



# Comprehensive Annual Financial Report 2012

City of  
Valdosta, Georgia

For The Year Ending  
June 30, 2012

L. Mark Barber,  
Deputy City Manager  
of Administration





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# Comprehensive Annual Financial Report

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**City of Valdosta, Georgia**

for the Fiscal Year

July 1, 2011 - June 30, 2012

FINANCE DEPARTMENT

L. Mark Barber, Deputy City Manager of Administration

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# Introduction



# CITY OF VALDOSTA, GEORGIA

i

L. MARK BARBER  
DEPUTY CITY MANAGER  
ADMINISTRATION

March 15, 2013

Citizens of Valdosta, GA  
Honorable Mayor,  
Members of Council,

In accordance with State Statutes and Section 4.51 of the Charter of Valdosta, Georgia, the Comprehensive Annual Financial Report for the fiscal year 2012 is submitted herewith. Responsibility for both the accuracy of the data and the thoroughness and fairness of presentation including all disclosures rests with the City of Valdosta. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain maximum understanding of the City's financial affairs have been included.

The Comprehensive Annual Financial Report is presented in four groupings: an Introductory Section, Management's Discussion and Analysis, a series of Financial Sections and a Statistical Section.

The Introductory Section includes this letter of transmittal, a general governmental organizational chart, and a list of principal officials of the City of Valdosta.

Management's Discussion and Analysis, which is required by GASB, for the City of Valdosta, includes summarized financial information about the City, an analysis of the past year's operations of general government and major enterprise activities, an overview of the City's major enterprise activities, and an overview of the City's current and future economic picture as well as its major initiatives and financial accomplishments for the year.

The Financial Sections include the City's external auditor's letter expressing an opinion as to the accuracy and fairness of the presentation, the audited financial statements and supporting schedules and notes. The combined statements in this section present an overview of the City's entire financial operations. Combined and individual fund statements present financial data of each of the separate funds of the City. Schedules provide certain other information summarized in the financial statements. The notes are an integral part of the financial statements and provide additional information which is essential to an accurate understanding of the government's financial condition.

The City of Valdosta receives federal assistance through various federal grant programs. An audit in accordance with the Single Audit Act of 1984, P.C. 98-502, and Office of

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**VALDOSTA**  
A City Without Limits



Management and Budget (OMB) Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations," and "Government Auditing Standards" issued by the Comptroller General of the United States has been performed for the fiscal year ended June 30, 2012. The required reports on supplementary information, compliance, and internal controls along with various supplementary schedules will be included in compliance section.

#### Reporting Entity

The City of Valdosta was originally incorporated by an Act of the General Assembly of Georgia on December 7, 1860 and since April 14, 1958 has operated under the Council-Manager form of government. The City provides a full range of services to some 50,000 residents. The daytime population of Valdosta soars to approximately 75,000. These services include general administrative services, police and fire protection, sanitation services, water and sewer services, the construction and maintenance of highways, streets, recreational activities and cultural events. The financial statements in this report include all of these functions and activities of the government.

In addition to the above listed activities, the City has financial accountability for other organizations based on its ability to appoint a voting majority of the organization's governing body, and effectively impose its will on the organization. Also, financial accountability exists where there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City. Based upon the application of these criteria, the function and activities of the Central Valdosta Development Authority have been included in the financial statements. The Authority was established by acts of the General Assembly of Georgia to redevelop and improve the central Valdosta area and the Downtown Development Authority.

Valdosta is governed by a mayor and seven council members elected by the citizens. The Mayor serves a four-year term, and is the official spokesman for the City. Members of the City Council serve four-year staggered terms. The six district Councilmen represent specific districts within the territorial limits of Valdosta. The one councilman at large is elected from all districts. The City Manager is appointed by the Mayor and confirmed by the Council, and is responsible for the day-to-day operation of the government.

#### Natural Features and Land Use

Valdosta is strategically located at the southern entrance to the State of Georgia on the major interstate highway system (I-75) linking the Great Lakes and Midwest areas with major recreation and vacation centers in Florida.

The City is growing an average of thirty-three percent each decade in physical size. A County comprehensive plan shows this trend continuing for the foreseeable future.

Historic buildings are located mostly in the central portion of Valdosta and include residential, commercial and public buildings. Private and public actions have identified the importance of historic resources. Both the private and the public sectors have renovated many buildings in the past several years.

The City downtown area is enjoying near 100% occupancy of buildings. The newly revitalized central downtown area is home to commercial, public and most recently residential dwellings.

#### Population

The City's population has grown 25% in the last ten years. The City of Valdosta has the largest percentage of residents in Lowndes County with 49.91% percent of the entire population residing within the City limits of Valdosta.

Major regional facilities located in the City include a regional university, regional airport, regional hospital, and major industrial parks. Of the 45,959 jobs in Lowndes County, 31,815, or 70 percent, are located in Valdosta. Consequently, of the 18 largest employers in Lowndes County, 15 are located in the City of Valdosta.

Population density, a primary indicator of service delivery, is approximately 1,500 people per square mile in the City of Valdosta and only 93 people per square mile in the unincorporated area of Lowndes County.

#### Economic Condition and Outlook

Valdosta is clearly the economic engine of Lowndes County. Valdosta is the economic, social, cultural, retail and professional services anchor for not only Lowndes County, but for a 250,000 population area. Because of the City's regional presence and results of the 2000 Census, the City was designated a Metropolitan Statistical Area (MSA) in June 2003. The area covers a four county region in South Georgia.

The Valdosta MSA offers regional residents and consumers a large variety of flourishing economic engines in industry, education, medicine, tourism and entertainment, and retail. The strength in the City of Valdosta's economy lies not only within this diversity, but also a high quality of life, temperate climate, pro-business attitudes and supporting policies, and convenient geographic location.

Moody Air Force Base is located in the northwest section of the County, and continues to be a major employer of the region. Development patterns of the community have been significantly influenced by its presence. The continued presence of Moody is paramount to the growing economy of Valdosta, and to such extent, the City makes an annual contribution to the Moody Support Committee, with local officials making a yearly trip (more if necessary) to Washington D.C. to mitigate any efforts of Moody being included on the base closure list.

Education continues to be an economic resource to Valdosta. Valdosta State University, a senior unit of the University System of Georgia, offers undergraduate, graduate and doctoral degree programs in numerous areas. Total enrollment at the University is approximately 12,500 students with substantial growth projected in the future. However, as the university expands, property purchased by the university is removed from the tax roles because it is designated public property.

A recent study and report by the University of Georgia designated Lowndes County with the highest retail pull factor in Georgia. This factor measures the amount of spending in a community from those who live outside the community. Over one billion dollars worth of retail sales occurred in Lowndes County last year, with virtually 80% of these sales occurring within the corporate limits of Valdosta.

Even with the above mentioned positive attributes of the City's economy, anemic property tax revenues, lagging sales tax collection, and surging healthcare costs coupled with the increased demand upon public safety and other City services affect the City of Valdosta. In an effort to prevent using reserves to balance the annual budget, each department director is held accountable for their respective department's budget.

The continued instability of the national economy and significant attention given legislation mandated by the State has required local governments to become creative in meeting these difficult challenges. The City of Valdosta will continue to be proactive in the generation of other revenue sources.

#### Major Initiatives

A focus on revitalization of economically depressed areas in the City has proven successful through collaboration among City officials, residents, non-profit and for-profit organizations, and business to clean up neighborhoods and provide education programs that allow neighborhoods to continue their revitalization efforts independently.

The continuation of a special purpose one percent sales tax will enable the City to fund the City's five year capital plan. This plan includes major drainage and road improvements, water and sewer improvements, and construction of additional public facilities.

#### Looking to the Future

Facing the needs of a rapidly growing metropolitan community typically places a burden on the financial flexibility of any governmental unit. The City of Valdosta has recognized that it alone is incapable of solving all of the issues facing the metropolitan community. So instead, the city is striving to address growth demands on the community both by individual initiative and by actively participating with other local governments in seeking solutions to growth issues.

Broader revenue flexibility will be essential to maintain Valdosta's traditionally strong financial condition and to address the challenges of growth. The City, the Georgia Municipal Association, and the Association of County Governments are seeking new optional local flexibility in an effort to match new revenues with capital objectives.

Although the State has not addressed significant broadening of local government latitude, the growth of the City and its related impact in revenue has allowed for an adequate effort to meet the demands of growth.



### Cash Management

The available assets of the various funds are pooled to the extent possible for investment purposes. Investments are made in accordance with applicable State laws and the City's investment policy. All securities purchased by the City are held by a designated safe keeping institution. Similarly, demand deposit bank accounts must be collateralized by a pledge of the State of Georgia or United States Treasury or Agency obligations equal in market value to 110% percent of the uninsured amount of deposit. The investment policy also prescribes selection criteria for investment instruments and maturities of investments.

### Risk Management

The management of risk through loss control continues to be an integral part of the administration of the City.

Risk Management activities includes claims processing, investigation, adjustments and settlements, insurance placement, and implementing loss control measures through the use of training and safety inspections. The City is self-funded with regard to workers' compensation, employee health coverage, and general liability claims. The City carries property insurance on all City owned facilities and vehicle insurance for City equipment.

### Independent Audit

Georgia requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City by independent certified public accountants selected by the Mayor and City Council. The City has complied with this requirement; the firm of Mauldin & Jenkins has completed an audit of the 2012 fiscal year end and the auditor's unqualified opinion has been included in this report.

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Valdosta for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. This was the twenty-fourth consecutive year the City received this award.

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

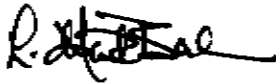
The City was awarded the Distinguished Budget Presentation Award for the fiscal year beginning July 1, 2012. This was the twelfth consecutive year the City has received this award. The Distinguished Budget Presentation Award is the highest form of recognition in governmental budgeting. In order to earn this award, a government must publish a budget document which meets program criteria as a policy document, financial plan, operations guide, and as a communications device.

Both the Certificate of Achievement and the Distinguished Budget Award are valid for a period of one year. We believe our current Comprehensive Annual Financial Report and our 2012 fiscal year budget document continue to conform to the requirements for each award.

Acknowledgements

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the Accounting Division of the Finance Department under the direction of the Financial Services Manager, Chuck Dinkins. They have my sincere appreciation for the contributions made in the preparation of this report, as well as all additional individuals who assisted in this effort. Appreciation is also expressed to the Mayor, Council Members, City Manager and Department Directors for their cooperation and outstanding assistance in matters pertaining to the financial affairs of the City.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "L. Mark Barber", written in a cursive style.

L. Mark Barber  
Deputy City Manager Administration

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Valdosta  
Georgia

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

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



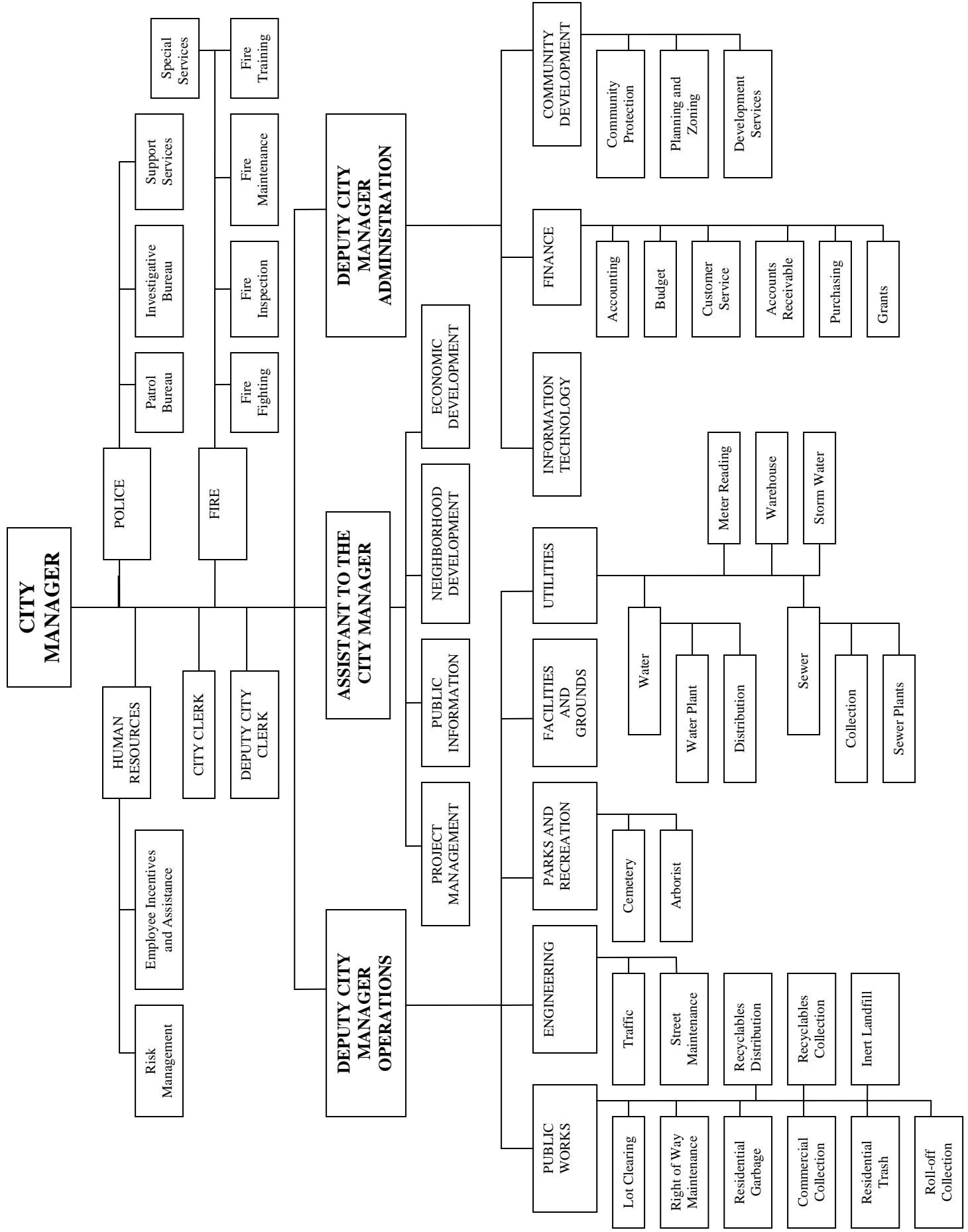
*Christopher P. Morrell*

President

*Jeffrey R. Enen*

Executive Director





## **PRINCIPAL OFFICIALS CITY OF VALDOSTA, GEORGIA**

Mayor

John Gayle

Council Member – At Large  
Council Member – District I  
Council Member – District II  
Council Member – District III  
Council Member – District IV  
Council Member – District V  
Council Member – District VI

Ben Norton  
James Wright  
Deidra A. White  
Joseph Vickers  
Alvin Payton, Jr.  
Tim Carroll  
Robert Yost

City Manager

Larry H. Hanson

Clerk of Council  
City Attorney  
Municipal Court Judge  
City Auditor

Teresa Bolden  
George T. Talley  
Vernita L. Bender  
Mauldin & Jenkins, LLC

Interim Human Resources Director  
Deputy City Manager - Administration  
City Engineer  
Fire Chief  
Police Chief  
Deputy City Manager - Operations  
Utilities Director  
Director of Community Development  
Assistant to the City Manager

L. Mark Barber  
L. Mark Barber  
Patrick S. Collins  
J. D. Rice  
C. Frank Simons  
John Whitehead, III  
Henry Hicks  
Michael T. Martin  
Mara Register

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## INDEPENDENT AUDITOR'S REPORT

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**To the Honorable Mayor and Members  
of the City Council  
Valdosta, Georgia**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Valdosta, Georgia** (the "City"), as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Valdosta, Georgia's, management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Valdosta, Georgia, as of June 30, 2012 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2013, on our consideration of the City of Valdosta, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 3 through 15), budgetary comparison information (on page 77), and the Schedule of Funding Progress (on pages 79 and 80) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Valdosta, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the City of Valdosta, Georgia. The schedules of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121 and are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Valdosta, Georgia's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*Mauldin & Jenkins, LLC*

# Management's Discussion and Analysis

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the City of Valdosta's Comprehensive Annual Financial Report presents a discussion and analysis of the City's financial performance during the fiscal year ending June 30, 2012. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

- The assets of the City of Valdosta exceeded its liabilities at the close of the most recent fiscal year by \$235.30 million. Of this amount, \$0 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's governmental net assets decreased by \$4.29 million, primarily due to economic conditions dictating the use of investment funds to supplement current cash, and the required adjustment for the City's most recent Other Post Employment Benefits evaluation.
- The governmental activities revenue increased \$3.93 million (or 10%) and the net results from activities increased \$1.3 million. The results of activities produced a decrease in net assets of \$4.29 million. Governmental expenses increased by \$2.63 million.
- The business-type activities revenue increased by \$.10 million and the net results from activities decreased by \$1.84 million. The results of activities produced an increase in net assets of \$.13 million.
- The total cost of all City programs increased by \$3.89 million.
- The General Fund (the primary operating fund of the City) reflected on a current financial resource basis, reports a net reduction in fund balance of \$.38 million.
- The City's total debt increased \$10.58 million (or 27.97%). The increase is the result of debt incurred with Georgia Environmental Facilities Authority in regard to water/sewer infrastructure improvements.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City's operations in more detail than the government-wide statements.

The Governmental Funds statements explain how general government services such as public safety were financed in the short term as well as what remains for future spending. The City of Valdosta has four Governmental Fund types: the General, Special Revenue, Capital Projects, and the Permanent Fund.

Proprietary fund statements offer short- and long-term financial information about the activities the government operates in a manner similar to businesses, and include the Sanitation, Water and Sewer, Inspection, Zoning, Department of Labor Building, Auditorium, Storm Water, and Motor Fuel Funds.

Fiduciary fund statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong. The City's Fiduciary fund consists of two Agency Funds.

The financial statements also include notes that explain certain information in the financial statements and provide more detailed data.

Figure A-1 summarizes the major features of the City's financial statements, including the portion of the City they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Figure A-1  
**Major Features of City of Valdosta's Government-wide and Fund Financial Statements**

	<b>Fund Statements</b>			
	<b>Government-wide Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
Scope	Entire City government (except fiduciary funds) and the City's component units.	The activities of the City that are not proprietary or fiduciary, such as police, fire, and engineering	Activities the City operates similar to private businesses: Sanitation, Water & Sewer, Inspections, Zoning, Department of Labor Building, Auditorium, Storm Water, and Motor Fuel	Where the City is the trustee or agent for someone else's resources
Required financial statements	Statement of Net Assets; Statement of Activities	Balance Sheet; Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Net Assets; Statement of Cash Flows	Statement of Fiduciary Net Assets; Statement of Changes in Fiduciary Net Assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the City's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Government-wide Statements

The government-wide statements report information about the City of Valdosta as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's assets and how they have changed. Net assets—the difference between the City's assets and liabilities—is one way to measure the City's financial health, or position.

- Over time, increases or decreases in the City of Valdosta's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, the reader should consider additional nonfinancial factors such as changes in the City's property tax base.
- *Governmental activities*—Most of the City's basic services are included here, such as the police, fire, public works, and general administration departments. Property taxes, sales and use taxes, and state and federal grants finance most of these activities.
- *Business-type activities*—The City of Valdosta charges fees to customers to help cover the costs of certain services provided. The City's garbage pickup, water/sewer service, building inspection, zoning, building rental, auditorium, storm water, and motor fuel services are included here.
- *Component units*—Component Units are legally separate entities that meet any one of the following criteria: (1) The primary government appoints the voting majority of the board of the potential component unit, and is able to impose its will on the component unit and/or is in a relationship of financial benefit or burden with the potential component unit, (2) The potential component unit is fiscally dependent upon the primary government, or (3) The financial statements would be misleading if data from the potential component unit were not included. The City of Valdosta includes the Central Valdosta Downtown Development Authority, and the Downtown Development Authority as discretely presented component units.

### Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds—not the City as a whole. The “fund” level is where the basic unit of financial organization and operation within the City exists. Funds are accounting tools that are used to keep track of specific sources of funding and spending for particular purposes. They are the basic budgetary and accounting entities.

- Some funds are required by State law and by bond covenants.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

- The City establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City of Valdosta utilizes three types of funds:

- **Governmental funds**—most of the City of Valdosta's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them. The measurement focus of governmental funds is upon determination of financial position and changes in financial position (sources, uses, and balance of financial resources) rather than upon net income determination. These funds are maintained on a modified accrual basis of accounting (explained further in the notes to the financial statements under "Summary of Significant Accounting Policies"). The basic financial statements for governmental funds are the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance. The City of Valdosta utilizes four types of governmental funds: the General Fund, Special Revenue Funds, Capital Project Funds and Permanent Funds.
- **Proprietary funds**—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. Two types of proprietary funds exist: enterprise funds and internal service funds. The City of Valdosta's enterprise funds are the same as its business-type activities yet provide more detail and additional information, such as cash flows. Internal service funds are used to report activities that provide supplies and services for the City's other programs and activities. The measurement focus of proprietary funds is upon determination of net income, financial position and change in financial position. These funds are maintained on the accrual basis of accounting. The Balance Sheet, Statement of Revenues, Expenses and Changes in Fund Net Assets, and Statement of Cash Flows are all required statements.
- **Agency Funds**—because Agency funds are custodial in nature, the only required financial statements are the Balance Sheet and Statement of Changes in Assets and Liabilities. The measurement focus of Agency Funds is upon determination of financial position. Agency Funds are maintained on the accrual basis of accounting. Activities of this fund are not included in the Government-wide Statement of Activities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FINANCIAL ANALYSIS OF THE CITY OF VALDOSTA AS A WHOLE

**Net assets.** The City of Valdosta's combined net assets decreased 1.74 percent from \$239.46 million at June 30, 2011 to \$235.30 million at June 30, 2012. (See table A-1.)

Table A-1  
**City of Valdosta's Net Assets**  
*(In millions of dollars)*

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>		<b>Total</b>
	<b><u>Activities</u></b>		<b><u>Activities</u></b>		<b><u>Total</u></b>		<b><u>Percentage</u></b>
	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011 – 2012</b>
Current and other assets	\$20.15	\$25.21	\$6.35	\$2.43	\$26.50	\$27.64	4.30%
Capital Assets	137.11	133.02	129.82	143.87	266.93	276.89	3.73%
<b>Total Assets</b>	<b>157.26</b>	<b>158.23</b>	<b>136.17</b>	<b>146.30</b>	<b>293.43</b>	<b>304.53</b>	<b>3.78%</b>
Long-term debt outstanding	0.58	0.44	37.25	47.97	37.83	48.41	27.97%
Other liabilities	10.70	16.10	5.44	4.72	16.14	20.82	29.00%
<b>Total Liabilities</b>	<b>11.28</b>	<b>16.54</b>	<b>42.69</b>	<b>52.69</b>	<b>53.97</b>	<b>69.23</b>	<b>28.27%</b>
Net assets							
Invested in capital assets, net of related debt	136.54	132.58	92.58	95.91	229.12	228.49	(0.27)%
Restricted	5.42	9.91	0.90	-	6.32	9.91	56.80%
Unrestricted	4.02	(0.80)	-	(2.30)	4.02	(3.10)	(177.11%)
<b>Total Net Assets</b>	<b>\$145.98</b>	<b>141.69</b>	<b>\$93.48</b>	<b>93.61</b>	<b>\$239.46</b>	<b>\$235.30</b>	<b>(1.74%)</b>

Net assets of the City's governmental activities decreased by 2.9 percent to \$141.69 million. However, much of those net assets are restricted as to the purposes for which they can be used, or are invested in capital assets (buildings, roads, and such). Consequently, unrestricted net assets showed a \$.80 million deficit at the end of the year.

The deficit in unrestricted governmental net assets was negatively affected by several factors for fiscal year 2012. Again, the downturn in the economy contributed greatly to this change, coupled with the City's recognition of Other Post Employment Benefits liability. The City was required to recognize the liability in fiscal year 2009.

Although the net assets of the City's business-type activities increased by .14 percent to \$93.61 million, these resources cannot be used to add to the net asset surplus in governmental activities. The City generally can only use these net assets to finance the continuing operations of the business-type activities.



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Changes in net assets**

The City's total revenues increased by 6.58 percent to \$65.35 million. (See Table A-2) Approximately 38 percent of the City's revenue comes from fees charged for services, 15 percent from sales taxes, 9 percent from ad valorem taxes, and 14 percent comprising such revenue items as business occupation license fees, franchise fees, and insurance premium fees. The remaining 24 percent represents grants, accommodation tax and investment revenue.

The total cost of all programs and services increased by 6 percent. The City's expenses cover a myriad of services, with approximately 29.60 percent related to public safety, 35.47 percent related to general government expenses, and 18.71 percent related to water/sewer expenses. The balance of 16.22 percent is comprised of public works, economic development, solid waste, inspection, zoning, auditorium, storm water, and motor fuel functions.

Table A-2 and the narrative that follows consider the operations of governmental and business-type activities separately.

### **Governmental Activities**

Revenues for the City's governmental activities increased \$3.93 million (or 10%) to \$42.63 million, while governmental activities expenses experienced an increase of \$2.63 million (or 5.78%) to \$48.16 million.

The increase in governmental revenue is the result of a grant reimbursement for an airport capital project. The grant was in regard to drainage improvements at Valdosta Regional Airport. The remaining governmental revenues continue to experience little or no growth.

The City of Valdosta continues to trim budgets and cut costs in an effort to remain financially viable in the continued environment of little or no revenue growth. The decrease in governmental activities reflects these actions taken by the City of Valdosta.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-2  
Changes in City of Valdosta's Net Assets  
(In millions of dollars)

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>		<b>Total</b>
	<b><u>Activities</u></b>		<b><u>Activities</u></b>		<b><u>Total</u></b>		<b>Percentage</b>
	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>Change</b>
							<b>2011 – 2012</b>
<b>REVENUES</b>							
<b>Program Revenues:</b>							
Charges for Services	\$2.59	\$3.21	\$21.49	\$21.49	\$24.08	\$24.70	2.57%
Operating Grants & Contributions	2.39	0.68	-	0.27	2.39	0.95	(60.25%)
Capital Grants & Contributions	8.20	12.09	1.12	0.96	9.32	13.05	40.02%
<b>General Revenues:</b>							
Property Taxes	5.87	6.02	-	-	5.87	6.02	2.56%
Sales Taxes	9.20	9.49	-	-	9.20	9.49	3.15%
Accommodations Tax	1.50	1.56	-	-	1.50	1.56	4.00%
Other Taxes	8.26	8.93	-	-	8.26	8.93	8.11%
Investment Earnings	0.05	0.03	0.01	-	0.06	0.03	(47.37%)
Misc	0.64	0.62	-	-	0.64	0.62	(3.13%)
<b>Total Revenues</b>	<b>38.70</b>	<b>42.63</b>	<b>22.62</b>	<b>\$22.72</b>	<b>61.32</b>	<b>65.35</b>	<b>6.58%</b>
<b>EXPENSES</b>							
<b>Program Activities</b>							
<b>Primary Government:</b>							
Governmental Activities:							
General Government	22.51	24.65	-	-	22.51	24.65	9.51%
Public Safety	20.02	20.54	-	-	20.02	20.54	2.60%
Public Works	1.89	1.87	-	-	1.89	1.87	(1.06%)
Economic Development and Assistance	1.11	1.10	-	-	1.11	1.10	(0.90%)
<b>Business-type Activities:</b>							
Solid Waste	-	-	4.38	4.39	4.38	4.39	0.23%
Water/Sewer	-	-	11.89	13.00	11.89	13.00	9.34%
Housing Inspections	-	-	0.96	0.97	0.96	0.97	1.04%
Zoning	-	-	0.44	0.46	0.44	0.46	4.55%
DOL Building	-	-	0.42	0.37	0.42	0.37	(11.90%)
Stormwater	-	-	1.23	1.37	1.23	1.37	11.38%
City Auditorium	-	-	0.24	0.25	0.24	0.25	4.17%
Motor Fuel	-	-	0.53	0.54	0.53	0.54	1.89%
<b>Total Expenses</b>	<b>45.53</b>	<b>48.16</b>	<b>20.09</b>	<b>21.35</b>	<b>65.62</b>	<b>69.51</b>	<b>(5.93%)</b>
Excess (deficiency) before transfers	(6.83)	(5.53)	2.53	1.37	(4.30)	(4.16)	3.32%
Transfers	0.56	1.24	(0.56)	(1.24)	-	-	0.00%
Increase (Decrease) in Net Assets	(6.27)	(4.29)	1.97	0.13	(4.30)	(4.16)	3.26%
Net assets, beginning	152.25	145.98	91.51	93.48	243.76	239.46	(1.76%)
Net assets, ending	<b>\$145.98</b>	<b>\$141.69</b>	<b>93.48</b>	<b>\$93.61</b>	<b>\$239.46</b>	<b>\$235.30</b>	<b>(1.74%)</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-3 presents the cost of each of the City's five largest governmental programs, as well as each program's net cost (total cost less fees generated by activities and intergovernmental aid). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

- The cost of all governmental activities this year was \$48.16 million.
- However, the amount that taxpayers paid for these activities through City taxes was \$32.18 million. Some of the cost was paid by:
  - Those who benefited directly from the programs (\$3.21 million).
  - Other governments and organizations that subsidized certain programs with grants and contributions (\$12.77 million).
  - Other miscellaneous sources such as investments (\$.65 million).

Table A-3  
**Net Cost of City of Valdosta's Governmental Activities**  
*(in millions of dollars)*

Function	<b>Total Cost Of Services</b>		<b>Percentage Change</b>	<b>Net Cost of Services</b>		<b>Percentage Change</b>
	2011	2012	2011 – 2012	2011	2012	2011 – 2012
General Government	\$22.51	\$24.65	9.51%	\$14.40	\$13.05	(9.38%)
Public Safety	20.02	20.54	2.60%	16.39	16.95	3.42%
Public Works	1.89	1.87	(1.06%)	1.79	1.72	(3.91%)
Economic Development and Assistance	1.11	1.10	( 0.90%)	(0.23)	0.46	300.00%
<b>Total</b>	<b>\$45.53</b>	<b>\$48.16</b>	<b>5.78%</b>	<b>\$32.35</b>	<b>\$32.18</b>	<b>(.53%)</b>

### Business-type Activities

Total revenues available during the year to finance enterprise (business type) activities were \$22.71 million. Funding was made available as follows: program revenues \$21.49 million and grants \$1.23 million.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The cost of all enterprise (business-type) activities for the year accumulated to \$21.35 million consisting of the following activities: solid waste \$4.39 million, water/sewer \$13 million, inspections \$.97 million, city auditorium \$.25 million, motor fuel \$.54 million, zoning \$.46 million, DOL building \$.37 million, and storm water \$1.37 million. In addition the Enterprise funds transferred \$2.55 million to the General Fund for administrative services, and \$0.66 million to Group Insurance Fund.

### **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

#### **General Fund Budgetary Highlights**

Comparing the FY 2012 original General Fund budget, in the amount of \$31.17 million, to the final budget amount of \$31.48 million represents an increase of \$.31 million.

The increase in the General Fund Budget is the result of grants received in the fiscal year. The City only budgets those grants that are assured at the time of budget preparation.

In an effort to mitigate the decline in tax collection this fiscal year each department funded in the General Fund was asked to reduce their operations budget 5 to 7 percent. Even with this directive, the General Fund decrease in fund balance was \$.38 million.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### **Capital Assets**

As of the year-end, the City had \$276.89 million invested in a variety of capital assets, as reflected in the following schedule (Table A-4), which represents a net increase (additions less retirements and depreciation) of \$9.95 million or 3.7 percent from last year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-4  
**City of Valdosta's Capital Assets**  
*(in millions of dollars)*

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>		<b>Total</b>
	<b><u>Activities</u></b>		<b><u>Activities</u></b>		<b><u>Total</u></b>		<b><u>Percentage</u></b>
	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011 – 2012</b>
<b>Non-depreciable assets</b>							
Land	\$76.84	\$76.84	\$2.75	\$2.75	\$79.59	\$79.59	0.00%
Construction in progress	7.58	2.22	33.22	47.03	40.80	49.25	20.71%
<b>Depreciable Assets</b>							
Land improvements	9.68	13.86	82.81	85.39	92.49	99.25	7.31%
Buildings	25.91	28.73	51.75	51.29	77.66	80.02	3.04%
Equipment	9.59	9.19	5.01	5.80	14.60	14.99	2.67%
Motor vehicles	14.44	14.45	-	-	14.44	14.45	0.07%
Infrastructure	97.54	98.97	-	-	97.54	98.97	1.47%
Intangibles	-	-	1.16	1.16	1.16	1.16	0.00%
Accumulated depreciation	(104.47)	(111.24)	(46.88)	(49.55)	(151.35)	(160.79)	(6.24%)
	<b>\$137.11</b>	<b>\$133.02</b>	<b>\$129.82</b>	<b>\$143.87</b>	<b>\$266.93</b>	<b>\$276.89</b>	<b>3.73%</b>

**This year's major capital asset additions and deletions included:**

- The increase in construction in progress is attributed to expansion and upgrades to one of the City's sewer facilities.
- The increase in land improvements is the result of various parks projects that were reclassified from construction in progress.

More detailed information about the City's capital assets is presented in Note 5 to the financial statements.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Long-term Debt

At year-end, the City had \$48.41 million in notes payable outstanding. Government wide debt increased by 27.97 percent as compared to last year. The increase in debt is the result of debt with the Georgia Environmental Facilities Authority for utility infrastructure projects.

More detailed information about the City's long-term liabilities is presented in Notes 8 and 9 to the financial statements.

Table A-5  
**City of Valdosta's Outstanding Debt**  
*(in millions of dollars)*

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		<b>Total Percentage Change</b>
	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	
Notes Payable	\$-	\$-	\$37.25	\$47.97	37.25	47.97	28.78%
Capital Leases	0.58	0.44	-	-	0.58	0.44	(24.14%)
<b>Total</b>	<b>\$ 0.58</b>	<b>\$ 0.44</b>	<b>\$37.25</b>	<b>\$47.97</b>	<b>\$37.83</b>	<b>\$48.41</b>	<b>27.97%</b>

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Local governments (cities, counties and school boards) primarily rely on property and sales tax and a limited array of other permitted taxes and fees (franchise, occupational license, etc.) for their governmental activities. There are a limited number of state-shared revenues and recurring and non-recurring one-time grants from both the state and federal governments. Fortunately, the City of Valdosta was named a metropolitan statistical area in June 2003. This designation enables the City to become an entitlement community; therefore, grants will automatically become available to the City, and Valdosta will not be required to compete with other communities for grant funds.

For the business-type and certain governmental activities (recreational programs) the user pays a fee or charge associated with the service.

The City of Valdosta experienced the negative results of the economic downturn in Fiscal Year 2012. All major revenue sources that support governmental activities were collected at significantly lower numbers than anticipated. Although departments in the General Fund reduced their approved appropriations by five to seven percent, the General Fund still experienced a reduction of fund balance in excess of \$.38 million. Despite the economic conditions for fiscal year 2012, conservative budgeting practices, and adherence to sound financial policies and philosophies enable the City to remain financially stable.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following areas are three primary indicators that the City reviews when making future financial decisions.

- Growth in the tax base of the City (excluding inflationary growth). There was a slight increase in the tax base this year. The minimal change is the result of no business expansion, home devaluation, and lack of new business.
- Business Gross Receipts Taxes (based on a business' gross receipts). There was a decrease in Business Occupation revenue due to the economic conditions.
- General Fund's Ending Fund Balance – reflects the City's ability to meet ever increasing demands for general service while remaining financially sound and fiscally responsible by providing a buffer for short-term fluctuations in the economy. As previously stated in this document, the General Fund did experience a reduction in fund balance this year. However, despite this reduction, the total fund balance remains healthy.

## **FINANCIAL CONTACT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Valdosta Finance Department, P.O. Box 1125, Valdosta, Georgia 31603 or visit our website at [www.valdostacity.com](http://www.valdostacity.com).

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# Basic Financial Statements

**CITY OF VALDOSTA, GEORGIA**  
**STATEMENT OF NET ASSETS**  
**AS OF JUNE 30, 2012**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	CVDA	DDA
<b>ASSETS</b>					
Cash	\$8,565,770	\$1,517,288	\$10,083,058	\$130,861	\$0
Investments	2,708,763	1,978,707	4,687,470	0	0
Receivables (net)	5,217,218	2,429,455	7,646,673	20,686	0
Due from other governments	2,838,597	267,344	3,105,941	0	0
Due from primary government	0	0	0	2,779,000	0
Interfund balances	5,267,512	(5,267,512)	0	0	0
Inventories	0	735,814	735,814	0	0
Prepays	2,513	0	2,513	0	0
Other assets	614,863	764,667	1,379,530	0	0
Capital assets:					
Non-depreciable	79,070,244	49,784,997	128,855,241	0	0
Depreciable (net)	53,948,366	94,089,713	148,038,079	0	0
<b>Total Assets</b>	<b>\$158,233,846</b>	<b>\$146,300,473</b>	<b>\$304,534,319</b>	<b>\$2,930,547</b>	<b>\$0</b>
<b>LIABILITIES</b>					
Accounts payable	\$4,143,227	\$2,260,103	\$6,403,330	\$0	\$0
Accrued interest payable	0	213,261	213,261	0	0
Deposits	0	791,225	791,225	0	0
Unearned revenue	139,848	0	139,848	0	0
Non-current liabilities					
Due within one year:					
Compensated absences	758,000	127,610	885,610	0	0
Due to other governments & agencies	9,753	1,670,265	1,680,018	57,058	0
Due to component unit	0	233,000	233,000	0	0
Capital leases payable	141,175	0	141,175	0	0
Bonds payable	0	0	0	233,000	0
Landfill closure and post closure	0	61,033	61,033	0	0
Due in more than one year:					
Other post employment benefits	10,283,678	0	10,283,678	0	0
Compensated absences	765,434	325,435	1,090,869	0	0
Due to other governments & agencies	0	43,521,396	43,521,396	0	0
Due to component unit	0	2,546,000	2,546,000	0	0
Capital leases payable	296,567	0	296,567	0	0
Bonds payable	0	0	0	2,546,000	0
Landfill closure and post closure	0	942,030	942,030	0	0
<b>Total Liabilities</b>	<b>16,537,682</b>	<b>52,691,358</b>	<b>69,229,040</b>	<b>2,836,058</b>	<b>0</b>
<b>NET ASSETS</b>					
Invested in capital assets (net of related debt)	132,580,868	95,909,403	228,490,271	0	0
Restricted for:					
Capital outlay	7,931,837	0	7,931,837	0	0
Perpetual care	1,525,822	0	1,525,822	0	0
Other purposes	452,883	0	452,883	0	0
Unrestricted	(795,246)	(2,300,288)	(3,095,534)	94,489	0
<b>Total Net Assets</b>	<b>\$141,696,164</b>	<b>\$93,609,115</b>	<b>\$235,305,279</b>	<b>\$94,489</b>	<b>\$0</b>

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



**CITY OF VALDOSTA, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2012**

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
<b>Function/Program Activities</b>				
<b>Primary Government:</b>				
Governmental Activities				
General Government	\$24,645,893	\$204,692	\$5,501	\$11,384,573
Public Safety	20,542,890	2,759,530	371,569	458,013
Public Works	1,872,351	148,462	0	0
Community Development	1,101,147	96,309	306,286	243,547
<b>Total governmental activities</b>	<b>48,162,281</b>	<b>3,208,993</b>	<b>683,356</b>	<b>12,086,133</b>
Business-type Activities				
Sanitation	4,392,197	4,161,616	176,217	0
Water and Sewer	13,000,285	14,230,907	0	0
Inspection	970,029	644,462	93,220	0
Zoning	455,267	144,487	0	0
DOL Building	368,853	469,157	0	0
Storm Water	1,371,900	1,242,399	0	957,991
Auditorium	249,576	46,237	0	0
Motor Fuel	537,152	546,995	0	0
<b>Total business-type activities</b>	<b>21,345,259</b>	<b>21,486,260</b>	<b>269,437</b>	<b>957,991</b>
<b>Total Primary Government</b>	<b>\$69,507,540</b>	<b>\$24,695,253</b>	<b>\$952,793</b>	<b>\$13,044,124</b>
<b>Component Unit</b>				
Central Valdosta Development Authority	\$110,007	\$0	\$0	\$3,120
Downtown Development Authority	3,455	0	0	0
<b>Total component unit</b>	<b>\$113,462</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,120</b>
<b>General Revenues:</b>				
Taxes:				
Property Taxes				
Sales Tax				
Accommodations Tax				
Franchise Tax				
Insurance Premium Tax				
Business Occupation Tax				
Other Taxes				
Investment Earnings				
Miscellaneous				
<b>Transfers</b>				
Total General Revenues and Transfers				
Change in Net Assets				
Net assets - Beginning				
Net assets - Ending				

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

**Net (Expense) Revenue and  
Changes in Net Assets**

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	CVDA	DDA
(\$13,051,127)	\$0	(\$13,051,127)	\$0	\$0
(16,953,778)	0	(16,953,778)	0	0
(1,723,889)	0	(1,723,889)	0	0
(455,005)	0	(455,005)	0	0
<u>(32,183,799)</u>	<u>0</u>	<u>(32,183,799)</u>	<u>0</u>	<u>0</u>
0	(54,364)	(54,364)	0	0
0	1,230,622	1,230,622	0	0
0	(232,347)	(232,347)	0	0
0	(310,780)	(310,780)	0	0
0	100,304	100,304	0	0
0	828,490	828,490	0	0
0	(203,339)	(203,339)	0	0
0	9,843	9,843	0	0
<u>0</u>	<u>1,368,429</u>	<u>1,368,429</u>	<u>0</u>	<u>0</u>
<u>(\$32,183,799)</u>	<u>\$1,368,429</u>	<u>(\$30,815,370)</u>	<u>\$0</u>	<u>\$0</u>
0	0	0	(106,887)	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,455)</u>
0	0	0	(106,887)	(3,455)
6,022,229	0	6,022,229	139,501	0
9,493,841	0	9,493,841	0	0
1,562,285	0	1,562,285	0	0
4,244,161	0	4,244,161	0	0
2,567,223	0	2,567,223	0	0
1,314,264	0	1,314,264	0	0
799,611	0	799,611	0	0
31,960	3,178	35,138	455	9
619,479	0	619,479	5,322	0
1,242,070	(1,242,070)	0	0	0
<u>27,897,123</u>	<u>(1,238,892)</u>	<u>26,658,231</u>	<u>145,278</u>	<u>9</u>
<u>(4,286,676)</u>	<u>129,537</u>	<u>(4,157,139)</u>	<u>38,391</u>	<u>(3,446)</u>
<u>145,982,840</u>	<u>93,479,578</u>	<u>239,462,418</u>	<u>56,098</u>	<u>3,446</u>
<u>\$141,696,164</u>	<u>\$93,609,115</u>	<u>\$235,305,279</u>	<u>\$94,489</u>	<u>\$0</u>

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# Governmental Funds

**General Fund** - the principal fund of the city which accounts for all financial transactions not accounted for in other funds. Principal sources of revenue are property taxes, sales taxes, licenses and permits. Primary expenditures are for police and fire protection, engineering, community development, cemetery, and general administration.

**Sales Tax 2002 Fund** - to account for the financing and construction of capital improvements for various public projects including storm drainage improvements, police improvements, parks and recreation improvements, fire department improvements, municipal court facilities, water and sewer improvements, public works improvements and facility improvements. These improvements are financed through a 1% local option sales tax that was collected for 60 months starting January 2003.

**Sales Tax 2007 Fund** - to account for the financing and construction of capital improvements for various public projects including storm drainage improvements, police improvements, parks and recreation improvements, fire department improvements, water and sewer improvements, public works improvements, and facility improvements. These improvements are financed through a 1% local option sales tax that will be collected for 72 months starting January 2008.

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**CITY OF VALDOSTA, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012**

	<b>GENERAL</b>	<b>SALES TAX 2002</b>	<b>SALES TAX 2007</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>ASSETS</b>					
Cash	\$343,556	\$69,774	\$7,239,041	\$687,000	\$8,339,371
Investments, at cost or amortized cost	1,181,804	172,058	0	1,237,405	2,591,267
Receivables (net)					
Taxes	1,407,161	0	0	0	1,407,161
Accounts	752,044	0	0	143,156	895,200
Interest	0	0	0	8,263	8,263
Second mortgages	0	0	0	2,838,536	2,838,536
Special assessments	45,387	0	0	0	45,387
Due from other governments and agencies	449,247	0	1,470,416	908,934	2,828,597
Interfund balances	909,911	0	0	100	910,011
Advances to other governments and agencies	10,000	0	0	0	10,000
Advance to other funds	3,887,728	0	0	0	3,887,728
Prepaid expenditures	2,513	0	0	0	2,513
Inventories, at cost	0	0	300,000	0	300,000
Total assets	<u>\$8,989,351</u>	<u>\$241,832</u>	<u>\$9,009,457</u>	<u>\$5,823,394</u>	<u>\$24,064,034</u>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>					
Liabilities:					
Accounts payable	\$1,842,617	\$0	\$755,497	\$340,194	\$2,938,308
Due to:					
Other funds	658,761	0	272,699	285,695	1,217,155
Other governments and agencies	9,753	0	0	0	9,753
Deferred revenue	1,446,534	0	728,470	138,604	2,313,608
Advances from other funds	0	0	0	30,000	30,000
Total liabilities	<u>3,957,665</u>	<u>0</u>	<u>1,756,666</u>	<u>794,493</u>	<u>6,508,824</u>
Fund balance (deficit):					
Nonspendable	4,522,249	0	300,000	4,760,822	9,583,071
Restricted	181,778	241,832	6,952,791	249,087	7,625,488
Committed	10,767	0	0	0	10,767
Assigned	316,892	0	0	245,596	562,488
Unassigned	0	0	0	(226,604)	(226,604)
Total fund balance	<u>5,031,686</u>	<u>241,832</u>	<u>7,252,791</u>	<u>5,028,901</u>	<u>17,555,210</u>
Total liabilities and fund balance	<u>\$8,989,351</u>	<u>\$241,832</u>	<u>\$9,009,457</u>	<u>\$5,823,394</u>	<u>\$24,064,034</u>

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

**CITY OF VALDOSTA, GEORGIA  
RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2012**

Fund balances - total governmental funds	\$17,555,210
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds

Governmental capital assets	\$226,676,078	
Less accumulated depreciation	(95,971,375)	130,704,703

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds

Other post employment benefits	(10,283,678)
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Compensated absences	(1,492,389)
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Capital Leases	(437,742)
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Revenue not received within 31 days in governmental funds is susceptible to full accrual on the entity-wide statements

Deferred revenue	2,173,760
------------------	-----------

Internal service funds are used by management to charge the costs of certain activities to individual funds.

The assets and liabilities of the internal service funds that are reported with governmental activities.	3,476,300
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Net assets of governmental activities	\$141,696,164
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*The accompanying notes are an integral part of these statements.*



**CITY OF VALDOSTA, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	GENERAL	SALES TAX 2002	SALES TAX 2007	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
Taxes	\$23,987,867	\$0	\$0	\$1,562,163	\$25,550,030
Licenses and permits	519,109	0	0	0	519,109
Charges for service	437,959	0	0	0	437,959
Fines and forfeitures	1,480,599	0	0	36,933	1,517,532
Interest income	4,014	0	1,679	27,709	33,402
Contributions	15,828	0	0	39,902	55,730
Miscellaneous	572,660	0	100,000	15,006	687,666
Intergovernmental	1,801,397	0	9,203,649	3,146,353	14,151,399
<b>TOTAL REVENUES</b>	<b>28,819,433</b>	<b>0</b>	<b>9,305,328</b>	<b>4,828,066</b>	<b>42,952,827</b>
<b>EXPENDITURES:</b>					
Current:					
General government	8,443,661	0	0	1,473,746	9,917,407
Public safety	18,686,147	0	0	77,756	18,763,903
Public works	1,721,218	0	0	0	1,721,218
Economic development and assistance	544,495	0	0	522,023	1,066,518
Capital outlay	0		5,577,584	2,613,918	8,191,502
Debt service principal	141,998	0	0	0	141,998
Debt service interest	13,710	0	0	0	13,710
<b>TOTAL EXPENDITURES</b>	<b>29,551,229</b>	<b>0</b>	<b>5,577,584</b>	<b>4,687,443</b>	<b>39,816,256</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(731,796)</b>	<b>0</b>	<b>3,727,744</b>	<b>140,623</b>	<b>3,136,571</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	3,280,366	0	0	1,292	3,281,658
Transfers out	(2,927,508)	0	0	(725,824)	(3,653,332)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>352,858</b>	<b>0</b>	<b>0</b>	<b>(724,532)</b>	<b>(371,674)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(378,938)</b>	<b>0</b>	<b>3,727,744</b>	<b>(583,909)</b>	<b>2,764,897</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>5,410,624</b>	<b>241,832</b>	<b>3,525,047</b>	<b>5,612,810</b>	<b>14,790,313</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$5,031,686</b>	<b>\$241,832</b>	<b>\$7,252,791</b>	<b>\$5,028,901</b>	<b>\$17,555,210</b>

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

**CITY OF VALDOSTA, GEORGIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**AS OF JUNE 30, 2012**

Net change in fund balances - total governmental funds	\$2,764,897
--------------------------------------------------------	-------------

Amounts reported for governmental activities in the statement  
of activities are different because:

Governmental funds report capital outlays as expenditures  
However, in the statement of activities, the cost of those  
assets is depreciated over their estimated useful life:

Expenditures for capital assets:	\$3,356,753	
Less current year transfers to business type activities	(139,096)	
Less current year depreciation	(6,030,757)	
		(2,813,100)

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

Change in long-term compensated absences		(17,004)
Other post employment benefits		(4,057,583)
Principal payments on long-term debt		141,998
Long-term accounts receivable		(319,290)
Internal service funds		13,406
Change in net assets of governmental activities		(\$4,286,676)

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

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# Proprietary Funds

**Sanitation Fund** - to finance and account for the cost of providing both residential and commercial trash and garbage pickup to citizens and businesses of the City.

**Water and Sewer Revenue Fund** - to finance and account for the cost of providing water and sewer services to the residents and businesses of the City. All activities necessary to provide such services are included in the fund, including financing and related debt services.

**DOL Building Fund** - to account for the revenues received from the rental of the Georgia Department of Labor building and the expenses associated with the maintenance of the building.

**Storm Water** - to finance and account for the cost of providing stormwater collection services to the residents and businesses of the City. All activities necessary to provide such services are included in the fund.

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**CITY OF VALDOSTA, GEORGIA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2012**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS					GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	SANITATION	WATER/ SEWER REVENUE	DEPARTMENT OF LABOR BUILDING	STORMWATER	OTHER ENTERPRISE FUNDS		TOTAL
<b>ASSETS</b>							
Current assets:							
Cash	\$0	\$620,417	\$0	\$0	\$300	\$620,717	\$226,399
Investments	0	1,978,707	0	0	0	1,978,707	117,496
Receivables (net)							
Accounts	590,112	1,676,306	0	139,109	23,928	2,429,455	22,671
Due from other governments and agencies	0	238,600	0	0	28,744	267,344	0
Due from other funds	0	0	0	0	12,748	12,748	658,661
Inventories at cost	0	735,814	0	0	0	735,814	314,863
Restricted assets							
Cash	12,100	884,471	0	0	0	896,571	0
Total current assets	602,212	6,134,315	0	139,109	65,720	6,941,356	1,340,090
Noncurrent assets:							
Other assets	0	764,667	0	0	0	764,667	0
Capital assets:							
Land	0	2,498,265	0	258,911	0	2,757,176	92,563
Land improvement	546,146	84,728,014	0	117,215	0	85,391,375	383,595
Buildings and structures	1,178,500	45,746,708	4,364,002	0	0	51,289,210	285,945
Motor vehicles	0	0	0	0	0	0	14,445,892
Equipment	154,462	5,255,872	0	0	388,946	5,799,280	2,382,052
Intangibles	0	0		1,161,791	0	1,161,791	0
Construction in progress	0	45,808,471	0	1,219,350	0	47,027,821	0
	1,879,108	184,037,330	4,364,002	2,757,267	388,946	193,426,653	17,590,047
Less accumulated depreciation	(973,432)	(47,420,240)	(698,209)	(71,481)	(388,581)	(49,551,943)	(15,276,140)
Net capital assets	905,676	136,617,090	3,665,793	2,685,786	365	143,874,710	2,313,907
Total noncurrent assets	905,676	137,381,757	3,665,793	2,685,786	365	144,639,377	2,313,907
Total assets	\$1,507,888	\$143,516,072	\$3,665,793	\$2,824,895	\$66,085	\$151,580,733	\$3,653,997
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	\$164,892	\$1,973,806	\$19,901	\$60,734	\$40,770	\$2,260,103	\$1,204,919
Accrued interest	116	165,275	47,870	0	0	213,261	0
Compensated absences (current portion)	42,100	48,600	0	7,900	29,010	127,610	13,000
Landfill closure and post closure (current portion)	61,033	0	0	0	0	61,033	0
Due to other funds	85,693	0	35,792	184,952	15,400	321,837	42,428
Due to other governments and agencies (current portion)	17,140	1,647,771	0	0	5,354	1,670,265	0
Due to component unit (current portion)	0	0	233,000	0	0	233,000	0
Current liabilities (payable from restricted assets):							
Deposits	12,100	779,125	0	0	0	791,225	0
Total current liabilities	383,074	4,614,577	336,563	253,586	90,534	5,678,334	1,260,347
Noncurrent liabilities (payable from unrestricted assets):							
Compensated absences	79,856	201,498	0	31,662	12,419	325,435	18,045
Advances from other funds	0	0	0	0	1,758,203	1,758,203	2,099,525
Landfill closure and post closure (net of current portion)	942,030	0	0	0	0	942,030	0
Due to other governments and agencies, (net of current portion)	17,844	43,503,552	0	0	0	43,521,396	0
Due to component unit (net of current portion)	0	0	2,546,000	0	0	2,546,000	0
Total noncurrent liabilities (payable from unrestricted assets)	1,039,730	43,705,050	2,546,000	31,662	1,770,622	49,093,064	2,117,570
Total liabilities	1,422,804	48,319,627	2,882,563	285,248	1,861,156	54,771,398	3,377,917
<b>NET ASSETS (DEFICIT)</b>							
Invested in capital assets, net of related debt	870,692	91,465,767	886,793	2,685,786	365	95,909,403	2,313,907
Unrestricted	(785,608)	3,730,678	(103,563)	(146,139)	(1,795,436)	899,932	(2,037,827)
Total net assets (deficit)	\$85,084	\$95,196,445	\$783,230	\$2,539,647	(\$1,795,071)	96,809,335	\$276,080
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						(3,200,220)	
Net assets of business-type activities						\$93,609,115	

The accompanying notes are an integral part of these statements.

**CITY OF VALDOSTA, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS						GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
		WATER/ SEWER	DEPARTMENT OF LABOR		OTHER ENTERPRISE		
	SANITATION	REVENUE	BUILDING	STORMWATER	FUNDS	TOTAL	
Operating revenues:							
Permits	\$0	\$0	\$0	\$0	\$712,069	\$712,069	\$0
Charges for services	4,091,766	14,177,921	469,157	1,240,560	670,112	20,649,516	8,598,291
Recycling revenue	57,687	0	0	0	0	57,687	0
Intergovernmental revenues	176,217	0	0	0	0	176,217	0
Miscellaneous revenues	12,163	52,986	0	1,839	0	66,988	258,368
TOTAL OPERATING REVENUES	4,337,833	14,230,907	469,157	1,242,399	1,382,181	21,662,477	8,856,659
Operating expenses:							
Personal services	1,703,360	4,353,053	0	687,169	1,135,882	7,879,464	618,833
Contractual services	830,491	2,117,675	134,346	113,294	146,673	3,342,479	1,783,511
Claims paid	0	0	0	0	0	0	5,899,845
Supplies	111,524	1,021,133	6,145	63,320	560,682	1,762,804	2,426,498
Travel and training	3,097	10,605	0	200	5,693	19,595	1,476
Other services and charges	969,187	1,167,355	23,440	313,621	262,345	2,735,948	838,039
Amortization expense	0	0	0	19,216	0	19,216	0
Depreciation expense	42,961	3,074,813	87,249	0	2,711	3,207,734	1,277,633
TOTAL OPERATING EXPENSES	3,660,620	11,744,634	251,180	1,196,820	2,113,986	18,967,240	12,845,835
OPERATING INCOME (LOSS)	677,213	2,486,273	217,977	45,579	(731,805)	2,695,237	(3,989,176)
Non-operating revenues (expenses):							
Interest income	244	2,607	3	301	23	3,178	288
Intergovernmental revenues	0	0	0	957,991	93,220	1,051,211	0
Loss of sale of assets	0	(231,498)	0	0	0	(231,498)	(26,297)
Interest expense and fiscal charges	(1,781)	(502,046)	(117,673)	0	0	(621,500)	0
TOTAL NON-OPERATING REVENUES (EXPENSES)	(1,537)	(730,937)	(117,670)	958,292	93,243	201,391	(26,009)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	675,676	1,755,336	100,307	1,003,871	(638,562)	2,896,628	(4,015,185)
Capital contribution revenue	0	708,496	0	117,715	0	826,211	63,615
Transfers in	0	0	0	0	1,150,000	1,150,000	2,439,955
Transfers out	(769,194)	(1,728,450)	0	(624,497)	(96,140)	(3,218,281)	0
	(769,194)	(1,019,954)	0	(506,782)	1,053,860	(1,242,070)	2,503,570
Change in Net Assets (Deficits)	(93,518)	735,382	100,307	497,089	415,298	1,654,558	(1,511,615)
NET ASSETS (DEFICITS) - BEGINNING	178,602	94,461,063	682,923	2,042,558	(2,210,369)		1,787,695
NET ASSETS (DEFICITS) - ENDING	\$85,084	\$95,196,445	\$783,230	\$2,539,647	(\$1,795,071)		\$276,080
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						(1,525,021)	
Change in net assets of business-type activities						\$129,537	

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



**CITY OF VALDOSTA, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	BUSINESS-TYPE ACTIVITIES					GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	ENTERPRISE FUNDS						
	SANITATION	WATER/ SEWER REVENUE	DEPARTMENT OF LABOR BUILDING	STORMWATER	OTHER ENTERPRISE FUNDS		TOTAL
<b>Cash flows from operating activities:</b>							
Cash received from customers	\$4,069,348	\$14,294,645	\$469,157	\$1,251,219	\$0	\$20,084,369	\$8,961,207
Cash payments to suppliers for goods and services	(1,833,075)	(2,914,323)	(138,957)	(268,115)	0	(5,154,470)	(11,142,243)
Cash payments to employees for services	(1,695,092)	(4,362,109)	0	(683,865)	0	(6,741,066)	(497,401)
Other operating revenues	57,687	0	0	0	0	57,687	0
Miscellaneous income	12,163	52,986	0	1,839	(1,152,163)	(1,085,175)	0
New customer utility deposits	10,283	236,750	0	0	0	247,033	0
Intergovernmental revenues	176,217	0	0	957,991	0	1,134,208	0
Refunded customer utility deposits	(12,206)	(237,326)	0	0	0	(249,532)	0
<b>Net change in cash from operating activities</b>	<b>785,325</b>	<b>7,070,623</b>	<b>330,200</b>	<b>1,259,069</b>	<b>(1,152,163)</b>	<b>8,293,054</b>	<b>(2,678,437)</b>
<b>Cash flows from noncapital financing activities:</b>							
Intergovernmental revenues	0	0	0	0	93,220	93,220	0
Transfers-in from other funds	0	0	0	0	1,150,000	1,150,000	2,439,955
Transfers-out to other funds	(769,194)	(1,728,450)	0	(624,497)	(96,140)	(3,218,281)	0
<b>Net change in cash from noncapital financing activities</b>	<b>(769,194)</b>	<b>(1,728,450)</b>	<b>0</b>	<b>(624,497)</b>	<b>1,147,080</b>	<b>(1,975,061)</b>	<b>2,439,955</b>
<b>Cash flows from capital and related financing activities:</b>							
Principal paid on Georgia Environmental Finance Authority Loan	(16,463)	(1,152,449)	0	0	0	(1,168,912)	0
Loan from Georgia Environmental Finance Authority	0	13,090,089	0	0	0	13,090,089	0
Note issuance costs	0	(337,167)	0	0	0	(337,167)	0
Acquisition and construction of capital assets	0	(14,621,915)	0	(1,218,850)	0	(15,840,765)	(25,283)
Proceeds from sale of capital assets	0	0	0	0	0	0	68,180
Principal paid on DOL intergovernmental note	0	0	(233,000)	0	0	(233,000)	0
Interest paid on GEFA loan	(1,835)	(1,230,563)	0	0	0	(1,232,398)	0
Interest paid on DOL intergovernmental note	0	0	(121,321)	0	0	(121,321)	0
<b>Net change in cash from capital and related financing activities</b>	<b>(18,298)</b>	<b>(4,252,005)</b>	<b>(354,321)</b>	<b>(1,218,850)</b>	<b>0</b>	<b>(5,843,474)</b>	<b>42,897</b>
<b>Cash flows from investing activities:</b>							
Sale of investment securities	0	2,363,050	18,637	439,267	3,553	2,824,507	0
Purchase of investment securities	0	(1,409,272)	0	0	0	(1,409,272)	(117,496)
Interest on cash deposits	244	0	3	0	0	247	0
Interest and dividends on investments	0	2,607	0	301	23	2,931	288
<b>Net change in cash from investing activities</b>	<b>244</b>	<b>956,385</b>	<b>18,640</b>	<b>439,568</b>	<b>3,576</b>	<b>1,418,413</b>	<b>(117,208)</b>
<b>Net change in cash</b>	<b>(1,923)</b>	<b>2,046,553</b>	<b>(5,481)</b>	<b>(144,710)</b>	<b>(1,507)</b>	<b>1,892,932</b>	<b>(312,793)</b>
<b>Cash beginning of year</b>	<b>14,023</b>	<b>1,552,108</b>	<b>5,481</b>	<b>144,710</b>	<b>1,807</b>	<b>1,718,129</b>	<b>539,192</b>
<b>Cash at end of year</b>	<b>\$12,100</b>	<b>\$3,598,661</b>	<b>\$0</b>	<b>\$0</b>	<b>\$300</b>	<b>\$3,611,061</b>	<b>\$226,399</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CHANGE IN CASH FROM OPERATING ACTIVITIES</b>							
Operating income (loss)	\$677,213	\$2,486,273	\$217,977	\$45,579	(\$731,805)	\$2,695,237	(\$3,989,176)
Adjustments to reconcile operating income (loss) to net change in cash from operating activities:							
Amortization	0	0	0	19,216	0	19,216	0
Depreciation	42,961	3,074,813	87,249	0	2,711	3,207,734	1,277,633
Intergovernmental revenues	0	0	0	957,991	0	957,991	0
New customer utility deposit	10,283	236,750	0	0	0	247,033	0
Refunded customer utility deposit	(12,206)	(237,326)	0	0	0	(249,532)	0
Landfill closure and post closure	(33,291)	0	0	0	0	(33,291)	0
Change in assets and liabilities:							
Decrease in accounts receivable	40,571	226,819	0	10,659	13,786	291,835	104,548
Decrease in due from other funds	0	0	0	0	47,252	47,252	(541,553)
Decrease in due from other governments and agencies	0	635	0	0	25,052	25,687	0
Decrease in inventory	0	70,530	0	0	0	70,530	22,628
Increase (decrease) in accounts payable	83,492	1,221,185	(10,818)	36,642	(2,328)	1,328,173	554,255
Increase (decrease) in compensated absences liability	7,067	(12,214)	0	4,030	(8,962)	(10,079)	1,115
(Decrease) increase in due to other funds	(30,765)	0	35,792	184,952	(44,600)	145,379	(356,730)
(Decrease) in advances from other funds	0	0	0	0	(452,959)	(452,959)	248,843
(Decrease) in due to other governments and agencies	0	0	0	0	(310)	(310)	0
<b>Net change in cash from operating activities</b>	<b>\$785,325</b>	<b>\$7,067,465</b>	<b>\$330,200</b>	<b>\$1,259,069</b>	<b>(\$1,152,163)</b>	<b>\$8,289,896</b>	<b>(\$2,678,437)</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>							
Donation Infrastructure	0	569,900	0	117,215	0	687,115	0
Contributed capital assets from SPLOST VI	0	138,596	0	500	0	139,096	46,658
Contributed capital assets from General Fund	0	0	0	0	0	0	16,957
Capitalized interest	0	820,164	0	0	0	820,164	0

The accompanying notes are an integral part of these statements.

# Fiduciary Funds

**Tree Commission Agency Fund** - to account for monies collected for the Tree Commission.

**Evidence Agency Fund** - to account for monies taken in by the Valdosta Police Department but not condemned.

**CITY OF VALDOSTA, GEORGIA**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2012**

		<b>TOTAL FIDUCIARY FUNDS</b>
		<hr/>
<b>ASSETS</b>		
Cash		\$89,396
Investments		34,364
	<b>Total assets</b>	<hr/> \$123,760 <hr/>
 <b>LIABILITIES</b>		
Due to other governments and agencies		\$85,767
Due to others		37,993
	<b>Total liabilities</b>	<hr/> \$123,760 <hr/>

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

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# Notes to Financial Statements

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting principles of the City of Valdosta, Georgia conform to generally accepted accounting principles (“GAAP”) as prescribed by the Governmental Accounting Standards Board (“GASB”), in conjunction with the Financial Accounting Standards Board (“FASB”) pronouncements issued on or before November 30, 1989. The City has not implemented private sector guidance issued after this date.

The accompanying summary of the City of Valdosta’s more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the accompanying financial statements.

**A. THE REPORTING ENTITY**

The primary government of the City of Valdosta has two component units – the Central Valdosta Development Authority (the “Authority”) and the Valdosta Downtown Development Authority (the “Downtown Authority”). Using the criteria of Governmental Accounting Standards Board (GASB) Statements No. 14 and 39, management determined that both authorities should be discretely presented.

**Primary Government**

The City of Valdosta was originally incorporated by an Act of the General Assembly of Georgia on December 7, 1860. The basic charter of the City was provided in Georgia laws 1901, Act No. 213, as amended. (Georgia Laws 1901, p. 670) The City is governed by an elected mayor and seven-member council with daily operations managed by an appointed city manager. The following services as authorized by its charter and code are provided by the City: General Administrative Services, Public Safety (Police, Fire and Inspections), and Public Works (Streets, Sanitation, Water and Sewer).

**Discretely Presented Component Units:**

Central Valdosta Development Authority – The Authority was established by an Act of the General Assembly of Georgia to redevelop and improve the central Valdosta area. The Authority has the power to create special tax districts, to levy and collect taxes, and issue notes or other evidence of indebtedness, and only maintains a general fund. The Authority consists of seven members, one of whom is the Mayor of the City of Valdosta. The other six members are appointed by the City Council. The Development Authority provision of services is not limited entirely, or almost entirely, to the primary government nor does it only benefit the primary government. Therefore, the City concluded in

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

accordance with GASB 14 and 39 that the Authority should be included in the financial reporting entity by discrete presentation.

Downtown Development Authority – The Downtown Development Authority was established by a local ordinance to redevelop and improve the downtown Valdosta area. The Downtown Authority has the power to levy and collect taxes and issue notes or other evidence of indebtedness, and only maintains a general fund. The Downtown Authority consists of seven members, one of whom is the Mayor of the City of Valdosta. The other six members are appointed by the City Council. The Downtown Authority provision of services is not limited entirely, or almost entirely, to the primary government nor does it only benefit the primary government. Therefore, the City concluded in accordance with GASB 14 and 39 that the Downtown Development Authority should be included in the financial reporting entity by discrete presentation.

Separate financial statements are not available from either authority.

**Related Organizations:**

The City of Valdosta officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The Mayor and Council appoint the board members of the Valdosta Housing Authority, Valdosta-Lowndes County Zoning Board of Appeals, Valdosta-Lowndes County Industrial Authority, Hospital Authority of Valdosta and Lowndes County, Greater Lowndes County Planning Commission, Valdosta Historic Preservation Commission, Valdosta Tree Commission, Valdosta Lowndes County Airport Authority, Valdosta-Lowndes County Conference and Tourism Authority, Keep Lowndes Valdosta Beautiful Commission, Valdosta-Lowndes County Land Bank Authority, Valdosta/Lowndes County Construction Adjustments and Appeals Board, Valdosta Housing Board of Adjustments and Appeals, Lowndes County Board of Health, Community Development Block Grant Advisory Committee, the Valdosta-Lowndes County Parks & Recreation Authority, the Metropolitan Planning Organization Citizen's Advisory Committee, the Animal Control Board, Downtown Development Authority, Central Valdosta Development Authority, Five Points & Municipal Auditorium Steering Committee, the Public Art Advisory Committee, and the Fair Housing Committee.

**B. MEASUREMENT FOCUS AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all nonfiduciary activities of the primary government and its component units. The City's fiduciary funds are not included



**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

in the government wide financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the Central Valdosta Development Authority and the Downtown Development Authority for which the primary government is accountable.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Certain indirect costs have been included as part of the program expenses for various functional activities.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The City's government wide financial statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of Governmental and Business-Type activities for the City. Fiduciary activities of the City are not included in these statements.

These statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The fiduciary funds don't have a measurement focus. Accordingly, all the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services to customers who directly benefit from goods, services, or privileges provided by a given function, 2) operating grants and contributions that are restricted to meeting the

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

operational needs for a particular function and 3) capital grants and contributions that are restricted to meeting the capital needs of a particular function.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated, however, those transactions between governmental and business-type activities have not been eliminated. Governmental activities which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**Fund Financial Statements**

The accounts of the City are organized on the basis of the funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Government resources are allocated to and accounted for in the individual funds based upon the purpose for which they are spent and the means by which spending activities are controlled.

**THE CITY REPORTS THE FOLLOWING MAJOR FUNDS:**

**GOVERNMENTAL**

General Fund – the principal fund of the City used to account for all activities not otherwise accounted for by a specific fund.

Sales Tax 2002 Fund – to account for the financing and construction of capital improvements for various public projects. These improvements will be financed through a 1% local option sales tax that was collected for 60 months starting January 2003.

Sales Tax 2007 Fund – to account for the financing and construction of capital improvements for various public projects. These improvements will be financed through a 1% local option sales tax collected for 72 months starting January 2008.

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**ENTERPRISE**

Sanitation Fund – to finance and account for the costs of providing both residential and commercial trash and garbage pick up to residents and businesses of the City.

Water and Sewer Revenue Fund – to finance and account for the cost of providing water and sewer services to the residents and business of the City.

DOL Building Fund – to finance and account for the cost of maintaining the building leased to the Georgia Department of Labor. The fund also accounts for lease payments received from the state.

Stormwater – to finance and account for the cost of providing stormwater collection services to the residents and businesses of the city. All activities necessary to provide such services are included in the fund.

ADDITIONALLY THE CITY REPORTS THE FOLLOWING FUND TYPES:

**GOVERNMENTAL FUNDS**

Governmental fund types include the General Fund, Special Revenue Funds, and Capital Projects Funds. Governmental Fund Financial Statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances for all governmental major funds and non major funds aggregated. The governmental funds employ the current financial resources measurement focus. Those funds are maintained on the modified accrual basis of accounting. (Explained further under Basis of Accounting)

**SPECIAL REVENUE FUNDS**

These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The City maintains a separate Special Revenue Fund for each Federal Grant Program.

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**CAPITAL PROJECTS FUNDS**

The Capital Projects Funds account for capital improvements (except for those financed by Proprietary Funds) which are financed from certain Federal Grants, and other City Funds.

**PERMANENT FUND**

The permanent fund accounts for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs, that is, for the benefit of the City or its Citizenry.

**PROPRIETARY FUNDS**

Proprietary Funds include Enterprise funds and Internal Service Funds. The Proprietary Fund measurement focus is upon determination of net income, financial position, and changes in financial position. The generally accepted accounting principles in these funds are those applicable to similar businesses in the private sector and thus these funds are maintained on the accrual basis of accounting. (Explained further under Basis of Accounting)

**ENTERPRISE FUNDS**

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises—where the intent of the City is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The acquisition, maintenance and improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of revenue bonds, Federal Grants, and other City funds.

**INTERNAL SERVICE FUNDS**

The Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City. These goods or services are provided on a cost reimbursement basis.

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

THE CITY MAINTAINS THE FOLLOWING INTERNAL SERVICE FUNDS:

**MOTOR POOL FUND**

The Motor Pool Fund accounts for the cost of operating a maintenance facility for automotive equipment. The fund purchases the automotive equipment and leases the equipment to user departments on a predetermined per mile basis or monthly rate based on accumulated historical costs.

**GROUP INSURANCE FUND**

The Group Insurance Fund accounts for transactions related to the provision of health care benefits for permanent employees of the City.

**WORKMAN'S COMPENSATION FUND**

The Workman's Compensation Fund accounts for the transactions related to the workman's compensation claims paid by the City.

**IT FUND**

The IT Fund accounts for the cost of providing information technology to the City. Departments are charged based on utilization of IT Services.

**FIDUCIARY FUND**

Fiduciary Funds include the Agency Funds. The Tree Commission Agency Fund accounts for monies collected for the Tree Commission. The Evidence Agency Fund accounts for monies taken in by the Valdosta Police Department but not condemned. The assets and liabilities are accounted for on the accrual basis.

**BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

**Modified Accrual Basis of Accounting**

The modified accrual basis of accounting is followed in the Governmental Fund types. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities.

**CITY OF VALDOSTA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

Property taxes levied and due for the current year are considered available and are therefore recognized as revenues in accordance with NCGA Interpretation 3 of NCGA Statement 1.

Licenses, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Taxes, charges for services, investment earnings, and special assessments are considered available if payment is received within 31 days after the close of the current fiscal year and therefore recognized as revenues.

Intergovernmental revenues received as reimbursements for specific purposes or projects are recognized when the expenditure is recorded. Intergovernmental revenues received but not earned are recorded as deferred revenues.

Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due and vacation and sick pay which is recorded when paid.

**Accrual Basis of Accounting**

The accrual basis of accounting is followed in all Proprietary Funds and the Agency Funds. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when incurred. The revenues for sanitation and water and sewer, which are based upon service rates authorized by the City Council, are determined by monthly cyclical billings to customers. Earned but unbilled revenues are accrued and reported in the financial statements.

The City defines operating revenues and expenses in the proprietary funds using the criteria established for identifying cash flows from operations. Revenues from the sale of goods or services (including goods or services sold to internal customers) as well as from the sale of permits are considered operating revenues. Expenses incurred to purchase labor, operating supplies and services, as well as depreciation, are classified as operating expenses. All other revenues and expenses not meeting this definition are nonoperating.

Investment earnings are accrued in Proprietary Funds. The City has adopted the requirements of GASB Statement 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting, and elected to follow only GASB standards. Therefore, the City has not adopted Financial Accounting Standards Board pronouncements issued after November 30, 1989.

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**D. BUDGETS AND BUDGETARY ACCOUNTING**

The City code requires that an annual operating budget be prepared that includes a proposed work program, a basic budget at the current level, and program change requests for all Governmental and Proprietary types. The budget is prepared and submitted by the City Manager to the Mayor and Council for their consideration and adoption by ordinance prior to the commencement of the ensuing fiscal year. The Finance Director is authorized to transfer budget amounts within any fund. Budgetary control is exercised by department, function or activity, and major object of expenditures group for capital and grant projects within each fund. Each of these areas cannot legally exceed their appropriations. All unencumbered appropriations lapse at year end. The budget is prepared showing each fund, department and level of expenditure for the prior year, current year estimates, and requested, recommended, and approved appropriations for the next fiscal year. Budgets for the City may be increased or decreased as the City Council deems appropriate.

The budget data presented in the financial statements and schedules were prepared on a Non-GAAP Budgetary basis for the Governmental Fund types. The difference between the GAAP basis and the budgetary basis is the inclusion of encumbrances as expenditures. In the Proprietary Funds, the budgets were prepared on the GAAP basis. The same accrual basis that is used to reflect actual results is used to prepare the budgets for these funds.

The following funds' expenditures/expenses exceeded legal appropriations.

<b>Fund/Department</b>	<b>Expenditures/ Expenses on Budgetary Basis</b>	<b>Appropriations</b>	<b>Amount Exceeding</b>
General Fund/Engineering	\$2,841,548	\$2,675,237	\$166,311
Youth Recreation Scholarships	21	10	11

Per the official Code of Georgia Annotated 36-81-3, the City has set its level of budgetary control at the departmental level.



**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**E. CASH**

For the purpose of the statement of cash flows, the City considers only cash (including restricted assets) in determining the increase (decrease) in cash. Cash equivalents are defined as short term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition.

**F. INVESTMENTS**

It is the City's policy that investments having a remaining maturity at time of purchase of one year or less are recorded at cost or amortized cost in accordance with GASB Statement 31. Adjustments are made to cost for any premium or discount, which is amortized over the maturity of the investment. Amortized cost approximates fair value. The City has no such investments at June 30, 2012.

**G. RECEIVABLES**

Revenues are recorded when received except for the following items for which receivables have been recorded:

1. Taxes Receivable which includes:
  - a. Taxes Receivable-Delinquent – represents the past years of uncollected tax levies. An allowance for uncollectible taxes is provided based upon an analysis of historical trends. The tax receivables have been reported net of these allowances.
  - b. Sales Taxes, Franchise Taxes, and Public Utilities Receivable – recorded as revenue when they become both measurable and available for collection within the current period paying cycle, which is 31 days past year end. The balance of what has been earned though not available is recorded as deferred revenue.
2. Accounts Receivable which includes:
  - a. Accounts Receivable – Sanitation and Water and Sewer service charges are recognized when earned, with an allowance for uncollectible accounts of 1% of the accounts receivable balance at June 30. Services performed by various departments are recognized as revenue when they are measured

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

and assured of collection within the current paying cycle of the City. That which is earned, but not collected within 31 days of year end, is recognized as a deferred revenue. In the Proprietary Funds, they are recognized as revenue when earned.

- b. Returned Checks – the balance of checks written by the public that the banks have returned to the City over the past 12 months.
  - c. Accounts Receivable-Employees – the balance that City employees owe the City for travel advances, garnishments, etc.
  - d. Unbilled Services Receivable – within the City’s Enterprise Funds, an estimated amount has been recorded for services rendered but not yet billed as of June 30, 2012. The receivable was arrived at by taking the cycle billings the City sent the customers in July and prorating the amount of days applicable to the current year factor at 99% to allow for uncollectible accounts.
3. Second Mortgages Receivable - the amount owed to the City from loans made to homeowners on UDAG and CDBG CHIP grants.
  4. Special Assessments Receivable – both principle and interest on paving assessments are payable in semi-annual installments over a five year period. The principle is recognized when due. The balance due at June 30 that has not been collected within 31 days past year end is recorded as a deferred revenue. There is no allowance for uncollectibles as delinquent accounts are declared as a special assessment lien against the property per Section 7.2, paragraph I, of the City’s Code. The entire outstanding balance is delinquent at June 30, 2012.
  5. Interest Receivable – interest on investments is recorded as revenue on the Governmental Fund types when it is both measurable and collected within the City’s current paying cycle. The amount which is earned but not collected is recognized as a deferred revenue. The interest on investments is recorded as revenue in the year earned for the Proprietary Fund types.

**H. DUE FROM OTHER GOVERNMENTS & AGENCIES**

Due from other governments includes amounts from grantors for grants for specific programs and capital projects. Program grants and capital grants for governmental capital assets are recorded as receivables and revenues at the time reimbursable project costs are incurred. Revenue received in advance of project costs being incurred is deferred. Capital grants for capital asset additions to the Proprietary Funds are recorded

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

as receivables and corresponding increases to contributions when reimbursable project costs are incurred.

**I. DUE FROM AND DUE TO OTHER FUNDS**

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debts. To the extent that certain transactions between funds had not been paid or received as of June 30, 2012, balances of interfund amounts receivable or payable have been recorded. To the extent that these balances are between Governmental Funds, they have been eliminated on the statement of net assets.

**J. ADVANCE TO OTHER GOVERNMENTS & AGENCIES**

The long-term advance from the General Fund to the South Georgia Area Planning Commission Data Processing Network is to finance new activities during their initial operation. The portion of General Fund's fund balance attributable to this advance is classified as nonspendable. These are long-term advances made to other governmental agencies.

**K. ADVANCE TO OTHER FUNDS**

The long term advance from the General Fund to the HUD Fund represents operating capital for the City's entitlement program. This balance is distinct from routine interfund balances and will not be liquidated until the entitlement program is terminated. The long term advance from General Fund to other funds represents balances that are not expected to be repaid within one year.

**L. INVENTORIES**

Inventories in Proprietary Funds are adjusted to annual and periodic physical counts and are valued at cost using the first-in, first-out method (FIFO) of valuation. Inventory in the Sales Tax 2007 Fund, which is valued at cost first-in, first-out method (FIFO), consists of wetland credits held for construction.

**M. PREPAID EXPENDITURES/EXPENSES**

Payments made to various vendors for items or services for a future period beyond June 30, 2012 are recorded as prepaid expenditure/expenses. The fund balances in the Governmental Fund types attributable to prepaid expenditures are classified as nonspendable. This reflects the amount of fund balance not currently available for expenditure.

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**N. RESTRICTED ASSETS**

Monies or other resources, the use of which is restricted by legal or contractual requirements, are recorded as restricted assets. It is the policy of the City to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. The restricted assets listed in the Proprietary Funds are for the utility billing customer deposits held on account.

**O. INTANGIBLE ASSETS**

Intangible assets are reported in the applicable governmental or business type activity columns in the government-wide financial statements. The City's policy has set the capitalization threshold at \$5,000 for intangible assets. All intangibles are valued at cost or estimated fair market value if donated. Intangible assets are amortized over their estimated useful lives.

**P. CAPITAL ASSETS**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City's policy has set the capitalization threshold for reporting capital assets at \$5,000 and \$250,000 for infrastructure assets. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. The City patched and resurfaced several roads during the current year that are considered general maintenance. The City reports only infrastructure acquired or constructed after June 30, 1980 in accordance with GASB Statement 34.

Expenditures for maintenance and repairs which do not add to the value of the assets or materially extend their lives are expensed as incurred. However, expenditures for repairs and upgrading which do materially add to the value or life of an asset are capitalized.

Interest incurred during the construction of capital assets in business type activities is capitalized as part of the cost of the asset constructed. During the current fiscal year, the City incurred total interest of \$1,455,374. Of this amount, \$820,164 was capitalized as part of the cost of the waste water construction project.

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
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Depreciation is provided on the straight-line basis over the estimated useful lives.

The estimated useful lives are as follows:

<b>Assets</b>	<b>Life (Years)</b>
Water System	30-50
Sewer System	30-50
Buildings	15-50
Machinery and Equipment	05-10
Vehicles	01-05
Infrastructure	10-20

**Q. COMPENSATED ABSENCES**

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid to employees upon separation from City service. In Governmental Fund types, the cost of vacation benefits is recognized when payments are made to employees. A long-term liability of accrued vacation benefits at June 30, 2012 has been recorded in the government wide statements representing the City's commitment to fund such costs from future operations.

**R. LONG-TERM OBLIGATIONS**

Long-term liabilities for GEFA borrowings are recorded in the Enterprise Funds. Principal and accrued interests are recorded as liabilities. Principal and interest payments are deducted from the liability as made. A long term liability has been recorded in the government wide statements for a capital lease. See Note 9 for additional information.

**S. PENSION FUND**

Annual costs of the pension plan are actuarially computed and include amortization of past service costs over a period of 30 years. The City's policy is to fund the annual pension costs in the annual budget.

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
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**T. DEFERRED REVENUE**

Deferred revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Such amounts have been deemed to be measurable but not available. Amounts deferred by reason of the timing of receipt are subject to full accrual on the government wide statements but not on the fund statements. Unearned amounts remain deferred on the government wide statements.

**U. FUND BALANCE**

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

**Fund Balance** – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City 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 City 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 City Commission through the adoption of a resolution. Only the City Commission may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Commission has authorized the City’s Chief Financial Officer, Finance Director, or Director of Administrative Services to assign fund balances.

**CITY OF VALDOSTA, GEORGIA  
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- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criteria. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

***Flow Assumptions*** – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

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

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

**NOTE 2. DEPOSITS AND INVESTMENTS WITH FINANCIAL INSTITUTIONS, INVESTMENTS (INCLUDING REPURCHASE AGREEMENTS), AND REVERSE REPURCHASE AGREEMENTS**

**A. DEPOSITS**

At year end, the carrying amount of the City's deposits was \$10,172,454 and the bank balance was \$10,608,529. The City also had \$4,900 in petty cash.

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's deposit policy is to require all its deposits in excess of FDIC insurance to be collateralized with securities held by the City or by its agent in the City's name. Of the bank balance, \$273,770 was covered by federal depository insurance and \$10,334,759 was covered by collateral held by the government or agent in the government's name.

**CITY OF VALDOSTA, GEORGIA  
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Interest Rate Risk

The City has an investment policy that limits the maturities on individual investments to no more than five years and weighted average maturity to no more than three years. Reserve funds may be invested in longer term securities if the maturities coincide with the expected use of the funds. The investments at June 30, 2012 meet our investment policy restrictions.

Credit Risk

The City has an investment policy that limits investments to “the safest types of securities.” These are defined as obligations of the State of Georgia or other states, obligations of the US government or certain agencies thereof, repurchase agreements backed by federal securities, prime banker’s acceptance with a rating of A+ or better, the local government investment pool, obligations of other political subdivisions of the State of Georgia, and time deposits and savings deposits. Excess funds are invested in Georgia Fund I.

Concentration Credit Risk

The City’s investment policy limits its investments as follows:

U. S. Treasury Obligations	100.00%
U. S. Government Agency Securities and Securities issued by Instrumentalities of Government Sponsored Corporations	75.00%
Repurchase Agreements	25.00%
Prime Bankers Acceptance	10.00%
Local Government Investment Pool	40.00%
Certificates of Deposit	25.00%
Obligations of other political subdivisions of the State of Georgia	25.00%

GASB Statement 40 requires disclosure when 5% or more of investments are in one issue. The City has no such concentrations.

The carrying amount of deposits for CVDA, a discretely presented component unit, was \$130,836 and the bank balance was \$132,115. The CVDA also had \$25 in petty cash.

The CVDA does not have a deposit policy. Of the bank balance, \$132,115 was covered by Federal Depository Insurance.

The carrying amount of deposits for DDA was \$0.

The DDA does not have a deposit policy. Of the bank balance, \$0 was covered by Federal Depository Insurance.



**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
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**B. INVESTMENTS**

The City is authorized to invest its funds in (1) obligations which constitute direct obligations of, or are unconditionally guaranteed by, the United States of America; (2) obligations of the Federal Land Bank, the Federal Home Loan Bank, Federal Intermediate Credit Bank, and Federal Bank for Cooperatives; (3) bonds or other obligations issued by any public housing agency or municipality which are served by a pledge of annual contributors under contract with the United States Government, or project notes secured by a payment agreement with the United States Government; and (4) certificates of deposit issued by state and national banks located within the state of Georgia, provided that certain collateral for such certificates is deposited.

<u>Form of Deposit</u>	<u>Carrying Amount</u>
Investment in Georgia Fund I	\$4,714,535
Certificate of Deposit	7,299
<b>Total</b>	<u><u>\$4,721,834</u></u>

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

The Authorities do not have investment policies.

The following is a summary of the differences between carrying amount of cash and investments as shown above and on the financial statement of the primary government:

**CITY OF VALDOSTA, GEORGIA**  
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	<b>Cash on Deposit</b>	<b>Investments</b>
Balance per Note Above	\$10,167,554	\$4,721,834
Petty Cash	2,900	0
Change Cash	2,000	0
	<u>\$10,172,454</u>	<u>\$4,721,834</u>
Non Restricted	\$9,275,883	\$4,721,834
Restricted	896,571	0
Balance per Financial Statement	<u>\$10,172,454</u>	<u>\$4,721,834</u>

The following is a summary of the differences between carrying amount of cash and investments as shown above and on the financial statement of the discretely presented component unit:

<b>CVDA</b>	<b>Cash on Deposit</b>	<b>Investments</b>
Balance per Footnote Above	\$130,836	\$0
Petty Cash	25	
Balance per Financial Statement	<u>\$130,861</u>	<u>\$0</u>
<b>DDA</b>	<b>Cash on Deposit</b>	<b>Investments</b>
Balance per Footnote Above	\$0	\$0
Balance per Financial Statement	<u>\$0</u>	<u>\$0</u>

**CITY OF VALDOSTA, GEORGIA**  
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**NOTE 3. TAXES**

Advalorem property tax revenue is recognized in compliance with the National Council on Governmental Accounting (NCGA) Interpretation 3, "Revenue Recognition-Property Taxes". This interpretation states that property tax revenue is recorded when it becomes available. Available means when due or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days. The City's 2011 property taxes, levied September 15, 2011 on a 40% assessed valuation as of the lien date January 1, 2011, were due November 15, 2011. The levy for 2011 is as follows:

<u>Type of Levy</u>	<u>Rate per \$1,000 of Assessed Value</u>	<u>Legal Maximum</u>
General Operations	10.062	
Less Sales Tax Rebate	5.950	
Net for General Operations	<u>4.112</u>	<u>10.00</u>
 Schools	 16.98	 20.0
Central Valdosta Development Authority	<u>5.0</u>	<u>15.0</u>

Property taxes levied for the current year are available and are therefore recognized as revenue. The City's property tax collection records show that most of the property taxes due are collected during the fiscal year of the levy. Property tax received is reduced by an allowance for uncollectible accounts which is computed on the outstanding receivable at June 30, 2012 per the following table:

95% of the 1996 Levy  
95% of the 1998 Levy  
95% of the 1999 Levy  
95% of the 2001 Levy  
95% of the 2002 Levy  
95% of the 2003 Levy  
95% of the 2004 Levy  
95% of the 2005 Levy  
80% of the 2006 Levy  
70% of the 2007 Levy  
60% of the 2008 Levy  
50% of the 2009 Levy  
25% of the 2010 Levy  
5% of the 2011 Levy

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Taxes receivable at June 30, 2012 consist of the following:

<b>Property Taxes</b>	<b>General Fund</b>
1996	\$213
1998	13
1999	29
2001	79
2002	387
2003	1,012
2004	5,926
2006	1,530
2007	3,849
2008	4,852
2009	17,494
2010	65,318
2011	279,522
	<hr/>
	380,224
Sales Taxes	709,730
Franchise Taxes	368,572
	<hr/>
Total Taxes Receivable	1,458,526
Less Allowance for Uncollectible	(51,365)
	<hr/>
	<u><u>\$1,407,161</u></u>

The property taxes for the City are collected by the Lowndes County Tax Commissioner's Office and remitted to the City monthly. The Commission disburses the tax money received to each unit of government. Therefore, there is no receivable set up for the school levy since it is disbursed to the School Board.

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**NOTE. 4      INTERFUND RECEIVABLES/PAYABLES**

Individual fund interfund receivables and payables including advances at June 30, 2012 are as follows:

	<b>Receivables</b>				<b>Total</b>
	<b>General Fund</b>	<b>Non Major Governmental Funds</b>	<b>Non Major Enterprise Funds</b>	<b>Internal Service Funds</b>	
<b>Payables</b>					
General Fund	\$0	\$100	\$0	\$658,661	\$658,761
SPLOST 7	272,699	0	0	0	272,699
Sanitation	85,693	0	0	0	85,693
DOL	35,792	0	0	0	35,792
Stormwater	184,952	0	0	0	184,952
Non Major Governmental Funds	315,695	0	0	0	315,695
Non Major Enterprise Funds	1,760,855	0	12,748	0	1,773,603
Internal Service	2,141,953	0	0	0	2,141,953
<b>Total</b>	<b>\$4,797,639</b>	<b>\$100</b>	<b>\$12,748</b>	<b>\$658,661</b>	<b>\$5,469,148</b>

All interfund balances are due to routine interfund transactions that were not paid or received at June 30, 2012 as discussed in Note 1. Advances are long term in nature.

The above analysis included advances from General Fund to the HUD Fund in the amount of \$30,000, the Inspections Fund in the amount of \$585,803, the Zoning Fund in the amount of \$643,199, the Auditorium Fund in the amount of \$529,201 and the Motor Pool Fund in the amount of \$2,099,525. Advances are long term in nature and are not expected to be repaid with one year. All advances except to the Motor Pool are to provide operating capital. The advance to the Motor Pool is attributable to the acquisition of fixed assets and will be recovered over the lives of the assets acquired.

**CITY OF VALDOSTA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 5. CAPITAL ASSETS**

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

	Primary Government					
	Beginning Balance	Additions	Retirements	Reclass	Transfer	Ending Balance
<b>Governmental Activities:</b>						
Non-depreciable assets						
Land	\$76,846,635	\$0	\$0	\$0	\$0	\$76,846,635
Construction in progress	7,576,708	1,802,271	0	(7,154,870)	(500)	2,223,609
Total non-depreciable assets	84,423,343	1,802,271	0	(7,154,870)	(500)	79,070,244
Depreciable assets						
Land improvements	9,680,248	0	0	4,182,737	0	13,862,985
Buildings	25,908,733	44,858	0	2,779,456	0	28,733,047
Equipment	9,589,671	322,532	585,949	0	(138,596)	9,187,658
Motor Vehicles	14,444,992	42,240	41,340	0	0	14,445,892
Infrastructure	97,539,872	1,233,750	0	192,677	0	98,966,299
Total depreciable assets	157,163,516	1,643,380	627,289	7,154,870	(138,596)	165,195,881
<b>Total at historical cost</b>	241,586,859	3,455,651	627,289	0	(139,096)	244,266,125
Less accumulated depreciation for:						
Land improvements	3,906,478	425,454	0	0	0	4,331,932
Buildings	6,501,153	757,029	0	0	0	7,258,182
Equipment	6,685,652	888,001	498,598	0	0	7,075,055
Motor vehicles	11,905,007	1,028,251	34,215	0	0	12,899,043
Infrastructure	75,473,648	4,209,655	0	0	0	79,683,303
<b>Total accumulated depreciation</b>	104,471,938	7,308,390	532,813	0	0	111,247,515
<b>Governmental activities capital assets, net</b>	<u>\$137,114,921</u>	<u>(\$3,862,739)</u>	<u>\$94,476</u>	<u>\$0</u>	<u>(\$139,096)</u>	<u>133,018,610</u>
<b>Business-type activities:</b>						
Non-depreciable assets						
Land	\$2,750,526	\$6,650	\$0	\$0	\$0	\$2,757,176
Construction in progress	33,219,949	15,712,212	0	(1,904,840)	500	47,027,821
Total non-depreciable assets	35,970,475	15,718,862	0	(1,904,840)	500	49,784,997
Depreciable assets						
Land improvements	82,810,670	687,115	11,250	1,904,840	0	85,391,375
Buildings	51,745,870	0	456,660	0	0	51,289,210
Equipment	5,017,497	969,597	326,410	0	138,596	5,799,280
Intangibles	1,161,791	0	0	0	0	1,161,791
Total depreciable assets	140,735,828	1,656,712	794,320	1,904,840	138,596	143,641,656
<b>Total at historical cost</b>	176,706,303	17,375,574	794,320	0	139,096	193,426,653

**CITY OF VALDOSTA, GEORGIA**  
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**Primary Government**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Reclass</b>	<b>Transfer</b>	<b>Ending Balance</b>
Less accumulated depreciation for:						
Land improvements	\$30,104,906	\$1,570,580	\$4,600	\$0	\$0	\$31,670,886
Buildings	13,335,785	1,099,827	231,844	0	0	14,203,768
Equipment	3,388,208	537,327	319,727	0	0	3,605,808
Intangibles	52,265	19,216	0	0	0	71,481
<b>Total accumulated depreciation</b>	<u>46,881,164</u>	<u>3,226,950</u>	<u>556,171</u>	<u>0</u>	<u>0</u>	<u>49,551,943</u>
<b>Business-type activities capital assets, net</b>	<u>\$129,825,139</u>	<u>\$14,148,624</u>	<u>\$238,149</u>	<u>\$0</u>	<u>\$139,096</u>	<u>\$143,874,710</u>

**Depreciation/amortization expense was charged to governmental functions as follows:**

Governmental Depreciation:	
General Government	\$6,775,176
Finance	834
Engineering	30,281
Public Safety	416,078
Public Works	82,022
Economic Development	3,999
Total governmental depreciation	<u>7,308,390</u>
Business-type Depreciation:	
Sanitation	42,961
Water & Sewer	3,074,813
Inspections	1,456
Zoning	1,255
Department of Labor	87,249
Stormwater	19,216
Total business-type depreciation/ amortization	<u>3,226,950</u>
<b>Total depreciation expense</b>	<u><u>\$10,535,340</u></u>

Internal Service Funds predominantly serve governmental funds. Accordingly, \$17,590,047 in capital assets, \$15,276,140 in accumulated depreciation, and \$1,277,633 in current depreciation in these funds are included in the above totals for governmental activities.

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 6. PENSION PLAN**

**A. PLAN DESCRIPTION**

The City's defined benefit pension plan, City of Valdosta Retirement Plan, provides retirement, disability, and death benefits to plan members and beneficiaries. The City of Valdosta Retirement Plan is a participating member of the Georgia Municipal Employees Benefit System, an agent multiple-employer pension plan administered by the board of trustees of the System. Georgia Law 1965, page 421, assigns the authority to establish and amend benefit provisions of the plans that participate in the Georgia Municipal Employees Benefit System to the respective employer entities; for the City of Valdosta Retirement Plan, that authority rests with the City. The Georgia Municipal Employees Benefit System issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to:

Cal Wray, Director of Risk Management & Employee Benefit Service  
c/o GMA  
201 Pryor Street S.W.  
Atlanta, GA 30303

or by calling (404) 688-0472.

**Funding Policy**

There are three classes of full-time career employees. Class I is all employees hired after February 1, 1982 and prior to August 11, 2005 who are under the age of 35 and any employees hired before February 1, 1982 and prior to August 11, 2005 who chose to contribute or were already eligible to retire. Class II is all employees hired after February 1, 1982 and prior to August 11, 2005 who are age 35 or older and any employees hired before February 1, 1982 who decline to contribute. Class III is all employees hired on and after August 11, 2005. Class I and Class III city employees are required to contribute to the Plan. The contribution amount is equal to 2% of the compensation amount.

The plan was amended August 11, 2005 to update the benefit formula, change the normal retirement eligibility for Class I and new Class III participants, improve early retirement reductions for Class II participants, increase employee contributions for Class I and Class III participants, and permit prior governmental service purchases.



**CITY OF VALDOSTA, GEORGIA**  
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<b>YEAR OF BIRTH</b>	<b>COVERED COMPENSATION</b>	<b>YEAR OF BIRTH</b>	<b>COVERED COMPENSATION</b>
1903	\$412	1923	\$560
1904	430	1924	563
1905	446	1925	566
1906	460	1926	568
1907	471	1927	570
1908	482	1928	572
1909	491	1929	575
1910	500	1930	582
1911	507	1931	590
1912	514	1932	598
1913	520	1933	605
1914	526	1934	611
1915	531	1935	618
1916	536	1936	625
1917	540	1937	631
1918	544	1938	638
1919	548	1939	644
1920	551	1940	647
1921	555	1941 (later	650
1922	558	than or equal to)	

The City is required to contribute the remaining amount necessary to fund the Plan, using the actuarial basis specified by statute. The current rate is 28.62% of annual covered payroll. The funding policy for the plan is to contribute an amount equal to the recommended contribution as follows:

**CITY OF VALDOSTA, GEORGIA**  
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Actuarial Valuation Date	January 1, 2012
Total normal cost	\$1,379,595
Administrative expenses	79,989
Expected employee contributions	(287,233)
Employer normal cost	1,172,351
Payment on unfunded/(surplus) actuarial Accrued liability	4,015,349
Total recommended contribution	5,187,700
Adjustment for timing of contribution	197,273
Total recommended contribution, adjusted for timing	5,384,973
Total recommended contribution as a percentage of payroll	28.62%

The recommended contribution meets the guidelines for calculating an annual required contribution set forth in Paragraph 9-10 of GASB Statement 27. These contribution requirements of plan members and the City are established and may be amended by the System's board of trustees.

### **Annual Pension Cost**

The City's annual pension cost of \$3,249,362 for the City of Valdosta Retirement Plan was equal to the City's required and actual contributions. The required contribution was determined under the projected unit credit actuarial cost method and asset valuation method for developing the actuarial value of assets. The actuarial assumptions included (a) 7.75% investment rate of return, (b) projected salary increases for inflation of 3.5% and merit or seniority of 0.5% per year and (c) future Social Security Wage Bases of 5.5%. The actuarial value of assets was determined by rolling forward the prior year's actuarial value with contributions, disbursements, and expected return on investments, plus 10% of investment gains and losses during the prior 10 years. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 1981 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions, and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are closed for this plan year.

The City adopted a rule of 75 effectively July 1, 2004. This means that an employee can retire with a combined age and years of service of 75 or greater. Only Class I and Class III employees qualify for this rule. This will affect the comparability of trend information in future years.

**CITY OF VALDOSTA, GEORGIA**  
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**Trend Information**

<b>Fiscal Year Ending</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of (APC) Contributed</b>	<b>Net Pension Obligation</b>
2010	\$3,179,323	100%	0
2011	3,000,000	100%	0
2012	3,249,362	100%	0

As of January 1, 2012, the date of the most recent actuarial valuation, there were 857 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	286
Vested terminated employees not yet receiving benefits	68
Active employees	503
Total	857

As of the most recent valuation date, January 1, 2012, the funded status of the Plan was as follows:

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded/ Surplus AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
Jan 1, 2012	\$35,280,804	\$63,566,837	\$28,286,033	55.50%	\$18,493,053	152.95%

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

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 7.      DEFINED CONTRIBUTION PLAN**

**City of Valdosta Defined Contribution Plan**

The City of Valdosta offers its employees a defined contribution plan created in accordance with Internal Revenue Code Section 457. The plan was established by City ordinance, and the City Council has the authority to amend the plan. The plan is a deferred compensation plan administered by Nationwide Retirement Solutions. The City of Valdosta is responsible for the accounting, reconciliations, and record keeping associated with City employees' enrollment, payment to the plan through payroll deductions, and timely transfer of withheld funds to the trustee designated by the City of Valdosta for investment. The plan provides a number of investment options and is designed so that each participant retains investment control of his/her individual account. The plan, available to all full-time employees, permits them to defer a portion of their salary until future years. The deferred compensation is held in trust for the exclusive benefit of plan participants and their beneficiaries and is not available to employees until termination, retirement, death, or unforeseeable emergency. Since the City of Valdosta has no fiduciary relationship with plan participants, the plan assets are not included in the financial statements.

**NOTE 8.      OTHER POST-EMPLOYMENT BENEFITS**

**Plan Description**

The City of Valdosta maintains another post-employment benefit plan, the City of Valdosta Other Post-Employment Benefits Plan (the OPEB Plan"), which includes retirees from the City of Valdosta. In accordance with City ordinance, the City's personnel policy provides that all employees who retire under early, normal or disability retirement are eligible for confirmed health care benefits provided they have a total of 25 consecutive years of employment. The monthly cost for retiree is \$165 and the cost for retiree plus spouse is \$280. Employees who retire receive the same group health insurance benefits as active employees. Effective September 1, 2009, Medicare eligible employees are converted to a third party plan at which time Medicare assigns the subsidy and rights to pay claims to the third party plan provider. At June 30, 2012, 110 retirees participated in the plan, paying a monthly premium of \$77 - \$280. However, their dental is the same group coverage as active employees.

Retirees are also eligible to keep up to \$20,000 of life insurance provided they elected additional life insurance as an active employee. In addition, a retiree may elect dependent coverage provided they elected additional dependent coverage as an active employee. A dependent's life insurance coverage cannot exceed 50% of the retiree's life insurance. Also, in order for a dependent to keep life insurance, the retiree must elect coverage.

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The City's self-insured health plan, City of Valdosta Group Insurance, provides medical and hospitalization benefits for two classes of retirees. Class I includes all retirees with twenty-five years of continuous service. Class I retirees are eligible for Health Insurance paid by the City. Class II includes retirees who retired before July 1, 2002, with ten years of service and age sixty-two. Class II retirees must pay a monthly premium of \$77 - \$280 to participate in the plan. The plan is administered by the Plan Administrator, with UMR, Inc., an Administrative Service Agent, acting as claims paying agent. The Mayor and City Council has the authority to amend the plan. The City contributions are financed on a pay-as-you-go basis. During the current year, the City expended \$505,671 for retirees' health insurance for 110 participants. In addition, 57 participants were covered.

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the OPEB Plan.

Annual required contribution	\$4,737,346
Interest on net OPEB obligation	249,044
Adjustments to annual required contribution	(423,136)
Annual OPEB cost	4,563,254
Contributions made	505,671
Increase in net OPEB obligation	4,057,583
Net OPEB obligation, beginning of year	6,226,095
Net OPEB obligation, end of year	\$10,283,678

<b>Fiscal Year Ended June 30,</b>	<b>Annual Required Contributions*</b>	<b>Actual Contributions</b>	<b>Percentage Contributed</b>
2010	\$3,652,659	\$2,028,042	56%
2011	3,881,477	1,041,252	27%
2012	4,737,346	505,671	10%

\*ARC based on a pay-as-you-go plan.

OPEB obligations are generally liquidated by the General Fund. The plan is a single employer plan and does not issue separate financial statements.

Valuation Date	Accuarial Accrued Liability (AAL) (1)	Accuarial Value of Assets	Unfunded AAL (UAAL)	Percentage Funded	Annual Covered Payroll	UAAL as Percentage of Payroll
January 1, 2012	\$43,711,598	\$0	\$43,711,598	0%	\$18,493,053	236.37%

1) AAL based on pay-as-you-go plan.

**CITY OF VALDOSTA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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<b>Valuation date</b>	January 1, 2012
<b>Actuarial cost method</b>	Projected Unit Credit
<b>Amortization method</b>	Level dollar, closed, 25 years
<b>Remaining amortization period</b>	22 years as of July 1, 2012
<b>Asset valuation method</b>	Market value
<b>Actual assumptions:</b>	
Investment rate of return	4.00% pay-as-you go
Salary growth	3.50% plus age and service merit increases
Medical and drug cost trend rate	8.00% graded to 5.00% over 6 years
Medicare Advantage cost trend rate	7.50% graded to 5.00% over 5 years
Dental cost trend rate	5.00%
Administrative expense trend rate	3.00%
<b>Plan membership:</b>	
Current retirees, beneficiaries, and dependents	347
Current active participants	503
Terminated participants entitled but not yet eligible	<u>0</u>
Total	850

These calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

The actuarial calculations of the OPEB plan reflect a longer-term perspective. The Schedule of Funding Progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing relative to the actuarial accrued liability.

	<b>Balance</b>			<b>Balance</b>	<b>Due Within</b>
	<b>July 1, 2011</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2012</b>	<b>One</b>
					<b>Year</b>
<b>Governmental Funds</b>					
Other Post Employment Benefits	\$6,226,095	\$4,563,254	\$505,671	\$10,283,678	0
Accrued Vacation	1,968,349	980,556	972,426	1,976,479	885,610
<b>Total OPEB and Compensated Absences</b>	<u>\$8,194,444</u>	<u>\$5,543,810</u>	<u>\$1,478,097</u>	<u>\$12,260,157</u>	<u>\$885,610</u>

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**NOTE 9. LONG TERM DEBT**

Long term non bonded debt of the City due to the CVDA is as follows:

<b>Enterprise Funds</b>	<b>Balance July 1, 2011</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2012</b>	<b>Due Within One Year</b>
<b>4.19% Department of Labor Building.</b>					
Original issue amount \$4,410,000.	\$3,012,000	\$0	\$233,000	\$2,779,000	\$233,000
<b>Total Notes</b>	<b>\$3,012,000</b>	<b>\$0</b>	<b>\$233,000</b>	<b>\$2,779,000</b>	<b>\$233,000</b>

The requirements to amortize the note to the CVDA are as follows:

<b>Fiscal Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>
2013	233,000	106,677
2014	233,000	96,915
2015	233,000	87,152
2016	233,000	77,389
2017	233,000	72,508
2018-2022	1,165,000	216,099
2023-2024	449,000	18,458
<b>Totals</b>	<b>\$2,779,000</b>	<b>\$675,198</b>

Long term bonded debt of the City is \$0.

Outstanding Water and Sewer Revenue Bonds at June 30, 2012, totaled \$0.

The City is subject to a statutory limitation by the State of Georgia for bonded indebtedness, payable principally from property taxes to an amount not greater than 10% of the assessed value of all taxable property within the municipality. At June 30, 2012, the limit for the City was \$140,260,729.



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Long term bonded debt of the CVDA, a discretely presented component unit, is as follows:

<b>CVDA</b>	<b>Balance July 1, 2011</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2012</b>	<b>Due Within One Year</b>
<b>5.81% Bond Series 2001.</b> Due in semi-annual installments of February 1 and August 1, beginning August 1, 2001 and continuing through February 1, 2020. Original issue \$800,000.	\$171,803	\$0	\$171,803	\$0	\$0
<b>4.19% Bond Series 2003.</b> Due in semi-annual installments on February 1 and August 1, beginning August 1, 2005 and continuing through August 1, 2023. Original issue \$4,410,000.	3,012,000	0	233,000	2,779,000	233,000
<b>Total Bonded Debt</b>	<u>\$3,183,803</u>	<u>\$0</u>	<u>\$404,803</u>	<u>\$2,779,000</u>	<u>\$233,000</u>

Outstanding CVDA Bonds at June 30, 2012, totaled \$2,779,000. The Authority entered into an obligation to finance the Department of Labor building for the City of Valdosta in the amount of \$4,410,000. The Authority issued a bond to cover the cost of construction in fiscal year 2004. The debt is payable solely from certain lease payments to be paid to the City of Valdosta, Georgia by the Georgia Department of Labor.

The Authority entered into an obligation to finance improvements in the downtown area as part of Streetscape in the amount of \$800,000. The Authority issued a bond to cover the cost of construction in 2001. The debt is payable solely from an additional property tax rate of 10 mills paid by property owners within the Community Improvement District (CID). This obligation was retired during the year ended June 30, 2012.

The annual requirement to amortize all CVDA issue bonds outstanding as of June 30, 2012, including interest of \$675,198 on the Bond Series 2003 is as follows:

<b>Year Ended June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2013	233,000	106,677	339,677
2014	233,000	96,915	329,915
2015	233,000	87,152	320,152
2016	233,000	77,389	310,389
2017	233,000	72,508	305,508
2018-2022	1,165,000	216,099	1,381,099
2023-2024	449,000	18,458	467,458
<b>Total</b>	<u>\$2,779,000</u>	<u>\$ 675,198</u>	<u>\$3,454,198</u>

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In FY 2010, The Downtown Development Authority for the City of Valdosta issued a \$3,000,000 bond to First State Bank and Trust Company of Valdosta and accepted a \$3,000,000 note from BGV Foundation in exchange for the bond proceeds. The Authority received a 1/8% or (\$3,750) fee for issuing the bond. The Authority has assigned the note from BGV Foundation to the First State Bank and Trust. In addition, the City of Valdosta has entered into an agreement with the Authority to make payments on the bond from the SPLOST proceeds but neither the City nor the Authority is obligated to make payments. All responsibility for the bond reside with BGV Foundation, Inc. This arrangement therefore qualifies as conduit debt. The debt was issued to acquire and improve a youth recreation center to be leased to the Authority for all revenue generated by the Center.

The debt is dated October 29, 2009. It bears interest at a variable rate determined with reference to the bond owner's prime rate. As of June 30, 2012, this rate was 2.18%. The balance at June 30 was \$1,380,000. Interest is payable monthly with principal due March 1.

The annual requirement to amortize all DDA issue bonds outstanding as of June 30, 2012, including interest of \$42,938 is as follows:

<b>Year Ended June 30</b>	<b>Principal</b>	<b>Interest</b>
2013	540,000	28,511
2014	840,000	14,427
	<u>\$1,380,000</u>	<u>\$42,938</u>

The liability for compensated absences of the City is as follows:

	<b>Balance July 1, 2011</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2012</b>	<b>Due Within One Year</b>
<b>Enterprise Funds</b>					
Accrued vacation	\$463,034	\$446,175	\$456,164	\$453,045	\$127,610
<b>Internal Service Funds</b>					
Accrued vacation	29,930	31,045	29,930	31,045	13,000
<b>Governmental Funds</b>					
Accrued vacation	1,475,385	1,428,968	1,411,964	1,492,389	745,000
Other Post Employment Benefits	6,226,095	4,563,254	505,671	10,283,678	0
<b>Total Compensated Absences</b>	<u>\$8,194,444</u>	<u>\$6,469,442</u>	<u>\$2,403,729</u>	<u>\$12,260,157</u>	<u>\$885,610</u>

Compensated absences are generally liquidated by the General Fund.

**CITY OF VALDOSTA, GEORGIA**  
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The City of Valdosta has entered into a contract for eight loans with Georgia Environmental Facilities Authority for an aggregate loan balance of \$47,872,627. Payments for these loans are repaid quarterly or monthly. In addition, the City has entered into one additional contract to finance water and sewer projects. As of June 30, 2012, draws totaled \$2,823,855 on the loan in progress. Additional draws are pending.

<u>Loan Amount</u>	<u>Payment Period</u>
\$1,000,000	May 1, 1990 to February 1, 2009
250,000	September 1, 1994 to June 1, 2014
2,228,600	November 1, 1993 to May 1, 2011
4,288,164	August 1, 2004 to November 1, 2023
6,142,659	July 1, 2011 to June 1, 2031
12,500,000	July 1, 2011 to June 1, 2031
1,200,000	August 1, 2011 to July 1, 2031
7,553,410	April 1, 2011 to March 1, 2031
12,709,794	September 1, 2012 to August 1, 2032
2,823,855	Pending

The amount in due to other Governments and Agencies in the Sanitation and Water/Sewer Funds, net of current portion, is the balance of these loans payable at June 30, 2012.

**Georgia Environmental Facilities Loans**

<b>Loan #</b>	<b>Balance July 1, 2011</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2012</b>	<b>Due Within One Year</b>
92-003-SW	\$51,447	\$0	\$16,463	\$34,984	\$17,140
DW97-036	3,414,759	0	232,800	3,181,959	239,863
CWSRF 08-003 ARRA PHI	6,142,659	0	208,406	5,934,253	233,977
CWSRF 08-003 PHI	12,500,000	0	424,096	12,075,904	476,131
CWSRF 08-003 ARRA PHII	1,200,000	0	36,967	1,163,033	45,594
CWSRF 08-003 PHII	3,413,078	9,296,716	0	12,709,794	260,684
2006-L53WJ PHI	7,512,705	0	250,180	7,262,525	391,522
2006-L53WJ PHII	0	2,823,855	0	2,823,855	0
Totals	<u>\$34,234,648</u>	<u>\$12,120,571</u>	<u>\$1,168,912</u>	<u>\$45,186,307</u>	<u>\$1,664,911</u>

**CITY OF VALDOSTA, GEORGIA**  
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The requirements to amortize the Georgia Environmental Facilities Loans debt outstanding as of June 30, 2012 as follows:

<b>Fiscal Year Ending June 30</b>	<b>Loan # 92-003-SW</b>		<b>Loan # DW97-036</b>		<b>Loan # CW08-003 ARRA PHI</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2013	\$17,140	\$1,158	\$239,863	\$92,969	\$233,977	\$174,828
2014	17,844	454	247,140	85,692	241,093	167,711
2015	0	0	254,638	78,194	248,426	160,378
2016	0	0	262,364	70,469	255,983	152,822
2017	0	0	270,324	62,509	263,769	145,036
2018-2022	0	0	1,479,730	184,432	1,444,177	599,846
2023-2027	0	0	427,900	10,460	1,677,580	366,442
2028-2032	0	0	0	0	1,569,248	100,036
2033	0	0	0	0	0	0
<b>Totals</b>	<b>\$34,984</b>	<b>\$1,612</b>	<b>\$3,181,959</b>	<b>\$584,725</b>	<b>\$5,934,253</b>	<b>\$1,867,099</b>

<b>Fiscal Year Ending June 30</b>	<b>Loan # CWSRF08-003 PHI</b>		<b>Loan # CWSRF08-003 PHII</b>		<b>Loan # 2006-L53WJ PHI</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2013	\$476,131	\$355,766	\$45,594	\$34,267	\$260,684	\$294,330
2014	490,613	341,284	46,981	32,881	271,630	283,385
2015	505,535	326,361	48,410	31,452	283,035	271,980
2016	520,911	310,985	49,883	29,979	294,918	260,096
2017	536,755	295,141	51,400	28,462	307,301	247,713
2018-2022	2,938,826	1,220,654	281,423	117,887	1,741,227	1,033,844
2023-2027	3,413,792	745,692	326,907	72,403	2,138,785	636,289
2028-2032	3,193,341	203,570	312,435	20,324	1,967,945	162,612
2033	0	0	0	0	0	0
<b>Totals</b>	<b>\$12,075,904</b>	<b>\$3,799,453</b>	<b>\$1,163,033</b>	<b>\$367,655</b>	<b>\$7,262,525</b>	<b>\$3,190,249</b>

**CITY OF VALDOSTA, GEORGIA**  
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<b>Fiscal Year Ending June 30</b>	<b>Loan # 2006-L53WJ Phase II (pending)</b>		<b>Total All Loans</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2013	\$391,522	\$313,360	\$1,664,911	\$1,266,678
2014	482,914	362,944	1,789,215	1,274,351
2015	497,603	348,256	1,837,647	1,216,621
2016	512,738	333,121	1,896,797	1,157,472
2017	528,333	317,525	1,957,882	1,096,386
2018-2022	2,892,715	1,336,579	10,778,098	4,493,242
2023-2027	3,360,225	869,067	11,345,189	2,700,353
2028-2032	3,903,293	325,998	10,943,262	812,540
2033	140,451	526	140,451	526
<b>Totals</b>	<b>\$12,709,794</b>	<b>\$4,207,376</b>	<b>\$42,362,452</b>	<b>\$14,018,169</b>

The present interest rates range from 3% to 4.12%. This debt has been issued to improve and maintain the City's water system. Loan #2006-L53WJ PHII is incomplete and therefore no amortization schedule is available. The maximum repayment period will be 20 years at 4.2%.

### **Police Department Capital Lease**

The City of Valdosta entered into a capital lease agreement on December 15, 2010, with Motorola for in-car computer equipment for the Police Department. The total lease payments are \$622,832, with annual interest imputed at 3.320%, payable in four annual payments of \$155,708.

The annual requirement to amortize the Motorola Capital Lease Agreement outstanding balance as of June 30, 2012, is as follows:

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2013	141,175	14,533	155,708
2014	145,862	9,846	155,708
2015	150,705	5,003	155,708
<b>Total</b>	<b>\$437,742</b>	<b>\$29,382</b>	<b>\$467,124</b>

The city capitalized equipment with a cost of \$579,740 as a result of this lease. The city recognized depreciation of \$115,948 in FY 2012 on this asset resulting in a book value of \$415,480 at June 30, 2012.

**CITY OF VALDOSTA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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<b>Governmental Funds</b>	<b>Balance July 1, 2011</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2012</b>	<b>Due Within One Year</b>
<b>Motorola Police in-car Computer Lease</b>					
Original Issue Amount \$579,740	\$579,740	\$0	\$144,998	\$437,742	\$141,175
	<u>\$579,740</u>	<u>\$0</u>	<u>\$144,998</u>	<u>\$437,742</u>	<u>\$141,175</u>

**NOTE 10. FUND BALANCE**

The City records five categories of fund balance as defined in Note 1 section U. The five types are nonspendable, restricted, committed, assigned and unassigned.

Nonspendable Fund Balance is classified by amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact.

	<b>General Fund</b>	<b>Sales Tax 2002</b>	<b>Sales Tax 2007</b>	<b>Non Major Governmental Funds</b>	<b>Total</b>
Nonspendable. The following fund balances are nonspendable:					
Long term receivables	\$4,519,736	\$0	\$0	\$3,235,000	\$7,754,736
Prepays	2,513	0	0	0	2,513
Inventory	0	0	300,000	0	300,000
Required to be maintained in tact	0	0	0	1,525,822	1,525,822
	<u>4,522,249</u>	<u>0</u>	<u>300,000</u>	<u>4,760,822</u>	<u>9,583,071</u>
Restricted. The following fund balances are restricted for:					
Public safety	11,744	0	0	35,530	47,274
Land Bank Authority	137,050	0	0	0	137,050
NPDES permitting	32,984	0	0	0	32,984
Redevelopment	0	0	0	201,390	201,390
Youth programs	0	0	0	12,167	12,167
Capital outlay	0	241,832	6,952,791	0	7,194,623
	<u>181,778</u>	<u>241,832</u>	<u>6,952,791</u>	<u>249,087</u>	<u>7,625,488</u>
Committed. The following fund balances are committed:					
Committed for urban forestry	10,767	0	0	0	10,767
	<u>10,767</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,767</u>

**CITY OF VALDOSTA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

Assigned. The following fund balances are assigned to:

General government	\$217,794	\$0	\$0	\$0	\$217,794
Public safety	88,962	0	0	0	88,962
Community development	10,136	0	0	0	10,136
Tourism development	0	0	0	205,630	205,630
Capital improvement	0	0	0	39,966	39,966
	<u>316,892</u>	<u>0</u>	<u>0</u>	<u>245,596</u>	<u>562,488</u>

Unassigned. The following balances are unassigned:

	<u>0</u>	<u>0</u>	<u>0</u>	<u>(226,604)</u>	<u>(226,604)</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>(226,604)</u>	<u>(226,604)</u>

Total Fund Balance	<u>\$5,031,686</u>	<u>\$241,832</u>	<u>\$7,252,791</u>	<u>\$5,028,901</u>	<u>\$17,555,210</u>
Reserves for Encumbrances	<u>\$1,264,760</u>	<u>\$0</u>	<u>\$1,827,487</u>	<u>\$18,965</u>	<u>\$3,111,212</u>

**NOTE 11. CLOSURE AND POST CLOSURE CARE COST**

The City of Valdosta closed its landfill in 1999. State and federal laws require the City of Valdosta to cover the landfill site and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The \$1,003,063 reported as landfill closure care liability at June 30, 2012 represents the estimated total amount necessary to perform all future closure and post closure functions. The cumulative amount reported is based on the use of 100 percent of the capacity of the landfill. The amount reported is based on what it would cost to perform all closure and post closure care in 2012. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

Closure and post closure care cost of the City is as follows:

<b>Enterprise Funds</b>	<b>Balance July 1, 2011</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2012</b>	<b>Due Within One Year</b>
Landfill post closure care liability	\$1,036,354	\$0	\$33,291	\$1,003,063	\$61,033
<b>Total post closure care liability</b>	<u>\$1,036,354</u>	<u>\$0</u>	<u>\$33,291</u>	<u>\$1,003,063</u>	<u>\$61,033</u>

**NOTE 12. CONTINGENT LIABILITIES**

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City Attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

**CITY OF VALDOSTA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

Due to the lag time between expenses being incurred and claims submitted for payment there is a liability at June 30, 2012, against the self-insurance fund. This incurred but not reported (IBNR) liability is estimated to be \$600,000. This number was calculated by analyzing the plan's payment lag and projecting the resulting trend into the next fiscal year.

**NOTE 13. FUND BALANCE DEFICITS**

The following funds had deficits at June 30, 2012:

The Inspections Fund had a deficit net assets of \$633,045 due to reduction in permits issued. The Zoning Fund had a deficit net assets of \$625,899 due to insufficient revenues. The Auditorium Fund had a deficit net assets of \$547,797 due to insufficient bookings. The City is reviewing the fee schedules and tax subsidy.

**NOTE 14. INTERFUND TRANSACTIONS**

During the course of normal operations, the City has numerous transactions between funds including expenditures and transfers of resources to provide services. The Internal Service Funds record charges for services to all City departments and funds as operating revenue. Both Governmental and Proprietary Funds record these payments to the Internal Service Funds as operating expenses/expenditures. The remaining transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers and are reported as other financial sources (uses) in the Governmental Funds and transfers section in the Proprietary Funds.

Transfers between fund types during the year ended June 30, 2012, were:

	<b>Transfers In</b>	<b>Transfers Out</b>
General Fund	\$3,280,366	\$2,927,508
Sanitation Fund	0	769,194
Water and Sewer Fund	0	1,728,450
Storm Water Fund	0	624,497
Other Governmental Funds	1,292	725,824
Other Enterprise Funds	1,150,000	96,140
Internal Service Funds	2,439,955	0
	<u>\$6,871,613</u>	<u>\$6,871,613</u>



**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

General Fund transferred \$1,292 to EECBG Department of Energy, \$650,000 to Zoning, \$500,000 to the Auditorium Fund, \$1,756,016 to Group Insurance and \$20,200 to Workmen's Compensation. Sanitation transferred \$143,007 to Group Insurance. Water and Sewer transferred \$363,689 to Group Insurance. Inspection transferred \$64,366 to Group Insurance. Zoning transferred \$21,536 to Group Insurance. Storm Water transferred \$61,462 to Group Insurance. The Auditorium Fund transferred \$9,679 to Group Insurance. All transfers to Group Insurance were to fund medical claims incurred in excess of revenue received. All other transfers were to the General Fund. Transfers to General Fund are to fund the cost of administrative and support services provided to other funds.

**NOTE 15. JOINT VENTURES**

Under Georgia Law, the City, in conjunction with other cities and counties in the three county South Georgia area, is a member of the Southern Georgia Regional Commission and is required to pay annual dues thereto. During the year ended June 30, 2012, the city paid \$70,528 in such dues. Membership in the Commission is required by the official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Commission of Georgia. The Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Commission.

The Commission revenues are sufficient to cover its operating costs and the City does not expect the entity to dissolve in the foreseeable future. The Commission is neither accumulating significant financial resources nor experiencing fiscal stress that may cause an additional financial benefit to or burden upon the City.

Separate financial statements may be obtained from:

Southern Georgia Regional Commission  
324 West Savannah Avenue  
Valdosta, Georgia 31601

**NOTE 16. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; injury to participants at city facilities; and natural disasters. The City is self-insured for workman's

**CITY OF VALDOSTA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

compensation, certain types of property damage, and general liability. These liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The liabilities include an amount for claims that have been incurred but not reported (IBNR). At June 30, 2012, there is no known liability.

The City is also self-insured for medical claims by the employees and employees' dependents that are covered under the medical plan. The plan is a self funded welfare benefit plan providing health and hospitalization benefits. Claims under the plan are paid solely from the general assets of the City of Valdosta. Losses greater than \$150,000 per aggregate individual claim are insured by a private insurance company. The plan is administered by the Plan Administrator, with UMR, Inc., an Administrative Service Agent, acting as claims paying agent. The City of Valdosta and employees' contributions cover the cost of the plan. The City's contributions and any employee pretax contributions withheld by way of payroll deduction are held by the City and used to pay the plan's benefits. Any after-tax employee contributions may be held in trust by the trustee. The amount of all such contributions are actuarially determined where necessary. As previously stated in Note 12, there is a liability of \$600,000 recorded for those medical claims incurred but not reported. Changes in the balances of the claimed liabilities during the past two fiscal years are as follows:

	<b>Unpaid claims, beginning of fiscal year</b>	<b>Incurred claims (including IBNR's)</b>	<b>Claim payments</b>	<b>Unpaid claims, end of fiscal year</b>
June 30, 2011	\$293,669	\$5,323,626	(\$5,179,010)	\$438,285
June 30, 2012	438,285	5,778,776	(5,443,831)	773,230

The City carries commercial insurance purchased from an independent third party for fire damage to the City's vehicle fleet for those damages exceeding \$10,000 based on a stated value of the vehicle which approximates the current market value.

The risks of errors and omissions; injury to participants at city facilities; and theft of funds are covered by commercial insurance purchased from independent third parties. These policies carry a \$15,000 deductible per occurrence.

Claims Exceeding Commercial Coverage for the Year Ended June 30:

2012	\$0
2011	0
2010	0

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**NOTE 17. DEPARTMENT OF LABOR BUILDING OPERATING LEASE**

The Georgia Department of Labor (DOL), as a department of the State Government of Georgia, entered into a long-term lease with the City of Valdosta. The structure was built-to-suit the needs of the State for the Georgia Department of Labor.

The Georgia Department of Labor agrees to pay the City of Valdosta a fixed monthly rent of \$39,096. The DOL has an option of renewing or extending the agreement on a year to year basis for nineteen (19) consecutive years. Total remaining rents amount to \$6,098,971. The City of Valdosta will, at their sole cost, service, replace, keep and maintain in good order and repair each and every portion of the existing premises. In addition, the City is responsible for providing various insurance coverages. The building's cost is \$4,364,002 and its carrying amount is \$3,665,793. Depreciation on the building amounts to \$87,249 annually.

**NOTE 18. ACCOMMODATIONS TAX**

The City collects and disburses an accommodations tax in accordance with the provisions with OCGA 48-13-51. The total rate of 5% generated \$1,516,108, net of vendor's compensation of \$46,055, in tax receipts and was allocated as follows: \$599,039, or 40%, to the Valdosta/Lowndes County Tourism Authority, \$340,000 to the Valdosta/Lowndes Conference Center, \$289,237 to the Airport Authority, and \$190,000 to the Turner Arts Center. The remainder of \$97,724 was retained by the City and will be spent in accordance with legal provisions.

**NOTE 19. ACCOUNTING CHANGES**

**FUNDS OPENED**

IT fund was opened to account for the cost of providing information technology to the city. Departments are charged based on utilization of IT services.

**FUNDS CLOSED**

CDBG-R HUD Recovery Grant fund was closed due to all grant revenues received and expended.

EECBG Department of Energy Grant fund was closed due to all grant revenues received and expended.

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

Parks Development Fund was closed because all funds were exhausted. Park development is now largely the responsibility of the Valdosta-Lowndes Recreation Authority.

**NOTE 20. CONSTRUCTION COMMITMENTS**

The City has active construction projects as of June 30, 2012. The projects include the expansion of the City's water system, expansion of the Mud Creek Waste Water Treatment Plant, and drainage improvements. At year end, the City's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Mud Creek Plant Expansion	\$39,241,834	\$178,652
Pump Station Savannah Ave. and Fry St.	2,536,589	70,255
Elevated Storage Tank	1,165,918	2,608,895

The Mud Creek Plant Expansion is financed by the Georgia Environmental Finance Authority. The pump station improvements and the Savannah Ave. and Fry St. elevated storage tank project are both paid from user fees.

# Budgetary Comparison Schedules

**CITY OF VALDOSTA, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET OVER (UNDER)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>Revenues:</b>				
Taxes	\$23,711,900	\$23,711,900	\$23,987,867	\$275,967
Licenses and permits	380,200	380,200	519,109	138,909
Charges for services	338,400	338,400	437,959	99,559
Fines and forfeitures	1,401,500	1,401,500	1,480,599	79,099
Interest income	37,500	37,500	4,014	(33,486)
Contributions and donations	0	797	15,828	15,031
Miscellaneous	750,950	765,516	572,660	(192,856)
Intergovernmental	1,336,876	1,633,169	1,801,397	168,228
Transfer in	3,212,500	3,212,500	3,280,336	67,836
<b>TOTAL REVENUES</b>	<b>31,169,826</b>	<b>31,481,482</b>	<b>32,099,769</b>	<b>618,287</b>
<b>Expenditures:</b>				
Current:				
General government	8,272,076	8,686,577	8,285,232	401,345
Public safety	20,480,495	20,379,816	18,763,146	1,616,670
Public works	1,851,128	1,837,306	1,683,875	153,431
Economic development	563,563	577,954	534,360	43,594
Transfer out	0	(2,406,017)	(2,927,508)	521,491
<b>TOTAL EXPENDITURES</b>	<b>31,167,262</b>	<b>29,075,636</b>	<b>26,339,105</b>	<b>2,736,531</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,564</b>	<b>2,405,846</b>	<b>5,760,664</b>	<b>3,354,818</b>
<b>Fund balance - beginning of year budgetary basis</b>	<b>3,372,869</b>	<b>3,372,869</b>	<b>3,372,869</b>	<b>0</b>
<b>FUND BALANCE - END OF YEAR - BUDGETARY BASIS</b>	<b>\$3,375,433</b>	<b>\$5,778,715</b>	<b>\$9,133,533</b>	<b>\$3,354,818</b>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenues and Expenditures**

**Sources/inflows of resources**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.

\$32,099,769

Differences - budget to GAAP:

Capital leases are inflows for budgetary resources but are not revenues for financial reporting purposes.

0

Transfers from other funds are inflows for budgetary resources but are not revenues for financial reporting purposes.

(3,280,336)

Total revenues as reported on the statement of revenues, expenditures, and change: in fund balances - governmental funds.

\$28,819,433

**Uses/outflows of resources**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.

\$26,339,105

Differences - budget to GAAP:

Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.

284,616

Transfers to other funds are outflows for budgetary resources but are not expenditures for financial reporting purposes.

2,927,508

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$29,551,229

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2012**

**NOTE 1.      BUDGETARY BASIS OF ACCOUNTING**

The Budget Data in the schedules were prepared on a Non-GAAP budgetary basis. The difference between the GAAP basis and the budgetary basis is the inclusion of encumbrances as expenditures.

**CITY OF VALDOSTA, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
CITY OF VALDOSTA PENSION PLAN  
FOR THE YEAR ENDED JUNE 30, 2012**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)-Entry Age	Unfunded AAL UAAL	Funded Ratio	Covered Payroll	UAAL As a% of Covered Payroll
July 1, 2003	30,174,532	31,403,666	1,229,134	96.1%	16,056,137	7.7%
July 1, 2004	31,073,224	33,438,073	2,364,849	92.9%	17,132,664	13.8%
July 1, 2005	32,148,338	35,687,621	3,539,283	90.1%	17,121,839	20.7%
July 1, 2006	34,011,640	37,223,380	3,211,740	91.4%	17,039,948	18.8%
July 1, 2007	35,887,400	45,950,731	10,063,331	78.1%	17,909,251	56.2%
July 1, 2008	38,077,852	49,374,192	11,296,340	77.1%	18,603,794	60.7%
July 1, 2009	28,511,791	58,210,722	29,698,931	48.98%	18,078,372	164.28%
Jan 1, 2010	35,127,285	59,946,901	24,819,616	58.60%	18,716,347	132.61%
Jan 1, 2011	35,474,648	60,804,206	25,329,558	58.34%	20,032,380	126.44%
Jan 1, 2012	35,280,804	63,566,837	28,286,033	55.50%	18,493,053	152.95%



**CITY OF VALDOSTA, GEORGIA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)  
FOR THE YEAR ENDED JUNE 30, 2012**

Valuation Date	Accuarial Accrued Liability (AAL) (1)	Accuarial Value of Assets	Unfunded AAL (UAAL)	Percentage Funded	Annual Covered Payroll	UAAL as Percentage of Payroll
January 1, 2009	\$32,633,715	\$0	\$32,633,715	0%	\$18,116,280	180.30%
January 1, 2012	43,711,598	0	43,711,598	0%	18,493,053	236.37%

1) AAL based on pay-as-you-go plan.

# Non-Major Governmental Funds

## Special Revenue Funds

**Confiscated Funds** - to account for confiscated funds collected by the City of Valdosta's Police Department.

**Property Evidence Fund** - to account for property collected by the City of Valdosta's Police Department.

**GA DCA Chip Grant 98M-X\_092\_512-013** - to account for grant funds received from the Georgia Department of Community Affairs. The Chip program provides funding for a portion of construction costs for nine new homes for eligible low and moderate income persons.

**U.S. Department of Justice Local Law Enforcement Block Grants** - to account for Local Law Enforcement Block Grant funds from the U.S. Department of Justice which are to be used to purchase equipment in the City's Police Department.

**Urban Development Action Grant Fund** - to account for funds received in accordance with Title I, Section 119, of the Housing and Community Development Act of 1974. Funds are designated for the use of financing second mortgages for qualified buyers.

**GA DCA CHIP Grant 01M-X-092-2-2568** - to account for grant funds received from the Georgia Department of Community Affairs. The CHIP program provides funding for a portion of construction costs for new homes for eligible low and moderate income persons.

**GA DCA CHIP 02M-X-092-2-2695** - to account for grant funds received from the Georgia Department of Community Affairs. The CHIP program provides funding for a portion of construction costs for new homes for eligible low and moderate income persons.

**Federal HUD Entitlement Grant** - to account for grant funds from the U. S. Department of Housing and Urban Development Community Development Block Grant Entitlement Program. This program supplies funds to support the development of viable urban communities by providing decent housing, a suitable living environment and economic opportunities, principally for persons of low and moderate income.

**GA DCA CHIP 04M-X-092-2-2915** □ to account for grant funds received from the Georgia Department of Community Affairs. The CHIP program provides funding for a portion of construction costs for new homes for eligible low and moderate income persons as well as funding for home-owner rehabilitation projects.

**GA DCA CHIP 06M-X-092-2-2951** □ to account for grant funds received from the Georgia Department of Community Affairs. The CHIP program provides funding for a portion of construction costs for new homes for eligible low and moderate income persons as well as funding for home-owner rehabilitation projects.



**GA DCA CHIP 07M-X-092-2-2961** □ to account for grant funds received from the Georgia Department of Community Affairs. The CHIP program provides funding for a portion of construction costs for new homes for eligible low and moderate income persons as well as funding for home-owner rehabilitation projects.

**GA DCA CHIP 07MR-X-092-2-2979** □ to account for grant funds received from the Georgia Department of Community Affairs. The CHIP program provides funding for a portion of construction costs for new homes for eligible low and moderate income persons as well as funding for home-owner rehabilitation projects.

**EECBG □ Department of Energy** □ to account for grant funds to provide funds for the City of Valdosta to implement energy efficiency retrofits to replace existing lighting fixtures with electronic ballasts, use of fluorescent lamps, installation of LED lights, and replacement of older HVAC systems.

**EDI-SP HUD □ Economic Development Initiative** □ to account for grant funds allocated for the City of Valdosta to be used for the reconstruction and development of an eight block transportation corridor in the heart of the City's African American Community.

**CDBG-R HUD Recovery Grant** □ to account for grant funds from the U. S. Department of Housing and Urban Development Community Development Block Grant Recovery Funds program. Funding has clear purposes to stimulate the economy through measures that modernize the Nation's infrastructure, improve energy efficiency, and expand educational opportunities and access to healthcare.

**Accommodation Tax Fund** - this fund accounts for hotel/motel tax monies received by the City. These funds are used to promote tourism in Valdosta and Lowndes County. By statute, 40% of collections must go to the Tourism Authority. The remainder is used to fund the City's contributions to the Conference Center, Airport Authority, and Industrial Authority.

**Youth Recreation Scholarships** - to account for funds received by contribution and/or fund raisers to be used to offset costs for economically disadvantaged youth who want to participate in the City's recreation activities and sports programs.

## Capital Project Funds

**Airport Development Fund** - to account for the financing and construction of ongoing capital improvements at the Valdosta Regional Airport. The majority of the financing is provided by grants from the Federal Aviation Administration and the Georgia Department of Transportation.

**General Capital Projects Fund** - to account for the financing of various capital improvement projects. The majority of financing is provided through grants from the Georgia Department of Transportation and General Fund revenues.

**Parks Development Fund** - to account for the financing and construction of ongoing capital improvements. The majority of financing is provided through General Fund revenues and grants through Heritage Conservation and Recreation Service.

## Permanent Fund

**Sunset Hill Trust Fund** - to provide perpetual care for the Sunset Hill Cemetery. For reporting purposes, there are two distinct sections of the cemetery, designated New Section and Old Section. The primary difference between the two sections is that the sales price of lots in the New Section includes perpetual care, whereas in the Old Section, perpetual care is sold separately. Interest income earned on investments is transferred to the General Fund to aid in maintaining the cemetery.

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**CITY OF VALDOSTA, GEORGIA  
COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
JUNE 30, 2012**

	<b>CONFISCATED FUNDS</b>	<b>PROPERTY EVIDENCE FUND</b>	<b>GA DCA CHIP 98M-X-092-512-013</b>	<b>U.S. DEPT OF JUSTICE LOCAL LAW BLOCK GRANTS</b>	<b>UDAG</b>
<b>ASSETS</b>					
Cash	\$16,424	\$6,955	\$0	\$5,214	\$6,884
Investments	13,435	0	0	0	0
Receivables (net)					
Accounts	0	0	0	0	1,300
Interest	0	0	0	0	0
Second mortgages	0	0	28,500	0	167,149
Due from other funds	0	0	0	0	100
Due from other governments and agencies	0	0	0	170,581	0
Total assets	<u>\$29,859</u>	<u>\$6,955</u>	<u>\$28,500</u>	<u>\$175,795</u>	<u>\$175,433</u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>					
Liabilities:					
Vouchers and accounts payable	\$855	\$429	\$0	\$170,581	\$0
Due to:	0	0			
Other funds	0	0	0	5,214	0
Deferred revenue	0	0	0	0	0
Advances from other funds	0	0	0	0	0
Total liabilities	<u>855</u>	<u>429</u>	<u>0</u>	<u>175,795</u>	<u>0</u>
Fund balances (deficits):					
Nonspendable	0	0	28,500	0	167,149
Restricted	29,004	6,526	0	0	8,284
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Total fund balances (deficits)	<u>29,004</u>	<u>6,526</u>	<u>28,500</u>	<u>0</u>	<u>175,433</u>
Total liabilities and fund balances (deficits)	<u>\$29,859</u>	<u>\$6,955</u>	<u>\$28,500</u>	<u>\$175,795</u>	<u>\$175,433</u>

## SPECIAL REVENUE FUNDS

GA DCA CHIP 01M-X-092-2-2568	GA DCA CHIP 02M-X-092-2-2695	HUD FEDERAL GRANT	GA DCA CHIP 04M-X-092-2-2915	GA DCA CHIP 06M-X-092-2-2951	GA DCA CHIP 07M-X-092-2-2961
\$0	\$0	\$115,647	\$0	\$0	\$2,471
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
19,500	72,600	2,005,052	122,635	184,400	157,700
0	0	0	0	0	0
0	0	97,320	0	0	0
<u>\$19,500</u>	<u>\$72,600</u>	<u>\$2,218,019</u>	<u>\$122,635</u>	<u>\$184,400</u>	<u>\$160,171</u>
\$0	\$0	\$6,188	\$0	\$0	\$5,072
0	0	176,780	0	0	134
0	0	30,762	0	0	0
0	0	30,000	0	0	0
<u>0</u>	<u>0</u>	<u>243,730</u>	<u>0</u>	<u>0</u>	<u>5,206</u>
19,500	72,600	2,005,052	122,635	184,400	157,700
0	0	193,106	0	0	0
0	0	0	0	0	0
0	0	(223,869)	0	0	(2,735)
<u>19,500</u>	<u>72,600</u>	<u>1,974,289</u>	<u>122,635</u>	<u>184,400</u>	<u>154,965</u>
<u>\$19,500</u>	<u>\$72,600</u>	<u>\$2,218,019</u>	<u>\$122,635</u>	<u>\$184,400</u>	<u>\$160,171</u>

(continued)

GA DCA CHIP 07MR-X-092-2-2979	EECBG DEPARTMENT OF ENERGY	EDI-SP HUD ECON DEV INITIATIVE	CDBG-R HUD RECOVERY GRANT	ACCOMODATIONS TAX	YOUTH RECREATION SCHOLARSHIP
\$1	\$0	\$0	\$0	\$52,666	\$3,510
0	0	0	0	129,870	8,657
0	0	0	0	140,754	0
0	0	0	0	0	0
81,000	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$81,001</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$323,290</u>	<u>\$12,167</u>
\$0	\$0	\$0	\$0	\$117,660	\$0
1	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>117,660</u>	<u>0</u>
81,000	0	0	0	0	0
0	0	0	0	0	12,167
0	0	0	0	205,630	0
0	0	0	0	0	0
<u>81,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>205,630</u>	<u>12,167</u>
<u>\$81,001</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$323,290</u>	<u>\$12,167</u>

(continued)

CAPITAL PROJECTS FUNDS				
AIRPORT DEVELOPMENT	GENERAL CAPITAL PROJECTS	PARKS DEVELOPMENT	SUNSET HILL PERMANENT FUND	TOTAL OTHER GOVERNMENTAL FUNDS
\$0	\$37,053	\$0	\$440,175	\$687,000
0	0	0	1,085,443	1,237,405
0	0	0	1,102	143,156
8,263	0	0	0	8,263
0	0	0	0	2,838,536
0	0	0	0	100
641,033	0	0	0	908,934
<u>\$649,296</u>	<u>\$37,053</u>	<u>\$0</u>	<u>\$1,526,720</u>	<u>\$5,823,394</u>
\$39,409	\$0	\$0	\$0	\$340,194
103,566	0	0	0	285,695
106,944	0	0	898	138,604
0	0	0	0	30,000
<u>249,919</u>	<u>0</u>	<u>0</u>	<u>898</u>	<u>794,493</u>
396,464	0	0	1,525,822	4,760,822
0	0	0	0	249,087
2,913	37,053	0	0	245,596
0	0	0	0	(226,604)
<u>399,377</u>	<u>37,053</u>	<u>0</u>	<u>1,525,822</u>	<u>5,028,901</u>
<u>\$649,296</u>	<u>\$37,053</u>	<u>\$0</u>	<u>\$1,526,720</u>	<u>\$5,823,394</u>



**CITY OF VALDOSTA, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (DEFICITS)**  
**OTHER GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>CONFISCATED FUNDS</b>	<b>PROPERTY EVIDENCE FUND</b>	<b>GA DCA CHIP 98M-X-092-512-013</b>	<b>U.S. DEPT OF JUSTICE LOCAL LAW BLOCK GRANTS</b>	<b>UDAG</b>
<b>Revenues:</b>					
Taxes	\$0	\$0	\$0	\$0	\$0
Interest income	44	0	0	58	3
Contributions	0	0	0	0	0
Intergovernmental	0	0	0	293,868	0
Fines and forfeitures	31,358	5,575	0	0	0
Miscellaneous revenues	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>31,402</b>	<b>5,575</b>	<b>0</b>	<b>293,926</b>	<b>3</b>
<b>Expenditures:</b>					
Current:					
General government	0	0	0	0	0
Public safety	26,974	429	0	50,353	0
Economic development and assistance	0	0	40,792	0	0
Capital outlay	3,490	0	0	238,052	0
<b>TOTAL EXPENDITURES</b>	<b>30,464</b>	<b>429</b>	<b>40,792</b>	<b>288,405</b>	<b>0</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>938</b>	<b>5,146</b>	<b>(40,792)</b>	<b>5,521</b>	<b>3</b>
Other financing sources (uses):					
Transfers in	0	0	0	0	0
Transfers out	0	0	0	0	0
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>938</b>	<b>5,146</b>	<b>(40,792)</b>	<b>5,521</b>	<b>3</b>
Fund balances (deficits) beginning of year	28,066	1,380	69,292	(5,521)	175,430
<b>FUND BALANCES (DEFICITS) END OF YEAR</b>	<b>\$29,004</b>	<b>\$6,526</b>	<b>\$28,500</b>	<b>\$0</b>	<b>\$175,433</b>

## SPECIAL REVENUE FUNDS

GA DCA CHIP 01M-X-092-2-2568	GA DCA CHIP 02M-X-092-2-2695	FEDERAL HUD GRANT	GA DCA CHIP 04M-X-092-2-2915	GA DCA CHIP 06M-X-092-2-2951	GA DCA CHIP 07M-X-092-2-2961
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	352,205	0	0	22,182
0	0	0	0	0	0
0	0	0	0	0	0
0	0	352,205	0	0	22,182
0	0	0	0	0	0
0	0	0	0	0	0
17,025	30,000	351,506	19,900	25,700	29,889
0	0	0	0	0	0
17,025	30,000	351,506	19,900	25,700	29,889
(17,025)	(30,000)	699	(19,900)	(25,700)	(7,707)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(17,025)	(30,000)	699	(19,900)	(25,700)	(7,707)
36,525	102,600	1,973,590	142,535	210,100	162,672
\$19,500	\$72,600	\$1,974,289	\$122,635	\$184,400	\$154,965

(Continued)

GA DCA CHIP 07MR-X-092-2-2979	EECBG DEPARTMENT OF ENERGY	EDI-SP HUD ECON DEV INITIATIVE	CDBG-R HUD RECOVERY GRANT	ACCOMODATIONS TAX	YOUTH RECREATION SCHOLARSHIP
\$0	\$0	\$0	\$0	\$1,562,163	\$0
0	0	0	0	80	9
0	0	0	0	0	0
20,000	19,437	235,645	44,214	0	0
0	0	0	0	0	0
0	0	0	0	0	0
20,000	19,437	235,645	44,214	1,562,243	9
0	6,793	0	0	1,464,519	21
0	0	0	0	0	0
7,000	0	0	211	0	0
0	0	137,440	0	0	0
7,000	6,793	137,440	211	1,464,519	21
13,000	12,644	98,205	44,003	97,724	(12)
0	1,292	0	0	0	0
0	0	0	0	0	0
0	1,292	0	0	0	0
13,000	13,936	98,205	44,003	97,724	(12)
68,000	(13,936)	(98,205)	(44,003)	107,906	12,179
\$81,000	\$0	\$0	\$0	\$205,630	\$12,167

(Continued)

CAPITAL PROJECTS FUNDS				
AIRPORT DEVELOPMENT	GENERAL CAPITAL PROJECTS	PARKS DEVELOPMENT	SUNSET HILL PERMANENT FUND	TOTAL OTHER GOVERNMENTAL FUNDS
\$0	\$0	\$0	\$0	\$1,562,163
25,850	469	93	1,103	27,709
0	0	0	39,902	39,902
2,158,802	0	0	0	3,146,353
0	0	0	0	36,933
0	0	0	15,006	15,006
2,184,652	469	93	56,011	4,828,066
0	0	0	2,413	1,473,746
0	0	0	0	77,756
0	0	0	0	522,023
2,233,653	1,071	212	0	2,613,918
2,233,653	1,071	212	2,413	4,687,443
(49,001)	(602)	(119)	53,598	140,623
0	0	0	0	1,292
0	(600,000)	(125,824)	0	(725,824)
0	(600,000)	(125,824)	0	(724,532)
(49,001)	(600,602)	(125,943)	53,598	(583,909)
448,378	637,655	125,943	1,472,224	5,612,810
\$399,377	\$37,053	\$0	\$1,525,822	\$5,028,901

CITY OF VALDOSTA, GEORGIA  
 SCHEDULE OF EXPENDITURES BY DEPARTMENT  
 BUDGETARY LEVEL OF CONTROL - BUDGET TO ACTUAL COMPARISONS  
 GENERAL FUND  
 FOR THE YEAR ENDING JUNE 30, 2012

	BUDGET			VARIANCE OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	
<b>Current Operations:</b>				
<b>General government</b>				
Administration				
Mayor and council				
Personal services	\$208,214	\$208,214	\$201,741	\$6,473
Contractual services	73,672	75,802	61,303	14,499
Supplies	13,353	17,567	14,157	3,410
Travel and training	160,210	160,620	119,557	41,063
Other services and charges	302,660	344,925	287,849	57,076
Capital Outlay	10,500	10,500	6,927	3,573
	<u>768,609</u>	<u>817,628</u>	<u>691,534</u>	<u>126,094</u>
City manager				
Personal services	448,814	448,853	443,149	5,704
Contractual services	12,695	10,436	4,750	5,686
Supplies	24,510	17,510	5,638	11,872
Travel and training	30,740	31,642	25,864	5,778
Other services and charges	55,677	54,775	19,561	35,214
Capital Outlay	0	9,220	9,220	0
	<u>572,436</u>	<u>572,436</u>	<u>508,182</u>	<u>64,254</u>
Elections				
Contractual services	20,000	28,953	28,953	0
	<u>20,000</u>	<u>28,953</u>	<u>28,953</u>	<u>0</u>
City attorney				
Travel and training	845	845	695	150
Other services and charges	475,500	459,306	358,378	100,928
	<u>476,345</u>	<u>460,151</u>	<u>359,073</u>	<u>101,078</u>
Indigent Defense				
Other services and charges	25,000	32,241	32,241	0
	<u>25,000</u>	<u>32,241</u>	<u>32,241</u>	<u>0</u>
<b>TOTAL ADMINISTRATION</b>	<u>1,862,390</u>	<u>1,911,409</u>	<u>1,619,983</u>	<u>291,426</u>
Human resources department				
Administration				
Personal services	295,617	295,617	241,413	54,204
Contractual services	7,496	8,691	7,693	998
Supplies	4,350	8,974	7,315	1,659
Travel and training	2,200	1,515	1,265	250
Other services and charges	87,167	88,274	22,035	66,239
	<u>396,830</u>	<u>403,071</u>	<u>279,721</u>	<u>123,350</u>
Employee incentives/assistance				
Personal services	0	5,009	5,009	0
Travel and training	2,500	0	0	0
Other services and charges	0	0	0	0
	<u>2,500</u>	<u>5,009</u>	<u>5,009</u>	<u>0</u>

(Continued)

**CITY OF VALDOSTA, GEORGIA**  
**SCHEDULE OF EXPENDITURES BY DEPARTMENT**  
**BUDGETARY LEVEL OF CONTROL - BUDGET TO ACTUAL COMPARISONS**  
**GENERAL FUND**  
**FOR THE YEAR ENDING JUNE 30, 2012**

	<b>BUDGET</b>			<b>VARIANCE OVER (UNDER)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
Risk division				
Contractual services	\$18,000	\$17,387	\$17,387	\$0
Supplies	0	0	0	0
Other services and charges	40,000	31,864	13,649	18,215
	58,000	49,251	31,036	18,215
<b>TOTAL HUMAN RESOURCES</b>	<b>457,330</b>	<b>457,331</b>	<b>315,766</b>	<b>141,565</b>
Finance department				
Finance director				
Personal services	201,294	205,427	205,422	5
Contractual services	1,449	1,201	1,201	0
Supplies	2,916	2,722	2,719	3
Travel and training	3,530	710	709	1
Other services and charges	81,465	85,153	63,786	21,367
	290,654	295,213	273,837	21,376
Accounting division				
Personal services	502,127	501,675	486,712	14,963
Contractual services	20,689	11,630	11,290	340
Supplies	12,910	5,163	5,162	1
Travel and training	7,170	5,118	2,539	2,579
Other services and charges	72,720	79,399	61,270	18,129
	615,616	602,985	566,973	36,012
Budget division				
Personal services	146,331	147,966	147,851	115
Contractual services	4,146	4,107	3,543	564
Supplies	7,363	3,157	2,992	165
Travel and training	2,832	2,582	1,241	1,341
Other services and charges	45,073	47,933	8,995	38,938
	205,745	205,745	164,622	41,123
Customer service division				
Personal services	424,956	460,135	460,130	5
Contractual services	191,744	119,448	119,446	2
Supplies	30,800	30,641	30,639	2
Travel and training	2,258	0	0	0
Other services and charges	89,716	130,362	129,651	711
	739,474	740,586	739,866	720
Accounts receivable division				
Personal services	42,951	42,019	41,893	126
Contractual services	43,864	39,067	39,062	5
Supplies	5,560	2,992	2,991	1
Travel and training	1,380	221	219	2
Other services and charges	12,932	27,868	27,868	0
	106,687	112,167	112,033	134
Purchasing division				
Personal services	137,259	138,738	134,630	4,108
Contractual services	4,338	4,338	2,260	2,078
Supplies	2,850	2,850	1,748	1,102
Travel and training	2,370	2,370	344	2,026
Other services and charges	28,455	28,455	5,083	23,372
Capital Outlay	0	0	0	0
	175,272	176,751	144,065	32,686
Economic Development				
Personal services	0	0	0	0
Contractual services	0	0	0	0
Supplies	0	0	0	0
Travel and training	0	0	(16)	16
Other services and charges	0	0	-	0
	0	0	(16)	16

(Continued)

**CITY OF VALDOSTA, GEORGIA**  
**SCHEDULE OF EXPENDITURES BY DEPARTMENT**  
**BUDGETARY LEVEL OF CONTROL - BUDGET TO ACTUAL COMPARISONS**  
**GENERAL FUND**  
**FOR THE YEAR ENDING JUNE 30, 2012**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE OVER (UNDER)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
Information technology				
Personal services	\$0	\$0	\$0	\$0
Contractual services	0	3,172	3,172	0
Supplies	0	0	(800)	800
Travel and training	0	0	0	0
Other services and charges	0	0	0	0
	0	3,172	2,372	800
<b>TOTAL FINANCE</b>	<b>2,133,448</b>	<b>2,136,619</b>	<b>2,003,752</b>	<b>132,867</b>
Engineering department				
Engineering division				
Personal services	679,690	598,232	579,350	18,882
Contractual services	13,682	14,130	13,024	1,106
Supplies	15,450	15,193	15,186	7
Travel and training	3,610	3,527	2,883	644
Other services and charges	(384,983)	(376,656)	(155,266)	(221,390)
Capital outlay	0	0	0	0
	327,449	254,426	455,177	(200,751)
Signal Maintenance				
Personal services	234,471	237,761	233,624	4,137
Contractual services	7,678	7,589	6,539	1,050
Supplies	31,950	25,921	24,778	1,143
Travel and training	3,000	3,871	1,884	1,987
Other services and charges	18,370	18,370	1,075	17,295
Capital Outlay	15,000	16,957	16,957	0
	310,469	310,469	284,857	25,612
Signs and Markings				
Personal services	138,015	139,885	139,807	78
Contractual services	4,177	3,525	3,524	1
Supplies	30,700	28,172	27,790	382
Travel and training	1,000	1,000	0	1,000
Other services and charges	21,206	22,516	10,898	11,618
Capital Outlay	16,375	16,375	16,375	0
	211,473	211,473	198,394	13,079
Traffic Mgt Center				
Personal services	130,226	140,126	139,913	213
Contractual services	1,309,166	1,421,634	1,421,344	290
Supplies	18,375	16,781	16,777	4
Travel and training	1,890	785	775	10
Other services and charges	24,638	5,167	8,396	(3,229)
Capital Outlay	0	0	0	-
	1,484,295	1,584,493	1,587,205	(2,712)
Street Repair				
Personal services	207,449	207,920	207,912	8
Contractual services	7,847	7,884	7,875	9
Supplies	87,835	81,143	81,141	2
Travel and training	620	362	362	0
Other services and charges	37,861	17,067	18,624	(1,557)
	341,612	314,376	315,914	(1,538)
<b>TOTAL ENGINEERING</b>	<b>2,675,298</b>	<b>2,675,237</b>	<b>2,841,547</b>	<b>(166,310)</b>

(Continued)

**CITY OF VALDOSTA, GEORGIA**  
**SCHEDULE OF EXPENDITURES BY DEPARTMENT**  
**BUDGETARY LEVEL OF CONTROL - BUDGET TO ACTUAL COMPARISONS**  
**GENERAL FUND**  
**FOR THE YEAR ENDING JUNE 30, 2012**

	<b>BUDGET</b>			<b>VARIANCE OVER (UNDER)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
City hall				
Personal services	\$81,141	\$96,963	\$96,959	\$4
Contractual services	94,901	90,520	89,302	1,218
Supplies	5,000	7,057	7,057	0
Travel and training	0	0	0	0
Other services and charges	27,053	24,030	24,029	1
	<u>208,095</u>	<u>218,570</u>	<u>217,347</u>	<u>1,223</u>
City hall annex				
Personal services	45,884	46,101	46,097	4
Contractual services	90,576	91,415	91,412	3
Supplies	4,000	3,746	3,745	1
Other services and charges	7,526	11,227	11,227	0
	<u>147,986</u>	<u>152,489</u>	<u>152,481</u>	<u>8</u>
Customer service				
Contractual services	20,400	15,845	15,843	2
Supplies	2,500	2,379	2,379	0
Other services and charges	0	4,267	4,264	3
	<u>22,900</u>	<u>22,491</u>	<u>22,486</u>	<u>5</u>
Rental				
Contractual services	39,000	35,112	35,112	0
Supplies	3,500	3,024	2,476	548
Other services and charges	0	3,617	3,617	0
	<u>42,500</u>	<u>41,753</u>	<u>41,205</u>	<u>548</u>
<b>TOTAL OTHER GENERAL ADMINISTRATIVE</b>	<u>421,481</u>	<u>435,303</u>	<u>433,519</u>	<u>1,784</u>
Municipal court				
Administration				
Personal services	281,723	281,479	281,474	5
Contractual services	44,021	42,839	42,836	3
Supplies	12,700	10,149	10,147	2
Travel and training	6,700	5,965	5,962	3
Other services and charges	376,985	730,246	730,246	0
Capital Outlay	0	0	0	0
<b>TOTAL MUNICIPAL COURT</b>	<u>722,129</u>	<u>1,070,678</u>	<u>1,070,665</u>	<u>13</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>8,272,076</u>	<u>8,686,577</u>	<u>8,285,232</u>	<u>401,345</u>
<b>Public safety</b>				
Police department				
Police administration division				
Personal services	558,176	592,141	564,458	27,683
Contractual services	19,116	11,625	11,624	1
Supplies	25,416	26,661	26,659	2
Travel and training	28,713	11,380	11,379	1
Other services and charges	111,230	180,607	146,083	34,524
Capital Outlay	8,000	21,550	21,550	0
	<u>750,651</u>	<u>843,964</u>	<u>781,753</u>	<u>62,211</u>
Patrol bureau division				
Personal services	5,166,214	5,419,800	5,156,015	263,785
Contractual services	300,768	118,681	118,653	28
Supplies	200,475	194,107	193,044	1,063
Travel and training	32,325	16,428	16,426	2
Other services and charges	973,241	931,914	553,624	378,290
Capital outlay	167,176	12,490	(154,685)	167,175
Debt Service	0	155,709	155,708	1
	<u>6,840,199</u>	<u>6,849,129</u>	<u>6,038,785</u>	<u>810,344</u>

(Continued)



CITY OF VALDOSTA, GEORGIA  
SCHEDULE OF EXPENDITURES BY DEPARTMENT  
BUDGETARY LEVEL OF CONTROL - BUDGET TO ACTUAL COMPARISONS  
GENERAL FUND  
FOR THE YEAR ENDING JUNE 30, 2012

	BUDGET			VARIANCE OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	
Investigative bureau division				
Personal services	\$1,764,622	\$1,804,269	\$1,802,352	\$1,917
Contractual services	56,265	26,038	26,037	1
Supplies	80,596	112,283	112,282	1
Travel and training	37,600	15,817	15,811	6
Other services and charges	251,101	274,242	219,189	55,053
Capital outlay	17,200	30,664	22,664	8,000
	<u>2,207,384</u>	<u>2,263,313</u>	<u>2,198,335</u>	<u>64,978</u>
Support services bureau division				
Personal services	1,431,343	1,354,668	1,318,023	36,645
Contractual services	324,173	433,719	433,589	130
Supplies	119,552	89,924	89,923	1
Travel and training	15,785	3,695	3,370	325
Other services and charges	146,884	156,930	93,364	63,566
Capital outlay	0	0	0	0
	<u>2,037,737</u>	<u>2,038,936</u>	<u>1,938,269</u>	<u>100,667</u>
Crime lab				
Personal services	719,871	709,809	709,806	3
Contractual services	110,156	103,338	103,280	58
Supplies	67,900	72,686	72,684	2
Travel and training	17,285	18,060	18,015	45
Other services and charges	87,321	92,084	52,113	39,971
Capital outlay	0	72,850	64,386	8,464
	<u>1,002,533</u>	<u>1,068,827</u>	<u>1,020,284</u>	<u>48,543</u>
GOHS GA-2007-191-00572				
Personal services	163,959	161,830	163,281	(1,451)
Supplies	0	1,500	1,496	4
Travel and training	0	1,032	1,032	-
Other services and charges	0	1,097	4,500	(3,403)
	<u>163,959</u>	<u>165,459</u>	<u>170,309</u>	<u>(4,850)</u>
<b>TOTAL POLICE DEPARTMENT</b>	<u>13,002,463</u>	<u>13,229,628</u>	<u>12,147,735</u>	<u>1,081,893</u>
Fire department				
Fire administration division				
Personal services	237,516	236,618	236,614	4
Contractual services	2,462	857	856	1
Supplies	6,225	3,489	3,466	23
Travel and training	5,670	3,384	3,228	156
Other services and charges	39,137	94,452	94,356	96
	<u>291,010</u>	<u>338,800</u>	<u>338,520</u>	<u>280</u>
Fire fighting division				
Personal services	5,142,462	4,737,207	4,508,558	228,649
Contractual services	160,988	148,641	148,638	3
Supplies	115,355	129,984	129,984	0
Travel and training	10,015	9,429	9,429	0
Other services and charges	258,060	268,216	257,245	10,971
Capital Outlay	37,000	52,017	20,173	31,844
	<u>5,723,880</u>	<u>5,345,494</u>	<u>5,074,027</u>	<u>271,467</u>
Fire inspection division				
Personal services	253,376	255,382	253,656	1,726
Contractual services	4,426	4,529	4,529	0
Supplies	6,719	4,344	4,342	2
Travel and training	3,459	3,442	3,442	0
Other services and charges	32,369	32,114	9,607	22,507
	<u>300,349</u>	<u>299,811</u>	<u>275,576</u>	<u>24,235</u>

(Continued)

CITY OF VALDOSTA, GEORGIA  
 SCHEDULE OF EXPENDITURES BY DEPARTMENT  
 BUDGETARY LEVEL OF CONTROL - BUDGET TO ACTUAL COMPARISONS  
 GENERAL FUND  
 FOR THE YEAR ENDING JUNE 30, 2012

	BUDGET			VARIANCE OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	
Fire maintenance division				
Personal services	\$112,938	\$115,028	\$91,650	\$23,378
Contractual services	45,459	38,856	38,801	55
Supplies	58,680	51,649	51,648	1
Other services and charges	17,918	25,952	22,738	3,214
	<u>234,995</u>	<u>231,485</u>	<u>204,837</u>	<u>26,648</u>
Fire training division				
Personal services	119,785	119,792	98,391	21,401
Contractual services	11,505	14,655	14,117	538
Supplies	7,203	8,652	8,226	426
Travel and training	2,515	3,659	2,345	1,314
Other services and charges	6,865	3,790	516	3,274
Capital Outlay	0	0	0	0
	<u>147,873</u>	<u>150,548</u>	<u>123,595</u>	<u>26,953</u>
Special services division				
Personal services	77,559	77,609	77,511	98
Contractual services	1,387	1,418	1,418	0
Supplies	3,070	1,489	37	1,452
Travel and training	14,400	20,025	13,057	6,968
Other services and charges	10,199	10,199	5,109	5,090
	<u>106,615</u>	<u>110,740</u>	<u>97,132</u>	<u>13,608</u>
<b>TOTAL FIRE DEPARTMENT</b>	<u>6,804,722</u>	<u>6,476,878</u>	<u>6,113,687</u>	<u>363,191</u>
Other protection services				
Community protection				
Personal services	390,525	390,092	321,620	68,472
Contractual services	151,025	151,891	113,331	38,560
Supplies	9,390	8,957	4,675	4,282
Travel and training	3,050	3,350	2,557	793
Other services and charges	61,099	60,799	27,383	33,416
	<u>615,089</u>	<u>615,089</u>	<u>469,566</u>	<u>145,523</u>
Neighborhood development				
Personal services	46,871	46,951	29,534	17,417
Contractual services	963	990	815	175
Supplies	600	35	35	0
Travel and training	1,550	1,111	638	473
Other services and charges	8,237	9,134	1,136	7,998
	<u>58,221</u>	<u>58,221</u>	<u>32,158</u>	<u>26,063</u>
<b>TOTAL OTHER PROTECTION SERVICES</b>	<u>673,310</u>	<u>673,310</u>	<u>501,724</u>	<u>171,586</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>20,480,495</u>	<u>20,379,816</u>	<u>18,763,146</u>	<u>1,616,670</u>
<b>Public works</b>				
Public works department				
Right of way maintenance				
Personal services	1,062,045	1,048,223	955,326	92,897
Contractual services	60,076	93,948	87,733	6,215
Supplies	63,500	27,734	24,122	3,612
Travel and training	0	0	0	0
Other services and charges	130,995	132,889	100,110	32,779
	<u>1,316,616</u>	<u>1,302,794</u>	<u>1,167,291</u>	<u>135,503</u>
Cemetery division				
Personal services	329,512	321,312	321,269	43
Contractual services	36,475	55,088	55,085	3
Supplies	4,900	4,148	4,147	1
Travel and training	650	0	0	0
Other services and charges	35,516	32,029	32,027	2
	<u>407,053</u>	<u>412,577</u>	<u>412,528</u>	<u>49</u>

(Continued)

CITY OF VALDOSTA, GEORGIA  
SCHEDULE OF EXPENDITURES BY DEPARTMENT  
BUDGETARY LEVEL OF CONTROL - BUDGET TO ACTUAL COMPARISONS  
GENERAL FUND  
FOR THE YEAR ENDING JUNE 30, 2012

	BUDGET			VARIANCE OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	
Arborist				
Personal services	\$93,123	\$93,091	\$82,599	\$10,492
Contractual services	5,069	5,968	5,021	947
Supplies	5,750	5,400	2,850	2,550
Travel and training	200	165	0	165
Other services and charges	23,317	17,311	13,586	3,725
	127,459	121,935	104,056	17,879
<b>TOTAL PUBLIC WORKS</b>	<b>1,851,128</b>	<b>1,837,306</b>	<b>1,683,875</b>	<b>153,431</b>
<b>Public Involvement</b>				
Administration				
Personal services	200,810	201,171	200,769	402
Contractual services	3,897	4,100	3,452	648
Supplies	2,550	2,850	2,565	285
Travel and training	4,685	4,546	3,192	1,354
Other services and charges	25,020	38,986	36,719	2,267
	236,962	251,653	246,697	4,956
Grants administrator				
Personal services	69,002	69,651	69,345	306
Contractual services	865	868	777	91
Supplies	200	200	0	200
Travel and training	2,060	1,408	1,300	108
Other services and charges	4,331	4,131	2,105	2,026
	76,458	76,258	73,527	2,731
Public relations				
Personal services	106,377	106,225	104,716	1,509
Contractual services	27,885	28,514	15,585	12,929
Supplies	17,130	17,399	7,560	9,839
Travel and training	1,636	1,642	909	733
Other services and charges	29,072	28,320	17,967	10,353
Capital Outlay	0	0	0	0
	182,100	182,100	146,737	35,363
Main street division				
Personal services	58,395	59,867	61,247	(1,380)
Contractual services	162	257	257	-
Supplies	1,830	3,662	3,661	1
Travel and training	0	0	0	-
Other services and charges	7,656	4,157	2,234	1,923
	68,043	67,943	67,399	544
<b>TOTAL PUBLIC INVOLVEMENT</b>	<b>563,563</b>	<b>577,954</b>	<b>534,360</b>	<b>43,594</b>
<b>TOTAL EXPENDITURES</b>	<b>31,167,262</b>	<b>31,481,653</b>	<b>29,266,613</b>	<b>2,215,040</b>

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
CONFISCATED FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
<b>Revenues:</b>				
Fines and forfeitures	\$0	\$20,222	\$31,358	\$11,136
Interest	0	0	44	44
<b>TOTAL REVENUES</b>	<b>0</b>	<b>20,222</b>	<b>31,402</b>	<b>11,180</b>
<b>Expenditures:</b>				
Current:				
Public safety				
Supplies	0	15,795	18,079	(2,284)
Other services and charges	50	5,150	5,064	86
Capital outlay	0	5,691	3,491	2,200
<b>TOTAL EXPENDITURES</b>	<b>50</b>	<b>26,636</b>	<b>26,634</b>	<b>2</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(50)</b>	<b>(6,414)</b>	<b>4,768</b>	<b>11,182</b>
<b>Fund balance - beginning of year - budgetary basis</b>	<b>21,951</b>	<b>21,951</b>	<b>21,951</b>	<b>0</b>
<b>FUND BALANCE - END OF YEAR - BUDGETARY BASIS</b>	<b>\$21,901</b>	<b>\$15,537</b>	<b>\$26,719</b>	<b>\$11,182</b>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenues and Expenditures**

**Sources/inflows of resources**

Actual revenues (budgetary basis) from the budgetary comparison schedule.

\$31,402

Differences - budget to GAAP:

None

0

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$31,402

**Uses/outflows of resources**

Actual expenditures (budgetary basis) from the budgetary comparison schedule.

\$26,634

Differences - budget to GAAP:

Encumbrances for remaining fiscal year items are recorded current year for budgetary purposes, but in the year of actual payment for financial reporting purposes.

3,830

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$30,464

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
PROPERTY EVIDENCE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012**

		BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
		ORIGINAL	FINAL		
<b>Revenues:</b>					
	Fines and forfeitures	\$0	\$1,957	\$5,575	\$3,618
	<b>TOTAL REVENUES</b>	<u>0</u>	<u>1,957</u>	<u>5,575</u>	<u>3,618</u>
<b>Expenditures:</b>					
Current:					
	Public safety				
	Investigative Bureau				
	Supplies	0	429	429	0
	<b>TOTAL EXPENDITURES</b>	<u>0</u>	<u>429</u>	<u>429</u>	<u>0</u>
	<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>0</u>	<u>1,528</u>	<u>5,146</u>	<u>3,618</u>
	<b>Fund balance - beginning of year - budgetary basis</b>	<u>1,380</u>	<u>1,380</u>	<u>1,380</u>	<u>0</u>
	<b>FUND BALANCE - END OF YEAR - BUDGETARY BASIS</b>	<u><u>\$1,380</u></u>	<u><u>\$2,908</u></u>	<u><u>\$6,526</u></u>	<u><u>\$3,618</u></u>
<b>Explanation of Differences between Budgetary Inflows and Outflows and GAAP</b>					
<b>Revenues and Expenditures</b>					
<b>Sources/inflows of resources</b>					
Actual revenues (budgetary basis) from the budgetary comparison schedule.				\$5,575	
Differences - budget to GAAP:					
None				<u>0</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				<u><u>\$5,575</u></u>	
<b>Uses/outflows of resources</b>					
Actual expenditures (budgetary basis) from the budgetary comparison schedule.				\$429	
Differences - budget to GAAP:					
None				<u>0</u>	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				<u><u>\$429</u></u>	

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
GA DCA CHIP - 98M-X-092-512-013  
FOR THE YEAR ENDED JUNE 30, 2012**

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	
<b>Revenues:</b>				
Intergovernmental	\$0	\$40,792	\$0	(\$40,792)
<b>TOTAL REVENUES</b>	<u>0</u>	<u>40,792</u>	<u>0</u>	<u>(40,792)</u>
<b>Expenditures:</b>				
Current:				
Economic development and assistance				
Community development				
Capital outlay				
Housing development activities				
Construction	0	40,792	40,792	0
<b>TOTAL EXPENDITURES</b>	<u>0</u>	<u>40,792</u>	<u>40,792</u>	<u>0</u>
<b>REVENUES UNDER EXPENDITURES</b>	0	0	(40,792)	(40,792)
<b>Fund balance - beginning of year - budgetary basis</b>	<u>69,292</u>	<u>69,292</u>	<u>69,292</u>	<u>0</u>
<b>FUND BALANCE - END OF YEAR - BUDGETARY BASIS</b>	<u>\$69,292</u>	<u>\$69,292</u>	<u>\$28,500</u>	<u>(\$40,792)</u>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenues and Expenditures**

**Sources/inflows of resources**

Actual revenues (budgetary basis) from the budgetary comparison schedule.

\$0

Differences - budget to GAAP:

None

0

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$0

**Uses/outflows of resources**

Actual expenditures (budgetary basis) from the budgetary comparison schedule.

\$40,792

Differences - budget to GAAP:

None

0

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$40,792

**CITY OF VALDOSTA, GEORGIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**U. S. DEPARTMENT OF JUSTICE - LOCAL LAW ENFORCEMENT BLOCK GRANTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

		BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
		ORIGINAL	FINAL		
Revenues:					
Intergovernmental		\$0	\$359,676	\$293,868	(\$65,808)
Interest income		0	0	58	58
TOTAL REVENUES		0	359,676	293,926	(65,750)
Expenditures:					
Current:					
Public safety					
Byrne Justice Assistance Grant					
2009-DJ-BX-1098					
Supplies		0	18,566	18,566	0
2010-DD-BX-0620					
Capital outlay		0	265,491	203,628	61,863
2010-DJ-BX-1510					
Supplies		0	5,934	5,934	0
Other services and charges		0	12,168	12,168	0
Capital outlay		0	30,147	30,147	0
2011-DJ-BX-2936					
Other services and charges		0	13,685	13,685	0
Capital outlay		0	13,685	13,685	0
TOTAL EXPENDITURES		0	359,676	297,813	61,863
REVENUES OVER (UNDER) EXPENDITURES		0	0	(3,887)	(3,887)
Fund balance - beginning of year - budgetary basis		(5,521)	(5,521)	(5,521)	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS		(\$5,521)	(\$5,521)	(\$9,408)	(\$3,887)

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenues and Expenditures**

**Sources/inflows of resources**

Actual revenues (budgetary basis) from the budgetary comparison schedule.

\$293,926

Differences - budget to GAAP:

None

0

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$293,926

**Uses/outflows of resources**

Actual expenditures (budgetary basis) from the budgetary comparison schedule.

\$297,813

Differences - budget to GAAP:

Encumbrances for remaining grant items are placed for budgetary purposes, but in the year of actual payment for financial reporting purposes.

(9,408)

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$288,405

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
URBAN DEVELOPMENT ACTION GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2012**

		BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
		ORIGINAL	FINAL		
Revenues:					
Interest income		\$0	\$0	\$3	\$3
	TOTAL REVENUES	0	0	3	3
Expenditures:					
		0	0	0	0
	TOTAL EXPENDITURES	0	0	0	0
	REVENUES OVER (UNDER) EXPENDITURES	0	0	3	3
Fund balance - beginning of year - budgetary basis		175,430	175,430	175,430	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS		\$175,430	\$175,430	\$175,433	\$3
Explanation of Differences between Budgetary Inflows and Outflows and GAAP					
Revenues and Expenditures					
Sources/inflows of resources					
Actual revenues (budgetary basis) from the budgetary comparison schedule.				\$3	
Differences - budget to GAAP:					
None				0	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				\$3	
Uses/outflows of resources					
Actual expenditures (budgetary basis) from the budgetary comparison schedule.				\$0	
Differences - budget to GAAP:					
None				0	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				\$0	



**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
GA DCA CHIP - 01M-X-092-2-2568  
FOR THE YEAR ENDED JUNE 30, 2012**

		BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
		ORIGINAL	FINAL		
Revenues:					
Intergovernmental		\$0	\$17,025	\$0	(\$17,025)
TOTAL REVENUES		0	17,025	0	(17,025)
Expenditures:					
Current:					
Housing development activities					
Construction		0	17,025	17,025	0
TOTAL EXPENDITURES		0	17,025	17,025	0
REVENUES OVER (UNDER) EXPENDITURES		0	0	(17,025)	(17,025)
Fund balance - beginning of year - budgetary basis		36,525	36,525	36,525	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS		\$36,525	\$36,525	\$19,500	(\$17,025)
Explanation of Differences between Budgetary Inflows and Outflows and GAAP					
Revenues and Expenditures					
Sources/inflows of resources					
Actual revenues (budgetary basis) from the budgetary comparison schedule.				\$0	
Differences - budget to GAAP:					
None				0	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				\$0	
Uses/outflows of resources					
Actual expenditures (budgetary basis) from the budgetary comparison schedule.				\$17,025	
Differences - budget to GAAP:					
None				0	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				\$17,025	

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
GA DCA CHIP - 02M-X-092-2-2695  
FOR THE YEAR ENDED JUNE 30, 2012**

		BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
		ORIGINAL	FINAL		
<b>Revenues:</b>					
Intergovernmental		\$0	\$30,000	\$0	(\$30,000)
<b>TOTAL REVENUES</b>		<u>0</u>	<u>30,000</u>	<u>0</u>	<u>(30,000)</u>
<b>Expenditures:</b>					
Current:					
Housing development activities					
Construction		0	30,000	30,000	0
<b>TOTAL EXPENDITURES</b>		<u>0</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
<b>REVENUES UNDER EXPENDITURES</b>		<u>0</u>	<u>0</u>	<u>(30,000)</u>	<u>(30,000)</u>
<b>Fund balance - beginning of year - budgetary basis</b>		<u>102,600</u>	<u>102,600</u>	<u>102,600</u>	<u>0</u>
<b>FUND BALANCE - END OF YEAR - BUDGETARY BASIS</b>		<u><u>\$102,600</u></u>	<u><u>\$102,600</u></u>	<u><u>\$72,600</u></u>	<u><u>(\$30,000)</u></u>
<b>Explanation of Differences between Budgetary Inflows and Outflows and GAAP</b>					
<b>Revenues and Expenditures</b>					
<b>Sources/inflows of resources</b>					
Actual revenues (budgetary basis) from the budgetary comparison schedule.				\$0	
Differences - budget to GAAP:					
None				<u>0</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				<u><u>\$0</u></u>	
<b>Uses/outflows of resources</b>					
Actual expenditures (budgetary basis) from the budgetary comparison schedule.				\$30,000	
Differences - budget to GAAP:					
None				<u>0</u>	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				<u><u>\$30,000</u></u>	

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
FEDERAL HUD GRANT  
FOR THE YEAR ENDED JUNE 30, 2012**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
<b>Revenues:</b>				
Intergovernmental	\$564,554	\$603,726	\$352,205	(\$251,521)
<b>TOTAL REVENUES</b>	<u>564,554</u>	<u>603,726</u>	<u>352,205</u>	<u>(251,521)</u>
<b>Expenditures:</b>				
Current:				
Economic development and assistance				
Community development				
CDBG 2010 funding				
First time homebuyer education	0	0	6,930	(6,930)
CDBG 2011 funding				
J. L. Lomax park improvements	0	15,133	15,133	0
Single unit residential rehab	0	24,039	90,402	(66,363)
CDBG 2012 funding				
First time homebuyer education	10,000	10,000	0	10,000
Single unit residential rehab	441,641	441,641	126,128	315,513
Program administration	112,913	112,913	105,213	7,700
<b>TOTAL EXPENDITURES</b>	<u>564,554</u>	<u>603,726</u>	<u>343,806</u>	<u>259,920</u>
<b>REVENUES OVER EXPENDITURES</b>	<u>0</u>	<u>0</u>	<u>8,399</u>	<u>8,399</u>
<b>Fund balance - beginning of year - budgetary basis</b>	<u>1,965,602</u>	<u>1,965,602</u>	<u>1,965,602</u>	<u>0</u>
<b>FUND BALANCE - END OF YEAR - BUDGETARY BASIS</b>	<u><u>\$1,965,602</u></u>	<u><u>\$1,965,602</u></u>	<u><u>\$1,974,001</u></u>	<u><u>\$8,399</u></u>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenues and Expenditures**

**Sources/inflows of resources**

Actual revenues (budgetary basis) from the budgetary comparison schedule.

\$352,205

Differences - budget to GAAP:

None

0

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$352,205

**Uses/outflows of resources**

Actual expenditures (budgetary basis) from the budgetary comparison schedule.

\$343,806

Differences - budget to GAAP:

Encumbrances for remaining fiscal year items are recorded current year for budgetary purposes, but in the year of actual payment for financial reporting purposes.

7,700

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$351,506

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
GA DCA CHIP - 04M-X-092-2-2915  
FOR THE YEAR ENDED JUNE 30, 2012**

		BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
		ORIGINAL	FINAL		
Revenues:					
Intergovernmental		\$0	\$19,900	\$0	(\$19,900)
TOTAL REVENUES		0	19,900	0	(19,900)
Expenditures:					
Current:					
Housing development activities					
Construction		0	19,900	19,900	0
TOTAL EXPENDITURES		0	19,900	19,900	0
REVENUES OVER (UNDER) EXPENDITURES		0	0	(19,900)	(19,900)
Fund balance - beginning of year - budgetary basis		142,535	142,535	142,535	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS		\$142,535	\$142,535	\$122,635	(\$19,900)
Explanation of Differences between Budgetary Inflows and Outflows and GAAP					
Revenues and Expenditures					
Sources/inflows of resources					
Actual revenues (budgetary basis) from the budgetary comparison schedule.				\$0	
Differences - budget to GAAP:					
None				0	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				\$0	
Uses/outflows of resources					
Actual expenditures (budgetary basis) from the budgetary comparison schedule.				\$19,900	
Differences - budget to GAAP:					
None				0	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				\$19,900	

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
GA DCA CHIP - 06M-X-092-2-2951  
FOR THE YEAR ENDED JUNE 30, 2012**

		BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
		ORIGINAL	FINAL		
<b>Revenues:</b>					
Intergovernmental		\$0	\$25,700	\$0	(\$25,700)
<b>TOTAL REVENUES</b>		<u>0</u>	<u>25,700</u>	<u>0</u>	<u>(25,700)</u>
<b>Expenditures:</b>					
Current:					
Housing development activities					
Construction		0	25,700	25,700	0
<b>TOTAL EXPENDITURES</b>		<u>0</u>	<u>25,700</u>	<u>25,700</u>	<u>0</u>
<b>REVENUES UNDER EXPENDITURES</b>		<u>0</u>	<u>0</u>	<u>(25,700)</u>	<u>(25,700)</u>
<b>Fund balance - beginning of year - budgetary basis</b>		210,100	210,100	210,100	0
<b>FUND BALANCE - END OF YEAR - BUDGETARY BASIS</b>		<u>\$210,100</u>	<u>\$210,100</u>	<u>\$184,400</u>	<u>(\$25,700)</u>
<b>Explanation of Differences between Budgetary Inflows and Outflows and GAAP</b>					
<b>Revenues and Expenditures</b>					
<b>Sources/inflows of resources</b>					
Actual revenues (budgetary basis) from the budgetary comparison schedule.				\$0	
Differences - budget to GAAP:					
None				<u>0</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				<u>\$0</u>	
<b>Uses/outflows of resources</b>					
Actual expenditures (budgetary basis) from the budgetary comparison schedule.				\$25,700	
Differences - budget to GAAP:					
None				<u>0</u>	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				<u>\$25,700</u>	

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
GA DCA CHIP - 07M-X-092-2-2961  
FOR THE YEAR ENDED JUNE 30, 2012**

		BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
		ORIGINAL	FINAL		
<b>Revenues:</b>					
Intergovernmental		\$0	\$29,889	\$22,182	(\$7,707)
<b>TOTAL REVENUES</b>		<u>0</u>	<u>29,889</u>	<u>22,182</u>	<u>(7,707)</u>
<b>Expenditures:</b>					
Current:					
Housing development activities					
Construction		0	20,000	20,000	0
General administration		0	9,889	9,889	0
<b>TOTAL EXPENDITURES</b>		<u>0</u>	<u>29,889</u>	<u>29,889</u>	<u>0</u>
<b>REVENUES UNDER EXPENDITURES</b>		<u>0</u>	<u>0</u>	<u>(7,707)</u>	<u>(7,707)</u>
<b>Fund balance - beginning of year - budgetary basis</b>		<u>162,672</u>	<u>162,672</u>	<u>162,672</u>	<u>0</u>
<b>FUND BALANCE - END OF YEAR - BUDGETARY BASIS</b>		<u><u>\$162,672</u></u>	<u><u>\$162,672</u></u>	<u><u>\$154,965</u></u>	<u><u>(\$7,707)</u></u>
<b>Explanation of Differences between Budgetary Inflows and Outflows and GAAP</b>					
<b>Revenues and Expenditures</b>					
<b>Sources/inflows of resources</b>					
Actual revenues (budgetary basis) from the budgetary comparison schedule.				\$22,182	
Differences - budget to GAAP:					
None				<u>0</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				<u><u>\$22,182</u></u>	
<b>Uses/outflows of resources</b>					
Actual expenditures (budgetary basis) from the budgetary comparison schedule.				\$29,889	
Differences - budget to GAAP:					
None				<u>0</u>	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				<u><u>\$29,889</u></u>	

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
GA DCA CHIP - 07MR-X-092-2-2979  
FOR THE YEAR ENDED JUNE 30, 2012**

		BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
		ORIGINAL	FINAL		
Revenues:					
Intergovernmental		\$0	\$7,000	\$20,000	\$13,000
TOTAL REVENUES		0	7,000	20,000	13,000
Expenditures:					
Housing development activities					
Construction		0	7,000	7,000	0
TOTAL EXPENDITURES		0	7,000	7,000	0
REVENUES OVER EXPENDITURES		0	0	13,000	13,000
Fund balance - beginning of year - budgetary basis		68,000	68,000	68,000	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS		\$68,000	\$68,000	\$81,000	\$13,000

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenues and Expenditures**

**Sources/inflows of resources**

Actual revenues (budgetary basis) from the budgetary comparison schedule.

\$20,000

Differences - budget to GAAP:

None

0

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$20,000

**Uses/outflows of resources**

Actual expenditures (budgetary basis) from the budgetary comparison schedule.

\$7,000

Differences - budget to GAAP:

None

0

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$7,000

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
EECBG- DEPARTMENT OF ENERGY  
FOR THE YEAR ENDED JUNE 30, 2012**

	<b>BUDGETED AMOUNTS</b>			<b>VARIANCE WITH FINAL BUDGET OVER (UNDER)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>Revenues:</b>				
Intergovernmental	\$0	\$6,793	\$19,437	\$12,644
Transfers in	0	0	1,292	1,292
<b>TOTAL REVENUES</b>	<b>0</b>	<b>6,793</b>	<b>20,729</b>	<b>13,936</b>
<b>Expenditures:</b>				
Current:				
General government	0	6,793	6,793	0
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>6,793</b>	<b>6,793</b>	<b>0</b>
<b>REVENUES OVER EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>13,936</b>	<b>13,936</b>
<b>Fund balance (deficit) - beginning of year - budgetary basis</b>	<b>(13,936)</b>	<b>(13,936)</b>	<b>(13,936)</b>	<b>0</b>
<b>FUND BALANCE (DEFICIT)- END OF YEAR - BUDGETARY BASIS</b>	<b>(\$13,936)</b>	<b>(\$13,936)</b>	<b>\$0</b>	<b>\$13,936</b>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenues and Expenditures**

**Sources/inflows of resources**

Actual revenues (budgetary basis) from the budgetary comparison schedule.

\$20,729

Differences - budget to GAAP:

Transfers in from other funds are outflows for budgetary resources but are not expenditures for financial reporting purposes.

(1,292)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$19,437

**Uses/outflows of resources**

Actual expenditures (budgetary basis) from the budgetary comparison schedule.

\$6,793

Differences - budget to GAAP:

None

0

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$6,793



**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
EDI-SP HUD ECONOMIC DEVELOPMENT INITIATIVE  
FOR THE YEAR ENDED JUNE 30, 2012**

		BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
		ORIGINAL	FINAL		
<b>Revenues:</b>					
Intergovernmental		\$0	\$146,795	\$235,645	\$88,850
	<b>TOTAL REVENUES</b>	<u>0</u>	<u>146,795</u>	<u>235,645</u>	<u>88,850</u>
<b>Expenditures:</b>					
Current:					
Economic development and assistance					
Community development		0	146,795	65,346	81,449
	<b>TOTAL EXPENDITURES</b>	<u>0</u>	<u>146,795</u>	<u>65,346</u>	<u>81,449</u>
	<b>REVENUES OVER EXPENDITURES</b>	<u>0</u>	<u>0</u>	<u>170,299</u>	<u>170,299</u>
<b>Fund balance (deficit) - beginning of year - budgetary basis</b>		<u>(177,283)</u>	<u>(177,283)</u>	<u>(177,283)</u>	<u>0</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR - BUDGETARY BASIS</b>		<u><u>(\$177,283)</u></u>	<u><u>(\$177,283)</u></u>	<u><u>(\$6,984)</u></u>	<u><u>\$170,299</u></u>
<b>Explanation of Differences between Budgetary Inflows and Outflows and GAAP</b>					
<b>Revenues and Expenditures</b>					
<b>Sources/inflows of resources</b>					
Actual revenues (budgetary basis) from the budgetary comparison schedule.				\$235,645	
Differences - budget to GAAP:					
None				<u>0</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				<u><u>\$235,645</u></u>	
<b>Uses/outflows of resources</b>					
Actual expenditures (budgetary basis) from the budgetary comparison schedule.				\$65,346	
Differences - budget to GAAP:					
Encumbrances for remaining fiscal year items are recorded current year for budgetary purposes, but in the year of actual payment for financial reporting purposes.				<u>72,094</u>	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				<u><u>\$137,440</u></u>	

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
CDBG-R HUD RECOVERY GRANT  
FOR THE YEAR ENDED JUNE 30, 2012**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
<b>Revenues:</b>				
Intergovernmental	\$0	\$211	\$44,214	\$44,003
<b>TOTAL REVENUES</b>	<u>0</u>	<u>211</u>	<u>44,214</u>	<u>44,003</u>
<b>Expenditures:</b>				
Current:				
Economic development and assistance				
Community development	0	211	211	0
<b>TOTAL EXPENDITURES</b>	<u>0</u>	<u>211</u>	<u>211</u>	<u>0</u>
<b>REVENUES OVER EXPENDITURES</b>	<u>0</u>	<u>0</u>	<u>44,003</u>	<u>44,003</u>
<b>Fund balance (deficit) - beginning of year - budgetary basis</b>	<u>(44,003)</u>	<u>(44,003)</u>	<u>(44,003)</u>	<u>0</u>
<b>FUND BALANCE (DEFICIT)- END OF YEAR - BUDGETARY BASIS</b>	<u>(\$44,003)</u>	<u>(\$44,003)</u>	<u>\$0</u>	<u>\$44,003</u>
<b>Explanation of Differences between Budgetary Inflows and Outflows and GAAP</b>				
<b>Revenues and Expenditures</b>				
<b>Sources/inflows of resources</b>				
Actual revenues (budgetary basis) from the budgetary comparison schedule.			\$44,214	
Differences - budget to GAAP:				
None			<u>0</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.			<u>\$44,214</u>	
<b>Uses/outflows of resources</b>				
Actual expenditures (budgetary basis) from the budgetary comparison schedule.			\$211	
Differences - budget to GAAP:				
None			<u>0</u>	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.			<u>\$211</u>	

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
ACCOMMODATIONS TAX  
FOR YEAR ENDED JUNE 30, 2012**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET OVER (UNDER)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
Revenues:				
Taxes	\$1,600,300	\$1,600,300	\$1,562,163	(\$38,137)
Interest income	200	200	80	(120)
<b>TOTAL REVENUES</b>	<b>1,600,500</b>	<b>1,600,500</b>	<b>1,562,243</b>	<b>(38,257)</b>
Expenditures:				
Other services and charges	1,501,725	1,501,725	1,464,519	37,206
<b>TOTAL EXPENDITURES</b>	<b>1,501,725</b>	<b>1,501,725</b>	<b>1,464,519</b>	<b>37,206</b>
<b>REVENUES OVER (UNDER) EXPENDITURES BEFORE TRANSFERS</b>	<b>98,775</b>	<b>98,775</b>	<b>97,724</b>	<b>(1,051)</b>
Other financing uses				
Operating transfers out	(75,000)	(75,000)	0	(75,000)
<b>NET CHANGE IN FUND BALANCE</b>	<b>23,775</b>	<b>23,775</b>	<b>97,724</b>	<b>(76,051)</b>
<b>Fund balance - beginning of year - budgetary basis</b>	<b>107,906</b>	<b>107,906</b>	<b>107,906</b>	<b>0</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$131,681</b>	<b>\$131,681</b>	<b>\$205,630</b>	<b>(\$76,051)</b>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenues and Expenditures**

**Sources/inflows of resources**

Actual revenues (budgetary basis) from the budgetary comparison schedule.

\$1,562,243

Differences - budget to GAAP:

None

0

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$1,562,243

**Uses/outflows of resources**

Actual expenditures (budgetary basis) from the budgetary comparison schedule.

\$1,464,519

Differences - budget to GAAP:

None

0

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$1,464,519

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
YOUTH RECREATION SCHOLARSHIP FUND  
FOR YEAR ENDED JUNE 30, 2012**

	BUDGETED AMOUNTS		ACTUAL AMOUNT BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Interest income	\$0	\$0	\$9	\$9
<b>TOTAL REVENUES</b>	<u>0</u>	<u>0</u>	<u>9</u>	<u>9</u>
Expenditures:				
General Governmental	10	10	21	(11)
<b>TOTAL EXPENDITURES</b>	<u>10</u>	<u>10</u>	<u>21</u>	<u>(11)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(10)</u>	<u>(10)</u>	<u>(12)</u>	<u>(2)</u>
<b>Fund balance - beginning of year - budgetary basis</b>	<u>12,179</u>	<u>12,179</u>	<u>12,179</u>	<u>0</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$12,169</u>	<u>\$12,169</u>	<u>\$12,167</u>	<u>(\$2)</u>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenues and Expenditures**

**Sources/inflows of resources**

Actual revenues (budgetary basis) from the budgetary comparison schedule.

\$9

Differences - budget to GAAP:

None

0

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$9

**Uses/outflows of resources**

Actual revenues (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.

\$21

Differences - budget to GAAP:

None

0

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$21

**CITY OF VALDOSTA, GEORGIA  
SALES TAX 2002 FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u>
Revenues:			
Intergovernmental	\$0	\$0	\$0
<b>TOTAL REVENUES</b>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Expenditures	0	0	0
<b>TOTAL EXPENDITURES</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>REVENUES OVER EXPENDITURES</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund balance - beginning of year - budgetary basis</b>	241,832	241,832	0
<b>FUND BALANCE - END OF YEAR - BUDGETARY BASIS</b>	<u>\$241,832</u>	<u>\$241,832</u>	<u>\$0</u>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenues and Expenditures**

**Sources/inflows of resources**

Actual revenues (budgetary basis) from the budgetary comparison schedule.

\$0

Differences - budget to GAAP:

None

0

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$0

**Uses/outflows of resources**

Actual expenditures (budgetary basis) from the budgetary comparison schedule.

\$0

Differences - budget to GAAP:

None

0

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$0

**CITY OF VALDOSTA, GEORGIA  
SALES TAX 2007 FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2012**

	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET OVER (UNDER)</b>
Revenues:			
Intergovernmental	\$8,500,000	\$9,203,649	\$703,649
Contributions	0	1,679	1,679
Miscellaneous	0	100,000	100,000
<b>TOTAL REVENUES</b>	<b>8,500,000</b>	<b>9,305,328</b>	<b>805,328</b>
Expenditures:			
Capital outlay:			
Resurfacing	3,000,000	1,785,469	1,214,531
Road improvements	2,804,905	1,505,996	1,298,909
Sidewalk improvements	891,667	101,946	789,721
Drainage improvements	1,110,807	732,973	377,834
Traffic improvements	8,333	43,771	(35,438)
Street maintenance repairs	0	(3,368)	3,368
Crime lab equip/land acquisition	63,176	63,176	0
Records management software	124,584	124,583	1
Youth facility	540,000	540,000	0
General park improvements	25,000	25,000	0
Parks & Rec administration offices/gym	0	(13,885)	13,885
Freedom park expansion	0	(509,887)	509,887
Sewer system rehab	2,478,415	232,751	2,245,664
Wastewater treatment & disposal	0	17,784	(17,784)
Refuse trucks/street sweeper	64,291	64,291	0
Software & hardware	60,485	68,093	(7,608)
Municipal auditorium prop acq & design	383,000	379,844	3,156
Miscellaneous items	4,905	4,905	0
Water treatment plant by-pass	0	89,002	(89,002)
Bay extension	7,205	7,204	1
<b>TOTAL EXPENDITURES</b>	<b>11,566,773</b>	<b>5,259,648</b>	<b>6,307,125</b>
<b>REVENUES OVER EXPENDITURES</b>	<b>(3,066,773)</b>	<b>4,045,680</b>	<b>7,112,453</b>
<b>Fund balance - beginning of year - budgetary basis</b>	<b>1,379,624</b>	<b>1,379,624</b>	<b>0</b>
<b>FUND BALANCE (DEFICIT) - END OF YEAR - BUDGETARY BASIS</b>	<b>(\$1,687,149)</b>	<b>\$5,425,304</b>	<b>\$7,112,453</b>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenues and Expenditures**

**Sources/inflows of resources**

Actual revenues (budgetary basis) from the budgetary comparison schedule.

\$9,305,328

Differences - budget to GAAP:

None

0

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$9,305,328

**Uses/outflows of resources**

Actual expenditures (budgetary basis) from the budgetary comparison schedule.

\$5,259,648

Differences - budget to GAAP:

Encumbrances for remaining fiscal year items are recorded current year for budgetary purposes, but in the year of actual payment for financial reporting purposes.

317,936

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$5,577,584

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
AIRPORT DEVELOPMENT FUND  
FOR THE YEAR ENDED JUNE 30, 2012**

	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET OVER (UNDER)</b>
Revenues:			
Intergovernmental	\$2,265,163	\$2,158,802	(\$106,361)
Interest revenue	21,000	25,850	4,850
<b>TOTAL REVENUES</b>	<u>2,286,163</u>	<u>2,184,652</u>	<u>(101,511)</u>
Capital outlay:			
Airport improvement	2,265,163	2,230,629	34,534
Transfer out	21,000	0	21,000
<b>TOTAL EXPENDITURES</b>	<u>2,286,163</u>	<u>2,230,629</u>	<u>55,534</u>
<b>REVENUES UNDER EXPENDITURES</b>	<u>0</u>	<u>(45,977)</u>	<u>(45,977)</u>
<b>Fund balance - beginning of year - budgetary basis</b>	445,354	445,354	0
<b>FUND BALANCE - END OF YEAR - BUDGETARY BASIS</b>	<u>\$445,354</u>	<u>\$399,377</u>	<u>(\$45,977)</u>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenues and Expenditures**

**Sources/inflows of resources**

Actual revenues (budgetary basis) from the budgetary comparison schedule.

\$2,184,652

Differences - budget to GAAP:

None

0

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$2,184,652

**Uses/outflows of resources**

Actual expenditures (budgetary basis) from the budgetary comparison schedule.

\$2,230,629

Differences - budget to GAAP:

Encumbrances for remaining fiscal year items are recorded current year for budgetary purposes, but in the year of actual payment for financial reporting purposes.

3,024

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$2,233,653

**CITY OF VALDOSTA, GEORGIA  
GENERAL CAPITAL PROJECTS FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2012**

	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET OVER (UNDER)</b>
Revenues:			
Interest income	\$0	\$469	\$469
<b>TOTAL REVENUES</b>	<b>0</b>	<b>469</b>	<b>469</b>
Expenditures:			
Current:			
Other services and charges	1,000	1,071	(71)
Transfer out	613,000	600,000	13,000
<b>TOTAL EXPENDITURES</b>	<b>614,000</b>	<b>601,071</b>	<b>12,929</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(614,000)</b>	<b>(600,602)</b>	<b>13,398</b>
<b>Fund balance - beginning of year - budgetary basis</b>	<b>637,655</b>	<b>637,655</b>	<b>0</b>
<b>FUND BALANCE - END OF YEAR - BUDGETARY BASIS</b>	<b>\$23,655</b>	<b>\$37,053</b>	<b>\$13,398</b>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenues and Expenditures**

**Sources/inflows of resources**

Actual revenues (budgetary basis) from the budgetary  
comparison schedule.

\$469

Differences - budget to GAAP:

None

0

Total revenues as reported on the statement of revenues, expenditures,  
and changes in fund balances - governmental funds.

\$469

**Uses/outflows of resources**

Actual expenditures (budgetary basis) from the budgetary  
comparison schedule.

\$601,071

Differences - budget to GAAP:

Transfers to other funds are outflows for budgetary resources but are not  
expenditures for financial reporting purposes.

(600,000)

Total expenditures as reported on the statement of revenues, expenditures,  
and changes in fund balances - governmental funds.

\$1,071



**CITY OF VALDOSTA, GEORGIA  
PARKS DEVELOPMENT FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2012**

	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET OVER (UNDER)</b>
Revenues:			
Interest income	\$0	\$93	\$93
<b>TOTAL REVENUES</b>	<u>0</u>	<u>93</u>	<u>93</u>
Expenditures:			
Capital outlay:			
Site improvements:			
Various parks	100	212	(112)
Transfer out	126,000	125,824	176
<b>TOTAL EXPENDITURES</b>	<u>126,100</u>	<u>126,036</u>	<u>64</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(126,100)</u>	<u>(125,943)</u>	<u>157</u>
<b>Fund balance - beginning of year - budgetary basis</b>	125,943	125,943	0
<b>FUND BALANCE (DEFICIT)- END OF YEAR - BUDGETARY BASIS</b>	<u><u>(\$157)</u></u>	<u><u>\$0</u></u>	<u><u>\$157</u></u>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenues and Expenditures**

**Sources/inflows of resources**

Actual revenues (budgetary basis) from the budgetary  
comparison schedule.

\$93

Differences - budget to GAAP:

None

0

Total revenues as reported on the statement of revenues, expenditures,  
and changes in fund balances - governmental funds.

\$93

**Uses/outflows of resources**

Actual expenditures (budgetary basis) from the budgetary  
comparison schedule.

\$126,036

Differences - budget to GAAP:

Transfers to other funds are outflows for budgetary resources but are not  
expenditures for financial reporting purposes.

(125,824)

Total expenditures as reported on the statement of revenues, expenditures,  
and changes in fund balances - governmental funds.

\$212

**CITY OF VALDOSTA, GEORGIA  
SUNSET HILL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2012**

	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET OVER (UNDER)</b>
Operating revenues:			
Interest income	\$21,500	\$1,103	(\$20,397)
Contributions	41,000	39,902	(1,098)
Rental income	39,000	15,006	(23,994)
<b>TOTAL OPERATING REVENUES</b>	<b>101,500</b>	<b>56,011</b>	<b>(45,489)</b>
Operating expenditures:			
Other services and charges	2,000	2,413	(413)
Transfers out	21,500	0	21,500
<b>TOTAL OPERATING EXPENDITURES</b>	<b>23,500</b>	<b>2,413</b>	<b>21,087</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>78,000</b>	<b>53,598</b>	<b>(24,402)</b>
<b>Fund balance - beginning of year - budgetary basis</b>	<b>1,472,224</b>	<b>1,472,224</b>	<b>0</b>
<b>FUND BALANCE - END OF YEAR - BUDGETARY BASIS</b>	<b>\$1,550,224</b>	<b>\$1,525,822</b>	<b>(\$24,402)</b>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP  
Revenues and Expenditures**

**Sources/inflows of resources**

Actual revenues (budgetary basis) from the budgetary comparison schedule.

\$56,011

Differences - budget to GAAP:

None

0

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$56,011

**Uses/outflows of resources**

Actual expenditures (budgetary basis) from the budgetary comparison schedule.

\$2,413

Differences - budget to GAAP:

Transfers to other funds are outflows for budgetary resources but are not expenditures for financial reporting purposes.

0

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$2,413

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# Non-Major Enterprise Funds

**Inspection Fund** - to finance and account for the cost of providing inspection of residential and commercial buildings within Lowndes County and to regulate zoning issues within Lowndes County.

**Zoning** - to account for the revenue and costs associated with operating the Zoning Administration Services of the City.

**Auditorium Fund** - to account for the revenue and costs associated with operating the Mathis City Auditorium.

**Motor Fuel Fund** - to account for the revenue and costs associated with the sale of motor fuel to other governmental entities.

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**CITY OF VALDOSTA, GEORGIA**  
**COMBINING STATEMENT OF NET ASSETS**  
**OTHER ENTERPRISE FUNDS**  
**JUNE 30, 2012**

	ENTERPRISE FUNDS				TOTAL OTHER ENTERPRISE FUNDS
	INSPECTION	ZONING	AUDITORIUM	MOTOR FUEL	
<b>ASSETS</b>					
Current assets:					
Cash	\$300	\$0	\$0	\$0	\$300
Receivables (net)					
Accounts	0	0	550	23,378	23,928
Due from other governments and agencies	462	24,590	0	3,692	28,744
Due from other funds	0	12,748	0	0	12,748
Total current assets	762	37,338	550	27,070	65,720
Non-current assets:					
Capital assets:					
Equipment	380,577	8,369	0	0	388,946
	380,577	8,369	0	0	388,946
Less accumulated depreciation	(380,212)	(8,369)	0	0	(388,581)
Net capital assets	365	0	0	0	365
Total non-current assets	365	0	0	0	365
Total assets	\$1,127	\$37,338	\$550	\$27,070	\$66,085
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$16,579	\$6,914	\$17,277	\$0	\$40,770
Due to other governments and agencies	0	5,354	0	0	5,354
Due to other funds	0	0	0	15,400	15,400
Compensated absences	19,371	7,770	1,869	0	29,010
Total current liabilities	35,950	20,038	19,146	15,400	90,534
Non-current liabilities (payable from unrestricted assets):					
Compensated absences	12,419	0	0	0	12,419
Advances from other funds	585,803	643,199	529,201	0	1,758,203
Total non-current liabilities (payable from unrestricted assets)	598,222	643,199	529,201	0	1,770,622
Total liabilities	634,172	663,237	548,347	15,400	1,861,156
<b>NET ASSETS (DEFICITS)</b>					
Invested in capital assets	365	0	0	0	365
Unrestricted	(633,410)	(625,899)	(547,797)	11,670	(1,795,436)
Total net assets (deficits)	(\$633,045)	(\$625,899)	(\$547,797)	\$11,670	(\$1,795,071)

**CITY OF VALDOSTA, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**OTHER ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	ENTERPRISE FUNDS				TOTAL OTHER ENTERPRISE FUNDS
	INSPECTION	ZONING	AUDITORIUM	MOTOR FUEL	
<b>Operating revenues:</b>					
Permits	\$689,764	\$22,305	\$0	\$0	\$712,069
Charges for services	47,918	28,962	46,237	546,995	670,112
<b>TOTAL OPERATING REVENUES</b>	<b>737,682</b>	<b>51,267</b>	<b>46,237</b>	<b>546,995</b>	<b>1,382,181</b>
<b>Operating expenses:</b>					
Personal services	780,142	248,064	107,676	0	1,135,882
Contractual services	38,647	6,472	101,554	0	146,673
Supplies	7,070	4,442	12,075	537,095	560,682
Travel and training	1,137	4,556	0	0	5,693
Other services and charges	76,162	171,162	14,964	57	262,345
Depreciation expense	1,456	1,255	0	0	2,711
<b>TOTAL OPERATING EXPENSES</b>	<b>904,614</b>	<b>435,951</b>	<b>236,269</b>	<b>537,152</b>	<b>2,113,986</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(166,932)</b>	<b>(384,684)</b>	<b>(190,032)</b>	<b>9,843</b>	<b>(731,805)</b>
<b>Non-operating revenues:</b>					
Interest income	0	0	0	23	23
Intergovernmental revenues	0	93,220	0	0	93,220
<b>TOTAL NON-OPERATING REVENUES</b>	<b>0</b>	<b>93,220</b>	<b>0</b>	<b>23</b>	<b>93,243</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(166,932)</b>	<b>(291,464)</b>	<b>(190,032)</b>	<b>9,866</b>	<b>(638,562)</b>
Transfers in	0	650,000	500,000	0	1,150,000
Transfers out	(64,802)	(21,556)	(9,782)	0	(96,140)
	(64,802)	628,444	490,218	0	1,053,860
<b>Change in Net Assets (Deficits)</b>	<b>(231,734)</b>	<b>336,980</b>	<b>300,186</b>	<b>9,866</b>	<b>415,298</b>
<b>NET ASSETS (DEFICITS) - BEGINNING</b>	<b>(401,311)</b>	<b>(962,879)</b>	<b>(847,983)</b>	<b>1,804</b>	<b>(2,210,369)</b>
<b>NET ASSETS (DEFICITS) - ENDING</b>	<b>(\$633,045)</b>	<b>(\$625,899)</b>	<b>(\$547,797)</b>	<b>\$11,670</b>	<b>(\$1,795,071)</b>

**CITY OF VALDOSTA, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**OTHER ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>ENTERPRISE FUNDS</b>				<b>TOTAL OTHER ENTERPRISE FUNDS</b>
	<b>INSPECTION</b>	<b>ZONING</b>	<b>AUDITORIUM</b>	<b>MOTOR FUEL</b>	
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$737,867	\$51,267	\$45,687	\$561,146	\$1,395,967
Cash payments to suppliers for goods and services	113,940	(529,310)	(528,145)	(566,229)	(1,509,744)
Cash payments to employees for services	(787,005)	(243,621)	(7,760)	0	(1,038,386)
<b>Net change in cash from operating activities</b>	<b>64,802</b>	<b>(721,664)</b>	<b>(490,218)</b>	<b>(5,083)</b>	<b>(1,152,163)</b>
<b>Cash flows from noncapital financing activities:</b>					
Intergovernmental revenue	0	93,220	0	0	93,220
Transfers-in from other funds	0	650,000	500,000	0	1,150,000
Transfers-out to other funds	(64,802)	(21,556)	(9,782)	0	(96,140)
<b>Net change in cash from noncapital financing activities</b>	<b>(64,802)</b>	<b>721,664</b>	<b>490,218</b>	<b>0</b>	<b>1,147,080</b>
<b>Cash flows from capital and related financing activities:</b>					
<b>Cash flows from investing activities:</b>					
Sale of investment securities	0	0	0	3,553	3,553
Interest and dividends on investments	0	0	0	23	23
<b>Net change in cash from investing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,576</b>	<b>3,576</b>
<b>Net change in cash</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,507)</b>	<b>(1,507)</b>
Cash beginning of year	300	0	0	1,507	1,807
<b>Cash at end of year</b>	<b>\$300</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$300</b>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CHANGE IN CASH FROM OPERATING ACTIVITIES</u></b>					
Operating income (loss)	(\$166,932)	(\$384,684)	(\$190,032)	\$9,843	(\$731,805)
Adjustments to reconcile operating income (loss) to net change in cash from operating activities:					
Depreciation	1,456	1,255	0	0	2,711
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	185	0	(550)	14,151	13,786
(Increase) decrease in due from other governments and agencies	(462)	9,991	0	15,523	25,052
Decrease in due from other funds	0	47,252	0	0	47,252
(Decrease) increase in accounts payable	5,370	(11,821)	4,123	0	(2,328)
(Decrease) increase in compensated absences	(6,862)	4,443	(6,543)	0	(8,962)
(Decrease) in due to other funds	0	0	0	(44,600)	(44,600)
Increase (decrease) in advances from other funds	232,357	(388,100)	(297,216)	0	(452,959)
(Decrease) in due to other governments and agencies	(310)	0	0	0	(310)
<b>Net change in cash from operating activities</b>	<b>\$64,802</b>	<b>(\$721,664)</b>	<b>(\$490,218)</b>	<b>(\$5,083)</b>	<b>(\$1,152,163)</b>



# Internal Service Funds

**Motor Pool Fund** - to account for the cost of operating a maintenance facility for automotive equipment. The fund purchases the automotive equipment and leases the equipment to user departments on a predetermined per mile basis or monthly rate based on accumulated historical costs.

**Group Insurance Fund** - to account for transactions related to the provision of health care benefits for career employees of the City.

**Workman's Compensation Fund** - to account for the transactions related to the workman's compensation claims paid by the City.

**IT Service Fund** - to account for the cost of providing information technology to user departments.

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**CITY OF VALDOSTA, GEORGIA**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2012**

**GOVERNMENTAL ACTIVITIES**  
**INTERNAL SERVICE FUNDS**

	<u>MOTOR POOL</u>	<u>GROUP INSURANCE</u>	<u>WORKMEN'S COMPENSATION</u>	<u>IT SERVICES</u>	<u>TOTAL INTERNAL SERVICE FUNDS</u>
<b>ASSETS</b>					
Current assets:					
Cash	\$0	\$91,898	\$86,853	\$47,648	\$226,399
Investments	0	0	0	117,496	\$117,496
Receivables					
Accounts	0	22,671	0	0	\$22,671
Due from other funds	0	658,661	0	0	\$658,661
Inventories at cost	314,863	0	0	0	\$314,863
Total current assets	<u>314,863</u>	<u>773,230</u>	<u>86,853</u>	<u>165,144</u>	<u>\$1,340,090</u>
Noncurrent assets:					
Land	92,563	0	0	0	\$92,563
Land improvements	383,595	0	0	0	\$383,595
Buildings and structures	285,945	0	0	0	\$285,945
Motor vehicles	14,445,892	0	0	0	\$14,445,892
Equipment	2,382,052	0	0	0	\$2,382,052
	<u>17,590,047</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$17,590,047</u>
Less accumulated depreciation	(15,276,140)	0	0	0	(\$15,276,140)
Net capital assets (net of accumulated depreciation)	<u>2,313,907</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$2,313,907</u>
Total assets	<u>\$2,628,770</u>	<u>\$773,230</u>	<u>\$86,853</u>	<u>\$165,144</u>	<u>\$3,653,997</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$222,120	\$773,230	\$44,425	\$165,144	\$1,204,919
Compensated absences (current portion)	13,000	0	0	0	\$13,000
Due to other funds	0	0	42,428	0	\$42,428
Total current liabilities	<u>235,120</u>	<u>773,230</u>	<u>86,853</u>	<u>165,144</u>	<u>\$1,260,347</u>
Noncurrent liabilities:					
Compensated absences	18,045	0	0	0	\$18,045
Advances from other funds	2,099,525	0	0	0	\$2,099,525
Total liabilities	<u>2,352,690</u>	<u>773,230</u>	<u>86,853</u>	<u>165,144</u>	<u>\$3,377,917</u>
<b>NET ASSETS</b>					
Invested in capital assets	2,313,907	0	0	0	\$2,313,907
Unrestricted	(2,037,827)	0	0	0	(\$2,037,827)
Total net assets	<u>\$276,080</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$276,080</u>

**CITY OF VALDOSTA, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

<b>GOVERNMENTAL ACTIVITIES</b>					
<b>INTERNAL SERVICE FUNDS</b>					
	<u><b>MOTOR POOL</b></u>	<u><b>GROUP INSURANCE</b></u>	<u><b>WORKMEN'S COMPENSATION</b></u>	<u><b>IT SERVICES</b></u>	<u><b>TOTAL INTERNAL SERVICE FUNDS</b></u>
<b>Operating revenues:</b>					
Charges for services	\$2,917,018	\$4,402,338	\$436,159	\$842,776	\$8,598,291
Miscellaneous revenues	27,767	230,526	75	0	\$258,368
<b>TOTAL OPERATING REVENUES</b>	<u>2,944,785</u>	<u>4,632,864</u>	<u>436,234</u>	<u>842,776</u>	<u>\$8,856,659</u>
<b>Operating expenses:</b>					
Personal services	498,988	0	0	119,845	\$618,833
Contractual services	103,277	1,275,994	0	404,240	\$1,783,511
Claims paid	408	5,443,831	455,606	0	\$5,899,845
Supplies	2,382,202	33,928	0	10,368	\$2,426,498
Travel and training	465	0	0	1,011	\$1,476
Other services and charges	158,640	299,068	73,019	307,312	\$838,039
Depreciation expense	1,277,633	0	0	0	\$1,277,633
<b>TOTAL OPERATING EXPENSES</b>	<u>4,421,613</u>	<u>7,052,821</u>	<u>528,625</u>	<u>842,776</u>	<u>\$12,845,835</u>
<b>OPERATING LOSS</b>	<u>(1,476,828)</u>	<u>(2,419,957)</u>	<u>(92,391)</u>	<u>0</u>	<u>(\$3,989,176)</u>
<b>Nonoperating revenue (expenses):</b>					
Interest income	0	202	86	0	\$288
Loss on sale of assets	(26,297)	0	0	0	(\$26,297)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>(26,297)</u>	<u>202</u>	<u>86</u>	<u>0</u>	<u>(\$26,009)</u>
<b>NET LOSS BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>(1,503,125)</u>	<u>(2,419,755)</u>	<u>(92,305)</u>	<u>0</u>	<u>(\$4,015,185)</u>
Capital contributions	63,615	0	0	0	\$63,615
Transfers in	0	2,419,755	20,200	0	\$2,439,955
	<u>63,615</u>	<u>2,419,755</u>	<u>20,200</u>	<u>0</u>	<u>\$2,503,570</u>
<b>CHANGE IN NET ASSETS</b>	<u>(1,439,510)</u>	<u>0</u>	<u>(72,105)</u>	<u>0</u>	<u>(\$1,511,615)</u>
<b>NET ASSETS - BEGINNING</b>	<u>1,715,590</u>	<u>0</u>	<u>72,105</u>	<u>0</u>	<u>\$1,787,695</u>
<b>NET ASSETS - ENDING</b>	<u><u>\$276,080</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$276,080</u></u>

**CITY OF VALDOSTA, GEORGIA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>MOTOR POOL</u>	<u>GROUP INSURANCE</u>	<u>WORKMEN'S COMP</u>	<u>IT SERVICES</u>	<u>TOTAL INTERNAL SERVICE FUNDS</u>
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$3,053,047	\$4,629,150	\$436,234	\$842,776	\$8,961,207
Cash payments to suppliers for goods and services	(2,598,543)	(7,259,429)	(606,639)	(677,632)	(\$11,142,243)
Cash payments to employees for services	(497,401)	0	0	0	(\$497,401)
<b>Net change in cash from operating activities</b>	<u>(42,897)</u>	<u>(2,630,279)</u>	<u>(170,405)</u>	<u>165,144</u>	<u>(2,678,437)</u>
<b>Cash flows from non capital financing activities:</b>					
Transfer in from other fund	0	2,419,755	20,200	0	\$2,439,955
<b>Net change in cash from capital financing activities</b>	<u>0</u>	<u>2,419,755</u>	<u>20,200</u>	<u>0</u>	<u>2,439,955</u>
<b>Cash flows from capital and related financing activities:</b>					
Acquisition and construction of capital assets	(25,283)	0	0	0	(\$25,283)
Sale of capital assets	68,180	0	0	0	\$68,180
<b>Net change in cash from capital and related financing activities</b>	<u>42,897</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>42,897</u>
<b>Cash flows from investing activities:</b>					
Purchase of investment securities	0	0	0	(117,496)	(117,496)
Interest and dividends on investments	0	202	86	0	\$288
<b>Net change in cash from investing activities</b>	<u>0</u>	<u>202</u>	<u>86</u>	<u>(117,496)</u>	<u>(117,208)</u>
<b>Net change in cash</b>	<u>0</u>	<u>(210,322)</u>	<u>(150,119)</u>	<u>47,648</u>	<u>(312,793)</u>
<b>Cash at beginning of year</b>	<u>0</u>	<u>302,220</u>	<u>236,972</u>	<u>0</u>	<u>539,192</u>
<b>Cash at end of year</b>	<u>\$0</u>	<u>\$91,898</u>	<u>\$86,853</u>	<u>\$47,648</u>	<u>\$226,399</u>
<b><u>RECONCILIATION OF OPERATING (LOSS) NET CHANGE IN CASH FROM OPERATING ACTIVITIES:</u></b>					
Operating (loss)	(\$1,476,828)	(\$2,419,957)	(\$92,391)	\$0	(\$3,989,176)
Adjustments to reconcile operating (loss) to net change in cash from operating activities:					
Depreciation	1,277,633	0	0	0	\$1,277,633
<b>Change in assets and liabilities:</b>					
(Increase) decrease in accounts receivable	108,262	(3,714)	0	0	\$104,548
(Increase) in due from other funds	0	(541,553)	0	0	(\$541,553)
Decrease in inventory	22,628	0	0	0	\$22,628
Increase in accounts payable	43,850	334,945	10,316	165,144	\$554,255
Increase in compensated absences	1,115	0	0	0	\$1,115
(Decrease) in due to other funds	(268,400)	0	(88,330)	0	(\$356,730)
Increase in advances from other funds	248,843	0	0	0	\$248,843
<b>Net change in cash from operating activities</b>	<u>(\$42,897)</u>	<u>(\$2,630,279)</u>	<u>(\$170,405)</u>	<u>\$165,144</u>	<u>(\$2,678,437)</u>
<b><u>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u></b>					
Contributed capital assets from SPLOST VI	46,658	0	0	0	46,658
Contributed capital assets from General Fund	16,957	0	0	0	16,957



# Agency Funds

**Tree Commission Agency Fund** - to account for monies collected for the Tree Commission.

**Evidence Agency Fund** - to account for monies taken in by the Valdosta Police Department but not condemned.

**CITY OF VALDOSTA, GEORGIA**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2012**

	<b>TREE COMMISSION</b>	<b>EVIDENCE AGENCY FUND</b>	<b>TOTAL FIDUCIARY FUNDS</b>
<b>ASSETS</b>			
Cash	\$78,468	\$10,928	\$89,396
Investments	7,299	27,065	34,364
<b>Total assets</b>	<u>\$85,767</u>	<u>\$37,993</u>	<u>\$123,760</u>
<b>LIABILITIES</b>			
Due to other governments and agencies	\$85,767	\$0	\$85,767
Due to others	0	37,993	37,993
<b>Total liabilities</b>	<u>\$85,767</u>	<u>\$37,993</u>	<u>\$123,760</u>

**CITY OF VALDOSTA, GEORGIA**  
**AGENCY FUND**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**TREE COMMISSION**

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
<b><u>ASSETS</u></b>				
Cash	\$51,734	\$29,457	\$1,844	\$78,468
Investments	7,236	63	0	7,299
Total assets	<u>\$58,970</u>	<u>\$29,520</u>	<u>\$1,844</u>	<u>\$85,767</u>
<b><u>LIABILITIES</u></b>				
Liabilities:				
Due to:				
Other governments and agencies	\$58,970	\$30,796	\$3,999	\$85,767
Total liabilities	<u>\$58,970</u>	<u>\$30,796</u>	<u>\$3,999</u>	<u>\$85,767</u>

**EVIDENCE AGENCY FUND**

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
<b><u>ASSETS</u></b>				
Cash	\$13,068	\$3,741	\$5,881	\$10,928
Investments	21,090	39,160	33,185	27,065
Total assets	<u>\$34,158</u>	<u>\$42,901</u>	<u>\$39,066</u>	<u>\$37,993</u>
<b><u>LIABILITIES</u></b>				
Liabilities:				
Due to:				
Others	\$34,158	\$42,901	\$39,066	\$37,993
Total liabilities	<u>\$34,158</u>	<u>\$42,901</u>	<u>\$39,066</u>	<u>\$37,993</u>



# Supplemental Financial Data

CITY OF VALDOSTA, GEORGIA  
 SCHEDULE OF PROJECTS CONSTRUCTED  
 WITH SPECIAL SALES TAX PROCEEDS  
 SALES TAX 2002 FUND  
 For the Year Ended June 30, 2012

No.	Project	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Year SPLOST	Current Year Other Sources	Total	Estimated Percentage of Completion
1	Water and sewer improvements	\$15,700,000	\$15,700,000	\$149,048	\$0	\$0	\$149,048	1%
2	Resurfacing	1,750,000	1,750,000	2,299,016	0	0	2,299,016	100%
3	Streets/sidewalks	4,500,000	4,500,000	3,876,268	0	0	3,876,268	86%
4	Drainage	4,000,000	4,000,000	5,979,745	0	0	5,979,745	100%
5	Environmental compliance	500,000	500,000	0	0	0	0	0%
6	Sanitation equipment	1,350,000	1,350,000	981,994	0	0	981,994	73%
7	Traffic enhancement and safety	1,000,000	1,000,000	2,524,431	0	0	2,524,431	100%
8	Intersection improvement	2,750,000	2,750,000	1,782,323	0	0	1,782,323	65%
9	Saunders park	1,000,000	1,304,337	1,304,337	0	0	1,304,337	100%
10	Freedom park	2,000,000	2,000,000	232,623	0	0	232,623	12%
11	New district 5 park	1,500,000	1,500,000	688,812	0	0	688,812	46%
12	Scott park	1,200,000	1,200,000	1,295,293	0	0	1,295,293	100%
13	Rehab existing fire stations	350,000	350,000	848,486	0	0	848,486	100%
14	City hall renovation	700,000	708,210	869,908	0	0	869,908	100%
15	Customer service expansion	300,000	360,620	360,620	0	0	360,620	100%
16	Streetscape expansion	500,000	500,000	421,012	0	0	421,012	84%
17	St. Augustine underpass	3,000,000	3,000,000	452	0	0	452	0%
18	Crime lab	200,000	200,000	704,300	0	0	704,300	100%
19	Public safety AVL	750,000	750,000	750,000	0	0	750,000	100%
20	Cemetery improvements	200,000	207,767	207,767	0	0	207,767	100%
21	McKey park	300,000	300,000	410,261	0	0	410,261	100%
22	Mathis auditorium	75,000	78,109	78,109	0	0	78,109	100%
23	Craig center	75,000	114,828	115,653	0	0	115,653	100%
24	Minor park improvements	900,000	900,000	705,885	0	0	705,885	78%
25	New station #1 headquarters	1,500,000	1,585,849	1,595,521	0	0	1,595,521	100%
26	Upgrade drill training facility	250,000	250,000	3,571	0	0	3,571	1%
27	100' aerial ladder truck	750,000	788,626	788,626	0	0	788,626	100%
28	Hydraulic rescue tools	150,000	150,000	99,292	0	0	99,292	66%
29	Renovate station #1 (court)	500,000	801,273	1,618,766	0	0	1,618,766	100%
30	Police department	700,000	700,000	535,906	0	0	535,906	77%
31	Technology improvement	0	87,949	235,305	0	0	235,305	0%
32	Vallotton Park	750,000	750,000	240,894	0	0	240,894	32%
33	Other Municipal Improvements	1,895,000	1,895,000	0	0	0	0	0%
34	Multi use trail	0	0	144,262	0	0	144,262	0%
35	Adair street property	0	0	55,000	0	0	55,000	0%
36	Publics works tanks	0	0	93,732	0	0	93,732	0%
37	Water plant and related	0	0	12,334,872	0	0	12,334,872	0%
38	Engineering	0	0	72,397	0	0	72,397	0%
39	Court	0	0	114,424	0	0	114,424	0%
40	Community development	0	0	97,466	0	0	97,466	0%
41	Sanitation res collection	0	0	184,934	0	0	184,934	0%
42	Public works property	0	0	1,028,488	0	0	1,028,488	0%
43	W/S utility facility building	0	0	22,992	0	0	22,992	0%
Subtotal		51,095,000	52,032,568	45,852,791	0	0	45,852,791	
Transfer in		0	0	(91,832)	0	0	(91,832)	
Transfer out		0	0	130,508	0	0	130,508	
TOTAL		\$51,095,000	\$52,032,568	\$45,891,467	\$0	\$0	\$45,891,467	

Schedule accounts for the total funding to be received under the 2002 SPLOST referendum.

\*\$2,000,000 sales tax funding remaining to use which is allocated to train switching area.

CITY OF VALDOSTA, GEORGIA  
SCHEDULE OF PROJECTS CONSTRUCTED  
WITH SPECIAL SALES TAX PROCEEDS  
SALES TAX 2007 FUND  
For the Year Ended June 30, 2012

No.	Project	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Year SPLOST	Current Year Other Sources	Total	Estimated Percentage of Completion
1	Resurfacing	\$2,500,000	\$2,393,650	\$1,112,382	1,492,113	(\$432,400)	\$2,172,095	91%
2	Road improvements	10,000,000	6,825,350	2,162,215	868,261	0	3,030,476	44%
3	Sidewalk improvements	2,000,000	1,680,161	301,811	95,675	0	397,486	24%
4	Intersection improvements	2,500,000	1,675,045	177,405	0	0	177,405	11%
5	Drainage improvements	4,000,000	4,058,274	2,770,352	918,423	0	3,688,775	91%
6	Traffic improvements	1,000,000	615,426	128,586	80,265	0	208,851	34%
7	Street maintenance repairs	500,000	490,666	142,303	0	0	142,303	29%
8	Piping of ditches	1,500,000	600,000	0	0	0	0	0%
9	Crime lab equipment and land acq	1,500,000	2,449,422	2,386,245	63,176	0	2,449,421	100%
10	Driving simulator	200,000	0	0	0	0	0	0%
11	Technology (EVOC range)	200,000	250,211	295,347	0	0	295,347	100%
12	Parking overhang	100,000	0	0	0	0	0	0%
13	Taser equipment	150,000	100,715	0	0	0	0	0%
14	Records management software	600,000	300,000	158,667	124,583	0	283,250	94%
15	District 1 parks	1,000,000	389,156	236,992	0	0	236,992	61%
16	Youth facility	3,000,000	3,000,000	1,080,000	540,000	0	1,620,000	54%
17	Tennis center - McKey park	2,000,000	1,445,372	1,448,843	0	0	1,448,843	100%
18	Azalea city trail - west extension	1,500,000	0	0	0	0	0	0%
19	General park improvements	1,000,000	204,829	64,170	19,532	0	83,702	41%
20	Property purchase for park	2,000,000	1,000,000	1,000,000	0	0	1,000,000	100%
21	Community/senior citizen expansion	255,828	343,006	343,006	0	0	343,006	100%
22	Senior citizen pool	500,000	501,418	501,418	0	0	501,418	100%
23	Fire safety educational training area	500,000	243,290	118,290	0	0	118,290	49%
24	3 bay fire station - Bemiss road	1,250,000	0	0	0	0	0	0%
25	1500 GPM pumper truck	350,000	350,000	0	0	0	0	0%
26	100 ft aerial platform truck	850,000	400,000	0	0	0	0	0%
27	Training facility improvements	750,000	0	0	0	0	0	0%
28	Water & sewer services for annexed islands	5,000,000	0	0	0	0	0	0%
29	Sewer system rehabilitation	5,000,000	6,746,085	2,158,540	780,899	(100,000)	2,839,439	42%
30	Wastewater treatment & disposal expansions	5,000,000	4,015,261	55,113	17,784	0	72,897	2%
31	Water transmission lines phase II	3,000,000	1,300,000	0	0	0	0	0%
32	Refuse trucks	1,000,000	1,034,441	881,808	64,291	0	946,099	91%
33	Benion property improvements	500,000	9,775	9,775	0	0	9,775	100%
34	New recycle center	300,000	21,920	21,919	0	0	21,919	100%
35	Miscellaneous	200,000	63,864	18,960	0	0	18,960	30%
36	Software & hardware	1,500,000	1,511,504	1,403,466	68,093	0	1,471,559	97%
37	Municipal auditorium (prop acq & design)	5,000,000	5,069,844	4,326,450	0	0	4,326,450	85%
38	General	1,000,000	44,502	22,251	0	0	22,251	50%
39	Gateway redevelopment	500,000	200,000	519	0	0	519	0%
40	Contingency	550,000	0	0	0	0	0	0%
41	Airport authority	1,000,000	900,000	1,175,264	0	0	1,175,264	100%
42	Parking deck Hospital	1,500,000	0	0	0	0	0	0%
43	Parks and Rec administration offices/gym	0	837,909	840,073	0	0	840,073	0%
44	Freedom park expansion	0	1,129,073	1,129,073	0	0	1,129,073	0%
45	MLK memorial park	0	0	5,787	0	0	5,787	0%
46	Health Clinic	0	65,589	65,589	0	0	65,589	0%
47	Municipal Auditorium	0	19,141	19,141	343,378	0	362,519	0%
48	Miscellaneous Parks Improvements	0	0	0	4,905	0	4,905	0%
49	Water Treatment Plant By-Pass	0	0	0	89,002	0	89,002	0%
50	Bay Extension	0	140,000	0	7,204	0	7,204	0%
Subtotal		72,755,828	52,424,899	26,561,760	5,577,584	(532,400)	31,606,944	
Transfer in		0	0	(300,000)	0	0	(300,000)	
Transfer out		0	0	0	0	0	0	
TOTAL		\$72,755,828	\$52,424,899	\$26,261,760	\$5,577,584	(\$532,400)	\$31,306,944	

Schedule accounts for the total funding to be received under the 2007 SPLOST referendum.



# Statistical Section (Unaudited)

**City of Valdosta, Georgia**  
***Statistical Section***  
***(Unaudited)***

This part of the City of Valdosta's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This section includes data for the City (i.e., the primary government) only and does not include the City's discretely presented component unit. This information has not been audited by the independent auditor.

**Financial Trends**

These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.

**Revenue Capacity**

These tables contain information that may assist the reader is assessing the viability of the City's two most significant "own-source" revenue sources, water/sewer fees and property taxes.

**Debt Capacity**

These tables present information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

**Demographic and Economic Information**

These tables offer economic and demographic indicators that are commonly used for financial analysis and that can inform one's understanding the City's present and ongoing financial status.

**Operating Information**

These tables contain service and infrastructure indicators that can inform one's understanding how the information in the City's financial statements relates to the services the City provides and the activities it performs.

**Source:**

Unless otherwise noted, the information in these tables is derived from the annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in fiscal year 2003, therefore tables presenting government-wide financial data include data only from that year forward.

## CITY OF VALDOSTA, GEORGIA

## Net Assets by Component

Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$125,395,097	\$127,434,021	\$129,138,910	\$134,779,576	\$140,073,166	\$142,529,877	\$140,740,030	\$141,810,546	\$136,535,181	\$132,580,868
Restricted	0	0	0	0	0	0	5,865,887	2,143,289	5,426,814	9,910,542
Unrestricted	12,179,930	13,136,027	14,358,771	15,067,834	14,841,980	16,437,761	10,515,004	8,289,776	4,020,845	(795,246)
Total governmental activities net assets	<u>\$137,575,027</u>	<u>\$140,570,048</u>	<u>\$143,497,681</u>	<u>\$149,847,410</u>	<u>\$154,915,146</u>	<u>\$158,967,638</u>	<u>\$157,120,931</u>	<u>\$152,248,611</u>	<u>\$145,982,840</u>	<u>\$141,696,164</u>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$51,418,864	\$52,015,466	\$54,130,127	\$65,776,928	\$70,316,009	\$75,084,728	\$85,383,196	\$93,844,326	\$92,578,491	\$95,909,403
Restricted	1,742,703	1,772,280	1,819,256	1,901,402	1,999,816	1,960,292	0	0	0	0
Unrestricted	6,679,161	6,620,705	7,656,889	8,999,650	10,763,976	7,395,534	610,509	(2,328,920)	901,087	(2,300,288)
Total business-type activities net assets	<u>\$59,840,728</u>	<u>\$60,408,451</u>	<u>\$63,606,272</u>	<u>\$76,677,980</u>	<u>\$83,099,801</u>	<u>\$84,440,554</u>	<u>\$85,993,705</u>	<u>\$91,515,406</u>	<u>\$93,479,578</u>	<u>\$93,609,115</u>
<b>Primary government</b>										
Invested in capital assets, net of related debt	\$176,813,961	\$179,449,487	\$183,269,037	\$200,556,504	\$210,389,175	\$217,614,605	\$226,123,226	\$235,654,872	\$229,113,672	\$228,490,271
Restricted	1,742,703	1,772,280	1,819,256	1,901,402	1,999,816	1,960,292	5,865,887	2,143,289	5,426,814	9,910,542
Unrestricted	18,859,091	19,756,732	22,015,660	24,067,484	25,625,956	23,833,295	11,125,513	5,960,856	4,921,932	(3,095,534)
Total primary government net assets	<u>\$197,415,755</u>	<u>\$200,978,499</u>	<u>\$207,103,953</u>	<u>\$226,525,390</u>	<u>\$238,014,947</u>	<u>\$243,408,192</u>	<u>\$243,114,636</u>	<u>\$243,764,017</u>	<u>\$239,462,418</u>	<u>\$235,305,279</u>

## CITY OF VALDOSTA, GEORGIA

## Changes in Net Assets

Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
Governmental activities										
General government	\$10,167,880	\$11,361,884	\$15,193,775	\$26,576,605	\$20,433,405	\$16,079,650	\$21,051,823	\$24,949,781	\$22,509,701	\$24,645,893
Public safety	13,314,331	13,351,024	13,962,393	15,488,066	16,393,539	18,198,511	18,948,740	20,218,017	20,016,681	20,542,890
Culture - recreation	1,011,774	3,630,181	3,724,227	4,136,565	4,110,444	5,417,919	4,757,377	0	0	0
Public works	3,748,342	1,247,951	1,305,601	1,376,646	1,396,732	1,721,811	1,791,236	2,150,240	1,893,486	1,872,351
Community development	1,539,359	985,477	1,085,124	1,135,390	1,314,820	1,686,051	1,214,273	1,125,956	1,110,945	1,101,147
Interest on long-term debt	0	0	15,126	923	0	0	0	0	0	0
Total governmental activities	29,781,686	30,576,517	35,306,246	48,714,185	43,648,940	43,103,942	47,763,449	48,443,994	45,530,812	48,162,281
Business-type activities										
Sanitation	3,224,849	3,358,361	3,070,821	3,845,371	3,436,833	3,793,083	4,269,920	4,124,236	4,379,655	4,392,197
Water and sewer	9,356,671	9,651,817	9,932,394	10,265,738	10,015,706	10,605,817	11,684,974	11,378,940	11,889,430	13,000,285
Inspection	775,538	857,228	964,596	1,241,269	1,309,675	1,349,936	1,328,557	1,022,811	965,786	970,029
Zoning	0	0	229,065	237,745	200,535	187,132	351,768	377,434	446,049	455,267
DOL building	0	0	373,284	375,131	379,478	373,314	357,962	361,234	424,197	368,853
Storms Water	0	0	0	0	670,369	793,438	914,988	962,042	1,231,214	1,371,900
Auditorium	129,649	150,564	155,072	178,518	198,972	183,265	224,187	256,933	240,981	249,576
Motor fuel	0	77,231	193,758	276,315	302,622	437,855	299,556	388,445	527,982	537,152
Total business-type activities	13,486,707	14,095,201	14,918,990	16,420,087	16,514,190	17,723,840	19,431,912	18,872,075	20,105,294	21,345,259
Total primary government	\$43,268,393	\$44,671,718	\$50,225,236	\$65,134,272	\$60,163,130	\$60,827,782	\$67,195,361	\$67,316,069	\$65,636,106	\$69,507,540
<b>Program Revenues</b>										
Governmental activities										
Charges for services										
General government	\$70,010	\$3,177,674	\$3,533,764	\$3,753,195	\$3,922,148	\$334,079	\$304,914	\$116,678	\$94,155	\$204,692
Public safety	1,624,470	1,605,506	1,938,995	1,990,365	2,265,385	2,378,334	2,295,084	2,406,734	2,231,793	2,759,530
Culture - recreation	481,997	541,332	491,710	566,848	551,903	569,084	872,535	4,815	0	0
Other activities	10,645	12,532	12,644	37,831	24,831	100,140	194,471	261,913	263,364	244,771
Operating grants and contributions	2,139,269	962,548	975,405	495,690	1,488,748	2,010,035	2,955,677	1,678,825	2,386,413	683,356
Capital grants and contributions	2,245,491	1,545,230	396,254	3,726,827	3,726,186	2,761,057	235,523	12,809,115	8,202,070	12,086,133
Total governmental activities program revenues	6,571,882	7,844,822	7,348,772	10,570,756	11,979,201	8,152,729	6,868,204	17,278,080	13,177,795	15,978,482
Business-type activities										
Charges for services										
Sanitation	3,645,865	3,648,072	3,717,901	3,739,650	4,143,031	4,300,575	4,266,029	4,347,346	4,278,815	4,161,616
Water and sewer	10,346,522	10,472,408	10,795,892	12,621,177	12,730,564	12,499,565	12,286,043	12,655,546	13,817,286	14,230,907
Inspection	1,136,089	1,216,084	1,200,516	1,225,791	1,145,821	1,001,745	777,209	1,009,372	905,977	644,462
DOL building	0	34,379	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157
Storms Water	0	0	0	0	1,087,770	1,176,378	1,178,261	1,232,845	1,257,082	1,242,399
Other activities	39,910	137,027	434,016	516,404	441,140	546,918	378,853	471,094	762,299	377,719
Operating grants and contributions	0	2,485	73,888	0	0	0	46,673	459,325	0	269,437
Capital grants and contributions	50,000	0	0	65,000	0	0	537,407	4,513,063	1,119,880	957,991
Total business-type activities program revenues	15,218,386	15,510,455	16,691,370	18,637,179	20,017,483	19,994,338	19,939,632	25,157,748	22,610,496	22,713,688
Total primary government program revenues	\$21,790,268	\$23,355,277	\$24,040,142	\$29,207,935	\$31,996,684	\$28,147,067	\$26,797,836	\$42,435,828	\$35,788,291	\$38,692,170
<b>Net (Expense)/Revenue</b>										
Governmental activities	(\$23,209,804)	(\$22,731,695)	(\$27,957,474)	(\$38,143,429)	(\$31,669,739)	(\$34,951,213)	(\$40,905,245)	(\$31,165,914)	(\$32,353,017)	(\$32,183,799)
Business-type activities	1,731,679	1,415,254	1,772,380	2,217,092	3,503,293	2,270,498	507,720	6,285,673	2,505,202	1,368,429
Total primary government net expense	(\$21,478,125)	(\$21,316,441)	(\$26,185,094)	(\$35,926,337)	(\$28,166,446)	(\$32,680,715)	(\$40,397,525)	(\$24,880,241)	(\$29,847,815)	(\$30,815,370)
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities										
Taxes										
Property taxes	\$9,997,351	\$10,496,060	\$10,728,415	\$11,367,687	\$12,029,033	\$8,545,239	\$7,983,728	\$5,804,625	\$5,878,814	\$6,022,229
Sales tax	14,481,860	13,405,552	18,101,005	31,025,993	22,022,727	19,064,945	21,843,864	9,242,810	9,197,511	9,493,841
Accommodations tax	0	0	0	0	0	821,513	1,536,227	1,476,776	1,504,153	1,562,285
Other taxes	0	0	0	0	0	8,323,386	8,593,865	8,303,204	8,264,303	8,925,259
Investment earnings	207,671	226,410	332,336	506,667	651,775	466,490	150,410	292,878	46,580	31,960
Miscellaneous	430,675	393,880	517,696	573,177	502,251	318,093	(85,274)	409,010	640,692	619,479
Contributions to permanent fund	0	0	51,870	0	0	0	0	0	0	0
Transfers	954,694	1,204,814	1,153,785	1,019,634	1,531,689	1,464,039	1,448,969	771,412	555,193	1,242,070
Total governmental activities	26,072,251	25,726,716	30,885,107	44,493,158	36,737,475	39,003,705	41,471,789	26,300,715	26,087,246	27,897,123
Business-type activities										
Property taxes	128,545	92,573	0	89,184	71,473	98,174	0	0	0	0
Investment earnings	82,387	38,658	130,871	348,270	595,253	436,120	81,149	7,440	14,163	3,178
Capital contributions	20,753	226,052	2,448,355	11,436,796	3,783,491	0	0	0	0	0
Transfers	(954,694)	(1,204,814)	(1,153,785)	(1,019,634)	(1,531,689)	(1,464,039)	(1,448,969)	(771,412)	(555,193)	(1,242,070)
Total business-type activities	(723,009)	(847,531)	1,425,441	10,854,616	2,918,528	(929,745)	(1,367,820)	(763,972)	(541,030)	(1,238,892)
Total primary government	\$25,349,242	\$24,879,185	\$32,310,548	\$55,347,774	\$39,656,003	\$38,073,960	\$40,103,969	\$25,536,743	\$25,546,216	\$26,658,231
<b>Change in Net Assets</b>										
Governmental activities	\$2,862,447	\$2,995,021	\$2,927,633	\$6,349,729	\$5,067,736	\$4,052,482	\$566,544	(\$4,865,199)	(\$6,265,771)	(\$4,286,676)
Business-type activities	1,008,670	567,723	3,197,821	13,071,708	6,421,821	1,340,753	(860,100)	5,521,701	1,964,172	129,537
Total primary government	\$3,871,117	\$3,562,744	\$6,125,454	\$19,421,437	\$11,489,557	\$5,393,235	(\$293,556)	\$656,502	(\$4,301,599)	(\$4,157,139)

The City of Valdosta implemented GASB 44 for the fiscal year ended June 30, 2006. This table presents data only for the last 9 years because data for years prior to 2003 is unavailable in the format required by the new standard.

**CITY OF VALDOSTA, GEORGIA**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Fund</b>										
Reserved	\$1,782,337	\$1,692,158	\$1,874,475	\$1,653,503	\$1,493,568	\$1,564,414	\$6,155,409	\$7,927,686	\$0	\$0
Unreserved	7,302,847	7,615,304	8,413,029	9,586,697	10,230,912	10,276,936	5,919,560	1,071,975	0	0
Non spendable	0	0	0	0	0	0	0	0	4,521,846	4,522,249
Restricted	0	0	0	0	0	0	0	0	176,391	181,778
Committed	0	0	0	0	0	0	0	0	10,767	10,767
Assigned	0	0	0	0	0	0	0	0	701,620	316,892
Unassigned	0	0	0	0	0	0	0	0	0	0
<b>Total General Fund</b>	<b>\$9,085,184</b>	<b>\$9,307,462</b>	<b>\$10,287,504</b>	<b>\$11,242,200</b>	<b>\$11,724,480</b>	<b>\$11,841,350</b>	<b>\$12,074,969</b>	<b>\$8,999,661</b>	<b>\$5,410,624</b>	<b>\$5,031,686</b>
<b>All Other Governmental Funds</b>										
Reserved	\$3,717,984	\$5,665,556	\$4,535,398	\$4,444,578	\$4,656,963	\$8,284,616	\$4,083,398	\$5,709,854	\$0	\$0
Unreserved, reported in:										
Special revenue funds	(461,770)	(1,996,391)	(1,860,612)	(1,771,166)	(2,323,132)	(2,585,325)	(385,432)	(13,830)	0	0
Capital projects funds	(2,599,896)	(5,149,179)	(4,504,634)	(5,053,707)	(4,982,373)	(2,648,012)	3,979,550	(547,313)	0	0
Nonspendable, reported in:										
Special revenue funds	0	0	0	0	0	0	0	0	2,967,676	2,835,801
Capital projects funds	0	0	0	0	0	0	0	0	774,135	696,464
Permanent funds	0	0	0	0	0	0	0	0	1,472,224	1,525,822
Restricted, reported in:										
Special revenue funds	0	0	0	0	0	0	0	0	128,682	249,087
Capital projects funds	0	0	0	0	0	0	0	0	3,466,879	7,194,623
Committed, reported in:										
Special revenue funds	0	0	0	0	0	0	0	0	0	0
Capital projects funds	0	0	0	0	0	0	0	0	0	0
Assigned, reported in:										
Special revenue funds	0	0	0	0	0	0	0	0	107,906	205,630
Capital projects funds	0	0	0	0	0	0	0	0	763,598	39,966
Unassigned, reported in:										
Special revenue funds	0	0	0	0	0	0	0	0	(275,654)	(223,869)
Capital projects funds	0	0	0	0	0	0	0	0	(25,757)	0
<b>Total all other governmental funds</b>	<b>\$656,318</b>	<b>(\$1,480,014)</b>	<b>(\$1,829,848)</b>	<b>(\$2,380,295)</b>	<b>(\$2,648,542)</b>	<b>\$3,051,279</b>	<b>\$7,677,516</b>	<b>\$5,148,711</b>	<b>\$9,379,689</b>	<b>\$12,523,524</b>
<b>Total all governmental funds</b>	<b>\$9,741,502</b>	<b>\$7,827,448</b>	<b>\$8,457,656</b>	<b>\$8,861,905</b>	<b>\$9,075,938</b>	<b>\$14,892,629</b>	<b>\$19,752,485</b>	<b>\$14,148,372</b>	<b>\$14,790,313</b>	<b>\$17,555,210</b>

The City of Valdosta implemented GASB 44 for the fiscal year ended June 30, 2006.

This table presents data only for the last ten years because data for years prior to 2003 is unavailable in the format required by the new standard.

The City of Valdosta implemented GASB 54 for the fiscal year ended June 30, 2011.

Fund balances presented for fiscal years after 2010 are classified according to the new standard (see note 1 in the financial statements).



**CITY OF VALDOSTA, GEORGIA**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Taxes	\$23,973,320	\$24,618,659	\$31,712,880	\$45,390,222	\$37,436,011	\$38,559,386	\$28,554,986	\$24,755,327	24,345,814	25,550,030
Licenses and permits	238,322	270,858	353,027	339,199	355,287	350,301	439,643	423,463	394,262	519,109
Charges for services	789,670	835,734	756,132	762,923	726,163	740,615	1,048,126	116,347	384,075	437,959
Fines and forfeitures	1,203,653	1,195,662	1,517,246	1,152,529	1,341,798	1,354,321	1,318,613	1,361,565	1,414,425	1,517,532
Interest income	207,671	192,567	332,335	506,667	698,182	466,492	149,868	314,351	46,581	33,402
Contributions	167,877	206,263	132,803	114,895	128,094	131,843	124,039	44,444	59,507	55,730
Miscellaneous	234,337	219,544	245,778	263,223	240,942	336,547	306,393	272,068	520,475	687,666
Intergovernmental	4,339,053	2,496,842	1,277,527	4,861,189	2,616,216	3,409,690	15,102,975	15,843,248	12,238,994	14,151,399
Total revenues	31,153,903	30,036,129	36,327,728	53,390,847	43,542,693	45,349,195	47,044,643	43,130,813	39,404,133	42,952,827
<b>Expenditures</b>										
General government	5,822,725	6,687,170	7,158,194	7,684,767	8,198,996	9,338,406	10,560,058	10,802,936	10,777,003	9,917,407
Public safety	13,367,658	13,559,120	13,818,717	15,024,733	15,849,163	17,311,993	17,778,539	18,495,579	20,244,673	18,763,903
Public works	1,361,481	1,411,107	1,321,513	1,412,171	1,462,712	1,624,554	1,658,821	1,940,432	1,260,475	1,721,218
Culture-recreation	3,496,263	3,453,591	3,519,065	3,652,521	3,653,276	3,772,028	4,313,907	0	519,943	0
Economic development and assistance	1,589,177	1,014,688	1,102,995	1,109,737	1,266,656	1,607,675	1,165,702	1,115,620	1,316,736	1,066,518
Capital outlay	6,506,308	7,124,786	9,924,773	25,116,255	13,766,133	7,333,982	11,110,102	17,024,777	5,767,224	8,191,502
Debt service										
Interest	971	1,281	1,357	923	0	0	0	0	0	141,998
Principal	2,053	3,255	4,691	5,125	0	0	0	0	0	13,710
Total expenditures	32,146,636	33,254,998	36,851,305	54,006,232	44,196,936	40,988,638	46,587,129	49,379,344	39,886,054	39,816,256
Excess of revenues over (under) expenditures	(992,733)	(3,218,869)	(523,577)	(615,385)	(654,243)	4,360,557	457,514	(6,248,531)	(481,921)	3,136,571
<b>Other Financing Sources (Uses)</b>										
Capital lease	27,216	0	0	0	0	0	0	0	579,740	0
Transfers in	1,187,016	1,556,823	1,617,046	1,607,582	2,045,782	1,842,815	6,504,629	3,151,993	2,034,678	3,281,658
Transfers out	(232,322)	(252,009)	(463,261)	(587,948)	(1,177,506)	(386,681)	(2,102,287)	(2,507,575)	(1,490,556)	(3,653,332)
Total other financing sources (uses)	981,910	1,304,814	1,153,785	1,019,634	868,276	1,456,134	4,402,342	644,418	1,123,862	(371,674)
Net change in fund balances	(\$10,823)	(\$1,914,055)	\$630,208	\$404,249	\$214,033	\$5,816,691	\$4,859,856	(\$5,604,113)	\$641,941	\$2,764,897
Debt service as a percentage of noncapital expenditures	0.012%	0.017%	0.022%	0.021%	0.000%	0.000%	0.000%	0.000%	0.000%	0.492%

The City of Valdosta implemented GASB 44 for the fiscal year ended June 30, 2006.  
This table presents data only for the last Ten years because data for years prior to 2003 is unavailable in the format required by the new standard.

**Last Ten Fiscal Years**

(accrual basis of accounting)

Function/Program	Program Revenues									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities:</b>										
General government	\$1,905,722	\$4,682,203	\$3,926,694	\$7,470,137	\$7,047,025	\$2,870,427	\$518,237	\$7,204,123	\$8,106,728	\$11,594,766
Public safety	2,742,958	2,254,085	2,557,569	2,010,699	3,952,751	3,193,007	4,330,966	5,326,139	3,624,803	3,589,112
Culture - recreation	566,658	623,840	568,528	619,797	573,334	582,084	890,830	11,791	0	0
Public works	58,957	85,221	71,359	422,484	93,748	108,327	117,483	3,446,562	103,835	148,462
Public involvement	1,297,587	199,473	224,582	47,639	312,343	1,398,884	1,000,688	1,289,465	1,342,429	646,142
<b>Subtotal governmental activities</b>	<b>6,571,882</b>	<b>7,844,822</b>	<b>7,348,772</b>	<b>10,570,756</b>	<b>11,979,201</b>	<b>8,152,729</b>	<b>6,858,204</b>	<b>17,278,080</b>	<b>13,177,795</b>	<b>15,978,482</b>
<b>Business-type activities:</b>										
Sanitation	3,695,865	3,650,557	3,791,789	3,739,650	4,143,031	4,300,575	4,312,702	4,862,180	4,571,388	4,337,833
Water and sewer	10,346,522	10,472,408	10,795,892	12,686,179	12,730,564	12,499,565	12,823,450	17,036,186	13,885,754	14,230,907
Inspection	1,136,089	1,216,084	1,200,516	1,225,791	1,145,821	1,001,745	777,209	1,009,372	905,977	737,682
Zoning	0	0	178,036	182,864	80,742	56,437	30,140	117,931	204,679	144,487
DOL building	0	34,379	489,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157
Storm Water	0	0	0	0	1,087,770	1,176,378	1,178,261	1,232,845	1,257,082	2,200,390
Auditorium	39,910	56,083	54,940	50,770	50,520	45,380	41,210	31,380	18,407	46,237
Motor fuel	0	80,944	201,040	282,770	309,878	445,101	307,503	398,697	539,213	546,995
<b>Subtotal business-type activities</b>	<b>15,218,386</b>	<b>15,510,455</b>	<b>16,691,370</b>	<b>18,637,181</b>	<b>20,017,483</b>	<b>19,994,338</b>	<b>19,939,632</b>	<b>25,157,748</b>	<b>21,851,657</b>	<b>22,713,688</b>
<b>Total primary government</b>	<b>\$21,790,268</b>	<b>\$23,355,277</b>	<b>\$24,040,142</b>	<b>\$29,207,937</b>	<b>\$31,996,684</b>	<b>\$28,147,067</b>	<b>\$26,797,836</b>	<b>\$42,435,828</b>	<b>\$35,029,452</b>	<b>\$38,692,170</b>

The City of Valdosta implemented GASB 44 for the fiscal year ended June 30, 2006.

This table presents data only for the last ten years because data for years prior to 2003 is unavailable in the format required by the new standard.

**CITY OF VALDOSTA, GEORGIA****Tax Revenues by Source, Governmental Funds****Last Ten Fiscal Years**

(modified accrual basis of accounting)

<b>Fiscal Year</b>	<b>General Property</b>	<b>Sales &amp; Use</b>	<b>Gross Receipts &amp; Business</b>	<b>Other</b>	<b>Total</b>
2003	6,874,559	10,615,115	5,962,865	233,769	23,686,308
2004	5,317,376	12,800,754	6,245,346	255,183	24,618,659
2005	7,589,831	17,381,285	6,546,092	195,672	31,712,880
2006	4,853,252	26,644,343	7,044,517	254,708	38,796,820
2007	8,056,276	21,703,699	7,350,353	324,050	37,434,378
2008	8,411,898	21,145,147	7,940,115	1,062,226	38,559,386
2009	8,984,292	21,054,260	8,100,675	1,712,442	39,851,669
2010	6,183,929	20,502,768	7,712,296	1,611,331	36,010,324
2011	5,807,053	17,942,154	7,716,286	1,634,372	33,099,865
2012	6,088,589	18,265,089	8,916,032	1,562,163	34,831,873
Change					
2003-2012	-11.43%	72.07%	49.53%	568.25%	47.05%

**CITY OF VALDOSTA, GEORGIA**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Seven Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Residential</b>		<b>Commercial</b>		<b>Industrial</b>		<b>Utility</b>		<b>Agricultural</b>		<b>Historic</b>		<b>Other</b>		<b>Less: Tax-Exempt Property</b>		<b>Total Taxable Assessed Value</b>		<b>Total Direct Tax Rate</b>	
	<b>Property</b>	<b>Property</b>	<b>Property</b>	<b>Property</b>	<b>Property</b>	<b>Property</b>	<b>Property</b>	<b>Property</b>	<b>Property</b>	<b>Property</b>	<b>Property</b>	<b>Property</b>	<b>Property</b>	<b>Property</b>	<b>Property</b>	<b>Property</b>	<b>Value</b>	<b>Value</b>	<b>Rate</b>	<b>Rate</b>
2006	\$480,315,099		\$419,722,088		\$209,892,634		\$30,520,520		\$1,029,714		\$979,742		\$95,577,555		\$129,473,274		\$1,108,564,078		4.414	
2007	514,895,594		442,873,903		210,228,598		30,661,246		1,016,688		848,857		96,489,639		118,610,386		1,178,404,139		4.400	
2008	608,077,263		496,575,674		211,342,704		35,208,321		1,245,605		542,834		100,278,038		135,762,901		1,317,507,538		4.180	
2009	646,130,167		519,877,842		267,228,266		31,885,295		1,415,300		555,130		104,308,207		170,386,752		1,401,013,455		4.112	
2010	656,256,822		540,518,877		260,797,430		32,714,743		2,275,146		556,930		106,858,670		173,025,160		1,426,953,458		4.131	
2011	658,578,350		557,128,860		228,784,772		32,272,532		1,972,320		823,195		96,143,768		153,692,980		1,422,010,817		4.112	
2012	659,437,865		547,708,336		245,225,166		32,906,051		1,969,190		822,117		94,767,295		180,228,732		1,402,607,288		4.112	

Source: Lowndes County Tax Commissioner

The City of Valdosta has implemented GASB 44 for the fiscal year ended June 30, 2006.

This table presents data only for the last seven years because data for years prior to 2006 is unavailable in the format required by the new standard.

## CITY OF VALDOSTA, GEORGIA

## Water and Sewer Rates

## Last Ten Fiscal Years

Fiscal Year	Residential Class			
	Water Base Charge	Sewer Base Charge	Water Rate Per CCF	Sewer Rate Per CCF
2003	2.00	2.00	1.05	2.14
2004	2.00	2.00	1.05	2.14
2005	2.00	2.00	1.10	2.25
2006	2.50	2.50	1.15	2.30
2007	2.50	2.50	1.15	2.30
2008	2.50	2.50	1.15	2.30
2009	2.50	2.50	1.27	2.54
2010	2.50	2.50	1.27	2.54
2011	3.00	3.00	1.33	2.66
2012	3.50	3.50	1.40	2.80

Note: Rates are based on 5/8" meter, which is the standard household meter size. Rates for outside the city limits are doubled.

Fiscal Year	Bulk Class	
	Water Rate Per CCF	Sewer Rate Per CCF
2003	0.73	1.60
2004	0.73	1.60
2005	0.78	1.70
2006	0.82	1.75
2007	0.82	1.75
2008	0.82	1.75
2009	0.90	2.04
2010	0.90	2.04
2011	0.90	2.04
2012	0.90	2.04

Note: Base charge varies with meter size. Bulk rate user with industrial sized meter using greater than 1,000 CCF per month.

**CITY OF VALDOSTA, GEORGIA**  
**Direct and Overlapping Property Tax Rates,**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>City Direct Rate</b>	<b>Overlapping Rates*</b>		
		<b>Valdosta School District</b>	<b>Community Improvement District</b>	<b>Lowndes County</b>
2003	4.630	12.29	15.00	9.01
2004	4.470	12.29	15.00	8.86
2005	4.480	13.98	15.00	8.86
2006	4.414	14.98	15.00	8.86
2007	4.400	14.98	15.00	8.86
2008	4.180	15.98	15.00	9.76
2009	4.112	15.98	10.00	9.56
2010	4.131	15.98	10.00	9.56
2011	4.112	16.98	10.00	9.56
2012	4.112	16.98	10.00	9.56

Source: Lowndes County Tax Commissioner

\*Overlapping rates are those of local and county governments that apply to property owners within the City of Valdosta. Not all overlapping rates apply to all Valdosta property owners; for example, the Community Improvement District rates apply only to the city property owners whose property is within the district's geographic boundaries.

CITY OF VALDOSTA, GEORGIA  
Principal Water Sewer Customers  
Last Seven Fiscal Years

Customer	2012			2011			2010			2009			2008			2007			2006		
	Amount Paid	Rank	Percentage of Total	Amount Paid	Rank	Percentage of Total	Amount Paid	Rank	Percentage of Total	Amount Paid	Rank	Percentage of Total	Amount Paid	Rank	Percentage of Total	Amount Paid	Rank	Percentage of Total	Amount Paid	Rank	Percentage of Total
A D M	\$745,835	1	5.33%	\$538,804	1	3.91%	\$495,333	1	3.86%	\$615,233	1	4.98%	\$456,870	1	3.68%	\$427,351	1	3.48%	\$402,861	1	3.28%
Valdosta State University	397,654	2	2.80%	446,869	2	3.24%	235,884	3	1.89%	162,565	5	1.31%	167,025	3	1.34%	300,424	3	2.45%	299,726	3	2.44%
Valdosta Correctional Institute	362,925	3	2.56%	332,048	3	2.41%	388,710	2	3.19%	386,723	2	3.13%	302,032	2	2.43%	304,868	2	2.48%	356,007	2	2.90%
South Georgia Medical Center	259,453	4	1.83%	183,178	5	1.33%	185,675	4	1.49%	185,695	3	1.50%	133,664	5	1.08%	90,526	5	0.74%	108,270	5	0.88%
Campus Crest	187,860	5	1.33%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lowndes County Utilities	179,881	6	1.27%	273,743	4	1.99%	70,774	9	0.57%	87,470	9	0.71%	-	-	-	-	-	-	-	-	-
City of Remerton	130,346	7	0.92%	118,029	7	0.86%	108,042	6	0.86%	88,358	8	0.71%	82,003	7	0.66%	81,508	7	0.66%	92,954	7	0.76%
ERCO Worldwide	97,720	8	0.69%	102,197	8	0.74%	73,086	8	0.58%	88,902	7	0.72%	69,576	9	0.56%	76,372	8	0.62%	92,331	8	0.75%
Arizona Chemical	93,679	9	0.68%	69,809	10	0.51%	75,504	7	0.60%	122,544	6	0.99%	80,001	8	0.64%	86,746	6	0.71%	94,764	6	0.77%
Lowndes County Jail	86,640	10	0.61%	118,539	6	0.86%	164,164	5	1.31%	163,757	4	1.32%	137,199	4	1.10%	166,355	4	1.36%	229,167	4	1.87%
Woodstone Apartments	-	-	-	91,873	9	0.67%	68,265	10	0.55%	-	-	-	-	-	-	-	-	-	-	-	-
Sart	-	-	-	-	-	-	-	-	0.66%	81,192	10	0.66%	93,253	6	0.75%	58,716	10	0.48%	-	-	-
South Georgia Pecan Co.	-	-	-	-	-	-	-	-	-	-	-	-	56,157	10	0.45%	58,742	9	0.48%	89,857	9	0.73%
Spanish Mission Apartments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	72,295	10	0.59%
<b>Total</b>	<b>\$2,557,993.00</b>		<b>18.00%</b>	<b>\$2,275,089.00</b>		<b>16.50%</b>	<b>\$1,975,437.00</b>		<b>15.00%</b>	<b>\$1,982,325.00</b>		<b>16.03%</b>	<b>\$1,577,780.00</b>		<b>12.69%</b>	<b>\$1,651,608.00</b>		<b>13.46%</b>	<b>\$1,939,232.00</b>		<b>14.89%</b>

The City of Valdosta implemented GASB 44 for the fiscal year ended June 30, 2006. This table presents data only for the last seven years because data for years prior to 2006 is unavailable in the format required by the new standard.

City of Valdosta, Georgia  
Principal Property Taxpayers  
For the Fiscal Years Ended June 30, 2012 and 2003

2012		2003	
Principal Taxpayer	Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
	Rank	Rank	
Archer Daniels Midland Co.	\$ 70,385,862	1	5.02%
Lowes Distribution, Inc.	44,234,583	2	3.15%
Home Depot	35,937,594	3	0.48%
JM Smith Corp	23,972,395	4	1.21%
South Georgia Pecan	17,015,675	5	0.89%
Marelana Valdosta Mall	12,549,205	6	0.83%
Saft Newco, Inc.	11,707,744	7	1.71%
Wal-Mart\Sam's Club	11,379,114	8	0.81%
ACC/GF 111 Blanton Comm	8,830,959	9	0.63%
Stratas Foods LLC	6,785,451	10	2.56%
Total Principal Taxpayers	242,798,582		17.31%
All Other Taxpayers	1,159,808,706		82.69%
Total	\$1,402,607,288		100.00%
Archer Daniels Midland Co.	\$ 34,803,710	1	3.32%
Wal-Mart\Sam's Club	10,043,297	2	0.96%
Crackin' Good	7,954,304	3	0.76%
Saft Newco, Inc.	5,894,291	4	0.56%
Lowes Distribution, Inc.	5,364,332	5	0.51%
First Line Corp	4,544,641	6	0.43%
Trus Joist Corporation	4,519,411	7	0.43%
South Georgia Pecan	3,743,074	8	0.36%
Internation Paper	3,273,883	9	0.31%
Shaw Carpet (formerly Queen Carpet)	2,460,440	10	0.23%
Total Principal Taxpayers	82,601,383		7.87%
All Other Taxpayers	965,632,659		92.13%
Total	\$ 1,048,234,042		100.00%

**Source:**

Lowndes County Tax Commissioner's Office



**CITY OF VALDOSTA, GEORGIA**  
**Property Tax Levies and Collections**  
**Last Nine Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2004	\$3,812,463	\$3,710,905	97.34%	\$100,545	\$3,811,451	99.97%
2005	3,924,538	3,843,897	97.95%	79,140	3,923,037	99.96%
2006	4,243,210	4,132,429	97.39%	110,509	4,242,939	99.99%
2007	4,535,866	4,407,328	97.17%	126,761	4,534,089	99.96%
2008	4,809,340	4,673,113	97.17%	132,189	4,805,302	99.92%
2009	5,066,177	4,859,886	95.93%	199,722	5,059,608	99.87%
2010	5,428,500	5,173,541	95.30%	158,839	5,332,380	98.23%
2011	5,567,391	5,302,865	95.25%	170,026	5,472,891	98.30%
2012	5,307,294	5,063,850	95.41%	0	5,063,850	95.41%

The City of Valdosta has implemented GASB 44 for the fiscal year ended June 30, 2006. This table presents data only for the last nine years because data for years prior to 2004 is unavailable in the format required by the new standard.

## CITY OF VALDOSTA, GEORGIA

## Ratios of Outstanding Debt by Type

Last Ten Fiscal Years  
(accrual basis of accounting)

Fiscal Year	Governmental Activities	Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Leases	Water/Sewer Revenue Bonds	Term Loans Payable			
2003	\$103,627	\$4,345,000	\$5,037,488	\$9,486,115	0.92%	\$213
2004	89,936	3,730,000	9,793,071	13,613,007	0.01	302
2005	74,811	3,075,000	9,617,321	12,767,132	0.00	281
2006	59,252	2,380,000	9,697,675	12,136,927	0.01	268
2007	41,738	1,635,000	9,232,713	10,909,451	0.01	240
2008	31,303	845,000	8,523,878	9,400,181	0.01	198
2009	0	0	7,826,077	7,826,077	0.01	161
2010	0	0	8,541,977	8,541,977	0.01	164
2011	579,740	0	37,252,311	37,832,051	0.02	694
2012	437,742	0	47,965,307	48,403,049	N/A	N/A

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

The City of Valdosta implemented GASB 44 for the fiscal year ended June 30, 2006. This table presents data only for the last 9 years because data for years prior to 2003 is unavailable in the format required by the new standard.

## CITY OF VALDOSTA, GEORGIA

## Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years  
(accrual basis of accounting)

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Redevelopment Bonds	Total		
2003	\$0	\$0	\$0	0%	\$0.00
2004	0	0	0	0	0.00
2005	0	0	0	0	0.00
2006	0	0	0	0	0.00
2007	0	0	0	0	0.00
2008	0	0	0	0	0.00
2009	0	0	0	0	0.00
2010	0	0	0	0	0.00
2011	0	0	0	0	0.00
2012	0	0	0	0	0.00

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

## CITY OF VALDOSTA, GEORGIA

## Direct and Overlapping Governmental Activities Debt

As of June 30, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Valdosta City School System	\$25,000,000	100.00%	\$25,000,000
Other debt			
Lowndes County - Capital leases CVDA	10,570,000	50.05%	5,290,285
Lowndes County - Capital leases Fleet fund	112,600	50.05%	56,356
			<u>5,346,641</u>
Subtotal, overlapping debt			30,346,641
City direct debt			<u>437,742</u>
			<u><u>\$30,784,383</u></u>

Sources: Assessed value data used to estimate applicable percentage provided by Lowndes County.  
Debt outstanding provided by each government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Estimated percentage applicable based on 2011 County taxable valuation of \$2,802,132,715 and City taxable valuation of \$1,402,607,288 percent 50.05%.

## CITY OF VALDOSTA, GEORGIA

## Legal Debt Margin Information

Last Ten Fiscal Years

(accrual basis of accounting)

## Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	\$1,402,607,288
Debt limit (10% of assessed value)	140,260,729
Debt applicable to limit:	
General obligation bonds	0
Less: Amount set aside for	
repayment of general	
obligation debt	0
Total net debt applicable to limit	0
Legal debt margin	\$140,260,729

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$104,823,404	\$110,235,372	\$114,517,340	\$110,856,408	\$117,840,414	\$131,750,754	\$139,496,150	\$142,695,346	\$142,201,082	\$140,260,729
Total net debt applicable to limit	0	0	0	0	0	0	0	0	579,740	437,742
Legal debt margin	\$104,823,404	\$110,235,372	\$114,517,340	\$110,856,408	\$117,840,414	\$131,750,754	\$139,496,150	\$142,695,346	\$141,621,342	\$139,822,987
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.41%	0.31%

## CITY OF VALDOSTA, GEORGIA

## Pledged-Revenue Coverage

Last Ten Fiscal Years

(accrual basis of accounting)

Water/Sewer Revenue Bonds						
Fiscal Year	Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2003	\$10,203,846	\$8,882,242	\$1,321,604	\$580,000	\$291,332	1.52
2004	10,416,425	9,103,476	1,312,949	615,000	255,408	1.51
2005	10,700,936	9,492,747	1,208,189	655,000	216,688	1.39
2006	12,270,158	9,895,746	2,374,412	695,000	174,764	2.73
2007	12,671,409	9,700,991	2,970,418	745,000	129,236	3.40
2008	12,430,660	10,358,463	2,072,197	790,000	80,225	2.38
2009	12,751,671	11,294,145	1,457,526	0	0	0.00
2010	12,561,957	10,816,122	1,745,835	0	0	0.00
2011	13,817,286	11,595,259	2,222,027	0	0	0.00
2012	14,177,921	11,744,634	2,433,287	0	0	0.00

Note: Details about the City's outstanding debt can be found in the notes to the financial statements. Operating revenue includes charges for services within the water/sewer fund.

City of Valdosta, Georgia  
Demographic and Economic Statistics  
Last Ten Fiscal Years

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Year	Population	Personal Income	Per Capita Income	Median Age	School Enrollment	Unemployment Rate
2002	44,593	2,173,170	23,207	N/A	7,009	3.9%
2003	45,005	2,207,876	23,390	N/A	6,933	3.6%
2004	45,609	2,330,941	24,315	31.3	6,921	3.6%
2005	45,205	3,098,589	24,838	30.2	6,878	4.1%
2006	45,529	3,220,081	25,381	31.0	7,149	4.3%
2007	47,567	3,400,690	26,504	31.1	7,245	5.2%
2008	48,547	3,673,193	29,169	27.3	7,377	5.8%
2009	52,169	3,967,021	29,184	29.5	7,501	8.6%
2010	54,518	4,063,000	29,512	30.9	7,511	8.8%
2011	56,019	4,134,363	N/A	27.1	7,647	9.2%

**Sources:**

US Census Bureau

US Department of Commerce - BEA

Georgia Department of Labor

Valdosta City School Board

City of Valdosta, Georgia  
Principal Employers  
For the Fiscal Years Ended June 30, 2012 and 2003

	2012			2003		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
<u>Employer</u>						
Moody Air Force Base	5,230	1	8.76%	4,480	1	7.55%
South Georgia Medical Center	2,500	2	4.19%	2,300	2	3.88%
Lowndes County Schools	1,450	3	2.43%	2,280	3	3.84%
Valdosta State University	1,350	4	2.26%	1,279	4	2.16%
Valdosta City School System	1,300	5	2.18%	950	5	1.60%
Walmart Supercenters	842	6	1.41%	733	6	1.23%
Lowe's Distribution Center	777	7	1.30%	659	7	1.11%
Convergys Corp	572	8	0.96%	555	8	0.93%
City of Valdosta Government	565	9	0.95%	540	9	0.91%
Lowndes County Government	551	10	0.92%	450	10	0.76%
Total Principal Employees	15,137		25.36%	14,226		23.97%
Other Employees	44,547		74.64%	45,134		76.03%
Total Employees	59,684		100.00%	59,360		100.00%

**Sources:**

Georgia Department of Labor  
Valdosta- Lowndes Industrial Authority



City of Valdosta, Georgia  
Full-time Equivalent City Employees by Function/Program  
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
City Manager's Office	3	3	3	5	5	5	5	4	4	4
Municipal Court	5	5	4	4	8	4	5	4	4	4
Human Resources	4	4	4	4	4	4	4	4	4	4
Finance	22.5	22	22	23	23	23	25	24	24	26
Engineering	31	31	31	31	30	30	30	27	27	27
Information Technology	0	0	0	0	1	1	1	1	1	2
Facility Maintenance	6.5	6.5	7	7	6	6	4	4	5	5
Police	141	142	152	158	167	178	179	169	171	172
Fire	102	102	102	103	106	106	106	104	99	98
Public Works	32	32	33	33	33	33	33	36	36	32
Public Involvement	0	0	0	0	0	0	7	7	8	7
Community Development	17	17	19	19	15	20	31	25	24	22
Parks & Recreation	85.5	85.25	99.25	104.25	59	61	59	0	0	0
Sanitation	50	50	54	54	54	55	55	54	55	48
Water	39.1	39.1	40.1	39.1	39.1	39.4	39.7	44	44	49
Sewer	72.9	72.9	75.9	73.9	61.9	62.6	63.3	39	39	36
Storm Water	0	0	0	0	13	13	13	13	14	14
Inspections	19	15	17	20.5	20	19	0	0	0	0
Zoning	0	0	0	0	3	2	4	4	4	4
Fleet	14	14	15	15	15	15	15	15	15	11
Total	644.5	640.75	678.25	693.75	663	677	679	578	578	565

**Sources:**  
City Budget Office (Budget Books)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>City of Valdosta</b>										
<b>Operating Indicators by Function/Program</b>										
<b><u>Engineering</u></b>										
Feet of Failed Pavement Repaired	23,676	30,000	35,000	40,000	40,000	40,000	10,000	10,000	10,000	10,000
Percent of projects awarded within 10% of engineer's estimate	80	80%	85%	90%	90%	90%	90%	90%	90%	90%
<b><u>Municipal Court</u></b>										
Dockets Processed	13,327	13,327	10,358	14,500	14,750	15,000	14,500	15,000	15,000	16,500
<b><u>Police</u></b>										
Increase in Citizen contacts	1,672	1,672	1,800	2,000	2,000	2,500	2,650	2,650	2,650	2,900
Narcotics Arrests	279	279	378	420	420	340	310	320	320	320
Students Completing Dare	1,330	1,330	1,304	1,310	1,340	1,360	1,310	1,360	1,360	1,376
<b><u>Fire</u></b>										
Number of Fire Stations	7	7	7	7	7	7	7	7	7	7
Number of Fire Inspections performed	766	628	975	1,000	1,300	1,340	1,380	1,390	1,395	1,390
<b><u>Public Works</u></b>										
Street Sweeping Frequency per year	20	20	23	25	25	25	25	25	25	30
<b><u>Arborist</u></b>										
Number of Trees Planted	250	134	150	150	150	100	100	75	75	280
Number of trees Pruned	1,000	978	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,200
<b><u>Public Involvement</u></b>										
Bi-monthly Newsletters Produced	6	6	6	6	6	6	6	6	6	6
Net Gain of new downtown Buinesses	5	7	6	7	7	5	6	5	5	6
<b><u>Sanitation</u></b>										
Residential Stops/collection employee/week	725	725	755	775	775	890	925	925	925	2,620
Commercial lifts per hour/driver	14	14	16.5	18	18	18	18	25	25	38
<b><u>Drainage</u></b>										
Feet of storm drain cleaned and maintained	22,737	22,737	14,000	15,000	36,000	20,000	20,000	20,000	20,000	13,311
<b><u>Water</u></b>										
Average volume of water treated (MGD)	8.023	8.023	8.078	8.647	9.500	9.850	10.500	11.150	11.150	11.500
New meters installed annually	606	606	433	500	500	500	500	500	500	1000
<b><u>Sewer</u></b>										
Average volume of wastewater treated daily (MGD)	9.010	9.010	10.300	9.7	9.8	8.84	9.5	9.5	9.5	6.5
Miles of sewers maintained	231	231	245	248	250	260	265	260	270	270
<b><u>Inspections</u></b>										
Percentage of Plans completed within 10 days	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Perctnage of inspections completed in 24 hours	90%	90%	95%	95%	95%	95%	95%	95%	95%	95%
<b><u>Auditorium</u></b>										
Number of Days Rented	331	335	336	338	339	340	340	330	330	330

City of Valdosta, Georgia  
Capital Asset Statistics by Function Program  
Last Ten Fiscal Years

Function Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	127	127	127	148	144	156	150	157	155	155
Fire Stations	7	7	7	7	7	7	7	7	7	7
Refuse collection										
Collection trucks	13	13	13	13	13	13	13	13	134	134
Other public works										
Streets (miles)	293	294	294	297	302	304	304	304	304	304
Streetlights	5,630	5,688	5,743	5,748	5,748	6,133	6,217	6,217	6,222	6,266
Traffic signals	102	109	115	117	122	124	124	124	125	126
Park and recreation										
Acreage	505	505	505	505	505	505	505	300	300	300
Playgrounds	5	5	5	5	5	5	5	2	2	2
Baseball/softball diamonds	29	29	29	29	29	29	29	24	24	24
Soccer/football fields	3	3	3	3	3	3	3	3	3	3
Community centers	6	6	6	6	6	6	6	1	1	1
Water										
Water mains (miles)	268	275	281	286	297	303	305	311	320	389
Fire hydrants	2,100	2,175	2,239	2,340	2,454	2,650	2,927	3,112	3,200	3,301
Storage capacity (gallons)	11,200,000	11,200,000	11,200,000	11,200,000	11,400,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000
Wastewater										
Sanitary sewers (miles)	234	240	245	248	258	266	315	320	325	325
Treatment capacity (gallons)	11,330,000	11,330,000	11,330,000	11,330,000	11,330,000	11,330,000	11,330,000	11,330,000	13,830,000	13,830,000

Sources: Various city departments

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# Single Audit

## CITY OF VALDOSTA, GEORGIA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2012

Grant Title	CFDA Number	Grant I. D. Number	Expenditures
<b><u>U S Department of Agriculture</u></b>			
Direct Federal Grants:			
Emergency Watershed Protection Program	10.923	65-4310-11-01	\$ 955,403
TOTAL U S DEPARTMENT OF AGRICULTURE			955,403
<b><u>Department of Energy</u></b>			
Direct Federal Grants:			
Energy Efficiency and Conservation Block Grant - ARRA	81.128	DE-EE0002184	5,501
TOTAL U S DEPARTMENT OF ENERGY			5,501
<b><u>U S Environmental Protection Agency</u></b>			
Direct Federal Grants:			
Brownfields Assessment and Cleanup Cooperative Agreements - ARRA	66.818	2B-95427209-0	93,220
Indirect Federal Grants:			
Passed through Georgia Environmental Facilities Authority (GEFA)			
Clean Water Program (loan) - ARRA	66.458	2W-95423509-0	9,296,716
TOTAL U S ENVIRONMENTAL PROTECTION AGENCY			9,389,936
<b><u>Department of Homeland Security</u></b>			
Direct Federal Grants:			
Homeland Security Cluster	97.067	2008-GE-T8-0017	1,562
Homeland Security Cluster	97.067	2009-SS-T9-0047	30,618
Homeland Security Cluster	97.067	2010-SS-T0-0034	13,803
			45,983
Law Enforcement Officer Reimb. Agreement	97.090	HSTS0208HSLR286	133,305
TOTAL U S DEPARTMENT OF HOMELAND SECURITY			179,288
<b><u>Department of Housing and Urban Development</u></b>			
HOME Investment Partnerships Program			
State of GA Community HOME			
Investment Program (CHIP)	14.239	07m-x-092-2-2961	19,816
Investment Program (CHIP)	14.239	07mr-x-092-2-2979	20,000
			39,816
Community Development Block Grants			
Entitlement Grants Cluster	14.218	B-09-MC-13-0015	6,930
Entitlement Grants Cluster	14.218	B-10-MC-13-0015	105,536
Entitlement Grants Cluster	14.218	B-11-MC-13-0015	235,289
Entitlement Grants Cluster - ARRA	14.253	B-09-MY-13-0015	14,554
Total Entitlement Grant Cluster			362,309
Economic Development Initiative-Special Projects, Neighborhood Initiative and Miscellaneous Grants			
Congressional Grant	14.251	B-08-SP-GA-0160	137,440
TOTAL U S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			539,565
<b><u>Department of Justice</u></b>			
Direct Federal Grants:			
JAG Program Cluster	16.738	2009-DJ-BX-1098	18,404
JAG Program Cluster	16.738	2011-DJ-BX-2936	27,370
JAG Program Cluster - ARRA	16.804	2010-DJ-BX-1510	48,249
Indirect Federal Grants:			
Office of Justice Programs			
JAG Program Cluster - ARRA	16.803	2009-SU-B9-0003	100,062
Total JAG Program Cluster			194,085
Direct Federal Grants:			
Congressionally Recommended Award	16.753	2010-DD-BX-0620	194,220
Bulletproof Vest Partnership Program	16.607	N/A	8,007
Cops Hiring Recovery Program	16.710	2009-RK-WX-0287	325,338
Indirect Federal Grants:			
Office of Justice Programs			
Community Prosecution and Project Safe Neighborhoods	16.609	2008-GP-CX-0091	8,094
Community Prosecution and Project Safe Neighborhoods	16.609	2011-GP-BX-0094	29,656
			37,750
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	2010-CD-BX-0010	97,656
TOTAL U S DEPARTMENT OF JUSTICE			857,056
<b><u>Department of Transportation</u></b>			
Direct Federal Grants:			
Airport Development Aid Program	20.106	3-13-0115-26-2010	236,269
Airport Development Aid Program	20.106	3-13-0115-27-2010	1,584,258
Airport Development Aid Program	20.106	3-13-0115-28-2011	301,438
Total Direct Department of Transportation			2,121,965
State of Georgia Passthrough Federal Grants:			
Governor's Office of Highway Safety			
Highway Safety Cluster	20.600	GA-2011-191-00393	11,323
Highway Safety Cluster	20.600	GA-2012-191-00360	33,989
			45,312
TOTAL U S DEPARTMENT OF TRANSPORTATION			2,167,277
<b>TOTAL OF EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$14,094,026</b>

The accompanying notes are an integral part of this statement.

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

**NOTE 1.      GENERAL**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Valdosta (the “City”). The City receives pass-through financial assistance from the Georgia Department of Community Affairs and the Georgia Department of Transportation.

**NOTE 2.      BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities.



**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***

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**To the Honorable Mayor and Members  
of the City Council  
Valdosta, Georgia**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Valdosta, Georgia (the "City"), as of and for the year ended June 30, 2012, which collectively comprise the City of Valdosta, Georgia's basic financial statements and have issued our report thereon dated March 15, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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

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



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**Compliance and Other Matters**

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

We noted certain matters that we reported to the management of the City of Valdosta, Georgia in a separate letter dated March 15, 2013.

This report is intended solely for the information and use of management, the City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
March 15, 2013



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

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**To the Honorable Mayor and Members  
of the City Council  
City of Valdosta, Georgia**

Compliance

We have audited the City of Valdosta, Georgia's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2012. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the 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, 2012. The results of our auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133.

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Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

This report is intended solely for the information and use of management, the City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
March 15, 2013

## CITY OF VALDOSTA, GEORGIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**SECTION I  
SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weaknesses identified? \_\_\_ yes    X no

Significant deficiencies identified not considered  
to be material weaknesses? \_\_\_ yes    X none reported

Noncompliance material to financial statements noted? \_\_\_ yes    X no

**Federal Awards**

Internal Control over major programs:

Material weaknesses identified? \_\_\_ yes    X no

Significant deficiencies identified not considered  
to be material weaknesses? \_\_\_ yes    X none reported

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

Any audit findings disclosed that are required to  
be reported in accordance with OMB Circular  
A-133, Section 510(a)? \_\_\_ yes    X no

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
66.458	Clean Water Program – ARRA
10.923	Emergency Watershed Program
20.106	Airport Improvement Program
14.218	CDBG Entitlement Cluster
14.253	CDBG Entitlement Cluster – ARRA
16.710	COPS Hiring Program

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

Auditee qualified as low-risk auditee? \_\_\_ yes    X no

**CITY OF VALDOSTA, GEORGIA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012**

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**SECTION II  
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported

**SECTION III  
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported

**CITY OF VALDOSTA, GEORGIA****SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2012**

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**STATUS OF PRIOR YEAR AUDIT FINDINGS****2012 - 1. Verification Check for Covered Transactions (Procurement and Suspension and Debarment) –****ARRA Clean Water Program, CFDA# 66.458****JAG Program Cluster, CFDA# 16.803, 16.738****ARRA JAG Program Cluster, CFDA# 16.804****CDBG Entitlement Cluster, CFDA# 14.218****ARRA CDBG Entitlement Cluster, CFDA# 14.253**

Criteria: As a recipient of federal awards, the City is charged with the responsibility of verifying that covered transactions (procurement contracts for goods and services that are expected to equal or exceed \$25,000, or meet certain other specified criteria) are not awarded to debarred or suspended parties.

Condition: During our testing of federal award contracts, we noted instances in which the City could not provide documentation that a verification check for debarment/suspension was performed and did not include the requirement within the contract.

Status: Resolved.

**2012 - 2. Approval of Timecards (Allowable Costs / Cost Principles) – COPS Hiring Program, CFDA# 16.710**

Criteria: As a recipient of federal awards, the City is charged with the responsibility of approving employee timecards to ensure that amounts are being properly charged to the federal award.

Condition: During our testing of federal award contracts, we noted an instance in which the City could not provide documentation that approval of employee timecards was performed.

Status: Resolved.

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