

# Comprehensive Annual Financial Report July 1, 2009 – June 30, 2010



Lowndes County  
Board of Commissioners

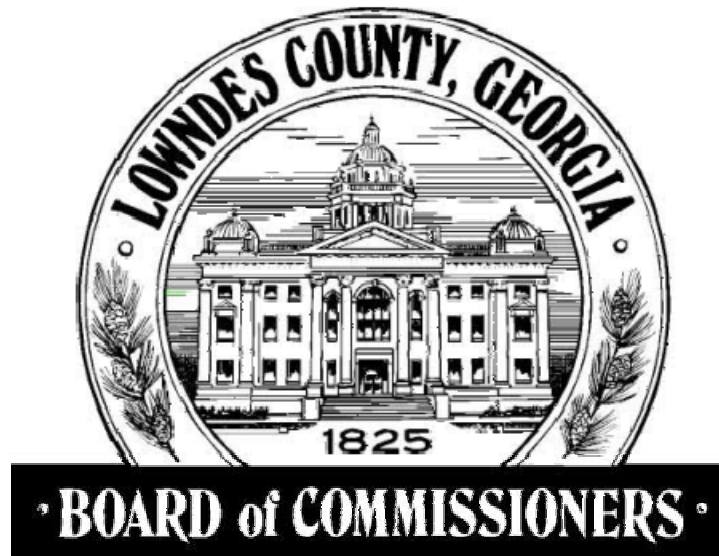


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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

LOWNDES COUNTY, GEORGIA

For The Fiscal Year  
July 1, 2009 - June 30, 2010



FINANCE DEPARTMENT  
Stephanie Black, Finance Director

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**LOWNDES COUNTY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For The Year Ending June 30, 2010**

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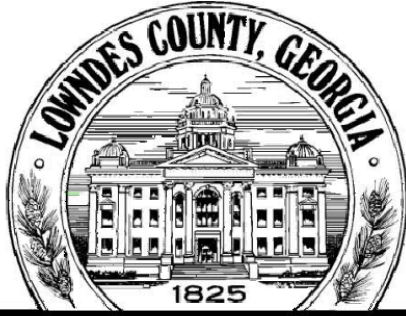
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## **INTRODUCTORY SECTION**

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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*

December 28, 2010

The Honorable Ashley Paulk, 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, 2010, 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, 2010, 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, 2010, 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 three commissioners each elected from a separate commission district serving four year staggered terms. Daily operations are directed by a County Manager who is appointed by and responsible to the Board of Commissioners. The County provides services to approximately 104,583 residents living in a 510.7 square mile area. Services provided include judicial services including the Superior, State, Magistrate, Probate and Juvenile Courts and the District Attorney and the Public Defender. The County provides public safety including the Sheriff's office, 911 emergency communications, animal control, emergency medical services and fire protection. Public works services include road maintenance and construction, building maintenance and sanitation. The County provides health and welfare services through the public health department, the Department of Family and Children Services and mental health services through Behavioral Health Services of South Georgia. Culture and recreation are funded and provided through the Valdosta-Lowndes County Parks and Recreation Authority, the South Georgia Regional Library, the Lowndes-Valdosta Arts Commission and the Lowndes County Historical Society.

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

The financial statements contained herein include all the activities and functions of Lowndes County that are under the jurisdiction of the Board of Commissioners, as set forth in state and local law. Additionally, 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 Industrial 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 tremendous growth in residential and commercial development in the last 10 years. The real and personal property tax digest has grown an average of 8.1% over those years. Through planning and zoning the County attempts to maintain a balanced use of land and provide defined areas for residential growth and development as well as areas for commercial and industrial growth. At the same time the County is also expanding recreational land use through the development of new parks. The County is also protective of land use within the areas close to Moody Air Force Base to prevent encroachment that would hamper the mission of the base.

## POPULATION

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The County population has grown over 13% in the last ten years. The growth has been driven in part by the expansion of missions at Moody Air Force Base, the local college becoming a state University, growth in industrial and commercial job opportunities and most recently by an increase in retirees looking for lower cost alternatives to traditional retirement locations. New housing developments are keeping pace with this growth and the County continues to expand roads and water and sewer systems to keep the infrastructure at the levels needed to meet the new demands of this growth.

## ECONOMIC CONDITION AND OUTLOOK

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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 February 2008, Lowndes County received an A1 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 a 5.0% unemployment rate the last five years compared to a State average of 6.0%. County population is estimated to have grown more than 16% since the 2000 census which showed a population of 92,114. County local option sales tax collections were down by 4.4% over the prior year due to the economic down turn. The gross tax digest continues to have steady growth.

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

## MAJOR INITIATIVES

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### For The Year:

The County continued construction of a new Judicial and Administrative Complex to house a growing court system and provide expanded and more efficient facilities for administrative personnel. The Judicial component was completed under phase one of the project and includes state of the art security for the court personnel and visitors. The administrative facilities were completed shortly after year end.

The County has begun phase two of a Jail renovation and expansion project that will include new prisoner housing. This project will be paid from general obligation bonds issued and to be paid back from the new special purpose local option sales tax that passed in FY08. This project was completed shortly after year end.

The County completed the building of an new Emergency Operation Center to help with coordinating public safety efforts during a natural disaster.

The County has continued 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 revenue bonds, special purpose local option sales tax funds and GEFA loans, the County should complete in the next few years the master projects planned which exceed \$22 million in estimated cost.

### For The Future:

The County has numerous capital improvement projects which will be completed in the next few years. These include the following:

1. Complete construction of the second phase of the Judicial and Administrative Complex.
2. Complete construction of the new prisoner housing facilities in the new jail.
3. The completion of the construction projects on the County's five year capital improvement master plan for the Water and Sewer Fund,
4. Complete road projects from special purpose local option sales tax funds.
5. Complete several smaller capital improvement projects that include renovations to the current Courthouse, improvements to parks, and parking facilities for the hospital all of which are funded with special purpose local option sales tax.

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

## RELEVANT FINANCIAL POLICIES

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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 third year to the Lowndes County Board of Commissioners for its comprehensive annual financial report for the fiscal year ended June 30, 2009. 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, 2009. This is the fourth 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 2010 fiscal year budget document continues to conform to the requirements of the award.

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

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

Respectfully submitted,



Stephanie Black  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lowndes County  
Georgia

For its Comprehensive Annual  
Financial Report for the Fiscal  
Year Ended June 30, 2009

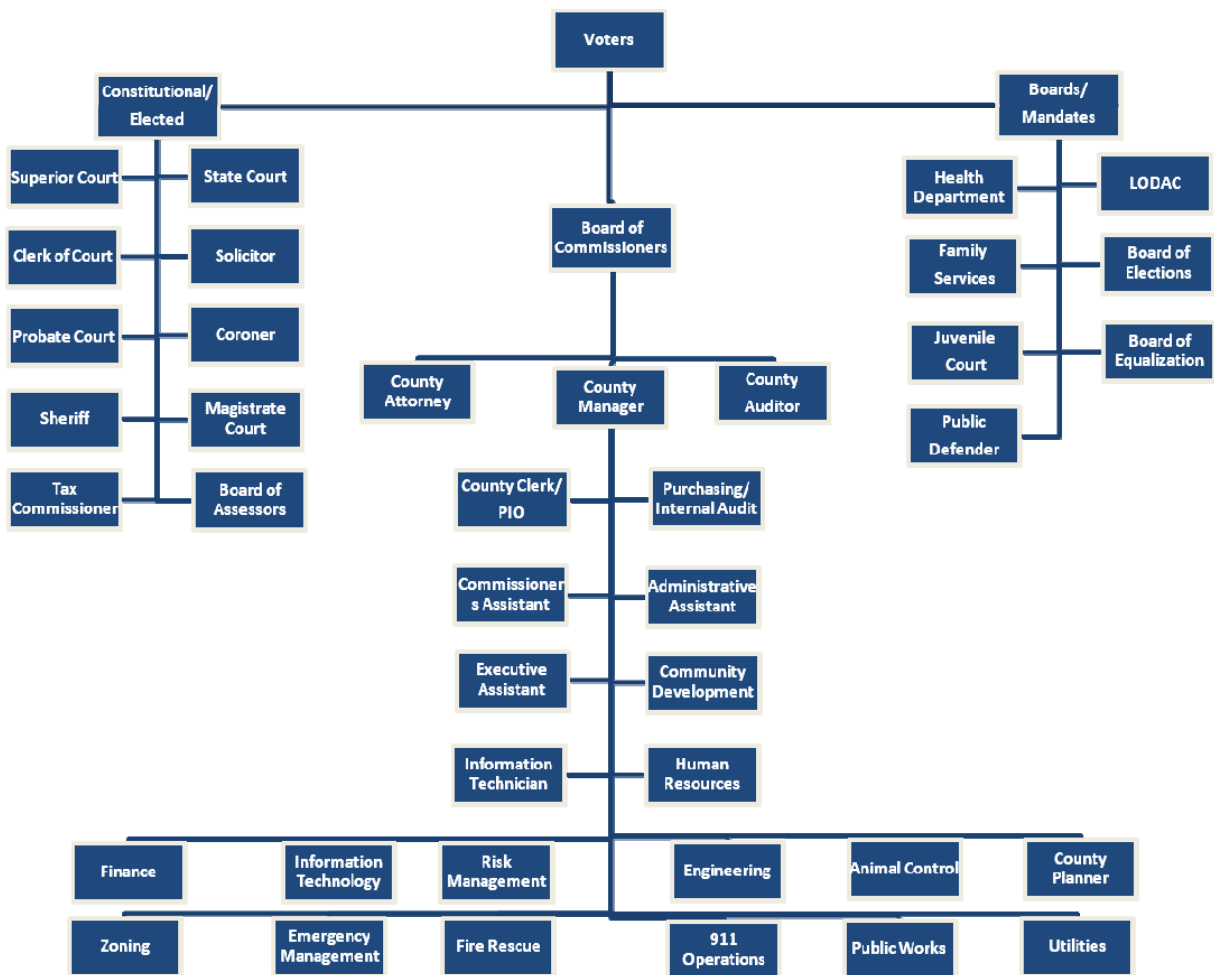
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

# General Government Organizational Chart



Lowndes County, Georgia  
Principle Officials



Joyce E. Evans  
Commissioner District 1



Ashley Paulk  
Chairman



Richard C. Lee  
Commissioner District 2



G. Robert Carter  
Commissioner District 3

County Manager  
Joe Pritchard

County Attorney  
Walter G. Elliott

Elected Officials

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

Mary Nell Robertson  
Sara Crow  
Chris Prine  
Harry Jay Altman II  
John Kent Edwards  
Joni B. Parker  
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  
Amber J. Tanner, CPA  
Kevin R. Hiers, CPA

Troy D. Newham, CPA  
J. Craig King, CPA  
Amanda W. Shapard, CPA  
Scott R. Simpson, CPA  
Huong T. Nguyen, CPA

## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners  
Lowndes County, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lowndes County, Georgia as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Lowndes County, Georgia's, management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Lowndes County Board of Health, the Valdosta-Lowndes County Industrial Authority, and the Valdosta-Lowndes County Parks and Recreation Authority which represents 100% of the total assets and revenues of Lowndes County, Georgia's component units as of and for the year ending June 30, 2010. Those financial statements were audited by other auditor's whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lowndes County Board of Health, the Valdosta-Lowndes County Industrial Authority, 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

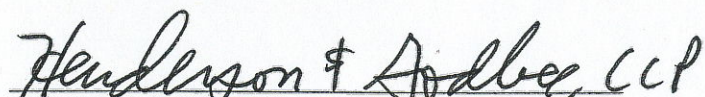
In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lowndes County, Georgia as of June 30, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Board of Commissioners  
Lowndes County, Georgia  
Page Two

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2010, on our consideration of Lowndes County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 11 through 21 and 75 through 85 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lowndes County, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, statistical section, the Schedule of Projects Constructed With Special Sales Tax Proceeds and the schedule of state contractual assistance are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, the Schedule of Projects Constructed With Special Sales Tax Proceeds and the schedule of state contractual assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 it.

  
Henderson & Godbee, LLP

Valdosta, Georgia  
December 28, 2010

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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, 2010

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, 2010. We encourage our readers to consider the information presented within this Management's discussion and analysis in conjunction with the basic financial statements. The intent of this discussion and analysis is to look at the County's financial performance as a whole.

### **Financial Highlights**

Key financial highlights for FY10 are as follows:

The County's total net assets decreased by \$15,574,399 due in part to the spending down of accumulated special purpose local option sales tax funds collected in prior years and expenditures in the Judicial Complex and Jail capital projects fund.

At the end of the current year, the County's governmental funds reported an ending fund balance of \$28,176,435, a decrease of \$27,555,197 from the prior year fund balance. Due to the decline in special purpose local option sales tax, the general fund has advanced funds to complete projects in progress and will be paid back over time as the balance of those funds are received. This created an unreserved deficit of \$4,472,895 for all governmental funds.

At the end of the current year, unreserved and undesignated fund balance for the General Fund was \$2,244,498 which represents 5.74 percent of total General Fund expenditures.

Net assets for business-type activities increased from \$27,336,123 to \$31,024,159, an increase of \$3,688,036.

The County has \$7,255,387 of water and sewer construction in progress and \$11,181,113 of road construction in progress.

### **Overview of the Financial Statements**

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

The County's basic financial statements are comprised of three components: the County-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### **Government-Wide Financial Statements**

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

LOWNDES COUNTY, GEORGIA  
Management's Discussion and Analysis  
Required Supplemental Information  
For the Year Ended June 30, 2010

**Statement of Net Assets and the Statement of Activities**

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

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

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

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

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

**Component Units**—The County's financial statements include financial data of the Valdosta-Lowndes County Industrial Authority, 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.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial statements provide detailed information about the County's major funds. Based on the restriction on the use of moneys, the County has established many funds that account for the multitude of services provided to our residents. The County's major governmental funds are the General Fund, the Special Services Fund, the Capital Projects Special Purpose Sales Tax V and VI Funds and the Capital Projects Judicial Complex and Jail Fund.

LOWNDES COUNTY, GEORGIA  
Management's Discussion and Analysis  
Required Supplemental Information  
For the Year Ended June 30, 2010

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements.

By doing so, readers may better understand the long-term effect of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

LOWNDES COUNTY, GEORGIA  
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**Government-Wide Financial Analysis**

The following table reflects the condensed Statement of Net Assets:

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

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>		<b>Total</b>
	<b>Activities</b>		<b>Activities</b>				<b>Percentage</b>
	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>Change</b>
							<b>2009-2010</b>
<b>Assets</b>							
Current and other assets	\$ 64.71	\$ 32.77	\$ (0.52)	\$ 0.87	\$ 64.19	\$ 33.64	-47.59%
Capital assets, net	153.68	159.62	40.95	42.58	194.63	202.20	3.89%
<b>Total Assets</b>	<b>218.39</b>	<b>192.39</b>	<b>40.43</b>	<b>43.45</b>	<b>258.82</b>	<b>235.84</b>	<b>-8.88%</b>
<b>Liabilities</b>							
Current and other liabilities	18.38	15.15	1.75	1.40	20.13	16.55	-17.78%
Long-term liabilities	40.86	33.63	11.34	11.03	52.20	44.66	-14.44%
<b>Total Liabilities</b>	<b>59.24</b>	<b>48.78</b>	<b>13.09</b>	<b>12.43</b>	<b>72.33</b>	<b>61.21</b>	<b>-15.37%</b>
<b>Net Assets</b>							
Invested in capital assets, net of related debt	123.17	119.88	27.28	32.07	150.45	151.95	1.00%
Restricted	17.05	39.60	-	-	17.05	39.60	132.26%
Unrestricted	18.93	(15.87)	0.06	(1.05)	18.99	(16.92)	-189.10%
<b>Total Net Assets</b>	<b>\$ 159.15</b>	<b>\$ 143.61</b>	<b>\$ 27.34</b>	<b>\$ 31.02</b>	<b>\$ 186.49</b>	<b>\$ 174.63</b>	<b>-6.36%</b>

As noted earlier, the County's net assets, when reviewed over time, may serve as a useful indicator of the County's financial position. In the case of the County, assets exceeded liabilities by \$174,630,148. Net assets were \$143,605,989 in governmental activities and \$31,024,159 in business-type activities as of June 30, 2010. The largest portion of the County's net assets 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 21% of net assets are restricted for use on capital projects.

An additional portion of the County's net assets (1 %) represents resources that are subject to other restrictions on how they can be used.

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The next table shows the changes in net assets for the year ending June 30, 2010 and 2009.

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

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>		<b>Total Percentage Change 2009-2010</b>
	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	
<b>Revenues</b>							
Program Revenues							
Charges for services	\$ 9.78	\$ 9.85	\$ 4.35	\$ 6.46	\$ 14.13	\$ 16.31	15.43 %
Operating grants and contributions	2.74	1.88	-	-	2.74	1.88	(31.39) %
Capital grants and contributions	1.30	0.76	-	-	1.30	0.76	(41.54) %
<b>Total Program Revenues</b>	<b>13.82</b>	<b>12.49</b>	<b>4.35</b>	<b>6.46</b>	<b>18.17</b>	<b>18.95</b>	<b>4.29 %</b>
General Revenues							
Property taxes	19.84	20.79	-	-	19.84	20.79	4.79 %
Alcoholic beverage taxes	0.53	0.51	-	-	0.53	0.51	(3.77) %
Occupational taxes	0.39	0.32	-	-	0.39	0.32	(17.95) %
Franchise taxes	0.19	0.17	-	-	0.19	0.17	(10.53) %
Insurance premium taxes	2.19	2.34	-	-	2.19	2.34	6.85 %
Sales taxes	25.70	24.61	-	-	25.70	24.61	(4.24) %
Public utility taxes	0.55	0.52	-	-	0.55	0.52	100.00 %
Miscellaneous	0.62	0.44	0.01	-	0.63	0.44	(30.16) %
Interest	0.32	0.17	0.03	0.01	0.35	0.18	(48.57) %
<b>Total General Revenues</b>	<b>50.33</b>	<b>49.87</b>	<b>0.04</b>	<b>0.01</b>	<b>50.37</b>	<b>49.88</b>	<b>(0.97) %</b>
<b>Total Revenues</b>	<b>64.15</b>	<b>62.36</b>	<b>4.39</b>	<b>6.47</b>	<b>68.54</b>	<b>68.83</b>	<b>0.42 %</b>

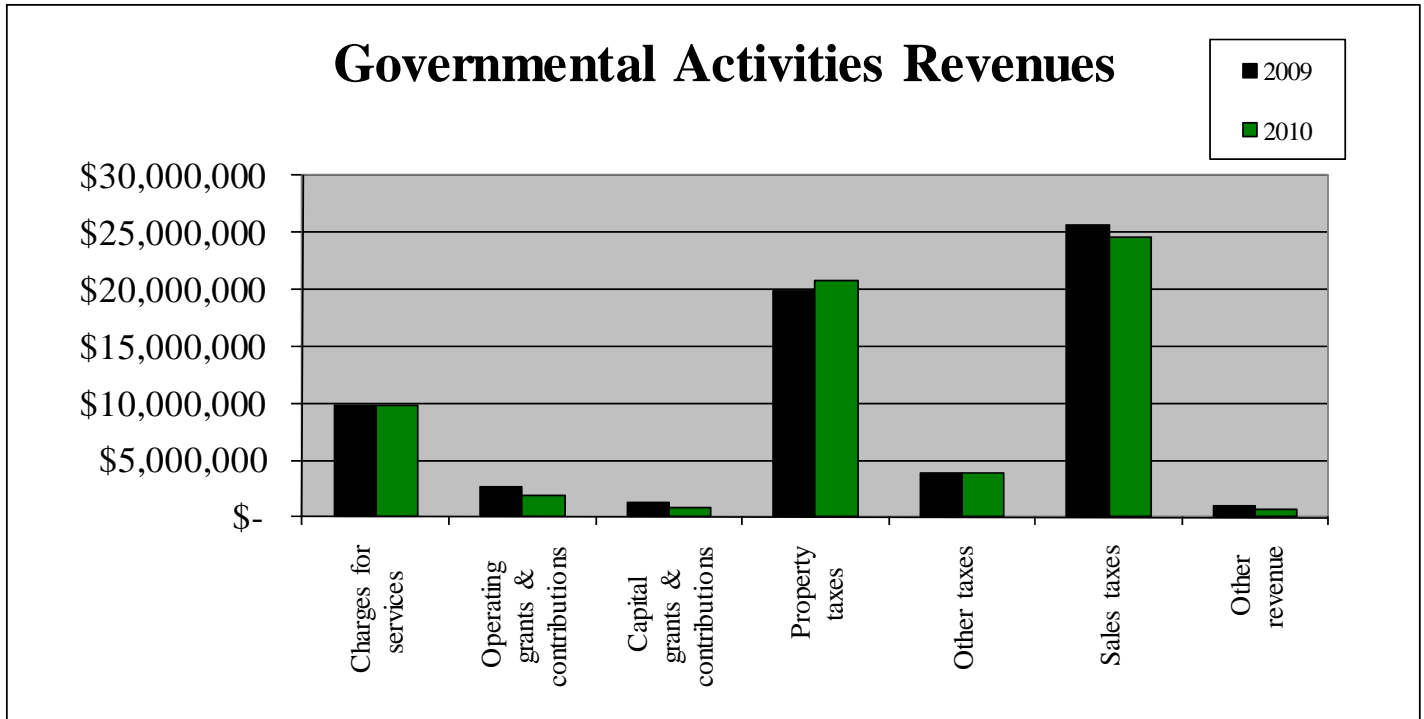
LOWNDES COUNTY, GEORGIA  
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Changes in Lowndes County's Net Assets  
*(in millions of dollars)*

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>		<b>Total Percentage Change 2009-2010</b>
	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	
<b>Expenses</b>							
<b>Governmental Activities:</b>							
General Government							
Legislative and executive	\$ 11.97	\$ 10.66	\$ -	\$ -	\$ 11.97	\$ 10.66	(10.94) %
Judicial	5.75	5.76	-	-	5.75	5.76	0.17 %
Public safety	27.12	25.99	-	-	27.12	25.99	(4.17) %
Public works	26.91	27.15	-	-	26.91	27.15	0.89 %
Health and welfare	1.37	1.26	-	-	1.37	1.26	(8.03) %
Culture and recreation	1.80	1.02	-	-	1.80	1.02	(43.33) %
Housing and development	1.88	1.32	-	-	1.88	1.32	(29.79) %
Interest on long-term debt	2.19	2.06	-	-	2.19	2.06	(5.94) %
<b>Business-type Activities:</b>							
Water and sewer	-	-	4.16	4.14	4.16	4.14	(0.48) %
Landfill	-	-	0.11	0.08	0.11	0.08	(27.27) %
Special tax lighting district	-	-	0.23	0.28	0.23	0.28	21.74 %
Sanitation fund	-	-	1.07	1.03	1.07	1.03	100.00 %
<b>Total Expenses</b>	<b>78.99</b>	<b>75.22</b>	<b>5.57</b>	<b>5.53</b>	<b>84.56</b>	<b>80.75</b>	<b>(4.51) %</b>
<b>Revenue Over (Under) Expenses</b>	<b>(14.84)</b>	<b>(12.86)</b>	<b>(1.18)</b>	<b>0.94</b>	<b>(16.02)</b>	<b>(11.92)</b>	<b>(25.59) %</b>
Transfers	(3.67)	(2.75)	3.67	2.75	-	-	- %
<b>Increase (Decrease) in Net Assets</b>	<b>(18.51)</b>	<b>(15.61)</b>	<b>2.49</b>	<b>3.69</b>	<b>(16.02)</b>	<b>(11.92)</b>	<b>(25.59) %</b>
Beginning Net Assets	173.48	159.15	24.85	27.34	198.33	186.49	(5.97) %
Prior Year Adjustment	4.18	0.07	-	-	4.18	0.07	100.00 %
Net Assets, Restated	177.66	159.22	24.85	27.34	202.51	186.56	(7.88) %
<b>Net Assets, Ending</b>	<b>\$ 159.15</b>	<b>\$ 143.61</b>	<b>\$ 27.34</b>	<b>\$ 31.02</b>	<b>\$ 186.49</b>	<b>\$ 174.63</b>	<b>(6.36) %</b>

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**Government Activities**



The largest portion of the County's program revenue is from charges for services which accounted for \$9,847,014 or 79% 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.

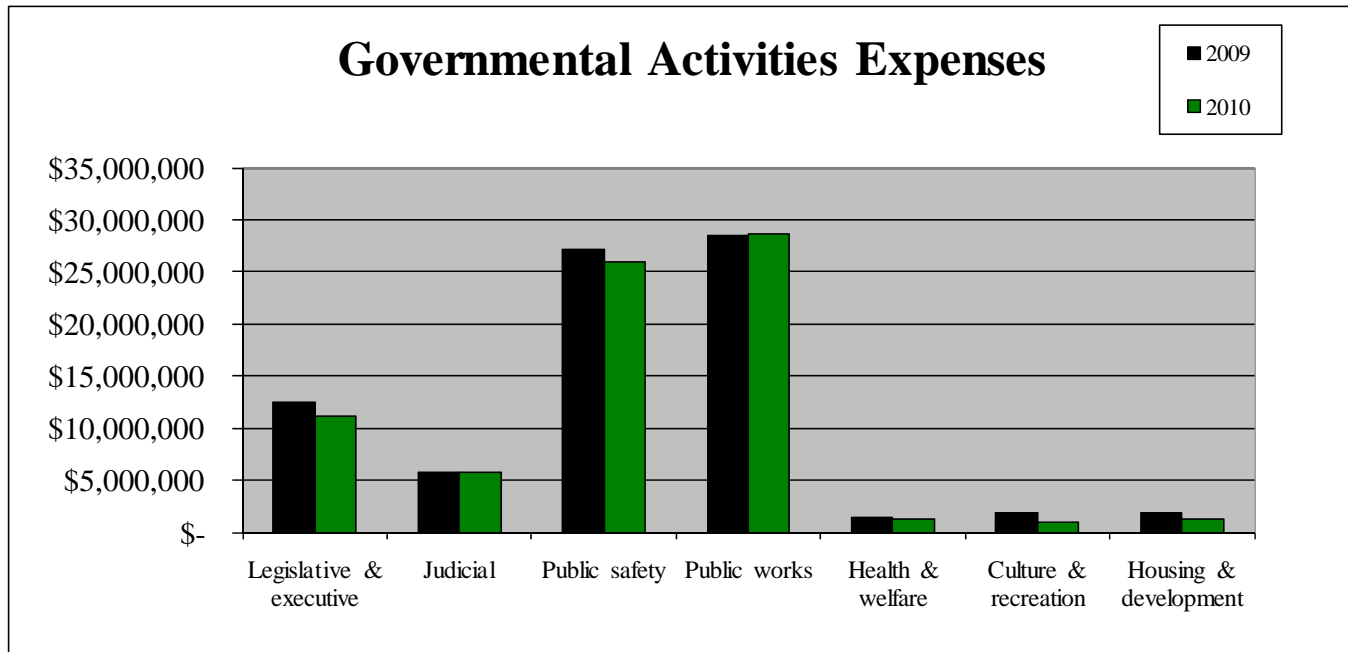
Sales tax revenues are the major contributor to general revenues and account for \$24,605,202 or 49% of total general revenues. Another major component was property taxes, which accounted for \$20,793,727 or 42% of total general revenues.

The changes in revenues were mostly down with property taxes increase modestly. Special purpose sales tax showed the most significant change. These taxes dropped due to the current economy and a reduction in retail sales.

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**Government Activities – Continued**

The following chart compares governmental activities expenses for the year ending June 30, 2009 and 2010. Expenditures were reduced to offset reduced revenue.



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 2009-2010</u>	<u>Net Cost of Services</u>		<u>Percentage Change 2009-2010</u>
	<u>2009</u>	<u>2010</u>		<u>2009</u>	<u>2010</u>	
General Government						
Legislative and executive	\$ 12.47	\$ 10.66	(14.51) %	\$ 8.74	\$ 9.18	4.99 %
Judicial	5.18	5.76	11.20 %	1.79	2.59	44.97 %
Public safety	27.99	25.99	(7.15) %	22.02	19.46	(11.61) %
Public works	32.75	27.15	(17.10) %	31.82	26.43	(16.94) %
Health and welfare	1.27	1.26	(0.79) %	0.97	0.96	(0.71) %
Culture and recreation	4.58	1.02	(77.73) %	4.58	1.02	(77.66) %
Housing and development	1.40	1.32	(5.71) %	0.50	0.98	96.41 %
Interest on long-term debt	0.52	2.06	296.15 %	0.52	2.06	296.38 %
<b>Total</b>	<b>\$ 86.16</b>	<b>\$ 75.22</b>	<b>(12.70) %</b>	<b>\$ 70.94</b>	<b>\$ 62.69</b>	<b>(11.63) %</b>

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**Business-Type Activities**

The net assets for business-type activities increased by \$3,688,036 during the year ending June 30, 2010. The major source of revenue was from charges for services which amounted to \$5,112,696.

**Financial Analysis of County Funds**

The County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Governmental Funds**

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

As of June 30, 2010, the County's governmental funds reported a combined ending fund balance of \$24,478,834, a decrease of \$31,252,798. Due to loans from the General Fund to the SPLOST VI fund to complete projects there was no unreserved and undesignated fund balance which is available for spending at the County's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior year (\$91,146) or a variety of other reserved or designated purposes (\$28,860,583).

**Major Funds:**

The General Fund is the primary operating fund of the County. At the end of June 30, 2010, the unreserved and undesignated fund balance was \$2,344,771 while total fund balance was \$19,038,348. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved and undesignated fund balance represents 5.74% to total General Fund expenditures, while the total fund balance represents 59.37% of that same amount.

The Special Services Fund accounts for the revenues and expenditures that are derived and expended in the unincorporated areas of the County. At the end of June 30, 2010, the unreserved and undesignated fund balance was \$76,386 which was also the total fund balance.

The Capital Projects SPLOST V Fund expended \$2,584,800 in appropriations to other governments and received \$15,614 in investment income. The expenditures exceeded revenues resulting in a decrease in the fund balance from \$8,691,754 to \$6,122,568 which is reserved for capital projects. This SPLOST ended in December 2007.

The Capital Projects SPLOST VI Fund expended \$18,808,417 in capital improvement and debt service funds and received \$12,724,089 in sales tax, Department of Transportation funding and investment income. The expenditures exceeded revenues resulting in a decrease in the fund balance from \$201,144 to a deficit of \$5,883,184. This SPLOST will end in December 2013.

The Capital Projects Judicial Complex and Jail Fund had investment income of \$97,405 and expenditures of \$20,065,037 decreasing the fund balance from \$24,057,781 to \$4,090,149 which is reserved for the Judicial Complex and new Jail facilities capital projects.

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**Enterprise Funds**

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

Total Net Assets of the Water & Sewer Fund at June 30, 2010, were \$30,731,536. Total Net Assets increased by \$3,303,886.

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

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

The Sanitation Fund accounts for sanitation services with the inception of a fee based service.

**Budgetary Highlights**

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

For the General Fund and other governmental funds, changes from the original to the final budget created no net change in fund balance.

**Capital Assets**

The County's investment in capital assets for governmental and business-type activities as of June 30, 2010, was \$202,197,383 (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 FY10 included continued improvements to roads, water and sewer systems, completion of an Emergency Operation Center and a new fire station as well as the continuing construction of the Judicial Complex and new jail facilities.

Note 9 (Capital Assets) provides additional information about capital asset activity during FY10.

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**Debt**

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

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 15 to 19 of this report.

**Economic Factors**

The tax digest grew by 2.7% over the prior year and has averaged 8 % growth over the last five years. This has allowed the County to reduce or maintain current millage rates and stay ahead of rising cost.

The County had a 23% decrease in health insurance and workers compensation expenses in FY10 during a time when overall health cost continue to increase.

The County maintained a calendar year annual average of 8.1% for unemployment compared to the state average of 9.6%.

**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 ASSETS  
 June 30, 2010

Primary Government

	Governmental Activities	Business-Type Activities	Total Primary Government
<b>ASSETS</b>			
Equity in pooled cash and cash equivalents	\$ 513,687	\$ -	\$ 513,687
Cash and cash equivalents in segregated accounts	10,948,604	838,485	11,787,089
Certificate of deposit	491,802	-	491,802
Government investment pool	3,387,717	-	3,387,717
Investments	4,007,413	-	4,007,413
Receivables (net of allowance for doubtful accounts):			
Taxes	1,010,539	-	1,010,539
Accounts	1,182,615	1,340,130	2,522,745
Special assessments	20,035	-	20,035
Sales tax	2,092,867	-	2,092,867
Internal balances	(1,027,520)	1,027,520	-
Due from other governments	2,942,164	-	2,942,164
Materials and supplies inventory	209,534	-	209,534
Prepaid expenses	680,880	-	680,880
Deferred bond issue cost	606,184	204,865	811,049
Restricted cash and cash investments	2,122,782	185,780	2,308,562
Internal advances	2,726,482	(2,726,482)	-
Net pension obligation asset	854,862	-	854,862
Nondepreciable capital assets	66,137,812	9,945,930	76,083,742
Depreciable capital assets, net	93,477,746	32,635,895	126,113,641
<b>TOTAL ASSETS</b>	<u>192,386,205</u>	<u>43,452,123</u>	<u>235,838,328</u>

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

Component Units

Lowndes County Board of Health	Valdosta- Lowndes County Industrial Authority	Valdosta- Lowndes County Parks & Recreation Authority
\$ -	\$ -	\$ -
1,458,154	2,774,347	675,829
-	-	-
-	824,986	-
-	-	265,034
58,156	-	-
-	-	-
-	-	-
1,102,982	-	-
-	-	-
-	-	7,500
-	410,250	-
-	7,717,781	-
-	-	-
-	-	-
-	11,573,736	3,206,475
<u>609,312</u>	<u>4,521,869</u>	<u>3,374,099</u>
<u>3,228,604</u>	<u>27,822,969</u>	<u>7,528,937</u>

LOWNDES COUNTY, GEORGIA  
 STATEMENT OF NET ASSETS - CONTINUED  
 June 30, 2010

	Primary Government		
	Governmental Activities	Business-Type Activities	Total Primary Government
<b>LIABILITIES</b>			
Accounts payable	2,919,204	391,886	3,311,090
Estimated health claims payable	362,176	-	362,176
Accrued wages	514,806	23,533	538,339
Accrued liabilities	801,563	36,699	838,262
Due to other governments	1,495,652	-	1,495,652
Deferred revenue	24,934	141,857	166,791
Payable from restricted assets:			
Customer deposits	-	151,395	151,395
Long-term liabilities:			
Due within one year:			
Compensated absences payable	678,790	32,126	710,916
Capital lease obligations	3,147,016	-	3,147,016
Bonds payable	5,205,785	526,922	5,732,707
Notes payable	-	-	-
Landfill postclosure cost	-	69,824	69,824
Due in more than one year:			
Compensated absences payable	533,335	25,242	558,577
Capital lease obligations	9,249,605	-	9,249,605
Bonds payable	23,847,350	9,981,118	33,828,468
Notes payable	-	-	-
Landfill postclosure cost	-	1,047,362	1,047,362
<b>TOTAL LIABILITIES</b>	<u>48,780,216</u>	<u>12,427,964</u>	<u>61,208,180</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt (deficit)	119,875,420	32,073,785	151,949,205
Restricted for:			
Capital projects	37,306,413	-	37,306,413
Jail operations	276,916	-	276,916
Drug enforcement operations	1,579,078	-	1,579,078
Law library	437,424	-	437,424
Special grant programs	-	-	-
Debt service	-	-	-
Prior year program fee income	-	-	-
Unrestricted	<u>(15,869,262)</u>	<u>(1,049,626)</u>	<u>(16,918,888)</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 143,605,989</u>	<u>\$ 31,024,159</u>	<u>\$ 174,630,148</u>

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

Component Units		
Lowndes County Board of Health	Valdosta- Lowndes County Industrial Authority	Valdosta- Lowndes County Parks & Recreation Authority
123,501	491,453	81,098
-	-	-
-	-	-
-	200,575	214,326
402,015	-	-
-	-	18,973
-	-	-
246,756	-	37,000
-	-	-
-	965,000	-
-	81,967	-
-	-	-
186,149	-	12,089
-	-	-
-	16,060,478	-
-	378,438	-
-	-	-
<u>958,421</u>	<u>18,177,911</u>	<u>363,486</u>
609,312	(1,390,278)	6,580,574
-	-	-
-	-	-
-	-	-
-	-	-
396,226	-	-
-	515,072	-
817,331	-	-
<u>447,314</u>	<u>10,520,264</u>	<u>584,877</u>
<u>\$ 2,270,183</u>	<u>\$ 9,645,058</u>	<u>\$ 7,165,451</u>

LOWNDES COUNTY, GEORGIA  
 STATEMENT OF ACTIVITIES  
 For The Year Ended June 30, 2010

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	\$ 10,653,696	\$ 1,206,632	\$ 271,060	\$ -
Judicial	5,760,263	2,939,970	225,377	-
Public Safety	25,992,484	5,432,211	1,097,826	-
Public Works	27,110,901	56,506	-	624,539
Health and Welfare	1,256,269	211,695	81,457	-
Culture and Recreation	1,023,310	-	-	-
Housing and Development	1,327,969	-	205,313	140,621
Interest on Long-term Debt	2,061,176	-	-	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>75,186,068</u>	<u>9,847,014</u>	<u>1,881,033</u>	<u>765,160</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Water and Sewer	4,137,154	5,065,995	-	-
Landfill	83,421	624,153	-	-
Special Tax Lighting District	278,128	189,240	-	-
Sanitation Fund	1,031,496	578,802	-	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<u>5,530,199</u>	<u>6,458,190</u>	<u>-</u>	<u>-</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 80,716,267</u>	<u>\$ 16,305,204</u>	<u>\$ 1,881,033</u>	<u>\$ 765,160</u>
<b>COMPONENT UNITS</b>				
Lowndes County Board of Health	\$ 12,084,380	\$ 1,032,203	\$ 10,615,386	\$ -
Valdosta-Lowndes County Industrial Authority	2,024,484	-	32,773	-
Valdosta-Lowndes County Parks & Recreation Authorit	4,171,905	437,342	57,243	-
<b>TOTAL COMPONENT UNITS</b>	<u>\$ 18,280,769</u>	<u>\$ 1,469,545</u>	<u>\$ 10,705,402</u>	<u>\$ -</u>

GENERAL REVENUES  
 Property Taxes Levied for:  
     General Operating  
     Alcoholic Beverage Taxes  
     Occupational Taxes  
     Franchise Taxes  
     Insurance Premium Taxes  
     Sales Taxes  
     Public Utility Taxes  
     Miscellaneous Income  
     Investment Income  
 TOTAL GENERAL REVENUES  
 TRANSFERS IN (OUT)  
 CHANGES IN NET ASSETS  
  
 BEGINNING NET ASSETS, RESTATED  
  
 NET ASSETS AT END OF YEAR

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

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Total	Lowndes County Board of Health	Valdosta- Lowndes County Industrial Authority	Valdosta- Lowndes County Parks & Recreation Authority
\$ (9,176,004)	\$ -	\$ (9,176,004)	\$ -	\$ -	\$ -
(2,594,916)	-	(2,594,916)	-	-	-
(19,462,447)	-	(19,462,447)	-	-	-
(26,429,856)	-	(26,429,856)	-	-	-
(963,117)	-	(963,117)	-	-	-
(1,023,310)	-	(1,023,310)	-	-	-
(982,035)	-	(982,035)	-	-	-
(2,061,176)	-	(2,061,176)	-	-	-
<u>(62,692,861)</u>	<u>-</u>	<u>(62,692,861)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	928,841	928,841	-	-	-
-	540,732	540,732	-	-	-
-	(88,888)	(88,888)	-	-	-
-	(452,694)	(452,694)	-	-	-
-	927,991	927,991	-	-	-
<u>\$ (62,692,861)</u>	<u>\$ 927,991</u>	<u>\$ (61,764,870)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (436,791)	\$ -	\$ -
-	-	-	-	(1,991,711)	-
-	-	-	-	-	(3,677,320)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (436,791)</u>	<u>\$ (1,991,711)</u>	<u>\$ (3,677,320)</u>
20,793,727	-	20,793,727	-	3,018,366	3,690,179
508,709	-	508,709	-	-	-
317,884	-	317,884	-	-	-
174,130	-	174,130	-	-	-
2,343,344	-	2,343,344	-	-	-
24,605,202	-	24,605,202	-	-	-
515,504	-	515,504	-	-	-
443,937	-	443,937	-	412	115,216
170,000	6,070	176,070	-	238,488	447
49,872,437	6,070	49,878,507	-	3,257,266	3,805,842
(2,753,975)	2,753,975	-	-	-	-
(15,574,399)	3,688,036	(11,886,363)	(436,791)	1,265,555	128,522
<u>159,180,388</u>	<u>27,336,123</u>	<u>186,516,511</u>	<u>2,706,974</u>	<u>8,379,503</u>	<u>7,036,929</u>
<u>\$ 143,605,989</u>	<u>\$ 31,024,159</u>	<u>\$ 174,630,148</u>	<u>\$ 2,270,183</u>	<u>\$ 9,645,058</u>	<u>\$ 7,165,451</u>

LOWNDES COUNTY, GEORGIA  
 GOVERNMENTAL FUNDS  
 BALANCE SHEET  
 June 30, 2010

	General	Special Services	Capital Project Funds		
			Special Purpose Local Option Sales Tax V	Special Purpose Local Option Sales Tax VI	Judicial Complex And Jail
ASSETS					
Equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	-
Cash and cash equivalents in segregated accounts	891,831	-	6,214,915	124,984	777,645
Certificate of deposit	-	-	-	-	-
Investments	-	-	-	-	4,007,413
Government investment pool	1,111,280	-	394,250	1,817,018	-
Receivables (net of allowance for doubtful accounts)					
Taxes	1,010,539	-	-	-	-
Accounts	81,405	118,893	41,952	4,675	-
Special assessments	20,035	-	-	-	-
Sales Tax	2,092,867	-	-	-	-
Due from other governments	874,134	-	-	2,023,556	-
Restricted cash	-	-	-	2,122,782	-
Prepaid expense	597,920	-	-	-	-
Interfund receivable	14,856,117	40,785	-	-	-
Internal advances	2,726,482	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 24,262,610</b>	<b>\$ 159,678</b>	<b>\$ 6,651,117</b>	<b>\$ 6,093,015</b>	<b>\$ 4,785,058</b>

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

Other Governmental	
<u>Funds</u>	<u>Total</u>
\$ 335,519	\$ 335,519
2,033,851	10,043,226
491,802	491,802
-	4,007,413
46,157	3,368,705
-	1,010,539
928,881	1,175,806
-	20,035
-	2,092,867
44,474	2,942,164
-	2,122,782
-	597,920
-	14,896,902
-	<u>2,726,482</u>
<u>\$ 3,880,684</u>	<u>\$ 45,832,162</u>

LOWNDES COUNTY, GEORGIA  
 GOVERNMENTAL FUNDS  
 BALANCE SHEET - CONTINUED  
 June 30, 2010

	<u>General</u>	<u>Special Services</u>	<u>Capital Project Funds</u>		
			<u>Special Purpose Local Option Sales Tax V</u>	<u>Special Purpose Local Option Sales Tax VI</u>	<u>Judicial Complex And Jail</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 949,921	\$ 53,674	\$ 528,549	\$ 27,270	\$ 694,909
Accrued wages	429,896	25,987	-	-	-
Due to other governments	-	-	-	788,386	-
Interfund payable	2,988,298	-	-	11,160,543	-
Deferred revenue	<u>856,147</u>	<u>3,181</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>5,224,262</u>	<u>82,842</u>	<u>528,549</u>	<u>11,976,199</u>	<u>694,909</u>
FUND BALANCES					
Reserved for encumbrances	91,146	-	-	-	-
Reserved for loans receivable	2,726,482	-	-	-	-
Reserved for capital projects	-	-	6,122,568	-	4,090,149
Reserved for jail operations	-	-	-	-	-
Reserved for drug enforcement operations	-	-	-	-	-
Reserved for law library	-	-	-	-	-
Unreserved:					
Designated for property tax roll back	13,875,949	-	-	-	-
Undesignated, reported in:					
General Fund	2,344,771	-	-	-	-
Special Revenue Funds	-	76,836	-	-	-
Capital Projects Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,883,184)</u>	<u>-</u>
TOTAL FUND BALANCES	<u>19,038,348</u>	<u>76,836</u>	<u>6,122,568</u>	<u>(5,883,184)</u>	<u>4,090,149</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 24,262,610</u>	<u>\$ 159,678</u>	<u>\$ 6,651,117</u>	<u>\$ 6,093,015</u>	<u>\$ 4,785,058</u>

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

Other	
Governmental	
<u>Funds</u>	<u>Total</u>
\$ 485,791	\$ 2,740,114
46,100	501,983
707,266	1,495,652
1,607,410	15,756,251
-	<u>859,328</u>
<u>2,846,567</u>	<u>21,353,328</u>
-	91,146
-	2,726,482
74,280	10,286,997
278,754	278,754
1,277,427	1,277,427
414,974	414,974
-	13,875,949
-	2,344,771
(1,011,318)	(934,482)
-	<u>(5,883,184)</u>
<u>1,034,117</u>	<u>24,478,834</u>
<u>\$ 3,880,684</u>	<u>\$ 45,832,162</u>

LOWNDES COUNTY, GEORGIA  
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
 TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
 June 30, 2010

Total Governmental Funds Balances	\$ 24,478,834
 <b>Amounts reported for governmental activities on the statement of net assets are different because of the following:</b>	
Net Pension Obligation	
Pension assets resulting from contributions in excess on the annual required contribution	854,862
 Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
	156,631,672
 Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the government-wide statement of net assets.	
Net assets less compensated absences	2,405,284
Compensated absences payable	<u>(22,394)</u>
	2,382,890
 Revenue are not available to pay for current period expenditures and, therefore, are not reported in the funds.	
Deferred tax revenue	834,395
 Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued Interest	(39,982)
Compensated absences payable	(1,189,731)
Bonds payable	(29,053,135)
Unamortized bond cost	606,184
Capital leases payable	<u>(11,900,000)</u>
 Net Assets of Governmental Activities	 <u><u>\$ 143,605,989</u></u>

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

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LOWNDES COUNTY, GEORGIA  
 GOVERNMENTAL FUNDS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 For The Year Ended June 30, 2010

	General	Special Services	Capital Projects Funds		
			Special Purpose Local Option Sales Tax V	Special Purpose Local Option Sales Tax VI	Judicial Complex and Jail
REVENUES:					
Taxes	\$ 33,742,984	\$ 3,617,021	\$ -	\$ 12,094,603	\$ -
Licenses and permits	9,481	114,579	-	-	-
Intergovernmental revenues	396,096	-	-	624,539	-
Charges for services	3,916,650	27,360	-	-	-
Fines and forfeitures	1,505,131	-	-	-	-
Investment income	8,292	-	15,614	4,947	97,405
Miscellaneous	75,800	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 39,654,434</b>	<b>\$ 3,758,960</b>	<b>\$ 15,614</b>	<b>\$ 12,724,089</b>	<b>\$ 97,405</b>
EXPENDITURES					
Current					
General Government					
Legislative and executive	10,683,864	-	-	-	-
Judicial	4,970,054	-	-	-	-
Public safety	17,859,300	2,316,177	-	-	-
Public works	4,266,433	198,833	-	337,145	399,037
Health and welfare	800,760	-	-	-	-
Culture and recreation	1,022,500	-	-	-	-
Housing and development	108,990	875,686	-	-	-
Intergovernmental	-	-	2,584,800	-	-
Capital Outlay	-	-	-	7,825,397	19,666,000
Debt Service					
Principal retirement	635,000	-	-	6,735,000	-
Interest	520,794	-	-	1,541,900	-
<b>TOTAL EXPENDITURES</b>	<b>40,867,695</b>	<b>3,390,696</b>	<b>2,584,800</b>	<b>16,439,442</b>	<b>20,065,037</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,213,261)	368,264	(2,569,186)	(3,715,353)	(19,967,632)
OTHER FINANCING SOURCES (USES):					
TRANSFER IN	-	-	-	-	-
TRANSFER OUT	-	(435,000)	-	(2,368,975)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(435,000)</b>	<b>-</b>	<b>(2,368,975)</b>	<b>-</b>
NET CHANGES IN FUND BALANCE	(1,213,261)	(66,736)	(2,569,186)	(6,084,328)	(19,967,632)
BEGINNING FUND BALANCE	20,251,609	143,572	8,691,754	201,144	24,057,781
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 19,038,348</b>	<b>\$ 76,836</b>	<b>\$ 6,122,568</b>	<b>\$ (5,883,184)</b>	<b>\$ 4,090,149</b>

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

Other Governmental		
<u>Funds</u>		<u>Total</u>
\$	-	\$ 49,454,608
	-	124,060
	1,717,066	2,737,701
	2,094,768	6,038,778
	1,283,673	2,788,804
	33,621	159,879
	553,384	629,184
	<u>5,682,512</u>	<u>61,933,014</u>

	-	10,683,864
	403,565	5,373,619
	4,755,727	24,931,204
	-	5,201,448
	466,140	1,266,900
	-	1,022,500
	345,934	1,330,610
	1,112,801	3,697,601
	-	27,491,397
	-	7,370,000
	-	2,062,694
	<u>7,084,167</u>	<u>90,431,837</u>

(1,401,655) (28,498,823)

	50,000	50,000
	-	(2,803,975)
	<u>50,000</u>	<u>(2,753,975)</u>

	(1,351,655)	(31,252,798)
	2,385,772	55,731,632
	<u>1,034,117</u>	<u>\$ 24,478,834</u>

LOWNDES COUNTY, GEORGIA  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 For The Year Ended June 30, 2010

Net Change in Fund Balances - Total Governmental Funds \$ (31,252,798)

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

Net Pension Obligation

Change in pension assets resulting from contributions in excess of the annual required contribution 167,741

Internal service funds change in net assets:

Internal service funds change in net assets less depreciation and compensated absences 2,297,261  
 Depreciation (853,595)  
 Compensated absences 56  
 1,443,722

Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year:

Capital outlay - construction in progress 24,960,073  
 Construction in progress prior year adjustment 35,897  
 Capital outlay - depreciable capital assets 1,879,539  
 Capital outlay - nondepreciable capital assets 1,323,921  
 Depreciation (21,719,772)  
 6,479,658

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

Property taxes 78,419  
 Assessments (1,573)  
 76,846

Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Compensated absences (65,332)  
 (65,332)

Accrual of interest on capital leases is not an expenditures in the governmental funds, but is accrued on the statement of activities.

Accrued interest expense 1,526  
 1,526

The issuance of long-term debt provide current financial resources to governmental funds, but is recognized as an increase in long-term liabilities on the statement of activities.

Unamortized bond premium 355,784  
 Unamortized bond cost (151,546)  
 204,238

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of activities.

Bond payments 6,735,000  
 Capital lease payments 635,000  
 7,370,000

Changes in Net Assets of Governmental Activities \$ (15,574,399)

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

LOWNDES COUNTY, GEORGIA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 June 30, 2010

	Business-Type Activities - Enterprise Funds					Governmental
	Water and Sewer	Landfill	Special Tax		Total	Internal Service Funds
			Lighting District	Sanitation Fund		
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,168
Cash and cash equivalents in segregated accounts	838,485	-	-	-	838,485	905,377
Government investment pool	-	-	-	-	-	19,012
Receivables (net of allowance for doubtful accounts):						
Accounts	1,243,646	95,297	1,187	-	1,340,130	6,810
Interfund receivable	-	1,386,016	-	176,825	1,562,841	1,522,220
Inventory	-	-	-	-	-	209,534
Prepaid expense	-	-	-	-	-	82,960
Deferred bond issue cost	13,434	-	-	-	13,434	-
Restricted Assets						
Customer deposit account	185,780	-	-	-	185,780	-
<b>TOTAL CURRENT ASSETS</b>	<u>2,281,345</u>	<u>1,481,313</u>	<u>1,187</u>	<u>176,825</u>	<u>3,940,670</u>	<u>2,924,081</u>
<b>NONCURRENT ASSETS</b>						
Deferred bond issue cost	191,431	-	-	-	191,431	-
Capital Assets						
Land	2,486,904	203,639	-	-	2,690,543	-
Construction in progress	7,255,387	-	-	-	7,255,387	-
Depreciable capital assets, net	32,632,109	-	-	3,786	32,635,895	2,983,886
<b>TOTAL NONCURRENT ASSETS</b>	<u>42,565,831</u>	<u>203,639</u>	<u>-</u>	<u>3,786</u>	<u>42,773,256</u>	<u>2,983,886</u>
<b>TOTAL ASSETS</b>	<u>44,847,176</u>	<u>1,684,952</u>	<u>1,187</u>	<u>180,611</u>	<u>46,713,926</u>	<u>5,907,967</u>

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

LOWNDES COUNTY, GEORGIA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS - CONTINUED  
 June 30, 2010

	Business-Type Activities - Enterprise Funds					Governmental
	Water and Sewer	Landfill	Special Tax		Total	Internal Service Funds
			Lighting District	Sanitation Fund		
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	315,006	957	39,880	36,043	391,886	1,301,266
Accrued wages	15,045	-	-	8,488	23,533	12,823
Accrued interest payable	36,699	-	-	-	36,699	1,582
Interfund payable	317,667	-	217,654	-	535,321	1,690,391
Current portion of compensated absences payable	18,751	-	-	13,375	32,126	12,541
Current portion of capital lease obligations	-	-	-	-	-	261,620
Current portion of bonds payable	510,000	-	-	-	510,000	-
Current portion of unamortized bond premium	16,922	-	-	-	16,922	-
Current portion of interfund advance	200,000	-	-	-	200,000	-
Deferred revenue	11,822	-	-	130,035	141,857	-
Current portion of landfill postclosure cost	-	69,824	-	-	69,824	-
Payable from restricted assets:						
Customer deposits	151,395	-	-	-	151,395	-
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,593,307</u>	<u>70,781</u>	<u>257,534</u>	<u>187,941</u>	<u>2,109,563</u>	<u>3,280,223</u>
<b>LONG-TERM LIABILITIES</b>						
Compensated absences	14,733	-	-	10,509	25,242	9,853
Interfund advance	2,526,482	-	-	-	2,526,482	-
Capital lease obligations	-	-	-	-	-	235,001
Unamortized bond premium	241,118	-	-	-	241,118	-
Bonds payable	9,740,000	-	-	-	9,740,000	-
Landfill postclosure cost	-	1,047,362	-	-	1,047,362	-
<b>TOTAL LONG-TERM LIABILITIES</b>	<u>12,522,333</u>	<u>1,047,362</u>	<u>-</u>	<u>10,509</u>	<u>13,580,204</u>	<u>244,854</u>
<b>TOTAL LIABILITIES</b>	<u>14,115,640</u>	<u>1,118,143</u>	<u>257,534</u>	<u>198,450</u>	<u>15,689,767</u>	<u>3,525,077</u>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	31,866,360	203,639	-	3,786	32,073,785	2,487,265
Unrestricted	(1,134,824)	363,170	(256,347)	(21,625)	(1,049,626)	(104,375)
<b>TOTAL NET ASSETS</b>	<u>\$ 30,731,536</u>	<u>\$ 566,809</u>	<u>\$ (256,347)</u>	<u>\$ (17,839)</u>	<u>\$ 31,024,159</u>	<u>\$ 2,382,890</u>

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

LOWNDES COUNTY, GEORGIA  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET ASSETS  
 For The Year Ended June 30, 2010

	Business-Type Activities - Enterprise Funds					Governmental
	Water and Sewer	Landfill	Special Tax		Total	Internal Service Funds
			Lighting District	Sanitation Fund		
<b>OPERATING REVENUES</b>						
Charges for services	\$ 4,344,653	\$ -	\$ 189,240	\$ 578,802	\$ 5,112,695	\$ 9,473,193
Penalties	104,080	-	-	-	104,080	-
Other income	187,772	624,153	-	-	811,925	-
Connection fees	429,490	-	-	-	429,490	-
<b>TOTAL OPERATING REVENUES</b>	<u>5,065,995</u>	<u>624,153</u>	<u>189,240</u>	<u>578,802</u>	<u>6,458,190</u>	<u>9,473,193</u>
<b>OPERATING EXPENSES</b>						
Personal services	646,362	-	-	405,815	1,052,177	357,707
Payroll taxes	46,045	-	-	30,192	76,237	25,104
Fringe benefits	193,934	-	-	134,868	328,802	104,713
Contractual services	1,350,387	83,421	278,128	129,432	1,841,368	5,320
Insurance and bond	-	-	-	-	-	4,194,262
Materials and supplies	308,482	-	-	330,641	639,123	2,453,271
Depreciation	1,114,250	-	-	548	1,114,798	853,595
<b>TOTAL OPERATING EXPENSES</b>	<u>3,659,460</u>	<u>83,421</u>	<u>278,128</u>	<u>1,031,496</u>	<u>5,052,505</u>	<u>7,993,972</u>
<b>OPERATING INCOME (LOSS)</b>	<u>1,406,535</u>	<u>540,732</u>	<u>(88,888)</u>	<u>(452,694)</u>	<u>1,405,685</u>	<u>1,479,221</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Interest revenue	6,070	-	-	-	6,070	775
Interest expense	(477,694)	-	-	-	(477,694)	(36,274)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>(471,624)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(471,624)</u>	<u>(35,499)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	934,911	540,732	(88,888)	(452,694)	934,061	1,443,722
<b>TRANSFERS IN (OUT)</b>	<u>2,368,975</u>	<u>(50,000)</u>	<u>-</u>	<u>435,000</u>	<u>2,753,975</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	3,303,886	490,732	(88,888)	(17,694)	3,688,036	1,443,722
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>27,427,650</u>	<u>76,077</u>	<u>(167,459)</u>	<u>(145)</u>	<u>27,336,123</u>	<u>939,168</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 30,731,536</u>	<u>\$ 566,809</u>	<u>\$ (256,347)</u>	<u>\$ (17,839)</u>	<u>\$ 31,024,159</u>	<u>\$ 2,382,890</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, 2010

	Business-Type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Landfill	Special Tax Lighting District	Sanitation Fund	Total	
<b>Increase (Decrease) in Cash and Cash Equivalents</b>						
<b><u>Cash Flows From Operating Activities</u></b>						
Cash received from customers	\$ 4,550,416	\$ -	\$ 188,284	\$ 708,837	\$ 5,447,537	\$ -
Cash received from other income	184,286	624,153	-	-	808,439	-
Cash received from other funds for services	-	-	-	-	-	9,286,159
Cash payments for interfund transactions	(770,680)	(1,386,016)	-	(176,825)	(2,333,521)	-
Cash payments for personal services	(630,866)	-	-	(573,995)	(1,204,861)	(351,474)
Cash payments for payroll taxes	(46,045)	-	-	-	(46,045)	(25,104)
Cash payments for fringe benefits	(193,934)	-	-	-	(193,934)	(104,713)
Cash payments for contractual services	(1,641,367)	(187,019)	(188,284)	(123,924)	(2,140,594)	(5,320)
Cash payments for insurance and bond	-	-	-	-	-	(5,641,037)
Cash payments for materials and supplies	(308,482)	-	-	(330,641)	(639,123)	(3,001,644)
Net Cash Provided by (Used for)						
Operating Activities	<u>1,143,328</u>	<u>(948,882)</u>	<u>-</u>	<u>(496,548)</u>	<u>(302,102)</u>	<u>156,867</u>
<b><u>Cash Flows From Noncapital Financing Activities</u></b>						
Cash received from transfer-in	2,368,975	-	-	435,000	2,803,975	-
Cash payments from transfer-out	-	(50,000)	-	-	(50,000)	-
Net Cash From (Used For) Noncapital Financing Activities	<u>2,368,975</u>	<u>(50,000)</u>	<u>-</u>	<u>435,000</u>	<u>2,753,975</u>	<u>-</u>
<b><u>Cash Flows From Capital and Related Financing Activities</u></b>						
Cash from capital lease	-	-	-	-	-	2,048,000
Cash payments for acquisition of capital assets	(2,752,085)	-	-	-	(2,752,085)	(361,919)
Cash payment on interfund advance	(200,000)	-	-	-	(200,000)	-
Cash payments for principal on bonds payable	(490,000)	-	-	-	(490,000)	-
Cash payments for interest on bonds payable	(479,057)	-	-	-	(479,057)	-
Cash payments for interest on capital leases	-	-	-	-	-	(2,857,007)
Net Cash Used For Capital and Related Financing Activities	<u>(3,921,142)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,921,142)</u>	<u>(1,170,926)</u>
<b><u>Cash Flows From Investing Activities</u></b>						
Cash received from interest	6,070	-	-	-	6,070	775
Net Cash Flows Provided By Investing Activities	<u>6,070</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,070</u>	<u>775</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(402,769)	(998,882)	-	(61,548)	(1,463,199)	(1,013,284)
Cash and Cash Equivalents at Beginning of Year	<u>1,427,034</u>	<u>998,882</u>	<u>-</u>	<u>61,548</u>	<u>2,487,464</u>	<u>2,115,841</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,024,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,024,265</u>	<u>\$ 1,102,557</u>
Equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,168
Cash and cash equivalents in segregated accounts	1,024,265	-	-	-	1,024,265	905,377
Government investment pool	-	-	-	-	-	19,012
Total Cash and Cash Equivalents	<u>\$ 1,024,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,024,265</u>	<u>\$ 1,102,557</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, 2010

	Business-Type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Landfill	Special Tax Lighting District	Sanitation Fund	Total	
<b>Reconciliation of Operating Income (Loss) To</b>						
<b><u>Net Cash Provided by (Used For) Operating Activities</u></b>						
Operating Income (Loss)	\$ 1,406,535	\$ 540,732	\$ (88,888)	\$ (452,694)	\$ 1,405,685	\$ 1,479,221
<b>Adjustments to Reconcile Operating Income (Loss) To</b>						
<b><u>Net Cash Provided by (Used For) Operating Activities</u></b>						
Depreciation	1,114,250	-	-	548	1,114,798	853,595
Amortization	(3,486)	-	-	-	(3,486)	-
Changes in Assets and Liabilities:						
(Increase) decrease in accounts receivable	(323,879)	(57,142)	(956)	-	(381,977)	4,864
(Increase) decrease in prepaid expense	-	-	-	-	-	(13,098)
(Increase) decrease in inventory	-	-	-	-	-	29,477
(Increase) decrease in interfund receivable	-	(1,386,016)	-	(176,825)	(1,562,841)	(1,522,220)
Increase (decrease) in accounts payable	(290,980)	(7,839)	37,408	5,508	(255,903)	(32,557)
Increase (decrease) in customer deposits	(1,420)	-	-	-	(1,420)	-
Increase (decrease) in accrued compensated absences	9,985	-	-	(2,876)	7,109	(56)
Increase (decrease) in interfund payable	(770,680)	-	52,436	-	(718,244)	(648,648)
Increase (decrease) in deferred revenues	(2,508)	-	-	130,035	127,527	-
Increase (decrease) in accrued expenses	5,511	(38,617)	-	(244)	(33,350)	6,289
Net Cash Provided By (Used For)						
Operating Activities	<u>\$ 1,143,328</u>	<u>\$ (948,882)</u>	<u>\$ -</u>	<u>\$ (496,548)</u>	<u>\$ (302,102)</u>	<u>\$ 156,867</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, 2010

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents in segregated accounts	\$ 3,354,033
Due from other governments	<u>52,157</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 3,406,190</u></u>
<b>LIABILITIES</b>	
Due to other governments	\$ 1,479,473
Collections held in escrow	<u>1,926,717</u>
<b>TOTAL LIABILITIES</b>	<u><u>3,406,190</u></u>
<b>NET ASSETS</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. The County has elected to apply Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, to its business-type activities and to its enterprise funds provided they do not conflict with or contradict GASB pronouncements.

**A. The Reporting Entity**

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

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

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

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

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

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

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

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

LOWNDES COUNTY, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

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

**A. The Reporting Entity - Continued**

The Valdosta-Lowndes County Industrial Authority is a component unit based on the criteria of fiscal dependence. The County issued general obligation bonds in the County's name for the Authority, so they could acquire land and develop it for industry. The County currently provides the funding for the Authority through a dedicated millage of 1 mil that must first pay for all the general obligation debt and then the balance funds the operations of the Authority. The County appoints half 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 balance sheet, statement of revenues, expenditures and changes in fund balance for the Valdosta-Lowndes County Industrial Authority are presented in these financial statements using the method of discrete presentation. A complete set of financial statements for the Valdosta-Lowndes County Industrial Authority is presented in a separate report and can be obtained from the Valdosta-Lowndes County Industrial Authority.

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 County appoints half 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 balance sheet, statement of revenues, expenditures and changes in fund balance for the Valdosta-Lowndes County Parks and Recreation Authority are presented in these financial statements using the method of discrete presentation. 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.

**B. Basis of Presentation**

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

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. For the most part, the effect of interfund activity has been removed from these statements. 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 assets presents the financial condition of the governmental and business-type activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or

LOWNDES COUNTY, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

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

**B. Basis of Presentation - Continued**

capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the County.

**Fund Financial Statements**

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

**C. Fund Accounting**

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

**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.

**Special Services Fund.** The Special Services Fund accounts for all financial resources and expenditures that are derived or incurred from the unincorporated areas of the County.

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

**Capital Projects Special Sales Tax VI Fund.** The Capital Projects Special Sales Tax VI Fund accounts 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.

LOWNDES COUNTY, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

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

**C. Fund Accounting - Continued**

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

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

**Proprietary Funds**

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

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

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

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

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

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

**Internal Service Funds**

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

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

LOWNDES COUNTY, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

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

**C. Fund Accounting - Continued**

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

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

**Fiduciary Funds**

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

**D. Measurement Focus**

**Government-Wide Financial Statements**

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

**Fund Financial Statements**

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

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

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

LOWNDES COUNTY, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**Note 1 – Summary of Significant Accounting Principles – Continued**

**E. Basis of Accounting**

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

**Revenues—Exchange and Nonexchange Transactions**

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

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

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

**Deferred Revenues**

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

Property taxes for which there was an enforceable legal claim at June 30, 2010, but were levied to finance FY10 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements were met have also been recorded as deferred revenue.

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

LOWNDES COUNTY, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**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.

**G. Encumbrances**

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

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

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 Industrial Authority component units are recorded as "Cash and Cash Equivalents in Segregated Accounts."

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

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

For purposes of the combined statement of cash flows and for presentation on the statement of net assets, investments of the cash management pool and investments with a maturity of 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 Expenses**

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

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

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

**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 assets but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market value on the date donated. The County maintains a capitalization threshold of \$10,000. The County’s infrastructure consists of roads, bridges, and culverts. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized. Interest incurred during the construction of enterprise fund capital assets is also capitalized.

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

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

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

**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. For enterprise funds, the entire amount of compensated absences is reported as a fund liability.

LOWNDES COUNTY, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**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. Net Assets**

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

**Q. Governmental Fund Balance Reserves**

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

**R. 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.

**S. 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**

**T. Estimates**

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

**Note 2 – Accountability**

The following funds had deficits at June 30, 2010:

Special Revenue Funds:

Drug Abuse Treatment Fund – The fund deficit of \$476,059 is due to a decline in fine income to this fund. The deficit will be funded by a reduction of expenditures in the future budget years.

Victim Witness Fund – The fund deficit of \$169,039 is due to an a decline in fine income to this fund. The deficit will be funded by a reduction of expenditures in the future budget years.

911 Emergency Telephone Fund – The fund deficit of \$402,406 is due to the need for capital improvements that were necessary and should be covered by excess revenues in future years.

Capital Projects Fund:

Special Sales Tax VI Fund – The fund deficit of \$5,883,184 is due to the decline in sales tax income and the need to complete capital projects that were already under contract. Projected sales tax revenue will be used to take care of this deficit.

**Note 3 – Expenditures in Excess of Appropriation**

The following Capital Projects Fund had expenditures in excess of appropriations:

	Expenditures/ Expenses <u>Actual</u>	<u>Appropriations</u>	Amount Exceeding <u>Appropriations</u>
Capital Projects Fund:			
SPLOST VI	16,439,442	14,860,000	1,579,442

Completion of many capital contracts were completed faster than anticipated and sales tax revenues continued to decline. Revenues did not keep up with expenditures preventing the possibility of amending the budget.

LOWNDES COUNTY, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**Note 4 – Deposits and Investments**

Lowndes County maintains investments in a local government investment pool through the State of Georgia Office of Treasury and Fiscal Services. The balance at June 30, 2010 was \$3,009,887 for all funds. The funds have a 24 day weighted average maturity.

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

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

**Credit Risk.** State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U. S. government or by a government agency of the United States; obligations of any corporation of the U. S. government; prime banker’s acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. 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 not custodial credit risk policies requiring additional collateral

LOWNDES COUNTY, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**Note 5 – 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 6 – 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 7 – 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. 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.

**Note 8 – Receivables**

Receivables at June 30, 2010, 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 8 – Receivables - Continued**

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

General Fund

State of Georgia EPD	\$ 278,367
Georgia Emergency Management Agency	27,878
Lowndes-Valdosta Industrial Authority	455,186
City of Valdosta - Prisoner Housing	<u>112,703</u>
Total - General Fund	<u>\$ 874,134</u>

Special Revenue Funds

Nonmajor funds

Airport Authority	\$ 20,548
ADR	<u>8,927</u>
Total - Special Revenue Funds	<u>\$ 29,475</u>

Capital Project Funds

Major funds

Georgia Department of Revenue	\$ 2,023,556
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Nonmajor funds

Georgia Department of Community Affairs	<u>14,999</u>
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Total - Capital Project Funds	<u>\$ 2,038,555</u>
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Total - Due From Other Governments	<u>\$ 2,942,164</u>
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LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 9 – Capital Assets**

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Balance at July 1, 2009</u>	<u>Prior Year Adjustments</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2010</u>
Primary Government					
Governmental Activities:					
Nondepreciable Capital Assets:					
Land	\$ 1,475,294	\$ -	\$ 1,323,921	\$ -	\$ 2,799,215
Construction in progress	<u>47,660,751</u>	<u>-</u>	<u>24,960,073</u>	<u>9,282,227</u>	<u>63,338,597</u>
Total Nondepreciable Capital Assets	<u>49,136,045</u>	<u>-</u>	<u>26,283,994</u>	<u>9,282,227</u>	<u>66,137,812</u>
Depreciable Capital Assets:					
Buildings and building improvements	\$ 27,272,540	\$ -	\$ 3,782,157	\$ -	\$ 31,054,697
Improvements other than buildings	960,761	-	-	-	960,761
Machinery and equipment	28,975,665	-	431,875	-	29,407,540
Vehicles	9,562,610	(21,047)	663,570	769,255	9,435,878
Infrastructure	<u>289,214,384</u>	<u>-</u>	<u>6,646,092</u>	<u>-</u>	<u>295,860,476</u>
Total Depreciable Capital Assets	<u>355,985,960</u>	<u>(21,047)</u>	<u>11,523,694</u>	<u>769,255</u>	<u>366,719,352</u>
Less Accumulated Depreciation for:					
Buildings and building improvements	15,657,590	-	971,957	-	16,629,547
Improvements other than buildings	672,799	-	25,603	-	698,402
Machinery and equipment	20,498,990	-	1,684,249	-	22,183,239
Vehicles	6,878,937	-	912,294	769,255	7,021,976
Infrastructure	<u>207,729,178</u>	<u>-</u>	<u>18,979,264</u>	<u>-</u>	<u>226,708,442</u>
Total Accumulated Depreciation	<u>251,437,494</u>	<u>-</u>	<u>22,573,367</u>	<u>769,255</u>	<u>273,241,606</u>
Total Depreciable Capital Assets, Net	<u>104,548,466</u>	<u>(21,047)</u>	<u>(11,049,673)</u>	<u>-</u>	<u>93,477,746</u>
Governmental Activities Capital Assets, Net	<u>\$ 153,684,511</u>	<u>\$ (21,047)</u>	<u>\$ 15,234,321</u>	<u>\$ 9,282,227</u>	<u>\$ 159,615,558</u>

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 9 – Capital Assets – Continued**

	<u>Balance at July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2010</u>
Business Type Activities:				
Nondepreciable Capital Assets:				
Land	\$ 2,690,543	\$ -	\$ -	\$ 2,690,543
Construction in progress	<u>11,239,865</u>	<u>2,752,085</u>	<u>6,736,563</u>	<u>7,255,387</u>
Total Nondepreciable Capital Assets	<u>13,930,408</u>	<u>2,752,085</u>	<u>6,736,563</u>	<u>9,945,930</u>
Depreciable Capital Assets:				
Machinery and equipment	\$ 43,476,274	\$ 6,736,563	\$ -	\$ 50,212,837
Vehicles	<u>95,298</u>	<u>-</u>	<u>-</u>	<u>95,298</u>
Total Depreciable Capital Assets	<u>43,571,572</u>	<u>6,736,563</u>	<u>-</u>	<u>50,308,135</u>
Less Accumulated Depreciation for:				
Machinery and equipment	16,496,621	1,106,952	-	17,603,573
Vehicles	<u>60,821</u>	<u>7,846</u>	<u>-</u>	<u>68,667</u>
Total Accumulated Depreciation	<u>16,557,442</u>	<u>1,114,798</u>	<u>-</u>	<u>17,672,240</u>
Total Depreciable Capital Assets, Net	<u>27,014,130</u>	<u>5,621,765</u>	<u>-</u>	<u>32,635,895</u>
Business Type Activities Capital Assets, Net	<u>\$ 40,944,538</u>	<u>\$ 8,373,850</u>	<u>\$ 6,736,563</u>	<u>\$ 42,581,825</u>

Depreciation was charged to governmental functions as follows:

Governmental activities:	
General Government	
Legislative and Executive	\$ 561,124
Judicial	51,173
Public Safety	2,396,687
Public Works	19,563,573
Culture and Recreation	<u>810</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 22,573,367</u>
Business-type activities:	
Water and Sewer	\$ 1,114,250
Sanitation	<u>548</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 1,114,798</u>

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

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 10 – Interfund Balances and Transfers**

Interfund receivable and payable balances as of June 30, 2010 are as follows:

Due To	Due From			
	General	SPLOST VI	Special Tax Lighting District	Water and Sewer
General Fund	\$ -	\$ 11,160,543	\$ 217,654	\$ 317,667
Special Services Fund	40,785	-	-	-
Landfill Fund	1,386,016	-	-	-
Sanitation Fund	176,825	-	-	-
Internal Service Funds	1,384,672	-	-	-
	<u>\$ 2,988,298</u>	<u>\$ 11,160,543</u>	<u>\$ 217,654</u>	<u>\$ 317,667</u>

Due To	Nonmajor Governmental Funds	Internal Service Funds	Total
	General Fund	\$ 1,607,410	
Special Services Fund	-	-	40,785
Landfill Fund	-	-	1,386,016
Sanitation Fund	-	-	176,825
Internal Service Funds	-	137,548	1,522,220
	<u>\$ 1,607,410</u>	<u>\$ 1,690,391</u>	<u>\$ 17,981,963</u>

Interfund transfers for the year ending June 30, 2010 consisted of the following:

Transfer To	Transfer From			
	Special Services Fund	SPLOST VI	Landfill Fund	Total
Nonmajor Governmental Fund	\$ -	\$ -	\$ 50,000	\$ 50,000
Sanitation Fund	435,000	-	-	435,000
Water and Sewer Fund	-	2,368,975	-	2,368,975
	<u>\$ 435,000</u>	<u>\$ 2,368,975</u>	<u>\$ 50,000</u>	<u>\$ 2,853,975</u>

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

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

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 11 – 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.

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 asset balance of \$227,158 and the Workers Compensation Fund has a net asset balance of \$315,479 as of June 30, 2010. At June 30, 2010 the Health Insurance Fund has a claims liability of \$362,176 and the Workers Compensation Fund has a claims liability of \$760,000 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 2009 and 2010 were:

<b>Fiscal Year 2009</b>	Claims		Claims	
	Beginning	Estimates	Paid	Ending
Group Health Fund	\$ 463,024	\$ 4,106,680	4,143,636	\$ 426,068
Workers' Compensation Fund	640,000	489,380	339,380	790,000
	<u>\$ 1,103,024</u>	<u>\$ 4,596,060</u>	<u>\$ 4,483,016</u>	<u>\$1,216,068</u>

<b>Fiscal Year 2010</b>	Claims		Claims	
	Beginning	Estimates	Paid	Ending
Group Health Fund	\$ 426,068	\$ 3,359,916	3,423,808	\$ 362,176
Workers' Compensation Fund	790,000	193,606	223,606	760,000
	<u>\$ 1,216,068</u>	<u>\$ 3,553,522</u>	<u>\$ 3,647,414</u>	<u>\$1,122,176</u>

**B. 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 \$ 362,176 which reflects health claims incurred but not processed prior to year end. This health claims liability was estimated based on such claims paid subsequent to year end.

LOWNDES COUNTY, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**Note 11 – Risk Management - Continued**

**C. Workers' Compensation**

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

Included in the accounts payable of the Workers Compensation Fund is an estimated liability of \$760,000 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.

**Note 12 – Defined Benefit Retirement Plan**

**A. Plan Description**

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

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 benefits upon retirement, death, disablement, and termination of employment, if certain eligibility conditions are met

**B. 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 and incremental changes in the cash value of pre-retirement life insurance policies owned by the trust.

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

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

**C. Membership**

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

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENT

**Note 12 – Defined Benefit Retirement Plan - Continued**

**C. Membership - Continued**

Participation counts as of January 1, 2009 (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Plan Membership

Retirees and beneficiaries receiving benefits	132
Terminated plan members entitled to but not yet receiving benefits	215
Active plan members	483
Total number of plan participants	830
Covered compensation for active participants	\$ 14,704,109

**D. Funding Policies**

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth the minimum funding standards for state and local governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirements. There are no required contributions from active plan members.

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.

Analysis of funding progress is presented for the most recent ten years.

Calendar <u>Year</u>	Actuarial Value <u>of Assets</u>	Actuarial Accrued <u>Liability</u>	Unfunded AAL <u>UAAL</u>	Funded <u>Ratio</u>	Covered <u>Payroll</u>	UAAL as a Percentage of Covered <u>Payroll</u>
2000	\$ 11,252,199	\$ 11,376,166	\$ 123,967	98.9%	\$ 9,620,919	1.3%
2001	11,064,537	12,019,542	955,005	92.1%	10,067,998	9.5%
2002	10,525,912	13,168,431	2,642,519	79.9%	9,062,989	29.2%
2003	12,208,385	15,213,546	3,005,161	80.2%	9,743,706	30.8%
2004	13,418,349	17,241,432	3,823,083	77.8%	11,381,442	33.6%
2005	14,840,995	19,863,167	5,022,172	74.7%	12,383,187	40.6%
2006	16,835,059	20,959,547	4,124,488	80.3%	12,393,935	33.3%
2007	18,679,382	23,128,221	4,448,839	80.8%	12,899,134	34.5%
2008	18,977,095	25,798,820	6,821,725	73.6%	13,630,463	50.0%
2009	21,092,177	29,391,168	8,298,991	71.8%	14,704,109	56.4%

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 12 – Defined Benefit Retirement Plan – Continued**

**E. Annual Pension Cost and Net Pension Obligation (Asset)**

For 2010, the County’s annual pension cost of \$1,959,366 was less than the County’s required and actual contributions. The required contribution was determined as part of the January 1, 2009 actuarial valuation using the following assumptions:

Valuation Date:	January 1, 2009
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method:	Level Percent of Pay (Closed)
Remaining Amortization Period*:	10 years
Actuarial Assumptions:	
Assumed Rate of Return on Assets:	7.75%
Expected Future Salary Increases:	4.0%-6.5% based on age
Expected Inflation:	3.0%

\* - Represents the estimated amortization period for all unfounded liabilities combined into one amortization base. The County’s annual pension cost and net pension obligation for the pension plan for the current year were determined as follows:

Required contribution	\$	1,955,640
Interest on net pension obligation		(53,252)
Amortization of net pension obligation		56,978
Annual pension cost		1,959,366
Employer contributions for the year ended June 30, 2009		(2,127,107)
Decrease in net pension obligation		(167,741)
Net pension obligation (asset) beginning of year		(687,121)
Net pension obligation (asset) end of year	\$	<u>(854,862)</u>

<u>Year Ended</u>	<u>Annual Pension Cost</u>	<u>Actual County Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
June 30.2006	1,233,698	1,374,927	111%	(387,994)
June 30.2007	1,325,586	1,441,849	109%	(504,257)
June 30.2008	1,394,551	1,486,185	107%	(595,891)
June 30.2009	1,564,953	1,656,183	106%	(687,121)
June 30.2010	1,959,366	2,127,107	109%	(854,862)

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 12 – Defined Benefit Retirement Plan – Continued**

**F. Financial Statements**

<u>Statement of Plan Net Assets</u>		<u>Statement of Changes in Plan Net Assets</u>	
<b>Assets</b>		<b>Additions</b>	
Market value of assets	\$ 17,570,974	Employer contributions	\$ 2,127,107
Receivable		Net investment income	2,912,005
Employer Contribution	<u>2,127,107</u>	Employee contribution - buy back	<u>10,571</u>
Total Assets	<u>19,698,081</u>	Total Additions	<u>5,049,683</u>
 <b>Liabilities</b>		 <b>Deductions</b>	
Accounts payable	67,474	Administrative expenses	66,486
Accrued investment fee	<u>6,824</u>	Benefit payments	1,068,199
Total Liabilities	<u>74,298</u>	Post-retirement death benefit	46,623
		Pre-retirement death benefit	<u>58,838</u>
		Total Deductions	<u>1,240,146</u>
 <b>Net Assets</b>		 Change in Net Assets	
Held in trust for pension benefits	<u>19,623,783</u>		3,809,537
Total Net Assets	<u>\$ 19,623,783</u>	Net Assets, Beginning of Year	<u>15,814,246</u>
		Net Assets, End of Year	<u>\$ 19,623,783</u>

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

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

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

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

GEBCorp  
 1100 Circle 75 Parkway  
 Suite 300  
 Atlanta, Georgia 30339

LOWNDES COUNTY, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**Note 13 - Deferred Compensation Plan**

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

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

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

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

**Note 14- Post Employment Health Care Benefits**

In addition to providing pension benefits, in accordance with County resolution, the County provides certain health care benefits for retired employees. The County's employees who are eligible for retirement benefits under the pension plan are also eligible for post employment health care benefits. The retired employees pay monthly premiums for this benefit. There are currently 51 retired employees who are participating in these health care benefits. Funding is provided through the general fund as required to the self insurance fund. Premiums paid by retired employees were \$68,406 and claims paid were \$261,016. The County funds these benefits through the Health Insurance Fund self insurance program.

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 15 – Compensated Absences**

It is the County’s policy to permit employees to accumulate earned but unused leave benefits. A maximum of 192 hours of unused leave benefits will be paid to employees upon separation from County service. In the normal course of business, all payments of these accumulated benefits will be funded from appropriations of the year in which they are to be paid from the fund for which the employee’s compensation is funded. While the General Fund covers a majority of the cost of compensated absences, the KLVB, Commissary, Jail Operations, Drug Abuse Treatment, 911 Emergency Telephone, Victim Witness and Special Services funds all contribute to compensated absences for employees paid through those funds.

	<u>Balance at July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2010</u>	<u>Amount Due In One Year</u>
Primary Government:					
Governmental Activities:					
Compensated absences	\$ 1,146,849	\$ 707,511	\$ 642,235	\$ 1,212,125	\$ 678,790
Business Type Activities:					
Compensated absences	<u>50,259</u>	<u>35,254</u>	<u>28,145</u>	<u>57,368</u>	<u>32,126</u>
Total Primary Government	<u>\$ 1,197,108</u>	<u>\$ 742,765</u>	<u>\$ 670,380</u>	<u>\$ 1,269,493</u>	<u>\$ 710,916</u>
Component Units:					
Board of Health:					
Compensated absences	\$ 417,821	\$ 253,242	\$ 238,158	\$ 432,905	\$ 246,756
Parks & Recreation Authority:					
Compensated absences	<u>-</u>	<u>85,782</u>	<u>36,693</u>	<u>49,089</u>	<u>37,000</u>
Total Component Units	<u>\$ 417,821</u>	<u>\$ 339,024</u>	<u>\$ 274,851</u>	<u>\$ 481,994</u>	<u>\$ 283,756</u>

**Note 16 - Capital Leases**

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

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

Asset:	
Buildings	15,500,000
Equipment	8,130,501
Less: Accumulated Depreciation	<u>(5,146,614)</u>
Total	<u>\$ 18,483,887</u>

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 16 - Capital Leases - Continued**

Intergovernmental Agreement

As of August 1996, the County entered into an intergovernmental funding agreement with the Valdosta-Lowndes County Industrial Authority to secure bonds issued by the Authority for \$ 5,000,000 to finance acquisition and development of industrial sites. The bonds have a floating interest rate based on a percentage of the London Interbank Offer Rate. The bonds were payable “interest only” until January 1, 1999 after which, annual payments of principal are due. The bonds mature January 1, 2017. The balance as of June 30, 2010 is \$ 2,545,478.

As of December 2008, the County entered into an intergovernmental funding agreement with the Valdosta-Lowndes County Industrial 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, 2010 is \$ 14,480,000.

**Note 17 – Long-Term Debt**

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2010:

	Balance at <u>July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance at <u>June 30, 2010</u>	Amount Due <u>In One Year</u>
<u>Governmental Activities</u>					
Capital leases - CVDA	\$ 12,535,000	\$ -	\$ 635,000	\$ 11,900,000	\$ 655,000
General Obligation Sales Tax Bonds	34,365,000	-	6,735,000	27,630,000	4,850,000
Capital leases - Fleet Fund	1,267,615	-	770,994	496,621	261,620
	<u>48,167,615</u>	<u>-</u>	<u>8,140,994</u>	<u>40,026,621</u>	<u>5,766,620</u>
Total Governmental Activities	<u>\$ 48,167,615</u>	<u>\$ -</u>	<u>\$ 8,140,994</u>	<u>\$ 40,026,621</u>	<u>\$ 5,766,620</u>
	Balance at <u>July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance at <u>June 30, 2010</u>	Amount Due <u>In One Year</u>
<u>Business - Type Activities</u>					
Revenue bonds	\$ 10,740,000	\$ -	\$ 490,000	\$ 10,250,000	\$ 510,000
	<u>10,740,000</u>	<u>-</u>	<u>490,000</u>	<u>10,250,000</u>	<u>510,000</u>
Total Business-Type Activities	<u>\$ 10,740,000</u>	<u>\$ -</u>	<u>\$ 490,000</u>	<u>\$ 10,250,000</u>	<u>\$ 510,000</u>

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

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

Unamortized premiums on the general obligation sales tax bonds amounted to \$1,423,134 and on the revenue bonds amounted to \$258,040 at June 30, 2010.

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 17 – Long-Term Debt – Continued**

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

	<u>Purpose</u>	<u>Original Issue Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Maturity Date</u>	<u>Annual Installments</u>
<b>Governmental Activities</b>						
G.O. Sales Tax Bonds	Judicial/Admin Complex and Jail	2010	Fixed	\$ 40,845,000	2014	Variable
Capital Lease	Judicial/Admin Complex Building	2004	Fixed	\$ 15,500,000	2024	Variable
Capital Lease	Equipment	2003	3.22%	\$ 400,000	2010	\$ 64,053
Capital Lease	Equipment	2004	3.88%	\$ 165,000	2011	\$ 27,031
Capital Lease	Equipment	2005	3.20%	\$ 585,100	2010	\$ 127,097
Capital Lease	Equipment	2007	3.95%	\$ 2,048,000	2017	Variable
<b>Business Activities</b>						
Revenue Bonds	Water & Sewer Capital Improvements	2006	Fixed	\$ 12,500,000	2025	Variable

Fixed interest rates on the Judicial Complex Building capital lease range from 2.25% in 2004 to 4.50% in 2024. Annual principal installments range from \$635,000 in 2010 to \$1,105,000 in 2024. Fixed interest rates on the Water & Sewer revenue bonds range from 3.00% in 2006 to 5.00% in 2025. Annual principal installments range from \$490,000 in 2010 to \$925,000 in 2025. Fixed interest rates on the general obligation SPLOST bonds range from 3.50% in 2010 to 5.00% in 2014. Annual principal installments range from \$6,735,000 in 2010 to \$7,900,000 in 2014.

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

Year Ending June 30,	Governmental Activities			
	Capital Leases		General Obligation Sale Tax Bonds	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	916,620	516,084	4,850,000	1,149,088
2012	797,400	488,950	7,290,000	874,900
2013	742,900	460,358	7,590,000	535,450
2014	746,400	431,433	7,900,000	182,562
2015	771,400	404,313	-	-
2016-2020	4,276,901	1,543,562	-	-
2021-2024	4,145,000	475,977	-	-
<b>Total</b>	<b>\$ 12,396,621</b>	<b>\$ 4,320,677</b>	<b>\$ 27,630,000</b>	<b>\$ 2,742,000</b>

Unamortized bond premium amounted to \$1,423,134.

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 17 – Long-Term Debt – Continued**

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

Year Ending June 30,	Business Activities	
	Principal	Interest
2011	510,000	461,906
2012	525,000	444,056
2013	545,000	426,338
2014	560,000	407,263
2015	585,000	384,863
2016-2020	3,325,000	1,522,313
2021-2025	4,200,000	650,500
Total	<u>\$ 10,250,000</u>	<u>\$ 4,297,239</u>

Unamortized premium amounted to \$258,040.

**Note 18 – 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, 2010 was \$255,443,397 based on a total assessed values of \$2,830,733,972 less the general obligation bonded debt outstanding of \$27,630,000.

**Note 19 – Landfill Postclosure Cost**

Business Type Activities:	Balance at July 1, 2009	Additions	Reductions	Balance at June 30, 2010	Amount Due In One Year
Postclosure care cost	<u>\$ 1,155,803</u>	<u>\$ -</u>	<u>\$ 38,617</u>	<u>\$ 1,117,186</u>	<u>\$ 69,824</u>

State and federal laws and regulations require the County to cover a landfill and maintain monitoring functions for thirty years after closure. The County has accrued the expected postclosure cost for the landfill that closed November 1996. The amount accrued of \$1,117,186 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 20 – Component Units**

**A. Lowndes County Board of Health**

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

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 20 – Component Units - Continued**

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

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

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

Property and Equipment Property and equipment are carried at cost or, if donated, the fair value on the date donated. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Property and equipment as of June 30, 2010, was as follows:

Equipment	\$ 2,400,673
Vehicles	159,485
Less: Accumulated Depreciation	<u>(1,950,846)</u>
Net Property and Equipment	<u>\$ 609,312</u>

Retirement Plan

The employees of the Health Department participate in the Georgia State Employees Retirement System, a multi-employer, defined contribution plan. The Plan is administered by the State of Georgia, and accumulated benefits and Plan assets are not determined or allocated to the individual participating governmental entities. The Georgia State Employees’ Retirement System of Georgia requires ten years of continuous service to become fully vested. The total retirement contributions to the Georgia State Employees Retirement System for the year ended June 30, 2010 were \$535,944. Ten-year historical trend information and relevant actuarial information may be obtained from the Employee’s Retirement System, Two Northside 75, Suite 300, Atlanta, Georgia 30316-7778 or calling 1-406-352-6400.

**B. Valdosta-Lowndes County Industrial Authority**

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

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

Property and Equipment Property and equipment are carried at cost or, if donated, the fair value on the date donated. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Property and equipment as of June 30, 2010, was as follows:

Land and improvements	\$ 19,670,126
Equipment	242,490
Less: Accumulated Depreciation	<u>(3,817,011)</u>
Net Property and Equipment	<u>\$ 16,095,605</u>

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENT

**Note 20 – Component Units - Continued**

**B. Valdosta-Lowndes County Industrial Authority - Continued**

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

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

Year Ending June 30,	<u>Note Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 81,967	\$ 18,195
2012	85,562	14,600
2013	89,315	10,847
2014	93,232	6,930
2015	97,321	2,841
2016	13,008	63
Total	<u>\$ 460,405</u>	<u>\$ 53,476</u>

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

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

Year Ending June 30,	<u>Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 300,000	\$ 137,456
2012	320,000	121,256
2013	345,000	103,946
2014	370,000	85,346
2015	395,000	65,366
2016-2017	815,478	65,392
Total	<u>\$ 2,545,478</u>	<u>\$ 578,762</u>

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 20 – Component Units - Continued**

**B. Valdosta-Lowndes County Industrial Authority - Continued**

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 “inter governmental” funding agreement between the Authority and Lowndes County, Georgia.

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

Year Ending June 30,	<u>Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2011	665,000	1,011,690
2012	700,000	978,108
2013	740,000	939,958
2014	780,000	897,408
2015	835,000	843,198
2016-2019	3,970,000	2,750,071
2020-2024	6,790,000	1,601,250
Total	<u>\$ 14,480,000</u>	<u>\$ 9,021,683</u>

During the year ended June 30, 2010 interest paid on the 1996 and 2008 Series Bonds was in the amount of \$815,261.

**D. 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, 2010, was as follows:

Land and improvements	\$ 6,705,173
Equipment	28,133
Vehicles	181,764
Less: Accumulated Depreciation	<u>(334,496)</u>
Net Property and Equipment	<u>\$ 6,580,574</u>

LOWNDES COUNTY, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**Note 21 – Insurance Pools**

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

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

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

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

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

**Note 22 – Joint Ventures**

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

The County, in conjunction with cities and counties in the (10) county South Georgia area are members of the South Georgia Regional Development Center (RDC). Membership in an RDC is automatic for each municipality and county in the state. The official Code Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RDCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RDC. The County paid annual dues in the amount of \$62,992 to the RDC for the year ended June 30, 2010. The RDC Board membership includes the Chief elected official of each county and the Chief elected official of each municipality. The County Board members and municipal Board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality to serve as the non-public Board member from a County.

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

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

LOWNDES COUNTY, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**Note 23 – Related Party Transactions**

The County appropriated \$257,766 to the Valdosta - Lowndes County Airport Authority and \$108,217 to the Valdosta-Lowndes County Conference Center and Tourism Authority.

**Note 24 – Contingent Liabilities**

The site purchased for building of the Judicial and Administrative Complex was given environmental clearance at the time of sale but it was discovered that there was leakage of petroleum products from a former gas station site that had not been detected. The County has completed the process of cleaning up the site in cooperation with the Environmental Protection Agency and will receive some funding from them for the clean up cost. There will be continued monitoring of the site and the County 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.

The County is not contingently liable for the obligations of any other governmental agencies or authorities, as guarantor or otherwise, except for funding agreements with the Valdosta-Lowndes County Industrial Authority guaranteeing the funding necessary for the repayment of Valdosta-Lowndes County Industrial Authority Industrial Development Revenue Bonds, Series 1997, in the aggregate principal amount of \$5,000,000 and Valdosta-Lowndes County Industrial Authority Industrial Development Revenue Bonds, Series 2009, in the aggregate principal amount of \$15,000,000.

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

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

**Note 25 – Designations**

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

**Note 26 – Change in Presentation**

The County established one new internal service fund to account for revenue and expenditures for Workers Compensation self insurance funding for the County. The Workers Compensation Fund accounts for revenue and expenditures incurred in providing Workers Compensation self insurance. The Insurance Fund from previous years now accounts only for the Health Insurance self insurance program.

LOWNDES COUNTY, GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS

**Note 27 – Prior Year Adjustments**

Primary Government:

Prior year adjustments to Net Assets consisted of the following:

	Governmental Activities
Net Assets, Beginning of Year	\$ 159,146,102
Prior Year Adjustments:	
Correct prior net pension obligation	91,230
Correct construction in progress	(35,897)
Correct capital assets	<u>(21,047)</u>
Net Assets, Restated	<u>\$ 159,180,388</u>

The prior year adjustment for the net pension obligation is to correct the prior year ending balance that was incorrectly reported at the beginning of year balance.

The prior year adjustment to the construction in progress is to correct construction in progress balances from the prior year.

The prior year adjustment to the Business Type capital assets is to correct the cost that were not in agreement with depreciation schedules.

Component Unit – Lowndes County Board of Health:

Prior year adjustments consisted of the following:

Net Assets, Beginning of Year	\$ 2,690,496
Prior Year Adjustments	<u>16,478</u>
Net Assets, Restated	<u>\$ 2,706,974</u>

Grant in aid funds in the amount of \$23,591 were taken back based on a review of expenditures related to vehicles that were purchased.

Grant in aid in the amount of \$40,069 was received in the current year and should have been accrued in for the prior year.

**Note 28 – Subsequent Event**

Subsequent events were evaluated through December 28, 2010, which is the date the financial statements were available to be issued.

On July 15, 2010 the County obtained \$5,000,000 from a Tax Anticipation Note to provide cash flow to cover operational cost until property taxes were collected. The note will be paid back by December 31, 2010.

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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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 35,122,000	\$ 35,122,000	\$ 33,742,984	\$ (1,379,016)
Licenses and permits	15,000	15,000	9,481	(5,519)
Intergovernmental revenues	186,850	186,850	396,096	209,246
Charges for services	3,334,692	3,334,692	3,916,650	581,958
Fines and forfeitures	1,280,000	1,280,000	1,505,131	225,131
Investment income	-	-	8,292	8,292
Miscellaneous	646,532	646,532	75,800	(570,732)
<b>TOTAL REVENUES</b>	<b>40,585,074</b>	<b>40,585,074</b>	<b>39,654,434</b>	<b>(930,640)</b>
<b>EXPENDITURES:</b>				
<b>GENERAL GOVERNMENT</b>				
Board of Commissioners				
Personal services	113,396	113,396	118,655	5,259
Supplies	4,122	4,122	1,901	(2,221)
Other services and charges	66,500	66,500	33,243	(33,257)
	<u>184,018</u>	<u>184,018</u>	<u>153,799</u>	<u>(30,219)</u>
Commissioner Assistant				
Personal services	38,675	40,675	40,387	(288)
	<u>38,675</u>	<u>40,675</u>	<u>40,387</u>	<u>(288)</u>
County Manager				
Personal services	378,913	378,913	389,632	10,719
Supplies	2,400	2,400	808	(1,592)
Other services and charges	62,801	62,801	40,582	(22,219)
	<u>444,114</u>	<u>444,114</u>	<u>431,022</u>	<u>(13,092)</u>
Community Development				
Personal services	-	66,800	66,716	(84)
Supplies	-	100	4	(96)
Other services and charges	-	12,400	12,376	(24)
	<u>-</u>	<u>79,300</u>	<u>79,096</u>	<u>(204)</u>
County Clerk				
Personal services	182,905	187,905	187,665	(240)
Supplies	1,300	2,300	2,641	341
Other services and charges	4,000	6,500	6,291	(209)
	<u>188,205</u>	<u>196,705</u>	<u>196,597</u>	<u>(108)</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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Board of Elections				
Personal services	293,203	293,203	351,471	58,268
Supplies	12,570	12,570	18,858	6,288
Other services and charges	193,566	193,566	93,132	(100,434)
Capital outlay	-	-	3,200	3,200
	<u>499,339</u>	<u>499,339</u>	<u>466,661</u>	<u>(32,678)</u>
Risk Manager				
Personal services	98,799	103,799	104,644	845
Supplies	5,300	5,300	2,819	(2,481)
Other services and charges	28,045	584,045	585,453	1,408
	<u>132,144</u>	<u>693,144</u>	<u>692,916</u>	<u>(228)</u>
County Attorney				
Other services and charges	250,000	326,000	325,976	(24)
	<u>250,000</u>	<u>326,000</u>	<u>325,976</u>	<u>(24)</u>
Finance				
Personal services	426,113	426,113	378,378	(47,735)
Supplies	7,500	7,500	5,140	(2,360)
Other services and charges	118,925	118,925	144,259	25,334
	<u>552,538</u>	<u>552,538</u>	<u>527,777</u>	<u>(24,761)</u>
Human Resources				
Personal services	255,861	255,861	241,670	(14,191)
Supplies	2,000	2,000	2,506	506
Other services and charges	17,850	21,050	34,703	13,653
	<u>275,711</u>	<u>278,911</u>	<u>278,879</u>	<u>(32)</u>
Information Technology Services				
Personal services	448,548	448,548	460,896	12,348
Supplies	28,500	28,500	17,857	(10,643)
Other services and charges	525,383	525,383	469,556	(55,827)
Capital outlay	120,000	-	-	-
	<u>1,122,431</u>	<u>1,002,431</u>	<u>948,309</u>	<u>(54,122)</u>
General Facilities				
Supplies	14,000	14,000	13,030	(970)
Other services and charges	113,000	113,300	114,238	938
	<u>127,000</u>	<u>127,300</u>	<u>127,268</u>	<u>(32)</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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Tax Commissioner				
Personal services	973,297	973,297	1,003,087	29,790
Supplies	11,450	19,550	46,951	27,401
Other services and charges	152,959	152,959	95,743	(57,216)
	<u>1,137,706</u>	<u>1,145,806</u>	<u>1,145,781</u>	<u>(25)</u>
Board of Assessors				
Personal services	1,141,281	1,155,781	1,174,519	18,738
Supplies	16,500	16,500	10,896	(5,604)
Other services and charges	135,529	135,529	122,224	(13,305)
	<u>1,293,310</u>	<u>1,307,810</u>	<u>1,307,639</u>	<u>(171)</u>
Facilities Maintenance				
Personal services	907,541	807,541	801,307	(6,234)
Supplies	42,157	42,157	34,617	(7,540)
Other services and charges	2,382,398	2,336,798	2,145,536	(191,262)
Capital outlay	222,500	222,500	84,043	(138,457)
	<u>3,554,596</u>	<u>3,408,996</u>	<u>3,065,503</u>	<u>(343,493)</u>
Engineering				
Personal services	758,165	758,165	772,802	14,637
Supplies	29,200	29,200	6,316	(22,884)
Other services and charges	171,021	171,021	143,474	(27,547)
Capital outlay	2,500	2,500	-	(2,500)
	<u>960,886</u>	<u>960,886</u>	<u>922,592</u>	<u>(38,294)</u>
Contingency				
Other services and charges	593,990	63,990	61,261	(2,729)
	<u>593,990</u>	<u>63,990</u>	<u>61,261</u>	<u>(2,729)</u>
<b>Total - General Government</b>	<b><u>11,354,663</u></b>	<b><u>11,311,963</u></b>	<b><u>10,771,463</u></b>	<b><u>(540,500)</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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>JUDICIAL</b>				
Superior Court				
Personal services	337,287	337,287	352,683	15,396
Supplies	800	800	1,994	1,194
Other services and charges	75,375	75,375	51,012	(24,363)
	<u>413,462</u>	<u>413,462</u>	<u>405,689</u>	<u>(7,773)</u>
Clerk of Court				
Personal services	842,347	842,347	829,953	(12,394)
Supplies	6,750	6,750	14,293	7,543
Other services and charges	257,875	257,875	240,489	(17,386)
	<u>1,106,972</u>	<u>1,106,972</u>	<u>1,084,735</u>	<u>(22,237)</u>
District Attorney				
Other services and charges	623,089	632,089	631,980	(109)
	<u>623,089</u>	<u>632,089</u>	<u>631,980</u>	<u>(109)</u>
District Court Administrator				
Other services and charges	4,751	4,751	-	(4,751)
	<u>4,751</u>	<u>4,751</u>	<u>-</u>	<u>(4,751)</u>
State Court				
Personal services	666,959	666,959	690,389	23,430
Supplies	9,225	9,225	4,411	(4,814)
Other services and charges	157,675	157,675	110,610	(47,065)
	<u>833,859</u>	<u>833,859</u>	<u>805,410</u>	<u>(28,449)</u>
Magistrate Court				
Personal services	589,038	589,038	598,667	9,629
Supplies	13,500	13,500	9,299	(4,201)
Other services and charges	50,581	50,581	37,814	(12,767)
	<u>653,119</u>	<u>653,119</u>	<u>645,780</u>	<u>(7,339)</u>
Probate Court				
Personal services	316,897	320,997	330,579	9,582
Supplies	12,200	12,200	3,111	(9,089)
Other services and charges	50,944	50,944	50,371	(573)
	<u>380,041</u>	<u>384,141</u>	<u>384,061</u>	<u>(80)</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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Juvenile Court				
Personal services	92,996	95,296	95,248	(48)
Other services and charges	22,080	22,880	22,881	1
	<u>115,076</u>	<u>118,176</u>	<u>118,129</u>	<u>(47)</u>
Probation				
Personal services	77,694	77,694	80,552	2,858
Supplies	3,050	3,050	2,006	(1,044)
Other services and charges	19,613	19,613	17,303	(2,310)
	<u>100,357</u>	<u>100,357</u>	<u>99,861</u>	<u>(496)</u>
Circuit Public Defender				
Other services and charges	793,873	794,473	794,409	(64)
	<u>793,873</u>	<u>794,473</u>	<u>794,409</u>	<u>(64)</u>
<b>Total - Judicial</b>	<b><u>5,024,599</u></b>	<b><u>5,041,399</u></b>	<b><u>4,970,054</u></b>	<b><u>(71,345)</u></b>
<b>PUBLIC SAFETY</b>				
Sheriff				
Personal services	11,304,848	11,304,848	11,431,149	126,301
Supplies	295,000	295,000	164,868	(130,132)
Other services and charges	4,391,201	4,391,201	4,325,889	(65,312)
Capital outlay	121,300	121,300	57,234	(64,066)
	<u>16,112,349</u>	<u>16,112,349</u>	<u>15,979,140</u>	<u>(133,209)</u>
Animal Control				
Personal services	486,852	486,852	479,674	(7,178)
Supplies	35,500	35,500	27,536	(7,964)
Other services and charges	265,895	265,895	230,623	(35,272)
	<u>788,247</u>	<u>788,247</u>	<u>737,833</u>	<u>(50,414)</u>
Emergency Medical Services				
Other services and charges	880,111	880,111	880,111	-
Capital outlay	75,000	75,000	-	(75,000)
	<u>955,111</u>	<u>955,111</u>	<u>880,111</u>	<u>(75,000)</u>
Coroner				
Personal services	65,898	65,898	64,758	(1,140)
Supplies	1,350	1,350	2,349	999
Other services and charges	18,337	18,337	17,629	(708)
	<u>85,585</u>	<u>85,585</u>	<u>84,736</u>	<u>(849)</u>
Emergency Management Agency				
Personal services	73,153	73,153	75,411	2,258
Supplies	6,150	6,150	576	(5,574)
Other services and charges	52,390	58,390	61,493	3,103
	<u>131,693</u>	<u>137,693</u>	<u>137,480</u>	<u>(213)</u>
<b>Total - Public Safety</b>	<b><u>18,072,985</u></b>	<b><u>18,078,985</u></b>	<b><u>17,819,300</u></b>	<b><u>(259,685)</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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>PUBLIC WORKS</b>				
Administration				
Personal services	307,882	317,382	319,234	1,852
Supplies	7,300	7,300	6,916	(384)
Other services and charges	48,819	48,819	47,329	(1,490)
	<u>364,001</u>	<u>373,501</u>	<u>373,479</u>	<u>(22)</u>
Road Maintenance				
Personal services	1,761,648	1,761,648	1,716,851	(44,797)
Supplies	232,610	232,610	193,942	(38,668)
Other services and charges	872,183	872,183	904,150	31,967
Capital outlay	-	-	11,819	11,819
	<u>2,866,441</u>	<u>2,866,441</u>	<u>2,826,762</u>	<u>(39,679)</u>
Road Construction				
Personal services	441,494	441,494	416,034	(25,460)
Supplies	10,157	10,157	7,289	(2,868)
Other services and charges	313,572	313,572	286,428	(27,144)
	<u>765,223</u>	<u>765,223</u>	<u>709,751</u>	<u>(55,472)</u>
Traffic Signals				
Supplies	5,000	-	-	-
Other services and charges	151,200	164,200	163,792	(408)
	<u>156,200</u>	<u>164,200</u>	<u>163,792</u>	<u>(408)</u>
<b>Total - Public Works</b>	<b><u>4,151,865</u></b>	<b><u>4,169,365</u></b>	<b><u>4,073,784</u></b>	<b><u>(95,581)</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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>HEALTH AND WELFARE</b>				
Feed The Elderly				
Other services and charges	24,000	25,500	25,428	(72)
	<u>24,000</u>	<u>25,500</u>	<u>25,428</u>	<u>(72)</u>
Children's Advocacy Center				
Other services and charges	25,000	25,000	25,000	-
	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Mental Health Department				
Other services and charges	100,000	100,000	100,000	-
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Public Health Department				
Other services and charges	365,000	365,900	365,847	(53)
	<u>365,000</u>	<u>365,900</u>	<u>365,847</u>	<u>(53)</u>
Extension Services				
Supplies	3,500	3,500	2,821	(679)
Other services and charges	190,762	190,762	135,164	(55,598)
	<u>194,262</u>	<u>194,262</u>	<u>137,985</u>	<u>(56,277)</u>
Family Services				
Other services and charges	124,500	124,500	124,500	-
	<u>124,500</u>	<u>124,500</u>	<u>124,500</u>	<u>-</u>
<b>Total - Health and Welfare</b>	<b><u>832,762</u></b>	<b><u>835,162</u></b>	<b><u>778,760</u></b>	<b><u>(56,402)</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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>CULTURE AND RECREATION</b>				
Libraries				
Other services and charges	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Historical Society				
Other services and charges	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Quola				
Other services and charges	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Southside Recreation				
Other services and charges	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<b>Total - Culture &amp; Recreation</b>	<b><u>1,022,500</u></b>	<b><u>1,022,500</u></b>	<b><u>1,022,500</u></b>	<b><u>-</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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>HOUSING AND DEVELOPMENT</b>				
Equalization Board				
Other services and charges	<u>20,000</u>	<u>20,000</u>	<u>6,490</u>	<u>(13,510)</u>
	<u>20,000</u>	<u>20,000</u>	<u>6,490</u>	<u>(13,510)</u>
Moody Support Group				
Other services and charges	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Chambers of Commerce				
Other services and charges	<u>27,500</u>	<u>27,500</u>	<u>27,500</u>	<u>-</u>
	<u>27,500</u>	<u>27,500</u>	<u>27,500</u>	<u>-</u>
<b>Total - Housing &amp; Development</b>	<b><u>122,500</u></b>	<b><u>122,500</u></b>	<b><u>108,990</u></b>	<b><u>(13,510)</u></b>
<b>TOTAL EXPENDITURES</b>	<b><u>40,581,874</u></b>	<b><u>40,581,874</u></b>	<b><u>39,544,851</u></b>	<b><u>(1,037,023)</u></b>
EXCESS OF REVENUES OVER EXPENDITURES	3,200	3,200	109,583	106,383
OTHER FINANCING SOURCES (USES) TRANSFERS (OUT)	<u>(3,200)</u>	<u>(3,200)</u>	<u>-</u>	<u>3,200</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	109,583	<u>\$ 109,583</u>
BEGINNING FUND BALANCE			<u>18,837,619</u>	
FUND BALANCES AT END OF YEAR - BUDGETARY BASIS			18,947,202	
RECONCILIATION TO GAAP BASIS: Elimination of Encumbrances			<u>91,146</u>	
FUND BALANCES AT END OF YEAR- GAAP BASIS			<u>\$ 19,038,348</u>	

See accompanying note to budgetary comparison schedules.

LOWNDES COUNTY, GEORGIA  
SPECIAL SERVICES FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For The Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Taxes	\$ 3,615,000	\$ 3,615,000	\$ 3,617,021	\$ 2,021
Licenses and permits	116,000	116,000	114,579	(1,421)
Charges for services	30,000	30,000	27,360	(2,640)
TOTAL REVENUES	<u>3,761,000</u>	<u>3,761,000</u>	<u>3,758,960</u>	<u>(2,040)</u>
EXPENDITURES				
Current				
Public safety	2,501,124	2,276,624	2,276,530	(94)
Public works	268,310	198,810	198,833	23
Housing and development	991,566	876,566	875,686	(880)
TOTAL EXPENDITURES	<u>3,761,000</u>	<u>3,352,000</u>	<u>3,351,049</u>	<u>(951)</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>-</u>	<u>409,000</u>	<u>407,911</u>	<u>(1,089)</u>
OTHER FINANCING SOURCES (USES)				
TRANSFERS (OUT)	<u>-</u>	<u>(435,000)</u>	<u>(435,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(435,000)</u>	<u>(435,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(26,000)	(27,089)	(1,089)
FUND BALANCE AT BEGINNING OF YEAR (BUDGETARY BASIS)	<u>-</u>	<u>26,000</u>	<u>103,925</u>	<u>77,925</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,836</u>	<u>\$ 76,836</u>
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			<u>-</u>	
FUND BALANCE AT END OF YEAR GAAP BASIS			<u>\$ 76,836</u>	

See accompanying note to budgetary comparison schedules.





**COMBINING AND INDIVIDUAL FUND SCHEDULES**



## **MAJOR GOVERNMENTAL FUNDS**

### **CAPITAL PROJECT FUNDS**

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

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

**Capital Projects 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.

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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Investment income	\$ 50,000	\$ 50,000	\$ 15,614	\$ (34,386)
TOTAL REVENUES	50,000	50,000	15,614	(34,386)
EXPENDITURES				
Intergovernmental	16,000,000	16,000,000	2,584,800	(13,415,200)
TOTAL EXPENDITURES	16,000,000	16,000,000	2,584,800	(13,415,200)
EXCESS OF REVENUES OVER EXPENDITURES	(15,950,000)	(15,950,000)	(2,569,186)	13,380,814
FUND BALANCE AT BEGINNING OF YEAR	15,950,000	15,950,000	8,691,754	(7,258,246)
FUND BALANCE AT END OF YEAR (BUDGETARY BASIS)	\$ -	\$ -	\$ 6,122,568	\$ 6,122,568
RECONCILIATION TO GAAP BASIS: Elimination of encumbrances			-	
FUND BALANCES AT END OF YEAR (GAAP BASIS)			\$ 6,122,568	

See accompanying note to budgetary comparison schedules.

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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 13,315,000	\$ 13,315,000	\$ 12,094,603	\$ (1,220,397)
Intergovernmental revenue	-	-	624,539	624,539
Investment income	40,000	40,000	4,947	(35,053)
<b>TOTAL REVENUES</b>	<u>13,355,000</u>	<u>13,355,000</u>	<u>12,724,089</u>	<u>(630,911)</u>
<b>EXPENDITURES</b>				
Current				
Public works	-	-	337,145	337,145
Capital Outlay	6,560,000	6,560,000	7,825,397	1,265,397
Debt Service	8,300,000	8,300,000	8,276,900	(23,100)
<b>TOTAL EXPENDITURES</b>	<u>14,860,000</u>	<u>14,860,000</u>	<u>16,439,442</u>	<u>1,579,442</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(1,505,000)	(1,505,000)	(3,715,353)	(2,210,353)
<b>OTHER FINANCING USES</b>				
TRANSFERS OUT	-	-	(2,368,975)	2,368,975
<b>TOTAL OTHER FINANCING USES</b>	<u>-</u>	<u>-</u>	<u>(2,368,975)</u>	<u>2,368,975</u>
<b>REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(1,505,000)	(1,505,000)	(6,084,328)	(4,579,328)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>1,505,000</u>	<u>1,505,000</u>	<u>201,144</u>	<u>(1,303,856)</u>
<b>FUND BALANCE AT END OF YEAR (BUDGETARY BASIS)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,883,184)</u>	<u>\$ (5,883,184)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Elimination of encumbrances			-	
<b>FUND BALANCES AT END OF YEAR (GAAP BASIS)</b>			<u>\$ (5,883,184)</u>	

See accompanying note to budgetary comparison schedules.

LOWNDES COUNTY, GEORGIA  
 CAPITAL PROJECTS JUDICIAL COMPLEX & JAIL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For The Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 100,000	\$ 100,000	\$ 97,405	\$ (2,595)
TOTAL REVENUES	<u>100,000</u>	<u>100,000</u>	<u>97,405</u>	<u>(2,595)</u>
<b>EXPENDITURES</b>				
Current				
Public works	-	400,000	399,037	(963)
Capital outlay	<u>8,000,000</u>	<u>20,020,000</u>	<u>19,666,000</u>	<u>(354,000)</u>
TOTAL EXPENDITURES	<u>8,000,000</u>	<u>20,420,000</u>	<u>20,065,037</u>	<u>(354,963)</u>
EXCESS OF REVENUES OVER EXPENDITURES				
	(7,900,000)	(20,320,000)	(19,967,632)	352,368
FUND BALANCE AT BEGINNING OF YEAR	<u>7,900,000</u>	<u>20,320,000</u>	<u>24,057,781</u>	<u>3,737,781</u>
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	\$ 4,090,149	<u>\$ 4,090,149</u>
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			<u>-</u>	
FUND BALANCE AT END OF YEAR - GAAP BASIS			<u>\$ 4,090,149</u>	

See accompanying note to budgetary comparison schedules.

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

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

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

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

**Intergovernmental Grants** – To account for various grants 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.

### CAPITAL PROJECT FUND

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

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

**Capital Projects CDBG CHIP Grant Fund** – To account for the grant funds received for residential improvements for residents of Lowndes County.

LOWNDES COUNTY, GEORGIA  
 ALL NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING BALANCE SHEET  
 June 30, 2010

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
<b>ASSETS</b>			
Equity in pooled cash and cash equivalents	\$ 335,519	\$ -	\$ 335,519
Cash and cash equivalents in segregated accounts	2,004,982	28,869	2,033,851
Certificate of deposit	491,802	-	491,802
Government investment pool	46,157	-	46,157
Accounts	928,881	-	928,881
Due from other governments	29,475	14,999	44,474
	<u>3,836,816</u>	<u>43,868</u>	<u>3,880,684</u>
<b>TOTAL ASSETS</b>	<b>\$ 3,836,816</b>	<b>\$ 43,868</b>	<b>\$ 3,880,684</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$ 470,047	\$ 15,744	\$ 485,791
Accrued wages	46,100	-	46,100
Due to other governments	707,266	-	707,266
Interfund payable	1,607,409	1	1,607,410
	<u>2,830,822</u>	<u>15,745</u>	<u>2,846,567</u>
<b>TOTAL LIABILITIES</b>	<b>2,830,822</b>	<b>15,745</b>	<b>2,846,567</b>
<b>Fund Balance (Deficit)</b>			
Reserved for capital projects	46,157	28,123	74,280
Reserved for jail operations	278,754	-	278,754
Reserved for drug enforcement operations	1,277,427	-	1,277,427
Reserved for law library	414,974	-	414,974
Unreserved	(1,011,318)	-	(1,011,318)
	<u>1,005,994</u>	<u>28,123</u>	<u>1,034,117</u>
<b>TOTAL FUND BALANCE (DEFICIT)</b>	<b>1,005,994</b>	<b>28,123</b>	<b>1,034,117</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 3,836,816</b>	<b>\$ 43,868</b>	<b>\$ 3,880,684</b>

See independent auditors' report.

LOWNDES COUNTY, GEORGIA  
 ALL NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 For The Year Ending June 30, 2010

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>REVENUES</b>			
Intergovernmental revenues	\$ 1,576,445	\$ 140,621	\$ 1,717,066
Charges for services	2,094,768	-	2,094,768
Fines and forfeitures	1,283,673	-	1,283,673
Investment income	33,081	540	33,621
Miscellaneous	<u>553,384</u>	<u>-</u>	<u>553,384</u>
TOTAL REVENUES	<u>5,541,351</u>	<u>141,161</u>	<u>5,682,512</u>
<b>EXPENDITURES</b>			
Current			
General government			
Judicial	403,565	-	403,565
Public safety	4,755,727	-	4,755,727
Health and welfare	466,140	-	466,140
Housing and development	205,313	140,621	345,934
Intergovernmental	<u>-</u>	<u>1,112,801</u>	<u>1,112,801</u>
TOTAL EXPENDITURES	<u>5,830,745</u>	<u>1,253,422</u>	<u>7,084,167</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(289,394)	(1,112,261)	(1,401,655)
OTHER FINANCING SOURCES:			
TRANSFERS IN	<u>50,000</u>	<u>-</u>	<u>50,000</u>
TOTAL OTHER FINANCING SOURCES	<u>50,000</u>	<u>-</u>	<u>50,000</u>
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	(239,394)	(1,112,261)	(1,351,655)
FUND BALANCE			
BEGINNING OF YEAR	<u>1,245,388</u>	<u>1,140,384</u>	<u>2,385,772</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,005,994</u>	<u>\$ 28,123</u>	<u>\$ 1,034,117</u>

See independent auditors' report.

LOWNDES COUNTY, GEORGIA  
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
June 30, 2010

	Keep Lowndes Valdosta <u>Beautiful</u>	<u>Commissary</u>	Seizures Special <u>Revenues</u>	Intergovern- mental <u>Grants</u>
<b>ASSETS</b>				
Equity in pooled cash and cash equivalents	\$ 37,321	\$ 298,198	\$ -	\$ -
Cash and cash equivalents in segregated accounts	-	-	1,047,872	573,065
Certificate of deposit	-	-	229,555	-
Government investment pool	46,157	-	-	-
Receivables (net of allowance for doubtful accounts):				
Accounts	-	-	-	405,059
Due from other governments	-	-	-	29,475
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<u>\$ 83,478</u>	<u>\$ 298,198</u>	<u>\$ 1,277,427</u>	<u>\$1,007,599</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 323	\$ 39,485	\$ -	\$ 293,125
Accrued wages	812	1,474	-	7,208
Deferred revenue	-	-	-	707,266
Interfund payable	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL LIABILITIES</b>	<u>1,135</u>	<u>40,959</u>	<u>-</u>	<u>1,007,599</u>
<b>FUND BALANCES</b>				
Reserved for capital projects	46,157	-	-	-
Reserved for jail operations	-	257,239	-	-
Reserved for drug enforcement operations	-	-	1,277,427	-
Reserved for law library	-	-	-	-
Unreserved	36,186	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL FUND BALANCES</b>	<u>82,343</u>	<u>257,239</u>	<u>1,277,427</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 83,478</u>	<u>\$ 298,198</u>	<u>\$ 1,277,427</u>	<u>\$1,007,599</u>

See independent auditors' report.

<u>Jail</u> <u>Operations</u>	<u>Drug</u> <u>Abuse</u> <u>Treatment</u>	<u>911</u> <u>Emergency</u> <u>Telephone</u>	<u>Victim</u> <u>Assistance</u>	<u>Law</u> <u>Library</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 335,519
81,223	49,245	63,241	37,609	152,727	2,004,982
-	-	-	-	262,247	491,802
-	-	-	-	-	46,157
12,353	-	502,782	8,687	-	928,881
-	-	-	-	-	29,475
<u>\$ 93,576</u>	<u>\$ 49,245</u>	<u>\$ 566,023</u>	<u>\$ 46,296</u>	<u>\$ 414,974</u>	<u>\$ 3,836,816</u>
\$ 50,632	\$ 2,243	\$ 83,580	\$ 659	\$ -	\$ 470,047
837	3,679	30,667	1,423	-	46,100
-	-	-	-	-	707,266
<u>20,592</u>	<u>519,382</u>	<u>854,182</u>	<u>213,253</u>	<u>-</u>	<u>1,607,409</u>
<u>72,061</u>	<u>525,304</u>	<u>968,429</u>	<u>215,335</u>	<u>-</u>	<u>2,830,822</u>
-	-	-	-	-	46,157
21,515	-	-	-	-	278,754
-	-	-	-	-	1,277,427
-	-	-	-	414,974	414,974
-	(476,059)	(402,406)	(169,039)	-	(1,011,318)
<u>21,515</u>	<u>(476,059)</u>	<u>(402,406)</u>	<u>(169,039)</u>	<u>414,974</u>	<u>1,005,994</u>
<u>\$ 93,576</u>	<u>\$ 49,245</u>	<u>\$ 566,023</u>	<u>\$ 46,296</u>	<u>\$ 414,974</u>	<u>\$ 3,836,816</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, 2010

	Keep Lowndes Valdosta <u>Beautiful</u>	<u>Commissary</u>	Seizures Special <u>Revenues</u>	Intergovern- mental <u>Grants</u>
<b>REVENUES</b>				
Intergovernmental revenues	\$ 10,000	\$ -	\$ -	\$ 922,127
Charges for services	-	256,105	-	-
Fines and forfeitures	-	-	365,970	-
Investment income	145	-	13,477	-
Miscellaneous	100	520,031	-	-
TOTAL REVENUES	<u>10,245</u>	<u>776,136</u>	<u>379,447</u>	<u>922,127</u>
<b>EXPENDITURES</b>				
Current				
General Government				
Judicial	-	-	-	90,242
Public safety	-	588,433	434,427	545,115
Health and welfare	72,874	-	-	81,457
Housing and development	-	-	-	205,313
TOTAL EXPENDITURES	<u>72,874</u>	<u>588,433</u>	<u>434,427</u>	<u>922,127</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(62,629)	187,703	(54,980)	-
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN (OUT)	<u>50,000</u>	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>50,000</u>	-	-	-
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(12,629)	187,703	(54,980)	-
BEGINNING FUND BALANCE	<u>94,972</u>	<u>69,536</u>	<u>1,332,407</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 82,343</u>	<u>\$ 257,239</u>	<u>\$ 1,277,427</u>	<u>\$ -</u>

See independent auditors' 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>
\$ -	\$ -	\$ 552,711	\$ 91,607	\$ -	\$ 1,576,445
-	-	1,838,663	-	-	2,094,768
512,418	198,695	-	152,315	54,275	1,283,673
-	-	31	-	19,428	33,081
12,354	-	20,899	-	-	553,384
<u>524,772</u>	<u>198,695</u>	<u>2,412,304</u>	<u>243,922</u>	<u>73,703</u>	<u>5,541,351</u>
-	-	-	233,831	79,492	403,565
503,290	-	2,684,462	-	-	4,755,727
-	253,809	-	58,000	-	466,140
-	-	-	-	-	205,313
<u>503,290</u>	<u>253,809</u>	<u>2,684,462</u>	<u>291,831</u>	<u>79,492</u>	<u>5,830,745</u>
21,482	(55,114)	(272,158)	(47,909)	(5,789)	(289,394)
-	-	-	-	-	50,000
-	-	-	-	-	50,000
21,482	(55,114)	(272,158)	(47,909)	(5,789)	(239,394)
<u>33</u>	<u>(420,945)</u>	<u>(130,248)</u>	<u>(121,130)</u>	<u>420,763</u>	<u>1,245,388</u>
<u>\$ 21,515</u>	<u>\$ (476,059)</u>	<u>\$ (402,406)</u>	<u>\$ (169,039)</u>	<u>\$ 414,974</u>	<u>\$ 1,005,994</u>

LOWNDES COUNTY, GEORGIA  
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
June 30, 2010

	CDBG CHIP Grant Fund	Sales Tax IV Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents in segregated accounts	\$ 1	\$ 28,868	\$ 28,869
Due from other governments	<u>14,999</u>	<u>-</u>	<u>14,999</u>
<b>TOTAL ASSETS</b>	<u>\$ 15,000</u>	<u>\$ 28,868</u>	<u>\$ 43,868</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 14,999	\$ 745	\$ 15,744
Interfund payable	<u>1</u>	<u>-</u>	<u>1</u>
<b>TOTAL LIABILITIES</b>	<u>15,000</u>	<u>745</u>	<u>15,745</u>
<b>FUND BALANCES</b>			
Reserved for capital projects	<u>-</u>	<u>28,123</u>	<u>28,123</u>
<b>TOTAL FUND BALANCES</b>	<u>-</u>	<u>28,123</u>	<u>28,123</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 15,000</u>	<u>\$ 28,868</u>	<u>\$ 43,868</u>

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, 2010

	CDBG CHIP Grant Fund	Sales Tax IV Fund	Total
<b>REVENUES</b>			
Intergovernmental	\$ 140,621	\$ -	\$ 140,621
Investment income	-	540	540
TOTAL REVENUES	<u>140,621</u>	<u>540</u>	<u>141,161</u>
<b>EXPENDITURES</b>			
Current:			
General government			
Housing and development	140,621	-	140,621
Intergovernmental	-	1,112,801	1,112,801
TOTAL EXPENDITURES	<u>140,621</u>	<u>1,112,801</u>	<u>1,253,422</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	(1,112,261)	(1,112,261)
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>1,140,384</u>	<u>1,140,384</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ 28,123</u>	<u>\$ 28,123</u>

LOWNDES COUNTY, GEORGIA  
 KEEP LOWNDES VALDOSTA BEAUTIFUL  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For The Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenue	\$ -	\$ 10,000	\$ 10,000	\$ -
Investment income	-	-	145	145
Miscellaneous	-	-	100	100
TOTAL REVENUES	-	10,000	10,245	245
<b>EXPENDITURES</b>				
Current:				
Health and welfare	61,903	72,903	72,874	(29)
TOTAL EXPENDITURES	61,903	72,903	72,874	(29)
EXCESS OF REVENUES (UNDER) EXPENDITURES	(61,903)	(62,903)	(62,629)	274
OTHER FINANCING SOURCES (USES)				
TRANSFER IN	50,000	50,000	50,000	-
TOTAL OTHER FINANCING SOURCES (USES)	50,000	50,000	50,000	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(11,903)	(12,903)	(12,629)	274
FUND BALANCE AT BEGINNING OF YEAR	11,903	12,903	94,972	82,069
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	\$ -	\$ -	\$ 82,343	\$ 82,343
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			\$ 82,343	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA  
 COMMISSARY FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For The Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 255,000	\$ 255,000	\$256,105	\$ 1,105
Miscellaneous	<u>175,000</u>	<u>333,836</u>	<u>520,031</u>	<u>186,195</u>
TOTAL REVENUES	430,000	588,836	776,136	187,300
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>537,836</u>	<u>588,836</u>	<u>588,433</u>	<u>(403)</u>
TOTAL EXPENDITURES	537,836	588,836	588,433	(403)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	(107,836)	-	187,703	187,703
FUND BALANCE AT BEGINNING OF YEAR	<u>107,836</u>	<u>-</u>	<u>69,536</u>	<u>69,536</u>
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	\$257,239	<u>\$ 257,239</u>
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			<u>-</u>	
FUND BALANCE AT END OF YEAR - GAAP BASIS			<u>\$257,239</u>	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA  
 SEIZURES SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For The Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 1,000,000	\$ 1,000,000	\$ 365,970	\$ (634,030)
Investment income	-	-	13,477	13,477
TOTAL REVENUES	1,000,000	1,000,000	379,447	(620,553)
EXPENDITURES				
Current:				
Public safety	1,000,000	1,000,000	434,427	(565,573)
TOTAL EXPENDITURES	1,000,000	1,000,000	434,427	(565,573)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(54,980)	(54,980)
FUND BALANCE AT BEGINNING OF YEAR	-	-	1,332,407	1,332,407
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	\$ -	\$ -	\$ 1,277,427	\$ 1,277,427
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			\$ 1,277,427	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA  
 INTERGOVERNMENTAL GRANT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For The Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 501,276	\$ 922,276	\$ 922,127	\$ (149)
TOTAL REVENUES	501,276	922,276	922,127	(149)
EXPENDITURES				
Current:				
General government				
Judicial	-	90,000	90,242	242
Public safety	501,276	545,276	545,115	(161)
Health and welfare	-	82,000	81,457	(543)
Housing and development	-	205,000	205,313	313
TOTAL EXPENDITURES	501,276	922,276	922,127	(149)
EXCESS OF REVENUES (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	\$ -	\$ -	\$ -	\$ -
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			\$ -	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA  
 JAIL OPERATIONS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For The Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 520,000	\$ 520,000	\$ 512,418	\$ (7,582)
Miscellaneous income	-	-	12,354	12,354
TOTAL REVENUES	520,000	520,000	524,772	4,772
EXPENDITURES				
Current:				
Public safety	646,262	520,000	503,290	(16,710)
TOTAL EXPENDITURES	646,262	520,000	503,290	(16,710)
EXCESS OF REVENUES OVER EXPENDITURES	(126,262)	-	21,482	21,482
FUND BALANCE AT BEGINNING OF YEAR	126,262	-	33	33
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	\$ -	\$ -	\$ 21,515	\$ 21,515
RECONCILIATION TO GAAP BASIS: Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			\$ 21,515	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA  
 DRUG ABUSE TREATMENT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For The Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 206,000	\$ 206,000	\$ 198,695	\$ (7,305)
TOTAL REVENUES	206,000	206,000	198,695	(7,305)
EXPENDITURES				
Current:				
Health and welfare	284,271	284,271	253,809	(30,462)
TOTAL EXPENDITURES	284,271	284,271	253,809	(30,462)
EXCESS OF REVENUES (UNDER) EXPENDITURES	(78,271)	(78,271)	(55,114)	23,157
FUND BALANCE AT BEGINNING OF YEAR	78,271	78,271	(420,945)	(499,216)
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	\$ -	\$ -	\$ (476,059)	\$ (476,059)
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			\$ (476,059)	

See independent auditors' 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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 522,000	\$ 552,000	\$ 552,711	\$ 711
Charges for services	1,645,000	1,800,000	1,838,663	38,663
Investment income	-	-	31	31
Miscellaneous income	20,000	20,000	20,899	899
<b>TOTAL REVENUES</b>	<u>2,187,000</u>	<u>2,372,000</u>	<u>2,412,304</u>	<u>40,304</u>
<b>EXPENDITURES</b>				
Current				
Public safety	2,530,746	2,685,746	2,684,462	(1,284)
<b>TOTAL EXPENDITURES</b>	<u>2,530,746</u>	<u>2,685,746</u>	<u>2,684,462</u>	<u>(1,284)</u>
<b>EXCESS OF REVENUES (UNDER) EXPENDITURES</b>	(343,746)	(313,746)	(272,158)	41,588
<b>OTHER FINANCING SOURCES</b>				
TRANSFERS IN	3,200	3,200	-	3,200
<b>TOTAL OTHER FINANCING USES</b>	<u>3,200</u>	<u>3,200</u>	<u>-</u>	<u>3,200</u>
<b>REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(340,546)	(310,546)	(272,158)	38,388
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>340,546</u>	<u>310,546</u>	<u>(130,248)</u>	<u>(440,794)</u>
<b>FUND BALANCE AT END OF YEAR (BUDGETARY BASIS)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (402,406)</u>	<u>\$ (402,406)</u>
<b>RECONCILIATION TO GAAP BASIS</b>				
Elimination of encumbrances			-	
<b>FUND BALANCES AT END OF YEAR (GAAP BASIS)</b>			<u>\$ (402,406)</u>	

See independent auditors' 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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Intergovernmental	\$ 102,800	\$ 102,800	\$ 91,607	\$ (11,193)
Fines and forfeitures	<u>159,000</u>	<u>163,000</u>	<u>152,315</u>	<u>(10,685)</u>
TOTAL REVENUES	261,800	265,800	243,922	(21,878)
EXPENDITURES				
Current:				
General Government				
Judicial	229,916	233,916	233,831	(85)
Health and welfare	<u>58,000</u>	<u>58,000</u>	<u>58,000</u>	<u>-</u>
TOTAL EXPENDITURES	287,916	291,916	291,831	(85)
EXCESS OF REVENUES (UNDER) EXPENDITURES	(26,116)	(26,116)	(47,909)	(21,793)
BEGINNING FUND BALANCE	<u>26,116</u>	<u>26,116</u>	<u>(121,130)</u>	<u>(147,246)</u>
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	\$ (169,039)	<u>\$ (169,039)</u>
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			<u>-</u>	
FUND BALANCE AT END OF YEAR - GAAP BASIS			<u>\$ (169,039)</u>	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA  
LAW LIBRARY FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For The Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ -	\$ 55,000	\$ 54,275	\$ (725)
Investment income	-	20,000	19,428	(572)
TOTAL REVENUES	-	75,000	73,703	(1,297)
EXPENDITURES				
Current:				
General Government				
Judicial	-	80,000	79,492	(508)
TOTAL EXPENDITURES	-	80,000	79,492	(508)
EXCESS OF REVENUES (UNDER) EXPENDITURES	-	(5,000)	(5,789)	(789)
FUND BALANCE AT BEGINNING OF YEAR	-	5,000	420,763	415,763
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	\$ -	\$ -	\$ 414,974	\$ 414,974
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			\$ 414,974	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA  
 CAPITAL PROJECTS SALES TAX IV FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For The Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Investment income	\$ 10,000	\$ 10,000	\$ 540	\$ (9,460)
TOTAL REVENUES	10,000	10,000	540	(9,460)
EXPENDITURES				
Intergovernmental	2,400,000	2,400,000	1,112,801	(1,287,199)
TOTAL EXPENDITURES	2,400,000	2,400,000	1,112,801	(1,287,199)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,390,000)	(2,390,000)	(1,112,261)	1,277,739
FUND BALANCE AT BEGINNING OF YEAR	2,390,000	2,390,000	1,140,384	(1,249,616)
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	\$ -	\$ -	\$ 28,123	\$ 28,123
RECONCILIATION TO GAAP BASIS: Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			\$ 28,123	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA  
 CAPITAL PROJECTS CDBG CHIP GRANT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For The Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 100,000	\$ 150,000	\$ 140,621	\$ (9,379)
TOTAL REVENUES	100,000	150,000	140,621	(9,379)
<b>EXPENDITURES</b>				
Current:				
Housing and development	100,000	150,000	140,621	(9,379)
TOTAL EXPENDITURES	100,000	150,000	140,621	(9,379)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	\$ -	\$ -	\$ -	\$ -
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			\$ -	

See independent auditors' report.

## **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 ASSETS  
June 30, 2010

	Equipment Fund	Health Insurance Fund	Workers Compensation Fund	Fleet Manager Fund	Total
<b>ASSETS</b>					
Current Assets					
Equity in pooled cash and cash equivalents	\$ -	\$ -	\$ 178,168	\$ -	\$ 178,168
Cash and cash equivalents in segregated accounts	-	-	-	905,377	905,377
Government investment pool	-	19,012	-	-	19,012
Receivables (net of allowance for doubtful accounts)					
Accounts	6,810	-	-	-	6,810
Interfund receivable	137,547	570,322	814,351	-	1,522,220
Prepaid expense	-	-	82,960	-	82,960
Inventory	209,534	-	-	-	209,534
TOTAL CURRENT ASSETS	<u>353,891</u>	<u>589,334</u>	<u>1,075,479</u>	<u>905,377</u>	<u>2,924,081</u>
Noncurrent Assets					
Capital Assets					
Depreciable capital assets, net	-	-	-	2,983,886	2,983,886
TOTAL NONCURRENT ASSETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,983,886</u>	<u>2,983,886</u>
TOTAL ASSETS	<u>353,891</u>	<u>589,334</u>	<u>1,075,479</u>	<u>3,889,263</u>	<u>5,907,967</u>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	179,090	362,176	760,000	-	1,301,266
Accrued wages	12,823	-	-	-	12,823
Compensated absences payable	12,541	-	-	-	12,541
Accrued interest payable	-	-	-	1,582	1,582
Interfund payable	31,167	-	-	1,659,224	1,690,391
Current portion of capital lease obligations	-	-	-	261,620	261,620
TOTAL CURRENT LIABILITIES	<u>235,621</u>	<u>362,176</u>	<u>760,000</u>	<u>1,922,426</u>	<u>3,280,223</u>
Long-Term Liabilities					
Compensated absences payable	9,853	-	-	-	9,853
Capital lease obligations	-	-	-	235,001	235,001
TOTAL LONG-TERM LIABILITIES	<u>9,853</u>	<u>-</u>	<u>-</u>	<u>235,001</u>	<u>244,854</u>
TOTAL LIABILITIES	<u>245,474</u>	<u>362,176</u>	<u>760,000</u>	<u>2,157,427</u>	<u>3,525,077</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	-	-	-	2,487,265	2,487,265
Unrestricted	108,417	227,158	315,479	(755,429)	(104,375)
TOTAL NET ASSETS	<u>\$ 108,417</u>	<u>\$ 227,158</u>	<u>\$ 315,479</u>	<u>\$ 1,731,836</u>	<u>\$ 2,382,890</u>

See independent auditors' report.

LOWNDES COUNTY, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS  
For The Year Ending June 30, 2010

	Equipment Fund	Health Insurance Fund	Workers Compensation Fund	Fleet Manager Fund	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 668,047	\$ 4,041,600	\$ 668,870	\$ 4,094,676	\$ 9,473,193
<b>TOTAL OPERATING REVENUES</b>	<u>668,047</u>	<u>4,041,600</u>	<u>668,870</u>	<u>4,094,676</u>	<u>9,473,193</u>
<b>OPERATING EXPENSES</b>					
Personal services	357,707	-	-	-	357,707
Payroll taxes	25,104	-	-	-	25,104
Fringe benefits	104,713	-	-	-	104,713
Contractual services	5,320	-	-	-	5,320
Insurance and bond	-	3,840,871	353,391	-	4,194,262
Materials and supplies	225,310	-	-	2,227,961	2,453,271
Depreciation	-	-	-	853,595	853,595
<b>TOTAL OPERATING EXPENSES</b>	<u>718,154</u>	<u>3,840,871</u>	<u>353,391</u>	<u>3,081,556</u>	<u>7,993,972</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(50,107)</u>	<u>200,729</u>	<u>315,479</u>	<u>1,013,120</u>	<u>1,479,221</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest revenue	-	50	-	725	775
Interest expense	-	-	-	(36,274)	(36,274)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>-</u>	<u>50</u>	<u>-</u>	<u>(35,549)</u>	<u>(35,499)</u>
<b>CHANGE IN NET ASSETS</b>	<u>(50,107)</u>	<u>200,779</u>	<u>315,479</u>	<u>977,571</u>	<u>1,443,722</u>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>158,524</u>	<u>26,379</u>	<u>-</u>	<u>754,265</u>	<u>939,168</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 108,417</u>	<u>\$ 227,158</u>	<u>\$ 315,479</u>	<u>\$ 1,731,836</u>	<u>\$ 2,382,890</u>

See independent auditors' report.

LOWNDES COUNTY, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF CASH FLOWS  
For The Year Ending June 30, 2010

	<u>Equipment Fund</u>	<u>Health Insurance Fund</u>	<u>Workers Compensation Fund</u>	<u>Fleet Manager Fund</u>	<u>Total</u>
<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	\$ 532,990	\$ 4,043,974	\$ 614,519	\$ 4,094,676	\$ 9,286,159
Cash payments for personal services	(351,474)	-	-	-	(351,474)
Cash payments for payroll taxes	(25,104)	-	-	-	(25,104)
Cash payments for fringe benefits	(104,713)	-	-	-	(104,713)
Cash payments for contractual services	(5,320)	-	-	-	(5,320)
Cash payments for insurance and bond	-	(5,204,686)	(436,351)	-	(5,641,037)
Cash payments for materials and supplies	(77,854)	-	-	(2,923,790)	(3,001,644)
Net Cash Provided by (Used for) Operating Activities	(31,475)	(1,160,712)	178,168	1,170,886	156,867
<b><u>Cash Flows From Capital and Related Financing Activities</u></b>					
Cash from capital lease	-	-	-	2,048,000	2,048,000
Cash payments for acquisition of capital assets	-	-	-	(361,919)	(361,919)
Cash payments for principal and interest on capital leases	-	-	-	(2,857,007)	(2,857,007)
Net Cash Used For Capital and Related Financing Activities	-	-	-	(1,170,926)	(1,170,926)
<b><u>Cash Flows From Investing Activities</u></b>					
Cash received from interest	-	50	-	725	775
Net Cash Flows Provided By Investing Activities	-	50	-	725	775
Net Increase in Cash and Cash Equivalents	(31,475)	(1,160,662)	178,168	685	(1,013,284)
Cash and Cash Equivalents at Beginning of Year	31,475	1,179,674	-	904,692	2,115,841
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ 19,012</u>	<u>\$ 178,168</u>	<u>\$ 905,377</u>	<u>\$ 1,102,557</u>
Equity in pooled cash and cash equivalents	\$ -	\$ -	\$ 178,168	\$ -	\$ 178,168
Cash and cash equivalents in segregated accounts	-	-	-	905,377	905,377
Government investment pool	-	19,012	-	-	19,012
Total Cash and Cash Equivalents	<u>\$ -</u>	<u>\$ 19,012</u>	<u>\$ 178,168</u>	<u>\$ 905,377</u>	<u>\$ 1,102,557</u>

See independent auditors' report.

LOWNDES COUNTY, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF CASH FLOWS  
For The Year Ending June 30, 2010

	<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)	\$ (50,107)	\$ 200,729	\$ 315,479	\$ 1,013,120	\$ 1,479,221
<b>Adjustments to Reconcile Operating Income (Loss) To</b>					
<b><u>Net Cash Provided by (Used For) Operating Activities</u></b>					
Depreciation	-	-	-	853,595	853,595
Changes in Assets and Liabilities:					
(Increase) decrease in accounts receivable	2,490	2,374	-	-	4,864
(Increase) decrease in prepaid expense	-	69,862	(82,960)	-	(13,098)
(Increase) decrease in inventory	29,477	-	-	-	29,477
(Increase) decrease in interfund receivable	(137,547)	(570,322)	(814,351)	-	(1,522,220)
Increase (decrease) in accounts payable	86,812	(863,355)	760,000	(16,014)	(32,557)
Increase (decrease) in compensated absences payable	(56)	-	-	-	(56)
Increase (decrease) in interfund payable	31,167	-	-	(679,815)	(648,648)
Increase (decrease) in accrued expenses	<u>6,289</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,289</u>
Net Cash Provided By (Used For)					
Operating Activities	<u>\$ (31,475)</u>	<u>\$ (1,160,712)</u>	<u>\$ 178,168</u>	<u>\$ 1,170,886</u>	<u>\$ 156,867</u>

See independent auditors' report.

## **FIDUCIARY FUNDS**

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

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

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

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

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

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

LOWNDES COUNTY, GEORGIA  
 AGENCY FUNDS  
 COMBINING STATEMENTS OF ASSETS AND LIABILITIES  
 June 30, 2010

	AGENCY FUNDS					TOTAL
	OFFICE OF TAX COMMISSIONER	CLERK OF COURT	MAGIS- TRATE COURT	OFFICE OF SHERIFF	INDUSTRIAL AUTHORITY	
<b>ASSETS</b>						
Cash	\$ 412,727	\$ 888,013	\$ 109,870	\$ 872,445	\$ 1,070,978	\$ 3,354,033
Due from others	52,157	-	-	-	-	52,157
<b>TOTAL ASSETS</b>	<b>\$ 464,884</b>	<b>\$ 888,013</b>	<b>\$ 109,870</b>	<b>\$ 872,445</b>	<b>\$ 1,070,978</b>	<b>\$ 3,406,190</b>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>LIABILITIES</b>						
Due to others	\$ 464,884	\$ 517,147	\$ 41,535	\$ 721	\$ 455,186	\$ 1,479,473
Collections held in escrow	-	370,866	68,335	871,724	615,792	1,926,717
<b>TOTAL LIABILITIES</b>	<b>464,884</b>	<b>888,013</b>	<b>109,870</b>	<b>872,445</b>	<b>1,070,978</b>	<b>3,406,190</b>
<b>NET ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See independent auditors' report.

LOWNDES COUNTY, GEORGIA  
 AGENCY FUNDS  
 COMBINING STATEMENTS OF CHANGES IN  
 ASSETS AND LIABILITIES  
 For The Year Ending June 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2010</u>
<u>OFFICE OF TAX COMMISSIONER</u>				
ASSETS				
Cash	\$ 606,027	\$ 80,239,819	\$ 80,433,119	\$ 412,727
Due from others	<u>60,188</u>	<u>-</u>	<u>8,031</u>	<u>52,157</u>
TOTAL ASSETS	<u>\$ 666,215</u>	<u>\$ 80,239,819</u>	<u>\$ 80,441,150</u>	<u>\$ 464,884</u>
LIABILITIES				
Due to others	\$ 666,215	\$ 80,239,819	\$ 80,441,150	\$ 464,884
TOTAL LIABILITIES	<u>\$ 666,215</u>	<u>\$ 80,239,819</u>	<u>\$ 80,441,150</u>	<u>\$ 464,884</u>
<u>CLERK OF COURT</u>				
ASSETS				
Cash	\$ 885,275	\$ 7,616,849	\$ 7,614,111	\$ 888,013
TOTAL ASSETS	<u>\$ 885,275</u>	<u>\$ 7,616,849</u>	<u>\$ 7,614,111</u>	<u>\$ 888,013</u>
LIABILITIES				
Due to others	\$ 546,844	\$ 5,597,481	\$ 5,627,178	\$ 517,147
Collections held in escrow	<u>338,431</u>	<u>2,019,368</u>	<u>1,986,933</u>	<u>370,866</u>
TOTAL LIABILITIES	<u>\$ 885,275</u>	<u>\$ 7,616,848</u>	<u>\$ 7,614,111</u>	<u>\$ 888,013</u>
<u>MAGISTRATE COURT</u>				
ASSETS				
Cash	\$ 134,581	\$ 1,616,286	\$ 1,640,997	\$ 109,870
TOTAL ASSETS	<u>\$ 134,581</u>	<u>\$ 1,616,286</u>	<u>\$ 1,640,997</u>	<u>\$ 109,870</u>
LIABILITIES				
Due to others	\$ 46,633	\$ 775,194	\$ 777,292	\$ 41,535
Collections held in escrow	<u>90,948</u>	<u>841,092</u>	<u>863,705</u>	<u>68,335</u>
TOTAL LIABILITIES	<u>\$ 137,581</u>	<u>\$ 1,616,286</u>	<u>\$ 1,640,997</u>	<u>\$ 109,870</u>

See independent auditors' report.

LOWNDES COUNTY, GEORGIA  
 AGENCY FUNDS  
 COMBINING STATEMENTS OF CHANGES IN  
 ASSETS AND LIABILITIES - CONTINUED  
 For The Year Ending June 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2010</u>
<u>OFFICE OF SHERIFF</u>				
ASSETS				
Cash	\$ 1,097,751	\$ 4,336,251	\$ 4,561,557	\$ 872,445
TOTAL ASSETS	<u>\$ 1,097,751</u>	<u>\$ 4,336,251</u>	<u>\$ 4,561,557</u>	<u>\$ 872,445</u>
LIABILITIES				
Due to others	\$ 14,157	\$ 15,520	\$ 28,956	\$ 721
Collections held in escrow	1,083,594	4,320,731	4,532,601	871,724
TOTAL LIABILITIES	<u>\$ 1,097,751</u>	<u>\$ 4,336,251</u>	<u>\$ 4,561,557</u>	<u>\$ 872,445</u>
<u>INDUSTRIAL AUTHORITY</u>				
ASSETS				
Cash	\$ 675,646	\$ 1,994,519	\$ 1,599,187	\$ 1,070,978
Due from others	29,030	-	29,030	-
TOTAL ASSETS	<u>\$ 704,676</u>	<u>\$ 1,994,519</u>	<u>\$ 1,628,217</u>	<u>\$ 1,070,978</u>
LIABILITIES				
Due to others	\$ -	\$ 455,186	\$ -	\$ 455,186
Collections held in escrow	704,676	1,539,333	1,628,217	615,792
TOTAL LIABILITIES	<u>\$ 704,676</u>	<u>\$ 1,994,519</u>	<u>\$ 1,628,217</u>	<u>\$ 1,070,978</u>

See independent auditors' 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 Assets by Component (Unaudited),  
Last Eight Fiscal Years  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
<b>Governmental Activities</b>								
Invested in capital assets, net of related debt	\$ 144,861,117	\$ 123,166,325	\$ 89,328,068	\$ 136,074,764	\$ 139,608,284	\$ 20,178,997	\$ 25,070,360	\$ 23,645,433
Restricted	14,614,134	17,045,363	64,133,172	32,758,317	33,678,846	45,962,877	37,670,996	35,335,883
Unrestricted	(15,869,262)	18,934,414	20,012,424	19,476,897	19,258,403	19,117,048	18,503,584	16,473,091
<b>Total governmental activities net assets</b>	<b>\$ 143,605,989</b>	<b>\$ 159,146,102</b>	<b>\$ 173,473,664</b>	<b>\$ 188,309,978</b>	<b>\$ 192,545,533</b>	<b>\$ 85,258,922</b>	<b>\$ 81,244,940</b>	<b>\$ 75,454,407</b>
<b>Business Activities</b>								
Invested in capital assets, net of related debt	\$ 32,073,785	\$ 27,278,056	\$ 29,097,651	\$ 20,508,113	\$ 19,645,353	\$ 18,778,753	\$ 15,842,646	\$ 15,522,822
Restricted	-	-	-	-	-	-	-	-
Unrestricted	(1,049,626)	58,067	(4,248,227)	1,462,030	1,192,739	1,492,612	1,257,146	715,275
<b>Total business activities net assets</b>	<b>\$ 31,024,159</b>	<b>\$ 27,336,123</b>	<b>\$ 24,849,424</b>	<b>\$ 21,970,143</b>	<b>\$ 20,838,092</b>	<b>\$ 20,271,365</b>	<b>\$ 17,099,792</b>	<b>\$ 16,238,097</b>
<b>Primary Government</b>								
Invested in capital assets, net of related debt	\$ 176,934,902	\$ 150,444,381	\$ 118,425,719	\$ 156,582,877	\$ 159,253,637	\$ 38,957,750	\$ 40,913,006	\$ 39,168,255
Restricted	14,614,134	17,045,363	64,133,172	32,758,317	33,678,846	45,962,877	37,670,996	35,335,883
Unrestricted	(16,918,888)	18,992,481	15,764,197	20,938,927	20,451,142	20,609,660	19,760,730	17,188,366
<b>Total primary government net assets</b>	<b>\$ 174,630,148</b>	<b>\$ 186,482,225</b>	<b>\$ 198,323,088</b>	<b>\$ 210,280,121</b>	<b>\$ 213,383,625</b>	<b>\$ 105,530,287</b>	<b>\$ 98,344,732</b>	<b>\$ 91,692,504</b>

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

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

	Fiscal Year Ending June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
<b>Expenses</b>								
Governmental activities:								
General government								
Legislative and executive	\$ 10,653,696	\$ 11,956,577	\$ 12,463,625	\$ 10,465,920	\$ 11,177,261	\$ 9,221,090	\$ 10,263,401	\$ 8,580,417
Judicial	5,760,263	5,753,187	5,181,461	7,225,812	5,118,673	4,562,225	5,032,780	3,909,885
Public safety	25,992,484	27,119,295	27,998,314	24,481,770	21,206,388	20,728,816	20,592,852	17,425,707
Public works	27,110,901	26,912,286	32,747,448	29,982,222	51,607,159	17,538,326	12,656,838	9,050,735
Health and welfare	1,256,269	1,368,270	1,270,348	2,201,324	1,276,484	1,634,299	2,309,643	2,289,562
Culture and recreation	1,023,310	1,804,227	4,578,273	4,324,334	4,152,212	4,191,985	3,409,402	3,860,353
Housing and development	1,327,969	1,880,504	1,395,805	665,736	498,200	471,505	311,097	1,225,449
Interest on long-term debt	2,061,176	2,192,384	523,860	564,813	689,391	709,991	77,391	-
Total governmental activities expenses	<u>75,186,068</u>	<u>78,986,730</u>	<u>86,159,134</u>	<u>79,911,931</u>	<u>95,725,768</u>	<u>59,058,237</u>	<u>54,653,404</u>	<u>46,342,108</u>
Business-type activities:								
Water and sewer	4,137,154	4,158,625	4,144,229	3,843,855	4,918,872	4,020,234	3,940,670	3,790,000
Landfill	83,421	115,352	26,461	46,285	465,867	414,384	(147,102)	84,077
Special Tax Lighting District	278,128	228,778	266,749	197,085	208,478	176,898	151,678	134,938
Sanitation Fund	1,031,496	1,068,988	1,176,208	1,109,644	-	-	-	-
Total business-type activities expenses	<u>5,530,199</u>	<u>5,571,743</u>	<u>5,613,647</u>	<u>5,196,869</u>	<u>5,593,217</u>	<u>4,611,516</u>	<u>3,945,246</u>	<u>4,009,015</u>
Total primary government expenses	<u>80,716,267</u>	<u>84,558,473</u>	<u>91,772,781</u>	<u>85,108,800</u>	<u>101,318,985</u>	<u>63,669,753</u>	<u>58,598,650</u>	<u>50,351,123</u>
<b>Program Revenues</b>								
Governmental activities:								
Charges for services:								
Legislative and executive	\$ 1,206,632	\$ 683,049	\$ 2,531,685	\$ 2,442,466	\$ 4,199,068	\$ 2,231,681	\$ 2,441,980	\$ 2,138,334
Judicial	2,939,970	3,501,129	3,096,093	3,082,091	3,246,901	3,854,671	3,699,438	3,565,833
Public safety	5,432,211	5,133,580	5,267,853	4,127,647	5,104,745	4,579,833	3,777,062	4,405,272
Public works	56,506	268,345	183,010	222,941	302,800	824,432	87,798	170,408
Health and welfare	211,695	199,417	275,563	297,643	253,018	372,372	503,458	620,556
Housing and development	-	-	62,165	42,120	-	-	-	-
Operating grants and contributions	1,881,033	2,735,602	2,210,516	3,986,582	484,472	631,537	1,667,125	1,427,296
Capital grants and contributions	765,160	1,296,117	1,592,054	1,696,917	8,042	405,496	120,642	1,461,456
Total governmental activities program revenue:	<u>12,493,207</u>	<u>13,817,239</u>	<u>15,218,939</u>	<u>15,898,407</u>	<u>13,599,046</u>	<u>12,900,022</u>	<u>12,297,503</u>	<u>13,789,155</u>
Business-type activities:								
Charges for services:								
Water and sewer	5,065,995	3,639,943	3,789,692	3,666,766	3,166,748	2,789,348	2,673,677	2,389,020
Landfill	624,153	462,824	496,554	520,215	642,351	607,462	490,922	366,906
Special tax lighting district	189,240	170,691	157,377	160,359	156,244	128,275	125,466	125,629
Sanitation fund	578,802	86,732	95,217	34,405	-	-	-	-
Total business-type activities program revenue:	<u>6,458,190</u>	<u>4,360,190</u>	<u>4,538,840</u>	<u>4,381,745</u>	<u>3,965,343</u>	<u>3,525,085</u>	<u>3,290,065</u>	<u>2,881,555</u>
Total primary government program revenues	<u>\$ 18,951,397</u>	<u>\$ 18,177,429</u>	<u>\$ 19,757,779</u>	<u>\$ 20,280,152</u>	<u>\$ 17,564,389</u>	<u>\$ 16,425,107</u>	<u>\$ 15,587,568</u>	<u>\$ 16,670,710</u>

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

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

	Fiscal Year Ending June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
<b>Net (Expense) Revenue</b>								
Governmental activities	\$(62,692,861)	\$(65,169,491)	\$(70,940,195)	\$(64,013,524)	\$(82,126,722)	\$(46,158,215)	\$(42,355,901)	\$(32,552,953)
Business-type activities	927,991	(1,211,553)	(1,074,807)	(815,124)	(1,627,874)	(1,086,431)	(655,181)	(1,127,460)
Total primary government net expense	<u>\$(61,764,870)</u>	<u>\$(66,381,044)</u>	<u>\$(72,015,002)</u>	<u>\$(64,828,648)</u>	<u>\$(83,754,596)</u>	<u>\$(47,244,646)</u>	<u>\$(43,011,082)</u>	<u>\$(33,680,413)</u>
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental activities:								
Taxes								
Property taxes	\$ 20,793,727	\$ 19,843,708	\$ 22,622,116	\$ 21,432,904	\$ 19,871,336	\$ 19,271,632	\$ 18,242,254	\$ 17,172,514
Alcoholic beverage taxes	508,709	534,897	527,476	524,243	504,712	495,211	476,183	433,590
Occupational taxes	317,884	387,701	393,817	368,856	416,345	364,992	307,300	275,071
Franchise taxes	174,130	187,256	212,203	203,964	172,439	240,607	178,563	193,212
Insurance premium taxes	2,343,344	2,187,633	2,135,580	2,030,960	1,937,994	1,814,810	1,677,244	1,593,587
Sales taxes	24,605,202	25,702,360	32,383,724	35,155,911	34,853,383	31,156,926	28,343,346	25,988,019
Public utility taxes	515,504	550,292	581,150	-	-	-	-	-
Miscellaneous	443,937	617,351	86,121	31,118	2,000	82,011	3,000	303,091
Rent	-	-	-	483,764	433,387	415,510	20,012	11,168
Interest	170,000	316,432	1,044,563	1,430,205	1,035,124	582,360	414,220	410,158
Transfer out	(2,753,975)	(3,667,361)	(3,882,869)	(1,883,956)	(2,057,236)	(4,251,862)	(1,515,690)	(1,871,008)
Total governmental activities	<u>47,118,462</u>	<u>46,660,269</u>	<u>56,103,881</u>	<u>59,777,969</u>	<u>57,169,484</u>	<u>50,172,197</u>	<u>48,146,432</u>	<u>44,509,402</u>
Business-type activities								
Interest	6,070	30,891	71,219	63,219	137,365	6,142	1,186	7,330
Transfer in	2,753,975	3,667,361	3,882,869	1,883,956	2,057,236	4,251,862	1,515,690	1,154,138
Total business-type activities	<u>2,760,045</u>	<u>3,698,252</u>	<u>3,954,088</u>	<u>1,947,175</u>	<u>2,194,601</u>	<u>4,258,004</u>	<u>1,516,876</u>	<u>1,161,468</u>
Total primary government	<u>\$ 49,878,507</u>	<u>\$ 50,358,521</u>	<u>\$ 60,057,969</u>	<u>\$ 61,725,144</u>	<u>\$ 59,364,085</u>	<u>\$ 54,430,201</u>	<u>\$ 49,663,308</u>	<u>\$ 45,670,870</u>
<b>Change in Net Assets</b>								
Governmental activities	\$(15,574,399)	\$(18,509,222)	\$(14,836,314)	\$ (4,235,555)	\$(24,957,238)	\$ 4,013,982	\$ 5,790,531	\$ 11,956,449
Business-type activities	3,688,036	2,486,699	2,879,281	1,132,051	566,727	3,171,573	861,695	34,008
Total primary government	<u>\$(11,886,363)</u>	<u>\$(16,022,523)</u>	<u>\$(11,957,033)</u>	<u>\$ (3,103,504)</u>	<u>\$(24,390,511)</u>	<u>\$ 7,185,555</u>	<u>\$ 6,652,226</u>	<u>\$ 11,990,457</u>

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

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

	Fiscal Year Ending June 30,							
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund								
Reserved	\$ 2,817,628	\$ 4,340,473	\$ 6,112,972	\$ 5,338,247	\$ 5,392,238	\$ 5,592,281	\$ 5,702,270	\$ 7,189,410
Unreserved	<u>16,220,720</u>	<u>15,911,136</u>	<u>15,701,801</u>	<u>15,517,290</u>	<u>14,829,551</u>	<u>12,143,450</u>	<u>11,553,470</u>	<u>9,858,925</u>
Total general fund	<u>\$19,038,348</u>	<u>\$20,251,609</u>	<u>\$21,814,773</u>	<u>\$20,855,537</u>	<u>\$20,221,789</u>	<u>\$17,735,731</u>	<u>\$17,255,740</u>	<u>\$17,048,335</u>
All Other Governmental Funds								
Reserved	\$12,258,152	\$36,008,792	\$65,192,245	\$32,861,697	\$33,596,984	\$46,352,109	\$51,630,907	\$31,409,101
Unreserved, reported in:								
Special revenue funds	(934,482)	(528,769)	(327,773)	(219,625)	(505,340)	(292,970)	(25,771)	-
Capital projects funds	<u>(5,883,184)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds:	<u>\$ 5,440,486</u>	<u>\$35,480,023</u>	<u>\$64,864,472</u>	<u>\$32,642,072</u>	<u>\$33,091,644</u>	<u>\$46,059,139</u>	<u>\$51,605,136</u>	<u>\$31,409,101</u>

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

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

	Fiscal Year Ending June 30,							
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Revenues</b>								
Taxes	\$ 49,454,608	\$ 49,726,786	\$ 60,159,934	\$ 61,522,356	\$ 59,915,213	\$ 54,754,309	\$ 49,117,020	\$ 45,396,659
Licenses and permits	124,060	151,434	341,087	174,323	136,051	576,132	2,067,774	1,788,773
Intergovernmental revenues	2,737,701	4,126,620	5,442,941	5,683,150	3,831,163	3,356,236	2,716,455	4,052,164
Charges for services	6,038,778	5,873,816	4,457,475	4,067,289	3,838,814	2,872,513	2,148,272	2,635,056
Fines and forfeitures	2,788,804	2,996,915	3,358,093	3,656,434	3,214,167	4,988,715	5,167,479	5,083,853
Investment income	159,879	316,432	1,044,564	1,430,202	1,035,122	582,342	414,220	410,158
Miscellaneous	629,184	462,651	736,913	827,410	741,079	566,986	527,833	821,992
<b>Total revenues</b>	<u>61,933,014</u>	<u>63,654,654</u>	<u>75,541,007</u>	<u>77,361,164</u>	<u>72,711,609</u>	<u>67,697,233</u>	<u>62,159,053</u>	<u>60,188,655</u>
<b>Expenditures</b>								
General government								
Legislative and executive	\$ 10,299,933	\$ 9,805,457	\$ 11,995,479	\$ 11,606,747	\$ 10,785,140	\$ 9,194,441	\$ 9,324,209	\$ 8,373,292
Judicial	5,351,169	5,612,188	7,129,220	4,740,954	4,960,668	4,563,537	5,141,572	3,812,249
Public safety	24,629,552	25,064,246	24,688,510	14,608,904	18,775,006	19,209,606	18,428,548	15,660,461
Public works	5,201,448	8,328,196	13,401,084	19,229,053	32,884,096	16,860,396	12,379,353	8,966,140
Health and welfare	1,266,900	1,372,408	1,397,225	1,961,798	1,220,881	1,674,861	2,036,026	2,272,407
Culture and recreation	1,022,500	1,723,102	4,290,100	4,216,207	4,149,615	4,080,312	3,295,478	3,741,596
Housing and development	1,330,610	1,840,804	1,459,402	534,061	498,200	471,505	311,097	1,225,449
Intergovernmental	3,697,601	-	-	-	-	-	-	-
Capital Outlay	28,199,430	27,894,881	15,649,774	17,240,495	7,260,054	10,801,728	4,503,307	9,273,027
Debt service								
Principle	7,370,000	7,100,000	605,000	590,000	790,000	945,000	190,000	271,766
Interest	2,062,694	2,193,625	523,860	564,813	689,391	709,991	130,633	140,215
<b>Total Expenditures</b>	<u>90,431,837</u>	<u>90,934,907</u>	<u>81,139,654</u>	<u>75,293,032</u>	<u>82,013,051</u>	<u>68,511,377</u>	<u>55,740,223</u>	<u>53,736,602</u>
Excess of revenues over (under) expenditure	<u>(28,498,823)</u>	<u>(27,280,253)</u>	<u>(5,598,647)</u>	<u>2,068,132</u>	<u>(9,301,442)</u>	<u>(814,144)</u>	<u>6,418,830</u>	<u>6,452,053</u>
<b>Other Financing Sources (Uses)</b>								
Capital financing	-	-	42,663,153	-	-	-	15,500,000	-
Operating transfer in	50,000	77,527	160,240	200,549	933,981	472,489	3,880,186	268,387
Operating transfer out	<u>(2,803,975)</u>	<u>(3,744,887)</u>	<u>(4,043,109)</u>	<u>(2,084,505)</u>	<u>(2,991,217)</u>	<u>(4,724,351)</u>	<u>(5,395,876)</u>	<u>(218,387)</u>
<b>Total other financing sources (uses)</b>	<u>(2,753,975)</u>	<u>(3,667,360)</u>	<u>38,780,284</u>	<u>(1,883,956)</u>	<u>(2,057,236)</u>	<u>(4,251,862)</u>	<u>13,984,310</u>	<u>50,000</u>
<b>Net change in fund balances</b>	<u>\$(31,252,798)</u>	<u>\$(30,947,613)</u>	<u>\$33,181,637</u>	<u>\$ 184,176</u>	<u>\$(11,358,678)</u>	<u>\$ (5,066,006)</u>	<u>\$20,403,140</u>	<u>\$ 6,502,053</u>
Debt service as a percentage of noncapital expenditures	15.16%	14.74%	1.72%	1.99%	1.98%	2.87%	0.63%	0.93%

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

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

Fiscal Year	Property Tax	Beverage Tax	Franchise Tax	Special Purpose			Insurance Premium Tax	Intangible Tax	Total
				Local Option Sales Tax	Local Option Sales Tax	Accommodation Excise Tax			
2001	15,031,586	423,844	117,484	8,841,469	15,569,475	1,148,508	1,280,007	368,219	42,780,592
2002	15,471,382	419,380	134,039	9,114,020	15,941,507	1,248,244	1,460,533	518,151	44,307,256
2003	16,482,335	433,590	193,212	9,494,695	16,493,324	1,384,320	1,593,587	705,915	46,780,978
2004	17,743,561	476,183	178,563	10,390,144	17,953,202	1,559,341	1,677,244	698,123	50,676,361
2005	17,815,093	495,211	240,607	11,442,253	19,714,674	1,779,004	1,843,259	604,891	53,934,992
2006	18,326,457	504,712	172,439	12,785,834	22,067,549	1,828,252	1,937,994	705,082	58,328,319
2007	19,672,605	524,243	203,964	12,908,364	22,247,547	1,811,933	2,030,960	765,538	60,165,154
2008	21,284,204	527,476	212,203	13,777,615	12,058,961	1,032,148	2,135,580	722,709	51,750,896
2009	18,437,599	534,897	187,256	13,081,231	12,621,129	268,939	2,187,633	482,671	47,801,355
2010	19,483,831	508,709	174,130	12,510,599	12,094,603	270,541	2,156,266	416,250	47,614,929
Change									
2000 -2010	29.62%	20.02%	48.22%	41.50%	-22.32%	-76.44%	68.46%	13.04%	11.30%

Note: Includes General and Special Revenue Funds.

SPLOST revenues from 2008 forward include only the County portion. Prior years are for the County wide SPLOST.

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

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

Fiscal Year Ended <u>June 30,</u>	Assessed Value <u>Residential Property</u>	Assessed Value <u>Commercial Property</u>	Assessed Value <u>Industrial Property</u>	Assessed Value <u>Personal Property</u>	Less: Assessed Value <u>Tax-Exempt Property</u>	Total Taxable Assessed <u>Value</u>
2001	812,043	572,661	357,980	170,172	190,135	1,722,721
2002	835,214	590,196	381,584	186,453	207,212	1,786,235
2003	861,154	608,633	366,618	196,879	202,181	1,831,103
2004	968,302	646,841	352,885	201,924	209,777	1,960,175
2005	1,009,018	672,013	365,575	201,997	232,741	2,015,862
2006	1,101,396	757,719	383,711	198,963	179,126	2,262,663
2007	1,244,990	793,455	391,187	195,823	234,685	2,390,770
2008	1,400,845	865,837	395,966	214,775	254,078	2,623,345
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	2,830,734

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

Fiscal Year Ended <u>June 30,</u>	Total Taxable Assessed <u>Value</u>	Estimated Actual Taxable <u>Value</u>	Ratio of Total		
			Accessed to Total Actual <u>Value</u>	Total Direct Unincorporated <u>Tax Rate (1)</u>	Total Direct Incorporated <u>Tax Rate</u>
2001	1,722,721	4,306,803	40%	7.39	9.02
2002	1,786,235	4,465,588	40%	7.80	9.01
2003	1,831,103	4,577,758	40%	8.12	9.01
2004	1,960,175	4,900,438	40%	8.45	9.01
2005	2,015,862	5,039,655	40%	8.86	8.86
2006	2,262,663	5,656,658	40%	8.86	8.86
2007	2,390,770	5,976,925	40%	8.86	8.86
2008	2,623,345	6,558,363	40%	8.76	8.76
2009	2,756,750	6,891,875	40%	7.31	7.31
2010	2,830,734	7,076,835	40%	7.31	7.31

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

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

<b>Jurisdiction:</b>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>County</b>										
Maintenance and Operations:										
Direct Rates:										
Unincorporated (1)	7.39	7.80	8.12	8.45	8.86	8.86	8.86	8.76	7.31	7.31
Incorporated	9.01	9.01	9.01	8.86	8.86	8.86	8.86	8.76	7.31	7.31
Overlapping Rates:										
Valdosta-Lowndes County Industrial Authority	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00
Valdosta-Lowndes County Parks & Recreation Authority	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.25	1.25
Total County - Unincorporated	<u>7.39</u>	<u>7.80</u>	<u>8.12</u>	<u>8.45</u>	<u>8.86</u>	<u>8.86</u>	<u>9.86</u>	<u>9.76</u>	<u>9.56</u>	<u>9.56</u>
Total County - Incorporated	<u>9.01</u>	<u>9.01</u>	<u>9.01</u>	<u>8.86</u>	<u>8.86</u>	<u>8.86</u>	<u>9.86</u>	<u>9.76</u>	<u>9.56</u>	<u>9.56</u>
 <b>Schools</b>										
Maintenance and Operations:										
Lowndes County Board of Education	14.28	14.25	14.20	14.20	14.15	15.15	15.15	14.95	14.70	14.70
Valdosta Board of Education	12.54	12.54	12.29	12.29	13.98	14.98	14.98	15.98	15.98	15.98
Total Schools - County	<u>14.28</u>	<u>14.25</u>	<u>14.20</u>	<u>14.20</u>	<u>14.15</u>	<u>15.15</u>	<u>15.15</u>	<u>14.95</u>	<u>14.70</u>	<u>14.70</u>
Total Schools - City of Valdosta	<u>12.54</u>	<u>12.54</u>	<u>12.29</u>	<u>12.29</u>	<u>13.98</u>	<u>14.98</u>	<u>14.98</u>	<u>15.98</u>	<u>15.98</u>	<u>15.98</u>
 <b>Municipalities</b>										
Maintenance and Operations:										
City of Hahira	5.50	5.40	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38
City of Lake Park	5.99	5.99	5.84	5.84	5.83	5.80	5.70	4.73	4.72	4.70
City of Remerton	3.50	3.48	3.48	3.42	4.42	5.42	6.42	6.42	6.39	6.39
City of Valdosta	4.64	4.64	4.63	4.47	4.48	4.41	4.40	4.18	4.11	4.11
 <b>State</b>										
Total Direct and Overlapping Rates:	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Total Unincorporated	<u>21.92</u>	<u>22.30</u>	<u>22.57</u>	<u>22.90</u>	<u>23.26</u>	<u>24.26</u>	<u>25.26</u>	<u>24.96</u>	<u>24.51</u>	<u>24.51</u>
Total City of Hahira	<u>29.04</u>	<u>28.91</u>	<u>28.84</u>	<u>28.69</u>	<u>28.64</u>	<u>29.64</u>	<u>30.64</u>	<u>30.34</u>	<u>29.89</u>	<u>29.89</u>
Total City of Lake Park	<u>29.53</u>	<u>29.50</u>	<u>29.30</u>	<u>29.15</u>	<u>29.09</u>	<u>30.06</u>	<u>30.96</u>	<u>29.69</u>	<u>29.23</u>	<u>29.21</u>
Total City of Remerton	<u>27.04</u>	<u>26.99</u>	<u>26.94</u>	<u>26.73</u>	<u>27.68</u>	<u>29.68</u>	<u>31.68</u>	<u>31.38</u>	<u>30.90</u>	<u>30.90</u>
Total City of Valdosta	<u>26.44</u>	<u>26.44</u>	<u>26.18</u>	<u>25.87</u>	<u>27.57</u>	<u>28.50</u>	<u>29.49</u>	<u>30.17</u>	<u>29.90</u>	<u>29.90</u>

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

County, Industrial 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 Property Tax Payers (Unaudited),  
Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>2010</u>			<u>2001</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Taxable Assessed Value</u>
Archer Daniels Midland	\$ 66,226,841	1	2.34%			
Packaging Corporation of America	49,566,091	2	1.75%			
Lowe's Distribution Center	32,343,973	3	1.14%			
South Georgia Pecan	14,148,140	4	0.50%			
Colquitt Electric Membership	13,124,060	5	0.46%			Data Not Available
Saft America	12,933,949	6	0.46%			
Marelda Valdosta Mall LLC	12,217,283	7	0.43%			
Lowe's Home Centers, Inc	11,691,893	8	0.41%			
Bellsouth Telecom/AT&T Georgia	10,714,247	9	0.38%			
Langdale Forrest Products	9,776,544	10	0.35%			
All others	<u>2,597,990,951</u>		<u>91.78%</u>			
Total	<u>\$2,830,733,972</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
2001	\$ 14,288,707	\$ 13,871,716	97.08%	\$ 416,289	\$ 14,288,005	100.00%
2002	15,137,872	14,675,928	96.95%	460,849	15,136,777	99.99%
2003	15,769,194	14,984,335	95.02%	782,457	15,766,792	99.98%
2004	17,001,737	16,527,834	97.21%	469,485	16,997,319	99.97%
2005	17,860,543	17,585,316	98.46%	264,286	17,849,602	99.94%
2006	20,047,190	19,559,113	97.57%	479,316	20,038,429	99.96%
2007	21,182,223	20,560,611	97.07%	604,768	21,165,379	99.92%
2008	22,967,377	22,463,268	97.81%	472,102	22,935,370	99.86%
2009	20,151,846	19,506,396	96.80%	463,225	19,969,621	99.10%
2010	20,692,666	19,942,062	96.37%	-	19,942,062	96.37%

Source: Lowndes County Tax Commissioner

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

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Leases	Revenue Bonds	Notes Payable	Revenue Bonds			
2001	\$ 3,551,523	\$ -	\$ 6,753,730	\$ 740,000	\$ 11,045,253	0.53%	120
2002	2,956,766	-	7,127,765	705,000	10,789,531	0.50%	117
2003	2,860,000	-	7,559,772	670,000	11,089,772	0.49%	118
2004	21,854,991	-	7,148,639	630,000	29,633,630	1.32%	314
2005	22,461,008	-	5,159,265	585,000	28,205,273	1.23%	298
2006	20,102,417	-	4,583,037	12,125,000	36,810,454	1.53%	381
2007	17,688,318	-	3,718,226	11,675,000	33,081,544	1.31%	338
2008	15,659,630	40,845,000	-	11,215,000	67,719,630	2.56%	665
2009	13,802,615	34,365,000	-	10,740,000	58,907,615	2.06%	563
2010	12,396,621	27,630,000	-	10,250,000	50,276,621	1.58%	471

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, 2010

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
City of Dasher	\$ 20,000	100%	\$ 20,000
City of Hahira	2,763,691	100%	2,763,691
City of Remerton	326,175	100%	326,175
City of Valdosta	5,291,623	100%	5,291,623
Central Valdosta Development Authority	253,631	100%	253,631
Other debt			
Valdosta-Lowndes County Industrial Authority	460,405	100%	<u>460,405</u>
Subtotal, overlapping debt			9,115,525
County direct debt			
Capital Leases			12,396,621
Intergovernmental Agreements			
Valdosta-Lowndes County Industrial Authority			17,025,478
Direct Guaranteed Revenue Debt			
Special Purpose Local Option Revenue Bonds			27,630,000
Water and Sewer Revenue Bonds			<u>10,250,000</u>
Total County direct debt			<u>67,302,099</u>
Total direct and overlapping debt			<u>\$ 76,417,624</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)*

Legal Debt Margin Calculation for Fiscal Year 2010										
						Assessed value				\$ 2,830,734
						Debt limitation (10% of assessed value)				283,073
						Debt applicable to limitation:				
						Total bonded debt				<u>27,630</u>
						Legal debt margin				<u>\$ 255,443</u>
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2009</u>
Debt limit	\$183,110	\$196,018	\$201,586	\$226,266	\$239,077	\$ 262,335	\$226,266	262,334	275,675	283,073
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,845</u>	<u>34,365</u>	<u>27,630</u>
Legal debt margin	<u>\$183,110</u>	<u>\$196,018</u>	<u>\$201,586</u>	<u>\$226,266</u>	<u>\$239,077</u>	<u>\$ 262,335</u>	<u>\$226,266</u>	<u>\$221,489</u>	<u>\$241,310</u>	<u>\$ 255,443</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

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

Water and Sewer Revenue Bonds 2005							
Fiscal Year	Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Total	Coverage
				Principle	Interest		
2006	\$3,154,058	\$2,134,045	\$1,020,013	\$375,000	\$444,203	\$819,203	1.25
2007	\$3,649,845	\$2,281,525	\$1,368,320	\$450,000	\$521,794	\$971,794	1.41
2008	\$3,772,771	\$2,619,531	\$1,153,240	\$460,000	\$508,294	\$968,294	1.19
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

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

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<u>Fiscal 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>
2001	92,114	2,076,525,902	22,543	28,523	5.3%	3.7%
2002	92,196	2,164,024,512	23,472	28,689	3.7%	4.0%
2003	93,646	2,269,604,456	24,236	29,000	3.3%	5.1%
2004	94,460	2,248,903,680	23,808	30,051	3.1%	4.7%
2005	94,579	2,292,216,644	24,236	31,191	2.9%	4.1%
2006	96,705	2,400,024,690	24,818	31,815	3.8%	4.7%
2007	97,844	2,517,428,276	25,729	30,914	4.1%	5.3%
2008	101,790	2,650,306,230	26,037	32,095	3.8%	4.4%
2009	104,583	2,860,449,633	27,351	33,499	5.4%	6.2%
2010	106,814	3,192,029,576	29,884	34,849	8.1%	9.6%

Source:

(1) U. S. Bureau of Census

(2) State of Georgia Department of Labor

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

Employer	2010			2001		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Moody Air Force Base	6,100	1	12.35%	4,700	1	11.17%
South Georgia Medical Center	2,300	2	4.66%	2,161	2	5.14%
Valdosta State University	2,280	3	4.62%	1,458	3	3.46%
Lowndes County School System	1,279	4	2.59%	1,069	4	2.54%
Valdosta City School System	950	5	1.92%	950	5	2.26%
Lowes Distribution Center	900	6	1.82%	600	7	1.43%
Convergys Corp	850	7	1.72%	658	6	1.56%
City of Valdosta	659	8	1.33%	500	9	1.19%
Lowndes County	626	9	1.27%	500	10	1.19%
Fresh Beginnings	500	10	1.01%	-		
Crackin Good Bakeries	-			555	8	1.32%
Total Principle Employers	16,444		33.29%	13,151		31.25%
Other Employees	32,947		66.71%	28,929		68.75%
Total Employees	49,391		100.00%	42,080		100.00%

Sources: Georgia Department of Labor  
Valdosta-Lowndes County Industrial Authority

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,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Government</b>										
Legislative										
Board of Commissioners	4	4	4	4	4	4	4	4	4	4
Commissioners' Assistant	-	-	-	-	-	-	-	1	1	1
Community Development Coordinator	-	-	-	-	-	-	-	1	1	1
County Clerk	-	-	-	-	-	-	-	3	3	3
County Manager	5	5	5	5	5	6	7	4	4	4
Risk Manager	1	1	1	1	1	1	1	1	1	1
Board of Elections	7	7	7	12	12	12	12	12	12	12
Tax Assessors	18	18	18	20	24	22	20	24	24	25
Building Maintenance	15	20	20	21	20	20	20	21	21	22
Tax Commissioner	19	19	19	19	19	20	19	20	20	21
Administrative Services	16	15	15	16	17	17	15	18	18	20
Engineering	10	8	8	9	9	10	11	11	11	11
Judicial										
Clerk of Court	18	18	18	18	18	19	18	19	18	18
Probate Court	5	5	5	5	5	6	5	6	6	6
Juvenile Court	2	2	2	2	1	1	1	1	1	1
Magistrate Court	11	11	11	11	11	11	11	11	11	11
Superior Court	14	14	14	14	14	14	14	15	15	15
State Court	7	6	8	8	8	6	8	10	10	10
Indigent Defense	2	2	2	2	2	-	-	-	-	-
<b>Public Safety</b>										
Sheriff	196	199	202	202	206	212	201	225	226	241
Coroner	2	2	2	2	2	2	2	2	2	2
Probation	2	2	2	2	2	2	2	2	2	2
Fire Protection Services	2	3	3	5	8	10	13	16	-	-
Animal Control	10	9	9	10	11	11	11	12	12	12
Emergency Management	-	-	-	-	-	-	-	1	1	1
<b>Subtotal</b>	<b>366</b>	<b>370</b>	<b>375</b>	<b>388</b>	<b>399</b>	<b>406</b>	<b>395</b>	<b>440</b>	<b>424</b>	<b>444</b>

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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Public Works</b>										
Administration	4	6	6	6	6	5	7	7	7	6
Road Maintenance	31	32	37	38	32	31	29	40	39	39
Road Construction	14	14	14	14	14	13	13	10	10	10
Mosquito Control	-	-	-	-	-	-	-	1	-	-
Sanitation	25	23	18	18	20	21	16	-	-	-
<b>Culture and Receptions</b>										
Division of Parks	6	-	-	-	-	-	-	-	-	-
<b>Housing and Development</b>										
County Planner	-	-	-	-	-	-	-	1	-	-
Zoning	-	-	-	-	-	-	3	3	-	-
<b>Keep Lowndes/ Valdosta Beautiful</b>	1	1	1	1	1	1	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	6	6	6	6	6	7	7	7
Alternative Dispute Resolution	-	2	2	2	2	2	2	2	2	2
Zoning Administration	-	4	4	4	4	4	3	3	-	-
VAWA Grant	-	-	2	2	-	2	-	-	-	-
Lodac Hud Grant	-	-	5	5	3	6	4	4	3	3
<b>County Jail Fund</b>	1	1	1	1	1	1	1	1	1	1
<b>Drug Abuse Treatment</b>	7	7	13	7	7	7	7	6	8	4
<b>Emergency Telephone System</b>	33	33	34	32	32	33	28	38	38	37
<b>Special Services Fund</b>										
Fire	-	-	-	-	-	-	-	-	16	20
Mosquito Control	-	-	-	-	-	-	-	-	1	1
County Planner	-	-	-	-	-	-	-	-	1	1
Zoning Administration	-	-	-	-	-	-	-	-	3	3
<b>Victim/Witness</b>	-	1	2	2	2	2	2	2	2	1
<b>Water and Sewer</b>	15	12	12	13	13	13	13	14	14	14
<b>Sanitation Fund</b>	-	-	-	-	-	-	-	21	19	19
<b>Equipment Maintenance</b>	-	10	10	10	10	10	10	10	10	11
<b>Total</b>	<u>505</u>	<u>524</u>	<u>544</u>	<u>551</u>	<u>554</u>	<u>565</u>	<u>542</u>	<u>613</u>	<u>608</u>	<u>626</u>

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

Function/Program	Fiscal Year Ending June 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Courts</b>										
Cases filed:										
Superior Court - Civil	3,234	3,149	2,985	2,730	2,987	2,776	3,079	2,624	3,384	3,549
Superior Court - Criminal	1,793	1,673	1,857	3,261	3,856	4,199	4,199	4,221	3,579	3,771
State Court - Civil	1,207	1,041	996	1,514	1,038	1,021	1,020	1,274	1,282	1,628
State Court - Criminal	35,563	30,812	27,211	24,746	23,188	19,436	20,102	16,930	17,262	16,069
Juvenile Court	NA	NA	1,434	1,766	2,027	1,656	1,656	1,379	1,133	1,184
<b>Sheriff</b>										
Physical arrest	NA	NA	NA	NA	7,501	5,167	10,554	9,050	9,002	8,743
Jail inmates booked in/out	NA	NA	NA	NA	9,030	5,167	10,554	9,050	9,002	8,743
Average daily jail population	NA	NA	NA	NA	555	326	668	723	693	678
Subpoenas served	NA	NA	NA	NA	17,335	7,019	17,084	19,644	15,822	18,831
Jury summons	NA	NA	NA	NA	664	622	872	543	344	576
Civil papers served	NA	NA	NA	NA	4,109	1,771	3,443	3,691	3,868	4,568
<b>Fire Protection Services</b>										
Emergency responses	1,046	915	678	1,362	989	1,508	1,777	1,801	1,774	1,648
Fires extinguished	571	518	247	350	387	457	560	462	490	497
<b>Emergency Telephone System</b>										
911 calls	57,822	63,000	63,218	62,578	64,412	77,291	75,426	84,218	88,298	96,000
<b>Public Works</b>										
New paving (miles)	6	6	11	7	28	8	8	7	13	6
<b>Sanitation</b>										
Refuse collected (tons per day)	40	37	45	38	46	44	44	35	23	27
<b>Water</b>										
Average daily consumption (thousands of gallons)	1,831	3,163	3,100	4,440	5,112	6,443	6,738	6,642	5,764	3,028
<b>Sewer</b>										
Average daily sewage treatment (thousands of gallons)	726	799	907	882	1,074	992	1,076	1,129	1,410	1,850

NA - Data Not Available

Source: County Department Heads

**Note:**

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

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

Function/Program	Fiscal Year Ending June 30,									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Sheriff										
Vehicles	156	158	160	162	165	169	194	210	220	252
Fire Protection Services										
Fire stations	14	14	15	15	16	17	18	18	18	18
Vehicles	55	56	56	56	56	56	55	53	55	56
Pumpers	16	19	19	19	19	19	13	18	18	18
Public Works										
Streets (miles) paved	418	424	435	442	463	560	469	457	471	477
Streets (miles) dirt	418	414	408	403	385	345	347	334	372	336
Traffic signals	1	2	2	2	2	2	2	2	2	2
Sanitation										
Collection sites	8	8	8	8	8	7	6	6	6	6
Parks and recreation										
Acreage	339	339	339	339	404	404	404	404	-	-
Recreation facilities	5	5	5	5	6	6	6	6	-	-
Water										
Water mains (miles)	92	101	110	124	133	140	155	166	182	185
Fire hydrants	NA	NA	NA	NA	1,152	944	1,236	1,179	1,336	1,373
Storage capacity (thousands of gallons)	2,150	2,150	2,150	2,150	3,150	3,150	3,160	3,170	3,650	3,680
Sewer										
Sanitary sewers (miles)	114	117	117	124	129	134	154	167	185	188
Treatment capacity (thousands of gallons)	NA	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Transit minibuses	3	3	4	4	5	5	5	5	5	5

N/A - Data Not Available

Source: County Department Heads

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

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**SPECIAL REPORTS SECTION**

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LOWNDES COUNTY, GEORGIA  
SPECIAL SALES TAX IV  
SCHEDULE OF PROJECTS CONSTRUCTED  
WITH SPECIAL SALES TAX PROCEEDS  
Year Ended June 30, 2010

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Industrial Authority	\$ 1,500,000	\$ 1,419,690	\$ 1,419,690	\$ -	\$ 1,419,690	100.00%
Norman Drive	2,200,000	2,339,491	2,339,491	-	2,339,491	100.00%
Oak Street Extension	2,500,000	1,140,082	1,140,082	-	1,140,082	100.00%
Senior Citizen Center	2,000,000	1,234,108	1,234,108	-	1,234,108	100.00%
Public Radio System	6,000,000	6,533,467	6,533,467	-	6,533,467	100.00%
Dasher	300,000	299,727	292,547	-	292,547	97.60%
Hahira	1,175,000	1,171,183	1,152,751	2,053	1,154,804	98.60%
Remerton	400,000	402,044	397,472	-	397,472	98.86%
Lake Park	360,000	365,571	337,932	27,647	365,579	100.00%
City of Valdosta	32,900,000	36,212,199	35,129,098	1,083,101	36,212,199	100.00%
Roads, Streets, and Bridges	16,239,000	15,052,064	15,052,064	-	15,052,064	100.00%
Water and Sewer Projects	11,825,000	12,726,061	12,726,061	-	12,726,061	100.00%
Parks and Recreation Projects	1,851,000	4,848,596	4,848,596	-	4,848,596	100.00%
Public Transportation Facilities and Vehicles	350,000	149,160	149,160	-	149,160	100.00%
Environmental Compliance	400,000	524,845	524,845	-	524,845	100.00%
Totals	<u>\$80,000,000</u>	<u>\$84,418,288</u>	<u>\$83,277,364</u>	<u>\$1,112,801</u>	<u>\$84,390,165</u>	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA  
SPECIAL SALES TAX V  
SCHEDULE OF PROJECTS CONSTRUCTED  
WITH SPECIAL SALES TAX PROCEEDS  
Year Ended June 30, 2010

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Industrial Authority	\$ 4,070,000	\$ 3,836,579	\$ 3,275,088	\$ 2,143	\$ 3,277,231	85.42%
Airport Authority	1,100,000	1,040,186	469,939	98,568	568,507	54.65%
Dasher	440,000	420,976	123,797	-	123,797	29.41%
Hahira	990,000	935,948	557,138	239,525	796,663	85.12%
Remerton	770,000	727,809	569,856	23,922	593,778	81.58%
Lake Park	440,000	412,512	346,051	7,635	353,686	85.74%
City of Valdosta	51,095,000	47,789,483	43,867,439	2,213,007	46,080,446	96.42%
Roads, Streets, and Bridges	20,000,000	21,034,405	21,034,405	-	21,034,405	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	973,284	-	-	-	0.00%
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	967,409	15,642	-	15,642	1.62%
Administrative Facilities and Equipment	1,908,000	528,311	466,115	-	466,115	88.23%
Human Resource Building Improvements	200,000	193,482	-	-	-	0.00%
Library Books and Equipment	125,000	125,712	125,712	-	125,712	100.00%
Public Safety Facilities and Equipment	500,000	483,704	-	-	-	0.00%
Animal Shelter Facilities and Equipment	50,000	48,370	-	-	-	0.00%
Fire Fighting Facilities and Equipment	750,000	748,523	748,523	-	748,523	100.00%
Public Transportation Vehicles	50,000	48,370	7,990	-	7,990	16.52%
Totals	<u>\$ 110,000,000</u>	<u>\$ 105,442,274</u>	<u>\$ 96,734,906</u>	<u>\$ 2,584,800</u>	<u>\$ 99,319,706</u>	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA  
SPECIAL SALES TAX VI  
SCHEDULE OF PROJECTS CONSTRUCTED  
WITH SPECIAL SALES TAX PROCEEDS  
Year Ended June 30, 2010

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Airport Improvements and Equipment	\$ 1,000,000	\$ 783,566	\$ 33,566	\$ 66,365	\$ 99,931	12.75%
Parking Facility	1,500,000	791,871	-	-	-	0.00%
Emergency Operations Center	4,000,000	2,952,972	1,481,774	1,471,198	2,952,972	100.00%
Courthouse Renovations & Equipment	500,000	50,000	-	-	-	0.00%
Judicial /Admin Facilities Construction & Equipment	1,000,000	50,000	38	-	38	0.08%
Public Safety Training Facility Construction & Equipment	500,000	263,957	-	90,543	90,543	34.30%
Fire Fighting Facility Improvements & Equipment	1,000,000	541,084	534,099	6,984	541,083	100.00%
Parks and Recreation Facility Construction & Equipment	6,000,000	3,167,482	17,947	720	18,667	0.59%
Water and Sewer Fund Construction & Improvements	15,000,000	6,813,669	2,264,239	2,368,976	4,633,215	68.00%
Road, Street & Bridges Construction & Improvements	22,388,450	13,467,206	6,883,522	6,526,731	13,410,253	99.58%
Bond Debt Retirement For Jail and Judicial/Admin Facilitie	50,000,000	47,411,675	8,135,700	8,276,900	16,412,600	34.62%
Totals	<u>\$ 102,888,450</u>	<u>\$ 76,293,482</u>	<u>\$ 19,350,885</u>	<u>\$18,808,417</u>	<u>\$ 38,159,302</u>	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA  
 SCHEDULE OF STATE CONTRACTUAL ASSISTANCE  
 Year Ended June 30, 2010

	<u>Contract Number</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Due (To) From State</u>
Passed through the Georgia				
Department of Community Affairs				
CHIP Grant	07m-y-092-2976	\$ 140,621	\$ 140,621	-
HUB Grant (City of Valdosta)		122,163	122,163	-
Passed through the Georgia				
Department of Transportation				
2009 Gateway Grant		6,000	6,000	-
2010 Gateway Grant		49,473	49,473	-
Passed through the Georgia				
Bureau of Justice Assistance				
State Criminal Assistance Program	2009-F7639-GA-AP	20,591	20,591	-
Passed through the Georgia				
Council of Juvenile Court Judges				
Juvenile Offenders	07B-ST-001	600	600	-
Passed through the Criminal Justice				
Coordinating Council				
2009 Victims of Crime Act	C08-8-226	<u>73,925</u>	<u>73,925</u>	<u>-</u>
Total		<u>\$ 413,373</u>	<u>\$ 413,373</u>	<u>\$ -</u>

See independent auditors' report.

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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  
Amber J. Tanner, CPA  
Kevin R. Hiers, CPA

Troy D. Newham, CPA  
J. Craig King, CPA  
Amanda W. Shapard, CPA  
Scott R. Simpson, CPA  
Huong T. Nguyen, CPA

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

To the Board of Commissioners  
Lowndes County, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lowndes County, Georgia as of and for the year ended June 30, 2010 which collectively comprise the County's basic financial statements and have issued our report thereon dated December 28, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We did not audit the financial statements of the Lowndes County Board of Health, the Valdosta-Lowndes County Industrial Authority, and the Valdosta-Lowndes County Parks and Recreation Authority which represents 100% of the total assets and revenues of Lowndes County, Georgia's component units as of and for the year ending June 30, 2010. Those financial statements were audited by other auditor's whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lowndes County Board of Health, the Valdosta-Lowndes County Industrial Authority, and the Valdosta-Lowndes County Parks and Recreation Authority, is based on the reports of the other auditors.

### Internal Control Over Financial Reporting

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

A *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.

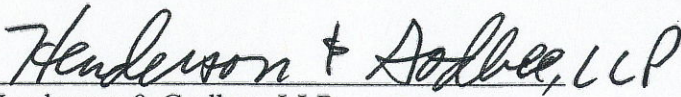
To the Board of Commissioners  
Lowndes County, Georgia  
Page Two

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

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

  
Henderson & Godbee, LLP

Valdosta, Georgia  
December 28, 2010



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## INDEPENDENT AUDITORS' REPORT

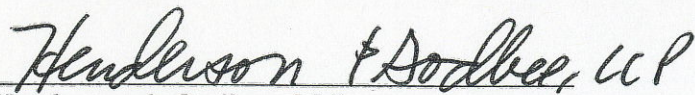
To the Board of Commissioners  
Lowndes County, Georgia

We have examined management's assertion included in the accompanying Annual Report of 9-1-1 Collections and Expenditures about Lowndes County, Georgia's compliance during the fiscal year ended June 30, 2010 with the requirement to expend 9-1-1 funds in compliance with the expenditure requirements of the Official Code of Georgia Annotated, Section 46-5-134. Management is responsible for Lowndes County, Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about Lowndes County, Georgia's compliance based on our examination.

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

In our opinion, management's assertion that Lowndes County, Georgia complied with the aforementioned requirement during the fiscal year ended June 30, 2010 is fairly stated, in all material respects.

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

  
Henderson & Godbee, LLP

Valdosta, Georgia  
December 28, 2010

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Lowndes County, Georgia  
 Annual Report of 9-1-1 Collections and Expenditures  
 For the Year Ended June 30, 2010

<u>Line No.</u>	<u>O.C.G.A. Reference:</u>	
1 Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one):		
<input checked="" type="checkbox"/> Special Revenue Fund <input type="checkbox"/> Enterprise Fund		
2	Monthly 9-1-1 charge billed to each exchange access facility subscriber:	46-5-134(a)(1)    \$ <u>1.50</u>
3	Total revenue from exchange access facility subscribers:	\$ <u>730,453</u>
4 Does 9-1-1 system provide automatic number identification of a wireless telecommunications connection? (choose one)		
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
5 If the answer to Line 4 is "yes", indicate below which of the following apply (choose one)		
<input checked="" type="checkbox"/> System provides location of base station or cell site    46-5-134(a)(2)(A)		
<input type="checkbox"/> System provides automatic location identification    46-5-134(a)(2)(B)		
6	If the answer to Line 4 is "yes", identify the monthly 9-1-1 charge billed to each wireless telecommunications connection subscriber:	46-5-134(a)(2)    \$ <u>1.50</u>
7	Total revenue from wireless telecommunications connection subscribers:	\$ <u>1,108,210</u>
8	Total Line 3 plus Line 7 (should equal UCOA Revenue Source 34.2500)	\$ <u>1,838,663</u>
9 Additional revenue sources:		
9a	Federal (UCOA Revenue Source 33.1000) Identify each funding agency individually. Attach list, if necessary.	46-5-134(j) \$ <u>-</u>
9b	State (UCOA Revenue Source 33.4000) Identify each funding agency individually. Attach list, if necessary.	46-5-134(j) \$ <u>-</u>
9c	Local (UCOA Revenue Source 33.6000) Identify each unit of local government individually. Attach list, if necessary.	46-5-134(j)
	<u>City of Valdosta</u>	\$ <u>121,909</u>
	<u>City of Remerton</u>	\$ <u>9,351</u>
	<u>City of Hahira</u>	\$ <u>9,351</u>
	<u>South Georgia Medical Center Authority</u>	\$ <u>16,831</u>
	<u>Other local government public safety radio charges</u>	\$ <u>395,269</u>
9d	Private (UCOA Revenue Source 37.1000) Identify each private source individually. Attach list, if necessary.	46-5-134(j) \$ <u>-</u>



Lowndes County, Georgia  
Annual Report of 9-1-1 Collections and Expenditures - Continued  
For the Year Ended June 30, 2010

20	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems:		
20a	Lease costs	46-5-134(f)(6)	\$ <u>203,013</u>
20b	Purchase costs	46-5-134(f)(6)	\$ <u>-</u>
20c	Maintenance costs	46-5-134(f)(6)	\$ <u>694</u>
21	Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials	46-5-134(f)(7)	\$ <u>2,365</u>
22	Logging recorders used at a public safety answering point to record telephone and radio traffic:		
22a	Lease costs	46-5-134(f)(8)	\$ <u>-</u>
22b	Purchase costs	46-5-134(f)(8)	\$ <u>-</u>
22c	Maintenance costs	46-5-134(f)(8)	\$ <u>-</u>
23	Other expenditures not included in Lines 13 through 22 above. Identify by object and purpose. Transfers to other funds of the local government should be reported on Line 26 and not included here.		
	<u>Advertising</u>		\$ <u>500</u>
	<u>Insurance</u>		\$ <u>-</u>
	<u>Dues and subscriptions</u>		\$ <u>628</u>
	<u>Travel</u>		\$ <u>7,227</u>
	<u>Building maintenance</u>		\$ <u>5,041</u>
	<u>Uniforms</u>		\$ <u>4,732</u>
	<u>Contract services</u>		\$ <u>641,790</u>
	<u>Utilities</u>		\$ <u>80,995</u>
24	Total Expenditures (total of all amounts reported on Lines 13 through 23 above)		\$ <u>2,684,463</u>

Lowndes County, Georgia  
Annual Report of 9-1-1 Collections and Expenditures - Continued  
For the Year Ended June 30, 2010

25 Transfers From Other Funds (identify by fund)	\$ <u>          -</u>
_____	
26 Transfers To Other Funds (identify by fund)	\$ <u>          </u>
_____	
27 Proceeds from Capital Lease (identify by asset class and, if equipment, purpose)	\$ <u>          </u>
_____	
28 Net Change in Fund Balance (Line 12 - Line 24 + Line 25 - Line 26 + Line 27)	\$ <u>  (272,158)  </u>
29 Fund Balance - Beginning of Year	\$ <u>  (130,248)  </u>
30 Fund Balance - End of Year	\$ <u>  (402,406)  </u>
31a Do amounts on Lines 12, 24, 28, 29, and 30 agree to amounts reported in the government's audited financial statements submitted to the Georgia Department of Audits and Accounts?	
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
31b If the answer to Line 31a is "no", provide explanation (including amounts) to reconcile each line item specified in Line 31a above to government's audited financial statements. Reconciliation should be attached to this report.	

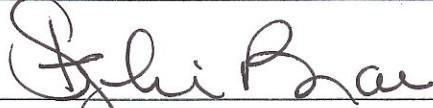
**Certification of Local Government Officials**

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

Signature of Chief Elected Official  Date: December 20, 2010

Print Name of Chief Elected Official Ashley Paulk

Title of Chief Elected Official County Commission Chairman

Signature of Chief Financial Officer  Date: December 20, 2010

Print Name of Chief Financial Officer Stephanie Black