

# Comprehensive Annual Financial Report July 1, 2015 – June 30, 2016



Lowndes County  
Board of Commissioners



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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

LOWNDES COUNTY, GEORGIA

For The Fiscal Year  
July 1, 2015 - June 30, 2016



FINANCE DEPARTMENT  
Stephanie Black, Finance Director

**LOWNDES COUNTY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For The Year Ending June 30, 2016**

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**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

Transmittal Letter	1-5
GFOA Certificate of Achievement	6
General Government Organization Chart	7
County Officials	8

**FINANCIAL SECTION**

Independent Auditor's Report	9-11
Management's Discussion and Analysis	12-22

**BASIC FINANCIAL STATEMENTS**

**Government-Wide Financial Statements:**

Statement of Net Position	23-26
Statement of Activities	27-28

**Governmental Fund Financial Statements:**

Balance Sheet – Governmental Funds	29-30
Reconciliation of Total Governmental Fund Balances to Net Position Of Governmental Activities	31
Statement of Revenues, Expenditures and Changes in Fund Balance Of Governmental Funds	32
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	33

**Proprietary Fund Financial Statements:**

Statement of Net Position	34-35
Statement of Revenue, Expenses and Changes in Fund Net Position	36
Statement of Cash Flows	37-38

**Agency Fund Financial Statements:**

Statement of Fiduciary Assets and Liabilities	39
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<b>Notes to the Financial Statements</b>	40-79
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**LOWNDES COUNTY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For The Year Ending June 30, 2016**

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---

**TABLE OF CONTENTS**

**REQUIRED SUPPLEMENTAL INFORMATION**

Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Major Funds:	
General Fund	80-87
Notes to Budgetary Comparison Schedules	88
Schedule of Changes in the County's Net Pension Liability and Related Ratios	89
Schedule of County Contributions	90-91
Schedule of Proportionate Share of the Net Pension Liability - Board of Health	92
Notes to Schedule of the Proportionate Share of the Net Pension Liability - Board of Health	93
Schedule of Funding Progress-OPEB	94

**COMBINING AND INDIVIDUAL FUND SCHEDULES**

Major Funds:	
Capital Projects Special Sales Tax VII	95
Nonmajor Funds:	
Combining Balance Sheet – All Nonmajor Governmental Funds	96
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – All Nonmajor Governmental Funds	97
Combining Balance Sheet – Nonmajor Governmental Funds –Special Revenue Funds	98-99
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds – Special Revenue Funds	100-101
Combining Balance Sheet – Nonmajor Governmental Funds –Capital Projects Funds	102
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds – Capital Projects Funds	103
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Nonmajor Governmental Funds:	
Special Services Fund	104
Commissary Fund	105
Seizures Special Revenue	106
Hotel/Motel Tax Fund	107
Intergovernmental Grants	108
Jail Operations	109
Drug Abuse Treatment	110
911 Emergency Telephone	111
Victim Assistance	112
Law Library	113

**LOWNDES COUNTY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For The Year Ending June 30, 2016**

---

---

**TABLE OF CONTENTS**

**COMBINING AND INDIVIDUAL FUND SCHEDULES - Continued**

Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget  
and Actual – Nonmajor Governmental Funds - Continued:

Capital Projects Judicial Complex and Jail	114
Capital Projects Sales Tax V	115
Capital Projects Sales Tax VI	116
Capital Projects CDBG Grant Fund	117
Capital Projects Public Roads Fund	118

Other Enterprise Funds

Combining Statements of Net Position	119
Combining Statements of Revenue, Expenses and Changes in Net Position	120
Combining Statements of Cash Flows	121-122

Internal Service Funds:

Combining Statements of Net Position	123
Combining Statements of Revenue, Expenses and Changes in Net Position	124
Combining Statements of Cash Flows	125-126

Fiduciary Funds:

Combining Statements of Assets and Liabilities – Agency Funds	127
Combining Statements of Changes in Assets and Liabilities – Agency Funds	128-129

**STATISTICAL SECTION**  
**(Unaudited)**

Net Position by Component	130-131
Changes in Net Position	132-135
Fund Balances, Governmental Funds	136-137
Changes in Fund Balances, Governmental Funds	138-139
Tax Revenues by Source, Governmental Funds	140
Assessed Value and Actual Value of Taxable Property	141-142
Direct and Overlapping Property Tax Rates	143
Principle Property Tax Payers	144
Property Tax Levies and Collections	145

**LOWNDES COUNTY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For The Year Ending June 30, 2016**

---

---

**TABLE OF CONTENTS**

**STATISTICAL SECTION**  
**(Unaudited)**

Ratios of Outstanding Debt By Type	146
Direct and Overlapping Governmental Activities Debt	147
Legal Debt Margin Information	148-149
Pledged-Revenue Coverage	150
Demographic and Economic Statistics	151
Principle Employers	152
Full-time Equivalent County Government Employees by Function/Program	153-154
Operating Indicators by Function/Program	155
Capital Assets Statistics by Function/Program	156

**SPECIAL REPORTS SECTION**

Schedules of Projects Constructed With Special Sales Tax Proceeds	157-159
CDBG Source and Application Funds Schedule	160
CDBG Project Cost Schedule	161
Schedule of State Contractual Assistance	162
Schedule of Expenditures of Federal Awards	163-164
Notes to the Schedule of Expenditures of Federal Awards	165
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	166-167
Independent Auditor's Report on Compliance for each Major Program and Report on Internal Control over Compliance Required by the Uniform Guidance	168-170
Schedule of Findings and Questioned Costs	171
Certificate of 9-1-1 Expenditures	172-174

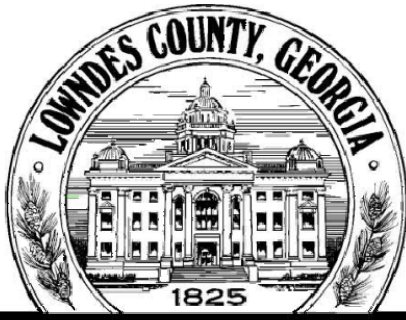
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## **INTRODUCTORY SECTION**

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**BOARD of COMMISSIONERS**

## *Lowndes County Finance Department*

*Stephanie Black*  
*Finance Director*

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

February 7, 2017

The Honorable Bill Slaughter, 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, 2016, 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 Henderson & Godbee, LLP, 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, 2016, 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, 2016, 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.

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

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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 five 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 112,865 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 and building maintenance. 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 a separate millage for the Valdosta-Lowndes County Parks and Recreation Authority and appropriated funds to the South Georgia Regional Library. Economic development is supported through a separate millage for the Valdosta-Lowndes County Development Authority and appropriations to the Moody Support Group.

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, three 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 Development Authority provides assistance to new and present business to operate and expand business in Lowndes County. The Valdosta-Lowndes County Parks and Recreation Authority provides recreation services to all county residents.

## NATURAL FEATURES AND LAND USE

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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 slow steady growth in residential and commercial development in the last 10 years which included the economic recession. The real and personal property tax digest has grown an average of 2.5% over those years. Through planning and zoning the County attempts to maintain a balanced use of land and provide defined areas for residential growth and development as well as areas for commercial and industrial growth. At the same time the County is also expanding recreational land use through the development of new parks. The County is also protective of land use within the areas close to Moody Air Force Base to prevent encroachment that would hamper the mission of the base.

## POPULATION

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The County population has grown 15.35% in the last ten years. The growth has been driven in part by the expansion of missions at Moody Air Force Base, growth at the local 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 demands of growth.

## ECONOMIC CONDITION AND OUTLOOK

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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 November 2012, Lowndes County received an Aa2 rating from Moody's Investors Service and an AA- 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 7.6% unemployment rate the last five years compared to a State average of 7.8%. County population has grown 3.33% since the 2010 census which showed a population of 109,233. County local option sales tax collections were down by 2.79% over the prior year. The gross tax digest declined at a rate of 3% over the prior year.

New industry growth as well as growth of existing industries continues to be steady. Construction is increasing especially for new homes near Moody Air Force Base to provide housing for expanded missions at the base.

## MAJOR INITIATIVES

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### For The Year:

Due to the slow growth and decline of some revenue, the County focused on improving services with established departments and employees. The County continued the review of the Code of Ordinance to ensure citizens safety and quality of life. The County also continued education programs for citizens to learn more about how County government operates.

The focus of the County during these slow growth times has been to maintain the financial strength that the County has established over many years.

The County will continue the expansion work that is part of their water and wastewater service five year capital improvement master plan which was prepared by Ingram & Watkins, LLC with the SPLOST funds that was approved by the voters and began January 1, 2014.

### For The Future:

The County will continue to budget conservatively as it has in the past and will provide the vital services to County residence as economically and efficiently as possible.

Capital improvements that are important to the delivery of services or assist with economic development will be provided as needed. The current approved SPLOST will provide many of the capital improvements required for delivery of services including public safety and public works vehicles and equipment.

The County changed insurance intermediaries effective January 1, 2014 in an attempt to reduce rising cost of the self-insured health plan. For FY16 this change resulted in a large drop in claims being paid out and lower health care cost to all funds and departments of the County.

## RELEVANT FINANCIAL POLICIES

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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

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The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting for the fifth year to the Lowndes County Board of Commissioners for its comprehensive annual financial report for the fiscal year ended June 30, 2016. 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, 2016. This is the eleventh 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 2016 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,

Stephanie Black



Government Finance Officers Association

**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, 2015**

Executive Director/CEO

# Organizational Structure



Lowndes County, Georgia  
Principle Officials



Joyce E. Evans  
Commissioner District 1



Bill Slaughter  
Chairman



Scott Orenstein  
Commissioner District 2



Mark Wisenbaker  
Commissioner District 3



Demarcus Marshall  
Commissioner District 4



Clay Griner  
Commissioner District 5

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  
Beth Greene  
Chris Prine  
Harry Jay Altman II  
John Kent Edwards  
Detria Carter Powell  
Terri Adams

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## **FINANCIAL SECTION**

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# Henderson & Godbee, LLP

Certified Public Accountants and Business Consultants

Members of American Institute of Certified Public Accountants • Georgia Society of Certified Public Accountants

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Robert A. Goddard, Jr., CPA (1943-1989)  
Gerald H. Henderson, CPA  
J. Wendell Godbee, CPA  
Mark S. Rogers, CPA  
James W. Godbee, Jr., CPA  
Maureen P. Collins, CPA  
Kevin R. Hiers, CPA, CVA  
Amanda W. Shapard, CPA  
Troy D. Newham, CPA

Scott R. Simpson, CPA  
J. Philip Young, CPA  
Billie A. Baxter, CPA  
Mae A. Johnson, CPA  
Keeley T. Collins, CPA  
Kaitlyn E. Hannay, CPA  
Jacey B. Pittman, CPA  
M. Allison Hutchins, CPA

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Lowndes County, Georgia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of Lowndes County, Georgia, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Lowndes County, Georgia's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Lowndes County Board of Health and the Valdosta-Lowndes County Parks and Recreation Authority which represents 36.40% and 84.74% of the total assets and revenues of Lowndes County, Georgia's component units as of and for the year ended June 30, 2016. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lowndes County Board of Health and the Valdosta-Lowndes County Parks and Recreation Authority, is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position 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 June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 12 through 22), budgetary comparison information (on pages 80 through 88), and the schedules of historical pension information and the related notes (on pages 89 through 94) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lowndes County, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements financial schedules and budgetary schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121, and is also not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic

financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2017, on our consideration of the 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lowndes County, Georgia's internal control over financial reporting and compliance.



Henderson & Godbee, LLP  
Certified Public Accountants  
Valdosta, Georgia

February 7, 2017

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**MANAGEMENT DISCUSSION AND ANALYSIS**

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LOWNDES COUNTY, GEORGIA  
Management's Discussion and Analysis  
Required Supplemental Information  
For the Year Ended June 30, 2016

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, 2016. This discussion is intended to: 1) assist the reader in understanding significant financial issues; 2) provide an overview of the County's financial activities; 3) identify changes in the County's financial position; and 4) identify individual fund issues or concerns. We encourage our readers to consider the information presented within this Management's discussion and analysis in conjunction with the basic financial statements.

**Financial Highlights**

Key financial highlights for FY16 are as follows:

The County's total net position increased by \$6,170,352.

At the end of the current year, the County's governmental funds reported an ending fund balance of \$28,407,747, a decrease of \$1,910,987 from the prior year fund balance. The total unassigned governmental fund balance is a positive amount of \$3,213,323.

At the end of the current year, unassigned fund balance for the General Fund was \$3,213,323 which represents 6.42 percent of total General Fund expenditures.

Net position for business-type activities increased from \$34,054,470 to \$38,833,622 an increase of \$4,779,192.

**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 reporting. All governmental and business-type activities are combined to arrive at a total for the primary government.

LOWNDES COUNTY, GEORGIA  
Management's Discussion and Analysis  
Required Supplemental Information  
For the Year Ended June 30, 2016

**Statement of Net Position and the Statement of Activities**

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. The statement of activities presents information showing how the County's net position 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 position 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 position 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, and Special Lighting Districts operations are reported here.

**Component Units**—The County's financial statements include financial data of the Valdosta-Lowndes Development Authority, the Lowndes County Board of Health and the Valdosta-Lowndes County Parks and Recreation Authority. 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. Each of these entities issue separate annual audit reports.

**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 and the Capital Projects Special Purpose Sales Tax VII Fund.

LOWNDES COUNTY, GEORGIA  
Management's Discussion and Analysis  
Required Supplemental Information  
For the Year Ended June 30, 2016

*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, and Special Tax Lighting District 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, Health Insurance, Workers' Compensation 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, 2016

**Government-Wide Financial Analysis**

The following table reflects the condensed Statement of Net Position:

**Lowndes County's Net Position**  
*(in millions of dollars)*

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>		<u>Total</u>
	<u>Activities</u>		<u>Activities</u>				<u>Percentage</u>
	<u>Restated</u>				<u>Restated</u>		<u>Change</u>
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015-2016</u>
<b>Assets</b>							
Current and other assets	\$ 41.44	\$ 39.98	\$ 5.74	\$ 5.53	\$ 47.18	\$ 45.51	-3.54%
Capital assets, net	103.21	106.75	39.21	43.47	142.42	150.22	5.48%
<b>Total Assets</b>	<b>144.65</b>	<b>146.73</b>	<b>44.95</b>	<b>49.00</b>	<b>189.60</b>	<b>195.73</b>	<b>3.23%</b>
<b>Deferred Outflows of Resources</b>							
	<b>0.53</b>	<b>4.98</b>	<b>0.43</b>	<b>0.53</b>	<b>0.96</b>	<b>5.51</b>	<b>0.00%</b>
<b>Liabilities</b>							
Current and other liabilities	45.20	50.34	2.02	1.69	47.22	52.03	10.19%
Long-term liabilities	0.57	0.56	9.31	9.01	9.88	9.57	-3.14%
<b>Total Liabilities</b>	<b>45.77</b>	<b>50.90</b>	<b>11.33</b>	<b>10.70</b>	<b>57.10</b>	<b>61.60</b>	<b>7.88%</b>
<b>Deferred Inflows of Resources</b>							
	-	-	-	-	-	-	<b>0.00%</b>
<b>Net Position</b>							
Net investment in capital assets	94.81	99.23	31.47	34.70	126.28	133.93	6.06%
Restricted	16.66	19.64	-	-	16.66	19.64	17.89%
Unrestricted (Restated)	(12.06)	(18.06)	2.58	4.13	(9.48)	(13.93)	-46.94%
<b>Total Net Position</b>	<b>\$ 99.41</b>	<b>\$ 100.81</b>	<b>\$ 34.05</b>	<b>\$ 38.83</b>	<b>\$ 133.46</b>	<b>\$ 139.64</b>	<b>4.63%</b>

As noted earlier, the County's net position, when reviewed over time, may serve as a useful indicator of the County's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$139,640,012. Net position was \$100,806,350 in governmental activities and \$38,833,662 in business-type activities as of June 30, 2016. The largest portion of the County's net position (95.91%) 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 12.32% of net position is restricted for use on capital projects.

LOWNDES COUNTY, GEORGIA  
 Management's Discussion and Analysis  
 Required Supplemental Information  
 For the Year Ended June 30, 2016

An additional portion of the County's net position (1.58%) represents resources that are subject to other restrictions on how they can be used. Unrestricted net position represents -9.97% of net position.

The next table shows the changes in net position for the year ending June 30, 2016 and 2015.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>Total Percentage Change</u>
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015-2016</u>
<b>Revenues</b>							
Program Revenues							
Charges for services	\$ 8.76	\$ 9.11	\$ 6.38	\$ 6.85	\$ 15.14	\$ 15.96	5.42 %
Operating grants and contributions	2.12	2.46	-	-	2.12	2.46	16.04 %
Capital grants and contributions	0.90	0.81	-	-	0.90	0.81	(10.00) %
<b>Total Program Revenues</b>	<b>11.78</b>	<b>12.38</b>	<b>6.38</b>	<b>6.85</b>	<b>18.16</b>	<b>19.23</b>	<b>5.89 %</b>
General Revenues							
Property taxes	32.60	30.88	-	-	32.60	30.88	(5.28) %
Alcoholic beverage taxes	0.52	0.53	-	-	0.52	0.53	1.92 %
Occupational taxes	0.62	0.62	-	-	0.62	0.62	- %
Hotel/motel taxes	0.31	0.32	-	-	0.31	0.32	3.23 %
Franchise taxes	0.12	0.09	-	-	0.12	0.09	(25.00) %
Insurance premium taxes	2.40	2.57	-	-	2.40	2.57	7.08 %
Sales taxes	33.35	32.43	-	-	33.35	32.43	(2.76) %
Public utility taxes	0.65	0.82	-	-	0.65	0.82	26.15 %
Miscellaneous	0.68	1.02	-	0.01	0.68	1.03	51.47 %
<b>Total General Revenues</b>	<b>71.25</b>	<b>69.28</b>	<b>-</b>	<b>0.01</b>	<b>71.25</b>	<b>69.29</b>	<b>(2.75) %</b>
<b>Total Revenues</b>	<b>83.03</b>	<b>81.66</b>	<b>6.38</b>	<b>6.86</b>	<b>89.41</b>	<b>88.52</b>	<b>(1.00) %</b>

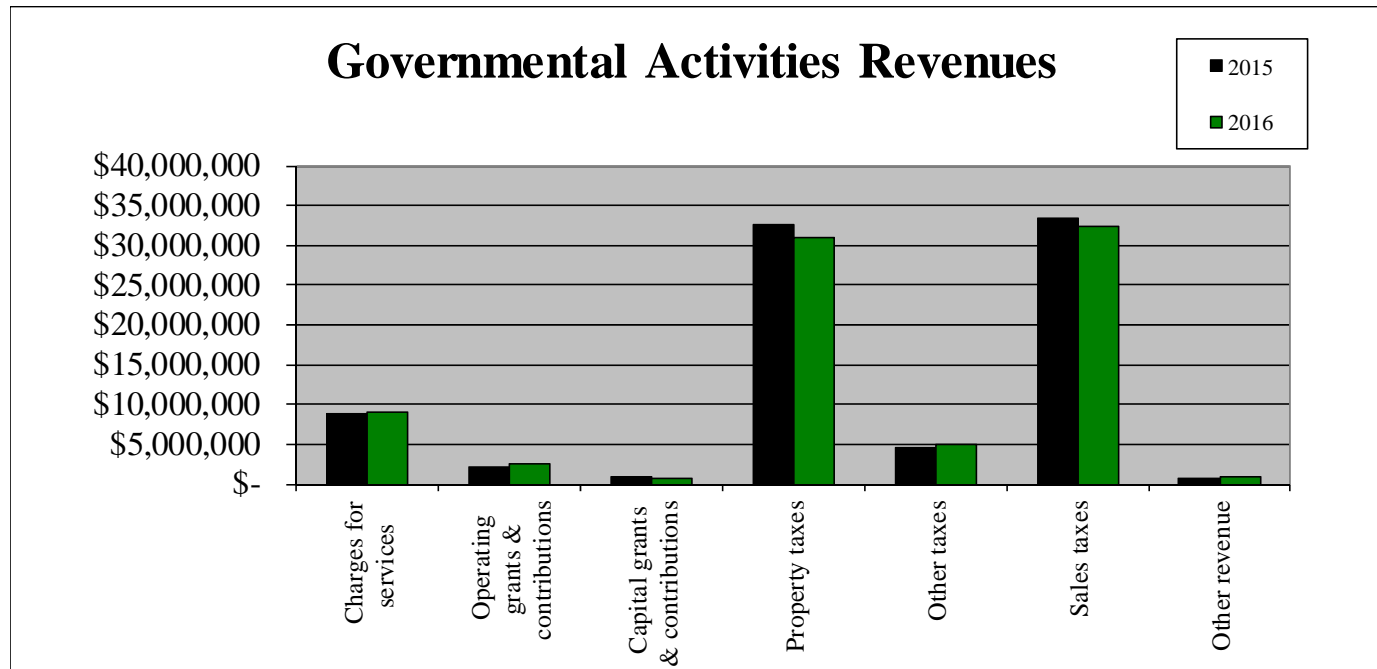
LOWNDES COUNTY, GEORGIA  
Management's Discussion and Analysis  
Required Supplemental Information  
For the Year Ended June 30, 2016

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>Total Percentage Change</u>
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015-2016</u>
<b>Expenses</b>							
<b>Governmental Activities:</b>							
General Government							
Legislative and executive	\$ 12.75	\$ 12.73	\$ -	\$ -	\$ 12.75	\$ 12.73	(0.16) %
Judicial	5.91	6.30	-	-	5.91	6.30	6.60 %
Public safety	28.59	27.90	-	-	28.59	27.90	(2.41) %
Public works	22.77	20.06	-	-	22.77	20.06	(11.90) %
Health and welfare	1.16	1.09	-	-	1.16	1.09	(6.03) %
Culture and recreation	4.83	4.74	-	-	4.83	4.74	(1.86) %
Housing and development	4.22	4.25	-	-	4.22	4.25	0.71 %
Interest on long-term debt	0.21	0.20	-	-	0.21	0.20	(4.76) %
<b>Business-type Activities:</b>							
Water and sewer	-	-	4.88	4.71	4.88	4.71	(3.48) %
Landfill	-	-	0.07	0.06	0.07	0.06	(14.29) %
Special tax lighting district	-	-	0.30	0.30	0.30	0.30	- %
<b>Total Expenses</b>	<b>80.44</b>	<b>77.27</b>	<b>5.25</b>	<b>5.07</b>	<b>85.69</b>	<b>82.34</b>	<b>(3.91) %</b>
<b>Revenue Over (Under) Expenses</b>	<b>2.59</b>	<b>4.39</b>	<b>1.13</b>	<b>1.79</b>	<b>3.72</b>	<b>6.18</b>	<b>66.13</b>
Transfers	0.01	(2.99)	(0.01)	2.99	-	-	- %
<b>Increase (Decrease) in Net Position</b>	<b>2.60</b>	<b>1.40</b>	<b>1.12</b>	<b>4.78</b>	<b>3.72</b>	<b>6.18</b>	<b>66.13 %</b>
Net Position, Restated	96.81	99.41	32.93	34.05	129.74	133.46	2.87 %
<b>Net Position, Ending</b>	<b>\$ 99.41</b>	<b>\$ 100.81</b>	<b>\$ 34.05</b>	<b>\$ 38.83</b>	<b>\$ 133.46</b>	<b>\$ 139.64</b>	<b>4.63 %</b>

LOWNDES COUNTY, GEORGIA  
 Management’s Discussion and Analysis  
 Required Supplemental Information  
 For the Year Ended June 30, 2016

**Government Activities**



The largest portion of the County’s program revenue is from charges for services which accounted for \$9,108,879 or 74% 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.

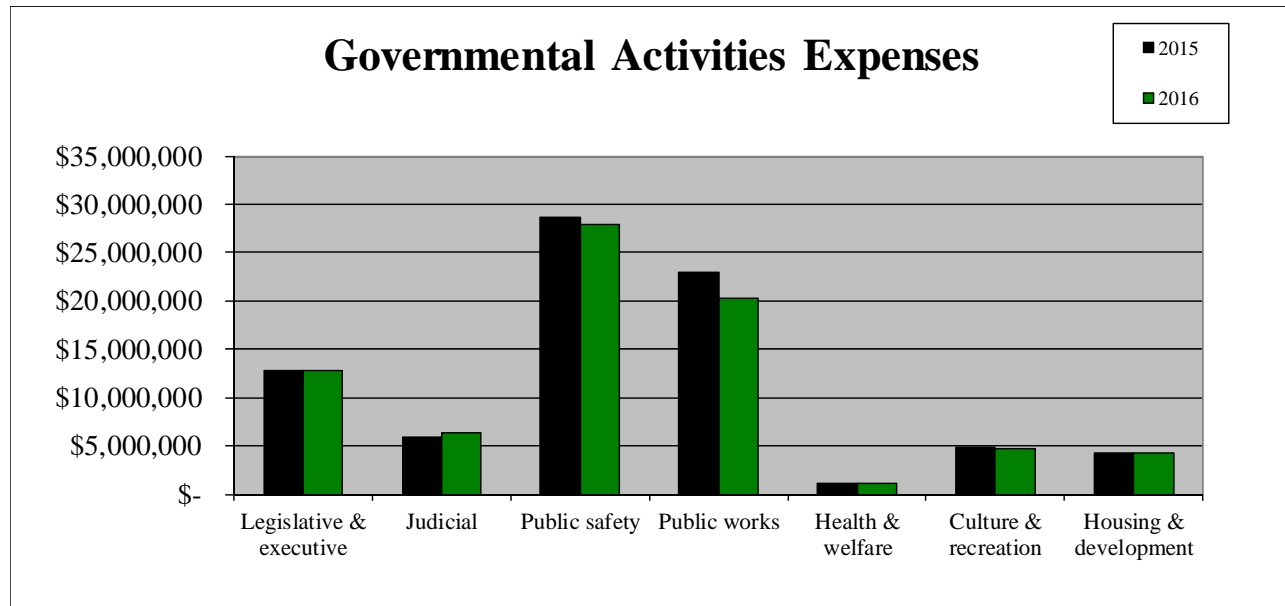
Sales tax revenues are the major contributor to general revenues and account for \$32,433,256 or 47% of total general revenues. Another major component was property taxes, which accounted for \$30,877,255 or 45% of total general revenues.

Property taxes showed a decline. Sales taxes were down due in part to lower fuel prices and on line sales and the local economy still not showing consistent growth.

LOWNDES COUNTY, GEORGIA  
 Management's Discussion and Analysis  
 Required Supplemental Information  
 For the Year Ended June 30, 2016

**Government Activities – Continued**

The following chart compares governmental activities expenses for the year ending June 30, 2015 and 2016. Expenses went up due to inflation and rises in health care cost.



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>Net Cost of Services</u>		<u>Percentage Change</u>
	<u>2015</u>	<u>2016</u>	<u>2015-2016</u>	<u>2015</u>	<u>2016</u>	<u>2015-2016</u>
General Government						
Legislative and executive	\$ 12.75	\$ 12.73	(0.16) %	\$ 11.43	\$ 11.32	(0.95) %
Judicial	5.91	6.30	6.60 %	1.30	1.14	(12.04) %
Public safety	28.59	27.90	(2.41) %	24.25	23.44	(3.32) %
Public works	22.77	20.06	(11.90) %	21.78	19.16	(12.04) %
Health and welfare	1.16	1.09	(6.03) %	0.84	0.84	0.52 %
Culture and recreation	4.83	4.74	(1.86) %	4.83	4.74	(1.85) %
Housing and development	4.22	4.25	0.71 %	4.02	4.05	0.79 %
Interest on long-term debt	0.21	0.20	(4.76) %	0.21	0.20	(7.02) %
<b>Total</b>	<b>\$ 80.44</b>	<b>\$ 77.27</b>	<b>(3.94) %</b>	<b>\$ 68.66</b>	<b>\$ 64.90</b>	<b>(5.48) %</b>

LOWNDES COUNTY, GEORGIA  
Management's Discussion and Analysis  
Required Supplemental Information  
For the Year Ended June 30, 2016

**Business-Type Activities**

The net position for business-type activities increased \$4,779,192 during the year ending June 30, 2016. The major source of revenue was from charges for services for water and sewer services which amounted to \$5,505,006.

**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, unassigned 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, 2016, the County's governmental funds reported a combined ending fund balance of \$28,407,747 a decrease of \$1,910,987. The County had \$3,213,323 of unassigned 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 a variety of other restricted or assigned purposes has a balance of \$25,194,424.

**Major Funds:**

The General Fund is the primary operating fund of the County. At the end of June 30, 2016, the unassigned fund balance was \$3,213,323 while total fund balance was \$15,270,872. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 6.42% to total General Fund expenditures, while the total fund balance represents 39.13% of that same amount.

The Capital Projects SPLOST VII Fund which began on January 1, 2014 expended \$23,967,892 in appropriations to other governments, capital improvements, and public works and received \$20,530,183 in sales tax and investment income. The expenditures exceeded revenue by \$3,437,709 resulting in an ending fund balance of \$5,292,706.

LOWNDES COUNTY, GEORGIA  
Management's Discussion and Analysis  
Required Supplemental Information  
For the Year Ended June 30, 2016

**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 Position of the Water & Sewer Fund at June 30, 2016, was \$38,272,719. Total Net Position increased by \$4,727,576.

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.

**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 and other governmental funds, changes from the original to the final budget created a net decline in fund balance. A very large increase in health claims resulted in much higher health care cost than was anticipated in the original budget. In an effort to cover this rise in cost with a balanced budget required budgeting funds from the fund balance. The County still maintained its fund balance reserves in accordance with the financial policies and has raised the millage rate in the next year to help avoid any continued use of fund balance.

**Capital Assets**

The County's capital assets for governmental and business-type activities as of June 30, 2016, were \$150,217,454 (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 FY16 included continued improvements to roads and public safety equipment.

Note 8 (Capital Assets) provides additional information about capital asset activity during FY16.

LOWNDES COUNTY, GEORGIA  
Management's Discussion and Analysis  
Required Supplemental Information  
For the Year Ended June 30, 2016

**Debt**

The County backed revenue bonds issued for the Valdosta-Lowndes Development Authority during FY09 to provide funding for economic development projects. The bonds are being paid from the 1 mil of property taxes accessed for the Authority.

Standards & Poor's Corporation has assigned an underlying rating of AA- to these new bonds. However, an AAA credit rating was listed on the bonds since insurance was purchased from Financial Security Assurance, Inc. guaranteeing bond payments.

The County provided backing for bonds issued by the Hospital Authority of Valdosta and Lowndes County, Georgia during FY12 in the amount of \$148,280,000. Additional information can be found in Note 23 for contingent liabilities.

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**

Property tax revenue declined by 3.06% over the prior year and has averaged 4.16% growth over the last ten years. This has allowed the County to maintain current millage rates and stay ahead of rising cost through FY16.

The local option sales tax revenues declined 2.79%.

The County maintained a calendar year annual average of 5.9% for unemployment compared to the state average of 5.9%.

**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.

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**BASIC FINANCIAL STATEMENTS**

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LOWNDES COUNTY, GEORGIA  
 STATEMENT OF NET POSITION  
 June 30, 2016

Primary Government

	Governmental Activities	Business-Type Activities	Total Primary Government
<b>ASSETS</b>			
Equity in pooled cash and cash equivalents	\$ 22,572,053	\$ 4,503,741	\$ 27,075,794
Cash and cash equivalents in segregated accounts	10,703,352	-	10,703,352
Certificate of deposit	356,727	-	356,727
Receivables (net of allowance for doubtful accounts):			
Taxes	1,138,279	-	1,138,279
Accounts	1,722,367	661,116	2,383,483
Special assessments	13,153	-	13,153
Sales tax	2,802,897	-	2,802,897
Internal balances	115,280	(115,280)	-
Due from other governments	369,559	-	369,559
Materials and supplies inventory	76,177	-	76,177
Prepaid items	110,125	-	110,125
Restricted cash and cash investments	-	365,000	365,000
Nondepreciable capital assets	9,145,931	7,693,339	16,839,270
Depreciable capital assets, net	<u>97,605,584</u>	<u>35,772,600</u>	<u>133,378,184</u>
<b>TOTAL ASSETS</b>	<b>\$ 146,731,484</b>	<b>\$ 48,880,516</b>	<b>\$ 195,612,000</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Bond refunding	\$ 227,330	\$ 372,852	\$ 600,182
Pensions	<u>4,750,449</u>	<u>158,643</u>	<u>4,909,092</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 4,977,779</b>	<b>\$ 531,495</b>	<b>\$ 5,509,274</b>

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

Component Units		
Lowndes County Board of Health	Valdosta- Lowndes Development Authority	Valdosta- Lowndes County Parks & Recreation Authority
\$ -	\$ -	\$ -
1,853,792	1,827,413	2,606,877
-	-	-
-	-	425,244
170,296	-	-
-	-	-
-	-	-
-	-	-
1,614,324	-	-
-	-	-
-	11,075	65,510
-	3,171,765	-
-	16,980,502	3,561,552
408,820	3,948,181	4,138,525
<u>\$ 4,047,232</u>	<u>\$ 25,938,936</u>	<u>\$ 10,797,708</u>
\$ -	\$ -	\$ -
1,332,513	-	244,836
<u>\$ 1,332,513</u>	<u>\$ -</u>	<u>\$ 244,836</u>

LOWNDES COUNTY, GEORGIA  
 STATEMENT OF NET POSITION - CONTINUED  
 June 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total Primary Government
<b>LIABILITIES</b>			
Accounts payable	\$ 3,234,924	\$ 202,245	\$ 3,437,169
Estimated health claims payable	266,185	-	266,185
Accrued wages	943,641	32,180	975,821
Accrued expenses	2,317,808	12,749	2,330,557
Due to other governments	1,985,252	-	1,985,252
Unearned revenue	48,793	31,153	79,946
Payable from restricted assets:			
Customer deposits	-	203,796	203,796
Due within one year:			
Compensated absences payable	701,893	24,161	726,055
Capital lease obligations	16,400	216,593	232,993
Bonds payable	924,420	767,636	1,692,056
Landfill postclosure cost	-	75,539	75,539
Due in more than one year:			
Compensated absences payable	551,488	18,984	570,471
Capital lease obligations	4,100	223,605	227,705
Bonds payable	6,884,109	6,644,233	13,528,342
Notes payable	-	1,285,219	1,285,219
Landfill postclosure cost	-	672,370	672,370
Net pension obligation liability	19,413,829	167,886	19,581,715
Net other postemployment benefits	13,610,072	-	13,610,072
<b>TOTAL LIABILITIES</b>	<b>\$ 50,902,914</b>	<b>\$ 10,578,349</b>	<b>\$ 61,481,263</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pensions	\$ -	\$ -	\$ -
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>COMBINED LIABILITIES AND DEFERRED</b>			
<b>INFLOWS OF RESOURCES</b>	<b>\$ 50,902,914</b>	<b>\$ 10,578,349</b>	<b>\$ 61,481,263</b>
<b>NET POSITION</b>			
Net investment in capital assets	99,227,901	34,701,505	133,929,406
Restricted for:			
Jail operations	890,559	-	890,559
Tourism	11,442	-	11,442
Drug enforcement operations	933,134	-	933,134
Drug education and treatment	132,405	-	132,405
Law library	303,503	-	303,503
Victim assistance	61,590	-	61,590
911 emergency telephone	104,537	-	104,537
Public health programs	-	-	-
Debt services	-	-	-
Capital projects	17,198,538	-	17,198,538
Unrestricted	(18,057,260)	4,132,157	(13,925,103)
<b>TOTAL NET POSITION</b>	<b>\$ 100,806,349</b>	<b>\$ 38,833,662</b>	<b>\$ 139,640,011</b>

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

Component Units		
Lowndes County Board of Health	Valdosta- Lowndes Development Authority	Valdosta- Lowndes County Parks & Recreation Authority
\$ -	\$ 94,823	\$ 147,242
-	-	-
-	-	-
-	304,070	76,938
653,495	-	-
-	-	22,354
-	-	-
339,652	-	37,423
-	-	-
-	1,405,000	-
-	-	-
256,229	-	53,314
-	-	-
-	8,910,000	-
-	-	-
-	-	-
7,324,968	-	574,238
-	-	-
<u>\$ 8,574,344</u>	<u>\$ 10,713,893</u>	<u>\$ 911,509</u>
<u>\$ 990,654</u>	<u>\$ -</u>	<u>\$ 22,173</u>
<u>\$ 990,654</u>	<u>\$ -</u>	<u>\$ 22,173</u>
<u>\$ 9,564,998</u>	<u>\$ 10,713,893</u>	<u>\$ 933,682</u>
408,820	12,676,796	7,700,077
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
1,846,421	-	-
-	1,108,652	-
-	-	-
<u>(6,440,494)</u>	<u>1,439,595</u>	<u>2,408,785</u>
<u>\$ (4,185,253)</u>	<u>\$ 15,225,043</u>	<u>\$ 10,108,862</u>

LOWNDES COUNTY, GEORGIA  
 STATEMENT OF ACTIVITIES  
 For The Year Ended June 30, 2016

FUNCTION/PROGRAM	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
<b>GOVERNMENTAL ACTIVITIES</b>				
General Government				
Legislative and Executive	\$ 12,731,452	\$ 1,312,156	\$ 97,546	\$ -
Judicial	6,300,337	4,063,024	1,093,897	-
Public Safety	27,903,906	3,636,600	823,135	-
Public Works	20,059,360	96,239	-	805,575
Health and Welfare	1,094,544	860	249,315	-
Culture and Recreation	4,740,716	-	-	-
Housing and Development	4,250,158	-	198,415	-
Interest on Long-term Debt	195,253	-	-	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>77,275,726</b>	<b>9,108,879</b>	<b>2,462,308</b>	<b>805,575</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Water and Sewer	4,704,684	6,199,474	-	-
Landfill	55,896	368,385	-	-
Special Tax Lighting District	304,972	283,497	-	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>5,065,552</b>	<b>6,851,356</b>	<b>-</b>	<b>-</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 82,341,278</b>	<b>\$ 15,960,235</b>	<b>\$ 2,462,308</b>	<b>\$ 805,575</b>
<b>COMPONENT UNITS</b>				
Lowndes County Board of Health	\$ 12,131,190	\$ 1,541,986	\$ 11,929,252	\$ -
Valdosta-Lowndes Development Authority	2,574,613	-	-	-
Valdosta-Lowndes County Parks & Recreation Authority	4,395,825	576,788	10,816	16,838
<b>TOTAL COMPONENT UNITS</b>	<b>\$ 19,101,628</b>	<b>\$ 2,118,774</b>	<b>\$ 11,940,068</b>	<b>\$ 16,838</b>
<b>GENERAL REVENUES</b>				
Property Taxes Levied for:				
General Operating				
Alcoholic Beverage Taxes				
Occupational Taxes				
Hotel/Motel Taxes				
Franchise Taxes				
Insurance Premium Taxes				
Sales Taxes				
Public Utility Taxes				
Miscellaneous Income				
Gain on disposal of capital assets				
Investment Income				
<b>TOTAL GENERAL REVENUES</b>				
<b>EXCESS (DEFICIT) BEFORE TRANSFERS</b>				
<b>TRANSFERS IN (OUT)</b>				
<b>CHANGES IN NET POSITION</b>				
<b>NET POSITION, RESTATED</b>				
<b>NET POSITION, END OF YEAR</b>				

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

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Total	Lowndes County Board of Health	Valdosta- Lowndes County Industrial Parks & Recreation Authority	Valdosta- Lowndes County Parks & Recreation Authority
\$ (11,321,750)	\$ -	\$ (11,321,750)	\$ -	\$ -	\$ -
(1,143,416)	-	(1,143,416)	-	-	-
(23,444,171)	-	(23,444,171)	-	-	-
(19,157,546)	-	(19,157,546)	-	-	-
(844,369)	-	(844,369)	-	-	-
(4,740,716)	-	(4,740,716)	-	-	-
(4,051,743)	-	(4,051,743)	-	-	-
(195,253)	-	(195,253)	-	-	-
<u>(64,898,964)</u>	<u>-</u>	<u>(64,898,964)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	1,494,790	1,494,790	-	-	-
-	312,489	312,489	-	-	-
-	(21,475)	(21,475)	-	-	-
-	1,785,804	1,785,804	-	-	-
<u>\$ (64,898,964)</u>	<u>\$ 1,785,804</u>	<u>\$ (63,113,160)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 1,340,048	\$ -	\$ -
-	-	-	-	(2,574,613)	-
-	-	-	-	-	(3,791,383)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,340,048</u>	<u>\$ (2,574,613)</u>	<u>\$ (3,791,383)</u>
30,877,255	-	30,877,255	-	3,217,399	3,938,461
532,111	-	532,111	-	-	-
620,356	-	620,356	-	-	-
322,379	-	322,379	-	-	-
90,731	-	90,731	-	-	-
2,569,810	-	2,569,810	-	-	-
32,433,256	-	32,433,256	-	-	-
820,140	-	820,140	-	-	-
1,014,911	-	1,014,911	-	16,049	42,221
-	-	-	-	500	-
-	2,563	2,563	-	14,262	-
<u>69,280,949</u>	<u>2,563</u>	<u>69,283,512</u>	<u>-</u>	<u>3,248,210</u>	<u>3,980,682</u>
4,381,985	1,788,367	6,170,352	1,340,048	673,597	189,299
(2,990,825)	2,990,825	-	-	-	-
1,391,160	4,779,192	6,170,352	1,340,048	673,597	189,299
<u>99,415,190</u>	<u>34,054,470</u>	<u>133,469,660</u>	<u>(5,525,301)</u>	<u>14,551,446</u>	<u>9,919,563</u>
<u>\$ 100,806,350</u>	<u>\$ 38,833,662</u>	<u>\$ 139,640,012</u>	<u>\$ (4,185,253)</u>	<u>\$ 15,225,043</u>	<u>\$ 10,108,862</u>

LOWNDES COUNTY, GEORGIA  
 GOVERNMENTAL FUNDS  
 BALANCE SHEET  
 June 30, 2016

	<u>General</u>	Capital Projects Special Purpose Local Option <u>Sales Tax VII</u>	Other Governmental <u>Funds</u>	<u>Total</u>
<b>ASSETS</b>				
Equity in pooled cash and cash equivalents	\$ 15,796,154	\$ -	\$ 3,912,103	\$ 19,708,257
Cash and cash equivalents in segregated accounts	57,776	7,192,519	3,453,057	10,703,352
Certificate of deposit	-	-	356,727	356,727
Receivables (net of allowance for doubtful accounts)				
Taxes	1,138,279	-	-	1,138,279
Accounts	1,163,782	-	546,850	1,710,632
Special assessments	13,153	-	-	13,153
Sales Tax	1,028,911	1,773,985	-	2,802,896
Due from other governments	528	-	369,031	369,559
Interfund receivable	396,684	-	-	396,684
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 19,595,267	\$ 8,966,504	\$ 8,637,768	\$ 37,199,539
	<hr/>	<hr/>	<hr/>	<hr/>

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

LOWNDES COUNTY, GEORGIA  
 GOVERNMENTAL FUNDS  
 BALANCE SHEET - CONTINUED  
 June 30, 2016

	<u>General</u>	Capital Projects Special Purpose Local Option Sales Tax VII	Other Governmental Funds	<u>Total</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 835,636	\$ 1,684,665	\$ 388,357	\$ 2,908,658
Accrued wages	804,060	-	126,237	930,297
Accrued liabilities	1,593,439	-	-	1,593,439
Due to other governments	-	1,985,252	-	1,985,252
Interfund payable	-	3,881	277,523	281,404
Unearned revenue	47,311	-	1,482	48,793
	<u>3,280,446</u>	<u>3,673,798</u>	<u>793,599</u>	<u>7,747,843</u>
<b>TOTAL LIABILITIES</b>				
 <b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	1,030,796	-	-	1,030,796
Unavailable revenue - special assessments	13,153	-	-	13,153
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>1,043,949</u>	<u>-</u>	<u>-</u>	<u>1,043,949</u>
 <b>FUND BALANCES</b>				
Restricted for:				
Jail operations	-	-	890,559	890,559
Tourism	-	-	11,442	11,442
Drug enforcement	-	-	933,134	933,134
Drug education and treatment	-	-	132,405	132,405
Law library	-	-	303,503	303,503
Victim assistance	-	-	61,590	61,590
911 emergency telephone	-	-	104,537	104,537
Capital projects	-	5,292,706	3,323,321	8,616,027
Assigned for:				
Unincorporated services	-	-	2,083,678	2,083,678
Property tax roll back	12,057,549	-	-	12,057,549
Unassigned reported in:				
General Fund	3,213,323	-	-	3,213,323
	<u>15,270,872</u>	<u>5,292,706</u>	<u>7,844,169</u>	<u>28,407,747</u>
<b>TOTAL FUND BALANCES</b>				
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 19,595,267</u>	<u>\$ 8,966,504</u>	<u>\$ 8,637,768</u>	<u>\$ 37,199,539</u>

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

LOWNDES COUNTY, GEORGIA  
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
 TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
 June 30, 2016

Total Governmental Funds Balances		\$ 28,407,747
 <b>Amounts reported for governmental activities on the statement of net position are different because of the following:</b>		
Net Pension Obligation		
Pension liabilities resulting from contributions less than the annual required contribution		(19,413,829)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
		106,751,516
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 position.		
Net position adjusted for:	2,010,772	
Capital assets less accumulated depreciation	(299,612)	
Compensated absences payable	14,241	
Capital lease payable	<u>20,500</u>	
		1,745,901
Revenue are not available to pay for current period expenditures and, therefore, are not reported in the funds.		
Deferred tax revenue		1,043,949
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest		(14,231)
Compensated absences payable		(1,253,381)
Bonds payable		(7,495,000)
Unamortized bond premium		(313,529)
Deferred charge bond refund		227,330
Deferred outflow of resources - pension		4,750,449
Net other postemployment benefits		(13,610,072)
Capital leases payable		<u>(20,500)</u>
Net Position of Governmental Activities		<u>\$ 100,806,350</u>

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

LOWNDES COUNTY, GEORGIA  
 GOVERNMENTAL FUNDS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 For The Year Ended June 30, 2016

	<u>General</u>	Capital Projects Special Purpose Local Option <u>Sales Tax VII</u>	Other Governmental <u>Funds</u>	<u>Total</u>
REVENUES:				
Taxes	\$ 43,894,232	\$ 20,526,799	\$ 4,135,386	\$ 68,556,417
Licenses and permits	6,223	-	149,056	155,279
Intergovernmental revenues	258,784	-	2,992,746	3,251,530
Charges for services	3,757,376	-	2,116,734	5,874,110
Fines and forfeitures	1,976,064	-	1,103,426	3,079,490
Investment income	9,397	3,384	3,572	16,353
Miscellaneous	237,957	-	718,633	956,590
TOTAL REVENUES	<u>\$ 50,140,033</u>	<u>\$ 20,530,183</u>	<u>\$ 11,219,553</u>	<u>\$ 81,889,769</u>
EXPENDITURES				
Current				
General Government				
Legislative and executive	10,664,659	-	106,590	10,771,249
Judicial	5,773,103	-	1,394,319	7,167,422
Public safety	19,474,990	23,579	6,825,911	26,324,480
Public works	4,833,966	512,060	384,894	5,730,920
Health and welfare	720,891	-	376,123	1,097,014
Culture and recreation	4,675,915	9,426	-	4,685,341
Housing and development	2,886,594	-	1,357,707	4,244,301
Intergovernmental	-	11,985,598	-	11,985,598
Capital outlay	-	7,757,006	-	7,757,006
Debt Service				
Principal retirement	850,000	-	-	850,000
Interest	196,600	-	-	196,600
TOTAL EXPENDITURES	<u>50,076,718</u>	<u>20,287,669</u>	<u>10,445,544</u>	<u>80,809,931</u>
EXCESS OF REVENUES				
OVER (UNDER) EXPENDITURES	63,315	242,514	774,009	1,079,838
OTHER FINANCING SOURCES (USES):				
Transfers In	1,085,000	-	1,103,484	2,188,484
Transfers Out	(897,741)	(3,680,223)	(601,345)	(5,179,309)
TOTAL OTHER FINANCING SOURCES (USES)	<u>187,259</u>	<u>(3,680,223)</u>	<u>502,139</u>	<u>(2,990,825)</u>
NET CHANGES IN FUND BALANCE	250,574	(3,437,709)	1,276,148	(1,910,987)
FUND BALANCES, RESTATED	15,020,298	8,730,415	6,568,021	30,318,734
FUND BALANCES AT END OF YEAR	<u>\$ 15,270,872</u>	<u>\$ 5,292,706</u>	<u>\$ 7,844,169</u>	<u>\$ 28,407,747</u>

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

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, 2016

Net Change in Fund Balances - Total Governmental Funds \$ (1,910,987)

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

Net Pension Obligation  
 Change in pension liability resulting from actuarial calculation of the net pension obligation  
 which is not reported in the funds. (4,750,020)

Deferred Outflow of Resources  
 Deferred outflows of resources are no due an payable in the current period and therefore are  
 not reported in the funds. There deferred outflows of resources consist of pension related  
 gains and losses and assumption changes. 4,488,501

Internal service funds change in net position:  
 Internal service funds change in net position less depreciation  
 and compensated absences 1,166,954  
 Depreciation (106,660)  
 Compensated absences 945  
 1,061,239

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 - depreciable capital assets 1,046,716  
 Capital outlay - nondepreciable capital assets 7,347,161  
 Depreciation (4,735,123)  
 3,658,754

Revenues on the statement of activities that do no provide current financial resources are  
 not reported as revenues in governmental funds:  
 Property taxes (290,380)  
 (290,380)

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:  
 Other post employment benefits (1,727,716)  
 Loss on disposal of capital asset (12,680)  
 Compensated absences 7,602  
 (1,732,794)

Accrual of interest on bonds payable is not an expenditures in the governmental funds, but  
 is accrued on the statement of activities.  
 Accrued interest expense 1,347  
 1,347

Repayment of principal is an expenditure in the governmental funds, but the repayment  
 reduces long-term liabilities on the statement of activities.  
 Amortization of deferred charge on bond refunding (42,823)  
 Amortization of bond premium 58,323  
 Capital lease payments 850,000  
 865,500

Changes in Net Position of Governmental Activities \$ 1,391,160

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

LOWNDES COUNTY, GEORGIA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 June 30, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Other Enterprise Funds	Total	Internal Service Funds
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Equity in pooled cash and cash equivalents	\$ 3,258,138	\$ 1,245,603	\$ 4,503,741	\$ 2,863,797
Receivables (net of allowance for doubtful accounts):				
Accounts	660,611	505	661,116	11,735
Interfund receivable	3,881	-	3,881	-
Prepaid expense	-	-	-	110,124
Inventory	-	-	-	76,178
Restricted assets				
Customer deposit account	365,000	-	365,000	-
<b>TOTAL CURRENT ASSETS</b>	<u>4,287,630</u>	<u>1,246,108</u>	<u>5,533,738</u>	<u>3,061,834</u>
<b>NONCURRENT ASSETS</b>				
<b>Capital Assets</b>				
Land	2,506,904	203,639	2,710,543	-
Construction in progress	4,982,796	-	4,982,796	-
Depreciable capital assets, net	35,772,600	-	35,772,600	299,612
<b>TOTAL NONCURRENT ASSETS</b>	<u>43,262,300</u>	<u>203,639</u>	<u>43,465,939</u>	<u>299,612</u>
<b>TOTAL ASSETS</b>	<u>47,549,930</u>	<u>1,449,747</u>	<u>48,999,677</u>	<u>3,361,446</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Bond refunding	372,852	-	372,852	-
Pensions	158,643	-	158,643	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>531,495</u>	<u>-</u>	<u>531,495</u>	<u>-</u>

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

LOWNDES COUNTY, GEORGIA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION - CONTINUED  
 June 30, 2016

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Other Enterprise Funds	Total	Internal Service Funds
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 180,511	\$ 21,734	\$ 202,245	\$ 326,265
Accrued liabilities	32,180	-	32,180	989,530
Accrued interest payable	12,749	-	12,749	138
Unearned revenue	31,153	-	31,153	-
Interfund payable	-	119,161	119,161	-
Current portion of compensated absences payable	24,161	-	24,161	7,975
Current portion of capital lease obligations	216,593	-	216,593	16,400
Current portion of bonds payable	767,636	-	767,636	-
Current portion of landfill postclosure cost	-	75,539	75,539	-
Payable from restricted assets:				
Customer deposits	203,796	-	203,796	-
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,468,779</u>	<u>216,434</u>	<u>1,685,213</u>	<u>1,340,308</u>
<b>LONG-TERM LIABILITIES</b>				
Compensated absences	18,984	-	18,984	6,266
Capital lease obligations	223,605	-	223,605	4,100
Bonds payable	6,644,233	-	6,644,233	-
Note payable	1,285,219	-	1,285,219	-
Net pension obligation liability	167,886	-	167,886	-
Landfill postclosure cost	-	672,370	672,370	-
<b>TOTAL LONG-TERM LIABILITIES</b>	<u>8,339,927</u>	<u>672,370</u>	<u>9,012,297</u>	<u>10,366</u>
<b>TOTAL LIABILITIES</b>	<u>9,808,706</u>	<u>888,804</u>	<u>10,697,510</u>	<u>1,350,674</u>
<b>NET POSITION</b>				
Net investment in capital assets	34,497,866	203,639	34,701,505	279,112
Unrestricted	3,774,853	357,304	4,132,157	1,731,660
<b>TOTAL NET POSITION</b>	<u>\$ 38,272,719</u>	<u>\$ 560,943</u>	<u>\$ 38,833,662</u>	<u>\$ 2,010,772</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 POSITION  
 For The Year Ended June 30, 2016

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water and</u>	<u>Other</u>	<u>Total</u>	<u>Internal</u>
	<u>Sewer</u>	<u>Enterprise</u>		<u>Service Funds</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 5,505,006	\$ 283,497	\$ 5,788,503	\$ 8,002,390
Penalties	105,799	-	105,799	-
Other income	27,426	368,385	395,811	-
Connection fees	561,243	-	561,243	-
<b>TOTAL OPERATING REVENUES</b>	<u>6,199,474</u>	<u>651,882</u>	<u>6,851,356</u>	<u>8,002,390</u>
<b>OPERATING EXPENSES</b>				
Personal services	722,742	-	722,742	300,832
Payroll taxes	51,372	-	51,372	21,644
Fringe benefits	275,264	-	275,264	113,534
Contractual services	1,663,963	360,868	2,024,831	41,975
Insurance and bond	9,126	-	9,126	4,373,518
Materials and supplies	758,693	-	758,693	1,981,752
Amortization	23,320	-	23,320	-
Depreciation	989,825	-	989,825	106,660
<b>TOTAL OPERATING EXPENSES</b>	<u>4,494,305</u>	<u>360,868</u>	<u>4,855,173</u>	<u>6,939,915</u>
<b>OPERATING INCOME (LOSS)</b>	<u>1,705,169</u>	<u>291,014</u>	<u>1,996,183</u>	<u>1,062,475</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest revenue	2,563	-	2,563	-
Interest expense	(210,379)	-	(210,379)	(1,236)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>(207,816)</u>	<u>-</u>	<u>(207,816)</u>	<u>(1,236)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	1,497,353	291,014	1,788,367	1,061,239
TRANSFERS IN	3,680,223	-	3,680,223	747,937
TRANSFERS OUT	(450,000)	(239,398)	(689,398)	(747,937)
<b>CHANGE IN NET POSITION</b>	4,727,576	51,616	4,779,192	1,061,239
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>33,545,143</u>	<u>509,327</u>	<u>34,054,470</u>	<u>949,533</u>
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 38,272,719</u>	<u>\$ 560,943</u>	<u>\$ 38,833,662</u>	<u>\$ 2,010,772</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, 2016

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Other Enterprise Funds	Total	Internal Service Funds Activities
<b><u>Increase (Decrease) in Cash and Cash Equivalents</u></b>				
<b><u>Cash Flows From Operating Activities</u></b>				
Cash received from customers	\$ 5,904,438	\$ 283,324	\$ 6,187,762	\$ -
Cash received from other income	27,426	402,322	429,748	-
Cash received from interfund transactions	-	25,539	25,539	-
Cash received from other funds for services	-	-	-	8,107,445
Cash payments for personal services	(707,547)	-	(707,547)	(299,724)
Cash payments for payroll taxes	(51,372)	-	(51,372)	(21,644)
Cash payments for fringe benefits	(266,021)	-	(266,021)	(113,534)
Cash payments for contractual services	(2,182,277)	(434,776)	(2,617,053)	(41,975)
Cash payments for insurance and bond	(9,126)	-	(9,126)	(5,183,564)
Cash payments for materials and supplies	(758,693)	-	(758,693)	(1,891,976)
Net Cash Provided by (Used for) Operating Activities	<u>1,956,828</u>	<u>276,409</u>	<u>2,233,237</u>	<u>555,028</u>
<b><u>Cash Flows From Noncapital Financing Activities</u></b>				
Cash payments from transfer-out	(450,000)	(239,397)	(689,397)	-
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>(450,000)</u>	<u>(239,397)</u>	<u>(689,397)</u>	<u>-</u>
<b><u>Cash Flows From Capital and Related Financing Activities</u></b>				
Cash received from note payable	141,148	-	141,148	-
Cash received from capital lease	650,000	-	650,000	-
Cash received from SPLOST transfer-in	3,676,342	-	3,676,342	-
Cash payments for acquisition of capital assets	(5,249,345)	-	(5,249,345)	-
Cash payments for principal on bonds payable	(747,786)	-	(747,786)	-
Cash payments for interest on bonds payable	194,680	-	194,680	-
Cash payments for principal on capital lease	(209,802)	-	(209,802)	-
Cash payments for interest on capital leases	(17,685)	-	(17,685)	(17,796)
Net Cash (Used For) Capital and Related Financing Activities	<u>(1,562,448)</u>	<u>-</u>	<u>(1,562,448)</u>	<u>(17,796)</u>
<b><u>Cash Flows From Investing Activities</u></b>				
Cash received from interest	2,563	-	2,563	-
Net Cash Flows Provided By Investing Activities	<u>2,563</u>	<u>-</u>	<u>2,563</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(53,057)	37,012	(16,045)	537,232
Cash and Cash Equivalents at Beginning of Year	<u>3,676,195</u>	<u>1,208,591</u>	<u>4,884,786</u>	<u>2,326,565</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,623,138</u>	<u>\$ 1,245,603</u>	<u>\$ 4,868,741</u>	<u>\$ 2,863,797</u>
Equity in pooled cash and cash equivalents	\$ 3,258,138	\$ 1,245,603	\$ 4,503,741	\$ 2,863,797
Customer deposit account	365,000	-	365,000	-
Total Cash and Cash Equivalents	<u>\$ 3,623,138</u>	<u>\$ 1,245,603</u>	<u>\$ 4,868,741</u>	<u>\$ 2,863,797</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, 2016

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Water and Sewer</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>
<b>Reconciliation of Operating Income (Loss) To</b>				
<b><u>Net Cash Provided by (Used For) Operating Activities</u></b>				
Operating Income	\$ 1,705,169	\$ 291,014	\$ 1,996,183	\$ 1,062,475
<b>Adjustments to Reconcile Operating Income (Loss) To</b>				
<b><u>Net Cash Provided by (Used For) Operating Activities</u></b>				
Depreciation	989,825	-	989,825	106,660
Amortization	23,320	-	23,320	-
Changes in Assets and Liabilities:				
Increase in accounts receivable	(110,982)	33,764	(77,218)	105,055
Decrease in prepaid expense	-	-	-	1,177
Decrease in inventory	-	-	-	228,269
Increase (decrease) in accounts payable	(518,314)	(7,263)	(525,577)	75,074
Decrease in customer deposits	(159,754)	-	(159,754)	-
Increase (decrease) in accrued compensated absences	8,464	-	8,464	(945)
Increase in interfund payable	-	25,539	25,539	-
Increase in net pension liability	9,243	-	9,243	-
Decrease in unearned revenue	3,126	-	3,126	-
Increase (decrease) in accrued liabilities	<u>6,731</u>	<u>(66,645)</u>	<u>(59,914)</u>	<u>(1,022,737)</u>
Net Cash Provided By Operating Activities	<u>\$ 1,956,828</u>	<u>\$ 276,409</u>	<u>\$ 2,233,237</u>	<u>\$ 555,028</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, 2016

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents in segregated accounts	\$ 4,078,695
Due from others	<u>33,958</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 4,112,653</u></u>
<b>LIABILITIES</b>	
Due to others	\$ 1,779,061
Collections held in escrow	<u>2,333,592</u>
<b>TOTAL LIABILITIES</b>	<u><u>4,112,653</u></u>
<b>NET POSITION</b>	<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.

**A. The Reporting Entity**

These financial statements present Lowndes County, Georgia (the primary government) which is governed by an elected six - member board, and discretely presented component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationships with the County. In conformity with GAAP, as set forth in the Statement of Governmental Accounting Standards No. 14, *The Financial Reporting Entity* and amended by GASB Statement No. 61, the component units' financial statements have been included as discretely presented component units. Each discretely presented component unit, on the other hand, is reported separately in the government-wide financial statements from the most recently audited financial statements. The following is a brief review of each component unit addressed in defining the government's reporting entity.

**Lowndes County Board of Health**

The Lowndes County Board of Health is a component unit based on the criteria in GASB Statement No. 14. The Board of health consists of seven members. Two members are appointed by the City of Valdosta. The Lowndes County Board of Commissioners appoints three members and the Chairman of the Board of Commissioners (or their designee) serves as a member. The County Superintendent of Schools is the other member. County appointments or members make up the majority of the Board of Health. The County provides funding annually to the Board of Health. Because the County appoints the majority of the board and because of the financial relationship between the Board of Health and the County, the Board of Health is reported as a discretely presented component unit. 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.

**Valdosta-Lowndes Development Authority**

The Valdosta-Lowndes Development Authority is a component unit based on a significant financial relationship. 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 continuation of the accessed millage is determined by the County. The County appoints two of five of the Board members and rotates an appointment with the City of Valdosta of one Board member at the end of their term of office. The City of Valdosta appoints the other two Board members.

A complete set of financial statements for the Valdosta-Lowndes Development Authority is presented in a separate report and can be obtained from the Valdosta-Lowndes Development Authority.

LOWNDES COUNTY, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**Note 1 - Summary of Significant Accounting Policies – Continued**

**A. The Reporting Entity - Continued**

**Valdosta-Lowndes County Parks and Recreation Authority**

The Valdosta-Lowndes County Parks and Recreation Authority is a component unit based on the criteria of fiscal dependence. The County is providing funding for the Authority through a dedicated millage of 1.25 mils that provides the revenues along with fees to cover the cost of operations of the Authority. The continuation of the accessed millage is determined by the County. The County appoints three of seven Board members and rotates an appointment with the City of Valdosta of one Board member at the end of their term of office. The City of Valdosta appoints the other three Board members.

A complete set of financial statements for the Valdosta-Lowndes County Parks and Recreation Authority is presented in a separate report and can be obtained from the Valdosta-Lowndes County Parks and Recreation Authority.

**Joint Ventures**

The Valdosta-Lowndes County Airport Authority is a joint venture between the City of Valdosta and Lowndes County based on an annual request for funding to both governments. A separate financial report may be obtained from the Valdosta-Lowndes County Airport Authority.

The Valdosta-Lowndes County Conference Center and Tourism Authority is a joint venture between the City of Valdosta and Lowndes County based funding provided each year from both governments. A separate financial report may be obtained from the Valdosta-Lowndes County Airport Authority.

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

**B. Basis of Presentation**

The County's basic financial statements consist of government-wide financial statements, including a statement of net position 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 position 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 inter-fund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. 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 position 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

LOWNDES COUNTY, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**Note 1 - Summary of Significant Accounting Policies – Continued**

**B. Basis of Presentation - Continued**

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 a more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

**C. Fund Accounting**

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

**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.

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

**Note 1 - Summary of Significant Accounting Policies - Continued**

**C. Fund Accounting - Continued**

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 position, 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 is the County's major enterprise fund:

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

**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 four internal service funds:

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

**Health 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. This fund was closed and merged with the Equipment Operations fund for FY2016.

**Workers' Compensation** – to account for charges to other funds for the payment of workers' compensation premiums and benefits.

**Fiduciary Funds**

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

LOWNDES COUNTY, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**Note 1 - Summary of Significant Accounting Policies - Continued**

**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 position. Government-wide financial statements for the Valdosta-Lowndes County Development Authority, the Valdosta-Lowndes Parks and Recreation Authority and the Lowndes County Board of Health are also presented.

**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 position. The statement of changes in revenues, expenses, and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. 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.

**Revenue—Exchange and Nonexchange Transactions**

Revenue 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 Policies – 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 Outflows/Inflows of Resources**

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has two items that qualifies for reporting in this category. One if the deferred charge on refunding of bonds reported in the enterprise funds and government-wide statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is no longer reported net of debt and is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other deferred charge related to pensions.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has unavailable revenue, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category on the governmental funds balance sheet.

The Count also has deferred inflows and outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains and losses result from periodic studies by the County’s actuaries witch adjust the net pension liability for actual experiences for certain trend information that was previously assumed. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period.

**Note 1 - Summary of Significant Accounting Policies - Continued**

**E. Basis of Accounting - Continued**

**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.

**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.

There were no excess of expenditures over appropriations in individual funds.

**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. 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.

There were no encumbrances for the year ending June 30, 2016.

LOWNDES COUNTY, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**Note 1 - Summary of Significant Accounting Policies - Continued**

**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."

Cash and cash equivalents of the Lowndes County Board of Health and the Valdosta-Lowndes Development 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 position, investments of the cash management pool and investments with a maturity of three months 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. Prepaid Items**

Prepaid items are for payments made by the County in the current year to provide services occurring in the subsequent fiscal year.

**J. 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.

**K. 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.

**L. 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 position 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 position and in the respective funds.

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 1 - Summary of Significant Accounting Policies - Continued**

**L. Capital Assets - Continued**

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The County maintains a capitalization threshold of \$7,500. The County’s infrastructure consists of roads, bridges, and culverts for which the County chose to include all such items regardless of their acquisition date. The County was able to estimate the historical cost of the governmental activities infrastructure for the initial reporting of those assets. 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. Buildings, infrastructure, and water and sewer systems have salvage values estimated on the remaining value at the end of their estimated lives. Interest incurred during the construction of enterprise fund capital assets is also capitalized.

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 and Sewer Infrastructure	5–50 years

**M. 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 position. The only interfund balances which remain on the government-wide statement of net position are those between governmental and business-type activities. These amounts are reflected as “Internal Balances.”

**N. 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 except when they have matured. For enterprise funds, the entire amount of compensated absences is reported as a fund liability.

**Note 1 - Summary of Significant Accounting Policies - Continued**

**O. 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.

**P. Fund Equity**

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

**Fund Balance**

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

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

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

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

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

**Unassigned:** Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. Positive unassigned fund balance may be reported only in the General Fund. Negative unassigned fund balances may be reported in all funds.

LOWNDES COUNTY, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**Note 1 - Summary of Significant Accounting Policies - Continued**

**P. Fund Equity (Continued)**

The County has adopted a financial policy of maintaining a minimum balance in the total fund balance of the General Fund equal to 120 days of expenditures based on the annual daily average.

**Flow Assumptions**

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

**Net Position**

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

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

**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.

LOWNDES COUNTY, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**Note 1 - Summary of Significant Accounting Policies - Continued**

**S. Management Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**T. Close Out of Funds**

The County closed the Fleet Fund and merged it with the Equipment Operations Fund for FY2016.

The County also completed projects and spent all funds from the following funds:

- Capital Projects Special Sales Tax V
- Judicial Complex and Jail Fund
- CDBG Grant Fund

**Note 2 – Deposits and Investments**

**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. The County has no policy for credit risk beyond the types of investments authorized by state statute.

**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. The County has no custodial credit risk policies requiring additional collateral.

**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. The County has no custodial credit risk policies requiring additional collateral.

LOWNDES COUNTY, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**Note 3 – 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 4 – 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 5 – Hotel/Motel Lodging Tax**

Lowndes County levies a 5% hotel motel lodging tax of which 2% is designated for the promotion of tourism. All of the tourism funds are provided to the Valdosta-Lowndes County Conference Center & Tourism Authority which amounted to \$128,952. Lowndes County receives an audit report from the Valdosta- Lowndes County Conference Center & Tourism Authority demonstrating that all expenditures of these funds were for promotion of tourism as required by O.C.G.A. 48-13-51. Collections of hotel motel lodging tax amounted to \$322,379. The balance of funds was used by the County to assist with appropriations to the Valdosta-Lowndes County Airport Authority bringing the total expenditures to 100% of revenues.

**Note 6 – Receivables**

Receivables at June 30, 2016, 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.

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 7 – Due From Other Governments**

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

General Fund	
Valdosta-Lowndes County	
Development Authority	\$ 528
Total - General Fund	<u>528</u>
Special Revenue Funds	
Nonmajor funds	
Southern Judicial Circuit - ADR	8,213
Georgia Emergency Management Agency	115,159
Georgia Office of Highway Safety	56,883
Criminal Justice Coordinating Council	174,345
Georgia Department of Transportation	<u>14,431</u>
Total - Special Revenue Funds	<u>369,031</u>
Total - Due From Other Governments	<u><u>\$ 369,559</u></u>

**Note 8 – Capital Assets**

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Balance at</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>June 30, 2016</u>
Primary Government				
Governmental Activities:				
Nondepreciable Capital Assets:				
Land	\$ 2,884,216	\$ -	\$ -	\$ 2,884,216
Construction in progress	<u>3,348,489</u>	<u>7,347,161</u>	<u>4,433,935</u>	<u>6,261,715</u>
Total Nondepreciable Capital Assets	<u>6,232,705</u>	<u>7,347,161</u>	<u>4,433,935</u>	<u>9,145,931</u>
Depreciable Capital Assets:				
Buildings and building improvements	\$ 84,964,973	\$ -	\$ -	\$ 84,964,973
Improvements other than buildings	1,023,866	-	-	1,023,866
Machinery and equipment	19,582,142	552,515	1,467,135	18,667,522
Vehicles	8,440,142	494,201	230,024	8,704,319
Infrastructure	<u>314,860,096</u>	<u>4,433,935</u>	<u>-</u>	<u>319,294,031</u>
Total Depreciable Capital Assets	<u>428,871,219</u>	<u>5,480,651</u>	<u>1,697,159</u>	<u>432,654,711</u>
Less Accumulated Depreciation for:				
Buildings and building improvements	23,599,203	1,199,621	-	24,798,824
Improvements other than buildings	771,341	14,132	-	785,473
Machinery and equipment	17,085,949	581,801	1,467,136	16,200,614
Vehicles	7,190,352	476,950	217,342	7,449,960
Infrastructure	<u>283,244,977</u>	<u>2,569,279</u>	<u>-</u>	<u>285,814,256</u>
Total Accumulated Depreciation	<u>331,891,822</u>	<u>4,841,783</u>	<u>1,684,478</u>	<u>335,049,127</u>
Total Depreciable Capital Assets, Net	<u>96,979,397</u>	<u>638,868</u>	<u>12,681</u>	<u>97,605,584</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 103,212,102</u></u>	<u><u>\$ 7,986,029</u></u>	<u><u>\$ 4,446,616</u></u>	<u><u>\$ 106,751,515</u></u>

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 8 – Capital Assets – Continued**

	<u>Balance at</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>June 30, 2016</u>
Business Type Activities:				
Nondepreciable Capital Assets:				
Land	\$ 2,690,543	\$ 20,000	\$ -	\$ 2,710,543
Construction in progress	<u>1,211,362</u>	<u>3,771,434</u>	<u>-</u>	<u>4,982,796</u>
Total Nondepreciable Capital Assets	<u>3,901,905</u>	<u>3,791,434</u>	<u>-</u>	<u>7,693,339</u>
Depreciable Capital Assets:				
Water and sewer infrastructure	\$ 57,410,646	\$ 271,908	\$ -	\$ 57,682,554
Machinery and equipment	1,965,753	687,412	-	2,653,165
Vehicles	<u>202,057</u>	<u>498,591</u>	<u>-</u>	<u>700,648</u>
Total Depreciable Capital Assets	<u>59,578,456</u>	<u>1,457,911</u>	<u>-</u>	<u>61,036,367</u>
Less Accumulated Depreciation for:				
Water and sewer infrastructure	22,618,839	786,190	-	23,405,029
Machinery and equipment	1,535,169	164,410	-	1,699,579
Vehicles	<u>119,934</u>	<u>39,225</u>	<u>-</u>	<u>159,159</u>
Total Accumulated Depreciation	<u>24,273,942</u>	<u>989,825</u>	<u>-</u>	<u>25,263,767</u>
Total Depreciable Capital Assets, Net	<u>35,304,514</u>	<u>468,086</u>	<u>-</u>	<u>35,772,600</u>
Business Type Activities Capital Assets, Net	<u>\$ 39,206,419</u>	<u>\$ 4,259,520</u>	<u>\$ -</u>	<u>\$ 43,465,939</u>

Depreciation was charged to governmental functions as follows:

Governmental activities:

General Government

Legislative and Executive	\$ 511,581
Judicial	321,825
Public Safety	1,254,626
Public Works	<u>2,753,751</u>

Total Depreciation Expense - Governmental Activities \$ 4,841,783

Business-type activities:

Water and Sewer \$ 989,825

Total Depreciation Expense - Business-type Activities \$ 989,825

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**

	Due From					Total
	SPLOST VII Fund	Nonmajor Governmental Funds	Nonmajor Capital Funds	Street Lighting District Fund		
<b>Due To</b>						
General Fund	\$ -	\$ 248,345	\$ 29,178	\$ 119,161		\$ 396,684
Water and Sewer Fund	3,881	-	-	-		3,881
	<u>\$ 3,881</u>	<u>\$ 248,345</u>	<u>\$ 29,178</u>	<u>\$ 119,161</u>		<u>\$ 400,565</u>

	Transfer From					Total
	General Fund	SPLOST VII Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Landfill Fund	
<b>Transfer To</b>						
General Fund	\$ -	\$ -	\$ 485,000	\$ 450,000	\$ 150,000	\$ 1,085,000
Nonmajor Governmental Fund	897,741	-	116,345	-	89,398	1,103,484
Water and Sewer Fund	-	3,680,223	-	-	-	3,680,223
	<u>\$ 897,741</u>	<u>\$ 3,680,223</u>	<u>\$ 601,345</u>	<u>\$ 450,000</u>	<u>\$ 239,398</u>	<u>\$ 5,868,707</u>

The difference in interfund receivables and payables for government funds is due to amounts due to and from business-type 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 the nonmajor governmental funds and business type funds to the general fund for administrative cost. Transfers to 911 Fund, a nonmajor governmental fund were to cover operational cost of that fund. Transfers to the Hotel Motel Fund, a nonmajor governmental fund, from the Special Services Fund were to cover the appropriation to the Valdosta-Lowndes County Airport Authority. Transfers from the SPLOST VII Fund to the Water & Sewer Fund were to cover capital projects approved in the SPLOST VII referendum.

**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 Health Insurance Fund and a Workers Compensation Fund (internal service funds) to account for and finance its uninsured risks of loss. Under this program, the Workers Compensation 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.

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 10 – Risk Management - Continued**

**A. Property and Liability - Continued**

All funds of the County participate in the Health Insurance and Workers Compensation programs and make payments to the funds based on estimates of the amounts needed to pay prior and current-year claims and to establish a reserve for catastrophe losses. The Health Insurance Fund has a net position of \$808,777 and the Workers Compensation Fund has a net position balance of \$129,391 as of June 30, 2016. At June 30, 2016 the Health Insurance Fund has a claims liability of \$266,185 and the Workers Compensation Fund has a claims liability of \$710,000 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 Health Insurance and Workers Compensation Funds claim liability amounts in fiscal 2015 and 2016 were:

<b>Fiscal Year 2015</b>	Beginning	Claims Estimates	Claims Paid	Ending
	Group Health Fund	\$ 338,072	\$ 4,524,995	3,592,092
Workers' Compensation Fund	510,000	553,050	333,050	730,000
	<u>\$ 848,072</u>	<u>\$ 5,078,045</u>	<u>\$ 3,925,142</u>	<u>\$ 2,000,975</u>

<b>Fiscal Year 2016</b>	Beginning	Claims Estimates	Claims Paid	Ending
	Group Health Fund	\$ 1,270,975	\$ 3,572,465	4,577,255
Workers' Compensation Fund	730,000	489,520	509,520	710,000
	<u>\$ 2,000,975</u>	<u>\$ 4,061,985</u>	<u>\$ 5,086,775</u>	<u>\$ 976,185</u>

**1) Health Care**

The County manages the employee health coverage uninsured except for a stop-loss policy. Included in the accounts payable of the Health Insurance Fund is an estimated liability of \$266,185 which reflects health claims incurred, but not processed prior to yearend. This health claims liability was estimated based on such claims paid subsequent to year end.

**2) 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 Workers Compensation Fund is an estimated liability of \$710,000 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 –Pension Plan**

**Plan Description**

The County contributes to the Association 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 agency for participating counties in Georgia.

The specific benefit provisions of the County’s plan were established by an adoption agreement executed by the County Board of Commissioners. The Plan provides for benefits upon retirement, death, disablement, and termination of employment, if certain eligibility conditions are met.

**Statement of Fiduciary Net Position for the Measurement Period Ended December 31, 2015**

Statement of Net Fiduciary Net Position

Market Value of Assets

Cash and cash equivalents	\$	1,310,102
Bonds		-
Fixed interest insurance account		297,617
Marketable securities		<u>30,819,162</u>
Total	\$	32,426,881

Receivable

Employer contributions	\$	3,186,810
Employee contributions		-
Due from insurance pool		-
Accrued interest income		<u>38,457</u>
	\$	3,225,267

Liabilities

Administrative expenses	\$	73,241
Accrued investment fee		34,285
Accrued auditing fee		1,417
Payable to insurance pool		<u>-</u>
	\$	108,943

Fiduciary net position	\$	<u><u>35,543,205</u></u>
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LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 11 –Pension Plan - Continued**

**Statement of Net Fiduciary Net Position for the Measurement Period Ended December 31, 2015 – Continued**

Statement of Changes in Fiduciary Net Position  
 (for the Year Ended December 31, 2015)

Additions	
Asset transfer	\$ -
Employer contributions	3,186,810
Employee contributions	-
Net investment income	206,663
Employee contribution - buyback	-
Total additions	<u>\$ 3,393,473</u>
Deductions	
Investment expense	\$ 153,461
Administrative expenses	78,020
Benefit payments	2,012,005
Post-retirement death benefit expense	52,699
Pre-retirement death benefit expense	55,157
Transfer to successor plans	-
Refund of employee contributions	-
	<u>\$ 2,351,342</u>
Net increase (decrease) in fiduciary net position	<u><u>\$ 1,042,131</u></u>
Net position held in trust for pension benefits	
Beginning of year	\$ 34,501,074
End of year	\$ 35,543,205
Money weighted rates of return	0.83%
<b>Net Position Restricted for Pension</b>	
Fiduciary net position	\$ 35,543,205
Deferred outflow of resources	4,909,092
Deferred inflow of resources	-
Net position restricted for pensions	<u><u>\$ 30,634,113</u></u>

LOWNDES COUNTY, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**Note 11 –Pension Plan - Continued**

**Notes to the Statement of Fiduciary Net Position For the Year Ended December 31, 2015**

**Summary of Significant 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.

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

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 70% equities and 30% fixed income securities on a cost basis.

**Contributions**

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code set 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 fund requirement.

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.

**Board of Trustees**

The Trustees for the Association County Commissioners of Georgia (ACCG) Pension Plan and Trust oversees the administration, investment and funding of the Association County Commissioners of Georgia Retirement Program for member employers.

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

**Benefits**

The specific benefit provisions of the County’s plan were established by an adoption agreement executed by the County Board of Commissioners. The Plan provides for benefits upon retirement, death, disablement, and termination of employment, if certain eligibility conditions are met.

Participant counts of those eligible for benefits as of January 1, 2015, (the most recent actuarial valuation date) and covered compensation (based on coverage earnings for the preceding year) are shown below:

Retirees, beneficiaries and disables receiving benefits	180
Terminated plan members entitled to but not yet receiving benefits	273
Active plan members	471
Total number of plan participants	<u>924</u>
Covered compensation for active participants	\$ 16,354,640

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 11 –Pension Plan - Continued**

**Contributions**

The annual County contribution to the Plan is determined using the actuarial basis described in the annual valuation report. The annual County contribution meets or exceeds the minimum funding requirements of Georgia Statute 47-20. The County contributions for the calendar year ending December 31, 2015 were \$3,186,810.

**Net Pension Liability**

The County’s net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. The amount recognized as by the County as the net pension liability was as follows:

Net Pension Liability      \$19,581,715

*Actuarial assumptions.* The actuarial assumptions used for the January 1, 2016 valuation was applied to all periods included in the measurement were as follows:

Investment return	7.50%
Future salary increases	4.50% per year with an age based scale as follows:
<u>Age</u>	<u>Salary Increase</u>
Under 30	4.5% rate plus 1.5%
30-39	4.5% rate plus 1.0%
40-49	4.5% rate less 0.5%
50+	4.5% rate less 10%
Future Payroll Growth	
(For level percentage compensation amortization):	5.5% per year
Mortality	RP-2000, Combined

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	30%	25%-35%
Equities:	70%	65%-75%
Large Cap	30%	25%-35%
Mid Cap	5%	2.5%-10%
Small Cap	5%	2.5%-10%
REIT	5%	2.5%-10%
International	15%	10%-20%
Multi Cap	5%	2.5%-10%
Global Allocation	5%	2.5%-10%

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 11 –Pension Plan - Continued**

*Discount rate.* The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that employee contribution will be made at the current contribution rate and that Country contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Liability**

	Total Pension Liability (a)	Fiduciary Net Pension (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2014	\$ 49,164,883	\$ 34,501,074	\$ 14,663,809
Changes for the year:			
Service cost	1,056,993	-	1,056,993
Interest	3,611,916	-	3,611,916
Liability experience (gain)/loss	1,354,033	-	1,354,033
Assumption Change	1,949,100	-	1,949,100
Employer contributions	-	3,186,810	(3,186,810)
Employee contributions	-	-	-
Net investment income	-	206,663	(206,663)
Benefit payment	(2,012,005)	(2,012,005)	-
Administrative expense	-	(78,020)	78,020
Other changes	-	(261,317)	261,317
Net Changes	<u>5,960,037</u>	<u>1,042,131</u>	<u>4,917,906</u>
Balance at December 31, 2015	<u>\$ 55,124,920</u>	<u>\$ 35,543,205</u>	<u>\$ 19,581,715</u>

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the County, calculated using the discount rate of 7.5%, as well as what the County’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	6.50%	7.50%	8.50%
Total Pension Liability	\$ 62,543,021	\$ 55,124,920	\$ 48,861,450
Fiduciary Net Position	<u>35,543,205</u>	<u>35,543,205</u>	<u>35,543,205</u>
Net Pension Liability	<u>\$ 26,999,816</u>	<u>\$ 19,581,715</u>	<u>\$ 13,318,245</u>

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 11 – Pension Plan - Continued**

**Pension Expense and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions**

For the year ended December 31, 2015, the County recognized pension expense of \$3,457,572. At June 30, 2016, the County reported deferred outflows of resources and deferred inflow of resources related to pensions from the following sources:

	<u>Net Deferred Outflows</u>	<u>Net Deferred Inflows</u>
Asset (Gain) / Loss	\$ 2,253,632	\$ -
Liability (Gain) / Loss	1,088,536	-
(Gain)/Loss due to Assumption Change	<u>1,566,924</u>	<u>-</u>
Total	<u>\$ 4,909,092</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2017	\$ 65,487
2018	65,487
2019	65,487
2020	65,487

**Payable to the Pension Plan**

At June 30, 2016 the County reported a payable of \$1,593,405 for the outstanding amount of contribution to the pension plan required for the year ended December 31, 2016. For the current year and all prior years all governmental, enterprise and internal service funds that compensate employees provide retirement contributions that are paid in toward the net pension obligation.

A copy of additional financial information from the Plan financial reports can be obtained from GEBCorp, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

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) Judges of the Probate Courts Retirement Fund of Georgia
- 2) Clerk of Superior Court Retirement Fund
- 3) Sheriffs’ Retirement Fund of Georgia
- 4) Peace Officers’ Annuity and Benefit Fund of Georgia
- 5) Georgia Firefighters’ Pension 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. GASB Statement #68 valuation reports and schedules can be found on their respective web sites.

**Note 11 – Pension Plan - Continued**

**Lowndes County Board of Health Pension Plan**

**General Information about the Employees Retirement System (ERS)**

**Plan description:** ERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at [www.ers.ga.gov/formspubs/formspubs](http://www.ers.ga.gov/formspubs/formspubs).

**Benefits provided:** The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the old plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the old plan, the new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

**Contributions:** Member contributions under the old plan are 4% of annual contribution, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the state pays member contribution in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes are used in the computation of the members' earnable compensation for the purposes of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The Board of Health's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2016 was 24.72% of annual covered payroll for the old and new plan members and 21.69% for GSEPS members. The Board of Health contributions to ERS totaled \$1,200,073 for the year ended June 30, 2016. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 11 – Pension Plan - Continued**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2016, the Board of Health reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2014. An expected total pension liability as of June 30, 2015 was determined using standard roll-forward techniques. The Board of Health’s proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2015. At June 30, 2015 the Employer’s proportion was 0.180801%, which was a decrease of .013745% from its portions measured as of June 30, 2014.

For the year ended June 30, 2016, the Board of Health recognized pension expense of \$1,200,073. At June 30, 2016 the Board of Health reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 58,525
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	528,508
Changes in proportion and differences between Employer contributions and proportion share of contributions	-	403,621
Employer contributions subsequent to the measurement date	<u>1,332,513</u>	<u>-</u>
Total	<u>\$ 1,332,513</u>	<u>\$ 990,654</u>

Board of Health contributions subsequent to the measurement date of \$1,332,513 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended <u>June 30</u>	
2017	\$ (549,938)
2018	(383,347)
2019	(235,567)
2020	178,198
2021	-
Thereafter	-

**Note 11 – Pension Plan - Continued**

**Lowndes County Board of Health Pension Plan**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued**

**Actuarial assumptions:** The total pension liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2014 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	5.45% - 9.25%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for the periods after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	3.00%
Domestic large equities	39.70%	6.50%
Domestic mid equities	3.70%	10.00%
Domestic small equities	1.60%	13.00%
International developed market equities	18.90%	6.50%
International emerging market equities	6.10%	11.00%
Total	100.00%	

\* Rates shown are net of the 3.00% assumed rate of inflation

**Discount rate:** The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Note 11 – Pension Plan - Continued**

**Lowndes County Board of Health Pension Plan**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued**

**Sensitivity of the Board of Health’s proportionate share of the net pension liability to changes in the discount rate:** The following presents the Board of Health’s proportionate share of the net pension liability calculated using the discount rate of 7.50% as well as the Board of Health’s proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.5%)	Current discount rate (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net pension liability	10,383,405	7,324,968	4,717,532

**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.

The assets of the plan are held in trust, (custodial account or annuity contract) as described in IRC Section 457(g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The Administrators are agents of the employer for the purposes of providing direction to the custodian of the custodial account from time to time for the investment of funds held in the account, transfer of assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in Lowndes County, Georgia’s financial statements.

**Note 13– Other Post-Employment Benefits**

**Plan Description**

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. Retirees who meet one of the following requirements are eligible to continue coverage through the County’s self-insured health insurance program:

- Age 65
- Must have 10 or more years of service with Lowndes County, and be at least 55 years of age or
- Must have a combination of years of service and attained age equal to 75, with a minimum age of 55.
- Must have 10 or more years of services with Lowndes County and be deemed to be totally disabled by the Federal Social Security Administration.

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 13– Other Post-Employment Benefits - Continued**

Retirees may stay on the plan for their lifetime by making the required contribution. Dependents may participate for the lifetime of the retiree as long as the retiree pays the required contribution for dependent coverage.

The monthly retiree contributions are as follows:

Medical Tier	Non-Medicare Eligible Retiree	Medicare Eligible Retiree
Retiree Only	\$ 205.00	\$ 115.00
Family	\$ 315.00	\$ 175.00

Once the covered member becomes eligible for Medicare, the County’s plan pays claim secondary to Medicare.

The plan is governed by the County Board of Commissioners. The County has made no commitments to maintain this program. The benefits of the plan are not vested and may be modified or eliminated at anytime. A separate financial statement is not issued for the plan.

**Funding Policy**

The contribution requirements of plan members and the County are established and may be amended by the Board of Commissioners. The required contribution is based on a projected pay-as-you-go financing requirement as determined by the Board of Commissioners.

**Annual OPEB Cost and Net OPEB Obligation**

The County’s annual Other Postemployment Benefit (OPEB) cost is calculated based on the Annual Required Contribution of the Employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or unfunded excess) over a period not to exceed 30 years.

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 13– Other Post -Employment Benefits - Continued**

**Funded Status and Funding Progress**

Current year and all prior year funding is provided through all the governmental, enterprise and internal service funds that provide compensation to employees to the self- insurance fund to cover the net other postemployment benefit obligation.

FY2016 premiums paid by retired employees were \$142,329 and the County’s funding was \$579,498.

The annual required contribution amount was determined using actuarial methods.

Employer Annual Required Contribution	\$ 3,444,698
Interest on net OPEB Obligation	475,295
Adjustment to annual required contribution	<u>(454,054)</u>
Annual OPEB cost	3,465,939
Employer contributions for period ending June 30, 2016	<u>1,738,223</u>
Increase in net OPEB Obligation	1,727,716
Net OPEB obligation beginning of year	<u>11,882,356</u>
Net OPEB obligation end of year	<u><u>\$ 13,610,072</u></u>

The annual required contribution was determined as part of the January 1, 2015 actuarial valuation. The chart below shows the annual OPEB cost for the current fiscal year, along with the percentage actually contributed by the County.

Fiscal Year	Annual OPEB	Percentage of	Net OPEB
<u>Ending</u>	<u>Cost (AOC)</u>	<u>AOC Contributed</u>	<u>Obligation</u>
6/30/2013	\$ 3,019,622	20.96%	\$ 8,150,697
6/30/2014	\$ 3,280,806	19.29%	\$ 10,798,505
6/30/2015	\$ 3,285,539	67.01%	\$ 11,882,356
6/30/2016	\$ 3,465,939	50.15%	\$ 13,610,072

As of the most recent valuation date, January 1, 2015, the funded status of the OPEB Plan is as follows:

Actuarial	Actuarial	Actuarial	Unfunded	Funded	Covered	UAAL as a
Valuation	Value	Accrued	AAL	Ratio	Payroll	Percentage
<u>Date</u>	<u>of Assets</u>	<u>Liability</u>	<u>UAAL</u>			<u>Covered</u>
						<u>Payroll</u>
1/1/2011	\$ -	\$ 26,402,926	\$ 26,402,926	0.0%	\$ 20,165,927	130.93%
1/1/2013	\$ -	\$ 28,918,129	\$ 28,918,129	0.0%	\$ 20,085,501	143.98%
1/1/2015	\$ -	\$ 31,998,903	\$ 31,998,903	0.0%	\$ 20,013,690	159.89%

**Actuarial Methods and Assumptions**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continued revision as a result are compared to past expectations and new estimates are made about the future Actuarial calculations reflect a long-term perspective.

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 13– Other Post-Employment Benefits - Continued**

**Actuarial Methods and Assumptions - Continued**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

Calculations are based on the plan in effect at January 1, 2015. The assumptions used in the January 1, 2015 actuarial valuation are as follows:

Valuation date	January 1, 2015
Actuarial cost method	Projected unit credit
Amortization method	Level Percentage of Pay, open
Amortization period	30 Years
Asset valuation method	Market Value of Assets
Actuarial assumptions:	
Investment rate of return*	4.00%
Pre-Medicare trend rate	7.50%-5.00%
Medicare trend rate	5.50%-5.00%
Year of Ultimate trend rate	2020
*Includes inflation at	3.00%

**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, Commissary, Jail Operations, Drug Abuse Treatment, 911 Emergency Telephone, Victim Witness and Special Services funds all contribute to compensated absences for employees paid through those funds.

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 14 – Compensated Absences – Continued**

	<u>Balance at</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>June 30, 2016</u>	<u>Amount Due</u> <u>In One Year</u>
Primary Government:					
Governmental Activities:					
Compensated absences	\$ 1,261,927	\$ 698,133	\$ 706,679	\$ 1,253,381	\$ 701,893
Business Type Activities:					
Compensated absences	<u>34,681</u>	<u>27,885</u>	<u>19,421</u>	<u>43,145</u>	<u>24,161</u>
Total Primary Government	<u>\$ 1,296,608</u>	<u>\$ 726,018</u>	<u>\$ 726,100</u>	<u>\$ 1,296,526</u>	<u>\$ 726,055</u>
Component Units:					
Board of Health:					
Compensated absences	\$ 624,794	\$ 327,220	\$ 356,133	\$ 595,881	\$ 339,652
Parks & Recreation Authority:					
Compensated absences	<u>82,254</u>	<u>50,031</u>	<u>41,548</u>	<u>90,737</u>	<u>37,423</u>
Total Component Units	<u>\$ 707,048</u>	<u>\$ 377,251</u>	<u>\$ 397,681</u>	<u>\$ 686,618</u>	<u>\$ 377,075</u>

**Note 15 - Capital Leases**

As of December 1, 2003, the County issued bonds through the Central Valdosta Development Authority for the purchase of the Judicial Complex. During FY13 the bonds held by the Central Valdosta Development Authority were refunded and new bonds were issued through the Lowndes County Public Facility Authority. The county entered into an agreement with the Lowndes County Public Facility for the purchase of the Judicial Complex and payment of the bonds.

The County entered into a capital lease with De Lage Landen Public Finance LLC to acquire equipment for the Water and Sewer Fund. The lease is for \$650,000 with an interest rate of 3.19% and will be paid in monthly installment from the Water and Sewer Fund in amounts of \$18,957 for 3 years and matures in June 2018.

Various capital leases have been entered into for the acquisition of equipment. The assets acquired through capital leases for governmental and business-type activities are as follows:

	<u>Governmental</u>	<u>Business-Type</u>
Equipment	\$ 5,429,323	\$ 650,000
Less: Accumulated Depreciation	<u>(5,129,711)</u>	<u>(65,000)</u>
Total	<u>\$ 299,612</u>	<u>\$ 585,000</u>

The FY16 amortization expense of \$106,660 for governmental funds and \$65,000 for business-type funds was included in the depreciation expense.

**Intergovernmental Agreement**

As of August 1996, the County entered into an intergovernmental funding agreement with the Valdosta-Lowndes Development 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, 2016 is \$ 450,000.

As of December 2008, the County entered into an intergovernmental funding agreement with the Valdosta-Lowndes Development Authority to secure bonds issued by the Authority for \$ 15,000,000 to finance acquisition and development of industrial sites. The bonds have a variable fixed interest rate. The bonds mature February 1, 2024. The balance as of June 30, 2016 is \$ 9,865,000.

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 16 – Long-Term Debt**

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2016:

	Balance at July 1, 2015	Additions	Reductions	Balance at June 30, 2016	Amount Due In One Year
<b>Governmental Activities</b>					
Capital lease - Equipment Fund	36,900	-	16,400	20,500	16,400
Total capital leases	36,900	-	16,400	20,500	16,400
Bonds - Public Facility Authority	8,345,000	-	850,000	7,495,000	870,000
Unamortized Bond Premium	371,852	-	58,323	313,529	54,420
Total bonds payable	8,716,852	-	908,323	7,808,529	924,420
Total Governmental Activities	<u>\$ 8,753,752</u>	<u>\$ -</u>	<u>\$ 924,723</u>	<u>\$ 7,829,029</u>	<u>\$ 940,820</u>
<b>Business - Type Activities</b>					
Revenue bonds (2005)	\$ 615,000	\$ -	\$ 615,000	\$ -	\$ -
Revenue bonds (2015)	7,320,000	-	100,000	7,220,000	735,000
Capital lease	-	650,000	209,802	440,198	216,593
GEFA note payable	1,144,071	141,148	-	1,285,219	-
Unamortized Bond Premium	224,655	-	32,786	191,869	32,636
Total Business-Type Activities	<u>\$ 9,303,726</u>	<u>\$ 791,148</u>	<u>\$ 957,588</u>	<u>\$ 9,137,286</u>	<u>\$ 984,229</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 position 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 Lowndes County Public Facility Authority lease in the general fund and by allocation of rental payments for capital assets from applicable general fund departments.

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

Purpose	Issue Date	Interest Rate	Issue Amount	Maturity Date	Annual Installments
<b>Governmental Activities</b>					
Capital Lease Equipment	2007	3.95%	\$ 2,048,000	2017	Variable
Bonds Judicial/Admin Complex Building	2012	Fixed	\$ 9,265,000	2024	Variable
<b>Business Activities</b>					
Revenue Bonds Water & Sewer Capital Improvements	2006	Fixed	\$ 12,500,000	2016	Variable
Revenue Bonds Water & Sewer Capital Improvements	2013	Fixed	\$ 7,545,000	2025	Variable
GEFA Note Payable Water & Sewer Capital Improvements	2014	0.82%	\$ 1,710,000	2022	Variable
Capital Lease Water & Sewer Capital Improvements	2016	3.19%	\$ 650,000	2018	Fixed

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 16 – Long-Term Debt – Continued**

Fixed interest rates on the Judicial Complex Building bonds range from 2.00% in 2016 to 3.00% in 2024. Annual principal installments range from \$850,000 in 2016 to \$1,020,000 in 2024.

Fixed interest rates on the Water & Sewer revenue bonds range from 2.00% in 2016 to 3.00% in 2022. Annual principal installments range from \$715,000 in 2016 to \$880,000 in 2025.

On November 17, 2014, the County obtained loan number 2014L12WQ from the Georgia Environmental Finance Authority (GEFA) in the amount of \$1,710,000 for upgrades to the Alapaha Wastewater Treatment Plant. The loan bears an interest rate of .82% and will be amortized upon completion of the project or as of April 1, 2017, whichever is sooner, over a five year period. The balance of the drawdowns on the loan were \$1,285,219 as of June 30, 2016.

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

Governmental Activities

Year Ending June 30,	<u>Bonds</u>		<u>Capital Lease</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 924,420	\$ 180,175	\$ 16,400	\$ 575
2018	935,479	162,241	4,100	41
2019	951,628	144,500	-	-
2020	967,385	126,400	-	-
2021	978,365	107,900	-	-
2022-2024	3,051,252	180,000	-	-
<b>Total</b>	<b>\$ 7,808,529</b>	<b>\$ 901,216</b>	<b>\$ 20,500</b>	<b>\$ 616</b>

Business Activities

Year Ending June 30,	<u>Revenue Bonds</u>		<u>Capital Lease</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 767,636	\$ 160,900	\$ 216,593	\$ 10,894
2018	780,091	146,200	223,605	3,882
2019	792,549	131,200	-	-
2020	804,958	115,900	-	-
2021	817,371	100,300	-	-
2022-2025	3,449,264	196,850	-	-
<b>Total</b>	<b>\$ 7,411,869</b>	<b>\$ 851,350</b>	<b>\$ 440,198</b>	<b>\$ 14,776</b>

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**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, 2016 was \$299,516,100, based on a total assessed values of \$2,995,161,000 and with general obligation debt of \$7,809,000 outstanding.

**Note 18 – Landfill Postclosure Cost**

	Balance at <u>July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	Balance at <u>June 30, 2016</u>	Amount Due <u>In One Year</u>
Business Type Activities:					
Postclosure care cost	\$ 814,554	\$ -	\$ 66,645	\$ 747,909	\$ 75,539

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 \$747,909 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.

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”.

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 19 – Component Units - Continued**

**A. Lowndes County Board of Health -Continued**

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, 2016, was as follows:

Equipment	\$ 1,487,790
Vehicles	223,560
Less: Accumulated Depreciation	<u>(1,302,530)</u>
Net Property and Equipment	<u>\$ 408,820</u>

**B. Valdosta-Lowndes Development Authority**

Basis of Accounting. The financial statements of Valdosta-Lowndes Development 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, 2016, was as follows:

Land	\$ 16,980,502
Land improvements	9,207,844
Equipment	312,112
Less: Accumulated Depreciation	<u>(5,571,775)</u>
Net Property and Equipment	<u>\$ 20,928,683</u>

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 19 – Component Units - Continued**

**B. Valdosta-Lowndes Development Authority - Continued**

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 “intergovernmental” 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,	Bonds	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 450,000	\$ 5,288
Total	<u>\$ 450,000</u>	<u>\$ 5,288</u>

Bonds Payable In December 2008, the Authority issued bonds in the amount of \$15,000,000 to finance acquisition and development of industrial sites in Lowndes County, Georgia. The revenue bonds have a maturity date of February 1, 2024. The bonds have a variable fixed interest rate. The bonds are secured by an “intergovernmental” 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,	Bonds	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 955,000	\$ 722,963
2018	1,025,000	656,590
2019	1,095,000	585,353
2020	1,170,000	509,250
2021	1,255,000	421,500
2022-2024	<u>4,365,000</u>	<u>670,500</u>
Total	<u>\$ 9,865,000</u>	<u>\$ 3,566,156</u>

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 19 – Component Units - Continued**

**B. Valdosta-Lowndes Development Authority - Continued**

During the year ended June 30, 2016 interest paid on the 1996 and 2008 Series Bonds was in the amount of \$766,953.

**C. Valdosta-Lowndes County Parks and Recreation Authority**

Basis of Accounting. The financial statements of Valdosta Lowndes County Parks and Recreation 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, 2016, was as follows:

Land	\$ 3,551,052
Construction in progress	10,500
Land improvements	5,788,138
Equipment	825,630
Vehicles	295,606
Less: Accumulated Depreciation	<u>(2,770,849)</u>
Net Property and Equipment	<u>\$ 7,700,077</u>

**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.

LOWNDES COUNTY, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**Note 20 – Insurance Pools - Continued**

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the 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 Southern Georgia Regional Commission. Membership in a Regional Commission 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 Regional Commission’s. Each county and municipality in the state is required by law to pay minimum annual dues to the Regional Commission. The County paid annual dues in the amount of \$68,606 to the Regional Commission for the year ended June 30, 2016. The Regional Commission 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 Regional Commissions 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 a Regional Commission beyond its resources. (O.C.G.A. 50-8-39.1)

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

Southern Georgia Regional Commission  
3395 Harris Road  
Waycross, Georgia 31503

**Note 22 – Related Party Transactions**

The County appropriated \$365,510 to the Valdosta - Lowndes County Airport Authority and \$128,952 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

LOWNDES COUNTY, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**Note 23 – Contingent Liabilities - Continued**

Environmental Protection Agency and will receive some funding from them for the cleanup cost. There will be continued monitoring of the site and the County will incur the 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.

*Commitments.* The County is contingently liable for the obligations of two authorities through funding agreements. The first is with the Valdosta-Lowndes Development Authority guaranteeing the funding necessary for the repayment of Valdosta-Lowndes Development Authority Industrial Development Revenue Bonds, Series 1997, in the aggregate principal amount of \$5,000,000 and Valdosta-Lowndes Development Authority Industrial Development Revenue Bonds, Series 2014, in the aggregate principal amount of \$15,000,000.

*Commitments.* The second funding agreement is with the Hospital Authority of Valdosta and Lowndes County, Georgia guaranteeing the funding necessary for the repayment of Hospital Authority of Valdosta and Lowndes County, Georgia Revenue Certificates, Series 2014B, in the aggregate principal amount of \$148,280,000. The certificates are to be retired from revenues generated from the operations of South Georgia Medical Center.

*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 – Accountability**

*Deficit Net Positions and Fund Balances*

The following fund had a deficit at June 30, 2016:

Enterprise Fund:

Special Tax Lighting District Fund – The net position deficit of \$140,305 is due to rising utility cost. The Board of Commissioners is reviewing different fee structures to fund the deficit.

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 25 – Assignment**

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 assignment 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 26 – Restatement**

The following restatement was performed to fund balance and net position at the beginning of the year due to the write off receivables that should have been accounted for in prior years.

	General Fund
Fund Balance, Beginning of Year	\$ 15,337,795
Write off of prior year receivables	<u>(317,497)</u>
Fund Balance, Restated	<u>\$ 15,020,298</u>
	Governmental Funds
Fund Balance, Beginning of Year	\$ 99,732,687
Write off of prior year receivables	<u>(317,497)</u>
Fund Balance, Restated	<u>\$ 99,415,190</u>

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**REQUIRED SUPPLEMENTAL INFORMATION**

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LOWNDES COUNTY, GEORGIA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For The Year Ended June 30, 2016

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
<b>REVENUES:</b>				
Taxes	\$ 44,870,500	\$ 44,870,500	\$ 43,894,232	\$ (976,268)
Licenses and permits	5,000	5,000	6,223	1,223
Intergovernmental revenues	277,038	277,038	258,784	(18,254)
Charges for services	3,706,000	3,706,000	3,757,376	51,376
Fines and forfeitures	1,485,000	1,485,000	1,976,064	491,064
Investment income	20,000	20,000	9,397	(10,603)
Miscellaneous	10,000	10,000	237,957	227,957
<b>TOTAL REVENUES</b>	<b>50,373,538</b>	<b>50,373,538</b>	<b>50,140,033</b>	<b>(233,505)</b>
<b>EXPENDITURES:</b>				
<b>LEGISLATIVE AND EXECUTIVE</b>				
Board of Commissioners				
Personal services	143,520	143,520	144,784	1,264
Supplies	1,458	1,458	1,481	23
Other services and charges	45,202	45,202	42,581	(2,621)
	<u>190,180</u>	<u>190,180</u>	<u>188,846</u>	<u>(1,334)</u>
County Manager				
Personal services	316,278	323,778	324,860	1,082
Supplies	350	350	171	(179)
Other services and charges	13,106	13,106	11,926	(1,180)
	<u>329,734</u>	<u>337,234</u>	<u>336,957</u>	<u>(277)</u>
County Clerk				
Personal services	203,690	240,190	232,214	(7,976)
Supplies	29,114	29,114	30,258	1,144
Other services and charges	5,369	5,369	12,069	6,700
	<u>238,173</u>	<u>274,673</u>	<u>274,541</u>	<u>(132)</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, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Board of Elections				
Personal services	361,268	407,768	408,623	855
Supplies	14,900	14,900	13,627	(1,273)
Other services and charges	68,421	121,421	121,508	87
	<u>444,589</u>	<u>544,089</u>	<u>543,758</u>	<u>(331)</u>
County Attorney				
Other services and charges	400,000	480,500	480,161	(339)
	<u>400,000</u>	<u>480,500</u>	<u>480,161</u>	<u>(339)</u>
Finance				
Personal services	480,710	414,710	414,224	(486)
Supplies	5,400	5,400	6,315	915
Other services and charges	139,241	139,241	116,674	(22,567)
	<u>625,351</u>	<u>559,351</u>	<u>537,213</u>	<u>(22,138)</u>
Human Resources				
Personal services	266,089	266,089	267,068	979
Supplies	3,150	3,150	2,407	(743)
Other services and charges	704,926	683,426	682,633	(793)
	<u>974,165</u>	<u>952,665</u>	<u>952,108</u>	<u>(557)</u>
Information Technology Services				
Personal services	546,044	546,044	542,831	(3,213)
Supplies	21,200	21,200	37,079	15,879
Other services and charges	181,532	181,532	181,270	(262)
Capital outlay	200,000	161,000	148,251	(12,749)
	<u>948,776</u>	<u>909,776</u>	<u>909,431</u>	<u>(345)</u>
General Facilities				
Supplies	1,500	1,500	1,525	25
Other services and charges	497,350	549,850	549,597	(253)
	<u>498,850</u>	<u>551,350</u>	<u>551,122</u>	<u>(228)</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, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Tax Commissioner				
Personal services	1,110,765	1,033,765	1,016,967	(16,798)
Supplies	18,000	18,000	29,569	11,569
Other services and charges	142,653	142,653	147,003	4,350
	<u>1,271,418</u>	<u>1,194,418</u>	<u>1,193,539</u>	<u>(879)</u>
Board of Assessors				
Personal services	1,249,683	1,249,683	1,179,064	(70,619)
Supplies	18,000	18,000	26,175	8,175
Other services and charges	225,807	265,807	328,168	62,361
	<u>1,493,490</u>	<u>1,533,490</u>	<u>1,533,407</u>	<u>(83)</u>
Facilities Maintenance				
Personal services	1,063,666	1,063,666	986,811	(76,855)
Supplies	46,730	46,730	44,762	(1,968)
Other services and charges	2,260,532	2,278,032	2,345,451	67,419
Capital outlay	-	-	11,147	11,147
	<u>3,370,928</u>	<u>3,388,428</u>	<u>3,388,171</u>	<u>(257)</u>
Engineering				
Personal services	531,541	531,541	531,559	18
Supplies	4,500	4,500	3,269	(1,231)
Other services and charges	75,996	75,996	73,756	(2,240)
	<u>612,037</u>	<u>612,037</u>	<u>608,584</u>	<u>(3,453)</u>
Contingency				
Other services and charges	888,087	291,887	213,421	(78,466)
	<u>888,087</u>	<u>291,887</u>	<u>213,421</u>	<u>(78,466)</u>
<b>Total - Legislative and Executive</b>	<b><u>12,285,778</u></b>	<b><u>11,820,078</u></b>	<b><u>11,711,259</u></b>	<b><u>(108,819)</u></b>

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, 2016

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
<b>JUDICIAL</b>				
Superior Court				
Personal services	389,482	389,482	313,192	(76,290)
Supplies	4,500	4,500	4,915	415
Other services and charges	66,104	66,104	75,808	9,704
	<u>460,086</u>	<u>460,086</u>	<u>393,915</u>	<u>(66,171)</u>
Clerk of Court				
Personal services	1,049,751	1,049,751	1,037,926	(11,825)
Supplies	15,000	15,000	16,004	1,004
Other services and charges	247,875	247,875	252,186	4,311
	<u>1,312,626</u>	<u>1,312,626</u>	<u>1,306,116</u>	<u>(6,510)</u>
District Attorney				
Other services and charges	813,240	814,840	814,815	(25)
	<u>813,240</u>	<u>814,840</u>	<u>814,815</u>	<u>(25)</u>
District Court Administrator				
Other services and charges	4,800	4,800	4,800	-
	<u>4,800</u>	<u>4,800</u>	<u>4,800</u>	<u>-</u>
State Court				
Personal services	864,624	865,624	866,903	1,279
Supplies	9,800	9,800	16,781	6,981
Other services and charges	90,755	90,755	82,292	(8,463)
	<u>965,179</u>	<u>966,179</u>	<u>965,976</u>	<u>(203)</u>
Magistrate Court				
Personal services	674,603	674,603	650,984	(23,619)
Supplies	14,900	14,900	13,915	(985)
Other services and charges	56,802	56,802	60,350	3,548
	<u>746,305</u>	<u>746,305</u>	<u>725,249</u>	<u>(21,056)</u>
Probate Court				
Personal services	352,309	375,809	373,057	(2,752)
Supplies	3,500	3,500	4,384	884
Other services and charges	16,470	16,470	17,864	1,394
	<u>372,279</u>	<u>395,779</u>	<u>395,305</u>	<u>(474)</u>
Ankle Monitor				
Personal services	65,674	65,674	65,252	(422)
Supplies	525	525	1,572	1,047
Other services and charges	61,860	61,860	48,463	(13,397)
	<u>128,059</u>	<u>128,059</u>	<u>115,287</u>	<u>(12,772)</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, 2016

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
Juvenile Court				
Personal services	91,857	91,857	89,671	(2,186)
Other services and charges	21,400	73,400	75,371	1,971
	<u>113,257</u>	<u>165,257</u>	<u>165,042</u>	<u>(215)</u>
Probation				
Other services and charges	9,137	9,137	4,028	(5,109)
	<u>9,137</u>	<u>9,137</u>	<u>4,028</u>	<u>(5,109)</u>
Circuit Public Defender				
Other services and charges	877,500	882,600	882,570	(30)
	<u>877,500</u>	<u>882,600</u>	<u>882,570</u>	<u>(30)</u>
<b>Total - Judicial</b>	<b><u>5,802,468</u></b>	<b><u>5,885,668</u></b>	<b><u>5,773,103</u></b>	<b><u>(112,565)</u></b>
<b>PUBLIC SAFETY</b>				
Sheriff				
Personal services	13,136,616	13,336,616	13,327,858	(8,758)
Supplies	101,100	116,100	115,054	(1,046)
Other services and charges	4,225,534	4,255,534	4,250,478	(5,056)
Capital outlay	-	-	14,271	14,271
	<u>17,463,250</u>	<u>17,708,250</u>	<u>17,707,661</u>	<u>(589)</u>
Animal Control				
Personal services	550,508	550,508	556,907	6,399
Supplies	35,287	35,287	29,579	(5,708)
Other services and charges	184,905	184,905	150,393	(34,512)
Capital outlay	-	-	-	-
	<u>770,700</u>	<u>770,700</u>	<u>736,879</u>	<u>(33,821)</u>
Emergency Medical Services				
Other services and charges	599,901	599,901	599,901	-
Capital outlay	150,000	150,000	150,000	-
	<u>749,901</u>	<u>749,901</u>	<u>749,901</u>	<u>-</u>
Coroner				
Personal services	83,615	83,615	74,141	(9,474)
Supplies	1,400	1,400	1,132	(268)
Other services and charges	32,855	32,855	31,837	(1,018)
	<u>117,870</u>	<u>117,870</u>	<u>107,110</u>	<u>(10,760)</u>
Emergency Management Agency				
Personal services	86,612	86,612	87,367	755
Supplies	3,400	3,400	4,590	1,190
Other services and charges	54,930	54,930	54,103	(827)
Capital outlay	28,750	28,750	27,379	(1,371)
	<u>173,692</u>	<u>173,692</u>	<u>173,439</u>	<u>(253)</u>
<b>Total - Public Safety</b>	<b><u>19,275,413</u></b>	<b><u>19,520,413</u></b>	<b><u>19,474,990</u></b>	<b><u>(45,423)</u></b>

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, 2016

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
<b>PUBLIC WORKS</b>				
Administration				
Personal services	370,096	370,096	371,460	1,364
Supplies	6,000	6,000	3,742	(2,258)
Other services and charges	57,316	57,316	47,615	(9,701)
Capital outlay	-	15,500	25,988	10,488
	<u>433,412</u>	<u>448,912</u>	<u>448,805</u>	<u>(107)</u>
Road Maintenance				
Personal services	2,005,876	2,005,876	1,886,923	(118,953)
Supplies	31,368	31,368	47,519	16,151
Other services and charges	1,354,862	1,372,862	1,475,731	102,869
Capital outlay	-	12,000	11,810	(190)
	<u>3,392,106</u>	<u>3,422,106</u>	<u>3,421,983</u>	<u>(123)</u>
Road Construction				
Personal services	449,270	456,270	454,463	(1,807)
Supplies	600	600	2,433	1,833
Other services and charges	346,125	346,125	345,698	(427)
	<u>795,995</u>	<u>802,995</u>	<u>802,594</u>	<u>(401)</u>
Traffic Signals				
Other services and charges	154,685	160,685	160,584	(101)
	<u>154,685</u>	<u>160,685</u>	<u>160,584</u>	<u>(101)</u>
<b>Total - Public Works</b>	<b><u>4,776,198</u></b>	<b><u>4,834,698</u></b>	<b><u>4,833,966</u></b>	<b><u>(732)</u></b>

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, 2016

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
<b>HEALTH AND WELFARE</b>				
Mental Health Department				
Other services and charges	87,500	87,500	87,500	-
	<u>87,500</u>	<u>87,500</u>	<u>87,500</u>	<u>-</u>
Public Health Department				
Other services and charges	365,000	366,500	366,218	(282)
	<u>365,000</u>	<u>366,500</u>	<u>366,218</u>	<u>(282)</u>
Extension Services				
Supplies	2,400	2,400	2,927	527
Other services and charges	138,740	150,740	149,746	(994)
	<u>141,140</u>	<u>153,140</u>	<u>152,673</u>	<u>(467)</u>
Family Services				
Other services and charges	114,500	114,500	114,500	-
	<u>114,500</u>	<u>114,500</u>	<u>114,500</u>	<u>-</u>
<b>Total - Health and Welfare</b>	<b><u>708,140</u></b>	<b><u>721,640</u></b>	<b><u>720,891</u></b>	<b><u>(749)</u></b>

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, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>CULTURE AND RECREATION</b>				
Libraries				
Other services and charges	1,102,500	1,157,500	1,156,616	(884)
	<u>1,102,500</u>	<u>1,157,500</u>	<u>1,156,616</u>	<u>(884)</u>
Parks and Recreation Authority				
Other services and charges	3,600,000	3,600,000	3,519,299	(80,701)
	<u>3,600,000</u>	<u>3,600,000</u>	<u>3,519,299</u>	<u>(80,701)</u>
<b>Total - Culture &amp; Recreation</b>	<b><u>4,702,500</u></b>	<b><u>4,757,500</u></b>	<b><u>4,675,915</u></b>	<b><u>(81,585)</u></b>
<b>HOUSING AND DEVELOPMENT</b>				
Equalization Board				
Other services and charges	18,000	28,500	28,102	(398)
	<u>18,000</u>	<u>28,500</u>	<u>28,102</u>	<u>(398)</u>
Moody Support Group				
Other services and charges	84,000	84,000	33,650	(50,350)
	<u>84,000</u>	<u>84,000</u>	<u>33,650</u>	<u>(50,350)</u>
Development Authority				
Other services and charges	2,900,000	2,900,000	2,824,842	(75,158)
	<u>2,900,000</u>	<u>2,900,000</u>	<u>2,824,842</u>	<u>(75,158)</u>
<b>Total - Housing &amp; Development</b>	<b><u>3,002,000</u></b>	<b><u>3,012,500</u></b>	<b><u>2,886,594</u></b>	<b><u>(125,906)</u></b>
<b>TOTAL EXPENDITURES</b>	<b><u>50,552,497</u></b>	<b><u>50,552,497</u></b>	<b><u>50,076,718</u></b>	<b><u>(475,779)</u></b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(178,959)	(178,959)	63,315	242,274
OTHER FINANCING SOURCES (USES)				
Transfers In	1,085,000	1,085,000	1,085,000	-
Transfers Out	(906,041)	(906,041)	(897,741)	8,300
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>178,959</u></b>	<b><u>178,959</u></b>	<b><u>187,259</u></b>	<b><u>8,300</u></b>
NET CHANGE IN FUND BALANCE	-	-	250,574	250,574
FUND BALANCE, RESTATED	-	-	15,020,298	15,020,298
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,270,872</u>	<u>\$ 15,270,872</u>

See accompanying note to budgetary comparison schedules.

LOWNDES COUNTY, GEORGIA  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
For the Year Ended June 30, 2016

**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 under the Budgetary Basis.

There were no encumbrances for any fund for the year ending June 30, 2016.

LOWNDES COUNTY, GEORGIA  
 REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN  
 June 30, 2016

SCHEDULE OF CHANGES IN THE COUNTY’S NET PENSION LIABILITY AND RELATED RATIOS

	<u>2015</u>	<u>2014</u>
Total Pension Liability as of beginning of year	\$ 49,164,883	\$ 46,472,085
Service cost	1,056,993	1,026,040
Interest	3,687,366	3,485,406
Plan change	-	-
Assumption change	1,949,100	-
Benefit payments (adjusted for interest)	(2,087,455)	(1,818,648)
Experience (gain)/(loss)	1,354,033	-
Total Pension Liability as of December 31, 2015	<u>\$ 55,124,920</u>	<u>\$ 49,164,883</u>
Fiduciary Net Position as of beginning of year	\$ 34,501,074	\$ 31,701,975
Employer contributions	3,186,810	2,635,766
Employee contributions (including buyback)	-	-
Net investment income	206,663	2,230,662
Benefit payments	(2,012,005)	(1,752,914)
Employee contribution refunds	-	-
Administrative expense	(78,020)	(74,637)
Other	(261,317)	(239,778)
Fiduciary Net Position as of December 31, 2015	<u>\$ 35,543,205</u>	<u>\$ 34,501,074</u>
Net pension liability as of beginning of year	<u>\$ 14,663,809</u>	<u>\$ 14,770,110</u>
Net pension liability as of end of year	<u>\$ 19,581,715</u>	<u>\$ 14,663,809</u>
Fiduciary Net Position as a percentage of Total Pension Liability	64.5%	70.2%
Covered-employee payroll	\$ 16,354,640	\$ 16,753,523
Net pension liability as a percentage of covered-employee payroll	119.7%	87.5%

**Note:** This schedule will present 10 years of information once the data is available.

LOWNDES COUNTY, GEORGIA  
 REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN  
 June 30, 2016

SCHEDULE OF COUNTY CONTRIBUTIONS

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 3,082,619	\$ 2,917,600	\$ 2,790,193	\$ 2,521,487	\$ 2,370,344
Contribution in relation to the actuarially determined contribution	<u>3,186,810</u>	<u>3,231,008</u>	<u>2,831,952</u>	<u>2,602,505</u>	<u>2,488,520</u>
Contribution deficiency (excess)	<u>\$ (104,191)</u>	<u>\$ (313,408)</u>	<u>\$ (41,759)</u>	<u>\$ (81,018)</u>	<u>\$ (118,176)</u>
Covered-employee payroll	\$ 16,354,640	\$ 16,753,523	\$ 16,552,162	\$ 16,550,770	\$ 16,161,704
Contributions as a percentage of covered-employee payroll	19.5%	19.3%	17.1%	15.7%	15.4%

**Notes to Schedule:**

Valuation date	January 1, 2016
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	10 years
Asset valuation method	Smoothed market value with a 5-year smoothing period
Inflation	2.50%
Salary increases	4.50%
Investment rate of return	7.50%
Retirement:	Probability of
	<u>Retirement</u>
age 55 to 60	10%
ages 61 to 64	20%
age 65 to age 69	30%
age 70	100%
Mortality	RP-2000, Combined

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 2,210,836	\$ 1,959,366	\$ 1,564,953	\$ 1,394,551	\$ 1,325,586
<u>1,022,314</u>	<u>2,127,107</u>	<u>1,656,183</u>	<u>1,486,185</u>	<u>1,441,849</u>
<u>\$ 1,188,522</u>	<u>\$ (167,741)</u>	<u>\$ (91,230)</u>	<u>\$ (91,634)</u>	<u>\$ (116,263)</u>
\$15,438,775	\$14,704,109	\$13,630,463	\$12,899,134	\$12,393,935
6.6%	14.5%	12.2%	11.5%	11.6%

LOWNDES COUNTY, GEORGIA  
 REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN  
 June 30, 2016

**LOWNDES COUNTY BOARD OF HEALTH**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 For the Years Ended June 30,

	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability	0.180801%	0.194546%
Employer's proportion share of the net pension liability	7,324,968	7,296,677
Employer's covered-employee payroll during the measurement period	5,779,174	5,738,485
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	126.75%	127.15%
Plan fiduciary net position as a percentage of the total pension liability	76.20%	77.99%

**Note:** This schedule will present 10 years of information once the data is available.

LOWNDES COUNTY, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN  
June 30, 2016

**LOWNDES COUNTY BOARD OF HEALTH**

**Notes to Schedule:**

**Changes of assumptions:** There were no changes in assumptions or benefits that affect the measurement of the total pension liability since the prior measurement date.

**Method and assumptions used in calculations of actuarially determined contributions:** The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for year ended June 30, 2016 reported in that schedule:

Valuation date	June 30, 2013
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	22.6 years
Asset valuation method	5-year smoothed market
Inflation rate	3.00%
Salary increases	5.45% - 9.25%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

LOWNDES COUNTY, GEORGIA  
 REQUIRED SUPPLEMENTARY INFORMATION – OPEB  
 June 30, 2016

SCHEDULE OF FUNDING PROGRESS – OPEB  
 2015  
 (Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL UAAL	Funded Ratio	Covered Payroll	UAAL as a Percentage Covered Payroll
1/1/2011	\$ -	\$ 26,402,926	\$ 26,402,926	0.0%	\$ 20,165,927	130.93%
1/1/2013	\$ -	\$ 28,918,129	\$ 28,918,129	0.0%	\$ 20,085,501	143.98%
1/1/2015	\$ -	\$ 31,998,903	\$ 31,998,903	0.0%	\$ 20,013,690	159.89%

Fiscal Year Ending	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2013	\$ 3,019,622	20.96%	\$ 8,150,697
6/30/2014	\$ 3,280,806	19.29%	\$ 10,798,505
6/30/2015	\$ 3,285,539	67.01%	\$ 11,882,356
6/30/2016	\$ 3,465,939	50.15%	\$ 13,610,072

**Note:** See assumptions used for the schedule of Funding Progress in Note 13 to the financial statements.

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**COMBINING AND INDIVIDUAL FUND SCHEDULES**

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## **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, equipment and infrastructure improvements.

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

LOWNDES COUNTY, GEORGIA  
 CAPITAL PROJECTS SALES TAX VII FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For The Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 21,000,000	\$ 21,000,000	\$ 20,526,799	\$ (473,201)
Investment income	-	-	3,384	3,384
<b>TOTAL REVENUES</b>	<u>21,000,000</u>	<u>21,000,000</u>	<u>20,530,183</u>	<u>(469,817)</u>
<b>EXPENDITURES</b>				
Current				
Public safety	-	-	23,579	23,579
Public works	-	-	512,060	512,060
Culture and recreation	-	-	9,426	9,426
Intergovernmental	-	-	11,985,598	11,985,598
Capital outlay	<u>21,000,000</u>	<u>21,000,000</u>	<u>7,757,006</u>	<u>(13,242,994)</u>
<b>TOTAL EXPENDITURES</b>	<u>21,000,000</u>	<u>21,000,000</u>	<u>20,287,669</u>	<u>(712,331)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	242,514	242,514
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	-	-	(3,680,223)	(3,680,223)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>(3,680,223)</u>	<u>(3,680,223)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(3,437,709)	(3,437,709)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>8,730,415</u>	<u>8,730,415</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,292,706</u>	<u>\$ 5,292,706</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.

**Special Services Fund** – To account for the revenues and expenditures that are derived and expended in the unincorporated areas of the County.

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

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

**Hotel/Motel Tax** – To account for tax revenue accessed for hotel/motel accommodations.

**Intergovernmental Grants** – To account for various grant revenues received.

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

**911 Emergency Telephone** – To account for funds collected and designated for the operations of the 911 emergency services.

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

**Victim Assistance** – To account for funds accessed with fines and designated for the assistance programs for victims of crime.

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

## NONMAJOR 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 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 Judicial Complex & Jail Fund** - To account for the funds borrowed for the building of new Judicial and Administration Complex.

**Capital Projects CDBG Grant Fund** – To account for grant funds received from the Georgia Department of Community Affairs for the construction of facilities for a nonprofit organization that gathers food for those in need.

**Capital Projects Public Roads Fund** – To account for LMIG road funds from the Georgia Department of Transportation. The revenue is restricted for road and bridge work.

**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.

LOWNDES COUNTY, GEORGIA  
 ALL NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING BALANCE SHEET  
 June 30, 2016

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Equity in pooled cash and cash equivalents	\$ 3,094,176	\$ 817,927	\$ 3,912,103
Cash and cash equivalents in segregated accounts	900,894	2,552,163	3,453,057
Certificate of deposit	356,727	-	356,727
Accounts receivable	546,850	-	546,850
Due from other governments	369,031	-	369,031
TOTAL ASSETS	<u>\$ 5,267,678</u>	<u>\$ 3,370,090</u>	<u>\$ 8,637,768</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 370,766	\$ 17,591	\$ 388,357
Accrued wages	126,237	-	126,237
Interfund payable	248,345	29,178	277,523
Unearned revenue	1,482	-	1,482
TOTAL LIABILITIES	<u>746,830</u>	<u>46,769</u>	<u>793,599</u>
<b>FUND BALANCES (DEFICITS)</b>			
Restricted for capital projects	-	3,323,321	3,323,321
Restricted for jail operations	890,559	-	890,559
Restricted for tourism	11,442	-	11,442
Restricted for drug enforcement operations	933,134	-	933,134
Restricted for drug education and treatment	132,405	-	132,405
Restricted for law library	303,503	-	303,503
Restricted for victim assistance	61,590	-	61,590
Restricted for 911 emergency telephone	104,537	-	104,537
Assigned for unincorporated services	2,083,678	-	2,083,678
Unassigned	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>4,520,848</u>	<u>3,323,321</u>	<u>7,844,169</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 5,267,678</u>	<u>\$ 3,370,090</u>	<u>\$ 8,637,768</u>

See independent auditor's report.

LOWNDES COUNTY, GEORGIA  
 ALL NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 For The Year Ending June 30, 2016

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
REVENUES			
Taxes	\$ 4,135,386	\$ -	\$ 4,135,386
Licenses and permits	149,056	-	149,056
Intergovernmental revenues	1,985,467	1,007,279	2,992,746
Charges for services	2,116,734	-	2,116,734
Fines and forfeitures	1,103,426	-	1,103,426
Investment income	2,537	1,035	3,572
Miscellaneous	718,633	-	718,633
TOTAL REVENUES	<u>10,211,239</u>	<u>1,008,314</u>	<u>11,219,553</u>
EXPENDITURES			
Current			
General government			
Legislative	106,590	-	106,590
Judicial	1,155,541	238,778	1,394,319
Public safety	6,825,911	-	6,825,911
Public works	180,157	204,737	384,894
Health and welfare	170,000	206,123	376,123
Housing and development	1,357,707	-	1,357,707
TOTAL EXPENDITURES	<u>9,795,906</u>	<u>649,638</u>	<u>10,445,544</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	415,333	358,676	774,009
OTHER FINANCING SOURCES (USES):			
TRANSFERS IN	1,103,484	-	1,103,484
TRANSFERS (OUT)	(601,345)	-	(601,345)
TOTAL OTHER FINANCING SOURCES (USES)	<u>502,139</u>	<u>-</u>	<u>502,139</u>
NET CHANGE IN FUND BALANCES	917,472	358,676	1,276,148
FUND BALANCE, BEGINNING OF YEAR	<u>3,603,376</u>	<u>2,964,645</u>	<u>6,568,021</u>
FUND BALANCE, END OF YEAR	<u>\$ 4,520,848</u>	<u>\$ 3,323,321</u>	<u>\$ 7,844,169</u>

See independent auditor's report.

LOWNDES COUNTY, GEORGIA  
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
June 30, 2016

	Special Services	Commissary	Seizures Special Revenues	Hotel/Motel Tax	Intergovern- mental Grants
<b>ASSETS</b>					
Equity in pooled cash and cash equivalents	\$ 2,112,017	\$ 837,021	\$ -	\$ 2,442	\$ -
Cash and cash equivalents in segregated accounts	-	-	692,479	-	-
Certificate of deposit	-	-	240,655	-	-
Receivables (net of allowance for doubtful accounts):					
Accounts	87,214	53,305	-	28,976	-
Due from other governments	-	-	-	-	369,031
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>369,031</u>
TOTAL ASSETS	<u>\$ 2,199,231</u>	<u>\$ 890,326</u>	<u>\$ 933,134</u>	<u>\$ 31,418</u>	<u>\$ 369,031</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 70,146	\$ 37,512	\$ -	\$ 19,976	\$ 120,165
Accrued wages	43,925	3,413	-	-	10,957
Interfund payable	-	-	-	-	237,909
Unearned revenue	1,482	-	-	-	-
	<u>1,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>115,553</u>	<u>40,925</u>	<u>-</u>	<u>19,976</u>	<u>369,031</u>
<b>FUND BALANCES</b>					
Restricted for jail operations	-	849,401	-	-	-
Restricted for tourism	-	-	-	11,442	-
Restricted for drug enforcement operations	-	-	933,134	-	-
Restricted for drug education and treatment	-	-	-	-	-
Restricted for law library	-	-	-	-	-
Restricted for victim assistance	-	-	-	-	-
Restricted for 911 emergency telephone	-	-	-	-	-
Assigned for unincorporated services	2,083,678	-	-	-	-
Unassigned	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>2,083,678</u>	<u>849,401</u>	<u>933,134</u>	<u>11,442</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 2,199,231</u>	<u>\$ 890,326</u>	<u>\$ 933,134</u>	<u>\$ 31,418</u>	<u>\$ 369,031</u>

See independent auditor's report.

<u>Jail Operations</u>	<u>Drug Abuse Treatment</u>	<u>911 Emergency Telephone</u>	<u>Victim Assistance</u>	<u>Law Library</u>	<u>Total</u>
\$ 9,954	\$ 99,866	\$ -	\$ 32,876	\$ -	\$ 3,094,176
-	32,539	-	-	175,876	900,894
-	-	-	-	116,072	356,727
60,062	-	274,346	31,392	11,555	546,850
-	-	-	-	-	369,031
<u>\$ 70,016</u>	<u>\$ 132,405</u>	<u>\$ 274,346</u>	<u>\$ 64,268</u>	<u>\$ 303,503</u>	<u>\$ 5,267,678</u>
\$ 27,392	\$ -	\$ 95,309	\$ 266	\$ -	\$ 370,766
1,466	-	64,064	2,412	-	126,237
-	-	10,436	-	-	248,345
-	-	-	-	-	1,482
<u>28,858</u>	<u>-</u>	<u>169,809</u>	<u>2,678</u>	<u>-</u>	<u>746,830</u>
41,158	-	-	-	-	890,559
-	-	-	-	-	11,442
-	-	-	-	-	933,134
-	132,405	-	-	-	132,405
-	-	-	-	303,503	303,503
-	-	-	61,590	-	61,590
-	-	104,537	-	-	104,537
-	-	-	-	-	2,083,678
-	-	-	-	-	-
<u>41,158</u>	<u>132,405</u>	<u>104,537</u>	<u>61,590</u>	<u>303,503</u>	<u>4,520,848</u>
<u>\$ 70,016</u>	<u>\$ 132,405</u>	<u>\$ 274,346</u>	<u>\$ 64,268</u>	<u>\$ 303,503</u>	<u>\$ 5,267,678</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, 2016

	<u>Special Services</u>	<u>Commissary</u>	<u>Seizures Special Revenues</u>	<u>Hotel/Motel Tax</u>	<u>Intergovern- mental Grants</u>
<b>REVENUES</b>					
Taxes	\$ 3,813,007	\$ -	\$ -	\$ 322,379	\$ -
Licenses and permits	149,056	-	-	-	-
Intergovernmental revenue	-	-	-	-	1,362,712
Charges for services	99,027	253,321	-	-	-
Fines and forfeitures	-	-	247,144	-	-
Investment income	-	-	1,265	-	-
Miscellaneous	-	641,925	49,700	-	-
TOTAL REVENUES	<u>4,061,090</u>	<u>895,246</u>	<u>298,109</u>	<u>322,379</u>	<u>1,362,712</u>
<b>EXPENDITURES</b>					
Current					
General Government					
Legislative	106,590	-	-	-	-
Judicial	-	-	-	-	885,640
Public safety	1,893,846	719,294	533,885	-	278,657
Public works	180,157	-	-	-	-
Health and welfare	-	-	-	-	-
Housing and development	664,830	-	-	494,462	198,415
TOTAL EXPENDITURES	<u>2,845,423</u>	<u>719,294</u>	<u>533,885</u>	<u>494,462</u>	<u>1,362,712</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,215,667	175,952	(235,776)	(172,083)	-
OTHER FINANCING SOURCES (USES):					
TRANSFERS IN	89,398	-	-	116,345	-
TRANSFERS (OUT)	(441,345)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(351,947)</u>	<u>-</u>	<u>-</u>	<u>116,345</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	863,720	175,952	(235,776)	(55,738)	-
FUND BALANCE, BEGINNING OF YEAR	<u>1,219,958</u>	<u>673,449</u>	<u>1,168,910</u>	<u>67,180</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,083,678</u>	<u>\$ 849,401</u>	<u>\$ 933,134</u>	<u>\$ 11,442</u>	<u>\$ -</u>

See independent auditor’s report.

<u>Jail Operations</u>	<u>Drug Abuse Treatment</u>	<u>911 Emergency Telephone</u>	<u>Victim Assistance</u>	<u>Law Library</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,135,386
-	-	-	-	-	149,056
-	43,192	482,623	96,940	-	1,985,467
-	-	1,764,386	-	-	2,116,734
454,036	180,262	-	136,710	85,274	1,103,426
-	-	-	-	1,272	2,537
-	-	27,008	-	-	718,633
<u>454,036</u>	<u>223,454</u>	<u>2,274,017</u>	<u>233,650</u>	<u>86,546</u>	<u>10,211,239</u>
-	-	-	-	-	106,590
-	-	-	190,528	79,373	1,155,541
424,110	-	2,976,119	-	-	6,825,911
-	-	-	-	-	180,157
-	170,000	-	-	-	170,000
-	-	-	-	-	1,357,707
<u>424,110</u>	<u>170,000</u>	<u>2,976,119</u>	<u>190,528</u>	<u>79,373</u>	<u>9,795,906</u>
29,926	53,454	(702,102)	43,122	7,173	415,333
-	-	897,741	-	-	1,103,484
-	-	(160,000)	-	-	(601,345)
-	-	737,741	-	-	502,139
29,926	53,454	35,639	43,122	7,173	917,472
<u>11,232</u>	<u>78,951</u>	<u>68,898</u>	<u>18,468</u>	<u>296,330</u>	<u>3,603,376</u>
<u>\$ 41,158</u>	<u>\$ 132,405</u>	<u>\$ 104,537</u>	<u>\$ 61,590</u>	<u>\$ 303,503</u>	<u>\$ 4,520,848</u>

LOWNDES COUNTY, GEORGIA  
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
June 30, 2016

	Sales Tax VI Fund	Judicial Complex And Jail	CDBG Grant Fund	Public Roads Fund	Sales Tax V Fund	Total
<b>ASSETS</b>						
Equity in pooled cash and cash equivalents	\$ -	\$ 7,109	\$ -	\$ 810,818	\$ -	\$ 817,927
Cash and cash equivalents in segregated accounts	<u>2,552,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,552,163</u>
TOTAL ASSETS	<u>\$ 2,552,163</u>	<u>\$ 7,109</u>	<u>\$ -</u>	<u>\$ 810,818</u>	<u>\$ -</u>	<u>\$3,370,090</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 7,109	\$ -	\$ 10,482	\$ -	\$ 17,591
Interfund payable	<u>29,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,178</u>
TOTAL LIABILITIES	<u>29,178</u>	<u>7,109</u>	<u>-</u>	<u>10,482</u>	<u>-</u>	<u>46,769</u>
<b>FUND BALANCES</b>						
Restricted for capital projects	<u>2,522,985</u>	<u>-</u>	<u>-</u>	<u>800,336</u>	<u>-</u>	<u>3,323,321</u>
TOTAL FUND BALANCES	<u>2,522,985</u>	<u>-</u>	<u>-</u>	<u>800,336</u>	<u>-</u>	<u>3,323,321</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 2,552,163</u></u>	<u><u>\$ 7,109</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 810,818</u></u>	<u><u>\$ -</u></u>	<u><u>\$3,370,090</u></u>

See independent auditor's report.

LOWNDES COUNTY, GEORGIA  
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
For The Year Ending June 30, 2016

	Sales Tax VI Fund	Judicial Complex And Jail	CDBG Grant Fund	Public Roads Fund	Sales Tax V Fund	Total
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ -	\$ 206,123	801,156	\$ -	\$1,007,279
Investment income	<u>1,022</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>1,035</u>
<b>TOTAL REVENUES</b>	<u>1,022</u>	<u>-</u>	<u>206,123</u>	<u>801,156</u>	<u>13</u>	<u>1,008,314</u>
<b>EXPENDITURES</b>						
Current:						
General government						
Judicial	-	238,778	-	-	-	238,778
Public works	30,699	-	-	104,819	69,219	204,737
Health and welfare	<u>-</u>	<u>-</u>	<u>206,123</u>	<u>-</u>	<u>-</u>	<u>206,123</u>
<b>TOTAL EXPENDITURES</b>	<u>30,699</u>	<u>238,778</u>	<u>206,123</u>	<u>104,819</u>	<u>69,219</u>	<u>649,638</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>						
	(29,677)	(238,778)	-	696,337	(69,206)	358,676
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>2,552,662</u>	<u>238,778</u>	<u>-</u>	<u>103,999</u>	<u>69,206</u>	<u>2,964,645</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 2,522,985</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 800,336</u>	<u>\$ -</u>	<u>\$3,323,321</u>

See independent auditor’s report.

LOWNDES COUNTY, GEORGIA  
SPECIAL SERVICES FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For The Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$3,590,000	\$3,590,000	\$3,813,007	\$ 223,007
Licenses and permits	125,000	125,000	149,056	24,056
Charges for services	25,000	25,000	99,027	74,027
<b>TOTAL REVENUES</b>	<u>3,740,000</u>	<u>3,740,000</u>	<u>4,061,090</u>	<u>321,090</u>
<b>EXPENDITURES</b>				
Current				
General Government				
Legislative	420,207	420,207	106,590	(313,617)
Public safety	1,864,099	1,864,099	1,893,846	29,747
Public works	182,128	182,128	180,157	(1,971)
Housing and development	670,284	670,284	664,830	(5,454)
<b>TOTAL EXPENDITURES</b>	<u>3,136,718</u>	<u>3,136,718</u>	<u>2,845,423</u>	<u>(291,295)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>603,282</u>	<u>603,282</u>	<u>1,215,667</u>	<u>612,385</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
TRANSFERS IN (OUT)	(525,510)	(525,510)	(351,947)	173,563
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(525,510)</u>	<u>(525,510)</u>	<u>(351,947)</u>	<u>173,563</u>
<b>REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<u>77,772</u>	<u>77,772</u>	<u>863,720</u>	<u>785,948</u>
<b>FUND BALANCE AT, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>1,219,958</u>	<u>1,219,958</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 77,772</u>	<u>\$ 77,772</u>	<u>\$2,083,678</u>	<u>\$ 2,005,906</u>

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LOWNDES COUNTY, GEORGIA  
 COMMISSARY FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For The Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Over (Under)
<b>REVENUES</b>				
Charges for services	\$ 325,000	\$ 325,000	\$ 253,321	\$ (71,679)
Miscellaneous	375,000	395,000	641,925	246,925
<b>TOTAL REVENUES</b>	<u>700,000</u>	<u>720,000</u>	<u>895,246</u>	<u>175,246</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	700,000	720,000	719,294	(706)
<b>TOTAL EXPENDITURES</b>	<u>700,000</u>	<u>720,000</u>	<u>719,294</u>	<u>(706)</u>
<b>EXCESS OF REVENUES</b>				
<b>OVER (UNDER) EXPENDITURES</b>				
	-	-	175,952	175,952
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>673,449</u>	<u>673,449</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 849,401</u>	<u>\$ 849,401</u>

See independent auditor's 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, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Over (Under)
<b>REVENUES</b>				
Fines and forfeitures	\$ 1,000,000	\$ 1,000,000	\$ 247,144	\$ (752,856)
Investment income	-	-	1,265	1,265
Miscellaneous income	-	-	49,700	49,700
<b>TOTAL REVENUES</b>	<u>1,000,000</u>	<u>1,000,000</u>	<u>298,109</u>	<u>(701,891)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>1,000,000</u>	<u>1,000,000</u>	<u>533,885</u>	<u>(466,115)</u>
<b>TOTAL EXPENDITURES</b>	<u>1,000,000</u>	<u>1,000,000</u>	<u>533,885</u>	<u>(466,115)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(235,776)	(235,776)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>1,168,910</u>	<u>1,168,910</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 933,134</u>	<u>\$ 933,134</u>

See independent auditor's report.

LOWNDES COUNTY, GEORGIA  
HOTEL/MOTEL TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For The Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Taxes	\$ 385,000	\$ 385,000	\$ 322,379	\$ (62,621)
TOTAL REVENUES	<u>385,000</u>	<u>385,000</u>	<u>322,379</u>	<u>(62,621)</u>
EXPENDITURES				
Current:				
Housing and development	585,510	585,510	494,462	(91,048)
TOTAL EXPENDITURES	<u>585,510</u>	<u>585,510</u>	<u>494,462</u>	<u>(91,048)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(200,510)	(200,510)	(172,083)	28,427
OTHER FINANCING SOURCES (USES)				
TRANSFER IN (OUT)	<u>200,510</u>	<u>200,510</u>	<u>116,345</u>	<u>84,165</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>200,510</u>	<u>200,510</u>	<u>116,345</u>	<u>84,165</u>
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	-	-	(55,738)	(55,738)
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>67,180</u>	<u>67,180</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,442</u>	<u>\$ 11,442</u>

See independent auditor's 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, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 544,060	\$ 1,369,060	1,362,712	\$ (6,348)
TOTAL REVENUES	<u>544,060</u>	<u>1,369,060</u>	<u>1,362,712</u>	<u>(6,348)</u>
<b>EXPENDITURES</b>				
Current:				
General government				
Judicial	412,974	887,974	885,640	(2,334)
Public safety	131,086	281,086	278,657	(2,429)
Housing and development	-	200,000	198,415	(1,585)
TOTAL EXPENDITURES	<u>544,060</u>	<u>1,369,060</u>	<u>1,362,712</u>	<u>(6,348)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

LOWNDES COUNTY, GEORGIA  
 JAIL OPERATIONS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For The Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 370,500	\$ 425,500	\$ 454,036	\$ 28,536
TOTAL REVENUES	<u>370,500</u>	<u>425,500</u>	<u>454,036</u>	<u>28,536</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>370,500</u>	<u>425,500</u>	<u>424,110</u>	<u>(1,390)</u>
TOTAL EXPENDITURES	<u>370,500</u>	<u>425,500</u>	<u>424,110</u>	<u>(1,390)</u>
EXCESS OF REVENUES OVER(Under) EXPENDITURES	-	-	29,926	29,926
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>11,232</u>	<u>11,232</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,158</u>	<u>\$ 41,158</u>

See independent auditor's 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, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Over (Under)
<b>REVENUES</b>				
Intergovernmental	\$ 35,000	\$ 35,000	\$ 43,192	\$ 8,192
Fines and forfeitures	135,000	135,000	180,262	45,262
<b>TOTAL REVENUES</b>	<u>170,000</u>	<u>170,000</u>	<u>223,454</u>	<u>53,454</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	170,000	170,000	170,000	-
<b>TOTAL EXPENDITURES</b>	<u>170,000</u>	<u>170,000</u>	<u>170,000</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	53,454	53,454
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>78,951</u>	<u>78,951</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,405</u>	<u>\$ 132,405</u>

See independent auditor's report.

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, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 625,795	\$ 625,795	\$ 482,623	\$ (143,172)
Charges for services	1,730,000	1,730,000	1,764,386	34,386
Miscellaneous income	26,600	26,600	27,008	408
<b>TOTAL REVENUES</b>	<u>2,382,395</u>	<u>2,382,395</u>	<u>2,274,017</u>	<u>(108,378)</u>
<b>EXPENDITURES</b>				
Current				
Public safety	3,128,436	3,128,436	2,976,119	(152,317)
<b>TOTAL EXPENDITURES</b>	<u>3,128,436</u>	<u>3,128,436</u>	<u>2,976,119</u>	<u>(152,317)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	(746,041)	(746,041)	(702,102)	43,939
<b>OTHER FINANCING SOURCES (USES)</b>				
TRANSFERS IN	906,041	906,041	897,741	8,300
TRANSFERS (OUT)	(160,000)	(160,000)	(160,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>746,041</u>	<u>746,041</u>	<u>737,741</u>	<u>8,300</u>
<b>REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>				
	-	-	35,639	35,639
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>68,898</u>	<u>68,898</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,537</u>	<u>\$ 104,537</u>

See independent auditor's report.

LOWNDES COUNTY, GEORGIA  
VICTIM ASSISTANCE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For The Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget Over (Under)
<b>REVENUES</b>				
Intergovernmental	\$ 83,500	\$ 83,500	\$ 96,940	\$ 13,440
Fines and forfeitures	105,250	110,250	136,710	26,460
TOTAL REVENUES	<u>188,750</u>	<u>193,750</u>	<u>233,650</u>	<u>39,900</u>
<b>EXPENDITURES</b>				
Current:				
General Government				
Judicial	188,750	193,750	190,528	(3,222)
TOTAL EXPENDITURES	<u>188,750</u>	<u>193,750</u>	<u>190,528</u>	<u>(3,222)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	-	-	43,122	43,122
FUND BALANCE AT BEGINNING OF YEAR				
	-	-	18,468	18,468
FUND BALANCE AT END OF YEAR				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,590</u>	<u>\$ 61,590</u>

See independent auditor's 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, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 100,000	\$ 100,000	\$ 85,274	\$ (14,726)
Investment income	-	-	1,272	1,272
<b>TOTAL REVENUES</b>	<u>100,000</u>	<u>100,000</u>	<u>86,546</u>	<u>(13,454)</u>
<b>EXPENDITURES</b>				
Current:				
General Government				
Judicial	100,000	100,000	79,373	(20,627)
<b>TOTAL EXPENDITURES</b>	<u>100,000</u>	<u>100,000</u>	<u>79,373</u>	<u>(20,627)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	-	-	7,173	7,173
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>296,330</u>	<u>296,330</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 303,503</u>	<u>\$ 303,503</u>

See independent auditor's report.

LOWNDES COUNTY, GEORGIA  
 JUDICIAL COMPLEX AND JAIL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For The Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current				
General Government				
Judicial	<u>800,000</u>	<u>800,000</u>	<u>238,778</u>	<u>(561,222)</u>
TOTAL EXPENDITURES	<u>800,000</u>	<u>800,000</u>	<u>238,778</u>	<u>(561,222)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(800,000)	(800,000)	(238,778)	561,222
FUND BALANCE AT BEGINNING OF YEAR	<u>800,000</u>	<u>800,000</u>	<u>238,778</u>	<u>(561,222)</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See independent auditor's report.

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, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 2,500	\$ 2,500	\$ 13	\$ (2,487)
TOTAL REVENUES	<u>2,500</u>	<u>2,500</u>	<u>13</u>	<u>(2,487)</u>
<b>EXPENDITURES</b>				
Current				
Public works	1,000,000	1,000,000	69,219	(930,781)
TOTAL EXPENDITURES	<u>1,000,000</u>	<u>1,000,000</u>	<u>69,219</u>	<u>(930,781)</u>
EXCESS OF EXPENDITURES OVER (UNDER) REVENUES	(997,500)	(997,500)	(69,206)	928,294
FUND BALANCE AT BEGINNING OF YEAR	<u>997,500</u>	<u>997,500</u>	<u>69,206</u>	<u>(928,294)</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Cross Check

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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, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Investment income	\$ 10,000	\$ 10,000	\$ 1,022	\$ (8,978)
TOTAL REVENUES	10,000	10,000	1,022	(8,978)
EXPENDITURES				
Current				
Public works	2,500,000	2,500,000	30,699	(2,469,301)
TOTAL EXPENDITURES	2,500,000	2,500,000	30,699	(2,469,301)
EXCESS OF REVENUES OVER EXPENDITURES	(2,490,000)	(2,490,000)	(29,677)	2,460,323
FUND BALANCE AT BEGINNING OF YEAR	2,490,000	2,490,000	2,552,662	62,662
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ 2,522,985	\$ 2,522,985

See independent auditor's report.

LOWNDES COUNTY, GEORGIA  
 CAPITAL PROJECTS CDBG GRANT FUND  
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ -	\$ 207,000	\$ 206,123	\$ (877)
TOTAL REVENUES	<u>-</u>	<u>207,000</u>	<u>206,123</u>	<u>(877)</u>
EXPENDITURES				
Current:				
Health and welfare	-	207,000	206,123	(877)
TOTAL EXPENDITURES	<u>-</u>	<u>207,000</u>	<u>206,123</u>	<u>(877)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

LOWNDES COUNTY, GEORGIA  
 CAPITAL PROJECTS PUBLIC ROADS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For The Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues	\$ -	\$ 800,000	\$ 801,156	\$ 1,156
TOTAL REVENUES	<u>-</u>	<u>800,000</u>	<u>801,156</u>	<u>1,156</u>
<b>EXPENDITURES</b>				
Current:				
Public works	-	-	104,819	104,819
Capital outlay	-	800,000	-	(800,000)
TOTAL EXPENDITURES	<u>-</u>	<u>800,000</u>	<u>104,819</u>	<u>(695,181)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	696,337	696,337
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>103,999</u>	<u>103,999</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 800,336</u>	<u>\$ 800,336</u>

See independent auditor's report.

## **OTHER ENTERPRISE FUNDS**

Enterprise Funds are used to account for any activity for which a fee is charged to external users of good or services.

**Landfill Fund** – to account for solid waste host fees collected and for post-closure care cost of the closed landfill.

**Special Tax Lighting District** – to account for fees collected for street lighting in special districts in the County.

LOWNDES COUNTY, GEORGIA  
 OTHER ENTERPRISE FUNDS  
 COMBINING STATEMENT OF NET POSITION  
 June 30, 2016

	<u>Landfill Fund</u>	<u>Special Tax Lighting District Fund</u>	<u>Total</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Equity in pooled cash and cash equivalents	\$1,245,603	\$ -	\$ 1,245,603
Receivables (net of allowance for doubtful accounts Accounts	<u>-</u>	<u>505</u>	<u>505</u>
TOTAL CURRENT ASSETS	<u>1,245,603</u>	<u>505</u>	<u>1,246,108</u>
<b>NONCURRENT ASSETS</b>			
Capital Assets			
Land	<u>203,639</u>	<u>-</u>	<u>203,639</u>
TOTAL NONCURRENT ASSETS	<u>203,639</u>	<u>-</u>	<u>203,639</u>
TOTAL ASSETS	<u>1,449,242</u>	<u>505</u>	<u>1,449,747</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	85	21,649	21,734
Interfund payable	-	119,161	119,161
Current portion of postclosure cost	<u>75,539</u>	<u>-</u>	<u>75,539</u>
TOTAL CURRENT LIABILITIES	<u>75,624</u>	<u>140,810</u>	<u>216,434</u>
<b>LONG-TERM LIABILITIES</b>			
Postclosure cost	<u>672,370</u>	<u>-</u>	<u>672,370</u>
TOTAL LONG-TERM LIABILITIES	<u>672,370</u>	<u>-</u>	<u>672,370</u>
TOTAL LIABILITIES	<u>747,994</u>	<u>140,810</u>	<u>888,804</u>
<b>NET POSITION</b>			
Investment in capital assets	203,639	-	203,639
Unrestricted	<u>497,609</u>	<u>(140,305)</u>	<u>357,304</u>
TOTAL NET POSITION	<u>\$ 701,248</u>	<u>\$ (140,305)</u>	<u>\$ 560,943</u>

See independent auditor's report.

LOWNDES COUNTY, GEORGIA  
 OTHER ENTERPRISE FUNDS  
 COMBINING STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
 For The Year Ending June 30, 2016

	Landfill Fund	Special Tax Lighting District Fund	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ -	\$ 283,497	\$ 283,497
Other income	<u>368,385</u>	<u>-</u>	<u>368,385</u>
<b>TOTAL OPERATING REVENUES</b>	<u>368,385</u>	<u>283,497</u>	<u>651,882</u>
<b>OPERATING EXPENSES</b>			
Contractual services	<u>55,896</u>	<u>304,972</u>	<u>360,868</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>55,896</u>	<u>304,972</u>	<u>360,868</u>
<b>OPERATING INCOME (LOSS)</b>	312,489	(21,475)	291,014
<b>TRANSFERS OUT</b>	<u>(239,398)</u>	<u>-</u>	<u>(239,398)</u>
<b>CHANGE IN NET POSITION</b>	73,091	(21,475)	51,616
<b>NET POSITION AT BEGINNING OF YEAR</b>	<u>628,157</u>	<u>(118,830)</u>	<u>509,327</u>
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 701,248</u>	<u>\$ (140,305)</u>	<u>\$ 560,943</u>

See independent auditor's report.

LOWNDES COUNTY, GEORGIA  
 OTHER ENTERPRISE FUNDS  
 COMBINING STATEMENTS OF CASH FLOWS  
 For The Year Ending June 30, 2016

	Landfill Fund	Special Tax Lighting District Fund	Total
<b><u>Increase in Cash and Cash Equivalents</u></b>			
<b><u>Cash Flows From Operating Activities</u></b>			
Cash received from other customers	\$ -	\$ 283,324	\$ 283,324
Cash received from other income	402,322	-	402,322
Cash received from other interfund transactions	-	25,539	25,539
Cash payments for contractual services	(125,913)	(308,863)	(434,776)
Net Cash Provided by Operating Activities	<u>276,409</u>	<u>-</u>	<u>276,409</u>
<b><u>Cash Flows From Noncapital Financing Activities</u></b>			
Cash payments for transfers out	<u>(239,397)</u>	<u>-</u>	<u>(239,397)</u>
Net Cash (Used For) Noncapital Financing Activities	<u>(239,397)</u>	<u>-</u>	<u>(239,397)</u>
Net Increase in Cash and Cash Equivalents	37,012	-	37,012
Cash and Cash Equivalents at Beginning of Year	<u>\$1,208,591</u>	<u>\$ -</u>	<u>1,208,591</u>
Cash and Cash Equivalents at End of Year	<u>\$1,245,603</u>	<u>\$ -</u>	<u>\$ 1,245,603</u>
Equity in pooled cash and cash equivalents	<u>\$1,245,603</u>	<u>\$ -</u>	<u>\$ 1,245,603</u>
Total Cash and Cash Equivalents	<u>\$1,245,603</u>	<u>\$ -</u>	<u>\$ 1,245,603</u>

See independent auditor's report.

LOWNDES COUNTY, GEORGIA  
 OTHER ENTERPRISE FUNDS  
 COMBINING STATEMENTS OF CASH FLOWS  
 For The Year Ending June 30, 2016

	<u>Landfill Fund</u>	<u>Special Tax Lighting District Fund</u>	<u>Total</u>
<b>Reconciliation of Operating Income (Loss) To</b>			
<b><u>Net Cash Provided by Operating Activities</u></b>			
Operating Income (Loss)	\$ 312,489	\$ (21,475)	\$ 291,014
<b>Adjustments to Reconcile Operating Income (Loss) To</b>			
<b><u>Net Cash Provided by Operating Activities</u></b>			
Changes in Assets and Liabilities:			
(Increase) decrease in accounts receivable	33,937	(173)	33,764
Decrease in accounts payable	(3,372)	(3,891)	(7,263)
Increase in interfund payable	-	25,539	25,539
Decrease in accrued liabilities	<u>(66,645)</u>	<u>-</u>	<u>(66,645)</u>
Net Cash Provided By Operating Activities	<u>\$ 276,409</u>	<u>\$ -</u>	<u>\$ 276,409</u>

See independent auditor's 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.

**Health 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.

**Workers Compensation** – to account for charges to other funds and contributions from employees and for the payment of workers compensation premiums and benefits.

LOWNDES COUNTY, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
June 30, 2016

	<u>Equipment Fund</u>	<u>Health Insurance Fund</u>	<u>Workers Compensation Fund</u>	<u>Fleet Manager Fund</u>	<u>Total</u>
<b>ASSETS</b>					
Current Assets					
Equity in pooled cash and cash equivalents	\$ 843,590	\$ 1,074,962	\$ 945,245	\$ -	\$ 2,863,797
Receivables (net of allowance for doubtful accounts)					
Accounts	11,735	-	-	-	11,735
Prepaid expense	-	-	110,124	-	110,124
Inventory	76,178	-	-	-	76,178
TOTAL CURRENT ASSETS	<u>931,503</u>	<u>1,074,962</u>	<u>1,055,369</u>	<u>-</u>	<u>3,061,834</u>
Noncurrent Assets					
Capital Assets					
Depreciable capital assets, net	299,612	-	-	-	299,612
TOTAL NONCURRENT ASSETS	<u>299,612</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>299,612</u>
TOTAL ASSETS	<u>1,231,115</u>	<u>1,074,962</u>	<u>1,055,369</u>	<u>-</u>	<u>3,361,446</u>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	110,287	-	215,978	-	326,265
Accrued liabilities	13,345	266,185	710,000	-	989,530
Compensated absences payable	7,975	-	-	-	7,975
Accrued interest payable	138	-	-	-	138
Current portion of capital lease obligations	16,400	-	-	-	16,400
TOTAL CURRENT LIABILITIES	<u>148,145</u>	<u>266,185</u>	<u>925,978</u>	<u>-</u>	<u>1,340,308</u>
Long-Term Liabilities					
Compensated absences payable	6,266	-	-	-	6,266
Capital lease obligations	4,100	-	-	-	4,100
TOTAL LONG-TERM LIABILITIES	<u>10,366</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,366</u>
TOTAL LIABILITIES	<u>158,511</u>	<u>266,185</u>	<u>925,978</u>	<u>-</u>	<u>1,350,674</u>
<b>NET POSITION</b>					
Net investment in capital assets	279,112	-	-	-	279,112
Unrestricted	793,492	808,777	129,391	-	1,731,660
TOTAL NET POSITION	<u>\$ 1,072,604</u>	<u>\$ 808,777</u>	<u>\$ 129,391</u>	<u>\$ -</u>	<u>\$ 2,010,772</u>

See independent auditor's report.

LOWNDES COUNTY, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
For The Year Ending June 30, 2016

	Equipment Fund	Health Insurance Fund	Workers Compensation Fund	Fleet Manager Fund	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 2,892,300	\$ 4,519,412	\$ 590,678	\$ -	\$ 8,002,390
<b>TOTAL OPERATING REVENUES</b>	<u>2,892,300</u>	<u>4,519,412</u>	<u>590,678</u>	<u>-</u>	<u>8,002,390</u>
<b>OPERATING EXPENSES</b>					
Personal services	300,832	-	-	-	300,832
Payroll taxes	21,644	-	-	-	21,644
Fringe benefits	113,534	-	-	-	113,534
Contractual services	41,975	-	-	-	41,975
Insurance and bond	-	3,712,470	661,048	-	4,373,518
Materials and supplies	1,981,752	-	-	-	1,981,752
Depreciation	106,660	-	-	-	106,660
<b>TOTAL OPERATING EXPENSES</b>	<u>2,566,397</u>	<u>3,712,470</u>	<u>661,048</u>	<u>-</u>	<u>6,939,915</u>
<b>OPERATING INCOME (LOSS)</b>	<u>325,903</u>	<u>806,942</u>	<u>(70,370)</u>	<u>-</u>	<u>1,062,475</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest expense	(1,236)	-	-	-	(1,236)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>(1,236)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,236)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>324,667</u>	<u>806,942</u>	<u>(70,370)</u>	<u>-</u>	<u>1,061,239</u>
TRANSFER IN	747,937	-	-	-	747,937
TRANSFER OUT	-	-	-	(747,937)	(747,937)
<b>CHANGE IN NET POSITION</b>	<u>1,072,604</u>	<u>806,942</u>	<u>(70,370)</u>	<u>(747,937)</u>	<u>1,061,239</u>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<u>-</u>	<u>1,835</u>	<u>199,761</u>	<u>747,937</u>	<u>949,533</u>
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 1,072,604</u>	<u>\$ 808,777</u>	<u>\$ 129,391</u>	<u>\$ -</u>	<u>\$ 2,010,772</u>

See independent auditor's report.

LOWNDES COUNTY, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF CASH FLOWS  
For The Year Ending June 30, 2016

	Equipment Fund	Health Insurance Fund	Workers Compensation Fund	Fleet Manager Fund	Total
<b><u>Increase (Decrease) in Cash and Cash Equivalents</u></b>					
<b><u>Cash Flows From Operating Activities</u></b>					
Cash received from other funds for services	\$2,894,865	\$ 4,621,902	\$ 590,678	\$ -	\$ 8,107,445
Cash payments for personal services	(299,724)	-	-	-	(299,724)
Cash payments for payroll taxes	(21,644)	-	-	-	(21,644)
Cash payments for fringe benefits	(113,534)	-	-	-	(113,534)
Cash payments for contractual services	(41,975)	-	-	-	(41,975)
Cash payments for insurance and bond	-	(4,719,517)	(464,047)	-	(5,183,564)
Cash payments for materials and supplies	<u>(1,891,976)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,891,976)</u>
Net Cash Provided by (Used for) Operating Activities	526,012	(97,615)	126,631	-	555,028
<b><u>Cash Flows From Noncapital Financing Activities</u></b>					
Cash payments from transfer-out	-	-	-	(302,685)	(302,685)
Cash received from transfer-in	<u>302,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>302,685</u>
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>302,685</u>	<u>-</u>	<u>-</u>	<u>(302,685)</u>	<u>-</u>
<b><u>Cash Flows From Capital and Related Financing Activities</u></b>					
Cash payments for principal and interest on capital leases	<u>(17,796)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,796)</u>
Net Cash (Used For) Capital and Related Financing Activities	<u>(17,796)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,796)</u>
Net Increase (decrease) in Cash and Cash Equivalents	810,901	(97,615)	126,631	(302,685)	537,232
Cash and Cash Equivalents at Beginning of Year	<u>\$ 32,689</u>	<u>\$ 1,172,577</u>	<u>\$ 818,614</u>	<u>\$ 302,685</u>	<u>2,326,565</u>
Cash and Cash Equivalents at End of Year	<u>\$ 843,590</u>	<u>\$ 1,074,962</u>	<u>\$ 945,245</u>	<u>\$ -</u>	<u>\$ 2,863,797</u>
Equity in pooled cash and cash equivalents	<u>\$ 843,590</u>	<u>\$ 1,074,961</u>	<u>\$ 945,245</u>	<u>\$ -</u>	<u>\$ 2,863,796</u>
Total Cash and Cash Equivalents	<u>\$ 843,590</u>	<u>\$ 1,074,961</u>	<u>\$ 945,245</u>	<u>\$ -</u>	<u>\$ 2,863,796</u>

See independent auditor's report.

LOWNDES COUNTY, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF CASH FLOWS  
For The Year Ending June 30, 2016

	<u>Equipment Fund</u>	<u>Health Insurance Fund</u>	<u>Workers Compensation Fund</u>	<u>Fleet Manager Fund</u>	<u>Total</u>
<b>Reconciliation of Operating Income (Loss) To</b>					
<b><u>Net Cash Provided by (Used For) Operating Activities</u></b>					
Operating Income (Loss)	\$ 325,903	\$ 806,942	\$ (70,370)	\$ -	\$ 1,062,475
<b>Adjustments to Reconcile Operating Income (Loss) To</b>					
<b><u>Net Cash Provided by (Used For) Operating Activities</u></b>					
Depreciation	106,660	-	-	-	106,660
Changes in Assets and Liabilities:					
Decrease in accounts receivable	2,565	102,490	-	-	105,055
Decrease in prepaid expense	-	-	1,177	-	1,177
Decrease in inventory	228,269	-	-	-	228,269
Increase (decrease) in accounts payable	(138,493)	(2,257)	215,824	-	75,074
Decrease in compensated absences payable	(945)	-	-	-	(945)
Increase (decrease) in accrued expenses	<u>2,053</u>	<u>(1,004,790)</u>	<u>(20,000)</u>	<u>-</u>	<u>(1,022,737)</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ 526,012</u>	<u>\$ (97,615)</u>	<u>\$ 126,631</u>	<u>\$ -</u>	<u>\$ 555,028</u>

See independent auditor's 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.

**Probate Court** - to account for the collection of fees in jurisdiction of the probate court, which are disbursed to other parties.

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

**Development Authority** - to account for collection of property taxes designated for the Valdosta-Lowndes County Development Authority.

LOWNDES COUNTY, GEORGIA  
 AGENCY FUNDS  
 COMBINING STATEMENTS OF ASSETS AND LIABILITIES  
 June 30, 2016

	AGENCY FUNDS						TOTAL
	OFFICE OF TAX COMMISSIONER	CLERK OF COURT	MAGIS- TRATE COURT	PROBATE COURT	OFFICE OF SHERIFF	DEVELOPMENT AUTHORITY	
<b>ASSETS</b>							
Cash	\$ 131,410	\$ 2,357,939	\$ 131,141	\$ 22,823	\$ 326,181	\$ 1,109,201	\$ 4,078,695
Due from others	9,425	-	-	-	-	24,533	33,958
<b>TOTAL ASSETS</b>	<b>\$ 140,835</b>	<b>\$ 2,357,939</b>	<b>\$ 131,141</b>	<b>\$ 22,823</b>	<b>\$ 326,181</b>	<b>\$ 1,133,734</b>	<b>\$ 4,112,653</b>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>LIABILITIES</b>							
Due to others	\$ 140,835	\$ 1,529,085	\$ 52,866	\$ 22,823	\$ 32,924	\$ 528	\$ 1,779,061
Collections held in escrow	-	828,854	78,275	-	293,257	1,133,206	2,333,592
<b>TOTAL LIABILITIES</b>	<b>140,835</b>	<b>2,357,939</b>	<b>131,141</b>	<b>22,823</b>	<b>326,181</b>	<b>1,133,734</b>	<b>4,112,653</b>
<b>NET POSITION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See independent auditor's report.

LOWNDES COUNTY, GEORGIA  
 AGENCY FUNDS  
 COMBINING STATEMENTS OF CHANGES IN  
 ASSETS AND LIABILITIES  
 For The Year Ending June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>OFFICE OF TAX COMMISSIONER</u>				
ASSETS				
Cash	\$ 489,352	\$ 108,411,015	\$ 108,768,957	\$ 131,410
Due from others	<u>17,343</u>	<u>-</u>	<u>7,918</u>	<u>9,425</u>
TOTAL ASSETS	<u>\$ 506,695</u>	<u>\$ 108,411,015</u>	<u>\$ 108,776,875</u>	<u>\$ 140,835</u>
LIABILITIES				
Due to others	\$ 506,695	\$ 108,411,015	\$ 108,776,875	\$ 140,835
TOTAL LIABILITIES	<u>\$ 506,695</u>	<u>\$ 108,411,015</u>	<u>\$ 108,776,875</u>	<u>\$ 140,835</u>
<u>CLERK OF COURT</u>				
ASSETS				
Cash	\$ 3,105,741	\$ 10,305,047	\$ 11,052,849	\$ 2,357,939
TOTAL ASSETS	<u>\$ 3,105,741</u>	<u>\$ 10,305,047</u>	<u>\$ 11,052,849</u>	<u>\$ 2,357,939</u>
LIABILITIES				
Due to others	\$ 1,796,766	\$ 4,737,194	\$ 5,004,875	\$ 1,529,085
Collections held in escrow	<u>1,308,975</u>	<u>5,567,853</u>	<u>6,047,974</u>	<u>828,854</u>
TOTAL LIABILITIES	<u>\$ 3,105,741</u>	<u>\$ 10,305,047</u>	<u>\$ 11,052,849</u>	<u>\$ 2,357,939</u>
<u>MAGISTRATE COURT</u>				
ASSETS				
Cash	\$ 118,668	\$ 1,062,774	\$ 1,050,301	\$ 131,141
TOTAL ASSETS	<u>\$ 118,668</u>	<u>\$ 1,062,774</u>	<u>\$ 1,050,301</u>	<u>\$ 131,141</u>
LIABILITIES				
Due to others	\$ 49,105	\$ 560,076	\$ 556,314	\$ 52,866
Collections held in escrow	<u>69,564</u>	<u>502,698</u>	<u>493,987</u>	<u>78,275</u>
TOTAL LIABILITIES	<u>\$ 118,669</u>	<u>\$ 1,062,774</u>	<u>\$ 1,050,301</u>	<u>\$ 131,141</u>

See independent auditor's report.

LOWNDES COUNTY, GEORGIA  
 AGENCY FUNDS  
 COMBINING STATEMENTS OF CHANGES IN  
 ASSETS AND LIABILITIES - CONTINUED  
 For The Year Ending June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>PROBATE COURT</u>				
ASSETS				
Cash	\$ 20,646	\$ 299,868	\$ 297,691	\$ 22,823
TOTAL ASSETS	<u>\$ 20,646</u>	<u>\$ 299,868</u>	<u>\$ 297,691</u>	<u>\$ 22,823</u>
LIABILITIES				
Due to others	\$ 20,646	\$ 22,823	\$ 20,646	\$ 22,823
Collections held in escrow	-	277,045	277,045	-
TOTAL LIABILITIES	<u>\$ 20,646</u>	<u>\$ 299,868</u>	<u>\$ 297,691</u>	<u>\$ 22,823</u>
<u>OFFICE OF SHERIFF</u>				
ASSETS				
Cash	\$ 327,009	\$ 1,564,048	\$ 1,564,876	\$ 326,181
TOTAL ASSETS	<u>\$ 327,009</u>	<u>\$ 1,564,048</u>	<u>\$ 1,564,876</u>	<u>\$ 326,181</u>
LIABILITIES				
Due to others	\$ 45,226	\$ 398,715	\$ 411,017	\$ 32,924
Collections held in escrow	281,783	1,165,333	1,153,859	293,257
TOTAL LIABILITIES	<u>\$ 327,009</u>	<u>\$ 1,564,048</u>	<u>\$ 1,564,876</u>	<u>\$ 326,181</u>
<u>DEVELOPMENT AUTHORITY</u>				
ASSETS				
Cash	\$ 1,056,800	\$ 3,010,338	\$ 2,957,937	\$ 1,109,201
Due from others	27,953	-	3,420	24,533
TOTAL ASSETS	<u>\$ 1,084,753</u>	<u>\$ 3,010,338</u>	<u>\$ 2,961,357</u>	<u>\$ 1,133,734</u>
LIABILITIES				
Due to others	\$ -	\$ 528	\$ -	\$ 528
Collections held in escrow	1,084,753	3,009,810	2,961,357	1,133,206
TOTAL LIABILITIES	<u>\$ 1,084,753</u>	<u>\$ 3,010,338</u>	<u>\$ 2,961,357</u>	<u>\$ 1,133,734</u>

See independent auditor's report.

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**STATISTICAL SECTION**

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**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 Position by Component (Unaudited)  
Last Ten Fiscal Years  
*(accrual basis of accounting)*

Fiscal Year Ending June 30,	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 99,227,901	\$ 94,815,672	\$ 96,669,665	\$ 91,132,521	\$ 95,694,310
Restricted	19,635,708	16,659,022	10,216,435	7,429,021	7,965,905
Unrestricted	<u>(18,057,260)</u>	<u>(12,059,503)</u>	<u>4,591,882</u>	<u>12,639,719</u>	<u>11,292,055</u>
Total governmental activities net positions	<u>\$ 100,806,349</u>	<u>\$ 99,415,191</u>	<u>\$ 111,477,982</u>	<u>\$ 111,201,261</u>	<u>\$ 114,952,270</u>
<b>Business Activities</b>					
Net investment in capital assets	\$ 34,701,505	\$ 31,475,723	\$ 30,405,797	\$ 30,583,047	\$ 31,716,380
Restricted	-	-	-	-	-
Unrestricted	<u>4,132,157</u>	<u>2,578,746</u>	<u>2,532,188</u>	<u>1,578,791</u>	<u>810,273</u>
Total business activities net positions	<u>\$ 38,833,662</u>	<u>\$ 34,054,469</u>	<u>\$ 32,937,985</u>	<u>\$ 32,161,838</u>	<u>\$ 32,526,653</u>
<b>Primary Government</b>					
Net investment in capital assets	\$ 133,929,406	\$ 126,291,395	\$ 127,075,462	\$ 121,715,568	\$ 127,410,690
Restricted	19,635,708	16,659,022	10,216,435	7,429,021	7,965,905
Unrestricted *	<u>(13,925,103)</u>	<u>(9,480,757)</u>	<u>7,124,070</u>	<u>14,218,510</u>	<u>12,102,328</u>
Total primary government net positions	<u>\$ 139,640,011</u>	<u>\$ 133,469,660</u>	<u>\$ 144,415,967</u>	<u>\$ 143,363,099</u>	<u>\$ 147,478,923</u>

\*- GASB Statement Numbers 67 and 68 were implemented in FY2016 creating a restatement to net position for pension liabilities.

The unrestricted governmental activities net position for FY2015 has been restated due to a prior year adjustment. Note 26 provides further information.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 104,718,159	\$ 119,875,420	\$ 123,166,325	\$ 89,328,068	\$ 136,074,764
7,413,141	39,599,831	17,045,363	64,133,172	32,758,317
<u>16,994,681</u>	<u>(15,869,262)</u>	<u>18,934,414</u>	<u>20,012,424</u>	<u>19,476,897</u>
<u>\$ 129,125,981</u>	<u>\$ 143,605,989</u>	<u>\$ 159,146,102</u>	<u>\$ 173,473,664</u>	<u>\$ 188,309,978</u>
\$ 32,213,264	\$ 32,073,785	\$ 27,278,056	\$ 29,097,651	\$ 20,508,113
-	-	-	-	-
<u>264,522</u>	<u>(1,049,626)</u>	<u>58,067</u>	<u>(4,248,227)</u>	<u>1,462,030</u>
<u>\$ 32,477,786</u>	<u>\$ 31,024,159</u>	<u>\$ 27,336,123</u>	<u>\$ 24,849,424</u>	<u>\$ 21,970,143</u>
\$ 136,931,423	\$ 151,949,205	\$ 150,444,381	\$ 118,425,719	\$ 156,582,877
7,413,141	39,599,831	17,045,363	64,133,172	32,758,317
<u>17,259,203</u>	<u>(16,918,888)</u>	<u>18,992,481</u>	<u>15,764,197</u>	<u>20,938,927</u>
<u>\$ 161,603,767</u>	<u>\$ 174,630,148</u>	<u>\$ 186,482,225</u>	<u>\$ 198,323,088</u>	<u>\$ 210,280,121</u>

Lowndes County, Georgia  
Changes in Net Position (Unaudited),  
Last Ten Years  
(*accrual basis of accounting*)

Fiscal Year Ending June 30,	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Expenses</b>					
Governmental activities:					
General government					
Legislative and executive	\$ 12,731,452	\$ 12,747,798	\$ 13,347,150	\$ 12,678,632	\$ 13,453,075
Judicial	6,300,337	5,909,463	5,682,778	5,201,728	5,857,655
Public safety	27,903,906	28,594,394	28,733,508	27,846,930	28,137,430
Public works	20,059,360	22,766,891	20,187,909	26,622,355	35,052,487
Health and welfare	1,094,544	1,162,032	1,574,191	1,357,428	898,284
Culture and recreation	4,740,716	4,831,007	4,777,631	4,577,105	4,519,407
Housing and development	4,250,158	4,217,434	4,198,718	4,390,318	4,221,064
Interest on long-term debt	195,253	212,069	604,908	874,565	1,523,932
Total governmental activities expenses	<u>77,275,726</u>	<u>80,441,088</u>	<u>79,106,793</u>	<u>83,549,061</u>	<u>93,663,334</u>
Business-type activities:					
Water and sewer	4,704,684	4,876,401	4,455,130	4,781,971	4,396,261
Landfill	55,896	70,453	68,913	46,210	43,772
Special Tax Lighting District	304,972	301,548	295,855	290,639	283,848
Sanitation Fund	-	-	-	660,737	951,209
Total business-type activities expenses	<u>5,065,552</u>	<u>5,248,402</u>	<u>4,819,898</u>	<u>5,779,557</u>	<u>5,675,090</u>
Total primary government expenses	<u>82,341,278</u>	<u>85,689,490</u>	<u>83,926,691</u>	<u>89,328,618</u>	<u>99,338,424</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
Legislative and executive	\$ 1,312,156	\$ 1,206,804	\$ 1,144,930	\$ 1,054,379	\$ 1,039,256
Judicial	4,063,024	3,817,747	4,094,919	4,529,884	4,714,612
Public safety	3,636,600	3,635,543	3,512,034	3,396,496	3,988,679
Public works	96,239	84,367	68,522	61,623	73,918
Health and welfare	860	11,424	11,342	12,839	36,917
Housing and development	-	-	-	-	-
Operating grants and contributions	2,462,308	2,120,564	1,676,080	1,952,415	1,754,554
Capital grants and contributions	805,575	900,201	1,129,912	1,859,509	1,779,080
Total governmental activities program revenues	<u>12,376,762</u>	<u>11,776,650</u>	<u>11,637,739</u>	<u>12,867,145</u>	<u>13,387,016</u>
Business-type activities:					
Charges for services:					
Water and sewer	6,199,474	5,661,873	5,353,852	4,938,717	5,282,108
Landfill	368,385	449,426	361,087	435,720	411,070
Special tax lighting district	283,497	265,807	253,546	243,043	211,058
Sanitation fund	-	-	-	299,467	594,198
Total business-type activities program revenues	<u>6,851,356</u>	<u>6,377,106</u>	<u>5,968,485</u>	<u>5,916,947</u>	<u>6,498,434</u>
Total primary government program revenues	<u>\$ 19,228,118</u>	<u>\$ 18,153,756</u>	<u>\$ 17,606,224</u>	<u>\$ 18,784,092</u>	<u>\$ 19,885,450</u>

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 11,563,172	\$ 10,653,696	\$ 11,956,577	\$ 12,463,625	\$ 10,465,920
6,816,400	5,760,263	5,753,187	5,181,461	7,225,812
26,158,677	25,992,484	27,119,295	27,998,314	24,481,770
36,895,481	27,110,901	26,912,286	32,747,448	29,982,222
1,041,394	1,256,269	1,368,270	1,270,348	2,201,624
1,010,085	1,023,310	1,804,227	4,578,273	4,324,334
2,087,190	1,327,969	1,880,504	1,395,805	665,736
1,754,844	2,061,176	2,192,384	523,860	564,813
<u>87,327,243</u>	<u>75,186,068</u>	<u>78,986,730</u>	<u>86,159,134</u>	<u>79,912,231</u>
4,415,893	4,137,154	4,158,625	4,144,229	3,843,855
53,471	83,421	115,352	26,461	46,285
270,396	278,128	228,778	266,749	197,085
941,658	1,031,496	1,068,988	1,176,208	1,109,644
<u>5,681,418</u>	<u>5,530,199</u>	<u>5,571,743</u>	<u>5,613,647</u>	<u>5,196,869</u>
<u>93,008,661</u>	<u>80,716,267</u>	<u>84,558,473</u>	<u>91,772,781</u>	<u>85,109,100</u>
\$ 979,628	\$ 1,206,632	\$ 683,049	\$ 2,531,685	\$ 2,442,466
3,155,568	2,939,970	3,501,129	3,096,093	3,082,091
5,240,752	5,432,211	5,133,580	5,267,853	4,127,647
31,661	56,506	268,345	183,010	222,941
215,826	211,695	199,417	275,563	297,643
-	-	-	62,165	42,120
1,140,547	1,881,033	2,735,602	2,210,516	3,986,582
2,829,238	765,160	1,296,117	1,592,054	1,696,917
<u>13,593,220</u>	<u>12,493,207</u>	<u>13,817,239</u>	<u>15,218,939</u>	<u>15,898,407</u>
5,281,592	5,065,995	3,639,943	3,789,692	3,666,766
811,150	624,153	462,824	496,554	520,215
191,349	189,240	170,691	157,377	160,359
585,115	578,802	86,732	95,217	34,405
<u>6,869,206</u>	<u>6,458,190</u>	<u>4,360,190</u>	<u>4,538,840</u>	<u>4,381,745</u>
<u>\$ 20,462,426</u>	<u>\$ 18,951,397</u>	<u>\$ 18,177,429</u>	<u>\$ 19,757,779</u>	<u>\$ 20,280,152</u>

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

Fiscal Year Ending June 30,	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Net (Expense) Revenue</b>					
Governmental activities	\$ (64,898,964)	\$ (68,664,438)	\$ (67,469,054)	\$ (70,681,916)	\$ (80,276,318)
Business-type activities	<u>1,785,804</u>	<u>1,128,704</u>	<u>1,148,587</u>	<u>137,390</u>	<u>823,344</u>
Total primary government net expense	<u>\$ (63,113,160)</u>	<u>\$ (67,535,734)</u>	<u>\$ (66,320,467)</u>	<u>\$ (70,544,526)</u>	<u>\$ (79,452,974)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 30,877,255	\$ 32,605,491	\$ 29,334,593	\$ 28,017,047	\$ 27,896,942
Alcoholic beverage taxes	532,111	519,700	511,272	486,800	484,361
Occupational taxes	620,356	616,773	603,078	544,984	606,505
Hotel/Motel taxes	322,379	312,292	281,051	272,613	273,668
Franchise taxes	90,731	118,282	114,398	116,773	139,430
Insurance premium taxes	2,569,810	2,399,798	2,285,406	2,198,903	2,058,288
Sales taxes	32,433,256	33,352,945	32,675,107	33,747,828	34,808,458
Public utility taxes	820,140	654,305	565,454	659,404	558,293
Miscellaneous	1,014,911	677,293	1,002,806	855,646	988,631
Rent	-	-	-	-	-
Interest	-	-	-	-	-
Transfer in (out)	<u>(2,990,825)</u>	<u>12,232</u>	<u>372,610</u>	<u>334,000</u>	<u>877,217</u>
Total governmental activities	<u>66,290,124</u>	<u>71,269,111</u>	<u>67,745,775</u>	<u>67,233,998</u>	<u>68,691,793</u>
Business-type activities					
Interest	2,563	12	170	9,793	102,740
Transfer in (out)	<u>2,990,825</u>	<u>(12,232)</u>	<u>(372,610)</u>	<u>(334,000)</u>	<u>(877,217)</u>
Total business-type activities	<u>2,993,388</u>	<u>(12,220)</u>	<u>(372,440)</u>	<u>(324,207)</u>	<u>(774,477)</u>
Total primary government	<u>\$ 69,283,512</u>	<u>\$ 71,256,891</u>	<u>\$ 67,373,335</u>	<u>\$ 66,909,791</u>	<u>\$ 67,917,316</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 1,391,160	\$ 2,604,673	\$ 276,721	\$ (3,447,918)	\$ (11,584,525)
Business-type activities	<u>4,779,192</u>	<u>1,116,484</u>	<u>776,147</u>	<u>(186,817)</u>	<u>48,867</u>
Total primary government	<u>\$ 6,170,352</u>	<u>\$ 3,721,157</u>	<u>\$ 1,052,868</u>	<u>\$ (3,634,735)</u>	<u>\$ (11,535,658)</u>

Lowndes County, Georgia  
Changes in Net Position (Unaudited),  
Last Ten Years  
*(accrual basis of accounting)*

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ (73,734,023)	\$ (62,692,861)	\$ (65,169,491)	\$ (70,940,195)	\$ (64,013,824)
1,187,788	927,991	(1,211,553)	(1,074,807)	(815,124)
\$ (72,546,235)	\$ (61,764,870)	\$ (66,381,044)	\$ (72,015,002)	\$ (64,828,948)
\$ 21,175,180	\$ 20,793,727	\$ 19,843,708	\$ 22,622,116	\$ 21,432,904
511,846	508,709	534,897	527,476	524,243
357,384	317,884	387,701	393,817	368,856
-	-	-	-	-
173,918	174,130	187,256	212,203	203,964
2,310,403	2,343,344	2,187,633	2,135,580	2,030,960
34,301,734	24,605,202	25,702,360	32,383,724	35,155,911
529,902	515,504	550,292	581,150	-
497,551	443,937	617,351	86,121	31,118
-	-	-	-	483,764
44,599	170,000	316,432	1,044,563	1,430,205
(255,457)	(2,753,975)	(3,667,361)	(3,882,869)	(1,883,956)
59,647,060	47,118,462	46,660,269	56,103,881	59,777,969
10,382	6,070	30,891	71,219	63,219
255,457	2,753,975	3,667,361	3,882,869	1,883,956
265,839	2,760,045	3,698,252	3,954,088	1,947,175
\$ 59,912,899	\$ 49,878,507	\$ 50,358,521	\$ 60,057,969	\$ 61,725,144
\$ (14,086,963)	\$ (15,574,399)	\$ (18,509,222)	\$ (14,836,314)	\$ (4,235,855)
1,453,627	3,688,036	2,486,699	2,879,281	1,132,051
\$ (12,633,336)	\$ (11,886,363)	\$ (16,022,523)	\$ (11,957,033)	\$ (3,103,804)

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

Fiscal Year Ending June 30,	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>General Fund</b>					
Assigned	\$ 12,057,549	\$12,207,325	\$ 12,691,370	\$13,724,513	\$14,224,513
Unassigned	<u>3,213,323</u>	<u>3,130,470</u>	<u>2,290,541</u>	<u>3,036,971</u>	<u>3,205,095</u>
Total general fund	<u>\$ 15,270,872</u>	<u>\$15,337,795</u>	<u>\$ 14,981,911</u>	<u>\$16,761,484</u>	<u>\$17,429,608</u>
<b>All Other Governmental Funds</b>					
Restricted	\$ 11,053,197	\$14,078,478	\$ 7,518,696	\$11,784,570	\$ 8,429,195
Assigned	2,083,678	1,219,958	706,094	259,177	215,235
Unassigned, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 13,136,875</u>	<u>\$15,298,436</u>	<u>\$ 8,224,790</u>	<u>\$12,043,747</u>	<u>\$ 8,644,430</u>

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$14,513,083	\$16,693,577	\$18,007,111	\$19,518,367	\$18,510,947
<u>3,958,498</u>	<u>2,344,771</u>	<u>2,244,498</u>	<u>2,296,406</u>	<u>2,344,590</u>
<u>\$18,471,581</u>	<u>\$19,038,348</u>	<u>\$20,251,609</u>	<u>\$21,814,773</u>	<u>\$20,855,537</u>
\$ 8,536,116	\$35,931,956	\$36,008,792	\$65,192,245	\$32,861,697
185,557	76,836	-	-	-
(552,826)	(528,769)	(528,769)	(327,773)	(219,625)
<u>860,326</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 8,168,847</u>	<u>\$35,480,023</u>	<u>\$35,480,023</u>	<u>\$64,864,472</u>	<u>\$32,642,072</u>

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

Fiscal Year Ending June 30,	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Revenues</b>					
Taxes	\$ 68,556,417	\$ 70,546,603	\$ 66,367,426	\$ 66,035,682	\$ 66,456,938
Licenses and permits	155,279	131,055	130,807	99,341	132,168
Intergovernmental revenues	3,251,530	2,988,192	2,757,803	3,781,219	3,519,504
Charges for services	5,874,110	5,789,394	5,601,346	5,687,127	6,320,517
Fines and forfeitures	3,079,490	2,835,436	3,099,595	3,268,751	3,400,696
Investment income	16,353	32,572	48,191	30,705	14,131
Miscellaneous	<u>956,590</u>	<u>583,831</u>	<u>607,283</u>	<u>480,501</u>	<u>632,848</u>
<b>Total revenues</b>	<u>81,889,769</u>	<u>82,907,083</u>	<u>78,612,451</u>	<u>79,383,326</u>	<u>80,476,802</u>
<b>Expenditures</b>					
General government					
Legislative and executive	\$ 10,684,609	\$ 10,996,723	\$ 10,050,950	\$ 9,908,048	\$ 9,590,306
Judicial	7,167,422	6,513,406	6,267,247	5,942,037	6,221,941
Public safety	25,800,237	26,321,713	25,824,458	25,184,661	25,931,440
Public works	5,704,932	5,655,379	6,155,815	4,593,106	4,253,281
Health and welfare	1,097,014	1,195,708	870,328	859,923	893,716
Culture and recreation	4,685,341	4,829,388	4,681,077	4,577,105	4,518,596
Housing and development	4,244,301	4,185,465	4,191,862	4,557,326	4,216,382
Intergovernmental	11,985,598	14,165,484	11,319,810	9,904,148	10,486,448
Capital outlay	8,393,877	3,265,709	3,208,286	2,406,981	3,283,091
Debt service					
Principle	850,000	840,000	8,710,000	8,290,000	7,965,000
Interest	<u>196,600</u>	<u>213,400</u>	<u>607,138</u>	<u>891,828</u>	<u>1,525,881</u>
<b>Total Expenditures</b>	<u>80,809,931</u>	<u>78,182,375</u>	<u>81,886,971</u>	<u>77,115,163</u>	<u>78,886,082</u>
<b>Excess of revenues over (under) expenditure</b>	<u>1,079,838</u>	<u>4,724,708</u>	<u>(3,274,520)</u>	<u>2,268,163</u>	<u>1,590,720</u>
<b>Other Financing Sources (Uses)</b>					
Capital financing	-	-	-	125,000	-
Transfer in	2,188,484	1,862,786	1,887,116	1,718,027	2,894,089
Transfer out	<u>(5,179,309)</u>	<u>(1,850,554)</u>	<u>(1,514,506)</u>	<u>(1,384,027)</u>	<u>(2,016,872)</u>
<b>Total other financing sources (uses)</b>	<u>(2,990,825)</u>	<u>12,232</u>	<u>372,610</u>	<u>459,000</u>	<u>877,217</u>
<b>Net change in fund balances</b>	<u>\$ (1,910,987)</u>	<u>\$ 4,736,940</u>	<u>\$ (2,901,910)</u>	<u>\$ 2,727,163</u>	<u>\$ 2,467,937</u>
<b>Debt service as a percentage of noncapital expenditures</b>					
	1.45%	1.41%	11.84%	12.29%	12.55%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 59,548,885	\$ 49,454,608	\$ 49,726,786	\$ 60,159,934	\$ 61,522,356
117,935	124,060	151,434	341,087	174,323
4,051,774	2,737,701	4,126,620	5,442,941	5,683,150
6,178,392	6,038,778	5,873,816	4,457,475	4,067,289
2,883,883	2,788,804	2,996,915	3,358,093	3,656,434
61,937	159,879	316,432	1,044,564	1,430,202
<u>485,665</u>	<u>629,184</u>	<u>462,651</u>	<u>736,913</u>	<u>827,410</u>
<u>73,328,471</u>	<u>61,933,014</u>	<u>63,654,654</u>	<u>75,541,007</u>	<u>77,361,164</u>
\$ 9,274,035	\$ 10,299,933	\$ 9,805,457	\$ 11,995,479	\$ 11,606,747
6,751,027	5,351,169	5,612,188	7,129,220	4,740,954
23,981,068	24,629,552	25,064,246	24,688,510	14,608,904
8,305,664	8,899,049	8,328,196	13,401,084	19,229,053
1,049,234	1,266,900	1,372,408	1,397,225	1,961,798
1,000,000	1,022,500	1,723,102	4,290,100	4,216,207
1,403,566	1,330,610	1,840,804	1,459,402	534,061
9,416,508	-	-	-	-
2,660,740	28,199,430	27,894,881	15,649,774	17,240,495
5,505,000	7,370,000	7,100,000	605,000	590,000
<u>1,757,000</u>	<u>2,062,694</u>	<u>2,193,625</u>	<u>523,860</u>	<u>564,813</u>
<u>71,103,842</u>	<u>90,431,837</u>	<u>90,934,907</u>	<u>81,139,654</u>	<u>75,293,032</u>
<u>2,224,629</u>	<u>(28,498,823)</u>	<u>(27,280,253)</u>	<u>(5,598,647)</u>	<u>2,068,132</u>
-	-	-	42,663,153	-
1,430,641	50,000	77,527	160,240	200,549
<u>(1,686,097)</u>	<u>(2,803,975)</u>	<u>(3,744,887)</u>	<u>(4,043,109)</u>	<u>(2,084,505)</u>
<u>(255,456)</u>	<u>(2,753,975)</u>	<u>(3,667,360)</u>	<u>38,780,284</u>	<u>(1,883,956)</u>
<u>\$ 1,969,173</u>	<u>\$ (31,252,798)</u>	<u>\$ (30,947,613)</u>	<u>\$ 33,181,637</u>	<u>\$ 184,176</u>
10.61%	15.16%	14.74%	1.72%	1.99%

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

Fiscal Year	Property Tax	Title Advalorem Vehicle Tax	Beverage Tax	Franchise Tax	Local Option Sales Tax	Special Purpose Local Option Sales Tax	Hotel/Motel Tax	Insurance Premium Tax	Intangible Tax	Total
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	23,415,805	1,032,148	2,135,580	722,709	63,107,740
2009	18,437,599	-	534,897	187,256	13,081,231	20,745,158	268,939	2,187,633	482,671	55,925,384
2010	19,483,831	-	508,709	174,130	12,510,599	21,522,945	270,541	2,156,266	416,250	57,043,271
2011	19,768,176	-	511,846	173,918	12,592,637	21,709,097	274,860	2,097,125	409,048	57,536,707
2012	26,125,012	-	484,361	139,430	12,778,041	22,030,417	273,668	2,058,288	405,139	64,294,356
2013	26,157,401	431,831	486,800	116,773	12,387,903	21,359,925	272,613	2,198,903	503,831	63,915,980
2014	26,290,909	1,623,444	511,272	114,398	11,991,187	20,683,920	281,051	2,285,406	412,764	64,194,351
2015	28,743,941	2,403,931	519,700	118,282	12,247,943	21,105,022	312,292	2,399,798	394,652	68,245,561
2016	27,865,106	2,012,398	532,111	90,731	11,906,457	20,526,799	322,379	2,569,810	446,525	66,272,316
Change										
2007-2016	41.64%	0.00%	1.50%	-55.52%	-7.76%	-7.73%	-82.21%	26.53%	-41.67%	10.15%

Note: Includes General and Special Revenue Funds.

Property taxes beginning in 2012 include the county tax levies for the Valdosta-Lowndes County Development Authority and the Valdosta-Lowndes County Parks and Recreation Authority.

Effective in January 2008, the County accommodation tax includes tax collected outside of city limits that have their own hotel/motel tax.

Effective in January 2013, sales tax is no longer collected on manufacturing energy usage. Effective April 1, 2013, sales tax is no longer collected on vehicle sales. The sales tax was replaced by a Title Advalorem Tax (TAVT) at the time of sale which replaces annual advalorem taxes on vehicles purchased from April 1, 2013 forward.

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

Fiscal Year Ended <u>June 30,</u>	Assessed Value Residential <u>Property</u>	Assessed Value Commercial <u>Property</u>	Assessed Value Industrial <u>Property</u>	Assessed Value Personal <u>Property</u>	Less: Assessed Value Tax-Exempt <u>Property</u>	Total Taxable Assessed <u>Value</u>
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	2,623,345
2009	1,490,238	885,093	448,464	223,814	290,859	2,756,750
2010	1,528,119	907,500	467,299	233,738	305,921	2,830,735
2011	1,533,881	919,014	421,432	211,749	288,437	2,797,639
2012	1,545,873	905,710	452,877	213,668	315,997	2,802,131
2013	1,523,611	943,904	493,895	227,573	321,475	2,867,508
2014	1,523,248	937,983	507,566	239,653	310,207	2,898,243
2015	1,526,911	965,117	522,662	205,404	320,119	2,899,975
2016	1,532,969	1,171,548	547,981	139,175	396,512	2,995,161

Lowndes County, Georgia  
 Assessed Value and Actual Value of Taxable Property (Unaudited),  
 Last Ten Fiscal Years  
*(in thousand 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 <u>Tax Rate (1)</u>	Total Direct Incorporated <u>Tax Rate</u>
			Accessed to Total Actual <u>Value</u>		
2007	2,390,770	5,976,925	40%	8.86	8.86
2008	2,623,345	6,558,363	40%	8.76	8.76
2009	2,756,750	6,891,875	40%	7.31	7.31
2010	2,830,735	7,076,838	40%	7.31	7.31
2011	2,797,639	6,994,098	40%	7.31	7.31
2012	2,802,131	7,005,328	40%	7.31	7.31
2013	2,867,508	7,168,770	40%	7.31	7.31
2014	2,898,243	7,245,608	40%	7.31	7.31
2015	2,899,975	7,249,938	40%	7.30	7.30
2016	2,995,161	7,487,902	40%	7.80	7.80

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

<b>Jurisdiction:</b>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>County</b>										
Maintenance and Operations:										
Direct Rates:										
Unincorporated	8.86	8.76	7.31	7.31	7.31	7.31	7.31	7.30	8.31	7.80
Incorporated	8.86	8.76	7.31	7.31	7.31	7.31	7.31	7.30	8.31	7.80
Overlapping Rates:										
Valdosta-Lowndes County Development Authority	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Valdosta-Lowndes County Parks & Recreation Authority	0.00	0.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Total County - Unincorporated	<u>9.86</u>	<u>9.76</u>	<u>9.56</u>	<u>9.56</u>	<u>9.56</u>	<u>9.56</u>	<u>9.56</u>	<u>9.55</u>	<u>10.56</u>	<u>10.05</u>
Total County - Incorporated	<u>9.86</u>	<u>9.76</u>	<u>9.56</u>	<u>9.56</u>	<u>9.56</u>	<u>9.56</u>	<u>9.56</u>	<u>9.55</u>	<u>10.56</u>	<u>10.05</u>
<b>Schools</b>										
Maintenance and Operations:										
Lowndes County Board of Education	15.15	14.95	14.70	14.70	14.70	14.70	14.73	14.73	16.85	16.85
Valdosta Board of Education	14.98	15.98	15.98	15.98	16.98	16.98	16.98	16.98	16.98	16.98
Total Schools - County	<u>15.15</u>	<u>14.95</u>	<u>14.70</u>	<u>14.70</u>	<u>14.70</u>	<u>14.70</u>	<u>14.73</u>	<u>14.73</u>	<u>16.85</u>	<u>16.85</u>
Total Schools - City of Valdosta	<u>14.98</u>	<u>15.98</u>	<u>15.98</u>	<u>15.98</u>	<u>16.98</u>	<u>16.98</u>	<u>16.98</u>	<u>16.98</u>	<u>16.98</u>	<u>16.98</u>
<b>Municipalities</b>										
Maintenance and Operations:										
City of Hahira	5.38	5.38	5.38	5.38	5.38	5.38	4.75	4.75	4.75	4.75
City of Lake Park	5.70	4.73	4.72	4.70	4.70	5.05	5.05	5.05	6.55	6.55
City of Remerton	6.42	6.42	6.39	6.39	6.39	6.39	6.38	6.38	6.35	6.35
City of Valdosta	4.40	4.18	4.11	4.11	4.11	4.11	4.11	4.10	6.10	6.10
<b>State</b>	0.25	0.25	0.25	0.25	0.25	0.25	.020	0.15	0.10	0.05
Total Direct and Overlapping Rates:										
Total Unincorporated	<u>25.26</u>	<u>24.96</u>	<u>24.51</u>	<u>24.51</u>	<u>24.51</u>	<u>24.51</u>	<u>24.31</u>	<u>24.43</u>	<u>27.51</u>	<u>26.95</u>
Total City of Hahira	<u>30.64</u>	<u>30.34</u>	<u>29.89</u>	<u>29.89</u>	<u>29.89</u>	<u>29.89</u>	<u>29.06</u>	<u>29.18</u>	<u>32.26</u>	<u>31.70</u>
Total City of Lake Park	<u>30.96</u>	<u>29.69</u>	<u>29.23</u>	<u>29.21</u>	<u>29.21</u>	<u>29.56</u>	<u>29.36</u>	<u>29.48</u>	<u>34.06</u>	<u>33.50</u>
Total City of Remerton	<u>31.68</u>	<u>31.38</u>	<u>30.90</u>	<u>30.90</u>	<u>30.90</u>	<u>30.90</u>	<u>30.69</u>	<u>30.81</u>	<u>33.86</u>	<u>33.30</u>
Total City of Valdosta	<u>29.49</u>	<u>30.17</u>	<u>29.90</u>	<u>29.90</u>	<u>30.90</u>	<u>30.90</u>	<u>30.67</u>	<u>30.78</u>	<u>33.74</u>	<u>33.18</u>

County, Development Authority, Parks and Recreation Authority and State property taxes are accessed county wide. Lowndes County Board of Education property taxes are accessed county wide except on property in the City of Valdosta where the Valdosta Board of Education accesses property taxes.

Cities access property taxes on property within their geographic boundaries.

Source: Lowndes County Tax Commissioner

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

<u>Taxpayer</u>	2016			<u>Taxpayer</u>	2007		
	<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	\$ 73,012,969	1	2.44%	Packaging Corporation of America	\$ 49,796,683	1	1.90%
Georgia Power Company	38,080,844	2	1.27%	Archers Daniels Midland	43,648,537	2	1.66%
Archer Daniels Midland	37,179,112	3	1.24%	Lowe's Distribution Center	29,599,072	3	1.13%
Lowe's Distribution Center	36,709,188	4	1.23%	The Langdale Company	26,528,393	4	1.01%
J M Smith Corporation	31,072,990	5	1.04%	Georgia Power Company	25,735,664	5	0.98%
South Georgia Pecan	18,371,895	6	0.61%	Wild Adventures	19,860,493	6	0.76%
Colquitt EMC	16,934,108	7	0.57%	Marelda Valdosta Mall LLC	11,899,329	7	0.45%
GF Valdosta Mall LLC	14,794,670	8	0.49%	Bellsouth Telecommunications	11,887,727	8	0.45%
DuPont Crop Protection	13,331,433	9	0.45%	Colquitt EMC	12,325,531	9	0.47%
Langdale Forrest Products	11,180,847	10	0.37%	Valdosta-Lowndes Co Industrial Authority	9,404,745	10	0.36%
All others	<u>2,704,492,565</u>		<u>90.30%</u>	All others	<u>2,382,657,851</u>		<u>90.83%</u>
Total	<u>\$ 2,995,160,621</u>		<u>100.00%</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
2007	21,182,223	20,560,611	97.07%	620,450	21,181,061	99.99%
2008	22,967,377	22,463,268	97.81%	501,051	22,964,319	99.99%
2009	20,161,846	19,506,396	96.75%	650,674	20,157,070	99.98%
2010	20,692,666	19,942,062	96.37%	743,700	20,685,762	99.97%
2011	20,450,742	19,655,203	96.11%	789,092	20,444,295	99.97%
2012	20,483,589	19,694,801	96.15%	775,725	20,470,526	99.94%
2013	20,961,479	20,204,435	96.39%	737,583	20,942,018	99.91%
2014	21,165,873	20,465,210	96.69%	658,304	21,123,514	99.80%
2015	24,098,793	23,286,760	96.63%	536,678	23,823,438	98.86%
2016	23,374,266	22,610,795	96.73%	-	22,610,795	96.73%

Source: Lowndes County Tax Commissioner

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

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

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Leases	Bonds	Notes Payable	Capital Leases	Revenue Bonds			
2007	2,058,318	15,630,000	3,718,226	-	11,983,802	33,390,346	1.25%	341
2008	864,630	55,640,000	-	-	11,506,881	68,011,511	2.31%	668
2009	1,043,967	47,123,648	-	-	11,014,959	59,182,574	1.86%	566
2010	496,621	39,530,000	-	-	10,508,040	50,534,661	1.60%	473
2011	235,000	35,092,351	-	-	9,981,119	45,308,470	1.37%	415
2012	112,600	26,771,567	-	-	9,439,199	36,323,366	1.02%	316
2013	69,700	18,686,139	-	-	9,576,467	28,332,306	0.76%	238
2014	53,300	9,597,013	-	-	8,897,058	18,547,371	0.51%	164
2015	36,900	8,716,852	1,144,071	-	8,159,655	18,057,478	0.51%	159
2016	20,500	7,808,529	1,285,219	440,198	7,411,869	16,966,315	0.45%	150

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, 2016

<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			
Lowndes County School System	14,942,865	100%	14,942,865
Central Valdosta Development Authority	1,847,000	100%	<u>1,847,000</u>
Subtotal, overlapping debt			16,789,865
County direct debt			
Capital Lease			20,500
Bonds			7,808,529
Intergovernmental Agreements			
Valdosta-Lowndes County Development Authority			<u>10,315,000</u>
Total County direct debt			<u>18,144,029</u>
Total direct and overlapping debt			<u>\$ 34,933,894</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. The County government represents all taxpayers including those living in the cities and therefore 100% of the debt is estimated to be overlapping. 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)*

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt limit	\$226,266	262,334	275,675	283,073	279,764
Total net debt applicable to limit *	<u>15,630</u>	<u>55,640</u>	<u>46,900</u>	<u>39,530</u>	<u>43,765</u>
Legal debt margin	<u>\$210,636</u>	<u>\$206,694</u>	<u>\$228,775</u>	<u>\$243,543</u>	<u>\$235,999</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

\*-Net debt applicable to the limit has been adjusted for all years prior to FY2016 based on categories noted in the debt ratio schedule.

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value	\$ 2,995,161
Debt limitation (10% of assessed value)	299,516
Debt applicable to limitation:	
Total bonded debt	<u>7,809</u>
Legal debt margin	<u><u>\$ 291,708</u></u>

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
280,213	286,751	289,824	289,998	299,516
<u>35,275</u>	<u>18,647</u>	<u>9,185</u>	<u>8,717</u>	<u>7,809</u>
<u><u>\$ 244,938</u></u>	<u><u>\$268,104</u></u>	<u><u>\$280,639</u></u>	<u><u>\$281,281</u></u>	<u><u>\$ 291,708</u></u>

0%            0%            0%            0%            0%

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

Water and Sewer Revenue Bonds 2005 (Refunded 2015)							
Fiscal Year	Operating Revenue	Less:	Net	Debt Service		Total	Coverage
		Operating Expenses	Available Revenue	Principle	Interest		
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
2009	\$3,639,943	\$2,736,823	\$ 903,120	\$475,000	\$494,494	\$ 969,494	0.93
2010	\$5,065,995	\$2,545,210	\$2,520,785	\$490,000	\$479,056	\$ 969,056	2.60
2011	\$5,281,592	\$2,703,922	\$2,577,670	\$510,000	\$460,488	\$ 970,488	2.66
2012	\$5,282,108	\$2,624,767	\$2,657,341	\$525,000	\$444,056	\$ 969,056	2.74
2013	\$4,938,717	\$2,969,218	\$1,969,499	\$570,000	\$495,158	\$1,065,158	1.85
2014	\$5,353,852	\$2,857,696	\$2,496,156	\$660,000	\$241,613	\$ 901,613	2.77
2015	\$5,661,873	\$3,285,323	\$2,376,550	\$685,000	\$217,213	\$ 902,213	2.63
2016	\$6,199,474	\$3,504,480	\$2,694,994	\$715,000	\$185,962	\$ 900,962	2.99

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

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Income (2)</u>		<u>Unemployment Rate (2)</u>	
			<u>County</u>	<u>State</u>	<u>County</u>	<u>State</u>
2007	97,844	2,681,708,352	27,408	34,061	4.1%	5.3%
2008	101,790	2,938,473,720	28,868	35,369	3.9%	4.6%
2009	104,583	3,185,702,763	30,461	35,863	5.5%	6.3%
2010	106,814	3,161,480,772	29,598	34,081	8.4%	9.8%
2011	109,233	3,306,264,444	30,268	34,800	9.2%	10.2%
2012	111,885	3,461,498,130	30,938	36,104	9.3%	9.8%
2013	114,552	3,561,765,336	31,093	36,869	8.3%	8.5%
2014	112,916	3,659,607,560	32,410	37,845	7.4%	7.7%
2015	113,563	3,755,187,721	33,067	38,980	7.3%	7.2%
2016	112,865	3,745,086,430	33,182	40,306	5.9%	5.9%

Source:

(1) U. S. Census Bureau

(2) State of Georgia Department of Labor

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

Employer	2016				2007		
	Employees	Rank	Percentage of Total County Employment		Employees	Rank	Percentage of Total County Employment
Moody Air Force Base	6,307	1	12.85%	Moody Air Force Base	4,448	1	8.71%
South Georgia Medical Center	2,559	2	5.21%	South Georgia Medical Center	2,300	2	4.50%
Fresh Beginnings	1,478	3	3.01%	Valdosta State University	2,280	3	4.46%
Valdosta State University	1,425	4	2.90%	Lowndes County School System	1,279	4	2.50%
Lowndes County School System	1,386	5	2.82%	Valdosta City School System	950	5	1.86%
Valdosta City School System	1,251	6	2.55%	Lowe's Distribution Center	900	6	1.76%
Lowe's Distribution Center	842	7	1.71%	Convergys Corp	850	7	1.66%
Wild Adventures	900	9	1.83%	City of Valdosta	659	8	1.29%
Wal Mart Supercenters	733	8	1.49%	Bath Craft / Jacuzzi	600	9	1.17%
Lowndes County	<u>594</u>	10	<u>1.21%</u>	Lowndes County	<u>540</u>	10	<u>1.06%</u>
Total Principle Employers	17,475		35.59%		14,806		28.98%
Other Employees	<u>31,623</u>		<u>64.41%</u>		<u>36,281</u>		<u>71.02%</u>
Total Employees	<u>49,098</u>		<u>100.00%</u>		<u>51,087</u>		<u>100.00%</u>

Sources: Georgia Department of Labor  
Valdosta-Lowndes Chamber of Commerce

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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>General Government</b>										
Legislative										
Board of Commissioners	4	4	4	4	4	4	6	6	6	6
Commissioners' Assistant	-	1	1	1	-	-	-	-	-	-
Community Service	-	1	1	1	-	-	-	-	-	-
County Clerk	-	3	3	3	3	3	3	4	4	3
County Manager	7	4	4	4	3	3	3	2	2	2
Risk Manager	1	1	1	1	-	-	-	-	-	-
Board of Elections	12	12	12	12	15	14	14	10	10	10
Tax Assessors	20	24	24	25	24	24	23	24	24	24
Building Maintenance	20	21	21	22	20	20	21	25	25	25
Tax Commissioner	19	20	20	21	21	21	21	21	21	21
Administrative Services	15	18	18	20	17	17	17	18	19	19
Engineering	11	11	11	11	7	7	7	6	6	6
Judicial										
Clerk of Court	18	19	18	18	18	18	19	22	22	22
Probate Court	5	6	6	6	5	5	6	6	6	6
Juvenile Court	1	2	2	2	2	2	2	2	2	2
Magistrate Court	11	11	11	11	11	11	11	11	11	11
Superior Court	14	15	15	15	15	15	15	15	17	17
State Court	8	10	10	10	10	10	10	10	11	11
Community Service Director	-	-	-	-	-	-	1	1	1	1
<b>Public Safety</b>										
Sheriff	201	225	226	240	240	240	240	237	237	237
Coroner	2	2	2	2	2	2	2	2	2	2
Probation	2	2	2	2	-	-	-	-	-	-
Fire Protection Services	13	16	-	-	-	-	-	-	-	-
Animal Control	11	12	12	12	12	12	11	11	13	14
Emergency Management	-	1	1	1	1	1	1	1	1	1
Subtotal	395	441	425	444	430	429	433	434	440	440

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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Public Works</b>										
Administration	7	7	7	6	6	6	6	6	6	6
Road Maintenance	29	40	39	39	36	36	39	39	39	39
Road Construction	13	10	10	10	8	9	9	9	9	9
Mosquito Control	-	1	-	-	-	-	-	-	-	-
Sanitation	16	-	-	-	-	-	-	-	-	-
<b>Housing and Development</b>										
County Planner	-	1	-	-	-	-	-	-	-	-
Zoning	3	3	-	-	-	-	-	-	-	-
<b>Keep Lowndes/ Valdosta Beautiful</b>	1	1	1	1	-	-	-	-	-	-
<b>Auxiliary Accounts - Jail Commissary</b>	2	2	2	2	2	2	2	2	2	2
<b>Intergovernmental</b>										
Regional Airport	6	7	7	7	-	-	-	-	-	-
Alternative Dispute Resolution	2	2	2	2	2	2	2	2	2	2
Zoning Administration	3	3	-	-	-	-	-	-	-	-
VOCA Grant - Solicitor	-	-	-	-	-	-	-	-	1	1
LODAC HUD Grant	4	4	3	3	-	-	-	-	-	-
<b>County Jail Fund</b>	1	1	1	1	1	1	1	1	2	1
<b>Drug Abuse Treatment</b>	7	6	8	4	-	-	-	-	-	-
<b>Emergency Telephone System</b>	28	38	38	37	38	38	36	36	38	38
<b>Special Services Fund</b>										
Fire	-	-	16	20	19	19	19	20	20	20
Mosquito Control	-	-	1	1	1	1	1	1	1	1
County Planner	-	-	1	1	2	2	2	2	2	2
Zoning Administration	-	-	3	3	3	3	3	3	3	3
<b>Victim/Witness</b>	2	2	2	2	2	2	2	2	2	2
<b>Water and Sewer</b>	13	14	14	19	18	18	19	19	19	19
<b>Sanitation Fund</b>	-	21	19	19	17	17	15	-	-	-
<b>Equipment Maintenance</b>	10	10	10	11	8	8	9	9	9	9
<b>Total</b>	542	614	609	632	593	593	598	585	595	594

Source: County Budgets

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

Function/Program	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Courts										
Cases filed:										
Superior Court - Civil	3,079	2,624	3,384	3,549	3,238	3,425	3,012	2,470	2,408	2,299
Superior Court - Criminal	4,199	4,221	3,579	3,771	3,907	3,929	3,361	3,287	3,915	5,384
State Court - Civil	1,020	1,274	1,282	1,628	1,019	832	547	649	490	585
State Court - Criminal	20,162	16,930	17,262	16,069	18,589	19,135	18,080	10,870	18,933	17,906
Juvenile Court	1,656	1,379	1,133	1,184	1,444	1,026	1,015	951	1,092	960
Sheriff										
Inmate bookings	10,554	9,050	9,002	8,743	9,340	10,185	9,503	9,115	8,442	8,080
Average daily jail population	667	694	698	682	670	734	653	675	622	654
Subpoenas served	17,084	19,644	15,822	13,640	14,040	15,677	12,154	11,831	11,815	10,195
Civil papers served	3,443	3,691	3,868	4,568	3,719	3,634	2,908	2,659	2,408	2,145
Jury summons	872	543	344	576	470	479	485	724	595	592
Fire Protection Services										
Emergency responses	1,777	1,801	1,774	1,648	2,653	2,829	3,548	3,086	3,079	2,630
Fires extinguished	560	462	490	497	999	335	468	266	581	288
Emergency Telephone System										
911 calls	75,426	84,218	88,298	96,000	96,420	98,587	97,599	98,480	102,508	106,796
Public Works										
New paving (miles)	8	7	13	6	-	-	3	4	2	2
Sanitation										
Refuse collected (tons per day)	44	35	23	27	27	34	32	-	-	-
Water										
Average daily consumption (thousands of gallons)	6,738	6,642	5,764	3,028	1,943	2,000	1,943	1,939	2,062	4,555
Sewer										
Average daily sewage treatment (thousands of gallons)	1,076	1,129	1,410	1,850	1,530	970	1,057	1,190	1,892	1,604

Source: County Department Heads

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

Function/Program	Fiscal Year Ending June 30,									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Sheriff</b>										
Vehicles	194	210	220	252	235	240	263	263	233	195
<b>Fire Protection Services</b>										
Fire stations	18	18	18	18	18	18	18	18	18	18
Vehicles	55	53	55	56	56	56	56	56	56	59
Pumpers	13	18	18	18	18	18	19	19	19	24
<b>Public Works</b>										
Streets (miles) paved	469	457	471	477	447	487	490	494	496	505
Streets (miles) dirt	347	334	372	336	336	321	320	315	314	306
Traffic signals	2	2	2	2	2	3	3	3	5	5
<b>Sanitation</b>										
Collection sites	6	6	6	6	6	6	-	-	-	-
<b>Parks and recreation</b>										
Acreage	404	404	-	-	-	-	-	-	-	-
Recreation facilities	6	6	-	-	-	-	-	-	-	-
<b>Water</b>										
Water mains (miles)	155	166	182	185	190	191	192	192	192	198
Fire hydrants	1,236	1,179	1,336	1,373	1,408	1,420	1,420	1,420	1,420	1,475
Storage capacity (thousands of gallons)	3,160	3,170	3,650	3,680	3,680	3,680	3,680	3,680	3,680	3,680
<b>Sewer</b>										
Sanitary sewers (miles)	154	167	185	188	200	201	202	202	202	206
Treatment capacity (thousands of gallons)	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Transit minibuses	5	5	5	5	5	5	5	5	5	5

Source: County Department Heads

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**SPECIAL REPORTS SECTION**

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LOWNDES COUNTY, GEORGIA  
SPECIAL SALES TAX V  
SCHEDULE OF PROJECTS CONSTRUCTED  
WITH SPECIAL SALES TAX PROCEEDS  
Year Ended June 30, 2016

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Development Authority	\$ 4,070,000	3,838,590	3,838,590	-	\$ 3,838,590	100.00%
Airport Authority	1,100,000	1,040,427	1,040,427	-	1,040,427	100.00%
City of Dasher	440,000	421,965	421,965	-	421,965	100.00%
City of Hahira	990,000	936,325	936,325	-	936,325	100.00%
City of Remerton	770,000	728,297	728,297	-	728,297	100.00%
City of Lake Park	440,000	412,612	412,612	-	412,612	100.00%
City of Valdosta	51,095,000	47,800,464	47,800,464	-	47,800,464	100.00%
Roads, Streets, and Bridges	20,000,000	22,270,681	22,270,681	-	22,270,681	100.00%
Debt Retirement	16,785,000	14,518,754	14,518,754	-	14,518,754	100.00%
Jail Facilities and Equipment	6,300,000	6,026,217	6,026,217	-	6,026,217	100.00%
Court Facilities and Equipment	1,000,000	56,652	56,652	-	56,652	100.00%
Water and Sewer Facilities and Equipment	2,427,000	4,582,240	4,582,240	-	4,582,240	100.00%
Parks and Recreation Facilities	1,000,000	971,774	902,555	69,219	971,774	100.00%
Administrative Facilities and Equipment	1,908,000	466,115	466,115	-	466,115	100.00%
Human Resource Building Improvements	200,000	137,810	137,810	-	137,810	100.00%
Library Books and Equipment	125,000	125,712	125,712	-	125,712	100.00%
Public Safety Facilities and Equipment	500,000	449,323	449,323	-	449,323	100.00%
Animal Shelter Facilities and Equipment	50,000	55,039	55,039	-	55,039	100.00%
Fire Fighting Facilities and Equipment	750,000	748,523	748,523	-	748,523	100.00%
Public Transportation Vehicles	50,000	19,811	19,811	-	19,811	100.00%
Totals	<u>\$ 110,000,000</u>	<u>\$ 105,607,331</u>	<u>\$ 105,538,112</u>	<u>\$ 69,219</u>	<u>\$ 105,607,331</u>	

See independent auditor's report.

LOWNDES COUNTY, GEORGIA  
SPECIAL SALES TAX VI  
SCHEDULE OF PROJECTS CONSTRUCTED  
WITH SPECIAL SALES TAX PROCEEDS  
Year Ended June 30, 2016

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Airport Improvements and Equipment	\$ 1,000,000	\$ 783,566	\$ 783,565	\$ -	\$ 783,565	100.00%
Parking Facility	1,500,000	700,000	700,000	-	700,000	100.00%
Emergency Operations Center	4,000,000	2,953,982	2,953,982	-	2,953,982	100.00%
Courthouse Renovations & Equipment	500,000	250	250	-	250	100.00%
Judicial /Admin Facilities Construction & Equipment	1,000,000	38	38	-	38	100.00%
Public Safety Training Facility Construction & Equipment	500,000	171,739	171,739	-	171,739	100.00%
Fire Fighting Facility Improvements & Equipment	1,000,000	541,083	541,083	-	541,083	100.00%
Parks and Recreation Facility Construction & Equipment	6,000,000	2,680,991	127,307	30,699	158,006	5.89%
Water and Sewer Fund Construction & Improvements	15,000,000	4,887,937	4,887,937	-	4,887,937	100.00%
Road, Street & Bridges Construction & Improvements	22,388,450	13,473,059	13,473,059	-	13,473,059	100.00%
Bond Debt Retirement For Jail and Judicial/Admin Facilities	50,000,000	47,413,408	47,413,408	-	47,413,408	100.00%
City of Dasher	1,101,000	787,857	787,857	-	787,857	100.00%
City of Hahira	4,000,300	2,862,548	2,862,548	-	2,862,548	100.00%
City of Remerton	2,000,150	1,410,501	1,410,501	-	1,410,501	100.00%
City of Lake Park	752,350	538,369	538,369	-	538,369	100.00%
City of Valdosta	72,757,750	52,085,020	52,085,020	-	52,085,020	100.00%
Totals	\$ 183,500,000	\$ 131,290,348	\$ 128,736,663	\$ 30,699	\$ 128,767,362	

See independent auditor’s report.

LOWNDES COUNTY, GEORGIA  
SPECIAL SALES TAX VII  
SCHEDULE OF PROJECTS CONSTRUCTED  
WITH SPECIAL SALES TAX PROCEEDS  
Year Ended June 30, 2016

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Roads, Streets and Bridge Improvements	\$ 25,000,000	\$ 19,424,658	\$ 3,659,724	\$ 7,636,949	\$11,296,673	58.16%
Road, Street and Bridge Equipment	1,838,000	1,429,490	32,525	-	32,525	2.28%
Water & Sewer System Improvements and Equipment	17,410,500	13,538,906	550,158	3,680,223	4,230,381	31.25%
Law Enforcement Vehicles and Evidence Storage Facilities	1,500,000	1,166,638	-	-	-	0.00%
Firefighting Facilities and Vehicles	3,000,000	2,333,096	-	432,759	432,759	18.55%
9-1-1 Center Improvements	984,500	765,704	-	-	-	0.00%
Public Safety Radio System	4,500,000	4,500,000	-	-	-	0.00%
Parks and Recreation Facilities	3,500,000	3,500,000	5,250	24,677	29,927	0.86%
Animal Shelter Addition and Improvements	800,000	800,000	-	665	665	0.08%
Civic Center Improvements	150,000	176,000	-	166,380	166,380	94.53%
Historic Courthouse Improvements	2,000,000	2,000,000	90	2,400	2,490	0.12%
Library Improvements and Equipment	1,582,000	1,582,000	-	9,425	9,425	0.60%
Airport Improvements	150,000	150,000	64,851	28,816	93,667	62.44%
City of Dasher	1,245,000	1,058,250	260,099	170,372	430,471	40.68%
City of Hahira	3,765,000	3,200,250	786,568	515,223	1,301,791	40.68%
City of Remerton	1,545,000	1,313,250	396,676	137,530	534,206	40.68%
City of Lake Park	1,005,000	854,250	136,059	211,426	347,485	40.68%
City of Valdosta	80,025,000	68,021,250	16,718,476	10,951,047	27,669,523	40.68%
Totals	<u>\$ 150,000,000</u>	<u>\$ 125,813,742</u>	<u>\$ 22,610,476</u>	<u>\$ 23,967,892</u>	<u>\$46,578,368</u>	

See independent auditor's report.

SOURCE and APPLICATION OF FUNDS SCHEDULE  
Community Development Block Grant

Lowndes County, Georgia

13p-y-092-1-5596

For the Period Ending: June 30, 2016  
*Cumulative*

I. Total Fiscal Year 2013 CDBG Funds Awarded to Recipient:	\$ <u>478,595</u>
II. Total Amount of Drawdown by Recipient from DCA:	\$ 478,595
III. Less: CDBG Funds Expended by Recipient:	\$ <u>478,595</u>
IV. Amount of Fiscal Year 2013 CDBG Funds held by Recipient:	\$ <u><u>          -</u></u>

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
PROJECT COST SCHEDULE

Recipient: Lowndes County, Georgia

Grant #: 13p-y-092-1-5596

For the Period Ending: June 30, 2016

Program Activity	CDBG Activity Number	Latest Approved Budget	Accumulative CDBG Expenditures To Date	Accumulative Expenditures To Date (Other Funds)	Grand Total of Expenditures To Date	Questioned Costs
Public Facilities and Improvemen	P-003-01	\$ 449,880	\$ 449,880	\$ -	\$ 449,880	\$ -
Administration	A-21A-00	\$ 28,715	\$ 28,715	\$ -	\$ 28,715	\$ -
TOTAL		<u>\$ 478,595</u>	<u>\$ 478,595</u>	<u>\$ -</u>	<u>\$ 478,595</u>	<u>\$ -</u>

See independent auditor's report.

LOWNDES COUNTY, GEORGIA  
 SCHEDULE OF STATE CONTRACTUAL ASSISTANCE  
 Year Ended June 30, 2016

	<u>Contract Number</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Due (To) From State</u>
Passed through the Georgia Department of Transportation				
ARRA Public Transportation Assistance	GA-18-X0033/T005503	\$ 183,098	\$ 183,098	-
ARRA Public Transportation Assistance	T005186	15,317	15,317	-
Passed through the Governor's Office of Highway Safety				
SRTEN	GA-2016-000-0390	15,202	15,202	-
HEAT	GA-2016-000-0390	187,811	187,811	-
Passed through the Georgia Emergency Management Agency				
GEMA Training	OEM15-094	500	500	-
2015 EMPG Planning & Preparedness	OEM15-094	1,675	1,675	-
2015 EMPG Response & Recovery	OEM15-094	6,547	6,547	-
2015 GEMA CERT EMW	2015-SS-0065-S01	73,267	73,267	-
GEMA Predisaster Mitigation	PDMC-PL-04-GA-2014-001	10,010	10,010	-
GTIP CBRNE	2014-SS-0092-S01	19,426	19,426	-
GTIP CBRNE	2015-SS-0065-S01	19,225	19,225	-
Passed through the Prosecuting Attorney's Council of Georgia				
2015 Prosecution Based VOCA	C13-8-102, C14-8-072	39,600	39,600	-
2015 VOCA Solicitor	C13-8-048	3,675	3,675	-
2015 VOCA Solicitor	C13-8-103; C14-8-108; C15-8153	68,635	68,635	-
Passed through the Criminal Justice Coordinating Council				
Juvenile Justice Incentive Grant	Y13-8-024	453,165	453,165	-
Juvenile Justice Delinquency Prevention	JJ-15-018	33,273	33,273	-
Juvenile Justice Delinquency Prevention	JJ-16-018	71,383	71,383	-
Accountability Court Grant	J16-8-094	41,459	41,459	-
Passed through the Georgia Department of Community Affairs				
CDBG Grant	13p-y-092-1-5596	<u>206,123</u>	<u>206,123</u>	<u>-</u>
Total		<u>\$ 1,449,391</u>	<u>\$ 1,449,391</u>	<u>\$ -</u>

See independent auditor's report.

LOWNDES COUNTY, GEORGIA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended June 30, 2016

	<u>Federal CFDA Number</u>	<u>Pass Through Grantor Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
<b>Department of Housing &amp; Urban Development</b>				
Passed through the Georgia Department of Community Affairs				
CDBG Grant	14.228	13p-y-092-1-5596	\$ 206,123	\$ 206,123
<b>Total Department of Housing &amp; Urban Development</b>			<u>206,123</u>	<u>206,123</u>
<b>Department of Justice</b>				
Passed through the Criminal Justice Coordinating Council				
Juvenile Justice Delinquency Prevention	16.523	JJ-15-018	33,273	-
Juvenile Justice Delinquency Prevention	16.523	JJ-16-018	71,383	-
Juvenile Justice Incentive Grant	16.523	Y13-8-014	453,165	-
			<u>557,821</u>	<u>-</u>
Passed through the Prosecuting Attorney's Council of Georgia				
2015 Prosecution Based VOCA	16.575	C13-8-102, C14-8-072	39,600	-
2015 VOCA Solicitor	16.575	C13-8-048	3,675	-
2015 VOCA Solicitor	16.575	C13-8-103;C14-8-108;C15-8-153	68,635	-
			<u>111,910</u>	<u>-</u>
Passed through the Criminal Justice Coordinating Council				
Accountability Court Grant	16.803	J16-8-094	41,459	-
			<u>41,459</u>	<u>-</u>
<b>Total Department of Justice</b>			<u>711,190</u>	<u>-</u>
<b>Department of Transportation</b>				
Passed through the Georgia Department of Transportation				
ARRA Public Transportation Assistance	20.509	GA-18-X0033/T005503	183,098	183,098
ARRA Public Transportation Assistance	20.509	T005186	15,317	15,317
			<u>198,415</u>	<u>198,415</u>
Passed through the Governor's Office of Highway Safety				
SRTEN	20.600	GA-2016-000-0298	15,202	-
HEAT	20.600	GA-2016-000-0390	187,811	-
			<u>203,013</u>	<u>-</u>
<b>Total Department of Transportation</b>			<u>401,428</u>	<u>198,415</u>

See independent auditor's report.

LOWNDES COUNTY, GEORGIA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED  
 Year Ended June 30, 2016

	<u>Federal CFDA Number</u>	<u>Pass Through Grantor Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
<b>Department of Homeland Security</b>				
Passed through the Georgia				
Emergency Management Agency				
GEMA Training Grant	97.042	OEM14-094	500	-
2015 EMPG Response & Recovery	97.042	OEM15-094	6,547	-
2015 EMPG Planning & Preparedness	97.042	OEM15-094	1,675	-
GEMA Predisaster Mitigation	97.042	PDMC-PL-04-GA-2014-001	10,010	-
			<u>18,732</u>	<u>-</u>
GTIP CBRNE	97.067	2014-SS-00092-S01	19,426	-
GTIP CBRNE	97.067	2015-SS-00065-S01	19,225	-
GEMA CERT	97.067	2015-SS-00065-S01	73,267	-
			<u>111,918</u>	<u>-</u>
<b>Total Department of Homeland Security</b>			<u>130,650</u>	<u>-</u>
Total			<u>\$ 1,449,391</u>	<u>\$ 404,538</u>

See independent auditor's report.

LOWNDES COUNTY, GEORGIA  
NOTES TO THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1. BASIS OF PREPARATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Lowndes County, Georgia (the "County"), and is presented on the modified accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The County chose not to use the ten percent de minimis cost rate for the year ending June 30, 2016.

NOTE 3. NON-CASH AWARDS

The County did not receive non-cash federal awards during the year ending June 30, 2016.



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M. Allison Hutchins, CPA

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners  
Lowndes County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, 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, 2016, and the related notes to the financial statements, which collectively comprise the Lowndes County, Georgia's basic financial statements, and have issued our report thereon dated February 7, 2017. Our report included a reference to component auditors who audited the financial statements of the Lowndes County Board of Health and the Valdosta-Lowndes County Parks and Recreation Authority as described in our report on Lowndes County, Georgia's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### **Internal Control over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Lowndes County, Georgia's financial statements are free from 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*.

### **Purpose of this Report**

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



Henderson & Godbee, LLP  
Certified Public Accountants  
Valdosta, Georgia

February 7, 2017



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Certified Public Accountants and Business Consultants

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Commissioners  
Lowndes County, Georgia

### **Report on Compliance for Each Major Federal Program**

We have audited the Lowndes County, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Lowndes County, Georgia, Georgia's major federal programs for the year ended June 30, 2016. The 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.

Lowndes County, Georgia's basic financial statements include the operations of the Lowndes County Board of Health, which received \$5,397,300 in federal awards that is not included in the schedule during the year ended June 30, 2016. 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 Uniform Guidance.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Lowndes County, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative*

Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Lowndes County, Georgia's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Lowndes County, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

### **Report on Internal Control over Compliance**

Management of the Lowndes County, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Lowndes County, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Henderson & Godbee, LLP*

Henderson & Godbee, LLP  
Certified Public Accountants  
Valdosta, Georgia

February 7, 2017

LOWNDES COUNTY, GEORGIA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended June 30, 2016

**Section I – Summary of Auditor’s Results**

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting	
Material weakness identified?	_____ Yes <u>  X  </u> No
Significant deficiencies identified not considered to be material weakness?	_____ Yes <u>  X  </u> None reported
Noncompliance material to financial statements noted?	_____ Yes <u>  X  </u> No

Federal Awards

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

Type of auditor’s report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	_____ Yes <u>  X  </u> No
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Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.228	Community Development Block Grant/Entitlement Grants
16.523	Juvenile Accountability Block Grant

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
--	-----------

Auditee considered a low risk auditee	_____ Yes <u>  X  </u> No
---------------------------------------	---------------------------

Lowndes County, Georgia  
Certificate of 9-1-1 Expenditures  
For the Year Ended June 30, 2016

Line No.	O.C.G.A. Reference:	
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one):	
	<u>  X  </u> Special Revenue Fund <u>      </u> Enterprise Fund	
	Expenditures (UCOA Activity 3800)	
2	Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)	46-5-134(e)
	_____	\$ _____
	_____	\$ _____
	_____	\$ _____
3	Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:	
3a	Lease costs	46-5-134(f)(1)(A) \$ _____
3b	Purchase costs	46-5-134(f)(1)(A) \$ _____
3c	Maintenance costs	46-5-134(f)(1)(A) \$ _____
4	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	46-5-134(f)(1)(B) \$ _____
5	Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system and employees who work as directors as defined in O.C.G.A. §46-5-138.2	
5a	Salaries and wages	46-5-134(f)(1)(C) \$ <u>1,491,419</u>
5b	Employee benefits	46-5-134(f)(1)(C) \$ <u>581,740</u>
6	Cost of training of employees who work as dispatchers or directors	46-5-134(f)(1)(D) \$ <u>8,537</u>
7	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(f)(1)(E) \$ <u>5,129</u>
8	Building used as a public safety answering point:	
8a	Lease costs	46-5-134(f)(1)(F) \$ _____
8b	Purchase costs	46-5-134(f)(1)(F) \$ _____
9	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems and automatic vehicle location systems:	
9a	Lease costs	46-5-134(f)(1)(G) \$ _____
9b	Purchase costs	46-5-134(f)(1)(G) \$ _____
9c	Maintenance costs	46-5-134(f)(1)(G) \$ _____

Lowndes County, Georgia  
Certificate of 9-1-1 Expenditures  
For the Year Ended June 30, 2016

10	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)(1)(H)	\$ <u>                    </u>
11	Logging recorders used at a public safety answering point to record telephone and radio traffic:		
11a	Lease costs	46-5-134(f)(1)(I)	\$ <u>                    </u>
11b	Purchase costs	46-5-134(f)(1)(I)	\$ <u>                    </u>
11c	Maintenance costs	46-5-134(f)(1)(I)	\$ <u>                    </u>
12	Insurance purchased to insure against risks and liability in the operation and maintenance of the 9-1-1 system on behalf of the local government or on behalf of employees hired by the local government solely for the operation and maintenance of the 9-1-1 system and employees who work as directors	46-5-134(f)(2)(B)(i)	\$ <u>                    </u>
13	Mobile communications vehicle and equipment, if the primary purpose and designation of such vehicle is to function as a backup 9-1-1 system center		
13a	Lease costs	46-5-134(f)(2)(B)(ii)	\$ <u>                    </u>
13b	Purchase costs	46-5-134(f)(2)(B)(ii)	\$ <u>                    </u>
13c	Maintenance costs	46-5-134(f)(2)(B)(ii)	\$ <u>                    </u>
14	Allocation of indirect costs associated with supporting the 9-1-1 system center and operations as identified and outlined in an indirect cost allocation plan approved by the local governing authority that is consistent with the costs allocated within the local government to both governmental and business-type activities	46-5-134(f)(2)(B)(iii)	\$ <u>          160,000</u>
15	Mobile public safety voice and data equipment, geo-targeted test messaging alert systems, or towers necessary to carry out the function of 9-1-1 system operations		
15a	Lease costs	46-5-134(f)(2)(B)(iv)	\$ <u>                    </u>
15b	Purchase costs	46-5-134(f)(2)(B)(iv)	\$ <u>                    </u>
15c	Maintenance costs	46-5-134(f)(2)(B)(iv)	\$ <u>                    </u>
16	Public safety voice and data communications systems located in the 9-1-1 system facility that further the legislative intent of providing the highest level of emergency response service on a local, regional, and state-wide basis, including equipment and associated hardware and software that supports the use of public safety wireless voice and data communication systems		
16a	Lease costs	46-5-134(f)(2)(B)(v)	\$ <u>          206,982</u>
16b	Purchase costs	46-5-134(f)(2)(B)(v)	\$ <u>          55,908</u>
16c	Maintenance costs	46-5-134(f)(2)(B)(v)	\$ <u>          45,600</u>

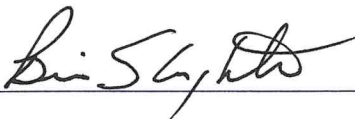
Lowndes County, Georgia  
 Certificate of 9-1-1 Expenditures  
 For the Year Ended June 30, 2016

17 Other expenditures not included in Lines 2 through 16 above.  
 Identify by object and purpose.

<u>Dues and subscriptions</u>	\$ <u>1,195</u>
<u>Contract Services</u>	\$ <u>497,869</u>
<u>Utilities</u>	\$ <u>76,515</u>
<u>Facilities maintenance</u>	\$ <u>5,225</u>
<u> </u>	\$ <u> </u>
<u> </u>	\$ <u> </u>
<u> </u>	\$ <u> </u>
<u> </u>	\$ <u> </u>
18 Total Expenditures (total of all amounts reported on Lines 2 through 17 above)	\$ <u><u>3,136,119</u></u>

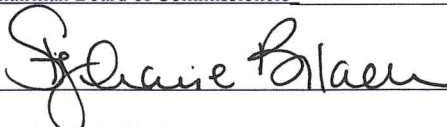
**Certification of Local Government Officials**

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 the 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 02/07/17

Print Name of Chief Elected Official Bill Slaughter

Title of Chief Elected Official Chairman Board of Commissioners

Signature of Chief Financial Officer  Date 02/07/17

Print Name of Chief Financial Officer Stephanie Black