CITY OF MILLEDGEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2008

Prepared by:

Finance Department

CITY OF MILLEDGEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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INTRODUCTORY SECTION

MAYOR
Richard A. Bentley



ALDERMEN
M. Stephen Chambers
Kenneth Morgan
Richard Mullins, Jr.
Denese R. Shinholster
Ken A. Vance
Jeanette H. Walden

The City of Milledgeville

November 19, 2008

To the Honorable Mayor, Members of Council
And the Citizens of the City of Milledgeville

The Comprehensive Annual Financial Report (CAFR) of the City of Milledgeville for the fiscal year ended June 30, 2008, is hereby submitted in accordance with the Official Code of Georgia 36-81-7.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City of Milledgeville. To provide a reasonable basis for making these presentations, the City has established internal control procedures designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in accordance with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the objective is to present reasonable rather than absolute assurance that the financial statements are free of material misstatement. We believe the data, as presented, are accurate in all material respects and are presented in a manner designed to help the reader understand the financial operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Mauldin & Jenkins, LLC, Certified Public Accountants, have issued an unqualified opinion on the City of Milledgeville's financial statements for the fiscal year ended June 30, 2008. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Known as Georgia's Antebellum Capital, the City of Milledgeville was created in 1803 by an Act of the General Assembly of Georgia and was named for the Honorable John Milledge, Governor of the State. Milledgeville served as Georgia's fourth capital from

119 East Hancock Street • Post Office Box 1900 • Milledgeville, Georgia 31059-1900
Phone (478) 414-4010 • Fax (478) 414-4011
www.milledgevillega.us

1804-1868. In 1868, the state capital was moved to Atlanta. Milledgeville owns the distinction of being one of only two planned capital cities in the United States, the other being Washington D. C. The City occupies 20.79 square miles and is the county seat for Baldwin County. Milledgeville is located 79 miles southeast of Atlanta and 30 miles northeast of Macon.

Milledgeville is governed by a mayor and six council members elected by the citizens. The Mayor is elected at large serving a four year term and presides at all meetings of the City, signs all official contracts, ordinances and resolutions adopted by council. Members of the City Council are elected from districts and serve four year concurrent terms. Council members are responsible for passing ordinances, adopting the budget, establishing tax rates. appointing committees and hiring both the city's manager and attorney. The City has operated under a council-manager form of government since May, 2003 when the city's charter was changed. The City Manager advises the mayor and council, prepares the budget, appoints department heads, supervises all employees and is responsible for day-to-day operations of the city. The City also changed its fiscal year end from December 31 to June 30 effective with the six month period ending June 30, 2005

The City provides a full range of service to some 20,000 residents. These services include general administration, police and fire protection, the construction and maintenance of bridges, streets and other infrastructure, culture and recreation, and planning and development services. Water and sewer, as well as sanitation collection services, are also provided.

The City is financially accountable for several legally separate component units. These component units, The Mary Vinson Library (Twin Lakes Library System), the Milledgeville-Baldwin County Allied Arts and the Milledgeville Downtown Development Authority, are reported separately within the City of Milledgeville's financial statements. Additional information for these component units may be found in the Notes to Financial Statements.

The annual budget serves as the foundation for the City of Milledgeville's financial planning and control. The budget process begins with departments and outside agencies submitting budget requests to the City Manager in mid February. The City Manager uses these requests as the starting point for developing a proposed budget. The budget is then submitted to the Council for review in late April, early May. Public hearings are required to be held before final adoption of the budget, with final adoption no later than June 30, the end of the fiscal year as required by law. Activities of the general fund, special revenue funds, the capital project funds, and the enterprise funds are included in the annual appropriated budget. The appropriated budget is prepared by fund and department. The City Manager may make transfers of appropriations within a department. Transfer of appropriations between departments, and increases or decreases in appropriations require the special approval of the City Council.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

The proximity of Atlanta, Macon and Hartsfield-Jackson International Airport 77 miles to the northwest creates a viable area for the Milledgeville-Baldwin County Economic Development Authority, the Downtown Development Authority and the Chamber of Commerce to continue to work diligently to attract new business and industry into the area as well as offering support to existing business and industry. Milledgeville offers industry a modern 500 acre industrial park strategically located on Georgia Highway 22. Until recently, Milledgeville had over fifty diverse industries ranging from electronics to aircraft manufacturing and lumber. Unfortunately, the down turn in the economy has forced several of these businesses to close or relocate, increasing unemployment to a record high (7.8%). Georgia College and State University and Georgia Military College, both located in downtown Milledgeville, provide educational resources for over 5,000 students and to the community as well.

The State of Georgia's headquarters for its Department of Corrections and the Youth Development Center for juvenile offenders is located in the City of Milledgeville. Central State Hospital, a district facility to provide mental health care is also located in the city. These properties are exempted from the property tax digest but provide approximately 3,700 employment opportunities for the local economy as well as the generation of sales taxes to the City's treasury.

Long-term Financial Planning

The City of Milledgeville continues its plan to build a 90 day working capital reserve. This will provide strength to the City's financial position as well as some protection from fluctuations in the economy, or unforeseen natural disasters. The City adopted a strategy to consolidate its banking services in 2007, so that all City funds are now in the most advantageous interest bearing accounts as well as the Local Government Investment Pool and is in the process of developing an investment policy.

Major Initiatives

The City of Milledgeville continues to work diligently to improve the quality of life of its citizens as we continue to develop our City. Even with the downturn in the economy, the City continues to extend utilities to expand our number of retail and wholesale customers. The City has also developed a close partnership with the Milledgeville-Baldwin County Development Authority to more aggressively recruit new and expanded industry and high paying jobs to Milledgeville so as to strengthen and expand our tax and employment base.

The City has also developed a partnership with the Oconee River Greenway Authority with the goal to construct a series of parks along the Oconee River and to connect the parks with walking and bike trails. The initial park is planned to be constructed in Milledgeville immediately south of the Hancock Street Bridge and extend to the Fishing Creek Bridge.

The concept development phase to extend Green Street to the parks is completed and awaiting approval from the Department of Transportation.

The City of Milledgeville was awarded state funding to enable the City to become a "wireless" community. This process is well under way with completion of the project scheduled for October, 2009. This will provide the City with increased technology capabilities in the areas of public safety and education as well as enhance its business recruitment.

The City adopted an enterprise zone in conjunction with the State's opportunity zone designation for providing tax incentives to new and existing businesses in the central business district. Plans for a 17 room hotel downtown have been approved as part of the enterprise zone.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Milledgeville for its Comprehensive Annual Financial Report for the fiscal year ended June 30. 2007. This was the twenty third consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish as easily readable and efficiently organized Comprehensive Annual Financial Report that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated services of the entire staff of the Finance Department. Appreciation is also expressed to the Mayor and Council for their support in conducting the financial affairs of the City of Milledgeville in a responsible and progressive manner and to all City department heads for their positive attitudes toward budgetary responsibility.

Respectfully Submitted,

Frances K. Hatcher
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

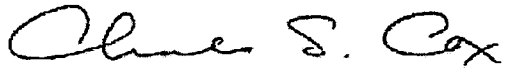
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City of Milledgeville
Georgia

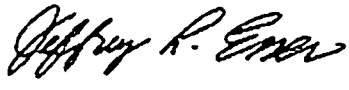
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.





President



Executive Director

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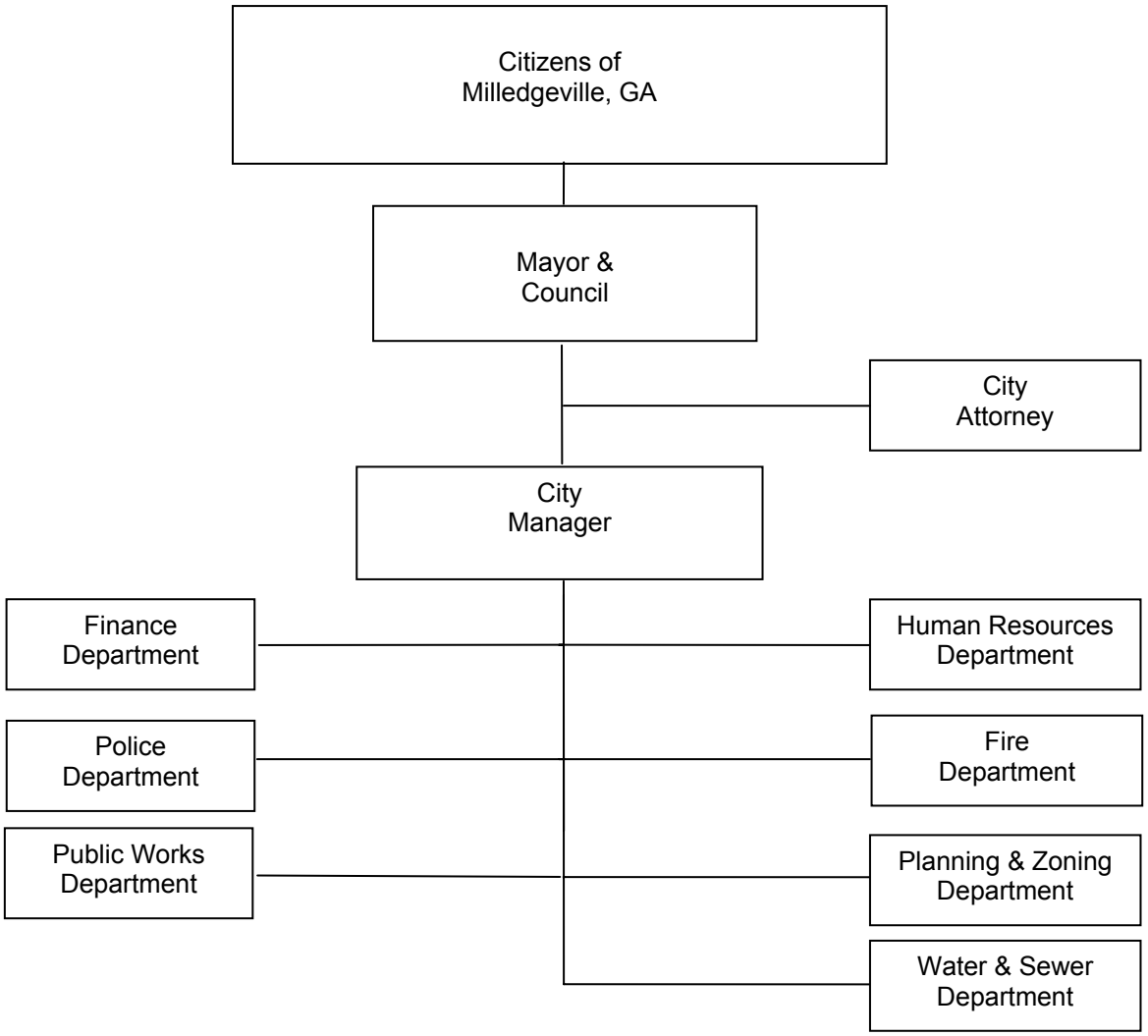
CITY OF MILLEDGEVILLE, GEORGIA

LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2008

Mayor	Richard A. Bentley
Mayor Pro-Tem	Richard Mullins, Jr.
Council	Kenneth B. Morgan Jeanette H. Walden Denese R. Shinholster Ken A. Vance Richard Mullins, Jr. Stephen Chambers
City Manager	E. Scott Wood
City Attorney	James D. Jordan
Municipal Court Judge	Jerry McRee
City Clerk	Bo Danuser
Finance Director/Treasurer/Human Resources Director	Frances Hatcher
Chief of Police	Woodrow W. Blue, Jr.
Fire Chief	J. Tom Dietrich
Public Works Director	Jack C. Graham
Water and Sewer Director	Barry Jarrett
Zoning Administrator	Mervin C. Graham

CITY OF MILLEDGEVILLE, GEORGIA

ORGANIZATIONAL CHART
JUNE 30, 2008



FINANCIAL SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Milledgeville, Georgia
Milledgeville, Georgia

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 the **City of Milledgeville, Georgia** as of and for the year ended June 30, 2008, which collectively comprise the City of Milledgeville, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Milledgeville, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Milledgeville, Georgia as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2008, on our consideration of the City of Milledgeville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 11 and the Schedule of Funding Progress on page 61 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Milledgeville Georgia's basic financial statements. The introductory section, statistical section, continuing disclosure information, and combining and individual nonmajor fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Milledgeville, Georgia. The schedules of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia Annotated 48-8-121, and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedules of expenditures of special purpose local option sales tax proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section, statistical section, and continuing disclosure information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Mauldin & Jenkins, LLC

Macon, Georgia
November 18, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis provides a narrative overview and analysis of the financial activities of the City of Milledgeville (the "City") for the fiscal year ended June 30, 2008. We encourage readers to consider information presented here in conjunction with the letter of transmittal at the front of this report and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City of Milledgeville's assets exceeded its liabilities at June 30, 2008, by $44,430,832. Of this amount, $27,675,329 is invested in capital assets (net of depreciation and related debt). Total unrestricted net assets are $9,045,899 and may be used to meet the City's ongoing obligations. Unrestricted net assets from the governmental activities are a deficit of $1,950,090.

- As of June 30, 2008, Milledgeville's governmental funds reported combined ending fund balances of $9,784,929. Approximately 17% of this total amount, $1,656,783 is available for spending at the City Council's discretion, (unreserved fund balance). The governmental funds combined fund balance increased by $904,450 from fiscal year ending June 30, 2007.

- The total liabilities of the City's governmental-type and business-type funds outstanding at June 30, 2008 are $6,100,412 and $13,699,330 respectively. $17,300,608 of the total $19,799,742 represents liabilities that are due in one year or more, such as long-term debt and compensated absences. This is an increase of $77,876 for the governmental-type funds and a decrease of $664,540 for the business-type activities from fiscal year ending June 30, 2007.

- No new debt was incurred this fiscal year for the City's governmental or enterprise funds.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Discussion and Analysis narrative is intended to serve as an introduction to the City of Milledgeville's basic financial statements. The basic financial statements are composed of three elements: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. In addition to the basic statements, this report also contains other supplementary information including combining statements of non-major funds, and a statistical section.

Government-wide Financial Statements The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private sector business.

The City's government-wide financial statements include the Statement of Net Assets and the Statement of Activities. These two statements report information about the City of Milledgeville using the *accrual basis* of accounting, which is similar to the accounting method used by most private-sector businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The purpose of the ***Statement of Net Assets*** (pages 12 and 13) is an attempt to report all of the assets held and liabilities owed by the City. The City reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred. The difference between total assets and total liabilities is labeled *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the City's financial position is improving or deteriorating.

The ***Statement of Activities*** (page 14) on the other hand, presents revenues and expenses of the City. Under the accrual basis of accounting mentioned earlier, revenues are recognized when earned and expenses when incurred in this statement. Thus, revenues are reported even when they may not be collected for

several weeks after the accounting period and expenses are recorded even though they may not have used cash during the current period. The difference is described as *changes in net assets*. The primary focus of the Statement of Activities is on *net costs* of various activities provided by the City and identifies the extent to which each function of the City draws from general revenues or is self-financing through fees, grants or other sources.

In the Statement of Net Assets and the Statement of Activities, the City of Milledgeville is divided into three basic types of activities:

- ***Governmental Activities*** – Most of the City's basic services are reported under this category, including police, fire, public works and general administration. Sales tax, property taxes and intergovernmental revenues finance most of these services.

- ***Business-type Activities –*** The City charges fees to customers to assist in covering all or most of the costs for certain services it provides. The City's water and sewer system fees and refuse collection fees are reported in this category.

- ***Discretely Presented Component Unit*** – Component Units are legally separate organizations for which the elected officials of the City are financially accountable. The City has three component units – Mary Vinson Memorial Library, Allied Arts and Milledgeville Downtown Development Authority.

The City's government-wide financial statements are presented on pages 12 - 14.

Fund Financial Statements

The focus of fund financial statements is directed to specific activities of the City and its most significant funds, not the City as a whole. A fund is an entity with a self-balancing set of accounts that the City uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the City's non-major funds can be found beginning on page 62. The City's funds are divided in to three broad categories – governmental, proprietary, and fiduciary – and use different accounting approaches.

- ***Governmental Funds –*** These funds account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, governmental fund financial statements focus on the short-term view of the City's general government operations and the basic services it provides. Governmental funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other financial assets that can be readily converted to cash.

  Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements and because of the different accounting methods used to prepare them, there are often significant differences between the totals presented in these financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The City's basic governmental fund financial statements are presented on pages 15 - 22 of this report.

  The City of Milledgeville maintains seven (7) individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and SPLOST Fund which are considered major funds. Data for the other five (5) governmental funds are combined in a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 62 and 63 of this report.

- ***Proprietary Funds –*** When the City charges customers for the services it provides – whether to outside customers or to other departments of the City – these services are generally reported in proprietary funds. The City maintains two (2) different types of proprietary funds: Enterprise funds and Internal Service funds. These proprietary funds are prepared using the same accounting basis as the government-wide financial statements.

Enterprise fund statements report the same functions presented in the business-type activities columns of the government-wide financial statements. The City of Milledgeville uses the enterprise fund to account for the Water and Sewer system and Solid Waste system.

Internal service funds are an accounting device to account for services provided and billed on an internal basis. The City utilizes the internal service fund for the Risk Management Fund. Because of the nature of the City's internal service funds, they are allocated to both governmental activities and business-type activities on the government-wide statement.

The City's proprietary fund financial statements are presented on pages 23 - 29.

- ***Fiduciary Funds –*** Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Milledgeville's own programs. The accounting for fiduciary funds is much like that used for proprietary funds.

  The City acts as trustee or fiduciary for its employee pension plan. It is also responsible for other assets that, because of the nature of the trust or agency arrangement, can be used only for the trust or agent beneficiaries.

  Fiduciary funds are presented in the fund financial statements but are not reported in the government-wide financial statements.

  The City's fiduciary fund financial statements are presented on pages 30 and 31.

Budgetary Comparisons

The City of Milledgeville adopts an annual appropriated budget for its General Fund and the non-major Special Revenue Funds. The budgetary comparison statements have been provided for each of these funds to demonstrate compliance with the budget. The General Fund budgetary comparison statements can be found on pages 20 - 22. The non-major Special Revenue Fund budgetary comparison statements can be found on pages 64 - 67.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32 - 60 of this report.

Other Supplementary Information

Other supplementary information includes combining financial statements for non-major governmental, proprietary and fiduciary funds. These funds are added together by fund type and presented together in single columns in the basic financial statements but are not reported individually, as with major funds, on the government-wide financial statements. The combining and individual fund statements and schedules are presented immediately following the notes to the financial statements and can be found on pages 62 - 70 of this report.

The report includes two (2) schedules (pages 16 and 19) which reconcile the amounts on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting).

GOVERNMENT WIDE FINANCIAL ANALYSIS

The City's overall financial position and operations for the fiscal year is summarized in Table 1 below based on the information included in the government-wide financial statements (see pages 12 - 14).

City of Milledgeville Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2008	**2007**	**2008**	**2007**	**2008**	**2007**
Current and other assets	$11,337,214	$10,218,877	$12,416,392	$10,380,591	$23,753,606	$ 20,599,468
Capital Assets	12,881,590	13,327,842	27,595,378	27,595,412	40,476,968	40,923,254
Total Assets	24,218,804	23,546,719	40,011,770	37,976,003	64,230,574	61,522,722
Long-term debt outstanding	5,078,29	5,127,742	12,222,315	12,886,855	17,300,608	18,014,597
Other Liabilities	1,022,119	967,618	1,477,015	1,614,506	2,499,134	2,582,124
Total Liabilities	6,100,412	6,095,360	13,699,330	14,501,361	19,799,742	20,596,721
Net Assets						
Invested in Capital assets, net of related debt	12,881,590	13,327,842	14,793,739	14,152,046	27,675,329	27,479,888
Restricted	7,186,892	6,520,856	522,712	474,415	7,709,604	6,995,271
Unrestricted	(1,950,090)	(2,397,339)	10,995,989	8,848,181	9,045,899	6,450,842
Total Net Assets	$18,118,392	$17,451,359	$26,312,440	$23,474,642	$44,430,832	$40,926,001

Net Assets – As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As of June 30, 2008, assets exceeded liabilities by $44.4 million. However, much of those net assets are either restricted as to purpose for which they can be used, or are invested in capital assets.

The largest portion of the City's net assets, $27,675,329, represents investments in capital assets. The investment in capital assets includes land, buildings, machinery and equipment, as well as infrastructure acquired in past years. These capital assets are used to provide services to citizens; consequently, they are not available for future spending. Although the investment in 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.

An additional $7,709,604 of the City's net assets represents resources that are subject to external restrictions on how they are to be used. The City's governmental type net assets ($7,186,892) are restricted for capital projects by the Special Purpose Local Option Sales Tax referendum. The increase in the City's business type activities restricted assets ($522,712) resulted from the continued adjustment of restrictions on certain assets associated with revenue bond covenants. The remaining balance of unrestricted net assets of $9,045,899 (20.1%) may be used to meet the government's ongoing obligations to citizens and creditors.

Although the net assets of our business-type activities represent 59% ($26,312,440) of total net assets, these resources cannot be used to add to the net asset surplus in governmental activities. The City generally can only use these net assets to finance the continuing operations of the business-type activities.

Changes in Net Assets – Governmental and business-type activities increased the City's net assets by $3,504,831 in fiscal year 2008. The following table indicates the changes in net assets for the government and business-type activities in fiscal year 2008.

City of Milledgeville Changes in Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
Revenues:	2008	2007	2008	2007	2008	2007
Program Revenues:						
Charges for services	$1,059,232	$910,001	$9,176,279	$8,144,294	$10,235,511	$9,054,295
Operating grants and contributions	81,578	73,463	-	-	81,578	73,463
Capital grants and contributions	51,118	432,839	75,366	324,771	126,484	757,610
General Revenues:						
Property taxes	2,804,795	2,653,251	-	-	2,804,795	2,653,251
Sales taxes	4,584,724	4,592,017	-	-	4,584,724	4,592,017
Other taxes	3,416,219	3,425,982	-	-	3,416,219	3,425,982
Investment earnings	422,827	404,965	324,590	240,408	747,417	645,373
Total revenues	12,420,493	12,492,518	9,576,235	8,709,473	21,996,728	21,201,991
Expenses:						
General government	1,311,449	1,554,126	-	-	1,311,449	1,554,126
Judicial	146,822	144,191	-	-	146,822	144,191
Public safety	5,484,783	5,057,547	-	-	5,484,783	5,057,547
Public works	2,315,767	2,722,253	-	-	2,315,767	2,722,253
Housing and development	896,363	798,266	-	-	896,363	798,266
Culture/recreation	990,400	1,006,164	-	-	990,400	1,006,164
Interest on long term debt	-	-	-	-	-	-
Water and sewer	-	-	5,926,373	5,638,041	5,926,373	5,638,041
Solid Waste	-	-	1,419,941	1,352,562	1,419,941	1,352,562
Total expenses	11,145,583	11,282,547	7,346,314	6,990,603	18,491,897	18,273,150
Increase in net assets before transfers	1,274,910	1,209,971	2,229,921	1,718,870	3,504,831	2,928,841
Transfers	(607,877)	(77,217)	607,877	77,217	-	-
Change in net assets	667,033	1,132,754	2,837,798	1,796,087	3,504,831	2,928,841
Net assets, beginning of year	17,451,359	16,318,605	23,474,642	21,678,555	40,926,001	37,997,160
Net assets, end of year	$18,118,392	$17,451,359	$26,312,440	$23,474,642	$44,430,832	$40,926,001

Governmental Activities – Governmental activities increased the City's net assets by $535,132 in fiscal year 2008. Key elements of this increase are as follows:

- Revenues were $12.4 million. Approximately 8.5% of the City's revenues came from fees charged for services, 36.9% from sales taxes, 22.6% from property taxes and 27.5% from other taxes. Investment earnings only increased by 4.4% during the year compared to the 235.4% increase in 2007 due to the declining interest rates. Capital grants and contributions decreased due to the completion of several grant funded projects.
- Expenses totaled $11.15 million. Approximately 49% of the City's expenses go to public safety, 21% to public works, 12% to general government and the remaining 18% to housing and development, judicial activities, and culture and recreation.

Business-Type Activities – The City's major business-type activities, the Water and Sewer Revenue Fund and Solid Waste Fund, increased net assets by $2,837,798 in fiscal year 2008. The City implemented a five year program to increase water and sewer rates by 5% per year effective July 1. July 1, 2008 begins the final year of this program. The City also implemented increased rates for solid waste collection for the first time in several years.

Financial Analysis of the City Funds

As noted earlier, the City of Milledgeville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

At the end of fiscal year 2008, the combined ending fund balance of the City's governmental funds was $9,784,929, an increase of 10.2% from fiscal year 2007. Approximately $1.66 million (17.1%) of combined fund balance consists of unreserved/undesignated fund balance, which is available working capital for current spending in accordance with the purpose of the specific funds. The unreserved/undesignated fund balance increased slightly. Expenses were 6.3% higher than the previous year while revenues were slightly lower resulting in a much lower increase. Most of the increase in expenses was due to a salary scale adjustment for all employees and substantial increase in electric and fuel costs. This was offset however by the fact that this was the first year the General Fund received a transfer from the Solid Waste Fund rather than having to support the Solid Waste Fund. The remainder of fund balance is reserved to indicate that it is not available for new spending because it is committed to the following purposes: reserved for inventories and prepaid items ($41,788); health fair ($10,776); reserved for public safety ($71,935); capital projects ($7,186,893) and community development ($392,360) or designated for: data processing ($43,232), economic development ($124,000), public works ($46,243), public safety ($30,379), building repairs ($72,752), planning ($8,717), Keep Baldwin Beautiful ($15,646) and general administration ($50,165).

The City has two major governmental funds, which are the General Fund and the SPLOST Fund.

1. *General Fund* – This is the primary operating fund of the City of Milledgeville government. It accounts for many of the City's core services such as law enforcement, fire protection, roads and streets, culture and recreation and administration. At the end of the current fiscal year, unreserved fund balance of the General Fund was $1,657,078, while total fund balance was $2,168,369. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total expenditures. Unreserved fund balance represents 17.1% of total fiscal year 2008 expenditures, while total fund balance is 21.2% of that same amount.

2. *SPLOST Fund* – This fund is a capital project fund accounting for the City's negotiated share of the special purpose local option sales taxes. This tax is voted by referendum to collect a penny on sales that occur within Baldwin County. The tax must be used for specific capital expenditures. The total fund balance of $7,218,789 will be used to fund major capital projects.

Proprietary Funds – The City's proprietary fund statements provide the same type of information found on the government-wide statements, but in more detail.

Unrestricted assets of the City's major proprietary fund, the Water and Sewer Fund, totaled $11,260,989. The total net assets increased by $2,731,825. The fourth year of a 5% increase in water and sewer rates, an increased number of customers and four months of Baldwin County as a non-wholesale customer contributed to the increase in net assets.

Unrestricted assets of the City's other proprietary fund, Solid Waste Fund, reflects a deficit of $328,584, which is slightly lower than the previous year, due to an increase in fees.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's budget is prepared according to the Georgia statutes and the City of Milledgeville Code. The most significant budgeted fund is the General Fund.

In June 2007, the City Council appropriated $10.3 million for general fund expenditures.

City of Milledgeville 2008 General Fund Budget

	Original Budget	Amendments	Final Budget	Actual
Revenues and other financing sources	$10,310,070	$ 33,364	$10,343,434	$9,995,737
Expenditures and other financing uses	10,310,070	33,364	10,343,434	9,781,814

During the year there was a budget amendment for $33,364 to increase the appropriations of the General Fund. Several components of the increase were the expenses of a health fair ($3,024) and police department equipment ($8,494), both of which were covered by grants received during the year. Many departments were amended due to the unexpected rise in electric and fuel costs. These increases were made possible by reducing the Engineering Department and the unanticipated increase in sales tax revenues and revenues from fines and forfeitures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – The City of Milledgeville has invested $40,476,968 in capital assets (net of accumulated depreciation). Capital assets include infrastructure, land, land improvements, buildings and machinery and equipment. Approximately 68.2% of this investment is related to business-type activities while only 31.8% related to governmental activities.

Capital assets held by the City at the end of the current fiscal year are summarized as follows:

City of Milledgeville Capital Assets
(net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	$2,468,098	$2,403,770	$151,310	$151,310	$2,619,408	$2,555,080
Land improvements	42,015	49,566	47,261	7,976	89,276	57,542
Infrastructure	7,290,344	7,768,173	9,295,203	9,326,630	16,585,549	17,094,803
Buildings	1,868,725	1,920,781	16,521,708	16,807,632	18,390,432	18,728,413
Machinery and equipment	894,764	1,112,884	539,304	544,194	1,434,067	1,657,078
Construction in progress	317,644	72,668	1,040,592	757,670	1,358,236	830,338
Total Net Capital Assets	$12,881,590	$13,327,842	$27,595,378	$27,595,412	$40,476,968	$40,923,254

The City elected to implement the general provisions of GASB Statement No. 34 in fiscal year 2003 and fully implemented the retroactive infrastructure provisions in fiscal year June 30, 2007.

Major capital asset expenditures during the current fiscal year for governmental activities included the following:

- Purchase of 2008 Ford pickup truck, $25,379
- Completion of Hancock Street parking lot, $34,763
- Purchase of CAD system, $162,500
- New roof for fire station #1, $36,140

Major capital asset purchases during the current fiscal year for the business-type activities included the following:

- Extension of water system, $264,942
- New roofs for water plants, $111,642
- Bridge for water plant to river intake, $43,812
- Equipment for water maintenance, $78,690

Additional information on the City of Milledgeville's capital assets can be found in Note 5 on pages 47 - 49 of this report.

Long-term debt – At June 30, 2008, the City of Milledgeville had $12,483,291 in bonds, notes and capital leases outstanding, a decrease of $374,670 over last year representing payments made to reduce bonds and notes outstanding.

State statutes limit the amount of general obligation debt a governmental entity may issue to ten percent (10%) of its total assessed valuation. The current debt limitation for the City of Milledgeville is $34.3 million.

Additional information on the City's long-term debt can be found in Note 6 on pages 50 - 52 of this report.

City of Milledgeville Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenue Bonds	$ -	$ -	$11,720,000	$12,265,000	$11,720,000	$12,265,000
Notes payable	-	-	763,291	843,621	763,291	843,621
Total	$ -	$ -	$12,483,291	$13,108,621	$12,483,291	$13,108,621

Economic Factors and Next Year's Budget

The City of Milledgeville ended the fiscal year with an excess of revenues over expenses/expenditures in all funds. The City adopted a Council-Manager form of government in 2003 and changed its fiscal year from December 31 to June 30. The following factors are expected to have an effect on the City's financial position of operations and were taken into account in developing the FY 2009 Budget.

1. The General Fund property taxes are expected to be static due to the slow down of growth in the area. Electric franchise taxes are expected to increase due to the rising cost of fuel oils.
2. Utility revenues are anticipated to increase due to a yearly increase in the water and sewer rates of 5%, and raising water rates to wholesale customers. Sewer revenues are also expected to increase for Baldwin County and Central State Hospital due to a new flow study performed during fiscal year 2008.
3. The City increased fees an additional 5% for fiscal year 2009 for refuse collection.

These actions are anticipated to:

- Improve the fiscal health of the City by strengthening the enterprise funds and reducing the reliance of the solid waste fund on general fund revenues.
- These increases will allow the City to once again meet its debt service coverage and start a more active repair and replacement program for the City's infrastructure.
- To continue the implementation of a pay as you go budget to reduce the dependency on borrowed funds.

Growth in the Citywide gross taxable values is projected to be 5% with a 3% growth in the value of a mill.

The City continues to have retail business locating in the City limits and growth in the water and sewer system with new residential housing locating in Milledgeville and Baldwin County.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City of Milledgeville's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this or additional financial information should be addressed to the Finance Director, P. O. Box 1900, Milledgeville, GA 31059-1900.

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CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET ASSETS
JUNE 30, 2008

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Allied Arts	Mainstreet Downtown Dev. Authority	Mary Vinson Memorial Library
ASSETS						
Cash	$ 10,774,395	$ 6,497,023	$ 17,271,418	$ 169,915	$ 57,437	$ 156,177
Investments	-	-	-	-	-	3,501
Taxes receivable	218,686	-	218,686	-	-	-
Accounts receivable, net of allowances	10,712	1,549,139	1,559,851	-	-	850
Notes receivable	2,856	-	2,856	-	68,465	-
Due from other governments	984,482	-	984,482	11,296	-	-
Internal balances	(1,423,070)	1,423,070	-	-	-	-
Prepaid items	6,268	-	6,268	-	-	-
Inventories	35,520	172,183	207,703	-	-	-
Restricted assets, cash and investments	-	2,292,584	2,292,584	-	-	-
Bond issuance costs, unamortized balance	-	482,393	482,393	-	-	-
Capital assets, non-depreciable	2,785,742	1,191,902	3,977,644	-	-	-
Capital assets, depreciable, net of accumulated depreciation	10,095,848	26,403,476	36,499,324	-	-	67,300
Other noncurrent asset	727,365	-	727,365	-	-	-
Total assets	24,218,804	40,011,770	64,230,574	181,211	125,902	227,828

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET ASSETS
JUNE 30, 2008

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Allied Arts	Mainstreet Downtown Dev. Authority	Mary Vinson Memorial Library
LIABILITIES						
Accounts payable	$ 394,140	$ 376,063	$ 770,203	$ -	$ 3,343	$ 24,245
Accrued liabilities	156,366	45,806	202,172	1,811	1,411	13,857
Unearned revenues	2,858	-	2,858	-	-	-
Liabilities payable from restricted assets	-	916,840	916,840	-	-	-
Claims payable due within one year	300,000	-	300,000	-	-	-
Claims payable due in more than one year	4,825,161	-	4,825,161	-	-	-
Compensated absences due within one year	168,755	53,592	222,347	10,739	-	23,545
Compensated absences due in more than one year	253,132	80,390	333,522	-	-	-
Notes payable due within one year	-	84,714	84,714	-	-	-
Notes payable due in more than one year	-	678,577	678,577	-	-	-
Bonds payable due in more than one year	-	11,463,348	11,463,348	-	-	-
Total liabilities	6,100,412	13,699,330	19,799,742	12,550	4,754	61,647
NET ASSETS						
Invested in capital assets, net of related debt	12,881,590	14,793,739	27,675,329	-	-	67,300
Restricted for debt service	-	470,666	470,666	-	-	-
Restricted for bond renewal and replacement	-	52,046	52,046	-	-	-
Restricted for capital projects	7,186,892	-	7,186,892	-	-	-
Unrestricted	(1,950,090)	10,995,989	9,045,899	168,661	121,148	98,881
Total net assets	$ 18,118,392	$ 26,312,440	$ 44,430,832	$ 168,661	$ 121,148	$ 166,181

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

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets: Governmental Activities	Business-type Activities	Total	Component Units: Allied Arts	Component Units: Mainstreet Downtown Dev. Authority	Component Units: Mary Vinson Memorial Library
Primary government:										
Governmental activities:										
General government	$ 1,311,449	$ 360,551	$ 21,435	$ 1,973	$ (927,490)	$ -	$ (927,490)	$ -	$ -	$ -
Judicial	146,822	-	-	-	(146,822)	-	(146,822)	-	-	-
Public safety	5,484,783	695,843	60,143	17,288	(4,711,509)	-	(4,711,509)	-	-	-
Public works	2,315,767	-	-	6,589	(2,309,178)	-	(2,309,178)	-	-	-
Culture and recreation	990,400	-	-	-	(990,400)	-	(990,400)	-	-	-
Housing and development	896,363	2,838	-	25,268	(868,257)	-	(868,257)	-	-	-
Total governmental activities	11,145,583	1,059,232	81,578	51,118	(9,953,655)	-	(9,953,655)	-	-	-
Business-type activities:										
Water and sewer	5,926,373	7,590,421	-	75,366	-	1,739,414	1,739,414	-	-	-
Solid waste	1,419,941	1,585,858	-	-	-	165,917	165,917	-	-	-
Total business-type activities	7,346,314	9,176,279	-	75,366	-	1,905,331	1,739,414	-	-	-
Total primary government	$ 18,491,897	$ 10,235,511	$ 81,578	$ 126,484	$ (9,953,655)	$ 1,905,331	$ (8,214,241)	$ -	$ -	$ -
Component units:										
Allied Arts	$ 248,348	$ 46,555	$ 206,424	$ -	$ -	$ -	$ -	$ 4,631	$ -	$ -
Mainstreet Downtown Dev. Auth.	259,330	162,746	97,437	-	-	-	-	-	853	-
Mary Vinson Memorial Library	726,140	40,722	678,519	-	-	-	-	-	-	(6,899)
Total component units	$ 1,233,818	$ 250,023	$ 982,380	$ -	$ -	$ -	$ -	$ 4,631	$ 853	$ (6,899)
General revenues:										
Property taxes					$ 2,804,795	$ -	$ 2,804,795	$ -	$ -	$ -
Sales taxes					4,584,724	-	4,584,724	-	-	-
Hotel/motel taxes					282,549	-	282,549	-	-	-
Franchise taxes					1,032,903	-	1,032,903	-	-	-
Insurance premium taxes					1,025,237	-	1,025,237	-	-	-
Other taxes					1,075,530	-	1,075,530	-	-	-
Unrestricted investment earnings					422,827	324,590	747,417	647	4,423	803
Transfers					(607,877)	607,877	-	-	-	-
Total general revenues and transfers					10,620,688	932,467	11,553,155	647	4,423	803
Change in net assets					667,033	2,837,798	3,504,831	5,278	5,276	(6,096)
Net assets, beginning of year					17,451,359	23,474,642	40,926,001	163,383	115,872	172,277
Net assets, end of year					$ 18,118,392	$ 26,312,440	$ 44,430,832	$ 168,661	$ 121,148	$ 166,181

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

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

ASSETS	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 3,364,420	$ 6,823,647	$ 398,268	$ 10,586,335
Taxes receivable	194,066	-	24,620	218,686
Accounts receivable	10,712	-	-	10,712
Notes receivable	-	-	2,856	2,856
Due from other governments	493,287	491,195	-	984,482
Due from other funds	357,592	-	-	357,592
Prepaid items	6,268	-	-	6,268
Inventories	35,520	-	-	35,520
Total assets	$ 4,461,865	$ 7,314,842	$ 425,744	$ 12,202,451
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 232,335	$ 96,054	$ 24,884	$ 353,273
Accrued liabilities	156,366	-	-	156,366
Deferred revenues	187,949	-	2,856	190,805
Due to other funds	1,716,847	-	231	1,717,078
Total liabilities	2,293,497	96,054	27,971	2,417,522

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

FUND BALANCES	General	SPLOST	Other Governmental Funds	Totals Governmental Funds
Fund balances:				
Reserved for:				
Inventories and prepaid items	$ 41,788	$ -	$ -	$ 41,788
Health fair	10,776	-	-	10,776
Public safety	65,633	-	6,302	71,935
Community development	595	-	391,765	392,360
Encumbrances	1,365	31,896	-	33,261
Capital outlay	-	7,186,892	-	7,186,892
Unreserved, designated	391,134	-	-	391,134
Unreserved, undesignated reported in:				
General fund	1,657,077	-	-	1,657,077
Special revenue funds	-	-	(294)	(294)
Total fund balances	2,168,368	7,218,788	397,773	9,784,929
Total liabilities and fund balances	$ 4,461,865	$ 7,314,842	$ 425,744	
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				12,881,590
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.				187,947
Internal service funds are used by management to charge the costs of property and health insurance and administrative costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.				(5,041,552)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.				(421,887)
Net pension asset used in governmental activities is not a financial resource and, therefore, is not reported in the funds.				727,365
Net assets of governmental activities				$ 18,118,392

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

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 8,614,563	$ 1,876,974	$ 282,549	$ 10,774,086
Licenses and permits	269,421	-	-	269,421
Intergovernmental	81,578	23,877	27,241	132,696
Fines and forfeitures	681,318	-	14,525	695,843
Charges for services	5,934	-	-	5,934
Interest income	154,857	262,037	87	416,981
Other revenues	85,196	-	2,838	88,034
Total revenues	9,892,867	2,162,888	327,240	12,382,995
Expenditures				
Current:				
General government	1,233,080	-	2,004	1,235,084
Judicial	145,044	-	-	145,044
Public safety	5,326,879	-	22,031	5,348,910
Public works	1,527,644	-	-	1,527,644
Culture and recreation	964,602	-	-	964,602
Housing and development	584,565	-	307,820	892,385
Capital outlay	-	1,467,746	-	1,467,746
Total expenditures	9,781,814	1,467,746	331,855	11,581,415

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Excess (deficiency) of revenues over (under) expenditures	111,053	695,142	(4,615)	801,580
Other financing (uses)				
Transfers in	102,870	-	-	102,870
Transfers out	-	-	-	-
Total other financing (uses)	102,870	-	-	-
Net change in fund balance	213,923	695,142	(4,615)	904,450
Fund balances, July 1	1,954,445	6,523,646	402,388	8,880,479
Fund balances, June 30	$ 2,168,368	$ 7,218,788	$ 397,773	$ 9,784,929

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

CITY OF MILLEDGEVILLE, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	904,450
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay		635,996
Depreciation		(1,075,719)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.		(6,529)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		31,652
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in net pension asset		(77,876)
Change in compensated absences		131,901
Internal service funds are used by management to charge the costs of workers' compensation and general liability insurance and administrative costs to individual funds.		123,158
	$	667,033

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

CITY OF MILLEDGEVILLE, GEORGIA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 2,716,548	$ 2,805,648	$ 2,773,143	$ (32,505)
Sales tax	2,630,000	2,670,000	2,707,750	37,750
Other taxes	3,134,036	3,218,200	3,133,670	(84,530)
Licenses and permits	231,300	267,800	269,421	1,621
Intergovernmental	74,000	76,000	81,578	5,578
Charges for services	9,400	6,400	5,934	(466)
Fines and forfeitures	560,000	679,000	681,318	2,318
Interest revenue	100,000	150,000	154,857	4,857
Other revenue	19,000	78,000	85,196	7,196
Total revenues	9,474,284	9,951,048	9,892,867	(58,181)
Expenditures:				
Current:				
General government:				
Legislative	223,196	223,316	153,900	69,416
Executive	277,580	297,276	283,159	14,117
Finance	499,221	513,296	461,571	51,725
Legal	61,900	61,900	55,745	6,155
Human resources	156,466	166,097	114,976	51,121
General government buildings and grounds	108,427	114,300	102,937	11,363
General engineering	31,278	8,319	8,120	199
General administration fees	54,528	54,528	52,672	1,856
Total general government	1,412,596	1,439,032	1,233,080	205,952
Judicial:				
Municipal court	150,623	155,999	145,044	10,955
Total judicial	150,623	155,999	145,044	10,955

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures: (Continued)				
Current: (Continued)				
Public safety:				
Police	$ 2,911,922	$ 3,161,942	$ 3,091,243	$ 70,699
Detention center	270,094	299,300	240,137	59,163
Police department buildings and grounds	99,529	100,893	94,361	6,532
Fire	1,859,628	1,943,359	1,861,686	81,673
Fire department buildings and grounds	38,774	40,724	39,452	1,272
Total public safety	5,179,947	5,546,218	5,326,879	219,339
Public works:				
Public works administration	127,630	138,244	135,606	2,638
Roadways and walkways	613,581	657,069	610,950	46,119
Storm drainage	8,500	12,000	11,453	547
Street lighting	231,000	251,200	251,107	93
Traffic engineering	36,500	42,025	41,978	47
Maintenance and shop	245,748	264,636	249,354	15,282
Cemetery	259,554	249,503	227,196	22,307
Total public works	1,522,513	1,614,677	1,527,644	87,033
Culture and recreation:				
Recreation	223,266	223,266	223,266	-
Parks	238,701	248,650	233,820	14,830
Twin Lakes Library	507,516	507,516	507,516	-
Total culture and recreation	969,483	979,432	964,602	14,830

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures: (Continued)				
Current: (Continued)				
Housing and development				
Inspections	$ 142,840	$ 144,401	$ 130,336	$ 14,065
Planning and zoning	262,116	279,376	249,585	29,791
Economic development	269,576	205,576	204,644	932
Total housing and development	674,532	629,353	584,565	44,788
Total expenditures	9,909,694	10,364,711	9,781,814	582,897
Excess (deficiency) of revenues over (under) expenditures	(435,410)	(413,663)	111,053	524,716
Other financing sources (uses):				
Transfers in	640,786	392,386	102,870	(289,516)
Transfers out	409,085	409,085	-	(409,085)
Total other financing sources (uses)	1,049,871	801,471	102,870	(698,601)
Net change in fund balance	614,461	387,808	213,923	(173,885)
Fund balances, July 1	1,954,445	1,954,445	1,954,445	-
Fund balances, June 30	$ 2,568,906	$ 2,342,253	$ 2,168,368	$ (173,885)

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

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2008

ASSETS	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
CURRENT ASSETS				
Cash	$ 6,497,023	$ -	$ 6,497,023	$ 188,060
Accounts receivable	1,414,224	134,915	1,549,139	-
Due from other funds	1,716,847	11,074	1,727,921	-
Inventories	172,183	-	172,183	-
Restricted assets				
Cash	1,190,058	-	1,190,058	-
Investments	1,102,526	-	1,102,526	-
Total current assets	12,092,861	145,989	12,238,850	188,060
NONCURRENT ASSETS				
Capital assets				
Land	151,310	-	151,310	-
Buildings	21,189,082	-	21,189,082	-
Site improvements	74,654	-	74,654	-
Machinery and equipment	1,737,987	-	1,737,987	-
Infrastructure	16,112,516	-	16,112,516	-
Construction in progress	1,040,592	-	1,040,592	-
	40,306,141	-	40,306,141	-
Less accumulated depreciation	(12,710,763)	-	(12,710,763)	-
Total capital assets (net of accumulated depreciation)	27,595,378	-	27,595,378	-
Bond issuance costs (unamortized balance)	482,393	-	482,393	-
Total noncurrent assets	28,077,771	-	28,077,771	-
Total assets	40,170,632	145,989	40,316,621	188,060

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2008

LIABILITIES	Business-type Activities - Enterprise Funds: Water and Sewer Fund	Business-type Activities - Enterprise Funds: Solid Waste Fund	Business-type Activities - Enterprise Funds: Totals	Governmental Activities: Internal Service Fund
CURRENT LIABILITIES				
Payable from current assets:				
Accounts payable	$ 282,273	$ 93,790	$ 376,063	$ 40,867
Compensated absences payable - current	46,317	7,275	53,592	-
Accrued liabilities	40,573	5,233	45,806	5,125,161
Current maturities of long-term debt	84,714	-	84,714	-
Due to other funds	11,074	357,361	368,435	-
	464,951	463,659	928,610	5,166,028
Payable from restricted assets:				
Current portion of revenue bonds	575,000	-	575,000	-
Accrued interest	56,860	-	56,860	-
Deposits	284,980	-	284,980	-
	916,840	-	916,840	-
Total current liabilities	1,381,791	463,659	1,845,450	5,166,028
NONCURRENT LIABILITIES				
Compensated absences	69,476	10,914	80,390	-
Revenue bonds payable (net of current portion)	11,463,348	-	11,463,348	-
Other long-term debt	678,577	-	678,577	-
Total noncurrent liabilities	12,211,401	10,914	12,222,315	-
Total liabilities	13,593,192	474,573	14,067,765	5,166,028

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2008

NET ASSETS	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
Invested in capital assets, net of related debt	$ 14,793,739	$ -	$ 14,793,739	$ -
Restricted for debt service	470,666	-	470,666	-
Restricted for bond renewal and replacement	52,046	-	52,046	-
Unrestricted (deficit)	11,260,989	(328,584)	10,932,405	(4,977,968)
Total net assets (deficit)	$ 26,577,440	$ (328,584)	$ 26,248,856	$ (4,977,968)
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds			63,584	
Net assets of business-type activities			$ 26,312,440	

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

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
Operating revenues:				
Water sales	$ 4,500,191	$ -	$ 4,500,191	$ -
Sewer sales	2,584,702	-	2,584,702	-
Sanitation fees	-	1,585,858	1,585,858	-
Tap fees	139,278	-	139,278	-
Late charges	148,327	-	148,327	-
Activation fees	49,200	-	49,200	-
Charges for services	-	-	-	397,194
Miscellaneous charges	168,723	-	168,723	-
Total operating revenues	7,590,421	1,585,858	9,176,279	397,194
Operating expenses:				
Water administration	84,809	-	84,809	-
Wastewater administration	79,877	-	79,877	-
Sanitary sewer maintenance	467,130	-	467,130	-
Lift stations	969	-	969	
Sewer plants and lift station	1,117,539	-	1,117,539	-
Lamar Hamm Water Treatment Plant	1,313,242	-	1,313,242	-
James Baugh Water Treatment Plant	439,627	-	439,627	-
Distribution	472,770	-	472,770	-
Water meter	373,497	-	373,497	-
Solid waste collection	-	1,034,396	1,034,396	-
Yard trimmings collection and management	-	385,545	385,545	-
Insurance claims	-	-	-	238,993
Depreciation	869,676	-	869,676	-
Total operating expenses	5,219,136	1,419,941	6,639,077	238,993
Operating income	2,371,285	165,917	2,537,202	158,201

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
Nonoperating revenues (expenses):				
Interest revenue	$ 247,740	$ -	$ 247,740	$ 7,883
Interest and fiscal charges	(748,126)	-	(748,126)	-
Net increase in fair value of investments	74,813	-	74,813	-
Total nonoperating revenues (expenses)	(425,573)	-	(425,573)	7,883
Income before contributions	1,945,712	165,917	2,111,629	166,084
Capital contributions	786,113	-	786,113	-
Transfers out	-	(102,870)	(102,870)	-
Change in net assets	2,731,825	63,047	2,794,872	166,084
Net assets (deficit), July 1	23,845,615	(391,631)	23,453,984	(5,144,052)
Net assets (deficit), June 30	$ 26,577,440	$ (328,584)	$ 26,248,856	$ (4,977,968)

Reconciliation of change in net assets of the enterprise funds to change in net assets of business-type activities:

Change in net assets of enterprise funds (from above)	$ 2,794,872
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds	42,926
Change in net assets of business-type activities	$ 2,837,798

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

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 7,352,952	$ 1,541,657	$ 8,894,609	$ -
Receipts from interfund providers	-	-	-	350,532
Payments to suppliers and service providers	(3,000,431)	(1,221,065)	(4,221,496)	(385,342)
Payments to employees	(1,544,938)	(220,982)	(1,765,920)	-
Net cash provided by (used in) operating activities	2,807,583	99,610	2,907,193	(34,810)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers out	-	(102,870)	(102,870)	-
Net cash used in noncapital financing activities	-	(102,870)	(102,870)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	247,740	-	247,740	7,883
Net cash provided by investing activities	247,740	-	247,740	7,883
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(93,416)	-	(93,416)	-
Proceeds on sale of capital assets	12,053	-	12,053	-
Interest and fiscal charges paid	(744,464)	-	(744,464)	-
Principal payments on long-term borrowings	(625,330)	-	(625,330)	-
Net cash used in capital and related financing activities	(1,451,157)	-	(1,451,157)	-
Increase (decrease) in cash	1,604,166	(3,260)	1,600,906	(26,927)
Cash, July 1	6,082,915	3,260	6,086,175	214,987
Cash, June 30	$ 7,687,081	$ -	$ 7,687,081	$ 188,060

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
Classified as:				
Cash	$ 6,497,023	$ -	$ 6,497,023	$ 188,060
Restricted assets, cash	1,190,058	-	1,190,058	-
	$ 7,687,081	$ -	$ 7,687,081	$ 188,060
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income	$ 2,371,285	$ 165,917	$ 2,537,202	$ 158,201
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation	869,676	-	869,676	-
Changes in assets and liabilities:				
Increase in accounts receivable	(254,134)	(44,201)	(298,335)	-
Decrease in due from other funds	6,025	-	6,025	-
Increase in inventories	(21,604)	-	(21,604)	-
Decrease in claims payable	-	-	-	(96,174)
Increase (decrease) in accounts payable	(162,729)	7,677	(155,052)	(50,175)
Decrease in accrued wages payable	(35,432)	(3,146)	(38,578)	-
Increase in compensated absences payable	17,831	1,452	19,283	-
Decrease in due to other funds	-	(28,089)	(28,089)	(46,662)
Increase in customer deposits	16,665	-	16,665	-
Net cash provided by (used in) operating activities	$ 2,807,583	$ 99,610	$ 2,907,193	$ (34,810)
Noncash investing, capital, and financing activities:				
Contributions of capital assets from SPLOST Fund	$ 710,747	$ -	$ 710,747	$ -
Contributions of capital assets from developers	75,366	-	75,366	-
Increase in fair value of investments	74,813	-	74,813	-
Total noncash investing, capital, and financing activities	$ 860,926	$ -	$ 860,926	$ -

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

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008

	Pension Trust Fund	Agency Fund School Fund
ASSETS		
Cash	$ 499,665	$ 3,140
Investments		
Certificates of deposit	360,000	-
U.S. government agencies	703	-
Mutual funds	4,950,683	-
Taxes receivable	-	29,060
Total assets	5,811,051	32,200
LIABILITIES		
Due to others	-	2,931
Uncollected taxes	-	29,269
Total liabilities	-	32,200
NET ASSETS		
Net assets held in trust for pension benefits (a schedule of funding progress is presented as required supplementary information on page 61)	$ 5,811,051	$ -

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

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

ADDITIONS		
Contributions - employer	$	662,367
Investment income		
Net depreciation in fair value of investments		(399,713)
Investment income		176,331
Total additions		438,985
DEDUCTIONS		
Benefits		466,776
Administration expense		60,696
Total deductions		527,472
Net decrease		(88,487)
Net assets, July 1		5,899,538
Net assets, June 30	$	5,811,051

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Milledgeville, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (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 City's accounting policies are described below.

A. Reporting Entity

The City of Milledgeville, Georgia operates under a council/manager form of government and provides the following services to its citizens: public safety, public works, sanitation, water and sewer, culture and recreation, municipal court, and general and administrative services. As required by generally accepted accounting principles, these financial statements present the primary government and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational and financial relationship with the City. In conformity with accounting principles generally accepted in the United States of America, as set forth in Statement of Governmental Accounting Standards No. 14 "The Financial Reporting Entity," the financial statements of the component units are discretely presented in the government-wide financial statements.

The Milledgeville Baldwin County Allied Arts ("Allied Arts") is governed by a seven member board, of which three members are appointed by the City, and one member is a joint appointment of the City and Baldwin County. The City approves the annual funding portion of the budget requested by Allied Arts, which is administered by the appointed Allied Arts Board. In addition, the City provides a substantial majority of funding for the operation of Allied Arts; therefore, Allied Arts is considered to be fiscally dependent on the City. Allied Arts is presented as a governmental fund type component unit. Separate statements are not prepared for the Milledgeville-Baldwin County Allied Arts.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The Mary Vinson Memorial Library (the "Library") is governed by an eight member board, of which four members are appointed by the City. The City approves the annual funding portion of the budget requested by the Library, which is administered by the appointed Library Board. In addition, the City provides the majority of funding for the operation of the Library, therefore, the Library is considered to be fiscally dependent on the City. The Mary Vinson Memorial Library is presented as a governmental fund type component unit. Separate statements are not prepared for the Mary Vinson Memorial Library.

Milledgeville Mainstreet Downtown Development Authority ("Mainstreet") is governed by a seven member board, all appointed by the City. The City approves the annual funding portion of the budget requested by Mainstreet, which is administered by the appointed Board. In addition, the City provides substantial funding for the operation of Mainstreet, therefore, Mainstreet is considered to be fiscally dependent on the City. The Milledgeville Mainstreet Downtown Development Authority is presented as a governmental fund type component unit. Separate statements are not prepared for the Milledgeville Mainstreet Downtown Development Authority.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. 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 those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

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.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

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 the fiduciary fund financial statements; although agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 considered to be available when they are collectible within the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Property taxes, sales taxes, intergovernmental grants, and investment income 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 City.

The City reports the following major governmental funds:

The ***General Fund*** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The ***Special Purpose Local Option Sales Tax Fund (SPLOST)*** accounts for the construction or acquisition of major capital facilities financed by Special Purpose Local Option Sales Tax proceeds.

The City reports the following major business-type funds:

The ***Water and Sewer Fund*** accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

The ***Solid Waste Fund*** accounts for the provision of sanitation services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Additionally, the City reports the following fund types:

The ***special revenue funds*** account for specific revenues that are legally restricted to expenditures for particular purposes.

The ***internal service fund*** accounts for assets set aside for claim settlements for general liability and workers' compensation claims.

The ***pension trust fund*** accounts for the activities of the City of Milledgeville Pension Plan, which accumulates resources for pension benefit payments to qualified employees.

The ***agency fund*** accounts for the 1 mill tax collected by the City as an agent for Georgia Military College.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and the other functions of the government. Elimination of these charges would distort the direct costs reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges for services 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 *non-operating* 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 of the enterprise fund are charges for goods and services provided. Operating expenses of the enterprise fund include the cost of these goods and services, administrative expenses, and depreciation on 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 City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. Project length budgets are adopted for the capital projects fund. All annual appropriations lapse at fiscal year end. Budgets are adopted for the enterprise fund and the internal service fund strictly for managerial purposes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets (Continued)

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contract) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

E. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

State statutes authorize the City to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the Local Government Investment Pool of the State of Georgia (Georgia Fund 1). Georgia Fund 1, created by OCGA 36-83-8 is a stable net asset investment pool which follows Standard and Poor's criteria for AAAm rated money market funds and is regulated by the Georgia Office of Treasury and Fiscal Services. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value).

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Investments (Continued)

Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1.00 per share. The fair value of the City's position in the pool is the same as the value of pool shares ($1 per share value).

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

F. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

G. Inventories

Inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

H. Prepaid Expenditures/Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2008, are recorded as prepaid items.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. In the case of the initial capitalization of infrastructure assets, the City chose to include all such items regardless of the acquisition date. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Property, plant and equipment of the primary government, as well as the component unit, are depreciated using the straight line method over the following useful lives:

Asset	Years
Land improvements	10
Buildings	10 - 50
Infrastructure	10 - 50
Machinery and equipment	3 - 50

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. No interest was capitalized during the fiscal year ended June 30, 2008.

K. Compensated Absences

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, “Accounting for Compensated Absences", no liability is recorded for non-vesting accumulating rights to receive sick pay benefits because these benefits are paid upon the illness of an employee and the amount of such payments cannot be reasonably estimated. Accumulated unpaid vacation costs are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L. 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, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bond using the straight-line method, which approximates the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. The gain on defeasance of bonds is presented as an addition to the face amount of bonds payable and is being amortized over the life of the bonds through interest expense. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity

In governmental funds, reservations represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designations of fund balance represent tentative management plans that are subject to change.

N. 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 and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. LEGAL COMPLIANCE - BUDGETS

A. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to May 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means for financing them.
2. Public hearings are conducted at City Hall to obtain citizen comment.
3. Prior to July 1, the budget is legally enacted through passage of a resolution.

NOTE 2. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

4. Transfers of budgeted amounts between line items in a department must be approved by the City Manager. Any revisions that alter the total expenditures of any department must be approved by City Council. Requests for additional personnel within a department must also be approved by City Council. Encumbrances at year-end are carried forward to the ensuing year's budget.

5. Budgets for the General and Special Revenue Funds are legally adopted on a departmental basis and on a basis consistent with generally accepted accounting principles (GAAP) and are presented in accordance with finance-related legal and contractual provisions. To ensure sound financial administration, the Council also adopts an annual operating budget for the City's Enterprise Funds, the Water and Sewer Fund and Solid Waste Fund. The budget is not formally integrated with the accounts of the Enterprise Funds, but interim detailed management reports are developed which indicate specific variances from the planned budget for operations.

6. Budgeted amounts are as originally adopted on June 5, 2007 or as amended by the City Council. The supplementary budgetary appropriations made were not material.

B. Deficit Fund Equity

The Hotel/Motel Fund had a fund balance deficit of $256 which will be eliminated through future tax receipts. The Silver-Haired Legislative Grant Fund had a fund balance deficit of $31 and the Community Home Improvement Program (CHIP) Fund had a fund balance deficit of $6. Both the deficits in the Silver-Haired Legislative Grant Fund and the CHIP Fund will be eliminated through transfers from the General Fund. The Risk Management Internal Service Fund had a net asset deficit of $4,977,968 resulting from the incurred but not reported liability (IBNR) as of June 30, 2008. This deficit will be eliminated through increased transfers from other funds. The Solid Waste Fund had a net asset deficit of $328,584 which will be eliminated through increased transfers from other funds and increased sanitation fees.

NOTE 3. CASH AND INVESTMENTS

Cash and investments are summarized as follows at June 30, 2008:

As reported in the Statement of Net Assets:	
Cash and cash equivalents	$ 17,271,418
Restricted assets, cash and investments	2,292,584
	$ 19,564,002
Cash deposited with financial institutions	$ 15,570,929
Cash deposited with Georgia Fund 1	2,890,547
U.S. Treasury Bond	1,102,526
	$ 19,564,002

Credit risk. State statutes authorize the City to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the Local Government Investment Pool of the State of Georgia (Georgia Fund 1). The City's Employee Retirement Plan Trust Fund invests in Mutual Funds whose underlying securities are U.S. Government or agency obligations and U. S. corporate equities.

Interest rate risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government 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. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2008, the City deposits totaling $377,351 were exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Custodial credit risk – investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

At June 30, 2008, the City's investments were as follows:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1 - 5	6 - 10	11 - 15	Rating
Government agencies	$ 703	$ -	$ 258	$ 445	$ -	AAA
Government bonds	1,102,526	-	-	-	1,102,526	AAA
Mutual bond funds	1,453,741	-	-	-	-	N/A
Mutual equity funds	3,496,942	-	-	-	-	N/A
Certificates of deposit	360,000	190,000	170,000	-	-	N/A
Georgia Fund 1	2,890,547	2,890,547	-	-	-	AAAm
Total fair value	$ 9,304,459	$ 3,080,547	$ 170,258	$ 445	$ 1,102,526	

The reporting of investments at fair value in accordance with GASB Statement No. 31 resulted in an unrealized gain of $74,813 which is reflected in the Water and Sewer Fund and an unrealized loss of $399,713 which is reflected in the Pension Trust Fund.

NOTE 4. RECEIVABLES

Receivables consisted of the following at June 30, 2008:

	General	Water and Sewer	Solid Waste	Nonmajor Funds	Total
Receivables:					
Taxes	$ 243,452	$ -	$ -	$ 24,620	$ 268,072
Accounts	10,712	1,861,249	190,125	-	2,062,086
Mortgages	-	-	-	2,856	2,856
Gross receivables	254,164	1,861,249	190,125	27,476	2,333,014
Less allowance for uncollectibles	(49,386)	(447,025)	(55,210)	-	(551,621)
Net total receivables	$ 204,778	$ 1,414,224	$ 134,915	$ 27,476	$ 1,781,393

Property taxes are levied by the City based on the assessed value of property as listed on the digest furnished by Baldwin County. Assessed values are forty percent (40%) of market value and are based on current property value.

The delinquent taxes receivable account represents the past nine years of uncollected tax levies.

Property taxes attach as an enforceable lien on property as of January 1. Taxes were levied on December 4, 2007, and payable on or before February 6, 2008. Penalties were assessed on unpaid balances as of February 7, 2008 and interest began accruing on unpaid balances on February 7, 2008. The City bills and collects its own property taxes. Property taxes levied for 2007 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the fiscal year ended June 30, 2008 and expected to be collected by August 1, 2008, are recognized as revenues in fiscal year 2008. Net receivables estimated to be collectible subsequent to August 1, 2008, are recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are re-evaluated annually.

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2008, is as follows:

	Balance July 1, 2007	Increases	Decreases	Transfers	Balance June 30, 2008
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 2,403,770	$ 64,328	$ -	$ -	$ 2,468,098
Construction in progress	72,668	245,256	(280)	-	317,644
Total	2,476,438	309,584	(280)	-	2,785,742
Capital assets, being depreciated:					
Buildings	3,614,849	54,466	-	-	3,669,315
Land improvements	76,240	-	-	-	76,240
Infrastructure	21,473,025	135,990	(17,832)	-	21,591,183
Machinery and equipment	4,114,197	135,956	(25,328)	-	4,224,825
Total	29,278,311	326,412	(43,160)	-	29,561,563
Less accumulated depreciation for:					
Buildings	1,694,068	106,522	-	-	1,800,590
Land improvements	26,674	7,551	-	-	34,225
Infrastructure	13,704,852	607,571	(11,583)	-	14,300,840
Machinery and equipment	3,001,313	354,075	(25,328)	-	3,330,060
Total	18,426,907	1,075,719	(36,911)	-	19,465,715
Total assets, being depreciated, net	10,851,404	(749,307)	(6,249)	-	10,095,848
Governmental activities capital assets, net	$ 13,327,842	$ (439,723)	$ (6,529)	$ -	$ 12,881,590

NOTE 5. CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2007	Increases	Decreases	Transfers	Balance June 30, 2008
Business-type activities					
Capital assets, not being depreciated:					
Land	$ 151,310	$	$ -	$ -	$ 151,310
Construction in progress	757,670	292,809	(4,394)	(5,493)	1,040,592
Total	908,980	292,809	(4,394)	(5,493)	1,191,902
Capital assets, being depreciated:					
Buildings	21,048,720	140,362	-	-	21,189,082
Land improvements	30,842	43,812	-	-	74,654
Infrastructure	15,847,573	259,450	-	5,493	16,112,516
Machinery and equipment	1,614,544	137,603	(14,160)	-	1,737,987
Total	38,541,679	581,227	(14,160)	5,493	39,114,239
Less accumulated depreciation for:					
Buildings	4,241,088	426,286	-	-	4,667,374
Land improvements	22,866	4,527	-	-	27,393
Infrastructure	6,520,943	296,370	-	-	6,817,313
Machinery and equipment	1,070,350	142,493	(14,160)	-	1,198,683
Total	11,855,247	869,676	(14,160)	-	12,710,763
Total assets, being depreciated, net	26,686,432	(288,449)	-	5,493	26,403,476
Business-type activities capital assets, net	$ 27,595,412	$ 4,360	$ (4,394)	$ -	$ 27,595,378

NOTE 5. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:		
General government	$	77,928
Judicial		2,656
Public safety		234,324
Public works		728,883
Culture and recreation		24,413
Housing and development		7,515
Total depreciation expense - governmental activities	$	1,075,719
Business-type activities:		
Water and sewer	$	869,676
Total depreciation expense - business-type activities	$	869,676

NOTE 6. LONG-TERM DEBT

Revenue Bonds. In 1996, the City issued $16,545,000 of serial bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at June 30, 2008 excluding the bond premium of $318,348 are as follows:

Purpose	Interest Rates	Terms	Due Date	Amount
Water & Sewer Improvements	3.60% - 6.00%	25 years	2021	$ 11,720,000

Revenue bonds debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2009	$ 575,000	$ 667,940
2010	600,000	638,265
2011	635,000	606,455
2012	665,000	572,323
2013	700,000	533,700
2014-2018	4,195,000	1,963,350
2019-2022	4,350,000	540,850
	$ 11,720,000	$ 5,522,883

NOTE 6. LONG-TERM DEBT (CONTINUED)

The City has incurred debt to the Georgia Environmental Facilities Authority for various water and sewer system projects. These notes are as follows at June 30, 2008:

Original Amount	Interest Rate	Term	Due Date	Amount
$ 800,000	4.8%	20 years	2015	$ 369,478
711,500	5.6%	20 years	2016	393,813
				$ 763,291

The primary government's total other long-term debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2009	$ 84,714	$ 37,742
2010	89,135	33,321
2011	93,856	28,600
2012	98,792	23,664
2013	104,097	18,359
2014-2017	292,697	22,335
	$ 763,291	$ 164,021

NOTE 6. LONG-TERM DEBT (CONTINUED)

Long-term liability activity for the year ended June 30, 2008, is as follows:

	Balance July 1, 2007	Additions	Reductions	Balance June 30, 2008	Due within One year
Governmental activities					
Compensated absences	$ 344,011	$ 323,963	$ 246,087	$ 421,887	$ 168,755
Claims payable	5,221,335	142,819	238,993	5,125,161	300,000
Long-term liabilities	$ 5,565,346	$ 466,782	$ 485,080	$ 5,547,048	$ 468,755
Business-type activities					
Revenue bonds payable	$ 12,265,000	$ -	$ 545,000	$ 11,720,000	$ 575,000
Add deferred amounts:					
For bond premium	334,745	-	16,397	318,348	-
Total bonds payable	12,599,745	-	561,397	12,038,348	575,000
Notes payable	843,621	-	80,330	763,291	84,714
Compensated absences	114,699	112,889	93,606	133,982	53,592
Long-term liabilities	$ 13,558,065	$ 112,889	$ 735,333	$ 12,935,621	$ 713,306

The current portion of revenue bonds payable is included in liabilities payable from restricted assets on the statement of net assets.

For governmental funds, compensated absences are liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Water and Sewer Fund and the Solid Waste Fund. Claims payable are liquidated by the Internal Service Fund.

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2007, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Solid Waste Fund	$ 357,361
General Fund	Other Governmental Funds	231
Water and Sewer Fund	General Fund	1,716,847
Solid Waste Fund	Water and Sewer Fund	11,074
		$ 2,085,513

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfer in	Transfer out	Amount
General Fund	Solid Waste Fund	$ 102,870

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 8. DEFINED BENEFIT PENSION PLAN

A. Plan Description

The City of Milledgeville maintains a single employer defined benefit pension plan, the City of Milledgeville Retirement Plan (the "Plan"). The Plan is administered by a board of trustees, which includes the Mayor, Finance Director, Personnel Director and two Council members. No stand alone financial statements are available. The Plan covers all full-time government employees who have completed one year of service. Also, elected and appointed members, including municipal legal officers are eligible immediately. Benefit provisions are established by City ordinance. The City of Milledgeville Pension Plan provides retirement, disability, and death benefits to plan members and beneficiaries. At July 1, 2007, the date of the most recent actuarial valuation, there were 287 participants consisting of:

Retirees and beneficiaries currently receiving benefits	72
Vested terminated employees not yet receiving benefits	29
Active employees	186
Total	287

As of the most recent valuation date, July 1, 2007, the funded status of the Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2007	$ 5,825,941	$ 9,341,172	$ 3,515,231	62.4 %	$ 4,700,000	74.8 %

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial accrued liability.

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Summary of Significant Accounting Policies

Basis of Accounting. The financial statements of the City of Milledgeville Pension Plan are prepared using the accrual basis of accounting. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments. Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Investments that do not have an established market are reported at estimated fair value.

C. Contributions

The City makes all contributions to the City of Milledgeville Pension Plan, which is provided by City ordinance. Plan participants are not required to contribute. The City is required to contribute at an actuarially determined rate; the current rate is 14% of annual covered payroll. Administrative costs of the plan are financed through investment income. Any changes to the plan must be approved by the City Council.

The annual required contribution for the current year was determined as part of the July 1, 2007 actuarial valuation using the Projected Unit Credit Actuarial Cost Method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.0% per year, and (b) projected salary increases of 3%.

D. Concentrations

Each of the following mutual fund plan investments represents 5% or more of plan net assets: Davis NY Venture, Dodge & Cox Income, Federated USG: 2-5 year, FID Contra Fund #22, Harbor CAP APP Fund, T Rowe Price Growth, Selected American, Vanguard G&I, Vanguard Total Bond, Vanguard Short-Term, and Vanguard Long TM Inv.

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

E. Annual Pension Cost and Net Pension Obligation (Asset)

Required contribution	$ 667,122
Interest on net pension obligation	(41,682)
Adjustment to annual required contribution	44,847
Annual pension cost	670,287
Employer contributions for period ending June 30, 2008	802,188
Increase (decrease) in net pension obligation (asset)	(131,901)
Net pension obligation (asset) beginning of year	(595,464)
Net pension obligation (asset) end of year	$ (727,365)

F. Trend Information

Trend Information for The Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Actual City Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
12/31/01	$ 232,189	$ 334,738	144 %	$ (523,889)
12/31/02	247,523	286,560	116	(562,926)
12/31/03	281,876	271,240	96	(552,290)
12/31/04	233,518	366,298	157	(685,070)
6/30/06	519,433	561,121	108	(726,758)
6/30/07	656,294	525,000	80	(595,464)
6/30/08	670,287	802,188	120	(727,365)

The City changed its fiscal year end from December 31 to June 30 beginning in 2005. Therefore, the actual City contribution shown above for June 30, 2006 is for 18 months.

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

G. Additional Information

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Basis of Valuation	
Current Valuation Date	July 1, 2007
Actuarial cost method	Projected Unit Credit
Amortization Method	Level percentage of projected payroll
Amortization Period	29 years, closed
Actuarial asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.00%
Projected salary increases	3.00%
Post retirement benefit increases	None
Inflation	None
Mortality rate	1994 Group annuity mortality table

NOTE 9. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Beginning in 1992, the City elected to stop carrying commercial insurance because of its prohibitive cost and began covering all claim settlements and judgments out of its General Fund and Water and Sewer Fund resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The liability for claims and judgments is reported in the Risk Management Fund because it is expected to be liquidated with expendable available financial resources. Change in the balances of claims liabilities during the past year are as follows:

	June 30, 2008	June 30, 2007
Unpaid claims, beginning of year	$ 5,221,335	$ 5,319,142
Incurred claims and changes in estimates	142,819	159,330
Claim payments	(238,993)	(257,137)
Unpaid claims, end of year	$ 5,125,161	$ 5,221,335

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS

The City provides postretirement life insurance benefits, as per the requirements of a resolution, for certain retirees. The provisions and obligations to contribute are established and may be amended by the City of Milledgeville. Employees are eligible if they retired on or after age 52 with at least 10 years of service, unless the employee was hired after turning age 52, whereby the 10 year requirement does not apply. The City pays 100% of the life insurance premiums. The City finances the plan on a pay-as-you-go basis. As of June 30, 2008, there were 41 retired employees receiving life insurance benefits. For the year ended June 30, 2008, the City paid $6,159 for these benefits.

NOTE 11. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet at June 30, 2008, the City has contractual commitments on uncompleted contracts of approximately $19,236.

Litigation

The City is involved in several small or pending lawsuits. In the opinion of management, based on consultations with legal counsel, an unfavorable outcome in excess of insurance coverage is unlikely.

Grant Contingencies

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, the City's management believes such disallowances, if any, will not be significant.

NOTE 12. HOTEL/MOTEL LODGING TAX

The City has levied a 5% lodging tax. A summary of the transactions for the fiscal year ending June 30, 2008, are as follows:

Balance of lodging tax funds on hand at July 1, 2007	$ (260)
Lodging tax receipts	282,549
Disbursements to Convention and Visitors Bureau	(282,546)
Balance of lodging tax funds on hand at June 30, 2008	$ (257)

NOTE 13. RELATED ORGANIZATIONS

The City's governing board is responsible for all of the board appointments of the Milledgeville Housing Authority. However, the City has no further accountability for this organization.

NOTE 14. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the 11 county, 22 city middle Georgia area, is a member of the Middle Georgia Regional Development Center (RDC) and is required to pay annual dues thereto. During its fiscal year ended June 30, 2008, the City paid $14,443 in such dues. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the chief elected official of each county and municipality in the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements may be obtained from:

Middle Georgia Regional Development Center
175-C Emery Highway
Macon, Georgia 31201

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MILLEDGEVILLE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
12/31/97	$ 5,444,640	$ 5,849,120	$ 404,480	93.1	$ 3,428,659	11.8
12/31/98	5,949,954	6,278,699	328,745	94.8	3,471,973	9.5
12/31/99	6,652,441	6,817,573	165,132	97.6	3,700,190	4.5
12/31/00	6,253,507	7,217,059	963,552	86.6	3,865,393	24.9
12/31/01	5,797,468	7,339,118	1,541,650	79.0	3,954,783	39.0
12/31/02	5,383,052	7,004,948	1,621,896	76.8	4,138,972	39.2
12/31/03	4,839,322	6,624,107	1,784,785	73.1	4,342,603	41.1
12/31/04	4,865,028	6,273,835	1,408,807	77.5	4,154,320	33.9
07/01/06	5,245,659	9,259,588	4,013,929	56.7	4,720,000	85.0
07/01/07	5,825,941	9,341,172	3,515,231	62.4	4,700,000	74.8

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OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Hotel/Motel Tax Fund – This fund is used to account for hotel/motel taxes collected.

Silver-Haired Legislature Grant Fund – This fund is used to account for various grants received from the State of Georgia for the operating expenses of the Silver-Haired Legislature.

Community Development Block Grant Program Income Fund – This fund is used to account for the activity of the City's community development block grant programs. Financing was originally provided by a grant received from the U.S. Department of Housing and Urban Development through the State of Georgia Department of Community Affairs.

Confiscated Assets Fund – This fund is used to account for condemnation proceeds. Funds may be used for public safety purposes except for salaries.

Community Home Improvement Program (CHIP) Fund – This fund is used to account for a grant received from the U.S. Department of Housing and Urban Development under the Community Home Investment Program.

CITY OF MILLEDGEVILLE, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

	Special Revenue Funds					
ASSETS	**Hotel/Motel Tax Fund**	**Silver-Haired Legislature Grant Fund**	**CDBG Program Income Fund**	**Confiscated Assets Fund**	**CHIP Program Fund**	**Total**
Cash and cash equivalents	$ 7	$ 100	$ 391,765	$ 6,302	$ 94	$ 398,268
Taxes receivable	24,620	-	-	-	-	24,620
Notes receivable	-	-	2,856	-	-	2,856
Total assets	$ 24,627	$ 100	$ 394,621	$ 6,302	$ 94	$ 425,744
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 24,884	$ -	$ -	$ -	$ -	$ 24,884
Deferred revenue	-	-	2,856	-	-	2,856
Due to other funds	-	131	-	-	100	231
Total liabilities	24,884	131	2,856	-	100	27,971
FUND BALANCES						
Reserved for public safety	-	-	-	6,302	-	6,302
Reserved for community development	-	-	391,765	-	-	391,765
Unreserved, undesignated (deficit)	(257)	(31)	-	-	(6)	(294)
Total fund balances (deficits)	(257)	(31)	391,765	6,302	(6)	397,773
Total liabilities and fund balances	$ 24,627	$ 100	$ 394,621	$ 6,302	$ 94	$ 425,744

CITY OF MILLEDGEVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Special Revenue Funds					
	Hotel/Motel Tax Fund	Silver-Haired Legislature Grant Fund	CDBG Program Income Fund	Confiscated Assets Fund	CHIP Fund	Total
Revenues:						
Taxes	$ 282,549	$ -	$ -	$ -	$ -	$ 282,549
Intergovernmental	-	1,973	-	-	25,268	27,241
Fines and forfeitures	-	-	-	14,525	-	14,525
Interest revenue	-	-	-	87	-	87
Other revenues	-	-	2,338	500	-	2,838
Total revenues	282,549	1,973	2,338	15,112	25,268	327,240
Expenditures:						
Current:						
General government	-	2,004	-	-	-	2,004
Public safety	-	-	-	22,031	-	22,031
Housing and development	282,546	-	-	-	25,274	307,820
Capital outlay	-	-	-	-	-	-
Total expenditures	282,546	2,004	-	22,031	25,274	331,855
Net change in fund balances	3	(31)	2,338	(6,919)	(6)	(4,615)
Fund balances (deficits), July 1	(260)	-	389,427	13,221	-	402,388
Fund balances (deficits), June 30	$ (257)	$ (31)	$ 391,765	$ 6,302	$ (6)	$ 397,773

CITY OF MILLEDGEVILLE, GEORGIA
SPECIAL REVENUE FUND

HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Original and Final Budget	Actual	Variance with Final Budget
Revenues, taxes	$ 282,550	$ 282,549	$ (1)
Expenditures, housing and development	282,550	282,546	4
Net change in fund balances	-	3	3
Fund balances (deficits), July 1	(260)	(260)	-
Fund balances (deficits), June 30	$ (260)	$ (257)	$ 3

CITY OF MILLEDGEVILLE, GEORGIA
SPECIAL REVENUE FUND

SILVER-HAIRED LEGISLATURE GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Original and Final Budget	Actual	Variance with Final Budget
Revenues, intergovernmental	$ 2,010	$ 1,973	$ (37)
Expenditures, general government	2,010	2,004	6
Net change in fund balances	-	(31)	(31)
Fund balances, July 1	-	-	-
Fund balances (deficits), June 30	$ -	$ (31)	$ (31)

CITY OF MILLEDGEVILLE, GEORGIA
SPECIAL REVENUE FUND

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM INCOME FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Original and Final Budget	Actual	Variance with Final Budget
Revenues, other	$ 2,526	$ 2,338	$ (188)
Expenditures, housing and development	2,526	-	2,526
Net change in fund balances	-	2,338	2,338
Fund balances, July 1	389,427	389,427	-
Fund balances, June 30	$ 389,427	$ 391,765	$ 2,338

CITY OF MILLEDGEVILLE, GEORGIA
SPECIAL REVENUE FUND

CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and forfeitures	$ 14,530	$ 14,525	$ (5)
Interest revenue	100	87	(13)
Other revenues	500	500	-
Total revenues	15,130	15,112	(18)
Expenditures, public safety	22,031	22,031	-
Net change in fund balances	(6,901)	(6,919)	(18)
Fund balances, July 1	13,221	13,221	-
Fund balances, June 30	$ 6,320	$ 6,302	$ (18)

CITY OF MILLEDGEVILLE, GEORGIA
SPECIAL REVENUE FUND

COMMUNITY HOME IMPROVEMENT PROGRAM (CHIP)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	$ 25,275	$ 25,268	$ (7)
Total revenues	25,275	25,268	(7)
Expenditures, housing and development	25,275	25,274	1
Net change in fund balances	-	(6)	(6)
Fund balances, July 1	-	-	-
Fund balances, June 30	$ -	$ (6)	$ (6)

AGENCY FUND

School Fund – This fund is used to account for the collection and disbursement of tax revenues levied for Georgia Military College.

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2008

	School Fund
ASSETS	
Cash	$ 3,140
Taxes receivable	29,060
Total assets	$ 32,200
LIABILITIES	
Due to others	$ 2,931
Uncollected taxes	29,269
Total liabilities	$ 32,200

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

School Fund	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
Cash	$ 19,961	$ 339,552	356,373	$ 3,140
Taxes receivable	25,184	323,703	319,827	29,060
Total assets	$ 45,145	$ 663,255	$ 676,200	$ 32,200
Due to others	$ 20,883	$ 333,975	$ 351,927	$ 2,931
Uncollected taxes	24,262	329,280	324,273	29,269
Total liabilities	$ 45,145	$ 663,255	$ 676,200	$ 32,200

COMPONENT UNITS

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - MILLEDGEVILLE BALDWIN COUNTY ALLIED ARTS
JUNE 30, 2008

ASSETS	
Cash	$ 169,915
Due from other governments	11,296
Total assets	$ 181,211
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accrued liabilities	$ 1,811
Total liabilities	1,811
FUND BALANCE	
Unreserved, undesignated	179,400
Total liabilities and fund balance	$ 181,211

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNIT - MILLEDGEVILLE BALDWIN COUNTY ALLIED ARTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Revenues		
Intergovernmental	$	39,658
Contributions		166,766
Interest revenue		647
Other revenues		46,555
Total revenues		253,626
Expenditures, culture and recreation		245,818
Net change in fund balance		7,808
Fund balance, July 1		171,592
Fund balance, June 30	$	179,400

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - MARY VINSON MEMORIAL LIBRARY
JUNE 30, 2008

ASSETS		
Cash	$	156,177
Investments		3,501
Accounts receivable		850
Total assets	$	160,528
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	$	24,245
Accrued liabilities		13,857
Total liabilities		38,102
FUND BALANCE		
Unreserved, undesignated		122,426
Total liabilities and fund balance	$	160,528

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNIT - MARY VINSON MEMORIAL LIBRARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Revenues		
Intergovernmental	$	166,503
Contributions		512,016
Interest revenue		803
Other revenues		40,722
Total revenues		720,044
Expenditures, education		710,523
Net change in fund balance		9,521
Fund balance, July 1		112,905
Fund balance, June 30	$	122,426

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - MILLEDGEVILLE MAINSTREET DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2008

ASSETS		
Cash	$	57,437
Notes receivable		68,465
Total assets	$	125,902
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	$	3,343
Accrued liabilities		1,411
Total liabilities		4,754
FUND BALANCE		
Reserved for noncurrent notes receivable		68,465
Unreserved, undesignated		52,683
Total fund balance		121,148
Total liabilities and fund balance	$	125,902

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNIT - MILLEDGEVILLE MAINSTREET DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Revenues		
Contributions	$	97,437
Special events		162,738
Interest revenue		4,423
Other revenues		8
Total revenues		264,606
Expenditures, economic development		259,330
Net change in fund balance		5,276
Fund balance, July 1		115,872
Fund balance, June 30	$	121,148

STATISTICAL SECTION

This part of the City of Milledgeville's comprehensive 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.

Contents ..... **Page**

Financial Trends ..... **77 - 84**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity ..... **85 - 91**

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity ..... **92 - 96**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information ..... **97 and 98**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information ..... **99 - 101**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year. The City implemented GASB Statement 34 for the year ended December 31, 2003; schedules presenting financial information include information beginning in that year.

CITY OF MILLEDGEVILLE, GEORGIA

NET ASSETS BY COMPONENT
LAST FIVE FISCAL YEARS

	Fiscal Year				
	2004	2005	2006	2007	2008
Governmental activities:					
Invested in capital assets, net of related debt	$ 5,184,092	$ 8,063,087	$ 8,591,031	$ 13,327,842	$ 12,881,590
Restricted	-	-	5,360,037	6,520,856	7,186,892
Unrestricted	2,280,214	1,664,442	(2,740,757)	(2,397,339)	(1,950,090)
Total governmental activities net assets	$ 7,464,306	$ 9,727,529	$ 11,210,311	$ 17,451,359	$ 18,118,392
Business-type activities:					
Invested in capital assets, net of related debt	$ 11,386,155	$ 11,437,514	$ 13,443,166	$ 14,152,046	$ 14,793,739
Restricted	1,025,536	1,410,557	485,662	474,415	522,712
Unrestricted	4,875,228	5,432,916	7,749,727	8,848,181	10,995,989
Total business-type activities net assets	$ 17,286,919	$ 18,280,987	$ 21,678,555	$ 23,474,642	$ 26,312,440
Primary government:					
Invested in capital assets, net of related debt	$ 16,570,247	$ 19,500,601	$ 22,034,197	$ 27,479,888	$ 27,675,329
Restricted	1,025,536	1,410,557	5,845,699	6,995,271	7,709,604
Unrestricted	7,155,442	7,097,358	5,008,970	6,450,842	9,045,899
Total primary government net assets	$ 24,751,225	$ 28,008,516	$ 32,888,866	$ 40,926,001	$ 44,430,832

CITY OF MILLEDGEVILLE, GEORGIA

CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year				
	2004	2005 (1)	2006	2007	2008
Expenses					
Governmental activities:					
General government	$ 1,301,315	$ 650,503	$ 1,382,974	$ 1,554,126	$ 1,311,449
Judicial	127,221 (2)	60,911	138,253	144,191	146,822
Public safety	4,142,449	2,226,618	4,950,692	5,057,547	5,484,783
Public works	1,614,112 (3)	870,502	1,474,717	2,722,253	2,315,767
Culture and recreation	856,664	458,576	899,585	1,006,164	990,400
Housing and development	609,672	306,324	723,575	798,266	896,363
Interest on long-term debt	4,911	832	762	-	-
Total governmental activities expenses	8,656,344	4,574,266	9,570,558	11,282,547	11,145,583
Business-type activities:					
Water and sewer	5,484,315	2,705,299	5,418,621	5,638,041	5,926,373
Solid waste	1,277,277 (3)	635,673	1,251,481	1,352,562	1,419,941
Total business-type activities expenses	6,761,592	3,340,972	6,670,102	6,990,603	7,346,314
Total primary government expenses	$ 15,417,936	$ 7,915,238	$ 16,240,660	$ 18,273,150	$ 18,491,897
Program revenues					
Governmental activities:					
Charges for services:					
General government	$ 231,013 (3)	$ 85,661	$ 339,402	$ 288,359	$ 360,551
Public safety	473,710	248,591	615,218	619,075	695,843
Public works	500,904	17,535	-	-	-
Other activities	21,479	1,179	2,362	2,567	2,838
Operating grants and contributions	185,675	37,698	62,420	73,463	81,578
Capital grants and contributions	539,731	2,587,472	653,838	432,839	51,118
Total governmental activities program revenues	1,952,512	2,978,136	1,673,240	1,416,303	1,191,928

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year				
	2004	2005 (1)	2006	2007	2008
Program revenues (continued)					
Business-type activities:					
Charges for services:					
Water and sewer	$ 6,786,049	$ 3,335,326	$ 6,829,185	$ 6,926,704	$ 7,590,421
Solid waste	1,059,675	554,451	1,216,534	1,217,590	1,585,858
Capital grants and contributions	756,994	344,709	1,266,640	324,771	75,366
Total business-type activities program revenues	8,602,718	4,234,486	9,312,359	8,469,065	9,251,645
Total primary government program revenues	$ 10,555,230	$ 7,212,622	$ 10,985,599	$ 9,885,368	$ 10,443,573
Net (expense)/revenue					
Governmental activities	$ (6,703,832)	$ (1,596,130)	$ (7,897,318)	$ (9,866,244)	$ (9,953,655)
Business-type activities	1,841,126	893,514	2,642,257	1,478,462	1,905,331
Total primary government net expense	$ (4,862,706)	$ (702,616)	$ (5,255,061)	$ (8,387,782)	$ (8,048,324)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	$ 1,933,792	$ 197,551	$ 2,648,399	$ 2,653,251	$ 2,804,795
Sales taxes	4,311,240	1,927,570	4,126,742	4,592,017	4,584,724
Hotel/motel taxes	267,967	127,137	253,303	262,255	282,549
Franchise taxes	900,981	862,924	1,073,816	1,102,370	1,102,370
Insurance premium taxes	873,170	-	939,416	982,864	982,864
Other taxes	1,008,178	705,067	1,021,223	1,078,493	1,048,436
Unrestricted investment earnings	37,694	39,105	120,737	404,965	422,827
Transfers	-	-	(803,536)	(77,217)	(607,877)
Total governmental activities	9,333,022	3,859,354	9,380,100	10,998,998	10,620,688

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year				
	2004	2005 (1)	2006	2007	2008
General Revenues and Other Changes in Net Assets (continued)					
Business-type activities:					
Unrestricted investment earnings	$ 96,236	$ 100,554	$ (48,225)	$ 240,408	$ 324,590
Transfers	-	-	803,536	77,217	607,877
Total business-type activities	96,236	100,554	755,311	317,625	932,467
Total primary government	$ 9,429,258	$ 3,959,908	$ 10,135,411	$ 11,316,623	$ 11,553,155
Change in Net Assets					
Governmental activities	$ 2,629,190	$ 2,263,224	$ 1,482,782	$ 1,132,754	$ 667,033
Business-type activities	1,937,362	994,068	3,397,568	1,796,087	2,837,798
Total primary government	$ 4,566,552	$ 3,257,292	$ 4,880,350	$ 2,928,841	$ 3,504,831

(1) The City changed its fiscal year end from December 31 to June 30 beginning in 2005. 2005 is for six months only.

(2) During fiscal year 2004, the City adopted the Uniform Chart of Accounts. The City began using a separate Judicial function.

(3) During fiscal year 2004, the City adopted the Uniform Chart of Accounts. The City began using a separate enterprise fund for the Solid Waste activities.

CITY OF MILLEDGEVILLE, GEORGIA

GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE
LAST FIVE FISCAL YEARS
(accrual basis of accounting)

Year	Property Tax	Sales Tax	Other Taxes (1)	Franchise Tax	Insurance Premium Tax	Total
2004	1,933,792	4,311,240	1,276,145	900,981	873,170	9,295,328
2005 (2)	197,551	1,927,570	832,204	862,924	-	3,820,249
2006	2,648,399	4,126,742	1,274,526	1,073,816	939,416	10,062,899
2007	2,653,251	4,592,017	1,340,748	1,102,370	982,864	10,671,250
2008	2,804,795	4,584,724	1,358,079	1,032,903	1,025,237	10,805,738

(1) Includes alcoholic beverages taxes and hotel/motel taxes.

(2) The City changed its fiscal year end from December 31 to June 30 beginning in 2005. 2005 is for six months only.

CITY OF MILLEDGEVILLE, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST FIVE FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year				
	2004	2005	2006	2007	2008
General Fund					
Reserved	$ 32,817	$ 37,885	$ 51,978	$ 111,763	$ 120,157
Unreserved	1,415,369	782,125	1,462,210	1,842,682	2,048,211
Total governmental activities net assets	$ 1,448,186	$ 820,010	$ 1,514,188	$ 1,954,445	$ 2,168,368
All Other Governmental Funds					
Reserved	$ 396,400	$ 398,235	$ 5,793,736	$ 6,926,294	$ 7,616,855
Unreserved, reported in:					
Special revenue funds	1,027	298	(2,814)	(260)	(294)
Capital projects funds	4,934,033	5,283,251	(280)	-	-
Total all other governmental funds	$ 5,331,460	$ 5,681,784	$ 5,790,642	$ 6,926,034	$ 7,616,561

CITY OF MILLEDGEVILLE, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST FIVE FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year				
	2004	2005 (1)	2006	2007	2008
Revenues:					
Taxes	$ 9,302,348	$ 4,085,630	$ 10,001,357	$ 10,681,688	$ 10,774,086
Licenses and permits	205,708	78,372	302,250	245,612	269,421
Intergovernmental	719,709	851,904	558,486	502,644	132,696
Fines and forfeitures	449,043	247,386	615,218	619,075	695,843
Charges for services	525,571 (2)	12,592	14,972	7,919	5,934
Interest income	37,115	38,946	120,242	400,066	416,981
Other revenues	52,481	26,003	24,542	41,053	88,034
Total revenues	11,291,975	5,340,833	11,637,067	12,498,057	12,382,995
Expenditures:					
General government	1,268,741	602,264	1,293,058	1,260,215	1,235,084
Judicial	126,017 (3)	58,765	134,956	139,081	145,044
Public safety	4,097,120	2,105,534	4,601,913	4,775,248	5,348,910
Public works	1,278,923 (2)	629,949	1,373,713	1,473,618	1,527,644
Culture and recreation	836,284	448,189	876,398	975,299	964,602
Housing and development	612,491	305,036	723,538	788,626	892,385
Capital outlay	1,259,535	1,444,916	1,782,391	1,433,104	1,467,746
Debt service:					
Principal	150,276	23,200	47,302	-	-
Interest	4,911	832	762	-	-
Total expenditures	9,634,298	5,618,685	10,834,031	10,845,191	11,581,415
Excess of revenues over (under) expenditures	1,657,677	(277,852)	803,036	1,652,866	801,580

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST FIVE FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year				
	2004	2005 (1)	2006	2007	2008
Other Financing Sources (Uses)					
Proceeds from capital leases	$ -	$ -	$ -	$ -	$ -
Transfers in from other funds	8,375	-	54	-	102,870
Transfers out to other funds	(8,375)	-	(54)	(77,217)	-
Total other financing sources (uses)	-	-	-	(77,217)	102,870
Net change in fund balances	$ 1,657,677	$ (277,852)	$ 803,036	$ 1,575,649	$ 904,450
Debt service as a percentage of noncapital expenditures	1.81%	0.56%	0.51%	0.00%	0.00%

(1) The City changed its fiscal year end from December 31 to June 30 beginning in 2005. 2005 is for six months only.

(2) During fiscal year 2004, the City adopted the Uniform Chart of Accounts. The City began using a separate Judicial function.

(3) During fiscal year 2004, the City adopted the Uniform Chart of Accounts. The City began using a separate enterprise fund for the Solid Waste activities.

CITY OF MILLEDGEVILLE, GEORGIA

GENERAL GOVERNMENTAL TAX REVENUE BY SOURCE (1)
LAST FIVE FISCAL YEARS
(modified accrual basis of accounting)

Year	Property Tax	Sales Tax	Other Taxes (2)	Franchise Tax	Insurance Premium Tax	Total
2004	1,940,812	4,311,240	1,276,145	900,981	873,170	9,302,348
2005 (3)	462,932	1,927,570	832,204	862,924	-	4,085,630
2006	2,586,857	4,126,742	1,274,526	1,073,816	939,416	10,001,357
2007	2,663,689	4,592,017	1,340,748	1,102,370	982,864	10,681,688
2008	2,773,143	4,584,724	1,358,079	1,032,903	1,025,237	10,774,086

(1) Includes General, Special Revenue and Capital Projects Funds

(2) Includes alcoholic beverages taxes and hotel/motel taxes.

(3) The City changed its fiscal year end from December 31 to June 30 beginning in 2005. 2005 is for six months only.

CITY OF MILLEDGEVILLE, GEORGIA

DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year	Direct	Overlapping			
	City	State of Georgia	Baldwin County (1)	Baldwin County School Board	Total Direct and Overlapping Rates
1999	1.00%	4.00%	1.00%	1.00%	7.00%
2000	1.00%	4.00%	1.00%	1.00%	7.00%
2001	1.00%	4.00%	1.00%	1.00%	7.00%
2002	1.00%	4.00%	1.00%	1.00%	7.00%
2003	1.00%	4.00%	1.00%	1.00%	7.00%
2004	1.00%	4.00%	1.00%	1.00%	7.00%
2005	1.00%	4.00%	1.00%	1.00%	7.00%
2006	1.00%	4.00%	1.00%	1.00%	7.00%
2007	1.00%	4.00%	1.00%	1.00%	7.00%
2008	1.00%	4.00%	1.00%	1.00%	7.00%

Source: Georgia Department of Revenue, Sales and Use Tax Division

Notes:

(1) Current 1% special purpose local option sales tax expires March 31, 2012

(2) Current 1% education local option sales tax expires September 30, 2011

CITY OF MILLEDGEVILLE, GEORGIA

TAXABLE SALES TAX DISTRIBUTION BY CATEGORY
LAST FOUR CALENDAR YEARS (1) (2)

By Category	2004	2005	2006	2007
Food	$ 1,470,601	$ 1,484,331	$ 1,702,562	$ 1,789,423
Apparel	88,660	96,057	96,479	101,552
General	1,166,570	1,273,629	1,319,042	1,344,124
Automotive	956,362	1,115,842	1,227,571	1,234,576
Home	256,630	289,122	362,778	310,193
Lumber	577,265	570,625	722,251	674,450
Miscellaneous Service	246,321	208,836	243,942	232,113
Manufacturers	187,422	151,253	186,704	133,567
Utilities	499,701	507,428	564,852	586,667
Miscellaneous	363,371	375,626	428,756	450,685
	$ 5,812,903	$ 6,072,749	$ 6,854,937	$ 6,857,350

Source: Georgia Department of Revenue, Local Government Services Division

Notes:

(1) Only four years of data are available

(2) Information only available for Baldwin County

CITY OF MILLEDGEVILLE, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other (1)					
1999	72,536,137	90,871,763	18,875,664	1,085,636	850,648	182,518,552	9.75	456,296,380	40%
2000	73,632,576	96,176,265	19,773,565	782,086	896,501	189,467,991	9.75	473,669,978	40%
2001	74,382,687	100,396,928	19,925,000	1,534,049	885,898	195,352,766	9.75	488,381,915	40%
2002	75,465,212	100,035,281	19,409,120	1,972,526	1,131,838	195,750,301	10.75	489,375,753	40%
2003	77,114,714	103,014,513	19,525,470	1,548,700	944,996	200,258,401	10.75	500,646,003	40%
2004	116,731,852	136,497,794	19,725,310	1,634,885	1,393,044	273,196,797	9.75	682,991,993	40%
2005	-	-	-	-	-	-	-	-	40%
2006	119,488,468	152,230,477	18,769,420	1,426,748	1,612,988	290,302,125	9.75	725,755,313	40%
2007	142,537,338	159,997,227	19,063,920	1,243,248	1,582,132	321,259,601	9.22	803,148,252	40%
2008	152,659,325	169,264,504	21,608,710	1,144,479	1,524,478	343,152,540	9.22	857,881,350	40%

Source: Baldwin County Tax Commissioner

(1) Includes mobile homes and heavy equipment.

Note: The City changed its fiscal year end from December 31 to June 30 beginning in 2005. 2005 is for six months only.

CITY OF MILLEDGEVILLE, GEORGIA

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(rate per $1,000 of assessed value)

	Fiscal Year Ended									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
City of Milledgeville										
Maintenance & Operations	8.75	8.75	8.75	9.75	9.75	8.75	8.75	8.75	8.22	8.22
School Fund	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total City	9.75	9.75	9.75	10.75	10.75	9.75	9.75	9.75	9.22	9.22
Baldwin County	12.77	12.52	12.52	12.52	12.52	9.80	9.80	13.58	8.80	8.80
Baldwin County School District	16.65	16.65	16.65	18.65	18.65	14.57	14.57	14.57	16.07	16.07
Baldwin County School Bond	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Total	39.42	39.17	39.17	42.17	42.17	34.37	34.37	38.15	34.34	34.34

Source: City of Milledgeville financial records

Note: In 2004, there was a general reassessment of property values.

The City changed its fiscal year end from December 31 to June 30 beginning in 2005. 2005 is for six months only.

CITY OF MILLEDGEVILLE, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	2008			1999		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Georgia Power	$ 7,911,812	1	2.31%	$ 7,197,405	1	4.42%
Alltel	5,664,326	2	1.65%	4,902,899	2	3.01%
Campus Crest at Milledgeville	5,638,661	3	1.64%	-		-
Magnolia Park	5,284,154	4	1.54%	-		-
Lowe's of Milledgeville	5,251,151	5	1.53%	-		-
Wal-Mart Real Estate Business	4,904,680	6	1.43%	-		-
Wal-Mart	4,355,671	7	1.27%	3,441,327	3	2.11%
Shaw Industries	3,329,035	8	0.97%	1,779,225	6	1.08%
Heritage Walk Investments	3,209,360	9	0.94%	1,973,387	5	1.09%
Gordon Giles	2,867,687	10	0.84%	-		-
Hatcher Square	-		-	2,134,918	4	1.31%
Exchange Bank	-		-	1,341,951	7	0.82%
Century Bank	-		-	1,254,401	8	0.77%
Southern Family Markets	-		-	1,252,956	9	0.77%
Pine Knoll Apartments, Inc.	-		-	1,194,281	10	0.73%
Totals	$ 48,416,537		14.12%	$ 26,472,750		16.11%

Source: City of Milledgeville and Baldwin County records

Note: Zorn Trustee (new Wal-Mart site) opened in 2004 with other stores.

Lowe's opened in 2005.

Campus Crest and Magnolia Park student housing sites opened late in 2006.

CITY OF MILLEDGEVILLE, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	1,469,111	1,372,393	93.4	92,719	1,465,112	99.7
2000	1,524,048	1,399,773	91.8	112,124	1,511,897	99.2
2001	1,567,253	1,479,450	94.4	83,839	1,563,289	99.7
2002	1,689,634	1,442,656	85.4	235,773	1,678,429	99.3
2003	1,790,083	1,425,917	79.7	359,250	1,785,167	99.7
2004	2,313,713	231,781	10.0	2,066,964	2,298,745	99.4
2005	-	-	-	-	-	-
2006	2,483,150	2,301,053	92.7	72,192	2,373,245	95.6
2007	2,608,910	2,440,936	93.6	-	2,440,936	93.6
2008	2,822,462	2,694,554	95.5	-	2,694,554	95.5

Source: City of Milledgeville financial records.

Note: The City changed its fiscal year end from December 31 to June 30 beginning in 2005. 2005 is for six months only. 2004 property taxes were not levied until December 23, 2004.

CITY OF MILLEDGEVILLE, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Capital Lease Obligations	Water & Sewer Notes	Revenue Bonds			
1999	1,960,000	495,604	1,333,596	15,445,000	19,234,200	5.87%	1,085.02
2000	1,855,000	395,113	1,272,661	15,050,000	18,572,774	4.66%	990.18
2001	-	294,042	1,214,783	14,635,000	16,143,825	4.05%	860.68
2002	-	201,399	1,153,860	14,205,000	15,560,259	4.04%	829.57
2003	-	220,778	1,097,161	13,755,000	15,072,939	3.91%	803.59
2004	-	70,502	1,027,467	13,280,000	14,377,969	3.36%	766.54
2005	-	47,302	992,499	13,280,000	14,319,801	3.22%	763.44
2006	-	-	919,978	12,785,000	13,704,978	2.94%	730.66
2007	-	-	843,621	12,265,000	13,108,621	N/A	698.87
2008	-	-	763,291	11,720,000	12,483,291	N/A	665.53

Source: City of Milledgeville financial records

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Note: The City changed its fiscal year end from December 31 to June 30 beginning in 2005. 2005 is for six months only.
Details regarding the city's outstanding debt can be found in the notes to the financial statements.

CITY OF MILLEDGEVILLE, GEORGIA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ended	General Obligation Bonds	Percentage of Actual Property Value (2)	Per Capita (1)
1999	1,960,000	0.43%	110.57
2000	1,855,000	0.39%	98.90
2001	-	-	-
2002	-	-	-
2003	-	-	-
2004	-	-	-
2005	-	-	-
2006	-	-	-
2007	-	-	-
2008	-	-	-

Source: City of Milledgeville financial records

(1) See the Schedule of Demographic and Economic Statistics for population data.
(2) See Schedule of Assessed Value and Estimated Actual Value of Taxable Property.

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
The City changed its fiscal year end from December 31 to June 30 beginning in 2005. 2005 is for six months only.

CITY OF MILLEDGEVILLE, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2008

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated share of Overlapping Debt
Debt repaid with property taxes: Baldwin County	$ 11,632,860	33.36%	$ 3,880,722
Subtotal, overlapping debt			3,880,722
City of Milledgeville direct debt			$ -
Total direct and overlapping debt			$ 3,880,722

Source: Assessed value data used to estimate applicable percentages provided by the Baldwin County Tax Assessors Office.
Debt outstanding data is for fiscal year ending June 30, 2007 as provided by Baldwin County. 2008 figures are not available.

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the City's boundaries and dividing it by the County's total taxable assessed value.

CITY OF MILLEDGEVILLE, GEORGIA

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Legal debt limit	$ 16,299	$ 17,007	$ 17,561	$ 17,434	$ 18,226	$ 26,813	$ 26,813	$ 27,011	$ 32,126	$ 34,315
Total net debt applicable to debt limit	1,960	1,855	-	-	-	-	-	-	-	-
Legal debt margin	$ 14,339	$ 15,152	$ 17,561	$ 17,434	$ 18,226	$ 26,813	$ 26,813	$ 27,011	$ 32,126	$ 34,315
Legal debt margin as a percentage of the debt limit	12.03%	10.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2008	
Assessed value	$343,153
Debt limit (10% of assessed value)	34,315
Debt applicable to limit:	
General obligation bonds	-
Total net debt applicable to limit	-
Legal debt margin	$ 34,315

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed. property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying the general obligation bonds.

These amounts do not include revenue bonds that are being repaid from the Enterprise Fund.

CITY OF MILLEDGEVILLE, GEORGIA

PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
1999	4,594,289	3,418,781	1,175,508	395,000	859,408	0.94
2000	4,895,269	3,753,273	1,141,996	415,000	842,225	0.91
2001	5,109,818	4,169,269	940,549	430,000	823,550	0.75
2002	5,870,357	3,882,656	1,987,701	450,000	803,770	1.59
2003	5,698,606	3,949,885	1,748,721	475,000	782,620	1.39
2004	6,786,049	3,820,670	2,965,379	495,000	759,820	2.36
2005	3,335,326	1,883,021	1,452,305	-	379,910	3.82
2006	6,829,185	3,801,879	3,027,306	495,000	747,692	2.44
2007	6,926,704	4,033,516	2,893,188	520,000	728,453	2.32
2008	7,590,421	4,349,460	3,240,961	545,000	702,119	2.60

Notes: The City changed its fiscal year end from December 31 to June 30 beginning in 2005. 2005 is for six months only.
Details regarding the city's outstanding debt can be found in the notes to the financial statements.
Utility service charges include tap fees, but exclude interest.
Operating expenses do not include interest, depreciation, or amortization expense.

CITY OF MILLEDGEVILLE, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands)	Per Capita Personal Income (2)	School Enrollment (3)	Unemployment Rate (2)
1999	17,727	327,719	18,487	6,386	5.70
2000	18,757	398,905	21,267	6,364	3.50
2001	18,757	398,905	21,267	6,336	4.70
2002	18,757	385,569	20,556	6,233	4.00
2003	18,757	385,569	20,556	5,894	4.00
2004	18,757	428,316	22,835	5,947	4.50
2005	18,757	445,235	23,737	6,032	5.60
2006	18,757	465,474	24,816	5,948	5.50
2007	18,757	N/A	25,134	5,582	5.90
2008	18,757	N/A	N/A	5,486	6.70

(1) Source: U. S. Bureau of the Census.
(2) Source: Georgia Department of Economic Analysis
(3) Source: Georgia Department of Education
(4) Source: Georgia Department of Labor

Note: 2008 per capita information is not available.

CITY OF MILLEDGEVILLE, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2008			1999		
Employer	Employees (1)	Rank	Percentage of Total County Employment (3)	Employees (2)	Rank	Percentage of Total County Employment (3)
Central State Hospital	2,042	1	10.70 %	2,500	1	23.46 %
Rheem Manufacturing Company	1,189	2	7.41	1,100	3	5.38
Georgia College & State University	1,228	3	5.87	600	7	3.59
Georgia Department of Corrections	1,225	4	5.86	1,200	2	7.18
Baldwin County Board of Education	900	5	4.30	900	4	5.38
Oconee Regional Medical Center	710	6	3.39	757	5	4.53
Vought Aircraft Industries, Inc.	513	7	2.45			
Bill Ireland Y.D.C.	435	8	2.08	435	9	2.60
United Veteran Services of Georgia	425	9	2.03	500	8	2.99
Georgia Military College	400	10	1.91	314	10	1.88
Northrup Grumman Aircraft				730	6	4.36

(1) Source: Milledgeville Baldwin County Chamber of Commerce
(2) Source: City of Milledgeville records
(3) Source: Georgia Department of Labor

Note:

Northrup Grumman Aircraft relocated in 2002.
Central State Hospital has downsized in the last several years.

CITY OF MILLEDGEVILLE, GEORGIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST FIVE FISCAL YEARS

	Fiscal Year				
	2004	2005	2006	2007	2008
Function/Program					
General Government					
Administrative	3	3	3	3	3
Finance	8	8	7	7	7
Personnel	2	2	2	2	1
Planning	5	5	5	5	5
Other	7	7	7	8	8
Police					
Officers	49	49	49	49	49
Civilians	14	14	14	13	13
Fire					
Firefighters	31	31	31	33	33
Civilians	1	1	1	1	1
Public Works					
Administrative	2	2	2	2	2
Maintenance	20	20	16	12	12
Parks and Recreation	6	6	6	10	10
Water	40	40	39	39	39
Wastewater	16	16	18	18	18
Refuse	5	5	9	9	9
Total	209	209	209	211	210

Source: City of Milledgeville Human Resources Department

Note: The City changed its fiscal year end from December 31 to June 30 beginning in 2005. 2005 is for six months only.
The City is only able to report information for five fiscal years due to the lack of records prior to 2002.

In 2007, one firefighter, an Assistant Fire Marshall and an engineer were added, while one custodian was deleted.
City Manager added beginning in fiscal year 2004. City changed form of government from Mayor-Council to Council-Manager.

CITY OF MILLEDGEVILLE, GEORGIA

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal year 1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police										
Parking violations	2,893	2,860	1,525	3,300	3,326	3,040	956	3,008	2,360	3,737
Traffic violations	2,559	2,067	3,052	3,689	3,858	3,084	2,196	4,387	5,335	6,155
Fire										
Number of calls answered	1,189	1,135	1,042	1,093	1,138	1,058	463	1,043	1,015	971
Number of inspections conducted	760	800	1,226	866	876	1,068	697	1,404	2,091	2,302
Highways and streets										
Street resurfacing (miles)	N/A	N/A	N/A	N/A	N/A	1.5	1.0	1.5	1.0	0.5
Potholes repaired	N/A	N/A	N/A	N/A	N/A	51	37	53	157	191
Sanitation										
Yard trimmings collected (tons/day)	N/A	N/A	N/A	N/A	N/A	1.5	1.5	1.5	2.7	3.8
Water										
Number of service connections	6,095	6,176	6,176	6,178	6,178	6,693	6,693	7,008	7,231	7,388
Average daily consumption (thousands of gallons)	6,442	6,769	6,630	6,630	6,630	6,630	6,668	6,706	6,638	6,515
Sewer										
Number of service connections	5,162	5,231	5,231	5,398	5,398	5,398	5,587	5,777	5,792	6,000
Average daily sewage treatment (thousands of gallons)	5,630	5,960	5,960	4,500	4,500	4,500	4,820	4,360	3,750	4,043

Source: City of Milledgeville records

Note: The City changed its fiscal year end from December 31 to June 30 beginning in 2005. 2005 is for six months only.
Indicators are not available for the general government function.
Records for Highways, streets and sanitation were not kept before 2004.

CITY OF MILLEDGEVILLE, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	30	47	43	41	50	50	50	50	50	50
Fire stations	2	2	2	2	2	2	2	2	2	2
Highways and streets										
Miles of streets	108	109	109	110	110	114	116	117	117	119
Number of street lights	1,510	1,518	1,518	1,529	1,529	1,556	1,568	1,536	1,541	1,547
Water										
Water mains (miles)	162	162	162	162	164	187	187	190	190	194
Number of water plants	2	2	2	2	2	2	2	2	2	2
Fire hydrants	649	672	672	672	672	672	678	678	678	715
Maximum daily capacity (thousands of gallons both plants)	12,440	12,440	12,440	12,440	12,440	12,440	12,440	12,440	12,440	12,440
Sewer										
Sanitary sewers (miles)	232	232	232	232	237	277	278	232	232	233
Storm sewers (miles)	27	27	27	27	27	27	27	27	28	30
Maximum daily capacity (thousands of gallons)	7,000	7,000	7,000	10,500	10,500	10,500	10,500	10,500	10,500	10,500

Source: City of Milledgeville records

Note: The City changed its fiscal year end from December 31 to June 30 beginning in 2005. 2005 is for six months only.
Indicators are not available for the general government function.
The City changed the type of street light in downtown in 2005 thus reducing the number of lights needed.

CONTINUING DISCLOSURE INFORMATION

CITY OF MILLEDGEVILLE, GEORGIA

PRINCIPAL WATER CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

	2008			1999		
	Amount Billed for Twelve Months	Rank	Estimated Percentage of Total Water Billings	Amount Billed for Twelve Months	Rank	Estimated Percentage of Total Water Billings
Baldwin County	$ 1,232,913	1	27.50%	$ 801,045	1	27.18%
Central State Hospital	474,819	2	10.59%	525,688	2	17.84%
Georgia College	277,950	3	6.20%	118,167	4	4.01%
Mohawk	104,759	4	2.34%			
Villamar Town Home Apartments	89,687	5	2.00%	21,067	10	0.71%
Bill E. Ireland YDC	79,149	6	1.77%	27,837	7	0.94%
Vought Aircraft Industry	74,263	7	1.66%			
Magnolia Park Student Housing	64,281	8	1.43%			
Oconee Regional Medical Center	59,904	9	1.34%			
Pine Knoll Apartments	55,381	10	1.24%			
Rheem Manufacturing				31,631	6	1.07%
Concord Fabrics, Inc.				318,069	3	10.79%
Shaw Industries				39,302	5	1.33%
Northrup-Grumman Corporation				24,750	8	0.84%
Meadow Div Barnet & Son				21,286	9	0.72%

Source: City of Milledgeville records

Note: The City changed its fiscal year end from December 31 to June 30 beginning in 2005.
Northrup Grumman Aircraft relocated in 2002.
Meadow Div Barnet & Son relocated out of area.
Concord Fabrics, Inc. ceased operations in 2006.
Rheem Manufacturing is decreasing operations.
Magnolia Park Student Housing began operations in late fall 2006.

CITY OF MILLEDGEVILLE, GEORGIA

PRINCIPAL SEWER CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

	2008			1999		
	Amount Billed for Twelve Months	Rank	Estimated Percentage of Total Sewer Billings	Amount Billed for Twelve Months	Rank	Estimated Percentage of Total Sewer Billings
Central State Hospital	$ 402,296	1	15.56%	$ 153,281	2	10.33%
Georgia College	250,175	2	9.68%	83,628	3	5.63%
Baldwin County Commissioners	233,967	3	9.05%	74,024	4	4.99%
Villamar Townhome Apartments	89,687	4	3.47%	17,906	8	1.21%
Bill E. Ireland, YDC	79,149	5	3.06%	23,661	6	1.59%
Mohawk	77,364	6	2.99%			
Vought Aircraft Industry	73,516	7	2.84%			
Oconee Regional Medical Center	59,904	8	2.32%			
Magnolia Park Student Housing	57,255	9	2.22%			
Pine Knoll Apartment	55,381	10	2.14%			
Shaw Industries				35,935	5	2.42%
Concord Fabrics, Inc.				196,410	1	13.24%
Northrup-Grumman Corporation				21,038	7	1.42%
Meadow Div Barnet & Son				16,763	9	1.13%
Big E M Company				11,183	10	0.75%

Source: City of Milledgeville records

Note: The City changed its fiscal year end from December 31 to June 30 beginning in 2005.
Northrup Grumman Aircraft relocated in 2002.
Central State Hospital is now billed on a percentage basis rather than metered basis and is not included in 2007 billings.
Concord Fabrics, Inc. ceased operations in 2006.
Magnolia Part student housing began operations in late fall of 2006.

COMPLIANCE SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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

Honorable Mayor and City Council
City of Milledgeville, Georgia
Milledgeville, Georgia

We have audited 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 the City of Milledgeville, Georgia (the City) as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 18, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Milledgeville, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and responses as items 2008-1 through 2008-5 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiencies described above and listed as items 2008-1, 2008-2 and 2008-5 to be material weaknesses.

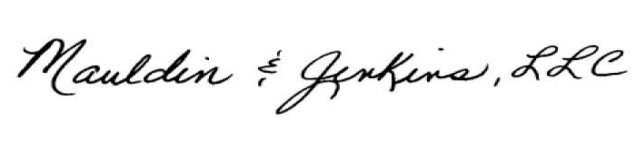
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2008-6.

We noted certain matters that we reported to management of the City in a separate letter dated November 18, 2008.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the members of the City of Milledgeville, Georgia, management, others within the organization, the State Accounting Office, and the Georgia Department of Audits and Accounts, and is not intended to be and should not be used by anyone other than these specified parties.



Macon, Georgia
November 18, 2008

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2008

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

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

Federal Awards

The total amount of federal awards expended for the fiscal year ended June 30, 2008 was less than $500,000; therefore, no Single Audit was performed.

SECTION II FINANCIAL STATEMENT FINDINGS

2008-1 Adjustment to Fund Equity

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Condition: The City posted current year transactions to fund balance/net assets of the General Fund, the Risk Management Fund, the Hotel/Motel Tax Fund and the School Agency Fund.

Context/Cause: During our reconciliation of fund balance/net assets, audit adjustments were required to correct the fund balance/net assets of the funds mentioned above, so that the account balances agreed to the prior year financial statements.

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2008

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

2008-1 Adjustment to Fund Equity (Continued)

Effect: An audit adjustment to decrease fund balance and increase contribution revenue in the amount of $5,000 was recorded in the General Fund. An audit adjustment to increase net assets and decrease revenue in the amount of $4,333 was recorded in the Risk Management Fund. In the School Agency Fund, an audit adjustment to decrease equity and increase accounts payable by $20,848 was required to be recorded. Finally, an adjustment to decrease fund balance and decrease accounts receivable in the amount of $222 was recorded in the Hotel/Motel Tax Fund.

Recommendation: We recommend the City make every effort to avoid posting transactions directly to equity accounts during the year.

Views of Responsible Officials: We concur with the recommendation. We will avoid posting transactions directly to equity accounts in the future.

2008-2 Posting of Prior Year Audit Entries - Component Unit – Allied Arts

Criteria: Adjusting entries posted by the auditors must also be recorded on the books of Allied Arts in order to reflect the appropriate opening balances for the following year.

Condition: Allied Arts did not post the audit adjustments from the fiscal year 2007 audit to their general ledger.

Context/Cause: By not posting the prior year audit entries, various balance sheet accounts, including fund equity, did not reconcile to the prior year financial statements. Audit adjustments were required in the current year to record these entries at the beginning of fieldwork in order to properly conduct the fiscal year 2008 audit.

2008-2 Posting of Prior Year Audit Entries - Component Unit – Allied Arts (Continued)

Effect: An audit adjustment to increase fund equity by $43,524, increase cash accounts by $46,973, and increase accrued payroll by $1,149 was required to be recorded.

Recommendation: We recommend Allied Arts post all current year audit adjustments to their general ledger and ensure that fund equity reconciles to the audited financial statements.

Views of Responsible Officials: We concur. All audit adjustments will be posted.

2008-3 Posting of Project Account Transactions - Component Unit – Allied Arts

Criteria: All transactions of an organization must be recorded in the general ledger to accurately reflect the activities and account balances of the organization.

Condition: Allied Arts does not record the transactions of the Project bank account on its general ledger.

Context/Cause: By not accounting for the transactions of the Project bank account on the general ledger, the Organization is not accurately reflecting all activities and accounts balances which can lead to inaccurate financial reporting.

Effect: An audit adjustment to decrease cash by $11,689, increase expenditures by $12,000, and increase revenue by $311 was required to be recorded.

Recommendation: We recommend Allied Arts post the transactions for all accounts to its general ledger.

Views of Responsible Officials: We concur. All transactions will be posted to the general ledger.

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2008

2008-4 Recording of Receivables from Grantor Organizations

Criteria: Generally accepted accounting principles require revenue to be recognized in the accounting period in which it becomes both measurable and available to finance expenditures of the current period.

Condition: Allied Arts did not properly record amounts due from grantor agencies as of June 30, 2008.

Context/Cause: During our testing of revenues and receivables, audit adjustments were required to properly reflect amounts due to Allied Arts from two (2) grantor agencies.

Effect: Audit adjustments to increase accounts receivable and increase grant revenues by $11,296 were required to be recorded.

Recommendation: We recommend Allied Arts record all amounts due from others at June 30 as accounts receivable.

Views of Responsible Officials: We concur. We will make every effort to record amounts owed to the organization as accounts receivable.

2008-5 Segregation of Duties – Mainstreet Downtown Development Authority (Component Unit)

Criteria: Internal controls should be in place which provides reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2008

2008-5 Segregation of Duties – Mainstreet Downtown Development Authority (Component Unit)

Condition: During our audit, we noted a lack of proper segregation of duties within several areas of the MainStreet Downtown Development Authority (the "Authority"). Examples of segregation of duties issues include:

- Cash receipts and disbursements are handled by the same individual who also makes bank deposits, reconciles the bank accounts, and posts activity to the general ledger;
- Authorized check signers are not independent of check preparation and/or approval of invoices;
- Reconciliations of bank accounts are not performed by an individual who is independent of all payable, disbursing, cash, receiving, and general ledger functions. Additionally, no review of the completed reconciliations is performed by management.

Context/Cause: Several instances of overlapping duties were noted during our audit of the Authority and through discussions with Authority personnel.

Effect: Failure to properly segregate duties between recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business.

Recommendation: The duties of recording, distribution and reconciliation of accounts should be segregated between employees.

Views of Responsible Officials: We concur. We will work with staff to segregate duties and apply compensation controls to the extent possible.

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2008

2008-6 Undercollateralization of City Deposits

Criteria: The Official Code of Georgia (OCGA) Section 45-8-12 (c) requires all depositories of public funds to pledge securities of not less than 110% of the deposited public funds.

Condition: For the year ended June 30, 2008, the City's deposits held at two financial institutions were under collateralized.

Context/Cause: During our review of collateral confirmations obtained from the City's financial institutions, we noted that City deposits at two financial institutions were undercollateralized by $377,351.

Effect: City accounts were not adequately collateralized at two financial institutions, allowing for the possibility of loss of assets if the financial institution were to become insolvent.

Recommendation: We recommend the City periodically review a listing of all accounts opened under the City's federal identification number to determine that all are properly coded as public deposits. Additionally, the City should request from the financial institutions holding City deposits, a monthly pledging report to determine that each financial institution has pledged securities of not less than 110% of the deposited funds as required by Georgia law.

Views of Responsible Officials: We concur. We will resolve the collateral issue for FY2009.

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

Not Applicable

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2008

2007-1. Maintenance and Reconciliation of Subsidiary Ledgers

Criteria: For the fiscal year ending June 30, 2007, we noted a number of general ledger accounts for which subsidiary ledgers were not being maintained or for which the subsidiary ledgers were not being reconciled to the general ledger on a monthly basis.

Condition: Good, sound policies and procedures require effective design and operation of internal controls. A significant element of internal controls involves the maintenance and reconciliation of subsidiary ledgers to the general ledger.

Auditee Response/Status: Resolved in fiscal year ending June 30, 2008.

2007-2. Revenue/Receivables Cycle

Criteria: Generally accepted accounting principles require revenue to be recognized in the accounting period in which it becomes both measurable and available to finance expenditures of the current period.

Condition: The City did not properly record all transactions involving the receivable and revenue accounts during the year ended June 30, 2007. In addition, the City did not adjust its allowance account during the year.

Auditee Response/Status: Resolved in fiscal year ending June 30, 2008.

2007-3. Debt

Criteria: Procedures should be in place to ensure the annual amortization of bond issuance costs and premium on bonds are properly recorded.

Condition: The City did not record amortization of bond issuance costs and amortization of the bond premium for the year ended June 30, 2007.

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2008

2007-3. Debt (Continued)

Auditee Response/Status: Resolved in fiscal year ending June 30, 2008.

2007-4. Liabilities – Self Insurance Risk management Fund

Criteria: Procedures should be in place to ensure all payables and expenditures are properly recorded in a timely manner as part of the year-end closing procedures.

Condition: The City did not adjust the claims payable account in the Risk Management Fund for the year ended June 30, 2007.

Auditee Response/Status: Resolved in fiscal year ending June 30, 2008.

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STATE COMPLIANCE SECTION

CITY OF MILLEDGEVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION
SALES TAX PROCEEDS – 2006 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Public works	$ 3,400,000	$ 3,400,000			
Improvements			$ 22,724	$ 36,069	$ 58,793
Equipment and vehicles			220,450	9,488	229,938
City facilities	3,000,000	3,000,000			
Improvements			-	3,748	3,748
Equipment and vehicles			52,781	47,445	100,226
Public safety	2,000,000	2,000,000			
Improvements			69,990	10,226	80,216
Equipment and vehicles			67,201	213,002	280,203
Improvements - water system, water treatment and waste treatment	4,000,000	4,000,000	22,665	424,176	446,841
	$ 12,400,000	$ 12,400,000	$ 455,811	$ 744,154	$ 1,199,965

CITY OF MILLEDGEVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION
SALES TAX PROCEEDS – 2000 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Sewer, flood control	$ 3,000,000	$ 3,000,000	$ 1,765,707	$ 317,163	$ 2,082,870
Retirement of general obligation debt issued for capital outlay projects eligible for funding	1,500,000	1,500,000	1,500,000	-	1,500,000
Road, street, sidewalk and bridge improvements	2,000,000	2,000,000	691,948	35,180	727,128
General government and public safety	1,500,000	1,500,000			
General government buildings			62,172	-	62,172
General government equipment			285,000	-	285,000
Public safety building			221,580	40,249	261,829
Public safety equipment			470,054	5,712	475,766
	$ 8,000,000	$ 8,000,000	$ 4,996,461	$ 398,304	$ 5,394,765

CITY OF MILLEDGEVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION
SALES TAX PROCEEDS – 1996 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Way of Life Building	$ 75,000	$ 75,000	$ 34,224	$ 34,850	$ 69,074
Convention and Visitors Bureau renovations	100,000	58,580	58,580	-	58,580
Inter-city park recreation	500,000	516,865	516,865	-	516,865
Street improvements	1,187,500	1,727,656	1,727,656	-	1,727,656
Flood control	1,000,000	1,658,636	1,398,145	237,104	1,635,249
Fire department improvements	100,000	100,000	100,000	-	100,000
Water storage facilities	400,000	409,776	399,109	-	399,109
	$ 3,362,500	$ 4,546,513	$ 4,234,579	$ 271,954	$ 4,506,533

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