \$ 210.28 | -1.45% |

As noted earlier, the County's net assets, when reviewed over time, may serve as a useful indicator of the County's financial position. In the case of the County, assets exceeded liabilities by \$210,280,121. Net assets were \$188,309,978 in governmental activities and \$21,970,143 in business-type activities as of June 30, 2007. The largest portion of the County's net assets (74 percent) reflects its investment in capital assets (e.g., land and improvements, buildings and building improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure) 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. Another 14% of net assets are restricted for use on capital projects.

An additional portion of the County's net assets (1.1 percent) represents resources that are subject to other restrictions on how they can be used. The remaining balance of unrestricted net assets (10 percent) may be used to meet the County's ongoing obligations to citizens and creditors.

LOWNDES COUNTY, GEORGIA
Management's Discussion and Analysis
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For the Year Ended June 30, 2007

The next table shows the changes in net assets for the year ending June 30, 2007 & 2006.

Changes in Lowndes County's Net Assets
(in millions of dollars)

| | Governmental | | Business-Type | | Total | | Total Percentage Change 2006-2007 |
|------------------------------------|---------------------|--------------|----------------------|-------------|------------------|--------------|--|
| | Activities | | Activities | | 2006 2007 | | |
| | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | |
| Revenues | | | | | | | |
| Program Revenues | | | | | | | |
| Charges for services | \$ 13.11 | \$ 10.21 | \$ 3.33 | \$ 3.85 | \$ 16.44 | \$ 14.06 | (14.48) % |
| Operating grants and contributions | 0.48 | 3.99 | - | - | 0.48 | 3.99 | 731.25 % |
| Capital grants and contributions | 0.01 | 1.70 | - | - | 0.01 | 1.70 | 16,900.00 % |
| Total Program Revenues | 13.60 | 15.90 | 3.33 | 3.85 | 16.93 | 19.75 | 16.66 % |
| General Revenues | | | | | | | |
| Property taxes | 19.87 | 21.43 | - | - | 19.87 | 21.43 | 7.85 % |
| Alcoholic beverage taxes | 0.50 | 0.52 | - | - | 0.50 | 0.52 | 4.00 % |
| Occupational taxes | 0.42 | 0.37 | - | - | 0.42 | 0.37 | (11.90) % |
| Franchise taxes | 0.17 | 0.21 | - | - | 0.17 | 0.21 | 23.53 % |
| Insurance premium taxes | 1.94 | 2.03 | - | - | 1.94 | 2.03 | 4.64 % |
| Sales taxes | 34.85 | 35.16 | - | - | 34.85 | 35.16 | 0.89 % |
| Solid waste host fees | - | - | 0.65 | 0.52 | 0.65 | 0.52 | (20.00) % |
| Premium on bonds sold | - | - | - | 0.02 | - | 0.02 | 100.00 % |
| Miscellaneous | - | 0.03 | - | - | - | 0.03 | 100.00 % |
| Rent | 0.43 | 0.48 | - | - | 0.43 | 0.48 | 11.63 % |
| Interest | 1.05 | 1.43 | 0.15 | 0.06 | 1.20 | 1.49 | 24.17 % |
| Total General Revenues | 59.23 | 61.66 | 0.80 | 0.60 | 60.03 | 62.26 | 3.71 % |
| Total Revenues | 72.83 | 77.56 | 4.13 | 4.45 | 76.96 | 82.01 | 6.56 % |

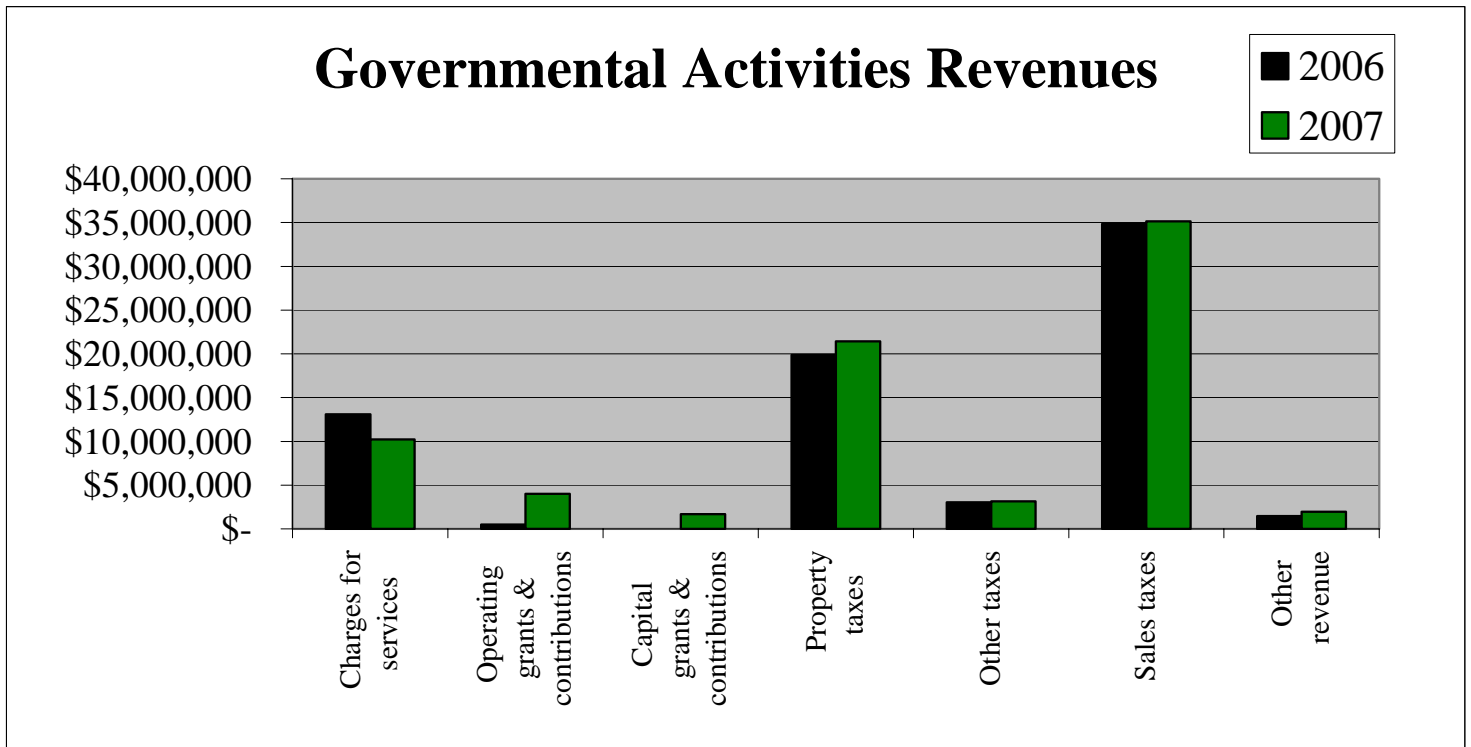
LOWNDES COUNTY, GEORGIA
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Changes in Lowndes County's Net Assets
(in millions of dollars)

| | Governmental | | Business-Type | | Total | | Total |
|--|---------------------|------------------|----------------------|-----------------|------------------|------------------|-------------------|
| | Activities | | Activities | | Total | | Percentage |
| | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | Change |
| | | | | | | | 2006-2007 |
| Expenses | | | | | | | |
| Governmental Activities: | | | | | | | |
| General Government | | | | | | | |
| Legislative and executive | \$ 11.19 | \$ 10.48 | \$ - | \$ - | \$ 11.19 | \$ 10.48 | (6.34) % |
| Judicial | 5.12 | 7.23 | - | - | 5.12 | 7.23 | 41.21 % |
| Public safety | 21.21 | 24.48 | - | - | 21.21 | 24.48 | 15.42 % |
| Public works | 51.60 | 29.98 | - | - | 51.60 | 29.98 | (41.90) % |
| Health and welfare | 1.27 | 2.20 | - | - | 1.27 | 2.20 | 73.23 % |
| Culture and recreation | 4.15 | 4.32 | - | - | 4.15 | 4.32 | 4.10 % |
| Housing and development | 0.50 | 0.67 | - | - | 0.50 | 0.67 | 34.00 % |
| Interest on long-term debt | 0.69 | 0.56 | - | - | 0.69 | 0.56 | (18.84) % |
| Business-type Activities: | | | | | | | |
| Water and sewer | - | - | 4.94 | 3.85 | 4.94 | 3.85 | (22.06) % |
| Landfill | - | - | 0.47 | 0.05 | 0.47 | 0.05 | (89.36) % |
| Special tax lighting district | - | - | 0.21 | 0.19 | 0.21 | 0.19 | (9.52) % |
| Sanitation fund | - | - | - | 1.11 | - | 1.11 | 100.00 % |
| Total Expenses | 95.73 | 79.92 | 5.62 | 5.20 | 101.35 | 85.12 | (16.01) % |
| Revenue Over (Under) Expenses | (22.90) | (2.36) | (1.49) | (0.75) | (24.39) | (3.11) | (87.25) % |
| Transfers | (2.06) | (1.88) | 2.06 | 1.88 | - | - | - % |
| Increase (Decrease) in Net Assets | (24.96) | (4.24) | 0.57 | 1.13 | (24.39) | (3.11) | (87.25) % |
| Net Assets, Beginning | 217.50 | 192.54 | 20.27 | 20.84 | 237.77 | 213.38 | (10.26) % |
| Net Assets, Ending | \$ 192.54 | \$ 188.31 | \$ 20.84 | \$ 21.97 | \$ 213.38 | \$ 210.27 | (1.46) % |

LOWNDES COUNTY, GEORGIA
 Management's Discussion and Analysis
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Government Activities



The largest portion of the County's program revenue is from charges for services which accounted for \$10,214,908 or 64% of total program revenues. These charges include licenses and permits, fines and forfeitures related to judicial activity, fees for real estate transfers, fees associated with the collection of property taxes and fees charged through various County governmental departments.

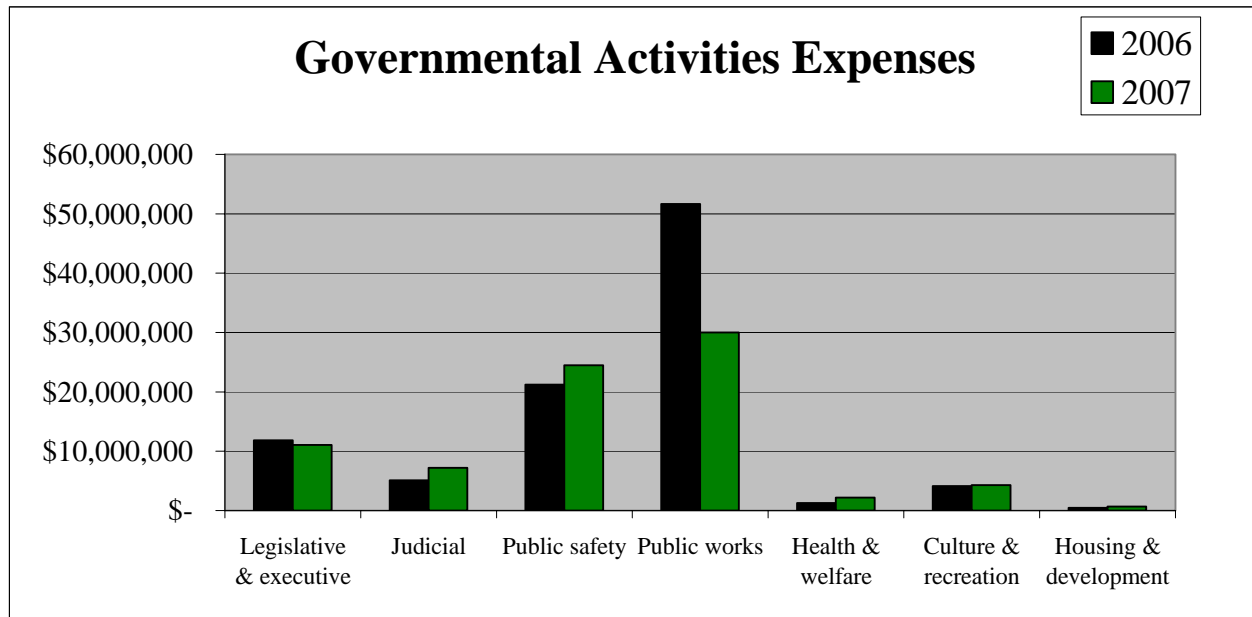
Sales tax revenues are the major contributor to general revenues and account for \$35,155,911 or 57% of total general revenues. Another major component was property taxes, which accounted for \$21,432,904 or 35% of total general revenues.

The chart shows growth in most revenues over the prior year.

LOWNDES COUNTY, GEORGIA
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Government Activities – Continued

The following chart compares governmental activities expenses for the year ending June 30, 2006 and 2007. The largest increases in expenditures continue to be in the areas of judicial and public safety services.



The following table provides the total cost of services and the net cost of services for the governmental activities. The statement of activities reflects the cost of program services and the charges for services, and sales, grants, and contributions offsetting these services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Net Cost of Lowndes County's Governmental Activities
(in millions of dollars)

| <u>Function</u> | <u>Total Cost of Services</u> | | <u>Percentage Change</u> <u>2006-2007</u> | <u>Net Cost of Services</u> | | <u>Percentage Change</u> <u>2006-2007</u> |
|----------------------------|-------------------------------|-----------------|--|-----------------------------|-----------------|--|
| | <u>2006</u> | <u>2007</u> | | <u>2006</u> | <u>2007</u> | |
| General Government | | | | | | |
| Legislative and executive | \$ 11.19 | \$ 10.48 | (6.34) % | \$ 6.96 | \$ 6.61 | (5.04) % |
| Judicial | 5.12 | 7.23 | 41.21 % | 1.85 | 3.86 | 108.54 % |
| Public safety | 21.21 | 24.48 | 15.42 % | 15.69 | 18.28 | 16.53 % |
| Public works | 51.60 | 29.98 | (41.90) % | 51.30 | 28.75 | (43.95) % |
| Health and welfare | 1.27 | 2.20 | 73.23 % | 0.99 | 1.13 | 14.22 % |
| Culture and recreation | 4.15 | 4.32 | 4.10 % | 4.15 | 4.32 | 4.20 % |
| Housing and development | 0.50 | 0.67 | 34.00 % | 0.50 | 0.49 | (1.61) % |
| Interest on long-term debt | 0.69 | 0.56 | (18.84) % | 0.69 | 0.56 | (18.14) % |
| Total | \$ 95.73 | \$ 79.92 | (16.52) % | \$ 82.13 | \$ 64.01 | (22.06) % |

LOWNDES COUNTY, GEORGIA
Management's Discussion and Analysis
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For the Year Ended June 30, 2007

Business-Type Activities

The net assets for business-type activities increased by \$1,132,051 during the year ending June 30, 2007. The major source of revenue was from charges for services which amounted to \$3,844,609.

Financial Analysis of County Funds

The 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 the County's net resources available for spending at the end of the year.

As of June 30, 2007, the County's governmental funds reported a combined ending fund balance of \$53,497,609, an increase of \$184,176. Approximately 3.9 percent of this total (\$2,124,965) represents unreserved and undesignated fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior year (\$2,011,765) or a variety of other reserved or designated purposes (\$49,360,879).

Major Funds:

The General Fund is the primary operating fund of the County. At the end of June 30, 2007, the unreserved and undesignated fund balance was \$2,344,590 while total fund balance was \$ 20,855,537. 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 and undesignated fund balance represents 5.4 percent to total General Fund expenditures, while the total fund balance represents 48.5 percent of that same amount.

The 911 Emergency Fund had revenue over expenditures of \$160,640 and operating transfers in of \$150,549 increasing the fund balance from a deficit of \$311,190 to \$0.

The Capital Projects SPLOST V Fund expended \$20,319,913 in capital improvement and debt service funds and received \$23,446,496 in sales tax, Department of Transportation funding and investment income. The revenues exceeded expenditures resulting in an increase in the fund balance by \$3,126,583 to \$16,690,104 which is reserved for capital projects.

The Capital Projects Judicial Complex Fund had investment income of \$829,897 and expenditures of \$4,379,094 decreasing the fund balance by \$3,549,197 to \$11,245,239 which is reserved for the Judicial Complex capital project.

LOWNDES COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2007

Enterprise Funds

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

Total Net Assets of the Water & Sewer Fund at June 30, 2007, were \$20,908,534. Total Net Assets increased by \$969,618.

The Landfill Fund oversees the post-closure expenses of a closed landfill. Solid waste host fees provide revenue to cover these expenses which have been accrued to cover the anticipated cost of monitoring the landfill in accordance with environmental regulations.

The Special Tax Lighting District oversees special districts that are assessed taxes to cover the cost of providing lighting to the district.

The County established a new enterprise fund for sanitation services in anticipation of creating a fee based service.

Budgetary Highlights

By State statute, the Board of County Commissioners adopts the annual operating budget for the County on or before the first day of the fiscal year.

For the General Fund, changes from the original to the final budget created no net change in fund balance. For the Special Revenue Funds changes from the original to the final budget were due to higher than expected expenditures of current revenues and prior year fund balances.

Capital Assets

The County's investment in capital assets for governmental and business-type activities as of June 30, 2007, was \$185,936,504 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings and improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure.

Major capital asset events during FY07 included continued improvements to roads, water and sewer systems, began construction of the Judicial Complex and acquisition of a new building for the Election Board.

Note 8 (Capital Assets) provides additional information about capital asset activity during FY07.

LOWNDES COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2007

Debt

The County did not issue any new debt during FY07 but anticipates issuing revenue bonds to pay for the second phase of the Judicial Complex and the Jail which will be paid back through the newly approved special purpose local option sales tax. The County will complete paying off Water and Sewer Fund GEFA loans in the next fiscal year.

Standards & Poor's Corporation has assigned an underlying rating of AA* to the outstanding general obligation debt of the County. However, an AAA credit rating was listed on the bonds since the County purchased insurance from Financial Security Assurance, Inc. guaranteeing bond payments.

In addition to the bonded debt, the County's long-term obligations include compensated absences and closure/postclosure liability. Additional information on the County's long-term debt can be found in Notes 14 to 18 of this report.

Economic Factors

The tax digest grew by 5.7% over the prior year and has averaged 6.8% growth over the last five years. This has allowed the County to reduce or maintain current millage rates and stay ahead of rising cost.

The County had a 5.4% decrease in health insurance claims in FY07 during a time when health cost continue to increase. The County continues to monitor this situation in an attempt to provide excellent medical coverage to their employees while at the same time containing extreme rises in cost.

The local economy has maintained low unemployment on average of 4.1% which is below the state average.

The County approved the establishment of a 1 mil rate for the local Industrial Authority, which will provide operational and capital funding that will grow along with the digest and assist in the recruitment of new industry.

The County will be reducing its current debt for the General Fund by paying off the capital lease for the Human Resource Building and three equipment capital leases in FY08. Current debt will also be reduced for the Water and Sewer Fund by the pay off the remaining GEFA loans in FY08.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Lowndes County Finance Director, 300 North Patterson Street, Valdosta, GA 31601.

BASIC FINANCIAL STATEMENTS

LOWNDES COUNTY, GEORGIA
 STATEMENT OF NET ASSETS
 June 30, 2007

Primary Government

| | Governmental Activities | Business-Type Activities | Total Primary Government |
|---|----------------------------|-----------------------------|--------------------------------|
| ASSETS | | | |
| Equity in pooled cash and cash equivalents | \$ 11,712,443 | \$ 2,583,680 | \$ 14,296,123 |
| Cash and cash equivalents in segregated accounts | 15,789,260 | 200 | 15,789,460 |
| Certificate of deposit | 556,678 | 146,500 | 703,178 |
| Government investment pool | 5,055,650 | - | 5,055,650 |
| Investments | 12,267,593 | - | 12,267,593 |
| Receivables (net of allowance for doubtful accounts): | | | |
| Taxes | 1,138,511 | - | 1,138,511 |
| Accounts | 696,573 | 594,257 | 1,290,830 |
| Special assessments | 51,827 | - | 51,827 |
| Sales tax | 5,888,270 | - | 5,888,270 |
| Due from other governments | 600,073 | - | 600,073 |
| Materials and supplies inventory | 230,813 | - | 230,813 |
| Deferred bond issue cost | - | 245,166 | 245,166 |
| Restricted cash and cash investments | - | 7,240,179 | 7,240,179 |
| Internal advances | 3,326,482 | (3,326,482) | - |
| Nondepreciable capital assets | 16,296,853 | 8,618,798 | 24,915,651 |
| Depreciable capital assets, net | <u>137,466,229</u> | <u>23,554,624</u> | <u>161,020,853</u> |
| TOTAL ASSETS | <u>211,077,255</u> | <u>39,656,922</u> | <u>250,734,177</u> |

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

| <u>Component Units</u> | | |
|---|--|---------------------------------------|
| <u>Lowndes County Board of Health</u> | <u>Valdosta- Lowndes County Industrial Authority</u> | <u>Total Reporting Entity</u> |
| \$ - | \$ - | \$ 14,296,123 |
| 2,008,068 | 361,067 | 18,158,595 |
| - | - | 703,178 |
| - | - | 5,055,650 |
| - | 963,859 | 13,231,452 |
| - | - | 1,138,511 |
| 30,530 | - | 1,321,360 |
| - | - | 51,827 |
| - | - | 5,888,270 |
| 804,285 | - | 1,404,358 |
| - | - | 230,813 |
| - | - | 245,166 |
| - | - | 7,240,179 |
| - | - | - |
| - | 40,770 | 24,956,421 |
| <u>492,480</u> | <u>9,065,252</u> | <u>170,578,585</u> |
| <u>3,335,363</u> | <u>10,430,948</u> | <u>264,500,488</u> |

LOWNDES COUNTY, GEORGIA
 STATEMENT OF NET ASSETS - CONTINUED
 June 30, 2007

| | Primary Government | | |
|---|----------------------------|-----------------------------|--------------------------------|
| | Governmental Activities | Business-Type Activities | Total Primary Government |
| LIABILITIES | | | |
| Accounts payable | 2,443,721 | 492,643 | 2,936,364 |
| Estimated health claims payable | 458,038 | - | 458,038 |
| Compensated absences payable | 1,073,717 | 55,591 | 1,129,308 |
| Accrued wages | 548,882 | 29,483 | 578,365 |
| Accrued liabilities | 458,100 | 40,384 | 498,484 |
| Due to other governments | - | - | - |
| Deferred revenue | 96,501 | 9,919 | 106,420 |
| Payable from restricted assets: | | | |
| Customer deposits | - | 139,105 | 139,105 |
| Long-term liabilities: | | | |
| Due within one year: | | | |
| Capital lease obligations | 2,036,369 | - | 2,036,369 |
| Bonds payable | - | 460,000 | 460,000 |
| Unamortized bond premium | - | 16,922 | 16,922 |
| Notes payable | - | 3,718,226 | 3,718,226 |
| Landfill postclosure cost | - | 62,000 | 62,000 |
| Due in more than one year | | | |
| Capital lease obligations | 15,651,949 | - | 15,651,949 |
| Bonds payable | - | 11,215,000 | 11,215,000 |
| Unamortized bond premium | - | 291,880 | 291,880 |
| Notes payable | - | - | - |
| Landfill postclosure cost | - | 1,155,626 | 1,155,626 |
| TOTAL LIABILITIES | <u>22,767,277</u> | <u>17,686,779</u> | <u>40,454,056</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 136,074,764 | 20,508,113 | 156,582,877 |
| Restricted for: | | | |
| Capital projects | 30,381,209 | - | 30,381,209 |
| Jail operations | 633,466 | - | 633,466 |
| Drug enforcement operations | 1,352,750 | - | 1,352,750 |
| Law library | 390,892 | - | 390,892 |
| Special grant programs | - | - | - |
| Prior year program fee income | - | - | - |
| Unrestricted | <u>19,476,897</u> | <u>1,462,030</u> | <u>20,938,927</u> |
| TOTAL NET ASSETS | <u>\$ 188,309,978</u> | <u>\$ 21,970,143</u> | <u>\$ 210,280,121</u> |

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

| <u>Component Units</u> | | |
|---|--|---------------------------------------|
| <u>Lowndes County Board of Health</u> | <u>Valdosta- Lowndes County Industrial Authority</u> | <u>Total Reporting Entity</u> |
| 1,426 | 85,639 | 3,023,429 |
| - | - | 458,038 |
| 456,710 | - | 1,586,018 |
| - | - | 578,365 |
| - | 1,096 | 499,580 |
| 282,041 | 202,343 | 484,384 |
| - | - | 106,420 |
| - | - | 139,105 |
| - | - | 2,036,369 |
| - | 245,000 | 705,000 |
| - | - | 16,922 |
| - | 72,064 | 3,790,290 |
| - | - | 62,000 |
| - | - | 15,651,949 |
| - | 3,090,478 | 14,305,478 |
| - | - | 291,880 |
| - | 609,806 | 609,806 |
| - | - | 1,155,626 |
| <u>740,177</u> | <u>4,306,426</u> | <u>45,500,659</u> |
| 492,480 | 5,047,904 | 162,123,261 |
| - | - | 30,381,209 |
| - | - | 633,466 |
| - | - | 1,352,750 |
| - | - | 390,892 |
| 709,315 | - | 709,315 |
| 576,559 | - | 576,559 |
| <u>816,832</u> | <u>1,076,618</u> | <u>22,832,377</u> |
| <u>\$ 2,595,186</u> | <u>\$ 6,124,522</u> | <u>\$ 218,999,829</u> |

LOWNDES COUNTY, GEORGIA
 STATEMENT OF ACTIVITIES
 For The Year Ended June 30, 2007

| FUNCTION/PROGRAM | Expenses | Program Revenues | | |
|--|----------------------|----------------------|---|---|
| | | Charges for Services | Operating Grants, Contributions, and Interest | Capital Grants, Contributions, and Interest |
| GOVERNMENTAL ACTIVITIES | | | | |
| General Government | | | | |
| Legislative and Executive | \$ 10,465,920 | \$ 2,442,466 | \$ 1,414,174 | \$ - |
| Judicial | 7,225,812 | 3,082,091 | 285,683 | - |
| Public Safety | 24,481,770 | 4,127,647 | 2,070,873 | - |
| Public Works | 29,982,222 | 222,941 | - | 1,008,190 |
| Health and Welfare | 2,201,324 | 297,643 | 84,176 | 688,727 |
| Culture and Recreation | 4,324,334 | - | - | - |
| Housing and Development | 665,736 | 42,120 | 131,676 | - |
| Interest on Long-term Debt | 564,813 | - | - | - |
| TOTAL GOVERNMENTAL ACTIVITIES | <u>79,911,931</u> | <u>10,214,908</u> | <u>3,986,582</u> | <u>1,696,917</u> |
| BUSINESS-TYPE ACTIVITIES | | | | |
| Water and Sewer | 3,843,855 | 3,649,845 | - | - |
| Landfill | 46,285 | - | - | - |
| Special Tax Lighting District | 197,085 | 160,359 | - | - |
| Sanitation Fund | 1,109,644 | 34,405 | - | - |
| TOTAL BUSINESS-TYPE ACTIVITIES | <u>5,196,869</u> | <u>3,844,609</u> | <u>-</u> | <u>-</u> |
| TOTAL PRIMARY GOVERNMENT | <u>\$ 85,108,800</u> | <u>\$ 14,059,517</u> | <u>\$ 3,986,582</u> | <u>\$ 1,696,917</u> |
| COMPONENT UNITS | | | | |
| Lowndes County Board of Health | \$ 10,631,299 | \$ 990,681 | \$ 9,134,813 | \$ - |
| Valdosta-Lowndes County Industrial Authority | 3,967,528 | - | 3,588,187 | - |
| TOTAL COMPONENT UNITS | <u>\$ 14,598,827</u> | <u>\$ 990,681</u> | <u>\$ 12,723,000</u> | <u>\$ -</u> |
| GENERAL REVENUES | | | | |
| Property Taxes Levied for: | | | | |
| General Operating | | | | |
| Alcoholic Beverage Taxes | | | | |
| Occupational Taxes | | | | |
| Franchise Taxes | | | | |
| Insurance Premium Taxes | | | | |
| Sales Taxes | | | | |
| Solid Waste Host Fees | | | | |
| Premium on Bonds Sold | | | | |
| Miscellaneous Income | | | | |
| Rent | | | | |
| Investment Income | | | | |
| TOTAL GENERAL REVENUES | | | | |
| TRANSFERS IN (OUT) | | | | |
| CHANGES IN NET ASSETS | | | | |
| BEGINNING NET ASSETS | | | | |
| NET ASSETS AT END OF YEAR | | | | |

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 | Lowndes County Board of Health | Valdosta- Lowndes County Industrial Authority |
| \$ (6,609,280) | \$ - | \$ (6,609,280) | \$ - | \$ - |
| (3,858,038) | - | (3,858,038) | - | - |
| (18,283,250) | - | (18,283,250) | - | - |
| (28,751,091) | - | (28,751,091) | - | - |
| (1,130,778) | - | (1,130,778) | - | - |
| (4,324,334) | - | (4,324,334) | - | - |
| (491,940) | - | (491,940) | - | - |
| (564,813) | - | (564,813) | - | - |
| <u>(64,013,524)</u> | <u>-</u> | <u>(64,013,524)</u> | <u>-</u> | <u>-</u> |
| - | (194,010) | (194,010) | - | - |
| - | (46,285) | (46,285) | - | - |
| - | (36,726) | (36,726) | - | - |
| <u>-</u> | <u>(1,075,239)</u> | <u>(1,075,239)</u> | <u>-</u> | <u>-</u> |
| <u>-</u> | <u>(1,352,260)</u> | <u>(1,352,260)</u> | <u>-</u> | <u>-</u> |
| <u>\$ (64,013,524)</u> | <u>\$ (1,352,260)</u> | <u>\$ (65,365,784)</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ - | \$ - | \$ - | \$ (505,805) | \$ - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(379,341)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (505,805)</u> | <u>\$ (379,341)</u> |
| 21,432,904 | - | 21,432,904 | - | - |
| 524,243 | - | 524,243 | - | - |
| 368,856 | - | 368,856 | - | - |
| 203,964 | - | 203,964 | - | - |
| 2,030,960 | - | 2,030,960 | - | - |
| 35,155,911 | - | 35,155,911 | - | - |
| - | 520,215 | 520,215 | - | - |
| - | 16,921 | 16,921 | - | - |
| 31,118 | - | 31,118 | - | 41,167 |
| 483,764 | - | 483,764 | - | 4,900 |
| 1,430,205 | 63,219 | 1,493,424 | - | 45,128 |
| <u>61,661,925</u> | <u>600,355</u> | <u>62,262,280</u> | <u>-</u> | <u>91,195</u> |
| <u>(1,883,956)</u> | <u>1,883,956</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>(4,235,555)</u> | <u>1,132,051</u> | <u>(3,103,504)</u> | <u>(505,805)</u> | <u>(288,146)</u> |
| <u>192,545,533</u> | <u>20,838,092</u> | <u>213,383,625</u> | <u>3,100,991</u> | <u>6,412,668</u> |
| <u>\$ 188,309,978</u> | <u>\$ 21,970,143</u> | <u>\$ 210,280,121</u> | <u>\$ 2,595,186</u> | <u>\$ 6,124,522</u> |

LOWNDES COUNTY, GEORGIA
 GOVERNMENTAL FUNDS
 BALANCE SHEET
 June 30, 2007

| | <u>General</u> | 911 Emergency <u>Telephone</u> | <u>Capital Project Funds</u> | |
|--|----------------------|--------------------------------------|--|----------------------------|
| | | | Special Purpose <u>Local Option Sales Tax V</u> | Judicial <u>Complex</u> |
| ASSETS | | | | |
| Equity in pooled cash and cash equivalents | \$ 10,785,503 | \$ 150,549 | \$ - | - |
| Cash and cash equivalents in segregated accounts | 697,057 | 62,575 | 12,593,381 | - |
| Certificate of deposit | - | - | - | - |
| Investments | - | - | - | 12,267,593 |
| Government investment pool | 2,390,781 | - | 277,117 | - |
| Receivables (net of allowance for doubtful accounts) | | | | |
| Taxes | 953,335 | - | - | - |
| Accounts | 76,695 | 374,457 | - | - |
| Special assessments | 51,827 | - | - | - |
| Sales Tax | 2,163,255 | - | 3,725,014 | - |
| Due from other governments | 554,675 | - | - | - |
| Interfund receivable | 2,824,430 | - | 301,735 | - |
| Internal advances | <u>3,326,482</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL ASSETS | <u>\$ 23,824,040</u> | <u>\$ 587,581</u> | <u>\$ 16,897,247</u> | <u>\$ 12,267,593</u> |

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

| Other Governmental | |
|-----------------------|----------------------|
| <u>Funds</u> | <u>Total</u> |
| \$ 620,968 | \$ 11,557,020 |
| 2,080,957 | 15,433,970 |
| 556,678 | 556,678 |
| - | 12,267,593 |
| 1,619,881 | 4,287,779 |
| - | 953,335 |
| 418,749 | 869,901 |
| - | 51,827 |
| - | 5,888,269 |
| 45,398 | 600,073 |
| 128,981 | 3,255,146 |
| - | <u>3,326,482</u> |
| <u>\$ 5,471,612</u> | <u>\$ 59,048,073</u> |

LOWNDES COUNTY, GEORGIA
 GOVERNMENTAL FUNDS
 BALANCE SHEET - CONTINUED
 June 30, 2007

| | | Capital Project Funds | | |
|--|-------------------|-----------------------|--------------------|-------------------|
| | | 911 | Special Purpose | |
| | | Emergency | Local Option | Judicial |
| | <u>General</u> | <u>Telephone</u> | <u>Sales Tax V</u> | <u>Complex</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts payable | \$ 1,171,217 | \$ 57,400 | \$ 207,143 | \$ 706,211 |
| Accrued wages | 495,198 | 32,126 | - | - |
| Accrued liabilities | 50,093 | - | - | - |
| Interfund payable | 308,055 | 498,055 | - | 316,143 |
| Deferred revenue | <u>943,940</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL LIABILITIES | <u>2,968,503</u> | <u>587,581</u> | <u>207,143</u> | <u>1,022,354</u> |
| FUND BALANCES | | | | |
| Reserved for encumbrances | 2,011,765 | - | - | - |
| Reserved for loans receivable | 3,326,482 | - | - | - |
| Reserved for capital projects | - | - | 16,690,104 | 11,245,239 |
| Reserved for jail operations | - | - | - | - |
| Reserved for drug enforcement operations | - | - | - | - |
| Reserved for law library | - | - | - | - |
| Reserved for tourism | - | - | - | - |
| Unreserved: | | | | |
| Designated for property tax roll back | 13,172,700 | - | - | - |
| Undesignated, reported in: | | | | |
| General Fund | 2,344,590 | - | - | - |
| Special Revenue Funds | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL FUND BALANCES | <u>20,855,537</u> | <u>-</u> | <u>16,690,104</u> | <u>11,245,239</u> |

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

| Other | |
|------------------|-------------------|
| Governmental | |
| <u>Funds</u> | <u>Total</u> |
| \$ 240,129 | \$ 2,382,100 |
| 12,007 | 539,331 |
| - | 50,093 |
| 465,346 | 1,587,599 |
| <u>47,401</u> | <u>991,341</u> |
| | |
| <u>764,883</u> | <u>5,550,464</u> |
| | |
| - | 2,011,765 |
| - | 3,326,482 |
| 2,448,658 | 30,384,001 |
| 638,349 | 638,349 |
| 1,352,750 | 1,352,750 |
| 390,892 | 390,892 |
| 95,705 | 95,705 |
| | |
| - | 13,172,700 |
| | |
| - | 2,344,590 |
| <u>(219,625)</u> | <u>(219,625)</u> |
| | |
| <u>4,706,729</u> | <u>53,497,609</u> |

LOWNDES COUNTY, GEORGIA
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
 TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
 June 30, 2007

| | |
|---|-----------------------|
| Total Governmental Funds Balances | \$ 53,497,609 |
| Amounts reported for governmental activities on the statement of net assets are different because of the following: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 150,280,743 |
| Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the government-wide statement of net assets. | |
| Net assets less compensated absences | 386,465 |
| Compensated absences payable | <u>(17,732)</u> |
| | 368,733 |
| Revenue are not available to pay for current period expenditures and, therefore, are not reported in the funds. | |
| Deferred tax revenue | 894,840 |
| Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds: | |
| Accrued Interest | (45,962) |
| Compensated absences payable | (1,055,985) |
| Capital leases payable | <u>(15,630,000)</u> |
| Net Assets of Governmental Activities | <u>\$ 188,309,978</u> |

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

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LOWNDES COUNTY, GEORGIA
 GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 For The Year Ended June 30, 2007

| | | 911 | <u>Capital Projects Funds</u> | |
|--|----------------------|----------------------------|---|-------------------------|
| | <u>General</u> | <u>Emergency Telephone</u> | <u>Special Purpose Local Option Sales Tax V</u> | <u>Judicial Complex</u> |
| REVENUES: | | | | |
| Taxes | \$ 37,462,876 | \$ - | \$ 22,247,547 | \$ - |
| Licenses and permits | 174,323 | - | - | - |
| Intergovernmental revenues | 2,619,243 | 775,532 | 1,005,444 | - |
| Charges for services | 2,103,218 | 1,678,321 | - | - |
| Fines and forfeitures | 1,539,223 | - | - | - |
| Investment income | 229,439 | 135 | 193,505 | 829,897 |
| Miscellaneous | 463,083 | 20,900 | - | - |
| TOTAL REVENUES | <u>\$ 44,591,405</u> | <u>\$ 2,474,888</u> | <u>\$ 23,446,496</u> | <u>\$ 829,897</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | | | | |
| Legislative and executive | 9,843,653 | - | - | - |
| Judicial | 4,443,597 | - | - | - |
| Public safety | 17,390,869 | 2,314,248 | - | - |
| Public works | 4,581,524 | - | - | - |
| Health and welfare | 791,916 | - | - | - |
| Culture and recreation | 4,216,207 | - | - | - |
| Housing and development | 534,061 | - | - | - |
| Capital Outlay | - | - | 19,247,267 | 4,379,094 |
| Debt Service | | | | |
| Principal retirement | 590,000 | - | - | - |
| Interest | 564,813 | - | - | - |
| TOTAL EXPENDITURES | <u>42,956,640</u> | <u>2,314,248</u> | <u>19,247,267</u> | <u>4,379,094</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 1,634,765 | 160,640 | 4,199,229 | (3,549,197) |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFER IN | - | 150,549 | - | - |
| TRANSFER OUT | (1,001,017) | - | (1,072,646) | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(1,001,017)</u> | <u>150,549</u> | <u>(1,072,646)</u> | <u>-</u> |
| NET CHANGES IN FUND BALANCE | 633,748 | 311,189 | 3,126,583 | (3,549,197) |
| BEGINNING FUND BALANCE | <u>20,221,789</u> | <u>(311,189)</u> | <u>13,563,521</u> | <u>14,794,436</u> |
| FUND BALANCES AT END OF YEAR | <u>\$ 20,855,537</u> | <u>\$ -</u> | <u>\$ 16,690,104</u> | <u>\$ 11,245,239</u> |

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

| Other | |
|---------------------|----------------------|
| Governmental | |
| <u>Funds</u> | <u>Total</u> |
| \$ 1,811,933 | \$ 61,522,356 |
| - | 174,323 |
| 1,282,931 | 5,683,150 |
| 285,750 | 4,067,289 |
| 2,117,211 | 3,656,434 |
| 177,226 | 1,430,202 |
| 343,427 | 827,410 |
| <u>\$ 6,018,478</u> | <u>\$ 77,361,164</u> |

| | |
|------------------|-------------------|
| 2,397,154 | 12,240,807 |
| 297,357 | 4,740,954 |
| 1,612,316 | 21,317,433 |
| 919,074 | 5,500,598 |
| 1,169,882 | 1,961,798 |
| - | 4,216,207 |
| - | 534,061 |
| - | 23,626,361 |
| - | 590,000 |
| - | 564,813 |
| <u>6,395,783</u> | <u>75,293,032</u> |

(377,305) 2,068,132

| | |
|-----------------|--------------------|
| 50,000 | 200,549 |
| <u>(10,842)</u> | <u>(2,084,505)</u> |
| <u>39,158</u> | <u>(1,883,956)</u> |

| | |
|---------------------|----------------------|
| (338,147) | 184,176 |
| <u>5,044,876</u> | <u>53,313,433</u> |
| <u>\$ 4,706,729</u> | <u>\$ 53,497,609</u> |

LOWNDES 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, 2007

Net Change in Fund Balances - Total Governmental Funds \$ 184,176

**Amounts reported for governmental activities on the
 statement of activities are different because of the following:**

| | | |
|--|---------------------|-----------------------|
| Internal service funds change in net assets: | | |
| Internal service funds change in net assets less depreciation and compensated absences | 1,211,440 | |
| Depreciation | (908,540) | |
| Compensated absences | <u>3,555</u> | |
| | | 306,455 |
| Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year: | | |
| Capital outlay - construction in progress | 12,718,885 | |
| Capital outlay - depreciable capital assets | 3,106,701 | |
| Depreciation | <u>(21,427,166)</u> | |
| | | (5,601,580) |
| Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds: | | |
| Property taxes | <u>199,165</u> | |
| | | 199,165 |
| Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds: | | |
| Compensated absences | <u>(129,879)</u> | |
| | | (129,879) |
| Accrual of interest on capital leases is not an expenditures in the governmental funds, but is accrued on the statement of activities. | | |
| Accrued interest expense | <u>1,108</u> | |
| | | 1,108 |
| Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of activities. | | |
| Capital lease payments | <u>805,000</u> | |
| | | <u>805,000</u> |
| Changes in Net Assets of Governmental Activities | | <u>\$ (4,235,555)</u> |

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

LOWNDES COUNTY, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 June 30, 2007

| | Business-Type Activities - Enterprise Funds | | | | | Governmental |
|---|---|------------------|-------------------------------------|--------------------|-------------------|---------------------------|
| | Water and Sewer | Landfill | Special Tax Lighting District | Sanitation Fund | Total | Internal Service Funds |
| ASSETS | | | | | | |
| CURRENT ASSETS | | | | | | |
| Equity in pooled cash and cash equivalents | \$ 503,522 | \$ 1,967,273 | \$ 10,109 | \$ 102,776 | \$ 2,583,680 | \$ 155,424 |
| Cash and cash equivalents in segregated accounts | 200 | - | - | - | 200 | 355,291 |
| Certificates of deposit | 146,500 | - | - | - | 146,500 | - |
| Government investment pool | - | - | - | - | - | 767,870 |
| Receivables (net of allowance for doubtful accounts): | | | | | | |
| Accounts | 550,860 | 42,898 | 499 | - | 594,257 | 11,847 |
| Interfund receivable | - | - | - | - | - | 17,175 |
| Inventory | - | - | - | - | - | 230,813 |
| Deferred bond issue cost | 13,434 | - | - | - | 13,434 | - |
| Restricted Assets | | | | | | |
| Customer deposit account | 185,780 | - | - | - | 185,780 | - |
| TOTAL CURRENT ASSETS | <u>1,400,296</u> | <u>2,010,171</u> | <u>10,608</u> | <u>102,776</u> | <u>3,523,851</u> | <u>1,538,420</u> |
| NONCURRENT ASSETS | | | | | | |
| Restricted Assets | | | | | | |
| Revenue bonds cash | 7,054,399 | - | - | - | 7,054,399 | - |
| Deferred bond issue cost | 231,732 | - | - | - | 231,732 | - |
| Capital Assets | | | | | | |
| Land | 2,486,904 | 203,639 | - | - | 2,690,543 | - |
| Construction in progress | 5,928,255 | - | - | - | 5,928,255 | - |
| Depreciable capital assets, net | 23,549,195 | - | - | 5,429 | 23,554,624 | 3,482,339 |
| TOTAL NONCURRENT ASSETS | <u>39,250,485</u> | <u>203,639</u> | <u>-</u> | <u>5,429</u> | <u>39,459,553</u> | <u>3,482,339</u> |
| TOTAL ASSETS | <u>40,650,781</u> | <u>2,213,810</u> | <u>10,608</u> | <u>108,205</u> | <u>42,983,404</u> | <u>5,020,759</u> |

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

LOWNDES COUNTY, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS - CONTINUED
 For The Year Ended June 30, 2007

| | Business-Type Activities - Enterprise Funds | | | | | Governmental |
|---|---|-------------------|-------------------------------------|--------------------|----------------------|---------------------------|
| | Water and Sewer | Landfill | Special Tax Lighting District | Sanitation Fund | Total | Internal Service Funds |
| LIABILITIES | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Accounts payable | 480,477 | 1,118 | 10,608 | 440 | 492,643 | 879,659 |
| Accrued wages | 16,799 | - | - | 12,684 | 29,483 | 9,550 |
| Compensated absences payable | 27,053 | - | - | 28,538 | 55,591 | 17,732 |
| Accrued interest payable | 40,384 | - | - | - | 40,384 | 2,045 |
| Interfund payable | - | - | - | - | - | 1,684,722 |
| Current portion of capital lease obligations | - | - | - | - | - | 1,156,369 |
| Current portion of notes payable | 3,718,226 | - | - | - | 3,718,226 | - |
| Current portion of bonds payable | 460,000 | - | - | - | 460,000 | - |
| Current portion of unamortized bond premium | 16,922 | - | - | - | 16,922 | - |
| Current portion of interfund advance | 200,000 | - | - | - | 200,000 | - |
| Deferred revenue | 9,919 | - | - | - | 9,919 | - |
| Landfill postclosure cost | - | 62,000 | - | - | 62,000 | - |
| Payable from restricted assets: | | | | | | - |
| Customer deposits | 139,105 | - | - | - | 139,105 | - |
| TOTAL CURRENT LIABILITIES | <u>5,108,885</u> | <u>63,118</u> | <u>10,608</u> | <u>41,662</u> | <u>5,224,273</u> | <u>3,750,077</u> |
| LONG-TERM LIABILITIES | | | | | | |
| Interfund advance | 3,126,482 | - | - | - | 3,126,482 | - |
| Capital lease obligations | - | - | - | - | - | 901,949 |
| Unamortized bond premium | 291,880 | - | - | - | 291,880 | - |
| Bonds payable | 11,215,000 | - | - | - | 11,215,000 | - |
| Notes payable | - | - | - | - | - | - |
| Landfill postclosure cost | - | 1,155,626 | - | - | 1,155,626 | - |
| TOTAL LONG-TERM LIABILITIES | <u>14,633,362</u> | <u>1,155,626</u> | <u>-</u> | <u>-</u> | <u>15,788,988</u> | <u>901,949</u> |
| TOTAL LIABILITIES | <u>19,742,247</u> | <u>1,218,744</u> | <u>10,608</u> | <u>41,662</u> | <u>21,013,261</u> | <u>4,652,026</u> |
| NET ASSETS | | | | | | |
| Invested in capital assets, net of related debt | 20,299,045 | 203,639 | - | 5,429 | 20,508,113 | 1,424,021 |
| Unrestricted | 609,489 | 791,427 | - | 61,114 | 1,462,030 | (1,055,288) |
| TOTAL NET ASSETS | <u>\$ 20,908,534</u> | <u>\$ 995,066</u> | <u>\$ -</u> | <u>\$ 66,543</u> | <u>\$ 21,970,143</u> | <u>\$ 368,733</u> |

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

LOWNDES COUNTY, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET ASSETS
 For The Year Ended June 30, 2007

| | Business-Type Activities - Enterprise Funds | | | | | Governmental |
|---|---|-------------------|----------------------|--------------------|----------------------|---------------------------|
| | Water and Sewer | Landfill | Special Tax | | Total | Internal Service Funds |
| | | | Lighting District | Sanitation Fund | | |
| OPERATING REVENUES | | | | | | |
| Charges for services | \$ 3,113,835 | \$ - | \$ 160,359 | \$ 34,405 | \$ 3,308,599 | \$ 7,845,478 |
| Penalties | 44,757 | - | - | - | 44,757 | - |
| Connection fees | 491,253 | - | - | - | 491,253 | - |
| TOTAL OPERATING REVENUES | <u>3,649,845</u> | <u>-</u> | <u>160,359</u> | <u>34,405</u> | <u>3,844,609</u> | <u>7,845,478</u> |
| OPERATING EXPENSES | | | | | | |
| Personal services | 464,081 | - | - | 454,205 | 918,286 | 310,427 |
| Payroll taxes | 33,841 | - | - | 31,085 | 64,926 | 21,680 |
| Fringe benefits | 118,861 | - | - | 127,755 | 246,616 | 81,911 |
| Contractual services | 1,455,331 | 46,285 | 197,085 | 368,852 | 2,067,553 | 13,356 |
| Insurance and bond | - | - | - | - | - | 3,949,001 |
| Materials and supplies | 209,411 | - | - | 127,701 | 337,112 | 2,200,944 |
| Depreciation | 818,946 | - | - | 46 | 818,992 | 908,540 |
| TOTAL OPERATING EXPENSES | <u>3,100,471</u> | <u>46,285</u> | <u>197,085</u> | <u>1,109,644</u> | <u>4,453,485</u> | <u>7,485,859</u> |
| OPERATING INCOME (LOSS) | <u>549,374</u> | <u>(46,285)</u> | <u>(36,726)</u> | <u>(1,075,239)</u> | <u>(608,876)</u> | <u>359,619</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | | | |
| Interest revenue | 63,219 | - | - | - | 63,219 | 41,601 |
| Premium on bonds sold | 16,921 | - | - | - | 16,921 | - |
| Amortization of bond issue cost | (13,434) | - | - | - | (13,434) | - |
| Solid waste host fees | - | 50,000 | - | 470,215 | 520,215 | - |
| Loss on disposal of capital asset | (3,010) | - | - | - | (3,010) | - |
| Interest expense | (726,940) | - | - | - | (726,940) | (94,765) |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | <u>(663,244)</u> | <u>50,000</u> | <u>-</u> | <u>470,215</u> | <u>(143,029)</u> | <u>(53,164)</u> |
| INCOME (LOSS) BEFORE TRANSFERS | (113,870) | 3,715 | (36,726) | (605,024) | (751,905) | 306,455 |
| TRANSFERS IN (OUT) | <u>1,083,488</u> | <u>(50,000)</u> | <u>178,901</u> | <u>671,567</u> | <u>1,883,956</u> | <u>-</u> |
| CHANGE IN NET ASSETS | 969,618 | (46,285) | 142,175 | 66,543 | 1,132,051 | 306,455 |
| NET ASSETS AT BEGINNING OF YEAR | <u>19,938,916</u> | <u>1,041,351</u> | <u>(142,175)</u> | <u>-</u> | <u>20,838,092</u> | <u>62,278</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 20,908,534</u> | <u>\$ 995,066</u> | <u>\$ -</u> | <u>\$ 66,543</u> | <u>\$ 21,970,143</u> | <u>\$ 368,733</u> |

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

LOWNDES COUNTY, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 For The Year Ended June 30, 2007

| | Business-Type Activities - Enterprise Funds | | | | | Governmental Activities- Internal Service Funds |
|--|---|---------------------|-------------------------------------|--------------------|---------------------|--|
| | Water and Sewer | Landfill | Special Tax Lighting District | Sanitaion Fund | Total | |
| <u>Increase (Decrease) in Cash and Cash Equivalents</u> | | | | | | |
| <u>Cash Flows From Operating Activities</u> | | | | | | |
| Cash received from customers | \$ 3,635,439 | \$ - | \$ 159,860 | \$ 34,405 | \$ 3,829,704 | \$ - |
| Cash received from other funds for services | - | - | - | - | - | 8,016,219 |
| Cash payments for personal services | (456,362) | - | - | (571,823) | (1,028,185) | (305,369) |
| Cash payments for payroll taxes | (33,841) | - | - | - | (33,841) | (21,680) |
| Cash payments for fringe benefits | (118,861) | - | - | - | (118,861) | (81,911) |
| Cash payments for contractual services | (1,063,444) | (32,091) | (335,953) | (368,412) | (1,799,900) | (13,356) |
| Cash payments for insurance and bond | - | - | - | (127,701) | (127,701) | (3,948,217) |
| Cash payments for materials and supplies | (209,411) | - | - | - | (209,411) | (3,231,916) |
| Net Cash Provided by (Used for) Operating Activities | <u>1,753,520</u> | <u>(32,091)</u> | <u>(176,093)</u> | <u>(1,033,531)</u> | <u>511,805</u> | <u>413,770</u> |
| <u>Cash Flows From Noncapital Financing Activities</u> | | | | | | |
| Cash received from transfer-in | 1,083,488 | - | 178,901 | 671,567 | 1,933,956 | - |
| Cash payments from transfer-out | - | (50,000) | - | - | (50,000) | - |
| Cash received from solid waste host fees | - | 50,000 | - | 470,215 | 520,215 | - |
| Net Cash From Noncapital Financing Activities | <u>1,083,488</u> | <u>-</u> | <u>178,901</u> | <u>1,141,782</u> | <u>2,404,171</u> | <u>-</u> |
| <u>Cash Flows From Capital and Related Financing Activities</u> | | | | | | |
| Cash payments for acquisition of fixed assets | (2,977,322) | - | - | (5,475) | (2,982,797) | - |
| Cash payment on interfund advance | (200,000) | - | - | - | (200,000) | - |
| Cash payments for principal on bonds and notes payable | (1,314,810) | - | - | - | (1,314,810) | - |
| Cash payments for interest on bonds and notes payable | (723,841) | - | - | - | (723,841) | (1,696,566) |
| Net Cash Used For Capital and Related Financing Activities | <u>(5,215,973)</u> | <u>-</u> | <u>-</u> | <u>(5,475)</u> | <u>(5,221,448)</u> | <u>(1,696,566)</u> |
| <u>Cash Flows From Investing Activities</u> | | | | | | |
| Cash received from interest | <u>63,219</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>63,219</u> | <u>41,601</u> |
| Net Cash Flows Provided By Investing Activities | <u>63,219</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>63,219</u> | <u>41,601</u> |
| Net Increase in Cash and Cash Equivalents | (2,315,746) | (32,091) | 2,808 | 102,776 | (2,242,253) | (1,241,195) |
| Cash and Cash Equivalents at Beginning of Year | <u>10,206,147</u> | <u>1,999,364</u> | <u>7,301</u> | <u>-</u> | <u>12,212,812</u> | <u>2,519,780</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 7,890,401</u> | <u>\$ 1,967,273</u> | <u>\$ 10,109</u> | <u>\$ 102,776</u> | <u>\$ 9,970,559</u> | <u>\$ 1,278,585</u> |
| Equity in pooled cash and cash equivalents | \$ 503,522 | \$ 1,967,273 | \$ 10,109 | \$ 102,776 | \$ 2,583,680 | \$ 155,424 |
| Cash and cash equivalents in segregated accounts | 7,240,379 | - | - | - | 7,240,379 | 355,291 |
| Government investment pool | - | - | - | - | - | 767,870 |
| Certificates of deposit | 146,500 | - | - | - | 146,500 | - |
| Total Cash and Cash Equivalents | <u>\$ 7,890,401</u> | <u>\$ 1,967,273</u> | <u>\$ 10,109</u> | <u>\$ 102,776</u> | <u>\$ 9,970,559</u> | <u>\$ 1,278,585</u> |

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

LOWNDES COUNTY, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS - CONTINUED
 For The Year Ended June 30, 2007

| | Business-Type Activities - Enterprise Funds | | | | | Governmental Activities- Internal Service Funds |
|--|---|--------------------|-------------------------------------|-----------------------|-------------------|--|
| | Water and Sewer | Landfill | Special Tax Lighting District | Sanitation Fund | Total | |
| Reconciliation of Operating Income (Loss) To | | | | | | |
| <u>Net Cash Provided by (Used For) Operating Activities</u> | | | | | | |
| Operating Income (Loss) | \$ 549,374 | \$ (46,285) | \$ (36,726) | \$ (1,075,239) | \$ (608,876) | \$ 359,619 |
| Adjustments to Reconcile Operating Income (Loss) To | | | | | | |
| <u>Net Cash Provided by (Used For) Operating Activities</u> | | | | | | |
| Depreciation | 818,946 | - | - | 46 | 818,992 | 908,540 |
| Changes in Assets and Liabilities: | | | | | | |
| (Increase) decrease in accounts receivable | (27,899) | 61,909 | (499) | - | 33,511 | 14,300 |
| (Increase) decrease in inventory | - | - | - | - | - | (109,315) |
| (Increase) decrease in interfund receivable | 211,749 | - | - | - | 211,749 | 148,541 |
| Increase (decrease) in accounts payable | 292,402 | (18,540) | (15,874) | 440 | 258,428 | 145,076 |
| Increase (decrease) in customer deposits | 16,404 | - | - | - | 16,404 | - |
| Increase (decrease) in accrued vacation payable | 3,498 | - | - | 28,538 | 32,036 | 3,555 |
| Increase (decrease) in interfund payable | (112,264) | - | (122,994) | - | (235,258) | (1,058,049) |
| Increase (decrease) in deferred revenues | (2,911) | - | - | - | (2,911) | - |
| Increase (decrease) in accrued expenses | 4,221 | (29,175) | - | 12,684 | (12,270) | 1,503 |
| Net Cash Provided By (Used For) | | | | | | |
| Operating Activities | <u>\$ 1,753,520</u> | <u>\$ (32,091)</u> | <u>\$ (176,093)</u> | <u>\$ (1,033,531)</u> | <u>\$ 511,805</u> | <u>\$ 413,770</u> |

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

LOWNDES COUNTY, GEORGIA
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 June 30, 2007

| | <u>Agency Funds</u> |
|--|----------------------------|
| ASSETS | |
| Cash and cash equivalents in segregated accounts | \$ 2,493,349 |
| Due from other governments | <u>184,684</u> |
| TOTAL ASSETS | <u><u>\$ 2,678,033</u></u> |
| LIABILITIES | |
| Due to other governments | \$ 463,145 |
| Collections held in escrow | <u>2,214,888</u> |
| TOTAL LIABILITIES | <u><u>2,678,032</u></u> |
| NET ASSETS | <u><u>\$ -</u></u> |

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

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

The financial statements of Lowndes County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has elected to apply Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, to its business-type activities and to its enterprise funds provided they do not conflict with or contradict GASB pronouncements.

A. The Reporting Entity

These financial statements present Lowndes County, Georgia (the primary government) which is governed by an elected four - member board, Lowndes County Board of Health, and the Valdosta-Lowndes County Industrial Authority which are discretely presented component units. The criteria for including organizations as component units within the County’s reporting entity, as set forth in Section 2100 of GASB’s Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization’s board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/ burden on the county
- there is a fiscal dependency by the organization of the County

Based on the criteria of GASB 2100, the following entities are considered joint venture organizations between the City of Valdosta and Lowndes County:

Valdosta-Lowndes County Airport Authority - The County provides joint funding with the City for this entity based on annual request for funding. A separate financial report may be obtained from the Valdosta-Lowndes County Airport Authority.

Valdosta-Lowndes County Conference Center and Tourism Authority- The County provides joint funding with the City for this entity based on annual request for funding. A separate financial report may be obtained for the Valdosta-Lowndes Conference Center and Tourism Authority.

The South Georgia Regional Development Center is a joint venture of the members in the South Georgia 10 county area. Further information is provided in Note 21.

Based on the criteria of GASB 2100, the following entities are considered a component unit of Lowndes County, Georgia:

The Lowndes County Board of Health is a component unit based on the criteria of the County appointing a voting majority to the board and the County’s ability to impose its will upon the Lowndes County Board of Health. The financial statements for Lowndes County Board of Health are presented in these financial statements using the method of discrete presentation. A complete set of financial statements for the Lowndes County Board of Health is presented in a separate report and can be obtained from the Lowndes County Board of Health.

The Valdosta-Lowndes County Industrial Authority is a component unit based on the criteria of fiscal dependence. The balance sheet, statement of revenues, expenditures and changes in fund balance for the Valdosta-Lowndes County Industrial Authority are presented in these financial statements using the method of discrete presentation. A complete set of financial statements for the Valdosta-Lowndes County Industrial Authority is presented in a separate report and can be obtained from the Valdosta-Lowndes County Industrial Authority.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies – Continued

B. Basis of Presentation

The County’s basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. For the most part, the effect of interfund activity has been removed from these statements. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County’s governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

C. Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies - Continued

C. Fund Accounting - Continued

Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

General Fund. The General Fund accounts for all financial resources, except those required to be accounted for in another fund. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the General Fund.

911 Emergency Telephone Fund. The 911 Emergency Telephone Fund accounts for funds collected through phone companies to run an enhanced emergency 911 call system.

Capital Projects Special Sales Tax V Fund. The Capital Projects Special Sales Tax V Fund accounts for the special purpose local option sales tax that was renewed for the fifth time by referendum. The revenue is restricted to the stated purposes of the referendum.

Capital Projects Judicial Complex Fund. The Capital Projects Judicial Complex Fund accounts for the funds borrowed for the building of new Judicial and Administration Complex.

The other governmental funds of the County account for grants and other resources whose use is restricted for a particular purpose; the accumulation of resources for, and the payment of debt; and the acquisition or construction of major capital facilities.

Proprietary Funds

Proprietary Fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principle ongoing operations. All other revenues and expenses not meeting this definition are considered nonoperating. The County's enterprise funds may be used to account for any activity for which a fee is charged to external users of goods or services. The following are the County's major enterprise funds:

Water and Sewer Fund. The fund accounts for fees collected by the County for water and sewer services.

Sanitation Fund. This new fund accounts for fees collected by the County for sanitation services.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies - Continued

C. Fund Accounting - Continued

The following funds are other County enterprise funds and are presented as a major fund even though they do not meet that definition:

Landfill Fund. The fund accounts for solid waste host fees collected and post-closure care cost of the closed landfill.

Special Tax Lighting District. The fund accounts for the fees collected for street lighting in special districts in the County

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department to the other departments of the County on a cost-reimbursement basis. The County has three internal service funds:

Equipment Operations - to account for charges to other funds for the maintenance and repair of County equipment.

Self – Insurance – to account for charges to other funds and contributions from employees and for the payment of health insurance premiums and benefits.

Fleet Manager – to account for charges to other funds for the use of vehicles and equipment purchased through the fleet manager fund.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The County’s agency funds account for assets held by the County’s Tax Commissioner, Clerk of Court, Sheriff and Magistrate Court for other governments or individuals.

D. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net assets.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies - Continued

D. Measurement Focus - Continued

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the enterprise and internal service funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in revenues, expenses, and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows reflects how the County finances and meets the cash flow needs of its enterprise and internal service activities.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide and enterprise and internal service fund financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; enterprise funds and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues—Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recognized in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within sixty days after year end.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Principles – Continued

E. Basis of Accounting - Continued

Revenues—Exchange and Nonexchange Transactions – Continued

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes are recognized in the year for which the taxes are levied. Revenue from sales taxes is recognized in the period in which the sales are made. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: sales taxes, charges for services, fines and forfeitures, grants, interest, and rent.

Deferred Revenues

Deferred revenues arise when assets are recognized before the revenue recognition criteria have been satisfied.

Property taxes for which there was an enforceable legal claim at June 30, 2007, but were levied to finance FY07 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements were met have also been recorded as deferred revenue.

On governmental fund financial statements, receivables that were not collected within the available period are recorded as deferred revenue.

Expenses/Expenditures

On the accrual basis, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies - Continued

F. Budgetary Process

An annual budget is adopted (as required by law) by the County for the general, special revenue and capital projects funds. Although not legally required, the County also adopts a budget for the enterprise funds and internal service funds. The budgets are adopted on a basis substantially consistent with U.S. generally accepted accounting principles.

The County uses the following procedures in establishing the annual budgets:

1. Prior to July 1, the County Manager submits to the Board of Commissioners a proposed budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments. Notice is given at least ten days in advance by publication in the official organ of Lowndes County.
3. The budget is legally enacted through passage of an ordinance.
4. The County has a policy of budgeting on a departmental basis.
5. Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue, capital project, internal service and enterprise funds.
6. Budgeted amounts are shown as amended throughout the year.

G. Encumbrances

Encumbrance accounting, under which major purchase orders, contracts, and other commitments for the expenditures of monies are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration.

Encumbrances outstanding at year-end represent the estimated amount of the expenditures ultimately to result if unperformed contracts in process at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities and, therefore, are presented in the financial statements as a reservation of fund balance. For budgetary purposes the encumbrances were recognized as expenditures and this is accounted for as an adjustment from the GAAP Basis to the Budgetary Basis.

H. Cash and Investments

To improve cash management, cash received by the County is pooled and invested. Individual fund integrity is maintained through County records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents."

Cash and cash equivalents that are held separately within departments of the County, and not included in the County Treasury, are recorded as "Cash and Cash Equivalents in Segregated Accounts."

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies - Continued

H. Cash and Investments – Continued

Cash and cash equivalents of the Lowndes County Board of Health and the Valdosta-Lowndes Industrial Authority component units are recorded as “Cash and Cash Equivalents in Segregated Accounts.”

Investments are reported at fair value, except for repurchase agreements and non-negotiable certificates of deposit which are reported at cost. Fair value is based on quoted market prices.

Income from pooled investments is allocated only when contractually or legally required. All investment earnings not legally or contractually required to be credited to individual accounts or funds are credited to the General Fund.

For purposes of the combined statement of cash flows and for presentation on the statement of net assets, investments of the cash management pool and investments with a maturity of one year or less at the time they are purchased by the County are considered to be cash and cash equivalents. Investments with a maturity of more than one year, and not purchased from the cash management pool, are reported as investments.

I. Inventory

Inventory is presented at the lower of cost or market on a first-in, first-out basis and is expensed when used. Inventory consists of expendable supplies held for consumption.

J. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Certain resources set aside for the payment of bond debt and customer deposits for the water and sewer fund are classified as restricted assets on the balance sheet because their use is limited.

K. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market value on the date donated. The County maintains a capitalization threshold of \$5,000. The County’s infrastructure consists of roads, bridges, and culverts. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized. Interest incurred during the construction of enterprise fund capital assets is also capitalized.

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies - Continued

K. Capital Assets - Continued

All capital assets are depreciated, except for land and improvements and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County’s historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives.

| <u>Description</u> | <u>Estimated Lives</u> |
|-------------------------------------|------------------------|
| Buildings and Building Improvements | 40–100 years |
| Improvements Other Than Buildings | 40 years |
| Machinery and Equipment | 5–20 years |
| Vehicles | 6–20 years |
| Infrastructure | 5–50 years |
| Water System | 5–50 years |
| Sewer System | 5–50 years |

L. Interfund Receivables/Payables

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as “Interfund Receivables/Payables.” Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net assets. The only interfund balances which remain on the government-wide statement of net assets are those between governmental and business-type activities. These amounts are reflected as “Internal Balances.”

M. Compensated Absences

Leave benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused leave time when earned for all employees.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are not recognized as a liability and expenditure. For enterprise funds, the entire amount of compensated absences is reported as a fund liability.

N. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the enterprise funds are reported on the enterprise fund financial statements.

In general, governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred. However, required pension contributions that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Loans and capital leases are recognized as a liability on the fund financial statements when due.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies - Continued

O. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

P. Governmental Fund Balance Reserves

The County reserves those portions of governmental fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Fund balance reserves have been established for encumbrances, loans receivable, and endowments.

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the County, these revenues are charges for services for water and sewer and street lighting. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

R. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

S. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 2 – Accountability

The following funds had deficits at June 30, 2007:

Special Revenue Fund:

Drug Abuse Treatment Fund – The fund deficit of \$167,773 is due to an unexpected drop in fine income to this fund. The deficit will be funded by a reduction of expenditures in the future budget years.

Victim Witness Fund – The fund deficit of \$51,852 is due to an unexpected drop in fine income to this fund. The deficit will be funded by a reduction of expenditures in the future budget years.

Note 3 – Deposits and Investments

Lowndes County maintains investments in a local government investment pool through the State of Georgia Office of Treasury and Fiscal Services. The balance at June 30, 2007 was \$5,055,650 for all funds. The funds have a 24 day weighted average maturity.

“Georgia Fund 1,” created by O.C.G.A. 36-83-8, is a stable net asset value invested pool which follows Standard and Poor’s criteria for AAAM rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool’s primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value.) Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant’s shares sold and redeemed based on \$1.00 per share.

Interest Rate Risk. The County has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

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

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

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 4 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the County. The property taxes for Lowndes County are collected by the Lowndes County Tax Commissioners Office and remitted to the County monthly.

The property tax calendar is as follows:

- January 1 - Assessment date
- July 1 - Tax Assessors send returns to Tax Commissioner
- July 25 - Millage rate is set by the County Commission
- July 28 - County tax digest is submitted to the State Revenue Commissioner
- September 15 - Bills are mailed by Tax Commissioner
- November 15 - Due date for property taxes other than motor vehicles
- November 16 - Execution date for unpaid taxes

Taxes are collected throughout the year.

Note 5 – Payment in Lieu of Taxes

According to State law, the County has entered into agreements with a number of property owners under which the County has granted property tax abatements to those property owners and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to the County to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if their taxes had not been abated. The property owners’ contractual promises to make these payments in lieu of taxes generally continue until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by those owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners.

Note 6 – Hotel/Motel Lodging Tax

Lowndes County levies a 5% lodging tax. A summary of transactions for the year ended June 30, 2007 follows:

| | |
|--|------------------|
| Fund Balance, July 1, 2006 | \$ 113,424 |
| Hotel/Motel Tax | 1,811,933 |
| Penalties and interest | 5,121 |
| | <u>1,817,054</u> |
| Disbursements to Conference Center & Tourism Authority | 1,002,273 |
| Disbursements to Airport Authority | 462,500 |
| Disbursements to Industrial Authority | 370,000 |
| | <u>1,834,773</u> |
| Fund Balance, June 30, 2007 | <u>\$ 95,705</u> |

Lowndes County receives an audit report from the Conference Center & Tourism Authority, Airport Authority, and Industrial Authority covering the lodging tax monies. The subcontractor’s expenditures were for promotion of tourism as required by O.C.G.A. 48-13-51.

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 7 – Receivables

Receivables at June 30, 2007, consisted of accounts (billings for user charged services, including unbilled utility services), sales taxes, accrued interest, grants, interfund, and property taxes. All amounts due from other governments are considered collectible in full. Delinquent property taxes may be certified and collected as a special assessment, subject to foreclosure for nonpayment.

Receivables are recognized to the extent the amounts are determined material and substantiated, not only by supporting documentation but also by a reasonable systematic method of determining their existence, completeness, valuation, and collectibility.

A summary of the principal amounts due from other governments is as follows:

General Fund

| | |
|--|-------------------|
| Social Security Taxes | \$ 38,116 |
| Other Governments | 1,284 |
| City of Valdosta - Prisoner Housing | 190,275 |
| Central Valdosta Development Authority | <u>325,000</u> |
| Total - General Fund | <u>\$ 554,675</u> |

Special Revenue Funds

Nonmajor funds

| | |
|-------------------------------|------------------|
| City of Valdosta - Zoning | \$ 19,485 |
| Airport Authority | 24,348 |
| ADR | <u>1,565</u> |
| Total - Special Revenue Funds | <u>\$ 45,398</u> |

| | |
|------------------------------------|-------------------|
| Total - Due From Other Governments | <u>\$ 600,073</u> |
|------------------------------------|-------------------|

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 8 – Capital Assets

Capital asset activity for the year ended June 30, 2007 was as follows:

| | <u>Balance at July 1, 2006</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance at June 30, 2007</u> |
|--|------------------------------------|---------------------|----------------------|-------------------------------------|
| Primary Government Governmental Activities: | | | | |
| Nondepreciable Capital Assets: | | | | |
| Land and improvements | \$ 1,475,294 | \$ - | \$ - | \$ 1,475,294 |
| Construction in progress | <u>12,644,002</u> | <u>12,718,885</u> | <u>10,541,328</u> | <u>14,821,559</u> |
| Total Nondepreciable Capital Assets | <u>14,119,296</u> | <u>12,718,885</u> | <u>10,541,328</u> | <u>16,296,853</u> |
| Depreciable Capital Assets: | | | | |
| Buildings and building improvements | \$ 19,190,032 | \$ 1,004,900 | \$ - | 20,194,932 |
| Improvements other than buildings | 2,559,190 | 1,475,360 | - | 4,034,550 |
| Machinery and equipment | 21,773,519 | 6,283,723 | 88,244 | 27,968,998 |
| Vehicles | 11,406,364 | 410,770 | - | 11,817,134 |
| Infrastructure | <u>280,317,679</u> | <u>4,561,521</u> | - | <u>284,879,200</u> |
| Total Depreciable Capital Assets | <u>335,246,784</u> | <u>13,736,274</u> | <u>88,244</u> | <u>348,894,814</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings and building improvements | 13,176,393 | 778,174 | - | 13,954,567 |
| Improvements other than buildings | 1,065,164 | 82,657 | - | 1,147,821 |
| Machinery and equipment | 15,106,310 | 1,426,064 | - | 16,532,374 |
| Vehicles | 7,263,623 | 575,857 | - | 7,839,480 |
| Infrastructure | <u>152,481,389</u> | <u>19,472,954</u> | - | <u>171,954,343</u> |
| Total Accumulated Depreciation | <u>189,092,879</u> | <u>22,335,706</u> | <u>-</u> | <u>211,428,585</u> |
| Total Depreciable Capital Assets, Net | <u>146,153,905</u> | <u>(8,599,432)</u> | <u>88,244</u> | <u>137,466,229</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 160,273,201</u> | <u>\$ 4,119,453</u> | <u>\$ 10,629,572</u> | <u>\$ 153,763,082</u> |

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 8 – Capital Assets – Continued

| | <u>Balance at July 1, 2006</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance at June 30, 2007</u> |
|--|------------------------------------|---------------------|-------------------|-------------------------------------|
| Business Type Activities: | | | | |
| Nondepreciable Capital Assets: | | | | |
| Land and improvements | \$ 2,694,563 | \$ - | \$ 4,020 | \$ 2,690,543 |
| Construction in progress | <u>4,975,966</u> | <u>952,289</u> | <u>-</u> | <u>5,928,255</u> |
| Total Nondepreciable Capital Assets | <u>7,670,529</u> | <u>952,289</u> | <u>4,020</u> | <u>8,618,798</u> |
| Depreciable Capital Assets: | | | | |
| Machinery and equipment | \$ 39,131,395 | \$ 1,984,925 | \$ 2,876,485 | \$ 38,239,835 |
| Vehicles | <u>69,049</u> | <u>40,393</u> | <u>11,489</u> | <u>97,953</u> |
| Total Depreciable Capital Assets | <u>39,200,444</u> | <u>2,025,318</u> | <u>2,887,974</u> | <u>38,337,788</u> |
| Less Accumulated Depreciation for: | | | | |
| Machinery and equipment | 16,783,097 | 815,981 | 2,876,485 | 14,722,593 |
| Vehicles | <u>69,049</u> | <u>3,011</u> | <u>11,489</u> | <u>60,571</u> |
| Total Accumulated Depreciation | <u>16,852,146</u> | <u>818,992</u> | <u>2,887,974</u> | <u>14,783,164</u> |
| Total Depreciable Capital Assets, Net | <u>22,348,298</u> | <u>1,206,326</u> | <u>-</u> | <u>23,554,624</u> |
| Business Type Activities Capital Assets, Net | <u>\$ 30,018,827</u> | <u>\$ 2,158,615</u> | <u>\$ 4,020</u> | <u>\$ 32,173,422</u> |

Depreciation was charged to governmental functions as follows:

| | |
|---|----------------------|
| Governmental activities: | |
| General Government | |
| Legislative and Executive | \$ 216,852 |
| Judicial | 45,220 |
| Public Safety | 2,773,291 |
| Public Works | 18,982,823 |
| Health and Welfare | 236,245 |
| Culture and Recreation | <u>81,275</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 22,335,706</u> |
| Business-type activities: | |
| Water and Sewer | \$ 818,946 |
| Sanitation | <u>46</u> |
| Total Depreciation Expense - Business-type Activities | <u>\$ 818,992</u> |

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 9 – Interfund Balances and Transfers

The composition of interfund balances and transfers as of June 30, 2007, is as follows:

| | <u>Interfund Receivable</u> | <u>Interfund Payable</u> | <u>Transfer In</u> | <u>Transfer Out</u> |
|-----------------------------------|---------------------------------|------------------------------|------------------------|-------------------------|
| General Fund | | | | |
| 911 Emergency Telephone | \$ 498,055 | \$ - | \$ - | \$ 150,549 |
| Capital Projects SPLOST V | - | 301,735 | - | - |
| Capital Projects Judicial Complex | 316,144 | - | - | - |
| Nonmajor governmental funds | 325,509 | 6,320 | - | - |
| Special Tax Lighting District | - | - | - | 178,901 |
| Sanitation Fund | - | - | - | 671,567 |
| Internal service funds | <u>1,684,722</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>2,824,430</u> | <u>308,055</u> | <u>-</u> | <u>1,001,017</u> |
| Special Revenue Funds | | | | |
| General Fund | | | | |
| 911 Emergency Telephone | - | 498,055 | 150,549 | - |
| Capital Projects SPLOST V | 301,735 | - | - | 1,072,646 |
| Capital Projects Judicial Complex | - | 316,144 | - | - |
| Nonmajor governmental funds | 128,981 | 448,170 | 50,000 | 10,842 |
| Internal Service Fund | | | | |
| Insurance Fund | - | 7,900 | - | - |
| Fleet Manager Fund | <u>-</u> | <u>9,275</u> | <u>-</u> | <u>-</u> |
| | <u>430,716</u> | <u>1,279,544</u> | <u>200,549</u> | <u>1,083,488</u> |
| Total Governmental Funds | <u>3,255,146</u> | <u>1,587,599</u> | <u>200,549</u> | <u>2,084,505</u> |

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 9 – Interfund Balances and Transfers - Continued

| | <u>Interfund Receivable</u> | <u>Interfund Payable</u> | <u>Transfer In</u> | <u>Transfer Out</u> |
|--|---------------------------------|------------------------------|------------------------|-------------------------|
| Enterprise Funds | | | | |
| Water and Sewer Fund | | | | |
| Capital Projects SPLOST V | - | - | 1,083,488 | - |
| Landfill Fund | | | | |
| Nonmajor governmental fund | - | - | - | 50,000 |
| Special Tax Lighting District | | | | |
| General Fund | - | - | 178,901 | - |
| Sanitation Fund | | | | |
| General Fund | - | - | 671,567 | - |
| | <u>-</u> | <u>-</u> | <u>1,933,956</u> | <u>50,000</u> |
| Internal Service Funds | | | | |
| Equipment Fund | | | | |
| General Fund | - | 168,858 | - | - |
| Insurance Fund | | | | |
| Nonmajor governmental funds | 7,900 | - | - | - |
| Fleet Manager Fund | | | | |
| Nonmajor governmental funds | 9,275 | - | - | - |
| General Fund | - | 1,515,864 | - | - |
| | <u>17,175</u> | <u>1,684,722</u> | <u>-</u> | <u>-</u> |
| Total Enterprise and Internal Service Funds | <u>17,175</u> | <u>1,684,722</u> | <u>1,933,956</u> | <u>50,000</u> |
| Total All Funds | <u>\$ 3,272,321</u> | <u>\$ 3,272,321</u> | <u>\$ 2,134,505</u> | <u>\$ 2,134,505</u> |

The difference in interfund receivables and payables for government funds is due to amounts due to and from enterprise and internal service funds shown above. The interfund balances resulted from loans made to provide working capital for operations and projects and the time lag between dates that payments between funds are made.

Transfers were made from SPLOST funds to cover approved projects paid out of other funds. Transfers to the Keep Lowndes Valdosta Beautiful fund are to cover operational cost of the fund.

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 10 – Risk Management

A. Property and Liability

The County is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County established a Self-Insurance Fund (internal service fund) to account for and finance its uninsured risks of loss. Under this program, the Self-Insurance Fund provides coverage for up to a maximum of \$250,000 for each worker’s compensation claim, \$2,500 for each enforcement claim. The coverage has a \$1,000,000 cap. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

All funds of the County participate in the program and make payments to the Self-Insurance Fund based on estimates of the amounts needed to pay prior and current-year claims and to establish a reserve for catastrophe losses. The Self-Insurance Fund has a net asset balance of \$94,208 as of June 30, 2007. At June 30, 2007 the Self-Insurance Fund has a claims liability of \$818,038 reported based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the Self-Insurance Fund’s claim liability amount in fiscal 2006 and 2007 were:

| | Beginning of Fiscal Year Liability | Current Year Claims and Changes In Estimates | Claim Payments | Balance At Fiscal Year End |
|-----------|--|---|-------------------|----------------------------------|
| 2005-2006 | \$ 388,046 | 4,104,452 | 3,825,611 | \$ 666,887 |
| 2006-2007 | \$ 666,887 | 3,949,001 | 3,797,850 | \$ 818,038 |

B. Health Care

The County manages the employee health coverage uninsured except for a stop-loss policy. Included in the accounts payable of the Self Insurance Fund is an estimated liability of \$ 458,037 which reflects health claims incurred but not processed prior to year end. This health claims liability was estimated based on such claims paid subsequent to year end.

C. Workers’ Compensation

The County participates in the ACCG- Group Self-Insurance Workers’ Compensation Fund to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expense incurred for investigation, negotiation, or defense.

Included in the accounts payable of the Self Insurance Fund is an estimated liability of \$360,000 which reflects workers compensation claims incurred but not processed prior to year end. This workers compensation liability was estimated in the annual actuarial report.

Settled claims in the past three years have not exceeded the coverage. There was no significant reduction in insurance coverage from the prior year.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 11 – Defined Benefit Retirement Plan

A. Plan Description

The county contributes to the Association of County Commissioners of Georgia ("ACCG") Defined Benefit Plan ("Plan"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia.

All full-time County employees are eligible to participate in the Plan after completing one year of service. Benefits vest after five years of service. Participants become eligible to retire at the earlier of: a) age 65 or b) the combination of years of service and attained age equal to 75 with a minimum age of 55. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1.75% of average annual compensation times years of service payable as a life annuity. Compensation is averaged over a five year period prior to retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan, using the actuarial basis described in the annual valuation report.

Participation counts as of January 1, 2006 (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Plan Membership

| | |
|---|------------------|
| Retirees and beneficiaries receiving benefits | 111 |
| Terminated plan members entitled to but not Receiving benefits | 175 |
| Active plan members | <u>423</u> |
| Total number of plan participants | <u>709</u> |
| Covered compensation for active participants | \$12,393,935 |

B. Summary of Plan Asset Matters and Accounting Policies

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan and incremental changes in the cash value of pre-retirement life insurance policies owned by the trust.

Plan member contributions are recognized in the period in which contributions are due. County contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 60% equities and 40% fixed income securities on a cost basis.

C. Contributions

The county is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth the minimum funding standards for state and local governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirements. The County contributed \$1,323,877 for the year ended December 31, 2006.

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENT

Note 11 – Defined Benefit Retirement Plan – Continued

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish and amend from time to time, the contribution rates for the County and its plan participants.

D. Historical Trend Information

Historical Trend information, designed to provide information about a public employee retirement system’s progress made in accumulating sufficient assets to pay benefits when due, is as follows:

REQUIRED SUPPLEMENTARY INFORMATION
 ANALYSIS OF FUNDING PROGRESS

| | (1) | (2) | (3) | (4) | (5) | (6) |
|----------|------------|------------|---------|-----------|------------|------------|
| | | Actuarial | | Unfunded | Annual | UAAL as |
| | Actuarial | Accrued | Funded | AAL | Covered | Percentage |
| Calendar | Value | Liability | Ratio | (UAAL) | Payroll | Of Covered |
| Year | of Assets | (AAL) | (1)/(2) | (2) - (1) | Year | (4)/(5) |
| 1997 | 8,903,531 | 9,802,269 | 90.8% | 898,738 | 8,348,006 | 10.8% |
| 1998 | 10,141,216 | 10,720,593 | 94.6% | 579,377 | 8,641,433 | 6.7% |
| 1999 | 10,913,457 | 10,527,663 | 103.7% | (385,794) | 8,132,095 | (4.7%) |
| 2000 | 11,252,199 | 11,376,166 | 98.9% | (336,766) | 9,620,919 | 1.3% |
| 2001 | 11,064,537 | 12,019,542 | 92.0% | 965,006 | 10,067,998 | 9.6% |
| 2002 | 10,525,912 | 13,168,431 | 79.9% | 2,642,519 | 9,062,989 | 29.2% |
| 2003 | 12,208,385 | 15,213,546 | 80.2% | 3,006,161 | 9,743,706 | 30.8% |
| 2004 | 13,418,349 | 17,241,432 | 77.8% | 3,823,083 | 11,381,442 | 33.6% |
| 2005 | 14,840,995 | 19,863,167 | 74.7% | 5,022,172 | 12,383,187 | 40.6% |
| 2006 | 16,835,059 | 20,959,547 | 80.3% | 4,134,488 | 12,393,935 | 33.4% |

Required Schedule of Supplementary Information
Schedule of Employer Contributions

| Year Ended 12/31 | Annual Required Contribution | Percentage Contributed |
|------------------------|------------------------------------|---------------------------|
| 1997 | \$ 712,572 | 100.0% |
| 1998 | 648,213 | 100.0% |
| 1999 | 434,816 | 100.0% |
| 2000 | 442,798 | 100.0% |
| 2001 | 496,115 | 100.0% |
| 2002 | 628,979 | 100.0% |
| 2003 | 846,233 | 114.9% |
| 2004 | 1,138,773 | 100.0% |
| 2005 | 1,232,610 | 111.5% |
| 2006 | \$ 1,323,877 | 108.9% |

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 11 – Defined Benefit Retirement Plan – Continued

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of January 1, 2006. Additional information as of the latest actuarial valuation follows.

| | |
|-----------------------------------|-------------------------------|
| Valuation Date: | January 1, 2006 |
| Actuarial Cost Method: | Projected Unit Credit |
| Asset Valuation Method: | Market Value |
| Amortization Method: | Level Percent of Pay (Closed) |
| Remaining Amortization Period*: | 10 years |
| Actuarial Assumptions: | |
| Assumed Rate of Return on Assets: | 8.0% |
| Expected Future Salary Increases: | 5.5% |
| Expected Inflation: | 3.0% |

* - Represents the estimated amortization period for all unfounded liabilities combined into one amortization base.

In addition to the above retirement plan, of which the County is administrator, the following retirement plans are in effect but are not under the direct control of the County:

- 1) Probate Judges' Retirement Fund of Georgia
- 2) Clerk of Superior Court Retirement Fund
- 3) Sheriffs' Retirement Fund/Peace Officers' Annuity and Benefit Fund

These plans provide for certain sums from marriage licenses, fees, fines and forfeitures to be remitted directly to the pension plans before the payment of any costs or other claims.

A copy of both financial reports can be obtained at the following address:

GEBCorp
1100 Circle 75 Parkway
Suite 300
Atlanta, Georgia 30339

Note 12 - Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Beginning with fiscal year 1999, deferred compensation plan transactions formerly reported in the Agency Fund are excluded from the County's financial reporting.

As of July 1, 1999, the County implemented a new standard requiring changes to the accounting and financial reporting for the deferred compensation plans created in accordance with Internal Revenue Code 457. The plans are administered by independent plan administrators through administrative service agreements. The County's administrative involvement is limited to transmitting amounts withheld from payroll to the plan administrator who performs investing functions.

Amendments to the laws governing Section 457 plans substantially became effective January 1, 1999. The County approved plan amendments such that the plan assets are held in trust for the benefit of the plan participants and their beneficiaries. The assets will not be diverted to any other purpose. Therefore, the financial activity of these plans is no longer reported in the County's Agency Fund.

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 13 – Post Employment Health Care Benefits

In addition to providing pension benefits, in accordance with County resolution, the County provides certain health care benefits for retired employees. The County’s employees who are eligible for retirement benefits under the pension plan are also eligible for post employment health care benefits. The retired employees pay monthly premiums for this benefit. There are currently 37 retired employees who are participating in these health care benefits. Funding is provided through the general fund as required to the self insurance fund. Premiums paid by retired employees were \$40,269 and claims paid were \$65,552.

Note 14 – Compensated Absences

It is the County’s policy to permit employees to accumulate earned but unused leave benefits. A maximum of 192 hours of unused leave benefits will be paid to employees upon separation from County service. 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 from the fund for which the employee’s compensation is funded. While the General Fund covers a majority of the cost of compensated absences, the KLVB, Commissary, Jail Operations, Drug Abuse Treatment, 911 and Victim Witness funds all contribute to compensated absences for employees paid through those funds.

| | <u>Balance at</u> <u>July 1, 2006</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance at</u> <u>June 30, 2007</u> |
|-----------------------------------|--|-------------------|-------------------|---|
| Primary Government: | | | | |
| Governmental Activities: | | | | |
| Compensated absences | \$ 940,283 | \$ 133,434 | \$ - | \$ 1,073,717 |
| Business Type Activities: | | | | |
| Compensated absences | <u>23,555</u> | <u>32,036</u> | <u>-</u> | <u>55,591</u> |
| Total Primary Government | <u>\$ 963,838</u> | <u>\$ 165,470</u> | <u>\$ -</u> | <u>\$ 1,129,308</u> |
| Component Unit - Board of Health: | | | | |
| Compensated absences | <u>\$ 444,910</u> | <u>\$ 11,800</u> | <u>\$ -</u> | <u>\$ 456,710</u> |

Note 15 - Capital Leases

As of June 1, 1990 the County entered into a capital lease with the Central Valdosta Development Authority for the purchase of the Human Resources Building.

As of December 1, 2003 the County entered into a capital lease with the Central Valdosta Development Authority for the purchase of the Judicial Complex.

Various capital leases were entered into through the ACCG lease program for the acquisition of a building and equipment. The assets acquired through capital leases for governmental activities are as follows:

| | |
|--------------------------------|---------------------|
| Asset: | |
| Buildings | \$ 4,345,253 |
| Equipment | 6,340,040 |
| Less: Accumulated Depreciation | <u>(6,482,055)</u> |
| Total | <u>\$ 4,203,238</u> |

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 15 - Capital Leases - Continued

Intergovernmental Agreement

As of August 1996 the County entered into an intergovernmental funding agreement with the Valdosta-Lowndes County Industrial Authority to secure bonds issued by the Authority for \$ 5,000,000 to finance acquisition and development of industrial sites. The bonds have a floating interest rate based on a percentage of the London Interbank Offer Rate. The bonds were payable “interest only” until January 1, 1999 after which, annual payments of principal are due. The bonds mature January 1, 2017. The balance as of June 30, 2007 is \$ 3,335,478.

Note 16 – Long-Term Debt

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2007:

| | <u>Balance at July 1, 2006</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance at June 30, 2007</u> | <u>Amount Due In One Year</u> |
|--------------------------------|------------------------------------|------------------|---------------------|-------------------------------------|-----------------------------------|
| <u>Governmental Activities</u> | | | | | |
| Capital leases - CVDA | \$ 16,435,000 | \$ - | \$ 805,000 | \$ 15,630,000 | \$ 850,000 |
| Capital leases - Fleet Fund | <u>3,657,417</u> | <u>-</u> | <u>1,599,099</u> | <u>2,058,318</u> | <u>1,156,369</u> |
| Total Governmental Activities | <u>\$ 20,092,417</u> | <u>\$ -</u> | <u>\$ 2,404,099</u> | <u>\$ 17,688,318</u> | <u>\$ 2,006,369</u> |

| | <u>Balance at July 1, 2006</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance at June 30, 2007</u> | <u>Amount Due In One Year</u> |
|-----------------------------------|------------------------------------|------------------|---------------------|-------------------------------------|-----------------------------------|
| <u>Business - Type Activities</u> | | | | | |
| Revenue bonds | \$ 12,125,000 | \$ - | \$ 450,000 | \$ 11,675,000 | \$ 460,000 |
| Notes payable | <u>4,583,037</u> | <u>-</u> | <u>864,811</u> | <u>3,718,226</u> | <u>3,718,226</u> |
| Total Business-Type Activities | <u>\$ 16,708,037</u> | <u>\$ -</u> | <u>\$ 1,314,811</u> | <u>\$ 15,393,226</u> | <u>\$ 4,178,226</u> |

Internal service funds predominately serve the governmental funds. Accordingly, the long-term liabilities for them are included as part of the totals for governmental activities. The additions to capital leases from the internal service Fleet Fund are accounted for in the government-wide statement of net assets but are not reflected in the governmental fund statements which do not include the internal service funds.

Governmental activities debt is paid for by direct appropriation of funds for the CVDA lease in the general fund and by allocation of rental payments for capital assets from applicable general fund departments.

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 16 – Long-Term Debt – Continued

The original issue date, interest rate and original issue amount for the County’s long-term obligations are as follows:

| | <u>Purpose</u> | <u>Original Issue Date</u> | <u>Interest Rate</u> | <u>Original Issue Amount</u> | <u>Maturity Date</u> | <u>Annual Installments</u> |
|--------------------------------|------------------------------------|----------------------------|----------------------|------------------------------|----------------------|----------------------------|
| Governmental Activities | | | | | | |
| Capital Lease | Judicial/Admin Complex Building | 2004 | Variable | \$ 15,500,000 | 2024 | Variable |
| Capital Lease | Human Resource Building | 1994 | Variable | \$ 3,850,000 | 2014 | Variable |
| Capital Lease | Equipment | 2003 | 2.81% | \$ 624,000 | 2008 | \$ 33,548 |
| Capital Lease | Equipment | 2003 | 3.22% | \$ 400,000 | 2010 | \$ 16,013 |
| Capital Lease | Equipment | 2004 | 3.20% | \$ 356,000 | 2007 | \$ 27,031 |
| Capital Lease | Equipment | 2004 | 3.37% | \$ 1,364,570 | 2008 | \$ 91,521 |
| Capital Lease | Equipment | 2004 | 3.47% | \$ 153,078 | 2009 | \$ 8,370 |
| Capital Lease | Equipment | 2004 | 3.88% | \$ 165,000 | 2011 | \$ 6,758 |
| Capital Lease | Equipment | 2005 | 2.94% | \$ 206,700 | 2008 | \$ 18,059 |
| Capital Lease | Equipment | 2005 | 3.08% | \$ 1,621,083 | 2009 | \$ 108,076 |
| Capital Lease | Equipment | 2005 | 3.20% | \$ 585,100 | 2010 | \$ 31,774 |
| Business Activities | | | | | | |
| Revenue Bonds | Water & Sewer Capital Improvements | 2006 | Variable | \$ 12,500,000 | 2025 | Variable |
| GEFA Loan | Water & Sewer Capital Improvements | 2001 | 5.08% | \$ 2,969,394 | 2021 | \$ 236,672 |
| GEFA Loan | Water & Sewer Capital Improvements | 2003 | 4.00% | \$ 777,156 | 2023 | \$ 56,976 |

Variable interest rates on the Judicial Complex Building capital lease range from 2.25% in 2007 to 4.50% in 2024. Annual principal installments range from \$590,000 in 2007 to \$1,105,000 in 2024.

Variable interest rates on the Human Resource Building capital lease range from 4.80% in 2007 to 5.00% in 2014. Annual principal installments range from \$215,000 in 2007 to \$305,000 in 2014.

Variable interest rates on the Water & Sewer revenue bonds range from 3.00% in 2007 to 5.00% in 2025. Annual principal installments range from \$450,000 in 2007 to \$925,000 in 2025.

The following is a summary of the County's future annual debt service requirements on long-term obligations:

| Year Ending June 30, | Governmental Activities | |
|----------------------|-------------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2008 | 1,991,369 | 694,873 |
| 2009 | 1,522,793 | 640,732 |
| 2010 | 1,102,769 | 596,161 |
| 2011 | 946,387 | 559,718 |
| 2012 | 955,000 | 525,356 |
| 2013-2017 | 4,380,000 | 2,050,475 |
| 2018-2022 | 4,625,000 | 1,154,839 |
| 2023-2024 | 2,165,000 | 145,825 |
| Total | \$ 17,688,318 | \$ 6,367,979 |

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 16 – Long-Term Debt – Continued

The following is a summary of the County's future annual debt service requirements on long-term obligations:

| Year Ending June 30, | Business Activities | | | |
|----------------------|----------------------|---------------------|---------------------|-------------------|
| | Revenue Bonds | | Notes Payable | |
| | Principal | Interest | Principal | Interest |
| 2008 | \$ 460,000 | \$ 508,294 | \$ 3,718,226 | \$ 142,169 |
| 2009 | 475,000 | 494,494 | - | - |
| 2010 | 490,000 | 479,056 | - | - |
| 2011 | 510,000 | 461,906 | - | - |
| 2012 | 525,000 | 444,056 | - | - |
| 2013-2017 | 2,940,000 | 1,906,627 | - | - |
| 2018-2022 | 3,635,000 | 1,216,150 | - | - |
| 2023-2025 | 2,640,000 | 268,500 | - | - |
| Total | <u>\$ 11,675,000</u> | <u>\$ 5,779,083</u> | <u>\$ 3,718,226</u> | <u>\$ 142,169</u> |

Note 17 – Legal Debt Margin

The legal debt limit of the County for general obligation debt is determined by the Constitution of Georgia to be 10% of the total assessed value of all real, personal, and public utility property. The legal debt margin as June 30, 2007 was \$239,077,010 based on a total assessed values of \$2,390,770,104 with no general obligation bonded debt outstanding.

Note 18 – Landfill Postclosure Cost

| Business Type Activities: | Balance at July 1, 2006 | Additions | Reductions | Balance at June 30, 2007 |
|---------------------------|----------------------------|-------------|------------------|-----------------------------|
| Postclosure care cost | <u>\$ 1,246,801</u> | <u>\$ -</u> | <u>\$ 29,175</u> | <u>\$ 1,217,626</u> |

State and federal laws and regulations require the County to cover a landfill and maintain monitoring functions for thirty years after closure. The County has accrued the expected postclosure cost for the landfill that closed November 1996. The amount accrued of \$1,217,626 represents 100% of the total estimated remaining postclosure cost which is made up of estimated monitoring costs and maintenance costs. This estimate is subject to change based on changes in technology or applicable laws and regulations. Solid waste host fees are utilized to cover the postclosure cost.

Note 19 – Component Units

A. Lowndes County Board of Health

Basis of Presentation The financial statements of the Lowndes County Board of Health (Board) have been prepared in accordance with generally accepted accounting principles (GAAP) for local governmental units and, accordingly, reflect all significant receivables, payables, and other liabilities. The Board uses funds to report on its financial position and results of its operations. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results may differ from those estimates.

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 19 – Component Units - Continued

A. Lowndes County Board of Health - Continued

Basis of Accounting The accrual basis of accounting is followed by the Board. Revenues are recognized when an exchange takes place or when all eligibility requirements have been satisfied.

Cash and Cash Equivalents Cash and cash equivalents of the Board are not a part of the County’s cash management pool and are reported as part of “Cash and Cash Equivalents in Segregated Accounts”.

Property and Equipment Property and equipment are carried at cost or, if donated, the fair value on the date donated. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Property and equipment as of June 30, 2007, was as follows:

| | |
|--------------------------------|--------------------|
| Equipment | \$ 1,920,541 |
| Vehicles | 27,730 |
| Less: Accumulated Depreciation | <u>(1,455,791)</u> |
| Net Property and Equipment | <u>\$ 492,480</u> |

Retirement Plan

The employees of the Health Department participate in the Georgia State Employees Retirement System, a multi-employer, defined contribution plan. The Plan is administered by the State of Georgia, and accumulated benefits and Plan assets are not determined or allocated to the individual participating governmental entities. The Georgia State Employees’ Retirement System of Georgia requires ten years of continuous service to become fully vested. The total retirement contributions to the Georgia State Employees Retirement System for the year ended June 30, 2007 were \$467,479. Ten-year historical trend information and relevant actuarial information may be obtained from the Employee’s Retirement System, Two Northside 75, Suite 300, Atlanta, Georgia 30316-7778 or calling 1-406-352-6400.

B. Valdosta-Lowndes County Industrial Authority

Basis of Accounting. The financial statements of Valdosta Lowndes County Industrial Authority (the Authority) have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results may differ from those estimates.

Cash and Cash Equivalents The Authority considers all highly liquid instruments purchased with a maturity of less than three months to be cash equivalents. Cash and cash equivalents and investments of the Authority are presented as “Cash and Cash Equivalents in Segregated Accounts” and “Investments in Segregated Accounts”, respectively.

Property and Equipment Property and equipment are carried at cost or, if donated, the fair value on the date donated. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Property and equipment as of June 30, 2007, was as follows:

| | |
|--------------------------------|---------------------|
| Land and improvements | \$ 11,814,839 |
| Equipment | 219,280 |
| Less: Accumulated Depreciation | <u>(2,968,867)</u> |
| Net Property and Equipment | <u>\$ 9,065,252</u> |

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENT

Note 19 – Component Units - Continued

B. Valdosta-Lowndes County Industrial Authority - Continued

Note Payable The Authority has a long-term indebtedness secured by real estate and the direct financing lease, dated April 15, 2003 for land located in the Valdosta-Lowndes County Industrial Park to American Drill and Bushing. This note, in the amount of \$1,100,000 is payable monthly in the amount of \$8,347, for a term of 15 years, and has an interest rate of 4.3%.

The following is a summary of the Authority’s future annual debt service requirement on notes payable:

| Year Ending June 30, | <u>Note Payable</u> | |
|----------------------|---------------------|-------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2008 | \$ 72,064 | \$ 28,098 |
| 2009 | 75,224 | 24,937 |
| 2010 | 78,523 | 21,638 |
| 2011 | 81,968 | 18,194 |
| 2012 | 85,562 | 14,599 |
| 2013-2016 | 288,529 | 20,660 |
| Total | <u>\$ 681,870</u> | <u>\$ 128,126</u> |

Bonds Payable In 1996, the Authority issued bonds in the amount of \$5,000,000 to finance acquisition and development of industrial sites in Lowndes County, Georgia. The revenue bonds have a maturity date of January 1, 2017. The bonds have a floating interest rate based on a percentage of the London Interbank Offer Rate. The bonds were payable “interest only” until January 1, 1999, after which, annual payments of principal are due. The bonds are secured by an “inter governmental” funding agreement between the Authority and Lowndes County, Georgia.

The following is a summary of the Authority’s future annual debt service requirements on bonds payable:

| Year Ending June 30, | <u>Bonds</u> | |
|----------------------|---------------------|-------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2008 | \$ 245,000 | \$ 134,200 |
| 2009 | 265,000 | 124,400 |
| 2010 | 280,000 | 114,000 |
| 2011 | 300,000 | 102,800 |
| 2012 | 320,000 | 90,800 |
| 2013-2017 | 1,925,478 | 244,800 |
| Total | <u>\$ 3,335,478</u> | <u>\$ 811,000</u> |

During the year ended June 30, 2007 interest was paid on these bonds in the amount of \$143,400.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 20 – Insurance Pools

A. ACCG – Group Self-Insurance Workers Compensation and Interlocal Risk Management Agency

The County may be subject to risk of loss due to torts; theft of , damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County covers these risks through the purchase of insurance coverage through ACCG- Group Self-Insurance Workers’ Compensation Fund and the ACCG- Interlocal Risk Management Agency. These are public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool’s agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool’s agents and attorneys to represent the County in investigation, settlement discussions, and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker’s compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expense incurred for investigation, negotiation, or defense.

Settled claims in the past three years have not exceeded the coverage. There was no significant reduction in insurance coverage from the prior year.

Note 21 – Joint Ventures

The County and the City of Valdosta jointly govern the Valdosta-Lowndes County Airport Authority and the Valdosta-Lowndes County Conference Center and Tourism Authority as is described in Note 1 - Reporting Entity. The County does not retain an ongoing financial interest or responsibility in the Valdosta-Lowndes County Airport Authority.

The County, in conjunction with cities and counties in the (10) county South Georgia area are members of the South Georgia Regional Development Center (RDC). Membership in an RDC is automatic for each municipality and county in the state. The official Code Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RDCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RDC. The County paid annual dues in the amount of \$61,854 to the RDC for the year ended June 30, 2007. The RDC Board membership includes the Chief elected official of each county and the Chief elected official of each municipality. The County Board members and municipal Board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality to serve as the non-public Board member from a County.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines an RDC as “public agencies and instrumentality’s of their members”. Georgia laws also provide that the member governments are liable for any debts or obligations of an RDC beyond its resources. (O.C.G.A. 50-8-39.1)

A copy of the financial report can be obtained at the following address:
South Georgia Regional Development Center
327 West Savannah Avenue
Valdosta, Georgia 31601

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 22 – Related Party Transactions

The County contributed \$370,000 from the accommodation excise tax to the Valdosta-Lowndes County Industrial Authority and \$462,500 to the Valdosta - Lowndes County Airport Authority and \$1,002,273 to the Valdosta-Lowndes County Conference Center and Tourism Authority.

Note 23 – Contingent Liabilities

The site purchased for building of the Judicial and Administrative Complex was given environmental clearance at the time of sale but it was discovered that there was leakage of petroleum products from a former gas station site that had not been detected. The County has begun the process of cleaning up the site in cooperation with the Environmental Protection Agency and will receive some funding from them for the clean up cost. It is expected that the County will have to pay approximately \$1,000,000 of its own funds to complete the clean up of the site.

The County participates in federal and state assisted grant programs subject to program compliance audits by the grantors or their representatives. It is the County's opinion that no material unrecorded liabilities will arise from audits previously performed or to be performed. Regardless, receipt of these federal and state grant revenues is not assured in the future.

The County is not contingently liable for the obligations of any other governmental agencies or authorities, as guarantor or otherwise, except for a funding agreement with the Valdosta-Lowndes County Industrial Authority guaranteeing the funding necessary for the repayment of Valdosta-Lowndes County Industrial Authority Industrial Development Revenue Bonds, Series 1997, in the aggregate principal amount of \$5,000,000.

Litigation. The County is a defendant in a number of claims and lawsuits. The County Attorney has reviewed these claims and lawsuits, and has concluded that it is not possible to evaluate the probability of an unfavorable outcome or to estimate the amount of potential loss. As a result and pursuant to Financial Accounting Standards Board Statement No. 5 (Accounting for Contingencies), no liabilities have been recorded. County management is of the opinion that any actual losses will not be material to the County.

Liability Insurance. The County acquires insurance for liability claims. The County is responsible for the first \$2,500 per occurrence for general liability and the first \$5,000 per occurrence for Public Officials Liability, Law Enforcement Liability, errors, and omissions

Note 24 – Designations

Georgia code section 48-8-91 requires local governments collecting local option sales tax to calculate a reduction of the local millage rate based on the prior year collections of the local option sales tax. The designation of fund balance for property tax roll back, accounts for the annual collection of local option sales tax fund that will be used in the calculation for the next year's millage rate reduction.

Note 25 –Change in Presentation

The County established a new proprietary fund for sanitation services to account for this service under a fee based system.

Note 26 – Subsequent Event

A new local special purpose local option sales tax was passed. This new tax will provide the necessary funding needed for completion of phase 1 of the Judicial Complex that has required more funding than originally estimated due to the rising cost of construction.

REQUIRED SUPPLEMENTAL INFORMATION

LOWNDES COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2007

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|----------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes | \$ 36,085,000 | \$ 37,612,000 | \$ 37,462,876 | \$ (149,124) |
| Licenses and permits | 140,000 | 140,000 | 174,323 | 34,323 |
| Intergovernmental revenues | 1,242,950 | 2,342,950 | 2,619,243 | 276,293 |
| Charges for services | 2,514,000 | 1,853,600 | 2,103,218 | 249,618 |
| Fines and forfeitures | 2,450,000 | 1,550,000 | 1,539,223 | (10,777) |
| Investment income | 150,000 | 150,000 | 229,439 | 79,439 |
| Miscellaneous | 535,500 | 495,500 | 463,083 | (32,417) |
| TOTAL REVENUES | 43,117,450 | 44,144,050 | 44,591,405 | 447,355 |
| EXPENDITURES: | | | | |
| GENERAL GOVERNMENT | | | | |
| Board of Commissioners | | | | |
| Personal services | 72,031 | 79,931 | 80,123 | 192 |
| Supplies | 11,600 | 74,600 | 73,445 | (1,155) |
| Other services and charges | 51,369 | 70,669 | 71,604 | 935 |
| Capital outlay | - | - | - | - |
| | <u>135,000</u> | <u>225,200</u> | <u>225,172</u> | <u>(28)</u> |
| County Manager | | | | |
| Personal services | 544,317 | 610,817 | 610,193 | (624) |
| Supplies | 4,422 | 15,722 | 16,194 | 472 |
| Other services and charges | 47,060 | 73,360 | 73,587 | 227 |
| Capital outlay | - | 4,500 | 4,424 | (76) |
| | <u>595,799</u> | <u>704,399</u> | <u>704,398</u> | <u>(1)</u> |
| Board of Elections | | | | |
| Personal services | 271,996 | 239,996 | 240,056 | 60 |
| Supplies | 23,697 | 23,697 | 24,728 | 1,031 |
| Other services and charges | 243,335 | 239,335 | 238,440 | (895) |
| Capital outlay | 12,000 | 8,000 | 6,016 | (1,984) |
| | <u>551,028</u> | <u>511,028</u> | <u>509,240</u> | <u>(1,788)</u> |
| Risk Manager | | | | |
| Personal services | 84,811 | 84,811 | 85,010 | 199 |
| Supplies | 655 | 655 | 318 | (337) |
| Other services and charges | 31,966 | 30,966 | 31,101 | 135 |
| | <u>117,432</u> | <u>116,432</u> | <u>116,429</u> | <u>(3)</u> |
| County Attorney | | | | |
| Other services and charges | 275,000 | 359,000 | 358,916 | (84) |
| | <u>275,000</u> | <u>359,000</u> | <u>358,916</u> | <u>(84)</u> |

See accompanying note to budgetary comparison schedules.

LOWNDES COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2007

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|---------------------------------|------------------|----------------|----------------|---|
| | Original | Final | | |
| Finance | | | | |
| Personal services | 362,592 | 362,592 | 329,408 | (33,184) |
| Supplies | 3,670 | 3,670 | 5,846 | 2,176 |
| Other services and charges | 124,064 | 147,064 | 179,477 | 32,413 |
| Capital outlay | 1,800 | 1,800 | - | (1,800) |
| | <u>492,126</u> | <u>515,126</u> | <u>514,731</u> | <u>(395)</u> |
| Human Resources | | | | |
| Personal services | 266,711 | 214,711 | 207,266 | (7,445) |
| Supplies | 2,500 | 2,500 | 5,894 | 3,394 |
| Other services and charges | 51,865 | 51,865 | 55,409 | 3,544 |
| Capital outlay | - | - | - | - |
| | <u>321,076</u> | <u>269,076</u> | <u>268,569</u> | <u>(507)</u> |
| Information Technology Services | | | | |
| Personal services | 265,632 | 265,632 | 256,743 | (8,889) |
| Supplies | 10,979 | 54,479 | 61,588 | 7,109 |
| Other services and charges | 383,065 | 383,065 | 386,883 | 3,818 |
| Capital outlay | 115,000 | 115,000 | 112,021 | (2,979) |
| | <u>774,676</u> | <u>818,176</u> | <u>817,235</u> | <u>(941)</u> |
| General Facilities | | | | |
| Supplies | 10,000 | 10,000 | 16,254 | 6,254 |
| Other services and charges | 102,513 | 139,513 | 132,428 | (7,085) |
| Capital outlay | 119,000 | 157,000 | 157,589 | 589 |
| | <u>231,513</u> | <u>306,513</u> | <u>306,271</u> | <u>(242)</u> |
| Tax Commissioner | | | | |
| Personal services | 796,020 | 814,420 | 808,979 | (5,441) |
| Supplies | 6,683 | 15,683 | 24,703 | 9,020 |
| Other services and charges | 106,946 | 113,946 | 113,991 | 45 |
| Capital outlay | 4,505 | 4,505 | 157 | (4,348) |
| | <u>914,154</u> | <u>948,554</u> | <u>947,830</u> | <u>(724)</u> |

See accompanying note to budgetary comparison schedules.

LOWNDES COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2007

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|-----------------------------------|-------------------------|--------------------------|--------------------------|---|
| | Original | Final | | |
| Board of Assessors | | | | |
| Personal services | 944,352 | 938,352 | 918,653 | (19,699) |
| Supplies | 9,463 | 9,463 | 10,051 | 588 |
| Other services and charges | 167,380 | 167,380 | 161,463 | (5,917) |
| Capital outlay | 5,000 | 5,000 | 30,000 | 25,000 |
| | <u>1,126,195</u> | <u>1,120,195</u> | <u>1,120,167</u> | <u>(28)</u> |
| Facilities Maintenance | | | | |
| Personal services | 714,294 | 659,794 | 664,856 | 5,062 |
| Supplies | 21,630 | 18,630 | 15,693 | (2,937) |
| Other services and charges | 1,571,439 | 2,000,439 | 2,052,055 | 51,616 |
| Capital outlay | 165,100 | 141,100 | 83,986 | (57,114) |
| | <u>2,472,463</u> | <u>2,819,963</u> | <u>2,816,590</u> | <u>(3,373)</u> |
| Engineering | | | | |
| Personal services | 702,839 | 625,839 | 610,562 | (15,277) |
| Supplies | 7,508 | 15,508 | 26,795 | 11,287 |
| Other services and charges | 104,825 | 87,225 | 86,588 | (637) |
| Capital outlay | 35,000 | 20,000 | 23,712 | 3,712 |
| | <u>850,172</u> | <u>748,572</u> | <u>747,657</u> | <u>(915)</u> |
| Contingency | | | | |
| Other services and charges | 865,185 | 1,454,185 | 1,453,428 | (757) |
| | <u>865,185</u> | <u>1,454,185</u> | <u>1,453,428</u> | <u>(757)</u> |
| South Ga RDC | | | | |
| Other services and charges | 61,854 | 61,854 | 61,854 | - |
| | <u>61,854</u> | <u>61,854</u> | <u>61,854</u> | <u>-</u> |
| Total - General Government | <u>9,783,673</u> | <u>10,978,273</u> | <u>10,968,487</u> | <u>(9,786)</u> |

See accompanying note to budgetary comparison schedules.

LOWNDES COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2007

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| JUDICIAL | | | | |
| Superior Court | | | | |
| Personal services | 278,317 | 278,317 | 295,093 | 16,776 |
| Supplies | 3,050 | 3,050 | 1,480 | (1,570) |
| Other services and charges | 78,133 | 65,133 | 49,735 | (15,398) |
| | <u>359,500</u> | <u>346,500</u> | <u>346,308</u> | <u>(192)</u> |
| Clerk of Court | | | | |
| Personal services | 728,717 | 729,717 | 731,341 | 1,624 |
| Supplies | 10,441 | 10,441 | 10,839 | 398 |
| Other services and charges | 398,530 | 325,830 | 321,619 | (4,211) |
| Capital outlay | - | - | - | - |
| | <u>1,137,688</u> | <u>1,065,988</u> | <u>1,063,799</u> | <u>(2,189)</u> |
| District Attorney | | | | |
| Other services and charges | 393,702 | 404,002 | 403,945 | (57) |
| | <u>393,702</u> | <u>404,002</u> | <u>403,945</u> | <u>(57)</u> |
| District Court Administrator | | | | |
| Other services and charges | 4,613 | 4,613 | 4,613 | - |
| | <u>4,613</u> | <u>4,613</u> | <u>4,613</u> | <u>-</u> |
| State Court | | | | |
| Personal services | 416,927 | 527,927 | 562,026 | 34,099 |
| Supplies | 3,538 | 3,838 | 6,093 | 2,255 |
| Other services and charges | 193,800 | 152,400 | 115,669 | (36,731) |
| Capital outlay | 1,250 | 2,350 | 1,784 | (566) |
| | <u>615,515</u> | <u>686,515</u> | <u>685,572</u> | <u>(943)</u> |

See accompanying note to budgetary comparison schedules.

LOWNDES COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2007

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|----------------------------|-------------------------|-------------------------|-------------------------|---|
| | Original | Final | | |
| Magistrate Court | | | | |
| Personal services | 497,591 | 504,591 | 501,844 | (2,747) |
| Supplies | 6,950 | 6,950 | 13,956 | 7,006 |
| Other services and charges | 45,689 | 50,189 | 57,630 | 7,441 |
| Capital outlay | 15,000 | 15,000 | 3,126 | (11,874) |
| | <u>565,230</u> | <u>576,730</u> | <u>576,556</u> | <u>(174)</u> |
| Probate Court | | | | |
| Personal services | 283,367 | 298,867 | 301,147 | 2,280 |
| Supplies | 2,750 | 2,750 | 6,805 | 4,055 |
| Other services and charges | 55,836 | 55,836 | 53,057 | (2,779) |
| Capital outlay | 6,700 | 6,700 | 3,144 | (3,556) |
| | <u>348,653</u> | <u>364,153</u> | <u>364,153</u> | <u>-</u> |
| Juvenile Court | | | | |
| Personal services | 93,337 | 93,337 | 91,906 | (1,431) |
| Supplies | 750 | 750 | 352 | (398) |
| Other services and charges | 18,113 | 30,413 | 32,208 | 1,795 |
| | <u>112,200</u> | <u>124,500</u> | <u>124,466</u> | <u>(34)</u> |
| Probation | | | | |
| Personal services | 76,383 | 77,383 | 77,338 | (45) |
| Supplies | 2,550 | 2,550 | 1,553 | (997) |
| Other services and charges | 9,270 | 15,370 | 16,312 | 942 |
| | <u>88,203</u> | <u>95,303</u> | <u>95,203</u> | <u>(100)</u> |
| Circuit Public Defender | | | | |
| Other services and charges | 600,000 | 779,000 | 778,982 | (18) |
| | <u>600,000</u> | <u>779,000</u> | <u>778,982</u> | <u>(18)</u> |
| Total - Judicial | <u>4,225,304</u> | <u>4,447,304</u> | <u>4,443,597</u> | <u>(3,707)</u> |
| PUBLIC SAFETY | | | | |
| Sheriff | | | | |
| Personal services | 9,489,415 | 9,667,215 | 9,420,995 | (246,220) |
| Supplies | 151,550 | 151,550 | 169,401 | 17,851 |
| Other services and charges | 3,412,539 | 3,569,539 | 3,741,149 | 171,610 |
| Capital outlay | 410,000 | 410,000 | 464,477 | 54,477 |
| | <u>13,463,504</u> | <u>13,798,304</u> | <u>13,796,022</u> | <u>(2,282)</u> |

See accompanying note to budgetary comparison schedules.

LOWNDES COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2007

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|------------------------------|--------------------------|--------------------------|--------------------------|---|
| | Original | Final | | |
| Fire/Rescue | | | | |
| Personal services | 475,967 | 475,967 | 500,248 | 24,281 |
| Supplies | 376,792 | 376,792 | 294,202 | (82,590) |
| Other services and charges | 859,741 | 959,741 | 1,141,194 | 181,453 |
| Capital outlay | 287,500 | 394,500 | 270,838 | (123,662) |
| | <u>2,000,000</u> | <u>2,207,000</u> | <u>2,206,482</u> | <u>(518)</u> |
| Animal Control | | | | |
| Personal services | 430,404 | 416,404 | 385,761 | (30,643) |
| Supplies | 23,653 | 23,653 | 27,199 | 3,546 |
| Other services and charges | 165,850 | 165,850 | 192,557 | 26,707 |
| Capital outlay | - | - | - | - |
| | <u>619,907</u> | <u>605,907</u> | <u>605,517</u> | <u>(390)</u> |
| Emergency Medical Services | | | | |
| Other services and charges | 854,966 | 854,966 | 929,966 | 75,000 |
| Capital outlay | 75,000 | 75,000 | - | (75,000) |
| | <u>929,966</u> | <u>929,966</u> | <u>929,966</u> | <u>-</u> |
| Coroner | | | | |
| Personal services | 66,492 | 45,492 | 45,394 | (98) |
| Supplies | 3,300 | 300 | 1,404 | 1,104 |
| Other services and charges | 13,708 | 13,708 | 12,495 | (1,213) |
| | <u>83,500</u> | <u>59,500</u> | <u>59,293</u> | <u>(207)</u> |
| Total - Public Safety | <u>17,096,877</u> | <u>17,600,677</u> | <u>17,597,280</u> | <u>(3,397)</u> |

See accompanying note to budgetary comparison schedules.

LOWNDES COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2007

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|-----------------------------|-------------------------|-------------------------|-------------------------|---|
| | Original | Final | | |
| PUBLIC WORKS | | | | |
| Administration | | | | |
| Personal services | 208,019 | 271,019 | 270,085 | (934) |
| Supplies | 5,018 | 5,018 | 7,682 | 2,664 |
| Other services and charges | 17,242 | 51,242 | 49,858 | (1,384) |
| Capital outlay | 1,155 | 1,155 | 585 | (570) |
| | <u>231,434</u> | <u>328,434</u> | <u>328,210</u> | <u>(224)</u> |
| Road Maintenance | | | | |
| Personal services | 1,507,563 | 1,439,563 | 1,462,242 | 22,679 |
| Supplies | 268,558 | 268,558 | 294,357 | 25,799 |
| Other services and charges | 901,497 | 857,797 | 819,488 | (38,309) |
| Capital outlay | 466,233 | 466,233 | 455,486 | (10,747) |
| | <u>3,143,851</u> | <u>3,032,151</u> | <u>3,031,573</u> | <u>(578)</u> |
| Road Construction | | | | |
| Personal services | 475,856 | 425,856 | 388,041 | (37,815) |
| Supplies | 5,907 | 5,907 | 7,111 | 1,204 |
| Other services and charges | 296,376 | 296,376 | 324,411 | 28,035 |
| Capital outlay | 332,740 | 276,740 | 285,298 | 8,558 |
| | <u>1,110,879</u> | <u>1,004,879</u> | <u>1,004,861</u> | <u>(18)</u> |
| Traffic Signals | | | | |
| Supplies | 3,000 | 3,000 | 2,344 | (656) |
| Other services and charges | 184,100 | 150,100 | 151,070 | 970 |
| Capital outlay | 6,000 | 6,000 | 5,188 | (812) |
| | <u>193,100</u> | <u>159,100</u> | <u>158,602</u> | <u>(498)</u> |
| Mosquito Control | | | | |
| Supplies | 200 | 200 | - | (200) |
| Other services and charges | 62,700 | 58,200 | 58,278 | 78 |
| | <u>62,900</u> | <u>58,400</u> | <u>58,278</u> | <u>(122)</u> |
| Sanitation | | | | |
| Personal services | 602,229 | - | - | - |
| Supplies | 96,050 | - | - | - |
| Other services and charges | 501,721 | - | - | - |
| Capital outlay | 50,000 | - | - | - |
| | <u>1,250,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total - Public Works | <u>5,992,164</u> | <u>4,582,964</u> | <u>4,581,524</u> | <u>(1,440)</u> |

See accompanying note to budgetary comparison schedules.

LOWNDES COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2007

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|-----------------------------------|-----------------------|-----------------------|-----------------------|---|
| | Original | Final | | |
| HEALTH AND WELFARE | | | | |
| Feed The Elderly | | | | |
| Other services and charges | <u>17,200</u> | <u>23,600</u> | <u>23,511</u> | <u>(89)</u> |
| | <u>17,200</u> | <u>23,600</u> | <u>23,511</u> | <u>(89)</u> |
| The Haven | | | | |
| Other services and charges | <u>5,000</u> | <u>5,000</u> | <u>5,000</u> | <u>-</u> |
| | <u>5,000</u> | <u>5,000</u> | <u>5,000</u> | <u>-</u> |
| Mental Health Department | | | | |
| Other services and charges | <u>106,300</u> | <u>106,300</u> | <u>106,300</u> | <u>-</u> |
| | <u>106,300</u> | <u>106,300</u> | <u>106,300</u> | <u>-</u> |
| Public Health Department | | | | |
| Other services and charges | <u>365,000</u> | <u>365,800</u> | <u>365,772</u> | <u>(28)</u> |
| | <u>365,000</u> | <u>365,800</u> | <u>365,772</u> | <u>(28)</u> |
| Extension Services | | | | |
| Personal services | - | - | 702 | 702 |
| Supplies | 4,350 | 4,350 | 4,973 | 623 |
| Other services and charges | 165,650 | 179,750 | 180,326 | 576 |
| Capital outlay | <u>2,500</u> | <u>2,500</u> | <u>532</u> | <u>(1,968)</u> |
| | <u>172,500</u> | <u>186,600</u> | <u>186,533</u> | <u>(67)</u> |
| Family Services | | | | |
| Other services and charges | <u>104,800</u> | <u>104,800</u> | <u>104,800</u> | <u>-</u> |
| | <u>104,800</u> | <u>104,800</u> | <u>104,800</u> | <u>-</u> |
| Total - Health and Welfare | <u>770,800</u> | <u>792,100</u> | <u>791,916</u> | <u>(184)</u> |

See accompanying note to budgetary comparison schedules.

LOWNDES COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2007

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|---|-------------------------|-------------------------|-------------------------|---|
| | Original | Final | | |
| CULTURE AND RECREATION | | | | |
| Parks and Recreation | | | | |
| Other services and charges | <u>3,000,000</u> | <u>2,911,000</u> | <u>2,910,494</u> | <u>(506)</u> |
| | <u>3,000,000</u> | <u>2,911,000</u> | <u>2,910,494</u> | <u>(506)</u> |
| Chambers of Commerce | | | | |
| Other services and charges | <u>22,500</u> | <u>22,500</u> | <u>22,500</u> | <u>-</u> |
| | <u>22,500</u> | <u>22,500</u> | <u>22,500</u> | <u>-</u> |
| Libraries | | | | |
| Other services and charges | <u>998,700</u> | <u>998,700</u> | <u>998,700</u> | <u>-</u> |
| | <u>998,700</u> | <u>998,700</u> | <u>998,700</u> | <u>-</u> |
| Arts Commission | | | | |
| Other services and charges | <u>55,000</u> | <u>95,000</u> | <u>95,000</u> | <u>-</u> |
| | <u>55,000</u> | <u>95,000</u> | <u>95,000</u> | <u>-</u> |
| Moody Support Group | | | | |
| Other services and charges | <u>75,000</u> | <u>75,000</u> | <u>75,000</u> | <u>-</u> |
| | <u>75,000</u> | <u>75,000</u> | <u>75,000</u> | <u>-</u> |
| Historical Society | | | | |
| Other services and charges | <u>25,000</u> | <u>25,000</u> | <u>25,000</u> | <u>-</u> |
| | <u>25,000</u> | <u>25,000</u> | <u>25,000</u> | <u>-</u> |
| Southside Recreation | | | | |
| Other services and charges | <u>15,000</u> | <u>15,000</u> | <u>15,000</u> | <u>-</u> |
| | <u>15,000</u> | <u>15,000</u> | <u>15,000</u> | <u>-</u> |
| Boys and Girls Club | | | | |
| Other services and charges | <u>50,000</u> | <u>50,000</u> | <u>50,000</u> | <u>-</u> |
| | <u>50,000</u> | <u>50,000</u> | <u>50,000</u> | <u>-</u> |
| Total - Culture & Recreation | <u>4,241,200</u> | <u>4,192,200</u> | <u>4,191,694</u> | <u>(506)</u> |

See accompanying note to budgetary comparison schedules.

LOWNDES COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2007

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|--|--------------------------|--------------------------|--------------------------|---|
| | Original | Final | | |
| HOUSING AND DEVELOPMENT | | | | |
| Equalization Board | | | | |
| Other services and charges | 5,000 | 20,000 | 19,737 | (263) |
| | <u>5,000</u> | <u>20,000</u> | <u>19,737</u> | <u>(263)</u> |
| Division of Planning | | | | |
| Other services and charges | 100,000 | 116,100 | 116,050 | (50) |
| | <u>100,000</u> | <u>116,100</u> | <u>116,050</u> | <u>(50)</u> |
| VALOR/GIS | | | | |
| Other services and charges | 177,332 | 177,332 | 177,332 | - |
| | <u>177,332</u> | <u>177,332</u> | <u>177,332</u> | <u>-</u> |
| Economic Development | | | | |
| Other services and charges | 84,600 | 84,600 | 84,600 | - |
| | <u>84,600</u> | <u>84,600</u> | <u>84,600</u> | <u>-</u> |
| Zoning Administration | | | | |
| Personal services | 129,220 | 105,220 | 42,100 | (63,120) |
| Supplies | 1,500 | 1,500 | 3,281 | 1,781 |
| Other services and charges | 24,280 | 24,280 | 85,051 | 60,771 |
| | <u>155,000</u> | <u>131,000</u> | <u>130,432</u> | <u>(568)</u> |
| Total - Housing & Development | <u>521,932</u> | <u>529,032</u> | <u>528,151</u> | <u>(881)</u> |
| TOTAL EXPENDITURES | <u>42,631,950</u> | <u>43,122,550</u> | <u>43,102,649</u> | <u>(19,901)</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | 485,500 | 1,021,500 | 1,488,756 | 467,256 |
| OTHER FINANCING SOURCES (USES) TRANSFERS (OUT) | <u>(485,500)</u> | <u>(1,021,500)</u> | <u>(1,001,017)</u> | <u>20,483</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | 487,739 | <u>\$ 487,739</u> |
| BEGINNING FUND BALANCE | | | <u>18,356,033</u> | |
| FUND BALANCES AT END OF YEAR - BUDGETARY BASIS | | | 18,843,772 | |
| RECONCILIATION TO GAAP BASIS: Elimination of Encumbrances | | | <u>2,011,765</u> | |
| FUND BALANCES AT END OF YEAR- GAAP BASIS | | | <u>\$ 20,855,537</u> | |

See accompanying note to budgetary comparison schedules.

LOWNDES COUNTY, GEORGIA
 911 EMERGENCY TELEPHONE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2007

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental revenues | \$ 510,208 | \$ 510,208 | \$ 775,532 | \$ 265,324 |
| Charges for services | 1,505,000 | 1,505,000 | 1,678,321 | 173,321 |
| Investment income | 10,000 | 10,000 | 135 | (9,865) |
| Miscellaneous income | 20,000 | 20,000 | 20,900 | 900 |
| TOTAL REVENUES | <u>2,045,208</u> | <u>2,045,208</u> | <u>2,474,888</u> | <u>900</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public safety | 2,530,708 | 2,530,708 | 2,314,248 | (216,460) |
| TOTAL EXPENDITURES | <u>2,530,708</u> | <u>2,530,708</u> | <u>2,314,248</u> | <u>(216,460)</u> |
| EXCESS OF REVENUES (UNDER) EXPENDITURES | (485,500) | (485,500) | 160,640 | 646,140 |
| OTHER FINANCING SOURCES | | | | |
| TRANSFERS IN | 485,500 | 485,500 | 150,549 | 334,951 |
| TOTAL OTHER FINANCING USES | <u>485,500</u> | <u>485,500</u> | <u>150,549</u> | <u>334,951</u> |
| REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | - | - | 311,189 | 311,189 |
| FUND BALANCE AT BEGINNING OF YEAR | - | - | (311,189) | (311,189) |
| FUND BALANCE AT END OF YEAR (BUDGETARY BASIS) | <u>\$ -</u> | <u>\$ -</u> | - | <u>\$ -</u> |
| RECONCILIATION TO GAAP BASIS | | | | |
| Elimination of encumbrances | | | - | |
| FUND BALANCES AT END OF YEAR (GAAP BASIS) | | | <u>\$ -</u> | |

See accompanying note to budgetary comparison schedules.

LOWNDES COUNTY, GEORGIA
 NOTES TO BUDGETARY COMPARISON SCHEDULES
 For the Year Ended June 30, 2007

Note 1 - Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the Budgetary Basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual for the general and major special revenue funds are presented on the Budgetary Basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP Basis are as follows:

1. Encumbrances are treated as expenditures (Budgetary Basis) rather than as a reservation of fund balance (GAAP Basis).

The adjustments necessary to reconcile the GAAP and Budgetary Basis are as follows:

| | Net Change in Fund Balance General Fund |
|-----------------|--|
| GAAP Basis | \$ 633,748 |
| Encumbrances | (146,009) |
| Budgetary Basis | \$ 487,739 |



COMBINING AND INDIVIDUAL FUND SCHEDULES



MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

The Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital facilities.

Capital Projects Special Sales Tax V Fund – To account for the special purpose local option sales tax that was renewed for the fifth time by referendum. The revenue is restricted to the stated purposes of the referendum.

Capital Projects Judicial Complex Fund - To account for the funds borrowed for the building of new Judicial and Administration Complex.

LOWNDES COUNTY, GEORGIA
 CAPITAL PROJECTS SALES TAX V FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2007

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|---|-------------------|--------------------|----------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 21,000,000 | \$ 21,000,000 | \$ 22,247,547 | \$ 1,247,547 |
| Intergovernmental | - | - | 1,005,444 | 1,005,444 |
| Investment income | 115,000 | 115,000 | 193,505 | 78,505 |
| TOTAL REVENUES | <u>21,115,000</u> | <u>21,115,000</u> | <u>23,446,496</u> | <u>2,331,496</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public works | 25,100,000 | 24,000,000 | 19,247,267 | (4,752,733) |
| TOTAL EXPENDITURES | <u>25,100,000</u> | <u>24,000,000</u> | <u>19,247,267</u> | <u>(4,752,733)</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | (3,985,000) | (2,885,000) | 4,199,229 | 7,084,229 |
| OTHER FINANCING USES | | | | |
| TRANSFERS OUT | - | (1,100,000) | (1,072,646) | (27,354) |
| TOTAL OTHER FINANCING USES | <u>-</u> | <u>(1,100,000)</u> | <u>(1,072,646)</u> | <u>(27,354)</u> |
| REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | (3,985,000) | (3,985,000) | 3,126,583 | 7,111,583 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>3,985,000</u> | <u>3,985,000</u> | <u>13,563,521</u> | <u>9,578,521</u> |
| FUND BALANCE AT END OF YEAR (BUDGETARY BASIS) | <u>\$ -</u> | <u>\$ -</u> | 16,690,104 | <u>\$ 16,690,104</u> |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Elimination of encumbrances | | | - | |
| FUND BALANCES AT END OF YEAR (GAAP BASIS) | | | <u>\$ 16,690,104</u> | |

See accompanying note to budgetary comparison schedules.

LOWNDES COUNTY, GEORGIA
 CAPITAL PROJECTS JUDICIAL COMPLEX FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2007

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|--|------------------|------------------|----------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Investment income | \$ - | \$ 900,000 | \$ 829,897 | \$ (70,103) |
| TOTAL REVENUES | <u>-</u> | <u>900,000</u> | <u>829,897</u> | <u>(70,103)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Judicial | - | 4,500,000 | 4,379,094 | (120,906) |
| TOTAL EXPENDITURES | <u>-</u> | <u>4,500,000</u> | <u>4,379,094</u> | <u>(120,906)</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | - | (3,600,000) | (3,549,197) | 50,803 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>-</u> | <u>3,600,000</u> | <u>14,794,436</u> | <u>11,194,436</u> |
| FUND BALANCE AT END OF YEAR - BUDGETARY BASIS | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 11,245,239</u> | <u>\$ 11,245,239</u> |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Elimination of encumbrances | | | <u>-</u> | |
| FUND BALANCE AT END OF YEAR - GAAP BASIS | | | <u>\$ 11,245,239</u> | |

See accompanying note to budgetary comparison schedules.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted for specific purposes.

Keep Lowndes-Valdosta Beautiful – To account for funds received for educating the public and promoting a clean community.

Commissary Fund – To account for funds received through commissary services at the jail.

Seizures Special Revenue – To account for funds received through drug seizures.

Accommodation Excise Tax – To account for tax revenue accessed for hotel/motel accommodations.

Intergovernmental Grants – To account for various grants revenues received.

County Jail – To account for funds accessed with fines and designated for the operations of jails.

Drug Abuse Treatment – To account for funds accessed with fines and designated for drug abuse education and treatment programs.

Victim/Witness – To account for funds accessed with fines and designated for the assistance programs for victims and witnesses.

Law Library – To account for funds accessed with fines and designated for the maintenance of a law library.

CAPITAL PROJECT FUND

The Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital facilities.

Capital Projects Special Sales Tax III – To account for funds remaining from the third special purpose local option sales tax.

Capital Projects Special Sales Tax IV Fund – To account for the special purpose local option sales tax that was renewed for the fifth time by referendum. The revenue is restricted to the stated purposes of the referendum.

LOWNDES COUNTY, GEORGIA
 ALL NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 June 30, 2007

| | Total Nonmajor Special Revenue | Nonmajor Capital Projects | Total Nonmajor Governmental |
|---|-----------------------------------|------------------------------|--------------------------------|
| | <u>Funds</u> | <u>Funds</u> | <u>Funds</u> |
| ASSETS | | | |
| Equity in pooled cash and cash equivalents | \$ 620,969 | \$ - | \$ 620,969 |
| Cash and cash equivalents in segregated accounts | 1,232,660 | 798,162 | 2,030,822 |
| Certificate of deposit | 556,678 | - | 556,678 |
| Government investment pool | 52,474 | 1,567,407 | 1,619,881 |
| Receivables (net of allowance for doubtful accounts): | | | |
| Accounts | 418,749 | - | 418,749 |
| Due from other governments | 45,398 | - | 45,398 |
| Interfund receivable | 172,796 | 6,320 | 179,116 |
| | <u>3,099,724</u> | <u>2,371,889</u> | <u>5,471,613</u> |
| TOTAL ASSETS | \$ 3,099,724 | \$ 2,371,889 | \$ 5,471,613 |
| LIABILITIES AND FUND BALANCE | | | |
| Liabilities | | | |
| Accounts payable | \$ 202,695 | \$ 37,435 | \$ 240,130 |
| Accrued wages | 12,008 | - | 12,008 |
| Interfund payable | 465,345 | - | 465,345 |
| Deferred revenue | 47,401 | - | 47,401 |
| | <u>727,449</u> | <u>37,435</u> | <u>764,884</u> |
| TOTAL LIABILITIES | 727,449 | 37,435 | 764,884 |
| Fund Balance (Deficit) | | | |
| Reserved for capital projects | 114,204 | 2,334,454 | 2,448,658 |
| Reserved for jail operations | 638,349 | - | 638,349 |
| Reserved for drug enforcement operations | 1,352,750 | - | 1,352,750 |
| Reserved for law library | 390,892 | - | 390,892 |
| Reserved for tourism | 95,705 | - | 95,705 |
| Unreserved | (219,625) | - | (219,625) |
| | <u>2,372,275</u> | <u>2,334,454</u> | <u>4,706,729</u> |
| TOTAL FUND BALANCE (DEFICIT) | 2,372,275 | 2,334,454 | 4,706,729 |
| TOTAL LIABILITIES | | | |
| AND FUND BALANCE | \$ 3,099,724 | \$ 2,371,889 | \$ 5,471,613 |

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
 ALL NONMAJOR GOVERNMENTAL FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For The Year Ending June 30, 2007

| | Total Nonmajor Special Revenue Funds | Total Nonmajor Capital Project Fund | Total Nonmajor Governmental Funds |
|--|--|---|---|
| | <u> </u> | <u> </u> | <u> </u> |
| REVENUES | | | |
| Taxes | \$ 1,811,933 | \$ - | \$ 1,811,933 |
| Intergovernmental revenues | 1,280,184 | 2,747 | 1,282,931 |
| Charges for services | 285,750 | - | 285,750 |
| Fines and forfeitures | 2,117,211 | - | 2,117,211 |
| Investment income | 72,506 | 104,720 | 177,226 |
| Miscellaneous | <u>343,427</u> | <u>-</u> | <u>343,427</u> |
| TOTAL REVENUES | <u>5,911,011</u> | <u>107,467</u> | <u>6,018,479</u> |
| EXPENDITURES | | | |
| Current | | | |
| General government | | | |
| Legislative and executive | 2,397,154 | - | 2,397,154 |
| Judicial | 297,357 | - | 297,357 |
| Public safety | 1,612,316 | - | 1,612,316 |
| Public works | - | 919,074 | 919,074 |
| Health and welfare | <u>1,169,882</u> | <u>-</u> | <u>1,169,882</u> |
| TOTAL EXPENDITURES | <u>5,476,709</u> | <u>919,074</u> | <u>6,395,784</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 434,302 | (811,607) | (377,305) |
| OTHER FINANCING SOURCES: TRANSFERS IN | <u>50,000</u> | <u>(10,842)</u> | <u>39,158</u> |
| TOTAL OTHER FINANCING SOURCES | <u>50,000</u> | <u>(10,842)</u> | <u>39,158</u> |
| REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES | 484,302 | (822,449) | (338,147) |
| FUND BALANCE BEGINNING OF YEAR | <u>1,887,973</u> | <u>3,156,903</u> | <u>5,044,876</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 2,372,275</u> | <u>\$ 2,334,454</u> | <u>\$ 4,706,729</u> |

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2007

| | Keep Lowndes Valdosta <u>Beautiful</u> | Auxiliary <u>Accounts</u> | Seizures Special <u>Revenues</u> | Accommodation <u>Excise Tax</u> | Intergovern- mental <u>Grants</u> |
|---|--|------------------------------|--|------------------------------------|---|
| ASSETS | | | | | |
| Equity in pooled cash and cash equivalents | \$ 62,607 | \$ 431,550 | \$ - | \$ 56,035 | \$ - |
| Cash and cash equivalents in segregated accounts | - | - | 1,154,313 | - | - |
| Certificate of deposit | - | - | 211,066 | - | - |
| Government investment pool | 52,474 | - | - | - | - |
| Receivables (net of allowance for doubtful accounts): | | | | | |
| Accounts | - | - | - | 185,176 | 199,582 |
| Due from other governments | - | - | - | - | 45,398 |
| Interfund receivable | - | - | - | - | - |
| TOTAL ASSETS | <u>\$ 115,081</u> | <u>\$ 431,550</u> | <u>\$ 1,365,379</u> | <u>\$ 241,211</u> | <u>\$ 244,980</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts payable | \$ - | \$ 10,783 | \$ - | \$ 145,506 | \$ 7,500 |
| Accrued wages | 877 | 2,006 | - | - | - |
| Interfund payable | - | - | 12,629 | - | 190,079 |
| Deferred revenue | - | - | - | - | 47,401 |
| TOTAL LIABILITIES | <u>877</u> | <u>12,789</u> | <u>12,629</u> | <u>145,506</u> | <u>244,980</u> |
| FUND BALANCES | | | | | |
| Reserved for capital projects | 114,204 | - | - | - | - |
| Reserved for jail operations | - | 418,761 | - | - | - |
| Reserved for drug enforcement operations | - | - | 1,352,750 | - | - |
| Reserved for law library | - | - | - | - | - |
| Reserved for tourism | - | - | - | 95,705 | - |
| Unreserved | - | - | - | - | - |
| TOTAL FUND BALANCES | <u>114,204</u> | <u>418,761</u> | <u>1,352,750</u> | <u>95,705</u> | <u>-</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 115,081</u> | <u>\$ 431,550</u> | <u>\$ 1,365,379</u> | <u>\$ 241,211</u> | <u>\$ 244,980</u> |

See independent auditors' report.

| <u>Jail</u> <u>Operations</u> | <u>Drug</u> <u>Abuse</u> <u>Treatment</u> | <u>Victim</u> <u>Witness</u> | <u>Law</u> <u>Library</u> | <u>Total</u> |
|----------------------------------|---|---------------------------------|------------------------------|---------------------|
| \$ 70,777 | | \$ - | \$ - | \$ 620,969 |
| - | 33,067 | - | 45,280 | 1,232,660 |
| - | - | - | 345,612 | 556,678 |
| - | - | - | - | 52,474 |
| 12,451 | - | 21,540 | - | 418,749 |
| - | - | - | - | 45,398 |
| <u>172,796</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>172,796</u> |
| <u>\$ 256,024</u> | <u>\$ 33,067</u> | <u>\$ 21,540</u> | <u>\$ 390,892</u> | <u>\$ 3,099,724</u> |
| | | | | |
| \$ 35,600 | \$ 3,229 | \$ 77 | \$ - | \$ 202,695 |
| 836 | 7,024 | 1,265 | - | 12,008 |
| - | 190,587 | 72,050 | - | 465,345 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>47,401</u> |
| | | | | |
| <u>36,436</u> | <u>200,840</u> | <u>73,392</u> | <u>-</u> | <u>727,449</u> |
| | | | | |
| - | - | - | - | 114,204 |
| 219,588 | - | - | - | 638,349 |
| - | - | - | - | 1,352,750 |
| - | - | - | 390,892 | 390,892 |
| - | - | - | - | 95,705 |
| <u>-</u> | <u>(167,773)</u> | <u>(51,852)</u> | <u>-</u> | <u>(219,625)</u> |
| | | | | |
| <u>219,588</u> | <u>(167,773)</u> | <u>(51,852)</u> | <u>390,892</u> | <u>2,372,275</u> |
| | | | | |
| <u>\$ 256,024</u> | <u>\$ 33,067</u> | <u>\$ 21,540</u> | <u>\$ 390,892</u> | <u>\$ 3,099,724</u> |

LOWNDES COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Year Ending June 30, 2007

| | Keep Lowndes Valdosta <u>Beautiful</u> | <u>Commissary</u> | Drug Seizures <u>Patrol</u> | Accommodation <u>Excise Tax</u> | Intergovern- mental <u>Grants</u> |
|---|--|-------------------|--------------------------------|------------------------------------|---|
| REVENUES | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 1,811,933 | \$ - |
| Intergovernmental revenues | - | - | - | - | 1,280,184 |
| Charges for services | - | 285,750 | - | - | - |
| Fines and forfeitures | - | - | 944,594 | - | - |
| Investment income | 2,702 | - | 41,682 | - | - |
| Miscellaneous | 350 | 307,056 | 30,900 | 5,121 | - |
| TOTAL REVENUES | <u>3,052</u> | <u>592,806</u> | <u>1,017,176</u> | <u>1,817,054</u> | <u>1,280,184</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General Government | | | | | |
| Legislative and executive | - | - | - | 1,834,773 | 562,381 |
| Judicial | - | - | - | - | - |
| Public safety | - | 627,220 | 205,200 | - | - |
| Public works | - | - | - | - | - |
| Health and welfare | 52,605 | - | - | - | 717,803 |
| TOTAL EXPENDITURES | <u>52,605</u> | <u>627,220</u> | <u>205,200</u> | <u>1,834,773</u> | <u>1,280,184</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (49,553) | (34,414) | 811,976 | (17,719) | - |
| OTHER FINANCING SOURCES (USES): | | | | | |
| TRANSFERS IN | 50,000 | - | - | - | - |
| TRANSFER OUT | - | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>50,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | 447 | (34,414) | 811,976 | (17,719) | - |
| BEGINNING FUND BALANCE | <u>113,757</u> | <u>453,175</u> | <u>540,774</u> | <u>113,424</u> | <u>-</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 114,204</u> | <u>\$ 418,761</u> | <u>\$ 1,352,750</u> | <u>\$ 95,705</u> | <u>\$ -</u> |

See independent auditors' report.

| <u>Jail</u> <u>Operations</u> | <u>Drug</u> <u>Abuse</u> <u>Treatment</u> | <u>Victim</u> <u>Witness</u> | <u>Law</u> <u>Library</u> | <u>Total</u> |
|----------------------------------|---|---------------------------------|------------------------------|------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 1,811,933 |
| - | - | - | - | 1,280,184 |
| - | - | - | - | 285,750 |
| 516,242 | 286,640 | 306,608 | 63,127 | 2,117,211 |
| - | - | - | 28,122 | 72,506 |
| - | - | - | - | 343,427 |
| <u>516,242</u> | <u>286,640</u> | <u>306,608</u> | <u>91,249</u> | <u>5,911,011</u> |

| | | | | |
|----------------|----------------|----------------|---------------|------------------|
| - | - | - | - | 2,397,154 |
| - | - | 219,248 | 78,109 | 297,357 |
| 779,896 | - | - | - | 1,612,316 |
| - | - | - | - | - |
| - | 341,474 | 58,000 | - | 1,169,882 |
| <u>779,896</u> | <u>341,474</u> | <u>277,248</u> | <u>78,109</u> | <u>5,476,709</u> |

| | | | | |
|-----------|----------|--------|--------|---------|
| (263,654) | (54,834) | 29,360 | 13,140 | 434,302 |
| - | - | - | - | 50,000 |
| - | - | - | - | - |
| - | - | - | - | 50,000 |

| | | | | |
|-------------------|---------------------|--------------------|-------------------|---------------------|
| (263,654) | (54,834) | 29,360 | 13,140 | 484,302 |
| <u>483,242</u> | <u>(112,939)</u> | <u>(81,212)</u> | <u>377,752</u> | <u>1,887,973</u> |
| <u>\$ 219,588</u> | <u>\$ (167,773)</u> | <u>\$ (51,852)</u> | <u>\$ 390,892</u> | <u>\$ 2,372,275</u> |

LOWNDES COUNTY, GEORGIA

KEEP LOWNDES VALDOSTA BEAUTIFUL
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2007

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|--|------------------|----------|------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Investment income | \$ - | \$ 3,000 | \$ 2,702 | \$ (298) |
| Miscellaneous | - | - | 350 | 350 |
| TOTAL REVENUES | - | 3,000 | 3,052 | 52 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health and welfare | 50,000 | 53,000 | 52,605 | (395) |
| TOTAL EXPENDITURES | 50,000 | 53,000 | 52,605 | (395) |
| EXCESS OF REVENUES (UNDER) EXPENDITURES | (50,000) | (50,000) | (49,553) | 447 |
| OTHER FINANCING SOURCES (USES) | | | | |
| TRANSFER IN | 50,000 | 50,000 | 50,000 | - |
| TOTAL OTHER FINANCING SOURCES (USES) | 50,000 | 50,000 | 50,000 | - |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | - | - | 447 | 447 |
| FUND BALANCE AT BEGINNING OF YEAR | - | - | 113,757 | 113,757 |
| FUND BALANCE AT END OF YEAR - BUDGETARY BASIS | \$ - | \$ - | \$ 114,204 | \$ 114,204 |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Elimination of encumbrances | | | - | |
| FUND BALANCE AT END OF YEAR - GAAP BASIS | | | \$ 114,204 | |

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
 COMMISSARY FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance With |
|--|-------------------------|-------------------|-------------------|---------------------|
| | <u>Original</u> | <u>Final</u> | | Final Budget |
| | | | | <u>Over (Under)</u> |
| REVENUES | | | | |
| Charges for services | \$ 215,000 | \$ 298,000 | \$ 285,750 | \$ (12,250) |
| Miscellaneous | <u>250,000</u> | <u>330,000</u> | <u>307,056</u> | <u>(22,944)</u> |
| TOTAL REVENUES | 465,000 | 628,000 | 592,806 | (35,194) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | <u>465,000</u> | <u>628,000</u> | <u>627,220</u> | <u>(780)</u> |
| TOTAL EXPENDITURES | 465,000 | 628,000 | 627,220 | (780) |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | - | - | (34,414) | (34,414) |
| FUND BALANCE AT BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>453,175</u> | <u>453,175</u> |
| FUND BALANCE AT END OF YEAR - BUDGETARY BASIS | <u>\$ 625,735</u> | <u>\$ 625,735</u> | \$ 418,761 | <u>\$ 418,761</u> |
| RECONCILIATION TO GAAP BASIS: Elimination of encumbrances | | | <u>-</u> | |
| FUND BALANCE AT END OF YEAR - GAAP BASIS | | | <u>\$ 418,761</u> | |

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
 SEIZURES SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2007

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|--|------------------|-----------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Fines and forfeitures | \$ - | \$ 250,000 | \$ 944,594 | \$ 694,594 |
| Investment income | 4,000 | 4,000 | 41,682 | 37,682 |
| Miscellaneous | - | - | 30,900 | 30,900 |
| TOTAL REVENUES | 4,000 | 254,000 | 1,017,176 | 763,176 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | - | 250,000 | 205,200 | (44,800) |
| TOTAL EXPENDITURES | - | 250,000 | 205,200 | (44,800) |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 4,000 | 4,000 | 811,976 | 807,976 |
| FUND BALANCE AT BEGINNING OF YEAR | - | - | 540,774 | 540,774 |
| FUND BALANCE AT END OF YEAR - BUDGETARY BASIS | \$ 4,000 | \$ 4,000 | \$ 1,352,750 | \$ 1,348,750 |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Elimination of encumbrances | | | - | |
| FUND BALANCE AT END OF YEAR - GAAP BASIS | | | \$ 1,352,750 | |

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
 ACCOMODATION EXCISE TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2007

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|--|------------------|--------------|--------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 1,850,000 | \$ 1,850,000 | \$ 1,811,933 | \$ (38,067) |
| Miscellaneous | - | - | 5,121 | 5,121 |
| TOTAL REVENUES | 1,850,000 | 1,850,000 | 1,817,054 | (32,946) |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 1,850,000 | 1,850,000 | 1,834,773 | (15,227) |
| TOTAL EXPENDITURES | 1,850,000 | 1,850,000 | 1,834,773 | (15,227) |
| EXCESS OF REVENUES OVER EXPENDITURES | - | - | (17,719) | (17,719) |
| FUND BALANCE AT BEGINNING OF YEAR | - | - | 113,424 | 113,424 |
| FUND BALANCE AT END OF YEAR - BUDGETARY BASIS | \$ - | \$ - | \$ 95,705 | \$ 95,705 |
| RECONCILIATION TO GAAP BASIS: Elimination of encumbrances | | | - | |
| FUND BALANCE AT END OF YEAR - GAAP BASIS | | | \$ 95,705 | |

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
 INTERGOVERNMENTAL GRANT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2007

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|--|------------------|--------------|--------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental revenues | \$ - | \$ 1,300,000 | \$ 1,280,184 | \$ (19,816) |
| TOTAL REVENUES | - | 1,300,000 | 1,280,184 | (19,816) |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | | | | |
| Legislative and executive | - | 570,000 | 562,381 | (7,619) |
| Health and welfare | - | 730,000 | 717,803 | (12,197) |
| TOTAL EXPENDITURES | - | 1,300,000 | 1,280,184 | (19,816) |
| EXCESS OF REVENUES (UNDER) EXPENDITURES | | | | |
| | - | - | - | - |
| FUND BALANCE AT BEGINNING OF YEAR | | | | |
| | - | - | - | - |
| FUND BALANCE AT END OF YEAR - BUDGETARY BASIS | | | | |
| | \$ - | \$ - | \$ - | \$ - |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Elimination of encumbrances | | | | |
| | | | - | |
| FUND BALANCE AT END OF YEAR - GAAP BASIS | | | | |
| | | | \$ - | |

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
 COUNTY JAIL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget Over (Under)</u> |
|--|-------------------------|----------------|-------------------|--|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Fines and forfeitures | \$ 500,000 | \$ 500,000 | \$ 516,242 | \$ 16,242 |
| TOTAL REVENUES | 500,000 | 500,000 | 516,242 | 16,242 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 592,403 | 790,403 | 779,896 | (10,507) |
| TOTAL EXPENDITURES | 592,403 | 790,403 | 779,896 | (10,507) |
| EXCESS OF REVENUES OVER EXPENDITURES | (92,403) | (290,403) | (263,654) | 26,749 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>92,403</u> | <u>290,403</u> | <u>483,242</u> | <u>192,839</u> |
| FUND BALANCE AT END OF YEAR - BUDGETARY BASIS | <u>\$ -</u> | <u>\$ -</u> | \$ 219,588 | <u>\$ 219,588</u> |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Elimination of encumbrances | | | <u>-</u> | |
| FUND BALANCE AT END OF YEAR - GAAP BASIS | | | <u>\$ 219,588</u> | |

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
 DRUG ABUSE TREATMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2007

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|--|------------------|------------|--------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Fines and forfeitures | \$ 385,000 | \$ 385,000 | \$ 286,640 | \$ (98,360) |
| TOTAL REVENUES | 385,000 | 385,000 | 286,640 | (98,360) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health and welfare | 393,458 | 393,458 | 341,474 | (51,984) |
| TOTAL EXPENDITURES | 393,458 | 393,458 | 341,474 | (51,984) |
| EXCESS OF REVENUES (UNDER) EXPENDITURES | (8,458) | (8,458) | (54,834) | (46,376) |
| FUND BALANCE AT BEGINNING OF YEAR | - | - | (112,939) | (112,939) |
| FUND BALANCE AT END OF YEAR - BUDGETARY BASIS | \$ (8,458) | \$ (8,458) | \$ (167,773) | \$ (159,315) |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Elimination of encumbrances | | | - | |
| FUND BALANCE AT END OF YEAR - GAAP BASIS | | | \$ (167,773) | |

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
VICTIM/WITNESS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2007

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|--|---------------------|---------------------|--------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Fines and forfeitures | \$ 262,200 | \$ 262,200 | \$ 306,608 | \$ 44,408 |
| TOTAL REVENUES | 262,200 | 262,200 | 306,608 | 44,408 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | | | | |
| Judicial | 338,300 | 338,300 | 219,248 | (119,052) |
| Health and welfare | 58,000 | 58,000 | 58,000 | - |
| TOTAL EXPENDITURES | 396,300 | 396,300 | 277,248 | (119,052) |
| EXCESS OF REVENUES (UNDER) EXPENDITURES | (134,100) | (134,100) | 29,360 | 163,460 |
| BEGINNING FUND BALANCE | - | - | (81,212) | (81,212) |
| FUND BALANCE AT END OF YEAR - BUDGETARY BASIS | <u>\$ (134,100)</u> | <u>\$ (134,100)</u> | \$ (51,852) | <u>\$ 82,248</u> |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Elimination of encumbrances | | | - | |
| FUND BALANCE AT END OF YEAR - GAAP BASIS | | | <u>\$ (51,852)</u> | |

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2007

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|--|------------------|-----------|------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Fines and forfeitures | \$ - | \$ 65,000 | \$ 63,127 | \$ (1,873) |
| Investment income | - | 28,000 | 28,122 | 122 |
| TOTAL REVENUES | - | 93,000 | 91,249 | (1,751) |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | | | | |
| Judicial | - | 93,000 | 78,109 | (14,891) |
| TOTAL EXPENDITURES | - | 93,000 | 78,109 | (14,891) |
| EXCESS OF REVENUES (UNDER) EXPENDITURES | - | - | 13,140 | 13,140 |
| FUND BALANCE AT BEGINNING OF YEAR | - | - | 377,752 | 377,752 |
| FUND BALANCE AT END OF YEAR - BUDGETARY BASIS | \$ - | \$ - | \$ 390,892 | \$ 390,892 |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Elimination of encumbrances | | | - | |
| FUND BALANCE AT END OF YEAR - GAAP BASIS | | | \$ 390,892 | |

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
 CAPITAL PROJECTS SALES TAX III FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2007

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|--|------------------|----------|----------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Investment income | \$ - | \$ - | \$ 95 | \$ 95 |
| TOTAL REVENUES | - | - | 95 | 95 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | - | 43,000 | 42,609 | (391) |
| TOTAL EXPENDITURES | - | 43,000 | 42,609 | (391) |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | - | (43,000) | (42,514) | 486 |
| FUND BALANCE AT BEGINNING OF YEAR | - | 43,000 | 42,514 | (486) |
| FUND BALANCE AT END OF YEAR - BUDGETARY BASIS | \$ - | \$ - | \$ - | \$ - |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Elimination of encumbrances | | | - | |
| FUND BALANCE AT END OF YEAR - GAAP BASIS | | | \$ - | |

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
 CAPITAL PROJECTS SALES TAX IV FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2007

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|---|------------------|-------------|--------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental revenues | \$ - | \$ - | \$ 2,747 | \$ 2,747 |
| Investment income | 47,000 | 77,000 | 104,625 | 27,625 |
| TOTAL REVENUES | 47,000 | 77,000 | 107,372 | 30,372 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | 10,000,000 | 3,100,000 | 876,465 | (2,223,535) |
| TOTAL EXPENDITURES | 10,000,000 | 3,100,000 | 876,465 | (2,223,535) |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | | | | |
| | (9,953,000) | (3,023,000) | (769,093) | 2,253,907 |
| OTHER FINANCING USES | | | | |
| TRANSFERS OUT | - | (15,000) | (10,842) | (4,158) |
| TOTAL OTHER FINANCING USES | - | (15,000) | (10,842) | (4,158) |
| REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | | | | |
| | (9,953,000) | (3,038,000) | (779,935) | 2,258,065 |
| FUND BALANCE AT BEGINNING OF YEAR | 9,953,000 | 3,038,000 | 3,114,389 | 76,389 |
| FUND BALANCE AT END OF YEAR - BUDGETARY BASIS | | | | |
| | \$ - | \$ - | \$ 2,334,454 | \$ 2,334,454 |
| RECONCILIATION TO GAAP BASIS: | | | | |
| Elimination of encumbrances | | | - | |
| FUND BALANCE AT END OF YEAR - GAAP BASIS | | | | |
| | | | \$ 2,334,454 | |

See independent auditors' report.

INTERGOVERNMENTAL GRANTS

LOWNDES COUNTY, GEORGIA
 REGIONAL BOARD/DEPARTMENT OF HUMAN RESOURCES
 HAHIRA OUTREACH
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 GRANT BUDGET AND ACTUAL
 For The Year Ended June 30, 2007

| | <u>FY2007</u> | <u>Total</u> | <u>Grant Budget</u> | <u>Remaining</u> |
|---|---------------|--------------|-------------------------|------------------|
| REVENUES | | | | |
| Intergovernmental revenue | \$ 6,645 | \$ 6,645 | \$ 15,000 | \$ 8,355 |
| TOTAL REVENUES | 6,645 | 6,645 | 15,000 | 8,355 |
| EXPENDITURES | | | | |
| Other services and charges | 6,645 | 6,645 | 15,000 | 8,355 |
| TOTAL EXPENDITURES | 6,645 | 6,645 | 15,000 | 8,355 |
| EXCESS OF REVENUES OVER EXPENDITURES | - | - | - | - |
| FUND BALANCE BEGINNING OF YEAR | - | - | - | - |
| FUND BALANCE, END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
DEPARTMENT OF COMMUNITY AFFAIRS
CDBG GRANT NO. 05p-y-092-1-2985
L.A.M.P., INC. RENOVATIONS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GRANT BUDGET AND ACTUAL
For The Year Ended June 30, 2007

| | <u>FY2005</u> | <u>FY2006</u> | <u>FY2007</u> | <u>Total</u> | <u>Grant Budget</u> | <u>Remaining</u> |
|---|---------------|---------------|---------------|--------------|-------------------------|------------------|
| REVENUES | | | | | | |
| Intergovernmental revenue | \$ 14,642 | \$ 11,573 | \$ 467,601 | \$ 493,816 | \$ 498,816 | \$ 5,000 |
| TOTAL REVENUES | 14,642 | 11,573 | 467,601 | 493,816 | 498,816 | 5,000 |
| EXPENDITURES | | | | | | |
| Capital outlay | 14,642 | 11,573 | 467,601 | 493,816 | 498,816 | 5,000 |
| TOTAL EXPENDITURES | 14,642 | 11,573 | 467,601 | 493,816 | 498,816 | 5,000 |
| EXCESS OF REVENUES OVER EXPENDITURES | - | - | - | - | - | - |
| FUND BALANCE BEGINNING OF YEAR | - | - | - | - | - | - |
| FUND BALANCE, END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See independent auditors' report.

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Equipment Operations – to account for charges to other funds for the maintenance and repair of County equipment.

Self – Insurance – to account for charges to other funds and contributions from employees and for the payment of health insurance premiums and benefits.

Fleet Manager – to account for charges to other funds for the use of vehicles and equipment purchased through the fleet manager fund.

LOWNDES COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF NET ASSETS
June 30, 2007

| | Equipment <u>Fund</u> | Insurance <u>Fund</u> | Fleet Manager <u>Fund</u> | <u>Total</u> |
|---|--------------------------|--------------------------|---------------------------------|--------------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Equity in pooled cash and cash equivalents | \$ 7,660 | \$ 147,764 | \$ - | \$ 155,424 |
| Cash and cash equivalents in segregated accounts | - | - | 355,291 | 355,291 |
| Government investment pool | - | 767,870 | - | 767,870 |
| Receivables (net of allowance for doubtful accounts): | | | | |
| Accounts | 11,763 | 84 | - | 11,847 |
| Interfund receivable | - | 7,900 | 9,275 | 17,175 |
| Inventory | <u>230,813</u> | <u>-</u> | <u>-</u> | <u>230,813</u> |
| TOTAL CURRENT ASSETS | <u>250,236</u> | <u>923,618</u> | <u>364,566</u> | <u>1,538,420</u> |
| Noncurrent Assets | | | | |
| Capital Assets | | | | |
| Depreciable capital assets, net | <u>-</u> | <u>-</u> | <u>3,482,339</u> | <u>3,482,339</u> |
| TOTAL NONCURRENT ASSETS | <u>-</u> | <u>-</u> | <u>3,482,339</u> | <u>3,482,339</u> |
| TOTAL ASSETS | <u>250,236</u> | <u>923,618</u> | <u>3,846,905</u> | <u>5,020,759</u> |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Accounts payable | 50,249 | 829,410 | - | 879,659 |
| Accrued wages | 9,550 | - | - | 9,550 |
| Vacation benefits payable | 17,732 | - | - | 17,732 |
| Accrued interest payable | - | - | 2,045 | 2,045 |
| Interfund payable | 168,858 | - | 1,515,864 | 1,684,722 |
| Current portion of capital lease obligations | <u>-</u> | <u>-</u> | <u>1,156,369</u> | <u>1,156,369</u> |
| TOTAL CURRENT LIABILITIES | <u>246,389</u> | <u>829,410</u> | <u>2,674,278</u> | <u>3,750,077</u> |
| Long-Term Liabilities | | | | |
| Capital lease obligations | <u>-</u> | <u>-</u> | <u>901,949</u> | <u>901,949</u> |
| TOTAL LONG-TERM LIABILITIES | <u>-</u> | <u>-</u> | <u>901,949</u> | <u>901,949</u> |
| TOTAL LIABILITIES | <u>246,389</u> | <u>829,410</u> | <u>3,576,227</u> | <u>4,652,026</u> |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | - | - | 1,424,021 | 1,424,021 |
| Unrestricted | <u>3,847</u> | <u>94,208</u> | <u>(1,153,343)</u> | <u>(1,055,288)</u> |
| TOTAL NET ASSETS | <u>\$ 3,847</u> | <u>\$ 94,208</u> | <u>\$ 270,678</u> | <u>\$ 368,733</u> |

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
For The Year Ending June 30, 2007

| | Equipment Fund | Insurance Fund | Fleet Manager Fund | Total |
|--|-------------------|-------------------|--------------------------|-------------------|
| OPERATING REVENUES | | | | |
| Charges for services | \$ 654,268 | \$ 4,078,373 | \$ 3,112,837 | \$ 7,845,478 |
| TOTAL OPERATING REVENUES | <u>654,268</u> | <u>4,078,373</u> | <u>3,112,837</u> | <u>7,845,478</u> |
| OPERATING EXPENSES | | | | |
| Personal services | 310,427 | - | - | 310,427 |
| Payroll taxes | 21,680 | - | - | 21,680 |
| Fringe benefits | 81,911 | - | - | 81,911 |
| Contractual services | 13,356 | - | - | 13,356 |
| Insurance and bond | - | 3,949,001 | - | 3,949,001 |
| Materials and supplies | 155,193 | - | 2,045,751 | 2,200,944 |
| Depreciation | - | - | 908,540 | 908,540 |
| TOTAL OPERATING EXPENSES | <u>582,567</u> | <u>3,949,001</u> | <u>2,954,291</u> | <u>7,485,859</u> |
| OPERATING INCOME (LOSS) | <u>71,701</u> | <u>129,372</u> | <u>158,546</u> | <u>359,619</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | |
| Interest revenue | - | 39,545 | 2,056 | 41,601 |
| Interest expense | - | - | (94,765) | (94,765) |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | <u>-</u> | <u>39,545</u> | <u>(92,709)</u> | <u>(53,164)</u> |
| CHANGE IN NET ASSETS | 71,701 | 168,917 | 65,837 | 306,455 |
| NET ASSETS AT BEGINNING OF YEAR | <u>(67,854)</u> | <u>(74,709)</u> | <u>204,841</u> | <u>62,278</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 3,847</u> | <u>\$ 94,208</u> | <u>\$ 270,678</u> | <u>\$ 368,733</u> |

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF CASH FLOWS
For The Year Ending June 30, 2007

| | <u>Equipment Fund</u> | <u>Insurance Fund</u> | <u>Fleet Manager Fund</u> | <u>Total</u> |
|--|---------------------------|---------------------------|-----------------------------------|---------------------|
| <u>Increase (Decrease) in Cash and Cash Equivalents</u> | | | | |
| <u>Cash Flows From Operating Activities</u> | | | | |
| Cash received from other funds for services | \$ 650,960 | \$ 4,095,981 | \$ 3,269,278 | \$ 8,016,219 |
| Cash payments for personal services | (305,369) | - | - | (305,369) |
| Cash payments for payroll taxes | (21,680) | - | - | (21,680) |
| Cash payments for fringe benefits | (81,911) | - | - | (81,911) |
| Cash payments for contractual services | (13,356) | - | - | (13,356) |
| Cash payments for insurance and bond | - | (3,948,217) | - | (3,948,217) |
| Cash payments for materials and supplies | <u>(223,255)</u> | <u>-</u> | <u>(3,008,661)</u> | <u>(3,231,916)</u> |
| Net Cash Provided by (Used for) | | | | |
| Operating Activities | 5,389 | 147,764 | 260,617 | 413,770 |
| <u>Cash Flows From Capital and Related Financing Activities</u> | | | | |
| Cash payments for principal and interest on capital leases | <u>-</u> | <u>-</u> | <u>(1,696,566)</u> | <u>(1,696,566)</u> |
| Net Cash Used For Capital and Related Financing Activities | <u>-</u> | <u>-</u> | <u>(1,696,566)</u> | <u>(1,696,566)</u> |
| <u>Cash Flows From Investing Activities</u> | | | | |
| Cash received from interest | <u>-</u> | <u>39,545</u> | <u>2,056</u> | <u>41,601</u> |
| Net Cash Flows Provided By Investing Activities | <u>-</u> | <u>39,545</u> | <u>2,056</u> | <u>41,601</u> |
| Net Increase in Cash and Cash Equivalents | 5,389 | 187,309 | (1,433,893) | (1,241,195) |
| Cash and Cash Equivalents at Beginning of Year | <u>2,271</u> | <u>728,325</u> | <u>1,789,184</u> | <u>2,519,780</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 7,660</u> | <u>\$ 915,634</u> | <u>\$ 355,291</u> | <u>\$ 1,278,585</u> |
| Equity in pooled cash and cash equivalents | \$ 7,660 | \$ 147,764 | \$ - | \$ 155,424 |
| Cash and cash equivalents in segregated accounts | - | - | 355,291 | \$ 355,291 |
| Government investment pool | <u>-</u> | <u>767,870</u> | <u>-</u> | <u>\$ 767,870</u> |
| Total Cash and Cash Equivalents | <u>\$ 7,660</u> | <u>\$ 915,634</u> | <u>\$ 355,291</u> | <u>\$ 1,278,585</u> |

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF CASH FLOWS
For The Year Ending June 30, 2007

| | Equipment <u>Fund</u> | Insurance <u>Fund</u> | Fleet Manager <u>Fund</u> | <u>Total</u> |
|--|--------------------------|--------------------------|---------------------------------|-------------------|
| Reconciliation of Operating Income (Loss) To | | | | |
| <u>Net Cash Provided by (Used For) Operating Activities</u> | | | | |
| Operating Income (Loss) | \$ 71,701 | \$ 129,372 | \$ 158,546 | \$ 359,619 |
| Adjustments to Reconcile Operating Income (Loss) To | | | | |
| <u>Net Cash Provided by (Used For) Operating Activities</u> | | | | |
| Depreciation | - | - | 908,540 | 908,540 |
| Changes in Assets and Liabilities: | | | | |
| (Increase) decrease in accounts receivable | (3,308) | 17,608 | - | 14,300 |
| (Increase) decrease in inventory | (109,315) | - | - | (109,315) |
| (Increase) decrease in interfund receivable | - | (7,900) | 156,441 | 148,541 |
| Increase (decrease) in accounts payable | (4,566) | 149,642 | - | 145,076 |
| Increase (decrease) in accrued vacation payable | 3,555 | - | - | 3,555 |
| Increase (decrease) in interfund payable | 45,819 | (140,958) | (962,910) | (1,058,049) |
| Increase (decrease) in accrued expenses | <u>1,503</u> | <u>-</u> | <u>-</u> | <u>1,503</u> |
| Net Cash Provided By (Used For) | | | | |
| Operating Activities | <u>\$ 5,389</u> | <u>\$ 147,764</u> | <u>\$ 260,617</u> | <u>\$ 413,770</u> |

See independent auditors' report.

FIDUCIARY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or funds.

Tax Commissioner - to account for the collection of property taxes, motor vehicle taxes and title fees and mobile home fees, etc. which are disbursed to various taxing units.

Clerk of Superior Court - to account for the collection of various fines, forfeitures, jury fund receipts, real estate transfer taxes, recording of intangibles, fees, civil awards, etc. which are disbursed to other parties.

Magistrate Court - to account for the collection of fees in jurisdiction of small claims courts, which are disbursed to other parties.

Sheriff - to account for collection of cash bonds, fines, forfeitures, etc. which are disbursed to other parties.

LOWNDES COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING SCHEDULE OF ASSETS AND LIABILITIES
 June 30, 2007

| | AGENCY FUNDS | | | | <u>TOTAL</u> |
|-------------------------------------|---|-------------------------------|-----------------------------------|----------------------------------|---------------------|
| | <u>OFFICE OF TAX COMMISSIONER</u> | <u>CLERK OF COURT</u> | <u>MAGIS- TRATE COURT</u> | <u>OFFICE OF SHERIFF</u> | |
| ASSETS | | | | | |
| Cash | \$ 282,001 | \$ 1,243,504 | \$ 97,679 | \$ 870,165 | \$ 2,493,349 |
| Due from others | <u>184,684</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>184,684</u> |
| TOTAL ASSETS | <u>\$ 466,685</u> | <u>\$ 1,243,504</u> | <u>\$ 97,679</u> | <u>\$ 870,165</u> | <u>\$ 2,678,033</u> |
| LIABILITIES AND FUND BALANCE | | | | | |
| LIABILITIES | | | | | |
| Due to others | \$ 99,823 | \$ 342,080 | \$ 16,701 | \$ 4,541 | \$ 463,145 |
| Collections held in escrow | <u>366,862</u> | <u>901,424</u> | <u>80,978</u> | <u>865,624</u> | <u>2,214,888</u> |
| TOTAL LIABILITIES | <u>466,685</u> | <u>1,243,504</u> | <u>97,679</u> | <u>870,165</u> | <u>2,678,032</u> |
| NET ASSETS | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING SCHEDULE OF CHANGES IN
 ASSETS AND LIABILITIES
 For The Year Ending June 30, 2007

| | <u>Balance</u> <u>July 1, 2006</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>June 30, 2007</u> |
|-----------------------------------|---------------------------------------|----------------------|----------------------|--|
| <u>OFFICE OF TAX COMMISSIONER</u> | | | | |
| ASSETS | | | | |
| Cash | \$ 357,014 | \$ 67,134,058 | \$ 67,209,071 | \$ 282,001 |
| Due from others | 164,335 | 20,349 | - | 184,684 |
| TOTAL ASSETS | <u>\$ 521,349</u> | <u>\$ 67,154,407</u> | <u>\$ 67,209,071</u> | <u>\$ 466,685</u> |
| LIABILITIES | | | | |
| Due to others | \$ 201,923 | \$ 67,106,971 | \$ 67,209,071 | \$ 99,823 |
| Collections held in escrow | 319,426 | 47,436 | - | 366,862 |
| TOTAL LIABILITIES | <u>\$ 521,349</u> | <u>\$ 67,154,407</u> | <u>\$ 67,209,071</u> | <u>\$ 466,685</u> |
| <u>CLERK OF COURT</u> | | | | |
| ASSETS | | | | |
| Cash | \$ 1,159,318 | \$ 8,408,325 | \$ 8,324,139 | \$ 1,243,504 |
| TOTAL ASSETS | <u>\$ 1,159,318</u> | <u>\$ 8,408,325</u> | <u>\$ 8,324,139</u> | <u>\$ 1,243,504</u> |
| LIABILITIES | | | | |
| Due to others | \$ 255,968 | \$ 6,719,030 | \$ 6,632,918 | \$ 342,080 |
| Collections held in escrow | 903,350 | 1,689,295 | 1,691,221 | 901,424 |
| TOTAL LIABILITIES | <u>\$ 1,159,318</u> | <u>\$ 8,408,324</u> | <u>\$ 8,324,139</u> | <u>\$ 1,243,504</u> |
| <u>MAGISTRATE COURT</u> | | | | |
| ASSETS | | | | |
| Cash | \$ 80,521 | \$ 1,719,113 | \$ 1,701,955 | \$ 97,679 |
| TOTAL ASSETS | <u>\$ 80,521</u> | <u>\$ 1,719,113</u> | <u>\$ 1,701,955</u> | <u>\$ 97,679</u> |
| LIABILITIES | | | | |
| Due to others | \$ - | \$ 654,697 | \$ 637,996 | \$ 16,701 |
| Collections held in escrow | 80,521 | 1,064,416 | 1,063,959 | 80,978 |
| TOTAL LIABILITIES | <u>\$ 80,521</u> | <u>\$ 1,719,113</u> | <u>\$ 1,701,955</u> | <u>\$ 97,679</u> |

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING SCHEDULE OF CHANGES IN
 ASSETS AND LIABILITIES - CONTINUED
 For The Year Ending June 30, 2007

| | <u>Balance</u> <u>July 1, 2006</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>June 30, 2007</u> |
|----------------------------|---------------------------------------|---------------------|---------------------|--|
| <u>OFFICE OF SHERIFF</u> | | | | |
| ASSETS | | | | |
| Cash | \$ 1,071,842 | \$ 4,495,222 | \$ 4,696,899 | \$ 870,165 |
| TOTAL ASSETS | <u>\$ 1,071,842</u> | <u>\$ 4,495,222</u> | <u>\$ 4,696,899</u> | <u>\$ 870,165</u> |
| LIABILITIES | | | | |
| Due to others | \$ 3,258 | \$ 30,185 | \$ 28,902 | \$ 4,541 |
| Collections held in escrow | <u>1,068,584</u> | <u>4,465,037</u> | <u>4,667,997</u> | <u>865,624</u> |
| TOTAL LIABILITIES | <u>\$ 1,071,842</u> | <u>\$ 4,495,222</u> | <u>\$ 4,696,899</u> | <u>\$ 870,165</u> |

See independent auditors' report.

STATISTICAL SECTION

Lowndes County, Georgia
Net Assets by Component (Unaudited),
Last Five Fiscal Years
(accrual basis of accounting)

| | Fiscal Year Ending June 30, | | | | |
|---|-----------------------------|-----------------------|-----------------------|----------------------|----------------------|
| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
| Governmental Activities | | | | | |
| Invested in capital assets, net of related debt | \$ 136,074,764 | \$ 139,608,284 | \$ 20,178,997 | \$ 25,070,360 | \$ 23,645,433 |
| Restricted | 32,758,317 | 33,678,846 | 45,962,877 | 37,670,996 | 35,335,883 |
| Unrestricted | <u>19,476,897</u> | <u>19,258,403</u> | <u>19,117,048</u> | <u>18,503,584</u> | <u>16,473,091</u> |
| Total governmental activities net assets | <u>\$ 188,309,978</u> | <u>\$ 192,545,533</u> | <u>\$ 85,258,922</u> | <u>\$ 81,244,940</u> | <u>\$ 75,454,407</u> |
| Business Activities | | | | | |
| Invested in capital assets, net of related debt | \$ 20,508,113 | \$ 19,645,353 | \$ 18,778,753 | \$ 15,842,646 | \$ 15,522,822 |
| Restricted | - | - | - | - | - |
| Unrestricted | <u>1,462,030</u> | <u>1,192,739</u> | <u>1,492,612</u> | <u>1,257,146</u> | <u>715,275</u> |
| Total business activities net assets | <u>\$ 21,970,143</u> | <u>\$ 20,838,092</u> | <u>\$ 20,271,365</u> | <u>\$ 17,099,792</u> | <u>\$ 16,238,097</u> |
| Primary Government | | | | | |
| Invested in capital assets, net of related debt | \$ 156,582,877 | \$ 159,253,637 | \$ 38,957,750 | \$ 40,913,006 | \$ 39,168,255 |
| Restricted | 32,758,317 | 33,678,846 | 45,962,877 | 37,670,996 | 35,335,883 |
| Unrestricted | <u>20,938,927</u> | <u>20,451,142</u> | <u>20,609,660</u> | <u>19,760,730</u> | <u>17,188,366</u> |
| Total primary government net assets | <u>\$ 210,280,121</u> | <u>\$ 213,383,625</u> | <u>\$ 105,530,287</u> | <u>\$ 98,344,732</u> | <u>\$ 91,692,504</u> |

Data is presented for the years since GASB Statement 34 was adopted.

Lowndes County, Georgia
Changes in Net Assets (Unaudited),
Last Five Years
(accrual basis of accounting)

| | Fiscal Year Ending June 30, | | | | |
|---|-----------------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
| Expenses | | | | | |
| Governmental activities: | | | | | |
| General government | | | | | |
| Legislative and executive | \$ 10,465,920 | \$ 11,177,261 | \$ 9,221,090 | \$ 10,263,401 | \$ 8,580,417 |
| Judicial | 7,225,812 | 5,118,673 | 4,562,225 | 5,032,780 | 3,909,885 |
| Public safety | 24,481,770 | 21,206,388 | 20,728,816 | 20,592,852 | 17,425,707 |
| Public works | 29,982,222 | 51,607,159 | 17,538,326 | 12,656,838 | 9,050,735 |
| Health and welfare | 2,201,324 | 1,276,484 | 1,634,299 | 2,309,643 | 2,289,562 |
| Culture and recreation | 4,324,334 | 4,152,212 | 4,191,985 | 3,409,402 | 3,860,353 |
| Housing and development | 665,736 | 498,200 | 471,505 | 311,097 | 1,225,449 |
| Interest on long-term debt | 564,813 | 689,391 | 709,991 | 77,391 | - |
| Total governmental activities expenses | <u>79,911,931</u> | <u>95,725,768</u> | <u>59,058,237</u> | <u>54,653,404</u> | <u>46,342,108</u> |
| Business-type activities: | | | | | |
| Water and sewer | 3,843,855 | 4,918,872 | 4,020,234 | 3,940,670 | 3,790,000 |
| Landfill | 46,285 | 465,867 | 414,384 | (147,102) | 84,077 |
| Special Tax Lighting District | 197,085 | 208,478 | 176,898 | 151,678 | 134,938 |
| Sanitation Fund | 1,109,644 | - | - | - | - |
| Total business-type activities expenses | <u>5,196,869</u> | <u>5,593,217</u> | <u>4,611,516</u> | <u>3,945,246</u> | <u>4,009,015</u> |
| Total primary government expenses | <u>85,108,800</u> | <u>101,318,985</u> | <u>63,669,753</u> | <u>58,598,650</u> | <u>50,351,123</u> |
| Program Revenues | | | | | |
| Governmental activities: | | | | | |
| Charges for services: | | | | | |
| Legislative and executive | \$ 2,442,466 | \$ 4,199,068 | \$ 2,231,681 | \$ 2,441,980 | \$ 2,138,334 |
| Judicial | 3,082,091 | 3,246,901 | 3,854,671 | 3,699,438 | 3,565,833 |
| Public safety | 4,127,647 | 5,104,745 | 4,579,833 | 3,777,062 | 4,405,272 |
| Public works | 222,941 | 302,800 | 824,432 | 87,798 | 170,408 |
| Health and welfare | 297,643 | 253,018 | 372,372 | 503,458 | 620,556 |
| Housing and development | 42,120 | - | - | - | - |
| Operating grants and contributions | 3,986,582 | 484,472 | 631,537 | 1,667,125 | 1,427,296 |
| Capital grants and contributions | 1,696,917 | 8,042 | 405,496 | 120,642 | 1,461,456 |
| Total governmental activities program revenues | <u>15,898,407</u> | <u>13,599,046</u> | <u>12,900,022</u> | <u>12,297,503</u> | <u>13,789,155</u> |
| Business-type activities: | | | | | |
| Charges for services: | | | | | |
| Water and sewer | 3,649,845 | 3,154,058 | 2,789,348 | 2,673,677 | 2,389,020 |
| Special tax lighting district | 160,359 | 156,244 | 128,275 | 125,466 | 125,629 |
| Sanitation fund | 34,405 | - | - | - | - |
| Total business-type activities program revenues | <u>3,844,609</u> | <u>3,310,302</u> | <u>2,917,623</u> | <u>2,799,143</u> | <u>2,514,649</u> |
| Total primary government program revenues | <u>\$ 19,743,016</u> | <u>\$ 16,909,348</u> | <u>\$ 15,817,645</u> | <u>\$ 15,096,646</u> | <u>\$ 16,303,804</u> |

Data is presented for the years since GASB Statement 34 was adopted.

Changes in Net Assets (Unaudited),
Last Five Years
(accrual basis of accounting)

| | Fiscal Year Ending June 30, | | | | |
|---|-----------------------------|------------------------|------------------------|------------------------|------------------------|
| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
| Net (Expense) Revenue | | | | | |
| Governmental activities | \$ (64,013,524) | \$ (82,126,722) | \$ (46,158,215) | \$ (42,355,901) | \$ (32,552,953) |
| Business-type activities | (1,352,260) | (2,282,915) | (1,693,893) | (1,146,103) | (1,494,366) |
| Total primary government net expense | <u>\$ (65,365,784)</u> | <u>\$ (84,409,637)</u> | <u>\$ (47,852,108)</u> | <u>\$ (43,502,004)</u> | <u>\$ (34,047,319)</u> |
| General Revenues and Other Changes in Net Assets | | | | | |
| Governmental activities: | | | | | |
| Taxes | | | | | |
| Property taxes | \$ 21,432,904 | \$ 19,871,336 | \$ 19,271,632 | \$ 18,242,254 | \$ 17,172,514 |
| Alcoholic beverage taxes | 524,243 | 504,712 | 495,211 | 476,183 | 433,590 |
| Occupational taxes | 368,856 | 416,345 | 364,992 | 307,300 | 275,071 |
| Franchise taxes | 203,964 | 172,439 | 240,607 | 178,563 | 193,212 |
| Insurance premium taxes | 2,030,960 | 1,937,994 | 1,814,810 | 1,677,244 | 1,593,587 |
| Sales taxes | 35,155,911 | 34,853,383 | 31,156,926 | 28,343,346 | 25,988,019 |
| Miscellaneous | 31,118 | 2,000 | 82,011 | 3,000 | 303,091 |
| Rent | 483,764 | 433,387 | 415,510 | 20,012 | 11,168 |
| Interest | 1,430,205 | 1,035,124 | 582,360 | 414,220 | 410,158 |
| Transfer out | (1,883,956) | (2,057,236) | (4,251,862) | (1,515,690) | (1,871,008) |
| Total governmental activities | <u>59,777,969</u> | <u>57,169,484</u> | <u>50,172,197</u> | <u>48,146,432</u> | <u>44,509,402</u> |
| Business-type activities | | | | | |
| Solid waste host fees | 520,215 | 642,351 | 607,462 | 490,922 | 366,906 |
| Premium on bonds sold | 16,921 | 12,690 | - | - | - |
| Interest | 63,219 | 137,365 | 6,142 | 1,186 | 7,330 |
| Transfer in | 1,883,956 | 2,057,236 | 4,251,862 | 1,515,690 | 1,154,138 |
| Total business-type activities | <u>2,484,311</u> | <u>2,849,642</u> | <u>4,865,466</u> | <u>2,007,798</u> | <u>1,528,374</u> |
| Total primary government | <u>\$ 62,262,280</u> | <u>\$ 60,019,126</u> | <u>\$ 55,037,663</u> | <u>\$ 50,154,230</u> | <u>\$ 46,037,776</u> |
| Change in Net Assets | | | | | |
| Governmental activities | \$ (4,235,555) | \$ (24,957,238) | \$ 4,013,982 | \$ 5,790,531 | \$ 11,956,449 |
| Business-type activities | 1,132,051 | 566,727 | 3,171,573 | 861,695 | 34,008 |
| Total primary government | <u>\$ (3,103,504)</u> | <u>\$ (24,390,511)</u> | <u>\$ 7,185,555</u> | <u>\$ 6,652,226</u> | <u>\$ 11,990,457</u> |

Data is presented for the years since GASB Statement 34 was adopted.

Lowndes County, Georgia
Fund Balances, Governmental Funds (Unaudited),
Last Five Fiscal Years
(modified accrual basis of accounting)

| | Fiscal Year Ending June 30, | | | | |
|------------------------------------|-----------------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
| General Fund | | | | | |
| Reserved | \$ 5,338,247 | \$ 5,392,238 | \$ 5,592,281 | \$ 5,702,270 | \$ 7,189,410 |
| Unreserved | <u>15,517,290</u> | <u>14,829,551</u> | <u>12,143,450</u> | <u>11,553,470</u> | <u>9,858,925</u> |
| Total general fund | <u>\$ 20,855,537</u> | <u>\$ 20,221,789</u> | <u>\$ 17,735,731</u> | <u>\$ 17,255,740</u> | <u>\$ 17,048,335</u> |
| All Other Governmental Funds | | | | | |
| Reserved | \$ 32,861,697 | \$ 33,596,984 | \$ 46,352,109 | \$ 51,630,907 | \$ 31,409,101 |
| Unreserved, reported in: | | | | | |
| Special revenue funds | <u>(219,625)</u> | <u>(505,340)</u> | <u>(292,970)</u> | <u>(25,771)</u> | <u>-</u> |
| Total all other governmental funds | <u>\$ 32,642,072</u> | <u>\$ 33,091,644</u> | <u>\$ 46,059,139</u> | <u>\$ 51,605,136</u> | <u>\$ 31,409,101</u> |

Data is presented for the years since GASB Statement 34 was adopted.

Lowndes County, Georgia
Changes in Fund Balances, Governmental Funds (Unaudited),
Last Five Fiscal Years
(accrual basis of accounting)

| | Fiscal Year Ending June 30, | | | | |
|---|-----------------------------|------------------------|-----------------------|----------------------|---------------------|
| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
| Revenues | | | | | |
| Taxes | \$ 61,522,356 | \$ 59,915,213 | \$ 54,754,309 | \$ 49,117,020 | \$ 45,396,659 |
| Licenses and permits | 174,323 | 136,051 | 576,132 | 2,067,774 | 1,788,773 |
| Intergovernmental revenues | 5,683,150 | 3,831,163 | 3,356,236 | 2,716,455 | 4,052,164 |
| Charges for services | 4,067,289 | 3,838,814 | 2,872,513 | 2,148,272 | 2,635,056 |
| Fines and forfeitures | 3,656,434 | 3,214,167 | 4,988,715 | 5,167,479 | 5,083,853 |
| Investment income | 1,430,202 | 1,035,122 | 582,342 | 414,220 | 410,158 |
| Miscellaneous | 827,410 | 741,079 | 566,986 | 527,833 | 821,992 |
| Total revenues | <u>77,361,164</u> | <u>72,711,609</u> | <u>67,697,233</u> | <u>62,159,053</u> | <u>60,188,655</u> |
| Expenditures | | | | | |
| General government | | | | | |
| Legislative and executive | \$ 11,606,747 | \$ 10,785,140 | \$ 9,194,441 | \$ 9,324,209 | \$ 8,373,292 |
| Judicial | 4,740,954 | 4,960,668 | 4,563,537 | 5,141,572 | 3,812,249 |
| Public safety | 14,608,904 | 18,775,006 | 19,209,606 | 18,428,548 | 15,660,461 |
| Public works | 19,229,053 | 32,884,096 | 16,860,396 | 12,379,353 | 8,966,140 |
| Health and welfare | 1,961,798 | 1,220,881 | 1,674,861 | 2,036,026 | 2,272,407 |
| Culture and recreation | 4,216,207 | 4,149,615 | 4,080,312 | 3,295,478 | 3,741,596 |
| Housing and development | 534,061 | 498,200 | 471,505 | 311,097 | 1,225,449 |
| Capital Outlay | 17,240,495 | 7,260,054 | 10,801,728 | 4,503,307 | 9,273,027 |
| Debt service | | | | | |
| Principle | 590,000 | 790,000 | 945,000 | 190,000 | 271,766 |
| Interest | 564,813 | 689,391 | 709,991 | 130,633 | 140,215 |
| Total Expenditures | <u>75,293,032</u> | <u>82,013,051</u> | <u>68,511,377</u> | <u>55,740,223</u> | <u>53,736,602</u> |
| Excess of revenues over (under) expenditures | <u>2,068,132</u> | <u>(9,301,442)</u> | <u>(814,144)</u> | <u>6,418,830</u> | <u>6,452,053</u> |
| Other Financing Sources (Uses) | | | | | |
| Capital financing | - | - | - | 15,500,000 | - |
| Operating transfer in | 200,549 | 933,981 | 472,489 | 3,880,186 | 268,387 |
| Operating transfer out | (2,084,505) | (2,991,217) | (4,724,351) | (5,395,876) | (218,387) |
| Total other financing sources (uses) | <u>(1,883,956)</u> | <u>(2,057,236)</u> | <u>(4,251,862)</u> | <u>13,984,310</u> | <u>50,000</u> |
| Net change in fund balances | <u>\$ 184,176</u> | <u>\$ (11,358,678)</u> | <u>\$ (5,066,006)</u> | <u>\$ 20,403,140</u> | <u>\$ 6,502,053</u> |
| Debt service as a percentage of noncapital expenditures | 1.99% | 1.98% | 2.87% | 0.63% | 0.93% |

Data is presented for the years since GASB Statement 34 was adopted.

Lowndes County, Georgia
Tax Revenues by Source, Governmental Funds (Unaudited),
Last Ten Fiscal Years
(modified accrual basis of accounting)

| Fiscal Year | Property Tax | Beverage Tax | Franchise Tax | Local Option Sales Tax | Special Purpose | Accommodation Tax | Insurance Premium Tax | Intangible Tax | Total |
|---------------------|--------------|--------------|---------------|------------------------|------------------------|-------------------|-----------------------|----------------|---------------|
| | | | | | Local Option Sales Tax | | | | |
| 1998 | \$ 8,290,062 | \$ 427,820 | \$ 112,047 | \$ 8,355,692 | \$ 14,543,464 | \$ 1,031,209 | \$ 1,042,602 | \$ 417,103 | \$ 34,219,999 |
| 1999 | 9,144,340 | 379,214 | 115,312 | 8,156,958 | 14,331,795 | 1,061,708 | 1,196,039 | 414,609 | 34,799,975 |
| 2000 | 13,573,885 | 463,490 | 105,546 | 8,859,380 | 15,549,839 | 1,110,591 | 1,214,057 | 408,136 | 41,284,924 |
| 2001 | 15,031,586 | 423,844 | 117,484 | 8,841,469 | 15,569,475 | 1,148,508 | 1,280,007 | 368,219 | 42,780,592 |
| 2002 | 15,471,382 | 419,380 | 134,039 | 9,114,020 | 15,941,507 | 1,248,244 | 1,460,533 | 518,151 | 44,307,256 |
| 2003 | 16,482,335 | 433,590 | 193,212 | 9,494,695 | 16,493,324 | 1,384,320 | 1,593,587 | 705,915 | 46,780,978 |
| 2004 | 17,743,561 | 476,183 | 178,563 | 10,390,144 | 17,953,202 | 1,559,341 | 1,677,244 | 698,123 | 50,676,361 |
| 2005 | 17,815,093 | 495,211 | 240,607 | 11,413,804 | 19,714,674 | 1,779,004 | 1,843,259 | 604,891 | 53,906,543 |
| 2006 | 18,326,457 | 504,712 | 172,439 | 12,785,834 | 22,067,549 | 1,828,252 | 1,937,994 | 705,082 | 58,328,319 |
| 2007 | 19,672,605 | 524,243 | 203,964 | 12,908,364 | 22,247,547 | 1,811,933 | 2,030,960 | 765,538 | 60,165,154 |
| Change 1998-2007 | 137.30% | 22.54% | 82.03% | 54.49% | 52.97% | 75.71% | 94.80% | 83.54% | 75.82% |

Lowndes County, Georgia
 Assessed Value and Actual Value of Taxable Property (Unaudited),
 Last Ten Fiscal Years
 (in thousands of dollars)

| Fiscal Year Ended June 30, | Assessed Value Residential Property | Assessed Value Commercial Property | Assessed Value Industrial Property | Assessed Value Personal Property | Less: Assessed Value Tax-Exempt Property | Total Taxable Assessed Value |
|-------------------------------------|--|---|---|---|--|------------------------------------|
| 1997 | \$ 559,740 | \$ 421,050 | \$ 293,164 | \$ 132,699 | \$ 154,356 | \$ 1,252,297 |
| 1998 | 596,711 | 442,088 | 319,714 | 163,523 | 161,044 | 1,360,992 |
| 1999 | 627,208 | 476,892 | 347,379 | 168,625 | 169,961 | 1,450,143 |
| 2000 | 792,016 | 559,904 | 361,157 | 164,875 | 185,424 | 1,692,528 |
| 2001 | 812,043 | 572,661 | 357,980 | 170,172 | 190,135 | 1,722,721 |
| 2002 | 835,214 | 590,196 | 381,584 | 186,453 | 207,212 | 1,786,235 |
| 2003 | 861,154 | 608,633 | 366,618 | 196,879 | 202,181 | 1,831,103 |
| 2004 | 968,302 | 646,841 | 352,885 | 201,924 | 209,777 | 1,960,175 |
| 2005 | 1,009,018 | 672,013 | 365,575 | 201,997 | 232,741 | 2,015,862 |
| 2006 | 1,101,396 | 757,719 | 383,711 | 198,963 | 179,126 | 2,262,662 |

Assessed Value and Actual Value of Taxable Property (Unaudited),
 Last Ten Fiscal Years
 (in thousands of dollars)

| Fiscal Year Ended <u>June 30,</u> | Total Taxable Assessed <u>Value</u> | Estimated Actual Taxable <u>Value</u> | Ratio of Total | | |
|--|---|--|--|---|---|
| | | | Accessed to Total Actual <u>Value</u> | Total Direct Unincorporated <u>Tax Rate (1)</u> | Total Direct Incorporated <u>Tax Rate</u> |
| 1998 | \$ 1,360,992 | \$ 3,402,480 | 40% | 5.14 | 7.08 |
| 1999 | 1,450,143 | 3,625,358 | 40% | 5.13 | 7.02 |
| 2000 | 1,692,528 | 4,231,320 | 40% | 7.39 | 7.30 |
| 2001 | 1,722,721 | 4,306,803 | 40% | 7.39 | 9.02 |
| 2002 | 1,786,235 | 4,465,588 | 40% | 7.80 | 9.01 |
| 2003 | 1,831,103 | 4,577,758 | 40% | 8.12 | 9.01 |
| 2004 | 1,960,175 | 4,900,438 | 40% | 8.45 | 9.01 |
| 2005 | 2,015,862 | 5,039,655 | 40% | 8.86 | 8.86 |
| 2006 | 2,262,663 | 5,656,658 | 40% | 8.86 | 8.86 |
| 2007 | 2,390,770 | 5,976,925 | 40% | 8.86 | 8.86 |

Note: (1) Includes insurance premium roll back that was phased out as of FY2005

Lowndes County, Georgia
Direct and Overlapping Property Tax Rates (Unaudited),
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

| | <u>1998</u> | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| County Direct Rates: | | | | | | | | | | |
| Lowndes County (Incorporated) | 7.02 | 7.30 | 9.02 | 9.01 | 9.01 | 9.01 | 8.86 | 8.86 | 8.86 | 8.86 |
| Lowndes County (Unincorporated) (1) | 5.14 | 5.13 | 7.39 | 7.39 | 7.80 | 8.12 | 8.45 | 8.86 | 8.86 | 8.86 |
| Overlapping Rates: | | | | | | | | | | |
| Lowndes County Board of Education | 14.34 | 14.34 | 14.34 | 14.28 | 14.25 | 14.20 | 14.20 | 14.15 | 15.15 | 15.15 |
| Valdosta-Lowndes County Industrial Authority | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 |
| City of Valdosta | 5.65 | 5.65 | 4.65 | 4.64 | 4.64 | 4.63 | 4.47 | 4.48 | 4.41 | 4.40 |
| Central Valdosta Development Authority | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Valdosta Community Improvement District | 0.00 | 0.00 | 0.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Valdosta Board of Education | 10.90 | 12.27 | 12.57 | 12.54 | 12.54 | 12.29 | 12.29 | 13.98 | 14.98 | 14.98 |
| City of Hahira | 6.00 | 6.00 | 5.50 | 5.50 | 5.40 | 5.38 | 5.38 | 5.38 | 5.38 | 5.38 |
| City of Lake Park | 6.00 | 6.00 | 6.00 | 5.99 | 5.99 | 5.84 | 5.84 | 5.83 | 5.80 | 5.70 |
| City of Remerton | 3.50 | 3.50 | 3.50 | 3.50 | 3.48 | 3.48 | 3.42 | 4.42 | 5.42 | 6.42 |
| State of Georgia | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |

Note: (1) Includes insurance premium roll back that was phased out as of FY2005.

Source: Lowndes County Tax Commissioner

Lowndes County, Georgia
Principle Property Tax Payers (Unaudited),
Current Year and Nine Years Ago

| <u>Taxpayer</u> | <u>2007</u> | | | <u>1998</u> | | |
|--|-------------------------------|-------------|--|-------------------------------|-------------|--|
| | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total County Taxable Assessed Value</u> | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total County Taxable Assessed Value</u> |
| Packaging Corporation of America | \$ 49,796,683 | 1 | 2.08% | | | |
| Archer Daniels Midland | 43,648,537 | 2 | 1.83% | | | |
| Lowe's Distribution Center | 29,599,072 | 3 | 1.24% | | | |
| The Langdale Company | 26,528,393 | 4 | 1.11% | | | Data Not Available |
| Georgia Power Company | 25,735,664 | 5 | 1.08% | | | |
| Wild Adventures | 19,860,493 | 6 | 0.83% | | | |
| Marelda Valdosta Mall LLC | 11,899,329 | 7 | 0.50% | | | |
| Bellsouth Telecommunications | 11,887,727 | 8 | 0.50% | | | |
| Colquitt Electric Membership | 12,325,531 | 9 | 0.52% | | | |
| Valdosta-Lowndes Co Industrial Authority | 9,404,745 | 10 | 0.39% | | | |
| All others | <u>2,150,083,930</u> | | <u>89.93%</u> | | | |
| Total | <u>\$ 2,390,770,104</u> | | <u>100.00%</u> | | | |

Source: Lowndes County Tax Commissioner

Lowndes County, Georgia
Property Tax Levies and Collections (Unaudited),
Last Ten Fiscal Years

| Fiscal Year Ending June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|--------------------------------------|--|---|-----------------------|---------------------------------------|---------------------------|-----------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 1998 | \$ 8,470,748 | \$ 8,213,365 | 96.96% | \$ 254,507 | \$ 8,467,872 | 99.97% |
| 1999 | 9,254,338 | 9,013,346 | 97.40% | 239,068 | 9,252,414 | 99.98% |
| 2000 | 14,064,701 | 13,194,313 | 93.81% | 867,005 | 14,061,318 | 99.98% |
| 2001 | 14,288,707 | 13,871,716 | 97.08% | 398,840 | 14,270,556 | 99.87% |
| 2002 | 15,137,872 | 14,675,928 | 96.95% | 435,781 | 15,111,709 | 99.83% |
| 2003 | 15,769,194 | 14,984,335 | 95.02% | 752,916 | 15,737,251 | 99.80% |
| 2004 | 17,001,737 | 16,527,834 | 97.21% | 455,228 | 16,983,062 | 99.89% |
| 2005 | 17,860,543 | 17,585,316 | 98.46% | 247,598 | 17,832,914 | 99.85% |
| 2006 | 20,047,190 | 19,559,113 | 97.57% | 337,722 | 19,896,835 | 99.25% |
| 2007 | 21,182,223 | 20,560,611 | 97.07% | - | 20,560,611 | 97.07% |

Source: Lowndes County Tax Commissioner

Lowndes County, Georgia
Ratios of Outstanding Debt by Type (Unaudited),
Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | Business-Type Activities | | Total Primary Government | Percentage of Personal Income | Per Capita |
|-------------|-------------------------|--------------------------|---------------|--------------------------|-------------------------------|------------|
| | Capital Leases | Notes Payable | Revenue Bonds | | | |
| 1998 | 4,979,172 | 3,203,531 | 835,000 | 9,017,703 | 0.52% | 103 |
| 1999 | 4,425,762 | 4,185,122 | 810,000 | 9,420,884 | 0.51% | 105 |
| 2000 | 3,875,206 | 5,736,977 | 775,000 | 10,387,183 | 0.53% | 113 |
| 2001 | 3,551,523 | 6,753,730 | 740,000 | 11,045,253 | 0.53% | 120 |
| 2002 | 2,956,766 | 7,127,765 | 705,000 | 10,789,531 | 0.49% | 115 |
| 2003 | 2,860,000 | 7,559,772 | 670,000 | 11,089,772 | 0.48% | 117 |
| 2004 | 21,854,991 | 7,148,639 | 630,000 | 29,633,630 | 1.32% | 313 |
| 2005 | 22,461,008 | 5,159,265 | 585,000 | 28,205,273 | 1.20% | 292 |
| 2006 | 20,092,417 | 4,583,037 | 12,125,000 | 36,800,454 | 1.52% | 376 |
| 2007 | 17,688,318 | 3,718,226 | 11,675,000 | 33,081,544 | 1.30% | 335 |

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

Lowndes County, Georgia
Direct and Overlapping Governmental Activities Debt (Unaudited)
As of June 30, 2007

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Overlapping Debt</u> |
|--|-----------------------------|--|--|
| Debt repaid with property taxes | | | |
| City of Dasher | \$ 20,000 | 100% | \$ 20,000 |
| City of Hahira | 2,988,151 | 100% | 2,988,151 |
| City of Lake Park | 34,830 | 100% | 34,830 |
| City of Remerton | 491,800 | 100% | 491,800 |
| City of Valdosta | 10,904,097 | 100% | 10,904,097 |
| Central Valdosta Development Authority | 634,490 | 100% | 634,490 |
| Other debt | | | |
| Valdosta-Lowndes County Industrial Authority | 854,806 | 100% | <u>854,806</u> |
| Subtotal, overlapping debt | | | 15,928,174 |
| County direct debt | | | |
| Capital Leases | | | 17,688,318 |
| Intergovernmental Agreements | | | |
| Valdosta-Lowndes County Industrial Authority | | | 3,335,478 |
| Direct Guaranteed Revenue Debt | | | |
| Water and Sewer Revenue Bonds | | | 11,675,000 |
| Water and Sewer Notes Payable | | | <u>3,718,226</u> |
| Total County direct debt | | | <u>36,417,022</u> |
| Total direct and overlapping debt | | | <u>\$ 52,345,196</u> |

Sources:

Each city government provided information for their respective city.

Notes:

Overlapping governments are those that coincide with the geographic boundaries of the County. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of Lowndes County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Lowndes County, Georgia
 Legal Debt Margin Information (Unaudited)
 Last Ten Fiscal Years
(dollars in thousands)

| Legal Debt Margin Calculation for Fiscal Year 2007 | | | | | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---|-------------------|
| | | | | | | | | | | Assessed value | \$ 2,390,770 |
| | | | | | | | | | | Debt limitation (10% of assessed value) | 239,077 |
| | | | | | | | | | | Debt applicable to limitation: | |
| | | | | | | | | | | Total bonded debt | - |
| | | | | | | | | | | Legal debt margin | <u>\$ 239,077</u> |
| | <u>1998</u> | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | |
| Debt limit | \$ 145,014 | \$ 169,253 | \$ 172,272 | \$ 178,624 | \$ 183,110 | \$ 196,018 | \$ 201,586 | \$ 226,266 | \$ 226,266 | 239,077 | |
| Total net debt applicable to limit | - | - | - | - | - | - | - | - | - | - | |
| Legal debt margin | <u>\$ 145,014</u> | <u>\$ 169,253</u> | <u>\$ 172,272</u> | <u>\$ 178,624</u> | <u>\$ 183,110</u> | <u>\$ 196,018</u> | <u>\$ 201,586</u> | <u>\$ 226,266</u> | <u>\$ 226,266</u> | <u>\$ 239,077</u> | |
| Total net debt applicable to the limit as a percentage of debt limit | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |

Lowndes County, Georgia
Pledged-Revenue Coverage (Unaudited),
Last Two Fiscal Years

| Fiscal Year | Water and Sewer Revenue Bonds 2005 | | | | | | | Coverage |
|----------------|------------------------------------|--------------------------------|-----------------------------|--------------|------------|------------|------|----------|
| | Operating Revenue | Less: Operating Expenses | Net Available Revenue | Debt Service | | Total | | |
| | | | | Principle | Interest | | | |
| 2006 | \$ 3,154,058 | \$ 2,134,045 | \$ 1,020,013 | \$ 375,000 | \$ 444,203 | \$ 819,203 | 1.25 | |
| 2007 | \$ 3,649,845 | \$ 2,281,525 | \$ 1,368,320 | \$ 450,000 | \$ 521,794 | \$ 971,794 | 1.41 | |

Notes:

Pledged revenues represent fees charged for water and sewer services.

Operating expenses do not include depreciation and interest expenses.

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

Lowndes County, Georgia
Demographic and Economic Statistics (Unaudited),
Last Ten Calendar Years

| Fiscal Year | Population (1) | Personal Income | Per Capita Income (2) | | Unemployment Rate (2) | |
|----------------|----------------|--------------------|-----------------------|--------|-----------------------|-------|
| | | | County | State | County | State |
| 1998 | 87,263 | 1,741,071,376 | 19,952 | 25,447 | 4.0% | 4.2% |
| 1999 | 89,881 | 1,834,738,608 | 20,413 | 26,536 | 4.2% | 4.0% |
| 2000 | 92,114 | 1,960,185,920 | 21,280 | 28,103 | 5.3% | 3.7% |
| 2001 | 92,196 | 2,078,374,428 | 22,543 | 28,523 | 3.7% | 4.0% |
| 2002 | 93,646 | 2,198,058,912 | 23,472 | 28,689 | 3.3% | 5.1% |
| 2003 | 94,460 | 2,289,332,560 | 24,236 | 29,000 | 3.1% | 4.7% |
| 2004 | 94,579 | 2,251,736,832 | 23,808 | 30,051 | 2.9% | 4.1% |
| 2005 | 96,705 | 2,343,742,380 | 24,236 | 31,191 | 3.8% | 4.7% |
| 2006 | 97,844 | 2,428,292,392 | 24,818 | 31,815 | 4.1% | 5.3% |
| 2007 | 98,822 | 2,542,602,559 | 25,729 | 30,914 | 4.1% | 4.7% |

Source:

(1) U. S. Bureau of Census

(2) State of Georgia Department of Labor

Lowndes County, Georgia
Principle Employers (Unaudited),
Current Year and Nine Years Ago

| <u>Employer</u> | <u>2007</u> | | | <u>1998</u> | | |
|------------------------------|------------------|-------------|--|------------------|-------------|--|
| | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total County Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total County Employment</u> |
| Moody Air Force Base | 4,448 | 1 | 9.55% | 5,810 | 1 | 14.43% |
| South Georgia Medical Center | 2,300 | 2 | 4.94% | 1,800 | 2 | 4.47% |
| Valdosta State University | 2,280 | 3 | 4.90% | 1,230 | 3 | 3.06% |
| Lowndes County School System | 1,279 | 4 | 2.75% | 1,224 | 4 | 3.04% |
| Valdosta City School System | 950 | 5 | 2.04% | 1,038 | 5 | 2.58% |
| Lowe's Distribution Center | 900 | 6 | 1.93% | 600 | 6 | |
| Convergys Corp | 850 | 7 | 1.83% | - | | |
| City of Valdosta | 659 | 8 | 1.42% | - | | |
| Bathcraft / Jacuzzi | 600 | 9 | 1.29% | - | | |
| Lowndes County | 540 | 10 | 1.16% | 500 | 10 | 1.24% |
| Crackin Good Bakeries | - | | | 555 | 7 | 1.38% |
| Bayliner Marine | - | | | 550 | 8 | 1.37% |
| Levi Strauss | - | | | 537 | 9 | 1.33% |
| Total | 14,806 | | 31.79% | 13,844 | | 32.90% |

Source: Georgia Department of Labor

Lowndes County, Georgia
 Full-time Equivalent County Government Employees by Function/Program (Unaudited),
 Last Ten Fiscal Years

| Function/Program | Full-time Equivalent Employees as of June 30, | | | | | | | | | |
|---------------------------|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>1998</u> | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
| General Government | | | | | | | | | | |
| Legislative | | | | | | | | | | |
| Board of Commissioners | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| County Manager | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 6 | 7 |
| Risk Manager | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| County Attorney | 2 | - | - | - | - | - | - | - | - | - |
| Board of Elections | 8 | 7 | 7 | 7 | 7 | 7 | 12 | 12 | 12 | 12 |
| Tax Assessors | 18 | 18 | 18 | 18 | 18 | 18 | 20 | 24 | 22 | 20 |
| Building Maintenance | 13 | 14 | 14 | 15 | 20 | 20 | 21 | 20 | 20 | 20 |
| Tax Commissioner | 18 | 18 | 18 | 19 | 19 | 19 | 19 | 19 | 20 | 19 |
| Administrative Services | 16 | 14 | 16 | 16 | 15 | 15 | 16 | 17 | 17 | 15 |
| Engineering | 16 | 12 | 11 | 10 | 8 | 8 | 9 | 9 | 10 | 11 |
| Judicial | | | | | | | | | | |
| Clerk of Court | 18 | 17 | 18 | 18 | 18 | 18 | 18 | 18 | 19 | 18 |
| Probate Court | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 6 | 5 |
| Juvenile Court | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 |
| Magistrate Court | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Superior Court | 13 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| State Court | 7 | 7 | 7 | 7 | 6 | 8 | 8 | 8 | 6 | 6 |
| Indigent Defense | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | - | - |
| Public Safety | | | | | | | | | | |
| Sheriff | 156 | 174 | 217 | 196 | 199 | 202 | 202 | 206 | 212 | 201 |
| Coroner | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Probation | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Fire Protection Services | 2 | 2 | 2 | 2 | 3 | 3 | 5 | 8 | 10 | 13 |
| Animal Control | 5 | - | 8 | 10 | 9 | 9 | 10 | 11 | 11 | 11 |
| Subtotal | 324 | 329 | 382 | 366 | 370 | 375 | 388 | 399 | 406 | 393 |

Lowndes County, Georgia
 Full-time Equivalent County Government Employees by Function/Program (Unaudited),
 Last Ten Fiscal Years

| Function/Program | Full-time Equivalent Employees as of June 30, | | | | | | | | | |
|---|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>1998</u> | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
| Public Works | | | | | | | | | | |
| Administration | 4 | 4 | 4 | 4 | 6 | 6 | 6 | 6 | 5 | 7 |
| Road Maintenance | 35 | 31 | 31 | 31 | 32 | 37 | 38 | 32 | 31 | 29 |
| Road Construction | 15 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 13 | 13 |
| Sanitation | 35 | 24 | 23 | 25 | 23 | 18 | 18 | 20 | 21 | 16 |
| Health and Welfare | | | | | | | | | | |
| Family Services | 1 | - | - | - | - | - | - | - | - | - |
| Culture and Recreations | | | | | | | | | | |
| Division of Parks | 7 | 5 | 5 | 6 | - | - | - | - | - | - |
| Housing and Development | | | | | | | | | | |
| Code Administration | 5 | 2 | 1 | - | - | - | - | - | - | - |
| Zoning | 1 | - | - | - | - | - | - | - | - | - |
| Keep Lowndes/ Valdosta Beautiful | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Auxiliary Accounts - Jail Commissary | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1 |
| Intergovernmental | | | | | | | | | | |
| Regional Airport | - | - | - | - | 6 | 6 | 6 | 6 | 6 | 6 |
| Alternative Dispute Resolution | - | - | - | - | 2 | 2 | 2 | 2 | 2 | 2 |
| Zoning Administration | - | - | - | - | 4 | 4 | 4 | 4 | 4 | 3 |
| VAWA Grant | - | - | - | - | - | 2 | 2 | - | 2 | - |
| Lodac Hud Grant | - | - | - | - | - | 5 | 5 | 3 | 6 | - |
| County Jail Fund | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Drug Abuse Treatment | 7 | 7 | 7 | 7 | 7 | 13 | 7 | 7 | 7 | 7 |
| Emergency Telephone System | 30 | 30 | 30 | 33 | 33 | 34 | 32 | 32 | 33 | 28 |
| Victim/Witness | - | - | - | - | 1 | 2 | 2 | 2 | 2 | 2 |
| Water and Sewer | 10 | 14 | 15 | 15 | 12 | 12 | 13 | 13 | 13 | 13 |
| Equipment Maintenance | - | - | - | - | 10 | 10 | 10 | 10 | 10 | 9 |
| Total | <u>477</u> | <u>464</u> | <u>516</u> | <u>505</u> | <u>524</u> | <u>544</u> | <u>551</u> | <u>554</u> | <u>565</u> | <u>531</u> |

Source: County Budgets

Lowndes County, Georgia
 Operating Indicators by Function/Program (Unaudited),
 Last Ten Fiscal Years

| Function/Program | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| Courts | | | | | | | | | | |
| Cases filed: | | | | | | | | | | |
| Superior Court - Civil | 2,781 | 3,029 | 2,951 | 3,234 | 3,149 | 2,985 | 2,730 | 2,987 | 2,776 | 3,079 |
| Superior Court - Criminal | 1,731 | 1,625 | 1,599 | 1,793 | 1,673 | 1,857 | 3,261 | 3,856 | 4,199 | 4,199 |
| State Court - Civil | 1,015 | 1,457 | 1,168 | 1,207 | 1,041 | 996 | 1,514 | 1,038 | 1,021 | 1,020 |
| State Court - Criminal | 32,798 | 32,562 | 32,092 | 35,563 | 30,812 | 27,211 | 24,746 | 23,188 | 19,436 | 20,082 |
| Juvenile Court | NA | NA | NA | NA | NA | 1,434 | 1,766 | 2,027 | 1,656 | 1,656 |
| Sheriff | | | | | | | | | | |
| Physical arrest | NA | NA | NA | NA | NA | NA | NA | 7,501 | 5,167 | 10,554 |
| Jail inmates booked in/out | NA | NA | NA | NA | NA | NA | NA | 9,030 | 5,167 | 10,554 |
| Average daily jail population | NA | NA | NA | NA | NA | NA | NA | 555 | 326 | 668 |
| Subpoenas served | NA | NA | NA | NA | NA | NA | NA | 17,335 | 7,019 | 17,084 |
| Jury summons | NA | NA | NA | NA | NA | NA | NA | 664 | 622 | 872 |
| Civil papers served | NA | NA | NA | NA | NA | NA | NA | 4,109 | 1,771 | 3,443 |
| Fire Protection Services | | | | | | | | | | |
| Emergency responses | NA | NA | NA | 1,046 | 915 | 678 | 1,362 | 989 | 1,508 | 1,777 |
| Fires extinguished | NA | NA | NA | 571 | 518 | 247 | 350 | 387 | 457 | 560 |
| Emergency Telephone System | | | | | | | | | | |
| 911 calls | NA | 55,791 | 57,306 | 57,822 | 63,000 | 63,218 | 62,578 | 64,412 | 77,291 | 75,426 |
| Public Works | | | | | | | | | | |
| New paving (miles) | 9 | 3 | 6 | 6 | 6 | 11 | 7 | 28 | 8 | 8 |
| Sanitation | | | | | | | | | | |
| Refuse collected (tons per day) | 33 | 38 | 42 | 40 | 37 | 45 | 38 | 46 | 44 | 44 |
| Water | | | | | | | | | | |
| Average daily consumption (thousands of gallons) | 317 | 1,920 | 1,820 | 1,831 | 3,163 | 3,100 | 4,440 | 5,112 | 6,443 | 6,738 |
| Sewer | | | | | | | | | | |
| Average daily sewage treatment (thousands of gallons) | 376 | 414 | 450 | 726 | 799 | 907 | 882 | 1,074 | 992 | 1,076 |

NA - Data Not Available

Source: County Department Heads

Note:

Data is routinely kept for outside and internal reporting purposes by department heads. Such data collection was not available in all departments for a ten year period.

Lowndes County, Georgia
Capital Assets Statistics by Function/Program (Unaudited),
Last Ten Fiscal Years

| Function/Program | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| Sheriff | | | | | | | | | | |
| Vehicles | 141 | 146 | 150 | 156 | 158 | 160 | 162 | 165 | 169 | 194 |
| Fire Protection Services | | | | | | | | | | |
| Fire stations | 13 | 13 | 14 | 14 | 14 | 15 | 15 | 16 | 17 | 18 |
| Vehicles | 54 | 55 | 55 | 55 | 56 | 56 | 56 | 56 | 56 | 55 |
| Pumpers | 16 | 16 | 16 | 16 | 19 | 19 | 19 | 19 | 19 | 13 |
| Public Works | | | | | | | | | | |
| Streets (miles) paved | 403 | 406 | 412 | 418 | 424 | 435 | 442 | 463 | 560 | 469 |
| Streets (miles) dirt | 428 | 427 | 422 | 418 | 414 | 408 | 403 | 385 | 345 | 347 |
| Traffic signals | - | - | - | 1 | 2 | 2 | 2 | 2 | 2 | 2 |
| Sanitation | | | | | | | | | | |
| Collection sites | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 7 | 6 |
| Parks and recreation | | | | | | | | | | |
| Acreage | 339 | 339 | 339 | 339 | 339 | 339 | 339 | 404 | 404 | 404 |
| Recreation facilities | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 6 |
| Water | | | | | | | | | | |
| Water mains (miles) | 83 | 84 | 89 | 92 | 101 | 110 | 124 | 133 | 140 | 155 |
| Fire hydrants | NA | NA | NA | NA | NA | NA | NA | 1,152 | 944 | 1,236 |
| Storage capacity (thousands of gallons) | 1,150 | 1,150 | 1,400 | 2,150 | 2,150 | 2,150 | 2,150 | 3,150 | 3,150 | 3,160 |
| Sewer | | | | | | | | | | |
| Sanitary sewers (miles) | 89 | 91 | 104 | 114 | 117 | 117 | 124 | 129 | 134 | 154 |
| Treatment capacity (thousands of gallons) | NA | NA | NA | NA | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Transit minibuses | - | - | - | 3 | 3 | 4 | 4 | 5 | 5 | 5 |

N/A - Data Not Available

Source: County Department Heads

Data is routinely kept for outside and internal reporting purposes by department heads. Such data collection was not available in all departments for a ten year period.

SPECIAL REPORTS SECTION

LOWNDES COUNTY, GEORGIA
SPECIAL SALES TAX III
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
Year Ended June 30, 2007

| | Original Estimated Cost | Current Estimated Cost | Prior Years | Current Year | Total | Estimated Percentage of Completion |
|-------------------------------|-------------------------------|------------------------------|----------------|-----------------|---------------|--|
| Airport Authority | \$ 1,300,000 | \$ 1,300,000 | \$ 1,300,000 | \$ - | \$ 1,300,000 | 100.00% |
| Auditorium Improvements | 5,000,000 | 4,999,999 | 4,999,999 | - | 4,999,999 | 100.00% |
| Industrial Authority | 2,651,000 | 2,642,849 | 2,642,849 | - | 2,642,849 | 100.00% |
| Dasher | 392,900 | 490,381 | 447,772 | 42,609 | 490,381 | 100.00% |
| Hahira | 641,700 | 738,956 | 738,956 | - | 738,956 | 100.00% |
| Remerton | 216,300 | 239,379 | 239,379 | - | 239,379 | 100.00% |
| Lake Park | 234,300 | 247,841 | 247,841 | - | 247,841 | 100.00% |
| City of Valdosta | 18,882,500 | 21,846,918 | 21,846,918 | - | 21,846,918 | 100.00% |
| Water and Sewer Fund Projects | 4,266,000 | 4,215,946 | 4,215,946 | - | 4,215,946 | 100.00% |
| County Road Projects | 11,415,300 | 17,682,440 | 17,682,440 | - | 17,682,440 | 100.00% |
| Totals | \$ 45,000,000 | \$ 54,404,709 | \$ 54,362,100 | \$ 42,609 | \$ 54,404,709 | |

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
SPECIAL SALES TAX IV
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
Year Ended June 30, 2007

| | Original Estimated Cost | Current Estimated Cost | Prior Years | Current Year | Total | Estimated Percentage of Completion |
|--|-------------------------------|------------------------------|----------------------|-------------------|----------------------|--|
| Industrial Authority | \$ 1,500,000 | \$ 1,561,722 | \$ 1,561,722 | \$ - | \$ 1,561,722 | 100.00% |
| Norman Drive | 2,200,000 | 2,339,521 | 2,339,521 | - | 2,339,521 | 100.00% |
| Oak Street Extension | 2,500,000 | 1,140,082 | 1,140,082 | - | 1,140,082 | 100.00% |
| Senior Citizen Center | 2,000,000 | 1,624,460 | 1,601,028 | - | 1,601,028 | 98.56% |
| Public Radio System | 6,000,000 | 6,919,445 | 6,910,212 | 9,233 | 6,919,445 | 100.00% |
| Dasher | 300,000 | 293,191 | 257,342 | 35,198 | 292,540 | 99.78% |
| Hahira | 1,175,000 | 1,158,096 | 1,155,700 | - | 1,155,700 | 99.79% |
| Remerton | 400,000 | 409,834 | 399,929 | - | 399,929 | 97.58% |
| Lake Park | 360,000 | 355,906 | 298,605 | 22 | 298,627 | 83.91% |
| City of Valdosta | 32,900,000 | 33,493,765 | 30,491,423 | 761,551 | 31,252,974 | 93.31% |
| Roads, Streets, and Bridges | 16,239,000 | 15,379,524 | 15,306,475 | 64,230 | 15,370,705 | 99.94% |
| Water and Sewer Projects | 11,825,000 | 12,726,061 | 12,715,219 | 10,842 | 12,726,061 | 100.00% |
| Parks and Recreation Projects | 1,851,000 | 4,848,596 | 4,846,215 | 2,381 | 4,848,596 | 100.00% |
| Public Transportation Facilities and Vehicles | 350,000 | 145,020 | 141,170 | 3,850 | 145,020 | 100.00% |
| Environmental Compliance | 400,000 | 524,845 | 524,845 | - | 524,845 | 100.00% |
| Totals | <u>\$ 80,000,000</u> | <u>\$ 82,920,068</u> | <u>\$ 79,689,488</u> | <u>\$ 887,307</u> | <u>\$ 80,576,795</u> | |

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
SPECIAL SALES TAX V
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
Year Ended June 30, 2007

| | Original Estimated Cost | Current Estimated Cost | Prior Years | Current Year | Total | Estimated Percentage of Completion |
|--|-------------------------------|------------------------------|----------------------|----------------------|----------------------|--|
| Industrial Authority | \$ 4,070,000 | \$ 4,070,000 | \$ 291,454 | \$ 2,672,650 | \$ 2,964,104 | 72.83% |
| Airport Authority | 1,100,000 | 1,100,000 | 411,914 | 40,195 | 452,109 | 41.10% |
| Dasher | 440,000 | 440,000 | - | 48,397 | 48,397 | 11.00% |
| Hahira | 990,000 | 990,000 | 271,778 | - | 271,778 | 27.45% |
| Remerton | 770,000 | 770,000 | 228,256 | 65,639 | 293,895 | 38.17% |
| Lake Park | 440,000 | 440,000 | 220,904 | 30,394 | 251,298 | 57.11% |
| City of Valdosta | 51,095,000 | 51,095,000 | 25,989,024 | 8,939,233 | 34,928,257 | 68.36% |
| Roads, Streets, and Bridges | 20,000,000 | 19,427,000 | 14,554,156 | 3,364,495 | 17,918,651 | 92.24% |
| Debt Retirement | 16,785,000 | 16,785,000 | 6,272,596 | 2,185,130 | 8,457,726 | 50.39% |
| Jail Facilities and Equipment | 6,300,000 | 6,300,000 | 4,051,641 | 1,929,620 | 5,981,261 | 94.94% |
| Court Facilities and Equipment | 1,000,000 | 1,000,000 | - | - | - | 0.00% |
| Water and Sewer Facilities and Equipment | 2,427,000 | 3,000,000 | 1,597,713 | 1,012,959 | 2,610,672 | 87.02% |
| Parks and Recreation Facilities | 1,000,000 | 1,000,000 | 82 | 15,560 | 15,642 | 1.56% |
| Administrative Facilities and Equipment | 1,908,000 | 1,908,000 | 116,631 | - | 116,631 | 6.11% |
| Human Resource Building Improvements | 200,000 | 200,000 | - | - | - | 0.00% |
| Library Books and Equipment | 125,000 | 125,000 | 68,093 | 8,911 | 77,004 | 61.60% |
| Public Safety Facilities and Equipment | 500,000 | 500,000 | - | - | - | 0.00% |
| Animal Shelter Facilities and Equipment | 50,000 | 50,000 | - | - | - | 0.00% |
| Fire Fighting Facilities and Equipment | 750,000 | 750,000 | 745,643 | 2,880 | 748,523 | 99.80% |
| Public Transportation Vehicles | 50,000 | 50,000 | - | 3,850 | 3,850 | 7.70% |
| Totals | <u>\$ 110,000,000</u> | <u>\$ 110,000,000</u> | <u>\$ 54,819,885</u> | <u>\$ 20,319,913</u> | <u>\$ 75,139,798</u> | |

See independent auditors' report.

SOURCE and APPLICATION OF FUNDS SCHEDULE
Community Development Block Grant

Lowndes County, Georgia

04p-y-092-1-2985

For the Period Ending: June 30, 2007
Cumulative

| | |
|--|------------------------------|
| I. Total Fiscal Year 2004 CDBG Funds Awarded to Recipient: | \$ <u>498,816</u> |
| II. Total Amount of Drawdown by Recipient from DCA: | \$ 493,816 |
| III. Less: CDBG Funds Expended by Recipient: | \$ <u>493,816</u> |
| IV. Amount of Fiscal Year 2004 CDBG Funds held by Recipient: | \$ <u><u> -</u></u> |

See independent auditors' report.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROJECT COST SCHEDULE

Recipient: Lowndes County, Georgia

Grant #: 04p-y-092-1-2985

For the Period Ending: June 30, 2007

| Program Activity | CDBG Activity Number | Latest Approved Budget | Accumulative CDGB Expenditures To Date | Accumulative Expenditures To Date (Other Funds) | Grand Total of Expenditures To Date | Questioned Costs |
|---------------------|----------------------------|------------------------------|---|--|--|---------------------|
| Homeless Facilities | P-03C-00 | \$ 473,816 | \$ 473,816 | \$ - | \$ 473,816 | \$ - |
| Administration | A-21A-00 | \$ 25,000 | \$ 20,000 | \$ - | \$ 20,000 | \$ - |
| TOTAL | | <u>\$ 498,816</u> | <u>\$ 493,816</u> | <u>\$ -</u> | <u>\$ 493,816</u> | <u>\$ -</u> |

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
 SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
 Year Ended June 30, 2007

| | <u>Contract Number</u> | <u>Revenue</u> | <u>Expenditures</u> | <u>Due (To) From State</u> |
|--|----------------------------|-------------------|---------------------|------------------------------------|
| Passed through the Georgia Department of Human Resources Hahira Outreach | | \$ 6,645 | \$ 6,645 | \$ - |
| Passed through the Georgia Department of Community Affairs CDBG Grant | 05p-y-092-1-2985 | 467,601 | 467,601 | - |
| HUD Grant EDSI | | 72,168 | 72,168 | - |
| Passed through the Georgia CYCC Right Track Program | | <u>22,570</u> | <u>22,570</u> | <u>-</u> |
| Total | | <u>\$ 568,984</u> | <u>\$ 568,984</u> | <u>\$ -</u> |

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2007

| | <u>Federal CFDA Number</u> | <u>Pass Through Grantor Number</u> | <u>Federal Expenditures</u> |
|---------------------------------|------------------------------------|--|---------------------------------|
| Passed through the Georgia | | | |
| Department of Human Resources | | | |
| Hahira Outreach | 93.959 | | \$ 6,645 |
| Passed through the Georgia | | | |
| Department of Community Affairs | | | |
| CDBG Grant | 14.228 | 05p-y-092-1-2985 | 467,601 |
| HUD Grant EDSI | | | <u>72,168</u> |
| Total | | | <u><u>\$ 546,414</u></u> |

See independent auditors' report.

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 Board of Commissioners
Lowndes County, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lowndes County, Georgia as of and for the year ended June 30, 2007 which collectively comprise the County's basic financial statements and have issued our report thereon dated December 31, 2007. 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. We did not audit the financial statements of Valdosta-Lowndes County Industrial Authority which represents 3.94% and 3.75%, respectively of the total assets and revenues of Lowndes County, Georgia. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Valdosta-Lowndes County Industrial Authority are based on the report of the other auditor. We did not audit the financial statements of Lowndes County Board of Health which represents 1.26% and 10.58%, respectively of the total assets and revenues of Lowndes County, Georgia. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Lowndes County Board of Health are based on the report of the other auditor.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Lowndes County, Georgia's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Lowndes County, Georgia's financial statements that is more than inconsequential will not be prevented or detected by the Lowndes County, Georgia's internal control.

To the Board of Commissioners

Page Two

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Lowndes County, Georgia's internal control.

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of Lowndes County, Georgia, in a separate letter dated December 31, 2007.

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

Valenti, Rackley & Associates, LLC
Valenti, Rackley and Associates, LLC

Valdosta, Georgia
December 31, 2007

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

To the Board of Commissioners
Lowndes County, Georgia

Compliance

We have audited the compliance of Lowndes County, Georgia, 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, 2007. Lowndes County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Lowndes County, Georgia's management. Our responsibility is to express an opinion on Lowndes County, Georgia's compliance based on our audit. Lowndes County, Georgia's basic financial statements include the operations of the Lowndes County Board of Health, which received \$3,475,047 in federal awards that is not included in the schedule during the year ended June 30, 2007. Our audit, described below, did not include the operations of Lowndes County Board of Health because the component unit 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 Lowndes County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Lowndes County, Georgia's compliance with those requirements.

In our opinion, Lowndes County, Georgia, 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, 2007.

Internal Control Over Compliance

The management of Lowndes County, Georgia, 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 Lowndes County, Georgia'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 the internal control over compliance in accordance with OMB Circular A-133.

To the Board of Commissioners

Page Two

Our consideration of the internal control over compliance 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 noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud 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.

This report is intended solely for the information and use of the Board of Commissioners, management, the State of Georgia Department of Audits 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.

Valenti, Rackley & Associates, LLC
Valenti, Rackley and Associates, LLC

Valdosta, Georgia
December 31, 2007

LOWNDES COUNTY, GEORGIA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2007

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued Unqualified
 Internal control over financial reporting
 Material weakness identified? _____ Yes X No
 Reportable conditions identified not
 considered to be material weakness? _____ Yes X None reported
 Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs
 Material weaknesses identified? _____ Yes X No
 Reportable conditions identified not
 considered to be material weaknesses? _____ Yes X None reported

Type of auditor’s report issued on compliance
 for major programs:
 Unqualified

Any audit findings disclosed that are required to be reported
 in accordance with Circular A-133, Section .510(a)? _____ Yes X No

Identification of major programs:

| <u>CFDA Number</u> | <u>Name of Federal Program</u> |
|--------------------|--|
| 14.228 | Community Development Block Grants/State’s Program |

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee considered a low risk auditee _____ Yes X No

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Lowndes County
Valdosta, Georgia

We have examined management's assertion included in the accompanying State of Georgia Grant Certification Form about Lowndes County's compliance during the fiscal year ended June 30, 2007 with the requirement to use grant proceeds solely for the purpose or purposes for which the grant was made for each of the following grant awards:

1. 02-C-L-589
2. 01-C-L-262
3. 02-C-L-714
4. 03-C-L-820

Management is responsible for Lowndes County's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about Lowndes County's compliance based on our examination.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Lowndes County's compliance with this requirement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Lowndes County's compliance with the specific requirements.

In our opinion, management's assertion that Lowndes County complied with the aforementioned requirement for the fiscal year ended June 30, 2007 is fairly stated, in all material respects.

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

Valenti, Rackley & Associates, LLC
Valenti, Rackley and Associates, LLC

Valdosta, Georgia
December 31, 2007

State of Georgia Grant Certification Form

| | | |
|---|--|---------------------------------|
| A | Local Government | Lowndes County, Georgia |
| B | Information For Year Ended | June 30, 2007 |
| C | State Awarding Agency | Department of Community Affairs |
| D | Grant Identification Number | 02-C-L-589 |
| E | Grant Title | Local Assistance Grant |
| F | Grant Award Date | July 2, 2001 |
| G | Grant Amount | \$20,000 |
| H | Balance-Prior Year (Cash or Accrued or Deferred Revenue) | \$3,656 |
| I | Grant Receipts or Revenue Recognized | \$0 |
| J | Grant Disbursements or Expenditures | \$626 |
| K | Balance-Current Year (Cash or Accrued or Deferred Revenue) (Line H + Line I - Line J) | \$3,030 |

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made. I understand that failure to comply with the provisions of the law applicable to this grant award shall result in a forfeiture of such grant and the return to the state of any such grant funds received.

Signature of Chief Elected Official  Date 12/31/07

Signature of Chief Financial Officer  Date 12/31/07

State of Georgia Grant Certification Form

| | | |
|---|---|---------------------------------|
| A | Local Government | Lowndes County, Georgia |
| B | Information For Year Ended | June 30, 2007 |
| C | State Awarding Agency | Department of Community Affairs |
| D | Grant Identification Number | 01-C-L-262 |
| E | Grant Title | Local Assistance Grant |
| F | Grant Award Date | August 15, 2000 |
| G | Grant Amount | \$60,000 |
| H | Balance-Prior Year (Cash or Accrued or Deferred Revenue) | \$45,000 |
| I | Grant Receipts or Revenue Recognized | \$0 |
| J | Grant Disbursements or Expenditures | \$0 |
| K | Balance-Current Year (Cash or Accrued or Deferred Revenue) (Line H + Line I - Line J) | \$45,000 |

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made. I understand that failure to comply with the provisions of the law applicable to this grant award shall result in a forfeiture of such grant and the return to the state of any such grant funds received.

Signature of Chief Elected Official  Date 12/31/07

Signature of Chief Financial Officer  Date 12/31/07

State of Georgia Grant Certification Form

| | | |
|---|--|---------------------------------|
| A | Local Government | Lowndes County, Georgia |
| B | Information For Year Ended | June 30, 2007 |
| C | State Awarding Agency | Department of Community Affairs |
| D | Grant Identification Number | 02-C-L-714 |
| E | Grant Title | Local Assistance Grant |
| F | Grant Award Date | July 2, 2001 |
| G | Grant Amount | \$50,000 |
| H | Balance-Prior Year (Cash or Accrued or Deferred Revenue) | \$10,000 |
| I | Grant Receipts or Revenue Recognized | \$0 |
| J | Grant Disbursements or Expenditures | \$0 |
| K | Balance-Current Year (Cash or Accrued or Deferred Revenue) (Line H + Line I - Line J) | \$10,000 |

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made. I understand that failure to comply with the provisions of the law applicable to this grant award shall result in a forfeiture of such grant and the return to the state of any such grant funds received.

Signature of Chief Elected Official  Date 12/31/07

Signature of Chief Financial Officer  Date 12/31/07

State of Georgia Grant Certification Form

| | | |
|---|--|---------------------------------|
| A | Local Government | Lowndes County, Georgia |
| B | Information For Year Ended | June 30, 2007 |
| C | State Awarding Agency | Department of Community Affairs |
| D | Grant Identification Number | 03-C-L-820 |
| E | Grant Title | Local Assistance Grant |
| F | Grant Award Date | July 2, 2002 |
| G | Grant Amount | \$75,000 |
| H | Balance-Prior Year (Cash or Accrued or Deferred Revenue) | \$75,000 |
| I | Grant Receipts or Revenue Recognized | \$0 |
| J | Grant Disbursements or Expenditures | \$0 |
| K | Balance-Current Year (Cash or Accrued or Deferred Revenue) (Line H + Line I - Line J) | \$75,000 |

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made. I understand that failure to comply with the provisions of the law applicable to this grant award shall result in a forfeiture of such grant and the return to the state of any such grant funds received.

Signature of Chief Elected Official  Date 12/31/07

Signature of Chief Financial Officer  Date 12/31/07

INDEPENDENT AUDITOR'S REPORT

We have examined management's assertion included in the accompanying Annual Report of 9-1-1 Collections and Expenditures about Lowndes County, Georgia's compliance during the fiscal year ended June 30, 2007 with the requirement to expend 9-1-1 funds in compliance with the expenditure requirements of the Official Code of Georgia Annotated, Section 46-5-134. Management is responsible for Lowndes County, Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about Lowndes County, Georgia's compliance based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Lowndes County, Georgia's compliance with this requirement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Lowndes County, Georgia's compliance with the specified requirement.

In our opinion, management's assertion that Lowndes County, Georgia complied with the aforementioned requirement during the fiscal year ended June 30, 2007 is fairly stated, in all material respects.

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

Valenti, Rackley & Associates, LLC
Valenti, Rackley and Associates, LLC

Valdosta, Georgia
December 31, 2007

Lowndes County, Georgia
 Annual Report of 9-1-1 Collections and Expenditures
 For the Year Ended June 30, 2007

| <u>Line No.</u> | <u>O.C.G.A. Reference:</u> | |
|-----------------|---|--|
| 1 | Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one): <input checked="" type="checkbox"/> Special Revenue Fund <input type="checkbox"/> Enterprise Fund | |
| 2 | Monthly 9-1-1 charge billed to each exchange access facility subscriber: | 46-5-134(a)(1) \$ <u>1.50</u> |
| 3 | Total revenue from exchange access facility subscribers: | \$ <u>1,543,171</u> |
| 4 | Does 9-1-1 system provide automatic number identification of a wireless telecommunications connection? (choose one) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| 5 | If the answer to Line 4 is "yes", indicate below which of the following apply (choose one) <input checked="" type="checkbox"/> System provides location of base station or cell site <input type="checkbox"/> System provides automatic location identification | 46-5-134(a)(2)(A) 46-5-134(a)(2)(B) |
| 6 | If the answer to Line 4 is "yes", identify the monthly 9-1-1 charge billed to each wireless telecommunications connection subscriber: | 46-5-134(a)(2) \$ <u>1.50</u> |
| 7 | Total revenue from wireless telecommunications connection subscribers: | \$ <u>909,883</u> |
| 8 | Total Line 3 plus Line 7 (should equal UCOA Revenue Source 34.2500) | \$ <u>2,453,054</u> |
| 9 | Additional revenue sources: | |
| 9a | Federal (UCOA Revenue Source 33.1000) Identify each funding agency individually. Attach list, if necessary. | 46-5-134(j) \$ <u>-</u> |
| 9b | State (UCOA Revenue Source 33.4000) Identify each funding agency individually. Attach list, if necessary. | 46-5-134(j) \$ <u>-</u> |
| 9c | Local (UCOA Revenue Source 33.6000) Identify each unit of local government individually. Attach list, if necessary. | 46-5-134(j) \$ <u>-</u> |
| | <u>City of Remerton</u> | \$ <u>800</u> |
| | | \$ <u>-</u> |
| 9d | Private (UCOA Revenue Source 37.1000) Identify each private source individually. Attach list, if necessary. | 46-5-134(j) \$ <u>-</u> |

Lowndes County, Georgia
Annual Report of 9-1-1 Collections and Expenditures - Continued
For the Year Ended June 30, 2007

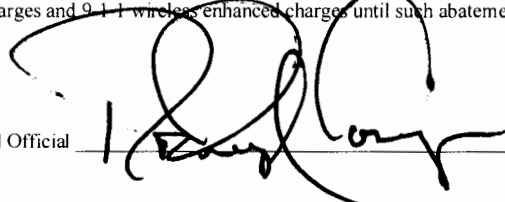
| | | | |
|-----|---|----------------|---------------------|
| 20 | Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems: | | |
| 20a | Lease costs | 46-5-134(f)(6) | \$ <u>214,029</u> |
| 20b | Purchase costs | 46-5-134(f)(6) | \$ <u>99,540</u> |
| 20c | Maintenance costs | 46-5-134(f)(6) | \$ <u>1,773</u> |
| 21 | Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials | 46-5-134(f)(7) | \$ <u>5,608</u> |
| 22 | Logging recorders used at a public safety answering point to record telephone and radio traffic: | | |
| 22a | Lease costs | 46-5-134(f)(8) | \$ <u>-</u> |
| 22b | Purchase costs | 46-5-134(f)(8) | \$ <u>-</u> |
| 22c | Maintenance costs | 46-5-134(f)(8) | \$ <u>-</u> |
| 23 | Other expenditures not included in Lines 13 through 22 above. Identify by object and purpose. Transfers to other funds of the local government should be reported on Line 26 and not included here. | | |
| | <u>Advertising</u> | | \$ <u>435</u> |
| | <u>Insurance</u> | | \$ <u>17,500</u> |
| | <u>Dues and subscriptions</u> | | \$ <u>3,720</u> |
| | <u>Travel</u> | | \$ <u>5,563</u> |
| | <u>Building maintenance</u> | | \$ <u>5,367</u> |
| | <u>Uniforms</u> | | \$ <u>4,403</u> |
| | <u>Contract services</u> | | \$ <u>541,136</u> |
| | <u>Utilities</u> | | \$ <u>69,474</u> |
| 24 | Total Expenditures (total of all amounts reported on Lines 13 through 23 above) | | \$ <u>2,314,248</u> |

Lowndes County, Georgia
Annual Report of 9-1-1 Collections and Expenditures - Continued
For the Year Ended June 30, 2007

| | | |
|-----|--|---------------------|
| 25 | Transfers From Other Funds (identify by fund) | |
| | <u>Lowndes County General Fund</u> | \$ <u>150,549</u> |
| 26 | Transfers To Other Funds (identify by fund) | |
| | _____ | \$ _____ |
| 27 | Proceeds from Capital Lease (identify by asset class and, if equipment, purpose) | |
| | _____ | \$ _____ |
| 28 | Net Change in Fund Balance (Line 12 - Line 24 + Line 25 - Line 26 + Line 27) | \$ <u>311,190</u> |
| 29 | Fund Balance - Beginning of Year | \$ <u>(311,190)</u> |
| 30 | Fund Balance - End of Year | \$ <u>_____</u> |
| 31a | Do amounts on Lines 12, 24, 28, 29, and 30 agree to amounts reported in the government's audited financial statements submitted to the Georgia Department of Audits and Accounts? | |
| | <u> X </u> Yes <u> </u> No | |
| 31b | If the answer to Line 31a is "no", provide explanation (including amounts) to reconcile each line item specified in Line 31a above to government's audited financial statements. Reconciliation should be attached to this report. | |

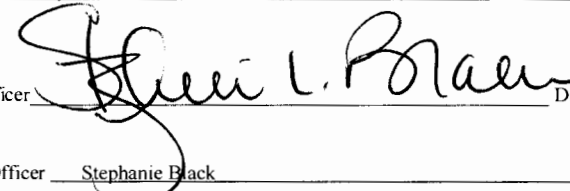
Certification of Local Government Officials

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

Signature of Chief Elected Official  Date 12/31/07

Print Name of Chief Elected Official Rodney N. Casey

Title of Chief Elected Official County Commission Chairman

Signature of Chief Financial Officer  Date 12/31/07

Print Name of Chief Financial Officer Stephanie Black