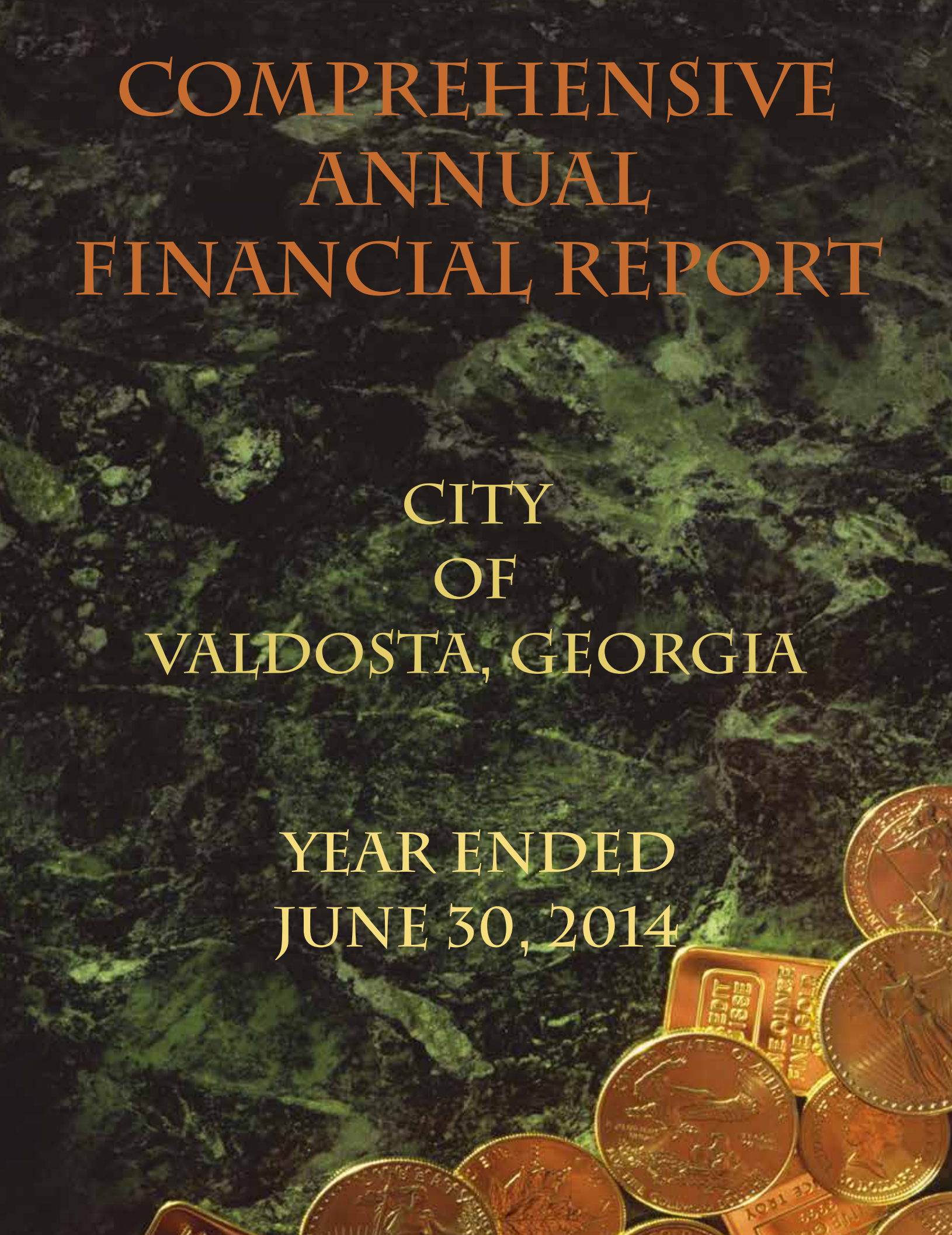
Comprehensive Annual Financial Report

City of Valdosta, Georgia

Year Ended June 30, 2014



COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Valdosta, Georgia

for the Fiscal Year
July 1, 2013 - June 30, 2014

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

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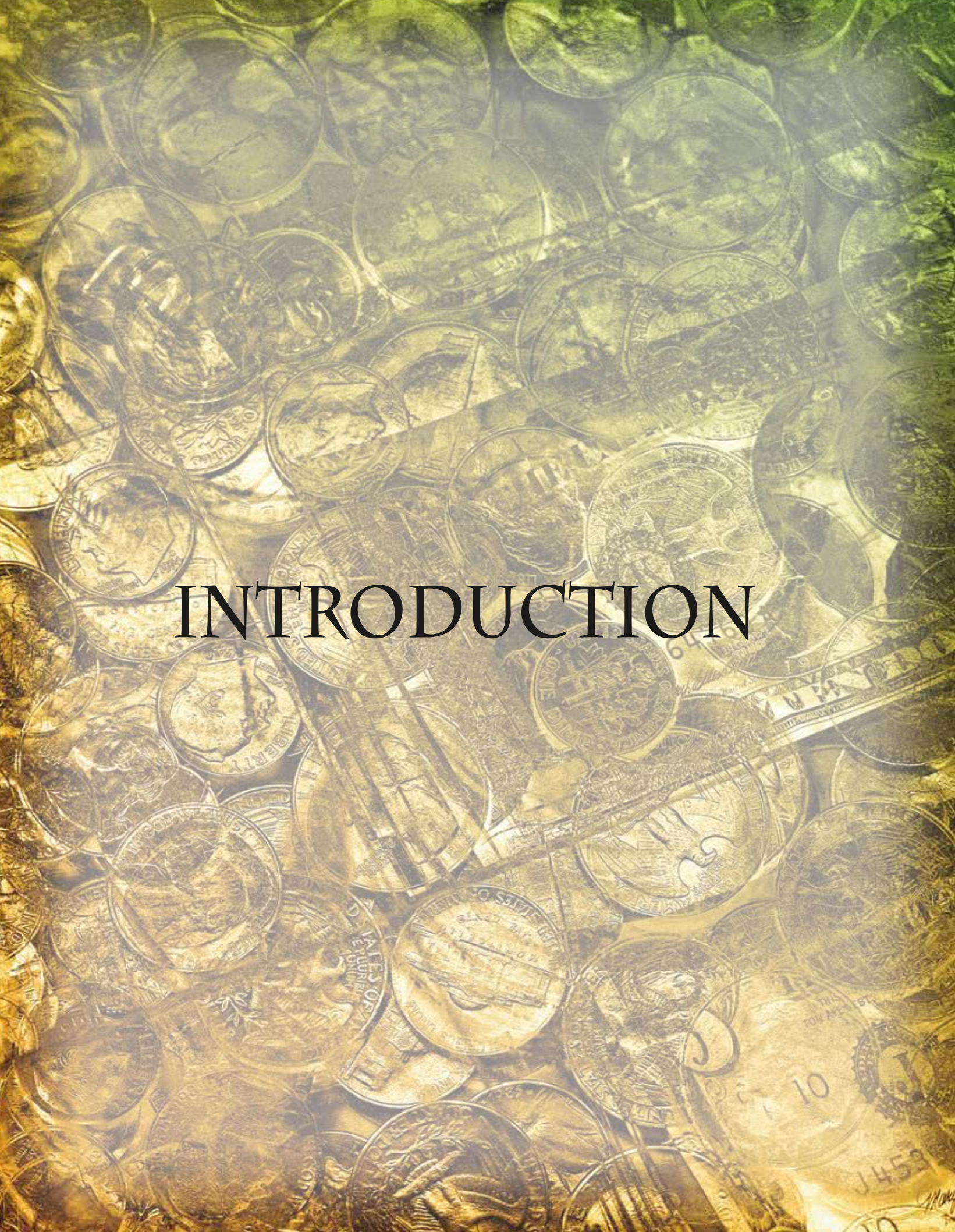

INTRODUCTION

CITY OF VALDOSTA, GEORGIA

L. MARK BARBER
DEPUTY CITY MANAGER
ADMINISTRATION

February 26, 2015

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 2014 is submitted herewith. Responsibility for both the accuracy of the data and the thoroughness and fairness of presentation including all disclosures rests with the City of Valdosta. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain maximum understanding of the City's financial affairs have been included.

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

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

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

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

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

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VALDOSTA
A City Without Limits

Management and Budget (OMB) Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations," and "Government Auditing Standards" issued by the Comptroller General of the United States has been performed for the fiscal year ended June 30, 2014. The required reports on supplementary information, compliance, and internal controls along with various supplementary schedules will be included in compliance section.

Reporting Entity

The City of Valdosta was originally incorporated by an Act of the General Assembly of Georgia on December 7, 1860 and since April 14, 1958 has operated under the Council-Manager form of government. The City provides a full range of services to some 55,000 residents. The daytime population of Valdosta soars to approximately 75,000. These services include general administrative services, police and fire protection, sanitation services, water and sewer services, the construction and maintenance of highways, streets, recreational activities and cultural events. The financial statements in this report include all of these functions and activities of the government.

In addition to the above listed activities, the City has financial accountability for other organizations based on its ability to appoint a voting majority of the organization's governing body, and effectively impose its will on the organization. Also, financial accountability exists where there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City. Based upon the application of these criteria, the function and activities of the Central Valdosta Development Authority have been included in the financial statements. The Authority was established by 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. The six district Councilmen represent specific districts within the territorial limits of Valdosta. The one councilman at large is elected from all districts. The City Manager is appointed by the Mayor and confirmed by the Council, and is responsible for the day-to-day operation of the government.

Natural Features and Land Use

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

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

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

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

Population

The City's population has grown 25% in the last ten years. The City of Valdosta has the largest percentage of residents in Lowndes County with 50.28% 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 70% of the jobs in Lowndes County are located in Valdosta. Consequently, of the 18 largest employers in Lowndes County, 15 are located in the City of Valdosta.

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

Economic Condition and Outlook

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

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

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

Education continues to be an economic resource to Valdosta. Valdosta State University, a senior unit of the University System of Georgia, offers undergraduate, graduate and doctoral degree programs in numerous areas. Total enrollment at the University is approximately 12,000 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 roles because it is designated public property.

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

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

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

Major Initiatives

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

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

Looking to the Future

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

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

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

Cash Management

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

Risk Management

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

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

Independent Audit

Georgia requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City by independent certified public accountants selected by the Mayor and City Council. The City has complied with this requirement; the firm of Mauldin & Jenkins has completed an audit of the 2014 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, 2013. This was the twenty-sixth 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, 2014. This was the fourteenth 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 2015 fiscal year budget document continue to conform to the requirements for each award.

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

Respectfully submitted,

L. Mark Barber
Deputy City Manager Administration

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

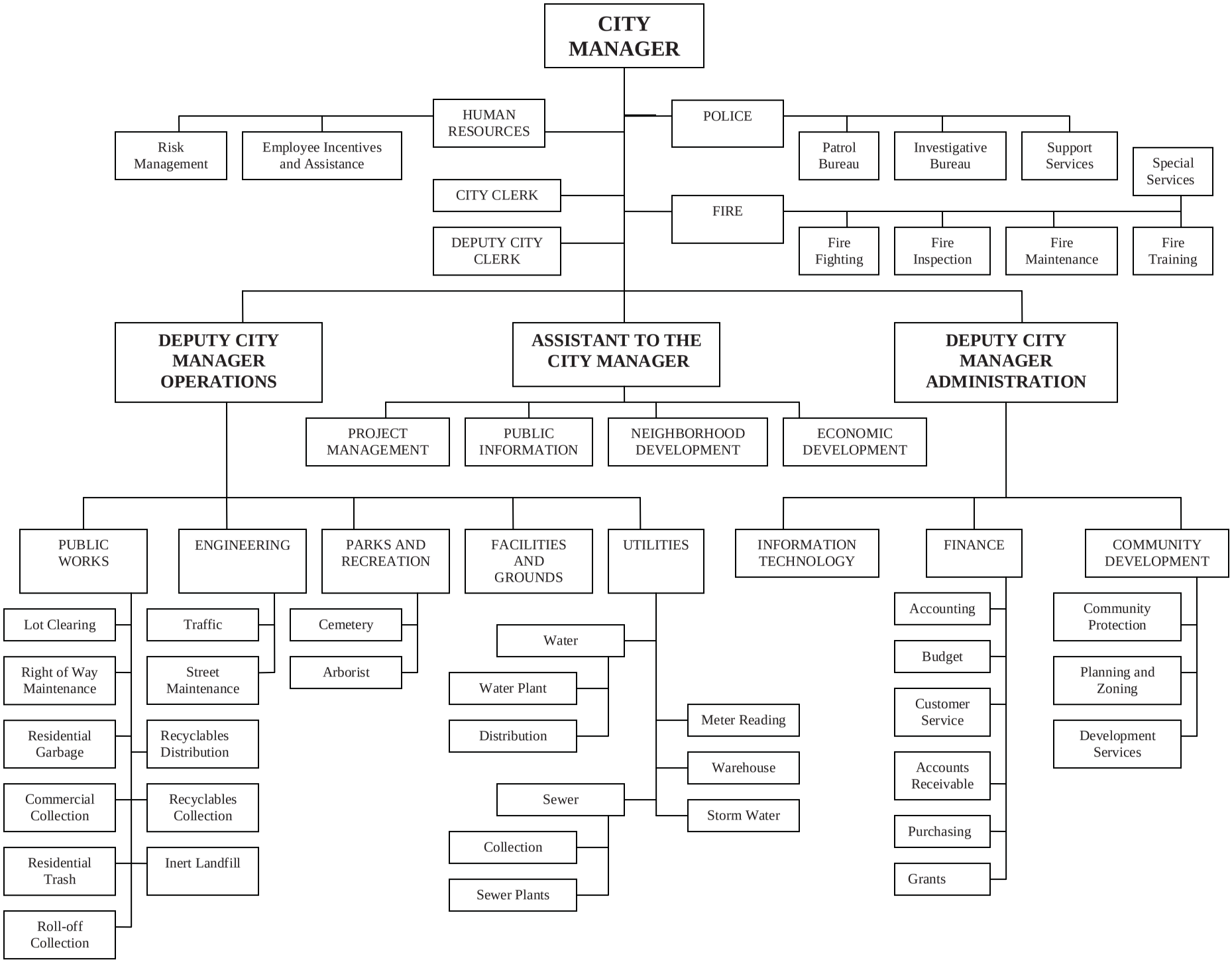
City of Valdosta

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO


CITY MANAGER
HUMAN RESOURCES
Risk Management
Employee Incentives and Assistance
CITY CLERK
DEPUTY CITY CLERK
POLICE
Patrol Bureau
Investigative Bureau
Support Services
Special Services
FIRE
Fire Fighting
Fire Inspection
Fire Maintenance
Fire Training
DEPUTY CITY MANAGER OPERATIONS
ASSISTANT TO THE CITY MANAGER
DEPUTY CITY MANAGER ADMINISTRATION
PROJECT MANAGEMENT
PUBLIC INFORMATION
NEIGHBORHOOD DEVELOPMENT
ECONOMIC DEVELOPMENT
PUBLIC WORKS
Lot Clearing
Right of Way Maintenance
Residential Garbage
Commercial Collection
Residential Trash
Roll-off Collection
ENGINEERING
Traffic
Street Maintenance
Recyclables Distribution
Recyclables Collection
Inert Landfill
PARKS AND RECREATION
Cemetery
Arborist
FACILITIES AND GROUNDS
UTILITIES
Water
Water Plant
Distribution
Sewer
Collection
Sewer Plants
Meter Reading
Warehouse
Storm Water
INFORMATION TECHNOLOGY
FINANCE
Accounting
Budget
Customer Service
Accounts Receivable
Purchasing
Grants
COMMUNITY DEVELOPMENT
Community Protection
Planning and Zoning
Development Services

PRINCIPAL OFFICIALS
CITY OF VALDOSTA, GEORGIA

Mayor	John Gayle
Council Member – At Large	Ben Norton
Council Member – District I	James Wright
Council Member – District II	Sandra Tooley
Council Member – District III	Joseph Vickers
Council Member – District IV	Alvin Payton, Jr.
Council Member – District V	Tim Carroll
Council Member – District VI	Robert Yost
City Manager	Larry H. Hanson
Clerk of Council	Teresa Bolden
City Attorney	George T. Talley
Municipal Court Judge	Vernita L. Bender
City Auditor	Mauldin & Jenkins, LLC
Human Resources Director	Renassa Small
Deputy City Manager - Administration	L. Mark Barber
City Engineer	Patrick S. Collins
Fire Chief	Freddie Broome
Police Chief	Brian Childress
Deputy City Manager - Operations	John Whitehead, III
Utilities Director	Henry Hicks
Director of Community Development	Michael T. Martin

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Valdosta, Georgia (the "City")**, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Valdosta, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Valdosta, Georgia as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 16), budgetary comparison information (on pages 76 through 78), and the Schedules of Funding Progress (on pages 79 and 80) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2015, on our consideration of the City of Valdosta, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Valdosta, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Albany, Georgia
February 26, 2015

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, 2014. 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 $229.87 million. Of this amount, none may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's governmental net position decreased by $6.72 million, primarily due to economic conditions dictating the use of investment funds to supplement current cash, and the required adjustment for the City's most recent Other Post Employment Benefits evaluation.

- The governmental activities revenue increased by $2.10 million (or 4.84%) and the net results from activities increased $.63 million. The results of activities produced a decrease in net position of $6.72 million. Governmental expenses increased by $1.45 million.

- The business-type activities revenue decreased by $.24 million and the net results from activities decreased by $2.21 million. The results of activities produced an increase in net position of $3.55 million.

- The total cost of all City programs increased by $3.44 million.

- The General Fund (the primary operating fund of the City) reflected on a current financial resource basis, reports a net reduction in fund balance of $2.53 million.

- The City's total debt decreased $.07 million (or 1%). The decrease is the result of capital leases reaching expiration.

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 fund consists of two Agency Funds.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Figure A-1

Major Features of City of Valdosta's Government-wide and Fund Financial Statements

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

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

- **Agency Funds**—because Agency funds are custodial in nature, the only required financial statements are the Balance Sheet and the Statement of Changes in Assets and Liabilities. The measurement focus of Agency Funds is upon determination of financial position. Agency Funds are maintained on the accrual basis of accounting. Activities of this fund are not included in the Government-wide Statement of Activities.

FINANCIAL ANALYSIS OF THE CITY OF VALDOSTA AS A WHOLE

Net Position. The City of Valdosta's combined net position decreased 1.4 percent from $233.04 million at June 30, 2013 to $229.87 million at June 30, 2014. (See table A-1.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2013	**2014**	**2013**	**2014**	**2013**	**2014**	**2013 – 2014**
Current and other assets	$23.74	$22.15	$1.47	$(0.29)	$25.21	$21.86	(13.29%)
Capital Assets	132.36	130.46	151.64	156.93	284.00	287.39	1.19%
Total Assets	**156.10**	**152.61**	**153.11**	**156.64**	**309.21**	**$309.25**	**0.01%**
Long-term debt outstanding	0.30	0.15	50.33	50.41	50.63	50.56	(0.14%)
Other liabilities	21.25	24.63	4.18	4.08	25.43	28.71	12.90%
Total Liabilities	**21.55**	**24.78**	**54.51**	**54.49**	**76.06**	**79.27**	**4.22%**
Deferred Inflow of Resources	0.11	0.11	-	-	0.11	0.11	0.00%
Net Position							
Net Investment in capital assets,	132.07	130.31	101.30	106.52	233.37	236.83	1.48%
Restricted	8.34	4.55	-	-	8.34	4.55	(45.44%)
Unrestricted	(5.97)	(7.14)	(2.70)	(4.37)	(8.67)	(11.51)	32.76%
Total Net Position	**$134.44**	**$127.72**	**$98.60**	**$102.15**	**$233.04**	**$229.87**	**(1.36%)**

Net Position of the City's governmental activities decreased by 5 percent to $127.72 million. However, much of the net position are restricted as to the purposes for which they can be used, or are invested in capital assets (buildings, roads, and such). Consequently, unrestricted net position showed a $7.14 million deficit at the end of the year.

The deficit in unrestricted governmental net position was negatively affected by several factors for fiscal year 2014. Again, the downturn in the economy contributed greatly to this change, along with depreciation of capital assets exceeding replacements, and the City's recognition of Other Post Employment Benefits liability. The City was required to recognize this liability beginning in fiscal year 2009.

Although the net position of the City's business-type activities increased by 3.6 percent to $102.15 million, 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 2.89 percent to $66.26 million. (See Table A-2) Approximately 39 percent of the City's revenue comes from fees charged for services, 14 percent from sales taxes, 11 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 23 percent represents grants, accommodation tax and investment revenue.

The total cost of all programs and services increased by 5.21 percent. The City's expenses cover a myriad of services, with approximately 31.05 percent related to public safety, 32.64 percent related to general government expenses, and 20.70 percent related to water/sewer expenses. The balance of 15.61 percent is comprised of public works, economic development, solid waste, inspection, auditorium, storm water, and motor fuel functions.

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

Governmental Activities

Revenues for the City's governmental activities increased $2.10 million (or 5.13%) to $43.05 million, while governmental activities expenses experienced an increase of $1.45 million (or 3.18%) to $47.10 million.

The increase in governmental revenue is the result of an increase in the receipts of grants. The majority of these grants supported public safety activities. All other revenues experienced a decline or little to no growth.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2013	2014	2013	2014	2013	2014	2013 – 2014
REVENUES							
Program Revenues:							
Charges for Services	$2.73	$2.63	$22.69	$23.20	$25.42	$25.83	1.61%
Operating Grants & Contributions	2.17	2.68	-	-	2.17	2.68	23.50%
Capital Grants & Contributions	9.62	10.51	0.76	-	10.38	10.51	1.25%
General Revenues:							
Property Taxes	6.34	6.97	-	-	6.34	6.97	9.94%
Sales Taxes	9.22	8.95	-	-	9.22	8.95	(2.93%)
Accommodations Tax	1.67	1.86	-	-	1.67	1.86	11.38%
Other Taxes	8.94	8.84	-	-	8.94	8.84	(1.12%)
Investment Earnings	0.03	0.02	-	0.01	0.03	0.03	0.00%
Misc	0.23	0.59	-	-	0.23	0.59	156.52%
Total Revenues	**40.95**	**43.05**	**23.45**	**23.21**	**64.40**	**66.26**	**2.89%**
EXPENSES							
Program Activities							
Primary Government:							
Governmental Activities:							
General Government	22.93	22.66	-	-	22.93	22.66	(1.18%)
Public Safety	20.07	21.56	-	-	20.07	21.56	(7.42%)
Public Works	1.61	1.60	-	-	1.61	1.60	(0.62%)
Economic Development and Assistance	1.04	1.28	-	-	1.04	1.28	23.08%
Business-type Activities:							
Solid Waste	-	-	4.48	4.60	4.48	4.60	2.68%
Water/Sewer	-	-	12.21	14.37	12.21	14.37	17.69%
Housing Inspections	-	-	0.95	1.04	0.95	1.04	9.47%
Zoning	-	-	0.36	-	0.36	-	(100.00%)
DOL Building	-	-	0.35	0.35	0.35	0.35	0.00%
Stormwater	-	-	1.22	1.24	1.22	1.24	1.64%
City Auditorium	-	-	0.21	0.20	0.21	0.20	(4.76%)
Motor Fuel	-	-	0.56	0.53	0.56	0.53	(5.36%)
Total Expenses	**45.65**	**47.10**	**20.34**	**22.33**	**65.99**	**69.43**	**5.21%**
Excess (deficiency) before transfers	(4.70)	(4.05)	3.11	0.88	(1.59)	(3.17)	(99.37%)
Transfers	(2.65)	(2.67)	2.65	2.67	-	-	0.00%
Increase (Decrease) in Net Position	(7.35)	(6.72)	5.76	3.55	(1.59)	(3.17)	(99.37%)
Net position, beginning	141.70	134.44	92.84	98.60	234.54	233.04	(0.64%)
PPA	0.09	-	-	-	0.09	-	(100.00%)
Net position, beginning, restated	141.79	134.44	92.84	98.60	234.63	(1.59)	(100.68%)
Net position, ending	**$134.44**	**$127.72**	**$98.60**	**$102.15**	**$233.04**	**$229.87**	**(1.36%)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

- The cost of all governmental activities this year was $47.10million.
- However, the amount that taxpayers paid for these activities through City taxes was $26.62 million. Some of the cost was paid by:
  - Those who benefited directly from the programs ($2.63 million).
  - Other governments and organizations that subsidized certain programs with grants and contributions ($13.19 million).
  - Other miscellaneous sources such as investments ($.61 million).

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

Function	Total Cost Of Services 2013	Total Cost Of Services 2014	Percentage Change 2013 – 2014	Net Cost of Services 2013	Net Cost of Services 2014	Percentage Change 2013 – 2014
General Government	$22.93	$22.66	(1.70%)	$14.18	$12.32	(13.12%)
Public Safety	20.07	21.56	7.42%	15.39	16.73	8.71%
Public Works	1.61	1.60	(0.62%)	0.88	1.43	62.50%
Economic Development and Assistance	1.04	1.28	(23.08%)	0.69	0.80	15.94%
Total	$45.65	$47.10	(2.91%)	$31.14	$31.28	0.45%

Business-type Activities

Total revenues available during the year to finance enterprise (business type) activities were $23.21 million. Funding was made available as follows: program revenues $23.20 million and investment earnings of .01 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The cost of all enterprise (business-type) activities for the year accumulated to $22.33 million consisting of the following activities: solid waste $4.60 million, water/sewer $14.37 million, inspections $1.04 million, city auditorium $.20 million, motor fuel $.53 million, DOL building $.35 million, and storm water $1.24 million. In addition the Enterprise funds transferred $1.94 million to the General Fund for administrative services, and $1.00 million to Group Insurance Fund.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

General Fund Budgetary Highlights

Comparing the FY 2014 original General Fund budget, in the amount of $31.34 million, to the final budget amount of $31.68 million represents an increase of $.34 million.

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

In an effort to mitigate the decline in tax collection this fiscal year each department funded in the General Fund was asked to reduce their operations budget 5 to 7 percent. Even with this directive, the General Fund decrease in fund balance was $2.53 million.

The decrease is due largely to smaller than expected revenues, especially taxes, and a larger than expected transfer to the Group Insurance Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of the year-end, the City had $287.39 million invested in a variety of capital assets, as reflected in the following schedule (Table A-4), which represents a net increase (additions less retirements and depreciation) of $3.39 million or 1.19 percent from last year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2013	2014	2013	2014	2013	2014	2013 – 2014
Non-depreciable assets							
Land	$76.85	$76.85	$2.78	$3.04	$79.63	$79.89	0.33%
Construction in progress	1.51	0.52	15.72	11.71	17.23	12.23	(29.02%)
Depreciable Assets							
Land improvements	13.86	13.86	88.35	99.30	102.21	113.16	10.71%
Buildings	28.87	29.03	90.63	92.72	119.50	121.75	1.88%
Equipment	9.63	9.85	5.87	5.80	15.50	15.65	0.97%
Motor vehicles	15.46	15.51	-	-	15.46	15.51	0.32%
Infrastructure	101.20	103.49	-	-	101.20	103.49	2.26%
Intangibles	-	-	1.16	1.16	1.16	1.16	0.00%
Accumulated depreciation	(115.02)	(118.65)	(52.87)	(56.80)	(167.89)	(175.45)	4.50%
	$132.36	**$130.46**	**$151.64**	**$156.93**	**$284.00**	**$287.39**	**1.19%**

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term Debt

At year-end, the City had $50.56 million in total debt outstanding. Government wide debt decreased by .14 percent as compared to last year.

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

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

	Governmental Activities		Business-type Activities		Total		Total Percentage
	2013	2014	2013	2014	2013	2014	Change
General Obligation Bonds	$-	$-	$-	$-	$-	$-	N/A
Revenue Bonds	-	-	2.55	2.31	2.55	2.31	(9.41%)
Notes Payable	-	-	47.78	48.10	47.78	48.10	0.67%
Capital Leases	0.30	0.15	-	-	0.30	0.15	(50.00%)
Total	$ 0.30	$ 0.15	$50.33	$50.41	$50.63	$50.56	(0.14%)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

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

The City of Valdosta experienced the negative results of the economic downturn in Fiscal Year 2014. All major revenue sources that support governmental activities were collected at significantly lower numbers than anticipated. Although departments in the General Fund continued to reduce their approved appropriations by five to seven percent, the General Fund still experienced a reduction of fund balance in excess of $2.53 million. Despite the economic conditions for fiscal year 2014, conservative budgeting practices and adherence to sound financial policies and philosophies enabled the City to remain financially stable.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

- Growth in the tax base of the City (excluding inflationary growth). There was a slight increase in the tax base this year. The minimal change is the result of no business expansion, home devaluation, and lack of new business.

- Business Gross Receipts Taxes (based on a business' gross receipts). There was a decrease in Business Occupation revenue due to the economic conditions.

- General Fund's Ending Fund Balance – reflects the City's ability to meet ever increasing demands for general service while remaining financially sound and fiscally responsible by providing a buffer for short-term fluctuations in the economy. As previously stated in this document, the General Fund did experience a reduction in fund balance this year. However, despite this reduction, the total fund balance remains healthy.

FINANCIAL CONTACT

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

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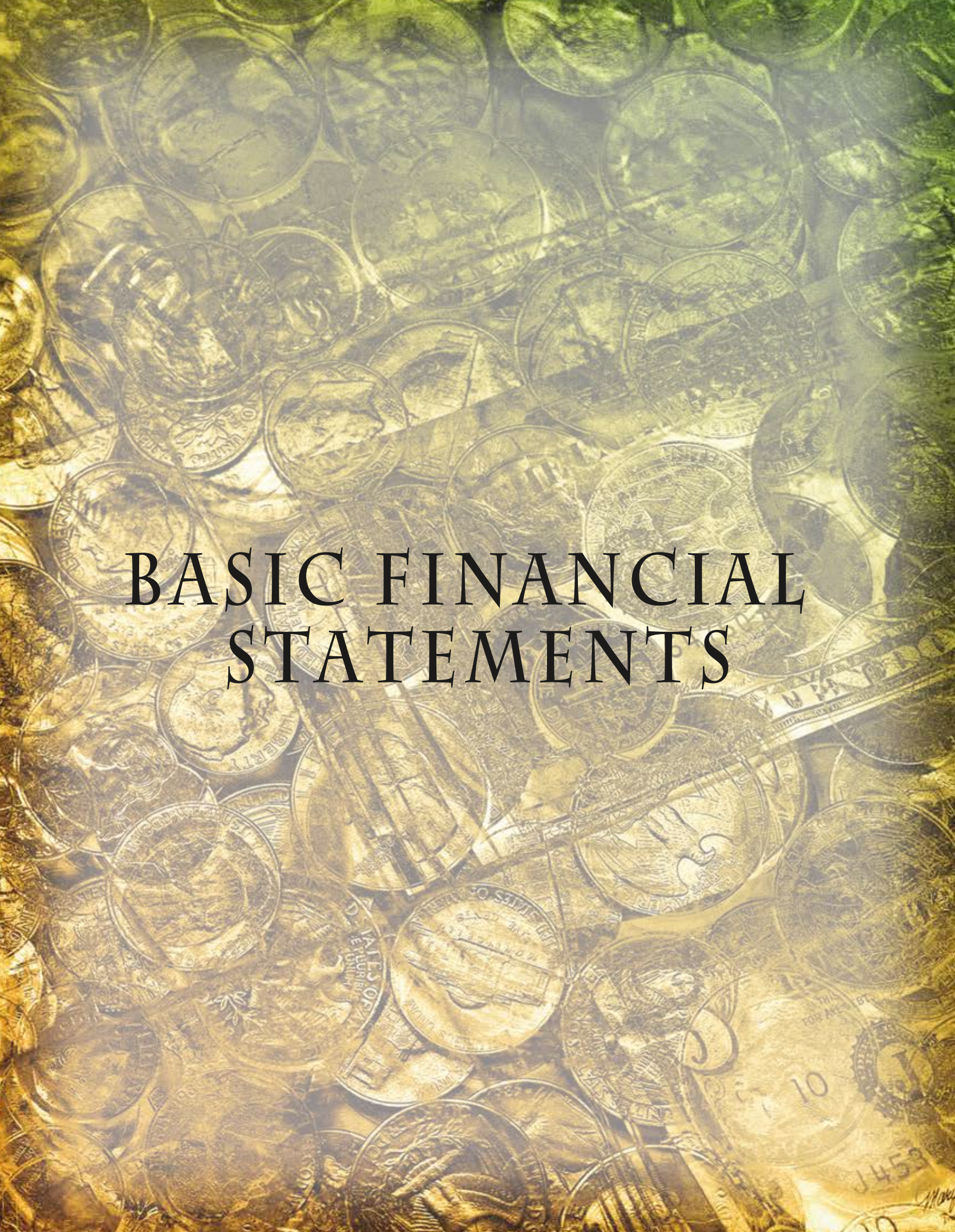

BASIC FINANCIAL STATEMENTS

CITY OF VALDOSTA, GEORGIA
STATEMENT OF NET POSITION
AS OF JUNE 30, 2014

	Primary Government		
	Governmental Activities	**Business-type Activities**	**Total**
ASSETS			
Cash	$5,922,574	$830,814	$6,753,388
Investments	1,002,781	332,542	1,335,323
Receivables (net)	5,899,808	2,447,473	8,347,281
Due from other governments	2,513,954	1,704,567	4,218,521
Interfund balances	6,130,212	(6,130,212)	0
Inventories	0	526,720	526,720
Prepaids	3,364	0	3,364
Other assets	680,270	0	680,270
Capital assets:			
Non-depreciable	77,369,244	14,743,988	92,113,232
Depreciable (net)	53,091,689	142,188,840	195,280,529
Total Assets	$152,613,896	$156,644,732	$309,258,628
LIABILITIES			
Accounts payable	$5,107,807	$1,648,268	$6,756,075
Contracts payable	39,783	0	39,783
Accrued interest payable	0	173,740	173,740
Deposits	597	814,202	814,799
Non-current liabilities			
Due within one year:			
Compensated absences	758,800	255,771	1,014,571
Due to other governments & agencies	11,039	2,127,411	2,138,450
Capital leases payable	150,705	0	150,705
Bonds payable	0	233,000	233,000
Landfill closure and post closure	0	52,000	52,000
Due in more than one year:			
Other post employement benefits	17,970,759	0	17,970,759
Compensated absences	745,172	217,076	962,248
Due to other governments & agencies	0	45,973,070	45,973,070
Bonds payable	0	2,080,000	2,080,000
Landfill closure and post closure	0	918,507	918,507
Total Liabilities	$24,784,662	$54,493,045	$79,277,707
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	$108,784	$0	$108,784
NET POSITION			
Net investment in capital assets	$130,310,228	$106,519,347	$236,829,575
Restricted for:			
Capital outlay	2,436,936	0	2,436,936
Perpetual care	1,617,435	0	1,617,435
Other purposes	491,172	0	491,172
Unrestricted	(7,135,321)	(4,367,660)	(11,502,981)
Total Net Position	$127,720,450	$102,151,687	$229,872,137

The accompanying notes are an integral part of these statements.

CITY OF VALDOSTA, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

		Program Revenues		
	Expenses	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Function/Program Activities				
Primary Government:				
Governmental Activities				
General Government	22,657,247	103,489	6,616	10,238,453
Public Safety	21,558,234	2,267,311	2,290,499	266,179
Public Works	1,597,172	168,377	0	0
Community Development	1,276,726	87,610	383,504	830
Interest on Long-term Debt	9,846	0	0	0
Total governmental activities	47,099,225	2,626,787	2,680,619	10,505,462
Business-type Activities				
Sanitation	4,611,013	4,701,759	0	0
Water and Sewer	14,365,317	15,383,914	0	0
Inspection	1,042,114	784,402	0	0
DOL Building	341,979	469,157	0	0
Storm Water	1,238,148	1,280,524	0	0
Auditorium	196,780	42,536	0	0
Motor Fuel	532,420	542,151	0	0
Total business-type activities	22,327,771	23,204,443	0	0
Total Primary Government	$69,426,996	$25,831,230	$2,680,619	$10,505,462

General Revenues:
Taxes:
Property Taxes
Sales Tax
Accomodations Tax
Franchise Tax
Insurance Premium Tax
Business Occupation Tax
Other Taxes
Investment Earnings
Miscellaneous
Transfers
Total General Revenues and Transfers
Change in Net Position
Net position - Beginning
Net position - Ending

The accompanying notes are an integral part of these statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government		
Governmental Activities	**Business-type Activities**	**Total**
($12,308,689)	$0	($12,308,689)
(16,734,245)	0	(16,734,245)
(1,428,795)	0	(1,428,795)
(804,782)	0	(804,782)
(9,846)	0	(9,846)
(31,286,357)	0	(31,286,357)
0	90,746	90,746
0	1,018,597	1,018,597
0	(257,712)	(257,712)
0	127,178	127,178
0	42,376	42,376
0	(154,244)	(154,244)
0	9,731	9,731
0	876,672	876,672
($31,286,357)	$876,672	($30,409,685)
6,974,207	0	6,974,207
8,954,342	0	8,954,342
1,856,448	0	1,856,448
3,873,776	0	3,873,776
2,822,355	0	2,822,355
1,350,175	0	1,350,175
798,136	0	798,136
19,831	123	19,954
587,662	0	587,662
(2,671,061)	2,671,061	0
24,565,871	2,671,184	27,237,055
(6,720,486)	3,547,856	(3,172,630)
134,440,936	98,603,831	233,044,767
$127,720,450	$102,151,687	$229,872,137

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GOVERNMENTAL FUNDS

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

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

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

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.

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CITY OF VALDOSTA, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	GENERAL	SALES TAX 2002	SALES TAX 2007	SALES TAX 2013	CVDA	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash	$5,983	$0	$1,627,742	$3,888,025	$102,353	$221,221	$5,845,324
Investments, at cost or amortized cost	0	0	0	0	0	918,522	918,522
Receivables (net)							
Taxes	1,117,056	0	0	927,660	12,913	0	2,057,629
Accounts	815,891	0	0	0	0	355,977	1,171,868
Interest	0	0	0	0	0	5,440	5,440
Second mortgages	0	0	0	0	0	2,601,916	2,601,916
Special assessments	45,387	0	0	0	0	0	45,387
Due from other governments and agencies	289,182	1,114,750	0	0	0	1,108,107	2,512,039
Interfund balances	2,088,934	0	65,740	0	0	728,907	2,883,581
Advance to other funds	2,898,908	0	0	0	0	0	2,898,908
Prepaid expenditures	828	0	0	0	0	0	828
Inventories, at cost	0	0	300,000	0	0	0	300,000
Total assets	$7,262,169	$1,114,750	$1,993,482	$4,815,685	$115,266	$5,940,090	$21,241,442
LIABILITIES							
Liabilities:							
Accounts payable	$2,038,858	$846,046	$188,665	$155,728	$0	$536,664	$3,765,961
Contracts payable	0	0	39,783	0	0	0	39,783
Deposits	597	0	0	0	0	0	597
Due to:							
Other funds	2,555,256	26,872	0	30,651	6,673	427,357	3,046,809
Other governments and agencies	11,039	0	0	0	0	0	11,039
Advances from other funds	0	0	0	0	0	30,000	30,000
Total liabilities	4,605,750	872,918	228,448	186,379	6,673	994,021	6,894,189
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	649,660	0	0	0	12,913	319,629	982,202
FUND BALANCES							
Fund Balance (deficit):							
Nonspendable	2,899,736	0	300,000	0	0	4,219,351	7,419,087
Restricted	177,245	241,832	1,465,034	4,629,306	95,680	313,825	6,922,922
Committed	10,767	0	0	0	0	0	10,767
Assigned	0	0	0	0	0	404,357	404,357
Unassigned	(1,080,989)	0	0	0	0	(311,093)	(1,392,082)
Total fund balance	2,006,759	241,832	1,765,034	4,629,306	95,680	4,626,440	13,365,051
Total liabilities, deferred inflows of resources and fund balances	$7,262,169	$1,114,750	$1,993,482	$4,815,685	$115,266	$5,940,090	$21,241,442

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, 2014

Fund balances - total governmental funds		$13,365,051
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Governmental capital assets	$230,157,551	
Less accumulated depreciation	(102,436,466)	127,721,085
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds		
Other post employment benefits		(17,970,759)
Compensated absences		(1,465,104)
Capital Leases		(150,705)
Revenue not received within 31 days in governmental funds is susceptible to full accrual on the entity-wide statements		
Unavailable revenue		873,418
Internal service funds are used by management to charge the costs of certain activities to individual funds.		
The assets and liabilities of the internal service funds that are reported with governmental activities.		5,347,464
Net position of governmental activities		$127,720,450

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, 2014

	GENERAL	SALES TAX 2002	SALES TAX 2007	SALES TAX 2013	CVDA	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:							
Taxes	$24,330,493	$0	$0	$0	$119,551	$1,856,448	$26,306,492
Licenses and permits	508,051	0	0	0	0	0	508,051
Charges for service	376,127	0	0	0	0	0	376,127
Fines and forfeitures	1,216,274	0	0	0	0	17,095	1,233,369
Interest income	720	0	0	0	178	18,933	19,831
Contributions	7,145	0	0	0	6,616	27,003	40,764
Miscellaneous	670,627	0	0	0	3,286	21,352	695,265
Intergovernmental	1,178,409	1,114,750	4,968,759	4,968,949	0	2,450,686	14,681,553
TOTAL REVENUES	28,287,846	1,114,750	4,968,759	4,968,949	129,631	4,391,517	43,861,452
EXPENDITURES:							
Current:							
General government	8,096,885	0	0	0	111,148	1,610,370	9,818,403
Public safety	19,480,870	0	0	0	0	59,916	19,540,786
Public works	1,381,317	0	0	0	0	0	1,381,317
Economic development and assistance	811,046	0	0	0	0	424,579	1,235,625
Capital outlay	0	1,114,750	8,975,901	339,643	0	2,044,207	12,474,501
Debt service principal	145,862	0	0	0	0	0	145,862
Debt service interest	9,846	0	0	0	0	0	9,846
TOTAL EXPENDITURES	29,925,826	1,114,750	8,975,901	339,643	111,148	4,139,072	44,606,340
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,637,980)	0	(4,007,142)	4,629,306	18,483	252,445	(744,888)
OTHER FINANCING SOURCES (USES):							
Transfers in	2,179,651	0	0	0	0	0	2,179,651
Transfers out	(3,070,733)	0	0	0	0	(241,578)	(3,312,311)
TOTAL OTHER FINANCING SOURCES (USES)	(891,082)	0	0	0	0	(241,578)	(1,132,660)
NET CHANGE IN FUND BALANCES	(2,529,062)	0	(4,007,142)	4,629,306	18,483	10,867	(1,877,548)
FUND BALANCES - BEGINNING	4,535,821	241,832	5,772,176	0	77,197	4,615,573	15,242,599
FUND BALANCES - END OF YEAR	$2,006,759	$241,832	$1,765,034	$4,629,306	$95,680	$4,626,440	$13,365,051

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, 2014

Net change in fund balances - total governmental funds		($1,877,548)
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:	$1,421,995	
Less current year depreciation	(3,216,087)	
		(1,794,092)
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		(55,201)
Other post employment benefits		(3,367,129)
Principal payments on long-term debt		145,862
Long-term accounts receivable		(927,832)
Internal service funds		1,155,454
Change in net position of governmental activities		($6,720,486)

The accompanying notes are an integral part of these statements.

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PROPRIETARY FUNDS

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

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

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

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

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CITY OF VALDOSTA, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS						GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	SANITATION	WATER/ SEWER REVENUE	DEPARTMENT OF LABOR BUILDING	STORMWATER	OTHER ENTERPRISE FUNDS	TOTAL	
ASSETS							
Current assets:							
Cash	$0	$16,312	$0	$0	$300	$16,612	$77,250
Investments	0	332,542	0	0	0	332,542	84,259
Receivables (net)							
Accounts	608,529	1,685,332	0	127,598	26,014	2,447,473	17,568
Due from other governments and agencies	0	1,663,905	0	0	40,662	1,704,567	1,915
Due from other funds	0	1,160,540	0	0	0	1,160,540	660,256
Prepaid expenses	0	0	0	0	0	0	2,536
Inventories at cost	0	526,720	0	0	0	526,720	380,270
Restricted assets							
Cash	9,435	804,767	0	0	0	814,202	0
Total current assets	617,964	6,190,118	0	127,598	66,976	7,002,656	1,224,054
Noncurrent assets:							
Restricted assets:							
Capital assets:							
Land	0	2,791,492	0	246,911	0	3,038,403	92,563
Land improvement	546,146	96,998,181	0	1,766,105	0	99,310,432	383,595
Buildings and structures	1,178,500	87,180,531	4,364,002	0	0	92,723,033	466,899
Motor vehicles	0	0	0	0	0	0	15,509,676
Equipment	154,462	5,370,022	0	0	272,603	5,797,087	2,501,887
Intangibles	0	0	0	1,161,791	0	1,161,791	0
Construction in progress	0	11,705,585	0	0	0	11,705,585	0
	1,879,108	204,045,811	4,364,002	3,174,807	272,603	213,736,331	18,954,620
Less accumulated depreciation	(1,055,708)	(54,372,641)	(872,475)	(230,076)	(272,603)	(56,803,503)	(16,214,772)
Net capital assets	823,400	149,673,170	3,491,527	2,944,731	0	156,932,828	2,739,848
Total noncurrent assets	823,400	149,673,170	3,491,527	2,944,731	0	156,932,828	2,739,848
Total assets	$1,441,364	$155,863,288	$3,491,527	$3,072,329	$66,976	$163,935,484	$3,963,902
LIABILITIES							
Current liabilities:							
Accounts payable	$173,442	$1,424,307	$18,137	$9,209	$23,173	$1,648,268	$1,341,846
Accrued interest	0	133,897	39,843	0	0	173,740	0
Compensated absences (current portion)	55,812	134,696	0	31,556	33,707	255,771	17,800
Landfill closure and post closure (current portion)	52,000	0	0	0	0	52,000	0
Due to other funds	151,190	0	96,004	131,385	36,486	415,065	1,242,503
Due to other governments and agencies (current portion)	0	2,127,411	0	0	0	2,127,411	0
Bonds payable (current portion)	0	0	233,000	0	0	233,000	0
Current liabilities (payable from restricted assets):							
Deposits	9,435	804,767	0	0	0	814,202	0
Total current liabilities	441,879	4,625,078	386,984	172,150	93,366	5,719,457	2,602,149
Noncurrent liabilities (payable from unrestricted assets):							
Compensated absences	81,626	120,394	0	7,155	7,901	217,076	21,068
Bonds payable (net of current portion)	0	0	2,080,000	0	0	2,080,000	0
Advances from other funds	0	0	0	185,920	1,418,683	1,604,603	1,264,305
Landfill closure and post closure (net of current portion)	918,507	0	0	0	0	918,507	0
Due to other governments and agencies, (net of current portion)	0	45,973,070	0	0	0	45,973,070	0
Total noncurrent liabilities (payable from unrestricted assets)	1,000,133	46,093,464	2,080,000	193,075	1,426,584	50,793,256	1,285,373
Total liabilities	1,442,012	50,718,542	2,466,984	365,225	1,519,950	56,512,713	3,887,522
NET POSITION (DEFICIT)							
Net investment in capital assets	823,400	101,572,689	1,178,527	2,944,731	0	106,519,347	2,663,468
Restricted							
Restricted for workmen's compensation claims	0	0	0	0	0	0	76,380
Unrestricted	(824,048)	3,572,057	(153,984)	(237,627)	(1,452,974)	903,424	(2,663,468)
Total net position (deficit)	($648)	$105,144,746	$1,024,543	$2,707,104	($1,452,974)	107,422,771	$76,380
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						(5,271,084)	
Net position of business-type activities						$102,151,687	

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, 2014

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS						GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	SANITATION	WATER/ SEWER REVENUE	DEPARTMENT OF LABOR BUILDING	STORMWATER	OTHER ENTERPRISE FUNDS	TOTAL	
Operating revenues:							
Permits	$0	$0	$0	$0	$745,940	$745,940	$0
Charges for services	4,492,358	15,305,768	469,157	1,280,524	623,149	22,170,956	9,778,867
Recycling revenue	38,395	0	0	0	0	38,395	0
Intergovernmental revenues	163,512	0	0	0	0	163,512	0
Miscellaneous revenues	7,494	78,146	0	0	0	85,640	153,667
TOTAL OPERATING REVENUES	4,701,759	15,383,914	469,157	1,280,524	1,369,089	23,204,443	9,932,534
Operating expenses:							
Personal services	1,773,212	4,479,916	0	685,075	844,116	7,782,319	707,611
Contractual services	969,278	1,960,005	143,196	139,281	128,746	3,340,506	2,307,041
Claims paid	0	0	0	0	0	0	6,840,177
Supplies	137,311	1,182,966	0	47,145	561,377	1,928,799	2,409,852
Travel and training	749	10,536	0	319	2,308	13,912	2,038
Other services and charges	1,377,758	1,304,932	13,926	201,909	144,556	3,043,081	730,259
Amortization expense	0	0	0	73,956	0	73,956	0
Depreciation expense	40,802	4,144,379	87,074	0	0	4,272,255	695,704
TOTAL OPERATING EXPENSES	4,299,110	13,082,734	244,196	1,147,685	1,681,103	20,454,828	13,692,682
OPERATING INCOME (LOSS)	402,649	2,301,180	224,961	132,839	(312,014)	2,749,615	(3,760,148)
Non-operating revenues (expenses):							
Interest income	0	123	0	0	0	123	4
Loss on sale of assets	0	(136,308)	0	0	0	(136,308)	6,201
Interest expense and fiscal charges	(395)	(559,383)	(97,783)	0	0	(657,561)	0
TOTAL NON-OPERATING REVENUES (EXPENSES)	(395)	(695,568)	(97,783)	0	0	(793,746)	6,205
INCOME (LOSS)BEFORE CONTRIBUTIONS AND TRANSFERS	402,254	1,605,612	127,178	132,839	(312,014)	1,955,869	(3,753,943)
Capital contribution revenue	0	5,215,417	0	0	0	5,215,417	153,307
Transfers in	0	0	0	0	400,000	400,000	3,689,983
Transfers out	(497,113)	(1,970,205)	0	(381,459)	(95,579)	(2,944,356)	(12,967)
	(497,113)	3,245,212	0	(381,459)	304,421	2,671,061	3,830,323
Change in Net Position	(94,859)	4,850,824	127,178	(248,620)	(7,593)	4,626,930	76,380
NET POSITION - BEGINNING (DEFICIT)	94,211	100,293,922	897,365	2,955,724	(1,445,381)		0
NET POSITION - ENDING	($648)	$105,144,746	$1,024,543	$2,707,104	($1,452,974)		$76,380

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	(1,079,074)
Change in net position of business-type activities	$3,547,856

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, 2014

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS						GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	SANITATION	WATER/ SEWER REVENUE	DEPARTMENT OF LABOR BUILDING	STORMWATER	OTHER ENTERPRISE FUNDS	TOTAL	
Cash flows from operating activities:							
Cash received from customers	$4,450,985	$15,318,657	$469,157	$1,279,678	$1,369,360	$22,887,837	$10,019,608
Cash payments to suppliers for goods and services	(2,401,113)	(5,124,791)	(134,361)	(216,076)	(837,283)	(8,713,624)	(12,834,809)
Cash payments to employees for services	(1,751,412)	(4,468,240)	0	(682,143)	(836,498)	(7,738,293)	(575,746)
Other operating revenues	38,395	0	0	0	0	38,395	0
Miscellaneous income	7,494	78,146	0	0	0	85,640	0
New customer utility deposits	5,050	248,220	0	0	0	253,270	0
Fines	0	0	0	0	0	0	0
Intergovernmental revenues	163,512	0	0	0	0	163,512	0
Refunded customer utility deposits	(8,576)	(231,442)	0	0	0	(240,018)	0
Net change in cash from operating activities	504,335	5,820,550	334,796	381,459	(304,421)	6,736,719	(3,390,947)
Cash flows from noncapital financing activities:							
Transfers-in from other funds	0	0	0	0	400,000	400,000	3,689,983
Transfers-out to other funds	(497,113)	(1,970,205)	0	(381,459)	(95,579)	(2,944,356)	(12,967)
Net change in cash from noncapital financing activities	(497,113)	(1,970,205)	0	(381,459)	304,421	(2,544,356)	3,677,016
Cash flows from capital and related financing activities:							
Principal paid on Georgia Environmental Finance Authority Loan	(17,844)	(1,991,268)	0	0	0	(2,009,112)	0
Loan from Georgia Environmental Finance Authority	0	1,548,082	0	0	0	1,548,082	0
Acquisition and construction of capital assets	0	(3,570,544)	0	0	0	(3,570,544)	(434,960)
Proceeds from sale of capital assets	0	0	0	0	0	0	6,201
Principal paid on DOL intergovernmental note	0	0	(233,000)	0	0	(233,000)	0
Interest paid on GEFA loan	(454)	(1,572,925)	0	0	0	(1,573,379)	0
Interest paid on DOL intergovernmental note	0	0	(101,796)	0	0	(101,796)	0
Net change in cash from capital and related financing activities	(18,298)	(5,586,655)	(334,796)	0	0	(5,939,749)	(428,759)
Cash flows from investing activities:							
Sale of investment securities	0	1,971,025	0	0	0	1,971,025	0
Purchase of investment securities	0	(318,692)	0	0	0	(318,692)	(25,920)
Interest and dividends on investments	0	123	0	0	0	123	4
Net change in cash from investing activities	0	1,652,456	0	0	0	1,652,456	(25,916)
Net change in cash	(11,076)	(83,854)	0	0	0	(94,930)	(168,606)
Cash beginning of year	20,511	904,933	0	0	300	925,744	245,856
Cash at end of year	$9,435	$821,079	$0	$0	$300	$830,814	$77,250
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CHANGE IN CASH FROM OPERATING ACTIVITIES							
Operating income (loss)	$402,649	$2,301,180	$224,961	$132,839	($312,014)	$2,749,615	($3,760,148)
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	40,802	4,144,379	87,074	0	0	4,272,255	695,704
New customer utility deposit	5,050	248,220	0	0	0	253,270	0
Refunded customer utility deposit	(8,576)	(231,442)	0	0	0	(240,018)	0
Landfill closure and post closure	(12,745)	0	0	0	0	(12,745)	0
Change in assets and liabilities:							
(Increase) decrease in accounts receivable	(46,790)	(4,930)	0	(846)	271	(52,295)	88,989
(Increase) in due from other funds	0	(687,540)	0	0	0	(687,540)	(610,916)
(Increase) in due from other governments and agencies	0	0	0	0	(36,977)	(36,977)	(1,915)
Decrease (increase) in inventory	0	102,169	0	0	0	102,169	(19,747)
(Increase) in prepaid expenses	0	0	0	0	0	0	(2,536)
(Decrease) increase in accounts payable	(23,112)	(52,153)	6,116	(19,247)	2,136	(86,260)	611,116
Increase in compensated absences liability	19,574	667	0	8,837	5,553	34,631	4,358
Increase in due to other funds	127,483	0	16,645	0	26,755	170,883	1,142,503
Increase (decrease) in advances from other funds	0	0	0	185,920	9,855	195,775	(1,538,355)
Net change in cash from operating activities	$504,335	$5,820,550	$334,796	$381,459	($304,421)	$6,736,719	($3,390,947)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES							
Donated Infrastructure	0	0	0	0	0	0	125,174
Contributed capital assets from SPLOST VI	0	4,221,845	0	0	0	4,221,845	2,133
Contributed capital assets from General Fund	0	0	0	0	0	0	26,000
Capitalized interest	0	993,572	0	0	0	993,572	0

The accompanying notes are an integral part of these statements.

FIDUCIARY FUNDS

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

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

CITY OF VALDOSTA, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2014

	TOTAL FIDUCIARY FUNDS
ASSETS	
Cash	$56,662
Investments	18,922
Total assets	$75,584
LIABILITIES	
Due to other governments and agencies	$60,476
Due to others	15,108
Total liabilities	$75,584

The accompanying notes are an integral part of these statements.

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NOTES TO FINANCIAL STATEMENTS

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

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.

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.

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

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

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

These statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The fiduciary funds don't have a measurement focus. Accordingly, all the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services to customers who directly benefit from goods, services, or privileges provided by a given function, 2) operating grants and contributions that are restricted to meeting the operational needs for a particular function and 3) capital grants and contributions that are restricted to meeting the capital needs of a particular function.

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

Fund Financial Statements

The accounts of the City are organized on the basis of the funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for

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

THE CITY REPORTS THE FOLLOWING MAJOR FUNDS:

GOVERNMENTAL

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

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

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

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 business of the City.

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

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

ADDITIONALLY THE CITY REPORTS THE FOLLOWING FUND TYPES:

GOVERNMENTAL FUNDS

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

SPECIAL REVENUE FUNDS

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

CAPITAL PROJECTS FUNDS

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

PERMANENT FUND

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

PROPRIETARY FUNDS

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

ENTERPRISE FUNDS

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

INTERNAL SERVICE FUNDS

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

THE CITY MAINTAINS THE FOLLOWING INTERNAL SERVICE FUNDS:

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

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

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

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

FIDUCIARY FUND

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

BASIS OF ACCOUNTING

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

Modified Accrual Basis of Accounting

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

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.

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.

Fund/Department	Expenditures/ Expenses on Budgetary Basis	Appropriations	Amount Exceeding
Sunset Hill Fund	9,159	6,000	3,159

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, 2014.

G. RECEIVABLES

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

1. Taxes Receivable which includes:

    a. Taxes Receivable-Delinquent – represents the past years of uncollected tax levies. An allowance for uncollectible taxes is provided based upon an analysis of historical trends. The tax receivables have been reported net of these allowances.

b. Sales Taxes, Franchise Taxes, and Public Utilities Receivable – recorded as revenue when they become both measurable and available for collection within the current period paying cycle, which is 31 days past year end. The balance of what has been earned though not available is recorded as a deferred inflow of resources – unavailable revenue.

2. Accounts Receivable which includes:

a. Accounts Receivable – Sanitation and Water and Sewer service charges are recognized when earned, with an allowance for uncollectible accounts of 1% of the accounts receivable balance at June 30. Services performed by various departments are recognized as revenue when they are measured and assured of collection within the current paying cycle of the City. That which is earned, but not collected within 31 days of year end, is recognized as a deferred revenue. In the Proprietary Funds, they are recognized as revenue when earned.

b. Returned Checks – the balance of checks written by the public that the banks have returned to the City over the past 12 months.

c. Accounts Receivable-Employees – the balance that City employees owe the City for travel advances, garnishments, etc.

d. Unbilled Services Receivable – within the City's Enterprise Funds, an estimated amount has been recorded for services rendered but not yet billed as of June 30, 2014. The receivable was arrived at by taking the cycle billings the City sent the customers in July and prorating the amount of days applicable to the current year factor at 99% to allow for uncollectible accounts.

3. Second Mortgages Receivable - the amount owed to the City from loans made to homeowners on UDAG and CDBG CHIP grants.

4. Special Assessments Receivable – both principle and interest on paving assessments are payable in semi-annual installments over a five year period. The principle is recognized when due. The balance due at June 30 that has not been collected within 31 days past year end is recorded as a deferred revenue. There is no allowance for uncollectibles as delinquent accounts are declared as a special assessment lien against the property per Section 7.2, paragraph I, of the City's Code. The entire outstanding balance is delinquent at June 30, 2014.

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, 2014, balances of interfund amounts receivable or payable have been recorded. To the extent that these balances are between Governmental Funds, they have been eliminated on the statement of net position.

J. ADVANCE TO OTHER FUNDS

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

K. INVENTORIES

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

L. PREPAID EXPENDITURES/EXPENSES

Payments made to various vendors for items or services for a future period beyond June 30, 2014 are recorded as prepaid expenditure/expenses. The fund balances in the Governmental Fund types attributable to prepaid expenditures are classified as nonspendable. This reflects the amount of fund balance not currently available for expenditure.

M. RESTRICTED ASSETS

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

N. INTANGIBLE ASSETS

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

O. CAPITAL ASSETS

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

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

Interest incurred during the construction of capital assets in business type activities is capitalized as part of the cost of the asset constructed. During the current fiscal year, the City incurred total interest of $1,572,925. Of this amount, $993,572 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, 2014 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.

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:

Unavailable Resources	General	Sales Tax 2013	CVDA	Other Governmental	Total
Property Taxes	$271,650	$0	$12,913	$0	$284,563
Paving Assessments	45,387	0	0	0	45,387
Miscellaneous	163,864	0	0	1,801	165,665
DOT	7,752	0	0	21,928	29,680
LAG	106,983	0	0	0	106,983
Grants	54,024	0	0	295,900	349,924
Total	$649,660	$0	$12,913	$319,629	$982,202

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.
- ***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.

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

A. DEPOSITS

At year end, the carrying amount of the City's deposits was $6,805,150 and the bank balance was $7,227,836. In addition, the City also had $4,900 in petty cash.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's deposit policy is to require all its deposits in excess of FDIC insurance to be collateralized with securities held by the City or by its agent in the City's name. Of the bank balance, $352,205 was covered by federal depository insurance and $6,875,631 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, 2014 meet our investment policy restrictions.

Credit Risk

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

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

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

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

The carrying amount of deposits for CVDA, a blended component unit, was $102,153 and the bank balance was $102,153. In addition, the CVDA also had $200 in petty cash.

The CVDA does not have a deposit policy. Of the bank balance, $102,153 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.

Form of Deposit	**Carrying Amount**
Investment in Georgia Fund 1	$1,346,893
Certificate of Deposit	7,352
Total	$1,354,245

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

The Authority does not have investment policies.

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

	Cash on Deposit	Investments
Cash in Bank	$6,748,488	$1,335,323
Petty Cash and Change	4,900	0
Cash and Investments on Hand	6,753,388	1,335,323
Fiduciary Assets	56,662	18,922
	$6,810,050	$1,354,245
Non Restricted	$5,995,848	$1,354,245
Restricted	814,202	0
Balance per Financial Statement	$6,810,050	$1,354,245

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	$102,153
Petty Cash	200
Balance per Financial Statement	$102,353

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 2013 property taxes, levied September 15, 2013 on a 40% assessed valuation as of the lien date January 1, 2013, were due November 15, 2013. The levy for 2013 is as follows:

Type of Levy	Rate per $1,000 of Assessed Value	Legal Maximum
General Operations	9.920	
Less Sales Tax Rebate	5.818	
Net for General Operations	4.102	10.00
Schools	16.98	20.0
Central Valdosta Development Authority	5.0	15.0

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, 2014 per the following table:

95% of the 1996 Levy
95% of the 1998 Levy
95% of the 1999 Levy
95% of the 2001 Levy
95% of the 2002 Levy
95% of the 2003 Levy
95% of the 2004 Levy
95% of the 2006 Levy
95% of the 2007 Levy
80% of the 2008 Levy
70% of the 2009 Levy
60% of the 2010 Levy
50% of the 2011 Levy
25% of the 2012 Levy
5% of the 2013 Levy

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Taxes receivable at June 30, 2014 consist of the following:

Property Taxes	General Fund	CVDA
1996	$213	$0
1998	13	0
1999	29	0
2001	79	0
2002	387	52
2003	1,012	347
2004	5,926	1,150
2005	0	1,951
2006	1,011	144
2007	3,312	2,428
2008	2,917	3,757
2009	4,105	96
2010	3,067	62
2011	6,749	1,542
2012	67,215	3,472
2013	225,498	8,873
	321,533	23,874
Sales Taxes	677,975	0
Franchise Taxes	167,431	0
Total Taxes Receivable	1,166,939	23,874
Less Allowance for Uncollectible	(49,883)	(10,961)
	$1,117,056	$12,913

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.

NOTE. 4 INTERFUND RECEIVABLES/PAYABLES

Individual fund interfund receivables and payables including advances at June 30, 2014 are as follows:

Payables	General Fund	SLOST 2007	Water/Sewer Revenue Fund	Non Major Governmental Funds	Internal Service Funds	Total
General Fund	$0	$65,740	$1,129,889	$728,907	$630,720	$2,555,256
SPLOST 2002	26,872	0	0	0	0	26,872
SPLOST 2013	0	0	30,651	0	0	30,651
CVDA	6,673	0	0	0	0	6,673
Sanitation	151,190	0	0	0	0	151,190
DOL	96,004	0	0	0	0	96,004
Stormwater	317,305	0	0	0	0	317,305
Non Major Governmental Funds	457,357	0	0	0	0	457,357
Non Major Enterprise Funds	1,455,169	0	0	0	0	1,455,169
Internal Service	2,477,272	0	0	0	29,536	2,506,808
Total	$4,987,842	$65,740	$1,160,540	$728,907	$660,256	$7,603,285

All interfund balances are due to routine interfund transactions that were not paid or received at June 30, 2014 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 $729,705, the Stormwater Fund in the amount of $185,920, the Auditorium Fund in the amount of $688,978 and the Motor Pool Fund in the amount of $1,264,305. 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, 2014

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	Primary Government					
	Beginning Balance	**Additions**	**Retirements**	**Reclass**	**Transfer**	**Ending Balance**
Governmental Activities:						
Non-depreciable assets						
Land	$76,846,635	$0	$0	$0	$0	$76,846,635
Construction in progress	1,511,746	6,462,068	0	(2,235,788)	(5,215,417)	522,609
Total non-depreciable assets	78,358,381	6,462,068	0	(2,235,788)	(5,215,417)	77,369,244
Depreciable assets						
Land improvements	13,862,985	0	0	0	0	13,862,985
Buildings	28,874,307	159,853	0	0	0	29,034,160
Equipment	9,629,150	207,494	0	0	8,369	9,845,013
Motor Vehicles	15,455,300	345,891	291,515	0	0	15,509,676
Infrastructure	101,204,932	50,373	0	2,235,788	0	103,491,093
Total depreciable assets	169,026,674	763,611	291,515	2,235,788	8,369	171,742,927
Total at historical cost	247,385,055	7,225,679	291,515	0	(5,207,048)	249,112,171
Less accumulated depreciation for:						
Land improvements	4,784,950	440,702	0	0	0	5,225,652
Buildings	8,011,001	740,107	0	0	0	8,751,108
Equipment	7,690,562	713,483	0	0	8,369	8,412,414
Motor vehicles	13,332,888	497,222	291,515	0	0	13,538,595
Infrastructure	81,203,192	1,520,277	0	0	0	82,723,469
Total accumulated depreciation	115,022,593	3,911,791	291,515	0	8,369	118,651,238
Governmental activities capital assets, net	$132,362,462	$3,313,888	$0	$0	($5,215,417)	$130,460,933
Business-type activities:						
Non-depreciable assets						
Land	$2,776,177	$0	$0	$32,500	$229,726	$3,038,403
Construction in progress	15,715,924	4,564,116	0	(2,306,017)	(6,268,438)	11,705,585
Total non-depreciable assets	18,492,101	4,564,116	0	(2,273,517)	(6,038,712)	14,743,988
Depreciable assets						
Land improvements	88,353,026	0	296,723	0	11,254,129	99,310,432
Buildings	90,633,192	0	96,317	2,186,158	0	92,723,033
Equipment	5,868,984	0	150,887	87,359	(8,369)	5,797,087
Intangibles	1,161,791	0	0	0	0	1,161,791
Total depreciable assets	186,016,993	0	543,927	2,273,517	11,245,760	198,992,343
Total at historical cost	204,509,094	4,564,116	543,927	0	5,207,048	213,736,331
Less accumulated depreciation for:						

CITY OF VALDOSTA, GEORGIA
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	Primary Government					
	Beginning Balance	**Additions**	**Retirements**	**Reclass**	**Transfer**	**Ending Balance**
Land improvements	$33,304,115	$1,817,277	$164,424	$0	$0	$34,956,968
Buildings	15,255,924	1,876,521	92,707	0	0	17,039,738
Equipment	4,183,158	613,779	150,486	0	(8,369)	4,638,082
Intangibles	130,081	38,634	0	0	0	168,715
Total accumulated depreciation	52,873,278	4,346,211	407,617	0	(8,369)	56,803,503
Business-type activities capital assets, net	$151,635,816	$217,905	$136,310	$0	$5,215,417	$156,932,828

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

Governmental Depreciation:	
General Government	$3,335,034
Finance	1,870
Engineering	12,619
Public Safety	549,516
Public Works	12,752
Total governmental depreciation	3,911,791
Business-type Depreciation:	
Sanitation	40,802
Water & Sewer	4,144,379
Department of Labor	87,074
Storm Water	73,956
Total business-type depreciation/ amortization	4,346,211
Total depreciation expense	$8,258,002

Internal Service Funds predominantly serve governmental funds. Accordingly, $18,954,620 in capital assets, $16,214,772 in accumulated depreciation, and $695,704 in current depreciation in these funds are included in the above totals for governmental activities.

NOTE 6. PENSION PLAN

PLAN DESCRIPTION

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

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

or by calling (404) 688-0472.

Funding Policy

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

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

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

The City is required to contribute the remaining amount necessary to fund the Plan, using the actuarial basis specified by statute. The current rate is 31.14% of annual covered payroll. The funding policy for the plan is to contribute an amount equal to the recommended contribution as follows:

Actuarial Valuation Date	January 1, 2014
Total normal cost	$1,450,110
Administrative expenses	84,570
Expected employee contributions	(322,604)
Employer normal cost	1,212,076
Payment on unfunded/(surplus) actuarial Accrued liability	4,630,241
Total recommended contribution	5,842,317
Adjustment for timing of contribution	222,166
Total recommended contribution, adjusted for timing	6,064,483
Total recommended contribution as a percentage of payroll	31.14%

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

Annual Pension Cost

The City's annual pension cost of $3,449,237 for the City of Valdosta Retirement Plan was equal to the City's required and actual contributions. The required contribution was determined under the projected unit credit actuarial cost method and asset valuation method for developing the actuarial value of assets. The actuarial assumptions included (a) 7.75% investment rate of return, (b) projected salary increases for inflation of 3.5% and merit or seniority of 0.0% per year and (c) future Social Security Wage Bases of 3.5%. The actuarial value of assets was determined by rolling forward the prior year's actuarial value with contributions, disbursements, and expected return on investments, plus 10% of investment gains and losses during the prior 10 years. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 1981 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions, and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are closed for this plan year.

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

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of (APC) Contributed	Net Pension Obligation
2012	$3,249,362	100%	0
2013	3,284,893	100%	0
2014	3,449,237	100%	0

As of January 1, 2014, the date of the most recent actuarial valuation, there were 876 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	298
Vested terminated employees not yet receiving benefits	69
Active employees	500
Total	867

As of the most recent valuation date, January 1, 2014, the funded status of the Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded/ Surplus AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Jan 1, 2014	$37,205,709	$69,823,325	$32,617,616	53.29%	$19,143,280	170.39%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial accrued liability. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2014.

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, 2014, 124 retirees participated in the plan, paying a monthly premium of $77 - $280. However, their dental is the same group coverage as active employees.

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

CITY OF VALDOSTA, GEORGIA
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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 UMR, Inc., an Administrative Service Agent, acting as claims paying agent. The Mayor and City Council has the authority to amend the plan. The City contributions are financed on a pay-as-you-go basis. During the current year, the City expended $1,310,766 for retirees' health insurance for 124 participants.
In addition, 83 participants were covered.

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The calculations assume a 5% rate of inflation. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the OPEB Plan.

Annual required contribution	$4,183,653
Interest on net OPEB obligation	584,145
Adjustments to annual required contribution	(1,055,349)
Annual OPEB cost	3,712,449
Contributions made	(345,320)
Increase in net OPEB obligation	3,367,129
Net OPEB obligation , beginning of year	14,603,630
Net OPEB obligation, end of year	$17,970,759

Fiscal Year Ended June 30,	Annual Required Contributions*	Actual Contributions	Percentage Contributed	Net OPEB Obligation
2012	$4,737,346	$505,671	10%	$10,283,678
2013	5,049,620	421,097	8%	14,603,630
2014	4,183,653	345,320	8%	17,970,759

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

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

Valuation Date	Accuarial Accrued Liability (AAL) (1)	Accuarial Value of Assets	Unfunded AAL (UAAL)	Percentage Funded	Annual Covered Payroll	UAAL as Percentage of Payroll
January 1, 2014	$34,159,429	$0	$34,159,429	0%	$19,143,280	178.44%

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

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
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Valuation date	January 1, 2014
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar, closed, 25 years
Remaining amortization period	20 years as of June 30, 2014
Asset valuation method	Market value
Actual assumptions:	
Investment rate of return	4.00% pay-as-you go
Salary growth	3.50% plus age and service merit increases
Medical and drug cost trend rate	7.50% graded to 5.00% over 5 years
Medicare Advantage cost trend rate	7.00% graded to 5.00% over 4 years
Dental cost trend rate	5.00%
Administrative expense trend rate	3.00%
Plan membership:	
Current retirees, beneficiaries, and dependents	350
Current active participants	500
Terminated participants entitled but not yet eligible	0
Total	850

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

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

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

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Governmental Funds					
Other Post Employment Benefits	$14,603,630	$3,712,449	$345,320	$17,970,759	$0
Total OPEB	$14,603,630	$3,712,449	$345,320	$17,970,759	$0

NOTE 9. LONG TERM DEBT

Long term bonded debt of the City is as follows:

Enterprise Funds	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
4.19% Department of Labor Building.					
Original issue amount $4,410,000.	$2,546,000	$0	$233,000	$2,313,000	$233,000
Total Notes	$2,546,000	$0	$233,000	$2,313,000	$233,000

Outstanding Water and Sewer Revenue Bonds at June 30, 2014, totaled $0.

The City is subject to a statutory limitation by the State of Georgia for bonded indebtedness, payable principally from property taxes to an amount not greater than 10% of the assessed value of all taxable property within the municipality. At June 30, 2014, the limit for the City was $146,174,654.

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, 2014, including interest of $481,724 on the Bond Series 2003 is as follows:

Year Ended June 30	Principal	Interest	Total
2015	$233,000	$92,033	$325,033
2016	233,000	82,271	315,271
2017	233,000	72,508	305,508
2018	233,000	62,745	295,745
2019	233,000	52,983	285,983
2020-2024	1,148,000	119,184	1,267,184
Total	$2,313,000	$481,724	$2,794,724

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

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

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Enterprise Funds					
Accrued vacation	$446,774	$472,847	$446,774	$472,847	$255,771
Internal Service Funds					
Accrued vacation	34,510	38,868	34,510	38,868	17,800
Governmental Funds					
Accrued vacation	1,409,903	1,465,104	1,409,903	1,465,104	741,000
Other Post Employment Benefits	14,603,630	3,712,449	345,320	17,970,759	0
Total Compensated Absences	$16,494,817	$5,278,136	$2,236,507	$19,986,446	$1,014,571

Compensated absences are generally liquidated by the General Fund. The City of Valdosta has entered into a contract for seven loans with Georgia Environmental Facilities Authority for an aggregate loan balance of $58,670,671. 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, 2014, draws totaled $2,318,032 on the loans in progress.

Loan Name	Loan Amount	Payment Period
92003SW	$250,000	June 1, 1994 to June 1, 2014
DW97036P	4,285,812	August 1, 2007 to November 1, 2023
CW08003ARRA	6,142,659	July 1, 2011 to July 1, 2031
CW08003PHI	12,500,000	July 1, 2011 to July 1, 2031
CW08003ARRAPHII	1,200,000	August 1, 2011 to August 1, 2031
CW08003PHII	12,709,794	August 1, 2012 to August 1, 2032
2006L53WJ	14,028,996	April 1, 2011 to April 1, 2031
2013-L31WJ	2,035,563	Pending
CW13-006	282,469	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, 2014. GEFA retitles notes as modifications are made.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
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Georgia Environmental Facilities Loans

Loan #	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
92003SW	$17,844	$0	$17,844	$0	$0
DW97036P	2,942,096	0	248,573	2,693,523	254,877
CWSRF 08003 ARRA	5,700,276	0	241,093	5,459,183	248,426
CWSRF 08003 PHI	11,599,773	0	490,613	11,109,160	505,535
CWSRF 08003 ARRA PHII	1,117,439	0	46,981	1,070,458	48,410
CWSRF 08003 PHII	12,318,272	0	482,914	11,835,358	497,603
2006L53WJ	7,001,841	7,094,020	481,094	13,614,767	572,560
2006L53WJB	7,094,020	0	7,094,020	0	0
2013-L31WJ	0	2,035,563	0	2,035,563	0
CW 13-006	0	282,469	0	282,469	0
Totals	$47,791,561	$9,412,052	$9,103,132	$48,100,481	$2,127,411

The requirements to amortize the Georgia Environmental Facilities Loans debt outstanding with the exception of the pending notes as of June 30, 2014 is as follows:

Fiscal Year Ending	Loan # DW97-036		Loan # CW08-003 ARRA PHI		Loan # CW08-003 PHI	
June 30	Principal	Interest	Principal	Interest	Principal	Interest
2015	$254,877	$77,956	$248,426	$160,378	$505,535	$326,361
2016	262,609	70,223	255,983	152,822	520,911	310,985
2017	270,576	62,256	263,769	145,036	536,755	295,141
2018	278,785	54,047	271,791	137,013	553,081	278,815
2019	287,244	45,589	280,058	128,747	569,904	261,992
2020-2024	1,339,432	93,415	1,533,365	510,657	3,120,320	1,039,161
2025-2029	0	0	1,781,183	262,840	3,624,617	534,867
2030-2033	0	0	824,608	27,067	1,678,037	55,081
Totals	$2,693,523	$403,486	$5,459,183	$1,524,560	$11,109,160	$3,102,403

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

Fiscal Year Ending June 30	Loan # CWSRF08-003 ARRA PHII		Loan # CWSRF08-003 PHII		Loan # 2006-L53WJ	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	$48,410	$31,452	$497,603	$348,256	$572,560	$550,197
2016	49,883	29,979	512,738	333,121	596,600	526,157
2017	51,400	28,462	528,333	317,525	621,650	501,107
2018	52,963	26,899	544,403	301,455	647,751	475,006
2019	54,574	25,288	560,962	284,897	674,948	447,809
2020-2024	298,803	100,507	3,071,360	1,157,934	3,824,386	1,789,400
2025-2029	347,096	52,214	3,567,742	661,549	4,697,569	916,218
2030-2033	167,329	5,706	2,552,217	126,335	1,979,303	79,086
Totals	$1,070,458	$300,507	$11,835,358	$3,531,072	$13,614,767	$5,284,980

Fiscal Year Ending June 30	Total All Loans	
	Principal	Interest
2015	$2,127,411	$1,494,600
2016	2,198,724	1,423,287
2017	2,272,483	1,349,527
2018	2,348,774	1,273,235
2019	2,427,690	1,194,322
2020-2024	13,187,666	4,691,074
2025-2029	14,018,207	2,427,688
2030-2033	7,201,494	293,275
Totals	$45,782,449	$14,147,008

The present interest rates range from 3% to 4.12%. This debt has been issued to improve and maintain the City's water system. Loan #2013-L31WJ and CW13-006 are incomplete and therefore no amortization schedules are available. The maximum repayment period will be 20 years at 2.4% and 1.4% respectively.

Police Department Capital Lease

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

The annual requirement to amortize the Motorola Capital Lease Agreement outstanding balance as of June 30, 2014, is a follows:

Year Ending June 30	Principal	Interest	Total
2015	$150,705	$5,003	$155,708
Total	$150,705	$5,003	$155,708

The City capitalized equipment with a cost of $579,740 as a result of this lease. The City recognized depreciation of $115,948 in FY 2014 on this asset resulting in a book value of $183,584 at June 30, 2014.

Governmental Funds	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Motorola Police in-car Computer Lease					
Original Issue Amount $579,740	$296,567	$0	$145,862	$150,705	$150,705
	$296,567	$0	$145,862	$150,705	$150,705

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, 2014

	General Fund	Sales Tax 2002	Sales Tax 2007	Sales Tax 2013	CVDA	Non-Major Governmental Funds	Total
Nonspendable. The following fund balances are nonspendable:							
Long term receivables	$2,898,908	$0	$0	$0	$0	$2,601,916	$5,500,824
Inventory	0	0	300,000	0	0	0	300,000
Prepaid	828	0	0	0	0	0	828
Required to be maintained in tact	0	0	0	0	0	1,617,435	1,617,435
	2,899,736	0	300,000	0	0	4,219,351	7,419,087
Restricted. The following fund balances are restricted for:							
Public safety	33,660	0	0	0	0	46,145	79,805
Land Bank Authority	106,983	0	0	0	0	0	106,983
Community development	0	0	0	0	95,680	0	95,680
NPDES permitting	36,602	0	0	0	0	0	36,602
Redevelopment	0	0	0	0	0	255,645	255,645
Youth programs	0	0	0	0	0	12,035	12,035
Capital outlay	0	241,832	1,465,034	4,629,306	0	0	6,336,172
	177,245	241,832	1,465,034	4,629,306	95,680	313,825	6,922,922
Committed. The following fund balances are committed:							
Committed for urban forestry	10,767	0	0	0	0	0	10,767
	10,767	0	0	0	0	0	10,767
Assigned. The following fund balances are assigned to:							
Tourism development	0	0	0	0	0	80,673	80,673
Capital Improvement	0	0	0	0	0	323,684	323,684
	0	0	0	0	0	404,357	404,357
Unassigned. The following balances are unassigned:							
	(1,080,989)	0	0	0	0	(311,093)	(1,392,082)
	(1,080,989)	0	0	0	0	(311,093)	(1,392,082)
Total Fund Balance	$2,006,759	$241,832	$1,765,034	$4,629,306	$95,680	$4,626,440	$13,365,051

NOTE 11. CLOSURE AND POST CLOSURE CARE COST

The City of Valdosta closed its landfill in 1999. State and federal laws require the City of Valdosta to cover the landfill site and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The $970,507 reported as landfill closure care liability at June 30, 2014 represents the estimated total amount necessary to perform all future closure and post closure functions. The cumulative amount reported is based on the use of 100 percent of the capacity of the landfill. The amount reported is based on what it would cost to perform all closure and post closure care in 2014. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

Enterprise Funds	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Landfill post closure care liability	$983,252	$0	$12,745	$970,507	$52,000
Total post closure care liability	$983,252	$0	$12,745	$970,507	$52,000

NOTE 12. CONTINGENT LIABILITIES

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

Due to the lag time between expenses being incurred and claims submitted for payment there is a liability at June 30, 2014, against the self-insurance fund. This incurred but not reported (IBNR) liability is estimated to be $325,000. This number was calculated by analyzing the plan's payment lag and projecting the resulting trend into the next fiscal year.

NOTE 13. NET POSITION DEFICITS

The following funds had deficits at June 30, 2014:

The Sanitation Fund had a deficit of $648 due to higher than expected group insurance costs. The Inspections Fund had a deficit net position of $784,502 due to reduction in permits issued. The Auditorium Fund had a deficit net position of $697,980 due to insufficient bookings. The City is reviewing the fee schedules and tax subsidy.

NOTE 14. INTERFUND TRANSACTIONS

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

Transfers between fund types during the year ended June 30, 2014, were:

	Transfers In	Transfers Out
General Fund	$2,179,651	$3,070,733
Sanitation Fund	0	497,113
Water and Sewer Fund	0	1,970,205
Storm Water Fund	0	381,459
Other Governmental Funds	0	241,578
Other Enterprise Funds	400,000	95,579
Internal Service Funds	3,689,983	12,967
	$6,269,634	$6,269,634

General Fund transferred $2,670,733 to Group Insurance and $400,000 to Inspection. Sanitation transferred $237,662 to Group Insurance. Water and Sewer transferred $566,472 to Group Insurance. Storm Water transferred $102,959 to Group Insurance. HUD Federal Grant transferred $16,578 to Group Insurance. Inspection transferred $92,996 to Group Insurance. The Auditorium Fund transferred $2,583 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.

NOTE 15. JOINT VENTURES

Under Georgia Law, the City, in conjunction with other cities and counties in the three county South Georgia area, is a member of the Southern Georgia Regional Commission and is required to pay annual dues thereto. During the year ended June 30, 2014, the City paid $73,962 in such dues. Membership in the Commission is required by the official

Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Commission of Georgia. The Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Commission.

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

Separate financial statements may be obtained from:

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

NOTE 16. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; injury to participants at city facilities; and natural disasters. The City is self-insured for workman's compensation, certain types of property damage, and general liability. These liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The liabilities include an amount for claims that have been incurred but not reported (IBNR). At June 30, 2014, there is no known liability.

The City is also self-insured for medical claims by the employees and employees' dependents that are covered under the medical plan. The plan is a self funded welfare benefit plan providing health and hospitalization benefits. Claims under the plan are paid solely from the general assets of the City of Valdosta. Losses greater than $150,000 per aggregate individual claim are insured by a private insurance company. The plan is administered by the Plan Administrator, with UMR, Inc., an Administrative Service Agent, acting as claims paying agent. The City of Valdosta and employees' contributions cover the cost of the plan. The City's contributions and any employee pretax contributions withheld by way of payroll deduction are held by the City and used to pay the plan's benefits. Any after-tax employee contributions may be held in trust by the trustee. The amount of all such contributions are actuarially determined where necessary. As previously stated in Note 12, there is a liability of $325,000 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:

	Unpaid claims, beginning of fiscal year	Incurred claims (including IBNR's)	Claim payments	Unpaid claims, end of fiscal year
June 30, 2013	773,230	4,358,018	(5,473,208)	341,960
June 30, 2014	341,960	6,675,081	(6,449,433)	567,608

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:

2014	$0
2013	0
2012	0

NOTE 17. DEPARMENT OF LABOR BUILDING OPERATING LEASE

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

The Georgia Department of Labor agrees to pay the City of Valdosta a fixed monthly rent of $39,096. The DOL has an option of renewing or extending the agreement on a year to year basis for nineteen (19) consecutive years. Total remaining rents amount to $5,160,667. The City of Valdosta will, at their sole cost, service, replace, keep and maintain in good order and repair each and every portion of the existing premises. In addition, the City is responsible for providing various insurance coverages. The building's cost is $4,364,002 and its carrying amount is $3,491,527. Depreciation on the building amounts to $87,074 annually.

NOTE 18. ACCOMMODATIONS TAX

The City collects and disburses an accommodations tax in accordance with the provisions with OCGA 48-13-51. The total rate of 7% (increased from 5% during the current fiscal year) generated $1,801,528, net of vendor's compensation of $54,920, in tax receipts and was allocated as follows: $724,853, or 40%, to the Valdosta/Lowndes County Tourism Authority, $340,000 to the Valdosta/Lowndes Conference Center, $289,237 to the Airport Authority, and $190,000 to the Turner Arts Center. The remainder of $257,438 was retained by the City and will be spent in accordance with legal provisions**.**

NOTE 19. ACCOUNTING CHANGES

FUNDS OPENED

Sales Tax 2013 Fund was opened 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.

FUNDS CLOSED

The Zoning Fund was closed effective July 1, 2013 and all activities were recorded in the General Fund.

NOTE 20. CONSTRUCTION COMITTMENTS

The City has active construction projects as of June 30, 2014. The projects include the expansion of the City's water system, annexed island utilities, and drainage improvements. At year end, the City's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
West Hill Avenue Overpass	$1,469,663	$207,725
Sidewalk Project Phase II (River, N. Lee & Vallotton)	585,259	39,981
Smoke Testing of Sanitary Sewer	113,787	9,133

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BUDGETARY COMPARISON SCHEDULES

CITY OF VALDOSTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER
	ORIGINAL	FINAL	ACTUAL	(UNDER)
Revenues:				
Taxes	$24,825,669	$24,825,669	$24,330,493	($495,176)
Licenses and permits	520,200	520,200	508,051	(12,149)
Charges for services	445,250	445,250	376,127	(69,123)
Fines and forfeitures	1,370,500	1,370,500	1,216,274	(154,226)
Interest income	9,000	9,000	720	(8,280)
Contributions and donations	1,000	1,000	7,145	6,145
Miscellaneous	587,950	779,588	670,627	(108,961)
Intergovernmental	1,022,529	1,165,546	1,178,409	12,863
Transfer in	2,558,500	2,558,500	2,179,651	(378,849)
TOTAL REVENUES	31,340,598	31,675,253	30,467,497	(1,207,756)
Expenditures:				
Current:				
General government	8,220,847	8,525,617	8,137,618	387,999
Public safety	19,809,759	19,985,240	19,662,857	322,383
Public works	1,741,558	1,453,859	1,381,317	72,542
Economic development and assistance	863,048	1,055,008	810,995	244,013
Transfer out	1,360,564	1,360,564	3,070,733	(1,710,169)
TOTAL EXPENDITURES	31,995,776	32,380,288	33,063,520	(683,232)
REVENUES OVER (UNDER) EXPENDITURES	(655,178)	(705,035)	(2,596,023)	(1,890,988)
Fund balance - beginning of year budgetary basis	2,610,501	2,610,501	2,610,501	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	$1,955,323	$1,905,466	$14,478	($1,890,988)

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

Sources/inflows of resources	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	$30,467,497
Differences - budget to GAAP:	
Transfers from other funds are inflows for budgetary resources but are not revenues for financial reporting purposes.	(2,179,651)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$28,287,846
Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	$33,063,520
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.	(66,961)
Transfers to other funds are outflows for budgetary resources but are not expenditures for financial reporting purposes.	(3,070,733)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$29,925,826

CITY OF VALDOSTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CENTRAL VALDOSTA DEVELOPMENT AUTHORITY
FOR YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER
	ORIGINAL	FINAL	ACTUAL	(UNDER)
Revenues:				
Taxes	$86,000	$100,148	$119,551	$19,403
Interest income	0	0	178	178
Contributions	10,000	10,000	6,616	(3,384)
Miscellaneous	1,000	1,000	3,286	2,286
TOTAL REVENUES	97,000	111,148	129,631	18,483
Expenditures:				
General Government	97,000	111,148	111,148	0
TOTAL EXPENDITURES	97,000	111,148	111,148	0
REVENUES OVER (UNDER) EXPENDITURES	0	0	18,483	18,483
Fund Balance - beginning of year - budgetary basis	77,197	77,197	77,197	0
FUND BALANCE - END OF YEAR	$77,197	$77,197	$95,680	$18,483

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.	$129,631
Differences - budget to GAAP:	
None	0
Total revenues as reported on the statement of revenues, expenditures, and changes in net positions - governmental funds.	$129,631
Uses/outflows of resources	
Actual expenditures (budgetary basis) from the budgetary comparison schedule.	$111,148
Differences - budget to GAAP:	
None	0
Total expenditures as reported on the statement of revenues, expenditures, and changes in net positions - governmental funds.	$111,148

CITY OF VALDOSTA, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1. BUDGETARY BASIS OF ACCOUNTING

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

CITY OF VALDOSTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
CITY OF VALDOSTA PENSION PLAN
FOR THE YEAR ENDED JUNE 30, 2014

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)-Entry Age	Unfunded AAL UAAL	Funded Ratio	Covered Payroll	UAAL As a% of Covered Payroll
July 1, 2005	$32,148,338	$35,687,621	$3,539,283	90.1%	$17,121,839	20.7%
July 1, 2006	34,011,640	37,223,380	3,211,740	91.4%	17,039,948	18.8%
July 1, 2007	35,887,400	45,950,731	10,063,331	78.1%	17,909,251	56.2%
July 1, 2008	38,077,852	49,374,192	11,296,340	77.1%	18,603,794	60.7%
July 1, 2009	28,511,791	58,210,722	29,698,931	48.98%	18,078,372	164.28%
Jan 1, 2010	35,127,285	59,946,901	24,819,616	58.60%	18,716,347	132.61%
Jan 1, 2011	35,474,648	60,804,206	25,329,558	58.34%	20,032,380	126.44%
Jan 1, 2012	35,280,804	63,566,837	28,286,033	55.50%	18,493,053	152.95%
Jan 1, 2013	35,952,318	67,168,446	31,216,128	53.53%	20,073,142	155.51%
Jan 1, 2014	37,205,709	69,823,325	32,617,616	53.29%	19,143,280	170.39%

CITY OF VALDOSTA, GEORGIA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF FUNDING PROGRESS
POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)
FOR THE YEAR ENDED JUNE 30, 2014

Valuation Date	Accuarial Accrued Liability (AAL) (1)	Accuarial Value of Assets	Unfunded AAL (UAAL)	Percentage Funded	Annual Covered Payroll	UAAL as Percentage of Payroll
January 1, 2009	$32,633,715	$0	$32,633,715	0%	$18,116,280	180.30%
January 1, 2012	43,711,598	0	43,711,598	0%	18,493,053	236.37%
January 1, 2014	34,159,429	0	34,159,429	0%	19,143,280	178.44%

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

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NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

GA DCA Chip Grant 98M-X_092_512-013 - to account for grant funds received from the Georgia Department of Community Affairs. The Chip program provides funding for a portion of construction costs for nine new homes for eligible low and moderate income persons.

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

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

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

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

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

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

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

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

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

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

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

Capital Project Funds

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

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, 2014

	CONFISCATED FUNDS	PROPERTY EVIDENCE FUND	GA DCA CHIP 98M-X-092-512-013	U.S. DEPT OF JUSTICE LOCAL LAW BLOCK GRANTS	UDAG
ASSETS					
Cash	$16,527	$8,609	$0	$47,539	$17,109
Investments	21,710	0	0	0	0
Receivables (net)					
Accounts	0	0	0	0	1,100
Interest	0	0	0	0	0
Second mortgages	0	0	14,250	0	157,149
Due from other funds	0	0	0	0	75
Due from other governments and agencies	0	0	0	0	0
Total assets	$38,237	$8,609	$14,250	$47,539	$175,433
LIABILITIES					
Liabilities:					
Vouchers and accounts payable	$154	$0	$0	$0	$0
Due to:					
Other funds	0	547	0	47,539	0
Advances from other funds	0	0	0	0	0
Total liabilities	154	547	0	47,539	0
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	0	0	0	0	0
Fund balances (deficits):					
Nonspendable	0	0	14,250	0	157,149
Restricted	38,083	8,062	0	0	18,284
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Total fund balances (deficits)	38,083	8,062	14,250	0	175,433
Total liabilities, deferred inflows of resources and fund balances	$38,237	$8,609	$14,250	$47,539	$175,433

SPECIAL REVENUE FUNDS

GA DCA CHIP 01M-X-092-2-2568	GA DCA CHIP 02M-X-092-2-2695	HUD FEDERAL GRANT	GA DCA CHIP 04M-X-092-2-2915	GA DCA CHIP 06M-X-092-2-2951	GA DCA CHIP 07M-X-092-2-2961	GA DCA CHIP 07MR-X-092-2-2979
$0	$0	$126,067	$0	$0	$0	$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
5,400	30,000	1,926,782	82,835	137,200	167,300	81,000
0	0	0	0	0	0	0
0	0	111,294	0	0	0	0
$5,400	$30,000	$2,164,143	$82,835	$137,200	$167,300	$81,000
$0	$0	$22,087	$0	$0	$0	$0
0	0	185,274	0	0	0	0
0	0	30,000	0	0	0	0
0	0	237,361	0	0	0	0
0	0	73,732	0	0	0	0
5,400	30,000	1,926,782	82,835	137,200	167,300	81,000
0	0	237,361	0	0	0	0
0	0	0	0	0	0	0
0	0	(311,093)	0	0	0	0
5,400	30,000	1,853,050	82,835	137,200	167,300	81,000
$5,400	$30,000	$2,164,143	$82,835	$137,200	$167,300	$81,000

(Continued)

ACCOMODATIONS TAX	YOUTH RECREATION SCHOLARSHIP	CAPITAL PROJECTS FUND AIRPORT DEVELOPMENT	SUNSET HILL PERMANENT FUND	TOTAL OTHER GOVERNMENTAL FUNDS
$0	$3,993	$0	$1,377	$221,221
0	8,042	0	888,770	918,522
354,620	0	0	257	355,977
0	0	5,440	0	5,440
0	0	0	0	2,601,916
0	0	0	728,832	728,907
0	0	996,813	0	1,108,107
$354,620	$12,035	$1,002,253	$1,619,236	$5,940,090
$148,029	$0	$366,394	$0	$536,664
103,990	0	90,007	0	427,357
0	0	0	0	30,000
252,019	0	456,401	0	994,021
21,928	0	222,168	1,801	319,629
0	0	0	1,617,435	4,219,351
0	12,035	0	0	313,825
80,673	0	323,684	0	404,357
0	0	0	0	(311,093)
80,673	12,035	323,684	1,617,435	4,626,440
$354,620	$12,035	$1,002,253	$1,619,236	$5,940,090

CITY OF VALDOSTA, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICITS)
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	CONFISCATED FUNDS	PROPERTY EVIDENCE FUND	GA DCA CHIP 98M-X-092-512-013	U.S. DEPT OF JUSTICE LOCAL LAW BLOCK GRANTS	UDAG
Revenues:					
Taxes	$0	$0	$0	$0	$0
Interest income	2	0	0	0	0
Contributions	0	0	0	0	0
Intergovernmental	0	0	0	83,756	0
Fines and forfeitures	15,560	1,535	0	0	0
Miscellaneous revenues	0	0	0	0	0
TOTAL REVENUES	15,562	1,535	0	83,756	0
Expenditures:					
Current:					
General government	0	0	0	0	0
Public safety	7,250	10,259	0	42,407	0
Economic development and assistance	0	0	14,250	0	0
Capital outlay	0	0	0	41,349	0
TOTAL EXPENDITURES	7,250	10,259	14,250	83,756	0
REVENUES OVER (UNDER) EXPENDITURES	8,312	(8,724)	(14,250)	0	0
Other financing sources (uses):					
Transfers out	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	0	0	0	0	0
NET CHANGE IN FUND BALANCES	8,312	(8,724)	(14,250)	0	0
Fund balances beginning of year	29,771	16,786	28,500	0	175,433
FUND BALANCES END OF YEAR	$38,083	$8,062	$14,250	$0	$175,433

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	322,622	0	0	0	10,000
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	322,622	0	0	0	10,000
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,350	18,600	311,979	19,900	21,500	26,000	11,000
0	0	0	0	0	0	0
1,350	18,600	311,979	19,900	21,500	26,000	11,000
(1,350)	(18,600)	10,643	(19,900)	(21,500)	(26,000)	(1,000)
0	0	(16,578)	0	0	0	0
0	0	(16,578)	0	0	0	0
(1,350)	(18,600)	(5,935)	(19,900)	(21,500)	(26,000)	(1,000)
6,750	48,600	1,858,985	102,735	158,700	193,300	82,000
$5,400	$30,000	$1,853,050	$82,835	$137,200	$167,300	$81,000

(Continued)

ACCOMODATIONS TAX	YOUTH RECREATION SCHOLARSHIP	CAPITAL PROJECTS FUND AIRPORT DEVELOPMENT	SUNSET HILL PERMANENT FUND	TOTAL OTHER GOVERNMENTAL FUNDS
$1,856,448	$0	$0	$0	$1,856,448
6	0	18,849	76	18,933
0	0	0	27,003	27,003
0	0	2,034,308	0	2,450,686
0	0	0	0	17,095
0	0	0	21,352	21,352
1,856,454	0	2,053,157	48,431	4,391,517
1,601,123	88	0	9,159	1,610,370
0	0	0	0	59,916
0	0	0	0	424,579
0	0	2,002,858	0	2,044,207
1,601,123	88	2,002,858	9,159	4,139,072
255,331	(88)	50,299	39,272	252,445
(225,000)	0	0	0	(241,578)
(225,000)	0	0	0	(241,578)
30,331	(88)	50,299	39,272	10,867
50,342	12,123	273,385	1,578,163	4,615,573
$80,673	$12,035	$323,684	$1,617,435	$4,626,440

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, 2014

	BUDGET			VARIANCE OVER
	ORIGINAL	FINAL	ACTUAL	(UNDER)
Current Operations:				
General government				
Administration				
Mayor and council				
Personal services	$195,983	$195,545	$194,752	$793
Contractual services	64,250	58,873	58,306	567
Supplies	12,785	11,693	10,702	991
Travel and training	167,375	170,715	135,936	34,779
Other services and charges	235,131	224,151	187,384	36,767
	675,524	660,977	587,080	73,897
City manager				
Personal services	440,853	458,181	458,177	4
Contractual services	7,540	5,677	5,569	108
Supplies	10,050	5,327	5,325	2
Travel and training	25,050	28,873	28,742	131
Other services and charges	10,094	11,733	11,731	2
	493,587	509,791	509,544	247
Elections				
Contractual services	20,000	20,000	0	20,000
	20,000	20,000	0	20,000
City attorney				
Travel and training	845	845	695	150
Other services and charges	368,000	370,000	289,973	80,027
	368,845	370,845	290,668	80,177
Solicitor				
Other services and charges	92,000	92,000	88,104	3,896
	92,000	92,000	88,104	3,896
Indigent Defense				
Other services and charges	40,000	40,325	31,223	9,102
	40,000	40,325	31,223	9,102
TOTAL ADMINISTRATION	1,689,956	1,693,938	1,506,619	187,319
Human resources department				
Administration				
Personal services	267,598	255,722	196,797	58,925
Contractual services	5,137	4,836	3,874	962
Supplies	5,350	5,933	5,296	637
Travel and training	1,200	11,099	11,051	48
Other services and charges	10,526	12,771	12,737	34
	289,811	290,361	229,755	60,606
Employee incentives/assistance				
Personal services	4,500	10,220	10,219	1
Travel and training	4,500	0	0	0
	9,000	10,220	10,219	1

(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, 2014

	BUDGET			VARIANCE OVER
	ORIGINAL	FINAL	ACTUAL	(UNDER)
Risk division				
Contractual services	$18,000	$16,780	$11,904	$4,876
Other services and charges	35,000	34,892	13,895	20,997
	53,000	51,672	25,799	25,873
TOTAL HUMAN RESOURCES	351,811	352,253	265,773	86,480
Finance department				
Finance director				
Personal services	202,080	192,200	192,189	11
Contractual services	1,506	1,737	1,734	3
Supplies	2,458	1,003	1,002	1
Travel and training	3,058	1,286	1,285	1
Other services and charges	60,077	78,794	78,772	22
	269,179	275,020	274,982	38
Accounting division				
Personal services	480,496	432,170	432,120	50
Contractual services	14,202	9,661	9,567	94
Supplies	10,150	4,512	4,510	2
Travel and training	5,195	3,912	3,907	5
Other services and charges	49,417	51,822	53,606	(1,784)
	559,460	502,077	503,710	(1,633)
Budget division				
Personal services	107,978	159,276	151,147	8,129
Contractual services	3,929	1,426	1,324	102
Supplies	2,450	1,563	1,539	24
Travel and training	1,812	705	685	20
Other services and charges	7,070	7,418	7,417	1
	123,239	170,388	162,112	8,276
Customer service division				
Personal services	477,813	482,390	482,401	(11)
Contractual services	108,757	128,104	128,102	2
Supplies	15,600	10,658	10,650	8
Travel and training	1,204	17	17	0
Other services and charges	121,464	99,405	82,160	17,245
	724,838	720,574	703,330	17,244
Business License				
Personal services	43,308	46,144	46,140	4
Contractual services	37,866	50,124	50,123	1
Supplies	2,430	399	398	1
Travel and training	922	162	162	0
Other services and charges	18,030	13,017	2,127	10,890
	102,556	109,846	98,950	10,896
Purchasing division				
Personal services	120,522	124,385	124,299	86
Contractual services	2,938	2,148	1,946	202
Supplies	2,445	1,352	1,351	1
Travel and training	1,765	1,008	1,008	0
Other services and charges	4,564	4,718	3,107	1,611
	132,234	133,611	131,711	1,900
TOTAL FINANCE	1,911,506	1,911,516	1,874,795	36,721

(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, 2014

	BUDGET			VARIANCE OVER
	ORIGINAL	FINAL	ACTUAL	(UNDER)
Engineering department				
Engineering division				
Personal services	$656,736	$658,281	$583,320	$74,961
Contractual services	10,234	12,418	12,415	3
Supplies	4,393	3,835	3,736	99
Travel and training	2,714	1,814	1,812	2
Other services and charges	38,465	45,228	45,217	11
	712,542	721,576	646,500	75,076
Signal Maintenance				
Personal services	226,639	235,284	235,209	75
Contractual services	6,999	6,661	6,660	1
Supplies	28,115	23,002	23,008	(6)
Travel and training	1,280	280	280	0
Other services and charges	20,199	24,025	21,255	2,770
	283,232	289,252	286,412	2,840
Signs and Markings				
Personal services	141,343	143,410	143,363	47
Contractual services	3,802	4,274	4,219	55
Supplies	34,615	31,665	31,662	3
Travel and training	1,258	1,537	1,536	1
Other services and charges	17,592	16,869	16,869	0
	198,610	197,755	197,649	106
Traffic Mgt Center				
Personal services	56,746	56,554	86,034	(29,480)
Contractual services	1,285,804	1,464,638	1,463,449	1,189
Supplies	17,275	17,934	16,769	1,165
Travel and training	1,335	0	0	0
Other services and charges	11,136	26,729	25,754	975
	1,372,296	1,565,855	1,592,006	(26,151)
Street Repair				
Personal services	226,406	222,411	222,899	(488)
Contractual services	8,801	9,298	9,288	10
Supplies	69,730	68,371	68,370	1
Travel and training	1,660	1,374	1,370	4
Other services and charges	50,001	45,594	43,590	2,004
	356,598	347,048	345,517	1,531
TOTAL ENGINEERING	2,923,278	3,121,486	3,068,084	53,402

(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, 2014

	BUDGET			VARIANCE OVER
	ORIGINAL	FINAL	ACTUAL	(UNDER)
City hall				
Personal services	$84,833	$102,166	$102,163	$3
Contractual services	90,742	104,988	104,980	8
Supplies	5,900	8,170	8,169	1
Travel and training	0	17	17	0
Other services and charges	27,171	46,594	46,594	0
	208,646	261,935	261,923	12
City hall annex				
Personal services	43,757	47,972	47,958	14
Contractual services	86,590	81,019	81,018	1
Supplies	3,500	613	613	0
Other services and charges	7,100	4,259	4,258	1
	140,947	133,863	133,847	16
Customer service				
Contractual services	16,430	14,534	14,302	232
Supplies	2,500	388	387	1
Other services and charges	3,600	1,618	1,618	0
	22,530	16,540	16,307	233
Rental				
Contractual services	43,500	57,281	57,281	0
Other services and charges	1,000	28,568	28,567	1
	44,500	85,849	85,848	1
TOTAL OTHER GENERAL ADMINISTRATIVE	416,623	498,187	497,925	262
Municipal court				
Administration				
Personal services	284,685	321,396	322,591	(1,195)
Contractual services	39,117	39,361	39,316	45
Supplies	12,000	10,149	10,137	12
Travel and training	5,800	5,218	5,209	9
Other services and charges	586,071	572,113	547,168	24,945
TOTAL MUNICIPAL COURT	927,673	948,237	924,422	23,815
TOTAL GENERAL GOVERNMENT	8,220,847	8,525,617	8,137,618	387,999
Public safety				
Police department				
Police administration division				
Personal services	524,729	541,622	541,615	7
Contractual services	16,536	16,571	16,569	2
Supplies	18,150	20,441	20,439	2
Travel and training	18,433	10,276	10,253	23
Other services and charges	316,118	165,326	163,274	2,052
	893,966	754,236	752,150	2,086
Patrol bureau division				
Personal services	5,230,621	5,254,200	5,170,075	84,125
Contractual services	222,472	161,833	161,781	52
Supplies	96,500	157,437	155,906	1,531
Travel and training	13,875	15,585	15,571	14
Other services and charges	866,179	1,014,747	1,014,781	(34)
Capital outlay	0	27,812	27,792	20
Debt Service	155,709	155,709	155,708	1
	6,585,356	6,787,323	6,701,614	85,709

(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, 2014

	BUDGET			VARIANCE OVER
	ORIGINAL	FINAL	ACTUAL	(UNDER)
Investigative bureau division				
Personal services	$1,682,578	$1,752,757	$1,725,605	$27,152
Contractual services	68,050	52,677	52,583	94
Supplies	46,500	72,928	72,925	3
Travel and training	20,296	15,055	15,054	1
Other services and charges	191,592	204,375	204,307	68
	2,009,016	2,097,792	2,070,474	27,318
Support services bureau division				
Personal services	1,305,127	1,389,845	1,406,699	(16,854)
Contractual services	418,656	433,996	434,091	(95)
Supplies	73,555	88,793	88,785	8
Travel and training	6,425	7,262	7,261	1
Other services and charges	157,632	182,895	182,235	660
Capital outlay	0	720	719	1
	1,961,395	2,103,511	2,119,790	(16,279)
Crime lab				
Personal services	738,273	816,516	824,716	(8,200)
Contractual services	97,914	172,661	172,657	4
Supplies	60,493	49,853	49,715	138
Travel and training	10,906	20,334	20,332	2
Other services and charges	102,377	84,259	84,257	2
Capital outlay	0	13,511	13,511	0
	1,009,963	1,157,134	1,165,188	(8,054)
GOHS GA-2007-191-00572				
Personal services	153,989	153,989	38,510	115,479
Travel and training	1,200	1,200	0	1,200
	155,189	155,189	38,510	116,679
TOTAL POLICE DEPARTMENT	12,614,885	13,055,185	12,847,726	207,459
Fire department				
Fire administration division				
Personal services	242,083	256,381	256,180	201
Contractual services	1,110	1,849	1,847	2
Supplies	1,890	1,431	1,431	0
Travel and training	3,090	2,148	2,147	1
Other services and charges	45,240	51,543	50,725	818
	293,413	313,352	312,330	1,022
Fire fighting division				
Personal services	4,969,400	4,589,312	4,589,049	263
Contractual services	166,428	167,226	167,210	16
Supplies	85,445	151,131	150,893	238
Travel and training	7,560	2,302	1,768	534
Other services and charges	333,093	222,251	216,544	5,707
	5,561,926	5,132,222	5,125,464	6,758
Fire inspection division				
Personal services	257,169	260,990	262,632	(1,642)
Contractual services	4,501	4,663	4,663	0
Supplies	8,450	19,720	19,590	130
Travel and training	2,765	3,288	3,057	231
Other services and charges	17,638	23,180	18,953	4,227
	290,523	311,841	308,895	2,946

(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, 2014

	BUDGET			VARIANCE OVER
	ORIGINAL	FINAL	ACTUAL	(UNDER)
Fire maintenance division				
Personal services	$77,708	$86,439	$86,349	$90
Contractual services	44,204	35,759	34,802	957
Supplies	60,825	81,388	80,680	708
Other services and charges	16,174	68,943	68,716	227
	198,911	272,529	270,547	1,982
Fire training division				
Personal services	153,917	156,746	156,689	57
Contractual services	12,141	17,308	17,304	4
Supplies	16,782	15,241	15,240	1
Travel and training	6,991	3,095	3,095	0
Other services and charges	1,950	9,210	9,209	1
	191,781	201,600	201,537	63
Special services division				
Personal services	77,553	79,102	79,070	32
Contractual services	1,387	1,437	1,436	1
Supplies	4,194	30,465	29,584	881
Travel and training	5,525	19,359	19,229	130
Other services and charges	2,153	2,741	2,741	0
	90,812	133,104	132,060	1,044
TOTAL FIRE DEPARTMENT	6,627,366	6,364,648	6,350,833	13,815
Other protection services				
Community protection				
Personal services	355,037	357,837	279,305	78,532
Contractual services	108,900	100,817	93,525	7,292
Supplies	6,500	10,647	10,115	532
Travel and training	2,950	4,850	4,203	647
Other services and charges	32,869	30,549	30,415	134
	506,256	504,700	417,563	87,137
Neighborhood development				
Personal services	58,272	58,427	42,162	16,265
Contractual services	795	867	945	(78)
Supplies	300	225	88	137
Travel and training	1,600	828	0	828
Other services and charges	285	360	3,540	(3,180)
	61,252	60,707	46,735	13,972
TOTAL OTHER PROTECTION SERVICES	567,508	565,407	464,298	101,109
TOTAL PUBLIC SAFETY	19,809,759	19,985,240	19,662,857	322,383
Public works				
Public works department				
Right of way maintenance				
Personal services	920,364	735,016	716,040	18,976
Contractual services	105,444	106,031	104,007	2,024
Supplies	32,875	35,165	34,325	840
Other services and charges	155,847	80,868	67,398	13,470
	1,214,530	957,080	921,770	35,310
Cemetery division				
Personal services	362,373	336,919	335,541	1,378
Contractual services	18,220	18,091	18,087	4
Supplies	4,150	8,324	7,859	465
Travel and training	650	192	192	0
Other services and charges	46,291	37,909	34,602	3,307
	431,684	401,435	396,281	5,154

(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, 2014

	BUDGET			VARIANCE OVER
	ORIGINAL	FINAL	ACTUAL	(UNDER)
Arborist				
Personal services	$63,924	$64,864	$39,630	$25,234
Contractual services	7,446	4,317	3,794	523
Supplies	1,450	3,007	3,006	1
Travel and training	175	245	245	0
Other services and charges	22,349	22,911	16,591	6,320
	95,344	95,344	63,266	32,078
TOTAL PUBLIC WORKS	1,741,558	1,453,859	1,381,317	72,542
Economic Development and Assistance				
Administration				
Personal services	201,551	201,238	58,586	142,652
Contractual services	3,719	2,829	1,440	1,389
Supplies	2,050	2,344	846	1,498
Travel and training	95	357	292	65
Other services and charges	17,658	209,943	173,177	36,766
	225,073	416,711	234,341	182,370
Grants administrator				
Personal services	68,997	68,843	30,054	38,789
Contractual services	865	691	690	1
Supplies	145	846	846	0
Travel and training	1,936	2,164	2,159	5
Other services and charges	3,864	3,263	1,142	2,121
	75,807	75,807	34,891	40,916
Public relations				
Personal services	106,710	105,872	105,516	356
Contractual services	14,735	11,973	11,071	902
Supplies	9,000	12,530	9,119	3,411
Travel and training	985	985	504	481
Other services and charges	16,901	17,293	10,795	6,498
	148,331	148,653	137,005	11,648
Main street division				
Personal services	57,068	57,068	59,884	(2,816)
Contractual services	165	208	198	10
Supplies	1,330	1,330	1,137	193
Other services and charges	6,364	6,321	1,736	4,585
	64,927	64,927	62,955	1,972
Planning and Zoning				
Personal services	253,708	252,383	245,292	7,091
Contractual services	8,213	7,192	7,190	2
Supplies	2,675	3,034	3,031	3
Travel and training	2,050	2,471	2,469	2
Other services and charges	82,264	83,830	83,821	9
	348,910	348,910	341,803	7,107
TOTAL ECONOMIC DEV AND ASSIST	863,048	1,055,008	810,995	244,013
TOTAL EXPENDITURES	$30,635,212	$31,019,724	$29,992,787	$1,026,937

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
CONFISCATED FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER
	ORIGINAL	FINAL	ACTUAL	(UNDER)
Revenues:				
Fines and forfeitures	$0	$13,311	$15,560	$2,249
Interest	0	0	2	2
TOTAL REVENUES	0	13,311	15,562	2,251
Expenditures:				
Current:				
Public safety				
Contractual services	0	694	693	1
Supplies	5,421	10,045	255	9,790
Travel and training	0	0	0	0
Other services and charges	300	1,093	1,093	0
Support Services Bureau				
Capital outlay	0	7,200	0	7,200
TOTAL EXPENDITURES	5,721	19,032	2,041	16,991
REVENUES OVER (UNDER) EXPENDITURES	(5,721)	(5,721)	13,521	19,242
Fund balance - beginning of year - budgetary basis	17,362	17,362	17,362	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	$11,641	$11,641	$30,883	$19,242

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.	$15,562
Differences - budget to GAAP:	
None	0
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$15,562
Uses/outflows of resources	
Actual expenditures (budgetary basis) from the budgetary comparison schedule.	$2,041
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.	5,209
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$7,250

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
PROPERTY EVIDENCE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER
	ORIGINAL	FINAL	ACTUAL	(UNDER)
Revenues:				
Fines and forfeitures	$0	$0	$1,535	$1,535
TOTAL REVENUES	0	0	1,535	1,535
Expenditures:				
Current:				
Public safety				
Investigative Bureau				
Supplies	0	0	0	0
TOTAL EXPENDITURES	0	0	0	0
REVENUES OVER (UNDER) EXPENDITURES	0	0	1,535	1,535
Fund balance - beginning of year - budgetary basis	6,527	6,527	6,527	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	$6,527	$6,527	$8,062	$1,535

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

Sources/inflows of resources	
Actual revenues (budgetary basis) from the budgetary comparison schedule.	$1,535
Differences - budget to GAAP:	
None	0
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$1,535
Uses/outflows of resources	
Actual expenditures (budgetary basis) from the budgetary comparison schedule.	$0
Differences - budget to GAAP:	
Encumbrances for remaining fiscal year items are recorded current year for budgetary purposes, but in the year of actual payment for financial reporting purposes.	10,259
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$10,259

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 98M-X-092-512-013
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER
	ORIGINAL	FINAL	ACTUAL	(UNDER)
Revenues:				
Intergovernmental	$0	$14,250	$0	($14,250)
TOTAL REVENUES	0	0	0	0
Expenditures:				
Expenditures	0	0	0	0
Current:				
Economic development and assistance				
Community development				
Capital outlay				
Housing development activities				
Construction	0	14,250	14,250	0
TOTAL EXPENDITURES	0	14,250	14,250	0
REVENUES UNDER EXPENDITURES	0	(14,250)	(14,250)	0
Fund balance - beginning of year - budgetary basis	28,500	28,500	28,500	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	$28,500	$14,250	$14,250	$0

Explanation of Differences between Budgetary Inflows and Outflows and GAAP

Revenues and Expenditures

Sources/inflows of resources	
Actual revenues (budgetary basis) from the budgetary comparison schedule.	$0
Differences - budget to GAAP:	
None	0
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$0
Uses/outflows of resources	
Actual expenditures (budgetary basis) from the budgetary comparison schedule.	$14,250
Differences - budget to GAAP:	
None	0
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$14,250

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
U. S. DEPARTMENT OF JUSTICE - LOCAL LAW ENFORCEMENT BLOCK GRANTS
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER
	ORIGINAL	FINAL	ACTUAL	(UNDER)
Revenues:				
Intergovernmental	$21,499	$61,357	$83,756	$22,399
TOTAL REVENUES	21,499	61,357	83,756	22,399
Expenditures:				
Current:				
Public safety				
Byrne Justice Assistance Grant				
2010-DD-BX-0620				
Contractual services	0	5,000	5,000	0
Supplies	0	15,008	15,007	0
Capital outlay	21,499	41,349	41,349	0
2013-DJ-BX-1141				
Supplies	0	11,401	11,400	1
Other services and charges	0	11,400	11,000	400
TOTAL EXPENDITURES	21,499	84,158	83,756	401
REVENUES OVER (UNDER) EXPENDITURES	0	(22,801)	0	22,801
Fund balance - beginning of year - budgetary basis	0	0	0	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	$0	($22,801)	$0	$22,801

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

Sources/inflows of resources	
Actual revenues (budgetary basis) from the budgetary comparison schedule.	$83,756
Differences - budget to GAAP:	
None	0
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$83,756
Uses/outflows of resources	
Actual expenditures (budgetary basis) from the budgetary comparison schedule.	$83,756
Differences - budget to GAAP:	
Encumbrances for remaining grant items are recorded current year for budgetary purposes, but in the year of actual payment for financial reporting purposes.	0
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$83,756

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
URBAN DEVELOPMENT ACTION GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER
	ORIGINAL	FINAL	ACTUAL	(UNDER)
Revenues:				
Interest income	$0	$0	$0	$0
TOTAL REVENUES	0	0	0	0
Expenditures:	0	0	0	0
TOTAL EXPENDITURES	0	0	0	0
REVENUES OVER (UNDER) EXPENDITURES	0	0	0	0
Fund balance - beginning of year - budgetary basis	175,433	175,433	175,433	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	$175,433	$175,433	$175,433	$0

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

Sources/inflows of resources	
Actual revenues (budgetary basis) from the budgetary comparison schedule.	$0
Differences - budget to GAAP:	
None	0
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$0
Uses/outflows of resources	
Actual expenditures (budgetary basis) from the budgetary comparison schedule.	$0
Differences - budget to GAAP:	
None	0
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$0

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 01M-X-092-2-2568
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER
	ORIGINAL	FINAL	ACTUAL	(UNDER)
Revenues:				
Intergovernmental	$0	$1,350	$0	($1,350)
TOTAL REVENUES	0	1,350	0	(1,350)
Expenditures:				
Current:				
Housing development activities				
Construction	0	1,350	1,350	0
TOTAL EXPENDITURES	0	1,350	1,350	0
REVENUES OVER (UNDER) EXPENDITURES	0	0	(1,350)	(1,350)
Fund balance - beginning of year - budgetary basis	6,750	6,750	6,750	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	$6,750	$6,750	$5,400	($1,350)

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

Sources/inflows of resources	
Actual revenues (budgetary basis) from the budgetary comparison schedule.	$0
Differences - budget to GAAP:	
None	0
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$0
Uses/outflows of resources	
Actual expenditures (budgetary basis) from the budgetary comparison schedule.	$1,350
Differences - budget to GAAP:	
None	0
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$1,350

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 02M-X-092-2-2695
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER
	ORIGINAL	FINAL	ACTUAL	(UNDER)
Revenues:				
Intergovernmental	$0	$18,600	$0	($18,600)
TOTAL REVENUES	0	18,600	0	(18,600)
Expenditures:				
Current:				
Housing development activities				
Construction	0	18,600	18,600	0
TOTAL EXPENDITURES	0	18,600	18,600	0
REVENUES UNDER EXPENDITURES	0	0	(18,600)	(18,600)
Fund balance - beginning of year - budgetary basis	48,600	48,600	48,600	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	$48,600	$48,600	$30,000	($18,600)

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.	$18,600
Differences - budget to GAAP:	
None	0
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$18,600

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
FEDERAL HUD GRANT
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER
	ORIGINAL	FINAL	ACTUAL	(UNDER)
Revenues:				
Intergovernmental	$560,352	$562,819	$322,622	($240,197)
TOTAL REVENUES	560,352	562,819	322,622	(240,197)
Expenditures:				
Current:				
Economic development and assistance				
Community development				
CDBG 2012 funding				
Single unit residential rehab	0	193,804	193,804	0
CDBG 2013 funding				
Single unit residential rehab	0	5,125	5,125	0
CDBG 2014 funding				
First time homebuyer education	0	8,000	8,000	0
Single unit residential rehab	439,174	237,253	16,655	220,598
Program administration	118,711	116,170	88,395	27,775
Transfer to Group Insurance	0	0	16,578	(16,578)
TOTAL EXPENDITURES	557,885	560,352	328,557	231,795
REVENUES OVER EXPENDITURES	2,467	2,467	(5,935)	(8,402)
Fund balance - beginning of year - budgetary basis	1,858,985	1,858,985	1,858,985	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	$1,861,452	$1,861,452	$1,853,050	($8,402)

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.	$322,622
Differences - budget to GAAP:	
None	0
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$322,622
Uses/outflows of resources	
Actual expenditures (budgetary basis) from the budgetary comparison schedule.	$328,557
Differences - budget to GAAP:	
Transfers to other funds are outflows for budgetary resources but are not expenditures for financial reporting purposes.	(16,578)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$311,979

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 04M-X-092-2-2915
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER
	ORIGINAL	FINAL	ACTUAL	(UNDER)
Revenues:				
Intergovernmental	$0	$19,900	$0	($19,900)
TOTAL REVENUES	0	19,900	0	(19,900)
Expenditures:				
Current:				
Housing development activities				
Construction	0	19,900	19,900	0
TOTAL EXPENDITURES	0	19,900	19,900	0
REVENUES OVER (UNDER) EXPENDITURES	0	0	(19,900)	(19,900)
Fund balance - beginning of year - budgetary basis	102,735	102,735	102,735	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	$102,735	$102,735	$82,835	($19,900)

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

Sources/inflows of resources	
Actual revenues (budgetary basis) from the budgetary comparison schedule.	$0
Differences - budget to GAAP:	
None	0
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$0
Uses/outflows of resources	
Actual expenditures (budgetary basis) from the budgetary comparison schedule.	$19,900
Differences - budget to GAAP:	
None	0
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$19,900

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 06M-X-092-2-2951
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER
	ORIGINAL	FINAL	ACTUAL	(UNDER)
Revenues:				
Intergovernmental	$0	$21,500	$0	($21,500)
TOTAL REVENUES	0	21,500	0	(21,500)
Expenditures:				
Current:				
Housing development activities				
Construction	0	21,500	21,500	0
TOTAL EXPENDITURES	0	21,500	21,500	0
REVENUES UNDER EXPENDITURES	0	0	(21,500)	(21,500)
Fund balance - beginning of year - budgetary basis	158,700	158,700	158,700	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	$158,700	$158,700	$137,200	($21,500)

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.	$21,500
Differences - budget to GAAP:	
None	0
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$21,500

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 07M-X-092-2-2961
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER
	ORIGINAL	FINAL	ACTUAL	(UNDER)
Revenues:				
Intergovernmental	$0	$26,000	$0	($26,000)
TOTAL REVENUES	0	26,000	0	(26,000)
Expenditures:				
Current:				
Housing development activities				
Construction	0	26,000	26,000	0
TOTAL EXPENDITURES	0	26,000	26,000	0
REVENUES UNDER EXPENDITURES	0	0	(26,000)	(26,000)
Fund balance - beginning of year - budgetary basis	193,300	193,300	193,300	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	$193,300	$193,300	$167,300	($26,000)

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.	$26,000
Differences - budget to GAAP:	
None	0
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$26,000

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 07MR-X-092-2-2979
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER
	ORIGINAL	FINAL	ACTUAL	(UNDER)
Revenues:				
Intergovernmental	$0	$21,000	$10,000	($11,000)
TOTAL REVENUES	0	21,000	10,000	(11,000)
Expenditures:				
Housing development activities				
Construction	0	21,000	11,000	10,000
TOTAL EXPENDITURES	0	21,000	11,000	10,000
REVENUES OVER EXPENDITURES	0	0	(1,000)	(1,000)
Fund balance - beginning of year - budgetary basis	82,000	82,000	82,000	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	$82,000	$82,000	$81,000	($1,000)

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.	$10,000
Differences - budget to GAAP:	
None	0
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$10,000
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 COMPARSION SCHEDULE
ACCOMODATIONS TAX
FOR YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER
	ORIGINAL	FINAL	ACTUAL	(UNDER)
Revenues:				
Taxes	$1,600,000	$1,699,161	$1,856,448	$157,287
Interest income	0	0	6	6
TOTAL REVENUES	1,600,000	1,699,161	1,856,454	157,293
Expenditures:				
Other services and charges	1,501,962	1,601,123	1,601,123	0
Transfer out	225,000	225,000	225,000	0
TOTAL EXPENDITURES	1,726,962	1,826,123	1,826,123	0
REVENUES OVER (UNDER) EXPENDITURES	(126,962)	(126,962)	30,331	157,293
Net position - beginning of year - budgetary basis	50,342	50,342	50,342	0
NET POSITION - END OF YEAR	($76,620)	($76,620)	$80,673	$157,293

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

Sources/inflows of resources	
Actual revenues (budgetary basis) from the budgetary comparison schedule.	$1,856,454
Differences - budget to GAAP:	
None	0
Total revenues as reported on the statement of revenues, expenditures, and changes in net positions - governmental funds.	$1,856,454
Uses/outflows of resources	
Actual expenditures (budgetary basis) from the budgetary comparison schedule.	$1,826,123
Differences - budget to GAAP:	
Transfers to other funds are outflows for budgetary resources but are not expenditures for financial reporting purposes.	(225,000)
Total expenditures as reported on the statement of revenues, expenditures, and changes in net positions - governmental funds.	$1,601,123

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARSION SCHEDULE
YOUTH RECREATION SCHOLARSHIP FUND
FOR YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS		ACTUAL AMOUNT BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Interest income	$0	$0	$0	$0
TOTAL REVENUES	0	0	0	0
Expenditures:				
General Governmental	0	88	88	0
TOTAL EXPENDITURES	0	88	88	0
REVENUES OVER (UNDER) EXPENDITURES	0	(88)	(88)	0
Net position - beginning of year - budgetary basis	12,123	12,123	12,123	0
NET POSITION - END OF YEAR	$12,123	$12,035	$12,035	$0

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

Sources/inflows of resources	
Actual revenues (budgetary basis) from the budgetary comparison schedule.	$0
Differences - budget to GAAP:	
None	0
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$0
Uses/outflows of resources	
Actual revenues (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	$88
Differences - budget to GAAP:	
None	0
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$88

CITY OF VALDOSTA, GEORGIA
SALES TAX 2002 FUND
BUDGETARY COMPARISON SHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Revenues:			
Intergovernmental	$1,114,750	$1,114,750	$0
TOTAL REVENUES	1,114,750	1,114,750	0
Expenditures:			
Expenditures	1,114,750	1,114,750	0
TOTAL EXPENDITURES	0	1,114,750	0
REVENUES OVER EXPENDITURES	1,114,750	0	0
Fund balance - beginning of year - budgetary basis	241,832	241,832	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	$1,356,582	$241,832	$0

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

Sources/inflows of resources	
Actual revenues (budgetary basis) from the budgetary comparison schedule.	$1,114,750
Differences - budget to GAAP:	
None	0
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$1,114,750
Uses/outflows of resources	
Actual expenditures (budgetary basis) from the budgetary comparison schedule.	$1,114,750
Differences - budget to GAAP:	
None	0
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$1,114,750

CITY OF VALDOSTA, GEORGIA
SALES TAX 2007 FUND
BUDGETARY COMPARISON SHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Revenues:			
Intergovernmental	$6,930,000	$4,968,759	($1,961,241)
Interest income	0	0	0
TOTAL REVENUES	6,930,000	4,968,759	(1,961,241)
Expenditures:			
Capital outlay:			
Road improvements	285,362	(25,271)	310,633
Sidewalk improvements	465,297	651,370	(186,073)
Drainage improvements	135,931	45,135	90,796
Traffic improvements	6,312	6,311	1
Piping of ditches	269,141	8,900	260,241
Technology	76,485	60,208	16,277
Taser equipment	0	812	(812)
Youth facility	57,515	840,000	(782,485)
Parks & Rec administration offices/gym	0	38,347	(38,347)
Sewer system rehab	213,825	(15,511)	229,336
Wastewater treatment & disposal expansions	0	741,577	(741,577)
Water trans lines phase II	0	848,785	(848,785)
Software & hardware	0	35,024	(35,024)
Municipal auditorium prop acq & design	517,116	120,407	396,709
General administration	36,000	32,588	3,412
Parking deck hospital	0	250,000	(250,000)
Bay extension	125,235	125,174	61
Cemetery improvements	10,000	9,830	170
Withlacoochee repairs	4,996,496	3,318,996	1,677,500
TOTAL EXPENDITURES	7,194,715	7,092,682	102,033
REVENUES OVER EXPENDITURES	(264,715)	(2,123,923)	(1,859,208)
Fund balance - beginning of year - budgetary basis	2,554,649	2,554,649	0
FUND BALANCE (DEFICIT) - END OF YEAR - BUDGETARY BASIS	$2,289,934	$430,726	($1,859,208)

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.	$4,968,759
Differences - budget to GAAP:	
None	0
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$4,968,759
Uses/outflows of resources	
Actual expenditures (budgetary basis) from the budgetary comparison schedule.	$7,092,682
Differences - budget to GAAP:	
Encumbrances for remaining fiscal year items are recorded current year for budgetary purposes, but in the year of actual payment for financial reporting purposes.	1,883,219
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$8,975,901

CITY OF VALDOSTA, GEORGIA
SALES TAX 2013 FUND
BUDGETARY COMPARISON SHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Revenues:			
Intergovernmental	$945,847	$4,968,949	$4,023,102
TOTAL REVENUES	945,847	4,968,949	4,023,102
Expenditures:			
Capital outlay:			
Road improvements	18,360	18,360	0
Drainage improvements	160,560	160,560	0
Technology police	560,384	560,384	0
GEFA debt repayment for Force Main Project	30,651	30,651	0
Manhole/liner rehabilitation	59,594	59,594	0
Sewer collections smoke testing	113,787	113,787	0
Withlacoochee sewer plant	2,511	2,511	0
TOTAL EXPENDITURES	945,847	945,847	0
REVENUES OVER EXPENDITURES	0	4,023,102	4,023,102
Fund balance - beginning of year - budgetary basis	0	0	0
FUND BALANCE (DEFICIT) - END OF YEAR - BUDGETARY BASIS	$0	$4,023,102	$4,023,102

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.	$4,968,949
Differences - budget to GAAP:	
None	0
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$4,968,949
Uses/outflows of resources	
Actual expenditures (budgetary basis) from the budgetary comparison schedule.	$945,847
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.	(606,204)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$339,643

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
AIRPORT DEVELOPMENT FUND
FOR THE YEAR ENDED JUNE 30, 2014

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Revenues:			
Intergovernmental	$2,354,080	$2,034,308	($319,772)
Interest revenue	0	18,849	18,849
TOTAL REVENUES	2,354,080	2,053,157	(300,923)
Capital outlay:			
Airport improvement	2,354,080	2,002,858	351,222
TOTAL EXPENDITURES	2,354,080	2,002,858	351,222
REVENUES UNDER EXPENDITURES	0	50,299	50,299
Fund balance - beginning of year - budgetary basis	273,385	273,385	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	$273,385	$323,684	$50,299

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

Sources/inflows of resources	
Actual revenues (budgetary basis) from the budgetary comparison schedule.	$2,053,157
Differences - budget to GAAP:	
None	0
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$2,053,157
Uses/outflows of resources	
Actual expenditures (budgetary basis) from the budgetary comparison schedule.	$2,002,858
Differences - budget to GAAP:	
None	0
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$2,002,858

CITY OF VALDOSTA, GEORGIA
SUNSET HILL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Operating revenues:			
Interest income	$500	$76	($424)
Contributions	41,000	27,003	(13,997)
Rental income	19,875	21,352	1,477
TOTAL OPERATING REVENUES	61,375	48,431	(12,944)
Operating expenditures:			
Other services and charges	6,000	9,159	(3,159)
TOTAL OPERATING EXPENDITURES	6,000	9,159	(3,159)
REVENUES OVER (UNDER) EXPENDITURES	55,375	39,272	(16,103)
Fund Balance - beginning of year - budgetary basis	1,578,163	1,578,163	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	$1,633,538	$1,617,435	($16,103)

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.	$48,431
Differences - budget to GAAP:	
None	0
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$48,431
Uses/outflows of resources	
Actual expenditures (budgetary basis) from the budgetary comparison schedule.	$9,159
Differences - budget to GAAP:	
None	0
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$9,159

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.

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CITY OF VALDOSTA, GEORGIA
COMBINING STATEMENT OF NET POSITION
OTHER ENTERPRISE FUNDS
JUNE 30, 2014

	ENTERPRISE FUNDS			TOTAL OTHER ENTERPRISE FUNDS
	INSPECTION	AUDITORIUM	MOTOR FUEL	
ASSETS				
Current assets:				
Cash	$300	$0	$0	$300
Receivables (net)				
Accounts	220	0	25,794	26,014
Due from other governments and agencies	462	0	40,200	40,662
Total current assets	982	0	65,994	66,976
Non-current assets:				
Capital assets:				
Equipment	272,603	0	0	272,603
	272,603	0	0	272,603
Less accumulated depreciation	(272,603)	0	0	(272,603)
Net capital assets	0	0	0	0
Total assets	$982	$0	$65,994	$66,976
LIABILITIES				
Current liabilities:				
Accounts payable	$15,507	$7,666	$0	$23,173
Due to other funds	0	0	36,486	36,486
Compensated absences	32,371	1,336	0	33,707
Total current liabilities	47,878	9,002	36,486	93,366
Non-current liabilities (payable from unrestricted assets):				
Compensated absences	7,901	0	0	7,901
Advances from other funds	729,705	688,978	0	1,418,683
Total non-current liabilities (payable from unrestricted assets)	737,606	688,978	0	1,426,584
Total liabilities	785,484	697,980	36,486	1,519,950
NET POSITION				
Unrestricted	(784,502)	(697,980)	29,508	(1,452,974)
Total net position (deficit)	($784,502)	($697,980)	$29,508	($1,452,974)

CITY OF VALDOSTA, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	ENTERPRISE FUNDS			TOTAL OTHER ENTERPRISE FUNDS
	INSPECTION	AUDITORIUM	MOTOR FUEL	
Operating revenues:				
Permits	$745,940	$0	$0	$745,940
Charges for services	38,462	42,536	542,151	623,149
TOTAL OPERATING REVENUES	784,402	42,536	542,151	1,369,089
Operating expenses:				
Personal services	769,396	74,720	0	844,116
Contractual services	36,832	91,914	0	128,746
Supplies	15,663	13,531	532,183	561,377
Travel and training	2,308	0	0	2,308
Other services and charges	134,348	9,971	237	144,556
TOTAL OPERATING EXPENSES	958,547	190,136	532,420	1,681,103
OPERATING INCOME (LOSS)	(174,145)	(147,600)	9,731	(312,014)
INCOME (LOSS) BEFORE TRANSFERS	(174,145)	(147,600)	9,731	(312,014)
Transfers in	400,000	0	0	400,000
Transfers out	(92,996)	(2,583)	0	(95,579)
	307,004	(2,583)	0	304,421
Change in Net Position	132,859	(150,183)	9,731	(7,593)
NET POSITION - BEGINNING	(917,361)	(547,797)	19,777	(1,445,381)
NET POSITION - ENDING	($784,502)	($697,980)	$29,508	($1,452,974)

CITY OF VALDOSTA, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	ENTERPRISE FUNDS			TOTAL OTHER ENTERPRISE FUNDS
	INSPECTION	AUDITORIUM	MOTOR FUEL	
NET CHANGE IN CASH				
Cash flows from operating activities:				
Cash received from customers	$784,182	$42,536	$542,642	$1,369,360
Cash payments to suppliers for goods and services	(330,730)	36,089	(542,642)	(837,283)
Cash payments to employees for services	(760,456)	(76,042)	0	(836,498)
Net change in cash from operating activities	(307,004)	2,583	0	(304,421)
Cash flows from noncapital financing activities:				
Transfers-in from other funds	400,000	0	0	400,000
Transfers-out to other funds	(92,996)	(2,583)	0	(95,579)
Net change in cash from noncapital financing activities	307,004	(2,583)	0	304,421
Net change in cash	0	0	0	0
Cash beginning of year	300	0	0	300
Cash at end of year	$300	$0	$0	$300
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CHANGE IN CASH FROM OPERATING ACTIVITIES				
Operating income (loss)	($174,145)	($147,600)	$9,731	($312,014)
Adjustments to reconcile operating income (loss) to net change in cash from operating activities:				
Change in assets and liabilities:				
Decrease (increase) in accounts receivable	(220)	0	491	271
Increase in due from other governments and agencies	0	0	(36,977)	(36,977)
Increase in accounts payable	1,251	885	0	2,136
Increase (decrease) in compensated absences	6,875	(1,322)	0	5,553
Increase in due to other funds	0	0	26,755	26,755
Increase (decrease) in advances from other funds	(140,765)	150,620	0	9,855
Net change in cash from operating activities	($307,004)	$2,583	$0	($304,421)

INTERNAL SERVICE FUNDS

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

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

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

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

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CITY OF VALDOSTA, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2014

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS				
	MOTOR POOL	GROUP INSURANCE	WORKMEN'S COMPENSATION	IT SERVICES	TOTAL INTERNAL SERVICE FUNDS
ASSETS					
Current assets:					
Cash	$0	$0	$64,941	$12,309	$77,250
Investments	0	0	0	84,259	84,259
Receivables					
Accounts	1,559	16,009	0	0	17,568
Due from other governments and agencies	0	0	0	1,915	1,915
Due from other funds	0	581,135	49,585	29,536	660,256
Inventories at cost	380,270	0	0	0	380,270
Prepaid expenses	0	0	0	2,536	2,536
Total current assets	381,829	597,144	114,526	130,555	1,224,054
Noncurrent assets:					
Land	92,563	0	0	0	92,563
Land improvements	383,595	0	0	0	383,595
Buildings and structures	466,899	0	0	0	466,899
Motor vehicles	15,509,676	0	0	0	15,509,676
Equipment	2,450,035	0	0	51,852	2,501,887
	18,902,768	0	0	51,852	18,954,620
Less accumulated depreciation	(16,202,673)	0	0	(12,099)	(16,214,772)
Net capital assets (net of accumulated depreciation)	2,700,095	0	0	39,753	2,739,848
Total assets	$3,081,924	$597,144	$114,526	$170,308	$3,963,902
LIABILITIES					
Current liabilities:					
Accounts payable	$565,784	$567,608	$38,146	$170,308	$1,341,846
Compensated absences (current portion)	17,800	0	0	0	17,800
Due to other funds	1,212,967	29,536	0	0	1,242,503
Total current liabilities	1,796,551	597,144	38,146	170,308	2,602,149
Noncurrent liabilities:					
Compensated absences	21,068	0	0	0	21,068
Advances from other funds	1,264,305	0	0	0	1,264,305
Total liabilities	3,081,924	597,144	38,146	170,308	3,887,522
NET POSITION					
Net investment in capital assets	2,700,095	0	0	39,753	2,739,848
Unrestricted	(2,700,095)	0	76,380	(39,753)	(2,663,468)
Total net position	$0	$0	$76,380	$0	$76,380

CITY OF VALDOSTA, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS				
	MOTOR POOL	GROUP INSURANCE	WORKMEN'S COMPENSATION	IT SERVICES	TOTAL INTERNAL SERVICE FUNDS
Operating revenues:					
Charges for services	$3,926,118	$4,320,401	$593,051	$939,297	$9,778,867
Miscellaneous revenues	10,400	143,267	0	0	153,667
TOTAL OPERATING REVENUES	3,936,518	4,463,668	593,051	939,297	9,932,534
Operating expenses:					
Personal services	572,369	0	0	135,242	707,611
Contractual services	163,629	1,688,102	0	455,310	2,307,041
Claims paid	362	6,449,433	390,382	0	6,840,177
Supplies	2,388,684	15,405	0	5,763	2,409,852
Travel and training	207	0	0	1,831	2,038
Other services and charges	272,475	711	126,289	330,784	730,259
Depreciation expense	685,333	0	0	10,371	695,704
TOTAL OPERATING EXPENSES	4,083,059	8,153,651	516,671	939,301	13,692,682
OPERATING LOSS	(146,541)	(3,689,983)	76,380	(4)	(3,760,148)
Nonoperating revenue (expenses):					
Interest income	0	0	0	4	4
Gain on sale of assets	6,201	0	0	0	6,201
TOTAL NON-OPERATING REVENUES (EXPENSES)	6,201	0	0	4	6,205
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(140,340)	(3,689,983)	76,380	0	(3,753,943)
Capital contributions	153,307	0	0	0	153,307
Transfers in	0	3,689,983	0	0	3,689,983
Transfer out	(12,967)	0	0	0	(12,967)
	140,340	3,689,983	0	0	3,830,323
CHANGE IN NET POSITION	0	0	76,380	0	76,380
NET POSITION - BEGINNING	0	0	0	0	0
NET POSITION - ENDING	$0	$0	$76,380	$0	$76,380

CITY OF VALDOSTA, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	MOTOR POOL	GROUP INSURANCE	WORKMEN'S COMP	IT SERVICES	TOTAL INTERNAL SERVICE FUNDS
Cash flows from operating activities:					
Cash received from customers	$3,934,959	$4,554,216	$593,051	$937,382	$10,019,608
Cash payments to suppliers for goods and services	($2,917,487)	(8,433,255)	(567,419)	(916,648)	(12,834,809)
Cash payments to employees for services	($575,746)	0	0	0	(575,746)
Net change in cash from operating activities	441,726	(3,879,039)	25,632	20,734	(3,390,947)
Cash flows from non capital financing activities:					
Transfer in from other fund	0	3,689,983	0	0	3,689,983
Transfer out to other fund	(12,967)	0	0	0	(12,967)
Net change in cash from capital financing activities	(12,967)	3,689,983	0	0	3,677,016
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	($434,960)	0	0	0	(434,960)
Sale of capital assets	$6,201	0	0	0	6,201
Net change in cash from capital and related financing activities	(428,759)	0	0	0	(428,759)
Cash flows from investing activities:					
Purchase of investment securities	0	0	0	(25,920)	(25,920)
Interest and dividends on investments	0	0	0	4	4
Net change in cash from investing activities	0	0	0	(25,916)	(25,916)
Net change in cash	0	(189,056)	25,632	(5,182)	(168,606)
Cash at beginning of year	0	189,056	39,309	17,491	245,856
Cash at end of year	$0	$0	$64,941	$12,309	$77,250
RECONCILIATION OF OPERATING INCOME (LOSS) NET CHANGE IN CASH FROM OPERATING ACTIVITIES:					
Operating income (loss)	($146,541)	($3,689,983)	$76,380	($4)	($3,760,148)
Adjustments to reconcile operating income (loss) to net change in cash from operating activities:					
Depreciation	685,333	0	0	10,371	695,704
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(1,559)	90,548	0	0	88,989
(Increase) in due from other funds	0	(534,788)	(46,592)	(29,536)	(610,916)
(Increase) in due from other governments and agencies	0	0	0	(1,915)	(1,915)
(Increase) in inventory	(19,747)	0	0	0	(19,747)
(Increase) in prepaid expenses	0	0	0	(2,536)	(2,536)
Increase (Decrease) increase in accounts payable	345,270	225,648	(4,156)	44,354	611,116
Increase in compensated absences	4,358	0	0	0	4,358
Increase in due to other funds	1,112,967	29,536	0	0	1,142,503
(Decrease) in advances from other funds	(1,538,355)	0	0	0	(1,538,355)
Net change in cash from operating activities	$441,726	($3,879,039)	$25,632	$20,734	($3,390,947)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contributed capital assets from SPLOST VI	125,174	0	0	0	125,174
Contributed capital assets from General Fund	2,133	0	0	0	2,133
Contributed capital assets from Police Grant	26,000	0	0	0	26,000

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, 2014

	TREE COMMISSION	EVIDENCE AGENCY FUND	TOTAL FIDUCIARY FUNDS
ASSETS			
Cash	$53,124	$3,538	$56,662
Investments	7,352	11,570	18,922
Total assets	$60,476	$15,108	$75,584
LIABILITIES			
Due to other governments and agencies	$60,476	$0	$60,476
Due to others	0	15,108	15,108
Total liabilities	$60,476	$15,108	$75,584

CITY OF VALDOSTA, GEORGIA
AGENCY FUND
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2014

TREE COMMISSION

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
ASSETS				
Cash	$50,595	$6,884	$4,355	$53,124
Investments	7,315	37	0	7,352
Total assets	$57,910	$6,921	$4,355	$60,476
LIABILITIES				
Liabilities:				
Due to:				
Other governments and agencies	$57,910	$6,921	$4,355	$60,476
Total liabilities	$57,910	$6,921	$4,355	$60,476

EVIDENCE AGENCY FUND

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
ASSETS				
Cash	$2,034	$6,422	$4,918	$3,538
Investments	15,241	9,194	12,865	11,570
Total assets	$17,275	$15,616	$17,783	$15,108
LIABILITIES				
Liabilities:				
Due to:				
Others	$17,275	$15,616	$17,783	$15,108
Total liabilities	$17,275	$15,616	$17,783	$15,108

SUPPLEMENTAL FINANCIAL DATA

CITY OF VALDOSTA, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
SALES TAX 2002 FUND
For the Year Ended June 30, 2014

No.	Project	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Year SPLOST	Current Year Other Sources	Total	Estimated Percentage of Completion
1	Water and sewer improvements	$15,700,000	$15,700,000	$149,048	$1,114,750	$0	$1,263,798	8%
2	Resurfacing	1,750,000	1,750,000	2,299,016	0	0	2,299,016	100%
3	Streets/sidewalks	4,500,000	4,500,000	3,876,268	0	0	3,876,268	86%
4	Drainage	4,000,000	4,000,000	5,979,745	0	0	5,979,745	100%
5	Environmental compliance	500,000	500,000	0	0	0	0	0%
6	Sanitation equipment	1,350,000	1,350,000	981,994	0	0	981,994	73%
7	Traffic enhancement and safety	1,000,000	1,000,000	2,524,431	0	0	2,524,431	100%
8	Intersection improvement	2,750,000	2,750,000	1,782,323	0	0	1,782,323	65%
9	Saunders park	1,000,000	1,304,337	1,304,337	0	0	1,304,337	100%
10	Freedom park	2,000,000	2,000,000	232,623	0	0	232,623	12%
11	New district 5 park	1,500,000	1,500,000	688,812	0	0	688,812	46%
12	Scott park	1,200,000	1,200,000	1,295,293	0	0	1,295,293	100%
13	Rehab existing fire stations	350,000	350,000	848,486	0	0	848,486	100%
14	City hall renovation	700,000	708,210	869,908	0	0	869,908	100%
15	Customer service expansion	300,000	360,620	360,620	0	0	360,620	100%
16	Streetscape expansion	500,000	500,000	421,012	0	0	421,012	84%
17	St. Augustine underpass	3,000,000	3,000,000	452	0	0	452	0%
18	Crime lab	200,000	200,000	704,300	0	0	704,300	100%
19	Public safety AVL	750,000	750,000	750,000	0	0	750,000	100%
20	Cemetery improvements	200,000	207,767	207,767	0	0	207,767	100%
21	McKey park	300,000	300,000	410,261	0	0	410,261	100%
22	Mathis auditorium	75,000	78,109	78,109	0	0	78,109	100%
23	Craig center	75,000	114,828	115,653	0	0	115,653	100%
24	Minor park improvements	900,000	900,000	705,885	0	0	705,885	78%
25	New station #1 headquarters	1,500,000	1,585,849	1,595,521	0	0	1,595,521	100%
26	Upgrade drill training facility	250,000	250,000	3,571	0	0	3,571	1%
27	100' aerial ladder truck	750,000	788,626	788,626	0	0	788,626	100%
28	Hydraulic rescue tools	150,000	150,000	99,292	0	0	99,292	66%
29	Renovate station #1 (court)	500,000	801,273	1,618,766	0	0	1,618,766	100%
30	Police department	700,000	700,000	535,906	0	0	535,906	77%
31	Technology improvement	0	87,949	235,305	0	0	235,305	0%
32	Vallotton Park	750,000	750,000	240,894	0	0	240,894	32%
33	Other Municipal Improvements	1,895,000	1,895,000	0	0	0	0	0%
34	Multi use trail	0	0	144,262	0	0	144,262	0%
35	Adair street property	0	0	55,000	0	0	55,000	0%
36	Publics works tanks	0	0	93,732	0	0	93,732	0%
37	Water plant and related	0	0	12,334,872	0	0	12,334,872	0%
38	Engineering	0	0	72,397	0	0	72,397	0%
39	Court	0	0	114,424	0	0	114,424	0%
40	Community development	0	0	97,466	0	0	97,466	0%
41	Sanitation res collection	0	0	184,934	0	0	184,934	0%
42	Public works property	0	0	1,028,488	0	0	1,028,488	0%
43	W/S utility facility building	0	0	22,992	0	0	22,992	0%
	Subtotal	51,095,000	52,032,568	45,852,791	1,114,750	0	46,967,541	
	Transfer in	0	0	(91,832)	0	0	(91,832)	
	Transfer out	0	0	130,508	0	0	130,508	
	TOTAL	$51,095,000	$52,032,568	$45,891,467	$1,114,750	$0	$47,006,217	

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

CITY OF VALDOSTA, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
SALES TAX 2007 FUND
For the Year Ended June 30, 2014

No.	Project	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Year SPLOST	Current Year Other Sources	Total	Estimated Percentage of Completion
1	Resurfacing	$2,500,000	$3,948,206	$3,141,645	821,115	($124,056)	$3,838,704	97%
2	Road improvements	10,000,000	6,800,102	4,967,306	1,284,254	0	6,251,560	92%
3	Sidewalk improvements	2,000,000	2,600,115	1,220,111	1,325,723	0	2,545,834	98%
4	Intersection improvements	2,500,000	270,331	270,330	0	0	270,330	100%
5	Drainage improvements	4,000,000	3,986,121	3,819,741	48,010	0	3,867,751	100%
6	Traffic improvements	1,000,000	262,590	336,055	44,696	0	380,751	100%
7	Street maintenance repairs	500,000	152,223	152,223	0	0	152,223	100%
8	Piping of ditches	1,500,000	210,730	0	3,269	0	3,269	2%
9	Crime lab equipment and land acq	1,500,000	2,449,422	2,449,421	0	0	2,449,421	100%
10	Driving simulator	200,000	0	0	0	0	0	0%
11	Technology (EVOC range)	200,000	374,946	295,347	60,208	0	355,555	95%
12	Parking overhang	100,000	0	0	0	0	0	0%
13	Taser equipment	150,000	52,465	48,950	812	0	49,762	95%
14	Records management software	600,000	300,000	348,250	0	0	348,250	100%
15	District 1 parks	1,000,000	332,445	236,992	0	0	236,992	71%
16	Youth facility	3,000,000	3,000,000	2,160,000	840,000	0	3,000,000	100%
17	Tennis center - McKey park	2,000,000	1,445,372	1,448,843	0	0	1,448,843	100%
18	Azalea city trail - west extension	1,500,000	0	0	0	0	0	0%
19	General park improvements	1,000,000	90,573	90,573	0	0	90,573	100%
20	Property purchase for park	2,000,000	1,000,000	1,000,000	0	0	1,000,000	100%
21	Community/senior citizen expansion	255,828	343,006	343,006	0	0	343,006	100%
22	Senior citizen pool	500,000	501,418	501,418	0	0	501,418	100%
23	Fire safety educational training area	500,000	118,290	118,290	0	0	118,290	100%
24	3 bay fire station - Bemiss road	1,250,000	0	0	0	0	0	0%
25	1500 GPM pumper truck	350,000	875,000	874,522	0	0	874,522	100%
26	100 ft aerial platform truck	850,000	0	0	0	0	0	0%
27	Training facility improvements	750,000	0	0	0	0	0	0%
28	Water & sewer services for annexed islands	5,000,000	0	0	0	0	0	0%
29	Sewer system rehabilitation	5,000,000	2,814,519	3,192,628	6,100	0	3,198,728	100%
30	Wastewater treatment & disposal expansions	5,000,000	3,791,355	2,235,216	741,577	0	2,976,793	79%
31	Water transmission lines phase II	3,000,000	1,807,582	1,556,365	848,785	0	2,405,150	100%
32	Refuse trucks	1,000,000	1,061,554	1,061,554	0	0	1,061,554	100%
33	Benion property improvements	500,000	9,775	9,775	0	0	9,775	100%
34	New recycle center	300,000	21,920	21,919	0	0	21,919	100%
35	Miscellaneous	200,000	36,751	23,210	0	0	23,210	63%
36	Software & hardware	1,500,000	1,505,265	1,505,264	35,024	0	1,540,288	100%
37	Municipal auditorium (prop acq & design)	5,000,000	4,801,258	4,387,139	3,625	0	4,390,764	91%
38	General	1,000,000	115,233	79,233	32,588	0	111,821	100%
39	Gateway redevelopment	500,000	519	519	0	0	519	100%
40	Contingency	550,000	0	0	0	0	0	0%
41	Airport authority	1,000,000	900,000	1,175,264	0	0	1,175,264	100%
42	Parking deck Hospital	1,500,000	250,000	0	250,000	0	250,000	100%
43	Parks and Rec administration offices/gym	0	891,486	889,809	41,290	0	931,099	104%
44	Freedom park expansion	0	1,129,073	1,129,073	0	0	1,129,073	100%
45	MLK memorial park	0	0	5,787	0	0	5,787	0%
46	Health Clinic	0	65,589	65,589	0	0	65,589	100%
47	Municipal Auditorium	0	218,973	362,519	120,407	0	482,926	100%
48	Miscellaneous Parks Improvements	0	4,905	4,905	0	0	4,905	100%
49	Water Treatment Plant By-Pass	0	89,002	89,002	0	0	89,002	100%
50	Bay Extension	0	140,000	28,306	125,174	0	153,480	100%
51	Transportation Master Plan	0	108,154	0	0	0	0	0%
52	Cemetery Improvements	0	0	0	9,830	0	9,830	0%
53	Withlacoochee Repairs	0	3,548,631	0	2,333,414	0	2,333,414	66%
	Subtotal	72,755,828	52,424,899	41,646,099	8,975,901	(124,056)	50,497,944	
	Transfer in	0	0	(362,036)	0	0	(362,036)	
	TOTAL	$72,755,828	$52,424,899	$41,284,063	$8,975,901	($124,056)	$50,135,908	

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

CITY OF VALDOSTA, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
SALES TAX 2013 FUND
For the Year Ended June 30, 2014

No.	Project	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Year SPLOST	Current Year Other Sources	Total	Estimated Percentage of Completion
1	Resurfacing	$2,000,000	$2,000,000	$0	0	($446,354)	($446,354)	0%
2	Road improvements	3,075,000	3,075,000	0	13,770	0	13,770	1%
3	Sidewalk improvements	2,000,000	2,000,000	0	0	0	0	0%
4	Intersection improvements	200,000	200,000	0	0	0	0	0%
5	Drainage improvements	3,000,000	3,000,000	0	76,457	0	76,457	3%
6	Traffic improvements	750,000	750,000	0	0	0	0	0%
7	Street maintenance repairs	350,000	350,000	0	0	0	0	0%
8	Piping of ditches	300,000	300,000	0	0	0	0	0%
9	Police buildings	130,000	130,000	0	0	0	0	0%
10	Police contingency	105,000	105,000	0	0	0	0	0%
11	Public safety radio	2,505,000	2,505,000	0	0	0	0	0%
12	Technology police	633,000	633,000	0	45,384	0	45,384	7%
13	Police weapons	127,000	127,000	0	0	0	0	0%
14	Miscellaneous parks and recreation projects	1,000,000	1,000,000	0	0	0	0	0%
15	100' aerial fire truck	1,100,000	1,100,000	0	0	0	0	0%
16	County wide radio	2,000,000	2,000,000	0	0	0	0	0%
17	Pumper trucks	1,600,000	1,600,000	0	0	0	0	0%
18	Public works claw truck	435,000	435,000	0	0	0	0	0%
19	Miscellaneous equipment	80,000	80,000	0	0	0	0	0%
20	Front end loader	530,000	530,000	0	0	0	0	0%
21	Pelican sweeper	165,000	165,000	0	0	0	0	0%
22	Refuse trucks	960,000	960,000	0	0	0	0	0%
23	Rear end loader	330,000	330,000	0	0	0	0	0%
24	Water and sewer contingency	5,257,186	5,257,186	0	0	0	0	0%
25	Sewer collections system	20,000,000	20,000,000	0	0	0	0	0%
26	Equipment	375,000	375,000	0	0	0	0	0%
27	GEFA debt repayment for Force Main Project	6,034,554	6,034,554	0	30,651	0	30,651	1%
28	Manhole/liner rehabilitation	3,100,000	3,100,000	0	59,594	0	59,594	2%
29	Sewer collections smoke testing	633,260	633,260	0	113,787	0	113,787	18%
30	Withlacoochee sewer plant	20,000,000	20,000,000	0	0	0	0	0%
31	Downtown	500,000	500,000	0	0	0	0	0%
32	Mathis auditorium	250,000	250,000	0	0	0	0	0%
33	Software & hardware	500,000	500,000	0	0	0	0	0%
	TOTAL	$80,025,000	$80,025,000	$0	$339,643	($446,354)	($106,711)	

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

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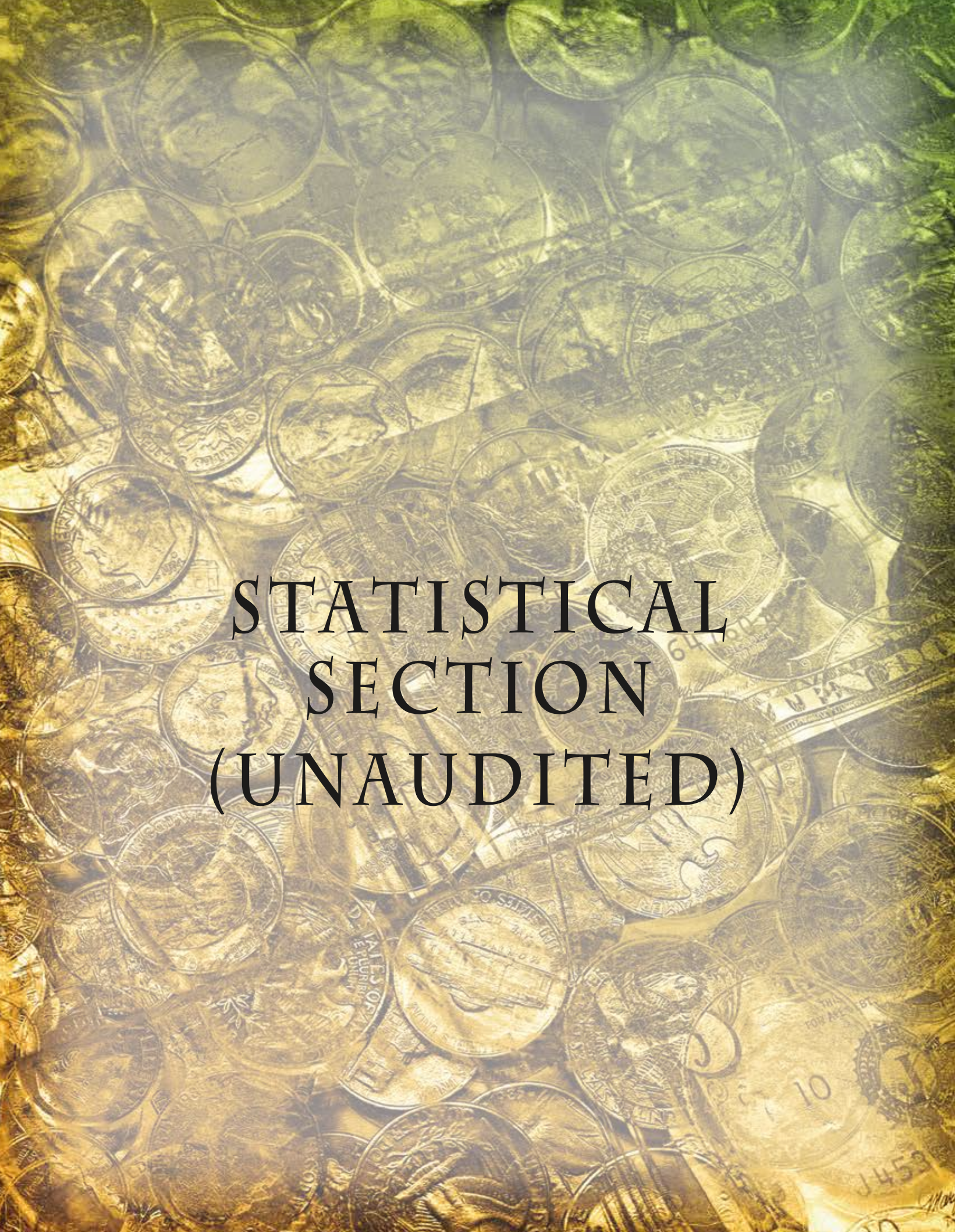

STATISTICAL SECTION (UNAUDITED)

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net Investment in Capital Assets	$129,138,910	$134,779,576	$140,073,166	$142,529,877	$140,740,030	$141,810,546	$136,535,181	$132,580,868	$132,065,895	$130,310,228
Restricted	0	0	0	0	5,865,897	2,148,289	5,426,814	9,910,542	8,345,295	4,545,543
Unrestricted	14,358,771	15,067,834	14,841,980	16,437,761	10,515,004	8,289,776	4,020,845	(795,246)	(5,970,254)	(7,135,321)
Total governmental activities net position	$143,497,681	$149,847,410	$154,915,146	$158,967,638	$157,120,931	$152,248,611	$145,982,840	$141,696,164	$134,440,936	$127,720,450
Business-type activities										
Net Investment in Capital Assets	$54,130,127	$65,776,928	$70,316,009	$75,084,728	$85,383,196	$93,844,326	$92,578,491	$95,909,403	$101,298,255	$106,519,347
Restricted	1,819,256	1,901,402	1,999,816	1,960,292	0	0	0	0	0	0
Unrestricted	7,656,889	8,999,650	10,783,976	7,395,534	610,509	(2,328,920)	901,087	(2,300,288)	(2,694,424)	(4,367,660)
Total business-type activities net position	$63,606,272	$76,677,980	$83,099,801	$84,440,554	$85,993,705	$91,515,406	$93,479,578	$93,609,115	$98,603,831	$102,151,687
Primary government										
Net Investment in Capital Assets	$183,269,037	$200,556,504	$210,389,175	$217,614,605	$226,123,226	$235,654,872	$229,113,672	$228,490,271	$233,364,150	$236,829,575
Restricted	1,819,256	1,901,402	1,999,816	1,960,292	5,865,897	2,148,289	5,426,814	9,910,542	8,345,295	4,545,543
Unrestricted	22,015,660	24,067,484	25,625,956	23,833,295	11,125,513	5,960,856	4,921,932	(3,095,534)	(8,664,678)	(11,502,981)
Total primary government net position	$207,103,953	$226,525,390	$238,014,947	$243,408,192	$243,114,636	$243,764,017	$239,462,418	$235,305,279	$233,044,767	$229,872,137

CITY OF VALDOSTA, GEORGIA

Changes in Net Positions

Last Ten Fiscal Years
(accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities										
General government	$15,193,775	$26,576,605	$20,433,405	$16,079,650	$21,051,823	$24,949,781	$22,509,701	$24,645,893	$22,929,060	$22,657,247
Public safety	13,982,393	15,488,056	16,393,539	18,198,511	18,948,740	20,218,017	20,016,681	20,542,890	20,074,107	21,558,234
Culture - recreation	3,724,227	4,136,565	4,110,444	5,417,919	4,757,377	0	0	0	0	0
Public works	1,305,601	1,376,646	1,396,732	1,721,811	1,791,236	2,150,240	1,893,485	1,872,351	1,613,315	1,597,172
Community development	1,085,124	1,135,390	1,314,820	1,686,051	1,214,273	1,125,956	1,110,945	1,101,147	1,042,940	1,276,726
Interest on long-term debt	15,126	923	0	0	0	0	0	0	0	9,846
Total governmental activities	35,306,246	48,714,185	43,648,940	43,103,942	47,763,449	48,443,994	45,530,812	48,162,281	45,659,422	47,099,225
Business-type activities										
Sanitation	3,070,821	3,845,371	3,436,833	3,793,083	4,269,920	4,124,236	4,379,655	4,392,197	4,482,868	4,611,013
Water and sewer	9,932,394	10,265,738	10,015,706	10,605,817	11,684,974	11,378,940	11,889,430	13,000,285	12,260,646	14,365,317
Inspection	964,596	1,241,269	1,309,675	1,349,936	1,328,557	1,022,811	965,786	970,029	940,143	1,042,114
Zoning	229,065	237,745	200,535	187,132	351,768	377,434	446,049	455,267	359,543	0
DOL building	373,284	375,131	379,478	373,314	357,962	361,234	424,197	368,853	355,022	341,979
Storm Water	0	0	670,369	793,438	914,988	962,042	1,231,214	1,371,900	1,223,050	1,238,148
Auditorium	155,072	178,518	198,972	183,265	224,187	256,933	240,981	249,576	212,676	196,780
Motor fuel	193,758	276,315	302,622	437,855	299,556	388,445	527,982	537,152	556,674	532,420
Total business-type activities	14,918,990	16,420,087	16,514,190	17,723,840	19,431,912	18,872,075	20,105,294	21,345,259	20,390,622	22,327,771
Total primary government	$50,225,236	$65,134,272	$60,163,130	$60,827,782	$67,195,361	$67,316,069	$65,636,106	$69,507,540	$66,050,044	$69,426,996
Program Revenues										
Governmental activities										
Charges for services										
General government	$3,533,764	$3,753,195	$3,922,148	$334,079	$304,914	$116,678	$94,155	$204,692	$54,692	$103,489
Public safety	1,938,995	1,990,365	2,265,385	2,378,334	2,295,084	2,406,734	2,231,793	2,759,530	2,533,635	2,267,311
Culture - recreation	491,710	566,848	551,903	569,084	872,535	4,815	0	0	0	0
Other activities	12,644	37,831	24,831	100,140	194,471	261,913	263,364	244,771	145,443	255,987
Operating grants and contributions	975,405	495,690	1,488,748	2,010,035	2,955,677	1,678,825	2,386,413	683,356	2,168,333	2,680,619
Capital grants and contributions	396,254	3,726,827	3,726,186	2,761,057	235,523	12,809,115	8,202,070	12,086,133	9,619,416	10,505,462
Total governmental activities program revenues	7,348,772	10,570,756	11,979,201	8,152,729	6,858,204	17,278,080	13,177,795	15,978,482	14,521,519	15,812,868
Business-type activities										
Charges for services										
Sanitation	3,717,901	3,739,650	4,143,031	4,300,575	4,266,029	4,347,346	4,278,815	4,161,616	4,399,518	4,701,759
Water and sewer	10,795,892	12,621,177	12,730,564	12,499,565	12,286,043	12,655,546	13,817,286	14,230,907	15,240,633	15,383,914
Inspection	1,200,516	1,225,791	1,145,821	1,001,745	777,209	1,009,372	905,977	644,462	642,235	784,402
DOL building	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157
Storm Water	0	0	1,087,770	1,176,378	1,178,261	1,232,845	1,257,082	1,242,399	1,271,392	1,280,524
Other activities	434,016	516,404	441,140	546,918	378,853	471,094	762,299	737,719	675,301	584,687
Operating grants and contributions	73,888	0	0	0	46,673	459,325	0	269,437	0	0
Capital grants and contributions	0	65,000	0	0	537,407	4,513,063	1,119,880	957,991	758,616	0
Total business-type activities program revenues	16,691,370	18,637,179	20,017,483	19,994,338	19,939,632	25,157,748	22,610,496	22,713,688	23,456,852	23,204,443
Total primary government program revenues	$24,040,142	$29,207,935	$31,996,684	$28,147,067	$26,797,836	$42,435,828	$35,788,291	$38,692,170	$37,978,371	$39,017,311
Net (Expense)/Revenue										
Governmental activities	($27,957,474)	($38,143,429)	($31,669,739)	($34,951,213)	($40,905,245)	($31,165,914)	($32,353,017)	($32,183,799)	($31,137,903)	($31,286,357)
Business-type activities	1,772,380	2,217,092	3,503,293	2,270,498	507,720	6,285,673	2,505,202	1,368,429	3,066,230	876,672
Total primary government net expense	($26,185,094)	($35,926,337)	($28,166,446)	($32,680,715)	($40,397,525)	($24,880,241)	($29,847,815)	($30,815,370)	($28,071,673)	($30,409,685)
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes										
Property taxes	$10,728,415	$11,367,687	$12,029,033	$8,545,239	$7,983,728	$5,804,625	$5,878,814	$6,022,229	$6,348,885	$6,974,207
Sales tax	18,101,005	31,025,993	22,022,727	19,064,945	21,843,864	9,242,810	9,197,511	9,493,841	9,225,131	8,954,342
Accomodations tax	0	0	0	821,513	1,536,227	1,476,776	1,504,153	1,562,285	1,667,870	1,856,448
Other taxes	0	0	0	8,323,386	8,593,865	8,303,204	8,264,303	8,925,259	8,938,156	8,844,442
Investment earnings	332,336	506,667	651,775	466,490	150,410	292,878	46,580	31,960	27,214	19,831
Miscellaneous	517,696	573,177	502,251	318,093	(85,274)	409,010	640,692	619,479	227,429	587,662
Contributions to permanent fund	51,870	0	0	0	0	0	0	0	0	0
Transfers	1,153,785	1,019,634	1,531,689	1,464,039	1,448,969	771,412	555,193	1,242,070	(2,646,499)	(2,671,061)
Total governmental activities	30,885,107	44,493,158	36,737,475	39,003,705	41,471,789	26,300,715	26,087,246	27,897,123	23,788,186	24,565,871
Business-type activities										
Property taxes	0	89,184	71,473	98,174	0	0	0	0	0	0
Investment earnings	130,871	348,270	595,253	436,120	81,149	7,440	14,163	3,178	792	123
Capital contributions	2,448,355	11,436,796	3,783,491	0	0	0	0	0	0	0
Transfers	(1,153,785)	(1,019,634)	(1,531,689)	(1,464,039)	(1,448,969)	(771,412)	(555,193)	(1,242,070)	2,692,361	2,671,061
Total business-type activities	1,425,441	10,854,616	2,918,528	(929,745)	(1,367,820)	(763,972)	(541,030)	(1,238,892)	2,693,153	2,671,184
Total primary government	$32,310,548	$55,347,774	$39,656,003	$38,073,960	$40,103,969	$25,536,743	$25,546,216	$26,658,231	$26,481,339	$27,237,055
Change in Net Position										
Governmental activities	$2,927,633	$6,349,729	$5,067,736	$4,052,492	$566,544	($4,865,199)	($6,265,771)	($4,286,676)	($7,349,717)	($6,720,486)
Business-type activities	3,197,821	13,071,708	6,421,821	1,340,753	(860,100)	5,521,701	1,964,172	129,537	5,759,383	3,547,856
Total primary government	$6,125,454	$19,421,437	$11,489,557	$5,393,245	($293,556)	$656,502	($4,301,599)	($4,157,139)	($1,590,334)	($3,172,630)

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

	Fiscal Year									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
General Fund										
Reserved	$1,874,475	$1,653,503	$1,493,568	$1,564,414	$6,155,409	$7,927,686	$0	$0	$0	$0
Unreserved	8,413,029	9,588,697	10,230,912	10,276,936	5,919,560	1,071,975	0	0	0	0
Nonspendable	0	0	0	0	0	0	4,521,846	4,522,249	4,245,727	2,899,736
Restricted	0	0	0	0	0	0	176,391	181,778	151,288	177,245
Committed	0	0	0	0	0	0	10,767	10,767	10,767	10,767
Assigned	0	0	0	0	0	0	701,620	316,892	0	0
Unassigned	0	0	0	0	0	0	0	0	128,039	(1,080,989)
Total General Fund	$10,287,504	$11,242,200	$11,724,480	$11,841,350	$12,074,969	$8,999,661	$5,410,624	$5,031,686	$4,535,821	$2,006,759
All Other Governmental Funds										
Reserved	$4,535,398	$4,444,578	$4,656,963	$8,284,616	$4,083,398	$5,709,854	$0	$0	$0	$0
Unreserved, reported in:										
Special revenue funds	(1,860,612)	(1,771,166)	(2,323,132)	(2,585,325)	(385,432)	(13,830)	0	0	0	0
Capital projects funds	(4,504,634)	(5,053,707)	(4,982,373)	(2,648,012)	3,979,550	(547,313)	0	0	0	0
Nonspendable, reported in:										
Special revenue funds	0	0	0	0	0	0	2,967,676	2,835,801	2,670,464	2,601,916
Capital projects funds	0	0	0	0	0	0	774,135	696,464	573,385	300,000
Permanent funds	0	0	0	0	0	0	1,472,224	1,525,822	1,304,778	1,617,435
Restricted, reported in:										
Special revenue funds	0	0	0	0	0	0	128,682	249,087	224,601	409,505
Capital projects funds	0	0	0	0	0	0	3,466,879	7,194,623	5,714,008	6,336,172
Assigned, reported in:										
Special revenue funds	0	0	0	0	0	0	107,906	205,630	323,727	404,357
Capital projects funds	0	0	0	0	0	0	763,598	39,966	0	0
Unassigned, reported in:										
Special revenue funds	0	0	0	0	0	0	(275,654)	(223,869)	(104,185)	(311,093)
Capital projects funds	0	0	0	0	0	0	(25,757)	0	0	0
Total all other governmental funds	($1,829,848)	($2,380,295)	($2,648,542)	$3,051,279	$7,677,516	$5,148,711	$9,379,689	$12,523,524	$10,706,778	$11,358,292
Total all governmental funds	$8,457,656	$8,861,905	$9,075,938	$14,892,629	$19,752,485	$14,148,372	$14,790,313	$17,555,210	$15,242,599	$13,365,051

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									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Revenues										
Taxes	$31,712,880	$45,390,222	$37,436,011	$38,559,386	$28,554,986	$24,755,327	24,345,814	25,550,030	25,647,433	26,306,492
Licenses and permits	353,027	339,199	355,287	350,301	439,643	423,463	394,262	519,109	514,949	508,051
Charges for services	756,132	762,923	726,163	740,615	1,048,126	116,347	384,075	437,959	476,460	376,127
Fines and forfeitures	1,517,246	1,152,529	1,341,798	1,354,321	1,318,613	1,361,565	1,414,425	1,517,532	1,391,867	1,233,369
Interest income	332,335	506,667	698,182	466,492	149,868	314,351	46,581	33,402	27,214	19,831
Contributions	132,803	114,895	128,094	131,843	124,039	44,444	59,507	55,730	64,720	40,764
Miscellaneous	245,778	263,223	240,942	336,547	306,393	272,068	520,475	687,666	599,370	695,265
Intergovernmental	1,277,527	4,861,189	2,616,216	3,409,690	15,102,975	15,843,248	12,238,994	14,151,399	12,627,387	14,681,553
Total revenues	36,327,728	53,390,847	43,542,693	45,349,195	47,044,643	43,130,813	39,404,133	42,952,827	41,349,400	43,861,452
Expenditures										
General government	7,158,194	7,684,767	8,198,996	9,338,406	10,560,058	10,802,936	10,777,003	9,917,407	9,623,141	9,818,403
Public safety	13,818,717	15,024,733	15,849,163	17,311,993	17,778,539	18,495,579	20,244,673	18,763,903	18,885,565	19,540,786
Public works	1,321,513	1,412,171	1,462,712	1,624,554	1,658,821	1,940,432	1,260,475	1,721,218	1,469,296	1,381,317
Culture-recreation	3,519,065	3,652,521	3,653,276	3,772,028	4,313,907	0	519,943	0	0	0
Economic development and assistance	1,102,995	1,109,737	1,266,656	1,607,675	1,165,702	1,115,620	1,316,736	1,066,518	1,035,531	1,235,625
Capital outlay	9,924,773	25,116,255	13,766,133	7,333,982	11,110,102	17,024,777	5,767,224	8,191,502	12,370,884	12,474,501
Debt service										
Interest	1,357	923	0	0	0	0	0	141,998	141,175	145,862
Principal	4,691	5,125	0	0	0	0	0	13,710	14,533	9,846
Total expenditures	36,851,305	54,006,232	44,196,936	40,988,638	46,587,129	49,379,344	39,886,054	39,816,256	43,540,125	44,606,340
Excess of revenues over (under) expenditures	(523,577)	(615,385)	(654,243)	4,360,557	457,514	(6,248,531)	(481,921)	3,136,571	(2,190,725)	(744,888)
Other Financing Sources (Uses)										
Capital lease	0	0	0	0	0	0	579,740	0	0	0
Transfers in	1,617,046	1,607,582	2,045,782	1,842,815	6,504,629	3,151,993	2,034,678	3,281,658	2,498,768	2,179,651
Transfers out	(463,261)	(587,948)	(1,177,506)	(386,681)	(2,102,287)	(2,507,575)	(1,490,556)	(3,653,332)	(2,694,456)	(3,312,311)
Total other financing sources (uses)	1,153,785	1,019,634	868,276	1,456,134	4,402,342	644,418	1,123,862	(371,674)	(195,688)	(1,132,660)
Net change in fund balances	$630,208	$404,249	$214,033	$5,816,691	$4,859,856	($5,604,113)	$641,941	$2,764,897	($2,386,413)	($1,877,548)
Debt service as a percentage of noncapital expenditures	0.022%	0.021%	0.000%	0.000%	0.000%	0.000%	0.000%	0.492%	0.500%	0.485%

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									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Function/Program										
Governmental activities:										
General government	$3,926,694	$7,470,137	$7,047,025	$2,870,427	$518,237	$7,204,123	$8,106,728	$11,594,766	$8,751,232	$10,348,558
Public safety	2,557,569	2,010,699	3,952,751	3,193,007	4,330,966	5,326,139	3,624,803	3,589,112	4,685,125	4,823,989
Culture - recreation	568,528	619,797	573,334	582,084	890,830	11,791	0	0	0	0
Public works	71,399	422,484	93,748	108,327	117,483	3,446,562	103,835	148,462	734,521	168,377
Public involvement	224,582	47,639	312,343	1,398,884	1,000,688	1,289,465	1,342,429	646,142	350,641	471,944
Subtotal governmental activities	7,348,772	10,570,756	11,979,201	8,152,729	6,858,204	17,278,080	13,177,795	15,978,482	14,521,519	15,812,868
Business-type activities:										
Sanitation	3,791,789	3,739,650	4,143,031	4,300,575	4,312,702	4,862,180	4,571,388	4,337,833	4,399,518	4,701,759
Water and sewer	10,795,892	12,686,179	12,730,564	12,499,565	12,823,450	17,036,186	13,885,754	14,230,907	15,658,173	15,383,914
Inspection	1,200,516	1,225,791	1,145,821	1,001,745	777,209	1,009,372	905,977	737,682	642,235	784,402
Zoning	178,036	182,864	80,742	56,437	30,140	117,931	204,679	144,487	61,153	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	0	0	1,087,770	1,176,378	1,178,261	1,232,845	1,257,082	2,200,390	1,612,468	1,280,524
Auditorium	54,940	50,770	50,520	45,380	41,210	31,380	18,407	46,237	47,562	42,536
Motor fuel	201,040	282,770	309,878	445,101	307,503	398,697	539,213	546,995	566,586	542,151
Subtotal business-type activities	16,691,370	18,637,181	20,017,483	19,994,338	19,939,632	25,157,748	21,851,657	22,713,688	23,456,852	23,204,443
Total primary government	$24,040,142	$29,207,937	$31,996,684	$28,147,067	$26,797,836	$42,435,828	$35,029,452	$38,692,170	$37,978,371	$39,017,311

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
2005	7,589,831	17,381,285	6,546,092	195,672	31,712,880
2006	4,853,252	26,644,343	7,044,517	254,708	38,796,820
2007	8,056,276	21,703,699	7,350,353	324,050	37,434,378
2008	8,411,898	21,145,147	7,940,115	1,062,226	38,559,386
2009	8,984,292	21,054,260	8,100,675	1,712,442	39,851,669
2010	6,183,929	20,502,768	7,712,296	1,611,331	36,010,324
2011	5,807,053	17,942,154	7,716,286	1,634,372	33,099,865
2012	6,088,589	18,265,089	8,916,032	1,562,163	34,831,873
2013	6,452,218	17,705,354	8,318,442	1,667,923	34,143,937
2014	6,841,008	19,436,390	8,654,695	1,856,448	36,788,541
Change 2005-2014	-9.87%	11.82%	32.21%	848.76%	16.01%

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

Fiscal Year Ended June 30,	Residental 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
2006	$480,315,099	$419,722,088	$209,892,634	$30,520,520	$1,029,714	$979,742	$95,577,555	$129,473,274	$1,108,564,078	4.414
2007	514,895,594	442,873,903	210,228,598	30,661,246	1,016,688	848,857	96,489,639	118,610,386	1,178,404,139	4.400
2008	608,077,263	496,575,674	211,342,704	35,208,321	1,245,605	542,834	100,278,038	135,762,901	1,317,507,538	4.180
2009	646,130,167	519,877,842	267,228,266	31,885,295	1,415,300	555,130	104,308,207	170,386,752	1,401,013,455	4.112
2010	656,256,822	540,518,877	260,797,430	32,714,743	2,275,146	556,930	106,858,670	173,025,160	1,426,953,458	4.131
2011	658,578,350	557,128,860	228,784,772	32,272,532	1,972,320	823,195	96,143,768	153,692,980	1,422,010,817	4.112
2012	659,437,865	547,708,336	245,225,166	32,906,051	1,969,190	822,117	94,767,295	180,228,732	1,402,607,288	4.112
2013	646,393,405	575,038,137	285,544,257	31,238,071	2,025,391	1,039,970	101,085,600	185,281,491	1,457,083,340	4.106
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

Source: Lowndes County Tax Commissioner

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

CITY OF VALDOSTA, GEORGIA

Water and Sewer Rates

Last Ten Fiscal Years

	Residential Class			
Fiscal Year	Water Base Charge	Sewer Base Charge	Water Rate Per CCF	Sewer Rate Per CCF
2005	2.00	2.00	1.10	2.25
2006	2.50	2.50	1.15	2.30
2007	2.50	2.50	1.15	2.30
2008	2.50	2.50	1.15	2.30
2009	2.50	2.50	1.27	2.54
2010	2.50	2.50	1.27	2.54
2011	3.00	3.00	1.33	2.66
2012	3.50	3.50	1.40	2.80
2013	4.20	4.20	1.40	2.80
2014	5.60	5.60	1.40	2.80

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

	Bulk Class	
Fiscal Year	Water Rate Per CCF	Sewer Rate Per CCF
2005	0.78	1.70
2006	0.82	1.75
2007	0.82	1.75
2008	0.82	1.75
2009	0.90	2.04
2010	0.90	2.04
2011	0.90	2.04
2012	0.90	2.04
2013	N/A	N/A
2014	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

		Overlapping Rates*		
Fiscal Year	**City Direct Rate**	**Valdosta School District**	**Community Improvement District**	**Lowndes County**
2005	4.480	13.98	15.00	8.86
2006	4.414	14.98	15.00	8.86
2007	4.400	14.98	15.00	8.86
2008	4.180	15.98	15.00	9.76
2009	4.112	15.98	10.00	9.56
2010	4.131	15.98	10.00	9.56
2011	4.112	16.98	10.00	9.56
2012	4.112	16.98	10.00	9.56
2013	4.106	16.98	5.00	9.56
2014	4.102	16.98	5.00	9.56

Source: Lowndes County Tax Commissioner

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

CITY OF VALDOSTA, GEORGIA

Principal Water Sewer Customers

Last Nine Fiscal Years

	2014			2013			2012			2011			2010		
Customer	**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	$667,428	1	4.36%	$709,451	1	4.75%	$755,835	1	5.33%	$538,804	1	3.91%	$495,333	1	3.96%
Valdosta State University	618,673	2	4.04%	479,675	2	3.21%	397,654	2	2.80%	446,869	2	3.24%	235,884	3	1.89%
Valdosta Correctional Institute	360,132	3	2.35%	375,591	3	2.51%	362,925	3	2.56%	332,048	3	2.41%	398,710	2	3.19%
South Georgia Medical Center	228,558	4	1.49%	255,716	4	1.71%	259,453	4	1.83%	183,178	5	1.33%	185,675	4	1.49%
South Georgia Pecan Co.	165,707	5	1.08%	116,782	8	0.78%	-	-	-	-	-	-	-	-	-
City of Remerton	155,272	6	1.01%	254,232	5	1.70%	130,346	7	0.92%	118,029	7	0.86%	108,042	6	0.86%
Woodstone Apartments	129,448	7	0.85%	101,067	9	0.68%	-	-	-	91,873	9	0.67%	68,265	10	0.55%
ERCO Worldwide	120,371	8	0.79%	124,603	7	0.83%	97,720	8	0.69%	102197	8	0.74%	73,086	8	0.58%
Lowndes County Jail	109,822	9	0.72%	-	-	-	-	-	-	118,539	6	0.86%	164,164	5	1.31%
Lowndes County Utilities	85,611	10	0.56%	188,057	6	1.26%	179,881	6	1.27%	273,743	4	1.99%	70,774	9	0.57%
Lowndes County Jail	-	-	-	-	-	-	86,640	10	0.61%	-	-	-	-	-	-
Campus Crest	-	-	-	-	-	-	187,860	5	1.33%	-	-	-	-	-	-
Saft	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Spanish Mission Apartments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Arizona Chemical	-	-	-	89,718	10	0.60%	93,679	9	0.66%	69,809	10	0.51%	75,504	7	0.60%
Total	$2,641,022.00		17.26%	$2,694,892.00		18.03%	$2,551,993.00		18.00%	$2,275,089.00		16.50%	$1,875,437.00		15.00%

	2009			2008			2007			2006		
Customer	**Amount Paid**	**Rank**	**Percentage of Total**	**Amount Paid**	**Rank**	**Percentage of Total**	**Amount Paid**	**Rank**	**Percentage of Total**	**Amount Paid**	**Rank**	**Percentage of Total**
A D M	$615,233	1	4.98%	$456,870	1	3.68%	$427,351	1	3.48%	$402,861	1	3.28%
Valdosta State University	162,565	5	1.31%	167,025	3	1.34%	300,424	3	2.45%	299,726	3	2.44%
Valdosta Correctional Institute	386,723	2	3.13%	302,032	2	2.43%	304,868	2	2.48%	356,007	2	2.90%
South Georgia Medical Center	185,585	3	1.50%	133,664	5	1.08%	90,526	5	0.74%	108,270	5	0.88%
City of Remerton	88,358	8	0.71%	82,003	7	0.66%	81,508	7	0.66%	92,954	7	0.76%
Lowndes County Utilities	87,470	9	0.71%	-	-	-	-	-	-	-	-	-
ERCO Worldwide	88,902	7	0.72%	69,576	9	0.56%	76,372	8	0.62%	92,331	8	0.75%
South Georgia Pecan Co.	-	-	-	56,157	10	0.45%	58,742	9	0.48%	89,857	9	0.73%
Woodstone Apartments	-	-	-	-	-	-	-	-	-	-	-	-
Arizona Chemical	122,544	6	0.99%	80,001	8	0.64%	86,746	6	0.71%	94,764	6	0.77%
Lowndes County Jail	163,757	4	1.32%	137,199	4	1.10%	166,355	4	1.36%	229,167	4	1.87%
Campus Crest	-	-	-	-	-	-	-	-	-	-	-	-
Saft	81,192	10	0.66%	93,253	6	0.75%	58,716	10	0.48%	-	-	-
Spanish Mission Apartments	-	-	-	-	-	-	-	-	-	72,295	10	0.59%
Total	$1,982,329.00		16.03%	$1,577,780.00		12.69%	$1,651,608.00		13.46%	$1,838,232.00		14.98%

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

City of Valdosta, Georgia
Principal Property Taxpayers
For the Fiscal Years Ended June 30, 2014 and 2005

2014				2005			
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.	$ 55,643,310	1	3.81%	Archer Daniels Midland Co.	$ 33,399,301	1	2.92%
Lowes Distribution, Inc.	39,593,096	2	2.71%	Wal-Mart\Sam's Club	8,232,561	2	0.72%
JM Smith Corp	29,304,991	3	0.48%	Colonial Realty LP	6,759,311	3	0.59%
South Georgia Pecan	18,628,855	4	1.04%	Crackin' Good	6,208,347	4	0.54%
Dupont	15,183,508	5	0.83%	Saft Newco, Inc.	5,637,687	5	0.49%
Wal-Mart\Sam's Club	12,188,934	6	0.82%	First Line Corp	5,513,356	6	0.48%
Marelana Valdosta Mall	12,042,698	7	1.27%	Trus Joist Corporation	4,488,302	7	0.39%
Saft Newco, Inc.	10,743,357	8	0.73%	Internation Paper	4,149,695	8	0.36%
Stratas Foods LLC	7,893,959	9	0.54%	South Georgia Pecan	3,666,490	9	0.32%
Home Depot	7,039,908	10	2.00%	Lowes Distribution, Inc.	3,287,049	10	0.29%
Total Principal Taxpayers	208,262,616		14.25%		81,342,099		7.10%
All Other Taxpayers	1,253,483,928		85.75%		1,063,831,300		92.89%
Total	$1,461,746,544		100.00%		$ 1,145,173,399		99.99%

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
2005	3,924,538	3,843,897	97.95%	74,715	3,918,612	99.85%
2006	4,243,210	4,132,429	97.39%	110,781	4,243,210	100.00%
2007	4,535,866	4,407,328	97.17%	127,527	4,534,855	99.98%
2008	4,809,340	4,673,113	97.17%	132,915	4,806,028	99.93%
2009	5,066,177	4,859,886	95.93%	203,374	5,063,260	99.94%
2010	5,428,500	5,173,541	95.30%	250,855	5,424,395	99.92%
2011	5,567,391	5,302,865	95.25%	261,459	5,564,324	99.94%
2012	5,307,294	5,063,850	95.41%	236,695	5,300,545	99.87%
2013	5,496,867	5,246,759	95.45%	182,893	5,429,652	98.78%
2014	5,523,422	5,297,924	95.92%	0	5,297,924	95.92%

CITY OF VALDOSTA, GEORGIA

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years
(accrual basis of accounting)

	Governmental Activities	Business-Type Activities				
Fiscal Year	Capital Leases	Revenue Bonds	Term Loans Payable	Total Primary Government	Percentage of Personal Income	Per Capita
2005	$74,811	$3,075,000	$9,617,321	$12,767,132	0.00	281
2006	59,252	2,380,000	9,697,675	12,136,927	0.01	268
2007	41,738	1,635,000	9,232,713	10,909,451	0.01	240
2008	31,303	845,000	8,523,878	9,400,181	0.01	198
2009	0	0	7,826,077	7,826,077	0.01	161
2010	0	0	8,541,977	8,541,977	0.01	164
2011	579,740	0	37,252,311	37,832,051	0.02	694
2012	437,742	0	47,965,307	48,403,049	0.03	864
2013	296,567	2,546,000	47,796,915	50,639,482	N/A	N/A
2014	150,705	2,313,000	48,100,481	50,564,186	N/A	N/A

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

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

CITY OF VALDOSTA, GEORGIA

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years
(accrual basis of accounting)

	General Bonded Debt Outstanding				
Fiscal Year	General Obligation Bonds	Redevelopment Bonds	Total	Percentage of Actual Taxable Value of Property	Per Capita
2005	$0	$0	$0	0%	$0.00
2006	0	0	0	0	0.00
2007	0	0	0	0	0.00
2008	0	0	0	0	0.00
2009	0	0	0	0	0.00
2010	0	0	0	0	0.00
2011	0	0	0	0	0.00
2012	0	0	0	0	0.00
2013	0	0	0	0	0.00
2014	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, 2014

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Valdosta City School System	$20,120,000	100.00%	$20,120,000
Other debt			
Lowndes County - Capital leases	9,238,300	45.69%	4,220,979
			4,220,979
Subtotal, overlapping debt			24,340,979
City direct debt			150,705
			$24,491,684

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 2013 County taxable valuation of $3,208,450,306 and City taxable valuation of $1,461,746,544 percent 45.56%.

CITY OF VALDOSTA, GEORGIA

Legal Debt Margin Information

Last Ten Fiscal Years
(accrual basis of accounting)

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value	$1,461,746,544
Debt limit (10% of assessed value)	146,174,654
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	$146,174,654

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	$114,517,340	$110,856,408	$117,840,414	$131,750,754	$139,496,150	$142,695,346	$142,201,082	$140,260,729	$145,708,334	$146,174,654
Total net debt applicable to limit	0	0	0	0	0	0	579,740	437,742	296,567	150,705
Legal debt margin	$114,517,340	$110,856,408	$117,840,414	$131,750,754	$139,496,150	$142,695,346	$141,621,342	$139,822,987	$145,411,767	$146,023,949
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.41%	0.31%	0.20%	0.10%

CITY OF VALDOSTA, GEORGIA

Pledged-Revenue Coverage

Last Ten Fiscal Years
(accrual basis of accounting)

	Water/Sewer Revenue Bonds					
				Debt Service		
Fiscal Year	Operating Revenue	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2005	$10,700,936	$9,492,747	$1,208,189	$655,000	$216,688	1.39
2006	12,270,158	9,895,746	2,374,412	695,000	174,764	2.73
2007	12,671,409	9,700,991	2,970,418	745,000	129,236	3.40
2008	12,430,660	10,358,463	2,072,197	790,000	80,225	2.38
2009	12,751,671	11,294,145	1,457,526	0	0	0.00
2010	12,561,957	10,816,122	1,745,835	0	0	0.00
2011	13,817,286	11,595,259	2,222,027	0	0	0.00
2012	14,177,921	11,744,634	2,433,287	0	0	0.00
2013	15,240,634	11,308,983	3,931,651	0	0	0.00
2014	15,383,914	13,082,734	2,301,180	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

Year	Population	Personal Income	Per Capita Income	Median Age	School Enrollment	Unemployment Rate
2005	45,609	2,330,941	24,315	31.3	6,921	3.6%
2006	45,205	3,098,589	24,838	30.2	6,878	4.1%
2007	45,529	3,220,081	25,381	31.0	7,149	4.3%
2008	47,567	3,400,690	26,504	31.1	7,245	5.2%
2009	48,547	3,673,193	29,169	27.3	7,377	5.8%
2010	52,169	3,967,021	29,184	29.5	7,501	8.6%
2011	54,518	4,063,000	29,512	30.9	7,511	8.8%
2012	56,019	4,134,363	30,377	27.1	7,647	9.2%
2013	57,597	4,322,846	32,372	27.0	7,802	9.1%
2014	56,481	4,672,714	N/A	30.0	8,012	7.9%

Sources:
US Census Bureau
US Department of Commerce - BEA
Georgia Department of Labor
Valdosta City School Board

City of Valdosta, Georgia
Principal Employers
For the Fiscal Years Ended June 30, 2014 and 2005

	2014				2005		
Employer	Number of Employees	Rank	Percentage of Total City Employment	Employer	Number of Employees	Rank	Percentage of Total City Employment
Moody Air Force Base	6,066	1	9.15%	Moody Air Force Base	3,200	1	5.39%
South Georgia Medical Center	2,800	2	4.23%	South Georgia Medical Center	2,350	2	3.96%
Valdosta State University	3,026	3	4.57%	Valdosta State University	1,460	3	2.46%
Lowndes County Schools	1,425	4	2.15%	Lowndes County Schools	1,069	4	1.81%
Valdosta City School System	1,200	5	1.81%	Valdosta City School System	950	5	1.60%
Lowe's Distribution Center	750	6	1.13%	City of Valdosta Government	773	6	1.30%
Walmart Supercenters	680	7	1.03%	Convergys	676	7	1.14%
Convergys Corp.	572	8	0.81%	Lowe' s Distribution Center	500	8	0.84%
City of Valdosta Government	539	9	0.81%	Lowndes County Government	500	9	0.84%
Lowndes County Government	535	10	0.86%	Roadway Express, Inc.	480	10	0.81%
Total Principal Employees	17,593		26.55%		11,958		20.15%
Other Employees	48,676		73.45%		47,402		79.86%
Total Employees	66,269		100.00%		59,360		100.01%

Sources:
Georgia Department of Labor
Valdosta- Lowndes Industrial Authority

City of Valdosta, Georgia

Full-time Equivalent City Employees by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
City Manager's Office	3	5	5	5	5	4	4	4	4	4
Municipal Court	4	4	8	4	5	4	4	4	4	4
Human Resources	4	4	4	4	4	4	4	4	4	4
Finance	22	23	23	23	25	24	24	26	25	25
Engineering	31	31	30	30	30	27	27	27	22	22
Information Technology	0	0	1	1	1	1	1	2	2	2
Facility Maintenance	7	7	6	6	4	4	5	5	4	4
Police	152	158	167	178	179	169	171	172	169	169
Fire	102	103	106	106	106	104	99	98	102	102
Public Works	33	33	33	33	33	36	36	32	21	21
Public Involvement	0	0	0	0	7	7	8	7	7	7
Community Development	19	19	15	20	31	25	24	22	21	21
Parks & Recreation	99.25	104.25	59	61	59	0	0	0	0	0
Sanitation	54	54	54	55	55	54	55	48	44	44
Water	40.1	39.1	39.1	39.4	39.7	44	44	49	45	45
Sewer	75.9	73.9	61.9	62.6	63.3	39	39	36	36	36
Storm Water	0	0	13	13	13	13	14	14	14	14
Inspections	17	20.5	20	19	0	0	0	0	0	0
Zoning	0	0	3	2	4	4	4	4	4	4
Fleet	15	15	15	15	15	15	15	11	11	11
Total	678.25	693.75	663	677	679	578	578	565	539	539

Sources:
City Human Resource Department

City of Valdosta
Operating Indicators by Function/Program

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Engineering										
Feet of Failed Pavement Repaired	35,000	40,000	40,000	40,000	10,000	10,000	10,000	10,000	10,000	10,000
Percent of projects awarded within 10% of engineer's estimate	85%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Municipal Court										
Dockets Processed	10,358	14,500	14,750	15,000	14,500	15,000	15,000	16,500	17,000	17,000
Police										
Increase in Citizen contacts	1,800	2,000	2,000	2,500	2,650	2,650	2,650	2,900	1,800	2,770
Narcotics Arrests	378	420	420	340	310	320	320	320	320	320
Students Completing Dare	1,304	1,310	1,340	1,360	1,310	1,360	1,360	1,376	1,350	1,202
Fire										
Number of Fire Stations	7	7	7	7	7	7	7	7	7	7
Number of Fire Inspections performed	975	1,000	1,300	1,340	1,380	1,390	1,395	1,390	1,500	1,500
Public Works										
Street Sweeping Frequency per year	23	25	25	25	25	25	25	30	30	15
Arborist										
Number of Trees Planted	150	150	150	100	100	75	75	280	220	100
Number of trees Pruned	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,200	1,300	500
Public Involvement										
Bi-monthly Newsletters Produced	6	6	6	6	6	6	6	6	6	4
Net Gain of new downtown Buisinesses	6	7	7	5	6	5	5	6	8	5
Sanitation										
Residential Stops/collection employee/week	755	775	775	890	925	925	925	2,620	2,635	2,650
Commercial lifts per hour/driver	16.5	18	18	18	18	25	25	38	40	40
Drainage										
Feet of storm drain cleaned and maintained	14,000	15,000	36,000	20,000	20,000	20,000	20,000	13,311	15,000	15,000
Water										
Average volume of water treated (MGD)	8.078	8.647	9.500	9.850	10.500	11.150	11.150	11.500	11.500	9.670
New meters installed annually	433	500	500	500	500	500	500	1000	1500	1500
Sewer										
Average volume of wastewater treated daily (MGD)	10.300	9.7	9.8	8.84	9.5	9.5	9.5	6.5	7.7	8.1
Miles of sewers maintained	245	248	250	260	265	260	270	270	275	275
Inspections										
Percentage of Plans completed within 10 days	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Percntage of inspections completed in 24 hours	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Auditorium										
Number of Days Rented	336	338	339	340	340	330	330	330	330	330

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

Function Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	127	148	144	156	150	157	155	155	158	158
Fire Stations	7	7	7	7	7	7	7	7	7	7
Refuse collection										
Collection trucks	13	13	13	13	13	13	13	13	13	13
Other public works										
Streets (miles)	294	297	302	304	304	304	304	304	304	304
Streetlights	5,743	5,748	5,748	6,133	6,217	6,217	6,222	6,266	6,266	6,277
Traffic signals	115	117	122	124	124	124	125	126	127	127
Park and recreation										
Acreage	505	505	505	505	505	300	300	300	300	300
Playgrounds	5	5	5	5	5	2	2	2	2	2
Baseball/softball diamonds	29	29	29	29	29	24	24	24	24	24
Soccer/football fields	3	3	3	3	3	3	3	3	3	3
Community centers	6	6	6	6	6	1	1	1	1	1
Water										
Water mains (miles)	281	286	297	303	305	311	320	389	395	794
Fire hydrants	2,239	2,340	2,454	2,650	2,927	3,112	3,200	3,301	3,341	3,387
Storage capacity (gallons)	11,200,000	11,200,000	11,400,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000
Wastewater										
Sanitary sewers (miles)	245	248	258	266	315	320	325	325	330	652
Treatment capacity (gallons)	11,330,000	11,330,000	11,330,000	11,330,000	11,330,000	11,330,000	13,830,000	13,830,000	17,270,000	17,270,000

Sources: Various city departments

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SINGLE AUDIT

CITY OF VALDOSTA, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2014

Grant Title	CFDA Number	Grant I. D. Number	Expenditures
U S Environmental Protection Agency			
Indirect Federal Grants:			
Passed through Georgia Environmental Facilities Authority (GEFA)			
Clean Water Program (loan)	66.458	CW 13006	$282,469
TOTAL U S ENVIRONMENTAL PROTECTION AGENCY			282,469
Department of Homeland Security			
Direct Federal Grants:			
Homeland Security Cluster	97.067	2010-SS-T0-0034	409
Homeland Security Cluster	97.067	EMW-2011-SS-00081-S01	38,802
Homeland Security Cluster	97.067	EMW-2012-SS-00063-S01	17,418
Homeland Security Cluster	97.067	EMW-2013-SS-00054-S01	1,051
Total Homeland Security Cluster			57,680
Law Enforcement Officer Reimb. Agreement	97.090	HSTS0213HSLR056	22,060
TOTAL U S DEPARTMENT OF HOMELAND SECURITY			79,740
Department of Housing and Urban Development			
HOME Investment Partnerships Program			
State of GA Community HOME			
Investment Program (CHIP)	14.239	07mr-x-092-2-2979	10,000
Total Investment Program (CHIP)			10,000
Community Development Block Grants			
Entitlement Grants Cluster	14.218	B-11-MC-13-0015	254,434
Entitlement Grants Cluster	14.218	B-12-MC-13-0015	5,125
Entitlement Grants Cluster	14.218	B-13-MC-13-0015	113,050
Total Entitlement Grant Cluster			372,609
TOTAL U S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			382,609
Department of Justice			
Direct Federal Grants:			
JAG Program Cluster	16.738	2013-DJ-BX-1141	22,400
Congressionally Recommended Award	16.753	2010-DD-BX-0620	61,356
Bulletproof Vest Partnership Program	16.607	N/A	6,567
Indirect Federal Grants:			
Office of Justice Programs			
Community Prosecution and Project Safe Neighborhoods	16.609	2010-GP-BX-0082	23,792
Paul Coverdell Forensic Sciences Improvement Grant Program	16.738	2011-CD-BX-0018	23,000
TOTAL U S DEPARTMENT OF JUSTICE			137,115
Department of Transportation			
Direct Federal Grants:			
Airport Development Aid Program	20.106	3-13-0115-29-2012	1,673,550
Airport Development Aid Program	20.106	3-13-0115-30-2013	129,014
Total Airport Development Aid Program			1,802,564
State of Georgia Passthrough Federal Grants:			
Governor's Office of Highway Safety			
Highway Safety Cluster	20.600	GA-2013-191-00394	5,344
Total Highway Safety Cluster			5,344
TOTAL U S DEPARTMENT OF TRANSPORTATION			1,807,908
Federal Emergency Management Agency			
Direct Federal Grant:			
Assistance to Firefighters - Fire Prevention	97.044	EMW-2011-FP-01371	15,023
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY			15,023
TOTAL OF EXPENDITURES OF FEDERAL AWARDS			$2,704,864

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, 2014

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.

MAULDIN & JENKINS

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
Valdosta, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Valdosta, Georgia (the "City") as of and for the fiscal year ended June 30, 2014, 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 February 26, 2015.

Internal Control Over Financial Reporting

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

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

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described at item 2014-001 in the accompanying schedule of findings and questioned costs.

City of Valdosta, Georgia's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Albany, Georgia
February 26, 2015

MAULDIN & JENKINS

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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Valdosta, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Valdosta, Georgia's major federal programs for the fiscal year ended June 30, 2014. The City of Valdosta, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Valdosta, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Valdosta, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City of Valdosta, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2014.

Report on Internal Control Over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Albany, Georgia
February 26, 2015

CITY OF VALDOSTA, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	____ yes _X_ no
Significant deficiencies identified not considered to be material weaknesses?	____ yes _X_ none reported
Noncompliance material to financial statements noted?	_X_ yes ___ no

Federal Awards

Internal Control over major programs:	
Material weaknesses identified?	____ yes _X_ no
Significant deficiencies identified not considered to be material weaknesses?	____ yes _X_ none reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	____ yes _X_ no

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	____ yes _X_ no

CITY OF VALDOSTA, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2014 - 001. Special Purpose Local Option Sales Tax Proceeds

Criteria: In accordance with the Official Code of Georgia (OCGA) Section 48-8-121, Special Purpose Local Option Sales Tax proceeds shall be used exclusively for the purpose or purposes specified in the resolution or ordinance calling for imposition of the tax. Such proceeds shall be kept in a separate account from other funds of such City receiving proceeds of the sales and use tax and shall not in any manner be commingled with other funds.

Condition: For the fiscal year ended June 30, 2014, the City was not in compliance with OCGA Section 48-8-121.

Context: See above condition.

Effect: By transferring the Sales Tax 2007 proceeds to the General Fund, the City commingled the funds, and therefore is not in compliance with state law.

Cause: The City transferred proceeds from the Sales Tax Fund to the General Fund, and these amounts have not yet been returned to the Sales Tax 2007 Fund.

Recommendation: The City should immediately transfer the proceeds back to the Sales Tax 2007 Fund.

Views of Responsible Officials and Planned Corrective Action: We concur. We have initiated a plan to pay back the Sales Tax 2007 Fund.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported

CITY OF VALDOSTA, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

STATUS OF PRIOR YEAR AUDIT FINDINGS

None reported

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