Comprehensive Annual Financial Report

July 1, 2010 – June 30, 2011



Lowndes County Board of Commissioners

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

LOWNDES COUNTY, GEORGIA

For The Fiscal Year
July 1, 2010 - June 30, 2011



FINANCE DEPARTMENT
Stephanie Black, Finance Director

LOWNDES COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Year Ending June 30, 2011

TABLE OF CONTENTS

INTRODUCTARY SECTION

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

FINANCIAL SECTION

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

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements:

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

Governmental Fund Financial Statements:

Balance Sheet – Governmental Funds	29-32
Reconciliation of Total Governmental Fund Balances to Net Assets Of Governmental Activities	33
Statement of Revenues, Expenditures and Changes in Fund Balance Of Governmental Funds	34-35
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	36

Proprietary Fund Financial Statements:

Statement of Net Assets	37-38
Statement of Revenue, Expenses and Changes in Fund Net Assets	39
Statement of Cash Flows	40-41

Agency Fund Financial Statements:

Statement of Fiduciary Assets and Liabilities	42

Notes to the Financial Statements	43-76

LOWNDES COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Year Ending June 30, 2011

TABLE OF CONTENTS

REQUIRED SUPPLEMENTAL INFORMATION

Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Major Funds:
General Fund 77-84
Notes to Budgetary Comparison Schedules 85

COMBINING AND INDIVIDUAL FUND SCHEDULES

Major Funds:
Capital Projects Special Sales Tax V 86
Capital Projects Special Sales Tax VI 87

Nonmajor Funds:
Combining Balance Sheet – All Nonmajor Governmental Funds 88
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – All Nonmajor Governmental Funds 89
Combining Balance Sheet – Nonmajor Governmental Funds –Special Revenue Funds 90-91
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds – Special Revenue Funds 92-93
Combining Balance Sheet – Nonmajor Governmental Funds –Capital Projects Funds 94
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds – Capital Projects Funds 95

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

Keep Lowndes/Valdosta Beautiful 96
Special Services Fund 97
Commissary Fund 98
Seizures Special Revenue 99
Hotel/Motel Tax Fund 100
Intergovernmental Grants 101
Jail Operations 102
Drug Abuse Treatment 103
911 Emergency Telephone 104
Victim Assistance 105
Law Library 106

LOWNDES COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Year Ending June 30, 2011

TABLE OF CONTENTS

COMBINING AND INDIVIDUAL FUND SCHEDULES - Continued

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

Capital Projects CDBG CHIP Grant	107
Capital Projects CDBG Grant	108
Capital Projects Judicial Complex and Jail	109
Capital Projects Sales Tax IV	110

Internal Service Funds:

Combining Statements of Net Assets	111
Combining Statements of Revenue, Expenses and Changes in Net Assets	112
Combining Statements of Cash Flows	113-114

Fiduciary Funds:

Combining Statements of Assets and Liabilities – Agency Funds	115
Combining Statements of Changes in Assets and Liabilities – Agency Funds	116-117

STATISTICAL SECTION
(Unaudited)

Net Assets by Component	118
Changes in Net Assets	119-120
Fund Balances, Governmental Funds	121
Changes in Fund Balances, Governmental Funds	122
Tax Revenues by Source, Governmental Funds	123
Assessed Value and Actual Value of Taxable Property	124-125
Direct and Overlapping Property Tax Rates	126
Principle Property Tax Payers	127
Property Tax Levies and Collections	128
Ratios of Outstanding Debt By Type	129
Direct and Overlapping Governmental Activities Debt	130
Legal Debt Margin Information	131
Pledged-Revenue Coverage	132
Demographic and Economic Statistics	133
Principle Employers	134
Full-time Equivalent County Government Employees by Function/Program	135-136
Operating Indicators by Function/Program	137
Capital Assets Statistics by Function/Program	138

LOWNDES COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Year Ending June 30, 2011

TABLE OF CONTENTS

SPECIAL REPORTS SECTION

Schedule of Projects Constructed With Special Sales Tax Proceeds	139-141
Schedule of State Contractual Assistance	142
Schedule of Expenditures of Federal Awards	143-144
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*	145-146
Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	147-148
Schedule of Findings and Questioned Costs	149
Independent Auditor's Report on the Annual Report of 9-1-1 Collections and Expenditures	150
Annual Report of 9-1-1 Collections and Expenditures	151-154

INTRODUCTORY SECTION

Lowndes County Finance Department

Stephanie Black
Finance Director

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December 30, 2011

The Honorable Ashley Paulk, Chairman
Members of the Lowndes County Board of Commissioners
And Citizens of Lowndes County

The Comprehensive Annual Financial Report of Lowndes County, Georgia for the fiscal year ended June 30, 2011, 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, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2011, 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 three commissioners each elected from a separate commission district serving four year staggered terms. Daily operations are directed by a County Manager who is appointed by and responsible to the Board of Commissioners. The County provides services to approximately 109,233 residents living in a 510.7 square mile area. Services provided include judicial services including the Superior, State, Magistrate, Probate and Juvenile Courts and the District Attorney and the Public Defender. The County provides public safety including the Sheriff's office, 911 emergency communications, animal control, emergency medical services and fire protection. Public works services include road maintenance and construction, building maintenance and sanitation. The County provides health and welfare services through the public health department, the Department of Family and Children Services and mental health services through Behavioral Health Services of South Georgia. Culture and recreation are funded and provided through 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 Industrial Authority and appropriations to the Moody Support Group and the Chambers of Commerce.

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

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

NATURAL FEATURES AND LAND USE

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

The County has experienced tremendous growth in residential and commercial development in the last 10 years. The real and personal property tax digest has grown an average of 8.1% over those years. Through planning and zoning the County attempts to maintain a balanced use of land and provide defined areas for residential growth and development as well as areas for commercial and industrial growth. At the same time the County is also expanding recreational land use through the development of new parks. The County is also protective of land use within the areas close to Moody Air Force Base to prevent encroachment that would hamper the mission of the base.

POPULATION

The County population has grown over 18% in the last ten years. The growth has been driven in part by the expansion of missions at Moody Air Force Base, the local college becoming a state University, growth in industrial and commercial job opportunities and most recently by an increase in retirees looking for lower cost alternatives to traditional retirement locations. New housing developments are keeping pace with this growth and the County continues to expand roads and water and sewer systems to keep the infrastructure at the levels needed to meet the new demands of this growth.

ECONOMIC CONDITION AND OUTLOOK

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

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

In November 2011, 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 a 6.0% unemployment rate the last five years compared to a State average of 7.1%. County population has grown 18.48% since the 2000 census which showed a population of 92,114 and showed a population of 109,233 for the 2010 census. County local option sales tax collections were up by .66% over the prior year and has continued to grow into the new year. The gross tax digest had a small decline.

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

MAJOR INITIATIVES

For The Year:

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

The County completed phase two of a Jail renovation and expansion project that includes new prisoner housing. This project was funded from general obligation bonds issued and to be paid back from the special purpose local option sales tax that passed in FY08. This project was completed at the beginning of the fiscal year and is now operational.

The County has continued the expansion work that is part of their water and wastewater service five year capital improvement master plan which was prepared by Ingram & Watkins, LLC. With revenue bonds and special purpose local option sales tax funds, the County should complete a majority of the master projects planned in the next few years.

For The Future:

Due to the poor economy the County has taken steps to reduce employees through the elimination for positions or through attrition. 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. Once revenues show consistent growth then employee compensations that have not increased in several years will be reviewed and the capital improvements that have been cut back will also be reviewed to assure that the County does not fall too far behind capital needs and competitive compensation levels.

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 fourth year to the Lowndes County Board of Commissioners for its comprehensive annual financial report for the fiscal year ended June 30, 2010. 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, 2010. This is the fifth 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 2011 fiscal year budget document continues to conform to the requirements of the award.

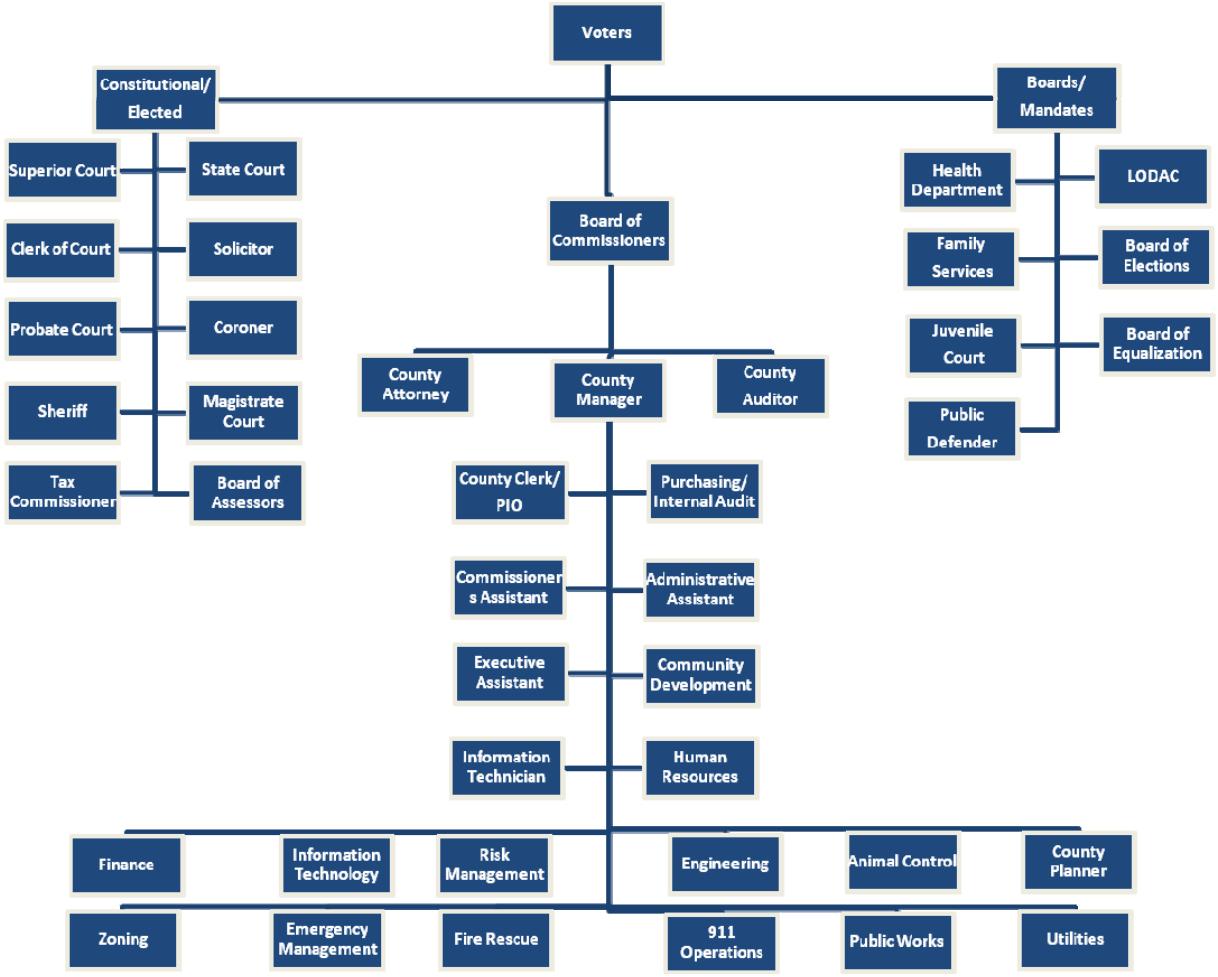
Appreciation is expressed to all members of the Finance Department staff and to our financial consulting firm, Tillman & Tillman, LLP for their contribution toward preparation of the CAFR as well as the direction and support of the County Manager's Office.

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

Respectfully submitted,

Stephanie Black
Finance Director

General Government
Organizational Chart



Lowndes County, Georgia
Principle Officials



Ashley Paulk
Chairman



Joyce E. Evans
Commissioner District 1



Richard Raines
Commissioner District 2



Crawford Powell
Commissioner District 3

County Manager
Joe Pritchard

County Attorney
Walter G. Elliott

Elected Officials

Tax Commissioner	Mary Nell Robertson
Clerk of Court	Sara Crow
Sheriff	Chris Prine
Superior Court Judge	Harry Jay Altman II
State Court Judge	John Kent Edwards
Magistrate Court Judge	Joni B. Parker
Probate Judge	Terri Adams

FINANCIAL SECTION

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, 2010

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



Linda C. Davidson

President

Jeffrey L. Esser

Executive Director

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

Troy D. Newham, CPA
Amanda W. Shapard, CPA
Scott R. Simpson, CPA
J. Philip Young, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Lowndes County, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, 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, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Lowndes County, Georgia's, management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Lowndes County Board of Health, the Valdosta-Lowndes County Industrial Authority, and the Valdosta-Lowndes County Parks and Recreation Authority which represents 100% of the total assets and revenues of Lowndes County, Georgia's component units as of and for the year ending June 30, 2011. 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, the Valdosta-Lowndes County Industrial Authority, and the Valdosta-Lowndes County Parks and Recreation Authority, is based on the reports of the other auditors.

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

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In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lowndes County, Georgia as of June 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2011, on our consideration of Lowndes County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 12 through 22 and 77 through 85 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lowndes County, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, statistical section, the Schedule of Projects Constructed With Special Sales Tax Proceeds and the schedule of state contractual assistance are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is not a required part of the basic financial statements of Lowndes County, Georgia. The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, the Schedule of Projects Constructed With Special Sales Tax Proceeds, Source and Application of Funds Schedule – CDBG Grant and Project Cost Schedule – CDBG Grant and the schedule of state contractual assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Henderson & Godbee, LLP

Valdosta, Georgia
December 30, 2011

MANAGEMENT DISCUSSION AND ANALYSIS

LOWNDES COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2011

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, 2011. We encourage our readers to consider the information presented within this Management's discussion and analysis in conjunction with the basic financial statements. The intent of this discussion and analysis is to look at the County's financial performance as a whole.

Financial Highlights

Key financial highlights for FY11 are as follows:

The County's total net assets decreased by $12,358,476 due, in part, to increased depreciation on capital projects that are now completed.

At the end of the current year, the County's governmental funds reported an ending fund balance of $25,780,102, an increase of $1,969,173 from the prior year restated fund balance. Due to the decline in special purpose local option sales tax, the general fund has advanced funds to complete projects in progress and will be paid back over time as the balance of those funds are received. With reductions in capital outlay from the current SPLOST the total unassigned governmental fund balance returned to a positive amount of $2,545,346.

At the end of the current year, unassigned fund balance for the General Fund was $3,958,498 which represents 9.95 percent of total General Fund expenditures.

Net assets for business-type activities increased from $31,024,159 to $32,477,785, an increase of $1,453,627.

The County has $2,096,369 of water and sewer construction in progress and $355,429 of road construction in progress.

Overview of the Financial Statements

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

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

Government-Wide Financial Statements

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

Statement of Net Assets and the Statement of Activities

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

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

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Assets:

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

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2010	2011	2010	2011	2010	2011	2010-2011
Assets							
Current and other assets	$ 32.10	$ 33.24	$ 0.87	$ 1.99	$ 32.97	$ 35.23	6.85%
Capital assets, net	159.62	139.33	42.58	42.20	202.20	181.53	-10.22%
Total Assets	**191.72**	**172.57**	**43.45**	**44.19**	**235.17**	**216.76**	**-7.83%**
Liabilities							
Current and other liabilities	15.15	16.04	1.40	1.28	16.55	17.32	4.65%
Long-term liabilities	33.63	27.40	11.03	10.43	44.66	37.83	-15.29%
Total Liabilities	**48.78**	**43.44**	**12.43**	**11.71**	**61.21**	**55.15**	**-9.90%**
Net Assets							
Invested in capital assets, net of related debt	119.88	126.53	32.07	32.21	151.95	158.74	4.47%
Restricted	39.60	9.86	-	-	39.60	9.86	-75.10%
Unrestricted	(16.54)	(7.26)	(1.05)	0.27	(17.59)	(6.99)	-60.26%
Total Net Assets	**$ 142.94**	**$ 129.13**	**$ 31.02**	**$ 32.48**	**$ 173.96**	**$ 161.61**	**-7.10%**

As noted earlier, the County's net assets, when reviewed over time, may serve as a useful indicator of the County's financial position. In the case of the County, assets exceeded liabilities by $161,603,767. Net assets were $129,125,981 in governmental activities and $32,477,786 in business-type activities as of June 30, 2011. The largest portion of the County's net assets reflects its investment in capital assets (e.g., land and improvements, buildings and building improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Another 5% of net assets are restricted for use on capital projects.

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

The next table shows the changes in net assets for the year ending June 30, 2011 and 2010.

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

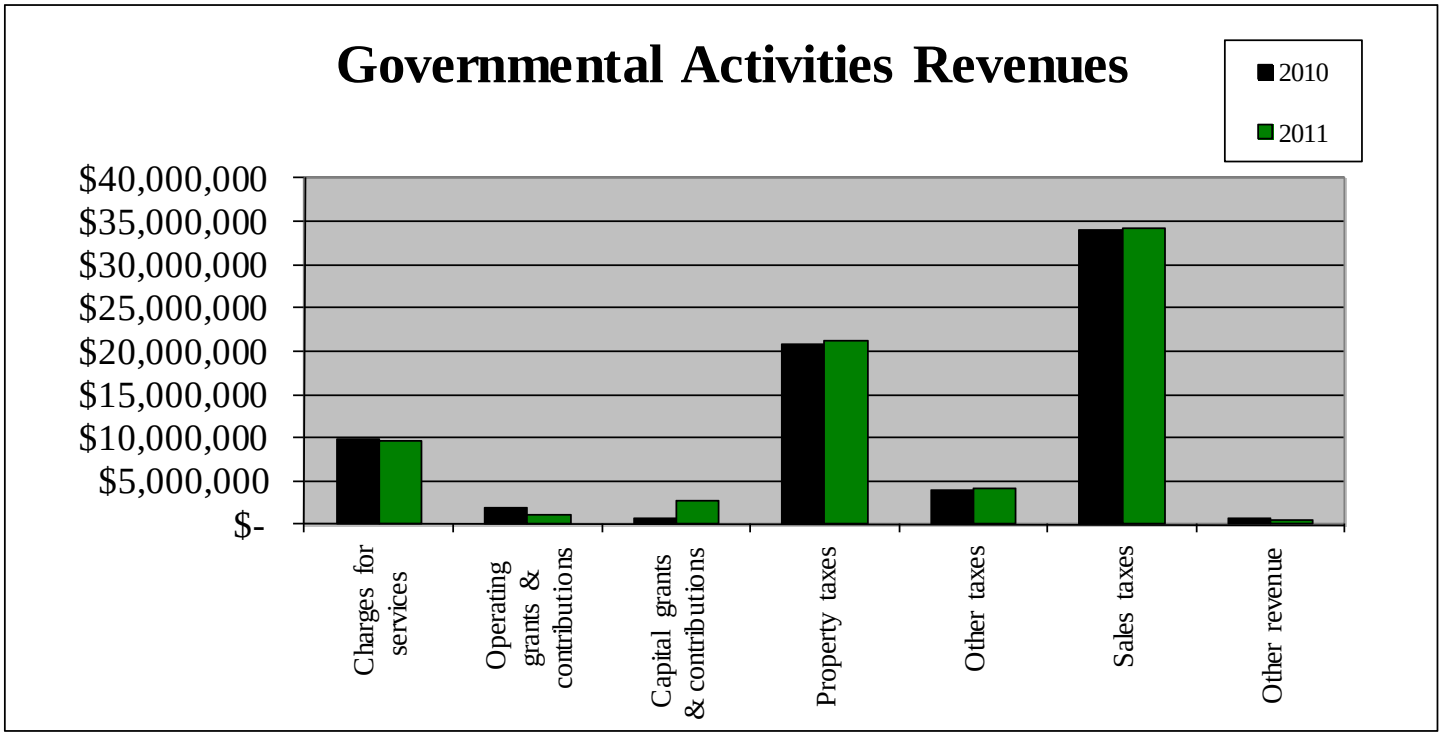
	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2010	2011	2010	2011	2010	2011	2010-2011
Revenues							
Program Revenues							
Charges for services	$ 9.85	$ 9.62	$ 6.46	$ 6.87	$ 16.31	$ 16.49	1.10 %
Operating grants and contributions	1.88	1.14	-	-	1.88	1.14	(39.36) %
Capital grants and contributions	0.76	2.83	-	-	0.76	2.83	272.37 %
Total Program Revenues	12.49	13.59	6.46	6.87	18.95	20.46	7.97 %
General Revenues							
Property taxes	20.79	21.18	-	-	20.79	21.18	1.88 %
Alcoholic beverage taxes	0.51	0.51	-	-	0.51	0.51	- %
Occupational taxes	0.32	0.36	-	-	0.32	0.36	12.50 %
Hotel/motel taxes	-	0.27	-	-	-	0.27	100.00 %
Franchise taxes	0.17	0.17	-	-	0.17	0.17	- %
Insurance premium taxes	2.34	2.31	-	-	2.34	2.31	(1.28) %
Sales taxes	33.96	34.30	-	-	33.96	34.30	1.00 %
Public utility taxes	0.52	0.53	-	-	0.52	0.53	1.92 %
Miscellaneous	0.44	0.50	-	-	0.44	0.50	13.64 %
Interest	0.17	0.05	0.01	0.01	0.18	0.06	(66.67) %
Total General Revenues	59.22	60.18	0.01	0.01	59.23	60.19	1.62 %
Total Revenues	**71.71**	**73.77**	**6.47**	**6.88**	**78.18**	**80.65**	**3.16 %**

Changes in Lowndes County's Net Assets

(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2010	2011	2010	2011	2010	2011	2010-2011
Expenses							
Governmental Activities:							
General Government							
Legislative and executive	$ 11.33	$ 11.57	$ -	$ -	$ 11.33	$ 11.57	2.12 %
Judicial	5.76	6.81	-	-	5.76	6.81	18.23 %
Public safety	25.99	26.16	-	-	25.99	26.16	0.65 %
Public works	36.50	36.89	-	-	36.50	36.89	1.07 %
Health and welfare	1.26	1.04	-	-	1.26	1.04	(17.46) %
Culture and recreation	1.02	1.01	-	-	1.02	1.01	(0.98) %
Housing and development	1.32	2.09	-	-	1.32	2.09	58.33 %
Interest on long-term debt	2.06	1.76	-	-	2.06	1.76	(14.56) %
Business-type Activities:							
Water and sewer	-	-	4.14	4.42	4.14	4.42	6.76 %
Landfill	-	-	0.08	0.05	0.08	0.05	(37.50) %
Special tax lighting district	-	-	0.28	0.27	0.28	0.27	(3.57) %
Sanitation fund	-	-	1.03	0.94	1.03	0.94	(8.74) %
Total Expenses	**85.24**	**87.33**	**5.53**	**5.68**	**90.77**	**93.01**	**2.47** %
Revenue Over (Under) Expenses	**(13.53)**	**(13.56)**	**0.94**	**1.20**	**(12.59)**	**(12.36)**	**(1.83)**
Transfers	(2.75)	(0.25)	2.75	0.26	-	0.01	- %
Increase (Decrease) in Net Assets	**(16.28)**	**(13.81)**	**3.69**	**1.46**	**(12.59)**	**(12.35)**	**(1.91)** %
Beginning Net Assets, Restated	159.22	142.94	27.34	31.02	186.56	173.96	(6.75) %
Net Assets, Ending	**$ 142.94**	**$ 129.13**	**$ 31.02**	**$32.48**	**$ 173.96**	**$ 161.61**	**(7.10)** %

Government Activities



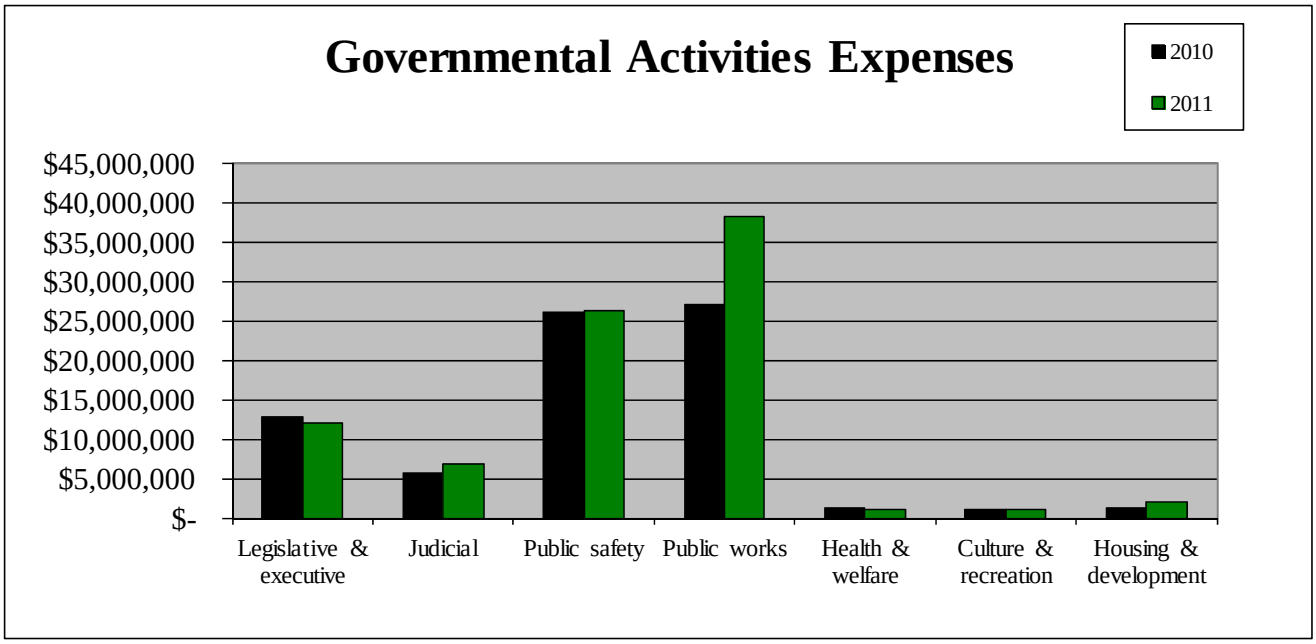
The largest portion of the County's program revenue is from charges for services which accounted for $9,623,435 or 71% of total program revenues. These charges include licenses and permits, fines and forfeitures related to judicial activity, fees for real estate transfers, fees associated with the collection of property taxes and fees charged through various County governmental departments.

Sales tax revenues are the major contributor to general revenues and account for $34,301,734 or 57% of total general revenues. Another major component was property taxes, which accounted for $21,175,180 or 35% of total general revenues.

The changes in revenues were mostly up with property taxes showing the highest increase. Special purpose sales tax showed the modest growth. These taxes increased due to a slow growth in the County economy that continued into the new year.

Government Activities – Continued

The following chart compares governmental activities expenses for the year ending June 30, 2010 and 2011. Expenditures were reduced to offset reduced revenue.



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

Net Cost of Lowndes County's Governmental Activities

(in millions of dollars)

Function	Total Cost of Services 2010	Total Cost of Services 2011	Percentage Change 2010-2011	Net Cost of Services 2010	Net Cost of Services 2011	Percentage Change 2010-2011
General Government						
Legislative and executive	$ 11.33	$ 11.57	2.12 %	$ 9.85	$ 10.50	6.62 %
Judicial	5.76	6.81	18.23 %	2.59	3.36	29.58 %
Public safety	25.99	26.16	0.65 %	19.46	20.21	3.88 %
Public works	36.50	36.89	1.07 %	35.78	34.16	(4.52) %
Health and welfare	1.26	1.04	(17.46) %	0.96	0.80	(16.95) %
Culture and recreation	1.02	1.01	(0.98) %	1.02	1.01	(0.97) %
Housing and development	1.32	2.09	58.33 %	0.98	1.94	97.77 %
Interest on long-term debt	2.06	1.76	(14.56) %	2.06	1.75	(14.81) %
Total	**$ 85.24**	**$ 87.33**	**2.45** %	**$ 72.70**	**$ 73.73**	**1.42** %

Business-Type Activities

The net assets for business-type activities increased $1,453,627 during the year ending June 30, 2011. The major source of revenue was from charges for services which amounted to $5,380,786.

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, 2011, the County's governmental funds reported a combined ending fund balance of $25,780,102, an increase of $1,969,173. The County had $2,545,346 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 ($23,234,756).

Major Funds:

The General Fund is the primary operating fund of the County. At the end of June 30, 2011, the unassigned fund balance was $3,958,498 while total fund balance was $18,471,581. 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 9.95% to total General Fund expenditures, while the total fund balance represents 53.53% of that same amount.

The Capital Projects SPLOST V Fund expended $445,323 in appropriations to other governments, $241,943 in public works projects and received $11,894 in investment income. The expenditures exceeded revenues resulting in a decrease in the fund balance from $6,122,568 to $5,447,196 which is restricted for capital projects. This SPLOST ended in December 2007.

The Capital Projects SPLOST VI Fund expended $16,691,674 in appropriations to other governments, capital improvements and debt service funds and received $21,714,532 in sales tax and investment income. The revenues exceeded expenditures resulting in an increase in the fund balance from a deficit of $5,883,184 to a deficit of $860,326. This SPLOST will end in December 2013.

Enterprise Funds

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

Total Net Assets of the Water & Sewer Fund at June 30, 2011, were $31,588,686. Total Net Assets increased by $857,150.

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 accessed taxes to cover the cost of providing lighting to the district.

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

Budgetary Highlights

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

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

Capital Assets

The County's investment in capital assets for governmental and business-type activities as of June 30, 2011, was $181,564,420 (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 FY11 included continued improvements to roads and water and sewer systems and completion of the Judicial and Administration Complex and new jail facilities.

Note 8 (Capital Assets) provides additional information about capital asset activity during FY11.

Debt

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

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

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

Economic Factors

Property tax revenue grew by 1.46% over the prior year and has averaged 2.78 % growth over the last ten years. This has allowed the County to reduce or maintain current millage rates and stay ahead of rising cost.

After two years of decline, the local option sales tax revenues increased .66% and this growth has continued into the new fiscal year.

The County maintained a calendar year annual average of 8.8% for unemployment compared to the state average of 10.2%.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

LOWNDES COUNTY, GEORGIA
STATEMENT OF NET ASSETS
June 30, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total Primary Government
ASSETS			
Equity in pooled cash and cash equivalents	$ 6,314,741	$ 1,595,466	$ 7,910,207
Cash and cash equivalents in segregated accounts	9,415,866	194,200	9,610,066
Certificate of deposit	367,847	-	367,847
Government investment pool	453,996	-	453,996
Investments	-	-	-
Receivables (net of allowance for doubtful accounts):			
Taxes	1,153,659	-	1,153,659
Accounts	2,110,403	1,823,843	3,934,246
Special assessments	17,396	-	17,396
Sales tax	2,221,530	-	2,221,530
Due from other governments	4,203,808	-	4,203,808
Materials and supplies inventory	225,865	-	225,865
Prepaid expenses	88,026	-	88,026
Deferred bond issue cost	454,638	191,431	646,069
Restricted cash and cash investments	4,210,621	185,780	4,396,401
Internal advances	2,000,000	(2,000,000)	-
Nondepreciable capital assets	3,285,135	4,786,912	8,072,047
Depreciable capital assets, net	136,044,954	37,407,471	173,452,425
TOTAL ASSETS	172,568,485	44,185,103	216,753,588

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

Component Units		
Lowndes County Board of Health	Valdosta-Lowndes County Industrial Authority	Valdosta-Lowndes County Parks & Recreation Authority
$ -	$ -	$ -
899,478	2,076,142	994,104
-	-	-
-	-	-
-	892,632	-
-	-	316,472
23,404	-	-
-	-	-
-	-	-
1,284,252	-	-
-	-	-
-	-	8,500
-	379,866	-
-	7,351,425	-
-	-	-
-	12,465,758	3,297,891
677,974	4,233,127	3,100,888
2,885,108	27,398,950	7,717,855

LOWNDES COUNTY, GEORGIA
STATEMENT OF NET ASSETS - CONTINUED
June 30, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total Primary Government
LIABILITIES			
Accounts payable	1,646,448	200,532	1,846,980
Estimated health claims payable	569,068	-	569,068
Accrued wages	553,600	25,362	578,962
Accrued liabilities	1,312,423	35,281	1,347,704
Due to other governments	2,474,089	-	2,474,089
Net pension obligation liability	333,660	-	333,660
Deferred revenue	36,532	186,123	222,655
Payable from restricted assets:			
Customer deposits	-	159,600	159,600
Long-term liabilities:			
Due within one year:			
Compensated absences payable	666,026	31,488	697,514
Capital lease obligations	797,400	-	797,400
Bonds payable	7,645,785	541,922	8,187,707
Notes payable	-	-	-
Landfill postclosure cost	-	70,871	70,871
Due in more than one year	-		
Compensated absences payable	523,307	24,740	548,047
Capital lease obligations	10,682,600	-	10,682,600
Bonds payable	16,201,566	9,439,197	25,640,763
Notes payable	-	-	-
Landfill postclosure cost	-	992,201	992,201
TOTAL LIABILITIES	43,442,504	11,707,317	55,149,821
NET ASSETS			
Invested in capital assets, net of related debt (deficit)	104,718,159	32,213,264	136,931,423
Restricted for:			
Jail operations	397,423	-	397,423
Tourism	7,080	-	7,080
Drug enforcement	1,076,545	-	1,076,545
Law library	363,020	-	363,020
Public health programs	-	-	-
Debt services	-	-	-
Capital projects	5,569,073	-	5,569,073
Unrestricted	16,994,681	264,522	17,259,203
TOTAL NET ASSETS	$ 129,125,981	$ 32,477,786	$ 161,603,767

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

Component Units		
Lowndes County Board of Health	Valdosta-Lowndes County Industrial Authority	Valdosta-Lowndes County Parks & Recreation Authority
-	497,784	161,031
-	-	-
-	-	-
-	2,461	132,049
56,352	-	-
-	-	-
-	-	18,764
-	-	-
317,562	-	27,992
-	-	-
-	1,020,000	-
-	85,562	-
-	-	-
239,564	-	17,414
	-	-
-	15,040,478	-
-	296,295	-
-	-	-
613,478	16,942,580	357,250
677,974	8,120,566	6,398,779
-	-	-
-	-	-
-	-	-
-	-	-
1,576,980	-	-
-	158,040	-
-	-	-
16,676	2,177,764	961,826
$ 2,271,630	$ 10,456,370	$ 7,360,605

LOWNDES COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2011

FUNCTION/PROGRAM	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants, Contributions, and Interest	Program Revenues: Capital Grants, Contributions, and Interest
GOVERNMENTAL ACTIVITIES				
General Government				
Legislative and Executive	$ 11,563,172	$ 979,628	$ 81,687	$ -
Judicial	6,816,400	3,155,568	304,587	-
Public Safety	26,158,677	5,240,752	703,650	-
Public Works	36,895,481	31,661	-	2,702,519
Health and Welfare	1,041,394	215,826	23,322	5,000
Culture and Recreation	1,010,085	-	-	-
Housing and Development	2,087,190	-	27,301	121,719
Interest on Long-term Debt	1,754,844	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	87,327,243	9,623,435	1,140,547	2,829,238
BUSINESS-TYPE ACTIVITIES				
Water and Sewer	4,415,893	5,281,592	-	-
Landfill	53,471	811,150	-	-
Special Tax Lighting District	270,396	191,349	-	-
Sanitation Fund	941,658	585,115	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	5,681,418	6,869,206	-	-
TOTAL PRIMARY GOVERNMENT	$ 93,008,661	$ 16,492,641	$ 1,140,547	$ 2,829,238
COMPONENT UNITS				
Lowndes County Board of Health	$ 13,243,302	$ 1,112,016	$ 12,165,547	$ -
Valdosta-Lowndes County Industrial Authority	2,296,662	-	34,939	-
Valdosta-Lowndes County Parks & Recreation Authorit	4,124,956	434,202	49,312	-
TOTAL COMPONENT UNITS	$ 19,664,920	$ 1,546,218	$ 12,249,798	$ -
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 ASSETS				
BEGINNING NET ASSETS, RESTATED				
NET ASSETS AT END OF YEAR				

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

Net (Expense) Revenue and Changes in Net Assets						
Primary Government			Component Units			
Governmental Activities	Business-Type Activities	Total	Lowndes County Board of Health	Valdosta-Lowndes County Industrial Authority	Valdosta-Lowndes County Parks & Recreation Authority	
$ (10,501,857)	$ -	$ (10,501,857)	$ -	$ -	$ -	
(3,356,245)	-	(3,356,245)	-	-	-	
(20,214,275)	-	(20,214,275)	-	-	-	
(34,161,301)	-	(34,161,301)	-	-	-	
(797,246)	-	(797,246)	-	-	-	
(1,010,085)	-	(1,010,085)	-	-	-	
(1,938,170)	-	(1,938,170)	-	-	-	
(1,754,844)	-	(1,754,844)	-	-	-	
(73,734,023)	-	(73,734,023)	-	-	-	
-	865,699	865,699	-	-	-	
-	757,679	757,679	-	-	-	
-	(79,047)	(79,047)	-	-	-	
-	(356,543)	(356,543)	-	-	-	
-	1,187,788	1,187,788	-	-	-	
$ (73,734,023)	$ 1,187,788	$ (72,546,235)	$ -	$ -	$ -	
$ -	$ -	$ -	$ 34,261	$ -	$ -	
-	-	-	-	(2,261,723)	-	
-	-	-	-	-	(3,641,442)	
$ -	$ -	$ -	$ 34,261	$ (2,261,723)	$ (3,641,442)	
21,175,180	-	21,175,180	-	2,949,092	3,582,840	
511,846	-	511,846	-	-	-	
357,384	-	357,384	-	-	-	
274,860	-	274,860	-	-	-	
173,918	-	173,918	-	-	-	
2,310,403	-	2,310,403	-	-	-	
34,301,734	-	34,301,734	-	-	-	
529,902	-	529,902	-	-	-	
497,551	-	497,551	-	-	253,531	
44,599	10,382	54,981	-	123,943	225	
60,177,377	10,382	60,187,759	-	3,073,035	3,836,596	
(13,556,646)	1,198,170	(12,358,476)	34,261	811,312	195,154	
(255,457)	255,457	-	-	-	-	
(13,812,103)	1,453,627	(12,358,476)	34,261	811,312	195,154	
142,938,084	31,024,159	173,962,243	2,237,369	9,645,058	7,165,451	
$ 129,125,981	$ 32,477,786	$ 161,603,767	$ 2,271,630	$ 10,456,370	$ 7,360,605	

LOWNDES COUNTY, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2011

	General	Capital Project Funds: Special Purpose Local Option Sales Tax V	Capital Project Funds: Special Purpose Local Option Sales Tax VI	Other Governmental Funds
ASSETS				
Equity in pooled cash and cash equivalents	$ 4,167,117	$ 41,948	$ 19,489	$ 463,462
Cash and cash equivalents in segregated accounts	226,758	5,050,553	1,827,052	2,311,503
Certificate of deposit	-	-	-	367,847
Government investment pool	7,489	394,954	1,046	31,461
Receivables (net of allowance for doubtful accounts)				
Taxes	1,153,659	-	-	-
Accounts	686,596	-	-	1,406,645
Special assessments	17,396	-	-	-
Sales Tax	2,221,530	-	-	-
Due from other governments	166,085	-	3,830,225	207,498
Restricted cash	-	-	4,210,621	-
Interfund receivable	10,357,359	-	-	-
Internal advances	2,000,000	-	-	-
TOTAL ASSETS	$ 21,003,989	$ 5,487,455	$ 9,888,433	$ 4,788,416

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

	Total
$	4,692,016
	9,415,866
	367,847
	434,950
	1,153,659
	2,093,241
	17,396
	2,221,530
	4,203,808
	4,210,621
	10,357,359
	2,000,000
$	41,168,293

LOWNDES COUNTY, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET - CONTINUED
June 30, 2011

	General	Capital Project Funds: Special Purpose Local Option Sales Tax V	Capital Project Funds: Special Purpose Local Option Sales Tax VI	Other Governmental Funds
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 593,709	$ 40,259	$ 14,127	$ 761,036
Accrued wages	477,544	-	-	67,740
Accrued liabilities	513,283	-	-	-
Due to other governments	-	-	2,474,089	-
Interfund payable	-	-	8,260,543	1,228,594
Deferred revenue	947,872	-	-	9,395
TOTAL LIABILITIES	2,532,408	40,259	10,748,759	2,066,765
FUND BALANCES				
Restricted for:				
Jail operations	-	-	-	399,219
Tourism	-	-	-	7,080
Drug enforcement	-	-	-	1,076,545
Law library	-	-	-	363,020
Victim assistance	-	-	-	70
Capital projects	-	5,447,196	-	1,242,986
Assigned for:				
Loans receivable	2,000,000	-	-	-
Unincorporated services	-	-	-	185,557
Property tax roll back	12,513,083	-	-	-
Unassigned reported in:				
General Fund	3,958,498	-	-	-
Special Revenue Funds	-	-	-	(552,826)
Capital Projects Funds	-	-	(860,326)	-
TOTAL FUND BALANCES	18,471,581	5,447,196	(860,326)	2,721,651
TOTAL LIABILITIES AND FUND BALANCES	$ 21,003,989	$ 5,487,455	$ 9,888,433	$ 4,788,416

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

	Total
$	1,409,131
	545,284
	513,283
	2,474,089
	9,489,137
	957,267
	15,388,191
	399,219
	7,080
	1,076,545
	363,020
	70
	6,690,182
	2,000,000
	185,557
	12,513,083
	3,958,498
	(552,826)
	(860,326)
	25,780,102
$	41,168,293

LOWNDES COUNTY, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
June 30, 2011

Total Governmental Funds Balances		$ 25,780,102
Amounts reported for governmental activities on the statement of net assets are different because of the following:		
Net Pension Obligation		
Pension liabilities resulting from contributions less than the annual required contribution		(333,660)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		136,654,759
Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the government-wide statement of net assets.		
Net assets less compensated absences	1,969,439	
Compensated absences payable	(14,238)	
		1,955,201
Revenue are not available to pay for current period expenditures and, therefore, are not reported in the funds.		
Deferred tax revenue		920,736
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest		(38,349)
Compensated absences payable		(1,175,095)
Bonds payable		(23,847,351)
Unamortized bond cost		454,638
Capital leases payable		(11,245,000)
Net Assets of Governmental Activities		$ 129,125,981

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

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LOWNDES COUNTY, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For The Year Ended June 30, 2011

		Capital Projects Funds		
	General	Special Purpose Local Option Sales Tax V	Special Purpose Local Option Sales Tax VI	Other Governmental Funds
REVENUES:				
Taxes	$ 34,211,378	$ -	$ 21,709,097	$ 3,628,410
Licenses and permits	2,224	-	-	115,711
Intergovernmental revenues	228,643	-	-	3,823,131
Charges for services	4,019,468	-	-	2,158,924
Fines and forfeitures	1,564,470	-	-	1,319,413
Investment income	5,552	11,894	5,435	39,056
Miscellaneous	115,116	-	-	370,549
TOTAL REVENUES	$ 40,146,851	$ 11,894	$ 21,714,532	$ 11,455,194
EXPENDITURES				
Current				
General Government				
Legislative and executive	9,476,872	-	-	-
Judicial	4,898,293	-	-	1,852,734
Public safety	18,113,820	-	-	6,271,255
Public works	4,347,929	687,266	10,230,269	2,679,178
Health and welfare	697,197	-	-	352,037
Culture and recreation	1,000,000	-	-	-
Housing and development	104,628	-	-	1,298,938
Capital Outlay	-	-	102,008	1,729,418
Debt Service				
Principal retirement	655,000	-	4,850,000	-
Interest	502,325	-	1,254,675	-
TOTAL EXPENDITURES	39,796,064	687,266	16,436,952	14,183,560
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	350,787	(675,372)	5,277,580	(2,728,366)
OTHER FINANCING SOURCES (USES):				
TRANSFER IN	627,254	-	-	803,387
TRANSFER OUT	(876,903)	-	(254,722)	(554,472)
TOTAL OTHER FINANCING SOURCES (USES)	(249,649)	-	(254,722)	248,915
NET CHANGES IN FUND BALANCE	101,138	(675,372)	5,022,858	(2,479,451)
BEGINNING FUND BALANCE, RESTATED	18,370,443	6,122,568	(5,883,184)	5,201,102
FUND BALANCES AT END OF YEAR	$ 18,471,581	$ 5,447,196	$ (860,326)	$ 2,721,651

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

Total
$ 59,548,885
117,935
4,051,774
6,178,392
2,883,883
61,937
485,665
$ 73,328,471
9,476,872
6,751,027
24,385,075
17,944,642
1,049,234
1,000,000
1,403,566
1,831,426
5,505,000
1,757,000
71,103,842
2,224,629
1,430,641
(1,686,097)
(255,456)
1,969,173
23,810,929
$ 25,780,102

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, 2011

Net Change in Fund Balances - Total Governmental Funds		$ 1,969,173
Amounts reported for governmental activities on the statement of activities are different because of the following:		
Net Pension Obligation		
Change in pension assets resulting from contributions less than the annual required contribution		(1,188,522)
Internal service funds change in net assets:		
Internal service funds change in net assets less depreciation and compensated absences	403,620	
Depreciation	(839,464)	
Compensated absences	8,155	
		(427,689)
Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year:		
Capital outlay - construction in progress	237,805	
Capital outlay - depreciable capital assets	2,382,987	
Depreciation	(22,597,703)	
		(19,976,911)
Revenues on the statement of activities that do no provide current financial resources are not reported as revenues in governmental funds:		
Property taxes	88,978	
Assessments	(2,638)	
		86,340
Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Compensated absences	14,637	
		14,637
Accrual of interest on capital leases is not an expenditures in the governmental funds, but is accrued on the statement of activities.		
Accrued interest expense	1,631	
		1,631
The issuance of long-term debt provide current financial resources to governmental funds, but is recognized as an increase in long-term liabilities on the statement of activities.		
Unamortized bond premium	355,784	
Unamortized bond cost	(151,546)	
		204,238
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of activities.		
Bond payments	4,850,000	
Capital lease payments	655,000	
		5,505,000
Changes in Net Assets of Governmental Activities		$ (13,812,103)

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

LOWNDES COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
June 30, 2011

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer	Landfill	Special Tax Lighting District	Sanitation Fund	Total	Internal Service Funds
ASSETS						
CURRENT ASSETS						
Equity in pooled cash and cash equivalents	$ 129,501	$ 1,222,737	$ 26,760	$ 216,468	$ 1,595,466	$ 1,622,725
Cash and cash equivalents in segregated accounts	194,200	-	-	-	194,200	-
Government investment pool	-	-	-	-	-	19,046
Receivables (net of allowance for doubtful accounts):						
Accounts	1,294,598	518,566	948	9,731	1,823,843	17,162
Inventory	-	-	-	-	-	225,866
Prepaid expense	-	-	-	-	-	88,025
Deferred bond issue cost	13,434	-	-	-	13,434	-
Restricted Assets						
Customer deposit account	185,780	-	-	-	185,780	-
TOTAL CURRENT ASSETS	1,817,513	1,741,303	27,708	226,199	3,812,723	1,972,824
NONCURRENT ASSETS						
Deferred bond issue cost	177,997	-	-	-	177,997	-
Capital Assets						
Land	2,486,904	203,639	-	-	2,690,543	-
Construction in progress	2,096,369	-	-	-	2,096,369	-
Depreciable capital assets, net	37,404,232	-	-	3,239	37,407,471	2,675,330
TOTAL NONCURRENT ASSETS	42,165,502	203,639	-	3,239	42,372,380	2,675,330
TOTAL ASSETS	43,983,015	1,944,942	27,708	229,438	46,185,103	4,648,154

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

LOWNDES COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS - CONTINUED
June 30, 2011

	Business-Type Activities - Enterprise Funds					Activities
	Water and Sewer	Landfill	Special Tax Lighting District	Sanitation Fund	Total	Internal Service Funds
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	153,013	104	23,102	24,313	200,532	1,566,385
Accrued wages	17,046	-	-	8,316	25,362	8,316
Accrued interest payable	35,281	-	-	-	35,281	791
Interfund payable	-	-	-	-	-	868,223
Current portion of compensated absences payable	17,249	-	-	14,239	31,488	7,973
Current portion of capital lease obligations	-	-	-	-	-	122,400
Current portion of bonds payable	525,000	-	-	-	525,000	-
Current portion of unamortized bond premium	16,922	-	-	-	16,922	-
Current portion of interfund advance	500,000	-	-	-	500,000	-
Deferred revenue	17,468	-	-	168,655	186,123	-
Current portion of landfill postclosure cost	-	70,871	-	-	70,871	-
Payable from restricted assets:						-
Customer deposits	159,600	-	-	-	159,600	-
TOTAL CURRENT LIABILITIES	1,441,579	70,975	23,102	215,523	1,751,179	2,574,088
LONG-TERM LIABILITIES						
Compensated absences	13,553	-	-	11,187	24,740	6,265
Interfund advance	1,500,000	-	-	-	1,500,000	-
Capital lease obligations	-	-	-	-	-	112,600
Unamortized bond premium	224,197	-	-	-	224,197	-
Bonds payable	9,215,000	-	-	-	9,215,000	-
Landfill postclosure cost	-	992,201	-	-	992,201	-
TOTAL LONG-TERM LIABILITIES	10,952,750	992,201	-	11,187	11,956,138	118,865
TOTAL LIABILITIES	12,394,329	1,063,176	23,102	226,710	13,707,317	2,692,953
NET ASSETS						
Invested in capital assets, net of related debt	32,006,386	203,639	-	3,239	32,213,264	2,440,330
Unrestricted	(417,700)	678,127	4,606	(511)	264,522	(485,129)
TOTAL NET ASSETS	$ 31,588,686	$ 881,766	$ 4,606	$ 2,728	$ 32,477,786	$ 1,955,201

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

LOWNDES COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET ASSETS
For The Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer	Landfill	Special Tax Lighting District	Sanitation Fund	Total	Internal Service Funds
OPERATING REVENUES						
Charges for services	$ 4,604,322	$ -	$ 191,349	$ 585,115	$ 5,380,786	$ 8,303,623
Penalties	102,847	-	-	-	102,847	-
Other income	156,825	811,150	-	-	967,975	-
Connection fees	417,598	-	-	-	417,598	-
TOTAL OPERATING REVENUES	5,281,592	811,150	191,349	585,115	6,869,206	8,303,623
OPERATING EXPENSES						
Personal services	635,386	-	-	376,283	1,011,669	252,933
Payroll taxes	46,655	-	-	27,575	74,230	18,786
Fringe benefits	195,898	-	-	132,416	328,314	81,673
Contractual services	1,442,876	53,471	270,396	188,288	1,955,031	59,610
Insurance and bond	-	-	-	-	-	5,020,260
Materials and supplies	383,107	-	-	216,548	599,655	2,447,860
Depreciation	1,251,483	-	-	548	1,252,031	839,464
TOTAL OPERATING EXPENSES	3,955,405	53,471	270,396	941,658	5,220,930	8,720,586
OPERATING INCOME (LOSS)	1,326,187	757,679	(79,047)	(356,543)	1,648,276	(416,963)
NON-OPERATING REVENUES (EXPENSES)						
Interest revenue	10,382	-	-	-	10,382	251
Interest expense	(460,488)	-	-	-	(460,488)	(10,977)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(450,106)	-	-	-	(450,106)	(10,726)
INCOME (LOSS) BEFORE TRANSFERS	876,081	757,679	(79,047)	(356,543)	1,198,170	(427,689)
TRANSFERS IN (OUT)	(18,931)	(442,722)	340,000	377,110	255,457	-
CHANGE IN NET ASSETS	857,150	314,957	260,953	20,567	1,453,627	(427,689)
NET ASSETS AT BEGINNING OF YEAR	30,731,536	566,809	(256,347)	(17,839)	31,024,159	2,382,890
NET ASSETS AT END OF YEAR	$ 31,588,686	$ 881,766	$ 4,606	$ 2,728	$ 32,477,786	$ 1,955,201

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, 2011

	Business-Type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Landfill	Special Tax Lighting District	Sanitation Fund	Total	
Increase (Decrease) in Cash and Cash Equivalents						
Cash Flows From Operating Activities						
Cash received from customers	$ 5,087,666	$ -	$ 191,588	$ 614,004	$ 5,893,258	$ -
Cash received from other income	153,339	811,150	-	-	964,489	-
Cash received from other funds for services	-	-	-	-	-	9,285,414
Cash payments for interfund transactions	(317,667)	1,386,016	-	176,825	1,245,174	
Cash payments for personal services	(636,067)	-	-	(534,904)	(1,170,971)	(265,596)
Cash payments for payroll taxes	(46,655)	-	-	-	(46,655)	(18,786)
Cash payments for fringe benefits	(195,898)	-	-	-	(195,898)	(81,673)
Cash payments for contractual services	(1,604,869)	(531,707)	(504,828)	(200,019)	(2,841,423)	(59,610)
Cash payments for insurance and bond	-	-	-	-	-	(4,248,111)
Cash payments for materials and supplies	(383,107)	-	-	(216,548)	(599,655)	(3,268,378)
Net Cash Provided by (Used for) Operating Activities	2,056,742	1,665,459	(313,240)	(160,642)	3,248,319	1,343,260
Cash Flows From Noncapital Financing Activities						
Cash received from transfer-in	-	-	340,000	377,110	717,110	-
Cash payments from transfer-out	(18,931)	(442,722)	-	-	(461,653)	-
Net Cash From (Used For) Noncapital Financing Activities	(18,931)	(442,722)	340,000	377,110	255,457	-
Cash Flows From Capital and Related Financing Activities						
Cash from capital lease	-	-	-	-	-	-
Cash payments for acquisition of capital assets	(864,589)	-	-	-	(864,589)	(530,908)
Cash payment on interfund advance	(726,482)	-	-	-	(726,482)	-
Cash payments for principal on bonds payable	(510,000)	-	-	-	(510,000)	-
Cash payments for interest on bonds payable	(461,906)	-	-	-	(461,906)	-
Cash payments for interest on capital leases	-	-	-	-	-	(273,389)
Net Cash Used For Capital and Related Financing Activities	(2,562,977)	-	-	-	(2,562,977)	(804,297)
Cash Flows From Investing Activities						
Cash received from interest	10,382	-	-	-	10,382	251
Net Cash Flows Provided By Investing Activities	10,382	-	-	-	10,382	251
Net Increase (Decrease) in Cash and Cash Equivalents	(514,784)	1,222,737	26,760	216,468	951,181	539,214
Cash and Cash Equivalents at Beginning of Year	1,024,265	-	-	-	1,024,265	1,102,557
Cash and Cash Equivalents at End of Year	$ 509,481	$ 1,222,737	$ 26,760	$ 216,468	$ 1,975,446	$ 1,641,771
Equity in pooled cash and cash equivalents	$ 129,501	$ 1,222,737	$ 26,760	$ 216,468	$ 1,595,466	$ 1,622,725
Cash and cash equivalents in segregated accounts	194,200	-	-	-	194,200	-
Customer deposit account	185,780	-	-	-	185,780	-
Government investment pool	-	-	-	-	-	19,046
Total Cash and Cash Equivalents	$ 509,481	$ 1,222,737	$ 26,760	$ 216,468	$ 1,975,446	$ 1,641,771

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, 2011

	Business-Type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Landfill	Special Tax Lighting District	Sanitation Fund	Total	
Reconciliation of Operating Income (Loss) To Net Cash Provided by (Used For) Operating Activities						
Operating Income (Loss)	$ 1,326,187	$ 757,679	$ (79,047)	$ (356,543)	$ 1,648,276	$ (416,963)
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided by (Used For) Operating Activities						
Depreciation	1,251,483	-	-	548	1,252,031	839,464
Amortization	(3,486)	-	-	-	(3,486)	-
Changes in Assets and Liabilities:						
(Increase) decrease in accounts receivable	(50,952)	(423,269)	239	(9,731)	(483,713)	(10,352)
(Increase) decrease in prepaid expense	-	-	-	-	-	(5,065)
(Increase) decrease in inventory	-	-	-	-	-	(16,332)
(Increase) decrease in interfund receivable	-	1,386,016	-	176,825	1,562,841	1,522,220
Increase (decrease) in accounts payable	(161,993)	(853)	(16,778)	(11,731)	(191,355)	265,119
Increase (decrease) in customer deposits	8,205	-	-	-	8,205	-
Increase (decrease) in accrued compensated absences	(2,682)	-	-	1,541	(1,141)	(8,156)
Increase (decrease) in interfund payable	(317,667)	-	(217,654)	-	(535,321)	(822,168)
Increase (decrease) in deferred revenues	5,646	-	-	38,620	44,266	-
Increase (decrease) in accrued expenses	2,001	(54,114)	-	(171)	(52,284)	(4,507)
Net Cash Provided By (Used For) Operating Activities	$ 2,056,742	$ 1,665,459	$ (313,240)	$ (160,642)	$ 3,248,319	$ 1,343,260

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

LOWNDES COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2011

	Agency Funds
ASSETS	
Cash and cash equivalents in segregated accounts	$ 2,388,208
Due from other governments	65,538
TOTAL ASSETS	$ 2,453,746
LIABILITIES	
Due to other governments	$ 823,679
Collections held in escrow	1,630,067
TOTAL LIABILITIES	2,453,746
NET ASSETS	$ -

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

Note 1 – Summary of Significant Accounting Policies

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

A. The Reporting Entity

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

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies – Continued

A. The Reporting Entity - Continued

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

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

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

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

B. Basis of Presentation

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

Government-Wide Financial Statements

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

The statement of net assets presents the financial condition of the governmental and business-type activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or

Note 1 - Summary of Significant Accounting Policies – Continued

B. Basis of Presentation - Continued

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

Fund Financial Statements

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

C. Fund Accounting

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

Governmental Funds

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

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

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

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

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

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

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

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

The following fund is another County enterprise fund and is presented as a major fund even though it does not meet that definition:

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

Internal Service Funds

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

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

Note 1 - Summary of Significant Accounting Policies - Continued

C. Fund Accounting - Continued

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

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

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

Fiduciary Funds

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

D. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

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

Note 1 – Summary of Significant Accounting Principles – Continued

E. Basis of Accounting

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

Revenues—Exchange and Nonexchange Transactions

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

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

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

Deferred Revenues

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

Property taxes for which there was an enforceable legal claim at June 30, 2011, but were levied to finance FY11 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements were met have also been recorded as deferred revenue.

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

Note 1 - Summary of Significant Accounting Policies - Continued

E. Basis of Accounting - Continued

Expenses/Expenditures

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

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

F. Budgetary Process

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

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

1. Prior to July 1, the County Manager submits to the Board of Commissioners a proposed budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayer comments. Notice is given at least ten days in advance by publication in the official organ of Lowndes County.

3. The budget is legally enacted through passage of an ordinance.

4. The County has a policy of budgeting on a departmental basis.

5. Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue, capital project, internal service and enterprise funds.

6. Budgeted amounts are shown as amended throughout the year.

G. Encumbrances

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

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

Note 1 - Summary of Significant Accounting Policies - Continued

H. Cash and Investments

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

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

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

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

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

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

I. Prepaid Expenses

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

J. Inventory

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

K. Restricted Assets

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

Note 1 - Summary of Significant Accounting Policies - Continued

L. Capital Assets

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

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

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

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

M. Interfund Receivables/Payables

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

N. Compensated Absences

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

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

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

Note 1 - Summary of Significant Accounting Policies - Continued

O. Accrued Liabilities and Long-Term Obligations

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

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

P. Net Assets

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

Q. Governmental Fund Balance Reserves

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

R. Operating Revenues and Expenses

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

S. Interfund Transactions

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

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

Note 1 - Summary of Significant Accounting Policies - Continued

T. Estimates

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

Note 2 – Accountability

The following funds had deficits at June 30, 2011:

Special Revenue Funds:

Drug Abuse Treatment Fund – The fund deficit of $268,701 is due to a decline in fine income to this fund. The deficit will be funded by a reduction of expenditures in the future budget years.

911 Emergency Telephone Fund – The fund deficit of $284,125 is due to the need for additional support from the general fund which has been budgeted in the next fiscal year.

Capital Projects Fund:

Special Sales Tax VI Fund – The fund deficit of $860,326 is due to the decline in sales tax income and the need to complete capital projects that were already under contract. Projected sales tax revenue will be used to take care of this deficit.

Note 3 – Deposits and Investments

Lowndes County maintains investments in a local government investment pool through the State of Georgia Office of Treasury and Fiscal Services. The balance at June 30, 2011 was $434,951 for all funds. The funds have a 24 day weighted average maturity.

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

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

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

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

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

Note 4 – Property Taxes

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

The property tax calendar is as follows:

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

Taxes are collected throughout the year.

Note 5 – Payment in Lieu of Taxes

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

Note 6 – Hotel/Motel Lodging Tax

Lowndes County levies a 5% hotel motel lodging tax of which 2% is designated for the promotion of tourism. All of the tourism funds are provided to the Valdosta-Lowndes County Conference Center & Tourism Authority which amounted to $109,944. Lowndes County receives an audit report from the Valdosta- Lowndes County Conference Center & Tourism Authority demonstrating that all expenditures of these funds were for promotion of tourism as required by O.C.G.A. 48-13-51. Collections of hotel motel lodging tax amounted to $274,860. 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 97.42% of revenues.

Note 7 – Receivables

Receivables at June 30, 2011, 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.

Note 7 – Receivables - Continued

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

General Fund	
State of Georgia EPD	$ 11,678
Lowndes-Valdosta Industrial Authority	35,856
City of Valdosta - Prisoner Housing	118,551
Total - General Fund	$ 166,085
Special Revenue Funds	
Nonmajor funds	
ADR	$ 2,383
Total - Special Revenue Funds	$ 2,383
Capital Project Funds	
Major funds	
Georgia Department of Revenue	$ 3,830,225
Nonmajor funds	
State of Georgia EPD	205,115
Total - Capital Project Funds	$ 4,035,340
Total - Due From Other Governments	$ 4,203,808

Note 8 – Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

	Balance at July 1, 2010	Additions	Reductions	Balance at June 30, 2011
Primary Government				
Governmental Activities:				
Nondepreciable Capital Assets:				
Land	$ 2,799,215	$ -	$ -	$ 2,799,215
Construction in progress	63,338,597	237,805	63,090,482	485,920
Total Nondepreciable Capital Assets	66,137,812	237,805	63,090,482	3,285,135
Depreciable Capital Assets:				
Buildings and building improvements	$ 31,054,697	$53,322,339	$ -	$ 84,377,036
Improvements other than buildings	960,761	63,105	-	1,023,866
Machinery and equipment	29,407,540	1,155,518	-	30,563,058
Vehicles	9,435,878	393,147	146,189	9,682,836
Infrastructure	295,860,476	11,070,266	-	306,930,742
Total Depreciable Capital Assets	366,719,352	66,004,375	146,189	432,577,538
Less Accumulated Depreciation for:				
Buildings and building improvements	16,629,547	1,431,878	-	18,061,425
Improvements other than buildings	698,402	14,868	-	713,270
Machinery and equipment	22,183,239	1,616,458	-	23,799,697
Vehicles	7,021,976	856,174	146,189	7,731,961
Infrastructure	226,708,442	19,517,789	-	246,226,231
Total Accumulated Depreciation	273,241,606	23,437,167	146,189	296,532,584
Total Depreciable Capital Assets, Net	93,477,746	42,567,208	-	136,044,954
Governmental Activities Capital Assets, Net	$159,615,558	$42,805,013	$63,090,482	$139,330,089

Note 8 – Capital Assets – Continued

	Balance at July 1, 2010	Additions	Reductions	Balance at June 30, 2011
Business Type Activities:				
Nondepreciable Capital Assets:				
Land	$ 2,690,543	$ -	$ -	$ 2,690,543
Construction in progress	7,255,387	797,018	5,956,036	2,096,369
Total Nondepreciable Capital Assets	9,945,930	797,018	5,956,036	4,786,912
Depreciable Capital Assets:				
Machinery and equipment	$ 50,212,837	$ 6,023,607	$ -	$ 56,236,444
Vehicles	95,298	-	-	95,298
Total Depreciable Capital Assets	50,308,135	6,023,607	-	56,331,742
Less Accumulated Depreciation for:				
Machinery and equipment	17,603,573	1,238,578	-	18,842,151
Vehicles	68,667	13,453	-	82,120
Total Accumulated Depreciation	17,672,240	1,252,031	-	18,924,271
Total Depreciable Capital Assets, Net	32,635,895	4,771,576	-	37,407,471
Business Type Activities Capital Assets, Net	$ 42,581,825	$ 5,568,594	$ 5,956,036	$ 42,194,383

Depreciation was charged to governmental functions as follows:

Governmental activities:	
General Government	
Legislative and Executive	$ 987,408
Judicial	51,901
Public Safety	2,387,051
Public Works	20,009,997
Culture and Recreation	810
Total Depreciation Expense - Governmental Activities	$ 23,437,167
Business-type activities:	
Water and Sewer	$ 1,251,483
Sanitation	548
Total Depreciation Expense - Business-type Activities	$ 1,252,031

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.

Note 9 – Interfund Balances and Transfers

Interfund receivable and payable balances as of June 30, 2011 are as follows:

	Due From			
	SPLOST VI	Nonmajor Governmental Funds	Internal Service Funds	Total
Due To				
General Fund	$ 8,260,543	$ -	$ 868,223	$ 9,128,766
Special Services Funds	-	1,228,591	-	1,228,591
Capital Projects Funds	-	2	-	2
	$ 8,260,543	$ 1,228,593	$ 868,223	$ 10,357,359

Interfund transfers for the year ending June 30, 2011 consisted of the following:

	Transfer From						
	General Fund	SPLOST VI Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Landfill Fund	Sanitation Fund	Total
Transfer To							
General Fund	$ -	$ -	$ 292,155	$ 273,653	$ 3,556	$ 57,890	$ 627,254
Nonmajor Governmental Fund	876,903	-	10,304	-	4,167	-	891,374
Street Lighting Fund	-	-	340,000	-	-	-	340,000
Sanitation Fund	-	-	-	-	435,000	-	435,000
Landfill Fund	-	-	46,205	-	-	-	46,205
Water and Sewer Fund	-	254,722	-	-	-	-	254,722
	$ 876,903	$ 254,722	$ 688,664	$ 273,653	$ 442,723	$ 57,890	$ 2,594,555

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

Transfers were made from the nonmajor governmental funds and enterprise funds to the general fund for administrative cost. Transfers were made from SPLOST funds to cover approved Water and Sewer projects paid from the Water and Sewer Fund. Transfers to nonmajor governmental funds, the Street Lighting Fund and the Sanitation Fund were to cover operational cost of those funds.

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.

All funds of the County participate in the Health Insurance and Workers Compensation programs and make payments to the funds based on estimates of the amounts needed to pay prior and current-year claims and to establish a reserve for catastrophe losses. The Health Insurance Fund has a net asset balance of $26,358 and the Workers Compensation Fund has a net asset balance of $244,394 as of June 30, 2011. At June 30, 2011 the Health Insurance Fund has a claims liability of $569,068 and the Workers Compensation Fund has a claims liability of $760,000 reported based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the Health Insurance and Workers Compensation Funds claim liability amounts in fiscal 2010 and 2011 were:

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

Fiscal Year 2011	Beginning	Claims Estimates	Claims Paid	Ending
Group Health Fund	$ 362,176	$ 3,956,576	3,749,684	$ 569,068
Workers' Compensation Fund	760,000	368,817	368,817	760,000
	$ 1,122,176	$ 4,325,393	$ 4,118,501	$1,329,068

B. Health Care

The County manages the employee health coverage uninsured except for a stop-loss policy. Included in the accounts payable of the Health Insurance Fund is an estimated liability of $ 569,068 which reflects health claims incurred, but not processed prior to year end. This health claims liability was estimated based on such claims paid subsequent to year end.

Note 10 – Risk Management - Continued

C. Workers' Compensation

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

Included in the accounts payable of the Workers Compensation Fund is an estimated liability of $760,000 which reflects workers compensation claims incurred but not processed prior to year end. This workers compensation liability was estimated in the annual actuarial report.

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

Note 11 – Defined Benefit Retirement Plan

A. Plan Description

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

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

B. Summary of Significant Accounting Policies

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

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

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

C. Membership

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

Note 11 – Defined Benefit Retirement Plan - Continued

C. Membership - Continued

Participation counts as of January 1, 2010 (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Plan Membership		
Retirees and beneficiaries receiving benefits		140
Terminated plan members entitled to but not yet receiving benefits		216
Active plan members		491
Total number of plan participants		847
Covered compensation for active participants	$	15,438,775

D. Funding Policies

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

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

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

Calendar Year	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL UAAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2005	$ 14,840,995	$ 19,863,167	$ 5,022,172	74.7%	$ 12,383,187	40.6%
2006	16,835,059	20,959,547	4,124,488	80.3%	12,393,935	33.3%
2007	18,679,382	23,128,221	4,448,839	80.8%	12,899,134	34.5%
2008	18,977,095	25,798,820	6,821,725	73.6%	13,630,463	50.0%
2009	21,092,177	29,391,168	8,298,991	71.8%	14,704,109	56.4%
2010	21,876,638	32,291,448	10,414,810	67.7%	15,438,775	67.5%

Note 11 – Defined Benefit Retirement Plan – Continued

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

For 2011, the County's required contribution was $2,372,153. The required contribution was determined as part of the January 1, 2011 actuarial valuation using the following assumptions:

Valuation Date:	January 1, 2010
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method:	Level Percent of Pay (Closed)
Remaining Amortization Period*:	10 years
Actuarial Assumptions:	
Assumed Rate of Return on Assets:	7.75%
Expected Future Salary Increases:	4.0%-6.5% based on age
Expected Inflation:	3.0%

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

Required contribution	$ 2,206,200
Interest on net pension obligation	(66,252)
Amortization of net pension obligation	70,888
Annual pension cost	2,210,836
Employer contributions for the year ended June 30, 2011	(1,022,314)
Decrease in net pension obligation	1,188,522
Net pension obligation (asset) beginning of year	(854,862)
Net pension obligation (asset) end of year	$ 333,660

Year Ended	Annual Pension Cost	Actual County Contribution	Percentage Contributed	Net Pension Obligation (Asset)
June 30.2006	$ 1,325,586	$ 1,441,849	109%	$ (387,994)
June 30.2007	1,394,551	1,486,185	107%	(504,257)
June 30.2008	1,564,953	1,656,183	106%	(595,891)
June 30.2009	1,959,366	2,127,107	109%	(687,212)
June 30.2010	2,210,836	1,022,314	46%	(854,862)
June 30.2011	2,370,344	N/A	N/A	333,660

Note 11 – Defined Benefit Retirement Plan – Continued

F. Financial Statements

Statement of Plan Net Assets			Statement of Changes in Plan Net Assets		
Assets			**Additions**		
Market value of assets	$	20,502,262	Employer contributions	$	1,022,314
Receivable			Employee contributions		-
Employer contribution		1,022,314	Net investment income		2,166,135
Due from insurance pool		140	Employee contribution - buy back		-
Total Assets		21,524,716	Total Additions		3,188,449
Liabilities			**Deductions**		
Accounts payable		70,036	Administrative expenses		70,036
Accrued investment fee		3,255	Benefit payments		1,177,369
Total Liabilities		73,291	Post-retirement death benefit		51,772
			Pre-retirement death benefit		61,630
			Total Deductions		1,360,807
Net Assets			Change in Net Assets		1,827,642
Held in trust for pension benefits		21,451,425	Net Assets, Beginning of Year		19,623,783
Total Net Assets	$	21,451,425	Net Assets, End of Year	$	21,451,425

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

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

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

A copy of both financial reports can be obtained at the following address:
GEBCorp
1100 Circle 75 Parkway
Suite 300
Atlanta, Georgia 30339

Note 12 - Deferred Compensation Plan

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

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

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

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

Note 13– Post Employment Health Care Benefits

In addition to providing pension benefits, in accordance with County resolution, the County provides certain health care benefits for retired employees. The County's employees who are eligible for retirement benefits under the pension plan are also eligible for post employment health care benefits. The retired employees pay monthly premiums for this benefit. There are currently 49 retired employees who are participating in these health care benefits. Funding is provided through the general fund as required to the self insurance fund. Premiums paid by retired employees were $79,017 and claims paid were $306,990. The County funds these benefits through the Health Insurance Fund self insurance program.

A valuation of these retiree health care benefits is being conducted. Based on this valuation, the County will review its method of funding these benefits and the policy for retiree benefits in the future.

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.

	Balance at July 1, 2010	Additions	Reductions	Balance at June 30, 2011	Amount Due In One Year
Primary Government:					
Governmental Activities:					
Compensated absences	$ 1,212,125	$ 655,998	$ 678,790	$ 1,189,333	$ 666,026
Business Type Activities:					
Compensated absences	57,368	30,986	32,126	56,228	31,488
Total Primary Government	$ 1,269,493	$ 686,984	$ 710,916	$ 1,245,561	$ 697,514
Component Units:					
Board of Health:					
Compensated absences	$ 432,905	$ 370,977	$ 246,756	$ 557,126	$ 317,562
Parks & Recreation Authority:					
Compensated absences	49,089	6,539	10,222	45,406	27,992
Total Component Units	$ 481,994	$ 377,516	$ 256,978	$ 602,532	$ 345,554

Note 15 - Capital Leases

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

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

Asset:	
Buildings	15,500,000
Equipment	8,130,501
Less: Accumulated Depreciation	(6,136,473)
Total	$ 17,494,028

Note 15 - Capital Leases - Continued

Intergovernmental Agreement

As of August 1996, the County entered into an intergovernmental funding agreement with the Valdosta-Lowndes County Industrial Authority to secure bonds issued by the Authority for $ 5,000,000 to finance acquisition and development of industrial sites. The bonds have a floating interest rate based on a percentage of the London Interbank Offer Rate. The bonds were payable "interest only" until January 1, 1999 after which, annual payments of principal are due. The bonds mature January 1, 2017. The balance as of June 30, 2011 is $ 2,545,478.

As of December 2008, the County entered into an intergovernmental funding agreement with the Valdosta-Lowndes County Industrial Authority to secure bonds issued by the Authority for $ 15,000,000 to finance acquisition and development of industrial sites. The bonds have a variable fixed interest rate. The bonds mature February 1, 2024. The balance as of June 30, 2011 is $ 13,815,000.

Note 16 – Long-Term Debt

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2011:

	Balance at July 1, 2010	Additions	Reductions	Balance at June 30, 2011	Amount Due In One Year
Governmental Activities					
Capital leases - CVDA	$ 11,900,000	$ -	$ 655,000	$ 11,245,000	$ 675,000
General Obligation Sales Tax Bonds	27,630,000	-	4,850,000	22,780,000	7,290,000
Unamortized Bond Premium	1,423,135	-	355,784	1,067,351	355,785
Capital leases - Fleet Fund	496,621	-	261,621	235,000	122,400
Total Governmental Activities	$ 41,449,756	$ -	$ 6,122,405	$ 35,327,351	$ 8,443,185

	Balance at July 1, 2010	Additions	Reductions	Balance at June 30, 2011	Amount Due In One Year
Business - Type Activities					
Revenue bonds	$ 10,250,000	$ -	$ 510,000	$ 9,740,000	$ 525,000
Unamortized Bond Premium	258,040	-	16,921	241,119	16,921
Total Business-Type Activities	$ 10,508,040	$ -	$ 526,921	$ 9,981,119	$ 541,921

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

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

Unamortized premiums on the general obligation sales tax bonds amounted to $1,067,351 and on the revenue bonds amounted to $241,119 at June 30, 2011.

Note 16 – Long-Term Debt – Continued

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

	Purpose	Original Issue Date	Interest Rate	Original Issue Amount	Maturity Date	Annual Installments
Governmental Activities						
G.O. Sales Tax Bonds	Judicial/Admin Complex and Jail	2008	Fixed	$ 40,845,000	2014	Variable
Capital Lease	Judicial/Admin Complex Building	2004	Fixed	$ 15,500,000	2024	Variable
Capital Lease	Equipment	2004	3.88%	$ 165,000	2011	$ 27,031
Capital Lease	Equipment	2007	3.95%	$ 2,048,000	2017	Variable
Business Activities						
Revenue Bonds	Water & Sewer Capital Improvements	2006	Fixed	$ 12,500,000	2025	Variable

Fixed interest rates on the Judicial Complex Building capital lease range from 2.25% in 2004 to 4.50% in 2024. Annual principal installments range from $635,000 in 2011 to $1,105,000 in 2024.
Fixed interest rates on the Water & Sewer revenue bonds range from 3.00% in 2006 to 5.00% in 2025. Annual principal installments range from $490,000 in 2008 to $925,000 in 2025.
Fixed interest rates on the general obligation SPLOST bonds range from 3.50% in 2008 to 5.00% in 2014. Annual principal installments range from $6,735,000 in 2011 to $7,900,000 in 2014.

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

	Governmental Activities			
	Capital Leases		General Obligation Sale Tax Bonds	
Year Ending June 30,	Principal	Interest	Principal	Interest
2012	$ 797,400	$ 488,950	$ 7,290,000	$ 874,900
2013	742,900	460,358	7,590,000	535,450
2014	746,400	431,433	7,900,000	182,562
2015	771,400	404,313	-	-
2016	796,400	375,347		
2017-2021	4,445,500	1,358,622	-	-
2022-2024	3,180,000	285,570	-	-
Total	$ 11,480,000	$ 3,804,593	$ 22,780,000	$ 1,592,912

Unamortized bond premium amounted to $1,067,351.

Note 16 – Long-Term Debt – Continued

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

	Business Activities	
	Revenue Bonds	
Year Ending June 30,	Principal	Interest
2012	$ 525,000	$ 444,056
2013	545,000	426,338
2014	560,000	407,263
2015	585,000	384,863
2016	615,000	355,613
2017-2021	3,470,000	1,376,700
2022-2025	3,440,000	440,500
Total	$ 9,740,000	$ 3,835,333

Unamortized premium amounted to $241,119.

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, 2011 was $256,983,914 based on a total assessed values of $2,797,639,139 less the general obligation bonded debt outstanding of $22,780,000.

Note 18 – Landfill Postclosure Cost

	Balance at July 1, 2010	Additions	Reductions	Balance at June 30, 2011	Amount Due In One Year
Business Type Activities:					
Postclosure care cost	$ 1,117,186	$ -	$ 54,114	$ 1,063,072	$ 70,871

State and federal laws and regulations require the County to cover a landfill and maintain monitoring functions for thirty years after closure. The County has accrued the expected postclosure cost for the landfill that closed November 1996. The amount accrued of $1,063,072 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".

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, 2011, was as follows:

Equipment	$ 2,647,078
Vehicles	159,485
Less: Accumulated Depreciation	(2,128,589)
Net Property and Equipment	$ 677,974

Retirement Plan

The employees of the Health Department participate in the Georgia State Employees Retirement System, a multi-employer, defined contribution plan. The Plan is administered by the State of Georgia, and accumulated benefits and Plan assets are not determined or allocated to the individual participating governmental entities. The Georgia State Employees' Retirement System of Georgia requires ten years of continuous service to become fully vested. The total retirement contributions to the Georgia State Employees Retirement System for the year ended June 30, 2011 were $544,682. Ten-year historical trend information and relevant actuarial information may be obtained from the Employee's Retirement System, Two Northside 75, Suite 300, Atlanta, Georgia 30316-7778 or calling 1-406-352-6400.

Note 19 – Component Units - Continued

B. Valdosta-Lowndes County Industrial Authority

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

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

Property and Equipment Property and equipment are carried at cost or, if donated, the fair value on the date donated. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Property and equipment as of June 30, 2011, was as follows:

Land	$ 12,465,762
Land improvements	8,096,390
Equipment	243,986
Less: Accumulated Depreciation	(4,107,253)
Net Property and Equipment	$ 16,698,885

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

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

	Note Payable	
Year Ending June 30,	Principal	Interest
2012	$ 85,562	$ 14,600
2013	89,315	10,847
2014	93,232	6,930
2015	97,321	2,841
2016	16,427	63
Total	$ 381,857	$ 35,281

Note 19 – Component Units - Continued

B. Valdosta-Lowndes County Industrial Authority - Continued

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

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

	Bonds	
Year Ending June 30,	Principal	Interest
2012	$ 320,000	$ 121,256
2013	345,000	103,946
2014	370,000	85,346
2015	395,000	65,366
2016	420,000	47,392
2017	395,478	18,000
Total	$ 2,245,478	$ 441,306

Bonds Payable In December 2008, the Authority issued bonds in the amount of $15,000,000 to finance acquisition and development of industrial sites in Lowndes County, Georgia. The revenue bonds have a maturity date of February 1, 2024. The bonds have a variable fixed interest rate. The bonds are secured by an "inter governmental" funding agreement between the Authority and Lowndes County, Georgia.

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

	Bonds	
Year Ending June 30,	Principal	Interest
2012	$ 700,000	$ 978,108
2013	740,000	939,958
2014	780,000	897,408
2015	835,000	843,198
2016	895,000	785,165
2017-2021	5,500,000	2,895,656
2022-2023	4,365,000	670,497
Total	$ 13,815,000	$ 8,009,990

During the year ended June 30, 2011 interest paid on the 1996 and 2008 Series Bonds was in the amount of $1,091,996.

Note 19 – Component Units - Continued

D. Valdosta-Lowndes County Parks and Recreation Authority

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

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

Property and Equipment Property and equipment are carried at cost or, if donated, the fair value on the date donated. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Property and equipment as of June 30, 2011, was as follows:

Land and improvements	$ 6,796,589
Equipment	57,019
Vehicles	181,764
Less: Accumulated Depreciation	(636,593)
Net Property and Equipment	$ 6,398,779

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 $64,551 to the Regional Commission for the year ended June 30, 2011. 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 an Regional Commission beyond its resources. (O.C.G.A. 50-8-39.1)

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

Note 22 – Related Party Transactions

The County appropriated $289,237 to the Valdosta - Lowndes County Airport Authority and $311,819 to the Valdosta-Lowndes County Conference Center and Tourism Authority.

Note 23 – Contingent Liabilities

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

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

The County is not contingently liable for the obligations of any other governmental agencies or authorities, as guarantor or otherwise, except for funding agreements with the Valdosta-Lowndes County Industrial Authority guaranteeing the funding necessary for the repayment of Valdosta-Lowndes County Industrial Authority Industrial Development Revenue Bonds, Series 1997, in the aggregate principal amount of $5,000,000 and Valdosta-Lowndes County Industrial Authority Industrial Development Revenue Bonds, Series 2010, in the aggregate principal amount of $15,000,000.

Note 23 – Contingent Liabilities - Continued

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

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

Note 24 – 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 25 –Change in Presentation

The County established one new special revenue fund to account for revenue and expenditures for hotel motel taxes collected by the County. The Hotel/Motel Tax Fund accounts for revenue and expenditures incurred in providing tourism and other services through the 5% hotel/motel tax.

Note 26 – Prior Year Adjustments

Primary Government:

Prior year adjustments to Net Assets consist of the following:

	Governmental Activities
Net Assets, Beginning of Year	$ 143,605,989
Prior Year Adjustment:	
Correct prior year retirement liability	(667,905)
Net Assets, Restated	$ 142,938,084

Note 26 – Prior Year Adjustments - Continued

Prior year adjustments to the General Fund fund balance consist of the following:

	General Fund
Fund Balance, Beginning of Year	$ 19,038,348
Prior Year Adjustment:	
Correct prior year retirement liability	(667,905)
Fund Balance, Restated	$ 18,370,443

The prior year adjustment for the retirement liability is to correct the liability from the previous year balance.

Component Unit – Lowndes County Board of Health:

Prior year adjustments consisted of the following:

Net Assets, Beginning of Year	$ 2,270,183
Prior Year Adjustments	(32,814)
Net Assets, Restated	$ 2,237,369

Accumulated depreciation was corrected from prior years in the amount of $(42,697) and an accounts receivable removed in a prior year was restored in the amount of $9,883.

Note 28 – Subsequent Event

Subsequent events were evaluated through December 30, 2011, which is the date the financial statements were available to be issued.

On September 15, 2011 the County obtained $5,000,000 from a Tax Anticipation Note to provide cash flow to cover operational cost until property taxes were collected. There were no draw downs as of the issuance of this report.

On December 1, 2011 the County provided backing for revenue bonds in the amount of $148,280,000 issued by the Hospital Authority of Valdosta and Lowndes County, Georgia. The bonds retired previous bonds, assist in the acquisition of a hospital and provide funds for major capital improvements to South Georgia Medical Center.

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, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES:				
Taxes	$ 33,828,500	$ 34,151,847	$ 34,211,378	$ 59,531
Licenses and permits	7,500	2,000	2,224	224
Intergovernmental revenues	159,900	159,900	228,643	68,743
Charges for services	3,928,000	3,981,000	4,019,468	38,468
Fines and forfeitures	1,460,000	1,560,000	1,564,470	4,470
Investment income	7,500	7,500	5,552	(1,948)
Miscellaneous	40,000	189,060	115,116	(73,944)
TOTAL REVENUES	**39,431,400**	**40,051,307**	**40,146,851**	**95,544**
EXPENDITURES:				
GENERAL GOVERNMENT				
Board of Commissioners				
Personal services	67,033	71,233	72,889	1,656
Supplies	1,500	5,500	1,746	(3,754)
Other services and charges	37,040	37,040	39,008	1,968
	105,573	113,773	113,643	(130)
Commissioner Assistant				
Personal services	1,371	1,371	1,244	(127)
	1,371	1,371	1,244	(127)
County Manager				
Personal services	319,374	325,374	326,517	1,143
Supplies	800	800	493	(307)
Other services and charges	14,486	16,486	15,478	(1,008)
	334,660	342,660	342,488	(172)
Community Development				
Personal services	1,430	2,230	2,159	(71)
	1,430	2,230	2,159	(71)
County Clerk				
Personal services	167,571	181,671	183,841	2,170
Supplies	1,650	1,650	500	(1,150)
Other services and charges	3,750	3,750	2,655	(1,095)
	172,971	187,071	186,996	(75)

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, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
Board of Elections				
Personal services	308,213	316,213	377,773	61,560
Supplies	9,500	9,500	6,775	(2,725)
Other services and charges	152,655	152,655	93,513	(59,142)
	470,368	478,368	478,061	(307)
Risk Manager				
Personal services	7,376	7,376	5,438	(1,938)
Other services and charges	617,255	651,355	653,203	1,848
	624,631	658,731	658,641	(90)
County Attorney				
Other services and charges	250,000	392,000	391,220	(780)
	250,000	392,000	391,220	(780)
Finance				
Personal services	329,149	329,149	325,130	(4,019)
Supplies	3,000	3,000	1,951	(1,049)
Other services and charges	159,020	165,020	167,868	2,848
	491,169	497,169	494,949	(2,220)
Human Resources				
Personal services	232,782	247,782	237,317	(10,465)
Supplies	1,800	1,800	1,151	(649)
Other services and charges	15,200	15,200	26,113	10,913
	249,782	264,782	264,581	(201)
Information Technology Services				
Personal services	463,684	463,684	469,468	5,784
Supplies	13,000	13,000	10,723	(2,277)
Other services and charges	603,811	456,811	451,699	(5,112)
Capital outlay	455,000	210,000	209,829	(171)
	1,535,495	1,143,495	1,141,719	(1,776)
General Facilities				
Supplies	-	-	9,594	9,594
Other services and charges	126,000	174,200	164,018	(10,182)
	126,000	174,200	173,612	(588)

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, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
Tax Commisioner				
Personal services	1,000,363	1,010,363	1,021,671	11,308
Supplies	7,850	7,850	50,692	42,842
Other services and charges	181,610	181,610	127,454	(54,156)
	1,189,823	1,199,823	1,199,817	(6)
Board of Assessors				
Personal services	1,137,104	1,131,104	1,111,614	(19,490)
Supplies	4,200	4,200	5,412	1,212
Other services and charges	118,800	118,800	132,599	13,799
	1,260,104	1,254,104	1,249,625	(4,479)
Facilities Maintenance				
Personal services	768,813	768,813	759,776	(9,037)
Supplies	31,150	31,150	29,847	(1,303)
Other services and charges	2,236,310	2,285,810	2,393,433	107,623
Capital outlay	101,200	101,200	3,784	(97,416)
	3,137,473	3,186,973	3,186,840	(133)
Engineering				
Personal services	536,419	555,919	561,798	5,879
Supplies	2,050	2,050	2,350	300
Other services and charges	104,921	99,921	93,308	(6,613)
	643,390	657,890	657,456	(434)
Contingency				
Other services and charges	142,243	-	-	-
	142,243	-	-	-
Total - General Government	**10,736,483**	**10,554,640**	**10,543,051**	**(11,589)**

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, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
JUDICIAL				
Superior Court				
Personal services	362,656	342,656	346,676	4,020
Supplies	950	950	1,162	212
Other services and charges	51,015	44,015	39,545	(4,470)
	414,621	387,621	387,383	(238)
Clerk of Court				
Personal services	822,801	844,801	841,804	(2,997)
Supplies	7,000	12,000	10,043	(1,957)
Other services and charges	234,325	270,325	274,581	4,256
	1,064,126	1,127,126	1,126,428	(698)
District Attorney				
Other services and charges	625,089	627,789	627,680	(109)
	625,089	627,789	627,680	(109)
District Court Administrator				
Other services and charges	4,751	4,801	4,800	(1)
	4,751	4,801	4,800	(1)
State Court				
Personal services	698,417	698,417	697,363	(1,054)
Supplies	3,000	3,000	11,400	8,400
Other services and charges	107,520	107,520	73,612	(33,908)
	808,937	808,937	782,375	(26,562)
Magistrate Court				
Personal services	590,935	595,435	598,402	2,967
Supplies	3,500	3,500	6,203	2,703
Other services and charges	38,767	43,767	37,765	(6,002)
	633,202	642,702	642,370	(332)
Probate Court				
Personal services	281,920	305,920	305,326	(594)
Supplies	2,600	2,600	3,469	869
Other services and charges	52,894	87,394	86,983	(411)
	337,414	395,914	395,778	(136)

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, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
Juvenile Court				
Personal services	82,875	82,875	81,845	(1,030)
Other services and charges	16,780	23,780	24,485	705
	99,655	106,655	106,330	(325)
Probation				
Personal services	-	11,500	11,113	(387)
Other services and charges	3,992	3,992	4,317	325
	3,992	15,492	15,430	(62)
Circuit Public Defender				
Other services and charges	810,323	810,323	809,719	(604)
	810,323	810,323	809,719	(604)
Total - Judicial	**4,802,110**	**4,927,360**	**4,898,293**	**(29,067)**
PUBLIC SAFETY				
Sheriff				
Personal services	12,085,486	12,159,486	12,131,224	(28,262)
Supplies	104,000	104,000	99,547	(4,453)
Other services and charges	3,497,468	3,910,468	3,940,043	29,575
	15,686,954	16,173,954	16,170,814	(3,140)
Animal Control				
Personal services	441,792	441,792	431,969	(9,823)
Supplies	25,500	25,500	27,612	2,112
Other services and charges	194,893	203,893	211,459	7,566
	662,185	671,185	671,040	(145)
Emergency Medical Services				
Other services and charges	866,229	866,229	866,229	-
Capital outlay	100,000	100,000	100,000	-
	966,229	966,229	966,229	-
Coroner				
Personal services	68,158	74,158	72,922	(1,236)
Supplies	500	500	949	449
Other services and charges	30,277	35,277	35,703	426
	98,935	109,935	109,574	(361)
Emergency Management Agency				
Personal services	76,843	76,843	78,028	1,185
Supplies	3,500	29,000	22,210	(6,790)
Other services and charges	90,801	90,801	95,925	5,124
	171,144	196,644	196,163	(481)
Total - Public Safety	**17,585,447**	**18,117,947**	**18,113,820**	**(4,127)**

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, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
PUBLIC WORKS				
Administration				
Personal services	315,185	319,685	322,507	2,822
Supplies	5,000	5,000	3,783	(1,217)
Other services and charges	47,098	47,098	45,459	(1,639)
	367,283	371,783	371,749	(34)
Road Maintenance				
Personal services	1,721,956	1,721,956	1,676,225	(45,731)
Supplies	7,400	7,400	12,866	5,466
Other services and charges	1,263,648	1,338,648	1,355,580	16,932
Capital outlay	-	-	12,271	12,271
	2,993,004	3,068,004	3,056,942	(11,062)
Road Construction				
Personal services	368,590	409,090	411,722	2,632
Supplies	1,500	1,500	1,750	250
Other services and charges	355,598	355,598	352,677	(2,921)
	725,688	766,188	766,149	(39)
Traffic Signals				
Supplies	-	-	-	-
Other services and charges	153,200	153,200	153,089	(111)
	153,200	153,200	153,089	(111)
Total - Public Works	**4,239,175**	**4,359,175**	**4,347,929**	**(11,246)**

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, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
HEALTH AND WELFARE				
Feed The Elderly				
Other services and charges	-	24,000	23,922	(78)
	-	24,000	23,922	(78)
Mental Health Department				
Other services and charges	75,000	75,000	75,000	-
	75,000	75,000	75,000	-
Public Health Department				
Other services and charges	330,000	331,000	330,834	(166)
	330,000	331,000	330,834	(166)
Extension Services				
Supplies	2,200	2,200	8,646	6,446
Other services and charges	183,572	143,572	134,295	(9,277)
	185,772	145,772	142,941	(2,831)
Family Services				
Other services and charges	124,500	124,500	124,500	-
	124,500	124,500	124,500	-
Total - Health and Welfare	**715,272**	**700,272**	**697,197**	**(3,075)**

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, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
CULTURE AND RECREATION				
Libraries				
Other services and charges	1,000,000	1,000,000	1,000,000	-
	1,000,000	1,000,000	1,000,000	-
Total - Culture & Recreation	**1,000,000**	**1,000,000**	**1,000,000**	**-**
HOUSING AND DEVELOPMENT				
Equalization Board				
Other services and charges	20,000	20,000	9,628	(10,372)
	20,000	20,000	9,628	(10,372)
Moody Support Group				
Other services and charges	75,000	75,000	75,000	-
	75,000	75,000	75,000	-
Chambers of Commerce				
Other services and charges	20,000	20,000	20,000	-
	20,000	20,000	20,000	-
Total - Housing & Development	**115,000**	**115,000**	**104,628**	**(10,372)**
TOTAL EXPENDITURES	**39,193,487**	**39,774,394**	**39,704,918**	**(69,476)**
EXCESS OF REVENUES OVER EXPENDITURES	237,913	276,913	441,933	165,020
OTHER FINANCING SOURCES (USES) TRANSFERS (OUT)	(237,913)	(276,913)	(249,649)	27,264
NET CHANGE IN FUND BALANCE	$ -	$ -	192,284	$ 192,284
BEGINNING FUND BALANCE			18,279,297	
FUND BALANCES AT END OF YEAR - BUDGETARY BASIS			18,471,581	
RECONCILIATION TO GAAP BASIS: Elimination of Encumbrances			-	
FUND BALANCES AT END OF YEAR- GAAP BASIS			$ 18,471,581	

See accompanying note to budgetary comparison schedules.

LOWNDES COUNTY, GEORGIA
NOTES TO BUDGETARY COMPARISON SCHEDULES
For the Year Ended June 30, 2011

Note 1 - Budgetary Basis of Accounting

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

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

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

	Net Change in Fund Balance General Fund
GAAP Basis	$ 101,138
Encumbrances	91,146
Budgetary Basis	$ 192,284

COMBINING AND INDIVIDUAL FUND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

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

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

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

LOWNDES COUNTY, GEORGIA
CAPITAL PROJECTS SALES TAX V FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Investment income	$ 10,000	$ 10,000	$ 11,894	$ 1,894
TOTAL REVENUES	10,000	10,000	11,894	1,894
EXPENDITURES				
Public works	6,600,000	6,600,000	687,266	(5,912,734)
TOTAL EXPENDITURES	6,600,000	6,600,000	687,266	(5,912,734)
EXCESS OF EXPENDITURES OVER REVENUES	(6,590,000)	(6,590,000)	(675,372)	5,914,628
FUND BALANCE AT BEGINNING OF YEAR	6,590,000	6,590,000	6,122,568	(467,432)
FUND BALANCE AT END OF YEAR (BUDGETARY BASIS)	$ -	$ -	$ 5,447,196	$ 5,447,196
RECONCILIATION TO GAAP BASIS: Elimination of encumbrances			-	
FUND BALANCES AT END OF YEAR (GAAP BASIS)			$ 5,447,196	

See accompanying note to budgetary comparison schedules.

LOWNDES COUNTY, GEORGIA
CAPITAL PROJECTS SALES TAX VI FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Taxes	$ 13,315,000	$ 21,715,000	$ 21,709,097	$ (5,903)
Investment income	-	-	5,435	5,435
TOTAL REVENUES	13,315,000	21,715,000	21,714,532	(468)
EXPENDITURES				
Current				
Public works	1,000,000	9,100,000	10,230,269	1,130,269
Capital Outlay	1,800,000	1,800,000	102,008	(1,697,992)
Debt Service	6,200,000	6,200,000	6,104,675	(95,325)
TOTAL EXPENDITURES	9,000,000	17,100,000	16,436,952	(663,048)
EXCESS OF REVENUES OVER EXPENDITURES	4,315,000	4,615,000	5,277,580	662,580
OTHER FINANCING USES				
TRANSFERS OUT	-	(300,000)	(254,722)	(45,278)
TOTAL OTHER FINANCING USES	-	(300,000)	(254,722)	(45,278)
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	4,315,000	4,315,000	5,022,858	707,858
FUND BALANCE AT BEGINNING OF YEAR	(1,303,800)	(1,303,800)	(5,883,184)	(4,579,384)
FUND BALANCE AT END OF YEAR (BUDGETARY BASIS)	$ 3,011,200	$ 3,011,200	$ (860,326)	$ (3,871,526)
RECONCILIATION TO GAAP BASIS: Elimination of encumbrances			-	
FUND BALANCES AT END OF YEAR (GAAP BASIS)			$ (860,326)	

See accompanying note to budgetary comparison schedules.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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 tax revenue accessed for hotel/motel accommodations.

Intergovernmental Grants – To account for various grants revenues received.

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

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

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

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

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

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

Capital Projects CDBG Grant Fund – To account for the grant funds received for a facility for abused women and children.

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

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

LOWNDES COUNTY, GEORGIA
ALL NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2011

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Equity in pooled cash and cash equivalents	$ 456,432	$ 7,030	$ 463,462
Cash and cash equivalents in segregated accounts	1,209,494	1,102,009	2,311,503
Certificate of deposit	367,847	-	367,847
Government investment pool	31,461	-	31,461
Accounts	1,406,645	-	1,406,645
Due from other governments	2,383	205,115	207,498
TOTAL ASSETS	$ 3,474,262	$ 1,314,154	$ 4,788,416
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	$ 689,870	$ 71,166	$ 761,036
Accrued wages	67,740	-	67,740
Deferred revenue	9,395	-	9,395
Interfund payable	1,228,592	2	1,228,594
TOTAL LIABILITIES	1,995,597	71,168	2,066,765
Fund Balance (Deficit)			
Restricted for capital projects	-	1,242,986	1,242,986
Restricted for jail operations	399,219	-	399,219
Restricted for tourism	7,080	-	7,080
Restricted for drug enforcement operations	1,076,545	-	1,076,545
Restricted for law library	363,020	-	363,020
Restricted for victim assistance	70	-	70
Assigned for unincorporated services	185,557	-	185,557
Unassigned	(552,826)	-	(552,826)
TOTAL FUND BALANCE (DEFICIT)	1,478,665	1,242,986	2,721,651
TOTAL LIABILITIES AND FUND BALANCE	$ 3,474,262	$ 1,314,154	$ 4,788,416

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
ALL NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Year Ending June 30, 2011

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	$ 3,628,410	$ -	$ 3,628,410
Licenses and permits	115,711	-	115,711
Intergovernmental revenues	3,491,297	331,834	3,823,131
Charges for services	2,158,924	-	2,158,924
Fines and forfeitures	1,319,413	-	1,319,413
Investment income	14,115	24,941	39,056
Miscellaneous	370,549	-	370,549
TOTAL REVENUES	11,098,419	356,775	11,455,194
EXPENDITURES			
Current			
General government			
Judicial	493,860	1,358,874	1,852,734
Public safety	6,271,255	-	6,271,255
Public works	2,657,128	22,050	2,679,178
Health and welfare	352,037	-	352,037
Housing and development	1,177,219	121,719	1,298,938
Capital outlay	-	1,729,418	1,729,418
TOTAL EXPENDITURES	10,951,499	3,232,061	14,183,560
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	146,920	(2,875,286)	(2,728,366)
OTHER FINANCING SOURCES: TRANSFERS IN	248,915	-	248,915
TOTAL OTHER FINANCING SOURCES	248,915	-	248,915
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	395,835	(2,875,286)	(2,479,451)
FUND BALANCE BEGINNING OF YEAR	1,082,830	4,118,272	5,201,102
FUND BALANCE, END OF YEAR	$ 1,478,665	$ 1,242,986	$ 2,721,651

See independent auditors' report.

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LOWNDES COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2011

	Keep Lowndes Valdosta Beautiful	Special Services	Commissary	Seizures Special Revenues	Hotel/Motel Tax
ASSETS					
Equity in pooled cash and cash equivalents	$ -	$ 114,741	$ 334,628	$ -	$ -
Cash and cash equivalents in segregated accounts	-	-	-	843,075	-
Certificate of deposit	-	-	-	233,470	-
Government investment pool	-	31,461	-	-	-
Receivables (net of allowance for doubtful accounts):					
Accounts	-	94,838	69,896	-	30,368
Due from other governments	-	-	-	-	-
TOTAL ASSETS	$ -	$ 241,040	$ 404,524	$ 1,076,545	$ 30,368
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ 27,106	$ 23,438	$ -	$ 23,288
Accrued wages	-	25,216	1,752	-	-
Deferred revenue	-	3,161	-	-	-
Interfund payable	-	-	-	-	-
TOTAL LIABILITIES	-	55,483	25,190	-	23,288
FUND BALANCES					
Restricted for jail operations	-	-	379,334	-	-
Restricted for tourism	-	-	-	-	7,080
Restricted for drug enforcement operations	-	-	-	1,076,545	-
Restricted for law library	-	-	-	-	-
Restricted for victim assistance		-	-	-	-
Assigned for unincorporated services		185,557	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	-	185,557	379,334	1,076,545	7,080
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ 241,040	$ 404,524	$ 1,076,545	$ 30,368

See independent auditors' report.

Intergovern-mental Grants	Jail Operations	Drug Abuse Treatment	911 Emergency Telephone	Victim Assistance	Law Library	Total
$ -	$ 7,063	$ -	$ -	$ -	$ -	$ 456,432
-	31,965	28,119	63,273	14,419	228,643	1,209,494
-	-	-	-	-	134,377	367,847
-	-	-	-	-	-	31,461
672,530	61,775	-	446,209	31,029	-	1,406,645
2,383	-	-	-	-	-	2,383
$ 674,913	$ 100,803	$ 28,119	$ 509,482	$ 45,448	$ 363,020	$ 3,474,262
$ 485,443	$ 80,076	$ -	$ 50,391	$ 128	$ -	$ 689,870
2,058	842	-	36,212	1,660	-	67,740
6,234	-	-	-	-	-	9,395
181,178	-	296,820	707,004	43,590	-	1,228,592
674,913	80,918	296,820	793,607	45,378	-	1,995,597
-	19,885	-	-	-	-	399,219
-	-	-	-	-	-	7,080
-	-	-	-	-	-	1,076,545
-	-	-	-	-	363,020	363,020
-	-	-	-	70	-	70
-	-	-	-	-	-	185,557
-	-	(268,701)	(284,125)	-	-	(552,826)
-	19,885	(268,701)	(284,125)	70	363,020	1,478,665
$ 674,913	$ 100,803	$ 28,119	$ 509,482	$ 45,448	$ 363,020	$ 3,474,262

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, 2011

	Keep Lowndes Valdosta Beautiful	Special Services	Commissary	Seizures Special Revenues	Hotel/Motel Tax
REVENUES					
Taxes	$ -	$ 3,353,550	$ -	$ -	$ 274,860
Licenses and permits	-	115,711	-	-	-
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	33,186	360,503	-	-
Fines and forfeitures	-	-	-	379,536	-
Investment income	25	25	-	12,225	-
Miscellaneous	-	1,601	343,898	-	-
TOTAL REVENUES	25	3,504,073	704,401	391,761	274,860
EXPENDITURES					
Current					
General Government					
Judicial	-	-	-	-	-
Public safety	-	1,790,227	582,306	592,643	-
Public works	-	166,758	-	-	-
Health and welfare	40,330	90,000	-	-	-
Housing and development	-	882,138	-	-	267,780
TOTAL EXPENDITURES	40,330	2,929,123	582,306	592,643	267,780
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(40,305)	574,950	122,095	(200,882)	7,080
OTHER FINANCING SOURCES (USES): TRANSFERS IN (OUT)	(42,038)	(466,229)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(42,038)	(466,229)	-	-	-
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(82,343)	108,721	122,095	(200,882)	7,080
BEGINNING FUND BALANCE	82,343	76,836	257,239	1,277,427	-
FUND BALANCE, END OF YEAR	$ -	$ 185,557	$ 379,334	$ 1,076,545	$ 7,080

See independent auditors' report.

Intergovern-mental Grants	Jail Operations	Drug Abuse Treatment	911 Emergency Telephone	Victim Assistance	Law Library	Total
$ -	$ -	$ -	$ -	$ -	$ -	$ 3,628,410
-	-	-	-	-	-	115,711
2,850,532	-	-	541,438	99,327	-	3,491,297
-	-	-	1,765,235	-	-	2,158,924
-	520,885	210,743	-	158,090	50,159	1,319,413
-	-	-	32	-	1,808	14,115
-	-	-	25,050	-	-	370,549
2,850,532	520,885	210,743	2,331,755	257,417	51,967	11,098,419
157,631	-	-	-	232,308	103,921	493,860
162,212	522,515	-	2,621,352	-	-	6,271,255
2,490,370	-	-	-	-	-	2,657,128
23,322	-	198,385	-	-	-	352,037
27,301	-	-	-	-	-	1,177,219
2,860,836	522,515	198,385	2,621,352	232,308	103,921	10,951,499
(10,304)	(1,630)	12,358	(289,597)	25,109	(51,954)	146,920
10,304	-	195,000	407,878	144,000	-	248,915
10,304	-	195,000	407,878	144,000	-	248,915
-	(1,630)	207,358	118,281	169,109	(51,954)	395,835
-	21,515	(476,059)	(402,406)	(169,039)	414,974	1,082,830
$ -	$ 19,885	$ (268,701)	$ (284,125)	$ 70	$ 363,020	$ 1,478,665

LOWNDES COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2011

	CDBG CHIP Grant Fund	CDBG Grant Fund	Judicial Complex And Jail	Sales Tax IV Fund	Total
ASSETS					
Equity in pooled cash and cash equivalents	$ -	$ -	$ -	$ 7,030	$ 7,030
Cash and cash equivalents in segregated accounts	1	5,001	1,092,156	4,851	1,102,009
Due from other governments	-	-	205,115	-	205,115
TOTAL ASSETS	$ 1	$ 5,001	$ 1,297,271	$ 11,881	$ 1,314,154
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ 5,000	$ 65,366	$ 800	$ 71,166
Interfund payable	1	1	-	-	2
TOTAL LIABILITIES	1	5,001	65,366	800	71,168
FUND BALANCES					
Reserved for capital projects	-	-	1,231,905	11,081	1,242,986
TOTAL FUND BALANCES	-	-	1,231,905	11,081	1,242,986
TOTAL LIABILITIES AND FUND BALANCES	$ 1	$ 5,001	$ 1,297,271	$ 11,881	$ 1,314,154

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, 2011

	CDBG CHIP Grant Fund	CDBG Grant Fund	Judicial Complex And Jail	Sales Tax IV Fund	Total
REVENUES					
Intergovernmental	$ 121,719	$ 5,000	$ 205,115	$ -	$ 331,834
Investment income	-	-	24,933	8	24,941
TOTAL REVENUES	121,719	5,000	230,048	8	356,775
EXPENDITURES					
Current:					
General government					
Judicial	-	-	1,358,874	-	1,358,874
Public works	-	5,000	-	17,050	22,050
Housing and development	121,719	-	-	-	121,719
Capital outlay	-	-	1,729,418	-	1,729,418
TOTAL EXPENDITURES	121,719	5,000	3,088,292	17,050	3,232,061
EXCESS OF REVENUES OVER EXPENDITURES	-	-	(2,858,244)	(17,042)	(2,875,286)
FUND BALANCE, BEGINNING OF YEAR	-	-	4,090,149	28,123	4,118,272
FUND BALANCE, END OF YEAR	$ -	$ -	$ 1,231,905	$ 11,081	$ 1,242,986

LOWNDES COUNTY, GEORGIA
KEEP LOWNDES VALDOSTA BEAUTIFUL
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Investment income	$ -	$ -	$ 25	$ 25
TOTAL REVENUES	-	-	25	25
EXPENDITURES				
Current:				
Health and welfare	50,000	41,000	40,330	(670)
TOTAL EXPENDITURES	50,000	41,000	40,330	(670)
EXCESS OF REVENUES (UNDER) EXPENDITURES	(50,000)	(41,000)	(40,305)	695
OTHER FINANCING SOURCES (USES) TRANSFER IN (OUT)	50,000	(43,000)	(42,038)	(962)
TOTAL OTHER FINANCING SOURCES (USES)	50,000	(43,000)	(42,038)	(962)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	(84,000)	(82,343)	1,657
FUND BALANCE AT BEGINNING OF YEAR	-	84,000	82,343	(1,657)
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	$ -	$ -	$ -	$ -
RECONCILIATION TO GAAP BASIS: Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			$ -	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
SPECIAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Taxes	$3,645,000	$3,645,000	$3,353,550	$ (291,450)
Licenses and permits	106,500	106,500	115,711	9,211
Charges for services	25,000	25,000	33,186	8,186
Investment income	-	-	25	25
Miscellaneous	-	-	1,601	1,601
TOTAL REVENUES	3,776,500	3,776,500	3,504,073	(272,427)
EXPENDITURES				
Current				
Public safety	1,846,800	1,796,800	1,790,227	(6,573)
Public works	96,700	96,700	166,758	70,058
Health and welfare	-	90,000	90,000	-
Housing and development	1,453,100	963,100	882,138	(80,962)
TOTAL EXPENDITURES	3,396,600	2,946,600	2,929,123	(17,477)
EXCESS OF REVENUES UNDER EXPENDITURES	379,900	829,900	574,950	(254,950)
OTHER FINANCING SOURCES (USES) TRANSFERS IN (OUT)	-	(450,000)	(466,229)	(16,229)
TOTAL OTHER FINANCING SOURCES (USES)	-	(450,000)	(466,229)	(16,229)
NET CHANGE IN FUND BALANCE	379,900	379,900	108,721	(271,179)
FUND BALANCE AT BEGINNING OF YEAR (BUDGETARY BASIS)	143,500	143,500	76,836	(66,664)
FUND BALANCE AT END OF YEAR	$ 523,400	$ 523,400	$ 185,557	$ (337,843)
RECONCILIATION TO GAAP BASIS: Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR GAAP BASIS			$ 185,557	

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LOWNDES COUNTY, GEORGIA
COMMISSARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Charges for services	$ 260,000	$ 260,000	$ 360,503	$ 100,503
Miscellaneous	545,000	545,000	343,898	(201,102)
TOTAL REVENUES	805,000	805,000	704,401	(100,599)
EXPENDITURES				
Current:				
Public safety	607,200	607,200	582,306	(24,894)
TOTAL EXPENDITURES	607,200	607,200	582,306	(24,894)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	197,800	197,800	122,095	(75,705)
FUND BALANCE AT BEGINNING OF YEAR	-	-	257,239	257,239
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	$ 197,800	$ 197,800	$ 379,334	$ 181,534
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			$ 379,334	

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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, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 1,000,000	$ 1,000,000	$ 379,536	$ (620,464)
Investment income	-	-	12,225	12,225
TOTAL REVENUES	1,000,000	1,000,000	391,761	(608,239)
EXPENDITURES				
Current:				
Public safety	1,000,000	1,000,000	592,643	(407,357)
TOTAL EXPENDITURES	1,000,000	1,000,000	592,643	(407,357)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(200,882)	(200,882)
FUND BALANCE AT BEGINNING OF YEAR	-	-	1,277,427	1,277,427
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	$ -	$ -	$ 1,076,545	$ 1,076,545
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			$ 1,076,545	

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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, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Taxes	$ -	$ 275,000	$ 274,860	$ (140)
TOTAL REVENUES	-	275,000	274,860	(140)
EXPENDITURES				
Current:				
Housing and development	-	275,000	267,780	(7,220)
TOTAL EXPENDITURES	-	275,000	267,780	(7,220)
EXCESS OF REVENUES (UNDER) EXPENDITURES	-	-	7,080	7,080
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	$ -	$ -	$ 7,080	$ 7,080
RECONCILIATION TO GAAP BASIS: Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			$ 7,080	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
INTERGOVERNMENTAL GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental revenues	$ 92,300	$ 2,850,800	$ 2,850,532	$ (268)
TOTAL REVENUES	92,300	2,850,800	2,850,532	(268)
EXPENDITURES				
Current:				
General government				
Judicial	92,300	157,800	157,631	(169)
Public safety	-	162,500	162,212	(288)
Public works	-	2,490,000	2,490,370	370
Health and welfare	-	23,500	23,322	(178)
Housing and development	-	27,500	27,301	(199)
TOTAL EXPENDITURES	92,300	2,861,300	2,860,836	(464)
EXCESS OF REVENUES (UNDER) EXPENDITURES	-	(10,500)	(10,304)	(196)
OTHER FINANCING SOURCES (USES)				
TRANSFER IN	-	10,500	10,304	(196)
TOTAL OTHER FINANCING SOURCES (USES)	-	10,500	10,304	(196)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	$ -	$ -	$ -	$ -
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			$ -	

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LOWNDES COUNTY, GEORGIA
JAIL OPERATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 484,000	$ 524,000	$ 520,885	$ (3,115)
TOTAL REVENUES	484,000	524,000	520,885	(3,115)
EXPENDITURES				
Current:				
Public safety	484,000	524,000	522,515	(1,485)
TOTAL EXPENDITURES	484,000	524,000	522,515	(1,485)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	(1,630)	(1,630)
FUND BALANCE AT BEGINNING OF YEAR	-	-	21,515	21,515
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	$ -	$ -	$ 19,885	$ 19,885
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			$ 19,885	

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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, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 185,000	$ 199,000	$ 210,743	$ 11,743
TOTAL REVENUES	185,000	199,000	210,743	11,743
EXPENDITURES				
Current:				
Health and welfare	185,000	199,000	198,385	(615)
TOTAL EXPENDITURES	185,000	199,000	198,385	(615)
EXCESS OF REVENUES (UNDER) EXPENDITURES	-	-	12,358	12,358
OTHER FINANCING SOURCES (USES)				
TRANSFER IN	-	-	195,000	(195,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	195,000	(195,000)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	207,358	207,358
FUND BALANCE AT BEGINNING OF YEAR	-	-	(476,059)	(476,059)
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	$ -	$ -	$ (268,701)	$ (268,701)
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			$ (268,701)	

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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, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental revenues	$ 522,000	$ 522,000	$ 541,438	$ 19,438
Charges for services	1,875,000	1,875,000	1,765,235	(109,765)
Investment income	-	-	32	32
Miscellaneous income	20,000	20,000	25,050	5,050
TOTAL REVENUES	2,417,000	2,417,000	2,331,755	(85,245)
EXPENDITURES				
Current				
Public safety	2,654,900	2,654,900	2,621,352	(33,548)
TOTAL EXPENDITURES	2,654,900	2,654,900	2,621,352	(33,548)
EXCESS OF REVENUES (UNDER) EXPENDITURES	(237,900)	(237,900)	(289,597)	(51,697)
OTHER FINANCING SOURCES				
TRANSFERS IN (OUT)	237,900	237,900	407,878	(169,978)
TOTAL OTHER FINANCING USES	237,900	237,900	407,878	(169,978)
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-	-	118,281	118,281
FUND BALANCE AT BEGINNING OF YEAR	471,200	471,200	(402,406)	(873,606)
FUND BALANCE AT END OF YEAR (BUDGETARY BASIS)	$ 471,200	$ 471,200	$ (284,125)	$ (755,325)
RECONCILIATION TO GAAP BASIS				
Elimination of encumbrances			-	
FUND BALANCES AT END OF YEAR (GAAP BASIS)			$ (284,125)	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
VICTIM ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental	$ 92,100	$ 92,100	$ 99,327	$ 7,227
Fines and forfeitures	148,000	148,000	158,090	10,090
TOTAL REVENUES	240,100	240,100	257,417	17,317
EXPENDITURES				
Current:				
General Government				
Judicial	234,700	234,700	232,308	(2,392)
TOTAL EXPENDITURES	234,700	234,700	232,308	(2,392)
EXCESS OF REVENUES (UNDER) EXPENDITURES	5,400	5,400	25,109	19,709
OTHER FINANCING SOURCES				
TRANSFERS IN	-	-	144,000	(144,000)
TOTAL OTHER FINANCING USES	-	-	144,000	(144,000)
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	5,400	5,400	169,109	(124,291)
BEGINNING FUND BALANCE	-	-	(169,039)	(169,039)
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	$ 5,400	$ 5,400	$ 70	$ (5,330)
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			$ 70	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ -	$ 55,000	$ 50,159	$ (4,841)
Investment income	-	20,000	1,808	(18,192)
TOTAL REVENUES	-	75,000	51,967	(23,033)
EXPENDITURES				
Current:				
General Government				
Judicial	-	105,000	103,921	(1,079)
TOTAL EXPENDITURES	-	105,000	103,921	(1,079)
EXCESS OF REVENUES (UNDER) EXPENDITURES	-	(30,000)	(51,954)	(21,954)
FUND BALANCE AT BEGINNING OF YEAR	-	30,000	414,974	384,974
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	$ -	$ -	$ 363,020	$ 363,020
RECONCILIATION TO GAAP BASIS: Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			$ 363,020	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
CAPITAL PROJECTS CDBG CHIP GRANT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental revenues	$ 100,000	$ 125,000	$ 121,719	$ (3,281)
TOTAL REVENUES	100,000	125,000	121,719	(3,281)
EXPENDITURES				
Current:				
Housing and development	100,000	125,000	121,719	(3,281)
TOTAL EXPENDITURES	100,000	125,000	121,719	(3,281)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	$ -	$ -	$ -	$ -
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			$ -	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
CAPITAL PROJECTS CDBG GRANT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental revenues	$ -	$ 5,000	$ 5,000	$ -
TOTAL REVENUES	-	5,000	5,000	-
EXPENDITURES				
Current:				
Public works	-	5,000	5,000	-
TOTAL EXPENDITURES	-	5,000	5,000	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	$ -	$ -	$ -	$ -
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			$ -	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
JUDICIAL COMPLEX AND JAIL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental revenue	$ -	$ -	$ 205,115	$ 205,115
Investment income	-	-	24,933	24,933
TOTAL REVENUES	-	-	230,048	230,048
EXPENDITURES				
Current				
Judicial	-	1,500,000	1,358,874	(141,126)
Capital outlay	-	1,800,000	1,729,418	(70,582)
TOTAL EXPENDITURES	-	3,300,000	3,088,292	(211,708)
EXCESS OF REVENUES OVER EXPENDITURES	-	(3,300,000)	(2,858,244)	441,756
FUND BALANCE AT BEGINNING OF YEAR	-	3,300,000	4,090,149	790,149
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	$ -	$ -	$ 1,231,905	$ 1,231,905
RECONCILIATION TO GAAP BASIS: Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			$ 1,231,905	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
CAPITAL PROJECTS SALES TAX IV FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2011

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Investment income	$ -	$ -	$ 8	$ 8
TOTAL REVENUES	-	-	8	8
EXPENDITURES				
Public works	1,100,000	1,100,000	17,050	(1,082,950)
TOTAL EXPENDITURES	1,100,000	1,100,000	17,050	(1,082,950)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,100,000)	(1,100,000)	(17,042)	1,082,958
FUND BALANCE AT BEGINNING OF YEAR	1,100,000	1,100,000	28,123	(1,071,877)
FUND BALANCE AT END OF YEAR - BUDGETARY BASIS	$ -	$ -	$ 11,081	$ 11,081
RECONCILIATION TO GAAP BASIS:				
Elimination of encumbrances			-	
FUND BALANCE AT END OF YEAR - GAAP BASIS			$ 11,081	

See independent auditors' report.

INTERNAL SERVICE FUNDS

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

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

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

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

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

LOWNDES COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
June 30, 2011

	Equipment Fund	Health Insurance Fund	Workers Compensation Fund	Fleet Manager Fund	Total
ASSETS					
Current Assets					
Equity in pooled cash and cash equivalents	$ 46,359	$ 575,117	$ 956,614	$ 44,635	$ 1,622,725
Government investment pool	-	19,046	-	-	19,046
Receivables (net of allowance for doubtful accounts					
Accounts	15,899	1,263	-	-	17,162
Prepaid expense	-	-	88,025	-	88,025
Inventory	-	-	-	225,866	225,866
TOTAL CURRENT ASSETS	62,258	595,426	1,044,639	270,501	1,972,824
Noncurrent Assets					
Capital Assets					
Depreciable capital assets, net	-	-	-	2,675,330	2,675,330
TOTAL NONCURRENT ASSETS	-	-	-	2,675,330	2,675,330
TOTAL ASSETS	62,258	595,426	1,044,639	2,945,831	4,648,154
LIABILITIES					
Current Liabilities					
Accounts payable	9,481	569,068	800,245	187,591	1,566,385
Accrued wages	8,316	-	-	-	8,316
Compensated absences payable	7,973	-	-	-	7,973
Accrued interest payable	-	-	-	791	791
Interfund payable	-	-	-	868,223	868,223
Current portion of capital lease obligations	-	-	-	122,400	122,400
TOTAL CURRENT LIABILITIES	25,770	569,068	800,245	1,179,005	2,574,088
Long-Term Liabilities					
Compensated absences payable	6,265	-	-	-	6,265
Capital lease obligations	-	-	-	112,600	112,600
TOTAL LONG-TERM LIABILITIES	6,265	-	-	112,600	118,865
TOTAL LIABILITIES	32,035	569,068	800,245	1,291,605	2,692,953
NET ASSETS					
Invested in capital assets, net of related debt	-	-	-	2,440,330	2,440,330
Unrestricted	30,223	26,358	244,394	(786,104)	(485,129)
TOTAL NET ASSETS	$ 30,223	$ 26,358	$ 244,394	$ 1,654,226	$ 1,955,201

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
For The Year Ending June 30, 2011

	Equipment Fund	Health Insurance Fund	Workers Compensation Fund	Fleet Manager Fund	Total
OPERATING REVENUES					
Charges for services	$ 339,568	$ 4,278,348	$ 469,994	$ 3,215,713	$ 8,303,623
TOTAL OPERATING REVENUES	339,568	4,278,348	469,994	3,215,713	8,303,623
OPERATING EXPENSES					
Personal services	252,933	-	-	-	252,933
Payroll taxes	18,786	-	-	-	18,786
Fringe benefits	81,673	-	-	-	81,673
Contractual services	59,610	-	-	-	59,610
Insurance and bond	-	4,479,181	541,079	-	5,020,260
Materials and supplies	4,760	-	-	2,443,100	2,447,860
Depreciation	-	-	-	839,464	839,464
TOTAL OPERATING EXPENSES	417,762	4,479,181	541,079	3,282,564	8,720,586
OPERATING INCOME (LOSS)	(78,194)	(200,833)	(71,085)	(66,851)	(416,963)
NON-OPERATING REVENUES (EXPENSES)					
Interest revenue	-	33	-	218	251
Interest expense	-	-	-	(10,977)	(10,977)
TOTAL NON-OPERATING REVENUES (EXPENSES)	-	33	-	(10,759)	(10,726)
CHANGE IN NET ASSETS	(78,194)	(200,800)	(71,085)	(77,610)	(427,689)
NET ASSETS AT BEGINNING OF YEAR	108,417	227,158	315,479	1,731,836	2,382,890
NET ASSETS AT END OF YEAR	$ 30,223	$ 26,358	$ 244,394	$ 1,654,226	$ 1,955,201

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
For The Year Ending June 30, 2011

	Equipment Fund	Health Insurance Fund	Workers Compensation Fund	Fleet Manager Fund	Total
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows From Operating Activities					
Cash received from other funds for services	$ 468,026	$ 4,277,085	$ 1,324,590	$ 3,215,713	$ 9,285,414
Cash payments for personal services	(265,596)	-	-	-	(265,596)
Cash payments for payroll taxes	(18,786)	-	-	-	(18,786)
Cash payments for fringe benefits	(81,673)	-	-	-	(81,673)
Cash payments for contractual services	(59,610)	-	-	-	(59,610)
Cash payments for insurance and bond	-	(3,701,967)	(546,144)	-	(4,248,111)
Cash payments for materials and supplies	3,998	-	-	(3,272,376)	(3,268,378)
Net Cash Provided by (Used for) Operating Activities	46,359	575,118	778,446	(56,663)	1,343,260
Cash Flows From Capital and Related Financing Activities					
Cash payments for acquisition of capital assets	-	-	-	(530,908)	(530,908)
Cash payments for principal and interest on capital leases	-	-	-	(273,389)	(273,389)
Net Cash Used For Capital and Related Financing Activities	-	-	-	(804,297)	(804,297)
Cash Flows From Investing Activities					
Cash received from interest	-	33	-	218	251
Net Cash Flows Provided By Investing Activities	-	33	-	218	251
Net Increase in Cash and Cash Equivalents	46,359	575,151	778,446	(860,742)	539,214
Cash and Cash Equivalents at Beginning of Year	-	19,012	178,168	905,377	1,102,557
Cash and Cash Equivalents at End of Year	$ 46,359	$ 594,163	$ 956,614	$ 44,635	$ 1,641,771
Equity in pooled cash and cash equivalents	$ 46,359	$ 575,117	$ 956,614	$ 44,635	$ 1,622,725
Government investment pool	-	19,046	-	-	19,046
Total Cash and Cash Equivalents	$ 46,359	$ 594,163	$ 956,614	$ 44,635	$ 1,641,771

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
For The Year Ending June 30, 2011

	Equipment Fund	Health Insurance Fund	Workers Compensation Fund	Fleet Manager Fund	Total
Reconciliation of Operating Income (Loss) To Net Cash Provided by (Used For) Operating Activities					
Operating Income (Loss)	$ (78,194)	$ (200,833)	$ (71,085)	$ (66,851)	$ (416,963)
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided by (Used For) Operating Activities					
Depreciation	-	-	-	839,464	839,464
Changes in Assets and Liabilities:					
(Increase) decrease in accounts receivable	(9,089)	(1,263)	-	-	(10,352)
(Increase) decrease in prepaid expense	-	-	(5,065)	-	(5,065)
(Increase) decrease in inventory	209,534	-	-	(225,866)	(16,332)
(Increase) decrease in interfund receivable	137,547	570,322	814,351	-	1,522,220
Increase (decrease) in accounts payable	(169,609)	206,892	40,245	187,591	265,119
Increase (decrease) in compensated absences payable	(8,156)	-	-	-	(8,156)
Increase (decrease) in interfund payable	(31,167)	-	-	(791,001)	(822,168)
Increase (decrease) in accrued expenses	(4,507)	-	-	-	(4,507)
Net Cash Provided By (Used For) Operating Activities	$ 46,359	$ 575,118	$ 778,446	$ (56,663)	$ 1,343,260

See independent auditors' report.

FIDUCIARY FUNDS

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

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

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

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

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

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

LOWNDES COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENTS OF ASSETS AND LIABILITIES
June 30, 2011

	AGENCY FUNDS					
	OFFICE OF TAX COMMISSIONER	CLERK OF COURT	MAGIS-TRATE COURT	OFFICE OF SHERIFF	INDUSTRIAL AUTHORITY	TOTAL
ASSETS						
Cash	$ 236,556	$ 875,513	$ 121,794	$ 1,033,948	$ 120,397	$ 2,388,208
Due from others	27,895	-	-	-	37,643	65,538
TOTAL ASSETS	$ 264,451	$ 875,513	$ 121,794	$ 1,033,948	$ 158,040	$ 2,453,746
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Due to others	$ 264,451	$ 484,998	$ 37,387	$ 987	$ 35,856	$ 823,679
Collections held in escrow	-	390,515	84,407	1,032,961	122,184	1,630,067
TOTAL LIABILITIES	264,451	875,513	121,794	1,033,948	158,040	2,453,746
NET ASSETS	$ -	$ -	$ -	$ -	$ -	$ -

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENTS OF CHANGES IN
ASSETS AND LIABIILTIES
For The Year Ending June 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
OFFICE OF TAX COMMISSIONER				
ASSETS				
Cash	$ 412,727	$ 82,821,669	$ 82,997,840	$ 236,556
Due from others	52,157	-	24,262	27,895
TOTAL ASSETS	$ 464,884	$ 82,821,669	$ 83,022,102	$ 264,451
LIABILITIES				
Due to others	$ 464,884	$ 82,821,669	$ 83,022,102	$ 264,451
TOTAL LIABILITIES	$ 464,884	$ 82,821,669	$ 83,022,102	$ 264,451
CLERK OF COURT				
ASSETS				
Cash	$ 888,013	$ 7,584,552	$ 7,597,052	$ 875,513
TOTAL ASSETS	$ 888,013	$ 7,584,552	$ 7,597,052	$ 875,513
LIABILITIES				
Due to others	$ 517,147	$ 5,934,454	$ 5,966,603	$ 484,998
Collections held in escrow	370,866	1,650,098	1,630,449	390,515
TOTAL LIABILITIES	$ 888,013	$ 7,584,551	$ 7,597,052	$ 875,513
MAGISTRATE COURT				
ASSETS				
Cash	$ 109,870	$ 1,318,534	$ 1,306,610	$ 121,794
TOTAL ASSETS	$ 109,870	$ 1,318,534	$ 1,306,610	$ 121,794
LIABILITIES				
Due to others	$ 41,535	$ 513,286	$ 517,434	$ 37,387
Collections held in escrow	68,335	805,248	789,176	84,407
TOTAL LIABILITIES	$ 109,870	$ 1,318,534	$ 1,306,610	$ 121,794

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENTS OF CHANGES IN
ASSETS AND LIABIILTIES - CONTINUED
For The Year Ending June 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
OFFICE OF SHERIFF				
ASSETS				
Cash	$ 872,445	$ 4,139,848	$ 3,978,345	$ 1,033,948
TOTAL ASSETS	$ 872,445	$ 4,139,848	$ 3,978,345	$ 1,033,948
LIABILITIES				
Due to others	$ 721	$ 9,434	$ 9,168	$ 987
Collections held in escrow	871,724	4,130,414	3,969,177	1,032,961
TOTAL LIABILITIES	$ 872,445	$ 4,139,848	$ 3,978,345	$ 1,033,948
INDUSTRIAL AUTHORITY				
ASSETS				
Cash	$ 1,070,978	$ 2,804,726	$ 3,755,307	$ 120,397
Due from others	-	37,643	-	37,643
TOTAL ASSETS	$ 1,070,978	$ 2,842,369	$ 3,755,307	$ 158,040
LIABILITIES				
Due to others	$ 455,186	$ -	$ 419,330	$ 35,856
Collections held in escrow	615,792	2,842,369	3,335,977	122,184
TOTAL LIABILITIES	$ 1,070,978	$ 2,842,369	$ 3,755,307	$ 158,040

See independent auditors' report.

STATISTICAL SECTION

Lowndes County, Georgia
Statistical Section
(Unaudited)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities									
Invested in capital assets, net of related debt	$126,526,168	$144,861,117	$123,166,325	$ 89,328,068	$136,074,764	$139,608,284	$ 20,178,997	$25,070,360	$23,645,433
Restricted	9,858,171	14,614,134	17,045,363	64,133,172	32,758,317	33,678,846	45,962,877	37,670,996	35,335,883
Unrestricted	(7,258,358)	(15,869,262)	18,934,414	20,012,424	19,476,897	19,258,403	19,117,048	18,503,584	16,473,091
Total governmental activities net assets	$129,125,981	$143,605,989	$159,146,102	$173,473,664	$188,309,978	$192,545,533	$ 85,258,922	$81,244,940	$75,454,407
Business Activities									
Invested in capital assets, net of related debt	$ 32,213,264	$ 32,073,785	$ 27,278,056	$ 29,097,651	$ 20,508,113	$ 19,645,353	$ 18,778,753	$15,842,646	$15,522,822
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	264,522	(1,049,626)	58,067	(4,248,227)	1,462,030	1,192,739	1,492,612	1,257,146	715,275
Total business activities net assets	$ 32,477,786	$ 31,024,159	$ 27,336,123	$ 24,849,424	$ 21,970,143	$ 20,838,092	$ 20,271,365	$17,099,792	$16,238,097
Primary Government									
Invested in capital assets, net of related debt	$158,739,432	$176,934,902	$150,444,381	$118,425,719	$156,582,877	$159,253,637	$ 38,957,750	$40,913,006	$39,168,255
Restricted	9,858,171	14,614,134	17,045,363	64,133,172	32,758,317	33,678,846	45,962,877	37,670,996	35,335,883
Unrestricted	(6,993,836)	(16,918,888)	18,992,481	15,764,197	20,938,927	20,451,142	20,609,660	19,760,730	17,188,366
Total primary government net assets	$161,603,767	$174,630,148	$186,482,225	$198,323,088	$210,280,121	$213,383,625	$105,530,287	$98,344,732	$91,692,504

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

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

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses									
Governmental activities:									
General government									
Legislative and executive	$ 11,563,172	$ 10,653,696	$ 11,956,577	$ 12,463,625	$ 10,465,920	$ 11,177,261	$ 9,221,090	$ 10,263,401	$ 8,580,417
Judicial	6,816,400	5,760,263	5,753,187	5,181,461	7,225,812	5,118,673	4,562,225	5,032,780	3,909,885
Public safety	26,158,677	25,992,484	27,119,295	27,998,314	24,481,770	21,206,388	20,728,816	20,592,852	17,425,707
Public works	36,895,481	27,110,901	26,912,286	32,747,448	29,982,222	51,607,159	17,538,326	12,656,838	9,050,735
Health and welfare	1,041,394	1,256,269	1,368,270	1,270,348	2,201,324	1,276,484	1,634,299	2,309,643	2,289,562
Culture and recreation	1,010,085	1,023,310	1,804,227	4,578,273	4,324,334	4,152,212	4,191,985	3,409,402	3,860,353
Housing and development	2,087,190	1,327,969	1,880,504	1,395,805	665,736	498,200	471,505	311,097	1,225,449
Interest on long-term debt	1,754,844	2,061,176	2,192,384	523,860	564,813	689,391	709,991	77,391	-
Total governmental activities expenses	87,327,243	75,186,068	78,986,730	86,159,134	79,911,931	95,725,768	59,058,237	54,653,404	46,342,108
Business-type activities:									
Water and sewer	4,415,893	4,137,154	4,158,625	4,144,229	3,843,855	4,918,872	4,020,234	3,940,670	3,790,000
Landfill	53,471	83,421	115,352	26,461	46,285	465,867	414,384	(147,102)	84,077
Special Tax Lighting District	270,396	278,128	228,778	266,749	197,085	208,478	176,898	151,678	134,938
Sanitation Fund	941,658	1,031,496	1,068,988	1,176,208	1,109,644	-	-	-	-
Total business-type activities expenses	5,681,418	5,530,199	5,571,743	5,613,647	5,196,869	5,593,217	4,611,516	3,945,246	4,009,015
Total primary government expenses	93,008,661	80,716,267	84,558,473	91,772,781	85,108,800	101,318,985	63,669,753	58,598,650	50,351,123
Program Revenues									
Governmental activities:									
Charges for services:									
Legislative and executive	$ 979,628	$ 1,206,632	$ 683,049	$ 2,531,685	$ 2,442,466	$ 4,199,068	$ 2,231,681	$ 2,441,980	$ 2,138,334
Judicial	3,155,568	2,939,970	3,501,129	3,096,093	3,082,091	3,246,901	3,854,671	3,699,438	3,565,833
Public safety	5,240,752	5,432,211	5,133,580	5,267,853	4,127,647	5,104,745	4,579,833	3,777,062	4,405,272
Public works	31,661	56,506	268,345	183,010	222,941	302,800	824,432	87,798	170,408
Health and welfare	215,826	211,695	199,417	275,563	297,643	253,018	372,372	503,458	620,556
Housing and development	-	-	-	62,165	42,120	-	-	-	-
Operating grants and contributions	1,140,547	1,881,033	2,735,602	2,210,516	3,986,582	484,472	631,537	1,667,125	1,427,296
Capital grants and contributions	2,829,238	765,160	1,296,117	1,592,054	1,696,917	8,042	405,496	120,642	1,461,456
Total governmental activities program revenues	13,593,220	12,493,207	13,817,239	15,218,939	15,898,407	13,599,046	12,900,022	12,297,503	13,789,155
Business-type activities:									
Charges for services:									
Water and sewer	5,281,592	5,065,995	3,639,943	3,789,692	3,666,766	3,166,748	2,789,348	2,673,677	2,389,020
Landfill	811,150	624,153	462,824	496,554	520,215	642,351	607,462	490,922	366,906
Special tax lighting district	191,349	189,240	170,691	157,377	160,359	156,244	128,275	125,466	125,629
Sanitation fund	585,115	578,802	86,732	95,217	34,405	-	-	-	-
Total business-type activities program revenues	6,869,206	6,458,190	4,360,190	4,538,840	4,381,745	3,965,343	3,525,085	3,290,065	2,881,555
Total primary government program revenues	$ 20,462,426	$ 18,951,397	$ 18,177,429	$ 19,757,779	$ 20,280,152	$ 17,564,389	$ 16,425,107	$ 15,587,568	$ 16,670,710

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

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

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Net (Expense) Revenue									
Governmental activities	$(73,734,023)	$(62,692,861)	$(65,169,491)	$(70,940,195)	$(64,013,524)	$(82,126,722)	$(46,158,215)	$(42,355,901)	$(32,552,953)
Business-type activities	1,187,788	927,991	(1,211,553)	(1,074,807)	(815,124)	(1,627,874)	(1,086,431)	(655,181)	(1,127,460)
Total primary government net expense	$(72,546,235)	$(61,764,870)	$(66,381,044)	$(72,015,002)	$(64,828,648)	$(83,754,596)	$(47,244,646)	$(43,011,082)	$(33,680,413)
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes									
Property taxes	$ 21,175,180	$ 20,793,727	$ 19,843,708	$ 22,622,116	$ 21,432,904	$ 19,871,336	$ 19,271,632	$ 18,242,254	$ 17,172,514
Alcoholic beverage taxes	511,846	508,709	534,897	527,476	524,243	504,712	495,211	476,183	433,590
Occupational taxes	357,384	317,884	387,701	393,817	368,856	416,345	364,992	307,300	275,071
Franchise taxes	173,918	174,130	187,256	212,203	203,964	172,439	240,607	178,563	193,212
Insurance premium taxes	2,310,403	2,343,344	2,187,633	2,135,580	2,030,960	1,937,994	1,814,810	1,677,244	1,593,587
Sales taxes	34,301,734	24,605,202	25,702,360	32,383,724	35,155,911	34,853,383	31,156,926	28,343,346	25,988,019
Public utility taxes	529,902	515,504	550,292	581,150	-	-	-	-	-
Miscellaneous	497,551	443,937	617,351	86,121	31,118	2,000	82,011	3,000	303,091
Rent	-	-	-	-	483,764	433,387	415,510	20,012	11,168
Interest	44,599	170,000	316,432	1,044,563	1,430,205	1,035,124	582,360	414,220	410,158
Transfer out	(255,457)	(2,753,975)	(3,667,361)	(3,882,869)	(1,883,956)	(2,057,236)	(4,251,862)	(1,515,690)	(1,871,008)
Total governmental activities	59,647,060	47,118,462	46,660,269	56,103,881	59,777,969	57,169,484	50,172,197	48,146,432	44,509,402
Business-type activities									
Interest	10,382	6,070	30,891	71,219	63,219	137,365	6,142	1,186	7,330
Transfer in	255,457	2,753,975	3,667,361	3,882,869	1,883,956	2,057,236	4,251,862	1,515,690	1,154,138
Total business-type activities	265,839	2,760,045	3,698,252	3,954,088	1,947,175	2,194,601	4,258,004	1,516,876	1,161,468
Total primary government	$ 59,912,899	$ 49,878,507	$ 50,358,521	$ 60,057,969	$ 61,725,144	$ 59,364,085	$ 54,430,201	$ 49,663,308	$ 45,670,870
Change in Net Assets									
Governmental activities	$(14,086,963)	$(15,574,399)	$(18,509,222)	$(14,836,314)	$ (4,235,555)	$(24,957,238)	$ 4,013,982	$ 5,790,531	$ 11,956,449
Business-type activities	1,453,627	3,688,036	2,486,699	2,879,281	1,132,051	566,727	3,171,573	861,695	34,008
Total primary government	$(12,633,336)	$(11,886,363)	$(16,022,523)	$(11,957,033)	$ (3,103,504)	$(24,390,511)	$ 7,185,555	$ 6,652,226	$ 11,990,457

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

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

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund									
Assigned	$14,513,083	$ 16,693,577	$18,007,111	$19,518,367	$18,510,947	$17,346,847	$16,627,124	$13,533,156	$13,613,642
Unassigned	3,958,498	2,344,771	2,244,498	2,296,406	2,344,590	2,874,942	1,108,607	3,722,584	3,434,693
Total general fund	$18,471,581	$ 19,038,348	$20,251,609	$21,814,773	$20,855,537	$20,221,789	$17,735,731	$17,255,740	$17,048,335
All Other Governmental Funds									
Restricted	$ 8,536,116	$ 35,931,956	$36,008,792	$65,192,245	$32,861,697	$33,596,984	$46,352,109	$51,630,907	$31,409,101
Assigned	185,557	76,836	-	-	-	-	-	-	-
Unassigned, reported in:									
Special revenue funds	(552,826)	(528,769)	(528,769)	(327,773)	(219,625)	(505,340)	(292,970)	(25,771)	-
Capital projects funds	(860,326)	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 7,308,521	$ 35,480,023	$35,480,023	$64,864,472	$32,642,072	$33,091,644	$46,059,139	$51,605,136	$31,409,101

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

Prior years have been restated for GASB Statement 54 *Fund Balance Reporting and Governmental Fund Type Definitions.*

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

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues									
Taxes	$ 59,548,885	$ 49,454,608	$ 49,726,786	$60,159,934	$ 61,522,356	$ 59,915,213	$54,754,309	$49,117,020	$ 45,396,659
Licenses and permits	117,935	124,060	151,434	341,087	174,323	136,051	576,132	2,067,774	1,788,773
Intergovernmental revenues	4,051,774	2,737,701	4,126,620	5,442,941	5,683,150	3,831,163	3,356,236	2,716,455	4,052,164
Charges for services	6,178,392	6,038,778	5,873,816	4,457,475	4,067,289	3,838,814	2,872,513	2,148,272	2,635,056
Fines and forfeitures	2,883,883	2,788,804	2,996,915	3,358,093	3,656,434	3,214,167	4,988,715	5,167,479	5,083,853
Investment income	61,937	159,879	316,432	1,044,564	1,430,202	1,035,122	582,342	414,220	410,158
Miscellaneous	485,665	629,184	462,651	736,913	827,410	741,079	566,986	527,833	821,992
Total revenues	73,328,471	61,933,014	63,654,654	75,541,007	77,361,164	72,711,609	67,697,233	62,159,053	60,188,655
Expenditures									
General government									
Legislative and executive	$ 9,274,035	$ 10,299,933	$ 9,805,457	$11,995,479	$ 11,606,747	$ 10,785,140	$ 9,194,441	$ 9,324,209	$ 8,373,292
Judicial	6,751,027	5,351,169	5,612,188	7,129,220	4,740,954	4,960,668	4,563,537	5,141,572	3,812,249
Public safety	23,981,068	24,629,552	25,064,246	24,688,510	14,608,904	18,775,006	19,209,606	18,428,548	15,660,461
Public works	17,722,172	8,899,049	8,328,196	13,401,084	19,229,053	32,884,096	16,860,396	12,379,353	8,966,140
Health and welfare	1,049,234	1,266,900	1,372,408	1,397,225	1,961,798	1,220,881	1,674,861	2,036,026	2,272,407
Culture and recreation	1,000,000	1,022,500	1,723,102	4,290,100	4,216,207	4,149,615	4,080,312	3,295,478	3,741,596
Housing and development	1,403,566	1,330,610	1,840,804	1,459,402	534,061	498,200	471,505	311,097	1,225,449
Capital Outlay	2,660,740	28,199,430	27,894,881	15,649,774	17,240,495	7,260,054	10,801,728	4,503,307	9,273,027
Debt service									
Principle	5,505,000	7,370,000	7,100,000	605,000	590,000	790,000	945,000	190,000	271,766
Interest	1,757,000	2,062,694	2,193,625	523,860	564,813	689,391	709,991	130,633	140,215
Total Expenditures	71,103,842	90,431,837	90,934,907	81,139,654	75,293,032	82,013,051	68,511,377	55,740,223	53,736,602
Excess of revenues over (under) expenditure	2,224,629	(28,498,823)	(27,280,253)	(5,598,647)	2,068,132	(9,301,442)	(814,144)	6,418,830	6,452,053
Other Financing Sources (Uses)									
Capital financing	-	-	-	42,663,153	-	-	-	15,500,000	-
Operating transfer in	1,430,641	50,000	77,527	160,240	200,549	933,981	472,489	3,880,186	268,387
Operating transfer out	(1,686,097)	(2,803,975)	(3,744,887)	(4,043,109)	(2,084,505)	(2,991,217)	(4,724,351)	(5,395,876)	(218,387)
Total other financing sources (uses)	(255,456)	(2,753,975)	(3,667,360)	38,780,284	(1,883,956)	(2,057,236)	(4,251,862)	13,984,310	50,000
Net change in fund balances	$ 1,969,173	$(31,252,798)	$(30,947,613)	$33,181,637	$ 184,176	$(11,358,678)	$ (5,066,006)	$20,403,140	$ 6,502,053
Debt service as a percentage of noncapital expenditures	10.61%	15.16%	14.74%	1.72%	1.99%	1.98%	2.87%	0.63%	0.93%

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

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

Fiscal Year	Property Tax	Beverage Tax	Franchise Tax	Local Option Sales Tax	Special Purpose Local Option Sales Tax	Hotel/ Motel Tax	Insurance Premium Tax	Intangible Tax	Total
2002	15,471,382	419,380	134,039	9,114,020	15,941,507	1,248,244	1,460,533	518,151	44,307,256
2003	16,482,335	433,590	193,212	9,494,695	16,493,324	1,384,320	1,593,587	705,915	46,780,978
2004	17,743,561	476,183	178,563	10,390,144	17,953,202	1,559,341	1,677,244	698,123	50,676,361
2005	17,815,093	495,211	240,607	11,442,253	19,714,674	1,779,004	1,843,259	604,891	53,934,992
2006	18,326,457	504,712	172,439	12,785,834	22,067,549	1,828,252	1,937,994	705,082	58,328,319
2007	19,672,605	524,243	203,964	12,908,364	22,247,547	1,811,933	2,030,960	765,538	60,165,154
2008	21,284,204	527,476	212,203	13,777,615	12,058,961	1,032,148	2,135,580	722,709	51,750,896
2009	18,437,599	534,897	187,256	13,081,231	12,621,129	268,939	2,187,633	482,671	47,801,355
2010	19,483,831	508,709	174,130	12,510,599	12,094,603	270,541	2,156,266	416,250	47,614,929
2011	19,768,176	511,846	173,918	12,592,637	12,172,291	274,860	2,097,125	409,048	47,999,901
Change									
2002 -2011	27.77%	22.05%	29.75%	38.17%	-23.64%	-77.98%	43.59%	-21.06%	8.33%

Note: Includes General and Special Revenue Funds.

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

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

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

Fiscal Year Ended June 30,	Assessed Value Residential Property	Assessed Value Commercial Property	Assessed Value Industrial Property	Assessed Value Personal Property	Less: Assessed Value Tax-Exempt Property	Total Taxable Assessed Value
2002	835,214	590,196	381,584	186,453	207,212	1,786,235
2003	861,154	608,633	366,618	196,879	202,181	1,831,103
2004	968,302	646,841	352,885	201,924	209,777	1,960,175
2005	1,009,018	672,013	365,575	201,997	232,741	2,015,862
2006	1,101,396	757,719	383,711	198,963	179,126	2,262,663
2007	1,244,990	793,455	391,187	195,823	234,685	2,390,770
2008	1,400,845	865,837	395,966	214,775	254,078	2,623,345
2009	1,490,238	885,093	448,464	223,814	290,859	2,756,750
2010	1,528,119	907,500	467,299	233,738	305,921	2,830,735
2011	1,533,881	919,014	421,432	211,749	288,437	2,797,639

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

Fiscal Year Ended June 30,	Total Taxable Assessed Value	Estimated Actual Taxable Value	Ratio of Total Accessed to Total Actual Value	Total Direct Unincorporated Tax Rate (1)	Total Direct Incorporated Tax Rate
2002	1,786,235	4,465,588	40%	7.80	9.01
2003	1,831,103	4,577,758	40%	8.12	9.01
2004	1,960,175	4,900,438	40%	8.45	9.01
2005	2,015,862	5,039,655	40%	8.86	8.86
2006	2,262,663	5,656,658	40%	8.86	8.86
2007	2,390,770	5,976,925	40%	8.86	8.86
2008	2,623,345	6,558,363	40%	8.76	8.76
2009	2,756,750	6,891,875	40%	7.31	7.31
2010	2,830,735	7,076,838	40%	7.31	7.31
2011	2,797,639	6,994,098	40%	7.31	7.31

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

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

Jurisdiction:	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
County										
Maintenance and Operations:										
Direct Rates:										
Unincorporated (1)	7.80	8.12	8.45	8.86	8.86	8.86	8.76	7.31	7.31	7.31
Incorporated	9.01	9.01	8.86	8.86	8.86	8.86	8.76	7.31	7.31	7.31
Overlapping Rates:										
Valdosta-Lowndes County Industrial Authority	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00
Valdosta-Lowndes County Parks & Recreation Authority	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.25	1.25	1.25
Total County - Unincorporated	7.80	8.12	8.45	8.86	8.86	9.86	9.76	9.56	9.56	9.56
Total County - Incorporated	9.01	9.01	8.86	8.86	8.86	9.86	9.76	9.56	9.56	9.56
Schools										
Maintenance and Operations:										
Lowndes County Board of Education	14.25	14.20	14.20	14.15	15.15	15.15	14.95	14.70	14.70	14.70
Valdosta Board of Education	12.54	12.29	12.29	13.98	14.98	14.98	15.98	15.98	15.98	16.98
Total Schools - County	14.25	14.20	14.20	14.15	15.15	15.15	14.95	14.70	14.70	14.70
Total Schools - City of Valdosta	12.54	12.29	12.29	13.98	14.98	14.98	15.98	15.98	15.98	16.98
Municipalities										
Maintenance and Operations:										
City of Hahira	5.40	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38
City of Lake Park	5.99	5.84	5.84	5.83	5.80	5.70	4.73	4.72	4.70	4.70
City of Remerton	3.48	3.48	3.42	4.42	5.42	6.42	6.42	6.39	6.39	6.39
City of Valdosta	4.64	4.63	4.47	4.48	4.41	4.40	4.18	4.11	4.11	4.11
State	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Total Direct and Overlapping Rates:										
Total Unincorporated	22.30	22.57	22.90	23.26	24.26	25.26	24.96	24.51	24.51	24.51
Total City of Hahira	28.91	28.84	28.69	28.64	29.64	30.64	30.34	29.89	29.89	29.89
Total City of Lake Park	29.50	29.30	29.15	29.09	30.06	30.96	29.69	29.23	29.21	29.21
Total City of Remerton	26.99	26.94	26.73	27.68	29.68	31.68	31.38	30.90	30.90	30.90
Total City of Valdosta	26.44	26.18	25.87	27.57	28.50	29.49	30.17	29.90	29.90	30.90

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

County, Industrial Authority, Parks and Recreation Authority and State property taxes are accessed county wide. Lowndes County Board of Education property taxes are accessed county wide except on property in the City of Valdosta where the Valdosta Board of Education accesses property taxes.
Cities access property taxes on property within their geographic boundaries.

Source: Lowndes County Tax Commissioner

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

	2011			2002		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Archer Daniels Midland	$ 55,141,129	1	1.97%			
Packaging Corporation of America	51,817,488	2	1.85%			
Lowe's Distribution Center	28,523,443	3	1.02%			
Georgia Power	26,630,392	4	0.95%			
J M Smith Corporation	19,088,906	5	0.68%	Data Not Available		
Colquitt Electric Membership	13,581,857	6	0.49%			
Marelda Valdosta Mall LLC	12,411,072	7	0.44%			
Saft America Inc.	11,499,485	8	0.41%			
Bellsouth Telecom/AT&T Georgia	10,177,420	9	0.36%			
Lowe's Home Center, Inc.	9,305,225	10	0.33%			
All others	2,559,462,722		91.49%			
Total	$2,797,639,139		100.00%			

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
2002	15,137,872	14,675,928	96.95%	460,849	15,136,777	99.99%
2003	15,769,194	14,984,335	95.02%	782,781	15,767,116	99.99%
2004	17,001,737	16,527,834	97.21%	471,077	16,998,911	99.98%
2005	17,860,543	17,585,316	98.46%	266,802	17,852,118	99.95%
2006	20,047,190	19,559,113	97.57%	480,099	20,039,212	99.96%
2007	21,182,223	20,560,611	97.07%	609,656	21,170,267	99.94%
2008	22,967,377	22,463,268	97.81%	485,104	22,948,372	99.92%
2009	20,151,846	19,506,396	96.80%	603,720	20,110,116	99.79%
2010	20,692,666	19,942,062	96.37%	488,387	20,430,449	98.73%
2011	20,450,742	19,655,203	96.11%	-	19,655,203	96.11%

Source: Lowndes County Tax Commissioner

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

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Leases	Revenue Bonds	Notes Payable	Revenue Bonds			
2002	$ 2,956,766	$ -	$ 7,127,765	$ 705,000	$ 10,789,531	0.51%	117
2003	2,860,000	-	7,559,772	670,000	11,089,772	0.50%	118
2004	21,854,991	-	7,148,639	630,000	29,633,630	1.29%	314
2005	22,461,008	-	5,159,265	585,000	28,205,273	1.18%	298
2006	20,112,417	-	4,583,037	12,125,000	36,820,454	1.18%	381
2007	17,688,318	-	3,718,226	11,675,000	33,081,544	1.23%	338
2008	15,659,630	40,845,000	-	11,215,000	67,719,630	2.30%	665
2009	13,802,615	34,365,000	-	10,740,000	58,907,615	1.86%	563
2010	12,396,621	27,630,000	-	10,250,000	50,276,621	1.58%	471
2011	11,480,000	22,780,000	-	9,740,000	44,000,000	1.39%	403

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, 2011

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
City of Hahira	2,414,169	100%	$ 2,414,169
City of Remerton	245,617	100%	245,617
City of Lake Park	160,000	100%	160,000
City of Valdosta	36,041,000	100%	36,041,000
Central Valdosta Development Authority	171,802	100%	171,802
Other debt			
Valdosta-Lowndes County Industrial Authority	381,857	100%	381,857
Subtotal, overlapping debt			39,414,445
County direct debt			
Capital Leases			11,480,000
Intergovernmental Agreements			
Valdosta-Lowndes County Industrial Authority			16,060,478
Direct Guaranteed Revenue Debt			
Special Purpose Local Option Revenue Bonds			22,780,000
Water and Sewer Revenue Bonds			9,740,000
Total County direct debt			60,060,478
Total direct and overlapping debt			$ 99,474,923

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

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

Legal Debt Margin Calculation for Fiscal Year 2011	
Assessed value	$ 2,797,639
Debt limitation (10% of assessed value)	279,764
Debt applicable to limitation:	
Total bonded debt	22,780
Legal debt margin	$ 256,984

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	$201,586	$226,266	$239,077	$262,335	$275,675	$ 226,266	262,334	275,675	283,073	279,764
Total net debt applicable to limit	-	-	-	-	-	-	40,845	34,365	27,630	22,780
Legal debt margin	$201,586	$226,266	$239,077	$262,335	$275,675	$ 226,266	$221,489	$241,310	$255,443	$ 256,984
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

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

	Water and Sewer Revenue Bonds 2005						
		Less:	Net				
Fiscal	Operating	Operating	Available	Debt Service			
Year	Revenue	Expenses	Revenue	Principle	Interest	Total	Coverage
2006	$3,154,058	$2,134,045	$1,020,013	$375,000	$444,203	$819,203	1.25
2007	$3,649,845	$2,281,525	$1,368,320	$450,000	$521,794	$971,794	1.41
2008	$3,772,771	$2,619,531	$1,153,240	$460,000	$508,294	$968,294	1.19
2009	$3,639,943	$2,736,823	$ 903,120	$475,000	$494,494	$969,494	0.93
2010	$5,065,995	$2,545,210	$2,520,785	$490,000	$479,056	$969,056	2.60
2011	$5,281,592	$2,703,922	$2,577,670	$510,000	$460,488	$970,488	2.66

Notes:

Pledged revenues represent fees charged for water and sewer services.

Operating expenses do not include depreciation and interest expenses.

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

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

Fiscal Year	Population (1)	Personal Income	Per Capita Income (2)		Unemployment Rate (2)	
			County	State	County	State
2002	92,196	2,120,600,196	23,001	28,689	3.7%	4.0%
2003	93,646	2,225,028,960	23,760	29,000	3.3%	5.1%
2004	94,460	2,293,772,180	24,283	30,051	3.1%	4.7%
2005	94,579	2,389,916,751	25,269	31,191	2.9%	4.1%
2006	96,705	3,109,742,685	32,157	32,775	3.8%	4.7%
2007	97,844	2,681,708,352	27,408	34,061	4.1%	5.3%
2008	101,790	2,938,473,720	28,868	35,369	3.8%	4.4%
2009	104,583	3,168,028,236	30,292	35,863	5.4%	6.2%
2010	106,814	3,186,688,876	29,834	34,081	8.1%	9.6%
2011	109,233	3,167,538,534	28,998	34,800	8.8%	10.2%

Source:
(1) U. S. Bureau of Census
(2) State of Georgia Department of Labor

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

	2011			2002		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Moody Air Force Base	6,100	1	12.77%	4,700	1	10.92%
South Georgia Medical Center	3,200	2	6.70%	2,300	2	5.34%
Valdosta State University	2,280	3	4.77%	1,458	3	3.39%
Lowndes County School System	1,279	4	2.68%	1,069	4	2.48%
Valdosta City School System	950	5	1.99%	950	5	2.21%
Lowes Distribution Center	900	6	1.88%	600	8	1.39%
Convergys Corp	850	7	1.78%	780	6	1.81%
Lowndes County	599	9	1.25%	500	10	1.16%
City of Valdosta	540	8	1.13%	659	7	1.53%
Fresh Beginnings	500	10	1.05%	-		
Crackin Good Bakeries	-			555	9	1.29%
Total Principle Employers	17,198		35.99%	13,571		31.53%
Other Employees	30,586		64.01%	29,472		68.47%
Total Employees	47,784		100.00%	43,043		100.00%

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

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

	Full-time Equivalent Employees as of June 30,									
Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Legislative										
Board of Commissioners	4	4	4	4	4	4	4	4	4	4
Commissioners' Assistant	-	-	-	-	-	-	1	1	1	-
Community Development Coordinator	-	-	-	-	-	-	1	1	1	-
County Clerk	-	-	-	-	-	-	3	3	3	3
County Manager	5	5	5	5	6	7	4	4	4	3
Risk Manager	1	1	1	1	1	1	1	1	1	-
Board of Elections	7	7	12	12	12	12	12	12	12	15
Tax Assessors	18	18	20	24	22	20	24	24	25	24
Building Maintenance	20	20	21	20	20	20	21	21	22	20
Tax Commissioner	19	19	19	19	20	19	20	20	21	21
Administrative Services	15	15	16	17	17	15	18	18	20	17
Engineering	8	8	9	9	10	11	11	11	11	8
Judicial										
Clerk of Court	18	18	18	18	19	18	19	18	18	18
Probate Court	5	5	5	5	6	5	6	6	6	5
Juvenile Court	2	2	2	1	1	1	2	2	2	2
Magistrate Court	11	11	11	11	11	11	11	11	11	12
Superior Court	14	14	14	14	14	14	15	15	15	15
State Court	6	8	8	8	6	8	10	10	10	10
Indigent Defense	2	2	2	2	-	-	-	-	-	-
Public Safety										
Sheriff	199	202	202	206	212	201	225	226	241	241
Coroner	2	2	2	2	2	2	2	2	2	2
Probation	2	2	2	2	2	2	2	2	2	2
Fire Protection Services	3	3	5	8	10	13	16	-	-	-
Animal Control	9	9	10	11	11	11	12	12	12	12
Emergency Management	-	-	-	-	-	-	1	1	1	1
Subtotal	370	375	388	399	406	395	441	425	445	435

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, 2002	2003	2004	2005	2006	2007	2008	2010	2011	2011
Public Works										
Administration	6	6	6	6	5	7	7	7	6	6
Road Maintenance	32	37	38	32	31	29	40	39	39	37
Road Construction	14	14	14	14	13	13	10	10	10	8
Mosquito Control	-	-	-	-	-	-	1	-	-	-
Sanitation	23	18	18	20	21	16	-	-	-	-
Housing and Development										
County Planner	-	-	-	-	-	-	1	-	-	-
Zoning	-	-	-	-	-	3	3	-	-	-
Keep Lowndes/ Valdosta Beautiful	1	1	1	1	1	1	1	1	1	-
Auxiliary Accounts - Jail Commissary	2	2	2	2	2	2	2	2	2	2
Intergovernmental										
Regional Airport	6	6	6	6	6	6	7	7	7	-
Alternative Dispute Resolution	2	2	2	2	2	2	2	2	2	2
Zoning Administration	4	4	4	4	4	3	3	-	-	-
VAWA Grant	-	2	2	-	2	-	-	-	-	-
LODAC HUD Grant	-	5	5	3	6	4	4	3	3	-
County Jail Fund	1	1	1	1	1	1	1	1	1	1
Drug Abuse Treatment	7	13	7	7	7	7	6	8	4	-
Emergency Telephone System	33	34	32	32	33	28	38	38	37	38
Special Services Fund										
Fire	-	-	-	-	-	-	-	16	20	19
Mosquito Control	-	-	-	-	-	-	-	1	1	1
County Planner	-	-	-	-	-	-	-	1	1	2
Zoning Administration	-	-	-	-	-	-	-	3	3	3
Victim/Witness	1	2	2	2	2	2	2	2	2	2
Water and Sewer	12	12	13	13	13	13	14	14	19	18
Sanitation Fund	-	-	-	-	-	-	21	19	19	17
Equipment Maintenance	10	10	10	10	10	10	10	10	11	8
Total	524	544	551	554	565	542	614	609	633	599

Source: County Budgets

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

	Fiscal Year Ending June 30,									
Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Courts										
Cases filed:										
Superior Court - Civil	3,149	2,985	2,730	2,987	2,776	3,079	2,624	3,384	3,549	3,238
Superior Court - Criminal	1,673	1,857	3,261	3,856	4,199	4,199	4,221	3,579	3,771	3,907
State Court - Civil	1,041	996	1,514	1,038	1,021	1,020	1,274	1,282	1,628	1,019
State Court - Criminal	30,812	27,211	24,746	23,188	19,436	20,112	16,930	17,262	16,069	18,589
Juvenile Court	NA	1,434	1,766	2,027	1,656	1,656	1,379	1,133	1,184	1,444
Sheriff										
Physical arrest	NA	NA	NA	7,501	5,167	10,554	9,050	9,002	8,743	9,340
Jail inmates booked in/out	NA	NA	NA	9,030	5,167	10,554	9,050	9,002	8,743	9,340
Average daily jail population	NA	NA	NA	555	326	668	723	693	678	710
Subpoenas served	NA	NA	NA	17,335	7,019	17,084	19,644	15,822	18,831	14,040
Jury summons	NA	NA	NA	664	622	872	543	344	576	470
Civil papers served	NA	NA	NA	4,109	1,771	3,443	3,691	3,868	4,568	3,719
Fire Protection Services										
Emergency responses	915	678	1,362	989	1,508	1,777	1,801	1,774	1,648	2,653
Fires extinguished	518	247	350	387	457	560	462	490	497	999
Emergency Telephone System										
911 calls	63,000	63,218	62,578	64,412	77,291	75,426	84,218	88,298	96,000	96,420
Public Works										
New paving (miles)	6	11	7	28	8	8	7	13	6	-
Sanitation										
Refuse collected (tons per day)	37	45	38	46	44	44	35	23	27	27
Water										
Average daily consumption (thousands of gallons)	3,163	3,100	4,440	5,112	6,443	6,738	6,642	5,764	3,028	1,943
Sewer										
Average daily sewage treatment (thousands of gallons)	799	907	882	1,074	992	1,076	1,129	1,410	1,850	1,530

NA - Data Not Available

Source: County Department Heads

Note:

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

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

	Fiscal Year Ending June 30,									
Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Sheriff										
Vehicles	158	160	162	165	169	194	210	220	252	235
Fire Protection Services										
Fire stations	14	15	15	16	17	18	18	18	18	18
Vehicles	56	56	56	56	56	55	53	55	56	56
Pumpers	19	19	19	19	19	13	18	18	18	18
Public Works										
Streets (miles) paved	424	435	442	463	560	469	457	471	477	447
Streets (miles) dirt	414	408	403	385	345	347	334	372	336	336
Traffic signals	2	2	2	2	2	2	2	2	2	2
Sanitation										
Collection sites	8	8	8	8	7	6	6	6	6	6
Parks and recreation										
Acreage	339	339	339	404	404	404	404	-	-	-
Recreation facilities	5	5	5	6	6	6	6	-	-	-
Water										
Water mains (miles)	101	110	124	133	140	155	166	182	185	190
Fire hydrants	NA	NA	NA	1,152	944	1,236	1,179	1,336	1,373	1,408
Storage capacity (thousands of gallons)	2,150	2,150	2,150	3,150	3,150	3,160	3,170	3,650	3,680	3,680
Sewer										
Sanitary sewers (miles)	117	117	124	129	134	154	167	185	188	228
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	3	4	4	5	5	5	5	5	5	5

N/A - Data Not Available

Source: County Department Heads

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

SPECIAL REPORTS SECTION

LOWNDES COUNTY, GEORGIA
SPECIAL SALES TAX IV
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
Year Ended June 30, 2011

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Industrial Authority	$ 1,500,000	$ 1,419,690	$ 1,419,690	$ -	$ 1,419,690	100.00%
Norman Drive	2,200,000	2,339,491	2,339,491	-	2,339,491	100.00%
Oak Street Extension	2,500,000	1,140,082	1,140,082	-	1,140,082	100.00%
Senior Citizen Center	2,000,000	1,234,108	1,234,108	-	1,234,108	100.00%
Public Radio System	6,000,000	6,533,467	6,533,467	-	6,533,467	100.00%
Dasher	300,000	299,728	292,547	-	292,547	97.60%
Hahira	1,175,000	1,171,190	1,154,804	13,535	1,168,339	99.76%
Remerton	400,000	402,044	397,472	3,515	400,987	99.74%
Lake Park	360,000	365,571	365,579	-	365,579	100.00%
City of Valdosta	32,900,000	36,212,199	36,212,199	-	36,212,199	100.00%
Roads, Streets, and Bridges	16,239,000	15,052,064	15,052,064	-	15,052,064	100.00%
Water and Sewer Projects	11,825,000	12,726,061	12,726,061	-	12,726,061	100.00%
Parks and Recreation Projects	1,851,000	4,848,596	4,848,596	-	4,848,596	100.00%
Public Transportation Facilities and Vehicles	350,000	149,160	149,160	-	149,160	100.00%
Environmental Compliance	400,000	524,845	524,845	-	524,845	100.00%
Totals	$80,000,000	$84,418,296	$84,390,165	$ 17,050	$84,407,215	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
SPECIAL SALES TAX V
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
Year Ended June 30, 2011

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Industrial Authority	$ 4,070,000	$ 3,837,718	$ 3,277,231	$ -	$ 3,277,231	85.40%
Airport Authority	1,100,000	1,040,385	568,507	429,097	997,604	95.89%
Dasher	440,000	421,509	123,797	56,881	180,678	42.86%
Hahira	990,000	936,232	796,663	4,618	801,281	85.59%
Remerton	770,000	728,070	593,778	12,870	606,648	83.32%
Lake Park	440,000	412,612	353,686	56,161	409,847	99.33%
City of Valdosta	51,095,000	47,793,580	46,080,446	(250,828)	45,829,618	95.89%
Roads, Streets, and Bridges	20,000,000	21,534,623	21,034,405	287,051	21,321,456	99.01%
Debt Retirement	16,785,000	14,518,754	14,518,754	-	14,518,754	100.00%
Jail Facilities and Equipment	6,300,000	6,026,217	6,026,217	-	6,026,217	100.00%
Court Facilities and Equipment	1,000,000	72,530	-	-	-	0.00%
Water and Sewer Facilities and Equipment	2,427,000	4,582,240	4,582,240	-	4,582,240	100.00%
Parks and Recreation Facilities	1,000,000	1,227,714	15,642	91,416	107,058	8.72%
Administrative Facilities and Equipment	1,908,000	466,115	466,115	-	466,115	100.00%
Human Resource Building Improvements	200,000	245,543	-	-	-	0.00%
Library Books and Equipment	125,000	125,712	125,712	-	125,712	100.00%
Public Safety Facilities and Equipment	613,857	613,857	-	-	-	0.00%
Animal Shelter Facilities and Equipment	50,000	61,386	-	-	-	0.00%
Fire Fighting Facilities and Equipment	750,000	748,523	748,523	-	748,523	100.00%
Public Transportation Vehicles	50,000	60,848	7,990	-	7,990	13.13%
Totals	$ 110,113,857	$ 105,454,168	$ 99,319,706	$ 687,266	$ 100,006,972	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
SPECIAL SALES TAX VI
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
Year Ended June 30, 2011

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Airport Improvements and Equipment	$ 1,000,000	$ 783,566	$ 99,931	$ 683,634	$ 783,565	100.00%
Parking Facility	1,500,000	791,871	-	-	-	0.00%
Emergency Operations Center	4,000,000	2,953,982	2,952,972	1,010	2,953,982	100.00%
Courthouse Renovations & Equipment	500,000	50,000	-	-	-	0.00%
Judicial /Admin Facilities Construction & Equipment	1,000,000	50,000	38	-	38	0.08%
Public Safety Training Facility Construction & Equipment	500,000	263,957	90,543	39,948	130,491	49.44%
Fire Fighting Facility Improvements & Equipment	1,000,000	541,084	541,083	-	541,083	100.00%
Parks and Recreation Facility Construction & Equipment	6,000,000	3,167,482	18,667	9,276	27,943	0.88%
Water and Sewer Fund Construction & Improvements	15,000,000	6,813,669	4,633,215	254,722	4,887,937	71.74%
Road, Street & Bridges Construction & Improvements	22,388,450	13,471,856	13,410,253	61,603	13,471,856	100.00%
Bond Debt Retirement For Jail and Judicial/Admin Facilities	50,000,000	47,411,675	16,412,600	6,104,675	22,517,275	47.49%
Totals	$ 102,888,450	$ 76,299,142	$ 38,159,302	$ 7,154,868	$ 45,314,170	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
Year Ended June 30, 2011

	Contract Number	Revenue	Expenditures	Due (To) From State
Passed through the Georgia Department of Community Affairs				
CHIP Grant	09m-y-92-1-6030	$ 121,719	$ 121,719	-
CDBG Grant	10p-y-092-1-5284	5,000	5,000	-
Passed through the Georgia Department of Community Health				
Hahira Outreach	441-93-090912541-99	12,000	12,000	-
Passed through the Georgia Department of Transportation				
Gateway Grant		43,473	43,473	-
Gateway Grant		492	492	-
ARRA Public Transportation Assistanc	GA-86-X001	447	447	-
Passed through the Georgia Council of Juvenile Court Judges				
Juvenile Offenders	JB-08ST-004	3,894	3,894	-
Juvenile Offenders	JB-07ST-001	964	964	-
Passed through the Georgia Emergency Management Agency				
FEMA Grant	FEMA-1833-DR-GA	2,283,749	2,283,749	
2010 EMPG Planning Grant	P10-10-094	2,493	2,493	
FY10 Citizens Corps Grant	2010-SS-T0-0034	10,159	10,159	
2009 Homeland Security Grant	2009-SS-T9-0047	151,904	151,904	
2009 Homeland Security Grant (GTIP)		10,385	10,385	
Passed through the Criminal Justice Coordinating Council				
2009 Victims of Crime Act	C08-8-226	14,061	14,061	-
2010 Victims of Crime Act	C10-8-112	47,468	47,468	-
Total		$ 2,708,208	$ 2,708,208	$ -

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011

	Federal CFDA Number	Pass Through Grantor Number	Federal Expenditures
Department of Housing and Urban Development			
Passed through the Georgia Department of Community Affairs			
CHIP Grant	14.218	09m-y-92-1-6030	$ 121,719
CDBG Grant	14.228	10p-y-092-1-5284	5,000
Total Department of Housing and Urban Development			126,719
Department of Justice			
State Criminal Alien Assistance	16.606	2010-F7639-GA-AP	19,622
Project Safe Neighboorhood/Anti-Gang	16.609		3,640
Passed through the Council of Juvenile Court Judges			
Juvenile Offenders Program	16.523	JB-08ST-004	3,894
Juvenile Offenders Program	16.523	JB-07ST-001	964
Passed through the Criminal Justice Coordinating Council			
2009 Victims of Crime Act	16.575	C08-8-226	14,061
2010 Victims of Crime Act	16.737	C10-8-112	47,468
Total Department of Justice			89,649
Department of Transportation			
Pased through the Georgia Department of Transportation			
ARRA Public Transportation Assistance	20.507	GA-86-X001	447
Total Department of Transportation			447

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
Year Ended June 30, 2011

	Federal CFDA Number	Pass Through Grantor Number	Federal Expenditures
Department of Human Resources			
Passed through the Georgia			
Department of Community Health			
Hahira Outreach	84.146	441-93-090912541-99	12,000
Total Department of Human Resources			12,000
Department of Homeland Security			
Passed through the Georgia			
Emergency Management Agency			
FEMA Grant	97.036	FEMA-1833-DR-GA	1,849,837
2010 EMPG Planning Grant	97.042	P10-10-094	2,493
FY10 Citizens Corps Grant	97.053	2010-SS-T0-0034	10,159
2009 Homeland Security Grant	97.067	2009-SS-T9-0047	151,904
2009 Homeland Security Grant (GTIP)	97.123		10,385
Total Department of Homeland Security			2,024,778
Total			$ 2,253,593

Basis of Presentation

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

See independent auditors' report.

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

To the Board of Commissioners
Lowndes County, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lowndes County, Georgia as of and for the year ended June 30, 2011 which collectively comprise the County's basic financial statements and have issued our report thereon dated December 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We did not audit the financial statements of the Lowndes County Board of Health, the Valdosta-Lowndes County Industrial Authority, and the Valdosta-Lowndes County Parks and Recreation Authority which represents 100% of the total assets and revenues of Lowndes County, Georgia's component units as of and for the year ending June 30, 2011. Those financial statements were audited by other auditors whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lowndes County Board of Health, the Valdosta-Lowndes County Industrial Authority, and the Valdosta-Lowndes County Parks and Recreation Authority, is based on the reports of the other auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Henderson & Godbee, LLP

Valdosta, Georgia
December 30, 2011

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Commissioners
Lowndes County, Georgia

Compliance

We have audited the compliance of Lowndes County, Georgia, with the types of compliance requirements described in *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Lowndes County's major federal programs for the year ended June 30, 2011. Lowndes County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Lowndes County, Georgia's management. Our responsibility is to express an opinion on Lowndes County, Georgia's compliance based on our audit. Lowndes County, Georgia's basic financial statements include the operations of the Lowndes County Board of Health, which received $6,440,666 in federal awards that is not included in the schedule during the year ended June 30, 2011. Our audit, described below, did not include the operations of Lowndes County Board of Health because the component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lowndes County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Lowndes County, Georgia's compliance with those requirements.

In our opinion, Lowndes County, Georgia, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

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Internal Control Over Compliance

Management of Lowndes County, Georgia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Lowndes County, Georgia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Henderson & Godbee, LLP

Valdosta, Georgia
December 30, 2011

LOWNDES COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting	
Material weakness identified?	____Yes __X__ No
Significant deficiencies identified not considered to be material weakness?	___Yes __X__ None reported
Noncompliance material to financial statements noted?	____ Yes __X__ No

Federal Awards

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

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

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

Identification of major programs:

CFDA Number	Name of Federal Program
97.036	Disaster Grants – Public Assistance

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

Auditee considered a low risk auditee _____ Yes __X__No

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Lowndes County, Georgia

We have examined management's assertion included in the accompanying Annual Report of 9-1-1 Collections and Expenditures about Lowndes County, Georgia's compliance during the fiscal year ended June 30, 2011 with the requirement to expend 9-1-1 funds in compliance with the expenditure requirements of the Official Code of Georgia Annotated, Section 46-5-134. Management is responsible for Lowndes County, Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about Lowndes County, Georgia's compliance based on our examination.

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

In our opinion, management's assertion that Lowndes County, Georgia complied with the aforementioned requirement during the fiscal year ended June 30, 2011 is fairly stated, in all material respects.

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

Henderson & Godbee, LLP

Valdosta, Georgia
December 30, 2011

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Lowndes County, Georgia
Annual Report of 9-1-1 Collections and Expenditures
For the Year Ended June 30, 2011

Line No.		O.C.G.A. Reference:			
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one):				
	X Special Revenue Fund _____ Enterprise Fund				
2	Monthly 9-1-1 charge billed to each exchange access facility subscriber:	46-5-134(a)(1)	$ 1.50		
3	Total revenue from exchange access facility subscribers:			$	573,278
4	Does 9-1-1 system provide automatic number identification of a wireless telecommunications connection? (choose one)				
	X Yes _____ No				
5	If the answer to Line 4 is "yes", indicate below which of the following apply (choose one)				
	X System provides location of base station or cell site	46-5-134(a)(2)(A)			
	_____ System provides automatic location identification	46-5-134(a)(2)(B)			
6	If the answer to Line 4 is "yes", identify the monthly 9-1-1 charge billed to each wireless telecommunications connection subscriber:	46-5-134(a)(2)	$ 1.50		
7	Total revenue from wireless telecommunications connection subscribers:			$	1,191,957
8	Total Line 3 plus Line 7 (should equal UCOA Revenue Source 34.2500)			$	1,765,235
9	Additional revenue sources:				
9a	Federal (UCOA Revenue Source 33.1000)	46-5-134(j)			
	Identify each funding agency individually. Attach list, if necessary.				
				$	-
9b	State (UCOA Revenue Source 33.4000)	46-5-134(j)			
	Identify each funding agency individually. Attach list, if necessary.				
				$	-
9c	Local (UCOA Revenue Source 33.6000)	46-5-134(j)			
	Identify each unit of local government individually. Attach list, if necessary.				
	City of Valdosta			$	110,936
	City of Remerton			$	8,633
	City of Hahira			$	9,065
	South Georgia Medical Center Authority			$	15,645
	Other local government public safety radio charges			$	397,159
9d	Private (UCOA Revenue Source 37.1000)	46-5-134(j)			
	Identify each private source individually. Attach list, if necessary.				
				$	-

Lowndes County, Georgia
Annual Report of 9-1-1 Collections and Expenditures - Continued
For the Year Ended June 30, 2011

10	Investment Income (UCOA Revenue Source 36.1000 through 36.3000)		$ 32
11	Other revenue sources not included above. Identify each source individually. Transfers from other funds of the local government should be reported on Line 25 and not included here.		
	Rent		$ 25,050
12	Total Revenues (total of all amounts reported on Lines 8 through 11)		$ 2,331,755
	Expenditures (UCOA Activity 3800)		
13	Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)	46-5-134(e)	
			$ -
			$ -
14	Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:		
14a	Lease costs	46-5-134(f)(1)	$ -
14b	Purchase costs	46-5-134(f)(1)	$ -
14c	Maintenance costs	46-5-134(f)(1)	$ -
15	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	46-5-134(f)(2)	$ -
16	Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system: Number of employees classified as: Full time 34 Part time 0		
16a	Salaries and wages	46-5-134(f)(3)	$ 1,302,492
16b	Employee benefits	46-5-134(f)(3)	$ 448,073
17	Cost of training of employees who work as dispatchers	46-5-134(f)(3)	$ 267
18	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(f)(4)	$ 5,438
19a	Building used as a public safety answering point:		
19a1	Lease costs	46-5-134(f)(5)	$ -
19a2	Purchase costs	46-5-134(f)(5)	$ -
19b	Has the local government completed its street addressing plan? (choose one)	46-5-134(f)(5)	$ -

X Yes _____ No

Lowndes County, Georgia
Annual Report of 9-1-1 Collections and Expenditures - Continued
For the Year Ended June 30, 2011

20	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems:		
20a	Lease costs	46-5-134(f)(6)	$ 190,346
20b	Purchase costs	46-5-134(f)(6)	$ -
20c	Maintenance costs	46-5-134(f)(6)	$ 1,182
21	Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials	46-5-134(f)(7)	$ 6,310
22	Logging recorders used at a public safety answering point to record telephone and radio traffic:		
22a	Lease costs	46-5-134(f)(8)	$ -
22b	Purchase costs	46-5-134(f)(8)	$ -
22c	Maintenance costs	46-5-134(f)(8)	$ -
23	Other expenditures not included in Lines 13 through 22 above. Identify by object and purpose. Transfers to other funds of the local government should be reported on Line 26 and not included here.		
	Dues and subscriptions		$ 737
	Travel		$ 5,000
	Building maintenance		$ 4,891
	Contract services		$ 581,320
	Utilities		$ 75,296
24	Total Expenditures (total of all amounts reported on Lines 13 through 23 above)		$ 2,621,352

Lowndes County, Georgia
Annual Report of 9-1-1 Collections and Expenditures - Continued
For the Year Ended June 30, 2011

25	Transfers From Other Funds (identify by fund)	
	General Fund	$ 537,903
26	Transfers To Other Funds (identify by fund)	
	General Fund	$ (130,025)
27	Proceeds from Capital Lease (identify by asset class and, if equipment, purpose)	
		$
28	Net Change in Fund Balance (Line 12 - Line 24 + Line 25 - Line 26 + Line 27)	$ 118,281
29	Fund Balance - Beginning of Year	$ (402,406)
30	Fund Balance - End of Year	$ (284,125)

31a Do amounts on Lines 12, 24, 28, 29, and 30 agree to amounts reported in the government's audited financial statements submitted to the Georgia Department of Audits and Accounts?

X Yes ____ No

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

Certification of Local Government Officials

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

Signature of Chief Elected Official _____ Date: December 20, 2011

Print Name of Chief Elected Official Ashley Paulk

Title of Chief Elected Official County Commission Chairman

Signature of Chief Financial Officer _____ Date: December 20, 2011

Print Name of Chief Financial Officer Stephanie Black