

Comprehensive Annual Financial Report July 1, 2007 – June 30, 2008



Lowndes County
Board of Commissioners



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COMPREHENSIVE ANNUAL FINANCIAL REPORT

LOWNDES COUNTY, GEORGIA

For The Fiscal Year
July 1, 2007 - June 30, 2008



FINANCE DEPARTMENT
Stephanie Black, Finance Director

LOWNDES COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Year Ending June 30, 2008

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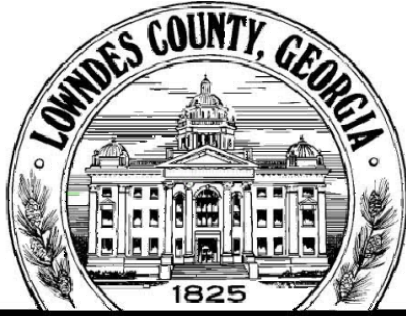
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INTRODUCTORY SECTION



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 23, 2008

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, 2008, 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.

This report consists of management's representations concerning the finances of Lowndes County, Georgia. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. All disclosures necessary to enable interested citizens to gain a reasonable understanding of the County's financial activities have been included.

The County's financial statements have been audited by Valenti, Rackley & Associates, L.L.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Lowndes County for the fiscal year ended June 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated “Single Audit” designed to meet the special needs of the federal agencies. The standards governing Single Audit engagements require the independent auditors to report on the audited government’s internal control and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit section of the Comprehensive Annual Financial Report of Lowndes County.

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

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 101,790 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 funded and provided through the Valdosta-Lowndes County Parks and Recreation Authority, the South Georgia Regional Library, the Lowndes-Valdosta Arts Commission and the Lowndes County 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 tourists 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 8.1% 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 13% 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, which in the past were considered municipal services, to the fastest growing sections of the county in the unincorporated areas.

To assure that the financial strength of Lowndes County is maintained, the financial policies of the County require that the County maintain 120 days of operating expenditures as a fund balance reserve. This policy has been instrumental in achieving excellent ratings from the bond rating agencies.

In April 2008, Lowndes County received an A1 rating from Moody's Investors Service and has maintained that rating. That same year the County received an A+ rating from Standards and Poor's. 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 3.5% unemployment rate the last five years compared to a State average of 4.6%. County population is estimated to have grown more than 10% since the 2000 census which showed a population of 92,114. County local option sales tax collections grew by 6.7% over the prior year. The gross tax digest was up 9.7% 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 continued 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 will be paid from general obligation bonds issued and to be paid back from the new special purpose local option sales tax that passed in FY08.

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, the County should complete in the next few years the master projects planned which exceed \$22 million in estimated cost.

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. Begin construction of the second phase of the Judicial and Administrative Complex.
2. Begin construction of the new prisoner housing facilities in the new jail.
3. The completion of the construction projects on the County's five year capital improvement master plan for the Water and Sewer Fund,
4. Complete 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.

RELEVANT FINANCIAL POLICIES

The management of Lowndes County has established a comprehensive internal control system that is designed both to protect the county's assets from theft, loss, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting standards. Because cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance of the safeguarding of assets and the proper recording of financial transactions.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Lowndes County Board of Commissioners for its comprehensive annual financial report for the fiscal year ended June 30, 2007. In order to be awarded a certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legible requirements.

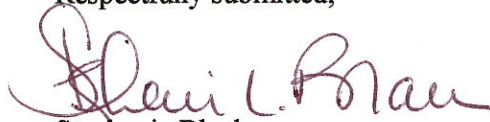
The County was also awarded the Distinguished Budget Presentation Award for the fiscal year ending June 30, 2008. This is the second consecutive year the County has received this award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, as an operation guide, as a financial plan and as a communication device.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. The Distinguished Budget Presentation Award is also valid for a period of one year and we believe our 2009 fiscal year budget document continues to conform to the requirements of the award.

Appreciation is expressed to all members of the Finance Department 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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lowndes County
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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



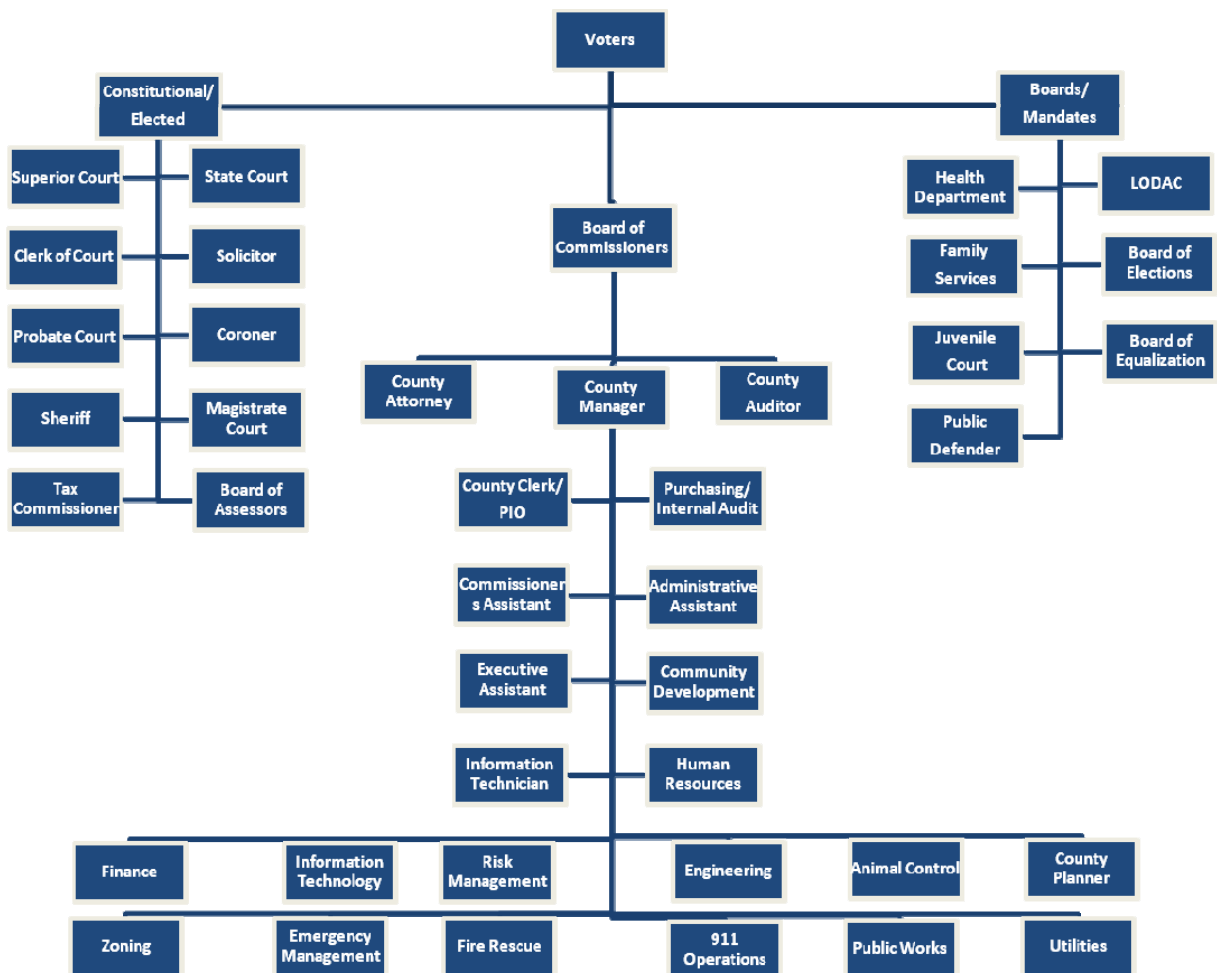
A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

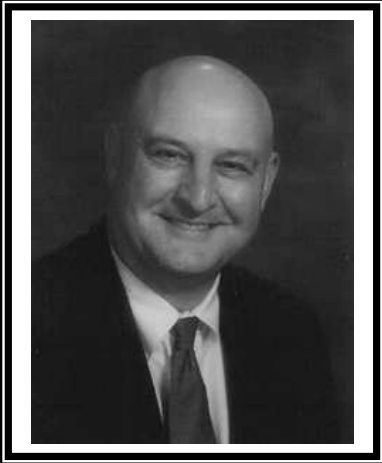
General Government Organizational Chart



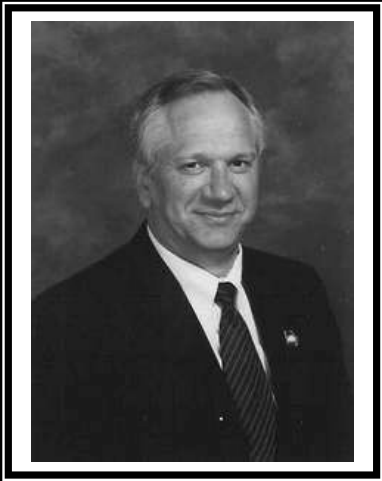
Lowndes County, Georgia
Principle Officials



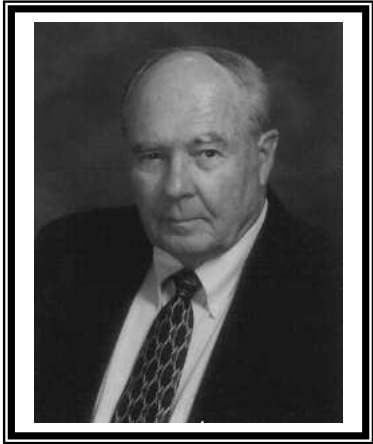
J. Edgar Roberts
Commissioner District 1



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. Arthur McLane
John Kent Edwards
Joni B. Parker
Ruby Sirmans

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Lowndes County, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lowndes County, Georgia as of and for the year ended June 30, 2008, 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 3.76% and 5.29%, 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 1.21% and 12.86%, 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 provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lowndes County, Georgia as of June 30, 2008, and the respective changes in financial position, and cash flows, where applicable, 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 23, 2008, 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 important for assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 11 through 21 and 72 through 82 and the budgetary comparison schedules on pages 91 through 103, 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 section 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 Schedules of Projects Constructed With Special Sales Tax Proceeds, Source and Application of Funds Schedules – CDBG Grants and Project Cost Schedules – CDBG Grants 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

Valenti, Rackley & Associates, LLC

Valdosta, Georgia
December 23, 2008

MANAGEMENT DISCUSSION AND ANALYSIS

LOWNDES COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2008

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, 2008. 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 FY08 are as follows:

The County's total net assets decreased by \$11,957,033 due in part to the spending down of accumulated special purpose local option sales tax funds collected in prior years and expenditures in the Judicial Complex capital project fund.

At the end of the current year, the County's governmental funds reported an ending fund balance of \$86,679,245, an increase of \$33,181,637 from the prior year fund balance. Of this amount, \$1,968,633 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 \$2,296,406, which represents 4.9 percent of total General Fund expenditures.

Net assets for business-type activities increased from \$21,970,143 to \$24,849,924 an increase of \$2,879,781.

The County has \$9,759,925 of water and sewer construction in progress.

The County has \$6,430,906 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, 2008

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, 2008

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, 2008

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 2007-2008
	Activities		Activities				
	2007	2008	2007	2008	2007	2008	
Assets							
Current and other assets	\$ 57.32	\$ 92.71	\$ 7.49	\$ 2.00	\$ 64.81	\$ 94.71	46.13%
Capital assets, net	153.76	146.23	32.17	36.32	185.93	182.55	-1.82%
Total Assets	211.08	238.94	39.66	38.32	250.74	277.26	10.58%
Liabilities							
Current and other liabilities	7.12	51.66	5.32	1.60	12.44	53.26	328.14%
Long-term liabilities	15.65	13.80	12.37	11.87	28.02	25.67	-8.39%
Total Liabilities	22.77	65.46	17.69	13.47	40.46	78.93	95.08%
Net Assets							
Invested in capital assets, net of related debt	136.07	89.33	20.51	29.10	156.58	118.43	-24.36%
Restricted	32.76	64.14	-	-	32.76	64.14	95.79%
Unrestricted	19.48	20.01	1.46	(4.25)	20.94	15.76	-24.74%
Total Net Assets	\$ 188.31	\$ 173.48	\$ 21.97	\$ 24.85	\$ 210.28	\$ 198.33	-5.68%

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 \$198,323,088. Net assets were \$173,473,664 in governmental activities and \$24,849,424 in business-type activities as of June 30, 2008. The largest portion of the County's net assets (60 %) 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 31% of net assets are restricted for use on capital projects.

An additional portion of the County's net assets (1.1 %) represents resources that are subject to other restrictions on how they can be used. The remaining balance of unrestricted net assets (8 %) may be used to meet the County's ongoing obligations to citizens and creditors.

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The next table shows the changes in net assets for the year ending June 30, 2008 & 2007.

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

	Governmental		Business-Type		Total		Total Percentage Change 2007-2008
	Activities		Activities		2007 2008		
	2007	2008	2007	2008	2007	2008	
Revenues							
Program Revenues							
Charges for services	\$ 10.21	\$ 11.42	\$ 3.85	\$ 4.03	\$ 14.06	\$ 15.45	9.89 %
Operating grants and contributions	3.99	2.21	-	-	3.99	2.21	(44.61) %
Capital grants and contributions	1.70	1.59	-	-	1.70	1.59	(6.47) %
Total Program Revenues	15.90	15.22	3.85	4.03	19.75	19.25	(2.53) %
General Revenues							
Property taxes	21.43	22.62	-	-	21.43	22.62	5.55 %
Alcoholic beverage taxes	0.52	0.53	-	-	0.52	0.53	1.92 %
Occupational taxes	0.37	0.40	-	-	0.37	0.40	8.11 %
Franchise taxes	0.21	0.21	-	-	0.21	0.21	- %
Insurance premium taxes	2.03	2.14	-	-	2.03	2.14	5.42 %
Sales taxes	35.16	32.38	-	-	35.16	32.38	(7.91) %
Public utility taxes	-	0.58	-	-	-	0.58	100.00 %
Solid waste host fees	-	-	0.52	0.49	0.52	0.49	(5.77) %
Premium on bonds sold	-	-	0.02	0.01	0.02	0.01	(50.00) %
Miscellaneous	0.03	0.09	-	-	0.03	0.09	200.00 %
Rent	0.48	-	-	-	0.48	-	(100.00) %
Interest	1.43	1.04	0.06	0.07	1.49	1.11	(25.50) %
Total General Revenues	61.66	59.99	0.60	0.57	62.26	60.56	(2.73) %
Total Revenues	77.56	75.21	4.45	4.60	82.01	79.81	(2.68) %

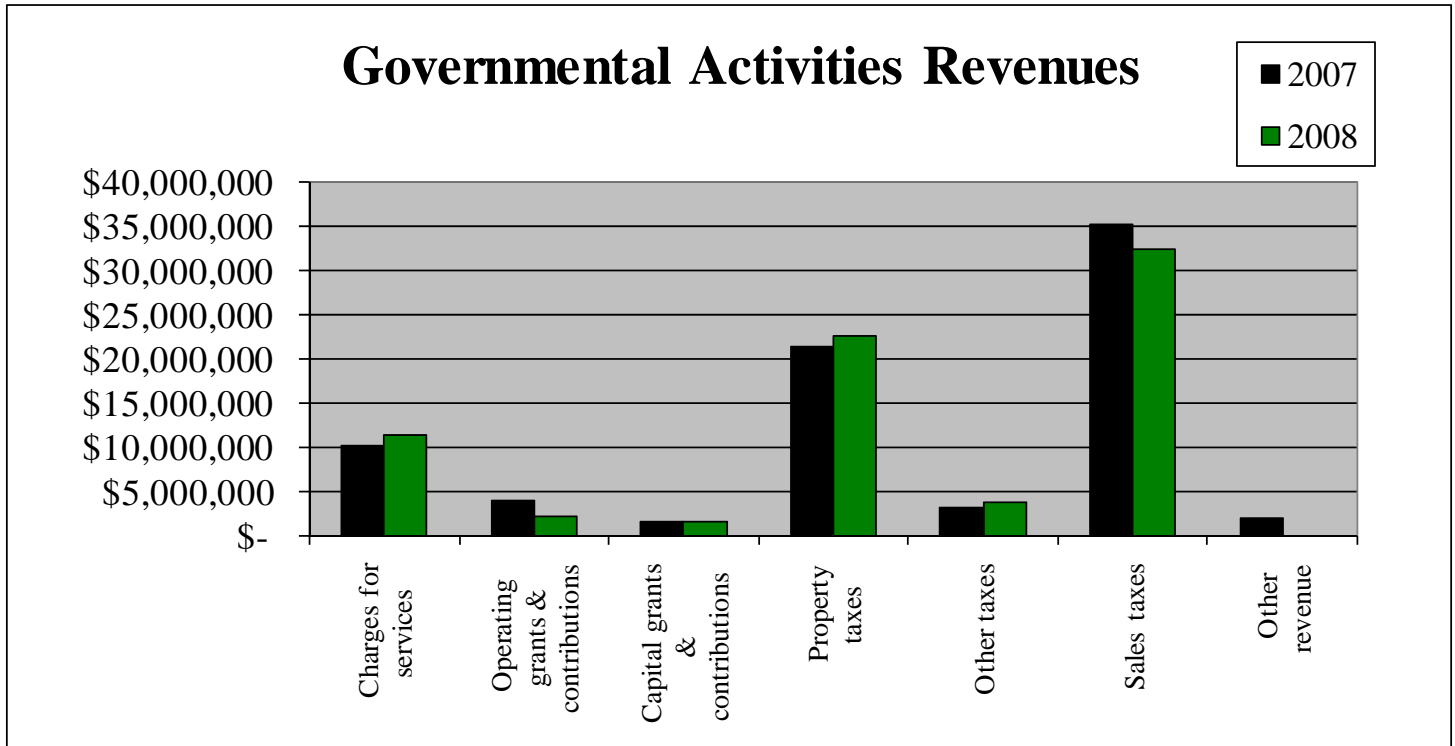
LOWNDES COUNTY, GEORGIA
Management's Discussion and Analysis
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For the Year Ended June 30, 2008

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

	Governmental		Business-Type		Total		Total Percentage Change 2007-2008
	Activities		Activities		2007 2008		
	2007	2008	2007	2008	2007	2008	
Expenses							
Governmental Activities:							
General Government							
Legislative and executive	\$ 10.48	\$ 12.47	\$ -	\$ -	\$ 10.48	\$ 12.47	18.99 %
Judicial	7.23	5.18	-	-	7.23	5.18	(28.35) %
Public safety	24.48	27.99	-	-	24.48	27.99	14.34 %
Public works	29.98	32.75	-	-	29.98	32.75	9.24 %
Health and welfare	2.20	1.27	-	-	2.20	1.27	(42.27) %
Culture and recreation	4.32	4.58	-	-	4.32	4.58	6.02 %
Housing and development	0.67	1.40	-	-	0.67	1.40	108.96 %
Interest on long-term debt	0.56	0.52	-	-	0.56	0.52	(7.14) %
Business-type Activities:							
Water and sewer	-	-	3.85	4.14	3.85	4.14	7.53 %
Landfill	-	-	0.05	0.02	0.05	0.02	(60.00) %
Special tax lighting district	-	-	0.19	0.26	0.19	0.26	36.84 %
Sanitation fund	-	-	1.11	1.18	1.11	1.18	100.00 %
Total Expenses	79.92	86.16	5.20	5.60	85.12	91.76	7.80 %
Revenue Over (Under) Expenses	(2.36)	(10.95)	(0.75)	(1.00)	(3.11)	(11.95)	284.24
Transfers	(1.88)	(3.88)	1.88	3.88	-	-	- %
Increase (Decrease) in Net Assets	(4.24)	(14.83)	1.13	2.88	(3.11)	(11.95)	284.24 %
Net Assets, Beginning	192.54	188.31	20.84	21.97	213.38	210.28	(1.45) %
Net Assets, Ending	\$ 188.31	\$ 173.48	\$ 21.97	\$ 24.85	\$ 210.27	\$ 198.33	(5.68) %

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 \$11,416,369 or 75% 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 \$32,383,724 or 53% of total general revenues. Another major component was property taxes, which accounted for \$22,622,116 or 37% of total general revenues.

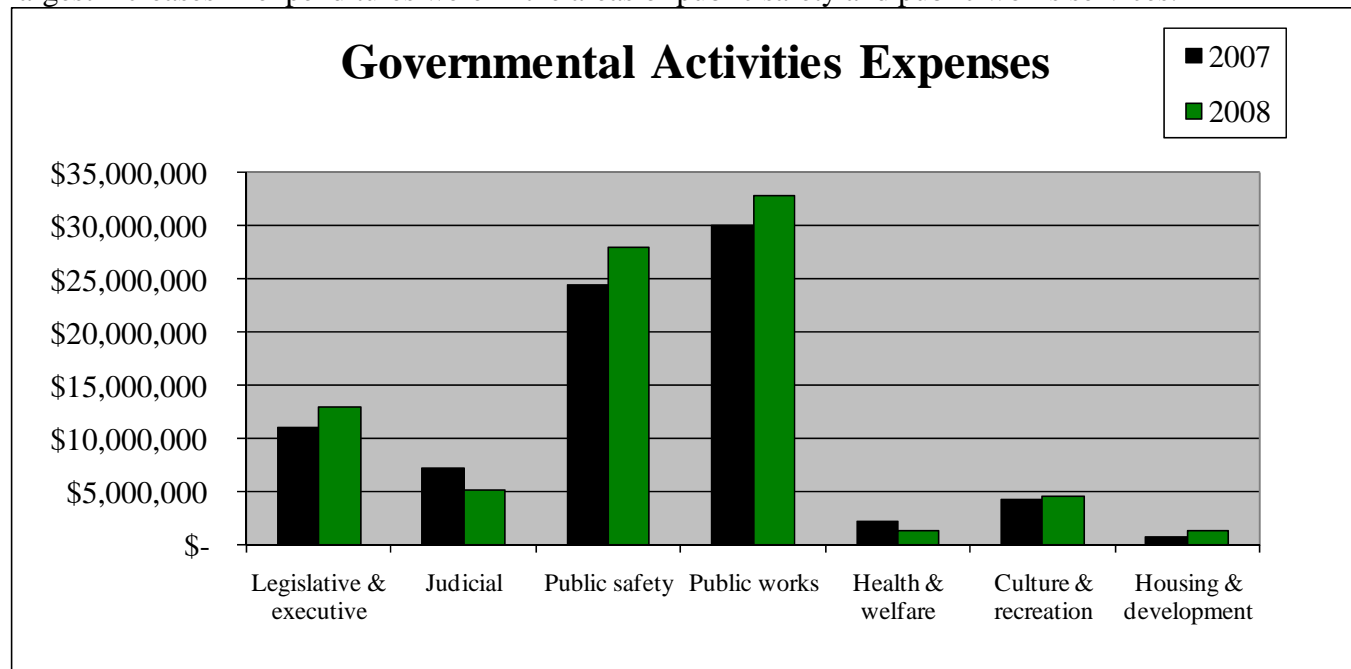
The changes in revenues were variable with property taxes increasing. The new Special Purpose Local Option Sales Tax which was voted in and began in January 2007 is under new Georgia legislation that allowed the cities in Lowndes County to receive their agreed upon share directly as the funds are received. These pass through funds that had been recognized as revenue in the prior year are now not recorded as revenue resulting in the appearance of a drop in sales tax.

The City of Valdosta began collecting their own accommodation excise tax on January 1, 2007 reducing this revenue by approximately 85% for the last half of the fiscal year.

LOWNDES COUNTY, GEORGIA
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Government Activities – Continued

The following chart compares governmental activities expenses for the year ending June 30, 2007 and 2008. The largest increases in expenditures were in the areas of public safety and public works 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>2007-2008</u>	<u>Net Cost of Services</u>		<u>Percentage Change</u> <u>2007-2008</u>
	<u>2007</u>	<u>2008</u>		<u>2007</u>	<u>2008</u>	
General Government						
Legislative and executive	\$ 10.48	\$ 12.47	18.99 %	\$ 6.62	\$ 8.74	31.97 %
Judicial	7.23	5.18	(28.35) %	3.86	1.79	(53.50) %
Public safety	24.48	27.99	14.34 %	18.28	22.02	20.47 %
Public works	29.98	32.75	9.24 %	28.75	31.81	10.64 %
Health and welfare	2.20	1.27	(42.27) %	1.13	0.97	(13.74) %
Culture and recreation	4.32	4.58	6.02 %	4.32	4.58	5.98 %
Housing and development	0.67	1.40	108.96 %	0.49	0.50	2.44 %
Interest on long-term debt	0.56	0.52	(7.14) %	0.56	0.52	(6.45) %
Total	\$ 79.92	\$ 86.16	7.81 %	\$ 64.01	\$ 70.94	10.83 %

LOWNDES COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2008

Business-Type Activities

The net assets for business-type activities increased by \$2,879,281 during the year ending June 30, 2008. The major source of revenue was from charges for services which amounted to \$3,488,365.

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, 2008, the County's governmental funds reported a combined ending fund balance of \$86,679,245, an increase of \$33,181,637. Approximately 2.3% of this total (\$1,968,633) 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 (\$2,986,490) or a variety of other reserved or designated purposes (\$81,724,122).

Major Funds:

The General Fund is the primary operating fund of the County. At the end of June 30, 2008, the unreserved and undesignated fund balance was \$2,296,406 while total fund balance was \$21,814,773. 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 4.9% to total General Fund expenditures, while the total fund balance represents 53.3% of that same amount.

The 911 Emergency Fund had revenue over expenditures of \$93,329 and operating transfers in of \$110,240 increasing the fund balance from \$0 to \$203,569.

The Capital Projects SPLOST V Fund expended \$16,557,171 in capital improvement and debt service funds and received \$13,034,566 in sales tax, Department of Transportation funding and investment income. The expenditures exceeded revenues resulting in an decrease in the fund balance by \$3,522,605 to \$13,167,499 which is reserved for capital projects. This SPLOST ended in December 2007.

The Capital Projects Judicial Complex Fund had investment income of \$488,360 and \$42,663,153 of bond funds and expenditures of \$12,600,817 increasing the fund balance by \$30,550,696 to \$41,795,934 which is reserved for the Judicial Complex and new Jail facilities capital projects.

LOWNDES COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2008

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, 2008, were \$24,558,085. Total Net Assets increased by \$3,649,551.

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 Sanitation Fund accounts 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.

Capital Assets

The County's investment in capital assets for governmental and business-type activities as of June 30, 2008, was \$182,552,644 (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 FY08 included continued improvements to roads, water and sewer systems, and the continuing construction of the Judicial Complex.

Note 8 (Capital Assets) provides additional information about capital asset activity during FY08.

LOWNDES COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2008

Debt

The County issued new general obligation bond during FY08 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.

Standards & Poor's Corporation has assigned an underlying rating of A+ 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 9.7% over the prior year and has averaged 8.6% 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 16.3% increase in health insurance and workers compensation expenses in FY08 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 as occurred in FY08.

The local economy has maintained low unemployment on average of 4.9% which is below the state average.

The County, as of FY08, has a dedicated 1 mil rate for the Valdosta-Lowndes County Industrial Authority, which will provide operational and debt funding that will grow along with the digest and assist in the recruitment of new industry.

The County has reduced debt for the General Fund by paying off the capital lease for the Human Resource Building and three equipment capital leases in FY08. Debt was also reduced for the Water and Sewer Fund by the pay off of 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, 2008

Primary Government

	Governmental Activities	Business-Type Activities	Total Primary Government
ASSETS			
Equity in pooled cash and cash equivalents	\$ 1,477,877	\$ 853,064	\$ 2,330,941
Cash and cash equivalents in segregated accounts	64,374,444	200	64,374,644
Certificate of deposit	584,110	146,500	730,610
Government investment pool	3,860,009	-	3,860,009
Investments	1,149,747	-	1,149,747
Receivables (net of allowance for doubtful accounts):			
Taxes	957,713	-	957,713
Accounts	1,333,245	900,793	2,234,038
Special assessments	42,270	-	42,270
Sales tax	2,436,009	-	2,436,009
Internal balances	4,314,918	(4,314,918)	-
Due from other governments	3,632,713	-	3,632,713
Materials and supplies inventory	173,563	-	173,563
Prepaid insurance	138,057	-	138,057
Deferred bond issue cost	909,275	231,732	1,141,007
Restricted cash and cash investments	4,198,541	7,303,935	11,502,476
Internal advances	3,126,482	(3,126,482)	-
Nondepreciable capital assets	26,437,327	12,450,468	38,887,795
Depreciable capital assets, net	119,794,339	23,870,510	143,664,849
	<u>238,940,639</u>	<u>38,315,802</u>	<u>277,256,441</u>
TOTAL ASSETS			

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>
\$ -	\$ -	\$ 2,330,941
1,929,626	1,875,746	68,180,016
-	-	730,610
-	-	3,860,009
-	894,503	2,044,250
-	-	957,713
108,817	-	2,342,855
-	-	42,270
-	-	2,436,009
-	-	-
1,127,977	-	4,760,690
-	-	173,563
-	-	138,057
-	-	1,141,007
-	-	11,502,476
-	-	-
-	-	38,887,795
<u>358,551</u>	<u>8,206,960</u>	<u>152,230,360</u>
<u>3,524,971</u>	<u>10,977,209</u>	<u>291,758,621</u>

LOWNDES COUNTY, GEORGIA
 STATEMENT OF NET ASSETS - CONTINUED
 June 30, 2008

	Primary Government		
	Governmental	Business-Type	Total
	<u>Activities</u>	<u>Activities</u>	<u>Primary</u>
			<u>Government</u>
LIABILITIES			
Accounts payable	3,285,037	522,436	3,807,473
Estimated health claims payable	463,024	-	463,024
Accrued wages	330,505	15,508	346,013
Accrued liabilities	693,858	39,289	733,147
Due to other governments	836,671	-	836,671
Deferred revenue	129,447	13,796	143,243
Payable from restricted assets:			
Customer deposits	-	131,799	131,799
Long-term liabilities:			
Due within one year:			
Compensated absences payable	609,897	27,172	637,069
Capital lease obligations	1,857,016	-	1,857,016
Bonds payable	-	475,000	475,000
Unamortized bond premium	355,784	16,922	372,706
Notes payable	-	-	-
Landfill postclosure cost	-	66,008	66,008
Due in more than one year			
Compensated absences payable	479,204	21,350	500,554
Capital lease obligations	13,802,614	-	13,802,614
Bonds payable	40,845,000	10,740,000	51,585,000
Unamortized bond premium	1,778,918	274,959	2,053,877
Notes payable	-	-	-
Landfill postclosure cost	-	1,122,139	1,122,139
	<u>65,466,975</u>	<u>13,466,378</u>	<u>78,933,353</u>
TOTAL LIABILITIES			
NET ASSETS			
Invested in capital assets, net of related debt	89,328,068	29,097,651	118,425,719
Restricted for:			
Capital projects	61,870,648	-	61,870,648
Jail operations	283,294	-	283,294
Drug enforcement operations	1,581,749	-	1,581,749
Law library	397,481	-	397,481
Special grant programs	-	-	-
Prior year program fee income	-	-	-
Unrestricted	<u>20,012,424</u>	<u>(4,248,227)</u>	<u>15,764,197</u>
TOTAL NET ASSETS	<u>\$ 173,473,664</u>	<u>\$ 24,849,424</u>	<u>\$ 198,323,088</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>
157,608	11,956	3,977,037
-	-	463,024
-	-	346,013
-	502,433	1,235,580
243,795	-	1,080,466
-	-	143,243
-	-	131,799
262,610	-	899,679
-	-	1,857,016
-	265,000	740,000
-	-	372,706
-	71,926	71,926
-	-	66,008
175,073	-	675,627
-	-	13,802,614
-	2,825,478	54,410,478
-	-	2,053,877
-	544,330	544,330
-	-	1,122,139
<u>839,086</u>	<u>4,221,123</u>	<u>83,993,562</u>
358,551	4,500,226	123,284,496
-	-	61,870,648
-	-	283,294
-	-	1,581,749
-	-	397,481
962,529	-	962,529
576,995	-	576,995
<u>787,810</u>	<u>2,255,860</u>	<u>18,807,867</u>
<u>\$ 2,685,885</u>	<u>\$ 6,756,086</u>	<u>\$ 207,765,059</u>

LOWNDES COUNTY, GEORGIA
 STATEMENT OF ACTIVITIES
 For The Year Ended June 30, 2008

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	\$ 12,463,625	\$ 2,531,685	\$ 1,195,835	\$ -
Judicial	5,181,461	3,096,093	290,425	-
Public Safety	27,998,314	5,267,853	709,256	-
Public Works	32,747,448	183,010	-	755,383
Health and Welfare	1,270,348	275,563	15,000	5,000
Culture and Recreation	4,578,273	-	-	-
Housing and Development	1,395,805	62,165	-	831,671
Interest on Long-term Debt	523,860	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	86,159,134	11,416,369	2,210,516	1,592,054
BUSINESS-TYPE ACTIVITIES				
Water and Sewer	4,144,229	3,772,771	-	-
Landfill	26,461	-	-	-
Special Tax Lighting District	266,749	157,377	-	-
Sanitation Fund	1,176,208	95,217	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	5,613,647	4,025,365	-	-
TOTAL PRIMARY GOVERNMENT	\$ 91,772,781	\$ 15,441,734	\$ 2,210,516	\$ 1,592,054
COMPONENT UNITS				
Lowndes County Board of Health	\$ 11,812,317	\$ 1,003,381	\$ 10,899,635	\$ -
Valdosta-Lowndes County Industrial Authority	4,261,654	-	1,802,350	-
TOTAL COMPONENT UNITS	\$ 16,073,971	\$ 1,003,381	\$ 12,701,985	\$ -
GENERAL REVENUES				
Property Taxes Levied for:				
General Operating				
Alcoholic Beverage Taxes				
Occupational Taxes				
Franchise Taxes				
Insurance Premium Taxes				
Sales Taxes				
Public Utility Taxes				
Solid Waste Host Fees				
Premium on Bonds Sold				
Miscellaneous Income				
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
\$ (8,736,105)	\$ -	\$ (8,736,105)	\$ -	\$ -
(1,794,943)	-	(1,794,943)	-	-
(22,021,205)	-	(22,021,205)	-	-
(31,809,055)	-	(31,809,055)	-	-
(974,785)	-	(974,785)	-	-
(4,578,273)	-	(4,578,273)	-	-
(501,969)	-	(501,969)	-	-
(523,860)	-	(523,860)	-	-
<u>(70,940,195)</u>	<u>-</u>	<u>(70,940,195)</u>	<u>-</u>	<u>-</u>
-	(371,458)	(371,458)	-	-
-	(26,461)	(26,461)	-	-
-	(109,372)	(109,372)	-	-
<u>-</u>	<u>(1,080,991)</u>	<u>(1,080,991)</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>(1,588,282)</u>	<u>(1,588,282)</u>	<u>-</u>	<u>-</u>
<u>\$ (70,940,195)</u>	<u>\$ (1,588,282)</u>	<u>\$ (72,528,477)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 90,699	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,459,304)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,699</u>	<u>\$ (2,459,304)</u>
22,622,116	-	22,622,116	-	2,547,005
527,476	-	527,476	-	-
393,817	-	393,817	-	-
212,203	-	212,203	-	-
2,135,580	-	2,135,580	-	-
32,383,724	-	32,383,724	-	-
581,150	-	581,150	-	-
-	496,554	496,554	-	-
-	16,921	16,921	-	-
86,121	-	86,121	-	473,488
<u>1,044,563</u>	<u>71,219</u>	<u>1,115,782</u>	<u>-</u>	<u>70,376</u>
59,986,750	584,694	60,571,444	-	3,090,869
<u>(3,882,869)</u>	<u>3,882,869</u>	<u>-</u>	<u>-</u>	<u>-</u>
(14,836,314)	2,879,281	(11,957,033)	90,699	631,565
<u>188,309,978</u>	<u>21,970,143</u>	<u>210,280,121</u>	<u>2,595,186</u>	<u>6,124,521</u>
<u>\$ 173,473,664</u>	<u>\$ 24,849,424</u>	<u>\$ 198,323,088</u>	<u>\$ 2,685,885</u>	<u>\$ 6,756,086</u>

LOWNDES COUNTY, GEORGIA
 GOVERNMENTAL FUNDS
 BALANCE SHEET
 June 30, 2008

	<u>General</u>	911 Emergency <u>Telephone</u>	<u>Capital Project Funds</u>	
			Special Purpose Local Option <u>Sales Tax V</u>	Judicial Complex
ASSETS				
Equity in pooled cash and cash equivalents	\$ -	\$ 121,332	\$ -	-
Cash and cash equivalents in segregated accounts	706,818	62,900	17,099,754	42,189,482
Certificate of deposit	-	-	-	-
Investments	-	-	-	1,148,309
Government investment pool	2,519,961	-	387,864	-
Receivables (net of allowance for doubtful accounts)				
Taxes	691,621	-	-	-
Accounts	200,377	608,877	140,017	-
Special assessments	42,270	-	-	-
Sales Tax	2,436,009	-	-	-
Due from other governments	417,024	-	-	-
Restricted cash	-	-	-	-
Interfund receivable	14,778,980	-	-	-
Internal advances	3,126,482	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 24,919,542</u>	<u>\$ 793,109</u>	<u>\$ 17,627,635</u>	<u>\$ 43,337,791</u>

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

Other Governmental	
<u>Funds</u>	<u>Total</u>
\$ 357,950	\$ 479,282
1,868,256	61,927,210
584,110	584,110
-	1,148,309
934,919	3,842,744
-	691,621
514,322	1,463,593
-	42,270
-	2,436,009
3,215,689	3,632,713
4,198,541	4,198,541
4,080	14,783,060
-	<u>3,126,482</u>
<u>\$ 11,677,867</u>	<u>\$ 98,355,944</u>

LOWNDES COUNTY, GEORGIA
 GOVERNMENTAL FUNDS
 BALANCE SHEET - CONTINUED
 June 30, 2008

	Capital Project Funds			
	<u>General</u>	911	Special Purpose	
		<u>Emergency Telephone</u>	<u>Local Option Sales Tax V</u>	<u>Judicial Complex</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,401,843	\$ 44,422	\$ 413,768	\$ 669,717
Accrued wages	297,245	20,203	-	-
Accrued liabilities	5,893	-	-	-
Interfund payable	724,563	524,915	4,046,368	872,140
Due to other governments	-	-	-	-
Deferred revenue	<u>675,225</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>3,104,769</u>	<u>589,540</u>	<u>4,460,136</u>	<u>1,541,857</u>
FUND BALANCES				
Reserved for encumbrances	2,986,490	-	-	-
Reserved for loans receivable	3,126,482	-	-	-
Reserved for capital projects	-	203,569	13,167,499	41,795,934
Reserved for jail operations	-	-	-	-
Reserved for drug enforcement operations	-	-	-	-
Reserved for law library	-	-	-	-
Reserved for tourism	-	-	-	-
Unreserved:				
Designated for property tax roll back	13,405,395	-	-	-
Undesignated, reported in:				
General Fund	2,296,406	-	-	-
Special Revenue Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>21,814,773</u>	<u>203,569</u>	<u>13,167,499</u>	<u>41,795,934</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 24,919,542</u>	<u>\$ 793,109</u>	<u>\$ 17,627,635</u>	<u>\$ 43,337,791</u>

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

Other	
Governmental	
<u>Funds</u>	<u>Total</u>
\$ 148,717	\$ 2,678,467
7,462	324,910
-	5,893
910,206	7,078,192
836,671	836,671
<u>77,341</u>	<u>752,566</u>
<u>1,980,397</u>	<u>11,676,699</u>
-	2,986,490
-	3,126,482
8,135,732	63,302,734
287,913	287,913
1,182,781	1,182,781
397,481	397,481
21,336	21,336
-	13,405,395
-	2,296,406
<u>(327,773)</u>	<u>(327,773)</u>
<u>9,697,470</u>	<u>86,679,245</u>
<u>\$ 11,677,867</u>	<u>\$ 98,355,944</u>

LOWNDES COUNTY, GEORGIA
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
 TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
 June 30, 2008

Total Governmental Funds Balances	\$ 86,679,245
 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.	142,215,835
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	312,729
Compensated absences payable	<u>(18,411)</u>
	294,318
Revenue are not available to pay for current period expenditures and, therefore, are not reported in the funds.	
Deferred tax revenue	623,122
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued Interest	(42,739)
Compensated absences payable	(1,070,690)
Bonds payable	(40,845,000)
Unamortized bond premium	(2,134,702)
Unamortized bond cost	909,275
Capital leases payable	<u>(13,155,000)</u>
Net Assets of Governmental Activities	<u>\$ 173,473,664</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, 2008

		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	\$ 40,521,677	\$ -	\$ 12,058,961	\$ -
Licenses and permits	341,087	-	-	-
Intergovernmental revenues	2,452,540	607,644	755,383	-
Charges for services	2,189,011	1,942,455	-	-
Fines and forfeitures	1,602,224	-	-	-
Investment income	199,816	324	220,222	488,360
Miscellaneous	485,888	20,900	-	-
TOTAL REVENUES	<u>\$ 47,792,243</u>	<u>\$ 2,571,323</u>	<u>\$ 13,034,566</u>	<u>\$ 488,360</u>
EXPENDITURES				
Current				
General Government				
Legislative and executive	10,435,435	-	-	-
Judicial	4,790,464	-	-	-
Public safety	20,284,267	2,477,994	-	-
Public works	4,448,564	-	-	-
Health and welfare	780,943	-	-	-
Culture and recreation	4,290,100	-	-	-
Housing and development	564,134	-	-	-
Capital Outlay	-	-	12,624,302	12,600,817
Debt Service				
Principal retirement	605,000	-	-	-
Interest	523,860	-	-	-
TOTAL EXPENDITURES	<u>46,722,767</u>	<u>2,477,994</u>	<u>12,624,302</u>	<u>12,600,817</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,069,476	93,329	410,264	(12,112,457)
OTHER FINANCING SOURCES (USES):				
CAPITAL FINANCING				
TRANSFER IN	-	110,240	-	42,663,153
TRANSFER OUT	(110,240)	-	(3,932,869)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(110,240)</u>	<u>110,240</u>	<u>(3,932,869)</u>	<u>42,663,153</u>
NET CHANGES IN FUND BALANCE	959,236	203,569	(3,522,605)	30,550,696
BEGINNING FUND BALANCE	20,855,537	-	16,690,104	11,245,238
FUND BALANCES AT END OF YEAR	<u>\$ 21,814,773</u>	<u>\$ 203,569</u>	<u>\$ 13,167,499</u>	<u>\$41,795,934</u>

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

Other	
Governmental	
<u>Funds</u>	<u>Total</u>
\$ 7,579,296	\$ 60,159,934
-	341,087
1,627,374	5,442,941
326,009	4,457,475
1,755,869	3,358,093
135,842	1,044,564
230,125	736,913
<u>\$ 11,654,515</u>	<u>\$ 75,541,007</u>

1,594,760	12,030,195
299,305	5,089,769
2,378,648	25,140,909
929,511	5,378,075
616,282	1,397,225
-	4,290,100
895,268	1,459,402
-	25,225,119
-	605,000
-	523,860
<u>6,713,774</u>	<u>81,139,654</u>

4,940,741	(5,598,647)
-	42,663,153
50,000	160,240
-	(4,043,109)
<u>50,000</u>	<u>38,780,284</u>

4,990,741	33,181,637
<u>4,706,729</u>	<u>53,497,608</u>
<u>\$ 9,697,470</u>	<u>\$ 86,679,245</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, 2008

Net Change in Fund Balances - Total Governmental Funds \$ 33,181,637

**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	964,169	
Depreciation	(1,037,906)	
Compensated absences	<u>(678)</u>	(74,415)

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	13,148,226	
Capital outlay - depreciable capital assets	726,549	
Depreciation	<u>(21,939,684)</u>	(8,064,909)

Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:

Property taxes	<u>(271,722)</u>	(271,722)
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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>(14,706)</u>	(14,706)
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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>3,228</u>	3,228
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The issuance of long-term debt provide current financial resources to governmental funds, but is recognized as an increase in long-term liabilities on the statement of activities.

Bonds payable	(40,845,000)	
Unamortized bond premium	(2,134,702)	
Unamortized bond cost	<u>909,275</u>	(42,070,427)

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>2,475,000</u>	<u>2,475,000</u>
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Changes in Net Assets of Governmental Activities \$ (14,836,314)

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

LOWNDES COUNTY, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 June 30, 2008

	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	\$ -	\$ 717,389	\$ -	\$ 135,675	\$ 853,064	\$ 998,594
Cash and cash equivalents in segregated accounts	200	-	-	-	200	2,447,233
Certificates of deposit	146,500	-	-	-	146,500	-
Government investment pool	-	-	-	-	-	18,704
Receivables (net of allowance for doubtful accounts):						
Accounts	814,588	-	285	85,920	900,793	135,745
Interfund receivable	-	672,748	-	-	672,748	407,039
Inventory	-	-	-	-	-	173,563
Prepaid Insurance						138,057
Deferred bond issue cost	13,434	-	-	-	13,434	-
Restricted Assets						
Customer deposit account	185,780	-	-	-	185,780	-
TOTAL CURRENT ASSETS	1,160,502	1,390,137	285	221,595	2,772,519	4,318,935
NONCURRENT ASSETS						
Restricted Assets						
Revenue bonds cash	7,118,155	-	-	-	7,118,155	-
Deferred bond issue cost	218,298	-	-	-	218,298	-
Capital Assets						
Land	2,486,904	203,639	-	-	2,690,543	-
Construction in progress	9,759,925	-	-	-	9,759,925	-
Depreciable capital assets, net	23,865,628	-	-	4,882	23,870,510	4,015,832
TOTAL NONCURRENT ASSETS	43,448,910	203,639	-	4,882	43,657,431	4,015,832
TOTAL ASSETS	44,609,412	1,593,776	285	226,477	46,429,950	8,334,767

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, 2008

	Business-Type Activities - Enterprise Funds					Governmental
	Water and <u>Sewer</u>	Landfill	Special Tax		Total	Internal <u>Service Funds</u>
			Lighting <u>District</u>	Sanitation <u>Fund</u>		
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	469,621	5,024	15,638	32,153	522,436	1,709,597
Accrued wages	7,661	-	-	7,847	15,508	5,597
Accrued interest payable	39,289	-	-	-	39,289	5,226
Interfund payable	4,736,220	-	94,019	157,427	4,987,666	3,796,989
Current portion of compensated absences payable	10,964	-	-	16,209	27,172	10,310
Current portion of capital lease obligations	-	-	-	-	-	1,237,016
Current portion of bonds payable	475,000	-	-	-	475,000	-
Current portion of unamortized bond premium	16,922	-	-	-	16,922	-
Current portion of interfund advance	200,000	-	-	-	200,000	-
Deferred revenue	13,796	-	-	-	13,796	-
Landfill postclosure cost	-	66,008	-	-	66,008	-
Payable from restricted assets:						
Customer deposits	131,799	-	-	-	131,799	-
TOTAL CURRENT LIABILITIES	<u>6,101,272</u>	<u>71,032</u>	<u>109,657</u>	<u>213,636</u>	<u>6,495,596</u>	<u>6,764,735</u>
LONG-TERM LIABILITIES						
Compensated absences	8,614	-	-	12,735	21,350	8,100
Interfund advance	2,926,482	-	-	-	2,926,482	-
Capital lease obligations	-	-	-	-	-	1,267,614
Unamortized bond premium	274,959	-	-	-	274,959	-
Bonds payable	10,740,000	-	-	-	10,740,000	-
Landfill postclosure cost	-	1,122,139	-	-	1,122,139	-
TOTAL LONG-TERM LIABILITIES	<u>13,950,055</u>	<u>1,122,139</u>	<u>-</u>	<u>12,735</u>	<u>15,084,930</u>	<u>1,275,714</u>
TOTAL LIABILITIES	<u>20,051,327</u>	<u>1,193,171</u>	<u>109,657</u>	<u>226,371</u>	<u>21,580,526</u>	<u>8,040,449</u>
NET ASSETS						
Invested in capital assets, net of related debt	28,889,130	203,639	-	4,882	29,097,651	1,511,202
Unrestricted	(4,331,045)	196,966	(109,372)	(4,776)	(4,248,227)	(1,216,884)
TOTAL NET ASSETS	<u>\$ 24,558,085</u>	<u>\$ 400,605</u>	<u>\$ (109,372)</u>	<u>\$ 106</u>	<u>\$ 24,849,424</u>	<u>\$ 294,318</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, 2008

	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	\$ 3,235,771	\$ -	\$ 157,377	\$ 95,217	\$ 3,488,365	\$ 8,842,249
Penalties	87,910	-	-	-	87,910	-
Development fees	30,729	-	-	-	30,729	-
Connection fees	418,361	-	-	-	418,361	-
TOTAL OPERATING REVENUES	<u>3,772,771</u>	<u>-</u>	<u>157,377</u>	<u>95,217</u>	<u>4,025,365</u>	<u>8,842,249</u>
OPERATING EXPENSES						
Personal services	485,246	-	-	450,573	935,819	331,457
Payroll taxes	36,373	-	-	32,925	69,298	23,540
Fringe benefits	126,625	-	-	139,524	266,149	88,037
Contractual services	1,581,125	26,461	266,749	382,840	2,257,175	13,558
Insurance and bond	-	-	-	-	-	4,591,978
Materials and supplies	390,162	-	-	169,798	559,960	2,768,985
Depreciation	870,417	-	-	548	870,965	1,037,906
TOTAL OPERATING EXPENSES	<u>3,489,948</u>	<u>26,461</u>	<u>266,749</u>	<u>1,176,208</u>	<u>4,959,366</u>	<u>8,855,461</u>
OPERATING INCOME (LOSS)	<u>282,823</u>	<u>(26,461)</u>	<u>(109,372)</u>	<u>(1,080,991)</u>	<u>(934,001)</u>	<u>(13,212)</u>
NON-OPERATING REVENUES (EXPENSES)						
Interest revenue	71,219	-	-	-	71,219	44,792
Premium on bonds sold	16,921	-	-	-	16,921	-
Amortization of bond issue cost	(13,934)	-	-	-	(13,934)	-
Solid waste host fees	-	50,000	-	446,554	496,554	-
Interest expense	(640,347)	-	-	-	(640,347)	(105,995)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(566,141)</u>	<u>50,000</u>	<u>-</u>	<u>446,554</u>	<u>(69,587)</u>	<u>(61,203)</u>
INCOME (LOSS) BEFORE TRANSFERS	(283,318)	23,539	(109,372)	(634,437)	(1,003,588)	(74,415)
TRANSFERS IN (OUT)	<u>3,932,869</u>	<u>(618,000)</u>	<u>-</u>	<u>568,000</u>	<u>3,882,869</u>	<u>-</u>
CHANGE IN NET ASSETS	3,649,551	(594,461)	(109,372)	(66,437)	2,879,281	(74,415)
NET ASSETS AT BEGINNING 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>
NET ASSETS AT END OF YEAR	<u>\$ 24,558,085</u>	<u>\$ 400,605</u>	<u>\$ (109,372)</u>	<u>\$ 106</u>	<u>\$ 24,849,424</u>	<u>\$ 294,318</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, 2008

	Business-Type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Landfill	Special Tax Lighting District	Sanitation Fund	Total	
Increase (Decrease) in Cash and Cash Equivalents						
<u>Cash Flows From Operating Activities</u>						
Cash received from customers	\$ 3,505,615	\$ -	\$ 157,591	\$ 95,217	\$ 3,758,423	\$ -
Cash received from interfund transactions	4,736,220	-	-	-	4,736,220	-
Cash received from other funds for services	-	-	-	-	-	8,718,351
Cash payments for personal services	(501,859)	-	-	(627,453)	(1,129,312)	(334,732)
Cash payments for payroll taxes	(36,373)	-	-	-	(36,373)	(23,540)
Cash payments for fringe benefits	(126,625)	-	-	-	(126,625)	(88,037)
Cash payments for contractual services	(1,591,981)	(9,136)	(167,700)	(193,700)	(1,962,517)	(13,558)
Cash payments for insurance and bond	-	-	-	-	-	(4,533,448)
Cash payments for materials and supplies	(390,162)	-	-	(169,798)	(559,960)	(355,981)
Net Cash Provided by (Used for)						
Operating Activities	<u>5,594,835</u>	<u>(9,136)</u>	<u>(10,109)</u>	<u>(895,734)</u>	<u>4,679,856</u>	<u>3,369,055</u>
<u>Cash Flows From Noncapital Financing Activities</u>						
Cash received from transfer-in	3,932,869	-	-	568,000	4,500,869	-
Cash payments from transfer-out	-	(1,290,748)	-	-	(1,290,748)	-
Cash received from solid waste host fees	-	50,000	-	360,633	410,633	-
Net Cash From Noncapital Financing Activities	<u>3,932,869</u>	<u>(1,240,748)</u>	<u>-</u>	<u>928,633</u>	<u>3,620,754</u>	<u>-</u>
<u>Cash Flows From Capital and Related Financing Activities</u>						
Cash from capital lease	-	-	-	-	-	2,048,000
Cash payments for acquisition of capital assets	(5,018,520)	-	-	-	(5,018,520)	(1,571,399)
Cash payment on interfund advance	(200,000)	-	-	-	(200,000)	-
Cash payments for principal on bonds and notes payable	(4,178,227)	-	-	-	(4,178,227)	-
Cash payment for fees related to bonds	(500)	-	-	-	(500)	-
Cash payments for interest on bonds and notes payable	(641,442)	-	-	-	(641,442)	(1,704,502)
Net Cash Used For Capital and Related Financing Activities	<u>(10,038,689)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,038,689)</u>	<u>(1,227,901)</u>
<u>Cash Flows From Investing Activities</u>						
Cash received from interest	71,219	-	-	-	71,219	44,792
Net Cash Flows Provided By Investing Activities	<u>71,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,219</u>	<u>44,792</u>
Net Increase in Cash and Cash Equivalents	(439,766)	(1,249,884)	(10,109)	32,899	(1,666,860)	2,185,946
Cash and Cash Equivalents at Beginning of Year	7,890,401	1,967,273	10,109	102,776	9,970,559	1,278,585
Cash and Cash Equivalents at End of Year	<u>\$ 7,450,635</u>	<u>\$ 717,389</u>	<u>\$ -</u>	<u>\$ 135,675</u>	<u>\$ 8,303,699</u>	<u>\$ 3,464,531</u>
Equity in pooled cash and cash equivalents	\$ -	\$ 717,389	\$ -	\$ 135,675	\$ 853,064	\$ 998,594
Cash and cash equivalents in segregated accounts	7,304,135	-	-	-	7,304,135	2,447,233
Government investment pool	-	-	-	-	-	18,704
Certificates of deposit	146,500	-	-	-	146,500	-
Total Cash and Cash Equivalents	<u>\$ 7,450,635</u>	<u>\$ 717,389</u>	<u>\$ -</u>	<u>\$ 135,675</u>	<u>\$ 8,303,699</u>	<u>\$ 3,464,531</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, 2008

	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)	\$ 282,823	\$ (26,461)	\$ (109,372)	\$ (1,080,991)	\$ (934,001)	\$ (13,212)
Adjustments to Reconcile Operating Income (Loss) To						
<u>Net Cash Provided by (Used For) Operating Activities</u>						
Depreciation	870,417	-	-	548	870,965	1,037,906
Changes in Assets and Liabilities:						
(Increase) decrease in accounts receivable	(263,728)	42,898	214	-	(220,616)	(123,898)
(Increase) decrease in prepaid expense	-	-	-	-	-	(138,057)
(Increase) decrease in inventory	-	-	-	-	-	57,250
(Increase) decrease in interfund receivable	-	-	-	-	-	(389,864)
Increase (decrease) in accounts payable	(10,856)	3,906	5,030	31,713	29,793	829,938
Increase (decrease) in customer deposits	(7,306)	-	-	-	(7,306)	-
Increase (decrease) in accrued vacation payable	(7,475)	-	-	406	(7,069)	678
Increase (decrease) in interfund payable	4,736,220	-	94,019	157,427	4,987,666	2,112,267
Increase (decrease) in deferred revenues	3,878	-	-	-	3,878	-
Increase (decrease) in accrued expenses	(9,138)	(29,479)	-	(4,837)	(43,454)	(3,953)
Net Cash Provided By (Used For)						
Operating Activities	<u>\$ 5,594,835</u>	<u>\$ (9,136)</u>	<u>\$ (10,109)</u>	<u>\$ (895,734)</u>	<u>\$ 4,679,856</u>	<u>\$ 3,369,055</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, 2008

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents in segregated accounts	\$ 2,010,556
Due from other governments	<u>268,906</u>
TOTAL ASSETS	<u><u>\$ 2,279,462</u></u>
LIABILITIES	
Due to other governments	\$ 715,478
Collections held in escrow	<u>1,563,984</u>
TOTAL LIABILITIES	<u><u>2,279,461</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.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies – Continued

A. The Reporting Entity - Continued

The Valdosta-Lowndes County Industrial Authority is a component unit based on the criteria of fiscal dependence. The County issued general obligation bonds in the County's name for the Authority, so they could acquire land and develop it for industry. The County currently provides the funding for the Authority through a dedicated millage of 1 mil that must first pay for all the general obligation debt and then the balance funds the operations of the Authority.

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.

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.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies - Continued

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.

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 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, 2008, but were levied to finance FY08 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, 2008:

Special Revenue Fund:

Drug Abuse Treatment Fund – The fund deficit of \$254,075 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 \$73,698 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, 2008 was \$3,860,009 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, 2008 follows:

Fund Balance, July 1, 2007	\$ 95,705
Hotel/Motel Tax	1,032,148
Penalties and interest	211
	<u>1,032,359</u>
Disbursements to Conference Center & Tourism Authority	630,216
Disbursements to Airport Authority	318,179
Disbursements to Industrial Authority	158,333
	<u>1,106,728</u>
Fund Balance, June 30, 2008	<u>\$ 21,336</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, 2008, 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 collectability.

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

General Fund

City of Valdosta -Zoning	\$ 19,485
Lowndes County Board of Education	236,440
Georgia Emergency Management Agency	3,000
State of Georgia	5,750
City of Valdosta - Prisoner Housing	<u>152,349</u>
Total - General Fund	<u>\$ 417,024</u>

Special Revenue Funds

Nonmajor funds	
Airport Authority	\$ 21,863
ADR	<u>6,932</u>
Total - Special Revenue Funds	<u>\$ 28,795</u>

Capital Project Funds

Nonmajor funds	
Georgia Department of Revenue	\$ 2,355,223
Georgia Department of Community Affairs	<u>831,671</u>
Total - Capital Project Funds	<u>\$ 3,186,894</u>

Total - Due From Other Governments	<u><u>\$ 3,632,713</u></u>
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LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 8 – Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Balance at July 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2008</u>
Primary Government				
Governmental Activities:				
Nondepreciable Capital Assets:				
Land	\$ 1,475,294	\$ -	\$ -	\$ 1,475,294
Construction in progress	<u>14,821,559</u>	<u>13,148,226</u>	<u>3,007,752</u>	<u>24,962,033</u>
Total Nondepreciable Capital Assets	<u>16,296,853</u>	<u>13,148,226</u>	<u>3,007,752</u>	<u>26,437,327</u>
Depreciable Capital Assets:				
Buildings and building improvements	\$ 20,194,932	\$ 887,999	\$ -	21,082,931
Improvements other than buildings	4,034,550	-	7,885	4,026,665
Machinery and equipment	27,968,998	1,150,193	671,075	28,448,116
Vehicles	11,817,134	1,051,012	47,194	12,820,952
Infrastructure	<u>284,879,200</u>	<u>2,216,496</u>	<u>-</u>	<u>287,095,696</u>
Total Depreciable Capital Assets	<u>348,894,814</u>	<u>5,305,700</u>	<u>726,154</u>	<u>353,474,360</u>
Less Accumulated Depreciation for:				
Buildings and building improvements	13,954,567	758,886	-	14,713,453
Improvements other than buildings	1,147,821	410,106	7,885	1,550,042
Machinery and equipment	16,532,374	2,879,438	671,075	18,740,737
Vehicles	7,839,480	1,859,829	47,194	9,652,115
Infrastructure	<u>171,954,343</u>	<u>17,069,331</u>	<u>-</u>	<u>189,023,674</u>
Total Accumulated Depreciation	<u>211,428,585</u>	<u>22,977,590</u>	<u>726,154</u>	<u>233,680,021</u>
Total Depreciable Capital Assets, Net	<u>137,466,229</u>	<u>(17,671,890)</u>	<u>-</u>	<u>119,794,339</u>
Governmental Activities Capital Assets, Net	<u>\$ 153,763,082</u>	<u>\$ (4,523,664)</u>	<u>\$ 3,007,752</u>	<u>\$ 146,231,666</u>

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 8 – Capital Assets – Continued

	<u>Balance at July 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2008</u>
Business Type Activities:				
Nondepreciable Capital Assets:				
Land	\$ 2,690,543	\$ -	\$ -	\$ 2,690,543
Construction in progress	<u>5,928,255</u>	<u>4,955,695</u>	<u>1,124,025</u>	<u>9,759,925</u>
Total Nondepreciable Capital Assets	<u>8,618,798</u>	<u>4,955,695</u>	<u>1,124,025</u>	<u>12,450,468</u>
Depreciable Capital Assets:				
Machinery and equipment	\$ 38,239,835	\$ 1,160,726	\$ -	\$ 39,400,561
Vehicles	<u>97,953</u>	<u>26,125</u>	<u>-</u>	<u>124,078</u>
Total Depreciable Capital Assets	<u>38,337,788</u>	<u>1,186,851</u>	<u>-</u>	<u>39,524,639</u>
Less Accumulated Depreciation for:				
Machinery and equipment	14,722,593	860,995	-	15,583,588
Vehicles	<u>60,571</u>	<u>9,970</u>	<u>-</u>	<u>70,541</u>
Total Accumulated Depreciation	<u>14,783,164</u>	<u>870,965</u>	<u>-</u>	<u>15,654,129</u>
Total Depreciable Capital Assets, Net	<u>23,554,624</u>	<u>315,886</u>	<u>-</u>	<u>23,870,510</u>
Business Type Activities Capital Assets, Net	<u>\$ 32,173,422</u>	<u>\$ 5,271,581</u>	<u>\$ 1,124,025</u>	<u>\$ 36,320,978</u>

Depreciation was charged to governmental functions as follows:

Governmental activities:	
General Government	
Legislative and Executive	\$ 521,020
Judicial	48,323
Public Safety	2,465,458
Public Works	19,665,855
Culture and Recreation	<u>276,934</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 22,977,590</u>
Business-type activities:	
Water and Sewer	\$ 870,417
Sanitation	<u>548</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 870,965</u>

The County has acquired five mini buses through grant funds and they are operated by a third party contractor to provide transit services for which the contractor receives compensation directly from the users of the service. The County insures the mini buses and that insurance cost is paid back to the County by the third party contractor. When the mini buses are no longer utilized they have to be returned to the granting agency. These mini buses are not included in the capital assets of the County.

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 9 – Interfund Balances and Transfers

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund				
911 Emergency Telephone	\$ 498,055	\$ -	\$ -	\$ 110,240
Capital Projects SPLOST V	4,046,368	-	-	-
Capital Projects Judicial Complex	872,140	-	-	-
Nonmajor governmental funds	878,431	4,080	-	-
Water and Sewer Fund	4,592,978	-	-	-
Landfill Fund	-	672,748	-	-
Special Tax Lighting District	94,019	-	-	-
Internal service funds	<u>3,796,989</u>	<u>47,735</u>	<u>-</u>	<u>-</u>
	<u>14,778,980</u>	<u>724,563</u>	<u>-</u>	<u>110,240</u>
Special Revenue Funds				
General Fund				
911 Emergency Telephone	-	498,055	110,240	-
Capital Projects SPLOST V	-	4,046,368	-	3,932,869
Capital Projects Judicial Complex	-	872,140	-	-
Nonmajor governmental funds	4,080	878,431	50,000	-
Internal Service Fund				
Insurance Fund	-	38,400	-	-
Fleet Manager Fund	<u>-</u>	<u>20,235</u>	<u>-</u>	<u>-</u>
	<u>4,080</u>	<u>6,353,629</u>	<u>160,240</u>	<u>3,932,869</u>
Total Governmental Funds	<u>14,783,060</u>	<u>7,078,192</u>	<u>160,240</u>	<u>4,043,109</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				
General Fund	-	4,592,978	-	-
Insurance Fund	-	15,890	3,932,869	-
Fleet Manager Fund		127,352		
Landfill Fund				
General Fund	672,748	-	-	-
Nonmajor governmental fund	-	-	-	50,000
Sanitation fund	-	-	-	568,000
Special Tax Lighting District				
General Fund	-	94,019	-	-
Sanitation Fund				
Fleet Manager Fund	-	157,427	568,000	-
	<u>672,748</u>	<u>4,987,666</u>	<u>4,500,869</u>	<u>618,000</u>
Internal Service Funds				
Insurance Fund				
General Fund	47,735			
911 Emergency Telephone	22,500	-		
Nonmajor governmental funds	15,900	-	-	-
Water and Sewer Fund	15,890	-	-	-
Fleet Manager Fund				
911 Emergency Telephone	4,360			
Nonmajor governmental funds	15,875	-	-	-
General Fund	-	3,796,989	-	-
Sanitation Fund	157,427			
Water and Sewer Fund	127,352	-	-	-
	<u>407,039</u>	<u>3,796,989</u>	<u>-</u>	<u>-</u>
Total Enterprise and Internal Service Funds	<u>1,079,787</u>	<u>8,784,655</u>	<u>4,500,869</u>	<u>618,000</u>
Total All Funds	<u>\$ 15,862,847</u>	<u>\$ 15,862,847</u>	<u>\$ 4,661,109</u>	<u>\$ 4,661,109</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 and Sanitation 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 \$0 as of June 30, 2008. At June 30, 2008 the Self-Insurance Fund has a claims liability of \$823,024 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 2007 and 2008 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes In Estimates	Claim Payments	Balance At Fiscal Year End
2006-2007	\$ 666,887	3,949,001	3,797,850	\$ 818,038
2007-2008	\$ 818,038	4,591,978	4,586,992	\$ 823,024

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 \$ 463,024 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 \$640,000 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, 2007 (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	121
Terminated plan members entitled to but not yet receiving benefits	189
Active plan members	446
Total number of plan participants	756

Covered compensation for active participants \$ 12,899,134

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.

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 and Funding Progress Information

Historical Trend and Funding Progress 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:

TREND INFORMATION

<u>Year Ended 12/31</u>	<u>Annual Pension Cost</u>	<u>Actual County Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
1998	\$ 648,213	\$ 648,213	100%	\$ -
1999	434,816	434,816	100%	-
2000	442,798	442,798	100%	-
2001	496,115	496,115	100%	-
2002	628,979	628,979	100%	-
2003	846,233	972,322	115%	(126,089)
2004	1,138,773	1,138,773	100%	-
2005	1,232,610	1,374,360	112%	(141,750)
2006	1,323,877	1,441,702	109%	(117,825)
2007	1,392,329	1,486,185	107%	(93,856)

SCHEDULE OF FUNDING PROGRESS

<u>Calendar Year</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded AAL UAAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
1998	\$ 10,141,216	\$10,720,593	\$ 579,377	94.6%	\$8,641,433	6.7%
1999	10,913,457	10,527,663	(385,794)	103.7%	8,132,095	-4.7%
2000	11,252,199	11,376,166	123,967	98.9%	9,620,919	1.3%
2001	11,064,537	12,019,542	955,005	92.1%	10,067,998	9.5%
2002	10,525,912	13,168,431	2,642,519	79.9%	9,062,989	29.2%
2003	12,208,385	15,213,546	3,005,161	80.2%	9,743,706	30.8%
2004	13,418,349	17,241,432	3,823,083	77.8%	11,381,442	33.6%
2005	14,840,995	19,863,167	5,022,172	74.7%	12,383,187	40.6%
2007	16,835,059	20,959,547	4,124,488	80.3%	12,393,935	33.3%
2008	18,679,382	23,128,221	4,448,839	80.8%	12,899,134	34.5%

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 11 – Defined Benefit Retirement Plan – Continued

The information presented in the trend information and funding progress schedules was determined as part of the actuarial valuation as of January 1, 2007. The following summarizes the actuarial methods and assumptions used in that valuation:

Valuation Date:	January 1, 2007
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 41 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 \$55,853 and claims paid were \$82,995.

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 July 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2008</u>	<u>Amount Due In One Year</u>
Primary Government:					
Governmental Activities:					
Compensated absences	\$ 1,073,717	\$ 616,666	\$ 601,282	\$ 1,089,101	\$ 609,897
Business Type Activities:					
Compensated absences	<u>55,591</u>	<u>24,062</u>	<u>31,131</u>	<u>48,522</u>	<u>27,172</u>
Total Primary Government	<u>\$ 1,129,308</u>	<u>\$ 640,728</u>	<u>\$ 632,413</u>	<u>\$ 1,137,623</u>	<u>\$ 637,069</u>
Component Unit - Board of Health:					
Compensated absences	<u>\$ 456,710</u>	<u>\$ 254,999</u>	<u>\$ 274,026</u>	<u>\$ 437,683</u>	<u>\$ 262,610</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:	
Building	\$ 12,612,611
Equipment	7,911,438
Less: Accumulated Depreciation	<u>(3,895,606)</u>
Total	<u>\$ 16,628,443</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, 2008 is \$ 3,090,478.

Note 16 – Long-Term Debt

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2008:

	<u>Balance at July 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2008</u>	<u>Amount Due In One Year</u>
<u>Governmental Activities</u>					
Capital leases - CVDA	\$ 15,630,000	\$ -	\$ 2,475,000	\$ 13,155,000	\$ 620,000
General Obligation Sales Tax Bonds	-	40,845,000	-	40,845,000	-
Capital leases - Fleet Fund	<u>2,058,318</u>	<u>2,048,000</u>	<u>1,601,688</u>	<u>2,504,630</u>	<u>1,237,016</u>
Total Governmental Activities	<u>\$ 17,688,318</u>	<u>\$ 42,893,000</u>	<u>\$ 4,076,688</u>	<u>\$ 56,504,630</u>	<u>\$ 1,857,016</u>
	<u>Balance at July 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2008</u>	<u>Amount Due In One Year</u>
<u>Business - Type Activities</u>					
Revenue bonds	\$ 11,675,000	\$ -	\$ 460,000	\$ 11,215,000	\$ 475,000
Notes payable	<u>3,718,226</u>	<u>-</u>	<u>3,718,226</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>\$ 15,393,226</u>	<u>\$ -</u>	<u>\$ 4,178,226</u>	<u>\$ 11,215,000</u>	<u>\$ 475,000</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						
G.O. Sales Tax Bonds	Judicial/Admin Complex and Jail	2008	Fixed	\$ 40,845,000	2014	Variable
Capital Lease	Judicial/Admin Complex Building	2004	Fixed	\$ 15,500,000	2024	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	3.37%	\$ 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	Fixed	\$ 12,500,000	2025	Variable

Fixed interest rates on the Judicial Complex Building capital lease range from 2.25% in 2004 to 4.50% in 2024. Annual principal installments range from \$590,000 in 2008 to \$1,105,000 in 2024.

Fixed interest rates on the Water & Sewer revenue bonds range from 3.00% in 2006 to 5.00% in 2025. Annual principal installments range from \$450,000 in 2008 to \$925,000 in 2025.

Fixed interest rates on the general obligation SPLOST bonds range from 3.50% in 2009 to 5.00% in 2014. Annual principal installments range from \$6,480,000 in 2009 to \$7,900,000 in 2014.

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>Capital Leases</u>		<u>General Obligation Sale Tax Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	1,857,016	614,788	-	771,350
2010	1,405,993	558,983	6,480,000	1,655,300
2011	916,621	516,084	6,735,000	1,398,025
2012	797,400	488,950	4,850,000	1,149,088
2013	742,900	460,358	7,290,000	874,900
2014-2018	3,994,700	1,864,934	15,490,000	718,012
2019-2023	4,840,000	940,626	-	-
2024-2025	1,105,000	49,725	-	-
Total	\$ 15,659,630	\$ 5,494,448	\$ 40,845,000	\$ 6,566,675

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	
	Principal	Interest
2009	475,000	494,494
2010	490,000	479,056
2011	510,000	461,906
2012	525,000	444,056
2013	545,000	426,338
2014-2018	3,055,000	1,787,439
2019-2023	3,810,000	1,041,000
2024-2025	1,805,000	136,500
Total	<u>\$ 11,215,000</u>	<u>\$ 5,270,789</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 less any debt applicable to the limit. The legal debt margin as June 30, 2008 was \$221,499,402 based on a total assessed values of \$2,623,344,025 less the general obligation bonded debt outstanding of \$40,845,000.

Note 18 – Landfill Postclosure Cost

Business Type Activities:	Balance at July 1, 2007	Additions	Reductions	Balance at June 30, 2008	Amount Due In One Year
Postclosure care cost	<u>\$ 1,217,626</u>	<u>\$ -</u>	<u>\$ 29,479</u>	<u>\$ 1,188,147</u>	<u>\$ 66,008</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 \$1,188,147 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, 2008, was as follows:

Equipment	\$ 1,973,783
Vehicles	27,730
Less: Accumulated Depreciation	<u>(1,642,962)</u>
Net Property and Equipment	<u>\$ 358,551</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, 2008 were \$488,992. 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, 2008, 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>
2009	\$ 75,224	\$ 24,937
2010	78,523	21,638
2011	81,968	18,194
2012	85,562	14,599
2013	89,315	10,846
2014-2016	205,664	9,814
Total	<u>\$ 616,256</u>	<u>\$ 100,028</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>
2009	\$ 265,000	\$ 124,400
2010	280,000	114,000
2011	300,000	102,800
2012	320,000	90,800
2013	345,000	78,000
2014-2017	1,580,478	166,800
Total	<u>\$ 3,090,478</u>	<u>\$ 676,800</u>

During the year ended June 30, 2008 interest was paid on these bonds in the amount of \$159,667.

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 \$58,910 to the RDC for the year ended June 30, 2008. 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 \$158,333 from the accommodation excise tax to the Valdosta-Lowndes County Industrial Authority and \$318,179 to the Valdosta - Lowndes County Airport Authority and \$630,216 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 completed 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. There will be continued monitoring of the site and the County incur cost for that monitoring.

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 two new capital project funds both for pass through grants for the Valdosta-Lowndes County Industrial Authority for capital improvements for industrial development. The two funds are the CDBG EIP Grant Fund and the EDA Grant Fund.

Note 26 – Subsequent Events

The County issued \$15,000,000 in general obligation bonds for the Valdosta – Lowndes County Industrial Authority for the acquisition and development of properties for industrial development. These bonds will be paid back utilizing the dedicated 1 mil of property tax for the Authority.

The county-wide parks and recreation programs will be taken over in the fiscal year ending June 30, 2009 by the Valdosta – Lowndes County Parks and Recreation Authority. All property and equipment maintained by the County for parks and recreation programs was transferred to this newly formed Authority. The approximate historical cost of these facilities is \$3,108,500.

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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 39,932,690	\$ 40,854,090	\$ 40,521,677	\$ (332,413)
Licenses and permits	160,000	160,000	341,087	181,087
Intergovernmental revenues	1,242,950	2,723,950	2,452,540	(271,410)
Charges for services	1,631,446	1,631,446	2,189,011	557,565
Fines and forfeitures	1,550,000	1,611,000	1,602,224	(8,776)
Investment income	200,000	200,000	199,816	(184)
Miscellaneous	637,500	637,500	485,888	(151,612)
TOTAL REVENUES	<u>45,354,586</u>	<u>47,817,986</u>	<u>47,792,243</u>	<u>(25,743)</u>
EXPENDITURES:				
GENERAL GOVERNMENT				
Board of Commissioners				
Personal services	89,835	89,835	90,248	413
Supplies	2,600	2,600	51,315	48,715
Other services and charges	65,769	109,769	60,623	(49,146)
Capital outlay	-	-	-	-
	<u>158,204</u>	<u>202,204</u>	<u>202,186</u>	<u>(18)</u>
Commissioner Assistant				
Personal services	36,748	28,948	29,534	586
Supplies	250	250	419	169
Other services and charges	800	800	-	(800)
Capital outlay	-	-	-	-
	<u>37,798</u>	<u>29,998</u>	<u>29,953</u>	<u>(45)</u>
County Manager				
Personal services	450,155	363,155	336,871	(26,284)
Supplies	1,410	1,410	16,660	15,250
Other services and charges	65,342	65,342	82,246	16,904
Capital outlay	6,000	6,000	-	(6,000)
	<u>522,907</u>	<u>435,907</u>	<u>435,777</u>	<u>(130)</u>
Community Development				
Personal services	61,563	61,563	62,805	1,242
Supplies	500	500	308	(192)
Other services and charges	31,500	60,500	59,382	(1,118)
Capital outlay	-	-	-	-
	<u>93,563</u>	<u>122,563</u>	<u>122,495</u>	<u>(68)</u>
County Clerk				
Personal services	173,884	176,684	177,329	645
Supplies	750	750	1,941	1,191
Other services and charges	6,480	9,780	7,897	(1,883)
Capital outlay	-	-	-	-
	<u>181,114</u>	<u>187,214</u>	<u>187,167</u>	<u>(47)</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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Board of Elections				
Personal services	304,204	304,204	275,666	(28,538)
Supplies	47,332	47,332	35,727	(11,605)
Other services and charges	261,843	258,143	276,547	18,404
Capital outlay	123,000	122,100	143,544	21,444
	<u>736,379</u>	<u>731,779</u>	<u>731,484</u>	<u>(295)</u>
Risk Manager				
Personal services	93,297	93,297	94,514	1,217
Supplies	6,776	6,776	4,977	(1,799)
Other services and charges	34,995	46,495	47,016	521
	<u>135,068</u>	<u>146,568</u>	<u>146,507</u>	<u>(61)</u>
County Attorney				
Other services and charges	275,000	455,500	455,418	(82)
	<u>275,000</u>	<u>455,500</u>	<u>455,418</u>	<u>(82)</u>
Finance				
Personal services	392,593	392,593	393,272	679
Supplies	3,870	3,870	14,184	10,314
Other services and charges	124,864	141,864	135,359	(6,505)
Capital outlay	4,800	4,800	-	(4,800)
	<u>526,127</u>	<u>543,127</u>	<u>542,815</u>	<u>(312)</u>
Human Resources				
Personal services	249,360	249,360	221,766	(27,594)
Supplies	7,200	7,200	7,678	478
Other services and charges	24,300	32,200	59,263	27,063
Capital outlay	-	-	-	-
	<u>280,860</u>	<u>288,760</u>	<u>288,707</u>	<u>(53)</u>
Information Technology Services				
Personal services	360,187	360,187	358,750	(1,437)
Supplies	13,550	13,550	78,329	64,779
Other services and charges	475,098	475,098	593,542	118,444
Capital outlay	398,500	508,800	326,936	(181,864)
	<u>1,247,335</u>	<u>1,357,635</u>	<u>1,357,557</u>	<u>(78)</u>
General Facilities				
Supplies	84,063	84,063	23,716	(60,347)
Other services and charges	28,450	37,250	169,021	131,771
Capital outlay	119,000	119,000	47,540	(71,460)
	<u>231,513</u>	<u>240,313</u>	<u>240,277</u>	<u>(36)</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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Tax Commisioner				
Personal services	864,765	870,465	871,675	1,210
Supplies	19,683	19,683	31,660	11,977
Other services and charges	115,896	127,096	114,728	(12,368)
Capital outlay	8,655	8,655	7,664	(991)
	<u>1,008,999</u>	<u>1,025,899</u>	<u>1,025,727</u>	<u>(172)</u>
Board of Assessors				
Personal services	1,077,267	1,026,267	1,018,167	(8,100)
Supplies	13,250	13,250	19,818	6,568
Other services and charges	214,160	191,760	204,689	12,929
Capital outlay	24,400	11,400	-	(11,400)
	<u>1,329,077</u>	<u>1,242,677</u>	<u>1,242,674</u>	<u>(3)</u>
Facilities Maintenance				
Personal services	755,315	770,315	770,145	(170)
Supplies	49,905	49,905	39,923	(9,982)
Other services and charges	1,622,193	2,076,793	2,168,432	91,639
Capital outlay	103,000	233,000	150,656	(82,344)
	<u>2,530,413</u>	<u>3,130,013</u>	<u>3,129,156</u>	<u>(857)</u>
Engineering				
Personal services	727,376	715,376	717,979	2,603
Supplies	10,630	10,630	24,791	14,161
Other services and charges	148,627	151,627	137,463	(14,164)
Capital outlay	25,000	15,000	12,227	(2,773)
	<u>911,633</u>	<u>892,633</u>	<u>892,460</u>	<u>(173)</u>
Contingency				
Other services and charges	602,913	1,567,913	1,564,565	(3,348)
	<u>602,913</u>	<u>1,567,913</u>	<u>1,564,565</u>	<u>(3,348)</u>
South Ga RDC				
Other services and charges	58,910	58,910	58,910	-
	<u>58,910</u>	<u>58,910</u>	<u>58,910</u>	<u>-</u>
Total - General Government	<u>10,867,813</u>	<u>12,659,613</u>	<u>12,653,835</u>	<u>(5,778)</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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
JUDICIAL				
Superior Court				
Personal services	300,635	318,035	329,059	11,024
Supplies	2,250	2,250	650	(1,600)
Other services and charges	59,900	59,900	56,269	(3,631)
Capital outlay	5,800	5,800	-	(5,800)
	<u>368,585</u>	<u>385,985</u>	<u>385,978</u>	<u>(7)</u>
Clerk of Court				
Personal services	798,889	799,989	800,381	392
Supplies	6,750	6,350	14,935	8,585
Other services and charges	421,615	337,015	332,109	(4,906)
Capital outlay	6,000	4,400	-	(4,400)
	<u>1,233,254</u>	<u>1,147,754</u>	<u>1,147,425</u>	<u>(329)</u>
District Attorney				
Other services and charges	463,720	480,820	480,804	(16)
	<u>463,720</u>	<u>480,820</u>	<u>480,804</u>	<u>(16)</u>
District Court Administrator				
Other services and charges	4,613	4,813	4,751	(62)
	<u>4,613</u>	<u>4,813</u>	<u>4,751</u>	<u>(62)</u>
State Court				
Personal services	663,984	633,684	632,946	(738)
Supplies	7,875	7,875	14,969	7,094
Other services and charges	201,801	137,701	135,753	(1,948)
Capital outlay	4,550	4,550	-	(4,550)
	<u>878,210</u>	<u>783,810</u>	<u>783,668</u>	<u>(142)</u>
Magistrate Court				
Personal services	538,062	538,062	537,343	(719)
Supplies	15,450	15,450	14,586	(864)
Other services and charges	63,500	67,500	70,044	2,544
Capital outlay	20,000	20,000	19,000	(1,000)
	<u>637,012</u>	<u>641,012</u>	<u>640,973</u>	<u>(39)</u>
Probate Court				
Personal services	321,181	334,881	344,485	9,604
Supplies	4,200	4,200	15,067	10,867
Other services and charges	63,219	63,219	51,549	(11,670)
Capital outlay	8,900	8,900	-	(8,900)
	<u>397,500</u>	<u>411,200</u>	<u>411,101</u>	<u>(99)</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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Juvenile Court				
Personal services	91,926	91,926	91,206	(720)
Supplies	750	750	-	(750)
Other services and charges	18,113	23,213	24,619	1,406
	<u>110,789</u>	<u>115,889</u>	<u>115,825</u>	<u>(64)</u>
Probation				
Personal services	82,915	82,915	80,199	(2,716)
Supplies	3,970	3,970	2,902	(1,068)
Other services and charges	8,077	9,377	13,111	3,734
	<u>94,962</u>	<u>96,262</u>	<u>96,212</u>	<u>(50)</u>
Circuit Public Defender				
Other services and charges	600,000	798,000	797,727	(273)
	<u>600,000</u>	<u>798,000</u>	<u>797,727</u>	<u>(273)</u>
Total - Judicial	<u>4,788,645</u>	<u>4,865,545</u>	<u>4,864,464</u>	<u>(1,081)</u>
PUBLIC SAFETY				
Sheriff				
Personal services	10,631,328	10,788,428	10,664,931	(123,497)
Supplies	178,842	180,442	268,055	87,613
Other services and charges	3,933,108	4,736,208	4,643,116	(93,092)
Capital outlay	-	-	128,899	128,899
	<u>14,743,278</u>	<u>15,705,078</u>	<u>15,705,001</u>	<u>(77)</u>
Fire/Rescue				
Personal services	698,868	698,868	648,819	(50,049)
Supplies	238,662	238,662	423,337	184,675
Other services and charges	1,053,637	1,247,137	1,217,635	(29,502)
Capital outlay	207,500	207,500	101,567	(105,933)
	<u>2,198,667</u>	<u>2,392,167</u>	<u>2,391,358</u>	<u>(809)</u>
Animal Control				
Personal services	460,057	445,557	425,617	(19,940)
Supplies	46,380	46,380	46,571	191
Other services and charges	236,262	236,262	259,164	22,902
Capital outlay	53,500	53,500	50,300	(3,200)
	<u>796,199</u>	<u>781,699</u>	<u>781,652</u>	<u>(47)</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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Emergency Medical Services				
Other services and charges	937,321	937,321	937,321	-
Capital outlay	75,000	75,000	75,000	-
	<u>1,012,321</u>	<u>1,012,321</u>	<u>1,012,321</u>	<u>-</u>
Coroner				
Personal services	58,832	58,832	55,079	(3,753)
Supplies	600	600	2,330	1,730
Other services and charges	16,258	24,258	26,229	1,971
	<u>75,690</u>	<u>83,690</u>	<u>83,638</u>	<u>(52)</u>
911 LEMA				
Personal services	-	65,000	63,246	(1,754)
Supplies	-	4,500	4,477	(23)
Other services and charges	-	10,900	12,657	1,757
	<u>-</u>	<u>80,400</u>	<u>80,380</u>	<u>(20)</u>
Total - Public Safety	<u>18,826,155</u>	<u>20,055,355</u>	<u>20,054,350</u>	<u>(1,005)</u>
PUBLIC WORKS				
Administration				
Personal services	380,138	287,138	293,291	6,153
Supplies	4,600	4,600	10,686	6,086
Other services and charges	59,691	59,691	50,234	(9,457)
Capital outlay	3,000	3,000	-	(3,000)
	<u>447,429</u>	<u>354,429</u>	<u>354,211</u>	<u>(218)</u>
Road Maintenance				
Personal services	1,814,096	1,572,996	1,562,588	(10,408)
Supplies	290,572	354,572	356,683	2,111
Other services and charges	829,615	1,203,315	1,204,613	1,298
Capital outlay	24,000	24,000	(34,000)	(58,000)
	<u>2,958,283</u>	<u>3,154,883</u>	<u>3,089,884</u>	<u>(64,999)</u>
Road Construction				
Personal services	427,869	427,869	427,731	(138)
Supplies	9,557	9,557	5,683	(3,874)
Other services and charges	254,436	254,436	305,352	50,916
Capital outlay	140,000	47,800	64,821	17,021
	<u>831,862</u>	<u>739,662</u>	<u>803,587</u>	<u>63,925</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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Traffic Signals				
Supplies	3,000	3,000	833	(2,167)
Other services and charges	196,100	125,300	129,391	4,091
Capital outlay	8,000	2,000	-	(2,000)
	<u>207,100</u>	<u>130,300</u>	<u>130,224</u>	<u>(76)</u>
Mosquito Control				
Personal services	41,207	18,807	-	(18,807)
Supplies	30,320	30,320	1,000	(29,320)
Other services and charges	21,600	21,600	69,658	48,058
	<u>93,127</u>	<u>70,727</u>	<u>70,658</u>	<u>(69)</u>
Total - Public Works	<u>4,537,801</u>	<u>4,450,001</u>	<u>4,448,564</u>	<u>(1,437)</u>
HEALTH AND WELFARE				
Feed The Elderly				
Other services and charges	17,200	24,800	24,713	(87)
	<u>17,200</u>	<u>24,800</u>	<u>24,713</u>	<u>(87)</u>
The Haven				
Other services and charges	5,000	5,000	5,000	-
	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Mental Health Department				
Other services and charges	106,300	106,300	106,300	-
	<u>106,300</u>	<u>106,300</u>	<u>106,300</u>	<u>-</u>
Public Health Department				
Other services and charges	365,000	365,600	365,589	(11)
	<u>365,000</u>	<u>365,600</u>	<u>365,589</u>	<u>(11)</u>
Extension Services				
Personal services	-	-	-	-
Supplies	5,400	5,400	6,793	1,393
Other services and charges	174,592	147,592	148,048	456
Capital outlay	2,000	2,000	-	(2,000)
	<u>181,992</u>	<u>154,992</u>	<u>154,841</u>	<u>(151)</u>
Family Services				
Other services and charges	104,800	124,800	124,500	(300)
	<u>104,800</u>	<u>124,800</u>	<u>124,500</u>	<u>(300)</u>
Total - Health and Welfare	<u>780,292</u>	<u>781,492</u>	<u>780,943</u>	<u>(549)</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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CULTURE AND RECREATION				
Parks and Recreation				
Other services and charges	<u>3,090,000</u>	<u>3,090,000</u>	<u>3,090,000</u>	<u>-</u>
	<u>3,090,000</u>	<u>3,090,000</u>	<u>3,090,000</u>	<u>-</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>1,023,700</u>	<u>1,023,700</u>	<u>1,023,700</u>	<u>-</u>
	<u>1,023,700</u>	<u>1,023,700</u>	<u>1,023,700</u>	<u>-</u>
Moody Support Group				
Other services and charges	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>-</u>
	<u>105,000</u>	<u>105,000</u>	<u>105,000</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>4,331,200</u>	<u>4,331,200</u>	<u>4,331,200</u>	<u>-</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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
HOUSING AND DEVELOPMENT				
Equalization Board				
Other services and charges	15,000	33,000	32,862	(138)
	<u>15,000</u>	<u>33,000</u>	<u>32,862</u>	<u>(138)</u>
County Planner				
Personal services	55,880	56,480	56,617	137
Supplies	870	870	1,296	426
Other services and charges	2,790	4,290	3,634	(656)
	<u>59,540</u>	<u>61,640</u>	<u>61,547</u>	<u>(93)</u>
Division of Planning				
Other services and charges	90,610	83,110	83,110	-
	<u>90,610</u>	<u>83,110</u>	<u>83,110</u>	<u>-</u>
VALOR/GIS				
Other services and charges	206,939	206,939	206,939	-
	<u>206,939</u>	<u>206,939</u>	<u>206,939</u>	<u>-</u>
Zoning Administration				
Personal services	152,745	152,745	157,733	4,988
Supplies	8,300	8,300	7,147	(1,153)
Other services and charges	50,125	14,225	14,796	571
Capital outlay	4,500	4,500	-	(4,500)
	<u>215,670</u>	<u>179,770</u>	<u>179,676</u>	<u>(94)</u>
Total - Housing & Development	<u>587,759</u>	<u>564,459</u>	<u>564,134</u>	<u>(325)</u>
TOTAL EXPENDITURES	<u>44,719,665</u>	<u>47,707,665</u>	<u>47,697,490</u>	<u>(10,175)</u>
EXCESS OF REVENUES OVER EXPENDITURES	634,921	110,321	94,753	(15,568)
OTHER FINANCING SOURCES (USES) TRANSFERS (OUT)	<u>(634,921)</u>	<u>(110,321)</u>	<u>(110,240)</u>	<u>81</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(15,487)	<u>\$ (15,487)</u>
BEGINNING FUND BALANCE			<u>18,843,771</u>	
FUND BALANCES AT END OF YEAR - BUDGETARY BASIS			18,828,284	
RECONCILIATION TO GAAP BASIS: Elimination of Encumbrances			<u>2,986,489</u>	
FUND BALANCES AT END OF YEAR - GAAP BASIS			<u>\$ 21,814,773</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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 584,918	\$ 607,918	\$ 607,644	\$ (274)
Charges for services	1,700,000	1,944,100	1,942,455	(1,645)
Investment income	-	-	324	324
Miscellaneous income	20,000	20,000	20,900	900
TOTAL REVENUES	<u>2,304,918</u>	<u>2,572,018</u>	<u>2,571,323</u>	<u>900</u>
EXPENDITURES				
Current				
Public safety	2,939,839	2,681,939	2,477,994	(203,945)
TOTAL EXPENDITURES	<u>2,939,839</u>	<u>2,681,939</u>	<u>2,477,994</u>	<u>(203,945)</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(634,921)	(109,921)	93,329	203,250
OTHER FINANCING SOURCES				
TRANSFERS IN	634,921	109,921	110,240	(319)
TOTAL OTHER FINANCING USES	<u>634,921</u>	<u>109,921</u>	<u>110,240</u>	<u>(319)</u>
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-	-	203,569	203,569
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR (BUDGETARY BASIS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 203,569</u>	<u>\$ 203,569</u>
RECONCILIATION TO GAAP BASIS				
Elimination of encumbrances			-	
FUND BALANCES AT END OF YEAR (GAAP BASIS)			<u>\$ 203,569</u>	

See accompanying note to budgetary comparison schedules.

LOWNDES COUNTY, GEORGIA
 NOTES TO BUDGETARY COMPARISON SCHEDULES
 For the Year Ended June 30, 2008

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
	<hr/>
GAAP Basis	\$ 959,236
Encumbrances	<u>(974,723)</u>
Budgetary Basis	<u><u>\$ (15,487)</u></u>



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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Taxes	\$ 12,000,000	\$ 12,059,000	\$ 12,058,961	\$ (39)
Intergovernmental	-	547,000	755,383	208,383
Investment income	115,000	220,000	220,222	222
TOTAL REVENUES	<u>12,115,000</u>	<u>12,826,000</u>	<u>13,034,566</u>	<u>208,566</u>
EXPENDITURES				
Current				
Public works	<u>25,100,000</u>	<u>12,826,000</u>	<u>12,624,302</u>	<u>(201,698)</u>
TOTAL EXPENDITURES	<u>25,100,000</u>	<u>12,826,000</u>	<u>12,624,302</u>	<u>(201,698)</u>
EXCESS OF REVENUES OVER EXPENDITURES	(12,985,000)	-	410,264	410,264
OTHER FINANCING USES				
TRANSFERS OUT	-	(4,000,000)	(3,932,869)	(67,131)
TOTAL OTHER FINANCING USES	-	(4,000,000)	(3,932,869)	(67,131)
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(12,985,000)	(4,000,000)	(3,522,605)	477,395
FUND BALANCE AT BEGINNING OF YEAR	<u>12,985,000</u>	<u>4,000,000</u>	<u>16,690,104</u>	<u>12,690,104</u>
FUND BALANCE AT END OF YEAR (BUDGETARY BASIS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,167,499</u>	<u>\$ 13,167,499</u>
RECONCILIATION TO GAAP BASIS: Elimination of encumbrances			-	
FUND BALANCES AT END OF YEAR (GAAP BASIS)			<u>\$ 13,167,499</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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Investment income	\$ -	\$ 500,000	\$ 488,360	\$ (11,640)
TOTAL REVENUES	<u>-</u>	<u>500,000</u>	<u>488,360</u>	<u>(11,640)</u>
EXPENDITURES				
Current:				
Judicial	-	12,700,000	12,600,817	(99,183)
TOTAL EXPENDITURES	<u>-</u>	<u>12,700,000</u>	<u>12,600,817</u>	<u>(99,183)</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	(12,200,000)	(12,112,457)	87,543
OTHER FINANCING SOURCES:				
CAPITAL FINANCING	-	12,200,000	42,663,153	30,463,153
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>12,200,000</u>	<u>42,663,153</u>	<u>30,463,153</u>
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	30,550,696	30,550,696
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>11,245,238</u>	<u>11,245,238</u>
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	41,795,934	<u>\$41,795,934</u>
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			<u>-</u>	
FUND BALANCE AT END OF YEAR - GAAP BASIS			<u>\$41,795,934</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 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.

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

Capital Projects CDBG EIP Grant Fund – To account for the grant funds received on behalf of the Valdosta Lowndes County Industrial Authority for capital improvements related to industrial development.

Capital Projects EDA Grant Fund – To account for the grant funds received on behalf of the Valdosta Lowndes County Industrial Authority for capital improvements related to industrial development.

LOWNDES COUNTY, GEORGIA
 ALL NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 June 30, 2008

	Total Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
ASSETS			
Equity in pooled cash and cash equivalents	\$ 357,950	\$ -	\$ 357,950
Cash and cash equivalents in segregated accounts	1,038,947	795,496	1,834,443
Certificate of deposit	584,110	-	584,110
Government investment pool	54,591	880,328	934,919
Accounts	514,323	-	514,323
Due from other governments	28,794	3,186,894	3,215,688
Interfund receivable	37,893	-	37,893
Restricted cash and investments	-	4,198,541	4,198,541
TOTAL ASSETS	<u>\$ 2,616,608</u>	<u>\$ 9,061,259</u>	<u>\$ 11,677,867</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 76,887	\$ 113,406	\$ 190,293
Accrued wages	7,460	-	7,460
Due to other governments	5,000	831,671	836,671
Interfund payable	782,125	86,507	868,632
Deferred revenue	77,341	-	77,341
TOTAL LIABILITIES	<u>948,813</u>	<u>1,031,584</u>	<u>1,980,397</u>
Fund Balance (Deficit)			
Reserved for capital projects	106,057	8,029,675	8,135,732
Reserved for jail operations	287,913	-	287,913
Reserved for drug enforcement operations	1,182,781	-	1,182,781
Reserved for law library	397,481	-	397,481
Reserved for tourism	21,336	-	21,336
Unreserved	(327,773)	-	(327,773)
TOTAL FUND BALANCE (DEFICIT)	<u>1,667,795</u>	<u>8,029,675</u>	<u>9,697,470</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,616,608</u>	<u>\$ 9,061,259</u>	<u>\$ 11,677,867</u>

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, 2008

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Taxes	\$ 1,032,148	\$ 6,547,148	\$ 7,579,296
Intergovernmental revenues	732,106	895,268	1,627,374
Charges for services	326,009	-	326,009
Fines and forfeitures	1,755,869	-	1,755,869
Investment income	58,258	77,584	135,842
Miscellaneous	230,125	-	230,125
	<u>4,134,515</u>	<u>7,520,000</u>	<u>11,654,515</u>
TOTAL REVENUES			
EXPENDITURES			
Current			
General government			
Legislative and executive	1,594,760	-	1,594,760
Judicial	299,305	-	299,305
Public safety	2,378,648	-	2,378,648
Public works	-	929,511	929,511
Health and welfare	616,282	-	616,282
Housing and development	-	895,268	895,268
	<u>4,888,995</u>	<u>1,824,779</u>	<u>6,713,774</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(754,480)	5,695,221	4,940,741
OTHER FINANCING SOURCES:			
TRANSFERS IN	50,000	-	50,000
TOTAL OTHER FINANCING SOURCES	<u>50,000</u>	<u>-</u>	<u>50,000</u>
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	(704,480)	5,695,221	4,990,741
FUND BALANCE			
BEGINNING OF YEAR	<u>2,372,275</u>	<u>2,334,454</u>	<u>4,706,729</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,667,795</u>	<u>\$ 8,029,675</u>	<u>\$ 9,697,470</u>

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2008

	Keep Lowndes		Seizures	Accommodation	Intergovern-
	Valdosta	Commissary	Special	Excise Tax	mental
	<u>Beautiful</u>		<u>Revenues</u>		<u>Grants</u>
ASSETS					
Equity in pooled cash and cash equivalents	\$ 50,627	\$ 307,323	\$ -	\$ -	\$ -
Cash and cash equivalents in segregated accounts	-	-	959,382	-	-
Certificate of deposit	-	-	219,319	-	-
Government investment pool	54,591	-	-	-	-
Receivables (net of allowance for doubtful accounts):					
Accounts	1,709	-	-	266,092	179,932
Due from other governments	-	-	-	-	28,794
Interfund receivable	-	-	4,080	-	-
	<u>-</u>	<u>-</u>	<u>4,080</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 106,927</u>	<u>\$ 307,323</u>	<u>\$ 1,182,781</u>	<u>\$ 266,092</u>	<u>\$ 208,726</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 316	\$ 20,277	\$ -	\$ 20,750	\$ 14,730
Accrued wages	554	992	-	-	-
Due to other governments	-	-	-	-	5,000
Interfund payable	-	-	-	224,006	111,655
Deferred revenue	-	-	-	-	77,341
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,341</u>
TOTAL LIABILITIES	<u>870</u>	<u>21,269</u>	<u>-</u>	<u>244,756</u>	<u>208,726</u>
FUND BALANCES					
Reserved for capital projects	106,057	-	-	-	-
Reserved for jail operations	-	286,054	-	-	-
Reserved for drug enforcement operations	-	-	1,182,781	-	-
Reserved for law library	-	-	-	-	-
Reserved for tourism	-	-	-	21,336	-
Unreserved	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>106,057</u>	<u>286,054</u>	<u>1,182,781</u>	<u>21,336</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 106,927</u>	<u>\$ 307,323</u>	<u>\$ 1,182,781</u>	<u>\$ 266,092</u>	<u>\$ 208,726</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>
\$ -		\$ -	\$ -	\$ 357,950
-	46,875	-	32,690	1,038,947
-	-	-	364,791	584,110
-	-	-	-	54,591
33,496	-	33,094	-	514,323
-	-	-	-	28,794
<u>33,813</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,893</u>
<u>\$ 67,309</u>	<u>\$ 46,875</u>	<u>\$ 33,094</u>	<u>\$ 397,481</u>	<u>\$ 2,616,608</u>
\$ 19,674	\$ 753	\$ 387	\$ -	\$ 76,887
498	4,498	918	-	7,460
-	-	-	-	5,000
45,278	295,699	105,487	-	782,125
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,341</u>
<u>65,450</u>	<u>300,950</u>	<u>106,792</u>	<u>-</u>	<u>948,813</u>
-	-	-	-	106,057
1,859	-	-	-	287,913
-	-	-	-	1,182,781
-	-	-	397,481	397,481
-	-	-	-	21,336
<u>-</u>	<u>(254,075)</u>	<u>(73,698)</u>	<u>-</u>	<u>(327,773)</u>
<u>1,859</u>	<u>(254,075)</u>	<u>(73,698)</u>	<u>397,481</u>	<u>1,667,795</u>
<u>\$ 67,309</u>	<u>\$ 46,875</u>	<u>\$ 33,094</u>	<u>\$ 397,481</u>	<u>\$ 2,616,608</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, 2008

	Keep Lowndes Valdosta <u>Beautiful</u>	<u>Commissary</u>	Seizures Special <u>Revenues</u>	Accommodation <u>Excise Tax</u>	Intergovern- mental <u>Grants</u>
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 1,032,148	\$ -
Intergovernmental revenues	-	-	-	-	636,762
Charges for services	-	313,135	12,874	-	-
Fines and forfeitures	-	-	740,552	-	-
Investment income	2,117	-	36,887	-	-
Miscellaneous	<u>2,025</u>	<u>218,195</u>	<u>9,694</u>	<u>211</u>	<u>-</u>
TOTAL REVENUES	<u>4,142</u>	<u>531,330</u>	<u>800,007</u>	<u>1,032,359</u>	<u>636,762</u>
EXPENDITURES					
Current					
General Government					
Legislative and executive	-	-	-	1,106,728	488,032
Judicial	-	-	-	-	-
Public safety	-	664,037	969,976	-	-
Public works	-	-	-	-	-
Health and welfare	<u>62,289</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>148,730</u>
TOTAL EXPENDITURES	<u>62,289</u>	<u>664,037</u>	<u>969,976</u>	<u>1,106,728</u>	<u>636,762</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(58,147)	(132,707)	(169,969)	(74,369)	-
OTHER FINANCING SOURCES (USES):					
TRANSFERS IN	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	(8,147)	(132,707)	(169,969)	(74,369)	-
BEGINNING FUND BALANCE	<u>114,204</u>	<u>418,761</u>	<u>1,352,750</u>	<u>95,705</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 106,057</u>	<u>\$ 286,054</u>	<u>\$ 1,182,781</u>	<u>\$ 21,336</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>
\$ -	\$ -	\$ -	\$ -	\$ 1,032,148
-	-	95,344	-	732,106
-	-	-	-	326,009
526,906	260,961	169,337	58,113	1,755,869
-	-	-	19,254	58,258
-	-	-	-	230,125
<u>526,906</u>	<u>260,961</u>	<u>264,681</u>	<u>77,367</u>	<u>4,134,515</u>
-	-	-	-	1,594,760
-	-	228,527	70,778	299,305
744,635	-	-	-	2,378,648
-	-	-	-	-
-	347,263	58,000	-	616,282
<u>744,635</u>	<u>347,263</u>	<u>286,527</u>	<u>70,778</u>	<u>4,888,995</u>
(217,729)	(86,302)	(21,846)	6,589	(754,480)
-	-	-	-	50,000
-	-	-	-	50,000
(217,729)	(86,302)	(21,846)	6,589	(704,480)
<u>219,588</u>	<u>(167,773)</u>	<u>(51,852)</u>	<u>390,892</u>	<u>2,372,275</u>
<u>\$ 1,859</u>	<u>\$ (254,075)</u>	<u>\$ (73,698)</u>	<u>\$ 397,481</u>	<u>\$ 1,667,795</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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Investment income	\$ -	\$ 2,100	\$ 2,117	\$ 17
Miscellaneous	-	2,000	2,025	25
TOTAL REVENUES	-	4,100	4,142	42
EXPENDITURES				
Current:				
Health and welfare	60,028	62,328	62,289	(39)
TOTAL EXPENDITURES	60,028	62,328	62,289	(39)
EXCESS OF REVENUES (UNDER) EXPENDITURES	(60,028)	(58,228)	(58,147)	81
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	(10,028)	(8,228)	(8,147)	81
FUND BALANCE AT BEGINNING OF YEAR	10,028	8,228	114,204	105,976
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	\$ -	\$ -	\$ 106,057	\$ 106,057
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			\$ 106,057	

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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Charges for services	\$ 215,000	\$ 313,000	\$ 313,135	\$ 135
Miscellaneous	<u>250,000</u>	<u>218,000</u>	<u>218,195</u>	<u>195</u>
TOTAL REVENUES	465,000	531,000	531,330	330
EXPENDITURES				
Current:				
Public safety	<u>481,989</u>	<u>664,989</u>	<u>664,037</u>	<u>(952)</u>
TOTAL EXPENDITURES	481,989	664,989	664,037	(952)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(16,989)	(133,989)	(132,707)	1,282
FUND BALANCE AT BEGINNING OF YEAR	<u>16,989</u>	<u>133,989</u>	<u>418,761</u>	<u>284,772</u>
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	\$ 286,054	<u>\$ 286,054</u>
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			<u>-</u>	
FUND BALANCE AT END OF YEAR - GAAP BASIS			<u>\$ 286,054</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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Charges for services	\$ -	13,000	\$ 12,874	(126)
Fines and forfeitures	-	740,000	740,552	552
Investment income	4,000	37,000	36,887	(113)
Miscellaneous	-	10,000	9,694	(306)
TOTAL REVENUES	4,000	800,000	800,007	7
EXPENDITURES				
Current:				
Public safety	4,000	974,000	969,976	(4,024)
TOTAL EXPENDITURES	4,000	974,000	969,976	(4,024)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	-	(174,000)	(169,969)	4,031
FUND BALANCE AT BEGINNING OF YEAR	-	174,000	1,352,750	1,178,750
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	\$ -	\$ -	\$ 1,182,781	\$ 1,182,781
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			\$ 1,182,781	

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Over (Under)</u>
REVENUES				
Taxes	\$ 1,881,355	\$ 1,107,355	\$ 1,032,148	\$ (75,207)
Miscellaneous	<u>-</u>	<u>-</u>	<u>211</u>	<u>211</u>
TOTAL REVENUES	1,881,355	1,107,355	1,032,359	(74,996)
EXPENDITURES				
Current:				
General government	<u>1,881,355</u>	<u>1,107,355</u>	<u>1,106,728</u>	<u>(627)</u>
TOTAL EXPENDITURES	1,881,355	1,107,355	1,106,728	(627)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	(74,369)	(74,369)
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>95,705</u>	<u>95,705</u>
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	\$ 21,336	<u>\$ 21,336</u>
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			<u>-</u>	
FUND BALANCE AT END OF YEAR - GAAP BASIS			<u>\$ 21,336</u>	

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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ -	\$ 700,000	\$ 636,762	\$ (63,238)
TOTAL REVENUES	-	700,000	636,762	(63,238)
EXPENDITURES				
Current:				
General government				
Legislative and executive	-	500,000	488,032	(11,968)
Health and welfare	-	200,000	148,730	(51,270)
TOTAL EXPENDITURES	-	700,000	636,762	(63,238)
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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 500,000	\$ 526,000	\$ 526,906	\$ 906
TOTAL REVENUES	500,000	526,000	526,906	906
EXPENDITURES				
Current:				
Public safety	515,934	744,934	744,635	(299)
TOTAL EXPENDITURES	515,934	744,934	744,635	(299)
EXCESS OF REVENUES OVER EXPENDITURES	(15,934)	(218,934)	(217,729)	1,205
FUND BALANCE AT BEGINNING OF YEAR	15,934	218,934	219,588	654
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	\$ -	\$ -	\$ 1,859	\$ 1,859
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			\$ 1,859	

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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 275,000	\$ 261,000	\$ 260,961	\$ (39)
TOTAL REVENUES	275,000	261,000	260,961	(39)
EXPENDITURES				
Current:				
Health and welfare	386,980	347,980	347,263	(717)
TOTAL EXPENDITURES	386,980	347,980	347,263	(717)
EXCESS OF REVENUES (UNDER) EXPENDITURES	(111,980)	(86,980)	(86,302)	678
FUND BALANCE AT BEGINNING OF YEAR	111,980	86,980	(167,773)	(254,753)
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	\$ -	\$ -	\$ (254,075)	\$ (254,075)
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			\$ (254,075)	

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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Intergovernmental	\$ 65,700	\$ 65,700	\$ 95,344	\$ 29,644
Fines and forfeitures	196,500	196,500	169,337	(27,163)
TOTAL REVENUES	262,200	262,200	264,681	2,481
EXPENDITURES				
Current:				
General Government				
Judicial	237,397	237,397	228,527	(8,870)
Health and welfare	58,000	58,000	58,000	-
TOTAL EXPENDITURES	295,397	295,397	286,527	(8,870)
EXCESS OF REVENUES (UNDER) EXPENDITURES	(33,197)	(33,197)	(21,846)	11,351
BEGINNING FUND BALANCE	33,197	33,197	(51,852)	(85,049)
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	\$ -	\$ -	\$ (73,698)	\$ (73,698)
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			\$ (73,698)	

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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ -	\$ 60,000	\$ 58,113	\$ (1,887)
Investment income	-	20,000	19,254	(746)
TOTAL REVENUES	-	80,000	77,367	(2,633)
EXPENDITURES				
Current:				
General Government				
Judicial	-	80,000	70,778	(9,222)
TOTAL EXPENDITURES	-	80,000	70,778	(9,222)
EXCESS OF REVENUES (UNDER) EXPENDITURES	-	-	6,589	6,589
FUND BALANCE AT BEGINNING OF YEAR	-	-	390,892	390,892
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	\$ -	\$ -	\$ 397,481	\$ 397,481
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			\$ 397,481	

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, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Investment income	\$ 47,000	\$ 68,000	\$ 68,538	\$ 538
TOTAL REVENUES	47,000	68,000	68,538	538
EXPENDITURES				
Current:				
Public works	10,000,000	800,000	779,516	(20,484)
TOTAL EXPENDITURES	10,000,000	800,000	779,516	(20,484)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,953,000)	(732,000)	(710,978)	21,022
FUND BALANCE AT BEGINNING OF YEAR	9,953,000	732,000	2,334,454	1,602,454
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	\$ -	\$ -	\$ 1,623,476	\$ 1,623,476
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			\$ 1,623,476	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
 CAPITAL PROJECTS SALES TAX VI FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ 6,550,000	\$ 6,547,149	\$ (2,851)
Investment income	-	10,000	9,046	(954)
TOTAL REVENUES	-	6,560,000	6,556,195	(3,805)
EXPENDITURES				
Current				
Public works	-	6,560,000	149,996	(6,410,004)
TOTAL EXPENDITURES	-	6,560,000	149,996	(6,410,004)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	6,406,199	6,406,199
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR (BUDGETARY BASIS)	\$ -	\$ -	\$ 6,406,199	\$ 6,406,199
RECONCILIATION TO GAAP BASIS: Elimination of encumbrances			-	
FUND BALANCES AT END OF YEAR (GAAP BASIS)			\$ 6,406,199	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
 CAPITAL PROJECTS CDBG EIP GRANT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ -	\$ 473,000	\$ 473,000	\$ -
TOTAL REVENUES	-	473,000	473,000	-
EXPENDITURES				
Current:				
Housing and development	-	473,000	473,000	-
TOTAL EXPENDITURES	-	473,000	473,000	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	\$ -	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			<u>\$ -</u>	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
 CAPITAL PROJECTS EDA GRANT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ -	\$ 360,000	\$ 358,671	\$ (1,329)
TOTAL REVENUES	-	360,000	358,671	(1,329)
EXPENDITURES				
Current:				
Housing and development	-	360,000	358,671	(1,329)
TOTAL EXPENDITURES	-	360,000	358,671	(1,329)
EXCESS OF REVENUES OVER (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.

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, 2008

	<u>FY2008</u>	<u>Total</u>	<u>Grant Budget</u>	<u>Remaining</u>
REVENUES				
Intergovernmental revenue	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
TOTAL REVENUES	15,000	15,000	15,000	-
EXPENDITURES				
Other services and charges	15,000	15,000	15,000	-
TOTAL EXPENDITURES	15,000	15,000	15,000	-
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, 2008

	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>Total</u>	<u>Grant Budget</u>	<u>Remaining</u>
REVENUES							
Intergovernmental revenue	<u>\$14,642</u>	<u>\$11,573</u>	<u>\$467,601</u>	<u>\$5,000</u>	<u>\$498,816</u>	<u>\$498,816</u>	<u>\$ -</u>
TOTAL REVENUES	<u>14,642</u>	<u>11,573</u>	<u>467,601</u>	<u>5,000</u>	<u>498,816</u>	<u>498,816</u>	<u>-</u>
EXPENDITURES							
Capital outlay	<u>14,642</u>	<u>11,573</u>	<u>467,601</u>	<u>5,000</u>	<u>498,816</u>	<u>498,816</u>	<u>-</u>
TOTAL EXPENDITURES	<u>14,642</u>	<u>11,573</u>	<u>467,601</u>	<u>5,000</u>	<u>498,816</u>	<u>498,816</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-	-	-	-
FUND BALANCE BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<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 STATEMENT OF NET ASSETS
June 30, 2008

	<u>Equipment Fund</u>	<u>Insurance Fund</u>	<u>Fleet Manager Fund</u>	<u>Total</u>
ASSETS				
Current Assets				
Equity in pooled cash and cash equivalents	\$ 138,890	\$ 859,704	\$ -	\$ 998,594
Cash and cash equivalents in segregated accounts	-	-	2,447,233	2,447,233
Government investment pool	-	18,704	-	18,704
Receivables (net of allowance for doubtful accounts):				
Accounts	12,463	1,632	121,650	135,745
Interfund receivable	-	102,025	305,014	407,039
Prepaid expense	-	138,057	-	138,057
Inventory	<u>173,563</u>	<u>-</u>	<u>-</u>	<u>173,563</u>
TOTAL CURRENT ASSETS	<u>324,916</u>	<u>1,120,122</u>	<u>2,873,897</u>	<u>4,318,935</u>
Noncurrent Assets				
Capital Assets				
Depreciable capital assets, net	<u>-</u>	<u>-</u>	<u>4,015,832</u>	<u>4,015,832</u>
TOTAL NONCURRENT ASSETS	<u>-</u>	<u>-</u>	<u>4,015,832</u>	<u>4,015,832</u>
TOTAL ASSETS	<u>324,916</u>	<u>1,120,122</u>	<u>6,889,729</u>	<u>8,334,767</u>
LIABILITIES				
Current Liabilities				
Accounts payable	262,371	1,120,122	327,104	1,709,597
Accrued wages	5,597	-	-	5,597
Compensated absences payable	10,310	-	-	10,310
Accrued interest payable	-	-	5,226	5,226
Interfund payable	-	-	3,796,989	3,796,989
Current portion of capital lease obligations	<u>-</u>	<u>-</u>	<u>1,237,016</u>	<u>1,237,016</u>
TOTAL CURRENT LIABILITIES	<u>278,278</u>	<u>1,120,122</u>	<u>5,366,335</u>	<u>6,764,735</u>
Long-Term Liabilities				
Compensated absences payable	8,100	-	-	8,100
Capital lease obligations	<u>-</u>	<u>-</u>	<u>1,267,614</u>	<u>1,267,614</u>
TOTAL LONG-TERM LIABILITIES	<u>8,100</u>	<u>-</u>	<u>1,267,614</u>	<u>1,275,714</u>
TOTAL LIABILITIES	<u>286,378</u>	<u>1,120,122</u>	<u>6,633,949</u>	<u>8,040,449</u>
NET ASSETS				
Invested in capital assets, net of related debt	-	-	1,511,202	1,511,202
Unrestricted	<u>38,538</u>	<u>-</u>	<u>(1,255,422)</u>	<u>(1,216,884)</u>
TOTAL NET ASSETS	<u>\$ 38,538</u>	<u>\$ -</u>	<u>\$ 255,780</u>	<u>\$ 294,318</u>

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
For The Year Ending June 30, 2008

	Equipment <u>Fund</u>	Insurance <u>Fund</u>	Fleet Manager <u>Fund</u>	<u>Total</u>
OPERATING REVENUES				
Charges for services	\$ 556,559	\$ 4,496,936	\$ 3,788,754	\$ 8,842,249
TOTAL OPERATING REVENUES	<u>556,559</u>	<u>4,496,936</u>	<u>3,788,754</u>	<u>8,842,249</u>
OPERATING EXPENSES				
Personal services	331,457	-	-	331,457
Payroll taxes	23,540	-	-	23,540
Fringe benefits	88,037	-	-	88,037
Contractual services	13,543	-	15	13,558
Insurance and bond	-	4,591,978	-	4,591,978
Materials and supplies	65,291	-	2,703,694	2,768,985
Depreciation	-	-	1,037,906	1,037,906
TOTAL OPERATING EXPENSES	<u>521,868</u>	<u>4,591,978</u>	<u>3,741,615</u>	<u>8,855,461</u>
OPERATING INCOME (LOSS)	<u>34,691</u>	<u>(95,042)</u>	<u>47,139</u>	<u>(13,212)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest revenue	-	834	43,958	44,792
Interest expense	-	-	(105,995)	(105,995)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>-</u>	<u>834</u>	<u>(62,037)</u>	<u>(61,203)</u>
CHANGE IN NET ASSETS	34,691	(94,208)	(14,898)	(74,415)
NET ASSETS AT BEGINNING OF YEAR	<u>3,847</u>	<u>94,208</u>	<u>270,678</u>	<u>368,733</u>
NET ASSETS AT END OF YEAR	<u>\$ 38,538</u>	<u>\$ -</u>	<u>\$ 255,780</u>	<u>\$ 294,318</u>

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
For The Year Ending June 30, 2008

	Equipment Fund	Insurance Fund	Fleet Manager Fund	Total
<u>Increase (Decrease) in Cash and Cash Equivalents</u>				
<u>Cash Flows From Operating Activities</u>				
Cash received from other funds for services	\$ 555,859	\$ 4,495,388	\$ 3,667,104	\$ 8,718,351
Cash payments for personal services	(334,732)	-	-	(334,732)
Cash payments for payroll taxes	(23,540)	-	-	(23,540)
Cash payments for fringe benefits	(88,037)	-	-	(88,037)
Cash payments for contractual services	(13,543)	-	(15)	(13,558)
Cash payments for insurance and bond	-	(4,533,448)	-	(4,533,448)
Cash payments for materials and supplies	35,223	-	(391,204)	(355,981)
Net Cash Provided by (Used for)				
Operating Activities	131,230	(38,060)	3,275,885	3,369,055
<u>Cash Flows From Capital and Related Financing Activities</u>				
Cash from capital lease	-	-	2,048,000	2,048,000
Cash payments for acquisition of capital assets	-	-	(1,571,399)	(1,571,399)
Cash payments for principal and interest on capital leases	-	-	(1,704,502)	(1,704,502)
Net Cash Used For Capital and Related Financing Activities	-	-	(1,227,901)	(1,227,901)
<u>Cash Flows From Investing Activities</u>				
Cash received from interest	-	834	43,958	44,792
Net Cash Flows Provided By Investing Activities	-	834	43,958	44,792
Net Increase in Cash and Cash Equivalents	131,230	(37,226)	2,091,942	2,185,946
Cash and Cash Equivalents at Beginning of Year	7,660	915,634	355,291	1,278,585
Cash and Cash Equivalents at End of Year	<u>\$ 138,890</u>	<u>\$ 878,408</u>	<u>\$ 2,447,233</u>	<u>\$ 3,464,531</u>
Equity in pooled cash and cash equivalents	\$ 138,890	\$ 859,704	\$ -	\$ 998,594
Cash and cash equivalents in segregated accounts	-	-	2,447,233	\$ 2,447,233
Government investment pool	-	18,704	-	\$ 18,704
Total Cash and Cash Equivalents	<u>\$ 138,890</u>	<u>\$ 878,408</u>	<u>\$ 2,447,233</u>	<u>\$ 3,464,531</u>

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
For The Year Ending June 30, 2008

	Equipment Fund	Insurance Fund	Fleet Manager Fund	Total
Reconciliation of Operating Income (Loss) To				
<u>Net Cash Provided by (Used For) Operating Activities</u>				
Operating Income (Loss)	\$ 34,691	\$ (95,042)	\$ 47,139	\$ (13,212)
Adjustments to Reconcile Operating Income (Loss) To				
<u>Net Cash Provided by (Used For) Operating Activities</u>				
Depreciation	-	-	1,037,906	1,037,906
Changes in Assets and Liabilities:				
(Increase) decrease in accounts receivable	(700)	(1,548)	(121,650)	(123,898)
(Increase) decrease in prepaid expense	-	(138,057)	-	(138,057)
(Increase) decrease in inventory	57,250	-	-	57,250
(Increase) decrease in interfund receivable	-	(94,125)	(295,739)	(389,864)
Increase (decrease) in accounts payable	212,122	290,712	327,104	829,938
Increase (decrease) in compensated absences payable	678	-	-	678
Increase (decrease) in interfund payable	(168,858)	-	2,281,125	2,112,267
Increase (decrease) in accrued expenses	(3,953)	-	-	(3,953)
Net Cash Provided By (Used For)				
Operating Activities	<u>\$ 131,230</u>	<u>\$ (38,060)</u>	<u>\$ 3,275,885</u>	<u>\$ 3,369,055</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 STATEMENTS OF ASSETS AND LIABILITIES
 June 30, 2008

	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	\$ 248,610	\$ 667,625	\$ 110,239	\$ 984,082	\$ 2,010,556
Due from others	<u>268,906</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>268,906</u>
TOTAL ASSETS	<u>\$ 517,516</u>	<u>\$ 667,625</u>	<u>\$ 110,239</u>	<u>\$ 984,082</u>	<u>\$ 2,279,462</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Due to others	\$ 517,516	\$ 177,595	\$ 17,983	\$ 2,384	\$ 715,478
Collections held in escrow	<u>-</u>	<u>490,030</u>	<u>92,256</u>	<u>981,698</u>	<u>1,563,984</u>
TOTAL LIABILITIES	<u>517,516</u>	<u>667,625</u>	<u>110,239</u>	<u>984,082</u>	<u>2,279,461</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING STATEMENTS OF CHANGES IN
 ASSETS AND LIABILITIES
 For The Year Ending June 30, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2008</u>
<u>OFFICE OF TAX COMMISSIONER</u>				
ASSETS				
Cash	\$ 282,001	\$ 77,573,915	\$ 77,607,306	\$ 248,610
Due from others	184,684	84,222	-	268,906
TOTAL ASSETS	<u>\$ 466,685</u>	<u>\$ 77,658,137</u>	<u>\$ 77,607,306</u>	<u>\$ 517,516</u>
LIABILITIES				
Due to others	\$ 99,823	\$ 77,658,137	\$ 77,240,444	\$ 517,516
Collections held in escrow	366,862	-	366,862	-
TOTAL LIABILITIES	<u>\$ 466,685</u>	<u>\$ 77,658,137</u>	<u>\$ 77,607,306</u>	<u>\$ 517,516</u>
<u>CLERK OF COURT</u>				
ASSETS				
Cash	\$ 1,243,504	\$ 6,634,837	\$ 7,210,716	\$ 667,625
TOTAL ASSETS	<u>\$ 1,243,504</u>	<u>\$ 6,634,837</u>	<u>\$ 7,210,716</u>	<u>\$ 667,625</u>
LIABILITIES				
Due to others	\$ 342,080	\$ 4,641,658	\$ 4,806,143	\$ 177,595
Collections held in escrow	901,424	1,993,179	2,404,573	490,030
TOTAL LIABILITIES	<u>\$ 1,243,504</u>	<u>\$ 6,634,836</u>	<u>\$ 7,210,716</u>	<u>\$ 667,625</u>
<u>MAGISTRATE COURT</u>				
ASSETS				
Cash	\$ 97,679	\$ 1,708,352	\$ 1,695,792	\$ 110,239
TOTAL ASSETS	<u>\$ 97,679</u>	<u>\$ 1,708,352</u>	<u>\$ 1,695,792</u>	<u>\$ 110,239</u>
LIABILITIES				
Due to others	\$ 16,701	\$ 604,794	\$ 603,512	\$ 17,983
Collections held in escrow	80,978	1,103,558	1,092,280	92,256
TOTAL LIABILITIES	<u>\$ 97,679</u>	<u>\$ 1,708,352</u>	<u>\$ 1,695,792</u>	<u>\$ 110,239</u>

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING STATEMENTS OF CHANGES IN
 ASSETS AND LIABILITIES - CONTINUED
 For The Year Ending June 30, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2008</u>
<u>OFFICE OF SHERIFF</u>				
ASSETS				
Cash	\$ 870,165	\$ 4,811,232	\$ 4,697,315	\$ 984,082
TOTAL ASSETS	<u>\$ 870,165</u>	<u>\$ 4,811,232</u>	<u>\$ 4,697,315</u>	<u>\$ 984,082</u>
LIABILITIES				
Due to others	\$ 4,541	\$ 29,915	\$ 32,072	\$ 2,384
Collections held in escrow	<u>865,624</u>	<u>4,781,317</u>	<u>4,665,243</u>	<u>981,698</u>
TOTAL LIABILITIES	<u>\$ 870,165</u>	<u>\$ 4,811,232</u>	<u>\$ 4,697,315</u>	<u>\$ 984,082</u>

See independent auditors' report.

STATISTICAL SECTION

Lowndes County, Georgia
Statistical Section
(Unaudited)

This part of Lowndes County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health. This section included data for the County only and does not include the County's discretely presented component units. This information has not been audited by the independent auditor.

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, the property taxes.

Debt Capacity

These schedules contain information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the government provides and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	Fiscal Year Ending June 30,					
	<u>2008</u>	<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	\$ 89,328,068	\$ 136,074,764	\$ 139,608,284	\$ 20,178,997	\$ 25,070,360	\$ 23,645,433
Restricted	64,133,172	32,758,317	33,678,846	45,962,877	37,670,996	35,335,883
Unrestricted	<u>20,012,424</u>	<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>\$ 173,473,664</u>	<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	\$ 29,097,651	\$ 20,508,113	\$ 19,645,353	\$ 18,778,753	\$ 15,842,646	\$ 15,522,822
Restricted	-	-	-	-	-	-
Unrestricted	<u>(4,248,227)</u>	<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>\$ 24,849,424</u>	<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	\$ 118,425,719	\$ 156,582,877	\$ 159,253,637	\$ 38,957,750	\$ 40,913,006	\$ 39,168,255
Restricted	64,133,172	32,758,317	33,678,846	45,962,877	37,670,996	35,335,883
Unrestricted	<u>15,764,197</u>	<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>\$ 198,323,088</u>	<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 Six Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,					
	2008	2007	2006	2005	2004	2003
Expenses						
Governmental activities:						
General government						
Legislative and executive	\$ 12,463,625	\$ 10,465,920	\$ 11,177,261	\$ 9,221,090	\$ 10,263,401	\$ 8,580,417
Judicial	5,181,461	7,225,812	5,118,673	4,562,225	5,032,780	3,909,885
Public safety	27,998,314	24,481,770	21,206,388	20,728,816	20,592,852	17,425,707
Public works	32,747,448	29,982,222	51,607,159	17,538,326	12,656,838	9,050,735
Health and welfare	1,270,348	2,201,324	1,276,484	1,634,299	2,309,643	2,289,562
Culture and recreation	4,578,273	4,324,334	4,152,212	4,191,985	3,409,402	3,860,353
Housing and development	1,395,805	665,736	498,200	471,505	311,097	1,225,449
Interest on long-term debt	523,860	564,813	689,391	709,991	77,391	-
Total governmental activities expenses	<u>86,159,134</u>	<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	4,144,229	3,843,855	4,918,872	4,020,234	3,940,670	3,790,000
Landfill	26,461	46,285	465,867	414,384	(147,102)	84,077
Special Tax Lighting District	266,749	197,085	208,478	176,898	151,678	134,938
Sanitation Fund	1,176,208	1,109,644	-	-	-	-
Total business-type activities expenses	<u>5,613,647</u>	<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>91,772,781</u>	<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	\$ 2,531,685	\$ 2,442,466	\$ 4,199,068	\$ 2,231,681	\$ 2,441,980	\$ 2,138,334
Judicial	3,096,093	3,082,091	3,246,901	3,854,671	3,699,438	3,565,833
Public safety	5,267,853	4,127,647	5,104,745	4,579,833	3,777,062	4,405,272
Public works	183,010	222,941	302,800	824,432	87,798	170,408
Health and welfare	275,563	297,643	253,018	372,372	503,458	620,556
Housing and development	62,165	42,120	-	-	-	-
Operating grants and contributions	2,210,516	3,986,582	484,472	631,537	1,667,125	1,427,296
Capital grants and contributions	1,592,054	1,696,917	8,042	405,496	120,642	1,461,456
Total governmental activities program revenues	<u>15,218,939</u>	<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	3,772,771	3,649,845	3,154,058	2,789,348	2,673,677	2,389,020
Special tax lighting district	157,377	160,359	156,244	128,275	125,466	125,629
Sanitation fund	95,217	34,405	-	-	-	-
Total business-type activities program revenues	<u>4,025,365</u>	<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>\$ 19,244,304</u>	<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 Six Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,					
	2008	2007	2006	2005	2004	2003
Net (Expense) Revenue						
Governmental activities	\$ (70,940,195)	\$ (64,013,524)	\$ (82,126,722)	\$ (46,158,215)	\$ (42,355,901)	\$ (32,552,953)
Business-type activities	(1,588,282)	(1,352,260)	(2,282,915)	(1,693,893)	(1,146,103)	(1,494,366)
Total primary government net expense	<u>\$ (72,528,477)</u>	<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	\$ 22,622,116	\$ 21,432,904	\$ 19,871,336	\$ 19,271,632	\$ 18,242,254	\$ 17,172,514
Alcoholic beverage taxes	527,476	524,243	504,712	495,211	476,183	433,590
Occupational taxes	393,817	368,856	416,345	364,992	307,300	275,071
Franchise taxes	212,203	203,964	172,439	240,607	178,563	193,212
Insurance premium taxes	2,135,580	2,030,960	1,937,994	1,814,810	1,677,244	1,593,587
Sales taxes	32,383,724	35,155,911	34,853,383	31,156,926	28,343,346	25,988,019
Public utility taxes	581,150	-	-	-	-	-
Miscellaneous	86,121	31,118	2,000	82,011	3,000	303,091
Rent	-	483,764	433,387	415,510	20,012	11,168
Interest	1,044,563	1,430,205	1,035,124	582,360	414,220	410,158
Transfer out	(3,882,869)	(1,883,956)	(2,057,236)	(4,251,862)	(1,515,690)	(1,871,008)
Total governmental activities	<u>56,103,881</u>	<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	496,554	520,215	642,351	607,462	490,922	366,906
Premium on bonds sold	16,921	16,921	12,690	-	-	-
Interest	71,219	63,219	137,365	6,142	1,186	7,330
Transfer in	3,882,869	1,883,956	2,057,236	4,251,862	1,515,690	1,154,138
Total business-type activities	<u>4,467,563</u>	<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>\$ 60,571,444</u>	<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	\$ (14,836,314)	\$ (4,235,555)	\$ (24,957,238)	\$ 4,013,982	\$ 5,790,531	\$ 11,956,449
Business-type activities	2,879,281	1,132,051	566,727	3,171,573	861,695	34,008
Total primary government	<u>\$ (11,957,033)</u>	<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 Six Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,					
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund						
Reserved	\$ 6,112,972	\$ 5,338,247	\$ 5,392,238	\$ 5,592,281	\$ 5,702,270	\$ 7,189,410
Unreserved	<u>15,701,801</u>	<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>\$ 21,814,773</u>	<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	\$ 65,192,245	\$ 32,861,697	\$ 33,596,984	\$ 46,352,109	\$ 51,630,907	\$ 31,409,101
Unreserved, reported in:						
Special revenue funds	<u>(327,773)</u>	<u>(219,625)</u>	<u>(505,340)</u>	<u>(292,970)</u>	<u>(25,771)</u>	<u>-</u>
Total all other governmental funds	<u>\$ 64,864,472</u>	<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 Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,					
	2008	2007	2006	2005	2004	2003
Revenues						
Taxes	\$ 60,159,934	\$ 61,522,356	\$ 59,915,213	\$ 54,754,309	\$ 49,117,020	\$ 45,396,659
Licenses and permits	341,087	174,323	136,051	576,132	2,067,774	1,788,773
Intergovernmental revenues	5,442,941	5,683,150	3,831,163	3,356,236	2,716,455	4,052,164
Charges for services	4,457,475	4,067,289	3,838,814	2,872,513	2,148,272	2,635,056
Fines and forfeitures	3,358,093	3,656,434	3,214,167	4,988,715	5,167,479	5,083,853
Investment income	1,044,564	1,430,202	1,035,122	582,342	414,220	410,158
Miscellaneous	736,913	827,410	741,079	566,986	527,833	821,992
Total revenues	75,541,007	77,361,164	72,711,609	67,697,233	62,159,053	60,188,655
Expenditures						
General government						
Legislative and executive	\$ 11,995,479	\$ 11,606,747	\$ 10,785,140	\$ 9,194,441	\$ 9,324,209	\$ 8,373,292
Judicial	7,129,220	4,740,954	4,960,668	4,563,537	5,141,572	3,812,249
Public safety	24,688,510	14,608,904	18,775,006	19,209,606	18,428,548	15,660,461
Public works	13,401,084	19,229,053	32,884,096	16,860,396	12,379,353	8,966,140
Health and welfare	1,397,225	1,961,798	1,220,881	1,674,861	2,036,026	2,272,407
Culture and recreation	4,290,100	4,216,207	4,149,615	4,080,312	3,295,478	3,741,596
Housing and development	1,459,402	534,061	498,200	471,505	311,097	1,225,449
Capital Outlay	15,649,774	17,240,495	7,260,054	10,801,728	4,503,307	9,273,027
Debt service						
Principle	605,000	590,000	790,000	945,000	190,000	271,766
Interest	523,860	564,813	689,391	709,991	130,633	140,215
Total Expenditures	81,139,654	75,293,032	82,013,051	68,511,377	55,740,223	53,736,602
Excess of revenues over (under) expenditures	(5,598,647)	2,068,132	(9,301,442)	(814,144)	6,418,830	6,452,053
Other Financing Sources (Uses)						
Capital financing	42,663,153	-	-	-	15,500,000	-
Operating transfer in	160,240	200,549	933,981	472,489	3,880,186	268,387
Operating transfer out	(4,043,109)	(2,084,505)	(2,991,217)	(4,724,351)	(5,395,876)	(218,387)
Total other financing sources (uses)	38,780,284	(1,883,956)	(2,057,236)	(4,251,862)	13,984,310	50,000
Net change in fund balances	\$ 33,181,637	\$ 184,176	\$ (11,358,678)	\$ (5,066,006)	\$ 20,403,140	\$ 6,502,053
Debt service as a percentage of noncapital expenditures	1.72%	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	Special Purpose			Insurance Premium Tax	Intangible Tax	Total
				Local Option Sales Tax	Local Option Sales Tax	Accommodation Excise Tax			
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	11,442,253	19,714,674	1,779,004	1,843,259	604,891	53,934,992
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
2008	21,284,204	527,476	212,203	13,777,615	12,058,961	1,032,148	2,135,580	722,709	51,750,896
Change 1999-2008	132.76%	39.10%	84.03%	68.91%	-15.86%	-2.78%	78.55%	74.31%	48.71%

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
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	2,262,663
2007	1,244,990	793,455	391,187	195,823	234,685	2,390,770
2008	1,400,845	865,837	395,966	214,775	254,078	2,623,344

Lowndes County, Georgia
 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		Total Direct Unincorporated Tax Rate (1)	Total Direct Incorporated Tax Rate
			Accessed to Total Actual <u>Value</u>			
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
2008	2,623,344	6,558,360	40%		8.76	8.76

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>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>	<u>2008</u>
County Direct Rates:										
Lowndes County (Incorporated)	7.30	9.02	9.01	9.01	9.01	8.86	8.86	8.86	8.86	8.76
Lowndes County (Unincorporated) (1)	5.13	7.39	7.39	7.80	8.12	8.45	8.86	8.86	8.86	8.76
Overlapping Rates:										
Lowndes County Board of Education	14.34	14.34	14.28	14.25	14.20	14.20	14.15	15.15	15.15	14.95
Valdosta-Lowndes County Industrial Authority	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
City of Valdosta	5.65	4.65	4.64	4.64	4.63	4.47	4.48	4.41	4.40	4.18
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	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Valdosta Board of Education	12.27	12.57	12.54	12.54	12.29	12.29	13.98	14.98	14.98	15.98
City of Hahira	6.00	5.50	5.50	5.40	5.38	5.38	5.38	5.38	5.38	5.38
City of Lake Park	6.00	6.00	5.99	5.99	5.84	5.84	5.83	5.80	5.70	4.73
City of Remerton	3.50	3.50	3.50	3.48	3.48	3.42	4.42	5.42	6.42	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>	2008			1999		
	<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	1.90%			
Archer Daniels Midland	43,648,537	2	1.66%			
Lowe's Distribution Center	29,599,072	3	1.13%			
The Langdale Company	26,528,393	4	1.01%			Data Not Available
Georgia Power Company	25,735,664	5	0.98%			
Wild Adventures	19,860,493	6	0.76%			
Marelda Valdosta Mall LLC	11,899,329	7	0.45%			
Bellsouth Telecommunications	11,887,727	8	0.45%			
Colquitt Electric Membership	12,325,531	9	0.47%			
Valdosta-Lowndes Co Industrial Authority	9,404,745	10	0.36%			
All others	<u>2,382,657,851</u>		<u>90.83%</u>			
Total	<u>\$ 2,623,344,025</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
1999	\$ 9,254,338	\$ 9,013,346	97.40%	\$ 240,968	\$ 9,254,314	100.00%
2000	14,064,701	13,194,313	93.81%	869,511	14,063,824	99.99%
2001	14,288,707	13,871,716	97.08%	404,664	14,276,380	99.91%
2002	15,137,872	14,675,928	96.95%	450,201	15,126,129	99.92%
2003	15,769,194	14,984,335	95.02%	776,038	15,760,373	99.94%
2004	17,001,737	16,527,834	97.21%	464,123	16,991,957	99.94%
2005	17,860,543	17,585,316	98.46%	239,402	17,824,718	99.80%
2006	20,047,190	19,559,113	97.57%	465,732	20,024,845	99.89%
2007	21,182,223	20,560,611	97.07%	537,240	21,097,851	99.60%
2008	22,967,377	22,463,268	97.81%	-	22,463,268	97.81%

Source: Lowndes County Tax Commissioner

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

Fiscal Year	<u>Governmental Activities</u>	<u>Business-Type Activities</u>		Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Leases	Notes Payable	Revenue Bonds			
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%	112
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	0.50%	117
2003	2,860,000	7,559,772	670,000	11,089,772	0.49%	118
2004	21,854,991	7,148,639	630,000	29,633,630	1.32%	314
2005	22,461,008	5,159,265	585,000	28,205,273	1.23%	298
2006	20,092,417	4,583,037	12,125,000	36,800,454	1.53%	381
2007	17,688,318	3,718,226	11,675,000	33,081,544	1.31%	338
2008	15,659,630	-	52,060,000	67,719,630	2.56%	665

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, 2008

<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	2,921,847	100%	2,921,847
City of Lake Park	18,955	100%	18,955
City of Remerton	714,989	100%	714,989
City of Valdosta	9,400,181	100%	9,400,181
Central Valdosta Development Authority	600,897	100%	600,897
Other debt			
Valdosta-Lowndes County Industrial Authority	616,256	100%	<u>616,256</u>
Subtotal, overlapping debt			14,293,125
County direct debt			
Capital Leases			15,659,630
Intergovernmental Agreements			
Valdosta-Lowndes County Industrial Authority			3,090,478
Direct Guaranteed Revenue Debt			
Special Purpose Local Option Revenue Bonds			40,845,000
Water and Sewer Revenue Bonds			<u>11,215,000</u>
Total County direct debt			<u>70,810,108</u>
Total direct and overlapping debt			<u><u>\$ 85,103,233</u></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 2008											
										Assessed value	\$ 2,623,344
										Debt limitation (10% of assessed value)	262,334
										Debt applicable to limitation:	
										Total bonded debt	40,845
										Legal debt margin	<u>\$ 221,489</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>	<u>2008</u>	
Debt limit	\$ 169,253	\$ 172,272	\$ 178,624	\$ 183,110	\$ 196,018	\$ 201,586	\$ 226,266	\$ 239,077	\$ 226,266	262,334	
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,845</u>	
Legal debt margin	<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>\$ 239,077</u>	<u>\$ 226,266</u>	<u>\$ 221,489</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 Three 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	
2008	\$ 3,772,771	\$ 2,619,531	\$ 1,153,240	\$ 460,000	\$ 508,294	\$ 968,294	1.19	

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
1999	89,881	1,834,740,853	20,413	26,536	4.0%	4.2%
2000	92,577	1,970,047,710	21,280	28,103	4.2%	4.0%
2001	92,114	2,076,525,902	22,543	28,523	5.3%	3.7%
2002	92,196	2,164,024,512	23,472	28,689	3.7%	4.0%
2003	93,646	2,269,604,456	24,236	29,000	3.3%	5.1%
2004	94,460	2,248,903,680	23,808	30,051	3.1%	4.7%
2005	94,579	2,292,216,644	24,236	31,191	2.9%	4.1%
2006	96,705	2,400,024,690	24,818	31,815	3.8%	4.7%
2007	97,844	2,517,428,276	25,729	30,914	4.1%	5.3%
2008	101,790	2,650,306,230	26,037	32,095	3.8%	4.4%

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>	2008			1999		
	<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	4,700	1	9.19%	5,610	1	13.55%
South Georgia Medical Center	2,300	2	4.50%	1,800	2	4.35%
Valdosta State University	2,280	3	4.46%	1,230	3	2.97%
Lowndes County School System	1,279	4	2.50%	1,224	4	2.96%
Valdosta City School System	983	5	1.92%	1,038	5	2.51%
Lowe's Distribution Center	900	6	1.76%	600	6	1.45%
Convergys Corp	850	7	1.66%	-		
City of Valdosta	773	8	1.51%	-		
Lowndes County	609	9	1.19%	500	10	1.21%
Bath Craft / Jacuzzi	600	10	1.17%	-		
Crackin Good Bakeries	-			555	7	1.34%
Bayliner Marine	-			550	8	1.33%
Levi Strauss	-			537	9	1.30%
Total Principle Employers	15,274		29.86%	13,644		32.96%
Other Employees	35,872		70.14%	27,755		67.04%
Total Employees	51,146		100.00%	41,399		100.00%

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>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>	<u>2008</u>
General Government										
Legislative										
Board of Commissioners	4	4	4	4	4	4	4	4	4	4
Commissioners' Assistant	-	-	-	-	-	-	-	-	-	1
Community Development Coordinator	-	-	-	-	-	-	-	-	-	1
County Clerk	-	-	-	-	-	-	-	-	-	3
County Manager	4	4	5	5	5	5	5	6	7	4
Risk Manager	1	1	1	1	1	1	1	1	1	1
Board of Elections	7	7	7	7	7	12	12	12	12	12
Tax Assessors	18	18	18	18	18	20	24	22	20	24
Building Maintenance	14	14	15	20	20	21	20	20	20	21
Tax Commissioner	18	18	19	19	19	19	19	20	19	20
Administrative Services	14	16	16	15	15	16	17	17	15	18
Engineering	12	11	10	8	8	9	9	10	11	11
Judicial										
Clerk of Court	17	18	18	18	18	18	18	19	18	19
Probate Court	4	4	5	5	5	5	5	6	5	6
Juvenile Court	2	2	2	2	2	2	1	1	1	1
Magistrate Court	11	11	11	11	11	11	11	11	11	11
Superior Court	14	14	14	14	14	14	14	14	14	15
State Court	7	7	7	6	8	8	8	6	8	10
Indigent Defense	2	2	2	2	2	2	2	-	-	-
Public Safety										
Sheriff	174	217	196	199	202	202	206	212	201	225
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	3	3	5	8	10	13	16
Animal Control	-	8	10	9	9	10	11	11	11	12
Subtotal	329	382	366	370	375	388	399	406	395	439

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>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>	<u>2008</u>
Public Works										
Administration	4	4	4	6	6	6	6	5	7	7
Road Maintenance	31	31	31	32	37	38	32	31	29	40
Road Construction	14	14	14	14	14	14	14	13	13	10
Mosquito Control	-	-	-	-	-	-	-	-	-	1
Sanitation	24	23	25	23	18	18	20	21	16	-
Culture and Receptions										
Division of Parks	5	5	6	-	-	-	-	-	-	-
Housing and Development										
Code Administration	2	1	-	-	-	-	-	-	-	-
County Planner	-	-	-	-	-	-	-	-	-	1
Zoning	-	-	-	-	-	-	-	-	3	3
Keep Lowndes/ Valdosta Beautiful	1	1	1	1	1	1	1	1	1	1
Auxiliary Accounts - Jail Commissary	2	2	2	2	2	2	2	2	2	2
Intergovernmental										
Regional Airport	-	-	-	6	6	6	6	6	6	7
Alternative Dispute Resolution	-	-	-	2	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	4	4
County Jail Fund	1	1	1	1	1	1	1	1	1	1
Drug Abuse Treatment	7	7	7	7	13	7	7	7	7	6
Emergency Telephone System	30	30	33	33	34	32	32	33	28	38
Victim/Witness	-	-	-	1	2	2	2	2	2	2
Water and Sewer	14	15	15	12	12	13	13	13	13	14
Sanitation Fund	-	-	-	-	-	-	-	-	-	21
Equipment Maintenance	-	-	-	10	10	10	10	10	10	10
Total	<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>542</u>	<u>609</u>

Source: County Budgets

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

Function/Program	Fiscal Year Ending June 30,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Courts										
Cases filed:										
Superior Court - Civil	3,029	2,951	3,234	3,149	2,985	2,730	2,987	2,776	3,079	2,624
Superior Court - Criminal	1,625	1,599	1,793	1,673	1,857	3,261	3,856	4,199	4,199	4,221
State Court - Civil	1,457	1,168	1,207	1,041	996	1,514	1,038	1,021	1,020	1,274
State Court - Criminal	32,562	32,092	35,563	30,812	27,211	24,746	23,188	19,436	20,082	16,930
Juvenile Court	NA	NA	NA	NA	1,434	1,766	2,027	1,656	1,656	1,379
Sheriff										
Physical arrest	NA	NA	NA	NA	NA	NA	7,501	5,167	10,554	9,050
Jail inmates booked in/out	NA	NA	NA	NA	NA	NA	9,030	5,167	10,554	9,050
Average daily jail population	NA	NA	NA	NA	NA	NA	555	326	668	723
Subpoenas served	NA	NA	NA	NA	NA	NA	17,335	7,019	17,084	19,644
Jury summons	NA	NA	NA	NA	NA	NA	664	622	872	543
Civil papers served	NA	NA	NA	NA	NA	NA	4,109	1,771	3,443	3,691
Fire Protection Services										
Emergency responses	NA	NA	1,046	915	678	1,362	989	1,508	1,777	1,801
Fires extinguished	NA	NA	571	518	247	350	387	457	560	462
Emergency Telephone System										
911 calls	55,791	57,306	57,822	63,000	63,218	62,578	64,412	77,291	75,426	84,218
Public Works										
New paving (miles)	3	6	6	6	11	7	28	8	8	7
Sanitation										
Refuse collected (tons per day)	38	42	40	37	45	38	46	44	44	35
Water										
Average daily consumption (thousands of gallons)	1,920	1,820	1,831	3,163	3,100	4,440	5,112	6,443	6,738	6,642
Sewer										
Average daily sewage treatment (thousands of gallons)	414	450	726	799	907	882	1,074	992	1,076	1,129

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,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Sheriff										
Vehicles	146	150	156	158	160	162	165	169	194	210
Fire Protection Services										
Fire stations	13	14	14	14	15	15	16	17	18	18
Vehicles	55	55	55	56	56	56	56	56	55	53
Pumpers	16	16	16	19	19	19	19	19	13	18
Public Works										
Streets (miles) paved	406	412	418	424	435	442	463	560	469	457
Streets (miles) dirt	427	422	418	414	408	403	385	345	347	334
Traffic signals	-	-	1	2	2	2	2	2	2	2
Sanitation										
Collection sites	8	8	8	8	8	8	8	7	6	6
Parks and recreation										
Acreage	339	339	339	339	339	339	404	404	404	404
Recreation facilities	5	5	5	5	5	5	6	6	6	6
Water										
Water mains (miles)	84	89	92	101	110	124	133	140	155	166
Fire hydrants	NA	NA	NA	NA	NA	NA	1,152	944	1,236	1,179
Storage capacity (thousands of gallons)	1,150	1,400	2,150	2,150	2,150	2,150	3,150	3,150	3,160	3,170
Sewer										
Sanitary sewers (miles)	91	104	114	117	117	124	129	134	154	167
Treatment capacity (thousands of gallons)	NA	NA	NA	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Transit minibuses	-	-	3	3	4	4	5	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 IV
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
Year Ended June 30, 2008

	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	7,537	1,608,565	99.02%
Public Radio System	6,000,000	6,919,445	6,919,445	-	6,919,445	100.00%
Dasher	300,000	293,191	292,540	-	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	43	399,972	97.59%
Lake Park	360,000	355,906	298,627	20,000	318,627	89.53%
City of Valdosta	32,900,000	33,493,765	31,252,974	747,796	32,000,770	95.54%
Roads, Streets, and Bridges	16,239,000	15,439,243	15,370,705	-	15,370,705	99.56%
Water and Sewer Projects	11,825,000	12,726,061	12,726,061	-	12,726,061	100.00%
Parks and Recreation Projects	1,851,000	4,848,596	4,848,596	-	4,848,596	100.00%
Public Transportation Facilities and Vehicles	350,000	145,020	145,020	4,140	149,160	102.85%
Environmental Compliance	400,000	524,845	524,845	-	524,845	100.00%
Totals	<u>\$ 80,000,000</u>	<u>\$ 82,979,787</u>	<u>\$ 80,576,795</u>	<u>\$ 779,516</u>	<u>\$ 81,356,311</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, 2008

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Industrial Authority	\$ 4,070,000	\$ 3,831,737	\$ 2,964,104	\$ 202,343	\$ 3,166,447	82.64%
Airport Authority	1,100,000	1,035,962	452,109	17,567	469,676	45.34%
Dasher	440,000	418,592	48,397	44,330	92,727	22.15%
Hahira	990,000	933,181	271,778	285,360	557,138	59.70%
Remerton	770,000	726,281	293,895	192,277	486,172	66.94%
Lake Park	440,000	411,989	251,298	91,150	342,448	83.12%
City of Valdosta	51,095,000	47,750,341	34,928,257	6,292,385	41,220,642	86.33%
Roads, Streets, and Bridges	20,000,000	20,617,982	17,918,651	2,394,475	20,313,126	98.52%
Debt Retirement	16,785,000	14,518,754	8,457,726	6,061,028	14,518,754	100.00%
Jail Facilities and Equipment	6,300,000	6,026,217	5,981,261	44,956	6,026,217	100.00%
Court Facilities and Equipment	1,000,000	520,000	-	-	-	0.00%
Water and Sewer Facilities and Equipment	2,427,000	4,582,240	2,610,672	878,452	3,489,124	76.14%
Parks and Recreation Facilities	1,000,000	920,000	15,642	-	15,642	1.70%
Administrative Facilities and Equipment	1,908,000	960,957	116,631	-	116,631	12.14%
Human Resource Building Improvements	200,000	184,000	-	-	-	0.00%
Library Books and Equipment	125,000	125,712	77,004	48,708	125,712	100.00%
Public Safety Facilities and Equipment	500,000	460,000	-	-	-	0.00%
Animal Shelter Facilities and Equipment	50,000	46,000	-	-	-	0.00%
Fire Fighting Facilities and Equipment	750,000	748,523	748,523	-	748,523	100.00%
Public Transportation Vehicles	50,000	46,000	3,850	4,140	7,990	17.37%
Totals	<u>\$ 110,000,000</u>	<u>\$ 104,864,468</u>	<u>\$ 75,139,798</u>	<u>\$ 16,557,171</u>	<u>\$ 91,696,969</u>	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
SPECIAL SALES TAX VI
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
Year Ended June 30, 2008

	Original Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Airport Improvements and Equipment	\$ 1,000,000	\$ -	\$ -	\$ -	0.00%
Parking Facility	1,500,000	-	-	-	0.00%
Emergency Operations Center	4,000,000	-	71,831	71,831	1.80%
Courthouse Renovations & Equipment	500,000	-	-	-	0.00%
Judicial /Admin Facilities Construction & Equipment	1,000,000	-	38	38	0.00%
Public Safety Training Facility Construction & Equipment	500,000	-	-	-	0.00%
Fire Fighting Facility Improvements & Equipment	1,000,000	-	-	-	0.00%
Parks and Recreation Facility Construction & Equipment	6,000,000	-	11,239	11,239	0.19%
Water and Sewer Fund Construction & Improvements	15,000,000	-	-	-	0.00%
Road, Street & Bridges Construction & Improvements	22,388,450	-	66,888	66,888	0.30%
Bond Debt Retirement For Jail and Judicial/Admin Faciliti	50,000,000	-	-	-	0.00%
Totals	<u>\$ 102,888,450</u>	<u>\$ -</u>	<u>\$ 149,996</u>	<u>\$ 149,996</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, 2008
Cumulative

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

See independent auditors' report.

SOURCE and APPLICATION OF FUNDS SCHEDULE
Community Development Block Grant

Lowndes County, Georgia

07q-y-092-1-3377

For the Period Ending: June 30, 2008
Cumulative

I. Total Fiscal Year 2008 CDBG Funds Awarded to Recipient:	\$ <u>500,000</u>
II. Total Amount of Drawdown by Recipient from DCA:	\$ 473,000
III. Less: CDBG Funds Expended by Recipient:	\$ <u>473,000</u>
IV. Amount of Fiscal Year 2008 CDBG Funds held by Recipient:	\$ <u><u>-</u></u>

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROJECT COST SCHEDULE

Recipient: Lowndes County, Georgia

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

For the Period Ending: June 30, 2008

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	\$ 25,000	\$ -	\$ 25,000	\$ -
TOTAL		<u>\$ 498,816</u>	<u>\$ 498,816</u>	<u>\$ -</u>	<u>\$ 498,816</u>	<u>\$ -</u>

See independent auditors' report.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROJECT COST SCHEDULE

Recipient: Lowndes County, Georgia

Grant #: 07q-y-092-1-3377

For the Period Ending: June 30, 2008

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
Public Facilities and Improvemen	E-17B-00	\$ 423,423	\$ 423,423	\$ -	\$ 423,423	\$ -
Engineering	T-17B-00	\$ 46,577	\$ 46,577	\$ -	\$ 46,577	\$ -
Administration	A-21A-00	\$ 30,000	\$ 3,000	\$ -	\$ 3,000	\$ -
TOTAL		<u>\$ 500,000</u>	<u>\$ 473,000</u>	<u>\$ -</u>	<u>\$ 473,000</u>	<u>\$ -</u>

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
 SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
 Year Ended June 30, 2008

	<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	08-08-0798-99	\$ 15,000	\$ 15,000	\$ -
Passed through the Georgia Department of Community Affairs CDBG Grant	04p-y-092-1-2985	5,000	5,000	-
CHIP Grant	07m-y-092-2976	63,597	63,597	-
CDBG EIP Grant	07q-y-092-1-3377	473,000	473,000	-
Passed through the Georgia Emergency Management Agency AFIX System Grant	2007-DJ-BX-0054	13,588	13,588	-
Passed through the Georgia Bureau of Justice Assistance State Criminal Assistance Program	2008-AP-BX-0528	15,827	15,827	-
Passed through the Georgia CYCC Right Track Program		<u>42,385</u>	<u>42,385</u>	<u>-</u>
Total		<u>\$ 628,397</u>	<u>\$ 628,397</u>	<u>\$ -</u>

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2008

	<u>Federal CFDA Number</u>	<u>Pass Through Grantor Number</u>	<u>Federal Expenditures</u>
Department of Commerce EDA Grant	11.300	04-01-05962	\$ 358,671
Department of Housing and Urban Development Passed through the Georgia Department of Community Affairs CDBG Grant	14.228	04p-y-092-1-2985	5,000
CHIP Grant	14.228	07m-y-092-2976	63,597
CDBG EIP Grant	14.218	07q-y-092-1-3377	473,000
Department of Human Resources Passed through the Georgia Department of Human Resources Hahira Outreach	84.146	08-08-0798-99	15,000
Department of Homeland Security Fire Equipment Grant	97.044	EMW-2006-FG-03304	<u>57,757</u>
Total			<u>\$ 973,025</u>

Basis of Presentation

The schedule of expenditures of federal awards included the federal grant activity of Lowndes County, Georgia is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See independent auditors' report.

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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, and the aggregate remaining fund information of Lowndes County, Georgia as of and for the year ended June 30, 2008 which collectively comprise the County's basic financial statements and have issued our report thereon dated December 23, 2008. 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 3.76% and 5.29%, 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 1.21% and 12.86%, 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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 08-01 to be a significant deficiency in internal control over financial reporting.

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 23, 2008.

This report is intended solely for the information and use of the Board of Commissioners, management, the State of Georgia Department of Audits, 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 23, 2008

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 OMB Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. 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 \$5,074,515 in federal awards that is not included in the schedule during the year ended June 30, 2008. 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, 2008.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lowndes County, Georgia's internal control over compliance.

To the Board of Commissioners

Page Two

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance 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 compliance that we consider to be material weaknesses, as defined above.

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 23, 2008

LOWNDES COUNTY, GEORGIA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2008

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
 Significant deficiencies identified not
 considered to be material weakness? X Yes _____ None reported
 Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

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

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

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.218	Community Development Block Grants/ Entitlement Grants
11.300	Investments for Public Works and Economic Development Facilities

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

Auditee considered a low risk auditee _____ Yes X No

LOWNDES COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

Section II – Financial Statement Findings

08-01

Condition: An effective internal control framework includes a favorable control environment, continuing risk assessment, properly designed and functioning control-related policies and procedures, effective information communication, and on-going monitoring. Although management is primarily responsible for internal controls and financial reporting, the governing body is ultimately responsible by ensuring that management fulfills its responsibility. Though an audit committee is an effective way to focus the governing body’s attention on internal controls and financial reporting and provides a practical tool for meeting that responsibility, no audit committee currently exists.

Cause: Written policies and procedures addressing the composition, responsibilities, policies and procedures of an audit committee have not been established.

Effect: The potential exists for breaches to occur in the effectiveness of the governing body’s oversight of internal controls and financial reporting over time.

Recommendation: We recommend that the Board of Commissioners establish written policies and procedures addressing the composition, responsibilities, policies and procedures of an audit committee.

Management Response: See management’s Corrective Action Plan separately submitted.

Section III – Federal Award findings and Questioned Costs

No matters were reported.

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Lowndes County, 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, 2008 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, 2008 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 23, 2008

State of Georgia Grant Certification Form

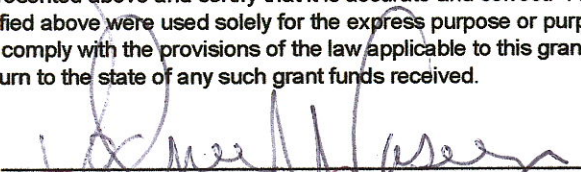
LINE

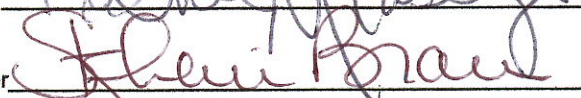
A Local Government	LOWNDES COUNTY, GEORGIA
B State Awarding Agency	DEPT. OF COMMUNITY AFFAIRS
C Grant Identification Number	02-C-L-589
D Grant Title	LOCAL ASSISTANCE GRANT
E Grant Award Date	July 2, 2001
F Grant Amount	\$20,000

	<u>COLUMN 1</u> Current Year Activity For the Year Ended: June 30, 2008		<u>COLUMN 2</u> Cumulative Grant Activity Through the Year Ended: June 30, 2008
G			
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue) \$3,030.00		
I	Grant Receipts or Revenue Recognized \$0.00		\$20,000.00
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES \$0.00		\$16,970.00
K	Disbursements or Expenditures for Audit Fees \$0.00		\$0.00
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K] \$3,030.00		\$3,030.00

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made. 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: December 22, 2008

Signature of Chief Financial Officer  Date: December 22, 2008

State of Georgia Grant Certification Form

LINE

A Local Government	LOWNDES COUNTY, GEORGIA
B State Awarding Agency	DEPT. OF COMMUNITY AFFAIRS
C Grant Identification Number	01-C-L-262
D Grant Title	LOCAL ASSISTANCE GRANT
E Grant Award Date	August 15, 2000
F Grant Amount	\$60,000

	<u>COLUMN 1</u> Current Year Activity		<u>COLUMN 2</u> Cumulative Grant Activity
	For the Year Ended:		Through the Year Ended:
G	June 30, 2008		June 30, 2008
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue) \$45,000.00		
I	Grant Receipts or Revenue Recognized \$0.00		\$45,000.00
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES \$0.00		\$0.00
K	Disbursements or Expenditures for Audit Fees \$0.00		\$0.00
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K] \$45,000.00		\$45,000.00

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made. 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: December 22, 2008

Signature of Chief Financial Officer  Date: December 22, 2008

State of Georgia Grant Certification Form

LINE

A Local Government	LOWNDES COUNTY, GEORGIA
B State Awarding Agency	DEPT. OF COMMUNITY AFFAIRS
C Grant Identification Number	02-C-L-714
D Grant Title	LOCAL ASSISTANCE GRANT
E Grant Award Date	July 2, 2001
F Grant Amount	\$50,000

	<u>COLUMN 1</u> Current Year Activity		<u>COLUMN 2</u> Cumulative Grant Activity
	For the Year Ended:		Through the Year Ended:
G	June 30, 2008		June 30, 2008
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	\$10,000.00	
I	Grant Receipts or Revenue Recognized	\$0.00	\$50,000.00
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	\$10,000.00	\$50,000.00
K	Disbursements or Expenditures for Audit Fees	\$0.00	\$0.00
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K]	\$0.00	\$0.00

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made. 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: December 22, 2008

Signature of Chief Financial Officer  Date: December 22, 2008

State of Georgia Grant Certification Form

LINE

A Local Government	LOWNDES COUNTY, GEORGIA
B State Awarding Agency	DEPT. OF COMMUNITY AFFAIRS
C Grant Identification Number	03-C-L-820
D Grant Title	LOCAL ASSISTANCE GRANT
E Grant Award Date	July 2, 2002
F Grant Amount	\$75,000

	<u>COLUMN 1</u> Current Year Activity	<u>COLUMN 2</u> Cumulative Grant Activity
	For the Year Ended:	Through the Year Ended:
G	June 30, 2008	June 30, 2008
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	
	\$75,000.00	
I	Grant Receipts or Revenue Recognized	
	\$0.00	\$75,000.00
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	
	\$75,000.00	\$75,000.00
K	Disbursements or Expenditures for Audit Fees	
	\$0.00	\$0.00
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K]	
	\$0.00	\$0.00

Certification of Local Government Officials

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made. 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: December 22, 2008

Signature of Chief Financial Officer  Date: December 22, 2008

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Lowndes County, Georgia

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, 2008 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, 2008 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 23, 2008

Lowndes County, Georgia
Annual Report of 9-1-1 Collections and Expenditures
For the Year Ended June 30, 2008

Line No.	O.C.G.A. Reference:	
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	46-5-134(a)(1)	\$ <u>1.50</u>
3		\$ <u>1,250,040</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 46-5-134(a)(2)(A)		
<input type="checkbox"/> System provides automatic location identification 46-5-134(a)(2)(B)		
6	46-5-134(a)(2)	\$ <u>1.50</u>
7		\$ <u>1,132,039</u>
8		\$ <u>2,382,079</u>
9 Additional revenue sources:		
9a	46-5-134(j)	
Federal (UCOA Revenue Source 33.1000)		
Identify each funding agency individually. Attach list, if necessary.		\$ <u> -</u>
9b	46-5-134(j)	
State (UCOA Revenue Source 33.4000)		
Identify each funding agency individually. Attach list, if necessary.		\$ <u> -</u>
9c	46-5-134(j)	
Local (UCOA Revenue Source 33.6000)		
Identify each unit of local government individually. Attach list, if necessary.		
<u>City of Valdosta</u>		\$ <u>129,304</u>
<u>City of Remerton</u>		\$ <u>11,913</u>
<u>City of Hahira</u>		\$ <u>9,927</u>
<u>South Georgia Medical Center Authority</u>		\$ <u>16,876</u>
9d	46-5-134(j)	
Private (UCOA Revenue Source 37.1000)		
Identify each private source individually. Attach list, if necessary.		\$ <u> -</u>

Lowndes County, Georgia
Annual Report of 9-1-1 Collections and Expenditures - Continued
For the Year Ended June 30, 2008

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>177,945</u>
20b	Purchase costs	46-5-134(f)(6)	\$ <u>1,000</u>
20c	Maintenance costs	46-5-134(f)(6)	\$ <u>2,704</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>14,891</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>26</u>
	<u>Insurance</u>		\$ <u>22,500</u>
	<u>Dues and subscriptions</u>		\$ <u>2,631</u>
	<u>Travel</u>		\$ <u>7,225</u>
	<u>Building maintenance</u>		\$ <u>7,345</u>
	<u>Uniforms</u>		\$ <u>4,274</u>
	<u>Contract services</u>		\$ <u>639,108</u>
	<u>Utilities</u>		\$ <u>81,063</u>
24	Total Expenditures (total of all amounts reported on Lines 13 through 23 above)		\$ <u>2,477,994</u>

Lowndes County, Georgia
Annual Report of 9-1-1 Collections and Expenditures - Continued
For the Year Ended June 30, 2008

25	Transfers From Other Funds (identify by fund)	
	<u>Lowndes County General Fund</u>	\$ <u>110,240</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>203,569</u>
29	Fund Balance - Beginning of Year	\$ _____ -
30	Fund Balance - End of Year	\$ <u><u>203,569</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?

Yes No

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

Certification of Local Government Officials

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

Signature of Chief Elected Official  Date _____

Print Name of Chief Elected Official Rodney N. Casey

Title of Chief Elected Official County Commission Chairman

Signature of Chief Financial Officer  Date 12-23-08

Print Name of Chief Financial Officer Stephanie Black