Comprehensive Annual Financial Report

July 1, 2016 – June 30, 2017



Lowndes County Board of Commissioners

THIS PAGE INTENTIONALLY LEFT BLANK
(This report is formatted for duplex printing.)

COMPREHENSIVE ANNUAL FINANCIAL REPORT

LOWNDES COUNTY, GEORGIA

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



FINANCE DEPARTMENT
Stephanie Black, Finance Director

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

TABLE OF CONTENTS

INTRODUCTORY SECTION

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

FINANCIAL SECTION

Independent Auditor's Report	9-11
Management's Discussion and Analysis	12-22
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	23-26
Statement of Activities	27-28
Governmental Fund Financial Statements:	
Balance Sheet – Governmental Funds	29-30
Reconciliation of Total Governmental Fund Balances to Net Position Of Governmental Activities	31
Statement of Revenues, Expenditures and Changes in Fund Balance Of Governmental Funds	32
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	33
Proprietary Fund Financial Statements:	
Statement of Net Position	34-35
Statement of Revenue, Expenses and Changes in Fund Net Position	36
Statement of Cash Flows	37-38
Agency Fund Financial Statements:	
Statement of Fiduciary Assets and Liabilities	39
Notes to the Financial Statements	40-76

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

TABLE OF CONTENTS

REQUIRED SUPPLEMENTAL INFORMATION

Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Major Funds:
General Fund 77-79
Notes to Budgetary Comparison Schedules 80
Schedule of Changes in the County's Net Pension Liability and Related Ratios 81
Schedule of County Contributions 82-83
Schedule of Proportionate Share of the Net Pension Liability - Board of Health 84
Notes to Schedule of Employees Retirement System Contributions - Board of Health 85
Schedule of Funding Progress-OPEB 86

COMBINING AND INDIVIDUAL FUND SCHEDULES

Major Funds:
Capital Projects Special Sales Tax VII 87

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

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

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

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

TABLE OF CONTENTS

COMBINING AND INDIVIDUAL FUND SCHEDULES - Continued

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

Capital Projects Sales Tax VI	106
Capital Projects CDBG Grant Fund	107
Capital Projects Public Roads Fund	108

Other Enterprise Funds

Combining Statements of Net Position	109
Combining Statements of Revenue, Expenses and Changes in Net Position	110
Combining Statements of Cash Flows	111-112

Internal Service Funds:

Combining Statements of Net Position	113
Combining Statements of Revenue, Expenses and Changes in Net Position	114
Combining Statements of Cash Flows	115-116

Fiduciary Funds:

Combining Statements of Assets and Liabilities – Agency Funds	117
Combining Statements of Changes in Assets and Liabilities – Agency Funds	118-119

STATISTICAL SECTION
(Unaudited)

Net Position by Component	120-121
Changes in Net Position	122-125
Fund Balances, Governmental Funds	126-127
Changes in Fund Balances, Governmental Funds	128-129
Tax Revenues by Source, Governmental Funds	130
Assessed Value and Actual Value of Taxable Property	131-132
Direct and Overlapping Property Tax Rates	133
Principle Property Tax Payers	134
Property Tax Levies and Collections	135

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

TABLE OF CONTENTS

STATISTICAL SECTION
(Unaudited)

Ratios of Outstanding Debt By Type	136
Direct and Overlapping Governmental Activities Debt	137
Legal Debt Margin Information	138-139
Pledged-Revenue Coverage	140
Demographic and Economic Statistics	141
Principle Employers	142
Full-time Equivalent County Government Employees by Function/Program	143-144
Operating Indicators by Function/Program	145
Capital Assets Statistics by Function/Program	146

SPECIAL REPORTS SECTION

Schedules of Projects Constructed With Special Sales Tax Proceeds	147-148
CDBG Source and Application Funds Schedule	149
CDBG Project Cost Schedule	150
Schedule of State Contractual Assistance	151
Schedule of Expenditures of Federal Awards	152-153
Notes to the Schedule of Expenditures of Federal Awards	154
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	155-156
Independent Auditor's Report on Compliance for each Major Program and Report on Internal Control over Compliance Required by the Uniform Guidance	157-159
Schedule of Findings and Questioned Costs	160
Certificate of 9-1-1 Expenditures	161-163

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

March 12, 2018

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

The Comprehensive Annual Financial Report of Lowndes County, Georgia for the fiscal year ended June 30, 2017, is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures rests with the County. We believe the data presented is accurate in all material respects and that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds. All disclosures necessary to enable interested citizens to gain a reasonable understanding of the County's financial activities have been included.

This report consists of management's representations concerning the finances of Lowndes County, Georgia. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. All disclosures necessary to enable interested citizens to gain a reasonable understanding of the County's financial activities have been included.

The County's financial statements have been audited by Henderson & Godbee, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Lowndes County for the fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

Governmental accounting standards require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

REPORTING ENTITY

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

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

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

NATURAL FEATURES AND LAND USE

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

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

POPULATION

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

ECONOMIC CONDITION AND OUTLOOK

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

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

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

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

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

MAJOR INITIATIVES

For The Year:

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

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

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

For The Future:

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

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

RELEVANT FINANCIAL POLICIES

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting for the fifth year to the Lowndes County Board of Commissioners for its comprehensive annual financial report for the fiscal year ended June 30, 2017. In order to be awarded a certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legible requirements.

The County was also awarded the Distinguished Budget Presentation Award for the fiscal year ending June 30, 2017. This is the eleventh consecutive year the County has received this award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, as an operation guide, as a financial plan and as a communication device.

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

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

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

Respectfully,

Stephanie Black

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lowndes County

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Christopher P. Morrill

Executive Director/CEO

Organizational Structure



Lowndes County, Georgia
Principle Officials



Joyce E. Evans
Commissioner District 1



Bill Slaughter
Chairman



Scott Orenstein
Commissioner District 2



Mark Wisenbaker
Commissioner District 3



Demarcus Marshall
Commissioner District 4



Clay Griner
Commissioner District 5

<u>County Manager</u>
Joe Pritchard

<u>County Attorney</u>
Walter G. Elliott

<u>Elected Officials</u>

Tax Commissioner	Rodney V. Cain
Clerk of Court	Beth Greene
Sheriff	Ashley Paulk
Superior Court Judge	Harry Jay Altman II
State Court Judge	John Kent Edwards
Magistrate Court Judge	Joni Parker
Probate Judge	Detria Carter Powell

FINANCIAL SECTION

Henderson & Godbee, LLP

Certified Public Accountants and Business Consultants

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Lowndes County, Georgia

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

3488 North Valdosta Road
Valdosta, GA 31602

Phone: (229) 245-6040
FAX: (229) 245-1669

P.O. Box 2241
Valdosta, GA 31604-2241

www.hgncpa.com - www.facebook.com/hendersonandgodbee

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

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

Henderson & Godbee, LLP

Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

March 14, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

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

As Management of Lowndes County, Georgia, we offer readers of the County's basic financial statements this narrative overview and analysis of the financial activities of the County for the year ending June 30, 2017. This discussion is intended to: 1) assist the reader in understanding significant financial issues; 2) provide an overview of the County's financial activities; 3) identify changes in the County's financial position; and 4) identify individual fund issues or concerns. We encourage our readers to consider the information presented within this Management's discussion and analysis in conjunction with the basic financial statements.

Financial Highlights

Key financial highlights for FY17 are as follows:

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

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

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

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

Overview of the Financial Statements

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

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

Government-Wide Financial Statements

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

Statement of Net Position and the Statement of Activities

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

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

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

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

Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Position:

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

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

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

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

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

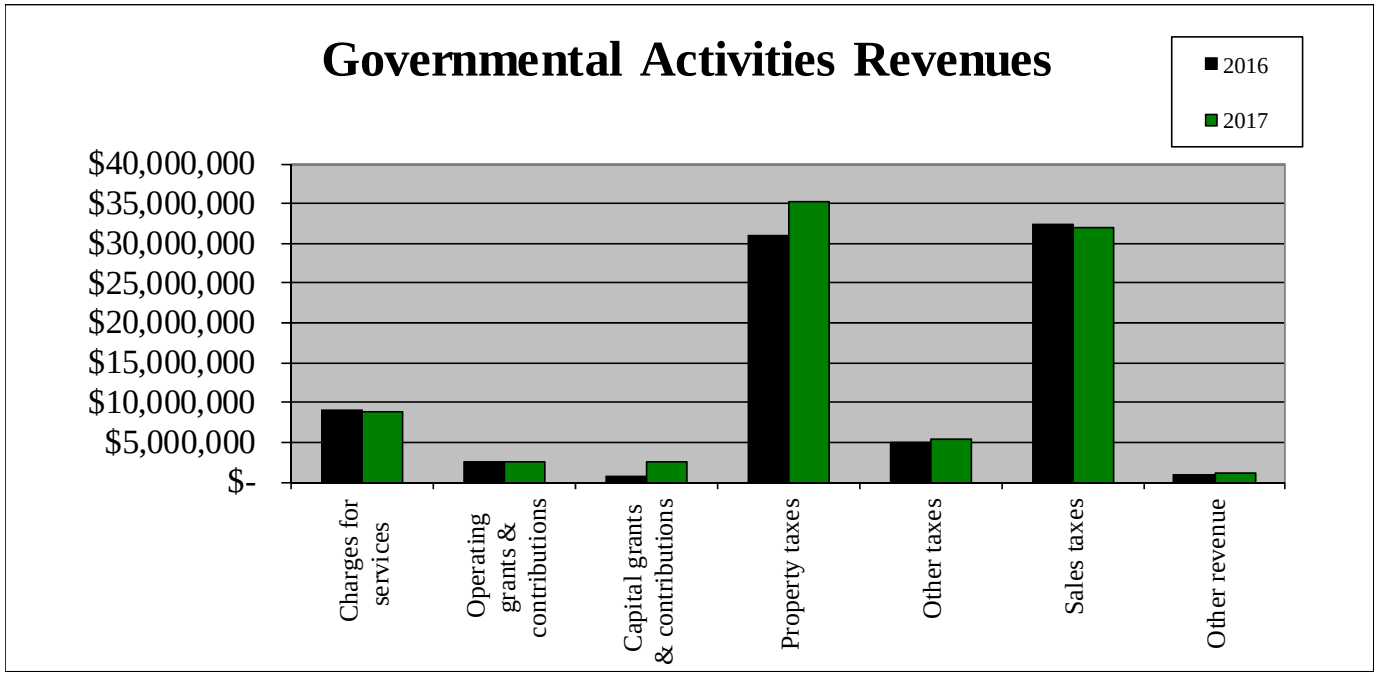
Changes in Lowndes County's Net Position
(in millions of dollars)

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

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

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

Government Activities



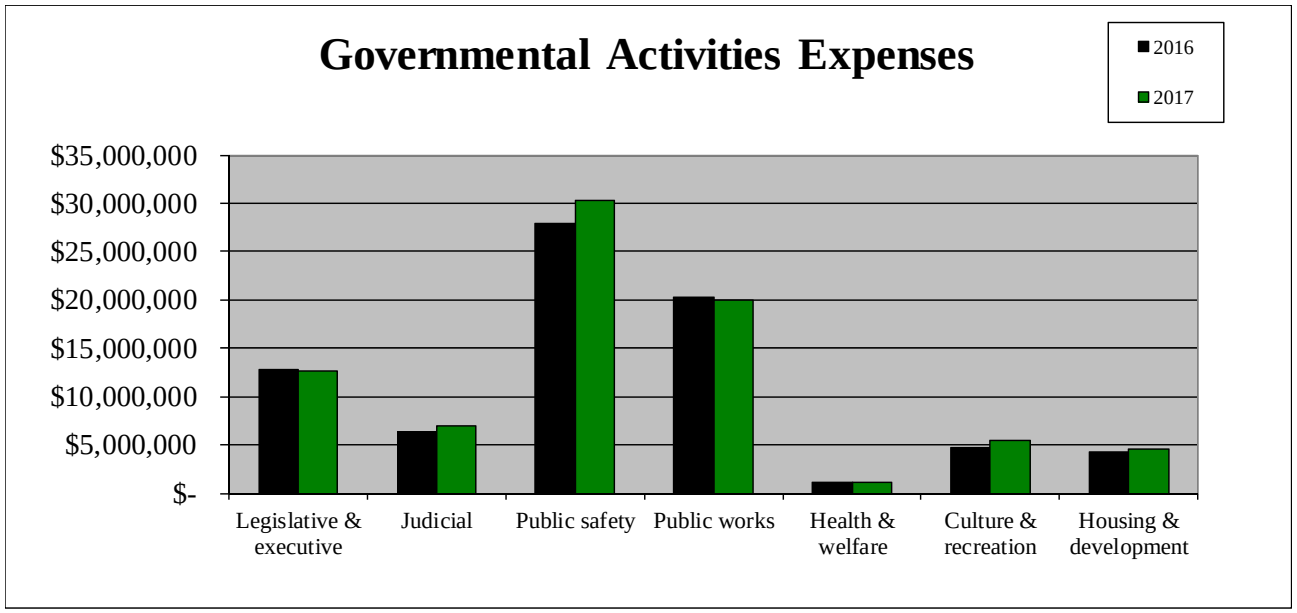
The largest portion of the County's program revenue is from charges for services which accounted for $8,906,238 or 64% of total program revenues. These charges include licenses and permits, fines and forfeitures related to judicial activity, fees for real estate transfers, fees associated with the collection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

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

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

Government Activities – Continued

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



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

Net Cost of Lowndes County's Governmental Activities

(in millions of dollars)

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

Business-Type Activities

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

Financial Analysis of County Funds

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

Governmental Funds

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

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

Major Funds:

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

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

Enterprise Funds

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

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

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

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

Budgetary Highlights

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

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

Capital Assets

The County's capital assets for governmental and business-type activities as of June 30, 2017, were $152,437,399 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings and improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure.

Major capital asset events during FY17 included continued improvements to roads and public safety equipment.

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

Debt

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

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

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

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

Economic Factors

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

The local option sales tax revenues declined 1.66%.

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Net Change in Fund Balances - Total Governmental Funds		$ 5,097,716
Amounts reported for governmental activities on the statement of activities are different because of the following:		
Net Pension Obligation		
Change in pension liability resulting from actuarial calculation of the net pension obligation which is not reported in the funds.		(1,837,282)
Deferred Outflow of Resources		
Deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds. The deferred outflows of resources consist of pension related gains and losses and assumption changes.		811,314
Internal service funds change in net position:		
Internal service funds change in net position less depreciation and compensated absences	242,963	
Depreciation	(104,465)	
Compensated absences	362	
		138,860
Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year:		
Capital outlay - depreciable capital assets	3,080,613	
Capital outlay - nondepreciable capital assets	4,848,953	
Depreciation	(4,937,120)	
		2,992,446
Revenues on the statement of activities that do no provide current financial resources are not reported as revenues in governmental funds:		
Property taxes	(120,450)	
		(120,450)
Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Other post employment benefits	(496,627)	
Compensated absences	(692)	
		(497,319)
Accrual of interest on bonds payable is not an expenditures in the governmental funds, but is accrued on the statement of activities.		
Accrued interest expense	1,380	
		1,380
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of activities.		
Amortization of deferred charge on bond refunding	(39,830)	
Amortization of bond premium	54,420	
Bond payments	870,000	
Capital lease proceeds	(735,450)	
Capital lease payments	147,090	
		296,230
Changes in Net Position of Governmental Activities		$ 6,882,895

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

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

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

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

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

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

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

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

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

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

LOWNDES COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For The Year Ended June 30, 2017

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

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

LOWNDES COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS - CONTINUED
For The Year Ended June 30, 2017

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

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

LOWNDES COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2017

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

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.

A. The Reporting Entity

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

Lowndes County Board of Health

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

Valdosta-Lowndes Development Authority

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

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

Note 1 - Summary of Significant Accounting Policies – Continued

A. The Reporting Entity - Continued

Valdosta-Lowndes County Parks and Recreation Authority

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

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

Joint Ventures

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

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

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

B. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Note 1 - Summary of Significant Accounting Policies – Continued

B. Basis of Presentation - Continued

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

Fund Financial Statements

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

C. Fund Accounting

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

Governmental Funds

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

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

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

Note 1 - Summary of Significant Accounting Policies - Continued

C. Fund Accounting - Continued

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

Proprietary Funds

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

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

Internal Service Funds

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

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

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

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

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

Fiduciary Funds

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

Note 1 - Summary of Significant Accounting Policies - Continued

D. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

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

E. Basis of Accounting

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

Revenue—Exchange and Nonexchange Transactions

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

Note 1 – Summary of Significant Accounting Policies – Continued

E. Basis of Accounting -Continued

Revenues—Exchange and Nonexchange Transactions - Continued

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

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

Deferred Outflows/Inflows of Resources

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

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

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

Note 1 - Summary of Significant Accounting Policies - Continued

E. Basis of Accounting - Continued

Expenses/Expenditures

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

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

F. Budgetary Process

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

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

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

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

G. Encumbrances

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

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

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

Note 1 - Summary of Significant Accounting Policies - Continued

H. Cash and Investments

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

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

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

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

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

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

I. Prepaid Items

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

J. Inventory

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

K. Restricted Assets

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

L. Capital Assets

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

Note 1 - Summary of Significant Accounting Policies - Continued

L. Capital Assets - Continued

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

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

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 and Sewer Infrastructure	5–50 years

M. Interfund Receivables/Payables

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

N. Compensated Absences

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

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

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

Note 1 - Summary of Significant Accounting Policies - Continued

O. Accrued Liabilities and Long-Term Obligations

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

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

P. Fund Equity

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

Fund Balance

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies - Continued

P. Fund Equity (Continued)

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

Flow Assumptions

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

Net Position

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

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

Q. Operating Revenues and Expenses

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

R. Interfund Transactions

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

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

Note 1 - Summary of Significant Accounting Policies - Continued

S. Management Estimates

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

T. New Funds Established

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

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

Note 2 – Deposits and Investments

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

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

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

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

Note 3 – Property Taxes

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

The property tax calendar is as follows:

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

Taxes are collected throughout the year.

Note 4 – Payment in Lieu of Taxes

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

Note 5 – Hotel/Motel Lodging Tax

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

Note 6 – Receivables

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

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

Note 7 – Due From Other Governments

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

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

Note 8 – Capital Assets

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

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

Note 8 – Capital Assets – Continued

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

Depreciation was charged to governmental functions as follows:

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

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

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

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

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

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

Note 10 – Risk Management

A. Property and Liability

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

Note 10 – Risk Management - Continued

A. Property and Liability - Continued

All funds of the County participate in the Health Insurance and Workers Compensation programs and make payments to the funds based on estimates of the amounts needed to pay prior and current-year claims and to establish a reserve for catastrophe losses. The Health Insurance Fund has a net position of $310,647 and the Workers Compensation Fund has a net position balance of $129,391 as of June 30, 2017. At June 30, 2017 the Health Insurance Fund has a claims liability of $507,927 and the Workers Compensation Fund has a claims liability of $1,000,000 reported based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the Health Insurance and Workers Compensation Funds claim liability amounts in fiscal 2016 and 2017 were:

Fiscal Year 2016	Beginning	Claims Estimates	Claims Paid	Ending
Group Health Fund	$ 1,270,975	$ 3,572,465	4,577,255	$ 266,185
Workers' Compensation Fund	730,000	489,520	509,520	710,000
	$ 2,000,975	$ 4,061,985	$ 5,086,775	$ 976,185

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

1) Health Care

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

2) Workers' Compensation

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

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

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

Note 11 –Pension Plan

Plan Description

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

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

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

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

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

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

Plan Membership

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

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

Benefits

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

Contributions

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

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

Note 11 –Pension Plan – Continued

Contributions - Continued

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

Net Pension Liability

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

Net Pension Liability	$21,487,582

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

Future salary increases	4.50% per year with an age based scale
Future Payroll Growth	5.5% per year
Investment return	7.50%
Mortality	RP-2000, projected with Scale AA

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

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

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

Note 11 –Pension Plan - Continued

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

Changes in the Net Pension Liability

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

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

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

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

Note 11 –Pension Plan - Continued

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

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

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

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

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

Payable to the Pension Plan

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

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

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

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

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

Note 11 – Pension Plan - Continued

Lowndes County Board of Health Pension Plan

General Information about the Employees Retirement System (ERS)

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

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

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

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

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

Note 11 – Pension Plan - Continued

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

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

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

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

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

Year Ended June 30	
2017	$ 178,941
2018	139,270
2019	497,517
2020	308,416
2021	-
Thereafter	-

Note 11 – Pension Plan - Continued

Lowndes County Board of Health Pension Plan

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

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

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

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

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

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

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

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

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

Note 11 – Pension Plan - Continued

Lowndes County Board of Health Pension Plan

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

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

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

Note 12 - Deferred Compensation Plan

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

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

Note 13– Other Post-Employment Benefits

Plan Description

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

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

Note 13– Other Post-Employment Benefits - Continued

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

The monthly retiree contributions are as follows:

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

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

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

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

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

Note 13– Other Post -Employment Benefits - Continued

Funded Status and Funding Progress

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

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

The annual required contribution amount was determined using actuarial methods.

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

Trend Information

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

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

Schedule of Funding Progress

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

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

Note 13– Other Post-Employment Benefits - Continued

Actuarial Methods and Assumptions

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

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

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

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

Note 14 – Compensated Absences

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

Note 14 – Compensated Absences – Continued

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

Note 15 - Capital Leases

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

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

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

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

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

Intergovernmental Agreement

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

Note 16 – Long-Term Debt

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

	Balance at July 1, 2016	Additions	Reductions	Balance at June 30, 2017	Amount Due In One Year
Governmental Activities					
Capital lease - General Fund	$ -	$ 735,450	$ 147,090	$ 588,360	$ 147,090
Capital lease - Equipment Fund	20,500	-	16,400	4,100	4,100
Total Capital Leases	20,500	735,450	163,490	592,460	151,190
Bonds - Public Facility Authority	7,495,000	-	870,000	6,625,000	895,000
Unamortized Bond Premium	313,529	-	54,420	259,109	50,479
Total Bonds Payable	7,808,529	-	924,420	6,884,109	945,479
Total Governmental Activities	$ 7,829,029	$ 735,450	$ 1,087,910	$ 7,476,569	$ 1,096,669

	Balance at July 1, 2016	Additions	Reductions	Balance at June 30, 2017	Amount Due In One Year
Business - Type Activities					
Revenue Bonds (2016)	$ 7,220,000	$ -	$ 735,000	$ 6,485,000	$ 750,000
Capital Lease	440,198	-	216,593	223,605	223,605
GEFA Note Payable	1,285,219	-	231,697	1,053,522	254,754
Unamortized Bond Premium	191,869	-	32,666	159,203	30,091
Total Business-Type Activities	$ 9,137,286	$ -	$ 1,215,956	$ 7,921,330	$ 1,258,450

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

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

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

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

Note 16 – Long-Term Debt – Continued

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

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

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

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

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

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

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

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

Note 17 – Legal Debt Margin

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

Note 18 – Landfill Postclosure Cost

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

State and federal laws and regulations require the County to cover a landfill and maintain monitoring functions for thirty years after closure. The County has accrued the expected postclosure cost for the landfill that closed November 1996. The amount accrued of $679,849 represents 100% of the total estimated remaining postclosure cost which is made up of estimated monitoring costs and maintenance costs. This estimate is subject to change based on changes in technology or applicable laws and regulations. Solid waste host fees are utilized to cover the postclosure cost.

Note 19 – Component Units

A. Lowndes County Board of Health

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

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

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

Note 19 – Component Units - Continued

A. Lowndes County Board of Health -Continued

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

Equipment	$ 1,463,027
Vehicles	224,732
Less: Accumulated Depreciation	(1,338,448)
Net Property and Equipment	$ 349,311

B. Valdosta-Lowndes Development Authority

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

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

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

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

Note 19 – Component Units - Continued

B. Valdosta-Lowndes Development Authority - Continued

1996 Series Revenue Bonds

In 1996, the Authority issued bonds in the amount of $5,000,000 to finance acquisition and development of industrial sites in Lowndes County, Georgia. The revenue bonds matured on January 1, 2017. The bonds carried a floating interest rate based on a percentage of the London Interbank Offer Rate. The bonds were payable "interest only" until January 1, 1999, after which, annual payments of principal were due. The bonds were secured by an "inter-governmental" funding agreement between the Valdosta-Lowndes Development Authority and Lowndes County, Georgia. The 1996 Series Revenue Bonds were paid off during the year ended June 30, 2017.

2008 Series Revenue Bonds

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

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

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

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

Note 19 – Component Units - Continued

B. Valdosta-Lowndes Development Authority – Continued

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

Year Ending June 30	Payment
2018	$ 1,681,590
2019	1,680,353
2020	1,679,250
2021	1,676,500
2022	1,677,375
Thereafter	3,358,125

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

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

C. Valdosta-Lowndes County Parks and Recreation Authority

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

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

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

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

Note 20 – Insurance Pools

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

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

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

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

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

Note 21 – Joint Ventures

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

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

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

Note 21 – Joint Ventures - Continued

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

Southern Georgia Regional Commission
3395 Harris Road
Waycross. Georgia 31503

Note 22 – Related Party Transactions

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

Note 23 – Contingent Liabilities

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

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

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

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

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

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

Note 24 – Accountability

Deficit Net Positions and Fund Balances

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

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

Note 25 – Assignment

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

Note 26 – Tax Abatements

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

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

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

Type of Business	Property Taxes Abated
Insulation Company	$ 4,693
Home Goods Supply Company	46,949
Bakery Company	50,205
Paper Company	405,103
	$ 506,950

REQUIRED SUPPLEMENTAL INFORMATION

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

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

See accompanying note to budgetary comparison schedules.

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

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

See accompanying note to budgetary comparison schedules.

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

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

See accompanying note to budgetary comparison schedules.

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

Note 1 - Budgetary Basis of Accounting

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

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

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

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

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

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

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

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

SCHEDULE OF COUNTY CONTRIBUTIONS

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

Notes to Schedule:

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

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

LOWNDES COUNTY BOARD OF HEALTH

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

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

Employees' Retirement System
For the Year Ended June 30,

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

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

LOWNDES COUNTY BOARD OF HEALTH

Notes to Schedule:

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

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

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

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

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

SCHEDULE OF FUNDING PROGRESS

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

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

COMBINING AND INDIVIDUAL FUND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

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

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

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

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

See accompanying note to budgetary comparison schedules.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

Intergovernmental Grants – To account for various grant revenues received.

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

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

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

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

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

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

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

See independent auditor's report.

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

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

See independent auditor's report.

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

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

See independent auditor's report.

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

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

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

See independent auditor's report.

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

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

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

See independent auditor's report.

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

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

See independent auditor's report.

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

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

See independent auditor's report.

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

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

See independent auditor's report.

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

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

See independent auditor's report.

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

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

See independent auditor's report.

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

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

See independent auditor's report.

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

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

See independent auditor's report.

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

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

See independent auditor's report.

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

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

See independent auditor's report.

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

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

See independent auditor's report.

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

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

See independent auditor's report.

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

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

See independent auditor's report.

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

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

See independent auditor's report.

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

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

See independent auditor's report.

OTHER ENTERPRISE FUNDS

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

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

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

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

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

See independent auditor's report.

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

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

See independent auditor's report.

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

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

See independent auditor's report.

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

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

See independent auditor's report.

INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

See independent auditor's report.

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

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

See independent auditor's report.

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

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

See independent auditor's report.

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

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

See independent auditor's report.

FIDUCIARY FUNDS

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

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

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

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

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

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

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

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

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

See independent auditor's report.

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

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

See independent auditor's report.

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

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

See independent auditor's report.

STATISTICAL SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

Lowndes County, Georgia
Statistical Section
(Unaudited)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note: Includes General and Special Revenue Funds.

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

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

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

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

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

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

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

Fiscal Year Ended 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
2008	2,623,345	6,558,363	40%	8.76	8.76
2009	2,756,750	6,891,875	40%	7.31	7.31
2010	2,830,735	7,076,838	40%	7.31	7.31
2011	2,797,639	6,994,098	40%	7.31	7.31
2012	2,802,131	7,005,328	40%	7.31	7.31
2013	2,867,508	7,168,770	40%	7.31	7.31
2014	2,898,243	7,245,608	40%	7.30	7.30
2015	2,899,975	7,249,938	40%	8.31	8.31
2016	2,995,161	7,487,903	40%	7.80	7.80
2017	2,999,464	7,498,660	40%	8.97	8.97

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

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

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

Source: Lowndes County Tax Commissioner

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

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

Source: Lowndes County Tax Commissioner

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

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

Source: Lowndes County Tax Commissioner

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

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

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

Notes: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

Lowndes County, Georgia
Direct and Overlapping Governmental Activities Debt (Unaudited)
As of June 30, 2017

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

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)

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

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

Legal Debt Margin Calculation for Fiscal Year 2017

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

2013	2014	2015	2016	2017
286,751	289,824	289,998	299,516	299,946
18,647	9,185	8,717	7,809	6,884
$ 268,104	$280,639	$281,281	$291,707	$ 293,062
0%	0%	0%	0%	0%

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

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

Notes:

Pledged revenues represent fees charged for water and sewer services.

Operating expenses do not include depreciation and interest expenses.

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

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

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

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

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

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

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

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

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

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

Function/Program	Full-time Equivalent Employees as of June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Works										
Administration	7	7	6	6	6	6	6	6	6	6
Road Maintenance	40	39	39	36	36	39	39	39	39	38
Road Construction	10	10	10	8	9	9	9	9	9	9
Mosquito Control	1	-	-	-	-	-	-	-	-	-
Housing and Development									-	-
County Planner	1	-	-	-	-	-	-	-	-	-
Zoning	3	-	-	-	-	-	-	-	-	-
Keep Lowndes/ Valdosta Beautiful	1	1	1	-	-	-	-	-	-	-
Auxiliary Accounts - Jail Commissary	2	2	2	2	2	2	2	2	2	2
Intergovernmental									-	-
Regional Airport	7	7	7	-	-	-	-	-	-	-
Alternative Dispute Resolution	2	2	2	2	2	2	2	2	2	2
Zoning Administration	3	-	-	-	-	-	-	-	-	-
VOCA Grant - Solicitor	-	-	-	-	-	-	-	1	1	2
LODAC HUD Grant	4	3	3	-	-	-	-	-	-	-
LCSO - HEAT Grant	-	-	-	-	-	-	-	-	-	3
County Jail Fund	1	1	1	1	1	1	1	2	1	1
Drug Abuse Treatment	6	8	4	-	-	-	-	-	-	-
Emergency Telephone System	38	38	37	38	38	36	36	38	38	41
Special Services Fund										
Fire	-	16	20	19	19	19	20	20	20	20
Mosquito Control	-	1	1	1	1	1	1	1	1	1
County Planner	-	1	1	2	2	2	2	2	2	2
Zoning Administration	-	3	3	3	3	3	3	3	3	3
Victim/Witness	2	2	2	2	2	2	2	2	2	2
Water and Sewer	14	14	19	18	18	19	19	19	19	21
Sanitation Fund	21	19	19	17	17	15	-	-	-	-
Equipment Maintenance	10	10	11	8	8	9	9	9	9	9
Total	614	609	632	593	593	598	585	595	594	605

Source: County Budgets

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

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

Source: County Department Heads

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

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

Source: County Department Heads

SPECIAL REPORTS SECTION

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

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

See independent auditor's report.

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

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

See independent auditor's report.

SOURCE and APPLICATION OF FUNDS SCHEDULE
Community Development Block Grant

Lowndes County, Georgia

15p-y-092-1-5793

For the Period Ending: June 30, 2017
Cumulative

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

See independent auditor's report.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROJECT COST SCHEDULE

Recipient: Lowndes County, Georgia

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

For the Period Ending: June 30, 2017

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

See independent auditor's report.

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

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

See independent auditor’s report.

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

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

See independent auditor's report.

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

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

See independent auditor's report.

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

NOTE 1. BASIS OF PREPARATION

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

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

NOTE 2. DE MINIMIS INDIRECT COST RATE

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

NOTE 3. NON-CASH AWARDS

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

Henderson & Godbee, LLP

Certified Public Accountants and Business Consultants

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

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

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

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

To the Board of Commissioners
Lowndes County, Georgia

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

Internal Control over Financial Reporting

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

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

3488 North Valdosta Road
Valdosta, GA 31602

Phone: (229) 245-6040
FAX: (229) 245-1669

P.O. Box 2241
Valdosta, GA 31604-2241

www.hgncpa.com - www.facebook.com/hendersonandgodbee

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

Compliance and Other Matters

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

Purpose of this Report

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

Henderson & Godbee, LLP

Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

March 14, 2018

Henderson & Godbee, LLP

Certified Public Accountants and Business Consultants

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

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

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

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

To the Board of Commissioners
Lowndes County, Georgia

Report on Compliance for Each Major Federal Program

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

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

Management's Responsibility

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

Auditor's Responsibility

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

3488 North Valdosta Road
Valdosta, GA 31602

Phone: (229) 245-6040
FAX: (229) 245-1669

P.O. Box 2241
Valdosta, GA 31604-2241

www.hgncpa.com - www.facebook.com/hendersonandgodbee

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

March 14, 2018

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

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting	
Material weakness identified?	_____Yes __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:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	____ Yes __X__ No

Identification of major programs:

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

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

Auditee considered a low risk auditee __X__ Yes ____No

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

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

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

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

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

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

Dues and subscriptions	$	1,298
Contract Services	$	683,830
Utilities	$	67,703
Facilities maintenance	$	10,189
	$	
	$	
	$	
	$	

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

Certification of Local Government Officials

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

Signature of Chief Elected Official _____ Date 03/14/18

Print Name of Chief Elected Official Bill Slaughter

Title of Chief Elected Official Chairman Board of Commissioners

Signature of Chief Financial Officer _____ Date 03/14/18

Print Name of Chief Financial Officer Stephanie Black