

Comprehensive Annual Financial Report July 1, 2016 – June 30, 2017



Lowndes County
Board of Commissioners



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COMPREHENSIVE ANNUAL FINANCIAL REPORT

LOWNDES COUNTY, GEORGIA

For The Fiscal Year
July 1, 2016 - June 30, 2017



FINANCE DEPARTMENT
Stephanie Black, Finance Director

LOWNDES COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Year Ending June 30, 2017

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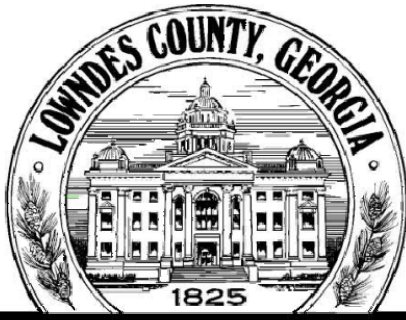
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INTRODUCTORY SECTION



BOARD of COMMISSIONERS

Lowndes County Finance Department

Stephanie Black
Finance Director

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

March 12, 2018

The Honorable Bill Slaughter, Chairman
Members of the Lowndes County Board of Commissioners
And Citizens of Lowndes County

The Comprehensive Annual Financial Report of Lowndes County, Georgia for the fiscal year ended June 30, 2017, 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, 2017, 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 unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2017, 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

Lowndes County was originally established as a Georgia county on December 23, 1825 by an Act of the General Assembly of Georgia. The Board is comprised of one chairman, elected county wide, and five commissioners each elected from a separate commission district serving four year staggered terms. Daily operations are directed by a County Manager who is appointed by and responsible to the Board of Commissioners. The County provides services to approximately 113,898 residents living in a 510.7 square mile area. Services provided include judicial services including the Superior, State, Magistrate, Probate and Juvenile Courts and the District Attorney and the Public Defender. The County provides public safety including the Sheriff’s office, 911 emergency communications, animal control, emergency medical services and fire protection. Public works services include road maintenance and construction and building maintenance. The County provides health and welfare services through the public health department, the Department of Family and Children Services and mental health services through Behavioral Health Services of South Georgia. Culture and recreation are funded and provided through a separate millage for the Valdosta-Lowndes County Parks and Recreation Authority and appropriated funds to the South Georgia Regional Library. Economic development is supported through a separate millage for the Valdosta-Lowndes County Development Authority and appropriations to the Moody Support Group.

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

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

NATURAL FEATURES AND LAND USE

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

The County has experienced slow steady growth in residential and commercial development in the last 10 years which included the economic recession. The real and personal property tax digest has grown an average of 1.43% over those years. Through planning and zoning the County attempts to maintain a balanced use of land and provide defined areas for residential growth and development as well as areas for commercial and industrial growth. At the same time the County is also expanding recreational land use through the development of new parks. The County is also protective of land use within the areas close to Moody Air Force Base to prevent encroachment that would hamper the mission of the base.

POPULATION

The County population has grown 11.90% in the last ten years. The growth has been driven in part by the expansion of missions at Moody Air Force Base, growth at the local state University, growth in industrial and commercial job opportunities and most recently by an increase in retirees looking for lower cost alternatives to traditional retirement locations. New housing developments are keeping pace with this growth and the County continues to expand roads and water and sewer systems to keep the infrastructure at the levels needed to meet the demands of growth.

ECONOMIC CONDITION AND OUTLOOK

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

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

In November 2012, Lowndes County received an Aa2 rating from Moody's Investors Service and an AA- rating from Standards and Poor's. These ratings provided by these independent services demonstrate the conservative and sound fiscal policies that Lowndes County has developed as a management philosophy.

The County has averaged 6.8% unemployment rate the last five years compared to a State average of 6.8%. County population has grown 1.80% since the 2010 census which showed a population of 109,233. County local option sales tax collections were down by 1.66% over the prior year. The gross tax digest increased at a rate of 15.16% over the prior year.

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

MAJOR INITIATIVES

For The Year:

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

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

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

For The Future:

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

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

RELEVANT FINANCIAL POLICIES

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting for the fifth year to the Lowndes County Board of Commissioners for its comprehensive annual financial report for the fiscal year ended June 30, 2017. 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, 2017. This is the eleventh consecutive year the County has received this award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, as an operation guide, as a financial plan and as a communication device.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. The Distinguished Budget Presentation Award is also valid for a period of one year and we believe our 2017 fiscal year budget document continues to conform to the requirements of the award.

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

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

Respectfully,



Stephanie Black



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Lowndes County
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Christopher P. Morill

Executive Director/CEO

Organizational Structure



Lowndes County, Georgia
Principle Officials



Joyce E. Evans
Commissioner District 1



Bill Slaughter
Chairman



Scott Orenstein
Commissioner District 2



Mark Wisenbaker
Commissioner District 3



Demarcus Marshall
Commissioner District 4



Clay Griner
Commissioner District 5

County Manager
Joe Pritchard

County Attorney
Walter G. Elliott

Elected Officials

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

Rodney V. Cain
Beth Greene
Ashley Paulk
Harry Jay Altman II
John Kent Edwards
Joni Parker
Detria Carter Powell

FINANCIAL SECTION



Henderson & Godbee, LLP

Certified Public Accountants and Business Consultants

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Lowndes County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of Lowndes County, Georgia, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Lowndes County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Lowndes County Board of Health and the Valdosta-Lowndes County Parks and Recreation Authority which represents 37.37% and 85.85% of the total assets and revenues of Lowndes County, Georgia's component units as of and for the year ended June 30, 2017. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lowndes County Board of Health and the Valdosta-Lowndes County Parks and Recreation Authority, is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of Lowndes County, Georgia, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 12 through 22), budgetary comparison information (on pages 77 through 80), and the schedules of historical pension information and the related notes (on pages 81 through 86) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual non-major fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2018, on our consideration of the Lowndes County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lowndes County, Georgia's internal control over financial reporting and compliance.



Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

March 14, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

LOWNDES COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2017

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, 2017. This discussion is intended to: 1) assist the reader in understanding significant financial issues; 2) provide an overview of the County's financial activities; 3) identify changes in the County's financial position; and 4) identify individual fund issues or concerns. We encourage our readers to consider the information presented within this Management's discussion and analysis in conjunction with the basic financial statements.

Financial Highlights

Key financial highlights for FY17 are as follows:

The County's total net position increased by \$9,359,090.

At the end of the current year, the County's governmental funds reported an ending fund balance of \$33,505,463, an increase of \$5,097,716 from the prior year fund balance. The total unassigned governmental fund balance is a positive amount of \$4,146,455.

At the end of the current year, unassigned fund balance for the General Fund was \$4,146,455 which represents 7.61 percent of total General Fund expenditures.

Net position for business-type activities increased from \$38,833,622 to \$41,309,857 an increase of \$2,476,195.

Overview of the Financial Statements

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

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

Government-Wide Financial Statements

The Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business reporting. All governmental and business-type activities are combined to arrive at a total for the primary government.

LOWNDES COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2017

Statement of Net Position and the Statement of Activities

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

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

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

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

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

Component Units—The County's financial statements include financial data of the Valdosta-Lowndes Development Authority, the Lowndes County Board of Health and the Valdosta-Lowndes County Parks and Recreation Authority. These component units are described in the notes to the financial statements. The component units are separate and may buy; sell, lease, and mortgage property in their own name and can sue or be sued in their own name. Each of these entities issue separate annual audit reports.

Fund Financial Statements

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

LOWNDES COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2017

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

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

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

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

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

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

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

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

LOWNDES COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2017

Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Position:

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

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | | <u>Total Percentage Change</u> |
|---------------------------------------|--------------------------------|------------------|---------------------------------|-----------------|------------------|------------------|--------------------------------|
| | <u>2016</u> | <u>2017</u> | <u>2016</u> | <u>2017</u> | <u>2016</u> | <u>2017</u> | <u>2016-2017</u> |
| Assets | | | | | | | |
| Current and other assets | \$ 39.98 | \$ 44.00 | \$ 5.53 | \$ 7.34 | \$ 45.51 | \$ 51.34 | 12.81% |
| Capital assets, net | 106.75 | 109.64 | 43.47 | 42.80 | 150.22 | 152.44 | 1.48% |
| Total Assets | 146.73 | 153.64 | 49.00 | 50.14 | 195.73 | 203.78 | 4.11% |
| Deferred Outflows of Resources | | | | | | | |
| | 4.98 | 5.75 | 0.53 | 0.50 | 5.51 | 6.25 | 0.00% |
| Liabilities | | | | | | | |
| Current and other liabilities | 50.34 | 50.71 | 1.69 | 1.81 | 52.03 | 52.52 | 0.94% |
| Long-term liabilities | 0.56 | 0.99 | 9.01 | 7.52 | 9.57 | 8.51 | -11.08% |
| Total Liabilities | 50.90 | 51.70 | 10.70 | 9.33 | 61.60 | 61.03 | -0.93% |
| Deferred Inflows of Resources | | | | | | | |
| | - | - | - | - | - | - | 0.00% |
| Net Position | | | | | | | |
| Net investment in capital assets | 99.23 | 102.35 | 34.70 | 35.19 | 133.93 | 137.54 | 2.70% |
| Restricted | 19.64 | 23.45 | - | - | 19.64 | 23.45 | 19.40% |
| Unrestricted (Restated) | (18.06) | (18.11) | 4.13 | 6.12 | (13.93) | (11.99) | 13.93% |
| Total Net Position | \$ 100.81 | \$ 107.69 | \$ 38.83 | \$ 41.31 | \$ 139.64 | \$ 149.00 | 6.70% |

As noted earlier, the County's net position, when reviewed over time, may serve as a useful indicator of the County's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$148,999,101. Net position was \$107,689,244 in governmental activities and \$41,309,857 in business-type activities as of June 30, 2017. The largest portion of the County's net position (92.31%) reflects its investment in capital assets e.g., land and improvements, buildings and building improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Another 14.31% of net position is restricted for use on capital projects.

LOWNDES COUNTY, GEORGIA
 Management's Discussion and Analysis
 Required Supplemental Information
 For the Year Ended June 30, 2017

An additional portion of the County's net position (1.21%) represents resources that are subject to other restrictions on how they can be used. Unrestricted net position represents -8.05% of net position.

The next table shows the changes in net position for the year ending June 30, 2017 and 2016.

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

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | | <u>Total Percentage Change</u> |
|------------------------------------|--------------------------------|--------------|---------------------------------|-------------|--------------|--------------|--------------------------------|
| | <u>2016</u> | <u>2017</u> | <u>2016</u> | <u>2017</u> | <u>2016</u> | <u>2017</u> | <u>2016-2017</u> |
| Revenues | | | | | | | |
| Program Revenues | | | | | | | |
| Charges for services | \$ 9.11 | \$ 8.91 | \$ 6.85 | \$ 7.98 | \$ 15.96 | \$ 16.89 | 5.83 % |
| Operating grants and contributions | 2.46 | 2.45 | - | - | 2.46 | 2.45 | (0.41) % |
| Capital grants and contributions | 0.81 | 2.45 | - | - | 0.81 | 2.45 | 202.47 % |
| Total Program Revenues | 12.38 | 13.81 | 6.85 | 7.98 | 19.23 | 21.79 | 13.31 % |
| General Revenues | | | | | | | |
| Property taxes | 30.88 | 35.23 | - | - | 30.88 | 35.23 | 14.09 % |
| Alcoholic beverage taxes | 0.53 | 0.52 | - | - | 0.53 | 0.52 | (1.89) % |
| Occupational taxes | 0.62 | 0.66 | - | - | 0.62 | 0.66 | 6.45 % |
| Hotel/motel taxes | 0.32 | 0.44 | - | - | 0.32 | 0.44 | 37.50 % |
| Franchise taxes | 0.09 | 0.12 | - | - | 0.09 | 0.12 | 33.33 % |
| Insurance premium taxes | 2.57 | 2.73 | - | - | 2.57 | 2.73 | 6.23 % |
| Sales taxes | 32.43 | 31.90 | - | - | 32.43 | 31.90 | (1.63) % |
| Public utility taxes | 0.82 | 0.93 | - | - | 0.82 | 0.93 | 13.41 % |
| Miscellaneous | 1.02 | 1.05 | 0.01 | 0.20 | 1.03 | 1.25 | 21.36 % |
| Total General Revenues | 69.28 | 73.58 | 0.01 | 0.20 | 69.29 | 73.78 | 6.48 % |
| Total Revenues | 81.66 | 87.39 | 6.86 | 8.18 | 88.52 | 95.57 | 7.96 % |

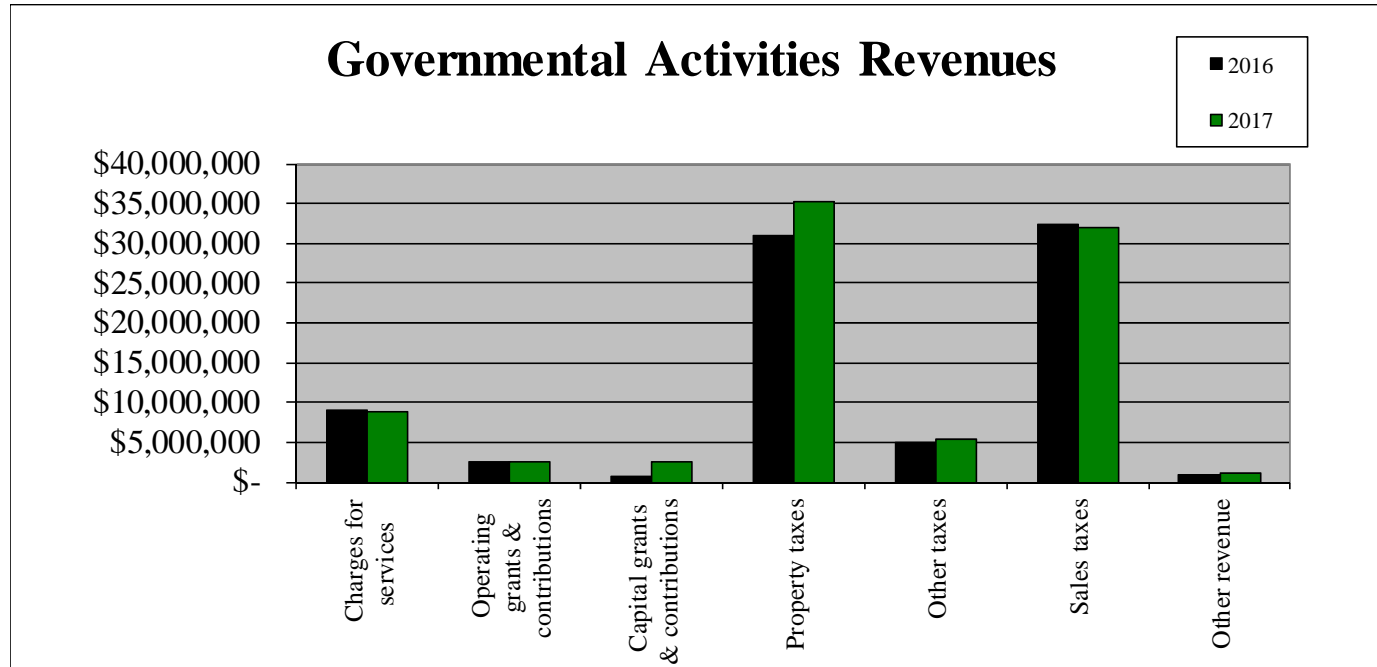
LOWNDES COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2017

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

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | | <u>Total Percentage Change</u> |
|--|--------------------------------|------------------|---------------------------------|-----------------|------------------|------------------|--------------------------------|
| | <u>2016</u> | <u>2017</u> | <u>2016</u> | <u>2017</u> | <u>2016</u> | <u>2017</u> | <u>2016-2017</u> |
| Expenses | | | | | | | |
| Governmental Activities: | | | | | | | |
| General Government | | | | | | | |
| Legislative and executive | \$ 12.73 | \$ 12.59 | \$ - | \$ - | \$ 12.73 | \$ 12.59 | (1.10) % |
| Judicial | 6.30 | 6.98 | - | - | 6.30 | 6.98 | 10.79 % |
| Public safety | 27.90 | 30.27 | - | - | 27.90 | 30.27 | 8.49 % |
| Public works | 20.06 | 19.78 | - | - | 20.06 | 19.78 | (1.40) % |
| Health and welfare | 1.09 | 1.16 | - | - | 1.09 | 1.16 | 6.42 % |
| Culture and recreation | 4.74 | 5.49 | - | - | 4.74 | 5.49 | 15.82 % |
| Housing and development | 4.25 | 4.62 | - | - | 4.25 | 4.62 | 8.71 % |
| Interest on long-term debt | 0.20 | 0.18 | - | - | 0.20 | 0.18 | (10.00) % |
| Business-type Activities: | | | | | | | |
| Water and sewer | - | - | 4.71 | 4.78 | 4.71 | 4.78 | 1.49 % |
| Landfill | - | - | 0.06 | 0.05 | 0.06 | 0.05 | (16.67) % |
| Special tax lighting district | - | - | 0.30 | 0.31 | 0.30 | 0.31 | 3.33 % |
| Total Expenses | 77.27 | 81.07 | 5.07 | 5.14 | 82.34 | 86.21 | 4.70 % |
| Revenue Over (Under) Expenses | 4.39 | 6.32 | 1.79 | 3.04 | 6.18 | 9.36 | 51.46 |
| Transfers | (2.99) | 0.56 | 2.99 | (0.56) | - | - | - % |
| Increase (Decrease) in Net Position | 1.40 | 6.88 | 4.78 | 2.48 | 6.18 | 9.36 | 51.46 % |
| Net Position, Beginning | 99.41 | 100.81 | 34.05 | 38.83 | 133.46 | 139.64 | 4.63 % |
| Net Position, Ending | \$ 100.81 | \$ 107.69 | \$ 38.83 | \$ 41.31 | \$ 139.64 | \$ 149.00 | 6.70 % |

LOWNDES COUNTY, GEORGIA
 Management’s Discussion and Analysis
 Required Supplemental Information
 For the Year Ended June 30, 2017

Government Activities



The largest portion of the County’s program revenue is from charges for services which accounted for \$8,906,238 or 64% of total program revenues. These charges include licenses and permits, fines and forfeitures related to judicial activity, fees for real estate transfers, fees associated with the collection of property taxes and fees charged through various County governmental departments.

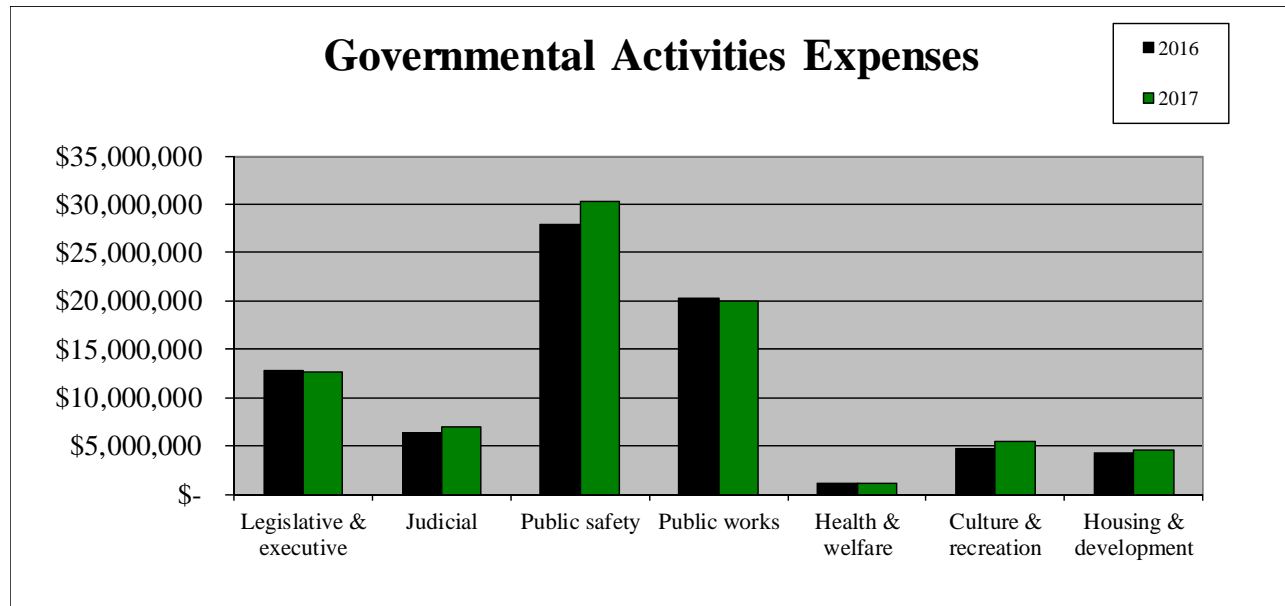
Sales tax revenues are the major contributor to general revenues and account for \$31,895,363 or 43% of total general revenues. Another major component was property taxes, which accounted for \$35,228,326 or 48% of total general revenues.

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

LOWNDES COUNTY, GEORGIA
 Management's Discussion and Analysis
 Required Supplemental Information
 For the Year Ended June 30, 2017

Government Activities – Continued

The following chart compares governmental activities expenses for the year ending June 30, 2016 and 2017. Expenses went up due to inflation and rises in health care cost.



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

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

| <u>Function</u> | <u>Total Cost of Services</u> | | <u>Percentage Change</u> | <u>Net Cost of Services</u> | | <u>Percentage Change</u> |
|----------------------------|-------------------------------|-----------------|--------------------------|-----------------------------|-----------------|--------------------------|
| | <u>2016</u> | <u>2017</u> | <u>2016-2017</u> | <u>2016</u> | <u>2017</u> | <u>2016-2017</u> |
| General Government | | | | | | |
| Legislative and executive | \$ 12.73 | \$ 12.59 | (1.10) % | \$ 11.32 | \$ 11.27 | (0.46) % |
| Judicial | 6.30 | 6.98 | 10.79 % | 1.14 | 1.96 | 71.96 % |
| Public safety | 27.90 | 30.27 | 8.49 % | 23.44 | 24.71 | 5.40 % |
| Public works | 20.06 | 19.78 | (1.40) % | 19.16 | 18.33 | (4.32) % |
| Health and welfare | 1.09 | 1.16 | 6.42 % | 0.84 | 0.91 | 8.44 % |
| Culture and recreation | 4.74 | 5.49 | 15.82 % | 4.74 | 5.49 | 15.80 % |
| Housing and development | 4.25 | 4.62 | 8.71 % | 4.05 | 4.42 | 9.06 % |
| Interest on long-term debt | 0.20 | 0.18 | (10.00) % | 0.21 | 0.18 | (15.13) % |
| Total | \$ 77.27 | \$ 81.07 | 4.92 % | \$ 64.90 | \$ 67.26 | 3.64 % |

LOWNDES COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2017

Business-Type Activities

The net position for business-type activities increased \$2,476,195 during the year ending June 30, 2017. The major source of revenue was from charges for services for water and sewer services which amounted to \$6,754,437.

Financial Analysis of County Funds

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

Governmental Funds

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

As of June 30, 2017, the County's governmental funds reported a combined ending fund balance of \$33,505,463 an increase of \$5,097,716. The County had \$4,146,455 of unassigned fund balance which is available for spending at the County's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to a variety of other restricted or assigned purposes has a balance of \$29,359,008.

Major Funds:

The General Fund is the primary operating fund of the County. At the end of June 30, 2017, the unassigned fund balance was \$4,146,455 while total fund balance was \$15,924,288. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 7.61% to total General Fund expenditures, while the total fund balance represents 35.81% of that same amount.

The Capital Projects SPLOST VII Fund which began on January 1, 2014 expended \$16,257,996 in appropriations to other governments, capital improvements, and public works and received \$20,189,101 in sales tax and investment income. The revenue exceeded expenditures by \$3,889,627 resulting in an ending fund balance of \$9,182,333.

LOWNDES COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2017

Enterprise Funds

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

Total Net Position of the Water & Sewer Fund at June 30, 2017, was \$40,582,381. Total Net Position increased by \$2,309,662.

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

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

Budgetary Highlights

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

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

Capital Assets

The County's capital assets for governmental and business-type activities as of June 30, 2017, were \$152,437,399 (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 FY17 included continued improvements to roads and public safety equipment.

Note 8 (Capital Assets) provides additional information about capital asset activity during FY17.

LOWNDES COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2017

Debt

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

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

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

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

Economic Factors

Property tax revenue increased by 14.95% over the prior year and has averaged 5.05% growth over the last ten years. This has allowed the County to maintain current millage rates and stay ahead of rising cost through FY17.

The local option sales tax revenues declined 1.66%.

The County maintained a calendar year annual average of 5.1% for unemployment compared to the state average of 4.8%.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

LOWNDES COUNTY, GEORGIA
 STATEMENT OF NET POSITION
 June 30, 2017

Primary Government

| | Governmental Activities | Business-Type Activities | Total Primary Government |
|---|----------------------------|-----------------------------|--------------------------------|
| ASSETS | | | |
| Equity in pooled cash and cash equivalents | \$ 26,813,731 | \$ 6,431,328 | \$ 33,245,059 |
| Cash and cash equivalents in segregated accounts | 10,392,431 | - | 10,392,431 |
| Certificate of deposit | 116,246 | - | 116,246 |
| Receivables (net of allowance for doubtful accounts): | | | |
| Taxes | 1,186,220 | - | 1,186,220 |
| Accounts | 2,079,179 | 694,795 | 2,773,974 |
| Special assessments | 13,153 | - | 13,153 |
| Sales tax | 2,747,603 | - | 2,747,603 |
| Internal balances | 151,867 | (151,867) | - |
| Due from other governments | 281,020 | - | 281,020 |
| Materials and supplies inventory | 105,376 | - | 105,376 |
| Prepaid items | 113,909 | - | 113,909 |
| Restricted cash and cash investments | - | 365,000 | 365,000 |
| Nondepreciable capital assets | 11,647,582 | 2,845,804 | 14,493,386 |
| Depreciable capital assets, net | 97,991,914 | 39,952,099 | 137,944,013 |
| | <u>153,640,231</u> | <u>50,137,159</u> | <u>203,777,390</u> |
| TOTAL ASSETS | \$ 153,640,231 | \$ 50,137,159 | \$ 203,777,390 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Bond refunding | \$ 187,500 | \$ 316,317 | \$ 503,817 |
| Pensions | 5,561,763 | 188,929 | 5,750,692 |
| | <u>5,749,263</u> | <u>505,246</u> | <u>6,254,509</u> |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | \$ 5,749,263 | \$ 505,246 | \$ 6,254,509 |

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

| Component Units | | |
|--------------------------------------|--|--|
| Lowndes County Board of Health | Valdosta- Lowndes Development Authority | Valdosta- Lowndes County Parks & Recreation Authority |
| \$ - | \$ - | \$ - |
| 1,983,868 | 2,196,882 | 3,075,128 |
| - | - | - |
| - | - | 455,723 |
| 328,279 | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| 1,425,374 | - | - |
| - | - | - |
| - | 8,688 | 15,000 |
| - | 2,754,073 | - |
| - | 16,980,502 | 3,800,890 |
| 349,311 | 3,665,190 | 3,844,012 |
| <u>\$ 4,086,832</u> | <u>\$ 25,605,335</u> | <u>\$ 11,190,753</u> |
| \$ - | \$ - | \$ - |
| 2,614,606 | - | 261,034 |
| <u>\$ 2,614,606</u> | <u>\$ -</u> | <u>\$ 261,034</u> |

LOWNDES COUNTY, GEORGIA
STATEMENT OF NET POSITION - CONTINUED
June 30, 2017

| | Primary Government | | |
|---|----------------------------|-----------------------------|--------------------------------|
| | Governmental Activities | Business-Type Activities | Total Primary Government |
| LIABILITIES | | | |
| Accounts payable | \$ 2,122,937 | \$ 186,305 | \$ 2,309,242 |
| Estimated health claims payable | 507,927 | - | 507,927 |
| Accrued wages | 187,351 | 987 | 188,338 |
| Accrued expenses | 2,760,643 | 11,584 | 2,772,227 |
| Due to other governments | 1,979,213 | - | 1,979,213 |
| Unearned revenue | 54,089 | 36,816 | 90,905 |
| Payable from restricted assets: | | | |
| Customer deposits | - | 218,621 | 218,621 |
| Due within one year: | | | |
| Compensated absences payable | 702,078 | 22,728 | 724,806 |
| Capital lease obligations | 151,190 | 223,605 | 374,795 |
| Bonds payable | 945,479 | 780,091 | 1,725,570 |
| Notes payable | - | 254,754 | 254,754 |
| Landfill postclosure cost | - | 77,050 | 77,050 |
| Due in more than one year: | | | |
| Compensated absences payable | 551,633 | 17,857 | 569,490 |
| Capital lease obligations | 441,270 | - | 441,270 |
| Bonds payable | 5,938,630 | 5,864,112 | 11,802,742 |
| Notes payable | - | 798,768 | 798,768 |
| Landfill postclosure cost | - | 602,799 | 602,799 |
| Net pension obligation liability | 21,251,111 | 236,471 | 21,487,582 |
| Net other postemployment benefits | 14,106,699 | - | 14,106,699 |
| | <u>\$ 51,700,250</u> | <u>\$ 9,332,548</u> | <u>\$ 61,032,798</u> |
| TOTAL LIABILITIES | | | |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pensions | \$ - | \$ - | \$ - |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| TOTAL DEFERRED INFLOWS OF RESOURCES | | | |
| COMBINED LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | <u>\$ 51,700,250</u> | <u>\$ 9,332,548</u> | <u>\$ 61,032,798</u> |
| NET POSITION | | | |
| Net investment in capital assets | 102,350,427 | 35,192,890 | 137,543,317 |
| Restricted for: | | | |
| Jail operations | 1,033,703 | - | 1,033,703 |
| Tourism | 1,633 | - | 1,633 |
| Drug enforcement operations | 372,339 | - | 372,339 |
| Drug education and treatment | 159,230 | - | 159,230 |
| Law library | 320,985 | - | 320,985 |
| Victim assistance | 72,093 | - | 72,093 |
| 911 emergency telephone | 174,312 | - | 174,312 |
| Public health programs | - | - | - |
| Debt services | - | - | - |
| Capital projects | 21,319,487 | - | 21,319,487 |
| Unrestricted | <u>(18,114,965)</u> | <u>6,116,967</u> | <u>(11,997,998)</u> |
| | <u>\$ 107,689,244</u> | <u>\$ 41,309,857</u> | <u>\$ 148,999,101</u> |
| TOTAL NET POSITION | | | |

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

| Component Units | | |
|--------------------------------------|--|--|
| Lowndes County Board of Health | Valdosta- Lowndes Development Authority | Valdosta- Lowndes County Parks & Recreation Authority |
| \$ - | \$ 18,002 | \$ 138,324 |
| - | - | - |
| - | - | - |
| - | 277,768 | 117,301 |
| 516,508 | - | - |
| 9,776 | - | 22,564 |
| - | - | - |
| 373,795 | - | 32,498 |
| - | - | - |
| - | 1,025,000 | - |
| - | - | - |
| - | - | - |
| 281,986 | - | 62,914 |
| - | - | - |
| - | 7,885,000 | - |
| - | - | - |
| - | - | - |
| 9,076,115 | - | 562,992 |
| - | - | - |
| <u>\$ 10,258,180</u> | <u>\$ 9,205,770</u> | <u>\$ 936,593</u> |
| <u>\$ 149,230</u> | <u>\$ -</u> | <u>\$ 46,138</u> |
| <u>\$ 149,230</u> | <u>\$ -</u> | <u>\$ 46,138</u> |
| <u>\$ 10,407,410</u> | <u>\$ 9,205,770</u> | <u>\$ 982,731</u> |
| 349,311 | 13,798,805 | 7,644,902 |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| 1,532,818 | - | - |
| - | 690,960 | - |
| - | - | - |
| <u>(5,588,101)</u> | <u>1,909,800</u> | <u>2,824,154</u> |
| <u>\$ (3,705,972)</u> | <u>\$ 16,399,565</u> | <u>\$ 10,469,056</u> |

LOWNDES COUNTY, GEORGIA
 STATEMENT OF ACTIVITIES
 For The Year Ended June 30, 2017

| FUNCTION/PROGRAM | Expenses | Program Revenues | | |
|--|----------------------|----------------------|---|---|
| | | Charges for Services | Operating Grants, Contributions, and Interest | Capital Grants, Contributions, and Interest |
| GOVERNMENTAL ACTIVITIES | | | | |
| General Government | | | | |
| Legislative and Executive | \$ 12,584,636 | \$ 1,271,678 | \$ 45,052 | \$ - |
| Judicial | 6,982,086 | 3,884,244 | 1,137,461 | - |
| Public Safety | 30,267,778 | 3,656,085 | 812,104 | 1,094,500 |
| Public Works | 19,780,813 | 94,231 | - | 1,353,859 |
| Health and Welfare | 1,164,288 | - | 253,394 | - |
| Culture and Recreation | 5,488,725 | - | - | - |
| Housing and Development | 4,623,047 | - | 206,030 | - |
| Interest on Long-term Debt | 178,221 | - | - | - |
| TOTAL GOVERNMENTAL ACTIVITIES | 81,069,594 | 8,906,238 | 2,454,041 | 2,448,359 |
| BUSINESS-TYPE ACTIVITIES | | | | |
| Water and Sewer | 4,776,919 | 7,291,559 | - | - |
| Landfill | 45,252 | 397,636 | - | - |
| Special Tax Lighting District | 326,287 | 290,436 | - | - |
| TOTAL BUSINESS-TYPE ACTIVITIES | 5,148,458 | 7,979,631 | - | - |
| TOTAL PRIMARY GOVERNMENT | \$ 86,218,052 | \$ 16,885,869 | \$ 2,454,041 | \$ 2,448,359 |
| COMPONENT UNITS | | | | |
| Lowndes County Board of Health | \$ 14,194,523 | \$ 1,798,819 | \$ 12,874,985 | \$ - |
| Valdosta-Lowndes Development Authority | 2,004,410 | - | - | - |
| Valdosta-Lowndes County Parks & Recreation Authority | 4,336,095 | 659,482 | 10,882 | 82,426 |
| TOTAL COMPONENT UNITS | \$ 20,535,028 | \$ 2,458,301 | \$ 12,885,867 | \$ 82,426 |
| GENERAL REVENUES | | | | |
| Property Taxes Levied for: | | | | |
| General Operating | | | | |
| Alcoholic Beverage Taxes | | | | |
| Occupational Taxes | | | | |
| Hotel/Motel Taxes | | | | |
| Franchise Taxes | | | | |
| Insurance Premium Taxes | | | | |
| Sales Taxes | | | | |
| Public Utility Taxes | | | | |
| Miscellaneous Income | | | | |
| Investment Income | | | | |
| TOTAL GENERAL REVENUES | | | | |
| EXCESS (DEFICIT) BEFORE TRANSFERS | | | | |
| TRANSFERS IN (OUT) | | | | |
| CHANGES IN NET POSITION | | | | |
| NET POSITION, BEGINNING OF YEAR | | | | |
| NET POSITION, END OF YEAR | | | | |

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

Net (Expense) Revenue and Changes in Net Position

| Primary Government | | | Component Units | | |
|----------------------------|-----------------------------|------------------------|--------------------------------------|--|--|
| Governmental Activities | Business-Type Activities | Total | Lowndes County Board of Health | Valdosta- Lowndes County Industrial Parks & Recreation Authority | Valdosta- Lowndes County Parks & Recreation Authority |
| \$ (11,267,906) | \$ - | \$ (11,267,906) | \$ - | \$ - | \$ - |
| (1,960,381) | - | (1,960,381) | - | - | - |
| (24,705,089) | - | (24,705,089) | - | - | - |
| (18,332,723) | - | (18,332,723) | - | - | - |
| (910,894) | - | (910,894) | - | - | - |
| (5,488,725) | - | (5,488,725) | - | - | - |
| (4,417,017) | - | (4,417,017) | - | - | - |
| (178,221) | - | (178,221) | - | - | - |
| <u>(67,260,956)</u> | <u>-</u> | <u>(67,260,956)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| - | 2,514,640 | 2,514,640 | - | - | - |
| - | 352,384 | 352,384 | - | - | - |
| - | (35,851) | (35,851) | - | - | - |
| <u>-</u> | <u>2,831,173</u> | <u>2,831,173</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ (67,260,956)</u> | <u>\$ 2,831,173</u> | <u>\$ (64,429,783)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ - | \$ - | \$ - | \$ 479,281 | \$ - | \$ - |
| - | - | - | - | (2,004,410) | - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(3,583,305)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 479,281</u> | <u>\$ (2,004,410)</u> | <u>\$ (3,583,305)</u> |
| 35,228,326 | - | 35,228,326 | - | 3,135,725 | 3,895,904 |
| 517,520 | - | 517,520 | - | - | - |
| 659,502 | - | 659,502 | - | - | - |
| 443,779 | - | 443,779 | - | - | - |
| 119,065 | - | 119,065 | - | - | - |
| 2,734,353 | - | 2,734,353 | - | - | - |
| 31,895,363 | - | 31,895,363 | - | - | - |
| 929,743 | - | 929,743 | - | - | - |
| 1,057,678 | - | 1,057,678 | - | 27,302 | 47,595 |
| - | 203,544 | 203,544 | - | 15,905 | - |
| <u>73,585,329</u> | <u>203,544</u> | <u>73,788,873</u> | <u>-</u> | <u>3,178,932</u> | <u>3,943,499</u> |
| 6,324,373 | 3,034,717 | 9,359,090 | 479,281 | 1,174,522 | 360,194 |
| 558,522 | (558,522) | - | - | - | - |
| <u>6,882,895</u> | <u>2,476,195</u> | <u>9,359,090</u> | <u>479,281</u> | <u>1,174,522</u> | <u>360,194</u> |
| <u>100,806,349</u> | <u>38,833,662</u> | <u>139,640,011</u> | <u>(4,185,253)</u> | <u>15,225,043</u> | <u>10,108,862</u> |
| <u>\$ 107,689,244</u> | <u>\$ 41,309,857</u> | <u>\$ 148,999,101</u> | <u>\$ (3,705,972)</u> | <u>\$ 16,399,565</u> | <u>\$ 10,469,056</u> |

LOWNDES COUNTY, GEORGIA
 GOVERNMENTAL FUNDS
 BALANCE SHEET
 June 30, 2017

| | <u>General</u> | Capital Projects Special Purpose Local Option <u>Sales Tax VII</u> | Other Governmental <u>Funds</u> | <u>Total</u> |
|--|----------------|---|---------------------------------------|---------------|
| ASSETS | | | | |
| Equity in pooled cash and cash equivalents | \$ 15,531,028 | \$ 2,870,852 | \$ 4,883,555 | \$ 23,285,435 |
| Cash and cash equivalents in segregated accounts | 43,447 | 7,297,494 | 3,051,490 | 10,392,431 |
| Certificate of deposit | - | - | 116,246 | 116,246 |
| Receivables (net of allowance for doubtful accounts) | | | | |
| Taxes | 1,186,220 | - | - | 1,186,220 |
| Accounts | 1,416,647 | 7,500 | 727,970 | 2,152,117 |
| Special assessments | 13,153 | - | - | 13,153 |
| Sales Tax | 1,008,614 | 1,738,989 | - | 2,747,603 |
| Due from other governments | - | - | 281,020 | 281,020 |
| Interfund receivable | 305,694 | - | - | 305,694 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL ASSETS | \$ 19,504,803 | \$ 11,914,835 | \$ 9,060,281 | \$ 40,479,919 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

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

LOWNDES COUNTY, GEORGIA
 GOVERNMENTAL FUNDS
 BALANCE SHEET - CONTINUED
 June 30, 2017

| | <u>General</u> | Capital Projects Special Purpose Local Option Sales Tax VII | Other Governmental Funds | <u>Total</u> |
|---|-------------------|--|--------------------------------|-------------------|
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts payable | \$ 699,025 | \$ 753,289 | \$ 478,522 | \$ 1,930,836 |
| Accrued wages | 157,843 | - | 27,358 | 185,201 |
| Accrued liabilities | 1,747,791 | - | - | 1,747,791 |
| Due to other governments | - | 1,979,213 | - | 1,979,213 |
| Interfund payable | - | - | 153,827 | 153,827 |
| Unearned revenue | 52,357 | - | 1,732 | 54,089 |
| | <u>2,657,016</u> | <u>2,732,502</u> | <u>661,439</u> | <u>6,050,957</u> |
| TOTAL LIABILITIES | | | | |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue - property taxes | 910,346 | - | - | 910,346 |
| Unavailable revenue - special assessments | 13,153 | - | - | 13,153 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>923,499</u> | <u>-</u> | <u>-</u> | <u>923,499</u> |
| FUND BALANCES | | | | |
| Restricted for: | | | | |
| Jail operations | - | - | 1,033,703 | 1,033,703 |
| Tourism | - | - | 1,633 | 1,633 |
| Drug enforcement | - | - | 372,339 | 372,339 |
| Drug education and treatment | - | - | 159,230 | 159,230 |
| Public safety | - | - | 6,168 | 6,168 |
| Law library | - | - | 320,985 | 320,985 |
| Victim assistance | - | - | 72,093 | 72,093 |
| 911 emergency telephone | - | - | 174,312 | 174,312 |
| Capital projects | - | 9,182,333 | 3,505,318 | 12,687,651 |
| Assigned for: | | | | |
| Unincorporated services | - | - | 2,753,061 | 2,753,061 |
| Property tax roll back | 11,777,833 | - | - | 11,777,833 |
| Unassigned reported in: | | | | |
| General Fund | 4,146,455 | - | - | 4,146,455 |
| | <u>15,924,288</u> | <u>9,182,333</u> | <u>8,398,842</u> | <u>33,505,463</u> |
| TOTAL FUND BALANCES | | | | |
| TOTAL LIABILITIES, DEFERRED INFLOWS | | | | |

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

LOWNDES COUNTY, GEORGIA
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
 TO NET POSITION OF GOVERNMENTAL ACTIVITIES
 June 30, 2017

| | | |
|---|--------------|-----------------------|
| Total Governmental Funds Balances | | \$ 33,505,463 |
| Amounts reported for governmental activities on the statement of net position are different because of the following: | | |
| Net Pension Obligation | | |
| Pension liabilities resulting from contributions less than the annual required contribution | | (21,251,111) |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | |
| | | 109,639,496 |
| Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the government-wide statement of net position. | | |
| Net position adjusted for: | 2,149,633 | |
| Capital assets less accumulated depreciation | (195,147) | |
| Compensated absences payable | 13,879 | |
| Capital lease payable | <u>4,100</u> | |
| | | 1,972,465 |
| Revenue are not available to pay for current period expenditures and, therefore, are not reported in the funds. | | |
| Deferred tax revenue | | 923,499 |
| Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds: | | |
| Accrued interest | | (12,852) |
| Compensated absences payable | | (1,253,711) |
| Bonds payable | | (6,625,000) |
| Unamortized bond premium | | (259,109) |
| Deferred charge bond refund | | 187,500 |
| Deferred outflow of resources - pension | | 5,561,763 |
| Net other postemployment benefits | | (14,106,699) |
| Capital leases payable | | <u>(592,460)</u> |
| Net Position of Governmental Activities | | <u>\$ 107,689,244</u> |

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

LOWNDES COUNTY, GEORGIA
 GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 For The Year Ended June 30, 2017

| | <u>General</u> | Capital Projects Special Purpose Local Option <u>Sales Tax VII</u> | Other Governmental <u>Funds</u> | <u>Total</u> |
|--|----------------------|---|---------------------------------------|----------------------|
| REVENUES: | | | | |
| Taxes | \$ 47,986,947 | \$ 20,186,935 | \$ 4,474,219 | \$ 72,648,101 |
| Licenses and permits | 3,445 | - | 127,461 | 130,906 |
| Intergovernmental revenues | 364,588 | - | 4,521,287 | 4,885,875 |
| Charges for services | 3,936,735 | - | 2,036,288 | 5,973,023 |
| Fines and forfeitures | 1,874,603 | - | 927,707 | 2,802,310 |
| Investment income | 12,282 | 2,166 | 2,078 | 16,526 |
| Miscellaneous | 208,846 | - | 794,408 | 1,003,254 |
| TOTAL REVENUES | <u>\$ 54,387,446</u> | <u>\$ 20,189,101</u> | <u>\$ 12,883,448</u> | <u>\$ 87,459,995</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | | | | |
| Legislative and executive | 12,268,380 | - | 115,836 | 12,384,216 |
| Judicial | 6,609,779 | 3,967 | 1,110,361 | 7,724,107 |
| Public safety | 20,639,052 | 214,618 | 8,482,692 | 29,336,362 |
| Public works | 5,017,875 | 427,836 | 1,353,757 | 6,799,468 |
| Health and welfare | 770,224 | - | 398,152 | 1,168,376 |
| Culture and recreation | 4,984,948 | 100,000 | - | 5,084,948 |
| Housing and development | 3,128,340 | - | 1,469,259 | 4,597,599 |
| Intergovernmental | - | 11,787,151 | - | 11,787,151 |
| Capital outlay | - | 3,724,424 | - | 3,724,424 |
| Debt Service | | | | |
| Principal retirement | 870,000 | - | - | 870,000 |
| Interest | 179,600 | - | - | 179,600 |
| TOTAL EXPENDITURES | <u>54,468,198</u> | <u>16,257,996</u> | <u>12,930,057</u> | <u>83,656,251</u> |
| EXCESS OF REVENUES | | | | |
| OVER (UNDER) EXPENDITURES | | | | |
| | (80,752) | 3,931,105 | (46,609) | 3,803,744 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Capital lease proceeds | 735,450 | - | - | 735,450 |
| Transfers In | 1,085,000 | - | 1,086,282 | 2,171,282 |
| Transfers Out | (1,086,282) | (41,478) | (485,000) | (1,612,760) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>734,168</u> | <u>(41,478)</u> | <u>601,282</u> | <u>1,293,972</u> |
| NET CHANGES IN FUND BALANCE | | | | |
| | 653,416 | 3,889,627 | 554,673 | 5,097,716 |
| FUND BALANCE AT BEGINNING OF YEAR | | | | |
| | <u>15,270,872</u> | <u>5,292,706</u> | <u>7,844,169</u> | <u>28,407,747</u> |
| FUND BALANCES AT END OF YEAR | | | | |
| | <u>\$ 15,924,288</u> | <u>\$ 9,182,333</u> | <u>\$ 8,398,842</u> | <u>\$ 33,505,463</u> |

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

LOWNDES COUNTY, GEORGIA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For The Year Ended June 30, 2017

Net Change in Fund Balances - Total Governmental Funds \$ 5,097,716

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

| | | | |
|---|--|--------------------|---------------------|
| Net Pension Obligation | | | |
| Change in pension liability resulting from actuarial calculation of the net pension obligation which is not reported in the funds. | | (1,837,282) | |
| Deferred Outflow of Resources | | | |
| Deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds. The deferred outflows of resources consist of pension related gains and losses and assumption changes. | | 811,314 | |
| Internal service funds change in net position: | | | |
| Internal service funds change in net position less depreciation and compensated absences | | 242,963 | |
| Depreciation | | (104,465) | |
| Compensated absences | | <u>362</u> | |
| | | | 138,860 |
| Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year: | | | |
| Capital outlay - depreciable capital assets | | 3,080,613 | |
| Capital outlay - nondepreciable capital assets | | 4,848,953 | |
| Depreciation | | <u>(4,937,120)</u> | |
| | | | 2,992,446 |
| Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds: | | | |
| Property taxes | | <u>(120,450)</u> | |
| | | | (120,450) |
| Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds: | | | |
| Other post employment benefits | | (496,627) | |
| Compensated absences | | <u>(692)</u> | |
| | | | (497,319) |
| Accrual of interest on bonds payable is not an expenditures in the governmental funds, but is accrued on the statement of activities. | | | |
| Accrued interest expense | | <u>1,380</u> | |
| | | | 1,380 |
| Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of activities. | | | |
| Amortization of deferred charge on bond refunding | | (39,830) | |
| Amortization of bond premium | | 54,420 | |
| Bond payments | | 870,000 | |
| Capital lease proceeds | | (735,450) | |
| Capital lease payments | | <u>147,090</u> | |
| | | | <u>296,230</u> |
| Changes in Net Position of Governmental Activities | | | <u>\$ 6,882,895</u> |

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

LOWNDES COUNTY, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 June 30, 2017

| | Business-Type Activities - Enterprise Funds | | | Governmental Activities |
|---|---|------------------------|-------------------|-------------------------|
| | Water and Sewer | Other Enterprise Funds | Total | Internal Service Funds |
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Equity in pooled cash and cash equivalents | \$ 5,090,123 | \$ 1,341,205 | \$ 6,431,328 | \$ 3,528,297 |
| Receivables (net of allowance for doubtful accounts): | | | | |
| Accounts | 653,123 | 41,672 | 694,795 | 11,302 |
| Interfund receivable | - | - | - | - |
| Prepaid expense | - | - | - | 113,908 |
| Inventory | - | - | - | 105,376 |
| Restricted assets | | | | |
| Customer deposit account | 365,000 | - | 365,000 | - |
| TOTAL CURRENT ASSETS | <u>6,108,246</u> | <u>1,382,877</u> | <u>7,491,123</u> | <u>3,758,883</u> |
| NONCURRENT ASSETS | | | | |
| Capital Assets | | | | |
| Land | 2,506,904 | 203,639 | 2,710,543 | - |
| Construction in progress | 135,261 | - | 135,261 | - |
| Depreciable capital assets, net | 39,952,099 | - | 39,952,099 | 195,147 |
| TOTAL NONCURRENT ASSETS | <u>42,594,264</u> | <u>203,639</u> | <u>42,797,903</u> | <u>195,147</u> |
| TOTAL ASSETS | <u>48,702,510</u> | <u>1,586,516</u> | <u>50,289,026</u> | <u>3,954,030</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Bond refunding | 316,317 | - | 316,317 | - |
| Pensions | 188,929 | - | 188,929 | - |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>505,246</u> | <u>-</u> | <u>505,246</u> | <u>-</u> |

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

LOWNDES COUNTY, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION - CONTINUED
 June 30, 2017

| | Business-Type Activities - Enterprise Funds | | | Governmental |
|---|---|------------------------------|----------------------|---------------------------|
| | Water and Sewer | Other Enterprise Funds | Total | Internal Service Funds |
| LIABILITIES | | | | |
| CURRENT LIABILITIES | | | | |
| Accounts payable | \$ 158,981 | \$ 27,324 | \$ 186,305 | \$ 276,343 |
| Accrued liabilities | 987 | - | 987 | 1,510,076 |
| Accrued interest payable | 11,584 | - | 11,584 | - |
| Unearned revenue | 36,816 | - | 36,816 | - |
| Interfund payable | - | 151,867 | 151,867 | - |
| Current portion of compensated absences payable | 22,728 | - | 22,728 | 7,772 |
| Current portion of capital lease obligations | 223,605 | - | 223,605 | 4,100 |
| Current portion of bonds payable | 780,091 | - | 780,091 | - |
| Current portion of note payable | 254,754 | - | 254,754 | - |
| Current portion of landfill postclosure cost | - | 77,050 | 77,050 | - |
| Payable from restricted assets: | | | | |
| Customer deposits | 218,621 | - | 218,621 | - |
| TOTAL CURRENT LIABILITIES | <u>1,708,167</u> | <u>256,241</u> | <u>1,964,408</u> | <u>1,798,291</u> |
| LONG-TERM LIABILITIES | | | | |
| Compensated absences | 17,857 | - | 17,857 | 6,107 |
| Bonds payable | 5,864,112 | - | 5,864,112 | - |
| Note payable | 798,768 | - | 798,768 | - |
| Net pension obligation liability | 236,471 | - | 236,471 | - |
| Landfill postclosure cost | - | 602,799 | 602,799 | - |
| TOTAL LONG-TERM LIABILITIES | <u>6,917,208</u> | <u>602,799</u> | <u>7,520,007</u> | <u>6,107</u> |
| TOTAL LIABILITIES | <u>8,625,375</u> | <u>859,040</u> | <u>9,484,415</u> | <u>1,804,398</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 34,989,251 | 203,639 | 35,192,890 | 191,047 |
| Unrestricted | 5,593,130 | 523,837 | 6,116,967 | 1,958,585 |
| TOTAL NET POSITION | <u>\$ 40,582,381</u> | <u>\$ 727,476</u> | <u>\$ 41,309,857</u> | <u>\$ 2,149,632</u> |

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

LOWNDES COUNTY, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
 For The Year Ended June 30, 2017

| | <u>Business-Type Activities - Enterprise Funds</u> | | | <u>Governmental</u> |
|--|--|-------------------|----------------------|----------------------|
| | <u>Water and</u> | <u>Other</u> | <u>Total</u> | <u>Internal</u> |
| | <u>Sewer</u> | <u>Enterprise</u> | | <u>Service Funds</u> |
| OPERATING REVENUES | | | | |
| Charges for services | \$ 6,464,001 | \$ 290,436 | \$ 6,754,437 | \$ 10,087,770 |
| Penalties | 104,034 | - | 104,034 | - |
| Other income | 38,544 | 397,636 | 436,180 | - |
| Connection fees | 684,980 | - | 684,980 | - |
| TOTAL OPERATING REVENUES | <u>7,291,559</u> | <u>688,072</u> | <u>7,979,631</u> | <u>10,087,770</u> |
| OPERATING EXPENSES | | | | |
| Personal services | 849,322 | - | 849,322 | 300,320 |
| Payroll taxes | 64,389 | - | 64,389 | 22,592 |
| Fringe benefits | 377,896 | - | 377,896 | 132,643 |
| Contractual services | 1,187,269 | 371,539 | 1,558,808 | 544,160 |
| Insurance and bond | 350 | - | 350 | 7,158,204 |
| Materials and supplies | 915,893 | - | 915,893 | 1,686,049 |
| Amortization | 23,870 | - | 23,870 | - |
| Depreciation | 1,176,541 | - | 1,176,541 | 104,465 |
| TOTAL OPERATING EXPENSES | <u>4,595,530</u> | <u>371,539</u> | <u>4,967,069</u> | <u>9,948,433</u> |
| OPERATING INCOME (LOSS) | <u>2,696,029</u> | <u>316,533</u> | <u>3,012,562</u> | <u>139,337</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | |
| Interest revenue | 203,544 | - | 203,544 | - |
| Interest expense | (181,389) | - | (181,389) | (478) |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | <u>22,155</u> | <u>-</u> | <u>22,155</u> | <u>(478)</u> |
| INCOME (LOSS) BEFORE TRANSFERS | 2,718,184 | 316,533 | 3,034,717 | 138,859 |
| TRANSFERS IN | 41,478 | - | 41,478 | - |
| TRANSFERS OUT | (450,000) | (150,000) | (600,000) | - |
| CHANGE IN NET POSITION | 2,309,662 | 166,533 | 2,476,195 | 138,859 |
| NET POSITION, BEGINNING OF YEAR | <u>38,272,719</u> | <u>560,943</u> | <u>38,833,662</u> | <u>2,010,773</u> |
| NET POSITION AT END OF YEAR | <u>\$ 40,582,381</u> | <u>\$ 727,476</u> | <u>\$ 41,309,857</u> | <u>\$ 2,149,632</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, 2017

| | Business-Type Activities - Enterprise Funds | | | Governmental |
|--|---|------------------------------|---------------------|---|
| | Water and Sewer | Other Enterprise Funds | Total | Internal Service Funds Activities |
| <u>Increase (Decrease) in Cash and Cash Equivalents</u> | | | | |
| <u>Cash Flows From Operating Activities</u> | | | | |
| Cash received from customers | \$ 7,280,990 | \$ 288,621 | \$ 7,569,611 | \$ - |
| Cash received from other income | 38,544 | 358,286 | 396,830 | - |
| Cash received from interfund transactions | - | 32,706 | 32,706 | - |
| Cash received from other funds for services | - | - | - | 10,088,203 |
| Cash payments for personal services | (883,075) | - | (883,075) | (311,878) |
| Cash payments for payroll taxes | (64,389) | - | (64,389) | (22,592) |
| Cash payments for fringe benefits | (377,896) | - | (377,896) | (132,643) |
| Cash payments for contractual services | (1,208,800) | (434,011) | (1,642,811) | (452,707) |
| Cash payments for insurance and bond | (350) | - | (350) | (6,793,394) |
| Cash payments for materials and supplies | (915,893) | - | (915,893) | (1,693,472) |
| Net Cash Provided by (Used for) Operating Activities | <u>3,869,131</u> | <u>245,602</u> | <u>4,114,733</u> | <u>681,517</u> |
| <u>Cash Flows From Noncapital Financing Activities</u> | | | | |
| Cash payments from transfer-out | (450,000) | (150,000) | (600,000) | - |
| Net Cash Provided by (Used For) Noncapital Financing Activities | <u>(450,000)</u> | <u>(150,000)</u> | <u>(600,000)</u> | <u>-</u> |
| <u>Cash Flows From Capital and Related Financing Activities</u> | | | | |
| Cash received from SPLOST transfer-in | 41,478 | - | 41,478 | - |
| Cash payments for acquisition of capital assets | (508,505) | - | (508,505) | - |
| Cash payments for principal on bonds payable | (735,000) | - | (735,000) | - |
| Cash payments for interest on bonds payable | (159,735) | - | (159,735) | - |
| Cash payments for principal on note payable | (190,681) | - | (190,681) | - |
| Cash payments for interest on note payable | (4,622) | - | (4,622) | - |
| Cash payments for principal on capital lease | (216,593) | - | (216,593) | - |
| Cash payments for interest on capital leases | (17,032) | - | (17,032) | (17,016) |
| Net Cash (Used For) Capital and Related Financing Activities | <u>(1,790,690)</u> | <u>-</u> | <u>(1,790,690)</u> | <u>(17,016)</u> |
| <u>Cash Flows From Investing Activities</u> | | | | |
| Cash received from interest | 203,544 | - | 203,544 | - |
| Net Cash Flows Provided By Investing Activities | <u>203,544</u> | <u>-</u> | <u>203,544</u> | <u>-</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 1,831,985 | 95,602 | 1,927,587 | 664,501 |
| Cash and Cash Equivalents at Beginning of Year | 3,623,138 | 1,245,603 | 4,868,741 | 2,863,796 |
| Cash and Cash Equivalents at End of Year | <u>\$ 5,455,123</u> | <u>\$ 1,341,205</u> | <u>\$ 6,796,328</u> | <u>\$ 3,528,297</u> |
| Equity in pooled cash and cash equivalents | \$ 5,090,123 | \$ 1,341,205 | \$ 6,431,328 | \$ 3,528,297 |
| Customer deposit account | 365,000 | - | 365,000 | - |
| Total Cash and Cash Equivalents | <u>\$ 5,455,123</u> | <u>\$ 1,341,205</u> | <u>\$ 6,796,328</u> | <u>\$ 3,528,297</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, 2017

| | <u>Business-Type Activities - Enterprise Funds</u> | | | <u>Governmental Activities</u> |
|--|--|-------------------------------|---------------------|--------------------------------|
| | <u>Water and Sewer</u> | <u>Other Enterprise Funds</u> | <u>Total</u> | <u>Internal Service Funds</u> |
| Reconciliation of Operating Income (Loss) To | | | | |
| <u>Net Cash Provided by (Used For) Operating Activities</u> | | | | |
| Operating Income | \$ 2,696,029 | \$ 316,533 | \$ 3,012,562 | \$ 139,337 |
| Adjustments to Reconcile Operating Income (Loss) To | | | | |
| <u>Net Cash Provided by (Used For) Operating Activities</u> | | | | |
| Depreciation | 1,176,541 | - | 1,176,541 | 104,465 |
| Amortization | 23,870 | - | 23,870 | - |
| Changes in Assets and Liabilities: | | | | |
| Increase in accounts receivable | 7,486 | (41,167) | (33,681) | 433 |
| Decrease in prepaid expense | - | - | - | (3,784) |
| Decrease in inventory | - | - | - | (29,198) |
| Increase (decrease) in accounts payable | (21,530) | 5,590 | (15,940) | (49,920) |
| Decrease in customer deposits | 14,825 | - | 14,825 | - |
| Increase (decrease) in accrued compensated absences | (2,560) | - | (2,560) | (362) |
| Increase in interfund payable | - | 32,706 | 32,706 | - |
| Increase in net pension liability | - | - | - | - |
| Decrease in unearned revenue | 5,663 | - | 5,663 | - |
| Increase (decrease) in accrued liabilities | <u>(31,193)</u> | <u>(68,060)</u> | <u>(99,253)</u> | <u>520,546</u> |
| Net Cash Provided By | | | | |
| Operating Activities | <u>\$ 3,869,131</u> | <u>\$ 245,602</u> | <u>\$ 4,114,733</u> | <u>\$ 681,517</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, 2017

| | <u>Agency Funds</u> |
|--|----------------------------|
| ASSETS | |
| Cash and cash equivalents in segregated accounts | \$ 7,362,668 |
| Due from others | <u>71,868</u> |
| TOTAL ASSETS | <u><u>\$ 7,434,536</u></u> |
| LIABILITIES | |
| Due to others | \$ 1,744,162 |
| Collections held in escrow | <u>5,690,374</u> |
| TOTAL LIABILITIES | <u><u>7,434,536</u></u> |
| NET POSITION | <u><u>\$ -</u></u> |

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

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

The financial statements of Lowndes County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. The Reporting Entity

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

Lowndes County Board of Health

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

Valdosta-Lowndes Development Authority

The Valdosta-Lowndes Development Authority is a component unit based on a significant financial relationship. The County issued general obligation bonds in the County's name for the Authority, so they could acquire land and develop it for industry. The County currently provides the funding for the Authority through a dedicated millage of 1 mil that must first pay for all the general obligation debt and then the balance funds the operations of the Authority. The continuation of the accessed millage is determined by the County. The County appoints two of five of the Board members and rotates an appointment with the City of Valdosta of one Board member at the end of their term of office. The City of Valdosta appoints the other two Board members.

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

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies – Continued

A. The Reporting Entity - Continued

Valdosta-Lowndes County Parks and Recreation Authority

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

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

Joint Ventures

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

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

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

B. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. For the most part, the effect of inter-fund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the County at year end. The statement of activities presents a comparison between direct expenses and

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies – Continued

B. Basis of Presentation - Continued

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

Fund Financial Statements

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

C. Fund Accounting

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

Governmental Funds

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

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

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

Note 1 - Summary of Significant Accounting Policies - Continued

C. Fund Accounting - Continued

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

Proprietary Funds

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

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

Internal Service Funds

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

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

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

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

Technology Fund – to account for charges to other funds for the use of technology services and equipment purchased through the fund. This is a new fund established in FY2017.

Fiduciary Funds

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

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies - Continued

D. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net position. Government-wide financial statements for the Valdosta-Lowndes County Development Authority, the Valdosta-Lowndes Parks and Recreation Authority and the Lowndes County Board of Health are also presented.

Fund Financial Statements

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

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

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

E. Basis of Accounting

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

Revenue—Exchange and Nonexchange Transactions

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

Note 1 – Summary of Significant Accounting Policies – Continued

E. Basis of Accounting -Continued

Revenues—Exchange and Nonexchange Transactions - Continued

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

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

Deferred Outflows/Inflows of Resources

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

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

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

Note 1 - Summary of Significant Accounting Policies - Continued

E. Basis of Accounting - Continued

Expenses/Expenditures

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

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

F. Budgetary Process

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

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

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

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

G. Encumbrances

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

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

There were no encumbrances for the year ending June 30, 2017.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies - Continued

H. Cash and Investments

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

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

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

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

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

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

I. Prepaid Items

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

J. Inventory

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

K. Restricted Assets

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

L. Capital Assets

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

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies - Continued

L. Capital Assets - Continued

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their estimated acquisition value. The County maintains a capitalization threshold of \$7,500. The County’s infrastructure consists of roads, bridges, and culverts for which the County chose to include all such items regardless of their acquisition date. The County was able to estimate the historical cost of the governmental activities infrastructure for the initial reporting of those assets. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized. Buildings, infrastructure, and water and sewer systems have salvage values estimated on the remaining value at the end of their estimated lives. Interest incurred during the construction of enterprise fund capital assets is also capitalized.

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

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

M. Interfund Receivables/Payables

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

N. Compensated Absences

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

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

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

Note 1 - Summary of Significant Accounting Policies - Continued

O. Accrued Liabilities and Long-Term Obligations

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

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

P. Fund Equity

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

Fund Balance

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

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

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

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

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

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

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies - Continued

P. Fund Equity (Continued)

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

Flow Assumptions

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

Net Position

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

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

Q. Operating Revenues and Expenses

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

R. Interfund Transactions

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

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

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies - Continued

S. Management Estimates

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

T. New Funds Established

The County established a new CBBG fund for a new CDBG grant being used to build a new Children's Advocacy Center.

The County also established a new internal service fund for technology. The Technology Fund will account for cost to other funds for technology services and equipment.

Note 2 – Deposits and Investments

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

Credit Risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U. S. government or by a government agency of the United States; obligations of any corporation of the U. S. government; prime banker's acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County has no policy for credit risk beyond the types of investments authorized by state statute.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U. S. government, or bonds of public authorities, counties or municipalities. The County has no custodial credit risk policies requiring additional collateral.

Custodial Credit Risk – Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U. S. government, or bonds of public authorities, counties or municipalities. The County has no custodial credit risk policies requiring additional collateral.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 3 – Property Taxes

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

The property tax calendar is as follows:

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

Taxes are collected throughout the year.

Note 4 – Payment in Lieu of Taxes

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

Note 5 – Hotel/Motel Lodging Tax

Lowndes County levies a 7% hotel motel lodging tax of which 3% is designated for the promotion of tourism and 1% has been designated for the operations of the conference center. All of the tourism and conference center funds are provided to the Valdosta-Lowndes County Conference Center & Tourism Authority which amounted to \$253,588. Lowndes County receives an annual budget and audit report from the Valdosta- Lowndes County Conference Center & Tourism Authority demonstrating that all expenditures of these funds were for promotion of tourism as required by O.C.G.A. 48-13-51. Collections of hotel motel lodging tax amounted to \$443,779. The balance of funds was used by the County to assist with appropriations to the Valdosta-Lowndes County Airport Authority bringing the total expenditures to 100% of revenues.

Note 6 – Receivables

Receivables at June 30, 2017, consisted of accounts (billings for user charged services, including unbilled utility services), sales taxes, accrued interest, grants, interfund, and property taxes. All amounts due from other governments are considered collectible in full. Delinquent property taxes may be certified and collected as a special assessment, subject to foreclosure for nonpayment.

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

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 7 – Due From Other Governments

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

| | | |
|---------------------------------------|----|-----------------------|
| Special Revenue Funds | | |
| Nonmajor funds | | |
| Southern Judicial Circuit - ADR | \$ | 27,510 |
| Georgia Emergency Management Agency | | 17,586 |
| Georgia Office of Highway Safety | | 50,516 |
| Criminal Justice Coordinating Council | | 158,819 |
| Georgia Department of Transportation | | <u>26,589</u> |
| Total - Special Revenue Funds | | <u>281,020</u> |
| Total - Due From Other Governments | \$ | <u><u>281,020</u></u> |

Note 8 – Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

| | Balance at <u>July 1, 2016</u> | <u>Additions</u> | <u>Reductions</u> | Balance at <u>June 30, 2017</u> |
|---|-----------------------------------|---------------------|---------------------|------------------------------------|
| Primary Government | | | | |
| Governmental Activities: | | | | |
| Nondepreciable Capital Assets: | | | | |
| Land | \$ 2,884,216 | \$ - | \$ - | \$ 2,884,216 |
| Construction in progress | <u>6,261,715</u> | <u>4,848,953</u> | <u>2,347,302</u> | <u>8,763,366</u> |
| Total Nondepreciable Capital Assets | <u>9,145,931</u> | <u>4,848,953</u> | <u>2,347,302</u> | <u>11,647,582</u> |
| Depreciable Capital Assets: | | | | |
| Buildings and building improvements | \$ 84,964,973 | \$ 212,476 | \$ - | \$ 85,177,449 |
| Improvements other than buildings | 1,023,866 | - | - | 1,023,866 |
| Machinery and equipment | 18,667,522 | 1,197,505 | 79,596 | 19,785,431 |
| Vehicles | 8,704,319 | 848,771 | 20,649 | 9,532,441 |
| Infrastructure | <u>319,294,031</u> | <u>3,169,163</u> | <u>-</u> | <u>322,463,194</u> |
| Total Depreciable Capital Assets | <u>432,654,711</u> | <u>5,427,915</u> | <u>100,245</u> | <u>437,982,381</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings and building improvements | 24,798,824 | 1,204,201 | - | 26,003,025 |
| Improvements other than buildings | 785,473 | 14,132 | - | 799,605 |
| Machinery and equipment | 16,200,614 | 566,777 | 79,596 | 16,687,795 |
| Vehicles | 7,449,960 | 498,743 | 20,649 | 7,928,054 |
| Infrastructure | <u>285,814,256</u> | <u>2,757,732</u> | <u>-</u> | <u>288,571,988</u> |
| Total Accumulated Depreciation | <u>335,049,127</u> | <u>5,041,585</u> | <u>100,245</u> | <u>339,990,467</u> |
| Total Depreciable Capital Assets, Net | <u>97,605,584</u> | <u>386,330</u> | <u>-</u> | <u>97,991,914</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 106,751,515</u> | <u>\$ 5,235,283</u> | <u>\$ 2,347,302</u> | <u>\$ 109,639,496</u> |

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 8 – Capital Assets – Continued

| | Balance at <u>July 1, 2016</u> | <u>Additions</u> | <u>Reductions</u> | Balance at <u>June 30, 2017</u> |
|--|-----------------------------------|---------------------|---------------------|------------------------------------|
| Business Type Activities: | | | | |
| Nondepreciable Capital Assets: | | | | |
| Land | \$ 2,710,543 | \$ - | \$ - | \$ 2,710,543 |
| Construction in progress | <u>4,982,796</u> | <u>135,261</u> | <u>4,982,796</u> | <u>135,261</u> |
| Total Nondepreciable Capital Assets | <u>7,693,339</u> | <u>135,261</u> | <u>4,982,796</u> | <u>2,845,804</u> |
| Depreciable Capital Assets: | | | | |
| Water and sewer infrastructure | \$ 57,682,554 | \$ 4,955,194 | \$ - | \$ 62,637,748 |
| Machinery and equipment | 2,653,165 | 344,945 | - | 2,998,110 |
| Vehicles | <u>700,648</u> | <u>55,901</u> | <u>-</u> | <u>756,549</u> |
| Total Depreciable Capital Assets | <u>61,036,367</u> | <u>5,356,040</u> | <u>-</u> | <u>66,392,407</u> |
| Less Accumulated Depreciation for: | | | | |
| Water and sewer infrastructure | 23,405,029 | 949,119 | - | 24,354,148 |
| Machinery and equipment | 1,699,579 | 137,957 | - | 1,837,536 |
| Vehicles | <u>159,159</u> | <u>89,465</u> | <u>-</u> | <u>248,624</u> |
| Total Accumulated Depreciation | <u>25,263,767</u> | <u>1,176,541</u> | <u>-</u> | <u>26,440,308</u> |
| Total Depreciable Capital Assets, Net | <u>35,772,600</u> | <u>4,179,499</u> | <u>-</u> | <u>39,952,099</u> |
| Business Type Activities Capital Assets, Net | <u>\$ 43,465,939</u> | <u>\$ 4,314,760</u> | <u>\$ 4,982,796</u> | <u>\$ 42,797,903</u> |

Depreciation was charged to governmental functions as follows:

| | |
|---|---------------------|
| Governmental activities: | |
| General Government | |
| Legislative and Executive | \$ 604,576 |
| Judicial | 321,825 |
| Public Safety | 1,217,762 |
| Public Works | <u>2,897,422</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 5,041,585</u> |
| Business-type activities: | |
| Water and Sewer | <u>\$ 1,176,541</u> |
| Total Depreciation Expense - Business-type Activities | <u>\$ 1,176,541</u> |

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

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 9 – Interfund Balances and Transfers

| | Due From | | | | | Total |
|--------------|-----------------|-----------------------------|------------------------|-------------------------------|------------|-------|
| | SPLOST VII Fund | Nonmajor Governmental Funds | Nonmajor Capital Funds | Street Lighting District Fund | | |
| Due To | | | | | | |
| General Fund | \$ - | \$ 153,827 | \$ - | \$ 151,867 | \$ 305,694 | |
| | \$ - | \$ 153,827 | \$ - | \$ 151,867 | \$ 305,694 | |

| | Transfer From | | | | | Total |
|----------------------------|---------------|-----------------|-----------------------------|----------------------|---------------|--------------|
| | General Fund | SPLOST VII Fund | Nonmajor Governmental Funds | Water and Sewer Fund | Landfill Fund | |
| Transfer To | | | | | | |
| General Fund | \$ - | \$ - | \$ 485,000 | \$ 450,000 | \$ 150,000 | \$ 1,085,000 |
| Nonmajor Governmental Fund | 1,086,282 | - | - | - | - | 1,086,282 |
| Water and Sewer Fund | - | 41,478 | - | - | - | 41,478 |
| | \$ 1,086,282 | \$ 41,478 | \$ 485,000 | \$ 450,000 | \$ 150,000 | \$ 2,212,760 |

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

Transfers were made from the nonmajor governmental funds and business type funds to the general fund for administrative cost. Transfers to 911 Fund, a nonmajor governmental fund were to cover operational cost of that fund. Transfers from the SPLOST VII Fund to the Water & Sewer Fund were to cover capital projects approved in the SPLOST VII referendum.

Note 10 – Risk Management

A. Property and Liability

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

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 10 – Risk Management - Continued

A. Property and Liability - Continued

All funds of the County participate in the Health Insurance and Workers Compensation programs and make payments to the funds based on estimates of the amounts needed to pay prior and current-year claims and to establish a reserve for catastrophe losses. The Health Insurance Fund has a net position of \$310,647 and the Workers Compensation Fund has a net position balance of \$129,391 as of June 30, 2017. At June 30, 2017 the Health Insurance Fund has a claims liability of \$507,927 and the Workers Compensation Fund has a claims liability of \$1,000,000 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 2016 and 2017 were:

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

| Fiscal Year 2017 | Beginning | Claims Estimates | Claims Paid | Ending |
|----------------------------|-------------------|---------------------|---------------------|---------------------|
| | Group Health Fund | \$ 266,185 | \$ 6,108,995 | 5,867,253 |
| Workers' Compensation Fund | 710,000 | 720,735 | 430,735 | 1,000,000 |
| | <u>\$ 976,185</u> | <u>\$ 6,829,730</u> | <u>\$ 6,297,988</u> | <u>\$ 1,507,927</u> |

1) Health Care

The County manages the employee health coverage uninsured except for a stop-loss policy. Included in the accounts payable of the Health Insurance Fund is an estimated liability of \$507,927 which reflects health claims incurred, but not processed prior to yearend. This health claims liability was estimated based on such claims paid subsequent to year end.

2) Workers' Compensation

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

Included in the accounts payable of the Workers Compensation Fund is an estimated liability of \$1,000,000 which reflects workers compensation claims incurred but not processed prior to year-end. This workers compensation liability was estimated in the annual actuarial report.

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

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 11 –Pension Plan

Plan Description

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

The Plan’s financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan.

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

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

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

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

Plan Membership

As of January 1, 2017, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

| | |
|---|-------------------|
| Retirees, beneficiaries and disables receiving benefits | 184 |
| Terminated plan members entitled to but not yet receiving benefits | 293 |
| Active plan members | <u>470</u> |
| Total number of plan participants | <u><u>947</u></u> |

Benefits

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

Contributions

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code set forth the minimum funding standards for state and local governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual fund requirement.

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

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 11 –Pension Plan – Continued

Contributions - Continued

The annual County contribution to the Plan is determined using the actuarial basis described in the annual valuation report. The annual County contribution meets or exceeds the minimum funding requirements of Georgia Statute 47-20. The County contributions for the calendar year ending December 31, 2016 were \$3,186,810. All governmental and business-type funds that have personnel contribute toward liquidation of the pension liabilities.

Net Pension Liability

The County’s net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. The amount recognized as by the County as the net pension liability was as follows:

Net Pension Liability \$21,487,582

Actuarial assumptions. The actuarial assumptions used for the January 1, 2017 valuation was applied to all periods included in the measurement were as follows:

Future salary increases 4.50% per year with an age based scale

Future Payroll Growth 5.5% per year

Investment return 7.50%

Mortality RP-2000, projected with Scale AA

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 11 –Pension Plan - Continued

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

Changes in the Net Pension Liability

| | Total Pension Liability (a) | Fiduciary Net Pension (b) | Net Pension Liability (a)-(b) |
|----------------------------------|--------------------------------------|------------------------------------|--|
| Balance at December 31, 2015 | \$ 55,124,920 | \$ 35,543,205 | \$ 19,581,715 |
| Changes for the year: | | | |
| Service cost | 1,155,305 | - | 1,155,305 |
| Interest | 4,051,190 | - | 4,051,190 |
| Liability experience (gain)/loss | 552,058 | - | 552,058 |
| Assumption Change | 1,825,062 | - | 1,825,062 |
| Employer contributions | - | 3,495,582 | (3,495,582) |
| Employee contributions | - | - | - |
| Net investment income | - | 2,539,390 | (2,539,390) |
| Benefit payment | (2,218,109) | (2,218,109) | - |
| Administrative expense | - | (80,239) | 80,239 |
| Other changes | - | (276,985) | 276,985 |
| Net Changes | <u>5,365,506</u> | <u>3,459,639</u> | <u>1,905,867</u> |
| Balance at December 31, 2016 | <u>\$ 60,490,426</u> | <u>\$ 39,002,844</u> | <u>\$ 21,487,582</u> |

Sensitivity of the net pension liability to changes in the discount rate.

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

| | 6.50% | 7.50% | 8.50% |
|-------------------------|----------------------|----------------------|----------------------|
| Total Pension Liability | \$ 68,693,818 | \$ 60,490,426 | \$ 53,659,106 |
| Fiduciary Net Position | <u>39,002,844</u> | <u>39,002,844</u> | <u>39,002,844</u> |
| Net Pension Liability | <u>\$ 29,690,974</u> | <u>\$ 21,487,582</u> | <u>\$ 14,656,262</u> |

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 11 –Pension Plan - Continued

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

For the year ended December 31, 2016, the County recognized pension expense of \$4,559,849. At June 30, 2017, the County reported deferred outflows of resources and deferred inflow of resources related to pensions from the following sources:

| | <u>Net Deferred Outflows</u> | <u>Net Deferred Inflows</u> |
|--------------------------------------|------------------------------|-----------------------------|
| Asset (Gain) / Loss | \$ 1,841,209 | \$ - |
| Liability (Gain) / Loss | 1,264,685 | - |
| (Gain)/Loss due to Assumption Change | <u>2,644,798</u> | <u>-</u> |
| Total | <u>\$ 5,750,692</u> | <u>\$ -</u> |

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

| Year ended June 30, | |
|---------------------|--------------|
| 2018 | \$ 1,744,716 |
| 2019 | 1,744,716 |
| 2020 | 1,679,228 |
| 2021 | 582,032 |
| 2022 | - |

Payable to the Pension Plan

At June 30, 2017 the County reported a payable of \$1,747,791 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2017. Subsequent to the valuation date of January 1, 2017 the county made a contribution of \$3,495,582. For the current year and all prior years all governmental, enterprise and internal service funds that compensate employees provide retirement contributions that are paid in toward the net pension obligation.

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

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

- 1) Judges of the Probate Courts Retirement Fund of Georgia
- 2) Clerk of Superior Court Retirement Fund
- 3) Sheriffs’ Retirement Fund of Georgia
- 4) Peace Officers’ Annuity and Benefit Fund of Georgia
- 5) Georgia Firefighters’ Pension Fund

These plans provide for certain sums from marriage licenses, fees, fines and forfeitures to be remitted directly to the pension plans before the payment of any costs or other claims. GASB Statement #68 valuation reports and schedules can be found on their respective web sites.

Note 11 – Pension Plan - Continued

Lowndes County Board of Health Pension Plan

General Information about the Employees Retirement System (ERS)

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

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

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

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

Contributions: Member contributions under the old plan are 4% of annual contribution, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the state pays member contribution in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes are used in the computation of the members' earnable compensation for the purposes of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The Board of Health's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2017 was 24.72% of annual covered payroll for the old and new plan members and 21.69% for GSEPS members. The Board of Health contributions to ERS totaled \$1,102,799 for the year ended June 30, 2017. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 11 – Pension Plan - Continued

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

At June 30, 2017, the Board of Health reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2016. An expected total pension liability as of June 30, 2016 was determined using standard roll-forward techniques. The Board of Health’s proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2015. At June 30, 2016 the Employer’s proportion was 0.191867%, which was an increase of .011066% from its portions measured as of June 30, 2016.

For the year ended June 30, 2017, the Board of Health recognized pension expense of \$757,181. At June 30, 2017 the Board of Health reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ - | \$ 20,961 |
| Changes of assumptions | 76,877 | - |
| Net difference between projected and actual earnings on pension plan investments | 922,786 | - |
| Changes in proportion and differences between Employer contributions and proportion share of contributions | 273,711 | 128,269 |
| Employer contributions subsequent to the measurement date | 1,341,232 | - |
| Total | <u><u>\$ 2,614,606</u></u> | <u><u>\$ 149,230</u></u> |

Board of Health contributions subsequent to the measurement date of \$1,341,232 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year Ended <u>June 30</u> | |
|------------------------------|------------|
| 2017 | \$ 178,941 |
| 2018 | 139,270 |
| 2019 | 497,517 |
| 2020 | 308,416 |
| 2021 | - |
| Thereafter | - |

Note 11 – Pension Plan - Continued

Lowndes County Board of Health Pension Plan

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

Actuarial assumptions: The total pension liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|--|
| Inflation | 2.75% |
| Salary increases | 3.25% - 7.00% |
| Investment rate of return | 7.50%, net of pension plan investment expense, including inflation |

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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

| Asset class | Target allocation | Long-term expected real rate of return* |
|---|-------------------|---|
| Fixed income | 30.00% | -0.50% |
| Domestic large equities | 37.20% | 9.00% |
| Domestic mid equities | 3.40% | 12.00% |
| Domestic small equities | 1.40% | 13.50% |
| International developed market equities | 17.80% | 8.00% |
| International emerging market equities | 5.20% | 12.00% |
| Alternatives | 5.00% | 10.50% |
| Total | 100.00% | |

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

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

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 11 – Pension Plan - Continued

Lowndes County Board of Health Pension Plan

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

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

| | 1% Decrease (6.5%) | Current discount rate (7.5%) | 1% Increase (8.5%) |
|---|--------------------------|------------------------------------|--------------------------|
| Employer's proportionate share of the net pension liability | 12,299,818 | 9,076,115 | 6,328,879 |

Note 12 - Deferred Compensation Plan

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

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

Note 13– Other Post-Employment Benefits

Plan Description

In addition to providing pension benefits, in accordance with County resolution, the County provides certain health care benefits for retired employees. The County’s employees who are eligible for retirement benefits under the pension plan are also eligible for post-employment health care benefits. Retirees who meet one of the following requirements are eligible to continue coverage through the County’s self-insured health insurance program:

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

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 13– Other Post-Employment Benefits - Continued

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

The monthly retiree contributions are as follows:

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

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

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

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

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

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 13– Other Post -Employment Benefits - Continued

Funded Status and Funding Progress

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

FY2017 premiums paid by retired employees were \$161,161 and the County’s funding was \$656,173.

The annual required contribution amount was determined using actuarial methods.

| | |
|--|-----------------------------|
| Employer Annual Required Contribution | \$ 3,444,698 |
| Interest on net OPEB Obligation | 544,403 |
| Adjustment to annual required contribution | <u>(520,074)</u> |
| Annual OPEB cost | 3,469,027 |
| Employer contributions for period ending June 30, 2017 | <u>2,972,400</u> |
| Increase in net OPEB Obligation | 496,627 |
| Net OPEB obligation beginning of year | <u>13,610,072</u> |
| Net OPEB obligation end of year | <u><u>\$ 14,106,699</u></u> |

Trend Information

| Fiscal Year <u>Ending</u> | Annual OPEB Cost <u>(APC)</u> | Actual Employer Contributions <u>Contributions</u> | Percentage Of APC <u>Contributed</u> | Net OPEB Obligation <u>Obligation</u> |
|------------------------------|-------------------------------------|---|--|---|
| 6/30/2015 | \$ 3,285,539 | \$ 2,201,688 | 67.01% | \$ 11,882,356 |
| 6/30/2016 | \$ 3,465,939 | \$ 1,738,223 | 50.15% | \$ 13,610,072 |
| 6/30/2017 | \$ 3,469,027 | \$ 2,972,400 | 85.68% | \$ 14,106,699 |

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

Schedule of Funding Progress

| Actuarial Valuation <u>Date</u> | Actuarial Value <u>of Assets</u> | Actuarial Accrued Liability <u>Liability</u> | Unfunded Actuarial Accrued Liability <u>Liability</u> | Funded <u>Ratio</u> | Annual Covered Payroll <u>Payroll</u> | Unfunded Actuari Accrued Liability as Percentage of Covered <u>Payroll</u> |
|---------------------------------------|--|---|---|------------------------|--|--|
| 1/1/2015 | \$ - | \$ 31,998,903 | \$ 31,998,903 | 0.0% | \$ 20,013,690 | 159.89% |

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net position is increasing or decreasing over time relative to the actuarial accrued liability.

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 13– Other Post-Employment Benefits - Continued

Actuarial Methods and Assumptions

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

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

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

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

Note 14 – Compensated Absences

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

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 14 – Compensated Absences – Continued

| | Balance at <u>July 1, 2016</u> | <u>Additions</u> | <u>Reductions</u> | Balance at <u>June 30, 2017</u> | Amount Due <u>In One Year</u> |
|-------------------------------|-----------------------------------|-------------------|-------------------|------------------------------------|----------------------------------|
| Primary Government: | | | | | |
| Governmental Activities: | | | | | |
| Compensated absences | \$ 1,253,381 | \$ 702,223 | \$ 701,893 | \$ 1,253,711 | \$ 702,078 |
| Business Type Activities: | | | | | |
| Compensated absences | <u>43,145</u> | <u>21,601</u> | <u>24,161</u> | <u>40,585</u> | <u>22,728</u> |
| Total Primary Government | <u>\$ 1,296,526</u> | <u>\$ 723,825</u> | <u>\$ 726,055</u> | <u>\$ 1,294,296</u> | <u>\$ 724,806</u> |
| Component Units: | | | | | |
| Board of Health: | | | | | |
| Compensated absences | \$ 595,881 | \$ 399,552 | \$ 339,652 | \$ 655,781 | \$ 373,795 |
| Parks & Recreation Authority: | | | | | |
| Compensated absences | <u>90,737</u> | <u>45,496</u> | <u>40,821</u> | <u>95,412</u> | <u>32,498</u> |
| Total Component Units | <u>\$ 686,618</u> | <u>\$ 445,048</u> | <u>\$ 380,473</u> | <u>\$ 751,193</u> | <u>\$ 406,293</u> |

Note 15 - Capital Leases

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

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

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

| | <u>Governmental</u> | <u>Business-Type</u> |
|--------------------------------|---------------------|----------------------|
| Equipment | \$ 6,164,773 | \$ 650,000 |
| Less: Accumulated Depreciation | <u>(5,221,995)</u> | <u>(130,000)</u> |
| Total | <u>\$ 942,778</u> | <u>\$ 520,000</u> |

The FY17 amortization expense of \$171,881 for governmental funds and \$65,000 for business-type funds was included in the depreciation expense.

Intergovernmental Agreement

As of December 2008, the County entered into an intergovernmental funding agreement with the Valdosta-Lowndes Development Authority to secure bonds issued by the Authority for \$ 15,000,000 to finance acquisition and development of industrial sites. The bonds have a variable fixed interest rate. The bonds mature March 1, 2024. The balance as of June 30, 2017 is \$ 8,910,000.

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 16 – Long-Term Debt

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2017:

| | Balance at July 1, 2016 | Additions | Reductions | Balance at June 30, 2017 | Amount Due In One Year |
|-----------------------------------|----------------------------|------------|--------------|-----------------------------|---------------------------|
| Governmental Activities | | | | | |
| Capital lease - General Fund | \$ - | \$ 735,450 | \$ 147,090 | \$ 588,360 | \$ 147,090 |
| Capital lease - Equipment Fund | 20,500 | - | 16,400 | 4,100 | 4,100 |
| Total Capital Leases | 20,500 | 735,450 | 163,490 | 592,460 | 151,190 |
| Bonds - Public Facility Authority | 7,495,000 | - | 870,000 | 6,625,000 | 895,000 |
| Unamortized Bond Premium | 313,529 | - | 54,420 | 259,109 | 50,479 |
| Total Bonds Payable | 7,808,529 | - | 924,420 | 6,884,109 | 945,479 |
| Total Governmental Activities | \$ 7,829,029 | \$ 735,450 | \$ 1,087,910 | \$ 7,476,569 | \$ 1,096,669 |
| Business - Type Activities | | | | | |
| Revenue Bonds (2016) | \$ 7,220,000 | \$ - | \$ 735,000 | \$ 6,485,000 | \$ 750,000 |
| Capital Lease | 440,198 | - | 216,593 | 223,605 | 223,605 |
| GEFA Note Payable | 1,285,219 | - | 231,697 | 1,053,522 | 254,754 |
| Unamortized Bond Premium | 191,869 | - | 32,666 | 159,203 | 30,091 |
| Total Business-Type Activities | \$ 9,137,286 | \$ - | \$ 1,215,956 | \$ 7,921,330 | \$ 1,258,450 |

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 Equipment Fund are accounted for in the government-wide statement of net position but are not reflected in the governmental fund statements which do not include the internal service funds.

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

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

| | Purpose | Original Issue Date | Interest Rate | Original Issue Amount | Maturity Date | Annual Installments |
|--------------------------------|------------------------------------|---------------------------|------------------|-----------------------------|------------------|------------------------|
| Governmental Activities | | | | | | |
| Capital Lease | Equipment | 2007 | 3.95% | \$ 2,048,000 | 2017 | Variable |
| Bonds | Judicial/Admin Complex Building | 2012 | Fixed | \$ 9,265,000 | 2024 | Variable |
| Capital Lease | Computer Equipment | 2017 | 0.00% | \$ 735,450 | 2021 | Fixed |
| Business Activities | | | | | | |
| Revenue Bonds | Water & Sewer Capital Improvements | 2006 | Fixed | \$ 12,500,000 | 2017 | Variable |
| Revenue Bonds | Water & Sewer Capital Improvements | 2013 | Fixed | \$ 7,545,000 | 2025 | Variable |
| GEFA Note Payable | Water & Sewer Capital Improvements | 2014 | 0.82% | \$ 1,710,000 | 2022 | Variable |
| Capital Lease | Water & Sewer Capital Improvements | 2016 | 3.19% | \$ 650,000 | 2018 | Fixed |

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 16 – Long-Term Debt – Continued

Fixed interest rates on the Judicial Complex Building bonds range from 2.00% in 2013 to 3.00% in 2024. Annual principal installments range from \$850,000 in 2016 to \$1,020,000 in 2024.

The County obtained a capital lease for computer equipment in the amount of \$735,450 in August 2016. Annual payments of \$147,090 are paid at 0% interest and the lease matures in August 2020.

Fixed interest rates on the Water & Sewer revenue bonds range from 2.00% in 2013 to 3.00% in 2022. Annual principal installments range from \$715,000 in 2013 to \$880,000 in 2025.

The Water and Sewer fund has a capital lease obtained for \$650,000 in June 2015 for equipment that is paid in monthly installments of \$18,957 at an interest rate of 3.19% and mature in June 2018.

On November 17, 2014, the County obtained loan number 2014L12WQ from the Georgia Environmental Finance Authority (GEFA) in the amount of \$1,285,219 for upgrades to the Alapaha Wastewater Treatment Plant. The loan bears an interest rate of .82% and will be amortized with monthly payments of \$21,870 will mature in July 2021.

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

Governmental Activities

| Year Ending June 30, | <u>Bonds</u> | | <u>Capital Lease</u> | |
|----------------------|---------------------|-------------------|----------------------|-----------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2018 | \$ 935,479 | \$ 162,200 | \$ 151,190 | \$ 41 |
| 2019 | 951,628 | 144,500 | 147,090 | - |
| 2020 | 967,385 | 126,400 | 147,090 | - |
| 2021 | 978,365 | 107,900 | 147,090 | - |
| 2022 | 994,194 | 89,100 | - | - |
| 2023-2024 | 2,057,058 | 90,900 | - | - |
| Total | \$ 6,884,109 | \$ 721,000 | \$ 592,460 | \$ 41 |

Business Activities

| Year Ending June 30, | <u>Revenue Bonds</u> | | <u>Capital Lease</u> | | <u>GEFA Loan</u> | |
|----------------------|----------------------|-------------------|----------------------|-----------------|---------------------|------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2018 | \$ 780,091 | \$ 153,853 | \$ 223,605 | \$ 3,882 | \$ 254,754 | \$ 7,653 |
| 2019 | 792,549 | 136,786 | - | - | 256,851 | 5,586 |
| 2020 | 804,958 | 119,372 | - | - | 258,965 | 3,472 |
| 2021 | 817,371 | 101,640 | - | - | 261,097 | 1,340 |
| 2022 | 834,645 | 84,415 | - | - | 21,855 | 15 |
| 2023-2025 | 2,614,589 | 112,450 | - | - | - | - |
| Total | \$ 6,644,203 | \$ 708,516 | \$ 223,605 | \$ 3,882 | \$ 1,053,522 | \$ 18,066 |

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 17 – Legal Debt Margin

The legal debt limit of the County for general obligation debt is determined by the Constitution of Georgia to be 10% of the total assessed value of all real, personal, and public utility property less any debt applicable to the limit. The legal debt margin as June 30, 2017 was \$299,946,400, based on a total assessed values of \$2,999,464,000 and with general obligation debt of \$6,884,000 outstanding.

Note 18 – Landfill Postclosure Cost

| | Balance at <u>July 1, 2016</u> | <u>Additions</u> | <u>Reductions</u> | Balance at <u>June 30, 2017</u> | Amount Due <u>In One Year</u> |
|---------------------------|-----------------------------------|------------------|-------------------|------------------------------------|----------------------------------|
| Business Type Activities: | | | | | |
| Postclosure care cost | \$ 747,909 | \$ - | \$ 68,060 | \$ 679,849 | \$ 77,050 |

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 \$679,849 represents 100% of the total estimated remaining postclosure cost which is made up of estimated monitoring costs and maintenance costs. This estimate is subject to change based on changes in technology or applicable laws and regulations. Solid waste host fees are utilized to cover the postclosure cost.

Note 19 – Component Units

A. Lowndes County Board of Health

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

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

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

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 19 – Component Units - Continued

A. Lowndes County Board of Health -Continued

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

Property and equipment as of June 30, 2017, was as follows:

| | |
|--------------------------------|--------------------------|
| Equipment | \$ 1,463,027 |
| Vehicles | 224,732 |
| Less: Accumulated Depreciation | <u>(1,338,448)</u> |
| Net Property and Equipment | <u><u>\$ 349,311</u></u> |

B. Valdosta-Lowndes Development Authority

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

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

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

Property and equipment as of June 30, 2017, was as follows:

| | |
|--------------------------------|-----------------------------|
| Land | \$ 16,980,502 |
| Land improvements | 9,208,179 |
| Equipment | 305,205 |
| Less: Accumulated Depreciation | <u>(5,848,194)</u> |
| Net Property and Equipment | <u><u>\$ 20,645,692</u></u> |

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 19 – Component Units - Continued

B. Valdosta-Lowndes Development Authority - Continued

1996 Series Revenue Bonds

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 matured on January 1, 2017. The bonds carried 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 were due. The bonds were secured by an “inter-governmental” funding agreement between the Valdosta-Lowndes Development Authority and Lowndes County, Georgia. The 1996 Series Revenue Bonds were paid off during the year ended June 30, 2017.

2008 Series Revenue Bonds

In December 2008, the Valdosta-Lowndes County Development Authority issued bonds in the amount of \$15,000,000 to finance acquisition and development of industrial sites in Lowndes County, Georgia. The bonds are secured by an “inter-governmental” funding agreement between the Valdosta-Lowndes County Development Authority and Lowndes County, Georgia. At June 30, 2017, the outstanding balance of the bonds payable was \$8,910,000. The revenue bonds have various maturity date and bear interest as follows:

| <u>Bond</u> <u>Maturity</u> | <u>Rate</u> | <u>Principal</u> <u>Amount</u> |
|--------------------------------|-------------|-----------------------------------|
| 2018 | 6.95% | \$ 1,025,000 |
| 2019 | 6.95% | 1,095,000 |
| 2020 | 7.50% | 1,170,000 |
| 2021 | 7.50% | 1,255,000 |
| 2022 | 7.50% | 1,350,000 |
| 2023-2024 | 7.50% | 3,015,000 |

The annual debt service requirement to maturity of the revenue bond payable at June 30, 2017 is as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|---------------------|---------------------|----------------------|
| 2018 | \$ 1,025,000 | \$ 656,590 | \$ 1,681,590 |
| 2019 | 1,095,000 | 585,353 | 1,680,353 |
| 2020 | 1,170,000 | 509,250 | 1,679,250 |
| 2021 | 1,255,000 | 421,500 | 1,676,500 |
| 2022 | 1,350,000 | 327,375 | 1,677,375 |
| 2023-2024 | 3,015,000 | 343,125 | 3,358,125 |
| Total | <u>\$ 8,910,000</u> | <u>\$ 2,843,193</u> | <u>\$ 11,753,193</u> |

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 19 – Component Units - Continued

B. Valdosta-Lowndes Development Authority – Continued

Under the provisions of the 2008 Bond Issue, funds are required to be carried to a bond sinking fund for repayment of the 2008 bond principal and interest. The following is a schedule of Bond Sinking Fund required payments:

| Year Ending <u>June 30</u> | <u>Payment</u> |
|-------------------------------|----------------|
| 2018 | \$ 1,681,590 |
| 2019 | 1,680,353 |
| 2020 | 1,679,250 |
| 2021 | 1,676,500 |
| 2022 | 1,677,375 |
| Thereafter | 3,358,125 |

Under the provisions of the 2008 Bond Issue, purchases of land and related development expenses from the proceeds of the 2008 Bond Issue must be approved by the Lowndes County Board of Commissioners. As of June 30, 2017, \$2,063,113 of bond proceeds were shown as “Restricted Cash” on the Authority’s Statement of Net Position.

During the year ended June 30, 2017 interest was incurred on the 1996 Series Bonds and the 2008 Series Bonds in the amount of \$696,776.

C. Valdosta-Lowndes County Parks and Recreation Authority

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

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

Property and Equipment Property and equipment are carried at cost or, if donated, the fair value on the date donated. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Property and equipment as of June 30, 2017, was as follows:

| | |
|--------------------------------|---------------------|
| Land | \$ 3,551,052 |
| Construction in progress | 249,838 |
| Land improvements | 5,902,755 |
| Equipment | 849,104 |
| Vehicles | 374,312 |
| Less: Accumulated Depreciation | <u>(3,282,159)</u> |
| Net Property and Equipment | <u>\$ 7,644,902</u> |

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 20 – Insurance Pools

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

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

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

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

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

Note 21 – Joint Ventures

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

The County, in conjunction with cities and counties in the (10) county South Georgia area are members of the Southern Georgia Regional Commission. Membership in a Regional Commission is automatic for each municipality and county in the state. The official Code Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the Regional Commission’s. Each county and municipality in the state is required by law to pay minimum annual dues to the Regional Commission. The County paid annual dues in the amount of \$68,209 to the Regional Commission for the year ended June 30, 2017. The Regional Commission Board membership includes the Chief elected official of each county and the Chief elected official of each municipality. The County Board members and municipal Board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality to serve as the non-public Board member from a County.

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

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

Note 21 – Joint Ventures - Continued

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

Southern Georgia Regional Commission
3395 Harris Road
Waycross, Georgia 31503

Note 22 – Related Party Transactions

The County appropriated \$382,086 to the Valdosta - Lowndes County Airport Authority and \$253,588 to the Valdosta-Lowndes County Conference Center and Tourism Authority.

Note 23 – Contingent Liabilities

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

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

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

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

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

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

LOWNDES COUNTY, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS

Note 24 – Accountability

Deficit Net Positions and Fund Balances

The following fund had a deficit at June 30, 2017:

Enterprise Fund:

Special Tax Lighting District Fund – The net position deficit of \$176,156 is due to rising utility cost. The Board of Commissioners is reviewing different fee structures to fund the deficit.

Note 25 – Assignment

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

Note 26 – Tax Abatements

State statutes control the creation and operation of Development Authorities under O.C.G.A. 36-62. The PILOT Restriction Act defined in O.C.G.A. 36-80-16 provides an Authority permission to issue revenue bonds for capital projects for private companies and arrange for payments in lieu of taxes as long as each of the local governments that have property tax levying authority in the area in which such capital project is located consents by ordinance or resolution. Lowndes County participates in agreements with the Valdosta-Lowndes County Development Authority to provide tax abatements to foster economic development. The agreements provide for the real property and equipment of the projects to be acquired with bond proceeds titled in the name of the Authority applicable, the Authority leases the projects back to the companies. The Authority pays no property tax on its real or personal property. To compensate local jurisdictions for the taxes that would otherwise been paid during the term of the leases, the projects provide a PILOT (payment in lieu of tax).

In order to qualify, certain eligibility requirements must be met and are based on the economic development goals of each project. Generally, a project will create employment opportunities, promote trade and commerce in the County, and increase that tax base. If a company fails to meet the criteria established in the agreement, recovery payments may apply.

The Authority has 4 such agreements. For the fiscal year ended June 30, 2017 the total amount of taxes abated for the County for the tax year 2016 was \$506,950.

| <u>Type of Business</u> | <u>Property Taxes Abated</u> |
|---------------------------|------------------------------|
| Insulation Company | \$ 4,693 |
| Home Goods Supply Company | 46,949 |
| Bakery Company | 50,205 |
| Paper Company | 405,103 |
| | <hr/> |
| | \$ 506,950 |

REQUIRED SUPPLEMENTAL INFORMATION

LOWNDES COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2017

| | Budgeted Amounts | | | Variance With Final Budget Over (Under) |
|--|--------------------------|--------------------------|--------------------------|---|
| | Original | Final | Actual | |
| REVENUES: | | | | |
| Taxes | \$ 47,210,000 | \$ 47,987,000 | \$ 47,986,947 | \$ (53) |
| Licenses and permits | 5,000 | 5,000 | 3,445 | (1,555) |
| Intergovernmental revenues | 265,038 | 364,038 | 364,588 | 550 |
| Charges for services | 3,660,750 | 3,936,250 | 3,936,735 | 485 |
| Fines and forfeitures | 1,815,000 | 1,815,000 | 1,874,603 | 59,603 |
| Investment income | 10,000 | 10,000 | 12,282 | 2,282 |
| Miscellaneous | 26,000 | 171,133 | 208,846 | 37,713 |
| TOTAL REVENUES | <u>52,991,788</u> | <u>54,288,421</u> | <u>54,387,446</u> | <u>99,025</u> |
| EXPENDITURES: | | | | |
| LEGISLATIVE AND EXECUTIVE | | | | |
| Board of Commissioners | 201,250 | 201,250 | 198,099 | (3,151) |
| County Manager | 355,466 | 355,466 | 354,567 | (899) |
| County Clerk | 250,458 | 277,458 | 276,078 | (1,380) |
| Board of Elections | 401,958 | 510,458 | 510,072 | (386) |
| County Attorney | 450,000 | 638,000 | 637,427 | (573) |
| Finance | 633,412 | 633,412 | 579,378 | (54,034) |
| Human Resources | 986,324 | 986,324 | 970,118 | (16,206) |
| Information Technology Services | 1,206,253 | 2,054,753 | 2,054,369 | (384) |
| General Facilities | 183,433 | 198,433 | 198,213 | (220) |
| Tax Commissioner | 1,321,277 | 1,324,177 | 1,324,122 | (55) |
| Board of Assessors | 1,543,119 | 1,586,619 | 1,586,497 | (122) |
| Facilities Maintenance | 3,558,802 | 3,589,002 | 3,588,934 | (68) |
| Engineering | 664,810 | 664,810 | 601,861 | (62,949) |
| Contingency | 1,460,732 | 460,732 | 438,245 | (22,487) |
| Total - Legislative and Executive | <u>13,217,294</u> | <u>13,480,894</u> | <u>13,317,980</u> | <u>(162,914)</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, 2017

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| JUDICIAL | | | | |
| Superior Court | 431,522 | 431,522 | 411,426 | (20,096) |
| Clerk of Court | 2,128,153 | 2,128,153 | 1,855,071 | (273,082) |
| District Attorney | 877,096 | 877,796 | 877,736 | (60) |
| District Court Administrator | 4,800 | 4,800 | 4,800 | - |
| State Court | 1,088,970 | 1,110,770 | 1,110,637 | (133) |
| Magistrate Court | 728,345 | 762,845 | 762,613 | (232) |
| Probate Court | 416,196 | 429,296 | 429,185 | (111) |
| Ankle Monitor | 140,031 | 140,031 | 129,118 | (10,913) |
| Juvenile Court | 150,493 | 150,493 | 144,959 | (5,534) |
| Probation | 11,329 | 11,329 | 6,711 | (4,618) |
| Circuit Public Defender | 877,500 | 877,550 | 877,523 | (27) |
| Total - Judicial | 6,854,435 | 6,924,585 | 6,609,779 | (314,806) |
| PUBLIC SAFETY | | | | |
| Sheriff | 17,923,400 | 18,802,900 | 18,802,457 | (443) |
| Animal Control | 791,186 | 791,186 | 788,200 | (2,986) |
| Emergency Medical Services | 716,512 | 716,512 | 716,512 | - |
| Coroner | 119,159 | 134,892 | 134,892 | - |
| Emergency Management Agency | 167,403 | 197,403 | 196,991 | (412) |
| Total - Public Safety | 19,717,660 | 20,642,893 | 20,639,052 | (3,841) |
| PUBLIC WORKS | | | | |
| Administration | 452,834 | 460,634 | 460,476 | (158) |
| Road Maintenance | 3,310,146 | 3,565,146 | 3,564,811 | (335) |
| Road Construction | 788,960 | 814,960 | 814,556 | (404) |
| Traffic Signals | 168,642 | 178,242 | 178,032 | (210) |
| Total - Public Works | 4,720,582 | 5,018,982 | 5,017,875 | (1,107) |

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, 2017

| | Budgeted Amounts | | | Variance With Final Budget Over (Under) |
|---|-------------------|-------------------|----------------------|---|
| | Original | Final | Actual | |
| HEALTH AND WELFARE | | | | |
| Mental Health Department | 100,000 | 100,000 | 100,000 | - |
| Public Health Department | 386,800 | 386,800 | 386,521 | (279) |
| Extension Services | 153,235 | 169,235 | 169,203 | (32) |
| Family Services | 114,500 | 114,500 | 114,500 | - |
| Total - Health and Welfare | 754,535 | 770,535 | 770,224 | (311) |
| CULTURE AND RECREATION | | | | |
| Libraries | 1,125,000 | 1,125,000 | 1,119,608 | (5,392) |
| Parks and Recreation Authority | 3,600,000 | 3,865,500 | 3,865,340 | (160) |
| Total - Culture & Recreation | 4,725,000 | 4,990,500 | 4,984,948 | (5,552) |
| HOUSING AND DEVELOPMENT | | | | |
| Equalization Board | 20,000 | 20,000 | 19,792 | (208) |
| Moody Support Group | 80,000 | 80,000 | 15,515 | (64,485) |
| Development Authority | 2,900,000 | 3,093,200 | 3,093,033 | (167) |
| Total - Housing & Development | 3,000,000 | 3,193,200 | 3,128,340 | (64,860) |
| TOTAL EXPENDITURES | 52,989,506 | 55,021,589 | 54,468,198 | (553,391) |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 2,282 | (733,168) | (80,752) | 652,416 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Capital lease proceeds | - | 735,450 | 735,450 | - |
| Transfers In | 1,085,000 | 1,085,000 | 1,085,000 | - |
| Transfers Out | (1,087,282) | (1,087,282) | (1,086,282) | 1,000 |
| TOTAL OTHER FINANCING SOURCES (USES) | (2,282) | 733,168 | 734,168 | 1,000 |
| NET CHANGE IN FUND BALANCE | - | - | 653,416 | 653,416 |
| FUND BALANCE, AT BEGINNING OF YEAR | - | - | 15,270,872 | 15,270,872 |
| FUND BALANCES AT END OF YEAR | \$ - | \$ - | \$ 15,924,288 | \$ 15,924,288 |

See accompanying note to budgetary comparison schedules.

LOWNDES COUNTY, GEORGIA
NOTES TO BUDGETARY COMPARISON SCHEDULES
For the Year Ended June 30, 2017

Note 1 - Budgetary Basis of Accounting

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

1. Encumbrances are treated as expenditures under the Budgetary Basis.

There were no encumbrances for any fund for the year ending June 30, 2017.

LOWNDES COUNTY, GEORGIA
 REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN
 June 30, 2017

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

| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|----------------------|----------------------|----------------------|
| Total Pension Liability as of beginning of year | \$ 55,124,920 | \$ 49,164,883 | \$ 46,472,085 |
| Service cost | 1,155,305 | 1,056,993 | 1,026,040 |
| Interest | 4,134,369 | 3,687,366 | 3,485,406 |
| Plan change | - | - | - |
| Assumption change | 1,825,062 | 1,949,100 | - |
| Benefit payments (adjusted for interest) | (2,301,288) | (2,087,455) | (1,818,648) |
| Experience (gain)/(loss) | 552,058 | 1,354,033 | - |
| Total Pension Liability as of December 31, 2016 | <u>\$ 60,490,426</u> | <u>\$ 55,124,920</u> | <u>\$ 49,164,883</u> |
| Fiduciary Net Position as of beginning of year | \$ 35,543,205 | \$ 34,501,074 | \$ 31,701,975 |
| Employer contributions | 3,495,582 | 3,186,810 | 2,635,766 |
| Employee contributions (including buyback) | - | - | - |
| Net investment income | 2,539,390 | 206,663 | 2,230,662 |
| Benefit payments | (2,218,109) | (2,012,005) | (1,752,914) |
| Employee contribution refunds | - | - | - |
| Administrative expense | (80,239) | (78,020) | (74,637) |
| Other | (276,985) | (261,317) | (239,778) |
| Fiduciary Net Position as of December 31, 2016 | <u>\$ 39,002,844</u> | <u>\$ 35,543,205</u> | <u>\$ 34,501,074</u> |
| Net pension liability as of beginning of year | <u>\$ 19,581,715</u> | <u>\$ 14,663,809</u> | <u>\$ 14,770,110</u> |
| Net pension liability as of end of year | <u>\$ 21,487,582</u> | <u>\$ 19,581,715</u> | <u>\$ 14,663,809</u> |
| Fiduciary Net Position as a percentage of Total Pension Liability | 64.5% | 64.5% | 70.2% |
| Covered-employee payroll | \$ 16,651,844 | \$ 16,354,640 | \$ 16,753,523 |
| Net pension liability as a percentage of covered-employee payroll | 129.0% | 119.7% | 87.5% |

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

LOWNDES COUNTY, GEORGIA
 REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN
 June 30, 2017

SCHEDULE OF COUNTY CONTRIBUTIONS

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|------------------|------------------|------------------|------------------|------------------|
| Actuarially determined contribution, June 30, | \$ 3,495,582 | \$ 3,186,810 | \$ 2,635,766 | \$ 2,831,952 | \$ 2,602,505 |
| Contribution in relation to the actuarially determined contribution, June 30, | <u>3,495,582</u> | <u>3,186,810</u> | <u>2,635,766</u> | <u>2,831,952</u> | <u>2,602,505</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered-employee payroll | \$ 19,422,103 | \$ 19,078,050 | \$ 16,354,640 | \$ 16,753,523 | \$ 16,552,162 |
| Contributions as a percentage of covered- employee payroll | 18.0% | 16.7% | 16.1% | 16.9% | 15.7% |

Notes to Schedule:

| | |
|--|--|
| Valuation date | January 1, 2017 |
| Methods and assumptions used to determine contribution rates: | |
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | 10 years |
| Asset valuation method | Smoothed market value with a 5-year smoothing period |
| Inflation | 2.50% |
| Salary increases | 4.50% |
| Investment rate of return | 7.50% |
| Retirement: | Probability of |
| | <u>Retirement</u> |
| age 55 to 60 | 10% |
| ages 61 to 64 | 20% |
| age 65 to age 69 | 30% |
| age 70 | 100% |
| Mortality | RP-2000, projected with Scale AA |

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|----|------------------|------------------|------------------|------------------|------------------|
| \$ | 2,488,520 | \$ 1,022,314 | \$ 2,127,107 | \$ 1,656,183 | \$ 1,486,185 |
| | <u>2,488,520</u> | <u>1,022,314</u> | <u>2,127,107</u> | <u>1,656,183</u> | <u>1,486,185</u> |
| \$ | <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> |
| \$ | 16,161,704 | \$ 15,438,775 | \$ 14,704,109 | \$ 13,630,463 | \$ 12,899,134 |
| | 15.4% | 6.6% | 14.5% | 12.2% | 11.5% |

LOWNDES COUNTY, GEORGIA
 REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN
 June 30, 2017

LOWNDES COUNTY BOARD OF HEALTH

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

For the Years Ended June 30,

| | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-------------|-------------|-------------|
| Employer's proportion of the net pension liability | 0.191867% | 0.180801% | 0.194546% |
| Employer's proportion share of the net pension liability | 9,076,115 | 7,324,968 | 7,296,677 |
| Employer's covered-employee payroll during the measurement period | 6,116,988 | 5,779,174 | 5,738,485 |
| Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 148.38% | 126.75% | 127.15% |
| Plan fiduciary net position as a percentage of the total pension liability | 42.34% | 76.20% | 77.99% |

Employees' Retirement System

For the Year Ended June 30,

| | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-------------------|-----------------|-------------------|
| Contractually required contribution | \$ 1,101,638 | \$ 907,103 | \$ 807,187 |
| Contributions in relation to the contractually required contribution | <u>1,102,799</u> | <u>907,777</u> | <u>808,659</u> |
| Contribution deficiency (excess) | <u>\$ (1,161)</u> | <u>\$ (674)</u> | <u>\$ (1,472)</u> |
| Employer's covered-employee payroll | 6,116,988 | 5,779,174 | 5,738,485 |
| Contributions as a percentage of covered-employee payroll | 18.03% | 15.71% | 14.09% |

Note: These schedules will present 10 years of information once the data is available.

LOWNDES COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN
June 30, 2017

LOWNDES COUNTY BOARD OF HEALTH

Notes to Schedule:

Changes of benefit terms: A new benefit tier was added for members joining the System on and after July 1, 2009. A one-time 3% payment was granted to certain retirees and beneficiaries effective July 2016.

Changes of assumptions: On December 17, 2015, the board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, withdrawal, and salary increases.

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for year ended June 30, 2017 reported in that schedule:

| | |
|-------------------------------|--|
| Valuation date | June 30, 2016 |
| Actuarial cost method | Entry age |
| Amortization method | Level dollar, closed |
| Remaining amortization period | 22.6 years |
| Asset valuation method | 5-year smoothed market |
| Inflation rate | 3.00% |
| Salary increases | 5.45% - 9.25% |
| Investment rate of return | 7.50%, net of pension plan investment expense, including inflation |

LOWNDES COUNTY, GEORGIA
 REQUIRED SUPPLEMENTARY INFORMATION – OPEB
 June 30, 2017

SCHEDULE OF FUNDING PROGRESS

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability | Unfunded Actuarial Accrued Liability | Funded Ratio | Covered Payroll | UAAL as a Percentage of Covered Payroll |
|--------------------------------|---------------------------------|-----------------------------------|---|-----------------|--------------------|--|
| 1/1/2011 | \$ - | \$ 26,402,926 | \$ 26,402,926 | 0.0% | \$ 20,175,927 | 130.86% |
| 1/1/2013 | \$ - | \$ 28,918,129 | \$ 28,918,129 | 0.0% | \$ 20,085,501 | 143.98% |
| 1/1/2015 | \$ - | \$ 31,998,903 | \$ 31,998,903 | 0.0% | \$ 20,013,690 | 159.89% |

The assumptions used for the schedule above are disclosed in Note 13 to the financial statements.

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, equipment and infrastructure improvements.

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

LOWNDES COUNTY, GEORGIA
 CAPITAL PROJECTS SALES TAX VII FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2017

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|---|-------------------|-------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 21,000,000 | \$ 21,000,000 | \$ 20,186,935 | \$ (813,065) |
| Investment income | - | - | 2,166 | 2,166 |
| TOTAL REVENUES | <u>21,000,000</u> | <u>21,000,000</u> | <u>20,189,101</u> | <u>(810,899)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Judicial | - | - | 3,967 | 3,967 |
| Public safety | - | - | 214,618 | 214,618 |
| Public works | - | - | 427,836 | 427,836 |
| Culture and recreation | - | - | 100,000 | 100,000 |
| Intergovernmental | - | - | 11,787,151 | 11,787,151 |
| Capital outlay | 21,000,000 | 21,000,000 | 3,724,424 | (17,275,576) |
| TOTAL EXPENDITURES | <u>21,000,000</u> | <u>21,000,000</u> | <u>16,257,996</u> | <u>(4,742,004)</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | - | - | 3,931,105 | 3,931,105 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers Out | - | - | (41,478) | (41,478) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>-</u> | <u>-</u> | <u>(41,478)</u> | <u>(41,478)</u> |
| NET CHANGE IN FUND BALANCE | - | - | 3,889,627 | 3,889,627 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>5,292,706</u> | <u>5,292,706</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,182,333</u> | <u>\$ 9,182,333</u> |

See accompanying note to budgetary comparison schedules.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

Intergovernmental Grants – To account for various grant revenues received.

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

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

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

Capital Projects CDBG Grant Fund – To account for grant funds received from the Georgia Department of Community Affairs for the construction of facilities for a nonprofit organization that provides services to abused children.

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

LOWNDES COUNTY, GEORGIA
 ALL NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 June 30, 2017

| | Total Nonmajor Special Revenue Funds | Total Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|--|---|---|
| ASSETS | | | |
| Equity in pooled cash and cash equivalents | \$ 3,832,876 | \$ 1,050,679 | \$ 4,883,555 |
| Cash and cash equivalents in segregated accounts | 596,851 | 2,454,639 | 3,051,490 |
| Certificate of deposit | 116,246 | - | 116,246 |
| Accounts receivable | 643,728 | 84,242 | 727,970 |
| Due from other governments | 281,020 | - | 281,020 |
| TOTAL ASSETS | <u>\$ 5,470,721</u> | <u>\$ 3,589,560</u> | <u>\$ 9,060,281</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable | \$ 394,280 | \$ 84,242 | \$ 478,522 |
| Accrued wages | 27,358 | - | 27,358 |
| Interfund payable | 153,827 | - | 153,827 |
| Unearned revenue | 1,732 | - | 1,732 |
| TOTAL LIABILITIES | <u>577,197</u> | <u>84,242</u> | <u>661,439</u> |
| FUND BALANCES (DEFICITS) | | | |
| Restricted for capital projects | - | 3,505,318 | 3,505,318 |
| Restricted for jail operations | 1,033,703 | - | 1,033,703 |
| Restricted for tourism | 1,633 | - | 1,633 |
| Restricted for drug enforcement operations | 372,339 | - | 372,339 |
| Restricted for drug education and treatment | 159,230 | - | 159,230 |
| Restricted for public safety | 6,168 | - | 6,168 |
| Restricted for law library | 320,985 | - | 320,985 |
| Restricted for victim assistance | 72,093 | - | 72,093 |
| Restricted for 911 emergency telephone | 174,312 | - | 174,312 |
| Assigned for unincorporated services | 2,753,061 | - | 2,753,061 |
| Unassigned | - | - | - |
| TOTAL FUND BALANCES (DEFICITS) | <u>4,893,524</u> | <u>3,505,318</u> | <u>8,398,842</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | <u>\$ 5,470,721</u> | <u>\$ 3,589,560</u> | <u>\$ 9,060,281</u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
 ALL NONMAJOR GOVERNMENTAL FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For The Year Ending June 30, 2017

| | Total Nonmajor Special Revenue Funds | Total Nonmajor Capital Project Funds | Total Nonmajor Governmental Funds |
|---|--|--|---|
| REVENUES | | | |
| Taxes | \$ 4,474,219 | \$ - | \$ 4,474,219 |
| Licenses and permits | 127,461 | - | 127,461 |
| Intergovernmental revenues | 2,960,941 | 1,560,346 | 4,521,287 |
| Charges for services | 2,036,288 | - | 2,036,288 |
| Fines and forfeitures | 927,707 | - | 927,707 |
| Investment income | 1,063 | 1,015 | 2,078 |
| Miscellaneous | 794,408 | - | 794,408 |
| TOTAL REVENUES | <u>11,322,087</u> | <u>1,561,361</u> | <u>12,883,448</u> |
| EXPENDITURES | | | |
| Current | | | |
| General government | | | |
| Legislative | 115,836 | - | 115,836 |
| Judicial | 1,110,361 | - | 1,110,361 |
| Public safety | 8,482,692 | - | 8,482,692 |
| Public works | 184,060 | 1,169,697 | 1,353,757 |
| Health and welfare | 188,485 | 209,667 | 398,152 |
| Housing and development | 1,469,259 | - | 1,469,259 |
| TOTAL EXPENDITURES | <u>11,550,693</u> | <u>1,379,364</u> | <u>12,930,057</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (228,606) | 181,997 | (46,609) |
| OTHER FINANCING SOURCES (USES): | | | |
| TRANSFERS IN | 1,086,282 | - | 1,086,282 |
| TRANSFERS (OUT) | (485,000) | - | (485,000) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>601,282</u> | <u>-</u> | <u>601,282</u> |
| NET CHANGE IN FUND BALANCES | 372,676 | 181,997 | 554,673 |
| FUND BALANCE, BEGINNING OF YEAR | <u>4,520,848</u> | <u>3,323,321</u> | <u>7,844,169</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 4,893,524</u> | <u>\$ 3,505,318</u> | <u>\$ 8,398,842</u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2017

| | <u>Special Services</u> | <u>Commissary</u> | <u>Seizures Special Revenues</u> | <u>Hotel/Motel Tax</u> | <u>Intergovern- mental Grants</u> |
|---|-----------------------------|--------------------|--|----------------------------|---|
| ASSETS | | | | | |
| Equity in pooled cash and cash equivalents | \$ 2,692,467 | \$ 957,667 | \$ - | \$ 6,021 | \$ - |
| Cash and cash equivalents in segregated accounts | - | - | 372,339 | - | - |
| Certificate of deposit | - | - | - | - | - |
| Receivables (net of allowance for doubtful accounts): | | | | | |
| Accounts | 129,247 | 66,233 | - | 44,284 | 190 |
| Due from other governments | - | - | - | - | 281,020 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>281,020</u> |
| TOTAL ASSETS | <u>\$ 2,821,714</u> | <u>\$1,023,900</u> | <u>\$ 372,339</u> | <u>\$ 50,305</u> | <u>\$ 281,210</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts payable | \$ 56,904 | \$ 10,589 | \$ - | \$ 48,672 | \$ 129,813 |
| Accrued wages | 10,017 | 654 | - | - | 2,378 |
| Interfund payable | - | - | - | - | 142,851 |
| Unearned revenue | 1,732 | - | - | - | - |
| | <u>1,732</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL LIABILITIES | <u>68,653</u> | <u>11,243</u> | <u>-</u> | <u>48,672</u> | <u>275,042</u> |
| FUND BALANCES | | | | | |
| Restricted for jail operations | - | 1,012,657 | - | - | - |
| Restricted for tourism | - | - | - | 1,633 | - |
| Restricted for drug enforcement operations | - | - | 372,339 | - | - |
| Restricted for drug education and treatment | - | - | - | - | - |
| Restricted for public safety | - | - | - | - | 6,168 |
| Restricted for law library | - | - | - | - | - |
| Restricted for victim assistance | - | - | - | - | - |
| Restricted for 911 emergency telephone | - | - | - | - | - |
| Assigned for unincorporated services | 2,753,061 | - | - | - | - |
| Unassigned | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL FUND BALANCES | <u>2,753,061</u> | <u>1,012,657</u> | <u>372,339</u> | <u>1,633</u> | <u>6,168</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | <u>\$ 2,821,714</u> | <u>\$1,023,900</u> | <u>\$ 372,339</u> | <u>\$ 50,305</u> | <u>\$ 281,210</u> |

See independent auditor's report.

| <u>Jail Operations</u> | <u>Drug Abuse Treatment</u> | <u>911 Emergency Telephone</u> | <u>Victim Assistance</u> | <u>Law Library</u> | <u>Total</u> |
|----------------------------|-------------------------------------|--|------------------------------|------------------------|---------------------|
| \$ 104 | \$ 133,557 | \$ - | \$ 43,060 | \$ - | \$ 3,832,876 |
| - | 25,673 | - | - | 198,839 | 596,851 |
| - | - | - | - | 116,246 | 116,246 |
| 57,588 | - | 310,723 | 29,563 | 5,900 | 643,728 |
| - | - | - | - | - | 281,020 |
| <u>\$ 57,692</u> | <u>\$ 159,230</u> | <u>\$ 310,723</u> | <u>\$ 72,623</u> | <u>\$ 320,985</u> | <u>\$ 5,470,721</u> |
| \$ 36,362 | \$ - | \$ 111,897 | \$ 43 | \$ - | \$ 394,280 |
| 284 | - | 13,538 | 487 | - | 27,358 |
| - | - | 10,976 | - | - | 153,827 |
| - | - | - | - | - | 1,732 |
| <u>36,646</u> | <u>-</u> | <u>136,411</u> | <u>530</u> | <u>-</u> | <u>577,197</u> |
| 21,046 | - | - | - | - | 1,033,703 |
| - | - | - | - | - | 1,633 |
| - | - | - | - | - | 372,339 |
| - | 159,230 | - | - | - | 159,230 |
| - | - | - | - | - | 6,168 |
| - | - | - | - | 320,985 | 320,985 |
| - | - | - | 72,093 | - | 72,093 |
| - | - | 174,312 | - | - | 174,312 |
| - | - | - | - | - | 2,753,061 |
| - | - | - | - | - | - |
| <u>21,046</u> | <u>159,230</u> | <u>174,312</u> | <u>72,093</u> | <u>320,985</u> | <u>4,893,524</u> |
| <u>\$ 57,692</u> | <u>\$ 159,230</u> | <u>\$ 310,723</u> | <u>\$ 72,623</u> | <u>\$ 320,985</u> | <u>\$ 5,470,721</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, 2017

| | Special <u>Services</u> | <u>Commissary</u> | Seizures Special <u>Revenues</u> | Hotel/Motel <u>Tax</u> | Intergovern- mental <u>Grants</u> |
|---|----------------------------|---------------------|--|---------------------------|---|
| REVENUES | | | | | |
| Taxes | \$ 4,030,440 | \$ - | \$ - | \$ 443,779 | \$ - |
| Licenses and permits | 127,461 | - | - | - | - |
| Intergovernmental revenue | - | - | - | - | 2,216,535 |
| Charges for services | 81,326 | 185,885 | - | - | - |
| Fines and forfeitures | - | - | 149,475 | - | - |
| Investment income | - | - | 863 | - | - |
| Miscellaneous | 26,359 | 740,533 | 1 | - | - |
| TOTAL REVENUES | <u>4,265,586</u> | <u>926,418</u> | <u>150,339</u> | <u>443,779</u> | <u>2,216,535</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General Government | | | | | |
| Legislative | 115,836 | - | - | - | - |
| Judicial | - | - | - | - | 851,871 |
| Public safety | 2,161,666 | 763,162 | 711,134 | - | 1,152,466 |
| Public works | 184,060 | - | - | - | - |
| Health and welfare | - | - | - | - | - |
| Housing and development | 809,641 | - | - | 453,588 | 206,030 |
| TOTAL EXPENDITURES | <u>3,271,203</u> | <u>763,162</u> | <u>711,134</u> | <u>453,588</u> | <u>2,210,367</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 994,383 | 163,256 | (560,795) | (9,809) | 6,168 |
| OTHER FINANCING SOURCES (USES): | | | | | |
| TRANSFERS IN | - | - | - | - | - |
| TRANSFERS (OUT) | (325,000) | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(325,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | 669,383 | 163,256 | (560,795) | (9,809) | 6,168 |
| FUND BALANCE, BEGINNING OF YEAR | <u>2,083,678</u> | <u>849,401</u> | <u>933,134</u> | <u>11,442</u> | <u>-</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 2,753,061</u> | <u>\$ 1,012,657</u> | <u>\$ 372,339</u> | <u>\$ 1,633</u> | <u>\$ 6,168</u> |

See independent auditor’s report.

| <u>Jail Operations</u> | <u>Drug Abuse Treatment</u> | <u>911 Emergency Telephone</u> | <u>Victim Assistance</u> | <u>Law Library</u> | <u>Total</u> |
|----------------------------|-------------------------------------|--|------------------------------|------------------------|---------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,474,219 |
| - | - | - | - | - | 127,461 |
| - | 43,727 | 616,724 | 83,955 | - | 2,960,941 |
| - | - | 1,769,077 | - | - | 2,036,288 |
| 404,429 | 171,583 | - | 135,490 | 66,730 | 927,707 |
| - | - | - | - | 200 | 1,063 |
| - | - | 27,415 | - | 100 | 794,408 |
| <u>404,429</u> | <u>215,310</u> | <u>2,413,216</u> | <u>219,445</u> | <u>67,030</u> | <u>11,322,087</u> |
| - | - | - | - | - | 115,836 |
| - | - | - | 208,942 | 49,548 | 1,110,361 |
| 424,541 | - | 3,269,723 | - | - | 8,482,692 |
| - | - | - | - | - | 184,060 |
| - | 188,485 | - | - | - | 188,485 |
| - | - | - | - | - | 1,469,259 |
| <u>424,541</u> | <u>188,485</u> | <u>3,269,723</u> | <u>208,942</u> | <u>49,548</u> | <u>11,550,693</u> |
| (20,112) | 26,825 | (856,507) | 10,503 | 17,482 | (228,606) |
| - | - | 1,086,282 | - | - | 1,086,282 |
| - | - | (160,000) | - | - | (485,000) |
| - | - | 926,282 | - | - | 601,282 |
| (20,112) | 26,825 | 69,775 | 10,503 | 17,482 | 372,676 |
| <u>41,158</u> | <u>132,405</u> | <u>104,537</u> | <u>61,590</u> | <u>303,503</u> | <u>4,520,848</u> |
| <u>\$ 21,046</u> | <u>\$ 159,230</u> | <u>\$ 174,312</u> | <u>\$ 72,093</u> | <u>\$ 320,985</u> | <u>\$ 4,893,524</u> |

LOWNDES COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2017

| | Sales Tax VI Fund | CDBG Grant Fund | Public Roads Fund | Total |
|--|----------------------|-----------------------|-------------------------|--------------------|
| ASSETS | | | | |
| Equity in pooled cash and cash equivalents | \$ - | \$ - | \$1,050,679 | \$1,050,679 |
| Cash and cash equivalents in segregated accounts | 2,454,639 | - | - | 2,454,639 |
| Accounts receivable | <u>-</u> | <u>84,242</u> | <u>-</u> | <u>84,242</u> |
| TOTAL ASSETS | <u>\$ 2,454,639</u> | <u>\$ 84,242</u> | <u>\$1,050,679</u> | <u>\$3,589,560</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts payable | <u>\$ -</u> | <u>\$ 84,242</u> | <u>\$ -</u> | <u>\$ 84,242</u> |
| TOTAL LIABILITIES | <u>-</u> | <u>84,242</u> | <u>-</u> | <u>84,242</u> |
| FUND BALANCES | | | | |
| Restricted for capital projects | <u>2,454,639</u> | <u>-</u> | <u>1,050,679</u> | <u>3,505,318</u> |
| TOTAL FUND BALANCES | <u>2,454,639</u> | <u>-</u> | <u>1,050,679</u> | <u>3,505,318</u> |

See independent auditor’s report.

LOWNDES COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Year Ending June 30, 2017

| | Sales Tax VI <u>Fund</u> | CDBG Grant <u>Fund</u> | Public Roads <u>Fund</u> | <u>Total</u> |
|---|-----------------------------|------------------------------|--------------------------------|--------------------|
| REVENUES | | | | |
| Intergovernmental | \$ - | \$ 209,667 | 1,350,679 | \$1,560,346 |
| Investment income | <u>1,015</u> | <u>-</u> | <u>-</u> | <u>1,015</u> |
| TOTAL REVENUES | <u>1,015</u> | <u>209,667</u> | <u>1,350,679</u> | <u>1,561,361</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | | | | |
| Public works | 69,361 | - | 1,100,336 | 1,169,697 |
| Health and welfare | <u>-</u> | <u>209,667</u> | <u>-</u> | <u>209,667</u> |
| TOTAL EXPENDITURES | <u>69,361</u> | <u>209,667</u> | <u>1,100,336</u> | <u>1,379,364</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (68,346) | - | 250,343 | 181,997 |
| FUND BALANCE, BEGINNING OF YEAR | <u>2,522,985</u> | <u>-</u> | <u>800,336</u> | <u>3,323,321</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 2,454,639</u> | <u>\$ -</u> | <u>\$ 1,050,679</u> | <u>\$3,505,318</u> |

See independent auditor’s report.

LOWNDES COUNTY, GEORGIA
SPECIAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2017

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|---|---------------------|---------------------|--------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$3,815,000 | \$3,815,000 | \$4,030,440 | \$ 215,440 |
| Licenses and permits | 140,000 | 140,000 | 127,461 | (12,539) |
| Charges for services | 30,000 | 30,000 | 81,326 | 51,326 |
| Miscellaneous | - | - | 26,359 | 26,359 |
| | <u>3,985,000</u> | <u>3,985,000</u> | <u>4,265,586</u> | <u>280,586</u> |
| TOTAL REVENUES | | | | |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | | | | |
| Legislative | 419,676 | 419,676 | 115,836 | (303,840) |
| Public safety | 2,149,242 | 2,149,242 | 2,161,666 | 12,424 |
| Public works | 183,849 | 183,849 | 184,060 | 211 |
| Housing and development | 1,076,976 | 1,076,976 | 809,641 | (267,335) |
| | <u>3,829,743</u> | <u>3,829,743</u> | <u>3,271,203</u> | <u>(558,540)</u> |
| TOTAL EXPENDITURES | | | | |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>155,257</u> | <u>155,257</u> | <u>994,383</u> | <u>839,126</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| TRANSFERS IN (OUT) | <u>(325,000)</u> | <u>(325,000)</u> | <u>(325,000)</u> | <u>-</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(325,000)</u> | <u>(325,000)</u> | <u>(325,000)</u> | <u>-</u> |
| REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES) | <u>(169,743)</u> | <u>(169,743)</u> | <u>669,383</u> | <u>839,126</u> |
| FUND BALANCE AT, BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>2,083,678</u> | <u>2,083,678</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ (169,743)</u> | <u>\$ (169,743)</u> | <u>\$2,753,061</u> | <u>\$ 2,922,804</u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
 COMMISSARY FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2017

| | Budgeted Amounts | | Actual | Variance With |
|--|------------------|----------------|--------------------|---------------------|
| | Original | Final | | Final Budget |
| | | | | Over (Under) |
| REVENUES | | | | |
| Charges for services | \$ 280,000 | \$ 280,000 | \$ 185,885 | \$ (94,115) |
| Miscellaneous | 475,000 | 483,200 | 740,533 | 257,333 |
| TOTAL REVENUES | <u>755,000</u> | <u>763,200</u> | <u>926,418</u> | <u>163,218</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 755,000 | 763,200 | 763,162 | (38) |
| TOTAL EXPENDITURES | <u>755,000</u> | <u>763,200</u> | <u>763,162</u> | <u>(38)</u> |
| EXCESS OF REVENUES | | | | |
| OVER (UNDER) EXPENDITURES | - | - | 163,256 | 163,256 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>849,401</u> | <u>849,401</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$1,012,657</u> | <u>\$ 1,012,657</u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
 SEIZURES SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2017

| | Budgeted Amounts | | Actual | Variance With |
|---|------------------|------------------|-------------------|-------------------|
| | Original | Final | | Final Budget |
| | | | | Over (Under) |
| REVENUES | | | | |
| Fines and forfeitures | \$ 1,000,000 | \$ 1,000,000 | \$ 149,475 | \$ (850,525) |
| Investment income | - | - | 863 | 863 |
| Miscellaneous income | - | - | 1 | 1 |
| TOTAL REVENUES | <u>1,000,000</u> | <u>1,000,000</u> | <u>150,339</u> | <u>(849,661)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | <u>1,000,000</u> | <u>1,000,000</u> | <u>711,134</u> | <u>(288,866)</u> |
| TOTAL EXPENDITURES | <u>1,000,000</u> | <u>1,000,000</u> | <u>711,134</u> | <u>(288,866)</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | - | - | (560,795) | (560,795) |
| FUND BALANCE AT BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>933,134</u> | <u>933,134</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 372,339</u> | <u>\$ 372,339</u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2017

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|---|------------------|----------------|-----------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 400,000 | \$ 455,000 | \$ 443,779 | \$ (11,221) |
| TOTAL REVENUES | <u>400,000</u> | <u>455,000</u> | <u>443,779</u> | <u>(11,221)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Housing and development | 400,000 | 455,000 | 453,588 | (1,412) |
| TOTAL EXPENDITURES | <u>400,000</u> | <u>455,000</u> | <u>453,588</u> | <u>(1,412)</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | - | - | (9,809) | (9,809) |
| FUND BALANCE AT BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>11,442</u> | <u>11,442</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,633</u> | <u>\$ 1,633</u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
 INTERGOVERNMENTAL GRANT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2017

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental revenues | \$ 752,802 | \$ 2,212,802 | 2,216,535 | \$ 3,733 |
| TOTAL REVENUES | <u>752,802</u> | <u>2,212,802</u> | <u>2,216,535</u> | <u>3,733</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | | | | |
| Judicial | 752,802 | 852,802 | 851,871 | (931) |
| Public safety | - | 1,155,000 | 1,152,466 | (2,534) |
| Housing and development | - | 205,000 | 206,030 | 1,030 |
| TOTAL EXPENDITURES | <u>752,802</u> | <u>2,212,802</u> | <u>2,210,367</u> | <u>(2,435)</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | - | - | 6,168 | (6,168) |
| FUND BALANCE AT BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,168</u> | <u>\$ -</u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
 JAIL OPERATIONS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2017

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|--|------------------|----------------|------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Fines and forfeitures | \$ 415,500 | \$ 425,000 | \$ 404,429 | \$ (20,571) |
| TOTAL REVENUES | <u>415,500</u> | <u>425,000</u> | <u>404,429</u> | <u>(20,571)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 415,500 | 425,000 | 424,541 | (459) |
| TOTAL EXPENDITURES | <u>415,500</u> | <u>425,000</u> | <u>424,541</u> | <u>(459)</u> |
| EXCESS OF REVENUES OVER(Under) EXPENDITURES | - | - | (20,112) | (20,112) |
| FUND BALANCE AT BEGINNING OF YEAR | - | - | 41,158 | 41,158 |
| FUND BALANCE AT END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 21,046</u> | <u>\$ 21,046</u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
 DRUG ABUSE TREATMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2017

| | Budgeted Amounts | | Actual | Variance With |
|---|------------------|----------------|-------------------|-------------------|
| | Original | Final | | Final Budget |
| | | | | Over (Under) |
| REVENUES | | | | |
| Intergovernmental | \$ 39,000 | \$ 39,000 | \$ 43,727 | \$ 4,727 |
| Fines and forfeitures | 155,000 | 155,000 | 171,583 | 16,583 |
| TOTAL REVENUES | <u>194,000</u> | <u>194,000</u> | <u>215,310</u> | <u>21,310</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health and welfare | 194,000 | 194,000 | 188,485 | (5,515) |
| TOTAL EXPENDITURES | <u>194,000</u> | <u>194,000</u> | <u>188,485</u> | <u>(5,515)</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | - | - | 26,825 | 26,825 |
| FUND BALANCE AT BEGINNING OF YEAR | - | - | 132,405 | 132,405 |
| FUND BALANCE AT END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 159,230</u> | <u>\$ 159,230</u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
 911 EMERGENCY TELEPHONE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2017

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|---|------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental revenues | \$ 659,627 | \$ 734,127 | \$ 616,724 | \$ (117,403) |
| Charges for services | 1,730,000 | 1,730,000 | 1,769,077 | 39,077 |
| Miscellaneous income | 27,000 | 27,000 | 27,415 | 415 |
| TOTAL REVENUES | <u>2,416,627</u> | <u>2,491,127</u> | <u>2,413,216</u> | <u>(77,911)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public safety | 3,343,909 | 3,418,409 | 3,269,723 | (148,686) |
| TOTAL EXPENDITURES | <u>3,343,909</u> | <u>3,418,409</u> | <u>3,269,723</u> | <u>(148,686)</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | | | | |
| | (927,282) | (927,282) | (856,507) | 70,775 |
| OTHER FINANCING SOURCES (USES) | | | | |
| TRANSFERS IN | 1,087,282 | 1,087,282 | 1,086,282 | 1,000 |
| TRANSFERS (OUT) | (160,000) | (160,000) | (160,000) | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>927,282</u> | <u>927,282</u> | <u>926,282</u> | <u>1,000</u> |
| REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES) | | | | |
| | - | - | 69,775 | 69,775 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>104,537</u> | <u>104,537</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 174,312</u> | <u>\$ 174,312</u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
VICTIM ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2017

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|---|------------------|-----------------|------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 85,000 | \$ 85,000 | \$ 83,955 | \$ (1,045) |
| Fines and forfeitures | <u>128,250</u> | <u>128,250</u> | <u>135,490</u> | <u>7,240</u> |
| TOTAL REVENUES | <u>213,250</u> | <u>213,250</u> | <u>219,445</u> | <u>6,195</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | | | | |
| Judicial | <u>209,094</u> | <u>209,094</u> | <u>208,942</u> | <u>(152)</u> |
| TOTAL EXPENDITURES | <u>209,094</u> | <u>209,094</u> | <u>208,942</u> | <u>(152)</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 4,156 | 4,156 | 10,503 | 6,347 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>61,590</u> | <u>61,590</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 4,156</u> | <u>\$ 4,156</u> | <u>\$ 72,093</u> | <u>\$ 67,937</u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
 LAW LIBRARY FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2017

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|---|------------------|----------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Fines and forfeitures | \$ 100,000 | \$ 100,000 | \$ 66,730 | \$ (33,270) |
| Investment income | - | - | 200 | 200 |
| Miscellaneous income | - | - | 100 | 100 |
| TOTAL REVENUES | <u>100,000</u> | <u>100,000</u> | <u>67,030</u> | <u>(32,970)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | | | | |
| Judicial | 100,000 | 100,000 | 49,548 | (50,452) |
| TOTAL EXPENDITURES | <u>100,000</u> | <u>100,000</u> | <u>49,548</u> | <u>(50,452)</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | - | - | 17,482 | 17,482 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>303,503</u> | <u>303,503</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 320,985</u> | <u>\$ 320,985</u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
 CAPITAL PROJECTS SALES TAX VI FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2017

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|---|------------------|------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Investment income | \$ 750 | \$ 750 | \$ 1,015 | \$ 265 |
| TOTAL REVENUES | <u>750</u> | <u>750</u> | <u>1,015</u> | <u>265</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public works | <u>2,500,000</u> | <u>2,500,000</u> | <u>69,361</u> | <u>(2,430,639)</u> |
| TOTAL EXPENDITURES | <u>2,500,000</u> | <u>2,500,000</u> | <u>69,361</u> | <u>(2,430,639)</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | (2,499,250) | (2,499,250) | (68,346) | 2,430,904 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>2,499,250</u> | <u>2,499,250</u> | <u>2,522,985</u> | <u>23,735</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,454,639</u> | <u>\$ 2,454,639</u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
 CAPITAL PROJECTS CDBG GRANT FUND
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 For the Fiscal Year Ended June 30, 2017

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|---|------------------|----------------|----------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental revenues | \$ 500,000 | \$ 500,000 | \$ 209,667 | \$ (290,333) |
| TOTAL REVENUES | <u>500,000</u> | <u>500,000</u> | <u>209,667</u> | <u>(290,333)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health and welfare | <u>500,000</u> | <u>500,000</u> | <u>209,667</u> | <u>(290,333)</u> |
| TOTAL EXPENDITURES | <u>500,000</u> | <u>500,000</u> | <u>209,667</u> | <u>(290,333)</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | - | - | - | - |
| FUND BALANCE AT BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
 CAPITAL PROJECTS PUBLIC ROADS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Year Ended June 30, 2017

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|---|------------------|------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental revenues | \$ - | \$ 1,000,000 | \$ 1,350,679 | \$ 350,679 |
| TOTAL REVENUES | <u>-</u> | <u>1,000,000</u> | <u>1,350,679</u> | <u>350,679</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | - | - | - | - |
| Capital outlay | 103,999 | 1,103,999 | 1,100,336 | (3,663) |
| TOTAL EXPENDITURES | <u>103,999</u> | <u>1,103,999</u> | <u>1,100,336</u> | <u>(3,663)</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (103,999) | (103,999) | 250,343 | 354,342 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>103,999</u> | <u>103,999</u> | <u>800,336</u> | <u>696,337</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,050,679</u> | <u>\$ 1,050,679</u> |

See independent auditor's report.

OTHER ENTERPRISE FUNDS

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

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

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

LOWNDES COUNTY, GEORGIA
 OTHER ENTERPRISE FUNDS
 COMBINING STATEMENT OF NET POSITION
 June 30, 2017

| | <u>Landfill Fund</u> | <u>Special Tax Lighting District Fund</u> | <u>Total</u> |
|---|--------------------------|---|-------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Equity in pooled cash and cash equivalents | \$1,341,205 | \$ - | \$ 1,341,205 |
| Receivables (net of allowance for doubtful accounts Accounts | <u>39,351</u> | <u>2,321</u> | <u>41,672</u> |
| TOTAL CURRENT ASSETS | <u>1,380,556</u> | <u>2,321</u> | <u>1,382,877</u> |
| NONCURRENT ASSETS | | | |
| Capital Assets | | | |
| Land | <u>203,639</u> | <u>-</u> | <u>203,639</u> |
| TOTAL NONCURRENT ASSETS | <u>203,639</u> | <u>-</u> | <u>203,639</u> |
| TOTAL ASSETS | <u>1,584,195</u> | <u>2,321</u> | <u>1,586,516</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Accounts payable | 714 | 26,610 | 27,324 |
| Interfund payable | - | 151,867 | 151,867 |
| Current portion of postclosure cost | <u>77,050</u> | <u>-</u> | <u>77,050</u> |
| TOTAL CURRENT LIABILITIES | <u>77,764</u> | <u>178,477</u> | <u>256,241</u> |
| LONG-TERM LIABILITIES | | | |
| Postclosure cost | <u>602,799</u> | <u>-</u> | <u>602,799</u> |
| TOTAL LONG-TERM LIABILITIES | <u>602,799</u> | <u>-</u> | <u>602,799</u> |
| TOTAL LIABILITIES | <u>680,563</u> | <u>178,477</u> | <u>859,040</u> |
| NET POSITION | | | |
| Investment in capital assets | 203,639 | - | 203,639 |
| Unrestricted | <u>699,993</u> | <u>(176,156)</u> | <u>523,837</u> |
| TOTAL NET POSITION | <u>\$ 903,632</u> | <u>\$ (176,156)</u> | <u>\$ 727,476</u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
 OTHER ENTERPRISE FUNDS
 COMBINING STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
 For The Year Ending June 30, 2017

| | Landfill Fund | Special Tax Lighting District Fund | Total |
|--|-------------------|--|-------------------|
| OPERATING REVENUES | | | |
| Charges for services | \$ - | \$ 290,436 | \$ 290,436 |
| Other income | <u>397,636</u> | <u>-</u> | <u>397,636</u> |
| TOTAL OPERATING REVENUES | <u>397,636</u> | <u>290,436</u> | <u>688,072</u> |
| OPERATING EXPENSES | | | |
| Contractual services | <u>45,252</u> | <u>326,287</u> | <u>371,539</u> |
| TOTAL OPERATING EXPENSES | <u>45,252</u> | <u>326,287</u> | <u>371,539</u> |
| OPERATING INCOME (LOSS) | 352,384 | (35,851) | 316,533 |
| TRANSFERS OUT | <u>(150,000)</u> | <u>-</u> | <u>(150,000)</u> |
| CHANGE IN NET POSITION | 202,384 | (35,851) | 166,533 |
| NET POSITION AT BEGINNING OF YEAR | <u>701,248</u> | <u>(140,305)</u> | <u>560,943</u> |
| NET POSITION AT END OF YEAR | <u>\$ 903,632</u> | <u>\$ (176,156)</u> | <u>\$ 727,476</u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
 OTHER ENTERPRISE FUNDS
 COMBINING STATEMENTS OF CASH FLOWS
 For The Year Ending June 30, 2017

| | Landfill <u>Fund</u> | Special Tax Lighting District <u>Fund</u> | <u>Total</u> |
|---|-------------------------|---|---------------------|
| <u>Increase in Cash and Cash Equivalents</u> | | | |
| <u>Cash Flows From Operating Activities</u> | | | |
| Cash received from other customers | \$ - | \$ 288,621 | \$ 288,621 |
| Cash received from other income | 358,286 | - | 358,286 |
| Cash received from other interfund transactions | - | 32,706 | 32,706 |
| Cash payments for contractual services | (112,684) | (321,327) | (434,011) |
| Net Cash Provided by Operating Activities | <u>245,602</u> | <u>-</u> | <u>245,602</u> |
| <u>Cash Flows From Noncapital Financing Activities</u> | | | |
| Cash payments for transfers out | (150,000) | - | (150,000) |
| Net Cash (Used For) Noncapital Financing Activities | <u>(150,000)</u> | <u>-</u> | <u>(150,000)</u> |
| Net Increase in Cash and Cash Equivalents | 95,602 | - | 95,602 |
| Cash and Cash Equivalents at Beginning of Year | <u>\$1,245,603</u> | <u>\$ -</u> | <u>1,245,603</u> |
| Cash and Cash Equivalents at End of Year | <u>\$1,341,205</u> | <u>\$ -</u> | <u>\$ 1,341,205</u> |
| Equity in pooled cash and cash equivalents | <u>\$1,341,205</u> | <u>\$ -</u> | <u>\$ 1,341,205</u> |
| Total Cash and Cash Equivalents | <u>\$1,341,205</u> | <u>\$ -</u> | <u>\$ 1,341,205</u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
 OTHER ENTERPRISE FUNDS
 COMBINING STATEMENTS OF CASH FLOWS
 For The Year Ending June 30, 2017

| | <u>Landfill Fund</u> | <u>Special Tax Lighting District Fund</u> | <u>Total</u> |
|--|--------------------------|---|-------------------|
| Reconciliation of Operating Income (Loss) To | | | |
| <u>Net Cash Provided by Operating Activities</u> | | | |
| Operating Income (Loss) | \$ 352,384 | \$ (35,851) | \$ 316,533 |
| | | | |
| Adjustments to Reconcile Operating Income (Loss) To | | | |
| <u>Net Cash Provided by Operating Activities</u> | | | |
| Changes in Assets and Liabilities: | | | |
| (Increase) decrease in accounts receivable | (39,351) | (1,816) | (41,167) |
| Decrease in accounts payable | 629 | 4,961 | 5,590 |
| Increase in interfund payable | - | 32,706 | 32,706 |
| Decrease in accrued liabilities | <u>(68,060)</u> | <u>-</u> | <u>(68,060)</u> |
| | | | |
| Net Cash Provided By Operating Activities | <u>\$ 245,602</u> | <u>\$ -</u> | <u>\$ 245,602</u> |

See independent auditor's report.

INTERNAL SERVICE FUNDS

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

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

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

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

Technology Fund – to account for charges to other funds for the use of technology equipment and services.

LOWNDES COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2017

| | Equipment Fund | Health Insurance Fund | Workers Compensation Fund | Technology Fund | Total |
|--|---------------------|-----------------------------|---------------------------------|--------------------|---------------------|
| ASSETS | | | | | |
| Current Assets | | | | | |
| Equity in pooled cash and cash equivalents | \$ 1,487,115 | \$ 828,495 | \$ 1,058,391 | \$ 154,296 | \$ 3,528,297 |
| Receivables (net of allowance for doubtful accounts) | | | | | |
| Accounts | 11,302 | - | - | - | 11,302 |
| Prepaid expense | - | - | 113,908 | - | 113,908 |
| Inventory | 105,376 | - | - | - | 105,376 |
| TOTAL CURRENT ASSETS | <u>1,603,793</u> | <u>828,495</u> | <u>1,172,299</u> | <u>154,296</u> | <u>3,758,883</u> |
| Noncurrent Assets | | | | | |
| Capital Assets | | | | | |
| Depreciable capital assets, net | 195,147 | - | - | - | 195,147 |
| TOTAL NONCURRENT ASSETS | <u>195,147</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>195,147</u> |
| TOTAL ASSETS | <u>1,798,940</u> | <u>828,495</u> | <u>1,172,299</u> | <u>154,296</u> | <u>3,954,030</u> |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Accounts payable | 132,061 | 9,921 | 42,908 | 91,453 | 276,343 |
| Accrued liabilities | 2,149 | 507,927 | 1,000,000 | - | 1,510,076 |
| Compensated absences payable | 7,772 | - | - | - | 7,772 |
| Current portion of capital lease obligations | 4,100 | - | - | - | 4,100 |
| TOTAL CURRENT LIABILITIES | <u>146,082</u> | <u>517,848</u> | <u>1,042,908</u> | <u>91,453</u> | <u>1,798,291</u> |
| Long-Term Liabilities | | | | | |
| Compensated absences payable | 6,107 | - | - | - | 6,107 |
| TOTAL LONG-TERM LIABILITIES | <u>6,107</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,107</u> |
| TOTAL LIABILITIES | <u>152,189</u> | <u>517,848</u> | <u>1,042,908</u> | <u>91,453</u> | <u>1,804,398</u> |
| NET POSITION | | | | | |
| Net investment in capital assets | 191,047 | - | - | - | 191,047 |
| Unrestricted | 1,455,704 | 310,647 | 129,391 | 62,843 | 1,958,585 |
| TOTAL NET POSITION | <u>\$ 1,646,751</u> | <u>\$ 310,647</u> | <u>\$ 129,391</u> | <u>\$ 62,843</u> | <u>\$ 2,149,632</u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
For The Year Ending June 30, 2017

| | Equipment Fund | Health Insurance Fund | Workers Compensation Fund | Technology Fund | Total |
|--|---------------------|-----------------------------|---------------------------------|--------------------|---------------------|
| OPERATING REVENUES | | | | | |
| Charges for services | \$ 2,963,697 | \$ 5,751,299 | \$ 908,775 | \$ 463,999 | \$ 10,087,770 |
| TOTAL OPERATING REVENUES | <u>2,963,697</u> | <u>5,751,299</u> | <u>908,775</u> | <u>463,999</u> | <u>10,087,770</u> |
| OPERATING EXPENSES | | | | | |
| Personal services | 300,320 | - | - | - | 300,320 |
| Payroll taxes | 22,592 | - | - | - | 22,592 |
| Fringe benefits | 132,643 | - | - | - | 132,643 |
| Contractual services | 264,165 | - | - | 279,995 | 544,160 |
| Insurance and bond | - | 6,249,429 | 908,775 | - | 7,158,204 |
| Materials and supplies | 1,564,888 | - | - | 121,161 | 1,686,049 |
| Depreciation | 104,465 | - | - | - | 104,465 |
| TOTAL OPERATING EXPENSES | <u>2,389,073</u> | <u>6,249,429</u> | <u>908,775</u> | <u>401,156</u> | <u>9,948,433</u> |
| OPERATING INCOME (LOSS) | <u>574,624</u> | <u>(498,130)</u> | <u>-</u> | <u>62,843</u> | <u>139,337</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | | |
| Interest expense | (478) | - | - | - | (478) |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | <u>(478)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(478)</u> |
| CHANGE IN NET POSITION | 574,146 | (498,130) | - | 62,843 | 138,859 |
| NET POSITION AT BEGINNING OF YEAR | <u>1,072,605</u> | <u>808,777</u> | <u>129,391</u> | <u>-</u> | <u>2,010,773</u> |
| NET POSITION AT END OF YEAR | <u>\$ 1,646,751</u> | <u>\$ 310,647</u> | <u>\$ 129,391</u> | <u>\$ 62,843</u> | <u>\$ 2,149,632</u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
For The Year Ending June 30, 2017

| | Equipment Fund | Health Insurance Fund | Workers Compensation Fund | Technology Fund | Total |
|--|---------------------------|-----------------------------|---------------------------------|--------------------------|----------------------------|
| <u>Increase (Decrease) in Cash and Cash Equivalents</u> | | | | | |
| <u>Cash Flows From Operating Activities</u> | | | | | |
| Cash received from other funds for services | \$2,964,130 | \$ 5,751,299 | \$ 908,775 | \$ 463,999 | \$ 10,088,203 |
| Cash payments for personal services | (311,878) | - | - | - | (311,878) |
| Cash payments for payroll taxes | (22,592) | - | - | - | (22,592) |
| Cash payments for fringe benefits | (132,643) | - | - | - | (132,643) |
| Cash payments for contractual services | (264,165) | - | - | (188,542) | (452,707) |
| Cash payments for insurance and bond | - | (5,997,765) | (795,629) | - | (6,793,394) |
| Cash payments for materials and supplies | <u>(1,572,311)</u> | <u>-</u> | <u>-</u> | <u>(121,161)</u> | <u>(1,693,472)</u> |
| Net Cash Provided by (Used for) Operating Activities | 660,541 | (246,466) | 113,146 | 154,296 | 681,517 |
| <u>Cash Flows From Capital and Related Financing Activities</u> | | | | | |
| Cash payments for principal and interest on capital leases | <u>(17,016)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(17,016)</u> |
| Net Cash (Used For) Capital and Related Financing Activities | <u>(17,016)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(17,016)</u> |
| Net Increase (decrease) in Cash and Cash Equivalents | 643,525 | (246,466) | 113,146 | 154,296 | 664,501 |
| Cash and Cash Equivalents at Beginning of Year | <u>\$ 843,590</u> | <u>\$ 1,074,961</u> | <u>\$ 945,245</u> | <u>\$ -</u> | <u>2,863,796</u> |
| Cash and Cash Equivalents at End of Year | <u><u>\$1,487,115</u></u> | <u><u>\$ 828,495</u></u> | <u><u>\$ 1,058,391</u></u> | <u><u>\$ 154,296</u></u> | <u><u>\$ 3,528,297</u></u> |
| Equity in pooled cash and cash equivalents | <u>\$1,487,115</u> | <u>\$ 828,495</u> | <u>\$ 1,058,391</u> | <u>\$ 154,296</u> | <u>\$ 3,528,297</u> |
| Total Cash and Cash Equivalents | <u><u>\$1,487,115</u></u> | <u><u>\$ 828,495</u></u> | <u><u>\$ 1,058,391</u></u> | <u><u>\$ 154,296</u></u> | <u><u>\$ 3,528,297</u></u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
For The Year Ending June 30, 2017

| | Equipment <u>Fund</u> | Health Insurance <u>Fund</u> | Workers Compensation <u>Fund</u> | Technology <u>Fund</u> | <u>Total</u> |
|--|--------------------------|------------------------------------|--|---------------------------|-------------------|
| Reconciliation of Operating Income (Loss) To | | | | | |
| <u>Net Cash Provided by (Used For) Operating Activities</u> | | | | | |
| Operating Income (Loss) | \$ 574,624 | \$ (498,130) | \$ - | \$ 62,843 | \$ 139,337 |
| Adjustments to Reconcile Operating Income (Loss) To | | | | | |
| <u>Net Cash Provided by (Used For) Operating Activities</u> | | | | | |
| Depreciation | 104,465 | - | - | - | 104,465 |
| Changes in Assets and Liabilities: | | | | | |
| Decrease in accounts receivable | 433 | - | - | - | 433 |
| Decrease in prepaid expense | - | - | (3,784) | - | (3,784) |
| (Increase) in inventory | (29,198) | - | - | - | (29,198) |
| Increase (decrease) in accounts payable | 21,775 | 9,922 | (173,070) | 91,453 | (49,920) |
| Decrease in compensated absences payable | (362) | - | - | - | (362) |
| Increase (decrease) in accrued expenses | <u>(11,196)</u> | <u>241,742</u> | <u>290,000</u> | <u>-</u> | <u>520,546</u> |
| Net Cash Provided By (Used For) Operating Activities | <u>\$ 660,541</u> | <u>\$ (246,466)</u> | <u>\$ 113,146</u> | <u>\$ 154,296</u> | <u>\$ 681,517</u> |

See independent auditor's report.

FIDUCIARY FUNDS

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

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

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

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

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

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

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

LOWNDES COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING STATEMENTS OF ASSETS AND LIABILITIES
 June 30, 2017

| | AGENCY FUNDS | | | | | | TOTAL |
|-------------------------------------|----------------------------------|----------------------|--------------------------|------------------|-------------------------|--------------------------|---------------------|
| | OFFICE OF TAX COMMISSIONER | CLERK OF COURT | MAGIS- TRATE COURT | PROBATE COURT | OFFICE OF SHERIFF | DEVELOPMENT AUTHORITY | |
| ASSETS | | | | | | | |
| Cash | \$ 126,226 | \$ 6,082,764 | \$ 88,570 | \$ 24,459 | \$ 349,672 | \$ 690,977 | \$ 7,362,668 |
| Due from others | <u>25,999</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>45,869</u> | <u>71,868</u> |
| TOTAL ASSETS | <u>\$ 152,225</u> | <u>\$ 6,082,764</u> | <u>\$ 88,570</u> | <u>\$ 24,459</u> | <u>\$ 349,672</u> | <u>\$ 736,846</u> | <u>\$ 7,434,536</u> |
| LIABILITIES AND FUND BALANCE | | | | | | | |
| LIABILITIES | | | | | | | |
| Due to others | \$ 152,225 | \$ 1,447,940 | \$ 62,578 | \$ 24,459 | \$ 56,960 | \$ - | \$ 1,744,162 |
| Collections held in escrow | <u>-</u> | <u>4,634,824</u> | <u>25,992</u> | <u>-</u> | <u>292,712</u> | <u>736,846</u> | <u>5,690,374</u> |
| TOTAL LIABILITIES | <u>152,225</u> | <u>6,082,764</u> | <u>88,570</u> | <u>24,459</u> | <u>349,672</u> | <u>736,846</u> | <u>7,434,536</u> |
| NET POSITION | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING STATEMENTS OF CHANGES IN
 ASSETS AND LIABILITIES
 For The Year Ending June 30, 2017

| | <u>Balance</u> <u>July 1, 2016</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>June 30, 2017</u> |
|-----------------------------------|---------------------------------------|-----------------------|-----------------------|--|
| <u>OFFICE OF TAX COMMISSIONER</u> | | | | |
| ASSETS | | | | |
| Cash | \$ 131,410 | \$ 114,965,752 | \$ 114,970,936 | \$ 126,226 |
| Due from others | 9,425 | 16,574 | - | 25,999 |
| TOTAL ASSETS | <u>\$ 140,835</u> | <u>\$ 114,982,326</u> | <u>\$ 114,970,936</u> | <u>\$ 152,225</u> |
| LIABILITIES | | | | |
| Due to others | \$ 140,835 | \$ 114,982,326 | \$ 114,970,936 | \$ 152,225 |
| TOTAL LIABILITIES | <u>\$ 140,835</u> | <u>\$ 114,982,326</u> | <u>\$ 114,970,936</u> | <u>\$ 152,225</u> |
| <u>CLERK OF COURT</u> | | | | |
| ASSETS | | | | |
| Cash | \$ 2,357,939 | \$ 8,964,245 | \$ 5,239,420 | \$ 6,082,764 |
| TOTAL ASSETS | <u>\$ 2,357,939</u> | <u>\$ 8,964,245</u> | <u>\$ 5,239,420</u> | <u>\$ 6,082,764</u> |
| LIABILITIES | | | | |
| Due to others | \$ 1,529,085 | \$ 3,931,841 | \$ 4,012,986 | \$ 1,447,940 |
| Collections held in escrow | 828,854 | 5,032,404 | 1,226,434 | 4,634,824 |
| TOTAL LIABILITIES | <u>\$ 2,357,939</u> | <u>\$ 8,964,245</u> | <u>\$ 5,239,420</u> | <u>\$ 6,082,764</u> |
| <u>MAGISTRATE COURT</u> | | | | |
| ASSETS | | | | |
| Cash | \$ 131,141 | \$ 1,177,286 | \$ 1,219,857 | \$ 88,570 |
| TOTAL ASSETS | <u>\$ 131,141</u> | <u>\$ 1,177,286</u> | <u>\$ 1,219,857</u> | <u>\$ 88,570</u> |
| LIABILITIES | | | | |
| Due to others | \$ 52,866 | \$ 600,168 | \$ 590,456 | \$ 62,578 |
| Collections held in escrow | 78,275 | 577,118 | 629,401 | 25,992 |
| TOTAL LIABILITIES | <u>\$ 131,141</u> | <u>\$ 1,177,286</u> | <u>\$ 1,219,857</u> | <u>\$ 88,570</u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING STATEMENTS OF CHANGES IN
 ASSETS AND LIABILITIES - CONTINUED
 For The Year Ending June 30, 2017

| | <u>Balance</u> <u>July 1, 2016</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>June 30, 2017</u> |
|------------------------------|---------------------------------------|---------------------|---------------------|--|
| <u>PROBATE COURT</u> | | | | |
| ASSETS | | | | |
| Cash | \$ 22,823 | \$ 304,409 | \$ 302,773 | \$ 24,459 |
| TOTAL ASSETS | <u>\$ 22,823</u> | <u>\$ 304,409</u> | <u>\$ 302,773</u> | <u>\$ 24,459</u> |
| LIABILITIES | | | | |
| Due to others | \$ 22,823 | \$ 24,459 | \$ 22,823 | \$ 24,459 |
| Collections held in escrow | - | 279,950 | 279,950 | - |
| TOTAL LIABILITIES | <u>\$ 22,823</u> | <u>\$ 304,409</u> | <u>\$ 302,773</u> | <u>\$ 24,459</u> |
| <u>OFFICE OF SHERIFF</u> | | | | |
| ASSETS | | | | |
| Cash | \$ 326,181 | \$ 1,768,163 | \$ 1,744,672 | \$ 349,672 |
| TOTAL ASSETS | <u>\$ 326,181</u> | <u>\$ 1,768,163</u> | <u>\$ 1,744,672</u> | <u>\$ 349,672</u> |
| LIABILITIES | | | | |
| Due to others | \$ 32,924 | \$ 526,960 | \$ 502,924 | \$ 56,960 |
| Collections held in escrow | 293,257 | 1,241,203 | 1,241,748 | 292,712 |
| TOTAL LIABILITIES | <u>\$ 326,181</u> | <u>\$ 1,768,163</u> | <u>\$ 1,744,672</u> | <u>\$ 349,672</u> |
| <u>DEVELOPMENT AUTHORITY</u> | | | | |
| ASSETS | | | | |
| Cash | \$ 1,109,201 | \$ 3,080,354 | \$ 3,498,578 | \$ 690,977 |
| Due from others | 24,533 | 21,336 | - | 45,869 |
| TOTAL ASSETS | <u>\$ 1,133,734</u> | <u>\$ 3,101,690</u> | <u>\$ 3,498,578</u> | <u>\$ 736,846</u> |
| LIABILITIES | | | | |
| Due to others | \$ 528 | \$ - | \$ 528 | \$ - |
| Collections held in escrow | 1,133,206 | 3,101,690 | 3,498,050 | 736,846 |
| TOTAL LIABILITIES | <u>\$ 1,133,734</u> | <u>\$ 3,101,690</u> | <u>\$ 3,498,578</u> | <u>\$ 736,846</u> |

See independent auditor's report.

STATISTICAL SECTION

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Lowndes County, Georgia
Statistical Section
(Unaudited)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

| Fiscal Year Ending June 30, | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental Activities | | | | | |
| Net investment in capital assets | \$ 102,350,427 | \$ 99,227,901 | \$ 94,815,672 | \$ 96,669,665 | \$ 91,132,521 |
| Restricted | 23,453,782 | 19,635,708 | 16,659,022 | 10,216,435 | 7,429,021 |
| Unrestricted | <u>(18,114,965)</u> | <u>(18,057,260)</u> | <u>(12,059,503)</u> | <u>4,591,882</u> | <u>12,639,719</u> |
| Total governmental activities net positions | <u>\$ 107,689,244</u> | <u>\$ 100,806,349</u> | <u>\$ 99,415,191</u> | <u>\$ 111,477,982</u> | <u>\$ 111,201,261</u> |
| Business Activities | | | | | |
| Net investment in capital assets | \$ 35,192,890 | \$ 31,701,505 | \$ 31,475,723 | \$ 30,405,797 | \$ 30,583,047 |
| Restricted | - | - | - | - | - |
| Unrestricted | <u>6,116,967</u> | <u>4,132,157</u> | <u>2,578,746</u> | <u>2,532,188</u> | <u>1,578,791</u> |
| Total business activities net positions | <u>\$ 41,309,857</u> | <u>\$ 35,833,662</u> | <u>\$ 34,054,469</u> | <u>\$ 32,937,985</u> | <u>\$ 32,161,838</u> |
| Primary Government | | | | | |
| Net investment in capital assets | \$ 137,543,317 | \$ 133,929,406 | \$ 126,291,395 | \$ 127,075,462 | \$ 121,715,568 |
| Restricted | 23,453,782 | 19,635,708 | 16,659,022 | 10,216,435 | 7,429,021 |
| Unrestricted * | <u>(11,997,998)</u> | <u>(13,925,103)</u> | <u>(9,480,757)</u> | <u>7,124,070</u> | <u>14,218,510</u> |
| Total primary government net positions | <u>\$ 148,999,101</u> | <u>\$ 139,640,011</u> | <u>\$ 133,469,660</u> | <u>\$ 144,415,967</u> | <u>\$ 143,363,099</u> |

*- GASB Statement Numbers 67 and 68 were implemented in FY2015 creating a restatement to net position for pension liabilities.

| <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 95,694,310 | \$ 104,718,159 | \$ 119,875,420 | \$ 123,166,325 | \$ 89,328,068 |
| 7,965,905 | 7,413,141 | 39,599,831 | 17,045,363 | 64,133,172 |
| <u>11,292,055</u> | <u>16,994,681</u> | <u>(15,869,262)</u> | <u>18,934,414</u> | <u>20,012,424</u> |
| <u>\$ 114,952,270</u> | <u>\$ 129,125,981</u> | <u>\$ 143,605,989</u> | <u>\$ 159,146,102</u> | <u>\$ 173,473,664</u> |
| | | | | |
| \$ 31,716,380 | \$ 32,213,264 | \$ 32,073,785 | \$ 27,278,056 | \$ 29,097,651 |
| - | - | - | - | - |
| <u>810,273</u> | <u>264,522</u> | <u>(1,049,626)</u> | <u>58,067</u> | <u>(4,248,227)</u> |
| <u>\$ 32,526,653</u> | <u>\$ 32,477,786</u> | <u>\$ 31,024,159</u> | <u>\$ 27,336,123</u> | <u>\$ 24,849,424</u> |
| | | | | |
| \$ 127,410,690 | \$ 136,931,423 | \$ 151,949,205 | \$ 150,444,381 | \$ 118,425,719 |
| 7,965,905 | 7,413,141 | 39,599,831 | 17,045,363 | 64,133,172 |
| <u>12,102,328</u> | <u>17,259,203</u> | <u>(16,918,888)</u> | <u>18,992,481</u> | <u>15,764,197</u> |
| <u>\$ 147,478,923</u> | <u>\$ 161,603,767</u> | <u>\$ 174,630,148</u> | <u>\$ 186,482,225</u> | <u>\$ 198,323,088</u> |

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

| Fiscal Year Ending June 30, | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Expenses | | | | | |
| Governmental activities: | | | | | |
| General government | | | | | |
| Legislative and executive | \$ 12,584,636 | \$ 12,731,452 | \$ 12,747,798 | \$ 13,347,150 | \$ 12,678,632 |
| Judicial | 6,982,086 | 6,300,337 | 5,909,463 | 5,682,778 | 5,201,728 |
| Public safety | 30,267,778 | 27,903,906 | 28,594,394 | 28,733,508 | 27,846,930 |
| Public works | 19,780,813 | 20,059,360 | 22,766,891 | 20,187,909 | 26,622,355 |
| Health and welfare | 1,164,288 | 1,094,544 | 1,162,032 | 1,574,191 | 1,357,428 |
| Culture and recreation | 5,488,725 | 4,740,716 | 4,831,007 | 4,777,631 | 4,577,105 |
| Housing and development | 4,623,047 | 4,250,158 | 4,217,434 | 4,198,718 | 4,390,318 |
| Interest on long-term debt | 178,221 | 195,253 | 212,069 | 604,908 | 874,565 |
| Total governmental activities expenses | <u>81,069,594</u> | <u>77,275,726</u> | <u>80,441,088</u> | <u>79,106,793</u> | <u>83,549,061</u> |
| Business-type activities: | | | | | |
| Water and sewer | 4,776,919 | 4,704,684 | 4,876,401 | 4,455,130 | 4,781,971 |
| Landfill | 45,252 | 55,896 | 70,453 | 68,913 | 46,210 |
| Special Tax Lighting District | 326,287 | 304,972 | 301,548 | 295,855 | 290,639 |
| Sanitation Fund | - | - | - | - | 660,737 |
| Total business-type activities expenses | <u>5,148,458</u> | <u>5,065,552</u> | <u>5,248,402</u> | <u>4,819,898</u> | <u>5,779,557</u> |
| Total primary government expenses | <u>86,218,052</u> | <u>82,341,278</u> | <u>85,689,490</u> | <u>83,926,691</u> | <u>89,328,618</u> |
| Program Revenues | | | | | |
| Governmental activities: | | | | | |
| Charges for services: | | | | | |
| Legislative and executive | \$ 1,271,678 | \$ 1,312,156 | \$ 1,206,804 | \$ 1,144,930 | \$ 1,054,379 |
| Judicial | 3,884,244 | 4,063,024 | 3,817,747 | 4,094,919 | 4,529,884 |
| Public safety | 3,656,085 | 3,636,600 | 3,635,543 | 3,512,034 | 3,396,496 |
| Public works | 94,231 | 96,239 | 84,367 | 68,522 | 61,623 |
| Health and welfare | - | 860 | 11,424 | 11,342 | 12,839 |
| Housing and development | - | - | - | - | - |
| Operating grants and contributions | 2,454,041 | 2,462,308 | 2,120,564 | 1,676,080 | 1,952,415 |
| Capital grants and contributions | 2,448,359 | 805,575 | 900,201 | 1,129,912 | 1,859,509 |
| Total governmental activities program revenues | <u>13,808,638</u> | <u>12,376,762</u> | <u>11,776,650</u> | <u>11,637,739</u> | <u>12,867,145</u> |
| Business-type activities: | | | | | |
| Charges for services: | | | | | |
| Water and sewer | 7,291,559 | 6,199,474 | 5,661,873 | 5,353,852 | 4,938,717 |
| Landfill | 397,636 | 368,385 | 449,426 | 361,087 | 435,720 |
| Special tax lighting district | 290,436 | 283,497 | 265,807 | 253,546 | 243,043 |
| Sanitation fund | - | - | - | - | 299,467 |
| Total business-type activities program revenues | <u>7,979,631</u> | <u>6,851,356</u> | <u>6,377,106</u> | <u>5,968,485</u> | <u>5,916,947</u> |
| Total primary government program revenues | <u>\$ 21,788,269</u> | <u>\$ 19,228,118</u> | <u>\$ 18,153,756</u> | <u>\$ 17,606,224</u> | <u>\$ 18,784,092</u> |

| <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 13,453,075 | \$ 11,563,172 | \$ 10,653,696 | \$ 11,956,577 | \$ 12,463,625 |
| 5,857,655 | 6,816,400 | 5,760,263 | 5,753,187 | 5,181,461 |
| 28,137,430 | 26,158,677 | 25,992,484 | 27,119,295 | 27,998,314 |
| 35,052,487 | 36,895,481 | 27,110,901 | 26,912,286 | 32,747,448 |
| 898,284 | 1,041,394 | 1,256,269 | 1,368,270 | 1,270,348 |
| 4,519,407 | 1,010,085 | 1,023,310 | 1,804,227 | 4,578,273 |
| 4,221,064 | 2,087,190 | 1,327,969 | 1,880,504 | 1,395,805 |
| 1,523,932 | 1,754,844 | 2,061,176 | 2,192,384 | 523,860 |
| <u>93,663,334</u> | <u>87,327,243</u> | <u>75,186,068</u> | <u>78,986,730</u> | <u>86,159,134</u> |
| 4,396,261 | 4,415,893 | 4,137,154 | 4,158,625 | 4,144,229 |
| 43,772 | 53,471 | 83,421 | 115,352 | 26,461 |
| 283,848 | 270,396 | 278,128 | 228,778 | 266,749 |
| 951,209 | 941,658 | 1,031,496 | 1,068,988 | 1,176,208 |
| <u>5,675,090</u> | <u>5,681,418</u> | <u>5,530,199</u> | <u>5,571,743</u> | <u>5,613,647</u> |
| <u>99,338,424</u> | <u>93,008,661</u> | <u>80,716,267</u> | <u>84,558,473</u> | <u>91,772,781</u> |
| \$ 1,039,256 | \$ 979,628 | \$ 1,206,632 | \$ 683,049 | \$ 2,531,685 |
| 4,714,612 | 3,155,568 | 2,939,970 | 3,501,129 | 3,096,093 |
| 3,988,679 | 5,240,752 | 5,432,211 | 5,133,580 | 5,267,853 |
| 73,918 | 31,661 | 56,506 | 268,345 | 183,010 |
| 36,917 | 215,826 | 211,695 | 199,417 | 275,563 |
| - | - | - | - | 62,165 |
| 1,754,554 | 1,140,547 | 1,881,033 | 2,735,602 | 2,210,516 |
| 1,779,080 | 2,829,238 | 765,160 | 1,296,117 | 1,592,054 |
| <u>13,387,016</u> | <u>13,593,220</u> | <u>12,493,207</u> | <u>13,817,239</u> | <u>15,218,939</u> |
| 5,282,108 | 5,281,592 | 5,065,995 | 3,639,943 | 3,789,692 |
| 411,070 | 811,150 | 624,153 | 462,824 | 496,554 |
| 211,058 | 191,349 | 189,240 | 170,691 | 157,377 |
| 594,198 | 585,115 | 578,802 | 86,732 | 95,217 |
| <u>6,498,434</u> | <u>6,869,206</u> | <u>6,458,190</u> | <u>4,360,190</u> | <u>4,538,840</u> |
| <u>\$ 19,885,450</u> | <u>\$ 20,462,426</u> | <u>\$ 18,951,397</u> | <u>\$ 18,177,429</u> | <u>\$ 19,757,779</u> |

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

| Fiscal Year Ending June 30, | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| Net (Expense) Revenue | | | | | |
| Governmental activities | \$ (67,260,956) | \$ (64,898,964) | \$ (68,664,438) | \$ (67,469,054) | \$ (70,681,916) |
| Business-type activities | <u>2,831,173</u> | <u>1,785,804</u> | <u>1,128,704</u> | <u>1,148,587</u> | <u>137,390</u> |
| Total primary government net expense | <u>\$ (64,429,783)</u> | <u>\$ (63,113,160)</u> | <u>\$ (67,535,734)</u> | <u>\$ (66,320,467)</u> | <u>\$ (70,544,526)</u> |
| General Revenues and Other Changes in Net Position | | | | | |
| Governmental activities: | | | | | |
| Taxes | | | | | |
| Property taxes | \$ 35,228,326 | \$ 30,877,255 | \$ 32,605,491 | \$ 29,334,593 | \$ 28,017,047 |
| Alcoholic beverage taxes | 517,520 | 532,111 | 519,700 | 511,272 | 486,800 |
| Occupational taxes | 659,502 | 620,356 | 616,773 | 603,078 | 544,984 |
| Hotel/Motel taxes | 443,779 | 322,379 | 312,292 | 281,051 | 272,613 |
| Franchise taxes | 119,065 | 90,731 | 118,282 | 114,398 | 116,773 |
| Insurance premium taxes | 2,734,353 | 2,569,810 | 2,399,798 | 2,285,406 | 2,198,903 |
| Sales taxes | 31,895,363 | 32,433,256 | 33,352,945 | 32,675,107 | 33,747,828 |
| Public utility taxes | 929,743 | 820,140 | 654,305 | 565,454 | 659,404 |
| Miscellaneous | 1,057,678 | 1,014,911 | 677,293 | 1,002,806 | 855,646 |
| Interest | - | - | - | - | - |
| Transfer in (out) | <u>558,522</u> | <u>(2,990,825)</u> | <u>12,232</u> | <u>372,610</u> | <u>334,000</u> |
| Total governmental activities | <u>74,143,851</u> | <u>66,290,124</u> | <u>71,269,111</u> | <u>67,745,775</u> | <u>67,233,998</u> |
| Business-type activities | | | | | |
| Interest | 203,544 | 2,563 | 12 | 170 | 9,793 |
| Transfer in (out) | <u>(558,522)</u> | <u>2,990,825</u> | <u>(12,232)</u> | <u>(372,610)</u> | <u>(334,000)</u> |
| Total business-type activities | <u>(354,978)</u> | <u>2,993,388</u> | <u>(12,220)</u> | <u>(372,440)</u> | <u>(324,207)</u> |
| Total primary government | <u>\$ 73,788,873</u> | <u>\$ 69,283,512</u> | <u>\$ 71,256,891</u> | <u>\$ 67,373,335</u> | <u>\$ 66,909,791</u> |
| Change in Net Position | | | | | |
| Governmental activities | \$ 6,882,895 | \$ 1,391,160 | \$ 2,604,673 | \$ 276,721 | \$ (3,447,918) |
| Business-type activities | <u>2,476,195</u> | <u>4,779,192</u> | <u>1,116,484</u> | <u>776,147</u> | <u>(186,817)</u> |
| Total primary government | <u>\$ 9,359,090</u> | <u>\$ 6,170,352</u> | <u>\$ 3,721,157</u> | <u>\$ 1,052,868</u> | <u>\$ (3,634,735)</u> |

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

| <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|------------------------|------------------------|------------------------|------------------------|------------------------|
| \$ (80,276,318) | \$ (73,734,023) | \$ (62,692,861) | \$ (65,169,491) | \$ (70,940,195) |
| <u>823,344</u> | <u>1,187,788</u> | <u>927,991</u> | <u>(1,211,553)</u> | <u>(1,074,807)</u> |
| <u>\$ (79,452,974)</u> | <u>\$ (72,546,235)</u> | <u>\$ (61,764,870)</u> | <u>\$ (66,381,044)</u> | <u>\$ (72,015,002)</u> |
| | | | | |
| \$ 27,896,942 | \$ 21,175,180 | \$ 20,793,727 | \$ 19,843,708 | \$ 22,622,116 |
| 484,361 | 511,846 | 508,709 | 534,897 | 527,476 |
| 606,505 | 357,384 | 317,884 | 387,701 | 393,817 |
| 273,668 | - | - | - | - |
| 139,430 | 173,918 | 174,130 | 187,256 | 212,203 |
| 2,058,288 | 2,310,403 | 2,343,344 | 2,187,633 | 2,135,580 |
| 34,808,458 | 34,301,734 | 24,605,202 | 25,702,360 | 32,383,724 |
| 558,293 | 529,902 | 515,504 | 550,292 | 581,150 |
| 988,631 | 497,551 | 443,937 | 617,351 | 86,121 |
| - | 44,599 | 170,000 | 316,432 | 1,044,563 |
| <u>877,217</u> | <u>(255,457)</u> | <u>(2,753,975)</u> | <u>(3,667,361)</u> | <u>(3,882,869)</u> |
| <u>68,691,793</u> | <u>59,647,060</u> | <u>47,118,462</u> | <u>46,660,269</u> | <u>56,103,881</u> |
| | | | | |
| 102,740 | 10,382 | 6,070 | 30,891 | 71,219 |
| <u>(877,217)</u> | <u>255,457</u> | <u>2,753,975</u> | <u>3,667,361</u> | <u>3,882,869</u> |
| <u>(774,477)</u> | <u>265,839</u> | <u>2,760,045</u> | <u>3,698,252</u> | <u>3,954,088</u> |
| <u>\$ 67,917,316</u> | <u>\$ 59,912,899</u> | <u>\$ 49,878,507</u> | <u>\$ 50,358,521</u> | <u>\$ 60,057,969</u> |
| | | | | |
| \$ (11,584,525) | \$ (14,086,963) | \$ (15,574,399) | \$ (18,509,222) | \$ (14,836,314) |
| <u>48,867</u> | <u>1,453,627</u> | <u>3,688,036</u> | <u>2,486,699</u> | <u>2,879,281</u> |
| <u>\$ (11,535,658)</u> | <u>\$ (12,633,336)</u> | <u>\$ (11,886,363)</u> | <u>\$ (16,022,523)</u> | <u>\$ (11,957,033)</u> |

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

| Fiscal Year Ending June 30, | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|-------------------------------------|----------------------|---------------------|----------------------|---------------------|---------------------|
| General Fund | | | | | |
| Assigned | \$ 11,777,833 | \$12,057,549 | \$ 12,207,325 | \$12,691,370 | \$13,724,513 |
| Unassigned | <u>4,146,455</u> | <u>3,213,323</u> | <u>3,130,470</u> | <u>2,290,541</u> | <u>3,036,971</u> |
| Total general fund | <u>\$ 15,924,288</u> | <u>\$15,270,872</u> | <u>\$ 15,337,795</u> | <u>\$14,981,911</u> | <u>\$16,761,484</u> |
| All Other Governmental Funds | | | | | |
| Restricted | \$ 14,828,114 | \$11,053,197 | \$ 14,078,478 | \$ 7,518,696 | \$11,784,570 |
| Assigned | 2,753,061 | 2,083,678 | 1,219,958 | 706,094 | 259,177 |
| Unassigned, reported in: | | | | | |
| Special revenue funds | - | - | - | - | - |
| Capital projects funds | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total all other governmental funds | <u>\$ 17,581,175</u> | <u>\$13,136,875</u> | <u>\$ 15,298,436</u> | <u>\$ 8,224,790</u> | <u>\$12,043,747</u> |

| <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$14,224,513 | \$14,513,083 | \$16,693,577 | \$18,007,111 | \$19,518,367 |
| <u>3,205,095</u> | <u>3,958,498</u> | <u>2,344,771</u> | <u>2,244,498</u> | <u>2,296,406</u> |
| <u>\$17,429,608</u> | <u>\$18,471,581</u> | <u>\$19,038,348</u> | <u>\$20,251,609</u> | <u>\$21,814,773</u> |
| | | | | |
| \$ 8,429,195 | \$ 8,536,116 | \$35,931,956 | \$36,008,792 | \$65,192,245 |
| 215,235 | 185,557 | 76,836 | - | - |
| - | (552,826) | (528,769) | (528,769) | (327,773) |
| - | 860,326 | - | - | - |
| <u>\$ 8,644,430</u> | <u>\$ 8,168,847</u> | <u>\$35,480,023</u> | <u>\$35,480,023</u> | <u>\$64,864,472</u> |

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

| Fiscal Year Ending June 30, | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| Revenues | | | | | |
| Taxes | \$ 72,648,101 | \$ 68,556,417 | \$ 70,546,603 | \$ 66,367,426 | \$ 66,035,682 |
| Licenses and permits | 130,906 | 155,279 | 131,055 | 130,807 | 99,341 |
| Intergovernmental revenues | 4,885,875 | 3,251,530 | 2,988,192 | 2,757,803 | 3,781,219 |
| Charges for services | 5,973,023 | 5,874,110 | 5,789,394 | 5,601,346 | 5,687,127 |
| Fines and forfeitures | 2,802,310 | 3,079,490 | 2,835,436 | 3,099,595 | 3,268,751 |
| Investment income | 16,526 | 16,353 | 32,572 | 48,191 | 30,705 |
| Miscellaneous | <u>1,003,254</u> | <u>956,590</u> | <u>583,831</u> | <u>607,283</u> | <u>480,501</u> |
| Total revenues | <u>87,459,995</u> | <u>81,889,769</u> | <u>82,907,083</u> | <u>78,612,451</u> | <u>79,383,326</u> |
| Expenditures | | | | | |
| General government | | | | | |
| Legislative and executive | \$ 11,446,499 | \$ 10,684,609 | \$ 10,996,723 | \$ 10,050,950 | \$ 9,908,048 |
| Judicial | 7,275,305 | 7,167,422 | 6,513,406 | 6,267,247 | 5,942,037 |
| Public safety | 26,517,739 | 25,800,237 | 26,321,713 | 25,824,458 | 25,184,661 |
| Public works | 6,799,468 | 5,704,932 | 5,655,379 | 6,155,815 | 4,593,106 |
| Health and welfare | 1,168,376 | 1,097,014 | 1,195,708 | 870,328 | 859,923 |
| Culture and recreation | 5,084,948 | 4,685,341 | 4,829,388 | 4,681,077 | 4,577,105 |
| Housing and development | 4,597,599 | 4,244,301 | 4,185,465 | 4,191,862 | 4,557,326 |
| Intergovernmental | 11,787,151 | 11,985,598 | 14,165,484 | 11,319,810 | 9,904,148 |
| Capital outlay | 7,929,566 | 8,393,877 | 3,265,709 | 3,208,286 | 2,406,981 |
| Debt service | | | | | |
| Principle | 870,000 | 850,000 | 840,000 | 8,710,000 | 8,290,000 |
| Interest | <u>179,600</u> | <u>196,600</u> | <u>213,400</u> | <u>607,138</u> | <u>891,828</u> |
| Total Expenditures | <u>83,656,251</u> | <u>80,809,931</u> | <u>78,182,375</u> | <u>81,886,971</u> | <u>77,115,163</u> |
| Excess of revenues over (under) expenditure | <u>3,803,744</u> | <u>1,079,838</u> | <u>4,724,708</u> | <u>(3,274,520)</u> | <u>2,268,163</u> |
| Other Financing Sources (Uses) | | | | | |
| Capital financing | 735,450 | - | - | - | 125,000 |
| Transfer in | 2,171,282 | 2,188,484 | 1,862,786 | 1,887,116 | 1,718,027 |
| Transfer out | <u>(1,612,760)</u> | <u>(5,179,309)</u> | <u>(1,850,554)</u> | <u>(1,514,506)</u> | <u>(1,384,027)</u> |
| Total other financing sources (uses) | <u>1,293,972</u> | <u>(2,990,825)</u> | <u>12,232</u> | <u>372,610</u> | <u>459,000</u> |
| Net change in fund balances | <u>\$ 5,097,716</u> | <u>\$ (1,910,987)</u> | <u>\$ 4,736,940</u> | <u>\$ (2,901,910)</u> | <u>\$ 2,727,163</u> |
| Debt service as a percentage of noncapital expenditures | | | | | |
| | 1.39% | 1.45% | 1.41% | 11.84% | 12.29% |

| <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|---------------------|---------------------|-----------------------|-----------------------|----------------------|
| \$ 66,456,938 | \$ 59,548,885 | \$ 49,454,608 | \$ 49,726,786 | \$ 60,159,934 |
| 132,168 | 117,935 | 124,060 | 151,434 | 341,087 |
| 3,519,504 | 4,051,774 | 2,737,701 | 4,126,620 | 5,442,941 |
| 6,320,517 | 6,178,392 | 6,038,778 | 5,873,816 | 4,457,475 |
| 3,400,696 | 2,883,883 | 2,788,804 | 2,996,915 | 3,358,093 |
| 14,131 | 61,937 | 159,879 | 316,432 | 1,044,564 |
| <u>632,848</u> | <u>485,665</u> | <u>629,184</u> | <u>462,651</u> | <u>736,913</u> |
| <u>80,476,802</u> | <u>73,328,471</u> | <u>61,933,014</u> | <u>63,654,654</u> | <u>75,541,007</u> |
| \$ 9,590,306 | \$ 9,274,035 | \$ 10,299,933 | \$ 9,805,457 | \$ 11,995,479 |
| 6,221,941 | 6,751,027 | 5,351,169 | 5,612,188 | 7,129,220 |
| 25,931,440 | 23,981,068 | 24,629,552 | 25,064,246 | 24,688,510 |
| 4,253,281 | 8,305,664 | 8,899,049 | 8,328,196 | 13,401,084 |
| 893,716 | 1,049,234 | 1,266,900 | 1,372,408 | 1,397,225 |
| 4,518,596 | 1,000,000 | 1,022,500 | 1,723,102 | 4,290,100 |
| 4,216,382 | 1,403,566 | 1,330,610 | 1,840,804 | 1,459,402 |
| 10,486,448 | 9,416,508 | - | - | - |
| 3,283,091 | 2,660,740 | 28,199,430 | 27,894,881 | 15,649,774 |
| 7,965,000 | 5,505,000 | 7,370,000 | 7,100,000 | 605,000 |
| <u>1,525,881</u> | <u>1,757,000</u> | <u>2,062,694</u> | <u>2,193,625</u> | <u>523,860</u> |
| <u>78,886,082</u> | <u>71,103,842</u> | <u>90,431,837</u> | <u>90,934,907</u> | <u>81,139,654</u> |
| <u>1,590,720</u> | <u>2,224,629</u> | <u>(28,498,823)</u> | <u>(27,280,253)</u> | <u>(5,598,647)</u> |
| - | - | - | - | 42,663,153 |
| 2,894,089 | 1,430,641 | 50,000 | 77,527 | 160,240 |
| <u>(2,017,872)</u> | <u>(1,686,097)</u> | <u>(2,803,975)</u> | <u>(3,744,887)</u> | <u>(4,043,109)</u> |
| <u>876,217</u> | <u>(255,456)</u> | <u>(2,753,975)</u> | <u>(3,667,360)</u> | <u>38,780,284</u> |
| <u>\$ 2,466,937</u> | <u>\$ 1,969,173</u> | <u>\$(31,252,798)</u> | <u>\$(30,947,613)</u> | <u>\$ 33,181,637</u> |
| 12.55% | 10.61% | 15.16% | 14.74% | 1.72% |

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

| Fiscal Year | Property Tax | Title Advalorem Vehicle Tax | Beverage Tax | Franchise Tax | Local Option Sales Tax | Special Purpose Local Option Sales Tax | Hotel/Motel Tax | Insurance Premium Tax | Intangible Tax | Total |
|-------------|--------------|-----------------------------|--------------|---------------|------------------------|--|-----------------|-----------------------|----------------|------------|
| 2008 | 21,284,204 | - | 527,476 | 212,203 | 13,777,615 | 23,415,805 | 1,032,148 | 2,135,580 | 722,709 | 63,107,740 |
| 2009 | 18,437,599 | - | 534,897 | 187,256 | 13,081,231 | 20,745,158 | 268,939 | 2,187,633 | 482,671 | 55,925,384 |
| 2010 | 19,483,831 | - | 508,709 | 174,130 | 12,510,599 | 21,522,945 | 270,541 | 2,156,266 | 416,250 | 57,043,271 |
| 2011 | 19,768,176 | - | 511,846 | 173,918 | 12,592,637 | 21,709,097 | 274,860 | 2,097,125 | 409,048 | 57,536,707 |
| 2012 | 26,125,012 | - | 484,361 | 139,430 | 12,778,041 | 22,030,417 | 273,668 | 2,058,288 | 405,139 | 64,294,356 |
| 2013 | 26,157,401 | 431,831 | 486,800 | 116,773 | 12,387,903 | 21,359,925 | 272,613 | 2,198,903 | 503,831 | 63,915,980 |
| 2014 | 26,290,909 | 1,623,444 | 511,272 | 114,398 | 11,991,187 | 20,683,920 | 281,051 | 2,285,406 | 412,764 | 64,194,351 |
| 2015 | 28,743,941 | 2,403,931 | 519,700 | 118,282 | 12,247,943 | 21,105,022 | 312,292 | 2,399,798 | 394,652 | 68,245,561 |
| 2016 | 27,865,106 | 2,012,398 | 532,111 | 90,731 | 11,906,457 | 20,526,799 | 322,379 | 2,569,810 | 446,525 | 66,272,316 |
| 2017 | 32,029,878 | 2,042,727 | 517,520 | 119,065 | 11,708,428 | 20,186,935 | 443,779 | 2,734,353 | 441,563 | 70,224,248 |
| Change | | | | | | | | | | |
| 2008-2017 | 50.49% | 373.04% | -1.89% | -43.89% | -15.02% | -13.79% | -57.00% | 28.04% | -38.90% | 11.28% |

Note: Includes General and Special Revenue Funds.

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

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

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

Effective in August 2016, the hotel-motel tax was raised from 5% to 7%.

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

| Fiscal Year Ended <u>June 30,</u> | Assessed Value Residential <u>Property</u> | Assessed Value Commercial <u>Property</u> | Assessed Value Industrial <u>Property</u> | Assessed Value Personal <u>Property</u> | Less: Assessed Value Tax-Exempt <u>Property</u> | Total Taxable Assessed <u>Value</u> |
|--|---|--|--|--|---|---|
| 2008 | 1,400,845 | 865,837 | 395,966 | 214,775 | 254,078 | 2,623,345 |
| 2009 | 1,490,238 | 885,093 | 448,464 | 223,814 | 290,859 | 2,756,750 |
| 2010 | 1,528,119 | 907,500 | 467,299 | 233,738 | 305,921 | 2,830,735 |
| 2011 | 1,533,881 | 919,014 | 421,432 | 211,749 | 288,437 | 2,797,639 |
| 2012 | 1,545,873 | 905,710 | 452,877 | 213,668 | 315,997 | 2,802,131 |
| 2013 | 1,523,611 | 943,904 | 493,895 | 227,573 | 321,475 | 2,867,508 |
| 2014 | 1,523,248 | 937,983 | 507,566 | 239,653 | 310,207 | 2,898,243 |
| 2015 | 1,526,911 | 965,117 | 522,662 | 205,404 | 320,119 | 2,899,975 |
| 2016 | 1,532,969 | 1,171,548 | 547,981 | 139,175 | 396,512 | 2,995,161 |
| 2017 | 1,547,612 | 1,122,320 | 557,674 | 104,590 | 332,732 | 2,999,464 |

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

| Fiscal Year Ended <u>June 30,</u> | Total Taxable Assessed <u>Value</u> | Estimated Actual Taxable <u>Value</u> | Ratio of Total | | Total Direct Unincorporated <u>Tax Rate (1)</u> | Total Direct Incorporated <u>Tax Rate</u> |
|--|---|--|--|--|---|---|
| | | | Accessed to Total Actual <u>Value</u> | | | |
| 2008 | 2,623,345 | 6,558,363 | 40% | | 8.76 | 8.76 |
| 2009 | 2,756,750 | 6,891,875 | 40% | | 7.31 | 7.31 |
| 2010 | 2,830,735 | 7,076,838 | 40% | | 7.31 | 7.31 |
| 2011 | 2,797,639 | 6,994,098 | 40% | | 7.31 | 7.31 |
| 2012 | 2,802,131 | 7,005,328 | 40% | | 7.31 | 7.31 |
| 2013 | 2,867,508 | 7,168,770 | 40% | | 7.31 | 7.31 |
| 2014 | 2,898,243 | 7,245,608 | 40% | | 7.30 | 7.30 |
| 2015 | 2,899,975 | 7,249,938 | 40% | | 8.31 | 8.31 |
| 2016 | 2,995,161 | 7,487,903 | 40% | | 7.80 | 7.80 |
| 2017 | 2,999,464 | 7,498,660 | 40% | | 8.97 | 8.97 |

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

| Jurisdiction: | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| County | | | | | | | | | | |
| Maintenance and Operations: | | | | | | | | | | |
| Direct Rates: | | | | | | | | | | |
| Unincorporated | 8.76 | 7.31 | 7.31 | 7.31 | 7.31 | 7.31 | 7.30 | 8.31 | 7.80 | 8.97 |
| Incorporated | 8.76 | 7.31 | 7.31 | 7.31 | 7.31 | 7.31 | 7.30 | 8.31 | 7.80 | 8.97 |
| Overlapping Rates: | | | | | | | | | | |
| Valdosta-Lowndes County Development Authority | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Valdosta-Lowndes County Parks & Recreation Authority | 0.00 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 |
| Total County - Unincorporated | <u>9.76</u> | <u>9.56</u> | <u>9.56</u> | <u>9.56</u> | <u>9.56</u> | <u>9.56</u> | <u>9.55</u> | <u>10.56</u> | <u>10.05</u> | <u>11.22</u> |
| Total County - Incorporated | <u>9.76</u> | <u>9.56</u> | <u>9.56</u> | <u>9.56</u> | <u>9.56</u> | <u>9.56</u> | <u>9.55</u> | <u>10.56</u> | <u>10.05</u> | <u>11.22</u> |
| Schools | | | | | | | | | | |
| Maintenance and Operations: | | | | | | | | | | |
| Lowndes County Board of Education | 14.95 | 14.70 | 14.70 | 14.70 | 14.70 | 14.73 | 14.73 | 16.85 | 16.85 | 16.91 |
| Valdosta Board of Education | 15.98 | 15.98 | 15.98 | 16.98 | 16.98 | 16.98 | 16.98 | 16.98 | 16.98 | 16.98 |
| Total Schools - County | <u>14.95</u> | <u>14.70</u> | <u>14.70</u> | <u>14.70</u> | <u>14.70</u> | <u>14.73</u> | <u>14.73</u> | <u>16.85</u> | <u>16.85</u> | <u>16.91</u> |
| Total Schools - City of Valdosta | <u>15.98</u> | <u>15.98</u> | <u>15.98</u> | <u>16.98</u> | <u>16.98</u> | <u>16.98</u> | <u>16.98</u> | <u>16.98</u> | <u>16.98</u> | <u>16.98</u> |
| Municipalities | | | | | | | | | | |
| Maintenance and Operations: | | | | | | | | | | |
| City of Hahira | 5.38 | 5.38 | 5.38 | 5.38 | 5.38 | 4.75 | 4.75 | 4.75 | 4.75 | 4.75 |
| City of Lake Park | 4.73 | 4.72 | 4.70 | 4.70 | 5.05 | 5.05 | 5.05 | 6.55 | 6.55 | 6.55 |
| City of Remerton | 6.42 | 6.39 | 6.39 | 6.39 | 6.39 | 6.38 | 6.38 | 6.35 | 6.35 | 6.72 |
| City of Valdosta | 4.18 | 4.11 | 4.11 | 4.11 | 4.11 | 4.11 | 4.10 | 6.10 | 6.10 | 7.95 |
| State | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | .020 | 0.15 | 0.10 | 0.05 | .00 |
| Total Direct and Overlapping Rates: | | | | | | | | | | |
| Total Unincorporated | <u>24.96</u> | <u>24.51</u> | <u>24.51</u> | <u>24.51</u> | <u>24.51</u> | <u>24.31</u> | <u>24.43</u> | <u>27.51</u> | <u>26.95</u> | <u>28.13</u> |
| Total City of Hahira | <u>30.34</u> | <u>29.89</u> | <u>29.89</u> | <u>29.89</u> | <u>29.89</u> | <u>29.06</u> | <u>29.18</u> | <u>32.26</u> | <u>31.70</u> | <u>32.88</u> |
| Total City of Lake Park | <u>29.69</u> | <u>29.23</u> | <u>29.21</u> | <u>29.21</u> | <u>29.56</u> | <u>29.36</u> | <u>29.48</u> | <u>34.06</u> | <u>33.50</u> | <u>34.68</u> |
| Total City of Remerton | <u>31.38</u> | <u>30.90</u> | <u>30.90</u> | <u>30.90</u> | <u>30.90</u> | <u>30.69</u> | <u>30.81</u> | <u>33.86</u> | <u>33.30</u> | <u>34.85</u> |
| Total City of Valdosta | <u>30.17</u> | <u>29.90</u> | <u>29.90</u> | <u>30.90</u> | <u>30.90</u> | <u>30.67</u> | <u>30.78</u> | <u>33.74</u> | <u>33.18</u> | <u>36.15</u> |

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

Cities access property taxes on property within their geographic boundaries.

Source: Lowndes County Tax Commissioner

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

| <u>Taxpayer</u> | 2017 | | | <u>Taxpayer</u> | 2008 | | |
|-----------------------------------|-------------------------------|-------------|--|--|-------------------------------|-------------|--|
| | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total County Taxable Assessed Value</u> | | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total County Taxable Assessed Value</u> |
| Packaging Corporation of America | \$ 81,621,334 | 1 | 2.72% | Packaging Corporation of America | \$ 49,796,683 | 1 | 1.90% |
| Georgia Power Company | 45,378,613 | 2 | 1.51% | Archers Daniels Midland | 43,648,537 | 2 | 1.66% |
| Archer Daniels Midland | 42,710,802 | 3 | 1.42% | Lowe's Distribution Center | 29,599,072 | 3 | 1.13% |
| Colquitt EMC | 19,586,993 | 4 | 0.65% | The Langdale Company | 26,528,393 | 4 | 1.01% |
| J M Smith Corporation | 19,112,151 | 5 | 0.64% | Georgia Power Company | 25,735,664 | 5 | 0.98% |
| DuPont Crop Protection | 18,032,584 | 6 | 0.60% | Wild Adventures | 19,860,493 | 6 | 0.76% |
| Sabal Trail Transmission LLC | 16,308,474 | 7 | 0.54% | Marelda Valdosta Mall LLC | 11,899,329 | 7 | 0.45% |
| GF Valdosta Mall LLC | 16,297,005 | 8 | 0.54% | Bellsouth Telecommunications | 11,887,727 | 8 | 0.45% |
| Arysta Lifescience | 13,583,424 | 9 | 0.45% | Colquitt EMC | 12,325,531 | 9 | 0.47% |
| Valdosta-Lowndes Co Industrial Au | 11,114,651 | 10 | 0.37% | Valdosta-Lowndes Co Industrial Authority | 9,404,745 | 10 | 0.36% |
| All others | <u>2,715,717,893</u> | | <u>90.54%</u> | All others | <u>2,382,657,851</u> | | <u>90.83%</u> |
| Total | <u>\$ 2,999,463,924</u> | | <u>100.00%</u> | Total | <u>\$ 2,623,344,025</u> | | <u>100.00%</u> |

Source: Lowndes County Tax Commissioner

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

| Fiscal Year Ending June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|--------------------------------------|--|---|-----------------------|---------------------------------------|---------------------------|-----------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2008 | 22,967,377 | 22,463,268 | 97.81% | 504,109 | 22,967,377 | 100.00% |
| 2009 | 20,171,846 | 19,506,396 | 96.70% | 665,450 | 20,171,846 | 100.00% |
| 2010 | 20,692,666 | 19,942,062 | 96.37% | 750,604 | 20,692,666 | 100.00% |
| 2011 | 20,450,742 | 19,655,203 | 96.11% | 791,606 | 20,446,809 | 99.98% |
| 2012 | 20,483,589 | 19,694,801 | 96.15% | 780,777 | 20,475,578 | 99.96% |
| 2013 | 20,961,479 | 20,204,435 | 96.39% | 745,071 | 20,949,506 | 99.94% |
| 2014 | 21,165,873 | 20,465,210 | 96.69% | 676,876 | 21,142,086 | 99.89% |
| 2015 | 24,098,793 | 23,286,760 | 96.63% | 722,666 | 24,009,426 | 99.63% |
| 2016 | 23,374,266 | 22,610,795 | 96.73% | 545,980 | 23,156,775 | 99.07% |
| 2017 | 26,917,189 | 26,085,531 | 96.91% | - | 26,085,531 | 96.91% |

Source: Lowndes County Tax Commissioner

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

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

| Fiscal Year | Governmental Activities | | Business-Type Activities | | | Total Primary Government | Percentage of Personal Income | Per Capita |
|-------------|-------------------------|------------|--------------------------|----------------|---------------|--------------------------|-------------------------------|------------|
| | Capital Leases | Bonds | Notes Payable | Capital Leases | Revenue Bonds | | | |
| 2008 | 864,630 | 55,640,000 | - | - | 11,506,881 | 68,011,511 | 2.31% | 668 |
| 2009 | 1,043,967 | 47,123,648 | - | - | 11,014,959 | 59,182,574 | 1.86% | 566 |
| 2010 | 496,621 | 39,530,000 | - | - | 10,508,040 | 50,534,661 | 1.60% | 473 |
| 2011 | 235,000 | 35,092,351 | - | - | 9,981,119 | 45,308,470 | 1.37% | 415 |
| 2012 | 112,600 | 26,771,567 | - | - | 9,439,199 | 36,323,366 | 1.02% | 316 |
| 2013 | 69,700 | 18,686,139 | - | - | 9,576,467 | 28,332,306 | 0.76% | 238 |
| 2014 | 53,300 | 9,597,013 | - | - | 8,897,058 | 18,547,371 | 0.51% | 164 |
| 2015 | 36,900 | 8,716,852 | 1,144,071 | - | 8,159,655 | 18,057,478 | 0.51% | 159 |
| 2016 | 20,500 | 7,808,529 | 1,285,219 | 440,198 | 7,411,869 | 16,966,315 | 0.45% | 150 |
| 2017 | 592,460 | 6,884,109 | 798,768 | 223,605 | 6,644,203 | 15,143,145 | 0.36% | 133 |

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, 2017

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Overlapping Debt</u> |
|---|-----------------------------|--|--|
| Debt repaid with property taxes | | | |
| Lowndes County School System | 73,570,000 | 100% | 73,570,000 |
| Central Valdosta Development Authority | 1,614,000 | 100% | <u>1,614,000</u> |
| Subtotal, overlapping debt | | | 75,184,000 |
| County direct debt | | | |
| Capital Lease | | | 4,100 |
| Bonds | | | 6,884,109 |
| Intergovernmental Agreements | | | |
| Valdosta-Lowndes County Development Authority | | | <u>10,315,000</u> |
| Total County direct debt | | | <u>17,203,209</u> |
| Total direct and overlapping debt | | | <u>\$ 92,387,209</u> |

Sources:

Each city government provided information for their respective city.

Notes:

Overlapping governments are those that coincide with the geographic boundaries of the County. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of Lowndes County. The County government represents all taxpayers including those living in the cities and therefore 100% of the debt is estimated to be overlapping. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

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

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|---|------------------|------------------|------------------|------------------|------------------|
| Debt limit | 262,334 | 275,675 | 283,073 | 279,764 | 280,213 |
| Total net debt applicable to limit * | <u>55,640</u> | <u>46,900</u> | <u>39,530</u> | <u>43,765</u> | <u>35,275</u> |
| Legal debt margin | <u>\$206,694</u> | <u>\$228,775</u> | <u>\$243,543</u> | <u>\$235,999</u> | <u>\$244,938</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 0% | 0% | 0% | 0% | 0% |

*-Net debt applicable to the limit has been adjusted for all years prior to FY2017 based on categories noted in the debt ratio schedule.

Legal Debt Margin Calculation for Fiscal Year 2017

| | |
|---|--------------------------|
| Assessed value | \$ 2,999,464 |
| Debt limitation (10% of assessed value) | 299,946 |
| Debt applicable to limitation: | |
| Total bonded debt | <u>6,884</u> |
| Legal debt margin | <u><u>\$ 293,062</u></u> |

| <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| 286,751 | 289,824 | 289,998 | 299,516 | 299,946 |
| <u>18,647</u> | <u>9,185</u> | <u>8,717</u> | <u>7,809</u> | <u>6,884</u> |
| <u><u>\$ 268,104</u></u> | <u><u>\$280,639</u></u> | <u><u>\$281,281</u></u> | <u><u>\$291,707</u></u> | <u><u>\$ 293,062</u></u> |

0% 0% 0% 0% 0%

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

| Water and Sewer Revenue Bonds 2005 (Refunded 2016) | | | | | | | |
|--|----------------------|-----------------------|----------------------|--------------|-----------|-------------|----------|
| Fiscal Year | Operating Revenue | Less: | Net | Debt Service | | Total | Coverage |
| | | Operating Expenses | Available Revenue | Principle | Interest | | |
| 2008 | \$3,772,771 | \$2,619,531 | \$1,153,240 | \$460,000 | \$508,294 | \$ 968,294 | 1.19 |
| 2009 | \$3,639,943 | \$2,736,823 | \$ 903,120 | \$475,000 | \$494,494 | \$ 969,494 | 0.93 |
| 2010 | \$5,065,995 | \$2,545,210 | \$2,520,785 | \$490,000 | \$479,056 | \$ 969,056 | 2.60 |
| 2011 | \$5,281,592 | \$2,703,922 | \$2,577,670 | \$510,000 | \$460,488 | \$ 970,488 | 2.66 |
| 2012 | \$5,282,108 | \$2,624,767 | \$2,657,341 | \$525,000 | \$444,056 | \$ 969,056 | 2.74 |
| 2013 | \$4,938,717 | \$2,969,218 | \$1,969,499 | \$570,000 | \$495,158 | \$1,065,158 | 1.85 |
| 2014 | \$5,353,852 | \$2,857,696 | \$2,496,156 | \$660,000 | \$241,613 | \$ 901,613 | 2.77 |
| 2015 | \$5,661,873 | \$3,285,323 | \$2,376,550 | \$685,000 | \$217,213 | \$ 902,213 | 2.63 |
| 2016 | \$6,199,474 | \$3,504,480 | \$2,694,994 | \$715,000 | \$185,962 | \$ 900,962 | 2.99 |
| 2017 | \$7,291,559 | \$3,418,989 | \$3,872,570 | \$735,000 | \$160,900 | \$ 895,900 | 4.32 |

Notes:

Pledged revenues represent fees charged for water and sewer services.

Operating expenses do not include depreciation and interest expenses.

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

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

| <u>Year</u> | <u>Population (1)</u> | <u>Personal Income</u> | <u>Per Capita Income (2)</u> | | <u>Unemployment Rate (2)</u> | |
|-------------|-----------------------|----------------------------|------------------------------|--------------|------------------------------|--------------|
| | | | <u>County</u> | <u>State</u> | <u>County</u> | <u>State</u> |
| 2008 | 101,790 | 2,938,473,720 | 28,868 | 35,369 | 3.9% | 4.6% |
| 2009 | 104,583 | 3,185,702,763 | 30,461 | 35,863 | 5.5% | 6.3% |
| 2010 | 106,814 | 3,161,480,772 | 29,598 | 34,081 | 8.4% | 9.8% |
| 2011 | 109,233 | 3,306,264,444 | 30,268 | 34,800 | 9.2% | 10.2% |
| 2012 | 111,885 | 3,461,498,130 | 30,938 | 36,104 | 9.3% | 9.8% |
| 2013 | 114,552 | 3,561,765,336 | 31,093 | 36,869 | 8.3% | 8.5% |
| 2014 | 112,916 | 3,659,607,560 | 32,410 | 37,845 | 7.4% | 7.7% |
| 2015 | 113,563 | 3,755,187,721 | 33,067 | 38,980 | 7.3% | 7.2% |
| 2016 | 112,865 | 3,745,086,430 | 33,182 | 40,306 | 5.9% | 5.9% |
| 2017 | 113,898 | 4,195,318,932 | 36,834 | 49,347 | 5.1% | 4.8% |

Source:

(1) U. S. Census Bureau

(2) State of Georgia Department of Labor

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

| Fresh Beginnings Employer | 2017 | | | | 2008 | | |
|------------------------------|---------------|------|---|------------------------------|---------------|------|---|
| | Employees | Rank | Percentage of Total County Employment | | Employees | Rank | Percentage of Total County Employment |
| Moody Air Force Base | 5,478 | 1 | 11.16% | Moody Air Force Base | 4,700 | 1 | 9.19% |
| South Georgia Medical Center | 2,559 | 2 | 5.21% | South Georgia Medical Center | 2,300 | 2 | 4.50% |
| Valdosta State University | 2,311 | 3 | 4.71% | Valdosta State University | 2,280 | 3 | 4.46% |
| Fresh Beginnings | 1,582 | 4 | 3.22% | Lowndes County School System | 1,279 | 4 | 2.50% |
| Lowndes County School System | 1,388 | 5 | 2.83% | Valdosta City School System | 983 | 5 | 1.92% |
| Valdosta City School System | 1,270 | 6 | 2.59% | Lowe's Distribution Center | 900 | 6 | 1.76% |
| Lowe's Distribution Center | 992 | 7 | 2.02% | Convergys Corp | 850 | 7 | 1.66% |
| Wild Adventures | 900 | 9 | 1.83% | City of Valdosta | 773 | 8 | 1.51% |
| Wal Mart Supercenters | 859 | 8 | 1.75% | Lowndes County | 609 | 9 | 1.19% |
| Lowndes County | <u>605</u> | 10 | <u>1.23%</u> | Bath Craft / Jacuzzi | <u>600</u> | 10 | <u>1.17%</u> |
| Total Principle Employers | 17,944 | | 36.55% | | 15,274 | | 29.86% |
| Other Employees | <u>31,154</u> | | <u>63.45%</u> | | <u>35,872</u> | | <u>70.14%</u> |
| Total Employees | <u>49,098</u> | | <u>100.00%</u> | | <u>51,146</u> | | <u>100.00%</u> |

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

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

| Function/Program | Full-time Equivalent Employees as of June 30, | | | | | | | | | |
|---------------------------|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| General Government | | | | | | | | | | |
| Legislative | | | | | | | | | | |
| Board of Commissioners | 4 | 4 | 4 | 4 | 4 | 6 | 6 | 6 | 6 | 6 |
| Commissioners' Assistant | 1 | 1 | 1 | - | - | - | - | - | - | - |
| Community Service | 1 | 1 | 1 | - | - | - | - | - | - | - |
| County Clerk | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 3 | 3 |
| County Manager | 4 | 4 | 4 | 3 | 3 | 3 | 2 | 2 | 2 | 2 |
| Risk Manager | 1 | 1 | 1 | - | - | - | - | - | - | - |
| Board of Elections | 12 | 12 | 12 | 15 | 14 | 14 | 10 | 10 | 10 | 10 |
| Board of Assessors | 24 | 24 | 25 | 24 | 24 | 23 | 24 | 24 | 24 | 24 |
| Building Maintenance | 21 | 21 | 22 | 20 | 20 | 21 | 25 | 25 | 25 | 25 |
| Tax Commissioner | 20 | 20 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| Administrative Services | 18 | 18 | 20 | 17 | 17 | 17 | 18 | 19 | 19 | 20 |
| Engineering | 11 | 11 | 11 | 7 | 7 | 7 | 6 | 6 | 6 | 7 |
| Judicial | | | | | | | | | | |
| Clerk of Court | 19 | 18 | 18 | 18 | 18 | 19 | 22 | 22 | 22 | 22 |
| Probate Court | 6 | 6 | 6 | 5 | 5 | 6 | 6 | 6 | 6 | 6 |
| Juvenile Court | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Magistrate Court | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Superior Court | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 17 | 17 | 14 |
| State Court | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 11 | 11 | 13 |
| Community Corrections | - | - | - | - | - | 1 | 1 | 1 | 1 | 2 |
| Public Safety | | | | | | | | | | |
| Sheriff | 225 | 226 | 240 | 240 | 240 | 240 | 237 | 237 | 237 | 238 |
| Coroner | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Probation | 2 | 2 | 2 | - | - | - | - | - | - | - |
| Fire Protection Services | 16 | - | - | - | - | - | - | - | - | - |
| Animal Control | 12 | 12 | 12 | 12 | 12 | 11 | 11 | 13 | 14 | 14 |
| Emergency Management | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Subtotal | 441 | 425 | 444 | 430 | 429 | 433 | 434 | 440 | 440 | 443 |

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>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Public Works | | | | | | | | | | |
| Administration | 7 | 7 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Road Maintenance | 40 | 39 | 39 | 36 | 36 | 39 | 39 | 39 | 39 | 38 |
| Road Construction | 10 | 10 | 10 | 8 | 9 | 9 | 9 | 9 | 9 | 9 |
| Mosquito Control | 1 | - | - | - | - | - | - | - | - | - |
| Housing and Development | | | | | | | | | | |
| County Planner | 1 | - | - | - | - | - | - | - | - | - |
| Zoning | 3 | - | - | - | - | - | - | - | - | - |
| Keep Lowndes/ Valdosta Beautiful | 1 | 1 | 1 | - | - | - | - | - | - | - |
| Auxiliary Accounts - Jail Commissary | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Intergovernmental | | | | | | | | | | |
| Regional Airport | 7 | 7 | 7 | - | - | - | - | - | - | - |
| Alternative Dispute Resolution | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Zoning Administration | 3 | - | - | - | - | - | - | - | - | - |
| VOCA Grant - Solicitor | - | - | - | - | - | - | - | 1 | 1 | 2 |
| LODAC HUD Grant | 4 | 3 | 3 | - | - | - | - | - | - | - |
| LCSO - HEAT Grant | - | - | - | - | - | - | - | - | - | 3 |
| County Jail Fund | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 1 |
| Drug Abuse Treatment | 6 | 8 | 4 | - | - | - | - | - | - | - |
| Emergency Telephone System | 38 | 38 | 37 | 38 | 38 | 36 | 36 | 38 | 38 | 41 |
| Special Services Fund | | | | | | | | | | |
| Fire | - | 16 | 20 | 19 | 19 | 19 | 20 | 20 | 20 | 20 |
| Mosquito Control | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| County Planner | - | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Zoning Administration | - | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Victim/Witness | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Water and Sewer | 14 | 14 | 19 | 18 | 18 | 19 | 19 | 19 | 19 | 21 |
| Sanitation Fund | 21 | 19 | 19 | 17 | 17 | 15 | - | - | - | - |
| Equipment Maintenance | <u>10</u> | <u>10</u> | <u>11</u> | <u>8</u> | <u>8</u> | <u>9</u> | <u>9</u> | <u>9</u> | <u>9</u> | <u>9</u> |
| Total | <u>614</u> | <u>609</u> | <u>632</u> | <u>593</u> | <u>593</u> | <u>598</u> | <u>585</u> | <u>595</u> | <u>594</u> | <u>605</u> |

Source: County Budgets

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

| Function/Program | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|--------|--------|--------|--------|--------|--------|---------|---------|--------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Courts | | | | | | | | | | |
| Cases filed: | | | | | | | | | | |
| Superior Court - Civil | 2,624 | 3,384 | 3,549 | 3,238 | 3,425 | 3,012 | 2,470 | 2,408 | 2,299 | 2,100 |
| Superior Court - Criminal | 4,221 | 3,579 | 3,771 | 3,907 | 3,929 | 3,361 | 3,287 | 3,915 | 5,384 | 4,710 |
| State Court - Civil | 1,274 | 1,282 | 1,628 | 1,019 | 832 | 547 | 649 | 490 | 585 | 539 |
| State Court - Criminal | 16,930 | 17,262 | 16,069 | 18,589 | 19,135 | 18,080 | 10,870 | 18,933 | 17,906 | 22,359 |
| Juvenile Court | 1,379 | 1,133 | 1,184 | 1,444 | 1,026 | 1,015 | 951 | 1,092 | 960 | 1,166 |
| Sheriff | | | | | | | | | | |
| Inmate bookings | 9,050 | 9,002 | 8,743 | 9,340 | 10,185 | 9,503 | 9,115 | 8,442 | 8,080 | 9,024 |
| Average daily jail population | 694 | 698 | 682 | 670 | 734 | 653 | 675 | 622 | 654 | 625 |
| Subpoenas served | 19,644 | 15,822 | 13,640 | 14,040 | 15,677 | 12,154 | 11,831 | 11,815 | 10,195 | 11,331 |
| Civil papers served | 3,691 | 3,868 | 4,568 | 3,719 | 3,634 | 2,908 | 2,659 | 2,408 | 2,145 | 1,964 |
| Jury summons | 543 | 344 | 576 | 470 | 479 | 485 | 724 | 595 | 592 | 619 |
| Fire Protection Services | | | | | | | | | | |
| Emergency responses | 1,801 | 1,774 | 1,648 | 2,653 | 2,829 | 3,548 | 3,086 | 3,079 | 2,630 | 2,286 |
| Fires extinguished | 462 | 490 | 497 | 999 | 335 | 468 | 266 | 581 | 288 | 371 |
| Emergency Telephone System | | | | | | | | | | |
| 911 calls | 84,218 | 88,298 | 96,000 | 96,420 | 98,587 | 97,599 | 98,480 | 102,508 | 106,796 | 98,853 |
| Public Works | | | | | | | | | | |
| New paving (miles) | 7 | 13 | 6 | - | - | 3 | 4 | 2 | 2 | 3 |
| Sanitation | | | | | | | | | | |
| Refuse collected (tons per day) | 35 | 23 | 27 | 27 | 34 | 32 | - | - | - | - |
| Water | | | | | | | | | | |
| Average daily consumption (thousands of gallons) | 6,642 | 5,764 | 3,028 | 1,943 | 2,000 | 1,943 | 1,939 | 2,062 | 4,555 | 6,739 |
| Sewer | | | | | | | | | | |
| Average daily sewage treatment (thousands of gallons) | 1,129 | 1,410 | 1,850 | 1,530 | 970 | 1,057 | 1,190 | 1,892 | 1,604 | 1,616 |

Source: County Department Heads

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

| Function/Program | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Sheriff | | | | | | | | | | |
| Vehicles | 210 | 220 | 252 | 235 | 240 | 263 | 263 | 233 | 195 | 190 |
| Fire Protection Services | | | | | | | | | | |
| Fire stations | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| Vehicles | 53 | 55 | 56 | 56 | 56 | 56 | 56 | 56 | 59 | 55 |
| Pumpers | 18 | 18 | 18 | 18 | 18 | 19 | 19 | 19 | 24 | 20 |
| Public Works | | | | | | | | | | |
| Streets (miles) paved | 457 | 471 | 477 | 447 | 487 | 490 | 494 | 496 | 505 | 508 |
| Streets (miles) dirt | 334 | 372 | 336 | 336 | 321 | 320 | 315 | 314 | 306 | 300 |
| Traffic signals | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 5 | 5 | 5 |
| Sanitation | | | | | | | | | | |
| Collection sites | 6 | 6 | 6 | 6 | 6 | - | - | - | - | - |
| Parks and recreation | | | | | | | | | | |
| Acreage | 404 | - | - | - | - | - | - | - | - | - |
| Recreation facilities | 6 | - | - | - | - | - | - | - | - | - |
| Water | | | | | | | | | | |
| Water mains (miles) | 166 | 182 | 185 | 190 | 191 | 192 | 192 | 192 | 198 | 200 |
| Fire hydrants | 1,179 | 1,336 | 1,373 | 1,408 | 1,420 | 1,420 | 1,420 | 1,420 | 1,475 | 1,489 |
| Storage capacity (thousands of gallons) | 3,170 | 3,650 | 3,680 | 3,680 | 3,680 | 3,680 | 3,680 | 3,680 | 3,680 | 3,680 |
| Sewer | | | | | | | | | | |
| Sanitary sewers (miles) | 167 | 185 | 188 | 200 | 201 | 202 | 202 | 202 | 206 | 210 |
| Treatment capacity (thousands of gallons) | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Transit minibuses | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |

Source: County Department Heads

SPECIAL REPORTS SECTION

LOWNDES COUNTY, GEORGIA
SPECIAL SALES TAX VI
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
Year Ended June 30, 2017

| | Original Estimated Cost | Current Estimated Cost | Prior Years | Current Year | Total | Estimated Percentage of Completion |
|---|-------------------------------|------------------------------|----------------|-----------------|----------------|--|
| Airport Improvements and Equipment | \$ 1,000,000 | \$ 783,566 | \$ 783,565 | \$ - | \$ 783,565 | 100.00% |
| Parking Facility | 1,500,000 | 700,000 | 700,000 | - | 700,000 | 100.00% |
| Emergency Operations Center | 4,000,000 | 2,953,982 | 2,953,982 | - | 2,953,982 | 100.00% |
| Courthouse Renovations & Equipment | 500,000 | 250 | 250 | - | 250 | 100.00% |
| Judicial /Admin Facilities Construction & Equipment | 1,000,000 | 38 | 38 | - | 38 | 100.00% |
| Public Safety Training Facility Construction & Equipment | 500,000 | 171,739 | 171,739 | - | 171,739 | 100.00% |
| Fire Fighting Facility Improvements & Equipment | 1,000,000 | 541,083 | 541,083 | - | 541,083 | 100.00% |
| Parks and Recreation Facility Construction & Equipment | 6,000,000 | 2,680,991 | 127,307 | 69,361 | 196,668 | 7.34% |
| Water and Sewer Fund Construction & Improvements | 15,000,000 | 4,887,937 | 4,887,937 | - | 4,887,937 | 100.00% |
| Road, Street & Bridges Construction & Improvements | 22,388,450 | 13,473,059 | 13,473,059 | - | 13,473,059 | 100.00% |
| Bond Debt Retirement For Jail and Judicial/Admin Facilities | 50,000,000 | 47,413,408 | 47,413,408 | - | 47,413,408 | 100.00% |
| City of Dasher | 1,101,000 | 787,857 | 787,857 | - | 787,857 | 100.00% |
| City of Hahira | 4,000,300 | 2,862,548 | 2,862,548 | - | 2,862,548 | 100.00% |
| City of Remerton | 2,000,150 | 1,410,501 | 1,410,501 | - | 1,410,501 | 100.00% |
| City of Lake Park | 752,350 | 538,369 | 538,369 | - | 538,369 | 100.00% |
| City of Valdosta | 72,757,750 | 52,085,020 | 52,085,020 | - | 52,085,020 | 100.00% |
| Totals | \$ 183,500,000 | \$ 131,290,348 | \$ 128,736,663 | \$ 69,361 | \$ 128,806,024 | |

See independent auditor’s report.

LOWNDES COUNTY, GEORGIA
SPECIAL SALES TAX VII
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
Year Ended June 30, 2017

| | Original Estimated Cost | Current Estimated Cost | Prior Years | Current Year | Total | Estimated Percentage of Completion |
|--|-------------------------------|------------------------------|----------------------|----------------------|----------------------|--|
| Roads, Streets and Bridge Improvements | \$ 25,000,000 | \$ 19,443,885 | \$ 11,296,673 | \$ 2,030,332 | \$13,327,005 | 68.54% |
| Road, Street and Bridge Equipment | 1,838,000 | 1,431,003 | 32,525 | 184,025 | 216,550 | 15.13% |
| Water & Sewer System Improvements and Equipment | 17,410,500 | 13,555,208 | 4,230,381 | 41,478 | 4,271,859 | 31.51% |
| Law Enforcement Vehicles and Evidence Storage Facilities | 1,500,000 | 1,167,848 | - | 412,353 | 412,353 | 35.31% |
| Firefighting Facilities and Vehicles | 3,000,000 | 2,335,695 | 432,759 | 178,625 | 611,384 | 26.18% |
| 9-1-1 Center Improvements | 984,500 | 766,497 | - | 47,614 | 47,614 | 6.21% |
| Public Safety Radio System | 4,500,000 | 4,500,000 | - | 1,094,500 | 1,094,500 | 24.32% |
| Parks and Recreation Facilities | 3,500,000 | 3,500,000 | 29,927 | 434,417 | 464,344 | 13.27% |
| Animal Shelter Addition and Improvements | 800,000 | 800,000 | 665 | 12,200 | 12,865 | 1.61% |
| Civic Center Improvements | 150,000 | 176,000 | 166,380 | 9,498 | 175,878 | 99.93% |
| Historic Courthouse Improvements | 2,000,000 | 2,000,000 | 2,490 | 22,181 | 24,671 | 1.23% |
| Library Improvements and Equipment | 1,582,000 | 1,582,000 | 9,425 | - | 9,425 | 0.60% |
| Airport Improvements | 150,000 | 150,000 | 93,667 | 45,100 | 138,767 | 92.51% |
| City of Dasher | 1,245,000 | 1,033,350 | 430,471 | 167,552 | 598,023 | 57.87% |
| City of Hahira | 3,765,000 | 3,124,950 | 1,301,791 | 506,692 | 1,808,483 | 57.87% |
| City of Remerton | 1,545,000 | 1,282,350 | 534,206 | 207,925 | 742,131 | 57.87% |
| City of Lake Park | 1,005,000 | 834,150 | 347,485 | 135,252 | 482,737 | 57.87% |
| City of Valdosta | 80,025,000 | 66,420,750 | 27,669,523 | 10,769,730 | 38,439,253 | 57.87% |
| Totals | <u>\$ 150,000,000</u> | <u>\$ 124,103,686</u> | <u>\$ 46,578,368</u> | <u>\$ 16,299,474</u> | <u>\$ 62,877,842</u> | |

See independent auditor's report.

SOURCE and APPLICATION OF FUNDS SCHEDULE
Community Development Block Grant

Lowndes County, Georgia

15p-y-092-1-5793

For the Period Ending: June 30, 2017
Cumulative

| | |
|--|--------------------|
| I. Total Fiscal Year 2015 CDBG Funds Awarded to Recipient: | \$ <u>500,000</u> |
| II. Total Amount of Drawdown by Recipient from DCA: | \$ 209,677 |
| III. Less: CDBG Funds Expended by Recipient: | \$ <u>209,677</u> |
| IV. Amount of Fiscal Year 2015 CDBG Funds held by Recipient: | \$ <u><u>-</u></u> |

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROJECT COST SCHEDULE

Recipient: Lowndes County, Georgia

Grant #: 15p-y-092-1-5793

For the Period Ending: June 30, 2017

| Program Activity | CDBG Activity Number | Latest Approved Budget | Accumulative CDBG Expenditures To Date | Accumulative Expenditures To Date (Other Funds) | Grand Total of Expenditures To Date | Questioned Costs |
|----------------------------------|----------------------------|------------------------------|---|--|--|---------------------|
| Public Facilities and Improvemen | P-003-01 | \$ 427,400 | \$ 13,500 | \$ - | \$ 13,500 | \$ - |
| Administration | A-21A-00 | \$ 30,000 | \$ 196,167 | \$ - | \$ 196,167 | \$ - |
| Contingency | C-022-00 | \$ 42,600 | \$ - | \$ - | \$ - | \$ - |
| TOTAL | | <u>\$ 500,000</u> | <u>\$ 209,667</u> | <u>\$ -</u> | <u>\$ 209,667</u> | <u>\$ -</u> |

LOWNDES COUNTY, GEORGIA
 SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
 Year Ended June 30, 2017

| | <u>Contract Number</u> | <u>Revenue</u> | <u>Expenditures</u> | <u>Due (To) From State</u> |
|---|-------------------------------|----------------|---------------------|------------------------------------|
| Passed through the Georgia | | | | |
| Department of Transportation | | | | |
| ARRA Public Transportation Assistance | GA-18-X0033/T005503 | 184,357 | \$ 184,357 | - |
| ARRA Public Transportation Assistance | GA-18-X0033/T005503 | 5,988 | 5,988 | - |
| ARRA Public Transportation Assistance | T005898 | 15,685 | 15,685 | - |
| Passed through the Governor's Office | | | | |
| of Highway Safety | | | | |
| SR TEN | TEN-2016-000-0298 | 4,059 | 4,059 | - |
| SR TEN | TEN-2017-402PT-012 | 12,997 | 12,997 | - |
| HEAT | GA-2016-000-0390 | 46,738 | 46,738 | - |
| HEAT | GA-2017-402PT-098 | 94,438 | 94,438 | - |
| Passed through the Georgia | | | | |
| Emergency Management Agency | | | | |
| GEMA Training Grant | OEM15-094 | 500 | 500 | - |
| GEMA Predisaster Mitigation | PDMC-PL-04-GA-2014-001 | 7,763 | 7,763 | - |
| Disaster Grants (Presidential Declared Disasters) | N/A | 191,560 | 191,560 | - |
| GTIP CBRNE | 2017-SS-00065-S01 | 17,086 | 17,086 | - |
| Passed through the Prosecuting Attorney's | | | | |
| Council of Georgia | | | | |
| 2015 VOCA Solicitor | C13-8-103;C14-8-108;C15-8-153 | 25,731 | 25,731 | - |
| 2016 VOCA Solicitor | C14-8-109; C16-8-001 | 66,736 | 66,736 | - |
| Passed through the Criminal Justice | | | | |
| Coordinating Council | | | | |
| Juvenile Justice Delinquency Prevention | JJ-16-018 | 20,784 | 20,784 | - |
| Juvenile Justice Incentive Grant | Y16-8-018 | 362,845 | 362,845 | - |
| Accountability Court Grant | A17-8-021 | 67,583 | 67,583 | - |
| Accountability Court Grant | J17-8-032 | 60,122 | 60,122 | - |
| Passed through the Georgia Department | | | | |
| of Community Affairs | | | | |
| CDBG Grant | 15p-y-092-1-5793 | \$ 209,667 | 209,667 | - |
| Total | | \$ 1,394,639 | \$ 1,394,639 | \$ - |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2017

| | <u>Federal CFDA Number</u> | <u>Pass Through Grantor Number</u> | <u>Federal Expenditures</u> | <u>Passed Through to Subrecipients</u> |
|---|------------------------------------|--|---------------------------------|--|
| Department of Housing & Urban Development | | | | |
| Passed through the Georgia Department of Community Affairs | | | | |
| CDBG Grant | 14.228 | 15p-y-092-1-5793 | \$ 209,667 | \$ - |
| Total Department of Housing & Urban Development | | | <u>209,667</u> | <u>-</u> |
| Department of Justice | | | | |
| Passed through the Criminal Justice Coordinating Council | | | | |
| Juvenile Justice Delinquency Prevention | 16.523 | JJ-16-018 | 20,784 | - |
| Juvenile Justice Incentive Grant | 16.523 | Y16-8-018 | 362,845 | - |
| | | | <u>383,629</u> | <u>-</u> |
| Passed through the Prosecuting Attorney's Council of Georgia | | | | |
| 2015 VOCA Solicitor | 16.575 | C13-8-103;C14-8-108;C15-8-153 | 25,731 | - |
| 2016 VOCA Solicitor | 16.575 | C14-8-109; C16-8-001 | 66,736 | - |
| | | | <u>92,467</u> | <u>-</u> |
| Passed through the Criminal Justice Coordinating Council | | | | |
| Accountability Court Grant | 16.803 | A17-8-021 | 67,583 | - |
| Accountability Court Grant | 16.803 | J17-8-032 | 60,122 | - |
| | | | <u>127,705</u> | <u>-</u> |
| Total Department of Justice | | | <u>603,801</u> | <u>-</u> |
| Department of Transportation | | | | |
| Passed through the Georgia Department of Transportation | | | | |
| ARRA Public Transportation Assistance | 20.509 | GA-18-X0033/T005503 | 184,357 | - |
| ARRA Public Transportation Assistance | 20.509 | GA-18-X0033/T005503 | 5,336 | - |
| ARRA Public Transportation Assistance | 20.509 | T005898 | 15,685 | - |
| | | | <u>205,378</u> | <u>-</u> |
| Passed through the Governor's Office of Highway Safety | | | | |
| SR TEN | 20.600 | TEN-2016-000-0298 | 4,059 | - |
| SR TEN | 20.600 | TEN-2017-402PT-012 | 12,997 | - |
| HEAT | 20.600 | GA-2016-000-0390 | 46,738 | - |
| HEAT | 20.600 | GA-2017-402PT-098 | 94,438 | - |
| | | | <u>158,232</u> | <u>-</u> |
| Total Department of Transportation | | | <u>363,610</u> | <u>-</u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
 Year Ended June 30, 2017

| | <u>Federal CFDA Number</u> | <u>Pass Through Grantor Number</u> | <u>Federal Expenditures</u> | <u>Passed Through to Subrecipients</u> |
|---|------------------------------------|--|---------------------------------|--|
| Department of Homeland Security | | | | |
| Passed through the Georgia Emergency Management Agency | | | | |
| GEMA Training Grant | 97.042 | OEM15-094 | 500 | - |
| GEMA Predisaster Mitigation | 97.042 | PDMC-PL-04-GA-2014-001 | 7,763 | - |
| | | | <u>8,263</u> | <u>-</u> |
| Disaster Grants (Presidential Declared Disasters) | 97.036 | N/A | 191,560 | - |
| | | | <u>191,560</u> | <u>-</u> |
| GTIP CBRNE | 97.067 | 2017-SS-00065-S01 | 17,086 | - |
| | | | <u>17,086</u> | <u>-</u> |
| Total Department of Homeland Security | | | <u>216,909</u> | <u>-</u> |
| Total | | | <u>\$ 1,393,987</u> | <u>\$ -</u> |

See independent auditor's report.

LOWNDES COUNTY, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1. BASIS OF PREPARATION

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

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

NOTE 2. DE MINIMIS INDIRECT COST RATE

The County chose not to use the ten percent de minimis cost rate for the year ending June 30, 2017.

NOTE 3. NON-CASH AWARDS

The County did not receive non-cash federal awards during the year ending June 30, 2017.



Henderson & Godbee, LLP

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

To the Board of Commissioners
Lowndes County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component units and the aggregate remaining fund information of Lowndes County, Georgia, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Lowndes County, Georgia's basic financial statements, and have issued our report thereon dated March 14, 2018. Our report included a reference to component auditors who audited the financial statements of the Lowndes County Board of Health and the Valdosta-Lowndes County Parks and Recreation Authority as described in our report on Lowndes County, Georgia's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

March 14, 2018



Henderson & Godbee, LLP

Certified Public Accountants and Business Consultants

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

To the Board of Commissioners
Lowndes County, Georgia

Report on Compliance for Each Major Federal Program

We have audited the Lowndes County, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Lowndes County, Georgia, Georgia's major federal programs for the year ended June 30, 2017. The Lowndes County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Lowndes County, Georgia's basic financial statements include the operations of the Lowndes County Board of Health, which received \$5,483,368 in federal awards that is not included in the schedule during the year ended June 30, 2017. Our audit, described below, did not include the operations of Lowndes County Board of Health because the component unit engaged other auditors to perform an audit in accordance with Uniform Guidance.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Lowndes County, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative*

Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Lowndes County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Lowndes County, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, the Lowndes County, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of the Lowndes County, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Lowndes County, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lowndes County, Georgia's internal control over compliance.

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

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

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

Henderson & Godbee, LLP

Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

March 14, 2018

LOWNDES COUNTY, GEORGIA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2017

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards

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

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

Any audit findings disclosed that are required to be reported
 in accordance with 2 CFR 200.516(a) Yes No

Identification of major programs:

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

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

Auditee considered a low risk auditee Yes No

Lowndes County, Georgia
Certificate of 9-1-1 Expenditures
For the Year Ended June 30, 2017

| Line No. | | O.C.G.A. Reference: | |
|-----------------------------------|---|---------------------|--------------------------------|
| 1 | Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one): <u> X </u> Special Revenue Fund <u> </u> Enterprise Fund | | |
| Expenditures (UCOA Activity 3800) | | | |
| 2 | Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary) | 46-5-134(e) | |
| | | | \$ <u> </u> |
| | | | \$ <u> </u> |
| | | | \$ <u> </u> |
| 3 | Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system: | | |
| 3a | Lease costs | 46-5-134(f)(1)(A) | \$ <u> </u> |
| 3b | Purchase costs | 46-5-134(f)(1)(A) | \$ <u> </u> |
| 3c | Maintenance costs | 46-5-134(f)(1)(A) | \$ <u> </u> |
| 4 | Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges | 46-5-134(f)(1)(B) | \$ <u> </u> |
| 5 | Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system and employees who work as directors as defined in O.C.G.A. §46-5-138.2 | | |
| 5a | Salaries and wages | 46-5-134(f)(1)(C) | \$ <u> 1,523,933</u> |
| 5b | Employee benefits | 46-5-134(f)(1)(C) | \$ <u> 703,842</u> |
| 6 | Cost of training of employees who work as dispatchers or directors | 46-5-134(f)(1)(D) | \$ <u> 9,725</u> |
| 7 | Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services | 46-5-134(f)(1)(E) | \$ <u> 7,202</u> |
| 8 | Building used as a public safety answering point: | | |
| 8a | Lease costs | 46-5-134(f)(1)(F) | \$ <u> </u> |
| 8b | Purchase costs | 46-5-134(f)(1)(F) | \$ <u> </u> |
| 9 | Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems and automatic vehicle location systems: | | |
| 9a | Lease costs | 46-5-134(f)(1)(G) | \$ <u> </u> |
| 9b | Purchase costs | 46-5-134(f)(1)(G) | \$ <u> </u> |
| 9c | Maintenance costs | 46-5-134(f)(1)(G) | \$ <u> </u> |

Lowndes County, Georgia
Certificate of 9-1-1 Expenditures
For the Year Ended June 30, 2017

| | | | |
|-----|---|------------------------|--------------------------------|
| 10 | Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials | 46-5-134(f)(1)(H) | \$ <u> </u> |
| 11 | Logging recorders used at a public safety answering point to record telephone and radio traffic: | | |
| 11a | Lease costs | 46-5-134(f)(1)(I) | \$ <u> </u> |
| 11b | Purchase costs | 46-5-134(f)(1)(I) | \$ <u> </u> |
| 11c | Maintenance costs | 46-5-134(f)(1)(I) | \$ <u> </u> |
| 12 | Insurance purchased to insure against risks and liability in the operation and maintenance of the 9-1-1 system on behalf of the local government or on behalf of employees hired by the local government solely for the operation and maintenance of the 9-1-1 system and employees who work as directors | 46-5-134(f)(2)(B)(i) | \$ <u> </u> |
| 13 | Mobile communications vehicle and equipment, if the primary purpose and designation of such vehicle is to function as a backup 9-1-1 system center | | |
| 13a | Lease costs | 46-5-134(f)(2)(B)(ii) | \$ <u> </u> |
| 13b | Purchase costs | 46-5-134(f)(2)(B)(ii) | \$ <u> </u> |
| 13c | Maintenance costs | 46-5-134(f)(2)(B)(ii) | \$ <u> </u> |
| 14 | Allocation of indirect costs associated with supporting the 9-1-1 system center and operations as identified and outlined in an indirect cost allocation plan approved by the local governing authority that is consistent with the costs allocated within the local government to both governmental and business-type activities | 46-5-134(f)(2)(B)(iii) | \$ <u> 160,000</u> |
| 15 | Mobile public safety voice and data equipment, geo-targeted test messaging alert systems, or towers necessary to carry out the function of 9-1-1 system operations | | |
| 15a | Lease costs | 46-5-134(f)(2)(B)(iv) | \$ <u> </u> |
| 15b | Purchase costs | 46-5-134(f)(2)(B)(iv) | \$ <u> </u> |
| 15c | Maintenance costs | 46-5-134(f)(2)(B)(iv) | \$ <u> </u> |
| 16 | Public safety voice and data communications systems located in the 9-1-1 system facility that further the legislative intent of providing the highest level of emergency response service on a local, regional, and state-wide basis, including equipment and associated hardware and software that supports the use of public safety wireless voice and data communication systems | | |
| 16a | Lease costs | 46-5-134(f)(2)(B)(v) | \$ <u> 213,232</u> |
| 16b | Purchase costs | 46-5-134(f)(2)(B)(v) | \$ <u> 48,195</u> |
| 16c | Maintenance costs | 46-5-134(f)(2)(B)(v) | \$ <u> 574</u> |

Lowndes County, Georgia
 Certificate of 9-1-1 Expenditures
 For the Year Ended June 30, 2017

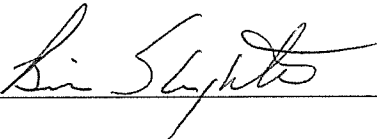
17 Other expenditures not included in Lines 2 through 16 above.
 Identify by object and purpose.

| | |
|-------------------------------|-------------------|
| <u>Dues and subscriptions</u> | \$ <u>1,298</u> |
| <u>Contract Services</u> | \$ <u>683,830</u> |
| <u>Utilities</u> | \$ <u>67,703</u> |
| <u>Facilities maintenance</u> | \$ <u>10,189</u> |
| <u> </u> | \$ <u> </u> |
| <u> </u> | \$ <u> </u> |
| <u> </u> | \$ <u> </u> |
| <u> </u> | \$ <u> </u> |

18 Total Expenditures (total of all amounts reported on Lines 2 through 17 above) \$ 3,429,723

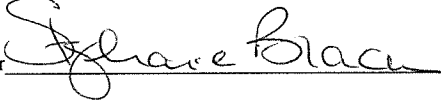
Certification of Local Government Officials

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

Signature of Chief Elected Official  Date 03/14/18

Print Name of Chief Elected Official Bill Slaughter

Title of Chief Elected Official Chairman Board of Commissioners

Signature of Chief Financial Officer  Date 03/14/18

Print Name of Chief Financial Officer Stephanie Black