

COMPREHENSIVE ANNUAL FINANCIAL REPORT



CITY OF VALDOSTA, GEORGIA

YEAR ENDED JUNE 30, 2017

COMPREHENSIVE
ANNUAL
FINANCIAL REPORT

CITY OF VALDOSTA, GEORGIA

for the Fical Year

July 1, 2016 - June 30, 2017

FINANCE DEPARTMENT

*L. Charles Dinkins Jr.,
Finance Director*

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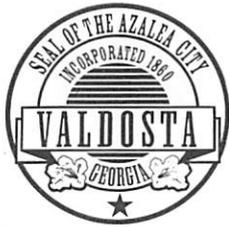
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INTRODUCTION



CITY OF VALDOSTA, GEORGIA

ACCOUNTING DIVISION

December 29, 2017

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 2017 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.

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, an overview of the City's current and future economic picture as well as its major initiatives and financial accomplishments for the year, and a discussion of the comprehensive annual report's structure.

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) Uniform Guidance, "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, 2017. The required reports on supplementary information, compliance, and internal controls along with various supplementary schedules will be included in the 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 57,000 residents. The daytime population of Valdosta soars to approximately 75,000. These

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services include general administrative services, police and fire protection, sanitation, water and sewer services, the construction and maintenance of highways, streets, recreational activities and cultural events. The financial statements in this report include all of these functions and activities of the government.

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

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. Six district Councilmen represent specific districts within the territorial limits of Valdosta. 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's downtown area is enjoying 95% building occupancy. 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 48% 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. About 65% of the jobs in Lowndes County

are located in Valdosta. Consequently, of the 10 largest employers in Lowndes County, 6 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 180 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 statistical area with a population of 250,000 people. 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 to include Moody 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 10,700 students. The university is projected to be a significant contributor to the local economy well into the future, however, as it expands, property purchased by the university is removed from the tax rolls 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 and occasionally negative growth in the tax digest, 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 depleting 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 businesses 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 partnering 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 Henderson & Godbee has completed an audit of the 2016 fiscal year end and the auditor's unmodified 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, 2016. This was the twenty-ninth 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, 2017. This was the seventeenth 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.

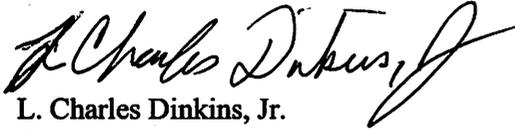
Both the Certificate of Achievement and the Distinguished Budget Award are valid for a period of one year. We believe our current Comprehensive Annual Financial Report and our 2017 fiscal year budget document continue to conform to the requirements for each award.

Acknowledgements

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the Accounting Division of the Finance Department. They have my sincere appreciation for the contributions made in the preparation of this report, as

well as all additional individuals who assisted in this effort. Appreciation is also expressed to the Mayor, Council Members, City Manager and Department Directors for their cooperation and outstanding assistance in matters pertaining to the financial affairs of the City.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "L. Charles Dinkins, Jr.", written in a cursive style.

L. Charles Dinkins, Jr.
Finance Director



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, 2016

Christopher P. Morrill

Executive Director/CEO

Citizens

Mayor/Council

City Manager

Deputy City Clerk

City Clerk

Assistant City Manager

Human Resources

Moody Support

Police

Fire

Employee Assistance & Incentives
Risk Management
Human Resource Administration

Patrol Bureau
Investigative Bureau
Crime Lab
Support Services

Training
Special Operations
Operations
Fire Prevention
Maintenance

Public Works

Engineering

Utilities

Information Technology

Public Information

Main Street

Planning and Zoning

Finance

Community Protection

Inspections

Neighborhood Development

Mathis Auditorium
Warehouse
Cemetery
Inert Landfill
Commercial Collection
Facilities and Grounds
Roll-Off Collection
Motor Pool
Residential Garbage and Yard Trash
Right of Way Maintenance
Recycling

Engineering Services
Traffic, Transportation, Streets
Storm Water
Arborist

Warehouse
Water
Water Plant
Distribution
Meter Reading
Sewer
Sewer Plants
Collection

Metro 17

Accounting
Budget
Customer Service
Purchasing
Accounts Receivable

Grants
Housing
VSEB



APPROVED FY 2016-2017 ORGANIZATIONAL CHART

PRINCIPAL OFFICIALS CITY OF VALDOSTA, GEORGIA

Mayor

John Gayle

Council Member – At Large

Ben Norton

Council Member – District I

Vivian Miller-Cody

Council Member – District II

Sandra Tooley

Council Member – District III

Joseph Vickers

Council Member – District IV

Alvin Payton, Jr.

Council Member – District V

Tim Carroll

Council Member – District VI

Robert Yost

City Manager

Larry H. Hanson

Assistant City Manager

L. Mark Barber

Clerk of Council

Teresa Bolden

City Attorney

Tim Tanner

Municipal Court Judge

Vernita L. Bender

City Auditor

Henderson & Godbee, LLC

Human Resources Director

Renassa Small

City Engineer

Patrick S. Collins

Fire Chief

Freddie Broome

Police Chief

Brian Childress

Utilities Director

Henry Hicks

Public Works Director

Richard Hardy

Finance Director

Chuck Dinkins



Henderson & Godbee, LLP

Certified Public Accountants and Business Consultants

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
 City of 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, as of and for the year ended June 30, 2017, 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's, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 16), budgetary comparison information (on pages 76 through 78), and the schedules of historical pension information and the related notes (on pages 79 through 81) 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 48-8-121, and is also not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2017, 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.



Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

December 29, 2017

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, 2017. 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 \$205.35 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 increased by \$7.07 million, primarily due to an increase in property tax collections and program revenues, coupled with slightly reduced spending.
- The governmental activities revenue increased by \$4.41 million or 9.06% and the net results from activities increased \$15.50 million. The results of activities produced an increase in net position of \$7.07 million. Governmental expenses decreased by (\$.10) million.
- The business-type activities revenue increased by \$2.22 million and the net results from activities decreased by \$13.21 million. The results of activities produced a decrease in net position of (\$1.85) million.
- The total cost of all City programs increased by \$4.34 million.
- The General Fund (the primary operating fund of the City) reflected on a current financial resource basis, reports a net increase in fund balance of \$.49 million.
- The City's total debt increased \$1.04 million or 1.16. The increase is the result of borrowings from Georgia Environmental Facilities Authority to fund improvements to and expansion of the city's sewer system.

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, 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 funds consist 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

	Fund Statements			
	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
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, 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; Statement of Activities	Balance Sheet; Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; 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/deferred inflows 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, 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

MANAGEMENT’S DISCUSSION AND ANALYSIS

that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them. The measurement focus of governmental funds is upon determination of financial position and changes in financial position (sources, uses, and balance of financial resources) rather than upon net income determination. These funds are maintained on a modified accrual basis of accounting (explained further in the notes to the financial statements under “Summary of Significant Accounting Policies”). The basic financial statements for governmental funds are the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance. The City of Valdosta utilizes four types of governmental funds: the General Fund, Special Revenue Funds, Capital Project Funds and Permanent Funds.

- **Proprietary funds**—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. Two types of proprietary funds exist: enterprise funds and internal service funds. The City of Valdosta’s enterprise funds are the same as its business-type activities yet provide more detail and additional information, such as cash flows. Internal service funds are used to report activities that provide supplies and services for the City’s other programs and activities. The measurement focus of proprietary funds is upon determination of net income, financial position and change in financial position. These funds are maintained on the accrual basis of accounting. The 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 the 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 increased 2.61 percent from \$200.13 million at June 30, 2016 to \$205.35 million at June 30, 2017. (See table A-1.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Governmental		Business-type		Total		Total
	Activities		Activities				Percentage
	2016	2017	2016	2017	2016	2017	Change
							2016 – 2017
Current and other assets	\$16.88	\$22.88	(\$.64)	(\$.11)	\$16.24	\$22.77	40.21%
Capital Assets	126.68	129.33	220.12	217.81	346.80	347.14	0.10%
Total Assets	143.56	152.21	219.48	217.70	\$363.04	369.91	1.89%
Deferred Outflows of Resources	5.41	6.85	-	-	5.41	6.85	26.62%
Long-term debt outstanding	2.90	2.59	86.78	88.13	89.68	90.72	1.16%
Other liabilities	73.62	74.52	4.52	3.24	78.14	77.76	(0.49%)
Total Liabilities	76.52	77.11	91.30	91.37	167.82	168.48	.39%
Deferred Inflow of Resources	.50	2.93	-	-	.50	2.93	(486.00%)
Net Position							
Invested in capital assets, net of related debt	123.79	126.74	133.34	129.68	257.13	256.42	(0.28%)
Restricted	4.00	5.03	-	-	4.00	5.03	25.75%
Unrestricted	(55.84)	(52.75)	(5.16)	(3.35)	(61.00)	(56.10)	(8.03%)
Total Net Position	\$71.95	\$79.02	\$128.18	\$126.33	\$200.13	\$205.35	2.61%

Net Position of the City's governmental activities increased by 9.83 percent to \$79.02 million. However, much of the net position is restricted as to the purposes for which it can be used, or is invested in capital assets (buildings, roads, and such). Consequently, unrestricted net position showed a \$52.75 million deficit at the end of the year.

The deficit in unrestricted governmental net position was positively affected by increased property tax receipts and program revenues in fiscal year 2017.

The net position of the City's business-type activities decreased by 1.44 percent to \$126.33 million. While business type activities do have a substantial positive net positions, these resources cannot be used to add to the net position 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 increased by 8.98 percent to \$80.46 million. (See Table A-2) Approximately 37 percent of the City's revenue comes from fees charged for services, 11 percent from sales taxes, 16 percent from ad valorem taxes, and 12 percent comprising such revenue items as business occupation license fees, franchise fees, and insurance premium fees. The remaining 24 percent represents grants, accommodation tax and investment revenue.

The total cost of all programs and services increased by 6.14 percent. The City's expenses cover a myriad of services, with approximately 29 percent related to public safety, 28 percent related to general government expenses, and 26 percent related to water/sewer expenses. The balance of 17 percent is comprised of public works, economic development, solid waste, inspection, auditorium, storm water, and motor fuel functions.

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

Governmental Activities

Revenues for the City's governmental activities increased \$4.41 million or 9.1 percent to \$53.09 million, while governmental activities expenses experienced a decrease of \$.10 million (or .21%) to \$47.02 million.

The increase in governmental revenue is primarily the result of an increase in the property millage rate and grant income. Most other revenues were flat.

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 organic revenue growth. The decrease in governmental activities despite increased capital needs 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)

	Governmental		Business-type		Total		Total
	Activities		Activities				Percentage
	2016	2017	2016	2017	2016	2017	Change
							2016 – 2017
REVENUES							
Program Revenues:							
Charges for Services	\$2.36	\$2.47	\$25.15	\$27.37	\$27.51	\$29.84	8.47%
Operating Grants & Contributions	2.56	3.32	-	-	2.56	3.32	29.69%
Capital Grants & Contributions	11.91	12.39	-	-	11.91	12.39	4.03%
General Revenues:							
Property Taxes	10.13	12.69	-	-	10.13	12.69	25.27%
Sales Taxes	8.85	8.73	-	-	8.85	8.73	(1.36%)
Accommodations Tax	2.89	3.06	-	-	2.89	3.06	5.88%
Other Taxes	9.53	9.70	-	-	9.53	9.70	1.78%
Investment Earnings	.02	.03	-	-	.02	.03	50.00%
Misc	.43	.70	-	-	.43	.70	62.79%
Total Revenues	48.68	53.09	25.15	27.37	73.83	80.46	8.98%
EXPENSES							
Program Activities							
Primary Government:							
Governmental Activities:							
General Government	19.79	21.27	-	-	19.79	21.27	7.48%
Public Safety	24.18	22.04	-	-	24.18	22.04	(8.85%)
Public Works	2.04	1.67	-	-	2.04	1.67	(18.14%)
Economic Development and Assistance	1.11	2.04	-	-	1.11	2.04	83.78%
Business-type Activities:							
Solid Waste	-	-	4.99	5.26	4.99	5.26	5.41%
Water/Sewer	-	-	15.90	19.90	15.90	19.90	25.16%
Housing Inspections	-	-	.86	.81	.86	.81	(5.81%)
DOL Building	-	-	.42	.33	.42	.33	(21.43%)
Stormwater	-	-	1.09	1.35	1.09	1.35	23.85%
City Auditorium	-	-	.25	.29	.25	.29	16.00%
Motor Fuel	-	-	.27	.28	.27	.28	3.70%
Total Expenses	47.12	47.02	23.78	28.22	70.90	75.24	6.12%
Excess (deficiency) before transfers	1.56	6.07	1.37	(.85)	2.93	5.22	78.16%
Transfers	(9.99)	1.00	9.99	(1.00)	-	-	.00%
Increase (Decrease) in Net Assets	(8.43)	7.07	11.36	(1.85)	2.93	5.22	78.16%
Special Item	-	-	.94	-	.94	-	(100.00%)
Net position, beginning, revised	80.38	71.95	115.88	128.18	196.26	200.13	1.97%
Net position, ending	\$71.95	\$79.02	\$128.18	126.33	\$200.13	205.35	2.61%

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 \$47.02 million.
- However, the amount that taxpayers paid for these activities through City taxes was \$34.18 million. Some of the cost was paid by:
 - Those who benefited directly from the programs (\$2.47 million).
 - Other governments and organizations that subsidized certain programs with grants and contributions (\$15.71 million).
 - Other miscellaneous sources such as investments (\$.73 million).

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

Function	<u>Total Cost</u> <u>Of Services</u>		<u>Percentage</u> <u>Change</u>	<u>Net Cost</u> <u>of Services</u>		<u>Percentage</u> <u>Change</u>
	2016	2017	2016 – 2017	2016	2017	2016 – 2017
General Government	\$19.79	\$21.27	7.48%	\$7.96	\$9.02	13.29%
Public Safety	24.18	22.04	(8.85%)	19.82	17.29	(12.76%)
Public Works	2.04	1.67	(18.14%)	1.94	1.54	(20.59%)
Economic Development and Assistance	1.11	2.04	83.78%	.57	.97	69.10%
Total	<u>\$47.12</u>	<u>\$47.02</u>	<u>(.21%)</u>	<u>\$30.29</u>	<u>\$28.82</u>	<u>(4.87%)</u>

Business-type Activities

Total revenues available during the year to finance enterprise (business type) activities were \$27.37 million. Funding was made available as follows: program revenues \$27.37 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The cost of all enterprise (business-type) activities for the year accumulated to \$28.24 million consisting of the following activities: solid waste \$5.26 million, water/sewer \$19.90 million, inspections \$.81 million, city auditorium \$.28 million, motor fuel \$.29 million, DOL building \$.34 million, and storm water \$1.35 million. In addition the Enterprise funds transferred \$1.71 million to the General Fund for administrative services, and \$.68 million to Group Insurance Fund.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

General Fund Budgetary Highlights

Comparing the FY 2017 original General Fund budget, in the amount of \$36.59 million, to the final budget amount of \$36.69 million represents an increase of \$.10 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.

The General Fund experienced an increase in fund balance due to the increase in the millage rate and increased revenue from grant funding.

Sales Tax 2013 Fund Highlights

The Sales Tax 2013 Fund experienced an increase in fund balance as several capital projects were completed, and the next phase of projects will not begin until fiscal year 2018.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of the year-end, the City had \$347.14 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 \$.34 million or .10 percent from last year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Governmental		Business-type		Total		Total
	Activities		Activities		Total		Percentage
	2016	2017	2016	2017	2016	2017	Change
							2016 – 2017
Non-depreciable assets							
Land	\$76.87	\$76.87	\$3.04	\$3.04	\$79.91	\$79.91	0.00%
Construction in progress	1.58	.48	69.04	3.51	70.62	3.99	(94.35%)
Depreciable Assets							
Land improvements	13.86	13.86	109.32	151.02	123.18	164.87	33.84%
Buildings	29.02	29.39	97.90	118.25	126.92	147.65	16.33%
Equipment	9.45	9.31	5.52	4.94	14.97	14.25	(4.81%)
Motor vehicles	16.10	18.15	-	-	16.10	18.15	12.73%
Infrastructure	103.51	107.19	-	-	103.51	107.19	3.56%
Intangibles	-	-	1.16	1.16	1.16	1.16	0.00%
Accumulated depreciation	(123.71)	(125.92)	(65.86)	(64.11)	(189.57)	(190.03)	0.24%
	\$126.68	\$129.33	\$220.12	\$217.81	\$346.80	\$347.14	0.10%

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

The decrease in construction in progress is the result of the city's waste water system improvements being placed into service which increased land improvements and buildings. The City also purchased four new pumper fire trucks which led to the increase in motor vehicles.

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 \$90.72 million in total debt outstanding. Government wide debt increased by 1 percent as compared to last year.

More detailed information about the City's long-term liabilities is presented in Notes 6, 8, 9 and 10 to the financial statements.

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

	Governmental		Business-type		Total		Total Percentage Change
	Activities		Activities		Total		
	2016	2017	2016	2017	2016	2017	
Revenue Bonds	\$-	\$-	\$1.85	\$1.61	\$1.85	\$1.61	(12.97%)
Notes Payable	-	-	84.93	86.52	84.93	86.52	1.87%
Capital Leases	2.90	2.59	-	-	2.90	2.59	(10.69%)
Total	\$2.90	\$2.59	\$86.78	\$88.13	\$89.68	\$90.72	1.16%

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 collected major revenues that support governmental operations below budget. However, General Fund expenditures were generally kept below budget with the exception of health care costs. The City's commitment to controlling costs allowed Valdosta to weather the recent economic downturn and position itself to take advantage of economic improvements. Despite a still sluggish economy, the City saw slight increases in governmental fund balances. This growth will allow the City to continue to provide the array of services expected by its citizens.

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 decrease 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 slight increase in Business Occupation revenue.
- 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. The General Fund experienced a small increase in total fund balance at June 30, 2017.

FINANCIAL CONTACT

This financial report is designed to provide our citizens, taxpayers, customers, 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.

BASIC FINANCIAL
STATEMENTS

CITY OF VALDOSTA, GEORGIA
STATEMENT OF NET POSITION
AS OF JUNE 30, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$4,985,196	\$1,598,409	\$6,583,605
Investments	3,565,374	2,029,651	5,595,025
Receivables (net)	5,044,915	2,962,377	8,007,292
Due from other governments	1,021,643	532,845	1,554,488
Interfund balances	7,664,900	(7,664,900)	0
Inventories	592,769	425,750	1,018,519
Prepays	3,099	176	3,275
Capital assets:			
Non-depreciable	77,352,801	6,553,270	83,906,071
Depreciable (net)	51,983,950	211,259,343	263,243,293
Total Assets	\$152,214,647	\$217,696,921	\$369,911,568
DEFERRED OUTFLOWS OF RESOURCES			
Differences between actual and expected pension experience	\$1,455,228	\$0	\$1,455,228
Changes in actuarial assumptions	2,173,014	0	2,173,014
Pension payments after pension valuation	3,224,445	0	3,224,445
Total Deferred Outflows	\$6,852,687	\$0	\$6,852,687
LIABILITIES			
Accounts payable	\$4,497,745	\$1,640,059	\$6,137,804
Contracts payable	37,373	0	37,373
Accrued interest payable	0	185,572	185,572
Deposits	1,316	884,703	886,019
Non-current liabilities			
Due within one year:			
Compensated absences	719,783	323,728	1,043,511
Due to other governments & agencies	380	3,996,753	3,997,133
Capital leases payable	490,476	0	490,476
Bonds payable	0	233,000	233,000
Due in more than one year:			
Other post employment benefits	23,464,163	0	23,464,163
Compensated absences	1,035,189	207,045	1,242,234
Due to other governments & agencies	0	82,519,274	82,519,274
Capital leases payable	2,109,168	0	2,109,168
Net pension liability	44,760,842	0	44,760,842
Bonds payable	0	1,381,000	1,381,000
Total Liabilities	\$77,116,435	\$91,371,134	\$168,487,569
DEFERRED INFLOWS OF RESOURCES			
Changes in actuarial assumptions	\$2,752,383	\$0	\$2,752,383
Net difference between projected and actual pension plan earnings	79,779	0	79,779
Deferred revenue	97,097	0	97,097
Total Deferred Inflows	\$2,929,259	\$0	\$2,929,259
NET POSITION			
Net investment in capital assets	\$126,737,107	\$129,682,586	\$256,419,693
Restricted for:			
Capital outlay	2,356,723	0	2,356,723
Perpetual care	0	0	0
Other purposes	2,677,994	0	2,677,994
Unrestricted	(52,750,184)	(3,356,799)	(56,106,983)
Total Net Position	\$79,021,640	\$126,325,787	\$205,347,427

The accompanying notes are an integral part of these statements.

CITY OF VALDOSTA, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Function/Program Activities				
Primary Government:				
Governmental Activities				
General Government	\$21,266,624	\$29,680	\$0	\$12,213,242
Public Safety	22,026,971	2,307,698	2,261,040	174,066
Public Works	1,664,440	125,293	0	0
Community Development	2,037,292	9,696	1,063,673	2,411
Interest on Long-term Debt	9,645	0	0	0
Total governmental activities	<u>47,004,972</u>	<u>2,472,367</u>	<u>3,324,713</u>	<u>12,389,719</u>
Business-type Activities				
Sanitation	5,262,973	5,166,514	0	0
Water and Sewer	19,902,939	18,533,990	0	0
Inspection	811,270	1,163,724	0	0
DOL Building	343,828	469,157	0	0
Storm Water	1,354,319	1,690,913	0	0
Auditorium	276,172	49,011	0	0
Motor Fuel	292,619	301,332	0	0
Total business-type activities	<u>28,244,120</u>	<u>27,374,641</u>	<u>0</u>	<u>0</u>
Total Primary Government	<u>\$75,249,092</u>	<u>\$29,847,008</u>	<u>\$3,324,713</u>	<u>\$12,389,719</u>
General Revenues:				
Taxes:				
Property Taxes				
Sales Tax				
Accommodations Tax				
Franchise Tax				
Insurance Premium Tax				
Business Occupation Tax				
Other Taxes				
Investment Earnings				
Miscellaneous				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net position - Beginning				
Net position - Ending				

The accompanying notes are an integral part of these statements.

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

Primary Government		
Governmental Activities	Business-type Activities	Total
(\$9,023,702)	\$0	(\$9,023,702)
(17,284,167)	0	(17,284,167)
(1,539,147)	0	(1,539,147)
(961,512)	0	(961,512)
(9,645)	0	(9,645)
<u>(28,818,173)</u>	<u>0</u>	<u>(28,818,173)</u>
0	(96,459)	(96,459)
0	(1,368,949)	(1,368,949)
0	352,454	352,454
0	125,329	125,329
0	336,594	336,594
0	(227,161)	(227,161)
0	8,713	8,713
<u>0</u>	<u>(869,479)</u>	<u>(869,479)</u>
<u>(\$28,818,173)</u>	<u>(\$869,479)</u>	<u>(\$29,687,652)</u>
12,683,175	0	12,683,175
8,723,677	0	8,723,677
3,059,867	0	3,059,867
3,852,865	0	3,852,865
3,418,048	0	3,418,048
1,536,677	0	1,536,677
897,225	0	897,225
32,657	0	32,657
700,295	0	700,295
988,389	(988,389)	0
<u>35,892,875</u>	<u>(988,389)</u>	<u>34,904,486</u>
<u>7,074,702</u>	<u>(1,857,868)</u>	<u>5,216,834</u>
<u>71,946,938</u>	<u>128,183,655</u>	<u>200,130,593</u>
<u>\$79,021,640</u>	<u>\$126,325,787</u>	<u>\$205,347,427</u>

G O V E R N M E N T A L F U N D S

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 2013 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 2014.

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

CITY OF VALDOSTA, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	GENERAL	SALES TAX 2013	CVDA	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash	\$111,191	\$2,377,817	\$106,050	\$2,087,017	\$4,682,075
Investments, at cost or amortized cost	1,675,399	0	0	1,889,975	3,565,374
Receivables (net)					
Taxes	1,286,309	920,509	7,788	0	2,214,606
Accounts	98,684	0	0	283,401	382,085
Interest	0	0	0	1,206	1,206
Second mortgages	0	0	0	2,384,188	2,384,188
Special assessments	45,387	0	0	0	45,387
Due from other governments and agencies	336,839	0	0	619,902	956,741
Interfund balances	1,159,544	0	0	631,887	1,791,431
Advance to other funds	4,098,812	0	0	0	4,098,812
Prepaid expenditures	3,099	0	0	0	3,099
Inventories, at cost	0	213,395	0	0	213,395
Total assets	<u>\$8,815,264</u>	<u>\$3,511,721</u>	<u>\$113,838</u>	<u>\$7,897,576</u>	<u>\$20,338,399</u>
LIABILITIES					
Liabilities:					
Accounts payable	\$1,642,815	\$329,627	\$330	\$1,337,278	\$3,310,050
Contracts payable	0	37,373	0	0	37,373
Deposits	1,316	0	0	0	1,316
Due to:					
Other funds	3,427,307	0	2,495	95,451	3,525,253
Other governments and agencies	380	0	0	0	380
Advances from other funds	0	0	0	30,000	30,000
Total liabilities	<u>5,071,818</u>	<u>367,000</u>	<u>2,825</u>	<u>1,462,729</u>	<u>6,904,372</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	724,471	0	7,788	228,179	960,438
FUND BALANCES					
Fund Balance (deficit):					
Nonspendable	3,292,866	0	0	1,688,761	4,981,627
Restricted	214,291	2,355,123	103,225	3,128,174	5,800,813
Committed	10,767	0	0	0	10,767
Assigned	0	789,598	0	1,583,712	2,373,310
Unassigned	(498,949)	0	0	(193,979)	(692,928)
Total fund balance	<u>3,018,975</u>	<u>3,144,721</u>	<u>103,225</u>	<u>6,206,668</u>	<u>12,473,589</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$8,815,264</u>	<u>\$3,511,721</u>	<u>\$113,838</u>	<u>\$7,897,576</u>	<u>\$20,338,399</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, 2017**

Fund balances - total governmental funds		\$12,473,589
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds</p>		
Governmental capital assets	\$233,488,411	
Less accumulated depreciation	<u>(109,829,445)</u>	123,658,966
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds</p>		
Other post employment benefits		(23,464,163)
Compensated absences		(1,702,645)
Capital Leases		(249,287)
Net pension liability	(\$44,760,842)	
Differences between expected and actual experience	1,455,228	
Changes in actuarial assumptions	(579,369)	
Pension payments after pension valuation date	3,224,445	
Net difference between projected and actual investment earnings	<u>(79,779)</u>	(40,740,317)
<p>Revenue not received within 31 days in governmental funds is susceptible to full accrual on the entity-wide statements</p>		
Unavailable revenue		863,341
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds.</p>		
<p>The assets and liabilities of the internal service funds that are reported with governmental activities.</p>		
		<u>8,182,156</u>
Net position of governmental activities		<u><u>79,021,640</u></u>

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, 2017

	GENERAL	SALES TAX 2013	CVDA	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Taxes	\$30,382,768	\$0	\$115,737	\$3,059,866	\$33,558,371
Licenses and permits	557,575	0	0	0	557,575
Charges for service	109,622	0	0	0	109,622
Fines and forfeitures	1,100,955	0	0	85,197	1,186,152
Interest income	24,910	0	162	7,585	32,657
Contributions	3,700	0	8,736	8,800	21,236
Miscellaneous	613,491	0	1,207	55,828	670,526
Intergovernmental	1,474,312	11,286,970	0	4,348,037	17,109,319
TOTAL REVENUES	34,267,333	11,286,970	125,842	7,565,313	53,245,458
EXPENDITURES:					
Current:					
General government	8,695,785	0	98,378	2,245,881	11,040,044
Public safety	22,433,728	0	0	34,011	22,467,739
Public works	1,506,781	0	0	0	1,506,781
Economic development and assistance	1,144,872	0	0	847,405	1,992,277
Capital outlay	0	6,637,606	0	2,405,674	9,043,280
Debt service principal	138,188	0	0	0	138,188
Debt service interest	9,645	0	0	0	9,645
TOTAL EXPENDITURES	33,928,999	6,637,606	98,378	5,532,971	46,197,954
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	338,334	4,649,364	27,464	2,032,342	7,047,504
OTHER FINANCING SOURCES (USES):					
Transfers in	1,713,500	527,565	0	0	2,241,065
Transfers out	(1,686,233)	0	0	(1,032,565)	(2,718,798)
Capital leases	120,508	0	0	0	120,508
TOTAL OTHER FINANCING SOURCES (USES)	147,775	527,565	0	(1,032,565)	(357,225)
NET CHANGE IN FUND BALANCES	486,109	5,176,929	27,464	999,777	6,690,279
FUND BALANCES - BEGINNING	2,532,866	(2,032,208)	75,761	5,206,891	5,783,310
FUND BALANCES - END OF YEAR	\$3,018,975	\$3,144,721	\$103,225	\$6,206,668	\$12,473,589

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, 2017

Net change in fund balances - total governmental funds \$6,690,279

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	\$9,043,280	
Transfers of capital assets to internal service funds	(1,932,473)	
Less capital expenditures not capitalized in governmental funds	(4,011,441)	
Less current year depreciation	<u>(2,935,054)</u>	
		164,312

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		(227,049)
Issuance of long-term debt		(205,908)
Change in pension liability		(101,284)
Other post employment benefits		(2,017,625)
Principal payments on long-term debt		138,188
Assumption of long-term debt by the motorpool fund		1,932,479
Long-term accounts receivable		(198,409)
Internal service funds		<u>899,719</u>
Change in net position of governmental activities		<u><u>\$7,074,702</u></u>

The accompanying notes are an integral part of these statements.

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.

CITY OF VALDOSTA, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS					TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	WATER/ SEWER REVENUE	DEPARTMENT OF LABOR BUILDING	STORMWATER	OTHER ENTERPRISE FUNDS	SANTINATION		
	SANTINATION	WATER/ SEWER REVENUE	DEPARTMENT OF LABOR BUILDING	STORMWATER	OTHER ENTERPRISE FUNDS		
ASSETS							
Current assets:							
Cash	\$0	\$653,008	\$0	\$55,706	\$7,775	\$716,489	\$303,121
Investments	0	1,868,571	0	142,024	19,056	2,029,651	0
Receivables (net)							
Accounts	619,139	2,135,890	0	176,680	11,620	2,943,329	17,443
Accrued interest	0	0	0	0	19,048	19,048	0
Due from other governments and agencies	0	532,845	0	0	0	532,845	64,902
Due from other funds	0	1,771,625	0	0	0	1,771,625	1,023,795
Inventories at cost	0	425,750	0	0	0	425,750	379,374
Prepaid expenses	176	0	0	0	0	176	0
Restricted assets							
Cash	11,033	870,887	0	0	0	881,920	0
Total current assets	<u>630,348</u>	<u>8,258,576</u>	<u>0</u>	<u>374,410</u>	<u>57,499</u>	<u>9,320,833</u>	<u>1,788,635</u>
Noncurrent assets:							
Land	0	2,791,492	0	246,911	0	3,038,403	92,563
Land improvement	205,951	149,045,376	0	1,766,105	0	151,017,432	375,370
Buildings and structures	1,172,902	112,678,017	4,394,543	0	0	118,245,462	547,862
Motor vehicles	0	0	0	0	0	0	18,152,164
Equipment	98,521	4,800,027	0	0	40,012	4,938,560	2,605,294
Intangibles	0	0	0	1,161,791	0	1,161,791	0
Construction in progress	0	3,514,867	0	0	0	3,514,867	0
	1,477,374	272,829,779	4,394,543	3,174,807	40,012	281,916,515	21,773,253
Less accumulated depreciation	(733,203)	(61,745,046)	(1,133,697)	(451,944)	(40,012)	(64,103,902)	(16,095,468)
Net capital assets	744,171	211,084,733	3,260,846	2,722,863	0	217,812,613	5,677,785
Total noncurrent assets	744,171	211,084,733	3,260,846	2,722,863	0	217,812,613	5,677,785
Total assets	<u>\$1,374,519</u>	<u>\$219,343,309</u>	<u>\$3,260,846</u>	<u>\$3,097,273</u>	<u>\$57,499</u>	<u>\$227,133,446</u>	<u>\$7,466,420</u>
LIABILITIES							
Current liabilities:							
Accounts payable	\$154,553	\$1,379,655	\$40,840	\$31,631	\$33,380	\$1,640,059	\$1,187,695
Accrued interest	0	157,770	27,802	0	0	185,572	0
Compensated absences (current portion)	91,905	181,198	0	17,467	33,158	323,728	26,877
Due to other funds	754,891	0	286,406	0	0	1,041,297	20,301
Due to other governments and agencies (current portion)	0	3,996,753	0	0	0	3,996,753	0
Capital lease payable (current portion)	0	0	0	0	0	0	372,571
Bonds payable (current portion)	0	0	233,000	0	0	233,000	0
Current liabilities (payable from restricted assets):							
Deposits	8,458	876,245	0	0	0	884,703	0
Total current liabilities	<u>1,009,807</u>	<u>6,591,621</u>	<u>588,048</u>	<u>49,098</u>	<u>66,538</u>	<u>8,305,112</u>	<u>1,607,444</u>
Noncurrent liabilities (payable from unrestricted assets):							
Compensated absences	79,824	108,981	0	14,525	3,715	207,045	25,450
Capital lease payable (net of current portion)	0	0	0	0	0	0	1,977,786
Bonds payable (net of current portion)	0	0	1,381,000	0	0	1,381,000	0
Advances from other funds	0	0	0	0	639,070	639,070	3,429,742
Due to other governments and agencies, (net of current portion)	0	82,519,274	0	0	0	82,519,274	0
Total noncurrent liabilities (payable from unrestricted assets)	79,824	82,628,255	1,381,000	14,525	642,785	84,746,389	5,432,978
Total liabilities	<u>1,089,631</u>	<u>89,219,876</u>	<u>1,969,048</u>	<u>63,623</u>	<u>709,323</u>	<u>93,051,501</u>	<u>7,040,422</u>
NET POSITION (DEFICIT)							
Net investment in capital assets	744,171	124,568,706	1,646,846	2,722,863	0	129,682,586	3,327,428
Restricted							
Restricted for workmen's compensation claims	0	0	0	0	0	0	425,998
Unrestricted	(459,283)	5,554,727	(355,048)	310,787	(651,824)	4,399,359	(3,327,428)
Total net position (deficit)	<u>\$284,888</u>	<u>\$130,123,433</u>	<u>\$1,291,798</u>	<u>\$3,033,650</u>	<u>(\$651,824)</u>	<u>134,081,945</u>	<u>\$425,998</u>
						(7,756,158)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						<u>\$126,325,787</u>	
Net position of business-type activities							

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, 2017

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS					TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	SANITATION	WATER/ SEWER/ REVENUE	DEPARTMENT OF LABOR BUILDING	STORMWATER	OTHER ENTERPRISE FUNDS		
Operating revenues:							
Permits	\$0	\$0	\$0	\$0	\$1,122,042	\$1,122,042	\$0
Charges for services	4,926,328	18,248,701	469,157	1,690,913	392,025	25,727,124	10,520,089
Recycling revenue	73,855	0	0	0	0	73,855	0
Intergovernmental revenues	153,460	0	0	0	0	153,460	0
Miscellaneous revenues	12,871	233,748	0	0	0	246,619	157,528
TOTAL OPERATING REVENUES	5,166,514	18,482,449	469,157	1,690,913	1,514,067	27,323,100	10,677,617
Operating expenses:							
Personal services	2,514,554	4,917,063	0	695,212	692,141	8,818,970	695,557
Contractual services	1,011,344	2,074,249	173,717	242,949	135,564	3,637,823	2,849,744
Claims paid	0	0	0	0	0	0	6,085,167
Supplies	118,131	1,266,646	221	62,242	318,345	1,765,585	1,932,923
Travel and training	2,048	11,867	0	1,411	2,654	17,980	224
Other services and charges	1,353,806	1,779,560	14,322	217,746	180,215	3,545,649	475,162
Amortization expense	0	0	0	73,956	0	73,956	0
Depreciation expense	30,860	6,215,294	87,074	0	0	6,333,228	1,000,732
TOTAL OPERATING EXPENSES	5,030,743	16,264,679	275,334	1,293,516	1,328,919	24,193,191	13,039,509
OPERATING INCOME (LOSS)	135,771	2,217,770	193,823	397,397	185,148	3,129,909	(2,361,892)
Non-operating revenues (expenses):							
Interest income	0	522	0	0	0	522	0
Intergovernmental revenues	0	51,019	0	0	0	51,019	0
Gain (Loss) on disposal of assets	0	(1,261,020)	0	0	0	(1,261,020)	68,439
Interest expense and fiscal charges	0	(2,023,231)	(68,494)	0	0	(2,091,725)	(55,104)
TOTAL NON-OPERATING REVENUES (EXPENSES)	0	(3,232,710)	(68,494)	0	0	(3,301,204)	13,335
INCOME (LOSS) BEFORE CONTRIBUTIONS TRANSFERS, AND SPECIAL ITEMS	135,771	(1,014,940)	125,329	397,397	185,148	(171,295)	(2,348,557)
Capital contribution revenue	0	904,180	0	0	0	904,180	179,790
Transfers in	0	0	0	0	505,000	505,000	2,370,302
Transfers out	(412,790)	(1,746,797)	0	(182,991)	(54,991)	(2,397,569)	0
	(412,790)	(842,617)	0	(182,991)	450,009	(988,389)	2,550,092
Change in Net Position	(277,019)	(1,857,557)	125,329	214,406	635,157	(1,159,684)	201,535
NET POSITION - BEGINNING (DEFICIT)	561,907	131,980,990	1,166,469	2,819,244	(1,286,981)	224,463	224,463
NET POSITION - ENDING (DEFICIT)	\$284,888	\$130,123,433	\$1,291,798	\$3,033,650	(\$651,824)	\$425,998	\$425,998
						(698,184)	
						(\$1,857,868)	

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.
Change in net position of business-type activities

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, 2017

	BUSINESS-TYPE ACTIVITIES					GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	ENTERPRISE FUNDS						
	WATER/ SEWER SANITATION	DEPARTMENT OF LABOR BUILDING	STORMWATER	OTHER ENTERPRISE FUNDS	TOTAL		
Cash flows from operating activities:							
Cash received from customers	\$4,997,255	\$18,205,108	\$469,157	\$1,639,118	\$1,518,685	\$26,829,323	\$10,681,155
Cash payments to suppliers for goods and services	(2,333,438)	(6,591,033)	(133,108)	(572,109)	(1,200,490)	(10,830,178)	(10,917,989)
Cash payments to employees for services	(2,484,828)	(4,857,761)	0	(686,288)	(754,653)	(8,783,530)	(690,243)
Other operating revenues	73,855	0	0	0	0	73,855	0
Miscellaneous income	12,871	233,748	0	0	0	246,619	0
New customer utility deposits	736	253,750	0	0	0	254,486	0
Intergovernmental revenues	153,460	51,019	0	0	0	204,479	0
Refunded customer utility deposits	(788)	(234,732)	0	0	0	(235,520)	0
Net change in cash from operating activities	419,123	7,060,099	336,049	380,721	(436,458)	7,759,534	(927,077)
Cash flows from noncapital financing activities:							
Transfers-in from other funds	0	0	0	0	505,000	505,000	2,370,302
Transfers-out to other funds	(412,790)	(1,746,797)	0	(182,991)	(54,991)	(2,397,569)	0
Net change in cash from noncapital financing activities	(412,790)	(1,746,797)	0	(182,991)	450,009	(1,892,569)	2,370,302
Cash flows from capital and related financing activities:							
Principal paid on Georgia Environmental Finance Authority Loan	0	(2,272,484)	0	0	0	(2,272,484)	0
Loan from Georgia Environmental Finance Authority	0	4,769,390	0	0	0	4,769,390	0
Loan from GMA Bond	0	0	0	0	0	0	472,805
Acquisition and construction of capital assets	(6,385)	(4,337,204)	(30,540)	0	0	(4,374,129)	(1,376,138)
Proceeds from sale of capital assets	0	0	0	0	0	0	68,439
Principal paid on DOL intergovernmental note	0	0	(233,000)	0	0	(233,000)	0
Principal paid on GMA Bond	0	0	0	0	0	0	(365,432)
Interest paid on GEFA loan	0	(2,068,097)	0	0	0	(2,068,097)	0
Interest paid on DOL intergovernmental note	0	0	(72,509)	0	0	(72,509)	0
Interest paid on GMA bond	0	0	0	0	0	0	(55,104)
Net change in cash from capital and related financing activities	(6,385)	(3,908,395)	(336,049)	0	0	(4,250,829)	(1,255,430)
Cash flows from investing activities:							
Sale of investment securities	0	1,074,015	0	0	0	1,074,015	0
Purchase of investment securities	0	(1,828,111)	0	(142,024)	(9,633)	(1,979,768)	0
Interest and dividends on investments	0	522	0	0	0	522	0
Net change in cash from investing activities	0	(753,574)	0	(142,024)	(9,633)	(905,231)	0
Net change in cash	(52)	651,333	0	55,706	3,918	710,905	187,795
Cash beginning of year	11,085	872,562	0	0	3,857	887,504	115,326
Cash at end of year	\$11,033	\$1,523,895	\$0	\$55,706	\$7,775	\$1,598,409	\$303,121
RECONCILIATION OF OPERATING INCOME. (LOSS) TO NET CHANGE IN CASH FROM OPERATING ACTIVITIES							
Operating income (loss)	\$135,771	\$2,217,770	\$193,823	\$397,397	\$185,148	\$3,129,909	(\$2,361,892)
Adjustments to reconcile operating income (loss) to net change in cash from operating activities:							
Amortization	0	0	0	73,956	0	73,956	0
Depreciation	30,860	6,215,294	87,074	0	0	6,333,228	1,000,732
New customer utility deposit	736	253,750	0	0	0	254,486	0
Refunded customer utility deposit	(788)	(234,732)	0	0	0	(235,520)	0
Intergovernmental revenues	0	51,019	0	0	0	51,019	0
Change in assets and liabilities:							
(Increase) decrease in accounts receivable	(15,623)	(118,866)	0	(51,795)	4,613	(181,671)	(63,638)
(Increase) in due from other funds	0	0	0	0	0	0	(172,996)
(Increase) decrease in due from other governments and agencies	0	(51,019)	0	0	1,102	(49,917)	0
(Increase) in inventory	0	(2,492)	0	0	0	(2,492)	(23,069)
(Increase) in prepaid expenses	(176)	0	0	0	0	(176)	0
(Decrease) increase in operating payable	(110,063)	(1,298,488)	30,185	(9,021)	7,700	(1,379,687)	218,419
Increase in compensated absences liability	8,777	27,863	0	924	12,711	50,275	5,314
Increase (decrease) in due to other funds	369,629	0	24,967	(30,740)	0	363,856	14,089
(Decrease) increase in advances from other funds	0	0	0	0	(647,732)	(647,732)	455,964
Net change in cash from operating activities	\$419,123	\$7,060,099	\$336,049	\$380,721	(\$436,458)	\$7,759,534	(\$927,077)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES							
Contributed capital assets from SPLOST 2013	0	475,018	0	0	0	475,018	179,790
Capitalized interest	0	81,998	0	0	0	81,998	0

The accompanying notes are an integral part of these statements.

F I D U C I A R Y F U N D S

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, 2017

	TOTAL FIDUCIARY FUNDS
ASSETS	
Cash	\$71,005
Investments	54,261
Total assets	<u>\$125,266</u>
LIABILITIES	
Due to other governments and agencies	\$66,335
Due to others	58,931
Total liabilities	<u>\$125,266</u>

The accompanying notes are an integral part of these statements.

NOTES TO
FINANCIAL
STATEMENTS

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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.

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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.

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Fund Financial Statements

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

THE CITY REPORTS THE FOLLOWING MAJOR FUNDS:

GOVERNMENTAL

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

Sales Tax 2013 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 2014.

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 businesses of the City.

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

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

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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, 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)

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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.

The following funds' expenditures/expenses exceeded legal appropriations.

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

<u>Fund/Department</u>	<u>Expenditures/ Expenses on Budgetary Basis</u>	<u>Appropriations</u>	<u>Amount Exceeding</u>
General Fund/Other General Admin	\$440,714	\$429,422	\$11,292
Youth Rec Scholarship Fund	1,940	425	1,515
Accommodations Tax Fund	2,238,962	2,130,945	108,017

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, 2017.

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.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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, 2017, 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 2013 Fund, which is valued at cost first-in, first-out method (FIFO), consists of wetland credits held for construction.

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

L. PREPAID EXPENDITURES/EXPENSES

Payments made to various vendors for items or services for a future period beyond June 30, 2017 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, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition 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.

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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 \$2,105,229. Of this amount, \$81,998 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:

Assets	Life (Years)
Water System	30-50
Sewer System	30-50
Buildings	15-50
Machinery and Equipment	05-10
Vehicles	01-05
Infrastructure	10-20
Land Improvement	30-50

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, 2017 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.

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.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

S. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The 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:

<u>Unavailable Resources</u>	<u>General</u>	<u>CVDA</u>	<u>Other Governmental</u>	<u>Total</u>
Property Taxes	\$362,829	\$7,788	\$0	\$370,617
Franchise Taxes	111,257	0	0	111,257
Paving Assessments	45,387	0	0	45,387
Miscellaneous	81,509	0	0	81,509
DOT	15,505	0	103,958	119,463
LAG	95,130	0	0	95,130
Grants	12,854	0	124,221	137,075
Total	<u>\$724,471</u>	<u>\$7,788</u>	<u>\$228,179</u>	<u>\$960,438</u>

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.”

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.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

- **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 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.

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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 \$6,650,710 and the bank balance was \$7,382,540. In addition, the City also had \$5,900 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, \$356,695, was covered by federal depository insurance and \$7,025,845 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, 2017 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, 2017**

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 Repurchase Agreements	75.00%
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 \$105,850 and the bank balance was \$106,695. In addition, the CVDA also had \$200 in petty cash.

The CVDA does not have a deposit policy. Of the bank balance, \$106,695 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	\$5,641,906
Certificate of Deposit	7,380
Total	<u>\$5,649,286</u>

CITY OF VALDOSTA, GEORGIA
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FOR THE YEAR ENDED JUNE 30, 2017

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 AAA 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:

	<u>Cash on Deposit</u>	<u>Investments</u>
Cash in Bank	\$6,577,705	5,595,025
Petty Cash and Change	5,900	0
Cash and Investments on Hand	6,583,605	5,595,025
Fiduciary Assets	71,005	54,261
	<u>\$6,656,610</u>	<u>\$5,649,286</u>
Non Restricted	\$5,774,690	\$5,649,286
Restricted	881,920	0
Balance per Financial Statement	<u>\$6,656,610</u>	<u>\$5,649,286</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:

CVDA	<u>Cash on Deposit</u>
Balance per Footnote Above	\$105,850
Petty Cash	200
Balance per Financial Statement	<u>\$106,050</u>

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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 2016 property taxes, levied September 15, 2016 on a 40% assessed valuation as of the lien date January 1, 2016, were due November 15, 2016. The levy for 2016 is as follows:

<u>Type of Levy</u>	<u>Rate per \$1,000 of Assessed Value</u>	<u>Legal Maximum</u>
General Operations	12.05	
Less Sales Tax Rebate	4.100	
Net for General Operations	<u>7.95</u>	<u>10.00</u>
 Schools	 <u>16.98</u>	 <u>20.0</u>
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, 2017 per the following table:

95% of the 2010 Levy
80% of the 2011 Levy
70% of the 2012 Levy
60% of the 2013 Levy
50% of the 2014 Levy
25% of the 2015 Levy
5% of the 2016 Levy

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

Taxes receivable at June 30, 2017 consist of the following:

Property Taxes	General Fund	CVDA
2010	\$1,516	\$52
2011	2,043	152
2012	3,012	11
2013	5,807	11
2014	27,646	752
2015	75,488	2,486
2016	512,972	8,304
	<u>628,484</u>	<u>11,768</u>
Sales Taxes	671,771	0
Franchise Taxes	154,076	0
Total Taxes Receivable	1,454,331	11,768
Less Allowance for Uncollectible	<u>(168,022)</u>	<u>(3,980)</u>
	<u><u>\$1,286,309</u></u>	<u><u>\$7,788</u></u>

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

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE. 4 INTERFUND RECEIVABLES/PAYABLES

Individual fund interfund receivables and payables including advances at June 30, 2017 are as follows:

<u>Payables</u>	<u>General Fund</u>	<u>Water/Sewer Revenue Fund</u>	<u>Non Major Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>
General Fund	\$0	\$1,771,625	\$631,887	\$1,023,795	\$3,427,307
CVDA	2,495	0	0	0	2,495
Sanitation	754,891	0	0	0	754,891
DOL	286,406	0	0	0	286,406
Non Major Governmental Funds	125,451	0	0	0	125,451
Non Major Enterprise Funds	639,070	0	0	0	639,070
Internal Service	3,450,043	0	0	0	3,450,043
Total	<u>\$5,258,356</u>	<u>\$1,771,625</u>	<u>\$631,887</u>	<u>\$1,023,795</u>	<u>\$8,685,663</u>

All interfund balances are due to routine interfund transactions that were not paid or received at June 30, 2017 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 \$419,718, the Auditorium Fund in the amount of \$219,352 and the Motor Pool Fund in the amount of \$3,429,742. 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 capital 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, 2017

NOTE 5. CAPITAL ASSETS

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

	Primary Government					Ending Balance
	Beginning Balance	Additions	Retirements	Reclass	Transfer	
Governmental Activities:						
Non-depreciable assets						
Land	\$76,870,135	\$0	\$0	\$0	\$0	\$76,870,135
Construction in progress	\$1,581,675	3,347,051	0	(3,971,041)	(475,019)	482,666
Total non-depreciable assets	78,451,810	3,347,051	0	(3,971,041)	(475,019)	77,352,801
Depreciable assets						
Land improvements	13,862,985	0	8,225	0	0	13,854,760
Buildings	29,022,282	92,841	0	285,712	0	29,400,835
Equipment	9,452,818	497,265	641,115	0	0	9,308,968
Motor vehicles	16,098,297	3,126,168	1,072,301	0	0	18,152,164
Infrastructure	103,506,807	0	0	3,685,329	0	107,192,136
Total depreciable assets	171,943,189	3,716,274	1,721,641	3,971,041	0	177,908,863
Total at historical cost	250,394,999	7,063,325	1,721,641	0	(475,019)	255,261,664
Less accumulated depreciation for:						
Land improvements	6,101,668	425,986	7,694	0	0	6,519,960
Buildings	9,963,470	624,132	0	0	0	10,587,602
Equipment	8,291,865	470,311	641,114	0	0	8,121,062
Motor vehicles	13,543,629	849,814	1,072,300	0	0	13,321,143
Infrastructure	85,809,603	1,565,543	0	0	0	87,375,146
Total accumulated depreciation	123,710,235	3,935,786	1,721,108	0	0	125,924,913
Governmental activities capital assets, net	\$126,684,764	\$3,127,539	\$533	\$0	(\$475,019)	\$129,336,751
Business-type activities:						
Non-depreciable assets						
Land	\$3,038,403	\$0	\$0	\$0	\$0	\$3,038,403
Construction in progress	69,042,277	3,482,311	0	(69,009,721)	0	3,514,867
Total non-depreciable assets	72,080,680	3,482,311	0	(69,009,721)	0	6,553,270
Depreciable assets						
Land improvements	109,324,513	926,716	5,177,021	45,667,413	275,811	151,017,432
Buildings	97,901,311	85,695	3,283,060	23,342,308	199,208	118,245,462
Equipment	5,515,610	390,565	967,615	0	0	4,938,560
Intangibles	1,161,791	0	0	0	0	1,161,791
Total depreciable assets	213,903,225	1,402,976	9,427,696	69,009,721	475,019	275,363,245
Total at historical cost	285,983,905	4,885,287	9,427,696	0	475,019	281,916,515

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

Less accumulated depreciation for:

Land improvements	\$38,516,255	\$2,830,653	\$5,177,020	\$0	\$0	\$36,169,888
Buildings	21,949,505	3,316,478	2,022,041	0	0	23,243,942
Equipment	5,151,651	221,419	967,615	0	0	4,405,455
Intangibles	245,983	38,634	0	0	0	284,617
Total accumulated depreciation	<u>65,863,394</u>	<u>6,407,184</u>	<u>8,166,676</u>	<u>0</u>	<u>0</u>	<u>64,103,902</u>
Business-type activities capital						
assets, net	<u>\$220,120,511</u>	<u>(\$1,521,897)</u>	<u>\$1,261,020</u>	<u>\$0</u>	<u>\$475,019</u>	<u>\$217,812,613</u>

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

Governmental Depreciation:

General Government	\$3,358,680
Finance	1,880
Engineering	12,743
Public Safety	549,582
Public Works	12,901
Total governmental depreciation	<u>3,935,786</u>

Business-type Depreciation:

Sanitation	30,860
Water & Sewer	6,215,294
Department of Labor	87,074
Storm Water	73,956
Total business-type depreciation/ amortization	<u>6,407,184</u>
Total depreciation expense	<u>\$10,342,970</u>

Internal Service Funds predominantly serve governmental funds. Accordingly, \$21,773,253 in capital assets, \$16,095,468 in accumulated depreciation, and \$1,000,732 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, 2017**

NOTE 6. PENSION PLAN

PLAN DESCRIPTION

The City's defined benefit pension plan, the City of Valdosta Retirement Plan (the Plan), provides retirement and disability benefits and death benefits to plan members and beneficiaries. The Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for cities in the State of Georgia. The City is assigned the authority to establish and amend benefit provisions of the Plan. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information. The report can be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303, or by calling (404) 688-0472.

Employees Covered Under the Plan

Effective January 1, 2015, the Plan was amended to provide for immediate participation for employees. At June 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	304
Inactive employees entitled to but not yet receiving benefits	84
Active employees	<u>563</u>
 Total covered employees	 <u><u>951</u></u>

Funding Policy

Employees are required to contribute to the Plan. The Plan is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the City contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards.

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

At June 30, 2017, the City reported a liability of \$44,760,842 as its net pension liability. The net pension liability was measured as of September 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. The City's net pension liability was based on the projection of the City's long-term contributions to the pension plan, actuarially determined at January 1, 2017.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 6 – EMPLOYEE RETIREMENT PLAN, CONTINUED

The following is a schedule reconciles the differences between the beginning and ending net pension liability for the year ended June 30, 2016:

Changes in Net Pension Liability	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a) - (b)
Balances at September 30, 2015*	\$ 81,400,678	\$ 35,761,051	\$ 45,639,627
Changes for the year:			
Service cost	1,128,876	-	1,128,876
Interest	6,096,193	-	6,096,193
Differences between expected and actual experience	614,516	-	614,516
Contributions - employer	-	4,474,678	(4,474,678)
Contributions - employee	-	366,280	(366,280)
Net investment income	-	3,952,625	(3,952,625)
Benefit payments, including refunds of employee contributions	(5,480,240)	(5,480,240)	-
Administrative expense	-	(75,213)	75,213
Other	-	-	-
Net changes	2,359,345	3,238,130	(878,785)
Balances at September 30, 2016**	<u>\$ 83,760,023</u>	<u>\$ 38,999,181</u>	<u>\$ 44,760,842</u>

*Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2016 are used to measure TPL as of September 30, 2015. The balances as of September 30, 2015 constitute measurements of the NPL for the fiscal year ending June 30, 2016.

**Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2017 are used to measure TPL as of September 30, 2016. The balances as of September 30, 2016 constitute measurements of the NPL for the fiscal year ending June 30, 2017.

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 6 – EMPLOYEE RETIREMENT PLAN, CONTINUED

For the year ended June 30, 2017, the City recognized pension expense of \$4,800,407. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or methods, and plan benefits. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,455,228	\$ -
Changes of assumptions	2,173,014	(2,752,383)
Net difference between projected and actual earnings on pension plan investments	-	(79,779)
City contributions subsequent to the measurement date	<u>3,224,445</u>	<u>-</u>
Total	<u>\$ 6,852,687</u>	<u>\$ (2,832,162)</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to the net pension liability to be recognized in future periods in a systematic and rational manner, as detailed below.

\$3,224,445 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future years as follows:

<u>Year Ending June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2018	\$ 610,199
2019	610,199
2020	(305,455)
2021	(118,863)
2022	-
Thereafter	<u>-</u>
Total	<u>\$ 796,080</u>

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 6 – EMPLOYEE RETIREMENT PLAN, CONTINUED

Actuarial Methods and Assumptions

The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

Actuarial Cost Method	Entry Age Normal
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective amortization period of 10 years
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Actuarial Assumptions:

Inflation	3.25%
Net Investment Rate of Return	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age:	
<i>Normal</i>	65 with 5 years of service
<i>Early</i>	55 with 10 years of service
Mortality:	
<i>Healthy</i>	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.
<i>Disabled</i>	RP-2000 Disabled Retiree Mortality Table with sex-distinct rates
<i>Plan termination basis (all lives)</i>	1994 Group Annuity Reserving Unisex Table

The mortality and economic actuarial assumptions used in the January 1, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 6 – EMPLOYEE RETIREMENT PLAN, CONTINUED

The 7.75% long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target allocation as of September 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.75%
International equity	20%	7.45%
Real estate	10%	4.55%
Global Fixed Income	5%	3.30%
Domestic Fixed Income	20%	1.75%
Cash	0%	
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.75%, which is the same as the long-term expected rate of return. The projection of cash flows used to determine the discount rate assumed that contributions from the City will continue to be made at the recommended rates each year, actuarially determined. Based on that assumption, the pension fund's fiduciary net position was projected to be available to make all projected future benefit payments. In theory, the discount rate may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension plan investments, and it was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the City's net pension liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point higher or lower than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Net pension liability	<u>\$ 54,072,674</u>	<u>\$ 44,760,842</u>	<u>\$ 36,930,025</u>

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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 Great-West Retirement Services. 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, as of July 1, 2009, 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, 2017, 135 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.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

The City's self-insured health plan, City of Valdosta Group Insurance, provides medical and hospitalization benefits for two classes of retirees. Retirees who retired before July 1, 2009 with twenty-five years of continuous service are eligible for health insurance paid by the City. All other retirees must pay a monthly premium of \$77 - \$280 to participate in the plan. The plan is administered by the Plan Administrator, with United American, 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 \$776,672 for retirees' health insurance for 135 participants. In addition, 70 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	\$3,667,792
Interest on net OPEB obligation	857,862
Adjustments to annual required contribution	(1,731,357)
Annual OPEB cost	<u>2,794,297</u>
Contributions made	<u>(776,672)</u>
Increase in net OPEB obligation	2,017,625
Net OPEB obligation, beginning of year	21,446,538
Net OPEB obligation, end of year	<u><u>\$23,464,163</u></u>

Fiscal Year Ended June 30,	Annual OPEB Cost	Actual Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$3,928,055	\$1,220,203	31%	\$19,750,548
2016	2,686,131	990,141	37%	21,446,538
2017	<u>2,794,297</u>	<u>776,672</u>	28%	<u>23,464,163</u>

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

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

Valuation Date	Accuarial Accrued Liability (AAL) (1)	Accuarial Value of Assets	Unfunded AAL (UAAL)	Percentage Funded	Annual Covered Payroll	UAAL as Percentage of Payroll
January 1, 2016	\$30,438,431	\$0	\$30,438,431	0%	\$21,525,912	141.40%

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

Valuation date	January 1, 2016
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar, closed, 25 years
Remaining amortization period	17 years as of June 30, 2017
Asset valuation method	Market value
Actual assumptions:	
Investment rate of return	4.00% pay-as-you go
Salary growth	3.50% plus age and service merit
Medical and drug cost trend rate	increases
Medicare Advantage cost trend rate	7.00% graded to 4.50% over 5 years
Dental cost trend rate	4.50%
Administrative expense trend rate	4.00%
	3.00%
Plan membership:	
Current retirees, beneficiaries, and dependents	200
Current active participants	577
Terminated participants entitled but not yet eligible	<u>0</u>
Total	779

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.

CITY OF VALDOSTA, GEORGIA
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FOR THE YEAR ENDED JUNE 30, 2017

The City participates in the POAB and the Georgia Firefighter's pension. There is no material impact on revenue to the City from either.

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
Governmental Funds					
Other Post Employment Benefits	\$21,446,538	\$2,794,297	\$776,672	\$23,464,163	\$0
Total OPEB	<u>\$21,446,538</u>	<u>\$2,794,297</u>	<u>\$776,672</u>	<u>\$23,464,163</u>	<u>\$0</u>

NOTE 9. SHORT TERM DEBT

The city issued a tax anticipation note to Bank of America in advance of property tax collections and deposited the proceeds into its general fund. This note was necessary to ensure adequate cash reserves during fiscal year 2017.

Short-term debt activity for the year ended June 30, 2017, was as follows:

Tax Anticipation Note	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017
	\$0	\$3,000,000	\$3,000,000	\$0
Total Notes	<u>\$0</u>	<u>\$3,000,000</u>	<u>\$3,000,000</u>	<u>\$0</u>

NOTE 10. LONG TERM DEBT

Long term bonded debt of the City is as follows:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
Enterprise Funds					
4.19% Department of Labor Building.					
Original issue amount \$4,410,000.	\$1,847,000	\$0	\$233,000	\$1,614,000	\$233,000
Total Notes	<u>\$1,847,000</u>	<u>\$0</u>	<u>\$233,000</u>	<u>\$1,614,000</u>	<u>\$233,000</u>

CITY OF VALDOSTA, GEORGIA
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FOR THE YEAR ENDED JUNE 30, 2017

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, 2017, the limit for the City was \$144,602,899.

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, 2017, including interest of \$234,912 on the Bond Series 2003 is as follows:

Year Ended			
June 30	Principal	Interest	Total
2018	\$233,000	\$62,745	\$295,745
2019	233,000	52,983	285,983
2020	233,000	43,220	276,220
2021	233,000	33,457	266,457
2022	233,000	23,694	256,694
2023-2024	449,000	18,813	467,813
Total	\$1,614,000	\$234,912	\$1,848,912

The liability for compensated absences and other post employment benefits of the City is as follows:

	Balance			Balance	Due Within
	July 1, 2016	Additions	Reductions	June 30, 2017	One Year
Enterprise Funds					
Accrued vacation	\$480,498	\$530,773	\$480,498	\$530,773	\$323,728
Internal Service Funds					
Accrued vacation	47,013	52,327	47,013	52,327	26,877
Governmental Funds					
Accrued vacation	1,475,596	1,702,645	1,475,596	1,702,645	692,906
Other Post Employment Benefits	21,446,538	2,794,297	776,672	23,464,163	0
Total	\$23,449,645	\$5,080,042	\$2,779,779	\$25,749,908	\$1,043,511

Compensated absences are generally liquidated by the General Fund.

**CITY OF VALDOSTA, GEORGIA
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FOR THE YEAR ENDED JUNE 30, 2017**

The City of Valdosta has entered into a contract for seven loans with Georgia Environmental Facilities Authority for an aggregate loan balance of \$88,635,032. 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, 2017, draws totaled \$9,564,426 on the loans in progress.

<u>Loan Name</u>	<u>Loan Amount</u>	<u>Payment Period</u>
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
CW08003PHII	12,709,794	August 1, 2012 to August 1, 2032
2006L53WJ	14,028,996	April 1, 2011 to April 1, 2031
CW13-006	37,767,770	June 1, 2017 to June 1, 2037
2013-L31WJ	9,564,426	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, 2017. GEFA retitles notes as modifications are made.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

Georgia Environmental Facilities Loans

Loan #	Balance	Additions	Reductions	Balance	Due Within One Year
	July 1, 2016			June 30, 2017	
DW97036P	\$2,176,038	\$0	\$270,577	\$1,905,461	\$278,785
CWSRF 08003 ARRA	4,954,774	0	263,769	4,691,005	271,791
CWSRF 08003 PHI	10,082,714	0	536,755	9,545,959	553,081
CWSRF 08003 ARRA PHII	972,165	0	51,400	920,765	52,963
CWSRF 08003 PHII	10,825,017	0	528,333	10,296,684	544,403
2006L53WJ	12,445,607	0	621,650	11,823,957	647,751
2013-L31WJ	8,423,272	1,141,154	0	9,564,426	0
CW 13-006	35,049,427	2,718,343	0	37,767,770	1,647,979
Totals	\$84,929,014	\$3,859,497	\$2,272,484	\$86,516,027	\$3,996,753

The requirements to amortize the Georgia Environmental Facilities Loans debt outstanding with the exception of the pending notes as of June 30, 2017 is as follows:

Fiscal Year Ending June 30	Loan # DW97-036		Loan # CW08-003 ARRA PHI		Loan # CW08-003 PHI	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$278,785	\$54,047	\$271,791	\$137,013	\$553,081	\$278,815
2019	287,244	45,589	280,058	128,747	569,904	261,992
2020	295,958	36,874	288,576	120,228	587,238	244,658
2021	304,937	27,895	297,354	111,451	605,099	226,797
2022	314,189	18,643	306,398	102,407	623,504	208,392
2023-2027	424,348	10,003	1,677,580	366,442	3,413,792	745,692
2028-2032	0	0	1,569,248	100,036	3,193,341	203,570
2033-2037	0	0	0	0	0	0
Totals	\$1,905,461	\$193,051	\$4,691,005	\$1,066,324	\$9,545,959	\$2,169,916

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
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Fiscal Year Ending June 30	Loan # CWSRF08- 003 ARRA PHII		Loan # CWSRF08-003 PHII		Loan # 2006-L53WJ	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$52,963	\$26,899	\$544,403	\$301,455	\$647,751	\$475,006
2019	54,574	25,288	560,962	284,897	674,948	447,809
2020	56,234	23,628	578,024	267,835	703,287	419,470
2021	57,945	21,917	595,605	250,254	732,816	389,941
2022	59,707	20,155	613,721	232,138	763,585	359,172
2023-2027	326,907	72,403	3,360,225	869,067	4,326,619	1,287,169
2028-2032	312,435	20,324	3,903,293	325,998	3,974,951	328,952
2033-2037	0	0	140,451	526	0	0
Totals	\$920,765	\$210,614	\$10,296,684	\$2,532,170	\$11,823,957	\$3,707,519

Fiscal Year Ending June 30	Loan # CW13-006		Total All Loans	
	Principal	Interest	Principal	Interest
2018	\$1,647,978	\$518,201	\$3,996,752	\$1,791,436
2019	1,671,198	494,981	4,098,888	1,689,303
2020	1,694,745	471,433	4,204,062	1,584,126
2021	1,718,625	447,554	4,312,381	1,475,809
2022	1,742,840	423,338	4,423,944	1,364,245
2023-2027	9,089,549	1,741,342	22,619,020	5,092,118
2028-2032	9,748,219	1,082,674	22,701,487	2,061,554
2033-2037	10,454,616	376,276	10,595,067	376,802
Totals	\$37,767,770	\$5,555,799	\$76,951,601	\$15,435,393

The present interest rates range from 1.4% to 4.12%. This debt has been issued to improve and maintain the City's water system. Loan #2013-L31WJ is incomplete and therefore no amortization schedule is available. The maximum repayment period will be 20 years at 2.4%.

CITY OF VALDOSTA, GEORGIA
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FOR THE YEAR ENDED JUNE 30, 2017

Police Department Capital Lease

The City of Valdosta entered into a capital lease agreement on May 14, 2015, with Dell for computer equipment for the Police Department. The total lease payments are \$90,543 with annual interest imputed at 5.170%, payable in three annual payments of \$27,904 and one final payment of \$6,831.

The annual requirement to amortize the Dell Capital Lease Agreement outstanding balance as of June 30, 2017, is as follows:

Year Ending June 30	Principal	Interest	Total
2018	\$6,461	\$370	\$6,831
Total	\$6,461	\$370	\$6,831

Governmental Funds	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
Dell Computer Lease					
Original Issue Amount \$85,400	\$32,637	\$0	\$26,176	\$6,461	\$6,461
	<u>\$32,637</u>	<u>\$0</u>	<u>\$26,176</u>	<u>\$6,461</u>	<u>\$6,461</u>

Police Department Capital Lease

The City of Valdosta entered into a capital lease agreement on August 1, 2016, with Dell for computer equipment for the Police Department. The total lease payments are \$90,543 with annual interest imputed at 5.30%, payable in three annual payments of \$27,904 and one final payment of \$6,832.

The annual requirement to amortize the Dell Capital Lease Agreement outstanding balance as of June 30, 2017, is as follows:

Year Ending June 30	Principal	Interest	Total
2018	\$24,861	\$3,043	\$27,904
2019	26,176	1,728	27,904
2020	6,459	373	6,832
Total	<u>\$57,496</u>	<u>\$5,144</u>	<u>\$62,640</u>

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

<u>Governmental Funds</u>	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2017</u>	<u>Due Within One Year</u>
Dell Computer Lease					
Original Issue Amount \$85,400	\$0	\$85,400	\$27,904	\$57,496	\$24,861
	<u>\$0</u>	<u>\$85,400</u>	<u>\$27,904</u>	<u>\$57,496</u>	<u>\$24,861</u>

Police Department Capital Lease

The City of Valdosta entered into a capital lease agreement on August 16, 2016, with Dell for computer equipment for the Police Department. The total lease payments are \$127,765 with annual interest imputed at 2.86%, payable in three annual payments of \$39,375 and one final payment of \$9,641.

The annual requirement to amortize the Dell Capital Lease Agreement outstanding balance as of June 30, 2017, is a follows:

Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$36,954	\$2,421	\$39,375
2019	38,012	1,363	39,375
2020	9,617	23	9,641
Total	<u>\$84,583</u>	<u>\$3,807</u>	<u>\$88,391</u>

<u>Governmental Funds</u>	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2017</u>	<u>Due Within One Year</u>
Dell Computer Lease					
Original Issue Amount \$120,508	\$0	\$120,508	\$35,925	\$84,583	\$36,954
	<u>\$0</u>	<u>\$120,508</u>	<u>\$35,925</u>	<u>\$84,583</u>	<u>\$36,954</u>

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

Police Department Capital Lease

The City of Valdosta entered into a capital lease agreement on July 24, 2015, with Ultra Electronics for IBIS ballistic equipment for the Police Department. The total lease payments are \$210,604, with annual interest imputed at 3.0%, payable in four annual payments of \$52,651.

<u>Year Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$49,629	\$3,022	\$52,651
2019	51,118	1,533	52,651
Total	<u>\$100,747</u>	<u>\$4,555</u>	<u>\$105,302</u>

<u>Governmental Funds</u>	<u>Balance</u> <u>July 1,</u> <u>2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30,</u> <u>2017</u>	<u>Due</u> <u>Within</u> <u>One</u> <u>Year</u>
IBIS Equipment					
Original Issue Amount \$201,581	\$148,930	\$0	\$48,183	\$100,747	\$49,629
	<u>\$148,930</u>	<u>\$0</u>	<u>\$48,183</u>	<u>\$100,747</u>	<u>\$49,629</u>

Motor Pool Fund Capital Lease

The City of Valdosta entered into a capital lease agreement on June 18, 2015, with GMA, funded by BB&T Governmental Finance Project Funds, to finance the purchase of various vehicles for the Motor Pool Fund in the amount of \$971,103. The total lease payments are \$1,012,886 with annual interest imputed at 1.67%, payable in sixty monthly payments of \$16,881.

The annual requirement to amortize the GMA Lease Agreement outstanding balance as of June 30, 2017, is as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$194,166	\$8,411	\$202,577
2019	197,434	5,143	202,577
2020	200,757	1,821	202,578
Total	<u>\$592,357</u>	<u>\$15,375</u>	<u>\$607,732</u>

CITY OF VALDOSTA, GEORGIA
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FOR THE YEAR ENDED JUNE 30, 2017

<u>Internal Service Funds</u>	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2017</u>	<u>Due Within One Year</u>
Vehicle Lease					
Original issue amount \$971,103	\$783,310	\$0	\$190,953	\$592,357	\$194,166
Total Notes	<u>\$783,310</u>	<u>0</u>	<u>\$190,953</u>	<u>\$592,357</u>	<u>\$194,166</u>

Motorpool Fund Capital Lease

The City of Valdosta entered into a capital lease agreement on February 23, 2016, with Sutphen for four firetrucks for the Fire Department. The total lease payments are \$2,179,598 with annual interest imputed at 2.25%, payable in ten annual payments of \$217,960.

The annual requirement to amortize the Sutphen Lease Agreement outstanding balance as of June 30, 2017, is as follows:

<u>Enterprise Funds</u>	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2017</u>	<u>Due Within One Year</u>
Four Sutphen Firetrucks.					
Original issue amount \$1,932,479	\$1,932,479	\$0	\$174,479	\$1,758,000	\$178,405
Total Notes	<u>\$1,932,479</u>	<u>\$0</u>	<u>\$174,479</u>	<u>\$1,758,000</u>	<u>\$178,405</u>

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$178,405	\$39,555	\$217,960
2019	182,419	35,541	217,960
2020	186,523	31,437	217,960
2021	190,720	27,240	217,960
2022	195,011	22,949	217,960
2023-2026	824,922	46,916	871,838
Total	<u>\$1,758,000</u>	<u>\$203,638</u>	<u>\$1,961,638</u>

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Lease Amortization Expense

The total accumulated amortization expense for governmental leases was \$61,294 and business type leases was \$194,221 as of June 30, 2016. The total current amortization expense for governmental leases was \$97,608 and business type leases was \$339,157 for fiscal year 2017. These leased assets are included in Note 5 as depreciation expense.

NOTE 11. 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.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>General Fund</u>	<u>Sales Tax 2013</u>	<u>CVDA</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
Nonspendable. The following fund balances are nonspendable:					
Long term receivables	\$3,292,866	\$0	\$0	\$0	\$3,292,866
Inventory	0	0	0	0	0
Required to be maintained in tact	0	0	0	1,688,761	1,688,761
	<u>3,292,866</u>	<u>0</u>	<u>0</u>	<u>1,688,761</u>	<u>4,981,627</u>
Restricted. The following fund balances are restricted for:					
Public safety	78,817	0	0	84,639	163,456
Land Bank Authority	95,130	0	0	0	95,130
Community development	0	0	103,225	0	103,225
NPDES permitting	40,344	0	0	0	40,344
Redevelopment	0	0	0	2,161,956	2,161,956
Youth programs	0	0	0	342,985	342,985
Capital outlay	0	2,355,123	0	538,594	2,893,717
	<u>214,291</u>	<u>2,355,123</u>	<u>103,225</u>	<u>3,128,174</u>	<u>5,800,813</u>
Committed. The following fund balances are committed:					
Committed for urban forestry	10,767	0	0	0	10,767
	<u>10,767</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,767</u>
Assigned. The following fund balances are assigned to:					
Tourism development	0	0	0	900,420	900,420
Capital Improvement	0	789,598	0	683,292	1,472,890
	<u>0</u>	<u>789,598</u>	<u>0</u>	<u>1,583,712</u>	<u>2,373,310</u>
Unassigned. The following balances are unassigned:					
	(498,949)	0	0	(193,979)	(692,928)
	<u>(498,949)</u>	<u>0</u>	<u>0</u>	<u>(193,979)</u>	<u>(692,928)</u>
Total Fund Balance	<u>\$3,018,975</u>	<u>\$3,144,721</u>	<u>\$103,225</u>	<u>\$6,206,668</u>	<u>\$12,473,589</u>

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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, 2017, against the self-insurance fund. This incurred but not reported (IBNR) liability is estimated to be \$680,000. 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, 2017:

The Inspections Fund had a deficit net position of \$471,065 due to reduction in permits issued. The Auditorium Fund had a deficit net position of \$237,958 due to insufficient bookings. The City is reviewing the fee schedules and tax subsidy.

NOTE 14. INTERFUND TRANSACTIONS

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

Transfers between fund types during the year ended June 30, 2017, were:

	Transfers In	Transfers Out
General Fund	\$1,713,500	\$1,686,233
SPLOST 2013	527,565	0
Sanitation Fund	0	412,790
Water and Sewer Fund	0	1,746,797
Storm Water Fund	0	182,991
Other Governmental Funds	0	1,032,565

**CITY OF VALDOSTA, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2017**

Other Enterprise Funds	505,000	54,991	
Internal Service Funds	<u>2,370,302</u>	<u>0</u>	
	<u>\$5,116,367</u>	<u>\$5,116,367</u>	

General Fund transferred \$1,686,233 to Group Insurance. Sanitation transferred \$232,290 to Group Insurance. Water and Sewer transferred \$341,797 to Group Insurance. Storm Water transferred \$54,991 to Group Insurance. Accommodations Tax transferred \$505,000 to the Auditorium Fund. The Road Improvement Fund transferred \$439,650 to SPLOST 2013. Inspection transferred \$40,769 to Group Insurance. The Auditorium Fund transferred \$14,222 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 the General Fund are to fund the cost of administrative and support services provided to other funds.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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, 2017, the City paid \$72,873 in such dues. Membership in the Commission is required by the official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Commission of Georgia. The Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Commission.

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

Separate financial statements may be obtained from:

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

NOTE 16. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; injury to participants at city facilities; and natural disasters. The City is self-insured for workman's 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, 2017, 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

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

amount of all such contributions are actuarially determined where necessary. As previously stated in Note 12, there is a liability of \$680,000 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:

	<u>Unpaid claims, beginning of fiscal year</u>	<u>Incurred claims (including IBNR's)</u>	<u>Claim payments</u>	<u>Unpaid claims, end of fiscal year</u>
June 30, 2016	\$676,177	\$5,799,418	\$(5,753,164)	\$722,431
June 30, 2017	722,431	5,862,181	(5,718,071)	866,541

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:

2015	\$0
2014	0
2013	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 \$3,753,211. 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 \$4,394,543 and its carrying amount is \$3,260,847. Depreciation on the building amounts to \$87,074 annually.

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

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 7% generated \$2,970,441, net of vendor's compensation of \$89,425, in tax receipts and was allocated as follows: \$1,273,047, or 40% of the first 5% and 50% of the remaining 2%, to the Valdosta/Lowndes County Tourism Authority, \$250,000 to the Valdosta/Lowndes Conference Center, \$382,086 to the Airport Authority, \$25,000 to the Public Art Society, \$25,000 to the Historical Society, \$4,245 for administrative expenses, and \$190,000 to the Turner Arts Center. The remainder of \$821,063 was retained by the City and will be spent in accordance with legal provisions.

NOTE 19. ACCOUNTING CHANGES

FUNDS OPENED

The GA DCA CHIP Grant 2016-116 fund was opened July 1, 2016.

The Road Improvement fund was opened July 1, 2016.

FUNDS CLOSED

The Youth Recreation Scholarship Fund was closed effective July 1, 2016.

NOTE 20. CONSTRUCTION COMMITMENTS

The City has active construction projects as of June 30, 2017. The projects include the expansion of the City's sewer system and resurfacing of streets. At year end, the City's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Production Wells 9 and 10	\$1,300,554	\$186,135
Resurfacing of Streets	1,245,774	604,830
Lift Station Phase 4 Rehab	0	944,221

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 21. TAX ABATEMENTS

During the fiscal year ended June 30, 2017, the City of Valdosta did not enter into any tax abatement agreements. The City is subject to tax abatements granted by the Valdosta-Lowndes Development Authority, an entity created by the City of Valdosta and Lowndes County. The authority's stated purpose is to build and grow businesses in the Valdosta-Lowndes County area. During the fiscal year 2017, the authority abated taxes to seven businesses within the City. The Authority entered into these agreements to encourage new business as well as expansion to existing businesses. The total taxes abated for the year were \$61,518. Information relevant to disclosure of these abatements of the fiscal year ended June 30, 2017 is:

<u>Type of Business</u>	<u>Property Taxes Abated during the Fiscal Year</u>
Chemical Producing Company	\$3,960
Chemical Producing Company	9,602
Distribution Center	23,959
Logistics Company	2,494
Battery Manufacturer	2,494
Drug Manufacturer	7,745
Packaging Company	11,264

B U D G E T A R Y
C O M P A R I S O N
S C H E D U L E S

CITY OF VALDOSTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				OVER
				(UNDER)
Revenues:				
Taxes	\$31,152,840	\$31,152,840	\$30,382,768	(\$770,072)
Licenses and permits	544,250	544,250	557,575	13,325
Charges for services	303,000	303,000	109,622	(193,378)
Fines and forfeitures	1,136,806	1,136,806	1,100,955	(35,851)
Interest income	0	0	24,910	24,910
Contributions and donations	0	0	3,700	3,700
Miscellaneous	645,000	645,000	613,491	(31,509)
Intergovernmental	1,586,052	1,670,634	1,474,312	(196,322)
Capital leases	0	0	120,508	120,508
Transfer in	1,985,894	1,985,894	1,713,500	(272,394)
TOTAL REVENUES	37,353,842	37,438,424	36,101,341	(1,337,083)
Expenditures:				
Current:				
General government	9,052,558	9,067,159	8,532,626	534,533
Public safety	23,126,296	23,215,375	22,470,994	744,381
Public works	2,238,434	2,238,434	2,106,365	132,069
Economic development and assistance	1,033,805	1,034,163	667,988	366,175
Debt service principal	55,000	55,808	138,188	(82,380)
Debt service interest	0	0	9,645	(9,645)
Transfer out	1,083,417	1,083,417	1,686,233	(602,816)
TOTAL EXPENDITURES	36,589,510	36,694,356	35,612,039	1,082,317
REVENUES OVER (UNDER) EXPENDITURES	764,332	744,068	489,302	(254,766)
Fund balance - beginning of year budgetary basis	571,533	571,533	571,533	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	\$1,335,865	\$1,315,601	\$1,060,835	(\$254,766)

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.

\$36,101,341

Differences - budget to GAAP:

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

(120,508)

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

(1,713,500)

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

\$34,267,333

Uses/outflows of resources

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

\$35,612,039

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.

3,193

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

(1,686,233)

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

\$33,928,999

**CITY OF VALDOSTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CENTRAL VALDOSTA DEVELOPMENT AUTHORITY
FOR YEAR ENDED JUNE 30, 2017**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Taxes	\$100,000	\$100,000	\$115,737	\$15,737
Interest income	0	0	162	162
Contributions	8,300	8,300	8,736	436
Miscellaneous	1,000	1,000	1,207	207
TOTAL REVENUES	109,300	109,300	125,842	16,542
Expenditures:				
General Government	109,300	109,300	98,378	10,922
TOTAL EXPENDITURES	109,300	109,300	98,378	10,922
REVENUES OVER (UNDER) EXPENDITURES	0	0	27,464	27,464
Fund Balance - beginning of year - budgetary basis	75,761	75,761	75,761	0
FUND BALANCE - END OF YEAR	\$75,761	\$75,761	\$103,225	\$27,464

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.

\$125,842

Differences - budget to GAAP:

None

0

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

\$125,842

Uses/outflows of resources

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

\$98,378

Differences - budget to GAAP:

None

0

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

\$98,378

CITY OF VALDOSTA, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017

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
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY - LAST 10 FISCAL YEARS

	Year Ended June 30:									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<i>Total pension liability</i>										
Service cost	\$ 1,128,876	\$ 1,186,364	\$ 1,168,292							
Interest	6,096,193	5,796,872	5,621,355							
Differences between expected and actual experience	614,516	1,329,502	414,792							
Changes of assumptions	0	(4,587,307)	5,432,537							
Changes of benefit terms	0	0	0	(Historical information prior to implementation of GASB 68 is not required)						
Benefit payments, including refunds of employee contributions	(5,480,240)	(5,005,586)	(4,979,503)							
Net change in total pension liability	2,359,345	(1,280,155)	7,657,473							
Total pension liability - beginning	81,400,678	82,680,833	75,023,360							
Total pension liability - ending (a)	<u>\$ 83,760,023</u>	<u>\$ 81,400,678</u>	<u>\$ 82,680,833</u>							
<i>Plan fiduciary net position</i>										
Contributions - employer	\$ 4,474,678	\$ 3,146,917	\$ 3,402,750							
Contributions - employee	366,280	355,472	333,321							
Net investment income	3,952,625	471,566	3,877,248							
Benefit payments, including refunds of employee contributions	(5,480,240)	(5,005,586)	(4,979,503)	(Historical information prior to implementation of GASB 68 is not required)						
Administrative expense	(75,213)	(83,287)	(67,292)							
Other	0	0	0							
Net change in fiduciary net position	3,238,130	(1,114,918)	2,566,524							
Plan fiduciary net position - beginning	35,761,051	36,875,969	34,309,445							
Plan fiduciary net position - ending (b)	<u>\$ 38,999,181</u>	<u>\$ 35,761,051</u>	<u>\$ 36,875,969</u>							
Net pension liability - ending (a)-(b)	<u>\$ 44,760,842</u>	<u>\$ 45,639,627</u>	<u>\$ 45,804,864</u>							
Plan's fiduciary net position as a percentage of the total pension liability	46.56%	43.93%	44.60%	(Historical information prior to implementation of GASB 68 is not required)						
Covered employee payroll	\$ 20,841,771	\$ 21,525,912	\$ 19,640,929							
Net pension liability as a percentage of covered employee payroll	214.77%	212.02%	233.21%							

CITY OF VALDOSTA, GEORGIA
SCHEDULE OF PENSION CONTRIBUTIONS - LAST 10 FISCAL YEARS

	Year Ended June 30:									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	-	6,217,644	6,064,483							
Contributions in relation to the actuarially determined contribution	-	4,030,257	3,427,500							
Contribution deficiency (excess)	-	2,187,387	2,636,983	(Historical information prior to implementation of GASB 68 is not required)						
Covered employee payroll	-	21,525,912	19,640,929							
Contributions as a percentage of covered employee payroll	-	18.72%	17.45%							

**CITY OF VALDOSTA, GEORGIA
 REQUIRED SUPPLEMENTAL INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)
 FOR THE YEAR ENDED JUNE 30, 2017**

Valuation Date	Accuarial Accrued Liability (AAL) (1)	Accuarial Value of Assets	Unfunded AAL (UAAL)	Percentage Funded	Annual Covered Payroll	UAAL as Percentage of Payroll
January 1, 2012	43,711,598	0	43,711,598	0%	18,493,053	236.37%
January 1, 2014	34,159,429	0	34,159,429	0%	19,143,280	178.44%
January 1, 2016	30,438,431	0	30,438,431	0%	21,525,912	141.40%

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

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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.

GA DCA CHIP 2016 -116 - 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.

Road Improvement Fund - to account for grant funds received from the Georgia Department of Transportation under the Local Maintenance & Improvement Grant (LMIG). The LMIG program provides funding for a portion of GDOT approved road projects.

General Capital projects Fund - to account for the financing of various capital improvement projects.

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, 2017**

	CONFISCATED FUNDS	PROPERTY EVIDENCE FUND	U.S. DEPT OF JUSTICE LOCAL LAW BLOCK GRANTS	UDAG	GA DCA CHIP 01M-X-092-2-2568
ASSETS					
Cash	\$38,773	\$2,132	\$117	\$17,684	\$0
Investments	50,749	0	0	0	0
Receivables (net)					
Accounts	0	0	0	0	0
Interest	0	0	0	0	0
Second mortgages	0	0	0	45,075	1,350
Due from other funds	0	0	0	25	0
Due from other governments and agencies	0	0	0	0	0
Total assets	<u>\$89,522</u>	<u>\$2,132</u>	<u>\$117</u>	<u>\$62,784</u>	<u>\$1,350</u>
LIABILITIES					
Liabilities:					
Vouchers and accounts payable	\$7,015	\$0	\$0	\$0	\$0
Due to:					
Other funds	0	0	117	0	0
Advances from other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities	<u>7,015</u>	<u>0</u>	<u>117</u>	<u>0</u>	<u>0</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances (deficits):					
Nonspendable	0	0	0	0	0
Restricted	82,507	2,132	0	62,784	1,350
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Total fund balances (deficits)	<u>82,507</u>	<u>2,132</u>	<u>0</u>	<u>62,784</u>	<u>1,350</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$89,522</u>	<u>\$2,132</u>	<u>\$117</u>	<u>\$62,784</u>	<u>\$1,350</u>

SPECIAL REVENUE FUNDS

GA DCA CHIP 02M-X-092-2-2695	HUD FEDERAL GRANT	GA DCA CHIP 04M-X-092-2-2915	GA DCA CHIP 06M-X-092-2-2951	GA DCA CHIP 07M-X-092-2-2961	GA DCA CHIP 07MR-X-092-2-2979	GA DCA CHIP 2016-116
\$0	\$30,041	\$0	\$0	\$0	\$0	\$341
0	0	0	0	0	0	0
0	3,307	0	0	0	0	0
0	0	0	0	0	0	0
13,200	1,996,128	23,135	59,500	87,800	48,000	110,000
0	0	0	0	0	0	0
0	100,242	0	0	0	0	20,000
<u>\$13,200</u>	<u>\$2,129,718</u>	<u>\$23,135</u>	<u>\$59,500</u>	<u>\$87,800</u>	<u>\$48,000</u>	<u>\$130,341</u>
\$0	\$5,049	\$0	\$0	\$0	\$0	\$20,241
0	95,234	0	0	0	0	100
0	30,000	0	0	0	0	0
0	130,283	0	0	0	0	20,341
0	94,242	0	0	0	0	0
0	0	0	0	0	0	0
13,200	2,099,172	23,135	59,500	87,800	48,000	110,000
0	0	0	0	0	0	0
0	(193,979)	0	0	0	0	0
<u>13,200</u>	<u>1,905,193</u>	<u>23,135</u>	<u>59,500</u>	<u>87,800</u>	<u>48,000</u>	<u>110,000</u>
<u>\$13,200</u>	<u>\$2,129,718</u>	<u>\$23,135</u>	<u>\$59,500</u>	<u>\$87,800</u>	<u>\$48,000</u>	<u>\$130,341</u>

(Continued)

		CAPITAL PROJECTS FUND					
ACCOMMODATIONS TAX	YOUTH RECREATION SCHOLARSHIP	AIRPORT DEVELOPMENT	ROAD IMPROVEMENT FUND	GENERAL CAPITAL PROJECTS	SUNSET HILL PERMANENT FUND	TOTAL OTHER GOVERNMENTAL FUNDS	
\$239,633	\$0	\$111,366	\$1,276,529	\$72,470	\$297,931	\$2,087,017	
610,949	0	283,931	0	184,765	759,581	1,889,975	
278,740	0	0	0	0	1,354	283,401	
0	0	1,206	0	0	0	1,206	
0	0	0	0	0	0	2,384,188	
0	0	0	0	0	631,862	631,887	
0	0	499,660	0	0	0	619,902	
<u>\$1,129,322</u>	<u>\$0</u>	<u>\$896,163</u>	<u>\$1,276,529</u>	<u>\$257,235</u>	<u>\$1,690,728</u>	<u>\$7,897,576</u>	
\$228,902	\$0	\$338,136	\$737,935	\$0	\$0	\$1,337,278	
0	0	0	0	0	0	95,451	
0	0	0	0	0	0	30,000	
<u>228,902</u>	<u>0</u>	<u>338,136</u>	<u>737,935</u>	<u>0</u>	<u>0</u>	<u>1,462,729</u>	
0	0	131,970	0	0	1,967	228,179	
0	0	0	0	0	1,688,761	1,688,761	
0	0	0	538,594	0	0	3,128,174	
900,420	0	426,057	0	257,235	0	1,583,712	
0	0	0	0	0	0	(193,979)	
<u>900,420</u>	<u>0</u>	<u>426,057</u>	<u>538,594</u>	<u>257,235</u>	<u>1,688,761</u>	<u>6,206,668</u>	
<u>\$1,129,322</u>	<u>\$0</u>	<u>\$896,163</u>	<u>\$1,276,529</u>	<u>\$257,235</u>	<u>\$1,690,728</u>	<u>\$7,897,576</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, 2017

	CONFISCATED FUNDS	PROPERTY EVIDENCE FUND	U.S. DEPT OF JUSTICE LOCAL LAW BLOCK GRANTS	UDAG	GA DCA CHIP 01M-X-092-2-2568
Revenues:					
Taxes	\$0	\$0	\$0	\$0	\$0
Interest income	30	0	0	0	0
Contributions	0	0	0	0	0
Intergovernmental	0	0	17,373	0	0
Fines and forfeitures	83,065	2,132	0	0	0
Miscellaneous revenues	0	0	0	0	0
TOTAL REVENUES	83,095	2,132	17,373	0	0
Expenditures:					
Current:					
General government	0	0	0	0	0
Public safety	23,107	1,531	9,373	0	0
Economic development and assistance	0	0	0	112,649	1,350
Capital outlay	7,000	0	8,000	0	0
TOTAL EXPENDITURES	30,107	1,531	17,373	112,649	1,350
REVENUES OVER (UNDER) EXPENDITURES	52,988	601	0	(112,649)	(1,350)
Other financing sources (uses):					
Transfers out	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	0	0	0	0	0
NET CHANGE IN FUND BALANCES	52,988	601	0	(112,649)	(1,350)
Fund balances beginning of year	29,519	1,531	0	175,433	2,700
FUND BALANCES END OF YEAR	\$82,507	\$2,132	\$0	\$62,784	\$1,350

SPECIAL REVENUE FUNDS

GA DCA CHIP 02M-X-092-2-2695	FEDERAL HUD GRANT	GA DCA CHIP 04M-X-092-2-2915	GA DCA CHIP 06M-X-092-2-2951	GA DCA CHIP 07M-X-092-2-2961	GA DCA CHIP 07MR-X-092-2-2979	GA DCA CHIP 2016-116
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	868,009	0	0	0	0	110,241
0	0	0	0	0	0	0
0	32,507	0	0	0	0	0
0	900,516	0	0	0	0	110,241
0	0	0	0	0	0	0
0	0	0	0	0	0	0
4,200	644,265	19,900	26,300	27,500	11,000	241
0	406,484	0	0	0	0	0
4,200	1,050,749	19,900	26,300	27,500	11,000	241
(4,200)	(150,233)	(19,900)	(26,300)	(27,500)	(11,000)	110,000
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(4,200)	(150,233)	(19,900)	(26,300)	(27,500)	(11,000)	110,000
17,400	2,055,426	43,035	85,800	115,300	59,000	0
\$13,200	\$1,905,193	\$23,135	\$59,500	\$87,800	\$48,000	\$110,000

CAPITAL PROJECTS FUND						
ACCOMMODATIONS TAX	YOUTH RECREATION SCHOLARSHIP	AIRPORT DEVELOPMENT	ROAD IMPROVEMENT FUND	GENERAL CAPITAL PROJECTS	SUNSET HILL PERMANENT FUND	TOTAL OTHER GOVERNMENTAL FUNDS
\$3,059,866	\$0	\$0	\$0	\$0	\$0	\$3,059,866
159	0	7,064	0	0	332	7,585
0	0	0	0	0	8,800	8,800
0	0	2,286,255	1,066,159	0	0	4,348,037
0	0	0	0	0	0	85,197
0	0	0	0	0	23,321	55,828
<u>3,060,025</u>	<u>0</u>	<u>2,293,319</u>	<u>1,066,159</u>	<u>0</u>	<u>32,453</u>	<u>7,565,313</u>
2,238,962	1,940	0	0	0	4,979	2,245,881
0	0	0	0	0	0	34,011
0	0	0	0	0	0	847,405
0	0	1,980,000	0	4,190	0	2,405,674
<u>2,238,962</u>	<u>1,940</u>	<u>1,980,000</u>	<u>0</u>	<u>4,190</u>	<u>4,979</u>	<u>5,532,971</u>
821,063	(1,940)	313,319	1,066,159	(4,190)	27,474	2,032,342
(505,000)	0	0	(527,565)	0	0	(1,032,565)
(505,000)	0	0	(527,565)	0	0	(1,032,565)
316,063	(1,940)	313,319	538,594	(4,190)	27,474	999,777
584,357	1,940	112,738	0	261,425	1,661,287	5,206,891
<u>\$900,420</u>	<u>\$0</u>	<u>\$426,057</u>	<u>\$538,594</u>	<u>\$257,235</u>	<u>\$1,688,761</u>	<u>\$6,206,668</u>

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, 2017

	BUDGET		ACTUAL	VARIANCE OVER (UNDER)
	ORIGINAL	FINAL		
Current Operations:				
General government				
Administration				
Mayor and council				
Personal services	\$191,859	\$191,859	\$201,238	(\$9,379)
Contractual services	69,055	57,355	44,979	12,376
Supplies	15,500	18,236	19,455	(1,219)
Travel and training	193,451	193,415	167,447	25,968
Other services and charges	275,638	293,138	180,966	112,172
	<u>745,503</u>	<u>754,003</u>	<u>614,085</u>	<u>139,918</u>
City manager				
Personal services	672,297	672,297	657,433	14,864
Contractual services	50,906	64,350	67,820	(3,470)
Supplies	9,858	9,242	7,018	2,224
Travel and training	21,208	20,223	16,602	3,621
Other services and charges	26,847	27,004	21,586	5,418
	<u>781,116</u>	<u>793,116</u>	<u>770,459</u>	<u>22,657</u>
Elections				
Contractual services	25,000	25,000	0	25,000
	<u>25,000</u>	<u>25,000</u>	<u>0</u>	<u>25,000</u>
City attorney				
Travel and training	845	845	0	845
Other services and charges	368,000	368,000	318,743	49,257
	<u>368,845</u>	<u>368,845</u>	<u>318,743</u>	<u>50,102</u>
Solicitor				
Other services and charges	92,000	92,000	85,380	6,620
	<u>92,000</u>	<u>92,000</u>	<u>85,380</u>	<u>6,620</u>
Indigent Defense				
Other services and charges	31,200	31,200	22,987	8,213
	<u>31,200</u>	<u>31,200</u>	<u>22,987</u>	<u>8,213</u>
TOTAL ADMINISTRATION	<u>2,043,664</u>	<u>2,064,164</u>	<u>1,811,654</u>	<u>252,510</u>
Human resources department				
Administration				
Personal services	298,171	298,171	297,893	278
Contractual services	5,475	5,275	3,446	1,829
Supplies	13,612	16,018	16,403	(385)
Travel and training	13,675	11,469	87	11,382
Other services and charges	25,798	25,798	17,418	8,380
	<u>356,731</u>	<u>356,731</u>	<u>335,247</u>	<u>21,484</u>
Employee incentives/assistance				
Personal services	4,500	4,500	3,605	895
Travel and training	4,500	4,500	0	4,500
	<u>9,000</u>	<u>9,000</u>	<u>3,605</u>	<u>5,395</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, 2017

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		OVER (UNDER)
Risk division				
Contractual services	\$18,000	\$15,400	\$1,450	\$13,950
Other services and charges	35,000	37,600	5,980	31,620
	53,000	53,000	7,430	45,570
TOTAL HUMAN RESOURCES	418,731	418,731	346,282	72,449
Finance department				
Finance director				
Personal services	179,313	179,313	183,983	(4,670)
Contractual services	2,455	2,455	1,222	1,233
Supplies	1,400	1,584	1,041	543
Travel and training	3,625	3,490	1,544	1,946
Other services and charges	76,434	76,385	58,135	18,250
	263,227	263,227	245,925	17,302
Accounting division				
Personal services	349,752	349,752	354,210	(4,458)
Contractual services	10,109	10,109	7,751	2,358
Supplies	4,250	4,250	1,405	2,845
Travel and training	5,685	5,685	2,161	3,524
Other services and charges	44,122	44,122	67,401	(23,279)
	413,918	413,918	432,928	(19,010)
Budget division				
Personal services	161,933	161,933	162,249	(316)
Contractual services	2,943	2,943	1,543	1,400
Supplies	2,450	2,450	1,295	1,155
Travel and training	1,812	1,812	223	1,589
Other services and charges	11,124	11,124	7,855	3,269
	180,262	180,262	173,165	7,097
Customer service division				
Personal services	550,650	550,650	541,478	9,172
Contractual services	142,572	142,947	146,134	(3,187)
Supplies	12,000	11,625	8,961	2,664
Travel and training	881	881	167	714
Other services and charges	82,776	82,776	77,196	5,580
	788,879	788,879	773,936	14,943
Business License				
Personal services	46,336	46,336	47,246	(910)
Contractual services	45,996	45,996	35,013	10,983
Supplies	700	616	297	319
Travel and training	368	452	301	151
Other services and charges	11,009	11,009	6,535	4,474
	104,409	104,409	89,392	15,017
Purchasing division				
Personal services	138,369	138,369	138,838	(469)
Contractual services	3,513	3,513	1,997	1,516
Supplies	2,080	2,117	839	1,278
Travel and training	3,872	3,872	1,734	2,138
Other services and charges	9,374	9,337	8,052	1,285
	157,208	157,208	151,460	5,748
TOTAL FINANCE	1,907,903	1,907,903	1,866,806	41,097

(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, 2017

	BUDGET		ACTUAL	VARIANCE OVER (UNDER)
	ORIGINAL	FINAL		
Engineering department				
Engineering division				
Personal services	\$733,776	\$733,776	\$580,059	\$153,717
Contractual services	11,138	11,152	10,739	413
Supplies	4,596	4,617	2,988	1,629
Travel and training	5,404	5,978	5,771	207
Other services and charges	78,316	77,710	79,058	(1,348)
	<u>833,230</u>	<u>833,233</u>	<u>678,615</u>	<u>154,618</u>
Signal Maintenance				
Personal services	227,051	227,051	245,338	(18,287)
Contractual services	13,978	14,978	12,196	2,782
Supplies	35,073	34,373	22,889	11,484
Travel and training	1,595	2,325	2,262	63
Other services and charges	27,956	27,418	24,722	2,696
	<u>305,653</u>	<u>306,145</u>	<u>307,407</u>	<u>(1,262)</u>
Signs and Markings				
Personal services	92,334	92,334	93,750	(1,416)
Contractual services	1,641	1,641	2,131	(490)
Supplies	39,867	36,418	28,072	8,346
Travel and training	1,125	1,155	85	1,070
Other services and charges	7,521	7,521	8,344	(823)
	<u>142,488</u>	<u>139,069</u>	<u>132,382</u>	<u>6,687</u>
Traffic Mgt Center				
Personal services	196,878	196,878	198,238	(1,360)
Contractual services	1,364,344	1,364,299	1,443,782	(79,483)
Supplies	27,427	23,087	21,571	1,516
Travel and training	3,015	4,122	3,421	701
Other services and charges	31,986	32,591	19,017	13,574
	<u>1,623,650</u>	<u>1,620,977</u>	<u>1,686,029</u>	<u>(65,052)</u>
Street Repair				
Personal services	279,491	279,491	282,683	(3,192)
Contractual services	10,338	15,525	16,391	(866)
Supplies	19,061	15,595	14,363	1,232
Travel and training	1,718	1,794	1,657	137
Other services and charges	61,875	61,875	70,482	(8,607)
	<u>372,483</u>	<u>374,280</u>	<u>385,576</u>	<u>(11,296)</u>
TOTAL ENGINEERING	<u>3,277,504</u>	<u>3,273,704</u>	<u>3,190,009</u>	<u>83,695</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, 2017

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		OVER (UNDER)
City hall				
Personal services	\$62,326	\$61,176	\$70,278	(\$9,102)
Contractual services	119,703	114,862	63,555	51,307
Supplies	5,883	7,724	5,509	2,215
Travel and training	17	17	0	17
Other services and charges	29,009	29,009	41,789	(12,780)
	<u>216,938</u>	<u>212,788</u>	<u>181,131</u>	<u>31,657</u>
City hall annex				
Personal services	42,664	43,814	47,894	(4,080)
Contractual services	95,615	95,615	92,055	3,560
Supplies	3,500	3,500	4,071	(571)
Other services and charges	7,888	7,888	28,785	(20,897)
	<u>149,667</u>	<u>150,817</u>	<u>172,805</u>	<u>(21,988)</u>
Customer service				
Contractual services	26,366	26,366	20,791	5,575
Supplies	500	357	136	221
Other services and charges	1,200	1,343	1,343	0
	<u>28,066</u>	<u>28,066</u>	<u>22,270</u>	<u>5,796</u>
Rental				
Contractual services	28,100	27,950	32,680	(4,730)
Supplies	0	150	1,163	(1,013)
Other services and charges	8,750	9,651	30,665	(21,014)
	<u>36,850</u>	<u>37,751</u>	<u>64,508</u>	<u>(26,757)</u>
TOTAL OTHER GENERAL				
ADMINISTRATIVE	<u>431,521</u>	<u>429,422</u>	<u>440,714</u>	<u>(11,292)</u>
Municipal court				
Administration				
Personal services	305,951	305,951	308,493	(2,542)
Contractual services	60,256	60,257	52,057	8,200
Supplies	18,800	18,799	9,351	9,448
Travel and training	14,800	14,800	9,113	5,687
Other services and charges	573,428	573,428	498,147	75,281
TOTAL MUNICIPAL COURT	<u>973,235</u>	<u>973,235</u>	<u>877,161</u>	<u>96,074</u>
TOTAL GENERAL GOVERNMENT	<u>9,052,558</u>	<u>9,067,159</u>	<u>8,532,626</u>	<u>534,533</u>
Public safety				
Police department				
Police administration division				
Personal services	705,766	705,766	794,038	(88,272)
Contractual services	122,856	107,591	87,039	20,552
Supplies	71,150	84,743	97,580	(12,837)
Travel and training	40,311	25,453	17,108	8,345
Other services and charges	393,836	565,618	554,991	10,627
Capital Outlay	145,033	8,142	0	8,142
	<u>1,478,952</u>	<u>1,497,313</u>	<u>1,550,756</u>	<u>(53,443)</u>
Patrol bureau division				
Personal services	5,991,904	5,991,904	6,124,317	(132,413)
Contractual services	145,301	145,301	161,554	(16,253)
Supplies	23,500	93,009	85,598	7,411
Travel and training	21,975	22,886	21,532	1,354
Other services and charges	1,010,032	983,938	926,638	57,300
Capital outlay	12,500	7,000	6,484	516
	<u>7,205,212</u>	<u>7,244,038</u>	<u>7,326,123</u>	<u>(82,085)</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, 2017

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		OVER (UNDER)
Investigative bureau division				
Personal services	\$1,828,339	\$1,828,339	\$1,782,747	\$45,592
Contractual services	43,959	43,959	44,397	(438)
Supplies	33,020	46,054	33,239	12,815
Travel and training	46,736	46,736	29,067	17,669
Other services and charges	189,834	176,800	165,024	11,776
	<u>2,141,888</u>	<u>2,141,888</u>	<u>2,054,474</u>	<u>87,414</u>
Training				
Personal services	301,206	301,206	324,815	(23,609)
Contractual services	7,091	7,091	7,692	(601)
Supplies	256,127	240,742	150,363	90,379
Travel and training	15,951	15,951	4,761	11,190
Other services and charges	21,279	21,279	6,375	14,904
Capital outlay	0	5,500	5,450	50
	<u>601,654</u>	<u>591,769</u>	<u>499,456</u>	<u>92,313</u>
Support services bureau division				
Personal services	981,986	981,986	1,002,792	(20,806)
Contractual services	403,792	403,792	415,301	(11,509)
Supplies	55,917	56,129	60,733	(4,604)
Travel and training	8,160	7,170	6,192	978
Other services and charges	174,159	181,243	102,724	78,519
Capital outlay	0	0	126,083	(126,083)
Debt service	95,000	95,000	67,278	27,722
	<u>1,719,014</u>	<u>1,725,320</u>	<u>1,781,103</u>	<u>(55,783)</u>
Crime lab				
Personal services	821,253	821,253	788,981	32,272
Contractual services	203,721	203,483	218,168	(14,685)
Supplies	60,255	42,600	43,304	(704)
Travel and training	37,118	49,306	47,044	2,262
Other services and charges	59,066	56,571	59,446	(2,875)
Capital outlay	35,450	23,150	0	23,150
Debt service	52,651	52,651	52,651	0
	<u>1,269,514</u>	<u>1,249,014</u>	<u>1,209,594</u>	<u>39,420</u>
TOTAL POLICE DEPARTMENT	<u>14,416,234</u>	<u>14,449,342</u>	<u>14,421,506</u>	<u>27,836</u>
Fire department				
Fire administration division				
Personal services	522,732	522,732	525,397	(2,665)
Contractual services	13,085	13,700	17,924	(4,224)
Supplies	8,038	6,681	5,346	1,335
Travel and training	13,775	13,775	9,097	4,678
Other services and charges	81,527	81,527	61,769	19,758
	<u>639,157</u>	<u>638,415</u>	<u>619,533</u>	<u>18,882</u>
Fire fighting division				
Personal services	5,465,490	5,465,490	5,185,970	279,520
Contractual services	172,208	177,542	178,046	(504)
Supplies	140,095	136,093	152,258	(16,165)
Travel and training	26,675	23,337	13,791	9,546
Other services and charges	328,060	334,985	431,395	(96,410)
Capital Outlay	91,500	103,572	67,072	36,500
Debt service	226,960	226,960	9,232	217,728
	<u>6,450,988</u>	<u>6,467,979</u>	<u>6,037,764</u>	<u>430,215</u>
Fire inspection division				
Personal services	246,637	246,637	229,150	17,487
Contractual services	3,996	3,996	4,121	(125)
Supplies	24,100	18,050	13,732	4,318
Travel and training	6,273	6,273	1,787	4,486
Other services and charges	32,625	32,625	18,077	14,548
	<u>313,631</u>	<u>307,581</u>	<u>266,867</u>	<u>40,714</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, 2017

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		OVER (UNDER)
Fire maintenance division				
Personal services	\$106,343	\$106,343	\$109,771	(\$3,428)
Contractual services	49,862	49,982	53,775	(\$3,793)
Supplies	80,293	84,073	97,884	(\$13,811)
Travel and training	5,615	5,615	687	\$4,928
Other services and charges	42,521	33,521	34,881	(\$1,360)
	<u>80,700</u>	<u>80,700</u>	<u>78,947</u>	<u>\$1,753</u>
	<u>365,334</u>	<u>360,234</u>	<u>375,945</u>	<u>(15,711)</u>
Fire training division				
Personal services	169,237	169,237	137,528	31,709
Contractual services	13,726	13,244	20,379	(7,135)
Supplies	46,396	45,627	90,197	(44,570)
Travel and training	13,250	34,586	26,640	7,946
Other services and charges	36,686	15,565	6,299	9,266
Capital Outlay	18,500	18,500	0	18,500
	<u>297,795</u>	<u>296,759</u>	<u>281,043</u>	<u>15,716</u>
Special services division				
Personal services	85,420	85,420	71,402	14,018
Contractual services	1,478	1,478	1,245	233
Supplies	8,150	44,821	23,568	21,253
Travel and training	5,525	21,570	2,557	19,013
Other services and charges	5,728	5,728	4,386	1,342
	<u>106,301</u>	<u>159,017</u>	<u>103,158</u>	<u>55,859</u>
TOTAL FIRE DEPARTMENT	<u>8,173,206</u>	<u>8,229,985</u>	<u>7,684,310</u>	<u>545,675</u>
Other protection services				
Community protection				
Personal services	358,113	358,113	312,733	45,380
Contractual services	100,190	100,691	89,367	11,324
Supplies	4,625	8,061	3,749	4,312
Travel and training	5,700	5,777	4,079	1,698
Other services and charges	53,766	49,752	33,750	16,002
	<u>522,394</u>	<u>522,394</u>	<u>443,678</u>	<u>78,716</u>
Neighborhood development				
Personal services	62,669	62,669	63,232	(563)
Contractual services	799	930	949	(19)
Travel and training	330	199	0	199
Other services and charges	5,664	5,664	5,152	512
	<u>69,462</u>	<u>69,462</u>	<u>69,333</u>	<u>129</u>
TOTAL OTHER PROTECTION SERVICES	<u>591,856</u>	<u>591,856</u>	<u>513,011</u>	<u>78,845</u>
TOTAL PUBLIC SAFETY	<u>23,181,296</u>	<u>23,271,183</u>	<u>22,618,827</u>	<u>652,356</u>
Public works				
Public works department				
Right of way maintenance				
Personal services	1,202,444	1,202,444	1,146,260	56,184
Contractual services	121,420	143,420	152,365	(8,945)
Supplies	40,660	36,910	23,889	13,021
Travel and training	0	150	110	40
Other services and charges	151,677	153,677	184,157	(30,480)
	<u>1,516,201</u>	<u>1,536,601</u>	<u>1,506,781</u>	<u>29,820</u>
Cemetery division				
Personal services	425,353	425,353	369,306	56,047
Contractual services	42,033	21,633	20,601	1,032
Supplies	13,707	13,707	5,892	7,815
Travel and training	860	860	50	810
Other services and charges	63,796	63,796	44,255	19,541
	<u>545,749</u>	<u>525,349</u>	<u>440,104</u>	<u>85,245</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, 2017

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		OVER (UNDER)
Arborist				
Personal services	\$123,288	\$123,288	\$113,406	\$9,882
Contractual services	13,679	14,496	13,613	883
Supplies	4,750	3,945	3,754	191
Travel and training	1,290	1,278	505	773
Other services and charges	33,477	33,477	28,202	5,275
	<u>176,484</u>	<u>176,484</u>	<u>159,480</u>	<u>17,004</u>
TOTAL PUBLIC WORKS	<u>2,238,434</u>	<u>2,238,434</u>	<u>2,106,365</u>	<u>132,069</u>
Economic Development and Assistance				
Administration				
Personal services	160,453	160,453	17,264	143,189
Contractual services	9,961	9,430	2,833	6,597
Supplies	757	899	804	95
Travel and training	2,723	2,723	1,767	956
Other services and charges	16,350	16,739	26,987	(10,248)
	<u>190,244</u>	<u>190,244</u>	<u>49,655</u>	<u>140,589</u>
Grants administrator				
Personal services	0	0	28,068	(28,068)
Contractual services	0	0	467	(467)
Supplies	0	0	90	(90)
Other services and charges	0	0	2,841	(2,841)
	<u>0</u>	<u>0</u>	<u>31,466</u>	<u>(31,466)</u>
Public relations				
Personal services	120,193	120,193	130,471	(10,278)
Contractual services	22,832	22,832	10,354	12,478
Supplies	10,465	10,390	6,071	4,319
Travel and training	1,475	2,159	22,834	(20,675)
Other services and charges	29,123	28,514	21,589	6,925
	<u>184,088</u>	<u>184,088</u>	<u>191,319</u>	<u>(7,231)</u>
Main street division				
Personal services	70,535	70,535	73,078	(2,543)
Contractual services	211	211	192	19
Supplies	1,330	1,557	1,557	0
Other services and charges	10,531	10,304	9,051	1,253
Debt service	250,000	250,000	0	250,000
	<u>332,607</u>	<u>332,607</u>	<u>83,878</u>	<u>248,729</u>
Planning and Zoning				
Personal services	274,443	274,443	274,783	(340)
Contractual services	6,064	5,402	4,726	676
Supplies	3,174	1,897	1,112	785
Travel and training	3,700	3,700	2,731	969
Other services and charges	39,485	41,782	30,216	11,566
	<u>326,866</u>	<u>327,224</u>	<u>313,568</u>	<u>13,656</u>
Great promise internship				
Personal services	0	0	(45,377)	45,377
Other services and charges	0	0	43,479	(43,479)
	<u>0</u>	<u>0</u>	<u>(1,898)</u>	<u>1,898</u>
TOTAL ECONOMIC DEV AND ASSIST	<u>1,033,805</u>	<u>1,034,163</u>	<u>667,988</u>	<u>366,175</u>
TOTAL EXPENDITURES	<u>\$35,506,093</u>	<u>\$35,610,939</u>	<u>\$33,925,806</u>	<u>\$1,685,133</u>

**CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
CONFISCATED FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Fines and forfeitures	\$0	\$29,766	\$83,065	\$53,299
Interest	0	0	30	30
TOTAL REVENUES	<u>0</u>	<u>29,766</u>	<u>83,095</u>	<u>53,329</u>
Expenditures:				
Current:				
Public safety				
Police administration division				
Other services and charges	345	934	933	1
Patrol bureau				
Supplies	0	1,626	1,626	0
Other services and charges	0	7,308	7,308	0
Investigative bureau				
Supplies	0	10,298	10,297	1
Other services and charges	0	1,814	1,813	1
Support Services Bureau				
Supplies	0	1,129	1,130	(1)
Capital outlay	0	7,000	7,000	0
TOTAL EXPENDITURES	<u>345</u>	<u>30,109</u>	<u>30,107</u>	<u>2</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(345)</u>	<u>(343)</u>	<u>52,988</u>	<u>53,331</u>
Fund balance - beginning of year - budgetary basis	29,519	29,519	29,519	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u>\$29,174</u>	<u>\$29,176</u>	<u>\$82,507</u>	<u>\$53,331</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.

\$83,095

Differences - budget to GAAP:

None

0

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

\$83,095

Uses/outflows of resources

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

\$30,107

Differences - budget to GAAP:

None

0

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

\$30,107

**CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
PROPERTY EVIDENCE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Fines and forfeitures	\$0	\$0	\$2,132	\$2,132
TOTAL REVENUES	<u>0</u>	<u>0</u>	<u>2,132</u>	<u>2,132</u>
Expenditures:				
Current:				
Public safety				
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	<u>2,132</u>	<u>(2,132)</u>
Fund balance - beginning of year - budgetary basis	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u>\$0</u>	<u>\$0</u>	<u>\$2,132</u>	<u>(\$2,132)</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP

Revenues and Expenditures

Sources/inflows of resources

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

\$2,132

Differences - budget to GAAP:

None

0

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

\$2,132

Uses/outflows of resources

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

\$0

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.

1,531

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

\$1,531

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
U. S. DEPARTMENT OF JUSTICE - LOCAL LAW ENFORCEMENT BLOCK GRANTS
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$0	\$21,560	\$17,373	(\$4,187)
TOTAL REVENUES	<u>0</u>	<u>21,560</u>	<u>17,373</u>	<u>(4,187)</u>
Expenditures:				
Current:				
Public safety				
Byrne Justice Assistance Grant				
2015-DJ-BX-0618				
Supplies	0	4,710	4,709	1
2016-DJ-BX-0199				
Supplies	0	4,292	353	3,939
Other services and charges	0	4,558	4,311	247
Capital outlay	0	8,000	8,000	0
TOTAL EXPENDITURES	<u>0</u>	<u>21,560</u>	<u>17,373</u>	<u>4,187</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - beginning of year - budgetary basis	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</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.

\$17,373

Differences - budget to GAAP:

None

0

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

\$17,373

Uses/outflows of resources

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

\$17,373

Differences - budget to GAAP:

None

0

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

\$17,373

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
URBAN DEVELOPMENT ACTION GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Interest income	\$0	\$112,649	\$0	(\$112,649)
TOTAL REVENUES	<u>0</u>	<u>112,649</u>	<u>0</u>	<u>(112,649)</u>
Expenditures:				
Current:				
Economic development and assistance				
UDAG	0	112,649	112,649	0
TOTAL EXPENDITURES	<u>0</u>	<u>112,649</u>	<u>112,649</u>	<u>0</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	<u>(112,649)</u>	<u>(112,649)</u>
Fund balance - beginning of year - budgetary basis	175,433	175,433	175,433	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u>\$175,433</u>	<u>\$175,433</u>	<u>\$62,784</u>	<u>(\$112,649)</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP

Revenues and Expenditures

Sources/inflows of resources

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

\$0

Differences - budget to GAAP:

None

0

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

\$0

Uses/outflows of resources

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

\$112,649

Differences - budget to GAAP:

None

0

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

\$112,649

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 01M-X-092-2-2568
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$0	\$1,350	\$0	(\$1,350)
TOTAL REVENUES	0	1,350	0	(1,350)
Expenditures:				
Current:				
Housing development activities				
Construction	0	1,350	1,350	0
TOTAL EXPENDITURES	0	1,350	1,350	0
REVENUES OVER (UNDER) EXPENDITURES	0	0	(1,350)	(1,350)
Fund balance - beginning of year - budgetary basis	2,700	2,700	2,700	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	\$2,700	\$2,700	\$1,350	(\$1,350)

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.

\$1,350

Differences - budget to GAAP:

None

0

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

\$1,350

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 02M-X-092-2-2695
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$0	\$4,200	\$0	(\$4,200)
TOTAL REVENUES	0	4,200	0	(4,200)
Expenditures:				
Current:				
Housing development activities				
Construction	0	4,200	4,200	0
TOTAL EXPENDITURES	0	4,200	4,200	0
REVENUES UNDER EXPENDITURES	0	0	(4,200)	(4,200)
Fund balance - beginning of year - budgetary basis	17,400	17,400	17,400	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	\$17,400	\$17,400	\$13,200	(\$4,200)

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.

\$4,200

Differences - budget to GAAP:

None

0

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

\$4,200

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
FEDERAL HUD GRANT
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$576,889	\$1,108,710	\$868,009	(\$240,701)
Miscellaneous revenues	0	0	32,507	32,507
TOTAL REVENUES	576,889	1,108,710	900,516	(208,194)
Expenditures:				
Current:				
Economic development and assistance				
Community development				
CDBG 2016 funding				
Fair housing education	0	2,500	2,500	0
Single unit residential rehab	0	335,831	335,831	0
Community development infrastructure	0	400,000	400,000	0
CDBG 2017 funding				
Great promise partnership program	0	139,582	139,582	0
Continuing small business education	0	20,000	20,000	0
Program administration	0	179,878	121,917	57,961
Bulk trash amnesty	0	21,821	21,821	0
Fair housing education	0	9,098	9,098	0
TOTAL EXPENDITURES	0	1,108,710	1,050,749	57,961
REVENUES OVER EXPENDITURES	576,889	0	(150,233)	(266,155)
Fund balance - beginning of year - budgetary basis	2,055,426	2,055,426	2,055,426	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	\$2,632,315	\$2,055,426	\$1,905,193	(\$266,155)

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.

\$900,516

Differences - budget to GAAP:

None

0

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

\$900,516

Uses/outflows of resources

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

\$1,050,749

Differences - budget to GAAP:

None

0

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

\$1,050,749

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 04M-X-092-2-2915
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$0	\$19,900	\$0	(\$19,900)
TOTAL REVENUES	0	19,900	0	(19,900)
Expenditures:				
Current:				
Housing development activities				
Construction	0	19,900	19,900	0
TOTAL EXPENDITURES	0	19,900	19,900	0
REVENUES OVER (UNDER) EXPENDITURES	0	0	(19,900)	(19,900)
Fund balance - beginning of year - budgetary basis	43,035	43,035	43,035	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	\$43,035	\$43,035	\$23,135	(\$19,900)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP

Revenues and Expenditures

Sources/inflows of resources

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

\$0

Differences - budget to GAAP:

None

0

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

\$0

Uses/outflows of resources

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

\$19,900

Differences - budget to GAAP:

None

0

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

\$19,900

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 06M-X-092-2-2951
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$0	\$26,300	\$0	(\$26,300)
TOTAL REVENUES	<u>0</u>	<u>26,300</u>	<u>0</u>	<u>(26,300)</u>
Expenditures:				
Current:				
Housing development activities				
Construction	0	26,300	26,300	0
TOTAL EXPENDITURES	<u>0</u>	<u>26,300</u>	<u>26,300</u>	<u>0</u>
REVENUES UNDER EXPENDITURES	<u>0</u>	<u>0</u>	<u>(26,300)</u>	<u>(26,300)</u>
Fund balance - beginning of year - budgetary basis	85,800	85,800	85,800	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u>\$85,800</u>	<u>\$85,800</u>	<u>\$59,500</u>	<u>(\$26,300)</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP

Revenues and Expenditures

Sources/inflows of resources

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

\$0

Differences - budget to GAAP:

None

0

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

\$0

Uses/outflows of resources

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

\$26,300

Differences - budget to GAAP:

None

0

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

\$26,300

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 07M-X-092-2-2961
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$0	\$27,500	\$0	(\$27,500)
TOTAL REVENUES	0	27,500	0	(27,500)
Expenditures:				
Current:				
Housing development activities				
Construction	0	27,500	27,500	0
TOTAL EXPENDITURES	0	27,500	27,500	0
REVENUES UNDER EXPENDITURES	0	0	(27,500)	(27,500)
Fund balance - beginning of year - budgetary basis	115,300	115,300	115,300	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	\$115,300	\$115,300	\$87,800	(\$27,500)

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.

\$27,500

Differences - budget to GAAP:

None

0

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

\$27,500

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 07MR-X-092-2-2979
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$0	\$11,000	\$0	(\$11,000)
TOTAL REVENUES	0	11,000	0	(11,000)
Expenditures:				
Housing development activities				
Construction	0	11,000	11,000	0
TOTAL EXPENDITURES	0	11,000	11,000	0
REVENUES OVER EXPENDITURES	0	0	(11,000)	(11,000)
Fund balance - beginning of year - budgetary basis	59,000	59,000	59,000	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	\$59,000	\$59,000	\$48,000	(\$11,000)

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.

\$11,000

Differences - budget to GAAP:

None

0

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

\$11,000

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 2016-116
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$0	\$241	\$110,241	\$110,000
TOTAL REVENUES	0	241	110,241	110,000
Expenditures:				
Housing development activities				
Construction	0	241	241	0
TOTAL EXPENDITURES	0	241	241	0
REVENUES OVER EXPENDITURES	0	0	110,000	110,000
Fund balance - beginning of year - budgetary basis	59,000	59,000	59,000	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	\$59,000	\$59,000	\$169,000	\$110,000

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.

\$110,241

Differences - budget to GAAP:

None

0

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

\$110,241

Uses/outflows of resources

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

\$241

Differences - budget to GAAP:

None

0

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

\$241

**CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARSION SCHEDULE
ACCOMODATIONS TAX
FOR YEAR ENDED JUNE 30, 2017**

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	
Revenues:				
Taxes	\$2,731,000	\$2,731,000	\$3,059,866	\$328,866
Interest income	0	0	159	159
TOTAL REVENUES	2,731,000	2,731,000	3,060,025	329,025
Expenditures:				
Other services and charges	2,130,945	2,130,945	2,238,962	(108,017)
Transfer out	702,157	702,157	505,000	197,157
TOTAL EXPENDITURES	2,833,102	2,833,102	2,743,962	89,140
REVENUES OVER (UNDER) EXPENDITURES	(102,102)	(102,102)	316,063	418,165
Net position - beginning of year - budgetary basis	584,357	584,357	584,357	0
NET POSITION - END OF YEAR	\$482,255	\$482,255	\$900,420	\$418,165

Explanation of Differences between Budgetary Inflows and Outflows and GAAP

Revenues and Expenditures

Sources/inflows of resources

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

\$3,060,025

Differences - budget to GAAP:

None

0

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

\$3,060,025

Uses/outflows of resources

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

\$2,743,962

Differences - budget to GAAP:

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

(505,000)

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

\$2,238,962

**CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
YOUTH RECREATION SCHOLARSHIP FUND
FOR YEAR ENDED JUNE 30, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNT BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Interest income	\$0	\$0	\$0	\$0
TOTAL REVENUES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:				
General Governmental	425	425	1,940	(1,515)
TOTAL EXPENDITURES	<u>425</u>	<u>425</u>	<u>1,940</u>	<u>(1,515)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(425)</u>	<u>(425)</u>	<u>(1,940)</u>	<u>(1,515)</u>
Net position - beginning of year - budgetary basis	<u>1,940</u>	<u>1,940</u>	<u>1,940</u>	<u>0</u>
NET POSITION - END OF YEAR	<u>\$1,515</u>	<u>\$1,515</u>	<u>\$0</u>	<u>(\$1,515)</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP

Revenues and Expenditures

Sources/inflows of resources

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

\$0

Differences - budget to GAAP:

None

0

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

\$0

Uses/outflows of resources

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

\$1,940

Differences - budget to GAAP:

None

0

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

\$1,940

**CITY OF VALDOSTA, GEORGIA
SALES TAX 2013 FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u>
Revenues:			
Intergovernmental	\$11,200,000	\$11,286,970	\$86,970
Transfer in	0	527,565	527,565
TOTAL REVENUES	<u>11,200,000</u>	<u>11,814,535</u>	<u>614,535</u>
Expenditures:			
Capital outlay:			
Resurfacing	174,000	911,074	(737,074)
Road improvements	1,851,334	1,631,320	220,014
Sidewalk improvements	418,000	206,464	211,536
Intersection improvements	80,300	0	80,300
Drainage improvements	364,888	40,000	324,888
Traffic improvements	168,404	123,470	44,934
Street maintenance repairs	70,000	76,695	(6,695)
Piping of ditches	61,370	14,112	47,258
Police buildings	0	64,729	(64,729)
Public safety radio	0	1,286,945	(1,286,945)
Technology police	0	49,047	(49,047)
Miscellaneous parks and recreation projects	0	40,690	(40,690)
Refuse trucks	0	107,180	(107,180)
Equipment	0	(107,180)	107,180
GEFA debt repayment for Force Main Project	0	34,877	(34,877)
Manhole/liner rehabilitation	0	258,661	(258,661)
Withlacoochee sewer plant	2,098,327	460,548	1,637,779
Software & hardware	100,000	(1,426)	101,426
Parks and recreation	166,666	0	166,666
TOTAL EXPENDITURES	<u>5,553,289</u>	<u>5,197,206</u>	<u>356,083</u>
REVENUES OVER EXPENDITURES	5,646,711	6,617,329	970,618
Fund balance - beginning of year - budgetary basis	(4,173,936)	(4,173,936)	0
FUND BALANCE (DEFICIT) - END OF YEAR - BUDGETARY BASIS	<u>\$1,472,775</u>	<u>\$2,443,393</u>	<u>\$970,618</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.

\$11,814,535

Differences - budget to GAAP:

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

(527,565)

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

\$11,286,970

Uses/outflows of resources

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

\$5,197,206

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.

1,440,400

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

\$6,637,606

**CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
AIRPORT DEVELOPMENT FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u>
Revenues:			
Intergovernmental	\$2,000,000	\$2,286,255	\$286,255
Interest revenue	0	7,064	7,064
TOTAL REVENUES	<u>2,000,000</u>	<u>2,293,319</u>	<u>293,319</u>
Capital outlay:			
Airport improvement	2,000,000	1,980,000	20,000
TOTAL EXPENDITURES	<u>2,000,000</u>	<u>1,980,000</u>	<u>20,000</u>
REVENUES UNDER EXPENDITURES	0	313,319	313,319
Fund balance - beginning of year - budgetary basis	<u>112,738</u>	<u>112,738</u>	<u>0</u>
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u><u>\$112,738</u></u>	<u><u>\$426,057</u></u>	<u><u>\$313,319</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.

\$2,293,319

Differences - budget to GAAP:

None

0

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

\$2,293,319

Uses/outflows of resources

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

\$1,980,000

Differences - budget to GAAP:

None

0

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

\$1,980,000

**CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
ROAD IMPROVEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Revenues:			
Intergovernmental	\$1,034,824	\$1,066,159	\$31,335
TOTAL REVENUES	<u>1,034,824</u>	<u>1,066,159</u>	<u>31,335</u>
Capital outlay:			
Road improvement	1,034,824	67,608	967,216
Transfer out	0	527,565	(527,565)
TOTAL EXPENDITURES	<u>1,034,824</u>	<u>595,173</u>	<u>439,651</u>
REVENUES UNDER EXPENDITURES	<u>0</u>	<u>470,986</u>	<u>470,986</u>
Fund balance - beginning of year - budgetary basis	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u>\$0</u>	<u>\$470,986</u>	<u>\$470,986</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.

\$1,066,159

Differences - budget to GAAP:

 Transfers in from other funds are outflows for budgetary resources but are not

0

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

\$1,066,159

Uses/outflows of resources

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

\$595,173

Differences - budget to GAAP:

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

(527,565)

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

(67,608)

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

\$0

**CITY OF VALDOSTA, GEORGIA
GENERAL CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u>
Revenues:			
Transfer in	\$165,000	\$0	
TOTAL REVENUES	<u>165,000</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Other services and charges	165,000	4,190	160,810
TOTAL EXPENDITURES	<u>165,000</u>	<u>4,190</u>	<u>160,810</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>(4,190)</u>	<u>160,810</u>
Net position - beginning of year - budgetary basis	<u>261,425</u>	<u>261,425</u>	<u>0</u>
NET POSITION - END OF YEAR - BUDGETARY BASIS	<u><u>\$261,425</u></u>	<u><u>\$257,235</u></u>	<u><u>\$160,810</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.

\$0

Differences - budget to GAAP:

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

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.

\$4,190

Differences - budget to GAAP:

None

0

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

\$4,190

**CITY OF VALDOSTA, GEORGIA
SUNSET HILL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Operating revenues:			
Interest income	\$0	\$332	\$332
Contributions	9,400	8,800	(600)
Rental income	24,555	23,321	(1,234)
TOTAL OPERATING REVENUES	<u>33,955</u>	<u>32,453</u>	<u>(1,502)</u>
Operating expenditures:			
Other services and charges	8,759	4,979	3,780
TOTAL OPERATING EXPENDITURES	<u>8,759</u>	<u>4,979</u>	<u>3,780</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>25,196</u>	<u>27,474</u>	<u>2,278</u>
Fund Balance - beginning of year - budgetary basis	1,661,287	1,661,287	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u><u>\$1,686,483</u></u>	<u><u>\$1,688,761</u></u>	<u><u>\$2,278</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.	\$32,453
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>\$32,453</u></u>

Uses/outflows of resources

Actual expenditures (budgetary basis) from the budgetary comparison schedule.	\$4,979
Differences - budget to GAAP:	
None	<u>0</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u><u>\$4,979</u></u>

NON - MAJOR ENTERPRISE FUNDS

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

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.

CITY OF VALDOSTA, GEORGIA
COMBINING STATEMENT OF NET POSITION
OTHER ENTERPRISE FUNDS
JUNE 30, 2017

	ENTERPRISE FUNDS			TOTAL OTHER ENTERPRISE FUNDS
	INSPECTION	AUDITORIUM	MOTOR FUEL	
ASSETS				
Current assets:				
Cash	\$300	\$0	\$7,475	\$7,775
Investments	0	0	19,056	19,056
Receivables (net)				
Accounts	0	0	11,620	11,620
Due from other governments and agencies	0	0	19,048	19,048
Total current assets	<u>300</u>	<u>0</u>	<u>57,199</u>	<u>57,499</u>
Non-current assets:				
Capital assets:				
Equipment	40,012	0	0	40,012
	<u>40,012</u>	<u>0</u>	<u>0</u>	<u>40,012</u>
Less accumulated depreciation	(40,012)	0	0	(40,012)
Net capital assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total assets	<u>\$300</u>	<u>\$0</u>	<u>\$57,199</u>	<u>\$57,499</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$21,003	\$12,377	\$0	33,380
Compensated absences	30,644	2,514	0	33,158
Total current liabilities	<u>51,647</u>	<u>14,891</u>	<u>0</u>	<u>66,538</u>
Non-current liabilities (payable from unrestricted assets):				
Compensated absences	0	3,715	0	3,715
Advances from other funds	419,718	219,352	0	639,070
Total non-current liabilities (payable from unrestricted assets)	<u>419,718</u>	<u>223,067</u>	<u>0</u>	<u>642,785</u>
Total liabilities	<u>471,365</u>	<u>237,958</u>	<u>0</u>	<u>709,323</u>
NET POSITION				
Unrestricted	(471,065)	(237,958)	57,199	(651,824)
Total net position (deficit)	<u>(\$471,065)</u>	<u>(\$237,958)</u>	<u>\$57,199</u>	<u>(\$651,824)</u>

CITY OF VALDOSTA, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>ENTERPRISE FUNDS</u>			TOTAL OTHER ENTERPRISE FUNDS
	<u>INSPECTION</u>	<u>AUDITORIUM</u>	<u>MOTOR FUEL</u>	
Operating revenues:				
Permits	\$1,122,042	\$0	\$0	\$1,122,042
Charges for services	41,682	49,011	301,332	392,025
TOTAL OPERATING REVENUES	<u>1,163,724</u>	<u>49,011</u>	<u>301,332</u>	<u>1,514,067</u>
Operating expenses:				
Personal services	563,007	129,134	0	692,141
Contractual services	41,960	93,604	0	135,564
Supplies	5,895	19,990	292,460	318,345
Travel and training	2,654	0	0	2,654
Other services and charges	158,097	21,959	159	180,215
TOTAL OPERATING EXPENSES	<u>771,613</u>	<u>264,687</u>	<u>292,619</u>	<u>1,328,919</u>
OPERATING INCOME (LOSS)	<u>392,111</u>	<u>(215,676)</u>	<u>8,713</u>	<u>185,148</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>392,111</u>	<u>(215,676)</u>	<u>8,713</u>	<u>185,148</u>
Transfers in	0	505,000	0	505,000
Transfers out	(40,769)	(14,222)	0	(54,991)
	<u>(40,769)</u>	<u>490,778</u>	<u>0</u>	<u>450,009</u>
Change in Net Position	351,342	275,102	8,713	635,157
NET POSITION - BEGINNING	<u>(822,407)</u>	<u>(513,060)</u>	<u>48,486</u>	<u>(1,286,981)</u>
NET POSITION - ENDING	<u>(\$471,065)</u>	<u>(\$237,958)</u>	<u>\$57,199</u>	<u>(\$651,824)</u>

CITY OF VALDOSTA, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>ENTERPRISE FUNDS</u>			TOTAL
	<u>INSPECTION</u>	<u>AUDITORIUM</u>	<u>MOTOR FUEL</u>	OTHER ENTERPRISE FUNDS
<u>NET CHANGE IN CASH</u>				
Cash flows from operating activities:				
Cash received from customers	\$1,164,139	\$49,011	\$305,535	\$1,518,685
Cash payments to suppliers for goods and services	(495,337)	(413,169)	(291,984)	(1,200,490)
Cash payments to employees for services	(628,033)	(126,620)	0	(754,653)
Net change in cash from operating activities	<u>40,769</u>	<u>(490,778)</u>	<u>13,551</u>	<u>(436,458)</u>
Cash flows from noncapital financing activities:				
Transfers-in from other funds	0	505,000	0	505,000
Transfers-out to other funds	(40,769)	(14,222)	0	(54,991)
Net change in cash from noncapital financing activities	<u>(40,769)</u>	<u>490,778</u>	<u>0</u>	<u>450,009</u>
Cash flows from investing activities:				
Purchase of investment securities	0	0	(9,633)	(9,633)
Net change in cash from investing activities	<u>0</u>	<u>0</u>	<u>(9,633)</u>	<u>(9,633)</u>
Net change in cash	0	0	3,918	3,918
Cash beginning of year	300	0	3,557	3,857
Cash at end of year	<u>\$300</u>	<u>\$0</u>	<u>\$7,475</u>	<u>\$7,775</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CHANGE IN CASH FROM OPERATING ACTIVITIES</u>				
Operating income (loss)	\$392,111	(\$215,676)	\$8,713	\$185,148
Adjustments to reconcile operating income (loss) to net change in cash from operating activities:				
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	415	0	4,198	4,613
Decrease in due from other governments and agencies	462	0	640	1,102
(Decrease) in accounts payable	5,923	1,777	0	7,700
(Decrease) increase in compensated absences	10,197	2,514	0	12,711
(Decrease) in due to other funds	0	0	0	0
Increase (decrease) in advances from other funds	(368,339)	(279,393)	0	(647,732)
Net change in cash from operating activities	<u>\$40,769</u>	<u>(\$490,778)</u>	<u>\$13,551</u>	<u>(\$436,458)</u>

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.

CITY OF VALDOSTA, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2017

GOVERNMENTAL ACTIVITIES

INTERNAL SERVICE FUNDS

	<u>MOTOR POOL</u>	<u>GROUP INSURANCE</u>	<u>WORKMEN'S COMPENSATION</u>	<u>IT SERVICES</u>	<u>TOTAL INTERNAL SERVICE FUNDS</u>
ASSETS					
Current assets:					
Cash	\$0	\$133,273	\$169,848	\$0	\$303,121
Receivables					
Accounts	0	15,169	2,274	0	17,443
Due from other governments and agencies	0	0	0	64,902	64,902
Due from other funds	0	718,099	305,696	0	1,023,795
Inventories at cost	373,648	0	0	5,726	379,374
Total current assets	<u>373,648</u>	<u>866,541</u>	<u>477,818</u>	<u>70,628</u>	<u>1,788,635</u>
Noncurrent assets:					
Land	92,563	0	0	0	92,563
Land improvements	375,370	0	0	0	375,370
Buildings and structures	547,862	0	0	0	547,862
Motor vehicles	18,152,164	0	0	0	18,152,164
Equipment	2,553,442	0	0	51,852	2,605,294
	21,721,401	0	0	51,852	21,773,253
Less accumulated depreciation	(16,052,258)	0	0	(43,210)	(16,095,468)
Net capital assets (net of accumulated depreciation)	<u>5,669,143</u>	<u>0</u>	<u>0</u>	<u>8,642</u>	<u>5,677,785</u>
Total assets	<u>\$6,042,791</u>	<u>\$866,541</u>	<u>\$477,818</u>	<u>\$79,270</u>	<u>\$7,466,420</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$210,365	\$866,541	\$51,820	\$58,969	\$1,187,695
Compensated absences (current portion)	26,877	0	0	0	26,877
Due to other funds	0	0	0	20,301	20,301
Capital lease payable (current portion)	372,571	0	0	0	372,571
Total current liabilities	<u>609,813</u>	<u>866,541</u>	<u>51,820</u>	<u>79,270</u>	<u>1,607,444</u>
Noncurrent liabilities:					
Compensated absences	25,450	0	0	0	25,450
Capital lease payable (net of current portion)	1,977,786	0	0	0	1,977,786
Advances from other funds	3,429,742	0	0	0	3,429,742
Total liabilities	<u>6,042,791</u>	<u>866,541</u>	<u>51,820</u>	<u>79,270</u>	<u>7,040,422</u>
NET POSITION					
Net investment in capital assets	3,318,786	0	0	8,642	3,327,428
Reserve for workmen's compensation claims	0	0	425,998	0	425,998
Unrestricted	(3,318,786)	0	0	(8,642)	(3,327,428)
Total net position	<u>\$0</u>	<u>\$0</u>	<u>\$425,998</u>	<u>\$0</u>	<u>\$425,998</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, 2017

	GOVERNMENTAL ACTIVITIES				TOTAL INTERNAL SERVICE FUNDS
	INTERNAL SERVICE FUNDS				
	<u>MOTOR POOL</u>	<u>GROUP INSURANCE</u>	<u>WORKMEN'S COMPENSATION</u>	<u>IT SERVICES</u>	
Operating revenues:					
Charges for services	\$4,032,191	\$4,810,519	\$715,258	\$962,121	\$10,520,089
Miscellaneous revenues	8,017	149,511	0	0	157,528
TOTAL OPERATING REVENUES	<u>4,040,208</u>	<u>4,960,030</u>	<u>715,258</u>	<u>962,121</u>	<u>10,677,617</u>
Operating expenses:					
Personal services	695,557	0	0	0	695,557
Contractual services	338,475	1,595,727	0	915,542	2,849,744
Claims paid	198	5,718,071	366,898	0	6,085,167
Supplies	1,910,004	16,157	0	6,762	1,932,923
Travel and training	224	0	0	0	224
Other services and charges	298,513	377	146,825	29,447	475,162
Depreciation expense	990,362	0	0	10,370	1,000,732
TOTAL OPERATING EXPENSES	<u>4,233,333</u>	<u>7,330,332</u>	<u>513,723</u>	<u>962,121</u>	<u>13,039,509</u>
OPERATING INCOME (LOSS)	<u>(193,125)</u>	<u>(2,370,302)</u>	<u>201,535</u>	<u>0</u>	<u>(2,361,892)</u>
Nonoperating revenue (expenses):					
Interest expense	(55,104)	0	0	0	(55,104)
Gain on sale of assets	68,439	0	0	0	68,439
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>13,335</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,335</u>
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(179,790)</u>	<u>(2,370,302)</u>	<u>201,535</u>	<u>0</u>	<u>(2,348,557)</u>
Capital contributions	179,790	0	0	0	179,790
Transfers in	0	2,370,302	0	0	2,370,302
	<u>179,790</u>	<u>2,370,302</u>	<u>0</u>	<u>0</u>	<u>2,550,092</u>
CHANGE IN NET POSITION	<u>0</u>	<u>0</u>	<u>201,535</u>	<u>0</u>	<u>201,535</u>
NET POSITION - BEGINNING	<u>0</u>	<u>0</u>	<u>224,463</u>	<u>0</u>	<u>224,463</u>
NET POSITION - ENDING	<u>\$0</u>	<u>\$0</u>	<u>\$425,998</u>	<u>\$0</u>	<u>\$425,998</u>

CITY OF VALDOSTA, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>MOTOR POOL</u>	<u>GROUP INSURANCE</u>	<u>WORKMEN'S COMP</u>	<u>IT SERVICES</u>	<u>TOTAL INTERNAL SERVICE FUNDS</u>
Cash flows from operating activities:					
Cash received from customers	\$4,040,208	\$4,963,568	\$715,258	\$962,121	\$10,681,155
Cash payments to suppliers for goods and services	(2,094,535)	(7,241,644)	(619,689)	(962,121)	(10,917,989)
Cash payments to employees for services	(690,243)	0	0	0	(690,243)
Net change in cash from operating activities	<u>1,255,430</u>	<u>(2,278,076)</u>	<u>95,569</u>	<u>0</u>	<u>(927,077)</u>
Cash flows from non capital financing activities:					
Transfer in from other fund	0	2,370,302	0	0	2,370,302
Net change in cash from capital financing activities	<u>0</u>	<u>2,370,302</u>	<u>0</u>	<u>0</u>	<u>2,370,302</u>
Cash flows from capital and related financing activities:					
Loan from GMA bond	472,805	0	0	0	472,805
Acquisition and construction of capital assets	(1,376,138)	0	0	0	(1,376,138)
Sale of capital assets	68,439	0	0	0	68,439
Principal payment GMA bond	(365,432)	0	0	0	(365,432)
Interest paid on GMA Bond	(55,104)	0	0	0	(55,104)
Net change in cash from capital and related financing activities	<u>(1,255,430)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,255,430)</u>
Cash flows from investing activities:					
Purchase of investment securities	0	0	0	0	0
Net change in cash from investing activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in cash	<u>0</u>	<u>92,226</u>	<u>95,569</u>	<u>0</u>	<u>187,795</u>
Cash at beginning of year	<u>0</u>	<u>41,047</u>	<u>74,279</u>	<u>0</u>	<u>115,326</u>
Cash at end of year	<u>\$0</u>	<u>\$133,273</u>	<u>\$169,848</u>	<u>\$0</u>	<u>\$303,121</u>
RECONCILIATION OF OPERATING INCOME (LOSS) NET CHANGE IN CASH FROM OPERATING ACTIVITIES:					
Operating income (loss)	(\$193,125)	(\$2,370,302)	\$201,535	\$0	(\$2,361,892)
Adjustments to reconcile operating income (loss) to net change in cash from operating activities:					
Depreciation	990,362	0	0	10,370	1,000,732
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	0	3,538	(2,274)	(64,902)	(63,638)
(Increase) in due from other funds	0	(55,422)	(117,574)	0	(172,996)
(Increase) in inventory	(17,343)	0	0	(5,726)	(23,069)
Increase in accounts payable	14,258	144,110	13,882	46,169	218,419
Increase in compensated absences	5,314	0	0	0	5,314
Increase in due to other funds	0	0	0	14,089	14,089
Increase in advances from other funds	455,964	0	0	0	455,964
Net change in cash from operating activities	<u>\$1,255,430</u>	<u>(\$2,278,076)</u>	<u>\$95,569</u>	<u>\$0</u>	<u>(\$927,077)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contributed capital assets from SPLOST 2013	179,790	0	0	0	179,790

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, 2017

	<u>TREE COMMISSION</u>	<u>EVIDENCE AGENCY FUND</u>	<u>TOTAL FIDUCIARY FUNDS</u>
ASSETS			
Cash	\$58,955	\$12,050	\$71,005
Investments	7,380	46,881	54,261
Total assets	<u>\$66,335</u>	<u>\$58,931</u>	<u>\$125,266</u>
LIABILITIES			
Due to other governments and agencies	\$66,335	\$0	\$66,335
Due to others	0	58,931	58,931
Total liabilities	<u>\$66,335</u>	<u>\$58,931</u>	<u>\$125,266</u>

CITY OF VALDOSTA, GEORGIA
AGENCY FUND
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2017

TREE COMMISSION

	Balance			Balance
	June 30, 2016	Additions	Deductions	June 30, 2017
<u>ASSETS</u>				
Cash	\$57,212	\$12,654	\$10,911	\$58,955
Investments	7,372	8	0	7,380
Total assets	<u>\$64,584</u>	<u>\$12,662</u>	<u>\$10,911</u>	<u>\$66,335</u>
<u>LIABILITIES</u>				
Liabilities:				
Due to:				
Other governments and agencies	\$64,584	\$20,644	\$18,893	\$66,335
Total liabilities	<u>\$64,584</u>	<u>\$20,644</u>	<u>\$18,893</u>	<u>\$66,335</u>

EVIDENCE AGENCY FUND

	Balance			Balance
	June 30, 2016	Additions	Deductions	June 30, 2017
<u>ASSETS</u>				
Cash	\$4,094	\$10,088	\$2,132	\$12,050
Investments	54,820	89,120	97,059	46,881
Total assets	<u>\$58,914</u>	<u>\$99,208</u>	<u>\$99,191</u>	<u>\$58,931</u>
<u>LIABILITIES</u>				
Liabilities:				
Due to:				
Others	\$58,914	\$99,208	\$99,191	\$58,931
Total liabilities	<u>\$58,914</u>	<u>\$99,208</u>	<u>\$99,191</u>	<u>\$58,931</u>

TOTAL

	Balance			Balance
	June 30, 2016	Additions	Deductions	June 30, 2017
<u>ASSETS</u>				
Cash	\$61,306	\$22,742	\$13,043	\$71,005
Investments	62,192	89,128	97,059	54,261
Total assets	<u>\$123,498</u>	<u>\$111,870</u>	<u>\$110,102</u>	<u>\$125,266</u>
<u>LIABILITIES</u>				
Liabilities:				
Due to:				
Other governments and agencies	\$64,584	\$20,644	\$18,893	\$66,335
Others	58,914	99,208	99,191	58,931
Total liabilities	<u>\$123,498</u>	<u>\$119,852</u>	<u>\$118,084</u>	<u>\$125,266</u>

S U P P L E M E N T A L
F I N A N C I A L D A T A

CITY OF VALDOSTA, GEORGIA
 SCHEDULE OF PROJECTS CONSTRUCTED
 WITH SPECIAL SALES TAX PROCEEDS
 SALES TAX 2013 FUND
 For the Year Ended June 30, 2017

No.	Project	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Year SPLOST	Current Year Other Sources	Total	Estimated Percentage of Completion
1	Resurfacing	\$2,000,000	\$2,000,000	(\$192,281)	373,852	\$0	\$181,571	9%
2	Road improvements	3,075,000	3,075,000	1,137,425	3,355,529	(498,570)	3,994,384	100%
3	Sidewalk improvements	2,000,000	2,000,000	316,780	172,954	0	489,734	24%
4	Intersection improvements	200,000	200,000	0	0	0	0	0%
5	Drainage improvements	3,000,000	3,040,000	146,765	20,000	0	166,765	5%
6	Traffic improvements	750,000	750,000	238,715	132,790	0	371,505	50%
7	Street maintenance repairs	350,000	350,000	60,990	87,645	0	148,635	42%
8	Piping of ditches	300,000	260,000	27,962	13,270	0	41,232	16%
9	Police buildings	130,000	192,308	98,485	94,117	0	192,602	100%
10	Police contingency	105,000	0	0	0	0	0	0%
11	Public safety radio	2,505,000	2,241,574	22,487	1,286,945	0	1,309,432	58%
12	Technology police	633,000	626,067	577,020	49,047	0	626,067	100%
13	Police weapons	127,000	0	0	0	0	0	0%
14	Miscellaneous parks and recreation projects	1,000,000	800,000	54,016	40,690	0	94,706	12%
15	100' aerial fire truck	1,100,000	0	0	0	0	0	0%
16	County wide radio	2,000,000	1,641,750	0	0	0	0	0%
17	Pumper trucks	1,600,000	0	0	0	0	0	0%
18	Public works claw truck	435,000	0	0	0	0	0	0%
19	Miscellaneous equipment	80,000	0	0	0	0	0	0%
20	Front end loader	530,000	0	0	0	0	0	0%
21	Pelican sweeper	165,000	0	0	0	0	0	0%
22	Refuse trucks	960,000	160,000	0	107,180	0	107,180	67%
23	Rear end loader	330,000	0	0	0	0	0	0%
24	Water and sewer contingency	5,257,186	0	0	0	0	0	0%
25	Sewer collections system	20,000,000	7,192,418	0	0	0	0	0%
26	Equipment	375,000	0	0	0	0	0	0%
27	GEFA debt repayment for Force Main Project	6,034,554	13,320,357	829,727	429,162	0	1,258,889	9%
28	Manhole/liner rehabilitation	3,100,000	3,400,000	1,049,690	251,761	0	1,301,451	38%
29	Sewer collections smoke testing	633,260	385,594	385,594	0	0	385,594	100%
30	Withlacoochee sewer plant	20,000,000	23,510,590	23,255,702	200,040	0	23,455,742	100%
31	Downtown	500,000	500,000	0	0	0	0	0%
32	Mathis auditorium	250,000	0	0	0	0	0	0%
33	Software & hardware	500,000	201,801	58,181	(1,426)	0	56,755	0%
34	Vallotton lighting	0	0	34,850	0	0	34,850	0%
35	Force main easements	0	0	16,564	24,050	0	40,614	0%
36	Supplement environmental project	0	0	331,801	0	0	331,801	0%
37	Sugar creek stream/wetlands credits	0	0	24,000	0	0	24,000	0%
38	Withlacoochee stream/wetlands credits	0	0	62,605	0	0	62,605	0%
39	Mathis auditorium fly line replacement	0	0	174,300	0	0	174,300	0%
40	Mathis auditorium roof repairs	0	0	20,350	0	0	20,350	0%
41	Vac con truck	0	323,541	323,541	0	0	323,541	0%
	Subtotal	80,025,000	66,171,000	29,055,269	6,637,606	(498,570)	35,194,305	
	Transfer in	0	0	(300,000)	(527,565)	0	(827,565)	
	Transfer out	0	0	0	0	0	0	
	TOTAL	\$80,025,000	\$66,171,000	\$28,755,269	\$6,110,041	(\$498,570)	\$34,366,740	

Schedule accounts for the total funding to be received under the 2013 SPLOST referendum.

STATISTICAL
SECTION
(UNAUDITED)

City of Valdosta, Georgia
Statistical Section
(Unaudited)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Source:

Unless otherwise noted, the information in these tables is derived from the annual financial reports for the relevant year.

CITY OF VALDOSTA, GEORGIA

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net Investment in Capital Assets	\$142,529,877	\$140,740,030	\$141,810,546	\$136,535,181	\$132,580,868	\$132,065,895	\$130,310,228	\$82,400,730	\$123,787,408	\$126,737,107
Restricted	0	5,865,897	2,148,289	5,426,814	9,910,542	8,345,295	4,545,543	4,545,543	3,998,000	5,034,717
Unrestricted	16,437,761	10,515,004	8,289,776	4,020,845	(795,246)	(5,970,254)	(7,135,321)	(6,568,573)	(55,838,470)	(52,750,184)
Total governmental activities net position	<u>\$158,967,638</u>	<u>\$157,120,931</u>	<u>\$152,248,611</u>	<u>\$145,982,840</u>	<u>\$141,696,164</u>	<u>\$134,440,936</u>	<u>\$127,720,450</u>	<u>\$80,377,700</u>	<u>\$71,946,938</u>	<u>\$79,021,640</u>
Business-type activities										
Net Investment in Capital Assets	\$75,084,728	\$85,383,196	\$93,844,326	\$92,578,491	\$95,909,403	\$101,298,255	\$106,519,347	\$122,682,085	\$133,344,497	\$129,682,586
Restricted	1,960,292	0	0	0	0	0	0	0	0	0
Unrestricted	7,395,534	610,509	(2,328,920)	901,087	(2,300,288)	(2,694,424)	(4,367,660)	(6,796,181)	(5,160,842)	(3,356,799)
Total business-type activities net position	<u>\$84,440,554</u>	<u>\$85,993,705</u>	<u>\$91,515,406</u>	<u>\$93,479,578</u>	<u>\$93,609,115</u>	<u>\$98,603,831</u>	<u>\$102,151,687</u>	<u>\$115,885,904</u>	<u>\$128,183,655</u>	<u>\$126,325,787</u>
Primary government										
Net Investment in Capital Assets	\$217,614,605	\$226,123,226	\$235,654,872	\$229,113,672	\$228,490,271	\$233,364,150	\$236,829,575	\$205,082,815	\$257,131,905	\$256,419,693
Restricted	1,960,292	5,865,897	2,148,289	5,426,814	9,910,542	8,345,295	4,545,543	4,545,543	3,998,000	5,034,717
Unrestricted	23,833,295	11,125,513	5,960,856	4,921,932	(3,095,534)	(8,664,678)	(11,502,981)	(13,364,754)	(60,999,312)	(56,106,983)
Total primary government net position	<u>\$243,408,192</u>	<u>\$243,114,636</u>	<u>\$243,764,017</u>	<u>\$239,462,418</u>	<u>\$235,305,279</u>	<u>\$233,044,767</u>	<u>\$229,872,137</u>	<u>\$196,263,604</u>	<u>\$200,130,593</u>	<u>\$205,347,427</u>

CITY OF VALDOSTA, GEORGIA

Changes in Net Positions

Last Ten Fiscal Years
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
General government	\$16,079,650	\$21,051,823	\$24,949,781	\$22,509,701	\$24,645,893	\$22,929,060	\$22,657,247	\$21,365,496	\$19,793,450	\$21,222,388
Public safety	18,198,511	18,948,740	20,218,017	20,016,681	20,542,890	20,074,107	21,558,234	21,876,662	24,181,599	22,026,971
Culture - recreation	5,417,919	4,757,377	0	0	0	0	0	0	0	0
Public works	1,721,811	1,791,236	2,150,240	1,893,485	1,872,351	1,613,315	1,597,172	1,720,736	2,042,771	1,664,440
Community development	1,686,051	1,214,273	1,125,956	1,110,945	1,101,147	1,042,940	1,276,726	1,036,031	1,104,091	2,037,292
Interest on long-term debt	0	0	0	0	0	0	9,846	5,003	3,044	9,645
Total governmental activities	43,103,942	47,763,449	48,443,994	45,530,812	48,162,281	45,659,422	47,099,225	46,003,928	47,124,955	46,960,736
Business-type activities										
Sanitation	3,793,083	4,269,920	4,124,236	4,379,655	4,392,197	4,482,868	4,611,013	4,793,589	4,992,623	5,262,973
Water and sewer	10,605,817	11,684,974	11,378,940	11,889,430	13,000,285	12,260,646	14,365,317	16,259,357	15,891,914	19,902,939
Inspection	1,349,936	1,328,557	1,022,811	965,786	970,029	940,143	1,042,114	949,697	862,507	811,270
Zoning	187,132	351,768	377,434	446,049	455,267	359,543	0	0	0	0
DOL building	373,314	357,962	361,234	424,197	368,853	355,022	341,979	373,249	423,139	343,828
Storm Water	793,438	914,988	963,042	1,231,214	1,371,900	1,223,050	1,238,148	1,090,243	1,091,578	1,354,319
Auditorium	183,265	224,187	256,933	240,981	249,576	212,676	196,780	242,997	245,846	276,172
Motor fuel	437,855	299,556	388,445	527,982	537,152	556,674	532,420	402,611	271,105	292,619
Total business-type activities	17,723,840	19,431,912	18,872,075	20,105,294	21,345,259	20,390,622	22,327,771	24,111,743	23,778,712	28,244,120
Total primary government	\$60,827,782	\$67,195,361	\$67,316,069	\$65,636,106	\$69,507,540	\$66,050,044	\$69,426,996	\$70,115,671	\$70,903,667	\$75,204,856
Program Revenues										
Governmental activities										
Charges for services										
General government	\$334,079	\$304,914	\$116,678	\$94,155	\$204,692	\$54,692	\$103,489	\$355,698	\$56,591	(\$14,556)
Public safety	2,378,334	2,295,084	2,406,734	2,231,793	2,759,530	2,533,635	2,267,311	2,320,195	2,203,592	2,307,698
Culture - recreation	569,084	872,535	4,815	0	0	0	0	0	0	0
Other activities	100,140	194,471	261,913	263,364	244,771	145,443	255,987	115,062	103,566	134,989
Operating grants and contributions	2,010,035	2,955,677	1,678,825	2,386,413	683,356	2,168,333	2,680,619	2,156,022	2,558,807	3,324,713
Capital grants and contributions	2,761,057	235,523	12,808,115	8,202,070	12,086,133	9,619,416	10,505,462	12,744,363	11,907,962	12,989,719
Total governmental activities program revenues	8,152,729	6,858,204	17,278,080	13,177,795	15,978,482	14,521,519	15,812,868	17,691,340	16,830,518	18,142,563
Business-type activities										
Charges for services										
Sanitation	4,300,575	4,266,029	4,347,346	4,278,815	4,161,616	4,399,518	4,701,759	4,762,126	5,025,549	5,166,514
Water and sewer	12,499,565	12,286,043	12,655,546	13,817,286	14,230,907	15,240,633	15,383,914	17,153,046	17,185,147	18,533,990
Inspection	1,001,745	777,209	1,009,372	936,977	644,462	642,235	784,402	920,440	860,838	1,163,324
DOL building	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157
Storm Water	1,176,378	1,178,261	1,232,845	1,257,082	1,242,399	1,271,392	1,280,524	1,286,864	1,283,342	1,690,913
Other activities	546,918	378,853	471,094	762,299	737,719	675,301	584,687	463,643	323,915	350,343
Operating grants and contributions	0	46,673	459,325	0	269,437	0	0	0	0	0
Capital grants and contributions	0	537,407	4,513,063	1,119,880	957,991	758,616	0	0	0	0
Total business-type activities program revenues	19,994,338	19,939,632	25,157,748	22,610,496	22,713,688	23,456,852	23,204,443	25,055,276	25,147,948	27,374,641
Total business-type activities program revenues	\$28,147,067	\$26,797,836	\$42,435,828	\$35,788,291	\$38,692,170	\$37,978,371	\$39,017,311	\$42,746,616	\$41,978,466	\$45,517,204
Net (Expense)/Revenue										
Governmental activities	(\$34,951,213)	(\$40,905,245)	(\$31,165,914)	(\$32,353,017)	(\$32,183,799)	(\$31,137,903)	(\$31,286,357)	(\$28,312,588)	(\$30,294,437)	(\$28,818,173)
Business-type activities	2,270,498	507,720	6,285,673	2,505,202	1,368,429	3,066,230	876,672	943,533	1,369,236	(869,479)
Total primary government net expense	(\$32,680,715)	(\$40,397,525)	(\$24,880,241)	(\$29,847,815)	(\$30,815,370)	(\$28,071,673)	(\$30,409,685)	(\$27,369,055)	(\$28,925,201)	(\$29,687,562)
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes										
Property taxes	\$8,545,239	\$7,983,728	\$5,804,625	\$5,878,814	\$6,022,229	\$6,348,885	\$6,974,207	\$10,089,226	\$10,128,482	\$12,683,175
Sales tax	19,064,945	21,843,864	9,242,810	9,197,511	9,493,841	9,225,131	8,954,342	9,083,678	8,853,226	8,723,677
Accommodations tax	821,513	1,536,227	1,476,776	1,504,153	1,562,285	1,667,870	1,856,448	2,725,208	2,893,595	3,059,867
Other taxes	8,323,386	8,593,865	8,303,204	8,264,303	8,925,259	8,938,156	8,844,442	9,331,528	9,532,899	9,704,815
Investment earnings	466,490	150,410	292,878	46,580	31,960	27,214	19,831	16,526	17,374	32,657
Miscellaneous	318,093	(65,274)	409,010	640,692	619,479	227,429	587,662	628,271	427,323	700,295
Contributions to permanent fund	0	0	0	0	0	0	0	0	0	0
Transfers	1,464,039	1,448,969	771,412	555,193	1,242,070	(2,646,499)	(2,671,061)	(12,790,684)	(9,989,224)	988,389
Total governmental activities	39,003,705	41,471,789	26,300,715	26,087,246	27,897,123	23,788,186	24,565,871	19,133,753	21,863,675	35,892,875
Business-type activities										
Property taxes	98,174	0	0	0	0	0	0	0	0	0
Investment earnings	436,120	81,149	7,440	14,163	3,178	792	123	0	0	0
Capital contributions	0	0	0	0	0	0	0	0	0	0
Special items	0	0	0	0	0	0	0	0	939,291	0
Transfers	(1,464,039)	(1,448,969)	(771,412)	(555,193)	(1,242,070)	2,692,361	2,671,061	12,790,684	9,989,224	(988,389)
Total business-type activities	(929,745)	(1,367,820)	(763,972)	(541,030)	(1,238,892)	2,693,153	2,671,184	12,790,684	10,928,515	(988,389)
Total primary government	\$38,073,960	\$40,103,969	\$25,536,743	\$25,546,216	\$26,658,231	\$26,481,339	\$27,237,055	\$31,924,437	\$32,792,190	\$34,904,486
Change in Net Position										
Governmental activities	\$4,052,492	\$566,544	(\$4,865,199)	(\$6,265,771)	(\$4,286,676)	(\$7,349,717)	(\$6,720,486)	(\$9,178,835)	(\$8,430,762)	\$7,074,702
Business-type activities	1,340,753	(860,100)	5,521,701	1,964,172	129,537	5,759,383	3,547,856	13,734,217	12,297,751	(1,857,868)
Total primary government	\$5,393,245	(\$293,556)	\$656,502	(\$4,301,599)	(\$4,157,139)	(\$1,590,334)	(\$3,172,630)	\$4,555,382	\$3,866,989	\$5,216,834

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$1,564,414	\$6,155,409	\$7,927,686	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unreserved	10,276,936	5,919,560	1,071,975	0	0	0	0	0	0	0
Nonspendable	0	0	0	4,521,846	4,522,249	4,245,727	2,899,736	4,277,368	3,551,702	3,292,866
Restricted	0	0	0	176,391	181,778	151,288	177,245	207,912	206,002	214,291
Committed	0	0	0	10,767	10,767	10,767	10,767	10,767	10,767	10,767
Assigned	0	0	0	701,620	316,892	0	0	0	0	0
Unassigned	0	0	0	0	0	128,039	-1,080,989	(1,873,454)	(1,235,605)	(498,949)
Total General Fund	<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>	<u>\$2,006,759</u>	<u>\$2,622,593</u>	<u>\$2,532,866</u>	<u>\$3,018,975</u>
All Other Governmental Funds										
Reserved	\$8,284,616	\$4,083,398	\$5,709,854	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unreserved, reported in:										
Special revenue funds	(2,585,325)	(385,432)	(13,830)	0	0	0	0	0	0	0
Capital projects funds	(2,648,012)	3,979,550	(547,313)	0	0	0	0	0	0	0
Nonspendable, reported in:										
Special revenue funds	0	0	0	2,967,676	2,835,801	2,670,464	2,601,916	2,615,521	2,526,771	0
Capital projects funds	0	0	0	774,135	696,464	573,385	300,000	213,395	213,395	0
Permanent funds	0	0	0	1,472,224	1,525,822	1,304,778	1,617,435	1,639,355	1,661,287	1,688,761
Restricted, reported in:										
Special revenue funds	0	0	0	128,682	249,087	224,601	409,505	259,555	179,820	2,692,805
Capital projects funds	0	0	0	3,466,879	7,194,623	5,714,008	6,336,172	11,623,286	2,141,728	2,893,717
Assigned, reported in:										
Special revenue funds	0	0	0	107,906	205,630	323,727	404,357	319,114	584,357	900,420
Capital projects funds	0	0	0	763,598	39,966	0	0	490,642	374,163	1,472,890
Unassigned, reported in:										
Special revenue funds	0	0	0	(275,654)	(223,869)	(104,185)	(311,093)	(115,034)	(43,746)	(193,979)
Capital projects funds	0	0	0	(25,757)	0	0	0	(11,229,531)	(4,387,331)	0
Total all other governmental funds	<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>	<u>\$11,358,292</u>	<u>\$5,816,303</u>	<u>\$3,250,444</u>	<u>\$9,454,614</u>
Total all governmental funds	<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>	<u>\$13,365,051</u>	<u>\$8,438,896</u>	<u>\$5,783,310</u>	<u>\$12,473,589</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 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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$38,559,386	\$28,554,986	\$24,755,327	\$24,345,814	\$25,550,030	\$25,647,433	26,306,492	30,611,633	30,908,671	33,558,371
Licenses and permits	350,301	439,643	423,463	394,262	519,109	514,949	508,051	529,749	536,322	557,575
Charges for services	740,615	1,048,126	116,347	384,075	437,959	476,460	376,127	458,832	142,285	109,622
Fines and forfeitures	1,354,321	1,318,613	1,361,565	1,414,425	1,517,532	1,391,867	1,233,369	1,150,198	1,038,107	1,186,152
Interest income	466,492	149,868	314,351	46,581	33,402	27,214	19,831	18,034	17,374	32,657
Contributions	131,843	124,039	44,444	59,507	55,730	64,720	40,764	17,731	28,648	21,236
Miscellaneous	336,547	306,393	272,068	520,475	687,666	599,370	695,265	644,895	537,879	670,526
Intergovernmental	3,409,690	15,102,975	15,843,248	12,238,994	14,151,399	12,627,387	14,681,553	16,116,112	15,208,742	17,109,319
Total revenues	45,349,195	47,044,643	43,130,813	39,404,133	42,952,827	41,349,400	43,861,452	49,547,184	48,418,028	53,245,458
Expenditures										
General government	9,338,406	10,560,058	10,802,936	10,777,003	9,917,407	9,623,141	9,818,403	10,815,741	10,738,650	11,040,044
Public safety	17,311,993	17,778,539	18,495,579	20,244,673	18,763,903	18,885,565	19,540,786	20,389,657	22,679,350	22,467,739
Public works	1,624,554	1,658,821	1,940,432	1,260,475	1,721,218	1,469,296	1,381,317	1,532,042	1,820,409	1,506,781
Culture-recreation	3,772,028	4,313,907	0	519,943	0	0	0	0	0	0
Economic development and assistance	1,607,675	1,165,702	1,115,620	1,316,736	1,066,518	1,035,531	1,235,625	984,591	1,054,921	1,992,277
Capital outlay	7,333,982	11,110,102	17,024,777	5,767,224	8,191,502	12,370,884	12,474,501	19,913,386	16,238,204	9,043,280
Debt service										
Interest	0	0	0	0	141,998	141,175	145,862	27,904	77,511	138,188
Principal	0	0	0	0	13,710	14,533	9,846	0	3,044	9,645
Total expenditures	40,988,638	46,587,129	49,379,344	39,886,054	39,816,256	43,540,125	44,606,340	53,663,321	52,612,089	46,197,954
Excess of revenues over (under) expenditures	4,360,557	457,514	(6,248,531)	(481,921)	3,136,571	(2,190,725)	(744,888)	(4,116,137)	(4,194,061)	7,047,504
Other Financing Sources (Uses)										
Capital lease	0	0	0	579,740	0	0	0	0	1,918,894	2,241,065
Transfers in	1,842,815	6,504,629	3,151,993	2,034,678	3,281,658	2,498,768	2,179,651	2,231,000	-2,514,434	(2,718,798)
Transfers out	(386,681)	(2,102,287)	(2,507,575)	(1,490,556)	(3,653,332)	(2,694,456)	(3,312,311)	(3,041,018)	2,134,015	120,508
Total other financing sources (uses)	1,456,134	4,402,342	644,418	1,123,862	(371,674)	(195,688)	(1,132,660)	(810,018)	1,538,475	(357,225)
Net change in fund balances	\$5,816,691	\$4,859,856	(\$5,604,113)	\$641,941	\$2,764,897	(\$2,386,413)	(\$1,877,548)	(\$4,926,155)	(\$2,655,586)	\$6,690,279
Debt service as a percentage of noncapital expenditures	0.000%	0.000%	0.000%	0.000%	0.492%	0.500%	0.485%	0.083%	0.221%	0.398%

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)

	Program Revenues									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function/Program										
Governmental activities:										
General government	\$2,870,427	\$518,237	\$7,204,123	\$8,106,728	\$11,594,766	\$8,751,232	\$10,348,558	\$12,988,509	\$11,831,839	12,198,686
Public safety	3,193,007	4,330,966	5,326,139	3,624,803	3,589,112	4,685,125	4,823,989	3,789,268	4,364,660	4,742,804
Culture - recreation	582,084	890,830	11,791	0	0	0	0	0	0	0
Public works	108,327	117,483	3,446,562	103,835	148,462	734,521	168,377	115,062	103,566	125,293
Public involvement	1,398,884	1,000,688	1,289,465	1,342,429	646,142	350,641	471,944	798,501	530,453	1,075,780
Subtotal governmental activities	<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>	<u>15,812,868</u>	<u>17,691,340</u>	<u>16,830,518</u>	<u>18,142,563</u>
Business-type activities:										
Sanitation	4,300,575	4,312,702	4,862,180	4,571,388	4,337,833	4,399,518	4,701,759	4,762,126	5,025,549	5,166,514
Water and sewer	12,499,565	12,823,450	17,036,186	13,885,754	14,230,907	15,658,173	15,383,914	17,153,046	17,185,147	18,533,990
Inspection	1,001,745	777,209	1,009,372	905,977	737,682	642,235	784,402	920,440	860,838	1,163,724
Zoning	56,437	30,140	117,931	204,679	144,487	61,153	0	0	0	0
DOL building	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157
Storm Water	1,176,378	1,178,261	1,232,845	1,257,082	2,200,390	1,612,468	1,280,524	1,286,864	1,283,342	1,690,913
Auditorium	45,380	41,210	31,380	18,407	46,237	47,562	42,536	51,130	43,734	49,011
Motor fuel	445,101	307,503	398,697	539,213	546,995	566,586	542,151	412,513	280,181	301,332
Subtotal business-type activities	<u>19,994,338</u>	<u>19,939,632</u>	<u>25,157,748</u>	<u>21,851,657</u>	<u>22,713,688</u>	<u>23,456,852</u>	<u>23,204,443</u>	<u>25,055,276</u>	<u>25,147,948</u>	<u>27,374,641</u>
Total primary government	<u>\$28,147,067</u>	<u>\$26,797,836</u>	<u>\$42,435,828</u>	<u>\$35,029,452</u>	<u>\$38,692,170</u>	<u>\$37,978,371</u>	<u>\$39,017,311</u>	<u>\$42,746,616</u>	<u>\$41,978,466</u>	<u>\$45,517,204</u>

CITY OF VALDOSTA, GEORGIA
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	General Property	Sales & Use	Gross Receipts & Business	Other	Total
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
2014	6,841,008	19,436,390	8,654,695	1,856,448	36,788,541
2015	10,027,554	21,228,559	8,457,767	2,959,335	42,673,215
2016	10,088,963	19,806,857	8,862,637	3,007,983	41,766,440
2017	12,605,365	19,512,076	9,053,726	3,059,866	44,231,033
Change 2008-2017	49.85%	-7.72%	14.03%	188.06%	14.71%

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

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Industrial Property	Utility Property	Agricultural Property	Historic Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
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
2014	636,464,744	568,638,842	290,065,770	33,532,264	1,608,965	991,169	80,605,794	150,161,004	1,461,746,544	4.102
2015	629,977,119	586,799,538	286,741,138	35,739,813	1,717,959	1,626,297	93,245,936	150,697,124	1,485,150,676	6.102
2016	621,844,752	675,809,277	309,723,341	37,643,223	2,791,956	2,107,567	60,784,731	198,655,408	1,512,049,439	6.102
2017	618,968,964	647,258,960	315,738,862	35,279,028	2,762,184	2,068,745	46,531,393	183,194,374	1,485,413,762	7.950

Source: Lowndes County Tax Commissioner

CITY OF VALDOSTA, GEORGIA

Water and Sewer Rates

Last Ten Fiscal Years

Residential Class				
Fiscal Year	Water Base Charge	Sewer Base Charge	Water Rate Per CCF	Sewer Rate Per CCF
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
2014	5.60	5.60	1.40	2.80
2015	6.30	6.30	1.40	2.80
2016	7.00	7.00	1.40	2.80
2017	7.35	7.35	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.

Bulk Class		
Fiscal Year	Water Rate Per CCF	Sewer Rate Per CCF
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
2014	N/A	N/A
2015	N/A	N/A
2016	N/A	N/A
2017	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

Fiscal Year	City Direct Rate	Overlapping Rates*		
		Valdosta School District	Community Improvement District	Lowndes County
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
2014	4.102	16.98	5.00	9.56
2015	6.102	16.98	5.00	9.56
2016	6.102	16.98	5.00	9.05
2017	7.950	16.98	5.00	8.974

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 Ten Fiscal Years

Customer	2017			2016			2015			2014			2013		
	Amount Paid	Rank	Percentage of Total	Amount Paid	Rank	Percentage of Total	Amount Paid	Rank	Percentage of Total	Amount Paid	Rank	Percentage of Total	Amount Paid	Rank	Percentage of Total
A D M	\$725,622	1	4.24%	\$763,160	1	4.46%	\$778,395	1	4.55%	\$667,428	1	4.36%	\$709,451	1	4.75%
Valdosta State University	436,046	2	2.55%	453,423	2	2.65%	613,452	2	3.58%	618,673	2	4.04%	479,675	2	3.21%
Valdosta Correctional Institute	382,266	3	2.23%	351,497	3	2.05%	384,952	3	2.25%	360,132	3	2.35%	375,591	3	2.51%
City of Remerton	207,932	4	1.21%	184,607	6	1.08%	169,669	6	0.99%	155,272	6	1.01%	254,232	5	1.70%
South Georgia Medical Center	192,159	5	1.12%	295,014	4	1.72%	266,597	4	1.56%	228,558	4	1.49%	255,716	4	1.71%
South Georgia Pecan Co.	105,109	6	0.61%	93,513	8	0.55%	100,987	9	0.59%	165,707	5	1.08%	116,782	8	0.78%
Woodstone Apartments	87,233	7	0.51%	72,684	10	0.42%	107,680	8	0.63%	129,448	7	0.85%	101,067	9	0.68%
Chemical Research Technology Inc.	83,981	8	0.49%	-	-	-	-	-	-	-	-	-	-	-	-
Union Tank Car	83,400	9	0.49%	-	-	-	-	-	-	-	-	-	-	-	-
The Residents at 5 Points	79,711	10	0.47%	-	-	-	-	-	-	-	-	-	-	-	-
ERCO Worldwide	-	-	-	-	-	-	114,299	7	0.67%	120,371	8	0.79%	124,603	7	0.83%
Lowndes County Utilities	-	-	-	279,747	5	1.63%	261,083	5	1.53%	85,611	10	0.56%	188,057	6	1.26%
Lowndes County Jail	-	-	-	141,415	7	0.83%	100,976	10	0.59%	109,822	9	0.72%	-	-	-
Quad Graphics	-	-	-	85,725	9	0.50%	-	-	-	-	-	-	-	-	-
Arizona Chemical	-	-	-	-	-	-	-	-	-	-	-	-	89,718	10	0.60%
Total	\$2,383,459.00		13.92%	\$2,720,785.00		15.89%	\$2,898,090.00		16.93%	\$2,641,022.00		17.26%	\$2,694,892.00		18.03%

Customer	2012			2011			2010			2009			2008		
	Amount Paid	Rank	Percentage of Total	Amount Paid	Rank	Percentage of Total	Amount Paid	Rank	Percentage of Total	Amount Paid	Rank	Percentage of Total	Amount Paid	Rank	Percentage of Total
A D M	\$755,835	1	5.33%	\$538,804	1	3.91%	\$495,333	1	3.96%	\$615,233	1	4.98%	\$456,870	1	3.68%
Valdosta State University	397,654	2	2.80%	446,869	2	3.24%	235,884	3	1.89%	162,565	5	1.31%	167,025	3	1.34%
Valdosta Correctional Institute	362,925	3	2.56%	332,048	3	2.41%	398,710	2	3.19%	386,723	2	3.13%	302,032	2	2.43%
South Georgia Medical Center	259,453	4	1.83%	183,178	5	1.33%	185,675	3	1.49%	185,585	3	1.50%	133,664	5	1.08%
City of Remerton	130,346	7	0.92%	118,029	7	0.86%	108,042	6	0.86%	88,358	8	0.71%	82,003	7	0.66%
Lowndes County Utilities	179,881	6	1.27%	273,743	4	1.99%	70,774	9	0.57%	87,470	9	0.71%	-	-	-
ERCO Worldwide	97,720	8	0.69%	102,197	8	0.74%	73,086	8	0.58%	88,902	7	0.72%	69,576	9	0.56%
South Georgia Pecan Co.	-	-	-	-	-	-	-	-	-	-	-	-	56,157	10	0.45%
Woodstone Apartments	-	-	-	91,873	9	0.67%	68,265	10	0.55%	-	-	-	-	-	-
Arizona Chemical	93,679	9	0.66%	69,809	10	0.51%	75,504	7	0.60%	122,544	6	0.99%	80,001	8	0.64%
Lowndes County Jail	86,640	10	0.61%	118,539	6	0.86%	164,164	5	1.31%	163,757	4	1.32%	137,199	4	1.10%
Saft	-	-	-	-	-	-	-	-	-	81,192	10	0.66%	93,253	6	0.75%
Campus Crest	187,860	5	1.33%	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$2,551,993.00		18.00%	\$2,275,089.00		16.50%	\$1,875,437.00		15.00%	\$1,982,329.00		16.03%	\$1,577,780.00		12.69%

City of Valdosta, Georgia
Principal Property Taxpayers
For the Fiscal Years Ended June 30, 2017 and 2008

2017				2008			
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.	\$ 58,499,504	1	3.94%	Lowes Companies, Inc.	\$ 37,593,511	1	2.85%
Lowes Distribution, Inc.	42,749,448	2	2.88%	Archer Daniels Midland Co.	28,874,944	2	2.19%
JM Smith Corp	33,383,072	3	0.47%	Marelana Valdosta Mall	12,529,536	3	0.95%
South Georgia Pecan	24,726,227	4	1.26%	Wal-Mart\Sam's Club	11,479,442	4	0.87%
Dupont	18,739,536	5	0.90%	Lankfor Dr. Partners	8,816,283	5	0.67%
GF Valdosta Mall	13,316,495	6	0.81%	Erco Worldwide	8,219,199	6	0.62%
Home Depot	12,031,150	7	1.66%	Du Pont	7,011,722	7	0.53%
Saft Newco, Inc.	8,906,362	8	0.60%	Saft Newco, Inc.	6,316,553	8	0.48%
NL Bassford	7,064,003	9	0.48%	Arizona Chemical	4,943,309	9	0.38%
Preferred Prop Holdings GA	<u>6,910,645</u>	10	<u>2.25%</u>	South Georgia Pecan	<u>3,557,501</u>	10	<u>0.27%</u>
Total Principal Taxpayers	226,326,442		15.24%	Total Principal Taxpayers	129,342,000		9.82%
All Other Taxpayers	<u>1,259,087,320</u>		<u>84.76%</u>	All Other Taxpayers	<u>1,188,165,538</u>		<u>90.18%</u>
Total	<u><u>\$1,485,413,762</u></u>		<u><u>100.00%</u></u>	Total	<u><u>\$ 1,317,507,538</u></u>		<u><u>100.00%</u></u>

Source:

Lowndes County Tax Commissioner's Office

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	4,809,340	4,673,113	97.17%	133,004	4,806,117	99.93%
2009	5,066,177	4,859,886	95.93%	203,594	5,063,480	99.95%
2010	5,428,500	5,173,541	95.30%	251,845	5,425,385	99.94%
2011	5,567,391	5,302,865	95.25%	263,186	5,566,051	99.98%
2012	5,307,294	5,063,850	95.41%	241,421	5,305,271	99.96%
2013	5,496,867	5,246,759	95.45%	249,631	5,496,390	99.99%
2014	5,523,422	5,297,924	95.92%	204,983	5,502,907	99.63%
2015	8,200,148	7,924,813	96.64%	265,437	8,190,250	99.88%
2016	8,860,209	8,287,698	93.54%	246,119	8,533,817	96.32%
2017	11,339,178	10,923,838	96.34%	0	10,923,838	96.34%

CITY OF VALDOSTA, GEORGIA

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Governmental Activities	Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Leases	Revenue Bonds	Term Loans Payable			
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	0.03	879
2014	150,705	2,313,000	48,100,481	50,564,186	0.03	895
2015	57,497	2,080,000	71,774,022	73,911,519	0.04	1,253
2016	2,114,046	2,630,310	84,929,014	89,673,370	0.05	1,592
2017	2,599,644	1,614,000	86,516,027	90,729,671	N/A	N/A

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

CITY OF VALDOSTA, GEORGIA

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Redevelopment Bonds	Total		
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
2014	0	0	0	0	0.00
2015	0	0	0	0	0.00
2016	0	0	0	0	0.00
2017	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, 2017

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Valdosta City School System 2012 Bond Series	\$5,145,000	100.00%	\$5,145,000
Valdosta City School System 2015 Bond Series	\$68,425,000	100.00%	\$68,425,000
Other debt			
Lowndes County - Capital leases	6,625,000	50.07%	<u>3,317,138</u>
			3,317,138
Subtotal, overlapping debt			76,887,138
City direct debt			<u>2,599,644</u>
			<u><u>\$79,486,782</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 2016 County taxable valuation of \$3,332,195,761 and City taxable valuation of \$1,668,412,629 percent 50.07%.

CITY OF VALDOSTA, GEORGIA

Legal Debt Margin Information

Last Ten Fiscal Years
(accrual basis of accounting)

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value	\$1,472,025,430
Debt limit (10% of assessed value)	147,202,543
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	\$147,202,543

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$131,750,754	\$139,496,150	\$142,695,346	\$142,201,082	\$140,260,729	\$145,708,334	\$146,174,654	\$145,662,006	\$151,204,944	\$147,202,543
Total net debt applicable to limit	0	0	0	579,740	437,742	296,567	150,705	57,497	2,114,046	2,599,644
Legal debt margin	\$131,750,754	\$139,496,150	\$142,695,346	\$141,621,342	\$139,822,987	\$145,411,767	\$146,023,949	\$145,604,509	\$149,090,898	\$144,602,899
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.41%	0.31%	0.20%	0.10%	0.04%	1.42%	1.80%

CITY OF VALDOSTA, GEORGIA

Pledged-Revenue Coverage

Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Water/Sewer Revenue Bonds					Coverage
	Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
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
2014	15,383,914	13,082,734	2,301,180	0	0	0.00
2015	17,153,046	14,792,123	2,360,923	0	0	0.00
2016	17,185,147	14,303,538	2,881,609	0	0	0.00
2017	18,482,449	16,264,679	2,217,770	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

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2008	47,567	3,400,690	26,504	31.1	7,245	5.2%
2009	48,547	3,673,193	29,169	27.3	7,377	5.8%
2010	52,169	3,967,021	29,184	29.5	7,501	8.6%
2011	54,518	4,063,000	29,512	30.9	7,511	8.8%
2012	56,019	4,134,363	30,377	27.1	7,647	9.2%
2013	57,597	4,322,846	32,372	27.0	7,802	9.1%
2014	56,481	4,672,714	32,504	30.0	8,012	7.9%
2015	58,994	4,644,735	32,138	26.6	8,074	6.6%
2016	56,324	4,591,688	32,986	27.0	7,834	5.7%
2017	56,945	4,772,327	N/A	28.5	8,134	5.0%

Sources:

US Census Bureau
 US Department of Commerce - BEA
 Georgia Department of Labor
 Valdosta City School Board
 Valdost Chamber of Commerce

City of Valdosta, Georgia
Principal Employers
For the Fiscal Years Ended June 30, 2017 and 2008

Employer	2017			Employer	2008		
	Number of Employees	Rank	Percentage of Total City Employment		Number of Employees	Rank	Percentage of Total City Employment
Moody Air Force Base	5,478	1	8.92%	Moody Air Force Base	4,448	1	6.79%
South Georgia Medical Center	2,559	2	4.17%	South Georgia Medical Center	2,300	2	3.51%
Valdosta State University	2,311	4	3.76%	Valdosta State University	2,280	3	3.48%
Fresh Beginnings Inc.	1,582	3	2.58%	Lowndes County Schools	1,279	4	1.95%
Lowndes County Schools	1,388	5	2.26%	Valdosta City School System	950	5	1.45%
Valdosta City School System	1,270	6	2.07%	Lowe's Distribution Center	900	6	1.37%
Lowe's Distribution Center	992	8	1.62%	Convergys	850	7	1.30%
Wild Adventures	900	7	1.47%	City of Valdosta Government	659	8	1.01%
Walmart Supercenters	859	9	1.40%	Lowndes County Government	540	9	0.82%
City of Valdosta Government	582	10	0.95%	Fresh Beginning	500	10	0.76%
Total Principal Employees	17,921		29.19%	Total Principal Employees	14,706		22.46%
Other Employees	43,471		70.81%	Other Employees	50,758		77.54%
Total Employees	61,392		100.00%	Total Employees	65,464		100.00%

Sources:

Georgia Department of Labor
Valdosta-Lowndes Chamber of Commerce

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

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
City Manager's Office	5	5	4	4	4	4	4	5	5	6
Municipal Court	4	5	4	4	4	4	4	4	4	4
Human Resources	4	4	4	4	4	4	4	3	4	4
Finance	23	25	24	24	26	25	25	24	24	23
Engineering	30	30	27	27	27	22	22	23	25	26
Information Technology	1	1	1	1	2	2	2	0	0	0
Facility Maintenance	6	4	4	5	5	4	4	4	5	5
Police	178	179	169	171	172	169	169	162	166	183
Fire	106	106	104	99	98	102	102	101	96	105
Public Works	33	33	36	36	32	21	21	30	27	31
Public Involvement	0	7	7	8	7	7	7	2	2	2
Community Development	20	31	25	24	22	21	21	21	22	22
Parks & Recreation	61	59	0	0	0	0	0	0	0	0
Sanitation	55	55	54	55	48	44	44	48	55	51
Water	39.4	39.7	44	44	49	45	45	59	66	69
Sewer	62.6	63.3	39	39	36	36	36	24	18	18
Storm Water	13	13	13	14	14	14	14	13	12	15
Inspections	19	0	0	0	0	0	0	0	0	0
Zoning	2	4	4	4	4	4	4	4	4	4
Fleet	15	15	15	15	11	11	11	13	14	14
Total	677	679	578	578	565	539	539	540	549	582

Sources:
 City Human Resource Department

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
City of Valdosta										
Operating Indicators by Function/Program										
<u>Engineering</u>										
Feet of Failed Pavement Repaired	40,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Percent of projects awarded within 10% of engineer's estimate	90%	90%	90%	90%	90%	90%	90%	90%	67%	67%
<u>Municipal Court</u>										
Dockets Processed	15,000	14,500	15,000	15,000	16,500	17,000	17,000	14,000	12,000	12,000
<u>Police</u>										
Increase in Citizen contacts	2,500	2,650	2,650	2,650	2,900	1,800	2,770	2,770	2,800	2,850
Narcotics Arrests	340	310	320	320	320	320	320	320	325	330
Students Completing Dare	1,360	1,310	1,360	1,360	1,376	1,350	1,202	1,370	1,380	1,385
<u>Fire</u>										
Number of Fire Stations	7	7	7	7	7	7	7	7	7	7
Number of Fire Inspections performed	1,340	1,380	1,390	1,395	1,390	1,500	1,500	1,245	1,200	1,200
<u>Public Works</u>										
Street Sweeping Frequency per year	25	25	25	25	30	30	15	12	13	12
<u>Arborist</u>										
Number of Trees Planted	100	100	75	75	280	220	100	40	40	40
Number of trees Pruned	1,000	1,000	1,000	1,000	1,200	1,300	500	1,000	800	800
<u>Public Involvement</u>										
Bi-monthly Newsletters Produced	6	6	6	6	6	6	4	4	4	4
Net Gain of new downtown Buisnesses	5	6	5	5	6	8	5	5	5	6
<u>Sanitation</u>										
Residential Stops/collection employee/week	890	925	925	925	2,620	2,635	2,650	2,640	2,660	2,670
Commercial lifts per hour/driver	18	18	25	25	38	40	40	40	38	39
<u>Drainage</u>										
Feet of storm drain cleaned and maintained	20,000	20,000	20,000	20,000	13,311	15,000	15,000	50,000	50,000	50,000
<u>Water</u>										
Average volume of water treated (MGD)	9.850	10.500	11.150	11.150	11.500	11.500	9.670	11.260	11.6	11.6
New meters installed annually	500	500	500	500	1000	1500	1500	1500	500	500
<u>Sewer</u>										
Average volume of wastewater treated daily (MGD)	8.84	9.5	9.5	9.5	6.5	7.7	8.1	9.9	10	10
Miles of sewers maintained	260	265	260	270	270	275	275	330	315	330
<u>Inspections</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	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
<u>Auditorium</u>										
Number of Days Rented	340	340	330	330	330	330	330	175	175	175

Source: City of Valdosta Budget Document

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

<u>Function Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	156	150	157	155	155	158	158	158	158	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)	304	304	304	304	304	304	304	304	304	304
Streetlights	6,133	6,217	6,217	6,222	6,266	6,266	6,277	6,277	6,277	6,277
Traffic signals	124	124	124	125	126	127	127	127	127	128
Park and recreation										
Acreage	505	505	300	300	300	300	300	300	300	300
Playgrounds	5	5	2	2	2	2	2	2	2	2
Baseball/softball diamonds	29	29	24	24	24	24	24	24	24	24
Soccer/football fields	3	3	3	3	3	3	3	3	3	3
Community centers	6	6	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	303	305	311	320	389	395	402	410	419	430
Fire hydrants	2,650	2,927	3,112	3,200	3,301	3,341	3,387	3,443	3,477	3,481
Storage capacity (gallons)	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000
Wastewater										
Sanitary sewers (miles)	266	315	320	325	325	330	330	330	335	342
Treatment capacity (gallons)	11,330,000	11,330,000	11,330,000	13,830,000	13,830,000	17,270,000	17,270,000	17,700,000	17,700,000	17,700,000

Sources: Various city departments

S I N G L E A U D I T

CITY OF VALDOSTA, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2017

Grant Title	CFDA Number	Grant I. D. Number	Expenditures	Passed through to Subrecipients
<u>U S Environmental Protection Agency</u>				
Indirect Federal Grants:				
Passed through Georgia Environmental Facilities Authority (GEFA)				
Clean Water Program (loan)	66.458	CW 13006	\$2,718,344	\$0
TOTAL U S ENVIRONMENTAL PROTECTION AGENCY			<u>2,718,344</u>	<u>0</u>
<u>Department of Homeland Security</u>				
Direct Federal Grants:				
Homeland Security Cluster	97.067	EMW-2015-SS-00065-S01	46,721	0
Homeland Security Cluster	97.067	EMW-2016-SS-00007-S01	3,477	0
Total Homeland Security Cluster			<u>50,198</u>	<u>0</u>
Law Enforcement Officer Reimb. Agreement	97.090	HSTS0216HSLR793	16,695	0
Total Law Enforcement Officer Reimb. Agreement			<u>16,695</u>	<u>0</u>
TOTAL U S DEPARTMENT OF HOMELAND SECURITY			<u>66,893</u>	<u>0</u>
<u>Department of Housing and Urban Development</u>				
Direct Federal Grants:				
Community Development Block Grants				
Entitlement Grants Cluster	14.218	B-15-MC-13-0015	596,272	0
Entitlement Grants Cluster	14.218	B-16-MC-13-0015	315,918	0
Total Entitlement Grant Cluster			<u>912,190</u>	<u>0</u>
Indirect Federal Grants:				
HOME Investment Partnerships Program				
State of GA Community HOME Investment Program (CHIP)	14.239	2016-116	110,241	0
TOTAL U S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>1,022,431</u>	<u>0</u>
<u>Department of Justice</u>				
Direct Federal Grants:				
JAG Program Cluster	16.738	2015-DJ-BX-0618	4,709	0
JAG Program Cluster	16.738	2016-DJ-BX-0199	12,663	4,311
Bulletproof Vest Partnership Program	16.607	N/A	17,927	0
TOTAL U S DEPARTMENT OF JUSTICE			<u>35,299</u>	<u>4,311</u>
<u>Department of Transportation</u>				
Direct Federal Grants:				
Airport Development Aid Program	20.106	3-13-0115-31-2015	1,755,542	0
Total Airport Development Aid Program			<u>1,755,542</u>	<u>0</u>
Indirect Federal Grants:				
Highway Planning and Construction	20.205	MLK Corridor Project E30094-15-000-0	498,570	0
TOTAL U S DEPARTMENT OF TRANSPORTATION			<u>2,254,112</u>	<u>0</u>
<u>Federal Emergency Management Agency</u>				
Indirect Federal Grants:				
FEMA	97.036	FEMA-1833-DR-GA	51,019	0
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY			<u>51,019</u>	<u>0</u>
TOTAL OF EXPENDITURES OF FEDERAL AWARDS			<u>\$6,148,098</u>	<u>\$4,311</u>

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, 2017

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

NOTE 3. INDIRECT COST RATE

The amount expended includes \$0 claimed as an indirect cost recovery. The City of Valdosta has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



Henderson & Godbee, LLP

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Valdosta, Georgia, as of and for the year ended June 30, 2017, 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 December 29, 2017.

Internal Control over Financial Reporting

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

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

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.



Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

December 29, 2017



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

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 Compliance Supplement* that could have a direct and material effect on each of the City of Valdosta, Georgia's major federal programs for the year ended June 30, 2017. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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.

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 year ended June 30, 2017.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

December 29, 2017

**CITY OF VALDOSTA, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued		Unmodified
Internal control over financial reporting		
Material weakness identified?	_____ Yes	___ <u>X</u> ___ No
Significant deficiencies identified not considered to be material weakness?	_____ Yes	___ <u>X</u> ___ None reported
Noncompliance material to financial statements noted?	_____ Yes	___ <u>X</u> ___ No

Federal Awards

Internal control over major programs		
Material weaknesses identified?	_____ Yes	___ <u>X</u> ___ No
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes	___ <u>X</u> ___ None reported
Type of auditor’s report issued on compliance for major programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	_____ Yes	___ <u>X</u> ___ No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.218	U.S. Department of Housing and Urban Development Community Development Block Grants
20.106	U.S. Department of Transportation Airport Development Aid Program
66.458	U.S. Environmental Protection Agency Clean Water Program (loan) State Revolving Funds

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

Auditee considered a low risk auditee? ___ X ___ Yes ___ No

**CITY OF VALDOSTA, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

Section II – Financial Statement Findings and Responses

None reported

Section II – Federal Award Findings and Questioned Costs

None reported

**CITY OF VALDOSTA, GEORGIA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017**

Status of Prior Year Findings

None reported