

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The Series 2026 Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2026 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 1, 2026

NEW ISSUE
Book-Entry Only

RATING:
Moody's: Aa2
See, "MISCELLANEOUS – Rating" herein.

In the opinion of Pope Flynn, LLC, Bond Counsel to the Issuer and the County, under existing law, interest on the Series 2026A Bonds is not excluded from gross income for federal income tax purposes. In the opinion of Bond Counsel, under existing law, assuming continuing compliance by the Issuer and the County with certain covenants and the accuracy of certain representations, interest on the Series 2026B Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Internal Revenue Code of 1986, as amended (the "Code"). Such interest is, however, included in the "adjusted financial statement income" of certain corporations that are subject to the corporate alternative minimum tax imposed under Section 55 of the Code. In the opinion of Bond Counsel, interest on the Series 2026 Bonds is exempt from present State of Georgia income taxation. See "TAX MATTERS" herein for a description of these and other tax considerations.

VALDOSTA-LOWNDES COUNTY INDUSTRIAL AUTHORITY (GEORGIA)

\$25,285,000*
Economic Development Taxable
Revenue Bonds, Series 2026A

\$10,305,000*
Economic Development
Revenue Bonds, Series 2026B

Dated: Date of Issuance

Due: February 1, as shown on
inside front cover.

The Valdosta-Lowndes County Industrial Authority Economic Development Taxable Revenue Bonds, Series 2026A (the "Series 2026A Bonds") and the Valdosta-Lowndes County Industrial Authority Economic Development Revenue Bonds, Series 2026B (the "Series 2026B Bonds" and, together with the Series 2026A Bonds, the "Series 2026 Bonds") are being issued by the Valdosta-Lowndes County Industrial Authority (the "Issuer"), a public body corporate and politic of the State of Georgia. The Series 2026 Bonds will be issued in book-entry form registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2026 Bonds. Individual purchases may be made only in book-entry form through DTC participants in DTC in the principal amounts of \$5,000 or any integral multiple thereof. No physical delivery of the Series 2026 Bonds will be made to beneficial owners of the Series 2026 Bonds. So long as Cede & Co. is the registered owner of the Series 2026 Bonds, payment of the principal of the Series 2026 Bonds, interest thereon and any redemption premium applicable thereto will be made to Cede & Co., as nominee for DTC, which in turn will remit such principal and interest to the DTC participants for subsequent disbursement to the beneficial owners of the Series 2026 Bonds. See "DESCRIPTION OF THE SERIES 2026 BONDS – Book-Entry System of Registration."

The Series 2026 Bonds are limited obligations of the Issuer. The Series 2026 Bonds are payable solely from payments to be made by Lowndes County, Georgia (the "County") pursuant to an Intergovernmental Contract, dated as of June 1, 2026 (the "Contract"), between the Issuer and the County. Under the Contract, the County has agreed to levy and collect an annual tax, limited to two mills per dollar, on all taxable property located within the County as may be necessary to produce in each year revenues which are sufficient to make the payments required by the Contract. The County's obligation to make payments to the Issuer sufficient in time and amount to enable the Issuer to pay the principal of, premium, if any, and interest on the Series 2026 Bonds is absolute and unconditional, and will not expire so long as any of the Series 2026 Bonds remain outstanding and unpaid. The County has agreed to make payments directly to Regions Bank, Atlanta, Georgia, as sinking fund custodian. See "SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2026 BONDS" and "AD VALOREM TAXATION."

Interest on the Series 2026 Bonds is payable semiannually on February 1 and August 1 (each such date, an "Interest Payment Date"), commencing February 1, 2027, by check or draft mailed by first class mail on the date due by Regions Bank, Atlanta, Georgia, as paying agent (the "Paying Agent"), to the owners thereof as shown on the registration books maintained by the Paying Agent, as bond registrar. The Series 2026 Bonds bear interest from the Interest Payment Date next preceding their date of authentication, except as provided herein. The Series 2026 Bonds will bear interest at the rates and will mature on the dates set forth on the inside front cover page herein. See "DESCRIPTION OF THE SERIES 2026 BONDS."

The Series 2026 Bonds are subject to optional and mandatory redemption, at the times, under the conditions and at the prices set forth in "DESCRIPTION OF THE SERIES 2026 BONDS – Redemption Provisions" herein.*

The Series 2026 Bonds will be issued to provide funds to (i) finance the acquisition, development and improvement of one or more economic development projects located in the County for current or future economic development, and (ii) pay the costs of issuing the Series 2026 Bonds. See "PLAN OF FINANCING" herein.

SEE MATURITY, RATE AND YIELD SCHEDULES ON INSIDE FRONT COVER.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THESE ISSUES. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO MAKING ANY INFORMED INVESTMENT DECISION.

The Series 2026 Bonds are offered when, as, and if issued by the Issuer and accepted by the Underwriter, subject to prior sale and to withdrawal or modification of the offer without notice and to the approving opinion of Pope Flynn, LLC, Athens, Georgia, Bond Counsel. Certain legal matters will be passed upon for the Issuer by its counsel, Coleman Talley LLP, Valdosta, Georgia, for the County by its counsel, Elliott Blackburn PC, Valdosta, Georgia; and for the County by its disclosure counsel, Pope Flynn, LLC, Athens, Georgia. The Series 2026 Bonds in definitive form are expected to be delivered to DTC in New York, New York, on or about June 24, 2026.

RAYMOND JAMES®

Date: June __, 2026

* Preliminary, subject to change

VALDOSTA-LOWNDES COUNTY INDUSTRIAL AUTHORITY (GEORGIA)

\$25,285,000*

**Economic Development Taxable Revenue Bonds,
Series 2026A**

<u>Maturity (February 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP No.⁽¹⁾</u>
2028	\$355,000			
2029	375,000			
2030	390,000			
2031	405,000			
2032	420,000			
2033	440,000			
2034	460,000			
2035	2,005,000			
2036	2,110,000			
2037	2,220,000			
2038	2,335,000			
2039	2,465,000			
2040	2,600,000			
2041	2,745,000			
2042	2,905,000			
2043	3,055,000			

\$10,305,000*

**Economic Development Revenue Bonds,
Series 2026B**

<u>Maturity (February 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP No.⁽¹⁾</u>
2043	\$25,000			
2044	3,260,000			
2045	3,425,000			
2046	3,595,000			

* Preliminary, subject to change.

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association (“ABA”). CUSIP data herein is provided by CUSIP Global Services (“CGS”), managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer, the County, the Underwriter, Bond Counsel, or Disclosure Counsel and are included solely for the convenience of the registered owners of the applicable Bonds. None of the aforementioned participants in the financing or the Underwriter of the Series 2026 Bonds are responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the applicable Bonds or as included herein, or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2026 Bonds as a result of various subsequent actions, including but not limited to a refunding in whole or in part, that are applicable to all or a portion of certain maturities of the Series 2026 Bonds.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement and the Appendices hereto and, if given or made, such other information or representations must not be relied upon as having been authorized by the Issuer, the County or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2026 Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from representatives of the Issuer and the County, public documents, records, and other sources which are deemed to be reliable. The Underwriter has provided the following sentence for inclusion in the Official Statement. The Underwriter has reviewed the information in the Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriter does not guaranty the accuracy or completeness of such information. The information and expression of opinions herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Issuer nor the County since the date hereof.

The Underwriter intends to offer the Series 2026 Bonds to the public initially at the offering prices set forth on the inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2026 Bonds to the public. The Underwriter may offer and sell the Series 2026 Bonds to certain dealers (including dealers depositing the Series 2026 Bonds into investment trusts) at prices lower than the public offering price.

The delivery of this Official Statement at any time does not imply that any information herein is correct as of any time subsequent to its date. Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not representations of fact.

In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Series 2026 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COUNTY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. NO REGISTRATION STATEMENT RELATING TO THE SERIES 2026 BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES AGENCY. THE SERIES 2026 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES AGENCY, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Pursuant to the provisions of Rule 15c2-12 of the Securities and Exchange Commission, the Issuer and the County have "deemed final" the Preliminary Official Statement in connection with the offer and sale of the Series 2026 Bonds.

VALDOSTA-LOWNDES COUNTY INDUSTRIAL AUTHORITY

Members

Brad Folsom, *Chairman*
John Crawford, *Vice Chairman*
Terri Lupo, *Secretary/Treasurer*
Frank Richards
Jerry Jennett

Niki Ogletree, President & CEO

LOWNDES COUNTY, GEORGIA

ELECTED OFFICIALS

Board of Commissioners of Lowndes County

Bill Slaughter, *Chairman*
Joyce E. Evans, *District 1*
Scott Orenstein, *District 2*
Mark Wisenbaker, *District 3*
Demarcus Marshall, *District 4*
Michael Smith, *District 5*

APPOINTED OFFICIALS

K. Paige Dukes, *County Manager*
Belinda C. Lovern, *Clerk to the Board of Commissioners*
Stephanie L. Black, *Director of Finance*

UNDERWRITER

Raymond James and Associates, Inc.
Atlanta, Georgia

AUDITOR

Aprio, LLP
Valdosta, Georgia

ISSUER'S COUNSEL

Coleman Talley LLP
Valdosta, Georgia

COUNTY'S COUNSEL

Elliott Blackburn PC
Valdosta, Georgia

BOND AND DISCLOSURE COUNSEL

Pope Flynn, LLC
Athens, Georgia

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OFFICIAL STATEMENT

Relating to

VALDOSTA-LOWNDES COUNTY INDUSTRIAL AUTHORITY (GEORGIA)

\$25,285,000*
Economic Development Taxable
Revenue Bonds, Series 2026A

\$10,305,000*
Economic Development
Revenue Bonds, Series 2026B

INTRODUCTION

General

The purpose of this Official Statement (the “Official Statement”), which includes the cover page and the Appendices hereto, is to furnish certain information in connection with the sale by the Valdosta-Lowndes County Industrial Authority (the “Issuer”) of \$25,285,000* in aggregate principal amount of its Economic Development Taxable Revenue Bonds, Series 2026A (the “Series 2026A Bonds”) and \$10,305,000* in aggregate principal amount of its Economic Development Revenue Bonds, Series 2026B (the “Series 2026B Bonds” and, together with the Series 2026A Bonds, the “Series 2026 Bonds”). Definitions of certain terms used in this Official Statement and not otherwise defined herein are set forth in Appendix B of this Official Statement under the heading “SUMMARY OF THE BOND RESOLUTION AND THE CONTRACT.”

This introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover page and the Appendices hereto, and the documents summarized or described herein. Potential investors should fully review the entire Official Statement, including the Appendices hereto. No person is authorized to detach this Introduction from the Official Statement or to otherwise use it without the entire Official Statement, including the Appendices hereto.

The Issuer

The Issuer is a public body corporate and politic of the State of Georgia, an instrumentality of the City of Valdosta and of Lowndes County and a public corporation, duly created by local constitutional amendment, Ga. Laws 1960, p. 1359, *et seq.*, supplemented by local act, Ga. Laws, p. 2768, *et seq.* (1960), and continued by Ga. Laws 1985, p. 3710, *et seq.* (the “Act”). For more complete information, see “THE ISSUER” herein.

The Series 2026 Bonds will be special limited obligations of the Issuer as described under the caption “SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2026 BONDS” herein.

The County

Lowndes County, Georgia (the “County”) is a political subdivision created and existing under the laws of the State of Georgia. The County is located in the south central portion of the State of Georgia approximately 230 miles southeast of Atlanta, Georgia and 70 miles northeast of Tallahassee, Florida. The County is the 21st (out of 159) most populous county in the State of Georgia. See “THE COUNTY” and “LOWNDES COUNTY FINANCIAL INFORMATION.”

* Throughout this preliminary official statement an asterisk indicates that the information is preliminary and subject to change.

Security and Source of Payment for the Series 2026 Bonds

The Series 2026 Bonds are limited obligations of the Issuer. The Series 2026 Bonds are payable solely from payments to be made by the County pursuant to an Intergovernmental Contract, dated as of June 1, 2026 (the “Contract”), between the Issuer and the County. Under the Contract, the County has agreed to levy and collect an annual tax on all taxable property located within the County at such rate or rates, not to exceed two mills per dollar, as may be necessary to produce in each year revenues which are sufficient to make the payments required by the Contract. The County’s obligation to make payments to the Issuer sufficient in time and amount to enable the Issuer to pay the principal of, premium, if any, and interest on the Series 2026 Bonds is absolute and unconditional, and will not expire so long as any of the Series 2026 Bonds remain outstanding and unpaid. The County has agreed to make payments directly to Regions Bank, Atlanta, Georgia, as bond fund custodian. For more complete information, see “SECURITY AND SOURCE OF PAYMENT OF THE SERIES 2026 BONDS” herein, “AD VALOREM TAXATION” and APPENDIX B – SUMMARY OF THE BOND RESOLUTION AND THE CONTRACT hereto.

Purpose of the Series 2026 Bonds

The Series 2026 Bonds will be issued to provide funds to (i) finance the acquisition, development and improvement of one or more economic development projects located in the County for current or future economic development and (ii) pay the costs of issuing the Series 2026 Bonds. See “PLAN OF FINANCING” herein.

Description of the Series 2026 Bonds

*Redemption.** The Series 2026 Bonds are subject to optional and mandatory redemption prior to their stated maturity. At least thirty and not more than sixty days before the date upon which redemption is to be made, a redemption notice will be mailed by first class mail to all registered owners of Bonds to be redeemed. See “DESCRIPTION OF THE SERIES 2026 BONDS -- Redemption Provisions.”

Denominations. The Series 2026 Bonds are issuable in denominations of \$5,000 or any integral multiple thereof.

Registration, Transfers and Exchanges. The registered owner of the Series 2026 Bonds as shown on the registration books maintained by Regions Bank, Atlanta, Georgia, as bond registrar (the “Bond Registrar”), will be treated as the owner of the Series 2026 Bonds for all purposes, including payment. The Series 2026 Bonds will be issued in fully registered form. When in book-entry form, the purchasers of the Series 2026 Bonds (the “Beneficial Owners”) will not receive certificates representing their ownership interest in the Series 2026 Bonds. Instead, such Bonds will be held by a securities depository, initially The Depository Trust Company (“DTC”) and registered in the name of DTC or its nominee, Cede & Co. Any registration of transfer or exchange of the ownership interest in Bonds held in book-entry form will be made through computerized book-entry changes on the books of DTC through DTC’s Direct and Indirect Participants in the manner described herein under “DESCRIPTION OF BONDS – Book-Entry System of Registration.” When not in book-entry form, ownership of any Series 2026 Bond may be registered as transferred upon surrender of such Bond to the Bond Registrar, together with an assignment duly executed by the registered owner or his attorney or legal representative, subject to the conditions hereinafter described. When not in book-entry form, the Series 2026 Bonds are exchangeable for a like aggregate principal amount of Bonds of the same maturity in denominations of \$5,000 or integral multiples thereof, subject to the conditions hereinafter described. See “DESCRIPTION OF BONDS -- Registration Provisions; Transfer and Exchange.”

Payments. Interest on the Series 2026 Bonds is payable on February 1 and August 1 of each year (each such date, an “Interest Payment Date”), commencing February 1, 2027. Payment of the principal of, premium, if any, and interest on the Series 2026 Bonds will be made by the Regions Bank, Atlanta, Georgia, as paying agent, directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to Participants (hereinafter defined) and thereafter to Beneficial Owners of the Series 2026 Bonds. When not in book-entry form, interest on the Series 2026 Bonds is payable by check or draft mailed by first class mail on the Interest Payment Date to the owners thereof as shown on the books and records of the Bond Registrar, on the 15th day of the calendar month next preceding the Interest Payment Date. When not in book-entry form, principal on the Series 2026 Bonds is payable upon surrender

thereof at the corporate trust office of the Paying Agent, located in Atlanta, Georgia. See “DESCRIPTION OF THE SERIES 2026 BONDS.”

For a more complete description of the Series 2026 Bonds, see “DESCRIPTION OF THE SERIES 2026 BONDS.”

Tax Status

In the opinion of Bond Counsel, under existing law, interest on the Series 2026A Bonds (including any original issue discount accruing thereon) is not excluded from gross income for federal income tax purposes and is taxable as ordinary income. In the opinion of Bond Counsel, under existing law, assuming continuing compliance by the Issuer and the County with certain covenants and the accuracy of certain representations, interest on the Series 2026B Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Internal Revenue Code of 1986, as amended (the “Code”). Such interest is, however, included in the “adjusted financial statement income” of certain corporations that are subject to the corporate alternative minimum tax imposed under Section 55 of the Code. In the opinion of Bond Counsel, interest on the Series 2026 Bonds is exempt from present State of Georgia income taxation.

See “TAX MATTERS” herein for a description of these and other tax considerations.

Professionals Involved in the Offering

The Series 2026 Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale and to withdrawal or modification of the offer without notice, and to the approval of legality by Pope Flynn, LLC, Athens, Georgia, bond counsel. Certain legal matters will be passed upon for the Issuer by its counsel, Coleman Talley LLP, for the County by its counsel, Elliott Blackburn PC, Valdosta, Georgia, and for the County by its disclosure counsel, Pope Flynn, LLC, Athens, Georgia.

The financial statements of the County as of June 30, 2025 and for the year then ended attached hereto as Appendix A have been audited by Aprio, LLP, Valdosta, Georgia, independent certified public accountants, as indicated in their report included thereon.

Bond Registrar, Paying Agent and Custodians

Regions Bank, Atlanta, Georgia, will act as bond registrar, as authenticating agent, as paying agent for the Series 2026 Bonds, and as bond fund custodian and project fund custodian.

Legal Authority for Issuance

The Series 2026 Bonds are being issued in accordance with and pursuant to the Constitution and laws of the State of Georgia and pursuant to a resolution of the Issuer authorizing the issuance of the Series 2026 Bonds, adopted on May 1, 2026, to be supplemented on or about June 9, 2026 (collectively, the “Bond Resolution”). For more complete information, see “DESCRIPTION OF THE SERIES 2026 BONDS—Authority for Issuance” herein.

Offering and Delivery of the Series 2026 Bonds

The Series 2026 Bonds are offered when, as and if issued by the Issuer and accepted by the purchasers thereof. The Series 2026 Bonds in definitive form are expected to be delivered through The Depository Trust Company in New York, New York, on or about June 24, 2026.

Continuing Disclosure

The Issuer has determined that no financial or operating data concerning the Issuer is material to any decision to purchase, hold, or sell the Series 2026 Bonds, and the Issuer will not provide any such information. The County

has undertaken all responsibilities for any continuing disclosure to Beneficial Owners of the Series 2026 Bonds, as described below, and the Issuer will have no liability to the Beneficial Owners of the Series 2026 Bonds or any other person with respect to such disclosures.

The County has covenanted in a Continuing Disclosure Certificate (the “Disclosure Certificate”) for the benefit of the beneficial owners of the Series 2026 Bonds to provide certain financial information and operating data relating to the County (the “Annual Report”) by not later 270 days after the end of each fiscal year of the County, commencing with fiscal year 2026, and to provide notices of the occurrence of certain enumerated events (the “Events Notices”). The Annual Report and the Events Notices will be filed with the Municipal Securities Rulemaking Board (the “MSRB”) in an electronic format as prescribed by the MSRB (which, as of the date hereof, is the Electronic Municipal Market Access (“EMMA”) system of the MSRB). The County’s undertaking to provide the Annual Report and Events Notices pursuant to the Continuing Disclosure Certificate is described in Appendix C. The covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”).

Prior Undertakings. The County has entered into prior written undertakings (collectively, the “Prior Undertakings” and individually, each a “Prior Undertaking”) as an obligated person under the Rule to provide (a) audited financial statements, (b) operating and financial data and (c) event notices. For the Prior Undertakings, County’s annual reports were due not later than 270 days after the end of each fiscal year.

Instances of Non-Compliance. There have been instances in the last five years in which the County has not fully complied with its obligations under the Prior Undertakings to provide audited financial statements, operating and financial data and event notices. A summary of the instances in which the County has failed to fully comply with such obligations is set forth below; provided, however, that no assurances can be given that such summary is complete, and it should be assumed that additional instances of non-compliance have occurred.

- (1) For fiscal year ending June 30, 2021, the County filed its annual report on time, but filed its audited financial statements on January 5, 2022 (9 days’ late). The County filed a failure to file a complete report notice prior to the deadline.
- (2) For fiscal year ending June 30, 2022, the County filed its annual report on time, but filed its audited financial statements on January 18, 2023 (22 days’ late). The County filed a failure to file a complete report notice prior to the deadline.
- (3) The County failed to file a notice of the occurrence of a listed event regarding the incurrence of four financial obligations by the County within ten days of the incurrence of each such financial obligation. A notice of the incurrence of such financial obligations was filed on March 15, 2024.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change without notice.

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the Issuer, the County, the Series 2026 Bonds, and the security and sources of payment for the Series 2026 Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Bond Resolution, the Contract, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents, and references herein to the Series 2026 Bonds are qualified in their entirety to the form thereof included in the Bond Resolution.

Copies of all documents described herein are available upon request, prior to the delivery of the Series 2026 Bonds, from Raymond James and Associates, Inc., Two Buckhead Plaza, Suite 702, 3050 Peachtree Road, NW, Atlanta, Georgia 30305, telephone: (404) 240-6840, and after delivery of the Series 2026 Bonds upon payment to the

County of a charge for copying, mailing and handling, from the Lowndes County, Georgia, 327 N. Ashley Street, 3rd Floor, Valdosta, Georgia 31601, Attention: Stephanie Black, telephone: (229) 671-2442.

PLAN OF FINANCING

Estimated Sources and Applications of Funds*

The sources and applications of funds in connection with the issuance of the Series 2026 Bonds are estimated below.

Series 2026A Bonds

Estimated Sources of Funds:

Series 2026A Bond Proceeds:	
Par Amount	\$25,285,000*
[Plus/less] Net [Premium/Discount]	
Total Sources of Funds:	

Estimated Application of Funds:

Deposit to Series 2026A Account of Project Fund Cost of Issuance ⁽¹⁾	
Total Application of Funds:	

Series 2026B Bonds

Estimated Sources of Funds:

Series 2026B Bond Proceeds:	
Par Amount	\$10,305,000*
[Plus/less] Net [Premium/Discount]	
Total Sources of Funds:	

Estimated Application of Funds:

Deposit to Series 2026B Account of Project Fund Cost of Issuance ⁽¹⁾	
Total Application of Funds:	

⁽¹⁾ Includes Underwriter's discount, legal and accounting fees, rating agency fees, printing and engraving costs, validation court costs and other costs of issuance.

Projects

A portion of the proceeds of the Series 2026 Bonds will be used to finance the acquisition, development and improvement of one or more economic development projects located in the County to be selected by the Issuer (collectively, the "Projects").

DESCRIPTION OF THE SERIES 2026 BONDS

General

The Series 2026 Bonds will be dated as of their date of issuance. Interest on the Series 2026 Bonds is payable on February 1 and August 1 of each year (each such date, an “Interest Payment Date”), commencing February 1, 2027. The Series 2026 Bonds will bear interest from the Interest Payment Date next preceding their date of authentication to which interest has been paid (unless their date of authentication is an Interest Payment Date, in which case from such Interest Payment Date, or unless their date of authentication is after a record date and prior to the corresponding Interest Payment Date, in which case from such corresponding Interest Payment Date or unless their date of authentication is prior to February 1, 2027, in which case from their date of issuance) at the rates per annum set forth on the inside front cover of this Official Statement (computed on the basis of a 360-day year comprised of twelve 30-day months). Payment of the principal of, premium, if any, and interest on the Series 2026 Bonds will be made by the Paying Agent directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to DTC’s Direct Participants and thereafter to the Beneficial Owners of the Series 2026 Bonds. See “- Book-Entry System of Registration” below. Interest on the Series 2026 Bonds is payable by check or draft mailed by first class mail on the Interest Payment Date to the owners thereof as shown on the books and records of the Bond Registrar on the 15th day of the calendar month next preceding the Interest Payment Date. Interest on the Series 2026 Bonds is payable to any registered owner of at least \$1,000,000 in aggregate principal amount of Bonds by wire transfer to an account in the continental United States, if written wire transfer instructions are given to the Paying Agent prior to the 15th day of the calendar month preceding the first Interest Payment Date to which such instructions relate. When not in book-entry form, principal on the Series 2026 Bonds is payable upon surrender thereof at the corporate trust office of the Paying Agent located in Atlanta, Georgia.

Authority for Issuance

The Series 2026 Bonds are being issued in accordance with and pursuant to the Constitution and laws of the State of Georgia, including specifically by local constitutional amendment, Ga. Laws 1960, p. 1359, *et seq.*, supplemented by local act, Ga. Laws p. 2786, *et seq.* (1960), and continued by Ga. Laws 1985, p. 3710, *et seq.* (the “Act”) and the Revenue Bond Law (O.C.G.A. Section 36-82-60 *et seq.*, as amended), and pursuant to the Bond Resolution, as supplemented. A summary of certain provisions of the Bond Resolution is set forth in Appendix B.

Article IX, Section III, Paragraph I of the Constitution of the State of Georgia of 1983 authorizes any political subdivision of the State of Georgia to contract for any period not exceeding 50 years with any public corporation or public authority for joint services, for the provision of services, or for the joint or separate use of facilities or equipment, if such contract deals with activities, services, or facilities which the contracting parties are authorized by law to undertake to provide.

The execution, delivery, and performance of the Contract by the County was authorized and approved pursuant to a resolution to be adopted by the Board of Commissioners of the County on May 12, 2026, to be supplemented on or about June 9, 2026.

Redemption Provisions*

Optional Redemption.

The Series 2026A Bonds maturing on February 1, 20__ and thereafter are redeemable prior to maturity at the option of the Authority, as direct by the County, in whole or in part at any time on or after February 1, 20__, from any moneys available therefor at par plus accrued interest to the redemption date, all in the manner provided in the Bond Resolution.

The Series 2026B Bonds maturing on February 1, 20__ and thereafter are redeemable prior to maturity at the option of the Authority, as direct by the County, in whole or in part at any time on or after February 1, 20__,

from any moneys available therefor at par plus accrued interest to the redemption date, all in the manner provided in the Bond Resolution.

Mandatory Redemption of Bonds.

The Series 2026A Bonds maturing on February 1, 20____, are subject to mandatory sinking fund redemption on February 1, 20____, and on each February 1 thereafter to and including February 1, 20____, in the principal amount set forth in the table below, at a redemption price equal to 100% of the principal amount to be redeemed plus interest due thereon on such redemption date (the February 1, 20____ amount to be paid rather than redeemed):

<u>February 1 of the Year</u>	<u>Principal Amount</u>
-----------------------------------	-------------------------

+ Final Maturity

The Series 2026B Bonds maturing on February 1, 20____, are subject to mandatory sinking fund redemption on February 1, 20____, and on each February 1 thereafter to and including February 1, 20____, in the principal amount set forth in the table below, at a redemption price equal to 100% of the principal amount to be redeemed plus interest due thereon on such redemption date (the February 1, 20____ amount to be paid rather than redeemed):

<u>February 1 of the Year</u>	<u>Principal Amount</u>
-----------------------------------	-------------------------

+ Final Maturity

Method of Redemption. In the event of a partial redemption of the Series 2026 Bonds, the particular maturity or maturities to be redeemed shall be specified by the County in writing to the Paying Agent, or, if not so specified, then the Series 2026 Bonds to be redeemed shall be selected for redemption by the Paying Agent in inverse order or maturities (and declining order of interest rate or rates within a maturity, if applicable). If less than all of the Series 2026 Bonds of a maturity are to be called for redemption, the particular certificates of such maturity or portions thereof in the case of certificates in principal amounts greater than \$5,000 to be redeemed shall be selected by the Paying Agent pro rata or by such other means the Paying Agent may deem fair in accordance with the Bond Resolution; provided, however, that in the event that the County shall be the owner of any Series 2026 Bonds of such maturity and interest rate at the time of such redemption, the County may direct the Paying Agent in writing to redeem all or a portion of the Series 2026 Bonds of such maturity and interest rate owned by the County.

Notice of Redemption. Notice of the call for any redemption, identifying the Series 2026 Bonds (or the portions thereof) to be redeemed and specifying the terms of such redemption, will be mailed, by first class mail, to the owners of the Series 2026 Bonds to be prepaid (in whole or in part) at their addresses appearing on the bond register maintained by the Bond Registrar not more than 60 days nor less than 30 days prior to the redemption date; provided, however, that failure to give such notice, or any defect therein, will not affect the validity of the proceedings for the redemption of any Series 2026 Bond as to which notice was given as provided in the Bond Resolution.

In the event that any such notice of redemption is conditional, and such condition is not satisfied, then the Paying Agent shall not redeem any of the Series 2026 Bonds with respect to which such conditional notice of redemption was mailed, such Bonds shall continue to bear interest at the rate specified thereon, and the Paying Agent and the owners of the Series 2026 Bonds, the Issuer and the County shall continue as if such conditional notice had not been mailed to the owners of the Series 2026 Bonds. The Paying Agent shall send a notice by first class mail to the County and to the owners of the Series 2026 Bonds that such condition was not satisfied and that such redemption did not occur.

On or prior to the date fixed for any redemption of Bonds the moneys required for such redemptions are to be deposited by or on behalf of the Issuer in accordance with the Contract. All Bonds called for redemption will cease to bear interest after the specified redemption date, provided that sufficient funds for redemption are on deposit with the Paying Agent.

Registration Provisions; Transfer and Exchange

The Series 2026 Bonds will be issued in fully registered form in the denomination of \$5,000 each or integral multiples thereof. The Series 2026 Bonds will be registered as to principal and interest on the registration books kept by the Bond Registrar. The registered owner thereof shall be treated as the absolute owner thereof for all purposes, regardless of any actual notice to the contrary.

When in book-entry form, the purchasers of the Series 2026 Bonds (the “Beneficial Owners”) will not receive certificates representing their ownership interest in the Series 2026 Bonds. Instead, such Bonds will be held by a securities depository, initially The Depository Trust Company (“DTC”) and registered in the name of DTC or its nominee, Cede & Co. Any transfer or exchange of the ownership interest in Bonds held in book-entry form will be made through computerized book-entry changes on the books of DTC through DTC’s Direct and Indirect Participants in the manner described herein under “DESCRIPTION OF THE SERIES 2026 BONDS – Book-Entry System of Registration.”

When not in book-entry form, ownership of any Series 2026 Bond will be transferable upon surrender thereof to the Bond Registrar, together with an assignment duly executed by the registered owner or his attorney, duly authorized in writing in such form as shall be satisfactory to the Bond Registrar. Upon any such transfer of ownership, the Bond Registrar will cause to be authenticated and delivered a new Bond or Bonds registered in the name of the transferee in the authorized denomination in the same aggregate principal amount, interest rate, series and maturity as the Series 2026 Bonds surrendered for such transfer. The Series 2026 Bonds may be exchanged for a like principal amount of Bonds of the same interest rate, series and maturity of other authorized denominations. For every exchange or registration of transfer, the Bond Registrar may charge an amount sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration or transfer, but no other charge may be made to the owner for any exchange or registration of transfer of the Series 2026 Bonds. The Bond Registrar is not required to transfer or exchange any Series 2026 Bond after notice of redemption has been given or for fifteen days prior to the giving of such notice.

Book-Entry System of Registration

DTC will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2026 Bonds, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and

municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other Bond transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of Bond certificates. Direct Participants include both U.S. and non-U.S. Bond brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. Securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2026 Bond documents. For example, Beneficial Owners of the Series 2026 Bonds may wish to ascertain that the nominee holding the Series 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments and redemption proceeds on the Series 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with the Series 2026 Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to Issuer or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuer or the County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor Securities depository). In that event, certificated Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer and the County believe to be reliable, but the Issuer, the County and the Underwriter take no responsibility for the accuracy thereof, and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the Issuer, the County, the Underwriter, nor the Paying Agent will have any responsibility or obligations to any Direct Participants or Indirect Participants or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or any such Direct Participants or Indirect Participants; (ii) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of, premium, if any, or interest on the Series 2026 Bonds; (iii) the delivery by any such Direct Participant or Indirect Participants of any notice to any Beneficial Owner that is required or permitted under the terms of the Bond Resolution to be given to the holders of the Series 2026 Bonds; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2026 Bonds; or (v) any consent given or other action taken by DTC as holder of the Series 2026 Bonds.

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SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2026 BONDS

The Series 2026 Bonds are limited obligations of the Issuer. The Series 2026 Bonds are payable solely from payments to be made by the County pursuant to the Contract. Pursuant to the Contract, the County has agreed to pay to the Issuer payments in such amounts and at such times as will be sufficient to enable the Issuer to pay the principal of, premium, if any, and interest on the Series 2026 Bonds, as and when the same become due and payable. The County has agreed to levy and collect an annual tax on all taxable property located within the County, at such rate or rates, not to exceed two mills per dollar, as may be necessary to produce in each year revenues which are sufficient to make the payments required by the Contract (the “Pledged Tax Revenues”). The Bond Resolution creates a lien in favor of the holder of the Series 2026 Bonds on any and all revenues to be paid by the County under the Contract, to make the payments that are required to pay the principal or, premium, if any, and interest on the Series 2026 Bonds; provided, however, the County has created a lien on the Pledged Tax Revenues pursuant to an Intergovernmental Contract with the Issuer (the “2019 Contract”), which is pledged to the payment of the Valdosta-Lowndes County Industrial Authority (Georgia) Economic Development Taxable Revenue Bonds, Series 2019 (the “Series 2019 Bonds”) and may create a lien on a parity with the lien created by the Contract and the Series 2019 Contract in connection with the issuance of any debt instruments issued in connection with an Additional Funding Agreement (as defined in the Contract) secured by the Pledged Tax Revenues. See “THE CONTRACT – Parity Obligations; Limitations on Additional Funding Agreements” in Appendix B hereto.

The County has also agreed in the Contract that in order to make funds available to make the payments required by the Contract in each fiscal year, it will, in its general revenue, appropriation, and budgetary measures through which its tax funds or revenues and the allocation thereof are controlled or provided for, include sums sufficient to satisfy the payments required to be made under the Contract until all payments required to be made under the Contract have been made in full; provided, however, the County has retained the right to make any such payments out of its general funds or any other lawfully available funds so long as all payments to the Issuer by the County do not exceed the taxing limit for the Pledged Tax Revenues. The County’s obligation to make the payments required under the Contract is absolute and unconditional and will not expire so long as any of the Series 2026 Bonds remain outstanding and unpaid. See “SUMMARY OF THE BOND RESOLUTION AND THE CONTRACT” in Appendix B hereto. The County has agreed to make payments directly to the Bond Fund Custodian.

The Series 2026 Bonds will not constitute a general obligation of the State of Georgia, the County or any political subdivision of the State of Georgia within the meaning of any constitutional or statutory limitation upon indebtedness. No owner of the Series 2026 Bonds shall ever have the right to compel the exercise of the taxing power of the State of Georgia, the County or any political subdivision of the State of Georgia to pay the same or the interest thereon. The Issuer has no taxing power. The Series 2026 Bonds will not be secured by a lien on any real or personal property of the Issuer or the County.

The obligations of the County under the Contract were determined by the Superior Court of Lowndes County, Georgia to be legal, valid, binding, and enforceable obligations of the County. See “LEGAL MATTERS – Validation Proceedings and Approving Opinions” herein.

Enforceability of Remedies

The realization of value from the payments made by the County pursuant to the Contract upon any default will depend upon the exercise of various remedies specified by the Bond Resolution and the Contract. These and other remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, reorganization, or other laws affecting the enforcement of creditors’ rights generally.

Section 36-80-5 of the Official Code of Georgia Annotated provides that no authority or county created under the Constitution or the laws of the State of Georgia shall be authorized to file a petition for relief from payment of its debts as they mature or a petition for consolidation of its debts under any federal statute providing for such relief or

consolidation or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities. Section 36-80-5 of the Official Code of Georgia Annotated also provides that no chief executive, board of commissioners, or other governmental officer, governing body, or organization shall be empowered to cause or authorize the filing by or on behalf of any authority or county created under the Constitution or laws of the State of Georgia of any petition for federal relief from payment of its debts as they mature or a petition for consolidation of its debts under any federal statute providing for such relief or consolidation or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities.

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THE ISSUER

The Issuer is a public body corporate and politic of the State of Georgia, an instrumentality of the City of Valdosta and of Lowndes County and a public corporation, duly created by local constitutional amendment, Ga. Laws 1960, p. 1359, *et seq.*, supplemented by local act, Ga. Laws, p. 2768, *et seq.* (1960), and continued by Ga. Laws 1985, p. 3710, *et seq.* (the “Act”).

THE ISSUER HAS NO TAXING POWER AND HAS NO LEGAL RIGHT TO OBTAIN ANY APPROPRIATIONS FROM THE COUNTY OR ANY OTHER GOVERNMENTAL BODY, EXCEPT FOR THE PAYMENTS THE COUNTY HAS CONTRACTED TO MAKE UNDER THE CONTRACT.

The Issuer has authorized the use of this Official Statement but has not participated in the preparation of this Official Statement and, except for the information under the captions “THE ISSUER” and “LEGAL MATTERS – Pending Litigation” pertaining to the Issuer, has not provided or made any investigation with respect to any of the information contained in this Official Statement, and does not assume any responsibility for the accuracy or completeness of the information contained herein.

The Issuer is governed by a five-member Board of Directors. The current members of the Issuer, their principal occupation and the dates on which their present terms expire are as set forth below:

<u>Name</u>	<u>Expiration of Term of Office</u>	<u>Occupation</u>
Brad Folsom, <i>Chairman</i>	January 1, 2028	Attorney
John Crawford, <i>Vice Chairman</i>	January 1, 2029	Executive
Terri Lupo, <i>Secretary/Treasurer</i>	January 1, 2030	Retired Executive
Frank Richards	January 1, 2030	Nonprofit CEO
Jerry Jennett	January 1, 2027	Executive

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THE COUNTY

Introduction

The County is a political subdivision created and existing under the laws of the State of Georgia. The County was created from districts of Irwin County by an Act of the General Assembly of the State of Georgia on December 23, 1825. The County is located in the south central portion of the State of Georgia approximately 230 miles southeast of Atlanta, Georgia and 70 miles northeast of Tallahassee, Florida. The County is bordered on the north by Cook, Berrien, and Lanier Counties, on the west by Brooks County, on the south by the State of Florida, and on the east by Echols and Lanier counties. The incorporated municipalities in the County are Valdosta, Dasher, Hahira, Lake Park, and Remerton. The County presently has a land area of approximately 510.7 square miles.

County Administration and Officials

The affairs of the County are conducted by a Board of Commissioners consisting of six members. For the purposes of electing the members of the Board of Commissioners, the County is divided into five commissioner districts. The Chairperson of the Board of Commissioners is elected at-large by the voters of the entire County and must reside within the County during that person's term of office. Each candidate for the other five positions must be a resident of the commissioner district which such person offers to represent and is elected by the voters of the commissioner district to which such candidate seeks election. Members of the Board of Commissioners are elected to serve staggered four-year terms of office. To be eligible to serve as a member of the Board of Commissioners a person must have attained the age of 21 years, must have been a bona fide citizen and resident of the County for not less than one year preceding his election, must be qualified to vote in the County, and must not have been convicted or sentenced for any felony involving moral turpitude.

Information concerning the current members of the Board of Commissioners is set forth below:

<u>Name and Office Held or District Represented</u>	<u>Expiration of Term</u>	<u>Number of Years in Office</u>	<u>Principal Occupation</u>
Bill Slaughter, <i>Chairperson</i>	2028	13	Retired Local Business Owner
Joyce E. Evans, <i>District 1</i>	2028	25	Retired
Scott Orenstein, <i>District 2</i>	2026	11	Local Business Owner – Construction
Mark Wisenbaker, <i>District 3</i>	2026	11	Local Business Owner – Consulting
Demarcus Marshall, <i>District 4</i>	2026	13	Retired
Michael Smith, <i>District 5</i>	2028	1	Nonprofit CEO

The daily operation of the County is directed by a County Manager, who is appointed by and serves at the pleasure of the Board of Commissioners. The County Manager is responsible to the Board of Commissioners for the proper and efficient administration of all affairs of the County. Paige Dukes has served as County Manager since August, 2020.

The County Finance Director is responsible for, among other things, providing reasonable assurance regarding the reliability of financial records for preparing financial statements and maintaining accountability for assets. The responsibilities of the Finance Department include budget preparation; cash, fixed asset, and grant management; purchasing; and risk and insurance. Budgetary control is maintained at the department level by the encumbrance of estimated purchase amounts before the release of purchase orders to vendors. The current Finance Director, who serves at the pleasure of the Board of Commissioners, is Stephanie Black.

County Services

The County provides numerous services. The County provides and/or funds law enforcement, emergency medical, enhanced 911, court administration, animal control, health and welfare, and other general governmental

services to its residents, businesses, and property owners, the cost of which is financed, in whole or in part, by general fund revenues. The County also provides fire protection, planning, and zoning services to its residents, businesses, and property owners in the unincorporated area of the County, the cost of which is financed by revenues generated by the residents, businesses, and property owners of the unincorporated area. The County acquires, constructs, and maintains roads and bridges, the cost of which is financed by general fund revenues, special purpose local option sales tax revenues, transportation special purpose local option sales tax revenues, and local maintenance and improvement grants. The County provides other public facilities, the costs of which are funded by general fund revenues and special purpose local option sales tax revenues. The County provides water and sewer services to a portion of its residents, businesses, and property owners in the County, the cost of which is financed primarily by charges to the County's water and sewer customers.

County Facilities

The County maintains more than 815 miles of roads. The County sheriff's office employs 241 sworn officers, operates 209 vehicles and one jail, and maintains a 24-hour uniformed patrol. The County's fire department has 18 fire stations, 58 vehicles, 22 pumpers ranging from 1,000 to 1,250 gallons per minute, and 79 firefighters, 69 full-time and 10 part-time. The National Board of Fire Underwriters' fire insurance rating for the unincorporated area of the County is Class 4 for 40 percent of the County and Class 4X for the remainder of the unincorporated area of the County.

The County operates a water supply, treatment, and distribution system serving approximately 9,473 customers. The average daily consumption of water from the County's water system for the year ended June 30, 2025 was 3.5 million gallons per day. The County also operates a sanitary sewer collection and treatment system serving approximately 7,549 customers. The average daily use of the County's sewer system for the year ended June 30, 2025 was 2.3 million gallons per day.

Other County Funded Services

The County funds from county wide tax revenues the provision of parks and recreation services by a parks and recreation authority through 6 community centers, 11 large recreation facilities, 25 parks and 5 boat ramps. The County also funds from county wide tax revenues library services provided by a library board through four public libraries.

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Demographic Information

Set forth below is selected demographic data for the County.

<u>Year</u>	<u>Population</u> ⁽¹⁾	<u>Per Capita Income</u> ⁽²⁾	
		<u>County</u>	<u>State</u>
2025	122,082	\$46,034	\$62,393
2024	121,925	45,896	63,006
2023	120,957	45,758	60,006
2022	120,055	43,835	57,396
2021	119,600	44,291	56,262
2020	118,251	41,443	51,496
2010	109,233	30,426	34,470
2000	92,115	22,254	28,760

Source:

- (1) U.S. Department of Commerce, Bureau of the Census and Lowndes County Annual Comprehensive Financial Report for the Fiscal Year Ended June 30. The population figure for years 2021-2025 is an estimate by the U.S. Department of Commerce, Bureau of the Census.
- (2) U.S. Department of Commerce, Bureau of Economic Analysis.

The following table shows the median home value in the County, the State of Georgia and the United States for the years 2020 through 2024.

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2024	\$215,600	\$303,300	\$332,700
2023	197,900	272,900	303,400
2022	177,800	245,900	281,900
2021	154,200	206,700	244,900
2020	145,900	190,200	229,800

Source: U.S. Census Bureau.

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Economic Information

The following information is provided to give prospective investors an overview of the general economic conditions in the County. These statistics have not been adjusted to reflect economic trends and are not to be relied upon as a representation or guarantee of the County.

Summary of Building Permits

<u>Year</u>	<u>Commercial/Industrial/Other</u>		<u>Residential</u>			
	<u>Permits</u>	<u>Value</u>	<u>Single Family</u>		<u>Multi-Family</u>	
			<u>Permits</u>	<u>Value</u>	<u>Units</u>	<u>Value</u>
2024	N/A	N/A	893	\$194,936,749	6	\$397,584
2023	N/A	N/A	808	186,960,685	55	5,307,376
2022	31	2,724,863	1204	229,011,240	22	1,457,806
2021	44	8,634,625	1351	254,560,256	146	13,828,596
2020	29	1,652,825	1161	213,667,032	115	10,911,648

Source: Georgia Department of Labor and City of Valdosta Inspection Department. Data includes unincorporated areas of the County.

Set forth below are the percentages of land use for various purposes within the County, computed based upon acreage as shown on the County’s consolidation and evaluation tax digest sheets for the various categories for ad valorem property tax purposes.

<u>Year</u>	<u>Residential</u>	<u>Agricultural</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Conservation</u>	<u>Timber and Forest Land Conservation Use</u>	<u>Other⁽¹⁾</u>
2025	15.19%	25.58%	3.85%	1.38%	27.52%	26.31%	0.16%
2024	12.26	25.52	3.01	1.26	23.58	34.36	0.01
2023	14.00	18.61	3.25	1.44	27.45	35.25	0.01
2022	14.42	19.83	3.39	1.46	29.62	31.27	0.01
2021	15.04	21.85	3.55	1.59	30.94	27.02	0.01

⁽¹⁾ Includes historical, Brownfield property and utility.

Source: Georgia Department of Revenue, Local Government Services Division.

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The following table shows the industry mix for the County for the 2nd quarter of 2025, the most recent information available. The table is intended to provide information regarding the types of industries employing residents in the County and the compensation paid to those employees. The tables do not provide information with respect to all industries and firms.

<u>Industry</u>	<u>Number of Firms</u>	<u>Average Monthly Employment</u>	<u>Average Weekly Wages</u>
Agriculture, Forestry, Mining, Oil and Gas	29	117	\$896
Mining, Quarrying, and Oil and Gas Extraction	2	**	**
Construction	273	2,363	1,240
Manufacturing	121	4,837	1,250
Services:			
Utilities	11	162	1,934
Wholesale Trade	129	1,241	1,270
Retail Trade	495	6,544	678
Transportation and Warehousing	95	2,855	1,062
Information	40	416	933
Finance and Insurance	159	991	1,354
Real Estate and Rental and Leasing	169	1,158	967
Professional Scientific/Technical Services	270	1,237	1,632
Management of Companies and Enterprises	11	163	1,642
Administrative and Waste Services	210	2,253	713
Educational Services	34	451	850
Health Care and Social Assistance	414	5,227	949
Arts, Entertainment, and Recreation	38	981	392
Accommodation and Food Services	319	6,811	393
Other Services (except government)	217	1,133	815
Unclassified – industry not assigned	159	117	1,166
Federal Government	36	1,100	1,025
State Government	32	2,568	1,086
Local Government	<u>26</u>	<u>6,835</u>	<u>1,102</u>
Total All Industries	<u>3,289</u>	<u>49,624</u>	<u>\$930</u>

** Denotes confidential data relating to individual employers and cannot be released.

Source: Georgia Department of Labor.

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Set forth below are the ten largest private employers located in the County as of June 30, 2025, their products/services, and their approximate number of employees. There can be no assurance that any employer listed below will continue to be located in the County or will continue employment at the level stated. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the companies listed below.

	<u>Employer</u>	<u>Product/Service</u>	<u>Employees</u>
1.	South Georgia Medical Center	Health Services	2,700
2.	Lowes Distribution Center	Retail Distribution	942
3.	CDK Global	Car Dealership Software	850
4.	Wild Adventures	Theme Park	750
5.	Wal Mart Supercenters	Retail Sales	672
6.	Packaging Corporation of America	Paper Products	361
7.	Archer Daniels Midland	Food Production	250
8.	SAFT America	Battery Manufacturer	263
9.	Langdale Forest Products	Lumber Production	235
10.	The Scruggs Company	Road Construction	200

Source: Valdosta-Lowndes County Industrial Authority.

Set forth below are the largest public employers, other than the County, located in the County as of June 30, 2025, and their approximate number of employees.

	<u>Employer</u>	<u>Employees</u>
1.	Moody Air Force Base	5,500
2.	Valdosta State University	2,467
3.	Lowndes County School District	1,395
4.	Valdosta City School District	1,291
5.	Lowndes County	775

Source: Valdosta-Lowndes County Industrial Authority.

Set forth below are labor statistics for the County for the past five years, with comparative data for the State of Georgia.

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Employment	46,381	47,362	47,116	47,254	47,395
Unemployment	3,140	2,115	1,709	1,784	1,948
Total Labor Force	49,521	49,477	48,825	49,038	49,343
County Unemployment Rate	6.3%	4.3%	3.5%	3.6%	3.9%
State Unemployment Rate	6.5%	3.9%	3.2%	3.3%	3.5%

Source: Georgia Department of Labor, Workforce Statistics & Economic Research.

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The following table shows the number of institutions and banking deposits in the County for the fiscal years ending 2021 through 2025.

<u>Banking Deposits</u>		
<u>Year</u>	<u>Institutions</u>	Total Deposits as of June 30 <u>(in thousands)</u>
2025	13	\$3,126,224
2024	14	2,998,639
2023	14	2,813,105
2022	14	2,984,048
2021	14	2,680,256

Source: Federal Deposit Insurance Corporation.

Employees, Employee Relations, and Labor Organizations

The County employed 775 persons in all departments of government as of June 30, 2025, 772 full-time and 3 part-time and temporary. No employees of the County are represented by labor organizations or are covered by collective bargaining agreements, and the County is not aware of any union organizing efforts at the present time.

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LOWNDES COUNTY FINANCIAL INFORMATION

Accounting System and Policies

The accounting practices and policies of the County conform to generally accepted accounting principles as applied to governments. The County's accounting system is organized and operated on a fund basis. The County's funds are segregated for the purpose of accounting for the operation of specific activities or attaining certain objectives. The County's primary fund is the General Fund, which contains all County revenues except those which are specifically allocated for other purposes. The Lowndes County Board of Health and the Valdosta-Lowndes County Industrial Authority are accounted for as discretely presented component units of the County. The County also maintains several other funds to account for specific activities or to attain certain objectives.

The funds of the County are grouped into three broad categories:

- (1) Governmental Funds – This category includes the General Fund, the Special Revenue Funds, and the Capital Projects Fund. The General Fund is the principal operating fund of the County and is used to account for all activities of the County not otherwise accounted for in a specified fund. The County has ten Special Revenue Funds, which account for specific revenues that are legally restricted to expenditures for particular purposes. The County has seven Capital Projects Funds, which account for the acquisition or construction of capital facilities.
- (2) Proprietary Funds – This category includes the Enterprise Funds and the Internal Service Funds. The Enterprise Funds accounts for the operations that are financed and operated in a manner similar to private business enterprises. The County has four Enterprise Funds, which are the Water and Sewer Fund, the Landfill Fund and the Special Tax Lighting District Fund. The Internal Service Funds account for the services performed by a central service department for other departments or agencies of the County. The County has three Internal Service Funds, which are the Equipment Operations Fund, the Self-Insurance Fund, and the Fleet Manager Fund. The Internal Service Funds account for County operations which are designed to be self-supporting.
- (3) Fiduciary Funds – This category includes the Agency Funds, which account for assets held by the County in a fiduciary capacity or as an agent for individuals, private organizations, other governments, or funds. The County has four Agency Funds.

Reference is made to Note 1 of the basic financial statements of the County included as Appendix A for a detailed discussion of the County's significant accounting policies.

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Five Year General Fund History

Set forth below is a historical, comparative summary of the revenues, expenditures, and changes in fund balance of the County's General Fund for the past five fiscal years. Information in the following table for the years 2021 to 2025 have been extracted from the audited financial statements of the County for the years ended June 30, 2021 to 2025.

For more complete information, reference is made to the audited financial statements for fiscal years 2021 to 2025, copies of which are available from the County upon request.

	Years Ended June 30				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024⁽¹⁾</u>	<u>2025⁽¹⁾</u>
Revenues:					
Taxes	\$57,952,680	\$58,846,086	\$60,207,892	\$62,518,507	\$64,613,631
Licenses and Permits	59,295	--	11,900	16,774	8,402
Intergovernmental revenues	3,580,450	673,937	860,254	5,732,739	21,201,233
Charges for Services	4,335,564	4,442,040	4,563,893	4,920,510	5,052,738
Fines and Forfeitures	3,045,398	2,866,811	2,648,451	2,410,786	2,771,469
Investment Income	22,798	26,401	1,116,379	1,500,031	1,019,191
Miscellaneous	<u>127,131</u>	<u>391,447</u>	<u>172,714</u>	<u>451,439</u>	<u>1,687,704</u>
TOTAL REVENUES	<u>\$69,123,316</u>	<u>\$67,246,722</u>	<u>\$69,581,483</u>	<u>\$77,550,786</u>	<u>\$96,354,368</u>
Expenditures:					
Current:					
General Government					
Legislative and executive	\$13,345,335	\$11,428,093	\$10,875,527	\$10,962,820	\$13,773,134
Judicial	7,182,674	7,466,617	7,938,457	7,868,479	8,273,037
Public Safety	23,307,579	23,805,342	26,766,517	30,771,474	32,000,487
Public Works	4,928,101	9,127,569	11,345,043	23,306,822	29,250,384
Health and Welfare	759,201	737,657	959,807	868,939	953,996
Culture and Recreation	5,119,441	5,292,778	5,616,095	6,397,410	6,388,807
Housing and Development	3,375,223	3,482,325	3,676,205	4,330,989	4,327,997
Debt Service					
Principal retirement	940,000	940,000	940,000	1,020,000	--
Interest	<u>107,895</u>	<u>107,895</u>	<u>107,895</u>	<u>30,600</u>	<u>--</u>
TOTAL EXPENDITURES	<u>\$59,065,449</u>	<u>\$62,388,276</u>	<u>\$68,225,546</u>	<u>\$85,557,533</u>	<u>\$94,967,842</u>
Excess of Revenues Over (Under)					
Expenditures	<u>10,057,867</u>	<u>4,858,446</u>	<u>1,355,937</u>	<u>(8,006,747)</u>	<u>1,386,526</u>
Other Financing Sources (Uses):					
Capital lease proceeds	--	--	--	--	--
Transfers In	1,085,000	1,090,745	1,085,000	1,085,000	1,085,000
Transfers Out	<u>(984,095)</u>	<u>(1,149,361)</u>	<u>(2,167,884)</u>	<u>(2,345,224)</u>	<u>(1,233,030)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>100,905</u>	<u>(58,616)</u>	<u>(1,082,884)</u>	<u>(1,260,224)</u>	<u>(148,030)</u>
NET CHANGE IN FUND BALANCE					
BALANCE	10,158,772	4,799,830	273,053	(9,266,971)	1,238,496
FUND BALANCE, BEGINNING OF YEAR	<u>\$22,811,130</u>	<u>\$32,969,902</u>	<u>\$37,769,732</u>	<u>\$38,042,785</u>	<u>\$28,775,814</u>
FUND BALANCE, END OF YEAR	<u>\$32,969,902</u>	<u>\$37,769,732</u>	<u>\$38,042,785</u>	<u>\$28,775,814</u>	<u>\$30,014,310</u>

⁽¹⁾ During the fiscal years ending June 30, 2024, and June 30, 2025, the County experienced two Hurricanes, Idalia and Helene, resulting in disaster clean up expenditures of \$11,013,647 in fiscal year 2024 and \$18,060,201 in FY2025. The County received federal and state disaster relief funds of \$5,101,261 in fiscal year 2024 and \$20,591,747 in fiscal year 2025.

Management Comments Concerning Material Trends in Revenues and Expenditures

Property tax revenue increased by 2.62% for the fiscal year ending June 30, 2025 as compared to fiscal year ending June 30, 2024. The average growth over the last six years has been 9.21%. The local option sales tax increased 8.90% for the fiscal year ending June 30, 2025 as compared to fiscal year ending June 30, 2017. General fund revenues grew by 4.57% for the fiscal year ending June 30, 2025 as compared to fiscal year ending June 30, 2025 and expenditures grew by 3.01% for the same time frame. The revenues and expenditures for fiscal year 2024 and fiscal year 2025 exclude the impact of the hurricane revenue and expenditures for this calculation.

Budgetary Process

Georgia law requires each county to operate under an annual balanced budget adopted by resolution. A budget resolution is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations.

The County adopts annual appropriated budgets for its General Fund, its Special Revenue Funds, and its Capital Projects Fund. The County uses a budgetary basis of accounting in its legally adopted budget, which is not in conformity with generally accepted accounting principles and which is not consistent with the basis of accounting used in the historical, comparative summary of the revenues, expenditures, and changes in fund balance for fiscal years ended June 30, 2021 through 2025 summarized in this Official Statement under the caption "COUNTY FINANCIAL INFORMATION - Five Year General Fund History". The combined revenues and expenditures of the General Fund, the Special Revenue Funds, and the Capital Projects Fund of the County for the year ended June 30, 2018 are presented using the budgetary basis of accounting to facilitate comparison with the budget in the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual, included in required supplemental information to the basic financial statements of the County included as Appendix A to this Official Statement. Although not legally required, the County also adopts budgets for the Enterprise Funds and Internal Service Funds, using a basis of accounting consistent with generally accepted accounting principles. Annual budgets are not adopted for any of the County's other funds because they are not legally required.

In January of each year, information is transmitted to the various departments to enable them to prepare their operating budget requests for the next fiscal year. Approximately one month later, the budgetary requests are returned and are reviewed by the Director of Finance. The Director of Finance then prepares a proposed line item operating budget and submits it to the Board of Commissioners by mid-May. The operating budget includes proposed expenditures and the means for financing them. Public hearings are then conducted in the County to obtain taxpayer comments on the proposed budget. The budget is legally adopted by July 1 through adoption of a resolution by the Board of Commissioners. Budget amendments must be authorized by the Board of Commissioners through a budget revision.

Budgetary control (the level at which expenditures may not legally exceed appropriations) is maintained at the department appropriation level. Department heads are authorized to transfer certain line item budgeted amounts within any department, under certain conditions. Expenditures which would increase total department appropriations require the approval of the Board of Commissioners. The County also prepares monthly financial statements comparing budgeted and actual amounts.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is employed as a technique of accomplishing budgetary control in the Governmental Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances under generally accepted accounting principles, since they do not constitute expenditures or liabilities. All appropriations, including encumbrances, lapse at the end of the County's fiscal year. Encumbrances are reappropriated in the following fiscal year.

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Budget

Set forth below is a summary of the County's adopted budget for its General Fund for the year ending June 30, 2026. This budget is based upon certain assumptions and estimates of the County regarding future events, transactions, and circumstances. Realization of the results projected in this budget will depend upon implementation by management of the County of policies and procedures consistent with the assumptions. There can be no assurance that actual events will correspond with such assumptions, that uncontrollable factors will not affect such assumptions, or that the projected results will be achieved. Accordingly, the actual results achieved could materially vary from those projected in the budget set forth below.

General Fund Budget for Years Ending June 30, 2026 (Non-GAAP Budgetary Basis of Accounting)

	<u>2026</u>
Revenues	
Taxes	\$62,779,000
Licenses and Permits	10,000
Intergovernmental Revenues	634,500
Charges for Services	4,807,000
Fines and Forfeitures	2,675,000
Investment Income	--
Miscellaneous	<u>1,372,000</u>
Total Revenues	<u>72,277,500</u>
Expenditures	
Current:	
General Government	
Legislative and Executive	12,608,097
Judicial	8,338,275
Public Safety	30,785,501
Public Works	8,777,168
Health and Welfare	919,213
Culture and Recreation	6,310,902
Housing and Development	<u>4,162,000</u>
Total Expenditures	<u>71,901,156</u>
Excess of Revenues Over (Under) Expenditures	376,344
Other Sources and Uses	
Transfers in	1,651,000
Transfers out	(2,027,344)
Excess (Deficit) of Revenues and Other Sources Over Expenditures	\$--

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The County has, with some exceptions, conformed to its General Fund budgets for the fiscal years ended June 30, 2021 through 2025. Set forth below is a summary of unfavorable variances between budgeted and actual amounts for the General Fund for the fiscal years ended June 30, 2021 through 2025.

General Fund Unfavorable Variances⁽¹⁾

	Years Ended June 30				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues:					
Taxes	\$--	\$--	\$(1,108)	\$(493)	\$(69)
Licenses and Permits	--	--	(100)	--	(48)
Intergovernmental Revenues	--	--	(804,591)	(4,011)	--
Charges for Services	--	--	--	--	(12)
Fines and Forfeitures	--	--	(176,549)	(214)	(1)
Investment Income	(327,202)	--	--	--	(809)
Miscellaneous	(1,273,369)	--	(1,354,286)	(61)	(96)
Expenditures:					
General Government	--	--	--	--	--
Judicial	--	--	--	--	--
Public Safety	--	--	--	--	--
Public Works	--	--	--	--	--
Health and Welfare	--	--	--	--	--
Culture and Recreation	--	--	--	--	--
Housing and Development	--	--	--	--	--
Net Cumulative Variance:					
Favorable (Unfavorable)	\$10,183,772	\$4,794,046	\$273,053	\$47,684	\$1,238,496

⁽¹⁾ Represents unfavorable variances between the County's final adopted budget (after amendments) as compared to actual amounts for the fiscal years shown.

The County expects to conform to its adopted budget for its General Fund for the fiscal year ending June 30, 2026.

Capital Improvements

The following table summarizes historical capital outlays for the County's capital assets (excluding capital assets accounted for in the Enterprise Funds) for the County's past five fiscal years.

<u>Capital Asset Type</u>	Years Ended June 30				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Land and Buildings	\$412,072	\$586,739	\$5,863,965	\$16,202,181	\$3,098,185
Improvements other than buildings	6,401,696	1,465,000	--	--	--
Equipment	1,474,989	1,780,220	18,073,459	14,383,727	1,576,598
Autos and Trucks	583,355	3,399,189	1,746,527	170,846	1,557,582
Infrastructure	<u>6,452,088</u>	<u>4,496,654</u>	<u>5,047,883</u>	<u>7,522,868</u>	<u>746,542</u>
Total	<u>\$15,324,200</u>	<u>\$11,727,802</u>	<u>\$30,731,834</u>	<u>\$38,279,622</u>	<u>\$6,978,907</u>

The County maintains a capital improvements program that strives to allocate approximately 5% of the annual general fund and special purpose sale tax fund budgets toward the addition and replacement of capital assets.

Sources of Tax Revenues

Set forth below are the County’s General Fund and Fire Services Fund governmental tax revenues by source for each of its past five fiscal years.

General Fund Governmental Tax Revenues By Source

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Franchise Tax</u>	<u>Local Option Sales Tax</u>	<u>Special Purpose Local Option Sales Tax⁽¹⁾</u>	<u>Accommodation Excise Tax</u>	<u>Insurance Premium Tax</u>	<u>Intangible Tax</u>	<u>Other Taxes</u>	<u>Total</u>
2025	\$34,625,514	\$456,559	\$312,509	\$20,542,492	\$16,352,758	\$1,054,332	\$4,921,710	\$679,653	\$7,152,443	\$86,097,970
2024	33,756,000	446,865	319,094	18,863,426	15,132,104	1,037,233	4,624,131	563,018	5,962,116	80,703,987
2023	34,753,287	475,659	326,635	17,495,988	13,787,959	864,067	4,306,299	648,795	5,494,478	78,153,167
2022	33,482,528	509,508	322,568	16,737,202	13,326,405	676,467	3,734,704	1,075,539	5,170,227	75,035,148
2021	33,100,328	536,205	331,654	16,020,139	12,765,540	445,857	3,595,283	1,040,834	5,005,614	72,841,454

⁽¹⁾ County portion of SPLOST.
Source: Lowndes County.

Pursuant to the Georgia Local Option Sales Tax Act, the County instituted a one percent (1%) local sales and use tax effective January 1, 1976, which is a source of revenue for the County. The Revenue Commissioner of the State of Georgia administers and collects the tax. Pursuant to the provisions of the Local Option Sales Tax Act, the County and the municipalities in the County receive agreed-upon percentages of these tax proceeds. The County currently receives 58% of total tax proceeds. Monthly receipts are remitted to the political subdivisions, representing collections for the second preceding month.

The Local Option Sales Tax Act requires a dollar for dollar rollback to offset budgeted ad valorem property taxes in future years. During the fiscal years 2021 through 2025, the County received the following Local Option Sales Tax revenues.

<u>Fiscal Year</u>	<u>Collections</u>
2025	\$20,542,492
2024	18,863,426
2023	17,495,988
2022	16,737,202
2021	16,020,139

Source: Lowndes County Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025.

Employee Benefits

Pension Plan

Plan Description

The County contributes to the Association County Commissioners of Georgia (ACCG) Defined Benefit Plan (Plan), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agency for participating counties in Georgia.

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan.

Plan member contributions are recognized in the period in which contributions are due. County contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 70% equities and 30% fixed income securities on a cost basis.

The Trustees for the Association County Commissioners of Georgia (ACCG) Pension Plan and Trust oversees the administration, investment and funding of the Association County Commissioners of Georgia Retirement Program for member employers.

The County contributes to the Association County Commissioners of Georgia ("ACCG") Defined Benefit Plan, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia.

Plan Membership

Participant counts as of January 1, 2025, (the date of the most recent actuarial valuation date) and covered compensation based on covered earnings for the preceding year) are shown below:

Retirees, beneficiaries and disables receiving benefits	303
Terminated plan members entitled to but not yet receiving benefits	274

Active plan members	<u>515</u>
Total number of plan participants	<u>1,092</u>
Part-time active employees not participating in the Plan	30
Covered compensation for active participants	\$27,474,854
Average remaining future service for active participants	8.94

Benefits

The specific benefit provisions of the County’s plan were established by an adoption agreement executed by the County Board of Commissioners. The Plan provides for benefits upon retirement, death, disablement, and termination of employment, if certain eligibility conditions are met.

Contributions

The County is required to contribute annually at an actuarially determined rate. Section 47-20 of the Georgia Code set forth the minimum funding standards for state and local governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual fund requirement.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish, and amend from time-to-time the contribution rates for the County and its plan participants.

The annual County contribution to the Plan is determined using the actuarial basis described in the annual valuation report. The annual County contribution meets or exceeds the minimum funding requirements of Georgia Statute 47-20. The County contributions for the year ending December 31, 2024, were \$5,377,445. The governmental funds that contributed to the pension plan include the General, the Special Services, the Commissary, the Intergovernmental, the Jail Operations, the 911 Emergency Telephone, the Victim Assistance, and the Equipment Funds. The business-type funds that contributed to the pension plan include the Water & Sewer, Quiet Pines Golf Club, Inspections and Permitting and the Landfill Funds.

Net Pension Liability

The County’s net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025. The amount recognized by the County as the net pension liability was \$26,453,832.

Actuarial assumptions. The actuarial assumptions used for the January 1, 2025, valuation was applied to all periods included in the measurement were as follows:

Investment return	7.00%
Future salary increases	5.50% per year with an age based scale as follows:
<u>Age</u>	<u>Salary Increase</u>
Under 30	5.5% rate plus 1.5%
30-39	5.5% rate plus 0.5%
40-49	5.5% rate less 0.5%
50+	5.5% rate less 1.0%
Mortality	Pub-2010 GE (50%) & PS (50%) Amt-Weighted with Scale AA to 2024

The 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Range</u>
Fixed income	30%	25%-35%
Equities:	70%	65%-75%
Large Cap	30%	25%-35%
Mid Cap	5%	2.5%-10%
Small Cap	5%	2.5%-10%
REIT	5%	2.5%-10%
International	15%	10%-20%
Multi Cap	5%	2.5%-10%
Global Allocation	5%	2.5%-10%

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contribution will be made at the current contribution rate and that Country contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Fiduciary Net Pension (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2023	\$100,887,490	\$72,888,591	\$27,998,899
Changes for the year:			
Service cost	2,320,631	-	2,320,631
Interest	6,909,512	-	6,909,512
Liability experience (gain)/loss	1,579,138	-	1,579,138
Assumption change	145,026	-	145,026
Employer contributions	-	5,377,445	(5,377,445)
Employee contributions	-	-	-
Net investment income	-	7,780,026	(7,780,026)
Benefit payment	(4,360,354)	(4,360,354)	-
Service credit transfer	-	-	-
Administrative expense	-	(134,530)	134,530
Other changes	-	(523,567)	523,567
Net Changes	<u>6,593,953</u>	<u>8,139,020</u>	<u>(1,545,067)</u>
Balance at December 31, 2024	<u>\$107,481,443</u>	<u>\$81,027,611</u>	<u>\$26,453,832</u>

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Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the County, calculated using the discount rate of 7.0%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Total Pension Liability	\$121,394,640	\$107,481,443	\$95,879,368
Fiduciary Net Position	<u>81,027,611</u>	<u>81,027,611</u>	<u>81,027,611</u>
Net Pension Liability	<u>\$40,367,029</u>	<u>\$26,453,832</u>	<u>\$14,851,757</u>
Fiduciary Net Position as % of Total Pension Liability	66.7%	75.4%	84.5%

Pension Expense and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions

For the year ending June 30, 2025, the County recognized pension expense of \$5,377,445. On June 30, 2025, the County reported deferred outflows of resources and deferred inflow of resources related to pensions from the following sources:

	Net Deferred Outflows	Net Deferred Inflows
Net difference between projected and actual earnings on pension plan investments	\$6,161,793	\$(5,893,239)
Differences between expected and actual experience	2,349,365	-
Assumption changes	2,055,182	-
Contributions made after the measurement date	<u>5,377,445</u>	-
Total	<u>\$15,943,785</u>	<u>\$(5,893,239)</u>

The \$5,377,445 reported as deferred outflows of resources resulting from County contributions after the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2024	\$ 2,676,128
2023	\$ 3,477,921
2022	\$ (1,054,866)
2021	\$ (426,082)
2020	\$ -

Payable to the Pension Plan

On June 30, 2025, the County reported a payable of \$2,961,414 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2025. Subsequent to the valuation date of January 1, 2025, the county made a contribution of \$5,377,445. For the current year and all prior years all governmental, enterprise and internal service funds that compensate employees provide retirement contributions that are paid in toward the net pension obligation.

A copy of additional financial information from the Plan financial reports can be obtained from GEBCorp, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

In addition to the above retirement plan, of which the County is administrator, the following retirement plans are in effect but are not under the direct control of the County:

- 1) Judges of the Probate Courts Retirement Fund of Georgia

- 2) Clerk of Superior Court Retirement Fund
- 3) Sheriffs' Retirement Fund of Georgia
- 4) Peace Officers' Annuity and Benefit Fund of Georgia
- 5) Georgia Firefighters' Pension Fund

These plans provide for certain sums from marriage licenses, fees, fines and forfeitures to be remitted directly to the pension plans before the payment of any costs or other claims. GASB Statement #68 valuation reports and schedules can be found on their respective web sites.

Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The assets of the plan are held in trust, (custodial account or annuity contract) as described in IRC Section 457(g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The Administrators are agents of the employer for the purposes of providing direction to the custodian of the custodial account from time to time for the investment of funds held in the account, transfer of assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in Lowndes County, Georgia's financial statements.

Other Post-Employment Benefits

Plan Description

In addition to providing pension benefits, in accordance with County resolution, the County provides certain health care benefits for retired employees. The County's employees who are eligible for retirement benefits under the pension plan are also eligible for post-employment health care benefits.

This single employer defined benefit health plan is governed by the County Board of Commissioners. The County has made no commitments to maintain this program. The benefits of the plan are not vested and may be modified or eliminated at any time. A separate financial statement is not issued for the plan.

Eligibility

Retirees who meet one of the following requirements are eligible to continue coverage through the County's self-insured health insurance program:

- Age 65
- Must have 10 or more years of service with Lowndes County, and be at least 55 years of age or
- Must have a combination of years of service and attained age equal to 75, with a minimum age of 55.
- Must have 10 or more years of services with Lowndes County and be deemed to be totally disabled by the Federal Social Security Administration.

Retirees may stay on the plan for their lifetime by making the required contribution. Dependents may participate for the lifetime of the retiree as long as the retiree pays the required contribution for dependent coverage.

The monthly retiree contributions are as follows:

	Non-Medicare Eligible	Medicare Eligible
<u>Medical Tier</u>	<u>Retiree</u>	<u>Retiree</u>
Retiree Only	\$205.00	\$115.00
Family	\$315.00	\$175.00

Once the covered member becomes eligible for Medicare, the County’s plan pays claim secondary to Medicare.

Fund Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership in the OPEB Plan as of June 30, 2024:

Inactive employees or beneficiaries currently receiving benefits	92
Inactive members entitled to but not yet receiving benefits	-
Active employees	<u>469</u>
Total membership	<u>561</u>

Funding Policy

The contribution requirements of plan members and the County are established and may be amended by the Board of Commissioners. The required contribution is based on a projected pay-as-you-go financing requirement as determined by the Board of Commissioners. No contributions are being accumulated in a trust. The funding for the actuarial values is from the General Fund, the Special Services Fund, the Water and Sewer Fund, Quiet Pines Golf Fund and the Inspecting & Permitting Fund.

Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2024, using the following key actuarial assumptions and inputs:

Inflation	2.50%
Real wage growth	0.50%
Wage inflation	2.50%
Salary increases, including wage inflation	4.50%-7.00%
Municipal Bond Index Rate	
Prior measurement date	3.65%
Measurement date	3.93%
Health Care Cost Trends	
Pre-Medicare	7.00% for 2023 decreasing to an ultimate rate of 4.50% by 2033
Medicare	5.125% for 2023 decreasing to an ultimate rate of 4.50% by 2033

The discount rate was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published by The Bond Buyer.

Mortality rates were based on the Pub-2010 GE (50%0 & PS (50%) Amt-Weighted with Scale AA to 2024.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increase used in the June 30, 2024, valuation were based on the pension valuation prepared by ACCG Retirement Services as of January 1, 2024.

The remaining actuarial assumptions (e.g., initial per capital costs, health care cost trends, etc.) used in the valuation were based on a review of recent plan experience done concurrently with the June 30, 2024 valuations.

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Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rate

Health Care Cost Trend Rate Sensitivity			
	1%	Current	1%
	Decrease	Discount Rate	Increase
Total OPEB Liability	\$75,972,828	\$91,295,596	\$111,017,029

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

Discount Rate Sensitivity			
	1%	Current	1%
	Decrease	Discount Rate	Increase
Total OPEB Liability	<u>(2.93%)</u> \$107,981,465	<u>(3.93%)</u> \$91,295,596	<u>(4.93%)</u> \$77,984,631

Changes in the Total OPEB Liability

Total OPEB Liability as of June 30, 2023	\$95,980,103
Changes for the year:	
Service Cost at the end of the year*	5,169,376
Interest on TOL and Cash Flows	3,674,710
Changes in benefit terms	-
Difference between expected and actual experience	(699,357)
Changes of assumptions or other inputs	(11,875,678)
Net benefit payments	<u>(953,558)</u>
Net changes	<u>(4,684,507)</u>
Total OPEB Liability as of June 30, 2024	<u>\$91,295,596</u>

*The service cost includes interest for the year.

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2025, the County recognized OPEB expense of \$8,240,395.

The following table provide the summary of the deferred outflows of resources and deferred inflows of resources as of June 30, 2024:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$5,960,331	\$1,402,832
Changes of assumptions and other inputs	<u>9,268,077</u>	<u>24,581,796</u>
Total	<u>\$15,228,408</u>	<u>\$25,984,628</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB benefits will be recognized in the OPEB expense as follows:

Measurement Period Ended	
<u>June 30,</u>	
2025	\$ (198,929)
2026	85,922
2027	(2,561,179)
2028	(4,646,951)
2029	(1,547,044)
Thereafter	(1,888,039)

Compensated Absences

It is the County’s policy to permit employees to accumulate earned but unused leave benefits. A maximum of 192 hours of unused leave benefits will be paid to employees upon separation from County service. In the normal course of business, all payments of these accumulated benefits will be funded from appropriations of the year in which they are to be paid from the fund for which the employee’s compensation is funded. While the General Fund covers a majority of the cost of compensated absences, Commissary, Jail Operations, Drug Abuse Treatment, 911 Emergency Telephone, Victim Witness and Special Services funds all contribute to compensated absences for employees paid through those funds.

	<u>Balance at July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2025</u>	<u>Amount Due In One Year</u>
Primary Government:					
Governmental Activities:					
Compensated absences:	\$1,739,142	\$1,129,850	\$973,920	\$1,895,072	\$1,061,240
Business Type Activities:					
Compensated absences:	<u>120,671</u>	<u>108,054</u>	<u>67,576</u>	<u>161,149</u>	<u>90,243</u>
Total Primary Government	<u>\$1,859,813</u>	<u>\$1,237,904</u>	<u>\$1,041,496</u>	<u>\$2,056,221</u>	<u>\$1,151,483</u>

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Insurance Coverage and Governmental Immunity

Under Georgia law, the defense of sovereign immunity is available to the County, except for actions for the breach of written contracts, actions for the recovery of damage for any claim for which motor vehicle liability insurance protection has been provided, but only to the extent of the motor vehicle liability insurance provided, and actions for declaratory judgement or injunctive relief. The County, however, may be unable to rely upon the defense of sovereign immunity and may be subject to liability in the event of suits alleging causes of action founded upon various federal laws, such as suits filed pursuant to 42 U.S.C. §1983 alleging the deprivation of federal constitutional or statutory rights of an individual and suits alleging anti-competitive practices and violations of the federal antitrust laws by the County in the exercise of its delegated powers.

The County carries liability insurance or is self-insured for the types of claims and in amounts that are customary for similar entities for those categories of claims that are not subject to the defense of sovereign immunity. The County also carries property and casualty damage insurance on buildings and other physical assets.

The County is a participating member of the Association of County Commissioners of Georgia - Interlocal Risk Management Agency (“IRMA”). The agency is an instrumentality of counties and their related authorities, formed pursuant to intergovernmental contracts, to pool liability risks. IRMA serves as the agent of its members for claims adjustment and administration of the joint liability pool. IRMA offers its members risk management services in order to reduce the risk of liability before litigation arises. Annual contributions by members are weighted to reflect the size of the member, the level of proprietary services offered to the member, its prior litigation history, and a risk analysis. Although protected by reinsurance purchased directly by IRMA, the solvency of the pool is assured through the agreement of its members to be jointly and severally liable for the self-insurance pool’s obligations.

Present coverage for the County, including coverage pursuant to the IRMA coverage agreement, is summarized below:

<u>Type</u>	<u>Amount in Force</u>
Buildings & Improvements	\$211,120,948
Contents	36,050,921
Machinery and Equipment	4,270,128
Vehicles	24,398,760
Electronic Data Processing Equipment	5,516,600

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<u>Type</u>	<u>Limits of Liability</u>	
	<u>Each Occurrence</u>	<u>Aggregate</u>
General Liability	\$1,000,000	None
Law Enforcement Liability	1,000,000	2,000,000 Annual
Automobile Liability		Aggregate
Combined Single Limit (or Split) Limits as Follows:		
Bodily Injury Per Person	500,000	
Bodily Injury Aggregate	700,000	None
Property Damage	50,000	None
Errors & Omissions Liability		
Part A-Public Officials Errors and Omissions Liability	1,000,000 per wrongful act	\$2,000,000 Annual
Part B-Employee Benefits Liability		Aggregate
	These limits apply in total over Part A and Part B and not separately to each Part.	
Crime Coverage:		
Money & Securities (Loss inside the Premises)	\$150,000	None
Money & Securities (Loss outside the premises)	150,000	None
Blanket Employee Dishonesty	50,000	None
Statutory Bond	Various Limits	
Forgery and Alteration	150,000	None
Funds Transfer Fraud	150,000	None
Money Orders and Counterfeit Currency	150,000	None
Social Engineering Fraud – Annual Aggregate	25,000	
Excess Worker’s Compensation	Statutory	Statutory
Privacy or Security Liability and Expense:		
Coverage Tier: Red	\$1,000,000 including \$500,000 Privacy Response Expenses	

The County is partially self-insured for health insurance claims and workers’ compensation claims. Reference is made to Note 18 of the County’s financial statements included as Appendix A hereto for a detailed description of the County’s self-insurance program.

The County requires payment and performance surety bonds and builders’ risk insurance of all contractors and subcontractors involved in significant construction for the County. The County requires the surety bonds to be issued by surety firms listed on the U.S. Treasury approved list and the builders’ risk insurance to be in the amount of the contract sums.

The County maintains a comprehensive cybersecurity program designed to safeguard its information systems, data, and operational infrastructure. The Lowndes County Information Technology Department employs a “defense-in-depth” cybersecurity strategy, utilizing multiple layers of technical, administrative, and operational safeguards to reduce risk and enhance resiliency.

The County's Information Technology Department administers and enforces cybersecurity policies that include layered network security controls, endpoint protection, access management protocols, regular system patching and updates, data backup and recovery procedures, and continuous system monitoring.

The County utilizes multiple cybersecurity services and technologies, including Endpoint Detection and Response (EDR), Mobile Threat Defense (MTD), and two independent Managed Detection and Response (MDR) services. These services include 24/7 Security Operations Center (SOC) monitoring by live security analysts, and one of them is an AI-threat detection platform that provides real-time alerting and incident response capabilities.

A key component of the County's cybersecurity posture is its employee awareness and training program. Since February 2019, the County has maintained a comprehensive information security training program that includes regular phishing simulations and ongoing education. As a result of these efforts, the County's organizational phishing susceptibility rate has decreased significantly over time.

The County conducts ongoing cybersecurity awareness training for all employees to promote vigilance against phishing, social engineering, ransomware, and other cyber threats. Employees in departments that manage sensitive financial, personal, or operational data—such as IT, Finance and Administration—receive enhanced training and may participate in specialized seminars and vendor-sponsored programs to remain current on evolving cybersecurity risks and regulatory requirements.

While the County continually evaluates and updates its cybersecurity framework to address emerging threats, no assurance can be given that cyber incidents will not occur.

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COUNTY DEBT STRUCTURE

Summary of County Debt By Category

Set forth below is information concerning direct tax supported debt of the County assuming the issuance of the Series 2026 Bonds. The information set forth below should be read in conjunction with the County’s financial statements included as Appendix A hereto. These balances are as of May 1, 2026.

<u>Category of Debt</u>	<u>Amount Outstanding</u>
Intergovernmental Contracts ⁽¹⁾	
Valdosta-Lowndes County Industrial Authority (securing the Series 2026 Bonds) ⁽²⁾	\$35,590,000*
Valdosta-Lowndes County Industrial Authority (securing Series 2019 Bonds) ⁽²⁾	10,690,000
Hospital Authority of Valdosta and Lowndes County, Georgia (securing the Series 2019A Certificates and Series 2019B Certificates) ⁽³⁾	112,010,000
Hospital Authority of Valdosta and Lowndes County, Georgia (securing the Series 2024 Certificates) ⁽³⁾	129,285,000
Capital Leases ⁽⁴⁾	44,717,040
Georgia Environmental Finance Authority Loan ⁽⁵⁾	<u>2,590,943</u>
Total	<u>\$334,882,983*</u>

(1) General obligations (represented by separate contracts with the named public entity, which are pledged to the payment of revenue bonds issued by such public entity) of the County to which its full faith and credit and taxing power are pledged. These obligations do not constitute debt of the County for purposes of the constitutional debt limit described in “**COUNTY DEBT STRUCTURE - Limitations on County Debt**” herein and do not count against the County’s debt limitation.

(2) Assumes the Series 2026 Bonds have been issued. Represents intergovernmental contracts with the Valdosta-Lowndes County Industrial Authority, which are pledged to the payment of revenue bonds issued by the Valdosta-Lowndes County Industrial Authority. The County’s obligation to levy an ad valorem tax to make payments to the Valdosta-Lowndes County Industrial Authority for debt service payments on such revenue bonds is limited pursuant to the Act to two mills a year. This obligation does not constitute debt of the County for purposes of the constitutional debt limit described in “**COUNTY DEBT STRUCTURE - Limitations on County Debt**” herein and do not count against the County’s debt limitation.

(3) Represents intergovernmental contracts with the Hospital Authority of Valdosta and Lowndes County, Georgia (the “Hospital Authority”), which are pledged to the payment of the Hospital Authority’s Refunding Revenue Certificates, Series 2019A, the Hospital Authority’s Taxable Refunding Revenue Certificates, Series 2019B (collectively, the “Series 2019 Certificates”), and the Hospital Authority Revenue Certificates, Series 2024 (the “Series 2024 Certificates”). The County’s obligations to levy an ad valorem tax to make payments to the Authority for debt service payments on the Series 2019 Certificates and the Series 2024 Certificates are limited pursuant to the Georgia Hospital Authorities Law to seven mills a year. It is the intent that the principal and interest on Series 2019 Certificates and the Series 2024 Certificates will be paid from Gross Revenues of the South Georgia Medical Center. The County will not collect ad valorem taxes to pay the Series 2019 Certificates and the Series 2024 Certificates unless the Gross Revenues of the South Georgia Medical Center are insufficient. This obligation does not constitute debt of the County for purposes of the constitutional debt limit described in “**COUNTY DEBT STRUCTURE - Limitations on County Debt**” herein and do not count against the County’s debt limitation.

(4) The financial obligations of the County under the leases do not constitute general obligations of the County to which its faith and credit or taxing power are pledged, but are subject to and dependent upon lawful appropriations of general revenues being made by the Board of Commissioners to pay the lease payments due in each fiscal year under the leases. The County’s obligations under the leases are from year to year only and do not constitute a mandatory payment obligation of the County in any fiscal year in which funds are not appropriated by the County to pay the lease payments due in such fiscal year. The County’s obligations under the leases do not constitute debt of the County for purposes of the constitutional debt limit described in “**COUNTY DEBT STRUCTURE - Limitations on County Debt**” herein and do not count against the County’s debt limitation.

(5) General obligations of the County payable to the Georgia Environmental Facilities Authority. Although the intent of the County is to pay these obligations from revenues of its respective water and sewer system, this obligation constitutes the general obligation of the County to which its full faith and credit and taxing power are pledged.

Reference is made to Note 21 of the basic financial statements of the County included as Appendix A for a discussion of the contingent liabilities of the County.

There has never been a default in payment of the principal of or interest on any general obligation bonds issued by the County.

Proposed Debt

The County has no other present plans to incur additional debt during its next three fiscal years.

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Debt Service Requirements

Set forth below are the debt service requirements of the County for all of its intergovernmental contract obligations upon the issuance of the Series 2026 Bonds.

Year Ending June 30	Prior Bonds			Series 2026A Bonds*			Series 2026B Bonds*			Combined Total Debt Service Requirements
	Valdosta Lowndes County Industrial Authority (Series 2019) ⁽¹⁾	Hospital Authority of Valdosta and Lowndes County, Georgia Authority (2019) ⁽²⁾	Hospital Authority of Valdosta and Lowndes County, Georgia Authority (2024) ⁽²⁾	Principal	Interest	Total	Principal	Interest	Total	
2026	\$1,520,502.50	\$9,305,403.08	\$8,266,368.76	\$--	--	--	--	--	--	--
2027	1,520,877.50	9,303,131.21	8,263,618.76	--	--	--	--	--	--	--
2028	1,519,287.50	9,298,556.21	8,265,618.76	355,000	--	--	--	--	--	--
2029	1,516,295.00	9,294,124.96	8,262,118.76	375,000	--	--	--	--	--	--
2030	1,516,870.00	9,289,324.96	8,257,993.76	390,000	--	--	--	--	--	--
2031	1,520,190.00	9,288,484.36	8,252,993.76	405,000	--	--	--	--	--	--
2032	1,521,040.00	9,284,743.56	8,251,743.76	420,000	--	--	--	--	--	--
2033	1,519,340.00	9,278,528.56	8,248,868.76	440,000	--	--	--	--	--	--
2034	1,520,725.00	9,275,135.41	8,244,118.76	460,000	--	--	--	--	--	--
2035	--	9,264,980.26	8,242,118.76	2,005,000	--	--	--	--	--	--
2036	--	9,245,153.46	8,237,493.76	2,110,000	--	--	--	--	--	--
2037	--	9,235,028.46	8,229,993.76	2,220,000	--	--	--	--	--	--
2038	--	9,245,856.58	8,229,118.76	2,335,000	--	--	--	--	--	--
2039	--	9,247,217.63	8,224,368.76	2,465,000	--	--	--	--	--	--
2040	--	9,250,805.11	8,220,368.76	2,600,000	--	--	--	--	--	--
2041	--	9,243,674.76	8,211,743.76	2,745,000	--	--	--	--	--	--
2042	--	9,241,307.43	8,207,993.76	2,905,000	--	--	--	--	--	--
2043	--	--	8,203,493.76	3,055,000	--	--	25,000	--	--	--
2044	--	--	8,197,743.76	--	--	--	3,260,000	--	--	--
2045	--	--	8,190,243.76	--	--	--	3,425,000	--	--	--
2046	--	--	8,208,665.63	--	--	--	3,595,000	--	--	--
2047	--	--	8,204,471.88	--	--	--	--	--	--	--
2048	--	--	8,200,996.88	--	--	--	--	--	--	--
2049	--	--	8,192,931.25	--	--	--	--	--	--	--
2050	--	--	8,189,862.50	--	--	--	--	--	--	--
2051	--	--	8,157,750.00	--	--	--	--	--	--	--
2052	--	--	8,148,625.00	--	--	--	--	--	--	--
2053	--	--	8,137,875.00	--	--	--	--	--	--	--
2054	--	--	8,129,625.00	--	--	--	--	--	--	--
2055	--	--	8,118,000.00	--	--	--	--	--	--	--
Total	<u>\$13,675,127.50</u>	<u>\$157,591,459.00</u>	<u>\$246,396,928.34</u>	<u>\$25,285,000</u>	--	--	<u>\$10,305,000</u>	--	--	--

-
- (1) Represents an intergovernmental contract with the Valdosta-Lowndes County Industrial Authority (the “2019 Contract”), which is pledged to the payment of the Series 2019 Bonds. The County’s obligation to levy an ad valorem tax to make payments to the Valdosta-Lowndes County Industrial Authority for debt service payments on such revenue bonds is limited pursuant to the Act to two mills a year (the “Pledged Tax Revenue”). The Series 2019 Bonds, the Series 2026 Bonds and any additional debt obligation secured by the Pledged Tax Revenues shall be equally and ratably secured by the lien created by the 2019 Contract, by the lien created under the Contract and by the lien created under any intergovernmental contract supporting any additional debt obligation secured by the Pledged Tax Revenues without preference, priority or distinction on account of series, actual time or times authentication or delivery and maturity.
 - (2) Represents an intergovernmental contract with the Hospital Authority of Valdosta and Lowndes County, Georgia (the “Hospital Authority”), which is pledged to the payment of the Hospital Authority’s Refunding Revenue Certificates, Series 2019A, the Hospital Authority’s Taxable Refunding Revenue Certificates, Series 2019B (collectively, the “Series 2019 Certificates”), and the Hospital Authority Revenue Certificates, Series 2024 (the “Series 2024 Certificates”). The County’s obligation to levy an ad valorem tax to make payments to the Series 2019 Certificates and the Series 2024 Certificates is limited pursuant to the Hospital Authorities Act to seven mills a year. It is the intent that the principal and interest on Series 2019 Certificates and the Series 2024 Certificates will be paid from gross revenues of the Hospital Authority. The County will not collect ad valorem taxes to pay the Series 2019 Certificates and the Series 2024 Certificates unless the Gross Revenues of the Hospital Authority are insufficient.

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Overlapping Debt

In addition to the County's debt obligations, property owners in the County are responsible for any debt obligations of other taxing entities in the proportion to which the jurisdiction of the County overlaps such entities. Set forth below is the estimated overlapping general obligation debt and estimated overlapping property tax supported or guaranteed revenue debt of the County as of June 30, 2025. Although the County has attempted to obtain accurate information as to the outstanding overlapping debt, it does not warrant its completeness or accuracy, as there is no central reporting entity which has this information available, and the amounts are based on information supplied by others.

As of June 30, 2025			
Name of Overlapping Entity	Amount of Outstanding Debt (Less Sinking Fund)	Percent of Outstanding Debt Chargeable to Property in the County ⁽¹⁾	Amount of Outstanding Debt Applicable to the County
City of Hahira			
GEFA Notes ⁽²⁾	\$837,184	100%	\$837,184
Capital Leases	256,709	100%	256,709
City of Remerton			
Capital Leases	227,136	100%	227,136
City of Valdosta			
GEFA Notes ⁽²⁾	21,291,917	100%	21,291,917
Capital Leases	24,378,408	100%	24,378,408
Lowndes County School District:			
General Obligation Bonds ⁽³⁾	5,965,000	100%	5,965,000
Valdosta Independent School System:			
General Obligation Bonds ⁽³⁾	<u>57,135,000</u>	100%	<u>57,135,000</u>
Total	<u>\$110,091,354</u>		<u>\$110,091,354</u>

⁽¹⁾ The percentage of each overlapping entity's outstanding debt chargeable to property in the County is calculated by dividing the gross assessed valuation of property in the County by the gross assessed valuation of property in the overlapping entity.

⁽²⁾ General obligations of the City of Hahira and the City of Valdosta payable to the Georgia Environmental Facilities Authority. Although the intent of the City of Hahira and the City of Valdosta is to pay these obligations from revenues of its water system, these obligations constitute general obligations of the City of Valdosta to which its full faith and credit and taxing power are pledged.

⁽³⁾ General Obligation bonds are general obligations of the issuer to which its full faith and credit and taxing powers are pledged.

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Debt Ratios

The following table sets forth certain debt ratios following issuance of the Series 2026 Bonds.

	<u>Direct Tax Supported Debt*</u>	<u>Overlapping Tax Supported Debt</u>	<u>Overall Tax Supported Debt*</u>
Per Capita Debt ⁽¹⁾	\$2,743.08	\$901.77	\$3,644.85
Percentage of Gross Tax Digest ⁽²⁾	5.67%	1.86%	7.53%
Percentage of Fair Market Value ⁽³⁾	2.50%	0.82%	3.32%
Per Capita Debt as Percentage of Per Capita Income ⁽⁴⁾	5.96%	1.96%	7.92%

- (1) Based upon estimated 2025 population figure of 122,083.
- (2) Based upon 2025 Gross Tax Digest of \$5,910,428,882.
- (3) Based on 2025 estimated fair market value of \$13,393,641,050.
- (4) Based upon 2025 per capita income figure of \$46,034.

Debt History

Set forth below is information concerning long-term and short-term liabilities (excluding interfund payables and advances) of the County outstanding as of the end of each of its past five fiscal years.

Category of <u>Liabilities</u>	<u>Amount Outstanding as of June 30</u>				
	<u>2021</u> (Audited)	<u>2022</u> (Audited)	<u>2023</u> (Audited)	<u>2024</u> (Audited)	<u>2025</u> (Audited)
Short-Term	\$13,360,856	\$39,474,863	\$38,790,111	\$38,387,807	\$31,060,893
Long-Term	<u>151,784,800</u>	<u>169,033,754</u>	<u>165,593,030</u>	<u>172,902,850</u>	<u>165,595,817</u>
Total	<u>\$165,145,656</u>	<u>\$208,508,617</u>	<u>\$204,383,141</u>	<u>\$211,290,657</u>	<u>\$196,656,710</u>

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Limitations on County Debt

The Constitution of the State of Georgia provides that the County may not incur long-term obligations payable out of general property taxes without the approval of a majority of the qualified voters of the County voting at an election called to approve the obligations. In addition, under the Constitution of the State of Georgia, the County may not incur long-term obligations payable out of general property taxes in excess of 10 percent of the assessed value of all taxable property within the County.

Short-term obligations (those payable within the same calendar year in which they are incurred), lease and installment purchase obligations subject to annual appropriation, and intergovernmental obligations (such as the Capital Leases and Intergovernmental Contracts described in "COUNTY DEBT STRUCTURE - Summary of County Debt by Category" herein) are not subject to the legal limitations described above. In addition, refunded obligations cease to count against the County's debt limitation upon being refunded. Georgia law provides, however, that no lease or installment purchase contract subject to annual appropriation may be delivered if the principal portion of such contract, when added to the amount of debt subject to the debt limitation described above, exceeds 10 percent of the assessed value of all taxable property within the County. Georgia law also provides that no lease or installment purchase contract subject to annual appropriation with respect to real property may be developed and executed or renewed, refinanced, or restructured if the lesser of either of the following is exceeded:

- (1) the average annual payments on the aggregate of all such outstanding contracts exceed 7.5 percent of the governmental fund revenues of the County for the calendar year preceding the delivery of such contract plus any available special county one percent sales and use tax proceeds collected; or
- (2) the outstanding principal balance on the aggregate of all such outstanding contracts exceeds \$25 million.

As computed in the table below, based upon its 2025 assessed value, the County could incur (upon necessary voter approval) approximately \$511,638,800 of long-term obligations payable out of general property taxes.

COMPUTATION OF LEGAL DEBT MARGIN

2025 Gross Tax Digest:	\$5,116,388,000
Less: County Bond Exemptions:	--
2025 Net Tax Digest for Bond Purposes:	5,116,388,000
Debt Limit (10% of Assessed Value):	511,638,800
Amount of Debt Applicable to Debt Limit:	<u> --</u>
Legal Debt Margin	<u>\$511,638,800</u>

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AD VALOREM TAXATION

Introduction

An important source of revenue to fund the operations of the County is ad valorem property taxes. Ad valorem property taxes accounted for an annual average of approximately 59.17% of County general fund revenues for its past five fiscal years and are accounted for 56.94% of general fund revenues for the year ending June 30, 2025. Ad valorem property taxes are levied annually in mills (one tenth of one percent) upon each dollar of assessed property value. One time hurricane relief funds were removed from fiscal year 2024 and fiscal year 2025 for these calculations.

Property Subject to Taxation

Ad valorem property taxes are levied, based upon value, against real and personal property within the County. There are, however, certain classes of property which are exempt from taxation, including public property, religious property, charitable property, property of nonprofit hospitals, nonprofit homes for the aged, and nonprofit homes for the mentally handicapped, college and certain educational property, public library property, certain farm products, certain air and water pollution control property, and personal effects.

In addition, County property owners are currently allowed exemptions from ad valorem taxation for (1) homesteads, or owner-occupied residences, of all persons, up to \$6,000 of assessed value (this exemption, however, is inapplicable to taxes levied to pay bonded indebtedness), and (2) homesteads, or owner-occupied residences, of persons 65 years of age or older not exceeding \$10,000 of assessed value (this exemption, however, is inapplicable to taxes levied to pay bonded indebtedness).

In 2025, the Georgia General Assembly passed (1) local Act No. 335 (House Bill 815) which provides that each resident of the County is granted an exemption of such person's homestead from County ad valorem taxes (except for ad valorem taxes to pay interest on or to retire county bonded indebtedness) for county purposes in the amount of \$12,000 of the assessed value of that homestead which was approved by voters of the County in a special election held May 19, 2026, and (2) local Act No. 334 (House Bill 814) which provides that each resident of the County who is 65 years of age or older is granted an exemption of such person's homestead from County ad valorem taxes (except for ad valorem taxes to pay interest on or to retire county bonded indebtedness) for county purposes in the amount of \$40,000 of the assessed value of that homestead and each resident of the County who is 70 years of age or older is granted an exemption of such person's homestead from County ad valorem taxes (except for ad valorem taxes to pay interest on or to retire county bonded indebtedness) for county purposes in the amount of \$50,000 of the assessed value of that homestead which was approved by voters of the County in a special election held May 19, 2026.

County property owners are also allowed exemptions from ad valorem taxation for (1) homesteads, or owner-occupied residences, of disabled veterans, not to exceed the greater of \$50,000 or an amount determined under federal law and (2) the inventory of companies that manufacture or warehouse goods in the County, known as the "freeport" exemption.

House Bill 581

In 2024, the Georgia General Assembly enacted House Bill 581 ("HB 581"). HB 581 was ratified by Georgia voters in November 2024. Among other things, HB 581 granted to each homestead property a new exemption from ad valorem taxes (except for any ad valorem taxes levied to pay interest on and to retire bonded indebtedness) in an amount equal to the amount by which the current year assessed value of that homestead property exceeds its previous year assessed value adjusted by an inflation rate determined by the Georgia Revenue Commissioner. This exemption applies until a property changes ownership.

HB 581 provided that the governing authority of any county in Georgia may opt out of the exemption by adopting a resolution to opt out by March 1, 2025, after providing public notice and at least three public hearings thereon. The County elected to opt out of the exemption provided by HB 581.

Senate Bill 33

In 2026, the Georgia General Assembly enacted Senate Bill 33 (“SB 33”). Georgia Governor Brian Kemp signed SB 33 into law on May 11, 2026. Among other things, SB 33 repealed the provision of HB 581 that the governing authority of a county may opt out of the homestead exemption granted by HB 581.

Assessed Value

Assessed valuation, which represents the value upon which ad valorem property taxes are levied, is calculated as a percentage of fair market value. Georgia law requires taxable real and personal property to be assessed, with certain exceptions, at 40 percent of its fair market value and to be taxed on a levy made by each tax jurisdiction according to 40 percent of the property’s fair market value. Georgia law requires certain agricultural real property to be assessed for ad valorem property tax purposes at 75 percent of the value of which other real property is assessed, requires certain historical property to be valued at a lower fair market value for ad valorem property tax purposes, and requires certain agricultural, timber, and environmentally sensitive real property (otherwise known as conservation use property) and certain single-family real property located in transitional developing areas to be valued at their “current uses” (as opposed to fair market value).

The chief appraiser of the County is required to submit a certified list of assessments for all taxable property, except motor vehicles and property owned by public utilities, within the County to the Lowndes County Board of Tax Assessors. The Lowndes County Board of Tax Assessors is required to complete its revision and assessment of returns by July 1 and to provide the final returns to the Lowndes County Tax Commissioner. The Lowndes County Tax Commissioner is required to provide a copy of the completed digest by August 1 of each year to the State of Georgia Revenue Commissioner for examination and approval. The State of Georgia Revenue Commissioner has the authority to examine the digest for the purpose of determining if the valuations of property are reasonably uniform and equalized between and within counties. Assessments may also be subject to review at various stages by the Lowndes County Board of Equalization and by state courts.

The State of Georgia Motor Vehicle Tax Unit assesses the value of motor vehicles by make, model, and year by county and provides this information to each county tax office. The State of Georgia Property Tax Unit assesses the value of the property of public utilities and divides the assessment into two parts, assessed value of property and assessed value of franchise, and provides these amounts to the County which bills these taxes to the utilities.

Annual Tax Levy

The County determines a rate of levy for each fiscal year by computing a rate which, when levied upon the assessed value of taxable property within its territorial limits, will produce the necessary amount of property tax revenues. The County then levies its ad valorem property taxes.

Property Tax Collections

The County bills and collects its own property taxes. Real and personal property taxes, except motor vehicle taxes, are levied on January 1 of each year on the assessed value listed as of January 1. Taxes levied by the County as of January 1 are normally billed on or before September 15 and are normally payable on or before November 15. Motor vehicle taxes are levied, due, and collected on a staggered basis throughout the entire calendar year. Interest equal to the Federal Reserve prime rate plus 3 percent applies to taxes paid after the due date and a one-time penalty of ten percent applies to taxes paid more than 90 days after the due date.

All taxes levied on real and personal property, together with interest thereon and penalties for late payment, constitute a perpetual lien on and against the property taxed arising after January 1 in the year in which taxed. The lien normally becomes enforceable 90 days after the due date of the taxes. Georgia law provides that taxes must be paid before any other debt, lien, or claim of any kind, except for certain claims against the estate of a decedent and except that the title and operation of a security deed is superior to the taxes assessed against the owner of property when the tax represents an assessment upon property of the owner other than the property specifically subject to the title and operation of the security deed.

Collection of delinquent real property taxes is enforceable by tax sale of such realty. Delinquent personal property taxes are similarly enforceable by seizure and sale of the taxpayer's personal property. There can be no assurance, however, that the value of property sold, in the event of a tax sale, will be sufficient to produce the amount required to pay in full the delinquent taxes, including any interest or penalties thereon.

When the last day for the payment of taxes has arrived, the tax collector may notify the taxpayer in writing of the fact that the taxes have not been paid and that, unless paid, an execution will be issued. At any time after thirty days from giving the notice described in the preceding sentence, the Superior Court Clerk of the County may issue an execution for nonpayment of taxes to the Sheriff. The Sheriff may then publish a notice of the sale in a local newspaper weekly for four weeks and give the taxpayer ten days written notice by registered or certified mail. A public sale of the property may then be made by the Sheriff at the County Courthouse on the first Tuesday of the month after the required notices are given.

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Tax Revenues Currently Available for Debt Service for the Series 2019 Bonds and the Series 2026 Bonds from a Maximum Two Mill Levy*

The County’s obligation to levy an ad valorem tax to make payments to the Valdosta-Lowndes County Industrial Authority for debt service payments on its revenue bonds is limited pursuant to the Act to two mills a year (the “Pledged Tax Revenues”). The Series 2019 Bonds, the Series 2026 Bonds and any additional debt obligation secured by the Pledged Tax Revenues shall be equally and ratably secured by the lien created by the 2019 Contract, by the lien created under the Contract and by the lien created under any intergovernmental contract supporting any additional debt obligation secured by the Pledged Tax Revenues without preference, priority or distinction on account of series, actual time or times authentication or delivery and maturity. The following table shows the debt service coverage of the maximum annual debt service on the Series 2019 Bonds and the Series 2026 Bonds based on a two mill tax levy.

2025 Net Maintenance and Operation Tax Digest	\$5,357,456,420
Estimated Revenues Generated by two mill tax on the 2025 Net Maintenance and Operation Tax Digest	\$10,714,913
Maximum Annual Debt Service on the Series 2019 Bonds and the Series 2026 Bonds in any Calendar Year	\$3,777,765*
Coverage of Maximum Annual Debt Service	2.84x*

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Historical Property Tax Data

Set forth below is information concerning the assessed (40% of fair market value) and estimated actual (fair market) value of taxable property within the County for the calendar years 2021 through 2025.

Calendar Year	Assessed Values				Gross Tax Digest	Bond Exemptions	General Obligation Bond Tax Digest ⁽²⁾	Maintenance & Operation Exemptions	Maintenance & Operation Tax Digest ⁽³⁾	Estimated Actual Value
	Real & Personal Property ⁽¹⁾	Public Utilities	Motor Vehicles ⁽¹⁾	Mobile Homes						
2025	\$5,689,794,022	\$165,158,826	\$28,303,860	\$27,172,174	\$5,910,428,882	\$425,444,272	\$5,484,984,610	\$552,972,462	\$5,357,456,420	\$14,776,072,205
2024	5,433,286,505	170,923,604	30,132,260	25,585,926	5,659,928,295	417,510,737	5,242,417,558	543,089,935	5,116,838,360	14,149,820,738
2023	4,514,847,312	163,292,727	33,128,520	26,214,281	4,737,482,840	405,452,983	4,332,029,857	527,965,520	4,209,517,321	11,843,707,103
2022	3,810,091,552	167,090,273	32,949,800	24,127,602	4,034,259,227	353,150,483	3,681,108,744	473,306,702	3,560,952,525	10,085,648,068
2021	3,490,949,412	157,708,643	35,863,730	21,395,408	3,705,917,193	400,716,124	3,305,201,069	400,712,124	3,305,205,069	9,359,280,758

⁽¹⁾ In 2023 and 2024, a re-evaluation of homes was completed, resulting in an increased property tax digest, and a reduction of County millage rate.

⁽²⁾ Total assessed value, after deducting exemptions, for purposes of levying tax for County’s general obligation bonds.

⁽³⁾ Total assessed value, after deducting exemptions, for purposes of levying tax for County maintenance and operation.

Source: Georgia Department of Revenue, Local Government Services Division; Lowndes County Tax Commissioner.

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Set forth below is information concerning the rate of levy of property taxes per \$1,000 of assessed value, or millage rates, of the County and all overlapping governments for the calendar years 2021 through 2025.

Calendar Year ⁽¹⁾	County	Valdosta Lowndes County Recreation Authority	Valdosta Lowndes County Industrial Authority	State of Georgia	County -Wide Total	Lowndes County School District	Unincorporated Fire District ⁽²⁾	Hahira	Lake Park	Remerton	Valdosta	Valdosta School	Central Valdosta Development Authority
2025	5.051	1.250	1.100	0.000	7.401	13.405	2.500	4.762	6.123	4.968	6.254	13.304	5.000
2024	5.283	1.250	0.823	0.000	7.356	14.000	2.500	4.969	6.219	5.086	6.506	14.068	5.000
2023	6.528	1.250	1.000	0.000	8.778	14.500	2.500	4.969	6.219	6.086	6.947	14.068	5.000
2022	7.961	1.250	1.000	0.000	10.211	15.168	2.500	5.750	7.392	6.617	7.796	15.787	5.000
2021	8.406	1.250	1.000	0.000	10.656	15.960	2.500	4.750	7.392	6.509	7.796	16.138	5.000

⁽¹⁾ In 2023, a large re-evaluation was completed on homes, which resulted in the increase of the digest, and a reduction of the County millage rates. In 2025, a large re-evaluation was completed and resulted in lower millage rates for the County, Cities and School Systems.

⁽²⁾ The Fire District millage rate is for the unincorporated area of Lowndes County, and is not part of the county-wide millage total.

Source: Georgia Department of Revenue Local Government Services 2024-2021 Georgia County Ad Valorem Tax Digest Millage Rates; Lowndes County Tax Commissioner.

Set forth below is information concerning property tax levies and collections of the County for the past five fiscal years of the County.

Applicable Collection Period/Fiscal Year	Applicable Tax Digest/Current ⁽¹⁾ Year	Current ⁽¹⁾ Year's Tax Levy	Tax Collections			Percentage of Collection of Current ⁽¹⁾ Years Levy to Tax Levy	Percentage of Total Tax Collections to Current ⁽¹⁾ Year's Tax Levy	Delinquent Taxes Outstanding as of Year End ⁽²⁾	Percentage of Delinquent Taxes Outstanding as of Fiscal Year End to Current ⁽¹⁾ Year's Tax Levy
			From Current ⁽¹⁾ Year's Levy	Prior Years	Total				
2025	2024 ⁽³⁾	\$27,032,257	\$26,345,218	--	\$26,345,218	97.46%	97.46%	\$687,039	2.54%
2024	2023	25,204,756	23,923,318	616,497	24,539,815	94.92	97.36	902,010	3.58
2023	2022	28,348,743	26,346,130	467,280	26,813,410	92.94	94.58	898,032	3.17
2022	2021	27,889,463	27,292,497	293,622	27,586,119	97.86	98.91	915,191	3.28
2021	2020	26,676,640	26,040,592	45,495	26,086,087	97.62	97.79	930,976	3.49

⁽¹⁾ Relates to preceding calendar year tax digest. For example, for the collection period/fiscal year 2025, "Current Year" relates to the Calendar Year 2024 Digest Levy.

⁽²⁾ As of the end of the applicable collection period/fiscal year. For example, for the collection period/fiscal year 2025, this would include delinquent taxes outstanding as of June 30, 2025.

⁽³⁾ Lowndes County mailed its 2025 property tax bills on September 15, 2024. These bills were due on November 15, 2024, and were considered delinquent on November 15, 2024.

Source: Lowndes County.

Set forth below is the estimated value (stated in thousands) of total tax executions (or fi fas) owned by the County as of the end of its past five fiscal years. The amounts set forth below are cumulative amounts from all preceding years.

Estimated Valued as of June 30				
<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$930,976	\$915,191	\$898,032	\$902,010	\$955,476

Delinquent property taxes of the County are written off when the statute of limitations for their collection (7 years) expires or if no property is found to levy upon, if earlier. The delinquent taxes written off are usually for personal property, which are more difficult to collect than taxes on real property.

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Ten Largest Taxpayers

Set forth below are the ten largest taxpayers of the County for calendar year 2025. A determination of the largest taxpayers within the County can be made only by manually reviewing individual tax records. Therefore, it is possible that owners of several small parcels may have an aggregate assessment in excess of those set forth in the table below. Furthermore, the taxpayers shown in the table below may own additional parcels within the County. No independent investigation has been made of, and consequently no representation can be made as to, the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the County.

<u>Ten Largest Taxpayers</u> (Unaudited)				
<u>Taxpayer</u>	<u>Type of Business/Property</u>	<u>Taxes Levied⁽¹⁾</u>	<u>2025 Net Assessed Valuation</u>	<u>Percent of Total Tax Levy⁽²⁾</u>
1. Packaging Corporation of America	Paper Products	\$2,339,030	\$102,360,803	1.91%
2. Georgia Power Company	Utilities	2,120,452	85,057,995	1.59
3. Corteva Agriscience	Chemicals	1,027,716	53,978,329	1.01
4. Lowes Home Centers Inc.	Retails Sales	636,884	23,624,156	0.44
5. Colquitt EMC	Utilities	584,040	24,496,805	0.46
6. GF Valdosta Mall LLC	Retail Real Estate	553,611	20,535,297	0.38
7. Warehouse Rentals LLC	Storage Facilities	476,562	17,677,274	0.33
8. Lowes Distribution Center	Wholesale Distributor	464,658	44,722,565	0.83
9. Sabal Trail Transmission LLC	Fuel Transmission	457,210	19,617,703	0.37
10. Bimbo QSR Ohio LLC	Wholesale Bakery	<u>438,798</u>	<u>16,610,493</u>	<u>0.31</u>
TOTAL		<u>\$9,098,961</u>	<u>\$408,681,420</u>	<u>7.63%</u>

⁽¹⁾ Refers to the billed amounts based on the Calendar Year 2025 net maintenance & operations tax digest.

⁽²⁾ Calendar Year 2025 net maintenance & operations tax digest was \$5,357,456,420.

Source: Lowndes County.

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LEGAL MATTERS

Pending Litigation

The County, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The County, after reviewing the current status of all pending and threatened litigation with its counsel, Elliott Blackburn PC, Valdosta, Georgia, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the County or its officials in such capacity are adequately covered by insurance or will not have a material adverse effect upon the financial position or results of operations of the County.

There is no litigation now pending or, to the knowledge of the Issuer or the County, threatened against the Issuer or the County which restrains or enjoins the issuance or delivery of the Series 2026 Bonds, the provision of the security for the payment of the Series 2026 Bonds, or the use of the proceeds of the Series 2026 Bonds or which questions or contests the validity of the Series 2026 Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization, nor existence of the Issuer or the County, nor the title of the present members or other officials of the Issuer or the County to their respective offices, is being contested or questioned. No litigation and no proceedings are pending against the County or the Issuer, or their respective officials, or to their knowledge are threatened against them, which would affect the sale of the Series 2026 Bonds, the security therefor, or the ability of the County to enter into and perform its obligations under the Contract.

Validation Proceedings and Approving Opinions

The Series 2026 Bonds were validated in the Superior Court of Lowndes County, Georgia on June 1, 2026. The judgment by the Superior Court of Lowndes County held, among other things, that the Issuer and the County are authorized to enter into the Contract, that the Contract, when executed and delivered, will constitute a valid, binding, and enforceable obligation of the Issuer and the County, and that the County is authorized to make all payments required by the Contract and to levy and collect an ad valorem property tax not exceed two mills per dollar upon the assessed value of taxable property in the County for the purpose of making all payments required under the Contract. Under Georgia law, the judgment of validation will be forever conclusive against the Issuer and the County upon the validity of the Series 2026 Bonds and the security therefor.

Legal matters incidental to authorization and issuance of the Series 2026 Bonds by the Issuer are subject to the approval of Pope Flynn, LLC, Athens, Georgia, Bond Counsel. It is anticipated that the approving opinion of Bond Counsel will be in substantially the form attached hereto as Appendix D. Certain legal matters will be passed upon for the Issuer by its counsel, Coleman Talley LLP, Valdosta, Georgia, for the County by its counsel, Elliott Blackburn PC, Valdosta Georgia, and for the County by its disclosure counsel, Pope Flynn, LLC, Athens, Georgia.

Closing Certificates

The County will deliver to the Underwriter a certificate that no litigation is pending or threatened against it which would have a material effect on (i) the issuance or validity of the Series 2026 Bonds, (ii) the levy and collection of an ad valorem tax, limited to two mills per dollar, to permit the County to make payments under the Contract in amounts sufficient to pay the Series 2026 Bonds or (iii) the financial condition of the County. In addition, the County will represent to the Underwriter in the Bond Purchase Agreement that the information contained in this Official Statement does not contain any misrepresentation of a material fact and does not omit or state any material fact necessary to make the statements herein contained, in light of the circumstances under which they were made, not misleading.

TAX MATTERS

Federal Income Tax Treatment of Interest on the Series 2026A Bonds

In General. Interest on the Series 2026A Bonds (including any original issue discount accruing thereon, as discussed below) is *not* excluded from gross income for federal income tax purposes and will be taxable as ordinary income.

Medicare Surtax. Section 1411 of the Internal Revenue Code of 1986, as amended (the “Code”) generally imposes a tax of 3.8 percent on the “net investment income” of certain individuals, trusts, and estates, consisting of certain items of unearned income, offset by certain allowable deductions. The categories of unearned income taken into account for these purposes generally include taxable interest, and would therefore include interest and any original issue discount on the Series 2026A Bonds, as well as any gains from the disposition of Series 2026A Bonds.

Federal Income Tax Treatment of Interest on the Series 2026B Bonds

On the date of issuance of the Series 2026B Bonds, Pope Flynn, LLC, in its capacity as Bond Counsel to the Issuer (“Bond Counsel”), will render an opinion that, under existing law, assuming continuing compliance with certain covenants made by the Issuer and the County to satisfy pertinent requirements of the Code, and the applicable regulations promulgated thereunder (the “Regulations”), and the accuracy of certain representations, interest on the Series 2026B Bonds (i) is excluded from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Code. Such interest is, however, taken into account in determining the annual adjusted financial statement income of certain applicable corporations (as defined in Section 59(k) of the Code) for the purpose of determining the application of the 15-percent alternative minimum tax imposed on the adjusted financial statement income of such corporations under Section 55 of the Code. (In general, an “applicable corporation” is a corporation whose average annual adjusted financial statement income (i.e., adjusted book income) exceeds \$1 billion for the 3-taxable year period ending with the tax year in question.). See “Appendix D – FORM OF OPINION OF BOND COUNSEL” attached hereto.

The opinion of Bond Counsel is based on current statutes, regulations, judicial decisions, rulings, and other published guidance of the Internal Revenue Service (the “IRS”), covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the Series 2026B Bonds for federal income tax purposes. Bond Counsel’s opinion is based upon existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel’s attention or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel’s opinion is not a guarantee of a particular result, and is not binding on the IRS or the courts; rather, such opinion represents Bond Counsel’s professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

The opinion of Bond Counsel described above is subject to the condition that the Issuer and the County comply with all requirements of the Code and the Regulations, including, without limitation, certain limitations on the use, expenditure, and investment of the gross proceeds of the Series 2026B Bonds and the obligation to rebate certain earnings on investments of such gross proceeds to the United States Government, that must be satisfied subsequent to the issuance of the Series 2026B Bonds in order for interest thereon to be, or to continue to be, excluded from gross income for federal income tax purposes. The Issuer and the County have covenanted to comply with each such requirement. Failure to comply with certain of such requirements could cause the inclusion of interest on the Series 2026B Bonds in gross income for federal income tax purposes, in some cases retroactively to the date of issuance of the Series 2026B Bonds. The opinion of Bond Counsel delivered on the date of issuance of the Series 2026B Bonds is conditioned on continuing compliance by the Issuer and the County with such requirements, and Bond Counsel has not been retained to monitor compliance with the requirements subsequent to the issuance of such Series 2026B Bonds.

Other Federal Income Tax Considerations Affecting the Series 2026B Bonds

Prospective purchasers of the Series 2026B Bonds should be aware that ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Bond Counsel expresses no opinion concerning such collateral income tax consequences, and prospective purchasers of Series 2026B Bonds should consult their tax own advisors as to the applicability thereof.

From time to time, there are legislative proposals in Congress which, if enacted into law, could eliminate or reduce the exclusion of the interest on the Series 2026B Bonds from gross income for federal income tax purposes or which might otherwise adversely affect the benefit or marketability of the Series 2026B Bonds. No prediction can be made as to whether any such provisions will be enacted as proposed or concerning other future legislation which, if passed, might affect the tax treatment of interest on the Series 2026B Bonds. Similarly, future clarifications of the Code by the IRS and court proceedings interpreting the Code could likewise affect the treatment of interest on the Series 2026B Bonds, as well as the benefit or marketability of the Series 2026B Bonds. Prospective purchasers of the Series 2026B Bonds should consult their own tax advisers regarding any pending or proposed federal tax legislation, court proceedings, and IRS actions, as to all of which Bond Counsel expresses no opinion.

The IRS has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations is includable in gross income for federal income tax purposes. Bond Counsel cannot predict whether the IRS will commence an audit of the Series 2026B Bonds. Bond Counsel's engagement with respect to the Series 2026B Bonds ends with the issuance of the Series 2026B Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Issuer or the holders of the Series 2026B Bonds regarding the tax-exempt status of the Series 2026B Bonds in the event of an audit examination by the IRS.

Under current procedures, parties other than the Issuer and their appointed counsel, including the holders of the Series 2026B Bonds, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Issuer legitimately disagrees may not be practicable.

Any action of the IRS, including but not limited to selection of the Series 2026B Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2026B Bonds, and may cause the Issuer or the holders of the Series 2026B Bonds to incur significant expense, regardless of the ultimate outcome. Under certain circumstances, the County may be obligated to disclose the commencement of an audit under the Disclosure Certificate (as defined under the caption "INTRODUCTION – Continuing Disclosure" herein).

Original Issue Discount*

Certain of the Series 2026 Bonds have been sold at an initial offering price which is less than the principal amount thereof payable at maturity ("Discount Bonds"). The difference between the initial offering price to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers) at which a substantial amount of each maturity of Discount Bonds is sold and the principal amount payable at maturity constitutes original issue discount.

In the case of Discount Series 2026A Bonds, any original issue discount will be treated as zero under a *de minimis* rule if the amount of such discount is less than the product of one quarter of one percent of the face amount of the Series 2026A Bond times the number of complete years to its maturity. Otherwise, original issue discount will accrue over the term of the Discount Series 2026A Bond using the "constant yield method" described in the Regulations. As such discount accrues, the owner of a Discount Series 2026A Bond will be required to include such accrued amount in gross income as interest, regardless of the owner's regular method of accounting. As a result, it is possible that an owner of a Discount Series 2026A Bond could be required to recognize taxable income resulting from original issue discount in an amount that exceeds the actual cash distributions of interest to such owner in a taxable year.

In the case of Discount Series 2026B Bonds, Bond Counsel is of the opinion that original issue discount, as it accrues, is excluded from gross income for federal income tax purposes and is subject to the alternative minimum tax to the same extent as is interest on the Series 2026B Bonds. Original issue discount accrues in each taxable year over the term of the Discount Bonds under the “constant yield method” described in Regulations interpreting Section 1272 of the Code, with certain adjustments.

The tax basis of Discount Bonds if held by an original purchaser, can be determined by adding to such owner’s purchase price of such Discount Bonds the original issue discount that has accrued.

Owners of the Discount Bonds should consult their own tax advisers with respect to all matters relating to such discount.

Original Issue Premium*

Certain of the Series 2026 Bonds have been sold at an initial offering price which is greater than the amount payable at maturity (“Premium Bonds”). An amount equal to the excess of the purchase price of a Premium Bond over its stated redemption price at maturity constitutes original issue premium.

For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond.

The owner of a Premium Series 2026A Bond *may elect* to amortize bond premium, in which case such premium, as it amortizes, offsets interest on the Series 2026A Bond accruing during the same period. Bond premium *must* be amortized by the owner of a Premium Series 2026B Bond.

For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner’s tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the cover of this Official Statement who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of the Premium Bonds should consult their own tax advisers with respect to all matters relating to such bond premium.

Reporting and Withholding Requirements

Payments of interest, including payments of tax-exempt interest on the Series 2026B Bonds, are generally subject to IRS Form 1099-INT information-reporting requirements.

An owner of a Series 2026 Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid on the Series 2026 Bonds if such owner, upon issuance of the Series 2026 Bonds, fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner’s taxpayer identification number, furnishes an incorrect taxpayer identification number, fails properly to report interest, dividends, or other “reportable payments” (as defined in the Code), or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

These requirements do not affect the exclusion of interest on the Series 2026B Bonds from gross income for federal income tax purposes.

State Tax Exemption

Bond Counsel is of the opinion that, under existing law, that interest on the Series 2026 Bonds is exempt from present state income taxation within the State of Georgia. Bond Counsel will not opine as to any other tax consequences relating to the acquiring, holding or disposing of the Series 2026 Bonds. Interest on the Series 2026 Bonds may or may not be subject to state or local income taxation in jurisdictions other than the State of Georgia. Each purchaser of the Series 2026 Bonds should consult his or her own tax advisor regarding the tax-exempt status of interest on the Series 2026 Bonds in a particular state or local jurisdiction other than the State of Georgia.

The opinion of Bond Counsel is limited to the laws of the State of Georgia and federal tax laws. No opinion is rendered by Bond Counsel concerning the taxation of the Series 2026 Bonds or the interest thereon under the laws of any other jurisdiction.

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RISK FACTORS

The following section is intended only as a summary of certain pertinent risk factors relating to an investment in the Series 2026 Bonds. This summary is not intended to be an exclusive summary of factors to be considered in connection with making an investment in the Series 2026 Bonds. In order for potential investors to identify risk factors and make an informed investment decision, they should thoroughly review this entire Official Statement and the appendices hereto and confer with their own tax and financial advisors when considering a purchase of the Series 2026 Bonds.

Public Health

Public health crises such as epidemics and pandemics and the various governmental and private actions taken in response thereto could adversely affect the operations and revenues of the County. The County cannot predict what effect the spread of a public health crisis, or the various governmental and private actions taken in response thereto, would have on the finances or operations of the County. A public health crisis could result in increased costs and challenges relating to establishing distance learning programs or other measures to permit instruction while schools are closed, disruption of the regional and local economy with corresponding decreases in State revenues, tax revenues, including property tax revenue, sales tax revenue and other revenues, increases in tax delinquencies, potential declines in property values, and decreases in new home sales and real estate development.

Climate Change

Planning for climate change in the State and its impact on the County's operations is an unknown challenge. The State's climate is exceedingly variable and projections of future conditions range significantly. While projections in the State indicate rising average temperatures, precipitation projections are much less clear and often contradictory. Other potential impacts include changes in the length, intensity, and frequency of droughts and floods. The financial impact of climate change is not yet known and therefore its future impact on the County cannot be quantified reliably at this time.

Cyber-Security

Computer networks and data transmission and collection are vital to the efficient operations of the County security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Any such disruption, access, disclosure or other loss of information could result in disruptions in operations and the services provided by the County, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties and the services provided, and cause a loss of confidence in the operations of the County, which could materially adversely affect the operations of the County.

Change in Law May Impact Property Tax Pledge by the County under the Contract

Legislative proposals to limit property tax increases and/or exempt some or all homesteads from ad valorem taxation have been made in the past, may currently be under consideration, and may be made again in the future. If adopted, any such proposal could alter the County's property tax base and its ability to meet its obligations under the Contract.

MISCELLANEOUS

Rating

Moody's Investors Services, Inc. ("Moody's") has assigned the rating of "Aa2" to the Series 2026 Bonds. The rating reflects only the views of the rating agency, and an explanation of the significance of such rating may be obtained from the rating agency furnishing such rating. There is no assurance that such rating will remain unchanged for any given period of time or that the rating will not be revised downward or withdrawn entirely by the rating agency

furnishing the same, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the liquidity and market price of the Series 2026 Bonds. Neither the Underwriter, the Issuer nor the County has undertaken any responsibility either to bring to the attention of the owners of the Series 2026 Bonds any proposed suspension or withdrawal of such rating or to oppose any such revision, suspension or withdrawal.

Underwriting

Raymond James & Associates, Inc. (the “Underwriter”), has agreed to purchase the Series 2026 Bonds pursuant to a Bond Purchase Agreement entered into among, the Issuer, the County and the Underwriter. The Underwriter has agreed to purchase the Series 2026 Bonds at a purchase price of \$ _____ (par [plus/less] net [premium/discount] of \$ _____ less underwriting discount of \$ _____). The Bond Purchase Agreement provides that the Underwriter will purchase all of the Series 2026 Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Bond Purchase Agreement. The Underwriter intends to offer the Series 2026 Bonds to the public initially at the offering prices shown on the inside front cover page hereof, which prices may subsequently change without any requirement of prior notice. The Underwriter may offer and sell the Series 2026 Bonds to certain dealers at prices lower than the public offering.

Independent Professionals

Legal matters incident to the authorization, issuance and sale of the Series 2026 Bonds are subject to the approval of Pope Flynn, LLP, Athens, Georgia, Bond Counsel. Certain legal matters will be passed on for the Issuer by its counsel, Coleman Talley LLP, Valdosta, Georgia, for the County by its counsel, Elliott Blackburn PC, Valdosta, Georgia, and for the County by its disclosure counsel, Pope Flynn, LLC, Athens, Georgia.

The financial statements of the County as of June 30, 2025 and for the year then ended have been audited by Aprio, LLP, Valdosta, Georgia, independent certified public accountants, to the extent and for the period indicated in its report thereon, which appears in Appendix A. Such financial statements have been included herein in reliance upon the report of said firm.

Additional Information

Use of the words “shall” or “will” in this Official Statement in summaries of documents to describe future events or continuing obligations is not intended as a representation that such event or obligation will occur but only that the document contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Series 2026 Bonds.

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**AUTHORIZATION OF AND CERTIFICATION
CONCERNING OFFERING STATEMENT**

The execution and delivery of this Official Statement, and its distribution and use by the Underwriter, have been duly authorized and approved by the Issuer and the County. The contents of this Official Statement are the responsibility of the County, except that the Issuer is responsible for the statements contained under the caption "THE ISSUER" and the information with respect to the Issuer appearing under the caption "LEGAL MATTERS – Pending Litigation" herein, and, with the exception of the foregoing information for which the Issuer is responsible, the Issuer makes no representation as to the accuracy or completeness of any information contained herein.

VALDOSTA-LOWNDES COUNTY INDUSTRIAL
AUTHORITY

By: _____
Chairman

LOWNDES COUNTY, GEORGIA

By: _____
Chairman

APPENDIX A

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY

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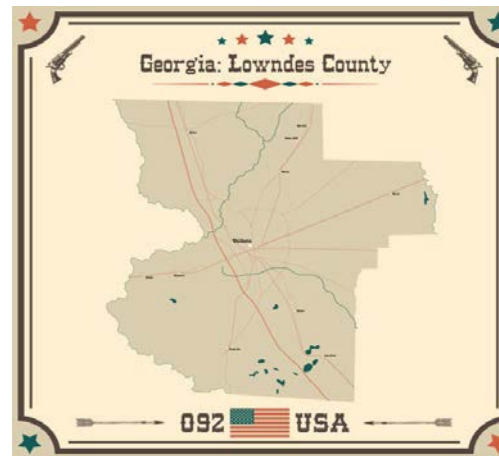


**LOWNDES COUNTY,
GEORGIA**

Annual Comprehensive

Financial Report

July 1, 2024 - June 30, 2025



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(This report is formatted for duplex printing.)

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INTRODUCTORY SECTION

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Lowndes County Finance Department

Stephanie Black
Finance Director

327 North Ashley Street • Valdosta, Georgia 31601 • Phone (229) 671-2525 • Fax (229) 671-2596

January 14, 2026

The Honorable Bill Slaughter, Chairman
Members of the Lowndes County Board of Commissioners
And Citizens of Lowndes County

We are pleased to present the fiscal year 2025 Annual Comprehensive Financial Report for Lowndes County, Georgia, which details our sound fiscal position. The County's strength is due in part to our long-standing tradition of conservative fiscal management. In fiscal year 2025, Lowndes County Government continued to provide excellent services to its citizens while maintaining conservative spending practices.

The Annual Comprehensive Financial Report of Lowndes County, Georgia for the fiscal year ended June 30, 2025, was prepared as required by both local ordinances and state statutes. It provides detailed information on how the County receives, spends, and accounts for its revenues, along with key financial indicators. Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures rests with the County. We believe the data presented is accurate in all material respects and that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds. All disclosures necessary to enable interested citizens to gain a reasonable understanding of the County's financial activities have been included.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive, internal control framework that is designed both to protect the County's assets from loss, theft or misuse, and to compile sufficient, reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the costs of internal controls should *not* outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. All disclosures necessary to enable interested citizens to gain a reasonable understanding of the County's financial activities have been included.

The County's financial statements have been audited by Aprio, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Lowndes County for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

Governmental accounting standards require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

REPORTING ENTITY

Lowndes County was originally established as a Georgia county on December 23, 1825, by an Act of the General Assembly of Georgia. The Board is comprised of one chairman, elected county wide, and five commissioners each elected from a separate commission district serving four-year staggered terms. Daily operations are directed by a County Manager who is appointed by and responsible to the Board of Commissioners. The County provides services to approximately 122,082 residents living in a 510.7 square mile area. Services provided include judicial services including the Superior, State, Magistrate, Probate and Juvenile Courts and the District Attorney, the Public Defender and Probation Services. The County provides public safety including the Sheriff's office, 911 emergency communications, animal control, emergency medical services and fire protection. Public works services include road maintenance and construction and building maintenance. The County provides support for health and welfare services through the public health department, the Department of Family and Children Services and mental health services through Behavioral Health Services of South Georgia. Culture and recreation are funded and provided through a separate millage for the Valdosta-Lowndes County Parks and Recreation Authority and appropriated funds to the South Georgia Regional Library and the Valdosta-Lowndes County Arts Commission. Economic development is supported through a separate millage for the Valdosta-Lowndes County Development Authority and appropriations to the Moody Support Group.

The incorporated areas of Lowndes County consist of five municipalities which are the cities of Dasher, Hahira, Lake Park, Remerton and Valdosta. Each city is governed by a mayor and city council.

The financial statements contained herein include all the activities and functions of Lowndes County that are under the jurisdiction of the Board of Commissioners, as set forth in state and local law. Additionally, three component units are included in these financial statements because of their operational and financial relationships to the County. The Lowndes County Board of Health provides numerous health services to all county residents. The Valdosta-Lowndes County Development Authority provides assistance to new and present business to operate and expand business in Lowndes County. The Valdosta-Lowndes County Parks and Recreation Authority provide recreation services to all county residents.

NATURAL FEATURES AND LAND USE



Lowndes County is located on the Florida border with a major interstate highway system (I-75) that is utilized by many tourists to visit Florida's vacation attractions from across the United States and Canada. The County also has a major state highway that provides commerce and tourism the ability to reach the Georgia coast.

The County has experienced steady growth in residential and commercial development in the last 10 years. The real and personal property tax digest has grown an average of 7.08% over those years. Through planning and zoning the County attempts to maintain a balanced use of land and provide defined areas for residential growth and development as well as areas for commercial and industrial growth. At the same time the County is also expanding recreational land use through the development of new parks.

POPULATION

The County population has grown 8.17% in the last ten years. The growth has been driven in part by the by multiple employers such as Moody Air Force Base, South Georgia Medical Center, Valdosta State University and Wild Adventures and new industries. New housing developments are keeping pace with this growth and the County continues to expand roads and water and sewer systems to keep the infrastructure at the levels needed to meet the demands of growth.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

Lowndes County provides many state-mandated and other services that are the economic back bone for the local economy. Like many counties, Lowndes County is providing new services, which in the past were considered municipal services, to the fastest growing sections of the county in the unincorporated areas.

To ensure that the financial strength of Lowndes County is maintained, the financial policies of the County require that the County maintain 120 days of operating expenditures as a fund balance reserve. This policy has been instrumental in achieving excellent ratings from the bond rating agencies.

In July 2019, Lowndes County received an Aa2 rating from Moody's Investors Service. These ratings provided by these independent services demonstrate the conservative and sound fiscal policies that Lowndes County has developed as a management philosophy.

The County has averaged a 4.1% unemployment rate in the last five years compared to a State average of 3.4%. County population has grown 3.24% since the 2020 census which showed a population of 118,251. County local option sales tax collections were up by 8.90% over the prior year. The gross tax digest increased at a rate of 21.55% over the prior year.



The County provides a vacation attraction which is Wild Adventures Theme Park which includes a theme park, a splash island waterpark, an interactive animal park, concert venue and a Safari Campground within 170 acres.

Seasonal celebrations in the Great Pumpkin Lumi Night and the Wild Adventures Wild and Bright Christmas celebration.



The County is also protective of land use within the areas close to Moody Air Force Base to prevent encroachment that would hamper the mission of the base. Moody Air Force Base is the top employer in Lowndes County.

New Industries



Walmart opened their new milk processing facility in December 2025 which will create nearly 400 new jobs. Ingredients will be sourced from local farmers.



Amazon announced the opening of their new last-mile delivery facility which will create more than 100 jobs and driver opportunities.



Utility Plastics invested \$20 million in a new facility which created more than 60 new jobs. The company will manufacture an estimated 23 million pounds of plastics annually from recycled resin produced by a sister corporation. The company is committed to preserving the the natural environment and eliminating the need to add to the waste stream in their manufacturing process.



P&B Cold Storage built a new 200,000 facility and will create 100 new jobs and generate over \$30 million in capital investments.

Education

Lowndes County has three higher education institutions – Valdosta State University, Georgia Military College and Wiregrass Georgia Technical College which enroll approximately 17,920 students.

Wiregrass Georgia Technical College provides education in Economic Development, GATAPP, Apprenticeships and Adult Education. Wiregrass also provides dual enrollment to high school students, so they are prepared for the workforce upon graduation or have credits that will go toward higher education. Services were provided for over 6,000 students who participated on campus and on-line.



Georgia Military College has over 650 students to the satellite campus located in Lowndes County. The college provides over 30 associates and bachelor's degrees. Bachelor's degrees include criminal justice, healthcare management, public health, supply chain management and logistics, supervision and management and business management.



Valdosta State University has approximately 11,270 students. On a campus of 180 acres. The university is the third largest employer in Lowndes County. VSU offers 40 bachelor's degrees including psychology, health services, business administration, organizational leadership, liberal arts and sciences, registered nursing, criminal justice, biology, marketing, mass communication, finance, speech pathologist, elementary education, sociology and accounting.



Healthcare

South Georgia Medical Center provides hospital services with 418 licensed beds and more than 600 providers and is the second largest employer with 2900 employees. SGMC serves 400,000 residents across a 15-county service area. The hospital is constructing new facilities with an investment of \$150 million. These facilities will include a uniquely designed Women and Infants Tower and a new Emergency Department and Trauma Center.

South Georgia Medical Center has a residency program for Internal Medicine and is expanding their residency program to include Family Medicine



MAJOR INITIATIVES

The County continues to make capital improvements from SPLOST funds. The County oversees the construction of new recreation parks which are operated by the Valdosta-Lowndes Parks & Recreation Authority. These facilities include eight new soccer fields with stadium bleachers, sports lighting, and a large concession stand.



The County continues to upgrade and build fire station facilities. The County has broken ground on Fire Station 4 which will house firefighters and a dedicated wing for South Georgia Medical Center EMS.



Another capital project under construction is a new medical facility at the Lowndes County jail along with a two-level 60-cell housing pods.

Road projects through funding from SPLOST, T-SPLOST and LMIG including Old 41 North widening, improvements to I-75 exit 11 and Val Del Road widening. Resurfacing projects occur annually throughout Lowndes County.

Hurricanes Idalia and Helene were major disaster events in a 13-month period and the County, with the assistance of funding from FEMA and GEMA, was able to remove debris from roadways and assist with debris removal from residences and businesses. The cost of the debris removal and clean up exceeded \$29 million over the last two fiscal years with a large portion of this reimbursed through FEMA and GEMA funding.

RELEVANT FINANCIAL POLICIES

The management of Lowndes County has established a comprehensive internal control system that is designed both to protect the county's assets from theft, loss, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting standards. Because cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance of the safeguarding of assets and the proper recording of financial transactions.

An annual budget is adopted (as required by law) by the County for the general, special revenue and debt service funds prior to July 1. The level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual budget is the department level.

AWARDS AND ACKNOWLEDGEMENTS

The County was also awarded the Distinguished Budget Presentation Award for the fiscal year ending June 30, 2025. To qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, as an operation guide, as a financial plan and as a communication device.

The Distinguished Budget Presentation Award is also valid for a period of one year and we believe our 2025 fiscal year budget document continues to conform to the requirements of the award.

Appreciation is expressed to all members of the Finance Department staff and to our financial consulting firm, Tillman Governmental and Nonprofit Consulting, Inc., for their contribution toward preparation of the ACFR as well as the direction and support of the County Manager's Office.

We also wish to acknowledge the leadership of the Board of Commissioners in its guidance of the financial affairs of the County.

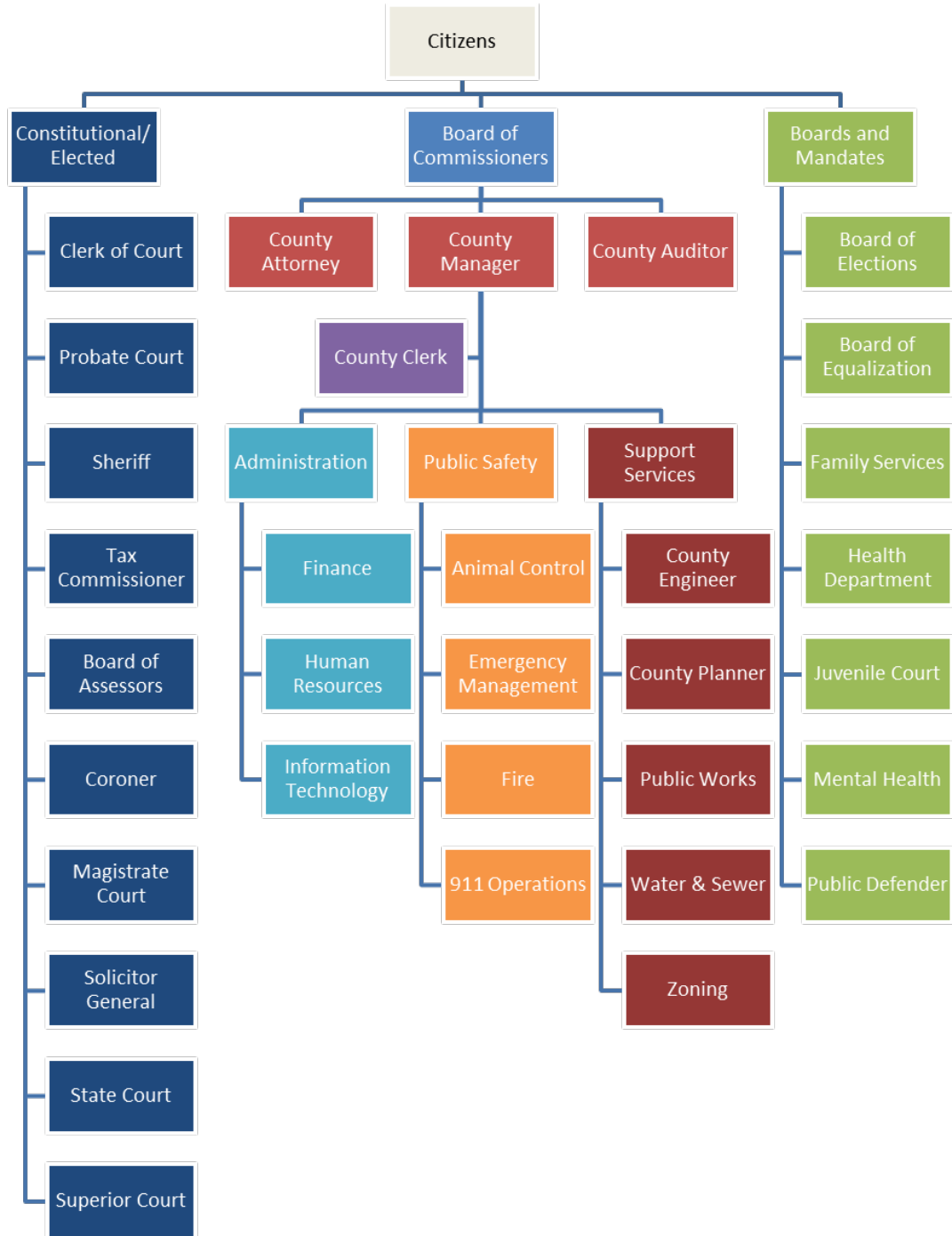
Respectfully,

Stephanie Black

Stephanie Black

Finance Director

Organizational Structure



Lowndes County, Georgia
Principle Officials



Joyce E. Evans
Commissioner District 1



Bill Slaughter
Chairman



Scott Orenstein
Commissioner District 2



Mark Wisenbaker
Commissioner District 3



Demarcus Marshall
Commissioner District 4



Michael Smith
Commissioner District 5

County Manager
Paige Dukes

County Attorney
Walter G. Elliott

Elected Officials

Tax Commissioner
Clerk of Court
Sheriff
Superior Court Judge
State Court Judge
Magistrate Court Judge
Probate Judge

Clay Guess
Beth Greene
Ashley Paulk
Heather H. Lanier
John Kent Edwards, Jr.
Joni Parker
Burke Sherwood, Sr.

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Lowndes County, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lowndes County, Georgia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise of Lowndes County, Georgia's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lowndes County, Georgia, as of June 30, 2025, 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.

We did not audit the financial statements of Lowndes County Board of Health and the Valdosta-Lowndes County Parks and Recreation Authority, which represent 37.64 percent, 22.25 percent, and 80.46 percent, respectively, of the assets, net position, and revenues of Lowndes County, Georgia's component units, as of June 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for Lowndes County Board of Health and the Valdosta-Lowndes County Parks and Recreation Authority, is based solely on the report of the other auditors.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lowndes County, Georgia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Restatement of Beginning Net Position

As described in Note 26 to the financial statements, the County has restated beginning balance of net position to correct opening balance of fixed assets. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lowndes County, Georgia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Lowndes County, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lowndes County, Georgia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 14 through 25), budgetary comparison information (on pages 77 through 81), and the schedules of historical pension and OPEB information and the related notes (on pages 82 through 92) be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 inquires 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lowndes County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, and the certificate of 9-1-1 expenditures are presented for the 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 are also not a required part of the basic financial statements. The combining and individual non-major financial statements and schedules, the schedule of expenditure of special purpose local option sales tax proceeds, schedule of state contractual assistance, Community Development Block Grant schedules, and the certificate of 9-1-1 expenditures 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. 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 also not a required part of the basic financial statements. The 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 in accordance with auditing standards generally accepted in the United States of America by us and other auditors. 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, the certificate of 9-1-1 expenditures, 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.

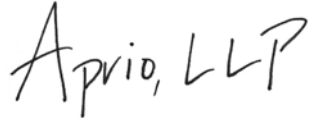
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2026, on our consideration of Lowndes County, 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 solely 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 Lowndes County, 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 Lowndes County, Georgia's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Aprivo, LLP". The letters are cursive and somewhat stylized, with the "A" being particularly large and the "P"s having long, sweeping tails.

Valdosta, GA
January 14, 2026

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As Management of Lowndes County, Georgia, we offer readers of the County's basic financial statements this narrative overview and analysis of the financial activities of the County for the year ending June 30, 2025. This discussion is intended to: 1) assist the reader in understanding significant financial issues; 2) provide an overview of the County's financial activities; 3) identify changes in the County's financial position; and 4) identify individual fund issues or concerns. We encourage our readers to consider the information presented within this Management's discussion and analysis in conjunction with the basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The County's basic financial statements are comprised of three components: County-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The Government-wide financial statements are designed to provide readers with a broad overview of Lowndes County's finances, in a manner similar to private-sector business reporting. All governmental and business-type activities are combined to arrive at a total for the primary government. There are two governmental wide statements, the statement of net position and the statement of activities which are described below:

- Statement of Net Position presents information on all the County's assets and deferred inflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Increases and or decreases in net position serve as a useful indicator of whether the financial position of the County is improving or deteriorating. It is important to note that this state combines the governmental fund's current financial resources (short term) with capital assets and long-term liabilities.
- Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. The statement format is different from a traditional "income statement." The format is intended to portray the extent to which governmental activities are funded by taxes and then the extent to which business-type activities are supported by the revenues they generate. The statement presents all underlying events that affect the changes in net position, regardless of timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Each of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, judicial, public health and welfare, public safety, public works, recreation and culture, housing and development, and intergovernmental. The business-type activities of the County include the water and sewer, landfill, golf course, inspections and permitting and special tax lighting operations.

The government-wide financial statements include not only Lowndes County, Georgia, itself (known as the primary government), but also a legally separate Health Department, Development Authority and Parks and Recreation Authority for which Lowndes County, Georgia, is financially accountable. These legally separate entities are designated as component units of the County due to the significance of their operational or financial relationships with the County. Financial information for these component units is reported separately from financial information presented for the primary government itself.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. Lowndes County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities (in the government-wide financial statements).

The County maintains separate governmental funds to account for the following activities: General; Special Revenue (Special Services (Unincorporated), Commissary, Federal Drug Seizures, State Drug Seizures, Hotel/Motel Tax Intergovernmental Grants, Jail Operations, 911 Emergency Telephone, Drug Abuse Treatment, Fire Services, Victim Assistance, Tree Bank, Law Library and American Rescue Plan Act (ARPA); Capital Projects (SPLOST VIII, CDBG Grant, T-SPLOST and Public Roads). Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, American Rescue Plan Act and SPLOST VIII, all of which are major funds. Data from the other (non-major) governmental funds are combined into a single, aggregated column. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Lowndes County adopts an annual appropriated budget for its General Fund and Special Revenue Funds. Capital Project Funds have project length budgets, which are adopted for the duration of the project. An annual budget for Capital Projects Funds is used for management purposes of these funds to facilitate fiscal control and accounting activities. A budgetary schedule has been provided for the General Fund and Special Revenue Funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 32-35 of this report.

Proprietary Funds. The County maintains five different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The County uses enterprise funds to account for the Water and Sewer, Landfill, Quiet Pines Golf, Inspections and Permitting and Special Tax Lighting District services. Internal Service funds are an accounting device used to accumulate and allocate costs internally amount the County's various functions. The County used internal service funds to account for Equipment Operations, Health Insurance, Workers' Compensation and Technology. The County adopts an annual budget for management purposes of these funds to facilitate fiscal control and accounting of activities in these funds. Because these services predominantly benefit governmental rather than business-type functions, they have included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer operations of the County, which is a major fund of the County.

Conversely, all internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 36-40 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources from those funds are not available to support the County's programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Lowndes County maintains six fiduciary funds called custodial funds for Tax Commissioner, Clerk of Courts, Magistrate Court, Probate Court, Sheriff and Development Authority bond fund.

The basic fiduciary fund financial statements can be found on pages 41-42 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43-76 of this report.

Other financial information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's schedule of budgetary comparisons, progress in funding its obligation to provide pension and other post-employment benefits (OPEB) to its employees and employer contributions. The schedules, combining, and individual statements can be found on pages 77-121 of this report.

- Lowndes County's net position at June 30, 2025, was \$213,870,411. Of this amount, \$223,461,985 represents capital assets (i.e. land, buildings and improvements, infrastructure, machinery and equipment) net of accumulated depreciation and related debt. Restricted net positions for obligations to the citizens of Lowndes County including capital projects amounted to \$42,478,707. The unrestricted net position amounts to a deficit of (\$52,070,281) due to unfunded OPEB liabilities.
- As of June 30, 2025, the County's governmental funds reported a combined ending fund balance of \$79,906,301, an increase of \$8,301,971 in comparison to the prior year. The increase in the fund balance of the General Fund was related to the FEMA disaster funding that was reimbursements for prior year clean up expenses. The ARPA fund spent \$8,301,971 toward planned capital projects which reduced remaining cash funds to \$8,705,873. The SPLOST VIII Fund had an increase in fund balance of \$11,108,002 due to higher sales tax collections.
- Lowndes County's governmental activities debt declined by \$934,957 due to payments on leases. The business-type activities had a reduction in debt of \$1,069,560 with the retirement of the Water and Sewer revenue bonds and the annual payment toward the Water and Sewer GEFA loan. See note 15 for more information related to the County's long-term obligations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, overtime net positions serve as a useful indicator of a government's financial position. In the case of Lowndes County, on an entity-wide basis, total assets and deferred outflows exceeded total liabilities and deferred inflows by \$213,870,411. This represents a change in net position from fiscal year 2024 by \$12,785,018.

Comparative Schedule of Net Position June 30, (in millions of dollars)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>Total Percentage Change</u>
	<u>2024 Restated</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024-2025</u>
Assets							
Current and other assets	\$ 90.21	\$ 63.44	\$ 9.06	\$ 3.92	\$ 99.27	\$ 67.36	-32.14%
Capital assets, net	233.17	260.67	70.95	83.20	304.12	343.87	13.07%
Total Assets	323.38	324.11	80.01	87.12	403.39	411.23	1.94%
Deferred Outflows of Resources	37.88	28.65	3.20	2.52	41.08	31.17	0.00%
Liabilities							
Current and other liabilities	36.09	29.60	2.29	1.47	38.38	31.07	-19.05%
Long-term liabilities	159.04	152.22	13.86	13.36	172.90	165.58	-4.23%
Total Liabilities	195.13	181.82	16.15	14.83	211.28	196.65	-6.92%
Deferred Inflows of Resources	29.83	29.19	2.27	2.69	32.10	31.88	0.00%
Net Position							
Net investment in capital assets	147.93	156.98	58.37	66.48	206.30	223.46	8.32%
Restricted	35.71	42.48	-	-	35.71	42.48	18.96%
Unrestricted	(47.34)	(57.71)	6.42	5.64	(40.92)	(52.07)	-27.25%
Total Net Position	\$ 136.30	\$ 141.75	\$ 64.79	\$ 72.12	\$201.09	\$213.87	6.36%

The largest portion of the County's net position is its investment in capital assets e.g., land and improvements, buildings and building improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Capital projects restrictions of net position represent 19.24% of net position.

The change in net position is an indication of the County’s financial position. The increase in net position is viewed as a positive indicator of financial health. At the end of the current fiscal year, the County is able to report a positive net position.

Comparative Schedule of Changes in Net Position
June 30,
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2024		2024		2024		2024-2025
	Restated	2025	2024	2025	2024	2025	
Revenues							
Program Revenues							
Charges for services	\$ 13.82	\$ 14.58	\$ 13.90	\$ 15.02	\$ 27.72	\$ 29.60	6.78
Operating grants, contributions, interest	13.69	18.24	-	-	13.69	18.24	33.21
Capital grants, contributions, interest	31.98	20.99	-	-	31.98	20.99	(34.37)
Total Program Revenues	59.49	53.81	13.90	15.02	73.39	68.83	(6.22)
General Revenues							
Property taxes	47.63	48.75	-	-	47.63	48.75	2.35
Alcoholic beverage taxes	0.45	0.46	-	-	0.45	0.46	2.22
Occupational taxes	0.72	0.83	-	-	0.72	0.83	15.28
Hotel/motel taxes	1.04	1.06	-	-	1.04	1.06	1.92
Franchise taxes	0.32	0.31	-	-	0.32	0.31	(3.13)
Insurance premium taxes	4.62	4.92	-	-	4.62	4.92	6.49
Sales taxes	39.72	42.23	-	-	39.72	42.23	6.32
Public utility taxes	0.95	0.93	-	-	0.95	0.93	(2.11)
Miscellaneous	0.61	1.76	-	-	0.61	1.76	188.69
Capital contributions	-	-	4.25	8.22	4.25	8.22	93.41
Total General Revenues	96.06	101.25	4.25	8.22	100.31	109.47	9.13
Total Revenues	155.55	155.06	18.15	23.24	173.70	178.30	2.65
Expenses							
Governmental Activities:							
General Government							
Legislative and executive	\$ 27.95	\$ 37.71	\$ -	\$ -	\$ 27.95	\$ 37.71	34.92
Judicial	9.93	11.16	-	-	9.93	11.16	12.39
Public safety	48.43	56.67	-	-	48.43	56.67	17.01
Public works	23.20	23.87	-	-	23.20	23.87	2.89
Health and welfare	14.42	3.99	-	-	14.42	3.99	(72.33)
Culture and recreation	7.27	6.65	-	-	7.27	6.65	(8.53)
Housing and development	6.56	10.15	-	-	6.56	10.15	54.73
Interest on long-term debt	0.03	0.01	-	-	0.03	0.01	(66.67)
Business-type Activities:							
Water and sewer	-	-	12.26	13.21	12.26	13.21	7.75
Landfill	-	-	1.08	0.41	1.08	0.41	(62.04)
Quiet Pines golf	-	-	1.80	0.61	1.80	0.61	(66.11)
Inspections & permitting	-	-	2.35	0.58	2.35	0.58	-
Special tax lighting district	-	-	0.47	0.50	0.47	0.50	6.38
Total Expenses	137.79	150.21	17.96	15.31	155.75	165.52	6.27
Revenue Over (Under) Expenses	17.76	4.85	0.19	7.93	17.95	12.78	(28.81)
Transfers	(2.08)	0.60	2.08	(0.60)	-	-	-
Increase (Decrease) in Net Position	15.68	5.45	2.27	7.33	17.95	12.78	(28.81)
Net Position, Restated	120.62	136.30	62.52	64.79	183.14	201.09	9.80
Net Position, Ending	\$ 136.30	\$ 141.75	\$ 64.79	\$ 72.12	\$ 201.09	\$ 213.87	6.35

Revenue increased \$4.6 million in fiscal year 2025. There was a decrease in governmental activities is attributable to a reduction in capital grants and contribution. The increase in business-type activities was primarily due to increased capital asset contributions from SPLOST for water and sewer services. Expenses increased \$10.2 million from the previous year. The primary reason was the expenses incurred due to disaster clean up from 2 hurricanes.

The following table provides the total cost of services and the net cost of services for the governmental activities. The statement of activities reflects the cost of program services and the charges for services, and sales, grants, and contributions offsetting these services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

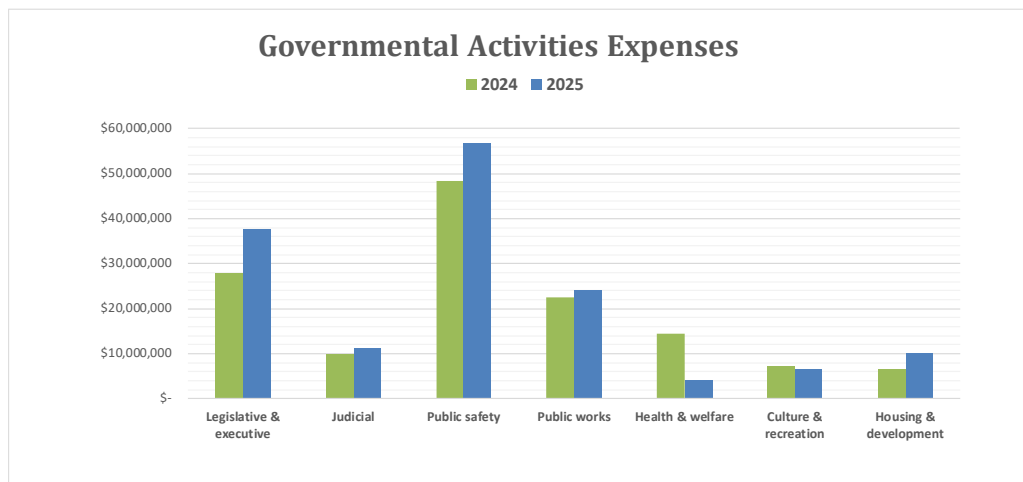
Comparative Net Cost of Governmental Activities
(in millions of dollars)

<u>Function</u>	<u>Total Cost of Services</u>		<u>Percentage Change</u>	<u>Net Cost of Services</u>		<u>Percentage Change</u>
	<u>2024</u>	<u>2025</u>	<u>2024-2025</u>	<u>2024</u>	<u>2025</u>	<u>2024-2025</u>
General Government						
Legislative and executive	\$ 27.95	\$ 37.71	34.92 %	\$ 24.67	\$ 34.84	41.22 %
Judicial	9.93	11.16	12.39 %	4.39	5.09	15.95 %
Public safety	48.43	56.67	17.01 %	40.72	48.78	19.79 %
Public works	23.20	23.87	2.89 %	(6.62)	(10.28)	55.29 %
Health and welfare	14.42	3.99	(72.33) %	0.65	1.17	80.00 %
Culture and recreation	7.27	6.65	(8.53) %	7.26	6.65	(8.40) %
Housing and development	6.56	10.15	54.73 %	6.56	10.15	54.73 %
Interest on long-term debt	0.03	0.01	(66.67) %	0.03	0.01	(66.67) %
Total	\$ 137.79	\$ 150.21	9.01 %	\$ 77.66	\$ 96.41	24.14 %

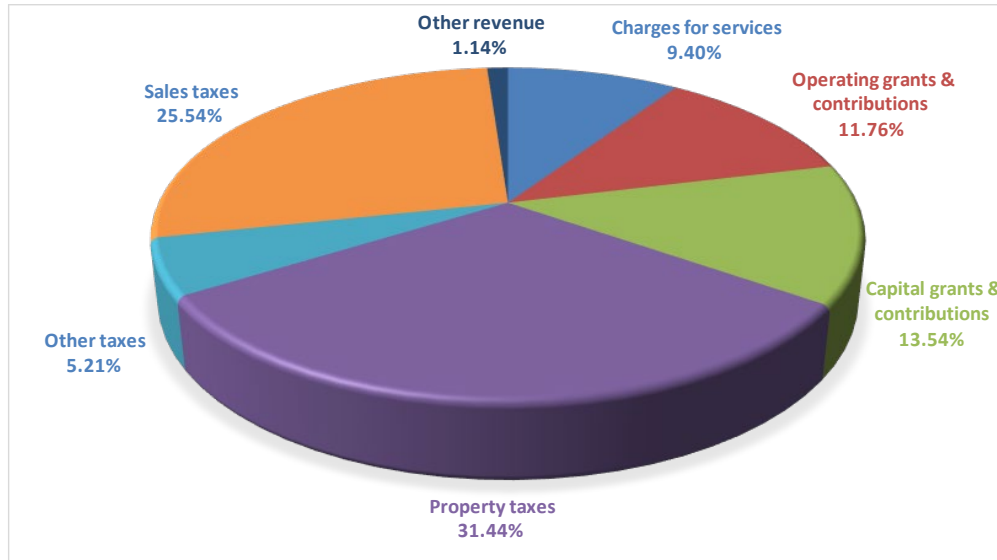
Government Activities

The largest portion of the County’s program revenue is from capital grants, contribution and interest which accounted for \$20,998,119 or 39.0% of total program revenues. These capital grants included broadband infrastructure from ARPA and OPB and LMIG grants for road improvements

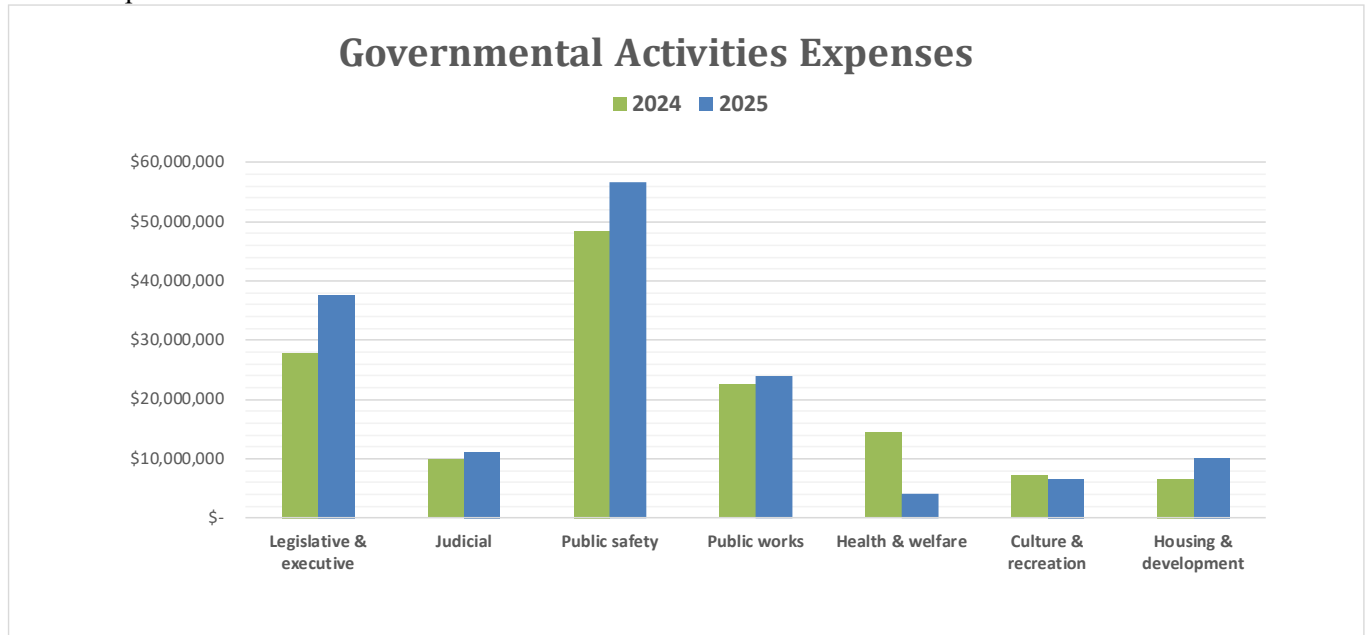
General revenues increased due to increases in sales and property taxes.



Revenues By Source – Governmental Activities 2025



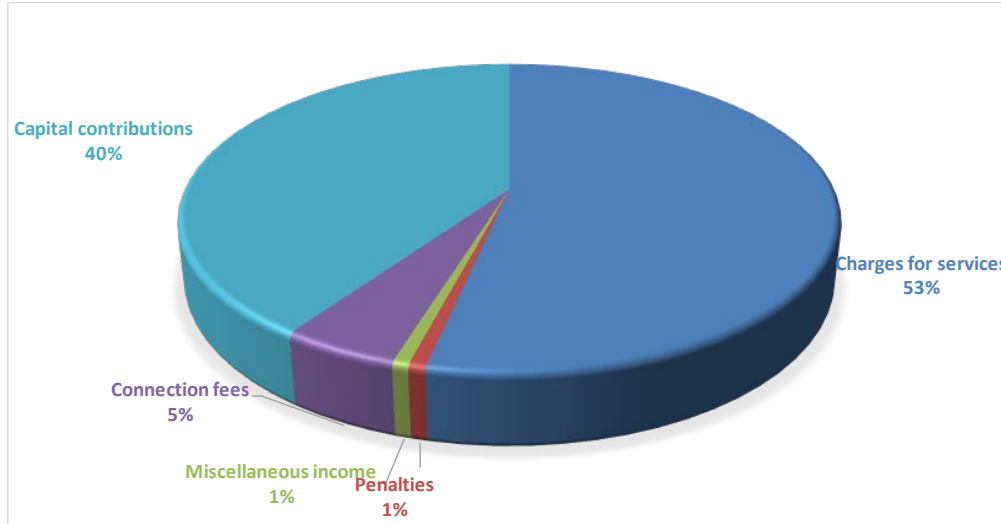
Governmental activities expenses were up in legislative and executive expenses due to unexpected contingency expenses. Public safety expenses were up due to increased costs in the sheriff and jail departments related to increased personnel costs. Public works activities due to hurricane debris removal.



Business-Type Activities

The net position for business-type activities increased \$7,334,045 during the year ending June 30, 2025. The major source of revenue was from charges for services in the Water and Service Fund which amounted to \$10,894,881. The increase in net position was mainly due to the capital contributions to the Water and Sewer Fund from SPLOST funds.

**Revenues by Source – Water & Sewer Fund
2025**



FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the County’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County’s net resources available for spending at the end of the year.

As of June 30, 2025, the County’s governmental funds reported a combined ending fund balance of \$79,906,301 an increase of \$8,905,664. Most of this increase was in the SPLOST VIII Fund and was due higher tax revenue and lower expenses.

The County had \$11,477,143 unassigned governmental activities fund balance which is available for spending at the County’s discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to a variety of other restricted or assigned purposes and ended the year with a balance of \$68,429,158.

Major Funds

The General Fund is the primary operating fund of the County. At the end of June 30, 2025, the unassigned fund balance was \$11,992,729 while total fund balance was \$30,014,310. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures that were \$94,967,842. Unassigned fund balance represents 12.63% of the total General Fund expenditures, while the total fund balance represents 39.51% of that same amount.

The Capital Projects American Rescue Plan Fund account for grant funds provided for corona virus relief. The funds transferred from the prior year deferral during FY2025 were \$8,301,971 and the same amount was expended during FY2025 so the remaining grant funds of \$7,859,212 have been deferred until spent.

The Capital Projects SPLOST VIII Fund which began on January 1, 2020, expended \$25,184,797 in appropriations to other governments, capital improvements, and public safety and received \$36,292,799 in sales tax and investment income. The revenue exceeded expenditure by \$11,108,002 resulting in an ending fund balance of \$39,817,651.

Enterprise Funds

The County's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total Net Position of the Water & Sewer Fund on June 30, 2025, was \$68,961,755. Total Net Position increased by \$6,750,582. A large portion of this increase was due to capital contributions provided through SPLOST funds.

The Landfill Fund oversees the post-closure expenses of a closed landfill. Solid waste host fees provide revenue to cover these expenses which have been accrued to cover the anticipated cost of monitoring the landfill in accordance with environmental regulations. The fund had an increase in net position in the amount of \$236,933 resulting in an ending net position of \$2,701,449.

The Quiet Pines Golf Fund oversees a golf course located at Moody Air Force Base. Fees for golfing and food support this fund. The fund had a decline in net position in the amount of (\$234,668) resulting in an ending net deficit position of (\$234,576).

The Inspecting and Permitting Fund was established in FY2024 so that fees collected, and expenses could be tracked to determine the annual fund balance that can have an impact on fees in the future. The revenues were \$1,160,413 and the expenses were \$578,294. The increase in net position was \$582,294 resulting in an ending net position of \$582,600.

The Special Tax Lighting District oversees special districts that are accessed taxes to cover the cost of providing lighting to the district. The fund had an decrease in net position in the amount of \$1,096 and an ending net position of \$112,180.

BUDGETARY HIGHLIGHTS

By State statute, the Board of County Commissioners adopts the annual operating budget for the County on or before the first day of the fiscal year.

For the General Fund, changes from the original to the final budget represent increases in fringe benefits and unexpected hurricane debris removal expenses that were more than anticipated in the original budget. These items resulted in a decline in the fund balance for the General Fund. The total General Fund balance was maintained in accordance with the financial policies.

Differences between the original budget and the final amended budget and the final actual and the final amended budget by function were as follows:

	General Fund					
	For the Year Ended June 30, 2025					
	<u>Original</u>	<u>Final</u>	Variance With		<u>Actual</u>	Variance With
			<u>Final Budget</u>		<u>Final Budget</u>	
Legislative & Executive	\$ 14,393,687	\$ 13,775,207	\$ (618,480)	\$ 13,773,134	\$ (2,073)	
Judicial	8,405,200	8,277,500	(127,700)	8,273,037	(4,463)	
Public Safety	29,103,368	32,001,668	2,898,300	32,000,487	(1,181)	
Public Works	8,604,629	29,254,979	20,650,350	29,250,384	(4,595)	
Health & Welfare	944,984	953,996	9,012	953,996	-	
Culture & Recreation	5,460,902	6,388,902	928,000	6,388,807	(95)	
Housing and Development	3,512,000	4,328,100	816,100	4,327,997	(103)	
Total Expenditures	<u>\$ 70,424,770</u>	<u>\$ 94,980,352</u>	<u>\$ 24,555,582</u>	<u>\$ 94,967,842</u>	<u>\$ (12,510)</u>	

Capital Assets

The County's capital assets for governmental and business-type activities as of June 30, 2025, were \$274,420,647 (net of accumulated depreciation). This investment in capital assets includes land and improvements, construction in progress, buildings and improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure.

Major capital asset events during FY2025 included continued improvements to roads, public safety and public works equipment and recreation facilities.

Governmental assets moved from construction in progress to the capital asset records during the year totaled \$1,100,927 and there was \$17,507,788 put into construction in progress. Major projects completed consisted of the following:

- Road construction - \$746,542.
- 911 storage facility - \$208,708
- Francis Lake Warehouse - \$145,677

No material business-type assets were moved from construction in progress to the assets recorded during the year.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2025	2024	2025	2024	2025	2024
Land and Improvements	\$ 5,422,184	\$ 4,846,098	\$ 2,959,168	\$ 2,959,168	\$ 8,381,352	\$ 7,805,266
Construction in Progress	49,898,249	29,994,590	11,171,749	6,022,631	61,069,998	36,017,221
Buildings & Building Improvements	112,007,077	109,484,978	464,391	464,391	112,471,468	109,949,369
Improvements Other Than Buildings	8,832,708	8,832,708	-	-	8,832,708	8,832,708
Machinery & Equipment	56,159,476	62,164,603	4,464,444	4,420,876	60,623,920	66,585,479
Vehicles	14,210,190	12,747,916	788,987	788,987	14,999,177	13,536,903
Infrastructure	357,331,027	356,584,485	87,639,226	83,610,918	444,970,253	440,195,403
Totals	<u>\$ 603,860,911</u>	<u>\$ 584,655,378</u>	<u>\$ 107,487,965</u>	<u>\$ 98,266,971</u>	<u>\$ 711,348,876</u>	<u>\$ 682,922,349</u>

Additional information on the County's capital assets can be found in the notes in this report.

Long-Term Debt

The County backed the refinancing of prior revenue bonds and issued additional revenue bonds for the Valdosta-Lowndes Development Authority during FY2020 in the amount of \$17,545,000 to provide funding for economic development projects. The bonds are being paid from the 1 mil of property taxes accessed by the Authority.

Standards & Poor’s Corporation has assigned an underlying rating of AA- to these new bonds. However, an AAA credit rating was listed on the bonds since insurance was purchased from Financial Security Assurance, Inc. guaranteeing bond payments.

The County provided backing for bonds issued by the Hospital Authority of Valdosta and Lowndes County, Georgia during FY2019 in the amount of \$148,280,000, during FY2019 in the amount of \$96,860,000, and during FY2024 in the amount of \$131,290,000 for capital improvement projects. Additional information can be found in note regarding contingent liabilities.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Leases	\$ 44,717,040	\$ 45,651,997	\$ -	\$ -	\$ 44,717,040	\$ 45,651,997
Bonds	-	-	-	888,080	-	888,080
GEFA Loans	-	-	2,590,943	2,592,520	2,590,943	2,592,520
Estimated Claims Payable	1,455,113	1,463,858	-	-	1,455,113	1,463,858
Landfill Closure/Postclosure	-	-	1,050,336	1,025,719	1,050,336	1,025,719
Net Pension Liability	24,452,326	25,932,465	2,001,506	2,066,434	26,453,832	27,998,899
Net OPEB liability	83,407,656	87,629,833	7,887,940	8,350,269	91,295,596	95,980,102
Compensation absences	1,895,072	1,739,142	161,149	120,671	2,056,221	1,859,813
Totals	<u>\$ 155,927,207</u>	<u>\$ 162,417,295</u>	<u>\$ 13,691,874</u>	<u>\$ 15,043,693</u>	<u>\$ 169,619,081</u>	<u>\$ 177,460,988</u>

Additional information regarding the County’s long-term obligations includes compensated absences, closure/postclosure liability, net pension liability and net OPEB liability. Additional information on the County’s long-term debt can be found in notes in this report.

ECONOMIC OUTLOOK

With respect to the economy, fiscal year 2025 ended for the County as planned with good budgetary performance. The original budget anticipated an estimated \$1.5 million in fund balance being used for FY2025. The actual net change in fund balance was an increase of \$1,238,496. It is expected that Lowndes County will continue to see consistent improvement in the local economy and steady real estate growth trends in the next few years.

- Property tax revenue increased by 2.62% and the property tax digest grew by 21.55%. Based on the digest growth the Board of Commissioners lowered the millage rate from 6.53 mils to 5.28 mils.
- Sales taxes had growth including the Local Option Sales Tax (LOST) which grew by 8.90%. The Special Purpose Local Option Sales Tax grew by 8.07%.
- On June 30, 2025, Lowndes County had an unemployment rate of 4.0% which was a decrease of .6% from the prior year.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Lowndes County Finance Director, 300 North Ashley Street, Valdosta, GA 31601.

BASIC FINANCIAL STATEMENTS

LOWNDES COUNTY, GEORGIA
STATEMENT OF NET POSITION
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total Primary Government
ASSETS			
Equity in pooled cash and cash equivalents	\$ 52,595,789	\$ 16,821,566	\$ 69,417,355
Cash and cash equivalents in segregated accounts	43,776,004	-	43,776,004
Certificate of deposit	128,168	-	128,168
Receivables (net of allowance for doubtful accounts):			
Taxes	955,476	-	955,476
Accounts	9,797,970	1,223,088	11,021,058
Sales tax	5,438,735	-	5,438,735
Note receivable	1,000,000	-	1,000,000
Lease receivables	-	-	-
Due from other governments	-	-	-
Inventories	245,385	5,317	250,702
Prepaid items	444,387	-	444,387
Net OPEB Asset	-	-	-
Restricted assets:			
Cash	3,609,299	5	3,609,304
Non-current assets:			
Lease receivable, net of current portion	-	-	-
Intangible assets:			
Right to use assets	1,188,382	-	1,188,382
Less: accumulated amortization	(417,423)	-	(417,423)
Intangible assets, net of amortization	770,959	-	770,959
Capital assets:			
Capital assets not being depreciated	55,320,433	14,130,917	69,451,350
Capital assets being depreciated	548,540,478	93,357,048	641,897,526
Less: accumulated depreciation	(398,513,907)	(38,414,322)	(436,928,229)
Capital assets, net of depreciation	205,347,004	69,073,643	274,420,647
TOTAL ASSETS	324,109,176	87,123,619	411,232,795
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	14,737,474	1,206,311	15,943,785
Other post employment benefits	13,912,673	1,315,735	15,228,408
TOTAL DEFERRED OUTFLOWS OF RESOURCES	28,650,147	2,522,046	31,172,193
TOTAL ASSETS & DEFERRED OUTFLOWS	\$ 352,759,323	\$ 89,645,665	\$ 442,404,988

The accompanying notes are an integral part of these financial statements.

Component Units		
Lowndes County Board of Health	Valdosta- Lowndes Development Authority	Valdosta- Lowndes County Parks & Recreation Authority
\$ -	\$ -	\$ -
4,853,854	12,341,877	2,334,180
-	-	-
-	-	805,679
293,184	-	-
-	-	-
-	-	-
-	66,300	-
634,836	2,935,266	-
-	-	-
-	13,401	166,324
1,724,944	-	-
-	451,571	-
-	526,819	-
405,021	-	-
(183,450)	-	-
221,571	-	-
-	14,904,058	3,551,052
1,462,066	12,121,056	14,937,916
(1,168,120)	(8,110,075)	(8,541,382)
293,946	18,915,039	9,947,586
8,022,335	35,250,273	13,253,769
2,805,252	-	1,207,899
985,196	-	-
3,790,448	-	1,207,899
<u>\$ 11,812,783</u>	<u>\$ 35,250,273</u>	<u>\$ 14,461,668</u>

LOWNDES COUNTY, GEORGIA
STATEMENT OF NET POSITION
June 30, 2025

	Primary Government		
	Governmental	Business-Type	Total
	<u>Activities</u>	<u>Activities</u>	<u>Primary</u>
			<u>Government</u>
LIABILITIES			
Accounts payable	\$ 7,989,200	\$ 509,197	\$ 8,498,397
Estimated health claims payable	331,417	-	331,417
Accrued wages	1,289,560	73,619	1,363,179
Accrued expenses	4,355,672	34,815	4,390,487
Due to other governments	4,994,225	-	4,994,225
Unearned revenue	8,393,240	88,341	8,481,581
Payable from restricted assets:			
Customer deposits	-	433,456	433,456
Noncurrent liabilities:			
Due within one year			
Compensated absences payable	1,061,240	90,243	1,151,483
Lease liabilities	1,183,570	-	1,183,570
Bonds payable	-	-	-
Notes payable	-	137,613	137,613
Landfill postclosure cost	-	95,485	95,485
Due in more than one year			
Compensated absences payable	833,832	70,906	904,738
Lease liabilities	43,533,470	-	43,533,470
Bonds payable	-	-	-
Notes payable	-	2,453,330	2,453,330
Landfill postclosure cost	-	954,851	954,851
Net pension liability	24,452,326	2,001,506	26,453,832
Net OPEB liability	83,407,656	7,887,940	91,295,596
TOTAL LIABILITIES	181,825,408	14,831,302	196,656,710
DEFERRED INFLOWS OF RESOURCES			
Pension expense	5,447,355	445,884	5,893,239
Lease expense	-	-	-
OPEB expense	23,739,557	2,245,071	25,984,628
TOTAL DEFERRED INFLOWS OF RESOURCES	29,186,912	2,690,955	31,877,867
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	211,012,320	17,522,257	228,534,577
NET POSITION			
Net investment in capital assets	156,979,285	66,482,700	223,461,985
Restricted for:			
Jail operations	12,607	-	12,607
Drug enforcement operations	366,229	-	366,229
Drug education and treatment	127,603	-	127,603
Law library	585,908	-	585,908
Tree planting	70,700	-	70,700
911 emergency telephone	87,772	-	87,772
Fire services	148,905	-	148,905
Public health programs	-	-	-
Debt services	-	-	-
Tourism development	-	-	-
Capital projects	41,644,950	-	41,644,950
Unrestricted	(58,276,956)	5,640,708	(52,636,248)
TOTAL NET POSITION	\$ 141,747,003	\$ 72,123,408	\$ 213,870,411

The accompanying notes are an integral part of these financial statements.

Component Units		
Lowndes County Board of Health	Valdosta- Lowndes Development Authority	Valdosta- Lowndes County Parks & Recreation Authority
\$ -	\$ 154,660	\$ 48,895
-	-	-
15,138	-	-
223,309	852,505	159,381
188,254	21,668	-
61,398	-	28,146
-	-	-
390,913	-	64,485
87,149	-	-
-	1,185,000	-
-	-	-
-	-	195,135
586,369	-	116,189
135,306	-	-
-	10,690,000	-
-	-	1,673,539
-	-	-
11,403,889	-	1,541,473
-	-	-
<u>13,091,725</u>	<u>12,903,833</u>	<u>3,827,243</u>
1,735,673	-	478,287
-	508,215	-
893,715	-	-
<u>2,629,388</u>	<u>508,215</u>	<u>478,287</u>
<u>15,721,113</u>	<u>13,412,048</u>	<u>4,305,530</u>
293,946	7,040,039	8,078,912
-	-	-
-	-	-
-	-	-
-	-	-
1,415,451	-	-
-	451,571	-
-	-	30,969
-	-	-
<u>(5,617,727)</u>	<u>14,346,615</u>	<u>2,046,257</u>
<u>\$ (3,908,330)</u>	<u>\$ 21,838,225</u>	<u>\$ 10,156,138</u>

**LOWNDES COUNTY, GEORGIA
STATEMENT OF ACTIVITES
For the Year Ending June 30, 2025**

FUNCTION/PROGRAM	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
GOVERNMENTAL ACTIVITIES				
General Government				
Legislative and Executive	\$ 37,709,713	\$ 1,857,403	\$ 1,024,381	\$ -
Judicial	11,157,613	5,006,187	1,060,378	-
Public Safety	56,674,332	7,335,516	559,940	-
Public Works	23,874,561	361,139	15,493,470	18,300,381
Health and Welfare	3,985,811	15,974	98,462	2,697,738
Culture and Recreation	6,647,604	-	-	-
Housing and Development	10,147,360	-	-	-
Interest on Long-term Debt	8,800	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	150,205,794	14,576,219	18,236,631	20,998,119
BUSINESS-TYPE ACTIVITIES				
Water and Sewer	13,202,454	12,183,007	-	8,220,029
Landfill	409,985	796,918	-	-
Quiet Pines Golf	612,425	377,757	-	-
Inspections & Permitting	578,119	1,160,413	-	-
Special Tax Lighting District	501,195	500,099	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	15,304,178	15,018,194	-	8,220,029
TOTAL PRIMARY GOVERNMENT	\$ 165,509,972	\$ 29,594,413	\$ 18,236,631	\$ 29,218,148
COMPONENT UNITS				
Lowndes County Board of Health	\$ 20,262,262	\$ 4,728,176	\$ 18,403,467	\$ -
Valdosta-Lowndes Development Authority	4,669,140	4,386,607	-	3,021,916
Valdosta-Lowndes County Parks & Recreation Authority	76,118,651	749,140	197,664	6,884
TOTAL COMPONENT UNITS	\$ 101,050,053	\$ 9,863,923	\$ 18,601,131	\$ 3,028,800

GENERAL REVENUES
Property Taxes Levied for:
 General Operating
Alcoholic Beverage Taxes
Occupational Taxes
Hotel/Motel Taxes
Franchise Taxes
Insurance Premium Taxes
Sales Taxes
Public Utility Taxes
Miscellaneous Income
Gain (loss) on disposal of capital asset
Investment Income
TOTAL GENERAL REVENUES

EXCESS (DEFICIT) BEFORE TRANSFERS
TRANSFERS IN
TRANSFERS OUT
CHANGES IN NET POSITION

NET POSITION, BEGINNING OF YEAR, RESTATED

NET POSITION, END OF YEAR

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Total	Lowndes County Board of Health	Valdosta-Lowndes County Development Authority	Valdosta-Lowndes County Parks & Recreation Authority
\$ (34,827,929)	\$ -	\$ (34,827,929)	\$ -	\$ -	\$ -
(5,091,048)	-	(5,091,048)	-	-	-
(48,778,876)	-	(48,778,876)	-	-	-
10,280,429	-	10,280,429	-	-	-
(1,173,637)	-	(1,173,637)	-	-	-
(6,647,604)	-	(6,647,604)	-	-	-
(10,147,360)	-	(10,147,360)	-	-	-
(8,800)	-	(8,800)	-	-	-
<u>(96,394,825)</u>	<u>-</u>	<u>(96,394,825)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	7,200,582	7,200,582	-	-	-
-	386,933	386,933	-	-	-
-	(234,668)	(234,668)	-	-	-
-	582,294	582,294	-	-	-
-	(1,096)	(1,096)	-	-	-
-	7,934,045	7,934,045	-	-	-
<u>\$ (96,394,825)</u>	<u>\$ 7,934,045</u>	<u>\$ (88,460,780)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 2,869,381	\$ -	\$ -
-	-	-	-	2,739,383	-
-	-	-	-	-	(5,983,451)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,869,381</u>	<u>\$ 2,739,383</u>	<u>\$ (5,983,451)</u>
48,749,330	-	48,749,330	-	-	6,319,551
456,559	-	456,559	-	-	-
832,355	-	832,355	-	-	-
1,054,427	-	1,054,427	-	-	771,595
312,509	-	312,509	-	-	-
4,921,710	-	4,921,710	-	-	-
42,228,064	-	42,228,064	-	-	-
930,218	-	930,218	-	-	-
1,760,626	-	1,760,626	-	-	-
-	-	-	-	(715,355)	-
-	-	-	-	164,649	-
<u>101,245,798</u>	<u>-</u>	<u>101,245,798</u>	<u>-</u>	<u>(550,706)</u>	<u>7,091,146</u>
4,850,973	7,934,045	12,785,018	2,869,381	2,188,677	1,107,695
2,769,927	-	2,769,927	-	-	-
<u>(2,169,927)</u>	<u>(600,000)</u>	<u>(2,769,927)</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,450,973	7,334,045	12,785,018	2,869,381	2,188,677	1,107,695
<u>136,296,030</u>	<u>64,789,363</u>	<u>201,085,393</u>	<u>(6,777,711)</u>	<u>19,649,548</u>	<u>9,048,443</u>
<u>\$ 141,747,003</u>	<u>\$ 72,123,408</u>	<u>\$ 213,870,411</u>	<u>\$ (3,908,330)</u>	<u>\$ 21,838,225</u>	<u>\$ 10,156,138</u>

**LOWNDES COUNTY, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2025**

	<u>General</u>	American Rescue Plan <u>Fund</u>	Capital Project Special Purpose Local Option Sales Tax VIII <u>Funds</u>	Other Governmental <u>Funds</u>	<u>Total</u>
ASSETS					
Equity in pooled cash and cash equivalents	\$ 24,207,773	\$ 8,705,873	\$ 53,080	\$ 12,137,972	\$ 45,104,698
Cash and cash equivalents in segregated accounts	9,282	-	42,237,148	1,448,765	43,695,195
Certificate of deposit	-	-	-	128,168	128,168
Inventories	-	-	-	29,763	29,763
Receivables (net of allowance for doubtful accounts)					
Taxes	955,476	-	-	-	955,476
Accounts	7,535,717	-	-	2,782,449	10,318,166
Sales tax	1,745,393	-	3,006,681	96,394	4,848,468
Note receivable	1,000,000	-	-	-	1,000,000
Interfund receivable	<u>2,065,623</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,065,623</u>
TOTAL ASSETS	<u>\$ 37,519,264</u>	<u>\$ 8,705,873</u>	<u>\$ 45,296,909</u>	<u>\$ 16,623,511</u>	<u>\$ 108,145,557</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 2,661,504	\$ 846,661	\$ 629,604	\$ 3,704,040	\$ 7,841,809
Accrued wages	1,017,984	-	-	259,365	1,277,349
Accrued liabilities	2,961,414	-	-	-	2,961,414
Due to other governments	-	-	4,849,654	-	4,849,654
Interfund payable	-	-	-	2,065,623	2,065,623
Unearned revenue	<u>13,885</u>	<u>7,859,212</u>	<u>-</u>	<u>520,143</u>	<u>8,393,240</u>
TOTAL LIABILITIES	<u>6,654,787</u>	<u>8,705,873</u>	<u>5,479,258</u>	<u>6,549,171</u>	<u>27,389,089</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	<u>850,167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>850,167</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>850,167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>850,167</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>7,504,954</u>	<u>8,705,873</u>	<u>5,479,258</u>	<u>6,549,171</u>	<u>28,239,256</u>
FUND BALANCES					
Restricted for:					
Jail operations	-	-	-	12,607	12,607
Drug enforcement	-	-	-	366,229	366,229
Drug education and treatment	-	-	-	127,603	127,603
Law library	-	-	-	585,908	585,908
Tree planting	-	-	-	70,700	70,700
911 emergency telephone	-	-	-	87,772	87,772
Fire services	-	-	-	148,905	148,905
Capital projects	-	-	39,817,651	1,827,299	41,644,950
Assigned for:					
Unincorporated services	-	-	-	7,362,903	7,362,903
Property tax roll back	18,021,581	-	-	-	18,021,581
Unassigned reported in:					
General Fund	<u>11,992,729</u>	<u>-</u>	<u>-</u>	<u>(515,586)</u>	<u>11,477,143</u>
TOTAL FUND BALANCES	<u>30,014,310</u>	<u>-</u>	<u>39,817,651</u>	<u>10,074,340</u>	<u>79,906,301</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 37,519,264</u>	<u>\$ 8,705,873</u>	<u>\$ 45,296,909</u>	<u>\$ 16,623,511</u>	<u>\$ 108,145,557</u>

The accompanying notes are an integral part of these financial statements.

LOWNDES COUNTY, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
June 30, 2025

Total Governmental Funds Balances \$ 79,906,301

Amounts reported for governmental activities on the statement of net position are different because of the following:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. 205,347,004
Less capital assets net included from internal service funds (37,310,206) 168,036,798

Intangible assets used in the governmental activities are not financial resources and therefore are not reported in the funds 770,959

Internal service funds are used by the County to charge the cost of equipment management, technology services, group health and workers compensation. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position is: 1,090,813

Revenue are not available to pay for current period expenditures and, therefore, are not reported in the funds.
Deferred tax revenue 850,167

Deferred outflows/(inflows) of governmental activities are not current financial resources and therefore are not reported in the governmental funds.
Deferred outflows - pension and OPEB 28,650,147
Less deferred outflows included from internal service funds (536,626) 28,113,521
Deferred inflows - pension and OPEB (29,186,912)
Less deferred inflows included from internal service funds 574,934 (28,611,978)

The net other postemployment benefits obligation are not financial resources and therefore are not reported in the governmental funds. (83,407,656)
Less net OPEB included from internal service funds 1,688,968 (81,718,688)

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:
Compensated absences payable (1,895,072)
Less compensated absences included from internal service funds 30,830 (1,864,242)
Net pension liability (24,452,326)
Less net pension liability included from internal service funds 422,930 (24,029,396)
Lease liability (44,717,040)
Less lease liability included from internal service funds 43,919,788 (797,252)

Net Position of Governmental Activities \$ 141,747,003

The accompanying notes are an integral part of these financial statements.

LOWNDES COUNTY, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2025

	<u>General</u>	<u>American Rescue Plan Fund</u>	<u>Capital Project Special Purpose Local Option Sales Tax VIII</u>	<u>Other Governmental Funds</u>	<u>Total</u>
REVENUES:					
Taxes	\$ 64,613,631	\$ -	\$ 35,387,920	\$ 18,797,717	\$ 118,799,268
Licenses and permits	8,402	-	-	156,985	165,387
Intergovernmental revenues	21,201,233	8,301,971	-	13,900,271	43,403,475
Charges for services	5,052,738	-	-	2,717,055	7,769,793
Fines and forfeitures	2,771,469	-	-	1,225,441	3,996,910
Investment income	1,019,191	-	904,879	63,296	1,987,366
Miscellaneous	1,687,704	-	-	1,429,666	3,117,370
TOTAL REVENUES	<u>\$ 96,354,368</u>	<u>\$ 8,301,971</u>	<u>\$ 36,292,799</u>	<u>\$ 38,290,431</u>	<u>\$ 179,239,569</u>
EXPENDITURES					
Current					
General Government					
Legislative and executive	13,773,134	-	-	458,060	14,231,194
Judicial	8,273,037	-	-	1,574,652	9,847,689
Public safety	32,000,487	-	2,602,331	18,765,003	53,367,821
Public works	29,250,384	3,427,183	(10,890)	7,939,491	40,606,168
Health and welfare	953,996	-	-	-	953,996
Culture and recreation	6,388,807	-	(2,615,728)	220,633	3,993,712
Housing and development	4,327,997	-	-	4,451,366	8,779,363
Intergovernmental	-	-	19,035,162	-	19,035,162
Capital outlay	-	4,874,788	6,173,922	9,070,090	20,118,800
TOTAL EXPENDITURES	<u>94,967,842</u>	<u>8,301,971</u>	<u>25,184,797</u>	<u>42,479,295</u>	<u>170,933,905</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,386,526	-	11,108,002	(4,188,864)	8,305,664
OTHER FINANCING SOURCES (USES):					
Transfers In	1,085,000	-	-	1,684,927	2,769,927
Transfers Out	(1,233,030)	-	-	(936,897)	(2,169,927)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(148,030)</u>	<u>-</u>	<u>-</u>	<u>748,030</u>	<u>600,000</u>
NET CHANGES IN FUND BALANCE	1,238,496	-	11,108,002	(3,440,834)	8,905,664
FUND BALANCES AT BEGINNING OF YEAR	28,775,814	-	28,709,649	13,515,174	71,000,637
FUND BALANCES AT END OF YEAR	<u>\$ 30,014,310</u>	<u>\$ -</u>	<u>\$ 39,817,651</u>	<u>\$ 10,074,340</u>	<u>\$ 79,906,301</u>

The accompanying notes are an integral part of these financial statements.

LOWNDES COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds \$ 8,905,664

Amounts reported for governmental activities on the statement of activities are different because of the following:

Net Pension Liability

Change in pension liability and the related deferred inflow and outflows of resources increases net expenses of pension functions on the governmentwide statements. (1,143,712)

Net OPEB Obligation

Change in OPEB liability and the related deferred inflow and outflows of resources increases net expenses of other post employment benefits functions on the governmentwide statements. (6,693,025)

Internal service funds change in net position:

Internal service funds change in net position less depreciation, compensated absences and capital assets (1,357,834)

Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year:

Capital outlay - depreciable capital assets	5,659,191	
Capital outlay - nondepreciable capital assets	17,520,271	
Depreciation expense	<u>(12,131,334)</u>	11,048,128

Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:

Property taxes	68,603	
Unearned income	<u>(5,200,451)</u>	(5,131,848)

Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Compensated absences (156,466)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of activities.

Lease payments (19,934)

Changes in Net Position of Governmental Activities \$ 5,450,973

The accompanying notes are an integral part of these financial statements.

**LOWNDES COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2025**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Other Enterprise Funds	Total	Internal Service Funds
ASSETS				
Current Assets				
Equity in pooled cash and cash equivalents	\$ 9,965,231	\$ 6,856,335	\$ 16,821,566	\$ 7,534,477
Receivables (net of allowance for uncollectible)	1,051,178	171,910	1,223,088	70,069
Prepaid items	-	-	-	444,388
Inventories	-	5,317	5,317	215,621
Restricted assets:				
Cash and cash equivalents	-	-	-	3,646,724
Customer deposit account	5	-	5	-
TOTAL CURRENT ASSETS	<u>11,016,414</u>	<u>7,033,562</u>	<u>18,049,976</u>	<u>11,911,279</u>
Noncurrent Assets				
Capital Assets				
Capital assets not being depreciated	13,927,278	203,639	14,130,917	17,850,796
Capital assets being depreciated	92,549,541	807,507	93,357,048	29,452,610
Less: accumulated depreciation	(37,624,597)	(789,725)	(38,414,322)	(9,993,200)
TOTAL CAPITAL ASSETS (NET OF ACCUMLATED DEPRECIATION)	<u>68,852,222</u>	<u>221,421</u>	<u>69,073,643</u>	<u>37,310,206</u>
TOTAL NONCURRENT ASSETS	<u>68,852,222</u>	<u>221,421</u>	<u>69,073,643</u>	<u>37,310,206</u>
TOTAL ASSETS	<u>79,868,636</u>	<u>7,254,983</u>	<u>87,123,619</u>	<u>49,221,485</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension expense	868,700	337,611	1,206,311	254,901
OPEB expense	935,024	380,711	1,315,735	281,725
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,803,724</u>	<u>718,322</u>	<u>2,522,046</u>	<u>536,626</u>
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 81,672,360</u>	<u>\$ 7,973,305</u>	<u>\$ 89,645,665</u>	<u>\$ 49,758,111</u>

The accompanying notes are an integral part of these financial statements.

**LOWNDES COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2025**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Other Enterprise Funds	Total	Internal Service Funds
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 438,762	\$ 70,435	\$ 509,197	\$ 291,960
Accrued liabilities	73,619	-	73,619	1,737,888
Accrued interest payable	-	34,815	34,815	-
Unearned revenue	87,705	636	88,341	-
Current portion of compensated absences payable	68,700	21,543	90,243	17,265
Current portion of bonds payable	-	-	-	-
Current portion of note payable	137,613	-	137,613	-
Current portion of capital lease	-	-	-	951,610
Current portion of landfill postclosure cost	-	95,485	95,485	-
Payable from restricted assets:				
Customer deposits	433,456	-	433,456	-
TOTAL CURRENT LIABILITIES	<u>1,239,855</u>	<u>222,914</u>	<u>1,462,769</u>	<u>2,998,723</u>
LONG-TERM LIABILITIES				
Compensated absences	53,978	16,928	70,906	13,565
Capital lease obligation	-	-	-	42,968,178
Note payable	2,453,330	-	2,453,330	-
Net pension liability	1,441,342	560,164	2,001,506	422,930
Net other post employment benefits liability	5,605,550	2,282,390	7,887,940	1,688,968
Landfill postclosure cost	-	954,851	954,851	-
TOTAL LONG-TERM LIABILITIES	<u>9,554,200</u>	<u>3,814,333</u>	<u>13,368,533</u>	<u>45,093,641</u>
TOTAL LIABILITIES	<u>10,794,055</u>	<u>4,037,247</u>	<u>14,831,302</u>	<u>48,092,364</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	321,094	124,790	445,884	94,218
Other post employment benefits	1,595,456	649,615	2,245,071	480,716
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,916,550</u>	<u>774,405</u>	<u>2,690,955</u>	<u>574,934</u>
NET POSITION				
Net investment in capital assets	66,261,279	221,421	66,482,700	267,082
Unrestricted	2,700,476	2,940,232	5,640,708	823,731
TOTAL NET POSITION	<u>\$ 68,961,755</u>	<u>\$ 3,161,653</u>	<u>\$ 72,123,408</u>	<u>\$ 1,090,813</u>

The accompanying notes are an integral part of these financial statements.

**LOWNDES COUNTY, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
 For the Year Ended June 30, 2025**

	Business-Type Activities - Enterprise Funds			Governmental
	Other		Total	Activities
	Water and Sewer	Enterprise Funds		Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 10,894,881	\$ 2,834,410	\$ 13,729,291	\$ 18,060,224
Penalties	147,015	-	147,015	-
Miscellaneous income	138,776	777	139,553	553,847
Connection fees	1,002,335	-	1,002,335	-
TOTAL OPERATING REVENUES	<u>12,183,007</u>	<u>2,835,187</u>	<u>15,018,194</u>	<u>18,614,071</u>
OPERATING EXPENSES				
Personal services	2,059,278	878,670	2,937,948	590,893
Payroll taxes	147,988	62,881	210,869	42,199
Fringe benefits	1,647,249	72,293	1,719,542	259,040
Contractual services	5,012,296	969,399	5,981,695	802,495
Insurance and bond	-	-	-	11,598,136
Materials and supplies	2,175,148	112,577	2,287,725	2,926,637
Amortization	23,221	-	23,221	-
Depreciation	2,113,786	5,904	2,119,690	2,735,037
TOTAL OPERATING EXPENSES	<u>13,178,966</u>	<u>2,101,724</u>	<u>15,280,690</u>	<u>18,954,437</u>
OPERATING INCOME (LOSS)	<u>(995,959)</u>	<u>733,463</u>	<u>(262,496)</u>	<u>(340,366)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest revenue	-	-	-	237,769
Interest expense	(23,488)	-	(23,488)	(1,255,237)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(23,488)</u>	<u>-</u>	<u>(23,488)</u>	<u>(1,017,468)</u>
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	(1,019,447)	733,463	(285,984)	(1,357,834)
Capital contributions	8,220,029	-	8,220,029	-
Transfers Out	(450,000)	(150,000)	(600,000)	-
CHANGE IN NET POSITION	6,750,582	583,463	7,334,045	(1,357,834)
NET POSITION AT BEGINNING OF YEAR	<u>62,211,173</u>	<u>2,578,190</u>	<u>64,789,363</u>	<u>2,448,647</u>
NET POSITION AT END OF YEAR	<u>\$ 68,961,755</u>	<u>\$ 3,161,653</u>	<u>\$ 72,123,408</u>	<u>\$ 1,090,813</u>

The accompanying notes are an integral part of these financial statements.

**LOWNDES COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2025**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Other Enterprise Funds	Total	Internal Service Funds
<u>Increase (Decrease) in Cash and Cash Equivalents</u>				
<u>Cash Flows From Operating Activities</u>				
Cash received from customers	\$ 12,231,995	\$ 2,868,490	\$ 15,100,485	\$ -
Cash received from other income	138,776	777	139,553	553,847
Cash received from other funds for services	-	-	-	18,042,222
Cash payments for personal services	(2,018,689)	(855,648)	(2,874,337)	(590,246)
Cash payments for payroll taxes	(147,988)	(62,881)	(210,869)	(42,199)
Cash payments for fringe benefits	(836,454)	(335,732)	(1,172,186)	(227,043)
Cash payments for contractual services	(5,046,680)	(443,586)	(5,490,266)	(824,856)
Cash payments for insurance and bond	-	-	-	(11,561,446)
Cash payments for materials and supplies	(2,175,148)	(607,983)	(2,783,131)	(2,932,043)
Net Cash Provided by Operating Activities	<u>2,145,812</u>	<u>563,437</u>	<u>2,709,249</u>	<u>2,418,236</u>
<u>Cash Flows From Noncapital Financing Activities</u>				
Cash payments from transfer-out	(450,000)	-	(450,000)	-
Cash transfers in	-	(150,000)	(150,000)	-
Net Cash Provided By (Used For) Noncapital Financing Activities	<u>(450,000)</u>	<u>(150,000)</u>	<u>(600,000)</u>	<u>-</u>
<u>Cash Flows From Capital and Related Financing Activities</u>				
Proceeds from note	179,903	-	179,903	-
Cash payments for acquisition of capital assets	(985,447)	(15,518)	(1,000,965)	(3,687,311)
Cash payments for principal on bonds payable	(888,080)	-	(888,080)	-
Cash payments for interest on bonds payable	(16,082)	-	(16,082)	-
Cash payments for principal on note payable	(181,480)	-	(181,480)	(717,215)
Cash payments for interest on note payable	(8,799)	-	(8,799)	(1,274,514)
Net Cash Used For Capital and Related Financing Activities	<u>(1,899,985)</u>	<u>(15,518)</u>	<u>(1,915,503)</u>	<u>(5,679,040)</u>
<u>Cash Flows From Investing Activities</u>				
Cash received from interest	-	-	-	237,769
Net Cash Flows Provided By Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>237,769</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(204,173)	397,919	193,746	(3,023,035)
Cash and Cash Equivalents at Beginning of Year	<u>10,169,409</u>	<u>6,458,416</u>	<u>16,627,825</u>	<u>14,204,236</u>
Cash and Cash Equivalents at End of Year	<u>\$ 9,965,236</u>	<u>\$ 6,856,335</u>	<u>\$ 16,821,571</u>	<u>\$ 11,181,201</u>
Equity in pooled cash and cash equivalents	\$ 9,965,231	\$ 6,856,335	\$ 16,821,566	\$ 7,534,477
Equity in segregated cash accounts	5	-	5	3,646,724
Total Cash and Cash Equivalents	<u>\$ 9,965,236</u>	<u>\$ 6,856,335</u>	<u>\$ 16,821,571</u>	<u>\$ 11,181,201</u>
Noncash Transactions:				
Capital contributions	<u>\$ 8,220,029</u>	<u>\$ -</u>	<u>\$ 8,220,029</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**LOWNDES COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2025**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water and <u>Sewer</u>	Other Enterprise <u>Funds</u>	<u>Total</u>	Internal <u>Service Funds</u>
Reconciliation of Operating Income (Loss) To				
<u>Net Cash Provided by (Used For) Operating Activities</u>				
Operating Income (Loss)	\$ (995,959)	\$ 733,463	\$ (262,496)	\$ (340,366)
Adjustments to Reconcile Operating Income (Loss) To				
<u>Net Cash Provided by (Used For) Operating Activities</u>				
Depreciation	2,113,786	5,904	2,119,690	2,735,037
Amortization	23,221	-	23,221	-
(Increase) decrease in assets:				
Accounts receivable	145,386	34,395	179,781	(18,001)
Prepaid expense	-	-	-	(65,037)
Inventory	-	5,791	5,791	36,667
Increase (decrease) in liabilities:				
Accounts payable	(34,384)	(2)	(34,386)	46,037
Other post employment benefits	816,995	(244,274)	572,721	21,089
Pension payable	(6,200)	(19,165)	(25,365)	10,908
Customer deposits	27,975	-	27,975	-
Compensated absences payable	23,387	17,091	40,478	(534)
Unearned revenue	14,403	(314)	14,089	-
Post closure cost payable	-	24,617	24,617	-
Accrued wages	17,202	5,931	23,133	(7,564)
Net Cash Provided By Operating Activities	<u>\$ 2,145,812</u>	<u>\$ 563,437</u>	<u>\$ 2,709,249</u>	<u>\$ 2,418,236</u>

The accompanying notes are an integral part of these financial statements.

LOWNDES COUNTY, GEORGIA
 FIDUCIARY FUNDS
 STATEMENT OF NET POSITION
 June 30, 2025

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 4,639,934
Due from others	<u>46,902</u>
TOTAL ASSETS	<u><u>\$ 4,686,836</u></u>
 LIABILITIES	
Due to others	<u>\$ 1,042,772</u>
TOTAL LIABILITIES	<u><u>1,042,772</u></u>
 NET POSITION	
Net position - held for others	<u>3,644,064</u>
TOTAL NET POSITION	<u><u>\$ 3,644,064</u></u>

The accompanying notes are an integral part of these financial statements.

**LOWNDES COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
For The Year Ended June 30, 2025**

	<u>Custodial Funds</u>
ADDITIONS	
Taxes	\$ 165,877,769
Fees	<u>16,545,540</u>
Total Additions	<u>182,423,309</u>
DEDUCTIONS	
Payment of taxes to other agencies	165,938,035
Payment of fees to other agencies	<u>16,579,660</u>
Total Deductions	<u>182,517,695</u>
CHANGE IN NET POSITION	(94,386)
NET POSITION BEGINNING OF YEAR	<u>3,738,450</u>
NET POSITION END OF YEAR	<u><u>\$ 3,644,064</u></u>

The accompanying notes are an integral part of these financial statements.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Lowndes County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are describe below.

REPORTING ENTITY

These financial statements present Lowndes County, Georgia (the primary government) which is governed by an elected six - member board, and discretely presented component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationships with the County. In conformity with GAAP, as set forth in the Statement of Governmental Accounting Standards No. 14, *The Financial Reporting Entity* and amended by GASB Statement No. 61, the component units' financial statements have been included as discretely presented component units. Each discretely presented component unit, on the other hand, is reported separately in the government-wide financial statements from the most recently audited financial statements. The following is a brief review of each component unit addressed in defining the government's reporting entity.

Discretely Presented Component Units

The Lowndes County Board of Health is a component unit based on the criteria in GASB Statement No. 14. The Board of Health consists of seven members. Two members are appointed by the City of Valdosta. The Lowndes County Board of Commissioners appoints three members, and the Chairman of the Board of Commissioners (or their designee) serves as a member. The County Superintendent of Schools is the other member. County appointments or members make up the majority of the Board of Health. The County provides funding annually to the Board of Health. Because the County appoints the majority of the board and because of the financial relationship between the Board of Health and the County, the Board of Health is reported as a discretely presented component unit.

A complete set of financial statements for the Lowndes County Board of Health is presented in a separate report and can be obtained from the Lowndes County Board of Health.

The Valdosta-Lowndes Development Authority is a component unit based on the criteria of fiscal dependence. The County is providing the funding for the Authority through a dedicated millage of .82 mil that must first pay for all the general obligation debt and then the balance of the funds for the operations of the Authority. The County issued general obligation bonds in the County's name for the Authority, so they could acquire land and develop it for industry. The operations of the Authority are dependent on the property taxes that the County assesses. The continuation of the accessed millage is determined by the County. The County appoints two of five of the Board members and rotates an appointment with the City of Valdosta of one Board member at the end of their term of office. The City of Valdosta appoints the other two Board members.

A complete set of financial statements for the Valdosta-Lowndes Development Authority is presented in a separate report and can be obtained from the Valdosta-Lowndes Development Authority.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

The Valdosta-Lowndes County Parks and Recreation Authority is a component unit based on the criteria of fiscal dependence. The County is providing funding for the Authority through a dedicated millage of 1.25 mils that provides the revenues along with fees to cover the cost of operations of the Authority. The operations of the Authority are dependent on the property taxes that the County assesses. The continuation of the assessed millage is determined by the County. The County appoints three of seven Board members and rotates an appointment with the City of Valdosta of one Board member at the end of their term of office. The City of Valdosta appoints the other three Board members.

A complete set of financial statements for the Valdosta-Lowndes County Parks and Recreation Authority is presented in a separate report and can be obtained from the Valdosta-Lowndes County Parks and Recreation Authority.

Joint Ventures

The Valdosta-Lowndes County Airport Authority is a joint venture between the City of Valdosta and Lowndes County based on an annual request for funding to both governments. A separate financial report may be obtained from the Valdosta-Lowndes County Airport Authority.

The Valdosta-Lowndes County Conference Center and Tourism Authority is a joint venture between the City of Valdosta and Lowndes County based funding provided each year from both governments. A separate financial report may be obtained from the Valdosta-Lowndes County Airport Authority.

The Southern Georgia Regional Commission is a joint venture of the members in the South Georgia 18 county area. Further information is provided in the notes to the financial statements.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements, including a statement of net position and the statement of changes in net position report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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.

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.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Measurement focus refers to what is being measured. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Custodial funds use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property taxes as available if they are collected up to 60 days after the end of the current fiscal year. Other revenues susceptible to accrual are considered available if they are collected within 90 days of the end of the current fiscal period for which they are imposed except for grant revenues that are for reimbursements of expenditure recorded in the current fiscal year once those revenue amounts are measurable up to 5 months after year end. Expenditure generally are recorded when liability is incurred, as under accrual accounting. The County should accrue governmental fund liability and expenditure in the period in which the County incurs liability. In accordance with this basic rule, salaries, professional services, supplies, utilities, travel, and similar items are recognized as expenditures in the period in which the County received the goods or services. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property taxes, sales tax, franchise taxes, charges for services, grant revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

CHANGE IN ACCOUNTING PRINCIPLE

There was no new accounting principles put in place during the fiscal year ending June 30, 2025. There are changes in accounting principles to be implemented for the fiscal year ending June 30, 2026, due to new statements issued by the Governmental Accounting Standards Board which are as follows:

- Disclosure of Certain Capital Assets which provides more detailed disclosure in the notes for capital assets increasing essential information about certain types of capital assets.
- Financial Reporting Model Improvements which will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

FUND ACCOUNTING

Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

General Fund. The General Fund accounts for all financial resources, except those required to be accounted for in another fund. All general operating revenues which are not restricted or designated as to be used by outside sources are recorded in the General Fund.

American Rescue Plan Fund. The American Rescue Plan Fund accounts for the corona virus relief funds provided by the federal government. The revenue is restricted to the stated purposes of the federal law that provided for the funds.

Capital Project Special Sales Tax VIII Fund. The Capital Projects Special Sales Tax VIII Fund accounts for the special purpose local option sales tax that was renewed for the seventh time by referendum. The revenue is restricted to the stated purposes of the referendum.

The other governmental funds of the County account for grants and other resources whose use is restricted for a particular purpose; the accumulation of resources for, and the payment of debt; and the acquisition or construction of major capital facilities.

Proprietary Funds

Proprietary Fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principle ongoing operations. All other revenues and expenses not meeting this definition are considered nonoperating. The County's enterprise funds may be used to account for any activity for which a fee is charged to external users of goods or services. The following is the County's major enterprise fund:

Water and Sewer Fund. The fund accounts for fees collected by the County for water and sewer services.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department to the other departments of the County on a cost-reimbursement basis. The County has four internal service funds:

Equipment Operations - to account for charges to other funds for the maintenance and repair of County equipment.

Health Insurance – to account for charges to other funds and contributions from employees and for the payment of health insurance premiums and benefits.

Workers' Compensation – to account for charges to other funds for the payment of workers' compensation premiums and benefits.

Technology Fund – to account for charges to other funds for the use of technology services and equipment purchased through the fund.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The County's custodial funds account for assets held by the County's Tax Commissioner, Clerk of Court, Sheriff, Magistrate Court, Probate Court and Development Authority for other governments or individuals.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and used are not eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the Water and Sewer, Landfill, Quite Pines Golf, Inspecting and Permitting, and Special Tax Lighting District enterprise funds and of the County's Internal Service funds are charges to customers for sales and services. The Water and Sewer enterprise fund recognized charges for water and sewer charges and connection fees intended to recover the cost of connecting new customers to the system as operating revenue. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

ASSETS, LIABILITIES AND NET POSITION OR EQUITY

Deposits and Investments

To improve cash management, cash received by the County is pooled and invested. Individual fund integrity is maintained through County records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents."

Cash and cash equivalents that are held separately within departments of the County, and not included in the County Treasury, are recorded as "Cash and Cash Equivalents in Segregated Accounts."

Cash and cash equivalents of the Lowndes County Board of Health, the Valdosta-Lowndes Development Authority and the Valdosta-Lowndes County Parks & Recreation Authority component units are recorded as "Cash and Cash Equivalents in Segregated Accounts."

Investments are reported at fair value, except for repurchase agreements and non-negotiable certificates of deposit which are reported at cost. Fair value is based on quoted market prices.

Income from pooled investments is allocated only when contractually or legally required. All investment earnings not legally or contractually required to be credited to individual accounts or funds are credited to the General Fund.

For purposes of the combined statement of cash flow and for presentation on the statement of net position, investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the County are considered to be cash and cash equivalents. Investments with a maturity of more than one year, and not purchased from the cash management pool, are reported as investments.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as interfund receivables/payables. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance of uncollectible.

Inventories and Prepaid Items

Inventory is presented at cost and is expensed when used. Inventory consists of expendable supplies held for consumption.

Prepaid items are for payments made by the County in the current year to provide services occurring in the subsequent fiscal year.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

Bond Premiums and Discounts

Premiums and discounts are deferred and amortized over the lives of the bonds and loans on a straight-line basis, which approximates the effective interest method. Bond payables are reported net of the applicable bond premium or discount.

Amortization costs for premiums, discounts, and amounts deferred for refunding (see Note 15) for the year 2025 was \$8,088. All bonds have been paid off as of June 30, 2025. None of these costs were capitalized in 2025.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Certain resources set aside for the payment of bond debt and customer deposits for the water and sewer fund are classified as restricted assets on the balance sheet because their use is limited.

Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities' column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their estimated acquisition value. The County maintains a capitalization threshold of \$7,500. The County's infrastructure consists of roads, bridges, and culverts for which the County chose to include all such items regardless of their acquisition date. The County was able to estimate the historical cost of the governmental activities' infrastructure for the initial reporting of those assets. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Buildings, infrastructure, and water and sewer systems have salvage values estimated on the remaining value at the end of their estimated lives. Interest incurred during the construction of enterprise fund capital assets is also capitalized.

All capital assets are depreciated, except for land and improvements and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives.

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Building Improvements	50 years
Improvements Other Than Buildings	20 years
Machinery and Equipment	5–20 years
Vehicles	6–10 years
Infrastructure	20–50 years
Water and Sewer Infrastructure	50 years

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

Right to Use Assets and Liabilities

Intangible assets are classified as right-to-use lease or subscription assets under GASBs No. 87 and GASBs No. 96 and are amortized based on the underlying asset life.

The County is a lessee for a noncancellable leases of equipment. The County recognizes a lease liability and an intangible right-to-use lease asset in the governmental activities of the County. The County recognizes lease liabilities in excess of a \$50,000 threshold.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County can have three items that qualify for reporting in this category. These three items consist of the deferred charge on refunding and deferred charges in pension expense and OPEB expense. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amortization is part of the interest expense for the year. The deferred charges in pension expense and OPEB expense represent differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension or OPEB liability, changes of assumptions about future economic or demographic factors or of other inputs, and contributions made into the defined benefit pension plan or OPEB plan after the measurement date. The deferred outflows related to employer contributions subsequent to measurement date will be recognized as OPEB expense in the next fiscal year. Other deferred outflows related to pension or OPEB will be recognized in pension or OPEB expense using a systematic and rational method over a closed five-year period, beginning in the current reporting period.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County can have three items that qualify for reporting in this category. These three items consist of unavailable revenue and deferred inflows related to pension expenses and OPEB expense. Unavailable revenue only arises under the modified accrual basis of accounting and is reported only in the governmental funds balance sheet. Governmental funds report unavailable revenues from two sources: property taxes and other assessments. The deferred inflows related to pension and OPEB expense represent differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension or OPEB liabilities and changes of assumptions about future economic or demographic factors or of other inputs. These deferred inflows will be recognized in pension or OPEB expense using a systematic and rational method over a closed five-year period, beginning with the current reporting period.

Compensated Absences

Leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused leave time when earned for all employees.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are not recognized as a liability and expenditure except when they have matured. For enterprise funds, the entire amount of compensated absences is reported as a fund liability.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type statement of net position.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Association of County Commissioners of Georgia (ACCG) Lowndes County Defined Benefit Plan (Plan) and additions to/from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

Other Post-employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Lowndes County, Georgia Postretirement Health Benefit Plans (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Fund Equity/Net Position

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 County 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 County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Committed: Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Board of Commissioners through the adoption of a resolution. Only the Board of Commissioners may modify or rescind the commitment.

Assigned: Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes but are neither restricted nor committed. Through resolution, the Board of Commissioners has authorized the County's Finance Director 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 criterion. Positive unassigned fund balance may be reported only in the General Fund. Negative unassigned fund balances may be reported in all funds.

The County has adopted a financial policy of maintaining a minimum balance in the total fund balance of the General Fund equal to 120 days of expenditure based on the annual daily average.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

Net Position

Net position represents the difference between assets and liabilities 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 County 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 positions are reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Net Investment in Capital Assets

The net investment in capital assets reported on the government-wide statement of net position as of June 30, 2025, are as follows:

	Governmental Activities	Business-type Activities
Cost of capital/intangible assets	\$ 605,049,293	\$ 107,487,965
Less accumulated depreciation/ amortization	(398,931,330)	(38,414,322)
Book value	206,117,963	69,073,643
Retainage and accounts payable related to construction	(4,421,638)	-
Less capital related debt	(44,717,040)	(2,590,943)
Total net investment in capital assets	\$ 156,979,285	\$ 66,482,700

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgetary Process

An annual budget is adopted (as required by law) by the County for the general, special revenue and capital projects funds. Although not legally required, the County also adopts a budget for the enterprise funds and internal service funds. The level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual budget is the department level. Supplemental appropriations out of the County’s General Fund contingency account may be made by the Board of Commissioners to fund unforeseen expenditures within the County’s governmental funds at any time during the year. The budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

The County uses the following procedures in establishing the annual budget:

1. Prior to July 1, the County Manager submits to the Board of Commissioners a proposed budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments. Notice is given at least ten days in advance by publication in the official organ of Lowndes County.
3. The budget is legally enacted through passage of an ordinance.
4. The County has a policy of budgeting on a departmental basis.
5. Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue, capital project, internal service and enterprise funds.
6. Budgeted amounts are shown as amended throughout the year.

There was no excess of expenditure over appropriations at the department or individual funds levels.

Encumbrances

Encumbrance accounting, under which major purchase orders, contracts, and other commitments for the expenditures of monies are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration.

Encumbrances outstanding at year-end represent the estimated amount of the expenditures ultimately to result if unperformed contracts in process at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditure or liabilities. For budgetary purposes the encumbrances were recognized as expenditures, and this is accounted for as an adjustment from the GAAP Basis to the Budgetary Basis. There were no encumbrances for the year ending June 30, 2025.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the County, these revenues are charges for services for water and sewer and street lighting. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. At June 30, 2025 all of the County’s deposits were either covered by federal depository insurance, collateral pledged or collateralized through a multiple financial institution collateral pool.

Georgia law governs collateral requirements and forms of collateral under O.C.G.A. Section 45-8-12 which is incorporated by reference with the County’s Investment Policy. The County has no custodial credit risk policies requiring additional collateral.

The Georgia law requires that (1) all deposits shall be collateralized with 10 days of deposit by a surety bond, a guarantee of insurance, or collateral; (2) the face value of any surety bond, guarantee of insurance or collateral shall be at least 110% of the public funds being secured, net of deposit insurance; (3) if a depository elects the pooled method (O.C.G.A. Section 45-8-13.11), the aggregate fair value of the pledged securities may not be less than 110% of the daily pool balance.

Investments: The County has no public investment funds. The County would follow state statutes and adopted investment policies if such investments were made in the future to avoid custodial credit risk.

Interest Rate Risk: The County has a formal investment policy that limits investment maturities to one year as a means of managing its exposure to fair value losing arising from increasing interest rates.

NOTE 3 – PROPERTY TAXES

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the County. The property taxes for Lowndes County are collected by the Lowndes County Tax Commissioners Office and remitted to the County monthly.

The property tax calendar is as follows:

- January 1 - Assessment date
- July 1 - Tax Assessors send returns to Tax Commissioner
- July 25 - Millage rate is set by the County Commission
- July 28 - County tax digest is submitted to the State Revenue Commissioner
- September 15 - Bills are mailed by Tax Commissioner
- November 15 - Due date for property taxes other than motor vehicles
- November 16 - Execution date for unpaid taxes

Taxes are collected throughout the year.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 3 – NOTE RECEIVABLE

On June 30, 2025, the County issued a note receivable in the amount of \$1,000,000 to the Valdosta Housing Authority. The funds were provided for the development of a public housing project. The note stipulates that interest will accrue at a 2% rate until January 1, 2028. During that period no payments will be made. The accrued interest will become part of the total principal as of that date and the loan will stay at a 2% rate and will require annual payments over 35 years and have a maturity date of January 1, 2053. The balance of the loan for principal and accrued interest will make up the final balloon payment on the maturity date.

NOTE 4 – PAYMENT IN LIEU OF TAXES

According to State law, the County has entered into agreements with a number of property owners under which the County has granted property tax abatements to those property owners and agreed to construct certain infrastructure improvements.

The property owners have agreed to make payments to the County to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if their taxes had not been abated. The property owners' contractual promises to make these payments in lieu of taxes generally continue until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by those owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners.

NOTE 5 – HOTEL/MOTEL LODGING TAX

Lowndes County levies a 7% hotel motel lodging tax of which 3% is designated for the promotion of tourism, 1% is designated for recreation and 3% for county discretionary use and transferred to the Special Services Fund. All the tourism funds are provided to the Valdosta-Lowndes County Conference Center & Tourism Authority which amount to \$451,897. Lowndes County receives an annual budget and audit report from the Valdosta-Lowndes County Conference Center & Tourism Authority demonstrating that all expenditures of these funds were for promotion of tourism as required by O.C.G.A. 48-13-51. Collections of hotel motel lodging tax amounted to \$1,054,427. The Valdosta Lowndes County Parks & Recreation Authority was provided funds in the amount of \$150,632. The balance of funds was used by the County to assist with appropriations to the Valdosta-Lowndes County Airport Authority bringing the total expenditures to 100% of revenues.

NOTE 6 – RECEIVABLES

Receivables on June 30, 2025, consisted of accounts (billings for user charged services, including unbilled utility services), sales taxes, accrued interest, grants, interfund, and property taxes. All amounts due from other governments are considered collectible in full. Delinquent property taxes may be certified and collected as a special assessment, subject to foreclosure for nonpayment.

Receivables are recognized to the extent the amounts are determined materially and substantiated, not only by supporting documentation but also by a reasonable systematic method of determining their existence, completeness, valuation, and collectability.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

	<u>Balance at</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>June 30, 2025</u>
Primary Government				
Governmental Activities:				
Nondepreciable Capital Assets:				
Land	\$ 4,846,098	\$ 576,086	\$ -	\$ 5,422,184
Construction in progress	29,994,590	19,903,659	-	49,898,249
Total Nondepreciable Capital Assets	<u>34,840,688</u>	<u>20,479,745</u>	<u>-</u>	<u>55,320,433</u>
Depreciable Capital Assets:				
Buildings and building improvements	\$ 109,484,978	\$ 2,522,099	\$ -	\$ 112,007,077
Improvements other than buildings	8,832,708	-	-	8,832,708
Machinery and equipment	62,164,603	1,576,598	7,581,725	56,159,476
Vehicles	12,747,916	1,557,582	95,308	14,210,190
Infrastructure	356,584,485	746,542	-	357,331,027
Total Depreciable Capital Assets	<u>549,814,690</u>	<u>6,402,821</u>	<u>7,677,033</u>	<u>548,540,478</u>
Less Accumulated Depreciation for:				
Buildings and building improvements	37,727,418	5,234,347	-	42,961,765
Improvements other than buildings	1,767,750	273,106	-	2,040,856
Machinery and equipment	26,501,137	4,839,218	1,137,259	30,203,096
Vehicles	8,952,164	1,322,545	79,515	10,195,194
Infrastructure	309,915,841	3,197,155	-	313,112,996
Total Accumulated Depreciation	<u>384,864,310</u>	<u>14,866,371</u>	<u>1,216,774</u>	<u>398,513,907</u>
Total Depreciable Capital Assets, Net	<u>164,950,380</u>	<u>(8,463,550)</u>	<u>6,460,259</u>	<u>150,026,571</u>
Governmental Activities Capital Assets, Net	<u>\$ 199,791,068</u>	<u>\$ 12,016,195</u>	<u>\$ 6,460,259</u>	<u>\$ 205,347,004</u>

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

	<u>Balance at</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>June 30, 2025</u>
Business Type Activities:				
Nondepreciable Capital Assets:				
Land	\$ 2,959,168	\$ -	\$ -	\$ 2,959,168
Construction in progress	6,022,631	9,177,426	4,028,308	11,171,749
Total Nondepreciable Capital Assets	<u>8,981,799</u>	<u>9,177,426</u>	<u>4,028,308</u>	<u>14,130,917</u>
Depreciable Capital Assets:				
Water and sewer infrastructure	\$ 83,610,918	\$ 4,028,308	\$ -	\$ 87,639,226
Buildings	464,391	-	-	464,391
Machinery and equipment	4,420,876	43,568	-	4,464,444
Vehicles	788,987	-	-	788,987
Total Depreciable Capital Assets	<u>89,285,172</u>	<u>4,071,876</u>	<u>-</u>	<u>93,357,048</u>
Less Accumulated Depreciation for:				
Water and sewer infrastructure	33,036,495	1,796,259	-	34,832,754
Buildings	18,576	18,576	-	37,152
Machinery and equipment	2,543,299	257,575	-	2,800,874
Vehicles	696,262	47,280	-	743,542
Total Accumulated Depreciation	<u>36,294,632</u>	<u>2,119,690</u>	<u>-</u>	<u>38,414,322</u>
Total Depreciable Capital Assets, Net	<u>52,990,540</u>	<u>1,952,186</u>	<u>-</u>	<u>54,942,726</u>
Business Type Activities Capital Assets, Net	<u>\$ 61,972,339</u>	<u>\$ 11,129,612</u>	<u>\$ 4,028,308</u>	<u>\$ 69,073,643</u>

Depreciation was charged to governmental functions as follows:

Governmental activities:

General Government

Legislative and Executive	\$ 530,247
Judicial	437,767
Public Safety	3,345,021
Public Works	7,307,966
Culture and Recreation	16,450
Health and Welfare	<u>3,228,920</u>

Total Depreciation Expense - Governmental Activities \$ 14,866,371

Business-type activities:

Water and Sewer	\$ 2,113,786
Quit Pines Golf Course	3,104
Landfill	<u>2,800</u>

Total Depreciation Expense - Business-type Activities \$ 2,119,690

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 8 – INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances as of June 30, 2025, are as follows:

	Due From Nonmajor Governmental Funds
Due To	
General Fund	\$ 2,065,623
	\$ 2,065,623

The interfund balances resulted from loans made to provide working capital for operations and projects and the time lag between dates that payments between funds are made. Funds were advanced from the General Fund to the Intergovernmental Grants Fund and to the TSPLOST Fund to cover expenditures that will be reimbursed later from grant funds and the Georgia Department of Transportation.

Interfund transfers for the year ending June 30, 2025, consisted of the following:

	Transfer In Fund			
	General Fund	911 Fund	Special Services Fund	
<u>Transfer Out Fund</u>				
Major Fund:				
General Fund	\$ -	\$ 1,233,030	\$ -	\$1,233,030
Water Sewer Fund	450,000	-	-	450,000
Nonmajor Fund:				
Special Service Fund	325,000	-	-	325,000
911 Fund	160,000	-	-	160,000
Hotel Motel Tax Fund	-	-	451,897	451,897
Landfill Fund	150,000	-	-	150,000
	\$ 1,085,000	\$ 1,233,030	\$ 451,897	\$2,769,927

Based on the number of employees of nonmajor governmental funds and business type funds, a calculation of charges to that fund is performed to pay for administrative services from the general fund for human resources, financial services, IT services and other management services. Transfers are budgeted for these charges from the general fund which are transferred quarterly. Transfers to the 911 Fund, a nonmajor governmental fund, were to cover the operational cost of that fund not covered by phone fees and other income. The administrative cost transferred to the general fund comes from the general funds transferred in and not from any other operating income. The hotel motel tax transfer to the Special Services Fund was to cover operational costs for services provided to the unincorporated residents of the County only.

NOTE 9 – RISK MANAGEMENT

The County is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County established a Health Insurance Fund and a Workers Compensation Fund (internal service funds) to account for and finance its uninsured risks of loss. Under this program, the Workers Compensation Fund provides coverage for up to a maximum of \$250,000 for each worker’s compensation claim, \$2,500 for each enforcement claim. The coverage has a \$1,000,000 cap. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

All funds of the County participate in the Health Insurance and Workers Compensation programs and make payments to the funds based on estimates of the amounts needed to pay prior and current-year claims and to establish a reserve for catastrophe losses. The Health Insurance Fund has a net position of \$253, and the Workers Compensation Fund has a net position balance of \$252,140 as of June 30, 2025. At June 30, 2025 the Health Insurance Fund has a claims liability of \$331,417 and the Workers Compensation Fund has a claims liability of \$1,123,696 reported based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the Health Insurance and Workers Compensation Funds claim liability amounts in fiscal 2024 and 2025 were:

Fiscal Year 2024	Beginning	Claims Estimates	Claims Paid	Ending
Group Health Fund	\$ 261,626	\$ 7,583,378	\$ 7,521,146	\$ 323,858
Workers' Compensation Fund	<u>750,000</u>	<u>954,255</u>	<u>564,255</u>	<u>1,140,000</u>
	<u>\$ 1,011,626</u>	<u>\$ 8,537,633</u>	<u>\$ 8,085,401</u>	<u>\$ 1,463,858</u>

Fiscal Year 2025	Beginning	Claims Estimates	Claims Paid	Ending
Group Health Fund	\$ 323,858	\$ 10,806,684	\$ 10,799,125	\$ 331,417
Workers' Compensation Fund	<u>1,140,000</u>	<u>687,732</u>	<u>704,036</u>	<u>1,123,696</u>
	<u>\$ 1,463,858</u>	<u>\$ 11,494,416</u>	<u>\$ 11,503,161</u>	<u>\$ 1,455,113</u>

1) Health Care

The County manages the employee health coverage uninsured except for a stop-loss policy. Included in the accounts payable of the Health Insurance Fund is an estimated liability of \$331,417 which reflects health claims incurred but not processed prior to yearend. This health claims liability was estimated based on such claims paid after year end.

2) Workers' Compensation

The County participates in the ACCG- Group Self-Insurance Workers' Compensation Fund to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expense incurred for investigation, negotiation, or defense.

Included in the accounts payable of the Workers Compensation Fund is an estimated liability of \$1,123,696 which reflects workers' compensation claims incurred but not processed prior to year-end. This worker's compensation liability was estimated in the annual actuarial report.

Settled claims in the past three years have not exceeded the coverage. There was no significant reduction in insurance coverage from the prior year.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 10 –PENSION PLAN

Plan Description

The County contributes to the Association County Commissioners of Georgia (ACCG) Defined Benefit Plan (Plan), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agency for participating counties in Georgia.

The Plan’s financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan.

Plan member contributions are recognized in the period in which contributions are due. County contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 70% equities and 30% fixed income securities on a cost basis.

The Trustees for the Association County Commissioners of Georgia (ACCG) Pension Plan and Trust oversees the administration, investment and funding of the Association County Commissioners of Georgia Retirement Program for member employers.

The County contributes to the Association County Commissioners of Georgia (“ACCG”) Defined Benefit Plan, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia.

Plan Membership

Participant counts as of January 1, 2025, (the date of the most recent actuarial valuation date) and covered compensation based on covered earnings for the preceding year) are shown below:

Retirees, beneficiaries and disables receiving benefits		303
Terminated plan members entitled to but not yet receiving benefits		274
Active plan members		515
Total number of plan participants		1,092
Part-time active employees not participating in the Plan		30
Covered compensation for active participants	\$	27,474,854
Average remaining future service for active participants		8.94

**LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

Benefits

The specific benefit provisions of the County’s plan were established by an adoption agreement executed by the County Board of Commissioners. The Plan provides for benefits upon retirement, death, disablement, and termination of employment, if certain eligibility conditions are met.

Contributions

The County is required to contribute annually at an actuarially determined rate. Section 47-20 of the Georgia Code set forth the minimum funding standards for state and local governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual fund requirement.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish, and amend from time-to-time the contribution rates for the County and its plan participants.

The annual County contribution to the Plan is determined using the actuarial basis described in the annual valuation report. The annual County contribution meets or exceeds the minimum funding requirements of Georgia Statute 47-20. The County contributions for the year ending December 31, 2024, were \$5,377,445. The governmental funds that contributed to the pension plan include the General, the Special Services, the Commissary, the Intergovernmental, the Jail Operations, the 911 Emergency Telephone, the Victim Assistance, and the Equipment Funds. The business-type funds that contributed to the pension plan include the Water & Sewer, Quiet Pines Golf Club, Inspections and Permitting and the Landfill Funds.

Net Pension Liability

The County’s net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025. The amount recognized by the County as the net pension liability was \$26,453,832.

Actuarial assumptions. The actuarial assumptions used for the January 1, 2025, valuation was applied to all periods included in the measurement were as follows:

Investment return	7.00%
Future salary increases	5.50% per year with an age based scale as follows:
<u>Age</u>	<u>Salary Increase</u>
Under 30	5.5% rate plus 1.5%
30-39	5.5% rate plus 0.5%
40-49	5.5% rate less 0.5%
50+	5.5% rate less 1.0%
Mortality	Pub-2010 GE (50%) & PS (50%) Amt-Weighted with Scale AA to 2024

The 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Range</u>
Fixed income	30%	25%-35%
Equities:	70%	65%-75%
Large Cap	30%	25%-35%
Mid Cap	5%	2.5%-10%
Small Cap	5%	2.5%-10%
REIT	5%	2.5%-10%
International	15%	10%-20%
Multi Cap	5%	2.5%-10%
Global Allocation	5%	2.5%-10%

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contribution will be made at the current contribution rate and that Country contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Fiduciary Net Pension (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2023	\$ 100,887,490	\$ 72,888,591	\$ 27,998,899
Changes for the year:			
Service cost	2,320,631	-	2,320,631
Interest	6,909,512	-	6,909,512
Liability experience (gain)/loss	1,579,138	-	1,579,138
Assumption change	145,026	-	145,026
Employer contributions	-	5,377,445	(5,377,445)
Employee contributions	-	-	-
Net investment income	-	7,780,026	(7,780,026)
Benefit payment	(4,360,354)	(4,360,354)	-
Service credit transfer	-	-	-
Administrative expense	-	(134,530)	134,530
Other changes	-	(523,567)	523,567
Net Changes	<u>6,593,953</u>	<u>8,139,020</u>	<u>(1,545,067)</u>
Balance at December 31, 2024	<u>\$ 107,481,443</u>	<u>\$ 81,027,611</u>	<u>\$ 26,453,832</u>

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the County, calculated using the discount rate of 7.0%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Total Pension Liability	\$ 121,394,640	\$ 107,481,443	\$ 95,879,368
Fiduciary Net Position	<u>81,027,611</u>	<u>81,027,611</u>	<u>81,027,611</u>
Net Pension Liability	<u>\$ 40,367,029</u>	<u>\$ 26,453,832</u>	<u>\$ 14,851,757</u>
Fiduciary Net Position as % of Total Pension Liability	66.7%	75.4%	84.5%

Pension Expense and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions

For the year ending June 30, 2025, the County recognized pension expense of \$5,377,445. On June 30, 2025, the County reported deferred outflows of resources and deferred inflow of resources related to pensions from the following sources:

	<u>Net Deferred Outflows</u>	<u>Net Deferred Inflows</u>
Net difference between projected and actual earnings on pension plan investments	\$ 6,161,793	\$ (5,893,239)
Differences between expected and actual experience	2,349,365	-
Assumption changes	2,055,182	-
Contributions made after the measurement date	<u>5,377,445</u>	<u>-</u>
Total	<u>\$ 15,943,785</u>	<u>\$ (5,893,239)</u>

The \$5,377,445 reported as deferred outflows of resources resulting from County contributions after the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2024	\$ 2,676,128
2023	\$ 3,477,921
2022	\$ (1,054,866)
2021	\$ (426,082)
2020	\$ -

Payable to the Pension Plan

On June 30, 2025, the County reported a payable of \$2,961,414 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2025. Subsequent to the valuation date of January 1, 2025, the county made a contribution of \$5,377,445. For the current year and all prior years all governmental, enterprise and internal service funds that compensate employees provide retirement contributions that are paid in toward the net pension obligation.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

A copy of additional financial information from the Plan financial reports can be obtained from GEBCorp, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

In addition to the above retirement plan, of which the County is administrator, the following retirement plans are in effect but are not under the direct control of the County:

- 1) Judges of the Probate Courts Retirement Fund of Georgia
- 2) Clerk of Superior Court Retirement Fund
- 3) Sheriffs' Retirement Fund of Georgia
- 4) Peace Officers' Annuity and Benefit Fund of Georgia
- 5) Georgia Firefighters' Pension Fund

These plans provide for certain sums from marriage licenses, fees, fines and forfeitures to be remitted directly to the pension plans before the payment of any costs or other claims. GASB Statement #68 valuation reports and schedules can be found on their respective web sites.

NOTE 11 - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The assets of the plan are held in trust, (custodial account or annuity contract) as described in IRC Section 457(g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The Administrators are agents of the employer for the purposes of providing direction to the custodian of the custodial account from time to time for the investment of funds held in the account, transfer of assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in Lowndes County, Georgia's financial statements.

NOTE 12- OTHER POST-EMPLOYMENT BENEFITS

Plan Description

In addition to providing pension benefits, in accordance with County resolution, the County provides certain health care benefits for retired employees. The County's employees who are eligible for retirement benefits under the pension plan are also eligible for post-employment health care benefits.

This single employer defined benefit health plan is governed by the County Board of Commissioners. The County has made no commitments to maintain this program. The benefits of the plan are not vested and may be modified or eliminated at any time. A separate financial statement is not issued for the plan.

**LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

Eligibility

Retirees who meet one of the following requirements are eligible to continue coverage through the County’s self-insured health insurance program:

- Age 65
- Must have 10 or more years of service with Lowndes County, and be at least 55 years of age or
- Must have a combination of years of service and attained age equal to 75, with a minimum age of 55.
- Must have 10 or more years of services with Lowndes County and be deemed to be totally disabled by the Federal Social Security Administration.

Retirees may stay on the plan for their lifetime by making the required contribution. Dependents may participate for the lifetime of the retiree as long as the retiree pays the required contribution for dependent coverage.

Eligibility - Continued

The monthly retiree contributions are as follows:

Medical Tier	Non-Medicare Eligible Retiree	Medicare Eligible Retiree
Retiree Only	\$ 205.00	\$ 115.00
Family	\$ 315.00	\$ 175.00

Once the covered member becomes eligible for Medicare, the County’s plan pays claim secondary to Medicare.

Fund Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership in the OPEB Plan as of June 30, 2024:

Inactive employees or beneficiaries currently receiving benefits	92
Inactive members entitled to but not yet receiving benefits	-
Active employees	469
Total membership	<u><u>561</u></u>

Funding Policy

The contribution requirements of plan members and the County are established and may be amended by the Board of Commissioners. The required contribution is based on a projected pay-as-you-go financing requirement as determined by the Board of Commissioners. No contributions are being accumulated in a trust. The funding for the actuarial values is from the General Fund, the Special Services Fund, the Water and Sewer Fund, Quiet Pines Golf Fund and the Inspecting & Permitting Fund.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2024, using the following key actuarial assumptions and inputs:

Inflation	2.50%
Real wage growth	0.50%
Wage inflation	2.50%
Salary increases, including wage inflation	4.50% - 7.00%
Municipal Bond Index Rate	
Prior measurement date	3.65%
Measurement date	3.93%
Health Care Cost Trends	
Pre-Medicare	7.00% for 2023 decreasing to an ultimate rate of 4.50% by 2033
Medicare	5.125% for 2023 decreasing to an ultimate rate of 4.50% by 2033

Actuarial Methods and Assumptions – Continued

The discount rate was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published by The Bond Buyer.

Mortality rates were based on the Pub-2010 GE (50%0 & PS (50%) Amt-Weighted with Scale AA to 2024.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increase used in the June 30, 2024, valuation were based on the pension valuation prepared by ACCG Retirement Services as of January 1, 2024.

The remaining actuarial assumptions (e.g., initial per capital costs, health care cost trends, etc.) used in the valuation were based on a review of recent plan experience done concurrently with the June 30, 2024 valuations.

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rate

Health Care Cost Trend Rate Sensitivity			
	1%	Current	1%
	Decrease	Discount Rate	Increase
Total OPEB Liability \$	75,972,828	\$ 91,295,596	\$ 111,017,029

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

Discount Rate Sensitivity			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	<u>(2.93%)</u>	<u>(3.93%)</u>	<u>(4.93%)</u>
Total OPEB Liability \$	107,981,765	\$ 91,295,596	\$ 77,984,631

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

Changes in the Total OPEB Liability

Total OPEB Liability as of June 30, 2023	\$ 95,980,103
Changes for the year:	
Service Cost at the end of the year*	5,169,376
Interest on TOL and Cash Flows	3,674,710
Changes in benefit terms	-
Difference between expected and actual experience	(699,357)
Changes of assumptions or other inputs	(11,875,678)
Net benefit payments	(953,558)
Net changes	<u>(4,684,507)</u>
Total OPEB Liability as of June 30, 2024	<u>\$ 91,295,596</u>

*The service cost includes interest for the year.

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2025, the County recognized OPEB expense of \$8,240,395.

The following table provide the summary of the deferred outflows of resources and deferred inflows of resources as of June 30, 2024:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,960,331	\$ 1,402,832
Changes of assumptions and other inputs	<u>9,268,077</u>	<u>24,581,796</u>
Total	<u>\$ 15,228,408</u>	<u>\$ 25,984,628</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB benefits will be recognized in the OPEB expense as follows:

Measurement Period Ended	
<u>June 30,</u>	
2025	\$ (198,929)
2026	85,922
2027	(2,561,179)
2028	(4,646,951)
2029	(1,547,044)
Thereafter	(1,888,039)

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 13 – COMPENSATED ABSENCES

It is the County’s policy to permit employees to accumulate earned but unused leave benefits. A maximum of 192 hours of unused leave benefits will be paid to employees upon separation from County service. In the normal course of business, all payments of these accumulated benefits will be funded from appropriations of the year in which they are to be paid from the fund for which the employee’s compensation is funded. While the General Fund covers a majority of the cost of compensated absences, Commissary, Jail Operations, Drug Abuse Treatment, 911 Emergency Telephone, Victim Witness and Special Services funds all contribute to compensated absences for employees paid through those funds.

	Balance at <u>July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	Balance at <u>June 30, 2025</u>	Amount Due <u>In One Year</u>
Primary Government:					
Governmental Activities:					
Compensated absences	\$ 1,739,142	\$ 1,129,850	\$ 973,920	\$ 1,895,072	\$ 1,061,240
Business Type Activities:					
Compensated absences	<u>120,671</u>	<u>108,054</u>	<u>67,576</u>	<u>161,149</u>	<u>90,243</u>
Total Primary Government	<u>\$ 1,859,813</u>	<u>\$ 1,237,904</u>	<u>\$ 1,041,496</u>	<u>\$ 2,056,221</u>	<u>\$ 1,151,483</u>

NOTE 14 - LEASES

Various leases have been entered into for the acquisition of equipment. The assets acquired through leases for governmental type activities are as follows:

	<u>Governmental</u>
Construction in progress	\$ 17,850,797
Equipment	19,469,431
Building Improvements	3,736,595
Less: Accumulated Depreciation	<u>(5,634,138)</u>
Total	<u>\$ 35,422,685</u>

The current year amortization expense for governmental funds was \$2,157,525.

Intergovernmental Agreement

As of December 2019, the County entered into an intergovernmental funding agreement with the Valdosta-Lowndes County Development Authority to secure bonds issued by the Authority for \$ 17,395,000 to refinance prior bonds and finance acquisition and development of industrial sites. The bonds have a variable fixed interest rate. The bonds mature on December 1, 2034. The balance as of June 30, 2025, is \$11,875,000. The County accesses a separate millage rate to fund the payment of these bonds which are reported by the Authority.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 15 – LONG-TERM DEBT

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2025:

	<u>Balance at</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>June 30, 2025</u>	<u>Amount Due</u> <u>In One Year</u>
<u>Governmental Activities</u>					
Lease - Right of Use	\$ 1,014,993	\$ -	\$ 217,741	\$ 797,252	\$ 231,960
Lease - Equipment Fund	<u>44,637,004</u>	<u>-</u>	<u>717,216</u>	<u>43,919,788</u>	<u>951,610</u>
Total Leases	<u>45,651,997</u>	<u>-</u>	<u>934,957</u>	<u>44,717,040</u>	<u>1,183,570</u>
Total Governmental Activities	<u>\$ 45,651,997</u>	<u>\$ -</u>	<u>\$ 934,957</u>	<u>\$ 44,717,040</u>	<u>\$ 1,183,570</u>
	<u>Balance at</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>June 30, 2025</u>	<u>Amount Due</u> <u>In One Year</u>
<u>Business - Type Activities</u>					
Revenue Bonds (2016)	\$ 880,000	\$ -	\$ 880,000	\$ -	\$ -
GEFA Note GF2021004	1,685,169	-	-	1,685,169	-
GEFA Note CW2017001	907,351	-	136,503	770,848	137,613
GEFA Note CW2019024	-	179,903	44,977	134,926	-
Unamortized Bond Premium	<u>8,080</u>	<u>-</u>	<u>8,080</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>\$ 3,480,600</u>	<u>\$ 179,903</u>	<u>\$ 1,069,560</u>	<u>\$ 2,590,943</u>	<u>\$ 137,613</u>

Internal service funds predominately provide service to the governmental funds. Accordingly, the long-term liabilities for them are included as part of the totals for governmental activities. The additions to leases from the internal service Equipment Fund are accounted for in the government-wide statement of net position but are not reflected in the governmental fund statements which do not include the internal service funds.

Governmental activities debt is paid for by direct appropriation of funds for the Lowndes County Public Facility Authority lease in the general fund and by allocation of rental payments for capital assets from applicable general fund departments.

The original issue date, interest rate and original issue amount for the County’s long-term obligations are as follows:

	<u>Purpose</u>	<u>Original</u> <u>Issue</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Original</u> <u>Issue</u> <u>Amount</u>	<u>Maturity</u> <u>Date</u>	<u>Annual</u> <u>Installments</u>
Governmental Activities						
Lease	Upgrade Equipment	2021	2.79%	\$ 43,988,290	2042	Variable
Lease	Upgrade Equipment	2022	4.89%	\$ 1,408,225	2042	Variable
Business Activities						
GEFA Note CW2017001	Water & Sewer Capital Improvements	2018	0.81%	\$ 1,376,500	2031	Variable
GEFA Note GF2021004	Water & Sewer Capital Improvements	2024	0.52%	\$ 1,904,500	N/A	Variable

The final amortization schedule of the GEFA Note GF2021004 and CW2019024 is pending the close out of the project.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

On April 30, 2022, the County obtained a lease for \$43,988,290 for upgrades to equipment to assist in gathering data for water and sewer charges and for improvements to utility cost for all County buildings. The annual payments are variable with a 2.79% rate. Accrued interest was paid in FY2024 and principal and interest will be paid from FY2024 until FY2042.

On October 28, 2022, the County obtained a lease for \$1,408,225 for upgrades to building equipment. The annual payments are variable with a 4.89% rate. The principal and interest will be paid from FY2024 until FY2042.

On November 2, 2017, the County obtained loan number CW2017001 from the Georgia Environmental Finance Authority (GEFA) in the amount of \$1,734,000 for acquiring, constructing and installing environmental facilities. The loan bears an interest rate of .81%.

In November 2022, the County obtained loan number GF2021004 from the Georgia Environmental Finance Authority (GEFA) in the amount of \$1,904,500 for upgrades to the water and sewer system. The loan bears an interest rate of .52% and will be amortized with monthly payments when the loan is amortized.

In May 2023, the County obtained loan number CW2019024 from the Georgia Environmental Finance Authority (GEFA) in the amount of \$2,500,000 for the rehabilitation of the sewer collection system and related appurtenances. The loan bears an interest rate of 1.13% and will be amortized with monthly payments when maintenance is completed and the loan is amortized. Due to delays the first draw occurred in FY2025.

Security for debt is a pledge of the County's full faith and credit and revenue-raising power (including its taxing power) for payments and performance.

The following is a summary of the County's future annual debt service requirements on debt obligations:

Governmental Activities		
Leases		
Year Ending June 30,	Principal	Interest
2026	1,183,570	1,298,882
2027	1,099,225	1,256,534
2028	1,709,084	1,215,813
2029	1,770,250	1,162,152
2030	1,998,102	1,112,521
2031-2035	13,033,979	4,579,505
2036-2040	16,750,621	2,519,747
2041-2042	7,172,209	302,060
Total	\$ 44,717,040	\$ 13,447,214
Business Activities		
GEFA Note CW2017001		
Year Ending June 30,	Principal	Interest
2026	\$ 137,613	\$ 5,734
2027	138,732	4,615
2028	139,859	3,487
2029	140,997	2,350
2030	142,143	1,204
2031	71,504	169
Total	\$ 770,848	\$ 17,559

**LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 16 – LEGAL DEBT MARGIN

The legal debt limit of the County for general obligation debt is determined by the Constitution of Georgia to be 10% of the total assessed value of all real, personal, and public utility property less any debt applicable to the limit. The legal debt margin as of June 30, 2025, was \$511,684,000, based on a total assessed value of \$5,116,838,000 and with no general obligation debt outstanding.

NOTE 17 – LANDFILL POSTCLOSURE COST

State and federal laws and regulations require the County to cover a landfill and maintain monitoring functions for thirty years after closure. The County has accrued the expected post-closure cost for the landfill that closed in November 1996. The amount accrued of \$990,076 represents 100% of the total estimated remaining post-closure cost which is made up of estimated monitoring costs and maintenance costs. This estimate is subject to change based on changes in technology or applicable laws and regulations. Solid waste host fees are utilized to cover the post-closure cost.

	<u>Balance at July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2025</u>	<u>Amount Due In One Year</u>
Business Type Activities:					
Post-closure care cost	\$ 1,025,719	\$ 24,617	\$ -	\$ 1,050,336	\$ 95,485

NOTE 18 – INSURANCE POOLS

ACCG – Group Self-Insurance Workers Compensation and Interlocal Risk Management Agency

The County may be subject to risk of loss due to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County covers these risks through the purchase of insurance coverage through ACCG- Group Self-Insurance Workers’ Compensation Fund and the ACCG- Interlocal Risk Management Agency. These are public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool’s agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool’s agents and attorneys to represent the County in investigation, settlement discussions, and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker’s compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expense incurred for investigation, negotiation, or defense.

Settled claims in the past three years have not exceeded the coverage. There was no significant reduction in insurance coverage from the prior year.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 19 – JOINT VENTURES

The County and the City of Valdosta jointly govern the Valdosta-Lowndes County Airport Authority and the Valdosta-Lowndes County Conference Center and Tourism Authority as is described in Note 1 - Reporting Entity. The County does not retain an ongoing financial interest or responsibility in the Valdosta-Lowndes County Airport Authority.

The County and the City of Valdosta jointly govern the Valdosta-Lowndes County Airport Authority and the Valdosta-Lowndes County Conference Center and Tourism Authority as is described in Note 1 - Reporting Entity. The County does not retain an ongoing financial interest or responsibility in the Valdosta-Lowndes County Airport Authority.

The County, in conjunction with cities and counties in the (10) county South Georgia area are members of the Southern Georgia Regional Commission. Membership in a Regional Commission is automatic for each municipality and county in the state. The official Code Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the Regional Commission's. Each county and municipality in the state is required by law to pay minimum annual dues to the Regional Commission. The County paid annual dues in the amount of \$72,951 to the Regional Commission for the year ended June 30, 2025. The Regional Commission Board membership includes the Chief elected official of each county and the Chief elected official of each municipality. The County Board members and municipal Board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality to serve as the non-public Board member from a County.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines Regional Commissions as “public agencies and instrumentalities of their members”. Georgia laws also provide that the member governments are liable for any debts or obligations of a Regional Commission beyond its resources. (O.C.G.A. 50-8-39.1)

A copy of the financial report can be obtained at the following address:

Southern Georgia Regional Commission
3395 Harris Road
Waycross, Georgia 31503

NOTE 20 – RELATED PARTY TRANSACTIONS

The County appropriated \$491,788 to the Valdosta - Lowndes County Airport Authority, \$451,897 to the Valdosta-Lowndes County Conference Center and Tourism Authority and \$150,632 to the Valdosta-Lowndes County Parks and Recreation Authority.

NOTE 21 – CONTINGENT LIABILITIES

The County participates in federal, and state assisted grant programs subject to program compliance audits by the grantors or their representatives. It is the County's opinion that no material unrecorded liabilities will arise from audits previously performed or to be performed. Regardless, receipts of these federal and state grant revenues is not assured in the future.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

Commitments. The County is contingently liable for the obligations of authorities through funding agreements. The first is with the Valdosta-Lowndes Development Authority guaranteeing the funding necessary for the repayment of Valdosta-Lowndes Development Authority Revenue Bonds, Series 2019, in the aggregate principal amount of \$17,395,000.

Commitments. The second funding agreement is with the Hospital Authority of Valdosta and Lowndes County, Georgia guaranteeing the funding necessary for the repayment of Hospital Authority of Valdosta and Lowndes County, Georgia Revenue Certificates, Series 2014B, in the aggregate principal amount of \$148,280,000. The certificates are to be retired from revenues generated from the operations of South Georgia Medical Center

Litigation. The County is a defendant in several claims and lawsuits. The County Attorney has reviewed these claims and lawsuits and has concluded that it is not possible to evaluate the probability of an unfavorable outcome or to estimate the amount of potential loss. As a result, and pursuant to Financial Accounting Standards Board Statement No. 5 (Accounting for Contingencies), no liabilities have been recorded. County management is of the opinion that any actual losses will not be material to the County.

Liability Insurance. The County acquires insurance for liability claims. The County is responsible for the first \$2,500 per occurrence for general liability and the first \$5,000 per occurrence for Public Officials Liability, Law Enforcement Liability, errors, and omissions.

NOTE 22 - ASSIGNMENT

Georgia code section 48-8-91 requires local governments collecting local option sales tax to calculate a reduction of the local millage rate based on the prior year collections of the local option sales tax. The assignment of fund balance for property tax roll back, accounts for the annual collection of local option sales tax funds that will be used in the calculation for the next year's millage rate reduction.

NOTE 23 – ACCOUNTING CHANGE

Fund Opened:

The Tree Bank Fund was established as a special revenue fund to account for fees paid by developers in lieu of the mitigation cost of planting trees.

NOTE 24 – TAX ABATEMENTS

State statutes control the creation and operation of Development Authorities under O.C.G.A. 36-62. The PILOT Restriction Act defined in O.C.G.A. 36-80-16 provides Authority permission to issue revenue bonds for capital projects for private companies and arrange for payments in lieu of taxes as long as each of the local governments that have property tax levying authority in the area in which such capital project is located consents by ordinance or resolution. Lowndes County participates in agreements with the Valdosta-Lowndes County Development Authority to provide tax abatements to foster economic development. The agreements provide for the real property and equipment of the projects to be acquired with bond proceeds titled in the name of the Authority applicable, the Authority leases the projects back to the companies. The Authority pays no property tax on its real or personal property. To compensate local jurisdictions for the taxes that would otherwise been paid during the term of the leases, the projects provide a PILOT (payment in lieu of tax).

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

In order to qualify, certain eligibility requirements must be met and are based on the economic development goals of each project. Generally, a project will create employment opportunities, promote trade and commerce in the County, and increase that tax base. If a company fails to meet the criteria established in the agreement, recovery payments may apply.

The Authority has 5 such agreements. For the fiscal year ended June 30, 2025, the total amount of taxes abated for the County for the tax year 2024 was \$338,354.

<u>Type of Business</u>	<u>Property Taxes Abated</u>
Electrical Contractor	\$ 18,221
Pecan Wholesale Company	8,547
Bottle Manufacturer	121,512
Bakery Company	117,799
Paper Company	31,636
Logistic Company	40,639
	\$ 338,354

NOTE 25 – Accountability

Deficit Fund Balances

The following funds had a deficit on June 30, 2025:

Capital Project Fund

TSPLOST Fund – The fund balance deficit of \$495,267 was due to projects cost exceeding revenue and the prior year fund balance. Future TSPLOST revenue will fund the deficit.

Special Revenue Fund

Victim Assistance Fund – The fund balance deficit of \$20,319 was due to expenses exceeding grant funds and fines and forfeitures. Future fines and forfeitures will fund the deficit.

Enterprise Fund

Quiet Pines Golf Fund – The fund balance deficit of \$234,576 was due to hurricane damage to the club house and golf course. Future fees will fund the deficit.

LOWNDES COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 26 – RESTATEMENT OF NET POSITION

In FY2024 broadband infrastructure was capitalized as additions to machinery and equipment. The agreement with the company to install the infrastructure provided that the company maintain ownership of the infrastructure. The company installing the infrastructure has provided the majority of the funding needed to complete the infrastructure.

	GOVERNMENTAL ACTIVITIES <u>FUNDS</u>
Net position, June 30, 2024	
as previously reported	\$ 142,740,497
Correction of capital assets from prior year	<u>(6,444,467)</u>
Net position, June 30, 2024, as restated	<u>\$ 136,296,030</u>

NOTE 27 – SUBSEQUENT EVENTS

In FY2026 the County will issue new bonds for the Valdosta-Lowndes County Development Authority in the amount of \$35,570,000 for future development projects. The County will maintain a custodial account to collect property tax revenue to cover the bond payments and operating costs. The millage rate for the Authority has been raised for the 2025 tax year to 1.00 mills and will be raised again in the 2026 tax year to cover the additional debt cost. Bond payments will be drafted from the trust account.

Subsequent events were evaluated through January 14, 2026, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

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**LOWNDES COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2025**

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES:				
Taxes	\$ 59,736,000	\$ 64,613,700	\$ 64,613,631	\$ (69)
Licenses and permits	12,000	8,450	8,402	(48)
Intergovernmental revenues	637,000	19,974,212	21,201,233	1,227,021
Charges for services	4,737,000	5,052,750	5,052,738	(12)
Fines and forfeitures	2,325,000	2,771,470	2,771,469	(1)
Investment income	1,500,000	1,020,000	1,019,191	(809)
Miscellaneous	72,000	1,687,800	1,687,704	(96)
TOTAL REVENUES	69,019,000	95,128,382	96,354,368	1,225,986
EXPENDITURES:				
LEGISLATIVE AND EXECUTIVE				
Board of Commissioners	434,746	485,746	485,677	(69)
County Manager	302,675	363,775	363,722	(53)
County Clerk	309,881	311,701	311,693	(8)
Community Development	151,079	157,379	157,354	(25)
Board of Elections	790,708	942,008	941,994	(14)
County Attorney	500,000	447,000	446,425	(575)
Finance	1,015,662	899,662	899,079	(583)
Human Resources	1,612,782	1,641,682	1,641,628	(54)
Information Technology Services	1,855,484	1,828,984	1,828,869	(115)
General Facilities	1,725,838	150,838	150,551	(287)
Public Information Officer	192,616	205,716	205,633	(83)
Tax Commissioner	1,731,576	1,770,176	1,770,117	(59)
Board of Assessors	2,092,034	2,109,234	2,109,230	(4)
Engineering	878,876	938,876	938,789	(87)
Contingency	799,730	1,522,430	1,522,373	(57)
Total - Legislative and Executive	14,393,687	13,775,207	13,773,134	(2,073)

See accompanying note to budgetary comparison schedules.

LOWNDES COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
JUDICIAL				
Superior Court	590,980	580,980	580,206	(774)
Clerk of Court	1,912,707	1,888,907	1,888,755	(152)
District Attorney	980,000	980,000	980,000	-
State Court	951,358	941,358	940,488	(870)
Solicitor General	676,086	694,586	694,565	(21)
Magistrate Court	1,372,776	1,326,776	1,326,403	(373)
Probate Court	675,794	678,094	678,014	(80)
Community Corrections	114,622	114,622	113,706	(916)
Juvenile Court	204,394	199,394	198,554	(840)
Alternative Dispute Resolution	67,816	75,116	75,047	(69)
Circuit Public Defender	858,667	797,667	797,299	(368)
Total - Judicial	8,405,200	8,277,500	8,273,037	(4,463)
PUBLIC SAFETY				
Sheriff	24,993,289	27,748,289	27,748,152	(137)
Animal Control	1,218,483	1,397,483	1,397,380	(103)
Emergency Medical Services	1,264,342	1,264,342	1,264,342	-
Coroner	226,728	242,228	242,221	(7)
Probation	1,128,785	1,059,785	1,058,866	(919)
Emergency Management Agency	271,741	289,541	289,526	(15)
Total - Public Safety	29,103,368	32,001,668	32,000,487	(1,181)
PUBLIC WORKS				
Facilities Maintenance	3,109,733	4,541,833	4,541,830	(3)
Administration	713,882	743,232	743,196	(36)
Road Maintenance	3,610,882	3,860,882	3,860,736	(146)
Road Construction	953,375	1,283,575	1,283,555	(20)
Disaster Clean Up	-	18,565,000	18,560,633	(4,367)
Traffic Lighting and Signals	216,757	260,457	260,434	(23)
Total - Public Works	8,604,629	29,254,979	29,250,384	(4,595)

See accompanying note to budgetary comparison schedules.

**LOWNDES COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2025**

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
HEALTH AND WELFARE				
Mental Health Department	108,000	108,000	108,000	-
Public Health Department	416,800	417,088	417,088	-
Extension Services	220,184	228,908	228,908	-
LODAC	100,000	100,000	100,000	-
Family Services	100,000	100,000	100,000	-
Total - Health and Welfare	944,984	953,996	953,996	-
CULTURE AND RECREATION				
Libraries	1,210,902	1,212,102	1,212,019	(83)
Parks and Recreation Authority	4,250,000	5,176,800	5,176,788	(12)
Total - Culture & Recreation	5,460,902	6,388,902	6,388,807	(95)
HOUSING AND DEVELOPMENT				
Equalization Board	30,000	43,900	43,872	(28)
Moody Support Group	132,000	135,100	135,092	(8)
Development Authority	3,350,000	4,149,100	4,149,033	(67)
Total - Housing & Development	3,512,000	4,328,100	4,327,997	(103)
TOTAL EXPENDITURES	70,424,770	94,980,352	94,967,842	(12,510)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,405,770)	148,030	1,386,526	1,238,496
OTHER FINANCING SOURCES (USES)				
Transfers In	1,085,000	1,085,000	1,085,000	-
Transfers Out	(1,233,030)	(1,233,030)	(1,233,030)	-
TOTAL OTHER FINANCING SOURCES (USES)	(148,030)	(148,030)	(148,030)	-
NET CHANGE IN FUND BALANCE	(1,553,800)	-	1,238,496	1,238,496
FUND BALANCE, AT BEGINNING OF YEAR	1,553,800	-	28,775,814	28,775,814
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,014,310</u>	<u>\$ 30,014,310</u>

See accompanying note to budgetary comparison schedules.

**LOWNDES COUNTY, GEORGIA
 AMERICA RESCUE PLAN FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Over (Under)
REVENUES				
Intergovernmental revenues	\$ -	\$ 8,325,000	\$ 8,301,971	\$ (23,029)
TOTAL REVENUES	<u>-</u>	<u>8,325,000</u>	<u>8,301,971</u>	<u>(23,029)</u>
EXPENDITURES				
Current:				
Public works	-	3,450,000	3,427,183	(22,817)
Capital outlay	<u>-</u>	<u>4,875,000</u>	<u>4,874,788</u>	<u>(212)</u>
TOTAL EXPENDITURES	<u>-</u>	<u>8,325,000</u>	<u>8,301,971</u>	<u>(23,029)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to budgetary comparison schedules.

LOWNDES COUNTY, GEORGIA
NOTES TO BUDGETARY COMPARISON SCHEDULES
For the Year Ended June 30, 2025

Note 1 - Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the Budgetary Basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual for the general and major special revenue funds are presented on the Budgetary Basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP Basis are as follows:

1. Encumbrances are treated as expenditures under the Budgetary Basis.

There were no encumbrances for any fund for the year ending June 30, 2025.

LOWNDES COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN
June 30, 2025

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total Pension Liability as of Beginning of Year	\$ 100,887,490	\$ 91,193,943	\$ 86,696,399	\$ 81,729,295
Service cost	2,320,631	1,669,174	1,495,167	1,478,683
Interest	6,909,512	6,383,576	5,934,999	5,600,563
Liability experience (gain)/loss	1,579,138	-	767,936	1,215,915
Assumption change	145,026	3,838,484	120,853	114,455
Benefit payments (adjusted for interest)*	(4,360,354)	(4,166,767)	(3,821,411)	(3,458,107)
Service credit transfer	-	-	-	15,595
Experience (Gain)/Loss	-	1,969,080	-	-
Total Pension Liability as of End of Year	<u>\$ 107,481,443</u>	<u>\$ 100,887,490</u>	<u>\$ 91,193,943</u>	<u>\$ 86,696,399</u>
* Net of service transfers				
Fiduciary Net Position as of Beginning of Year	\$ 72,888,591	\$ 63,241,980	\$ 73,142,386	\$ 63,026,447
Employer contributions	5,377,445	4,931,215	4,533,461	4,527,596
Employee contributions (including service transfer)	-	-	-	-
Net investment income	7,780,026	9,345,753	(10,167,316)	9,511,610
Benefit payments	(4,360,354)	(4,025,862)	(3,821,411)	(3,458,107)
Service credit transfer	-	-	-	15,595
Administrative expense	(134,530)	(122,398)	(112,623)	(108,103)
Other changes *	(523,567)	(482,097)	(332,517)	(372,652)
Fiduciary Net Position as of End of Year	<u>\$ 81,027,611</u>	<u>\$ 72,888,591</u>	<u>\$ 63,241,980</u>	<u>\$ 73,142,386</u>
Net pension liability as of beginning of year	<u>\$ 27,998,899</u>	<u>\$ 27,951,963</u>	<u>\$ 13,554,013</u>	<u>\$ 24,977,534</u>
Net pension liability as of end of year	<u>\$ 26,453,832</u>	<u>\$ 27,998,899</u>	<u>\$ 27,951,963</u>	<u>\$ 13,554,013</u>
Fiduciary Net Position as a percentage of				
Total Pension Liability	75.4%	72.2%	69.3%	84.4%
Covered payroll for plan year	\$ 27,474,854	\$ 22,592,411	\$ 22,592,411	\$ 21,893,834
Net pension liability as a percentage of				
covered payroll	96.3%	123.9%	123.7%	61.9%

* Other Changes include Post-Retirement Death Benefit Expense of \$221,619 and Investment Expense \$301,948.

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$	76,822,801	\$ 69,626,483	\$ 64,125,276	\$ 60,490,426	\$ 55,124,920	\$ 49,164,883
	1,501,806	1,366,853	1,400,275	1,299,712	1,155,305	1,056,993
	5,377,596	4,772,513	4,649,083	4,385,556	4,134,369	3,687,366
	1,204,626	1,389,679	1,934	951,396	552,058	1,354,033
	110,088	2,562,735	2,270,080	(474,154)	1,825,062	1,949,100
	(3,287,622)	(2,895,462)	(2,820,165)	(2,527,660)	(2,301,288)	(2,087,455)
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	<u>81,729,295</u>	<u>\$ 76,822,801</u>	<u>\$ 69,626,483</u>	<u>\$ 64,125,276</u>	<u>\$ 60,490,426</u>	<u>\$ 55,124,920</u>
\$	54,429,699	\$ 44,648,949	\$ 45,836,151	\$ 39,002,844	\$ 35,543,205	\$ 34,501,074
	4,429,740	4,188,517	3,862,027	3,738,108	3,495,582	3,186,810
	-	-	-	4,953	-	-
	7,718,539	8,853,687	(1,976,115)	5,931,699	2,539,390	206,663
	(3,176,446)	(2,895,462)	(2,721,510)	(2,444,190)	(2,218,109)	(2,012,005)
	-	-	-	-	-	-
	(108,975)	(106,138)	(90,004)	(86,007)	(80,239)	(78,020)
	(266,110)	(259,854)	(261,600)	(311,256)	(276,985)	(261,317)
\$	<u>63,026,447</u>	<u>\$ 54,429,699</u>	<u>\$ 44,648,949</u>	<u>\$ 45,836,151</u>	<u>\$ 39,002,844</u>	<u>\$ 35,543,205</u>
\$	<u>22,393,102</u>	<u>\$ 24,977,534</u>	<u>\$ 18,289,125</u>	<u>\$ 21,487,582</u>	<u>\$ 19,581,715</u>	<u>\$ 14,663,809</u>
\$	<u>18,702,848</u>	<u>\$ 22,393,102</u>	<u>\$ 24,977,534</u>	<u>\$ 18,289,125</u>	<u>\$ 21,487,582</u>	<u>\$ 19,581,715</u>
	77.1%	70.9%	64.1%	71.5%	64.5%	64.5%
\$	22,033,088	\$ 20,949,614	\$ 19,618,571	\$ 19,422,103	\$ 16,651,844	\$ 16,354,640
	84.9%	106.9%	127.3%	94.2%	129.0%	119.7%

LOWNDES COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN
June 30, 2025

SCHEDULE OF CONTRIBUTIONS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially determined contribution, January 1,	\$ 5,922,827	\$ 5,377,445	\$ 4,931,215	\$ 4,527,596
Contribution in relation to the actuarially determined contribution, January 1,	<u>5,552,986</u>	<u>5,029,582</u>	<u>4,453,484</u>	<u>4,119,230</u>
Contribution deficiency (excess)	<u>\$ 369,841</u>	<u>\$ 347,863</u>	<u>\$ 477,731</u>	<u>\$ 408,366</u>
Covered payroll	\$ 31,962,857	\$ 27,474,854	\$ 24,744,244	\$ 22,592,411
Contributions as a percentage of covered payroll	17.4%	18.3%	18.0%	18.2%

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$	4,429,740	\$ 4,057,671	\$ 3,806,155	\$ 3,659,732	\$ 3,406,141	\$ 3,082,619
	<u>4,057,671</u>	<u>4,429,740</u>	<u>4,188,517</u>	<u>3,738,108</u>	<u>3,495,582</u>	<u>3,186,810</u>
\$	<u>372,069</u>	<u>(372,069)</u>	<u>(382,362)</u>	<u>(78,376)</u>	<u>(89,441)</u>	<u>(104,191)</u>
\$	21,893,834	\$ 22,033,088	\$ 20,949,614	\$ 19,422,103	\$ 16,651,844	\$ 16,354,640
	18.5%	20.1%	20.0%	19.2%	21.0%	19.5%

LOWNDES COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION – PENSION PLAN

Changes in Benefits

There have been no substantive changes since the last actuarial valuation.

Changes in Assumptions

- The mortality improvements for the Pub-2010 GE (50%) & PS (50%) Amt-Weighted mortality table is projected to 2024 instead of 2023 with Scale AA.

Method and Assumptions Used to Determine Contribution Rates

Valuation date	January 1, 2025	
Methods and assumptions used to determine contribution rates:		
Actuarial cost method	Entry Age Normal	
Asset valuation method	Smoothed fair value with a 5-year smoothing period	
Inflation	2.50%	
Salary increases	5.5% per year with an age based scale as follows:	
Age	<u>Salary Increase</u>	
Under 30	5.5% rate plus 1.1%	
30-39	5.5% rate plus 0.5%	
40-49	5.5% rate less 0.5%	
50+	5.5% rate less 1.0%	
Investment rate of return	7.00%	
Retirement:	If Eligible for	
	<u>Unreduced</u>	<u>Others</u>
age 55 to 60	15%	10%
ages 61 to 63	20%	10%
age 64	30%	20%
age 65 to age 66	30%	30%
age 67	50%	30%
age 68-69	30%	30%
age 70	100%	100%
Mortality	Pub-2010 GE (50%) & PS (50%) Amt-Weighted with Scale AA to 2024 (Pre-Retirement: Employee, Post-Retirement: Retiree)	

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**REQUIRED SUPPLEMENTARY INFORMATION – OPEB
LOWNDES COUNTY, GEORGIA
June 30, 2025**

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Service cost at end of year	\$ 5,169,376	\$ 4,083,010	\$ 5,779,797	\$ 4,364,797
Interest on TOL and cash flows	3,674,710	3,236,816	2,399,845	1,872,363
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	(699,357)	1,768,825	(228,277)	11,136,835
Changes of assumptions or other inputs	(11,875,678)	98,689	(24,802,894)	8,627,829
Net benefit payments	<u>(953,558)</u>	<u>(1,109,770)</u>	<u>(1,134,116)</u>	<u>(937,222)</u>
Net change in Total OPEB Liability	(4,684,507)	8,077,570	(17,985,645)	25,064,602
Total OPEB Liability - beginning	<u>95,980,103</u>	<u>87,902,533</u>	<u>105,888,178</u>	<u>80,823,576</u>
Total OPEB Liability - ending	<u>\$ 91,295,596</u>	<u>\$ 95,980,103</u>	<u>\$ 87,902,533</u>	<u>\$ 105,888,178</u>
Covered-employee payroll	\$ 22,836,771	\$ 22,836,771	\$ 17,289,769	\$ 17,289,769
Total OPEB Liability as a percentage of covered payroll	399.77%	420.29%	508.41%	612.43%

Note: This schedule will present 10 years of information once the data is available.

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$	2,978,170	\$ 3,047,265	\$ 3,179,297	\$ 3,529,470
	2,184,162	2,125,363	1,909,153	1,625,768
	-	-	-	-
	(22,558)	(4,482,000)	387,001	2,200,259
	16,776,429	4,853,623	(3,044,506)	(5,630,091)
	<u>(1,029,319)</u>	<u>(1,043,077)</u>	<u>(1,235,850)</u>	<u>(2,972,400)</u>
	20,886,884	4,501,174	1,195,095	(1,246,994)
	<u>59,936,692</u>	<u>55,435,518</u>	<u>54,240,423</u>	<u>55,487,417</u>
\$	<u>80,823,576</u>	<u>\$ 59,936,692</u>	<u>\$ 55,435,518</u>	<u>\$ 54,240,423</u>
\$	17,568,726	\$ 17,568,726	\$ 21,802,216	\$ 21,802,216
	460.04%	341.16%	254.27%	248.78%

LOWNDES COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION – OPEB

Changes in Benefits

There have been no substantive changes since the last actuarial valuation.

Changes in Assumptions

- Change in discount rate
- Change in mortality scale projection
- The decremental assumptions have been updated based on the February 2024 experience analysis

Method and Assumptions Used to Determine Contribution Rates

Valuation Date: June 30, 2023
 Prior Measurement Date: June 30, 2023
 Measurement Date: June 30, 2024
 Reporting Date: June 30, 2025

Discount Rate as of the Measurement Date: 3.93% per annum, compounded annually.

Annual Expected Medical/Prescription Drugs Claims
 (Age Adjusted to Age 65):

The following chart details the annual expected claims age adjusted to age 65 for the year following the valuation date:

Annual Expected Claims	
Pre-65	\$ 20,796
Post-65	\$ 8,319

Health Care Cost Trend Rates:

The following is a chart detailing the trend assumptions:

Year	Annual Rate of Increase Medical & Prescription Drug	
	Under Age 65	Age 65 & Older
2023	7.000%	5.125%
2024	6.750%	5.000%
2025	6.500%	4.750%
2026	6.250%	4.500%
2027	6.000%	4.500%
2028	5.750%	4.500%
2029	5.500%	4.500%
2030	5.250%	4.500%
2031	5.000%	4.500%
2032	4.750%	4.500%
2033 & Beyond	4.500%	4.500%

Retiree contributions are trended at 3.00% annually for inflation.

LOWNDES COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION – OPEB

Method and Assumptions Used to Determine Contribution Rates – Continued

Age Related Morbidity:

Per capita costs are adjusted to reflect expected cost changes related to age. The age-related increase to the net incurred claims was assumed to be:

Participant Age	Annual Increase
Under 30	0.0%
30 - 34	1.0%
35 - 39	1.5%
40 - 44	2.0%
45 - 49	2.6%
50 - 54	3.3%
55 - 59	3.6%
60 - 64	4.2%
65 - 69	3.0%
70 - 74	2.5%
75 - 79	2.0%
80 - 84	1.0%
85 - 89	0.5%
90 and Older	0.0%

Anticipated Participation:

Representative values of the assumed annual rates of member participation and spouse coverage by future retirees are as follows:

Participation	
Participation	85%
Spouse	50%

These participation assumptions apply only to full-time employees who are active in the County health plan. It is assumed participation is 0% for part-time employees and those who waive active coverage.

Wives are assumed to be three years younger than husbands.

Benefits Valued:

The benefits listed below were valued for the stated upon duration.

Lifetime Benefits Valued:

- Medical Coverage
- Prescription Drug Coverage

LOWNDES COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION – OPEB

Method and Assumptions Used to Determine Contribution Rates – Continued

Future Salary Increases: 5.50% per annum, compounded annually, adjusted by age: plus 1.5% for employees under age 30, plus 0.5% for ages 30-39, minus 0.5% for ages 40-49, and minus 1.0% for employees ages 50 and over.

Separation From Active Service: Representative values of the assumed annual rates of separation are shown in the following tables:

<u>Age</u>	Withdrawal Unisex Years of Service			
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4 or more</u>
25	27.8%	22.5%	18.5%	13.6%
35	23.8	17.8	13.8	7.9
45	19.8	14.1	10.1	5.5
55	16.2	11.4	7.4	0.0
61	0.0	0.0	0.0	0.0

<u>Age</u>	Service Retirement		Disability	
	<u>If Eligible for Unreduced</u>	<u>All Others</u>	<u>Age</u>	<u>Unisex</u>
40			20	0.030%
45			25	0.030
50			30	0.030
55-60	15.00%	10.00%	35	0.030
61-63	20.00	10.00	40	0.030
64	30.00	20.00	45	0.030
65-66	30.00	30.00	50	0.150
67	50.00	30.00	55	0.150
68-69	30.00	30.00	60	0.150
70	100.00	100.00	61	0.000

* For retirees eligible for unreduced early retirement (Rule of 75 and attaining age 55), the service retirement rate from ages 55-60 is 20%.

Mortality: According to the Pub-2010 GE (50%) & PS (50%) AMT-Weighted with Scale AA to 2023.

Federal Legislation: The impact of the Affordable Care Act (ACA) and the Inflation Reduction Act (IRA) was addressed in this valuation. Review of the information currently available did not identify any specific provisions of the ACA and incorporated in the plan designs, which are included in the current baseline claims costs, and the anticipation of potential changes to Medicare due to the IRA, which are included in our trend assumption. Continued monitoring of the impact on the Plan’s liability due to this and other legislation, if applicable, will be required.

LOWNDES COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION – OPEB

Covid-19

The impact of the COVID-19 pandemic was considered in this valuation; however, no changes were incorporated at this time due to the level of uncertainty regarding the impact on both plan costs and contribution levels going forward. Given the uncertainty regarding COVID-19 (e.g., the impact of routine care being deferred, direct COVID-19 treatment and prevention costs, changes in contribution and budget projections), continued monitoring of the impact of the Plan's liability will be required.

COMBINING AND INDIVIDUAL FUND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted for specific purposes.

Special Services Fund – To account for the revenues and expenditures that are derived and expended in the unincorporated areas of the County.

Commissary Fund – To account for funds received through commissary services at the jail.

Federal Drug Seized Revenue – To account for funds received through federal drug seizures.

State Drug Seized Revenue – To account for funds received through state drug seizures.

Hotel/Motel Tax – To account for tax revenue accessed for hotel/motel accommodations.

Intergovernmental Grants – To account for various grant revenues received.

Jail Operations – To account for funds accessed with fines and designated for the operations of jails.

911 Emergency Telephone – To account for funds collected and designated for the operations of the 911 emergency services.

Drug Abuse Treatment – To account for funds accessed with fines and designated for drug abuse education and treatment programs.

Fire Services – To account for fires services for the unincorporated areas of the county.

Victim Assistance – To account for funds accessed with fines and designated for the assistance programs for victims of crime.

Tree Bank – To account for developer fees paid in lieu of planting trees required for mitigation.

Law Library – To account for funds accessed with fines and designated for the maintenance of a law library.

**NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECT FUNDS**

The Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital facilities and infrastructure.

Community Development Block Grant Fund – To account for a new CDBG grant.

Transportation Special Purpose Local Option Sales Tax Fund – To account for sales tax voted in regionally to be used for road construction, maintenance and equipment.

Public Roads Fund – To account for LMIG road funds from the Georgia Department of Transportation. The revenue is restricted to road and bridge work.

LOWNDES COUNTY, GEORGIA
ALL NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2025

	<u>Total Nonmajor Special Revenue Funds</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Equity in pooled cash and cash equivalents	\$ 8,230,429	\$ 3,907,543	\$ 12,137,972
Cash and cash equivalents in segregated accounts	803,885	644,880	1,448,765
Certificate of deposit	128,168	-	128,168
Inventories	29,763	-	29,763
Receivables (net of allowance for doubtful accounts):			
Taxes	96,394	-	96,394
Accounts	1,934,911	847,538	2,782,449
TOTAL ASSETS	<u>\$ 11,223,550</u>	<u>\$ 5,399,961</u>	<u>\$ 16,623,511</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 852,277	\$ 2,851,763	\$ 3,704,040
Accrued wages	259,365	-	259,365
Interfund payable	849,457	1,216,166	2,065,623
Unearned revenue	520,143	-	520,143
TOTAL LIABILITIES	<u>2,481,242</u>	<u>4,067,929</u>	<u>6,549,171</u>
 FUND BALANCES (DEFICITS)			
Restricted for capital projects	-	1,827,299	1,827,299
Restricted for jail operations	12,607	-	12,607
Restricted for drug enforcement operations	366,229	-	366,229
Restricted for drug education and treatment	127,603	-	127,603
Restricted for law library	585,908	-	585,908
Restricted for 911 emergency telephone	87,772	-	87,772
Restricted for fire services	148,905	-	148,905
Restricted for tree planting	70,700	-	70,700
Assigned for unincorporated services	7,362,903	-	7,362,903
Unassigned	(20,319)	(495,267)	(515,586)
TOTAL FUND BALANCES	<u>8,742,308</u>	<u>1,332,032</u>	<u>10,074,340</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 11,223,550</u>	<u>\$ 5,399,961</u>	<u>\$ 16,623,511</u>

LOWNDES COUNTY, GEORGIA
ALL NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Year Ending June 30, 2025

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Taxes	\$ 13,464,903	\$ 5,332,814	\$ 18,797,717
Licenses and permits	156,985	-	156,985
Intergovernmental revenues	8,158,546	5,741,725	13,900,271
Charges for services	2,717,055	-	2,717,055
Fines and forfeitures	1,225,441	-	1,225,441
Investment income	8,031	55,265	63,296
Miscellaneous	1,429,666	-	1,429,666
TOTAL REVENUES	<u>27,160,627</u>	<u>11,129,804</u>	<u>38,290,431</u>
EXPENDITURES			
Current			
General government			
Legislative	458,060	-	458,060
Judicial	1,574,652	-	1,574,652
Public safety	18,765,003	-	18,765,003
Public works	6,177,736	1,761,755	7,939,491
Culture and recreation	220,633	-	220,633
Housing and development	1,753,628	2,697,738	4,451,366
Capital Outlay	-	9,070,090	9,070,090
TOTAL EXPENDITURES	<u>28,949,712</u>	<u>13,529,583</u>	<u>42,479,295</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,789,085)	(2,399,779)	(4,188,864)
OTHER FINANCING SOURCES (USES):			
TRANSFERS IN	1,684,927	-	1,684,927
TRANSFERS (OUT)	(936,897)	-	(936,897)
TOTAL OTHER FINANCING SOURCES (USES)	<u>748,030</u>	<u>-</u>	<u>748,030</u>
NET CHANGE IN FUND BALANCES	(1,041,055)	(2,399,779)	(3,440,834)
FUND BALANCE, BEGINNING OF YEAR	<u>9,783,363</u>	<u>3,731,811</u>	<u>13,515,174</u>
FUND BALANCE, END OF YEAR	<u>\$ 8,742,308</u>	<u>\$ 1,332,032</u>	<u>\$ 10,074,340</u>

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LOWNDES COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2025

	<u>Special Services</u>	<u>Commissary</u>	<u>Federal Drug Seized Revenues</u>	<u>State Drug Seized Revenues</u>	<u>Hotel/Motel Tax</u>
ASSETS					
Equity in pooled cash and cash equivalents	\$ 7,470,948	\$ 114,730	\$ 12,333	\$ -	\$ 9,743
Cash and cash equivalents in segregated accounts	-	-	-	353,896	-
Certificate of deposit	-	-	-	-	-
Inventories	-	-	-	-	-
Receivables (net of allowance for doubtful accounts):					
Taxes	-	-	-	-	96,394
Accounts	<u>79,542</u>	<u>232,592</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 7,550,490</u>	<u>\$ 347,322</u>	<u>\$ 12,333</u>	<u>\$ 353,896</u>	<u>\$ 106,137</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 159,240	\$ 333,281	\$ -	\$ -	\$ 106,137
Accrued wages	22,634	4,456	-	-	-
Interfund payable	-	-	-	-	-
Unearned revenue	<u>5,713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>187,587</u>	<u>337,737</u>	<u>-</u>	<u>-</u>	<u>106,137</u>
FUND BALANCES					
Restricted for jail operations	-	9,585	-	-	-
Restricted for drug enforcement operations	-	-	12,333	353,896	-
Restricted for drug education and treatment	-	-	-	-	-
Restricted for law library	-	-	-	-	-
Restricted for 911 emergency telephone	-	-	-	-	-
Restricted for fire services	-	-	-	-	-
Restricted for tree planting	-	-	-	-	-
Assigned for unincorporated services	7,362,903	-	-	-	-
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>7,362,903</u>	<u>9,585</u>	<u>12,333</u>	<u>353,896</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 7,550,490</u>	<u>\$ 347,322</u>	<u>\$ 12,333</u>	<u>\$ 353,896</u>	<u>\$ 106,137</u>

Intergovern- mental Grants	Jail Operations	Drug Abuse Treatment	911 Emergency Telephone	Fire Services Fund	Victim Assistance	Tree Bank	Law Library	Total
\$ -	\$ -	\$ 118,547	\$ 132,788	\$ 300,640	\$ -	\$ 70,700	\$ -	\$ 8,230,429
-	-	-	-	-	-	-	449,989	803,885
-	-	-	-	-	-	-	128,168	128,168
-	-	-	-	29,763	-	-	-	29,763
-	-	-	-	-	-	-	-	96,394
<u>1,445,171</u>	<u>30,395</u>	<u>9,056</u>	<u>71,100</u>	<u>29,219</u>	<u>30,085</u>	<u>-</u>	<u>7,751</u>	<u>1,934,911</u>
<u>\$ 1,445,171</u>	<u>\$ 30,395</u>	<u>\$ 127,603</u>	<u>\$ 203,888</u>	<u>\$ 359,622</u>	<u>\$ 30,085</u>	<u>\$ 70,700</u>	<u>\$ 585,908</u>	<u>\$ 11,223,550</u>
\$ 137,045	9,299	\$ -	\$ 46,044	\$ 61,231	\$ -	\$ -	\$ -	\$ 852,277
8,148	1,615	-	70,072	149,486	2,954	-	-	259,365
785,548	16,459	-	-	-	47,450	-	-	849,457
<u>514,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>520,143</u>
<u>1,445,171</u>	<u>27,373</u>	<u>-</u>	<u>116,116</u>	<u>210,717</u>	<u>50,404</u>	<u>-</u>	<u>-</u>	<u>2,481,242</u>
-	3,022	-	-	-	-	-	-	12,607
-	-	-	-	-	-	-	-	366,229
-	-	127,603	-	-	-	-	-	127,603
-	-	-	-	-	-	-	585,908	585,908
-	-	-	87,772	-	-	-	-	87,772
-	-	-	-	148,905	-	-	-	148,905
-	-	-	-	-	-	70,700	-	70,700
-	-	-	-	-	-	-	-	7,362,903
-	-	-	-	-	(20,319)	-	-	(20,319)
<u>-</u>	<u>3,022</u>	<u>127,603</u>	<u>87,772</u>	<u>148,905</u>	<u>(20,319)</u>	<u>70,700</u>	<u>585,908</u>	<u>8,742,308</u>
<u>\$ 1,445,171</u>	<u>\$ 30,395</u>	<u>\$ 127,603</u>	<u>\$ 203,888</u>	<u>\$ 359,622</u>	<u>\$ 30,085</u>	<u>\$ 70,700</u>	<u>\$ 585,908</u>	<u>\$ 11,223,550</u>

LOWNDES COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Year Ending June 30, 2025

	<u>Special Services</u>	<u>Commissary</u>	<u>Federal Drug Seized Revenues</u>	<u>State Drug Seized Revenues</u>	<u>Hotel/Motel Tax</u>
REVENUES					
Taxes	\$ 2,812,052	\$ -	\$ -	\$ -	\$ 1,054,427
Licenses and permits	156,985	-	-	-	-
Intergovernmental revenue	-	-	-	-	-
Charges for services	102,184	322,310	-	-	-
Fines and forfeitures	-	-	143,929	420,563	-
Investment income	-	-	-	3,559	-
Miscellaneous	-	1,289,462	-	26,588	-
TOTAL REVENUES	<u>3,071,221</u>	<u>1,611,772</u>	<u>143,929</u>	<u>450,710</u>	<u>1,054,427</u>
EXPENDITURES					
Current					
General Government					
Legislative	443,200	-	-	-	-
Judicial	-	-	-	-	-
Public safety	333,072	2,045,075	131,596	497,714	-
Public works	203,679	-	-	-	-
Culture and recreation	70,000	-	-	-	150,633
Housing and development	1,301,731	-	-	-	451,897
TOTAL EXPENDITURES	<u>2,351,682</u>	<u>2,045,075</u>	<u>131,596</u>	<u>497,714</u>	<u>602,530</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	719,539	(433,303)	12,333	(47,004)	451,897
OTHER FINANCING SOURCES (USES):					
TRANSFERS IN	451,897	-	-	-	-
TRANSFERS (OUT)	(325,000)	-	-	-	(451,897)
TOTAL OTHER FINANCING SOURCES (USES)	<u>126,897</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(451,897)</u>
NET CHANGE IN FUND BALANCES	846,436	(433,303)	12,333	(47,004)	-
FUND BALANCE, BEGINNING OF YEAR	<u>6,516,467</u>	<u>442,888</u>	<u>-</u>	<u>400,900</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 7,362,903</u>	<u>\$ 9,585</u>	<u>\$ 12,333</u>	<u>\$ 353,896</u>	<u>\$ -</u>

Intergovernmental Grants	Jail Operations	Drug Abuse Treatment	911 Emergency Telephone	Fire Services Fund	Victim Assistance	Tree Bank	Law Library	Total
\$ -	\$ -	\$ -	\$ -	\$ 9,598,424	\$ -	\$ -	\$ -	\$ 13,464,903
-	-	-	-	-	-	-	-	156,985
7,303,270	-	5,780	785,606	-	63,890	-	-	8,158,546
-	-	-	2,206,861	15,000	-	70,700	-	2,717,055
-	324,255	108,657	-	-	135,435	-	92,602	1,225,441
-	-	-	-	-	-	-	4,472	8,031
-	-	-	34,999	78,617	-	-	-	1,429,666
<u>7,303,270</u>	<u>324,255</u>	<u>114,437</u>	<u>3,027,466</u>	<u>9,692,041</u>	<u>199,325</u>	<u>70,700</u>	<u>97,074</u>	<u>27,160,627</u>
14,860	-	-	-	-	-	-	-	458,060
1,177,345	-	85,600	-	-	243,272	-	68,435	1,574,652
137,008	446,669	-	4,099,567	11,074,302	-	-	-	18,765,003
5,974,057	-	-	-	-	-	-	-	6,177,736
-	-	-	-	-	-	-	-	220,633
-	-	-	-	-	-	-	-	1,753,628
<u>7,303,270</u>	<u>446,669</u>	<u>85,600</u>	<u>4,099,567</u>	<u>11,074,302</u>	<u>243,272</u>	<u>-</u>	<u>68,435</u>	<u>28,949,712</u>
-	(122,414)	28,837	(1,072,101)	(1,382,261)	(43,947)	70,700	28,639	(1,789,085)
-	-	-	1,233,030	-	-	-	-	1,684,927
-	-	-	(160,000)	-	-	-	-	(936,897)
-	-	-	1,073,030	-	-	-	-	748,030
-	(122,414)	28,837	929	(1,382,261)	(43,947)	70,700	28,639	(1,041,055)
-	125,436	98,766	86,843	1,531,166	23,628	-	557,269	9,783,363
<u>\$ -</u>	<u>\$ 3,022</u>	<u>\$ 127,603</u>	<u>\$ 87,772</u>	<u>\$ 148,905</u>	<u>\$ (20,319)</u>	<u>\$ 70,700</u>	<u>\$ 585,908</u>	<u>\$ 8,742,308</u>

LOWNDES COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2025

	<u>CDGB</u>	<u>Transportation</u>	<u>Public</u>		<u>Total</u>
	<u>Fund</u>	<u>Special Purpose</u>	<u>Roads</u>		
		<u>Sales Tax</u>	<u>Fund</u>		
ASSETS					
Equity in pooled cash and cash equivalents	\$ -	\$ 619,680	\$ 3,287,863		\$ 3,907,543
Cash and cash equivalents in segregated accounts	-	644,880	-		644,880
Accounts receivable	-	847,538	-		847,538
	<u>-</u>	<u>847,538</u>	<u>-</u>		<u>847,538</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 2,112,098</u>	<u>\$ 3,287,863</u>		<u>\$ 5,399,961</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ 1,391,199	\$ 1,460,564		\$ 2,851,763
Interfund payable	-	1,216,166	-		1,216,166
	<u>-</u>	<u>1,216,166</u>	<u>-</u>		<u>1,216,166</u>
TOTAL LIABILITIES	<u>-</u>	<u>2,607,365</u>	<u>1,460,564</u>		<u>4,067,929</u>
FUND BALANCES					
Restricted for capital projects	-	-	1,827,299		1,827,299
Unrestricted	-	(495,267)	-		(495,267)
	<u>-</u>	<u>(495,267)</u>	<u>-</u>		<u>(495,267)</u>
TOTAL FUND BALANCES	<u>-</u>	<u>(495,267)</u>	<u>1,827,299</u>		<u>1,332,032</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 2,112,098</u>	<u>\$ 3,287,863</u>		<u>\$ 5,399,961</u>

LOWNDES COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Year Ending June 30, 2025

	CDGB Fund	Transportation Special Purpose Sales Tax	Public Roads Fund	Total
REVENUES				
Taxes	\$ -	\$ 5,332,814	\$ -	\$ 5,332,814
Intergovernmental	2,697,738	-	3,043,987	5,741,725
Investment income	-	55,265	-	55,265
TOTAL REVENUES	<u>2,697,738</u>	<u>5,388,079</u>	<u>3,043,987</u>	<u>11,129,804</u>
EXPENDITURES				
Current:				
Public works	-	510,821	1,250,934	1,761,755
Housing and development	2,697,738	-	-	2,697,738
Capital outlay	-	6,180,519	2,889,571	9,070,090
TOTAL EXPENDITURES	<u>2,697,738</u>	<u>6,691,340</u>	<u>4,140,505</u>	<u>13,529,583</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(1,303,261)	(1,096,518)	(2,399,779)
NET CHANGE IN FUND BALANCES	-	(1,303,261)	(1,096,518)	(2,399,779)
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>807,994</u>	<u>2,923,817</u>	<u>3,731,811</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ (495,267)</u>	<u>\$ 1,827,299</u>	<u>\$ 1,332,032</u>

LOWNDES COUNTY, GEORGIA
SPECIAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Over (Under)
REVENUES				
Taxes	\$ 2,395,000	\$ 2,812,000	\$2,812,052	\$ 52
Licenses and permits	150,000	157,000	156,985	(15)
Charges for services	<u>30,000</u>	<u>103,000</u>	<u>102,184</u>	<u>(816)</u>
TOTAL REVENUES	<u>2,575,000</u>	<u>3,072,000</u>	<u>3,071,221</u>	<u>(779)</u>
EXPENDITURES				
Current				
General Government				
Legislative	75,000	1,049,000	443,200	(605,800)
Public safety	347,000	432,000	333,072	(98,928)
Public works	125,000	204,000	203,679	(321)
Culture and recreation	70,000	70,000	70,000	-
Housing and development	<u>1,421,000</u>	<u>1,421,000</u>	<u>1,301,731</u>	<u>(119,269)</u>
TOTAL EXPENDITURES	<u>2,038,000</u>	<u>3,176,000</u>	<u>2,351,682</u>	<u>(824,318)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>537,000</u>	<u>(104,000)</u>	<u>719,539</u>	<u>823,539</u>
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	429,000	429,000	451,897	22,897
TRANSFERS IN (OUT)	<u>(325,000)</u>	<u>(325,000)</u>	<u>(325,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>104,000</u>	<u>104,000</u>	<u>126,897</u>	<u>22,897</u>
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	641,000	-	846,436	846,436
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>6,516,467</u>	<u>6,516,467</u>
FUND BALANCE AT END OF YEAR	<u>\$ 641,000</u>	<u>\$ -</u>	<u>\$7,362,903</u>	<u>\$ 7,362,903</u>

**LOWNDES COUNTY, GEORGIA
COMMISSARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>		Actual	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Over (Under)
REVENUES				
Charges for services	\$ 300,000	\$ 300,000	\$ 322,310	\$ 22,310
Miscellaneous	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,289,462</u>	<u>(60,538)</u>
TOTAL REVENUES	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,611,772</u>	<u>(38,228)</u>
EXPENDITURES				
Current:				
Public safety	<u>1,650,000</u>	<u>2,050,000</u>	<u>2,045,075</u>	<u>(4,925)</u>
TOTAL EXPENDITURES	<u>1,650,000</u>	<u>2,050,000</u>	<u>2,045,075</u>	<u>(4,925)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(400,000)	(433,303)	(33,303)
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>400,000</u>	<u>442,888</u>	<u>42,888</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,585</u>	<u>\$ 9,585</u>

LOWNDES COUNTY, GEORGIA
FEDERAL DRUG SEIZED REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ -	\$ 144,000	\$ 143,929	\$ (71)
TOTAL REVENUES	-	144,000	143,929	(71)
EXPENDITURES				
Current:				
Public safety	-	144,000	131,596	(12,404)
TOTAL EXPENDITURES	-	144,000	131,596	(12,404)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	12,333	12,333
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ 12,333	\$ 12,333

LOWNDES COUNTY, GEORGIA
STATE DRUG SEIZED REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ -	\$ 420,600	\$ 420,563	\$ (37)
Investment income	-	3,560	3,559	(1)
Miscellaneous income	-	26,600	26,588	(12)
TOTAL REVENUES	-	450,760	450,710	(50)
EXPENDITURES				
Current:				
Public safety	-	498,000	497,714	(286)
TOTAL EXPENDITURES	-	498,000	497,714	(286)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(47,240)	(47,004)	236
FUND BALANCE AT BEGINNING OF YEAR	-	47,240	400,900	353,660
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ 353,896	\$ 353,896

LOWNDES COUNTY, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
REVENUES				
Taxes	\$ 1,000,000	\$ 1,054,450	\$ 1,054,427	\$ (23)
TOTAL REVENUES	1,000,000	1,054,450	1,054,427	(23)
EXPENDITURES				
Current:				
Culture and recreation	143,000	150,650	150,633	(17)
Housing and development	429,000	451,900	451,897	(3)
TOTAL EXPENDITURES	572,000	602,550	602,530	(20)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	428,000	451,900	451,897	(3)
OTHER FINANCING SOURCES (USES)				
TRANSFER IN (OUT)	(428,000)	(451,900)	(451,897)	(3)
TOTAL OTHER FINANCING SOURCES (USES)	(428,000)	(451,900)	(451,897)	(3)
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ -	\$ -

**LOWNDES COUNTY, GEORGIA
INTERGOVERNMENTAL GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 1,357,000	\$ 7,303,600	\$ 7,303,270	\$ (330)
TOTAL REVENUES	1,357,000	7,303,600	7,303,270	(330)
 EXPENDITURES				
Current:				
Legislative	1,000,000	15,000	14,860	(140)
Judicial	357,000	1,177,400	1,177,345	(55)
Public safety	-	137,100	137,008	(92)
Public works	-	5,974,100	5,974,057	(43)
TOTAL EXPENDITURES	1,357,000	7,303,600	7,303,270	(330)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR				
	-	-	-	-
FUND BALANCE AT END OF YEAR				
	\$ -	\$ -	\$ -	\$ -

LOWNDES COUNTY, GEORGIA
JAIL OPERATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
REVENUES				
Fines and forfeitures	\$ 297,000	\$ 324,500	\$ 324,255	\$ (245)
TOTAL REVENUES	297,000	324,500	324,255	(245)
EXPENDITURES				
Current:				
Public safety	297,000	447,000	446,669	(331)
TOTAL EXPENDITURES	297,000	447,000	446,669	(331)
EXCESS OF REVENUES OVER(UNDER) EXPENDITURES	-	(122,500)	(122,414)	86
FUND BALANCE AT BEGINNING OF YEAR	-	122,500	125,436	2,936
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ 3,022	\$ 3,022

**LOWNDES COUNTY, GEORGIA
DRUG ABUSE TREATMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Over (Under)
REVENUES				
Intergovernmental	\$ 7,000	\$ 7,000	\$ 5,780	\$ (1,220)
Fines and forfeitures	116,000	116,000	108,657	(7,343)
TOTAL REVENUES	<u>123,000</u>	<u>123,000</u>	<u>114,437</u>	<u>(8,563)</u>
EXPENDITURES				
Current:				
Judicial	123,000	123,000	85,600	(37,400)
TOTAL EXPENDITURES	<u>123,000</u>	<u>123,000</u>	<u>85,600</u>	<u>(37,400)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	28,837	28,837
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>98,766</u>	<u>98,766</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,603</u>	<u>\$ 127,603</u>

LOWNDES COUNTY, GEORGIA
911 EMERGENCY TELEPHONE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 858,000	\$ 858,000	\$ 785,606	\$ (72,394)
Charges for services	2,250,000	2,250,000	2,206,861	(43,139)
Miscellaneous income	-	-	34,999	34,999
TOTAL REVENUES	<u>3,108,000</u>	<u>3,108,000</u>	<u>3,027,466</u>	<u>(80,534)</u>
EXPENDITURES				
Current				
Public safety	4,181,000	4,181,000	4,099,567	(81,433)
TOTAL EXPENDITURES	<u>4,181,000</u>	<u>4,181,000</u>	<u>4,099,567</u>	<u>(81,433)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,073,000)	(1,073,000)	(1,072,101)	899
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN GENERAL FUND SUPPORT	1,233,000	1,233,000	1,233,030	(30)
TRANSFER (OUT) INDIRECT ADMINISTRATIVE COST	(160,000)	(160,000)	(160,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,073,000</u>	<u>1,073,000</u>	<u>1,073,030</u>	<u>(30)</u>
REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	-	-	929	929
FUND BALANCE AT BEGINNING OF YEAR	-	-	86,843	86,843
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,772</u>	<u>\$ 87,772</u>

LOWNDES COUNTY, GEORGIA
FIRE SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Taxes	\$ 8,875,000	\$ 9,600,000	\$ 9,598,424	\$ (1,576)
Charges for services	15,000	15,000	15,000	-
Miscellaneous income	-	79,000	78,617	(383)
TOTAL REVENUES	8,890,000	9,694,000	9,692,041	(1,959)
EXPENDITURES				
Current				
Public safety	8,890,000	11,075,000	11,074,302	(698)
TOTAL EXPENDITURES	8,890,000	11,075,000	11,074,302	(698)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	-	(1,381,000)	(1,382,261)	(1,261)
FUND BALANCE AT BEGINNING OF YEAR	-	1,381,000	1,531,166	150,166
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ 148,905	\$ 148,905

LOWNDES COUNTY, GEORGIA
VICTIM ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Intergovernmental	\$ 67,000	\$ 67,000	\$ 63,890	\$ (3,110)
Fines and forfeitures	121,000	136,000	135,435	(565)
TOTAL REVENUES	188,000	203,000	199,325	(3,675)
EXPENDITURES				
Current:				
Judicial	244,000	244,000	243,272	(728)
TOTAL EXPENDITURES	244,000	244,000	243,272	(728)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(56,000)	(41,000)	(43,947)	(2,947)
FUND BALANCE AT BEGINNING OF YEAR	56,000	41,000	23,628	(17,372)
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ (20,319)	\$ (20,319)

LOWNDES COUNTY, GEORGIA
TREE BANK FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ 71,000	\$ 70,700	\$ (300)
TOTAL REVENUES	<u>-</u>	<u>71,000</u>	<u>70,700</u>	<u>(300)</u>
EXPENDITURES				
Current:				
Public works	-	71,000	-	(71,000)
TOTAL EXPENDITURES	<u>-</u>	<u>71,000</u>	<u>-</u>	<u>(71,000)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	70,700	70,700
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,700</u>	<u>\$ 70,700</u>

**LOWNDES COUNTY, GEORGIA
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 100,000	\$ 100,000	\$ 92,602	\$ (7,398)
Investment income	-	-	4,472	4,472
TOTAL REVENUES	<u>100,000</u>	<u>100,000</u>	<u>97,074</u>	<u>(2,926)</u>
EXPENDITURES				
Current:				
Judicial	<u>100,000</u>	<u>100,000</u>	<u>68,435</u>	<u>(31,565)</u>
TOTAL EXPENDITURES	<u>100,000</u>	<u>100,000</u>	<u>68,435</u>	<u>(31,565)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	28,639	28,639
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>557,269</u>	<u>557,269</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 585,908</u>	<u>\$ 585,908</u>

OTHER ENTERPRISE FUNDS

Enterprise Funds are used to account for any activity for which a fee is charged to external users of good or services.

Landfill Fund – to account for solid waste host fees collected and for post-closure care cost of the closed landfill.

Quiet Pines Golf Fund – to account for the operations of a golf course at Moody Air Force Base.

Inspecting and Permitting Fund – to account for the charges for inspections and permitting fees.

Special Tax Lighting District – to account for fees collected for street lighting in special districts in the County.

LOWNDES COUNTY, GEORGIA
OTHER ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2025

	Landfill Fund	Quiet Pines Golf Fund	Inspecting & Permitting Fund	Special Tax Lighting District Fund	Total
ASSETS					
Current Assets					
Equity in pooled cash and cash equivalents	\$ 4,052,314	\$ 606,895	\$ 2,043,277	\$ 153,849	\$ 6,856,335
Receivables (net of allowance for uncollectible)	171,619	-	-	291	171,910
Inventories	-	5,317	-	-	5,317
TOTAL CURRENT ASSETS	<u>4,223,933</u>	<u>612,212</u>	<u>2,043,277</u>	<u>154,140</u>	<u>7,033,562</u>
Noncurrent Assets					
Capital assets					
Capital assets not being depreciated	203,639	-	-	-	203,639
Capital assets being depreciated	791,988	15,519	-	-	807,507
Less: accumulated depreciation	(786,621)	(3,104)	-	-	(789,725)
TOTAL NONCURRENT ASSETS	<u>209,006</u>	<u>12,415</u>	<u>-</u>	<u>-</u>	<u>221,421</u>
TOTAL ASSETS	<u>4,432,939</u>	<u>624,627</u>	<u>2,043,277</u>	<u>154,140</u>	<u>7,254,983</u>
DEFERRED OUTFLOW OF RESOURCES					
Pension expense	74,021	81,282	182,308	-	337,611
OPEB expense	86,802	109,645	184,264	-	380,711
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>160,823</u>	<u>190,927</u>	<u>366,572</u>	<u>-</u>	<u>718,322</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>4,593,762</u>	<u>815,554</u>	<u>2,409,849</u>	<u>154,140</u>	<u>7,973,305</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	10,680	15,878	1,917	41,960	70,435
Accrued liabilities	5,890	14,687	14,238	-	34,815
Unearned revenue	-	636	-	-	636
Current portion of compensated absences	3,771	5,378	12,394	-	21,543
Current portion of postclosure cost	95,485	-	-	-	95,485
TOTAL CURRENT LIABILITIES	<u>115,826</u>	<u>36,579</u>	<u>28,549</u>	<u>41,960</u>	<u>222,914</u>
LONG-TERM LIABILITIES					
Compensated absences	2,963	4,226	9,739	-	16,928
Postclosure cost	954,851	-	-	-	954,851
Net pension liability	122,816	134,864	302,484	-	560,164
Net other post employment benefits liability	520,385	657,328	1,104,677	-	2,282,390
TOTAL LONG-TERM LIABILITIES	<u>1,601,015</u>	<u>796,418</u>	<u>1,416,900</u>	<u>-</u>	<u>3,814,333</u>
TOTAL LIABILITIES	<u>1,716,841</u>	<u>832,997</u>	<u>1,445,449</u>	<u>41,960</u>	<u>4,037,247</u>
DEFERRED INFLOWS OF RESOURCES					
Pension expense	27,360	30,044	67,386	-	124,790
OPEB expense	148,112	187,089	314,414	-	649,615
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>175,472</u>	<u>217,133</u>	<u>381,800</u>	<u>-</u>	<u>774,405</u>
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	<u>1,892,313</u>	<u>1,050,130</u>	<u>1,827,249</u>	<u>41,960</u>	<u>4,811,652</u>
NET POSITION					
Investment in capital assets	209,006	12,415	-	-	221,421
Unrestricted	2,492,443	(246,991)	582,600	112,180	2,940,232
TOTAL NET POSITION	<u>\$ 2,701,449</u>	<u>\$ (234,576)</u>	<u>\$ 582,600</u>	<u>\$ 112,180</u>	<u>\$ 3,161,653</u>

LOWNDES COUNTY, GEORGIA
OTHER ENTERPRISE FUNDS
COMBINING STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
For the Year Ending June 30, 2025

	Landfill Fund	Quiet Pines Golf Fund	Inspecting & Permitting Fund	Special Tax Lighting District Fund	Total
OPERATING REVENUES					
Charges for services	\$ 796,918	\$ 376,980	\$1,160,413	\$ 500,099	\$2,834,410
Other income	-	777	-	-	777
	<u>796,918</u>	<u>377,757</u>	<u>1,160,413</u>	<u>500,099</u>	<u>2,835,187</u>
OPERATING EXPENSES					
Personal services	175,212	271,453	432,005	-	878,670
Payroll taxes	12,598	19,263	31,020	-	62,881
Fringe benefits	90,470	(46,496)	28,319	-	72,293
Contractual services	124,672	267,870	75,662	501,195	969,399
Materials and supplies	4,233	97,231	11,113	-	112,577
Depreciation expense	2,800	3,104	-	-	5,904
	<u>409,985</u>	<u>612,425</u>	<u>578,119</u>	<u>501,195</u>	<u>2,101,724</u>
OPERATING INCOME (LOSS)	386,933	(234,668)	582,294	(1,096)	733,463
TRANSFERS IN	-	-	-	-	-
TRANSFERS OUT	(150,000)	-	-	-	(150,000)
CHANGE IN NET POSITION	236,933	(234,668)	582,294	(1,096)	583,463
NET POSITION AT BEGINNING OF YEAR	<u>2,464,516</u>	<u>92</u>	<u>306</u>	<u>113,276</u>	<u>2,578,190</u>
NET POSITION AT END OF YEAR	<u>\$2,701,449</u>	<u>\$ (234,576)</u>	<u>\$ 582,600</u>	<u>\$ 112,180</u>	<u>\$3,161,653</u>

**LOWNDES COUNTY, GEORGIA
OTHER ENTERPRISE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
For the Year Ending June 30, 2025**

	Landfill <u>Fund</u>	Quiet Pines Golf <u>Fund</u>	Inspecting & Permitting <u>Fund</u>	Special Tax Lighting District <u>Fund</u>	<u>Total</u>
<u>Increase in Cash and Cash Equivalents</u>					
<u>Cash Flows From Operating Activities</u>					
Cash received from other customers	\$ 830,782	\$ 376,666	\$ 1,160,413	\$ 500,629	\$ 2,868,490
Cash received from other income	-	777	-	-	777
Cash payments for personal services	(171,681)	(262,404)	(421,563)	-	(855,648)
Cash payments for payroll taxes	(12,598)	(19,263)	(31,020)	-	(62,881)
Cash payments for fringe benefits	(79,371)	(89,977)	(166,384)	-	(335,732)
Cash payments for contractual services	(100,054)	(267,870)	(75,662)	-	(443,586)
Cash payments for materials and supplies	(4,079)	(93,528)	(10,154)	(500,222)	(607,983)
Net Cash Provided by Operating Activities	<u>462,999</u>	<u>(355,599)</u>	<u>455,630</u>	<u>407</u>	<u>563,437</u>
<u>Cash Flows From Noncapital Financing Activities</u>					
Cash payments for capital assets	-	(15,518)	-	-	(15,518)
Cash payments for transfers (out) in	(150,000)	-	-	-	(150,000)
Net Cash (Used For) Noncapital Financing Activities	<u>(150,000)</u>	<u>(15,518)</u>	<u>-</u>	<u>-</u>	<u>(165,518)</u>
Net Increase in Cash and Cash Equivalents	312,999	(371,117)	455,630	407	397,919
Cash and Cash Equivalents at Beginning of Year	<u>\$ 3,739,315</u>	<u>\$ 978,012</u>	<u>\$ 1,587,647</u>	<u>\$ 153,442</u>	<u>6,458,416</u>
Cash and Cash Equivalents at End of Year	<u>\$ 4,052,314</u>	<u>\$ 606,895</u>	<u>\$ 2,043,277</u>	<u>\$ 153,849</u>	<u>\$ 6,856,335</u>
Equity in pooled cash and cash equivalents	<u>\$ 4,052,314</u>	<u>\$ 606,895</u>	<u>\$ 2,043,277</u>	<u>\$ 153,849</u>	<u>\$ 6,856,335</u>
Total Cash and Cash Equivalents	<u>\$ 4,052,314</u>	<u>\$ 606,895</u>	<u>\$ 2,043,277</u>	<u>\$ 153,849</u>	<u>\$ 6,856,335</u>

**LOWNDES COUNTY, GEORGIA
OTHER ENTERPRISE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
For the Year Ending June 30, 2025**

	Landfill <u>Fund</u>	Quiet Pines Golf <u>Fund</u>	Inspecting & Permitting <u>Fund</u>	Special Tax Lighting District <u>Fund</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) To					
<u>Net Cash Provided by Operating Activities</u>					
Operating Income (Loss)	\$ 386,933	\$ (234,668)	\$ 582,294	\$ (1,096)	\$ 733,463
Adjustments to Reconcile Operating Income (Loss) To					
<u>Net Cash Provided by Operating Activities</u>					
Depreciation	2,800	3,104	-	-	5,904
(Increase) decrease in assets:					
Accounts receivable	33,865	-	-	530	34,395
Inventory	-	5,791	-		5,791
Increase (decrease) in liabilities:					
Accounts payable	154	(2,088)	959	973	(2)
Other post employment benefits	3,628	(118,113)	(129,789)	-	(244,274)
Pension payable	7,471	(18,360)	(8,276)	-	(19,165)
Compensated absences payable	2,871	4,501	9,719	-	17,091
Unearned income	-	(314)	-	-	(314)
Post closure cost payable	24,617	-	-	-	24,617
Accrued liabilities	660	4,548	723	-	5,931
	<u>660</u>	<u>4,548</u>	<u>723</u>	<u>-</u>	<u>5,931</u>
Net Cash Provided By Operating Activities	<u>\$ 462,999</u>	<u>\$ (355,599)</u>	<u>\$ 455,630</u>	<u>\$ 407</u>	<u>\$ 563,437</u>

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Equipment Operations – to account for charges to other funds for the maintenance and repair of County equipment.

Health Insurance – to account for charges to other funds and contributions from employees and for the payment of health insurance premiums and benefits.

Workers Compensation – to account for charges to other funds and contributions from employees and for the payment of workers compensation premiums and benefits.

Technology Fund – to account for charges to other funds for the use of technology equipment and services.

LOWNDES COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2025

	<u>Equipment</u> <u>Fund</u>	Health <u>Insurance</u> <u>Fund</u>	Workers <u>Compensation</u> <u>Fund</u>	Technology <u>Fund</u>	<u>Total</u>
ASSETS					
Current Assets					
Equity in pooled cash and cash equivalents	\$ 5,287,363	\$ 342,870	\$ 1,378,022	\$ 526,222	\$ 7,534,477
Receivables (net of allowance for doubtful accounts):					
Accounts	70,069	-	-	-	70,069
Prepaid expense	-	-	128,473	315,915	444,388
Inventory	215,621	-	-	-	215,621
Restricted unused bond proceeds	<u>3,646,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,646,724</u>
TOTAL CURRENT ASSETS	<u>9,219,777</u>	<u>342,870</u>	<u>1,506,495</u>	<u>842,137</u>	<u>11,911,279</u>
Noncurrent Assets					
Capital Assets					
Capital assets not being depreciated	17,850,796	-	-	-	17,850,796
Capital assets being depreciated	29,452,610	-	-	-	29,452,610
Less: accumulated depreciation	<u>(9,993,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,993,200)</u>
TOTAL NONCURRENT ASSETS	<u>37,310,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,310,206</u>
TOTAL ASSETS	<u>46,529,983</u>	<u>342,870</u>	<u>1,506,495</u>	<u>842,137</u>	<u>49,221,485</u>
DEFERRED OUTFLOW OF RESOURCES					
Pension expense	254,901	-	-	-	254,901
OPEB expense	<u>281,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>281,725</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>536,626</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>536,626</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>47,066,609</u>	<u>342,870</u>	<u>1,506,495</u>	<u>842,137</u>	<u>49,758,111</u>
LIABILITIES					
Current Liabilities					
Accounts payable	139,177	11,200	130,659	10,924	291,960
Accrued liabilities	282,775	331,417	1,123,696	-	1,737,888
Noncurrent liabilities:					
Due within one year					
Compensated absences payable	17,265	-	-	-	17,265
Lease liability	951,610	-	-	-	951,610
Due in more than one year					
Compensated absences payable	13,565	-	-	-	13,565
Lease liability	42,968,178	-	-	-	42,968,178
Net pension liability	422,930	-	-	-	422,930
Net other post employment benefits liability	<u>1,688,968</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,688,968</u>
TOTAL LIABILITIES	<u>46,484,468</u>	<u>342,617</u>	<u>1,254,355</u>	<u>10,924</u>	<u>48,092,364</u>
DEFERRED INFLOWS OF RESOURCES					
Pension expense	94,218	-	-	-	94,218
OPEB expense	<u>480,716</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>480,716</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>574,934</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>574,934</u>
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	<u>47,059,402</u>	<u>342,617</u>	<u>1,254,355</u>	<u>10,924</u>	<u>48,667,298</u>
NET POSITION					
Net investment in capital assets	267,082	-	-	-	267,082
Unrestricted	<u>(259,875)</u>	<u>253</u>	<u>252,140</u>	<u>831,213</u>	<u>823,731</u>
TOTAL NET POSITION	<u>\$ 7,207</u>	<u>\$ 253</u>	<u>\$ 252,140</u>	<u>\$ 831,213</u>	<u>\$ 1,090,813</u>

LOWNDES COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
For the Year Ending June 30, 2025

	Equipment Fund	Health Insurance Fund	Workers Compensation Fund	Technology Fund	Total
OPERATING REVENUES					
Charges for services	\$ 7,471,285	\$ 9,140,840	\$ 502,950	\$ 945,149	\$ 18,060,224
Miscellaneous income	<u>-</u>	<u>553,847</u>	<u>-</u>	<u>-</u>	<u>553,847</u>
TOTAL OPERATING REVENUES	<u>7,471,285</u>	<u>9,694,687</u>	<u>502,950</u>	<u>945,149</u>	<u>18,614,071</u>
OPERATING EXPENSES					
Personal services	590,893	-	-	-	590,893
Payroll taxes	42,199	-	-	-	42,199
Fringe benefits	259,040	-	-	-	259,040
Contractual services	26,069	-	-	776,426	802,495
Insurance and bond	-	10,910,405	687,731	-	11,598,136
Materials and supplies	2,794,092	-	-	132,545	2,926,637
Depreciation	<u>2,735,037</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,735,037</u>
TOTAL OPERATING EXPENSES	<u>6,447,330</u>	<u>10,910,405</u>	<u>687,731</u>	<u>908,971</u>	<u>18,954,437</u>
OPERATING INCOME (LOSS)	1,023,955	(1,215,718)	(184,781)	36,178	(340,366)
NON-OPERATING REVENUES (EXPENSES)					
Interest revenue	237,769	-	-	-	237,769
Interest expense	<u>(1,255,237)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,255,237)</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(1,017,468)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,017,468)</u>
CHANGE IN NET POSITION	6,487	(1,215,718)	(184,781)	36,178	(1,357,834)
NET POSITION AT BEGINNING OF YEAR	<u>720</u>	<u>1,215,971</u>	<u>436,921</u>	<u>795,035</u>	<u>2,448,647</u>
NET POSITION AT END OF YEAR	<u>\$ 7,207</u>	<u>\$ 253</u>	<u>\$ 252,140</u>	<u>\$ 831,213</u>	<u>\$ 1,090,813</u>

**INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
For the Year Ending June 30, 2025**

	Equipment Fund	Health Insurance Fund	Workers Compensation Fund	Technology Fund	Total
<u>Increase (Decrease) in Cash and Cash Equivalents</u>					
<u>Cash Flows From Operating Activities</u>					
Cash received from other funds for services	\$ 7,453,284	\$ 9,140,840	\$ 502,949	\$ 945,149	\$ 18,042,222
Cash received from other income	-	553,847	-	-	\$ 553,847
Cash payments for personal services	(590,246)	-	-	-	(590,246)
Cash payments for payroll taxes	(42,199)	-	-	-	(42,199)
Cash payments for fringe benefits	(227,043)	-	-	-	(227,043)
Cash payments for contractual services	(26,069)	-	-	(798,787)	(824,856)
Cash payments for insurance and bond	-	(10,894,805)	(666,641)	-	(11,561,446)
Cash payments for materials and supplies	(2,796,813)	-	-	(135,230)	(2,932,043)
Net Cash Provided by (Used for) Operating Activities	<u>3,770,914</u>	<u>(1,200,118)</u>	<u>(163,692)</u>	<u>11,132</u>	<u>2,418,236</u>
<u>Cash Flows From Capital and Related Financing Activities</u>					
Cash payment for interest	(1,274,514)	-	-	-	(1,274,514)
Cash payment for principal on capital leases	(717,215)	-	-	-	(717,215)
Cash payments for acquisition of capital assets	(3,687,311)	-	-	-	(3,687,311)
Net Cash (Used For) Capital and Related Financing Activities	<u>(5,679,040)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,679,040)</u>
<u>Cash Flows From Investing Activities</u>					
Cash received from interest	237,769	-	-	-	237,769
Net Cash Flows Provided By Investing Activities	<u>237,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>237,769</u>
Net Increase (decrease) in Cash and Cash Equivalents	(1,670,357)	(1,200,118)	(163,692)	11,132	(3,023,035)
Cash and Cash Equivalents at Beginning of Year	<u>\$ 10,604,444</u>	<u>\$ 1,542,988</u>	<u>\$ 1,541,714</u>	<u>\$ 515,090</u>	<u>14,204,236</u>
Cash and Cash Equivalents at End of Year	<u>\$ 8,934,087</u>	<u>\$ 342,870</u>	<u>\$ 1,378,022</u>	<u>\$ 526,222</u>	<u>\$ 11,181,201</u>
Equity in pooled cash and cash equivalents	\$ 5,287,363	\$ 342,870	\$ 1,378,022	\$ 526,222	\$ 7,534,477
Restricted cash and cash investments	3,646,724	-	-	-	3,646,724
Total Cash and Cash Equivalents	<u>\$ 8,934,087</u>	<u>\$ 342,870</u>	<u>\$ 1,378,022</u>	<u>\$ 526,222</u>	<u>\$ 11,181,201</u>

**LOWNDES COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
For the Year Ending June 30, 2025**

	Equipment Fund	Health Insurance Fund	Workers Compensation Fund	Technology Fund	Total
Reconciliation of Operating Income (Loss) To					
<u>Net Cash Provided by (Used For) Operating Activities</u>					
Operating Income (Loss)	\$ 1,023,955	\$(1,215,718)	\$ (184,781)	\$ 36,178	\$ (340,366)
Adjustments to Reconcile Operating Income (Loss) To					
<u>Net Cash Provided by (Used For) Operating Activities</u>					
Depreciation	2,735,037	-	-	-	2,735,037
(Increase) decrease in assets:					
Accounts receivable	(18,001)	-	-	-	(18,001)
Prepaid expense	-	-	(42,676)	(22,361)	(65,037)
Inventory	36,667	-	-	-	36,667
Increase (decrease) in liabilities:					
Accounts payable	(39,388)	8,041	80,069	(2,685)	46,037
Other post employment benefits	21,089	-	-	-	21,089
Pension payable	10,908	-	-	-	10,908
Compensated absences payable	(534)	-	-	-	(534)
Accrued liabilities	1,181	7,559	(16,304)	-	(7,564)
Net Cash Provided By (Used For) Operating Activities	<u>\$ 3,770,914</u>	<u>\$(1,200,118)</u>	<u>\$ (163,692)</u>	<u>\$ 11,132</u>	<u>\$ 2,418,236</u>

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or funds.

Tax Commissioner - to account for the collection of property taxes, motor vehicle taxes and title fees and mobile home fees, etc. which are disbursed to various taxing units.

Clerk of Superior Court - to account for the collection of various fines, forfeitures, jury fund receipts, real estate transfer taxes, recording of intangibles, fees, civil awards, etc. which are disbursed to other parties.

Magistrate Court - to account for the collection of fees in jurisdiction of small claims courts, which are disbursed to other parties.

Probate Court - to account for the collection of fees in jurisdiction of the probate court, which are disbursed to other parties.

Sheriff - to account for collection of cash bonds, fines, forfeitures, etc. which are disbursed to other parties.

Development Authority - to account for collection of property taxes designated for the Valdosta-Lowndes County Development Authority.

LOWNDES COUNTY, GEORGIA
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
June 30, 2025

	CUSTODIAL FUNDS						<u>TOTAL</u>
	<u>OFFICE OF TAX COMMISSIONER</u>	<u>CLERK OF COURT</u>	<u>MAGIS- TRATE COURT</u>	<u>PROBATE COURT</u>	<u>OFFICE OF SHERIFF</u>	<u>DEVELOPMENT AUTHORITY</u>	
ASSETS							
Cash	\$ 63,002	\$ 2,825,407	\$ 141,305	\$ 26,435	\$ 1,121,586	\$ 462,199	\$ 4,639,934
Due from others	<u>15,049</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,853</u>	<u>46,902</u>
TOTAL ASSETS	<u>\$ 78,051</u>	<u>\$ 2,825,407</u>	<u>\$ 141,305</u>	<u>\$ 26,435</u>	<u>\$ 1,121,586</u>	<u>\$ 494,052</u>	<u>\$ 4,686,836</u>
LIABILITIES							
Due to others	<u>\$ 78,051</u>	<u>\$ 854,030</u>	<u>\$ 85,088</u>	<u>\$ 25,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,042,772</u>
TOTAL LIABILITIES	<u>\$ 78,051</u>	<u>\$ 854,030</u>	<u>\$ 85,088</u>	<u>\$ 25,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,042,772</u>
NET POSITION							
Net position-held for others	<u>\$ -</u>	<u>\$ 1,971,377</u>	<u>\$ 56,217</u>	<u>\$ 832</u>	<u>\$ 1,121,586</u>	<u>\$ 494,052</u>	<u>\$ 3,644,064</u>
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ 1,971,377</u>	<u>\$ 56,217</u>	<u>\$ 832</u>	<u>\$ 1,121,586</u>	<u>\$ 494,052</u>	<u>\$ 3,644,064</u>

**LOWNDES COUNTY, GEORGIA
FIDUCIARY FUNDS
COMBINING STATEMENTS OF CHANGES IN
FIDUCIARY NET POSITION
For the Year Ending June 30, 2025**

	Custodial Funds						Total Custodial Funds
	Tax Commissioner	Clerk of Court	Magistrate Court	Probate Court	Office of Sheriff	Development Authority	
ADDITIONS							
Taxes	\$ 160,052,960	\$ 1,713,888	\$ -	\$ -	\$ -	\$ 4,110,921	\$ 165,877,769
Fees	1,818,170	10,983,269	1,387,951	315,036	2,001,316	39,798	16,545,540
Total Additions	<u>161,871,130</u>	<u>12,697,157</u>	<u>1,387,951</u>	<u>315,036</u>	<u>2,001,316</u>	<u>4,150,719</u>	<u>182,423,309</u>
DEDUCTIONS							
Payment of taxes to other agencies	159,846,181	1,878,726	-	-	-	4,213,128	165,938,035
Payment of fees to other agencies	2,024,949	10,794,657	1,382,774	315,193	2,062,087	-	16,579,660
Total Deductions	<u>161,871,130</u>	<u>12,673,383</u>	<u>1,382,774</u>	<u>315,193</u>	<u>2,062,087</u>	<u>4,213,128</u>	<u>182,517,695</u>
CHANGE IN NET POSITION	-	23,774	5,177	(157)	(60,771)	(62,409)	(94,386)
NET POSITION BEGINNING OF YEAR	-	1,947,603	51,040	989	1,182,357	556,461	3,738,450
NET POSITION END OF YEAR	<u>\$ -</u>	<u>\$ 1,971,377</u>	<u>\$ 56,217</u>	<u>\$ 832</u>	<u>\$ 1,121,586</u>	<u>\$ 494,052</u>	<u>\$ 3,644,064</u>

STATISTICAL SECTION

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Lowndes County, Georgia
Statistical Section
(Unaudited)

This part of Lowndes County’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health. This section included data for the County only and does not include the County’s discretely presented component units. This information has not been audited by the independent auditor.

Financial Trends

These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County’s most significant local revenue source, the property taxes.

Debt Capacity

These schedules contain information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the government provides and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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Lowndes County, Georgia
Net Position by Component (Unaudited)
Last Ten Fiscal Years
(Accrual basis of accounting)

Fiscal Year Ending June 30,	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Governmental Activities						
Net investment in capital assets	\$ 156,979,285	\$ 153,360,730	\$ 146,314,774	\$ 135,363,363	\$ 89,641,675	\$ 121,365,288
Restricted	43,044,674	35,708,356	30,920,714	27,180,415	30,658,485	14,632,375
Unrestricted	<u>(58,276,956)</u>	<u>(47,337,224)</u>	<u>(50,811,975)</u>	<u>(43,905,492)</u>	<u>(8,177,223)</u>	<u>(50,704,516)</u>
Total governmental activities net positions	<u>\$ 141,747,003</u>	<u>\$ 141,731,862</u>	<u>\$ 126,423,513</u>	<u>\$ 118,638,286</u>	<u>\$ 112,122,937</u>	<u>\$ 85,293,147</u>
Business Activities						
Net investment in capital assets	\$ 66,482,700	\$ 58,372,143	\$ 54,564,200	\$ 54,002,697	\$ 51,229,903	\$ 42,797,445
Restricted	-	-	-	-	-	-
Unrestricted	<u>5,640,708</u>	<u>6,417,220</u>	<u>7,955,737</u>	<u>7,431,275</u>	<u>8,189,514</u>	<u>6,529,905</u>
Total business activities net positions	<u>\$ 72,123,408</u>	<u>\$ 64,789,363</u>	<u>\$ 62,519,937</u>	<u>\$ 61,433,972</u>	<u>\$ 59,419,417</u>	<u>\$ 49,327,350</u>
Primary Government						
Net investment in capital assets	\$ 223,461,985	\$ 211,732,873	\$ 200,878,974	\$ 189,699,060	\$ 140,871,578	\$ 164,162,733
Restricted	43,044,674	35,708,356	30,920,714	27,180,415	30,658,485	14,632,375
Unrestricted *	<u>(52,636,248)</u>	<u>(40,920,004)</u>	<u>(42,856,238)</u>	<u>(36,474,217)</u>	<u>12,291</u>	<u>(44,174,611)</u>
Total primary government net positions	<u>\$ 213,870,411</u>	<u>\$ 206,521,225</u>	<u>\$ 188,943,450</u>	<u>\$ 180,405,258</u>	<u>\$ 171,542,354</u>	<u>\$ 134,620,497</u>

*- GASB Statement Number 75 was implemented in FY2018 creating a restatement to net position for other postemployment benefits liabilities.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 113,833,133	\$ 106,820,771	\$ 102,350,427	\$ 99,227,901
13,329,697	13,620,273	23,453,782	19,635,708
<u>(46,869,571)</u>	<u>(49,527,042)</u>	<u>(18,114,965)</u>	<u>(18,057,260)</u>
<u>\$ 80,293,259</u>	<u>\$ 70,914,002</u>	<u>\$ 107,689,244</u>	<u>\$ 100,806,349</u>
\$ 39,952,571	\$ 37,203,351	\$ 35,192,890	\$ 31,701,505
-	-	-	-
<u>5,278,322</u>	<u>5,276,488</u>	<u>6,116,967</u>	<u>4,132,157</u>
<u>\$ 45,230,893</u>	<u>\$ 42,479,839</u>	<u>\$ 41,309,857</u>	<u>\$ 35,833,662</u>
\$ 153,785,704	\$ 144,024,122	\$ 137,543,317	\$ 133,929,406
13,329,697	13,620,273	23,453,782	19,635,708
<u>(41,591,249)</u>	<u>(44,331,798)</u>	<u>(11,997,998)</u>	<u>(13,925,103)</u>
<u>\$ 125,524,152</u>	<u>\$ 113,312,597</u>	<u>\$ 148,999,101</u>	<u>\$ 139,640,011</u>

Lowndes County, Georgia
Changes in Net Position (Unaudited),
Last Ten Years
(Accrual basis of accounting)

Fiscal Year Ending June 30,	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Expenses					
Governmental activities:					
General government					
Legislative and executive	\$ 37,709,713	\$ 27,945,977	\$ 16,352,447	\$ 15,465,331	\$ 14,269,119
Judicial	11,157,613	9,933,415	11,954,984	9,645,129	8,636,472
Public safety	56,674,332	48,431,763	48,391,772	41,591,739	33,840,749
Public works	23,874,561	22,565,660	12,615,756	10,892,354	16,944,653
Health and welfare	3,985,811	14,417,048	2,435,731	785,791	782,286
Culture and recreation	6,647,604	7,264,706	6,306,379	5,808,043	5,427,997
Housing and development	10,147,360	6,561,109	6,188,161	5,409,713	5,344,990
Interest on long-term debt	8,800	28,162	60,443	84,296	106,444
Total governmental activities expenses	<u>150,205,794</u>	<u>137,147,840</u>	<u>104,305,673</u>	<u>89,682,396</u>	<u>85,352,710</u>
Business-type activities:					
Water and sewer					
Quiet Pines golf	13,202,454	12,257,454	9,993,276	8,590,976	6,972,863
Inspections and permitting	612,425	1,802,745	196,049	-	-
Landfill	578,119	2,346,718	-	-	-
Special Tax Lighting District	409,985	1,080,206	399,961	292,018	207,826
Special Tax Lighting District	501,195	472,653	424,752	395,370	377,529
Total business-type activities expenses	<u>15,304,178</u>	<u>17,959,776</u>	<u>11,014,038</u>	<u>9,278,364</u>	<u>7,558,218</u>
Total primary government expenses	<u>165,509,972</u>	<u>155,107,616</u>	<u>115,319,711</u>	<u>98,960,760</u>	<u>92,910,928</u>
Program Revenues					
Governmental activities:					
Charges for services:					
Legislative and executive	\$ 1,857,403	\$ 1,776,963	\$ 1,659,279	\$ 1,709,426	\$ 1,687,181
Judicial	5,006,187	4,484,802	4,746,804	4,977,712	5,244,842
Public safety	7,335,516	7,047,345	7,289,102	5,989,408	5,255,069
Public works	361,139	491,244	168,412	118,804	193,159
Health and welfare	15,974	15,467	30,542	30,356	2,891,755
Housing and development	-	-	-	-	-
Operating grants and contributions	18,236,631	13,691,290	3,443,650	2,196,121	2,722,264
Capital grants and contributions	20,998,119	31,978,849	3,454,601	1,220,677	12,784,912
Total governmental activities program revenues	<u>53,810,969</u>	<u>59,485,960</u>	<u>20,792,390</u>	<u>16,242,504</u>	<u>30,779,182</u>
Business-type activities:					
Charges for services:					
Water and sewer	12,183,007	10,977,784	10,028,171	9,710,043	9,310,943
Quiet Pines golf	377,757	479,465	112,421	-	-
Inspections and permitting	1,160,413	972,606	-	-	-
Landfill	796,918	982,083	846,296	921,511	827,647
Special tax lighting district	500,099	490,502	459,426	438,900	433,411
Operating grants and contributions	-	918	-	-	-
Capital grants and contributions	8,220,029	4,245,344	1,153,689	822,469	7,678,279
Total business-type activities program revenues	<u>23,238,223</u>	<u>18,148,702</u>	<u>12,600,003</u>	<u>11,892,923</u>	<u>18,250,280</u>
Total primary government program revenues	<u>\$ 77,049,192</u>	<u>\$ 77,634,662</u>	<u>\$ 33,392,393</u>	<u>\$ 28,135,427</u>	<u>\$ 49,029,462</u>

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 15,121,249	\$ 14,215,417	\$ 13,845,197	\$ 12,584,636	\$ 12,731,452
9,474,026	8,879,969	8,066,560	6,982,086	6,300,337
37,528,901	34,777,645	32,968,735	30,267,778	27,903,906
25,105,197	24,780,886	21,788,528	19,780,813	20,059,360
736,917	934,533	1,154,754	1,164,288	1,094,544
5,093,006	5,351,296	6,982,122	5,488,725	4,740,716
5,520,944	5,106,362	4,921,950	4,623,047	4,250,158
126,400	143,066	160,798	178,211	195,253
<u>98,706,640</u>	<u>94,189,174</u>	<u>89,888,644</u>	<u>81,069,584</u>	<u>77,275,726</u>
6,755,126	6,632,273	5,219,772	4,776,919	4,704,684
-	-	-	-	-
-	-	-	-	-
131,246	448,480	57,813	45,252	55,896
<u>365,728</u>	<u>352,877</u>	<u>337,342</u>	<u>326,287</u>	<u>304,972</u>
<u>7,252,100</u>	<u>7,433,630</u>	<u>5,614,927</u>	<u>5,148,458</u>	<u>5,065,552</u>
<u>105,958,740</u>	<u>101,622,804</u>	<u>95,503,571</u>	<u>86,218,042</u>	<u>82,341,278</u>
\$ 1,361,956	\$ 1,404,745	\$ 1,307,789	\$ 1,271,678	\$ 1,312,156
4,422,332	6,916,555	3,404,923	3,884,244	4,063,024
4,686,702	3,688,694	3,739,864	3,656,085	3,636,600
106,924	110,186	116,758	94,231	96,239
-	-	-	-	860
-	-	-	-	-
2,326,113	3,143,440	2,973,682	2,454,041	2,462,308
<u>2,636,461</u>	<u>3,293,461</u>	<u>2,280,936</u>	<u>2,448,359</u>	<u>805,575</u>
<u>15,540,488</u>	<u>18,557,081</u>	<u>13,823,952</u>	<u>13,808,638</u>	<u>12,376,762</u>
8,777,107	7,434,631	7,081,259	7,291,559	6,199,474
-	-	-	-	-
-	-	-	-	-
863,447	422,757	364,693	397,636	368,385
433,158	426,342	333,944	290,436	283,497
-	-	-	-	-
<u>1,871,568</u>	<u>2,608,703</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>11,945,280</u>	<u>10,892,433</u>	<u>7,779,896</u>	<u>7,979,631</u>	<u>6,851,356</u>
<u>\$ 27,485,768</u>	<u>\$ 29,449,514</u>	<u>\$ 21,603,848</u>	<u>\$ 21,788,269</u>	<u>\$ 19,228,118</u>

Lowndes County, Georgia
Changes in Net Position (Unaudited),
Last Ten Years
(Accrual basis of accounting)

Fiscal Year Ending June 30,	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net (Expense) Revenue					
Governmental activities	\$ (96,394,825)	\$ (77,661,880)	\$ (77,659,217)	\$ (73,439,712)	\$ (54,573,528)
Business-type activities	<u>7,934,045</u>	<u>188,926</u>	<u>188,926</u>	<u>2,614,559</u>	<u>10,692,062</u>
Total primary government net expense	<u>\$ (88,460,780)</u>	<u>\$ (77,472,954)</u>	<u>\$ (77,470,291)</u>	<u>\$ (70,825,153)</u>	<u>\$ (43,881,466)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 48,749,330	\$ 47,630,885	\$ 45,635,339	\$ 44,358,552	\$ 39,756,633
Alcoholic beverage taxes	456,559	446,865	475,659	509,508	536,205
Occupational taxes	832,355	719,058	747,363	608,723	601,190
Hotel/Motel taxes	1,054,427	1,037,233	864,067	676,467	445,857
Franchise taxes	312,509	319,093	326,634	322,568	331,654
Insurance premium taxes	4,921,710	4,624,131	4,306,299	3,734,704	3,595,283
Sales taxes	42,228,064	39,725,049	36,756,343	37,590,443	32,265,306
Public utility taxes	930,218	948,199	1,154,949	1,407,283	1,379,245
Miscellaneous	1,760,626	608,851	198,857	1,797,818	1,891,945
Gain (loss) on disposal of capital asset	-	-	-	84,365	-
Transfer in (out)	<u>600,000</u>	<u>(2,080,500)</u>	<u>500,000</u>	<u>600,000</u>	<u>600,000</u>
Total governmental activities	<u>101,845,798</u>	<u>93,978,864</u>	<u>90,965,510</u>	<u>91,690,431</u>	<u>81,403,318</u>
Business-type activities					
Interest	-	-	-	-	5
Transfer in (out)	<u>(600,000)</u>	<u>2,080,500</u>	<u>(500,000)</u>	<u>(600,000)</u>	<u>(600,000)</u>
Total business-type activities	<u>(600,000)</u>	<u>2,080,500</u>	<u>(500,000)</u>	<u>(600,000)</u>	<u>(599,995)</u>
Total primary government	<u>\$ 101,245,798</u>	<u>\$ 96,059,364</u>	<u>\$ 90,465,510</u>	<u>\$ 91,090,431</u>	<u>\$ 80,803,323</u>
Change in Net Position					
Governmental activities	\$ 5,450,973	\$ 16,316,984	\$ 13,306,293	\$ 18,250,719	\$ 26,829,790
Business-type activities	<u>7,334,045</u>	<u>2,269,426</u>	<u>(311,074)</u>	<u>2,014,559</u>	<u>10,092,067</u>
Total primary government	<u>\$ 12,785,018</u>	<u>\$ 18,586,410</u>	<u>\$ 12,995,219</u>	<u>\$ 20,265,278</u>	<u>\$ 36,921,857</u>

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ (83,166,152)	\$ (83,166,152)	\$ (76,064,692)	\$ (76,064,692)	\$ (67,260,946)
<u>4,693,180</u>	<u>4,693,180</u>	<u>2,164,939</u>	<u>2,164,969</u>	<u>2,831,173</u>
<u>\$ (78,472,972)</u>	<u>\$ (78,472,972)</u>	<u>\$ (73,899,753)</u>	<u>\$ (73,899,723)</u>	<u>\$ (64,429,773)</u>
\$ 38,480,270	\$ 37,005,480	\$ 36,344,513	\$ 35,228,326	\$ 30,877,255
503,999	475,253	485,522	517,520	532,111
770,917	615,300	648,758	659,502	620,356
411,757	469,338	475,522	443,779	322,379
111,380	147,614	58,272	119,065	90,731
3,384,824	3,158,244	2,928,398	2,734,353	2,569,810
40,922,168	35,688,396	33,271,101	31,895,363	32,433,256
1,154,231	1,107,795	899,584	929,743	820,140
1,597,411	1,643,456	1,037,021	1,057,678	1,014,911
-	-	-	-	-
<u>600,000</u>	<u>600,000</u>	<u>(1,289,094)</u>	<u>558,522</u>	<u>(2,990,825)</u>
<u>87,936,957</u>	<u>80,910,876</u>	<u>74,859,597</u>	<u>74,143,851</u>	<u>66,290,124</u>
3,277	4,300	3,000	203,544	2,563
<u>(600,000)</u>	<u>(600,000)</u>	<u>1,289,094</u>	<u>(558,522)</u>	<u>2,990,825</u>
<u>(596,723)</u>	<u>(595,700)</u>	<u>1,292,094</u>	<u>(354,978)</u>	<u>2,993,388</u>
<u>\$ 87,340,234</u>	<u>\$ 80,315,176</u>	<u>\$ 76,151,691</u>	<u>\$ 73,788,873</u>	<u>\$ 69,283,512</u>
\$ 4,770,805	\$ 4,770,805	\$ (2,255,276)	\$ (1,205,095)	\$ (1,920,841)
<u>4,096,457</u>	<u>4,096,457</u>	<u>4,097,480</u>	<u>3,457,033</u>	<u>1,809,991</u>
<u>\$ 8,867,262</u>	<u>\$ 8,867,262</u>	<u>\$ 1,842,204</u>	<u>\$ 2,251,938</u>	<u>\$ (110,850)</u>

Lowndes County, Georgia
Fund Balances, Governmental Funds (Unaudited)
Last Ten Fiscal Years
(Modified accrual basis of accounting)

Fiscal Year Ending June 30,	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
General Fund				
Assigned	\$ 18,021,581	\$17,290,996	\$ 15,846,355	\$14,528,472
Unassigned	<u>11,992,729</u>	<u>11,484,818</u>	<u>22,196,430</u>	<u>23,241,260</u>
Total general fund	<u>\$ 30,014,310</u>	<u>\$28,775,814</u>	<u>\$ 38,042,785</u>	<u>\$37,769,732</u>
All Other Governmental Funds				
Restricted	\$ 43,044,674	\$35,708,356	\$ 30,920,714	\$27,180,415
Assigned	7,362,903	6,516,467	5,917,335	5,371,579
Unassigned, reported in:				
Special revenue funds	<u>(515,586)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 49,891,991</u>	<u>\$42,224,823</u>	<u>\$ 36,838,049</u>	<u>\$32,551,994</u>

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$13,390,946	\$13,390,946	\$11,891,403	\$11,891,403	\$11,777,833	\$12,057,549
<u>19,578,956</u>	<u>9,420,184</u>	<u>7,495,526</u>	<u>4,497,564</u>	<u>4,146,455</u>	<u>3,213,323</u>
<u>\$32,969,902</u>	<u>\$22,811,130</u>	<u>\$19,386,929</u>	<u>\$16,388,967</u>	<u>\$15,924,288</u>	<u>\$15,270,872</u>
\$30,658,485	\$14,638,120	\$13,335,442	\$13,626,018	\$14,828,114	\$11,053,197
<u>5,576,723</u>	<u>4,707,889</u>	<u>3,375,604</u>	<u>2,821,514</u>	<u>2,753,061</u>	<u>2,083,678</u>
-	-	-	-	-	-
<u>\$36,235,208</u>	<u>\$19,346,009</u>	<u>\$16,711,046</u>	<u>\$16,447,532</u>	<u>\$17,581,175</u>	<u>\$13,136,875</u>

Lowndes County, Georgia
Changes in Fund Balances, Governmental Funds (Unaudited),
Last Ten Fiscal Years
(Accrual basis of accounting)

Fiscal Year Ending June 30,	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenues					
Taxes	\$ 118,799,268	\$ 113,324,714	\$ 106,568,187	\$ 104,965,249	\$ 94,543,454
Licenses and permits	165,387	169,879	167,405	162,282	218,668
Intergovernmental revenues	43,403,475	39,171,449	6,284,532	3,904,778	18,642,930
Charges for services	7,769,793	7,564,968	7,298,296	7,193,003	6,903,116
Fines and forfeitures	3,996,910	3,608,738	4,007,368	4,433,252	4,869,345
Investment income	1,987,366	2,100,588	1,444,971	36,853	30,753
Miscellaneous	<u>3,117,370</u>	<u>1,964,908</u>	<u>1,601,182</u>	<u>2,392,749</u>	<u>1,883,993</u>
Total revenues	<u>179,239,569</u>	<u>167,905,244</u>	<u>127,371,941</u>	<u>123,088,166</u>	<u>127,092,259</u>
Expenditures					
General government					
Legislative and executive	\$ 14,231,194	\$ 11,015,642	\$ 9,108,025	\$ 10,359,788	\$ 13,469,572
Judicial	9,847,689	10,164,868	9,561,604	8,628,807	8,150,067
Public safety	53,219,002	47,521,791	40,829,043	34,641,232	31,498,414
Public works	37,694,325	30,227,571	20,480,319	10,815,461	13,290,122
Health and welfare	953,996	868,939	959,807	740,247	944,524
Culture and recreation	3,993,712	6,849,664	2,556,394	5,561,358	5,293,111
Housing and development	8,779,363	19,648,807	5,231,760	4,921,837	5,161,777
Intergovernmental	19,035,162	17,614,280	16,049,650	15,512,735	14,859,171
Capital outlay	23,179,462	24,742,779	17,485,930	18,938,615	6,929,635
Debt service					
Principle	-	1,020,000	990,000	960,000	940,000
Interest	<u>-</u>	<u>30,600</u>	<u>60,300</u>	<u>89,100</u>	<u>107,895</u>
Total Expenditures	<u>170,933,905</u>	<u>169,704,941</u>	<u>123,312,832</u>	<u>111,169,180</u>	<u>100,644,288</u>
Excess of revenues over (under) expenditure	<u>8,305,664</u>	<u>(1,799,697)</u>	<u>4,059,109</u>	<u>11,918,986</u>	<u>26,447,971</u>
Other Financing Sources (Uses)					
Capital financing	-	-	-	-	-
Transfer in	2,769,927	1,388,146	2,217,368	2,530,020	2,217,368
Transfer out	<u>(2,169,927)</u>	<u>(3,468,646)</u>	<u>(1,617,368)</u>	<u>(1,930,020)</u>	<u>(1,617,368)</u>
Total other financing sources (uses)	<u>600,000</u>	<u>(2,080,500)</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>
Net change in fund balances	<u>\$ 8,905,664</u>	<u>\$ (3,880,197)</u>	<u>\$ 4,659,109</u>	<u>\$ 12,518,986</u>	<u>\$ 27,047,971</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.72%	0.99%	1.14%	1.12%

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 85,452,044	\$ 78,716,359	\$ 75,211,768	\$ 72,648,101	\$ 68,556,417
172,543	200,741	136,676	130,906	155,279
5,301,644	5,916,278	5,121,341	4,885,875	3,251,530
6,392,815	6,186,634	6,053,694	5,973,023	5,874,110
3,255,974	5,732,804	2,378,961	2,802,310	3,079,490
417,515	520,625	98,931	16,526	16,353
<u>1,556,603</u>	<u>1,595,654</u>	<u>986,543</u>	<u>1,003,254</u>	<u>956,590</u>
<u>102,549,138</u>	<u>98,869,095</u>	<u>89,987,914</u>	<u>87,459,995</u>	<u>81,889,769</u>
\$ 12,447,518	\$ 12,738,714	\$ 12,400,149	\$ 11,446,499	\$ 10,684,609
8,104,170	8,074,562	7,865,324	7,275,305	7,167,422
29,726,494	26,410,841	28,393,909	26,517,739	25,800,237
8,865,913	11,586,074	6,451,756	6,799,468	5,704,932
907,358	933,542	1,155,402	1,168,376	1,097,014
5,041,023	5,421,268	6,597,441	5,084,948	4,685,341
4,675,905	4,993,527	4,789,306	4,597,599	4,244,301
13,023,640	12,854,355	12,295,591	11,787,151	11,985,598
13,246,553	12,145,236	8,371,706	7,929,566	8,393,877
925,000	905,000	885,000	870,000	850,000
<u>126,400</u>	<u>144,500</u>	<u>162,200</u>	<u>179,600</u>	<u>196,600</u>
<u>97,089,974</u>	<u>96,207,619</u>	<u>89,367,784</u>	<u>83,656,251</u>	<u>80,809,931</u>
<u>5,459,164</u>	<u>2,661,476</u>	<u>620,130</u>	<u>3,803,744</u>	<u>1,079,838</u>
-	-	735,450	-	-
2,171,735	2,171,735	2,171,282	2,188,484	1,862,786
<u>(3,460,829)</u>	<u>(3,460,829)</u>	<u>(1,612,760)</u>	<u>(5,179,309)</u>	<u>(1,850,554)</u>
<u>(1,289,094)</u>	<u>(1,289,094)</u>	<u>1,293,972</u>	<u>(2,990,825)</u>	<u>12,232</u>
<u>\$ 4,170,070</u>	<u>\$ 1,372,382</u>	<u>\$ 1,914,102</u>	<u>\$ 812,919</u>	<u>\$ 1,092,070</u>
1.25%	1.25%	1.29%	1.39%	1.45%

Lowndes County, Georgia
Tax Revenues by Source, Governmental Fund (Unaudited),
Last Ten Fiscal Years
(Modified accrual basis of accounting)

Fiscal Year	Property Tax	Title Advalorem Vehicle Tax	Beverage Tax	Franchise Tax	Local Option Sales Tax	Special Purpose Local Option Sales Tax	Hotel/Motel Tax	Insurance Premium Tax	Intangible Tax	Total
2016	27,865,106	2,012,398	532,111	90,731	11,906,457	20,526,799	322,379	2,569,810	446,525	66,272,316
2017	32,029,878	2,042,727	517,520	119,065	11,708,428	20,196,935	443,779	2,734,353	441,563	70,234,248
2018	32,720,772	2,410,587	485,522	58,272	12,213,401	21,057,700	475,522	2,928,398	349,392	72,699,566
2019	32,807,780	2,730,318	475,253	147,614	12,780,906	22,016,014	469,338	3,158,244	553,573	75,139,040
2020	32,191,263	4,564,939	503,999	111,380	13,466,432	23,178,259	411,757	3,384,824	639,094	78,451,947
2021	33,100,328	5,229,296	536,205	107,972	16,020,139	27,624,711	445,857	3,595,283	1,040,834	87,700,625
2022	33,482,528	5,248,149	509,508	89,894	16,737,202	28,839,140	676,467	3,734,704	1,075,539	90,393,131
2023	34,774,170	5,577,192	475,659	79,300	17,495,988	29,837,609	856,943	4,306,299	648,795	94,051,955
2024	34,915,622	5,962,116	446,865	63,758	18,863,426	32,746,384	1,031,471	4,624,131	563,018	99,216,791
2025	35,830,424	7,152,443	456,559	46,175	20,542,492	35,387,920	1,054,332	4,921,710	679,653	106,071,708
Change										
2016-2025	28.59%	36.78%	-14.20%	-49.11%	72.53%	72.40%	227.05%	91.52%	52.21%	60.05%

Notes: Includes General and Special Revenue Funds

Effective August 2016, the hotel-motel tax was raised from 5% to 7%.

Lowndes County, Georgia
Assessed Value and Actual Value of Taxable Property (Unaudited),
Last Ten Fiscal Years
(In thousands of dollars)

Fiscal Year Ended <u>June 30,</u>	Assessed Value <u>Residential Property</u>	Assessed Value <u>Commercial Property</u>	Assessed Value <u>Industrial Property</u>	Assessed Value <u>Personal Property</u>	Less: Assessed Value <u>Tax-Exempt Property</u>	Total Taxable Assessed <u>Value</u>
2016	1,532,969	1,171,548	547,981	139,175	396,512	2,995,161
2017	1,547,612	1,122,320	557,674	104,590	332,732	2,999,464
2018	1,562,962	1,131,310	572,684	77,449	400,809	2,943,595
2019	1,607,496	1,177,792	644,328	60,761	422,286	3,068,092
2020	1,643,921	1,206,094	637,479	50,187	427,868	3,109,814
2021	1,687,010	1,231,543	640,810	42,964	433,682	3,168,645
2022	1,767,322	1,248,763	653,969	35,864	400,712	3,305,205
2023	1,980,305	1,276,025	744,969	32,950	473,307	3,560,953
2024	2,550,284	1,333,066	821,005	33,129	527,966	4,209,517
2025	2,727,860	1,952,693	949,243	30,132	543,090	5,116,838

Lowndes County, Georgia
Assessed Value and Actual Value of Taxable Property (Unaudited),
Last Ten Fiscal Years
(In thousands of dollars)

Estimated Actual Taxable <u>Value</u>	Ratio of Total Accessed to Total Actual <u>Value</u>	Total Direct Unincorporated <u>Tax Rate</u>	Total Direct Incorporated <u>Tax Rate</u>	Cross Check
7,487,903	40%	7.80	7.80	2,995,161
7,498,660	40%	8.97	8.97	2,999,464
7,358,987	40%	8.97	8.97	2,943,595
7,670,229	40%	8.81	8.81	3,068,092
7,774,535	40%	8.69	8.69	3,109,814
7,921,612	40%	8.60	8.60	3,168,645
8,263,013	40%	10.91	8.41	3,305,205
8,902,381	40%	10.46	7.96	3,560,953
10,523,793	40%	9.03	5.28	4,209,517
12,792,096	40%	7.78	5.28	5,116,838

Lowndes County, Georgia
Direct and Overlapping Property Tax Rates (Unaudited)
Last Ten Fiscal Years
(Rate per \$1,000 of access value)

Jurisdiction:	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
County										
Maintenance and Operations:										
Direct Rates:										
Unincorporated	7.80	8.97	8.97	8.81	8.69	8.60	8.41	7.96	6.53	5.28
Unincorporated Fire	0.00	0.00	0.00	0.00	0.00	0.00	2.50	2.50	2.50	2.50
Incorporated	7.80	8.97	8.97	8.81	8.69	8.60	8.41	7.96	6.53	5.28
Overlapping Rates:										
Valdosta-Lowndes County Development Authority	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.82
Valdosta-Lowndes County Parks & Recreation Authority	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Total County - Unincorporated	<u>10.05</u>	<u>11.22</u>	<u>11.22</u>	<u>11.06</u>	<u>10.94</u>	<u>10.85</u>	<u>13.16</u>	<u>12.71</u>	<u>11.28</u>	<u>9.86</u>
Total County - Incorporated	<u>10.05</u>	<u>11.22</u>	<u>11.22</u>	<u>11.06</u>	<u>10.94</u>	<u>10.85</u>	<u>10.66</u>	<u>10.85</u>	<u>8.78</u>	<u>7.35</u>
Schools										
Maintenance and Operations:										
Lowndes County Board of Education	16.85	16.91	16.84	16.54	16.38	16.19	15.96	15.17	14.50	14.00
Valdosta Board of Education	16.98	16.98	16.98	16.98	16.75	16.69	16.14	15.79	14.07	14.07
Total Schools - County	<u>16.85</u>	<u>16.91</u>	<u>16.84</u>	<u>16.54</u>	<u>16.38</u>	<u>16.19</u>	<u>15.96</u>	<u>15.17</u>	<u>14.50</u>	<u>14.00</u>
Total Schools - City of Valdosta	<u>16.98</u>	<u>16.98</u>	<u>16.98</u>	<u>16.98</u>	<u>16.75</u>	<u>16.69</u>	<u>16.14</u>	<u>15.79</u>	<u>14.07</u>	<u>14.07</u>
Municipalities										
Maintenance and Operations:										
City of Hahira	4.75	4.75	4.75	4.75	4.75	4.75	4.75	5.75	4.97	4.97
City of Lake Park	6.55	6.55	7.55	7.39	7.93	7.39	7.39	7.39	6.22	6.22
City of Remerton	6.35	6.72	6.69	6.65	6.48	6.51	6.51	6.62	6.09	5.09
City of Valdosta	6.10	7.95	8.00	7.92	7.81	7.97	7.80	7.80	6.95	6.51
State	0.05	.00	.00	.00	.00	.00	.00	.00	.00	.00
Total Direct and Overlapping Rates:										
Total Unincorporated	<u>26.95</u>	<u>28.13</u>	<u>28.06</u>	<u>27.60</u>	<u>27.32</u>	<u>27.04</u>	<u>29.12</u>	<u>27.88</u>	<u>25.78</u>	<u>23.86</u>
Total City of Hahira	<u>31.70</u>	<u>32.88</u>	<u>32.81</u>	<u>32.35</u>	<u>32.07</u>	<u>31.79</u>	<u>31.37</u>	<u>31.77</u>	<u>28.25</u>	<u>26.32</u>
Total City of Lake Park	<u>33.50</u>	<u>34.68</u>	<u>35.61</u>	<u>34.99</u>	<u>35.25</u>	<u>34.43</u>	<u>34.01</u>	<u>33.41</u>	<u>29.50</u>	<u>27.57</u>
Total City of Remerton	<u>33.30</u>	<u>34.85</u>	<u>34.75</u>	<u>34.25</u>	<u>33.80</u>	<u>33.55</u>	<u>33.13</u>	<u>32.64</u>	<u>29.36</u>	<u>26.44</u>
Total City of Valdosta	<u>33.18</u>	<u>36.15</u>	<u>36.20</u>	<u>35.96</u>	<u>35.50</u>	<u>35.51</u>	<u>34.59</u>	<u>34.44</u>	<u>29.79</u>	<u>27.93</u>

County, Development Authority, Parks and Recreation Authority and State property taxes are accessed county wide. Lowndes County Board of Education property taxes are accessed county wide except on property in the City of Valdosta where the Valdosta Board of Education accesses property taxes.

Cities access property taxes on property within their geographic boundaries.

Source: Lowndes County Tax Commissioner

**Lowndes County, Georgia
Principle Tax Payers (Unaudited),
Current Year and Ten Years Ago**

<u>Taxpayer</u>	2025			<u>Taxpayer</u>	2015		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Taxable Assessed Value</u>		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Taxable Assessed Value</u>
Packaging Corporation of America	\$ 101,928,564	1	1.99%	Packaging Corporation of America	\$ 71,123,623	1	2.45%
Georgia Power Company	85,057,261	2	1.66%	Georgia Power Company	38,946,375	2	1.34%
Corteva Agriscience	70,880,453	3	1.39%	Archers Daniels Midland	34,201,762	3	1.18%
Archers Daniels Midland	40,536,856	4	0.79%	Lowe's Distribution Center	31,236,900	4	1.08%
Lowe's Distribution Center	37,866,973	5	0.74%	South Georgia Pecan	18,353,577	5	0.63%
Warehouse Rentals LLC	30,485,457	6	0.60%	Colquitt Electric Membership	16,953,346	6	0.58%
South Georgia Pecan Co	27,636,216	7	0.54%	DuPont Crop Protection	15,183,508	7	0.52%
Colquitt Electric Membership	24,496,805	8	0.48%	Marelda Valdosta Mall LLC	12,481,391	8	0.43%
ARC HR5VAGA001 LLC	20,367,561	9	0.40%	Langdale Forrest Products	10,822,325	9	0.37%
Lowe's Home Centers Inc	20,000,000	10	0.39%	DuPont & Company	10,510,854	10	0.36%
All others	<u>4,657,582,214</u>		<u>91.02%</u>	All others	<u>2,640,161,408</u>		<u>91.04%</u>
Total	<u>\$ 5,116,838,360</u>		<u>100.00%</u>		<u>\$ 2,899,975,069</u>		<u>100.00%</u>

Source: Lowndes County Tax Commissioner

Lowndes County, Georgia
Property Tax Levies and Collections (Unaudited),
Last Ten Fiscal Years

Fiscal Year Ending June 30,	Taxes Levied for the Fiscal Year	Collected within the		Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy	Percentage of		Amount	Percentage of
		<u>Amount</u>	<u>Levy</u>		<u>Amount</u>	<u>Levy</u>
2016	23,374,266	22,610,795	96.73%	763,465	23,374,260	100.00%
2017	26,917,189	26,057,511	96.81%	859,672	26,917,183	100.00%
2018	26,415,821	26,085,531	98.75%	330,049	26,415,580	100.00%
2019	26,747,019	25,934,765	96.96%	804,889	26,739,654	99.97%
2020	27,024,282	26,168,864	96.83%	802,828	26,971,692	99.81%
2021	27,503,460	26,912,908	97.85%	540,064	27,452,972	99.82%
2022	27,889,463	27,292,497	97.86%	566,128	27,858,625	99.89%
2023	28,345,182	27,719,138	97.79%	588,444	28,307,582	99.87%
2024	27,530,913	26,910,910	97.75%	530,700	27,441,610	99.68%
2025	27,032,257	26,345,218	97.46%	-	26,345,218	97.46%

Source: Lowndes County Tax Commissioner

Lowndes County, Georgia
Ratios of Outstanding Debt by Type (Unaudited),
Last Ten Fiscal Years

Fiscal <u>Year</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>			Total Primary <u>Government</u>	Percentage of Personal <u>Income</u>	Per <u>Capita</u>
	<u>Capital Leases</u>	<u>Bonds</u>	<u>Notes Payable</u>	<u>Capital Leases</u>	<u>Revenue Bonds</u>			
2016	20,500	7,808,529	1,285,219	440,198	7,411,869	16,966,315	0.45%	150
2017	592,460	6,884,109	1,053,522	223,605	6,644,203	15,397,899	0.36%	133
2018	441,270	5,948,630	830,796	-	5,864,112	13,084,808	0.28%	111
2019	294,180	4,995,827	830,624	-	5,071,563	11,192,194	0.28%	95
2020	147,090	4,030,019	694,890	-	4,266,604	9,138,603	0.18%	77
2021	481,718	3,047,353	1,332,145	-	3,449,233	8,310,449	0.16%	69
2022	44,951,726	2,053,159	1,177,063	-	2,614,588	50,796,536	0.18%	423
2023	45,612,575	1,053,563	2,727,922	-	1,764,179	51,158,239	0.16%	423
2024	45,649,334	-	2,592,520	-	888,080	49,129,934	0.88%	403
2025	44,717,040	-	2,590,943	-	-	47,307,983	0.84%	388

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

Lowndes County, Georgia
Direct and Overlapping Governmental Activities Debt (Unaudited)
As of June 30, 2025

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable</u>	<u>Estimated Share</u> <u>of Overlapping</u> <u>Debt</u>
Debt repaid with property taxes			
Valdosta City School System	57,135,000	100%	57,135,000
Lowndes County School System	5,410,000	100%	5,410,000
Valdosta-Lowndes County Development Authority			<u>13,025,000</u>
Subtotal, overlapping debt			75,570,000
County direct debt			
Leases			<u>44,717,040</u>
Total County direct debt			<u>44,717,040</u>
Total direct and overlapping debt			<u>\$ 120,287,040</u>

Sources:

Each local government provided information for their respective governments.

Note:

Overlapping governments are those that coincide with the geographic boundaries of the County. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of Lowndes County. The County government represents all taxpayers including those living in the cities and therefore 100% of the debt is estimated to be overlapping. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be considered. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Lowndes County, Georgia
Legal Debt Margin Information (Unaudited)
Last Ten Fiscal Years
(Dollars in thousands)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt limit	299,516	299,946	294,359	306,809	310,981
Total net debt applicable to limit *	<u>7,809</u>	<u>6,884</u>	<u>5,949</u>	<u>4,996</u>	<u>4,030</u>
Legal debt margin	<u>\$291,707</u>	<u>\$293,062</u>	<u>\$288,410</u>	<u>\$301,813</u>	<u>\$306,951</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

*-Net debt applicable to the limit has been adjusted for all years prior to FY2020 based on categories noted in the debt ratio schedule.

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed value	\$ 5,116,838
Debt limitation (10% of assessed value)	511,684
Debt applicable to limitation:	
Total bonded debt	<u>-</u>
Legal debt margin	<u>\$ 511,684</u>

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
316,864	330,521	356,095	420,952	511,684
<u>3,047</u>	<u>2,053</u>	<u>1,054</u>	<u>-</u>	<u>-</u>
<u>\$ 313,817</u>	<u>\$306,951</u>	<u>\$313,817</u>	<u>\$420,952</u>	<u>\$ 511,684</u>

0% 0% 0% 0% 0%

Lowndes County, Georgia
Pledged-Revenue Coverage (Unaudited),
Last Ten Fiscal Years

Water and Sewer Revenue Bonds 2005 (Refunded 2016)							
Fiscal Year	Operating Revenue	Less:		Debt Service		Total	Coverage
		Operating Expenses	Net Available Revenue	Principle	Interest		
2016	\$ 6,199,474	\$ 3,504,480	\$ 2,694,994	\$715,000	\$185,962	\$ 900,962	2.99
2017	\$ 7,291,559	\$ 3,418,989	\$ 3,872,570	\$735,000	\$160,900	\$ 895,900	4.32
2018	\$ 7,081,259	\$ 3,883,699	\$ 3,197,560	\$750,000	\$153,853	\$ 903,853	3.54
2019	\$ 7,434,631	\$ 5,280,530	\$ 2,154,101	\$765,000	\$136,786	\$ 901,786	2.39
2020	\$ 8,777,107	\$ 5,389,846	\$ 3,387,261	\$780,000	\$114,664	\$ 894,664	3.79
2021	\$ 9,310,943	\$ 5,403,324	\$ 3,907,619	\$795,000	\$ 99,040	\$ 894,040	4.37
2022	\$ 9,710,043	\$ 6,941,156	\$ 2,768,887	\$815,000	\$ 84,400	\$ 899,400	3.08
2023	\$10,028,171	\$ 8,020,639	\$ 2,007,532	\$835,000	\$ 59,950	\$ 894,950	2.24
2024	\$10,977,784	\$10,259,823	\$ 717,961	\$865,000	\$ 84,400	\$ 949,400	0.76
2025	\$12,183,007	\$11,065,180	\$ 1,117,827	\$880,000	\$ 84,400	\$ 964,400	1.16

Notes:

Pledged revenues represent fees charged for water and sewer services.

Operating expenses do not include depreciation and interest expenses.

Details regarding the County's debt can be found in the notes to the financial statements.

**Lowndes County, Georgia
Demographic and Economic Statistics, (Unaudited),
Last Ten Calendar Years**

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Income (1)</u>		<u>Unemployment Rate (2)</u>	
			<u>County</u>	<u>State</u>	<u>County</u>	<u>State</u>
2016	112,865	3,745,086,430	33,182	40,306	5.9%	5.9%
2017	113,898	4,195,318,932	36,834	49,347	5.1%	4.8%
2018	115,489	4,609,281,479	39,911	52,977	3.8%	4.1%
2019	117,406	4,859,434,340	41,390	55,679	3.9%	3.5%
2020	118,251	5,029,385,823	42,441	58,700	5.3%	5.6%
2021	119,600	5,075,943,600	44,291	56,088	4.6%	4.0%
2022	120,055	5,262,610,925	43,835	57,290	3.1%	2.9%
2023	120,957	5,890,968,771	45,758	59,882	4.0%	3.2%
2024	121,925	5,595,869,800	45,896	61,678	4.6%	3.3%
2025	122,082	5,619,922,788	46,034	62,393	4.0%	3.4%

Source:

(1) U. S. Census Bureau

(2) State of Georgia Department of Labor

**Lowndes County, Georgia
Principle Employers (Unaudited),
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2025</u>				<u>2015</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>		<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Moody Air Force Base	5,500	1	10.77%	Moody Air Force Base	6,066	1	12.27%
South Georgia Medical Center	2,700	2	5.29%	Valdosta State University	2,669	2	5.40%
Valdosta State University	2,467	3	4.83%	South Georgia Medical Center	2,915	3	5.90%
Lowndes County School System	1,395	4	2.73%	Lowndes County School System	1,677	4	3.39%
Valdosta City School System	1,291	5	2.53%	Valdosta City School System	1,274	5	2.58%
Lowes Distribution Center	942	6	1.84%	Fresh Beginnings	1,268	6	2.57%
CDK Elead	850	7	1.66%	Lowes Distribution Center	800	7	1.62%
Lowndes County	775	8	1.52%	Wild Adventures	760	8	1.54%
Wild Adventures	750	9	1.47%	Wal Mart Supercenters	693	9	1.40%
Wal Mart Supercenters	<u>672</u>	10	<u>1.32%</u>	Lowndes County	<u>595</u>	10	<u>1.20%</u>
Total Principle Employers	17,342		33.95%		18,717		37.87%
Other Employees	<u>33,739</u>		<u>66.05%</u>		<u>30,704</u>		<u>62.13%</u>
Total Employees	<u>51,081</u>		<u>100.00%</u>		<u>49,421</u>		<u>100.00%</u>

Sources: Valdosta-Lowndes Chamber of Commerce & Georgia Department of Labor

Lowndes County, Georgia
Full-time Equivalent County Government Employees by Function/Program (Unaudited),
Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Legislative										
Board of Commissioners	6	6	6	6	6	6	6	6	6	6
County Clerk	3	3	3	3	3	4	4	4	3	3
County Manager	2	2	2	2	2	2	1	1	1	1
Community Development	-	-	-	-	-	-	-	1	1	1
Board of Elections	10	10	10	10	10	10	10	11	11	11
Board of Assessors	24	24	22	22	22	22	22	21	21	25
Building Maintenance	25	25	21	20	20	20	22	21	22	24
Tax Commissioner	21	21	21	21	21	21	21	20	21	21
Administrative Services	19	20	19	19	20	20	22	25	24	24
Engineering	6	7	7	7	7	7	6	8	8	8
Judicial										
Clerk of Court	22	22	23	23	23	23	23	26	26	27
Probate Court	6	6	6	7	7	7	7	7	8	9
Juvenile Court	2	2	2	2	2	3	3	3	3	3
Magistrate Court	11	11	11	11	12	12	12	13	13	14
Superior Court	17	14	14	14	14	14	14	20	20	20
State Court	11	13	12	13	14	14	15	14	14	14
Alternative Dispute Resolution	-	-	1	1	1	1	1	1	1	1
Community Corrections	1	2	2	1	1	1	1	1	1	1
Public Safety										
Sheriff	237	238	593	237	233	238	238	238	238	239
Coroner	2	2	2	2	3	3	4	4	4	4
Probation	-	-	1	8	9	12	13	14	14	15
Animal Services	14	14	14	14	14	14	14	12	15	15
Emergency Management	1	1	1	1	1	1	1	1	1	1

Lowndes County, Georgia
Full-time Equivalent County Government Employees by Function/Program (Unaudited),
Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30,									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Public Works										
Administration	6	6	6	6	6	6	6	7	7	7
Road Maintenance	39	38	38	38	38	38	44	46	47	47
Road Construction	9	9	9	9	9	9	9	9	9	9
Extension Services	-	-	-	-	-	-	-	1	1	1
Auxiliary Accounts - Jail Commissary	2	2	2	2	2	2	2	2	2	2
Intergovernmental										
Alternative Dispute Resolution	2	2	1	2	1	1	1	1	1	1
VOCA Grant - Solicitor	1	2	2	2	2	2	2	2	2	2
DUI Accountability Court Grant	-	-	-	-	1	1	1	2	2	2
VAWA Grant - Assistant Solicitor	-	-	-	-	-	-	-	-	1	1
LCSO - HEAT Grant	-	3	3	3	-	-	-	-	-	-
County Jail Fund	1	1	1	2	2	2	2	1	1	1
Emergency Telephone System	38	41	41	41	42	41	42	42	42	42
Special Services Fund										
Fire	20	20	20	17	17	17	62	77	78	79
NPDES - Stormwater	-	-	-	-	-	-	1	-	-	-
Mosquito Control	1	1	1	1	1	1	1	1	1	1
Code Enforcement	-	-	-	-	4	4	4	3	3	4
Planning/Zoning	5	5	5	6	5	5	5	6	6	6
Victim/Witness	2	2	2	2	2	2	2	2	2	2
Water and Sewer	19	21	23	24	24	26	30	35	37	43
Quiet Pines Golf Course	-	-	-	-	-	-	-	11	11	12
Inspections and Permitting	-	-	-	-	-	-	-	9	10	9
Litter & Beautification	-	-	-	-	2	2	4	4	4	4
Equipment Maintenance	9	9	9	9	9	9	10	13	13	13
Total	<u>588</u>	<u>602</u>	<u>603</u>	<u>957</u>	<u>611</u>	<u>613</u>	<u>683</u>	<u>746</u>	<u>756</u>	<u>775</u>

Source: County Budgets

Lowndes County, Georgia
Operating Indicators by Function/Program (Unaudited),
Last Ten Fiscal Years

Function/Program	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Courts										
Cases filed:										
Superior Court - Civil	2,299	2,100	2,008	2,426	1,846	2,059	969	2,067	2,325	2,199
Superior Court - Criminal	5,384	4,710	1,005	4,434	4,757	6,171	2,434	4,751	4,345	4,270
State Court - Civil	585	539	481	630	600	703	369	743	993	1,246
State Court - Criminal	17,906	22,359	32,240	17,887	1,400	16,339	7,518	12,618	11,880	14,628
Juvenile Court	960	1,166	1,030	832	682	777	520	851	1,185	1,150
Sheriff										
Inmate bookings	8,080	9,024	7,449	7,592	7,102	6,922	6,445	6,160	6,113	5,972
Average daily jail population	654	625	608	585	630	592	625	697	693	671
Subpoenas served	10,195	11,331	11,568	11,117	1,442	7,644	10,992	12,505	8,586	6,662
Civil papers served	2,145	1,964	1,961	766	-	200	746	832	559	455
Jury summonses	592	619	651	1,881	209	1,792	1,781	1,844	2,046	2,204
Fire Protection Services										
Emergency responses	2,630	2,286	2,319	1,509	2,073	1,996	2,758	3,061	3,071	2,830
Fires extinguished	288	371	450	369	306	323	419	358	286	485
Emergency Telephone System										
911 calls	106,796	98,853	97,018	94,838	95,944	98,682	105,712	105,710	99,336	98,583
Public Works										
New paving (miles)	2	3	2	8	4	4	3	3	3	5
Water										
Average daily consumption (thousands of gallons)	4,555	6,739	6,066	3,167	2,505	2,443	2,416	2,792	3,193	3,459
Sewer										
Average daily sewage treatment (thousands of gallons)	1,604	1,616	1,830	1,900	2,017	2,137	2,186	2,390	2,470	2,258

Source: County Department Heads

Lowndes County, Georgia
Capital Assets Statistics by Function/Program (Unaudited),
Last Ten Fiscal Years

Function/Program	Fiscal Year Ending June 30,									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Sheriff										
Vehicles	195	190	220	262	218	197	194	215	207	209
Fire Protection Services										
Fire stations	18	18	18	18	18	18	18	18	18	18
Vehicles	59	55	55	45	43	43	47	51	51	58
Pumpers	24	20	20	23	23	23	23	22	23	22
Public Works										
Streets (miles) paved	505	508	510	518	522	526	531	537	540	545
Streets (miles) dirt	306	300	298	292	289	280	277	274	272	270
Traffic signals	5	5	5	6	6	6	6	6	6	6
Water										
Water mains (miles)	198	200	203	206	211	218	220	223	228	241
Fire hydrants	1,475	1,489	1,496	1,501	1,550	1,626	1,640	1,655	1,701	1,804
Storage capacity (thousands of gallons)	3,680	3,680	3,680	3,680	3,680	3,680	3,680	3,680	3,680	3,680
Sewer										
Sanitary sewers (miles)	206	210	212	214	216	220	222	225	227	231
Treatment capacity (thousands of gallons)	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500

Source: County Department Heads

SPECIAL REPORTS SECTION

**LOWNDES COUNTY, GEORGIA
SPECIAL SALES TAX VIII
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
Year Ended June 30, 2025**

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Roads, Streets and Bridge Improvements	\$ 2,500,000	\$ 3,587,785	\$ 1,645,828	\$ 607,804	\$ 2,253,632	62.81%
Road, Street and Bridge Equipment	1,500,000	2,405,409	1,336,551	114,187	1,450,738	60.31%
Water & Sewer System Improvements and Equipment	23,000,000	33,151,252	9,225,322	2,483,052	11,708,374	35.32%
Record Storage Facility	375,000	601,352	-	-	-	0.00%
Law Enforcement Vehicles and Evidence Storage Facilities	3,000,000	4,810,818	1,085,916	2,445,174	3,531,090	73.40%
Parks and Recreation Facilities	13,274,932	20,268,627	7,708,497	21,600	7,730,097	38.14%
Airport Improvements	2,000,000	2,000,000	8,044	111,838	119,882	5.99%
9-1-1 Center Improvements	350,000	561,262	387,280	-	387,280	69.00%
Health Department Facilities	250,000	250,000	224,405	-	224,405	89.76%
Animal Shelter Addition and Improvements	3,000,000	4,811,321	5,214	-	5,214	0.11%
Clyattville Community Center	300,000	631,852	619,275	115	619,390	98.03%
Senior Center Equipment and Facilities	2,500,000	2,500,000	-	-	-	0.00%
EMS Facilities and Equipment	550,000	1,683,786	504,730	365,865	870,595	51.70%
Historic Carnegie Library Facilities	150,000	325,281	325,281	-	325,281	100.00%
Library Improvements and Equipment	175,000	175,000	175,000	-	175,000	100.00%
Historic Courthouse Improvements	9,000,000	9,296,223	9,296,223	-	9,296,223	100.00%
City of Dasher	1,156,593	1,629,749	1,119,335	304,336	1,423,671	87.36%
City of Hahira	3,445,586	4,855,157	3,344,991	909,470	4,254,461	87.63%
City of Remerton	1,253,359	1,766,101	1,223,460	332,646	1,556,106	88.11%
City of Lake Park	1,217,648	1,715,781	1,184,413	322,030	1,506,443	87.80%
City of Valdosta	65,001,883	91,593,804	63,138,317	17,166,680	80,304,997	87.68%
Totals	<u>\$ 134,000,001</u>	<u>\$ 188,620,560</u>	<u>\$ 102,558,082</u>	<u>\$ 25,184,797</u>	<u>\$ 127,742,879</u>	

See independent auditor's report.

SOURCE and APPLICATION OF FUNDS SCHEDULE
Community Development Block Grant

Lowndes County, Georgia

21-cv-y-092-1-6247

For the Period Ending: June 30, 2025
Cumulative

I. Total Fiscal Year 2021 CDBG Funds Awarded to Recipient:	\$ <u>18,000,000</u>
II. Total Amount of Drawdown by Recipient from DCA:	\$ 17,974,000
III. Less: CDBG Funds Expended by Recipient:	\$ <u>17,974,000</u>
IV. Amount of Fiscal Year 2021 CDBG Funds held by Recipient:	\$ <u><u> -</u></u>

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROJECT COST SCHEDULE

Recipient: Lowndes County, Georgia

Grant #: 21cv-y-092-1-6247

For the Period Ending: June 30, 2025

Program Activity	CDBG Activity Number	Latest Approved Budget	Accumulative CDBG Expenditures To Date	Accumulative Expenditures To Date (Other Funds)	Grand Total of Expenditures To Date	Questioned Costs
Public Facilities and Improvements	P-003-0	\$ 17,880,000	\$ 17,880,000	\$ -	\$ 17,880,000	\$ -
Administration	A-21A-00	\$ 120,000	\$ 94,000	\$ -	\$ 94,000	\$ -
TOTAL		<u>\$ 18,000,000</u>	<u>\$ 17,974,000</u>	<u>\$ -</u>	<u>\$ 17,974,000</u>	<u>\$ -</u>

See independent auditor's report.



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

To the Board of Commissioners
Lowndes County, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lowndes County, Georgia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Lowndes County, Georgia's basic financial statements, and have issued our report thereon dated January 14, 2026. Our report included a reference to component auditors who audited the financial statements of the Lowndes County Board of Health and the Valdosta-Lowndes County Parks and Recreation Authority as described in our report on Lowndes County, Georgia's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lowndes County, Georgia's internal control over financial reporting (internal control) as a basis for designing 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 Lowndes County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Lowndes County, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as item 2025-0001 that we consider to be a material weakness.

Report on Compliance and Other Matters

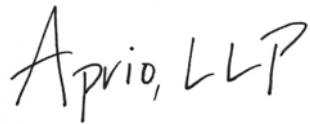
As part of obtaining reasonable assurance about whether Lowndes County, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

Lowndes County, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Lowndes County, Georgia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Lowndes County, Georgia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

Handwritten signature of Aprivo, LLP in black ink.

Valdosta, GA
January 14, 2026



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

To the Board of Commissioners
Lowndes County, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lowndes County, Georgia's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Lowndes County, Georgia's major federal programs for the year ended June 30, 2025. Lowndes County, Georgia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Lowndes County, Georgia's basic financial statements include the operations of the Lowndes County Board of Health, which expended \$7,520,052 in federal awards that is not included in the schedule during the year ended June 30, 2025. Our audit described below, did not include the operations of Lowndes County Board of Health because the component unit engaged other auditors to perform an audit in accordance with Uniform Guidance.

In our opinion, Lowndes County, Georgia complied, in all material respects, with the 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, 2025.

Basis for Opinion on Each Major Federal Program

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 (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Lowndes County, Georgia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal programs. Our audit does not provide a legal determination of Lowndes County, Georgia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Lowndes County, Georgia's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Lowndes County, Georgia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Lowndes County, Georgia's compliance with the requirements of each major federal programs as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Lowndes County, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Lowndes County, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Lowndes County, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

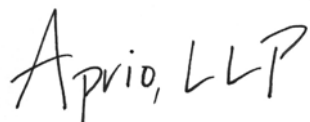
Report on Internal Control over Compliance

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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

A handwritten signature in black ink that reads "Aprivo, LLP". The letters are cursive and somewhat stylized, with the "A" being particularly large and the "P"s having long descenders.

Valdosta, GA
January 14, 2026

LOWNDES COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2025

	Assistance Listing <u>Number</u>	Pass Through <u>Grantor Number</u>	Federal <u>Expenditures</u>	Passed Through to <u>Subrecipients</u>
Department of Defense				
Office of Local Defense Community Cooperation	12.600	HQ00052310056	\$ 75,487	\$ -
Total Department of Defense			<u>75,487</u>	<u>-</u>
Department of Housing & Urban Development				
Passed through the Georgia Department of Community Affairs				
Covid 19 Community Development Block Grant (CDBG-cluster)	14.218	21-cv-y-092-1-6247	<u>2,697,738</u>	<u>-</u>
Total Department of Housing & Urban Development			<u>2,697,738</u>	<u>-</u>
Department of Justice				
Equitable Sharing Program	16.922	N/A	<u>131,596</u>	<u>-</u>
			<u>131,596</u>	<u>-</u>
Passed through the Prosecuting Attorney's Council of Georgia				
Crime Victim Assistance - Solicitor	16.575	C23-8-101	16,974	-
Crime Victim Assistance - Solicitor	16.575	C22-8-249	57,497	-
Crime Victim Assistance - District Attorney	16.575	C23-8-101	33,226	-
Crime Victim Assistance - District Attorney	16.575	C23-8-249	<u>103,144</u>	<u>-</u>
			<u>210,841</u>	<u>-</u>
Passed through the Criminal Justice Coordinating Council				
Violence Against Women Formula Grants - Solicitor	16.588	W23-8-027	42,673	-
Violence Against Women Formula Grants - Solicitor	16.588	W22-8-021	<u>38,786</u>	<u>-</u>
			<u>81,459</u>	<u>-</u>
Total Department of Justice			<u>423,896</u>	<u>-</u>
Department of Transportation				
Passed through the Governor's Office of Highway Safety				
State and Community Highway Safety (Highway Safety Cluster)	20.600	GA-2024-402 PT-043	8,980	-
State and Community Highway Safety (Highway Safety Cluster)	20.600	GA-2025-LowndesSO-013	<u>59,838</u>	<u>-</u>
Total Department of Transportation			<u>68,818</u>	<u>-</u>
Department of the Treasury				
Direct Federal				
Covid 19-Coronavirus State and Local Fiscal Recovery Funds	21.027	PF59LYN76NM4	8,301,971	-
Passed through the Governor's Office of Planning and Budget				
Covid 19-Coronavirus State and Local Fiscal Recovery Funds	21.027	GA-0011307	<u>5,974,057</u>	<u>3,310,255</u>
Total Department of the Treasury			<u>14,276,028</u>	<u>3,310,255</u>
Department of Environmental Protection				
Passed through the Georgia Environmental Finance Authority				
Capitalization Grants for Clean Water	66.458	CW2019024	<u>179,902</u>	<u>-</u>
Total Department of Environmental Protection			<u>179,902</u>	<u>-</u>
Department of Homeland Security				
Passed through the Georgia Emergency Management Agency				
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	DR-4738 PW003	<u>19,702,657</u>	<u>-</u>
Total Department of Homeland Security			<u>19,702,657</u>	<u>-</u>
Total			<u>\$ 37,424,526</u>	<u>\$ 3,310,255</u>

LOWNDES COUNTY, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1. BASIS OF PREPARATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Lowndes County, Georgia (the “County”), and is presented on the modified accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in the schedule of expenditures of federal awards may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The County chose to use the ten percent de minimis cost rate for the year ending June 30, 2025.

NOTE 3. NON-CASH AWARDS

The County did not receive non-cash federal awards during the year ending June 30, 2025.

LOWNDES COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *unmodified*

Internal control over financial reporting:
 Material weakness(es) identified? X Yes No

Significant deficiencies identified not
 considered to be material weaknesses? Yes X None reported

Noncompliance material to financial
 statements noted? Yes X No

Federal Awards

Internal control over major programs:
 Material weakness(es) identified? Yes X No

Significant deficiencies identified not
 considered to be material weaknesses? Yes X None reported

Type of auditor's report issued on
 compliance for major programs: *unmodified*

Any audit findings disclosed that are
 required to be reported in accordance
 with 2 CFR Section 200.516(a)? Yes X No

Identification of major programs:

Name of Federal Programs or Clusters	Assistance Listing Number
Covid 19 Community Development Block Grant (CDBG-cluster)	14.218
Covid 19-Coronavirus State and Local Fiscal Recovery Funds	21.027

Dollar threshold used to distinguish
 between Type A and Type B programs: \$1,122,736

Auditee qualified as low-risk auditee? Yes X No

LOWNDES COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COST
Year Ended June 30, 2025

Section II – Financial Statement Findings and Response

Material Weakness

Current Year Findings:

Finding: 2025-1 - Improper Capitalization of Assets Without Legal Title

Criteria:

Governmental entities are required to prepare financial statements in accordance with **Generally Accepted Accounting Principles (GAAP)** as established by the Governmental Accounting Standards Board (GASB). GASB Statement No. 34 and related guidance require that capital assets be recorded only when the government has ownership or legal title. The criteria state that “capital assets should be reported at historical cost and should represent property owned by the entity.”

Condition:

During the audit, we noted that in the prior fiscal year, the County capitalized broadband infrastructure totaling \$6,444,467, net of accumulated depreciation, that the County did not legally own. These assets were recorded in the capital asset ledger and included in the government-wide financial statements. In the current year, management corrected this error by removing the assets from the capital asset records.

Cause:

While the County finance department employees and the County Manager understood that the agreement with the subrecipient stated that the subrecipient would maintain ownership of the infrastructure and they would also make a much larger investment in the infrastructure. The consultant, who maintains the depreciation schedule, was not aware of the agreement that gave the subrecipient ownership of the infrastructure.

Effect or Potential Effect:

The prior year government-wide financial statements were misstated, overstating capital assets and net position. Although corrected in the current year, this deficiency indicates a material weakness in internal control over financial reporting because it could result in significant misstatements if not addressed.

Recommendation:

We recommend the County implement procedures to ensure that everyone involved with capitalizing assets is aware of ownership.

Management Response:

Lowndes County management concurs with the findings and will work to improve communication issues related to grant funded capital assets.

LOWNDES COUNTY, GEORGIA CORRECTIVE ACTION PLAN

As the Government of Lowndes County response, pursuant to the Official Code of Georgia Annotated, Sections 36-81-7, 50-8-35 and 50-8-39 and pursuant to Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) to the finding and recommendation from our June 30, 2025, audit:

1) **Finding 2025-001:** Capitalization of capital assets:

Ownership of capital assets should be confirmed prior to capitalization.

a) We concur with the Finding 2025-001 that the Government of Lowndes County should review new potential capital assets to confirm ownership. Management will continue to improve the process of reviewing capital asset additions so that ownership is understood by everyone involved in the recording additions

b) Stephanie Black as Finance Director is responsible for the corrective action process. The immediate corrective action has been accomplished with the prior year adjustment to remove the capital assets from the County governmental activities depreciation schedule. The conditions that created this situation were unique and while the risk of repeating the misstatement of capital assets is low, new policies and procedures for subrecipient grant funds have been established.

Lowndes County, Georgia
Certificate of 9-1-1 Expenditures
For the Year Ended June 30, 2025

Line No.		O.C.G.A. Reference:	
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one): <u> X </u> Special Revenue Fund <u> </u> Enterprise Fund		
2	Expenditures (UCOA Activity 3800) Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)	46-5-134(e)	\$
	_____		\$
	_____		\$
3	Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:		
3a	Lease costs	46-5-134(f)(1)(A)	\$
3b	Purchase costs	46-5-134(f)(1)(A)	\$
3c	Maintenance costs	46-5-134(f)(1)(A)	\$
4	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	46-5-134(f)(1)(B)	\$ _____
5	Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system and employees who work as directors as defined in O.C.G.A. §46-5-138.2		
5a	Salaries and wages	46-5-134(f)(1)(C)	\$ <u>2,123,744</u>
5b	Employee benefits	46-5-134(f)(1)(C)	\$ <u>924,848</u>
6	Cost of training of employees who work as dispatchers or directors	46-5-134(f)(1)(D)	\$ <u>9,065</u>
7	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(f)(1)(E)	\$ <u>10,207</u>
8	Building used as a public safety answering point:		
8a	Lease costs	46-5-134(f)(1)(F)	\$ _____
8b	Purchase costs	46-5-134(f)(1)(F)	\$ _____
9	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems and automatic vehicle location systems:		
9a	Lease costs	46-5-134(f)(1)(G)	\$ _____
9b	Purchase costs	46-5-134(f)(1)(G)	\$ _____
9c	Maintenance costs	46-5-134(f)(1)(G)	\$ _____

Lowndes County, Georgia
Certificate of 9-1-1 Expenditures
For the Year Ended June 30, 2025

10	Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials	46-5-134(f)(1)(H)	\$	
11	Logging recorders used at a public safety answering point to record telephone and radio traffic:			
11a	Lease costs	46-5-134(f)(1)(I)	\$	
11b	Purchase costs	46-5-134(f)(1)(I)	\$	
11c	Maintenance costs	46-5-134(f)(1)(I)	\$	
12	Insurance purchased to insure against risks and liability in the operation and maintenance of the 9-1-1 system on behalf of the local government or on behalf of employees hired by the local government solely for the operation and maintenance of the 9-1-1 system and employees who work as directors	46-5-134(f)(2)(B)(i)	\$	
13	Mobile communications vehicle and equipment, if the primary purpose and designation of such vehicle is to function as a backup 9-1-1 system center			
13a	Lease costs	46-5-134(f)(2)(B)(ii)	\$	
13b	Purchase costs	46-5-134(f)(2)(B)(ii)	\$	
13c	Maintenance costs	46-5-134(f)(2)(B)(ii)	\$	
14	Allocation of indirect costs associated with supporting the 9-1-1 system center and operations as identified and outlined in an indirect cost allocation plan approved by the local governing authority that is consistent with the costs allocated within the local government to both governmental and business-type activities	46-5-134(f)(2)(B)(iii)	\$	<u>160,000</u>
15	Mobile public safety voice and data equipment, geo-targeted test messaging alert systems, or towers necessary to carry out the function of 9-1-1 system operations			
15a	Lease costs	46-5-134(f)(2)(B)(iv)	\$	<u> </u>
15b	Purchase costs	46-5-134(f)(2)(B)(iv)	\$	<u> </u>
15c	Maintenance costs	46-5-134(f)(2)(B)(iv)	\$	<u> </u>
16	Public safety voice and data communications systems located in the 9-1-1 system facility that further the legislative intent of providing the highest level of emergency response service on a local, regional, and state-wide basis, including equipment and associated hardware and software that supports the use of public safety wireless voice and data communication systems			
16a	Lease costs	46-5-134(f)(2)(B)(v)	\$	<u>27,961</u>
16b	Purchase costs	46-5-134(f)(2)(B)(v)	\$	<u>242,399</u>
16c	Maintenance costs	46-5-134(f)(2)(B)(v)	\$	<u>600</u>

Lowndes County, Georgia
 Certificate of 9-1-1 Expenditures
 For the Year Ended June 30, 2025

17 Other expenditures not included in Lines 2 through 16 above.
 Identify by object and purpose.

<u>Dues and subscriptions</u>	\$ <u>1,566</u>
<u>Contract Services</u>	\$ <u>696,227</u>
<u>Utilities</u>	\$ <u>37,865</u>
<u>Facilities maintenance</u>	\$ <u>10,489</u>
<u>Public safety radio system</u>	\$ <u>14,596</u>
<u> </u>	\$ <u> </u>
<u> </u>	\$ <u> </u>
<u> </u>	\$ <u> </u>

18 Total Expenditures (total of all amounts reported on Lines 2 through 17 above) \$ 4,259,567

Certification of Local Government Officials

I have reviewed the information presented in this report and certify that it is accurate and correct. I further certify that the 9-1-1 funds were expended in compliance with the expenditure requirements specified in the Official Code of Georgia Annotated (OCGA), Section 46-5-134. I understand that, in accordance with OCGA Section 46-5-134(m)(2), any local government which makes expenditures not in compliance with this Code section may be held liable for pro rata reimbursement to telephone and wireless telecommunications subscribers of amounts improperly expended. Further, the noncompliant local government shall be solely financially responsible for the reimbursement and for any costs associated with the reimbursement. Such reimbursement shall be accomplished by the service providers abating the imposition of the 9-1-1 charges and 9-1-1 wireless enhanced charges until such abatement equals the total amount of the rebate.

Signature of Chief Elected Official: *Bill Slaughter* Date 12/31/25

Print Name of Chief Elected Official: Bill Slaughter

Title of Chief Elected Official : Chairman Board of Commissioners

Signature of Chief Financial Officer: *Stephanie Black* Date 12/31/25

Print Name of Chief Financial Officer: Stephanie Black

APPENDIX B

SUMMARY OF THE BOND RESOLUTION AND THE CONTRACT

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SUMMARY OF BOND RESOLUTION AND CONTRACT

The following is a summary of certain provisions of the Bond Resolution and Contract. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Bond Resolution and the Contract, a copy of each is on file in the office of the Secretary of the Authority.

BOND RESOLUTION

Definition of Certain Terms

“Act” means an Amendment to the Constitution of the State of Georgia, Ga. Laws 1960, p. 1359 et seq., as supplemented by an Act of the Georgia General Assembly, Ga. Laws 1960, p. 2786 et seq., and as continued by an Act of the Georgia General Assembly, Ga. Laws 1985, p. 3710, et seq., as amended.

“Additional Bonds” means any additional bonds, notes or other forms of indebtedness issued by the Authority that are secured on a parity basis with the Series 2026 Bonds by the Pledged Tax Revenues which may hereafter be issued pursuant to the Bond Resolution.

“Additional Funding Agreements” means contracts or supplemental agreements entered into after the date hereof binding the County pursuant to Article IX, Section III, Paragraph I of the Constitution of the State of Georgia of 1983, pursuant to the terms of which a payment obligation is created or expanded for the County to the Authority in support of any additional bonds, notes or other forms of indebtedness issued by the Authority that are secured on a parity basis with the Bonds by the Pledged Tax Revenues, as the same may be amended, modified, supplemented or restated.

“Authority” means the Valdosta-Lowndes County Industrial Development Authority, a body corporate and politic, created pursuant to the Act.

“Bond Registrar” means initially Regions Bank, Atlanta, Georgia, its successors and assigns, or any successor bond registrar hereafter appointed by the Authority and approved by the County; provided, however, the Bond Registrar shall at all times be a commercial bank or trust company.

“Bond Resolution” means the Bond Resolution, adopted by the Authority on May 1, 2026, as supplemented on June 9, 2026, and as same may be supplemented from time to time.

“Bondholder” and “owner” means the registered owner of any of the outstanding Bonds.

“Bonds” means the Series 2019 Bonds, the Series 2026 Bonds and any Additional Bonds.

“Contract” means the Intergovernmental Contract, dated as of June 1, 2026, between the Authority and the County, with respect to the Series 2026 Bonds, as the same from time to time may be amended.

“Contract Payments” means the payments which are to be received by the Authority pursuant to the Contract, subject to the Tax Funding Limit, which are equal to the amounts sufficient to enable the Authority to pay the principal of, premium, if any, and interest on the Series 2026 Bonds as the same become due, whether at maturity or by proceedings for mandatory redemption; provided, however, the County shall receive a credit against any required Contract Payment to the extent moneys are on deposit in the Sinking Fund and available to pay the principal of, premium, if any, and interest on the Series 2026 Bonds coming due on the next succeeding February 1 or August 1, as the case may be. In addition to the foregoing, each Contract Payment shall include the charges as billed specified in subparagraphs (e) and (f) of Section 3, Article V of the Bond Resolution and any deficit in any preceding Contract Payment.

“County” means Lowndes County, Georgia.

“Government Obligations” means (a) direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, or (b) obligations issued by a person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of, premium, if any, and the interest on which is fully and unconditionally guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par by anyone other than the holder.

“Interest Payment Date” means the 1st day of each February and August of each year, commencing February 1, 2027.

“Paying Agent” means initially Regions Bank, Atlanta, Georgia, its successors and assigns, or any successor paying agent hereafter appointed by the Authority and approved by the County; provided, however, the Paying Agent shall at all times be a commercial bank or trust company.

“Permitted Investments” means and includes any of the following securities, if and to the extent the same are at the time legal for investment of Authority funds:

(1) the local government investment pool created in Chapter 83 of Title 36 of the Official Code of Georgia Annotated, as amended;

(2) Bonds or obligations of such county, municipal corporation, school district, political subdivision, authority, or body or bonds or obligations of the State of Georgia or other states or of other counties, municipal corporations, and political subdivisions of the State of Georgia;

(3) Bonds or other obligations of the United States or of subsidiary corporations of the United States government which are fully guaranteed by such government;

(4) Obligations of and obligations guaranteed by agencies or instrumentalities of the United States government, including those issued by the Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank, Bank for Cooperatives, and any other such agency or instrumentality now or hereafter in existence; provided, however, that all such obligations shall have a current credit rating from a nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;

(5) Bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;

(6) Certificates of deposit of national or state banks located within the State of Georgia which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State of Georgia which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any such bond proceeds. The portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, or the Georgia Credit Union Deposit Insurance Corporation, if any, shall be secured by deposit, with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State of Georgia or with a trust office within the

State of Georgia, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State of Georgia or other states or of any county or municipal corporation in the State of Georgia, obligations of the United States or subsidiary corporations described in (3) above, obligations of the agencies and instrumentalities of the United States government described in (4) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities described in (5) above;

(7) Securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

(A) The portfolio of such investment company or investment trust or common trust fund is limited to the obligations referenced in paragraphs (3) and (4) above and repurchase agreements fully collateralized by any such obligations;

(B) Such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian;

(C) Such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value; and

(D) Securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State of Georgia; and

(8) Interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, provided that each such interest-bearing time deposit, repurchase agreement, reverse repurchase agreement, rate guarantee agreement, or other similar banking arrangement shall permit the moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys.

(9) any other investments authorized by the laws of the State of Georgia.

“Pledged Payments” means the Contract Payments which are to be received by the Authority pursuant the Contract which shall be equal to the amounts sufficient to enable the Authority to pay the principal of, premium, if any, and interest on the Series 2026 Bonds as the same become due, whether at maturity or by proceedings for mandatory redemption.

“Project” means the acquisition, development and improving of one or more economic development projects located in the County financed with the proceeds of the Series 2026 Bonds as described more fully in the Contract.

“Project Fund” means the Valdosta-Lowndes County Industrial Authority Project Fund created in Article IV, Section 2 of the Bond Resolution.

“Project Fund Depository” means initially Regions Bank, Atlanta Georgia, its successors and assigns, or any successor project fund custodian hereafter appointed by the Authority and approved by the County; provided, however, the Project Fund Depository shall at all times be a commercial bank or trust company.

“Series 2019 Bond Resolution” means the Amended and Restated Bond Resolution adopted by the Authority on November 19, 2019, authorizing the issuance of the Series 2019 Bonds.

“Series 2019 Bonds” means the Authority’s Economic Development Taxable Revenue Bonds, Series 2019.

“Series 2019 Contract” means the Intergovernmental Contract, dated as of December 1, 2019, between the County and the Authority with respect to the Series 2019 Bonds.

“Series 2026A Bonds” mean the Authority’s Economic Development Taxable Revenue Bonds, Series 2026A authorized to be issued pursuant to the Bond Resolution.

“Series 2026B Bonds” mean the Authority’s Economic Development Revenue Bonds, Series 2026B authorized to be issued pursuant to the Bond Resolution.

“Series 2026 Bonds” mean the Series 2026A Bonds and the Series 2026B Bonds.

“Sinking Fund” shall mean the Valdosta-Lowndes County Industrial Authority Sinking Fund created pursuant to the Bond Resolution.

“Sinking Fund Custodian” means initially Regions Bank, Atlanta, Georgia, its successors and assigns, or any successor sinking fund custodian hereafter appointed by the Authority with the approval of the County; provided, however, the Sinking Fund Custodian shall at all times be a commercial bank or trust company.

“Sinking Fund Investments” shall mean (a) obligations of the United States and its agencies and instrumentalities, (b) certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation, provided, however, that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation must be secured by direct obligations of the State of Georgia or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured, and (c) the local government investment pool established by Section 36-83-8 of the Official Code of Georgia Annotated.

“Tax Funding Limit” shall mean an amount limited to two (2) mills per dollar (or such greater amount as hereafter may be permitted by applicable law) of ad valorem tax revenues levied and collected in any calendar year by the County with respect to all taxable property located within the territorial limits of the County.

General Provisions

Liens. The Authority shall not create, or permit to be created, any charge, lien or encumbrance or any security interest in or on the Pledged Payments or the Contract ranking prior to or equal with the lien on the Pledged Payments and the Contract created to secure payment of the Series 2026 Bonds.

Pledge of Contract and Pledged Payments; Creation of Sinking Fund. Pursuant to the Bond Resolution, the Contract and the Pledged Payments are pledged to the payment of the Series 2026 Bonds, and the Contract and the Pledged Payments so pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof or further acts, and the lien of this pledge shall be valid and binding against the Authority and the County and against all parties having claims of any kind against them, whether such claims shall have arisen in contract, tort or otherwise and irrespective of whether or not such parties have notice hereof.

Pursuant to the Bond Resolution, there is created a special trust fund for the benefit of the owners of the Series 2026 Bonds designated as “Valdosta-Lowndes County Industrial Authority Sinking Fund” (the “Sinking Fund”). There shall be created two accounts in the Sinking Fund designated the “Series 2026A Sinking Fund Account” and the “Series 2026B Sinking Fund Account.” There shall be paid into the Sinking Fund, on or prior to February 1 and August 1 each year, commencing February 1, 2027, the Pledged Payments payable to the Authority from the County pursuant to the Contract. The Pledged Payments made by the County pursuant to the Contract shall be deposited directly into the Sinking Fund.

Sinking Fund as a Trust Fund; Investment of Moneys. The Sinking Fund shall be kept as a trust account for the benefit of the owners of the Series 2026 Bonds separate from other deposits of the Authority and the County. Moneys on deposit in the Sinking Fund shall be invested only in Sinking Fund Investments upon the written direction of the County. Any such securities shall be held by the Sinking Fund Custodian for the account of the Sinking Fund until maturity or until sold. Except as provided below, at the maturity or upon such sale, the proceeds received therefrom, including interest income, shall be immediately deposited into the Sinking Fund and shall be disbursed in the manner and for the purposes set forth in the Bond Resolution. Following completion of the Project, any excess money in the Project Fund shall be deposited in the Sinking Fund. Upon the occurrence of any Event of Default, all money in the Project Fund shall be deposited in the Sinking Fund pursuant to the Bond Resolution.

Sinking Fund Disbursements. Subject to the terms and conditions set forth in the Bond Resolution, moneys in the Sinking Fund shall be disbursed for (a) the payment of the interest on the Series 2026 Bonds secured by the Bond Resolution as such interest becomes due and payable; (b) the payment of the principal of the Series 2026 Bonds secured by the Bond Resolution as same becomes due and payable, either at maturity or by proceedings for mandatory redemption; (c) the optional and mandatory redemption of Series 2026 Bonds secured by the Bond Resolution before maturity at the price and under the conditions provided therefor in the Bond Resolution; (d) the purchase of Series 2026 Bonds in the open market; provided, however, the price paid shall not exceed the authorized call price; (e) the payment of charges for paying the Series 2026 Bonds and interest thereon and the charges for the registration of the Series 2026 Bonds secured hereby and their transfer or exchange in accordance with the terms thereof; and (f) the payment of any charges for investment services, including, but not limited to the fees of the custodians and depositories.

Project Fund. Pursuant to the Bond Resolution, a special trust fund is created for the benefit of the owners of the Series 2026 Bonds and designated "Valdosta-Lowndes County Industrial Authority Project Fund." There shall be created two accounts in the Project Fund designated the "Series 2026A Project Fund Account" and the "Series 2026B Project Fund Account." There shall be deposited with the Project Fund Depository for the credit of the Project Fund, the amounts specified in the Bond Resolution, and any other funds acquired for this purpose by gift, donation, grant or otherwise.

The moneys in the Project Fund shall be held by the Project Fund Depository and withdrawn and applied to pay costs of issuance and costs of the Project. Any moneys in the Project Fund not presently needed for the payment of current obligations during the course of construction may be invested in Permitted Investments upon the written direction of an authorized representative of the County, and proper evidence of the same being delivered to the Project Fund Depository. Any such securities shall be held by the Project Fund Depository for the account of the Project Fund until maturity or until sold, and at maturity or upon such sale, the proceeds received therefrom, including interest income and premium, if any, shall be immediately deposited into the Project Fund and shall be disbursed in the manner and for the purposes set forth in the Bond Resolution.

Withdrawals from the Project Fund may be made for the purpose of paying the cost of the undertaking contemplated or contemplated by the Bond Resolution, including the purchase of such property and equipment as may be useful in connection therewith, including, but not limited to, (i) the cost of indemnity and fidelity bonds either to secure deposits in the Project Fund or to insure the faithful completion of any contract pertaining to said improvements; (ii) any taxes or any charges lawfully levied or assessed against the undertaking; (iii) fees and expenses of consulting engineers for engineering studies, surveys and estimates, and the preparation of plans and supervising the construction; (iv) legal expenses and fees and all other items of expense not elsewhere in this Section specified incident to said undertaking; (v) payments made for labor, contractors, builders and materialmen in connection with the improvements contemplated by the undertaking and payment for machinery and equipment and for the restoration of property damaged or destroyed in connection therewith and the repayment of advances or loans made for the purpose of paying any of the aforementioned costs; (vi) the cost of acquiring by purchase, and the amount of any award or final judgment in any proceeding to acquire by condemnation, lands and rights of way necessary for the improvements and appurtenances in connection therewith, and options and payments thereon, and any easements or rights or any damages incident to or resulting from the making of such improvements; and (vii) to reimburse the Authority or the County for the advance payment of costs pertaining to the undertaking prior to the receipt of the proceeds derived from the sale of the Series 2026 Bonds.

Before any moneys are disbursed, there shall be filed with the Project Fund Depository: (i) a requisition for

such payment stating each amount to be paid, the circumstances of such obligation and the name of the person, firm or corporation to whom payment thereof is due; and (ii) a certificate attached to the requisition and certifying: (1) that an obligation in the stated amount has been incurred, is a proper charge against the Project Fund and has not been paid; (2) a bill or statement of account for such obligation, or a copy thereof, is attached to the requisition or is on file in the office of the Finance Director of the County or the director of the Authority; (3) that they have no notice of any vendor's, mechanic's or other liens or rights to liens, security interests, chattel mortgages or conditional sales contracts, which should be satisfied or discharged before such payment is made; (4) that such requisition contains no item representing payment on account or any retained percentages which the Authority or the County is, at the date of such certificates, entitled to retain; and (5) that insofar as such obligation was incurred for work, materials, supplies or equipment in connection with the undertaking, such work was actually performed or such materials, supplies or equipment were actually installed in or about the construction or delivered at the site of the work for that purpose. The requisition shall be signed by a duly authorized representative of the Authority and approved by a duly authorized representative of the County.

Events of Default and Remedies

Events of Default. Each of the following events is an "Event of Default": (a) payment of the principal of and premium, if any, on any of the Series 2026 Bonds shall not be made when the same shall become due and payable, at maturity or by proceedings for mandatory redemption or optional redemption; or (b) payment of any installment of interest shall not be made when the same becomes due and payable; or (c) the Authority shall, for any reason, be rendered incapable of fulfilling its obligations hereunder; or (d) an order or decree shall be entered, with the consent or acquiescence of the Authority, appointing a receiver, or receivers, of the Project, or of the Pledged Payments, or any proceedings shall be instituted, with the consent or acquiescence of the Authority, for the purpose of effecting a composition between the Authority and its creditors, or for the purpose of adjusting claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable out of the Pledged Payments or moneys held hereunder, or if such order or decree, having been entered without the consent and acquiescence of the Authority, shall not be vacated or discharged or stayed on appeal within 60 days after entry thereof, or if such proceeding, having been instituted without the consent or acquiescence of the Authority, shall not be withdrawn, or any orders entered shall not be vacated, discharged or stayed on appeal, within 60 days after the institution of such proceedings, or the entry of such orders; (e) subject to the notice and cure provisions of the Bond Resolution, the Authority shall make a default in the due and punctual performance of any other of the covenants, conditions, agreements or provisions contained in the Series 2026 Bonds or in this Bond Resolution, on the part of the Authority to be performed, and such default shall continue for thirty (30) days after written notice, specifying such default and requiring same to be remedied, shall have been given to the Authority by any Bondholder; or (f) an event of default shall occur under the Contract.

Remedies. Upon the happening and continuance of any Event of Default, then and in every such case any Bondholder may proceed, for the equal benefit of all owners, to protect and enforce the rights of the Bondholders hereunder by a suit, action or special proceedings in equity, or at law, either for the appointment of a receiver of the Project, or for the special performance of any covenant or agreement contained in the Bond Resolution or in aid or execution of any power granted in the Bond Resolution, or for the enforcement of any proper legal or equitable remedy as such Bondholder shall deem most effectual to protect and enforce the rights aforesaid, insofar as such may be authorized by law.

Supplemental Bond Resolutions

The Authority may, with the approval of the owners of at least 55% in aggregate principal amount of the Series 2026 Bonds then outstanding, adopt such resolution or resolutions supplemental hereto as shall be deemed necessary or desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Bond Resolution or in any supplemental resolution or in the Series 2026 Bonds; provided, however, that nothing contained in the Bond Resolution shall permit, or be construed as permitting: (a) the extension of the maturity of any Series 2026 Bond issued hereunder; (b) the reduction in the principal amount of any Series 2026 Bond or the alteration of the rate or rates of interest thereon or any other modification of the terms of payment of such principal or interest; (c) the reduction of the percentage of the principal amount of Series 2026 Bonds required for consent to such supplemental resolution, and (d) the creation of any lien

on the Pledged Payments or the Contract prior to or superior to the lien created as the security for the payment of the Series 2026 Bonds.

Nothing contained in the Bond Resolution, however, shall be construed as making necessary the approval by the Bondholders of any resolution not inconsistent with the terms and provisions of the Bond Resolution or any resolution adopted to (a) cure any ambiguity or formal defect or omission in the Bond Resolution or in any supplemental proceedings, (b) provide for the issuance of Additional Bonds in accordance with the terms of the Bond Resolution (including without limitation the addition of events of default and remedies relating to any Additional Bonds hereafter incurred by the Authority), (c) to grant any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders by the Authority, (d) further expand or clarify the amounts required to be paid into the Sinking Fund and the timing thereof, (e) modify, amend or supplement the Bond Resolution or any proceedings supplemental hereto in such manner as to permit the qualification of the Bond Resolution under the Trust Indenture Act of 1939 or any federal statute hereinafter in effect, (f) make any modifications or amendment of the Bond Resolution required in order to make the Series 2026 Bonds eligible for acceptance by The Depository Trust Company or any similar holding institution or to permit the issuance of the Series 2026 Bonds in book-entry form, (g) modify any provisions of the Bond Resolution in any respect provided that such modification shall not be effective until after the Series 2026 Bonds outstanding immediately prior the effective date of such supplemental resolution shall cease to be outstanding and further provided that any Series 2026 Bonds issued contemporaneously with or after the effective date of such supplemental proceedings shall contain a specific reference to the modifications contained in any such subsequent proceedings, or (h) make any other changes that in the opinion of counsel are not materially adverse to the interests of the bondholders.

Defeasance

If (a) the Authority shall pay or cause to be paid to the Bondholders the principal of and the interest to become due on the Series 2026 Bonds at the times and in the manner stipulated in the Series 2026 Bonds and in the Bond Resolution, (b) all fees, charges and expenses of the Paying Agent, Bond Registrar, depositories and custodians have been paid or provision for such payment has been made, and (c) the Authority will keep, perform and observe all of its agreements in the Series 2026 Bonds and the Bond Resolution expressed as to be kept, performed and observed by it or on its part, then the rights granted in the Bond Resolution will cease, determine and be discharged.

The Series 2026 Bonds will be deemed to be paid within the meaning of the Bond Resolution if (a) sufficient moneys will have been irrevocably deposited with the Paying Agent to pay the same when they become due, (b) there shall have been irrevocably deposited with the Paying Agent moneys or Government Obligations, which, without any reinvestment thereof or of the interest thereon, will produce moneys sufficient (as evidenced by an opinion or report of an independent certified public accountant or firm thereof) to pay the same when they become due (whether upon or prior to the stated maturity or the redemption date of the Series 2026 Bonds); provided, however, that if the Series 2026 Bond is to be redeemed prior to its stated maturity, notice of such redemption will have been given as provided in the Bond Resolution or irrevocable arrangements satisfactory to the Paying Agent have been made for the giving thereof.

THE CONTRACT

Issuance of Series 2026 Bonds; Application of Proceeds

Under the terms of the Contract, the Authority has agreed to issue the Series 2026 Bonds and apply the proceeds from the sale thereof as provided in the Bond Resolution.

Agreement to Acquire, Develop and Improve the Project

Pursuant to the Contract, the Authority shall proceed with acquiring, developing and improving the Project.

The moneys credited to the Project Fund from the sale of the Series 2026 Bonds shall be used and applied only for the purpose of paying the cost of acquiring, developing and improving the Project and otherwise disbursed as provided in the Bond Resolution.

All payments from the Project Fund shall be made as provided in the Bond Resolution.

In the event the moneys in the Project Fund are not sufficient to pay the costs of acquiring, developing and improving the Project in full, the Authority agrees to pay all that portion of the costs of the Project as may be in excess of the moneys available therefor or in the Project Fund by making payments directly to the owners or contractors or the suppliers of materials and equipment as the same shall become due or by paying into the Project Fund the moneys necessary to complete the Projects. The County does not make any warranty, either express or implied, that the moneys which will be paid into the Project Fund and which, under the Contract, will be available for payment of the costs of the Project will be sufficient to pay all such costs of the Project. The Authority agrees that if, after exhaustion of the moneys in the Project Fund, it should pay any portion of the costs of the Project pursuant to the provisions of this Section, it shall neither be entitled to any reimbursement therefor from the County or the holders of any of the Series 2026 Bonds, nor shall it be entitled to any reduction of or credit against the amounts payable by it under the Contract.

Terms; Contract Payments

The Contract will become effective as of June 1, 2026, and the interests created by the Contract will then begin, and, subject to the other provisions of the Contract, will expire on the later of (a) February 1, 2046, or if at said time and on said date all of the Series 2026 Bonds have not been paid in full as to principal, interest and premium, if any, then on such date as such payment will have been made, or (b) the date the Series 2026 Bonds have been paid in full, but in no event in excess of 50 years from the date hereof.

Pursuant to the Contract, at least fifteen days prior to each February 1 and August 1 of each year, commencing with February 1, 2027, the County will make the Contract Payments with respect to the Series 2026 Bonds to the Authority. Notwithstanding anything in the Bond Resolution or the Contract to the contrary, if such date is fifteen days prior to August 1, the County shall pay an amount sufficient to enable the Authority to pay in full the interest on the Series 2026 Bonds coming due on August 1, and if such date is fifteen days prior to February 1, the County will pay an amount sufficient to enable the Authority to pay in full the principal of and interest on the Series 2026 Bonds coming due on February 1, and such Contract Payments shall continue and recontinue until provision has been made for the payment in full of the Series 2026 Bonds as to principal, interest and premium, if any, subject to the Tax Funding Limit.

Notwithstanding the foregoing, in no event shall the County's obligations to make the Contract Payments required under the Contract, the Bond Contract Payments (as defined in the Series 2019 Contract) required under the Series 2019 Contract or the contract payments under any other Additional Funding Agreement exceed the Tax Funding Limit.

In addition to the foregoing, each Contract Payment will include the charges as billed specified in subparagraphs (e) and (f) of Section 3, Article V of the Bond Resolution.

The Pledged Payments provided for pursuant to the Contract will be made by payment directly to the Sinking Fund Custodian for deposit into the Sinking Fund.

Security of Contract Payments

The obligations of the County to make the Contract Payments when due under the Contract, subject to the Tax Funding Limit, and to perform its other obligations hereunder, are absolute and unconditional general obligations of the County as provided in the Contract, and the County hereby pledges its full faith and credit and taxing power to such payment and performance, subject to the Tax Funding Limit. In the event the amount of funds lawfully available to the County is not sufficient to pay the Contract Payments when due in any year, the County shall levy an ad valorem tax, on all property located within the limits of the County subject to taxation for such purposes, as now existent and as same may hereafter be extended, at such rate or rates as may be necessary to

produce in each calendar year revenues which shall be sufficient to fulfill the County's obligations hereunder, provided, however, that such tax shall not exceed the Tax Funding Limit, from which revenues there shall be appropriated, prior to any other appropriations with respect to the Project, sums sufficient to pay in full when due the obligations contracted in the Contract to be paid by the County including specifically the obligation to make the Contract Payments as provided in the Contract. The County hereby creates a lien on any and all revenues realized by it pursuant to the provisions of this subparagraph to enable it to make the Contract Payments required pursuant to the Contract and such lien is superior to any that can hereafter be made; provided, however, the County has created a lien on parity with the lien created in the Contract in connection with the Series 2019 Bonds and may create a lien on a parity with the lien created in the Contract in connection with the issuance of Additional Bonds.

Pursuant to the Contract, the County further covenants and agrees that in order to make funds available for such purpose, it will, in its general revenue, appropriation and budgetary measures whereby its tax funds or revenues and the allocation thereof are controlled or provided for, include sums sufficient to satisfy any such Contract Payments that may be required to be made, whether or not any other sums are included in such measure, until all payments so required to be made shall have been made in full. The obligation of the County to make the Contract Payments shall constitute a general obligation of the County, and nothing contained in the Contract, shall be construed as limiting the right of the County to make the payments called for by this Contract out of any funds lawfully available to it for such purposes, from whatever source derived (including general funds).

In the event for any reason any such provision or appropriation is not made as provided in the preceding paragraph, then the fiscal officers of the County are hereby authorized and directed to set up as an appropriation on their accounts in the appropriate fiscal year the amounts required to pay the obligations which may be due from the general funds of the County. The amount of such appropriation shall be due and payable and shall be expended for the purpose of paying any such obligations, and such appropriation shall have the same legal status as if the County had included the amount of the appropriation in its general revenue, appropriation and budgetary measures, and the fiscal officers of the County shall make such Pledged Payments to the Sinking Fund Custodian for deposit to the Sinking Fund if for any reason the payment of such obligations shall not otherwise have been made.

Covenants

Operating Expenses.

Under the Contract, the Authority shall pay or cause to be paid the reasonable and necessary costs of operating, maintaining and repairing the Project, including salaries, wages, employee benefits, the payment of any contractual obligations incurred pertaining to the operation of the Project, cost of materials and supplies, rentals of leased property, real or personal, insurance premiums, audit fees, any incidental expenses and such other charges as may properly be made for the purpose of operating, maintaining and repairing the Project in accordance with sound business practice.

Liens; Easements; Leases; Sale of Assets.

The Authority shall not create or suffer to be created, any lien, security interest or charge on the Project, or any part thereof, and it shall pay, or cause to be discharged, or it shall make adequate provisions to satisfy and discharge, within sixty (60) days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects, which, if unpaid, might by law become a lien upon the Project, or any part thereof; provided, however, that nothing contained in this Contract shall require the Authority to pay, or cause to be discharged, or make provision for, any such lien, security interest or charge, so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

The Authority may grant or cause to be granted, whether to itself or otherwise, easements, licenses, rights-of-way (temporary or perpetual and including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property included in the Project, or the Authority may cause to be released existing easements, licenses, rights-of-way and other rights or privileges in the nature of easements, held with respect to any property included in the Project with or without consideration. In connection with any such grant, the Authority and the County agree that they shall execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other right or privilege or assent.

The Authority may sell, lease or give away all or a portion of the Project. Prior to conveyance of any part of the Project financed with the proceeds of the Series 2026B Bonds, the Authority and the County shall obtain an opinion of nationally recognized bond counsel to the effect that such sale or lease will not adversely affect the tax exempt status of the interest on the Series 2026B Bonds.

Use of Proceeds and Specific Tax Covenants.

The Series 2026B Bonds are being issued by the Authority in compliance with the conditions necessary for interest income on the Series 2026B Bonds to be excluded from gross income for federal income tax purposes pursuant to the provisions of Section 103(a) of the Code relating to obligations of the State or political subdivisions thereof. It is the intention of the Authority and the County that the interest on the Series 2026B Bonds be and remain excludable from gross income for federal income tax purposes, and, to that end, the Authority and the County covenant with the Bondholders pursuant to the Contract as follows:

(a) That they will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the tax exempt status of interest on the Series 2026B Bonds under Section 103 of the Code.

(b) That they will not directly or indirectly use or permit the use of any of the proceeds of the Series 2026B Bonds or take or omit to take any action in a way that would cause the Series 2026B Bonds to be (i) "private activity bonds" within the meaning of Section 141 of the Code or (ii) obligations which are "federally guaranteed" within the meaning of Section 149(b) of the Code.

(c) That they will not directly or indirectly use or permit the use of any proceeds of the Series 2026B Bonds or any other funds of the County or the Authority or take or omit to take any action that would cause the Series 2026B Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. To that end, the County and the Authority will comply with all requirements of Section 148 of the Code and any regulations promulgated thereunder to the extent applicable to the County or the Authority. In the event that at any time the County or the Authority is of the opinion that for purposes of this covenant it is necessary to restrict or limit the yield on the investment of any moneys held under the Bond Resolution, the Authority and the County shall take such action as may be necessary to effect the same.

Arbitrage Covenants.

Neither the County nor the Authority shall, subsequent to the date of the issuance and delivery of the Series 2026B Bonds, intentionally use any portions of the proceeds of the Series 2026B Bonds to acquire higher yielding investments, or to replace funds which were used directly or indirectly to acquire higher yielding investments, except as may otherwise be permitted by the Code, including, but not limited to, complying with the requirements of Section 148(f) of the Code and the payment of rebate, if any, required to be made by the Authority, and that it will expend the proceeds of the Series 2026B Bonds in compliance with the applicable provisions of Section 141 to 149, inclusive, of the Code.

Parity Obligations; Limitations on Additional Funding Agreements.

(a) The obligations of the County to make the Contract Payments shall be made on a parity basis with any other payments required under the Series 2019 Contract and any Additional Funding Agreements permitted to be entered into under paragraph (c) below and the lien on any such payments shall be for the equal and ratable benefit of the holders of the Series 2019 Bonds, the Series 2026 Bonds and any debt instruments issued in connection with such Additional Funding Agreements with regard to the series, date of authentication or issuance thereof or the maturity thereof. The County grants to the Authority a lien on the Pledged Tax Revenues to make the Contract Payments which lien is superior to any that can hereafter be created, except that this lien may be extended on a parity basis to cover any Additional Funding Agreements as permitted under paragraph (c) below.

(b) During the term of this Contract, the County shall not:

(1) enter into an Additional Funding Agreement which creates a lien on the Pledged Tax Revenues to fulfill its obligations hereunder which is superior to the lien created hereunder,

(2) enter into any other contract or agreement creating a lien on such Pledged Tax Revenues for any purpose other than debt service payments (including creation and maintenance of reasonable reserves therefor) superior to, or on a parity with, the lien created thereon to fulfill the obligations of the County hereunder, or

(3) enter into any Additional Funding Agreement which provides for payment to be made by the County from moneys derived from the levy of a tax within the Tax Funding Limit if each annual payment of all amounts payable with respect to debt service or which are otherwise fixed in amount or currently budgeted in amount under the Series 2019 Contract, this Contract and all Additional Funding Agreements then in existence, together with each annual payment to be made under the proposed Additional Funding Agreement in each future calendar year, would exceed the amount then capable of being produced by a levy of a tax within the Tax Funding Limit, as shown by the latest tax digest available immediately preceding the execution of any such Additional Funding Agreement.

(c) It is further expressly provided that the County shall not hereafter enter into any Additional Funding Agreement for the purpose of debt service payments (including creation and maintenance of reserves therefor), unless the amount then capable of being produced by the levy of an ad valorem tax within the Tax Funding Limit, as shown by the latest tax digest available immediately preceding the execution of such Additional Funding Agreement, is equal to at least one and twenty-five hundredths (1.25) times the maximum combined amount payable in any future calendar year with respect to debt service under all existing Funding Agreements and any such Additional Funding Agreement. Debt service for purposes of this paragraph (c) shall mean required payments of principal, including principal to be paid through mandatory redemption, interest, and amounts required to be paid for creation and maintenance of reasonable debt service reserves and to establish and maintain mandatory investment programs in each calendar year. With respect to any Additional Funding Agreement intended to pay debt service for indebtedness on which the interest rate varies and/or that contains a liquidity facility ("Variable Rate Indebtedness"), (i) such Additional Funding Agreement may only be entered into if immediately after the effectiveness of such Additional Funding Agreement the total principal amount of Variable Rate Indebtedness is less than 25% of the total principal amount of all indebtedness secured by Funding Agreements and (ii) for purposes of the calculation of the ratio described in the first sentence of this paragraph (c), "the maximum combined amount payable in any future calendar year with respect to debt service under all existing Funding Agreements and any such Additional Funding Agreement" shall be determined assuming that each series of Variable Rate Indebtedness is accruing interest at the maximum rate permissible on such series of Variable Rate Indebtedness and assuming that such Variable Rate Indebtedness is required to be redeemed pursuant to the accelerated mandatory redemption provisions relating to such liquidity facility, if any. The County shall furnish the Authority, not less than five (5) nor more than sixty (60) days prior to the date of execution and delivery of any such Additional Funding Agreement, a report of an independent certified public accountant to the effect that, based upon an affidavit of the Tax Commissioner of Lowndes County as to the taxable value of property located within the territorial limits of the County, the requirements of this paragraph (c) have been met.

Events of Default; Remedies

The following shall be "events of default" under the Contract and the terms "event of default" or "default" shall mean, whenever they are used in the Contract, any one or more of the following events:

(a) Failure by the County to make the Contract Payments required to be paid pursuant to the Contract at the times specified therein;

(b) Failure by the County or the Authority to observe and perform any covenant, condition or agreement of the Contract on its part to be observed or performed, other than as referred to in subsection (a) above, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, will have been given to the defaulting party by the nondefaulting party or a Bondholder; provided, however, if the failure stated in the notice cannot be corrected within the period specified in the

Contract, the nondefaulting party will not unreasonably withhold its consent to an extension of such time if it is possible to correct such failure and corrective action is instituted by the defaulting party within the applicable period and diligently pursued until the default is corrected;

- (c) Any representation or warranty shall be found to be untrue; and
- (d) An “event of default” shall have occurred under the Bond Resolution.

Remedies. Whenever any “event of default” will have happened and be subsisting, the nondefaulting party, or the Bondholders as provided in the Bond Resolution, may take any one or more of the following remedial steps:

- (a) The nondefaulting party or the Bondholders may seek the appointment of a receiver for the Project;
- (b) The Authority or the Bondholders may require the County to furnish copies of all books and records of the County pertaining to the Project;
- (c) The nondefaulting party or the Bondholders may take whatever action at law or in equity may appear necessary or desirable to collect the Contract Payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the County or the Authority pursuant to the Contract;
- (d) The Bondholders may require any depository under the Bond Resolution to turn over to the Sinking Fund Custodian any moneys held in any of the Funds; and
- (e) The Bondholders may exercise any remedies provided for in the Bond Resolution and the Revenue Bond Law.

Any amounts collected pursuant to action taken under this Section shall be paid into the Sinking Fund and applied in accordance with the provisions of the Bond Resolution or, if payment in full of the outstanding Series 2026 Bonds has been made (or provision for payment thereof has been made in accordance with the provisions of the Bond Resolution), to the County.

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the Lowndes County, Georgia (the “County”) in connection with the issuance of \$_____ in aggregate principal amount of Valdosta-Lowndes County Industrial Authority Economic Development Taxable Revenue Bonds, Series 2026A (the “Series 2026A Bonds”) and \$_____ in aggregate principal amount of Valdosta-Lowndes County Industrial Authority Economic Development Revenue Bonds, Series 2026B (the “Series 2026B Bonds”) and, together with the Series 2026A Bonds, the “Bonds”). The Bonds are being issued pursuant to a resolution of the Valdosta-Lowndes County Industrial Authority (the “Authority”), adopted on May 1, 2026, as supplemented on June 9, 2026 (collectively, the “Bond Resolution”). The County hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the County for the benefit of the Beneficial Owners (as herein defined) of the Bonds and in order to assist the Participating Underwriter (as herein defined) in complying with the Rule (as herein defined).

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the County pursuant to the Rule and this Disclosure Certificate.

“Beneficial Owner” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any of the Bonds (including persons holding the Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any of the Bonds for federal income tax purposes.

“Dissemination Agent” shall mean any person(s) appointed from time to time by the County to assist in carrying out its obligations under this Disclosure Certificate and shall initially mean Raymond James & Associates, Inc.

“EMMA” means the MSRB’s Electronic Municipal Market Access System, as described in Securities Exchange Act of 1934, Act Release No. 34-59062, which receives electronic submissions of the Annual Report on the EMMA website at <http://www.emma.msrb.org>.

“Fiscal Year” shall mean any period of twelve consecutive months adopted by the County as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending June 30 of the next calendar year.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any successor thereto. Currently, the MSRB’s address is:

MSRB
1900 Duke Street, Suite 600
Alexandria, VA 22314
Attn: Disclosure

“Participating Underwriter” shall mean Raymond James & Associates, Inc.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) Not later than 270 days after the end of the Fiscal Year, commencing with Fiscal Year 2026, the County shall provide, or cause the Dissemination Agent (if other than the County) to provide, an Annual Report electronically to EMMA. The Annual Report will be made to EMMA as PDF files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate. Notwithstanding the foregoing, the audited financial statements of the County may be submitted separately from the balance of the Annual Report when such audited financial statements are available. In the event that the audited financial statements are not included with the Annual Report and will be submitted at a later date, the County shall include unaudited financial statements in the Annual Report and shall indicate in the Annual Report the date on which the audited financial statements will be submitted. The audited financial statements when available will be provided to EMMA.

(b) Not later than 15 business days prior to the date specified in paragraph (a) of this Section 3 for providing the Annual Report to EMMA, the County shall provide the Annual Report to the Dissemination Agent (if other than the County). If the County is unable to provide an Annual Report by the date required in paragraph (a), the Dissemination Agent shall send a notice to EMMA in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall also:

(i) determine each year prior to the date for providing the Annual Report, the manner of filing with EMMA; and

(ii) (if the Dissemination Agent is other than the County) notify the County that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to EMMA.

SECTION 4. Content of Annual Reports. The County's Annual Report shall contain or incorporate by reference the following:

(a) If audited financial statements are not yet available, the unaudited financial statements of the County, and when audited financial statements are available, the audited financial statements of the County, both such types of financial statements to be prepared in conformity with generally accepted accounting principles, as in effect from time to time.

(b) If the accounting principles changed from the previous fiscal year, a description of the impact of the change as required by Section 8 of this Disclosure Certificate.

(c) A statement indicating that the fiscal year has not changed, or, if the fiscal year has changed, a statement indicating the new fiscal year.

(d) Tabular information for the preceding Fiscal Year regarding the following categories of financial information and operating data of the County of the type and in the format set forth in the Official Statement under the following sections:

- (1) "COUNTY DEBT STRUCTURE - Summary of County Debt by Category;"
- (2) "COUNTY DEBT STRUCTURE – Debt Ratios;"
- (3) "COUNTY DEBT STRUCTURE – Limitations on County Debt;"
- (4) "AD VALOREM TAXATION – Historical Property Tax Data;"
- (5) "AD VALOREM TAXATION – Property Tax Collection;"
- (6) "AD VALOREM TAXATION – Ten Largest Taxpayers;"
- (7) "LOWNDES COUNTY FINANCIAL INFORMATION – Five Year General Fund History;" and
- (8) "LOWNDES COUNTY FINANCIAL INFORMATION - Budget."

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the County is an “obligated person” (as defined by the Rule), which have been filed in accordance with the Rule and the other rules of the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) The County shall give, or cause to be given, notice to EMMA, in an electronic format as prescribed by the MSRB, of the occurrence of any of the following events with respect to the Bonds within ten business days of the occurrence of the event:

- (i) Principal and interest payment delinquencies.
- (ii) Non-payment related defaults, if material.
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (v) Substitution of credit or liquidity providers, or their failure to perform.

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5071-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

- (vii) Modifications to rights of the Bondholders, if material.
- (viii) Bond calls, if material, and tender offers.
- (ix) Defeasances.
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material.
- (xi) Rating changes.
- (xii) Bankruptcy, insolvency, receivership or similar event of the County.

(xiii) The consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, or the entry into a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(xv) Incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect security holders, if material.

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties.

(b) For purposes of this Section 5, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an

existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The content of any notice of the occurrence of a Listed Event shall be determined by the City and shall be in substantially the form attached as Exhibit B.

SECTION 6. Termination of Reporting Obligation. The County’s obligations under this Disclosure Certificate shall terminate upon the defeasance (within the meaning of the Rule), prior redemption or payment in full of all of the Bonds. The County shall notify EMMA that the County’s obligations under this Disclosure Certificate have terminated. If the County’s obligations are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Certificate in the same manner as if it were the County, and the original County shall have no further responsibility hereunder.

SECTION 7. Dissemination Agent. The County may, from time to time, appoint a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and the County may, from time to time, discharge the dissemination agent, with or without appointing a successor dissemination agent. If at any time there is not a designated dissemination agent, the County shall be the dissemination agent. The initial Dissemination Agent shall be the Raymond James & Associates, Inc.

SECTION 8. Amendment. This Disclosure Certificate may not be amended unless independent counsel experienced in securities law matters has rendered an opinion to the County to the effect that the amendment does not violate the provisions of the Rule.

In the event that this Disclosure Certificate is amended or any provision of the Disclosure Certificate is waived, the notice of a Listed Event pursuant to Section 5(vii) hereof shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided in the Annual Report. If an amendment or waiver is made in this Disclosure Certificate which allows for a change in the accounting principles to be used in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and impact of the change in the accounting principles on the presentation of the financial information. A notice of the change in the accounting principles shall be deemed to be material and shall be sent to EMMA.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the County to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the County to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of any party to comply with this Disclosure Certificate shall be an action to compel performance. The cost to the County of performing its obligations under the provisions of this Disclosure Certificate shall be paid solely from funds lawfully available for such purpose.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent's obligation to deliver the information at the times and with the contents

described herein shall be limited to the extent the County has provided such information to the Dissemination Agent as required by this Disclosure Certificate. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any of the County's Annual Reports, the County's audited financial statements, Listed Events or any other information, disclosures or notices provided to it by the County and shall not be deemed to be acting in any fiduciary capacity for the County, the Holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the County's failure to report a Listed Event to the Dissemination Agent. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the County has complied with this Disclosure Certificate. The Dissemination Agent may conclusively rely upon certifications of the County at all times.

The County agrees to indemnify and save the dissemination agent and its respective officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the dissemination agent's gross negligence or willful misconduct.

The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and the Dissemination Agent shall in no event incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the County.

All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Participating Underwriter, and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Intermediaries; Expenses. The Dissemination Agent is hereby authorized to employ intermediaries to carry out its obligations hereunder. The Dissemination Agent shall be reimbursed immediately for all such expenses and any other reasonable expense incurred hereunder (including, but not limited to, attorney's fees).

SECTION 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Georgia.

SECTION 16. Severability. In case any one or more of the provisions of this Disclosure Certificate shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Certificate, but this Disclosure Certificate shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

IN WITNESS WHEREOF, the County has caused its duly authorized officers to execute this Continuing Disclosure Certificate to be effective as of the day and year so specified hereinabove.

Date: June 9, 2025

LOWNDES COUNTY, GEORGIA

(SEAL)

By: _____
Chairman, Board of Commissioners

Attest:

By: _____
Clerk

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Valdosta-Lowndes County Industrial Authority

Name of Bond Issue: \$ _____ Valdosta-Lowndes County Industrial Authority Economic Development Taxable Revenue Bonds, Series 2026A, and \$ _____ Valdosta-Lowndes County Industrial Authority Economic Development Revenue Bonds, Series 2026B

CUSIP Number¹: _____

Date of Issuance: June __, 2026

NOTICE IS HEREBY GIVEN that the Lowndes County, Georgia (the “County”) has not provided an Annual Report due with respect to the above-named Bonds as required by its Disclosure Certificate, dated June 9, 2026. The County anticipates that the Annual Report will be filed by _____.

This notice is based on the best information available at the time of dissemination. Any questions regarding this notice should be directed to _____.

Dated: _____

LOWNDES COUNTY, GEORGIA

¹ No representation is made as to the correctness of the CUSIP number either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

EXHIBIT B

NOTICE OF THE OCCURRENCE
OF [INSERT THE LISTED EVENT]

Relating to

\$ _____ Valdosta-Lowndes County Industrial Authority Economic Development Taxable Revenue Bonds, Series 2026A and \$ _____ Valdosta-Lowndes County Industrial Authority Economic Development Revenue Bonds, Series 2026B¹:

Notice is hereby given that [insert the Listed Event] has occurred. [Describe circumstances leading up to the event, action being taken and anticipated impact.]

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to [insert instructions for presenting securities, if applicable].

[Notice of the Listed Events described in Section 5(a)(9) shall include the following:

The County hereby expressly reserves the right to redeem such refunded or defeased bonds prior to their stated maturity date in accordance with the optional/extraordinary redemption provisions of said defeased bonds.

OR

The County hereby covenants not to exercise any optional or extraordinary redemption provisions under the Resolution; however, the sinking fund provision will survive the defeasance.

AND

The Bonds have been defeased to [maturity/the first call date, which is _____]. This notice does not constitute a notice of redemption and no bonds should be delivered to the County or the Paying Agent as a result of this mailing. A Notice of Redemption instructing you where to submit your bonds for payment will be mailed _____ to _____ days prior to the redemption date.]

Dated: _____

¹ No representation is made as to the correctness of the CUSIP number either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

APPENDIX D

FORM OF BOND COUNSEL OPINION

The form of Opinion of Bond Counsel included as this Appendix D has been prepared by Pope Flynn, LLC, Athens, Georgia, Bond Counsel, and is substantially the form to be given in connection with the delivery of the Series 2026 Bonds.

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Pope Flynn, LLC ATHENS 706.510.1550
336 Hill Street
Athens, GA 30601 www.popeflynn.com

June ____, 2026

Valdosta-Lowndes County Industrial Authority
Valdosta, Georgia

Lowndes County, Georgia
Valdosta, Georgia

Regions Bank
Atlanta, Georgia

Re: \$ _____ Valdosta-Lowndes County Industrial Authority Economic Development
Taxable Revenue Bonds, Series 2026A

 \$ _____ Valdosta-Lowndes County Industrial Authority Economic Development
Revenue Bonds, Series 2026B

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Valdosta-Lowndes County Industrial Authority (the "Authority") of \$ _____ in aggregate principal amount of its Economic Development Taxable Revenue Bonds, Series 2026A (the "Series 2026A Bonds") and \$ _____ in aggregate principal amount of its Economic Development Revenue Bonds, Series 2026B (the "Series 2026B Bonds" and, together with the Series 2026A Bonds, the "Series 2026 Bonds"). We have examined the law and such certified proceedings, including a certified copy of the validation proceeding with respect to the Series 2026 Bonds concluded in the Superior Court of Lowndes County, Georgia, and such papers as we deem necessary to render this opinion.

The Series 2026 Bonds are being issued pursuant to a resolution adopted by the Authority on May 1, 2026, as supplemented on June ____, 2026 (collectively, the "Bond Resolution"), for the purpose of providing funds to (i) finance the acquisition, development and improvement of one or more economic development projects located in the County for current or future economic development (the "Projects"), and (ii) pay the costs of issuing the Series 2026 Bonds.

The Authority and Lowndes County, Georgia (the "County") have entered into an Intergovernmental Contract, dated as of June 1, 2026 (the "Contract"), under which the Authority has agreed to issue the Series 2026 Bonds to provide funds to finance Projects and the County has agreed, among other things, to pay to the Authority amounts sufficient to pay the principal of and interest on the Series 2026 Bonds as and when the same become due and payable (the "Contract Payments").

Under the terms of the Contract, the County has agreed to levy an ad valorem tax on all property in the County subject to taxation for such purposes, at such rate or rates as may be necessary to produce in each calendar year revenues which shall be sufficient make the Contract Payments; provided, however, that such tax shall not exceed two mills per dollar upon the assessed value of taxable property in the County (the "Tax Funding Limit"). The County's obligation to make payments to the Authority sufficient in time and amount to enable the Authority to pay the principal of, premium, if any, and interest on the Series 2026 Bonds is absolute and unconditional, subject to the Tax Funding Limit, and will not expire so long as any of the Series 2026 Bonds remain outstanding and unpaid.

The Series 2026 Bonds do not constitute a debt or a pledge of the faith and credit of the State of Georgia or any political subdivision or municipal corporation thereof, including the County. The Series 2026 Bonds

shall not be payable from, nor a charge upon, any funds other than the moneys to be received from the County under the Contract and pledged to the payment thereof under the Bond Resolution. No holder of the Series 2026 Bonds shall ever have the right to compel the exercise of the taxing power of the State of Georgia or any political subdivision or municipal corporation thereof, including the County, to pay the Series 2026 Bonds or the interest thereon, except as may be authorized by law and required by the Contract and other documents related thereto, or to enforce payment thereof against any property of the State of Georgia or any political subdivision or municipal corporation thereof, including the County, nor shall the Series 2026 Bonds constitute a charge, lien or encumbrance, legal or equitable, upon any other property of the foregoing.

As to questions material to our opinion, we have relied upon representations and covenants of the Authority and the County and certified proceedings and other certifications of public officials furnished to us by or on behalf of the County or the Authority without undertaking to verify the same by independent investigation. In all such examinations, we have assumed the genuineness of signatures on original documents, and the conformity to original documents of all copies submitted to us as certified, conformed or photographic copies, and as to Bonds of public officials, we have assumed the same to have been properly given and to be accurate.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Authority is a duly created and validly existing public body corporate and politic with power to enter into and to perform its obligations under the Bond Resolution and the Contract, and to issue the Series 2026 Bonds.
2. The County is a political subdivision of the State of Georgia with power to enter into and to perform its obligations under the Contract.
3. The Bond Resolution has been duly adopted by the Authority and constitutes a legal, valid and binding obligation of the Authority, enforceable against the Authority.
4. The Contract has been duly authorized, executed and delivered by the Authority and the County, and constitutes a legal, valid and binding obligation of the Authority and the County, enforceable against the Authority and the County. Pursuant to the Contract, the County is obligated to levy an ad valorem tax on all property in the County subject to taxation for such purposes, at such rate or rates as may be necessary, subject to the Tax Funding Limit, in order to pay the Contract Payments.
5. The Series 2026 Bonds have been duly authorized, executed and delivered by the Authority and are valid and binding limited obligations of the Authority payable solely from the Contract Payments. Under the terms of the Bond Resolution, the Authority has validly pledged the Contract and the Contract Payments to the payment of the Series 2026 Bonds.
6. Interest on the Series 2026B Bonds is excludable from gross income for federal income tax purposes and is not an item of preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Series 2026B Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code")) for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Authority and the County comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2026B Bonds in order that the interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Authority and the County have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2026B Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2026B Bonds. We express no opinion with respect to any other federal income tax consequences arising with respect to the Series 2026B Bonds.
7. Under existing statutes, the interest on the Series 2026 Bonds is exempt from all present state income taxation within the State of Georgia.

We express no opinion with respect to any federal income tax consequences caused by the receipt

or accrual of interest on the Series 2026 Bonds other than as expressly set forth herein.

The rights of the holder of the Series 2026 Bonds and the enforceability thereof and of the Bond Resolution and the Contract may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforcement of creditors' rights generally or principles or equity applicable to the availability of specific performance or other equitable relief.

This opinion is given as of the date hereof and we assume no obligations to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

This opinion letter is solely for your benefit and it is not to be used, circulated, quoted or otherwise relied upon by any other person, or by you for any other purpose, without our express written consent in each instance.

Very truly yours,

POPE FLYNN, LLC

By: _____
A Member

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