

CITY OF VALDOSTA, GA

Comprehensive Annual Financial Report

Fiscal Year Ending June 30, 2019



COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF VALDOSTA, GEORGIA
for the Fiscal Year
July 1, 2018 - June 30, 2019

FINANCE DEPARTMENT

*L. Charles Dinkins Jr.,
Finance Director*

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INTRODUCTION



CITY OF VALDOSTA, GEORGIA

FINANCE DEPARTMENT

L. CHARLES DINKINS, JR.
FINANCE DIRECTOR

December 10, 2019

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 2019 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, 2019. The required reports on supplementary information, compliance, and internal controls along with various supplementary schedules will be included in the compliance section.

Reporting Entity

The City of Valdosta was originally incorporated by an Act of the General Assembly of Georgia on December 7, 1860 and since April 14, 1958 has operated under the Council-Manager form of government. The City provides a full range of services to some 56,400 residents. The daytime population of Valdosta soars to approximately 75,000. These

services include general administrative services, police and fire protection, sanitation, water and sewer services, the construction and maintenance of highways and 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 organizations' governing bodies, and effectively impose its will on the organization. Also, financial accountability exists where there is potential for an 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 in a high quality of life, temperate climate, pro-business attitudes and supporting policies, and a 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 11,200 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 one of the highest retail pull factors in Georgia. This factor measures the amount of spending in a community from those who live outside the community. Over one billion dollars worth of retail sales occurred in Lowndes County last year, with virtually 80% of these sales occurring within the corporate limits of Valdosta.

Even with the above mentioned positive attributes of the City's economy, anemic and occasionally negative growth in the tax digest, lagging sales tax collection, and surging healthcare costs coupled with the increased demand upon public safety and other City services affect the City of Valdosta. In an effort to prevent depleting reserves to balance

the annual budget, each department director is held accountable for their respective department's budget.

The continued uncertainty in the national economic outlook 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 2019 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, 2018. This was the thirty-first 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, 2019. This was the nineteenth 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.

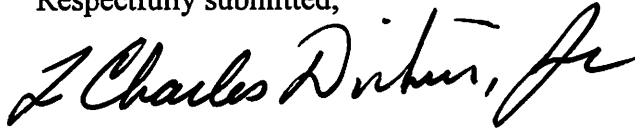
Both the Certificate of Achievement and the Distinguished Budget Award are valid for a period of one year. We believe our current Comprehensive Annual Financial Report and our 2020 fiscal year budget document continue to conform to the requirements for each award.

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." in a cursive script.

L. Charles Dinkins, Jr.
Finance Director



**The Government Finance Officers Association
of the United States and Canada**

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

The Honorable John Gayle

Mayor

City of Valdosta, Georgia

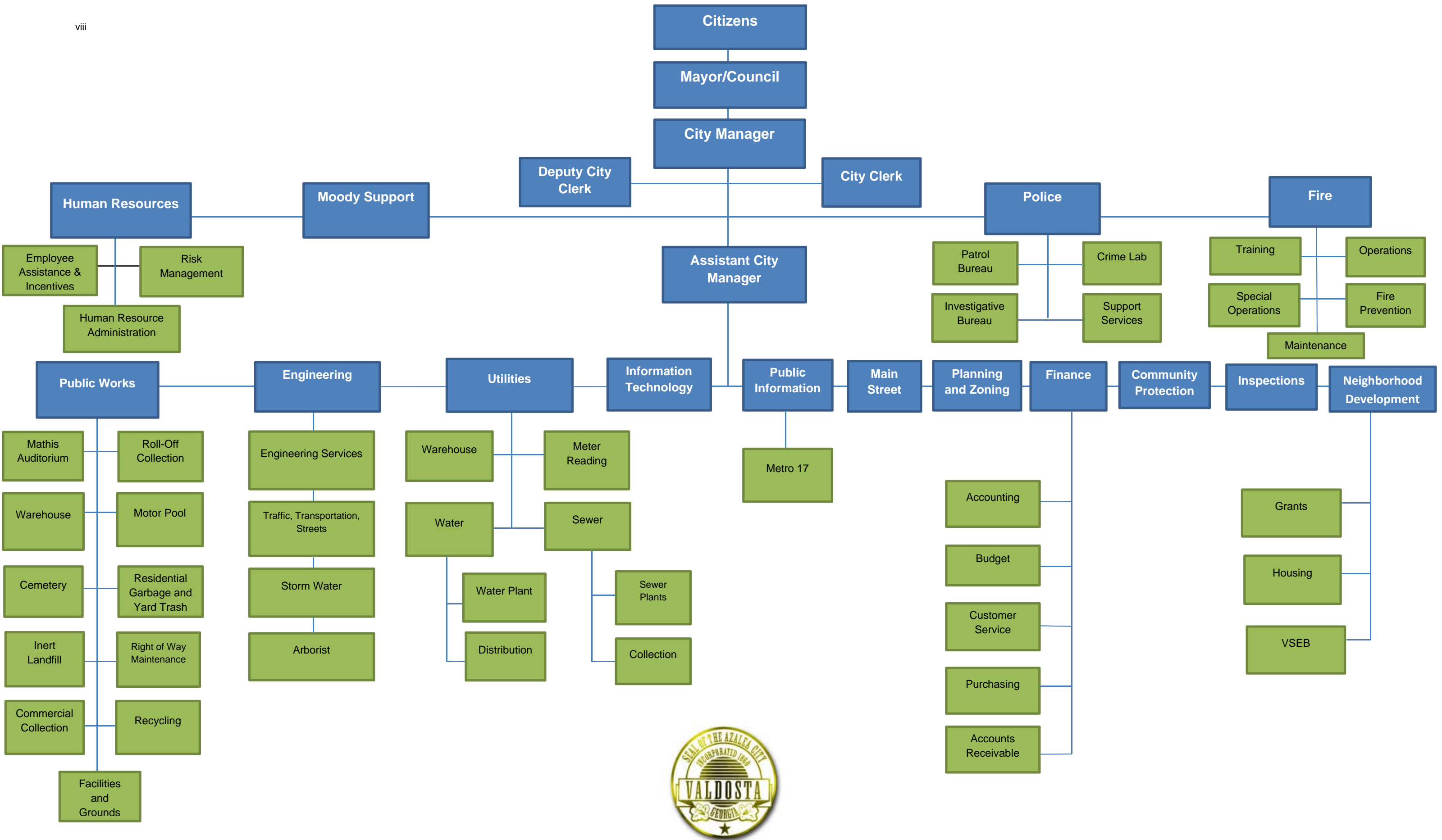


The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to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

Executive Director

Christopher P. Morill

Date September 17, 2019



APPROVED FY 2017-2018
ORGANIZATIONAL CHART

PRINCIPAL OFFICIALS CITY OF VALDOSTA, GEORGIA

Mayor

John Gayle

Council Member – At Large
Council Member – District I
Council Member – District II
Council Member – District III
Council Member – District IV
Council Member – District V
Council Member – District VI

Ben Norton
Vivian Miller-Cody
Sandra Tooley
Joseph Vickers
Eric Howard
Tim Carroll
Andy Gibbs

City Manager

L. Mark Barber

Clerk of Council
City Attorney
Municipal Court Judge
City Auditor

Teresa Bolden
Tim Tanner
Vernita L. Bender
Henderson & Godbee, LLC

Human Resources Director
City Engineer
Fire Chief
Police Chief
Utilities Director
Public Works Director
Finance Director

Catherine Nita
Patrick S. Collins
Brian Boutwell
Leslie Manahan
Daryl Muse
Richard Hardy
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

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, 2019, 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, 2019, 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 78 through 80), and the schedules of historical pension and OPEB information and the related notes (on pages 81 through 84) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information


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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2019, on our consideration of the City of Valdosta, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Valdosta, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Valdosta, Georgia's internal control over financial reporting and compliance.

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

December 10, 2019

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, 2019. 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 \$202.36 million. Of this amount, none may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's governmental net position increased by \$5.28 million, primarily due to transfers to proprietary funds.
- The governmental activities revenue increased by \$1.84 million or 3.52% and the net results from activities increased \$2.88 million. The results of activities produced an increase in net position of \$5.28 million. Governmental expenses decreased by \$1.04 million.
- The business-type activities revenue increased by \$.85 million and the net results from activities decreased by \$.14 million. The results of activities produced an increase in net position of \$1.70 million.
- The total cost of all City programs increased by \$.14 million.
- The General Fund (the primary operating fund of the City) reflected on a current financial resource basis, reports a net increase in fund balance of \$.38 million.
- The City's total debt decreased \$5.48 million or 6.45%. The decrease is the result of accelerated principal payments to the Georgia Environmental Facilities Authority on debt issued to improve and expand the city's sewer system as well as routine amortization of all other debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Figure A-1

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Statements

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

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

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

Fund Financial Statements

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

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

The City of Valdosta utilizes three types of funds:

- **Governmental funds**—most of the City of Valdosta's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE CITY OF VALDOSTA AS A WHOLE

Net Position. The City of Valdosta's combined net position increased 3.57 percent from \$195.38 million at June 30, 2018 to \$202.36 million at June 30, 2019. (See table A-1.)

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2018	2019	2018	2019	2018	2019	2018 – 2019
Current and other assets	\$27.50	\$31.29	(\$2.03)	(3.47)	\$25.47	\$27.82	9.23%
Capital Assets	127.67	129.18	216.65	211.62	344.32	340.80	(1.02%)
Total Assets	155.17	160.47	214.62	208.15	369.79	368.62	(0.32%)
Deferred Outflows of Resources	8.05	6.93	-	-	8.05	6.93	(13.91%)
Long-term debt outstanding	2.49	4.54	82.51	74.98	85.00	79.52	(6.45%)
Other liabilities	85.76	79.07	3.94	3.30	89.70	82.37	(8.17%)
Total Liabilities	88.25	83.61	86.45	78.28	174.70	161.89	(7.33%)
Deferred Inflow of Resources	7.76	11.30	-	-	7.76	11.30	45.62%
Net Position							
Net investment in capital assets	125.18	124.63	134.14	136.65	259.32	261.28	.76%
Restricted	6.79	6.23	-	-	6.79	6.23	(8.25%)
Unrestricted	(64.76)	(58.37)	(5.97)	(6.78)	(70.73)	(65.15)	(7.89%)
Total Net Position	\$67.21	\$72.49	\$128.17	\$129.87	\$195.38	\$202.36	3.57%

Net Position of the City's governmental activities increased by 7.86 percent to \$72.49 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 \$58.37 million deficit at the end of the year.

The deficit in unrestricted governmental net position was positively affected by positive results from operations and actuarial gains against post employment liabilities.

The net position of the City's business-type activities increased by 1.33 percent to \$129.87 million. While business type activities do have a substantial positive net position, these resources cannot be used to add to the net position in governmental activities. The City generally can only use the net position to finance the continuing operations of the business-type activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in net position

The City's total revenues increased by 3.33 percent to \$83.52 million. (See Table A-2) Approximately 38 percent of the City's revenue comes from fees charged for services, 11 percent from sales taxes, 16 percent from ad valorem taxes, and 13 percent comprising such revenue items as business occupation license fees, franchise fees, and insurance premium fees. The remaining 22 percent represents grants, accommodation tax and investment revenue.

The total cost of all programs and services increased by .18 percent to 76.55 million. The City's expenses cover a myriad of services, with approximately 33 percent related to public safety, 22 percent related to general government expenses, and 28 percent related to water/sewer expenses. The balance of 17 percent is comprised of public works, economic development, solid waste, inspection, auditorium, storm water, and motor fuel functions.

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

Governmental Activities

Revenues for the City's governmental activities increased \$1.84 million or 3.52 percent to \$54.10 million, while governmental activities expenses experienced a decrease of \$1.04 million (or 2.19%) to \$46.48 million.

The increase in governmental revenue is primarily the result of an increase in grants and sales taxes. Most other revenues were flat.

The City of Valdosta continues to trim budgets and cut costs in an effort to remain financially viable and rebuild fund balances. The decrease in governmental activities before the recognition of additional post employment liabilities despite increased capital needs reflects these actions taken by the City of Valdosta.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Governmental		Business-type		Total		Total
	Activities		Activities		Activities		Percentage
	2018	2019	2018	2019	2018	2019	Change
							2018 – 2019
REVENUES							
Program Revenues:							
Charges for Services	\$2.60	\$2.60	\$28.57	29.42	\$31.17	\$32.02	2.73%
Operating Grants & Contributions	1.39	1.83	-	-	1.39	1.83	31.65%
Capital Grants & Contributions	12.59	12.92	-	-	12.59	12.92	2.62%
General Revenues:							
Property Taxes	13.12	13.34	-	-	13.12	13.34	1.68%
Sales Taxes	9.06	9.44	-	-	9.06	9.44	4.19%
Accommodations Tax	3.19	3.34	-	-	3.19	3.34	4.70%
Other Taxes	9.69	10.30	-	-	9.69	10.30	6.30%
Investment Earnings	.05	.07	-	-	.05	.07	40.00%
Misc	.57	.26	-	-	.57	.26	(54.39%)
Total Revenues	52.26	54.10	28.57	29.42	80.83	83.52	3.33%
EXPENSES							
Program Activities							
Primary Government:							
Governmental Activities:							
General Government	17.83	16.95	-	-	17.83	16.95	(4.94%)
Public Safety	25.75	25.59	-	-	25.75	25.59	(.62%)
Public Works	1.76	1.77	-	-	1.76	1.77	.57%
Economic Development and Assistance	2.18	2.17	-	-	2.18	2.17	(.46%)
Business-type Activities:							
Solid Waste	-	-	5.71	5.66	5.71	5.66	(.88%)
Water/Sewer	-	-	19.91	21.18	19.91	21.18	6.38%
Housing Inspections	-	-	.84	.90	.84	.90	7.14%
DOL Building	-	-	.34	.31	.34	.31	(8.82%)
Stormwater	-	-	1.49	1.40	1.49	1.40	(6.04%)
City Auditorium	-	-	.28	.28	.28	.28	0.00%
Motor Fuel	-	-	.32	.33	.32	.33	3.13%
Total Expenses	47.52	46.48	28.89	30.06	76.41	76.54	.18%
Excess (deficiency) before transfers	4.74	7.62	(.32)	(.64)	4.42	6.98	57.69%
Transfers	(2.16)	(2.34)	2.16	2.35	-	-	.00%
Increase (Decrease) in Net Assets	2.58	5.28	1.84	1.70	4.42	6.98	57.92%
Net position, beginning	79.02	67.21	126.33	128.17	205.35	195.38	2.31%
PPA	(14.39)	-	-	-	(14.39)	-	(100.00%)
Net position, beginning, revised	64.63	67.21	126.33	128.17	190.96	195.38	2.31%
Net position, ending	\$67.21	\$72.49	\$128.17	129.87	\$195.38	\$202.36	3.57%

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

- The cost of all governmental activities this year was \$46.48 million.
- However, the amount that taxpayers paid for these activities through City taxes was \$36.42 million. Some of the cost was paid by:
 - Those who benefited directly from the programs (\$2.60 million).
 - Other governments and organizations that subsidized certain programs with grants and contributions (\$14.75 million).
 - Other miscellaneous sources such as investments (\$0.33 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>
	2018	2019	2018 – 2019	2018	2019	2018 – 2019
General Government	\$17.83	\$16.95	(4.94%)	\$5.46	\$4.04	(26.01%)
Public Safety	25.75	25.59	(.62%)	22.63	21.87	(3.36%)
Public Works	1.76	1.77	.57%	1.62	1.65	1.85%
Economic Development and Assistance	2.18	2.17	(.46%)	1.24	1.56	25.81%
Total	\$47.52	\$46.48	(2.19%)	\$30.95	\$29.12	(5.91%)

Business-type Activities

Total revenues available during the year to finance enterprise (business type) activities were \$29.42 million. Funding was made available as follows: program revenues \$29.42 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The cost of all enterprise (business-type) activities for the year accumulated to \$30.06 million consisting of the following activities: solid waste \$5.66 million, water/sewer \$21.18 million, inspections \$.90 million, city auditorium \$.28 million, motor fuel \$.34 million, DOL building \$.31 million, and storm water \$1.40 million. In addition the Enterprise funds transferred \$2.66 million to the General Fund for administrative services, and \$.77 million to Group Insurance Fund.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

General Fund Budgetary Highlights

Comparing the FY 2019 original General Fund budget, in the amount of \$39.51 million, to the final budget amount of \$39.60 million represents an increase of \$.09 million.

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

The General Fund experienced an increase in fund balance due to the increase in tax revenues and increased transfers from Enterprise Funds as a result of improved revenues in those funds.

Sales Tax 2013 Fund Highlights

The Sales Tax 2013 Fund experienced an increase in fund balance of \$3.01 million as a result of delays in projects financed by this fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of the year-end, the City had \$340.80 million invested in a variety of capital assets, as reflected in the following schedule (Table A-4), which represents a net decrease (additions less retirements and depreciation) of \$3.52 million or 1.02 percent from last year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Governmental		Business-type		Total		Total
	<u>Activities</u>		<u>Activities</u>		<u>Total</u>		<u>Percentage</u>
	2018	2019	2018	2019	2018	2019	2017 – 2019
Non-depreciable assets							
Land	\$77.11	\$77.11	\$3.04	\$3.04	\$80.15	\$80.15	.00%
Construction in progress	.53	1.25	5.41	4.45	5.94	5.70	(4.04%)
Depreciable Assets							
Land improvements	13.83	13.79	152.93	156.89	166.76	170.68	2.35%
Buildings	29.52	29.01	118.10	110.96	147.62	139.97	(5.18%)
Equipment	8.63	8.73	4.87	5.12	13.50	13.85	2.59%
Motor vehicles	17.77	20.62	-	-	17.77	20.62	16.04%
Infrastructure	107.19	107.54	-	-	107.19	107.54	0.33%
Intangibles	-	-	1.16	1.16	1.16	1.16	0.00%
Accumulated depreciation	(126.91)	(128.87)	(68.86)	(70.00)	(195.77)	(198.87)	1.58%
	\$127.67	\$129.18	\$216.65	\$211.62	\$344.32	\$340.80	(1.02%)

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

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

The increase in motor vehicles is the result of several large vehicle acquisitions including two fire trucks and a grapple truck as well as a number of passenger and police vehicles.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term Debt

At year-end, the City had \$79.52 million in total debt outstanding. Government wide debt decreased by 6.45 percent as compared to last year.

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

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

	Governmental		Business-type		Total		Total
	<u>Activities</u>		<u>Activities</u>		<u>Total</u>		Percentage
	2018	2019	2018	2019	2018	2019	Change
Revenue Bonds	\$-	\$-	\$1.38	\$1.15	\$1.38	\$1.15	(16.67%)
Notes Payable	-	-	81.13	73.83	81.13	73.83	(9.00%)
Capital Leases	2.49	4.54	-	-	2.49	4.54	82.33%
Total	\$2.49	\$4.54	\$82.51	\$74.98	\$85.00	\$79.52	(6.45%)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

- Growth in the tax base of the City (excluding inflationary growth). There was a slight decrease in the tax base this year. This change is primarily the result of decreases in personal property and motor vehicles offset to some extent by inflationary growth in real property.
- Business Gross Receipts Taxes (based on a business' gross receipts). This revenue increased approximately 7.73% this year, indicating an improved local economy.
- General Fund's Ending Fund Balance – reflects the City's ability to meet ever increasing demands for general service while remaining financially sound and fiscally responsible by providing a buffer for short-term fluctuations in the economy. The General Fund experienced a small increase in total fund balance at June 30, 2019.

FINANCIAL CONTACT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Valdosta Finance Department, P.O. Box 1125, Valdosta, Georgia 31603 or visit our website at www.valdostacity.com.

BASIC FINANCIAL STATEMENTS

CITY OF VALDOSTA, GEORGIA
STATEMENT OF NET POSITION
AS OF JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$10,257,786	\$1,197,823	\$11,455,609
Investments	3,368,689	2,129,472	5,498,161
Receivables (net)	4,792,891	3,448,410	8,241,301
Due from other governments	947,449	404,929	1,352,378
Interfund balances	11,116,693	(11,116,693)	0
Inventories	593,260	457,830	1,051,090
Prepaids	212,048	0	212,048
Capital assets:			
Non-depreciable	78,356,760	7,490,431	85,847,191
Depreciable (net)	50,819,041	204,131,467	254,950,508
Total Assets	\$160,464,617	\$208,143,669	\$368,608,286
DEFERRED OUTFLOWS OF RESOURCES			
Differences between actual and expected pension experience	\$896,510	\$0	\$896,510
Changes in pension actuarial assumptions	943,779	0	943,779
Pension payments after pension valuation	4,208,695	0	4,208,695
OPEB payments after OPEB valuation	880,075	0	880,075
Total Deferred Outflows	\$6,929,059	\$0	\$6,929,059
LIABILITIES			
Accounts payable	\$4,617,888	\$1,699,209	\$6,317,097
Contracts payable	30,015	0	30,015
Accrued interest payable	0	167,670	167,670
Deposits	0	921,234	921,234
Non-current liabilities			
Due within one year:			
Compensated absences	841,130	241,839	1,082,969
Due to other governments & agencies	0	4,774,174	4,774,174
Capital leases payable	732,293	0	732,293
Bonds payable	0	233,000	233,000
Due in more than one year:			
Other post employment benefits	30,233,747	0	30,233,747
Compensated absences	866,928	270,860	1,137,788
Due to other governments & agencies	0	69,053,455	69,053,455
Capital leases payable	3,811,120	0	3,811,120
Net pension liability	42,475,849	0	42,475,849
Bonds payable	0	915,000	915,000
Total Liabilities	\$83,608,970	\$78,276,441	\$161,885,411
DEFERRED INFLOWS OF RESOURCES			
Changes in pension actuarial assumptions	\$917,461	\$0	\$917,461
Net difference between projected and actual pension plan earnings	2,513,799	0	2,513,799
Differences between actual and expected Pension experience	453,388	0	453,388
Deferred revenue	82,671	0	82,671
Changes in OPEB actuarial assumptions	4,920,582	0	4,920,582
Differences between actual and expected OPEB experience	2,407,163	0	2,407,163
Total Deferred Inflows	\$11,295,064	\$0	\$11,295,064
NET POSITION			
Net investment in capital assets	\$124,632,388	\$136,646,269	\$261,278,657
Restricted for:			
Capital outlay	2,201,765	0	2,201,765
Perpetual care	1,730,959	0	1,730,959
Other purposes	2,302,239	0	2,302,239
Unrestricted	(58,377,709)	(6,779,041)	(65,156,750)
Total Net Position	\$72,489,642	\$129,867,228	\$202,356,870

The accompanying notes are an integral part of these statements.

CITY OF VALDOSTA, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
Function/Program Activities				
Primary Government:				
Governmental Activities				
General Government	\$16,947,416	\$47,883	\$8,037	\$12,847,312
Public Safety	25,588,378	2,426,640	1,217,433	74,683
Public Works	1,772,936	125,103	0	0
Community Development	2,166,248	835	608,450	0
Interest on Long-term Debt	5,941	0	0	0
Total governmental activities	46,480,919	2,600,461	1,833,920	12,921,995
Business-type Activities				
Sanitation	5,660,431	5,728,960	0	0
Water and Sewer	21,178,047	19,786,789	0	0
Inspection	900,375	1,229,120	0	0
DOL Building	309,336	469,157	0	0
Storm Water	1,397,631	1,808,869	0	0
Auditorium	283,656	46,822	0	0
Motor Fuel	345,705	354,290	0	0
Total business-type activities	30,075,181	29,424,007	0	0
Total Primary Government	\$76,556,100	\$32,024,468	\$1,833,920	\$12,921,995
General Revenues:				
Taxes:				
Property Taxes				
Sales Tax				
Accommodations Tax				
Franchise Tax				
Insurance Premium Tax				
Business Occupation Tax				
Other Taxes				
Investment Earnings				
Miscellaneous				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net position - Beginning				
Net position - Ending				

The accompanying notes are an integral part of these statements.

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

Primary Government		
Governmental Activities	Business-type Activities	Total
(\$4,044,184)	\$0	(\$4,044,184)
(21,869,622)	0	(21,869,622)
(1,647,833)	0	(1,647,833)
(1,556,963)	0	(1,556,963)
(5,941)	0	(5,941)
(29,124,543)	0	(29,124,543)
0	68,529	68,529
0	(1,391,258)	(1,391,258)
0	328,745	328,745
0	159,821	159,821
0	411,238	411,238
0	(236,834)	(236,834)
0	8,585	8,585
0	(651,174)	(651,174)
(\$29,124,543)	(\$651,174)	(\$29,775,717)
13,342,926	0	13,342,926
9,443,496	0	9,443,496
3,338,537	0	3,338,537
3,828,123	0	3,828,123
3,924,921	0	3,924,921
1,640,540	0	1,640,540
894,386	0	894,386
75,146	0	75,146
261,365	0	261,365
(2,345,844)	2,345,844	0
34,403,596	2,345,844	36,749,440
5,279,053	1,694,670	6,973,723
67,210,589	128,172,558	195,383,147
\$72,489,642	\$129,867,228	\$202,356,870

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, 2019**

	GENERAL	SALES TAX 2013	CVDA	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash	\$131,698	\$8,380,029	\$45,287	\$1,495,238	\$10,052,252
Investments, at cost or amortized cost	116,432	0	0	3,202,334	3,318,766
Receivables (net)					
Taxes	1,308,263	1,028,338	3,552	57,628	2,397,781
Accounts	16,448	0	0	311,414	327,862
Second mortgages	0	0	0	1,990,732	1,990,732
Special assessments	45,387	0	0	0	45,387
Due from other governments and agencies	640,521	0	0	306,928	947,449
Interfund balances	145,330	0	18,845	1,050,000	1,214,175
Advance to other funds	6,160,085	0	0	0	6,160,085
Prepaid expenditures	81,458	0	0	0	81,458
Inventories, at cost	0	213,395	0	0	213,395
Total assets	<u>\$8,645,622</u>	<u>\$9,621,762</u>	<u>\$67,684</u>	<u>\$8,414,274</u>	<u>\$26,749,342</u>
LIABILITIES					
Liabilities:					
Accounts payable	\$1,437,425	\$650,679	\$6,606	\$671,402	\$2,766,112
Contracts payable	0	30,015	0	0	30,015
Due to:					
Other funds	2,750,786	17,427	0	127,903	2,896,116
Other governments and agencies	0	0	0	0	0
Advances from other funds	0	0	0	30,000	30,000
Total liabilities	<u>4,188,211</u>	<u>698,121</u>	<u>6,606</u>	<u>829,305</u>	<u>5,722,243</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	<u>677,254</u>	<u>0</u>	<u>3,552</u>	<u>100,084</u>	<u>780,890</u>
FUND BALANCES					
Fund Balance (deficit):					
Nonspendable	4,868,536	0	0	1,730,959	6,599,495
Restricted	235,318	2,200,165	57,526	2,626,820	5,119,829
Committed	10,767	0	0	0	10,767
Assigned	0	6,723,476	0	3,325,969	10,049,445
Unassigned	(1,334,464)	0	0	(198,863)	(1,533,327)
Total fund balance	<u>3,780,157</u>	<u>8,923,641</u>	<u>57,526</u>	<u>7,484,885</u>	<u>20,246,209</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$8,645,622</u>	<u>\$9,621,762</u>	<u>\$67,684</u>	<u>\$8,414,274</u>	<u>\$26,749,342</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, 2019**

Fund balances - total governmental funds		\$20,246,209
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	\$233,662,689	
Less accumulated depreciation	<u>(113,021,539)</u>	120,641,150
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds		
Net other post employment benefits liability	(30,233,747)	
Changes in actuarial assumptions	(4,920,582)	
Differences between expected and actual experience	(2,407,163)	
OPEB payments after OPEB valuation date	<u>880,075</u>	(36,681,417)
Compensated absences		(1,650,782)
Capital Leases		(380,042)
Net pension liability	(\$42,475,849)	
Differences between expected and actual experience	443,122	
Changes in actuarial assumptions	26,318	
Pension payments after pension valuation date	4,208,695	
Net difference between projected and actual investment earnings	<u>(2,513,799)</u>	(40,311,513)
Revenue not received within 31 days in governmental funds is susceptible to full accrual on the entity-wide statements		
Unavailable revenue		698,219
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>9,927,818</u>
Net position of governmental activities		<u><u>\$72,489,642</u></u>

The accompanying notes are an integral part of these statements.

CITY OF VALDOSTA, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	GENERAL	SALES TAX 2013	CVDA	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Taxes	\$32,392,064	\$0	\$95,602	\$3,338,536	\$35,826,202
Licenses and permits	522,495	0	0	0	522,495
Charges for service	170,735	0	0	0	170,735
Fines and forfeitures	968,410	0	0	16,015	984,425
Interest income	72,253	0	133	2,761	75,147
Contributions	2,500	0	10,714	6,100	19,314
Miscellaneous	173,715	0	2,005	24,734	200,454
Intergovernmental	1,563,181	11,706,548	0	2,946,051	16,215,780
TOTAL REVENUES	35,865,353	11,706,548	108,454	6,334,197	54,014,552
EXPENDITURES:					
Current:					
General government	8,778,763	0	144,255	2,383,082	11,306,100
Public safety	24,237,041	0	0	43,558	24,280,599
Public works	1,625,467	0	0	0	1,625,467
Economic development and assistance	1,363,645	0	0	751,554	2,115,199
Capital outlay	0	8,691,996	0	2,528,286	11,220,282
Debt service principal	129,323	0	0	0	129,323
Debt service interest	5,941	0	0	0	5,941
TOTAL EXPENDITURES	36,140,180	8,691,996	144,255	5,706,480	50,682,911
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(274,827)	3,014,552	(35,801)	627,717	3,331,641
OTHER FINANCING SOURCES (USES):					
Transfers in	2,657,326	0	0	0	2,657,326
Transfers out	(2,002,840)	0	0	(365,553)	(2,368,393)
TOTAL OTHER FINANCING SOURCES (USES)	654,486	0	0	(365,553)	288,933
NET CHANGE IN FUND BALANCES	379,659	3,014,552	(35,801)	262,164	3,620,574
FUND BALANCES - BEGINNING	3,400,498	5,909,089	93,327	7,222,721	16,625,635
FUND BALANCES - END OF YEAR	\$3,780,157	\$8,923,641	\$57,526	\$7,484,885	\$20,246,209

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, 2019

Net change in fund balances - total governmental funds	\$3,620,574
--	-------------

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	\$11,220,282	
Less capital expenditures not capitalized in governmental funds	(9,809,242)	
Less current year depreciation	(3,164,342)	
		(1,753,302)

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		(40,567)
Change in pension liability		1,104,777
Other post employment benefits		1,207,422
Principal payments on long-term debt		129,323
Long-term accounts receivable		30,022
Internal service funds		980,804
Change in net position of governmental activities		\$5,279,053

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, 2019

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS					GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
		WATER/ SEWER REVENUE	DEPARTMENT OF LABOR BUILDING		OTHER ENTERPRISE FUNDS		
	SANITATION			STORMWATER	TOTAL		
ASSETS							
Current assets:							
Cash	\$11,339	\$164,024	\$0	\$49,261	\$52,065	\$276,689	\$205,534
Investments	0	1,155,858	0	750,298	223,316	2,129,472	49,923
Receivables (net)							
Accounts	714,450	2,537,027	0	180,622	11,397	3,443,496	31,129
Accrued interest	0	0		0	4,914	4,914	0
Due from other governments and agencies	238,240	166,689	0	0	0	404,929	0
Due from other funds	0	0	0	0	0	0	1,681,941
Inventories at cost	0	457,830	0	0	0	457,830	379,865
Prepaid expenses	0	0	0	0	0	0	130,590
Restricted assets							
Cash	13,975	907,159	0	0	0	921,134	0
Total current assets	978,004	5,388,587	0	980,181	291,692	7,638,464	2,478,982
Noncurrent assets:							
Capital assets:							
Land	0	2,791,492	0	246,911	0	3,038,403	92,563
Land improvement	201,059	154,925,980	0	1,766,105	0	156,893,144	375,370
Buildings and structures	1,172,902	105,394,502	4,394,543	0	0	110,961,947	530,218
Motor vehicles	0	0	0	0	0	0	20,619,290
Equipment	99,205	4,978,177	0	0	39,216	5,116,598	2,756,807
Intangibles	0	0	0	1,161,791	0	1,161,791	0
Construction in progress	0	4,452,028	0	0	0	4,452,028	0
	1,473,166	272,542,179	4,394,543	3,174,807	39,216	281,623,911	24,374,248
Less accumulated depreciation	(788,700)	(67,266,323)	(1,311,916)	(599,856)	(35,218)	(70,002,013)	(15,839,597)
Net capital assets	684,466	205,275,856	3,082,627	2,574,951	3,998	211,621,898	8,534,651
Total noncurrent assets	684,466	205,275,856	3,082,627	2,574,951	3,998	211,621,898	8,534,651
Total assets	\$1,662,470	\$210,664,443	\$3,082,627	\$3,555,132	\$295,690	\$219,260,362	\$11,013,633
LIABILITIES							
Current liabilities:							
Accounts payable	\$346,828	\$1,253,109	\$11,963	\$41,681	\$45,628	\$1,699,209	\$1,851,777
Accrued interest	0	147,895	19,775	0	0	167,670	0
Compensated absences (current portion)	68,573	139,276	0	12,713	21,277	241,839	25,863
Due to other governments and agencies (current portion)	0	4,774,174	0	0	0	4,774,174	0
Capital lease payable (current portion)	0	0	0	0	0	0	601,387
Bonds payable (current portion)	0	0	233,000	0	0	233,000	0
Current liabilities (payable from restricted assets):							
Deposits	7,050	914,184	0	0	0	921,234	0
Total current liabilities	422,451	7,228,638	264,738	54,394	66,905	8,037,126	2,479,027
Noncurrent liabilities (payable from unrestricted assets):							
Compensated absences	85,265	142,287	0	22,390	20,918	270,860	31,413
Capital lease payable (net of current portion)	0	0	0	0	0	0	3,561,983
Bonds payable (net of current portion)	0	0	915,000	0	0	915,000	0
Advances from other funds	1,102,880	0	963,872	0	0	2,066,752	4,063,333
Due to other governments and agencies, (net of current portion)	0	69,053,455	0	0	0	69,053,455	0
Total noncurrent liabilities (payable from unrestricted assets)	1,188,145	69,195,742	1,878,872	22,390	20,918	72,306,067	7,656,729
Total liabilities	1,610,596	76,424,380	2,143,610	76,784	87,823	80,343,193	10,135,756
NET POSITION (DEFICIT)							
Net investment in capital assets	684,466	131,448,227	1,934,627	2,574,951	3,998	136,646,269	4,371,281
Restricted							
Restricted for workmen's compensation claims	0	0	0	0	0	0	877,877
Unrestricted	(632,592)	2,791,836	(995,610)	903,397	203,869	2,270,900	(4,371,281)
Total net position (deficit)	\$51,874	\$134,240,063	\$939,017	\$3,478,348	\$207,867	138,917,169	\$877,877
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						(9,049,941)	
Net position of business-type activities						\$129,867,228	

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, 2019

	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	\$1,171,789	\$1,171,789	\$0
Charges for services	5,544,984	19,638,826	469,157	1,808,869	458,443	27,920,279	11,938,619
Recycling revenue	14,743	0	0	0	0	14,743	0
Intergovernmental revenues	7,987	0	0	0	0	7,987	0
Miscellaneous revenues	6,114	145,393	0	0	0	151,507	89,965
TOTAL OPERATING REVENUES	5,573,828	19,784,219	469,157	1,808,869	1,630,232	29,266,305	12,028,584
Operating expenses:							
Personal services	2,585,303	5,073,203	0	677,157	703,361	9,039,024	786,930
Contractual services	1,088,564	2,047,327	152,599	271,902	141,737	3,702,129	3,190,665
Claims paid	0	0	0	0	0	0	6,294,225
Supplies	111,469	1,244,557	311	67,306	401,571	1,825,214	2,233,444
Travel and training	2,793	26,387	0	2,073	1,254	32,507	2,769
Other services and charges	1,648,219	1,885,733	18,347	243,532	222,451	4,018,282	528,918
Amortization expense	0	0	0	73,956	0	73,956	0
Depreciation expense	33,009	6,359,565	89,110	0	1,297	6,482,981	1,421,997
TOTAL OPERATING EXPENSES	5,469,357	16,636,772	260,367	1,335,926	1,471,671	25,174,093	14,458,948
OPERATING INCOME (LOSS)	104,471	3,147,447	208,790	472,943	158,561	4,092,212	(2,430,364)
Non-operating revenues (expenses):							
Interest income	0	2,089	0	481	0	2,570	0
Intergovernmental revenues	155,132	0	0	0	0	155,132	0
Gain (Loss) on disposal of assets	0	(2,249,584)	0	0	0	(2,249,584)	(2,640)
Interest expense and fiscal charges	0	(1,911,357)	(48,969)	0	0	(1,960,326)	(49,381)
TOTAL NON-OPERATING REVENUES (EXPENSES)	155,132	(4,158,852)	(48,969)	481	0	(4,052,208)	(52,021)
INCOME (LOSS) BEFORE CONTRIBUTIONS, TRANSFERS, AND SPECIAL ITEMS	259,603	(1,011,405)	159,821	473,424	158,561	40,004	(2,482,385)
Capital contribution revenue	0	5,406,788	0	0	0	5,406,788	0
Transfers in	0	0	0	0	340,763	340,763	2,772,011
Transfers out	(456,575)	(2,579,743)	0	(204,971)	(160,418)	(3,401,707)	0
	(456,575)	2,827,045	0	(204,971)	180,345	2,345,844	2,772,011
Change in Net Position	(196,972)	1,815,640	159,821	268,453	338,906	2,385,848	289,626
NET POSITION - BEGINNING (DEFICIT)	248,846	132,424,423	779,196	3,209,895	(131,039)		588,251
NET POSITION - ENDING (DEFICIT)	\$51,874	\$134,240,063	\$939,017	\$3,478,348	\$207,867		\$877,877
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						(726,186)	
Change in net position of business-type activities						\$1,659,662	

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, 2019

	BUSINESS-TYPE ACTIVITIES						GOVERNMENTAL
	ENTERPRISE FUNDS						ACTIVITIES
	WATER/ SEWER SANITATION	DEPARTMENT OF LABOR BUILDING	STORMWATER	OTHER ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS	
Cash flows from operating activities:							
Cash received from customers	\$5,463,994	\$19,333,909	\$469,157	\$1,802,793	\$1,634,333	\$28,704,186	\$12,017,084
Cash payments to suppliers for goods and services	(2,594,691)	(5,571,199)	(183,175)	(596,618)	(878,886)	(9,824,569)	(11,616,703)
Cash payments to employees for services	(2,582,589)	(5,035,937)	0	(677,929)	(699,701)	(8,996,156)	(787,131)
Other operating revenues	14,743	0	0	0	0	14,743	0
Miscellaneous income	6,114	145,393	0	0	0	151,507	0
New customer utility deposits	300	258,400	0	0	0	258,700	0
Intergovernmental revenues	7,987	0	0	0	0	7,987	0
Refunded customer utility deposits	(1,094)	(238,366)	0	0	0	(239,460)	0
Net change in cash from operating activities	314,764	8,892,200	285,982	528,246	55,746	10,076,938	(386,750)
Cash flows from noncapital financing activities:							
Intergovernmental revenues	155,132	0	0	0	0	155,132	0
Transfers-in from other funds	0	5,406,788	0	0	340,763	5,747,551	2,772,011
Transfers-out to other funds	(456,575)	(2,579,743)	0	(204,971)	(160,418)	(3,401,707)	0
Net change in cash from noncapital financing activities	(301,443)	2,827,045	0	(204,971)	180,345	2,500,976	2,772,011
Cash flows from capital and related financing activities:							
Principal paid on Georgia Environmental Finance Authority Loan	0	(9,165,760)	0	0	0	(9,165,760)	0
Loan from Georgia Environmental Finance Authority	0	2,483,946	0	0	0	2,483,946	0
Loan from GMA Bond	0	0	0	0	0	0	2,561,946
Acquisition and construction of capital assets	0	(3,769,641)	0	0	0	(3,769,641)	(4,686,638)
Proceeds from sale of capital assets	0	0	0	0	0	0	(2,640)
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	(376,361)
Interest paid on GEFA loan	0	(1,926,948)	0	0	0	(1,926,948)	0
Interest paid on DOL intergovernmental note	0	0	(52,982)	0	0	(52,982)	0
Interest paid on GMA bond	0	0	0	0	0	0	(49,381)
Net change in cash from capital and related financing activities	0	(12,378,403)	(285,982)	0	0	(12,664,385)	(2,553,074)
Cash flows from investing activities:							
Sale of investment securities	0	1,931,634	0	(753,494)	0	1,178,140	0
Purchase of investment securities	0	(1,189,315)	0	478,999	(192,418)	(902,734)	(8,021)
Interest and dividends on investments	0	2,089	0	481	0	2,570	0
Net change in cash from investing activities	0	744,408	0	(274,014)	(192,418)	277,976	(8,021)
Net change in cash	13,321	85,250	0	49,261	43,673	191,505	(175,834)
Cash beginning of year	11,993	985,933	0	0	8,392	1,006,318	381,368
Cash at end of year	\$25,314	\$1,071,183	\$0	\$49,261	\$52,065	\$1,197,823	\$205,534
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CHANGE IN CASH FROM OPERATING ACTIVITIES							
Operating income (loss)	\$104,471	\$3,147,447	\$208,790	\$472,943	158,561	\$4,092,212	(\$2,430,364)
Adjustments to reconcile operating income (loss) to net change in cash from operating activities:							
Amortization	0	0	0	73,956	0	73,956	0
Depreciation	33,009	6,359,565	89,110	0	1,297	6,482,981	1,421,997
New customer utility deposit	300	258,400	0	0	0	258,700	0
Refunded customer utility deposit	(1,094)	(238,366)	0	0	0	(239,460)	0
Change in assets and liabilities:							
(Increase) decrease in accounts receivable	(77,820)	(341,750)	0	(6,076)	4,101	(421,545)	(11,500)
Decrease (increase) in due from other funds	0	400,000	0	0	0	400,000	(350,882)
(Increase) decrease in due from other governments and agencies	253,708	51,019	0	0	6,541	311,268	44,000
Decrease (increase) in inventory	0	(33,738)	0	0	0	(33,738)	24,438
Decrease in prepaid expenses	0	0	0	0	0	0	(130,590)
Increase (decrease) in operating payable	92,235	(699,596)	(4,259)	(4,645)	12,234	(604,031)	280,899
Increase in compensated absences liability	(23,406)	(10,781)	0	(4,550)	3,660	(35,077)	(201)
Increase (decrease) in due to other funds	(1,169,519)	0	(7,659)	(3,382)	(30,150)	(1,210,710)	0
(Decrease) in advances from other funds	1,102,880	0	0	0	(100,498)	1,002,382	765,453
Net change in cash from operating activities	\$314,764	\$8,892,200	\$285,982	\$528,246	\$55,746	\$10,076,938	(\$386,750)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES							
Contributed capital assets from SPLOST 2013	0	5,406,788	0	0	0	5,406,788	0

The accompanying notes are an integral part of these statements.

FIDUCIARY FUNDS

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

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

CITY OF VALDOSTA, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2019

	TOTAL FIDUCIARY FUNDS
ASSETS	
Cash	\$82,543
Investments	7,394
Total assets	\$89,937
 LIABILITIES	
Due to other governments and agencies	\$79,603
Due to others	10,334
Total liabilities	\$89,937

The accompanying notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. THE REPORTING ENTITY

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

Primary Government

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

Included with reporting entity as Blended Component Unit:

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

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Separate financial statements are not available from the Authority.

Related Organizations:

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

B. MEASUREMENT FOCUS AND FINANCIAL STATEMENT PRESENTATION

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

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

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

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

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

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

**CITY OF VALDOSTA, GEORGIA
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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
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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
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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
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FIDUCIARY FUNDS

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
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Accrual Basis of Accounting

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

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

Investment earnings are accrued in Proprietary Funds.

D. BUDGETS AND BUDGETARY ACCOUNTING

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

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

The following funds' expenditures/expenses exceeded legal appropriations.

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Fund/Department	Expenditures/ Expenses on Budgetary Basis	Appropriations	Amount Exceeding
General Fund/Human Resources	\$466,886	\$458,683	\$8,203
General Fund/Economic Development and Assistance	748,094	724,841	23,253
Central Valdosta Development Authority	144,255	102,000	42,255
Sunset Hill	9,837	4,136	5,701
SPLOST VII	9,107,895	7,719,446	1,388,449

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, 2019.

G. RECEIVABLES

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

1. Taxes Receivable which includes:
 - a. Taxes Receivable-Delinquent – represents the past years of uncollected tax levies. An allowance for uncollectible taxes is provided based upon an

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
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analysis of historical trends. The tax receivables have been reported net of these allowances.

- b. Sales Taxes, Franchise Taxes, and Public Utilities Receivable – recorded as revenue when they become both measurable and available for collection within the current period paying cycle, which is 31 days past year end. The balance of what has been earned though not available is recorded as a deferred inflow of resources – unavailable revenue.
2. Accounts Receivable which includes:
- a. Accounts Receivable – Sanitation and Water and Sewer service charges are recognized when earned, with an allowance for uncollectible accounts of 1% of the accounts receivable balance at June 30 after allowing for troubled customers at a graduated scale based on age. Services performed by various departments are recognized as revenue when they are measured and assured of collection within the current paying cycle of the City. That which is earned, but not collected within 31 days of year end, is recognized as a deferred revenue. In the Proprietary Funds, they are recognized as revenue when earned.
 - b. Returned Checks – the balance of checks written by the public that the banks have returned to the City over the past 12 months.
 - c. Accounts Receivable-Employees – the balance that City employees owe the City for travel advances, garnishments, etc.
 - d. Unbilled Services Receivable – within the City’s Enterprise Funds, an estimated amount has been recorded for services rendered but not yet billed as of June 30, 2019. The receivable was arrived at by taking the cycle billings the City sent the customers in July and prorating the amount of days applicable to the current year factor at 99% to allow for uncollectible accounts.
3. Second Mortgages Receivable - the amount owed to the City from loans made to homeowners on UDAG and CDBG CHIP grants.
4. Special Assessments Receivable – both principle and interest on paving assessments are payable in semi-annual installments over a five year period. The principle is recognized when due. The balance due at June 30 that has not been collected within 31 days past year end is recorded as a deferred revenue. There is no allowance for uncollectibles as delinquent accounts are declared as a special assessment lien against the property per Section 7.2, paragraph I, of the City’s Code. The entire outstanding balance is delinquent at June 30, 2019.

**CITY OF VALDOSTA, GEORGIA
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5. Interest Receivable – interest on investments is recorded as revenue on the Governmental Fund types when it is both measurable and collected within the City’s current paying cycle. The amount which is earned but not collected is recognized as a deferred revenue. The interest on investments is recorded as revenue in the year earned for the Proprietary Fund types.

H. DUE FROM OTHER GOVERNMENTS & AGENCIES

Due from other governments includes amounts from grantors for grants for specific programs and capital projects. Program grants and capital grants for governmental capital assets are recorded as receivables and revenues at the time reimbursable project costs are incurred. Revenue received in advance of project costs being incurred is deferred. Capital grants for capital asset additions to the Proprietary Funds are recorded as receivables and corresponding increases to contributions when reimbursable project costs are incurred.

I. DUE FROM AND DUE TO OTHER FUNDS

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debts. To the extent that certain transactions between funds had not been paid or received as of June 30, 2019, 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
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L. PREPAID EXPENDITURES/EXPENSES

Payments made to various vendors for items or services for a future period beyond June 30, 2019 are recorded as prepaid expenditure/expenses. The fund balances in the Governmental Fund types attributable to prepaid expenditures are classified as nonspendable. This reflects the amount of fund balance not currently available for expenditure.

M. RESTRICTED ASSETS

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

N. INTANGIBLE ASSETS

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

O. CAPITAL ASSETS

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

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

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During the current fiscal year, the City incurred total interest of \$2,103,108.

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, 2019 has been recorded in the government wide statements representing the City's commitment to fund such costs from future operations.

Q. LONG-TERM OBLIGATIONS

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

R. PENSION FUND

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

S. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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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	\$341,996	\$3,552	\$0	\$345,548
Paving Assessments	45,387	0	0	45,387
Miscellaneous	64,663	0	2,086	66,749
DOT	7,752	0	20,715	28,467
Franchise	103,342	0	0	103,342
LAG	80,585	0	0	80,585
Grants	33,529	0	77,283	110,812
Total	\$677,254	\$3,552	\$100,084	\$780,890

T. FUND BALANCE

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

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

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

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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.

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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 \$11,532,152 and the bank balance was \$13,166,689. In addition, the City also had \$6,000 in petty cash.

Custodial Credit Risk

Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's deposit policy is to require all its deposits in excess of FDIC insurance to be collateralized with securities held by the City or by its agent in the City's name. Of the bank balance, \$295,287, was covered by federal depository insurance and \$12,871,402 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, 2019 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
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Concentration Credit Risk

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

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

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

The carrying amount of deposits for CVDA, a blended component unit, was \$45,087 and the bank balance was \$46,612. In addition, the CVDA also had \$200 in petty cash.

The CVDA does not have a deposit policy. Of the bank balance, \$46,612 was covered by Federal Depository Insurance.

B. INVESTMENTS

The City is authorized to invest its funds in (1) obligations which constitute direct obligations of, or are unconditionally guaranteed by, the United States of America; (2) obligations of the Federal Land Bank, the Federal Home Loan Bank, Federal Intermediate Credit Bank, and Federal Bank for Cooperatives; (3) bonds or other obligations issued by any public housing agency or municipality which are served by a pledge of annual contributors under contract with the United States Government, or project notes secured by a payment agreement with the United States Government; and (4) certificates of deposit issued by state and national banks located within the state of Georgia, provided that certain collateral for such certificates is deposited.

<u>Form of Deposit</u>	<u>Carrying Amount</u>
Investment in Georgia Fund 1	\$5,498,161
Certificate of Deposit	7,394
Total	<u>\$5,505,555</u>

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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	\$11,449,609	\$5,498,161
Petty Cash and Change	6,000	0
Cash and Investments on Hand	11,455,609	5,498,161
Fiduciary Assets	82,543	7,394
	<u>\$11,538,152</u>	<u>\$5,505,555</u>
Non Restricted	\$10,617,018	\$5,505,555
Restricted	921,134	0
Balance per Financial Statement	<u>\$11,538,152</u>	<u>\$5,505,555</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	\$45,087
Petty Cash	200
Balance per Financial Statement	<u>\$45,287</u>

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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 2018 property taxes, levied September 15, 2018 on a 40% assessed valuation as of the lien date January 1, 2018, were due November 15, 2018. The levy for 2018 is as follows:

<u>Type of Levy</u>	<u>Rate per \$1,000 of Assessed Value</u>	<u>Legal Maximum</u>
General Operations	13.102	
Less Sales Tax Rebate	5.186	
Net for General Operations	7.916	10.00
Schools	16.980	20.0
Central Valdosta Development Authority	5.0	15.0

Property taxes levied for the current year are available and are therefore recognized as revenue. The City's property tax collection records show that most of the property taxes due are collected during the fiscal year of the levy. Property tax received is reduced by an allowance for uncollectible accounts which is computed on the outstanding receivable at June 30, 2019 per the following table:

95% of the 2010 Levy
95% of the 2011 Levy
95% of the 2012 Levy
95% of the 2013 Levy
80% of the 2014 Levy
70% of the 2015 Levy
60% of the 2016 Levy
50% of the 2017 Levy
25% of the 2018 Levy

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Taxes receivable at June 30, 2019 consist of the following:

Property Taxes	General Fund	CVDA
2010	\$942	\$38
2011	1,883	139
2012	2,312	5
2013	2,476	5
2014	5,594	5
2015	10,546	232
2016	14,316	5
2017	78,167	110
2018	457,419	4,553
	<u>573,655</u>	<u>5,092</u>
Sales Taxes	732,421	0
Franchise Taxes	166,458	0
Total Taxes Receivable	<u>1,472,534</u>	<u>5,092</u>
Less Allowance for Uncollectible	<u>(164,271)</u>	<u>(1,540)</u>
	<u>\$1,308,263</u>	<u>\$3,552</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, 2019**

NOTE. 4 INTERFUND RECEIVABLES/PAYABLES

Individual fund interfund receivables and payables including advances at June 30, 2019 are as follows:

Payables	General Fund	CVDA	Non Major Governmental Funds	Internal Service Funds	Total
General Fund	\$0	\$18,845	\$1,050,000	\$1,681,941	\$2,750,786
SPLOST 13	17,427	0	0	0	17,427
Sanitation	1,102,880	0	0	0	1,102,880
Department of Labor	963,872	0	0	0	963,872
Non Major Governmental Funds	157,903	0	0	0	157,903
Internal Service Funds	4,063,333	0	0	0	4,063,333
Total	\$6,305,415	\$18,845	\$1,050,000	\$1,681,941	\$9,056,201

All interfund balances are due to routine interfund transactions that were not paid or received at June 30, 2019 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 Sanitation Fund in the amount of \$1,102,880, the Department of Labor Fund in the amount of 963,872, and the Motor Pool Fund in the amount of \$4,063,333. 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, 2019

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Primary Government					
	Beginning Balance	Additions	Retirements	Reclass	Transfer	Ending Balance
Governmental Activities:						
Non-depreciable assets						
Land	\$77,109,294	\$0	\$0	\$0	\$0	\$77,109,294
Construction in progress	531,166	1,924,925	0	(347,292)	(861,333)	1,247,466
Total non-depreciable assets	77,640,460	1,924,925	0	(347,292)	(861,333)	78,356,760
Depreciable assets						
Land improvements	13,826,680	0	41,590	0	0	13,785,090
Buildings	29,519,528	131,101	645,480	0	0	29,005,149
Equipment	8,635,039	397,210	301,029	0	0	8,731,220
Motor vehicles	17,773,644	4,572,333	1,726,687	0	0	20,619,290
Infrastructure	107,192,136	0	0	347,292	0	107,539,428
Total depreciable assets	176,947,027	5,100,644	2,714,786	347,292	0	179,680,177
Total at historical cost	254,587,487	7,025,569	2,714,786	0	(861,333)	258,036,937
Less accumulated depreciation for:						
Land improvements	6,917,463	410,593	41,132	0	0	7,286,924
Buildings	11,056,670	626,956	604,710	0	0	11,078,916
Equipment	6,616,522	626,569	282,531	0	0	6,960,560
Motor vehicles	13,340,201	1,256,218	1,674,112	0	0	12,922,307
Infrastructure	88,992,051	1,620,378	0	0	0	90,612,429
Total accumulated depreciation	126,922,907	4,540,714	2,602,485	0	0	128,861,136
Governmental activities capital						
assets, net	\$127,664,580	\$2,484,855	\$112,301	\$0	(\$861,333)	\$129,175,801
Business-type activities:						
Non-depreciable assets						
Land	\$3,038,403	\$0	\$0	\$0	\$0	\$3,038,403
Construction in progress	5,406,270	2,435,353	0	(4,250,928)	861,333	4,452,028
Total non-depreciable assets	8,444,673	2,435,353	0	(4,250,928)	861,333	7,490,431
Depreciable assets						
Land improvements	152,927,219	0	285,003	4,250,928	0	156,893,144
Buildings	118,104,407	0	7,142,460	0	0	110,961,947
Equipment	4,868,275	472,955	224,632	0	0	5,116,598
Intangibles	1,161,791	0	0	0	0	1,161,791
Total depreciable assets	277,061,692	472,955	7,652,095	4,250,928	0	274,133,480
Total at historical cost	285,506,365	2,908,308	7,652,095	0	861,333	281,623,911

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Less accumulated depreciation for:

Land improvements	\$37,638,064	\$3,082,107	\$217,508	\$0	\$0	\$40,502,663
Buildings	26,400,394	3,260,251	4,960,372	0	0	24,700,273
Equipment	4,485,879	175,945	224,632	0	0	4,437,192
Intangibles	323,251	38,634	0	0	0	361,885
Total accumulated depreciation	<u>68,847,588</u>	<u>6,556,937</u>	<u>5,402,512</u>	<u>0</u>	<u>0</u>	<u>70,002,013</u>
Business-type activities capital assets, net	<u>\$216,658,777</u>	<u>(\$3,648,629)</u>	<u>\$2,249,583</u>	<u>\$0</u>	<u>\$861,333</u>	<u>\$211,621,898</u>

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

Governmental Depreciation:

General Government	\$3,958,473
Finance	1,801
Engineering	13,256
Public Safety	553,219
Public Works	13,965
Total governmental depreciation	<u>4,540,714</u>

Business-type Depreciation:

Sanitation	33,009
Water & Sewer	6,359,565
Inspections	1,297
Department of Labor	89,110
Storm Water	73,956
Total business-type depreciation/ amortization	<u>6,556,937</u>
Total depreciation expense	<u>\$11,097,651</u>

Internal Service Funds predominantly serve governmental funds. Accordingly, \$24,374,248 in capital assets, \$15,839,597 in accumulated depreciation, and \$1,421,997 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, 2019

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. This is an agent multiple employer plan.

Employees Covered Under the Plan

Effective January 1, 2015, the Plan was amended to provide for immediate participation for employees. At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	319
Inactive employees entitled to but not yet receiving benefits	98
Active employees	<u>594</u>
 Total covered employees	 <u><u>1,011</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, 2019, the City reported a liability of \$42,475,849 as its net pension liability. The net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. 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, 2019.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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, 2019:

Changes in Net Pension Liability	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a) - (b)
Balances at September 30, 2017*	\$ 87,956,121	\$ 43,731,504	\$ 44,224,617
Changes for the year:			
Service cost	1,311,813	-	1,311,813
Interest	6,460,190	-	6,460,190
Differences between expected and actual experience	(566,737)	-	(566,737)
Contributions - employer	-	4,278,310	(4,278,310)
Contributions - employee	-	556,129	(556,129)
Net investment income	-	4,242,588	(4,242,588)
Benefit payments, including refunds of employee contributions	(6,264,126)	(6,264,126)	-
Administrative expense	-	(122,993)	122,993
Other	-	-	-
Net changes	941,140	2,689,908	(1,748,768)
Balances at September 30, 2018**	<u>\$ 88,897,261</u>	<u>\$ 46,421,412</u>	<u>\$ 42,475,849</u>

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

**Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2019 are used to measure TPL as of September 30, 2018. The balances as of September 30, 2018 constitute measurements of the NPL for the fiscal year ending June 30, 2019.

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, 2019

NOTE 6 – EMPLOYEE RETIREMENT PLAN, CONTINUED

For the year ended June 30, 2019, the City recognized pension expense of \$4,293,258. 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, 2019, 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	\$ 896,510	\$ (453,388)
Changes of assumptions	943,779	(917,461)
Net difference between projected and actual earnings on pension plan investments	-	(2,513,799)
City contributions subsequent to the measurement date	<u>4,208,695</u>	<u>-</u>
Total	<u>\$ 6,048,984</u>	<u>\$ (3,884,648)</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.

\$4,208,695 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, 2020. 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
2020	\$ (739,623)
2021	(553,031)
2022	(434,168)
2023	(317,537)
2024	-
Thereafter	<u>-</u>
Total	<u>\$ (2,044,359)</u>

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6 – EMPLOYEE RETIREMENT PLAN, CONTINUED

Actuarial Methods and Assumptions

The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

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

Actuarial Assumptions:

Inflation	2.75%
Net Investment Rate of Return	7.50%
Projected Salary Increases	2.75% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age:	
<i>Normal</i>	65 with 5 years of service
<i>Early</i>	55 with 10 years of service
Mortality:	
<i>Healthy</i>	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.
<i>Disabled</i>	RP-2000 Disabled Retiree Mortality Table with sex-distinct rates
<i>Plan termination basis (all lives)</i>	1994 Group Annuity Reserving Unisex Table

The mortality and economic actuarial assumptions used in the January 1, 2019 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, 2019

NOTE 6 – EMPLOYEE RETIREMENT PLAN, CONTINUED

The 7.50% long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target allocation as of September 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.40%
International equity	20%	7.40%
Real estate	10%	5.10%
Global Fixed Income	5%	3.03%
Domestic Fixed Income	20%	1.75%
Cash	0%	
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.50%, which is the same as the long-term expected rate of return. The projection of cash flows used to determine the discount rate assumed that contributions from the City will continue to be made at the recommended rates each year, actuarially determined. Based on that assumption, the pension fund's fiduciary net position was projected to be available to make all projected future benefit payments. In theory, the discount rate may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension plan investments, and it was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability	<u>\$ 52,365,451</u>	<u>\$ 42,475,849</u>	<u>\$ 34,181,539</u>

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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, 2019, 178 retirees participated in the plan, paying a monthly premium of \$77 - \$280. However, their dental is the same group coverage as active employees. This is an agent multiple plan.

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, 2019

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 \$880,075 for retirees' health insurance for 178 participants. In addition, 33 participants were covered.

Employees Covered by Benefit Terms –

Retired members currently receiving benefits	163
Vested terminated members entitled to but not yet receiving benefits	-
Active members	<u>594</u>
 Total covered employees	 <u><u>757</u></u>

Actuarial Assumptions –

Actuarial Assumptions:

Inflation	2.75%
Salary Increases	3.75% to 8.75%, including inflation
Discount Rate	3.87%
Healthcare cost trend rates	Non-Medicare Advantage Health: 7.00% trended down to 4.50% by 2021 Medicare Advantage: 4.50% Dental: 4.00%
Health Mortality Rates	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forwards two year for males and one year for females

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – June 30, 2014.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Changes in Total OPEB Liability –

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2018*	\$ 35,458,267	\$ -	\$ 35,458,267
Changes for the year:			-
Service cost	1,288,098	-	1,288,098
Interest	1,295,555	-	1,295,555
Differences between expected and actual experience	(2,537,347)	-	(2,537,347)
Changes of Assumptions	(2,851,834)	-	(2,851,834)
Contributions - employer	(1,115,378)	1,115,378	(2,230,756)
Change of benefit terms	(1,303,614)	-	(1,303,614)
Benefit payments, including refunds of employee contributions	-	(1,115,378)	1,115,378
Administrative expense	-	-	-
Other	-	-	-
Net changes	(5,224,520)	-	(5,224,520)
Balances at June 30, 2019	<u>\$ 30,233,747</u>	<u>\$ -</u>	<u>\$ 30,233,747</u>

Discount Rate -

Discount rate -Since the City funds this Plan on a pay-as-you-go basis, GASB requires the discount rate be based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). To comply with this requirement, the discount rate is based on an index of 20-year, tax-exempt general obligation bonds. Specifically, the chosen rate is 3.87%, the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of June 30, 2018.

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

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Net OPEB Liability (Asset)	\$ 34,739,155	\$ 30,233,747	\$ 26,550,195

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

	Healthcare Trend Rates		
	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Net OPEB Liability (Asset)	\$ 26,250,789	\$ 30,233,747	\$ 35,236,578

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

For the year ended June 30, 2019, the City recognized an actuarial gain against its OPEB liability of \$327,347. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ (4,920,582)
Net difference between projected and actual experience in the Total OPEB Liability	-	(2,407,163)
City contributions subsequent to the measurement date	880,075	-
Total	\$ 880,075	\$ (7,327,745)

\$880,075 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2020	\$ (1,607,387)
2021	(1,607,387)
2022	(1,607,387)
2023	(1,607,387)
2024	(898,197)
Thereafter	-
Total	<u>\$ (7,327,745)</u>

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

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

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

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

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Governmental Funds					
Other Post Employment Benefits	\$35,458,267	\$2,583,653	\$7,808,173	\$30,233,747	\$0
Total OPEB	<u>\$35,458,267</u>	<u>\$2,583,653</u>	<u>\$7,808,173</u>	<u>\$30,233,747</u>	<u>\$0</u>

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 9. LONG TERM DEBT

The City is subject to a statutory limitation by the State of Georgia for bonded indebtedness, payable principally from property taxes to an amount not greater than 10% of the assessed value of all taxable property within the municipality. At June 30, 2019, the limit for the City was \$150,234,282

Long term bonded debt of the City is as follows:

<u>Enterprise Funds</u>	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2019</u>	<u>Due Within One Year</u>
4.19% Department of Labor Building.					
Original issue amount \$4,410,000.	\$1,381,000	\$0	\$233,000	\$1,148,000	\$233,000
Total Notes	<u>\$1,381,000</u>	<u>\$0</u>	<u>\$233,000</u>	<u>\$1,148,000</u>	<u>\$233,000</u>

The City entered into an obligation to finance the Department of Labor building in the amount of \$4,410,000. The City issued a bond to cover the cost of construction in fiscal year 2004. The debt is payable solely from certain lease payments to be paid by the Georgia Department of Labor.

The annual requirement to amortize this bond series as of June 30, 2019, including interest of \$119,184 on the Bond Series 2003 is as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$233,000	\$43,220	\$276,220
2021	233,000	33,457	266,457
2022	233,000	23,694	256,694
2023	233,000	13,932	246,932
2024	216,000	4,881	220,881
Total	<u>\$1,148,000</u>	<u>\$119,184</u>	<u>\$1,267,184</u>

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Enterprise Funds					
Accrued vacation	\$547,776	\$512,699	\$547,776	\$512,699	\$241,839
Internal Service Funds					
Accrued vacation	57,477	57,276	57,477	57,276	25,863
Governmental Funds					
Accrued vacation	1,610,215	1,650,782	1,610,215	1,650,782	815,267
Other Post Employment Benefits	35,458,267	2,583,653	7,808,173	30,233,747	0
Total	\$37,673,735	\$4,804,410	\$10,023,641	\$32,454,504	\$1,082,969

Compensated absences, pension liabilities, and OPEB liabilities are generally liquidated by the General Fund.

The City of Valdosta has entered into a contract for eight loans with Georgia Environmental Facilities Authority for an aggregate loan balance of \$99,186,401. Payments for these loans are repaid quarterly or monthly. In addition, the City has entered into one additional contract to finance water and sewer projects. As of June 30, 2019, draws totaled \$4,964,027 on the loans in progress.

Loan Name	Loan Amount	Payment Period
DW97036P	\$4,285,812	August 1, 2007 to November 1, 2023
CW08003ARRA	6,142,659	July 1, 2011 to July 1, 2031
CW08003PHI	12,500,000	July 1, 2011 to July 1, 2031
CW08003ARRAPHII	1,200,000	August 1, 2011 to August 1, 2031
CW08003PHII	12,709,794	August 1, 2012 to August 1, 2032
2006L53WJ	14,028,996	April 1, 2011 to April 1, 2031
CW13-006	37,767,770	June 1, 2017 to June 1, 2037
2013-L31WJ	10,551,369	February 1, 2018 to February 1, 2038
GF2017012	4,964,027	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, 2019. GEFA retitles notes as modifications are made.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Georgia Environmental Facilities Loans

Loan #	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
DW97036P	\$1,626,674	\$0	\$287,244	\$1,339,430	\$295,958
CWSRF 08003					
ARRA	4,419,214	0	280,058	4,139,156	288,576
CWSRF 08003					
PHI	8,992,878	0	569,904	8,422,974	587,238
CWSRF 08003					
ARRA PHII	867,802	0	54,574	813,228	56,234
CWSRF 08003					
PHII	9,752,281	0	560,962	9,191,319	578,024
2006-L53WJ	11,176,206	0	674,948	10,501,258	703,287
CW13-006	30,780,538	0	6,318,615	24,461,923	1,835,222
2013-L31WJ	10,413,770	0	419,456	9,994,314	429,635
GF2017012	3,100,915	1,863,112	0	4,964,027	0
Totals	\$81,130,278	\$1,863,112	\$9,165,761	\$73,827,629	\$4,774,174

The requirements to amortize the Georgia Environmental Facilities Loans debt outstanding with the exception of the pending notes as of June 30, 2019 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
2020	\$295,959	\$36,874	\$288,576	\$120,228	\$587,238	\$244,658
2021	304,937	27,895	297,354	111,451	605,099	226,797
2022	314,189	18,643	306,398	102,407	623,504	208,392
2023	323,722	9,111	315,717	93,087	642,469	189,428
2024	100,623	892	325,320	83,484	662,010	169,886
2025-2029	0	0	1,781,183	262,840	3,624,617	534,867
2030-2034	0	0	824,608	27,067	1,678,037	55,081
2035-2038	0	0	0	0	0	0
Totals	\$1,339,430	\$93,415	\$4,139,156	\$800,564	\$8,422,974	\$1,629,109

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Fiscal Year Ending June 30	Loan # CWSRF08- 003 ARRA PHII		Loan # CWSRF08-003 PHII		Loan # 2006-L53WJ	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$56,234	\$23,628	\$578,024	\$267,835	\$703,287	\$449,470
2021	57,945	21,917	595,605	250,254	732,816	389,941
2022	59,707	20,155	613,721	232,138	763,585	359,172
2023	61,523	18,339	632,388	213,471	795,646	327,112
2024	63,394	16,468	651,622	194,236	829,052	293,705
2025-2029	347,096	52,214	3,567,742	661,549	4,697,569	916,218
2030-2034	167,329	5,706	2,552,217	126,335	1,979,303	79,086
2035-2038	0	0	0	0	0	0
Totals	\$813,228	\$158,427	\$9,191,319	\$1,945,818	\$10,501,258	\$2,784,704

Fiscal Year Ending June 30	Loan # CW13-006		Loan # 2013-1WJ		Total All Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$1,835,221	\$330,958	\$429,635	235,158	\$4,774,174	\$1,678,809
2021	1,861,318	304,861	440,060	224,733	4,895,134	1,557,849
2022	1,887,544	278,634	450,739	214,054	5,019,387	1,433,595
2023	1,914,140	252,038	461,676	203,117	5,147,281	1,305,703
2024	1,641,111	225,068	472,880	191,914	5,046,012	1,175,653
2025-2029	10,123,601	707,288	2,542,189	781,776	26,683,997	3,916,752
2030-2034	4,898,988	82,164	2,865,966	457,999	14,966,448	833,438
2035-2038	0	0	2,331,169	106,405	2,331,169	106,405
Totals	\$24,461,923	\$2,181,011	\$9,994,314	\$2,415,156	\$68,863,602	\$12,008,204

The present interest rates range from 1.4% to 4.12%. This debt has been issued to improve and maintain the City's water system. Loan #GF2017012 is incomplete and therefore no amortization schedule is available. The maximum repayment period will be 20 years at 2.39%.

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Fire Department Capital Lease

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

The annual requirement to amortize the Dell Capital Lease Agreement outstanding balance as of June 30, 2019, is as follows:

Year Ending June 30	Principal	Interest	Total
2020	\$1,974	\$8	\$1,982
Total	\$1,974	\$8	\$1,982

Governmental Funds	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Dell Computer Lease					
Original Issue Amount \$25,904	\$9,530	\$0	\$7,556	\$1,974	\$1,974
	\$9,530	\$0	\$7,556	\$1,974	\$1,974

Police Department Capital Lease

The City of Valdosta entered into a capital lease agreement on August 1, 2016, with Dell for computer equipment for the Police Department. The total lease payments are \$90,543 with annual interest imputed at 5.30%, payable in three annual payments of \$27,904 and one final payment of \$6,833.

The annual requirement to amortize the Dell Capital Lease Agreement outstanding balance as of June 30, 2019, is as follows:

Year Ending June 30	Principal	Interest	Total
2020	\$6,460	\$373	\$6,833
Total	\$6,460	\$373	\$6,833

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Governmental Funds	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Dell Computer Lease					
Original Issue Amount \$85,400	\$32,635	\$0	\$26,175	\$6,460	\$6,460
	<u>\$32,635</u>	<u>\$0</u>	<u>\$26,175</u>	<u>\$6,460</u>	<u>\$6,460</u>

Police Department Capital Lease

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

The annual requirement to amortize the Dell Capital Lease Agreement outstanding balance as of June 30, 2019, is as follows:

Year Ending June 30	Principal	Interest	Total
2020	\$9,617	\$23	\$9,640
Total	<u>\$9,617</u>	<u>\$23</u>	<u>\$9,640</u>

Governmental Funds	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Dell Computer Lease					
Original Issue Amount \$120,508	\$47,629	\$0	\$38,012	\$9,617	\$9,617
	<u>\$47,629</u>	<u>\$0</u>	<u>\$38,012</u>	<u>\$9,617</u>	<u>\$9,617</u>

Police Department Capital Lease

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

The annual requirement to amortize the Dell Capital Lease Agreement outstanding balance as of June 30, 2019, is as follows:

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Year Ended June 30	Principal	Interest	Total
2020	\$112,856	\$7,307	\$120,163
2021	81,391	5,029	86,420
2022	83,034	3,386	86,420
2023	84,710	1,710	86,420
Total	<u>\$361,991</u>	<u>\$17,432</u>	<u>\$379,423</u>

Governmental Funds	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Body Cameras					
Original Issue Amount \$422,219	\$361,991	\$0	\$0	\$361,991	\$112,856
	<u>\$361,991</u>	<u>\$0</u>	<u>\$0</u>	<u>\$361,991</u>	<u>\$112,856</u>

Motor Pool Fund Capital Lease

The City of Valdosta entered into a capital lease agreement on June 18, 2015, with GMA, funded by BB&T Governmental Finance Project Funds, to finance the purchase of various vehicles for the Motor Pool Fund in the amount of \$971,103. The total lease payments are \$1,014,653 with a variable interest rate. The current annual interest imputed at 2.03%, payable in sixty monthly payments of \$16,949.

The annual requirement to amortize the GMA Lease Agreement outstanding balance as of June 30, 2019, is as follows:

Year Ended June 30	Principal	Interest	Total
2020	201,173	2,219	203,392
Total	<u>\$201,173</u>	<u>\$2,219</u>	<u>\$203,392</u>

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

<u>Internal Service Funds</u>	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2019</u>	<u>Due Within One Year</u>
Vehicle Lease					
Original issue amount \$971,103	\$398,308	\$0	\$197,135	\$201,173	\$201,173
Total Notes	<u>\$398,308</u>	<u>0</u>	<u>\$197,135</u>	<u>\$201,173</u>	<u>\$201,173</u>

Motor Pool Fund Capital Lease

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

The annual requirement to amortize the GMA Lease Agreement outstanding balance as of June 30, 2019, is as follows:

<u>Enterprise Funds</u>	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2019</u>	<u>Due Within One Year</u>
Four Sutphen Firetrucks.					
Original issue amount \$1,932,479	\$1,579,595	\$0	\$179,345	\$1,400,250	\$184,241
Total Notes	<u>\$1,579,595</u>	<u>\$0</u>	<u>\$179,345</u>	<u>\$1,400,250</u>	<u>\$184,241</u>

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$184,241	\$38,227	\$222,468
2021	189,270	33,198	222,468
2022	194,438	28,030	222,468
2023	199,746	22,722	222,468
2024	205,199	17,269	222,468
2025-2026	427,356	17,580	444,936
Total	<u>\$1,400,250</u>	<u>\$157,026</u>	<u>\$1,557,276</u>

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Motor Pool Fund Capital Lease

The City of Valdosta entered into a capital lease agreement on February 13, 2019, with GMA, funded by BB&T Governmental Finance Project Funds, to finance the purchase of two firetrucks for the Fire Department in the amount of \$2,561,946. The total lease payments are \$3,177,897 with an imputed interest rate. The current annual interest rate imputed at 3.74%, payable in ten annual payments of \$311,790.

The annual requirement to amortize the GMA Lease Agreement outstanding balance as of June 30, 2019, is as follows:

<u>Enterprise Funds</u>	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2019</u>	<u>Due Within One Year</u>
Two Sutphen Firetrucks.					
Original issue amount \$2,561,946	\$0	\$2,561,946	\$0	\$2,561,946	\$215,973
Total Notes	<u>\$0</u>	<u>\$2,561,946</u>	<u>\$0</u>	<u>\$2,561,946</u>	<u>\$215,973</u>

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$215,973	\$95,817	\$311,790
2021	224,050	33,198	311,790
2022	232,430	28,030	311,790
2023	241,123	22,722	311,790
2024	250,141	17,269	311,790
2025-2029	1,398,229	17,580	1,558,947
Total	<u>\$2,561,946</u>	<u>\$157,026</u>	<u>\$3,117,897</u>

Lease Amortization Expense

The total accumulated amortization expense for governmental leases was \$415,276 and business type leases was \$935,546 as of June 30, 2019. The total current amortization expense for governmental leases was \$121,767 and business type leases was \$373,566 for fiscal year 2019. These leased assets are included in Note 5 as depreciation expense.

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 10. FUND BALANCE

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

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

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Sales Tax 2013	CVDA	Non-Major Governmental Funds	Total
Nonspendable. The following fund balances are nonspendable:					
Long term receivables	\$4,868,536	\$0	\$0	\$0	\$4,868,536
Required to be maintained in tact	0	0	0	1,730,959	1,730,959
	<u>4,868,536</u>	<u>0</u>	<u>0</u>	<u>1,730,959</u>	<u>6,599,495</u>
Restricted. The following fund balances are restricted for:					
Public safety	104,105	0	0	39,380	143,485
Land Bank Authority	80,585	0	0	0	80,585
Community development	0	0	57,526	0	57,526
NPDES permitting	50,628	0	0	0	50,628
Redevelopment	0	0	0	1,693,078	1,693,078
Youth programs	0	0	0	485,628	485,628
Capital outlay	0	2,200,165	0	408,734	2,608,899
	<u>235,318</u>	<u>2,200,165</u>	<u>57,526</u>	<u>2,626,820</u>	<u>5,119,829</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	2,040,628	2,040,628
Capital Improvement	0	6,723,476	0	1,285,341	8,008,817
	<u>0</u>	<u>6,723,476</u>	<u>0</u>	<u>3,325,969</u>	<u>10,049,445</u>
Unassigned. The following balances are unassigned:					
	(1,334,464)	0	0	(198,863)	(1,572,704)
	<u>(1,334,464)</u>	<u>0</u>	<u>0</u>	<u>(198,863)</u>	<u>(1,572,704)</u>
Total Fund Balance	<u>\$3,780,157</u>	<u>\$8,923,641</u>	<u>\$57,526</u>	<u>\$7,484,885</u>	<u>\$20,246,209</u>

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 11. CONTINGENT LIABILITIES

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

Due to the lag time between expenses being incurred and claims submitted for payment there is a liability at June 30, 2019, against the self-insurance fund. This incurred but not reported (IBNR) liability is estimated to be \$900,000. This number was calculated by analyzing the plan's payment lag and projecting the resulting trend into the next fiscal year.

NOTE 12. NET POSITION DEFICIT

The following fund had a deficit at June 30, 2019:

The Auditorium Fund had a deficit net position of \$18,444 due to insufficient bookings. The City is reviewing the fee schedules and tax subsidy.

NOTE 13. INTERFUND TRANSACTIONS

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

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Transfers between fund types during the year ended June 30, 2019, were:

	Transfers In	Transfers Out
General Fund	\$2,657,326	\$2,002,840
Sanitation Fund	0	456,575
Water and Sewer Fund	0	2,579,743
Storm Water Fund	0	204,971
Other Governmental Funds	0	365,553
Other Enterprise Funds	340,763	160,418
Internal Service Funds	2,772,011	0
	<u>\$5,770,100</u>	<u>\$5,770,100</u>

General Fund transferred \$2,002,840 to Group Insurance. Sanitation transferred \$255,075 to Group Insurance. Water and Sewer transferred \$392,707 to Group Insurance. Storm Water transferred \$60,971 to Group Insurance. Accommodations Tax transferred \$340,763 to the Auditorium Fund. Inspection transferred \$45,726 to Group Insurance. The Auditorium Fund transferred \$14,692 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, 2019**

NOTE 14. JOINT VENTURES

Under Georgia Law, the City, in conjunction with other cities and counties in the three county South Georgia area, is a member of the Southern Georgia Regional Commission and is required to pay annual dues thereto. During the year ended June 30, 2019, the City paid \$74,567 in such dues. Membership in the Commission is required by the official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Commission of Georgia. The Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Commission.

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

Separate financial statements may be obtained from:

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

NOTE 15. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; injury to participants at city facilities; and natural disasters. The City is self-insured for workman's compensation, certain types of property damage, and general liability. These liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The liabilities include an amount for claims that have been incurred but not reported (IBNR). At June 30, 2019, there is no known liability.

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

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

amount of all such contributions are actuarially determined where necessary. As previously stated in Note 11, there is a liability of \$900,000 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, 2018	\$866,541	\$5,772,066	\$(5,536,839)	\$1,101,768
June 30, 2019	1,101,768	5,993,603	(6,002,191)	1,093,180

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:

2019	\$0
2018	0
2017	0

NOTE 16. DEPARTMENT OF LABOR BUILDING OPERATING LEASE

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

The Georgia Department of Labor agrees to pay the City of Valdosta a fixed monthly rent of \$39,096. The DOL has an option of renewing or extending the agreement on a year to year basis for nineteen (19) consecutive years. Total remaining rents amount to \$2,814,902. The City of Valdosta will, at their sole cost, service, replace, keep and maintain in good order and repair each and every portion of the existing premises. In addition, the City is responsible for providing various insurance coverages. The building's cost is \$4,394,543 and its carrying amount is \$3,082,627. Depreciation on the building amounts to \$89,110 annually.

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 17. ACCOMMODATIONS TAX

The City collects and disburses an accommodations tax in accordance with the provisions with OCGA 48-13-51. The total rate of 7% generated \$3,239,022, net of vendor's compensation of \$99,514, in tax receipts and was allocated as follows: \$1,388,151, or 40% of the first 5% and 50% of the remaining 2%, to the Valdosta/Lowndes County Tourism Authority, \$249,950 to the Valdosta/Lowndes Conference Center, \$387,526 to the Airport Authority, \$25,000 to the Public Art Society, \$25,000 to the Historical Society, \$6,904 for administrative expenses, and \$190,000 to the Turner Arts Center. The remainder of \$966,491 was retained by the City and will be spent in accordance with legal provisions.

NOTE 18. ACCOUNTING CHANGES

FUNDS OPENED

The TSPLOST 2018 Fund was opened effective July 1, 2018.

FUNDS CLOSED

The GA DCA CHIP 04M-X-092-2-2915 Grant Fund was closed effective July 1, 2018.

NOTE 19. CONSTRUCTION COMMITMENTS

The City has active construction projects as of June 30, 2019. The projects include the expansion of the City's water and sewer system as well as stormwater system. At year end, the City's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Browns Canal Sewer Rehab	\$150,000	\$382,404
Annexed Islands Phase II	4,005,205	483,984

NOTE 20. TAX ABATEMENTS

During the fiscal year ended June 30, 2019, the City of Valdosta did not enter into any tax abatement agreements. The City is subject to tax abatements granted by the Valdosta-Lowndes Development Authority, an entity created by the City of Valdosta and Lowndes County. The authorities stated purpose is to build and grow businesses in the Valdosta-Lowndes County area. During the fiscal year 2019, the authority abated taxes to six businesses within the City. The

CITY OF VALDOSTA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Authority entered into these agreements to encourage new business as well as expansion to existing businesses. The total taxes abated for the year were \$34,790. Information relevant to disclosure of these abatements of the fiscal year ended June 30, 2019 is:

Type of Business	Property Taxes Abated during the Fiscal Year
Chemical Producing Company	\$1,904
Chemical Producing Company	8,010
Distribution Center	8,546
Logisitcs Company	794
Battery Manufacturer	5,147
Packaging Company	10,389
	<u>\$34,790</u>

BUDGETARY COMPARISON SCHEDULES

CITY OF VALDOSTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	
Revenues:				
Taxes	\$31,629,150	\$31,629,150	\$32,392,064	\$762,914
Licenses and permits	534,000	534,000	522,495	(11,505)
Charges for services	157,900	157,900	170,735	12,835
Fines and forfeitures	1,038,000	1,038,000	968,410	(69,590)
Interest income	22,500	22,500	72,253	49,753
Contributions and donations	1,500	1,500	2,500	1,000
Miscellaneous	406,936	406,936	173,715	(233,221)
Intergovernmental	1,537,658	1,627,971	1,563,181	(64,790)
Capital leases	0	0	0	0
Transfer in	4,237,536	4,237,536	2,657,326	(1,580,210)
TOTAL REVENUES	39,565,180	39,655,493	38,522,679	(1,132,814)
Expenditures:				
Current:				
General government	9,631,306	9,628,268	8,667,672	960,596
Public safety	25,392,336	25,474,296	24,162,194	1,312,102
Public works	2,489,603	2,493,474	2,391,890	101,584
Economic development and assistance	717,715	724,841	748,094	(23,253)
Debt service principal	193,896	194,290	129,323	64,967
Debt service interest	0	0	5,941	(5,941)
Transfer out	1,083,418	1,083,418	2,002,840	(919,422)
TOTAL EXPENDITURES	39,508,274	39,598,587	38,107,954	1,490,633
REVENUES OVER (UNDER) EXPENDITURES	56,906	56,906	414,725	357,819
Fund balance - beginning of year budgetary basis	1,243,619	1,243,619	1,243,619	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	\$1,300,525	\$1,300,525	\$1,658,344	\$357,819

Explanation of Differences between Budgetary Inflows and Outflows and GAAP

Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.

\$38,522,679

Differences - budget to GAAP:

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

(2,657,326)

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

\$35,865,353

Uses/outflows of resources

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

\$38,107,954

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.

35,066

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

(2,002,840)

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

\$36,140,180

**CITY OF VALDOSTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CENTRAL VALDOSTA DEVELOPMENT AUTHORITY
FOR YEAR ENDED JUNE 30, 2019**

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	
Revenues:				
Taxes	\$92,000	\$92,000	\$95,602	\$3,602
Interest income	0	0	133	133
Contributions	9,000	9,000	10,714	1,714
Miscellaneous	1,000	1,000	2,005	1,005
	TOTAL REVENUES			
	102,000	102,000	108,454	6,454
Expenditures:				
General Government	102,000	102,000	144,255	(42,255)
	TOTAL EXPENDITURES			
	102,000	102,000	144,255	(42,255)
	REVENUES OVER (UNDER) EXPENDITURES			
	0	0	(35,801)	(35,801)
Fund Balance - beginning of year - budgetary basis	93,327	93,327	93,327	0
FUND BALANCE - END OF YEAR	\$93,327	\$93,327	\$57,526	(\$35,801)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP

Revenues and Expenditures

Sources/inflows of resources

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

\$108,454

Differences - budget to GAAP:

None

0

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

\$108,454

Uses/outflows of resources

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

\$144,255

Differences - budget to GAAP:

None

0

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

\$144,255

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019**

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:									
	2019	2018	2017	2016	2015	2013	2012	2011	2010	2009
<i><u>Total pension liability</u></i>										
Service cost	\$ 1,311,813	\$ 1,086,275	\$ 1,128,876	\$ 1,186,364	\$ 1,168,292					
Interest	6,460,190	6,282,650	6,096,193	5,796,872	5,621,355					
Differences between expected and actual experience	(566,737)	641,340	614,516	1,329,502	414,792					
Changes of assumptions	0	1,572,966	0	(4,587,307)	5,432,537					
Changes of benefit terms	0	0	0	0	0					(Hist infor prior to implementation of GASB 68 is not required)
Benefit payments, including refunds of employee contributions	(6,264,126)	(5,387,133)	(5,480,240)	(5,005,586)	(4,979,503)					
Net change in total pension liability	941,140	4,196,098	2,359,345	(1,280,155)	7,657,473					
Total pension liability - beginning	87,956,121	83,760,023	81,400,678	82,680,833	75,023,360					
Total pension liability - ending (a)	<u>\$ 88,897,261</u>	<u>\$ 87,956,121</u>	<u>\$ 83,760,023</u>	<u>\$ 81,400,678</u>	<u>\$ 82,680,833</u>					
<i><u>Plan fiduciary net position</u></i>										
Contributions - employer	\$ 4,278,310	\$ 3,981,181	\$ 4,474,678	\$ 3,146,917	\$ 3,402,750					
Contributions - employee	556,129	490,871	366,280	355,472	333,321					
Net investment income	4,242,588	5,779,324	3,952,625	471,566	3,877,248					
Benefit payments, including refunds of employee contributions	(6,264,126)	(5,387,133)	(5,480,240)	(5,005,586)	(4,979,503)					(Hist infor prior to implementation of GASB 68 is not required)
Administrative expense	(122,993)	(131,920)	(75,213)	(83,287)	(67,292)					
Other	0	0	0	0	0					
Net change in fiduciary net position	2,689,908	4,732,323	3,238,130	(1,114,918)	2,566,524					
Plan fiduciary net position - beginning	43,731,504	38,999,181	35,761,051	36,875,969	34,309,445					
Plan fiduciary net position - ending (b)	<u>\$ 46,421,412</u>	<u>\$ 43,731,504</u>	<u>\$ 38,999,181</u>	<u>\$ 35,761,051</u>	<u>\$ 36,875,969</u>					
Net pension liability - ending (a)-(b)	<u>\$ 42,475,849</u>	<u>\$ 44,224,617</u>	<u>\$ 44,760,842</u>	<u>\$ 45,639,627</u>	<u>\$ 45,804,864</u>					
Plan's fiduciary net position as a percentage of the total pension liability	52.22%	49.72%	46.56%	43.93%	44.60%					(Hist infor prior to implementation of GASB 68 is not required)
Covered payroll	\$ 24,387,924	\$ 23,419,149	\$ 20,841,771	\$ 21,525,912	\$ 19,640,929					
Net pension liability as a percentage of covered payroll	174.17%	188.84%	214.77%	212.02%	233.21%					

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

	Year Ended June 30:									
	2019	2018	2017	2016	2015	2013	2012	2011	2010	2009
Required Employer Contribution	6,572,386	4,183,365	3,904,094	3,600,000	3,516,500					
Contributions recognized by the pension plan	3,822,153	4,183,365	3,904,094	3,600,000	3,516,500					
Contribution deficiency (excess)	2,750,233	0	0	0	0	(Hist info prior to implementation of GASB 68 is not required)				
Covered payroll	23,419,149	25,440,527	24,102,953	22,036,245	22,009,376					
Contributions as a percentage of covered payroll	16.32%	16.44%	16.20%	16.34%	15.98%					

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

	Year Ended June 30:									
	2019	2018	2017	2016	2015	2013	2012	2011	2010	2009
<u><i>Total OPEB liability</i></u>										
Service cost	\$1,288,098	\$1,524,705								
Interest	1,295,555	1,111,230								
Differences between expected and actual experience	(2,537,347)	(439,063)								
Changes of assumptions	(2,851,834)	(3,816,076)								
Changes of benefit terms	(1,303,614)	0	(Historical information prior to implementation of GASB 74 & 75 is not required)							
Benefit payments, including refunds of employee contributions	(1,115,378)	(776,672)								
Net change in total OPEB liability	(5,224,520)	(2,395,876)								
Total OPEB liability - beginning	35,458,267	37,854,143								
Total OPEB liability - ending (a)	<u>\$30,233,747</u>	<u>\$35,458,267</u>								
<u><i>Plan fiduciary net position</i></u>										
Contributions - employer	\$1,115,378	\$776,672								
Contributions - employee	0	0								
Net investment income	0	0								
Benefit payments, including refunds of employee contributions	(1,115,378)	(776,672)	(Historical information prior to implementation of GASB 74 & 75 is not required)							
Administrative expense	0	0								
Other	0	0								
Net change in fiduciary net position	0	0								
Plan fiduciary net position - beginning	0	0								
Plan fiduciary net position - ending (b)	<u>\$0</u>	<u>\$0</u>								
Net pension OPEB - ending (a)-(b)	<u>\$30,233,747</u>	<u>\$35,458,267</u>								
Plan's fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	(Historical information prior to implementation of GASB 74 & 75 is not required)							
Covered payroll	\$23,419,149	\$21,525,912								
Net OPEB liability as a percentage of covered payroll	129.10%	164.72%								

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

	Year Ended June 30:									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	1,812,332	2,619,382	3,667,792	3,428,378	4,520,756	4,183,653	5,049,620	4,737,346	3,881,477	3,652,569
Contributions in relation to the actuarially determined contribution	880,075	1,115,378	776,672	990,141	1,220,203	1,273,383	421,097	505,671	1,041,252	2,028,042
Contribution deficiency (excess)	932,257	1,504,004	2,891,120	2,438,237	3,300,553	2,910,270	4,628,523	4,231,675	2,840,225	1,624,527
Covered payroll	23,419,149	21,525,912	21,525,912	21,525,912	19,143,280	19,143,280	18,493,053	18,493,053	18,116,280	18,116,280
Contributions as a percentage of covered payroll	3.76%	5.18%	3.61%	4.60%	6.37%	6.65%	2.28%	2.73%	5.75%	11.19%

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

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

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

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

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

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

GA DCA CHIP 2016 -116 - to account for grant funds received from the Georgia Department of Community Affairs. The CHIP program provides funding for a portion of construction costs for new homes for eligible low and moderate income persons as well as funding for home-owner rehabilitation projects.

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

Capital Project Funds

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

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

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

TSPLOST Fund - to account for financing and construction of various road improvement projects. These improvements will be financed in whole or in part by the city's discretionary share of a 1% regional sales tax levied for the purpose of improving the road system in the Southern Georgia Region in accordance with the Georgia Transportation Investment Act (TIA)

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, 2019

	CONFISCATED FUNDS	PROPERTY EVIDENCE FUND	U.S. DEPT OF JUSTICE LOCAL LAW BLOCK GRANTS	UDAG	GA DCA CHIP 02M-X-092-2-2695
ASSETS					
Cash	\$4,211	\$3,711	\$1,084	\$17,709	\$0
Investments	31,458	0	0	0	0
Receivables (net)	0				
Accounts	0	0	0	0	0
Taxes	0	0	0	0	0
Second mortgages	0	0	0	45,075	6,000
Due from other funds	0	0	0	0	0
Due from other governments and agencies	0	0	9,697	0	0
Total assets	<u>\$35,669</u>	<u>\$3,711</u>	<u>\$10,781</u>	<u>\$62,784</u>	<u>\$6,000</u>
LIABILITIES					
Liabilities:					
Vouchers and accounts payable	0	0	9,697	0	0
Due to:					
Other funds	0	0	1,084	0	0
Advances from other funds	0	0	0	0	0
Total liabilities	<u>0</u>	<u>0</u>	<u>10,781</u>	<u>0</u>	<u>0</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances (deficits):					
Nonspendable	0	0	0	0	0
Restricted	35,669	3,711	0	62,784	6,000
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Total fund balances (deficits)	<u>35,669</u>	<u>3,711</u>	<u>0</u>	<u>62,784</u>	<u>6,000</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$35,669</u>	<u>\$3,711</u>	<u>\$10,781</u>	<u>\$62,784</u>	<u>\$6,000</u>

SPECIAL REVENUE FUNDS

HUD FEDERAL GRANT	GA DCA CHIP 06M-X-092-2-2951	GA DCA CHIP 07M-X-092-2-2961	GA DCA CHIP 07MR-X-092-2-2979	GA DCA CHIP 2016-116	ACCOMMODATIONS TAX
\$6,168	\$0	\$0	\$0	\$30,060	\$81,896
0	0	0	0	0	858,343
18,434	0	0	0	0	292,125
0	0	0	0	0	0
1,461,962	14,700	38,300	26,000	398,695	0
0	0	0	0	0	1,050,000
149,898	0	0	0	30,356	0
<u>\$1,636,462</u>	<u>\$14,700</u>	<u>\$38,300</u>	<u>\$26,000</u>	<u>\$459,111</u>	<u>\$2,282,364</u>
36,199	0	0	0	19,047	241,736
87,383	0	0	0	39,436	0
30,000	0	0	0	0	0
<u>153,582</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>58,483</u>	<u>241,736</u>
51,449	0	0	0	0	0
0	0	0	0	0	0
1,630,294	14,700	38,300	26,000	400,628	0
0	0	0	0	0	2,040,628
(198,863)	0	0	0	0	0
<u>1,431,431</u>	<u>14,700</u>	<u>38,300</u>	<u>26,000</u>	<u>400,628</u>	<u>2,040,628</u>
<u>\$1,636,462</u>	<u>\$14,700</u>	<u>\$38,300</u>	<u>\$26,000</u>	<u>\$459,111</u>	<u>\$2,282,364</u>

CAPITAL PROJECTS FUND					
AIRPORT DEVELOPMENT	ROAD IMPROVEMENT FUND	GENERAL CAPITAL PROJECTS	TSPLOST 2018	SUNSET HILL PERMANENT FUND	TOTAL OTHER GOVERNMENTAL FUNDS
\$36,816	\$678,041	\$12,087	\$446,236	\$177,219	\$1,495,238
517,914	0	239,648	0	1,554,971	3,202,334
0	0	0	0	855	311,414
0	0	0	57,628	0	57,628
0	0	0	0	0	1,990,732
0	0	0	0	0	1,050,000
116,977	0	0	0	0	306,928
<u>\$671,707</u>	<u>\$678,041</u>	<u>\$251,735</u>	<u>\$503,864</u>	<u>\$1,733,045</u>	<u>\$8,414,274</u>
95,416	269,307	0	0	0	671,402
0	0	0	0	0	127,903
0	0	0	0	0	30,000
<u>95,416</u>	<u>269,307</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>829,305</u>
46,549	0	0	0	2,086	100,084
0	0	0	0	1,730,959	1,730,959
0	408,734	0	0	0	2,626,820
529,742	0	251,735	503,864	0	3,325,969
0	0	0	0	0	(198,863)
<u>529,742</u>	<u>408,734</u>	<u>251,735</u>	<u>503,864</u>	<u>1,730,959</u>	<u>7,484,885</u>
<u>\$671,707</u>	<u>\$678,041</u>	<u>\$251,735</u>	<u>\$503,864</u>	<u>\$1,733,045</u>	<u>\$8,414,274</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, 2019

	CONFISCATED FUNDS	PROPERTY EVIDENCE FUND	U.S. DEPT OF JUSTICE LOCAL LAW BLOCK GRANTS	UDAG	GA DCA CHIP 02M-X-092-2-2695
Revenues:					
Taxes	\$0	\$0	\$0	\$0	\$0
Interest income	70	0	0	0	0
Contributions	0	0	0	0	0
Intergovernmental	0	0	14,428	0	0
Fines and forfeitures	16,015	0	0	0	0
Miscellaneous revenues	0	0	0	0	0
TOTAL REVENUES	16,085	0	14,428	0	0
Expenditures:					
Current:					
General government	0	0	0	0	0
Public safety	37,503	1,324	4,731	0	0
Economic development and assistance	0	0	0	0	3,600
Capital outlay	0	0	9,697	0	0
TOTAL EXPENDITURES	37,503	1,324	14,428	0	3,600
REVENUES OVER (UNDER) EXPENDITURES	(21,418)	(1,324)	0	0	(3,600)
Other financing sources (uses):					
Transfers out	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	0	0	0	0	0
NET CHANGE IN FUND BALANCES	(21,418)	(1,324)	0	0	(3,600)
Fund balances beginning of year	57,087	5,035	0	62,784	9,600
FUND BALANCES END OF YEAR	\$35,669	\$3,711	\$0	\$62,784	\$6,000

SPECIAL REVENUE FUNDS

FEDERAL HUD GRANT	GA DCA CHIP 04M-X-092-2-2915	GA DCA CHIP 06M-X-092-2-2951	GA DCA CHIP 07M-X-092-2-2961	GA DCA CHIP 07MR-X-092-2-2979	GA DCA CHIP 2016-116
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
369,571	0	0	0	0	228,163
0	0	0	0	0	0
0	0	0	0	0	0
<u>369,571</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>228,163</u>
0	0	0	0	0	0
0	0	0	0	0	0
599,963	5,745	22,100	24,000	11,000	85,146
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>599,963</u>	<u>5,745</u>	<u>22,100</u>	<u>24,000</u>	<u>11,000</u>	<u>85,146</u>
<u>(230,392)</u>	<u>(5,745)</u>	<u>(22,100)</u>	<u>(24,000)</u>	<u>(11,000)</u>	<u>143,017</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(230,392)	(5,745)	(22,100)	(24,000)	(11,000)	143,017
1,661,823	5,745	36,800	62,300	37,000	257,611
<u>\$1,431,431</u>	<u>\$0</u>	<u>\$14,700</u>	<u>\$38,300</u>	<u>\$26,000</u>	<u>\$400,628</u>

**CAPITAL
PROJECTS
FUND**

ACCOMMODATIONS TAX	AIRPORT DEVELOPMENT	ROAD IMPROVEMENT FUND	GENERAL CAPITAL PROJECTS	TSPLOST 2018	SUNSET HILL PERMANENT FUND	TOTAL OTHER GOVERNMENTAL FUNDS
\$3,338,536	\$0	\$0	\$0	\$0	\$0	\$3,338,536
1,200	0	0	0	0	1,491	2,761
0	0	0	0	0	6,100	6,100
0	1,213,756	616,269	0	503,864	0	2,946,051
0	0	0	0	0	0	16,015
0	0	0	0	0	24,734	24,734
<u>3,339,736</u>	<u>1,213,756</u>	<u>616,269</u>	<u>0</u>	<u>503,864</u>	<u>32,325</u>	<u>6,334,197</u>
2,373,245	0	0	0	0	9,837	2,383,082
0	0	0	0	0	0	43,558
0	0	0	0	0	0	751,554
0	1,099,578	1,419,011	0	0	0	2,528,286
<u>2,373,245</u>	<u>1,099,578</u>	<u>1,419,011</u>	<u>0</u>	<u>0</u>	<u>9,837</u>	<u>5,706,480</u>
<u>966,491</u>	<u>114,178</u>	<u>(802,742)</u>	<u>0</u>	<u>503,864</u>	<u>22,488</u>	<u>627,717</u>
<u>(365,553)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(365,553)</u>
<u>(365,553)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(365,553)</u>
600,938	114,178	(802,742)	0	503,864	22,488	262,164
1,439,690	415,564	1,211,476	251,735	0	1,708,471	7,222,721
<u>\$2,040,628</u>	<u>\$529,742</u>	<u>\$408,734</u>	<u>\$251,735</u>	<u>\$503,864</u>	<u>\$1,730,959</u>	<u>\$7,484,885</u>

CITY OF VALDOSTA, GEORGIA
SCHEDULE OF EXPENDITURES BY DEPARTMENT
BUDGETARY LEVEL OF CONTROL - BUDGET TO ACTUAL COMPARISONS
GENERAL FUND
FOR THE YEAR ENDING JUNE 30, 2019

	BUDGET			VARIANCE OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	
Current Operations:				
General government				
Administration				
Mayor and council				
Personal services	\$206,967	\$210,540	\$210,540	\$0
Contractual services	128,001	147,266	197,266	(50,000)
Supplies	16,100	18,876	18,678	198
Travel and training	214,229	189,011	146,042	42,969
Other services and charges	225,879	193,442	182,757	10,685
	791,176	759,135	755,283	3,852
City manager				
Personal services	460,983	456,247	401,384	54,863
Contractual services	61,512	61,573	54,546	7,027
Supplies	8,542	14,993	14,991	2
Travel and training	17,050	16,149	14,205	1,944
Other services and charges	34,956	34,081	28,462	5,619
	583,043	583,043	513,588	69,455
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	225,621	142,379
	368,845	368,845	225,621	143,224
Solicitor				
Other services and charges	92,000	92,000	0	92,000
	92,000	92,000	0	92,000
Indigent Defense				
Other services and charges	30,000	30,000	20,455	9,545
	30,000	30,000	20,455	9,545
TOTAL ADMINISTRATION	1,890,064	1,858,023	1,514,947	343,076
Human resources department				
Administration				
Personal services	311,783	330,384	330,383	1
Contractual services	5,916	23,776	31,983	(8,207)
Supplies	3,600	8,781	8,781	0
Travel and training	23,559	9,660	9,660	0
Other services and charges	34,851	37,315	37,313	2
	379,709	409,916	418,120	(8,204)
Employee incentives/assistance				
Personal services	5,000	1,881	1,881	0
	5,000	1,881	1,881	0

(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, 2019

	BUDGET			VARIANCE OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	
Risk division				
Contractual services	\$34,190	\$21,097	\$21,096	\$1
Other services and charges	21,183	25,789	25,789	0
	55,373	46,886	46,885	1
TOTAL HUMAN RESOURCES	440,082	458,683	466,886	(8,203)
Finance department				
Finance director				
Personal services	191,099	191,099	181,580	9,519
Contractual services	1,677	1,677	1,031	646
Supplies	1,000	963	476	487
Travel and training	4,380	4,380	2,512	1,868
Other services and charges	70,298	70,335	63,232	7,103
	268,454	268,454	248,831	19,623
Accounting division				
Personal services	367,374	439,796	439,795	1
Contractual services	9,113	6,646	6,621	25
Supplies	2,500	2,764	2,687	77
Travel and training	4,560	3,391	3,192	199
Other services and charges	78,979	64,183	59,828	4,355
	462,526	516,780	512,123	4,657
Budget division				
Personal services	167,977	170,960	170,960	0
Contractual services	2,171	739	739	0
Supplies	2,927	3,029	3,028	1
Travel and training	2,212	167	146	21
Other services and charges	14,105	10,501	10,278	223
	189,392	185,396	185,151	245
Customer service division				
Personal services	587,006	595,948	595,947	1
Contractual services	147,790	125,508	125,506	2
Supplies	12,300	12,937	12,937	0
Travel and training	1,065	1,239	1,035	204
Other services and charges	109,945	94,983	94,916	67
	858,106	830,615	830,341	274
Business License				
Personal services	48,676	48,951	48,951	0
Contractual services	44,074	33,431	33,430	1
Supplies	669	1,454	1,453	1
Travel and training	1,175	1,297	1,297	0
Other services and charges	9,630	9,786	9,247	539
	104,224	94,919	94,378	541
Purchasing division				
Personal services	145,000	147,354	147,353	1
Contractual services	3,534	2,755	1,857	898
Supplies	1,785	1,540	649	891
Travel and training	3,574	2,310	2,166	144
Other services and charges	13,494	10,368	10,198	170
	167,387	164,327	162,223	2,104
TOTAL FINANCE	2,050,089	2,060,491	2,033,047	27,444

(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, 2019

	BUDGET			VARIANCE OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	
Engineering department				
Engineering division				
Personal services	\$675,985	\$666,587	\$546,872	\$119,715
Contractual services	13,253	9,850	9,723	127
Supplies	3,850	3,825	3,266	559
Travel and training	8,367	5,627	4,703	924
Other services and charges	63,308	78,874	78,873	1
Capital outlay	113,402	113,402	14,175	99,227
	<u>878,165</u>	<u>878,165</u>	<u>657,612</u>	<u>220,553</u>
Signal Maintenance				
Personal services	242,717	200,583	196,261	4,322
Contractual services	7,786	8,938	8,937	1
Supplies	29,195	21,687	21,254	433
Travel and training	1,815	2,457	2,356	101
Other services and charges	32,023	29,892	26,095	3,797
	<u>313,536</u>	<u>263,557</u>	<u>254,903</u>	<u>8,654</u>
Signs and Markings				
Personal services	147,359	145,997	145,997	0
Contractual services	3,210	3,210	3,200	10
Supplies	35,288	33,393	32,261	1,132
Travel and training	1,425	1,425	80	1,345
Other services and charges	11,669	11,669	10,111	1,558
	<u>198,951</u>	<u>195,694</u>	<u>191,649</u>	<u>4,045</u>
Traffic Mgt Center				
Personal services	203,474	284,331	284,331	0
Contractual services	1,418,996	1,432,662	1,432,662	0
Supplies	14,005	12,189	10,125	2,064
Travel and training	1,730	1,023	366	657
Other services and charges	39,806	31,094	28,571	2,523
	<u>1,678,011</u>	<u>1,761,299</u>	<u>1,756,055</u>	<u>5,244</u>
Street Repair				
Personal services	304,040	251,650	246,239	5,411
Contractual services	14,849	15,509	14,512	997
Supplies	15,812	38,150	38,150	0
Travel and training	1,720	1,060	240	820
Other services and charges	83,339	83,339	81,843	1,496
Capital Outlay	109,733	109,733	109,733	0
	<u>529,493</u>	<u>499,441</u>	<u>490,717</u>	<u>8,724</u>
TOTAL ENGINEERING	<u>3,598,156</u>	<u>3,598,156</u>	<u>3,350,936</u>	<u>247,220</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, 2019

	BUDGET		ACTUAL	VARIANCE OVER (UNDER)
	ORIGINAL	FINAL		
City hall				
Personal services	\$120,086	\$103,481	\$103,481	\$0
Contractual services	65,717	67,689	67,688	1
Supplies	5,883	10,105	9,814	291
Travel and training	1,517	1,561	1,560	1
Other services and charges	33,968	73,976	73,975	1
Capital Outlay	105,000	79,800	57,000	22,800
	<u>332,171</u>	<u>336,612</u>	<u>313,518</u>	<u>23,094</u>
City hall annex				
Personal services	45,397	48,375	48,374	1
Contractual services	94,180	85,881	71,861	14,020
Supplies	2,500	1,031	239	792
Other services and charges	10,107	17,035	17,034	1
Capital Outlay	11,000	11,000	0	11,000
	<u>163,184</u>	<u>163,322</u>	<u>137,508</u>	<u>25,814</u>
Customer service				
Contractual services	23,900	20,494	19,803	691
Supplies	357	357	233	124
Other services and charges	1,343	1,627	1,626	1
Capital Outlay	10,000	10,000	8,880	1,120
	<u>35,600</u>	<u>32,478</u>	<u>30,542</u>	<u>1,936</u>
Rental				
Contractual services	37,800	26,849	26,709	140
Supplies	2,150	16,126	16,125	1
Other services and charges	27,200	22,718	22,718	0
Capital Outlay	50,000	50,000	5,938	44,062
	<u>117,150</u>	<u>115,693</u>	<u>71,490</u>	<u>44,203</u>
TOTAL OTHER GENERAL ADMINISTRATIVE	648,105	648,105	553,058	95,047
Municipal court				
Administration				
Personal services	355,652	355,652	339,606	16,046
Contractual services	66,689	66,689	49,445	17,244
Supplies	20,800	20,800	10,145	10,655
Travel and training	22,800	22,800	9,303	13,497
Other services and charges	538,869	538,869	340,299	198,570
TOTAL MUNICIPAL COURT	1,004,810	1,004,810	748,798	256,012
TOTAL GENERAL GOVERNMENT	9,631,306	9,628,268	8,667,672	960,596
Public safety				
Police department				
Police administration division				
Personal services	903,917	888,147	888,147	0
Contractual services	159,289	104,730	104,729	1
Supplies	127,580	59,349	59,248	101
Travel and training	72,637	49,946	38,966	10,980
Other services and charges	258,829	408,084	408,084	0
Capital Outlay	128,000	132,350	109,775	22,575
	<u>1,650,252</u>	<u>1,642,606</u>	<u>1,608,949</u>	<u>33,657</u>
Patrol bureau division				
Personal services	6,706,636	6,577,123	6,321,974	255,149
Contractual services	168,468	168,651	160,829	7,822
Supplies	93,125	102,608	78,953	23,655
Travel and training	24,900	44,221	40,799	3,422
Other services and charges	1,002,879	1,058,231	1,058,232	(1)
Capital outlay	44,000	48,350	48,350	0
	<u>8,040,008</u>	<u>7,999,184</u>	<u>7,709,137</u>	<u>290,047</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, 2019

	BUDGET		ACTUAL	VARIANCE OVER (UNDER)
	ORIGINAL	FINAL		
Investigative bureau division				
Personal services	\$1,955,506	\$1,955,506	\$1,693,885	\$261,621
Contractual services	46,351	46,891	39,562	7,329
Supplies	67,895	64,055	30,228	33,827
Travel and training	57,020	56,964	31,204	25,760
Other services and charges	232,934	234,179	224,002	10,177
	<u>2,359,706</u>	<u>2,357,595</u>	<u>2,018,881</u>	<u>338,714</u>
Training				
Personal services	385,952	404,040	404,039	1
Contractual services	8,737	9,214	9,213	1
Supplies	270,193	224,813	156,326	68,487
Travel and training	19,566	20,948	17,761	3,187
Other services and charges	18,063	59,094	56,934	2,160
Capital outlay	0	0	0	0
	<u>702,511</u>	<u>718,109</u>	<u>644,273</u>	<u>73,836</u>
Support services bureau division				
Personal services	1,048,132	1,042,832	1,036,732	6,100
Contractual services	419,416	484,576	484,576	0
Supplies	51,700	39,799	39,798	1
Travel and training	10,585	9,612	6,781	2,831
Other services and charges	146,292	144,681	127,890	16,791
Debt service	74,111	74,505	74,504	1
	<u>1,750,236</u>	<u>1,796,005</u>	<u>1,770,281</u>	<u>25,724</u>
Crime lab				
Personal services	922,043	918,274	910,459	7,815
Contractual services	217,591	216,069	196,596	19,473
Supplies	68,662	48,703	43,361	5,342
Travel and training	62,949	62,949	42,152	20,797
Other services and charges	59,925	81,406	81,405	1
Capital outlay	0	3,769	3,768	1
Debt service	52,651	52,651	52,651	0
	<u>1,383,821</u>	<u>1,383,821</u>	<u>1,330,392</u>	<u>53,429</u>
TOTAL POLICE DEPARTMENT	<u>15,886,534</u>	<u>15,897,320</u>	<u>15,081,913</u>	<u>815,407</u>
Fire department				
Fire administration division				
Personal services	548,905	548,905	491,469	57,436
Contractual services	18,149	18,149	17,610	539
Supplies	14,230	14,230	8,276	5,954
Travel and training	17,675	17,675	9,314	8,361
Other services and charges	102,069	102,069	84,241	17,828
	<u>701,028</u>	<u>701,028</u>	<u>610,910</u>	<u>90,118</u>
Fire fighting division				
Personal services	5,914,199	5,870,132	5,818,447	51,685
Contractual services	218,206	205,429	198,499	6,930
Supplies	163,465	162,616	133,574	29,042
Travel and training	39,775	39,695	19,213	20,482
Other services and charges	684,245	682,770	593,193	89,577
Capital Outlay	48,860	49,375	49,375	0
Debt service	67,134	67,134	8,109	59,025
	<u>7,135,884</u>	<u>7,077,151</u>	<u>6,820,410</u>	<u>256,741</u>
Fire inspection division				
Personal services	314,773	314,773	298,165	16,608
Contractual services	5,001	5,144	5,144	0
Supplies	37,550	37,407	22,488	14,919
Travel and training	11,323	11,323	4,238	7,085
Other services and charges	33,535	33,535	27,231	6,304
Capital Outlay	18,000	18,000	17,162	838
	<u>420,182</u>	<u>420,182</u>	<u>374,428</u>	<u>45,754</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, 2019

	BUDGET		ACTUAL	VARIANCE OVER (UNDER)
	ORIGINAL	FINAL		
Fire maintenance division				
Personal services	\$113,222	\$136,676	\$136,676	\$0
Contractual services	67,543	67,617	65,671	\$1,946
Supplies	77,693	89,878	88,249	\$1,629
Travel and training	12,950	8,151	1,967	\$6,184
Other services and charges	43,000	49,456	49,117	\$339
Capital Outlay	25,000	0	0	\$0
	<u>339,408</u>	<u>351,778</u>	<u>341,680</u>	<u>10,098</u>
Fire training division				
Personal services	203,207	191,500	191,499	1
Contractual services	21,503	26,542	26,541	1
Supplies	67,946	118,422	64,345	54,077
Travel and training	21,000	36,927	36,906	21
Other services and charges	43,174	30,087	13,343	16,744
Capital Outlay	40,000	65,000	42,000	23,000
	<u>396,830</u>	<u>468,478</u>	<u>374,634</u>	<u>93,844</u>
Special operations				
Personal services	76,658	79,455	79,454	1
Contractual services	1,284	1,379	1,378	1
Supplies	13,600	65,943	30,443	35,500
Travel and training	32,525	7,145	4,560	2,585
Other services and charges	8,391	8,391	7,184	1,207
	<u>132,458</u>	<u>162,313</u>	<u>123,019</u>	<u>39,294</u>
TOTAL FIRE DEPARTMENT	<u>9,125,790</u>	<u>9,180,930</u>	<u>8,645,081</u>	<u>535,849</u>
Other protection services				
Community protection				
Personal services	337,237	335,299	335,298	1
Contractual services	99,154	108,426	108,426	0
Supplies	3,446	9,490	9,488	2
Travel and training	5,527	5,577	5,300	277
Other services and charges	54,806	57,806	57,424	382
	<u>500,170</u>	<u>516,598</u>	<u>515,936</u>	<u>662</u>
Neighborhood development				
Personal services	65,086	56,953	37,819	19,134
Contractual services	975	1,059	1,059	0
Travel and training	199	376	375	1
Other services and charges	7,478	15,350	15,275	75
	<u>73,738</u>	<u>73,738</u>	<u>54,528</u>	<u>19,210</u>
TOTAL OTHER PROTECTION SERVICES	<u>573,908</u>	<u>590,336</u>	<u>570,464</u>	<u>19,872</u>
TOTAL PUBLIC SAFETY	<u>25,586,232</u>	<u>25,668,586</u>	<u>24,297,458</u>	<u>1,371,128</u>
Public works				
Public works department				
Right of way maintenance				
Personal services	1,381,303	1,274,207	1,182,231	91,976
Contractual services	115,242	117,342	109,702	7,640
Supplies	34,184	31,084	30,537	547
Travel and training	1,180	1,670	1,670	0
Other services and charges	193,786	301,392	301,391	1
	<u>1,725,695</u>	<u>1,725,695</u>	<u>1,625,531</u>	<u>100,164</u>
Cemetery division				
Personal services	432,275	421,264	421,264	0
Contractual services	22,400	43,649	43,478	171
Supplies	13,707	18,454	18,453	1
Travel and training	860	1,226	1,133	93
Other services and charges	87,459	80,310	80,309	1
Capital Outlay	7,000	0	0	0
	<u>563,701</u>	<u>564,903</u>	<u>564,637</u>	<u>266</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, 2019

	BUDGET			VARIANCE OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	
Arborist				
Personal services	\$142,999	\$143,142	\$143,141	\$1
Contractual services	19,202	15,306	15,291	15
Supplies	5,375	7,582	6,946	636
Travel and training	1,820	1,820	1,319	501
Other services and charges	30,811	35,026	35,025	1
	200,207	202,876	201,722	1,154
TOTAL PUBLIC WORKS	2,489,603	2,493,474	2,391,890	101,584
Economic Development and Assistance				
Administration				
Personal services	0	0	49,180	(49,180)
Contractual services	9,242	9,250	9,531	(281)
Supplies	831	528	457	71
Travel and training	2,245	2,540	3,161	(621)
Other services and charges	10,689	10,689	13,641	(2,952)
	23,007	23,007	75,970	(52,963)
Public relations				
Personal services	145,400	138,886	133,288	5,598
Contractual services	20,202	19,257	10,367	8,890
Supplies	9,190	9,080	8,450	630
Travel and training	23,550	25,422	25,421	1
Other services and charges	24,525	30,222	30,222	0
	222,867	222,867	207,748	15,119
Main street division				
Personal services	69,017	76,143	83,388	(7,245)
Contractual services	233	6,887	10,345	(3,458)
Supplies	1,557	1,407	973	434
Other services and charges	19,941	13,437	13,436	1
	90,748	97,874	108,142	(10,268)
Planning and Zoning				
Personal services	286,998	292,796	292,796	0
Contractual services	4,253	5,630	5,458	172
Supplies	1,350	1,270	1,269	1
Travel and training	2,010	1,932	1,281	651
Other services and charges	55,796	48,779	35,374	13,405
Capital Outlay	30,000	30,000	0	30,000
	380,407	380,407	336,178	44,229
Great promise internship				
Other services and charges	686	686	20,056	(19,370)
	686	686	20,056	(19,370)
TOTAL ECONOMIC DEV AND ASSIST	717,715	724,841	748,094	(23,253)
TOTAL EXPENDITURES	\$38,424,856	\$38,515,169	\$36,105,114	\$2,410,055

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
CONFISCATED FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Fines and forfeitures	\$0	\$37,241	\$16,015	(\$21,226)
Interest	0	0	70	70
TOTAL REVENUES	<u>0</u>	<u>37,241</u>	<u>16,085</u>	<u>(21,156)</u>
Expenditures:				
Current:				
Public safety				
Police administration division				
Supplies	0	0	0	0
Other services and charges	1,461	1,461	262	1,199
Patrol bureau				
Supplies	0	28,042	28,042	0
Other services and charges	0	0	0	0
Investigative bureau				
Supplies	0	1,904	1,904	0
Other services and charges	0	7,295	7,295	0
Capital outlay	0	0	0	0
TOTAL EXPENDITURES	<u>1,461</u>	<u>38,702</u>	<u>37,503</u>	<u>1,199</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,461)</u>	<u>(1,461)</u>	<u>(21,418)</u>	<u>(19,957)</u>
Fund balance - beginning of year - budgetary basis	<u>57,087</u>	<u>57,087</u>	<u>57,087</u>	<u>0</u>
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u>\$55,626</u>	<u>\$55,626</u>	<u>\$35,669</u>	<u>(\$19,957)</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.

\$16,085

Differences - budget to GAAP:

None

0

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

\$16,085

Uses/outflows of resources

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

\$37,503

Differences - budget to GAAP:

None

0

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

\$37,503

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
PROPERTY EVIDENCE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

		BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
		ORIGINAL	FINAL		
Revenues:					
Fines and forfeitures		\$0	\$1,324	\$0	(\$1,324)
TOTAL REVENUES		0	1,324	0	(1,324)
Expenditures:					
Current:					
Public safety					
TOTAL EXPENDITURES		0	1,324	1,324	0
REVENUES OVER (UNDER) EXPENDITURES		0	0	(1,324)	(1,324)
Fund balance - beginning of year - budgetary basis		5,035	5,035	5,035	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS		\$5,035	\$5,035	\$3,711	(\$1,324)
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.				\$1,324	
Differences - budget to GAAP:					
None				0	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				\$1,324	

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
U. S. DEPARTMENT OF JUSTICE - LOCAL LAW ENFORCEMENT BLOCK GRANTS
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$0	\$14,429	\$14,428	(\$1)
TOTAL REVENUES	<u>0</u>	<u>14,429</u>	<u>14,428</u>	<u>(1)</u>
Expenditures:				
Current:				
Public safety				
Byrne Justice Assistance Grant				
2017-DJ-BX-0771				
Other services and charges	0	4,732	4,731	1
Capital outlay	0	9,697	9,697	0
TOTAL EXPENDITURES	<u>0</u>	<u>14,429</u>	<u>14,428</u>	<u>1</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - beginning of year - budgetary basis	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP

Revenues and Expenditures

Sources/inflows of resources

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

\$14,428

Differences - budget to GAAP:

None

0

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

\$14,428

Uses/outflows of resources

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

\$14,428

Differences - budget to GAAP:

None

0

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

\$14,428

**CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
URBAN DEVELOPMENT ACTION GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2019**

		BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
		ORIGINAL	FINAL		
Revenues:		\$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		62,784	62,784	62,784	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS		\$62,784	\$62,784	\$62,784	\$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 - 02M-X-092-2-2695
FOR THE YEAR ENDED JUNE 30, 2019

		BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
		ORIGINAL	FINAL		
Revenues:					
Intergovernmental		\$0	\$3,600	\$0	(\$3,600)
TOTAL REVENUES		0	3,600	0	(3,600)
Expenditures:					
Current:					
Housing development activities					
Construction		0	3,600	3,600	0
TOTAL EXPENDITURES		0	3,600	3,600	0
REVENUES UNDER EXPENDITURES		0	0	(3,600)	(3,600)
Fund balance - beginning of year - budgetary basis		9,600	9,600	9,600	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS		\$9,600	\$9,600	\$6,000	(\$3,600)
Explanation of Differences between Budgetary Inflows and Outflows and GAAP					
Revenues and Expenditures					
Sources/inflows of resources					
Actual revenues (budgetary basis) from the budgetary comparison schedule.				\$0	
Differences - budget to GAAP:					
None				0	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				\$0	
Uses/outflows of resources					
Actual expenditures (budgetary basis) from the budgetary comparison schedule.				\$3,600	
Differences - budget to GAAP:					
None				0	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				\$3,600	

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
FEDERAL HUD GRANT
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$590,000	\$760,318	\$369,571	(\$390,747)
TOTAL REVENUES	<u>590,000</u>	<u>760,318</u>	<u>369,571</u>	<u>(390,747)</u>
Expenditures:				
Current:				
Economic development and assistance				
Community development				
CDBG 2015 funding				
CHDO administrative costs	0	4,020	4,020	0
CDBG 2017 funding				
Bulk trash amnesty	0	7,500	7,500	0
Single unit residential rehab	0	90,968	90,968	0
Small business seed loans	0	3,358	3,358	0
CDBG 2018 funding				
Great promise partnership program	0	33,873	33,873	0
Continuing small business education	0	10,000	10,000	0
Program administration	139,273	134,522	134,522	0
Bulk trash amnesty	0	4,584	4,584	0
Fair housing education	0	5,845	5,845	0
Single unit residential rehab	440,372	295,293	295,293	0
Estate planning and heir property prevention	0	10,000	10,000	0
Community sidewalk project	0	150,000	150,000	0
TOTAL EXPENDITURES	<u>579,645</u>	<u>749,963</u>	<u>749,963</u>	<u>0</u>
REVENUES OVER EXPENDITURES	<u>10,355</u>	<u>10,355</u>	<u>(380,392)</u>	<u>(390,747)</u>
Fund balance - beginning of year - budgetary basis	<u>1,661,823</u>	<u>1,661,823</u>	<u>1,661,823</u>	<u>0</u>
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u>\$1,672,178</u>	<u>\$1,672,178</u>	<u>\$1,281,431</u>	<u>(\$390,747)</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.

\$369,571

Differences - budget to GAAP:

None

0

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

\$369,571

Uses/outflows of resources

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

\$749,963

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.

(150,000)

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

\$599,963

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 04M-X-092-2-2915
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$0	\$5,746	\$0	(\$5,746)
TOTAL REVENUES	<u>0</u>	<u>5,746</u>	<u>0</u>	<u>(5,746)</u>
Expenditures:				
Current:				
Housing development activities				
Construction	0	5,746	5,745	0
TOTAL EXPENDITURES	<u>0</u>	<u>5,746</u>	<u>5,745</u>	<u>1</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	<u>(5,745)</u>	<u>(5,745)</u>
Fund balance - beginning of year - budgetary basis	<u>5,745</u>	<u>5,745</u>	<u>5,745</u>	<u>0</u>
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u><u>\$5,745</u></u>	<u><u>\$5,745</u></u>	<u><u>\$0</u></u>	<u><u>(\$5,745)</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			<u>0</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.			<u><u>\$0</u></u>	
Uses/outflows of resources				
Actual expenditures (budgetary basis) from the budgetary comparison schedule.			\$5,745	
Differences - budget to GAAP:				
None			<u>0</u>	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.			<u><u>\$5,745</u></u>	

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 06M-X-092-2-2951
FOR THE YEAR ENDED JUNE 30, 2019

		BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER (UNDER)
		ORIGINAL	FINAL	ACTUAL	
Revenues:					
Intergovernmental		\$0	\$22,100	\$0	(\$22,100)
TOTAL REVENUES		<u>0</u>	<u>22,100</u>	<u>0</u>	<u>(22,100)</u>
Expenditures:					
Current:					
Housing development activities					
Construction		0	22,100	22,100	0
TOTAL EXPENDITURES		<u>0</u>	<u>22,100</u>	<u>22,100</u>	<u>0</u>
REVENUES UNDER EXPENDITURES		<u>0</u>	<u>0</u>	<u>(22,100)</u>	<u>(22,100)</u>
Fund balance - beginning of year - budgetary basis		<u>36,800</u>	<u>36,800</u>	<u>36,800</u>	<u>0</u>
FUND BALANCE - END OF YEAR - BUDGETARY BASIS		<u><u>\$36,800</u></u>	<u><u>\$36,800</u></u>	<u><u>\$14,700</u></u>	<u><u>(\$22,100)</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				<u>0</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				<u><u>\$0</u></u>	
Uses/outflows of resources					
Actual expenditures (budgetary basis) from the budgetary comparison schedule.				\$22,100	
Differences - budget to GAAP:					
None				<u>0</u>	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				<u><u>\$22,100</u></u>	

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 07M-X-092-2-2961
FOR THE YEAR ENDED JUNE 30, 2019

		BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
		ORIGINAL	FINAL		
Revenues:					
Intergovernmental		\$0	\$24,000	\$0	(\$24,000)
TOTAL REVENUES		0	24,000	0	(24,000)
Expenditures:					
Current:					
Housing development activities					
Construction		0	24,000	24,000	0
TOTAL EXPENDITURES		0	24,000	24,000	0
REVENUES UNDER EXPENDITURES		0	0	(24,000)	(24,000)
Fund balance - beginning of year - budgetary basis		62,300	62,300	62,300	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS		\$62,300	\$62,300	\$38,300	(\$24,000)
Explanation of Differences between Budgetary Inflows and Outflows and GAAP					
Revenues and Expenditures					
Sources/inflows of resources					
Actual revenues (budgetary basis) from the budgetary comparison schedule.				\$0	
Differences - budget to GAAP:					
None				0	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				\$0	
Uses/outflows of resources					
Actual expenditures (budgetary basis) from the budgetary comparison schedule.				\$24,000	
Differences - budget to GAAP:					
None				0	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				\$24,000	

CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GA DCA CHIP - 07MR-X-092-2-2979
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
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>37,000</u>	<u>37,000</u>	<u>37,000</u>	<u>0</u>
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u>\$37,000</u>	<u>\$37,000</u>	<u>\$26,000</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			0	
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			0	
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
GA DCA CHIP - 2016-116
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$0	\$85,147	\$228,163	\$143,016
TOTAL REVENUES	<u>0</u>	<u>85,147</u>	<u>228,163</u>	<u>143,016</u>
Expenditures:				
Housing development activities				
Construction	0	85,147	85,146	1
TOTAL EXPENDITURES	<u>0</u>	<u>85,147</u>	<u>85,146</u>	<u>1</u>
REVENUES OVER EXPENDITURES	<u>0</u>	<u>0</u>	<u>143,017</u>	<u>143,017</u>
Fund balance - beginning of year - budgetary basis	<u>257,611</u>	<u>257,611</u>	<u>257,611</u>	<u>0</u>
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u><u>\$257,611</u></u>	<u><u>\$257,611</u></u>	<u><u>\$400,628</u></u>	<u><u>\$143,017</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.			\$228,163	
Differences - budget to GAAP:				
None			<u>0</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.			<u><u>\$228,163</u></u>	
Uses/outflows of resources				
Actual expenditures (budgetary basis) from the budgetary comparison schedule.			\$85,146	
Differences - budget to GAAP:				
None			<u>0</u>	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.			<u><u>\$85,146</u></u>	

**CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
ACCOMMODATIONS TAX
FOR YEAR ENDED JUNE 30, 2019**

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	
Revenues:				
Taxes	\$3,000,300	\$3,000,300	\$3,338,536	\$338,236
Interest income	0	0	1,200	1,200
TOTAL REVENUES	3,000,300	3,000,300	3,339,736	339,436
Expenditures:				
Other services and charges	2,251,423	2,251,423	2,373,245	(121,822)
Transfer out	1,390,763	1,390,763	365,553	1,025,210
TOTAL EXPENDITURES	3,642,186	3,642,186	2,738,798	903,388
REVENUES OVER (UNDER) EXPENDITURES	(641,886)	(641,886)	600,938	1,242,824
Net position - beginning of year - budgetary basis	900,420	1,439,690	1,439,690	0
NET POSITION - END OF YEAR	\$258,534	\$797,804	\$2,040,628	\$1,242,824

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.

\$3,339,736

Differences - budget to GAAP:

None

0

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

\$3,339,736

Uses/outflows of resources

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

\$2,738,798

Differences - budget to GAAP:

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

(365,553)

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

\$2,373,245

**CITY OF VALDOSTA, GEORGIA
SALES TAX 2013 FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Revenues:			
Intergovernmental	\$10,500,000	\$11,706,548	\$1,206,548
TOTAL REVENUES	10,500,000	11,706,548	1,206,548
Expenditures:			
Capital outlay:			
Resurfacing	200,200	(70,738)	270,938
Road improvements	1,534,584	579,451	955,133
Sidewalk improvements	889,988	931,365	(41,377)
Intersection improvements	53,669	0	53,669
Drainage improvements	0	36,213	(36,213)
Traffic improvements	132,518	126,697	5,821
Street maintenance repairs	70,000	249,944	(179,944)
Piping of ditches	106,365	0	106,365
Miscellaneous parks and recreation projects	166,666	41,354	125,312
County wide radio	0	1,286,945	(1,286,945)
Water and sewer contingency	0	861,333	(861,333)
Sewer collections system	0	482,994	(482,994)
GEFA debt repayment for Force Main Project	4,545,456	4,545,455	1
Software & hardware	20,000	0	20,000
Council chamber remodel	0	575	(575)
Five points paving	0	36,307	(36,307)
TOTAL EXPENDITURES	7,719,446	9,107,895	(1,388,449)
REVENUES OVER EXPENDITURES	2,780,554	2,598,653	(181,901)
Fund balance - beginning of year - budgetary basis	4,338,220	4,338,220	0
FUND BALANCE (DEFICIT) - END OF YEAR - BUDGETARY BASIS	\$7,118,774	\$6,936,873	(\$181,901)

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.

\$11,706,548

Differences - budget to GAAP:

None

0

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

\$11,706,548

Uses/outflows of resources

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

\$9,107,895

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.

(415,899)

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

\$8,691,996

**CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
AIRPORT DEVELOPMENT FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Revenues:			
Intergovernmental	\$1,100,000	\$1,213,756	\$113,756
Interest revenue	0	0	0
TOTAL REVENUES	<u>1,100,000</u>	<u>1,213,756</u>	<u>113,756</u>
Expenditures:			
Capital outlay:			
Airport improvement	1,100,000	1,099,578	422
TOTAL EXPENDITURES	<u>1,100,000</u>	<u>1,099,578</u>	<u>422</u>
REVENUES UNDER EXPENDITURES	<u>0</u>	<u>114,178</u>	<u>114,178</u>
Fund balance - beginning of year - budgetary basis	<u>102,245</u>	<u>102,245</u>	<u>0</u>
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u><u>\$102,245</u></u>	<u><u>\$216,423</u></u>	<u><u>\$114,178</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.

\$1,213,756

Differences - budget to GAAP:

None

0

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

\$1,213,756

Uses/outflows of resources

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

\$1,099,578

Differences - budget to GAAP:

None

0

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

\$1,099,578

**CITY OF VALDOSTA, GEORGIA
BUDGETARY COMPARISON SCHEDULE
ROAD IMPROVEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Revenues:			
Intergovernmental	\$1,711,000	\$616,269	(\$1,094,731)
TOTAL REVENUES	<u>1,711,000</u>	<u>616,269</u>	<u>(1,094,731)</u>
Expenditures:			
Capital outlay:			
Road improvement	1,756,000	1,672,748	83,252
TOTAL EXPENDITURES	<u>1,756,000</u>	<u>1,672,748</u>	<u>83,252</u>
REVENUES UNDER EXPENDITURES	<u>(45,000)</u>	<u>(1,056,479)</u>	<u>(1,011,479)</u>
Fund balance - beginning of year - budgetary basis	<u>87,091</u>	<u>87,091</u>	<u>0</u>
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u><u>\$42,091</u></u>	<u><u>(\$969,388)</u></u>	<u><u>(\$1,011,479)</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.

\$616,269

Differences - budget to GAAP:

None

0

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

\$616,269

Uses/outflows of resources

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

\$1,672,748

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.

(253,737)

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

\$1,419,011

**CITY OF VALDOSTA, GEORGIA
GENERAL CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019**

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

Explanation of Differences between Budgetary Inflows and Outflows and GAAP

Revenues and Expenditures

Sources/inflows of resources

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

\$0

Differences - budget to GAAP:

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

0

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

\$0

Uses/outflows of resources

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

\$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
TSPLOST 2018
FOR THE YEAR ENDED JUNE 30, 2019**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Revenues:			
Intergovernmental	\$450,000	\$503,864	\$53,864
TOTAL REVENUES	<u>450,000</u>	<u>503,864</u>	<u>53,864</u>
Expenditures:			
	0	0	0
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>
REVENUES UNDER EXPENDITURES	450,000	503,864	53,864
Fund balance - beginning of year - budgetary basis	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	<u><u>\$450,000</u></u>	<u><u>\$503,864</u></u>	<u><u>\$53,864</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.		\$503,864	
Differences - budget to GAAP:			
None		<u>0</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.		<u><u>\$503,864</u></u>	
Uses/outflows of resources			
Actual expenditures (budgetary basis) from the budgetary comparison schedule.		\$0	
Differences - budget to GAAP:			
None		<u>0</u>	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.		<u><u>\$0</u></u>	

**CITY OF VALDOSTA, GEORGIA
SUNSET HILL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019**

	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
Operating revenues:			
Interest income	\$0	\$1,491	\$1,491
Contributions	5,000	6,100	1,100
Rental income	24,310	24,734	424
TOTAL OPERATING REVENUES	29,310	32,325	3,015
Operating expenditures:			
Other services and charges	4,136	9,837	(5,701)
TOTAL OPERATING EXPENDITURES	4,136	9,837	(5,701)
REVENUES OVER (UNDER) EXPENDITURES	25,174	22,488	(2,686)
Fund Balance - beginning of year - budgetary basis	1,708,471	1,708,471	0
FUND BALANCE - END OF YEAR - BUDGETARY BASIS	\$1,733,645	\$1,730,959	(\$2,686)

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

Sources/inflows of resources

Actual revenues (budgetary basis) from the budgetary comparison schedule.	\$32,325
Differences - budget to GAAP:	
None	0
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$32,325</u>

Uses/outflows of resources

Actual expenditures (budgetary basis) from the budgetary comparison schedule.	\$9,837
Differences - budget to GAAP:	
None	0
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$9,837</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, 2019

	ENTERPRISE FUNDS			TOTAL OTHER ENTERPRISE FUNDS
	INSPECTION	AUDITORIUM	MOTOR FUEL	
ASSETS				
Current assets:				
Cash	\$36,206	\$1,678	\$14,181	\$52,065
Investments	180,000	0	43,316	223,316
Receivables (net)				
Accounts	0	0	11,397	11,397
Due from other governments and agencies	0	0	4,914	4,914
Total current assets	<u>216,206</u>	<u>1,678</u>	<u>73,808</u>	<u>291,692</u>
Non-current assets:				
Capital assets:				
Equipment	39,216	0	0	39,216
	<u>39,216</u>	<u>0</u>	<u>0</u>	<u>39,216</u>
Less accumulated depreciation	(35,218)	0	0	(35,218)
Net capital assets	<u>3,998</u>	<u>0</u>	<u>0</u>	<u>3,998</u>
Total non-current assets	<u>3,998</u>	<u>0</u>	<u>0</u>	<u>3,998</u>
Total assets	<u>\$220,204</u>	<u>\$1,678</u>	<u>\$73,808</u>	<u>\$295,690</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$33,881	\$11,747	\$0	\$45,628
Compensated absences	17,197	4,080	0	21,277
Total current liabilities	<u>51,078</u>	<u>15,827</u>	<u>0</u>	<u>66,905</u>
Non-current liabilities (payable from unrestricted assets):				
Compensated absences	16,623	4,295	0	20,918
Total non-current liabilities (payable from unrestricted assets)	<u>16,623</u>	<u>4,295</u>	<u>0</u>	<u>20,918</u>
Total liabilities	<u>67,701</u>	<u>20,122</u>	<u>0</u>	<u>87,823</u>
NET POSITION				
Invested in capital assets	3,998	0	0	3,998
Unrestricted	148,505	(18,444)	73,808	203,869
Total net position (deficit)	<u>\$152,503</u>	<u>(\$18,444)</u>	<u>\$73,808</u>	<u>\$207,867</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, 2019

	ENTERPRISE FUNDS			TOTAL OTHER ENTERPRISE FUNDS
	INSPECTION	AUDITORIUM	MOTOR FUEL	
Operating revenues:				
Permits	\$1,171,789	\$0	\$0	\$1,171,789
Charges for services	57,331	46,822	354,290	458,443
TOTAL OPERATING REVENUES	<u>1,229,120</u>	<u>46,822</u>	<u>354,290</u>	<u>1,630,232</u>
Operating expenses:				
Personal services	564,965	138,396	0	703,361
Contractual services	47,102	94,635	0	141,737
Supplies	40,711	15,358	345,502	401,571
Travel and training	1,238	16	0	1,254
Other services and charges	200,215	22,033	203	222,451
Depreciation expense	1,297	0	0	1,297
TOTAL OPERATING EXPENSES	<u>855,528</u>	<u>270,438</u>	<u>345,705</u>	<u>1,471,671</u>
OPERATING INCOME (LOSS)	<u>373,592</u>	<u>(223,616)</u>	<u>8,585</u>	<u>158,561</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>373,592</u>	<u>(223,616)</u>	<u>8,585</u>	<u>158,561</u>
Transfers in	0	340,763	0	340,763
Transfers out	(145,726)	(14,692)	0	(160,418)
	<u>(145,726)</u>	<u>326,071</u>	<u>0</u>	<u>180,345</u>
Change in Net Position	<u>227,866</u>	<u>102,455</u>	<u>8,585</u>	<u>338,906</u>
NET POSITION - BEGINNING	<u>(75,363)</u>	<u>(120,899)</u>	<u>65,223</u>	<u>(131,039)</u>
NET POSITION - ENDING	<u>\$152,503</u>	<u>(\$18,444)</u>	<u>\$73,808</u>	<u>\$207,867</u>

CITY OF VALDOSTA, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	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	\$1,229,840	\$46,822	\$357,671	\$1,634,333
Cash payments to suppliers for goods and services	(304,496)	(235,226)	(339,164)	(878,886)
Cash payments to employees for services	(563,712)	(135,989)	0	(699,701)
Net change in cash from operating activities	361,632	(324,393)	18,507	55,746
Cash flows from noncapital financing activities:				
Transfers-in from other funds	0	340,763	0	340,763
Transfers-out to other funds	(145,726)	(14,692)	0	(160,418)
Net change in cash from noncapital financing activities	(145,726)	326,071	0	180,345
Cash flows from investing activities:				
Purchase of investment securities	(180,000)	0	(12,418)	(192,418)
Net change in cash from investing activities	(180,000)	0	(12,418)	(192,418)
Net change in cash	35,906	1,678	6,089	43,673
Cash beginning of year	300	0	8,092	8,392
Cash at end of year	\$36,206	\$1,678	\$14,181	\$52,065
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CHANGE IN CASH FROM OPERATING ACTIVITIES</u>				
Operating income (loss)	\$373,592	(\$223,616)	\$8,585	\$158,561
Adjustments to reconcile operating income (loss) to net change in cash from operating activities:				
Depreciation	1,297	0	0	1,297
Change in assets and liabilities:				
Decrease in accounts receivable	720	0	3,381	4,101
Decrease in due from other governments and agencies	0	0	6,541	6,541
(Decrease) increase in accounts payable	14,920	(2,686)	0	12,234
Increase in compensated absences	1,253	2,407	0	3,660
(Decrease) in due to other funds	(30,150)	0	0	(30,150)
(Decrease) in advances from other funds	0	(100,498)	0	(100,498)
Net change in cash from operating activities	\$361,632	(\$324,393)	\$18,507	\$55,746

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, 2019

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	\$11,775	\$177,415	\$16,344	\$205,534
Investments	0	0	0	49,923	49,923
Receivables (net)					
Accounts	0	20,629	10,500	0	31,129
Due from other funds	0	1,060,776	621,165	0	1,681,941
Inventories at cost	379,865	0	0	0	379,865
Prepaid expenses	193	0	109,735	20,662	130,590
Total current assets	<u>380,058</u>	<u>1,093,180</u>	<u>918,815</u>	<u>86,929</u>	<u>2,478,982</u>
Noncurrent assets:					
Land	92,563	0	0	0	92,563
Land improvements	375,370	0	0	0	375,370
Buildings and structures	530,218	0	0	0	530,218
Motor vehicles	20,619,290	0	0	0	20,619,290
Equipment	2,704,955	0	0	51,852	2,756,807
	<u>24,322,396</u>	<u>0</u>	<u>0</u>	<u>51,852</u>	<u>24,374,248</u>
Less accumulated depreciation	<u>(15,787,745)</u>	<u>0</u>	<u>0</u>	<u>(51,852)</u>	<u>(15,839,597)</u>
Net capital assets (net of accumulated depreciation)	<u>8,534,651</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,534,651</u>
Total assets	<u><u>\$8,914,709</u></u>	<u><u>\$1,093,180</u></u>	<u><u>\$918,815</u></u>	<u><u>\$86,929</u></u>	<u><u>11,013,633</u></u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$630,730	\$1,093,180	\$40,938	\$86,929	\$1,851,777
Compensated absences (current portion)	25,863	0	0	0	25,863
Capital lease payable (current portion)	601,387	0	0	0	601,387
Total current liabilities	<u>1,257,980</u>	<u>1,093,180</u>	<u>40,938</u>	<u>86,929</u>	<u>2,479,027</u>
Noncurrent liabilities:					
Compensated absences	31,413	0	0	0	31,413
Capital lease payable (net of current portion)	3,561,983	0	0	0	3,561,983
Advances from other funds	4,063,333	0	0	0	4,063,333
Total liabilities	<u>8,914,709</u>	<u>1,093,180</u>	<u>40,938</u>	<u>86,929</u>	<u>10,135,756</u>
NET POSITION					
Net investment in capital assets	4,371,281	0	0	0	4,371,281
Reserve for workmen's compensation claims	0	0	877,877	0	877,877
Unrestricted	<u>(4,371,281)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(4,371,281)</u>
Total net position	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$877,877</u></u>	<u><u>\$0</u></u>	<u><u>\$877,877</u></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, 2019

	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	\$4,985,462	\$4,829,932	\$719,394	\$1,403,831	\$11,938,619
Miscellaneous revenues	22,256	67,509	200	0	89,965
TOTAL OPERATING REVENUES	<u>5,007,718</u>	<u>4,897,441</u>	<u>719,594</u>	<u>1,403,831</u>	<u>12,028,584</u>
Operating expenses:					
Personal services	786,930	0	0	0	786,930
Contractual services	193,975	1,617,192	0	1,379,498	3,190,665
Claims paid	0	6,002,191	292,034	0	6,294,225
Supplies	2,176,992	49,425	0	7,027	2,233,444
Travel and training	2,769	0	0	0	2,769
Other services and charges	373,034	644	137,934	17,306	528,918
Depreciation expense	1,421,997	0	0	0	1,421,997
TOTAL OPERATING EXPENSES	<u>4,955,697</u>	<u>7,669,452</u>	<u>429,968</u>	<u>1,403,831</u>	<u>14,458,948</u>
OPERATING INCOME (LOSS)	<u>52,021</u>	<u>(2,772,011)</u>	<u>289,626</u>	<u>0</u>	<u>(2,430,364)</u>
Nonoperating revenue (expenses):					
Interest expense	(49,381)	0	0	0	(49,381)
Loss on sale of assets	(2,640)	0	0	0	(2,640)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(52,021)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(52,021)</u>
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>0</u>	<u>(2,772,011)</u>	<u>289,626</u>	<u>0</u>	<u>(2,482,385)</u>
Transfers in	0	2,772,011	0	0	2,772,011
	<u>0</u>	<u>2,772,011</u>	<u>0</u>	<u>0</u>	<u>2,772,011</u>
CHANGE IN NET POSITION	0	0	289,626	0	289,626
NET POSITION - BEGINNING	0	0	588,251	0	588,251
NET POSITION - ENDING	<u>\$0</u>	<u>\$0</u>	<u>\$877,877</u>	<u>\$0</u>	<u>\$877,877</u>

CITY OF VALDOSTA, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	MOTOR POOL	GROUP INSURANCE	WORKMEN'S COMP	IT SERVICES	TOTAL INTERNAL SERVICE FUNDS
Cash flows from operating activities:					
Cash received from customers	\$5,007,718	\$4,894,167	\$711,368	\$1,403,831	\$12,017,084
Cash payments to suppliers for goods and services	(1,667,513)	(7,747,896)	(810,853)	(1,390,441)	(11,616,703)
Cash payments to employees for services	(787,131)	0	0	0	(787,131)
Net change in cash from operating activities	2,553,074	(2,853,729)	(99,485)	13,390	(386,750)
Cash flows from non capital financing activities:					
Transfer in from other fund	0	2,772,011	0	0	2,772,011
Net change in cash from capital financing activities	0	2,772,011	0	0	2,772,011
Cash flows from capital and related financing activities:					
Loan from GMA bond	2,561,946	0	0	0	2,561,946
Acquisition and construction of capital assets	(4,686,638)	0	0	0	(4,686,638)
Sale of capital assets	(2,640)	0	0	0	(2,640)
Principal payment GMA bond	(376,361)	0	0	0	(376,361)
Interest paid on GMA Bond	(49,381)	0	0	0	(49,381)
Net change in cash from capital and related financing activities	(2,553,074)	0	0	0	(2,553,074)
Cash flows from investing activities:					
Purchase of investment securities	0	0	0	(8,021)	(8,021)
Net change in cash from investing activities	0	0	0	(8,021)	(8,021)
Net change in cash	0	(81,718)	(99,485)	5,369	(175,834)
Cash at beginning of year	0	93,493	276,900	10,975	381,368
Cash at end of year	\$0	\$11,775	\$177,415	\$16,344	\$205,534
RECONCILIATION OF OPERATING INCOME (LOSS) NET CHANGE IN CASH FROM OPERATING ACTIVITIES:					
Operating income (loss)	\$52,021	(\$2,772,011)	\$289,626	\$0	(\$2,430,364)
Adjustments to reconcile operating income (loss) to net change in cash from operating activities:					
Depreciation	1,421,997	0	0	0	1,421,997
Change in assets and liabilities:					
(Increase) in accounts receivable	0	(3,274)	(8,226)	0	(11,500)
(Increase) in due from other funds	0	(69,856)	(281,026)	0	(350,882)
Decrease in due from other governments and agencies	44,000	0	0	0	44,000
Decrease in inventory	24,438	0	0	0	24,438
(Increase) in prepaid expenses	(193)	0	(109,735)	(20,662)	(130,590)
(Decrease) Increase in accounts payable	245,559	(8,588)	9,876	34,052	280,899
(Decrease)0 in compensated absences	(201)	0	0	0	(201)
Increase in advances from other funds	765,453	0	0	0	765,453
Net change in cash from operating activities	\$2,553,074	(\$2,853,729)	(\$99,485)	\$13,390	(\$386,750)

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, 2019

	<u>TREE COMMISSION</u>	<u>EVIDENCE AGENCY FUND</u>	<u>TOTAL FIDUCIARY FUNDS</u>
ASSETS			
Cash	\$72,209	\$10,334	\$82,543
Investments	7,394	0	7,394
Total assets	<u>\$79,603</u>	<u>\$10,334</u>	<u>\$89,937</u>
LIABILITIES			
Due to other governments and agencies	\$79,603	\$0	\$79,603
Due to others	0	10,334	10,334
Total liabilities	<u>\$79,603</u>	<u>\$10,334</u>	<u>\$89,937</u>

CITY OF VALDOSTA, GEORGIA
AGENCY FUND
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2019

TREE COMMISSION

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>ASSETS</u>				
Cash	\$66,854	\$12,118	\$6,763	\$72,209
Investments	7,387	7	0	7,394
Total assets	<u>\$74,241</u>	<u>\$12,125</u>	<u>\$6,763</u>	<u>\$79,603</u>
<u>LIABILITIES</u>				
Liabilities:				
Due to:				
Other governments and agencies	\$74,241	\$14,526	\$9,164	\$79,603
Total liabilities	<u>\$74,241</u>	<u>\$14,526</u>	<u>\$9,164</u>	<u>\$79,603</u>

EVIDENCE AGENCY FUND

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>ASSETS</u>				
Cash	\$4,903	\$6,418	\$987	\$10,334
Investments	20,792	6,576	27,368	0
Total assets	<u>\$25,695</u>	<u>\$12,994</u>	<u>\$28,355</u>	<u>\$10,334</u>
<u>LIABILITIES</u>				
Liabilities:				
Due to:				
Others	\$25,695	\$12,994	\$28,355	\$10,334
Total liabilities	<u>\$25,695</u>	<u>\$12,994</u>	<u>\$28,355</u>	<u>\$10,334</u>

TOTAL

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>ASSETS</u>				
Cash	\$71,757	\$18,536	\$7,750	\$82,543
Investments	28,179	6,583	27,368	7,394
Total assets	<u>\$99,936</u>	<u>\$25,119</u>	<u>\$35,118</u>	<u>\$89,937</u>
<u>LIABILITIES</u>				
Liabilities:				
Due to:				
Other governments and agencies	\$74,241	\$14,526	\$9,164	\$79,603
Others	25,695	12,994	28,355	10,334
Total liabilities	<u>\$99,936</u>	<u>\$27,520</u>	<u>\$37,519</u>	<u>\$89,937</u>

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, 2019

No.	Project	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Year SPLOST	Current Year Other Sources	Total	Estimated Percentage of Completion
1	Resurfacing	\$2,000,000	\$2,226,754	\$689,822	\$821,694	\$0	\$1,511,516	68%
2	Road improvements	3,075,000	5,198,527	4,062,769	131,617	0	4,194,386	100%
3	Sidewalk improvements	2,000,000	1,756,278	767,075	150,162	0	917,237	52%
4	Intersection improvements	200,000	0	0	0	0	0	0%
5	Drainage improvements	3,000,000	486,329	186,765	152,224	0	338,989	70%
6	Traffic improvements	750,000	1,149,583	873,779	126,697	0	1,000,476	87%
7	Street maintenance repairs	350,000	321,184	198,610	190,341	0	388,951	100%
8	Piping of ditches	300,000	536,345	79,108	347,292	0	426,400	80%
9	Police buildings	130,000	192,308	192,602	0	0	192,602	100%
10	Police contingency	105,000	0	0	0	0	0	0%
11	Public safety radio	2,505,000	2,241,574	2,596,378	0	0	2,596,378	100%
12	Technology police	633,000	626,067	626,067	0	0	626,067	100%
13	Police weapons	127,000	0	0	0	0	0	0%
14	Miscellaneous parks and recreation projects	1,000,000	1,000,000	180,079	41,354	0	221,433	22%
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	1,286,945	0	1,286,945	78%
17	Pumper trucks	1,600,000	0	0	0	0	0	0%
18	Public works claw truck	435,000	0	0	0	0	0	0%
19	Miscellaneous equipment	80,000	0	0	0	0	0	0%
20	Front end loader	530,000	0	0	0	0	0	0%
21	Pelican sweeper	165,000	0	0	0	0	0	0%
22	Refuse trucks	960,000	160,000	107,180	0	0	107,180	67%
23	Rear end loader	330,000	0	0	0	0	0	0%
24	Water and sewer contingency	5,257,186	0	0	0	0	0	0%
25	Sewer collections system	20,000,000	7,192,418	0	861,333	0	861,333	12%
26	Equipment	375,000	0	0	0	0	0	0%
27	GEFA debt repayment for Force Main Project	6,034,554	13,120,357	6,561,919	4,545,455	0	11,107,374	85%
28	Manhole/liner rehabilitation	3,100,000	3,400,000	1,301,451	0	0	1,301,451	38%
29	Sewer collections smoke testing	633,260	385,594	385,594	0	0	385,594	100%
30	Withlacoochee sewer plant	20,000,000	23,510,590	23,455,742	0	0	23,455,742	100%
31	Downtown	500,000	500,000	0	0	0	0	0%
32	Mathis auditorium	250,000	0	0	0	0	0	0%
33	Software & hardware	500,000	201,801	56,755	0	0	56,755	0%
34	Vallotton lighting	0	0	34,850	0	0	34,850	0%
35	Force main easements	0	0	40,614	0	0	40,614	0%
36	Supplement environmental project	0	0	331,801	0	0	331,801	0%
37	Sugar creek stream/wetlands credits	0	0	24,000	0	0	24,000	0%
38	Withlacoochee stream/wetlands credits	0	0	62,605	0	0	62,605	0%
39	Mathis auditorium fly line replacement	0	0	174,300	0	0	174,300	0%
40	Mathis auditorium roof repairs	0	0	20,350	0	0	20,350	0%
41	Vac con truck	0	323,541	323,541	0	0	323,541	0%
42	Council chamber remodel	0	0	15,459	575	0	16,034	0%
43	Customer service building	0	0	31,723	0	0	31,723	0%
44	Downtown land improvements	0	0	239,159	0	0	239,159	0%
45	Five points paving	0	0	0	36,307	0	36,307	0%
	Subtotal	80,025,000	66,171,000	43,620,097	8,691,996	0	52,312,093	
	Transfer in	0	0	(827,565)	0	0	(827,565)	
	Transfer out	0	0	0	0	0	0	
	TOTAL	\$80,025,000	\$66,171,000	\$42,792,532	\$8,691,996	\$0	\$51,484,528	

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

**STATISTICAL
SECTION
(UNAUDITED)**

City of Valdosta, Georgia
Statistical Section
(Unaudited)

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

Financial Trends

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

Revenue Capacity

These tables contain information that may assist the reader 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 the City's present and ongoing financial status.

Operating Information

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

Source:

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

CITY OF VALDOSTA, GEORGIA

Net Position by Component

Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net Investment in Capital Assets	\$141,810,546	\$136,535,181	\$132,580,868	\$132,065,895	\$130,310,228	\$82,400,730	\$123,787,408	\$126,737,107	\$125,177,312	\$124,632,388
Restricted	2,148,289	5,426,814	9,910,542	8,345,295	4,545,543	4,545,543	3,998,000	5,034,717	6,786,721	6,234,963
Unrestricted	8,289,776	4,020,845	(795,246)	(5,970,254)	(7,135,321)	(6,568,573)	(55,838,470)	(52,750,184)	(64,753,444)	(58,377,709)
Total governmental activities net position	<u>\$152,248,611</u>	<u>\$145,982,840</u>	<u>\$141,696,164</u>	<u>\$134,440,936</u>	<u>\$127,720,450</u>	<u>\$80,377,700</u>	<u>\$71,946,938</u>	<u>\$79,021,640</u>	<u>\$67,210,589</u>	<u>\$72,489,642</u>
Business-type activities										
Net Investment in Capital Assets	\$93,844,326	\$92,578,491	\$95,909,403	\$101,298,255	\$106,519,347	\$122,682,085	\$133,344,497	\$129,682,586	\$134,147,501	\$136,646,269
Restricted	0	0	0	0	0	0	0	0	0	0
Unrestricted	(2,328,920)	901,087	(2,300,289)	(2,694,424)	(4,367,660)	(6,796,181)	(5,160,842)	(3,356,799)	(5,974,943)	(6,779,041)
Total business-type activities net position	<u>\$91,515,406</u>	<u>\$93,479,578</u>	<u>\$93,609,115</u>	<u>\$98,603,831</u>	<u>\$102,151,687</u>	<u>\$115,885,904</u>	<u>\$128,183,655</u>	<u>\$126,325,787</u>	<u>\$128,172,558</u>	<u>\$129,867,228</u>
Primary government										
Net Investment in Capital Assets	\$235,654,872	\$229,113,672	\$228,490,271	\$233,364,150	\$236,829,575	\$205,082,815	\$257,131,905	\$256,419,693	\$259,324,813	\$261,278,657
Restricted	2,148,289	5,426,814	9,910,542	8,345,295	4,545,543	4,545,543	3,998,000	5,034,717	6,786,721	6,234,963
Unrestricted	5,960,656	4,921,932	(3,095,534)	(6,664,678)	(11,502,981)	(13,364,754)	(60,989,312)	(56,106,963)	(70,728,387)	(65,156,750)
Total primary government net position	<u>\$243,764,017</u>	<u>\$239,462,418</u>	<u>\$235,305,279</u>	<u>\$233,044,767</u>	<u>\$229,872,137</u>	<u>\$196,263,604</u>	<u>\$200,130,593</u>	<u>\$205,347,427</u>	<u>\$195,383,147</u>	<u>\$202,356,870</u>

CITY OF VALDOSTA, GEORGIA

Changes in Net Positions

Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities										
General government	\$24,949,781	\$22,509,701	\$24,645,893	\$22,929,060	\$22,657,247	\$21,365,496	\$19,793,450	\$21,222,388	\$17,828,062	\$16,947,416
Public safety	20,218,017	20,016,681	20,542,890	20,074,107	21,558,234	21,876,662	24,181,599	22,026,971	25,732,425	25,588,378
Culture - recreation	0	0	0	0	0	0	0	0	0	0
Public works	2,150,240	1,893,485	1,872,351	1,613,315	1,597,172	1,720,736	2,042,771	1,664,440	1,763,484	1,772,936
Community development	1,125,956	1,110,945	1,101,147	1,042,940	1,276,726	1,036,031	1,104,091	2,037,292	2,188,188	2,166,248
Interest on long-term debt	0	0	0	0	9,846	5,003	3,044	9,645	16,659	5,941
Total governmental activities	<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>	<u>46,960,736</u>	<u>47,528,818</u>	<u>46,480,919</u>
Business-type activities										
Sanitation	4,124,236	4,379,655	4,392,197	4,482,868	4,611,013	4,793,589	4,992,623	5,262,973	5,709,783	5,660,431
Water and sewer	11,378,940	11,889,430	13,000,285	12,260,646	14,365,317	16,259,357	15,891,914	19,902,939	19,904,646	21,178,047
Inspection	1,022,811	965,786	970,029	940,143	1,042,114	949,697	862,507	811,270	840,559	900,375
Zoning	377,434	446,049	455,267	359,543	0	0	0	0	0	0
DOL building	361,234	424,197	368,853	355,022	341,979	373,249	423,139	343,828	343,698	309,336
Storm Water	962,042	1,231,214	1,371,900	1,223,050	1,238,148	1,090,243	1,091,578	1,354,319	1,489,702	1,397,631
Auditorium	256,933	240,981	249,576	212,676	196,780	242,997	245,846	276,172	276,489	283,656
Motor fuel	388,445	527,982	537,152	556,674	532,420	402,611	271,105	292,619	318,224	345,705
Total business-type activities	<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>	<u>28,244,120</u>	<u>28,883,101</u>	<u>30,075,181</u>
Total primary government	<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>	<u>\$75,204,856</u>	<u>\$76,411,919</u>	<u>\$76,556,100</u>
Program Revenues										
Governmental activities										
Charges for services										
General government	\$116,678	\$94,155	\$204,692	\$54,692	\$103,489	\$355,698	\$56,591	(\$14,556)	\$93,392	\$47,883
Public safety	2,406,734	2,231,793	2,759,530	2,533,635	2,267,311	2,320,195	2,203,592	2,307,698	2,365,134	2,426,640
Culture - recreation	4,815	0	0	0	0	0	0	0	0	0
Other activities	261,913	263,364	244,771	145,443	255,987	115,062	103,566	134,989	146,272	125,938
Operating grants and contributions	1,678,825	2,386,413	683,356	2,168,333	2,680,619	2,156,022	2,558,807	3,324,713	1,385,946	1,833,920
Capital grants and contributions	12,809,115	8,202,070	12,086,133	9,619,416	10,505,462	12,744,363	11,907,962	12,389,719	12,582,892	12,921,995
Total governmental activities program revenues	<u>17,278,080</u>	<u>13,177,795</u>	<u>15,978,482</u>	<u>14,521,519</u>	<u>15,812,868</u>	<u>17,691,340</u>	<u>16,830,518</u>	<u>18,142,563</u>	<u>16,573,636</u>	<u>17,356,376</u>
Business-type activities										
Charges for services										
Sanitation	4,347,346	4,278,815	4,161,616	4,399,518	4,701,759	4,762,126	5,025,549	5,166,514	5,870,885	5,728,960
Water and sewer	12,655,546	13,817,286	14,230,907	15,240,633	15,383,914	17,153,046	17,185,147	18,533,990	18,741,504	19,786,789
Inspection	1,009,372	905,977	644,462	642,235	784,402	920,440	860,838	1,163,724	1,315,570	1,229,120
DOL building	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157
Storm Water	1,232,845	1,257,082	1,242,399	1,271,392	1,280,524	1,286,864	1,283,342	1,690,913	1,795,212	1,808,869
Other activities	471,094	762,299	737,719	675,301	584,687	463,643	323,915	350,343	381,083	401,112
Operating grants and contributions	459,325	0	269,437	0	0	0	0	0	0	0
Capital grants and contributions	4,513,063	1,119,880	957,991	758,616	0	0	0	0	0	0
Total business-type activities program revenues	<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>	<u>27,374,641</u>	<u>28,573,411</u>	<u>29,424,007</u>
Total primary government program revenues	<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>	<u>\$45,517,204</u>	<u>\$45,147,047</u>	<u>\$46,780,383</u>
Net (Expense)/Revenue										
Governmental activities	(\$31,165,914)	(\$32,353,017)	(\$32,183,799)	(\$31,137,903)	(\$31,286,357)	(\$28,312,588)	(\$30,294,437)	(\$28,818,173)	(\$30,955,182)	(\$29,124,543)
Business-type activities	6,285,673	2,505,202	1,368,429	3,066,230	876,672	943,533	1,369,236	(869,479)	(309,690)	(651,174)
Total primary government net expense	<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>	<u>(\$29,687,652)</u>	<u>(\$31,264,872)</u>	<u>(\$29,775,717)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes										
Property taxes	\$5,804,625	\$5,878,814	\$6,022,229	\$6,348,885	\$6,974,207	\$10,089,226	\$10,128,482	\$12,683,175	\$13,124,375	\$13,342,926
Sales tax	9,242,810	9,197,511	9,493,841	9,225,131	8,954,342	9,083,678	8,853,226	8,723,677	9,060,686	9,443,496
Accommodations tax	1,476,776	1,504,153	1,562,285	1,667,870	1,856,448	2,725,208	2,893,595	3,059,867	3,194,645	3,338,537
Other taxes	8,303,204	8,264,303	8,925,259	8,938,156	8,844,442	9,381,528	9,532,899	9,704,815	9,689,613	10,287,970
Investment earnings	292,878	46,580	31,960	27,214	19,831	16,526	17,374	32,657	48,069	75,146
Miscellaneous	409,010	640,692	619,479	227,429	587,662	628,271	427,323	700,295	572,584	261,365
Contributions to permanent fund	0	0	0	0	0	0	0	0	0	0
Transfers	771,412	555,193	1,242,070	(2,646,499)	(2,671,061)	(12,790,684)	(9,889,224)	988,389	(2,156,461)	(2,345,844)
Total governmental activities	<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>	<u>35,892,875</u>	<u>33,533,511</u>	<u>34,403,596</u>
Business-type activities										
Property taxes	0	0	0	0	0	0	0	0	0	0
Investment earnings	7,440	14,163	3,178	792	123	0	0	0	0	0
Capital contributions	0	0	0	0	0	0	0	0	0	0
Special items	0	0	0	0	0	0	939,291	0	0	0
Transfers	(771,412)	(555,193)	(1,242,070)	2,692,361	2,671,061	12,790,684	9,989,224	(988,389)	2,156,461	2,345,844
Total business-type activities	<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>	<u>(988,389)</u>	<u>2,156,461</u>	<u>2,345,844</u>
Total primary government	<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>	<u>\$34,904,486</u>	<u>\$35,689,972</u>	<u>\$36,749,440</u>
Change in Net Position										
Governmental activities	(\$4,865,199)	(\$6,265,771)	(\$4,286,676)	(\$7,349,717)	(\$6,720,486)	(\$9,178,835)	(\$8,430,762)	\$7,074,702	\$2,578,329	\$5,279,053
Business-type activities	5,521,701	1,964,172	129,537	5,759,383	3,547,856	13,734,217	12,297,751	(1,857,868)	1,846,771	1,694,670
Total primary government	<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>	<u>\$5,216,834</u>	<u>\$4,425,100</u>	<u>\$6,973,723</u>

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$7,927,686	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unreserved	1,071,975	0	0	0	0	0	0	0	0	0
Nonspendable	0	4,521,846	4,522,249	4,245,727	2,899,736	4,277,368	3,551,702	3,292,866	2,677,584	4,868,536
Restricted	0	176,391	181,778	151,288	177,245	207,912	206,002	214,291	226,914	235,318
Committed	0	10,767	10,767	10,767	10,767	10,767	10,767	10,767	10,767	10,767
Assigned	0	701,620	316,892	0	0	0	0	0	485,233	0
Unassigned	0	0	0	128,039	-1,080,989	(1,873,454)	(1,235,605)	(498,949)	0	(1,334,464)
Total General Fund	<u>\$8,999,661</u>	<u>\$5,410,624</u>	<u>\$5,031,686</u>	<u>\$4,535,821</u>	<u>\$2,006,759</u>	<u>\$2,622,593</u>	<u>\$2,532,866</u>	<u>\$3,018,975</u>	<u>\$3,400,498</u>	<u>\$3,780,157</u>
All Other Governmental Funds										
Reserved	\$5,709,854	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unreserved, reported in:										
Special revenue funds	(13,830)	0	0	0	0	0	0	0	0	0
Capital projects funds	(547,313)	0	0	0	0	0	0	0	0	0
Nonspendable, reported in:										
Special revenue funds	0	2,967,676	2,835,801	2,670,464	2,601,916	2,615,521	2,526,771	0	0	0
Capital projects funds	0	774,135	696,464	573,385	300,000	213,395	213,395	0	0	0
Permanent funds	0	1,472,224	1,525,822	1,304,778	1,617,435	1,639,355	1,661,287	1,688,761	1,708,471	1,730,959
Restricted, reported in:										
Special revenue funds	0	128,682	249,087	224,601	409,505	259,555	179,820	2,692,805	2,726,461	2,275,612
Capital projects funds	0	3,466,879	7,194,623	5,714,008	6,336,172	11,623,286	2,141,728	2,893,717	3,566,599	2,608,899
Assigned, reported in:										
Special revenue funds	0	107,906	205,630	323,727	404,357	319,114	584,357	900,420	1,439,690	2,544,492
Capital projects funds	0	763,598	39,966	0	0	490,642	374,163	1,472,890	4,221,265	7,504,953
Unassigned, reported in:										
Special revenue funds	0	(275,654)	(223,869)	(104,185)	(311,093)	(115,034)	(43,746)	(193,979)	(437,349)	(198,863)
Capital projects funds	0	(25,757)	0	0	0	(11,229,531)	(4,387,331)	0	0	0
Total all other governmental funds	<u>\$5,148,711</u>	<u>\$9,379,689</u>	<u>\$12,523,524</u>	<u>\$10,706,778</u>	<u>\$11,358,292</u>	<u>\$5,816,303</u>	<u>\$3,250,444</u>	<u>\$9,454,614</u>	<u>\$13,225,137</u>	<u>\$16,466,052</u>
Total all governmental funds	<u>\$14,148,372</u>	<u>\$14,790,313</u>	<u>\$17,555,210</u>	<u>\$15,242,599</u>	<u>\$13,365,051</u>	<u>\$8,438,896</u>	<u>\$5,783,310</u>	<u>\$12,473,589</u>	<u>\$16,625,635</u>	<u>\$20,246,209</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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$24,755,327	\$24,345,814	\$25,550,030	\$25,647,433	26,306,492	30,611,633	30,908,671	33,558,371	34,650,674	35,826,202
Licenses and permits	423,463	394,262	519,109	514,949	508,051	529,749	536,322	557,575	523,976	522,495
Charges for services	116,347	384,075	437,959	476,460	376,127	458,832	142,285	109,622	216,154	170,735
Fines and forfeitures	1,361,565	1,414,425	1,517,532	1,391,867	1,233,369	1,150,198	1,038,107	1,186,152	1,125,592	984,425
Interest income	314,351	46,581	33,402	27,214	19,831	18,034	17,374	32,657	48,069	75,147
Contributions	44,444	59,507	55,730	64,720	40,764	17,731	28,648	21,236	276,761	19,314
Miscellaneous	272,068	520,475	687,666	599,370	695,265	644,895	537,879	670,526	634,940	200,454
Intergovernmental	15,843,248	12,238,994	14,151,399	12,627,387	14,681,553	16,116,112	15,208,742	17,109,319	14,982,586	16,215,780
Total revenues	43,130,813	39,404,133	42,952,827	41,349,400	43,861,452	49,547,184	48,418,028	53,245,458	52,458,752	54,014,552
Expenditures										
General government	10,802,936	10,777,003	9,917,407	9,623,141	9,818,403	10,815,741	10,738,650	11,040,044	11,524,672	11,306,100
Public safety	18,495,579	20,244,673	18,763,903	18,885,565	19,540,786	20,389,657	22,679,350	22,467,739	24,704,297	24,280,599
Public works	1,940,432	1,260,475	1,721,218	1,469,296	1,381,317	1,532,042	1,820,409	1,506,781	1,633,232	1,625,467
Culture-recreation	0	519,943	0	0	0	0	0	0	0	0
Economic development and assistance	1,115,620	1,316,736	1,066,518	1,035,531	1,235,625	984,591	1,054,921	1,992,277	2,136,657	2,115,199
Capital outlay	17,024,777	5,767,224	8,191,502	12,370,884	12,474,501	19,913,386	16,238,204	9,043,280	9,486,284	11,220,282
Debt service										
Interest	0	0	141,998	141,175	145,862	27,904	77,511	138,188	189,361	129,323
Principal	0	0	13,710	14,533	9,846	0	3,044	9,645	16,659	5,941
Total expenditures	49,379,344	39,886,054	39,816,256	43,540,125	44,606,340	53,663,321	52,612,089	46,197,954	49,691,162	50,682,911
Excess of revenues over (under) expenditures	(6,248,531)	(481,921)	3,136,571	(2,190,725)	(744,888)	(4,116,137)	(4,194,061)	7,047,504	2,767,590	3,331,641
Other Financing Sources (Uses)										
Capital lease	0	579,740	0	0	0	0	1,918,894	2,241,065	2,839,733	2,657,326
Transfers in	3,151,993	2,034,678	3,281,658	2,498,768	2,179,651	2,231,000	-2,514,434	(2,718,798)	(1,903,400)	(2,368,393)
Transfers out	(2,507,575)	(1,490,556)	(3,653,332)	(2,694,456)	(3,312,311)	(3,041,018)	2,134,015	120,508	448,123	0
Total other financing sources (uses)	644,418	1,123,862	(371,674)	(195,688)	(1,132,660)	(810,018)	1,538,475	(357,225)	1,384,456	288,933
Net change in fund balances	(\$5,604,113)	\$641,941	\$2,764,897	(\$2,386,413)	(\$1,877,548)	(\$4,926,155)	(\$2,655,586)	\$6,690,279	\$4,152,046	\$3,620,574
Debt service as a percentage of noncapital expenditures	0.000%	0.000%	0.492%	0.500%	0.485%	0.083%	0.221%	0.398%	0.512%	0.343%

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function/Program										
Governmental activities:										
General government	\$7,204,123	\$8,106,728	\$11,594,766	\$8,751,232	\$10,348,558	\$12,988,509	\$11,831,839	12,242,922	\$12,371,305	\$12,903,232
Public safety	5,326,139	3,624,803	3,589,112	4,685,125	4,823,989	3,789,268	4,364,660	4,742,804	3,124,634	3,718,756
Culture - recreation	11,791	0	0	0	0	0	0	0	0	0
Public works	3,446,562	103,835	148,462	734,521	168,377	115,062	103,566	125,293	136,402	125,103
Public involvement	1,289,465	1,342,429	646,142	350,641	471,944	798,501	530,453	1,075,780	941,295	609,285
Subtotal governmental activities	17,278,080	13,177,795	15,978,482	14,521,519	15,812,868	17,691,340	16,830,518	18,186,799	16,573,636	17,356,376
Business-type activities:										
Sanitation	4,862,180	4,571,388	4,337,833	4,399,518	4,701,759	4,762,126	5,025,549	5,166,514	5,870,885	5,728,960
Water and sewer	17,036,186	13,885,754	14,230,907	15,658,173	15,383,914	17,153,046	17,185,147	18,533,990	18,741,504	19,786,789
Inspection	1,009,372	905,977	737,682	642,235	784,402	920,440	860,838	1,163,724	1,315,570	1,229,120
Zoning	117,931	204,679	144,487	61,153	0	0	0	0	0	0
DOL building	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157	469,157
Storm Water	1,232,845	1,257,082	2,200,390	1,612,468	1,280,524	1,286,864	1,283,342	1,690,913	1,795,212	1,808,869
Auditorium	31,380	18,407	46,237	47,562	42,536	51,130	43,734	49,011	54,835	46,822
Motor fuel	398,697	539,213	546,995	566,586	542,151	412,513	280,181	301,332	326,248	354,290
Subtotal business-type activities	25,157,748	21,851,657	22,713,688	23,456,852	23,204,443	25,055,276	25,147,948	27,374,641	28,573,411	29,424,007
Total primary government	<u>\$42,435,828</u>	<u>\$35,029,452</u>	<u>\$38,692,170</u>	<u>\$37,978,371</u>	<u>\$39,017,311</u>	<u>\$42,746,616</u>	<u>\$41,978,466</u>	<u>\$45,561,440</u>	<u>\$45,147,047</u>	<u>\$46,780,383</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
2010	6,183,929	20,502,768	7,712,296	1,611,331	36,010,324
2011	5,807,053	17,942,154	7,716,286	1,634,372	33,099,865
2012	6,088,589	18,265,089	8,916,032	1,562,163	34,831,873
2013	6,452,218	17,705,354	8,318,442	1,667,923	34,143,937
2014	6,841,008	19,436,390	8,654,695	1,856,448	36,788,541
2015	10,027,554	21,228,559	8,457,767	2,959,335	42,673,215
2016	10,088,963	19,806,857	8,862,637	3,007,983	41,766,440
2017	12,605,365	19,512,076	9,053,726	3,059,866	44,231,033
2018	13,016,374	19,324,703	9,160,644	4,339,113	45,840,834
2019	13,334,408	20,219,071	9,603,869	4,375,402	47,532,750
Change 2010-2019	115.63%	-1.38%	24.53%	171.54%	32.00%

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

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Industrial Property	Utility Property	Agricultural Property	Historic Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2010	656,256,822	540,518,877	260,797,430	32,714,743	2,275,146	556,930	106,858,670	173,025,160	1,426,953,458	4.131
2011	658,578,350	557,128,860	228,784,772	32,272,532	1,972,320	823,195	96,143,768	153,692,980	1,422,010,817	4.112
2012	659,437,865	547,708,336	245,225,166	32,906,051	1,969,190	822,117	94,767,295	180,228,732	1,402,607,288	4.112
2013	646,393,405	575,038,137	285,544,257	31,238,071	2,025,391	1,039,970	101,085,600	185,281,491	1,457,083,340	4.106
2014	636,464,744	568,638,842	290,065,770	33,532,264	1,608,965	991,169	80,605,794	150,161,004	1,461,746,544	4.102
2015	629,977,119	586,799,538	286,741,138	35,739,813	1,717,959	1,626,297	93,245,936	150,697,124	1,485,150,676	6.102
2016	621,844,752	675,809,277	309,723,341	37,643,223	2,791,956	2,107,567	60,784,731	198,655,408	1,512,049,439	6.102
2017	618,968,964	647,258,960	315,738,862	35,279,028	2,762,184	2,068,745	46,531,393	183,194,374	1,485,413,762	7.950
2018	616,813,247	643,516,697	315,719,145	34,938,130	2,805,968	2,337,397	34,303,453	179,265,606	1,471,168,431	8.001
2019	620,291,063	651,896,039	341,643,108	33,253,858	2,763,145	91,094	26,293,497	173,888,986	1,502,342,818	8.001

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
2010	2.50	2.50	1.27	2.54
2011	3.00	3.00	1.33	2.66
2012	3.50	3.50	1.40	2.80
2013	4.20	4.20	1.40	2.80
2014	5.60	5.60	1.40	2.80
2015	6.30	6.30	1.40	2.80
2016	7.00	7.00	1.40	2.80
2017	7.35	7.35	1.40	2.80
2018	7.72	7.72	1.47	2.94
2019	8.11	8.11	1.47	2.94

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

Fiscal Year	Bulk Class	
	Water Rate Per CCF	Sewer Rate Per CCF
2010	0.90	2.04
2011	0.90	2.04
2012	0.90	2.04
2013	N/A	N/A
2014	N/A	N/A
2015	N/A	N/A
2016	N/A	N/A
2017	N/A	N/A
2018	N/A	N/A
2019	N/A	N/A

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

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

Fiscal Year	Operating Millage Rate	Total Direct Rate	Overlapping Rates*		
			Valdosta School District	Community Improvement District	Lowndes County
2010	4.131	4.131	15.98	10.00	9.56
2011	4.112	4.112	16.98	10.00	9.56
2012	4.112	4.112	16.98	10.00	9.56
2013	4.106	4.106	16.98	5.00	9.56
2014	4.102	4.102	16.98	5.00	9.56
2015	6.102	6.102	16.98	5.00	9.56
2016	6.102	6.102	16.98	5.00	9.05
2017	7.950	7.950	16.98	5.00	8.974
2018	8.001	8.001	16.98	5.00	8.974
2019	7.916	7.916	16.98	5.00	8.814

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.

Customer	2019			2018			2017			2016			2015		
	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	\$698,154	1	4.57%	\$719,181	1	3.89%	\$725,622	1	4.24%	\$763,160	1	4.48%	\$778,395	1	4.53%
Valdosta State University	716,731	2	3.65%	447,815	2	2.42%	436,046	2	2.55%	453,423	2	2.65%	613,452	2	3.58%
Valdosta Correctional Institute	424,047	3	2.16%	415,796	3	2.25%	382,266	3	2.23%	351,497	3	2.05%	384,952	3	2.25%
South Georgia Medical Center	382,941	4	1.85%	222,373	4	1.20%	192,159	5	1.12%	295,014	4	1.72%	266,597	4	1.56%
Valdosta Board of Education	161,960	5	0.82%	-	-	-	-	-	-	-	-	-	-	-	-
Veolia Solid Waste SE	154,427	6	0.79%	-	-	-	-	-	-	-	-	-	-	-	-
EBSCO Northwind	134,780	7	0.69%	-	-	-	-	-	-	-	-	-	-	-	-
Blanton Commons	129,313	8	0.66%	-	-	-	-	-	-	-	-	-	-	-	-
Chemical Research Technology Inc.	127,711	9	0.65%	166,530	5	0.90%	83,981	8	0.49%	-	-	-	-	-	-
South Georgia Pecan Co.	117,682	10	0.60%	126,576	6	0.68%	105,109	6	0.61%	93,513	8	0.55%	100,987	9	0.59%
City of Remerton	-	-	-	98,759	7	0.53%	207,932	4	1.21%	184,607	6	1.08%	169,669	6	0.99%
Woodstone Apartments	-	-	-	97,638	8	0.53%	87,233	7	0.51%	72,684	10	0.42%	107,680	8	0.63%
Union Tank Car	-	-	-	92,636	9	0.50%	83,400	9	0.49%	-	-	-	-	-	-
The Residents at 5 Points	-	-	-	87,303	10	0.47%	79,711	10	0.47%	-	-	-	-	-	-
ERCO Worldwide	-	-	-	-	-	-	-	-	-	-	-	-	114,299	7	0.67%
Lowndes County Utilities	-	-	-	-	-	-	-	-	-	279,747	5	1.63%	261,083	5	1.53%
Lowndes County Jail	-	-	-	-	-	-	-	-	-	141,415	7	0.83%	100,976	10	0.59%
Quad Graphics	-	-	-	-	-	-	-	-	-	85,725	9	0.50%	-	-	-
Total	<u>\$3,227,746.00</u>		<u>16.44%</u>	<u>\$2,474,607.00</u>		<u>13.37%</u>	<u>\$2,383,459.00</u>		<u>13.92%</u>	<u>\$2,720,785.00</u>		<u>15.89%</u>	<u>\$2,868,090.00</u>		<u>16.93%</u>

Customer	2014			2013			2012			2011			2010		
	Amount Paid	Rank	Percentage of Total	Amount Paid	Rank	Percentage of Total	Amount Paid	Rank	Percentage of Total	Amount Paid	Rank	Percentage of Total	Amount Paid	Rank	Percentage of Total
A D M	\$667,428	1	4.36%	\$709,451	1	4.75%	\$755,635	1	5.33%	\$538,804	1	3.91%	\$495,333	1	3.96%
Valdosta State University	618,673	2	4.04%	479,675	2	3.21%	397,654	2	2.80%	446,869	2	3.24%	235,884	3	1.89%
Valdosta Correctional Institute	360,132	3	2.35%	375,591	3	2.51%	362,925	3	2.56%	332,048	3	2.41%	398,710	2	3.19%
South Georgia Medical Center	228,558	4	1.49%	255,716	4	1.71%	259,453	4	1.83%	183,178	5	1.33%	185,675	3	1.49%
South Georgia Pecan Co.	165,707	5	1.08%	116,782	8	0.78%	-	-	-	-	-	-	-	-	-
City of Remerton	155,272	6	1.01%	254,232	5	1.70%	130,346	7	0.92%	118,029	7	0.86%	108,042	6	0.86%
Woodstone Apartments	129,448	7	0.85%	101,067	9	0.68%	-	-	-	91,873	9	0.67%	68,265	10	0.55%
ERCO Worldwide	120,371	8	0.79%	124,603	7	0.83%	97,720	8	0.69%	102,197	8	0.74%	73,086	8	0.58%
Lowndes County Jail	109822	9	0.72%	-	-	-	86,640	10	0.61%	118539	6	0.86%	164,164	5	1.31%
Lowndes County Utilities	85,611	10	0.56%	188,057	6	1.26%	179,881	6	1.27%	273,743	4	1.99%	70,774	9	0.57%
Arizona Chemical	-	-	-	89,718	10	0.60%	93,679	9	0.66%	69,809	10	0.51%	75,504	7	0.60%
Campus Crest	-	-	-	-	-	-	167,860	5	1.33%	-	-	-	-	-	-
Total	<u>\$2,641,022.00</u>		<u>17.28%</u>	<u>\$2,694,892.00</u>		<u>18.03%</u>	<u>\$2,551,993.00</u>		<u>18.00%</u>	<u>\$2,275,089.00</u>		<u>16.50%</u>	<u>\$1,875,437.00</u>		<u>15.00%</u>

City of Valdosta, Georgia
Principal Property Taxpayers
For the Fiscal Years Ended June 30, 2019 and 2010

2019				2010			
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.	\$ 44,149,679	1	2.94%	Archer Daniels Midland Co.	\$ 57,573,823	1	4.03%
Lowes Distribution, Inc.	44,081,547	2	2.93%	Lowes Companies, Inc.	38,002,012	2	2.66%
South Georgia Pecan	24,325,496	3	1.62%	Du Pont	16,115,098	3	1.13%
JM Smith Corp	21,965,004	4	1.46%	JM Simth Corp	19,088,906	4	1.34%
GF Valdosta Mall	16,332,001	5	1.09%	Saft Newco, Inc.	13,453,388	5	0.94%
Dupont	16,271,908	6	1.08%	South Georgia Pecan	10,031,153	6	0.70%
Home Depot	14,825,326	7	0.99%	Wal-Mart\Sam's Club	11,198,038	7	0.78%
Saft Newco, Inc.	11,831,251	8	0.80%	Marelana Valdosta Mall	10,103,512	8	0.71%
Ring Container Tech LLC	10,240,000	9	0.68%	Stratas Foods LLC	6,193,752	9	0.44%
Stratas Fppd	6,366,667	10	0.42%	ACC/GF 111 Blanton Comm	6,262,253	10	0.44%
Total Principal Taxpayers	210,388,879		14.00%	Total Principal Taxpayers	188,021,935		13.18%
All Other Taxpayers	1,291,953,939		86.00%	All Other Taxpayers	1,238,931,523		86.82%
Total	<u>\$1,502,342,818</u>		<u>100.00%</u>	Total	<u>\$ 1,426,953,458</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
2010	5,428,500	5,173,541	95.30%	251,845	5,425,385	99.94%
2011	5,567,391	5,302,865	95.25%	263,561	5,566,426	99.98%
2012	5,307,294	5,063,850	95.41%	242,004	5,305,854	99.97%
2013	5,496,867	5,246,759	95.45%	250,108	5,496,867	100.00%
2014	5,523,422	5,297,924	95.92%	210,124	5,508,048	99.72%
2015	8,200,148	7,924,813	96.64%	275,335	8,200,148	100.00%
2016	8,860,209	8,287,698	93.54%	377,255	8,664,953	97.80%
2017	11,339,178	10,923,838	96.34%	414,811	11,338,649	100.00%
2018	11,339,178	10,923,838	96.34%	389,059	11,312,897	99.77%
2019	11,564,827	10,889,853	94.16%	143,431	11,033,284	95.40%

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				Personal Income	Per Capita
2010	\$0	\$0	\$8,541,977	\$8,541,977	0.01	164	2009	1,522,500,096
2011	579,740	0	37,252,311	37,832,051	0.02	694	2010	1,608,935,216
2012	437,742	0	47,965,307	48,403,049	0.03	864	2011	1,701,689,163
2013	296,567	2,546,000	47,796,915	50,639,482	0.03	879	2012	1,864,530,084
2014	150,705	2,313,000	48,100,481	50,564,186	0.03	895	2013	1,835,858,424
2015	57,497	2,080,000	71,774,022	73,911,519	0.04	1,253	2014	1,895,949,172
2016	2,114,046	2,630,310	84,929,014	89,673,370	0.05	1,592	2015	1,857,903,464
2017	2,599,644	1,614,000	86,516,027	90,729,671	0.05	1,593	2016	1,978,212,355
2018	2,487,268	1,381,000	81,130,276	84,998,544	0.05	1,507	2017	1,812,743,890
2019	4,543,412	1,148,000	73,827,629	79,519,041	N/A	N/A	2018	1,813,418,788
							2019	

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		
2010	\$0	\$0	\$0	\$0	\$0.00
2011	0	0	0	0	0.00
2012	0	0	0	0	0.00
2013	0	0	0	0	0.00
2014	0	0	0	0	0.00
2015	0	0	0	0	0.00
2016	0	0	0	0	0.00
2017	0	0	0	0	0.00
2018	0	0	0	0	0.00
2019	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, 2019

Governmental Unit		Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes				
Valdosta City School System	2015 Bond Series	\$63,500,000	100.00%	\$63,500,000
Other debt				
Lowndes County - Capital leases		294,180	48.56%	142,854
Lowndes County - Bonds		4,835,000	48.56%	2,347,876
				<u>2,490,730</u>
Subtotal, overlapping debt				65,990,730
City direct debt				4,543,412
				<u><u>\$70,534,142</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 2018 County taxable valuation of \$3,490,377,888 and City taxable valuation of \$1,694,878,318 percent 48.56%.

48.56%

All CVDA debt except for the 5.81% Bond Series 2001 listed above represents projects undertaken for the benefit of the City or Lowndes County with that unit carrying corresponding debt to CVDA, therefore, no other CVDA debt is included in this schedule.

CITY OF VALDOSTA, GEORGIA

Legal Debt Margin Information

Last Ten Fiscal Years
(accrual basis of accounting)

Legal Debt Margin Calculation for Fiscal Year 2019										
Assessed value						\$1,486,183,000				
Debt limit (10% of assessed value)						148,618,300				
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>\$148,618,300</u>				
	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$142,695,346	\$142,201,082	\$140,260,729	\$145,708,334	\$146,174,654	\$145,662,006	\$151,204,944	\$147,202,543	\$144,681,681	\$148,618,300
Total net debt applicable to limit	0	579,740	437,742	296,567	150,705	57,497	2,114,046	2,599,644	2,487,268	4,543,412
Legal debt margin	\$142,695,346	\$141,621,342	\$139,822,987	\$145,411,767	\$146,023,949	\$145,604,509	\$149,090,898	\$144,602,899	\$142,194,413	\$144,074,888
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.41%	0.31%	0.20%	0.10%	0.04%	1.42%	1.80%	1.75%	3.15%

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	
2010	\$12,561,957	\$10,816,122	\$1,745,835	\$0	\$0	0.00
2011	13,817,286	11,595,259	2,222,027	0	0	0.00
2012	14,177,921	11,744,634	2,433,287	0	0	0.00
2013	15,240,634	11,308,983	3,931,651	0	0	0.00
2014	15,383,914	13,082,734	2,301,180	0	0	0.00
2015	17,153,046	14,792,123	2,360,923	0	0	0.00
2016	17,185,147	14,303,538	2,881,609	0	0	0.00
2017	18,482,449	16,264,679	2,217,770	0	0	0.00
2018	18,707,077	17,557,671	1,149,406	0	0	0.00
2019	19,784,219	16,636,772	3,147,447	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
2010	52,169	3,967,021	29,184	29.5	7,501	8.6%
2011	54,518	4,063,000	29,512	30.9	7,511	8.8%
2012	56,019	4,134,363	30,377	27.1	7,647	9.2%
2013	57,597	4,322,846	32,372	27.0	7,802	9.1%
2014	56,481	4,672,714	32,504	30.0	8,012	7.9%
2015	58,994	4,644,735	32,138	26.6	8,074	6.6%
2016	56,324	4,591,688	32,986	27.0	7,834	5.7%
2017	56,945	4,772,327	34,739	28.5	8,134	5.0%
2018	56,405	5,052,400	N/A	29.1	8,390	4.4%
2019	56,426	N/A	N/A	29.7	8,967	4.0%

Sources:

US Census Bureau

US Department of Commerce - BEA

Georgia Department of Labor

Valdosta City School Board

Valdost Chamber of Commerce

City of Valdosta, Georgia
Principal Employers
For the Fiscal Years Ended June 30, 2019 and 2010

<u>Employer</u>	2019			<u>Employer</u>	2010		
	Number of Employees	Rank	Percentage of Total City Employment		Number of Employees	Rank	Percentage of Total City Employment
Moody Air Force Base	8,000	1	12.92%	Moody Air Force Base	6,100	1	9.99%
Valdosta State University	3,176	2	5.13%	South Georgia Medical Center	2,300	2	3.77%
South Georgia Medical Center	2,600	4	4.20%	Valdosta State University	2,280	3	3.73%
Lowndes County Schools	1,428	3	2.31%	Lowndes County Schools	1,279	4	2.09%
Valdosta City School System	1,103	5	1.78%	Valdosta City School System	950	5	1.56%
Lowe's Distribution Center	942	6	1.52%	Lowe's Distribution Center	900	6	1.47%
Fresh Beginnings Inc.	921	8	1.49%	Convergys	850	7	1.39%
Wild Adventures	800	7	1.29%	City of Valdosta Government	578	8	0.95%
Walmart Supercenters	672	9	1.09%	Lowndes County Government	540	9	0.88%
City of Valdosta Government	648	10	1.05%	Fresh Beginning	500	10	0.82%
Total Principal Employees	20,290		32.77%	Total Principal Employees	16,277		26.66%
Other Employees	<u>41,624</u>		<u>67.23%</u>	Other Employees	<u>44,783</u>		<u>73.34%</u>
Total Employees	<u><u>61,914</u></u>		<u><u>100.00%</u></u>	Total Employees	<u><u>61,060</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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
City Manager's Office	4	4	4	4	4	5	5	6	5	5
Municipal Court	4	4	4	4	4	4	4	4	4	5
Human Resources	4	4	4	4	4	3	4	4	4	4
Finance	24	24	26	25	25	24	24	23	24	24
Engineering	27	27	27	22	22	23	25	26	21	25
Information Technology	1	1	2	2	2	0	0	0	0	0
Facility Maintenance	4	5	5	4	4	4	5	5	6	6
Police	169	171	172	169	169	162	166	183	171	164
Fire	104	99	98	102	102	101	96	105	109	106
Public Works	36	36	32	21	21	30	27	31	32	33
Public Involvement	7	8	7	7	7	2	2	2	2	2
Community Development	25	24	22	21	21	21	22	22	19	18
Sanitation	54	55	48	44	44	48	55	51	54	51
Water	44	44	49	45	45	59	66	69	69	68
Sewer	39	39	36	36	36	24	18	18	18	18
Storm Water	13	14	14	14	14	13	12	15	15	12
Zoning	4	4	4	4	4	4	4	4	4	4
Fleet	15	15	11	11	11	13	14	14	15	14
Total	<u>578</u>	<u>578</u>	<u>565</u>	<u>539</u>	<u>539</u>	<u>540</u>	<u>549</u>	<u>582</u>	<u>572</u>	<u>559</u>

Sources:

City Human Resource Department

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
City of Valdosta										
Operating Indicators by Function/Program										
<u>Engineering</u>										
Feet of Failed Pavement Repaired	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Percent of projects awarded within 10% of engineer's estimate	90%	90%	90%	90%	90%	90%	67%	67%	70%	80%
<u>Municipal Court</u>										
Dockets Processed	15,000	15,000	16,500	17,000	17,000	14,000	12,000	12,000	12,500	12,000
<u>Police</u>										
Increase in Citizen contacts	2,650	2,650	2,900	1,800	2,770	2,770	2,800	2,850	2,900	2,900
Narcotics Arrests	320	320	320	320	320	320	325	330	335	335
Students Completing Dare	1,360	1,360	1,376	1,350	1,202	1,370	1,380	1,385	1,400	1,400
<u>Fire</u>										
Number of Fire Stations	7	7	7	7	7	7	7	7	7	7
Number of Fire Inspections performed	1,390	1,395	1,390	1,500	1,500	1,245	1,200	1,200	1,300	1,200
<u>Public Works</u>										
Street Sweeping Frequency per year	25	25	30	30	15	12	13	12	13	13
<u>Arborist</u>										
Number of Trees Planted	75	75	280	220	100	40	40	40	45	10
Number of trees Pruned	1,000	1,000	1,200	1,300	500	1,000	800	800	850	1,000
<u>Public Involvement</u>										
Bi-monthly Newsletters Produced	6	6	6	6	4	4	4	4	5	5
Net Gain of new downtown Businesses	5	5	6	8	5	5	5	6	5	5
<u>Sanitation</u>										
Residential Stops/collection employee/week	925	925	2,620	2,635	2,650	2,640	2,660	2,670	2,680	2,680
Commercial lifts per hour/driver	25	25	38	40	40	40	38	39	40	40
<u>Drainage</u>										
Feet of storm drain cleaned and maintained	20,000	20,000	13,311	15,000	15,000	50,000	50,000	50,000	51,000	50,000
<u>Water</u>										
Average volume of water treated (MGD)	11.150	11.150	11.500	11.500	9.670	11.260	11.6	11.6	12.0	11.9
New meters installed annually	500	500	1000	1500	1500	1500	500	500	500	350
<u>Sewer</u>										
Average volume of wastewater treated daily (MGD)	9.5	9.5	6.5	7.7	8.1	9.9	10	10	11	7.2
Miles of sewers maintained	260	270	270	275	275	330	315	330	335	355
<u>Inspections</u>										
Percentage of Plans completed within 10 days	95%	95%	95%	95%	95%	95%	95%	95%	95%	97%
Percentage of inspections completed in 24 hours	95%	95%	95%	95%	95%	95%	95%	95%	95%	100%
<u>Auditorium</u>										
Number of Days Rented	330	330	330	330	330	175	175	175	180	185

Source: City of Valdosta Budget Document

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

<u>Function Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Police									
Stations	1	1	1	1	1	1	1	1	1
Patrol units	157	155	155	158	158	158	158	158	158
Fire Stations	7	7	7	7	7	7	7	7	7
Refuse collection									
Collection trucks	13	13	13	13	13	13	13	13	13
Other public works									
Streets (miles)	304	304	304	304	304	304	304	304	304
Highways (miles)									
Streetlights	6,217	6,222	6,266	6,266	6,277	6,277	6,277	6,277	6,281
Traffic signals	124	125	126	127	127	127	127	128	128
Park and recreation									
Acreage	300	300	300	300	300	300	300	300	300
Playgrounds	2	2	2	2	2	2	2	2	2
Baseball/softball diamonds	24	24	24	24	24	24	24	24	24
Soccer/football fields	3	3	3	3	3	3	3	3	3
Community centers	1	1	1	1	1	1	1	1	1
Water									
Water mains (miles)	311	320	389	395	402	410	419	430	439
Fire hydrants	3,112	3,200	3,301	3,341	3,387	3,443	3,477	3,481	3,531
Storage capacity (gallons)	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000
Wastewater									
Sanitary sewers (miles)	320	325	325	330	330	330	335	342	380
Treatment capacity (gallons)	11,330,000	13,830,000	13,830,000	17,270,000	17,270,000	17,700,000	17,700,000	17,700,000	17,700,000

Sources: Various city departments

SINGLE AUDIT

CITY OF VALDOSTA, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2019

Grant Title	CFDA Number	Grant I. D. Number	Expenditures	Passed through to Subrecipients
<u>Department of Homeland Security</u>				
Direct Federal Grants:				
Homeland Security Cluster	97.067	EMW-2017-SS-00015-S01	\$67,118	\$0
Homeland Security Cluster	97.067	EMW-2018-SS-00067-S01	3,906	0
Total Homeland Security Cluster			<u>71,024</u>	<u>0</u>
Law Enforcement Officer Reimb. Agreement	97.090	HSTS0216HSLR793	20,100	0
TOTAL U S DEPARTMENT OF HOMELAND SECURITY			<u>91,124</u>	<u>0</u>
<u>Department of Housing and Urban Development</u>				
Direct Federal Grants:				
Community Development Block Grants				
Entitlement Grants Cluster	14.218	B-15-MC-13-0015	4,021	0
Entitlement Grants Cluster	14.218	B-17-MC-13-0015	101,826	0
Entitlement Grants Cluster	14.218	B-18-MC-13-0015	244,288	0
Total Entitlement Grant Cluster			<u>350,135</u>	<u>0</u>
Indirect Federal Grants:				
HOME Investment Partnerships Program				
State of GA Community HOME				
Investment Program (CHIP)	14.239	2016-116	215,360	0
TOTAL U S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>565,495</u>	<u>0</u>
<u>Department of Justice</u>				
Direct Federal Grants:				
JAG Program Cluster	16.738	2017-DJ-BX-0771	14,428	4,731
Bulletproof Vest Partnership Program	16.607	N/A	7,540	0
TOTAL U S DEPARTMENT OF JUSTICE			<u>21,968</u>	<u>4,731</u>
<u>Department of Transportation</u>				
Direct Federal Grants:				
Airport Development Aid Program	20.106	3-13-0115-33-2017	803,229	0
Airport Development Aid Program	20.106	3-13-0115-34-2018	231,558	0
Total Airport Development Aid Program			<u>1,034,787</u>	<u>0</u>
State of Georgia Passthrough Federal Grants:				
Governor's Office of Highway Safety				
Highway Safety Cluster	20.600	TEN-2018-402PT-019	1,447	0
Highway Safety Cluster	20.600	TEN-2019-402PT-011	10,392	0
Total Highway Safety Cluster			<u>11,839</u>	<u>0</u>
TOTAL U S DEPARTMENT OF TRANSPORTATION			<u>1,046,626</u>	<u>0</u>
TOTAL OF EXPENDITURES OF FEDERAL AWARDS			<u><u>\$1,725,213</u></u>	<u><u>\$4,731</u></u>

The accompanying notes are an integral part of this statement.

**CITY OF VALDOSTA, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. INDIRECT COST RATE

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



Henderson & Godbee, LLP

Certified Public Accountants and Business Consultants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Valdosta, Georgia, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Valdosta, Georgia's basic financial statements, and have issued our report thereon dated December 10, 2019.

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.

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

December 10, 2019



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, 2019. 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, 2019.

Report on Internal Control over Compliance

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

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

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

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



Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

December 10, 2019

**CITY OF VALDOSTA, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

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

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee considered a low risk auditee?	<u>X</u> Yes	_____ No
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**CITY OF VALDOSTA, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

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, 2019**

Status of Prior Year Findings

None reported

