

COMPREHENSIVE ANNUAL FINANCIAL REPORT

An aerial photograph of a large, white, cylindrical water tower with a conical top. The tower is situated in a lush green forest. The top of the tower features the word "VALDOSTA" in a serif font, with a yellow swoosh underneath it, and the tagline "A City Without Limits" in a smaller sans-serif font below that. The tower's body is made of horizontal panels.

VALDOSTA
A City Without Limits

CITY
OF
VALDOSTA, GEORGIA
YEAR ENDED JUNE 30, 2016



COMPREHENSIVE ANNUAL FINANCIAL REPORT

***City of Valdosta, Georgia
for the Fiscal Year
July 1, 2015 - June 30, 2016***

FINANCE DEPARTMENT

***L. Charles Dinkins Jr.,
Finance Director***

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An aerial photograph of a large, white water tower in Valdosta, Georgia. The tower has a cylindrical base and a wider, rounded top. The top section features the word "VALDOSTA" in a serif font, with a yellow swoosh underneath it, and the slogan "A City Without Limits" in a smaller sans-serif font. The tower is surrounded by a dense forest of green trees. In the background, a small town is visible on a hill under a hazy, overcast sky.

VALDOSTA
A City Without Limits

INTRODUCTION

CITY OF VALDOSTA, GEORGIA

FINANCE DEPARTMENT

January 9, 2017

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

In accordance with State Statutes and Section 4.51 of the Charter of Valdosta, Georgia, the Comprehensive Annual Financial Report for the fiscal year 2016 is submitted herewith. Responsibility for both the accuracy of the data and the thoroughness and fairness of presentation including all disclosures rests with the City of Valdosta. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain maximum understanding of the City's financial affairs have been included.

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

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

The City of Valdosta receives federal assistance through various federal grant programs. An audit in accordance with the Single Audit Act of 1984, P.C. 98-502, and Office of Management and Budget (OMB) Uniform Guidance, "Audits of State and Local Governments and Non-Profit Organizations," and "Government Auditing Standards" issued by the Comptroller General of the United States has been performed for the fiscal year ended June 30, 2016. The required reports on supplementary information, compliance, and internal controls along with various supplementary schedules will be included in the compliance section.

Reporting Entity

The City of Valdosta was originally incorporated by an Act of the General Assembly of Georgia on December 7, 1860 and since April 14, 1958 has operated under the Council-Manager form of government. The City provides a full range of services to some 57,000 residents. The daytime population of Valdosta soars to approximately 75,000. These

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

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

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

Natural Features and Land Use

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

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

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

The City's downtown area is enjoying 95% building occupancy. The newly revitalized central downtown area is home to commercial, public and most recently residential dwellings.

Population

The City's population has grown 25% in the last ten years. The City of Valdosta has the largest percentage of residents in Lowndes County with 48% percent of the entire population residing within the City limits of Valdosta.

Major regional facilities located in the City include a regional university, regional airport, regional hospital, and major industrial parks. About 65% of the jobs in Lowndes County

are located in Valdosta. Consequently, of the 10 largest employers in Lowndes County, 6 are located in the City of Valdosta.

Population density, a primary indicator of service delivery, is approximately 1,500 people per square mile in the City of Valdosta and only 180 people per square mile in the unincorporated area of Lowndes County.

Economic Condition and Outlook

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

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

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

Education continues to be an economic resource to Valdosta. Valdosta State University, a senior unit of the University System of Georgia, offers undergraduate, graduate and doctoral degree programs in numerous areas. Total enrollment at the University is approximately 11,300 students. The university is projected to be a significant contributor to the local economy well into the future, however, as it expands, property purchased by the university is removed from the tax rolls because it is designated public property.

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

Even with the above mentioned positive attributes of the City's economy, anemic growth in the tax digest, lagging sales tax collection, and surging healthcare costs coupled with the increased demand upon public safety and other City services affect the City of

Valdosta. In an effort to prevent depleting reserves to balance the annual budget, each department director is held accountable for their respective department's budget.

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

Major Initiatives

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

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

Looking to the Future

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

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

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

Cash Management

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

Risk Management

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

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

Independent Audit

Georgia requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City by independent certified public accountants selected by the Mayor and City Council. The City has complied with this requirement; the firm of Henderson & Godbee has completed an audit of the 2016 fiscal year end and the auditor's unmodified opinion has been included in this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Valdosta for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. This was the twenty-eighth 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, 2016. This was the sixteenth consecutive year the City has received this award. The Distinguished Budget Presentation Award is the highest form of recognition in governmental budgeting. In order to earn this award, a government must publish a budget document which meets program criteria as a policy document, financial plan, operations guide, and as a communications device.

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

Acknowledgements

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

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

Respectfully submitted,

A handwritten signature in black ink, reading "L. Charles Dinkins, Jr." with a stylized flourish at the end.

L. Charles Dinkins, Jr.
Finance Director



Government Finance Officers Association

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

Presented to

**City of Valdosta
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

PRINCIPAL OFFICIALS CITY OF VALDOSTA, GEORGIA

Mayor

John Gayle

Council Member – At Large

Ben Norton

Council Member – District I

Vivian Miller-Cody

Council Member – District II

Sandra Tooley

Council Member – District III

Joseph Vickers

Council Member – District IV

Alvin Payton, Jr.

Council Member – District V

Tim Carroll

Council Member – District VI

Robert Yost

City Manager

Larry H. Hanson

Assistant City Manager

L. Mark Barber

Clerk of Council

Teresa Bolden

City Attorney

George T. Talley

Municipal Court Judge

Vernita L. Bender

City Auditor

Henderson & Godbee, LLC

Human Resources Director

Renassa Small

City Engineer

Patrick S. Collins

Fire Chief

Freddie Broome

Police Chief

Brian Childress

Utilities Director

Henry Hicks

Public Works Director

Richard Hardy

Finance Director

Chuck Dinkins



Henderson & Godbee, LLP

Certified Public Accountants and Business Consultants

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

Robert A. Goddard, Jr., CPA (1943-1989)

Gerald H. Henderson, CPA

J. Wendell Godbee, CPA

Mark S. Rogers, CPA

James W. Godbee, Jr., CPA

Maureen P. Collins, CPA

Kevin R. Hiers, CPA, CVA

Amanda W. Shapard, CPA

Troy D. Newham, CPA

Scott R. Simpson, CPA

J. Philip Young, CPA

Billie A. Baxter, CPA

Mae A. Johnson, CPA

Keeley T. Collins, CPA

Kaitlyn E. Hannay, CPA

Jacey B. Pittman, CPA

M. Allison Hutchins, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Valdosta, Georgia, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Valdosta, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Valdosta, Georgia's, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 16), budgetary comparison information (on pages 73 through 75), and the schedules of historical pension information and the related notes (on pages 76 through 78) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Valdosta, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121, and is also not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

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

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


Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2017, on our consideration of the City of Valdosta, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Valdosta, Georgia's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Henderson & Godbee, LLP". The script is cursive and fluid.

Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

January 9, 2017



MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Valdosta's Comprehensive Annual Financial Report presents a discussion and analysis of the City's financial performance during the fiscal year ending June 30, 2016. 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 \$200.13 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 \$8.43 million, primarily due to economic conditions dictating the use of investment funds to supplement current cash, higher than expected healthcare costs, capital contributions to the Water/Sewer Fund, large capital outlays for the General Fund and the required adjustment for the City's most recent Other Post Employment Benefits, and Pension Fund evaluation.
- The governmental activities revenue decreased by \$.94 million (or 1.89%) and the net results from activities increased \$.75 million. The results of activities produced a decrease in net position of \$8.43 million. Governmental expenses increased by \$1.12 million.
- The business-type activities revenue increased by \$.10 million and the net results from activities decreased by \$2.37 million. The results of activities produced an increase in net position of \$12.30 million.
- The total cost of all City programs increased by \$.78 million.
- The General Fund (the primary operating fund of the City) reflected on a current financial resource basis, reports a net decrease in fund balance of \$.09 million.
- The City's total debt increased \$15.76 million (or 21.32%). The increase is the result of borrowings from Georgia Environmental Facilities Authority to fund improvements to and expansion of the city's sewer system.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Figure A-1

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Statements

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

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

- Over time, increases or decreases in the City of Valdosta's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, the reader should consider additional nonfinancial factors such as changes in the City's property tax base.
- *Governmental activities*—Most of the City's basic services are included here, such as the police, fire, public works, and general administration departments. Property taxes, sales and use taxes, and state and federal grants finance most of these activities.
- *Business-type activities*—The City of Valdosta charges fees to customers to help cover the costs of certain services provided. The City's garbage pickup, water/sewer service, building inspection, building rental, auditorium, storm water, and motor fuel services are included here.

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The City establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City of Valdosta utilizes three types of funds:

- **Governmental funds**—most of the City of Valdosta's basic services are included in governmental funds, which focus on (1) how cash and other financial assets

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

- **Proprietary funds**—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. Two types of proprietary funds exist: enterprise funds and internal service funds. The City of Valdosta's enterprise funds are the same as its business-type activities yet provide more detail and additional information, such as cash flows. Internal service funds are used to report activities that provide supplies and services for the City's other programs and activities. The measurement focus of proprietary funds is upon determination of net income, financial position and change in financial position. These funds are maintained on the accrual basis of accounting. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows are all required statements.
- **Agency Funds**—because Agency funds are custodial in nature, the only required financial statements are the Balance Sheet and the Statement of Changes in Assets and Liabilities. The measurement focus of Agency Funds is upon determination of financial position. Agency Funds are maintained on the accrual basis of accounting. Activities of this fund are not included in the Government-wide Statement of Activities.

FINANCIAL ANALYSIS OF THE CITY OF VALDOSTA AS A WHOLE

Net Position. The City of Valdosta's combined net position increased 1.97 percent from \$196.26 million at June 30, 2015 to \$200.13 million at June 30, 2016. (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
	2015	2016	2015	2016	2015	2016	2015 – 2016
Current and other assets	\$17.86	\$16.88	\$1.44	(\$.64)	\$19.30	\$16.24	(15.85%)
Capital Assets	128.24	126.68	196.53	220.12	324.77	346.80	6.78%
Total Assets	146.10	143.56	197.97	219.48	\$344.07	363.04	5.51%
Deferred Outflows of Resources	7.54	5.41	-	-	7.54	5.41	(28.25%)
Long-term debt outstanding	.06	2.90	73.86	86.78	73.92	89.68	21.32%
Other liabilities	72.06	73.62	8.23	4.52	80.29	78.14	(2.68%)
Total Liabilities	72.12	76.52	82.09	91.30	154.21	167.82	8.83%
Deferred Inflow of Resources	1.14	.50	-	-	1.14	.50	(56.14%)
Net Position							
Invested in capital assets, net of related debt	128.17	123.79	122.68	133.34	250.85	257.13	2.50%
Restricted	2.73	4.00	-	-	2.73	4.00	46.52%
Unrestricted	(50.52)	(55.84)	(6.80)	(5.16)	(57.32)	(61.00)	(6.42%)
Total Net Position	\$80.38	\$71.95	\$115.88	\$128.18	\$196.26	\$200.13	1.97%

Net Position of the City's governmental activities decreased by 10.49 percent to \$71.95 million. However, much of the net position is restricted as to the purposes for which it can be used, or is invested in capital assets (buildings, roads, and such). Consequently, unrestricted net position showed a \$55.84 million deficit at the end of the year.

The deficit in unrestricted governmental net position was negatively affected by several factors for fiscal year 2016. 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 an increase in Other Post Employment Benefits and Pension Liability of 1.70 million and 1.36 million respectively.

Although the net position of the City's business-type activities increased by 10.61 percent to \$128.18 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 decreased by 1.12 percent to \$73.83 million. (See Table A-2) Approximately 37 percent of the City's revenue comes from fees charged for services, 12 percent from sales taxes, 14 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 24 percent represents grants, accommodation tax and investment revenue.

The total cost of all programs and services increased by 1.11 percent. The City's expenses cover a myriad of services, with approximately 34.10 percent related to public safety, 27.91 percent related to general government expenses, and 22.43 percent related to water/sewer expenses. The balance of 15.56 percent is comprised of public works, economic development, solid waste, inspection, auditorium, storm water, and motor fuel functions.

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

Governmental Activities

Revenues for the City's governmental activities decreased \$.94 million (or 1.89%) to \$48.68 million, while governmental activities expenses experienced an increase of \$1.12 million (or 2.43%) to \$47.12 million.

The decrease in governmental revenue is primarily the result of decreases in user fees and capital grants. Most other revenues were flat.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Governmental		Business-type		Total		Total
	Activities		Activities		Activities		Percentage
	2015	2016	2015	2016	2015	2016	Change
							2015 – 2015
REVENUES							
Program Revenues:							
Charges for Services	\$2.79	\$2.36	\$25.05	\$25.15	\$27.84	\$27.51	(1.19%)
Operating Grants & Contributions	2.16	2.56	-	-	2.16	2.56	18.52%
Capital Grants & Contributions	12.74	11.91	-	-	12.74	11.91	(6.51%)
General Revenues:							
Property Taxes	10.09	10.13	-	-	10.09	10.13	.40%
Sales Taxes	9.08	8.85	-	-	9.08	8.85	(2.53%)
Accommodations Tax	2.72	2.89	-	-	2.72	2.89	6.25%
Other Taxes	9.39	9.53	-	-	9.39	9.53	1.49%
Investment Earnings	.02	.02	-	-	.02	.02	.00%
Misc	.63	.43	-	-	.63	.43	(31.75%)
Total Revenues	49.62	48.68	25.05	25.15	74.67	73.83	(1.12%)
EXPENSES							
Program Activities							
Primary Government:							
Governmental Activities:							
General Government	21.36	19.79	-	-	21.36	19.79	(7.35%)
Public Safety	21.88	24.18	-	-	21.88	24.18	10.51%
Public Works	1.72	2.04	-	-	1.72	2.04	18.60%
Economic Development and Assistance	1.04	1.11	-	-	1.04	1.11	6.73%
Business-type Activities:							
Solid Waste	-	-	4.80	4.99	4.80	4.99	3.96%
Water/Sewer	-	-	16.26	15.90	16.26	15.90	(2.21%)
Housing Inspections	-	-	.95	.86	.95	.86	(9.47%)
DOL Building	-	-	.38	.42	.38	.42	10.53%
Stormwater	-	-	1.09	1.09	1.09	1.09	.00%
City Auditorium	-	-	.24	.25	.24	.25	4.17%
Motor Fuel	-	-	.40	.27	.40	.27	(32.50%)
Total Expenses	46.00	47.12	24.12	23.78	70.12	70.90	1.11%
Excess (deficiency) before transfers	3.62	1.56	.93	1.37	4.55	2.93	(35.60%)
Transfers	(12.80)	(9.99)	12.80	9.99	-	-	.00%
Increase (Decrease) in Net Assets	(9.18)	(8.43)	13.73	11.36	4.55	2.93	(35.60%)
Special Item	-	-	-	.94	-	.94	100.00%
PPA	(38.16)	-	-	-	(38.16)	-	100.00%
Net position, beginning, revised	127.72	80.38	102.15	115.88	229.87	196.26	(14.62%)
Net position, ending	\$80.38	\$71.95	\$115.88	128.18	\$196.26	200.13	1.97%

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 \$47.12 million.
- However, the amount that taxpayers paid for these activities through City taxes was \$31.42 million. Some of the cost was paid by:
 - Those who benefited directly from the programs (\$2.36 million).
 - Other governments and organizations that subsidized certain programs with grants and contributions (\$14.47 million).
 - Other miscellaneous sources such as investments (\$.43 million).

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

Function	<u>Total Cost Of Services</u>		<u>Percentage Change</u>	<u>Net Cost of Services</u>		<u>Percentage Change</u>
	2015	2016	2015 – 2016	2015	2016	2015 – 2016
General Government	\$21.36	\$19.79	(7.35%)	\$8.38	\$7.96	(4.99%)
Public Safety	21.88	24.18	10.51%	18.09	19.82	9.55%
Public Works	1.72	2.04	18.60%	1.61	1.94	20.45%
Economic Development and Assistance	1.04	1.11	6.73%	.23	.57	149.41%
Total	\$46.00	\$47.12	2.43%	\$28.31	\$30.29	7.00%

Business-type Activities

Total revenues available during the year to finance enterprise (business type) activities were \$25.15 million. Funding was made available as follows: program revenues \$25.15 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The cost of all enterprise (business-type) activities for the year accumulated to \$23.78 million consisting of the following activities: solid waste \$4.99 million, water/sewer \$15.90 million, inspections \$.86 million, city auditorium \$.25 million, motor fuel \$.27 million, DOL building \$.42 million, and storm water \$1.09 million. In addition the Enterprise funds transferred \$1.72 million to the General Fund for administrative services, and \$.81 million to Group Insurance Fund.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

General Fund Budgetary Highlights

Comparing the FY 2016 original General Fund budget, in the amount of \$35.53 million, to the final budget amount of \$36.61 million represents an increase of \$1.08 million.

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

The General Fund experienced a decline in fund balance due to continuing weakness in sales tax revenues and increases in spending on public safety due to the purchase of new fire engines.

The Sales Tax 2013 Fund experienced a decline in fund balance because the rate of capital expenditures exceeded that of sales tax collections in the fund. This is to be expected in this type of capital project fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of the year-end, the City had \$346.80 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 \$22.03 million or 6.78 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
	2015	2016	2015	2016	2015	2016	2015 – 2016
Non-depreciable assets							
Land	\$76.85	\$76.87	\$3.04	\$3.04	\$79.89	\$79.91	.03%
Construction in progress	.59	1.58	43.34	69.04	43.93	70.62	60.76%
Depreciable Assets							
Land improvements	13.86	13.86	106.69	109.32	120.55	123.18	2.18%
Buildings	29.03	29.02	97.76	97.90	126.79	126.92	0.10%
Equipment	10.34	9.45	5.58	5.52	15.92	14.97	(5.97%)
Motor vehicles	15.92	16.10	-	-	15.92	16.10	1.13%
Infrastructure	103.51	103.51	-	-	103.51	103.51	.00%
Intangibles	-	-	1.16	1.16	1.16	1.16	.00%
Accumulated depreciation	(121.86)	(123.71)	(61.04)	(65.86)	(182.90)	(189.57)	3.65%
	\$128.24	\$126.68	\$196.53	\$220.12	\$324.77	\$346.80	6.78%

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

The increase in construction in progress is the result of a planned improvements to the city's waste water system. This project is also a major source of the increase in other categories in business type activities.

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 \$89.68 million in total debt outstanding. Government wide debt increased by 21 percent as compared to last year.

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

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

	Governmental		Business-type		Total		Total
	<u>Activities</u>		<u>Activities</u>		<u>Total</u>		Percentage
	2015	2016	2015	2016	2015	2016	Change
Revenue Bonds	\$-	\$-	\$2.08	\$1.85	\$2.08	\$1.85	(11.06%)
Notes Payable	-	-	71.78	84.93	71.78	84.93	18.32%
Capital Leases	.06	2.90	-	-	.06	2.90	4733.33%
Total	\$0.06	\$2.90	\$73.86	\$86.78	\$73.92	\$89.68	21.32%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

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

The City of Valdosta collected major revenues that support governmental operations below budget. However, General Fund expenditures were generally kept below budget with the exception of health care costs. The combination of both revenues and expenditures being below budget saw many funds, including the General Fund, experience slight decreases in fund balance. Even with this decrease, the city remains fiscally strong and has managed to meet some deferred capital needs with minimal impact on the General Fund. Despite a still sluggish economy, the city remains financially stable and well positioned to grow when the economy improves.

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 slight decrease in Business Occupation revenue.
- General Fund's Ending Fund Balance – reflects the City's ability to meet ever increasing demands for general service while remaining financially sound and fiscally responsible by providing a buffer for short-term fluctuations in the economy. The General Fund experienced a small decrease in total fund balance at June 30, 2016.

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.

A tall, white, cylindrical water tower with a conical top. The tower is surrounded by a dense forest of green trees. In the background, a city skyline is visible under a hazy sky. The tower has the word "VALDOSTA" in large, dark letters and "A City Without Limits" in smaller letters below it, separated by a yellow swoosh.

VALDOSTA
A City Without Limits

BASIC FINANCIAL STATEMENTS

CITY OF VALDOSTA, GEORGIA
STATEMENT OF NET POSITION
AS OF JUNE 30, 2016

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Cash	\$460,126	\$887,504	\$1,347,630
Investments	1,977,388	1,123,898	3,101,286
Receivables (net)	5,535,481	2,761,658	8,297,139
Due from other governments	1,082,090	1,411,869	2,493,959
Interfund balances	7,250,592	(7,250,592)	0
Inventories	569,700	423,258	992,958
Prepays	2,304	0	2,304
Capital assets:			
Non-depreciable	78,451,810	72,080,680	150,532,490
Depreciable (net)	48,232,954	148,039,831	196,272,785
Total Assets	\$143,562,445	\$219,478,106	\$363,040,551
DEFERRED OUTFLOWS OF RESOURCES			
Differences between actual and expected			
pension experience	\$1,312,474	\$0	\$1,312,474
Pension payments after pension valuation	3,000,000	0	3,000,000
Net difference between projected and actual			
pension plan earnings	1,098,443	0	1,098,443
Total Deferred Outflows	\$5,410,917	\$0	\$5,410,917
LIABILITIES			
Accounts payable	\$4,172,974	\$3,019,748	\$7,192,722
Contracts payable	832,640	0	832,640
Accrued interest payable	0	152,454	152,454
Deposits	3,679	865,737	869,416
Non-current liabilities			
Due within one year:			
Compensated absences	730,800	231,261	962,061
Due to other governments & agencies	3,136	2,272,484	2,275,620
Capital leases payable	439,791	0	439,791
Bonds payable	0	233,000	233,000
Due in more than one year:			
Other post employment benefits	21,446,538	0	21,446,538
Compensated absences	791,809	249,237	1,041,046
Due to other governments & agencies	0	82,656,530	82,656,530
Capital leases payable	2,457,565	0	2,457,565
Net pension liability	45,639,627	0	45,639,627
Bonds payable	0	1,614,000	1,614,000
Total Liabilities	\$76,518,559	\$91,294,451	\$167,813,010
DEFERRED INFLOWS OF RESOURCES			
Changes in actuarial assumptions	\$410,323	\$0	\$410,323
Unearned revenue	97,542	0	97,542
Total Deferred Inflows	\$507,865	\$0	\$507,865
NET POSITION			
Net investment in capital assets	\$123,787,408	\$133,344,497	\$257,131,905
Restricted for:			
Capital outlay	2,143,328	0	2,143,328
Perpetual care	1,661,287	0	1,661,287
Other purposes	193,385	0	193,385
Unrestricted	(55,838,470)	(5,160,842)	(60,999,312)
Total Net Position	\$71,946,938	\$128,183,655	\$200,130,593

The accompanying notes are an integral part of these statements.

CITY OF VALDOSTA, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and Contributions	Grants and Contributions
Function/Program Activities				
Primary Government:				
Governmental Activities				
General Government	19,793,450	56,591	0	11,775,248
Public Safety	24,181,599	2,203,592	2,037,796	123,272
Public Works	2,042,771	103,566	0	0
Community Development	1,104,091	0	521,011	9,442
Interest on Long-term Debt	3,044	0	0	0
Total governmental activities	47,124,955	2,363,749	2,558,807	11,907,962
Business-type Activities				
Sanitation	4,992,623	5,025,549	0	0
Water and Sewer	15,891,914	17,185,147	0	0
Inspection	862,507	860,838	0	0
DOL Building	423,139	469,157	0	0
Storm Water	1,091,578	1,283,342	0	0
Auditorium	245,846	43,734	0	0
Motor Fuel	271,105	280,181	0	0
Total business-type activities	23,778,712	25,147,948	0	0
Total Primary Government	\$70,903,667	\$27,511,697	\$2,558,807	\$11,907,962
General Revenues:				
Taxes:				
Property Taxes				
Sales Tax				
Accommodations Tax				
Franchise Tax				
Insurance Premium Tax				
Business Occupation Tax				
Other Taxes				
Investment Earnings				
Miscellaneous				
Special Items				
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
(7,961,611)	0	(7,961,611)
(19,816,939)	0	(19,816,939)
(1,939,205)	0	(1,939,205)
(573,638)	0	(573,638)
(3,044)	0	(3,044)
<u>(30,294,437)</u>	<u>0</u>	<u>(30,294,437)</u>
0	32,926	32,926
0	1,293,233	1,293,233
0	(1,669)	(1,669)
0	46,018	46,018
0	191,764	191,764
0	(202,112)	(202,112)
0	9,076	9,076
<u>0</u>	<u>1,369,236</u>	<u>1,369,236</u>
<u>(\$30,294,437)</u>	<u>\$1,369,236</u>	<u>(\$28,925,201)</u>
10,128,482	0	10,128,482
8,853,226	0	8,853,226
2,893,595	0	2,893,595
4,020,784	0	4,020,784
3,155,526	0	3,155,526
1,488,194	0	1,488,194
868,395	0	868,395
17,374	0	17,374
427,323	0	427,323
0	939,291	939,291
<u>(9,989,224)</u>	<u>9,989,224</u>	<u>0</u>
<u>21,863,675</u>	<u>10,928,515</u>	<u>32,792,190</u>
<u>(8,430,762)</u>	<u>12,297,751</u>	<u>3,866,989</u>
<u>80,377,700</u>	<u>115,885,904</u>	<u>196,263,604</u>
<u>\$71,946,938</u>	<u>\$128,183,655</u>	<u>\$200,130,593</u>

GOVERNMENTAL FUNDS



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

Sales Tax 2013 Fund – to account for the financing and construction of capital improvements for various public projects. These improvements will be financed through a 1% local option sales tax collected for 72 months starting January 2014.

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

CITY OF VALDOSTA, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	GENERAL	SALES TAX 2013	CVDA	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash	\$21,339	\$0	\$81,761	\$241,700	\$344,800
Investments, at cost or amortized cost	521,595	0	0	1,455,793	1,977,388
Receivables (net)					
Taxes	1,163,964	867,471	14,419	0	2,045,854
Accounts	100,019	0	0	264,484	364,503
Interest	0	0	0	2,355	2,355
Second mortgages	0	0	0	2,585,870	2,585,870
Special assessments	45,387	0	0	0	45,387
Due from other governments and agencies	314,154	0	0	767,936	1,082,090
Interfund balances	1,836,672	0	5,816	1,032,087	2,874,575
Advance to other funds	4,290,580	0	0	0	4,290,580
Prepaid expenditures	2,304	0	0	0	2,304
Inventories, at cost	0	213,395	0	0	213,395
Total assets	<u>\$8,296,014</u>	<u>\$1,080,866</u>	<u>\$101,996</u>	<u>\$6,350,225</u>	<u>\$15,829,101</u>
LIABILITIES					
Liabilities:					
Outstanding checks in excess of bank balance	\$0	\$2,054	\$0	\$237	\$2,291
Accounts payable	1,456,421	1,144,244	11,816	588,926	3,201,407
Contracts payable	0	832,640	0	0	832,640
Deposits	3,679	0	0	0	3,679
Due to:					
Other funds	3,660,327	1,134,136	0	18,883	4,813,346
Other governments and agencies	3,136	0	0	0	3,136
Advances from other funds	0	0	0	30,000	30,000
Total liabilities	<u>5,123,563</u>	<u>3,113,074</u>	<u>11,816</u>	<u>638,046</u>	<u>8,886,499</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	<u>639,585</u>	<u>0</u>	<u>14,419</u>	<u>505,288</u>	<u>1,159,292</u>
FUND BALANCES					
Fund Balance (deficit):					
Nonspendable	3,551,702	213,395	0	4,188,058	7,953,155
Restricted	206,002	2,141,728	75,761	104,059	2,527,550
Committed	10,767	0	0	0	10,767
Assigned	0	0	0	958,520	958,520
Unassigned	(1,235,605)	(4,387,331)	0	(43,746)	(5,666,682)
Total fund balance	<u>2,532,866</u>	<u>(2,032,208)</u>	<u>75,761</u>	<u>5,206,891</u>	<u>5,783,310</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$8,296,014</u>	<u>\$1,080,866</u>	<u>\$101,996</u>	<u>\$6,350,225</u>	<u>\$15,829,101</u>

The accompanying notes are an integral part of these statements.

**CITY OF VALDOSTA, GEORGIA
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2016**

Fund balances - total governmental funds	\$5,783,310
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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	\$230,951,532	
Less accumulated depreciation	<u>(107,456,878)</u>	123,494,654

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		(21,446,538)
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Compensated absences		(1,475,596)
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Capital Leases		(2,114,046)
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Net pension liability	(\$45,639,627)	
Differences between expected and actual experience	1,312,474	
Changes in actuarial assumptions	(410,323)	
Pension payments after pension valuation date	3,000,000	
Net difference between projected and actual investment earnings	<u>1,098,443</u>	(40,639,033)

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

Unavailable revenue		1,061,750
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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.		<u>7,282,437</u>
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Net position of governmental activities		<u><u>\$71,946,938</u></u>
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The accompanying notes are an integral part of these statements.

CITY OF VALDOSTA, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	GENERAL	SALES TAX 2013	CVDA	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Taxes	\$27,919,213	\$0	\$95,863	\$2,893,595	\$30,908,671
Licenses and permits	536,322	0	0	0	536,322
Charges for service	142,285	0	0	0	142,285
Fines and forfeitures	1,029,086	0	0	9,021	1,038,107
Interest income	6,060	0	140	11,174	17,374
Contributions	11,451	0	8,897	8,300	28,648
Miscellaneous	510,841	0	1,368	25,670	537,879
Intergovernmental	1,394,062	11,394,712	0	2,419,968	15,208,742
TOTAL REVENUES	31,549,320	11,394,712	106,268	5,367,728	48,418,028
EXPENDITURES:					
Current:					
General government	8,451,582	0	119,094	2,167,974	10,738,650
Public safety	22,655,125	0	0	24,225	22,679,350
Public works	1,820,409	0	0	0	1,820,409
Economic development and assistance	484,258	0	0	570,663	1,054,921
Capital outlay	0	14,034,070	0	2,204,134	16,238,204
Debt service principal	77,511	0	0	0	77,511
Debt service interest	3,044	0	0	0	3,044
TOTAL EXPENDITURES	33,491,929	14,034,070	119,094	4,966,996	52,612,089
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,942,609)	(2,639,358)	(12,826)	400,732	(4,194,061)
OTHER FINANCING SOURCES (USES):					
Transfers in	1,753,894	0	0	165,000	1,918,894
Transfers out	(2,035,027)	0	0	(479,407)	(2,514,434)
Capital leases	2,134,015	0	0	0	2,134,015
TOTAL OTHER FINANCING SOURCES (USES)	1,852,882	0	0	(314,407)	1,538,475
NET CHANGE IN FUND BALANCES	(89,727)	(2,639,358)	(12,826)	86,325	(2,655,586)
FUND BALANCES - BEGINNING	2,622,593	607,150	88,587	5,120,566	8,438,896
FUND BALANCES - END OF YEAR	\$2,532,866	(\$2,032,208)	\$75,761	\$5,206,891	\$5,783,310

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, 2016

Net change in fund balances - total governmental funds	(\$2,655,586)
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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	\$16,238,204	
Less capital expenditures not capitalized in governmental funds	(14,914,456)	
Less current year depreciation	(3,087,532)	(1,763,784)

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	(9,740)
Issuance of long-term debt	(2,134,015)
Change in pension liability	(1,357,618)
Other post employment benefits	(1,695,990)
Principal payments on long-term debt	77,465
Long-term accounts receivable	120,864
Internal service funds	987,642
Change in net position of governmental activities	(\$8,430,762)

The accompanying notes are an integral part of these statements.

PROPRIETARY FUNDS

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

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

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

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

CITY OF VALDOSTA, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	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	\$20,643	\$0	\$0	\$3,857	\$24,500	\$115,326
Investments	0	1,114,475	0	0	9,423	1,123,898	0
Receivables (net)							
Accounts	603,516	2,017,024	0	124,885	16,233	2,761,658	491,512
Due from other governments and agencies	0	1,391,719	0	0	20,150	1,411,869	0
Due from other funds	0	1,771,625	0	0	0	1,771,625	850,799
Inventories at cost	0	423,258	0	0	0	423,258	356,305
Restricted assets							
Cash	11,085	851,919	0	0	0	863,004	0
Total current assets	614,601	7,590,663	0	124,885	49,663	8,379,812	1,813,942
Noncurrent assets:							
Land	0	2,791,492	0	246,911	0	3,038,403	92,563
Land improvement	243,229	107,315,179	0	1,766,105	0	109,324,513	383,595
Buildings and structures	1,178,500	92,358,809	4,364,002	0	0	97,901,311	455,021
Motor vehicles	0	0	0	0	0	0	16,098,297
Equipment	159,726	5,310,064	0	0	45,820	5,515,610	2,413,991
Intangibles	0	0	0	1,161,791	0	1,161,791	0
Construction in progress	0	69,042,277	0	0	0	69,042,277	0
	1,581,455	276,817,821	4,364,002	3,174,807	45,820	285,983,905	19,443,467
Less accumulated depreciation	(812,809)	(63,580,155)	(1,046,622)	(377,988)	(45,820)	(65,863,394)	(16,253,357)
Net capital assets	768,646	213,237,666	3,317,380	2,796,819	0	220,120,511	3,190,110
Total noncurrent assets	768,646	213,237,666	3,317,380	2,796,819	0	220,120,511	3,190,110
Total assets	\$1,383,247	\$220,828,329	\$3,317,380	\$2,921,704	\$49,663	\$228,500,323	\$5,004,052
LIABILITIES							
Current liabilities:							
Accounts payable	\$264,616	\$2,678,144	\$10,656	\$40,652	\$25,680	\$3,019,748	\$969,276
Accrued interest	0	120,638	31,816	0	0	152,454	0
Compensated absences (current portion)	58,461	134,833	0	14,627	23,340	231,261	20,558
Due to other funds	385,262	0	261,439	30,740	0	677,441	6,212
Due to other governments and agencies (current portion)	0	2,272,484	0	0	0	2,272,484	0
Capital lease payable (current portion)	0	0	0	0	0	0	190,953
Bonds payable (current portion)	0	0	233,000	0	0	233,000	0
Current liabilities (payable from restricted assets):							
Deposits	8,510	857,227	0	0	0	865,737	0
Total current liabilities	716,849	6,063,326	536,911	86,019	49,020	7,452,125	1,186,999
Noncurrent liabilities (payable from unrestricted assets):							
Compensated absences	104,491	127,483	0	16,441	822	249,237	26,455
Capital lease payable (net of current portion)	0	0	0	0	0	0	592,357
Bonds payable (net of current portion)	0	0	1,614,000	0	0	1,614,000	0
Advances from other funds	0	0	0	0	1,286,802	1,286,802	2,973,778
Due to other governments and agencies, (net of current portion)	0	82,656,530	0	0	0	82,656,530	0
Total noncurrent liabilities (payable from unrestricted assets)	104,491	82,784,013	1,614,000	16,441	1,287,624	85,806,569	3,592,590
Total liabilities	821,340	88,847,339	2,150,911	102,460	1,336,644	93,258,694	4,779,589
NET POSITION (DEFICIT)							
Net investment in capital assets	768,646	128,308,652	1,470,380	2,796,819	0	133,344,497	2,406,800
Restricted							
Restricted for workmen's compensation claims	0	0	0	0	0	0	224,463
Unrestricted	(206,739)	3,672,338	(303,911)	22,425	(1,286,981)	1,897,132	(2,406,800)
Total net position (deficit)	\$561,907	\$131,980,990	\$1,166,469	\$2,819,244	(\$1,286,981)	135,241,629	\$224,463
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						(7,057,974)	
Net position of business-type activities						\$128,183,655	

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, 2016

	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	\$822,589	\$822,589	\$0
Charges for services	4,731,404	17,118,230	469,157	1,283,342	362,164	23,964,297	9,635,899
Recycling revenue	73,921	0	0	0	0	73,921	0
Intergovernmental revenues	215,076	0	0	0	0	215,076	0
Miscellaneous revenues	5,148	66,917	0	0	0	72,065	126,740
TOTAL OPERATING REVENUES	5,025,549	17,185,147	469,157	1,283,342	1,184,753	25,147,948	9,762,639
Operating expenses:							
Personal services	2,156,505	4,413,524	0	584,456	721,173	7,875,658	641,669
Contractual services	925,554	2,088,866	184,959	142,041	126,798	3,468,218	3,092,309
Claims paid	0	0	0	0	0	0	6,209,840
Supplies	183,189	1,146,328	0	58,917	289,638	1,678,072	1,901,203
Travel and training	681	12,732	0	1,778	1,175	16,366	218
Other services and charges	1,296,559	1,415,668	72,849	187,711	177,877	3,150,664	387,792
Amortization expense	0	0	0	73,956	0	73,956	0
Depreciation expense	35,348	5,226,420	87,074	0	0	5,348,842	762,852
TOTAL OPERATING EXPENSES	4,597,836	14,303,538	344,882	1,048,859	1,316,661	21,611,776	12,995,883
OPERATING INCOME (LOSS)	427,713	2,881,609	124,275	234,483	(131,908)	3,536,172	(3,233,244)
Non-operating revenues (expenses):							
Gain on sale of assets	0	0	0	0	0	0	103,623
Interest expense and fiscal charges	0	(1,128,448)	(78,257)	0	0	(1,206,705)	(14,784)
TOTAL NON-OPERATING REVENUES (EXPENSES)	0	(1,128,448)	(78,257)	0	0	(1,206,705)	88,839
INCOME (LOSS)BEFORE CONTRIBUTIONS TRANSFERS, AND SPECIAL ITEMS	427,713	1,753,161	46,018	234,483	(131,908)	2,329,467	(3,144,405)
Capital contribution revenue	0	12,241,959	0	0	0	12,241,959	323,541
Transfers in	0	0	0	0	283,013	283,013	2,848,275
Transfers out	(493,247)	(1,810,627)	0	(164,364)	(67,510)	(2,535,748)	0
Special item	939,291	0	0	0	0	939,291	0
	446,044	10,431,332	0	(164,364)	215,503	10,928,515	3,171,816
Change in Net Position	873,757	12,184,493	46,018	70,119	83,595	13,257,982	27,411
NET POSITION - BEGINNING (DEFICIT)	(311,850)	119,796,497	1,120,451	2,749,125	(1,370,576)		197,052
NET POSITION - ENDING (DEFICIT)	\$561,907	\$131,980,990	\$1,166,469	\$2,819,244	(\$1,286,981)		\$224,463
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						(960,231)	
Change in net position of business-type activities						\$12,297,751	

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, 2016

	BUSINESS-TYPE ACTIVITIES					GOVERNMENTAL	
	ENTERPRISE FUNDS					ACTIVITIES	
	WATER/ SEWER SANITATION	DEPARTMENT OF LABOR REVENUE	OTHER ENTERPRISE FUNDS	STORMWATER	TOTAL	INTERNAL SERVICE FUNDS	
Cash flows from operating activities:							
Cash received from customers	\$4,720,159	\$17,132,720	\$469,157	\$1,294,622	\$1,192,100	\$24,808,758	\$10,254,018
Cash payments to suppliers for goods and services	(3,302,899)	(7,890,990)	(153,887)	(548,468)	(643,716)	(12,539,960)	(12,436,997)
Cash payments to employees for services	(2,136,117)	(4,396,879)	0	(581,790)	(750,907)	(7,865,693)	(636,999)
Other operating revenues	73,921	0	0	0	0	73,921	0
Miscellaneous income	5,148	66,917	0	0	0	72,065	0
New customer utility deposits	743	266,782	0	0	0	267,525	0
Intergovernmental revenues	215,076	0	0	0	0	215,076	0
Refunded customer utility deposits	(1,230)	(228,664)	0	0	0	(229,894)	0
Net change in cash from operating activities	(425,199)	4,949,886	315,270	164,364	(202,523)	4,801,798	(2,819,978)
Cash flows from noncapital financing activities:							
Transfers-in from other funds	0	0	0	0	283,013	283,013	2,848,275
Transfers-out to other funds	(493,247)	(1,810,627)	0	(164,364)	(67,510)	(2,535,748)	0
Net change in cash from noncapital financing activities	(493,247)	(1,810,627)	0	(164,364)	215,503	(2,252,735)	2,848,275
Cash flows from capital and related financing activities:							
Principal paid on Georgia Environmental Finance Authority Loan	0	(2,198,724)	0	0	0	(2,198,724)	0
Loan from Georgia Environmental Finance Authority	0	16,639,350	0	0	0	16,639,350	0
Loan from GMA Bond	0	0	0	0	0	0	498,298
Acquisition and construction of capital assets	(20,057)	(15,917,334)	0	0	0	(15,937,391)	(657,405)
Proceeds from sale of capital assets	0	0	0	0	0	0	103,623
Principal paid on DOL intergovernmental note	0	0	(233,000)	0	0	(233,000)	0
Principal paid on GMA Bond	0	0	0	0	0	0	(187,793)
Interest paid on GEFA loan	939,291	(1,963,000)	0	0	0	(1,023,709)	0
Interest paid on DOL intergovernmental note	0	0	(82,270)	0	0	(82,270)	0
Interest paid on GMA bond	0	0	0	0	0	0	(14,784)
Net change in cash from capital and related financing activities	919,234	(3,439,708)	(315,270)	0	0	(2,835,744)	(258,061)
Cash flows from investing activities:							
Sale of investment securities	0	1,371,625	0	0	0	1,371,625	0
Purchase of investment securities	0	(1,114,475)	0	0	(9,423)	(1,123,898)	62,739
Net change in cash from investing activities	0	257,150	0	0	(9,423)	247,727	62,739
Net change in cash	788	(43,299)	0	0	3,557	(38,954)	(167,025)
Cash beginning of year	10,297	915,861	0	0	300	926,458	282,351
Cash at end of year	\$11,085	\$872,562	\$0	\$0	\$3,857	\$887,504	\$115,326
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CHANGE IN CASH FROM OPERATING ACTIVITIES							
Operating income (loss)	\$427,713	\$2,881,609	\$124,275	\$234,483	(\$131,908)	\$3,536,172	(\$3,233,244)
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	35,348	5,226,420	87,074	0	0	5,348,842	762,852
New customer utility deposit	743	266,782	0	0	0	267,525	0
Refunded customer utility deposit	(1,230)	(228,664)	0	0	0	(229,894)	0
Noncash transaction divestment of landfill	(943,941)	0	0	0	0	(943,941)	0
Change in assets and liabilities:							
Decrease in accounts receivable	(20,939)	71,709	0	11,280	7,347	69,397	491,379
(Increase) in due from other funds	0	(397,500)	0	0	0	(397,500)	(766,936)
Decrease in due from other governments and agencies	0	925	0	0	7,924	8,849	0
Decrease in inventory	0	50,877	0	0	0	50,877	23,393
Decrease in prepaid expenses	0	0	0	0	0	0	76,677
Increase (decrease) in operating payable	118,090	(2,921,481)	(4,026)	22,680	(16,656)	(2,801,393)	(164,632)
Increase (decrease) in compensated absences liability	9,241	(791)	0	293	(11,952)	(3,209)	4,670
(Decrease) increase in due to other funds	(50,224)	0	107,947	30,740	(11,627)	76,836	(35,025)
(Decrease) increase in advances from other funds	0	0	0	(209,068)	(45,651)	(254,719)	20,888
Net change in cash from operating activities	(425,199)	\$4,949,886	\$315,270	\$164,364	(\$202,523)	\$4,801,798	(\$2,819,978)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES							
Contributed capital assets from SPLOST 2013	0	12,241,959	0	0	0	12,241,959	323,541
Capitalized interest	0	827,849	0	0	0	827,849	0

The accompanying notes are an integral part of these statements.

An aerial photograph of a large, white, cylindrical water tower with a conical top. The tower is situated in a lush green forest. The top of the tower features a logo that reads "VALDOSTA A CITY WITHOUT LIMITS".

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, 2016

	TOTAL FIDUCIARY FUNDS
ASSETS	
Cash	\$61,306
Investments	62,192
Total assets	\$123,498
LIABILITIES	
Due to other governments and agencies	\$64,584
Due to others	58,914
Total liabilities	\$123,498

The accompanying notes are an integral part of these statements.

An aerial photograph of a large, white, cylindrical water tower. The tower has a wide, flat top section. On the side of the upper section, the word "VALDOSTA" is written in a serif font, with a yellow swoosh underneath it. Below the swoosh, the tagline "A City Without Limits" is written in a smaller, sans-serif font. The tower is surrounded by a dense forest of green trees. In the background, some industrial buildings and a body of water are visible under a hazy sky.

VALDOSTA
A City Without Limits

NOTES TO FINANCIAL STATEMENTS

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting principles of the City of Valdosta, Georgia conform to generally accepted accounting principles (“GAAP”) as prescribed by the Governmental Accounting Standards Board (“GASB”).

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

A. THE REPORTING ENTITY

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

Primary Government

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

Included with reporting entity as Blended Component Unit:

Central Valdosta Development Authority – The Authority was established by an Act of the General Assembly of Georgia to redevelop and improve the central Valdosta area. The Authority has the power to create special tax districts, to levy and collect taxes, and issue notes or other evidence of indebtedness, and only maintains a general fund. The Authority consists of seven members, one of whom is the Mayor of the City of Valdosta. The other six members are appointed by the City Council. The Development Authority provision of services is not limited entirely, or almost entirely, to the primary government nor does it only benefit the primary government. The debt of the Development Authority is paid substantially from City resources. Therefore, the City concluded in accordance with GASB 61 that the Authority should be included in the financial reporting entity by blended presentation.

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Separate financial statements are not available from the Authority.

Related Organizations:

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

B. MEASUREMENT FOCUS AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all nonfiduciary activities of the primary government and its component units. The City's fiduciary funds are not included in the government wide financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

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

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

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

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

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

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Fund Financial Statements

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

THE CITY REPORTS THE FOLLOWING MAJOR FUNDS:

GOVERNMENTAL

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

Sales Tax 2013 Fund – to account for the financing and construction of capital improvements for various public projects. These improvements will be financed through a 1% local option sales tax collected for 72 months starting January 2014.

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

ENTERPRISE

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

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

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

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

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

ADDITIONALLY THE CITY REPORTS THE FOLLOWING FUND TYPES:

GOVERNMENTAL FUNDS

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

SPECIAL REVENUE FUNDS

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

CAPITAL PROJECTS FUNDS

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

PERMANENT FUND

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

PROPRIETARY FUNDS

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

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

ENTERPRISE FUNDS

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

INTERNAL SERVICE FUNDS

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

THE CITY MAINTAINS THE FOLLOWING INTERNAL SERVICE FUNDS:

MOTOR POOL FUND

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

GROUP INSURANCE FUND

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

WORKMAN'S COMPENSATION FUND

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

IT FUND

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

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

FIDUCIARY FUND

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

BASIS OF ACCOUNTING

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

Modified Accrual Basis of Accounting

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

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

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

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

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

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Accrual Basis of Accounting

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

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

Investment earnings are accrued in Proprietary Funds.

D. BUDGETS AND BUDGETARY ACCOUNTING

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

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

The following funds' expenditures/expenses exceeded legal appropriations.

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Fund/Department	Expenditures/ Expenses on Budgetary Basis	Appropriations	Amount Exceeding
General Fund/Human Resources	380,304	375,921	4,383
General Fund/Other General Admin	514,758	447,508	67,250
Accommodations Tax Fund	2,682,352	2,507,801	120,551
Central Valdosta Dev Auth	119,094	97,000	22,094
General Fund/Finance Dept	1,769,721	1,730,835	38,886
Youth Rec Scholarship	10,016	0	10,016
Confiscated Funds	12,664	10,453	2,211
Property Evidence	3,994	3,933	61

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, 2016.

G. RECEIVABLES

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

1. Taxes Receivable which includes:

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

- a. Taxes Receivable-Delinquent – represents the past years of uncollected tax levies. An allowance for uncollectible taxes is provided based upon an analysis of historical trends. The tax receivables have been reported net of these allowances.
 - b. Sales Taxes, Franchise Taxes, and Public Utilities Receivable – recorded as revenue when they become both measurable and available for collection within the current period paying cycle, which is 31 days past year end. The balance of what has been earned though not available is recorded as a deferred inflow of resources – unavailable revenue.
2. Accounts Receivable which includes:
- a. Accounts Receivable – Sanitation and Water and Sewer service charges are recognized when earned, with an allowance for uncollectible accounts of 1% of the accounts receivable balance at June 30 after allowing for troubled customers at 50%. 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, 2016. The receivable was arrived at by taking the cycle billings the City sent the customers in July and prorating the amount of days applicable to the current year factor at 99% to allow for uncollectible accounts.
3. Second Mortgages Receivable - the amount owed to the City from loans made to homeowners on UDAG and CDBG CHIP grants.
4. Special Assessments Receivable – both principle and interest on paving assessments are payable in semi-annual installments over a five year period. The principle is recognized when due. The balance due at June 30 that has not been collected within 31 days past year end is recorded as a deferred revenue. There is no allowance for uncollectibles as delinquent accounts are declared as

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

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, 2016.

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, 2016, balances of interfund amounts receivable or payable have been recorded. To the extent that these balances are between Governmental Funds, they have been eliminated on the statement of net position.

J. ADVANCE TO OTHER FUNDS

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

K. INVENTORIES

Inventories in Proprietary Funds are adjusted to annual and periodic physical counts and are valued at cost using the first-in, first-out method (FIFO) of valuation. Inventory in the Sales Tax 2013 Fund, which is valued at cost first-in, first-out method (FIFO), consists of wetland credits held for construction.

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

L. PREPAID EXPENDITURES/EXPENSES

Payments made to various vendors for items or services for a future period beyond June 30, 2016 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.

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

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 \$1,899,536. Of this amount, \$827,849 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, 2016 has been recorded in the government wide statements representing the City's commitment to fund such costs from future operations.

Q. LONG-TERM OBLIGATIONS

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

R. PENSION FUND

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

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

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	CVDA	Other Governmental	Total
Property Taxes	\$299,467	\$14,419	\$0	\$313,886
Franchise Taxes	109,777	0	0	109,777
Paving Assessments	45,387	0	0	45,387
Miscellaneous	60,476	0	0	60,476
DOT	15,505	0	221,492	236,997
LAG	97,541	0	0	97,541
Grants	11,432	0	283,796	295,228
Total	<u>\$639,585</u>	<u>\$14,419</u>	<u>\$505,288</u>	<u>\$1,159,292</u>

T. FUND BALANCE

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

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Commission through the adoption of a resolution. Only the City Commission may modify or rescind the commitment.
- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Commission has authorized the City's Chief Financial Officer, Finance Director, or Director of Administrative Services to assign fund balances.
- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criteria. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

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

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

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

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

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

A. DEPOSITS

At year end, the carrying amount of the City's deposits was \$1,403,036 and the bank balance was \$2,374,608. In addition, the City also had \$5,900 in petty cash.

Custodial Credit Risk

Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's deposit policy is to require all its deposits in excess of FDIC insurance to be collateralized with securities held by the City or by its agent in the City's name. Of the bank balance, \$332,062 was covered by federal depository insurance and \$2,042,546 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, 2016 meet our investment policy restrictions.

Credit Risk

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

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Concentration Credit Risk

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

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

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

The carrying amount of deposits for CVDA, a blended component unit, was \$81,561 and the bank balance was \$82,062. In addition, the CVDA also had \$200 in petty cash.

The CVDA does not have a deposit policy. Of the bank balance, \$82,062 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	\$3,156,106
Certificate of Deposit	7,372
Total	\$3,163,478

CITY OF VALDOSTA, GEORGIA
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FOR THE YEAR ENDED JUNE 30, 2016

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

The Authority does not have investment policies.

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

	Cash on Deposit	Investments
Cash in Bank	\$1,341,730	3,101,286
Petty Cash and Change	5,900	0
Cash and Investments on Hand	1,347,630	3,101,286
Fiduciary Assets	61,306	62,192
	<u>\$1,408,936</u>	<u>\$3,163,478</u>
Non Restricted	\$545,932	\$3,163,478
Restricted	863,004	0
Balance per Financial Statement	<u>\$1,408,936</u>	<u>\$3,163,478</u>

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

CVDA	Cash on Deposit
Balance per Footnote Above	\$81,561
Petty Cash	200
Balance per Financial Statement	<u>\$81,761</u>

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

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 2015 property taxes, levied September 15, 2015 on a 40% assessed valuation as of the lien date January 1, 2015, were due November 15, 2015. The levy for 2015 is as follows:

<u>Type of Levy</u>	<u>Rate per \$1,000 of Assessed Value</u>	<u>Legal Maximum</u>
General Operations	10.202	
Less Sales Tax Rebate	4.100	
Net for General Operations	<u>6.102</u>	<u>10.00</u>
 Schools	 16.98	 20.0
Central Valdosta Development Authority	<u>5.0</u>	<u>15.0</u>

Property taxes levied for the current year are available and are therefore recognized as revenue. The City's property tax collection records show that most of the property taxes due are collected during the fiscal year of the levy. Property tax received is reduced by an allowance for uncollectible accounts which is computed on the outstanding receivable at June 30, 2016 per the following table:

95% of the 2002 Levy
95% of the 2003 Levy
95% of the 2004 Levy
95% of the 2005 Levy
95% of the 2006 Levy
95% of the 2007 Levy
95% of the 2008 Levy
95% of the 2009 Levy
95% of the 2010 Levy
80% of the 2011 Levy
70% of the 2012 Levy
60% of the 2013 Levy
50% of the 2014 Levy
25% of the 2015 Levy

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Taxes receivable at June 30, 2016 consist of the following:

Property Taxes	General Fund	CVDA
2002	\$387	\$0
2003	474	73
2004	4,911	80
2005	0	138
2006	0	138
2007	949	2,421
2008	2,293	3,753
2009	3,104	92
2010	2,271	51
2011	3,020	152
2012	4,705	11
2013	8,406	61
2014	104,329	3,466
2015	348,925	11,993
	<u>483,774</u>	<u>22,429</u>
Sales Taxes	685,290	0
Franchise Taxes	<u>151,889</u>	<u>0</u>
Total Taxes Receivable	1,320,953	22,429
Less Allowance for Uncollectible	<u>(156,989)</u>	<u>(8,010)</u>
	<u><u>\$1,163,964</u></u>	<u><u>\$14,419</u></u>

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

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE. 4 INTERFUND RECEIVABLES/PAYABLES

Individual fund interfund receivables and payables including advances at June 30, 2016 are as follows:

Payables	General Fund	Water/Sewer Revenue Fund	CVDA	Non Major Governmental Funds	Internal Service Funds	Total
General Fund	\$0	\$1,771,625	\$5,816	\$1,032,087	\$850,799	\$3,660,327
Sales Tax 2013	1,134,136					1,134,136
Sanitation	385,262	0	0	0	0	385,262
DOL	261,439	0	0	0	0	261,439
Stormwater	30,740	0	0	0	0	30,740
Non Major Governmental Funds	48,883	0	0	0	0	48,883
Non Major Enterprise Funds	1,286,802	0	0	0	0	1,286,802
Internal Service	2,979,990	0	0	0	0	2,979,990
Total	\$6,127,252	\$1,771,625	\$5,816	\$1,032,087	\$850,799	\$9,787,579

All interfund balances are due to routine interfund transactions that were not paid or received at June 30, 2016 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 \$788,057, the Auditorium Fund in the amount of \$498,745 and the Motor Pool Fund in the amount of \$2,973,778. 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, 2016

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

	Primary Government					
	Beginning Balance	Additions	Retirements	Reclass	Transfer	Ending Balance
Governmental Activities:						
Non-depreciable assets						
Land	\$76,846,635	\$23,500	\$0	\$0	\$0	\$76,870,135
Construction in progress	\$592,433	13,231,201	0	0	(12,241,959)	1,581,675
Total non-depreciable assets	77,439,068	13,254,701	0	0	(12,241,959)	78,451,810
Depreciable assets						
Land improvements	13,862,985	0	0	0	0	13,862,985
Buildings	29,028,684	0	6,402	0	0	29,022,282
Equipment	10,336,981	357,195	1,241,358	0	0	9,452,818
Motor vehicles	15,915,163	934,757	751,623	0	0	16,098,297
Infrastructure	103,506,807	0	0	0	0	103,506,807
Total depreciable assets	172,650,620	1,291,952	1,999,383	0	0	171,943,189
Total at historical cost	250,089,688	14,546,653	1,999,383	0	(12,241,959)	250,394,999
Less accumulated depreciation for:						
Land improvements	5,666,178	435,490	0	0	0	6,101,668
Buildings	9,357,752	612,120	6,402	0	0	9,963,470
Equipment	8,880,369	652,854	1,241,358	0	0	8,291,865
Motor vehicles	13,688,531	606,721	751,623	0	0	13,543,629
Infrastructure	84,266,404	1,543,199	0	0	0	85,809,603
Total accumulated depreciation	121,859,234	3,850,384	1,999,383	0	0	123,710,235
Governmental activities capital assets, net	\$128,230,454	\$10,696,269	\$0	\$0	(\$12,241,959)	\$126,684,764
Business-type activities:						
Non-depreciable assets						
Land	\$3,038,403	\$0	\$0	\$0	\$0	\$3,038,403
Construction in progress	43,341,874	16,717,940	0	(3,259,496)	12,241,959	69,042,277
Total non-depreciable assets	46,380,277	16,717,940	0	(3,259,496)	12,241,959	72,080,680
Depreciable assets						
Land improvements	106,691,190	6,859	415,618	3,042,082	0	109,324,513
Buildings	97,764,397	0	80,500	217,414	0	97,901,311
Equipment	5,577,395	40,444	102,229	0	0	5,515,610
Intangibles	1,161,791	0	0	0	0	1,161,791
Total depreciable assets	211,194,773	47,303	598,347	3,259,496	0	213,903,225
Total at historical cost	257,575,050	16,765,243	598,347	0	12,241,959	285,983,905

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Less accumulated depreciation for:

Land improvements	\$36,875,404	\$2,056,469	\$415,618	\$0	\$0	\$38,516,255
Buildings	19,115,401	2,914,604	80,500	0	0	21,949,505
Equipment	4,840,789	413,091	102,229	0	0	5,151,651
Intangibles	207,349	38,634	0	0	0	245,983
Total accumulated depreciation	<u>61,038,943</u>	<u>5,422,798</u>	<u>598,347</u>	<u>0</u>	<u>0</u>	<u>65,863,394</u>
Business-type activities capital assets, net	<u>\$196,536,107</u>	<u>\$11,342,445</u>	<u>\$0</u>	<u>\$0</u>	<u>\$12,241,959</u>	<u>\$220,120,511</u>

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

Governmental Depreciation:	
General Government	\$3,272,597
Finance	1,882
Engineering	12,756
Public Safety	550,213
Public Works	12,936
Total governmental depreciation	<u>3,850,384</u>
Business-type Depreciation:	
Sanitation	35,348
Water & Sewer	5,226,420
Department of Labor	87,074
Storm Water	73,956
Total business-type depreciation/ amortization	<u>5,422,798</u>
Total depreciation expense	<u><u>\$9,723,182</u></u>

Internal Service Funds predominantly serve governmental funds. Accordingly, \$19,443,467 in capital assets, \$16,253,357 in accumulated depreciation, and \$762,852 in current depreciation in these funds are included in the above totals for governmental activities.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 6. PENSION PLAN

PLAN DESCRIPTION

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

Employees Covered Under the Plan

Effective January 1, 2015, the Plan was amended to provide for immediate participation for employees. At June 30, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	297
Inactive employees entitled to but not yet receiving benefits	73
Active employees	<u>577</u>
 Total covered employees	 <u><u>947</u></u>

Funding Policy

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

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

At June 30, 2016, the City reported a liability of \$45,639,627 as its net pension liability. The net pension liability was measured as of September 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. The City's net pension liability was based on the projection of the City's long-term contributions to the pension plan, actuarially determined at January 1, 2016.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 6 – EMPLOYEE RETIREMENT PLAN, CONTINUED

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

Changes in Net Pension Liability	Total Pension Liability (TPL)	Fiduciary Net Position (FNP)	Net Pension Liability (NPL)
	(a)	(b)	(a) - (b)
Balances at September 30, 2014*	\$ 82,680,833	\$ 36,875,969	\$ 45,804,864
Changes for the year:			
Service cost	1,186,364	-	1,186,364
Interest	5,796,872	-	5,796,872
Differences between expected and actual experience	1,329,502	-	1,329,502
Contributions - employer	-	3,146,917	(3,146,917)
Contributions - employee	-	355,472	(355,472)
Net investment income	-	471,566	(471,566)
Benefit payments, including refunds of employee contributions	(5,005,586)	(5,005,586)	-
Administrative expense	-	(83,287)	83,287
Other	(4,587,307)	-	(4,587,307)
Net changes	(1,280,155)	(1,114,918)	(165,237)
Balances at September 30, 2015**	<u>\$ 81,400,678</u>	<u>\$ 35,761,051</u>	<u>\$ 45,639,627</u>

*Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2015 are used to measure TPL as of September 30, 2014. The balances as of September 30, 2014 constitute measurements of the NPL for the fiscal year ending June 30, 2015.

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

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

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 6 – EMPLOYEE RETIREMENT PLAN, CONTINUED

For the year ended June 30, 2016, the City recognized pension expense of \$4,643,702. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or methods, and plan benefits. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,312,474	\$ -
Changes of assumptions	3,259,521	(3,669,844)
Net difference between projected and actual earnings on pension plan investments	1,098,443	-
City contributions subsequent to the measurement date	<u>3,000,000</u>	<u>-</u>
Total	<u>\$ 8,670,438</u>	<u>\$ (3,669,844)</u>

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

\$3,000,000 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future years as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2017	\$ 729,062
2018	729,062
2019	729,062
2020	(186,592)
2021	-
Thereafter	<u>-</u>
Total	<u>\$ 2,000,594</u>

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 6 – EMPLOYEE RETIREMENT PLAN, CONTINUED

Actuarial Methods and Assumptions

The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

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

Actuarial Assumptions:

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

The mortality and economic actuarial assumptions used in the January 1, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 6 – EMPLOYEE RETIREMENT PLAN, CONTINUED

The 7.75% long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target allocation as of September 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Long-Term Nominal Real Rate of Return</u>
Domestic equity	50%	5.95%	9.20%
International equity	15%	6.45%	9.70%
Fixed income	25%	1.55%	4.80%
Real estate	10%	3.75%	7.00%
Cash	0%		
Total	100%		

Discount Rate

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

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

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Net pension liability	<u>\$ 54,854,209</u>	<u>\$ 45,639,627</u>	<u>\$ 37,895,521</u>

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

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, 2016, 139 retirees participated in the plan, paying a monthly premium of \$77 - \$280. However, their dental is the same group coverage as active employees.

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

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

The City's self-insured health plan, City of Valdosta Group Insurance, provides medical and hospitalization benefits for two classes of retirees. Retirees who retired before July 1, 2009 with twenty-five years of continuous service are eligible for health insurance paid by the City. All other retirees must pay a monthly premium of \$77 - \$280 to participate in the plan. The plan is administered by the Plan Administrator, with United American, an Administrative Service Agent, acting as claims paying agent. The Mayor and City Council has the authority to amend the plan. The City contributions are financed on a pay-as-you-go basis. During the current year, the City expended \$990,141 for retirees' health insurance for 139 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	\$3,428,378
Interest on net OPEB obligation	790,022
Adjustments to annual required contribution	(1,532,269)
Annual OPEB cost	<u>2,686,131</u>
Contributions made	<u>(990,141)</u>
Increase in net OPEB obligation	1,695,990
Net OPEB obligation, beginning of year	<u>19,750,548</u>
Net OPEB obligation, end of year	<u><u>\$21,446,538</u></u>

Fiscal Year Ended June 30,	Annual OPEB Cost*	Actual Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$4,183,653	\$1,273,383	34%	\$17,042,696
2015	4,520,756	1,220,203	31%	19,750,548
2016	<u>3,428,378</u>	<u>990,141</u>	<u>37%</u>	<u>21,446,538</u>

*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.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

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

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

Valuation date	January 1, 2016
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar, closed, 25 years
Remaining amortization period	20 years as of June 30, 2016
Asset valuation method	Market value
Actual assumptions:	
Investment rate of return	4.00% pay-as-you go
Salary growth	3.50% plus age and service merit
Medical and drug cost trend rate	increases
Medicare Advantage cost trend rate	7.00% graded to 4.50% over 5 years
Dental cost trend rate	4.50%
Administrative expense trend rate	4.00%
	3.00%
Plan membership:	
Current retirees, beneficiaries, and dependents	200
Current active participants	577
Terminated participants entitled but not yet eligible	<u>0</u>
Total	779

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

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

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

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

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

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
Governmental Funds					
Other Post Employment Benefits	\$19,750,548	\$2,686,131	\$990,141	\$21,446,538	\$0
Total OPEB	<u>\$19,750,548</u>	<u>\$2,686,131</u>	<u>\$990,141</u>	<u>\$21,446,538</u>	<u>\$0</u>

NOTE 9. SHORT TERM DEBT

The city issued a tax anticipation note to Bank of America in advance of property tax collections and deposited the proceeds into its general fund. This note was necessary due to the delay in property tax receipts during fiscal year 2016.

Short-term debt activity for the year ended June 30, 2016, was as follows:

Tax Anticipation Note	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016
	\$0	\$3,000,000	\$3,000,000	\$0
Total Notes	<u>\$0</u>	<u>\$3,000,000</u>	<u>\$3,000,000</u>	<u>\$0</u>

NOTE 10. LONG TERM DEBT

Long term bonded debt of the City is as follows:

Enterprise Funds	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
4.19% Department of Labor Building.					
Original issue amount \$4,410,000.	\$2,080,000	\$0	\$233,000	\$1,847,000	\$233,000
Total Notes	<u>\$2,080,000</u>	<u>\$0</u>	<u>\$233,000</u>	<u>\$1,847,000</u>	<u>\$233,000</u>

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

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, 2016, the limit for the City was \$151,204,944.

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, 2016, including interest of \$307,420 on the Bond Series 2003 is as follows:

Year Ended			
June 30	Principal	Interest	Total
2017	\$233,000	\$72,508	\$305,508
2018	233,000	62,745	295,745
2019	233,000	52,983	285,983
2020	233,000	43,220	276,220
2021	233,000	33,457	266,457
2022-2024	682,000	42,507	724,507
Total	\$1,847,000	\$307,420	\$2,154,420

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

	Balance			Balance	Due Within
	July 1, 2015	Additions	Reductions	June 30, 2016	One Year
Enterprise Funds					
Accrued vacation	\$483,707	\$480,498	\$483,707	\$480,498	\$231,261
Internal Service Funds					
Accrued vacation	42,343	47,013	42,343	47,013	20,558
Governmental Funds					
Accrued vacation	1,465,856	1,475,596	1,465,856	1,475,596	710,242
Other Post Employment Benefits	19,750,548	2,686,131	990,141	21,446,538	0
Total Compensated Absences	\$21,742,454	\$4,689,238	\$2,982,047	\$23,449,645	\$962,061

Compensated absences are generally liquidated by the General Fund. The City of Valdosta has entered into a contract for six loans with Georgia Environmental Facilities Authority for an aggregate loan balance of \$50,867,261. 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, 2016, draws totaled \$43,472,699 on the loans in progress.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Loan Name	Loan Amount	Payment Period
DW97036P	\$4,285,812	August 1, 2007 to November 1, 2023
CW08003ARRA	6,142,659	July 1, 2011 to July 1, 2031
CW08003PHI	12,500,000	July 1, 2011 to July 1, 2031
CW08003ARRAPHII	1,200,000	August 1, 2011 to August 1, 2031
CW08003PHII	12,709,794	August 1, 2012 to August 1, 2032
2006L53WJ	14,028,996	April 1, 2011 to April 1, 2031
2013-L31WJ	8,423,272	Pending
CW13-006	35,049,427	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, 2016. GEFA retitles notes as modifications are made.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Georgia Environmental Facilities Loans

Loan #	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
DW97036P	\$2,438,646	\$0	\$262,608	\$2,176,038	\$270,577
CWSRF 08003 ARRA	5,210,757	0	255,983	4,954,774	263,769
CWSRF 08003 PHI	10,603,625	0	520,911	10,082,714	536,755
CWSRF 08003 ARRA PHII	1,022,048	0	49,883	972,165	51,400
CWSRF 08003 PHII	11,337,755	0	512,738	10,825,017	528,333
2006L53WJ	13,042,207	0	596,600	12,445,607	621,650
2013-L31WJ	4,782,438	3,640,834	0	8,423,272	0
CW 13-006	23,336,546	11,712,881	0	35,049,427	0
Totals	\$71,774,022	\$15,353,715	\$2,198,723	\$84,929,014	\$2,272,484

The requirements to amortize the Georgia Environmental Facilities Loans debt outstanding with the exception of the pending notes as of June 30, 2016 is as follows:

Fiscal Year Ending June 30	Loan # DW97-036		Loan # CW08-003 ARRA PHI		Loan # CW08-003 PHI	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$270,577	\$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	295,958	36,874	288,576	120,228	587,238	244,658
2021	304,937	27,895	297,354	111,451	605,099	226,797
2022-2026	738,537	28,646	1,628,061	415,961	3,313,023	846,460
2027-2031	0	0	1,891,184	152,839	3,848,462	311,021
2032-2033	0	0	33,981	85	69,152	173
Totals	\$2,176,038	\$255,307	\$4,954,774	\$1,211,360	\$10,082,714	\$2,465,057

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Fiscal Year Ending June 30	Loan # CWSRF08- 003 ARRA PHII		Loan # CWSRF08-003 PHII		Loan # 2006-L53WJ	
	Principal	Interest	Principal	Interest	Principal	Interest
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	56,234	23,628	578,024	267,835	703,287	419,470
2021	57,945	21,917	595,605	250,254	732,816	389,941
2022-2026	317,257	82,053	3,261,038	968,255	4,152,278	1,461,510
2027-2031	368,531	30,779	3,788,075	441,216	4,912,877	513,783
2032-2033	13,261	50	968,577	18,258	0	0
Totals	\$972,165	\$239,076	\$10,825,017	\$2,849,695	\$12,445,607	\$4,208,626

Fiscal Year Ending June 30	Total All Loans	
	Principal	Interest
2017	\$2,272,484	\$1,349,527
2018	2,348,774	1,273,236
2019	2,427,690	1,194,322
2020	2,509,317	1,112,693
2021	2,593,756	1,028,255
2022-2026	13,410,194	3,802,885
2027-2031	14,809,129	1,449,638
2032-2033	1,084,971	18,566
Totals	\$41,456,315	\$11,229,121

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.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Police Department Capital Lease

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

The annual requirement to amortize the Dell Capital Lease Agreement outstanding balance as of June 30, 2016, is as follows:

Year Ending June 30	Principal	Interest	Total
2017	26,176	1,728	27,904
2018	6,461	370	6,831
Total	<u>\$32,637</u>	<u>\$2,098</u>	<u>\$34,735</u>

Governmental Funds	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
Dell Computer Lease					
Original Issue Amount \$90,543	\$57,496	\$0	\$24,859	\$32,637	\$26,176
	<u>\$57,496</u>	<u>\$0</u>	<u>\$24,859</u>	<u>\$32,637</u>	<u>\$26,176</u>

Police Department Capital Lease

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

Year Ended June 30	Principal	Interest	Total
2017	\$48,183	\$4,468	\$52,651
2018	49,629	3,022	52,651
2019	51,118	1,533	52,651
Total	<u>\$148,930</u>	<u>\$9,023</u>	<u>\$157,953</u>

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

<u>Governmental Funds</u>	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2016</u>	<u>Due Within One Year</u>
IBIS Equipment					
Original Issue Amount \$201,581	\$0	\$201,581	\$52,651	\$148,930	\$48,183
	<u>\$0</u>	<u>\$201,581</u>	<u>\$52,651</u>	<u>\$148,930</u>	<u>\$48,183</u>

Fire Department Capital Lease

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

The annual requirement to amortize the Sutphen Lease Agreement outstanding balance as of June 30, 2016, is as follows:

<u>Enterprise Funds</u>	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2016</u>	<u>Due Within One Year</u>
Four Sutphen Firetrucks.					
Original issue amount \$1,932,479	\$0	\$1,932,479	\$0	\$1,932,479	\$174,479
Total Notes	<u>\$0</u>	<u>\$1,932,479</u>	<u>\$0</u>	<u>\$1,932,479</u>	<u>\$174,479</u>

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$174,479	\$43,481	\$217,960
2018	178,405	39,555	217,960
2019	182,419	35,541	217,960
2020	186,523	31,437	217,960
2021	190,720	27,240	217,960
2022-2026	1,019,933	69,865	1,089,798
Total	<u>\$1,932,479</u>	<u>\$247,119</u>	<u>\$2,179,598</u>

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Motor Pool Fund Capital Lease

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

The annual requirement to amortize the GMA Lease Agreement outstanding balance as of June 30, 2016, is as follows:

Year Ended June 30	Principal	Interest	Total
2017	\$190,953	\$11,624	\$202,577
2018	194,166	8,411	202,577
2019	197,434	5,143	202,577
2020	200,757	1,821	202,578
Total	\$783,310	\$26,999	\$810,309

Internal Service Funds	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
Vehicle Lease					
Original issue amount \$971,103	\$971,103	\$0	\$187,793	\$783,310	\$190,953
Total Notes	\$971,103	0	\$187,793	\$783,310	\$190,953

NOTE 11. FUND BALANCE

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

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

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Sales Tax 2013	CVDA	Non-Major Governmental Funds	Total
Nonspendable. The following fund balances are nonspendable:					
Long term receivables	\$3,551,702	\$0	\$0	\$2,526,771	\$6,078,473
Inventory	0	213,395	0	0	213,395
Required to be maintained in tact	0	0	0	1,661,287	1,661,287
	<u>3,551,702</u>	<u>213,395</u>	<u>0</u>	<u>4,188,058</u>	<u>7,953,155</u>
Restricted. The following fund balances are restricted for:					
Public safety	69,616	0	0	31,050	100,666
Land Bank Authority	97,541	0	0	0	97,541
Community development	0	0	75,761	0	75,761
NPDES permitting	38,845	0	0	0	38,845
Redevelopment	0	0	0	71,069	71,069
Youth programs	0	0	0	1,940	1,940
Capital outlay	0	2,141,728	0	0	2,141,728
	<u>206,002</u>	<u>2,141,728</u>	<u>75,761</u>	<u>104,059</u>	<u>2,527,550</u>
Committed. The following fund balances are committed:					
Committed for urban forestry	10,767	0	0	0	10,767
	<u>10,767</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,767</u>
Assigned. The following fund balances are assigned to:					
Tourism development	0	0	0	584,357	584,357
Capital Improvement	0	0	0	374,163	374,163
	<u>0</u>	<u>0</u>	<u>0</u>	<u>958,520</u>	<u>958,520</u>
Unassigned. The following balances are unassigned:					
	(1,235,605)	(4,387,331)	0	(43,746)	(5,666,682)
	<u>(1,235,605)</u>	<u>(4,387,331)</u>	<u>0</u>	<u>(43,746)</u>	<u>(5,666,682)</u>
Total Fund Balance	<u>\$2,532,866</u>	<u>\$(2,032,208)</u>	<u>\$75,761</u>	<u>\$5,206,891</u>	<u>\$5,783,310</u>

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 12. CLOSURE AND POST CLOSURE CARE COST

The City of Valdosta closed its landfill in 1999. State and federal laws required 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. However, July 14, 2015 the Georgia Department of Natural Resources issued a revocation of the City's Solid Waste Permit, releasing the City from any further responsibility or liability concerning the Valdosta Wetherington Lane Sanitary Landfill.

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

Enterprise Funds	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
Landfill post closure care liability	\$943,941	\$0	\$943,941	\$0	\$0
Total post closure care liability	\$943,941	\$0	\$943,941	\$0	\$0

NOTE 13. 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, 2016, against the self-insurance fund. This incurred but not reported (IBNR) liability is estimated to be \$660,000. This number was calculated by analyzing the plan's payment lag and projecting the resulting trend into the next fiscal year.

NOTE 14. NET POSITION DEFICITS

The following funds had deficits at June 30, 2016:

The Inspections Fund had a deficit net position of \$822,407 due to reduction in permits issued. The Auditorium Fund had a deficit net position of \$513,060 due to insufficient bookings. The City is reviewing the fee schedules and tax subsidy. The Sales Tax 2013 fund had a deficit net position of \$(2,032,208) due to the pace of construction exceeding collections.

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 15. INTERFUND TRANSACTIONS

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

Transfers between fund types during the year ended June 30, 2016, were:

	Transfers In	Transfers Out
General Fund	\$1,753,894	\$2,035,027
Sanitation Fund	0	493,247
Water and Sewer Fund	0	1,810,627
Storm Water Fund	0	164,364
Other Governmental Funds	165,000	479,407
Other Enterprise Funds	283,013	67,510
Internal Service Funds	2,848,275	0
	<u>\$5,050,182</u>	<u>\$5,050,182</u>

General Fund transferred \$2,035,027 to Group Insurance. Sanitation transferred \$271,747 to Group Insurance. Water and Sewer transferred \$405,627 to Group Insurance. Storm Water transferred \$68,364 to Group Insurance. Accommodations Tax transferred \$165,000 to General Capital Projects and \$283,013 to the Auditorium Fund. Inspection transferred \$49,849 to Group Insurance. The Auditorium Fund transferred \$17,661 to Group Insurance. All transfers to Group Insurance were to fund medical claims incurred in excess of revenue received. All other transfers were to the General Fund. Transfers to the General Fund are to fund the cost of administrative and support services provided to other funds.

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 16. 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, 2016, the City paid \$73,298 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 17. 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, 2016, 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

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

in Note 12, there is a liability of \$660,000 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, 2015	\$567,608	\$7,003,467	\$(6,894,898)	\$676,177
June 30, 2016	676,177	5,799,418	(5,753,164)	722,431

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

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

Claims Exceeding Commercial Coverage for the Year Ended June 30:

2015	\$0
2014	0
2013	0

NOTE 18. DEPARTMENT OF LABOR BUILDING OPERATING LEASE

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

The Georgia Department of Labor agrees to pay the City of Valdosta a fixed monthly rent of \$39,096. The DOL has an option of renewing or extending the agreement on a year to year basis for nineteen (19) consecutive years. Total remaining rents amount to \$4,222,363. 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 \$3,317,380. Depreciation on the building amounts to \$87,074 annually.

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 19. ACCOMMODATIONS TAX

The City collects and disburses an accommodations tax in accordance with the provisions with OCGA 48-13-51. The total rate of 7% generated \$2,807,551, net of vendor's compensation of \$86,044, in tax receipts and was allocated as follows: \$1,203,236, or 40% of the first 5% and 50% of the remaining 2%, to the Valdosta/Lowndes County Tourism Authority, \$300,000 to the Valdosta/Lowndes Conference Center, \$365,510 to the Airport Authority, and \$190,000 to the Turner Arts Center. The remainder of \$748,805 was retained by the City and will be spent in accordance with legal provisions.

NOTE 20. ACCOUNTING CHANGES

FUNDS CLOSED

The GA DCA CHIP Grant 98M-X-092-512-013 fund was closed effective July 1, 2015.

The Sales Tax 2002 fund was closed effective July 1, 2015.

The Sales Tax 2007 fund was closed effective July 1, 2015.

NOTE 21. CONSTRUCTION COMMITMENTS

The City has active construction projects as of June 30, 2016. The projects include the expansion of the City's sewer system, sidewalk construction, and street design services. At year end, the City's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Production Wells 9 and 10	\$1,195,622	\$291,067
S. Troup Street Improvements	1,419,119	1,271,273
Sugar Creek Gravity Line	622,125	1,333,662



VALDOSTA
A City Without Limits

BUDGETARY COMPARISON SCHEDULES

CITY OF VALDOSTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Taxes	\$28,438,150	\$28,438,150	\$27,919,213	(\$518,937)
Licenses and permits	517,200	517,200	536,322	19,122
Charges for services	429,100	429,100	142,285	(286,815)
Fines and forfeitures	1,261,600	1,261,600	1,029,086	(232,514)
Interest income	9,100	9,100	6,060	(3,040)
Contributions and donations	0	0	11,451	11,451
Miscellaneous	379,000	379,000	510,841	131,841
Intergovernmental	1,637,667	1,715,825	1,394,062	(321,763)
Capital leases	1,000,000	1,966,900	2,134,015	167,115
Transfer in	1,722,500	1,753,894	1,753,894	0
TOTAL REVENUES	35,394,317	36,470,769	35,437,229	(1,033,540)
Expenditures:				
Current:				
General government	8,614,688	8,597,950	8,291,605	306,345
Public safety	22,321,777	23,414,320	22,705,242	709,078
Public works	2,006,586	2,006,586	1,817,108	189,478
Economic development and assistance	761,122	758,861	619,104	139,757
Debt service principal	55,000	55,808	77,511	(21,703)
Debt service interest	0	0	3,044	(3,044)
Transfer out	1,774,414	1,774,414	2,035,027	(260,613)
TOTAL EXPENDITURES	35,533,587	36,607,939	35,548,641	1,059,298
REVENUES OVER (UNDER) EXPENDITURES	(139,270)	(137,170)	(111,412)	25,758
Fund balance - beginning of year budgetary basis	682,944	682,944	682,944	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	\$543,674	\$545,774	\$571,533	\$25,758

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.

\$35,437,229

Differences - budget to GAAP:

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

(2,134,015)

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

(1,753,894)

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

\$31,549,320

Uses/outflows of resources

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

\$35,548,641

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.

(21,685)

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

(2,035,027)

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

\$33,491,929

**CITY OF VALDOSTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CENTRAL VALDOSTA DEVELOPMENT AUTHORITY
FOR YEAR ENDED JUNE 30, 2016**

		BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
		ORIGINAL	FINAL		
Revenues:					
Taxes		\$86,000	\$86,000	\$95,863	\$9,863
Interest income		0	0	140	140
Contributions		10,000	10,000	8,897	(1,103)
Miscellaneous		1,000	1,000	1,368	368
	TOTAL REVENUES	<u>97,000</u>	<u>97,000</u>	<u>106,268</u>	<u>9,268</u>
Expenditures:					
General Government		97,000	97,000	119,094	(22,094)
	TOTAL EXPENDITURES	<u>97,000</u>	<u>97,000</u>	<u>119,094</u>	<u>(22,094)</u>
	REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	<u>(12,826)</u>	<u>(12,826)</u>
Fund Balance - beginning of year - budgetary basis		<u>88,587</u>	<u>88,587</u>	<u>88,587</u>	<u>0</u>
FUND BALANCE - END OF YEAR		<u><u>\$88,587</u></u>	<u><u>\$88,587</u></u>	<u><u>\$75,761</u></u>	<u><u>(\$12,826)</u></u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP

Revenues and Expenditures

Sources/inflows of resources

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

\$106,268

Differences - budget to GAAP:

None

0

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

\$106,268

Uses/outflows of resources

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

\$119,094

Differences - budget to GAAP:

None

0

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

\$119,094

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 1. BUDGETARY BASIS OF ACCOUNTING

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

CITY OF VALDOSTA, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY - LAST 10 FISCAL YEARS

	Year Ended June 30:									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u><i>Total pension liability</i></u>										
Service cost	\$ 1,186,364	\$ 1,168,292								
Interest	5,796,872	5,621,355								
Differences between expected and actual experience	1,329,502	414,792								
Changes of assumptions	(4,587,307)	5,432,537								
Changes of benefit terms										(Historical information prior to implementation of GASB 68 is not required)
Benefit payments, including refunds of employee contributions	(5,005,586)	(4,979,503)								
Net change in total pension liability	(1,280,155)	7,657,473								
Total pension liability - beginning	82,680,833	75,023,360								
Total pension liability - ending (a)	<u>\$81,400,678</u>	<u>\$82,680,833</u>								
<u><i>Plan fiduciary net position</i></u>										
Contributions - employer	\$ 3,146,917	\$ 3,402,750								
Contributions - employee	355,472	333,321								
Net investment income	471,566	3,877,248								
Benefit payments, including refunds of employee contributions	(5,005,586)	(4,979,503)								(Historical information prior to implementation of GASB 68 is not required)
Administrative expense	(83,287)	(67,292)								
Other										
Net change in fiduciary net position	(1,114,918)	2,566,524								
Plan fiduciary net position - beginning	36,875,969	34,309,445								
Plan fiduciary net position - ending (b)	<u>\$35,761,051</u>	<u>\$36,875,969</u>								
Net pension liability - ending (a)-(b)	<u>\$45,639,627</u>	<u>\$45,804,864</u>								
Plan's fiduciary net position as a percentage of the total pension liability	43.93%	44.60%								(Historical information prior to implementation of GASB 68 is not required)
Covered employee payroll	\$21,525,912	\$19,640,929								
Net pension liability as a percentage of covered employee payroll	212.02%	233.21%								

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

	Year Ended June 30:									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	-	6,064,483								
Contributions in relation to the actuarially determined contribution	-	3,427,500								
Contribution deficiency (excess)	-	2,636,983	(Historical information prior to implementation of GASB 68 is not required)							
Covered employee payroll	-	19,640,929								
Contributions as a percentage of covered employee payroll	-	17.45%								

**CITY OF VALDOSTA, GEORGIA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF FUNDING PROGRESS
POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)
FOR THE YEAR ENDED JUNE 30, 2016**

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

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

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

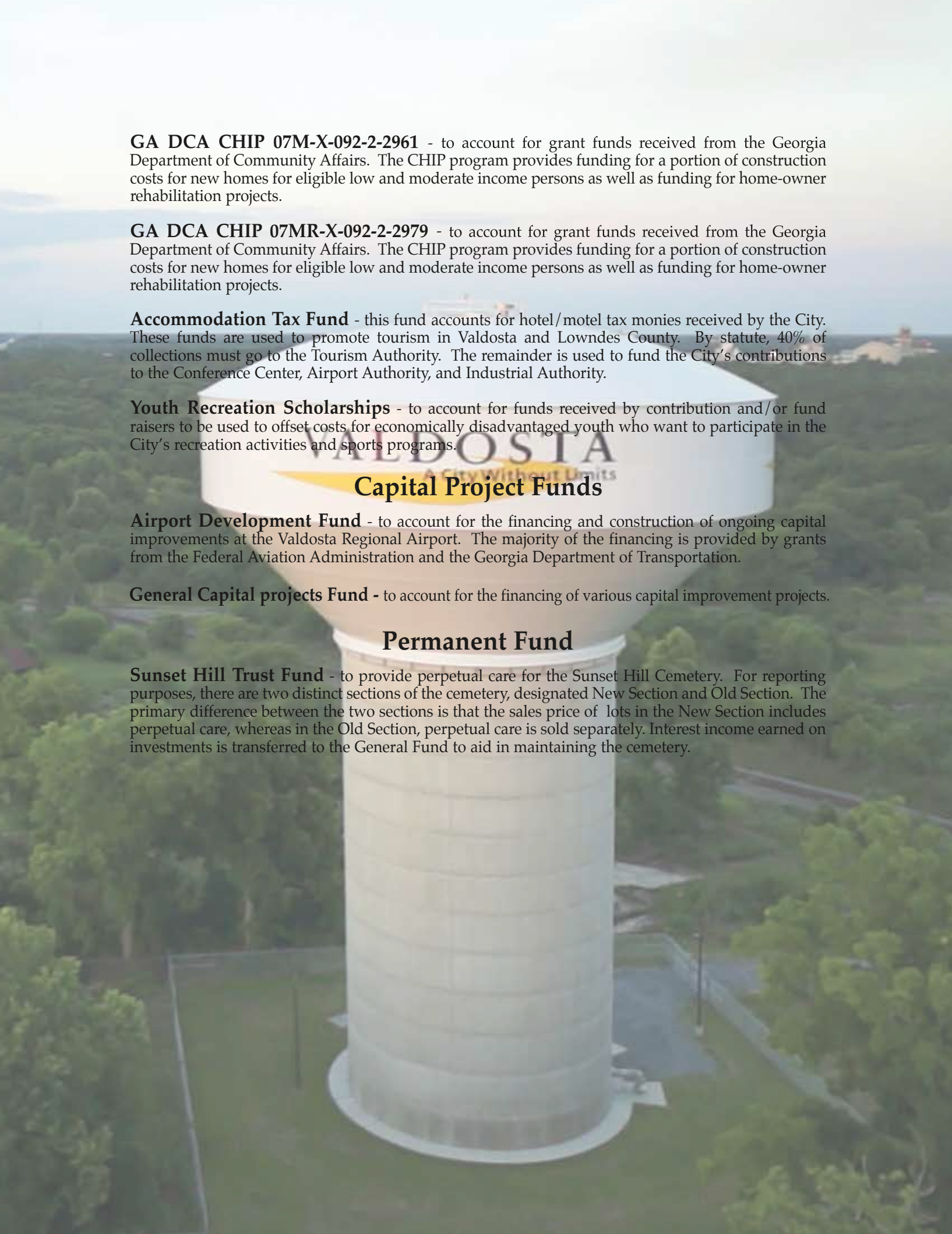
GA DCA CHIP Grant 01M-X-092-2-2568 - to account for grant funds received from the Georgia Department of Community Affairs. The CHIP program provides funding for a portion of construction costs for new homes for eligible low and moderate income persons.

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

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

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

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



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

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

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

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

Capital Project Funds

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

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

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, 2016**

	CONFISCATED FUNDS	PROPERTY EVIDENCE FUND	U.S. DEPT OF JUSTICE LOCAL LAW BLOCK GRANTS	UDAG	GA DCA CHIP 01M-X-092-2-2568
ASSETS					
Cash	\$24,132	\$1,531	\$0	\$17,284	\$0
Investments	9,117	0	0	0	0
Receivables (net)					
Accounts	0	0	0	775	0
Interest	0	0	0	0	0
Second mortgages	0	0	0	157,149	2,700
Due from other funds	0	0	0	225	0
Due from other governments and agencies	0	0	8,910	0	0
Total assets	<u>\$33,249</u>	<u>\$1,531</u>	<u>\$8,910</u>	<u>\$175,433</u>	<u>\$2,700</u>
LIABILITIES					
Liabilities:					
Outstanding checks in excess of bank balance	\$0	\$0	\$237	\$0	\$0
Vouchers and accounts payable	3,730	0	0	0	0
Due to:					
Other funds	0	0	8,673	0	0
Advances from other funds	0	0	0	0	0
Total liabilities	<u>3,730</u>	<u>0</u>	<u>8,910</u>	<u>0</u>	<u>0</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances (deficits):					
Nonspendable	0	0	0	157,149	2,700
Restricted	29,519	1,531	0	18,284	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Total fund balances (deficits)	<u>29,519</u>	<u>1,531</u>	<u>0</u>	<u>175,433</u>	<u>2,700</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$33,249</u>	<u>\$1,531</u>	<u>\$8,910</u>	<u>\$175,433</u>	<u>\$2,700</u>

SPECIAL REVENUE FUNDS

GA DCA CHIP 02M-X-092-2-2695	HUD FEDERAL GRANT	GA DCA CHIP 04M-X-092-2-2915	GA DCA CHIP 06M-X-092-2-2951	GA DCA CHIP 07M-X-092-2-2961	GA DCA CHIP 07MR-X-092-2-2979
\$0	\$2,725	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
17,400	2,105,486	43,035	85,800	115,300	59,000
0	0	0	0	0	0
0	50,060	0	0	0	0
<u>\$17,400</u>	<u>\$2,158,271</u>	<u>\$43,035</u>	<u>\$85,800</u>	<u>\$115,300</u>	<u>\$59,000</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	12,575	0	0	0	0
0	10,210	0	0	0	0
<u>0</u>	<u>30,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>52,785</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	50,060	0	0	0	0
17,400	2,046,387	43,035	85,800	115,300	59,000
0	52,785	0	0	0	0
0	0	0	0	0	0
0	(43,746)	0	0	0	0
<u>17,400</u>	<u>2,055,426</u>	<u>43,035</u>	<u>85,800</u>	<u>115,300</u>	<u>59,000</u>
<u>\$17,400</u>	<u>\$2,158,271</u>	<u>\$43,035</u>	<u>\$85,800</u>	<u>\$115,300</u>	<u>\$59,000</u>

(Continued)

CAPITAL PROJECTS FUND					
ACCOMMODATIONS TAX	YOUTH RECREATION SCHOLARSHIP	AIRPORT DEVELOPMENT	GENERAL CAPITAL PROJECTS	SUNSET HILL PERMANENT FUND	TOTAL OTHER GOVERNMENTAL FUNDS
\$46,178	\$532	\$59,576	\$71,634	\$18,108	\$241,700
387,293	1,408	157,844	189,791	710,340	1,455,793
262,732	0	0	0	977	264,484
0	0	2,355	0	0	2,355
0	0	0	0	0	2,585,870
100,000	0	0	0	931,862	1,032,087
0	0	708,966	0	0	767,936
<u>\$796,203</u>	<u>\$1,940</u>	<u>\$928,741</u>	<u>\$261,425</u>	<u>\$1,661,287</u>	<u>\$6,350,225</u>
\$0	\$0	\$0	\$0	\$0	\$237
211,846	0	360,775	0	0	588,926
0	0	0	0	0	18,883
0	0	0	0	0	30,000
<u>211,846</u>	<u>0</u>	<u>360,775</u>	<u>0</u>	<u>0</u>	<u>638,046</u>
0	0	455,228	0	0	505,288
0	0	0	0	1,661,287	4,188,058
0	1,940	0	0	0	104,059
584,357	0	112,738	261,425	0	958,520
0	0	0	0	0	(43,746)
<u>584,357</u>	<u>1,940</u>	<u>112,738</u>	<u>261,425</u>	<u>1,661,287</u>	<u>5,206,891</u>
<u>\$796,203</u>	<u>\$1,940</u>	<u>\$928,741</u>	<u>\$261,425</u>	<u>\$1,661,287</u>	<u>\$6,350,225</u>

CITY OF VALDOSTA, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICITS)
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	CONFISCATED FUNDS	PROPERTY EVIDENCE FUND	U.S. DEPT OF JUSTICE LOCAL LAW BLOCK GRANTS	UDAG
Revenues:				
Taxes	\$0	\$0	\$0	\$0
Interest income	0	0	0	0
Contributions	0	0	0	0
Intergovernmental	0	0	13,098	0
Fines and forfeitures	5,027	3,994	0	0
Miscellaneous revenues	0	0	0	0
TOTAL REVENUES	5,027	3,994	13,098	0
Expenditures:				
Current:				
General government	0	0	0	0
Public safety	8,664	2,463	13,098	0
Economic development and assistance	0	0	0	0
Capital outlay	4,000	0	0	0
TOTAL EXPENDITURES	12,664	2,463	13,098	0
REVENUES OVER (UNDER) EXPENDITURES	(7,637)	1,531	0	0
Other financing sources (uses):				
Transfers in	0	0	0	0
Transfers out	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	0	0	0	0
NET CHANGE IN FUND BALANCES	(7,637)	1,531	0	0
Fund balances beginning of year	37,156	0	0	175,433
FUND BALANCES END OF YEAR	\$29,519	\$1,531	\$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
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	499,389	0	0	0
0	0	0	0	0	0
0	0	3,025	0	0	0
0	0	502,414	0	0	0
0	0		0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,350	4,200	481,913	19,900	26,300	26,000
0	0	0	0	0	0
1,350	4,200	481,913	19,900	26,300	26,000
(1,350)	(4,200)	20,501	(19,900)	(26,300)	(26,000)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(1,350)	(4,200)	20,501	(19,900)	(26,300)	(26,000)
4,050	21,600	2,034,925	62,935	112,100	141,300
\$2,700	\$17,400	\$2,055,426	\$43,035	\$85,800	\$115,300

			CAPITAL PROJECTS FUND			TOTAL OTHER GOVERNMENTAL FUNDS
GA DCA CHIP 07MR-X-092-2-2979	ACCOMMODATIONS TAX	YOUTH RECREATION SCHOLARSHIP	AIRPORT DEVELOPMENT	GENERAL CAPITAL PROJECTS	SUNSET HILL PERMANENT FUND	
\$0	\$2,893,595	\$0	\$0	\$0	\$0	\$2,893,595
0	0	0	11,174	0	0	11,174
0	0	0	0	0	8,300	8,300
0	0	0	1,907,481	0	0	2,419,968
0	0	0	0	0	0	9,021
0	0	0	0	0	22,645	25,670
0	2,893,595	0	1,918,655	0	30,945	5,367,728
0	2,148,945	10,016	0	0	9,013	2,167,974
0	0	0	0	0	0	24,225
11,000	0	0	0	0	0	570,663
0	0	0	2,164,676	35,458	0	2,204,134
11,000	2,148,945	10,016	2,164,676	35,458	9,013	4,966,996
(11,000)	744,650	(10,016)	(246,021)	(35,458)	21,932	400,732
0	0	0	0	165,000	0	165,000
0	(479,407)	0	0	0	0	(479,407)
0	(479,407)	0	0	165,000	0	(314,407)
(11,000)	265,243	(10,016)	(246,021)	129,542	21,932	86,325
70,000	319,114	11,956	358,759	131,883	1,639,355	5,120,566
\$59,000	\$584,357	\$1,940	\$112,738	\$261,425	\$1,661,287	\$5,206,891

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, 2016

	BUDGET			VARIANCE OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	
Current Operations:				
General government				
Administration				
Mayor and council				
Personal services	\$196,831	\$199,805	\$199,804	\$1
Contractual services	69,055	66,081	43,246	22,835
Supplies	13,500	13,531	12,512	1,019
Travel and training	193,451	193,451	160,333	33,118
Other services and charges	250,548	250,517	217,008	33,509
	723,385	723,385	632,903	90,482
City manager				
Personal services	453,061	609,759	640,681	(30,922)
Contractual services	49,665	50,020	47,112	2,908
Supplies	7,850	8,071	7,107	964
Travel and training	13,150	13,150	9,790	3,360
Other services and charges	21,401	21,104	19,881	1,223
	545,127	702,104	724,571	(22,467)
Elections				
Contractual services	25,000	25,000	0	25,000
	25,000	25,000	0	25,000
City attorney				
Travel and training	845	845	0	845
Other services and charges	368,000	368,000	196,125	171,875
	368,845	368,845	196,125	172,720
Solicitor				
Other services and charges	92,000	92,000	74,999	17,001
	92,000	92,000	74,999	17,001
Indigent Defense				
Other services and charges	30,000	30,000	27,188	2,812
	30,000	30,000	27,188	2,812
TOTAL ADMINISTRATION	1,784,357	1,941,334	1,655,786	285,548
Human resources department				
Administration				
Personal services	272,740	272,740	272,727	13
Contractual services	5,452	5,452	3,321	2,131
Supplies	7,600	7,600	2,744	4,856
Travel and training	9,775	3,258	17	3,241
Other services and charges	18,354	24,196	24,195	1
	313,921	313,246	303,004	10,242
Employee incentives/assistance				
Personal services	4,500	5,175	4,965	210
Travel and training	4,500	4,500	0	4,500
	9,000	9,675	4,965	4,710

(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, 2016

	BUDGET		ACTUAL	VARIANCE OVER (UNDER)
	ORIGINAL	FINAL		
Risk division				
Contractual services	\$18,000	\$15,400	\$15,351	\$49
Other services and charges	35,000	37,600	56,984	(19,384)
	53,000	53,000	72,335	(19,335)
TOTAL HUMAN RESOURCES	375,921	375,921	380,304	(4,383)
Finance department				
Finance director				
Personal services	208,919	154,973	164,075	(9,102)
Contractual services	1,975	2,229	2,278	(49)
Supplies	1,258	798	504	294
Travel and training	3,058	3,523	6,859	(3,336)
Other services and charges	65,831	69,462	81,564	(12,102)
	281,041	230,985	255,280	(24,295)
Accounting division				
Personal services	428,648	325,896	336,711	(10,815)
Contractual services	12,028	11,850	8,155	3,695
Supplies	4,500	4,500	2,228	2,272
Travel and training	6,745	6,645	2,920	3,725
Other services and charges	38,706	40,032	48,374	(8,342)
	490,627	388,923	398,388	(9,465)
Budget division				
Personal services	153,452	153,452	157,140	(3,688)
Contractual services	2,939	2,939	1,563	1,376
Supplies	2,450	2,450	1,303	1,147
Travel and training	1,812	1,812	226	1,586
Other services and charges	9,338	11,203	9,178	2,025
	169,991	171,856	169,410	2,446
Customer service division				
Personal services	507,416	484,877	480,335	4,542
Contractual services	111,971	116,065	125,242	(9,177)
Supplies	12,000	12,394	11,086	1,308
Travel and training	881	181	17	164
Other services and charges	67,475	80,890	84,392	(3,502)
	699,743	694,407	701,072	(6,665)
Business License				
Personal services	45,168	45,168	45,722	(554)
Contractual services	46,967	42,097	44,921	(2,824)
Supplies	700	341	102	239
Travel and training	368	368	323	45
Other services and charges	8,826	10,808	10,485	323
	102,029	98,782	101,553	(2,771)
Purchasing division				
Personal services	127,412	130,595	130,595	0
Contractual services	3,510	2,235	1,889	346
Supplies	1,635	1,635	864	771
Travel and training	3,872	2,654	1,910	744
Other services and charges	7,952	8,763	8,760	3
	144,381	145,882	144,018	1,864
TOTAL FINANCE	1,887,812	1,730,835	1,769,721	(38,886)

(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, 2016

	BUDGET			VARIANCE OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	
Engineering department				
Engineering division				
Personal services	\$632,654	\$632,654	\$616,394	\$16,260
Contractual services	15,711	14,047	10,687	3,360
Supplies	10,243	9,285	9,245	40
Travel and training	2,524	3,141	2,255	886
Other services and charges	106,598	106,503	75,650	30,853
	<u>767,730</u>	<u>765,630</u>	<u>714,231</u>	<u>51,399</u>
Signal Maintenance				
Personal services	229,308	224,946	210,664	14,282
Contractual services	6,687	6,687	5,494	1,193
Supplies	10,165	10,461	9,451	1,010
Travel and training	2,000	1,704	225	1,479
Other services and charges	40,222	25,722	18,594	7,128
	<u>288,382</u>	<u>269,520</u>	<u>244,428</u>	<u>25,092</u>
Signs and Markings				
Personal services	76,083	77,112	77,112	0
Contractual services	1,626	1,638	1,638	0
Supplies	31,550	31,474	29,927	1,547
Travel and training	1,125	1,125	75	1,050
Other services and charges	17,878	7,477	7,358	119
	<u>128,262</u>	<u>118,826</u>	<u>116,110</u>	<u>2,716</u>
Traffic Mgt Center				
Personal services	177,528	179,150	179,149	1
Contractual services	1,388,162	1,477,294	1,477,293	1
Supplies	10,500	11,634	11,634	0
Travel and training	2,335	2,350	2,326	24
Other services and charges	34,272	24,426	24,395	31
	<u>1,612,797</u>	<u>1,694,854</u>	<u>1,694,797</u>	<u>57</u>
Street Repair				
Personal services	240,731	204,731	204,546	185
Contractual services	9,578	10,736	10,736	0
Supplies	11,408	9,861	9,528	333
Travel and training	2,043	618	167	451
Other services and charges	79,455	48,872	46,404	2,468
Capital Outlay	22,500	22,500	20,608	1,892
	<u>365,715</u>	<u>297,318</u>	<u>291,989</u>	<u>5,329</u>
TOTAL ENGINEERING	<u>3,162,886</u>	<u>3,146,148</u>	<u>3,061,555</u>	<u>84,593</u>

(Continued)

CITY OF VALDOSTA, GEORGIA
SCHEDULE OF EXPENDITURES BY DEPARTMENT
BUDGETARY LEVEL OF CONTROL - BUDGET TO ACTUAL COMPARISONS
GENERAL FUND
FOR THE YEAR ENDING JUNE 30, 2016

	BUDGET		ACTUAL	VARIANCE OVER (UNDER)
	ORIGINAL	FINAL		
City hall				
Personal services	\$93,708	\$93,708	\$63,897	\$29,811
Contractual services	111,958	98,349	68,171	30,178
Supplies	5,883	6,756	6,756	0
Travel and training	17	17	0	17
Other services and charges	29,927	35,320	35,320	0
	<u>241,493</u>	<u>234,150</u>	<u>174,144</u>	<u>60,006</u>
City hall annex				
Personal services	41,627	46,933	46,932	1
Contractual services	85,692	90,289	90,288	1
Supplies	3,500	940	931	9
Other services and charges	10,426	10,426	21,364	(10,938)
	<u>141,245</u>	<u>148,588</u>	<u>159,515</u>	<u>(10,927)</u>
Customer service				
Contractual services	16,452	16,452	22,222	(5,770)
Supplies	500	500	1,176	(676)
Other services and charges	1,200	1,200	1,434	(234)
	<u>18,152</u>	<u>18,152</u>	<u>24,832</u>	<u>(6,680)</u>
Rental				
Contractual services	37,880	37,880	38,924	(1,044)
Other services and charges	8,738	8,738	31,418	(22,680)
Capital Outlay	0	0	85,925	(85,925)
	<u>46,618</u>	<u>46,618</u>	<u>156,267</u>	<u>(109,649)</u>
TOTAL OTHER GENERAL ADMINISTRATIVE	<u>447,508</u>	<u>447,508</u>	<u>514,758</u>	<u>(67,250)</u>
Municipal court				
Administration				
Personal services	288,371	296,398	296,398	0
Contractual services	46,329	47,570	47,569	1
Supplies	14,300	15,830	14,641	1,189
Travel and training	11,800	12,000	8,313	3,687
Other services and charges	595,404	584,406	542,560	41,846
TOTAL MUNICIPAL COURT	<u>956,204</u>	<u>956,204</u>	<u>909,481</u>	<u>46,723</u>
TOTAL GENERAL GOVERNMENT	<u>8,614,688</u>	<u>8,597,950</u>	<u>8,291,605</u>	<u>306,345</u>
Public safety				
Police department				
Police administration division				
Personal services	569,900	706,575	706,575	0
Contractual services	144,471	88,281	87,879	402
Supplies	114,307	103,356	103,130	226
Travel and training	20,676	9,258	9,164	94
Other services and charges	300,924	483,142	483,141	1
Capital Outlay	10,000	10,000	7,075	2,925
	<u>1,160,278</u>	<u>1,400,612</u>	<u>1,396,964</u>	<u>3,648</u>
Patrol bureau division				
Personal services	5,184,174	5,208,012	5,080,247	127,765
Contractual services	133,603	135,243	132,113	3,130
Supplies	26,432	65,303	60,286	5,017
Travel and training	20,375	18,273	14,848	3,425
Other services and charges	1,120,490	883,494	748,637	134,857
Capital outlay	30,000	34,550	60,639	(26,089)
	<u>6,515,074</u>	<u>6,344,875</u>	<u>6,096,770</u>	<u>248,105</u>

(Continued)

CITY OF VALDOSTA, GEORGIA
SCHEDULE OF EXPENDITURES BY DEPARTMENT
BUDGETARY LEVEL OF CONTROL - BUDGET TO ACTUAL COMPARISONS
GENERAL FUND
FOR THE YEAR ENDING JUNE 30, 2016

	BUDGET		ACTUAL	VARIANCE OVER (UNDER)
	ORIGINAL	FINAL		
Investigative bureau division				
Personal services	\$1,718,175	\$1,741,593	\$1,741,592	\$1
Contractual services	41,291	42,291	41,876	415
Supplies	43,837	23,287	22,883	404
Travel and training	28,076	27,219	22,090	5,129
Other services and charges	287,696	212,820	137,244	75,576
	<u>2,119,075</u>	<u>2,047,210</u>	<u>1,965,685</u>	<u>81,525</u>
Training				
Personal services	291,475	307,830	307,829	1
Contractual services	6,959	6,959	6,818	141
Supplies	258,700	188,117	184,166	3,951
Travel and training	4,235	10,302	9,468	834
Other services and charges	5,547	6,985	6,984	1
	<u>566,916</u>	<u>520,193</u>	<u>515,265</u>	<u>4,928</u>
Support services bureau division				
Personal services	1,432,261	1,461,044	1,461,043	1
Contractual services	413,158	454,155	454,165	(10)
Supplies	13,000	42,323	36,977	5,346
Travel and training	7,125	6,972	6,972	0
Other services and charges	175,566	203,451	203,441	10
Debt service	55,000	55,808	55,807	1
	<u>2,096,110</u>	<u>2,223,753</u>	<u>2,218,405</u>	<u>5,348</u>
Crime lab				
Personal services	807,417	804,859	782,373	22,486
Contractual services	220,779	178,337	178,336	1
Supplies	65,231	45,830	32,829	13,001
Travel and training	33,718	45,468	27,761	17,707
Other services and charges	120,459	120,459	48,768	71,691
Capital outlay	31,250	83,901	201,581	(117,680)
Debt service	0	0	52,651	(52,651)
	<u>1,278,854</u>	<u>1,278,854</u>	<u>1,324,299</u>	<u>(45,445)</u>
TOTAL POLICE DEPARTMENT	<u>13,736,307</u>	<u>13,815,497</u>	<u>13,517,388</u>	<u>298,109</u>
Fire department				
Fire administration division				
Personal services	488,741	470,441	468,019	2,422
Contractual services	7,939	13,276	13,275	1
Supplies	3,640	8,118	7,580	538
Travel and training	8,280	12,733	12,733	0
Other services and charges	63,182	82,175	80,578	1,597
	<u>571,782</u>	<u>586,743</u>	<u>582,185</u>	<u>4,558</u>
Fire fighting division				
Personal services	5,006,616	5,001,873	4,879,719	122,154
Contractual services	172,021	172,021	166,352	5,669
Supplies	146,806	151,294	151,294	0
Travel and training	9,905	9,905	7,731	2,174
Other services and charges	271,076	271,730	262,210	9,520
Capital Outlay	1,050,529	2,017,429	1,949,582	67,847
	<u>6,656,953</u>	<u>7,624,252</u>	<u>7,416,888</u>	<u>207,364</u>
Fire inspection division				
Personal services	238,688	218,280	207,926	10,354
Contractual services	4,282	4,282	3,601	681
Supplies	10,250	10,250	8,770	1,480
Travel and training	4,925	4,925	1,853	3,072
Other services and charges	32,735	30,569	19,654	10,915
	<u>290,880</u>	<u>268,306</u>	<u>241,804</u>	<u>26,502</u>

(Continued)

CITY OF VALDOSTA, GEORGIA
SCHEDULE OF EXPENDITURES BY DEPARTMENT
BUDGETARY LEVEL OF CONTROL - BUDGET TO ACTUAL COMPARISONS
GENERAL FUND
FOR THE YEAR ENDING JUNE 30, 2016

	BUDGET		ACTUAL	VARIANCE OVER (UNDER)
	ORIGINAL	FINAL		
Fire maintenance division				
Personal services	\$87,343	\$89,864	\$89,864	\$0
Contractual services	44,252	47,605	47,604	\$1
Supplies	86,252	101,932	101,931	\$1
Travel and training	5,615	10	0	\$10
Other services and charges	42,880	41,983	40,770	\$1,213
	<u>266,342</u>	<u>281,394</u>	<u>280,169</u>	<u>1,225</u>
Fire training division				
Personal services	159,308	166,023	166,023	0
Contractual services	12,837	22,769	22,769	0
Supplies	24,653	24,653	23,165	1,488
Travel and training	10,875	29,258	27,499	1,759
Other services and charges	61,647	18,028	3,467	14,561
	<u>269,320</u>	<u>260,731</u>	<u>242,923</u>	<u>17,808</u>
Special services division				
Personal services	79,868	79,868	46,900	32,968
Contractual services	1,434	1,434	875	559
Supplies	5,850	30,850	15	30,835
Travel and training	2,525	22,525	10,519	12,006
Other services and charges	4,510	5,261	5,008	253
	<u>94,187</u>	<u>139,938</u>	<u>63,317</u>	<u>76,621</u>
TOTAL FIRE DEPARTMENT	<u>8,149,464</u>	<u>9,161,364</u>	<u>8,827,286</u>	<u>334,078</u>
Other protection services				
Community protection				
Personal services	283,111	313,018	313,017	1
Contractual services	100,012	62,781	51,766	11,015
Supplies	3,225	5,991	5,428	563
Travel and training	4,700	4,700	5,057	(357)
Other services and charges	37,946	42,504	41,990	514
	<u>428,994</u>	<u>428,994</u>	<u>417,258</u>	<u>11,736</u>
Neighborhood development				
Personal services	59,315	59,315	16,192	43,123
Contractual services	797	797	1,055	(258)
Supplies	225	0	225	(225)
Travel and training	1,600	0	0	0
Other services and charges	75	4,161	6,393	(2,232)
	<u>62,012</u>	<u>64,273</u>	<u>23,865</u>	<u>40,408</u>
TOTAL OTHER PROTECTION SERVICES	<u>491,006</u>	<u>493,267</u>	<u>441,123</u>	<u>52,144</u>
TOTAL PUBLIC SAFETY	<u>22,376,777</u>	<u>23,470,128</u>	<u>22,785,797</u>	<u>684,331</u>
Public works				
Public works department				
Right of way maintenance				
Personal services	1,050,255	1,050,255	943,838	106,417
Contractual services	122,606	120,331	101,042	19,289
Supplies	40,660	39,008	23,257	15,751
Other services and charges	173,210	177,137	139,950	37,187
	<u>1,386,731</u>	<u>1,386,731</u>	<u>1,208,087</u>	<u>178,644</u>
Cemetery division				
Personal services	391,861	374,263	373,721	542
Contractual services	20,492	21,192	21,117	75
Supplies	14,407	13,707	10,439	3,268
Travel and training	410	410	242	168
Other services and charges	47,994	65,592	65,592	0
	<u>475,164</u>	<u>475,164</u>	<u>471,111</u>	<u>4,053</u>

(Continued)

CITY OF VALDOSTA, GEORGIA
SCHEDULE OF EXPENDITURES BY DEPARTMENT
BUDGETARY LEVEL OF CONTROL - BUDGET TO ACTUAL COMPARISONS
GENERAL FUND
FOR THE YEAR ENDING JUNE 30, 2016

	BUDGET		ACTUAL	VARIANCE OVER (UNDER)
	ORIGINAL	FINAL		
Arborist				
Personal services	\$95,137	\$97,838	\$97,837	\$1
Contractual services	8,080	7,312	7,162	150
Supplies	5,150	3,758	3,525	233
Travel and training	2,445	2,285	1,646	639
Other services and charges	33,879	33,498	27,740	5,758
	<u>144,691</u>	<u>144,691</u>	<u>137,910</u>	<u>6,781</u>
TOTAL PUBLIC WORKS	<u>2,006,586</u>	<u>2,006,586</u>	<u>1,817,108</u>	<u>189,478</u>
Economic Development and Assistance				
Administration				
Personal services	150,775	150,775	26,714	124,061
Contractual services	2,079	9,958	9,342	616
Supplies	951	757	473	284
Travel and training	3,440	2,723	1,975	748
Other services and charges	57,213	53,457	17,811	35,646
Capital Outlay	0	0	23,500	(23,500)
	<u>214,458</u>	<u>217,670</u>	<u>79,815</u>	<u>137,855</u>
Grants administrator				
Personal services	0	0	0	0
Contractual services	5	5	329	(324)
Supplies	846	0	0	0
Travel and training	2,164	0	0	0
Other services and charges	2,463	0	0	0
	<u>5,478</u>	<u>5</u>	<u>329</u>	<u>(324)</u>
Public relations				
Personal services	107,949	114,102	121,542	(7,440)
Contractual services	21,026	8,354	8,241	113
Supplies	10,090	10,757	11,061	(304)
Travel and training	1,270	1,450	1,450	0
Other services and charges	18,421	24,093	24,092	1
Capital Outlay	18,064	18,064	0	18,064
	<u>176,820</u>	<u>176,820</u>	<u>166,386</u>	<u>10,434</u>
Main street division				
Personal services	60,390	60,390	67,208	(6,818)
Contractual services	209	209	271	(62)
Supplies	1,330	1,330	0	1,330
Other services and charges	9,109	9,109	8,152	957
	<u>71,038</u>	<u>71,038</u>	<u>75,631</u>	<u>(4,593)</u>
Planning and Zoning				
Personal services	258,145	250,585	250,558	27
Contractual services	6,066	10,691	10,690	1
Supplies	3,174	2,734	2,699	35
Travel and training	3,700	2,476	965	1,511
Other services and charges	22,243	26,842	31,747	(4,905)
	<u>293,328</u>	<u>293,328</u>	<u>296,659</u>	<u>(3,331)</u>
Great promise internship				
Other services and charges	0	0	284	(284)
	<u>0</u>	<u>0</u>	<u>284</u>	<u>(284)</u>
TOTAL ECONOMIC DEV AND ASSIST	<u>761,122</u>	<u>758,861</u>	<u>619,104</u>	<u>139,757</u>
TOTAL EXPENDITURES	<u>\$33,759,173</u>	<u>\$34,833,525</u>	<u>\$33,513,614</u>	<u>\$1,319,911</u>

**CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
CONFISCATED FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

		BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
		ORIGINAL	FINAL		
Revenues:					
Fines and forfeitures		\$0	\$6,110	\$5,027	(\$1,083)
TOTAL REVENUES		0	6,110	5,027	(1,083)
Expenditures:					
Current:					
Public safety					
Police administration division					
Supplies		0	1,675	2,161	(486)
Other services and charges		344	344	905	(561)
Investigative bureau					
Supplies		0	3,580	4,564	(984)
Other services and charges		0	854	1,034	(180)
Capital outlay		0	4,000	4,000	0
TOTAL EXPENDITURES		344	10,453	12,664	(2,211)
REVENUES OVER (UNDER) EXPENDITURES		(344)	(4,343)	(7,637)	(3,294)
Fund balance - beginning of year - budgetary basis		37,156	37,156	37,156	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS		\$36,812	\$32,813	\$29,519	(\$3,294)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP

Revenues and Expenditures

Sources/inflows of resources

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

\$5,027

Differences - budget to GAAP:

None

0

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

\$5,027

Uses/outflows of resources

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

\$12,664

Differences - budget to GAAP:

None

0

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

\$12,664

**CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
PROPERTY EVIDENCE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

		BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
		ORIGINAL	FINAL		
Revenues:					
Fines and forfeitures		\$0	\$7,933	\$3,994	(\$3,939)
TOTAL REVENUES		0	7,933	3,994	(3,939)
Expenditures:					
Current:					
Public safety					
Investigative Bureau					
Supplies		0	3,933	3,994	(61)
TOTAL EXPENDITURES		0	3,933	3,994	(61)
REVENUES OVER (UNDER) EXPENDITURES		0	4,000	0	4,000
Fund balance - beginning of year - budgetary basis		0	0	0	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS		\$0	\$4,000	\$0	\$4,000

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.

\$3,994

Differences - budget to GAAP:

None

0

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

\$3,994

Uses/outflows of resources

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

\$3,994

Differences - budget to GAAP:

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

(1,531)

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

\$2,463

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
U. S. DEPARTMENT OF JUSTICE - LOCAL LAW ENFORCEMENT BLOCK GRANTS
FOR THE YEAR ENDED JUNE 30, 2016

		BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
		ORIGINAL	FINAL		
Revenues:					
Intergovernmental		\$0	\$18,035	\$13,098	(\$4,937)
TOTAL REVENUES		0	18,035	13,098	(4,937)
Expenditures:					
Current:					
Public safety					
Byrne Justice Assistance Grant					
2014-DJ-BX-0950					
Supplies		0	13,477	8,663	4,814
Other services and charges		0	4,558	4,435	123
TOTAL EXPENDITURES		0	18,035	13,098	4,937
REVENUES OVER (UNDER) EXPENDITURES		0	0	0	0
Fund balance - beginning of year - budgetary basis		0	0	0	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS		\$0	\$0	\$0	\$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.

\$13,098

Differences - budget to GAAP:

None

0

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

\$13,098

Uses/outflows of resources

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

\$13,098

Differences - budget to GAAP:

None

0

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

\$13,098

**CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
URBAN DEVELOPMENT ACTION GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2016**

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

Explanation of Differences between Budgetary Inflows and Outflows and GAAP

Revenues and Expenditures

Sources/inflows of resources

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

\$0

Differences - budget to GAAP:

None

0

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

\$0

Uses/outflows of resources

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

\$0

Differences - budget to GAAP:

None

0

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

\$0

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 01M-X-092-2-2568
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$0	\$1,350	\$0	(\$1,350)
TOTAL REVENUES	<u>0</u>	<u>1,350</u>	<u>0</u>	<u>(1,350)</u>
Expenditures:				
Current:				
Housing development activities				
Construction	0	1,350	1,350	0
TOTAL EXPENDITURES	<u>0</u>	<u>1,350</u>	<u>1,350</u>	<u>0</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	<u>(1,350)</u>	<u>(1,350)</u>
Fund balance - beginning of year - budgetary basis	<u>4,050</u>	<u>4,050</u>	<u>4,050</u>	<u>0</u>
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u><u>\$4,050</u></u>	<u><u>\$4,050</u></u>	<u><u>\$2,700</u></u>	<u><u>(\$1,350)</u></u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP

Revenues and Expenditures

Sources/inflows of resources

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

\$0

Differences - budget to GAAP:

None

0

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

\$0

Uses/outflows of resources

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

\$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, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$0	\$4,200	\$0	(\$4,200)
TOTAL REVENUES	<u>0</u>	<u>4,200</u>	<u>0</u>	<u>(4,200)</u>
Expenditures:				
Current:				
Housing development activities				
Construction	0	4,200	4,200	0
TOTAL EXPENDITURES	<u>0</u>	<u>4,200</u>	<u>4,200</u>	<u>0</u>
REVENUES UNDER EXPENDITURES	<u>0</u>	<u>0</u>	<u>(4,200)</u>	<u>(4,200)</u>
Fund balance - beginning of year - budgetary basis	<u>21,600</u>	<u>21,600</u>	<u>21,600</u>	<u>0</u>
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u>\$21,600</u>	<u>\$21,600</u>	<u>\$17,400</u>	<u>(\$4,200)</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP

Revenues and Expenditures

Sources/inflows of resources

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

\$0

Differences - budget to GAAP:

None

0

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

\$0

Uses/outflows of resources

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

\$4,200

Differences - budget to GAAP:

None

0

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

\$4,200

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
FEDERAL HUD GRANT
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$565,826	\$565,826	\$499,389	(\$66,437)
Miscellaneous revenues	0	0	3,025	3,025
TOTAL REVENUES	<u>565,826</u>	<u>565,826</u>	<u>502,414</u>	<u>(63,412)</u>
Expenditures:				
Current:				
Economic development and assistance				
Community development				
CDBG 2013 funding				
Single unit residential rehab	0	42,216	42,216	0
CDBG 2014 funding				
Single unit residential rehab	0	167,203	167,203	0
CDBG 2015 funding				
Single unit residential rehab	0	86,347	86,347	0
CDBG 2016 funding				
Single unit residential rehab	442,208	155,510	25,871	129,639
Continuing small business education	0	0	20,000	(20,000)
Program administration	113,618	107,122	116,190	(9,068)
Bulk trash amnesty	0	0	16,628	(16,628)
Fair housing education	10,000	7,428	7,458	(30)
TOTAL EXPENDITURES	<u>565,826</u>	<u>565,826</u>	<u>481,913</u>	<u>83,913</u>
REVENUES OVER EXPENDITURES	<u>0</u>	<u>0</u>	<u>20,501</u>	<u>20,501</u>
Fund balance - beginning of year - budgetary basis	<u>2,034,925</u>	<u>2,034,925</u>	<u>2,034,925</u>	<u>0</u>
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u><u>\$2,034,925</u></u>	<u><u>\$2,034,925</u></u>	<u><u>\$2,055,426</u></u>	<u><u>\$20,501</u></u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP

Revenues and Expenditures

Sources/inflows of resources

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

\$502,414

Differences - budget to GAAP:

None

0

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

\$502,414

Uses/outflows of resources

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

\$481,913

Differences - budget to GAAP:

None

0

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

\$481,913

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 04M-X-092-2-2915
FOR THE YEAR ENDED JUNE 30, 2016

		BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
		ORIGINAL	FINAL		
Revenues:					
Intergovernmental		\$0	\$19,900	\$0	(\$19,900)
TOTAL REVENUES		0	19,900	0	(19,900)
Expenditures:					
Current:					
Housing development activities					
Construction		0	19,900	19,900	0
TOTAL EXPENDITURES		0	19,900	19,900	0
REVENUES OVER (UNDER) EXPENDITURES		0	0	(19,900)	(19,900)
Fund balance - beginning of year - budgetary basis		62,935	62,935	62,935	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS		\$62,935	\$62,935	\$43,035	(\$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, 2016

		BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER (UNDER)
		ORIGINAL	FINAL	ACTUAL	
Revenues:					
Intergovernmental		\$0	\$26,300	\$0	(\$26,300)
TOTAL REVENUES		<u>0</u>	<u>26,300</u>	<u>0</u>	<u>(26,300)</u>
Expenditures:					
Current:					
Housing development activities					
Construction		0	26,300	26,300	0
TOTAL EXPENDITURES		<u>0</u>	<u>26,300</u>	<u>26,300</u>	<u>0</u>
REVENUES UNDER EXPENDITURES		<u>0</u>	<u>0</u>	<u>(26,300)</u>	<u>(26,300)</u>
Fund balance - beginning of year - budgetary basis		<u>112,100</u>	<u>112,100</u>	<u>112,100</u>	<u>0</u>
FUND BALANCE - END OF YEAR - BUDGETARY BASIS		<u>\$112,100</u>	<u>\$112,100</u>	<u>\$85,800</u>	<u>(\$26,300)</u>
Explanation of Differences between Budgetary Inflows and Outflows and GAAP					
Revenues and Expenditures					
Sources/inflows of resources					
Actual revenues (budgetary basis) from the budgetary comparison schedule.				\$0	
Differences - budget to GAAP:					
None				<u>0</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				<u>\$0</u>	
Uses/outflows of resources					
Actual expenditures (budgetary basis) from the budgetary comparison schedule.				\$26,300	
Differences - budget to GAAP:					
None				<u>0</u>	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				<u>\$26,300</u>	

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 07M-X-092-2-2961
FOR THE YEAR ENDED JUNE 30, 2016

		BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
		ORIGINAL	FINAL		
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		141,300	141,300	141,300	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS		\$141,300	\$141,300	\$115,300	(\$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, 2016

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	
Revenues:				
Intergovernmental	\$0	\$11,000	\$0	(\$11,000)
TOTAL REVENUES	<u>0</u>	<u>11,000</u>	<u>0</u>	<u>(11,000)</u>
Expenditures:				
Housing development activities				
Construction	0	11,000	11,000	0
TOTAL EXPENDITURES	<u>0</u>	<u>11,000</u>	<u>11,000</u>	<u>0</u>
REVENUES OVER EXPENDITURES	<u>0</u>	<u>0</u>	<u>(11,000)</u>	<u>(11,000)</u>
Fund balance - beginning of year - budgetary basis	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>0</u>
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u>\$70,000</u>	<u>\$70,000</u>	<u>\$59,000</u>	<u>(\$11,000)</u>
Explanation of Differences between Budgetary Inflows and Outflows and GAAP				
Revenues and Expenditures				
Sources/inflows of resources				
Actual revenues (budgetary basis) from the budgetary comparison schedule.			\$0	
Differences - budget to GAAP:				
None			<u>0</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.			<u>\$0</u>	
Uses/outflows of resources				
Actual expenditures (budgetary basis) from the budgetary comparison schedule.			\$11,000	
Differences - budget to GAAP:				
None			<u>0</u>	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.			<u>\$11,000</u>	

**CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
ACCOMODATIONS TAX
FOR YEAR ENDED JUNE 30, 2016**

			BUDGETED AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
			ORIGINAL	
			FINAL	ACTUAL
Revenues:				
Taxes			\$2,601,000	\$2,893,595
			2,601,000	2,893,595
		TOTAL REVENUES	2,601,000	2,893,595
Expenditures:				
Other services and charges			2,059,788	2,148,945
Transfer out			448,013	479,407
			2,507,801	2,628,352
		TOTAL EXPENDITURES	2,507,801	2,628,352
		REVENUES OVER (UNDER) EXPENDITURES	93,199	265,243
Net position - beginning of year - budgetary basis			319,114	319,114
NET POSITION - END OF YEAR			\$412,313	\$584,357

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.

\$2,893,595

Differences - budget to GAAP:

None

0

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

\$2,893,595

Uses/outflows of resources

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

\$2,628,352

Differences - budget to GAAP:

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

(479,407)

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

\$2,148,945

**CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
YOUTH RECREATION SCHOLARSHIP FUND
FOR YEAR ENDED JUNE 30, 2016**

	BUDGETED AMOUNTS		ACTUAL AMOUNT BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Interest income	\$0	\$0	\$0	\$0
TOTAL REVENUES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:				
General Governmental	0	0	10,016	(10,016)
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>10,016</u>	<u>(10,016)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	<u>(10,016)</u>	<u>(10,016)</u>
Net position - beginning of year - budgetary basis	<u>11,956</u>	<u>11,956</u>	<u>11,956</u>	<u>0</u>
NET POSITION - END OF YEAR	<u>\$11,956</u>	<u>\$11,956</u>	<u>\$1,940</u>	<u>(\$10,016)</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP

Revenues and Expenditures

Sources/inflows of resources

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

\$0

Differences - budget to GAAP:

None

0

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

\$0

Uses/outflows of resources

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

\$10,016

Differences - budget to GAAP:

None

0

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

\$10,016

**CITY OF VALDOSTA, GEORGIA
SALES TAX 2013 FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2016**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Revenues:			
Intergovernmental	\$11,646,354	\$11,394,712	(\$251,642)
TOTAL REVENUES	<u>11,646,354</u>	<u>11,394,712</u>	<u>(251,642)</u>
Expenditures:			
Capital outlay:			
Resurfacing	174,000	(24,826)	198,826
Road improvements	1,851,334	2,621,749	(770,415)
Sidewalk improvements	418,000	(21,133)	439,133
Intersection improvements	80,300	0	80,300
Drainage improvements	364,888	90	364,798
Traffic improvements	168,404	162,123	6,281
Street maintenance repairs	70,000	48,121	21,879
Piping of ditches	61,370	0	61,370
Police buildings	0	127,873	(127,873)
Technology police	0	12,695	(12,695)
Miscellaneous parks and recreation projects	0	42,217	(42,217)
Equipment	0	(216,361)	216,361
GEFA debt repayment for Force Main Project	0	394,285	(394,285)
Manhole/liner rehabilitation	0	129,276	(129,276)
Sewer collections smoke testing	0	139,754	(139,754)
Withlacoochee sewer plant	2,098,327	560,277	1,538,050
Mathis auditorium	0	194,650	(194,650)
Software & hardware	100,000	58,181	41,819
Parks and recreation	166,666	0	166,666
Vac con truck	0	323,541	(323,541)
TOTAL EXPENDITURES	<u>5,553,289</u>	<u>4,552,512</u>	<u>1,000,777</u>
REVENUES OVER EXPENDITURES	<u>6,093,065</u>	<u>6,842,200</u>	<u>749,135</u>
Fund balance - beginning of year - budgetary basis	<u>(11,016,136)</u>	<u>(11,016,136)</u>	<u>0</u>
FUND BALANCE (DEFICIT) - END OF YEAR - BUDGETARY BASIS	<u><u>(\$4,923,071)</u></u>	<u><u>(\$4,173,936)</u></u>	<u><u>\$749,135</u></u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP

Revenues and Expenditures

Sources/inflows of resources

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

\$11,394,712

Differences - budget to GAAP:

None

0

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

\$11,394,712

Uses/outflows of resources

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

\$4,552,512

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.

9,481,558

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

\$14,034,070

**CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
AIRPORT DEVELOPMENT FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Revenues:			
Intergovernmental	\$3,360,000	\$1,907,481	(\$1,452,519)
Interest revenue	0	11,174	11,174
TOTAL REVENUES	<u>3,360,000</u>	<u>1,918,655</u>	<u>(1,441,345)</u>
Capital outlay:			
Airport improvement	3,360,000	2,164,676	1,195,324
TOTAL EXPENDITURES	<u>3,360,000</u>	<u>2,164,676</u>	<u>1,195,324</u>
REVENUES UNDER EXPENDITURES	<u>0</u>	<u>(246,021)</u>	<u>(246,021)</u>
Fund balance - beginning of year - budgetary basis	<u>358,759</u>	<u>358,759</u>	<u>0</u>
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u><u>\$358,759</u></u>	<u><u>\$112,738</u></u>	<u><u>(\$246,021)</u></u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP

Revenues and Expenditures

Sources/inflows of resources

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

\$1,918,655

Differences - budget to GAAP:

None

0

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

\$1,918,655

Uses/outflows of resources

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

\$2,164,676

Differences - budget to GAAP:

None

0

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

\$2,164,676

**CITY OF VALDOSTA, GEORGIA
GENERAL CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2016**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Revenues:			
Interest income	\$0	\$0	\$0
Transfer in	\$165,000	\$165,000	
TOTAL REVENUES	<u>165,000</u>	<u>165,000</u>	<u>0</u>
Expenditures:			
Current:			
Other services and charges	165,000	35,458	129,542
TOTAL EXPENDITURES	<u>165,000</u>	<u>35,458</u>	<u>129,542</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>129,542</u>	<u>129,542</u>
Net position - beginning of year - budgetary basis	<u>131,883</u>	<u>131,883</u>	<u>0</u>
NET POSITION - END OF YEAR - BUDGETARY BASIS	<u><u>\$131,883</u></u>	<u><u>\$261,425</u></u>	<u><u>\$129,542</u></u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP

Revenues and Expenditures

Sources/inflows of resources

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

\$165,000

Differences - budget to GAAP:

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

(165,000)

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.

\$35,458

Differences - budget to GAAP:

None

0

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

\$35,458

**CITY OF VALDOSTA, GEORGIA
SUNSET HILL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2016**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Operating revenues:			
Contributions	35,000	8,300	(26,700)
Rental income	26,500	22,645	(3,855)
TOTAL OPERATING REVENUES	61,500	30,945	(30,555)
Operating expenditures:			
Other services and charges	9,500	9,013	487
TOTAL OPERATING EXPENDITURES	9,500	9,013	487
REVENUES OVER (UNDER) EXPENDITURES	52,000	21,932	(30,068)
Fund Balance - beginning of year - budgetary basis	1,639,355	1,639,355	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	\$1,691,355	\$1,661,287	(\$30,068)

**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.	\$30,945
Differences - budget to GAAP:	
None	0
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$30,945</u>

Uses/outflows of resources

Actual expenditures (budgetary basis) from the budgetary comparison schedule.	\$9,013
Differences - budget to GAAP:	
None	0
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$9,013</u>



NON-MAJOR ENTERPRISE FUNDS

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

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

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

CITY OF VALDOSTA, GEORGIA
COMBINING STATEMENT OF NET POSITION
OTHER ENTERPRISE FUNDS
JUNE 30, 2016

	ENTERPRISE FUNDS			TOTAL OTHER ENTERPRISE FUNDS
	INSPECTION	AUDITORIUM	MOTOR FUEL	
ASSETS				
Current assets:				
Cash	\$300	\$0	\$3,557	\$3,857
Investments	0	0	9,423	9,423
Receivables (net)				
Accounts	415	0	15,818	16,233
Due from other governments and agencies	462	0	19,688	20,150
Total current assets	<u>1,177</u>	<u>0</u>	<u>48,486</u>	<u>49,663</u>
Non-current assets:				
Capital assets:				
Equipment	<u>45,820</u>	<u>0</u>	<u>0</u>	<u>45,820</u>
	<u>45,820</u>	<u>0</u>	<u>0</u>	<u>45,820</u>
Less accumulated depreciation	<u>(45,820)</u>	<u>0</u>	<u>0</u>	<u>(45,820)</u>
Net capital assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total assets	<u>\$1,177</u>	<u>\$0</u>	<u>\$48,486</u>	<u>\$49,663</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$15,080	\$10,600	\$0	\$25,680
Compensated absences	<u>20,447</u>	<u>2,893</u>	<u>0</u>	<u>23,340</u>
Total current liabilities	<u>35,527</u>	<u>13,493</u>	<u>0</u>	<u>49,020</u>
Non-current liabilities (payable from unrestricted assets):				
Compensated absences	0	822	0	822
Advances from other funds	<u>788,057</u>	<u>498,745</u>	<u>0</u>	<u>1,286,802</u>
Total non-current liabilities (payable from unrestricted assets)	<u>788,057</u>	<u>499,567</u>	<u>0</u>	<u>1,287,624</u>
Total liabilities	<u>823,584</u>	<u>513,060</u>	<u>0</u>	<u>1,336,644</u>
NET POSITION				
Unrestricted	<u>(822,407)</u>	<u>(513,060)</u>	<u>48,486</u>	<u>(1,286,981)</u>
Total net position (deficit)	<u>(\$822,407)</u>	<u>(\$513,060)</u>	<u>\$48,486</u>	<u>(\$1,286,981)</u>

CITY OF VALDOSTA, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	ENTERPRISE FUNDS			TOTAL OTHER ENTERPRISE FUNDS
	INSPECTION	AUDITORIUM	MOTOR FUEL	
Operating revenues:				
Permits	\$822,589	\$0	\$0	\$822,589
Charges for services	38,249	43,734	280,181	362,164
TOTAL OPERATING REVENUES	<u>860,838</u>	<u>43,734</u>	<u>280,181</u>	<u>1,184,753</u>
Operating expenses:				
Personal services	611,057	110,116	0	721,173
Contractual services	37,329	89,469	0	126,798
Supplies	4,143	14,475	271,020	289,638
Travel and training	1,175	0	0	1,175
Other services and charges	161,187	16,605	85	177,877
TOTAL OPERATING EXPENSES	<u>814,891</u>	<u>230,665</u>	<u>271,105</u>	<u>1,316,661</u>
OPERATING INCOME (LOSS)	<u>45,947</u>	<u>(186,931)</u>	<u>9,076</u>	<u>(131,908)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>45,947</u>	<u>(186,931)</u>	<u>9,076</u>	<u>(131,908)</u>
Transfers in	0	283,013	0	283,013
Transfers out	(49,849)	(17,661)	0	(67,510)
	<u>(49,849)</u>	<u>265,352</u>	<u>0</u>	<u>215,503</u>
Change in Net Position	<u>(3,902)</u>	<u>78,421</u>	<u>9,076</u>	<u>83,595</u>
NET POSITION - BEGINNING	<u>(818,505)</u>	<u>(591,481)</u>	<u>39,410</u>	<u>(1,370,576)</u>
NET POSITION - ENDING	<u>(\$822,407)</u>	<u>(\$513,060)</u>	<u>\$48,486</u>	<u>(\$1,286,981)</u>

CITY OF VALDOSTA, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	ENTERPRISE FUNDS			TOTAL OTHER ENTERPRISE FUNDS
	INSPECTION	AUDITORIUM	MOTOR FUEL	
<u>NET CHANGE IN CASH</u>				
Cash flows from operating activities:				
Cash received from customers	\$860,578	\$43,734	\$287,788	\$1,192,100
Cash payments to suppliers for goods and services	(167,045)	(201,863)	(274,808)	(643,716)
Cash payments to employees for services	(643,684)	(107,223)	0	(750,907)
Net change in cash from operating activities	49,849	(265,352)	12,980	(202,523)
Cash flows from noncapital financing activities:				
Transfers-in from other funds	0	283,013	0	283,013
Transfers-out to other funds	(49,849)	(17,661)	0	(67,510)
Net change in cash from noncapital financing activities	(49,849)	265,352	0	215,503
Cash flows from investing activities:				
Purchase of investment securities	0	0	(9,423)	(9,423)
Net change in cash from investing activities	0	0	(9,423)	(9,423)
Net change in cash	0	0	3,557	3,557
Cash beginning of year	300	0	0	300
Cash at end of year	\$300	\$0	\$3,557	\$3,857
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CHANGE IN CASH FROM OPERATING ACTIVITIES</u>				
Operating income (loss)	\$45,947	(\$186,931)	\$9,076	(\$131,908)
Adjustments to reconcile operating income (loss) to net change in cash from operating activities:				
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(260)	0	7,607	7,347
Decrease in due from other governments and agencies	0	0	7,924	7,924
(Decrease) in accounts payable	(15,396)	(1,260)	0	(16,656)
(Decrease) increase in compensated absences	(14,845)	2,893	0	(11,952)
(Decrease) in due to other funds	0	0	(11,627)	(11,627)
Increase (decrease) in advances from other funds	34,403	(80,054)	0	(45,651)
Net change in cash from operating activities	\$49,849	(\$265,352)	\$12,980	(\$202,523)



INTERNAL SERVICE FUNDS

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

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

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

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

CITY OF VALDOSTA, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2016

GOVERNMENTAL ACTIVITIES

INTERNAL SERVICE FUNDS

	<u>MOTOR POOL</u>	<u>GROUP INSURANCE</u>	<u>WORKMEN'S COMPENSATION</u>	<u>IT SERVICES</u>	<u>TOTAL INTERNAL SERVICE FUNDS</u>
ASSETS					
Current assets:					
Cash	\$0	\$41,047	\$74,279	\$0	\$115,326
Receivables					
Accounts	472,805	18,707	0	0	491,512
Due from other funds	0	662,677	188,122	0	850,799
Inventories at cost	356,305	0	0	0	356,305
Total current assets	<u>829,110</u>	<u>722,431</u>	<u>262,401</u>	<u>0</u>	<u>1,813,942</u>
Noncurrent assets:					
Land	92,563	0	0	0	92,563
Land improvements	383,595	0	0	0	383,595
Buildings and structures	455,021	0	0	0	455,021
Motor vehicles	16,098,297	0	0	0	16,098,297
Equipment	2,362,139	0	0	51,852	2,413,991
	<u>19,391,615</u>	<u>0</u>	<u>0</u>	<u>51,852</u>	<u>19,443,467</u>
Less accumulated depreciation	(16,220,517)	0	0	(32,840)	(16,253,357)
Net capital assets (net of accumulated depreciation)	<u>3,171,098</u>	<u>0</u>	<u>0</u>	<u>19,012</u>	<u>3,190,110</u>
Total assets	<u>\$4,000,208</u>	<u>\$722,431</u>	<u>\$262,401</u>	<u>\$19,012</u>	<u>\$5,004,052</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$196,107	\$722,431	\$37,938	\$12,800	\$969,276
Compensated absences (current portion)	20,558	0	0	0	20,558
Due to other funds	0	0	0	6,212	6,212
Capital lease payable (current portion)	190,953	0	0	0	190,953
Total current liabilities	<u>407,618</u>	<u>722,431</u>	<u>37,938</u>	<u>19,012</u>	<u>1,186,999</u>
Noncurrent liabilities:					
Compensated absences	26,455	0	0	0	26,455
Capital lease payable (net of current portion)	592,357	0	0	0	592,357
Advances from other funds	2,973,778	0	0	0	2,973,778
Total liabilities	<u>4,000,208</u>	<u>722,431</u>	<u>37,938</u>	<u>19,012</u>	<u>4,779,589</u>
NET POSITION					
Net investment in capital assets	2,387,788	0	0	19,012	2,406,800
Reserve for workmen's compensation claims	0	0	224,463	0	224,463
Unrestricted	(2,387,788)	0	0	(19,012)	(2,406,800)
Total net position	<u>\$0</u>	<u>\$0</u>	<u>\$224,463</u>	<u>\$0</u>	<u>\$224,463</u>

CITY OF VALDOSTA, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	GOVERNMENTAL ACTIVITIES				
	INTERNAL SERVICE FUNDS				
	<u>MOTOR POOL</u>	<u>GROUP INSURANCE</u>	<u>WORKMEN'S COMPENSATION</u>	<u>IT SERVICES</u>	<u>TOTAL INTERNAL SERVICE FUNDS</u>
Operating revenues:					
Charges for services	\$3,363,827	\$4,578,654	\$615,001	\$1,078,417	\$9,635,899
Miscellaneous revenues	3,649	123,091	0	0	126,740
TOTAL OPERATING REVENUES	3,367,476	4,701,745	615,001	1,078,417	9,762,639
Operating expenses:					
Personal services	641,669	0	0	0	641,669
Contractual services	316,340	1,782,374	0	993,595	3,092,309
Claims paid	302	5,753,164	456,374	0	6,209,840
Supplies	1,846,130	13,713	0	41,360	1,901,203
Travel and training	218	0	0	0	218
Other services and charges	222,716	769	131,216	33,091	387,792
Depreciation expense	752,481	0	0	10,371	762,852
TOTAL OPERATING EXPENSES	3,779,856	7,550,020	587,590	1,078,417	12,995,883
OPERATING INCOME (LOSS)	(412,380)	(2,848,275)	27,411	0	(3,233,244)
Nonoperating revenue (expenses):					
Interest expense	(14,784)	0	0	0	(14,784)
Gain on sale of assets	103,623	0	0	0	103,623
TOTAL NON-OPERATING REVENUES (EXPENSES)	88,839	0	0	0	88,839
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(323,541)	(2,848,275)	27,411	0	(3,144,405)
Capital contributions	323,541	0	0	0	323,541
Transfers in	0	2,848,275	0	0	2,848,275
	323,541	2,848,275	0	0	3,171,816
CHANGE IN NET POSITION	0	0	27,411	0	27,411
NET POSITION - BEGINNING	0	0	197,052	0	197,052
NET POSITION - ENDING	\$0	\$0	\$224,463	\$0	\$224,463

CITY OF VALDOSTA, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	MOTOR POOL	GROUP INSURANCE	WORKMEN'S COMP	IT SERVICES	TOTAL INTERNAL SERVICE FUNDS
Cash flows from operating activities:					
Cash received from customers	\$3,367,476	\$5,193,124	\$615,001	\$1,078,417	\$10,254,018
Cash payments to suppliers for goods and services	(2,472,416)	(8,207,680)	(613,844)	(1,143,057)	(12,436,997)
Cash payments to employees for services	(636,999)	0	0	0	(636,999)
Net change in cash from operating activities	258,061	(3,014,556)	1,157	(64,640)	(2,819,978)
Cash flows from non capital financing activities:					
Transfer in from other fund	0	2,848,275	0	0	2,848,275
Net change in cash from capital financing activities	0	2,848,275	0	0	2,848,275
Cash flows from capital and related financing activities:					
Loan from GMA bond	498,298	0	0	0	498,298
Acquisition and construction of capital assets	(657,405)	0	0	0	(657,405)
Sale of capital assets	103,623	0	0	0	103,623
Principal payment GMA bond	(187,793)	0	0	0	(187,793)
Interest paid on GMA Bond	(14,784)	0	0	0	(14,784)
Net change in cash from capital and related financing activities	(258,061)	0	0	0	(258,061)
Cash flows from investing activities:					
Purchase of investment securities	0	0	0	62,739	62,739
Net change in cash from investing activities	0	0	0	62,739	62,739
Net change in cash	0	(166,281)	1,157	(1,901)	(167,025)
Cash at beginning of year	0	207,328	73,122	1,901	282,351
Cash at end of year	\$0	\$41,047	\$74,279	\$0	\$115,326

RECONCILIATION OF OPERATING INCOME (LOSS) NET CHANGE IN CASH FROM OPERATING ACTIVITIES:

Operating income (loss)	(\$412,380)	(\$2,848,275)	\$27,411	\$0	(\$3,233,244)
Adjustments to reconcile operating income (loss) to net change in cash from operating activities:					
Depreciation	752,481	0	0	10,371	762,852
Change in assets and liabilities:					
Decrease in accounts receivable	0	491,379	0	0	491,379
(Increase) in due from other funds	0	(662,677)	(104,259)	0	(766,936)
Decrease in inventory	23,393	0	0	0	23,393
Decrease in prepaid expenses	0	0	76,677	0	76,677
(Decrease) increase in accounts payable	(130,991)	46,254	1,328	(81,223)	(164,632)
Increase in compensated absences	4,670	0	0	0	4,670
(Decrease) increase in due to other funds	0	(41,237)	0	6,212	(35,025)
Increase in advances from other funds	20,888	0	0	0	20,888
Net change in cash from operating activities	\$258,061	(\$3,014,556)	\$1,157	(\$64,640)	(\$2,819,978)

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Contributed capital assets from SPLOST 2013	323,541	0	0	0	323,541
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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, 2016

	<u>TREE COMMISSION</u>	<u>EVIDENCE AGENCY FUND</u>	<u>TOTAL FIDUCIARY FUNDS</u>
ASSETS			
Cash	\$57,212	\$4,094	\$61,306
Investments	7,372	54,820	62,192
Total assets	<u>\$64,584</u>	<u>\$58,914</u>	<u>\$123,498</u>
LIABILITIES			
Due to other governments and agencies	\$64,584	\$0	\$64,584
Due to others	0	58,914	58,914
Total liabilities	<u>\$64,584</u>	<u>\$58,914</u>	<u>\$123,498</u>

CITY OF VALDOSTA, GEORGIA
AGENCY FUND
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2016

TREE COMMISSION

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
<u>ASSETS</u>				
Cash	\$62,569	\$11,271	\$16,628	\$57,212
Investments	7,362	10	0	7,372
Total assets	<u>\$69,931</u>	<u>\$11,281</u>	<u>\$16,628</u>	<u>\$64,584</u>
<u>LIABILITIES</u>				
Liabilities:				
Due to:				
Other governments and agencies	\$69,931	\$11,281	\$16,628	\$64,584
Total liabilities	<u>\$69,931</u>	<u>\$11,281</u>	<u>\$16,628</u>	<u>\$64,584</u>

EVIDENCE AGENCY FUND

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
<u>ASSETS</u>				
Cash	\$6,432	\$2,800	\$5,138	\$4,094
Investments	47,590	9,968	2,738	54,820
Total assets	<u>\$54,022</u>	<u>\$12,768</u>	<u>\$7,876</u>	<u>\$58,914</u>
<u>LIABILITIES</u>				
Liabilities:				
Due to:				
Others	\$54,022	\$12,768	\$7,876	\$58,914
Total liabilities	<u>\$54,022</u>	<u>\$12,768</u>	<u>\$7,876</u>	<u>\$58,914</u>

TOTAL

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
<u>ASSETS</u>				
Cash	\$69,001	\$14,071	\$21,766	\$61,306
Investments	54,952	9,978	2,738	62,192
Total assets	<u>\$123,953</u>	<u>\$24,049</u>	<u>\$24,504</u>	<u>\$123,498</u>
<u>LIABILITIES</u>				
Liabilities:				
Due to:				
Other governments and agencies	\$69,931	\$11,281	\$16,628	\$64,584
Others	54,022	12,768	7,876	58,914
Total liabilities	<u>\$123,953</u>	<u>\$24,049</u>	<u>\$24,504</u>	<u>\$123,498</u>

An aerial photograph of a large, white, cylindrical water tower. The tower has a wide, flat top section. On the side of the upper section, the word 'VALDOSTA' is written in a large, dark, serif font. Below it, in a smaller font, is the tagline 'A City Without Limits'. A yellow swoosh graphic is positioned behind the tagline. The tower is surrounded by a dense forest of green trees. In the background, a city skyline is visible under a hazy, overcast sky.

VALDOSTA
A City Without Limits

SUPPLEMENTAL FINANCIAL DATA

CITY OF VALDOSTA, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
SALES TAX 2013 FUND
For the Year Ended June 30, 2016

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	\$246,708	661	(\$439,650)	(\$192,281)	0%
2	Road improvements	3,075,000	3,075,000	283,922	854,933	(1,430)	1,137,425	37%
3	Sidewalk improvements	2,000,000	2,000,000	314,220	2,560	0	316,780	16%
4	Intersection improvements	200,000	200,000	0	0	0	0	0%
5	Drainage improvements	3,000,000	3,000,000	140,732	6,033	0	146,765	5%
6	Traffic improvements	750,000	750,000	78,407	160,308	0	238,715	32%
7	Street maintenance repairs	350,000	350,000	23,819	37,171	0	60,990	17%
8	Piping of ditches	300,000	300,000	27,962	0	0	27,962	9%
9	Police buildings	130,000	65,000	0	98,485	0	98,485	100%
10	Police contingency	105,000	0	0	0	0	0	0%
11	Public safety radio	2,505,000	2,231,750	22,487	0	0	22,487	1%
12	Technology police	633,000	565,000	564,325	12,695	0	577,020	100%
13	Police weapons	127,000	150,000	0	0	0	0	0%
14	Miscellaneous parks and recreation projects	1,000,000	800,000	11,799	42,217	0	54,016	7%
15	100' aerial fire truck	1,100,000	0	0	0	0	0	0%
16	County wide radio	2,000,000	1,641,750	0	0	0	0	0%
17	Pumper trucks	1,600,000	0	0	0	0	0	0%
18	Public works claw truck	435,000	0	0	0	0	0	0%
19	Miscellaneous equipment	80,000	0	0	0	0	0	0%
20	Front end loader	530,000	0	0	0	0	0	0%
21	Pelican sweeper	165,000	0	0	0	0	0	0%
22	Refuse trucks	960,000	160,000	0	0	0	0	0%
23	Rear end loader	330,000	0	0	0	0	0	0%
24	Water and sewer contingency	5,257,186	0	0	0	0	0	0%
25	Sewer collections system	20,000,000	15,000,000	0	0	0	0	0%
26	Equipment	375,000	0	0	0	0	0	0%
27	GEFA debt repayment for Force Main Project	6,034,554	13,166,740	435,442	394,285	0	829,727	6%
28	Manhole/liner rehabilitation	3,100,000	3,400,000	920,414	129,276	0	1,049,690	31%
29	Sewer collections smoke testing	633,260	333,260	245,840	139,754	0	385,594	100%
30	Withlacoochee sewer plant	20,000,000	23,500,000	12,008,859	11,246,843	0	23,255,702	99%
31	Downtown	500,000	500,000	0	0	0	0	0%
32	Mathis auditorium	250,000	0	0	0	0	0	0%
33	Software & hardware	500,000	250,000	0	58,181	0	58,181	0%
34	Vallotton lighting	0	0	34,850	0	0	34,850	0%
35	Force main easements	0	0	15,888	676	0	16,564	0%
36	Supplement environmental project	0	0	0	331,801	0	331,801	0%
37	Sugar creek stream/wetlands credits	0	0	24,000	0	0	24,000	0%
38	Withlacoochee stream/wetlands credits	0	0	62,605	0	0	62,605	0%
39	Mathis auditorium fly line replacement	0	0	0	174,300	0	174,300	0%
40	Mathis auditorium roof repairs	0	0	0	20,350	0	20,350	0%
41	Vac con truck	0	0	0	323,541	0	323,541	0%
Subtotal		80,025,000	73,438,500	15,462,279	14,034,070	(441,080)	29,055,269	
Transfer in		0	0	(300,000)	0	0	(300,000)	
TOTAL		\$80,025,000	\$73,438,500	\$15,162,279	\$14,034,070	(\$441,080)	\$28,755,269	

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

An aerial photograph of a large, white, cylindrical water tower with a conical top. The tower is situated in a lush green forest. In the background, a city skyline is visible under a hazy sky. The tower's upper section features the city's name and slogan.

VALDOSTA
A City Without Limits

**STATISTICAL
SECTION
(UNAUDITED)**

City of Valdosta, Georgia
Statistical Section
(Unaudited)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Source:

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

CITY OF VALDOSTA, GEORGIA

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net Investment in Capital Assets	\$140,073,166	\$142,529,877	\$140,740,030	\$141,810,546	\$136,535,181	\$132,580,868	\$132,065,895	\$130,310,228	\$82,400,730	\$124,570,718
Restricted	0	0	5,865,897	2,148,289	5,426,814	9,910,542	8,345,295	4,545,543	4,545,543	3,998,000
Unrestricted	14,841,980	16,437,761	10,515,004	8,289,776	4,020,845	(795,246)	(5,970,254)	(7,135,321)	(6,568,573)	(56,621,780)
Total governmental activities net position	<u>\$154,915,146</u>	<u>\$158,967,638</u>	<u>\$157,120,931</u>	<u>\$152,248,611</u>	<u>\$145,982,840</u>	<u>\$141,696,164</u>	<u>\$134,440,936</u>	<u>\$127,720,450</u>	<u>\$80,377,700</u>	<u>\$71,946,938</u>
Business-type activities										
Net Investment in Capital Assets	\$70,316,009	\$75,084,728	\$85,383,196	\$93,844,326	\$92,578,491	\$95,909,403	\$101,298,255	\$106,519,347	\$122,682,085	\$133,344,497
Restricted	1,999,816	1,960,292	0	0	0	0	0	0	0	0
Unrestricted	10,783,976	7,395,534	610,509	(2,328,920)	901,087	(2,300,288)	(2,694,424)	(4,367,660)	(6,796,181)	(5,160,842)
Total business-type activities net position	<u>\$83,099,801</u>	<u>\$84,440,554</u>	<u>\$85,993,705</u>	<u>\$91,515,406</u>	<u>\$93,479,578</u>	<u>\$93,609,115</u>	<u>\$98,603,831</u>	<u>\$102,151,687</u>	<u>\$115,885,904</u>	<u>\$128,183,655</u>
Primary government										
Net Investment in Capital Assets	\$210,389,175	\$217,614,605	\$226,123,226	\$235,654,872	\$229,113,672	\$228,490,271	\$233,364,150	\$236,829,575	\$205,082,815	\$257,915,215
Restricted	1,999,816	1,960,292	5,865,897	2,148,289	5,426,814	9,910,542	8,345,295	4,545,543	4,545,543	3,998,000
Unrestricted	25,625,956	23,833,295	11,125,513	5,960,856	4,921,932	(3,095,534)	(8,664,678)	(11,502,981)	(13,364,754)	(61,782,622)
Total primary government net position	<u>\$238,014,947</u>	<u>\$243,408,192</u>	<u>\$243,114,636</u>	<u>\$243,764,017</u>	<u>\$239,462,418</u>	<u>\$235,305,279</u>	<u>\$233,044,767</u>	<u>\$229,872,137</u>	<u>\$196,263,604</u>	<u>\$200,130,593</u>

CITY OF VALDOSTA, GEORGIA

Changes in Net Positions

Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
General government	\$20,433,405	\$16,079,650	\$21,051,823	\$24,949,781	\$22,509,701	\$24,645,893	\$22,929,060	\$22,657,247	\$21,365,496	\$19,793,450
Public safety	16,393,539	18,198,511	18,948,740	20,218,017	20,016,681	20,542,890	20,074,107	21,558,234	21,876,662	24,181,599
Culture - recreation	4,110,444	5,417,919	4,757,377	0	0	0	0	0	0	0
Public works	1,396,732	1,721,811	1,791,236	2,150,240	1,893,485	1,872,351	1,613,315	1,597,172	1,720,736	2,042,771
Community development	1,314,820	1,686,051	1,214,273	1,125,956	1,110,945	1,101,147	1,042,940	1,276,726	1,036,031	1,104,091
Interest on long-term debt	0	0	0	0	0	0	0	9,846	5,003	3,044
Total governmental activities	<u>43,648,940</u>	<u>43,103,942</u>	<u>47,763,449</u>	<u>48,443,994</u>	<u>45,530,812</u>	<u>48,162,281</u>	<u>45,659,422</u>	<u>47,099,225</u>	<u>46,003,928</u>	<u>47,124,955</u>
Business-type activities										
Sanitation	3,436,833	3,793,083	4,269,920	4,124,236	4,379,655	4,392,197	4,482,868	4,611,013	4,793,589	4,992,623
Water and sewer	10,015,706	10,605,817	11,684,974	11,378,940	11,889,430	13,000,285	12,260,646	14,365,317	16,259,357	15,891,914
Inspection	1,309,675	1,349,936	1,328,557	1,022,811	965,786	970,029	940,143	1,042,114	949,697	862,507
Zoning	200,535	187,132	351,768	377,434	446,049	455,267	359,543	0	0	0
DOL building	379,478	373,314	357,962	361,234	424,197	368,853	355,022	341,979	373,249	423,139
Storm Water	670,369	793,438	914,988	962,042	1,231,214	1,371,900	1,223,050	1,238,148	1,090,243	1,091,578
Auditorium	198,972	183,265	224,187	256,933	240,981	249,576	212,676	196,780	242,997	245,846
Motor fuel	302,622	437,855	299,556	388,445	527,982	537,152	556,674	532,420	402,611	271,105
Total business-type activities	<u>16,514,190</u>	<u>17,723,840</u>	<u>19,431,912</u>	<u>18,872,075</u>	<u>20,105,294</u>	<u>21,345,259</u>	<u>20,390,622</u>	<u>22,327,771</u>	<u>24,111,743</u>	<u>23,778,712</u>
Total primary government	<u>\$60,163,130</u>	<u>\$60,827,782</u>	<u>\$67,195,361</u>	<u>\$67,316,069</u>	<u>\$65,636,106</u>	<u>\$69,507,540</u>	<u>\$66,050,044</u>	<u>\$69,426,996</u>	<u>\$70,115,671</u>	<u>\$70,903,667</u>
Program Revenues										
Governmental activities										
Charges for services										
General government	\$3,922,148	\$334,079	\$304,914	\$116,678	\$94,155	\$204,692	\$54,692	\$103,489	\$355,698	\$56,591
Public safety	2,265,385	2,378,334	2,295,084	2,406,734	2,231,793	2,759,530	2,533,635	2,267,311	2,320,195	2,203,592
Culture - recreation	551,903	569,084	872,535	4,815	0	0	0	0	0	0
Other activities	24,831	100,140	194,471	261,913	263,364	244,771	145,443	255,987	115,062	103,566
Operating grants and contributions	1,488,748	2,010,035	2,955,677	1,678,825	2,396,413	683,356	2,168,333	2,680,619	2,156,022	2,558,807
Capital grants and contributions	3,726,186	2,761,057	235,523	12,809,115	8,202,070	12,086,133	9,619,416	10,505,462	12,744,363	11,907,982
Total governmental activities program revenues	<u>11,979,201</u>	<u>8,152,729</u>	<u>6,858,204</u>	<u>17,278,080</u>	<u>13,177,795</u>	<u>15,978,482</u>	<u>14,521,519</u>	<u>15,812,868</u>	<u>17,691,340</u>	<u>16,830,518</u>
Business-type activities										
Charges for services										
Sanitation	4,143,031	4,300,575	4,266,029	4,347,346	4,278,815	4,161,616	4,399,518	4,701,759	4,762,126	5,025,549
Water and sewer	12,730,564	12,499,565	12,286,043	12,655,546	13,817,286	14,230,907	15,240,633	15,383,914	17,153,046	17,185,147
Inspection	1,145,821	1,001,745	777,209	1,009,372	905,377	644,462	642,235	764,402	920,440	860,838
DOL building	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157
Storm Water	1,087,770	1,176,378	1,178,261	1,232,845	1,257,082	1,242,399	1,271,392	1,280,524	1,286,864	1,283,342
Other activities	441,140	546,918	378,853	471,094	762,299	737,719	675,301	584,687	463,643	323,915
Operating grants and contributions	0	0	46,673	459,325	0	269,437	0	0	0	0
Capital grants and contributions	0	0	537,407	4,513,063	1,119,880	957,991	758,616	0	0	0
Total business-type activities program revenues	<u>20,017,483</u>	<u>19,994,338</u>	<u>19,939,632</u>	<u>25,157,748</u>	<u>22,610,496</u>	<u>22,713,688</u>	<u>23,456,852</u>	<u>23,204,443</u>	<u>25,055,276</u>	<u>25,147,948</u>
Total primary government program revenues	<u>\$31,996,684</u>	<u>\$28,147,067</u>	<u>\$26,797,836</u>	<u>\$42,435,828</u>	<u>\$35,788,291</u>	<u>\$38,692,170</u>	<u>\$37,978,371</u>	<u>\$39,017,311</u>	<u>\$42,746,616</u>	<u>\$41,978,466</u>
Net (Expense)/Revenue										
Governmental activities	<u>(\$31,669,739)</u>	<u>(\$34,951,213)</u>	<u>(\$40,905,245)</u>	<u>(\$31,165,914)</u>	<u>(\$32,353,017)</u>	<u>(\$32,183,799)</u>	<u>(\$31,137,903)</u>	<u>(\$31,286,357)</u>	<u>(\$28,312,588)</u>	<u>(\$30,294,437)</u>
Business-type activities	<u>3,503,293</u>	<u>2,270,484</u>	<u>507,720</u>	<u>6,285,673</u>	<u>2,505,202</u>	<u>1,368,429</u>	<u>3,066,230</u>	<u>876,672</u>	<u>943,533</u>	<u>1,369,236</u>
Total primary government net expense	<u>(\$28,166,446)</u>	<u>(\$32,680,715)</u>	<u>(\$40,397,525)</u>	<u>(\$24,880,241)</u>	<u>(\$29,847,815)</u>	<u>(\$30,815,370)</u>	<u>(\$28,071,673)</u>	<u>(\$30,409,685)</u>	<u>(\$27,369,055)</u>	<u>(\$28,925,201)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes										
Property taxes	\$12,029,033	\$8,545,239	\$7,983,728	\$5,804,625	\$5,878,814	\$6,022,229	\$6,348,885	\$6,974,207	\$10,089,226	\$10,126,482
Sales tax	22,022,727	19,064,945	21,843,864	9,242,810	9,197,511	9,493,841	9,225,131	8,954,342	9,083,678	8,853,226
Accommodations tax	0	821,513	1,536,227	1,476,776	1,504,153	1,562,285	1,667,870	1,856,448	2,725,208	2,893,595
Other taxes	0	8,323,386	8,593,865	8,303,204	8,264,303	8,925,259	8,938,156	8,844,442	9,381,528	9,532,899
Investment earnings	651,775	466,490	150,410	292,878	46,580	31,960	27,214	19,831	16,526	17,374
Miscellaneous	502,251	318,093	(85,274)	409,010	640,692	619,479	227,429	587,662	628,271	427,323
Contributions to permanent fund	0	0	0	0	0	0	0	0	0	0
Transfers	1,531,689	1,464,039	1,448,969	771,412	555,193	1,242,070	(2,646,499)	(2,671,061)	(12,790,684)	(9,989,224)
Total governmental activities	<u>36,737,475</u>	<u>39,003,705</u>	<u>41,471,789</u>	<u>26,300,715</u>	<u>26,087,246</u>	<u>27,897,123</u>	<u>23,788,186</u>	<u>24,565,871</u>	<u>19,133,753</u>	<u>21,863,675</u>
Business-type activities										
Property taxes	71,473	98,174	0	0	0	0	0	0	0	0
Investment earnings	595,253	436,120	81,149	7,440	14,163	3,178	792	123	0	0
Capital contributions	3,783,491	0	0	0	0	0	0	0	0	0
Special items	0	0	0	0	0	0	0	0	0	939,291
Transfers	(1,531,689)	(1,464,039)	(1,448,969)	(771,412)	(555,193)	(1,242,070)	2,692,361	2,671,061	12,790,684	9,989,224
Total business-type activities	<u>2,918,528</u>	<u>(929,745)</u>	<u>(1,367,820)</u>	<u>(763,972)</u>	<u>(541,030)</u>	<u>(1,238,892)</u>	<u>2,693,153</u>	<u>2,671,184</u>	<u>12,790,684</u>	<u>10,928,515</u>
Total primary government	<u>\$39,656,003</u>	<u>\$38,073,960</u>	<u>\$40,103,969</u>	<u>\$25,536,743</u>	<u>\$25,546,216</u>	<u>\$26,658,231</u>	<u>\$26,481,339</u>	<u>\$27,237,055</u>	<u>\$31,924,437</u>	<u>\$32,792,190</u>
Change in Net Position										
Governmental activities	<u>\$5,067,736</u>	<u>\$4,052,492</u>	<u>\$566,544</u>	<u>(\$4,865,199)</u>	<u>(\$6,265,771)</u>	<u>(\$4,286,676)</u>	<u>(\$7,349,717)</u>	<u>(\$6,720,486)</u>	<u>(\$9,178,835)</u>	<u>(\$8,430,762)</u>
Business-type activities	<u>6,421,821</u>	<u>1,340,753</u>	<u>(860,100)</u>	<u>5,521,701</u>	<u>1,964,172</u>	<u>129,537</u>	<u>5,759,383</u>	<u>3,547,856</u>	<u>13,734,217</u>	<u>12,297,751</u>
Total primary government	<u>\$11,489,557</u>	<u>\$5,393,245</u>	<u>(\$293,556)</u>	<u>\$656,502</u>	<u>(\$4,301,599)</u>	<u>(\$4,157,139)</u>	<u>(\$1,590,334)</u>	<u>(\$3,172,630)</u>	<u>\$4,555,382</u>	<u>\$3,866,989</u>

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$1,493,568	\$1,564,414	\$6,155,409	\$7,927,686	\$0	\$0	\$0	\$0	\$0	\$0
Unreserved	10,230,912	10,276,936	5,919,560	1,071,975	0	0	0	0	0	0
Nonspendable	0	0	0	0	4,521,846	4,522,249	4,245,727	2,899,736	4,277,368	3,551,702
Restricted	0	0	0	0	176,391	181,778	151,288	177,245	207,912	206,002
Committed	0	0	0	0	10,767	10,767	10,767	10,767	10,767	10,767
Assigned	0	0	0	0	701,620	316,892	0	0	0	0
Unassigned	0	0	0	0	0	0	128,039	(1,080,989)	(1,873,454)	(1,235,605)
Total General Fund	<u>\$11,724,480</u>	<u>\$11,841,350</u>	<u>\$12,074,969</u>	<u>\$8,999,661</u>	<u>\$5,410,624</u>	<u>\$5,031,686</u>	<u>\$4,535,821</u>	<u>\$2,006,759</u>	<u>\$2,622,593</u>	<u>\$2,532,866</u>
All Other Governmental Funds										
Reserved	\$4,656,963	\$8,284,616	\$4,083,398	\$5,709,854	\$0	\$0	\$0	\$0	\$0	\$0
Unreserved, reported in:										
Special revenue funds	(2,323,132)	(2,585,325)	(385,432)	(13,830)	0	0	0	0	0	0
Capital projects funds	(4,982,373)	(2,648,012)	3,979,550	(547,313)	0	0	0	0	0	0
Nonspendable, reported in:										
Special revenue funds	0	0	0	0	2,967,676	2,835,801	2,670,464	2,601,916	2,615,521	2,526,771
Capital projects funds	0	0	0	0	774,135	696,464	573,385	300,000	213,395	213,395
Permanent funds	0	0	0	0	1,472,224	1,525,822	1,304,778	1,617,435	1,639,355	1,661,287
Restricted, reported in:										
Special revenue funds	0	0	0	0	128,682	249,087	224,601	409,505	259,555	179,820
Capital projects funds	0	0	0	0	3,466,879	7,194,623	5,714,008	6,336,172	11,623,286	2,141,728
Assigned, reported in:										
Special revenue funds	0	0	0	0	107,906	205,630	323,727	404,357	319,114	584,357
Capital projects funds	0	0	0	0	763,598	39,966	0	0	490,642	374,163
Unassigned, reported in:										
Special revenue funds	0	0	0	0	(275,654)	(223,869)	(104,185)	(311,093)	(115,034)	(43,746)
Capital projects funds	0	0	0	0	(25,757)	0	0	0	-11,229,531	(4,387,331)
Total all other governmental funds	<u>(\$2,648,542)</u>	<u>\$3,051,279</u>	<u>\$7,677,516</u>	<u>\$5,148,711</u>	<u>\$9,379,689</u>	<u>\$12,523,524</u>	<u>\$10,706,778</u>	<u>\$11,358,292</u>	<u>\$5,816,303</u>	<u>\$3,250,444</u>
Total all governmental funds	<u>\$9,075,938</u>	<u>\$14,892,629</u>	<u>\$19,752,485</u>	<u>\$14,148,372</u>	<u>\$14,790,313</u>	<u>\$17,555,210</u>	<u>\$15,242,599</u>	<u>\$13,365,051</u>	<u>\$8,438,896</u>	<u>\$5,783,310</u>

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

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

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$37,436,011	\$38,559,386	\$28,554,986	\$24,755,327	\$24,345,814	\$25,550,030	25,647,433	26,306,492	30,611,633	30,908,671
Licenses and permits	355,287	350,301	439,643	423,463	394,262	519,109	514,949	508,051	529,749	536,322
Charges for services	726,163	740,615	1,048,126	116,347	384,075	437,959	476,460	376,127	458,832	142,285
Fines and forfeitures	1,341,798	1,354,321	1,318,613	1,361,565	1,414,425	1,517,532	1,391,867	1,233,369	1,150,198	1,038,107
Interest income	698,182	466,492	149,868	314,351	46,581	33,402	27,214	19,831	18,034	17,374
Contributions	128,094	131,843	124,039	44,444	59,507	55,730	64,720	40,764	17,731	28,648
Miscellaneous	240,942	336,547	306,393	272,068	520,475	687,666	599,370	695,265	644,895	537,879
Intergovernmental	2,616,216	3,409,690	15,102,975	15,843,248	12,238,994	14,151,399	12,627,387	14,681,553	16,116,112	15,208,742
Total revenues	43,542,693	45,349,195	47,044,643	43,130,813	39,404,133	42,952,827	41,349,400	43,861,452	49,547,184	48,418,028
Expenditures										
General government	8,198,996	9,338,406	10,560,058	10,802,936	10,777,003	9,917,407	9,623,141	9,818,403	10,815,741	10,738,650
Public safety	15,849,163	17,311,993	17,778,539	18,495,579	20,244,673	18,763,903	18,885,565	19,540,786	20,389,657	22,679,350
Public works	1,462,712	1,624,554	1,658,821	1,940,432	1,260,475	1,721,218	1,469,296	1,381,317	1,532,042	1,820,409
Culture-recreation	3,653,276	3,772,028	4,313,907	0	519,943	0	0	0	0	0
Economic development and assistance	1,266,656	1,607,675	1,165,702	1,115,620	1,316,736	1,066,518	1,035,531	1,235,625	984,591	1,054,921
Capital outlay	13,766,133	7,333,982	11,110,102	17,024,777	5,767,224	8,191,502	12,370,884	12,474,501	19,913,386	16,238,204
Debt service										
Interest	0	0	0	0	0	141,998	141,175	145,862	27,904	77,511
Principal	0	0	0	0	0	13,710	14,533	9,846	0	3,044
Total expenditures	44,196,936	40,988,638	46,587,129	49,379,344	39,886,054	39,816,256	43,540,125	44,606,340	53,663,321	52,612,089
Excess of revenues over (under) expenditures	(654,243)	4,360,557	457,514	(6,248,531)	(481,921)	3,136,571	(2,190,725)	(744,888)	(4,116,137)	(4,194,061)
Other Financing Sources (Uses)										
Capital lease	0	0	0	0	579,740	0	0	0	0	1,918,894
Transfers in	2,045,782	1,842,815	6,504,629	3,151,993	2,034,678	3,281,658	2,498,768	2,179,651	2,231,000	(2,514,434)
Transfers out	(1,177,506)	(386,681)	(2,102,287)	(2,507,575)	(1,490,556)	(3,653,332)	(2,694,456)	(3,312,311)	(3,041,018)	2,134,015
Total other financing sources (uses)	868,276	1,456,134	4,402,342	644,418	1,123,862	(371,674)	(195,688)	(1,132,660)	(810,018)	1,538,475
Net change in fund balances	\$214,033	\$5,816,691	\$4,859,856	(\$5,604,113)	\$641,941	\$2,764,897	(\$2,386,413)	(\$1,877,548)	(\$4,926,155)	(\$2,655,586)
Debt service as a percentage of noncapital expenditures	0.000%	0.000%	0.000%	0.000%	0.000%	0.492%	0.500%	0.485%	0.083%	0.221%

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function/Program										
Governmental activities:										
General government	\$7,047,025	\$2,870,427	\$518,237	\$7,204,123	\$8,106,728	\$11,594,766	\$8,751,232	\$10,348,558	\$12,988,509	\$11,831,839
Public safety	3,952,751	3,193,007	4,330,966	5,326,139	3,624,803	3,589,112	4,685,125	4,823,989	3,789,268	4,364,660
Culture - recreation	573,334	582,084	890,830	11,791	0	0	0	0	0	0
Public works	93,748	108,327	117,483	3,446,562	103,835	148,462	734,521	168,377	115,062	103,566
Public involvement	312,343	1,398,884	1,000,688	1,289,465	1,342,429	646,142	350,641	471,944	798,501	530,453
Subtotal governmental activities	11,979,201	8,152,729	6,858,204	17,278,080	13,177,795	15,978,482	14,521,519	15,812,868	17,691,340	16,830,518
Business-type activities:										
Sanitation	4,143,031	4,300,575	4,312,702	4,862,180	4,571,388	4,337,833	4,399,518	4,701,759	4,762,126	5,025,549
Water and sewer	12,730,564	12,499,565	12,823,450	17,036,186	13,885,754	14,230,907	15,658,173	15,383,914	17,153,046	17,185,147
Inspection	1,145,821	1,001,745	777,209	1,009,372	905,977	737,682	642,235	784,402	920,440	860,838
Zoning	80,742	56,437	30,140	117,931	204,679	144,487	61,153	0	0	0
DOL building	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157
Storm Water	1,087,770	1,176,378	1,178,261	1,232,845	1,257,082	2,200,390	1,612,468	1,280,524	1,286,864	1,283,342
Auditorium	50,520	45,380	41,210	31,380	18,407	46,237	47,562	42,536	51,130	43,734
Motor fuel	309,878	445,101	307,503	398,697	539,213	546,995	566,586	542,151	412,513	280,181
Subtotal business-type activities	20,017,483	19,994,338	19,939,632	25,157,748	21,851,657	22,713,688	23,456,852	23,204,443	25,055,276	25,147,948
Total primary government	<u>\$31,996,684</u>	<u>\$28,147,067</u>	<u>\$26,797,836</u>	<u>\$42,435,828</u>	<u>\$35,029,452</u>	<u>\$38,692,170</u>	<u>\$37,978,371</u>	<u>\$39,017,311</u>	<u>\$42,746,616</u>	<u>\$41,978,466</u>

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
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
2015	10,027,554	21,228,559	8,457,767	2,959,335	42,673,215
2016	10,088,963	19,806,857	8,862,637	3,007,983	41,766,440
Change 2005-2016	25.23%	-8.74%	20.57%	828.25%	11.57%

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

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Industrial Property	Utility Property	Agricultural Property	Historic Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
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
2015	629,977,119	586,799,538	286,741,138	35,739,813	1,717,959	1,626,297	93,245,936	150,697,124	1,485,150,676	6.102
2016	621,844,752	675,809,277	309,723,341	37,643,223	2,791,956	2,107,567	60,784,731	198,655,408	1,512,049,439	6.102

Source: Lowndes County Tax Commissioner

CITY OF VALDOSTA, GEORGIA

Water and Sewer Rates

Last Ten Fiscal Years

Fiscal Year	Residential Class			
	Water Base Charge	Sewer Base Charge	Water Rate Per CCF	Sewer Rate Per CCF
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
2015	6.30	6.30	1.40	2.80
2016	7.00	7.00	1.40	2.80

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

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

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

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

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

Source: Lowndes County Tax Commissioner

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

CITY OF VALDOSTA, GEORGIA

Principal Water Sewer Customers

Last Ten Fiscal Years

Customer	2016			2015			2014			2013			2012		
	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	\$763,160	1	4.46%	\$778,395	1	4.55%	\$667,428	1	4.36%	\$709,451	1	4.75%	\$755,835	1	5.33%
Valdosta State University	453,423	2	2.65%	613,452	2	3.58%	618,673	2	4.04%	479,675	2	3.21%	397,654	2	2.80%
Valdosta Correctional Institute	351,497	3	2.05%	384,952	3	2.25%	360,132	3	2.35%	375,591	3	2.51%	362,925	3	2.56%
South Georgia Medical Center	295,014	4	1.72%	266,597	4	1.56%	228,558	4	1.49%	255,716	4	1.71%	259,453	4	1.83%
Lowndes County Utilities	279,747	5	1.63%	261,083	5	1.53%	85,611	10	0.56%	188,057	6	1.26%	179,881	6	1.27%
City of Remerton	184,607	6	1.08%	169,669	6	0.99%	155,272	6	1.01%	254,232	5	1.70%	130,346	7	0.92%
Lowndes County Jail	141,415	7	0.83%	100,976	10	0.59%	109,822	9	0.72%	-	-	-	86,640	10	0.61%
South Georgia Pecan Co.	93,513	8	0.55%	100,987	9	0.59%	165,707	5	1.08%	116,782	8	0.78%	-	-	-
Quad/Graphics	85,725	9	0.50%	-	-	-	-	-	-	-	-	-	-	-	-
Woodstone Apartments	72,684	10	0.42%	107,680	8	0.63%	129,448	7	0.85%	101,067	9	0.68%	-	-	-
ERCO Worldwide	-	-	-	114,299	7	0.67%	120,371	8	0.79%	124,603	7	0.83%	97,720	8	0.69%
Campus Crest	-	-	-	-	-	-	-	-	-	-	-	-	187,860	5	1.33%
Arizona Chemical	-	-	-	-	-	-	-	-	-	89,718	10	0.60%	93,679	9	0.66%
Total	\$2,720,785.00		15.89%	\$2,898,090.00		16.93%	\$2,641,022.00		17.26%	\$2,694,892.00		18.03%	\$2,551,993.00		18.00%

Customer	2011			2010			2009			2008			2007		
	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	\$538,804	1	3.91%	\$495,333	1	3.96%	\$615,233	1	4.98%	\$456,870	1	3.68%	\$427,351	1	3.48%
Valdosta State University	446,869	2	3.24%	235,884	3	1.89%	162,565	5	1.31%	167,025	3	1.34%	300,424	3	2.45%
Valdosta Correctional Institute	332,048	3	2.41%	398,710	2	3.19%	386,723	2	3.13%	302,032	2	2.43%	304,868	2	2.48%
South Georgia Medical Center	183,178	5	1.33%	185,675	3	1.49%	185,585	3	1.50%	133,664	5	1.08%	90,526	5	0.74%
City of Remerton	118,029	7	0.86%	108,042	6	0.86%	88,358	8	0.71%	82,003	7	0.66%	81,508	7	0.66%
Lowndes County Utilities	273,743	4	1.99%	70,774	9	0.57%	87,470	9	0.71%	-	-	-	-	-	-
ERCO Worldwide	102,197	8	0.74%	73,086	8	0.58%	88,902	7	0.72%	69,576	9	0.56%	76,372	8	0.62%
South Georgia Pecan Co.	-	-	-	-	-	-	-	-	-	56,157	10	0.45%	58,742	9	0.48%
Woodstone Apartments	91,873	9	0.67%	68,265	10	0.55%	-	-	-	-	-	-	-	-	-
Arizona Chemical	69,809	10	0.51%	75,504	7	0.60%	122,544	6	0.99%	80,001	8	0.64%	86,746	6	0.71%
Lowndes County Jail	118539	6	0.86%	164,164	5	1.31%	163,757	4	1.32%	137,199	4	1.10%	166,355	4	1.36%
Saft	-	-	-	-	-	-	81,192	10	0.66%	93,253	6	0.75%	58,716	10	0.48%
Total	\$2,275,089.00		16.50%	\$1,875,437.00		15.00%	\$1,982,329.00		16.03%	\$1,577,780.00		12.69%	\$1,651,608.00		13.46%

City of Valdosta, Georgia
Principal Property Taxpayers
For the Fiscal Years Ended June 30, 2016 and 2007

2016				2007			
Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Archer Daniels Midland Co.	\$ 58,499,504	1	3.87%	Archer Daniels Midland Co.	\$ 30,019,677	1	2.55%
Lowes Distribution, Inc.	42,749,448	2	2.83%	Lowes Companies, Inc.	23,650,678	2	2.01%
JM Smith Corp	33,383,072	3	0.46%	Marelana Valdosta Mall	11,899,329	3	1.01%
South Georgia Pecan	24,726,227	4	1.24%	Erco Worldwide	8,273,297	4	0.70%
Dupont	18,739,536	5	0.88%	Saft Newco, Inc.	6,241,911	5	0.53%
GF Valdosta Mall	13,316,495	6	0.80%	Arizona Chemical	5,244,675	6	0.45%
Home Depot	12,031,150	7	1.64%	Wal-Mart\Sam's Club	5,034,398	7	0.43%
Saft Newco, Inc.	8,906,362	8	0.59%	Weyerhaeuser Company	4,874,955	8	0.41%
NL Bassford	7,064,003	9	0.47%	South Georgia Pecan	3,698,186	9	0.31%
Preferred Prop Holdings GA	6,910,645	10	2.21%	Fortifiber Corp	3,488,082	10	0.30%
Total Principal Taxpayers	226,326,442		15.00%	Total Principal Taxpayers	102,425,188		8.70%
All Other Taxpayers	1,285,722,997		85.03%	All Other Taxpayers	1,075,978,951		91.30%
Total	<u>\$1,512,049,439</u>		<u>100.03%</u>	Total	<u>\$ 1,178,404,139</u>		<u>100.00%</u>

Source:

Lowndes County Tax Commissioner's Office

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	4,535,866	4,407,328	97.17%	127,529	4,534,857	99.98%
2008	4,809,340	4,673,113	97.17%	133,004	4,806,117	99.93%
2009	5,066,177	4,859,886	95.93%	203,594	5,063,480	99.95%
2010	5,428,500	5,173,541	95.30%	251,845	5,425,385	99.94%
2011	5,567,391	5,302,865	95.25%	262,455	5,565,320	99.96%
2012	5,307,294	5,063,850	95.41%	240,567	5,304,417	99.95%
2013	5,496,867	5,246,759	95.45%	243,504	5,490,263	99.88%
2014	5,523,422	5,297,924	95.92%	202,385	5,500,309	99.58%
2015	8,200,148	7,924,813	96.64%	188,754	8,113,567	98.94%
2016	8,860,209	8,287,698	93.54%	0	8,287,698	93.54%

CITY OF VALDOSTA, GEORGIA

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(accrual basis of accounting)

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

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

CITY OF VALDOSTA, GEORGIA

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years
(accrual basis of accounting)

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

<u>Governmental Unit</u>		<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes				
Valdosta City School System	2012 Bond Series	\$10,205,000	100.00%	\$10,205,000
Valdosta City School System	2015 Bond Series	\$68,425,000	100.00%	\$68,425,000
Other debt				
Lowndes County - Capital leases		7,515,500	44.58%	<u>3,350,410</u>
				3,350,410
Subtotal, overlapping debt				81,980,410
City direct debt				<u>2,114,046</u>
				<u><u>\$84,094,456</u></u>

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

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

Estimated percentage applicable based on 2015 County taxable valuation of \$3,391,672,643 and City taxable valuation of \$1,512,049,439 percent 44.58%.

CITY OF VALDOSTA, GEORGIA

Legal Debt Margin Information

Last Ten Fiscal Years
(accrual basis of accounting)

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value	\$1,512,049,439
Debt limit (10% of assessed value)	151,204,944
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	<u>\$151,204,944</u>

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$117,840,414	\$131,750,754	\$139,496,150	\$142,695,346	\$142,201,082	\$140,260,729	\$145,708,334	\$146,174,654	\$145,662,006	\$151,204,944
Total net debt applicable to limit	0	0	0	0	579,740	437,742	296,567	150,705	0	0
Legal debt margin	\$117,840,414	\$131,750,754	\$139,496,150	\$142,695,346	\$141,621,342	\$139,822,987	\$145,411,767	\$146,023,949	\$145,662,006	\$151,204,944
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.41%	0.31%	0.20%	0.10%	0.00%	0.00%

CITY OF VALDOSTA, GEORGIA

Pledged-Revenue Coverage

Last Ten Fiscal Years
(accrual basis of accounting)

Water/Sewer Revenue Bonds						
Fiscal Year	Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2015	17,153,046	14,792,123	2,360,923	0	0	0.00
2016	17,185,147	14,303,538	2,881,609	0	0	0.00

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
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	32,504	30.0	8,012	7.9%
2015	58,994	4,644,735	32,138	26.6	8,074	6.6%
2016	56,324	4,591,688	N/A	27.0	7,834	5.7%

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, 2016 and 2007

<u>Employer</u>	2016			<u>Employer</u>	2007		
	Number of Employees	Rank	Percentage of Total City Employment		Number of Employees	Rank	Percentage of Total City Employment
Moody Air Force Base	6,307	1	10.06%	Moody Air Force Base	4,448	1	6.78%
South Georgia Medical Center	2,559	2	4.08%	South Georgia Medical Center	2,300	2	3.50%
Fresh Beginnings Inc.	1,478	3	2.36%	Valdosta State University	2,280	3	3.47%
Valdosta State University	1,425	4	2.27%	Lowndes County Schools	1,279	4	1.95%
Lowndes County Schools	1,386	5	2.21%	Valdosta City School System	950	5	1.45%
Valdosta City School System	1,251	6	1.99%	Lowe's Distribution Center	900	6	1.37%
Wild Adventures	900	7	1.44%	Convergys	850	7	1.30%
Lowe's Distribution Center	842	8	1.34%	City of Valdosta Government	659	8	1.00%
Walmart Supercenters	733	9	1.17%	Bath Craft	600	9	0.91%
City of Valdosta Government	549	10	0.88%	Lowndes County Government	540	10	0.82%
Total Principal Employees	17,430		27.79%	Total Principal Employees	14,806		22.56%
Other Employees	<u>45,286</u>		<u>72.21%</u>	Other Employees	<u>50,831</u>		<u>77.44%</u>
Total Employees	<u><u>62,716</u></u>		<u><u>100.00%</u></u>	Total Employees	<u><u>65,637</u></u>		<u><u>100.00%</u></u>

Sources:

Georgia Department of Labor
Valdosta-Lowndes Chamber of Commerce

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

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
City Manager's Office	5	5	5	4	4	4	4	4	5	5
Municipal Court	8	4	5	4	4	4	4	4	4	4
Human Resources	4	4	4	4	4	4	4	4	3	4
Finance	23	23	25	24	24	26	25	25	24	24
Engineering	30	30	30	27	27	27	22	22	23	25
Information Technology	1	1	1	1	1	2	2	2	0	0
Facility Maintenance	6	6	4	4	5	5	4	4	4	5
Police	167	178	179	169	171	172	169	169	162	166
Fire	106	106	106	104	99	98	102	102	101	96
Public Works	33	33	33	36	36	32	21	21	30	27
Public Involvement	0	0	7	7	8	7	7	7	2	2
Community Development	15	20	31	25	24	22	21	21	21	22
Parks & Recreation	59	61	59	0	0	0	0	0	0	0
Sanitation	54	55	55	54	55	48	44	44	48	55
Water	39.1	39.4	39.7	44	44	49	45	45	59	66
Sewer	61.9	62.6	63.3	39	39	36	36	36	24	18
Storm Water	13	13	13	13	14	14	14	14	13	12
Inspections	20	19	0	0	0	0	0	0	0	0
Zoning	3	2	4	4	4	4	4	4	4	4
Fleet	15	15	15	15	15	11	11	11	13	14
Total	<u>663</u>	<u>677</u>	<u>679</u>	<u>578</u>	<u>578</u>	<u>565</u>	<u>539</u>	<u>539</u>	<u>540</u>	<u>549</u>

Sources:
 City Human Resource Department

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of Valdosta										
Operating Indicators by Function/Program										
<u>Engineering</u>										
Feet of Failed Pavement Repaired	40,000	40,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Percent of projects awarded within 10% of engineer's estimate	90%	90%	90%	90%	90%	90%	90%	90%	90%	67%
<u>Municipal Court</u>										
Dockets Processed	14,750	15,000	14,500	15,000	15,000	16,500	17,000	17,000	14,000	12,000
<u>Police</u>										
Increase in Citizen contacts	2,000	2,500	2,650	2,650	2,650	2,900	1,800	2,770	2,770	2,800
Narcotics Arrests	420	340	310	320	320	320	320	320	320	325
Students Completing Dare	1,340	1,360	1,310	1,360	1,360	1,376	1,350	1,202	1,370	1,380
<u>Fire</u>										
Number of Fire Stations	7	7	7	7	7	7	7	7	7	7
Number of Fire Inspections performed	1,300	1,340	1,380	1,390	1,395	1,390	1,500	1,500	1,245	1,200
<u>Public Works</u>										
Street Sweeping Frequency per year	25	25	25	25	25	30	30	15	12	13
<u>Arborist</u>										
Number of Trees Planted	150	100	100	75	75	280	220	100	40	40
Number of trees Pruned	1,000	1,000	1,000	1,000	1,000	1,200	1,300	500	1,000	800
<u>Public Involvement</u>										
Bi-monthly Newsletters Produced	6	6	6	6	6	6	6	4	4	4
Net Gain of new downtown Buisnesses	7	5	6	5	5	6	8	5	5	5
<u>Sanitation</u>										
Residential Stops/collection employee/week	775	890	925	925	925	2,620	2,635	2,650	2,640	2,660
Commercial lifts per hour/driver	18	18	18	25	25	38	40	40	40	38
<u>Drainage</u>										
Feet of storm drain cleaned and maintained	36,000	20,000	20,000	20,000	20,000	13,311	15,000	15,000	50,000	50,000
<u>Water</u>										
Average volume of water treated (MGD)	9.500	9.850	10.500	11.150	11.150	11.500	11.500	9.670	11.260	11.6
New meters installed annually	500	500	500	500	500	1000	1500	1500	1500	500
<u>Sewer</u>										
Average volume of wastewater treated daily (MGD)	9.8	8.84	9.5	9.5	9.5	6.5	7.7	8.1	9.9	10
Miles of sewers maintained	250	260	265	260	270	270	275	275	330	315
<u>Inspections</u>										
Percentage of Plans completed within 10 days	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Percentage of inspections completed in 24 hours	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
<u>Auditorium</u>										
Number of Days Rented	339	340	340	330	330	330	330	330	175	175

Source: City of Valdosta Budget Document

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Function Program</u>									
Police									
Stations	1	1	1	1	1	1	1	1	1
Patrol units	144	156	150	157	155	155	158	158	158
Fire Stations	7	7	7	7	7	7	7	7	7
Refuse collection									
Collection trucks	13	13	13	13	13	13	13	13	13
Other public works									
Streets (miles)	302	304	304	304	304	304	304	304	304
Streetlights	5,748	6,133	6,217	6,217	6,222	6,266	6,266	6,277	6,277
Traffic signals	122	124	124	124	125	126	127	127	127
Park and recreation									
Acreage	505	505	505	300	300	300	300	300	300
Playgrounds	5	5	5	2	2	2	2	2	2
Baseball/softball diamonds	29	29	29	24	24	24	24	24	24
Soccer/football fields	3	3	3	3	3	3	3	3	3
Community centers	6	6	6	1	1	1	1	1	1
Water									
Water mains (miles)	297	303	305	311	320	389	395	402	410
Fire hydrants	2,454	2,650	2,927	3,112	3,200	3,301	3,341	3,387	3,443
Storage capacity (gallons)	11,400,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000
Wastewater									
Sanitary sewers (miles)	258	266	315	320	325	325	330	330	330
Treatment capacity (gallons)	11,330,000	11,330,000	11,330,000	11,330,000	13,830,000	13,830,000	17,270,000	17,270,000	17,700,000

Sources: Various city departments

An aerial photograph of a large, white, cylindrical water tower. The tower has a wide, flat top section with a logo that reads "VALDOSTA" in large, dark letters, with "A City Without Limits" in smaller text below it. The tower is surrounded by a dense forest of green trees. In the background, a city skyline is visible under a hazy sky.

VALDOSTA
A City Without Limits

SINGLE AUDIT

CITY OF VALDOSTA, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2016

Grant Title	CFDA Number	Grant I. D. Number	Expenditures	Passed through to Subrecipients
<u>U S Environmental Protection Agency</u>				
Indirect Federal Grants:				
Passed through Georgia Environmental Facilities Authority (GEFA)				
Clean Water Program (loan)	66.458	CW 13006	\$11,712,881	\$0
TOTAL U S ENVIRONMENTAL PROTECTION AGENCY			11,712,881	0
<u>Department of Homeland Security</u>				
Direct Federal Grants:				
Homeland Security Cluster	97.067	EMW-2014-SS-00092-S01	8,755	0
Homeland Security Cluster	97.067	EMW-2015-SS-00065-S01	8,132	0
Total Homeland Security Cluster			16,887	0
Law Enforcement Officer Reimb. Agreement	97.090	HSTS0213HSLR056	11,345	0
Law Enforcement Officer Reimb. Agreement	97.090	HSTS0216HSLR793	4,045	0
Total Law Enforcement Officer Reimb. Agreement			15,390	0
TOTAL U S DEPARTMENT OF HOMELAND SECURITY			32,277	0
<u>Department of Housing and Urban Development</u>				
Community Development Block Grants				
Entitlement Grants Cluster	14.218	B-12-MC-13-0015	42,216	0
Entitlement Grants Cluster	14.218	B-13-MC-13-0015	226,302	0
Entitlement Grants Cluster	14.218	B-14-MC-13-0015	86,347	0
Entitlement Grants Cluster	14.218	B-15-MC-13-0015	183,122	0
Total Entitlement Grant Cluster			537,987	0
TOTAL U S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			537,987	0
<u>Department of Justice</u>				
Direct Federal Grants:				
JAG Program Cluster	16.738	2015-DJ-BX-0618	13,098	4,435
Bulletproof Vest Partnership Program	16.607	N/A	14,840	0
TOTAL U S DEPARTMENT OF JUSTICE			27,938	4,435
<u>Department of Transportation</u>				
Direct Federal Grants:				
Airport Development Aid Program	20.106	3-13-0115-30-2013	58,394	0
Airport Development Aid Program	20.106	3-13-0115-32-2014	190,779	0
Airport Development Aid Program	20.106	3-13-0115-31-2015	1,460,267	0
Total Airport Development Aid Program			1,709,440	0
Highway Planning and Construction	20.205	MLK Corridor Project E30094-15-000-0	1,430	0
TOTAL U S DEPARTMENT OF TRANSPORTATION			1,710,870	0
<u>Federal Emergency Management Agency</u>				
FEMA	97.036	FEMA-1833-DR-GA	721	0
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY			721	0
TOTAL OF EXPENDITURES OF FEDERAL AWARDS			\$14,022,674	\$4,435

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, 2016**

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. INDIRECT COST RATE

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



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Kaitlyn E. Hannay, CPA

Jacey B. Pittman, CPA

M. Allison Hutchins, CPA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Valdosta, Georgia, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Valdosta, Georgia's basic financial statements, and have issued our report thereon dated January 9, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

January 9, 2017



Henderson & Godbee, LLP

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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Valdosta, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Valdosta, Georgia's major federal programs for the year ended June 30, 2016. The City of Valdosta, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Valdosta, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Valdosta, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City of Valdosta, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

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

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

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

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



Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

January 9, 2017

**CITY OF VALDOSTA, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
20.106	U.S. Department of Transportation Airport Development Aid Program
66.468	U.S. Environmental Protection Agency Capitalization Grants for Drinking Water State Revolving Funds

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

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

**CITY OF VALDOSTA, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

Section II – Financial Statement Findings and Responses

None reported

Section II – Federal Award Findings and Questioned Costs

None reported

**CITY OF VALDOSTA, GEORGIA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016**

Status of Prior Year Findings

None reported



A tall, cylindrical water tower with a white upper section and a tan lower section. The tower is surrounded by a dense forest of green trees. In the background, a city skyline is visible under a hazy sky.

VALDOSTA
A City Without Limits