

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**

**CITY
OF
VALDOSTA, GEORGIA**

YEAR ENDED JUNE 30, 2018

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF VALDOSTA, GEORGIA
for the Fiscal Year
July 1, 2017 - June 30, 2018

FINANCE DEPARTMENT

*L. Charles Dinkins Jr.,
Finance Director*

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I N T R O D U C T I O N

December 27, 2018

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 2018 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, 2018. 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 56,400 residents. The daytime population of Valdosta soars to approximately 75,000. These

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 11,500 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 2018 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, 2017. This was the thirtieth 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, 2018. This was the eighteenth 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 2019 fiscal year budget document continue to conform to the requirements for each award.

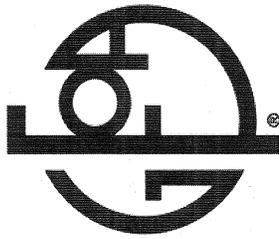
Acknowledgements

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,

L. Charles Dinkins, Jr.
Finance Director



The Government Finance Officers Association
of the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

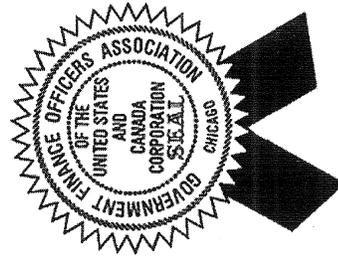
to

L. Charles Dinkins Jr.

Finance Director

City of Valdosta, Georgia

The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.



Executive Director

Christopher P. Morill

Date July 31, 2018

Citizens

Mayor/Council

City Manager

Deputy City Clerk

City Clerk

Moody Support

Human Resources

Assistant City Manager

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
Sewer
Meter Reading
Water Plant
Distribution
Sewer Plants
Collection

Metro 17

Accounting
Budget
Customer Service
Purchasing
Accounts Receivable

Grants
Housing
VSEB



APPROVED FY 2017-2018 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	Eric Howard
Council Member – District V	Tim Carroll
Council Member – District VI	Andy Gibbs
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	Catherine Nita
City Engineer	Patrick S. Collins
Fire Chief	Freddie Broome
Police Chief	Brian Childress
Utilities Director	Daryl Muse
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
 Scott R. Simpson, CPA
 Troy D. Newham, CPA

Cassie R. Baggett, CPA
 Billie A. Baxter, CPA
 Mae A. Johnson, CPA
 Keeley T. Collins, CPA
 Jacey B. Pittman, CPA
 M. Allison Hutchins, CPA
 Kyle N. Baxter, CPA
 J. Philip Young, CPA
 Zach A. Nimmo, 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, 2018, 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, 2018, 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.

Change in Accounting Principle

As described in Note 1C to the financial statements, in 2018, the City of Valdosta, Georgia adopted new accounting guidance, *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 16), budgetary comparison information (on pages 79 through 81), and the schedules of historical pension and OPEB information and the related notes (on pages 82 through 85) 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 28, 2018, on our consideration of the City of Valdosta, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Valdosta, Georgia's 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 28, 2018

**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, 2018. 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 \$195.38 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 \$2.58 million, primarily due to flat revenues, and a reduction in transfers to proprietary funds.
- The governmental activities revenue decreased by \$0.83 million or 0.16% and the net results from activities decreased \$4.49 million. The results of activities produced an increase in net position of \$2.58 million. Governmental expenses increased by \$.50 million.
- The business-type activities revenue increased by \$1.20 million and the net results from activities increased by \$3.69 million. The results of activities produced an increase in net position of \$1.84 million.
- The total cost of all City programs increased by \$1.17 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 \$0.38 million.
- The City's total debt decreased \$5.72 million or 6.31%. The decrease is the result of accelerated principal payments to the Georgia Environmental Facilities Authority on debt issued to improve and expand the city's sewer system as well as routine amortization of all other debt.

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 that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

- **Proprietary funds**—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. Two types of proprietary funds exist: enterprise funds and internal service funds. The City of Valdosta's enterprise funds are the same as its business-type activities yet provide more detail and additional information, such as cash flows. Internal service funds are used to report activities that provide supplies and services for the City's other programs and activities. The measurement focus of proprietary funds is upon determination of net income, financial position and change in financial position. These funds are maintained on the accrual basis of accounting. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows are all required statements.
- **Agency Funds**—because Agency funds are custodial in nature, the only required financial statements are the Balance Sheet and 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE CITY OF VALDOSTA AS A WHOLE

Net Position. The City of Valdosta's combined net position decreased 4.86 percent from \$205.35 million at June 30, 2017 to \$195.38 million at June 30, 2018. (See table A-1.)

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

	Governmental		Business-type		Total		Total
	Activities		Activities		Total		Percentage
	2017	2018	2017	2018	2017	2018	2017 – 2018
Current and other assets	\$22.88	\$27.50	(\$0.11)	(\$2.03)	\$22.77	\$25.47	11.86%
Capital Assets	129.33	127.67	217.81	216.65	347.14	344.32	(0.81%)
Total Assets	152.21	155.17	217.70	214.62	369.91	369.79	(0.03%)
Deferred Outflows of Resources	6.85	8.05	-	-	6.85	8.05	17.52%
Long-term debt outstanding	2.59	2.49	88.13	82.51	90.72	85.00	(6.31%)
Other liabilities	74.52	85.76	3.24	3.94	77.76	89.70	15.35%
Total Liabilities	77.11	88.25	91.37	86.45	168.48	174.70	3.69%
Deferred Inflow of Resources	2.93	7.76	-	-	2.93	7.76	164.85%
Net Position							
Net investment in capital assets	126.74	125.18	129.68	134.14	256.42	259.32	1.13%
Restricted	5.03	6.79	-	-	5.03	6.79	34.99%
Unrestricted	(52.75)	(64.76)	(3.35)	(5.97)	(56.10)	(70.73)	26.08%
Total Net Position	\$79.02	\$67.21	\$126.33	\$128.17	\$205.35	\$195.38	(4.86%)

Net Position of the City's governmental activities decreased by 14.95 percent to \$67.21 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 \$64.76 million deficit at the end of the year.

The deficit in unrestricted governmental net position was negatively affected by the recognition of an additional post employment liability of \$14.39 million as a result of GASB 75.

The net position of the City's business-type activities increased by 1.46 percent to \$128.17 million. While business type activities do have a substantial positive net position, 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 0.46 percent to \$80.83 million. (See Table A-2) Approximately 39 percent of the City's revenue comes from fees charged for services, 11 percent from sales taxes, 16 percent from ad valorem taxes, and 13 percent comprising such revenue items as business occupation license fees, franchise fees, and insurance premium fees. The remaining 21 percent represents grants, accommodation tax and investment revenue.

The total cost of all programs and services increased by 1.56 percent. The City's expenses cover a myriad of services, with approximately 34 percent related to public safety, 23 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 decreased \$0.83 million or 1.56 percent to \$52.26 million, while governmental activities expenses experienced an increase of \$.50 million (or 1.06%) to \$47.52 million.

The increase in governmental revenue is primarily the result of a decrease in operating grants. 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 before the recognition of additional post employment liabilities 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
	2017	2018	2017	2018	2017	2018	Change
							2017 – 2018
REVENUES							
Program Revenues:							
Charges for Services	\$2.47	\$2.60	\$27.37	\$28.57	\$29.84	\$31.17	4.46%
Operating Grants & Contributions	3.32	1.39	-	-	3.32	1.39	(58.13%)
Capital Grants & Contributions	12.39	12.59	-	-	12.39	12.59	1.61%
General Revenues:							
Property Taxes	12.69	13.12	-	-	12.69	13.12	3.39%
Sales Taxes	8.73	9.06	-	-	8.73	9.06	3.78%
Accommodations Tax	3.06	3.19	-	-	3.06	3.19	4.25%
Other Taxes	9.70	9.69	-	-	9.70	9.69	(.10%)
Investment Earnings	.03	.05	-	-	.03	.05	66.67%
Misc	.70	.57	-	-	.70	.57	(18.57%)
Total Revenues	53.09	52.26	27.37	28.57	80.46	80.83	.46%
EXPENSES							
Program Activities							
Primary Government:							
Governmental Activities:							
General Government	21.27	17.83	-	-	21.27	17.83	(16.17%)
Public Safety	22.04	25.75	-	-	22.04	25.75	16.83%
Public Works	1.67	1.76	-	-	1.67	1.76	5.39%
Economic Development and Assistance	2.04	2.18	-	-	2.04	2.18	6.86%
Business-type Activities:							
Solid Waste	-	-	5.26	5.71	5.26	5.71	8.56%
Water/Sewer	-	-	19.90	19.91	19.90	19.91	.05%
Housing Inspections	-	-	.81	.84	.81	.84	3.70%
DOL Building	-	-	.33	.34	.33	.34	3.03%
Stormwater	-	-	1.35	1.49	1.35	1.49	10.37%
City Auditorium	-	-	.29	.28	.29	.28	(3.45%)
Motor Fuel	-	-	.28	.32	.28	.32	14.29%
Total Expenses	47.02	47.52	28.22	28.89	75.24	76.41	1.56%
Excess (deficiency) before transfers	6.07	4.74	(.85)	(.32)	5.22	4.42	(15.33%)
Transfers	1.00	(2.16)	(1.00)	2.16	-	-	.00%
Increase (Decrease) in Net Assets	7.07	2.58	(1.85)	1.84	5.22	4.42	(15.33%)
PPA	-	14.39	-	-	-	14.39	-
Net position, beginning, revised	71.95	64.63	128.18	126.33	200.13	190.96	(4.58%)
Net position, ending	\$79.02	\$67.21	\$126.33	\$128.17	\$205.35	\$195.38	(4.86%)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-3 presents the cost of each of the City's four 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 \$47.52 million.
- However, the amount that taxpayers paid for these activities through City taxes was \$33.49 million. Some of the cost was paid by:
 - Those who benefited directly from the programs (\$2.60 million).
 - Other governments and organizations that subsidized certain programs with grants and contributions (\$13.98 million).
 - Other miscellaneous sources such as investments (\$.62 million).

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

Function	Total Cost Of Services		Percentage Change	Net Cost of Services		Percentage Change
	2017	2018	2017 – 2018	2017	2018	2017 – 2018
General Government	\$21.27	\$17.83	(16.17%)	\$9.02	\$5.46	(39.47%)
Public Safety	22.04	25.75	16.83%	17.29	22.63	30.88%
Public Works	1.67	1.76	5.39%	1.54	1.62	5.19%
Economic Development and Assistance	2.04	2.18	6.86%	.97	1.24	27.84%
Total	\$47.02	\$47.52	1.06%	\$28.82	\$30.95	7.39%

Business-type Activities

Total revenues available during the year to finance enterprise (business type) activities were \$28.57 million. Funding was made available as follows: program revenues \$28.57 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The cost of all enterprise (business-type) activities for the year accumulated to \$28.89 million consisting of the following activities: solid waste \$5.71 million, water/sewer \$19.91 million, inspections \$.84 million, city auditorium \$.28 million, motor fuel \$.32 million, DOL building \$.34 million, and storm water \$1.49 million. In addition the Enterprise funds transferred \$2.84 million to the General Fund for administrative services, and \$.65 million to Group Insurance Fund.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

General Fund Budgetary Highlights

Comparing the FY 2018 original General Fund budget, in the amount of \$38.38 million, to the final budget amount of \$38.62 million represents an increase of \$.24 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 of \$2.76 million as several capital projects were completed, and the next phase of projects will not begin until fiscal year 2019.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of the year-end, the City had \$344.32 million invested in a variety of capital assets, as reflected in the following schedule (Table A-4), which represents a net decrease (additions less retirements and depreciation) of \$2.82 million or .81 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
	2017	2018	2017	2018	2017	2018	Change
							2017 – 2018
Non-depreciable assets							
Land	\$76.87	\$77.11	\$3.04	\$3.04	\$79.91	\$80.15	.30%
Construction in progress	.48	.53	3.51	5.41	3.99	5.94	48.87%
Depreciable Assets							
Land improvements	13.85	13.83	151.02	152.93	164.87	166.76	1.15%
Buildings	29.40	29.52	118.25	118.10	147.65	147.62	(.02%)
Equipment	9.31	8.63	4.94	4.87	14.25	13.50	(5.26%)
Motor vehicles	18.15	17.77	-	-	18.15	17.77	(2.09%)
Infrastructure	107.19	107.19	-	-	107.19	107.19	0.00%
Intangibles	-	-	1.16	1.16	1.16	1.16	0.00%
Accumulated depreciation	(125.92)	(126.91)	(64.11)	(68.86)	(190.03)	(195.77)	3.02%
	\$129.33	\$127.67	\$217.81	\$216.65	347.14	\$344.32	(.81%)

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

The increase in construction in progress is the result of the city's ongoing improvements to and expansion of the waste water system.

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 \$85.00 million in total debt outstanding. Government wide debt decreased by 6.31 percent as compared to last year.

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

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

	Governmental		Business-type		Total		Total Percentage Change
	<u>Activities</u>		<u>Activities</u>		<u>Total</u>		
	2017	2018	2017	2018	2017	2018	
Revenue Bonds	\$-	\$-	\$1.61	\$1.38	\$1.61	\$1.38	(14.29%)
Notes Payable	-	-	86.52	81.13	86.52	81.13	(6.23%)
Capital Leases	2.59	2.49	-	-	2.59	2.49	(3.86%)
Total	\$2.59	\$2.49	\$88.13	\$82.51	\$90.72	\$85.00	(6.31%)

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 roughly as budgeted. However, General Fund expenditures were generally kept below budget with the exception of health care costs and public safety. The City's commitment to controlling costs allowed Valdosta to weather the recent economic downturn and position itself to take advantage of economic improvements. During the past year, 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 increase in the tax base this year. This change is primarily the result of inflationary growth.
- Business Gross Receipts Taxes (based on a business' gross receipts). There was a slight decrease 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, 2018.

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, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$7,265,592	\$1,006,318	\$8,271,910
Investments	3,662,648	2,404,878	6,067,526
Receivables (net)	4,863,273	3,033,406	7,896,679
Due from other governments	861,857	1,330,490	2,192,347
Interfund balances	10,233,843	(10,233,843)	0
Inventories	617,698	424,092	1,041,790
Capital assets:			
Non-depreciable	77,640,460	8,444,673	86,085,133
Depreciable (net)	50,024,120	208,214,104	258,238,224
Total Assets	<u>\$155,169,491</u>	<u>\$214,624,118</u>	<u>\$369,793,609</u>
DEFERRED OUTFLOWS OF RESOURCES			
Differences between actual and expected pension experience	\$1,496,539	\$0	\$1,496,539
Changes in pension actuarial assumptions	2,344,879	0	2,344,879
Pension payments after pension valuation	3,088,970	0	3,088,970
OPEB payments after OPEB valuation	1,115,378	0	1,115,378
Total Deferred Outflows	<u>\$8,045,766</u>	<u>\$0</u>	<u>\$8,045,766</u>
LIABILITIES			
Accounts payable	\$4,396,978	\$2,303,240	\$6,700,218
Contracts payable	8,625	0	8,625
Accrued interest payable	0	187,274	187,274
Deposits	0	901,994	901,994
Non-current liabilities:			
Due within one year:			
Compensated absences	912,419	292,852	1,205,271
Due to other governments & agencies	2,561	4,593,366	4,595,927
Capital leases payable	622,033	0	622,033
Bonds payable	0	233,000	233,000
Due in more than one year:			
Other post employment benefits	35,458,267	0	35,458,267
Compensated absences	755,273	254,924	1,010,197
Due to other governments & agencies	0	76,536,910	76,536,910
Capital leases payable	1,865,235	0	1,865,235
Net pension liability	44,224,617	0	44,224,617
Bonds payable	0	1,148,000	1,148,000
Total Liabilities	<u>\$88,246,008</u>	<u>\$86,451,560</u>	<u>\$174,697,568</u>
DEFERRED INFLOWS OF RESOURCES			
Changes in pension actuarial assumption:	\$1,834,922	\$0	\$1,834,922
Net difference between projected and actual pension plan earnings	2,287,139	0	2,287,139
Deferred revenue	90,649	0	90,649
Changes in OPEB actuarial assumptions:	3,180,065	0	3,180,065
Differences between actual and expected OPEB experience	365,885	0	365,885
Total Deferred Inflows	<u>\$7,758,660</u>	<u>\$0</u>	<u>\$7,758,660</u>
NET POSITION			
Net investment in capital assets	\$125,177,312	\$134,147,501	\$259,324,813
Restricted for:			
Capital outlay	2,356,723	0	2,356,723
Perpetual care	1,708,471	0	1,708,471
Other purposes	2,721,527	0	2,721,527
Unrestricted	(64,753,444)	(5,974,943)	(70,728,387)
Total Net Position	<u>\$67,210,589</u>	<u>\$128,172,558</u>	<u>\$195,383,147</u>

The accompanying notes are an integral part of these statements.

CITY OF VALDOSTA, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Function/Program Activities				
Primary Government:				
Governmental Activities				
General Government	\$17,828,062	\$93,392	\$0	\$12,277,913
Public Safety	25,732,425	2,365,134	710,623	48,877
Public Works	1,763,484	136,402	0	0
Community Development	2,188,188	9,870	675,323	256,102
Interest on Long-term Debt	16,659	0	0	0
Total governmental activities	47,528,818	2,604,798	1,385,946	12,582,892
Business-type Activities				
Sanitation	5,709,783	5,870,885	0	0
Water and Sewer	19,904,646	18,741,504	0	0
Inspection	840,559	1,315,570	0	0
DOL Building	343,698	469,157	0	0
Storm Water	1,489,702	1,795,212	0	0
Auditorium	276,489	54,835	0	0
Motor Fuel	318,224	326,248	0	0
Total business-type activities	28,883,101	28,573,411	0	0
Total Primary Government	\$76,411,919	\$31,178,209	\$1,385,946	\$12,582,892

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

Effect of Accounting Change

Net position - Beginning, as restated

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
(\$5,456,757)	\$0	(\$5,456,757)
(22,607,791)	0	(22,607,791)
(1,627,082)	0	(1,627,082)
(1,246,893)	0	(1,246,893)
(16,659)	0	(16,659)
<u>(30,955,182)</u>	<u>0</u>	<u>(30,955,182)</u>
0	161,102	161,102
0	(1,163,142)	(1,163,142)
0	475,011	475,011
0	125,459	125,459
0	305,510	305,510
0	(221,654)	(221,654)
0	8,024	8,024
<u>0</u>	<u>(309,690)</u>	<u>(309,690)</u>
<u>(\$30,955,182)</u>	<u>(\$309,690)</u>	<u>(\$31,264,872)</u>
13,124,375	0	13,124,375
9,060,686	0	9,060,686
3,194,645	0	3,194,645
3,740,861	0	3,740,861
3,639,669	0	3,639,669
1,522,108	0	1,522,108
786,975	0	786,975
48,069	0	48,069
572,584	0	572,584
(2,156,461)	2,156,461	0
<u>33,533,511</u>	<u>2,156,461</u>	<u>35,689,972</u>
<u>2,578,329</u>	<u>1,846,771</u>	<u>4,425,100</u>
79,021,640	126,325,787	205,347,427
(14,389,380)	0	(14,389,380)
<u>64,632,260</u>	<u>126,325,787</u>	<u>190,958,047</u>
<u>\$67,210,589</u>	<u>\$128,172,558</u>	<u>\$195,383,147</u>

GOVERNMENTAL FUNDS

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

Sales Tax 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, 2018**

	GENERAL	SALES TAX 2013	CVDA	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash	\$6,600	\$4,881,842	\$69,347	\$1,926,435	\$6,884,224
Investments, at cost or amortized cost	543,379	0	0	3,077,367	3,620,746
Receivables (net)					
Taxes	1,278,742	942,799	5,888	0	2,227,429
Accounts	76,742	0	0	313,938	390,680
Second mortgages	0	0	0	2,180,148	2,180,148
Special assessments	45,387	0	0	0	45,387
Due from other governments and agencies	551,395	0	0	266,462	817,857
Interfund balances	2,209,286	0	26,290	138,604	2,374,180
Advance to other funds	3,458,528	0	0	0	3,458,528
Inventories, at cost	0	213,395	0	0	213,395
Total assets	<u>\$8,170,059</u>	<u>\$6,038,036</u>	<u>\$101,525</u>	<u>\$7,902,954</u>	<u>\$22,212,574</u>
LIABILITIES					
Liabilities:					
Accounts payable	\$2,291,744	\$117,626	\$2,310	\$414,420	\$2,826,100
Contracts payable	0	8,625	0	0	8,625
Due to:					
Other funds	1,895,953	2,696	0	62,158	1,960,807
Other governments and agencies	2,561	0	0	0	2,561
Advances from other funds	0	0	0	30,000	30,000
Total liabilities	<u>4,190,258</u>	<u>128,947</u>	<u>2,310</u>	<u>506,578</u>	<u>4,828,093</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	579,303	0	5,888	173,655	758,846
FUND BALANCES					
Fund Balance (deficit):					
Nonspendable	2,677,584	0	0	1,708,471	4,386,055
Restricted	226,914	2,355,123	93,327	3,844,610	6,519,974
Committed	10,767	0	0	0	10,767
Assigned	485,233	3,553,966	0	2,106,989	6,146,188
Unassigned	0	0	0	(437,349)	(437,349)
Total fund balance	<u>3,400,498</u>	<u>5,909,089</u>	<u>93,327</u>	<u>7,222,721</u>	<u>16,625,635</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$8,170,059</u>	<u>\$6,038,036</u>	<u>\$101,525</u>	<u>\$7,902,954</u>	<u>\$22,212,574</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, 2018**

Fund balances - total governmental funds		\$16,625,635
<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	\$233,081,203	
Less accumulated depreciation	<u>(110,686,751)</u>	122,394,452
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds</p>		
Net other post employment benefits liability	(35,458,267)	
Changes in actuarial assumptions	(3,180,065)	
Differences between expected and actual experience	(365,885)	
OPEB payments after OPEB valuation date	<u>1,115,378</u>	(37,888,839)
Compensated absences		(1,610,215)
Capital Leases		(509,365)
Net pension liability	(\$44,224,617)	
Differences between expected and actual experience	1,496,539	
Changes in actuarial assumptions	509,957	
Pension payments after pension valuation date	3,088,970	
Net difference between projected and actual investment earnings	<u>(2,287,139)</u>	(41,416,290)
<p>Revenue not received within 31 days in governmental funds is susceptible to full accrual on the entity-wide statements</p>		
Unavailable revenue		668,197
<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>8,947,014</u>
Net position of governmental activities		<u><u>\$67,210,589</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, 2018

	GENERAL	SALES TAX 2013	CVDA	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Taxes	\$31,361,726	\$0	\$94,300	\$3,194,648	\$34,650,674
Licenses and permits	523,976	0	0	0	523,976
Charges for service	216,154	0	0	0	216,154
Fines and forfeitures	1,076,742	0	0	48,850	1,125,592
Interest income	43,513	0	168	4,388	48,069
Contributions	261,761	0	7,700	7,300	276,761
Miscellaneous	609,113	0	1,170	24,657	634,940
Intergovernmental	1,426,931	11,190,160	0	2,365,495	14,982,586
TOTAL REVENUES	35,519,916	11,190,161	103,338	5,645,338	52,458,752
EXPENDITURES:					
Current:					
General government	9,084,496	0	113,236	2,326,940	11,524,672
Public safety	24,642,079	0	0	62,218	24,704,297
Public works	1,633,232	0	0	0	1,633,232
Economic development and assistance	1,297,785	0	0	838,872	2,136,657
Capital outlay	0	8,425,792	0	1,060,492	9,486,284
Debt service principal	189,361	0	0	0	189,361
Debt service interest	16,659	0	0	0	16,659
TOTAL EXPENDITURES	36,863,612	8,425,792	113,236	4,288,522	49,691,162
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,343,696)	2,764,369	(9,898)	1,356,816	2,767,590
OTHER FINANCING SOURCES (USES):					
Transfers in	2,839,733	0	0	0	2,839,733
Transfers out	(1,562,637)	0	0	(340,763)	(1,903,400)
Capital leases	448,123	0	0	0	448,123
TOTAL OTHER FINANCING SOURCES (USES)	1,725,219	0	0	(340,763)	1,384,456
NET CHANGE IN FUND BALANCES	381,523	2,764,369	(9,898)	1,016,053	4,152,046
FUND BALANCES - BEGINNING	3,018,975	3,144,721	103,225	6,206,668	12,473,589
FUND BALANCES - END OF YEAR	\$3,400,498	\$5,909,090	\$93,327	\$7,222,721	\$16,625,635

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, 2018

Net change in fund balances - total governmental funds \$4,152,046

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	\$9,486,284	
Less capital expenditures not capitalized in governmental funds	(7,752,062)	
Less current year depreciation	<u>(2,998,736)</u>	
		(1,264,514)

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		92,430
Issuance of long-term debt		(448,123)
Change in pension liability		(675,973)
Other post employment benefits		(35,296)
Principal payments on long-term debt		188,045
Long-term accounts receivable		(195,144)
Internal service funds		<u>764,858</u>
Change in net position of governmental activities		<u><u>\$2,578,329</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, 2018

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS					TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	WATER/ SEWER REVENUE	DEPARTMENT OF LABOR BUILDING	STORMWATER	OTHER ENTERPRISE FUNDS	TOTAL		
	SANITATION						
ASSETS							
Current assets:							
Cash	\$0	\$97,233	\$0	\$0	\$8,392	\$105,625	\$381,368
Investments	0	1,898,177	0	475,803	30,898	2,404,878	41,902
Receivables (net)							
Accounts	636,630	2,195,277	0	174,546	15,498	3,021,951	19,629
Accrued interest	0	0	0	0	11,455	11,455	0
Due from other governments and agencies	491,948	838,542	0	0	0	1,330,490	44,000
Due from other funds	0	400,000	0	0	0	400,000	1,331,059
Inventories at cost	0	424,092	0	0	0	424,092	404,303
Restricted assets							
Cash	11,993	888,700	0	0	0	900,693	0
Total current assets	<u>1,140,571</u>	<u>6,742,021</u>	<u>0</u>	<u>650,349</u>	<u>66,243</u>	<u>8,599,184</u>	<u>2,222,261</u>
Noncurrent assets:							
Capital assets:							
Land	0	2,791,492	0	246,911	0	3,038,403	92,563
Land improvement	201,059	150,960,055	0	1,766,105	0	152,927,219	375,370
Buildings and structures	1,172,902	112,536,962	4,394,543	0	0	118,104,407	547,862
Motor vehicles	0	0	0	0	0	0	17,773,644
Equipment	99,205	4,729,854	0	0	39,216	4,868,275	2,716,845
Intangibles	0	0	0	1,161,791	0	1,161,791	0
Construction in progress	0	5,406,270	0	0	0	5,406,270	0
	1,473,166	276,424,633	4,394,543	3,174,807	39,216	285,506,365	21,506,284
Less accumulated depreciation	(755,691)	(66,309,270)	(1,222,806)	(525,900)	(33,921)	(68,847,588)	(16,236,156)
Net capital assets	<u>717,475</u>	<u>210,115,363</u>	<u>3,171,737</u>	<u>2,648,907</u>	<u>5,295</u>	<u>216,658,777</u>	<u>5,270,128</u>
Total noncurrent assets	<u>717,475</u>	<u>210,115,363</u>	<u>3,171,737</u>	<u>2,648,907</u>	<u>5,295</u>	<u>216,658,777</u>	<u>5,270,128</u>
Total assets	<u>\$1,858,046</u>	<u>\$216,857,384</u>	<u>\$3,171,737</u>	<u>\$3,299,256</u>	<u>\$71,538</u>	<u>\$225,257,961</u>	<u>\$7,492,389</u>
LIABILITIES							
Current liabilities:							
Accounts payable	\$254,593	\$1,952,705	\$16,222	\$46,326	\$33,394	\$2,303,240	\$1,570,878
Accrued interest	0	163,486	23,788	0	0	187,274	0
Compensated absences (current portion)	87,802	150,898	0	28,593	25,559	292,852	24,838
Due to other funds	1,169,519	0	971,531	3,382	30,150	2,174,582	0
Due to other governments and agencies (current portion)	0	4,593,366	0	0	0	4,593,366	0
Capital lease payable (current portion)	0	0	0	0	0	0	372,454
Bonds payable (current portion)	0	0	233,000	0	0	233,000	0
Current liabilities (payable from restricted assets):							
Deposits	7,844	894,150	0	0	0	901,994	0
Total current liabilities	<u>1,519,758</u>	<u>7,754,605</u>	<u>1,244,541</u>	<u>78,301</u>	<u>89,103</u>	<u>10,686,308</u>	<u>1,968,170</u>
Noncurrent liabilities (payable from unrestricted assets):							
Compensated absences	89,442	141,446	0	11,060	12,976	254,924	32,639
Capital lease payable (net of current portion)	0	0	0	0	0	0	1,605,449
Bonds payable (net of current portion)	0	0	1,148,000	0	0	1,148,000	0
Advances from other funds	0	0	0	0	100,498	100,498	3,297,880
Due to other governments and agencies, (net of current portion)	0	76,536,910	0	0	0	76,536,910	0
Total noncurrent liabilities (payable from unrestricted assets)	<u>89,442</u>	<u>76,678,356</u>	<u>1,148,000</u>	<u>11,060</u>	<u>113,474</u>	<u>78,040,332</u>	<u>4,935,968</u>
Total liabilities	<u>1,609,200</u>	<u>84,432,961</u>	<u>2,392,541</u>	<u>89,361</u>	<u>202,577</u>	<u>88,726,640</u>	<u>6,904,138</u>
NET POSITION (DEFICIT)							
Net investment in capital assets	717,475	128,985,087	1,790,737	2,648,907	5,295	134,147,501	3,292,225
Restricted							
Restricted for workmen's compensation claims	0	0	0	0	0	0	588,251
Unrestricted	(468,629)	3,439,336	(1,011,541)	560,988	(136,334)	2,383,820	(3,292,225)
Total net position (deficit)	<u>\$248,846</u>	<u>\$132,424,423</u>	<u>\$779,196</u>	<u>\$3,209,895</u>	<u>(\$131,039)</u>	<u>136,531,321</u>	<u>\$588,251</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						(8,358,763)	
Net position of business-type activities						<u>\$128,172,558</u>	

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, 2018

	BUSINESS-TYPE ACTIVITIES					TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	ENTERPRISE FUNDS						
	SANITATION	WATER/ SEWER REVENUE	DEPARTMENT OF LABOR BUILDING	STORMWATER	OTHER ENTERPRISE FUNDS		
Operating revenues:							
Permits	\$0	\$0	\$0	\$0	\$1,270,396	\$1,270,396	\$0
Charges for services	4,960,305	18,503,430	469,157	1,795,212	426,257	26,154,361	11,580,116
Recycling revenue	73,921	0	0	0	0	73,921	0
Intergovernmental revenues	160,642	0	0	0	0	160,642	0
Miscellaneous revenues	13,722	203,647	0	0	0	217,369	249,953
TOTAL OPERATING REVENUES	5,208,590	18,707,077	469,157	1,795,212	1,696,653	27,876,689	11,830,069
Operating expenses:							
Personal services	2,699,174	5,144,207	0	764,676	711,389	9,319,446	763,589
Contractual services	1,057,192	2,127,233	165,003	216,458	143,108	3,708,994	3,374,614
Claims paid	0	0	0	0	0	0	5,973,305
Supplies	137,780	1,225,287	894	66,023	338,493	1,768,477	2,143,788
Travel and training	4,747	25,412	0	690	5,700	36,549	724
Other services and charges	1,593,604	2,679,791	29,959	315,530	188,029	4,806,913	471,758
Amortization expense	0	0	0	73,956	0	73,956	0
Depreciation expense	33,179	6,355,741	89,110	0	1,189	6,479,219	1,173,225
TOTAL OPERATING EXPENSES	5,525,676	17,557,671	284,966	1,437,333	1,387,908	26,193,554	13,901,003
OPERATING INCOME (LOSS)	(317,086)	1,149,406	184,191	357,879	308,745	1,683,135	(2,070,934)
Non-operating revenues (expenses):							
Interest income	0	980	0	75	0	1,055	0
Intergovernmental revenues	662,295	33,372	0	0	0	695,667	0
Gain (Loss) on disposal of assets	0	0	0	0	0	0	14,030
Interest expense and fiscal charges	0	(2,028,210)	(58,732)	0	0	(2,086,942)	(48,219)
TOTAL NON-OPERATING REVENUES (EXPENSES)	662,295	(1,993,858)	(58,732)	75	0	(1,390,220)	(34,189)
INCOME (LOSS) BEFORE CONTRIBUTIONS, TRANSFERS, AND SPECIAL ITEMS	345,209	(844,452)	125,459	357,954	308,745	292,915	(2,105,123)
Capital contribution revenue	0	5,303,030	0	0	0	5,303,030	57,140
Transfers in	0	0	0	0	340,763	340,763	2,210,236
Transfers out	(381,251)	(2,157,588)	(638,061)	(181,709)	(128,723)	(3,487,332)	0
	(381,251)	3,145,442	(638,061)	(181,709)	212,040	2,156,461	2,267,376
Change in Net Position	(36,042)	2,300,990	(512,602)	176,245	520,785	2,449,376	162,253
NET POSITION - BEGINNING (DEFICIT)	284,888	130,123,433	1,291,798	3,033,650	(651,824)	130,123,433	425,998
NET POSITION - ENDING (DEFICIT)	\$248,846	\$132,424,423	\$779,196	\$3,209,895	(\$131,039)	\$130,123,433	\$588,251
						(602,605)	
						\$1,846,771	

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, 2018

	BUSINESS-TYPE ACTIVITIES					TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	ENTERPRISE FUNDS				OTHER ENTERPRISE FUNDS		
	SANITATION	WATER/ SEWER REVENUE	DEPARTMENT OF LABOR BUILDING	STORMWATER			
Cash flows from operating activities:							
Cash received from customers	\$4,932,740	\$18,404,476	\$469,157	\$1,797,346	\$1,692,775	\$27,296,494	\$11,827,883
Cash payments to suppliers for goods and services	(2,763,039)	(4,114,767)	464,651	(580,497)	(1,163,371)	(8,157,023)	(12,044,460)
Cash payments to employees for services	(2,690,973)	(5,132,469)	0	(757,142)	(722,501)	(9,303,085)	(758,439)
Other operating revenues	73,921	0	0	0	0	73,921	0
Miscellaneous income	13,722	203,647	0	0	0	217,369	0
New customer utility deposits	200	247,364	0	0	0	247,564	0
Intergovernmental revenues	160,642	33,372	0	0	0	194,014	0
Refunded customer utility deposits	(814)	(229,459)	0	0	0	(230,273)	0
Net change in cash from operating activities	(273,601)	9,412,164	933,808	459,707	(193,097)	10,338,981	(975,016)
Cash flows from noncapital financing activities:							
Intergovernmental revenues	662,295	0	0	0	0	662,295	0
Transfers-in from other funds	0	5,303,030	0	0	340,763	5,643,793	2,210,236
Transfers-out to other funds	(381,251)	(2,157,588)	(638,061)	(181,709)	(128,723)	(3,487,332)	0
Net change in cash from noncapital financing activities	281,044	3,145,442	(638,061)	(181,709)	212,040	2,818,756	2,210,236
Cash flows from capital and related financing activities:							
Principal paid on Georgia Environmental Finance Authority Loan	0	(9,473,609)	0	0	0	(9,473,609)	0
Loan from Georgia Environmental Finance Authority	0	3,815,532	0	0	0	3,815,532	0
Acquisition and construction of capital assets	(6,483)	(5,311,473)	0	0	(6,484)	(5,324,440)	(708,428)
Proceeds from sale of capital assets	0	0	0	0	0	0	14,030
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	(372,454)
Interest paid on GEFA loan	0	(2,097,392)	0	0	0	(2,097,392)	0
Interest paid on DOL intergovernmental note	0	0	(62,747)	0	0	(62,747)	0
Interest paid on GMA bond	0	0	0	0	0	0	(48,219)
Net change in cash from capital and related financing activities	(6,483)	(13,066,942)	(295,747)	0	(6,484)	(13,375,656)	(1,115,071)
Cash flows from investing activities:							
Sale of investment securities	0	1,859,244	0	0	0	1,859,244	0
Purchase of investment securities	0	(1,888,850)	0	(333,779)	(11,842)	(2,234,471)	0
Interest and dividends on investments	0	980	0	75	0	1,055	0
Net change in cash from investing activities	0	(28,626)	0	(333,704)	(11,842)	(374,172)	0
Net change in cash	960	(537,962)	0	(55,706)	617	(592,091)	78,247
Cash beginning of year	11,033	1,523,895	0	55,706	7,775	1,598,409	303,121
Cash at end of year	\$11,993	\$985,933	\$0	\$0	\$8,392	\$1,006,318	\$381,368
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CHANGE IN CASH FROM OPERATING ACTIVITIES							
Operating income (loss)	(\$317,086)	\$1,149,406	\$184,191	\$357,879	308,745	\$1,683,135	(\$2,070,934)
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	33,179	6,355,741	89,110	0	1,189	6,479,219	1,173,225
New customer utility deposit	200	247,364	0	0	0	247,564	0
Refunded customer utility deposit	(814)	(229,459)	0	0	0	(230,273)	0
Intergovernmental revenues	0	33,372	0	0	0	33,372	0
Change in assets and liabilities:							
(Increase) decrease in accounts receivable	(17,491)	(59,387)	0	2,134	(3,878)	(78,622)	62,716
Decrease (increase) in due from other funds	0	1,371,625	0	0	0	1,371,625	(307,264)
(Increase) decrease in due from other governments and agencies	(491,948)	(33,372)	0	0	7,593	(517,727)	(44,000)
Decrease (increase) in inventory	0	1,658	0	0	0	1,658	(24,929)
Decrease in prepaid expenses	176	0	0	0	0	176	0
Increase (decrease) in operating payable	100,040	573,051	(24,618)	14,695	14	663,182	383,183
Increase in compensated absences liability	5,515	2,165	0	7,661	1,662	17,003	5,150
Increase (decrease) in due to other funds	414,628	0	685,125	3,382	30,150	1,133,285	(20,301)
(Decrease) in advances from other funds	0	0	0	0	(538,572)	(538,572)	(131,862)
Net change in cash from operating activities	(\$273,601)	\$9,412,164	\$933,808	\$459,707	(\$193,097)	\$10,338,981	(\$975,016)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES							
Contributed capital assets from SPLOST 2013	0	5,303,030	0	0	0	5,303,030	13,140
Capitalized interest	0	74,898	0	0	0	74,898	0
Contribution from State	0	0	0	0	0	0	44,000

The accompanying notes are an integral part of these statements.

FIDUCIARY FUNDS

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

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

CITY OF VALDOSTA, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2018

	TOTAL FIDUCIARY FUNDS
	<u> </u>
ASSETS	
Cash	\$71,757
Investments	28,179
Total assets	<u><u>\$99,936</u></u>
LIABILITIES	
Due to other governments and agencies	\$74,241
Due to others	25,695
Total liabilities	<u><u>\$99,936</u></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, 2018**

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, 2018**

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, 2018

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.

The City implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions" during fiscal year 2018. Statement No. 75 requires governments providing defined postemployment benefit plans to recognize their long-term obligation for OPEB benefits as a liability. The effect of implementing GASB Statement No. 75 to previously reported changes in net position has not been determined.

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018

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, 2018**

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, 2018

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, 2018**

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, 2018

<u>Fund/Department</u>	<u>Expenditures/ Expenses on Budgetary Basis</u>	<u>Appropriations</u>	<u>Amount Exceeding</u>
General Fund/Other General Admin	\$703,214	\$379,141	\$324,073
General Fund/Police Department	16,217,978	15,333,620	884,358
Accommodations Tax Fund	2,584,627	2,655,698	71,071
General Capital Projects Funds	5,500	0	5,500
Central Valdosta Development Authority	113,236	99,900	13,336
Road Improvement Fund	1,295,643	845,600	450,043
Sunset Hill	12,005	4,136	7,869

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, 2018.

G. RECEIVABLES

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

1. Taxes Receivable which includes:

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

- a. Taxes Receivable-Delinquent – represents the past years of uncollected tax levies. An allowance for uncollectible taxes is provided based upon an analysis of historical trends. The tax receivables have been reported net of these allowances.
 - b. Sales Taxes, Franchise Taxes, and Public Utilities Receivable – recorded as revenue when they become both measurable and available for collection within the current period paying cycle, which is 31 days past year end. The balance of what has been earned though not available is recorded as a deferred inflow of resources – unavailable revenue.
2. Accounts Receivable which includes:
- a. Accounts Receivable – Sanitation and Water and Sewer service charges are recognized when earned, with an allowance for uncollectible accounts of 1% of the accounts receivable balance at June 30 after allowing for troubled customers at a graduated scale based on age. Services performed by various departments are recognized as revenue when they are measured and assured of collection within the current paying cycle of the City. That which is earned, but not collected within 31 days of year end, is recognized as a deferred revenue. In the Proprietary Funds, they are recognized as revenue when earned.
 - b. Returned Checks – the balance of checks written by the public that the banks have returned to the City over the past 12 months.
 - c. Accounts Receivable-Employees – the balance that City employees owe the City for travel advances, garnishments, etc.
 - d. Unbilled Services Receivable – within the City’s Enterprise Funds, an estimated amount has been recorded for services rendered but not yet billed as of June 30, 2018. The receivable was arrived at by taking the cycle billings the City sent the customers in July and prorating the amount of days applicable to the current year factor at 99% to allow for uncollectible accounts.
3. Second Mortgages Receivable - the amount owed to the City from loans made to homeowners on UDAG and CDBG CHIP grants.
4. Special Assessments Receivable – both principle and interest on paving assessments are payable in semi-annual installments over a five year period. The principle is recognized when due. The balance due at June 30 that has not been collected within 31 days past year end is recorded as a deferred revenue. There is no allowance for uncollectibles as delinquent accounts are declared as

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

a special assessment lien against the property per Section 7.2, paragraph I, of the City's Code. The entire outstanding balance is delinquent at June 30, 2018.

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, 2018, 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, 2018

L. PREPAID EXPENDITURES/EXPENSES

Payments made to various vendors for items or services for a future period beyond June 30, 2018 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, 2018**

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 \$2,103,108. Of this amount, \$74,898 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, 2018 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, 2018

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	\$349,122	\$5,888	\$0	\$355,010
Paving Assessments	45,387	0	0	45,387
Miscellaneous	11,453	0	0	11,453
DOT	7,753	0	11,161	18,914
Intangibles	29,647	0	0	29,647
LAG	88,622	0	0	88,622
Grants	47,319	0	162,494	209,813
Total	<u>\$579,303</u>	<u>\$5,888</u>	<u>\$173,655</u>	<u>\$758,846</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, 2018

- **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, 2018**

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 \$8,337,667 and the bank balance was \$9,369,495. In addition, the City also had \$6,000 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, \$319,247, was covered by federal depository insurance and \$9,050,248 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, 2018 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, 2018**

Concentration Credit Risk

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

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

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

The carrying amount of deposits for CVDA, a blended component unit, was \$69,147 and the bank balance was \$69,247. In addition, the CVDA also had \$200 in petty cash.

The CVDA does not have a deposit policy. Of the bank balance, \$69,247 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	\$6,088,318
Certificate of Deposit	7,387
Total	<u>\$6,095,705</u>

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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:

	Cash on Deposit	Investments
Cash in Bank	\$8,265,910	\$6,067,526
Petty Cash and Change	6,000	0
Cash and Investments on Hand	8,271,910	6,067,526
Fiduciary Assets	71,757	28,179
	<u>\$8,343,667</u>	<u>\$6,095,705</u>
Non Restricted	\$7,442,704	\$6,095,705
Restricted	900,963	0
Balance per Financial Statement	<u>\$8,343,667</u>	<u>\$6,095,705</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	Cash on Deposit
Balance per Footnote Above	\$69,147
Petty Cash	200
Balance per Financial Statement	<u>\$69,347</u>

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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 2017 property taxes, levied September 15, 2017 on a 40% assessed valuation as of the lien date January 1, 2017, were due November 15, 2017. The levy for 2017 is as follows:

<u>Type of Levy</u>	<u>Rate per \$1,000 of Assessed Value</u>	<u>Legal Maximum</u>
General Operations	12.050	
Less Sales Tax Rebate	4.049	
Net for General Operations	<u>8.001</u>	<u>10.00</u>
 Schools	 <u>16.980</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, 2018 per the following table:

95% of the 2010 Levy
95% of the 2011 Levy
80% of the 2012 Levy
70% of the 2013 Levy
60% of the 2014 Levy
50% of the 2015 Levy
25% of the 2016 Levy
5% of the 2017 Levy

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Taxes receivable at June 30, 2018 consist of the following:

Property Taxes	General Fund	CVDA
2010	\$1,213	\$38
2011	2,234	139
2012	2,614	5
2013	4,117	5
2014	9,018	5
2015	17,896	1,038
2016	71,155	2,407
2017	493,026	5,677
	<u>601,273</u>	<u>9,314</u>
Sales Taxes	703,724	0
Franchise Taxes	136,277	0
Total Taxes Receivable	1,441,274	9,314
Less Allowance for Uncollectible	(162,532)	(3,426)
	<u>\$1,278,742</u>	<u>\$5,888</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, 2018

NOTE. 4 INTERFUND RECEIVABLES/PAYABLES

Individual fund interfund receivables and payables including advances at June 30, 2018 are as follows:

<u>Payables</u>	<u>General Fund</u>	<u>CVDA</u>	<u>Water/Sewer Revenue Fund</u>	<u>Non Major Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>
General Fund	\$0	\$26,290	\$400,000	\$138,604	\$1,331,059	\$1,895,953
SPLOST 13	2,696	0	0	0	0	2,696
Sanitation	1,169,519	0	0	0	0	1,169,519
Department of Labor	971,531	0	0	0	0	971,531
Storm Water	3,382	0	0	0	0	3,382
Non Major Governmental Funds	92,158	0	0	0	0	92,158
Non Major Enterprise Funds	130,648	0	0	0	0	130,648
Internal Service Funds	3,297,880	0	0	0	0	3,297,880
Total	<u>\$5,667,814</u>	<u>\$26,290</u>	<u>\$400,000</u>	<u>\$138,604</u>	<u>\$1,331,059</u>	<u>\$7,563,767</u>

All interfund balances are due to routine interfund transactions that were not paid or received at June 30, 2018 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 \$30,150, the Auditorium Fund in the amount of \$100,498 and the Motor Pool Fund in the amount of \$3,297,880. 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, 2018

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	Primary Government					Ending Balance
	Beginning Balance	Additions	Retirements	Reclass	Transfer	
Governmental Activities:						
Non-depreciable assets						
Land	\$76,870,135	\$239,159	\$0	\$0	\$0	\$77,109,294
Construction in progress	482,666	48,500	0	0	0	531,166
Total non-depreciable assets	<u>77,352,801</u>	<u>287,659</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>77,640,460</u>
Depreciable assets						
Land improvements	13,854,760	0	28,080	0	0	13,826,680
Buildings	29,400,835	277,956	159,263	0	0	29,519,528
Equipment	9,308,968	1,317,138	1,991,067	0	0	8,635,039
Motor vehicles	18,152,164	621,998	1,000,518	0	0	17,773,644
Infrastructure	107,192,136	0	0	0	0	107,192,136
Total depreciable assets	<u>177,908,863</u>	<u>2,217,092</u>	<u>3,178,928</u>	<u>0</u>	<u>0</u>	<u>176,947,027</u>
Total at historical cost	<u>255,261,664</u>	<u>2,504,751</u>	<u>3,178,928</u>	<u>0</u>	<u>0</u>	<u>254,587,487</u>
Less accumulated depreciation for:						
Land improvements	6,519,960	425,583	28,080	0	0	6,917,463
Buildings	10,587,602	628,331	159,263	0	0	11,056,670
Equipment	8,121,062	486,527	1,991,067	0	0	6,616,522
Motor vehicles	13,321,143	1,014,615	995,557	0	0	13,340,201
Infrastructure	87,375,146	1,616,905	0	0	0	88,992,051
Total accumulated depreciation	<u>125,924,913</u>	<u>4,171,961</u>	<u>3,173,967</u>	<u>0</u>	<u>0</u>	<u>126,922,907</u>
Governmental activities capital assets, net	<u>\$129,336,751</u>	<u>(\$1,667,210)</u>	<u>\$4,961</u>	<u>\$0</u>	<u>\$0</u>	<u>\$127,664,580</u>
Business-type activities:						
Non-depreciable assets						
Land	\$3,038,403	\$0	\$0	\$0	\$0	\$3,038,403
Construction in progress	3,514,867	5,373,714	0	(3,482,311)	0	5,406,270
Total non-depreciable assets	<u>6,553,270</u>	<u>5,373,714</u>	<u>0</u>	<u>(3,482,311)</u>	<u>0</u>	<u>8,444,673</u>
Depreciable assets						
Land improvements	151,017,432	12,658	1,585,182	3,482,311	0	152,927,219
Buildings	118,245,462	0	141,055	0	0	118,104,407
Equipment	4,938,560	12,968	83,253	0	0	4,868,275
Intangibles	1,161,791	0	0	0	0	1,161,791
Total depreciable assets	<u>275,363,245</u>	<u>25,626</u>	<u>1,809,490</u>	<u>3,482,311</u>	<u>0</u>	<u>277,061,692</u>
Total at historical cost	<u>281,916,515</u>	<u>5,399,340</u>	<u>1,809,490</u>	<u>0</u>	<u>0</u>	<u>285,506,365</u>

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Less accumulated depreciation for:						
Land improvements	\$36,169,889	\$3,053,357	\$1,585,182	\$0	\$0	\$37,638,064
Buildings	23,243,942	3,297,507	141,055	0	0	26,400,394
Equipment	4,405,455	163,677	83,253	0	0	4,485,879
Intangibles	<u>284,617</u>	<u>38,634</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>323,251</u>
Total accumulated depreciation	<u>64,103,903</u>	<u>6,553,175</u>	<u>1,809,490</u>	<u>0</u>	<u>0</u>	<u>68,847,588</u>
Business-type activities capital assets, net	<u>\$217,812,612</u>	<u>(\$1,153,835)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$216,658,777</u>

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

Governmental Depreciation:		
General Government		\$3,588,350
Finance		1,785
Engineering		13,300
Public Safety		555,512
Public Works		<u>13,014</u>
Total governmental depreciation		<u>4,171,961</u>
Business-type Depreciation:		
Sanitation		33,179
Water & Sewer		6,355,741
Inspections		1,189
Department of Labor		89,110
Storm Water		<u>73,956</u>
Total business-type depreciation/ amortization		<u>6,553,175</u>
Total depreciation expense		<u><u>\$10,725,136</u></u>

Internal Service Funds predominantly serve governmental funds. Accordingly, \$21,506,284 in capital assets, \$16,236,156 in accumulated depreciation, and \$1,173,225 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, 2018**

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, 2018, 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, 2018, the City reported a liability of \$44,224,617 as its net pension liability. The net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. 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, 2018.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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, 2018:

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, 2016*	\$ 83,760,023	\$ 38,999,181	\$ 44,760,842
Changes for the year:			
Service cost	1,086,275	-	1,086,275
Interest	6,282,650	-	6,282,650
Differences between expected and actual experience	641,340	-	641,340
Contributions - employer	-	3,981,181	(3,981,181)
Contributions - employee	-	490,871	(490,871)
Net investment income	-	5,779,324	(5,779,324)
Benefit payments, including refunds of employee contributions	(5,387,133)	(5,387,133)	-
Administrative expense	-	(131,920)	131,920
Other	1,572,966	-	1,572,966
Net changes	4,196,098	4,732,323	(536,225)
Balances at September 30, 2017**	<u>\$ 87,956,121</u>	<u>\$ 43,731,504</u>	<u>\$ 44,224,617</u>

*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.

**Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2018 are used to measure TPL as of September 30, 2017. The balances as of September 30, 2017 constitute measurements of the NPL for the fiscal year ending June 30, 2018.

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, 2018

NOTE 6 – EMPLOYEE RETIREMENT PLAN, CONTINUED

For the year ended June 30, 2018, the City recognized pension expense of \$4,521,679. 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, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,496,539	\$ -
Changes of assumptions	2,344,879	(1,834,922)
Net difference between projected and actual earnings on pension plan investments	-	(2,287,139)
City contributions subsequent to the measurement date	<u>3,088,970</u>	<u>-</u>
Total	<u>\$ 6,930,388</u>	<u>\$ (4,122,061)</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.

\$3,088,970 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, 2019. 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:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
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, 2018**

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	2.75%
Net Investment Rate of Return	7.50%
Projected Salary Increases	2.75% 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, 2018 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, 2018

NOTE 6 – EMPLOYEE RETIREMENT PLAN, CONTINUED

The 7.50% 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, 2017 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	15%	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 7.50%, 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 (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Net pension liability	\$ 54,104,779	\$ 44,224,617	\$ 35,937,180

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018, 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.

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The City's self-insured health plan, City of Valdosta Group Insurance, provides medical and hospitalization benefits for two classes of retirees. 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 \$1,115,378 for retirees' health insurance for 135 participants. In addition, 70 participants were covered.

Employees Covered by Benefit Terms –

Retired members currently receiving benefits	202
Vested terminated members entitled to but not yet receiving benefits	-
Active members	<u>577</u>
 Total covered employees	 <u><u>779</u></u>

Actuarial Assumptions –

Actuarial Assumptions:

Inflation	3.25%
Salary Increases	3.75% to 8.75%, including inflation
Discount Rate	3.58%
Healthcare cost trend rates	Non-Medicare Advantage Health: 7.00% trended down to 4.50% by 2021 Medicare Advantage: 4.50% Dental: 4.00%
Health Mortality Rates	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forwards two year for males and one year for females

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – June 30, 2014.

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Changes in Total OPEB Liability –

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2017*	\$ 37,854,143	\$ -	\$ 37,854,143
Changes for the year:			-
Service cost	1,524,705	-	1,524,705
Interest	1,111,230	-	1,111,230
Differences between expected and actual experience	(439,063)	-	(439,063)
Changes of Assumptions	(3,816,076)	-	(3,816,076)
Contributions - employer	(776,672)	776,672	(1,553,344)
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	-	(776,672)	776,672
Administrative expense	-	-	-
Other	-	-	-
Net changes	(2,395,876)	-	(2,395,876)
Balances at June 30, 2018	<u>\$ 35,458,267</u>	<u>\$ -</u>	<u>\$ 35,458,267</u>

Discount Rate -

Discount rate -Since the City funds this Plan on a pay-as-you-go basis, GASB requires the discount rate be based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). To comply with this requirement, the discount rate is based on an index of 20-year, tax-exempt general obligation bonds. Specifically, the chosen rate is 3.58%, the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of June 30, 2017.

The following presents the City's net OPEB 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:

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	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Net pension liability	<u>\$ 40,846,216</u>	<u>\$ 35,458,267</u>	<u>\$ 31,096,989</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Healthcare Trend Rates		
	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Net pension liability	<u>\$ 30,635,818</u>	<u>\$ 35,458,267</u>	<u>\$ 41,498,810</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB –

For the year ended June 30, 2018, the City recognized OPEB expense of \$1,926,746. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ (3,180,065)
Net difference between projected and actual experience in the Total OPEB Liability	-	(365,885)
City contributions subsequent to the measurement date	<u>1,115,378</u>	<u>-</u>
Total	<u>\$ 1,115,378</u>	<u>\$ (3,545,950)</u>

\$1,115,378 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred

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outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2019	\$ (709,190)
2020	(709,190)
2021	(709,190)
2022	(709,190)
2023	(709,190)
Thereafter	-
Total	<u><u>\$ (3,545,950)</u></u>

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.

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

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Due Within</u> <u>One</u> <u>Year</u>
<u>Governmental Funds</u>					
Other Post Employment Benefits	\$37,854,143	\$1,926,746	\$4,322,622	\$35,458,267	\$0
Total OPEB	<u><u>\$37,854,143</u></u>	<u><u>\$1,926,746</u></u>	<u><u>\$4,322,622</u></u>	<u><u>\$35,458,267</u></u>	<u><u>\$0</u></u>

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NOTE 9. LONG TERM DEBT

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, 2018, the limit for the City was \$144,681,681

Long term bonded debt of the City is as follows:

<u>Enterprise Funds</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2018</u>	<u>Due Within One Year</u>
4.19% Department of Labor Building.					
Original issue amount \$4,410,000.	\$1,614,000	\$0	\$233,000	\$1,381,000	\$233,000
Total Notes	<u>\$1,614,000</u>	<u>\$0</u>	<u>\$233,000</u>	<u>\$1,381,000</u>	<u>\$233,000</u>

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, 2018, including interest of \$172,167 on the Bond Series 2003 is as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	233,000	13,932	246,932
2024	216,000	4,881	220,881
Total	<u>\$1,381,000</u>	<u>\$172,167</u>	<u>\$1,553,167</u>

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

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
Enterprise Funds					
Accrued vacation	\$530,773	\$547,776	\$530,773	\$547,776	\$292,852
Internal Service Funds					
Accrued vacation	52,327	57,477	52,327	57,477	24,838
Governmental Funds					
Accrued vacation	1,702,645	1,610,215	1,702,645	1,610,215	887,581
Other Post Employment Benefits	37,854,143	1,926,746	4,322,622	35,458,267	0
Total	\$40,139,888	\$4,142,214	\$6,608,367	\$37,673,735	\$1,205,271

Compensated absences are generally liquidated by the General Fund.

The City of Valdosta has entered into a contract for eight loans with Georgia Environmental Facilities Authority for an aggregate loan balance of \$99,186,401. 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, 2018, draws totaled \$10,551,369 on the loans in progress.

Loan Name	Loan Amount	Payment Period
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	10,551,369	February 1, 2018 to February 1, 2038
GF2017012	3,100,915	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, 2018. GEFA retitles notes as modifications are made.

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Georgia Environmental Facilities Loans

Loan #	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
DW97036P	\$1,905,461	\$0	\$278,788	\$1,626,673	\$287,243
CWSRF 08003 ARRA	4,691,005	0	271,791	4,419,214	280,058
CWSRF 08003 PHI	9,545,959	0	553,081	8,992,878	569,904
CWSRF 08003 ARRA PHII	920,765	0	52,963	867,802	54,574
CWSRF 08003 PHII	10,296,684	0	544,403	9,752,281	560,962
2006-L53WJ	11,823,957	0	647,751	11,176,206	674,948
2013-L31WJ	9,564,426	986,943	137,599	10,413,770	419,457
CW13-006	37,767,770	0	6,987,233	30,780,537	1,746,220
GF2017012	0	3,100,915	0	3,100,915	0
Totals	\$86,516,027	\$4,087,858	\$9,473,609	\$81,130,276	\$4,593,366

The requirements to amortize the Georgia Environmental Facilities Loans debt outstanding with the exception of the pending notes as of June 30, 2018 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
2019	\$287,243	\$45,589	\$280,058	\$128,747	\$569,904	\$261,992
2020	295,959	36,874	288,576	120,228	587,239	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	323,722	9,111	315,717	93,087	642,469	189,428
2024-2028	100,623	892	1,728,606	315,417	3,517,625	641,858
2029-2033	0	0	1,202,505	57,974	2,447,039	117,976
2034-2038	0	0	0	0	0	0
Totals	\$1,626,673	\$139,004	\$4,419,214	\$929,311	\$8,992,878	\$1,891,101

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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
2019	\$54,574	\$25,288	\$560,962	\$284,897	\$674,948	\$447,809
2020	56,234	23,628	578,024	267,835	703,287	449,470
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	61,523	18,339	632,388	213,471	795,646	327,112
2024-2028	336,850	62,460	3,462,429	766,862	4,508,280	1,105,507
2029-2033	240,969	11,928	3,309,152	215,258	2,997,644	183,502
2034-2038	0	0	0	0	0	0
Totals	\$867,802	\$183,715	\$9,752,281	\$2,230,715	\$11,176,206	\$3,232,513

Fiscal Year Ending June 30	Loan # CW13-006		Loan # 2013-1WJ		Total All Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$1,746,220	\$419,959	\$419,457	245,336	\$4,593,366	\$1,859,617
2020	1,771,034	395,145	429,635	235,158	4,709,987	1,742,996
2021	1,795,988	370,191	440,060	224,733	4,829,804	1,623,179
2022	1,821,294	344,885	450,739	214,054	4,953,137	1,499,846
2023	1,846,956	319,223	461,676	203,117	5,080,097	1,372,888
2024-2028	9,632,551	1,198,342	2,481,962	842,003	25,768,926	4,933,341
2029-2033	10,330,566	500,865	2,798,069	525,896	23,325,944	1,613,399
2034-2038	1,835,928	12,075	2,932,172	170,195	4,768,100	182,270
Totals	\$30,780,537	\$3,560,685	\$10,413,770	\$2,660,492	\$78,029,361	\$14,827,536

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 #GF2017012 is incomplete and therefore no amortization schedule is available. The maximum repayment period will be 20 years at 2.39%.

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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, 2018, is as follows:

Year Ending June 30	Principal	Interest	Total
2019	\$6,461	\$370	\$6,831
Total	\$6,461	\$370	\$6,831

Governmental Funds	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
Dell Computer Lease					
Original Issue Amount \$85,400	\$6,461	\$0	\$0	\$6,461	\$6,461
	\$6,461	\$0	\$0	\$6,461	\$6,461

Fire Department Capital Lease

The City of Valdosta entered into a capital lease agreement on July 1, 2017, with Dell for computer equipment for the Fire Department. The total lease payments are \$27,432 with annual interest imputed at 5.648%, payable in four annual payments of \$9,232, \$8,109, \$8,109 and one final payment of \$1,982.

The annual requirement to amortize the Dell Capital Lease Agreement outstanding balance as of June 30, 2018, is as follows:

Year Ending June 30	Principal	Interest	Total
2019	\$7,557	\$552	\$8,109
2020	1,973	9	1,982
Total	\$9,530	\$561	\$10,091

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<u>Governmental Funds</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2018</u>	<u>Due Within One Year</u>
Dell Computer Lease					
Original Issue Amount \$25,904	\$0	\$25,904	\$16,374	\$9,530	\$7,557
	<u>\$0</u>	<u>\$25,904</u>	<u>\$16,374</u>	<u>\$9,530</u>	<u>\$7,557</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, 2018, is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$26,176	\$1,728	\$27,904
2020	6,459	373	6,832
Total	<u>\$32,635</u>	<u>\$2,101</u>	<u>\$34,736</u>

<u>Governmental Funds</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2018</u>	<u>Due Within One Year</u>
Dell Computer Lease					
Original Issue Amount \$85,400	\$57,496	\$0	\$24,861	\$32,635	\$26,176
	<u>\$57,496</u>	<u>\$0</u>	<u>\$24,861</u>	<u>\$32,635</u>	<u>\$26,176</u>

Police Department Capital Lease

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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, 2018, is as follows:

Year Ending June 30	Principal	Interest	Total		
2019	\$38,012	\$1,363	\$39,375		
2020	9,617	23	9,640		
Total	<u>\$47,629</u>	<u>\$1,386</u>	<u>\$49,015</u>		

Governmental Funds	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
Dell Computer Lease					
Original Issue Amount \$120,508	\$84,583	\$0	\$36,954	\$47,629	\$38,012
	<u>\$84,583</u>	<u>\$0</u>	<u>\$36,954</u>	<u>\$47,629</u>	<u>\$38,012</u>

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.

Year Ended June 30	Principal	Interest	Total
2019	\$51,118	\$1,533	\$52,651
Total	<u>\$51,118</u>	<u>\$1,533</u>	<u>\$52,651</u>

CITY OF VALDOSTA, GEORGIA
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<u>Governmental Funds</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2018</u>	<u>Due Within One Year</u>
IBIS Equipment					
Original Issue Amount \$201,581	\$100,747	\$0	\$49,629	\$51,118	\$0
	<u>\$100,747</u>	<u>\$0</u>	<u>\$49,629</u>	<u>\$51,118</u>	<u>\$0</u>

Police Department Capital Lease

The City of Valdosta entered into a capital lease agreement on July 21, 2017, with Motorola for body cameras for the Police Department. The total lease payments are \$448,172, with annual interest imputed at 3.0%, payable in payments of \$68,750, \$120,162, and 3 payments of \$86,420.

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$112,856	\$7,307	\$120,163
2020	81,391	5,029	86,420
2021	83,034	3,386	86,420
2022	84,710	1,710	86,420
Total	<u>\$361,991</u>	<u>\$17,432</u>	<u>\$379,423</u>

<u>Governmental Funds</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2018</u>	<u>Due Within One Year</u>
Body Cameras					
Original Issue Amount \$422,219	\$0	\$422,219	\$60,228	\$361,991	\$112,856
	<u>\$0</u>	<u>\$422,219</u>	<u>\$60,228</u>	<u>\$361,991</u>	<u>\$112,856</u>

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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 \$1,014,653 with a variable interest rate. The current annual interest imputed at 2.03%, payable in sixty monthly payments of \$16,881.

The annual requirement to amortize the GMA Lease Agreement outstanding balance as of June 30, 2018, is as follows:

Year Ended June 30	Principal	Interest	Total
2019	\$197,135	\$6,258	\$203,393
2020	201,174	2,219	203,393
Total	<u>\$398,309</u>	<u>\$8,477</u>	<u>\$406,786</u>

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<u>Internal Service Funds</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2018</u>	<u>Due Within One Year</u>
Vehicle Lease					
Original issue amount \$971,103	\$592,357	\$0	\$194,049	\$398,308	\$197,135
Total Notes	<u>\$592,357</u>	<u>0</u>	<u>\$194,049</u>	<u>\$398,308</u>	<u>\$197,135</u>

Motor Pool Fund Capital Lease

The City of Valdosta entered into a capital lease agreement on February 23, 2016, with GMA, funded by BB&T Governmental Finance Project Funds, to finance the purchase of four firetrucks for the Fire Department in the amount of \$1,932,479. The total lease payments are \$2,215,661 with a variable interest rate. The current annual interest rate imputed at 2.73%, payable in ten annual payments of \$222,468.

The annual requirement to amortize the GMA Lease Agreement outstanding balance as of June 30, 2018, is as follows:

<u>Enterprise Funds</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2018</u>	<u>Due Within One Year</u>
Four Sutphen Firetrucks.					
Original issue amount \$1,932,479	\$1,758,000	\$0	\$178,405	\$1,579,595	\$179,345
Total Notes	<u>\$1,738,000</u>	<u>\$0</u>	<u>\$178,405</u>	<u>\$1,579,595</u>	<u>\$179,345</u>

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$179,345	\$43,123	\$222,468
2020	184,241	38,227	222,468
2021	189,270	33,198	222,468
2022	194,438	28,030	222,468
2023	199,746	22,722	222,468
2024-2026	632,555	34,849	667,404
Total	<u>\$1,579,595</u>	<u>\$200,149</u>	<u>\$1,779,744</u>

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Lease Amortization Expense

The total accumulated amortization expense for governmental leases was \$196,017 and business type leases was \$448,356 as of June 30, 2018. The total current amortization expense for governmental leases was \$149,499 and business type leases was \$394,852 for fiscal year 2018. These leased assets are included in Note 5 as depreciation expense.

NOTE 10. FUND BALANCE

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

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

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

	<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	\$2,677,584	\$0	\$0	\$0	\$2,677,584
Required to be maintained in tact	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,708,471</u>	<u>1,708,471</u>
	<u>2,677,584</u>	<u>0</u>	<u>0</u>	<u>1,708,471</u>	<u>4,386,055</u>
Restricted. The following fund balances are restricted for:					
Public safety	91,461	0	0	62,122	153,583
Land Bank Authority	88,622	0	0	0	88,622
Community development	0	0	93,327	0	93,327
NPDES permitting	46,831	0	0	0	46,831
Redevelopment	0	0	0	2,161,956	2,161,956
Youth programs	0	0	0	409,056	409,056
Capital outlay	0	2,355,123	0	1,211,476	3,566,599
	<u>226,914</u>	<u>2,355,123</u>	<u>93,327</u>	<u>3,844,610</u>	<u>6,519,974</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:					
General Operations	485,233	0	0	0	485,233
Tourism development	0	0	0	1,439,690	1,439,690
Capital Improvement	0	3,553,966	0	667,299	4,221,265
	<u>485,233</u>	<u>3,553,966</u>	<u>0</u>	<u>2,106,989</u>	<u>6,146,188</u>
Unassigned. The following balances are unassigned:					
	0	0	0	(437,349)	(437,349)
	<u>0</u>	<u>0</u>	<u>0</u>	<u>(437,349)</u>	<u>(437,349)</u>
Total Fund Balance	<u>\$3,400,498</u>	<u>\$5,909,089</u>	<u>\$93,327</u>	<u>\$7,222,721</u>	<u>\$16,625,635</u>

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 11. 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, 2018, against the self-insurance fund. This incurred but not reported (IBNR) liability is estimated to be \$800,000. This number was calculated by analyzing the plan's payment lag and projecting the resulting trend into the next fiscal year.

NOTE 12. NET POSITION DEFICITS

The following funds had deficits at June 30, 2018:

The Inspections Fund had a deficit net position of \$75,363 due to reduction in permits issued. The Auditorium Fund had a deficit net position of \$120,899 due to insufficient bookings. The City is reviewing the fee schedules and tax subsidy.

NOTE 13. INTERFUND TRANSACTIONS

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

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Transfers between fund types during the year ended June 30, 2018, were:

	Transfers In	Transfers Out
General Fund	\$2,839,733	\$1,562,637
Sanitation Fund	0	381,251
Water and Sewer Fund	0	2,157,588
DOL	0	638,061
Storm Water Fund	0	181,709
Other Governmental Funds	0	340,763
Other Enterprise Funds	340,763	128,723
Internal Service Funds	<u>2,210,236</u>	<u>0</u>
	<u>\$5,390,732</u>	<u>\$5,390,732</u>

General Fund transferred \$1,562,637 to Group Insurance. Sanitation transferred \$209,751 to Group Insurance. Water and Sewer transferred \$334,188 to Group Insurance. Storm Water transferred \$53,709 to Group Insurance. Accommodations Tax transferred \$340,763 to the Auditorium Fund. Inspection transferred \$37,132 to Group Insurance. The Auditorium Fund transferred \$12,819 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, 2018

NOTE 14. 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, 2018, the City paid \$74,011 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 15. 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, 2018, 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, 2018

amount of all such contributions are actuarially determined where necessary. As previously stated in Note 11, there is a liability of \$800,000 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, 2017	\$722,431	\$5,862,181	\$(5,718,071)	\$866,541
June 30, 2018	866,541	5,772,066	(5,536,839)	1,101,768

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:

2017	\$0
2016	0
2015	0

NOTE 16. 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 \$3,284,054. 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 \$3,171,737. Depreciation on the building amounts to \$89,110 annually.

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 17. 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 \$3,099,341, net of vendor's compensation of \$95,307, in tax receipts and was allocated as follows: \$1,331,997, or 40% of the first 5% and 50% of the remaining 2%, to the Valdosta/Lowndes County Tourism Authority, \$249,950 to the Valdosta/Lowndes Conference Center, \$387,526 to the Airport Authority, \$25,000 to the Public Art Society, \$25,000 to the Historical Society, \$9,835 for administrative expenses, and \$190,000 to the Turner Arts Center. The remainder of \$880,033 was retained by the City and will be spent in accordance with legal provisions.

NOTE 18. ACCOUNTING CHANGES

FUNDS CLOSED

The GA DCA CHIP 01M-X-092-2-2568 Grant Fund was closed effective July 1, 2018.

NOTE 19. CONSTRUCTION COMMITMENTS

The City has active construction projects as of June 30, 2018. The projects include the expansion of the City's sewer system. At year end, the City's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Lift Station Phase 4 Rehab	\$891,058	\$53,163
Annexed Islands Phase II	1,985,295	2,503,894

NOTE 20. TAX ABATEMENTS

During the fiscal year ended June 30, 2018, 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 authorities stated purpose is to build and grow businesses in the Valdosta-Lowndes County area. During the fiscal year 2018, 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 \$51,093. Information relevant to disclosure of these abatements of the fiscal year ended June 30, 2018 is:

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Type of Business	Property Taxes Abated during the Fiscal Year
Chemical Producing Company	\$2,949
Chemical Producing Company	8,242
Distribution Center	16,774
Logisitcs Company	1,703
Battery Manufacturer	7,639
Drug Manufacturer	3,649
Packaging Company	10,137

NOTE 21. PRIOR PERIOD ADJUSTMENTS

During the year ended June 30, 2018, the City of Valdosta implemented GASB Statement No. 75 “Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions.” This resulted in an adjustment to the beginning net position on the government-wide statement of activities and changes in net position of (\$14,389,380) to recognize the net position liability and the deferred inflows of resources and deferred outflows of resources related to pensions that are required to be reported in accordance with GASB 75.

**BUDGETARY
COMPARISON
SCHEDULES**

CITY OF VALDOSTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Taxes	\$31,002,450	\$31,002,450	\$31,361,726	\$359,276
Licenses and permits	587,000	587,000	523,976	(63,024)
Charges for services	257,622	257,622	216,154	(41,468)
Fines and forfeitures	1,168,000	1,168,000	1,076,742	(91,258)
Interest income	0	0	43,513	43,513
Contributions and donations	9,500	7,092	261,761	254,669
Miscellaneous	804,000	804,000	609,113	(194,887)
Intergovernmental	1,465,763	1,597,819	1,426,931	(170,888)
Capital leases	0	0	448,123	448,123
Transfer in	3,213,802	3,213,802	2,839,733	(374,069)
TOTAL REVENUES	<u>38,508,137</u>	<u>38,637,785</u>	<u>38,807,772</u>	<u>169,987</u>
Expenditures:				
Current:				
General government	9,172,612	9,085,657	8,871,526	214,131
Public safety	24,518,999	24,840,900	24,918,097	(77,197)
Public works	2,565,530	2,565,530	2,349,961	215,569
Economic development and assistance	845,770	852,181	716,747	135,434
Debt service principal	194,290	194,290	189,361	4,929
Debt service interest	0	0	16,659	(16,659)
Transfer out	1,083,418	1,083,418	1,562,637	(479,219)
TOTAL EXPENDITURES	<u>38,380,619</u>	<u>38,621,976</u>	<u>38,624,988</u>	<u>(3,012)</u>
REVENUES OVER (UNDER) EXPENDITURES	127,518	15,809	182,784	166,975
Fund balance - beginning of year budgetary basis	1,060,835	1,060,835	1,060,835	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u>\$1,188,353</u>	<u>\$1,076,644</u>	<u>\$1,243,619</u>	<u>\$166,975</u>

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.

\$38,807,772

Differences - budget to GAAP:

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

(448,123)

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

(2,839,733)

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

\$35,519,916

Uses/outflows of resources

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

\$38,624,988

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.

(198,739)

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

(1,562,637)

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

\$36,863,612

**CITY OF VALDOSTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CENTRAL VALDOSTA DEVELOPMENT AUTHORITY
FOR YEAR ENDED JUNE 30, 2018**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		(UNDER)
Revenues:				
Taxes	\$90,000	\$90,000	\$94,300	\$4,300
Interest income	0	0	168	168
Contributions	8,900	8,900	7,700	(1,200)
Miscellaneous	1,000	1,000	1,170	170
TOTAL REVENUES	99,900	99,900	103,338	3,438
Expenditures:				
General Government	99,900	99,900	113,236	(13,336)
TOTAL EXPENDITURES	99,900	99,900	113,236	(13,336)
REVENUES OVER (UNDER) EXPENDITURES	0	0	(9,898)	(9,898)
Fund Balance - beginning of year - budgetary basis	103,225	103,225	103,225	0
FUND BALANCE - END OF YEAR	\$103,225	\$103,225	\$93,327	(\$9,898)

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.

\$103,338

Differences - budget to GAAP:

None

0

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

\$103,338

Uses/outflows of resources

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

\$113,236

Differences - budget to GAAP:

None

0

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

\$113,236

CITY OF VALDOSTA, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018

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:									
	2018	2017	2016	2015	2013	2012	2011	2010	2009	2008
<i><u>Total pension liability</u></i>										
Service cost	\$ 1,086,275	\$ 1,128,876	\$ 1,186,364	\$ 1,168,292						
Interest	6,282,650	6,096,193	5,796,872	5,621,355						
Differences between expected and actual experience	641,340	614,516	1,329,502	414,792						
Changes of assumptions	1,572,966	0	(4,587,307)	5,432,537						
Changes of benefit terms	0	0	0	0						(Historical information prior to implementation of GASB 68 is not required)
Benefit payments, including refunds of employee contributions	(5,387,133)	(5,480,240)	(5,005,586)	(4,979,503)						
Net change in total pension liability	4,196,098	2,359,345	(1,280,155)	7,657,473						
Total pension liability - beginning	83,760,023	81,400,678	82,680,833	75,023,360						
Total pension liability - ending (a)	<u>\$ 87,956,121</u>	<u>\$ 83,760,023</u>	<u>\$ 81,400,678</u>	<u>\$ 82,680,833</u>						
<i><u>Plan fiduciary net position</u></i>										
Contributions - employer	\$ 3,981,181	\$ 4,474,678	\$ 3,146,917	\$ 3,402,750						
Contributions - employee	490,871	366,280	355,472	333,321						
Net investment income	5,779,324	3,952,625	471,566	3,877,248						
Benefit payments, including refunds of employee contributions	(5,387,133)	(5,480,240)	(5,005,586)	(4,979,503)						(Historical information prior to implementation of GASB 68 is not required)
Administrative expense	(131,920)	(75,213)	(83,287)	(67,292)						
Other	0	0	0	0						
Net change in fiduciary net position	4,732,323	3,238,130	(1,114,918)	2,566,524						
Plan fiduciary net position - beginning	38,999,181	35,761,051	36,875,969	34,309,445						
Plan fiduciary net position - ending (b)	<u>\$ 43,731,504</u>	<u>\$ 38,999,181</u>	<u>\$ 35,761,051</u>	<u>\$ 36,875,969</u>						
Net pension liability - ending (a)-(b)	<u>\$ 44,224,617</u>	<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	49.72%	46.56%	43.93%	44.60%						(Historical information prior to implementation of GASB 68 is not required)
Covered payroll	\$ 23,419,149	\$ 20,841,771	\$ 21,525,912	\$ 19,640,929						
Net pension liability as a percentage of covered payroll	188.84%	214.77%	212.02%	233.21%						

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

	Year Ended June 30:									
	2018	2017	2016	2015	2013	2012	2011	2010	2009	2008
Required Employer Contribution	4,183,365	3,904,094	3,600,000	3,516,500						
Contributions recognized by the pension plan	4,183,365	3,904,094	3,600,000	3,516,500						
Contribution deficiency (excess)	0	0	0	0	(Historical information prior to implementation of GASB 68 is not required)					
Covered payroll	25,440,527	24,102,953	22,036,245	22,009,376						
Contributions as a percentage of covered payroll	16.44%	16.20%	16.34%	15.98%						

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

	Year Ended June 30:									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	2,619,382	3,667,792	3,428,378	4,520,756	4,183,653	5,049,620	4,737,346	3,881,477	3,652,569	3,440,104
Contributions in relation to the actuarially determined contribution	1,115,378	776,672	990,141	1,220,203	1,273,383	421,097	505,671	1,041,252	2,028,042	1,541,652
Contribution deficiency (excess)	1,504,004	2,891,120	2,438,237	3,300,553	2,910,270	4,628,523	4,231,675	2,840,225	1,624,527	1,898,452
Covered payroll	21,525,912	21,525,912	21,525,912	19,143,280	19,143,280	18,493,053	18,493,053	18,116,280	18,116,280	18,116,280
Contributions as a percentage of covered payroll	5.18%	3.61%	4.60%	6.37%	6.65%	2.28%	2.73%	5.75%	11.19%	8.51%

Notes to this schedule

(1) All "Actuarially Determined Contributions" through June 30, 2017, were determined as the "Annual Required Contribution" under GASB 43 and 45. These were calculated using Projected Unit Credit and a 4% discount rate

(2) Covered employee payroll represents compensation earnable for those employees who are currently eligible or could become eligible to receive benefits from this 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.

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, 2018**

	CONFISCATED FUNDS	PROPERTY EVIDENCE FUND	U.S. DEPT OF JUSTICE LOCAL LAW BLOCK GRANTS	UDAG	GA DCA CHIP 02M-X-092-2-2695
ASSETS					
Cash	\$16,835	\$5,355	\$1,069	\$17,709	\$0
Investments	43,485	0	0	0	0
Receivables (net)	0				
Accounts	0	0	0	0	0
Second mortgages	0	0	0	45,075	9,600
Due from other funds	0	0	0	0	0
Due from other governments and agencies	0	0	0	0	0
Total assets	<u>\$60,320</u>	<u>\$5,355</u>	<u>\$1,069</u>	<u>\$62,784</u>	<u>\$9,600</u>
LIABILITIES					
Liabilities:					
Vouchers and accounts payable	3,233	0	0	0	0
Due to:					
Other funds	0	320	1,069	0	0
Advances from other funds	0	0	0	0	0
Total liabilities	<u>3,233</u>	<u>320</u>	<u>1,069</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	57,087	5,035	0	62,784	9,600
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Total fund balances (deficits)	<u>57,087</u>	<u>5,035</u>	<u>0</u>	<u>62,784</u>	<u>9,600</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$60,320</u>	<u>\$5,355</u>	<u>\$1,069</u>	<u>\$62,784</u>	<u>\$9,600</u>

SPECIAL REVENUE FUNDS

<u>HUD FEDERAL GRANT</u>	<u>GA DCA CHIP 04M-X-092-2-2915</u>	<u>GA DCA CHIP 06M-X-092-2-2951</u>	<u>GA DCA CHIP 07M-X-092-2-2961</u>	<u>GA DCA CHIP 07MR-X-092-2-2979</u>	<u>GA DCA CHIP 2016-116</u>
\$10,904	\$0	\$0	\$0	\$0	\$1,732
0	0	0	0	0	0
16,025	0	0	0	0	0
1,715,147	5,745	36,800	62,300	37,000	268,481
0	0	0	0	0	0
82,849	0	0	0	0	11,209
<u>\$1,824,925</u>	<u>\$5,745</u>	<u>\$36,800</u>	<u>\$62,300</u>	<u>\$37,000</u>	<u>\$281,422</u>
11,548	0	0	0	0	13,711
50,669	0	0	0	0	10,100
30,000	0	0	0	0	0
<u>92,217</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,811</u>
70,885	0	0	0	0	0
0	0	0	0	0	0
2,099,172	5,745	36,800	62,300	37,000	257,611
0	0	0	0	0	0
(437,349)	0	0	0	0	0
<u>1,661,823</u>	<u>5,745</u>	<u>36,800</u>	<u>62,300</u>	<u>37,000</u>	<u>257,611</u>
<u>\$1,824,925</u>	<u>\$5,745</u>	<u>\$36,800</u>	<u>\$62,300</u>	<u>\$37,000</u>	<u>\$281,422</u>

CAPITAL PROJECTS FUND					
ACCOMMODATIONS TAX	AIRPORT DEVELOPMENT	ROAD IMPROVEMENT FUND	GENERAL CAPITAL PROJECTS	SUNSET HILL PERMANENT FUND	TOTAL OTHER GOVERNMENTAL FUNDS
\$146,722	\$102,195	\$1,216,828	\$52,248	\$354,838	\$1,926,435
1,089,399	390,192	0	199,487	1,354,804	3,077,367
297,058	0	0	0	855	313,938
0	0	0	0	0	2,180,148
138,604	0	0	0	0	138,604
0	172,404	0	0	0	266,462
<u>\$1,671,783</u>	<u>\$664,791</u>	<u>\$1,216,828</u>	<u>\$251,735</u>	<u>\$1,710,497</u>	<u>\$7,902,954</u>
232,093	148,483	5,352	0	0	414,420
0	0	0	0	0	62,158
0	0	0	0	0	30,000
<u>232,093</u>	<u>148,483</u>	<u>5,352</u>	<u>0</u>	<u>0</u>	<u>506,578</u>
0	100,744	0	0	2,026	173,655
0	0	0	0	1,708,471	1,708,471
0	0	1,211,476	0	0	3,844,610
1,439,690	415,564	0	251,735	0	2,106,989
0	0	0	0	0	(437,349)
<u>1,439,690</u>	<u>415,564</u>	<u>1,211,476</u>	<u>251,735</u>	<u>1,708,471</u>	<u>7,222,721</u>
<u>\$1,671,783</u>	<u>\$664,791</u>	<u>\$1,216,828</u>	<u>\$251,735</u>	<u>\$1,710,497</u>	<u>\$7,902,954</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, 2018

	CONFISCATED FUNDS	PROPERTY EVIDENCE FUND	U.S. DEPT OF JUSTICE LOCAL LAW BLOCK GRANTS	UDAG
Revenues:				
Taxes	\$0	\$0	\$0	\$0
Interest income	52	0	0	0
Contributions	0	0	0	0
Intergovernmental	0	0	3,939	0
Fines and forfeitures	42,882	5,968	0	0
Miscellaneous revenues	0	0	0	0
TOTAL REVENUES	<u>42,934</u>	<u>5,968</u>	<u>3,939</u>	<u>0</u>
Expenditures:				
Current:				
General government	0	0	0	0
Public safety	55,214	3,065	3,939	0
Economic development and assistance	0	0	0	0
Capital outlay	13,140	0	0	0
TOTAL EXPENDITURES	<u>68,354</u>	<u>3,065</u>	<u>3,939</u>	<u>0</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(25,420)</u>	<u>2,903</u>	<u>0</u>	<u>0</u>
Other financing sources (uses):				
Transfers out	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	<u>(25,420)</u>	<u>2,903</u>	<u>0</u>	<u>0</u>
Fund balances beginning of year	82,507	2,132	0	62,784
FUND BALANCES END OF YEAR	<u><u>\$57,087</u></u>	<u><u>\$5,035</u></u>	<u><u>\$0</u></u>	<u><u>\$62,784</u></u>

SPECIAL REVENUE FUNDS

GA DCA CHIP 01M-X-092-2-2568	GA DCA CHIP 02M-X-092-2-2695	FEDERAL HUD GRANT	GA DCA CHIP 04M-X-092-2-2915	GA DCA CHIP 06M-X-092-2-2951	GA DCA CHIP 07M-X-092-2-2961	GA DCA CHIP 07MR-X-092-2-2979
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	511,559	0	0	0	0
0	0	0	0	0	0	0
0	0	640	0	0	0	0
0	0	512,199	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,350	3,600	755,569	17,390	22,700	25,500	11,000
0	0	0	0	0	0	0
1,350	3,600	755,569	17,390	22,700	25,500	11,000
(1,350)	(3,600)	(243,370)	(17,390)	(22,700)	(25,500)	(11,000)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(1,350)	(3,600)	(243,370)	(17,390)	(22,700)	(25,500)	(11,000)
1,350	13,200	1,905,193	23,135	59,500	87,800	48,000
\$0	\$9,600	\$1,661,823	\$5,745	\$36,800	\$62,300	\$37,000

CAPITAL PROJECTS FUND						
GA DCA CHIP 2016-116	ACCOMMODATIONS TAX	AIRPORT DEVELOPMENT	ROAD IMPROVEMENT FUND	GENERAL CAPITAL PROJECTS	SUNSET HILL PERMANENT FUND	TOTAL OTHER GOVERNMENTAL FUNDS
\$0	\$3,194,648	\$0	\$0	\$0	\$0	\$3,194,648
0	320	3,618	0	0	398	4,388
0	0	0	0	0	7,300	7,300
149,374	0	788,875	911,748	0	0	2,365,495
0	0	0	0	0	0	48,850
0	0	0	0	0	24,017	24,657
<u>149,374</u>	<u>3,194,968</u>	<u>792,493</u>	<u>911,748</u>	<u>0</u>	<u>31,715</u>	<u>5,645,338</u>
0	2,314,935	0	0	0	12,005	2,326,940
0	0	0	0	0	0	62,218
1,763	0	0	0	0	0	838,872
0	0	802,986	238,866	5,500	0	1,060,492
<u>1,763</u>	<u>2,314,935</u>	<u>802,986</u>	<u>238,866</u>	<u>5,500</u>	<u>12,005</u>	<u>4,288,522</u>
<u>147,611</u>	<u>880,033</u>	<u>(10,493)</u>	<u>672,882</u>	<u>(5,500)</u>	<u>19,710</u>	<u>1,356,816</u>
0	(340,763)	0	0	0	0	(340,763)
0	(340,763)	0	0	0	0	(340,763)
147,611	539,270	(10,493)	672,882	(5,500)	19,710	1,016,053
110,000	900,420	426,057	538,594	257,235	1,688,761	6,206,668
<u>\$257,611</u>	<u>\$1,439,690</u>	<u>\$415,564</u>	<u>\$1,211,476</u>	<u>\$251,735</u>	<u>\$1,708,471</u>	<u>\$7,222,721</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, 2018

	BUDGET		ACTUAL	VARIANCE OVER (UNDER)
	ORIGINAL	FINAL		
Current Operations:				
General government				
Administration				
Mayor and council				
Personal services	\$201,168	\$205,043	\$204,934	\$109
Contractual services	59,802	91,094	154,981	(63,887)
Supplies	15,500	18,261	18,213	48
Travel and training	192,501	193,722	163,176	30,546
Other services and charges	248,205	215,249	197,749	17,500
	<u>717,176</u>	<u>723,369</u>	<u>739,053</u>	<u>(15,684)</u>
City manager				
Personal services	654,726	648,315	553,905	94,410
Contractual services	63,393	59,156	54,888	4,268
Supplies	8,542	11,405	11,404	1
Travel and training	17,050	18,424	18,360	64
Other services and charges	27,808	27,808	23,914	3,894
	<u>771,519</u>	<u>765,108</u>	<u>662,471</u>	<u>102,637</u>
Elections				
Contractual services	25,000	25,000	12,223	12,777
	<u>25,000</u>	<u>25,000</u>	<u>12,223</u>	<u>12,777</u>
City attorney				
Travel and training	845	845	0	845
Other services and charges	368,000	368,000	220,080	147,920
	<u>368,845</u>	<u>368,845</u>	<u>220,080</u>	<u>148,765</u>
Solicitor				
Other services and charges	92,000	92,000	86,539	5,461
	<u>92,000</u>	<u>92,000</u>	<u>86,539</u>	<u>5,461</u>
Indigent Defense				
Other services and charges	30,000	30,000	24,577	5,423
	<u>30,000</u>	<u>30,000</u>	<u>24,577</u>	<u>5,423</u>
TOTAL ADMINISTRATION	<u>2,004,540</u>	<u>2,004,322</u>	<u>1,744,943</u>	<u>259,379</u>
Human resources department				
Administration				
Personal services	306,082	267,065	267,064	1
Contractual services	4,515	6,415	5,649	766
Supplies	3,600	7,964	7,494	470
Travel and training	34,495	5,735	595	5,140
Other services and charges	26,120	25,182	23,589	1,593
Capital Outlay	9,500	9,500	6,484	3,016
	<u>384,312</u>	<u>321,861</u>	<u>310,875</u>	<u>10,986</u>
Employee incentives/assistance				
Personal services	7,400	7,400	3,780	3,620
Travel and training	4,500	4,500	0	4,500
	<u>11,900</u>	<u>11,900</u>	<u>3,780</u>	<u>8,120</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, 2018

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		OVER (UNDER)
Risk division				
Contractual services	\$14,000	\$10,463	\$10,463	\$0
Other services and charges	26,000	91,988	91,987	1
	40,000	102,451	102,450	1
TOTAL HUMAN RESOURCES	436,212	436,212	417,105	19,107
Finance department				
Finance director				
Personal services	187,528	186,470	186,470	0
Contractual services	1,607	1,398	1,199	199
Supplies	1,500	350	335	15
Travel and training	3,850	3,795	3,778	17
Other services and charges	68,553	78,444	78,443	1
	263,038	270,457	270,225	232
Accounting division				
Personal services	360,497	363,266	363,266	0
Contractual services	9,183	8,722	7,759	963
Supplies	2,250	2,729	2,728	1
Travel and training	4,600	4,600	1,992	2,608
Other services and charges	50,191	59,805	59,805	0
	426,721	439,122	435,550	3,572
Budget division				
Personal services	164,963	168,406	168,405	1
Contractual services	2,156	1,468	1,406	62
Supplies	2,087	2,007	2,004	3
Travel and training	1,812	617	610	7
Other services and charges	11,256	11,235	10,173	1,062
	182,274	183,733	182,598	1,135
Customer service division				
Personal services	578,719	578,719	561,821	16,898
Contractual services	144,857	131,557	110,391	21,166
Supplies	12,301	11,663	9,984	1,679
Travel and training	725	1,478	1,427	51
Other services and charges	96,148	95,473	86,358	9,115
	832,750	818,890	769,981	48,909
Business License				
Personal services	47,960	49,227	49,227	0
Contractual services	43,074	33,079	31,726	1,353
Supplies	829	2,001	2,001	0
Travel and training	380	1,377	940	437
Other services and charges	8,641	7,781	7,548	233
	100,884	93,465	91,442	2,023
Purchasing division				
Personal services	142,634	144,027	144,027	0
Contractual services	2,835	2,696	2,210	486
Supplies	1,235	1,085	814	271
Travel and training	3,074	1,870	1,586	284
Other services and charges	10,880	10,980	10,137	843
	160,658	160,658	158,774	1,884
TOTAL FINANCE	1,966,325	1,966,325	1,908,570	57,755

(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, 2018

	BUDGET		ACTUAL	VARIANCE OVER (UNDER)
	ORIGINAL	FINAL		
Engineering department				
Engineering division				
Personal services	\$663,374	\$659,993	\$589,935	\$70,058
Contractual services	12,846	12,975	11,923	1,052
Supplies	5,596	5,345	2,678	2,667
Travel and training	7,223	7,345	5,674	1,671
Other services and charges	93,539	93,539	69,841	23,698
	<u>782,578</u>	<u>779,197</u>	<u>680,051</u>	<u>99,146</u>
Signal Maintenance				
Personal services	235,296	253,770	253,770	0
Contractual services	6,513	9,413	8,087	1,326
Supplies	27,994	18,168	16,566	1,602
Travel and training	3,220	1,672	1,642	30
Other services and charges	32,785	24,489	23,520	969
	<u>305,808</u>	<u>307,512</u>	<u>303,585</u>	<u>3,927</u>
Signs and Markings				
Personal services	143,306	127,248	125,037	2,211
Contractual services	3,172	3,172	2,782	390
Supplies	37,662	31,578	30,840	738
Travel and training	1,425	1,425	834	591
Other services and charges	9,824	13,758	13,666	92
	<u>195,389</u>	<u>177,181</u>	<u>173,159</u>	<u>4,022</u>
Traffic Mgt Center				
Personal services	199,902	204,796	204,796	0
Contractual services	1,418,597	1,448,519	1,448,518	1
Supplies	16,110	13,491	13,336	155
Travel and training	3,345	3,345	2,699	646
Other services and charges	35,230	29,924	26,391	3,533
	<u>1,673,184</u>	<u>1,700,075</u>	<u>1,695,740</u>	<u>4,335</u>
Street Repair				
Personal services	294,535	290,284	290,237	47
Contractual services	15,763	13,150	13,149	1
Supplies	15,741	14,116	13,645	471
Travel and training	3,820	3,823	3,359	464
Other services and charges	79,973	81,453	80,904	549
Capital Outlay	63,779	63,779	0	63,779
	<u>473,611</u>	<u>466,605</u>	<u>401,294</u>	<u>65,311</u>
TOTAL ENGINEERING	<u>3,430,570</u>	<u>3,430,570</u>	<u>3,253,829</u>	<u>176,741</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, 2018

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		OVER (UNDER)
City hall				
Personal services	\$63,293	\$40,531	\$40,335	\$196
Contractual services	61,021	62,560	62,559	1
Supplies	5,883	7,767	7,766	1
Travel and training	17	17	0	17
Other services and charges	27,953	26,179	25,422	757
	<u>158,167</u>	<u>137,054</u>	<u>136,082</u>	<u>972</u>
City hall annex				
Personal services	47,648	47,967	47,967	0
Contractual services	94,180	90,798	90,798	0
Supplies	2,500	1,706	1,706	0
Other services and charges	7,696	32,666	95,508	(62,842)
	<u>152,024</u>	<u>173,137</u>	<u>235,979</u>	<u>(62,842)</u>
Customer service				
Contractual services	23,900	19,965	20,315	(350)
Supplies	357	1,098	992	106
Other services and charges	1,343	4,537	10,092	(5,555)
	<u>25,600</u>	<u>25,600</u>	<u>31,399</u>	<u>(5,799)</u>
Rental				
Contractual services	28,200	28,200	28,296	(96)
Supplies	150	150	961	(811)
Other services and charges	15,000	15,000	17,196	(2,196)
Capital Outlay	0	0	253,301	(253,301)
	<u>43,350</u>	<u>43,350</u>	<u>299,754</u>	<u>(256,404)</u>
TOTAL OTHER GENERAL ADMINISTRATIVE	<u>379,141</u>	<u>379,141</u>	<u>703,214</u>	<u>(324,073)</u>
Municipal court				
Administration				
Personal services	307,872	310,697	310,696	1
Contractual services	59,965	59,153	55,091	4,062
Supplies	16,800	13,775	10,314	3,461
Travel and training	12,800	12,748	11,551	1,197
Other services and charges	528,387	442,714	442,714	0
Capital Outlay	30,000	30,000	13,499	16,501
TOTAL MUNICIPAL COURT	<u>955,824</u>	<u>869,087</u>	<u>843,865</u>	<u>25,222</u>
TOTAL GENERAL GOVERNMENT	<u>9,172,612</u>	<u>9,085,657</u>	<u>8,871,526</u>	<u>214,131</u>
Public safety				
Police department				
Police administration division				
Personal services	832,771	849,332	849,332	0
Contractual services	107,448	101,355	101,134	221
Supplies	91,989	61,378	61,378	0
Travel and training	41,479	42,759	42,746	13
Other services and charges	405,527	366,424	366,880	(456)
Capital Outlay	25,000	25,000	104,903	(79,903)
	<u>1,504,214</u>	<u>1,446,248</u>	<u>1,526,373</u>	<u>(80,125)</u>
Patrol bureau division				
Personal services	6,330,283	6,334,492	6,394,449	(59,957)
Contractual services	162,146	163,985	163,985	0
Supplies	18,500	99,007	93,254	5,753
Travel and training	24,575	34,242	31,748	2,494
Other services and charges	1,003,507	971,865	1,043,342	(71,477)
Capital outlay	0	86,737	0	86,737
	<u>7,539,011</u>	<u>7,690,328</u>	<u>7,726,778</u>	<u>(36,450)</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, 2018

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		OVER (UNDER)
Investigative bureau division				
Personal services	\$1,908,088	\$1,911,718	\$1,911,717	\$1
Contractual services	46,183	45,365	45,364	1
Supplies	32,025	45,788	45,787	1
Travel and training	46,011	39,891	39,351	540
Other services and charges	212,421	206,017	204,511	1,506
Capital outlay	0	12,328	12,328	0
	<u>2,244,728</u>	<u>2,261,107</u>	<u>2,259,058</u>	<u>2,049</u>
Training				
Personal services	321,766	314,063	314,062	1
Contractual services	7,279	7,397	7,396	1
Supplies	302,363	241,744	240,237	1,507
Travel and training	16,104	6,299	5,898	401
Other services and charges	12,157	9,234	9,180	54
Capital outlay	67,283	81,445	81,445	0
	<u>726,952</u>	<u>660,182</u>	<u>658,218</u>	<u>1,964</u>
Support services bureau division				
Personal services	1,021,091	1,031,518	1,031,517	1
Contractual services	405,568	408,916	693,955	(285,039)
Supplies	47,150	44,886	45,113	(227)
Travel and training	8,160	6,775	6,316	459
Other services and charges	131,106	141,963	167,490	(25,527)
Capital outlay	65,000	65,000	475,927	(410,927)
Debt service	67,279	136,029	136,029	0
	<u>1,745,354</u>	<u>1,835,087</u>	<u>2,556,347</u>	<u>(721,260)</u>
Crime lab				
Personal services	903,570	903,570	955,291	(51,721)
Contractual services	208,251	237,387	237,387	0
Supplies	55,400	42,053	42,036	17
Travel and training	47,963	40,930	40,911	19
Other services and charges	75,995	102,239	103,690	(1,451)
Capital outlay	76,000	61,838	59,238	2,600
Debt service	52,651	52,651	52,651	0
	<u>1,419,830</u>	<u>1,440,668</u>	<u>1,491,204</u>	<u>(50,536)</u>
TOTAL POLICE DEPARTMENT	<u>15,180,089</u>	<u>15,333,620</u>	<u>16,217,978</u>	<u>(884,358)</u>
Fire department				
Fire administration division				
Personal services	536,988	541,246	541,246	0
Contractual services	18,111	17,139	16,674	465
Supplies	7,938	3,045	2,835	210
Travel and training	16,000	9,920	9,767	153
Other services and charges	96,131	96,131	78,489	17,642
	<u>675,168</u>	<u>667,481</u>	<u>649,011</u>	<u>18,470</u>
Fire fighting division				
Personal services	5,845,646	5,845,646	5,611,810	233,836
Contractual services	211,894	211,924	188,315	23,609
Supplies	141,975	138,420	130,907	7,513
Travel and training	24,775	24,775	19,594	5,181
Other services and charges	726,133	726,220	479,811	246,409
Capital Outlay	94,200	94,200	83,835	10,365
Debt service	9,232	9,232	8,109	1,123
	<u>7,053,855</u>	<u>7,050,417</u>	<u>6,522,381</u>	<u>528,036</u>
Fire inspection division				
Personal services	312,992	312,992	290,889	22,103
Contractual services	5,469	5,469	5,066	403
Supplies	27,350	27,350	16,564	10,786
Travel and training	9,798	9,798	924	8,874
Other services and charges	26,207	26,207	21,256	4,951
	<u>381,816</u>	<u>381,816</u>	<u>334,699</u>	<u>47,117</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, 2018

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		OVER (UNDER)
Fire maintenance division				
Personal services	\$110,138	\$110,313	\$110,312	\$1
Contractual services	56,923	60,915	60,915	\$0
Supplies	77,693	92,440	92,440	\$0
Travel and training	5,615	5,657	4,391	\$1,266
Other services and charges	43,462	53,113	53,100	\$13
	5,600	5,600	340	\$5,260
	<u>299,431</u>	<u>328,038</u>	<u>321,498</u>	<u>6,540</u>
Fire training division				
Personal services	227,606	184,585	122,271	62,314
Contractual services	21,958	21,958	21,186	772
Supplies	66,196	102,583	102,583	0
Travel and training	16,200	48,458	48,457	1
Other services and charges	42,803	20,884	9,681	11,203
Capital Outlay	50,000	84,000	76,000	8,000
	<u>424,763</u>	<u>462,468</u>	<u>380,178</u>	<u>82,290</u>
Special operations				
Personal services	75,297	75,297	75,101	196
Contractual services	1,285	1,310	1,306	4
Supplies	8,400	70,704	37,081	33,623
Travel and training	7,525	58,379	55,062	3,317
Other services and charges	5,995	5,995	5,739	256
	<u>98,502</u>	<u>211,685</u>	<u>174,289</u>	<u>37,396</u>
TOTAL FIRE DEPARTMENT	<u>8,933,535</u>	<u>9,101,905</u>	<u>8,382,056</u>	<u>719,849</u>
Other protection services				
Community protection				
Personal services	375,154	375,154	315,236	59,918
Contractual services	98,923	95,370	86,126	9,244
Supplies	4,048	3,446	2,002	1,444
Travel and training	5,527	5,597	5,440	157
Other services and charges	44,827	48,912	45,102	3,810
	<u>528,479</u>	<u>528,479</u>	<u>453,906</u>	<u>74,573</u>
Neighborhood development				
Personal services	63,948	63,235	62,251	984
Contractual services	975	1,169	1,169	0
Travel and training	199	5	0	5
Other services and charges	6,064	6,777	6,757	20
	<u>71,186</u>	<u>71,186</u>	<u>70,177</u>	<u>1,009</u>
TOTAL OTHER PROTECTION SERVICES	<u>599,665</u>	<u>599,665</u>	<u>524,083</u>	<u>75,582</u>
TOTAL PUBLIC SAFETY	<u>24,713,289</u>	<u>25,035,190</u>	<u>25,124,117</u>	<u>(88,927)</u>
Public works				
Public works department				
Right of way maintenance				
Personal services	1,299,745	1,299,745	1,176,497	123,248
Contractual services	241,456	231,722	187,658	44,064
Supplies	39,710	43,883	37,277	6,606
Travel and training	0	827	812	15
Other services and charges	227,925	232,659	230,988	1,671
	<u>1,808,836</u>	<u>1,808,836</u>	<u>1,633,232</u>	<u>175,604</u>
Cemetery division				
Personal services	424,845	424,845	418,480	6,365
Contractual services	22,397	46,672	44,520	2,152
Supplies	13,707	13,707	10,625	3,082
Travel and training	860	860	226	634
Other services and charges	86,015	61,740	52,762	8,978
	<u>547,824</u>	<u>547,824</u>	<u>526,613</u>	<u>21,211</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, 2018

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		OVER (UNDER)
Arborist				
Personal services	\$147,530	\$147,530	\$141,853	\$5,677
Contractual services	24,103	24,166	17,961	6,205
Supplies	4,375	4,687	3,768	919
Travel and training	1,320	1,320	156	1,164
Other services and charges	31,542	31,167	26,378	4,789
	<u>208,870</u>	<u>208,870</u>	<u>190,116</u>	<u>18,754</u>
TOTAL PUBLIC WORKS	<u>2,565,530</u>	<u>2,565,530</u>	<u>2,349,961</u>	<u>215,569</u>
Economic Development and Assistance				
Administration				
Personal services	163,808	163,808	24,898	138,910
Contractual services	9,514	2,902	2,902	0
Supplies	831	570	569	1
Travel and training	2,245	3,165	3,164	1
Other services and charges	10,689	16,642	25,444	(8,802)
	<u>187,087</u>	<u>187,087</u>	<u>56,977</u>	<u>130,110</u>
Grants administrator				
Personal services	24,550	24,199	20,303	3,896
Contractual services	95	446	445	1
Other services and charges	4,840	4,840	3,572	1,268
	<u>29,485</u>	<u>29,485</u>	<u>24,320</u>	<u>5,165</u>
Public relations				
Personal services	128,964	138,375	138,375	0
Contractual services	20,160	6,167	6,003	164
Supplies	8,390	6,702	6,702	0
Travel and training	1,550	23,185	23,185	0
Other services and charges	40,920	31,966	31,961	5
	<u>199,984</u>	<u>206,395</u>	<u>206,226</u>	<u>169</u>
Main street division				
Personal services	66,408	66,408	69,979	(3,571)
Contractual services	233	233	182	51
Supplies	1,557	1,557	1,538	19
Other services and charges	11,180	11,180	14,397	(3,217)
	<u>79,378</u>	<u>79,378</u>	<u>86,096</u>	<u>(6,718)</u>
Planning and Zoning				
Personal services	281,924	271,958	271,821	137
Contractual services	4,253	12,150	12,150	0
Supplies	1,350	1,237	963	274
Travel and training	2,010	1,228	1,036	192
Other services and charges	36,726	39,690	53,787	(14,097)
	<u>326,263</u>	<u>326,263</u>	<u>339,757</u>	<u>(13,494)</u>
Great promise internship				
Personal services	(15,380)	(15,380)	(35,247)	19,867
Other services and charges	38,953	38,953	38,618	335
	<u>23,573</u>	<u>23,573</u>	<u>3,371</u>	<u>20,202</u>
TOTAL ECONOMIC DEV AND ASSIST	<u>845,770</u>	<u>852,181</u>	<u>716,747</u>	<u>135,434</u>
TOTAL EXPENDITURES	<u>\$37,297,201</u>	<u>\$37,538,558</u>	<u>\$37,062,351</u>	<u>\$476,207</u>

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
CONFISCATED FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Fines and forfeitures	\$0	\$61,561	\$42,882	(\$18,679)
Interest	0	0	52	52
TOTAL REVENUES	<u>0</u>	<u>61,561</u>	<u>42,934</u>	<u>(18,627)</u>
Expenditures:				
Current:				
Public safety				
Police administration division				
Supplies	0	8,329	8,329	0
Other services and charges	841	1,017	1,017	0
Patrol bureau				
Supplies	0	4,791	4,171	620
Other services and charges	4,791	14,376	14,375	1
Investigative bureau				
Supplies	1,636	22,649	22,648	1
Other services and charges	500	5,027	4,674	353
Capital outlay	0	13,140	13,140	0
TOTAL EXPENDITURES	<u>7,768</u>	<u>69,329</u>	<u>68,354</u>	<u>975</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(7,768)</u>	<u>(7,768)</u>	<u>(25,420)</u>	<u>(17,652)</u>
Fund balance - beginning of year - budgetary basis	<u>82,507</u>	<u>82,507</u>	<u>82,507</u>	<u>0</u>
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u>\$74,739</u>	<u>\$74,739</u>	<u>\$57,087</u>	<u>(\$17,652)</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.

\$42,934

Differences - budget to GAAP:

None

0

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

\$42,934

Uses/outflows of resources

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

\$68,354

Differences - budget to GAAP:

None

0

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

\$68,354

**CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
PROPERTY EVIDENCE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Fines and forfeitures	\$0	\$3,067	\$5,968	\$2,901
TOTAL REVENUES	0	3,067	5,968	2,901
Expenditures:				
Current:				
Public safety				
TOTAL EXPENDITURES	0	3,067	3,065	(2)
REVENUES OVER (UNDER) EXPENDITURES	0	0	2,903	2,903
Fund balance - beginning of year - budgetary basis	2,132	2,132	2,132	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	\$2,132	\$2,132	\$5,035	\$2,903

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.

\$5,968

Differences - budget to GAAP:

None

0

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

\$5,968

Uses/outflows of resources

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

\$3,065

Differences - budget to GAAP:

None

0

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

\$3,065

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
U. S. DEPARTMENT OF JUSTICE - LOCAL LAW ENFORCEMENT BLOCK GRANTS
FOR THE YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$0	\$3,939	\$3,939	\$0
TOTAL REVENUES	<u>0</u>	<u>3,939</u>	<u>3,939</u>	<u>0</u>
Expenditures:				
Current:				
Public safety				
Byrne Justice Assistance Grant 2016-DJ-BX-0199				
Supplies	0	3,939	3,939	0
TOTAL EXPENDITURES	<u>0</u>	<u>3,939</u>	<u>3,939</u>	<u>0</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>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP

Revenues and Expenditures

Sources/inflows of resources

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

\$3,939

Differences - budget to GAAP:

None

0

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

\$3,939

Uses/outflows of resources

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

\$3,939

Differences - budget to GAAP:

None

0

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

\$3,939

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
URBAN DEVELOPMENT ACTION GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				OVER
				(UNDER)
Revenues:	\$0	\$0	\$0	\$0
TOTAL REVENUES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:	0	0	0	0
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>0</u>	<u>0</u>
Fund balance - beginning of year - budgetary basis	62,784	62,784	62,784	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u><u>\$62,784</u></u>	<u><u>\$62,784</u></u>	<u><u>\$62,784</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.

\$0

Differences - budget to GAAP:

None

0

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

\$0

Uses/outflows of resources

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

\$0

Differences - budget to GAAP:

None

0

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

\$0

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 01M-X-092-2-2568
FOR THE YEAR ENDED JUNE 30, 2018

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

\$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, 2018

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$0	\$3,600	\$0	(\$3,600)
TOTAL REVENUES	0	3,600	0	(3,600)
Expenditures:				
Current:				
Housing development activities				
Construction	0	3,600	3,600	0
TOTAL EXPENDITURES	0	3,600	3,600	0
REVENUES UNDER EXPENDITURES	0	0	(3,600)	(3,600)
Fund balance - beginning of year - budgetary basis	13,200	13,200	13,200	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	\$13,200	\$13,200	\$9,600	(\$3,600)

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.

\$3,600

Differences - budget to GAAP:

None

0

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

\$3,600

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
FEDERAL HUD GRANT
FOR THE YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$576,889	\$755,569	\$511,559	(\$244,010)
Miscellaneous revenues	0	0	640	640
TOTAL REVENUES	<u>576,889</u>	<u>755,569</u>	<u>512,199</u>	<u>(243,370)</u>
Expenditures:				
Current:				
Economic development and assistance				
Community development				
CDBG 2017 funding				
Fair housing education	0	902	902	0
CDBG 2018 funding				
Great promise partnership program	0	131,338	131,338	0
Continuing small business education	0	20,000	20,000	0
Program administration	0	116,364	116,364	0
Bulk trash amnesty	0	6,906	6,906	0
Fair housing education	0	5,307	5,307	0
Single unit residential rehab	0	474,752	474,752	0
TOTAL EXPENDITURES	<u>0</u>	<u>755,569</u>	<u>755,569</u>	<u>0</u>
REVENUES OVER EXPENDITURES	576,889	0	(243,370)	(243,370)
Fund balance - beginning of year - budgetary basis	1,905,193	1,905,193	1,905,193	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u>\$2,482,082</u>	<u>\$1,905,193</u>	<u>\$1,661,823</u>	<u>(\$243,370)</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.

\$512,199

Differences - budget to GAAP:

None

0

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

\$512,199

Uses/outflows of resources

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

\$755,569

Differences - budget to GAAP:

None

0

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

\$755,569

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 04M-X-092-2-2915
FOR THE YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$0	\$17,391	\$0	(\$17,391)
TOTAL REVENUES	<u>0</u>	<u>17,391</u>	<u>0</u>	<u>(17,391)</u>
Expenditures:				
Current:				
Housing development activities				
Construction	0	17,391	17,390	0
TOTAL EXPENDITURES	<u>0</u>	<u>17,391</u>	<u>17,390</u>	<u>1</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	<u>(17,390)</u>	<u>(17,390)</u>
Fund balance - beginning of year - budgetary basis	23,135	23,135	23,135	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u>\$23,135</u>	<u>\$23,135</u>	<u>\$5,745</u>	<u>(\$17,390)</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.

\$17,390

Differences - budget to GAAP:

None

0

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

\$17,390

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 06M-X-092-2-2951
FOR THE YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$0	\$22,700	\$0	(\$22,700)
TOTAL REVENUES	0	22,700	0	(22,700)
Expenditures:				
Current:				
Housing development activities				
Construction	0	22,700	22,700	0
TOTAL EXPENDITURES	0	22,700	22,700	0
REVENUES UNDER EXPENDITURES	0	0	(22,700)	(22,700)
Fund balance - beginning of year - budgetary basis	59,500	59,500	59,500	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	\$59,500	\$59,500	\$36,800	(\$22,700)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP

Revenues and Expenditures

Sources/inflows of resources

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

\$0

Differences - budget to GAAP:

None

0

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

\$0

Uses/outflows of resources

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

\$22,700

Differences - budget to GAAP:

None

0

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

\$22,700

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 07M-X-092-2-2961
FOR THE YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$0	\$25,500	\$0	(\$25,500)
TOTAL REVENUES	0	25,500	0	(25,500)
Expenditures:				
Current:				
Housing development activities				
Construction	0	25,500	25,500	0
TOTAL EXPENDITURES	0	25,500	25,500	0
REVENUES UNDER EXPENDITURES	0	0	(25,500)	(25,500)
Fund balance - beginning of year - budgetary basis	87,800	87,800	87,800	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	\$87,800	\$87,800	\$62,300	(\$25,500)

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.

\$25,500

Differences - budget to GAAP:

None

0

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

\$25,500

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 07MR-X-092-2-2979
FOR THE YEAR ENDED JUNE 30, 2018

	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	48,000	48,000	48,000	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	\$48,000	\$48,000	\$37,000	(\$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, 2018

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$0	\$1,763	\$149,374	\$147,611
TOTAL REVENUES	0	1,763	149,374	147,611
Expenditures:				
Housing development activities				
Construction	0	1,763	1,763	0
TOTAL EXPENDITURES	0	1,763	1,763	0
REVENUES OVER EXPENDITURES	0	0	147,611	147,611
Fund balance - beginning of year - budgetary basis	110,000	110,000	110,000	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	\$110,000	\$110,000	\$257,611	\$147,611

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.

\$149,374

Differences - budget to GAAP:

None

0

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

\$149,374

Uses/outflows of resources

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

\$1,763

Differences - budget to GAAP:

None

0

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

\$1,763

**CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
ACCOMMODATIONS TAX
FOR YEAR ENDED JUNE 30, 2018**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER
	ORIGINAL	FINAL		(UNDER)
Revenues:				
Taxes	\$2,981,250	\$2,981,250	\$3,194,648	\$213,398
Interest income	0	0	320	320
TOTAL REVENUES	<u>2,981,250</u>	<u>2,981,250</u>	<u>3,194,968</u>	<u>213,718</u>
Expenditures:				
Other services and charges	2,243,864	2,243,864	2,314,935	(71,071)
Transfer out	340,763	340,763	340,763	0
TOTAL EXPENDITURES	<u>2,584,627</u>	<u>2,584,627</u>	<u>2,655,698</u>	<u>(71,071)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>396,623</u>	<u>396,623</u>	<u>539,270</u>	<u>142,647</u>
Net position - beginning of year - budgetary basis	900,420	900,420	900,420	0
NET POSITION - END OF YEAR	<u>\$1,297,043</u>	<u>\$1,297,043</u>	<u>\$1,439,690</u>	<u>\$142,647</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.

\$3,194,968

Differences - budget to GAAP:

None

0

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

\$3,194,968

Uses/outflows of resources

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

\$2,655,698

Differences - budget to GAAP:

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

(340,763)

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

\$2,314,935

**CITY OF VALDOSTA, GEORGIA
SALES TAX 2013 FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u>
Revenues:			
Intergovernmental	\$9,568,743	\$11,190,160	\$1,621,417
TOTAL REVENUES	<u>9,568,743</u>	<u>11,190,160</u>	<u>1,621,417</u>
Expenditures:			
Capital outlay:			
Resurfacing	619,827	915,152	(295,325)
Road improvements	955,200	15,585	939,615
Sidewalk improvements	1,267,472	271,199	996,273
Intersection improvements	211,611	112,411	99,200
Drainage improvements	0	103,123	(103,123)
Traffic improvements	898,947	502,274	396,673
Street maintenance repairs	70,000	49,975	20,025
Piping of ditches	454,585	406,621	47,964
Public safety radio	0	1,286,946	(1,286,946)
Miscellaneous parks and recreation projects	166,666	85,373	81,293
GEFA debt repayment for Force Main Project	5,045,456	5,303,030	(257,574)
Manhole/liner rehabilitation	0	(6,900)	6,900
Withlacoochee sewer plant	0	(35,797)	35,797
Council chamber remodel	150,000	15,459	134,541
Customer service building	31,723	31,723	0
RDC building	218,277	239,159	(20,882)
TOTAL EXPENDITURES	<u>10,089,764</u>	<u>9,295,333</u>	<u>794,431</u>
REVENUES OVER EXPENDITURES	(521,021)	1,894,827	2,415,848
Fund balance - beginning of year - budgetary basis	<u>2,443,393</u>	<u>2,443,393</u>	<u>0</u>
FUND BALANCE (DEFICIT) - END OF YEAR - BUDGETARY BASIS	<u>\$1,922,372</u>	<u>\$4,338,220</u>	<u>\$2,415,848</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.

\$11,190,160

Differences - budget to GAAP:

None

0

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

\$11,190,160

Uses/outflows of resources

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

\$9,295,333

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.

(869,541)

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

\$8,425,792

**CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
AIRPORT DEVELOPMENT FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u>
Revenues:			
Intergovernmental	\$802,986	\$788,875	(\$14,111)
Interest revenue	0	3,618	3,618
TOTAL REVENUES	<u>802,986</u>	<u>792,493</u>	<u>(10,493)</u>
Capital outlay:			
Airport improvement	802,986	802,986	0
TOTAL EXPENDITURES	<u>802,986</u>	<u>802,986</u>	<u>0</u>
REVENUES UNDER EXPENDITURES	0	(10,493)	(10,493)
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>\$102,245</u></u>	<u><u>(\$10,493)</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.

\$792,493

Differences - budget to GAAP:

None

0

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

\$792,493

Uses/outflows of resources

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

\$802,986

Differences - budget to GAAP:

None

0

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

\$802,986

**CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
ROAD IMPROVEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Revenues:			
Intergovernmental	\$406,000	\$911,748	\$505,748
TOTAL REVENUES	406,000	911,748	505,748
Capital outlay:			
Road improvement	845,600	1,295,643	(450,043)
Transfer out	0	0	0
TOTAL EXPENDITURES	845,600	1,295,643	(450,043)
REVENUES UNDER EXPENDITURES	(439,600)	(383,895)	55,705
Fund balance - beginning of year - budgetary basis	470,986	470,986	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	\$31,386	\$87,091	\$55,705

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.

\$911,748

Differences - budget to GAAP:

None

0

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

\$911,748

Uses/outflows of resources

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

\$1,295,643

Differences - budget to GAAP:

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

0

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

(1,056,777)

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

\$238,866

**CITY OF VALDOSTA, GEORGIA
GENERAL CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Revenues:			
Transfer in	\$0	\$0	
TOTAL REVENUES	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Other services and charges	0	5,500	(5,500)
TOTAL EXPENDITURES	<u>0</u>	<u>5,500</u>	<u>(5,500)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>(5,500)</u>	<u>(5,500)</u>
Net position - beginning of year - budgetary basis	<u>257,235</u>	<u>257,235</u>	<u>0</u>
NET POSITION - END OF YEAR - BUDGETARY BASIS	<u><u>\$257,235</u></u>	<u><u>\$251,735</u></u>	<u><u>(\$5,500)</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.

\$5,500

Differences - budget to GAAP:

None

0

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

\$5,500

CITY OF VALDOSTA, GEORGIA
SUNSET HILL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Operating revenues:			
Interest income	\$0	\$398	\$398
Contributions	8,000	7,300	(700)
Rental income	23,320	24,017	697
TOTAL OPERATING REVENUES	<u>31,320</u>	<u>31,715</u>	<u>395</u>
Operating expenditures:			
Other services and charges	4,136	12,005	(7,869)
TOTAL OPERATING EXPENDITURES	<u>4,136</u>	<u>12,005</u>	<u>(7,869)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>27,184</u>	<u>19,710</u>	<u>(7,474)</u>
Fund Balance - beginning of year - budgetary basis	1,688,761	1,688,761	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u><u>\$1,715,945</u></u>	<u><u>\$1,708,471</u></u>	<u><u>(\$7,474)</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.	\$31,715
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>\$31,715</u></u>

Uses/outflows of resources

Actual expenditures (budgetary basis) from the budgetary comparison schedule.	\$12,005
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>\$12,005</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, 2018

	ENTERPRISE FUNDS			TOTAL OTHER ENTERPRISE FUNDS
	INSPECTION	AUDITORIUM	MOTOR FUEL	
ASSETS				
Current assets:				
Cash	\$300	\$0	\$8,092	\$8,392
Investments	0	0	30,898	30,898
Receivables (net)				
Accounts	720	0	14,778	15,498
Due from other governments and agencies	0	0	11,455	11,455
Total current assets	<u>1,020</u>	<u>0</u>	<u>65,223</u>	<u>66,243</u>
Non-current assets:				
Capital assets:				
Equipment	39,216	0	0	39,216
	<u>39,216</u>	<u>0</u>	<u>0</u>	<u>39,216</u>
Less accumulated depreciation	(33,921)	0	0	(33,921)
Net capital assets	<u>5,295</u>	<u>0</u>	<u>0</u>	<u>5,295</u>
Total non-current assets	<u>5,295</u>	<u>0</u>	<u>0</u>	<u>5,295</u>
Total assets	<u><u>\$6,315</u></u>	<u><u>\$0</u></u>	<u><u>\$65,223</u></u>	<u><u>\$71,538</u></u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$18,961	\$14,433	\$0	33,394
Due to other funds	30,150	0	0	30,150
Compensated absences	21,536	4,023	0	25,559
Total current liabilities	<u>70,647</u>	<u>18,456</u>	<u>0</u>	<u>89,103</u>
Non-current liabilities (payable from unrestricted assets):				
Compensated absences	11,031	1,945	0	12,976
Advances from other funds	0	100,498	0	100,498
Total non-current liabilities (payable from unrestricted assets)	<u>11,031</u>	<u>102,443</u>	<u>0</u>	<u>113,474</u>
Total liabilities	<u>81,678</u>	<u>120,899</u>	<u>0</u>	<u>202,577</u>
NET POSITION				
Invested in capital assets	5,295	0	0	5,295
Unrestricted	(80,658)	(120,899)	65,223	(136,334)
Total net position (deficit)	<u><u>(\$75,363)</u></u>	<u><u>(\$120,899)</u></u>	<u><u>\$65,223</u></u>	<u><u>(\$131,039)</u></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, 2018

	<u>ENTERPRISE FUNDS</u>			TOTAL OTHER ENTERPRISE FUNDS
	<u>INSPECTION</u>	<u>AUDITORIUM</u>	<u>MOTOR FUEL</u>	
Operating revenues:				
Permits	\$1,270,396	\$0	\$0	\$1,270,396
Charges for services	45,174	54,835	326,248	426,257
TOTAL OPERATING REVENUES	<u>1,315,570</u>	<u>54,835</u>	<u>326,248</u>	<u>1,696,653</u>
Operating expenses:				
Personal services	574,257	137,132	0	711,389
Contractual services	51,975	91,133	0	143,108
Supplies	7,383	13,001	318,109	338,493
Travel and training	5,585	115	0	5,700
Other services and charges	163,575	24,339	115	188,029
Depreciation expense	1,189	0	0	1,189
TOTAL OPERATING EXPENSES	<u>803,964</u>	<u>265,720</u>	<u>318,224</u>	<u>1,387,908</u>
OPERATING INCOME (LOSS)	<u>511,606</u>	<u>(210,885)</u>	<u>8,024</u>	<u>308,745</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>511,606</u>	<u>(210,885)</u>	<u>8,024</u>	<u>308,745</u>
Transfers in	0	340,763	0	340,763
Transfers out	(115,904)	(12,819)	0	(128,723)
	<u>(115,904)</u>	<u>327,944</u>	<u>0</u>	<u>212,040</u>
Change in Net Position	395,702	117,059	8,024	520,785
NET POSITION - BEGINNING	<u>(471,065)</u>	<u>(237,958)</u>	<u>57,199</u>	<u>(651,824)</u>
NET POSITION - ENDING	<u>(\$75,363)</u>	<u>(\$120,899)</u>	<u>\$65,223</u>	<u>(\$131,039)</u>

CITY OF VALDOSTA, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<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	\$1,314,850	\$54,835	\$323,090	\$1,692,775
Cash payments to suppliers for goods and services	(580,338)	(272,402)	(310,631)	(1,163,371)
Cash payments to employees for services	(612,124)	(110,377)	0	(722,501)
Net change in cash from operating activities	122,388	(327,944)	12,459	(193,097)
Cash flows from noncapital financing activities:				
Transfers-in from other funds	0	340,763	0	340,763
Transfers-out to other funds	(115,904)	(12,819)	0	(128,723)
Net change in cash from noncapital financing activities	(115,904)	327,944	0	212,040
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(6,484)	0	0	(6,484)
Net cash (used in) capital and related financing activities	(6,484)	0	0	(6,484)
Cash flows from investing activities:				
Purchase of investment securities	0	0	(11,842)	(11,842)
Net change in cash from investing activities	0	0	(11,842)	(11,842)
Net change in cash	0	0	617	617
Cash beginning of year	300	0	7,475	7,775
Cash at end of year	\$300	\$0	\$8,092	\$8,392
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CHANGE IN CASH FROM OPERATING ACTIVITIES</u>				
Operating income (loss)	\$511,606	(\$210,885)	\$8,024	\$308,745
Adjustments to reconcile operating income (loss) to net change in cash from operating activities:				
Depreciation	1,189	0	0	1,189
Change in assets and liabilities:				
(Increase) in accounts receivable	(720)	0	(3,158)	(3,878)
Decrease in due from other governments and agencies	0	0	7,593	7,593
(Decrease) increase in accounts payable	(2,042)	2,056	0	14
(Decrease) increase in compensated absences	1,923	(261)	0	1,662
Increase in due to other funds	30,150	0	0	30,150
(Decrease) in advances from other funds	(419,718)	(118,854)	0	(538,572)
Net change in cash from operating activities	\$122,388	(\$327,944)	\$12,459	(\$193,097)

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, 2018

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	\$93,493	\$276,900	\$10,975	\$381,368
Investments	0	0	0	41,902	41,902
Accounts Receivable	0	17,355	2,274	0	19,629
Due from other governments and agencies	44,000	0	0	0	44,000
Due from other funds	0	990,920	340,139	0	1,331,059
Inventories at cost	404,303	0	0	0	404,303
Total current assets	<u>448,303</u>	<u>1,101,768</u>	<u>619,313</u>	<u>52,877</u>	<u>2,222,261</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	17,773,644	0	0	0	17,773,644
Equipment	2,664,993	0	0	51,852	2,716,845
	21,454,432	0	0	51,852	21,506,284
Less accumulated depreciation	(16,184,304)	0	0	(51,852)	(16,236,156)
Net capital assets (net of accumulated depreciation)	<u>5,270,128</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,270,128</u>
Total assets	<u>\$5,718,431</u>	<u>\$1,101,768</u>	<u>\$619,313</u>	<u>\$52,877</u>	<u>7,492,389</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$385,171	\$1,101,768	\$31,062	\$52,877	\$1,570,878
Compensated absences (current portion)	24,838	0	0	0	24,838
Due to other funds	0	0	0	0	0
Capital lease payable (current portion)	372,454	0	0	0	372,454
Total current liabilities	<u>782,463</u>	<u>1,101,768</u>	<u>31,062</u>	<u>52,877</u>	<u>1,968,170</u>
Noncurrent liabilities:					
Compensated absences	32,639	0	0	0	32,639
Capital lease payable (net of current portion)	1,605,449	0	0	0	1,605,449
Advances from other funds	3,297,880	0	0	0	3,297,880
Total liabilities	<u>5,718,431</u>	<u>1,101,768</u>	<u>31,062</u>	<u>52,877</u>	<u>6,904,138</u>
NET POSITION					
Net investment in capital assets	3,292,225	0	0	0	3,292,225
Reserve for workmen's compensation claims	0	0	588,251	0	588,251
Unrestricted	(3,292,225)	0	0	0	(3,292,225)
Total net position	<u>\$0</u>	<u>\$0</u>	<u>\$588,251</u>	<u>\$0</u>	<u>\$588,251</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, 2018

	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	\$4,848,657	\$4,806,335	\$728,175	\$1,196,949	\$11,580,116
Miscellaneous revenues	18,281	231,672	0	0	249,953
TOTAL OPERATING REVENUES	<u>4,866,938</u>	<u>5,038,007</u>	<u>728,175</u>	<u>1,196,949</u>	<u>11,830,069</u>
Operating expenses:					
Personal services	763,589	0	0	0	763,589
Contractual services	520,772	1,690,594	0	1,163,248	3,374,614
Claims paid	39	5,536,839	436,427	0	5,973,305
Supplies	2,122,727	15,645	0	5,416	2,143,788
Travel and training	724	0	0	0	724
Other services and charges	317,455	5,165	129,495	19,643	471,758
Depreciation expense	1,164,583	0	0	8,642	1,173,225
TOTAL OPERATING EXPENSES	<u>4,889,889</u>	<u>7,248,243</u>	<u>565,922</u>	<u>1,196,949</u>	<u>13,901,003</u>
OPERATING INCOME (LOSS)	<u>(22,951)</u>	<u>(2,210,236)</u>	<u>162,253</u>	<u>0</u>	<u>(2,070,934)</u>
Nonoperating revenue (expenses):					
Interest expense	(48,219)	0	0	0	(48,219)
Gain on sale of assets	14,030	0	0	0	14,030
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(34,189)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(34,189)</u>
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(57,140)</u>	<u>(2,210,236)</u>	<u>162,253</u>	<u>0</u>	<u>(2,105,123)</u>
Capital contributions	57,140	0	0	0	57,140
Transfers in	0	2,210,236	0	0	2,210,236
	<u>57,140</u>	<u>2,210,236</u>	<u>0</u>	<u>0</u>	<u>2,267,376</u>
CHANGE IN NET POSITION	<u>0</u>	<u>0</u>	<u>162,253</u>	<u>0</u>	<u>162,253</u>
NET POSITION - BEGINNING	<u>0</u>	<u>0</u>	<u>425,998</u>	<u>0</u>	<u>425,998</u>
NET POSITION - ENDING	<u>\$0</u>	<u>\$0</u>	<u>\$588,251</u>	<u>\$0</u>	<u>\$588,251</u>

**CITY OF VALDOSTA, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	<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	\$4,866,938	\$5,035,821	\$728,175	\$1,196,949	\$11,827,883
Cash payments to suppliers for goods and services	(2,993,428)	(7,285,837)	(621,123)	(1,144,072)	(12,044,460)
Cash payments to employees for services	(758,439)	0	0	0	(758,439)
Net change in cash from operating activities	<u>1,115,071</u>	<u>(2,250,016)</u>	<u>107,052</u>	<u>52,877</u>	<u>(975,016)</u>
Cash flows from non capital financing activities:					
Transfer in from other fund	0	2,210,236	0	0	2,210,236
Net change in cash from capital financing activities	<u>0</u>	<u>2,210,236</u>	<u>0</u>	<u>0</u>	<u>2,210,236</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(708,428)	0	0	0	(708,428)
Sale of capital assets	14,030	0	0	0	14,030
Principal payment GMA bond	(372,454)	0	0	0	(372,454)
Interest paid on GMA Bond	(48,219)	0	0	0	(48,219)
Net change in cash from capital and related financing activities	<u>(1,115,071)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,115,071)</u>
Cash flows from investing activities:					
Purchase of investment securities	0	0	0	(41,902)	(41,902)
Net change in cash from investing activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>(41,902)</u>	<u>(41,902)</u>
Net change in cash	<u>0</u>	<u>(39,780)</u>	<u>107,052</u>	<u>10,975</u>	<u>78,247</u>
Cash at beginning of year	<u>0</u>	<u>133,273</u>	<u>169,848</u>	<u>0</u>	<u>303,121</u>
Cash at end of year	<u>\$0</u>	<u>\$93,493</u>	<u>\$276,900</u>	<u>\$10,975</u>	<u>\$381,368</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) NET CHANGE IN CASH FROM OPERATING ACTIVITIES:</u>					
Operating income (loss)	(\$22,951)	(\$2,210,236)	\$162,253	\$0	(\$2,070,934)
Adjustments to reconcile operating income (loss) to net change in cash from operating activities:					
Depreciation	1,164,583	0	0	8,642	1,173,225
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	0	(2,186)	0	64,902	62,716
(Increase) in due from other funds	0	(272,821)	(34,443)	0	(307,264)
(Increase) in due from other governments and agencies	(44,000)	0	0	0	(44,000)
(Increase) decrease in inventory	(30,655)	0	0	5,726	(24,929)
(Decrease) Increase in accounts payable	174,806	235,227	(20,758)	(6,092)	383,183
Increase in compensated absences	5,150	0	0	0	5,150
(Decrease) in due to other funds	0	0	0	(20,301)	(20,301)
(Decrease) in advances from other funds	(131,862)	0	0	0	(131,862)
Net change in cash from operating activities	<u>\$1,115,071</u>	<u>(\$2,250,016)</u>	<u>\$107,052</u>	<u>\$52,877</u>	<u>(\$975,016)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contributed capital assets from SPLOST 2013	13,140	0	0	0	13,140
Contribution from State	44,000	0	0	0	44,000

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, 2018

	<u>TREE COMMISSION</u>	<u>EVIDENCE AGENCY FUND</u>	<u>TOTAL FIDUCIARY FUNDS</u>
ASSETS			
Cash	\$66,854	\$4,903	\$71,757
Investments	7,387	20,792	28,179
Total assets	<u>\$74,241</u>	<u>\$25,695</u>	<u>\$99,936</u>
LIABILITIES			
Due to other governments and agencies	\$74,241	\$0	\$74,241
Due to others	0	25,695	25,695
Total liabilities	<u>\$74,241</u>	<u>\$25,695</u>	<u>\$99,936</u>

CITY OF VALDOSTA, GEORGIA
AGENCY FUND
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018

TREE COMMISSION

	Balance			Balance
	June 30, 2017	Additions	Deductions	June 30, 2018
<u>ASSETS</u>				
Cash	\$58,955	\$12,800	\$4,901	\$66,854
Investments	7,380	7	0	7,387
Total assets	<u>\$66,335</u>	<u>\$12,807</u>	<u>\$4,901</u>	<u>\$74,241</u>
<u>LIABILITIES</u>				
Liabilities:				
Due to:				
Other governments and agencies	\$66,335	\$14,820	\$6,914	\$74,241
Total liabilities	<u>\$66,335</u>	<u>\$14,820</u>	<u>\$6,914</u>	<u>\$74,241</u>

EVIDENCE AGENCY FUND

	Balance			Balance
	June 30, 2017	Additions	Deductions	June 30, 2018
<u>ASSETS</u>				
Cash	\$12,050	\$5,874	\$13,021	\$4,903
Investments	46,881	26,867	52,956	20,792
Total assets	<u>\$58,931</u>	<u>\$32,741</u>	<u>\$65,977</u>	<u>\$25,695</u>
<u>LIABILITIES</u>				
Liabilities:				
Due to:				
Others	\$58,931	\$32,741	\$65,977	\$25,695
Total liabilities	<u>\$58,931</u>	<u>\$32,741</u>	<u>\$65,977</u>	<u>\$25,695</u>

TOTAL

	Balance			Balance
	June 30, 2017	Additions	Deductions	June 30, 2018
<u>ASSETS</u>				
Cash	\$71,005	\$18,674	\$17,922	\$71,757
Investments	54,261	26,874	52,956	28,179
Total assets	<u>\$125,266</u>	<u>\$45,548</u>	<u>\$70,878</u>	<u>\$99,936</u>
<u>LIABILITIES</u>				
Liabilities:				
Due to:				
Other governments and agencies	\$66,335	\$14,820	\$6,914	\$74,241
Others	58,931	32,741	65,977	25,695
Total liabilities	<u>\$125,266</u>	<u>\$47,561</u>	<u>\$72,891</u>	<u>\$99,936</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, 2018

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	\$2,226,754	\$181,571	508,251	\$0	\$689,822	31%
2	Road improvements	3,075,000	5,198,527	3,994,384	68,385	0	4,062,769	100%
3	Sidewalk improvements	2,000,000	1,756,278	489,734	277,341	0	767,075	44%
4	Intersection improvements	200,000	0	0	0	0	0	0%
5	Drainage improvements	3,000,000	486,329	166,765	20,000	0	186,765	38%
6	Traffic improvements	750,000	1,149,583	371,505	502,274	0	873,779	76%
7	Street maintenance repairs	350,000	321,184	148,635	49,975	0	198,610	62%
8	Piping of ditches	300,000	536,345	41,232	37,876	0	79,108	15%
9	Police buildings	130,000	192,308	192,602	0	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	1,309,432	1,286,946	0	2,596,378	116%
12	Technology police	633,000	626,067	626,067	0	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	94,706	85,373	0	180,079	23%
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	107,180	0	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	1,258,889	5,303,030	0	6,561,919	49%
28	Manhole/liner rehabilitation	3,100,000	3,400,000	1,301,451	0	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	23,455,742	0	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	56,755	0	0	56,755	0%
34	Vallotton lighting	0	0	34,850	0	0	34,850	0%
35	Force main easements	0	0	40,614	0	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%
42	Council chamber remodel	0	0	0	15,459	0	15,459	0%
43	Customer service building	0	0	0	31,723	0	31,723	0%
44	RDC building	0	0	0	239,159	0	239,159	0%
	Subtotal	80,025,000	66,171,000	35,194,305	8,425,792	0	43,620,097	
	Transfer in	0	0	(827,565)	0	0	(827,565)	
	Transfer out	0	0	0	0	0	0	
	TOTAL	\$80,025,000	\$66,171,000	\$34,366,740	\$8,425,792	\$0	\$42,792,532	

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net Investment in Capital Assets	\$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	\$125,177,312
Restricted	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	6,786,721
Unrestricted	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)	(64,753,444)
Total governmental activities net position	<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>	<u>\$67,210,589</u>
Business-type activities										
Net Investment in Capital Assets	\$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	\$134,147,501
Restricted	0	0	0	0	0	0	0	0	0	0
Unrestricted	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)	(5,974,943)
Total business-type activities net position	<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>	<u>\$128,172,558</u>
Primary government										
Net Investment in Capital Assets	\$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	\$259,324,813
Restricted	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	6,786,721
Unrestricted	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)	(70,728,387)
Total primary government net position	<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>	<u>\$195,383,147</u>

CITY OF VALDOSTA, GEORGIA

Changes in Net Positions

Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities										
General government	\$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	\$17,828,062
Public safety	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	25,732,425
Culture - recreation	4,757,377	0	0	0	0	0	0	0	0	0
Public works	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	1,763,484
Community development	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	2,186,168
Interest on long-term debt	0	0	0	0	0	9,846	5,003	3,044	0	16,659
Total governmental activities	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	47,528,818
Business-type activities										
Sanitation	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	5,709,783
Water and sewer	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	19,904,646
Inspection	1,328,557	1,022,811	965,786	970,029	940,143	1,042,114	949,697	862,507	811,270	840,559
Zoning	351,768	377,434	446,049	455,267	359,543	0	0	0	0	0
DOL building	357,962	361,234	424,197	368,853	355,022	341,979	373,249	423,139	343,828	343,698
Storm Water	914,986	962,042	1,231,214	1,371,900	1,223,050	1,236,148	1,090,243	1,091,578	1,354,319	1,489,570
Auditorium	224,187	256,933	240,981	249,576	212,676	196,760	242,997	245,846	276,172	276,489
Motor fuel	299,556	388,445	527,982	537,152	556,674	532,420	402,611	271,105	292,619	318,224
Total business-type activities	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	28,883,101
Total primary government	\$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	\$76,411,919
Program Revenues										
Governmental activities										
Charges for services										
General government	\$304,914	\$116,678	\$94,155	\$204,692	\$54,692	\$103,489	\$355,698	\$56,591	(\$14,556)	\$93,392
Public safety	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	2,365,134
Culture - recreation	672,535	4,815	0	0	0	0	0	0	0	0
Other activities	194,471	261,913	263,364	244,771	145,443	255,987	115,062	103,566	134,989	146,272
Operating grants and contributions	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	1,985,946
Capital grants and contributions	235,523	12,809,115	8,202,070	12,086,133	9,619,416	10,505,462	12,744,363	11,907,962	12,389,719	12,582,892
Total governmental activities program revenues	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	16,573,636
Business-type activities										
Charges for services										
Sanitation	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	5,870,885
Water and sewer	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	18,741,504
Inspection	777,209	1,009,372	905,977	644,462	642,235	784,402	920,440	860,838	1,163,724	1,315,570
DOL building	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157
Storm Water	1,178,261	1,232,845	1,257,082	1,242,399	1,271,392	1,280,524	1,286,864	1,283,342	1,690,913	1,795,212
Other activities	378,853	471,094	762,299	737,719	675,301	584,687	463,643	323,915	350,343	381,083
Operating grants and contributions	46,673	459,325	0	269,437	0	0	0	0	0	0
Capital grants and contributions	537,407	4,513,063	1,119,880	957,991	758,616	0	0	0	0	0
Total business-type activities program revenues	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	28,573,411
Total primary government program revenues	\$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	\$45,147,047
Net (Expense)/Revenue										
Governmental activities	(\$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)	(\$30,955,182)
Business-type activities	507,720	6,285,673	2,505,202	1,368,429	3,066,230	876,672	943,533	1,369,236	(869,479)	(309,690)
Total primary government net expense	(\$40,397,525)	(\$24,880,241)	(\$29,847,815)	(\$30,815,370)	(\$28,071,673)	(\$30,409,685)	(\$27,369,055)	(\$28,925,201)	(\$29,687,652)	(\$31,264,872)
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes										
Property taxes	\$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	\$13,124,375
Sales tax	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	9,060,686
Accommodations tax	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	3,194,645
Other taxes	8,593,865	8,303,204	8,264,303	8,925,259	8,938,156	8,844,442	9,381,528	9,532,899	9,704,815	9,689,613
Investment earnings	150,410	292,878	46,580	31,960	27,214	19,831	16,526	17,374	32,657	48,069
Miscellaneous	(65,274)	409,010	640,692	619,479	227,429	587,662	628,271	427,323	700,295	572,584
Contributions to permanent fund	0	0	0	0	0	0	0	0	0	0
Transfers	1,448,969	771,412	555,193	1,242,070	(2,646,499)	(2,671,061)	(12,790,684)	(9,989,224)	988,389	(2,156,461)
Total governmental activities	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	33,533,511
Business-type activities										
Property taxes	0	0	0	0	0	0	0	0	0	0
Investment earnings	81,149	7,440	14,163	3,178	792	123	0	0	0	0
Capital contributions	0	0	0	0	0	0	0	0	0	0
Special items	0	0	0	0	0	0	0	839,291	0	0
Transfers	(1,448,969)	(771,412)	(555,193)	(1,242,070)	2,692,361	2,671,061	12,790,684	9,989,224	(988,389)	2,156,461
Total business-type activities	(1,367,820)	(763,972)	(541,030)	(1,238,892)	2,693,153	2,671,184	12,790,684	10,928,515	(988,389)	2,156,461
Total primary government	\$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	\$35,689,972
Change in Net Position										
Governmental activities	\$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	\$2,578,329
Business-type activities	(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)	1,846,771
Total primary government	(\$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	\$4,425,100

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$6,155,409	\$7,927,686	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unreserved	5,919,560	1,071,975	0	0	0	0	0	0	0	0
Nonspendable	0	0	4,521,846	4,522,249	4,245,727	2,899,736	4,277,368	3,551,702	3,292,866	2,677,584
Restricted	0	0	176,391	181,778	151,288	177,245	207,912	206,002	214,291	226,914
Committed	0	0	10,767	10,767	10,767	10,767	10,767	10,767	10,767	10,767
Assigned	0	0	701,620	316,892	0	0	0	0	0	485,233
Unassigned	0	0	0	0	128,039	-1,080,989	(1,873,454)	(1,235,605)	(498,949)	0
Total General Fund	<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>	<u>\$3,400,498</u>
All Other Governmental Funds										
Reserved	\$4,083,398	\$5,709,854	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unreserved, reported in:										
Special revenue funds	(385,432)	(13,830)	0	0	0	0	0	0	0	0
Capital projects funds	3,979,550	(547,313)	0	0	0	0	0	0	0	0
Nonspendable, reported in:										
Special revenue funds	0	0	2,967,676	2,835,801	2,670,464	2,601,916	2,615,521	2,526,771	0	0
Capital projects funds	0	0	774,135	696,464	573,385	300,000	213,395	213,395	0	0
Permanent funds	0	0	1,472,224	1,525,822	1,304,778	1,617,435	1,639,355	1,661,287	1,688,761	1,708,471
Restricted, reported in:										
Special revenue funds	0	0	128,682	249,087	224,601	409,505	259,555	179,820	2,692,805	2,726,461
Capital projects funds	0	0	3,466,879	7,194,623	5,714,008	6,336,172	11,623,286	2,141,728	2,893,717	3,566,599
Assigned, reported in:										
Special revenue funds	0	0	107,906	205,630	323,727	404,357	319,114	584,357	900,420	1,439,690
Capital projects funds	0	0	763,598	39,966	0	0	490,642	374,163	1,472,890	4,221,265
Unassigned, reported in:										
Special revenue funds	0	0	(275,654)	(223,869)	(104,185)	(311,093)	(115,034)	(43,746)	(193,979)	(437,349)
Capital projects funds	0	0	(25,757)	0	0	0	(11,229,531)	(4,387,331)	0	0
Total all other governmental funds	<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>	<u>\$13,225,137</u>
Total all governmental funds	<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>	<u>\$16,625,635</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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$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	34,650,674
Licenses and permits	439,643	423,463	394,262	519,109	514,949	508,051	529,749	536,322	557,575	523,976
Charges for services	1,048,126	116,347	384,075	437,959	476,460	376,127	458,832	142,285	109,622	216,154
Fines and forfeitures	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	1,125,592
Interest income	149,868	314,351	46,581	33,402	27,214	19,831	18,034	17,374	32,657	48,069
Contributions	124,039	44,444	59,507	55,730	64,720	40,764	17,731	28,648	21,236	276,761
Miscellaneous	306,393	272,068	520,475	687,666	599,370	695,265	644,895	537,879	670,526	634,940
Intergovernmental	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	14,982,586
Total revenues	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	52,458,752
Expenditures										
General government	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	11,524,672
Public safety	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	24,704,297
Public works	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	1,633,232
Culture-recreation	4,313,907	0	519,943	0	0	0	0	0	0	0
Economic development and assistance	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	2,136,657
Capital outlay	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	9,486,284
Debt service										
Interest	0	0	0	141,998	141,175	145,862	27,904	77,511	138,188	189,361
Principal	0	0	0	13,710	14,533	9,846	0	3,044	9,645	16,659
Total expenditures	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	49,691,162
Excess of revenues over (under) expenditures	457,514	(6,248,531)	(481,921)	3,136,571	(2,190,725)	(744,888)	(4,116,137)	(4,194,061)	7,047,504	2,767,590
Other Financing Sources (Uses)										
Capital lease	0	0	579,740	0	0	0	0	1,918,894	2,241,065	2,839,733
Transfers in	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)	(1,903,400)
Transfers out	(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	448,123
Total other financing sources (uses)	4,402,342	644,418	1,123,862	(371,674)	(195,688)	(1,132,660)	(810,018)	1,538,475	(357,225)	1,384,456
Net change in fund balances	\$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	\$4,152,046
Debt service as a percentage of noncapital expenditures	0.000%	0.000%	0.000%	0.492%	0.500%	0.485%	0.083%	0.221%	0.398%	0.512%

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function/Program										
Governmental activities:										
General government	\$518,237	\$7,204,123	\$8,106,728	\$11,594,766	\$8,751,232	\$10,348,558	\$12,988,509	\$11,831,839	12,242,922	\$12,371,305
Public safety	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	3,124,634
Culture - recreation	890,830	11,791	0	0	0	0	0	0	0	0
Public works	117,483	3,446,562	103,835	148,462	734,521	168,377	115,062	103,566	125,293	136,402
Public involvement	1,000,688	1,289,465	1,342,429	646,142	350,641	471,944	798,501	530,453	1,075,780	941,295
Subtotal governmental activities	<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>18,186,799</u>	<u>16,573,636</u>
Business-type activities:										
Sanitation	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	5,870,885
Water and sewer	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	18,741,504
Inspection	777,209	1,009,372	905,977	737,682	642,235	784,402	920,440	860,838	1,163,724	1,315,570
Zoning	30,140	117,931	204,679	144,487	61,153	0	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	1,178,261	1,232,845	1,257,082	2,200,390	1,612,468	1,280,524	1,286,864	1,283,342	1,690,913	1,795,212
Auditorium	41,210	31,380	18,407	46,237	47,562	42,536	51,130	43,734	49,011	54,835
Motor fuel	307,503	398,697	539,213	546,995	566,586	542,151	412,513	280,181	301,332	326,248
Subtotal business-type activities	<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>	<u>28,573,411</u>
Total primary government	<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>\$45,561,440</u>	<u>\$45,147,047</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
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
2018	13,016,374	19,324,703	9,160,644	4,339,113	45,840,834
Change 2009-2018	44.88%	-8.21%	13.08%	153.39%	15.03%

CITY OF VALDOSTA, GEORGIA
Assessed Value and Actual Value of Taxable Property
Last Ten 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
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
2018	616,813,247	643,516,697	315,719,145	34,938,130	2,805,968	2,337,397	34,303,453	179,265,606	1,471,168,431	8.001

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
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
2018	7.72	7.72	1.47	2.94

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
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
2018	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	Operating Millage Rate	Total Direct Rate	Overlapping Rates*		
			Valdosta School District	Community Improvement District	Lowndes County
2009	4.112	4.112	15.98	10.00	9.56
2010	4.131	4.131	15.98	10.00	9.56
2011	4.112	4.112	16.98	10.00	9.56
2012	4.112	4.112	16.98	10.00	9.56
2013	4.106	4.106	16.98	5.00	9.56
2014	4.102	4.102	16.98	5.00	9.56
2015	6.102	6.102	16.98	5.00	9.56
2016	6.102	6.102	16.98	5.00	9.05
2017	7.950	7.950	16.98	5.00	8.974
2018	8.001	8.001	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	2018			2017			2016			2015			2014		
	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	\$719,181	1	3.89%	\$725,622	1	4.24%	\$763,160	1	4.46%	\$778,395	1	4.55%	\$667,428	1	4.36%
Valdosta State University	447,815	2	2.42%	436,046	2	2.55%	453,423	2	2.65%	613,452	2	3.58%	618,673	2	4.04%
Valdosta Correctional Institute	415,796	3	2.25%	382,266	3	2.23%	351,497	3	2.05%	384,952	3	2.25%	360,132	3	2.35%
South Georgia Medical Center	222,373	4	1.20%	192,159	5	1.12%	295,014	4	1.72%	266,597	4	1.56%	228,558	4	1.49%
Chemical Research Technology Inc.	166,530	5	0.90%	83,981	8	0.49%	-	-	-	-	-	-	-	-	-
South Georgia Pecan Co.	126,576	6	0.68%	105,109	6	0.61%	93,513	8	0.55%	100,987	9	0.59%	165,707	5	1.08%
City of Remerton	98,759	7	0.53%	207,932	4	1.21%	184,607	6	1.08%	169,669	6	0.99%	155,272	6	1.01%
Woodstone Apartments	97,638	8	0.53%	87,233	7	0.51%	72,684	10	0.42%	107,680	8	0.63%	129,448	7	0.85%
Union Tank Car	92,636	9	0.50%	83,400	9	0.49%	-	-	-	-	-	-	-	-	-
The Residents at 5 Points	87,303	10	0.47%	79,711	10	0.47%	-	-	-	-	-	-	-	-	-
ERCO Worldwide	-	-	-	-	-	-	-	-	-	114,299	7	0.67%	120,371	8	0.79%
Lowndes County Utilities	-	-	-	-	-	-	279,747	5	1.63%	261,083	5	1.53%	85,611	10	0.56%
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%	-	-	-	-	-	-
Total	\$2,474,607.00		13.37%	\$2,383,459.00		13.92%	\$2,720,785.00		15.89%	\$2,898,090.00		16.93%	\$2,641,022.00		17.26%

Customer	2013			2012			2011			2010			2009		
	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	\$709,451	1	4.75%	\$755,835	1	5.33%	\$538,804	1	3.91%	\$495,333	1	3.96%	\$615,233	1	4.98%
Valdosta State University	479,675	2	3.21%	397,654	2	2.80%	446,869	2	3.24%	235,884	3	1.89%	162,565	5	1.31%
Valdosta Correctional Institute	375,591	3	2.51%	362,925	3	2.56%	332,048	3	2.41%	398,710	2	3.19%	386,723	2	3.13%
South Georgia Medical Center	255,716	4	1.71%	259,453	4	1.83%	183,178	5	1.33%	185,675	3	1.49%	185,585	3	1.50%
City of Remerton	254,232	5	1.70%	130,346	7	0.92%	118,029	7	0.86%	108,042	6	0.86%	88,358	8	0.71%
Lowndes County Utilities	188,057	6	1.26%	179,881	6	1.27%	273,743	4	1.99%	70,774	9	0.57%	87,470	9	0.71%
ERCO Worldwide	124,603	7	0.83%	97,720	8	0.69%	102,197	8	0.74%	73,086	8	0.58%	88,902	7	0.72%
South Georgia Pecan Co.	116,782	8	0.78%	-	-	-	-	-	-	-	-	-	-	-	-
Woodstone Apartments	101,067	9	0.68%	-	-	-	91,873	9	0.67%	68,265	10	0.55%	-	-	-
Arizona Chemical	89,718	10	0.60%	93,679	9	0.66%	69,809	10	0.51%	75,504	7	0.60%	122,544	6	0.99%
Lowndes County Jail	-	-	-	86,640	10	0.61%	118539	6	0.86%	164,164	5	1.31%	163,757	4	1.32%
Saft	-	-	-	-	-	-	-	-	-	-	-	-	81,192	10	0.66%
Campus Crest	-	-	-	187,860	5	1.33%	-	-	-	-	-	-	-	-	-
Total	\$2,694,892.00		18.03%	\$2,551,993.00		18.00%	\$2,275,089.00		16.50%	\$1,875,437.00		15.00%	\$1,982,329.00		16.03%

City of Valdosta, Georgia
Principal Property Taxpayers
For the Fiscal Years Ended June 30, 2018 and 2009

2018				2009			
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.	\$ 55,186,548	1	3.75%	Archer Daniels Midland Co.	\$ 68,659,399	1	4.90%
Lowes Distribution, Inc.	47,645,064	2	3.24%	Lowes Companies, Inc.	41,782,582	2	2.98%
JM Smith Corp	22,062,637	3	1.50%	South Georgia Pecan	13,793,312	3	0.98%
South Georgia Pecan	21,265,923	4	1.45%	Marelana Valdosta Mall	12,217,285	4	0.87%
Dupont	13,580,761	5	0.92%	Wal-Mart\Sam's Club	12,186,641	5	0.87%
GF Valdosta Mall	17,451,068	6	1.19%	Du Pont	8,775,255	6	0.63%
Home Depot	15,639,500	7	1.06%	Jacussi Inc.	8,160,840	7	0.58%
Saft Newco, Inc.	12,867,433	8	0.88%	Saft Newco, Inc.	6,316,553	8	0.45%
Ring Container Tech LLC	10,404,632	9	0.71%	Arizona Chemical	6,087,287	9	0.44%
Preferred Prop Holdings GA	<u>6,831,578</u>	10	0.46%	Stratas Foods LLC	<u>5,798,536</u>	10	0.41%
Total Principal Taxpayers	222,935,144		15.15%	Total Principal Taxpayers	183,777,690		13.12%
All Other Taxpayers	<u>1,248,233,287</u>		84.85%	All Other Taxpayers	<u>1,217,235,765</u>		86.88%
Total	<u><u>\$1,471,168,431</u></u>		<u><u>100.00%</u></u>	Total	<u><u>\$ 1,401,013,455</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
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%	263,345	5,566,210	99.98%
2012	5,307,294	5,063,850	95.41%	241,751	5,305,601	99.97%
2013	5,496,867	5,246,759	95.45%	250,108	5,496,867	100.00%
2014	5,523,422	5,297,924	95.92%	208,414	5,506,338	99.69%
2015	8,200,148	7,924,813	96.64%	275,335	8,200,148	100.00%
2016	8,860,209	8,287,698	93.54%	367,487	8,655,185	97.69%
2017	11,339,178	10,923,838	96.34%	413,811	11,337,649	99.99%
2018	11,339,178	10,923,838	96.34%	143,431	11,067,269	97.60%

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				
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	0.05	1,593
2018	2,487,268	1,381,000	81,130,276		84,998,544	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		
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
2018	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, 2018

<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 2015 Bond Series	\$68,425,000	100.00%	\$68,425,000
Other debt			
Lowndes County - Capital leases	6,389,900	49.34%	<u>3,152,777</u> 3,152,777
Subtotal, overlapping debt			71,577,777
City direct debt			2,487,268
			<u>\$74,065,045</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 2017 County taxable valuation of \$3,344,404,234 and City taxable valuation of \$1,650,235,988 percent 49.34%.

CITY OF VALDOSTA, GEORGIA

Legal Debt Margin Information

Last Ten Fiscal Years
(accrual basis of accounting)

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value	\$1,446,816,807
Debt limit (10% of assessed value)	144,681,681
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	\$144,681,681

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$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	\$144,681,681
Total net debt applicable to limit	0	0	579,740	437,742	296,567	150,705	57,497	2,114,046	2,599,644	2,487,268
Legal debt margin	\$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	\$142,194,413
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.41%	0.31%	0.20%	0.10%	0.04%	1.42%	1.80%	1.75%

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		
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	
2018	18,707,077	17,557,671	1,149,406	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>
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	34,739	28.5	8,134	5.0%
2018	56,405	NA	N/A	29.1	8,390	4.4%

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, 2018 and 2009

Employer	2018			Employer	2009		
	Number of Employees	Rank	Percentage of Total City Employment		Number of Employees	Rank	Percentage of Total City Employment
Moody Air Force Base	5,500	1	8.66%	Moody Air Force Base	4,448	1	6.79%
South Georgia Medical Center	2,875	2	4.52%	South Georgia Medical Center	2,300	2	3.51%
Valdosta State University	1,545	4	2.43%	Valdosta State University	2,280	3	3.48%
Lowndes County Schools	1,388	3	2.18%	Lowndes County Schools	1,279	4	1.95%
Valdosta City School System	1,177	5	1.85%	Valdosta City School System	950	5	1.45%
Fresh Beginnings Inc.	1,100	6	1.73%	Lowe's Distribution Center	900	6	1.37%
Lowe's Distribution Center	906	8	1.43%	Convergys	850	7	1.30%
Wild Adventures	800	7	1.26%	City of Valdosta Government	659	8	1.01%
Walmart Supercenters	750	9	1.18%	Lowndes County Government	540	9	0.82%
City of Valdosta Government	585	10	0.92%	Fresh Beginning	500	10	0.76%
Total Principal Employees	16,626		26.16%	Total Principal Employees	14,706		22.46%
Other Employees	<u>46,918</u>		<u>73.84%</u>	Other Employees	<u>50,758</u>		<u>77.54%</u>
Total Employees	<u><u>63,544</u></u>		<u><u>100.00%</u></u>	Total Employees	<u><u>65,464</u></u>		<u><u>100.00%</u></u>

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>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>	<u>2018</u>
City of Valdosta										
Operating Indicators by Function/Program										
<u>Engineering</u>										
Feet of Failed Pavement Repaired	10,000	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%	67%	67%	70%
<u>Municipal Court</u>										
Dockets Processed	14,500	15,000	15,000	16,500	17,000	17,000	14,000	12,000	12,000	12,500
<u>Police</u>										
Increase in Citizen contacts	2,650	2,650	2,650	2,900	1,800	2,770	2,770	2,800	2,850	2,900
Narcotics Arrests	310	320	320	320	320	320	320	325	330	335
Students Completing Dare	1,310	1,360	1,360	1,376	1,350	1,202	1,370	1,380	1,385	1,400
<u>Fire</u>										
Number of Fire Stations	7	7	7	7	7	7	7	7	7	7
Number of Fire Inspections performed	1,380	1,390	1,395	1,390	1,500	1,500	1,245	1,200	1,200	1,300
<u>Public Works</u>										
Street Sweeping Frequency per year	25	25	25	30	30	15	12	13	12	13
<u>Arborist</u>										
Number of Trees Planted	100	75	75	280	220	100	40	40	40	45
Number of trees Pruned	1,000	1,000	1,000	1,200	1,300	500	1,000	800	800	850
<u>Public Involvement</u>										
Bi-monthly Newsletters Produced	6	6	6	6	6	4	4	4	4	5
Net Gain of new downtown Buisnesses	6	5	5	6	8	5	5	5	6	5
<u>Sanitation</u>										
Residential Stops/collection employee/week	925	925	925	2,620	2,635	2,650	2,640	2,660	2,670	2,680
Commercial lifts per hour/driver	18	25	25	38	40	40	40	38	39	40
<u>Drainage</u>										
Feet of storm drain cleaned and maintained	20,000	20,000	20,000	13,311	15,000	15,000	50,000	50,000	50,000	51,000
<u>Water</u>										
Average volume of water treated (MGD)	10.500	11.150	11.150	11.500	11.500	9.670	11.260	11.6	11.6	12.0
New meters installed annually	500	500	500	1000	1500	1500	1500	500	500	500
<u>Sewer</u>										
Average volume of wastewater treated daily (MGD)	9.5	9.5	9.5	6.5	7.7	8.1	9.9	10	10	11
Miles of sewers maintained	265	260	270	270	275	275	330	315	330	335
<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	330	330	330	330	330	175	175	175	180

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>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
Patrol units	150	157	155	155	158	158	158	158	158
Fire Stations	7	7	7	7	7	7	7	7	7
Refuse collection									
Collection trucks	13	13	13	13	13	13	13	13	13
Other public works									
Streets (miles)	304	304	304	304	304	304	304	304	304
Highways (miles)									
Streetlights	6,217	6,217	6,222	6,266	6,266	6,277	6,277	6,277	6,277
Traffic signals	124	124	125	126	127	127	127	127	128
Park and recreation									
Acreage	505	300	300	300	300	300	300	300	300
Playgrounds	5	2	2	2	2	2	2	2	2
Baseball/softball diamonds	29	24	24	24	24	24	24	24	24
Soccer/football fields	3	3	3	3	3	3	3	3	3
Community centers	6	1	1	1	1	1	1	1	1
Water									
Water mains (miles)	305	311	320	389	395	402	410	419	430
Fire hydrants	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
Wastewater									
Sanitary sewers (miles)	315	320	325	325	330	330	330	335	342
Treatment capacity (gallons)	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, 2018

Grant Title	CFDA Number	Grant I. D. Number	Expenditures	Passed through to Subrecipients
<u>Department of Homeland Security</u>				
Direct Federal Grants:				
Homeland Security Cluster	97.067	EMW-2015-SS-00065-S01	44,000	0
Homeland Security Cluster	97.067	EMW-2016-SS-00007-S01	34,444	0
Homeland Security Cluster	97.067	EMW-2017-SS-00015-S01	14,883	0
Total Homeland Security Cluster			<u>93,327</u>	<u>0</u>
Law Enforcement Officer Reimb. Agreement	97.090	HSTS0216HSLR793	20,190	0
Total Law Enforcement Officer Reimb. Agreement			<u>20,190</u>	<u>0</u>
TOTAL U S DEPARTMENT OF HOMELAND SECURITY			<u>113,517</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-16-MC-13-0015	902	0
Entitlement Grants Cluster	14.218	B-17-MC-13-0015	487,301	0
Total Entitlement Grant Cluster			<u>488,203</u>	<u>0</u>
Indirect Federal Grants:				
HOME Investment Partnerships Program				
State of GA Community HOME Investment Program (CHIP)	14.239	2016-116	160,243	0
TOTAL U S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>648,446</u>	<u>0</u>
<u>Department of Justice</u>				
Direct Federal Grants:				
JAG Program Cluster	16.738	2016-DJ-BX-0199	3,939	0
Bulletproof Vest Partnership Program	16.607	N/A	1,928	0
TOTAL U S DEPARTMENT OF JUSTICE			<u>5,867</u>	<u>0</u>
<u>Department of Transportation</u>				
Direct Federal Grants:				
Airport Development Aid Program	20.106	3-13-0115-33-2017	625,391	0
State of Georgia Passthrough Federal Grants:				
Governor's Office of Highway Safety Highway Safety Cluster	20.600	TEN-2018-402PT-019	11,949	0
TOTAL U S DEPARTMENT OF TRANSPORTATION			<u>637,340</u>	<u>0</u>
<u>Federal Emergency Management Agency</u>				
Indirect Federal Grants:				
FEMA	97.039	FEMA-4338-DR-GA	656,750	0
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY			<u>656,750</u>	<u>0</u>
TOTAL OF EXPENDITURES OF FEDERAL AWARDS			<u>\$2,061,920</u>	<u>\$0</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, 2018

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.



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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, 2018, 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 28, 2018.

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 28, 2018



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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, 2018. 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, 2018.

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 28, 2018

**CITY OF VALDOSTA, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018**

Status of Prior Year Findings

None reported