Comprehensive Annual Financial Report

July 1, 2011 – June 30, 2012



Lowndes County Board of Commissioners

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

LOWNDES COUNTY, GEORGIA

For The Fiscal Year
July 1, 2011 - June 30, 2012



FINANCE DEPARTMENT
Stephanie Black, Finance Director

LOWNDES COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Year Ending June 30, 2012

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INTRODUCTORY SECTION

Lowndes County Finance Department

Stephanie Black
Finance Director

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

January 30, 2013

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, 2012, 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, 2012, 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, 2012, 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 19.5% 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 2012, Lowndes County received an Aa2 rating from Moody's Investors Service and an AA- rating from Standards and Poor's. These ratings provided by these independent services demonstrate the conservative and sound fiscal policies that Lowndes County has developed as a management philosophy.

The County has averaged a 7.3% unemployment rate the last five years compared to a State average of 8.1%. County population has grown 18.58% 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 1.47% over the prior year. The gross tax digest had a growth rate of .16% over the prior year.

New industry growth as well as growth of existing industries continues to be steady. Continued growth in enrollment at Valdosta State University 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:

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

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

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 including major renovations to the water treatment in the north end of the County.

For The Future:

Due to the poor economy the County has taken steps to freeze employee positions. 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.

To more effectively deliver sanitation services, the County will be turning over these services to an exclusive provider who will provide curb side services throughout the unincorporated areas of the County.

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 only increased once 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, 2011. 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.

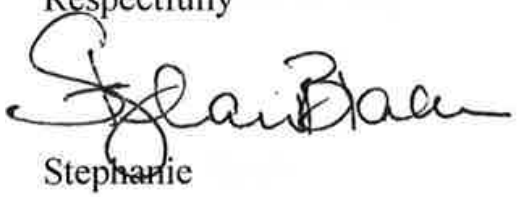
The County was also awarded the Distinguished Budget Presentation Award for the fiscal year ending June 30, 2011. This is the sixth consecutive year the County has received this award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to 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 2012 fiscal year budget document continues to conform to the requirements of the award.

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

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

Respectfully



Stephanie

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, 2012

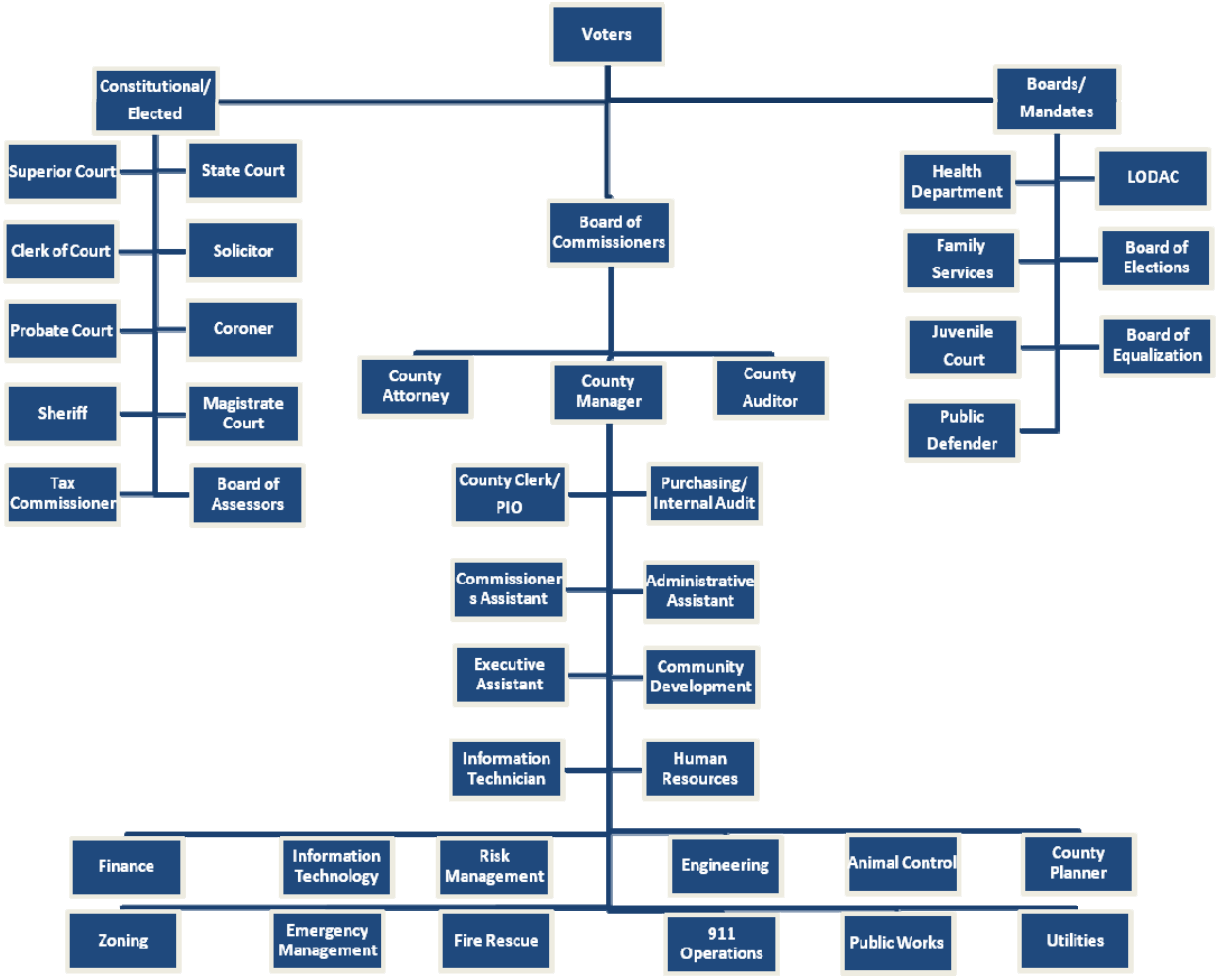
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



Christopher P Morrill
President

Jeffrey R. Esser
Executive 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

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)
J. Wendell Godbee, CPA
James W. Godbee, Jr., CPA
Amber J. Tanner, CPA
J. Craig King, CPA
Amanda W. Shapard, CPA
J. Philip Young, CPA

Gerald H. Henderson , CPA
Mark S. Rogers, CPA
Maureen P. Collins, CPA
Kevin R. Hiers, CPA
Troy D. Newham, CPA
Scott R. Simpson, CPA
Billie L. Anderson, 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, 2012, 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 and the Valdosta-Lowndes County Parks and Recreation Authority which represents 33.13% and 85.15% of the total assets and revenues of Lowndes County, Georgia's component units as of and for the year ending June 30, 2012. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lowndes County Board of Health and the Valdosta-Lowndes County Parks and Recreation Authority, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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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Valdosta, GA 31604-2241

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, 2012, 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 January 30, 2013, 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, (on pages 12 though 22), budgetary comparison information (on pages 74 through 82) and the Schedules of Funding Progress (on page 83) 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 schedules of revenues, expenditures and changes in fund balances-budget and actual – nonmajor governmental funds, 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

Henderson & Godbee, LLP

Valdosta, Georgia
January 30, 2013

MANAGEMENT DISCUSSION AND ANALYSIS

LOWNDES COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2012

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, 2012. 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 FY12 are as follows:

The County's total net assets decreased by $11,535,658 due, in part, to increased depreciation on capital projects that are now completed and increases in the OPEB liability.

At the end of the current year, the County's governmental funds reported an ending fund balance of $26,074,038, an increase of $2,467,937 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 $3,205,095.

At the end of the current year, unassigned fund balance for the General Fund was $3,205,095 which represents 6.74 percent of total General Fund expenditures.

Net assets for business-type activities increased from $32,477,786 to $32,526,653, an increase of $48,867.

The County has $39,811 of water and sewer construction in progress and $5,036,540 of road construction and other facility improvements 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. Each of these entities issue separate annual audit reports.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial statements provide detailed information about the County's major funds. Based on the restriction on the use of moneys, the County has established many funds that account for the multitude of services provided to our residents. The County's major governmental funds are the General Fund and the Capital Projects Special Purpose Sales Tax 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 (Restated)		Business-Type Activities		Total (Restated)		Total Percentage Change
	2011	2012	2011	2012	2011	2012	2011-2012
Assets							
Current and other assets	$ 33.57	$ 34.22	$ 1.99	$ 2.36	$ 35.56	$ 36.58	2.87%
Capital assets, net	139.33	121.71	42.20	41.16	181.53	162.87	-10.28%
Total Assets	**172.90**	**155.93**	**44.19**	**43.52**	**217.09**	**199.45**	**-8.13%**
Liabilities							
Current and other liabilities	18.96	23.40	1.28	1.40	20.24	24.80	22.53%
Long-term liabilities	27.40	17.58	10.43	9.59	37.83	27.17	-28.18%
Total Liabilities	**46.36**	**40.98**	**11.71**	**10.99**	**58.07**	**51.97**	**-10.50%**
Net Assets							
Invested in capital assets, net of related debt	126.53	95.69	32.21	31.94	158.74	127.63	-19.60%
Restricted	9.86	7.97	-	-	9.86	7.97	-19.17%
Unrestricted	(9.85)	11.29	0.27	0.59	(9.58)	11.88	224.03%
Total Net Assets	**$ 126.54**	**$ 114.95**	**$ 32.48**	**$ 32.53**	**$ 159.02**	**$ 147.48**	**-7.26%**

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 $147,478,923. Net assets were $114,952,270 in governmental activities and $32,526,653 in business-type activities as of June 30, 2012. 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 3.8% of net assets are restricted for use on capital projects.

An additional portion of the County's net assets (1.6 %) 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, 2012 and 2011.

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

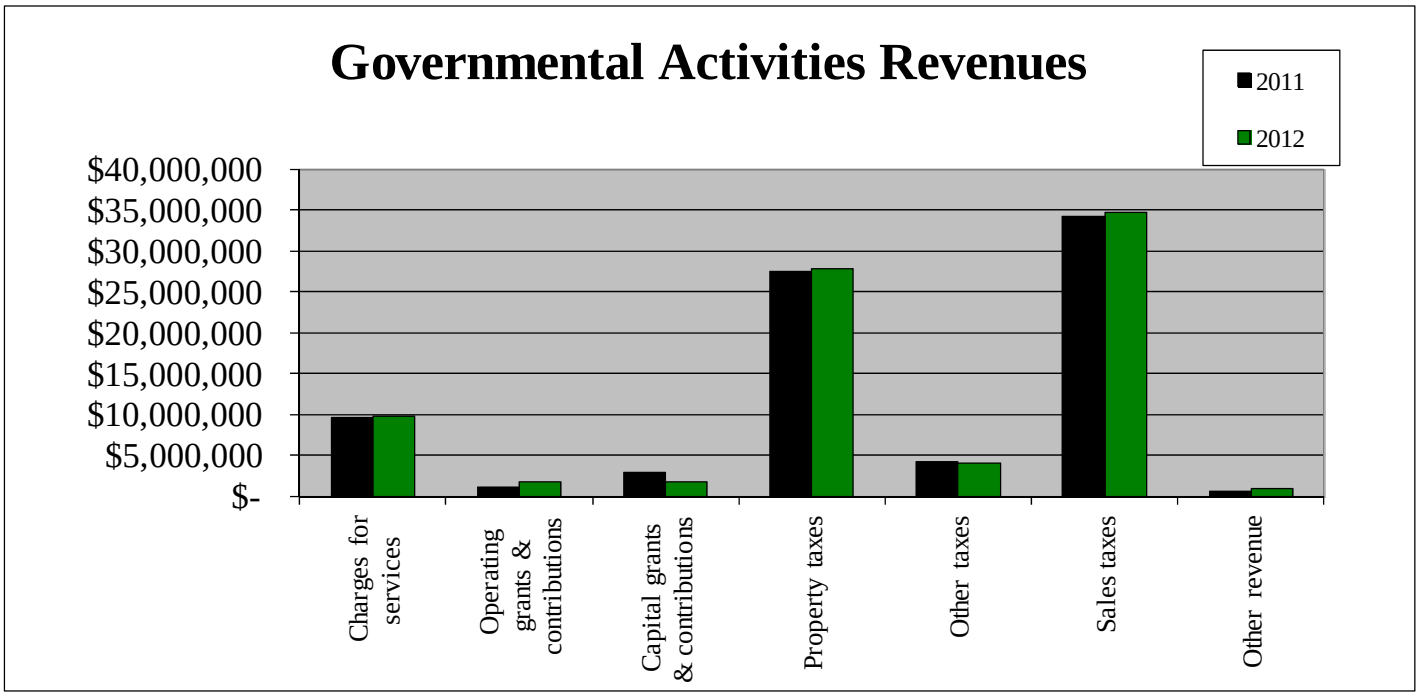
	Governmental Activities (Restated)		Business-Type Activities		Total (Restated)		Total Percentage Change
	2011	2012	2011	2012	2011	2012	2011-2012
Revenues							
Program Revenues							
Charges for services	$ 9.62	$ 9.85	$ 6.87	$ 6.50	$ 16.49	$ 16.35	(0.85) %
Operating grants and contributions	1.14	1.76	-	-	1.14	1.76	54.39 %
Capital grants and contributions	2.83	1.78	-	-	2.83	1.78	(37.10) %
Total Program Revenues	13.59	13.39	6.87	6.50	20.46	19.89	(2.79) %
General Revenues							
Property taxes	27.48	27.90	-	-	27.48	27.90	1.53 %
Alcoholic beverage taxes	0.51	0.48	-	-	0.51	0.48	(5.88) %
Occupational taxes	0.36	0.60	-	-	0.36	0.60	66.67 %
Hotel/motel taxes	0.27	0.27	-	-	0.27	0.27	100.00 %
Franchise taxes	0.17	0.14	-	-	0.17	0.14	(17.65) %
Insurance premium taxes	2.31	2.06	-	-	2.31	2.06	(10.82) %
Sales taxes	34.30	34.81	-	-	34.30	34.81	1.49 %
Public utility taxes	0.53	0.56	-	-	0.53	0.56	5.66 %
Miscellaneous	0.50	0.99	-	-	0.50	0.99	98.00 %
Interest	0.05	-	0.02	0.10	0.07	0.10	42.86 %
Total General Revenues	66.48	67.81	0.02	0.10	66.50	67.91	2.12 %
Total Revenues	**80.07**	**81.20**	**6.89**	**6.60**	**86.96**	**87.80**	**0.97 %**

Changes in Lowndes County's Net Assets

(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change	
	(Restated) 2011	2012	2011	2012	(Restated) 2011	2012	2011-2012	
Expenses								
Governmental Activities:								
General Government								
Legislative and executive	$ 11.57	$ 13.46	$ -	$ -	$ 11.57	$ 13.46	16.34	%
Judicial	6.81	5.86	-	-	6.81	5.86	(13.95)	%
Public safety	26.16	28.14	-	-	26.16	28.14	7.57	%
Public works	36.89	35.05	-	-	36.89	35.05	(4.99)	%
Health and welfare	1.04	0.90	-	-	1.04	0.90	(13.46)	%
Culture and recreation	4.50	4.52	-	-	4.50	4.52	0.44	%
Housing and development	4.90	4.22	-	-	4.90	4.22	(13.88)	%
Interest on long-term debt	1.76	1.52	-	-	1.76	1.52	(13.64)	%
Business-type Activities:								
Water and sewer	-	-	4.42	4.40	4.42	4.40	(0.45)	%
Landfill	-	-	0.05	0.04	0.05	0.04	(20.00)	%
Special tax lighting district	-	-	0.27	0.28	0.27	0.28	3.70	%
Sanitation fund	-	-	0.94	0.95	0.94	0.95	1.06	%
Total Expenses	**93.63**	**93.67**	**5.68**	**5.67**	**99.31**	**99.34**	**0.03**	%
Revenue Over (Under) Expenses	**(13.56)**	**(12.47)**	**1.21**	**0.93**	**(12.35)**	**(11.54)**	**(6.56)**	
Transfers	(0.25)	0.88	0.25	(0.88)	-	-	-	%
Increase (Decrease) in Net Assets	**(13.81)**	**(11.59)**	**1.46**	**0.05**	**(12.35)**	**(11.54)**	**(6.56)**	%
Beginning Net Assets, Restated	140.35	126.54	31.02	32.48	171.37	159.02	(7.21)	%
Net Assets, Ending	**$ 126.54**	**$ 114.95**	**$ 32.48**	**$32.53**	**$ 159.02**	**$ 147.48**	**(7.26)**	%

Government Activities



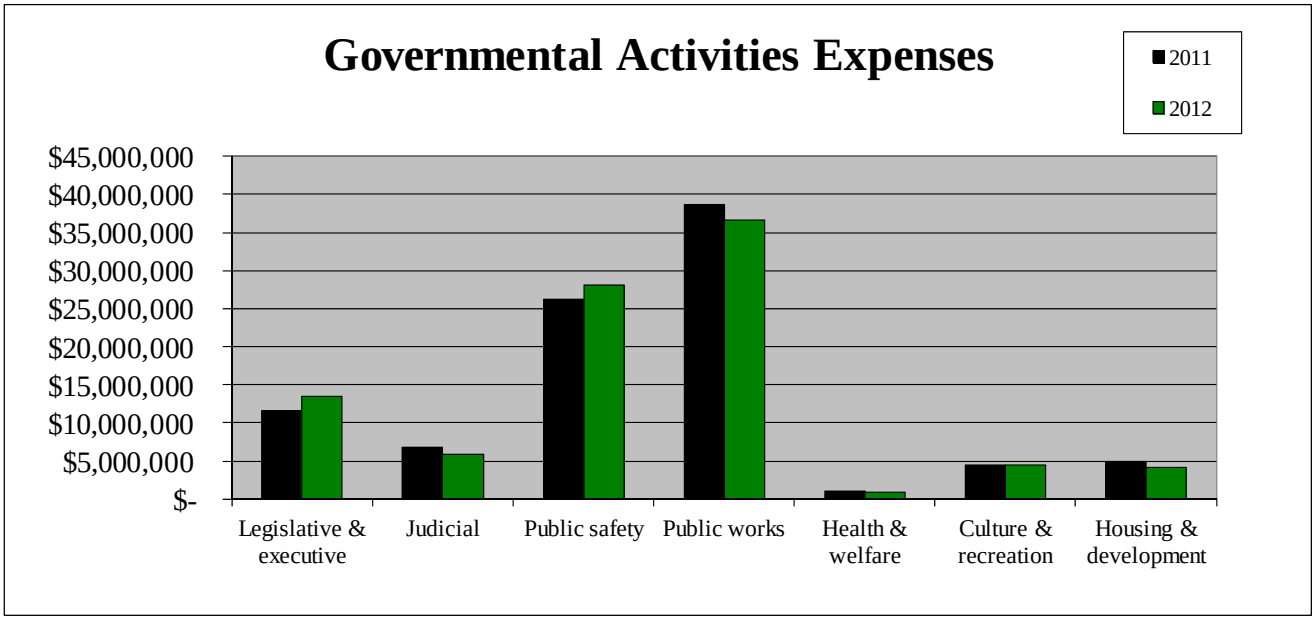
The largest portion of the County's program revenue is from charges for services which accounted for $9,853,382 or 74% of total program revenues. These charges include licenses and permits, fines and forfeitures related to judicial activity, fees for real estate transfers, fees associated with the collection of property taxes and fees charged through various County governmental departments.

Sales tax revenues are the major contributor to general revenues and account for $34,808,458 or 51% of total general revenues. Another major component was property taxes, which accounted for $27,896,942 or 41% of total general revenues.

The changes in revenues were slightly up with sales taxes showing the highest increase. Property taxes showed modest growth. These taxes increases were evidence of slow but steady growth in the County.

Government Activities – Continued

The following chart compares governmental activities expenses for the year ending June 30, 2011 and 2012. 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 (Restated) 2011	Total Cost of Services 2012	Percentage Change 2011-2012	Net Cost of Services (Restated) 2011	Net Cost of Services 2012	Percentage Change 2011-2012
General Government						
Legislative and executive	$ 11.57	$ 13.46	16.34 %	$ 10.50	$ 12.33	17.42 %
Judicial	6.81	5.86	(13.95) %	3.36	0.67	(79.94) %
Public safety	26.16	28.14	7.57 %	20.21	23.08	14.19 %
Public works	36.89	35.05	(4.99) %	34.16	33.20	(2.81) %
Health and welfare	1.04	0.90	(13.46) %	0.80	0.85	6.17 %
Culture and recreation	4.50	4.52	0.44 %	4.50	4.52	0.43 %
Housing and development	4.90	4.22	(13.88) %	4.75	4.10	(13.65) %
Interest on long-term debt	1.76	1.52	(13.64) %	1.75	1.52	(12.92) %
Total	**$ 93.63**	**$ 93.67**	**0.04** %	**$ 80.03**	**$ 80.28**	**0.31** %

Business-Type Activities

The net assets for business-type activities increased $48,867 during the year ending June 30, 2012. The major source of revenue was from charges for services for water and sewer services which amounted to $5,428,722.

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, 2012, the County's governmental funds reported a combined ending fund balance of $26,074,038, an increase of $2,467,937. The County had $3,205,095 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 ($22,868,943).

Major Funds:

The General Fund is the primary operating fund of the County. At the end of June 30, 2012, the unassigned fund balance was $3,205,095 while total fund balance was $17,429,608. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 6.74% to total General Fund expenditures, while the total fund balance represents 44.63% of that same amount.

The Capital Projects SPLOST VI Fund expended $18,056,233 in appropriations to other governments, capital improvements and debt service funds and received $22,033,975 in sales tax and investment income. The revenues exceeded expenditures resulting in an increase in the fund balance from a deficit of $1,928,927 to a positive fund balance of $2,048,815. 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, 2012, were $32,314,067. Total Net Assets increased by $725,381.

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. This will move to a private provider in FY13 and the fund will be closed.

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, 2012, was $162,867,589 (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 FY12 included continued improvements to roads and public safety facilities.

Note 8 (Capital Assets) provides additional information about capital asset activity during FY12.

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.

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

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

Economic Factors

Property tax revenue grew by .16% over the prior year and has averaged 3.44 % 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 an FY11 increase, the local option sales tax revenues increased 1.47% after two years of decline.

The County maintained a calendar year annual average of 7.3% for unemployment compared to the state average of 8.1%.

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, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total Primary Government
ASSETS			
Equity in pooled cash and cash equivalents	10,552,987	2,320,339	12,873,326
Cash and cash equivalents in segregated accounts	6,111,646	123,302	6,234,948
Certificate of deposit	369,916	-	369,916
Government investment pool	3,380,510	-	3,380,510
Investments	-	-	-
Receivables (net of allowance for doubtful accounts):			
Taxes	1,598,715	-	1,598,715
Accounts	963,508	1,071,901	2,035,409
Special assessments	16,608	-	16,608
Sales tax	2,902,855	-	2,902,855
Due from other governments	693,352	-	693,352
Materials and supplies inventory	206,718	-	206,718
Prepaid expenses	96,274	-	96,274
Deferred bond issue cost	303,092	177,997	481,089
Restricted cash and cash investments	5,526,237	165,051	5,691,288
Internal advances	1,500,000	(1,500,000)	-
Nondepreciable capital assets	7,835,755	2,730,354	10,566,109
Depreciable capital assets, net	113,876,255	38,425,225	152,301,480
TOTAL ASSETS	155,934,428	43,514,169	199,448,597

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

Component Units		
Lowndes County Board of Health	Valdosta-Lowndes County Industrial Authority	Valdosta-Lowndes County Parks & Recreation Authority
-	-	1,328,133
1,731,346	2,176,465	1,650
-	-	-
-	-	-
-	610,411	-
-	-	302,934
68,230	-	-
-	-	-
-	-	-
734,617	-	-
-	-	-
-	-	9,000
-	349,482	-
-	2,645,106	-
-	-	-
-	16,860,814	-
552,102	4,001,356	8,475,247
3,086,295	26,643,634	10,116,964

LOWNDES COUNTY, GEORGIA
STATEMENT OF NET ASSETS - CONTINUED
June 30, 2012

	Governmental Activities	Business-Type Activities	Total Primary Government
LIABILITIES			
Accounts payable	1,627,622	168,429	1,796,051
Estimated health claims payable	622,885	-	622,885
Accrued wages	644,251	29,262	673,513
Accrued expenses	2,337,015	258,073	2,595,088
Due to other governments	1,629,139	-	1,629,139
Deferred revenue	34,149	93,676	127,825
Payable from restricted assets:			
Customer deposits	-	169,950	169,950
Long-term liabilities:			
Due within one year:			
Compensated absences payable	685,089	30,229	715,318
Capital lease obligations	742,900	-	742,900
Bonds payable	7,590,000	545,000	8,135,000
Notes payable	-	-	-
Unamortized bond premium	355,784	-	355,784
Landfill postclosure cost	-	77,368	77,368
Due in more than one year			
Compensated absences payable	538,284	23,751	562,035
Capital lease obligations	9,939,700	-	9,939,700
Bonds payable	7,900,000	8,670,000	16,570,000
Notes payable	-	-	-
Unamortized bond premium	355,783	-	355,783
Net pension obligation liability	215,484	-	215,484
Net other postemployment benefits	5,764,073	-	5,764,073
Landfill postclosure cost	-	921,778	921,778
TOTAL LIABILITIES	40,982,158	10,987,516	51,969,674
NET ASSETS			
Invested in capital assets, net of related debt (deficit)	95,694,310	31,716,380	127,410,690
Restricted for:			
Jail operations	496,669	-	496,669
Tourism	24,726	-	24,726
Drug enforcement	1,409,984	-	1,409,984
Law library	356,838	-	356,838
Victim assistance	23,220	-	23,220
Drug abuse treatment	2,485	-	2,485
Public health programs	-	-	-
Debt services	-	-	-
Capital projects	5,651,984	-	5,651,984
Unrestricted	11,292,055	810,273	12,102,328
TOTAL NET ASSETS	114,952,270	32,526,653	147,478,923

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

Lowndes County Board of Health	Valdosta-Lowndes County Industrial Authority	Valdosta-Lowndes County Parks & Recreation Authority
-	29,872	140,563
-	-	-
-	-	-
-	434,051	156,823
428,292	-	-
-	-	19,629
-	-	-
336,169	-	28,207
-	-	71,995
-	1,085,000	-
-	89,315	40,885
-	-	-
-	-	-
253,601	-	30,258
	-	117,240
-	13,955,478	-
-	206,980	66,961
-	-	-
-	-	-
-	-	-
-	-	-
1,018,062	15,800,696	672,561
552,102	8,173,683	8,178,166
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
1,142,628	-	-
-	587,231	-
-	-	-
373,503	2,082,024	1,266,237
2,068,233	10,842,938	9,444,403

LOWNDES COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2012

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	$ 13,453,075	$ 1,039,256	$ 84,245	$ -
Judicial	5,857,655	4,714,612	468,874	-
Public Safety	28,137,430	3,988,679	1,069,995	-
Public Works	35,052,487	73,918	-	1,779,080
Health and Welfare	898,284	36,917	12,000	-
Culture and Recreation	4,519,407	-	-	-
Housing and Development	4,221,064	-	119,440	-
Interest on Long-term Debt	1,523,932	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	93,663,334	9,853,382	1,754,554	1,779,080
BUSINESS-TYPE ACTIVITIES				
Water and Sewer	4,396,261	5,282,108	-	-
Landfill	43,772	411,070	-	-
Special Tax Lighting District	283,848	211,058	-	-
Sanitation Fund	951,209	594,198	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	5,675,090	6,498,434	-	-
TOTAL PRIMARY GOVERNMENT	$ 99,338,424	$ 16,351,816	$ 1,754,554	$ 1,779,080
COMPONENT UNITS				
Lowndes County Board of Health	$ 13,176,793	$ 1,011,726	$ 11,961,670	$ -
Valdosta-Lowndes County Industrial Authority	2,598,388	-	16,970	-
Valdosta-Lowndes County Parks & Recreation Authority	4,230,533	515,212	47,484	2,173,893
TOTAL COMPONENT UNITS	$ 20,005,714	$ 1,526,938	$ 12,026,124	$ 2,173,893
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
$ (12,329,574)	$ -	$ (12,329,574)	$ -	$ -	$ -
(674,169)	-	(674,169)	-	-	-
(23,078,756)	-	(23,078,756)	-	-	-
(33,199,489)	-	(33,199,489)	-	-	-
(849,367)	-	(849,367)	-	-	-
(4,519,407)	-	(4,519,407)	-	-	-
(4,101,624)	-	(4,101,624)	-	-	-
(1,523,932)	-	(1,523,932)	-	-	-
(80,276,318)	-	(80,276,318)	-	-	-
-	885,847	885,847	-	-	-
-	367,298	367,298	-	-	-
-	(72,790)	(72,790)	-	-	-
-	(357,011)	(357,011)	-	-	-
-	823,344	823,344	-	-	-
$ (80,276,318)	$ 823,344	$ (79,452,974)	$ -	$ -	$ -
$ -	$ -	$ -	$ (203,397)	$ -	$ -
-	-	-	-	(2,581,418)	-
-	-	-	-	-	(1,493,944)
$ -	$ -	$ -	$ (203,397)	$ (2,581,418)	$ (1,493,944)
27,896,942	-	27,896,942	-	2,930,249	3,570,949
484,361	-	484,361	-	-	-
606,505	-	606,505	-	-	-
273,668	-	273,668	-	-	-
139,430	-	139,430	-	-	-
2,058,288	-	2,058,288	-	-	-
34,808,458	-	34,808,458	-	-	-
558,293	-	558,293	-	-	-
988,631	-	988,631	-	-	6,768
-	102,740	102,740	-	37,737	25
67,814,577	102,740	67,917,317	-	2,967,986	3,577,742
(12,461,742)	926,084	(11,535,658)	(203,397)	386,568	2,083,798
877,217	(877,217)	-	-	-	-
(11,584,525)	48,867	(11,535,658)	(203,397)	386,568	2,083,798
126,536,795	32,477,786	159,014,581	2,271,630	10,456,370	7,360,605
$ 114,952,270	$ 32,526,653	$ 147,478,923	$ 2,068,233	$ 10,842,938	$ 9,444,403

LOWNDES COUNTY, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2012

	General	Capital Projects Special Purpose Local Option Sales Tax VI	Other Governmental Funds	Total
ASSETS				
Equity in pooled cash and cash equivalents	$ 6,969,949	$ 20,193	$ 1,765,285	$ 8,755,427
Cash and cash equivalents in segregated accounts	961,654	936,966	4,181,526	6,080,146
Certificate of deposit	-	-	369,916	369,916
Government investment pool	1,093,160	1,872,851	426,930	3,392,941
Receivables (net of allowance for doubtful accounts)				
Taxes	1,598,715	-	-	1,598,715
Accounts	228,258	-	712,173	940,431
Special assessments	16,608	-	-	16,608
Sales Tax	1,065,605	1,837,250	-	2,902,855
Due from other governments	160,160	-	533,192	693,352
Restricted cash	-	5,526,237	-	5,526,237
Interfund receivable	7,614,787	-	-	7,614,787
Internal advances	1,500,000	-	-	1,500,000
TOTAL ASSETS	$ 21,208,896	$ 10,193,497	$ 7,989,022	$ 39,391,415

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

LOWNDES COUNTY, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET - CONTINUED
June 30, 2012

	General	Capital Projects Special Purpose Local Option Sales Tax VI	Other Governmental Funds	Total
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 679,588	$ -	$ 663,473	$ 1,343,061
Accrued wages	546,773	-	88,760	635,533
Accrued liabilities	1,240,235	-	-	1,240,235
Due to other governments	-	1,629,139	-	1,629,139
Interfund payable	-	6,515,543	629,973	7,145,516
Deferred revenue	1,312,692	-	11,201	1,323,893
TOTAL LIABILITIES	3,779,288	8,144,682	1,393,407	13,317,377
FUND BALANCES				
Restricted for:				
Jail operations	-	-	504,313	504,313
Tourism	-	-	24,727	24,727
Drug enforcement	-	-	964,236	964,236
Law library	-	-	356,839	356,839
Victim assistance	-	-	32,664	32,664
Drug abuse treatment			2,485	2,485
911 emergency telephone			10,033	10,033
Capital projects	-	2,048,815	4,485,083	6,533,898
Assigned for:				
Loans receivable	1,500,000	-	-	1,500,000
Unincorporated services	-	-	215,235	215,235
Property tax roll back	12,724,513	-	-	12,724,513
Unassigned reported in:				
General Fund	3,205,095	-	-	3,205,095
TOTAL FUND BALANCES	17,429,608	2,048,815	6,595,615	26,074,038
TOTAL LIABILITIES AND FUND BALANCES	$ 21,208,896	$ 10,193,497	$ 7,989,022	$ 39,391,415

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

LOWNDES COUNTY, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
June 30, 2012

Total Governmental Funds Balances		$ 26,074,038
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		(215,484)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		119,894,269
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	1,402,026	
Compensated absences payable	(11,641)	
		1,390,385
Revenue are not available to pay for current period expenditures and, therefore, are not reported in the funds.		
Deferred tax revenue		1,289,743
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest		(36,401)
Compensated absences payable		(1,211,732)
Bonds payable		(16,201,567)
Unamortized bond cost		303,092
Net other postemployment benefits		(5,764,073)
Capital leases payable		(10,570,000)
Net Assets of Governmental Activities		$ 114,952,270

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

LOWNDES COUNTY, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For The Year Ended June 30, 2012

	General	Capital Projects Special Purpose Local Option Sales Tax VI	Other Governmental Funds	Total
REVENUES:				
Taxes	$ 40,864,268	$ 22,030,417	$ 3,562,253	$ 66,456,938
Licenses and permits	8,119	-	124,049	132,168
Intergovernmental revenues	235,346	-	3,284,158	3,519,504
Charges for services	4,188,932	-	2,131,585	6,320,517
Fines and forfeitures	1,901,130	-	1,499,566	3,400,696
Investment income	2,473	3,558	8,100	14,131
Miscellaneous	211,983	-	420,865	632,848
TOTAL REVENUES	$ 47,412,251	$ 22,033,975	$ 11,030,576	$ 80,476,802
EXPENDITURES				
Current				
General Government				
Legislative and executive	9,646,842	-	-	9,646,842
Judicial	4,996,459	-	1,225,482	6,221,941
Public safety	19,385,512	-	7,260,913	26,646,425
Public works	4,217,487	3,183	1,533,480	5,754,150
Health and welfare	696,716	-	197,000	893,716
Culture and recreation	4,518,596	-	-	4,518,596
Housing and development	2,906,220	-	1,310,162	4,216,382
Intergovernmental	-	9,677,368	809,080	10,486,448
Capital Outlay	-	41,657	969,044	1,010,701
Debt Service	-	-		
Principal retirement	675,000	7,290,000	-	7,965,000
Interest	481,856	1,044,025	-	1,525,881
TOTAL EXPENDITURES	47,524,688	18,056,233	13,305,161	78,886,082
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(112,437)	3,977,742	(2,274,585)	1,590,720
OTHER FINANCING SOURCES (USES):				
TRANSFER IN	1,463,635	-	1,430,454	2,894,089
TRANSFER (OUT)	(1,287,771)	-	(729,101)	(2,016,872)
TOTAL OTHER FINANCING SOURCES (USES)	175,864	-	701,353	877,217
NET CHANGES IN FUND BALANCE	63,427	3,977,742	(1,573,232)	2,467,937
BEGINNING FUND BALANCE, RESTATED	17,366,181	(1,928,927)	8,168,847	23,606,101
FUND BALANCES AT END OF YEAR	$ 17,429,608	$ 2,048,815	$ 6,595,615	$ 26,074,038

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

LOWNDES COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2012

Net Change in Fund Balances - Total Governmental Funds		$ 2,467,937
Amounts reported for governmental activities on the statement of activities are different because of the following:		
Net Pension Obligation		
Change in pension liability resulting from contributions more than the annual required contribution		118,176
Internal service funds change in net assets:		
Internal service funds change in net assets less depreciation and compensated absences	290,175	
Depreciation	(857,589)	
Compensated absences	2,598	
		(564,816)
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	2,202,309	
Capital outlay - depreciable capital assets	1,080,782	
Depreciation	(22,550,064)	
		(19,266,973)
Revenues on the statement of activities that do no provide current financial resources are not reported as revenues in governmental funds:		
Property taxes	369,798	
Assessments	(789)	
		369,009
Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Other post employment benefits	(2,842,405)	
Compensated absences	(36,638)	
		(2,879,043)
Accrual of interest on bonds payable is not an expenditures in the governmental funds, but is accrued on the statement of activities.		
Accrued interest expense	1,947	
		1,947
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	7,290,000	
Capital lease payments	675,000	
		7,965,000
Changes in Net Assets of Governmental Activities		$ (11,584,525)

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

LOWNDES COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
June 30, 2012

	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	$ 1,229,207	$ 917,835	$ 30,168	$ 143,129	$ 2,320,339	$ 1,797,560
Cash and cash equivalents in segregated accounts	123,302	-	-	-	123,302	-
Government investment pool	-	-	-	-	-	19,069
Receivables (net of allowance for doubtful accounts):						
Accounts	986,413	81,832	977	2,679	1,071,901	23,076
Prepaid expense	-	-	-	-	-	96,274
Inventory	-	-	-	-	-	206,718
Deferred bond issue cost	13,434	-	-	-	13,434	-
Restricted assets						
Customer deposit account	165,051	-	-	-	165,051	-
TOTAL CURRENT ASSETS	2,517,407	999,667	31,145	145,808	3,694,027	2,142,697
NONCURRENT ASSETS						
Deferred bond issue cost	164,563	-	-	-	164,563	-
Capital Assets						
Land	2,486,904	203,639	-	-	2,690,543	-
Construction in progress	39,811	-	-	-	39,811	-
Depreciable capital assets, net	38,422,533	-	-	2,692	38,425,225	1,817,741
TOTAL NONCURRENT ASSETS	41,113,811	203,639	-	2,692	41,320,142	1,817,741
TOTAL ASSETS	43,631,218	1,203,306	31,145	148,500	45,014,169	3,960,438

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

LOWNDES COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS - CONTINUED
June 30, 2012

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer	Landfill	Special Tax Lighting District	Sanitation Fund	Total	Internal Service Funds
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	110,919	137	24,329	33,044	168,429	907,442
Accrued liabilities	18,735	-	-	10,527	29,262	1,068,719
Accrued interest payable	33,874	-	-	-	33,874	379
Interfund payable	-	-	-	-	-	469,271
Current portion of compensated absences payable	16,435	-	-	13,794	30,229	6,519
Current portion of capital lease obligations	-	-	-	-	-	42,900
Current portion of bonds payable	545,000	-	-	-	545,000	-
Current portion of unamortized bond premium	16,922	-	-	-	16,922	-
Current portion of interfund advance	500,000	-	-	-	500,000	-
Deferred revenue	15,126	-	-	78,550	93,676	-
Current portion of landfill postclosure cost	-	77,368	-	-	77,368	-
Payable from restricted assets:						
Customer deposits	169,950	-	-	-	169,950	-
TOTAL CURRENT LIABILITIES	1,426,961	77,505	24,329	135,915	1,664,710	2,495,230
LONG-TERM LIABILITIES						
Compensated absences	12,913	-	-	10,838	23,751	5,122
Interfund advance	1,000,000	-	-	-	1,000,000	-
Capital lease obligations	-	-	-	-	-	69,700
Unamortized bond premium	207,277	-	-	-	207,277	-
Bonds payable	8,670,000	-	-	-	8,670,000	-
Landfill postclosure cost	-	921,778	-	-	921,778	-
TOTAL LONG-TERM LIABILITIES	9,890,190	921,778	-	10,838	10,822,806	74,822
TOTAL LIABILITIES	11,317,151	999,283	24,329	146,753	12,487,516	2,570,052
NET ASSETS						
Invested in capital assets, net of related debt	31,510,049	203,639	-	2,692	31,716,380	1,705,141
Unrestricted	804,018	384	6,816	(945)	810,273	(314,755)
TOTAL NET ASSETS	$ 32,314,067	$ 204,023	$ 6,816	$ 1,747	$ 32,526,653	$ 1,390,386

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, 2012

	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	$ 4,623,466	$ -	$ 211,058	$ 594,198	$ 5,428,722	$ 8,444,016
Penalties	114,216	-	-	-	114,216	-
Other income	130,904	411,070	-	-	541,974	-
Connection fees	413,522	-	-	-	413,522	-
TOTAL OPERATING REVENUES	5,282,108	411,070	211,058	594,198	6,498,434	8,444,016
OPERATING EXPENSES						
Personal services	600,588	-	-	350,724	951,312	247,482
Payroll taxes	43,891	-	-	25,540	69,431	17,643
Fringe benefits	230,461	-	-	144,417	374,878	99,952
Contractual services	1,250,563	43,772	283,848	420,711	1,998,894	71,486
Insurance and bond	14,026	-	-	-	14,026	4,892,008
Materials and supplies	485,238	-	-	9,270	494,508	2,815,512
Depreciation	1,328,846	-	-	547	1,329,393	857,589
TOTAL OPERATING EXPENSES	3,953,613	43,772	283,848	951,209	5,232,442	9,001,672
OPERATING INCOME (LOSS)	1,328,495	367,298	(72,790)	(357,011)	1,265,992	(557,656)
NON-OPERATING REVENUES (EXPENSES)						
Interest revenue	102,740	-	-	-	102,740	23
Interest expense	(442,648)	-	-	-	(442,648)	(7,182)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(339,908)	-	-	-	(339,908)	(7,159)
INCOME (LOSS) BEFORE TRANSFERS	988,587	367,298	(72,790)	(357,011)	926,084	(564,815)
TRANSFERS IN	-	-	75,000	418,500	493,500	-
TRANSFERS OUT	(263,206)	(1,045,041)	-	(62,470)	(1,370,717)	-
CHANGE IN NET ASSETS	725,381	(677,743)	2,210	(981)	48,867	(564,815)
NET ASSETS AT BEGINNING OF YEAR	31,588,686	881,766	4,606	2,728	32,477,786	1,955,201
NET ASSETS AT END OF YEAR	$ 32,314,067	$ 204,023	$ 6,816	$ 1,747	$ 32,526,653	$ 1,390,386

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, 2012

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer	Landfill	Special Tax Lighting District	Sanitation Fund	Total	Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents						
Cash Flows From Operating Activities						
Cash received from customers	$ 5,467,395	$ -	$ 211,030	$ 511,144	$ 6,189,569	$ -
Cash received from other income	130,904	847,803	-	-	978,707	-
Cash received from other funds for services	-	-	-	-	-	8,438,100
Cash payments for personal services	(600,352)	-	-	(519,263)	(1,119,615)	(249,675)
Cash payments for payroll taxes	(43,891)	-	-	-	(43,891)	(17,643)
Cash payments for fringe benefits	(230,461)	-	-	-	(230,461)	(99,952)
Cash payments for contractual services	(1,292,657)	(107,664)	(282,622)	(411,980)	(2,094,923)	(71,486)
Cash payments for insurance and bond	(17,512)	-	-	-	(17,512)	(4,552,169)
Cash payments for materials and supplies	(485,238)	-	-	(9,270)	(494,508)	(3,142,347)
Net Cash Provided by (Used for) Operating Activities	2,928,188	740,139	(71,592)	(429,369)	3,167,366	304,828
Cash Flows From Noncapital Financing Activities						
Cash received from transfer-in	-	-	75,000	418,500	493,500	-
Cash payments from transfer-out	(263,206)	(1,045,041)	-	(62,470)	(1,370,717)	-
Net Cash From (Used For) Noncapital Financing Activities	(263,206)	(1,045,041)	75,000	356,030	(877,217)	-
Cash Flows From Capital and Related Financing Activities						
Cash payments for acquisition of capital assets	(290,588)	-	-	-	(290,588)	-
Cash payment on interfund advance	(500,000)	-	-	-	(500,000)	-
Cash payments for principal on bonds payable	(525,000)	-	-	-	(525,000)	-
Cash payments for interest on bonds payable	(444,055)	-	-	-	(444,055)	-
Cash payments for interest on capital leases	-	-	-	-	-	(129,993)
Net Cash Used For Capital and Related Financing Activities	(1,759,643)	-	-	-	(1,759,643)	(129,993)
Cash Flows From Investing Activities						
Cash received from interest	102,740	-	-	-	102,740	23
Net Cash Flows Provided By Investing Activities	102,740	-	-	-	102,740	23
Net Increase (Decrease) in Cash and Cash Equivalents	1,008,079	(304,902)	3,408	(73,339)	633,246	174,858
Cash and Cash Equivalents at Beginning of Year	509,481	1,222,737	26,760	216,468	1,975,446	1,641,771
Cash and Cash Equivalents at End of Year	$ 1,517,560	$ 917,835	$ 30,168	$ 143,129	$ 2,608,692	$ 1,816,629
Equity in pooled cash and cash equivalents	$ 1,229,207	$ 917,835	$ 30,168	$ 143,129	$ 2,320,339	$ 1,797,560
Cash and cash equivalents in segregated accounts	123,302	-	-	-	123,302	-
Customer deposit account	165,051	-	-	-	165,051	-
Government investment pool	-	-	-	-	-	19,069
Total Cash and Cash Equivalents	$ 1,517,560	$ 917,835	$ 30,168	$ 143,129	$ 2,608,692	$ 1,816,629

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, 2012

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer	Landfill	Special Tax Lighting District	Sanitation Fund	Total	Internal Service Funds
Reconciliation of Operating Income (Loss) To Net Cash Provided by (Used For) Operating Activities						
Operating Income (Loss)	$ 1,328,495	$ 367,298	$ (72,790)	$ (357,011)	$ 1,265,992	$ (557,656)
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided by (Used For) Operating Activities						
Depreciation	1,328,846	-	-	547	1,329,393	857,589
Amortization	(3,486)	-	-	-	(3,486)	-
Changes in Assets and Liabilities:						
(Increase) decrease in accounts receivable	308,183	436,733	(28)	7,051	751,939	(5,914)
(Increase) decrease in prepaid expense	-	-	-	-	-	(8,249)
(Increase) decrease in inventory	-	-	-	-	-	19,147
(Increase) decrease in interfund receivable	-	-	-	-	-	-
Increase (decrease) in accounts payable	(42,094)	33	1,226	8,731	(32,104)	101,057
Increase (decrease) in customer deposits	10,350	-	-	-	10,350	-
Increase (decrease) in accrued compensated absences	(1,453)	-	-	(794)	(2,247)	(2,597)
Increase (decrease) in interfund payable	-	-	-	-	-	(398,952)
Increase (decrease) in deferred revenues	(2,342)	-	-	(90,105)	(92,447)	-
Increase (decrease) in accrued liabilities	1,689	(63,925)	-	2,212	(60,024)	300,403
Net Cash Provided By (Used For) Operating Activities	$ 2,928,188	$ 740,139	$ (71,592)	$ (429,369)	$ 3,167,366	$ 304,828

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

LOWNDES COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2012

	Agency Funds
ASSETS	
Cash and cash equivalents in segregated accounts	$ 4,220,423
Due from others	118,589
TOTAL ASSETS	$ 4,339,012
LIABILITIES	
Due to others	$ 1,109,925
Collections held in escrow	3,229,087
TOTAL LIABILITIES	4,339,012
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 Southern Georgia Regional Commission is a joint venture of the members in the South Georgia 10 county area. Further information is provided in Note 21.

Based on the criteria of GASB 2100, the following entities are considered a component unit of Lowndes County, Georgia. The financial statements of the component units have been included as discretely presented component units. The component unit's column in the basic financial statements includes the financial data for the County's component units as reflected in their most recent audited financial statements. This is reported in a separate column from the County's financial information to emphasize that they are legally separate from the County.

Lowndes County Board of Health

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. 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

Valdosta-Lowndes County Industrial Authority

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.

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.

Valdosta-Lowndes County Parks and Recreation Authority

The Valdosta-Lowndes County Parks and Recreation Authority is a component unit based on the criteria of fiscal dependence. The County is providing funding for the Authority through a dedicated millage of 1.25 mils that provides the revenues along with fees to cover the cost of operations of the Authority. The 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.

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 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 four 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, 2012, but were levied to finance FY12 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.

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

G. Encumbrances

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

Note 1 - Summary of Significant Accounting Policies - Continued

G. Encumbrances - Continued

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

There were no encumbrances for the year ending June 30, 2012.

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.

Note 1 - Summary of Significant Accounting Policies - Continued

K. Restricted Assets

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

L. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net 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 for which the County chose to include all such items regardless of their acquisition date. The County was able to estimate the historical cost of the governmental activities infrastructure for the initial reporting of those assets. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. 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."

Note 1 - Summary of Significant Accounting Policies - Continued

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.

O. Accrued Liabilities and Long-Term Obligations

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

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

P. Fund Equity

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

Fund Balance

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

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

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

Note 1 - Summary of Significant Accounting Policies - Continued

P. Fund Equity (Continued)

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

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

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

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

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

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

Q. Operating Revenues and Expenses

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

Note 1 - Summary of Significant Accounting Policies - Continued

R. Interfund Transactions

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

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

S. Management Estimates

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

Note 2 – Deposits and Investments

Lowndes County maintains investments in a local government investment pool through the State of Georgia Office of State Treasurer. The balance at June 30, 2012 was $3,380,510 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.

Note 2 – Deposits and Investments - Continued

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 3 – Property Taxes

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

The property tax calendar is as follows:

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

Taxes are collected throughout the year.

Note 4 – Payment in Lieu of Taxes

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

Note 5 – Hotel/Motel Lodging Tax

Lowndes County levies a 5% hotel motel lodging tax of which 2% is designated for the promotion of tourism. All of the tourism funds are provided to the Valdosta-Lowndes County Conference Center & Tourism Authority which amounted to $109,467. 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 $273,668. The balance of funds was used by the County to assist with appropriations to the Valdosta-Lowndes County Airport Authority bringing the total expenditures to 100% of revenues.

Note 6 – Receivables

Receivables at June 30, 2012, 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 – Due From Other Governments

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

General Fund	
City of Valdosta - Prisoner Housing	$ 160,160
Total - General Fund	$ 160,160
Special Revenue Funds	
Nonmajor funds	
Southern Judicial Circuit - ADR	$ 7,098
Georgia Emergency Management Agency	8,173
Criminal Justice Coordinating Council	23,568
Georgia Department of Transportation	422,968
U.S. Department of Justice	1,543
Total - Special Revenue Funds	$ 463,350
Capital Project Funds	
Nonmajor funds	
Georgia Department of Transportation	$ 69,842
Total - Capital Project Funds	$ 69,842
Total - Due From Other Governments	$ 693,352

Note 8 – Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

	Balance at July 1, 2011	Prior Year Adjustment	Additions	Reductions	Balance at June 30, 2012
Primary Government					
Governmental Activities:					
Nondepreciable Capital Assets:					
Land	$ 2,799,215	$ -	$ -	$ -	$ 2,799,215
Construction in progress	485,920	2,506,482	2,202,310	158,172	5,036,540
Total Nondepreciable Capital Assets	3,285,135	2,506,482	2,202,310	158,172	7,835,755
Depreciable Capital Assets:					
Buildings and building improvements	$ 84,377,036	$ -	$ 142,158	$ -	$ 84,519,194
Improvements other than buildings	1,023,866	-	-	-	1,023,866
Machinery and equipment	30,563,058	-	91,186	-	30,654,244
Vehicles	9,682,836	-	714,985	-	10,397,821
Infrastructure	306,930,742	-	290,625	-	307,221,367
Total Depreciable Capital Assets	432,577,538	-	1,238,954	-	433,816,492
Less Accumulated Depreciation for:					
Buildings and building improvements	18,061,425	-	1,461,415	-	19,522,840
Improvements other than buildings	713,270	-	20,933	-	734,203
Machinery and equipment	23,799,697	-	1,598,435	-	25,398,132
Vehicles	7,731,961	-	730,357	-	8,462,318
Infrastructure	246,226,231	-	19,596,513	-	265,822,744
Total Accumulated Depreciation	296,532,584	-	23,407,653	-	319,940,237
Total Depreciable Capital Assets, Net	136,044,954	-	(22,168,699)	-	113,876,255
Governmental Activities Capital Assets, Net	$139,330,089	$ 2,506,482	$ (19,966,389)	$ 158,172	$121,712,010

The prior year adjustment is to recognize construction in progress from the prior year that was not capitalized in the prior year.

Note 8 – Capital Assets – Continued

	Balance at July 1, 2011	Additions	Reductions	Balance at June 30, 2012
Business Type Activities:				
Nondepreciable Capital Assets:				
Land	$ 2,690,543	$ -	$ -	$ 2,690,543
Construction in progress	2,096,369	19,095	2,075,653	39,811
Total Nondepreciable Capital Assets	4,786,912	19,095	2,075,653	2,730,354
Depreciable Capital Assets:				
Machinery and equipment	$ 56,236,444	$ 2,347,147	$ -	$ 58,583,591
Vehicles	95,298	-	-	95,298
Total Depreciable Capital Assets	56,331,742	2,347,147	-	58,678,889
Less Accumulated Depreciation for:				
Machinery and equipment	18,842,151	1,319,699	-	20,161,850
Vehicles	82,120	9,694	-	91,814
Total Accumulated Depreciation	18,924,271	1,329,393	-	20,253,664
Total Depreciable Capital Assets, Net	37,407,471	1,017,754	-	38,425,225
Business Type Activities Capital Assets, Net	$ 42,194,383	$ 1,036,849	$ 2,075,653	$ 41,155,579

Depreciation was charged to governmental functions as follows:

Governmental activities:	
General Government	
Legislative and Executive	$ 688,952
Judicial	354,749
Public Safety	2,279,557
Public Works	20,083,585
Culture and Recreation	810
Total Depreciation Expense - Governmental Activities	$ 23,407,653
Business-type activities:	
Water and Sewer	$ 1,328,846
Sanitation	547
Total Depreciation Expense - Business-type Activities	$ 1,329,393

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, 2012 are as follows:

	Due From				
	SPLOST VI	Nonmajor Governmental Funds	Business-Type Funds	Internal Service Funds	Total
Due To					
General Fund	$ 6,515,543	$ 629,973	$ 1,500,000	$ 469,271	$ 9,114,787
	$ 6,515,543	$ 629,973	$ 1,500,000	$ 469,271	$ 9,114,787

Interfund transfers for the year ending June 30, 2012 consisted of the following:

	Transfer From					
	General Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Landfill Fund	Sanitation Fund	Total
Transfer To						
General Fund	$ -	$ 511,418	$ 263,206	$ 626,541	$ 62,470	$ 1,463,635
Nonmajor Governmental Fund	1,287,771	142,683	-	-	-	1,430,454
Street Lighting Fund	-	75,000	-	-	-	75,000
Sanitation Fund	-	-	-	418,500	-	418,500
	$ 1,287,771	$ 729,101	$ 263,206	$ 1,045,041	$ 62,470	$ 3,387,589

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 and to reimburse expenses for a SPLOST V capital project. 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 $162,558 and the Workers Compensation Fund has a net asset balance of $10,479 as of June 30, 2012. At June 30, 2012 the Health Insurance Fund has a claims liability of $622,885 and the Workers Compensation Fund has a claims liability of $1,060,000 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 2011 and 2012 were:

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

Fiscal Year 2012	Beginning	Claims Estimates	Claims Paid	Ending
Group Health Fund	$ 569,068	$ 3,446,044	3,392,227	$ 622,885
Workers' Compensation Fund	760,000	727,563	427,563	1,060,000
	$ 1,329,068	$ 4,173,607	$ 3,819,790	$ 1,682,885

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 $ 622,885 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 $1,060,000 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 Pension Plan

The county contributes to the Association of County Commissioners of Georgia Restated Pension Plan for Lowndes County Employees (The Plan), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan, administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan as provided in Section 19.02 of the ACCG Plan document.

Membership

As of January 1, 2012, the most recent actuarial valuation date, the Plan membership consisted of the following categories of participants:

Retirees and beneficiaries receiving benefits	147
Terminated plan members entitled to but not yet receiving benefits	235
Active plan members	487
Total number of plan participants	869

Funding Policy

The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes. Plan members are not required to contribute.

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.

Note 11 – Defined Benefit Pension Plan - Continued

Annual Pension Cost

The County's annual pension cost and net pension obligation for the current fiscal year were determined as follows:

Annual required contribution	$	2,372,153
Interest on net pension obligation		25,859
Amortization of net pension obligation (asset)		(27,668)
Annual pension cost	$	2,370,344

Derivation of Net Pension Obligation

Annual pension cost	$	2,370,344
Actual contributions to plan		2,488,520
Increase in net pension obligation (asset)		(118,176)
Net pension obligation (asset) beginning of year		333,660
Net pension obligation (asset) end of year	$	215,484

Basis of Valuation and Actuarial Assumptions

Annual return on invested plan assets	7.75%
Projected annual salary increases	4.0%-6.5% based on age
Expected annual inflation	3.00%
Actuarial value of assets	Market Value
Acuarial funding method	Projected Unit Credit
Amortization method	Level Percent of Pay (closed)

The following is a schedule of funding progress:

Calendar Year	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL UAAL	Funded Ratio	Covered Payroll	Percentage of Covered Payroll
2011	$ 23,810,554	$ 34,722,635	$10,912,081	68.6%	$ 16,161,704	67.5%
2010	21,876,638	32,291,448	10,414,810	67.7%	15,438,775	67.5%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets in increasing or decreasing over time relative to the actuarial accrued liability. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2012.

Note 11 – Defined Benefit Pension Plan - Continued

Trend Information for the Plan

Fiscal Year Ending	Annual Pension Cost	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
June 30, 2012	$ 2,370,344	$ 2,488,520	105%	$ 215,484
June 30, 2011	2,210,836	1,022,314	46%	333,660
June 30, 2010	1,959,366	2,127,107	109%	(854,862)
June 30, 2009	1,564,953	1,656,183	106%	(687,121)
June 30, 2008	1,394,551	1,486,185	107%	(595,891)

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.

Note 12 - Deferred Compensation Plan - Continued

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– Other Post Employment Benefits

Plan Description

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

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

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

The monthly retiree contributions are as follows:

Medical Tier	Non-Medicare Eligible Retiree	Medicare Eligible Retiree
Retiree Only	$ 166.66	$ 83.33
Family	$ 285.86	$ 142.90

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

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

Note 13– Other Post Employment Benefits - Continued

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

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

Funded Status and Funding Progress

Funding is provided through the general fund as required to the self insurance fund. Premiums paid by retired employees were $67,777 and the County's funding was $84,486.

The annual required contribution amount was determined using actuarial methods.

Annual Required Contribution	$ 2,921,668
Interest on net OPEB Obligation	116,867
Adjustment to annual required contribution	(111,644)
Annual OPEB cost	2,926,891
Emloyer contributions for period ending June 30, 2012	(84,486)
Increase in net OPEB Obligation	2,842,405
Net OPEB obligation beginning of year	2,921,668
Net OPEB obligation end of year	$ 5,764,073

The annual required contribution was determined as part of the January 1, 2011 actuarial valuation. The chart below shows the annual OPEB cost for the current fiscal year, along with the percentage actually contributed by the County.

Fiscal Year Ending	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2012	$ 2,926,891	2.89%	$ 5,764,073
6/30/2011	2,921,668	0.00%	2,921,668

Note 13– Other Post Employment Benefits - Continued

Funded Status and Funding Progress - Continued

As of the most recent valuation date, January 1, 2011, the funded status of the OPEB Plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL UAAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2011	$ -	$ 26,402,926	$ 26,402,926	0.0%	$ 20,155,927	130.99%

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continued revision as a result are compared to past expectations and new estimates are made about the future Actuarial calculations reflect a long-term perspective. Calculations are based on the plan in effect at January 1, 2011. The assumptions used in the January 1, 2011 actuarial valuation are as follows:

Actuarial cost method	Projected unit credit
Amortization method	Level Percetage of Pay, open
Amortization period	30 Years
Asset valuation method	Market Value of Assets
Actuarial assumptions:	
Investment rate of return*	4.00%
Pre-Medicare trend rate	10.50%-5.00%
Post-Mediare trend rate	8.50%-5.00%
*Includes inflation at	3.00%

Note 14 – Compensated Absences

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

Note 14 – Compensated Absences - Continued

	Balance at July 1, 2011	Additions	Reductions	Balance at June 30, 2012	Amount Due In One Year
Primary Government:					
Governmental Activities:					
Compensated absences	$ 1,189,333	$ 700,067	$ 666,027	$ 1,223,373	$ 685,089
Business Type Activities:					
Compensated absences	56,227	29,240	31,487	53,980	30,229
Total Primary Government	$ 1,245,560	$ 729,307	$ 697,514	$ 1,277,353	$ 715,318
Component Units:					
Board of Health:					
Compensated absences	$ 557,126	$ 350,206	$ 317,562	$ 589,770	$ 336,169
Parks & Recreation Authority:					
Compensated absences	45,406	28,083	15,024	58,465	28,207
Total Component Units	$ 602,532	$ 378,289	$ 332,586	$ 648,235	$ 364,376

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	(7,226,575)
Total	$ 16,403,926

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, 2012 is $ 1,925,478.

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, 2012 is $ 13,115,000.

Note 16 – Long-Term Debt

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2012:

	Balance at July 1, 2011	Additions	Reductions	Balance at June 30, 2012	Amount Due In One Year
Governmental Activities					
Capital leases - CVDA	$ 11,245,000	$ -	$ 675,000	$ 10,570,000	$ 1,540,300
General Obligation Sales Tax Bonds	22,780,000	-	7,290,000	15,490,000	7,590,000
Unamortized Bond Premium	1,067,351	-	355,784	711,567	355,784
Capital leases - Fleet Fund	235,000	-	122,400	112,600	42,900
Total Governmental Activities	$ 35,327,351	$ -	$ 8,443,184	$ 26,884,167	$ 9,528,984

	Balance at July 1, 2011	Additions	Reductions	Balance at June 30, 2012	Amount Due In One Year
Business - Type Activities					
Revenue bonds	$ 9,740,000	$ -	$ 525,000	$ 9,215,000	$ 545,000
Unamortized Bond Premium	241,119	-	16,920	224,199	16,920
Total Business-Type Activities	$ 9,981,119	$ -	$ 541,920	$ 9,439,199	$ 561,920

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 $711,567 and on the revenue bonds amounted to $224,199 at June 30, 2012.

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	2007	3.95%	$ 2,048,000	2017	Variable
Business Activities						
Revenue Bonds	Water & Sewer Capital Improvements	2006	Fixed	$ 12,500,000	2025	Variable

Note 16 – Long-Term Debt – Continued

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 2004 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 2006 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 2008 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
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	831,400	343,487		
2018-2022	4,629,100	1,154,880	-	-
2023-2024	2,165,000	145,825	-	-
Total	$ 10,682,600	$ 3,315,643	$ 15,490,000	$ 718,012

Unamortized bond premium amounted to $711,567.

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
2013	$ 545,000	$ 426,338
2014	560,000	407,263
2015	585,000	384,863
2016	615,000	355,613
2017	635,000	332,550
2018-2022	3,635,000	1,216,150
2023-2025	2,640,000	268,500
Total	$ 9,215,000	$ 3,391,277

Unamortized bond premium amounted to $224,199.

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, 2012 was $264,723,217 based on a total assessed values of $2,802,132,175 less the general obligation bonded debt outstanding of $15,490,000.

Note 18 – Landfill Postclosure Cost

	Balance at July 1, 2011	Additions	Reductions	Balance at June 30, 2012	Amount Due In One Year
Business Type Activities:					
Postclosure care cost	$ 1,063,072	$ -	$ 63,926	$ 999,146	$ 77,368

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 $999,146 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, 2012, was as follows:

Equipment	$ 2,603,412
Vehicles	159,485
Less: Accumulated Depreciation	(2,210,795)
Net Property and Equipment	$ 552,102

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, 2012 were $589,505. 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, 2012, was as follows:

Land	$ 16,860,814
Land improvements	8,097,040
Equipment	274,150
Less: Accumulated Depreciation	(4,369,834)
Net Property and Equipment	$ 20,862,170

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
2013	$ 89,315	$ 10,847
2014	93,232	6,930
2015	97,321	2,841
2016	16,427	63
Total	$ 296,295	$ 20,681

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
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	$ 1,925,478	$ 320,050

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
2013	$ 740,000	$ 939,958
2014	780,000	897,408
2015	835,000	843,198
2016	895,000	785,165
2017	955,000	722,963
2018-2022	5,895,000	2,500,068
2023-2025	3,015,000	343,122
Total	$ 13,115,000	$ 7,031,882

During the year ended June 30, 2012 interest paid on the 1996 and 2008 Series Bonds was in the amount of $1,078,652.

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, 2012, was as follows:

Land	$ 3,484,425
Land improvements	5,555,978
Equipment	283,385
Vehicles	181,764
Less: Accumulated Depreciation	(1,030,305)
Net Property and Equipment	$ 8,475,247

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 $66,014 to the Regional Commission for the year ended June 30, 2012. 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
3395 Harris Road
Waycross. Georgia 31503

Note 22 – Related Party Transactions

The County appropriated $289,237 to the Valdosta - Lowndes County Airport Authority and $324,467 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.

Commitments. The County is contingently liable for the obligations of two authorities through funding agreements. The first is 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 2011, in the aggregate principal amount of $15,000,000.

Note 23 – Contingent Liabilities - Continued

Commitments. The second funding agreement is with the Hospital Authority of Valdosta and Lowndes County, Georgia guaranteeing the funding necessary for the repayment of Hospital Authority of Valdosta and Lowndes County, Georgia Revenue Certificates, Series 2011B, in the aggregate principal amount of $148,280,000. The certificates are to be retired from revenues generated from the operations of South Georgia Medical Center.

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

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

Note 24 – 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 levy of county taxes for the Valdosta-Lowndes County Industrial Authority and the Valdosta-Lowndes County Parks and Recreation Authority are shown as property tax revenues and appropriations of those funds as expenditures in accordance with GASB Statement 11. Prior year comparisons have been modified to reflect this change in presentation.

Note 26 – Prior Year Adjustments

Primary Government:

Prior year adjustments to Net Assets consist of the following:

	Governmental Activities
Net Assets, Beginning of Year	$ 129,125,981
Prior Year Adjustments:	
Adjust for OPEB valuation liability	(2,921,668)
Adjust construction in progress	2,506,483
Adjust sales tax receivable	(2,174,001)
Net Assets, Restated	$ 126,536,795

The prior year adjustments account for the valuation of the OPEB liability valuation as of January 1, 2011, correct the construction in progress amounts for capital items not capitalized in the prior year and adjust the sales tax receivable to one month's receipt for the prior year's accrual.

Note 25 – Prior Year Adjustments - Continued

Prior year adjustments to the General Fund and SPLOST VI fund balances consist of the following:

	General Fund	SPLOST VI Fund
Fund Balance, Beginning of Year	$ 18,471,581	$ (860,326)
Prior Year Adjustment:		
Adjust sales tax receivable	(1,105,400)	(1,068,601)
Fund Balance, Restated	$ 17,366,181	$ (1,928,927)

The prior year adjustment for the sales tax receivable is to correct the amount accrued to one month's receipts in the previous year's balance.

Note 26 – Subsequent Event

Subsequent events were evaluated through January 30, 2013, which is the date the financial statements were available to be issued.

In November 2012, a referendum was held for a new SPLOST to begin January 2014. The SPLOST referendum was defeated. The County is allowed by state law to have another SPLOST referendum vote in November 2013 and if passed the new SPLOST would begin April 2014.

In December 2012 the County refunded the Series 2003 Revenue Bonds issued through the Central Valdosta Development Authority and the Series 2005 Revenue Bonds issued through the Lowndes County Public Facilities Authority to reduce interest cost over the remaining life of the bonds. Both bond refunding were issued through the Lowndes County Public Facilities Authority. Interest savings was in excess of $1,000,000.

In December 2012 the County entered into an exclusive contract with a private provider for sanitation services and effective January 30, 2013 will no longer provide those services.

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, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES:				
Taxes	$ 33,975,000	$ 40,868,500	$ 40,864,268	$ (4,232)
Licenses and permits	7,500	7,500	8,119	619
Intergovernmental revenues	209,250	236,250	235,346	(904)
Charges for services	3,887,541	4,219,541	4,188,932	(30,609)
Fines and forfeitures	1,400,000	1,895,000	1,901,130	6,130
Investment income	5,000	5,000	2,473	(2,527)
Miscellaneous	15,000	155,000	211,983	56,983
TOTAL REVENUES	**39,499,291**	**47,386,791**	**47,412,251**	**25,460**
EXPENDITURES:				
GENERAL GOVERNMENT				
Board of Commissioners				
Personal services	59,946	79,246	79,450	204
Supplies	1,500	1,500	679	(821)
Other services and charges	29,851	38,851	39,354	503
	91,297	119,597	119,483	(114)
County Manager				
Personal services	320,668	341,668	343,356	1,688
Supplies	254	254	266	12
Other services and charges	17,568	17,568	15,747	(1,821)
	338,490	359,490	359,369	(121)
County Clerk				
Personal services	169,502	191,252	188,959	(2,293)
Supplies	1,450	1,450	387	(1,063)
Other services and charges	3,898	3,898	6,779	2,881
	174,850	196,600	196,125	(475)

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, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
Board of Elections				
Personal services	267,518	336,538	347,300	10,762
Supplies	10,680	10,680	15,295	4,615
Other services and charges	114,758	88,238	72,412	(15,826)
	392,956	435,456	435,007	(449)
County Attorney				
Other services and charges	250,000	371,500	371,356	(144)
	250,000	371,500	371,356	(144)
Finance				
Personal services	330,566	330,566	344,602	14,036
Supplies	2,000	2,000	1,836	(164)
Other services and charges	160,634	160,634	142,135	(18,499)
	493,200	493,200	488,573	(4,627)
Human Resources				
Personal services	250,730	280,730	279,975	(755)
Supplies	1,800	1,800	1,858	58
Other services and charges	640,095	640,095	640,404	309
	892,625	922,625	922,237	(388)
Information Technology Services				
Personal services	467,379	489,379	495,355	5,976
Supplies	18,300	18,300	18,922	622
Other services and charges	513,448	513,448	540,019	26,571
Capital outlay	518,500	280,750	247,551	(33,199)
	1,517,627	1,301,877	1,301,847	(30)
General Facilities				
Supplies	11,000	6,000	5,117	(883)
Other services and charges	115,000	100,000	99,853	(147)
	126,000	106,000	104,970	(1,030)

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, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
Tax Commissioner				
Personal services	1,016,747	1,016,747	1,062,234	45,487
Supplies	14,717	14,717	20,241	5,524
Other services and charges	195,239	195,239	143,644	(51,595)
Capital outlay	1,500	1,500	528	(972)
	1,228,203	1,228,203	1,226,647	(1,556)
Board of Assessors				
Personal services	1,124,365	1,174,365	1,173,849	(516)
Supplies	5,000	5,000	5,019	19
Other services and charges	123,425	233,425	232,662	(763)
	1,252,790	1,412,790	1,411,530	(1,260)
Facilities Maintenance				
Personal services	765,665	807,665	806,166	(1,499)
Supplies	23,630	23,630	26,563	2,933
Other services and charges	2,188,753	2,188,753	2,219,924	31,171
Capital outlay	35,000	35,000	1,983	(33,017)
	3,013,048	3,055,048	3,054,636	(412)
Engineering				
Personal services	527,373	572,373	568,541	(3,832)
Supplies	3,100	3,100	216	(2,884)
Other services and charges	79,896	79,896	85,717	5,821
	610,369	655,369	654,474	(895)
Contingency				
Other services and charges	232,513	157,513	157,444	(69)
	232,513	157,513	157,444	(69)
Total - General Government	**10,613,968**	**10,815,268**	**10,803,698**	**(11,570)**

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, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
JUDICIAL				
Superior Court				
Personal services	358,261	351,761	351,560	(201)
Supplies	920	920	556	(364)
Other services and charges	45,040	37,540	37,633	93
	404,221	390,221	389,749	(472)
Clerk of Court				
Personal services	829,930	870,930	870,591	(339)
Supplies	9,500	9,500	13,152	3,652
Other services and charges	245,075	267,575	265,953	(1,622)
Capital outlay	2,000	2,000	-	(2,000)
	1,086,505	1,150,005	1,149,696	(309)
District Attorney				
Other services and charges	625,089	620,089	620,089	-
	625,089	620,089	620,089	-
District Court Administrator				
Other services and charges	4,800	4,800	4,800	-
	4,800	4,800	4,800	-
State Court				
Personal services	696,820	713,820	732,062	18,242
Supplies	5,300	5,300	4,970	(330)
Other services and charges	83,366	83,366	64,986	(18,380)
	785,486	802,486	802,018	(468)
Magistrate Court				
Personal services	598,086	613,086	613,409	323
Supplies	4,500	4,500	4,465	(35)
Other services and charges	32,963	32,963	32,390	(573)
	635,549	650,549	650,264	(285)
Probate Court				
Personal services	283,704	317,704	317,520	(184)
Supplies	3,500	3,500	3,674	174
Other services and charges	83,750	88,250	88,027	(223)
	370,954	409,454	409,221	(233)
Ankle Monitor				
Personal services	-	6,500	6,228	(272)
Supplies	-	700	655	(45)
Other services and charges	-	23,000	22,771	(229)
	-	30,200	29,654	(546)

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, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
Juvenile Court				
Personal services	84,359	90,859	90,018	(841)
Other services and charges	22,300	35,300	35,621	321
	106,659	126,159	125,639	(520)
Probation				
Other services and charges	4,665	4,665	3,627	(1,038)
	4,665	4,665	3,627	(1,038)
Circuit Public Defender				
Other services and charges	810,323	811,823	811,702	(121)
	810,323	811,823	811,702	(121)
Total - Judicial	**4,834,251**	**5,000,451**	**4,996,459**	**(3,992)**
PUBLIC SAFETY				
Sheriff				
Personal services	11,939,007	12,899,007	12,898,068	(939)
Supplies	83,000	163,000	163,568	568
Other services and charges	3,976,667	4,311,667	4,311,554	(113)
	15,998,674	17,373,674	17,373,190	(484)
Animal Control				
Personal services	424,463	510,463	510,488	25
Supplies	29,553	36,053	36,404	351
Other services and charges	198,348	209,848	209,223	(625)
	652,364	756,364	756,115	(249)
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	63,787	63,787	70,054	6,267
Supplies	500	500	778	278
Other services and charges	30,377	30,377	23,305	(7,072)
	94,664	94,664	94,137	(527)
Emergency Management Agency				
Personal services	76,616	83,116	83,143	27
Supplies	10,250	10,250	7,548	(2,702)
Other services and charges	88,902	102,902	105,150	2,248
	175,768	196,268	195,841	(427)
Total - Public Safety	**17,887,699**	**19,387,199**	**19,385,512**	**(1,687)**

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, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
PUBLIC WORKS				
Administration				
Personal services	317,171	333,671	343,803	10,132
Supplies	3,000	3,000	5,189	2,189
Other services and charges	51,725	51,725	39,055	(12,670)
	371,896	388,396	388,047	(349)
Road Maintenance				
Personal services	1,669,921	1,764,921	1,765,141	220
Supplies	7,914	7,914	10,587	2,673
Other services and charges	1,045,788	1,095,788	1,092,719	(3,069)
Capital outlay	-	12,500	12,185	(315)
	2,723,623	2,881,123	2,880,632	(491)
Road Construction				
Personal services	406,720	462,720	462,445	(275)
Supplies	3,007	3,007	2,806	(201)
Other services and charges	305,094	318,094	318,396	302
	714,821	783,821	783,647	(174)
Traffic Signals				
Other services and charges	137,200	165,200	165,161	(39)
	137,200	165,200	165,161	(39)
Total - Public Works	**3,947,540**	**4,218,540**	**4,217,487**	**(1,053)**

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, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
HEALTH AND WELFARE				
Feed The Elderly				
Supplies	-	100	94	(6)
Other services and charges	-	24,600	24,535	(65)
	-	24,700	24,629	(71)
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	330,600	330,541	(59)
	330,000	330,600	330,541	(59)
Extension Services				
Supplies	2,200	2,200	2,841	641
Other services and charges	194,362	139,362	138,035	(1,327)
Capital outlay	-	1,200	1,170	(30)
	196,562	142,762	142,046	(716)
Family Services				
Other services and charges	124,500	124,500	124,500	-
	124,500	124,500	124,500	-
Total - Health and Welfare	**726,062**	**697,562**	**696,716**	**(846)**

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, 2012

	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	-
Parks and Recreation Authority				
Other services and charges	-	3,520,000	3,518,596	(1,404)
	-	3,520,000	3,518,596	(1,404)
Total - Culture & Recreation	**1,000,000**	**4,520,000**	**4,518,596**	**(1,404)**
HOUSING AND DEVELOPMENT				
Equalization Board				
Other services and charges	12,000	18,500	18,274	(226)
	12,000	18,500	18,274	(226)
Moody Support Group				
Other services and charges	75,000	45,500	32,692	(12,808)
	75,000	45,500	32,692	(12,808)
Chambers of Commerce				
Other services and charges	-	20,000	20,000	-
	-	20,000	20,000	-
Industrial Authority				
Other services and charges	-	2,835,500	2,835,254	(246)
	-	2,835,500	2,835,254	(246)
Total - Housing & Development	**87,000**	**2,919,500**	**2,906,220**	**(13,280)**
TOTAL EXPENDITURES	**39,096,520**	**47,558,520**	**47,524,688**	**(33,832)**
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	402,771	(171,729)	(112,437)	59,292
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	-	1,460,000	1,463,635	3,635
TRANSFERS (OUT)	(402,771)	(1,288,271)	(1,287,771)	500
TOTAL OTHER FINANCING SOURCES (USES)	(402,771)	171,729	175,864	4,135
NET CHANGE IN FUND BALANCE	-	-	63,427	63,427
BEGINNING FUND BALANCE, RESTATED	-	-	17,366,181	17,366,181
FUND BALANCES AT END OF YEAR	$ -	$ -	$ 17,429,608	$ 17,429,608

See accompanying note to budgetary comparison schedules.

LOWNDES COUNTY, GEORGIA
NOTES TO BUDGETARY COMPARISON SCHEDULES
For the Year Ended June 30, 2012

Note 1 - Budgetary Basis of Accounting

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

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

There were no encumbrances for any fund for the year ending June 30, 2012.

LOWNDES COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2012

SCHEDULE OF FUNDING PROGRESS – PENSION
2006-2011
(Unaudited)

Calendar Year	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL UAAL	Funded Ratio	Covered Payroll	Percentage of Covered Payroll
2011	$ 23,810,554	$ 34,722,635	$10,912,081	68.6%	$ 16,161,704	67.5%
2010	21,876,638	32,291,448	10,414,810	67.7%	15,438,775	67.5%
2009	21,092,177	29,391,168	8,298,991	71.8%	14,704,109	56.4%
2008	18,977,095	25,798,820	6,821,725	73.6%	13,630,463	50.0%
2007	18,679,382	23,128,221	4,448,839	80.8%	12,899,134	34.5%
2006	16,835,059	20,969,547	4,134,488	80.3%	12,393,935	33.4%

Note: See assumptions used for the schedule of Funding Progress in Note 11 to the financial statements.

SCHEDULE OF FUNDING PROGRESS – OPEB
2011
(Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL UAAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2011	$ -	$ 26,402,926	$ 26,402,926	0.0%	$ 20,155,927	130.99%

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

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COMBINING AND INDIVIDUAL FUND SCHEDULES

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 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 VI FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Taxes	$ 21,000,000	$ 21,000,000	$ 22,030,417	$ 1,030,417
Investment income	5,000	5,000	3,558	(1,442)
TOTAL REVENUES	21,005,000	21,005,000	22,033,975	1,028,975
EXPENDITURES				
Current				
Public works	200,000	200,000	3,183	(196,817)
Intergovernmental	11,905,000	11,905,000	9,677,368	(2,227,632)
Capital outlay	(100,000)	(100,000)	41,657	141,657
Debt service	9,000,000	9,000,000	8,334,025	(665,975)
TOTAL EXPENDITURES	21,005,000	21,005,000	18,056,233	(2,948,767)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	3,977,742	3,977,742
BEGINNING FUND BALANCE, RESTATED	-	-	(1,928,927)	(1,928,927)
FUND BALANCE AT END OF YEAR	$ -	$ -	$ 2,048,815	$ 2,048,815

See accompanying note to budgetary comparison schedules.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

Intergovernmental Grants – To account for various grant revenues received.

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

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

Capital Projects 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.

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

LOWNDES COUNTY, GEORGIA
ALL NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2012

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Equity in pooled cash and cash equivalents	$ 696,757	$ 1,068,528	$ 1,765,285
Cash and cash equivalents in segregated accounts	1,112,160	3,069,366	4,181,526
Certificate of deposit	369,916	-	369,916
Government investment pool	31,500	395,430	426,930
Accounts	712,173	-	712,173
Due from other governments	463,350	69,842	533,192
TOTAL ASSETS	$ 3,385,856	$ 4,603,166	$ 7,989,022
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	$ 550,391	$ 113,082	$ 663,473
Accrued wages	88,760	-	88,760
Deferred revenue	11,201	-	11,201
Interfund payable	624,972	5,001	629,973
TOTAL LIABILITIES	1,275,324	118,083	1,393,407
Fund Balance (Deficit)			
Restricted for capital projects	-	4,485,083	4,485,083
Restricted for jail operations	504,313	-	504,313
Restricted for tourism	24,727	-	24,727
Restricted for drug enforcement operations	964,236	-	964,236
Restricted for law library	356,839	-	356,839
Restricted for victim assistance	32,664	-	32,664
Restricted for drug abuse treatment	2,485	-	2,485
Restricted for 911 emergency telephone	10,033	-	10,033
Assigned for unincorporated services	215,235	-	215,235
Unassigned	-	-	-
TOTAL FUND BALANCE (DEFICIT)	2,110,532	4,485,083	6,595,615
TOTAL LIABILITIES AND FUND BALANCE	$ 3,385,856	$ 4,603,166	$ 7,989,022

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, 2012

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	$ 3,562,253	$ -	$ 3,562,253
Licenses and permits	124,049	-	124,049
Intergovernmental revenues	2,789,995	494,163	3,284,158
Charges for services	2,131,585	-	2,131,585
Fines and forfeitures	1,499,566	-	1,499,566
Investment income	5,896	2,204	8,100
Miscellaneous	420,865	-	420,865
TOTAL REVENUES	10,534,209	496,367	11,030,576
EXPENDITURES			
Current			
General government			
Judicial	513,861	711,621	1,225,482
Public safety	7,260,913	-	7,260,913
Public works	1,511,979	21,501	1,533,480
Health and welfare	197,000	-	197,000
Housing and development	1,257,752	52,410	1,310,162
Intergovernmental	-	809,080	809,080
Capital outlay	-	969,044	969,044
TOTAL EXPENDITURES	10,741,505	2,563,656	13,305,161
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(207,296)	(2,067,289)	(2,274,585)
OTHER FINANCING SOURCES (USES):			
TRANSFERS IN	1,430,454	-	1,430,454
TRANSFERS (OUT)	(591,291)	(137,810)	(729,101)
TOTAL OTHER FINANCING SOURCES (USES)	839,163	(137,810)	701,353
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	631,867	(2,205,099)	(1,573,232)
FUND BALANCE, BEGINNING OF YEAR	1,478,665	6,690,182	8,168,847
FUND BALANCE, END OF YEAR	$ 2,110,532	$ 4,485,083	$ 6,595,615

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2012

	Special Services	Commissary	Seizures Special Revenues	Hotel/Motel Tax	Intergovern-mental Grants
ASSETS					
Equity in pooled cash and cash equivalents	$ 254,351	$ 421,977	$ -	$ 20,429	$ -
Cash and cash equivalents in segregated accounts	-	-	728,697	-	-
Certificate of deposit	-	-	235,539	-	-
Government investment pool	31,500	-	-	-	-
Receivables (net of allowance for doubtful accounts):					
Accounts	73,089	76,905	-	40,628	-
Due from other governments	-	-	-	-	463,350
TOTAL ASSETS	$ 358,940	$ 498,882	$ 964,236	$ 61,057	$ 463,350
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 111,571	$ 37,807	$ -	$ 36,330	$ 209,000
Accrued wages	28,487	2,005	-	-	2,353
Deferred revenue	3,647	-	-	-	7,554
Interfund payable	-	-	-	-	244,443
TOTAL LIABILITIES	143,705	39,812	-	36,330	463,350
FUND BALANCES					
Restricted for jail operations	-	459,070	-	-	-
Restricted for tourism	-	-	-	24,727	-
Restricted for drug enforcement operations	-	-	964,236	-	-
Restricted for law library	-	-	-	-	-
Restricted for victim assistance	-	-	-	-	-
Restricted for drug abuse treatment	-	-	-	-	-
Restricted for 911 emergency telephone	-	-	-	-	-
Assigned for unincorporated services	215,235	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	215,235	459,070	964,236	24,727	-
TOTAL LIABILITIES AND FUND BALANCES	$ 358,940	$ 498,882	$ 964,236	$ 61,057	$ 463,350

See independent auditors' report.

Jail Operations	Drug Abuse Treatment	911 Emergency Telephone	Victim Assistance	Law Library	Total
$ -	$ -	$ -	$ -	$ -	$ 696,757
77,488	48,291	-	35,222	222,462	1,112,160
-	-	-	-	134,377	369,916
-	-	-	-	-	31,500
30,204	-	475,176	16,171	-	712,173
-	-	-	-	-	463,350
$ 107,692	$ 48,291	$ 475,176	$ 51,393	$ 356,839	$ 3,385,856
$ 61,007	$ -	$ 94,545	$ 131	$ -	$ 550,391
1,442	-	52,548	1,925	-	88,760
-	-	-	-	-	11,201
-	45,806	318,050	16,673	-	624,972
62,449	45,806	465,143	18,729	-	1,275,324
45,243	-	-	-	-	504,313
-	-	-	-	-	24,727
-	-	-	-	-	964,236
-	-	-	-	356,839	356,839
-	-	-	32,664	-	32,664
-	2,485	-	-	-	2,485
-	-	10,033	-	-	10,033
-	-	-	-	-	215,235
-	-	-	-	-	-
45,243	2,485	10,033	32,664	356,839	2,110,532
$ 107,692	$ 48,291	$ 475,176	$ 51,393	$ 356,839	$ 3,385,856

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, 2012

	Special Services	Commissary	Seizures Special Revenues	Hotel/Motel Tax	Intergovern-mental Grants
REVENUES					
Taxes	$ 3,288,585	$ -	$ -	$ 273,668	$ -
Licenses and permits	124,049	-	-	-	-
Intergovernmental revenues	-	-	-	-	2,164,120
Charges for services	24,443	$ 353,935	-	-	-
Fines and forfeitures	-	-	525,142	-	-
Investment income	38	-	5,451	-	-
Miscellaneous	495	397,586	-	-	-
TOTAL REVENUES	3,437,610	751,521	530,593	273,668	2,164,120
EXPENDITURES					
Current					
General Government					
Judicial	-	-	-	-	205,180
Public safety	1,999,793	671,785	642,902	-	548,383
Public works	180,452	-	-	-	1,331,527
Health and welfare	-	-	-	-	12,000
Housing and development	792,018	-	-	398,704	67,030
TOTAL EXPENDITURES	2,972,263	671,785	642,902	398,704	2,164,120
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	465,347	79,736	(112,309)	(125,036)	-
OTHER FINANCING SOURCES (USES):					
TRANSFERS IN	-	-	-	142,683	-
TRANSFERS (OUT)	(435,669)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(435,669)	-	-	142,683	-
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	29,678	79,736	(112,309)	17,647	-
BEGINNING FUND BALANCE	185,557	379,334	1,076,545	7,080	-
FUND BALANCE, END OF YEAR	$ 215,235	$ 459,070	$ 964,236	$ 24,727	$ -

See independent auditors' report.

Jail Operations	Drug Abuse Treatment	911 Emergency Telephone	Victim Assistance	Law Library	Total
$ -	$ -	$ -	$ -	$ -	$ 3,562,253
-	-	-	-	-	124,049
-	-	516,143	109,732	-	2,789,995
-	-	1,753,207	-	-	2,131,585
538,264	211,186	-	161,024	63,950	1,499,566
-	-	19	-	388	5,896
-	-	22,784	-	-	420,865
538,264	211,186	2,292,153	270,756	64,338	10,534,209
-	-	-	238,162	70,519	513,861
512,906	-	2,885,144	-	-	7,260,913
-	-	-	-	-	1,511,979
-	185,000	-	-	-	197,000
-	-	-	-	-	1,257,752
512,906	185,000	2,885,144	238,162	70,519	10,741,505
25,358	26,186	(592,991)	32,594	(6,181)	(207,296)
-	245,000	1,042,771	-	-	1,430,454
-	-	(155,622)	-	-	(591,291)
-	245,000	887,149	-	-	839,163
25,358	271,186	294,158	32,594	(6,181)	631,867
19,885	(268,701)	(284,125)	70	363,020	1,478,665
$ 45,243	$ 2,485	$ 10,033	$ 32,664	$ 356,839	$ 2,110,532

LOWNDES COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2012

	CDBG CHIP Grant Fund	CDBG Grant Fund	Judicial Complex And Jail	Sales Tax IV Fund	Sales Tax V Fund	Total
ASSETS						
Equity in pooled cash and cash equivalents	$ 50	$ -	$226,056	$ -	$ 842,422	$1,068,528
Cash and cash equivalents in segregated accounts	-	5,001	605,564	7,443	2,451,358	3,069,366
Government investment pool	-	-	-	-	395,430	395,430
Due from other governments	-	-	-	-	69,842	69,842
TOTAL ASSETS	$ 50	$5,001	$831,620	$ 7,443	$3,759,052	$4,603,166
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 50	$ -	$ 12,135	$ 257	$ 100,640	$ 113,082
Interfund payable	-	5,001	-	-	-	5,001
TOTAL LIABILITIES	50	5,001	12,135	257	100,640	118,083
FUND BALANCES						
Restricted for capital projects	-	-	819,485	7,186	3,658,412	4,485,083
TOTAL FUND BALANCES	-	-	819,485	7,186	3,658,412	4,485,083
TOTAL LIABILITIES AND FUND BALANCES	$ 50	$5,001	$831,620	$ 7,443	$3,759,052	$4,603,166

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Year Ending June 30, 2012

	CDBG CHIP Grant Fund	CDBG Grant Fund	Judicial Complex And Jail	Sales Tax IV Fund	Sales Tax V Fund	Total
REVENUES						
Intergovernmental	$ 52,410	$ -	$ 298,868	$ -	$ 142,885	$ 494,163
Investment income	-	-	333	4	1,867	2,204
TOTAL REVENUES	52,410	-	299,201	4	144,752	496,367
EXPENDITURES						
Current:						
General government						
Judicial	-	-	711,621	-	-	711,621
Public works	-	-	-	-	21,501	21,501
Housing and development	52,410	-	-	-	-	52,410
Intergovernmental	-	-	-	3,899	805,181	809,080
Capital outlay	-	-	-	-	969,044	969,044
TOTAL EXPENDITURES	52,410	-	711,621	3,899	1,795,726	2,563,656
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(412,420)	(3,895)	(1,650,974)	(2,067,289)
OTHER FINANCING SOURCES (USES):						
TRANSFERS (OUT)	-	-	-	-	(137,810)	(137,810)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(137,810)	(137,810)
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	-	-	(412,420)	(3,895)	(1,788,784)	(2,205,099)
FUND BALANCE, BEGINNING OF YEAR	-	-	1,231,905	11,081	5,447,196	6,690,182
FUND BALANCE, END OF YEAR	$ -	$ -	$ 819,485	$ 7,186	$3,658,412	$4,485,083

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, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Taxes	$3,350,000	$3,350,000	$3,288,585	$ (61,415)
Licenses and permits	111,500	111,500	124,049	12,549
Charges for services	27,000	27,000	24,443	(2,557)
Investment income	-	-	38	38
Miscellaneous	-	-	495	495
TOTAL REVENUES	3,488,500	3,488,500	3,437,610	(50,890)
EXPENDITURES				
Current				
Public safety	1,950,546	1,950,546	1,999,793	49,247
Public works	167,179	167,179	180,452	13,273
Housing and development	960,436	960,436	792,018	(168,418)
TOTAL EXPENDITURES	3,078,161	3,078,161	2,972,263	(105,898)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	410,339	410,339	465,347	55,008
OTHER FINANCING SOURCES (USES) TRANSFERS IN (OUT)	(410,339)	(410,339)	(435,669)	(25,330)
TOTAL OTHER FINANCING SOURCES (USES)	(410,339)	(410,339)	(435,669)	(25,330)
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	-	-	29,678	29,678
FUND BALANCE AT BEGINNING OF YEAR	-	-	185,557	185,557
FUND BALANCE AT END OF YEAR	$ -	$ -	$ 215,235	$ 215,235

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
COMMISSARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Charges for services	$ 300,000	$ 300,000	$353,935	$ 53,935
Miscellaneous	300,000	375,000	397,586	22,586
TOTAL REVENUES	600,000	675,000	751,521	76,521
EXPENDITURES				
Current:				
Public safety	600,000	675,000	671,785	(3,215)
TOTAL EXPENDITURES	600,000	675,000	671,785	(3,215)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	79,736	79,736
FUND BALANCE AT BEGINNING OF YEAR	-	-	379,334	379,334
FUND BALANCE AT END OF YEAR	$ -	$ -	$459,070	$ 459,070

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
SEIZURES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 1,000,000	$ 1,000,000	$ 525,142	$ (474,858)
Investment income	-	-	5,451	5,451
TOTAL REVENUES	1,000,000	1,000,000	530,593	(469,407)
EXPENDITURES				
Current:				
Public safety	1,000,000	1,000,000	642,902	(357,098)
TOTAL EXPENDITURES	1,000,000	1,000,000	642,902	(357,098)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(112,309)	(112,309)
FUND BALANCE AT BEGINNING OF YEAR	-	-	1,076,545	1,076,545
FUND BALANCE AT END OF YEAR	$ -	$ -	$ 964,236	$ 964,236

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Taxes	$ 260,000	$ 265,500	$ 273,668	$ 8,168
TOTAL REVENUES	260,000	265,500	273,668	8,168
EXPENDITURES				
Current:				
Housing and development	393,237	398,737	398,704	(33)
TOTAL EXPENDITURES	393,237	398,737	398,704	(33)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(133,237)	(133,237)	(125,036)	8,201
OTHER FINANCING SOURCES (USES)				
TRANSFER IN (OUT)	133,237	133,237	142,683	(9,446)
TOTAL OTHER FINANCING SOURCES (USES)	133,237	133,237	142,683	(9,446)
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	-	-	17,647	17,647
FUND BALANCE AT BEGINNING OF YEAR	-	-	7,080	7,080
FUND BALANCE AT END OF YEAR	$ -	$ -	$ 24,727	$ 24,727

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, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental revenues	$ 92,109	$ 2,173,609	2,164,120	$ (9,489)
TOTAL REVENUES	92,109	2,173,609	2,164,120	(9,489)
EXPENDITURES				
Current:				
General government				
Judicial	92,109	211,609	205,180	(6,429)
Public safety	-	551,000	548,383	(2,617)
Public works	-	1,332,000	1,331,527	(473)
Health and welfare	-	12,000	12,000	-
Housing and development	-	67,000	67,030	30
TOTAL EXPENDITURES	92,109	2,173,609	2,164,120	(9,489)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	$ -	$ -	$ -	$ -

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
JAIL OPERATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 495,000	$ 515,000	$ 538,264	$ 23,264
TOTAL REVENUES	495,000	515,000	538,264	23,264
EXPENDITURES				
Current:				
Public safety	495,000	515,000	512,906	(2,094)
TOTAL EXPENDITURES	495,000	515,000	512,906	(2,094)
EXCESS OF REVENUES OVER(UNDER) EXPENDITURES	-	-	25,358	25,358
FUND BALANCE AT BEGINNING OF YEAR	-	-	19,885	19,885
FUND BALANCE AT END OF YEAR	$ -	$ -	$ 45,243	$ 45,243

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
DRUG ABUSE TREATMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 211,000	$ 211,000	$ 211,186	$ 186
TOTAL REVENUES	211,000	211,000	211,186	186
EXPENDITURES				
Current:				
Health and welfare	211,000	211,000	185,000	(26,000)
TOTAL EXPENDITURES	211,000	211,000	185,000	(26,000)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	26,186	26,186
OTHER FINANCING SOURCES (USES) TRANSFER IN (OUT)	-	-	245,000	(245,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	245,000	(245,000)
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	-	-	271,186	271,186
FUND BALANCE AT BEGINNING OF YEAR	-	-	(268,701)	(268,701)
FUND BALANCE AT END OF YEAR	$ -	$ -	$ 2,485	$ 2,485

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
911 EMERGENCY TELEPHONE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental revenues	$ 604,106	$ 604,106	$ 516,143	$ (87,963)
Charges for services	1,740,000	1,740,000	1,753,207	13,207
Investment income	-	-	19	19
Miscellaneous income	20,000	20,000	22,784	2,784
TOTAL REVENUES	2,364,106	2,364,106	2,292,153	(71,953)
EXPENDITURES				
Current				
Public safety	2,766,877	2,881,877	2,885,144	3,267
TOTAL EXPENDITURES	2,766,877	2,881,877	2,885,144	3,267
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(402,771)	(517,771)	(592,991)	(75,220)
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	402,771	673,771	1,042,771	(369,000)
TRANSFERS (OUT)	-	(156,000)	(155,622)	(378)
TOTAL OTHER FINANCING SOURCES (USES)	402,771	517,771	887,149	(369,378)
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	-	-	294,158	293,780
FUND BALANCE AT BEGINNING OF YEAR	-	-	(284,125)	(284,125)
FUND BALANCE AT END OF YEAR	$ -	$ -	$ 10,033	$ 9,655

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, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental	$ 94,500	$ 100,500	$ 109,732	$ 9,232
Fines and forfeitures	143,000	143,000	161,024	18,024
TOTAL REVENUES	237,500	243,500	270,756	27,256
EXPENDITURES				
Current:				
General Government				
Judicial	237,500	243,500	238,162	(5,338)
TOTAL EXPENDITURES	237,500	243,500	238,162	(5,338)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	32,594	32,594
FUND BALANCE AT BEGINNING OF YEAR	-	-	70	70
FUND BALANCE AT END OF YEAR	$ -	$ -	$ 32,664	$ 32,664

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, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ -	$ 70,500	$ 63,950	$ (6,550)
Investment income	-	400	388	(12)
TOTAL REVENUES	-	70,900	64,338	(6,562)
EXPENDITURES				
Current:				
General Government				
Judicial	-	70,900	70,519	(381)
TOTAL EXPENDITURES	-	70,900	70,519	(381)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(6,181)	(6,181)
FUND BALANCE AT BEGINNING OF YEAR	-	-	363,020	363,020
FUND BALANCE AT END OF YEAR	$ -	$ -	$ 356,839	$ 356,839

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, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental revenues	$ 100,000	$ 100,000	$ 52,410	$ (47,590)
TOTAL REVENUES	100,000	100,000	52,410	(47,590)
EXPENDITURES				
Current:				
Housing and development	100,000	100,000	52,410	(47,590)
TOTAL EXPENDITURES	100,000	100,000	52,410	(47,590)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	$ -	$ -	$ -	$ -

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, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental revenues	$ -	$ 495,000	$ -	$ (495,000)
TOTAL REVENUES	-	495,000	-	(495,000)
EXPENDITURES				
Current:				
Health and welfare	-	495,000	-	(495,000)
TOTAL EXPENDITURES	-	495,000	-	(495,000)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	$ -	$ -	$ -	$ -

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, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental revenue	$ -	$ 275,000	$ 298,868	$ 23,868
Investment income	-	-	333	333
TOTAL REVENUES	-	275,000	299,201	24,201
EXPENDITURES				
Current				
Judicial	-	725,000	711,621	(13,379)
TOTAL EXPENDITURES	-	725,000	711,621	(13,379)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(450,000)	(412,420)	37,580
FUND BALANCE AT BEGINNING OF YEAR	-	450,000	1,231,905	781,905
FUND BALANCE AT END OF YEAR	$ -	$ -	$ 819,485	$ 819,485

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, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Investment income	$ -	$ -	$ 4	$ 4
TOTAL REVENUES	-	-	4	4
EXPENDITURES				
Current:				
Intergovernmental	15,000	15,000	3,899	(11,101)
TOTAL EXPENDITURES	15,000	15,000	3,899	(11,101)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(15,000)	(15,000)	(3,895)	11,105
FUND BALANCE AT BEGINNING OF YEAR	15,000	15,000	11,081	(3,919)
FUND BALANCE AT END OF YEAR	$ -	$ -	$ 7,186	$ 7,186

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
CAPITAL PROJECTS SALES TAX V FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ended June 30, 2012

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Intergovernmental	$ -	$ -	$ 142,885	$ 142,885
Investment income	10,000	10,000	1,867	(8,133)
TOTAL REVENUES	10,000	10,000	144,752	134,752
EXPENDITURES				
Current				
Public works	-	-	21,501	21,501
Intergovernmental	5,800,000	5,800,000	805,181	(4,994,819)
Capital outlay	-	-	969,044	969,044
TOTAL EXPENDITURES	5,800,000	5,800,000	1,795,726	(4,004,274)
EXCESS OF EXPENDITURES OVER (UNDER) REVENUES	(5,790,000)	(5,790,000)	(1,650,974)	4,139,026
OTHER FINANCING SOURCES (USES) TRANSFERS IN (OUT)	-	-	(137,810)	(137,810)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(137,810)	(137,810)
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(5,790,000)	(5,790,000)	(1,788,784)	4,001,216
FUND BALANCE AT BEGINNING OF YEAR	5,790,000	5,790,000	5,447,196	(342,804)
FUND BALANCE AT END OF YEAR	$ -	$ -	$ 3,658,412	$ 3,658,412

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, 2012

	Equipment Fund	Health Insurance Fund	Workers Compensation Fund	Fleet Manager Fund	Total
ASSETS					
Current Assets					
Equity in pooled cash and cash equivalents	$ 13,542	$ 766,374	$ 1,008,720	$ 8,924	$ 1,797,560
Government investment pool	-	19,069	-	-	19,069
Receivables (net of allowance for doubtful accounts					
Accounts	23,076	-	-	-	23,076
Prepaid expense	-	-	96,274	-	96,274
Inventory	-	-	-	206,718	206,718
TOTAL CURRENT ASSETS	36,618	785,443	1,104,994	215,642	2,142,697
Noncurrent Assets					
Capital Assets					
Depreciable capital assets, net	-	-	-	1,817,741	1,817,741
TOTAL NONCURRENT ASSETS	-	-	-	1,817,741	1,817,741
TOTAL ASSETS	36,618	785,443	1,104,994	2,033,383	3,960,438
LIABILITIES					
Current Liabilities					
Accounts payable	2,279	622,885	34,515	247,763	907,442
Accrued liabilities	8,719	-	1,060,000	-	1,068,719
Compensated absences payable	6,519	-	-	-	6,519
Accrued interest payable	-	-	-	379	379
Interfund payable	-	-	-	469,271	469,271
Current portion of capital lease obligations	-	-	-	42,900	42,900
TOTAL CURRENT LIABILITIES	17,517	622,885	1,094,515	760,313	2,495,230
Long-Term Liabilities					
Compensated absences payable	5,122	-	-	-	5,122
Capital lease obligations	-	-	-	69,700	69,700
TOTAL LONG-TERM LIABILITIES	5,122	-	-	69,700	74,822
TOTAL LIABILITIES	22,639	622,885	1,094,515	830,013	2,570,052
NET ASSETS					
Invested in capital assets, net of related debt	-	-	-	1,705,141	1,705,141
Unrestricted	13,979	162,558	10,479	(501,771)	(314,755)
TOTAL NET ASSETS	$ 13,979	$ 162,558	$ 10,479	$ 1,203,370	$ 1,390,386

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, 2012

	Equipment Fund	Health Insurance Fund	Workers Compensation Fund	Fleet Manager Fund	Total
OPERATING REVENUES					
Charges for services	$ 435,000	$ 4,116,322	$ 677,948	$ 3,214,746	$ 8,444,016
TOTAL OPERATING REVENUES	435,000	4,116,322	677,948	3,214,746	8,444,016
OPERATING EXPENSES					
Personal services	247,482	-	-	-	247,482
Payroll taxes	17,643	-	-	-	17,643
Fringe benefits	99,952	-	-	-	99,952
Contractual services	71,486	-	-	-	71,486
Insurance and bond	-	3,980,145	911,863	-	4,892,008
Materials and supplies	14,681	-	-	2,800,831	2,815,512
Depreciation	-	-	-	857,589	857,589
TOTAL OPERATING EXPENSES	451,244	3,980,145	911,863	3,658,420	9,001,672
OPERATING INCOME (LOSS)	(16,244)	136,177	(233,915)	(443,674)	(557,656)
NON-OPERATING REVENUES (EXPENSES)					
Interest revenue	-	23	-	-	23
Interest expense	-	-	-	(7,182)	(7,182)
TOTAL NON-OPERATING REVENUES (EXPENSES)	-	23	-	(7,182)	(7,159)
CHANGE IN NET ASSETS	(16,244)	136,200	(233,915)	(450,856)	(564,815)
NET ASSETS AT BEGINNING OF YEAR	30,223	26,358	244,394	1,654,226	1,955,201
NET ASSETS AT END OF YEAR	$ 13,979	$ 162,558	$ 10,479	$ 1,203,370	$ 1,390,386

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
For The Year Ending June 30, 2012

	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	$ 427,822	$ 4,117,584	$ 677,948	$ 3,214,746	$ 8,438,100
Cash payments for personal services	(249,675)	-	-	-	(249,675)
Cash payments for payroll taxes	(17,643)	-	-	-	(17,643)
Cash payments for fringe benefits	(99,952)	-	-	-	(99,952)
Cash payments for contractual services	(71,486)	-	-	-	(71,486)
Cash payments for insurance and bond	-	(3,926,327)	(625,842)	-	(4,552,169)
Cash payments for materials and supplies	(21,883)	-	-	(3,120,464)	(3,142,347)
Net Cash Provided by (Used for) Operating Activities	(32,817)	191,257	52,106	94,282	304,828
Cash Flows From Capital and Related Financing Activities					
Cash payments for principal and interest on capital leases	-	-	-	(129,993)	(129,993)
Net Cash Used For Capital and Related Financing Activities	-	-	-	(129,993)	(129,993)
Cash Flows From Investing Activities					
Cash received from interest	-	23	-	-	23
Net Cash Flows Provided By Investing Activities	-	23	-	-	23
Net Increase in Cash and Cash Equivalents	(32,817)	191,280	52,106	(35,711)	174,858
Cash and Cash Equivalents at Beginning of Year	$ 46,359	$ 594,163	$ 956,614	$ 44,635	1,641,771
Cash and Cash Equivalents at End of Year	$ 13,542	$ 785,443	$ 1,008,720	$ 8,924	$ 1,816,629
Equity in pooled cash and cash equivalents	$ 13,542	$ 766,374	$ 1,008,720	$ 8,924	$ 1,797,560
Government investment pool	-	19,069	-	-	19,069
Total Cash and Cash Equivalents	$ 13,542	$ 785,443	$ 1,008,720	$ 8,924	$ 1,816,629

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
For The Year Ending June 30, 2012

	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)	$ (16,244)	$ 136,177	$ (233,915)	$ (443,674)	$ (557,656)
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided by (Used For) Operating Activities					
Depreciation	-	-	-	857,589	857,589
Changes in Assets and Liabilities:					
(Increase) decrease in accounts receivable	(7,177)	1,263	-	-	(5,914)
(Increase) decrease in prepaid expense	-	-	(8,249)	-	(8,249)
(Increase) decrease in inventory	-	-	-	19,147	19,147
Increase (decrease) in accounts payable	(7,202)	53,817	(5,730)	60,172	101,057
Increase (decrease) in compensated absences payable	(2,597)	-	-	-	(2,597)
Increase (decrease) in interfund payable	-	-	-	(398,952)	(398,952)
Increase (decrease) in accrued expenses	403	-	300,000	-	300,403
Net Cash Provided By (Used For) Operating Activities	$ (32,817)	$ 191,257	$ 52,106	$ 94,282	$ 304,828

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, 2012

	AGENCY FUNDS					
	OFFICE OF TAX COMMISSIONER	CLERK OF COURT	MAGIS-TRATE COURT	OFFICE OF SHERIFF	INDUSTRIAL AUTHORITY	TOTAL
ASSETS						
Cash	$ 221,192	$ 2,156,557	$ 110,993	$ 1,144,448	$ 587,233	$ 4,220,423
Due from others	84,687	-	-	-	33,902	118,589
TOTAL ASSETS	$ 305,879	$ 2,156,557	$ 110,993	$ 1,144,448	$ 621,135	$ 4,339,012
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Due to others	$ 305,879	$ 767,818	$ 35,311	$ 917	$ -	$ 1,109,925
Collections held in escrow	-	1,388,739	75,682	1,143,531	621,135	3,229,087
TOTAL LIABILITIES	305,879	2,156,557	110,993	1,144,448	621,135	4,339,012
NET ASSETS	$ -	$ -	$ -	$ -	$ -	$ -

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENTS OF CHANGES IN
ASSETS AND LIABILITIES
For The Year Ending June 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
OFFICE OF TAX COMMISSIONER				
ASSETS				
Cash	$ 236,556	$ 83,609,878	$ 83,625,242	$ 221,192
Due from others	27,895	56,792	-	84,687
TOTAL ASSETS	$ 264,451	$ 83,666,670	$ 83,625,242	$ 305,879
LIABILITIES				
Due to others	$ 264,451	$ 83,666,670	$ 83,625,242	$ 305,879
TOTAL LIABILITIES	$ 264,451	$ 83,666,670	$ 83,625,242	$ 305,879
CLERK OF COURT				
ASSETS				
Cash	$ 875,513	$ 8,462,182	$ 7,181,138	$ 2,156,557
TOTAL ASSETS	$ 875,513	$ 8,462,182	$ 7,181,138	$ 2,156,557
LIABILITIES				
Due to others	$ 484,998	$ 6,270,405	$ 5,987,585	$ 767,818
Collections held in escrow	390,515	2,191,777	1,193,553	1,388,739
TOTAL LIABILITIES	$ 875,513	$ 8,462,182	$ 7,181,138	$ 2,156,557
MAGISTRATE COURT				
ASSETS				
Cash	$ 121,794	$ 1,306,452	$ 1,317,253	$ 110,993
TOTAL ASSETS	$ 121,794	$ 1,306,452	$ 1,317,253	$ 110,993
LIABILITIES				
Due to others	$ 37,387	$ 540,483	$ 542,559	$ 35,311
Collections held in escrow	84,407	765,969	774,694	75,682
TOTAL LIABILITIES	$ 121,794	$ 1,306,452	$ 1,317,253	$ 110,993

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENTS OF CHANGES IN
ASSETS AND LIABILITIES - CONTINUED
For The Year Ending June 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
OFFICE OF SHERIFF				
ASSETS				
Cash	$ 1,033,948	$ 4,779,497	$ 4,668,997	$ 1,144,448
TOTAL ASSETS	$ 1,033,948	$ 4,779,497	$ 4,668,997	$ 1,144,448
LIABILITIES				
Due to others	$ 987	$ 10,780	$ 10,850	$ 917
Collections held in escrow	1,032,961	4,768,717	4,658,147	1,143,531
TOTAL LIABILITIES	$ 1,033,948	$ 4,779,497	$ 4,668,997	$ 1,144,448
INDUSTRIAL AUTHORITY				
ASSETS				
Cash	$ 120,397	$ 2,800,310	$ 2,333,474	$ 587,233
Due from others	37,643	-	3,741	33,902
TOTAL ASSETS	$ 158,040	$ 2,800,310	$ 2,337,215	$ 621,135
LIABILITIES				
Due to others	$ 35,856	$ -	$ 35,856	$ -
Collections held in escrow	122,184	2,800,310	2,301,359	621,135
TOTAL LIABILITIES	$ 158,040	$ 2,800,310	$ 2,337,215	$ 621,135

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 Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities										
Invested in capital assets, net of related debt	$ 95,694,310	$104,718,159	$119,875,420	$123,166,325	$ 89,328,068	$136,074,764	$139,608,284	$ 20,178,997	$25,070,360	$23,645,433
Restricted	7,965,905	7,413,141	39,599,831	17,045,363	64,133,172	32,758,317	33,678,846	45,962,877	37,670,996	35,335,883
Unrestricted	11,292,055	16,994,681	(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	$114,952,270	$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	$ 31,716,380	$ 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	810,273	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	$ 32,526,653	$ 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	$127,410,690	$136,931,423	$151,949,205	$150,444,381	$118,425,719	$156,582,877	$159,253,637	$ 38,957,750	$40,913,006	$39,168,255
Restricted	7,965,905	7,413,141	39,599,831	17,045,363	64,133,172	32,758,317	33,678,846	45,962,877	37,670,996	35,335,883
Unrestricted	12,102,328	17,259,203	(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	$147,478,923	$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

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

	Fiscal Year Ending June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses										
Governmental activities:										
General government										
Legislative and executive	$ 13,453,075	$ 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	5,857,655	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	28,137,430	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	35,052,487	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	898,284	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	4,519,407	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	4,221,064	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	1,523,932	1,754,844	2,061,176	2,192,384	523,860	564,813	689,391	709,991	77,391	-
Total governmental activities expenses	93,663,334	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	4,396,261	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	43,772	53,471	83,421	115,352	26,461	46,285	465,867	414,384	(147,102)	84,077
Special Tax Lighting District	283,848	270,396	278,128	228,778	266,749	197,085	208,478	176,898	151,678	134,938
Sanitation Fund	951,209	941,658	1,031,496	1,068,988	1,176,208	1,109,644	-	-	-	-
Total business-type activities expenses	5,675,090	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	99,338,424	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	$ 1,039,256	$ 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	4,714,612	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	3,988,679	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	73,918	31,661	56,506	268,345	183,010	222,941	302,800	824,432	87,798	170,408
Health and welfare	36,917	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	1,754,554	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	1,779,080	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	13,387,016	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	5,282,108	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	411,070	811,150	624,153	462,824	496,554	520,215	642,351	607,462	490,922	366,906
Special tax lighting district	211,058	191,349	189,240	170,691	157,377	160,359	156,244	128,275	125,466	125,629
Sanitation fund	594,198	585,115	578,802	86,732	95,217	34,405	-	-	-	-
Total business-type activities program revenues	6,498,434	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	$ 19,885,450	$ 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

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

	Fiscal Year Ending June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Net (Expense) Revenue										
Governmental activities	$ (80,276,318)	$ (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	823,344	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	$ (79,452,974)	$ (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	$ 27,896,942	$ 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	484,361	511,846	508,709	534,897	527,476	524,243	504,712	495,211	476,183	433,590
Occupational taxes	606,505	357,384	317,884	387,701	393,817	368,856	416,345	364,992	307,300	275,071
Hotel/Motel taxes	273,668	-	-	-	-	-	-	-	-	-
Franchise taxes	139,430	173,918	174,130	187,256	212,203	203,964	172,439	240,607	178,563	193,212
Insurance premium taxes	2,058,288	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	34,808,458	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	558,293	529,902	515,504	550,292	581,150	-	-	-	-	-
Miscellaneous	988,631	497,551	443,937	617,351	86,121	31,118	2,000	82,012	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	877,217	(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	68,691,794	59,647,060	47,118,462	46,660,269	56,103,881	59,777,969	57,169,484	50,172,198	48,146,432	44,509,402
Business-type activities										
Interest	102,740	10,382	6,070	30,891	71,219	63,219	137,365	6,142	1,186	7,330
Transfer in	(877,217)	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	(774,477)	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	$ 67,917,317	$ 59,912,899	$ 49,878,507	$ 50,358,521	$ 60,057,969	$ 61,725,144	$ 59,364,085	$ 54,430,202	$ 49,663,308	$ 45,670,870
Change in Net Assets										
Governmental activities	$ (11,584,525)	$ (14,086,963)	$ (15,574,399)	$ (18,509,222)	$ (14,836,314)	$ (4,235,555)	$ (24,957,238)	$ 4,013,983	$ 5,790,531	$ 11,956,449
Business-type activities	48,867	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	$ (11,535,658)	$ (12,633,336)	$ (11,886,363)	$ (16,022,523)	$ (11,957,033)	$ (3,103,504)	$ (24,390,511)	$ 7,185,556	$ 6,652,226	$ 11,990,457

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

	Fiscal Year Ending June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund										
Assigned	$14,224,513	$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	3,205,095	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	$17,429,608	$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	$ 8,429,195	$ 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	215,235	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	$ 8,644,430	$ 8,168,847	$ 35,480,023	$35,480,023	$64,864,472	$32,642,072	$33,091,644	$46,059,139	$51,605,136	$31,409,101

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 Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues										
Taxes	$ 66,456,938	$ 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	132,168	117,935	124,060	151,434	341,087	174,323	136,051	576,132	2,067,774	1,788,773
Intergovernmental revenues	3,519,504	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	6,320,517	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	3,400,696	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	14,131	61,937	159,879	316,432	1,044,564	1,430,202	1,035,122	582,342	414,220	410,158
Miscellaneous	632,848	485,665	629,184	462,651	736,913	827,410	741,079	566,986	527,833	821,992
Total revenues	80,476,802	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	$ 9,590,306	$ 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	6,221,941	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	25,931,440	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	4,253,281	8,305,664	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	893,716	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	4,518,596	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	4,216,382	1,403,566	1,330,610	1,840,804	1,459,402	534,061	498,200	471,505	311,097	1,225,449
Intergovernmental	10,486,448	9,416,508	-	-	-	-	-	-	-	-
Capital Outlay	3,283,091	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	7,965,000	5,505,000	7,370,000	7,100,000	605,000	590,000	790,000	945,000	190,000	271,766
Interest	1,525,881	1,757,000	2,062,694	2,193,625	523,860	564,813	689,391	709,991	130,633	140,215
Total Expenditures	78,886,082	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	1,590,720	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	2,894,089	1,430,641	50,000	77,527	160,240	200,549	933,981	472,489	3,880,186	268,387
Operating transfer out	(2,016,872)	(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)	877,217	(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	$ 2,467,937	$ 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	12.55%	10.61%	15.16%	14.74%	1.72%	1.99%	1.98%	2.87%	0.63%	0.93%

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
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	23,415,805	1,032,148	2,135,580	722,709	63,107,740
2009	18,437,599	534,897	187,256	13,081,231	20,745,158	268,939	2,187,633	482,671	55,925,384
2010	19,483,831	508,709	174,130	12,510,599	21,522,945	270,541	2,156,266	416,250	57,043,271
2011	19,768,176	511,846	173,918	12,592,637	21,709,097	274,860	2,097,125	409,048	57,536,707
2012	26,125,012	484,361	139,430	12,778,041	22,030,417	273,668	2,058,288	405,139	64,294,356
Change									
2002 -2012	58.50%	11.71%	-27.84%	34.58%	33.57%	-80.23%	29.16%	-42.61%	37.44%

Note: Includes General and Special Revenue Funds.

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

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

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
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
2012	1,545,873	905,710	452,877	213,668	315,997	2,802,133

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
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
2012	2,802,133	7,005,332	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:	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
County										
Maintenance and Operations:										
Direct Rates:										
Unincorporated (1)	8.12	8.45	8.86	8.86	8.86	8.76	7.31	7.31	7.31	7.31
Incorporated	9.01	8.86	8.86	8.86	8.86	8.76	7.31	7.31	7.31	7.31
Overlapping Rates:										
Valdosta-Lowndes County Industrial Authority	0.00	0.00	0.00	0.00	1.00	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	1.25	1.25	1.25	1.25
Total County - Unincorporated	8.12	8.45	8.86	8.86	9.86	9.76	9.56	9.56	9.56	9.56
Total County - Incorporated	9.01	8.86	8.86	8.86	9.86	9.76	9.56	9.56	9.56	9.56
Schools										
Maintenance and Operations:										
Lowndes County Board of Education	14.20	14.20	14.15	15.15	15.15	14.95	14.70	14.70	14.70	14.70
Valdosta Board of Education	12.29	12.29	13.98	14.98	14.98	15.98	15.98	15.98	16.98	16.98
Total Schools - County	14.20	14.20	14.15	15.15	15.15	14.95	14.70	14.70	14.70	14.70
Total Schools - City of Valdosta	12.29	12.29	13.98	14.98	14.98	15.98	15.98	15.98	16.98	16.98
Municipalities										
Maintenance and Operations:										
City of Hahira	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38
City of Lake Park	5.84	5.84	5.83	5.80	5.70	4.73	4.72	4.70	4.70	5.05
City of Remerton	3.48	3.42	4.42	5.42	6.42	6.42	6.39	6.39	6.39	6.39
City of Valdosta	4.63	4.47	4.48	4.41	4.40	4.18	4.11	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	22.57	22.90	23.26	24.26	25.26	24.96	24.51	24.51	24.51	24.51
Total City of Hahira	28.84	28.69	28.64	29.64	30.64	30.34	29.89	29.89	29.89	29.89
Total City of Lake Park	29.30	29.15	29.09	30.06	30.96	29.69	29.23	29.21	29.21	29.56
Total City of Remerton	26.94	26.73	27.68	29.68	31.68	31.38	30.90	30.90	30.90	30.90
Total City of Valdosta	26.18	25.87	27.57	28.50	29.49	30.17	29.90	29.90	30.90	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 Ten Years Ago

	2012				2003		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Packaging Corporation of America	$ 62,631,250	1	2.24%	Packaging Corporation of America	$ 52,558,434	1	1.88%
Archers Daniels Midland	42,751,488	2	1.53%	Archers Daniels Midland	36,062,381	2	1.29%
Lowe's Distribution Center	34,439,835	3	1.23%	Langdale Forrest Products Co.	29,486,699	3	1.05%
Georgia Power	30,420,266	4	1.09%	Wild Adventures	18,095,058	4	0.65%
J M Smith Company	20,096,947	5	0.72%	Crackin' Good, Inc.	10,447,963	5	0.37%
Colquitt Electric Membership	14,146,800	6	0.50%	Saft America Inc.	7,401,290	6	0.26%
Marelda Valdosta Mall LLC	12,285,370	7	0.44%	Wal-Mart	5,557,398	7	0.20%
Saft America Inc.	10,028,130	8	0.36%	Lowe's Distribution Center	5,347,385	8	0.19%
Lowe's Home Center, Inc.	9,305,225	9	0.33%	Sam's Club	4,366,395	9	0.16%
Norfolk Southern Corporation	8,697,589	10	0.31%	Truss Joist/Weyerhouser	4,344,845	10	0.16%
All others	2,557,329,815		91.26%	All others	1,786,506,493		63.76%
Total	$2,802,132,715		100.00%		$1,960,174,341		69.95%

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
2003	15,769,194	14,984,335	95.02%	783,138	15,767,473	99.99%
2004	17,001,737	16,527,834	97.21%	471,816	16,999,650	99.99%
2005	17,860,543	17,585,316	98.46%	249,920	17,835,236	99.86%
2006	20,047,190	19,559,113	97.57%	488,077	20,047,190	100.00%
2007	21,182,223	20,560,611	97.07%	616,407	21,177,018	99.98%
2008	22,967,377	22,463,268	97.81%	489,342	22,952,610	99.94%
2009	20,151,846	19,506,396	96.80%	540,295	20,046,691	99.48%
2010	20,692,666	19,942,062	96.37%	343,796	20,285,858	98.03%
2011	20,450,742	19,655,203	96.11%	546,784	20,201,987	98.78%
2012	20,483,589	19,694,801	96.15%	-	19,694,801	96.15%

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			
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	20,122,417	-	4,583,037	12,125,000	36,830,454	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	1.85%	563
2010	12,396,621	27,630,000	-	10,250,000	50,276,621	1.59%	471
2011	11,480,000	22,780,000	-	9,740,000	44,000,000	1.33%	403
2012	10,682,600	15,490,000	-	9,215,000	35,387,600	1.02%	316

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, 2012

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
City of Hahira	2,579,900	100%	$ 2,579,900
City of Remerton	207,317	100%	207,317
City of Lake Park	134,601	100%	134,601
City of Valdosta	36,282,478	100%	36,282,478
Central Valdosta Development Authority	111,876	100%	111,876
Other debt			
Valdosta-Lowndes County Industrial Authority	296,295	100%	296,295
Subtotal, overlapping debt			39,612,467
County direct debt			
Capital Leases			10,682,600
Intergovernmental Agreements			
Valdosta-Lowndes County Industrial Authority			15,040,478
Direct Guaranteed Revenue Debt			
Special Purpose Local Option Revenue Bonds			15,490,000
Water and Sewer Revenue Bonds			9,215,000
Total County direct debt			50,428,078
Total direct and overlapping debt			$ 90,040,545

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 2012	
Assessed value	$ 2,802,133
Debt limitation (10% of assessed value)	280,213
Debt applicable to limitation:	
Total bonded debt	15,490
Legal debt margin	$ 264,723

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	$239,077	$262,335	$275,675	$283,074	$226,266	262,334	275,675	283,073	279,764	280,213
Total net debt applicable to limit	-	-	-	-	-	40,845	34,365	27,630	22,780	15,490
Legal debt margin	$239,077	$262,335	$275,675	$283,074	$226,266	$ 221,489	$241,310	$255,443	$256,984	$ 264,723
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 Seven Fiscal Years

	Water and Sewer Revenue Bonds 2005						
Fiscal Year	Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service Principle	Debt Service 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
2012	$5,282,108	$2,624,767	$2,657,341	$525,000	$444,056	$969,056	2.74

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
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	3.9%	4.6%
2009	104,583	3,185,702,763	30,461	35,863	5.5%	6.3%
2010	106,814	3,161,480,772	29,598	34,081	8.4%	9.8%
2011	109,233	3,306,264,444	30,268	34,800	9.2%	10.2%
2012	111,885	3,461,498,130	30,938	36,104	9.3%	9.8%

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

	2012				2003		
Employer	Employees	Rank	Percentage of Total County Employment		Employees	Rank	Percentage of Total County Employment
Moody Air Force Base	6,100	1	11.86%	Moody Air Force Base	4,700	1	10.09%
South Georgia Medical Center	3,200	2	6.22%	South Georgia Medical Center	2,300	2	4.94%
Valdosta State University	2,280	3	4.43%	Valdosta State University	2,280	3	4.89%
Lowndes County School System	1,279	4	2.49%	Lowndes County School Systen	1,279	4	2.75%
Valdosta City School System	950	5	1.85%	Valdosta City School System	950	5	2.04%
Lowes Distribution Center	900	6	1.75%	Convergys Corp	733	6	1.57%
Convergys Corp	850	7	1.65%	City of Valdosta	659	7	1.41%
Lowndes County	595	9	1.16%	Lowndes County	500	8	1.07%
City of Valdosta	578	8	1.12%	Crackin Good Bakeries	555	9	1.19%
Fresh Beginnings	500	10	0.97%	Lowes Distribution Center	450	10	0.97%
Total Principle Employers	17,232		33.50%		14,406		30.92%
Other Employees	34,214		66.50%		32,182		69.08%
Total Employees	51,446		100.00%		46,588		100.00%

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

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

Function/Program	Full-time Equivalent Employees as of June 30, 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	3
County Manager	5	5	5	6	7	4	4	4	3	3
Risk Manager	1	1	1	1	1	1	1	1	-	-
Board of Elections	7	12	12	12	12	12	12	12	15	14
Tax Assessors	18	20	24	22	20	24	24	25	24	24
Building Maintenance	20	21	20	20	20	21	21	22	20	20
Tax Commissioner	19	19	19	20	19	20	20	21	21	21
Administrative Services	15	16	17	17	15	18	18	20	17	17
Engineering	8	9	9	10	11	11	11	11	7	7
Judicial										
Clerk of Court	18	18	18	19	18	19	18	18	18	18
Probate Court	5	5	5	6	5	6	6	6	5	5
Juvenile Court	2	2	1	1	1	2	2	2	2	2
Magistrate Court	11	11	11	11	11	11	11	11	11	11
Superior Court	14	14	14	14	14	15	15	15	15	15
State Court	8	8	8	6	8	10	10	10	10	10
Indigent Defense	2	2	2	-	-	-	-	-	-	-
Public Safety										
Sheriff	202	202	206	212	201	225	226	240	240	240
Coroner	2	2	2	2	2	2	2	2	2	2
Probation	2	2	2	2	2	2	2	2	-	-
Fire Protection Services	3	5	8	10	13	16	-	-	-	-
Animal Control	9	10	11	11	11	12	12	12	12	12
Emergency Management	-	-	-	-	-	1	1	1	1	1
Subtotal	375	388	399	406	395	441	425	444	430	429

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,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Works										
Administration	6	6	6	5	7	7	7	6	6	6
Road Maintenance	37	38	32	31	29	40	39	39	36	36
Road Construction	14	14	14	13	13	10	10	10	8	9
Mosquito Control	-	-	-	-	-	1	-	-	-	-
Sanitation	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	-	-
Auxiliary Accounts - Jail Commissary	2	2	2	2	2	2	2	2	2	2
Intergovernmental										
Regional Airport	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	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	13	7	7	7	7	6	8	4	-	-
Emergency Telephone System	34	32	32	33	28	38	38	37	38	38
Special Services Fund										
Fire	-	-	-	-	-	-	16	20	19	19
Mosquito Control	-	-	-	-	-	-	1	1	1	1
County Planner	-	-	-	-	-	-	1	1	2	2
Zoning Administration	-	-	-	-	-	-	3	3	3	3
Victim/Witness	2	2	2	2	2	2	2	2	2	2
Water and Sewer	12	13	13	13	13	14	14	19	18	18
Sanitation Fund	-	-	-	-	-	21	19	19	17	17
Equipment Maintenance	10	10	10	10	10	10	10	11	8	8
Total	544	551	554	565	542	614	609	632	593	593

Source: County Budgets

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

	Fiscal Year Ending June 30,									
Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Courts										
Cases filed:										
Superior Court - Civil	2,985	2,730	2,987	2,776	3,079	2,624	3,384	3,549	3,238	3,425
Superior Court - Criminal	1,857	3,261	3,856	4,199	4,199	4,221	3,579	3,771	3,907	3,929
State Court - Civil	996	1,514	1,038	1,021	1,020	1,274	1,282	1,628	1,019	832
State Court - Criminal	27,211	24,746	23,188	19,436	20,122	16,930	17,262	16,069	18,589	19,135
Juvenile Court	1,434	1,766	2,027	1,656	1,656	1,379	1,133	1,184	1,444	1,026
Sheriff										
Physical arrest	NA	NA	7,501	5,167	10,554	9,050	9,002	8,743	9,340	10,185
Jail inmates booked in/out	NA	NA	9,030	5,167	10,554	9,050	9,002	8,743	9,340	10,185
Average daily jail population	NA	NA	555	326	668	723	693	678	710	745
Subpoenas served	NA	NA	17,335	7,019	17,084	19,644	15,822	18,831	14,040	13,915
Jury summons	NA	NA	664	622	872	543	344	576	470	479
Civil papers served	NA	NA	4,109	1,771	3,443	3,691	3,868	4,568	3,719	5,073
Fire Protection Services										
Emergency responses	678	1,362	989	1,508	1,777	1,801	1,774	1,648	2,653	2,829
Fires extinguished	247	350	387	457	560	462	490	497	999	335
Emergency Telephone System										
911 calls	63,218	62,578	64,412	77,291	75,426	84,218	88,298	96,000	96,420	98,587
Public Works										
New paving (miles)	11	7	28	8	8	7	13	6	-	-
Sanitation										
Refuse collected (tons per day)	45	38	46	44	44	35	23	27	27	34
Water										
Average daily consumption (thousands of gallons)	3,100	4,440	5,112	6,443	6,738	6,642	5,764	3,028	1,943	2,000
Sewer										
Average daily sewage treatment (thousands of gallons)	907	882	1,074	992	1,076	1,129	1,410	1,850	1,530	970

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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Sheriff										
Vehicles	160	162	165	169	194	210	220	252	235	240
Fire Protection Services										
Fire stations	15	15	16	17	18	18	18	18	18	18
Vehicles	56	56	56	56	55	53	55	56	56	56
Pumpers	19	19	19	19	13	18	18	18	18	18
Public Works										
Streets (miles) paved	435	442	463	560	469	457	471	477	447	487
Streets (miles) dirt	408	403	385	345	347	334	372	336	336	321
Traffic signals	2	2	2	2	2	2	2	2	2	3
Sanitation										
Collection sites	8	8	8	7	6	6	6	6	6	6
Parks and recreation										
Acreage	339	339	404	404	404	404	-	-	-	-
Recreation facilities	5	5	6	6	6	6	-	-	-	-
Water										
Water mains (miles)	110	124	133	140	155	166	182	185	190	191
Fire hydrants	NA	NA	1,152	944	1,236	1,179	1,336	1,373	1,408	1,420
Storage capacity (thousands of gallons)	2,150	2,150	3,150	3,150	3,160	3,170	3,650	3,680	3,680	3,680
Sewer										
Sanitary sewers (miles)	117	124	129	134	154	167	185	188	200	201
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	4	4	5	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, 2012

	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%
City of Dasher	300,000	299,733	292,547	-	292,547	97.60%
City of Hahira	1,175,000	1,171,981	1,168,339	3,642	1,171,981	100.00%
City of Remerton	400,000	401,244	400,987	257	401,244	100.00%
City of Lake Park	360,000	365,579	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	$84,418,300	$84,407,215	$ 3,899	$84,411,114	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
SPECIAL SALES TAX V
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
Year Ended June 30, 2012

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Industrial Authority	$ 4,070,000	$ 3,837,891	$ 3,277,231	$ -	$ 3,277,231	85.39%
Airport Authority	1,100,000	1,040,397	997,604	42,793	1,040,397	100.00%
City of Dasher	440,000	421,584	180,678	-	180,678	42.86%
City of Hahira	990,000	936,269	801,281	73,879	875,160	93.47%
City of Remerton	770,000	728,105	606,648	16,429	623,077	85.58%
City of Lake Park	440,000	412,609	409,847	-	409,847	99.33%
City of Valdosta	51,095,000	47,794,301	45,829,618	(41,951)	45,787,667	95.80%
Roads, Streets, and Bridges	20,000,000	22,270,681	21,321,456	949,225	22,270,681	100.00%
Debt Retirement	16,785,000	14,518,754	14,518,754	-	14,518,754	100.00%
Jail Facilities and Equipment	6,300,000	6,026,217	6,026,217	-	6,026,217	100.00%
Court Facilities and Equipment	1,000,000	56,336	-	-	-	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	953,600	107,058	563,443	670,501	70.31%
Administrative Facilities and Equipment	1,908,000	465,615	466,115	-	466,115	100.11%
Human Resource Building Improvements	200,000	137,810	-	137,810	137,810	100.00%
Library Books and Equipment	125,000	125,712	125,712	-	125,712	100.00%
Public Safety Facilities and Equipment	500,000	446,203	-	142,158	142,158	31.86%
Animal Shelter Facilities and Equipment	50,000	47,680	-	36,150	36,150	75.82%
Fire Fighting Facilities and Equipment	750,000	748,523	748,523	-	748,523	100.00%
Public Transportation Vehicles	50,000	47,680	7,990	13,600	21,590	45.28%
Totals	$ 110,000,000	$ 105,598,207	$100,006,972	$ 1,933,536	$101,940,508	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
SPECIAL SALES TAX VI
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
Year Ended June 30, 2012

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Airport Improvements and Equipment	$ 1,000,000	$ 783,566	$ 783,565	$ -	$ 783,565	100.00%
Parking Facility	1,500,000	762,631	-	-	-	0.00%
Emergency Operations Center	4,000,000	2,980,044	2,953,982	-	2,953,982	99.13%
Courthouse Renovations & Equipment	500,000	36,795	-	-	-	0.00%
Judicial /Admin Facilities Construction & Equipment	1,000,000	10,956	38	-	38	0.35%
Public Safety Training Facility Construction & Equipment	500,000	250,797	130,491	41,248	171,739	68.48%
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	3,009,022	27,943	1,190	29,133	0.97%
Water and Sewer Fund Construction & Improvements	15,000,000	5,640,295	4,887,937	-	4,887,937	86.66%
Road, Street & Bridges Construction & Improvements	22,388,450	13,473,059	13,471,856	1,203	13,473,059	100.00%
Bond Debt Retirement For Jail and Judicial/Admin Facilities	50,000,000	47,411,675	22,517,275	8,334,629	30,851,904	65.07%
City of Dasher	1,101,000	825,750	464,796	132,183	596,979	72.30%
City of Hahira	4,000,300	3,000,225	1,688,758	480,263	2,169,021	72.30%
City of Remerton	2,000,150	1,500,113	823,605	240,132	1,063,737	70.91%
City of Lake Park	752,350	564,263	317,610	90,325	407,935	72.30%
City of Valdosta	72,757,750	54,568,313	30,736,033	8,735,060	39,471,093	72.33%
Totals	$ 183,500,000	$ 135,358,587	$ 79,344,972	$ 18,056,233	$ 97,401,205	

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
Year Ended June 30, 2012

	Contract Number	Revenue	Expenditures	Due (To) From State
Passed through the Georgia Department of Community Affairs				
CHIP Grant	09m-y-92-1-6030	$ 52,410	$ 52,410	-
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				
Davidson Road	CSMSL-008-00(437)	709,897	709,897	-
ARRA Public Transportation Assistance	GA-86-4032	67,030	67,030	-
Passed through the Georgia Council of Juvenile Court Judges				
Juvenile Offenders	JB-08ST-004	416	416	-
Juvenile Offenders	JB-09ST-004	915	915	-
Passed through the Georgia Bureau of Investigation				
Georgia Terrorism Information Program	GAN#2010-22-T0-0034	1,834	1,834	-
Passed through the Georgia Emergency Management Agency				
FEMA Grant	FEMA-1833-DR-GA	621,631	621,631	-
2011 EMPG Planning Grant	P10-10-094	2,500	2,500	-
FY10 Citizens Corps Grant	2010-SS-T0-0034	747	747	-
2009 Homeland Security Grant	2009-SS-T9-0047	194,274	194,274	-
2009 Hazard Mitigation Grant	HMGP-1761-013	7,999	7,999	-
2011 EMPG Response & Recovery	OEM10-094	24,877	24,877	-
Public Safety Excess Property	2007-GE-T7-0054	273,143	273,143	-
Passed through the Criminal Justice Coordinating Council				
2009 Victims of Crime Act	C10-8-112	40,518	40,518	-
2011 Victims of Crime Act	C11-8-079	73,982	73,982	-
Total		$ 2,084,173	$ 2,084,173	$ -

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2012

	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	$ 52,410
Total Department of Housing and Urban Development			52,410
Department of Justice			
Edward Byrne Memorial JAG	16.738	2011-DJ-BX-2936	15,228
Passed through the Council of Juvenile Court Judges			
Juvenile Offenders Program	16.523	JB-08ST-004	416
Juvenile Offenders Program	16.523	JB-09ST-004	915
			1,331
Passed through the Criminal Justice Coordinating Council			
2009 Victims of Crime Act	16.575	C10-8-112	40,518
2011 Victims of Crime Act	16.575	C11-8-079	73,982
			114,500
Total Department of Justice			131,059
Department of Transportation			
Passed through the Georgia Department of Transportation			
ARRA Public Transportation Assistance	20.205	CSMSL-008-00(437)	709,897
ARRA Public Transportation Assistance	20.509	GA-86-4032	67,030
Total Department of Transportation			776,927

See independent auditors' report.

LOWNDES COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
Year Ended June 30, 2012

	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	504,025
2009 Hazard Mitigation Grant	97.039	HMGP-1761-013	7,039
2011 EMPG Planning Grant	97.042	P10-10-094	2,500
2011 EMPG Response & Recovery	97.042	OEM10-094	24,877
			27,377
FY10 Citizens Corps Grant	97.053	2010-SS-T0-0034	747
2009 Homeland Security Grant	97.067	2009-SS-T9-0047	194,274
CBRENE Team Maintenance	97.067	EMW-2011-SS-00081-801	7,426
			201,700
Passed through the Georgia			
Bureau of Investigation			
Georgia Terrorism Information Program	97.123	GAN#2010-22-T0-0034	1,834
Total Department of Homeland Security			742,722
Total			$ 1,715,118

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, 2012 which collectively comprise the County's basic financial statements and have issued our report thereon dated January 30, 2013. 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 and the Valdosta-Lowndes County Parks and Recreation Authority which represents 33.13% and 85.15% of the total assets and revenues of Lowndes County, Georgia's component units as of and for the year ending June 30, 2012. 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 and the Valdosta-Lowndes County Parks and Recreation Authority, is based on the reports of the other auditors.

Internal Control Over Financial Reporting

Management of Lowndes County, Georgia is responsible for establishing and maintaining effective 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

Henderson & Godbee, LLP

Valdosta, Georgia
January 30, 2013

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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, 2012. 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 $6,103,420 in federal awards that is not included in the schedule during the year ended June 30, 2012. 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, 2012.

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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

Henderson & Godbee, LLP

Valdosta, Georgia
January 30, 2013

LOWNDES COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012

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
20.205	Federal Aid Highway Program

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

Auditee considered a low risk auditee _____ Yes __X__No