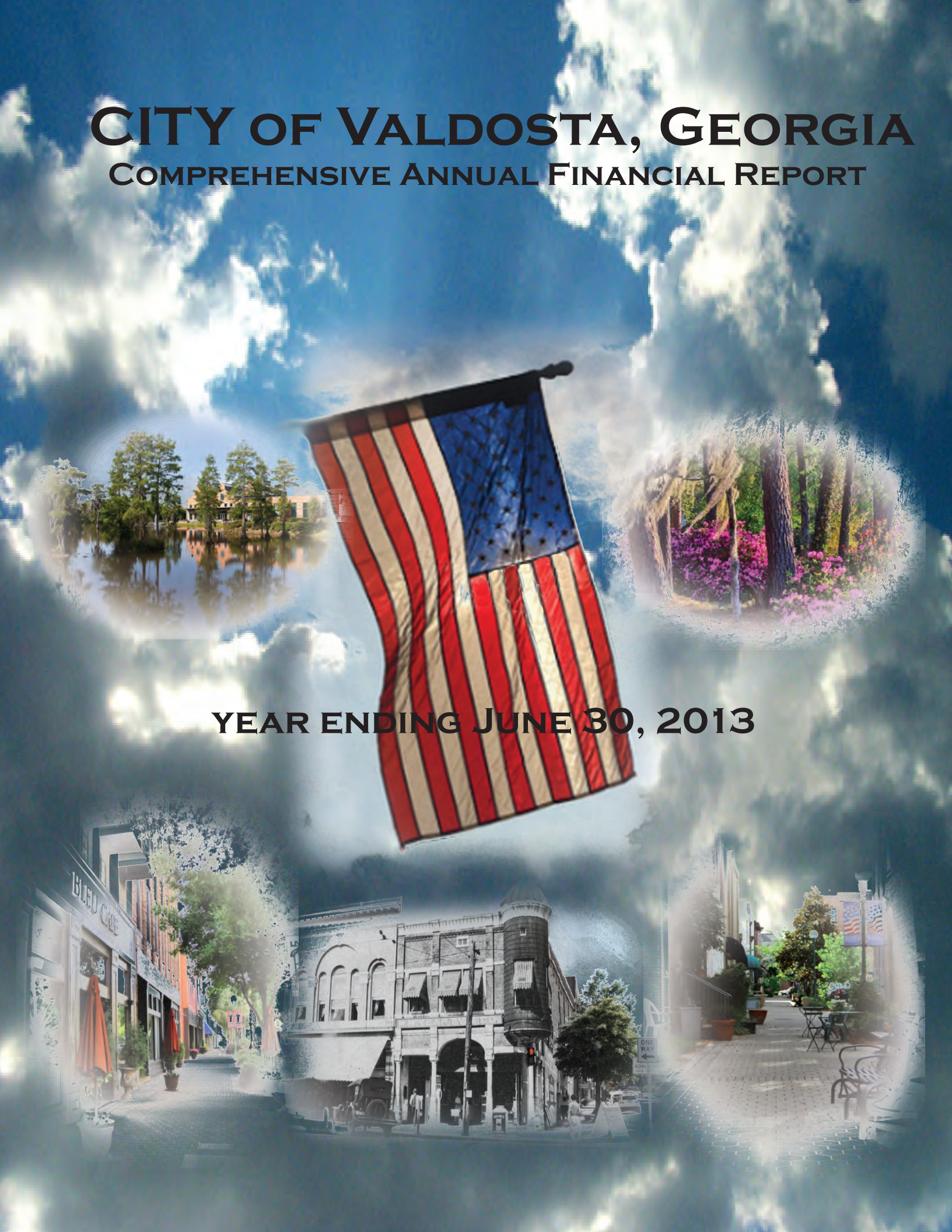


# **CITY OF VALDOSTA, GEORGIA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**YEAR ENDING JUNE 30, 2013**





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# Comprehensive Annual Financial Report

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**City of Valdosta, Georgia**  
for the Fiscal Year  
July 1, 2012 - June 30, 2013

FINANCE DEPARTMENT  
L. Mark Barber, Deputy City Manager of Administration

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A photograph of the United States flag waving in the wind against a bright blue sky filled with large, white, fluffy clouds. The flag is positioned diagonally, with the top left corner near the top center of the frame and the bottom right corner near the bottom right. The stripes of the flag are clearly visible, and the stars are visible in the upper left portion. The entire image is framed by a thick red border, which is itself surrounded by a thinner blue border.

# Introduction

January 24, 2014

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 2013 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



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, 2013. 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 Authorities 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 2013 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, 2012. This was the twenty-fifth 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, 2013. This was the thirteenth 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 2014 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,

L. Mark Barber  
Deputy City Manager Administration





Government Finance Officers Association

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

Presented to

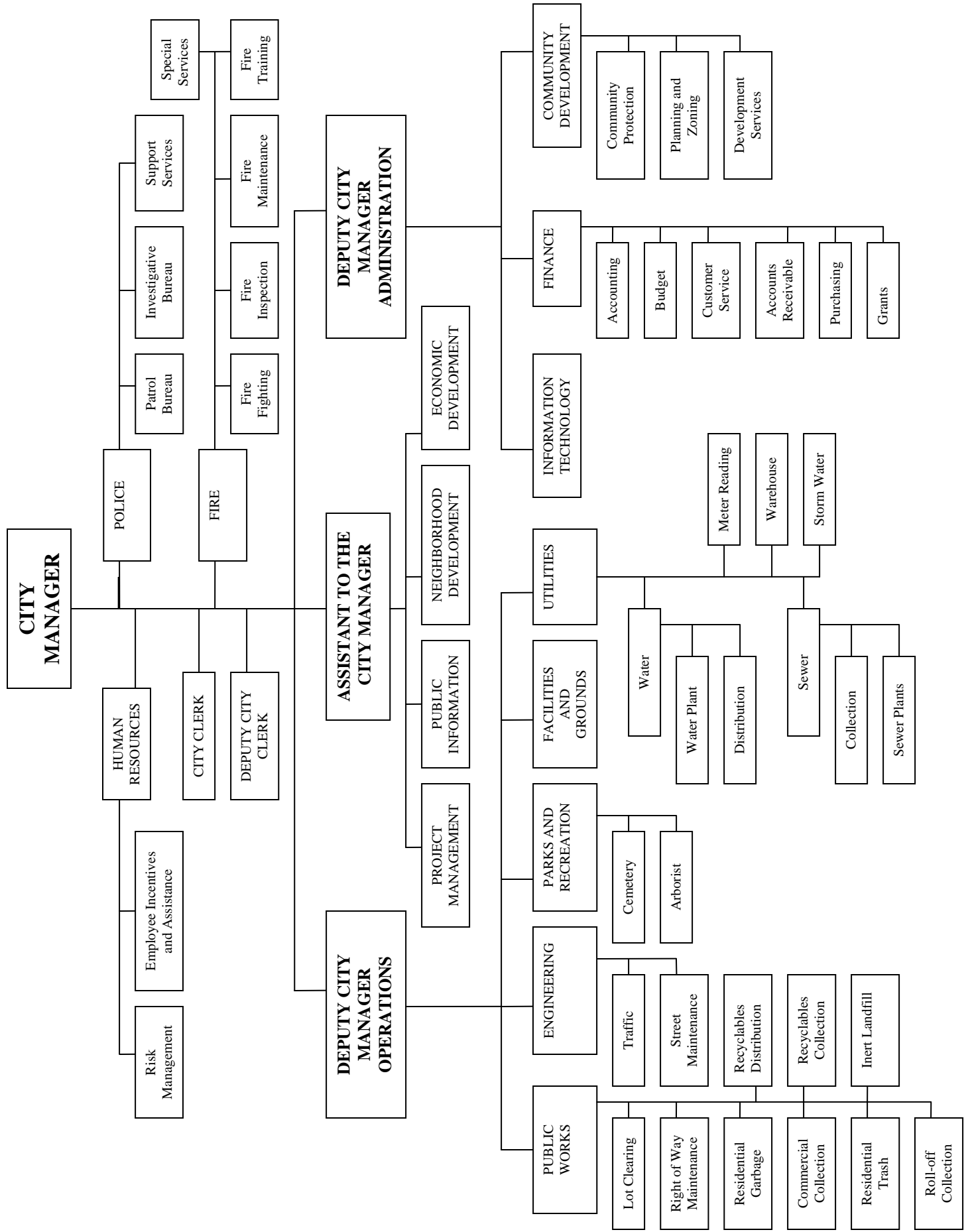
**City of Valdosta  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Executive Director/CEO



## **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

L. Mark Barber  
L. Mark Barber  
Patrick S. Collins  
J. D. Rice  
Brian Childress  
John Whitehead, III  
Henry Hicks  
Michael T. Martin

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Valdosta, Georgia (the "City")**, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Valdosta, Georgia's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

---

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Valdosta, Georgia as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1 and Note 21, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, as well as Statement No. 65, *Items Previously Reported as Assets and Liabilities*, as of July 1, 2012. Our opinion is not modified with respect to this matter. As discussed in Note 1, Note 19, and Note 21, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34 as Assets and Liabilities*, as of July 1, 2012. Our opinion is not modified with respect to this matter.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 16), budgetary comparison information (on pages 78 through 79), and the Schedules of Funding Progress (on pages 81 and 82) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Valdosta, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-21, and is also not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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.

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2014, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Valdosta, Georgia's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Albany, Georgia  
January 24, 2014



An American flag is shown flying in a sky filled with large, white, fluffy clouds. The flag is positioned diagonally, with the top left corner towards the upper left of the frame. The stars and stripes are clearly visible. The entire image is framed by a thick red border, which is itself surrounded by a thinner blue border.

# 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, 2013. 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 \$233.04 million. Of this amount, none may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's governmental net position decreased by \$7.35 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 decreased by \$1.68 million (or 4%) and the net results from activities increased \$.83 million. The results of activities produced a decrease in net assets of \$7.35 million. Governmental expenses decreased by \$2.51 million.
- The business-type activities revenue increased by \$.73 million and the net results from activities increased by \$5.95 million. The results of activities produced an increase in net position of \$5.76 million.
- The total cost of all City programs decreased by \$3.84 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 \$.50 million.
- The City's total debt increased \$2.22 million (or 5%). 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 Position;<br>Statement of Activities                                | Balance Sheet;<br>Statement of Revenues, Expenditures, and Changes in Fund Balances  | Statement of Net Position;<br>Statement of Revenues, Expenses, and Changes in Net Position;<br>Statement of Cash Flows  | Statement of Fiduciary Assets and Liabilities  |
| 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 position 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 position—the difference between the City's assets and liabilities/deferred inflows—is one way to measure the City's financial health, or position.

- Over time, increases or decreases in the City of Valdosta's net position 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.

### 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.
- 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



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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 Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, 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.

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

**Net Position.** The City of Valdosta's combined net position decreased 1.00 percent from \$234.64 million at June 30, 2012 to \$233.04 million at June 30, 2013. (See table A-1.)

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-1

### City of Valdosta's Net Position

*(In millions of dollars)*

|  | <b>Governmental<br/>Activities</b> |               | <b>Business-type<br/>Activities</b> |               | <b>Total</b>    |                 | <b>Total<br/>Percentage<br/>Change</b> |
|--|------------------------------------|---------------|-------------------------------------|---------------|-----------------|-----------------|--|
|  | <b>2012</b>                        | <b>2013</b>   | <b>2012</b>                         | <b>2013</b>   | <b>2012</b>     | <b>2013</b>     | <b>2012 – 2013</b>                     |
| Current and other assets                           | \$25.31                            | \$21.19       | \$1.66                              | \$1.47        | \$26.97         | \$22.66         | (15.98%)                               |
| Capital Assets                                     | 133.02                             | 132.36        | 143.87                              | 151.64        | 276.89          | 284.00          | 2.57%                                  |
| <b>Total Assets</b>                                | <b>158.33</b>                      | <b>153.55</b> | <b>145.53</b>                       | <b>153.11</b> | <b>303.86</b>   | <b>306.66</b>   | <b>.92%</b>                            |
| Long-term debt outstanding                         | 0.44                               | 0.30          | 47.97                               | 50.33         | 48.41           | 50.63           | 4.59%                                  |
| Other liabilities                                  | 15.96                              | 18.70         | 4.72                                | 4.18          | 20.68           | 22.88           | 10.64%                                 |
| <b>Total Liabilities</b>                           | <b>16.40</b>                       | <b>19.00</b>  | <b>52.69</b>                        | <b>54.51</b>  | <b>69.09</b>    | <b>73.51</b>    | <b>6.40%</b>                           |
| Deferred Inflow of Resources                       | .14                                | .11           | 0                                   | 0             | .14             | .11             | -2.14%                                 |
| Net Position                                       |                                    |               |                                     |               |                 |                 |  |
| Invested in capital assets,<br>net of related debt | 132.58                             | 132.07        | 95.91                               | 101.30        | 228.49          | 233.37          | 2.14%                                  |
| Restricted   | 9.91                               | 8.34          | -                                   | -             | 9.91            | 8.34            | (15.84%)                               |
| Unrestricted                                       | (0.70)                             | (5.97)        | (3.07)                              | (2.70)        | (3.77)          | (8.67)          | 129.97%                                |
| <b>Total Net Position</b>                          | <b>141.79</b>                      | <b>134.44</b> | <b>92.84</b>                        | <b>98.60</b>  | <b>\$234.63</b> | <b>\$233.04</b> | <b>(0.68%)</b>                         |

Net Position of the City's governmental activities decreased by 5.2 percent to \$134.44 million. However, much of the net position 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 position showed a \$5.97 million deficit at the end of the year.

The deficit in unrestricted governmental net position was negatively affected by several factors for fiscal year 2013. 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 position of the City's business-type activities increased by 6.2 percent to \$98.60 million, these resources cannot be used to add to the net asset surplus in governmental activities. The City generally can only use the net position to finance the continuing operations of the business-type activities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Changes in net position

The City's total revenues decreased by 1.66 percent to \$64.40 million. (See Table A-2) Approximately 39 percent of the City's revenue comes from fees charged for services, 14 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 decreased by 5.63 percent. The City's expenses cover a myriad of services, with approximately 30.41 percent related to public safety, 34.75 percent related to general government expenses, and 18.50 percent related to water/sewer expenses. The balance of 16.34 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 decreased \$1.82 million (or 4.26%) to \$40.95 million, while governmental activities expenses experienced a decrease of \$2.61 million (or 5.41%) to \$45.65 million.

The decrease in governmental revenue is the result of near completion of a capital project at Valdosta Regional Airport. The drainage project was funded through a Federal Aviation Administration Grant. 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 Position  
(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>2012</b>              | <b>2013</b>     | <b>2012</b>              | <b>2013</b>    | <b>2012</b>         | <b>2013</b>     | <b>Change</b>      |
|                                      |                          |                 |                          |                |                     |                 | <b>2012 – 2013</b> |
| <b>REVENUES</b>                      |                          |                 |                          |                |                     |                 |                    |
| <b>Program Revenues:</b>             |                          |                 |                          |                |                     |                 |                    |
| Charges for Services                 | \$3.21                   | \$2.73          | \$21.49                  | \$22.69        | \$24.70             | \$25.42         | 2.91%              |
| Operating Grants & Contributions     | 0.68                     | 2.17            | 0.27                     | -              | 0.95                | 2.17            | 128.42%            |
| Capital Grants & Contributions       | 12.09                    | 9.62            | 0.96                     | 0.76           | 13.05               | 10.38           | (20.46%)           |
| <b>General Revenues:</b>             |                          |                 |                          |                |                     |                 |                    |
| Property Taxes                       | 6.16                     | 6.34            | -                        | -              | 6.16                | 6.34            | 2.92%              |
| Sales Taxes                          | 9.49                     | 9.22            | -                        | -              | 9.49                | 9.22            | (2.85%)            |
| Accommodations Tax                   | 1.56                     | 1.67            | -                        | -              | 1.56                | 1.67            | 7.05%              |
| Other Taxes                          | 8.93                     | 8.94            | -                        | -              | 8.93                | 8.94            | 0.11%              |
| Investment Earnings                  | 0.03                     | 0.03            | -                        | -              | 0.03                | 0.03            | 0.00%              |
| Misc                                 | 0.62                     | 0.23            | -                        | -              | 0.62                | 0.23            | (62.90%)           |
| <b>Total Revenues</b>                | <b>42.77</b>             | <b>40.95</b>    | <b>22.72</b>             | <b>23.45</b>   | <b>65.49</b>        | <b>64.40</b>    | <b>(1.66%)</b>     |
| <b>EXPENSES</b>                      |                          |                 |                          |                |                     |                 |                    |
| <b>Program Activities</b>            |                          |                 |                          |                |                     |                 |                    |
| <b>Primary Government:</b>           |                          |                 |                          |                |                     |                 |                    |
| Governmental Activities:             |                          |                 |                          |                |                     |                 |                    |
| General Government                   | 24.65                    | 22.93           | -                        | -              | 24.65               | 22.93           | (6.98%)            |
| Public Safety                        | 20.54                    | 20.07           | -                        | -              | 20.54               | 20.07           | (2.29%)            |
| Public Works                         | 1.87                     | 1.61            | -                        | -              | 1.87                | 1.61            | (13.90%)           |
| Economic Development and Assistance  | 1.20                     | 1.04            | -                        | -              | 1.20                | 1.04            | (13.33%)           |
| <b>Business-type Activities:</b>     |                          |                 |                          |                |                     |                 |                    |
| Solid Waste                          | -                        | -               | 4.39                     | 4.48           | 4.39                | 4.48            | 2.05%              |
| Water/Sewer                          | -                        | -               | 13.32                    | 12.21          | 13.32               | 12.21           | (8.33%)            |
| Housing Inspections                  | -                        | -               | 0.97                     | 0.95           | 0.97                | 0.95            | (2.06%)            |
| Zoning                               | -                        | -               | 0.46                     | 0.36           | 0.46                | 0.36            | (21.74%)           |
| DOL Building                         | -                        | -               | 0.37                     | 0.35           | 0.37                | 0.35            | (5.41%)            |
| Stormwater                           | -                        | -               | 1.37                     | 1.22           | 1.37                | 1.22            | (10.95%)           |
| City Auditorium                      | -                        | -               | 0.25                     | 0.21           | 0.25                | 0.21            | (16.00%)           |
| Motor Fuel                           | -                        | -               | 0.54                     | 0.56           | 0.54                | 0.56            | 3.70%              |
| <b>Total Expenses</b>                | <b>48.26</b>             | <b>45.65</b>    | <b>21.67</b>             | <b>20.34</b>   | <b>69.93</b>        | <b>65.99</b>    | <b>(5.63%)</b>     |
| Excess (deficiency) before transfers | (5.49)                   | (4.70)          | 1.05                     | 3.11           | (4.44)              | (1.59)          | (64.19%)           |
| Transfers                            | 1.24                     | (2.65)          | (1.24)                   | 2.65           | -                   | -               | 0.00%              |
| Increase (Decrease) in Net Position  | (4.25)                   | (7.35)          | (0.19)                   | 5.76           | (4.44)              | (1.59)          | (64.19%)           |
| Net position, beginning, restated    | 146.04                   | 141.79          | 93.03                    | 92.84          | 239.07              | 234.63          | (1.86%)            |
| Net position, ending                 | <b>\$141.79</b>          | <b>\$134.44</b> | <b>\$92.84</b>           | <b>\$98.60</b> | <b>\$234.63</b>     | <b>\$233.04</b> | <b>(0.68%)</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 \$45.65 million.
- However, the amount that taxpayers paid for these activities through City taxes was \$26.18 million. Some of the cost was paid by:
  - Those who benefited directly from the programs (\$2.73 million).
  - Other governments and organizations that subsidized certain programs with grants and contributions (\$11.79 million).
  - Other miscellaneous sources such as investments (\$.26 million).

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

| Function                            | Total Cost<br>Of Services |                | Percentage<br>Change | Net Cost<br>of Services |              | Percentage<br>Change |
|-------------------------------------|---------------------------|----------------|----------------------|-------------------------|--------------|----------------------|
|                                     | 2012                      | 2013           | 2012 – 2013          | 2012                    | 2013         | 2012 – 2013          |
| General Government                  | \$24.65                   | \$22.93        | (6.98%)              | \$13.05                 | \$14.18      | 8.66%                |
| Public Safety                       | 20.54                     | 20.07          | (2.29%)              | 16.95                   | 15.39        | (9.20%)              |
| Public Works                        | 1.87                      | 1.61           | (13.90%)             | 1.72                    | 0.88         | (48.84%)             |
| Economic Development and Assistance | 1.20                      | 1.04           | ( 13.33%)            | 0.56                    | 0.69         | 50.00%               |
| <b>Total</b>                        | <b>\$48.26</b>            | <b>\$45.65</b> | <b>(5.41%)</b>       | <b>\$32.28</b>          | <b>31.14</b> | <b>(3.53%)</b>       |

### Business-type Activities

Total revenues available during the year to finance enterprise (business type) activities were \$23.45 million. Funding was made available as follows: program revenues \$22.69 million and grants \$.76 million.



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

The cost of all enterprise (business-type) activities for the year accumulated to \$20.34 million consisting of the following activities: solid waste \$4.48 million, water/sewer \$12.21 million, inspections \$.95 million, city auditorium \$.21 million, motor fuel \$.56 million, zoning \$.36 million, DOL building \$.35 million, and storm water \$1.22 million. In addition the Enterprise funds transferred \$1.43 million to the General Fund for administrative services, and \$0.26 million to Group Insurance Fund.

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

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

Comparing the FY 2013 original General Fund budget, in the amount of \$31.55 million, to the final budget amount of \$32.01 million represents an increase of \$.46 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 \$.50 million.

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

#### **Capital Assets**

As of the year-end, the City had \$284 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 \$7.11 million or 2.57 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>2012</b>              | <b>2013</b>     | <b>2012</b>              | <b>2013</b>     | <b>2012</b>         | <b>2013</b>     | <b>2012 – 2013</b>       |
| <b>Non-depreciable assets</b> |                          |                 |                          |                 |                     |                 |                          |
| Land                          | \$76.84                  | \$76.85         | \$2.75                   | \$2.78          | \$79.59             | \$79.63         | 0.05%                    |
| Construction in progress      | 2.22                     | 1.51            | 47.03                    | 15.72           | 49.25               | 17.23           | (65.02%)                 |
| <b>Depreciable Assets</b>     |                          |                 |                          |                 |                     |                 |                          |
| Land improvements             | 13.86                    | 13.86           | 85.39                    | 88.35           | 99.25               | 102.21          | 2.98%                    |
| Buildings                     | 28.73                    | 28.87           | 51.29                    | 90.63           | 80.02               | 119.50          | 49.34%                   |
| Equipment                     | 9.19                     | 9.63            | 5.80                     | 5.87            | 14.99               | 15.50           | 3.40%                    |
| Motor vehicles                | 14.45                    | 15.46           | -                        | -               | 14.45               | 15.46           | 6.99%                    |
| Infrastructure                | 98.97                    | 101.20          | -                        | -               | 98.97               | 101.20          | 2.25%                    |
| Intangibles                   | -                        | -               | 1.16                     | 1.16            | 1.16                | 1.16            | 0.00%                    |
| Accumulated depreciation      | (111.24)                 | (115.02)        | (49.55)                  | (52.87)         | (160.79)            | (167.89)        | 4.42%                    |
|                               | <b>\$133.02</b>          | <b>\$132.36</b> | <b>\$143.87</b>          | <b>\$151.64</b> | <b>\$276.89</b>     | <b>\$284.00</b> | <b>2.57%</b>             |

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

The decrease in construction in progress is the result of a sewer plant expansion that was on-going over the past years. The completion of this project is also the major source of the increase in the building asset category.

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 \$50.63 million in total debt outstanding. Government wide debt increased by 4.59 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<br/>Activities</b> |                | <b>Business-type<br/>Activities</b> |                | <b>Total</b>   |                | <b>Total<br/>Percentage<br/>Change</b> |
|----------------|------------------------------------|----------------|-------------------------------------|----------------|----------------|----------------|--|
|                | <b>2012</b>                        | <b>2013</b>    | <b>2012</b>                         | <b>2013</b>    | <b>2012</b>    | <b>2013</b>    |  |
| Notes Payable  | \$-                                | \$-            | \$45.19                             | \$47.78        | \$45.19        | \$47.78        | 5.73%                                  |
| Bonds Payable  | -                                  | -              | 2.78                                | 2.55           | 2.78           | 2.55           | (8.27%)                                |
| Capital Leases | 0.44                               | 0.30           | -                                   | -              | 0.44           | 0.30           | (31.82%)                               |
| <b>Total</b>   | <b>\$ 0.44</b>                     | <b>\$ 0.30</b> | <b>\$47.97</b>                      | <b>\$50.33</b> | <b>\$48.41</b> | <b>\$50.63</b> | <b>4.59%</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 2013. 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 \$.50 million. Despite the economic conditions for fiscal year 2013, 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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The background of the slide is a photograph of the United States flag waving in the wind against a bright blue sky filled with large, white, fluffy clouds. The flag is positioned diagonally, with the top left corner near the top left of the frame and the bottom right corner near the bottom right. The stars and stripes are clearly visible. The entire image is framed by a thick red border, which is itself surrounded by a thinner blue border.

# Basic Financial Statements

**CITY OF VALDOSTA, GEORGIA**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2013**

|                                      | <b>Primary Government</b>          |                                     |                      |
|--------------------------------------|------------------------------------|-------------------------------------|----------------------|
|                                      | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total</b>         |
| <b>ASSETS</b>                        |                                    |                                     |                      |
| Cash                                 | \$6,009,276                        | \$925,744                           | \$6,935,020          |
| Investments                          | 2,097,927                          | 1,984,875                           | 4,082,802            |
| Receivables (net)                    | 4,737,937                          | 2,395,179                           | 7,133,116            |
| Due from other governments           | 2,301,667                          | 918,595                             | 3,220,262            |
| Interfund balances                   | 5,376,258                          | (5,376,258)                         | 0                    |
| Inventories                          | 0                                  | 628,889                             | 628,889              |
| Other assets                         | 660,523                            | 0                                   | 660,523              |
| Capital assets:                      |                                    |                                     |                      |
| Non-depreciable                      | 78,358,381                         | 18,492,101                          | 96,850,482           |
| Depreciable (net)                    | 54,004,081                         | 133,143,715                         | 187,147,796          |
| <b>Total Assets</b>                  | <b>\$153,546,050</b>               | <b>\$153,112,840</b>                | <b>\$306,658,890</b> |
| <b>LIABILITIES</b>                   |                                    |                                     |                      |
| Accounts payable                     | \$2,438,436                        | \$1,737,335                         | \$4,175,771          |
| Contracts payable                    | 203,943                            | 0                                   | 203,943              |
| Accrued interest payable             | 0                                  | 197,783                             | 197,783              |
| Deposits                             | 0                                  | 800,950                             | 800,950              |
| Non-current liabilities              |                                    |                                     |                      |
| Due within one year:                 |                                    |                                     |                      |
| Compensated absences                 | 758,000                            | 228,347                             | 986,347              |
| Due to other governments & agencies  | 8,563                              | 2,013,032                           | 2,021,595            |
| Capital leases payable               | 145,862                            | 0                                   | 145,862              |
| Bonds payable                        | 0                                  | 233,000                             | 233,000              |
| Landfill closure and post closure    | 0                                  | 52,000                              | 52,000               |
| Due in more than one year:           |                                    |                                     |                      |
| Other post employment benefits       | 14,603,630                         | 0                                   | 14,603,630           |
| Compensated absences                 | 686,413                            | 218,427                             | 904,840              |
| Due to other governments & agencies  | 0                                  | 45,783,883                          | 45,783,883           |
| Capital leases payable               | 150,705                            | 0                                   | 150,705              |
| Bonds payable                        | 0                                  | 2,313,000                           | 2,313,000            |
| Landfill closure and post closure    | 0                                  | 931,252                             | 931,252              |
| <b>Total Liabilities</b>             | <b>\$18,995,552</b>                | <b>\$54,509,009</b>                 | <b>\$73,504,561</b>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b> |                                    |                                     |                      |
| Unearned revenue                     | \$109,562                          | \$0                                 | \$109,562            |
| <b>NET POSITION</b>                  |                                    |                                     |                      |
| Net investment in capital assets     | \$132,065,895                      | \$101,298,255                       | \$233,364,150        |
| Restricted for:                      |                                    |                                     |                      |
| Capital outlay                       | 6,444,078                          | 0                                   | 6,444,078            |
| Perpetual care                       | 1,578,163                          | 0                                   | 1,578,163            |
| Other purposes                       | 323,054                            | 0                                   | 323,054              |
| Unrestricted                         | (5,970,254)                        | (2,694,424)                         | (8,664,678)          |
| <b>Total Net Position</b>            | <b>\$134,440,936</b>               | <b>\$98,603,831</b>                 | <b>\$233,044,767</b> |

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

**CITY OF VALDOSTA, GEORGIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013**

|  |                     | 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                               | \$22,929,060        | \$54,692            | \$0                | \$8,696,540         |
| Public Safety                                    | 20,074,107          | 2,533,635           | 1,889,501          | 261,989             |
| Public Works                                     | 1,613,315           | 102,871             | 0                  | 631,650             |
| Community Development                            | 1,042,940           | 42,572              | 278,832            | 29,237              |
| <b>Total governmental activities</b>             | <b>45,659,422</b>   | <b>2,733,770</b>    | <b>2,168,333</b>   | <b>9,619,416</b>    |
| Business-type Activities                         |                     |                     |                    |                     |
| Sanitation                                       | 4,482,868           | 4,399,518           | 0                  | 0                   |
| Water and Sewer                                  | 12,214,784          | 15,240,633          | 0                  | 417,540             |
| Inspection                                       | 940,143             | 642,235             | 0                  | 0                   |
| Zoning   | 359,543             | 61,153              | 0                  | 0                   |
| DOL Building                                     | 355,022             | 469,157             | 0                  | 0                   |
| Storm Water                                      | 1,223,050           | 1,271,392           | 0                  | 341,076             |
| Auditorium                                       | 212,676             | 47,562              | 0                  | 0                   |
| Motor Fuel                                       | 556,674             | 566,586             | 0                  | 0                   |
| <b>Total business-type activities</b>            | <b>20,344,760</b>   | <b>22,698,236</b>   | <b>0</b>           | <b>758,616</b>      |
| <b>Total Primary Government</b>                  | <b>\$66,004,182</b> | <b>\$25,432,006</b> | <b>\$2,168,333</b> | <b>\$10,378,032</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>                                 |                     |                     |                    |                     |
| Change in Net Position                           |                     |                     |                    |                     |
| Net position - Beginning, as previously reported |                     |                     |                    |                     |
| Prior Period Adjustment                          |                     |                     |                    |                     |
| Net position - Ending                            |                     |                     |                    |                     |

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



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

| <b>Primary Government</b>          |                                     |                       |
|------------------------------------|-------------------------------------|-----------------------|
| <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total</b>          |
| (\$14,177,828)                     | \$0                                 | (\$14,177,828)        |
| (15,388,982)                       | 0                                   | (15,388,982)          |
| (878,794)                          | 0                                   | (878,794)             |
| (692,299)                          | 0                                   | (692,299)             |
| <u>(31,137,903)</u>                | <u>0</u>                            | <u>(31,137,903)</u>   |
| 0                                  | (83,350)                            | (83,350)              |
| 0                                  | 3,443,389                           | 3,443,389             |
| 0                                  | (297,908)                           | (297,908)             |
| 0                                  | (298,390)                           | (298,390)             |
| 0                                  | 114,135                             | 114,135               |
| 0                                  | 389,418                             | 389,418               |
| 0                                  | (165,114)                           | (165,114)             |
| 0                                  | 9,912                               | 9,912                 |
| <u>0</u>                           | <u>3,112,092</u>                    | <u>3,112,092</u>      |
| <u>(31,137,903)</u>                | <u>\$3,112,092</u>                  | <u>(\$28,025,811)</u> |
| 6,348,885                          | 0                                   | 6,348,885             |
| 9,225,131                          | 0                                   | 9,225,131             |
| 1,667,870                          | 0                                   | 1,667,870             |
| 3,985,412                          | 0                                   | 3,985,412             |
| 2,716,093                          | 0                                   | 2,716,093             |
| 1,401,457                          | 0                                   | 1,401,457             |
| 835,194                            | 0                                   | 835,194               |
| 27,214                             | 792                                 | 28,006                |
| 227,429                            | 0                                   | 227,429               |
| (2,646,499)                        | 2,646,499                           | 0                     |
| <u>(7,349,717)</u>                 | <u>5,759,383</u>                    | <u>(1,590,334)</u>    |
| 141,696,164                        | 93,609,115                          | 235,305,279           |
| 94,489                             | (764,667)                           | (670,178)             |
| <u>\$134,440,936</u>               | <u>\$98,603,831</u>                 | <u>\$233,044,767</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.

**Central Valdosta Development Authority** - To account for the operations of the Central Valdosta Development Authority, the City's blended component unit.

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**CITY OF VALDOSTA, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013**

|  | GENERAL            | SALES<br>TAX<br>2002 | SALES<br>TAX<br>2007 | CVDA             | OTHER<br>GOVERNMENTAL<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|--|--------------------|----------------------|----------------------|------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>  |                    |                      |                      |                  |                                |                                |
| Cash   | \$55,860           | \$55,782             | \$5,348,434          | \$81,214         | \$222,130                      | \$5,763,420                    |
| Investments, at cost or amortized cost                             | 442,841            | 186,050              | 0                    | 0                | 1,410,697                      | 2,039,588                      |
| Receivables (net)  |                    |                      |                      |                  |                                |                                |
| Taxes  | 1,321,440          | 0                    | 0                    | 41,301           | 0                              | 1,362,741                      |
| Accounts   | 382,020            | 0                    | 0                    | 0                | 163,884                        | 545,904                        |
| Interest   | 0                  | 0                    | 0                    | 0                | 6,883                          | 6,883                          |
| Second mortgages   | 0                  | 0                    | 0                    |                  | 2,670,464                      | 2,670,464                      |
| Special assessments  | 45,387             | 0                    | 0                    | 0                | 0                              | 45,387                         |
| Due from other governments and agencies                            | 234,403            | 0                    | 1,383,744            | 0                | 683,520                        | 2,301,667                      |
| Interfund balances   | 581,060            | 0                    | 0                    | 0                | 288,858                        | 869,918                        |
| Advance to other funds   | 4,245,727          | 0                    | 0                    | 0                | 0                              | 4,245,727                      |
| Inventories, at cost   | 0                  | 0                    | 300,000              | 0                | 0                              | 300,000                        |
| Total assets   | <u>\$7,308,738</u> | <u>\$241,832</u>     | <u>\$7,032,178</u>   | <u>\$122,515</u> | <u>\$5,446,436</u>             | <u>\$20,151,699</u>            |
| <b>LIABILITIES</b>   |                    |                      |                      |                  |                                |                                |
| Liabilities:   |                    |                      |                      |                  |                                |                                |
| Accounts payable   | \$1,059,443        | \$0                  | \$330,102            | \$0              | \$318,160                      | \$1,707,705                    |
| Contracts payable  | 0                  | 0                    | 203,943              | 0                | 0                              | 203,943                        |
| Due to:  |                    |                      |                      |                  |                                |                                |
| Other funds  | 811,198            | 0                    | 25,303               | 8,351            | 203,225                        | 1,048,077                      |
| Other governments and agencies                                     | 8,563              | 0                    | 0                    | 0                | 0                              | 8,563                          |
| Advances from other funds  | 0                  | 0                    | 0                    | 0                | 30,000                         | 30,000                         |
| Total liabilities  | <u>1,879,204</u>   | <u>0</u>             | <u>559,348</u>       | <u>8,351</u>     | <u>551,385</u>                 | <u>2,998,288</u>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                               |                    |                      |                      |                  |                                |                                |
| Unavailable Revenue  | <u>893,713</u>     | <u>0</u>             | <u>700,654</u>       | <u>36,967</u>    | <u>279,478</u>                 | <u>1,910,812</u>               |
| <b>FUND BALANCES</b>   |                    |                      |                      |                  |                                |                                |
| Fund Balance (deficit):  |                    |                      |                      |                  |                                |                                |
| Nonspendable   | 4,245,727          | 0                    | 300,000              | 0                | 4,248,627                      | 8,794,354                      |
| Restricted   | 151,288            | 241,832              | 5,472,176            | 77,197           | 147,404                        | 6,089,897                      |
| Committed  | 10,767             | 0                    | 0                    | 0                | 0                              | 10,767                         |
| Assigned   | 0                  | 0                    | 0                    | 0                | 323,727                        | 323,727                        |
| Unassigned   | 128,039            | 0                    | 0                    | 0                | (104,185)                      | 23,854                         |
| Total fund balance   | <u>4,535,821</u>   | <u>241,832</u>       | <u>5,772,176</u>     | <u>77,197</u>    | <u>4,615,573</u>               | <u>15,242,599</u>              |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$7,308,738</u> | <u>\$241,832</u>     | <u>\$7,032,178</u>   | <u>\$122,515</u> | <u>\$5,446,436</u>             | <u>\$20,151,699</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 POSITION  
GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2013**

|  |              |
|--|--------------|
| Fund balances - total governmental funds | \$15,242,599 |
|--|--------------|

Amounts reported for governmental activities in the statement of net position 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   | \$228,727,187 |             |
| Less accumulated depreciation | (99,212,010)  | 129,515,177 |

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 | (14,603,630) |
|--------------------------------|--------------|

|                      |             |
|----------------------|-------------|
| Compensated absences | (1,409,903) |
|----------------------|-------------|

|                |           |
|----------------|-----------|
| Capital Leases | (296,567) |
|----------------|-----------|

Revenue not received within 31 days in governmental funds is susceptible to full accrual on the entity-wide statements

|                     |           |
|---------------------|-----------|
| Unavailable revenue | 1,801,250 |
|---------------------|-----------|

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. | 4,192,010 |
|--|-----------|

|   |               |
|---|---------------|
| Net position of governmental activities | \$134,440,936 |
|---|---------------|

*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, 2013**

|  | GENERAL            | SALES<br>TAX 2002 | SALES<br>TAX 2007  | CVDA            | OTHER<br>GOVERNMENTAL<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|--|--------------------|-------------------|--------------------|-----------------|--------------------------------|--------------------------------|
| <b>REVENUES:</b>   |                    |                   |                    |                 |                                |                                |
| Taxes  | \$23,897,409       | \$0               | \$0                | \$82,100        | \$1,667,924                    | \$25,647,433                   |
| Licenses and permits   | 514,949            | 0                 | 0                  | 0               | 0                              | 514,949                        |
| Charges for service  | 476,460            | 0                 | 0                  | 0               | 0                              | 476,460                        |
| Fines and forfeitures  | 1,364,585          | 0                 | 0                  | 0               | 27,282                         | 1,391,867                      |
| Interest income  | 3,988              | 0                 | 0                  | 230             | 22,996                         | 27,214                         |
| Contributions  | 18,676             | 0                 | 0                  | 6,247           | 39,797                         | 64,720                         |
| Miscellaneous  | 576,554            | 0                 | 0                  | 3,791           | 19,025                         | 599,370                        |
| Intergovernmental  | 1,602,039          | 0                 | 9,128,154          | 0               | 1,897,194                      | 12,627,387                     |
| <b>TOTAL REVENUES</b>  | <b>28,454,660</b>  | <b>0</b>          | <b>9,128,154</b>   | <b>92,368</b>   | <b>3,674,218</b>               | <b>41,349,400</b>              |
| <b>EXPENDITURES:</b>   |                    |                   |                    |                 |                                |                                |
| Current:   |                    |                   |                    |                 |                                |                                |
| General government   | 8,021,935          | 0                 | 0                  | 88,973          | 1,512,233                      | 9,623,141                      |
| Public safety  | 18,809,529         | 0                 | 0                  | 0               | 76,036                         | 18,885,565                     |
| Public works   | 1,469,296          | 0                 | 0                  | 0               | 0                              | 1,469,296                      |
| Economic development and assistance                                  | 591,362            | 0                 | 0                  | 0               | 444,169                        | 1,035,531                      |
| Capital outlay   | 0                  |                   | 10,670,805         | 0               | 1,700,079                      | 12,370,884                     |
| Debt service principal   | 141,175            | 0                 | 0                  | 0               | 0                              | 141,175                        |
| Debt service interest  | 14,533             | 0                 | 0                  | 0               | 0                              | 14,533                         |
| <b>TOTAL EXPENDITURES</b>  | <b>29,047,830</b>  | <b>0</b>          | <b>10,670,805</b>  | <b>88,973</b>   | <b>3,732,517</b>               | <b>43,540,125</b>              |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <b>(593,170)</b>   | <b>0</b>          | <b>(1,542,651)</b> | <b>3,395</b>    | <b>(58,299)</b>                | <b>(2,190,725)</b>             |
| <b>OTHER FINANCING SOURCES (USES):</b>                               |                    |                   |                    |                 |                                |                                |
| Transfers in   | 2,436,732          | 0                 | 62,036             | 0               | 0                              | 2,498,768                      |
| Transfers out  | (2,339,427)        | 0                 | 0                  | 0               | (355,029)                      | (2,694,456)                    |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                          | <b>97,305</b>      | <b>0</b>          | <b>62,036</b>      | <b>0</b>        | <b>(355,029)</b>               | <b>(195,688)</b>               |
| <b>NET CHANGE IN FUND BALANCES</b>                                   | <b>(495,865)</b>   | <b>0</b>          | <b>(1,480,615)</b> | <b>3,395</b>    | <b>(413,328)</b>               | <b>(2,386,413)</b>             |
| <b>FUND BALANCES - BEGINNING AS RESTATED</b>                         | <b>5,031,686</b>   | <b>241,832</b>    | <b>7,252,791</b>   | <b>73,802</b>   | <b>5,028,901</b>               | <b>17,629,012</b>              |
| <b>FUND BALANCES - END OF YEAR</b>                                   | <b>\$4,535,821</b> | <b>\$241,832</b>  | <b>\$5,772,176</b> | <b>\$77,197</b> | <b>\$4,615,573</b>             | <b>\$15,242,599</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**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

|  |               |
|--|---------------|
| Net change in fund balances - total governmental funds | (\$2,386,413) |
|--|---------------|

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:                        | \$7,453,041 |             |
| Less current year transfers to business type activities | (4,921,751) |             |
| Less current year disposals                             | (480,181)   |             |
| Less current year depreciation                          | (3,242,803) |             |
|   |             | (1,191,694) |

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          |  | 82,486        |
| Other post employment benefits                    |  | (4,319,952)   |
| Principal payments on long-term debt              |  | 141,175       |
| Long-term accounts receivable                     |  | (393,196)     |
| Internal service funds                            |  | 717,877       |
| Change in net position of governmental activities |  | (\$7,349,717) |

*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 POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2013**

|  | BUSINESS-TYPE ACTIVITIES<br>ENTERPRISE FUNDS |                            |                                    |             |                              | GOVERNMENTAL<br>ACTIVITIES<br>INTERNAL<br>SERVICE FUNDS |              |
|--|--|----------------------------|------------------------------------|-------------|------------------------------|---|--------------|
|  | SANITATION                                   | WATER/<br>SEWER<br>REVENUE | DEPARTMENT<br>OF LABOR<br>BUILDING | STORMWATER  | OTHER<br>ENTERPRISE<br>FUNDS |   | TOTAL        |
| <b>ASSETS</b>  |  |                            |                                    |             |                              |   |              |
| Current assets:  |  |                            |                                    |             |                              |   |              |
| Cash   | \$0  | \$122,108                  | \$0                                | \$0         | \$300                        | \$122,408   | \$245,856    |
| Investments  | 0  | 1,984,875                  | 0                                  | 0           | 0                            | 1,984,875   | 58,339       |
| Receivables (net)  |  |                            |                                    |             |                              |   |              |
| Accounts   | 561,740                                      | 1,680,402                  | 0                                  | 126,752     | 26,285                       | 2,395,179   | 106,557      |
| Due from other governments and agencies  | 0  | 893,955                    | 0                                  | 0           | 24,640                       | 918,595   | 0            |
| Due from other funds   | 0  | 473,000                    | 0                                  | 0           | 0                            | 473,000   | 49,340       |
| Inventories at cost  | 0  | 628,889                    | 0                                  | 0           | 0                            | 628,889   | 360,523      |
| Restricted assets  |  |                            |                                    |             |                              |   |              |
| Cash   | 20,511                                       | 782,825                    | 0                                  | 0           | 0                            | 803,336   | 0            |
| Total current assets   | 582,251                                      | 6,566,054                  | 0                                  | 126,752     | 51,225                       | 7,326,282   | 820,615      |
| Noncurrent assets:   |  |                            |                                    |             |                              |   |              |
| Capital assets:  |  |                            |                                    |             |                              |   |              |
| Land   | 0  | 2,529,267                  | 0                                  | 246,911     | 0                            | 2,776,178   | 92,563       |
| Land improvement   | 546,146                                      | 86,040,775                 | 0                                  | 1,766,105   | 0                            | 88,353,026  | 383,595      |
| Buildings and structures   | 1,178,500                                    | 85,090,690                 | 4,364,002                          | 0           | 0                            | 90,633,192  | 307,046      |
| Motor vehicles   | 0  | 0                          | 0                                  | 0           | 0                            | 0   | 15,455,300   |
| Equipment  | 154,462                                      | 5,325,576                  | 0                                  | 0           | 388,946                      | 5,868,984   | 2,419,364    |
| Intangibles  | 0  | 0                          | 0                                  | 1,161,791   | 0                            | 1,161,791   | 0            |
| Construction in progress   | 0  | 15,715,923                 | 0                                  | 0           | 0                            | 15,715,923  | 0            |
|  | 1,879,108                                    | 194,702,231                | 4,364,002                          | 3,174,807   | 388,946                      | 204,509,094   | 18,657,868   |
| Less accumulated depreciation  | (1,014,906)                                  | (50,527,906)               | (785,400)                          | (156,120)   | (388,946)                    | (52,873,278)  | (15,810,583) |
| Net capital assets   | 864,202                                      | 144,174,325                | 3,578,602                          | 3,018,687   | 0                            | 151,635,816   | 2,847,285    |
| Total noncurrent assets  | 864,202                                      | 144,174,325                | 3,578,602                          | 3,018,687   | 0                            | 151,635,816   | 2,847,285    |
| Total assets   | \$1,446,453                                  | \$150,740,379              | \$3,578,602                        | \$3,145,439 | \$51,225                     | \$158,962,098   | \$3,667,900  |
| <b>LIABILITIES</b>   |  |                            |                                    |             |                              |   |              |
| Current liabilities:   |  |                            |                                    |             |                              |   |              |
| Accounts payable   | \$196,556                                    | \$1,476,460                | \$12,022                           | \$28,456    | \$23,841                     | \$1,737,335   | \$17,010     |
| Accrued interest   | 59   | 153,868                    | 43,856                             | 0           | 0                            | 197,783   | 0            |
| Compensated absences (current portion)   | 39,337                                       | 146,548                    | 0                                  | 12,565      | 29,897                       | 228,347   | 2,802,660    |
| Landfill closure and post closure (current portion)  | 52,000                                       | 0                          | 0                                  | 0           | 0                            | 52,000  | 0            |
| Due to other funds   | 23,706                                       | 0                          | 79,359                             | 131,385     | 9,731                        | 244,181   | 0            |
| Due to other governments and agencies (current portion)  | 17,844                                       | 1,989,834                  | 0                                  | 0           | 5,354                        | 2,013,032   | 0            |
| Bonds payable (current portion)  | 0  | 0                          | 233,000                            | 0           | 0                            | 233,000   | 0            |
| Current liabilities (payable from restricted assets):  |  |                            |                                    |             |                              |   |              |
| Deposits   | 12,961                                       | 787,989                    | 0                                  | 0           | 0                            | 800,950   | 0            |
| Total current liabilities  | 342,463                                      | 4,554,699                  | 368,237                            | 172,406     | 68,823                       | 5,506,628   | 2,819,670    |
| Noncurrent liabilities (payable from unrestricted assets):   |  |                            |                                    |             |                              |   |              |
| Compensated absences   | 78,527                                       | 107,875                    | 0                                  | 17,309      | 14,716                       | 218,427   | 0            |
| Bonds payable (net of current portion)   | 0  | 0                          | 2,313,000                          | 0           | 0                            | 2,313,000   | 0            |
| Advances from other funds  | 0  | 0                          | 0                                  | 0           | 1,413,067                    | 1,413,067   | 0            |
| Landfill closure and post closure (net of current portion)   | 931,252                                      | 0                          | 0                                  | 0           | 0                            | 931,252   | 0            |
| Due to other governments and agencies, (net of current portion)  | 0  | 45,783,883                 | 0                                  | 0           | 0                            | 45,783,883  | 0            |
| Total noncurrent liabilities (payable from unrestricted assets)  | 1,009,779                                    | 45,891,758                 | 2,313,000                          | 17,309      | 1,427,783                    | 50,659,629  | 0            |
| Total liabilities  | 1,352,242                                    | 50,446,457                 | 2,681,237                          | 189,715     | 1,496,606                    | 56,166,257  | 2,819,670    |
| <b>NET POSITION (DEFICIT)</b>  |  |                            |                                    |             |                              |   |              |
| Net investment in capital assets   | 846,358                                      | 96,400,608                 | 1,032,602                          | 3,018,687   | 0                            | 101,298,255   | 2,847,285    |
| Restricted   |  |                            |                                    |             |                              |   |              |
| Unrestricted   | (752,147)                                    | 3,893,314                  | (135,237)                          | (62,963)    | (1,445,381)                  | 1,497,586   | (1,999,055)  |
| Total net position (deficit)   | \$94,211                                     | \$100,293,922              | \$897,365                          | \$2,955,724 | \$(1,445,381)                | 102,795,841   | \$848,230    |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. |  |                            |                                    |             |                              | (4,192,010)   |              |
| Net position of business-type activities   |  |                            |                                    |             |                              | \$98,603,831  |              |

The accompanying notes are an integral part of these statements.

**CITY OF VALDOSTA, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

|   | BUSINESS-TYPE ACTIVITIES<br>ENTERPRISE FUNDS |                            |                                    |             |                              |             | GOVERNMENTAL<br>ACTIVITIES<br>INTERNAL<br>SERVICE FUNDS |
|---|--|----------------------------|------------------------------------|-------------|------------------------------|-------------|---|
|   |  | WATER/<br>SEWER<br>REVENUE | DEPARTMENT<br>OF LABOR<br>BUILDING | STORMWATER  | OTHER<br>ENTERPRISE<br>FUNDS | TOTAL       |   |
|   | SANITATION                                   |                            |                                    |             |                              |             |   |
| Operating revenues:   |  |                            |                                    |             |                              |             |   |
| Permits   | \$0  | \$0                        | \$0                                | \$0         | \$631,899                    | \$631,899   | \$0   |
| Charges for services  | 4,207,669                                    | 14,946,670                 | 469,157                            | 1,271,392   | 678,972                      | 21,573,860  | 8,912,635   |
| Recycling revenue   | 62,961                                       | 0                          | 0                                  | 0           | 0                            | 62,961      | 0   |
| Intergovernmental revenues  | 125,928                                      | 0                          | 0                                  | 0           | 0                            | 125,928     | 0   |
| Miscellaneous revenues  | 2,960  | 293,964                    | 0                                  | 0           | 0                            | 296,924     | 992,986   |
| TOTAL OPERATING REVENUES  | 4,399,518                                    | 15,240,634                 | 469,157                            | 1,271,392   | 1,310,871                    | 22,691,572  | 9,905,621   |
| Operating expenses:   |  |                            |                                    |             |                              |             |   |
| Personal services   | 1,783,404                                    | 4,354,946                  | 0                                  | 669,382     | 1,128,740                    | 7,936,472   | 670,407   |
| Contractual services  | 964,110                                      | 1,721,953                  | 143,463                            | 137,574     | 123,439                      | 3,090,539   | 1,969,041   |
| Claims paid   | 0  | 0                          | 0                                  | 0           | 0                            | 0           | 5,976,520   |
| Supplies  | 114,222                                      | 1,076,033                  | 0                                  | 40,010      | 577,188                      | 1,807,453   | 2,401,114   |
| Travel and training   | 539  | 12,910                     | 0                                  | 942         | 4,456                        | 18,847      | 2,441   |
| Other services and charges  | 1,068,658                                    | 1,035,475                  | 16,823                             | 191,719     | 172,333                      | 2,485,008   | 646,296   |
| Amortization expense  | 0  | 0                          | 0                                  | 84,639      | 0                            | 84,639      | 0   |
| Depreciation expense  | 41,474                                       | 3,107,666                  | 87,191                             | 0           | 365                          | 3,236,696   | 952,774   |
| TOTAL OPERATING EXPENSES  | 3,972,407                                    | 11,308,983                 | 247,477                            | 1,124,266   | 2,006,521                    | 18,659,654  | 12,618,593  |
| OPERATING INCOME (LOSS)   | 427,111                                      | 3,931,651                  | 221,680                            | 147,126     | (695,650)                    | 4,031,918   | (2,712,972)   |
| Non-operating revenues (expenses):  |  |                            |                                    |             |                              |             |   |
| Interest income   | 0  | 792                        | 0                                  | 0           | 0                            | 792         | 47  |
| Intergovernmental revenues  | 0  | 0                          | 0                                  | 0           | 6,665                        | 6,665       | 0   |
| Loss on sale of assets  | 0  | (45,862)                   | 0                                  | 0           | 0                            | (45,862)    | 11,767  |
| Interest expense and fiscal charges   | (1,114)                                      | (584,658)                  | (107,545)                          | 0           | 0                            | (693,317)   | 0   |
| TOTAL NON-OPERATING REVENUES (EXPENSES)   | (1,114)                                      | (629,728)                  | (107,545)                          | 0           | 6,665                        | (731,722)   | 11,814  |
| INCOME (LOSS) BEFORE CONTRIBUTIONS<br>AND TRANSFERS   | 425,997                                      | 3,301,923                  | 114,135                            | 147,126     | (688,985)                    | 3,300,196   | (2,701,158)   |
| Capital contribution revenue  | 0  | 4,251,748                  | 0                                  | 417,540     | 0                            | 4,669,288   | 1,011,079   |
| Transfers in  | 0  | 0                          | 0                                  | 0           | 1,089,467                    | 1,089,467   | 1,690,079   |
| Transfers out   | (416,870)                                    | (1,691,527)                | 0                                  | (148,589)   | (50,792)                     | (2,307,778) | (276,080)   |
|   | (416,870)                                    | 2,560,221                  | 0                                  | 268,951     | 1,038,675                    | 3,450,977   | 2,425,078   |
| Change in Net Position  | 9,127  | 5,862,144                  | 114,135                            | 416,077     | 349,690                      | 6,751,173   | (276,080)   |
| NET POSITION - BEGINNING AS RESTATED  | 85,084                                       | 94,431,778                 | 783,230                            | 2,539,647   | (1,795,071)                  |             | 276,080   |
| NET POSITION - ENDING   | \$94,211                                     | \$100,293,922              | \$897,365                          | \$2,955,724 | (\$1,445,381)                |             | \$0   |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds |  |                            |                                    |             |                              | (991,789)   |   |
| Change in net position of business-type activities  |  |                            |                                    |             |                              | \$5,759,384 |   |

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, 2013**

|   | BUSINESS-TYPE ACTIVITIES      |                                   |                              |             |               |   | GOVERNMENTAL  |
|---|-------------------------------|-----------------------------------|------------------------------|-------------|---------------|---|---------------|
|   | ENTERPRISE FUNDS              |                                   |                              |             |               |   |               |
|   | WATER/<br>SEWER<br>SANITATION | DEPARTMENT<br>OF LABOR<br>REVENUE | OTHER<br>ENTERPRISE<br>FUNDS | STORMWATER  | TOTAL         | ACTIVITIES<br>INTERNAL<br>SERVICE FUNDS |               |
| Cash flows from operating activities:   |                               |                                   |                              |             |               |   |               |
| Cash received from customers  | \$4,252,196                   | \$14,964,599                      | \$469,157                    | \$1,283,749 | \$1,308,514   | \$22,278,215                            | \$9,821,735   |
| Cash payments to suppliers for goods and services   | (2,216,048)                   | (4,743,769)                       | (124,599)                    | (455,992)   | (1,229,298)   | (8,769,706)                             | (10,290,960)  |
| Cash payments to employees for services   | (1,785,266)                   | (4,338,670)                       | 0                            | (679,168)   | (1,124,556)   | (7,927,660)                             | (521,215)     |
| Other operating revenues  | 62,961                        | 0                                 | 0                            | 0           | 0             | 62,961                                  | 0             |
| Miscellaneous income  | 2,960                         | 293,964                           | 0                            | 0           | 0             | 296,924                                 | 0             |
| New customer utility deposits   | 5,944                         | 252,172                           | 0                            | 0           | 0             | 258,116                                 | 0             |
| Intergovernmental revenues  | 125,928                       | 0                                 | 0                            | 0           | 0             | 125,928                                 | 0             |
| Refunded customer utility deposits  | (5,083)                       | (243,308)                         | 0                            | 0           | 0             | (248,391)                               | 0             |
| Net change in cash from operating activities  | 443,592                       | 6,184,988                         | 344,558                      | 148,589     | (1,045,340)   | 6,076,387                               | (990,440)     |
| Cash flows from noncapital financing activities:  |                               |                                   |                              |             |               |   |               |
| Intergovernmental revenues  | 0                             | 0                                 | 0                            | 0           | 6,665         | 6,665                                   | 0             |
| Transfers-in from other funds   | 0                             | 0                                 | 0                            | 0           | 1,089,467     | 1,089,467                               | 1,690,079     |
| Transfers-out to other funds  | (416,870)                     | (1,691,527)                       | 0                            | (148,589)   | (50,792)      | (2,307,778)                             | (276,080)     |
| Net change in cash from noncapital financing activities   | (416,870)                     | (1,691,527)                       | 0                            | (148,589)   | 1,045,340     | (1,211,646)                             | 1,413,999     |
| Cash flows from capital and related financing activities:   |                               |                                   |                              |             |               |   |               |
| Principal paid on Georgia Environmental Finance Authority Loan                                    | (17,140)                      | (1,647,771)                       | 0                            | 0           | 0             | (1,664,911)                             | 0             |
| Loan from Georgia Environmental Finance Authority   | 0                             | 3,614,810                         | 0                            | 0           | 0             | 3,614,810                               | 0             |
| Acquisition and construction of capital assets  | 0                             | (5,566,464)                       | 0                            | 0           | 0             | (5,566,464)                             | (483,716)     |
| Proceeds from sale of capital assets  | 0                             | 45,862                            | 0                            | 0           | 0             | 45,862                                  | 20,410        |
| Principal paid on DOL intergovernmental note  | 0                             | 0                                 | (233,000)                    | 0           | 0             | (233,000)                               | 0             |
| Interest paid on GEFA loan  | (1,171)                       | (1,534,477)                       | 0                            | 0           | 0             | (1,535,648)                             | 0             |
| Interest paid on DOL intergovernmental note   | 0                             | 0                                 | (111,558)                    | 0           | 0             | (111,558)                               | 0             |
| Net change in cash from capital and related financing activities                                  | (18,311)                      | (5,088,040)                       | (344,558)                    | 0           | 0             | (5,450,909)                             | (463,306)     |
| Cash flows from investing activities:   |                               |                                   |                              |             |               |   |               |
| Sale of investment securities   | 0                             | 1,795,314                         | 0                            | 0           | 0             | 1,795,314                               | 59,157        |
| Purchase of investment securities   | 0                             | (1,801,482)                       | 0                            | 0           | 0             | (1,801,482)                             | 0             |
| Interest and dividends on investments   | 0                             | 792                               | 0                            | 0           | 0             | 792                                     | 47            |
| Net change in cash from investing activities  | 0                             | (5,376)                           | 0                            | 0           | 0             | (5,376)                                 | 59,204        |
| Net change in cash  | 8,411                         | (599,955)                         | 0                            | 0           | 0             | (591,544)                               | 19,457        |
| Cash beginning of year  | 12,100                        | 1,504,888                         | 0                            | 0           | 300           | 1,517,288                               | 226,399       |
| Cash at end of year   | \$20,511                      | \$904,933                         | \$0                          | \$0         | \$300         | \$925,744                               | \$245,856     |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CHANGE IN CASH FROM OPERATING ACTIVITIES         |                               |                                   |                              |             |               |   |               |
| Operating income (loss)   | \$427,111                     | \$3,931,651                       | \$221,680                    | \$147,126   | (\$695,650)   | \$4,031,918                             | (\$2,712,972) |
| Adjustments to reconcile operating income (loss) to net change in cash from operating activities: |                               |                                   |                              |             |               |   |               |
| Amortization  | 0                             | 0                                 | 0                            | 84,639      | 0             | 84,639                                  | 0             |
| Depreciation  | 41,474                        | 3,107,666                         | 87,191                       | 0           | 365           | 3,236,696                               | 952,774       |
| New customer utility deposit  | 5,944                         | 252,172                           | 0                            | 0           | 0             | 258,116                                 | 0             |
| Refunded customer utility deposit   | (5,083)                       | (243,308)                         | 0                            | 0           | 0             | (248,391)                               | 0             |
| Landfill closure and post closure   | (19,811)                      | 0                                 | 0                            | 0           | 0             | (19,811)                                | 0             |
| Change in assets and liabilities:   |                               |                                   |                              |             |               |   |               |
| Decrease (increase) in accounts receivable  | 28,372                        | (4,096)                           | 0                            | 12,357      | (2,357)       | 34,276                                  | (83,886)      |
| (Increase) decrease in due from other funds   | 0                             | (473,000)                         | 0                            | 0           | 12,748        | (460,252)                               | 609,321       |
| Decrease in due from other governments and agencies   | 0                             | 0                                 | 0                            | 0           | 4,104         | 4,104                                   | 0             |
| Decrease in inventory   | 0                             | 106,925                           | 0                            | 0           | 0             | 106,925                                 | (45,660)      |
| Increase (decrease) in accounts payable   | 31,663                        | (497,347)                         | (7,880)                      | (32,278)    | (18,717)      | (524,559)                               | (474,189)     |
| (Decrease) increase in compensated absences liability   | (4,092)                       | 4,325                             | 0                            | (9,688)     | 4,972         | (4,483)                                 | 3,465         |
| (Decrease) increase in due to other funds   | (61,986)                      | 0                                 | 43,567                       | (53,567)    | (5,669)       | (77,655)                                | 57,572        |
| (Decrease) in advances from other funds   | 0                             | 0                                 | 0                            | 0           | (345,136)     | (345,136)                               | 703,135       |
| Net change in cash from operating activities  | \$443,592                     | \$6,184,988                       | \$344,558                    | \$148,589   | (\$1,045,340) | \$6,076,387                             | (\$990,440)   |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES   |                               |                                   |                              |             |               |   |               |
| Donated Infrastructure  | 0                             | 341,076                           | 0                            | 417,540     | 0             | 758,616                                 | 0             |
| Contributed capital assets from SPLOST VI   | 0                             | 3,910,677                         | 0                            | 0           | 0             | 3,910,677                               | 1,011,079     |
| Capitalized interest  | 0                             | 938,412                           | 0                            | 0           | 0             | 938,412                                 | 0             |

The accompanying notes are an integral part of these statements.



An American flag is shown waving in the wind against a bright blue sky filled with white, fluffy clouds. The flag is positioned diagonally across the frame, with its top left corner near the center and its bottom right corner towards the bottom right. The text 'Fiduciary Funds' is overlaid on the flag in a black, gothic-style font.

# 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, 2013**

|                                       | <b>TOTAL<br/>FIDUCIARY<br/>FUNDS</b> |
|---------------------------------------|--------------------------------------|
| <b>ASSETS</b>                         |                                      |
| Cash                                  | \$52,629                             |
| Investments                           | 22,556                               |
| <b>Total assets</b>                   | <u><u>\$75,185</u></u>               |
| <br><b>LIABILITIES</b>                |                                      |
| Due to other governments and agencies | \$57,910                             |
| Due to others                         | 17,275                               |
| <b>Total liabilities</b>              | <u><u>\$75,185</u></u>               |

*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, 2013**

**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”).

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 one component unit – the Central Valdosta Development Authority (the “Authority”). Using the criteria of Governmental Accounting Standards Board (GASB) Statement No. 61, management determined that the authority should be included as a blended component unit.

**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, Sewer, and Stormwater).

**Included with reporting entity as Blended Component Unit:**

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. The debt of the Development Authority is paid substantially from City resources. Therefore, the City concluded in accordance with GASB 61 that the Authority should be included in the financial reporting entity by blended presentation.

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Separate financial statements are not available from the 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, 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 position and the statement of activities) report information on all nonfiduciary activities of the primary government and its component units. The City's fiduciary funds are not included 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.

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.

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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 Position and a Statement of Activities and Changes in Net Position. 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 Position. The Statement of Activities presents changes in net position. 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 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 Position 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

**CITY OF VALDOSTA, GEORGIA  
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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.

Central Valdosta Development Authority – to account for the operations of the City's blended component unit, The Central Valdosta Development Authority.

**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.

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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.

**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,

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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.

**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.



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**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.

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 unearned 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.

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**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.

**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.

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The following funds' expenditures/expenses exceeded legal appropriations.

| <b>Fund/Department</b>   | <b>Expenditures/<br/>Expenses on<br/>Budgetary Basis</b> | <b>Appropriations</b> | <b>Amount<br/>Exceeding</b> |
|--------------------------|--|-----------------------|-----------------------------|
| General Fund/Engineering | \$2,886,933  | \$2,705,565           | \$181,368                   |
| Airport Development      | 1,699,995  | 1,000,000             | 699,995                     |

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

**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, 2013.

**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.

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- 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 a deferred inflow of resources – unavailable 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 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, 2013. 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, 2013.

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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 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, 2013, 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 position.

**J. 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.

**K. 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.

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**L. PREPAID EXPENDITURES/EXPENSES**

Payments made to various vendors for items or services for a future period beyond June 30, 2013 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.

**M. 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.

**N. 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.

**O. 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.

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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 \$1,534,477. Of this amount, \$938,412 was capitalized as part of the cost of the waste water construction project.

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

**P. 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, 2013 has been recorded in the government wide statements representing the City's commitment to fund such costs from future operations.

**Q. LONG-TERM OBLIGATIONS**

Long-term liabilities for GEFA borrowings are recorded in the Enterprise Funds. Principal and accrued interest 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.

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**R. 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.

**S. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

During the year ended June 30, 2013 the City implemented GASB 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and GASB 65, Items Previously Reported as Assets and Liabilities. As a result of these standards, certain items previously reported as assets and liabilities are now reported as deferred outflows and deferred inflows of resources.

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not have any items that qualify for reporting in this category.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The following amounts are deferred and recognized as an inflow of resources in the period that the amounts become available:

| <b>Unavailable<br/>Resources</b> | <b>General</b>   | <b>Sales Tax<br/>2007</b> | <b>CVDA</b>     | <b>Other<br/>Governmental</b> | <b>Total</b>       |
|----------------------------------|------------------|---------------------------|-----------------|-------------------------------|--------------------|
| Property Taxes                   | \$262,816        | \$0                       | \$36,967        | \$0                           | \$299,783          |
| Sales Tax                        | 0                | 700,654                   | 0               | 0                             | 700,654            |
| Franchise Taxes                  | 161,911          | 0                         | 0               | 0                             | 161,911            |
| Paving Assessments               | 45,387           | 0                         | 0               | 0                             | 45,387             |
| Miscellaneous                    | 269,118          | 0                         | 0               | 1,749                         | 270,867            |
| DOT                              | 7,752            | 0                         | 0               | 21,934                        | 29,686             |
| LAG                              | 107,813          | 0                         | 0               | 0                             | 107,813            |
| Grants                           | 38,916           | 0                         | 0               | 255,795                       | 294,711            |
| <b>Total</b>                     | <b>\$893,713</b> | <b>\$700,654</b>          | <b>\$36,967</b> | <b>\$279,478</b>              | <b>\$1,910,812</b> |

**T. 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 position."



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**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.
- **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 Position** – Net position represent the difference between assets and deferred outflows and liabilities and deferred inflows in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement

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of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The 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 \$6,987,649 and the bank balance was \$7,616,284. 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, \$339,408 was covered by federal depository insurance and \$7,276,876 was covered by collateral held by the government or agent in the government's name.

**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, 2013 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.

**CITY OF VALDOSTA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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 blended component unit, was \$81,014 and the bank balance was \$82,093. The CVDA also had \$200 in petty cash.

The CVDA does not have a deposit policy. Of the bank balance, \$82,093 was covered by Federal Depository Insurance.

**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 1 | \$4,098,043            |
| Certificate of Deposit       | 7,315                  |
| <b>Total</b>                 | <b>\$4,105,358</b>     |

**CITY OF VALDOSTA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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 AAAf 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 Authority does 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:

|                                 | <b>Cash on<br/>Deposit</b> | <b>Investments</b> |
|---------------------------------|----------------------------|--------------------|
| Balance per Note Above          | \$6,982,749                | \$4,105,358        |
| Petty Cash                      | 2,900                      | 0                  |
| Change Cash                     | 2,000                      | 0                  |
|                                 | <u>\$6,987,649</u>         | <u>\$4,105,358</u> |
| Non Restricted                  | \$6,184,313                | \$4,105,358        |
| Restricted                      | 803,336                    | 0                  |
| Balance per Financial Statement | <u>\$6,987,649</u>         | <u>\$4,105,358</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 blended component unit:

| <b>CVDA</b>                     | <b>Cash on<br/>Deposit</b> | <b>Investments</b> |
|---------------------------------|----------------------------|--------------------|
| Balance per Footnote Above      | \$81,014                   | \$0                |
| Petty Cash                      | 200                        | 0                  |
| Balance per Financial Statement | <u>\$81,214</u>            | <u>\$0</u>         |

**CITY OF VALDOSTA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**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 2012 property taxes, levied September 15, 2012 on a 40% assessed valuation as of the lien date January 1, 2012, were due November 15, 2012. The levy for 2012 is as follows:

| <u>Type of Levy</u>                    | <u>Rate per \$1,000 of<br/>Assessed Value</u> | <u>Legal<br/>Maximum</u> |
|--|---|--------------------------|
| General Operations                     | 9.920   |                          |
| Less Sales Tax Rebate                  | 5.814   |                          |
| Net for General Operations             | <u>4.106</u>                                  | <u>10.00</u>             |
| <br>Schools                            | <br>16.98                                     | <br>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, 2013 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 2006 Levy  
80% of the 2007 Levy  
70% of the 2008 Levy  
60% of the 2009 Levy  
50% of the 2010 Levy  
25% of the 2011 Levy  
5% of the 2012 Levy

**CITY OF VALDOSTA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

Taxes receivable at June 30, 2013 consist of the following:

| <b>Property Taxes</b>            | <b>General Fund</b> | <b>CVDA</b> |
|----------------------------------|---------------------|-------------|
| 1996                             | \$213               | \$0         |
| 1998                             | 13                  | 0           |
| 1999                             | 29                  | 0           |
| 2001                             | 79                  | 0           |
| 2002                             | 387                 | 52          |
| 2003                             | 1,012               | 347         |
| 2004                             | 5,926               | 1,150       |
| 2005                             | 0                   | 1,951       |
| 2006                             | 1,390               | 1,147       |
| 2007                             | 3,690               | 3,608       |
| 2008                             | 3,297               | 4,544       |
| 2009                             | 8,711               | 883         |
| 2010                             | 5,838               | 231         |
| 2011                             | 43,838              | 36,009      |
| 2012                             | 280,098             | 7,552       |
|                                  | <hr/>               | <hr/>       |
|                                  | 354,521             | 57,474      |
| Sales Taxes                      | 682,619             | 0           |
| Franchise Taxes                  | 328,913             | 0           |
|                                  | <hr/>               | <hr/>       |
| Total Taxes Receivable           | 1,366,053           | 57,474      |
| Less Allowance for Uncollectible | (44,613)            | (16,173)    |
|                                  | <hr/>               | <hr/>       |
|                                  | \$1,321,440         | \$41,301    |

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.

**CITY OF VALDOSTA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**NOTE. 4      INTERFUND RECEIVABLES/PAYABLES**

Individual fund interfund receivables and payables including advances at June 30, 2013 are as follows:

| <b>Payables</b>                 | <b>General<br/>Fund</b> | <b>Water/Sewer<br/>Revenue<br/>Funds</b> | <b>Non Major<br/>Governmental<br/>Funds</b> | <b>Internal<br/>Service<br/>Funds</b> | <b>Total</b>       |
|---------------------------------|-------------------------|--|---|---------------------------------------|--------------------|
| General Fund                    | \$0                     | \$473,000                                | \$288,858                                   | \$49,340                              | \$811,198          |
| SPLOST 7                        | 25,303                  | 0  | 0   | 0                                     | 25,303             |
| CVDA                            | 8,351                   | 0  | 0   | 0                                     | 8,351              |
| Sanitation                      | 23,706                  | 0  | 0   | 0                                     | 23,706             |
| DOL                             | 79,359                  | 0  | 0   | 0                                     | 79,359             |
| Stormwater                      | 131,385                 | 0  | 0   | 0                                     | 131,385            |
| Non Major Governmental<br>Funds | 233,225                 | 0  | 0   | 0                                     | 233,225            |
| Non Major Enterprise Funds      | 1,422,798               | 0  | 0   | 0                                     | 1,422,798          |
| Internal Service                | 2,902,660               | 0  | 0   | 0                                     | 2,902,660          |
| <b>Total</b>                    | <b>\$4,826,787</b>      | <b>\$473,000</b>                         | <b>\$288,858</b>                            | <b>\$49,340</b>                       | <b>\$5,637,985</b> |

All interfund balances are due to routine interfund transactions that were not paid or received at June 30, 2013 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 \$870,470, the Zoning Fund in the amount of \$4,239, the Auditorium Fund in the amount of \$538,358 and the Motor Pool Fund in the amount of \$2,802,660. 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**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2013 was as follows:

|  | Primary Government   |                    |                |              |                      |
|--|----------------------|--------------------|----------------|--------------|----------------------|
|  | Beginning<br>Balance | Additions          | Retirements    | Reclass      | Ending<br>Balance    |
| <b>Governmental Activities:</b>                    |                      |                    |                |              |                      |
| Non-depreciable assets                             |                      |                    |                |              |                      |
| Land   | \$76,846,635         | \$31,002           | \$0            | \$0          | \$76,846,635         |
| Construction in progress                           | 2,223,609            | 5,101,251          | 0              | (2,175,808)  | 1,511,746            |
| Total non-depreciable assets                       | 79,070,244           | 5,132,253          | 0              | (2,175,808)  | 78,358,381           |
| Depreciable assets                                 |                      |                    |                |              |                      |
| Land improvements                                  | 13,862,985           | 242,364            | 0              | 0            | 13,862,985           |
| Buildings  | 28,733,047           | 78,084             | 0              | 63,176       | 28,874,307           |
| Equipment  | 9,187,658            | 558,277            | 116,785        | 0            | 9,629,150            |
| Motor Vehicles                                     | 14,445,892           | 1,319,597          | 310,189        | 0            | 15,455,300           |
| Infrastructure                                     | 98,966,299           | 126,001            | 0              | 2,112,632    | 101,204,932          |
| Total depreciable assets                           | 165,195,881          | 2,324,323          | 426,974        | 2,175,808    | 169,026,674          |
| <b>Total at historical cost</b>                    | <b>244,266,125</b>   | <b>7,456,576</b>   | <b>426,974</b> | <b>0</b>     | <b>247,385,055</b>   |
| Less accumulated depreciation for:                 |                      |                    |                |              |                      |
| Land improvements                                  | 4,331,932            | 453,018            | 0              | 0            | 4,784,950            |
| Buildings  | 7,258,182            | 752,819            | 0              | 0            | 8,011,001            |
| Equipment  | 7,075,055            | 727,138            | 111,631        | 0            | 7,690,562            |
| Motor vehicles                                     | 12,899,043           | 742,713            | 308,868        | 0            | 13,332,888           |
| Infrastructure                                     | 79,683,303           | 1,519,889          | 0              | 0            | 81,203,192           |
| <b>Total accumulated depreciation</b>              | <b>111,247,515</b>   | <b>4,195,577</b>   | <b>420,499</b> | <b>0</b>     | <b>115,022,593</b>   |
| <b>Governmental activities capital assets, net</b> | <b>\$133,018,610</b> | <b>\$3,260,999</b> | <b>\$6,475</b> | <b>\$0</b>   | <b>\$132,362,462</b> |
| <b>Business-type activities:</b>                   |                      |                    |                |              |                      |
| Non-depreciable assets                             |                      |                    |                |              |                      |
| Land   | \$2,757,176          | \$0                | \$0            | (\$12,000)   | \$2,776,178          |
| Construction in progress                           | 47,027,821           | 5,343,855          | 219,756        | (40,073,303) | 15,715,923           |
| Total non-depreciable assets                       | 49,784,997           | 5,343,855          | 219,756        | (40,085,303) | 18,492,101           |
| Depreciable assets                                 |                      |                    |                |              |                      |
| Land improvements                                  | 85,391,375           | 1,977,966          | 0              | 741,321      | 88,353,026           |
| Buildings  | 51,289,210           | 0                  | 0              | 39,343,982   | 90,633,192           |
| Equipment  | 5,799,280            | 115,566            | 45,862         | 0            | 5,868,984            |
| Intangibles  | 1,161,791            | 0                  | 0              | 0            | 1,161,791            |
| Total depreciable assets                           | 143,641,656          | 2,093,532          | 45,862         | 40,085,303   | 186,016,993          |
| <b>Total at historical cost</b>                    | <b>193,426,653</b>   | <b>7,437,387</b>   | <b>265,618</b> | <b>0</b>     | <b>204,509,094</b>   |



**CITY OF VALDOSTA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Primary Government**

|   | <b>Beginning<br/>Balance</b> | <b>Additions</b> | <b>Retirements</b> | <b>Reclass</b> | <b>Transfer</b>    | <b>Ending<br/>Balance</b> |
|---|------------------------------|------------------|--------------------|----------------|--------------------|---------------------------|
| Less accumulated depreciation for:                  |                              |                  |                    |                |                    |                           |
| Land improvements                                   | \$31,670,886                 | \$1,633,229      | \$0                | \$0            | \$0                | \$33,304,115              |
| Buildings   | 14,203,768                   | 1,052,156        | 0                  | 0              | 0                  | 15,255,924                |
| Equipment   | 3,605,808                    | 577,350          | 0                  | 0              | 0                  | 4,183,158                 |
| Intangibles   | 71,481                       | 58,600           | 0                  | 0              | 0                  | 130,081                   |
| <b>Total accumulated depreciation</b>               | <u>49,551,943</u>            | <u>3,321,335</u> | <u>0</u>           | <u>0</u>       | <u>0</u>           | <u>52,873,278</u>         |
| <b>Business-type activities capital assets, net</b> | <u>\$143,874,710</u>         | <u>4,116,052</u> | <u>\$265,618</u>   | <u>\$0</u>     | <u>\$3,910,672</u> | <u>\$151,635,816</u>      |

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

|   |                           |
|---|---------------------------|
| Governmental Depreciation:                        |                           |
| General Government                                | \$3,791,505               |
| Finance   | 673                       |
| Engineering                                       | 23,801                    |
| Public Safety                                     | 333,047                   |
| Public Works                                      | 45,244                    |
| Economic Development                              | 1,307                     |
| Total governmental depreciation                   | <u>4,195,577</u>          |
| Business-type Depreciation:                       |                           |
| Sanitation  | 41,474                    |
| Water & Sewer                                     | 3,107,666                 |
| Inspections                                       | 365                       |
| Zoning  | 0                         |
| Department of Labor                               | 87,191                    |
| Stormwater  | 84,639                    |
| Total business-type depreciation/<br>amortization | <u>3,321,335</u>          |
| <b>Total depreciation expense</b>                 | <u><u>\$7,516,912</u></u> |

Internal Service Funds predominantly serve governmental funds. Accordingly, \$18,657,868 in capital assets, \$15,810,583 in accumulated depreciation, and \$952,774 in current depreciation in these funds are included in the above totals for governmental activities.

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**NOTE 6. PENSION PLAN**

**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  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

| <b>YEAR OF<br/>BIRTH</b> | <b>COVERED<br/>COMPENSATION</b> | <b>YEAR OF<br/>BIRTH</b> | <b>COVERED<br/>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 28.90% 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**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

|  |                  |
|--|------------------|
| Actuarial Valuation Date                                     | January 1, 2013  |
| Total normal cost  | \$1,491,793      |
| Administrative expenses                                      | 83,269           |
| Expected employee contributions                              | (321,087)        |
| Employer normal cost   | <u>1,253,975</u> |
| Payment on unfunded/(surplus) actuarial<br>Accrued liability | 4,431,294        |
| Total recommended contribution                               | 5,685,269        |
| Adjustment for timing of contribution                        | <u>216,194</u>   |
| Total recommended contribution, adjusted for<br>timing       | <u>5,901,463</u> |
| Total recommended contribution as a<br>percentage of payroll | 28.90%           |

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 \$3,284,893 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**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Trend Information**

| <b>Fiscal Year<br/>Ending</b> | <b>Annual Pension<br/>Cost<br/>(APC)</b> | <b>Percentage of<br/>(APC)<br/>Contributed</b> | <b>Net Pension<br/>Obligation</b> |
|-------------------------------|--|--|-----------------------------------|
| 2011                          | \$3,000,000                              | 100%   | 0                                 |
| 2012                          | 3,249,362                                | 100%   | 0                                 |
| 2013                          | 3,284,893                                | 100%   | 0                                 |

As of January 1, 2013, the date of the most recent actuarial valuation, there were 876 participants consisting of the following:

|   |            |
|---|------------|
| Retirees and beneficiaries currently receiving benefits | 293        |
| Vested terminated employees not yet receiving benefits  | 67         |
| Active employees  | 516        |
| Total   | <u>876</u> |

As of the most recent valuation date, January 1, 2013, the funded status of the Plan was as follows:

| <b>Actuarial<br/>Valuation<br/>Date</b> | <b>Actuarial<br/>Value of<br/>Assets<br/>(a)</b> | <b>Actuarial<br/>Accrued<br/>Liability<br/>(AAL)<br/>(b)</b> | <b>Unfunded/<br/>Surplus<br/>AAL<br/>(UAAL)<br/>(b-a)</b> | <b>Funded<br/>Ratio<br/>(a/b)</b> | <b>Covered<br/>Payroll<br/>(c)</b> | <b>UAAL as<br/>a<br/>Percentage<br/>of Covered<br/>Payroll<br/>((b-a)/c)</b> |
|---|--|--|---|-----------------------------------|------------------------------------|--|
| Jan 1, 2013                             | \$35,952,318                                     | \$67,168,446   | \$31,216,128  | 53.53%                            | \$20,073,142                       | 155.51%  |

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, 2013.

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**NOTE 7. DEFERRED COMPENSATION PLAN**

**City of Valdosta Deferred Compensation Plan**

The City of Valdosta offers its employees a deferred compensation 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, 2013, 120 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 \$421,097 for retirees' health insurance for 120 participants. In addition, 81 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 calculations assume a 5% rate of inflation. 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                | \$5,049,620  |
| Interest on net OPEB obligation             | 411,347      |
| Adjustments to annual required contribution | (719,918)    |
| Annual OPEB cost                            | 4,741,049    |
| Contributions made                          | (421,097)    |
| Increase in net OPEB obligation             | 4,319,952    |
| Net OPEB obligation, beginning of year      | 10,283,678   |
| Net OPEB obligation, end of year            | \$14,603,630 |

| <b>Fiscal Year<br/>Ended June<br/>30,</b> | <b>Annual<br/>Required<br/>Contributions*</b> | <b>Actual<br/>Contributions</b> | <b>Percentage<br/>Contributed</b> | <b>Net OPEB<br/>Obligation</b> |
|---|---|---------------------------------|-----------------------------------|--------------------------------|
| 2011                                      | \$3,881,477                                   | \$1,041,252                     | 27%                               | \$6,226,095                    |
| 2012                                      | 4,737,346                                     | 505,671                         | 10%                               | 10,283,678                     |
| 2013                                      | 5,049,620                                     | 421,097                         | 8%                                | 14,603,630                     |

\*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.

| <b>Valuation<br/>Date</b> | <b>Accuarial<br/>Accrued<br/>Liability (AAL) (1)</b> | <b>Accuarial<br/>Value<br/>of Assets</b> | <b>Unfunded<br/>AAL<br/>(UAAL)</b> | <b>Percentage<br/>Funded</b> | <b>Annual<br/>Covered<br/>Payroll</b> | <b>UAAL as<br/>Percentage<br/>of Payroll</b> |
|---------------------------|--|--|------------------------------------|------------------------------|---------------------------------------|--|
| 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.

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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>                  | 21 years as of June 30, 2013               |
| <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, 2012</b> | <b>Additions</b>   | <b>Reductions</b>  | <b>June 30, 2013</b> | <b>One</b>        |
|  |                     |                    |                    |                      | <b>Year</b>       |
| <b>Governmental Funds</b>                  |                     |                    |                    |                      |                   |
| Other Post Employment Benefits             | \$10,283,678        | \$4,741,049        | \$421,097          | \$14,603,630         | \$0               |
| Accrued Vacation                           | 1,523,434           | 1,380,992          | 1,460,013          | 1,444,413            | 758,000           |
| <b>Total OPEB and Compensated Absences</b> | <u>\$11,807,112</u> | <u>\$6,122,041</u> | <u>\$1,881,110</u> | <u>\$16,048,043</u>  | <u>\$758,000</u>  |



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**NOTE 9. LONG TERM DEBT**

Long term bonded debt of the City is as follows:

| <u>Enterprise Funds</u>                    | <u>Balance<br/>July 1,<br/>2012</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance<br/>June 30,<br/>2013</u> | <u>Due<br/>Within<br/>One<br/>Year</u> |
|--|-------------------------------------|------------------|-------------------|--------------------------------------|--|
| <b>4.19% Department of Labor Building.</b> |                                     |                  |                   |                                      |  |
| Original issue amount \$4,410,000.         | \$2,779,000                         | \$0              | \$233,000         | \$2,546,000                          | \$233,000                              |
| <b>Total Notes</b>                         | <u>\$2,779,000</u>                  | <u>\$0</u>       | <u>\$233,000</u>  | <u>\$2,546,000</u>                   | <u>\$233,000</u>                       |

Outstanding Water and Sewer Revenue Bonds at June 30, 2013, 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, 2013, the limit for the City was \$145,708,334.

The City entered into an obligation to finance the Department of Labor building in the amount of \$4,410,000. The City 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 by the Georgia Department of Labor.

The annual requirement to amortize this bond series as of June 30, 2013, including interest of \$530,183 on the Bond Series 2003 is as follows:

| <u>Year Ended<br/>June 30</u> | <u>Principal</u>   | <u>Interest</u>  | <u>Total</u>       |
|-------------------------------|--------------------|------------------|--------------------|
| 2014                          | \$233,000          | \$101,796        | \$334,796          |
| 2015                          | 233,000            | 92,033           | 325,033            |
| 2016                          | 233,000            | 82,271           | 315,271            |
| 2017                          | 233,000            | 72,508           | 305,508            |
| 2018                          | 233,000            | 62,745           | 295,745            |
| 2019-2023                     | 1,165,000          | 167,286          | 1,332,286          |
| 2024                          | 216,000            | 4,881            | 220,881            |
| <b>Total</b>                  | <u>\$2,546,000</u> | <u>\$583,520</u> | <u>\$3,129,520</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 resides 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, 2013, this rate was 2.18%. The balance at June 30 was \$840,000. Interest is payable monthly with principal due March 1.

The annual requirement to amortize all DDA issue bonds outstanding as of June 30, 2013, including interest of \$14,427 is as follows:

| <b>Year<br/>Ended<br/>June 30</b> | <b>Principal</b> | <b>Interest</b> |
|-----------------------------------|------------------|-----------------|
| 2014                              | \$840,000        | \$14,427        |
|                                   | <u>\$840,000</u> | <u>\$14,427</u> |

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

|                                   | <b>Balance<br/>July 1, 2012</b> | <b>Additions</b>   | <b>Reductions</b>  | <b>Balance<br/>June 30, 2013</b> | <b>Due Within<br/>One<br/>Year</b> |
|-----------------------------------|---------------------------------|--------------------|--------------------|----------------------------------|------------------------------------|
| <b>Enterprise Funds</b>           |                                 |                    |                    |                                  |                                    |
| Accrued vacation                  | \$453,045                       | \$439,904          | \$446,175          | \$446,774                        | \$228,347                          |
| <b>Internal Service Funds</b>     |                                 |                    |                    |                                  |                                    |
| Accrued vacation                  | 31,045                          | 34,510             | 31,045             | 34,510                           | 17,500                             |
| <b>Governmental Funds</b>         |                                 |                    |                    |                                  |                                    |
| Accrued vacation                  | 1,492,389                       | 1,346,482          | 1,428,968          | 1,409,903                        | 740,500                            |
| Other Post Employment Benefits    | 10,283,678                      | 4,741,049          | 421,097            | 14,603,630                       | 0                                  |
| <b>Total Compensated Absences</b> | <u>\$12,260,157</u>             | <u>\$6,561,945</u> | <u>\$2,327,285</u> | <u>\$16,494,817</u>              | <u>\$986,347</u>                   |

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Compensated absences are generally liquidated by the General Fund. The City of Valdosta has entered into a contract for seven loans with Georgia Environmental Facilities Authority for an aggregate loan balance of \$44,641,675. 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, 2013, draws totaled \$7,094,020 on the loan in progress.

| <b>Loan Name</b> | <b>Loan Amount</b> | <b>Payment Period</b>              |
|------------------|--------------------|------------------------------------|
| 92003SW          | \$250,000          | June 1, 1994 to June 1, 2014       |
| DW97036P         | 4,285,812          | August 1, 2007 to November 1, 2023 |
| CW08003ARRA      | 6,142,659          | July 1, 2011 to July 1, 2031       |
| CW08003PHI       | 12,500,000         | July 1, 2011 to July 1, 2031       |
| CW08003ARRAPHII  | 1,200,000          | August 1, 2011 to August 1, 2031   |
| 2006L53WJ        | 7,553,410          | April 1, 2011 to April 1, 2031     |
| 2006L53WJB       | 12,709,794         | August 1, 2012 to August 1, 2032   |
| Pending          | 7,094,020          | 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, 2013. GEFA retitles notes as modifications are made.

**Georgia Environmental Facilities Loans**

| <b>Loan #</b>            | <b>Balance<br/>July 1, 2012</b> | <b>Additions</b>   | <b>Reductions</b>  | <b>Balance<br/>June 30, 2013</b> | <b>Due Within<br/>One Year</b> |
|--------------------------|---------------------------------|--------------------|--------------------|----------------------------------|--------------------------------|
| 92003SW                  | \$34,984                        | \$0                | \$17,140           | \$17,844                         | \$17,844                       |
| DW97036P                 | 3,181,959                       | 0                  | 239,863            | 2,942,096                        | 247,140                        |
| CWSRF 08003<br>ARRA      | 5,934,253                       | 0                  | 233,977            | 5,700,276                        | 241,093                        |
| CWSRF 08003<br>PHI       | 12,075,904                      | 0                  | 476,131            | 11,599,773                       | 490,613                        |
| CWSRF 08003<br>ARRA PHII | 1,163,033                       | 0                  | 45,594             | 1,117,439                        | 46,981                         |
| CWSRF 08003<br>PHII      | 12,709,794                      | 0                  | 260,684            | 12,318,272                       | 482,915                        |
| 2006L53WJ                | 7,262,525                       | 0                  | 391,522            | 7,001,841                        | 209,422                        |
| 2006L53WJB               | 2,823,855                       | 4,270,165          | 0                  | 7,094,020                        | 0                              |
| <b>Totals</b>            | <b>\$45,186,307</b>             | <b>\$4,270,165</b> | <b>\$1,664,911</b> | <b>\$47,791,561</b>              | <b>\$1,736,008</b>             |

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The requirements to amortize the Georgia Environmental Facilities Loans debt outstanding with the exception of the pending note as of June 30, 2013 is as follows:

| <b>Fiscal<br/>Year<br/>Ending<br/>June 30</b> | <b>Loan # 92-003-SW</b> |                 | <b>Loan # DW97-036</b> |                  | <b>Loan # CW08-003<br/>ARRA PHI</b> |                    |
|---|-------------------------|-----------------|------------------------|------------------|-------------------------------------|--------------------|
|   | <b>Principal</b>        | <b>Interest</b> | <b>Principal</b>       | <b>Interest</b>  | <b>Principal</b>                    | <b>Interest</b>    |
| 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  | 0                       | 0               | 278,525                | 54,307           | 271,791                             | 137,013            |
| 2019-2023                                     | 0                       | 0               | 1,524,624              | 139,539          | 1,488,103                           | 555,920            |
| 2024-2028                                     | 0                       | 0               | 104,481                | 1,046            | 1,728,606                           | 315,417            |
| 2029-2033                                     | 0                       | 0               | 0                      | 0                | 1,202,505                           | 57,974             |
| <b>Totals</b>                                 | <b>\$17,844</b>         | <b>\$454</b>    | <b>\$2,942,096</b>     | <b>\$491,756</b> | <b>\$5,700,276</b>                  | <b>\$1,692,271</b> |

| <b>Fiscal<br/>Year<br/>Ending<br/>June 30</b> | <b>Loan # CWSRF08-003<br/>PHI</b> |                    | <b>Loan # CWSRF08-003<br/>ARRA PHII</b> |                  | <b>Loan # 2006-L53WJ<br/>PHI</b> |                    |
|---|-----------------------------------|--------------------|---|------------------|----------------------------------|--------------------|
|   | <b>Principal</b>                  | <b>Interest</b>    | <b>Principal</b>                        | <b>Interest</b>  | <b>Principal</b>                 | <b>Interest</b>    |
| 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  | 553,081                           | 278,815            | 52,963                                  | 26,899           | 320,204                          | 234,811            |
| 2019-2023                                     | 3,028,214                         | 1,131,267          | 289,983                                 | 109,327          | 1,814,336                        | 960,735            |
| 2024-2028                                     | 3,517,625                         | 641,858            | 336,850                                 | 62,460           | 2,228,586                        | 546,488            |
| 2029-2033                                     | 2,447,039                         | 117,976            | 240,969                                 | 11,928           | 1,481,831                        | 90,711             |
| <b>Totals</b>                                 | <b>\$11,599,773</b>               | <b>\$3,443,687</b> | <b>\$1,117,439</b>                      | <b>\$333,388</b> | <b>\$7,001,841</b>               | <b>\$2,895,919</b> |

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| <b>Fiscal<br/>Year<br/>Ending<br/>June 30</b> | <b>Loan # CWSRF08-003<br/>PH II</b> |                    | <b>Total All Loans</b> |                     |
|---|-------------------------------------|--------------------|------------------------|---------------------|
|   | <b>Principal</b>                    | <b>Interest</b>    | <b>Principal</b>       | <b>Interest</b>     |
| 2014  | \$482,915                           | \$362,944          | \$1,798,216            | \$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  | 544,403                             | 301,455            | 2,020,967              | 1,033,300           |
| 2019-2023                                     | 2,981,700                           | 1,248,595          | 11,125,960             | 4,145,383           |
| 2024-2028                                     | 3,462,429                           | 766,862            | 11,378,577             | 2,334,131           |
| 2029-2033                                     | 3,309,151                           | 215,258            | 8,681,495              | 493,847             |
| <b>Totals</b>                                 | <b>\$12,318,272</b>                 | <b>\$3,894,016</b> | <b>\$40,697,541</b>    | <b>\$12,751,491</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, 2013, is as follows:

| <b>Year<br/>Ending<br/>June 30</b> | <b>Principal</b> | <b>Interest</b> | <b>Total</b>     |
|------------------------------------|------------------|-----------------|------------------|
| 2014                               | \$145,862        | \$9,846         | \$155,708        |
| 2015                               | 150,705          | 5,003           | 155,708          |
| <b>Total</b>                       | <b>\$296,567</b> | <b>\$14,849</b> | <b>\$311,416</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 2013 on this asset resulting in a book value of \$299,532 at June 30, 2013.

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| <b>Governmental Funds</b>                        | <b>Balance<br/>July 1,<br/>2012</b> | <b>Additions</b> | <b>Reductions</b> | <b>Balance<br/>June 30,<br/>2013</b> | <b>Due<br/>Within<br/>One<br/>Year</b> |
|--|-------------------------------------|------------------|-------------------|--------------------------------------|--|
| <b>Motorola Police in-car<br/>Computer Lease</b> |                                     |                  |                   |                                      |  |
| Original Issue Amount \$579,740                  | \$437,742                           | \$0              | \$141,175         | \$296,567                            | \$145,862                              |
|  | <u>\$437,742</u>                    | <u>\$0</u>       | <u>\$141,175</u>  | <u>\$296,567</u>                     | <u>\$145,862</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<br/>Fund</b> | <b>Sales<br/>Tax<br/>2002</b> | <b>Sales<br/>Tax<br/>2007</b> | <b>CVDA</b>   | <b>Non Major<br/>Governmental<br/>Funds</b> | <b>Total</b>     |
|--|-------------------------|-------------------------------|-------------------------------|---------------|---|------------------|
| Nonspendable. The following fund<br>balances are nonspendable: |                         |                               |                               |               |   |                  |
| Long term receivables  | \$4,245,727             | \$0                           | \$0                           | \$0           | \$2,943,849                                 | \$7,189,576      |
| Inventory  | 0                       | 0                             | 300,000                       | 0             | 0   | 300,000          |
| Required to be maintained in tact                              | 0                       | 0                             | 0                             | 0             | 1,304,778                                   | 1,304,778        |
|  | <u>4,245,727</u>        | <u>0</u>                      | <u>300,000</u>                | <u>0</u>      | <u>4,248,627</u>                            | <u>8,794,354</u> |
| Restricted. The following fund<br>balances are restricted for: |                         |                               |                               |               |   |                  |
| Public safety  | 9,400                   | 0                             | 0                             | 0             | 46,557                                      | 55,957           |
| Land Bank Authority  | 107,813                 | 0                             | 0                             | 0             | 0   | 107,813          |
| Community development  | 0                       | 0                             | 0                             | 77,197        | 0   | 77,197           |
| NPDES permitting   | 34,075                  | 0                             | 0                             | 0             | 0   | 34,075           |
| Redevelopment  | 0                       | 0                             | 0                             | 0             | 88,724                                      | 88,724           |
| Youth programs   | 0                       | 0                             | 0                             | 0             | 12,123                                      | 12,123           |
| Capital outlay   | 0                       | 241,832                       | 5,472,176                     | 0             | 0   | 5,714,008        |
|  | <u>151,288</u>          | <u>241,832</u>                | <u>5,472,176</u>              | <u>77,197</u> | <u>147,404</u>                              | <u>6,089,897</u> |
| Committed. The following fund<br>balances are committed:       |                         |                               |                               |               |   |                  |
| Committed for urban forestry                                   | 10,767                  | 0                             | 0                             | 0             | 0   | 10,767           |
|  | <u>10,767</u>           | <u>0</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, 2013**

Assigned. The following fund balances are assigned to:

|                     |          |          |          |          |                |                |
|---------------------|----------|----------|----------|----------|----------------|----------------|
| Airport development | \$0      | \$0      | \$0      | \$0      | \$273,385      | \$273,385      |
| Tourism development | 0        | 0        | 0        | 0        | 50,342         | 50,342         |
|                     | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>323,727</u> | <u>323,727</u> |

Unassigned. The following balances are unassigned:

|  |                |          |          |          |                  |               |
|--|----------------|----------|----------|----------|------------------|---------------|
|  | 128,039        | 0        | 0        | 0        | (104,185)        | 23,854        |
|  | <u>128,039</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>(104,185)</u> | <u>23,854</u> |

|                    |                    |                  |                    |                 |                    |                     |
|--------------------|--------------------|------------------|--------------------|-----------------|--------------------|---------------------|
| Total Fund Balance | <u>\$4,535,821</u> | <u>\$241,832</u> | <u>\$5,772,176</u> | <u>\$77,197</u> | <u>\$4,615,573</u> | <u>\$15,242,599</u> |
|--------------------|--------------------|------------------|--------------------|-----------------|--------------------|---------------------|

|                           |                    |            |                    |            |                 |                    |
|---------------------------|--------------------|------------|--------------------|------------|-----------------|--------------------|
| Reserves for Encumbrances | <u>\$1,157,831</u> | <u>\$0</u> | <u>\$3,217,527</u> | <u>\$0</u> | <u>\$28,801</u> | <u>\$4,404,159</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 \$983,252 reported as landfill closure care liability at June 30, 2013 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 2013. 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<br/>July 1, 2012</b> | <b>Additions</b> | <b>Reductions</b> | <b>Balance<br/>June 30, 2013</b> | <b>Due<br/>Within<br/>One<br/>Year</b> |
|--|---------------------------------|------------------|-------------------|----------------------------------|--|
| Landfill post closure care liability     | \$1,003,063                     | \$0              | \$19,811          | \$983,252                        | \$52,000                               |
| <b>Total post closure care liability</b> | <u>\$1,003,063</u>              | <u>\$0</u>       | <u>\$19,811</u>   | <u>\$983,252</u>                 | <u>\$52,000</u>                        |

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**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.

Due to the lag time between expenses being incurred and claims submitted for payment there is a liability at June 30, 2013, against the self-insurance fund. This incurred but not reported (IBNR) liability is estimated to be \$300,000. This number was calculated by analyzing the plan's payment lag and projecting the resulting trend into the next fiscal year.

**NOTE 13. NET POSITION DEFICITS**

The following funds had deficits at June 30, 2013:

The Inspections Fund had a deficit net assets of \$917,361 due to reduction in permits issued. 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.



**CITY OF VALDOSTA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

Transfers between fund types during the year ended June 30, 2013, were:

|                          | <b>Transfers In</b> | <b>Transfers Out</b> |
|--------------------------|---------------------|----------------------|
| General Fund             | \$2,436,732         | \$2,339,427          |
| SPLOST 2007              | 62,036              | 0                    |
| Sanitation Fund          | 0                   | 416,870              |
| Water and Sewer Fund     | 0                   | 1,691,527            |
| Storm Water Fund         | 0                   | 148,589              |
| Other Governmental Funds | 0                   | 355,029              |
| Other Enterprise Funds   | 1,089,467           | 50,792               |
| Internal Service Funds   | 1,690,079           | 276,080              |
|                          | <u>\$5,278,314</u>  | <u>\$5,278,314</u>   |

General Fund transferred \$62,036 to SPLOST 2007, \$927,678 to Zoning, \$161,789 to the Auditorium Fund, \$1,122,469 to Group Insurance and \$65,455 to Workmen's Compensation. Sanitation transferred \$145,067 to Group Insurance. Water and Sewer transferred \$259,512 to Group Insurance. Inspection transferred \$32,783 to Group Insurance. Zoning transferred \$16,204, to Group Insurance. Storm Water transferred \$48,589 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, 2013, the city paid \$72,240 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.

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

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 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, 2013, 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 \$300,000 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,<br/>beginning of<br/>fiscal year</b> | <b>Incurred<br/>claims<br/>(including<br/>IBNR's)</b> | <b>Claim<br/>payments</b> | <b>Unpaid claims,<br/>end of fiscal<br/>year</b> |
|---------------|--|---|---------------------------|--|
| June 30, 2012 | 438,285  | 5,778,776   | (5,443,831)               | 773,230  |
| June 30, 2013 | 773,230  | 4,358,018   | (5,473,208)               | 341,960  |

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

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:

|      |     |
|------|-----|
| 2013 | \$0 |
| 2012 | 0   |
| 2011 | 0   |

**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 \$5,629,819. 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 \$3,578,602. Depreciation on the building amounts to \$87,191 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 \$1,618,396, net of vendor's compensation of \$49,528, in tax receipts and was allocated as follows: \$638,285, 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 \$160,820 was retained by the City and will be spent in accordance with legal provisions.

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**NOTE 19. ACCOUNTING CHANGES**

**FUNDS OPENED**

The CVDA fund was opened to account for the operations of the City's blended component unit as a result of GASB 61's implementation.

**NOTE 20. CONSTRUCTION COMMITMENTS**

The City has active construction projects as of June 30, 2013. The projects include the expansion of the City's water system, annexed island utilities, 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> |
|----------------------------------|----------------------|-----------------------------|
| Utility Extension Phase I        |                      |                             |
| Annex Island 56, 59 and 63       | \$45,491             | \$252,410                   |
| Valdosta High Water Tank & Tower | 318,125              | 114,533                     |
| Gornto Road Extension            |                      |                             |
| (aka Woodrow Wilson Extension)   | 906,165              | 1,263,891                   |

**NOTE 21. RESTATEMENTS**

The City of Valdosta has determined that a restatement to beginning net position of the Water/Sewer Revenue Fund was required to recognize the change in accounting principle for implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, through which bond issuance costs are written off as of July 1, 2012. These adjustments resulted in changes to beginning net position of the Water/Sewer Revenue Fund as follows:

**CITY OF VALDOSTA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

|   |                     |
|---|---------------------|
| Net position, as previously reported                          | \$95,196,445        |
| Recognition of bond issuance costs in accordance with GASB 65 | <u>(764,667)</u>    |
| Net position, as restated                                     | <u>\$94,431,778</u> |

The above restatement also caused adjustments to beginning net position of Business-type Activities:

|   |                     |
|---|---------------------|
| Net position, as previously reported                          | \$93,609,115        |
| Recognition of bond issuance costs in accordance with GASB 65 | <u>(764,667)</u>    |
| Net position, as restated                                     | <u>\$92,844,448</u> |

The City of Valdosta has determined that a restatement to beginning fund balance of the Central Valdosta Development Authority Fund was required to recognize the change in accounting principle for implementation of Governmental Accounting Standards Board (GASB) Statement No. 61, through which the CVDA is required to be reported as a blended component unit. These adjustments resulted in changes to beginning fund balances of the Central Valdosta Development Authority Fund as follows:

|   |                 |
|---|-----------------|
| Fund Balance, as previously reported  | \$0             |
| Reclassification of the CVDA to Blended Component Unit in accordance with GASB 61 | <u>73,802</u>   |
| Fund Balance, as restated   | <u>\$73,802</u> |


The above restatement also caused adjustments to beginning net position of Component Unit:

|   |                 |
|---|-----------------|
| Net position, as previously reported  | \$94,489        |
| Reclassification of the CVDA to Blended Component Unit in accordance with GASB 61 | <u>(94,489)</u> |
| Net position, as restated   | <u>\$0</u>      |

The above restatement also caused adjustments to the beginning net position of the City's governmental activities.

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

|  |                             |
|--|-----------------------------|
| Net Position, as previously reported   | \$141,696,164               |
| Reclassification of the CVDA to Blended Component Unit in<br>accordance with GASB 61 | <u>94,489</u>               |
| Net position, as restated  | <u><u>\$141,790,653</u></u> |

The background of the slide features a faded, low-contrast image of the United States flag waving in the wind against a bright blue sky filled with white, fluffy clouds. The flag is positioned diagonally, with the top left corner towards the upper left of the frame. The entire image is enclosed within a double-line border, consisting of a thick red outer line and a thinner blue inner line.

# Budgetary Comparison Schedules

**CITY OF VALDOSTA, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

|   | <b>BUDGETED AMOUNTS</b> |                    | <b>ACTUAL</b>      | <b>VARIANCE WITH<br/>FINAL BUDGET<br/>OVER<br/>(UNDER)</b> |
|---|-------------------------|--------------------|--------------------|--|
|   | <b>ORIGINAL</b>         | <b>FINAL</b>       |                    |  |
| <b>Revenues:</b>  |                         |                    |                    |  |
| Taxes   | \$24,759,880            | \$24,759,880       | \$23,897,409       | (\$862,471)  |
| Licenses and permits                                    | 503,200                 | 503,200            | 514,949            | 11,749   |
| Charges for services                                    | 379,360                 | 379,360            | 476,460            | 97,100   |
| Fines and forfeitures                                   | 1,371,500               | 1,371,500          | 1,364,585          | (6,915)  |
| Interest income   | 38,000                  | 38,000             | 3,988              | (34,012)   |
| Contributions and donations                             | 0                       | 128                | 18,676             | 18,548   |
| Miscellaneous   | 623,950                 | 755,055            | 576,554            | (178,501)  |
| Intergovernmental                                       | 1,199,071               | 1,520,880          | 1,602,039          | 81,159   |
| Transfer in   | 2,680,305               | 2,680,305          | 2,436,732          | (243,573)  |
| <b>TOTAL REVENUES</b>                                   | <b>31,555,266</b>       | <b>32,008,308</b>  | <b>30,891,392</b>  | <b>(1,116,916)</b>   |
| <b>Expenditures:</b>                                    |                         |                    |                    |  |
| Current:  |                         |                    |                    |  |
| General government                                      | 8,183,835               | 8,338,225          | 8,203,394          | 134,831  |
| Public safety   | 20,172,394              | 20,483,520         | 18,954,152         | 1,529,368  |
| Public works  | 1,816,556               | 1,801,393          | 1,470,341          | 331,052  |
| Economic development                                    | 511,069                 | 599,625            | 592,094            | 7,531  |
| Transfer out  | 1,087,663               | 1,149,699          | 2,339,427          | (1,189,728)  |
| <b>TOTAL EXPENDITURES</b>                               | <b>31,771,517</b>       | <b>32,372,462</b>  | <b>31,559,408</b>  | <b>813,054</b>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>               | <b>(216,251)</b>        | <b>(364,154)</b>   | <b>(668,016)</b>   | <b>(303,862)</b>   |
| <b>Fund balance - beginning of year budgetary basis</b> | <b>3,278,517</b>        | <b>3,278,517</b>   | <b>3,278,517</b>   | <b>0</b>   |
| <b>FUND BALANCE - END OF YEAR - BUDGETARY BASIS</b>     | <b>\$3,062,266</b>      | <b>\$2,914,363</b> | <b>\$2,610,501</b> | <b>(\$303,862)</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.

\$30,891,392

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.

(2,436,732)

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

\$28,454,660

**Uses/outflows of resources**

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

\$31,559,408

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.

(172,151)

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

(2,339,427)

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

\$29,047,830



**CITY OF VALDOSTA, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
CENTRAL VALDOSTA DEVELOPMENT AUTHORITY  
FOR YEAR ENDED JUNE 30, 2013**

|   | BUDGETED AMOUNTS                          |                 |                 | VARIANCE WITH<br>FINAL BUDGET<br>OVER<br>(UNDER) |
|---|---|-----------------|-----------------|--|
|   | ORIGINAL                                  | FINAL           | ACTUAL          |  |
| Revenues:   |   |                 |                 |  |
| Taxes   | \$86,000                                  | \$86,000        | \$82,100        | (\$3,900)  |
| Interest income   | 300                                       | 300             | 230             | (70)   |
| Contributions   | 6,400                                     | 6,400           | 6,247           | (153)  |
| Intergovernmental   | 4,000                                     | 4,000           | 3,791           | (209)  |
|   | <b>TOTAL REVENUES</b>                     | <b>96,700</b>   | <b>92,368</b>   | <b>(4,332)</b>                                   |
| Expenditures:   |   |                 |                 |  |
| General Government  | 93,000                                    | 93,000          | 88,973          | 4,027  |
|   | <b>TOTAL EXPENDITURES</b>                 | <b>93,000</b>   | <b>88,973</b>   | <b>4,027</b>                                     |
|   | <b>REVENUES OVER (UNDER) EXPENDITURES</b> | <b>3,700</b>    | <b>3,395</b>    | <b>(305)</b>                                     |
| <b>Fund Balance - beginning of year - budgetary basis</b> | <b>73,802</b>                             | <b>73,802</b>   | <b>73,802</b>   | <b>0</b>   |
| <b>FUND BALANCE - END OF YEAR</b>                         | <b>\$77,502</b>                           | <b>\$77,502</b> | <b>\$77,197</b> | <b>(\$305)</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.

\$92,368

Differences - budget to GAAP:

None

0

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

\$92,368

**Uses/outflows of resources**

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

\$88,973

Differences - budget to GAAP:

None

0

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

\$88,973

**CITY OF VALDOSTA, GEORGIA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2013**

**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, 2013**

**Schedule of Funding Progress**

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value<br>of Assets | Actuarial<br>Accrued<br>Liability<br>(AAL)-Entry<br>Age | Unfunded<br>AAL<br>UAAL | Funded<br>Ratio | Covered<br>Payroll | UAAL<br>As a% of<br>Covered<br>Payroll |
|--------------------------------|---------------------------------|---|-------------------------|-----------------|--------------------|--|
| 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%                                |
| Jan 1, 2013                    | 35,952,318                      | 67,168,446  | 31,216,128              | 53.53%          | 20,073,142         | 155.51%                                |

**CITY OF VALDOSTA, GEORGIA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)  
FOR THE YEAR ENDED JUNE 30, 2013**

| Valuation<br>Date | Accuarial<br>Accrued<br>Liability (AAL) (1) | Accuarial<br>Value<br>of Assets | Unfunded<br>AAL<br>(UAAL) | Percentage<br>Funded | Annual<br>Covered<br>Payroll | UAAL as<br>Percentage<br>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.

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# 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.

**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.

## **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.

**CITY OF VALDOSTA, GEORGIA**  
**COMBINING BALANCE SHEET**  
**OTHER GOVERNMENTAL FUNDS**  
**JUNE 30, 2013**

|   | <b>CONFISCATED<br/>FUNDS</b> | <b>PROPERTY<br/>EVIDENCE<br/>FUND</b> | <b>GA DCA CHIP<br/>98M-X-092-512-013</b> | <b>U.S. DEPT<br/>OF JUSTICE<br/>LOCAL LAW<br/>BLOCK GRANTS</b> | <b>UDAG</b>      |
|---|------------------------------|---------------------------------------|--|--|------------------|
| <b>ASSETS</b>   |                              |                                       |  |  |                  |
| Cash  | \$10,382                     | \$16,786                              | \$0                                      | \$2,845  | \$7,109          |
| Investments   | 19,389                       | 0                                     | 0  | 0  | 0                |
| Receivables (net)   |                              |                                       |  |  |                  |
| Accounts  | 0                            | 0                                     | 0  | 0  | 1,150            |
| Interest  | 0                            | 0                                     | 0  | 0  | 0                |
| Second mortgages  | 0                            | 0                                     | 28,500                                   | 0  | 167,149          |
| Due from other funds  | 0                            | 0                                     | 0  | 0  | 25               |
| Due from other governments and agencies                               | 0                            | 0                                     | 0  | 0  | 0                |
| Total assets  | <u>\$29,771</u>              | <u>\$16,786</u>                       | <u>\$28,500</u>                          | <u>\$2,845</u>   | <u>\$175,433</u> |
| <b>LIABILITIES</b>  |                              |                                       |  |  |                  |
| Liabilities:  |                              |                                       |  |  |                  |
| Vouchers and accounts payable   | \$0                          | \$0                                   | \$0                                      | \$1,519  | \$0              |
| Due to:   |                              |                                       |  |  |                  |
| Other funds   | 0                            | 0                                     | 0  | 1,326  | 0                |
| Advances from other funds   | 0                            | 0                                     | 0  | 0  | 0                |
| Total liabilities   | <u>0</u>                     | <u>0</u>                              | <u>0</u>                                 | <u>2,845</u>   | <u>0</u>         |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                  |                              |                                       |  |  |                  |
| Unavailable Revenue   | <u>0</u>                     | <u>0</u>                              | <u>0</u>                                 | <u>0</u>   | <u>0</u>         |
| Fund balances (deficits):   |                              |                                       |  |  |                  |
| Nonspendable  | 0                            | 0                                     | 28,500                                   | 0  | 167,149          |
| Restricted  | 29,771                       | 16,786                                | 0  | 0  | 8,284            |
| Assigned  | 0                            | 0                                     | 0  | 0  | 0                |
| Unassigned  | 0                            | 0                                     | 0  | 0  | 0                |
| Total fund balances (deficits)  | <u>29,771</u>                | <u>16,786</u>                         | <u>28,500</u>                            | <u>0</u>   | <u>175,433</u>   |
| Total liabilities, deferred inflows of<br>resources and fund balances | <u>\$29,771</u>              | <u>\$16,786</u>                       | <u>\$28,500</u>                          | <u>\$2,845</u>   | <u>\$175,433</u> |



## SPECIAL REVENUE FUNDS

| GA DCA CHIP<br>01M-X-092-2-2568 | GA DCA CHIP<br>02M-X-092-2-2695 | HUD FEDERAL<br>GRANT | GA DCA CHIP<br>04M-X-092-2-2915 | GA DCA CHIP<br>06M-X-092-2-2951 | GA DCA CHIP<br>07M-X-092-2-2961 | GA DCA CHIP<br>07MR-X-092-2-2979 |
|---------------------------------|---------------------------------|----------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------------|
| \$0                             | \$0                             | \$56,696             | \$0                             | \$0                             | \$0                             | \$1                              |
| 0                               | 0                               | 0                    | 0                               | 0                               | 0                               | 0                                |
| 0                               | 0                               | 0                    | 0                               | 0                               | 0                               | 0                                |
| 0                               | 0                               | 0                    | 0                               | 0                               | 0                               | 0                                |
| 6,750                           | 48,600                          | 1,882,730            | 102,735                         | 158,700                         | 193,300                         | 82,000                           |
| 0                               | 0                               | 0                    | 0                               | 0                               | 0                               | 0                                |
| 0                               | 0                               | 23,744               | 0                               | 0                               | 0                               | 0                                |
| <u>\$6,750</u>                  | <u>\$48,600</u>                 | <u>\$1,963,170</u>   | <u>\$102,735</u>                | <u>\$158,700</u>                | <u>\$193,300</u>                | <u>\$82,001</u>                  |
| \$0                             | \$0                             | \$16,543             | \$0                             | \$0                             | \$0                             | \$0                              |
| 0                               | 0                               | 33,898               | 0                               | 0                               | 0                               | 1                                |
| 0                               | 0                               | 30,000               | 0                               | 0                               | 0                               | 0                                |
| <u>0</u>                        | <u>0</u>                        | <u>80,441</u>        | <u>0</u>                        | <u>0</u>                        | <u>0</u>                        | <u>1</u>                         |
| 0                               | 0                               | 23,744               | 0                               | 0                               | 0                               | 0                                |
| 6,750                           | 48,600                          | 1,882,730            | 102,735                         | 158,700                         | 193,300                         | 82,000                           |
| 0                               | 0                               | 80,440               | 0                               | 0                               | 0                               | 0                                |
| 0                               | 0                               | 0                    | 0                               | 0                               | 0                               | 0                                |
| 0                               | 0                               | (104,185)            | 0                               | 0                               | 0                               | 0                                |
| <u>6,750</u>                    | <u>48,600</u>                   | <u>1,858,985</u>     | <u>102,735</u>                  | <u>158,700</u>                  | <u>193,300</u>                  | <u>82,000</u>                    |
| <u>\$6,750</u>                  | <u>\$48,600</u>                 | <u>\$1,963,170</u>   | <u>\$102,735</u>                | <u>\$158,700</u>                | <u>\$193,300</u>                | <u>\$82,001</u>                  |

(Continued)

| CAPITAL PROJECTS FUNDS |                                    |                        |                                |                                  |   |
|------------------------|------------------------------------|------------------------|--------------------------------|----------------------------------|---|
| ACCOMODATIONS<br>TAX   | YOUTH<br>RECREATION<br>SCHOLARSHIP | AIRPORT<br>DEVELOPMENT | GENERAL<br>CAPITAL<br>PROJECTS | SUNSET HILL<br>PERMANENT<br>FUND | TOTAL<br>OTHER<br>GOVERNMENTAL<br>FUNDS |
| \$31,267               | \$2,796                            | \$18,823               | \$0                            | \$75,425                         | \$222,130                               |
| 104,285                | 9,327                              | 62,781                 | 0                              | 1,214,915                        | 1,410,697                               |
| 161,995                | 0                                  | 0                      | 0                              | 739                              | 163,884                                 |
| 0                      | 0                                  | 6,883                  | 0                              | 0                                | 6,883                                   |
| 0                      | 0                                  | 0                      | 0                              | 0                                | 2,670,464                               |
| 0                      | 0                                  | 0                      | 0                              | 288,833                          | 288,858                                 |
| 0                      | 0                                  | 659,776                | 0                              | 0                                | 683,520                                 |
| <u>\$297,547</u>       | <u>\$12,123</u>                    | <u>\$748,263</u>       | <u>\$0</u>                     | <u>\$1,579,912</u>               | <u>\$5,446,436</u>                      |
|                        |                                    |                        |                                |                                  |   |
| \$79,205               | \$0                                | \$220,893              | \$0                            | \$0                              | \$318,160                               |
| 168,000                | 0                                  | 0                      | 0                              | 0                                | 203,225                                 |
| 0                      | 0                                  | 0                      | 0                              | 0                                | 30,000                                  |
| <u>247,205</u>         | <u>0</u>                           | <u>220,893</u>         | <u>0</u>                       | <u>0</u>                         | <u>551,385</u>                          |
|                        |                                    |                        |                                |                                  |   |
| <u>0</u>               | <u>0</u>                           | <u>253,985</u>         | <u>0</u>                       | <u>1,749</u>                     | <u>279,478</u>                          |
|                        |                                    |                        |                                |                                  |   |
| 0                      | 0                                  | 0                      | 0                              | 1,578,163                        | 4,248,627                               |
| 0                      | 12,123                             | 0                      | 0                              | 0                                | 147,404                                 |
| 50,342                 | 0                                  | 273,385                | 0                              | 0                                | 323,727                                 |
| 0                      | 0                                  | 0                      | 0                              | 0                                | (104,185)                               |
| <u>50,342</u>          | <u>12,123</u>                      | <u>273,385</u>         | <u>0</u>                       | <u>1,578,163</u>                 | <u>4,615,573</u>                        |
| <u>\$297,547</u>       | <u>\$12,123</u>                    | <u>\$748,263</u>       | <u>\$0</u>                     | <u>\$1,579,912</u>               | <u>\$5,446,436</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, 2013**

|   | <b>CONFISCATED<br/>FUNDS</b> | <b>PROPERTY<br/>EVIDENCE<br/>FUND</b> | <b>GA DCA CHIP<br/>98M-X-092-512-013</b> | <b>U.S. DEPT<br/>OF JUSTICE<br/>LOCAL LAW<br/>BLOCK GRANTS</b> | <b>UDAG</b>      |
|---|------------------------------|---------------------------------------|--|--|------------------|
| <b>Revenues:</b>                              |                              |                                       |  |  |                  |
| Taxes   | \$0                          | \$0                                   | \$0                                      | \$0  | \$0              |
| Interest income                               | 10                           | 0                                     | 0  | 0  | 0                |
| Contributions                                 | 0                            | 0                                     | 0  | 0  | 0                |
| Intergovernmental                             | 0                            | 0                                     | 0  | 59,771   | 0                |
| Fines and forfeitures                         | 17,022                       | 10,260                                | 0  | 0  | 0                |
| Miscellaneous revenues                        | 0                            | 0                                     | 0  | 0  | 0                |
| <b>TOTAL REVENUES</b>                         | <b>17,032</b>                | <b>10,260</b>                         | <b>0</b>                                 | <b>59,771</b>  | <b>0</b>         |
| <b>Expenditures:</b>                          |                              |                                       |  |  |                  |
| Current:                                      |                              |                                       |  |  |                  |
| General government                            | 0                            | 0                                     | 0  | 0  | 0                |
| Public safety                                 | 16,265                       | 0                                     | 0  | 59,771   | 0                |
| Economic development and<br>assistance        | 0                            | 0                                     | 0  | 0  | 0                |
| Capital outlay                                | 0                            | 0                                     | 0  | 0  | 0                |
| <b>TOTAL EXPENDITURES</b>                     | <b>16,265</b>                | <b>0</b>                              | <b>0</b>                                 | <b>59,771</b>  | <b>0</b>         |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <b>767</b>                   | <b>10,260</b>                         | <b>0</b>                                 | <b>0</b>   | <b>0</b>         |
| Other financing sources (uses):               |                              |                                       |  |  |                  |
| 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>767</b>                   | <b>10,260</b>                         | <b>0</b>                                 | <b>0</b>   | <b>0</b>         |
| Fund balances beginning of year               | 29,004                       | 6,526                                 | 28,500                                   | 0  | 175,433          |
| <b>FUND BALANCES END OF YEAR</b>              | <b>\$29,771</b>              | <b>\$16,786</b>                       | <b>\$28,500</b>                          | <b>\$0</b>   | <b>\$175,433</b> |

## SPECIAL REVENUE FUNDS

| GA DCA CHIP<br>01M-X-092-2-2568 | GA DCA CHIP<br>02M-X-092-2-2695 | FEDERAL<br>HUD GRANT | GA DCA CHIP<br>04M-X-092-2-2915 | GA DCA CHIP<br>06M-X-092-2-2951 | GA DCA CHIP<br>07M-X-092-2-2961 | GA DCA CHIP<br>07MR-X-092-2-2979 |
|---------------------------------|---------------------------------|----------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------------|
| \$0                             | \$0                             | \$0                  | \$0                             | \$0                             | \$0                             | \$0                              |
| 0                               | 0                               | 0                    | 0                               | 0                               | 0                               | 0                                |
| 0                               | 0                               | 0                    | 0                               | 0                               | 0                               | 0                                |
| 0                               | 0                               | 210,290              | 0                               | 0                               | 65,560                          | 10,000                           |
| 0                               | 0                               | 0                    | 0                               | 0                               | 0                               | 0                                |
| 0                               | 0                               | 0                    | 0                               | 0                               | 0                               | 0                                |
| 0                               | 0                               | 210,290              | 0                               | 0                               | 65,560                          | 10,000                           |
| 0                               | 0                               | 0                    | 0                               | 0                               | 0                               | 0                                |
| 0                               | 0                               | 0                    | 0                               | 0                               | 0                               | 0                                |
| 12,750                          | 24,000                          | 325,594              | 19,900                          | 25,700                          | 27,225                          | 9,000                            |
| 0                               | 0                               | 0                    | 0                               | 0                               | 0                               | 0                                |
| 12,750                          | 24,000                          | 325,594              | 19,900                          | 25,700                          | 27,225                          | 9,000                            |
| (12,750)                        | (24,000)                        | (115,304)            | (19,900)                        | (25,700)                        | 38,335                          | 1,000                            |
| 0                               | 0                               | 0                    | 0                               | 0                               | 0                               | 0                                |
| 0                               | 0                               | 0                    | 0                               | 0                               | 0                               | 0                                |
| (12,750)                        | (24,000)                        | (115,304)            | (19,900)                        | (25,700)                        | 38,335                          | 1,000                            |
| 19,500                          | 72,600                          | 1,974,289            | 122,635                         | 184,400                         | 154,965                         | 81,000                           |
| \$6,750                         | \$48,600                        | \$1,858,985          | \$102,735                       | \$158,700                       | \$193,300                       | \$82,000                         |

(Continued)

| CAPITAL PROJECTS FUNDS |                                    |                        |                                |                                  |   |
|------------------------|------------------------------------|------------------------|--------------------------------|----------------------------------|---|
| ACCOMODATIONS<br>TAX   | YOUTH<br>RECREATION<br>SCHOLARSHIP | AIRPORT<br>DEVELOPMENT | GENERAL<br>CAPITAL<br>PROJECTS | SUNSET HILL<br>PERMANENT<br>FUND | TOTAL<br>OTHER<br>GOVERNMENTAL<br>FUNDS |
| \$1,667,924            | \$0                                | \$0                    | \$0                            | \$0                              | \$1,667,924                             |
| 52                     | 10                                 | 22,430                 | 60                             | 434                              | 22,996                                  |
| 0                      | 0                                  | 0                      | 0                              | 39,797                           | 39,797                                  |
| 0                      | 0                                  | 1,551,573              | 0                              | 0                                | 1,897,194                               |
| 0                      | 0                                  | 0                      | 0                              | 0                                | 27,282                                  |
| 0                      | 0                                  | 0                      | 0                              | 19,025                           | 19,025                                  |
| 1,667,976              | 10                                 | 1,574,003              | 60                             | 59,256                           | 3,674,218                               |
| 1,505,264              | 54                                 | 0                      | 0                              | 6,915                            | 1,512,233                               |
| 0                      | 0                                  | 0                      | 0                              | 0                                | 76,036                                  |
| 0                      | 0                                  | 0                      | 0                              | 0                                | 444,169                                 |
| 0                      | 0                                  | 1,699,995              | 84                             | 0                                | 1,700,079                               |
| 1,505,264              | 54                                 | 1,699,995              | 84                             | 6,915                            | 3,732,517                               |
| 162,712                | (44)                               | (125,992)              | (24)                           | 52,341                           | (58,299)                                |
| (318,000)              | 0                                  | 0                      | (37,029)                       | 0                                | (355,029)                               |
| (318,000)              | 0                                  | 0                      | (37,029)                       | 0                                | (355,029)                               |
| (155,288)              | (44)                               | (125,992)              | (37,053)                       | 52,341                           | (413,328)                               |
| 205,630                | 12,167                             | 399,377                | 37,053                         | 1,525,822                        | 5,028,901                               |
| \$50,342               | \$12,123                           | \$273,385              | \$0                            | \$1,578,163                      | \$4,615,573                             |

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, 2013

|                                | BUDGET           |                  |                  | VARIANCE<br>OVER<br>(UNDER) |
|--------------------------------|------------------|------------------|------------------|-----------------------------|
|                                | ORIGINAL         | FINAL            | ACTUAL           |                             |
| <b>Current Operations:</b>     |                  |                  |                  |                             |
| <b>General government</b>      |                  |                  |                  |                             |
| Administration                 |                  |                  |                  |                             |
| Mayor and council              |                  |                  |                  |                             |
| Personal services              | \$195,381        | \$195,876        | \$195,312        | \$564                       |
| Contractual services           | 58,207           | 57,539           | 57,054           | 485                         |
| Supplies                       | 10,950           | 18,769           | 18,767           | 2                           |
| Travel and training            | 165,570          | 164,658          | 122,025          | 42,633                      |
| Other services and charges     | 263,298          | 318,229          | 287,717          | 30,512                      |
|                                | <u>693,406</u>   | <u>755,071</u>   | <u>680,875</u>   | <u>74,196</u>               |
| City manager                   |                  |                  |                  |                             |
| Personal services              | 438,753          | 445,665          | 445,660          | 5                           |
| Contractual services           | 6,707            | 6,333            | 6,330            | 3                           |
| Supplies                       | 10,000           | 6,986            | 6,984            | 2                           |
| Travel and training            | 25,050           | 25,917           | 26,592           | (675)                       |
| Other services and charges     | 24,136           | 9,986            | 9,590            | 396                         |
|                                | <u>504,646</u>   | <u>494,887</u>   | <u>495,156</u>   | <u>(269)</u>                |
| Elections                      |                  |                  |                  |                             |
| Contractual services           | 20,000           | 20,000           | 0                | 20,000                      |
|                                | <u>20,000</u>    | <u>20,000</u>    | <u>0</u>         | <u>20,000</u>               |
| City attorney                  |                  |                  |                  |                             |
| Travel and training            | 845              | 845              | 695              | 150                         |
| Other services and charges     | 360,000          | 466,599          | 466,599          | 0                           |
|                                | <u>360,845</u>   | <u>467,444</u>   | <u>467,294</u>   | <u>150</u>                  |
| Solicitor                      |                  |                  |                  |                             |
| Other services and charges     | 0                | 6,716            | 6,716            | 0                           |
|                                | <u>0</u>         | <u>6,716</u>     | <u>6,716</u>     | <u>0</u>                    |
| Indigent Defense               |                  |                  |                  |                             |
| Other services and charges     | 40,000           | 46,034           | 46,031           | 3                           |
|                                | <u>40,000</u>    | <u>46,034</u>    | <u>46,031</u>    | <u>3</u>                    |
| <b>TOTAL ADMINISTRATION</b>    | <u>1,618,897</u> | <u>1,790,152</u> | <u>1,696,072</u> | <u>94,080</u>               |
| Human resources department     |                  |                  |                  |                             |
| Administration                 |                  |                  |                  |                             |
| Personal services              | 256,358          | 221,103          | 188,754          | 32,349                      |
| Contractual services           | 6,148            | 20,371           | 19,524           | 847                         |
| Supplies                       | 3,350            | 5,861            | 5,509            | 352                         |
| Travel and training            | 2,700            | 871              | 741              | 130                         |
| Other services and charges     | 23,309           | 18,599           | 18,599           | 0                           |
|                                | <u>291,865</u>   | <u>266,805</u>   | <u>233,127</u>   | <u>33,678</u>               |
| Employee incentives/assistance |                  |                  |                  |                             |
| Personal services              | 3,500            | 5,489            | 5,489            | 0                           |
|                                | <u>3,500</u>     | <u>5,489</u>     | <u>5,489</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, 2013

|                              | BUDGET           |                  |                  | VARIANCE<br>OVER<br>(UNDER) |
|------------------------------|------------------|------------------|------------------|-----------------------------|
|                              | ORIGINAL         | FINAL            | ACTUAL           |                             |
| Risk division                |                  |                  |                  |                             |
| Contractual services         | \$18,000         | \$16,682         | \$13,593         | \$3,089                     |
| Other services and charges   | 35,000           | 36,745           | 15,417           | 21,328                      |
|                              | 53,000           | 53,427           | 29,010           | 24,417                      |
| <b>TOTAL HUMAN RESOURCES</b> | <b>348,365</b>   | <b>325,721</b>   | <b>267,626</b>   | <b>58,095</b>               |
| Finance department           |                  |                  |                  |                             |
| Finance director             |                  |                  |                  |                             |
| Personal services            | 201,052          | 202,120          | 201,967          | 153                         |
| Contractual services         | 1,048            | 1,525            | 1,417            | 108                         |
| Supplies                     | 2,458            | 1,088            | 1,087            | 1                           |
| Travel and training          | 3,250            | 1,280            | 1,255            | 25                          |
| Other services and charges   | 62,884           | 61,489           | 61,378           | 111                         |
|                              | 270,692          | 267,502          | 267,104          | 398                         |
| Accounting division          |                  |                  |                  |                             |
| Personal services            | 472,447          | 473,529          | 473,498          | 31                          |
| Contractual services         | 16,172           | 10,580           | 10,547           | 33                          |
| Supplies                     | 7,050            | 6,356            | 5,900            | 456                         |
| Travel and training          | 3,745            | 5,461            | 5,309            | 152                         |
| Other services and charges   | 57,603           | 59,360           | 57,732           | 1,628                       |
|                              | 557,017          | 555,286          | 552,986          | 2,300                       |
| Budget division              |                  |                  |                  |                             |
| Personal services            | 147,960          | 149,278          | 148,904          | 374                         |
| Contractual services         | 3,929            | 2,259            | 2,101            | 158                         |
| Supplies                     | 2,450            | 2,527            | 2,397            | 130                         |
| Travel and training          | 1,812            | 639              | 524              | 115                         |
| Other services and charges   | 6,700            | 12,638           | 10,007           | 2,631                       |
|                              | 162,851          | 167,341          | 163,933          | 3,408                       |
| Customer service division    |                  |                  |                  |                             |
| Personal services            | 474,832          | 490,575          | 490,570          | 5                           |
| Contractual services         | 66,751           | 181,470          | 178,296          | 3,174                       |
| Supplies                     | 12,000           | 23,541           | 23,539           | 2                           |
| Travel and training          | 1,178            | 43               | 42               | 1                           |
| Other services and charges   | 283,530          | 211,722          | 211,563          | 159                         |
|                              | 838,291          | 907,351          | 904,010          | 3,341                       |
| Business License             |                  |                  |                  |                             |
| Personal services            | 42,794           | 44,640           | 44,605           | 35                          |
| Contractual services         | 36,866           | 46,956           | 46,944           | 12                          |
| Supplies                     | 2,430            | 1,079            | 1,079            | 0                           |
| Travel and training          | 922              | 21               | 20               | 1                           |
| Other services and charges   | 28,765           | 12,578           | 12,021           | 557                         |
|                              | 111,777          | 105,274          | 104,669          | 605                         |
| Purchasing division          |                  |                  |                  |                             |
| Personal services            | 136,922          | 117,441          | 117,009          | 432                         |
| Contractual services         | 2,028            | 2,099            | 1,924            | 175                         |
| Supplies                     | 1,050            | 1,876            | 1,840            | 36                          |
| Travel and training          | 1,650            | 587              | 587              | 0                           |
| Other services and charges   | 5,733            | 3,207            | 3,100            | 107                         |
|                              | 147,383          | 125,210          | 124,460          | 750                         |
| <b>TOTAL FINANCE</b>         | <b>2,088,011</b> | <b>2,127,964</b> | <b>2,117,162</b> | <b>10,802</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, 2013

|                            | BUDGET           |                  |                  | VARIANCE<br>OVER<br>(UNDER) |
|----------------------------|------------------|------------------|------------------|-----------------------------|
|                            | ORIGINAL         | FINAL            | ACTUAL           |                             |
| Engineering department     |                  |                  |                  |                             |
| Engineering division       |                  |                  |                  |                             |
| Personal services          | \$651,429        | \$619,525        | \$583,336        | \$36,189                    |
| Contractual services       | 10,344           | 13,392           | 13,180           | 212                         |
| Supplies                   | 8,587            | 7,560            | 7,557            | 3                           |
| Travel and training        | 2,925            | 3,424            | 3,409            | 15                          |
| Other services and charges | (260,450)        | (271,678)        | (82,565)         | (189,113)                   |
|                            | <u>412,835</u>   | <u>372,223</u>   | <u>524,917</u>   | <u>(152,694)</u>            |
| Signal Maintenance         |                  |                  |                  |                             |
| Personal services          | 224,622          | 232,905          | 232,814          | 91                          |
| Contractual services       | 6,335            | 6,500            | 6,500            | 0                           |
| Supplies                   | 21,587           | 15,382           | 15,381           | 1                           |
| Travel and training        | 2,300            | 1,101            | 1,100            | 1                           |
| Other services and charges | 15,101           | 13,432           | 13,618           | (186)                       |
|                            | <u>269,945</u>   | <u>269,320</u>   | <u>269,413</u>   | <u>(93)</u>                 |
| Signs and Markings         |                  |                  |                  |                             |
| Personal services          | 140,379          | 140,168          | 140,164          | 4                           |
| Contractual services       | 3,366            | 3,861            | 3,860            | 1                           |
| Supplies                   | 28,500           | 27,889           | 27,901           | (12)                        |
| Travel and training        | 1,150            | 158              | 156              | 2                           |
| Other services and charges | 20,154           | 12,071           | 13,615           | (1,544)                     |
|                            | <u>193,549</u>   | <u>184,147</u>   | <u>185,696</u>   | <u>(1,549)</u>              |
| Traffic Mgt Center         |                  |                  |                  |                             |
| Personal services          | 130,152          | 105,013          | 104,895          | 118                         |
| Contractual services       | 1,309,948        | 1,436,673        | 1,436,612        | 61                          |
| Supplies                   | 20,375           | 15,950           | 15,947           | 3                           |
| Travel and training        | 1,390            | 789              | 788              | 1                           |
| Other services and charges | 3,653            | 1,815            | 2,682            | (867)                       |
| Capital Outlay             | 5,936            | 5,936            | 11,807           | (5,871)                     |
|                            | <u>1,471,454</u> | <u>1,566,176</u> | <u>1,572,731</u> | <u>(6,555)</u>              |
| Street Repair              |                  |                  |                  |                             |
| Personal services          | 214,171          | 219,859          | 219,855          | 4                           |
| Contractual services       | 7,358            | 6,735            | 6,725            | 10                          |
| Supplies                   | 68,430           | 74,702           | 74,697           | 5                           |
| Travel and training        | 920              | 157              | 156              | 1                           |
| Other services and charges | 30,597           | 12,246           | 32,743           | (20,497)                    |
|                            | <u>321,476</u>   | <u>313,699</u>   | <u>334,176</u>   | <u>(20,477)</u>             |
| <b>TOTAL ENGINEERING</b>   | <u>2,669,259</u> | <u>2,705,565</u> | <u>2,886,933</u> | <u>(181,368)</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, 2013

|   | BUDGET           |                  |                  | VARIANCE<br>OVER<br>(UNDER) |
|---|------------------|------------------|------------------|-----------------------------|
|   | ORIGINAL         | FINAL            | ACTUAL           |                             |
| City hall                                     |                  |                  |                  |                             |
| Personal services                             | \$82,837         | \$102,113        | \$102,091        | \$22                        |
| Contractual services                          | 98,735           | 89,038           | 88,982           | 56                          |
| Supplies                                      | 5,465            | 4,321            | 4,320            | 1                           |
| Other services and charges                    | 26,396           | 34,747           | 34,745           | 2                           |
|   | <u>213,433</u>   | <u>230,219</u>   | <u>230,138</u>   | <u>81</u>                   |
| City hall annex                               |                  |                  |                  |                             |
| Personal services                             | 45,884           | 45,450           | 45,408           | 42                          |
| Contractual services                          | 93,612           | 86,887           | 86,594           | 293                         |
| Supplies                                      | 4,345            | 2,557            | 2,556            | 1                           |
| Other services and charges                    | 9,191            | 7,634            | 7,633            | 1                           |
|   | <u>153,032</u>   | <u>142,528</u>   | <u>142,191</u>   | <u>337</u>                  |
| Customer service                              |                  |                  |                  |                             |
| Contractual services                          | 19,050           | 17,932           | 16,596           | 1,336                       |
| Supplies                                      | 2,545            | 2,813            | 2,812            | 1                           |
| Other services and charges                    | 2,945            | 4,378            | 4,378            | 0                           |
|   | <u>24,540</u>    | <u>25,123</u>    | <u>23,786</u>    | <u>1,337</u>                |
| Rental  |                  |                  |                  |                             |
| Contractual services                          | 38,920           | 46,763           | 46,760           | 3                           |
| Supplies                                      | 3,500            | 0                | 0                | 0                           |
| Other services and charges                    | 0                | 9,817            | 9,815            | 2                           |
|   | <u>42,420</u>    | <u>56,580</u>    | <u>56,575</u>    | <u>5</u>                    |
| <b>TOTAL OTHER GENERAL<br/>ADMINISTRATIVE</b> | <u>433,425</u>   | <u>454,450</u>   | <u>452,690</u>   | <u>1,760</u>                |
| Municipal court                               |                  |                  |                  |                             |
| Administration                                |                  |                  |                  |                             |
| Personal services                             | 282,591          | 284,898          | 284,101          | 797                         |
| Contractual services                          | 44,023           | 39,708           | 38,543           | 1,165                       |
| Supplies                                      | 10,700           | 11,589           | 11,565           | 24                          |
| Travel and training                           | 6,400            | 6,503            | 6,444            | 59                          |
| Other services and charges                    | 679,164          | 591,675          | 442,258          | 149,417                     |
| Capital Outlay                                | 3,000            | 0                | 0                | 0                           |
| <b>TOTAL MUNICIPAL COURT</b>                  | <u>1,025,878</u> | <u>934,373</u>   | <u>782,911</u>   | <u>151,462</u>              |
| <b>TOTAL GENERAL GOVERNMENT</b>               | <u>8,183,835</u> | <u>8,338,225</u> | <u>8,203,394</u> | <u>134,831</u>              |
| <b>Public safety</b>                          |                  |                  |                  |                             |
| Police department                             |                  |                  |                  |                             |
| Police administration division                |                  |                  |                  |                             |
| Personal services                             | 554,716          | 565,445          | 564,270          | 1,175                       |
| Contractual services                          | 12,778           | 13,524           | 13,524           | 0                           |
| Supplies                                      | 15,950           | 25,072           | 25,068           | 4                           |
| Travel and training                           | 12,458           | 11,111           | 13,048           | (1,937)                     |
| Other services and charges                    | 123,194          | 210,611          | 209,793          | 818                         |
| Capital Outlay                                | 11,000           | 20,041           | 20,041           | 0                           |
|   | <u>730,096</u>   | <u>845,804</u>   | <u>845,744</u>   | <u>60</u>                   |
| Patrol bureau division                        |                  |                  |                  |                             |
| Personal services                             | 5,383,939        | 5,283,048        | 5,037,668        | 245,380                     |
| Contractual services                          | 218,283          | 215,805          | 196,557          | 19,248                      |
| Supplies                                      | 118,300          | 150,778          | 147,870          | 2,908                       |
| Travel and training                           | 12,375           | 12,878           | 13,047           | (169)                       |
| Other services and charges                    | 1,079,345        | 1,043,221        | 677,895          | 365,326                     |
| Capital outlay                                | 155,709          | 1                | 0                | 1                           |
| Debt Service                                  | 0                | 155,708          | 155,708          | 0                           |
|   | <u>6,967,951</u> | <u>6,861,439</u> | <u>6,228,745</u> | <u>632,694</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, 2013

|                                  | BUDGET            |                   |                   | VARIANCE<br>OVER<br>(UNDER) |
|----------------------------------|-------------------|-------------------|-------------------|-----------------------------|
|                                  | ORIGINAL          | FINAL             | ACTUAL            |                             |
| Investigative bureau division    |                   |                   |                   |                             |
| Personal services                | \$1,740,179       | \$1,744,233       | \$1,731,888       | \$12,345                    |
| Contractual services             | 45,134            | 47,169            | 44,213            | 2,956                       |
| Supplies                         | 74,545            | 83,864            | 81,882            | 1,982                       |
| Travel and training              | 21,270            | 10,306            | 10,296            | 10                          |
| Other services and charges       | 359,421           | 243,262           | 142,396           | 100,866                     |
|                                  | <u>2,240,549</u>  | <u>2,128,834</u>  | <u>2,010,675</u>  | <u>118,159</u>              |
| Support services bureau division |                   |                   |                   |                             |
| Personal services                | 1,346,548         | 1,348,777         | 1,316,220         | 32,557                      |
| Contractual services             | 330,895           | 426,684           | 422,463           | 4,221                       |
| Supplies                         | 85,900            | 109,926           | 109,920           | 6                           |
| Travel and training              | 9,960             | 4,896             | 4,896             | 0                           |
| Other services and charges       | 150,546           | 163,054           | 122,560           | 40,494                      |
|                                  | <u>1,923,849</u>  | <u>2,053,337</u>  | <u>1,976,059</u>  | <u>77,278</u>               |
| Crime lab                        |                   |                   |                   |                             |
| Personal services                | 738,317           | 750,195           | 750,189           | 6                           |
| Contractual services             | 98,204            | 119,170           | 118,896           | 274                         |
| Supplies                         | 60,243            | 52,350            | 52,251            | 99                          |
| Travel and training              | 24,956            | 7,227             | 7,224             | 3                           |
| Other services and charges       | 75,120            | 48,868            | 47,005            | 1,863                       |
| Capital outlay                   | 0                 | 2,133             | (25,247)          | 27,380                      |
|                                  | <u>996,840</u>    | <u>979,943</u>    | <u>950,318</u>    | <u>29,625</u>               |
| GOHS GA-2007-191-00572           |                   |                   |                   |                             |
| Personal services                | 164,939           | 164,939           | 163,039           | 1,900                       |
| Travel and training              | 0                 | 1,200             | 875               | 325                         |
| Other services and charges       | 0                 | 0                 | 6,000             | (6,000)                     |
|                                  | <u>164,939</u>    | <u>166,139</u>    | <u>169,914</u>    | <u>(3,775)</u>              |
| <b>TOTAL POLICE DEPARTMENT</b>   | <u>13,024,224</u> | <u>13,035,496</u> | <u>12,181,455</u> | <u>854,041</u>              |
| Fire department                  |                   |                   |                   |                             |
| Fire administration division     |                   |                   |                   |                             |
| Personal services                | 240,841           | 241,336           | 240,435           | 901                         |
| Contractual services             | 1,108             | 1,147             | 1,020             | 127                         |
| Supplies                         | 2,025             | 468               | 467               | 1                           |
| Travel and training              | 3,055             | 1,186             | 1,119             | 67                          |
| Other services and charges       | 65,660            | 98,244            | 71,516            | 26,728                      |
|                                  | <u>312,689</u>    | <u>342,381</u>    | <u>314,557</u>    | <u>27,824</u>               |
| Fire fighting division           |                   |                   |                   |                             |
| Personal services                | 5,021,891         | 4,953,072         | 4,522,993         | 430,079                     |
| Contractual services             | 151,617           | 167,071           | 159,323           | 7,748                       |
| Supplies                         | 104,300           | 343,066           | 343,029           | 37                          |
| Travel and training              | 6,115             | 1,849             | 1,816             | 33                          |
| Other services and charges       | 258,715           | 269,202           | 247,884           | 21,318                      |
|                                  | <u>5,542,638</u>  | <u>5,734,260</u>  | <u>5,275,045</u>  | <u>459,215</u>              |
| Fire inspection division         |                   |                   |                   |                             |
| Personal services                | 253,267           | 255,809           | 254,518           | 1,291                       |
| Contractual services             | 4,424             | 6,704             | 6,703             | 1                           |
| Supplies                         | 3,400             | 24,749            | 20,485            | 4,264                       |
| Travel and training              | 2,265             | 545               | 85                | 460                         |
| Other services and charges       | 31,469            | 29,092            | 11,234            | 17,858                      |
| Capital Outlay                   | 0                 | 6,858             | 0                 | 6,858                       |
|                                  | <u>294,825</u>    | <u>323,757</u>    | <u>293,025</u>    | <u>30,732</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, 2013**

|  | <b>BUDGET</b>     |                   |                   | <b>VARIANCE<br/>OVER<br/>(UNDER)</b> |
|--|-------------------|-------------------|-------------------|--------------------------------------|
|  | <b>ORIGINAL</b>   | <b>FINAL</b>      | <b>ACTUAL</b>     |                                      |
| Fire maintenance division              |                   |                   |                   |                                      |
| Personal services                      | \$77,420          | \$79,103          | \$78,971          | \$132                                |
| Contractual services                   | 44,198            | 30,137            | 30,136            | 1                                    |
| Supplies                               | 56,230            | 57,216            | 57,197            | 19                                   |
| Other services and charges             | 14,771            | 18,349            | 18,240            | 109                                  |
|  | <u>192,619</u>    | <u>184,805</u>    | <u>184,544</u>    | <u>261</u>                           |
| Fire training division                 |                   |                   |                   |                                      |
| Personal services                      | 151,765           | 153,539           | 152,910           | 629                                  |
| Contractual services                   | 11,879            | 15,107            | 15,106            | 1                                    |
| Supplies                               | 3,023             | 834               | 823               | 11                                   |
| Travel and training                    | 2,491             | 92                | 12                | 80                                   |
| Other services and charges             | 4,074             | 3,822             | 2,269             | 1,553                                |
| Capital Outlay                         | 0                 | 18,575            | 18,575            | 0                                    |
|  | <u>173,232</u>    | <u>191,969</u>    | <u>189,695</u>    | <u>2,274</u>                         |
| Special services division              |                   |                   |                   |                                      |
| Personal services                      | 77,288            | 77,882            | 77,818            | 64                                   |
| Contractual services                   | 1,382             | 1,419             | 1,418             | 1                                    |
| Supplies                               | 1,000             | 35,859            | 2,251             | 33,608                               |
| Travel and training                    | 9,825             | 12,876            | 23,464            | (10,588)                             |
| Other services and charges             | 7,586             | 7,200             | 1,890             | 5,310                                |
|  | <u>97,081</u>     | <u>135,236</u>    | <u>106,841</u>    | <u>28,395</u>                        |
| <b>TOTAL FIRE DEPARTMENT</b>           | <u>6,613,084</u>  | <u>6,912,408</u>  | <u>6,363,707</u>  | <u>548,701</u>                       |
| Other protection services              |                   |                   |                   |                                      |
| Community protection                   |                   |                   |                   |                                      |
| Personal services                      | 307,880           | 323,644           | 273,404           | 50,240                               |
| Contractual services                   | 118,963           | 97,020            | 58,074            | 38,946                               |
| Supplies                               | 5,900             | 5,900             | 3,087             | 2,813                                |
| Travel and training                    | 2,950             | 3,750             | 3,247             | 503                                  |
| Other services and charges             | 35,273            | 41,182            | 28,364            | 12,818                               |
|  | <u>470,966</u>    | <u>471,496</u>    | <u>366,176</u>    | <u>105,320</u>                       |
| Neighborhood development               |                   |                   |                   |                                      |
| Personal services                      | 57,947            | 58,737            | 40,819            | 17,918                               |
| Contractual services                   | 795               | 1,043             | 1,024             | 19                                   |
| Supplies                               | 300               | 112               | 0                 | 112                                  |
| Travel and training                    | 1,600             | (250)             | 0                 | (250)                                |
| Other services and charges             | 3,478             | 4,478             | 971               | 3,507                                |
|  | <u>64,120</u>     | <u>64,120</u>     | <u>42,814</u>     | <u>21,306</u>                        |
| <b>TOTAL OTHER PROTECTION SERVICES</b> | <u>535,086</u>    | <u>535,616</u>    | <u>408,990</u>    | <u>126,626</u>                       |
| <b>TOTAL PUBLIC SAFETY</b>             | <u>20,172,394</u> | <u>20,483,520</u> | <u>18,954,152</u> | <u>1,529,368</u>                     |
| <b>Public works</b>                    |                   |                   |                   |                                      |
| Public works department                |                   |                   |                   |                                      |
| Right of way maintenance               |                   |                   |                   |                                      |
| Personal services                      | 990,752           | 980,157           | 790,539           | 189,618                              |
| Contractual services                   | 96,650            | 120,601           | 119,021           | 1,580                                |
| Supplies                               | 59,600            | 31,142            | 28,515            | 2,627                                |
| Other services and charges             | 118,477           | 120,223           | 72,205            | 48,018                               |
|  | <u>1,265,479</u>  | <u>1,252,123</u>  | <u>1,010,280</u>  | <u>241,843</u>                       |
| Cemetery division                      |                   |                   |                   |                                      |
| Personal services                      | 325,644           | 324,550           | 324,400           | 150                                  |
| Contractual services                   | 55,246            | 50,327            | 50,287            | 40                                   |
| Supplies                               | 3,300             | 6,440             | 5,705             | 735                                  |
| Travel and training                    | 650               | 324               | 324               | 0                                    |
| Other services and charges             | 41,475            | 42,867            | 33,651            | 9,216                                |
|  | <u>426,315</u>    | <u>424,508</u>    | <u>414,367</u>    | <u>10,141</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, 2013

|                                 | BUDGET              |                     |                     | VARIANCE<br>OVER<br>(UNDER) |
|---------------------------------|---------------------|---------------------|---------------------|-----------------------------|
|                                 | ORIGINAL            | FINAL               | ACTUAL              |                             |
| Arborist                        |                     |                     |                     |                             |
| Personal services               | \$67,925            | \$70,101            | \$23,655            | \$46,446                    |
| Contractual services            | 5,035               | 7,208               | 4,690               | 2,518                       |
| Supplies                        | 2,900               | 633                 | 539                 | 94                          |
| Travel and training             | 0                   | 175                 | 175                 | 0                           |
| Other services and charges      | 48,902              | 46,645              | 16,635              | 30,010                      |
|                                 | 124,762             | 124,762             | 45,694              | 79,068                      |
| <b>TOTAL PUBLIC WORKS</b>       | <b>1,816,556</b>    | <b>1,801,393</b>    | <b>1,470,341</b>    | <b>331,052</b>              |
| <b>Public Involvement</b>       |                     |                     |                     |                             |
| Administration                  |                     |                     |                     |                             |
| Personal services               | 200,595             | 213,445             | 214,961             | (1,516)                     |
| Contractual services            | 3,717               | 3,159               | 3,041               | 118                         |
| Supplies                        | 2,050               | 3,076               | 3,067               | 9                           |
| Travel and training             | 3,995               | 3,344               | 3,329               | 15                          |
| Other services and charges      | 17,624              | 90,446              | 78,291              | 12,155                      |
|                                 | 227,981             | 313,470             | 302,689             | 10,781                      |
| Grants administrator            |                     |                     |                     |                             |
| Personal services               | 68,767              | 69,110              | 69,019              | 91                          |
| Contractual services            | 865                 | 853                 | 760                 | 93                          |
| Supplies                        | 145                 | 165                 | 33                  | 132                         |
| Travel and training             | 1,921               | 613                 | 563                 | 50                          |
| Other services and charges      | 2,581               | 2,996               | 1,941               | 1,055                       |
|                                 | 74,279              | 73,737              | 72,316              | 1,421                       |
| Public relations                |                     |                     |                     |                             |
| Personal services               | 106,337             | 106,705             | 106,665             | 40                          |
| Contractual services            | 12,885              | 13,587              | 13,564              | 23                          |
| Supplies                        | 10,000              | 7,388               | 7,386               | 2                           |
| Travel and training             | 1,370               | 969                 | 968                 | 1                           |
| Other services and charges      | 15,287              | 20,654              | 20,385              | 269                         |
|                                 | 145,879             | 149,303             | 148,968             | 335                         |
| Main street division            |                     |                     |                     |                             |
| Personal services               | 55,997              | 56,548              | 61,629              | (5,081)                     |
| Contractual services            | 165                 | 193                 | 192                 | 1                           |
| Supplies                        | 1,830               | 4,147               | 4,123               | 24                          |
| Other services and charges      | 4,938               | 2,227               | 2,177               | 50                          |
|                                 | 62,930              | 63,115              | 68,121              | (5,006)                     |
| <b>TOTAL PUBLIC INVOLVEMENT</b> | <b>511,069</b>      | <b>599,625</b>      | <b>592,094</b>      | <b>7,531</b>                |
| <b>TOTAL EXPENDITURES</b>       | <b>\$30,683,854</b> | <b>\$31,222,763</b> | <b>\$29,219,981</b> | <b>\$2,002,782</b>          |

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
CONFISCATED FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

|   | BUDGETED AMOUNTS |                 | ACTUAL          | VARIANCE WITH<br>FINAL BUDGET<br>OVER<br>(UNDER) |
|---|------------------|-----------------|-----------------|--|
|   | ORIGINAL         | FINAL           |                 |  |
| <b>Revenues:</b>  |                  |                 |                 |  |
| Fines and forfeitures                                     | \$12,000         | \$34,752        | \$17,022        | (\$17,730)                                       |
| Interest  | 100              | 100             | 10              | (90)   |
| <b>TOTAL REVENUES</b>                                     | <b>12,100</b>    | <b>34,852</b>   | <b>17,032</b>   | <b>(17,820)</b>                                  |
| <b>Expenditures:</b>                                      |                  |                 |                 |  |
| Current:  |                  |                 |                 |  |
| Public safety   |                  |                 |                 |  |
| Supplies  | 11,800           | 27,535          | 19,780          | 7,755  |
| Other services and charges                                | 300              | 791             | 624             | 167  |
| Capital outlay  | 0                | 13,726          | 5,985           | 7,741  |
| <b>TOTAL EXPENDITURES</b>                                 | <b>12,100</b>    | <b>42,052</b>   | <b>26,389</b>   | <b>15,663</b>                                    |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>                 | <b>0</b>         | <b>(7,200)</b>  | <b>(9,357)</b>  | <b>(2,157)</b>                                   |
| <b>Fund balance - beginning of year - budgetary basis</b> | <b>26,719</b>    | <b>26,719</b>   | <b>26,719</b>   | <b>0</b>   |
| <b>FUND BALANCE - END OF YEAR - BUDGETARY BASIS</b>       | <b>\$26,719</b>  | <b>\$19,519</b> | <b>\$17,362</b> | <b>(\$2,157)</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.

\$17,032

Differences - budget to GAAP:

None

0

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

\$17,032

**Uses/outflows of resources**

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

\$26,389

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.

(10,124)

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

\$16,265

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
PROPERTY EVIDENCE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

|   | BUDGETED AMOUNTS      |                       | ACTUAL                | VARIANCE WITH<br>FINAL BUDGET<br>OVER<br>(UNDER) |
|---|-----------------------|-----------------------|-----------------------|--|
|   | ORIGINAL              | FINAL                 |                       |  |
| <b>Revenues:</b>  |                       |                       |                       |  |
| Fines and forfeitures                                     | \$0                   | \$10,259              | \$10,260              | \$1  |
| <b>TOTAL REVENUES</b>                                     | <u>0</u>              | <u>10,259</u>         | <u>10,260</u>         | <u>1</u>   |
| <b>Expenditures:</b>                                      |                       |                       |                       |  |
| Current:  |                       |                       |                       |  |
| Public safety   |                       |                       |                       |  |
| Investigative Bureau                                      |                       |                       |                       |  |
| Supplies  | 0                     | 10,259                | 10,259                | 0  |
| <b>TOTAL EXPENDITURES</b>                                 | <u>0</u>              | <u>10,259</u>         | <u>10,259</u>         | <u>0</u>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>                 | <u>0</u>              | <u>0</u>              | <u>1</u>              | <u>1</u>   |
| <b>Fund balance - beginning of year - budgetary basis</b> | <u>6,526</u>          | <u>6,526</u>          | <u>6,526</u>          | <u>0</u>   |
| <b>FUND BALANCE - END OF YEAR - BUDGETARY BASIS</b>       | <u><u>\$6,526</u></u> | <u><u>\$6,526</u></u> | <u><u>\$6,527</u></u> | <u><u>\$1</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.

\$10,260

Differences - budget to GAAP:

None

0

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

\$10,260

**Uses/outflows of resources**

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

\$10,259

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.

(10,259)

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 - 98M-X-092-512-013  
FOR THE YEAR ENDED JUNE 30, 2013**

|  |                             | BUDGETED AMOUNTS |          | ACTUAL   | VARIANCE WITH<br>FINAL BUDGET<br>OVER<br>(UNDER) |
|--|-----------------------------|------------------|----------|----------|--|
|  |                             | ORIGINAL         | FINAL    |          |  |
| Revenues:  |                             |                  |          |          |  |
| Intergovernmental                                  |                             | \$0              | \$0      | \$0      | \$0  |
|  | TOTAL REVENUES              | 0                | 0        | 0        | 0  |
| Expenditures:                                      |                             |                  |          |          |  |
| Expenditures                                       |                             | 0                | 0        | 0        | 0  |
|  | TOTAL EXPENDITURES          | 0                | 0        | 0        | 0  |
|  | REVENUES UNDER EXPENDITURES | 0                | 0        | 0        | 0  |
| Fund balance - beginning of year - budgetary basis |                             | 28,500           | 28,500   | 28,500   | 0  |
| FUND BALANCE - END OF YEAR - BUDGETARY BASIS       |                             | \$28,500         | \$28,500 | \$28,500 | \$0  |

**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**  
**BUDGETARY COMPARISON SCHEDULE**  
**U. S. DEPARTMENT OF JUSTICE - LOCAL LAW ENFORCEMENT BLOCK GRANTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

|  |  |   | BUDGETED AMOUNTS |           | ACTUAL   | VARIANCE WITH<br>FINAL BUDGET<br>OVER<br>(UNDER) |
|--|--|---|------------------|-----------|----------|--|
|  |  |   | ORIGINAL         | FINAL     |          |  |
| Revenues:  |  |   |                  |           |          |  |
| Intergovernmental                                  |  |   | \$0              | \$111,719 | \$59,771 | (\$51,948)                                       |
| TOTAL REVENUES                                     |  |   | 0                | 111,719   | 59,771   | (51,948)   |
| Expenditures:                                      |  |   |                  |           |          |  |
| Current:   |  |   |                  |           |          |  |
| Public safety                                      |  |   |                  |           |          |  |
| Byrne Justice Assistance Grant                     |  |   |                  |           |          |  |
| 2009-SB-B9-1044                                    |  |   |                  |           |          |  |
| Capital outlay                                     |  | 0 | 26,789           |           | 26,789   | 0  |
| 2010-DD-BX-0620                                    |  |   |                  |           |          |  |
| Capital outlay                                     |  | 0 | 61,863           |           | 507      | 61,356   |
| 2012-DJ-BX-0820                                    |  |   |                  |           |          |  |
| Supplies   |  | 0 | 11,534           |           | 11,534   | 0  |
| Other services and charges                         |  | 0 | 11,533           |           | 11,533   | 0  |
| TOTAL EXPENDITURES                                 |  |   | 0                | 111,719   | 50,363   | 61,356   |
| REVENUES OVER (UNDER) EXPENDITURES                 |  |   | 0                | 0         | 9,408    | 9,408  |
| Fund balance - beginning of year - budgetary basis |  |   | (9,408)          | (9,408)   | (9,408)  | 0  |
| FUND BALANCE - END OF YEAR - BUDGETARY BASIS       |  |   | (\$9,408)        | (\$9,408) | \$0      | \$9,408  |

**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.

\$59,771

Differences - budget to GAAP:

None

0

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

\$59,771

**Uses/outflows of resources**

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

\$50,363

Differences - budget to GAAP:

Encumbrances for remaining grant items are recorded current year 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.

\$59,771



**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
URBAN DEVELOPMENT ACTION GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2013**

|   |  | BUDGETED AMOUNTS |           | ACTUAL    | VARIANCE WITH<br>FINAL BUDGET<br>OVER<br>(UNDER) |
|---|--|------------------|-----------|-----------|--|
|   |  | ORIGINAL         | FINAL     |           |  |
| Revenues:   |  |                  |           |           |  |
| Interest income   |  | \$0              | \$0       | \$0       | \$0  |
| TOTAL REVENUES  |  | 0                | 0         | 0         | 0  |
| Expenditures:   |  |                  |           |           |  |
|   |  | 0                | 0         | 0         | 0  |
| TOTAL EXPENDITURES  |  | 0                | 0         | 0         | 0  |
| REVENUES OVER (UNDER) EXPENDITURES  |  | 0                | 0         | 0         | 0  |
| Fund balance - beginning of year - budgetary basis  |  | 175,433          | 175,433   | 175,433   | 0  |
| FUND BALANCE - END OF YEAR - BUDGETARY BASIS  |  | \$175,433        | \$175,433 | \$175,433 | \$0  |
| 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  
BUDGETARY COMPARISON SCHEDULE  
GA DCA CHIP - 01M-X-092-2-2568  
FOR THE YEAR ENDED JUNE 30, 2013**

|   |  | BUDGETED AMOUNTS |          | ACTUAL   | VARIANCE WITH<br>FINAL BUDGET<br>OVER<br>(UNDER) |
|---|--|------------------|----------|----------|--|
|   |  | ORIGINAL         | FINAL    |          |  |
| Revenues:   |  |                  |          |          |  |
| Intergovernmental   |  | \$0              | \$12,750 | \$0      | (\$12,750)                                       |
| TOTAL REVENUES  |  | 0                | 12,750   | 0        | (12,750)   |
| Expenditures:   |  |                  |          |          |  |
| Current:  |  |                  |          |          |  |
| Housing development activities  |  |                  |          |          |  |
| Construction  |  | 0                | 12,750   | 12,750   | 0  |
| TOTAL EXPENDITURES  |  | 0                | 12,750   | 12,750   | 0  |
| REVENUES OVER (UNDER) EXPENDITURES  |  | 0                | 0        | (12,750) | (12,750)   |
| Fund balance - beginning of year - budgetary basis  |  | 19,500           | 19,500   | 19,500   | 0  |
| FUND BALANCE - END OF YEAR - BUDGETARY BASIS  |  | \$19,500         | \$19,500 | \$6,750  | (\$12,750)                                       |
| 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.   |  |                  |          | \$12,750 |  |
| Differences - budget to GAAP:   |  |                  |          |          |  |
| None  |  |                  |          | 0        |  |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds. |  |                  |          | \$12,750 |  |

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
GA DCA CHIP - 02M-X-092-2-2695  
FOR THE YEAR ENDED JUNE 30, 2013**

|   |  | BUDGETED AMOUNTS |          | ACTUAL   | VARIANCE WITH<br>FINAL BUDGET<br>OVER<br>(UNDER) |
|---|--|------------------|----------|----------|--|
|   |  | ORIGINAL         | FINAL    |          |  |
| Revenues:   |  |                  |          |          |  |
| Intergovernmental   |  | \$0              | \$24,000 | \$0      | (\$24,000)                                       |
| TOTAL REVENUES  |  | 0                | 24,000   | 0        | (24,000)   |
| Expenditures:   |  |                  |          |          |  |
| Current:  |  |                  |          |          |  |
| Housing development activities  |  |                  |          |          |  |
| Construction  |  | 0                | 24,000   | 24,000   | 0  |
| TOTAL EXPENDITURES  |  | 0                | 24,000   | 24,000   | 0  |
| REVENUES UNDER EXPENDITURES   |  | 0                | 0        | (24,000) | (24,000)   |
| Fund balance - beginning of year - budgetary basis  |  | 72,600           | 72,600   | 72,600   | 0  |
| FUND BALANCE - END OF YEAR - BUDGETARY BASIS  |  | \$72,600         | \$72,600 | \$48,600 | (\$24,000)                                       |
| 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.   |  |                  |          | \$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.   |  |                  |          | \$24,000 |  |
| Differences - budget to GAAP:   |  |                  |          |          |  |
| None  |  |                  |          | 0        |  |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds. |  |                  |          | \$24,000 |  |

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
FEDERAL HUD GRANT  
FOR THE YEAR ENDED JUNE 30, 2013**

|  | <b>BUDGETED AMOUNTS</b> |                    | <b>ACTUAL</b>      | <b>VARIANCE WITH<br/>FINAL BUDGET<br/>OVER<br/>(UNDER)</b> |
|--|-------------------------|--------------------|--------------------|--|
|  | <b>ORIGINAL</b>         | <b>FINAL</b>       |                    |  |
| <b>Revenues:</b>   |                         |                    |                    |  |
| Intergovernmental  | \$523,199               | \$522,953          | \$210,290          | (\$312,663)  |
| <b>TOTAL REVENUES</b>  | <u>523,199</u>          | <u>522,953</u>     | <u>210,290</u>     | <u>(312,663)</u>   |
| <b>Expenditures:</b>   |                         |                    |                    |  |
| Current:   |                         |                    |                    |  |
| Economic development and assistance  |                         |                    |                    |  |
| Community development  |                         |                    |                    |  |
| CDBG 2011 funding  |                         |                    |                    |  |
| J. L. Lomax park improvements  | 0                       | 4,577              | 4,577              | 0  |
| CDBG 2012 funding  |                         |                    |                    |  |
| Single unit residential rehab  | 0                       | 43,033             | 43,033             | 0  |
| CDBG 2013 funding  |                         |                    |                    |  |
| Single unit residential rehab  | 418,609                 | 370,753            | 173,106            | 197,647  |
| Program administration   | 104,590                 | 104,590            | 104,590            | 0  |
| <b>TOTAL EXPENDITURES</b>  | <u>523,199</u>          | <u>522,953</u>     | <u>325,306</u>     | <u>197,647</u>   |
| <b>REVENUES OVER EXPENDITURES</b>  | <u>0</u>                | <u>0</u>           | <u>(115,016)</u>   | <u>(115,016)</u>   |
| <b>Fund balance - beginning of year - budgetary basis</b>  | <u>1,974,001</u>        | <u>1,974,001</u>   | <u>1,974,001</u>   | <u>0</u>   |
| <b>FUND BALANCE - END OF YEAR - BUDGETARY BASIS</b>  | <u>\$1,974,001</u>      | <u>\$1,974,001</u> | <u>\$1,858,985</u> | <u>(\$115,016)</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.  |                         |                    | \$210,290          |  |
| Differences - budget to GAAP:  |                         |                    |                    |  |
| None   |                         |                    | 0                  |  |
| Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.  |                         |                    | <u>\$210,290</u>   |  |
| <b>Uses/outflows of resources</b>  |                         |                    |                    |  |
| Actual expenditures (budgetary basis) from the budgetary comparison schedule.  |                         |                    | \$325,306          |  |
| 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. |                         |                    | 288                |  |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.                                      |                         |                    | <u>\$325,594</u>   |  |

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
GA DCA CHIP - 04M-X-092-2-2915  
FOR THE YEAR ENDED JUNE 30, 2013**

|   |  | BUDGETED AMOUNTS |                  | ACTUAL           | VARIANCE WITH<br>FINAL BUDGET<br>OVER<br>(UNDER) |
|---|--|------------------|------------------|------------------|--|
|   |  | ORIGINAL         | FINAL            |                  |  |
| <b>Revenues:</b>  |  |                  |                  |                  |  |
| Intergovernmental   |  | \$0              | \$19,900         | \$0              | (\$19,900)                                       |
| <b>TOTAL REVENUES</b>   |  | <u>0</u>         | <u>19,900</u>    | <u>0</u>         | <u>(19,900)</u>                                  |
| <b>Expenditures:</b>  |  |                  |                  |                  |  |
| Current:  |  |                  |                  |                  |  |
| Housing development activities  |  |                  |                  |                  |  |
| Construction  |  | 0                | 19,900           | 19,900           | 0  |
| <b>TOTAL EXPENDITURES</b>   |  | <u>0</u>         | <u>19,900</u>    | <u>19,900</u>    | <u>0</u>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   |  | <u>0</u>         | <u>0</u>         | <u>(19,900)</u>  | <u>(19,900)</u>                                  |
| <b>Fund balance - beginning of year - budgetary basis</b>   |  | <u>122,635</u>   | <u>122,635</u>   | <u>122,635</u>   | <u>0</u>   |
| <b>FUND BALANCE - END OF YEAR - BUDGETARY BASIS</b>   |  | <u>\$122,635</u> | <u>\$122,635</u> | <u>\$102,735</u> | <u>(\$19,900)</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.   |  |                  |                  | \$19,900         |  |
| 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>\$19,900</u>  |  |

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
GA DCA CHIP - 06M-X-092-2-2951  
FOR THE YEAR ENDED JUNE 30, 2013**

|  |  |  | BUDGETED AMOUNTS |           | ACTUAL    | VARIANCE WITH<br>FINAL BUDGET<br>OVER<br>(UNDER) |
|--|--|--|------------------|-----------|-----------|--|
|  |  |  | ORIGINAL         | FINAL     |           |  |
| Revenues:  |  |  |                  |           |           |  |
| Intergovernmental                                  |  |  | \$0              | \$25,700  | \$0       | (\$25,700)                                       |
| TOTAL REVENUES                                     |  |  | 0                | 25,700    | 0         | (25,700)   |
| Expenditures:                                      |  |  |                  |           |           |  |
| Current:   |  |  |                  |           |           |  |
| Housing development activities                     |  |  |                  |           |           |  |
| Construction                                       |  |  | 0                | 25,700    | 25,700    | 0  |
| TOTAL EXPENDITURES                                 |  |  | 0                | 25,700    | 25,700    | 0  |
| REVENUES UNDER EXPENDITURES                        |  |  | 0                | 0         | (25,700)  | (25,700)   |
| Fund balance - beginning of year - budgetary basis |  |  | 184,400          | 184,400   | 184,400   | 0  |
| FUND BALANCE - END OF YEAR - BUDGETARY BASIS       |  |  | \$184,400        | \$184,400 | \$158,700 | (\$25,700)                                       |

**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.

\$25,700

Differences - budget to GAAP:

None

0

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

\$25,700

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
GA DCA CHIP - 07M-X-092-2-2961  
FOR THE YEAR ENDED JUNE 30, 2013**

|   |  | BUDGETED AMOUNTS |                  | ACTUAL           | VARIANCE WITH<br>FINAL BUDGET<br>OVER<br>(UNDER) |
|---|--|------------------|------------------|------------------|--|
|   |  | ORIGINAL         | FINAL            |                  |  |
| <b>Revenues:</b>  |  |                  |                  |                  |  |
| Intergovernmental   |  | \$0              | \$27,226         | \$65,560         | \$38,334   |
| <b>TOTAL REVENUES</b>   |  | <u>0</u>         | <u>27,226</u>    | <u>65,560</u>    | <u>38,334</u>                                    |
| <b>Expenditures:</b>  |  |                  |                  |                  |  |
| Current:  |  |                  |                  |                  |  |
| Housing development activities  |  |                  |                  |                  |  |
| Construction  |  | 0                | 24,400           | 24,400           | 0  |
| General administration  |  | 0                | 2,826            | 2,825            | 1  |
| <b>TOTAL EXPENDITURES</b>   |  | <u>0</u>         | <u>27,226</u>    | <u>27,225</u>    | <u>1</u>   |
| <b>REVENUES UNDER EXPENDITURES</b>  |  | <u>0</u>         | <u>0</u>         | <u>38,335</u>    | <u>38,335</u>                                    |
| <b>Fund balance - beginning of year - budgetary basis</b>   |  | <u>154,965</u>   | <u>154,965</u>   | <u>154,965</u>   | <u>0</u>   |
| <b>FUND BALANCE - END OF YEAR - BUDGETARY BASIS</b>   |  | <u>\$154,965</u> | <u>\$154,965</u> | <u>\$193,300</u> | <u>\$38,335</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.   |  |                  |                  | \$65,560         |  |
| 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>\$65,560</u>  |  |
| <b>Uses/outflows of resources</b>   |  |                  |                  |                  |  |
| Actual expenditures (budgetary basis) from the budgetary comparison schedule.   |  |                  |                  | \$27,225         |  |
| 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>\$27,225</u>  |  |

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
GA DCA CHIP - 07MR-X-092-2-2979  
FOR THE YEAR ENDED JUNE 30, 2013**

|   |                                   | BUDGETED AMOUNTS |                 | ACTUAL          | VARIANCE WITH<br>FINAL BUDGET<br>OVER<br>(UNDER) |
|---|-----------------------------------|------------------|-----------------|-----------------|--|
|   |                                   | ORIGINAL         | FINAL           |                 |  |
| <b>Revenues:</b>  |                                   |                  |                 |                 |  |
| Intergovernmental   |                                   | \$0              | \$9,000         | \$10,000        | \$1,000  |
|   | <b>TOTAL REVENUES</b>             | <u>0</u>         | <u>9,000</u>    | <u>10,000</u>   | <u>1,000</u>                                     |
| <b>Expenditures:</b>  |                                   |                  |                 |                 |  |
| Housing development activities  |                                   |                  |                 |                 |  |
| Construction  |                                   | 0                | 9,000           | 9,000           | 0  |
|   | <b>TOTAL EXPENDITURES</b>         | <u>0</u>         | <u>9,000</u>    | <u>9,000</u>    | <u>0</u>   |
|   | <b>REVENUES OVER EXPENDITURES</b> | <u>0</u>         | <u>0</u>        | <u>1,000</u>    | <u>1,000</u>                                     |
| <b>Fund balance - beginning of year - budgetary basis</b>   |                                   | 81,000           | 81,000          | 81,000          | 0  |
| <b>FUND BALANCE - END OF YEAR - BUDGETARY BASIS</b>   |                                   | <u>\$81,000</u>  | <u>\$81,000</u> | <u>\$82,000</u> | <u>\$1,000</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.   |                                   |                  |                 | \$10,000        |  |
| 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>\$10,000</u> |  |
| <b>Uses/outflows of resources</b>   |                                   |                  |                 |                 |  |
| Actual expenditures (budgetary basis) from the budgetary comparison schedule.   |                                   |                  |                 | \$9,000         |  |
| 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>\$9,000</u>  |  |



**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
ACCOMODATIONS TAX  
FOR YEAR ENDED JUNE 30, 2013**

|   |   |  | BUDGETED AMOUNTS        | VARIANCE WITH<br>FINAL BUDGET<br>OVER<br>(UNDER) |
|---|---|--|-------------------------|--|
|   |   |  | ORIGINAL                |  |
|   |   |  | FINAL                   | ACTUAL   |
| Revenues:   |   |  |                         |  |
| Taxes   |   |  | \$1,600,100             | \$1,667,924                                      |
| Interest income   |   |  | 100                     | 52   |
|   | <b>TOTAL REVENUES</b>                     |  | <u>1,600,200</u>        | <u>1,667,976</u>                                 |
| Expenditures:   |   |  |                         |  |
| Other services and charges                                |   |  | 1,501,725               | 1,505,264  |
| Transfer out  |   |  | 150,000                 | 318,000  |
|   | <b>TOTAL EXPENDITURES</b>                 |  | <u>1,651,725</u>        | <u>1,823,264</u>                                 |
|   | <b>REVENUES OVER (UNDER) EXPENDITURES</b> |  | <u>(51,525)</u>         | <u>(155,288)</u>                                 |
| <b>Net position - beginning of year - budgetary basis</b> |   |  | <u>205,630</u>          | <u>205,630</u>                                   |
| <b>NET POSITION - END OF YEAR</b>                         |   |  | <u><u>\$154,105</u></u> | <u><u>\$50,342</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.

\$1,667,976

Differences - budget to GAAP:

None

0

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

\$1,667,976

**Uses/outflows of resources**

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

\$1,823,264

Differences - budget to GAAP:

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

(318,000)

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

\$1,505,264

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
YOUTH RECREATION SCHOLARSHIP FUND  
FOR YEAR ENDED JUNE 30, 2013**

|  | BUDGETED AMOUNTS |                 | ACTUAL<br>AMOUNT<br>BUDGETARY<br>BASIS | VARIANCE WITH<br>FINAL BUDGET<br>OVER<br>(UNDER) |
|--|------------------|-----------------|--|--|
|  | ORIGINAL         | FINAL           |  |  |
| Revenues:  |                  |                 |  |  |
| Interest income                                    | \$0              | \$54            | \$10                                   | (\$44)   |
| <b>TOTAL REVENUES</b>                              | <b>0</b>         | <b>54</b>       | <b>10</b>                              | <b>(44)</b>                                      |
| Expenditures:                                      |                  |                 |  |  |
| General Governmental                               | 0                | 54              | 54                                     | 0  |
| <b>TOTAL EXPENDITURES</b>                          | <b>0</b>         | <b>54</b>       | <b>54</b>                              | <b>0</b>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>          | <b>0</b>         | <b>0</b>        | <b>(44)</b>                            | <b>(44)</b>                                      |
| Net position - beginning of year - budgetary basis | 12,167           | 12,167          | 12,167                                 | 0  |
| <b>NET POSITION - END OF YEAR</b>                  | <b>\$12,167</b>  | <b>\$12,167</b> | <b>\$12,123</b>                        | <b>(\$44)</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.

\$10

Differences - budget to GAAP:

None

0

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

\$10

**Uses/outflows of resources**

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

\$54

Differences - budget to GAAP:

None

0

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

\$54

**CITY OF VALDOSTA, GEORGIA  
SALES TAX 2002 FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2013**

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

\$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, 2013**

|   | <b>FINAL<br/>BUDGET</b> | <b>ACTUAL</b>      | <b>VARIANCE WITH<br/>FINAL BUDGET<br/>OVER<br/>(UNDER)</b> |
|---|-------------------------|--------------------|--|
| Revenues:   |                         |                    |  |
| Intergovernmental   | \$8,700,000             | \$9,128,154        | \$428,154  |
| Interest income   | 5,000                   | 0                  | (5,000)  |
| Transfer in   | 62,036                  | 62,036             | 0  |
| <b>TOTAL REVENUES</b>   | <b>8,767,036</b>        | <b>9,190,190</b>   | <b>423,154</b>   |
| Expenditures:   |                         |                    |  |
| Capital outlay:   |                         |                    |  |
| Resurfacing   | 2,938,319               | 2,128,959          | 809,360  |
| Road improvements   | 3,770,798               | 2,254,781          | 1,516,017  |
| Sidewalk improvements   | 2,485,209               | 1,531,149          | 954,060  |
| Intersection improvements                                     | 92,926                  | 92,925             | 1  |
| Drainage improvements   | 68,890                  | 13,234             | 55,656   |
| Traffic improvements  | 237,521                 | 202,083            | 35,438   |
| Street maintenance repairs                                    | 0                       | 9,920              | (9,920)  |
| Taser equipment   | 48,951                  | 48,950             | 1  |
| Records management software                                   | 65,000                  | 65,000             | 0  |
| Youth facility  | 540,000                 | 540,000            | 0  |
| General park improvements                                     | 1,404                   | 1,403              | 1  |
| Parks & Rec administration offices/gym                        | 52,451                  | 49,506             | 2,945  |
| 1500 gpm pumper truck   | 874,522                 | 874,522            | 0  |
| Sewer system rehab  | 1,650,000               | 267,271            | 1,382,729  |
| Wastewater treatment & disposal expansions                    | 3,156,486               | 2,162,319          | 994,167  |
| Water trans lines phase II                                    | 3,804,779               | 1,556,365          | 2,248,414  |
| Refuse trucks/street sweeper                                  | 115,455                 | 115,455            | 0  |
| Software & hardware   | 29,705                  | 33,705             | (4,000)  |
| Municipal auditorium prop acq & design                        | 40,137                  | 30,964             | 9,173  |
| General administration  | 21,545                  | 56,982             | (35,437)   |
| Miscellaneous items   | 4,250                   | 4,250              | 0  |
| Bay extension   | 21,102                  | 21,102             | 0  |
| <b>TOTAL EXPENDITURES</b>                                     | <b>20,019,450</b>       | <b>12,060,845</b>  | <b>7,958,605</b>   |
| <b>REVENUES OVER EXPENDITURES</b>                             | <b>(11,252,414)</b>     | <b>(2,870,655)</b> | <b>8,381,759</b>   |
| <b>Fund balance - beginning of year - budgetary basis</b>     | <b>5,425,304</b>        | <b>5,425,304</b>   | <b>0</b>   |
| <b>FUND BALANCE (DEFICIT) - END OF YEAR - BUDGETARY BASIS</b> | <b>(\$5,827,110)</b>    | <b>\$2,554,649</b> | <b>\$8,381,759</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.

\$9,190,190

Differences - budget to GAAP:

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

(62,036)

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

\$9,128,154

**Uses/outflows of resources**

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

\$12,060,845

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.

(1,390,040)

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

\$10,670,805

**CITY OF VALDOSTA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
AIRPORT DEVELOPMENT FUND  
FOR THE YEAR ENDED JUNE 30, 2013**

|   | <b>FINAL<br/>BUDGET</b> | <b>ACTUAL</b>           | <b>VARIANCE WITH<br/>FINAL BUDGET<br/>OVER<br/>(UNDER)</b> |
|---|-------------------------|-------------------------|--|
| Revenues:   |                         |                         |  |
| Intergovernmental   | \$1,000,000             | \$1,551,573             | \$551,573  |
| Interest revenue  | 0                       | 22,430                  | 22,430   |
| <b>TOTAL REVENUES</b>                                     | <u>1,000,000</u>        | <u>1,574,003</u>        | <u>574,003</u>   |
| Capital outlay:   |                         |                         |  |
| Airport improvement                                       | 1,000,000               | 1,699,995               | (699,995)  |
| <b>TOTAL EXPENDITURES</b>                                 | <u>1,000,000</u>        | <u>1,699,995</u>        | <u>(699,995)</u>   |
| <b>REVENUES UNDER EXPENDITURES</b>                        | <u>0</u>                | <u>(125,992)</u>        | <u>(125,992)</u>   |
| <b>Fund balance - beginning of year - budgetary basis</b> | <u>399,377</u>          | <u>399,377</u>          | <u>0</u>   |
| <b>FUND BALANCE - END OF YEAR - BUDGETARY BASIS</b>       | <u><u>\$399,377</u></u> | <u><u>\$273,385</u></u> | <u><u>(\$125,992)</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.

\$1,574,003

Differences - budget to GAAP:

None

0

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

\$1,574,003

**Uses/outflows of resources**

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

\$1,699,995

Differences - budget to GAAP:

None

0

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

\$1,699,995

**CITY OF VALDOSTA, GEORGIA  
GENERAL CAPITAL PROJECTS FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2013**

|   | <b>FINAL<br/>BUDGET</b> | <b>ACTUAL</b>     | <b>VARIANCE WITH<br/>FINAL BUDGET<br/>OVER<br/>(UNDER)</b> |
|---|-------------------------|-------------------|--|
| Revenues:   |                         |                   |  |
| Interest income   | \$86                    | \$60              | (\$26)   |
| <b>TOTAL REVENUES</b>                                     | <u>86</u>               | <u>60</u>         | <u>(26)</u>  |
| Expenditures:   |                         |                   |  |
| Current:  |                         |                   |  |
| Other services and charges                                | 86                      | 84                | 2  |
| Transfer out  | 0                       | 37,029            | (37,029)   |
| <b>TOTAL EXPENDITURES</b>                                 | <u>86</u>               | <u>37,113</u>     | <u>(37,027)</u>  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>                 | <u>0</u>                | <u>(37,053)</u>   | <u>(37,053)</u>  |
| <b>Net position - beginning of year - budgetary basis</b> | 37,053                  | 37,053            | 0  |
| <b>NET POSITION - END OF YEAR - BUDGETARY BASIS</b>       | <u><u>\$37,053</u></u>  | <u><u>\$0</u></u> | <u><u>(\$37,053)</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.

\$60

Differences - budget to GAAP:

None

0

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

\$60

**Uses/outflows of resources**

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

\$37,113

Differences - budget to GAAP:

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

(37,029)

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

\$84

**CITY OF VALDOSTA, GEORGIA  
SUNSET HILL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2013**

|   | <b>FINAL<br/>BUDGET</b>   | <b>ACTUAL</b>             | <b>VARIANCE WITH<br/>FINAL BUDGET<br/>OVER<br/>(UNDER)</b> |
|---|---------------------------|---------------------------|--|
| Operating revenues:                                       |                           |                           |  |
| Interest income   | \$3,500                   | \$435                     | (\$3,065)  |
| Contributions   | 41,000                    | 39,796                    | (1,204)  |
| Rental income   | 10,776                    | 19,025                    | 8,249  |
| <b>TOTAL OPERATING REVENUES</b>                           | <u>55,276</u>             | <u>59,256</u>             | <u>3,980</u>   |
| Operating expenditures:                                   |                           |                           |  |
| Other services and charges                                | 6,000                     | 6,915                     | (915)  |
| Transfers out   | 0                         | 0                         | 0  |
| <b>TOTAL OPERATING EXPENDITURES</b>                       | <u>6,000</u>              | <u>6,915</u>              | <u>(915)</u>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>                 | <u>49,276</u>             | <u>52,341</u>             | <u>3,065</u>   |
| <b>Fund Balance - beginning of year - budgetary basis</b> | <u>1,525,822</u>          | <u>1,525,822</u>          | <u>0</u>   |
| <b>FUND BALANCE - END OF YEAR - BUDGETARY BASIS</b>       | <u><u>\$1,575,098</u></u> | <u><u>\$1,578,163</u></u> | <u><u>\$3,065</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.   | \$59,256               |
| 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>\$59,256</u></u> |

**Uses/outflows of resources**

|   |                       |
|---|-----------------------|
| Actual expenditures (budgetary basis) from the budgetary comparison schedule.   | \$6,915               |
| Differences - budget to GAAP:   |                       |
| Transfers to other funds are outflows for budgetary resources but are not expenditures for financial reporting purposes.      | <u>0</u>              |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds. | <u><u>\$6,915</u></u> |



# Non-Major Enterprise Funds

**Inspection Fund** - to finance and account for the cost of pr 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 POSITION**  
**OTHER ENTERPRISE FUNDS**  
**JUNE 30, 2013**

|  | ENTERPRISE FUNDS |          |             |            | TOTAL<br>OTHER<br>ENTERPRISE<br>FUNDS |
|--|------------------|----------|-------------|------------|---------------------------------------|
|  | INSPECTION       | ZONING   | AUDITORIUM  | MOTOR FUEL |                                       |
| <b>ASSETS</b>  |                  |          |             |            |                                       |
| Current assets:  |                  |          |             |            |                                       |
| Cash   | \$300            | \$0      | \$0         | \$0        | \$300                                 |
| Receivables (net)  |                  |          |             |            |                                       |
| Accounts   | 0                | 0        | 0           | 26,285     | 26,285                                |
| Due from other governments and agencies                          | 462              | 20,955   | 0           | 3,223      | 24,640                                |
| Total current assets   | 762              | 20,955   | 0           | 29,508     | 51,225                                |
| 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                                    | (380,577)        | (8,369)  | 0           | 0          | (388,946)                             |
| Net capital assets   | 0                | 0        | 0           | 0          | 0                                     |
| Total assets   | \$762            | \$20,955 | \$0         | \$29,508   | \$51,225                              |
| <b>LIABILITIES</b>   |                  |          |             |            |                                       |
| Current liabilities:   |                  |          |             |            |                                       |
| Accounts payable   | \$14,256         | \$2,804  | \$6,781     | \$0        | \$23,841                              |
| Due to other governments and agencies                            | 0                | 5,354    | 0           | 0          | 5,354                                 |
| Due to other funds   | 0                | 0        | 0           | 9,731      | 9,731                                 |
| Compensated absences   | 18,681           | 8,558    | 2,658       | 0          | 29,897                                |
| Total current liabilities  | 32,937           | 16,716   | 9,439       | 9,731      | 68,823                                |
| Non-current liabilities (payable from unrestricted assets):      |                  |          |             |            |                                       |
| Compensated absences   | 14,716           | 0        | 0           | 0          | 14,716                                |
| Advances from other funds  | 870,470          | 4,239    | 538,358     | 0          | 1,413,067                             |
| Total non-current liabilities (payable from unrestricted assets) | 885,186          | 4,239    | 538,358     | 0          | 1,427,783                             |
| Total liabilities  | 918,123          | 20,955   | 547,797     | 9,731      | 1,496,606                             |
| <b>NET POSITION</b>  |                  |          |             |            |                                       |
| Unrestricted   | (917,361)        | 0        | (547,797)   | 19,777     | (1,445,381)                           |
| Total net position   | (\$917,361)      | \$0      | (\$547,797) | \$19,777   | (\$1,445,381)                         |

**CITY OF VALDOSTA, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**OTHER ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

|                                       | ENTERPRISE FUNDS   |                  |                    |                 | TOTAL<br>OTHER<br>ENTERPRISE<br>FUNDS |
|---------------------------------------|--------------------|------------------|--------------------|-----------------|---------------------------------------|
|                                       | INSPECTION         | ZONING           | AUDITORIUM         | MOTOR FUEL      |                                       |
| <b>Operating revenues:</b>            |                    |                  |                    |                 |                                       |
| Permits                               | \$609,277          | \$22,622         | \$0                | \$0             | \$631,899                             |
| Charges for services                  | 32,958             | 31,866           | 47,562             | 566,586         | 678,972                               |
| <b>TOTAL OPERATING REVENUES</b>       | <b>642,235</b>     | <b>54,488</b>    | <b>47,562</b>      | <b>566,586</b>  | <b>1,310,871</b>                      |
| <b>Operating expenses:</b>            |                    |                  |                    |                 |                                       |
| Personal services                     | 781,444            | 246,915          | 100,381            | 0               | 1,128,740                             |
| Contractual services                  | 33,746             | 9,287            | 80,406             | 0               | 123,439                               |
| Supplies                              | 6,183              | 2,362            | 12,195             | 556,448         | 577,188                               |
| Travel and training                   | 1,288              | 3,168            | 0                  | 0               | 4,456                                 |
| Other services and charges            | 70,742             | 84,996           | 16,369             | 226             | 172,333                               |
| Depreciation expense                  | 365                | 0                | 0                  | 0               | 365                                   |
| <b>TOTAL OPERATING EXPENSES</b>       | <b>893,768</b>     | <b>346,728</b>   | <b>209,351</b>     | <b>556,674</b>  | <b>2,006,521</b>                      |
| <b>OPERATING INCOME (LOSS)</b>        | <b>(251,533)</b>   | <b>(292,240)</b> | <b>(161,789)</b>   | <b>9,912</b>    | <b>(695,650)</b>                      |
| <b>Non-operating revenues:</b>        |                    |                  |                    |                 |                                       |
| Intergovernmental revenues            | 0                  | 6,665            | 0                  | 0               | 6,665                                 |
| <b>TOTAL NON-OPERATING REVENUES</b>   | <b>0</b>           | <b>6,665</b>     | <b>0</b>           | <b>0</b>        | <b>6,665</b>                          |
| <b>INCOME (LOSS) BEFORE TRANSFERS</b> | <b>(251,533)</b>   | <b>(285,575)</b> | <b>(161,789)</b>   | <b>9,912</b>    | <b>(688,985)</b>                      |
| Transfers in                          | 0                  | 927,678          | 161,789            | 0               | 1,089,467                             |
| Transfers out                         | (32,783)           | (16,204)         | 0                  | (1,805)         | (50,792)                              |
|                                       | (32,783)           | 911,474          | 161,789            | (1,805)         | 1,038,675                             |
| <b>Change in Net Position</b>         | <b>(284,316)</b>   | <b>625,899</b>   | <b>0</b>           | <b>8,107</b>    | <b>349,690</b>                        |
| <b>NET POSITION - BEGINNING</b>       | <b>(633,045)</b>   | <b>(625,899)</b> | <b>(547,797)</b>   | <b>11,670</b>   | <b>(1,795,071)</b>                    |
| <b>NET POSITION - ENDING</b>          | <b>(\$917,361)</b> | <b>\$0</b>       | <b>(\$547,797)</b> | <b>\$19,777</b> | <b>(\$1,445,381)</b>                  |

**CITY OF VALDOSTA, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**OTHER ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

|   | <b>ENTERPRISE FUNDS</b> |                    |                    |                   | <b>TOTAL<br/>OTHER<br/>ENTERPRISE<br/>FUNDS</b> |
|---|-------------------------|--------------------|--------------------|-------------------|---|
|   | <b>INSPECTION</b>       | <b>ZONING</b>      | <b>AUDITORIUM</b>  | <b>MOTOR FUEL</b> |   |
| <b><u>NET CHANGE IN CASH</u></b>  |                         |                    |                    |                   |   |
| <b>Cash flows from operating activities:</b>  |                         |                    |                    |                   |   |
| Cash received from customers  | \$642,235               | \$54,488           | \$48,112           | \$563,679         | \$1,308,514                                     |
| Cash payments to suppliers for goods and services   | 168,597                 | (725,712)          | (110,309)          | (\$561,874)       | (1,229,298)                                     |
| Cash payments to employees for services   | (778,049)               | (246,915)          | (99,592)           | 0                 | (1,124,556)                                     |
| <b>Net change in cash from operating activities</b>   | <b>32,783</b>           | <b>(918,139)</b>   | <b>(161,789)</b>   | <b>1,805</b>      | <b>(1,045,340)</b>                              |
| <b>Cash flows from noncapital financing activities:</b>   |                         |                    |                    |                   |   |
| Intergovernmental revenue   | 0                       | 6,665              | 0                  | 0                 | 6,665   |
| Transfers-in from other funds   | 0                       | 927,678            | 161,789            | 0                 | 1,089,467                                       |
| Transfers-out to other funds  | (32,783)                | (16,204)           | 0                  | (1,805)           | (50,792)  |
| <b>Net change in cash from noncapital financing activities</b>  | <b>(32,783)</b>         | <b>918,139</b>     | <b>161,789</b>     | <b>(1,805)</b>    | <b>1,045,340</b>                                |
| <b>Net change in cash</b>   | <b>0</b>                | <b>0</b>           | <b>0</b>           | <b>0</b>          | <b>0</b>  |
| Cash beginning of year  | 300                     | 0                  | 0                  | 0                 | 300   |
| <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)   | (\$251,533)             | (\$292,240)        | (\$161,789)        | \$9,912           | (\$695,650)                                     |
| Adjustments to reconcile operating income (loss) to net change in cash from operating activities:       |                         |                    |                    |                   |   |
| Depreciation  | 365                     | 0                  | 0                  | 0                 | 365   |
| Change in assets and liabilities:   |                         |                    |                    |                   |   |
| Decrease (increase) in accounts receivable  | 0                       | 0                  | 550                | (2,907)           | (2,357)   |
| Decrease in due from other governments and agencies   | 0                       | 3,635              | 0                  | 469               | 4,104   |
| Decrease in due from other funds  | 0                       | 12,748             | 0                  | 0                 | 12,748  |
| (Decrease) in accounts payable  | (4,111)                 | (4,110)            | (10,496)           | 0                 | (18,717)  |
| Increase in compensated absences  | 3,395                   | 788                | 789                | 0                 | 4,972   |
| (Decrease) in due to other funds  | 0                       | 0                  | 0                  | (5,669)           | (5,669)   |
| Increase (decrease) in advances from other funds  | 284,667                 | (638,960)          | 9,157              | 0                 | (345,136)                                       |
| <b>Net change in cash from operating activities</b>   | <b>\$32,783</b>         | <b>(\$918,139)</b> | <b>(\$161,789)</b> | <b>\$1,805</b>    | <b>(\$1,045,340)</b>                            |

The background of the entire page is a photograph of an American flag waving in the sky, with white clouds scattered across a blue background. The flag is positioned diagonally, with the top left corner of the flag near the top left of the page and the bottom right corner near the bottom right. The flag's stripes and stars are clearly visible.

# 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 POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2013**

|  | <b>GOVERNMENTAL ACTIVITIES</b> |                               |                                      |                           |  |
|--|--------------------------------|-------------------------------|--------------------------------------|---------------------------|--|
|  | <b>INTERNAL SERVICE FUNDS</b>  |                               |                                      |                           |  |
|  | <b><u>MOTOR POOL</u></b>       | <b><u>GROUP INSURANCE</u></b> | <b><u>WORKMEN'S COMPENSATION</u></b> | <b><u>IT SERVICES</u></b> | <b><u>TOTAL INTERNAL SERVICE FUNDS</u></b> |
| <b>ASSETS</b>  |                                |                               |                                      |                           |  |
| Current assets:                                      |                                |                               |                                      |                           |  |
| Cash   | \$0                            | \$189,056                     | \$39,309                             | \$17,491                  | \$245,856                                  |
| Investments  | 0                              | 0                             | 0                                    | 58,339                    | 58,339                                     |
| Receivables  |                                |                               |                                      |                           |  |
| Accounts   | 0                              | 106,557                       | 0                                    | 0                         | 106,557                                    |
| Due from other funds                                 | 0                              | 46,347                        | 2,993                                | 0                         | 49,340                                     |
| Inventories at cost                                  | 360,523                        | 0                             | 0                                    | 0                         | 360,523                                    |
| Total current assets                                 | <u>360,523</u>                 | <u>341,960</u>                | <u>42,302</u>                        | <u>75,830</u>             | <u>820,615</u>                             |
| Noncurrent assets:                                   |                                |                               |                                      |                           |  |
| Land   | 92,563                         | 0                             | 0                                    | 0                         | 92,563                                     |
| Land improvements                                    | 383,595                        | 0                             | 0                                    | 0                         | 383,595                                    |
| Buildings and structures                             | 307,046                        | 0                             | 0                                    | 0                         | 307,046                                    |
| Motor vehicles                                       | 15,455,300                     | 0                             | 0                                    | 0                         | 15,455,300                                 |
| Equipment  | 2,367,512                      | 0                             | 0                                    | 51,852                    | 2,419,364                                  |
|  | 18,606,016                     | 0                             | 0                                    | 51,852                    | 18,657,868                                 |
| Less accumulated depreciation                        | (15,808,855)                   | 0                             | 0                                    | (1,728)                   | (15,810,583)                               |
| Net capital assets (net of accumulated depreciation) | <u>2,797,161</u>               | <u>0</u>                      | <u>0</u>                             | <u>50,124</u>             | <u>2,847,285</u>                           |
| Total assets   | <u>\$3,157,684</u>             | <u>\$341,960</u>              | <u>\$42,302</u>                      | <u>\$125,954</u>          | <u>3,667,900</u>                           |
| <b>LIABILITIES</b>                                   |                                |                               |                                      |                           |  |
| Current liabilities:                                 |                                |                               |                                      |                           |  |
| Accounts payable                                     | \$220,514                      | \$341,960                     | \$42,302                             | \$125,954                 | \$730,730                                  |
| Compensated absences (current portion)               | 17,500                         | 0                             | 0                                    | 0                         | 17,500                                     |
| Due to other funds                                   | 100,000                        | 0                             | 0                                    | 0                         | 100,000                                    |
| Total current liabilities                            | <u>338,014</u>                 | <u>341,960</u>                | <u>42,302</u>                        | <u>125,954</u>            | <u>848,230</u>                             |
| Noncurrent liabilities:                              |                                |                               |                                      |                           |  |
| Compensated absences                                 | 17,010                         | 0                             | 0                                    | 0                         | 17,010                                     |
| Advances from other funds                            | 2,802,660                      | 0                             | 0                                    | 0                         | 2,802,660                                  |
| Total liabilities                                    | <u>3,157,684</u>               | <u>341,960</u>                | <u>42,302</u>                        | <u>125,954</u>            | <u>3,667,900</u>                           |
| <b>NET POSITION</b>                                  |                                |                               |                                      |                           |  |
| Net investment in capital assets                     | 2,797,161                      | 0                             | 0                                    | 50,124                    | 2,847,285                                  |
| Unrestricted   | (2,797,161)                    | 0                             | 0                                    | (50,124)                  | (2,847,285)                                |
| Total net position                                   | <u>\$0</u>                     | <u>\$0</u>                    | <u>\$0</u>                           | <u>\$0</u>                | <u>\$0</u>                                 |

**CITY OF VALDOSTA, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

| <b>GOVERNMENTAL ACTIVITIES</b>                         |                          |                                   |  |                               |  |
|--|--------------------------|-----------------------------------|--|-------------------------------|--|
| <b>INTERNAL SERVICE FUNDS</b>                          |                          |                                   |  |                               |  |
|  | <u><b>MOTOR POOL</b></u> | <u><b>GROUP<br/>INSURANCE</b></u> | <u><b>WORKMEN'S<br/>COMPENSATION</b></u> | <u><b>IT<br/>SERVICES</b></u> | <u><b>TOTAL<br/>INTERNAL<br/>SERVICE FUNDS</b></u> |
| <b>Operating revenues:</b>                             |                          |                                   |  |                               |  |
| Charges for services                                   | \$3,090,996              | \$4,367,582                       | \$567,399                                | \$886,658                     | \$8,912,635  |
| Miscellaneous revenues                                 | 21,586                   | 971,400                           | 0  | 0                             | 992,986  |
| <b>TOTAL OPERATING REVENUES</b>                        | <u>3,112,582</u>         | <u>5,338,982</u>                  | <u>567,399</u>                           | <u>886,658</u>                | <u>9,905,621</u>                                   |
| <b>Operating expenses:</b>                             |                          |                                   |  |                               |  |
| Personal services                                      | 526,283                  | 0                                 | 0  | 144,124                       | 670,407  |
| Contractual services                                   | 112,408                  | 1,475,554                         | 0  | 381,079                       | 1,969,041  |
| Claims paid  | 24                       | 5,473,208                         | 503,288                                  | 0                             | 5,976,520  |
| Supplies   | 2,376,530                | 14,844                            | 0  | 9,740                         | 2,401,114  |
| Travel and training                                    | 201                      | 0                                 | 0  | 2,240                         | 2,441  |
| Other services and charges                             | 168,936                  | 0                                 | 129,566                                  | 347,794                       | 646,296  |
| Depreciation expense                                   | 951,046                  | 0                                 | 0  | 1,728                         | 952,774  |
| <b>TOTAL OPERATING EXPENSES</b>                        | <u>4,135,428</u>         | <u>6,963,606</u>                  | <u>632,854</u>                           | <u>886,705</u>                | <u>12,618,593</u>                                  |
| <b>OPERATING LOSS</b>                                  | <u>(1,022,846)</u>       | <u>(1,624,624)</u>                | <u>(65,455)</u>                          | <u>(47)</u>                   | <u>(2,712,972)</u>                                 |
| <b>Nonoperating revenue (expenses):</b>                |                          |                                   |  |                               |  |
| Interest income  | 0                        | 0                                 | 0  | 47                            | 47   |
| Gain on sale of assets                                 | 11,767                   | 0                                 | 0  | 0                             | 11,767   |
| <b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>         | <u>11,767</u>            | <u>0</u>                          | <u>0</u>                                 | <u>47</u>                     | <u>11,814</u>                                      |
| <b>NET LOSS BEFORE CONTRIBUTIONS<br/>AND TRANSFERS</b> | <u>(1,011,079)</u>       | <u>(1,624,624)</u>                | <u>(65,455)</u>                          | <u>0</u>                      | <u>(2,701,158)</u>                                 |
| Capital contributions                                  | 1,011,079                | 0                                 | 0  | 0                             | 1,011,079  |
| Transfers in   | 0                        | 1,624,624                         | 65,455                                   | 0                             | 1,690,079  |
| Transfer out   | (276,080)                | 0                                 | 0  | 0                             | (276,080)  |
|  | <u>734,999</u>           | <u>1,624,624</u>                  | <u>65,455</u>                            | <u>0</u>                      | <u>2,425,078</u>                                   |
| <b>CHANGE IN NET POSITION</b>                          | <u>(276,080)</u>         | <u>0</u>                          | <u>0</u>                                 | <u>0</u>                      | <u>(276,080)</u>                                   |
| <b>NET POSITION - BEGINNING</b>                        | <u>276,080</u>           | <u>0</u>                          | <u>0</u>                                 | <u>0</u>                      | <u>276,080</u>                                     |
| <b>NET POSITION - ENDING</b>                           | <u>\$0</u>               | <u>\$0</u>                        | <u>\$0</u>                               | <u>\$0</u>                    | <u>\$0</u>   |



**CITY OF VALDOSTA, GEORGIA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

|  | <u>MOTOR POOL</u> | <u>GROUP<br/>INSURANCE</u> | <u>WORKMEN'S<br/>COMP</u> | <u>IT<br/>SERVICES</u> | <u>TOTAL<br/>INTERNAL<br/>SERVICE FUNDS</u> |
|--|-------------------|----------------------------|---------------------------|------------------------|---|
| <b>Cash flows from operating activities:</b>   |                   |                            |                           |                        |   |
| Cash received from customers   | \$3,112,582       | \$5,255,096                | \$567,399                 | \$886,658              | \$9,821,735                                 |
| Cash payments to suppliers for goods and services  | (\$1,903,833)     | (6,782,562)                | (680,398)                 | (924,167)              | (10,290,960)                                |
| Cash payments to employees for services  | (\$521,215)       | 0                          | 0                         | 0                      | (521,215)                                   |
| <b>Net change in cash from operating activities</b>  | <u>687,534</u>    | <u>(1,527,466)</u>         | <u>(112,999)</u>          | <u>(37,509)</u>        | <u>(990,440)</u>                            |
| <b>Cash flows from non capital financing activities:</b>                                       |                   |                            |                           |                        |   |
| Transfer in from other fund  | 0                 | 1,624,624                  | 65,455                    | 0                      | 1,690,079                                   |
| Transfer out to other fund   | (276,080)         | 0                          | 0                         | 0                      | (276,080)                                   |
| <b>Net change in cash from capital financing activities</b>                                    | <u>(276,080)</u>  | <u>1,624,624</u>           | <u>65,455</u>             | <u>0</u>               | <u>1,413,999</u>                            |
| <b>Cash flows from capital and related financing activities:</b>                               |                   |                            |                           |                        |   |
| Acquisition and construction of capital assets   | (\$431,864)       | 0                          | 0                         | (51,852)               | (483,716)                                   |
| Sale of capital assets   | \$20,410          | 0                          | 0                         | 0                      | 20,410                                      |
| <b>Net change in cash from capital and related financing activities</b>                        | <u>(411,454)</u>  | <u>0</u>                   | <u>0</u>                  | <u>(51,852)</u>        | <u>(463,306)</u>                            |
| <b>Cash flows from investing activities:</b>   |                   |                            |                           |                        |   |
| Purchase of investment securities  | 0                 | 0                          | 0                         | 59,157                 | 59,157                                      |
| Interest and dividends on investments  | 0                 | 0                          | 0                         | 47                     | 47  |
| <b>Net change in cash from investing activities</b>  | <u>0</u>          | <u>0</u>                   | <u>0</u>                  | <u>59,204</u>          | <u>59,204</u>                               |
| <b>Net change in cash</b>  | <u>0</u>          | <u>97,158</u>              | <u>(47,544)</u>           | <u>(30,157)</u>        | <u>19,457</u>                               |
| <b>Cash at beginning of year</b>   | <u>0</u>          | <u>91,898</u>              | <u>86,853</u>             | <u>47,648</u>          | <u>226,399</u>                              |
| <b>Cash at end of year</b>   | <u>\$0</u>        | <u>\$189,056</u>           | <u>\$39,309</u>           | <u>\$17,491</u>        | <u>\$245,856</u>                            |
| <b><u>RECONCILIATION OF OPERATING (LOSS) NET CHANGE IN CASH FROM OPERATING ACTIVITIES:</u></b> |                   |                            |                           |                        |   |
| Operating (loss)   | (\$1,022,846)     | (\$1,624,624)              | (\$65,455)                | (\$47)                 | (\$2,712,972)                               |
| Adjustments to reconcile operating (loss) to net change in cash from operating activities:     |                   |                            |                           |                        |   |
| Depreciation   | 951,046           | 0                          | 0                         | 1,728                  | 952,774                                     |
| <b>Change in assets and liabilities:</b>   |                   |                            |                           |                        |   |
| (Increase) in accounts receivable  | 0                 | (83,886)                   | 0                         | 0                      | (83,886)                                    |
| (Increase) decrease in due from other funds  | 0                 | 612,314                    | (2,993)                   | 0                      | 609,321                                     |
| (Increase) in inventory  | (45,660)          | 0                          | 0                         | 0                      | (45,660)                                    |
| (Decrease) in accounts payable   | (1,606)           | (431,270)                  | (2,123)                   | (39,190)               | (474,189)                                   |
| Increase in compensated absences   | 3,465             | 0                          | 0                         | 0                      | 3,465                                       |
| (Decrease) increase in due to other funds  | 100,000           | 0                          | (42,428)                  | 0                      | 57,572                                      |
| (Decrease) in advances from other funds  | 703,135           | 0                          | 0                         | 0                      | 703,135                                     |
| <b>Net change in cash from operating activities</b>  | <u>\$687,534</u>  | <u>(\$1,527,466)</u>       | <u>(\$112,999)</u>        | <u>(\$37,509)</u>      | <u>(\$990,440)</u>                          |

**NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES**

|   |           |   |   |   |           |
|---|-----------|---|---|---|-----------|
| Contributed capital assets from SPLOST VI | 1,011,079 | 0 | 0 | 0 | 1,011,079 |
|---|-----------|---|---|---|-----------|

An American flag is shown waving in the wind against a bright blue sky filled with white, fluffy clouds. The flag is positioned diagonally across the frame, with its top left corner near the center and its bottom right corner towards the bottom right. The entire image is enclosed within a double border: a thick red outer line and a thinner blue inner line.

# 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, 2013**

|                                       | <u>TREE<br/>COMMISSION</u> | <u>EVIDENCE<br/>AGENCY<br/>FUND</u> | <u>TOTAL<br/>FIDUCIARY<br/>FUNDS</u> |
|---------------------------------------|----------------------------|-------------------------------------|--------------------------------------|
| <b>ASSETS</b>                         |                            |                                     |                                      |
| Cash                                  | \$50,595                   | \$2,034                             | \$52,629                             |
| Investments                           | 7,315                      | 15,241                              | 22,556                               |
| <b>Total assets</b>                   | <u>\$57,910</u>            | <u>\$17,275</u>                     | <u>\$75,185</u>                      |
| <b>LIABILITIES</b>                    |                            |                                     |                                      |
| Due to other governments and agencies | \$57,910                   | \$0                                 | \$57,910                             |
| Due to others                         | 0                          | 17,275                              | 17,275                               |
| <b>Total liabilities</b>              | <u>\$57,910</u>            | <u>\$17,275</u>                     | <u>\$75,185</u>                      |

**CITY OF VALDOSTA, GEORGIA**  
**AGENCY FUND**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**TREE COMMISSION**

|                                | Balance<br>June 30, 2012 | Additions      | Deductions      | Balance<br>June 30, 2013 |
|--------------------------------|--------------------------|----------------|-----------------|--------------------------|
| <b><u>ASSETS</u></b>           |                          |                |                 |                          |
| Cash                           | \$78,468                 | \$9,585        | \$37,458        | \$50,595                 |
| Investments                    | 7,299                    | 16             | 0               | 7,315                    |
| Total assets                   | <u>\$85,767</u>          | <u>\$9,601</u> | <u>\$37,458</u> | <u>\$57,910</u>          |
| <b><u>LIABILITIES</u></b>      |                          |                |                 |                          |
| Liabilities:                   |                          |                |                 |                          |
| Due to:                        |                          |                |                 |                          |
| Other governments and agencies | \$85,767                 | \$9,201        | \$37,058        | \$57,910                 |
| Total liabilities              | <u>\$85,767</u>          | <u>\$9,201</u> | <u>\$37,058</u> | <u>\$57,910</u>          |

**EVIDENCE AGENCY FUND**

|                           | Balance<br>June 30, 2012 | Additions       | Deductions      | Balance<br>June 30, 2013 |
|---------------------------|--------------------------|-----------------|-----------------|--------------------------|
| <b><u>ASSETS</u></b>      |                          |                 |                 |                          |
| Cash                      | \$10,928                 | \$2,951         | \$11,845        | \$2,034                  |
| Investments               | 27,065                   | 27,466          | 39,290          | 15,241                   |
| Total assets              | <u>\$37,993</u>          | <u>\$30,417</u> | <u>\$51,135</u> | <u>\$17,275</u>          |
| <b><u>LIABILITIES</u></b> |                          |                 |                 |                          |
| Liabilities:              |                          |                 |                 |                          |
| Due to:                   |                          |                 |                 |                          |
| Others                    | \$37,993                 | \$30,417        | \$51,135        | \$17,275                 |
| Total liabilities         | <u>\$37,993</u>          | <u>\$30,417</u> | <u>\$51,135</u> | <u>\$17,275</u>          |

The background of the slide is a photograph of the United States flag waving in the wind against a bright blue sky filled with white, fluffy clouds. The flag is positioned diagonally, with the top left corner towards the upper left of the frame. The entire image is enclosed within a double border: a thick red outer line and a thinner blue inner line.

# 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, 2013

| No.          | Project                         | Original<br>Estimated<br>Cost | Revised<br>Estimated<br>Cost | Prior<br>Years | Current<br>Year<br>SPLOST | Current<br>Year<br>Other<br>Sources | Total        | Estimated<br>Percentage<br>of<br>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, 2013

| No.         | Project                                    | Original<br>Estimated<br>Cost | Revised<br>Estimated<br>Cost | Prior<br>Years | Current<br>Year<br>SPLOST | Current<br>Year<br>Other<br>Sources | Total        | Estimated<br>Percentage<br>of<br>Completion |
|-------------|--|-------------------------------|------------------------------|----------------|---------------------------|-------------------------------------|--------------|---|
| 1           | Resurfacing                                | \$2,500,000                   | \$3,438,932                  | \$2,172,095    | 1,601,200                 | (\$631,650)                         | \$3,141,645  | 91%   |
| 2           | Road improvements                          | 10,000,000                    | 6,825,350                    | 3,030,476      | 1,936,830                 | 0                                   | 4,967,306    | 73%   |
| 3           | Sidewalk improvements                      | 2,000,000                     | 2,159,086                    | 397,486        | 822,625                   | 0                                   | 1,220,111    | 57%   |
| 4           | Intersection improvements                  | 2,500,000                     | 506,842                      | 177,405        | 92,925                    | 0                                   | 270,330      | 53%   |
| 5           | Drainage improvements                      | 4,000,000                     | 3,702,270                    | 3,688,775      | 130,966                   | 0                                   | 3,819,741    | 100%  |
| 6           | Traffic improvements                       | 1,000,000                     | 615,426                      | 208,851        | 127,204                   | 0                                   | 336,055      | 55%   |
| 7           | Street maintenance repairs                 | 500,000                       | 490,666                      | 142,303        | 9,920                     | 0                                   | 152,223      | 31%   |
| 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                    | 2,449,421      | 0                         | 0                                   | 2,449,421    | 100%  |
| 10          | Driving simulator                          | 200,000                       | 0                            | 0              | 0                         | 0                                   | 0            | 0%  |
| 11          | Technology (EVOC range)                    | 200,000                       | 298,461                      | 295,347        | 0                         | 0                                   | 295,347      | 99%   |
| 12          | Parking overhang                           | 100,000                       | 0                            | 0              | 0                         | 0                                   | 0            | 0%  |
| 13          | Taser equipment                            | 150,000                       | 52,465                       | 0              | 48,950                    | 0                                   | 48,950       | 93%   |
| 14          | Records management software                | 600,000                       | 300,000                      | 283,250        | 65,000                    | 0                                   | 348,250      | 100%  |
| 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                    | 1,620,000      | 540,000                   | 0                                   | 2,160,000    | 72%   |
| 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                     | 146,347                      | 83,702         | 6,871                     | 0                                   | 90,573       | 62%   |
| 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                       | 118,290                      | 118,290        | 0                         | 0                                   | 118,290      | 100%  |
| 24          | 3 bay fire station - Bemiss road           | 1,250,000                     | 0                            | 0              | 0                         | 0                                   | 0            | 0%  |
| 25          | 1500 GPM pumper truck                      | 350,000                       | 875,000                      | 0              | 874,522                   | 0                                   | 874,522      | 100%  |
| 26          | 100 ft aerial platform truck               | 850,000                       | 0                            | 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                     | 6,126,365                    | 2,839,439      | 353,189                   | 0                                   | 3,192,628    | 52%   |
| 30          | Wastewater treatment & disposal expansions | 5,000,000                     | 4,030,318                    | 72,897         | 2,162,319                 | 0                                   | 2,235,216    | 55%   |
| 31          | Water transmission lines phase II          | 3,000,000                     | 1,805,404                    | 0              | 1,556,365                 | 0                                   | 1,556,365    | 86%   |
| 32          | Refuse trucks                              | 1,000,000                     | 1,061,554                    | 946,099        | 115,455                   | 0                                   | 1,061,554    | 100%  |
| 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                       | 36,751                       | 18,960         | 4,250                     | 0                                   | 23,210       | 63%   |
| 36          | Software & hardware                        | 1,500,000                     | 1,505,265                    | 1,471,559      | 33,705                    | 0                                   | 1,505,264    | 100%  |
| 37          | Municipal auditorium (prop acq & design)   | 5,000,000                     | 4,803,688                    | 4,326,450      | 60,689                    | 0                                   | 4,387,139    | 91%   |
| 38          | General                                    | 1,000,000                     | 77,617                       | 22,251         | 56,982                    | 0                                   | 79,233       | 100%  |
| 39          | Gateway redevelopment                      | 500,000                       | 519                          | 519            | 0                         | 0                                   | 519          | 100%  |
| 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                     | 250,000                      | 0              | 0                         | 0                                   | 0            | 0%  |
| 43          | Parks and Rec administration offices/gym   | 0                             | 891,486                      | 840,073        | 49,736                    | 0                                   | 889,809      | 100%  |
| 44          | Freedom park expansion                     | 0                             | 1,129,073                    | 1,129,073      | 0                         | 0                                   | 1,129,073    | 100%  |
| 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       | 100%  |
| 47          | Municipal Auditorium                       | 0                             | 218,159                      | 362,519        | 0                         | 0                                   | 362,519      | 100%  |
| 48          | Miscellaneous Parks Improvements           | 0                             | 4,905                        | 4,905          | 0                         | 0                                   | 4,905        | 100%  |
| 49          | Water Treatment Plant By-Pass              | 0                             | 89,002                       | 89,002         | 0                         | 0                                   | 89,002       | 100%  |
| 50          | Bay Extension                              | 0                             | 140,000                      | 7,204          | 21,102                    | 0                                   | 28,306       | 20%   |
| Subtotal    |  | 72,755,828                    | 52,424,899                   | 31,606,944     | 10,670,805                | (631,650)                           | 41,646,099   |   |
| Transfer in |  | 0                             | 0                            | (300,000)      | 0                         | (62,036)                            | (362,036)    |   |
| TOTAL       |  | \$72,755,828                  | \$52,424,899                 | \$31,306,944   | \$10,670,805              | (\$693,686)                         | \$41,284,063 |   |

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



The background of the slide is a photograph of the United States flag waving in the wind against a bright blue sky filled with white, fluffy clouds. The flag is positioned diagonally, with the top left corner towards the upper left of the frame. The entire image is enclosed within a double border: a thick red outer line and a thinner blue inner line.

# 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 in 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 of the City's present and ongoing financial status.

**Operating Information**

These tables contain service and infrastructure indicators that can inform one's understanding of 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.

## CITY OF VALDOSTA, GEORGIA

## Net Position by Component

Last Ten Fiscal Years  
(actual basis of accounting)

|   | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          | 2013          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Governmental activities</b>              |               |               |               |               |               |               |               |               |               |               |
| Net Investment in Capital Assets            | \$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 | \$132,065,895 |
| Restricted                                  | 0             | 0             | 0             | 0             | 0             | 5,865,897     | 2,148,289     | 5,426,814     | 9,910,542     | 8,345,295     |
| Unrestricted                                | 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)     | (5,970,254)   |
| Total governmental activities net position  | \$140,570,048 | \$143,497,681 | \$149,847,410 | \$154,915,146 | \$158,967,638 | \$157,120,931 | \$152,248,611 | \$145,982,840 | \$141,696,164 | \$134,440,936 |
| <b>Business-type activities</b>             |               |               |               |               |               |               |               |               |               |               |
| Net Investment in Capital Assets            | \$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  | \$101,298,255 |
| Restricted                                  | 1,772,280     | 1,819,256     | 1,901,402     | 1,999,816     | 1,960,292     | 0             | 0             | 0             | 0             | 0             |
| Unrestricted                                | 6,620,705     | 7,658,889     | 8,989,650     | 10,783,976    | 7,395,534     | 610,509       | (2,328,920)   | 901,087       | (2,300,288)   | (2,694,424)   |
| Total business-type activities net position | \$60,408,451  | \$63,606,272  | \$76,677,980  | \$83,099,801  | \$84,440,554  | \$85,993,705  | \$91,515,406  | \$93,479,578  | \$93,609,115  | \$98,603,831  |
| <b>Primary government</b>                   |               |               |               |               |               |               |               |               |               |               |
| Net Investment in Capital Assets            | \$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 | \$233,364,150 |
| Restricted                                  | 1,772,280     | 1,819,256     | 1,901,402     | 1,999,816     | 1,960,292     | 5,865,897     | 2,148,289     | 5,426,814     | 9,910,542     | 8,345,295     |
| Unrestricted                                | 19,756,732    | 22,015,660    | 24,067,484    | 25,625,956    | 23,633,295    | 11,125,513    | 5,960,856     | 4,921,932     | (3,095,534)   | (8,664,678)   |
| Total primary government net position       | \$200,978,499 | \$207,103,953 | \$226,525,390 | \$238,014,947 | \$243,408,192 | \$243,114,636 | \$243,764,017 | \$239,462,418 | \$235,305,279 | \$233,044,767 |

## CITY OF VALDOSTA, GEORGIA

## Changes in Net Positions

Last Ten Fiscal Years  
(accrual basis of accounting)

|   | 2004                  | 2005                  | 2006                  | 2007                  | 2008                  | 2009                  | 2010                  | 2011                  | 2012                  | 2013                  |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Expenses</b>   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities                                 |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| General government                                      | \$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          | \$22,929,060          |
| Public safety   | 13,351,024            | 13,982,393            | 15,488,056            | 16,393,539            | 18,198,511            | 18,948,740            | 20,218,017            | 20,016,681            | 20,542,890            | 20,074,107            |
| Culture - recreation                                    | 3,630,181             | 3,724,227             | 4,136,565             | 4,110,444             | 5,417,919             | 4,757,377             | 0                     | 0                     | 0                     | 0                     |
| Public works  | 1,247,951             | 1,305,601             | 1,376,646             | 1,396,732             | 1,721,811             | 1,791,236             | 2,150,240             | 1,893,485             | 1,872,351             | 1,613,315             |
| Community development                                   | 985,477               | 1,065,124             | 1,135,390             | 1,314,820             | 1,686,051             | 1,214,273             | 1,125,956             | 1,110,945             | 1,101,147             | 1,042,940             |
| Interest on long-term debt                              | 0                     | 15,126                | 923                   | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     |
| Total governmental activities                           | <u>30,576,517</u>     | <u>35,306,246</u>     | <u>48,714,185</u>     | <u>43,648,940</u>     | <u>43,103,942</u>     | <u>47,763,449</u>     | <u>48,443,994</u>     | <u>45,530,812</u>     | <u>48,162,281</u>     | <u>45,659,422</u>     |
| Business-type activities                                |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Sanitation  | 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             | 4,482,868             |
| Water and sewer   | 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            | 12,260,646            |
| Inspection  | 857,228               | 964,596               | 1,241,269             | 1,309,675             | 1,349,936             | 1,328,557             | 1,022,811             | 965,786               | 970,029               | 940,143               |
| Zoning  | 0                     | 229,065               | 237,745               | 200,535               | 187,132               | 351,768               | 377,434               | 446,049               | 455,267               | 359,543               |
| DOL building  | 0                     | 373,284               | 375,131               | 379,478               | 373,314               | 357,962               | 361,234               | 424,197               | 368,853               | 355,022               |
| Storm Water   | 0                     | 0                     | 0                     | 670,369               | 793,438               | 914,988               | 962,042               | 1,231,214             | 1,371,900             | 1,223,050             |
| Auditorium  | 150,564               | 155,072               | 178,518               | 198,972               | 183,265               | 224,187               | 256,933               | 240,981               | 249,576               | 212,676               |
| Motor fuel  | 77,231                | 193,758               | 276,315               | 302,622               | 437,855               | 299,556               | 388,445               | 527,982               | 537,152               | 556,674               |
| Total business-type activities                          | <u>14,095,201</u>     | <u>14,918,990</u>     | <u>16,420,087</u>     | <u>16,514,190</u>     | <u>17,723,840</u>     | <u>19,431,912</u>     | <u>18,872,075</u>     | <u>20,105,294</u>     | <u>21,345,259</u>     | <u>20,390,622</u>     |
| Total primary government                                | <u>\$44,671,718</u>   | <u>\$50,225,236</u>   | <u>\$65,134,272</u>   | <u>\$60,163,130</u>   | <u>\$60,827,782</u>   | <u>\$67,195,361</u>   | <u>\$67,316,069</u>   | <u>\$65,636,106</u>   | <u>\$69,507,540</u>   | <u>\$66,050,044</u>   |
| <b>Program Revenues</b>                                 |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities                                 |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Charges for services                                    |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| General government                                      | \$3,177,674           | \$3,533,764           | \$3,753,195           | \$3,922,148           | \$334,079             | \$304,914             | \$116,678             | \$94,155              | \$204,692             | \$54,692              |
| Public safety   | 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             | 2,533,635             |
| Culture - recreation                                    | 541,332               | 491,710               | 568,848               | 551,903               | 569,084               | 872,535               | 4,815                 | 0                     | 0                     | 0                     |
| Other activities  | 12,532                | 12,644                | 37,831                | 24,831                | 100,140               | 194,471               | 261,913               | 263,364               | 244,771               | 145,443               |
| Operating grants and contributions                      | 962,548               | 975,405               | 495,690               | 1,488,748             | 2,010,035             | 2,955,677             | 1,678,825             | 2,386,413             | 683,356               | 2,168,333             |
| Capital grants and contributions                        | 1,545,230             | 396,254               | 3,728,827             | 3,726,186             | 2,761,057             | 235,523               | 12,809,115            | 8,202,072             | 12,086,133            | 9,619,416             |
| Total governmental activities program revenues          | <u>7,844,822</u>      | <u>7,348,772</u>      | <u>10,570,756</u>     | <u>11,979,201</u>     | <u>8,152,729</u>      | <u>6,858,204</u>      | <u>17,278,080</u>     | <u>13,177,795</u>     | <u>15,978,482</u>     | <u>14,521,519</u>     |
| Business-type activities                                |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Charges for services                                    |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Sanitation  | 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             | 4,399,518             |
| Water and sewer   | 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            | 15,240,633            |
| Inspection  | 1,216,084             | 1,200,516             | 1,225,791             | 1,145,821             | 1,001,745             | 777,209               | 1,009,372             | 905,977               | 644,462               | 642,225               |
| DOL building  | 34,379                | 469,157               | 469,157               | 469,157               | 469,157               | 469,157               | 469,157               | 469,157               | 469,157               | 469,157               |
| Storm Water   | 0                     | 0                     | 0                     | 1,087,770             | 1,176,378             | 1,178,261             | 1,232,845             | 1,257,082             | 1,242,399             | 1,271,392             |
| Other activities  | 137,027               | 434,016               | 516,404               | 441,140               | 546,918               | 378,853               | 471,094               | 762,299               | 737,719               | 675,301               |
| Operating grants and contributions                      | 2,485                 | 73,888                | 0                     | 0                     | 0                     | 46,673                | 459,325               | 0                     | 269,437               | 0                     |
| Capital grants and contributions                        | 0                     | 0                     | 65,000                | 0                     | 0                     | 537,407               | 4,513,063             | 1,119,880             | 957,991               | 758,616               |
| Total business-type activities program revenues         | <u>15,510,455</u>     | <u>16,691,370</u>     | <u>18,637,179</u>     | <u>20,017,483</u>     | <u>19,994,338</u>     | <u>19,939,632</u>     | <u>25,157,748</u>     | <u>22,610,496</u>     | <u>22,713,688</u>     | <u>23,456,852</u>     |
| Total primary government program revenues               | <u>\$23,355,277</u>   | <u>\$24,040,142</u>   | <u>\$29,207,935</u>   | <u>\$31,996,684</u>   | <u>\$28,147,067</u>   | <u>\$26,797,836</u>   | <u>\$42,435,828</u>   | <u>\$35,788,291</u>   | <u>\$38,692,170</u>   | <u>\$37,978,371</u>   |
| <b>Net (Expense)/Revenue</b>                            |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities                                 | (\$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)        | (\$31,137,903)        |
| Business-type activities                                | 1,415,254             | 1,772,380             | 2,217,082             | 3,503,293             | 2,270,498             | 507,720               | 6,285,673             | 2,505,202             | 1,368,429             | 3,066,230             |
| Total primary government net expense                    | <u>(\$21,316,441)</u> | <u>(\$26,185,094)</u> | <u>(\$35,926,337)</u> | <u>(\$28,166,446)</u> | <u>(\$32,680,715)</u> | <u>(\$40,397,525)</u> | <u>(\$24,880,241)</u> | <u>(\$29,847,815)</u> | <u>(\$30,815,370)</u> | <u>(\$28,071,673)</u> |
| <b>General Revenues and Other Changes in Net Assets</b> |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities                                 |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Taxes   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Property taxes  | \$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           | \$6,348,885           |
| Sales tax   | 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             | 9,225,131             |
| Accommodations tax                                      | 0                     | 0                     | 0                     | 0                     | 821,513               | 1,536,227             | 1,476,776             | 1,504,153             | 1,562,285             | 1,667,870             |
| Other taxes   | 0                     | 0                     | 0                     | 0                     | 8,323,386             | 8,593,865             | 8,303,204             | 8,264,303             | 8,925,259             | 8,938,156             |
| Investment earnings                                     | 226,410               | 332,336               | 506,667               | 651,775               | 466,490               | 150,410               | 292,878               | 46,580                | 31,960                | 27,214                |
| Miscellaneous   | 393,880               | 517,696               | 573,177               | 502,251               | 318,093               | (85,274)              | 409,010               | 640,692               | 619,479               | 227,429               |
| Contributions to permanent fund                         | 0                     | 51,870                | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     |
| Transfers   | 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             | (2,646,499)           |
| Total governmental activities                           | <u>25,726,716</u>     | <u>30,885,107</u>     | <u>44,493,158</u>     | <u>36,737,475</u>     | <u>39,003,705</u>     | <u>41,471,789</u>     | <u>26,300,715</u>     | <u>26,087,246</u>     | <u>27,897,123</u>     | <u>23,788,186</u>     |
| Business-type activities                                |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Property taxes  | 92,573                | 0                     | 89,184                | 71,473                | 98,174                | 0                     | 0                     | 0                     | 0                     | 0                     |
| Investment earnings                                     | 38,658                | 130,871               | 348,270               | 595,253               | 436,120               | 81,149                | 7,440                 | 14,163                | 3,178                 | 792                   |
| Capital contributions                                   | 226,052               | 2,448,365             | 11,436,796            | 3,783,491             | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     |
| Transfers   | (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)           | 2,692,361             |
| Total business-type activities                          | <u>(847,531)</u>      | <u>1,425,441</u>      | <u>10,854,616</u>     | <u>2,918,528</u>      | <u>(929,745)</u>      | <u>(1,367,820)</u>    | <u>(763,972)</u>      | <u>(541,030)</u>      | <u>(1,238,892)</u>    | <u>2,693,153</u>      |
| Total primary government                                | <u>\$24,879,185</u>   | <u>\$32,310,548</u>   | <u>\$55,347,774</u>   | <u>\$39,656,003</u>   | <u>\$38,073,960</u>   | <u>\$40,103,969</u>   | <u>\$25,536,743</u>   | <u>\$25,546,216</u>   | <u>\$26,658,231</u>   | <u>\$26,481,339</u>   |
| <b>Change in Net Position</b>                           |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities                                 | \$2,995,021           | \$2,927,633           | \$6,349,729           | \$5,067,736           | \$4,052,492           | \$566,544             | (\$4,865,199)         | (\$6,265,771)         | (\$4,286,676)         | (\$7,349,717)         |
| Business-type activities                                | 567,723               | 3,197,821             | 13,071,708            | 6,421,821             | 1,340,753             | (860,100)             | 5,521,701             | 1,964,172             | 129,537               | 5,759,383             |
| Total primary government                                | <u>\$3,562,744</u>    | <u>\$6,125,454</u>    | <u>\$19,421,437</u>   | <u>\$11,489,557</u>   | <u>\$5,393,245</u>    | <u>(\$293,556)</u>    | <u>\$656,502</u>      | <u>(\$4,301,599)</u>  | <u>(\$4,157,139)</u>  | <u>(\$1,590,334)</u>  |

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

|                                    | Fiscal Year          |                      |                      |                      |                     |                     |                     |                     |                     |                     |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                    | 2004                 | 2005                 | 2006                 | 2007                 | 2008                | 2009                | 2010                | 2011                | 2012                | 2013                |
| General Fund                       |                      |                      |                      |                      |                     |                     |                     |                     |                     |                     |
| Reserved                           | \$1,692,158          | \$1,874,475          | \$1,653,503          | \$1,493,568          | \$1,564,414         | \$6,155,409         | \$7,927,686         | \$0                 | \$0                 | \$0                 |
| Unreserved                         | 7,615,304            | 8,413,029            | 9,588,697            | 10,230,912           | 10,276,936          | 5,919,560           | 1,071,975           | 0                   | 0                   | 0                   |
| Nonspendable                       | 0                    | 0                    | 0                    | 0                    | 0                   | 0                   | 0                   | 4,521,846           | 4,522,249           | 4,245,727           |
| Restricted                         | 0                    | 0                    | 0                    | 0                    | 0                   | 0                   | 0                   | 176,391             | 181,778             | 151,288             |
| Committed                          | 0                    | 0                    | 0                    | 0                    | 0                   | 0                   | 0                   | 10,767              | 10,767              | 10,767              |
| Assigned                           | 0                    | 0                    | 0                    | 0                    | 0                   | 0                   | 0                   | 701,620             | 316,892             | 0                   |
| Unassigned                         | 0                    | 0                    | 0                    | 0                    | 0                   | 0                   | 0                   | 0                   | 0                   | 128,039             |
| Total General Fund                 | <u>\$9,307,462</u>   | <u>\$10,287,504</u>  | <u>\$11,242,200</u>  | <u>\$11,724,480</u>  | <u>\$11,841,350</u> | <u>\$12,074,969</u> | <u>\$8,999,661</u>  | <u>\$5,410,624</u>  | <u>\$5,031,686</u>  | <u>\$4,535,821</u>  |
| All Other Governmental Funds       |                      |                      |                      |                      |                     |                     |                     |                     |                     |                     |
| Reserved                           | \$5,665,556          | \$4,535,398          | \$4,444,578          | \$4,656,963          | \$8,284,616         | \$4,083,398         | \$5,709,854         | \$0                 | \$0                 | \$0                 |
| Unreserved, reported in:           |                      |                      |                      |                      |                     |                     |                     |                     |                     |                     |
| Special revenue funds              | (1,996,391)          | (1,860,612)          | (1,771,166)          | (2,323,132)          | (2,585,325)         | (385,432)           | (13,830)            | 0                   | 0                   | 0                   |
| Capital projects funds             | (5,149,179)          | (4,504,634)          | (5,053,707)          | (4,982,373)          | (2,648,012)         | 3,979,550           | (547,313)           | 0                   | 0                   | 0                   |
| Nonspendable, reported in:         |                      |                      |                      |                      |                     |                     |                     |                     |                     |                     |
| Special revenue funds              | 0                    | 0                    | 0                    | 0                    | 0                   | 0                   | 0                   | 2,967,676           | 2,835,801           | 2,670,464           |
| Capital projects funds             | 0                    | 0                    | 0                    | 0                    | 0                   | 0                   | 0                   | 774,135             | 696,464             | 573,385             |
| Permanent funds                    | 0                    | 0                    | 0                    | 0                    | 0                   | 0                   | 0                   | 1,472,224           | 1,525,822           | 1,304,778           |
| Restricted, reported in:           |                      |                      |                      |                      |                     |                     |                     |                     |                     |                     |
| Special revenue funds              | 0                    | 0                    | 0                    | 0                    | 0                   | 0                   | 0                   | 128,682             | 249,087             | 224,601             |
| Capital projects funds             | 0                    | 0                    | 0                    | 0                    | 0                   | 0                   | 0                   | 3,466,879           | 7,194,623           | 5,714,008           |
| Assigned, reported in:             |                      |                      |                      |                      |                     |                     |                     |                     |                     |                     |
| Special revenue funds              | 0                    | 0                    | 0                    | 0                    | 0                   | 0                   | 0                   | 107,906             | 205,630             | 323,727             |
| Capital projects funds             | 0                    | 0                    | 0                    | 0                    | 0                   | 0                   | 0                   | 763,598             | 39,966              | 0                   |
| Unassigned, reported in:           |                      |                      |                      |                      |                     |                     |                     |                     |                     |                     |
| Special revenue funds              | 0                    | 0                    | 0                    | 0                    | 0                   | 0                   | 0                   | (275,654)           | (223,869)           | (104,185)           |
| Capital projects funds             | 0                    | 0                    | 0                    | 0                    | 0                   | 0                   | 0                   | (25,757)            | 0                   | 0                   |
| Total all other governmental funds | <u>(\$1,480,014)</u> | <u>(\$1,829,848)</u> | <u>(\$2,380,295)</u> | <u>(\$2,648,542)</u> | <u>\$3,051,279</u>  | <u>\$7,677,516</u>  | <u>\$5,148,711</u>  | <u>\$9,379,689</u>  | <u>\$12,523,524</u> | <u>\$10,706,778</u> |
| Total all governmental funds       | <u>\$7,827,448</u>   | <u>\$8,457,656</u>   | <u>\$8,861,905</u>   | <u>\$9,075,938</u>   | <u>\$14,892,629</u> | <u>\$19,752,485</u> | <u>\$14,148,372</u> | <u>\$14,790,313</u> | <u>\$17,555,210</u> | <u>\$15,242,599</u> |

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   |              |              |              |              |              |               |             |             |               |
|---|---------------|--------------|--------------|--------------|--------------|--------------|---------------|-------------|-------------|---------------|
|   | 2004          | 2005         | 2006         | 2007         | 2008         | 2009         | 2010          | 2011        | 2012        | 2013          |
| <b>Revenues</b>   |               |              |              |              |              |              |               |             |             |               |
| Taxes   | \$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  | 25,647,433    |
| Licenses and permits                                    | 270,858       | 353,027      | 339,199      | 355,287      | 350,301      | 439,643      | 423,463       | 394,262     | 519,109     | 514,949       |
| Charges for services                                    | 835,734       | 756,132      | 762,923      | 726,163      | 740,615      | 1,048,126    | 116,347       | 384,075     | 437,959     | 476,460       |
| Fines and forfeitures                                   | 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   | 1,391,867     |
| Interest income   | 192,567       | 332,335      | 506,667      | 698,182      | 466,492      | 149,868      | 314,351       | 46,581      | 33,402      | 27,214        |
| Contributions   | 206,263       | 132,803      | 114,895      | 128,094      | 131,843      | 124,039      | 44,444        | 59,507      | 55,730      | 64,720        |
| Miscellaneous   | 219,544       | 245,778      | 263,223      | 240,942      | 336,547      | 306,393      | 272,068       | 520,475     | 687,666     | 599,370       |
| Intergovernmental                                       | 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  | 12,627,387    |
| Total revenues  | 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  | 41,349,400    |
| <b>Expenditures</b>                                     |               |              |              |              |              |              |               |             |             |               |
| General government                                      | 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   | 9,623,141     |
| Public safety   | 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  | 18,885,565    |
| Public works  | 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   | 1,469,296     |
| Culture-recreation                                      | 3,453,591     | 3,519,065    | 3,652,521    | 3,653,276    | 3,772,028    | 4,313,907    | 0             | 519,943     | 0           | 0             |
| Economic development and assistance                     | 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   | 1,035,531     |
| Capital outlay  | 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   | 12,370,884    |
| Debt service  |               |              |              |              |              |              |               |             |             |               |
| Interest  | 1,281         | 1,357        | 923          | 0            | 0            | 0            | 0             | 0           | 141,998     | 141,175       |
| Principal   | 3,255         | 4,691        | 5,125        | 0            | 0            | 0            | 0             | 0           | 13,710      | 14,533        |
| Total expenditures                                      | 33,254,998    | 36,851,305   | 54,006,232   | 44,196,936   | 40,988,638   | 46,587,129   | 48,379,344    | 39,886,054  | 39,816,256  | 43,540,125    |
| Excess of revenues over (under) expenditures            | (3,218,869)   | (523,577)    | (615,385)    | (654,243)    | 4,360,557    | 457,514      | (6,248,531)   | (481,921)   | 3,136,571   | (2,190,725)   |
| <b>Other Financing Sources (Uses)</b>                   |               |              |              |              |              |              |               |             |             |               |
| Capital lease   | 0             | 0            | 0            | 0            | 0            | 0            | 0             | 579,740     | 0           | 0             |
| Transfers in  | 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   | 2,498,768     |
| Transfers out   | (252,009)     | (463,261)    | (587,948)    | (1,177,506)  | (386,681)    | (2,102,287)  | (2,507,575)   | (1,490,556) | (3,653,332) | (2,694,456)   |
| Total other financing sources (uses)                    | 1,304,814     | 1,153,785    | 1,019,634    | 868,276      | 1,456,134    | 4,402,342    | 644,418       | 1,123,862   | (371,674)   | (195,688)     |
| Net change in fund balances                             | (\$1,914,055) | \$630,208    | \$404,249    | \$214,033    | \$5,816,691  | \$4,859,856  | (\$5,604,113) | \$641,941   | \$2,764,897 | (\$2,386,413) |
| Debt service as a percentage of noncapital expenditures | 0.017%        | 0.022%       | 0.021%       | 0.000%       | 0.000%       | 0.000%       | 0.000%        | 0.000%      | 0.492%      | 0.500%        |

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

**CITY OF VALDOSTA, GEORGIA**  
**Program Revenues by Function/Program**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)

| Function/Program                         | Program Revenues    |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2004                | 2005                | 2006                | 2007                | 2008                | 2009                | 2010                | 2011                | 2012                | 2013                |
| <b>Governmental activities:</b>          |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| General government                       | \$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        | \$8,751,232         |
| Public safety                            | 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           | \$4,685,125         |
| Culture - recreation                     | 623,840             | 568,528             | 619,797             | 573,334             | 582,084             | 890,830             | 11,791              | 0                   | 0                   | 0                   |
| Public works                             | 85,221              | 71,399              | 422,484             | 93,748              | 108,327             | 117,483             | 3,446,562           | 103,835             | 148,462             | \$734,521           |
| Public involvement                       | 199,473             | 224,582             | 47,639              | 312,343             | 1,398,884           | 1,000,688           | 1,289,465           | 1,342,429           | 646,142             | \$350,641           |
| <b>Subtotal governmental activities</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>14,521,519</b>   |
| <b>Business-type activities:</b>         |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Sanitation                               | 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           | 4,399,518           |
| Water and sewer                          | 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          | 15,658,173          |
| Inspection                               | 1,216,084           | 1,200,516           | 1,225,791           | 1,145,821           | 1,001,745           | 777,209             | 1,009,372           | 905,977             | 737,882             | 642,235             |
| Zoning                                   | 0                   | 178,036             | 182,864             | 80,742              | 56,437              | 30,140              | 117,931             | 204,679             | 144,487             | 61,153              |
| DOL building                             | 34,379              | 469,157             | 469,157             | 469,157             | 469,157             | 469,157             | 469,157             | 469,157             | 469,157             | 469,157             |
| Storm Water                              | 0                   | 0                   | 0                   | 1,087,770           | 1,176,378           | 1,178,261           | 1,232,845           | 1,257,082           | 2,200,390           | 1,612,468           |
| Auditorium                               | 56,083              | 54,940              | 50,770              | 50,520              | 45,380              | 41,210              | 31,380              | 18,407              | 46,237              | 47,562              |
| Motor fuel                               | 80,944              | 201,040             | 282,770             | 309,878             | 445,101             | 307,503             | 398,697             | 539,213             | 546,995             | 566,586             |
| <b>Subtotal business-type activities</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>23,456,852</b>   |
| <b>Total primary government</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> | <b>\$37,978,371</b> |

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

(modified accrual basis of accounting)

| <b>Fiscal<br/>Year</b> | <b>General<br/>Property</b> | <b>Sales &amp; Use</b> | <b>Gross Receipts<br/>&amp; Business</b> | <b>Other</b> | <b>Total</b> |
|------------------------|-----------------------------|------------------------|--|--------------|--------------|
| 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   |
| 2013                   | 6,452,218                   | 17,705,354             | 8,318,442                                | 1,667,923    | 34,143,937   |
| Change                 |                             |                        |  |              |              |
| 2004-2013              | 21.34%                      | 38.31%                 | 33.19%                                   | 553.62%      | 38.69%       |

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

| <b>Fiscal<br/>Year<br/>Ended<br/>June 30,</b> | <b>Residential<br/>Property</b> | <b>Commercial<br/>Property</b> | <b>Industrial<br/>Property</b> | <b>Utility<br/>Property</b> | <b>Agricultural<br/>Property</b> | <b>Historic<br/>Property</b> | <b>Other<br/>Property</b> | <b>Less:<br/>Tax-Exempt<br/>Property</b> | <b>Total<br/>Taxable<br/>Assessed<br/>Value</b> | <b>Total<br/>Direct<br/>Tax<br/>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                                    |
| 2013  | 646,393,405                     | 575,038,137                    | 285,544,257                    | 31,238,071                  | 2,025,391                        | 1,039,970                    | 101,085,600               | 185,281,491                              | 1,457,083,340                                   | 4.106                                    |

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 eight 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<br>Year | Residential Class    |                      |                       |                       |
|----------------|----------------------|----------------------|-----------------------|-----------------------|
|                | Water<br>Base Charge | Sewer<br>Base Charge | Water Rate<br>Per CCF | Sewer Rate<br>Per CCF |
| 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                  |
| 2013           | 4.20                 | 4.20                 | 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<br>Year | Bulk Class            |                       |
|----------------|-----------------------|-----------------------|
|                | Water Rate<br>Per CCF | Sewer Rate<br>Per CCF |
| 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                  |
| 2013           | N/A                   | N/A                   |

Note: Base charge varies with meter size. Bulk rate user with industrial sized meter using greater than 1,000 CCF per month. Separate bulk rate discontinued in fiscal year 2013.

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

| <b>Fiscal<br/>Year</b> | <b>City<br/>Direct<br/>Rate</b> | <b>Overlapping Rates*</b>               |   |                           |
|------------------------|---------------------------------|---|---|---------------------------|
|                        |                                 | <b>Valdosta<br/>School<br/>District</b> | <b>Community<br/>Improvement<br/>District</b> | <b>Lowndes<br/>County</b> |
| 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                      |
| 2013                   | 4.106                           | 16.98                                   | 5.00  | 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 Eight Fiscal Years

| Customer                        | 2013           |      |                     | 2012           |      |                     | 2011           |      |                     | 2010           |      |                     |
|---------------------------------|----------------|------|---------------------|----------------|------|---------------------|----------------|------|---------------------|----------------|------|---------------------|
|                                 | 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                           | \$709,451      | 1    | 4.75%               | \$755,835      | 1    | 5.33%               | \$538,804      | 1    | 3.91%               | \$495,333      | 1    | 3.96%               |
| Valdosta State University       | 479,675        | 2    | 3.21%               | 397,654        | 2    | 2.80%               | 446,869        | 2    | 3.24%               | 235,884        | 3    | 1.89%               |
| Valdosta Correctional Institute | 375,591        | 3    | 2.51%               | 362,925        | 3    | 2.56%               | 332,048        | 3    | 2.41%               | 398,710        | 2    | 3.19%               |
| South Georgia Medical Center    | 255,716        | 4    | 1.71%               | 259,453        | 4    | 1.83%               | 183,178        | 5    | 1.33%               | 185,675        | 4    | 1.49%               |
| City of Remerton                | 254,232        | 5    | 1.70%               | 130,346        | 7    | 0.92%               | 118,029        | 7    | 0.86%               | 108,042        | 6    | 0.86%               |
| Lowndes County Utilities        | 188,057        | 6    | 1.26%               | 179,881        | 6    | 1.27%               | 273,743        | 4    | 1.99%               | 70,774         | 9    | 0.57%               |
| ERCO Worldwide                  | 124,603        | 7    | 0.83%               | 97,720         | 8    | 0.69%               | 102,197        | 8    | 0.74%               | 73,086         | 8    | 0.58%               |
| South Georgia Pecan Co.         | 116,782        | 8    | 0.78%               | -              | -    | -                   | -              | -    | -                   | -              | -    | -                   |
| Woodstone Apartments            | 101,067        | 9    | 0.68%               | -              | -    | -                   | 91,873         | 9    | 0.67%               | 68,265         | 10   | 0.55%               |
| Arizona Chemical                | 89,718         | 10   | 0.60%               | 93,679         | 9    | 0.66%               | 69,809         | 10   | 0.51%               | 75,504         | 7    | 0.60%               |
| Lowndes County Jail             | -              | -    | -                   | 86,640         | 10   | 0.61%               | 118,539        | 6    | 0.86%               | 164,164        | 5    | 1.31%               |
| Campus Crest                    | -              | -    | -                   | 187,860        | 5    | 1.33%               | -              | -    | -                   | -              | -    | -                   |
| Saft                            | -              | -    | -                   | -              | -    | -                   | -              | -    | -                   | -              | -    | -                   |
| Spanish Mission Apartments      | -              | -    | -                   | -              | -    | -                   | -              | -    | -                   | -              | -    | -                   |
| Total                           | \$2,694,892.00 |      | 18.03%              | \$2,551,993.00 |      | 18.00%              | \$2,275,089.00 |      | 16.50%              | \$1,875,437.00 |      | 15.00%              |

| Customer                        | 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 |
| A D M                           | \$615,233      | 1    | 4.98%               | \$456,870      | 1    | 3.68%               | \$427,351      | 1    | 3.48%               | \$402,861      | 1    | 3.28%               |
| Valdosta State University       | 162,565        | 5    | 1.31%               | 167,025        | 3    | 1.34%               | 300,424        | 3    | 2.45%               | 299,726        | 3    | 2.44%               |
| Valdosta Correctional Institute | 386,723        | 2    | 3.13%               | 302,032        | 2    | 2.43%               | 304,868        | 2    | 2.48%               | 356,007        | 2    | 2.90%               |
| South Georgia Medical Center    | 185,585        | 3    | 1.50%               | 133,664        | 5    | 1.08%               | 90,526         | 5    | 0.74%               | 108,270        | 5    | 0.88%               |
| City of Remerton                | 88,358         | 8    | 0.71%               | 82,003         | 7    | 0.66%               | 81,508         | 7    | 0.66%               | 92,954         | 7    | 0.76%               |
| Lowndes County Utilities        | 87,470         | 9    | 0.71%               | -              | -    | -                   | -              | -    | -                   | -              | -    | -                   |
| ERCO Worldwide                  | 88,902         | 7    | 0.72%               | 69,576         | 9    | 0.56%               | 76,372         | 8    | 0.62%               | 92,331         | 8    | 0.75%               |
| South Georgia Pecan Co.         | -              | -    | -                   | 56,157         | 10   | 0.45%               | 58,742         | 9    | 0.48%               | 89,857         | 9    | 0.73%               |
| Woodstone Apartments            | -              | -    | -                   | -              | -    | -                   | -              | -    | -                   | -              | -    | -                   |
| Arizona Chemical                | 122,544        | 6    | 0.99%               | 80,001         | 8    | 0.64%               | 86,746         | 6    | 0.71%               | 94,764         | 6    | 0.77%               |
| Lowndes County Jail             | 163,757        | 4    | 1.32%               | 137,199        | 4    | 1.10%               | 166,355        | 4    | 1.36%               | 229,167        | 4    | 1.87%               |
| Campus Crest                    | -              | -    | -                   | -              | -    | -                   | -              | -    | -                   | -              | -    | -                   |
| Saft                            | 81,192         | 10   | 0.66%               | 93,253         | 6    | 0.75%               | 58,716         | 10   | 0.48%               | -              | -    | -                   |
| Spanish Mission Apartments      | -              | -    | -                   | -              | -    | -                   | -              | -    | -                   | 72,295         | 10   | 0.59%               |
| Total                           | \$1,982,329.00 |      | 16.03%              | \$1,577,780.00 |      | 12.69%              | \$1,651,608.00 |      | 13.46%              | \$1,838,232.00 |      | 14.98%              |

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

| 2013                       |                        |      |  | 2004                       |                        |      |  |
|----------------------------|------------------------|------|--|----------------------------|------------------------|------|--|
| Principal Taxpayer         | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Principal Taxpayer         | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
|                            |                        |      |  |                            |                        |      |  |
| Archer Daniels Midland Co. | \$ 63,572,523          | 1    | 4.53%                                      | Archer Daniels Midland Co. | \$ 32,385,104          | 1    | 2.96%                                      |
| Lowes Distribution, Inc.   | 40,646,764             | 2    | 2.90%                                      | Colonial Realty LP         | 7,200,260              | 2    | 0.66%                                      |
| JM Smith Corp              | 25,092,061             | 3    | 0.48%                                      | Saft Newco, Inc.           | 7,179,670              | 3    | 0.66%                                      |
| Dorpcy R & Dupont          | 19,297,478             | 4    | 1.01%                                      | Crackin' Good              | 6,516,161              | 4    | 0.60%                                      |
| South Georgia Pecan        | 14,134,418             | 5    | 0.86%                                      | Wal-Mart\Sam's Club        | 5,663,072              | 5    | 0.52%                                      |
| Saft Newco, Inc.           | 11,997,625             | 6    | 0.72%                                      | First Line Corp            | 4,593,985              | 6    | 0.42%                                      |
| Marelana Valdosta Mall     | 10,132,855             | 7    | 1.38%                                      | Lowes Distribution, Inc.   | 4,341,035              | 7    | 0.40%                                      |
| Home Depot                 | 8,937,443              | 8    | 0.64%                                      | Trus Joist Corporation     | 4,277,165              | 8    | 0.39%                                      |
| Wal-Mart\Sam's Club        | 8,830,959              | 9    | 0.63%                                      | Internation Paper          | 4,053,427              | 9    | 0.37%                                      |
| Stratas Foods LLC          | 6,802,214              | 10   | 1.79%                                      | South Georgia Pecan        | 2,787,242              | 10   | 0.25%                                      |
| Total Principal Taxpayers  | 209,444,340            |      | 14.96%                                     |                            | 78,997,121             |      | 7.23%                                      |
| All Other Taxpayers        | 1,193,162,948          |      | 85.07%                                     |                            | 1,015,192,585          |      | 92.77%                                     |
| Total                      | \$1,402,607,288        |      | 100.03%                                    |                            | \$ 1,094,189,706       |      | 100.00%                                    |

**Source:**

Lowndes County Tax Commissioner's Office

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

| <b>Fiscal<br/>Year<br/>Ended<br/>June 30,</b> | <b>Taxes Levied<br/>for the<br/>Fiscal Year</b> | <b>Collected within the<br/>Fiscal Year of the Levy</b> |                               | <b>Collections<br/>in Subsequent<br/>Years</b> | <b>Total Collections to Date</b> |                               |
|---|---|---|-------------------------------|--|----------------------------------|-------------------------------|
|   |   | <b>Amount</b>   | <b>Percentage<br/>of Levy</b> |  | <b>Amount</b>                    | <b>Percentage<br/>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%                        | 126,901  | 4,534,229                        | 99.96%                        |
| 2008  | 4,809,340                                       | 4,673,113   | 97.17%                        | 132,347  | 4,805,460                        | 99.92%                        |
| 2009  | 5,066,177                                       | 4,859,886   | 95.93%                        | 201,277  | 5,061,163                        | 99.90%                        |
| 2010  | 5,428,500                                       | 5,173,541   | 95.30%                        | 225,947  | 5,399,488                        | 99.47%                        |
| 2011  | 5,567,391                                       | 5,302,865   | 95.25%                        | 228,546  | 5,531,411                        | 99.35%                        |
| 2012  | 5,307,294                                       | 5,063,850   | 95.41%                        | 170,302  | 5,234,152                        | 98.62%                        |
| 2013  | 5,496,867                                       | 5,246,759   | 95.45%                        | 0  | 5,246,759                        | 95.45%                        |

## CITY OF VALDOSTA, GEORGIA

## Ratios of Outstanding Debt by Type

Last Ten Fiscal Years  
(accrual basis of accounting)

| Fiscal<br>Year | Governmental Activities | Business-Type Activities |                       | Total<br>Primary<br>Government | Percentage<br>of Personal<br>Income | Per<br>Capita |
|----------------|-------------------------|--------------------------|-----------------------|--------------------------------|-------------------------------------|---------------|
|                | Capital<br>Leases       | Revenue<br>Bonds         | Term Loans<br>Payable |                                |                                     |               |
| 2004           | \$89,936                | \$3,730,000              | \$9,793,071           | \$13,613,007                   | 1.29%                               | \$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                     | 0.03                                | 864           |
| 2013           | 296,567                 | 2,546,000                | 47,796,915            | 50,639,482                     | 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.

## CITY OF VALDOSTA, GEORGIA

## Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years  
(accrual basis of accounting)

| Fiscal<br>Year | General Bonded Debt Outstanding |                        |       | Percentage of<br>Actual Taxable<br>Value of<br>Property | Per<br>Capita |
|----------------|---------------------------------|------------------------|-------|---|---------------|
|                | General<br>Obligation<br>Bonds  | Redevelopment<br>Bonds | Total |   |               |
| 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          |
| 2013           | 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, 2013

| <u>Governmental Unit</u>                   | <u>Debt<br/>Outstanding</u> | <u>Estimated<br/>Percentage<br/>Applicable</u> | <u>Estimated<br/>Share of<br/>Overlapping<br/>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       | 9,995,000                   | 45.69%   | 4,566,716  |
| Lowndes County - Capital leases Fleet fund | 69,700                      | 45.69%   | 31,846   |
|  |                             |  | <u>4,598,561</u>                                       |
| Subtotal, overlapping debt                 |                             |  | 29,598,561   |
| City direct debt                           |                             |  | <u>296,567</u>   |
|  |                             |  | <u><u>\$29,895,128</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 2012 County taxable valuation of \$3,188,982,316 and City taxable valuation of \$1,457,083,340 percent 45.69%



CITY OF VALDOSTA, GEORGIA

Legal Debt Margin Information

Last Ten Fiscal Years

(accrual basis of accounting)

Legal Debt Margin Calculation for Fiscal Year 2013

|                                    |                 |
|------------------------------------|-----------------|
| Assessed value                     | \$1,457,083,340 |
| Debt limit (10% of assessed value) | 145,708,334     |
| 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                  | \$145,708,334   |

|   | Fiscal Year   |               |               |               |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          | 2013          |
| Debt limit  | \$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 | \$145,708,334 |
| Total net debt applicable to limit                                      | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 579,740       | 437,742       | 296,567       |
| Legal debt margin   | \$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 | \$145,411,767 |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.41%         | 0.31%         | 0.20%         |

## 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  |          |
| 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     |
| 2013                      | 15,240,634        | 11,308,983               | 3,931,651             | 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<br>Income | Per<br>Capita<br>Income | Median<br>Age | School<br>Enrollment | Unemployment<br>Rate |
|------|------------|--------------------|-------------------------|---------------|----------------------|----------------------|
| 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          | 30,377                  | 27.1          | 7,647                | 9.2%                 |
| 2012 | 57,597     | 4,322,846          | N/A                     | 27.0          | 7,802                | 9.1%                 |

**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, 2013 and 2004

|                              | 2013                   |      |   | Employer                     | 2004                   |      |   |
|------------------------------|------------------------|------|---|------------------------------|------------------------|------|---|
|                              | Number of<br>Employees | Rank | Percentage<br>of Total City<br>Employment |                              | Number of<br>Employees | Rank | Percentage<br>of Total City<br>Employment |
| Moody Air Force Base         | 6,066                  | 1    | 9.77%                                     | Moody Air Force Base         | 4,480                  | 1    | 7.55%                                     |
| South Georgia Medical Center | 2,800                  | 2    | 4.51%                                     | South Georgia Medical Center | 2,300                  | 2    | 3.88%                                     |
| Valdosta State University    | 3,026                  | 3    | 4.87%                                     | Valdosta State University    | 2,280                  | 3    | 3.84%                                     |
| Lowndes County Schools       | 1,425                  | 4    | 2.30%                                     | Lowndes County Schools       | 1,279                  | 4    | 2.16%                                     |
| Valdosta City School System  | 1,200                  | 5    | 1.93%                                     | Valdosta City School System  | 950                    | 5    | 1.60%                                     |
| Lowe's Distribution Center   | 750                    | 6    | 1.21%                                     | Convergys                    | 733                    | 6    | 1.23%                                     |
| Walmart Supercenters         | 680                    | 7    | 1.10%                                     | City of Valdosta Government  | 659                    | 7    | 1.11%                                     |
| Convergys Corp.              | 572                    | 8    | 0.87%                                     | Crackin' Goods Bakers        | 555                    | 8    | 0.93%                                     |
| City of Valdosta Government  | 539                    | 9    | 0.86%                                     | Lowndes County Government    | 540                    | 9    | 0.91%                                     |
| Lowndes County Government    | 535                    | 10   | 0.92%                                     | Lowe's Distribution Center   | 450                    | 10   | 0.76%                                     |
| Total Principal Employees    | 17,593                 |      | 28.34%                                    |                              | 14,226                 |      | 23.97%                                    |
| Other Employees              | 44,481                 |      | 71.66%                                    |                              | 45,134                 |      | 76.03%                                    |
| Total Employees              | 62,074                 |      | 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 |        |        |      |      |      |      |      |      |      |
|------------------------|-------------|--------|--------|------|------|------|------|------|------|------|
|                        | 2004        | 2005   | 2006   | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| City Manager's Office  | 3           | 3      | 5      | 5    | 5    | 5    | 4    | 4    | 4    | 4    |
| Municipal Court        | 5           | 4      | 4      | 8    | 4    | 5    | 4    | 4    | 4    | 4    |
| Human Resources        | 4           | 4      | 4      | 4    | 4    | 4    | 4    | 4    | 4    | 4    |
| Finance                | 22          | 22     | 23     | 23   | 23   | 25   | 24   | 24   | 26   | 25   |
| Engineering            | 31          | 31     | 31     | 30   | 30   | 30   | 27   | 27   | 27   | 22   |
| Information Technology | 0           | 0      | 0      | 1    | 1    | 1    | 1    | 1    | 2    | 2    |
| Facility Maintenance   | 6.5         | 7      | 7      | 6    | 6    | 4    | 4    | 5    | 5    | 4    |
| Police                 | 142         | 152    | 158    | 167  | 178  | 179  | 169  | 171  | 172  | 169  |
| Fire                   | 102         | 102    | 103    | 106  | 106  | 106  | 104  | 99   | 98   | 102  |
| Public Works           | 32          | 33     | 33     | 33   | 33   | 33   | 36   | 36   | 32   | 21   |
| Public Involvement     | 0           | 0      | 0      | 0    | 0    | 7    | 7    | 8    | 7    | 7    |
| Community Development  | 17          | 19     | 19     | 15   | 20   | 31   | 25   | 24   | 22   | 21   |
| Parks & Recreation     | 85.25       | 99.25  | 104.25 | 59   | 61   | 59   | 0    | 0    | 0    | 0    |
| Sanitation             | 50          | 54     | 54     | 54   | 55   | 55   | 54   | 55   | 48   | 44   |
| Water                  | 39.1        | 40.1   | 39.1   | 39.1 | 39.4 | 39.7 | 44   | 44   | 49   | 45   |
| Sewer                  | 72.9        | 75.9   | 73.9   | 61.9 | 62.6 | 63.3 | 39   | 39   | 36   | 36   |
| Storm Water            | 0           | 0      | 0      | 13   | 13   | 13   | 13   | 14   | 14   | 14   |
| Inspections            | 15          | 17     | 20.5   | 20   | 19   | 0    | 0    | 0    | 0    | 0    |
| Zoning                 | 0           | 0      | 0      | 3    | 2    | 4    | 4    | 4    | 4    | 4    |
| Fleet                  | 14          | 15     | 15     | 15   | 15   | 15   | 15   | 15   | 11   | 11   |
| Total                  | 640.75      | 678.25 | 693.75 | 663  | 677  | 679  | 578  | 578  | 565  | 539  |

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

|   | <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> | <u>2013</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>City of Valdosta</b>                                       |             |             |             |             |             |             |             |             |             |             |
| <b>Operating Indicators by Function/Program</b>               |             |             |             |             |             |             |             |             |             |             |
| <u><b>Engineering</b></u>                                     |             |             |             |             |             |             |             |             |             |             |
| Feet of Failed Pavement Repaired                              | 30,000      | 35,000      | 40,000      | 40,000      | 40,000      | 10,000      | 10,000      | 10,000      | 10,000      | 10,000      |
| Percent of projects awarded within 10% of engineer's estimate | 80%         | 85%         | 90%         | 90%         | 90%         | 90%         | 90%         | 90%         | 90%         | 90%         |
| <u><b>Municipal Court</b></u>                                 |             |             |             |             |             |             |             |             |             |             |
| Dockets Processed   | 13,327      | 10,358      | 14,500      | 14,750      | 15,000      | 14,500      | 15,000      | 15,000      | 16,500      | 17,000      |
| <u><b>Police</b></u>  |             |             |             |             |             |             |             |             |             |             |
| Increase in Citizen contacts                                  | 1,672       | 1,800       | 2,000       | 2,000       | 2,500       | 2,650       | 2,650       | 2,650       | 2,900       | 1,800       |
| Narcotics Arrests   | 279         | 378         | 420         | 420         | 340         | 310         | 320         | 320         | 320         | 320         |
| Students Completing Dare                                      | 1,330       | 1,304       | 1,310       | 1,340       | 1,360       | 1,310       | 1,360       | 1,360       | 1,376       | 1,350       |
| <u><b>Fire</b></u>  |             |             |             |             |             |             |             |             |             |             |
| Number of Fire Stations                                       | 7           | 7           | 7           | 7           | 7           | 7           | 7           | 7           | 7           | 7           |
| Number of Fire Inspections performed                          | 628         | 975         | 1,000       | 1,300       | 1,340       | 1,380       | 1,390       | 1,395       | 1,390       | 1,500       |
| <u><b>Public Works</b></u>                                    |             |             |             |             |             |             |             |             |             |             |
| Street Sweeping Frequency per year                            | 20          | 23          | 25          | 25          | 25          | 25          | 25          | 25          | 30          | 30          |
| <u><b>Arborist</b></u>  |             |             |             |             |             |             |             |             |             |             |
| Number of Trees Planted                                       | 134         | 150         | 150         | 150         | 100         | 100         | 75          | 75          | 280         | 220         |
| Number of trees Pruned  | 978         | 1,000       | 1,000       | 1,000       | 1,000       | 1,000       | 1,000       | 1,000       | 1,200       | 1,300       |
| <u><b>Public Involvement</b></u>                              |             |             |             |             |             |             |             |             |             |             |
| Bi-monthly Newsletters Produced                               | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           |
| Net Gain of new downtown Buisnesses                           | 7           | 6           | 7           | 7           | 5           | 6           | 5           | 5           | 6           | 8           |
| <u><b>Sanitation</b></u>                                      |             |             |             |             |             |             |             |             |             |             |
| Residential Stops/collection employee/week                    | 725         | 755         | 775         | 775         | 890         | 925         | 925         | 925         | 2,620       | 2,635       |
| Commercial lifts per hour/driver                              | 14          | 16.5        | 18          | 18          | 18          | 18          | 25          | 25          | 38          | 40          |
| <u><b>Drainage</b></u>  |             |             |             |             |             |             |             |             |             |             |
| Feet of storm drain cleaned and maintained                    | 22,737      | 14,000      | 15,000      | 36,000      | 20,000      | 20,000      | 20,000      | 20,000      | 13,311      | 15,000      |
| <u><b>Water</b></u>   |             |             |             |             |             |             |             |             |             |             |
| Average volume of water treated (MGD)                         | 8.023       | 8.078       | 8.647       | 9.500       | 9.850       | 10.500      | 11.150      | 11.150      | 11.500      | 11.500      |
| New meters installed annually                                 | 606         | 433         | 500         | 500         | 500         | 500         | 500         | 500         | 1000        | 1500        |
| <u><b>Sewer</b></u>   |             |             |             |             |             |             |             |             |             |             |
| Average volume of wastewater treated daily (MGD)              | 9.010       | 10.300      | 9.7         | 9.8         | 8.84        | 9.5         | 9.5         | 9.5         | 6.5         | 7.7         |
| Miles of sewers maintained                                    | 231         | 245         | 248         | 250         | 260         | 265         | 260         | 270         | 270         | 275         |
| <u><b>Inspections</b></u>                                     |             |             |             |             |             |             |             |             |             |             |
| Percentage of Plans completed within 10 days                  | 95%         | 95%         | 95%         | 95%         | 95%         | 95%         | 95%         | 95%         | 95%         | 95%         |
| Percentage of inspections completed in 24 hours               | 90%         | 95%         | 95%         | 95%         | 95%         | 95%         | 95%         | 95%         | 95%         | 95%         |
| <u><b>Auditorium</b></u>                                      |             |             |             |             |             |             |             |             |             |             |
| Number of Days Rented   | 335         | 336         | 338         | 339         | 340         | 340         | 330         | 330         | 330         | 330         |

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

| Function Program             | Fiscal Year |             |             |             |             |             |             |             |             |             |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                              | <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> | <u>2013</u> |
| Police                       |             |             |             |             |             |             |             |             |             |             |
| Stations                     | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Patrol units                 | 127         | 127         | 148         | 144         | 156         | 150         | 157         | 155         | 155         | 158         |
| Fire Stations                | 7           | 7           | 7           | 7           | 7           | 7           | 7           | 7           | 7           | 7           |
| Refuse collection            |             |             |             |             |             |             |             |             |             |             |
| Collection trucks            | 13          | 13          | 13          | 13          | 13          | 13          | 13          | 13          | 13          | 13          |
| Other public works           |             |             |             |             |             |             |             |             |             |             |
| Streets (miles)              | 294         | 294         | 297         | 302         | 304         | 304         | 304         | 304         | 304         | 304         |
| Streetlights                 | 5,688       | 5,743       | 5,748       | 5,748       | 6,133       | 6,217       | 6,217       | 6,222       | 6,266       | 6,266       |
| Traffic signals              | 109         | 115         | 117         | 122         | 124         | 124         | 124         | 125         | 126         | 127         |
| Park and recreation          |             |             |             |             |             |             |             |             |             |             |
| Acreage                      | 505         | 505         | 505         | 505         | 505         | 505         | 300         | 300         | 300         | 300         |
| Playgrounds                  | 5           | 5           | 5           | 5           | 5           | 5           | 2           | 2           | 2           | 2           |
| Baseball/softball diamonds   | 29          | 29          | 29          | 29          | 29          | 29          | 24          | 24          | 24          | 24          |
| Soccer/football fields       | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           |
| Community centers            | 6           | 6           | 6           | 6           | 6           | 6           | 1           | 1           | 1           | 1           |
| Water                        |             |             |             |             |             |             |             |             |             |             |
| Water mains (miles)          | 275         | 281         | 286         | 297         | 303         | 305         | 311         | 320         | 389         | 395         |
| Fire hydrants                | 2,175       | 2,239       | 2,340       | 2,454       | 2,650       | 2,927       | 3,112       | 3,200       | 3,301       | 3,341       |
| Storage capacity (gallons)   | 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  | 14,900,000  |
| Wastewater                   |             |             |             |             |             |             |             |             |             |             |
| Sanitary sewers (miles)      | 240         | 245         | 248         | 258         | 266         | 315         | 320         | 325         | 325         | 330         |
| Treatment capacity (gallons) | 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  | 17,270,000  |

**Sources:** Various city departments

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The background of the slide is a photograph of an American flag waving in the wind against a bright blue sky filled with white, fluffy clouds. The flag is positioned diagonally, with the top left corner towards the upper left of the frame. The stars and stripes are clearly visible. The entire image is framed by a thick red border, which is itself surrounded by a thinner blue border.

# Single Audit

## CITY OF VALDOSTA, GEORGIA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2013

| Grant Title   | CFDA<br>Number | Grant<br>I. D. Number | Expenditures       |
|---|----------------|-----------------------|--------------------|
| <b><u>Department of Homeland Security</u></b>             |                |                       |                    |
| Direct Federal Grants:                                    |                |                       |                    |
| Homeland Security Cluster                                 | 97.067         | 2010-SS-T0-0034       | \$8,822            |
| Homeland Security Cluster                                 | 97.067         | EMW-2011-SS-00081-S01 | 3,954              |
| Total Homeland Security Cluster                           |                |                       | 12,776             |
| Law Enforcement Officer Reimb. Agreement                  | 97.090         | HSTS0208HSLR286       | 20,545             |
| Law Enforcement Officer Reimb. Agreement                  | 97.090         | HSTS0213HSLR056       | 43,800             |
| Total Law Enforcement Officer Reimb. Agreement            |                |                       | 64,345             |
| TOTAL U S DEPARTMENT OF HOMELAND SECURITY                 |                |                       | 77,121             |
| <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      | 67,897             |
| Investment Program (CHIP)                                 | 14.239         | 07mr-x-092-2-2979     | 10,000             |
| Total Investment Program (CHIP)                           |                |                       | 77,897             |
| Community Development Block Grants                        |                |                       |                    |
| Entitlement Grants Cluster                                | 14.218         | B-10-MC-13-0015       | 4,577              |
| Entitlement Grants Cluster                                | 14.218         | B-11-MC-13-0015       | 43,033             |
| Entitlement Grants Cluster                                | 14.218         | B-12-MC-13-0015       | 155,662            |
| Total Entitlement Grant Cluster                           |                |                       | 203,272            |
| TOTAL U S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT     |                |                       | 281,169            |
| <b><u>Department of Justice</u></b>                       |                |                       |                    |
| Direct Federal Grants:                                    |                |                       |                    |
| JAG Program Cluster                                       | 16.738         | 2012-DJ-BX-0820       | 23,067             |
| JAG Program Cluster - ARRA                                | 16.804         | 2009-SB-B9-1044       | 26,789             |
| Indirect Federal Grants:                                  |                |                       |                    |
| Office of Justice Programs                                |                |                       |                    |
| JAG Program Cluster - ARRA                                | 16.803         | 2009-SU-B9-0003       | 61,436             |
| Total JAG Program Cluster                                 |                |                       | 111,292            |
| Direct Federal Grants:                                    |                |                       |                    |
| Congressionally Recommended Award                         | 16.753         | 2010-DD-BX-0620       | 9,915              |
| Bulletproof Vest Partnership Program                      | 16.607         | N/A                   | 6,693              |
| Cops Hiring Recovery Program                              | 16.710         | 2009-RK-WX-0287       | 242,428            |
| TOTAL U S DEPARTMENT OF JUSTICE                           |                |                       | 370,328            |
| <b><u>Department of Transportation</u></b>                |                |                       |                    |
| Direct Federal Grants:                                    |                |                       |                    |
| Airport Development Aid Program                           | 20.106         | 3-13-0115-27-2010     | 40,966             |
| Airport Development Aid Program                           | 20.106         | 3-13-0115-28-2011     | 698,562            |
| Airport Development Aid Program                           | 20.106         | 3-13-0115-29-2012     | 810,970            |
| Total Airport Development Aid Program                     |                |                       | 1,550,498          |
| State of Georgia Passthrough Federal Grants:              |                |                       |                    |
| Governor's Office of Highway Safety                       |                |                       |                    |
| Highway Safety Cluster                                    | 20.600         | GA-2012-191-00360     | 11,904             |
| Highway Safety Cluster                                    | 20.600         | GA-2013-191-00394     | 20,202             |
| Total Highway Safety Cluster                              |                |                       | 32,106             |
| TOTAL U S DEPARTMENT OF TRANSPORTATION                    |                |                       | 1,582,604          |
| <b><u>Federal Emergency Management Agency</u></b>         |                |                       |                    |
| Direct Federal Grant:                                     |                |                       |                    |
| Assistance to Firefighters - Fire Prevention              | 97.044         | EMW-2011-FP-01371     | 17,544             |
| Assistance to Firefighters                                | 97.044         | EMW-2012-FO-05308     | 198,308            |
| TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY                 |                |                       | 215,852            |
| <b>TOTAL OF EXPENDITURES OF FEDERAL AWARDS</b>            |                |                       | <b>\$2,527,074</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, 2013**

**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, 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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Valdosta, Georgia (the "City") as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Valdosta, Georgia's basic financial statements and have issued our report thereon dated January 24, 2014. Our report includes a reference to the change in accounting principles resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; Statement No. 65, *Items Previously Reported as Assets and Liabilities*; and Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34 as Assets and Liabilities*.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Mauldin & Jenkins, LLC*

Albany, Georgia  
January 24, 2014

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133**

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

**Report on Compliance for Each Major Federal Program**

We have audited the City of Valdosta, Georgia's 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 of Valdosta, Georgia's major federal programs for the fiscal year ended June 30, 2013. The City of Valdosta, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Valdosta, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 of Valdosta, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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**Opinion on Each Major Federal Program**

In our opinion, the City of Valdosta, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2013.

**Report on Internal Control Over Compliance**

Management of the City of Valdosta, Georgia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Valdosta, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 of Valdosta, Georgia's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Albany, Georgia  
January 24, 2014

## CITY OF VALDOSTA, GEORGIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013**

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

**Financial Statements**

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

☐ yes ☒ noSignificant deficiencies identified not considered  
to be material weaknesses?☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no**Federal Awards**

Internal Control over major programs:

Material weaknesses identified?

☐ yes ☒ noSignificant deficiencies identified not considered  
to be material weaknesses?☐ yes ☒ none reportedType of auditor's report issued on compliance for  
major programs

Unmodified

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

Identification of major program:

CFDA Number  
20.106

Name of Federal Program or Cluster  
Airport Improvement Program

Dollar threshold used to distinguish between  
Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

☐ yes ☒ no



**CITY OF VALDOSTA, GEORGIA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013**

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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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