CITY OF MILLEDGEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2013

Prepared by:

Finance Department

CITY OF MILLEDGEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

Page No.

INTRODUCTORY SECTION

Letter of Transmittal ..... vi - x
GFOA Certificate of Achievement xi
List of Principal Officials xii
Organizational Chart xiii

FINANCIAL SECTION

Independent Auditor's Report ..... 1 - 3
Management's Discussion and Analysis ..... 4 - 13
Basic Financial Statements:
Government-wide Financial Statements:
Statement of Net Position ..... 14 and 15
Statement of Activities 16
Fund Financial Statements:
Balance Sheet – Governmental Funds ..... 17 and 18
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds ..... 19 and 20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 21
General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual ..... 22 - 24

CITY OF MILLEDGEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

Page No.

FINANCIAL SECTION (Continued)

Statement of Net Position – Proprietary Funds ..... 25 - 27
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds ..... 28 and 29
Statement of Cash Flows – Proprietary Funds ..... 30 and 31
Statement of Fiduciary Net Position – Fiduciary Funds 32
Statement of Changes in Fiduciary Net Position – Pension Trust Fund 33
Notes to Financial Statements ..... 34 - 65
Required Supplementary Information:
Schedule of Funding Progress 66
Combining and Individual Fund Statements and Schedules:
Combining Balance Sheet – Nonmajor Governmental Funds 67
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds 68
Hotel/Motel Tax Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 69
Silver-Haired Legislature Grant Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 70
Community Development Block Grant Program Income Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 71
Confiscated Assets Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 72
Community Home Improvement Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 73

CITY OF MILLEDGEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

Page No.

FINANCIAL SECTION (Continued)

Combining and Individual Fund Statements and Schedules (Continued):

Statement of Assets and Liabilities – Agency Fund 74
Statement of Changes in Assets and Liabilities – Agency Fund 75

Component Units:

Balance Sheet – Component Unit – Milledgeville Baldwin County Allied Arts 76
Statement of Revenues, Expenditures and Changes in Fund
Balance – Component Unit – Milledgeville Baldwin County Allied Arts 77
Balance Sheet – Component Unit – Downtown Development Authority 78
Statement of Revenues, Expenditures and Changes in Fund
Balance – Component Unit – Downtown Development Authority 79
Balance Sheet – Component Unit – Central State Hospital Redevelopment Authority 80
Statement of Revenues, Expenditures and Changes in Fund
Balance – Component Unit – Central State Hospital Redevelopment Authority 81
Balance Sheet – Component Unit – Mary Vinson Memorial Library 82
Statement of Revenues, Expenditures and Changes in Fund
Balance – Component Unit – Mary Vinson Memorial Library 83

STATISTICAL SECTION

Net Position by Component 84
Changes in Net Position ..... 85 and 86
Governmental Activities Tax Revenue by Source 87
Fund Balances of Governmental Funds 88
Changes in Fund Balances of Governmental Funds 89
General Governmental Tax Revenue by Source 90
Direct and Overlapping Sales Tax Rates 91
Taxable Sales Tax Distribution by Category 92

CITY OF MILLEDGEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

Page No.

STATISTICAL SECTION (CONTINUED)

Assessed Value and Estimated Actual Value of Taxable Property....93
Direct and Overlapping Property Tax Rates....94
Principal Property Taxpayers....95
Property Tax Levies and Collections....96
Ratios of Outstanding Debt by Type....97
Ratios of General Bonded Debt Outstanding....98
Direct and Overlapping Governmental Activities Debt....99
Legal Debt Margin Information....100
Pledged-Revenue Coverage....101
Demographic and Economic Statistics....102
Principal Employers....103
Full-time Equivalent City Government Employees by Function/Program....104
Operating Indicators by Function/Program....105
Capital Asset Statistics by Function....106

CONTINUING DISCLOSURE INFORMATION

Principal Water Customers....107
Principal Sewer Customers....108

CITY OF MILLEDGEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

Page No.

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* ..... 109 and 110

Schedule of Findings and Responses ..... 111 - 117

Schedule of Prior Year Findings ..... 118 and 119

STATE COMPLIANCE SECTION

Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2011 Issue 120

Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2006 Issue 121

Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2000 Issue 122

Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 1996 Issue 123

INTRODUCTORY SECTION

MAYOR
Richard A. Bentley

ALDERMEN
M. Stephen Chambers
Phillip Joiner
Collinda J. Lee
Richard Mullins, Jr.
Denese R. Shinholster
Jeanette H. Walden

The City of Milledgeville

CITY MANAGER
Barry Jarrett

December 13, 2013

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, 2013, 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 control 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, 2013. 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 founded in 1803 by an Act of the General Assembly of Georgia and was named for the Honorable John Milledge, Governor of Georgia. Milledgeville served as Georgia's fourth capital from 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 (6) council members elected by the citizens. The Mayor is elected at large serving a four (4) year term and presides over 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 provides a full range of service to approximately 18,000 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, in addition to sanitation collection services, are also provided.

The City is financially accountable for four legally separate component units. These component units include: the Central State Hospital Local Redevelopment Authority, the Milledgeville-Baldwin County Allied Arts, Mary Vinson Library and the Downtown Development Authority. These components are reported separately within the City of Milledgeville's financial statements. Additional information for these programs 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 finance department in mid February. The finance department uses these requests as the starting point for developing a proposed budget. A draft budget is submitted to the city manager for consideration and approval. The city manager then submits the budget to the Council for review in 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 Industrial Development Authority and the Chamber of Commerce continue to work diligently to attract new business and industry into the area as well as offering support to existing business and industry. Milledgeville works with the County on attracting potential businesses to a modern 500 acre industrial park strategically located on Georgia Highway 22. A highly educated local work force is provided by the Georgia College and State University and Georgia Military College, both located in downtown Milledgeville. These institutions provide both opportunities for potential employers and provide a consumer population for local businesses.

The State of Georgia's Central State Hospital, a district facility to provide mental health care, is located in the City. These properties are exempted from the property tax digest but provide a large number of employment opportunities for the local economy as well as generation of sales taxes to the City's treasury.

Long Term Financial Planning

The City of Milledgeville is working towards increasing reserves and a pay as you go strategy to avoid future long term debt. This will provide strength to the City's financial position as well as some protection from fluctuations in the economy, or unforeseen natural disasters.

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 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 biking trails. The initial park has been constructed in Milledgeville immediately south of the Hancock Street Bridge and extends to the Fishing Creek Bridge.

The concept development phase to extend Greene Street to the parks is complete 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. In October 2009 the City's wireless service in a partnership with Sprint was launched to customers and the City's public safety service.

The City adopted an enterprise zone in conjunction with the State's opportunity zone designation for providing tax incentives to new and existing business in the central business district. New CDBG and other grant programs have assisted with some revitalization of the area.

The City is currently working with the State of Georgia, Georgia College and State University, local community leaders and our Federal Delegation on the redevelopment of the Campus of Central State Hospital on the south side of the City. This opportunity can breathe new life into not only the City of Milledgeville but also Baldwin County and the surrounding region. With a philosophy and techniques used similar to that of the Department of Defense BRAC (Base Realignment & Closure) Commission, this landmark property would be repurposed beginning with the Center of Excellence in Rural Healthcare Delivery as envisioned by the leadership of Georgia College and State University. It is hoped that this program with its concentration on Technology and Health Care Delivery would become the economic catalyst for the entire campus. We all anxiously await the implementation of this program. During fiscal year 2012, the State of Georgia enacted legislation to establish the Central State Hospital Local Redevelopment Authority. This Authority has been charged with overseeing the efforts previously mentioned. The Authority consists of members who represent a broad faction of interest from education, business and healthcare. The CSH LRA has worked with local elected officials and community leaders and continues to make strides in repurposing the CSH campus for economic growth.

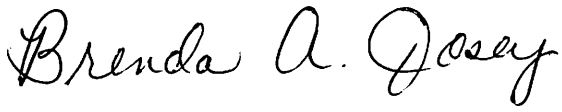
AWARDS AND ACKNOWLEDGEMENTS

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, 2012. This is the twenty-seventh consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report that satisfies both generally accepted accounting principles and applicable legal requirements.

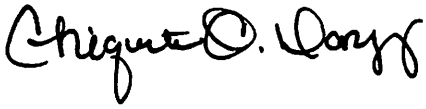
A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certification.

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated services of the entire staff of the Finance Department. In addition, we wish to express our sincere appreciation to the Mayor and Council for their support and to the City Manager and all City department heads and employees for their positive attitudes toward budgetary responsibility.

Respectfully submitted,



Brenda A. Josey
Accounting Manager
Enterprise, Internal Service & Agency Funds



Chiquita O. Danzy
Accounting Manager
Governmental Funds

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Milledgeville

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

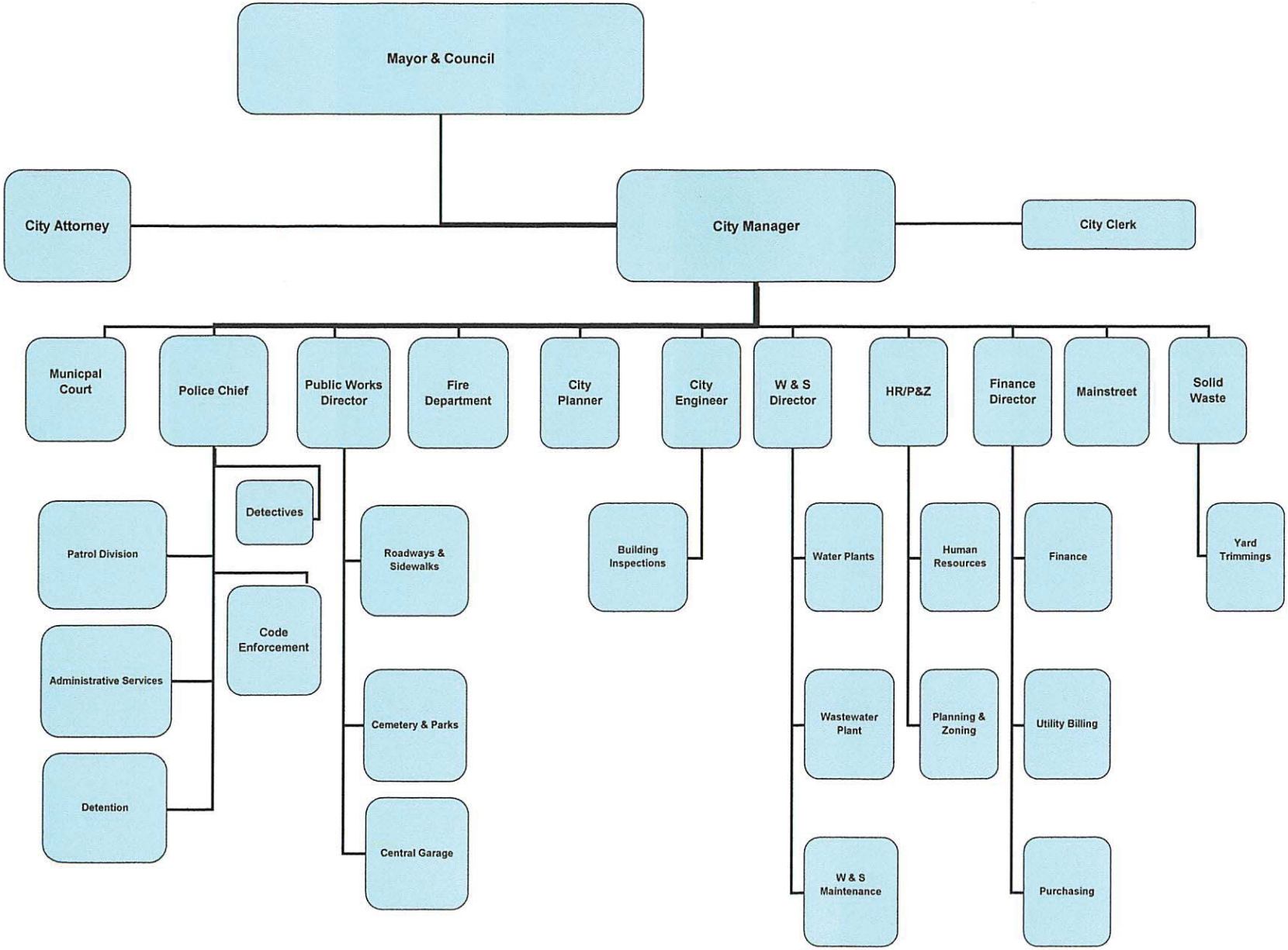
Executive Director/CEO

CITY OF MILLEDGEVILLE, GEORGIA

LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2013

Mayor	Richard A. Bentley
Mayor Pro-Tem	Dr. Collinda J. Lee
Council	Jeanette H. Walden Denese R. Shinholster Phillip Joiner Richard Mullins, Jr. Stephen Chambers
City Manager	Barry Jarrett
City Attorney	James D. Jordan
Municipal Court Judge	J. David McRee
City Clerk	Bo Danuser
City Planner	Melba Hinson
Accounting Manager	Chiquita Danzy/ Brenda Josey
Chief of Police	Acer D. Swicord
Fire Chief	J. Tom Dietrich
Public Utilities Director	Barry Jarrett
Planning & Zoning Administrator / Human Resources Director	Mervin G. Graham
Public Works Director	Frank Baugh
Customer Service Manager – Utility Billing, Taxes and Business Licenses	Patti Rushin
Mainstreet Director	Carlee Schulte

City of Milledgeville
Organization Chart



July 2012

FINANCIAL SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

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** (the "City"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, as well as Statement No. 65, *Items Previously Reported as Assets and Liabilities*, as of July 1, 2012. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 13) and the Schedule of Funding Progress (on page 66) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, the statistical section, and the continuing disclosure information are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2013, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Milledgeville's internal control over financial reporting and compliance.

Macon, Georgia
December 13, 2013

Mauldin & Jenkins, LLC

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, 2013. 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, 2013 by $59,734,176 of this amount $30,797,252 is an investment in capital assets (net of depreciation and related debt). Total unrestricted net assets are $17,428,445 and may be used to meet the City's ongoing obligations. Unrestricted net assets from the governmental activities are $2,669,122.

- As of June 30, 2013, Milledgeville's governmental funds reported combined ending fund balances of $11,293,083. Approximately 18% of this total amount, $2,039,428, is available for spending at the City Council's discretion, (unassigned fund balance). The governmental funds combined fund balance decreased by $154,114 from fiscal year ending June 30, 2012. These changes are reflective of full implementation of GASB Statement No. 54 which redefines the reporting of fund balances for governmental funds (please see Note 1.M for detailed definitions of fund balance per GASB Statement No. 54).

- The total liabilities of the City's governmental-type and business-type funds outstanding at June 30, 2013 are $2,694,853 and $9,845,661 respectively. $9,770,477 of the total $12,540,514 represents liabilities that are due in one year or more, such as long-term debt and compensated absences. This is an increase of $411,120 for the governmental-type funds and a decrease of $790,967 for the business-type activities from fiscal year ending June 30, 2012.

- The City's governmental fund incurred new debt of $900,000 for the purchase of a new fleet of vehicles for the police department. This debt will be repaid with SPLOST funds. The Water and Sewer Fund incurred no new debt during fiscal year 2013.

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 Position 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 Position*** (pages 14 and 15) 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 position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating.

The ***Statement of Activities*** (page 16) 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 position*. 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 four component units – Mary Vinson Memorial Library, Allied Arts, the Downtown Development Authority and the Central State Hospital Local Redevelopment Authority.

The City's government-wide financial statements are presented on pages 14 - 16.

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 pages 67 - 73. 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. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. 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. The City's basic governmental fund financial statements are presented on pages 17 - 24 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 67 and 73 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 funds 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 25 - 31.

- ***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 32 and 33.

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 22 - 24. The non-major Special Revenue Fund budgetary comparison statements can be found on pages 69 - 73.

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 34 - 65 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 67 - 75 of this report.

The report includes two (2) schedules (pages 18 and 21) 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 14 - 16).

City of Milledgeville Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
Current and other assets	15,082,699	13,465,941	15,326,392	17,901,731	30,409,091	31,367,672
Capital Assets	14,419,061	12,531,494	27,446,538	27,482,345	41,865,599	40,013,839
Total Assets	29,501,760	25,997,435	42,772,930	45,384,076	72,274,690	71,381,511
Long-term debt outstanding	1,381,535	970,415	8,388,942	9,179,909	9,770,477	10,150,324
Other Liabilities	1,313,318	1,023,720	1,456,719	1,515,025	2,770,037	2,538,745
Total Liabilities	2,694,853	1,994,135	9,845,661	10,694,934	12,540,514	12,689,069
Net Position						
Net investment in capital assets	12,404,051	12,531,494	18,393,201	20,539,688	30,797,252	33,071,182
Restricted	9,209,712	8,669,770	2,774,745	-	11,984,457	8,669,770
Unrestricted	5,193,144	2,802,036	14,759,323	14,149,454	19,952,467	16,951,490
Total Net Position	26,806,907	24,003,300	32,927,269	34,689,142	59,734,176	58,692,442

Net Position – As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2013, assets exceeded liabilities by $59.7 million. However, much of the net position is either restricted as to a purpose for which it can be used, or is invested in capital assets.

The largest portion of the City's net position, $30,797,252 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 $11,984,457 of the City's net position represents resources that are subject to external restrictions on how they are to be used.

Although the net position of our business-type activities represent 55% ($32,927,269) of total net position, these resources cannot be used to add to the net position surplus in governmental activities. The City generally can only use this net position to finance the continuing operations of the business-type activities. The significant changes in the distribution of fund balance presented in the financial statements for the year ending June 30, 2012 from prior years are due to the reclassification of fund balance due to the implementation of GASB Statement No. 54 which redefines the distinction of fund balances for governmental funds.

Changes in Net Position – Governmental and business-type activities increased the City's net position by $1,370,612 in fiscal year 2013. The following table indicates the changes in net position for the government and business-type activities in fiscal year 2013.

City of Milledgeville Changes in Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
Revenues:	2013	2012	2013	2012	2013	2012
Program Revenues:						
Charges for services	1,046,986	926,595	9,260,718	9,410,127	10,307,704	10,336,722
Operating grants and contributions	173,327	34,005			173,327	34,005
Capital grants and contributions	2,767,155	2,499,914			2,767,155	2,499,914
General Revenues:						
Property taxes	2,900,540	2,831,319			2,900,540	2,831,319
Sales taxes	2,333,680	2,582,539			2,333,680	2,582,539
Other taxes	3,609,600	3,676.317			3,609,600	3,676,317
Investment earnings	62,492	92,635	(81,966)	260,807	(19,474)	353,442
Total revenues	12,893,780	12,643,324	9,178,752	9,670,934	22,072,532	22,314,258
Expenses:						
General government	2,285,587	1,495,140			2,285,587	1,495,140
Judicial	182,533	146,991			182,533	146,991
Public safety	6,646,040	3,045,049			6,646,040	3,045,049
Public works	2,019,753	2,043,705			2,019,753	2,043,705
Housing and development	762,757	953,338			762,757	953,338
Culture/recreation	717,454	791,132			717,454	791,132
Interest on long term debt	9,480				9,480	
Water and sewer			6,533,598	6,154,110	6,533,598	6,154,110
Solid Waste			1,544,717	1,510,933	1,544,717	1,510,933
Total expenses	12,623,605	8,480,355	8,078,315	7,665,043	20,701,920	16,145,398
Increase in net position before transfers	270,175	4,162,969	1,100,437	2,005,891	1,370,612	6,168,860
Transfers	(466,569)	(703,115)	466,569	703,115	-	-
Change in net position	(196,394)	3,459,854	1,567,006	2,709,006	1,370,612	6,168,860
Net position, beginning of year, restated	24,003,301	24,143,447	34,360,263	28,051,258	58,363,564	52,194,705
Net position, end of year	23,806,907	27,603,301	35,927,269	30,760,264	59,734,176	58,363,565

Governmental Activities – Governmental activities decreased the City's net position by $196,394 in fiscal year 2013. Key elements of this decrease are as follows:

- Revenues were $12.9 million. Approximately 8% of the City's revenues came from fees charged for services, 18% from sales taxes, 22% from property taxes and 28% from other taxes. Investment earnings decreased by 33% during the year compared to a decrease of 24% in 2012. Capital grants and contributions increased due to the award of several grant funded projects.
- Expenses totaled $12.6 million. Approximately 53% of the City's expenses go to public safety, 16% to public works, 18% to general government and the remaining 26% to housing and development, judicial activities, and culture and recreation. Public safety expenditures were significantly lower in 2012 due to the settlement of an outstanding workers' compensation claim for much less than the amount that had been accrued for that claim in prior years. The City maintains an internal service fund for risk management that included workers' compensation and general liability.

Business-Type Activities – The City's major business-type activities, the Water and Sewer Fund and Solid Waste Fund, increased net position by $1,567,006 in fiscal year 2013. The City implemented a five year program to increase water rates by 3% per year effective July 1. July 1, 2009 began the initial year of this program. FY 2013 represents the final year of this rate increase.

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. For the fiscal year ending June 30, 2012 as noted earlier in this report, the City of Milledgeville fully implemented GASB Statement No. 54 in regard to reporting of fund balance. The GASB Statement No. 54 recognizes the following designations for fund balances for governmental funds: Non-spendable, Restricted, Committed, Assigned and Unassigned.

At the end of fiscal year 2013, the combined ending fund balance of the City's governmental funds was $11,293,083, a decrease of .98% from fiscal year 2012. Approximately $2,039,428 (18%) of combined fund balance consists of unassigned fund balance, which is available working capital for current spending in accordance with the purpose of the specific funds. The unassigned fund balance decreased by $693,694. Expenses were 33% higher than the previous year while revenues were increased by 2%. The increase in expenditures from the prior year is attributable to the implementation of GASB 34 which included a significant decrease in claims liability in the internal service fund for risk management for FY 2012. The remainder of fund balance is dully designed to indicate that it is not available for new spending because it is committed to the following purposes: non-spendable for inventories ($43,348); restricted for: the employee health fair ($10,776), capital projects ($7,878,284), the promotion of tourism ($332,124), housing and development programs ($916,958); committed for public safety ($71,570); assigned for park improvements ($595), and unassigned ($2,039,428).

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, unassigned fund balance of the General Fund was $2,039,603, while total fund balance was $2,308,516. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 16% of total fiscal year 2013 expenditures, while total fund balance is 18% 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 $7,729,723 is designated as restricted and 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 net position of the City's major proprietary fund, the Water and Sewer Fund, totaled $13,035,031. The total net position increased by $1,158,250. An increase of approximately 6% is attributable to the efficiency of the operations of the Water and Sewer Fund.

Unrestricted net position of the City's other proprietary fund, the Solid Waste Fund totaled $1,487,066 which demonstrates continued improvement in the operation of the Solid Waste Fund. Solid Waste fees were restructured effective July 1, 2009 and this has positively impacted revenue for this fund. In addition, on January 1, 2012 the City entered into a new contract with Advanced Waste Disposal. This new contract implemented a reduction in the costs of providing solid waste collection services to the customers of the Solid Waste Fund. The Solid Waste Fund continues to operate with a positive margin.

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 May 2012, the City Council appropriated $12.25 million for general fund expenditures.

City of Milledgeville 2013 General Fund Budget

	Original Budget	Amendments	Final Budget	Actual
Revenues and other financing sources	12,254,133	-	12,254,133	10,318,050
Expenditures and other financing uses	12,254,133	-	12,254,133	10,857,076

Budgetary amendments were approved by the City Council as required by state law and the City of Milledgeville code.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – The City of Milledgeville has invested $40,750,589 in capital assets (net of accumulated depreciation). Capital assets include infrastructure, land, land improvements, buildings and machinery and equipment. Approximately 67% of this investment is related to business-type activities while only 33% is 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	
	2013	2012	2013	2012	2013	2012
Land	2,468,098	2,468,098	181,310	181,310	2,649,408	2,649,408
Land improvements	56,249	71,014	36,012	35,641	92,261	106,655
Infrastructure	6,361,313	6,900,466	10,829,436	10,196,072	17,190,749	17,096,538
Buildings	1,837,794	1,500,044	14,450,192	14,880,671	16,287,986	16,380,715
Machinery and equipment	1,972,065	1,457,010	1,829,578	2,093,874	3,801,643	3,550,884
Construction in progress	608,532	134,862	120,010	94,777	728,542	229,639
Total Net Capital Assets	13,304,051	12,531,494	27,446,538	27,482,345	40,750,589	40,013,839

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. The City also implemented the provisions of GASB Statement No. 54 for fiscal year 2012 which recognizes the following designations for fund balances: Non-spendable, Restricted, Committed, Assigned, and Unassigned.

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

- City Manager Vehicle - $26,099
- Public Works Bucket Truck - $127,865
- Fencing for Park - $5,800
- Fencing for Police Department - $7,375
- Police Vehicles - $1,168,085
- Police Video Cameras - $15,082
- Resurfacing Huley Park Parking Lot - $24,974
- Construction in Progress - $473,669

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

- Waste Water Treatment Equipment - $6,051
- Fencing at Water Plant # 1 - $6,691
- Sludge Thickener Project - $44,983
- Automated Meter Readers - $747,143
- Additions to Water System - $125,109

Additional information on the City of Milledgeville's capital assets can be found in Note 5 on pages 50 - 52 of this report.

Long-term debt – At June 30, 2013, the City of Milledgeville had $9,766,420 in bonds, notes and capital leases outstanding, an increase of $180,825 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 $35.4 million.

Additional information on the City's long-term debt can be found in Note 6 on pages 53 - 56 of this report.

City of Milledgeville Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenue Bonds	$ -	$ -	$ 8,545,000	$ 9,245,000	$ 8,545,000	$ 9,245,000
Notes/ Capital Leases	900,000	-	321,420	340,595	1,221,420	340,595
Total	$ 900,000	$ -	$ 8,866,420	$ 9,585,595	$ 9,766,420	$ 9,585,595

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 except the General Fund. 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 2013 Budget.

- 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.

- Utility revenues are anticipated to increase due to a yearly increase in the water and sewer rates of 3%, and raising water rates to wholesale customers. Sewer revenues have increased for Baldwin County and Central State Hospital due to a new flow study performed during fiscal year 2008, however, the closure of facilities located within the Central State Hospital campus have resulted in a reduction of utilization at that site. In addition, the City of Milledgeville reached an agreement with Baldwin County to bill for garbage service on behalf of the County for those customers who receive their water from the City. The City receives a $1 administration fee for each account billed each month. This administration fee represents approximately $18,000 annually in additional revenue for the Solid Waste Fund. In addition, as the initiative to realign and establish Central State Hospital as a viable operation that will serve multiple purposes for the City, Baldwin County and surrounding areas, we anticipate increased utilization for the City's water, sewer and solid waste services. We also anticipate growth in this area that will not only generate sales taxes as businesses open in the area but also the opportunity for assessment and collection of other tax revenues.

These actions are anticipated to:

- Improve the fiscal health of the City by strengthening the enterprise funds.

- 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 City-wide gross taxable values is projected to remain constant with little or no 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; however, the effects of the slow economy and the closure of key employers and state run facilities have significantly slowed the growth rate.

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 Department, P. O. Box 1900, Milledgeville, GA 31059-1900.

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2013

	Primary Government			Component Units			
	Governmental Activities	Business-type Activities	Total	Allied Arts	Downtown Development Authority	Central State Hospital Redevelopment Authority	Mary Vinson Memorial Library
ASSETS							
Cash	$ 12,043,469	$ 8,696,823	$ 20,740,292	$ 129,121	$ 82,829	$ 32,704	$ 274,580
Investments	1,118,377	2,300,000	3,418,377	25,274	15,319	-	-
Taxes receivable	570,370	-	570,370	-	-	-	-
Accounts receivable, net of allowances	41,437	1,203,402	1,244,839	-	270	-	125
Notes receivable	475,978	-	475,978	-	47,579	-	-
Due from other governments	1,007,977	-	1,007,977	270	-	-	-
Internal balances	(3,218,257)	3,218,257	-	-	-	-	-
Inventories	43,348	133,165	176,513	-	-	-	-
Restricted assets, cash	-	1,510,547	1,510,547	-	-	-	-
Restricted assets, investments	-	1,264,198	1,264,198	-	-	-	-
Capital assets, non-depreciable	3,076,630	301,320	3,377,950	-	-	-	-
Capital assets, depreciable, net of accumulated depreciation	10,227,421	27,145,218	37,372,639	-	-	-	48,133
Other noncurrent asset	1,115,010	-	1,115,010	-	-	-	-
Total assets	26,501,760	45,772,930	72,274,690	154,665	145,997	32,704	322,838

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2013

	Primary Government			Component Units			
	Governmental Activities	Business-type Activities	Total	Allied Arts	Downtown Development Authority	Central State Hospital Redevelopment Authority	Mary Vinson Memorial Library
LIABILITIES							
Accounts payable	$ 542,820	$ 138,641	$ 681,461	$ -	$ -	$ -	$ 9,634
Accrued liabilities	280,714	107,877	388,591	4,611	-	5,927	19,536
Liabilities payable from restricted assets	-	1,123,533	1,123,533	-	-	-	-
Capital leases due within one year	219,737	-	219,737	-	-	-	
Capital leases due in more than one year	680,263	-	680,263	-	-	-	
Claims payable due within one year	100,000	-	100,000	-	-	-	-
Claims payable due in more than one year	446,202	-	446,202	-	-	-	-
Compensated absences due within one year	170,047	66,910	236,957	13,745	-	-	16,548
Compensated absences due in more than one year	255,070	100,363	355,433	-	-	-	-
Notes payable due within one year	-	19,758	19,758	-	-	-	-
Notes payable due in more than one year	-	301,662	301,662	-	-	-	-
Bonds payable due in more than one year	-	7,986,917	7,986,917	-	-	-	-
Total liabilities	2,694,853	9,845,661	12,540,514	18,356	-	5,927	45,718
NET POSITION							
Net investment in capital assets	12,404,051	18,393,201	30,797,252	-	-	-	48,133
Restricted for debt service	-	2,774,745	2,774,745	-	-	-	-
Restricted for capital projects	7,878,284	-	7,878,284	-	-	-	-
Restricted for public safety	82,346	-	82,346	-	-	-	-
Restricted for tourism	332,124	-	332,124	-	-	-	-
Restricted for housing and development	440,980	-	440,980	-	-	-	-
Unrestricted	2,669,122	14,759,323	17,428,445	136,309	145,997	26,777	228,987
Total net position	$ 23,806,907	$ 35,927,269	$ 59,734,176	$ 136,309	$ 145,997	$ 26,777	$ 277,120

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, 2013

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 Position: Governmental Activities	Business-type Activities	Total	Component Units: Allied Arts	Downtown Development Authority	Central State Hospital Redevelopment Authority	Mary Vinson Memorial Library
Primary government:											
Governmental activities:											
General government	$ 2,285,587	$ 423,925	$ 173,327	$ 1,046,893	$ (641,442)	$ -	$ (641,442)	$ -	$ -	$ -	$ -
Judicial	182,533	-	-	-	(182,533)	-	(182,533)	-	-	-	-
Public safety	6,646,040	623,061	-	381,262	(5,641,718)	-	(5,641,718)	-	-	-	-
Public works	2,019,753	-	-	1,231,470	(788,284)	-	(788,284)	-	-	-	-
Culture and recreation	717,454	-	-	-	(717,454)	-	(717,454)	-	-	-	-
Housing and development	762,757	-	-	107,531	(655,226)	-	(655,226)	-	-	-	-
Interest on long-termm debt	9,480	-	-	-	(9,480)		(9,480)				
Total governmental activities	12,623,605	1,046,986	173,327	2,767,155	(8,636,137)	-	(8,636,137)	-	-	-	-
Business-type activities:											
Water and sewer	6,533,598	7,307,245	-	-	-	773,647	773,647	-	-	-	-
Solid waste	1,544,717	1,953,473	-	-	-	408,756	408,756	-	-	-	-
Total business-type activities	8,078,315	9,260,718	-	-	-	1,182,403	1,182,403	-	-	-	-
Total primary government	$ 20,701,920	$ 10,307,704	$ 173,327	$ 2,767,155	$ (8,636,137)	$ 1,182,403	$ (7,453,734)	$ -	$ -	$ -	$ -
Component units:											
Allied Arts	$ 204,470	$ 24,365	$ 176,856	$ -	$ -	$ -	$ -	$ (3,249)	$ -	$ -	$ -
Downtown Development Authority	164,316	141,085	-	-	-	-	-	-	(23,231)	-	-
CSH Local Redevelopment Authority	111,463	-	138,240	-	-	-	-	-	-	26,777	-
Mary Vinson Memorial Library	690,264	46,821	653,344	-	-	-	-	-	-	-	9,901
Total component units	$ 480,249	$ 165,450	$ 315,096	$ -	$ -	$ -	$ -	$ (3,249)	$ (23,231)	$ 26,777	$ 9,901
		General revenues:									
		Property taxes			$ 2,900,540	$ -	$ 2,900,540	$ -	$ -	$ -	$ -
		Sales taxes			2,333,680	-	2,333,680	-	-	-	-
		Hotel/motel taxes			429,068	-	429,068	-	-	-	-
		Franchise taxes			1,202,256	-	1,202,256	-	-	-	-
		Insurance premium taxes			882,563	-	882,563	-	-	-	-
		Alcoholic beverage taxes			442,809	-	442,809	-	-	-	-
		Business and occupation taxes			580,395	-	580,395	-	-	-	-
		Other taxes			72,509	-	72,509	-	-	-	-
		Unrestricted investment earnings			62,492	(81,966)	(19,474)	237	3,489	-	-
		Transfers			(466,569)	466,569	-	-	-	-	-
		Total general revenues and transfers			8,439,743	384,603	8,824,346	237	3,489	-	-
		Change in net position			(196,394)	1,567,006	1,370,612	(3,012)	(19,742)	26,777	9,901
		Net position, beginning of year, as restated			24,003,301	34,360,263	58,363,564	139,321	165,739	-	267,219
		Net position, end of year			$ 23,806,907	$ 35,927,269	$ 59,734,176	$ 136,309	$ 145,997	$ 26,777	$ 277,120

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

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

ASSETS	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 2,343,653	$ 7,664,474	$ 771,647	$ 10,779,774
Investments	-	100,764	-	100,764
Taxes receivable, net of allowance	526,950	-	43,420	570,370
Accounts receivable, net of allowances	41,437	-	-	41,437
Note receivable	-	-	475,978	475,978
Due from other governments	180,818	827,159	-	1,007,977
Due from other funds	46,200	-	-	46,200
Inventories	43,348	-	-	43,348
Total assets	$ 3,182,406	$ 8,592,397	$ 1,291,045	$ 13,065,848
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 336,214	$ 132,131	$ 34,258	$ 502,603
Accrued liabilities	271,234	-	-	271,234
Unearned revenues	-	705,255	-	705,255
Due to other funds	-	25,288	1,943	27,231
Total liabilities	607,448	862,674	36,201	1,506,323
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	266,442	-	-	266,442
Total deferred inflows of resources	266,442	-	-	266,442

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

FUND BALANCES	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Fund balances:				
Nonspendable - inventory	$ 43,348	$ -	$ -	$ 43,348
Nonspendable - note receivable			475,978	475,978
Restricted for:				
Capital projects	148,561	7,729,723	-	7,878,284
Promotion of tourism	-	-	332,124	332,124
Housing and development programs	-	-	440,980	440,980
Public safety programs	65,633	-	5,937	71,570
Health/welfare programs	10,776	-	-	10,776
Assigned for park improvements	595	-	-	595
Unassigned	2,039,603	-	(175)	2,039,428
Total fund balances	2,308,516	7,729,723	1,254,844	11,293,083
Total liabilities, deferred inflows of resources, and fund balances	$ 3,182,406	$ 8,592,397	$ 1,291,045	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	13,304,051
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	971,697
Internal service funds are used by management to charge the costs of workers compensation insurance and related administrative costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(1,542,337)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Capital leases payable	(900,000)
Compensated absences payable	(425,117)
Accrued interest payable	(9,480)
Net pension asset used in governmental activities is not a financial resource and, therefore, is not reported in the funds.	1,115,010
Net position of governmental activities	$ 23,806,907

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, 2013

	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 8,583,218	$ -	$ 429,068	$ 9,012,286
Licenses and permits	227,542	-	-	227,542
Intergovernmental	173,327	2,328,194	107,531	2,609,052
Fines and forfeitures	617,130	-	5,931	623,061
Charges for services	8,225	-	-	8,225
Interest income	25,587	54,692	9,719	89,998
Other revenues	83,021	-	-	83,021
Total revenues	9,718,050	2,382,886	552,249	12,653,185
Expenditures				
Current:				
General government	1,742,340	-	-	1,742,340
Judicial	177,121	-	-	177,121
Public safety	6,123,332	-	1,500	6,124,832
Public works	1,668,403	-	-	1,668,403
Culture and recreation	729,728	-	-	729,728
Housing and development	416,152	-	361,909	778,061
Debt service	-	270,000	-	270,000
Capital outlay	-	3,086,814	-	3,086,814
Total expenditures	10,857,076	3,356,814	363,409	14,577,299
Excess (deficiency) of revenues over (under) expenditures	(1,139,026)	(973,928)	188,840	(1,924,114)

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Other financing sources				
Transfers in	$ 600,000	$ -	$ -	$ 600,000
Capital lease	-	1,170,000	-	1,170,000
Total other financing sources	600,000	1,170,000	-	1,770,000
Net change in fund balance	(539,026)	196,072	188,840	(154,114)
Fund balances, July 1	2,847,542	7,533,651	1,066,004	11,447,197
Fund balances, June 30	$ 2,308,516	$ 7,729,723	$ 1,254,844	$ 11,293,083

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, 2013

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	(154,114)
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 outlay exceeded depreciation in the current period.		
Capital outlay		1,648,229
Depreciation		(1,350,672)
The effect of the receipt of donated property is to increase net position		475,000
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Issuance of capital lease		(1,170,000)
Principal payments on capital lease		270,000
Change in accrued interest payable		(9,480)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(366,728)
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 compensated absences		(40,915)
Change in net pension asset		495,386
Internal service funds are used by management to charge the costs of workers' compensation and related administrative costs to individual funds.		6,900
	$	(196,394)

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, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 3,130,500	$ 3,130,500	$ 3,069,006	$ (61,494)
Sales tax	2,300,000	2,300,000	2,333,680	33,680
Other taxes	3,193,000	3,193,000	3,180,532	(12,468)
Licenses and permits	274,450	274,450	227,542	(46,908)
Intergovernmental	640,000	640,000	173,327	(466,673)
Charges for services	8,300	8,300	8,225	(75)
Fines and forfeitures	584,000	584,000	617,130	33,130
Interest revenue	30,000	30,000	25,587	(4,413)
Other revenue	638,286	638,286	83,021	(555,265)
Total revenues	10,798,536	10,798,536	9,718,050	(1,080,486)
Expenditures:				
Current:				
General government:				
Legislative	176,334	176,334	149,730	26,604
Executive	794,963	724,942	661,522	63,420
Elections	1,250	1,680	1,670	10
Finance	486,922	436,922	342,964	93,958
Legal	101,020	101,020	95,821	5,199
Human resources	155,947	155,947	136,786	19,161
General government buildings and grounds	183,153	183,153	119,443	63,710
General engineering	124,202	283,327	179,307	104,020
General administration fees	56,860	56,860	55,097	1,763
Total general government	2,080,651	2,120,185	1,742,340	377,845
Judicial:				
Municipal court	185,098	185,098	177,121	7,977
Total judicial	185,098	185,098	177,121	7,977

(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, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures: (Continued)				
Current: (Continued)				
Public safety:				
Police	$ 3,929,208	$ 3,867,388	$ 3,597,924	$ 269,464
Detention center	346,826	346,826	258,128	88,698
Police department buildings and grounds	133,073	133,073	107,463	25,610
Fire	2,338,501	2,338,501	2,137,067	201,434
Fire department buildings and grounds	42,700	42,700	22,750	19,950
Total public safety	6,790,308	6,728,488	6,123,332	605,156
Public works:				
Public works administration	237,000	237,000	208,048	28,952
Roadways and walkways	671,915	671,915	594,710	77,205
Storm drainage	29,000	29,000	8,651	20,349
Street lighting	336,000	336,000	329,057	6,943
Traffic engineering	56,200	56,200	30,174	26,026
Maintenance and shop	295,731	295,731	277,606	18,125
Cemetery	321,647	321,647	220,157	101,490
Total public works	1,947,493	1,947,493	1,668,403	279,090
Culture and recreation:				
Recreation	238,236	238,236	236,934	1,302
Parks	326,460	326,460	293,843	32,617
Twin Lakes Library	198,951	198,951	198,951	-
Total culture and recreation	763,647	763,647	729,728	33,919

(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, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures: (Continued)				
Current: (Continued)				
Housing and development				
Inspections	$ 96,943	$ 96,943	$ 71,218	$ 25,725
Planning and zoning	155,013	155,013	91,076	63,937
Mainstreet	103,632	122,667	119,259	3,408
Economic development	131,348	134,599	134,599	-
Total housing and development	486,936	509,222	416,152	93,070
Total expenditures	12,254,133	12,254,133	10,857,076	1,397,057
(Deficiency) of revenues over expenditures	(1,455,597)	(1,455,597)	(1,139,026)	316,571
Other financing sources:				
Transfers in	1,455,597	1,455,597	600,000	(855,597)
Total other financing sources	1,455,597	1,455,597	600,000	(855,597)
Net change in fund balance	-	-	(539,026)	(539,026)
Fund balances, July 1	3,583,669	3,583,669	2,847,542	(736,127)
Fund balances, June 30	$ 3,583,669	$ 3,583,669	$ 2,308,516	$ (1,275,153)

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

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

ASSETS	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 ASSETS				
Cash	$ 7,375,089	$ 1,321,734	$ 8,696,823	$ 1,263,695
Investments	2,300,000	-	2,300,000	1,017,613
Accounts receivable	1,002,618	200,784	1,203,402	-
Due from other funds	3,000,000	11,074	3,011,074	-
Inventories	133,165	-	133,165	-
Restricted assets				
Cash	1,510,547	-	1,510,547	-
Investments	1,264,198	-	1,264,198	-
Total current assets	16,585,617	1,533,592	18,119,209	2,281,308
NONCURRENT ASSETS				
Capital assets				
Land	181,310	-	181,310	-
Buildings	21,259,085	-	21,259,085	-
Site improvements	100,735	-	100,735	-
Machinery and equipment	4,141,817	-	4,141,817	-
Infrastructure	19,206,007	-	19,206,007	-
Construction in progress	120,010	-	120,010	-
	45,008,964	-	45,008,964	-
Less accumulated depreciation	(17,562,426)	-	(17,562,426)	-
Total capital assets (net of accumulated depreciation)	27,446,538	-	27,446,538	-
Total assets	44,032,155	1,533,592	45,565,747	2,281,308

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

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	$ 120,063	$ 18,578	$ 138,641	$ 40,217
Compensated absences payable - current	60,848	6,062	66,910	-
Claims payable - current	-	-	-	100,000
Accrued liabilities	97,488	10,389	107,877	-
Current maturities of long-term debt	19,758	-	19,758	-
Due to other funds	27,638	2,405	30,043	3,000,000
	325,795	37,434	363,229	3,140,217
Payable from restricted assets:				
Current portion of revenue bonds	745,000	-	745,000	-
Accrued interest	43,078	-	43,078	-
Deposits	335,455	-	335,455	-
	1,123,533	-	1,123,533	-
Total current liabilities	1,449,328	37,434	1,486,762	3,140,217
NONCURRENT LIABILITIES				
Compensated absences (net of current portion)	91,271	9,092	100,363	-
Claims payable (net of current portion)	-	-	-	446,202
Revenue bonds payable (net of current portion)	7,986,917	-	7,986,917	-
Other long-term debt (net of current portion)	301,662	-	301,662	-
Total noncurrent liabilities	8,379,850	9,092	8,388,942	446,202
Total liabilities	9,829,178	46,526	9,875,704	3,586,419

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

NET POSITION	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
Net investment in capital assets	$ 18,393,201	$ -	$ 18,393,201	$ -
Restricted for debt service	2,774,745	-	2,774,745	-
Unrestricted	13,035,031	1,487,066	14,522,097	(1,305,111)
Total net position	$ 34,202,977	$ 1,487,066	$ 35,690,043	$ (1,305,111)
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds			237,226	
Net position of business-type activities			$ 35,927,269	

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

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
Operating revenues:				
Water sales	$ 3,276,051	$ -	$ 3,276,051	$ -
Sewer sales	3,417,819	-	3,417,819	-
Sanitation fees	-	1,953,473	1,953,473	-
Tap fees	97,329	-	97,329	-
Late charges	155,652	-	155,652	-
Activation fees	46,115	-	46,115	-
Charges for services	-	-	-	105,137
Miscellaneous charges	314,279	-	314,279	-
Total operating revenues	7,307,245	1,953,473	9,260,718	105,137
Operating expenses:				
Water administration	87,841	-	87,841	-
Wastewater administration	84,834	-	84,834	-
Sanitary sewer maintenance	293,484	-	293,484	-
Sewer plants and lift station	1,452,050	-	1,452,050	-
Lamar Hamm Water Treatment Plant	1,262,469	-	1,262,469	-
James Baugh Water Treatment Plant	373,141	-	373,141	-
Distribution	802,708	-	802,708	-
Water meter	570,663	-	570,663	-
Solid waste collection	-	1,188,643	1,188,643	-
Yard trimmings collection and management	-	356,074	356,074	-
Insurance claims	-	-	-	125,423
Depreciation	1,094,490	-	1,094,490	-
Total operating expenses	6,021,680	1,544,717	7,566,397	125,423
Operating income (loss)	1,285,565	408,756	1,694,321	(20,286)

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
Nonoperating revenues (expenses):				
Interest revenue	$ 125,230	$ -	$ 125,230	$ 27,186
Interest and fiscal charges	(511,918)	-	(511,918)	-
Net decrease in fair value of investments	(207,196)	-	(207,196)	-
Total nonoperating revenues (expenses)	(593,884)	-	(593,884)	27,186
Income before contributions and transfers	691,681	408,756	1,100,437	6,900
Capital contributions	1,066,569	-	1,066,569	-
Transfers out	(600,000)	-	(600,000)	-
Change in net position	1,158,250	408,756	1,567,006	6,900
Net position, July 1, as restated	33,044,727	1,078,310	34,123,037	(1,312,011)
Net position, June 30	$ 34,202,977	$ 1,487,066	$ 35,690,043	$ (1,305,111)

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

Change in net position of enterprise funds (from above)	$ 1,567,006
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds	-
Change in net position of business-type activities	$ 1,567,006

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, 2013

	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	$ 7,304,475	$ 1,936,950	$ 9,241,425	$ -
Receipts from interfund providers	-	-	-	107,375
Payments to suppliers and service providers	(3,141,740)	(1,458,802)	(4,600,542)	(661,907)
Payments to employees	(1,736,991)	(184,211)	(1,921,202)	-
Net cash provided by (used in) operating activities	2,425,744	293,937	2,719,681	(554,532)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	(1,112,692)	-	(1,112,692)	-
Maturities of investments	-	-	-	986,068
Interest on investments	125,230	-	125,230	27,186
Net cash provided by (used in) investing activities	(987,462)	-	(987,462)	1,013,254
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Change in due to/from other funds	2,000,000	-	2,000,000	(2,000,000)
Transfer to other funds	(600,000)	-	(600,000)	-
Net cash provided by (used in) noncapital financing activities	1,400,000	-	1,400,000	(2,000,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest and fiscal charges paid	(549,626)	-	(549,626)	-
Principal payments on long-term borrowings	(719,175)	-	(719,175)	-
Net cash used in capital and related financing activities	(1,260,915)	-	(1,260,915)	-
Increase (decrease) in cash	1,577,367	293,937	1,871,304	(1,541,278)

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
Cash, July 1	$ 7,308,269	$ 1,027,797	$ 8,336,066	$ 2,804,973
Cash, June 30	$ 8,885,636	$ 1,321,734	$ 10,207,370	$ 1,263,695
Classified as:				
Cash	$ 7,375,089	$ 1,321,734	$ 8,696,823	$ 1,263,695
Restricted assets, cash	1,510,547	-	1,510,547	-
	$ 8,885,636	$ 1,321,734	$ 10,207,370	$ 1,263,695
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	$ 1,285,565	$ 408,756	$ 1,694,321	$ (20,286)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,094,490	-	1,094,490	-
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	(19,750)	(16,523)	(36,273)	2,238
Decrease in inventories	59,533	-	59,533	-
Decrease in claims payable	-	-	-	(520,054)
Decrease in accounts payable	(29,554)	(97,554)	(127,108)	(16,430)
Increase in accrued wages payable	8,907	1,175	10,082	-
Increase (decrease) in compensated absences payable	9,573	(1,917)	7,656	-
Increase in customer deposits	16,980	-	16,980	-
Net cash provided by (used in) operating activities	$ 2,425,744	$ 293,937	$ 2,719,681	$ (554,532)
Noncash investing, capital, and financing activities:				
Contributions of capital assets from SPLOST Fund	$ 1,066,569	$ -	$ 1,066,569	$ -
Decrease in fair value of investments	(207,196)	-	(207,196)	-

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

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	Pension Trust Fund	Agency Fund School Fund
ASSETS		
Cash	$ 233,386	$ 7,484
Investments		
U.S. government agencies	285	-
Mutual bond funds	5,257,416	-
Preferred stock	9,100	-
Mutual equity funds	5,940,306	-
Taxes receivable	-	76,916
Total assets	11,440,493	84,400
LIABILITIES		
Accounts payable	35,740	-
Due to others	-	39,560
Uncollected taxes	-	44,840
Total liabilities	35,740	84,400
NET POSITION		
Net position held in trust for pension benefits	$ 11,404,753	$ -

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

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

ADDITIONS		
Contributions - employer	$	1,324,772
Investment income		
Net appreciation in fair value of investments		720,253
Investment income		290,028
Total additions		2,335,053
DEDUCTIONS		
Benefits		560,798
Administrative expense		80,916
Total deductions		641,714
Net increase		1,693,339
Net position, July 1		9,711,414
Net position, June 30	$	11,404,753

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 (the "GASB") No. 61 "The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34" 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.

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 significant 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The Milledgeville Downtown Development Authority (the "Authority") is governed by a six-member board, all of which are appointed by the City Council. The individual responsible for the day-to-day operations of the Authority is an employee of the City. The Authority is presented as a governmental fund type component unit. Separate statements are not prepared for the Milledgeville Downtown Development Authority.

The Central State Hospital Redevelopment Authority (the "Authority") is a special purpose political unit of the State of Georgia created to revitalize and repurpose the campus of the Central State Hospital. With the exception of the Authority member appointed by the Governor to represent the State of Georgia, Authority members are appointed by the Mayor with the consent of the majority of City Council. The City has assumed the obligation to provide financial support to the Authority. The Authority is presented as a governmental fund type component unit. Separate statements are not prepared for the Central State Hospital Redevelopment Authority.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position 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 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*.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. 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 & Poor's criteria for AAAm rated money market funds and is regulated by the Georgia Office of State Treasurer. 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).

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 value are reported at estimated fair value.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. 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”.

F. 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.

G. Prepaid Expenditures/Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2013, are recorded as prepaid items.

H. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. 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

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, 2013.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. 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.

K. 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 position. Bond premiums and discounts are deferred and amortized over the life of the bond using the straight-line method, which approximates the effective interest method. 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.

L. Deferred Outflows / Inflows

The City implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of July 1, 2012. These new standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The City did not have any items that qualify for reporting in this category for the year ended June 30, 2013.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows / Inflows (Continued)

In addition to liabilities, the statement of net position and the balance sheet for governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category. One item arises only under modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

M. Fund Equity

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

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash, such as inventory or prepaid items), or (b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments (e.g., grants or donations).

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund. City Council has the authority to assign fund balance.

- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criteria. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When multiple categories of fund balance are available for expenditure, the City will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

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

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.

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.

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 May 8, 2012 or as amended by the City Council. The supplementary budgetary appropriations made were not material.

NOTE 2. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

B. Deficit Fund Equity

The Silver-Haired Legislative Grant Fund had a fund balance deficit of $31, which will be eliminated in the subsequent year through transfers from the General Fund. The Community Home Improvement Program (CHIP) Fund had a fund balance deficit of $144, which will be eliminated in the subsequent year through transfers from the General Fund. The Risk Management Internal Service Fund had a deficit net position of $1,305,111 at June 30, 2013. This deficit will be eliminated through increased charges to other funds.

NOTE 3. CASH AND INVESTMENTS

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, 2013, none of the City's deposits 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. The City does not have a formal custodial credit risk policy other than to only invest in obligations authorized by the State of Georgia. Cash and investments are summarized as follows at June 30, 2013:

As reported in the Statement of Net Position:	
Cash and cash equivalents	$ 20,740,292
Investments	3,418,377
Restricted assets, cash	1,510,547
Restricted assets, investments	1,264,198
Cash and cash equivalents - Pension Trust Fund	233,386
Investments - Pension Trust Fund	11,207,107
Cash - Agency Fund	7,484
	$ 38,381,391
Cash deposited with financial institutions	$ 22,491,709
Cash deposited with Georgia Fund 1	100,764
Certificates of deposit	3,317,613
Mutual equity funds	5,940,306
Preferred stock	9,100
Mutual bond funds	5,257,416
U.S. Government Agency Obligations	285
U.S. Treasury Bond	1,264,198
	$ 38,381,391

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

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. The City has no formal credit risk policy other than to only invest in obligations authorized by the State of Georgia.

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.

At June 30, 2013, 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	$ 285	$ -	$ -	$ 285	$ -	AAA
Government bonds	1,264,198	-	-	1,264,198	-	AAA
Mutual equity funds	5,940,306	-	-	-	-	N/A
Mutual bond funds	5,257,416	-	5,257,416	-	-	N/A
Preferred stock	9,100	-	-	-	-	N/A
Certificates of deposit	3,317,613	1,804,403	1,513,210	-	-	N/A
Georgia Fund 1	100,764	-	-	-	-	AAAf
Total fair value	$ 15,889,682	$ 1,804,403	$ 6,770,626	$ 1,264,483	$ -	

Investments of the component units are certificates of deposit with maturities ranging from November 2013 through February 2014.

The reporting of investments at fair value in accordance with GASB Statement No. 31 resulted in an unrealized loss of $207,196, which is reflected in the Water and Sewer Fund and an unrealized gain of $245,142, which is reflected in the Pension Trust Fund.

NOTE 4. RECEIVABLES

Receivables consisted of the following at June 30, 2013:

	General	Water and Sewer	Solid Waste	Nonmajor Funds	Total
Receivables:					
Taxes	$ 629,114	$ -	$ -	$ 43,420	$ 672,534
Interest	-	19,126	-	-	19,126
Accounts	43,400	1,214,420	214,779	-	1,472,599
Grant	-	-	-	-	-
Gross receivables	672,514	1,233,546	214,779	43,420	2,164,259
Less allowance for uncollectibles	(104,127)	(230,928)	(13,995)	-	(349,050)
Net total receivables	$ 568,387	$ 1,002,618	$ 200,784	$ 43,420	$ 1,815,209

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 October 16, 2012, and payable on or before December 19, 2012. Penalties were assessed on unpaid balances as of December 20, 2012 and interest began accruing on unpaid balances on December 20, 2012. The City bills and collects its own property taxes. Property taxes for 2012 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the fiscal year ended June 30, 2013 and expected to be collected by August 31, 2013, are recognized as revenues in fiscal year 2013. Net receivables estimated to be collectible subsequent to August 31, 2013, 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, 2013, is as follows:

	Balance July 1, 2012	Increases	Decreases	Transfers	Balance June 30, 2013
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 2,468,098	$ -	$ -	$ -	$ 2,468,098
Construction in progress	134,862	473,670	-	-	608,532
Total	2,602,960	473,670	-	-	3,076,630
Capital assets, being depreciated:					
Buildings	3,779,115	475,000	-	-	4,254,115
Land improvements	147,814	-	-	-	147,814
Infrastructure	23,659,621	40,130	-	-	23,699,751
Machinery and equipment	6,454,616	1,134,429	-	-	7,589,045
Total	34,041,166	1,649,559	-	-	35,690,725
Less accumulated depreciation for:					
Buildings	2,279,071	137,250	-	-	2,416,321
Land improvements	76,800	14,765	-	-	91,565
Infrastructure	16,759,155	579,283	-	-	17,338,438
Machinery and equipment	4,997,606	619,374	-	-	5,616,980
Total	24,112,632	1,350,672	-	-	25,463,304
Total assets, being depreciated, net	9,928,534	298,887	-	-	10,227,421
Governmental activities capital assets, net	$ 12,531,494	$ 772,557	$ -	$ -	$ 13,304,051

NOTE 5. CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2012	Increases	Decreases	Transfers	Balance June 30, 2013
Business-type activities					
Capital assets, not being depreciated:					
Land	$ 181,310	$ -	$ -	$ -	$ 181,310
Construction in progress	94,777	44,983	-	(19,750)	120,010
Total	276,087	44,983	-	(19,750)	301,320
Capital assets, being depreciated:					
Buildings	21,259,086	-	-	-	21,259,086
Land improvements	94,044	6,691	-	-	100,735
Infrastructure	18,229,953	976,053	-	-	19,206,006
Machinery and equipment	4,091,111	30,956	-	19,750	4,141,817
Total	43,674,194	1,013,700	-	19,750	44,707,644
Less accumulated depreciation for:					
Buildings	6,378,415	430,479	-	-	6,808,894
Land improvements	58,403	6,320	-	-	64,723
Infrastructure	8,033,881	342,689	-	-	8,376,570
Machinery and equipment	1,997,237	315,002	-	-	2,312,239
Total	16,467,936	1,094,490	-	-	17,562,426
Total assets, being depreciated, net	27,206,258	(80,790)	-	19,750	27,145,218
Business-type activities capital assets, net	$ 27,482,345	$ (35,807)	$ -	$ -	$ 27,446,538

Included in increases above is $1,058,683 in additions acquired through the use of SPLOST funds.

NOTE 5. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	$ 269,085
Public safety	426,983
Public works	642,784
Judicial	11,820
Total depreciation expense - governmental activities	$ 1,350,672
Business-type activities:	
Water and sewer	$ 1,094,490
Total depreciation expense - business-type activities	$ 1,094,490

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, 2013 excluding the bond premium of $186,917 are as follows:

Purpose	Interest Rates	Terms	Due Date	Amount
Water & Sewer Improvements	3.60% - 6.00%	25 years	2021	$ 8,545,000

Revenue bonds debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2014	$ 745,000	$ 490,350
2015	790,000	444,300
2016	835,000	395,550
2017	885,000	343,950
2018	940,000	289,200
2019-2022	4,350,000	540,850
	$ 8,545,000	$ 2,504,200

NOTE 6. LONG-TERM DEBT (CONTINUED)

The City has incurred debt to the Georgia Environmental Facilities Authority for various water and sewer system projects. This note is as follows at June 30, 2013:

Original Amount	Interest Rate	Term	Due Date	Outstanding Balance
$ 362,085	3.00%	15 years	2025	$ 321,420

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2014	$ 19,758	$ 9,372	$ 29,130
2015	20,359	8,771	29,130
2016	20,978	8,152	29,130
2017	21,616	7,514	29,130
2018	22,274	6,857	29,131
2019-2023	121,951	23,700	145,651
2024-2027	94,484	5,044	99,528
	$ 321,420	$ 69,410	$ 390,830

NOTE 6. LONG-TERM DEBT (CONTINUED)

Capital Leases. The City has entered into a lease agreement as lessee for financing the acquisition of 42 public safety vehicles. The lease agreement qualifies as a capital lease for accounting purposes (titles transfer at the end of the lease terms) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

The cost of assets under capital lease as of June 30, 2013:

	Governmental Activities
Machinery and equipment	$ 1,170,000
Less: Accumulated depreciation	-
	$ 1,170,000

The City's total capital lease debt service requirements to maturity, including interest at 1.58%, are as follows:

Fiscal Year Ending June 30,	
2014	$ 233,957
2015	233,957
2016	233,957
2017	233,957
Total minimum lease payments	935,828
Less amount representing interest	(35,828)
Present value of minimum lease payments	$ 900,000

NOTE 6. LONG-TERM DEBT (CONTINUED)

Long-term liability activity for the year ended June 30, 2013, is as follows:

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013	Due within One year
Governmental activities					
Capital lease	$ -	$ 1,170,000	$ 270,000	$ 900,000	$ 219,737
Compensated absences	384,202	301,556	260,641	425,117	170,047
Claims payable	1,066,256	-	520,054	546,202	100,000
Long-term liabilities	$ 1,450,458	$ 1,471,556	$ 1,050,695	$ 1,871,319	$ 489,784
Business-type activities					
Revenue bonds payable	$ 9,245,000	$ -	$ 700,000	$ 8,545,000	$ 745,000
Add deferred amounts:					
For bond premium	217,719	-	30,802	186,917	-
Total bonds payable	9,462,719	-	730,802	8,731,917	745,000
Notes payable	340,595	-	19,175	321,420	19,758
Compensated absences	159,617	122,785	115,129	167,273	66,910
Long-term liabilities	$ 9,962,931	$ 122,785	$ 865,106	$ 9,220,610	$ 831,668

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

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, 2013, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	$ 1,943
General Fund	Water and Sewer Fund	16,564
General Fund	Solid Waste Fund	2,405
General Fund	SPLOST Fund	25,288
Water and Sewer Fund	Internal Service Fund	3,000,000
Solid Waste Fund	Water and Sewer Fund	11,074
		$ 3,057,274

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. Primarily, balances are attributed to expenditures paid by the General Fund to be reimbursed by the funds for which the expenditures benefit.

Transfers to	Transfers from	Amount
General Fund	Water and Sewer Fund	$ 600,000

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting 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, 2012, the date of the most recent actuarial valuation, there were 293 participants consisting of:

Retirees and beneficiaries currently receiving benefits	89
Vested terminated employees not yet receiving benefits	30
Active employees	174
Total	293

As of the most recent valuation date, July 1, 2012, 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)
7/1/2012	$ 9,625,040	$ 15,010,265	$ 5,385,225	64.1 %	$ 5,937,000	90.7 %

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 value 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 18% 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, 2012 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: Pimco Funds Pacific Investment Management Fund, Pimco Funds Income Fund Institutional Class, Eaton Vance Floating Rate Mutual Funds, Oppenheimer Senior Floating Rate, Fidelity Capital & Income Fund, Ivy Funds High Income Fund, Columbia Contrarian Core Funds, Trust for Professional Managers SMEAD Value Institutional, Baird Funds Midcap Funds Institutional Class and Principal Funds Inc Midcap Fund Institutional Class.

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Required contribution	$ 1,066,961
Interest on net pension obligation	(43,374)
Adjustment to annual required contribution	46,667
Annual pension cost	1,070,254
Employer contributions for period ending June 30, 2013	1,565,640
Increase in net pension (asset)	(495,386)
Net pension (asset) beginning of year	(619,624)
Net pension (asset) end of year	$ (1,115,010)

F. Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Actual City Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/07	$ 656,294	$ 525,000	80 %	$ (595,464)
6/30/08	670,287	802,188	120	(727,365)
6/30/09	897,078	875,263	98	(705,550)
6/30/10	1,068,515	1,010,028	95	(647,063)
6/30/11	1,163,602	1,045,506	90	(528,967)
6/30/12	1,112,843	1,203,500	108	(619,624)
6/30/13	1,070,254	1,565,640	146	(1,115,010)

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, 2012
Actuarial cost method	Projected Unit Credit
Amortization Method	Level percentage of projected payroll
Amortization Period	27 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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2012.

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, 2013	June 30, 2012
Unpaid claims, beginning of year	$ 1,066,256	$ 4,879,539
Incurred claims	125,423	598,164
Claim payments and changes in estimates	(645,477)	(4,411,447)
Unpaid claims, end of year	$ 546,202	$ 1,066,256

NOTE 10. OPERATING LEASE

The City has an operating lease commitment for office equipment. Future minimum lease payments are as follows:

Fiscal Year Ending June 30,	
2014	$ 3,912
2015	3,912
2016	3,912
2017	3,912
	$ 15,648

NOTE 11. COMMITMENTS AND CONTINGENCIES

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 an 8% lodging tax. A summary of the transactions for the fiscal year ending June 30, 2013, are as follows:

Balance of lodging tax funds on hand at July 1, 2012	$	249,665
Lodging tax receipts		429,068
Disbursements to Convention and Visitors Bureau		(346,609)
Balance of lodging tax funds on hand at June 30, 2013	$	332,124

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 Commission (RC) and is required to pay annual dues thereto. During its fiscal year ended June 30, 2013, the City paid $17,715 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC 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 RC. Separate financial statements may be obtained from:

Middle Georgia Regional Commission
175-C Emery Highway
Macon, Georgia 31201

NOTE 15. CHANGE IN ACCOUNTING PRINCIPLE

The City has determined that a restatement to beginning net position of the Water and Sewer Fund was required to recognize the change in accounting principle for implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, through which bond issuance costs are written off as of July 1, 2012.

This adjustment resulted in changes to beginning net position of the Water and Sewer Fund as follows:

	Water and Sewer Fund
Net position, as previously reported	$ 33,373,606
Recognition of bond issuance costs in accordance with GASB 65	(328,879)
Net position, as restated	$ 33,044,727

This adjustment resulted in changes to beginning net position of Business-type Activities as follows:

	Business-type Activities
Net position, as previously reported	$ 34,689,142
Recognition of bond issuance costs in accordance with GASB 65	(328,879)
Net position, as restated	$ 34,360,263

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
12/31/01	$ 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
07/01/08	5,789,114	10,847,535	5,058,421	53.4	5,144,000	98.3
07/01/09	6,801,787	12,929,800	6,128,013	52.6	5,465,000	112.1
07/01/10	7,489,427	13,963,885	6,474,458	53.6	5,248,000	123.4
07/01/11	8,449,910	14,272,912	5,823,002	59.2	5,618,305	103.6
07/01/12	9,625,040	15,010,265	5,385,225	64.1	5,937,000	90.7

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 (CDBG) 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, 2013

	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	$ 322,918	$ 100	$ 440,980	$ 7,649	$ -	$ 771,647
Taxes receivable	43,420	-	-	-	-	43,420
Note receivable	-	-	475,978	-	-	475,978
Total assets	$ 366,338	$ 100	$ 916,958	$ 7,649	$ -	$ 1,291,045
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 34,214	$ -	$ -	$ -	$ 44	$ 34,258
Due to other funds	-	131	-	1,712	100	1,943
Total liabilities	34,214	131	-	1,712	144	36,201
FUND BALANCES						
Nonspendable	-	-	475,978	-	-	475,978
Restricted for housing and development	-	-	440,980	-	-	440,980
Restricted for promotion of tourism	332,124	-	-	-	-	332,124
Restricted for public safety	-	-	-	5,937	-	5,937
Unassigned	-	(31)	-	-	(144)	(175)
Total fund balances (deficits)	332,124	(31)	916,958	5,937	(144)	1,254,844
Total liabilities and fund balances	$ 366,338	$ 100	$ 916,958	$ 7,649	$ -	$ 1,291,045

CITY OF MILLEDGEVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Special Revenue Funds					
	Hotel/Motel Tax Fund	Silver-Haired Legislature Grant Fund	CDBG Program Income Fund	Confiscated Assets Fund	CHIP Program Fund	Total
Revenues:						
Taxes	$ 429,068	$ -	$ -	$ -	$ -	$ 429,068
Intergovernmental	-	-	107,531	-	-	107,531
Fines and forfeitures	-	-	-	5,931	-	5,931
Interest revenue	-	-	9,719	-	-	9,719
Total revenues	429,068	-	117,250	5,931	-	552,249
Expenditures:						
Current:						
Public safety	-	-	-	1,500	-	1,500
Housing and development	346,609	-	15,300	-	-	361,909
Total expenditures	346,609	-	15,300	1,500	-	363,409
Net change in fund balances	82,459	-	101,950	4,431	-	188,840
Fund balances (deficits), July 1	249,665	(31)	815,008	1,506	(144)	1,066,004
Fund balances (deficits), June 30	$ 332,124	$ (31)	$ 916,958	$ 5,937	$ (144)	$ 1,254,844

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, 2013

	Original and Final Budget	Actual	Variance with Final Budget
Revenues, taxes	$ 465,000	$ 429,068	$ (35,932)
Expenditures, housing and development	465,000	346,609	118,391
Net change in fund balances	-	82,459	82,459
Fund balances, July 1	249,665	249,665	-
Fund balances, June 30	$ 249,665	$ 332,124	$ 82,459

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, 2013

	Original and Final Budget	Actual	Variance with Final Budget
Revenues, intergovernmental	$ -	$ -	$ -
Expenditures, general government	-	-	-
Net change in fund balances	-	-	-
Fund balances (deficits), July 1	(31)	(31)	-
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, 2013

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	$ 68,000	$ 107,531	$ 39,531
Interest revenue	29,672	9,719	(19,953)
Total revenues	97,672	117,250	19,578
Expenditures, housing and development	34,672	15,300	19,372
Net change in fund balances	63,000	101,950	38,950
Fund balances, July 1	815,008	815,008	-
Fund balances, June 30	$ 878,008	$ 916,958	$ 38,950

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, 2013

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and forfeitures	$ 4,000	$ 5,931	$ 1,931
Interest revenue	50	-	(50)
Total revenues	4,050	5,931	1,881
Expenditures, public safety	4,050	1,500	2,550
Net change in fund balances	-	4,431	4,431
Fund balances, July 1	1,506	1,506	-
Fund balances, June 30	$ 1,506	$ 5,937	$ 4,431

CITY OF MILLEDGEVILLE, GEORGIA
SPECIAL REVENUE FUND

COMMUNITY HOME IMPROVEMENT PROGRAM (CHIP) FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original and Final Budget	Actual	Variance with Final Budget
Revenues, intergovernmental	$ -	$ -	$ -
Expenditures, housing and development	-	-	-
Net change in fund balances	-	-	-
Fund balances, July 1	(144)	(144)	-
Fund balances, June 30	$ (144)	$ (144)	$ -

AGENCY FUNDS

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, 2013

	School Fund
ASSETS	
Cash	$ 7,484
Taxes receivable	76,916
Total assets	$ 84,400
LIABILITIES	
Due to others	$ 39,560
Uncollected taxes	44,840
Total liabilities	$ 84,400

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

School Fund	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
Cash	$ 5,800	$ 350,449	$ 348,765	$ 7,484
Taxes receivable	72,615	333,195	328,894	76,916
Total assets	$ 78,415	$ 683,644	$ 677,659	$ 84,400
Due to others	$ 10,658	$ 377,667	$ 348,765	$ 39,560
Uncollected taxes	67,757	305,977	328,894	44,840
Total liabilities	$ 78,415	$ 683,644	$ 677,659	$ 84,400

COMPONENT UNITS

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - MILLEDGEVILLE BALDWIN COUNTY ALLIED ARTS
JUNE 30, 2013

ASSETS		
Cash	$	129,121
Investments		25,274
Due from other governments		270
Total assets	$	154,665
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accrued liabilities	$	4,611
Total liabilities		4,611
FUND BALANCE		
Unassigned		150,054
Total liabilities and fund balance	$	154,665

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, 2013

Revenues		
Intergovernmental	$	176,856
Interest revenue		237
Other revenues		24,365
Total revenues		201,458
Expenditures, culture and recreation		201,385
Net change in fund balance		73
Fund balance, July 1		149,981
Fund balance, June 30	$	150,054

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2013

ASSETS		
Cash	$	82,829
Investments		15,319
Accounts receivable		270
Notes receivable		47,579
Total assets	$	145,997
LIABILITIES AND FUND BALANCE		
FUND BALANCE		
Nonspendable, note receivable		47,579
Unassigned		98,418
Total liabilities and fund balance	$	145,997

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Revenues		
Other revenues		
MainStreet/DDA	$	22,117
Deep Roots festival		114,888
Junior Miss Scholarship event		1,580
BOOST revenues		2,500
Interest revenue		3,489
Total revenues		144,574
Expenditures, community development		164,316
Net change in fund balance		(19,742)
Fund balance, July 1		165,739
Fund balance, June 30	$	145,997

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - CENTRAL STATE HOSPITAL LOCAL REDEVELOPMENT AUTHORITY
JUNE 30, 2013

ASSETS	
Cash	$ 32,704
Total assets	$ 32,704
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accrued liabilities	5,927
Total liabilities	$ 5,927
FUND BALANCE	
Unassigned	26,777
Total liabilities and fund balance	$ 32,704

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNIT - CENTRAL STATE HOSPITAL LOCAL REDEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Revenues	
Other revenues	
Contributions	$ 138,240
Total revenues	138,240
Expenditures, community development	111,463
Net change in fund balance	26,777
Fund balance, July 1	-
Fund balance, June 30	$ 26,777

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - MARY VINSON MEMORIAL LIBRARY
JUNE 30, 2013

ASSETS	
Cash	$ 274,580
Other assets	125
Total assets	$ 274,705
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	9,634
Accrued liabilities	19,536
Total liabilities	$ 29,170
FUND BALANCE	
Unassigned	245,535
Total liabilities and fund balance	$ 274,705

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, 2013

Revenues		
Intergovernmental	$	146,451
Contributions		506,769
Interest revenue		124
Other revenues		46,821
Total revenues		700,165
Expenditures, culture and recreation		679,395
Net change in fund balance		20,770
Fund balance, July 1		224,765
Fund balance, June 30	$	245,535

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 ..... **84 - 89**

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 ..... **90 - 96**

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

Debt Capacity ..... **97 - 101**

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 ..... **102 and 103**

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 ..... **104 - 106**

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 POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities:										
Net investment in capital assets	$ 5,184,092	$ 8,063,087	$ 8,591,031	$ 13,327,842	$ 12,881,590	$ 12,310,698	$ 13,046,789	$ 13,364,194	$ 12,531,495	$ 12,404,051
Restricted	-	-	5,360,037	6,520,856	7,186,892	-	7,487,107	7,527,182	8,669,770	8,733,734
Unrestricted	2,280,214	1,664,442	(2,740,757)	(2,397,339)	(1,950,090)	6,982,499	(8,962)	(347,928)	2,802,036	2,669,122
Total governmental activities net position	$ 7,464,306	$ 9,727,529	$ 11,210,311	$ 17,451,359	$ 18,118,392	$ 19,293,197	$ 20,524,934	$ 20,543,448	$ 24,003,301	$ 23,806,907
Business-type activities:										
Net investment in capital assets	$ 11,386,155	$ 11,437,514	$ 13,443,166	$ 14,152,046	$ 14,793,739	$ 15,208,588	$ 17,067,610	$ 17,288,728	$ 17,679,031	$ 18,393,201
Restricted	1,025,536	1,410,557	485,662	474,415	522,712	1,752,286	1,887,114	2,587,344	2,860,657	2,774,745
Unrestricted	4,875,228	5,432,916	7,749,727	8,848,181	10,995,989	10,303,242	10,899,168	12,104,064	14,149,454	14,759,323
Total business-type activities net position	$ 17,286,919	$ 18,280,987	$ 21,678,555	$ 23,474,642	$ 26,312,440	$ 27,264,116	$ 29,853,892	$ 31,980,136	$ 34,689,142	$ 35,927,269
Primary government:										
Net investment in capital assets	$ 16,570,247	$ 19,500,601	$ 22,034,197	$ 27,479,888	$ 27,675,329	27,519,286	$ 30,114,399	$ 30,652,922	$ 30,210,526	$ 30,797,252
Restricted	1,025,536	1,410,557	5,845,699	6,995,271	7,709,604	1,752,286	9,374,221	10,114,526	11,530,427	11,508,479
Unrestricted	7,155,442	7,097,358	5,008,970	6,450,842	9,045,899	17,285,741	10,890,206	11,756,136	16,951,490	17,428,445
Total primary government net position	$ 24,751,225	$ 28,008,516	$ 32,888,866	$ 40,926,001	$ 44,430,832	$ 46,557,313	$ 50,378,826	$ 52,523,584	$ 58,692,443	$ 59,734,176

CITY OF MILLEDGEVILLE, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2004	2005 (1)	2006	2007	2008	2009 (2)	2010	2011	2012	2013
Expenses										
Governmental activities:										
General government	$ 1,301,315	$ 650,503	$ 1,382,974	$ 1,554,126	$ 1,311,449	$ 1,467,788	$ 1,438,368	$ 1,583,367	$ 1,495,140	$ 2,285,587
Judicial	127,221	60,911	138,253	144,191	146,822	157,986	150,767	160,324	146,991	182,533
Public safety	4,142,449	2,226,618	4,950,692	5,057,547	5,484,782	5,838,433	5,931,232	6,255,838	3,045,049	6,646,040
Public works	1,614,112	870,502	1,474,717	2,722,253	2,315,767	2,790,493	3,566,034	2,708,035	2,043,705	2,019,753
Culture and recreation	856,664	458,576	899,585	1,006,164	990,400	888,255	916,789	753,213	791,132	717,454
Housing and development	609,672	306,324	723,575	798,266	896,363	820,562	1,027,572	1,135,550	958,338	762,757
Interest on long-term debt	4,911	832	762	-	-	-	-	-	-	9,480
Total governmental activities	8,656,344	4,574,266	9,570,558	11,282,547	11,145,583	11,963,517	13,030,762	12,596,327	8,480,355	12,623,605
Business-type activities:										
Water and sewer	5,484,315	2,705,299	5,418,621	5,638,041	5,926,373	6,096,709	6,044,630	5,878,449	6,154,110	6,533,598
Solid waste	1,277,277	635,673	1,251,481	1,352,562	1,419,941	1,504,096	1,638,333	1,645,373	1,510,933	1,544,717
Total business-type activities	6,761,592	3,340,972	6,670,102	6,990,603	7,346,314	7,600,805	7,682,963	7,523,822	7,665,043	8,078,315
Total primary government	$ 15,417,936	$ 7,915,238	$ 16,240,660	$ 18,273,150	$ 18,491,897	$ 19,564,322	$ 20,713,725	$ 20,120,149	$ 16,145,398	$ 20,701,920
Program revenues										
Governmental activities:										
Charges for services:										
General government	$ 231,013	$ 85,661	$ 339,402	$ 288,359	$ 360,551	276,769	325,864	323,490	$ 450,552	$ 423,925
Public safety	473,710	248,591	615,218	619,075	695,843	609,284	703,910	623,963	476,043	-
Public works	500,904	17,535	-	-	-	-	-	-	-	623,061
Other activities	21,479	1,179	2,362	2,567	2,838	2,962	553	-	-	-
Operating grants and contributions	185,675	37,698	62,420	73,463	81,578	58,876	63,744	290,553	34,005	173,327
Capital grants and contributions	539,731	2,587,472	653,838	432,839	51,118	1,710,191	2,869,600	2,382,085	2,499,914	2,767,155
Total governmental activities	1,952,512	2,978,136	1,673,240	1,416,303	1,191,928	2,658,082	3,963,671	3,620,091	3,460,514	3,987,468
Business-type activities:										
Charges for services:										
Water and sewer	$ 6,786,049	$ 3,335,326	$ 6,829,185	$ 6,926,704	$ 7,590,421	$ 7,819,991	$ 7,001,007	$ 7,209,392	$ 7,476,414	$ 7,307,245
Solid waste	1,059,675	554,451	1,216,534	1,217,590	1,585,858	1,731,995	1,934,153	1,923,824	1,933,713	1,953,473
Capital grants and contributions	756,994	344,709	1,266,640	324,771	75,366	207,652	2,029,935	32,377	-	-
Total business-type activities	8,602,718	4,234,486	9,312,359	8,469,065	9,251,645	9,759,638	10,965,095	9,165,593	9,410,127	9,260,718
Total primary government	$ 10,555,230	$ 7,212,622	$ 10,985,599	$ 9,885,368	$ 10,443,573	$ 12,417,720	$ 14,928,766	$ 12,785,684	$ 12,870,641	$ 13,248,186
Net (expense)/revenue										
Governmental activities	$ (6,703,832)	$ (1,596,130)	$ (7,897,318)	$ (9,866,244)	$ (9,953,655)	$ (9,305,435)	$ (9,067,091)	$ (8,976,237)	$ (5,019,841)	$ (8,636,137)
Business-type activities	1,841,126	893,514	2,642,257	1,478,462	1,905,331	2,158,833	3,282,132	1,641,771	1,745,084	1,182,403
Total primary government net expense	$ (4,862,706)	$ (702,616)	$ (5,255,061)	$ (8,387,782)	$ (8,048,324)	$ (7,146,602)	$ (5,784,959)	$ (7,334,466)	$ (3,274,757)	$ (7,453,734)

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2004	2005 (1)	2006	2007	2008	2009 (2)	2010	2011	2012	2013
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 1,933,792	$ 197,551	$ 2,648,399	$ 2,653,251	$ 2,804,795	$ 2,850,577	$ 2,958,098	$ 2,931,647	$ 2,831,319	$ 2,900,540
Sales taxes	4,311,240	1,927,570	4,126,742	4,592,017	4,584,724	2,431,098	2,521,200	2,464,375	2,582,539	2,333,680
Hotel/motel taxes	267,967	127,137	253,303	262,255	282,549	262,328	365,766	461,852	468,985	429,068
Franchise taxes	900,981	862,924	1,073,816	1,102,370	1,032,903	1,241,285	1,193,921	1,224,963	1,287,559	1,202,256
Insurance premium taxes	873,170	-	939,416	982,864	1,025,237	1,049,796	1,040,054	1,009,723	830,908	882,563
Alcoholic beverage taxes	-	-	-	-	-	507,557	459,052	497,143	471,834	442,809
Business and occupation taxes	-	-	-	-	-	568,177	626,357	561,109	562,008	580,395
Other taxes	1,008,178	705,067	1,021,223	1,078,493	1,075,530	46,779	116,819	108,996	55,023	72,509
Unrestricted investment earnings	37,694	39,105	120,737	404,965	422,827	143,965	94,254	122,072	92,635	62,492
Transfers	-	-	(803,536)	(77,217)	(607,877)	1,378,682	923,307	(387,127)	(703,115)	(466,569)
Total governmental activities	9,333,022	3,859,354	9,380,100	10,998,998	10,620,688	10,480,244	10,298,828	8,994,753	8,479,695	8,439,743
General Revenues and Other Changes in Net Position										
Business-type activities:										
Unrestricted investment earnings	96,236	100,554	(48,225)	240,408	324,590	171,525	230,951	97,346	260,807	(81,966)
Transfers	-	-	803,536	77,217	607,877	(1,378,682)	(923,307)	387,127	703,115	466,569
Total business-type activities	96,236	100,554	755,311	317,625	932,467	(1,207,157)	(692,356)	484,473	963,922	384,603
Total primary government	$ 9,429,258	$ 3,959,908	$ 10,135,411	$ 11,316,623	$ 11,553,155	$ 9,273,087	$ 9,606,472	$ 9,479,226	$ 9,443,617	$ 8,824,346
Change in Net Position										
Governmental activities	$ 2,629,190	$ 2,263,224	$ 1,482,782	$ 1,132,754	$ 667,033	$ 1,174,809	$ 1,231,737	$ 18,516	$ 3,459,854	$ (196,394)
Business-type activities	1,937,362	994,068	3,397,568	1,796,087	2,837,798	951,676	2,589,776	2,126,244	2,709,006	1,567,006
Total primary government	$ 4,566,552	$ 3,257,292	$ 4,880,350	$ 2,928,841	$ 3,504,831	$ 2,126,485	$ 3,821,513	$ 2,144,760	$ 6,168,860	$ 1,370,612

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

(2) Other taxes were further broken out into Alcoholic Beverage Taxes and Business and Occupation Taxes for the fiscal year ending June 30, 2009.

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

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

CITY OF MILLEDGEVILLE, GEORGIA

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

Year	Property Tax	Sales Tax (3)	Other Taxes (1)	Alcoholic Beverage Taxes (1)	Business and Occupation 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
2009	2,850,577	2,431,098	309,107	507,557	568,177	1,241,285	1,049,796	8,957,597
2010	2,958,098	2,521,200	482,585	459,052	626,357	1,193,921	1,040,054	9,281,267
2011	2,931,647	2,464,375	570,848	497,143	561,109	1,224,963	1,009,723	9,259,808
2012	2,831,319	2,582,539	524,008	471,834	562,008	1,287,559	830,908	9,090,175
2013	2,900,540	2,333,680	501,577	442,809	580,395	1,202,256	882,563	8,843,820

(1) Includes hotel/motel taxes, alcoholic beverages taxes and business and occupation taxes for the years 2005-2008. Beginning in 2009, the alcoholic beverage taxes and business and occupation taxes were segregated into their own column.

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

(3) Beginning in fiscal year 2009, sales tax revenue includes only LOST revenue. Prior years included LOST and SPLOST revenue. Beginning in fiscal year 2009, SPLOST revenue is reported as Intergovernmental revenue.

CITY OF MILLEDGEVILLE, GEORGIA

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 33,740	$ 37,241	$ 43,348
Restricted	-	-	-	-	-	-	-	76,409	76,409	224,970
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	595	595	595
Unassigned	-	-	-	-	-	-	-	3,439,189	2,733,297	2,039,603
Reserved	32,817	37,885	51,978	111,763	120,157	121,144	364,158	-	-	-
Unreserved	1,415,369	782,125	1,462,210	1,842,682	2,048,211	2,967,390	3,219,511	-	-	-
Total General Fund	$ 1,448,186	$ 820,010	$ 1,514,188	$ 1,954,445	$ 2,168,368	$ 3,088,534	$ 3,583,669	$ 3,549,933	$ 2,847,542	$ 2,308,516
All Other Governmental Funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	-	-	-	-	8,104,832	8,599,830	8,508,764
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(31)	(175)	(175)
Reserved	396,400	398,235	5,793,736	6,926,294	7,616,855	411,055	652,007	-	-	-
Unreserved, reported in:										
Special revenue funds	1,027	298	(2,814)	(260)	(294)	(276)	7,322,120	-	-	-
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	$ 410,779	$ 7,974,127	$ 8,104,801	$ 8,599,655	$ 8,508,589

Note: The City of Milledgeville adopted GASB Statement 54 in fiscal year 2011.

CITY OF MILLEDGEVILLE, GEORGIA

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

	Fiscal Year									
	2004	2005 (1)	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Taxes	$ 9,302,348	$ 4,085,630	$ 10,001,357	$ 10,681,688	$ 10,774,086	$ 8,842,623	$ 9,231,756	$ 9,373,107	$ 8,894,399	$ 9,012,286
Licenses and permits	205,708	78,372	302,250	245,612	269,421	254,397	224,487	216,867	224,119	227,542
Intergovernmental	719,709	851,904	558,486	502,644	132,696	1,729,507	2,810,262	2,612,167	1,568,104	2,609,052
Fines and forfeitures	449,043	247,386	615,218	619,075	695,843	609,284	703,910	623,963	476,043	623,061
Charges for services	525,571 (2)	12,592	14,972	7,919	5,934	4,889	7,794	8,272	8,859	8,225
Interest income	37,115	38,946	120,242	400,066	416,981	142,533	204,046	134,765	102,409	89,998
Other revenues	52,481	26,003	24,542	41,053	88,034	20,445	94,136	98,351	220,782	83,021
Total revenues	11,291,975	5,340,833	11,637,067	12,498,057	12,382,995	11,603,678	13,276,391	13,067,492	11,494,715	12,653,185
Expenditures:										
General government	1,268,741	602,264	1,293,058	1,260,215	1,235,084	1,403,760	1,409,898	1,274,842	1,466,667	1,742,340
Judicial	126,017 (3)	58,765	134,956	139,081	145,044	157,390	162,685	150,765	168,463	177,121
Public safety	4,097,120	2,105,534	4,601,913	4,775,248	5,348,910	5,505,919	5,853,059	5,632,753	5,713,620	6,124,832
Public works	1,278,923 (3)	629,949	1,373,713	1,473,618	1,527,644	1,576,832	1,589,352	1,906,304	1,578,008	1,668,403
Culture and recreation	836,284	448,189	876,398	975,299	964,602	866,518	891,330	797,390	752,410	729,728
Housing and development	612,491	305,036	723,538	788,626	892,385	808,239	1,015,304	1,136,659	967,856	778,061
Capital outlay	1,259,535	1,444,916	1,782,391	1,433,104	1,467,746	1,042,344	3,126,557	2,071,841	620,172	3,086,814
Debt service:										
Principal	150,276	23,200	47,302	-	-	-	-	-	-	270,000
Interest	4,911	832	762	-	-	-	-	-	-	-
Total expenditures	9,634,298	5,618,685	10,834,031	10,845,191	11,581,415	11,361,002	14,048,185	12,970,554	11,267,196	14,577,299
Excess of revenues over (under) expenditures	1,657,677	(277,852)	803,036	1,652,866	801,580	242,676	(771,794)	96,938	227,519	(1,924,114)
Other Financing Sources (Uses)										
Proceeds from capital leases	-	-	-	-	-	-	-	-	-	1,170,000
Transfers in from other funds	8,375	-	54	-	102,870	1,716,847	923,307	-	-	600,000
Transfers out to other funds	(8,375)	-	(54)	(77,217)	-	(338,165)	-	-	(435,056)	-
Total other financing sources (uses)	-	-	-	(77,217)	102,870	1,378,682	923,307	-	(435,056)	1,770,000
Net change in fund balances	$ 1,657,677	$ (277,852)	$ 803,036	$ 1,575,649	$ 904,450	$ 1,621,358	$ 151,513	$ 96,938	$ (207,537)	$ (154,114)
Debt service as a percentage of noncapital expenditures	1.33%	1.81%	0.51%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.09%

(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 Solid Waste activities.

CITY OF MILLEDGEVILLE, GEORGIA

GENERAL GOVERNMENTAL TAX REVENUE BY SOURCE (1)
LAST TEN 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
2009 (4)	2,792,655	2,374,046	1,384,841	1,241,285	1,049,796	8,842,623
2010	2,898,995	2,530,792	1,567,994	1,193,921	1,040,054	9,231,756
2011	2,997,485	2,511,836	1,629,100	1,224,963	1,009,723	9,373,107
2012	2,635,543	2,582,539	1,557,850	1,287,559	830,908	8,894,399
2013	3,069,006	2,333,680	1,524,781	1,202,256	882,563	9,012,286

(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.

(4) Beginning in fiscal year 2009, sales tax revenue includes only LOST revenue. Prior years included both LOST and SPLOST revenue. Beginning in fiscal year 2009, SPLOST revenue is included as Intergovernmental revenue.

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 (2)	Total Direct and Overlapping Rates
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%
2009	1.00%	4.00%	1.00%	1.00%	7.00%
2010	1.00%	4.00%	1.00%	1.00%	7.00%
2011	1.00%	4.00%	1.00%	1.00%	7.00%
2012	1.00%	4.00%	1.00%	1.00%	7.00%
2013	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, 2018.

(2) A new 1% special purpose local option sales tax referendum was passed in March 2011.

CITY OF MILLEDGEVILLE, GEORGIA

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

By Category	2004	2005	2006	2007	2008	2009	2010	2011	2012
Food	$ 1,470,601	$ 1,484,331	$ 1,702,562	$ 1,789,423	$ 1,549,438	$ 1,106,221	$ 1,044,749	$ 1,054,756	$ 1,111,073
Apparel	88,660	96,057	96,479	101,552	103,119	110,742	122,828	386,256	246,782
General	1,166,570	1,273,629	1,319,042	1,344,124	1,313,985	1,231,299	1,211,914	1,244,568	1,751,605
Automotive	956,362	1,115,842	1,227,571	1,234,576	1,380,494	722,402	768,607	725,499	520,306
Home	256,630	289,122	362,778	310,193	276,404	110,742	260,032	376,257	461,261
Lumber	577,265	570,625	722,251	674,450	556,832	425,172	556,683	515,641	218,318
Miscellaneous Service	246,321	208,836	243,942	232,113	240,512	315,552	334,584	286,425	274,205
Manufacturers	187,422	151,253	186,704	133,567	139,918	325,454	260,032	238,279	166,332
Utilities	499,701	507,428	564,852	586,667	666,444	509,435	541,669	560,033	520,370
Miscellaneous	363,371	375,626	428,756	450,685	422,043	412,752	334,584	575,641	196,990
	$ 5,812,903	$ 6,072,749	$ 6,854,937	$ 6,857,350	$ 6,649,189	$ 5,269,771	$ 5,435,682	$ 5,963,355	$ 5,467,242

Source: Georgia Department of Revenue, Local Government Services Division

Notes:

(1) Only nine 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	Residential Property	Commercial Property	Motor Vehicle	Other (1)	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
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%
2009	145,958,815	171,342,957	22,300,100	837,604	1,605,269	352,168,866	9.12	880,422,100	40%
2010	160,714,124	177,017,129	23,290,960	1,266,786	1,946,693	360,342,306	9.12	900,855,765	40%
2011	158,571,927	165,044,251	20,796,550	810,332	2,252,665	360,805,090	9.12	902,012,725	40%
2012	154,944,259	152,597,416	20,325,590	769,116	1,396,199	357,612,008	9.12	894,030,020	40%
2013	136,035,873	167,159,373	21,070,740	735,984	1,636,536	354,377,983	9.12	855,944,958	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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
City of Milledgeville										
Maintenance & Operations	8.75	8.75	8.75	8.22	8.22	8.12	8.12	8.12	8.12	8.12
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	9.22	9.22	9.12	9.12	9.12	9.12	9.12
Baldwin County	9.80	9.80	13.58	8.80	8.80	8.64	8.64	8.64	8.64	8.64
Baldwin County School District	14.57	14.57	14.57	16.07	16.07	16.07	16.07	16.07	17.06	17.06
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.20
Total	34.37	34.37	38.15	34.34	34.34	34.08	34.08	34.08	35.07	35.02

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

	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
GEO Group In the 197	$ 15,007,304	1	4.25%	$ -		
Georgia Power	9,888,678	2	2.80%	6,783,766	1	2.53%
Campus Crest	5,471,757	3	1.55%	-		
Walmart Real Estate Business	4,835,680	4	1.37%	-		
Magnolia Park Student Housing	4,674,348	5	1.33%	-		
RATH Refractories	4,279,570	6	1.21%	-		
Milledgeville Housing Authority	3,702,434	7	1.05%	-		
Walmart Stores East LP	3,591,428	8	1.02%	1,684,100	7	0.63%
Halpren Properties LLC	3,012,920	9	0.85%	-		
Lowes Companies	2,700,280	10	0.77%	2,791,548	3	1.04%
Alltell GA Communications	-		-	5,577,852	2	2.08%
Milledgeville Mall	-		-	2,209,502	4	0.82%
Shaw Industries	-		-	2,028,865	5	0.76%
Heritage Walk Investement, LLC	-		-	2,014,462	6	0.75%
Pine Knoll Apartments, Inc.	-		-	1,556,171	8	0.58%
Bright Meers	-		-	1,504,120	9	0.56%
LPI Milledgeville, Inc.	-		-	1,389,646	10	0.52%
Totals	$ 57,164,399		16.20%	$ 27,540,032		10.27%

Source: City of Milledgeville and Baldwin County records

Note: Wal-Mart site opened in 2004 with other stores.

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

Shaw Industries ceased operations in 2009.

Winn-Dixie and IRT Property ceased operations in 2005.

K-Mart has downsized significantly since 2004.

Gordon Giles is a local property owner who has purchased a significant amount of property since 2006.

Pine Knoll has downsized since 2004.

Century Bank & Trust sold some of its property in 2007.

Hatcher Square has maintained its acreage since its opening in 1972 but downsized operations in 2008.

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
2004	$ 2,313,713	$ 231,781	10.0	$ 2,073,765	$ 2,305,546	99.6 %
2005	-	-	-	-	-	-
2006	2,483,150	2,301,053	92.7	158,811	2,459,864	99.1
2007	2,608,910	2,440,936	93.6	145,977	2,586,913	99.2
2008	2,822,462	2,694,554	95.5	93,068	2,787,622	98.8
2009	2,769,525	2,664,606	96.2	80,054	2,744,660	99.1
2010	2,958,098	2,678,996	90.6	190,103	2,869,099	97.0
2011	3,103,237	2,910,692	93.8	192,727	3,103,419	100.0
2012	3,028,188	2,647,406	87.4	182,107	2,829,513	93.4
2013	2,810,927	2,612,252	92.9	-	2,612,252	92.9

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)(2)	Per Capita (1)
	General Obligation Bonds	Capital Lease Obligations	Water & Sewer Notes	Revenue Bonds			
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	2.78%	698.87
2008	-	-	763,291	11,720,000	12,483,291	N/A	665.53
2009	-	-	678,577	11,145,000	11,823,577	3.61%	630.36
2010	-	-	629,603	10,545,000	11,174,603	3.41%	595.76
2011	-	-	847,144	9,910,000	10,757,144	4.64%	607.23
2012	-	-	340,595	9,245,000	9,585,595	4.14%	541.10
2013	-	900,000	321,420	8,545,000	9,766,420	4.22%	551.31

Source: City of Milledgeville financial records

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.
(2) Information not available for 2008.

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)
2004	-	-	-
2005	-	-	-
2006	-	-	-
2007	-	-	-
2008	-	-	-
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-

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, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated share of Overlapping Debt
Debt repaid with property taxes: Baldwin County	$ -	29.00%	$ -
Subtotal, overlapping debt			-
City of Milledgeville direct debt			$ 900,000
Total direct and overlapping debt			$ 900,000

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, 2013 as provided by Baldwin County Commissioners' Office.

(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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Legal debt limit	$ 26,813	$ 26,813	$ 27,011	$ 32,126	$ 34,315	$36,034	$ 35,217	$ 36,081	$ 35,761	$ 35,438
Total net debt applicable to debt limit	-	-	-	-	-	-	-	-	-	900
Legal debt margin	$ 26,813	$ 26,813	$ 27,011	$ 32,126	$ 34,315	$ 36,034	$ 35,217	$ 36,081	$ 35,761	$ 34,538
Legal debt margin as a percentage of the debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.54%

Legal Debt Margin Calculation for Fiscal Year 2013	
Assessed value	$ 354,378
Debt limit (10% of assessed value)	35,438
Debt applicable to limit:	
Capital lease obligation	900
Total net debt applicable to limit	900
Legal debt margin	$ 34,538

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	
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
2009	7,819,991	4,629,577	3,190,414	575,000	674,408	2.55
2010	6,952,141	4,483,666	2,468,475	600,000	646,352	1.98
2011	7,212,402	4,285,571	2,926,831	635,000	656,184	2.27
2012	7,463,178	4,449,441	3,013,737	665,000	623,618	2.34
2013	7,307,245	4,927,190	2,380,055	700,000	511,918	1.96

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 (1)	School Enrollment (2)	Unemployment Rate (3)
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	N/A	5,582	5.90
2008	18,757	N/A	N/A	5,486	6.70
2009	18,757	N/A	N/A	6,807	11.60
2010	18,757	N/A	N/A	6,832	15.10
2011	17,715	N/A	N/A	6,623	14.70
2012	17,715	N/A	N/A	6,674	13.70
2013	17,715	N/A	N/A	6,678	12.90

(1) Source: U. S. Bureau of the Census
(2) Source: Baldwin County Board of Education, John Milledge Academy, GMC Prep School, Sinclair Christian Academy
(3) Source: Georgia Department of Labor

N/A - Not Available

CITY OF MILLEDGEVILLE, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2013			2004		
Employer	Employees (1)	Rank	Percentage of Total County Employment (3)	Employees (2)	Rank	Percentage of Total County Employment (3)
Baldwin County Board of Education	807	1	N/A	900	5	N/A
Georgia College & State University	800	2	N/A	1228	2	N/A
Oconee Regional Medical Center	700	3	N/A	779	6	N/A
Triump Aerostructures (Vought Air. Ind., Inc.)	535	4	N/A	550	7	N/A
Walmart	418	5	N/A			
Mohawk	400	6	N/A			
Georgia Military College	385	7	N/A	385	10	N/A
GEO Riverbend State Correctional Facility	300	8	N/A			
Oconee Center	300	9	N/A			
Kroger	135	10	N/A			
Central State Hospital				2900	1	N/A
Georgia Department of Corrections				1200	3	N/A
Rheem Manufacturing Company				1000	4	N/A
United Veterans Services of Georgia				467	8	N/A
Bill Ireland Y.D.C.				435	9	N/A

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

N/A - Not Available

Note:

Northrup Gruman Aircraft relocated in 2002.
Central State Hospital has downsized in the last several years.
Vought Aircraft has maintained its employment status from 2008. It is where Northrup Gruman located to in 2002.
Rheem Manufacturing closed in December 2009.
Oconee Center operates a facility for the treatment of mental health illness for adolescents.
GEO Riverbend opened a correctional facility in 2012.
Bill Ireland YDC closed in 2009.

CITY OF MILLEDGEVILLE, GEORGIA

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function/Program										
General Government										
Administrative	3	3	3	3	3	3	2.5	4	4	4
Finance	8	8	7	7	7	8	7	6	7	7
Personnel	2	2	2	2	1	1	1	2	1.5	1.5
Planning	5	5	5	5	5	5	4	4	4.5	4.5
Other	7	7	7	8	8	8	3	3	4	4
Police										
Officers	49	49	49	49	49	51	51	52	52	52
Civilians	14	14	14	13	13	13	9	9	9	10
Fire										
Firefighters	31	31	31	33	33	34	34	33	34	34
Civilians	1	1	1	1	1	0	0	0	0	0
Public Works										
Administrative	2	2	2	2	2	2	2	2	3	3
Maintenance	20	20	16	12	12	16	13	13	13	13
Parks and Recreation	6	6	6	10	10	10	11	9	10	10
Water	40	40	39	39	39	35	32.5	32	35	35
Wastewater	16	16	18	18	18	21	18	16	16	16
Refuse	5	5	9	9	9	9	7	7	9	9
Total	209	209	209	211	210	216	195	192	202	203

Source: City of Milledgeville Human Resources Department

City Manager added beginning in fiscal year 2004. City changed form of government from Mayor-Council to Council-Manager

In 2009, the City added an additional accountant within the Finance Department, hired two (2) police officers, reclassed a civilian to a firefighter, reclassed four (4) employees from Water to Maintenance, and added three (3) employees in the Wastewater Treatment Plant.

In FY 2012, the City added an additional position for a Public Works Supervisor.

CITY OF MILLEDGEVILLE, GEORGIA

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Parking violations	3,040	956	3,008	2,360	3,737	3,891	4,598	3,103	3,123	2,892
Traffic violations	3,084	2,196	4,387	5,335	6,155	5,520	5,558	4,503	3,611	3,966
Fire										
Number of calls answered	1,058	463	1,043	1,015	971	988	989	1,155	1,124	1,297
Number of inspections conducted	1,068	697	1,404	2,091	2,302	2,327	2,025	1,855	2,168	2,271
Highways and streets										
Street resurfacing (miles)	1.5	1.0	1.5	1.0	0.5	0.0	1.4	2.3	0.5	0.6
Potholes repaired	51	37	53	157	191	290	338	351	540	672
Sanitation										
Yard trimmings collected (tons/day)	1.5	1.5	1.5	2.7	3.8	3.8	3.2	3.4	8.5	8.8
Water										
Number of service connections	6,693	6,693	7,008	7,231	7,388	7,746	7,564	7,589	7,956	7,960
Average daily consumption (thousands of gallons)	6,630	6,668	6,706	6,638	6,515	6,432	6,325	6,336	6,340	6,331
Sewer										
Number of service connections	5,398	5,587	5,777	5,792	6,000	6,125	6,071	6,072	6,075	6,077
Average daily sewage treatment (thousands of gallons)	4,500	4,820	4,360	3,750	4,043	4,380	4,369	4,372	3,197	3,201

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.
A full-time City Engineer was hired in July 2009. Subsequently, several street improvement projects have been initiated.

CITY OF MILLEDGEVILLE, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	50	50	50	50	50	42	50	59	59	59
Fire stations	2	2	2	2	2	2	2	2	2	2
Highways and streets										
Miles of streets	114	116	117	117	119	120	120	120	120	120
Number of street lights	1,556	1,568	1,536	1,541	1,547	1,547	1,547	1,547	1,547	1,547
Water										
Water mains (miles)	187	187	190	190	194	196	196	200	200	200
Number of water plants	2	2	2	2	2	2	2	2	2	2
Fire hydrants	672	678	678	678	715	728	728	728	728	728
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)	277	278	232	232	233	233	233	233	233	233
Storm sewers (miles)	27	27	27	28	30	30	30	30	30	30
Maximum daily capacity (thousands of gallons)	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500

Source: City of Milledgeville records

Note: 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.
In 2009, the City police department retired eight (8) patrol cars and capacity at the City's Water Plant was increased due to capital improvements.
In 2010, the City police department acquired eight (8) patrol cars to replace those retired in the previous year.
In 2011, the City police department added nine (9) additional patrol units.

CONTINUING DISCLOSURE INFORMATION

CITY OF MILLEDGEVILLE, GEORGIA

PRINCIPAL WATER CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

	2013			2004		
	Amount Billed for Twelve Months	Rank	Estimated Percentage of Total Water Billings	Amount Billed for Twelve Months	Rank	Estimated Percentage of Total Water Billings
Central State Hospital	$ 331,578	1	10.12%	$ 445,265	2	11.55%
Zschimmer & Schwarz, Inc.	286,100	2	8.73%			
Mohawk	250,642	3	7.65%	64,351	6	1.67%
Georgia College	167,970	4	5.13%	124,221	4	3.22%
Triumph -Vought Aircraft Industries (Northrup-Grumman Corp.)	121,073	5	3.70%	53,092	8	1.38%
Pine Knoll Apartments	90,583	6	2.77%			
Magnolia Park Student Housing	71,639	7	2.19%			
Oconee Regional Medical Center	66,143	8	2.02%	120,967	5	3.14%
Villamar Town Home Apartments	53,935	9	1.65%	39,828	10	1.03%
Edgewood Park Ltd.	44,788	10	1.31%			
Baldwin County Commissioners				923,245	1	23.94%
Concord Fabrics, Inc				296,307	3	7.68%
Bill E. Ireland YDC				58,680	7	1.52%
Shaw Industries				47,552	9	1.23%

Source: City of Milledgeville records

Note: Northrup Grumman Aircraft relocated in 2002.
Concord Fabrics, Inc. ceased operations in 2006.
Magnolia Park Student Housing began operations in late fall of 2006.
Oconee Regional Medical Center became a water customer in 1990. It has increased operations and added on to the facility since 2003.
Shaw Industries ceased operations in 2009.
Pine Knoll Apartments has downsized since 2004.
Chemtex Division opened in 2001.
Bill E. Ireland Y.D.C. closed in the spring of 2010.
Baldwin County has built its own water system.

CITY OF MILLEDGEVILLE, GEORGIA

PRINCIPAL SEWER CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

	2013			2004		
	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	$ 442,486	1	12.95%			
Zschimmer & Schwarz, Inc.	286,099	2	8.37%			
Baldwin County Commissioners	264,436	3	7.74%	$ 17,620	10	0.73%
Georgia College	167,970	4	4.91%	104,302	2	4.34%
Mohawk	137,612	5	4.03%	64,351	4	2.68%
Triump - (Vought Aircraft Industries)	121,073	6	3.54%	52,819	6	2.20%
Pine Knoll Apartments	90,583	7	2.65%			
Magnolia Park Student Housing	71,639	8	2.10%			
Oconee Regional Medical Center	66,143	9	1.94%	95,742	3	3.98%
Villamar Townhome Apartments	53,935	10	1.58%	39,828	8	1.66%
Concord Fabrics, Inc				296,307	1	12.32%
Bill E. Ireland YDC				58,680	5	2.44%
Shaw Industries				47,442	7	1.97%
A. E. Barnes				26,998	9	1.12%

Source: City of Milledgeville records

Note: Northrup Grumman Aircraft relocated in 2002.

Concord Fabrics, Inc. ceased operations in 2006.

Magnolia Park Student Housing began operations in late fall of 2006.

Shaw Industries ceased operations in 2009.

Oconee Regional Medical Center became a water customer in 1990. It has increased operations and added on to the facility since 2003.

Chemtex Division opened in 2001.

Pine Knoll has downsized since 2004.

Bill E. Ireland Y.D.C. closed in the spring of 2010.

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 in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, 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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 13, 2013. Our report includes a reference to the changes in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* and Statement No. 65, *Items Previously Reported as Assets and Liabilities.*

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2013–1 through 2013-5 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Milledgeville's Responses to Findings

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

Purpose of this Report

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

Macon, Georgia
December 13, 2013

Mauldin & Jenkins, LLC

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

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

Federal Awards

A single audit was not performed for the fiscal year ended June 30, 2013 due to the City not expending $500,000 or more of federal funds.

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013

SECTION II FINANCIAL STATEMENT FINDINGS

2013-1. Reconciliation of Pooled Cash (Repeat of 2012-1)

Criteria: Good sound internal controls require the reconciliation of bank accounts on at least a monthly basis.

Condition: The City currently maintains a pooled cash fund whereby the account balances of six (6) bank accounts are pooled together and allocated over ten (10) different City funds (General Fund, Community Home Improvement Program Fund, Hotel Motel Tax Fund, CDBG Fund, SPLOST Fund, School Fund, Water and Sewer Fund, Solid Waste Fund, Workers' Compensation Fund, and Retirement Trust Fund). During our audit of pooled cash, we noted that again this year, pooled cash did not reconcile to the total of the accounts per the general ledger of the ten (10) City funds.

Context: We addressed this matter with City personnel, and they were able to determine the appropriate adjustments needed to properly reflect pooled cash at June 30, 2013 on the books of the City.

Effect: An audit adjustment was required to decrease the book balance of cash and decrease a liability account by $899,675 in the General Fund. Additionally, an adjustment was made in the SPLOST Fund to decrease cash and increase due from other governments by $129,943. By not reconciling the bank account on at least a monthly basis, the City is exposing itself to the risk of misappropriation.

Recommendation: We recommend the pooled cash bank account be reconciled on at least a monthly basis and all differences between book and bank balances be investigated on a timely basis by appropriate accounting personnel so that errors and adjustments can be quickly identified and corrected.

Views of responsible officials and planned corrective action: Management concurs with this finding.

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013

2013-2. Revenue Recognition – SPLOST Fund (Repeat of 2012-2)

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. For governmental fund types, available is defined as "collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period." For this purpose, the City considers revenues to be available if they are collected within 60 days of year-end. Receivable amounts not collected within 60 days after year-end are recorded as deferred revenue rather than as revenue.

Condition: The City did not properly record as deferred revenue, those amounts not received within 60 days of the end of the fiscal year.

Context: We addressed this matter with City personnel and they were able to determine the appropriate amounts of revenue to defer at June 30, 2013.

Effect: Audit adjustments to defer revenue were required to be recorded in the SPLOST Fund. Specifically, we provide the following details:

a) An adjustment of $156,757 was required to be recorded to increase deferred revenue and decrease revenue for DOT grant reimbursements not received from the state within 60 days of year-end; and
b) An adjustment of $150,375 was required to be recorded to increase deferred revenue and decrease revenue for TEA grant reimbursements not received within 60 days of year-end.

Recommendation: We recommend the City monitor year-end receivable amounts to determine if those amounts are collected within the 60 day availability period and if not, post the appropriate adjustment to deferred revenue.

Views of responsible officials and planned corrective action: Management concurs with this finding. Receivables at year-end will be closely monitored and adjustments made as needed for amounts not collected within the 60 day availability period.

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013

2013-3. Management of Inventory Accounts

Criteria: Generally accepted accounting principles require that material amounts of inventory on hand at year end be reported as an asset. Additionally, internal controls and effective procedures should be in place to ensure that inventory records are being updated in a timely manner and accurate detail listings are being maintained and reconciled periodically to the general ledger.

Condition: The City did not have sufficient controls and procedures in place to ensure the accuracy of the detail inventory listing in the Water and Sewer Fund as of June 30, 2013. Additionally, the City does not have an effective perpetual inventory system or perform periodic physical counts to properly adjust the accounting records.

Context: The deficiency in the inventory control system was identified during our inventory observation procedures. We noted three (3) items in the City's detail inventory listing for which the price per unit was significantly different than the prices indicated on the invoices from the purchase of these items. Without an effective perpetual inventory system, and by not performing periodic counts of inventory, the City has exposure related to misstatements of accounting records and potential misappropriation of inventory items.

Effect: An audit adjustment to decrease inventory and increase expenses in the amount of $49,561 was required to be recorded within the Water and Sewer Fund as of June 30, 2013.

Recommendation: We recommend the City implement procedures to ensure that inventory is being adequately controlled and reported. We additionally recommend that the detailed inventory be periodically, at least monthly, reconciled to the general ledger.

Views of responsible officials and planned corrective action: Management concurs with this finding. Inventory will be recorded based on the above criteria.

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013

2013-4. Recording of Current Liabilities

Criteria: Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.

Condition: The City did not properly address the above criteria as of June 30, 2013 as it relates to accounts payable within the General Fund and accrued payroll in the General Fund, Water and Sewer Fund and the Solid Waste Fund.

Context: We addressed these matters with City personnel, and they were able to determine the appropriate adjustments needed to properly reflect the liabilities on the books of the City at June 30, 2013.

Effect: Audit adjustments to increase accounts payable and increase expenses by $127,300 was required to be recorded within the General Fund as of June 30, 2013. Additionally, adjustments to accrued payroll were required in the amount of $197,262 in the General Fund, $64,193 in the Water and Sewer Fund, and $7,158 in the Solid Waste Fund as of June 30, 2013.

Recommendation: We recommend the City adjust accounts payable and accrued salaries as needed at the conclusion of each financial reporting cycle.

Views of responsible officials and planned corrective action: Management concurs with this finding. Liabilities at year-end will be closely monitored and adjustments made as needed.

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013

2013-5. Recording of Capital Lease Transaction

Criteria: Capital leases entered into which represent the purchase or construction of capital assets should be shown as an expenditure and another financing source in a governmental fund.

Condition: During the current fiscal year, the City entered into a capital lease transaction for the purchase of police vehicles. The City recorded the transaction as a liability. However, because the transaction is recorded in a governmental fund, another financing source should be recorded.

Context: See above condition.

Effect: An adjustment was required to be recorded in the SPLOST Fund to remove the liability for $900,000, increase other financing sources by $1,170,000 and increase debt service expenditures by $270,000.

Recommendation: We recommend the City review the accounting associated with future capital lease transactions to ensure proper recording.

Views of responsible officials and planned corrective action: Management concurs with this finding. Future capital lease transactions will be properly recorded.

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013

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, 2013

2012-1. Reconciliation of Pooled Cash

Criteria: Good sound internal controls require the reconciliation of bank accounts on at least a monthly basis.

Condition: During our audit of cash, we noted that the City's pooled cash account is not being reconciled on a monthly basis. A substantial amount of time was spent working with City personnel to determine how the bank balance of pooled cash reconciled to the total of the cash balances in each of the City's funds. Reconciliation issues identified include an error in the voiding of a prior year check and a one-sided entry recorded to the cash account. Other reconciliation issues were not able to be identified.

Auditee Response/Status: Unresolved. Refer to current year finding at 2013-1.

2012-2. Recording of Intergovernmental Receivables

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 various year-end receivable amounts from other governmental agencies in the General Fund and CDBG Fund during the year

Auditee Response/Status: Resolved.

2012-3. Revenue Recognition – SPLOST Fund

Condition: The City did not properly record as deferred revenue, those amounts not received within 60 days of the end of the fiscal year.

Context: We addressed this matter with City personnel and they were able to determine the appropriate amounts of revenue to defer at June 30, 2012.

Auditee Response/Status: Unresolved. Refer to current year finding at 2013-2.

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

2012-4. Recording purchase of Certificate of Deposit – Component Unit – Downtown Development Authority

Criteria: Current year transactions should not be debited or credited to equity accounts.

Condition: The Authority did not properly record the purchase of a certificate of deposit during the year. When the certificate of deposit was purchased, the general ledger cash account should have been reduced. However, the equity account was instead reduced.

Auditee Response/Status: Resolved

STATE COMPLIANCE SECTION

CITY OF MILLEDGEVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS – 2011 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Public works	$ 3,795,000	$ 3,795,000			
Improvements			$ -	$ -	$ -
Equipment and vehicles			-	1,183,168	1,183,168
City facilities	1,014,600	1,014,600			
Improvements			-	-	-
Equipment and vehicles			-	-	-
Public safety	3,090,400	3,090,400			
Improvements			-	-	-
Equipment and vehicles			-	-	-
				-	
Improvements - water system, water treatment and waste treatment	4,350,000	4,350,000	-	-	-
	$ 12,250,000	$ 12,250,000	$ -	$ 1,183,168	$ 1,183,168

CITY OF MILLEDGEVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS – 2006 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Public works	$ 3,400,000	$ 3,400,000			
Improvements			$ 81,877	$ 24,974	$ 106,851
Equipment and vehicles			899,985	-	899,985
City facilities	3,000,000	3,000,000			
Improvements			42,057	178,472	220,529
Equipment and vehicles			102,727	-	102,727
Public safety	2,000,000	2,000,000			
Improvements			158,628	30,273	188,901
Equipment and vehicles			929,731	57,949	987,680
Improvements - water system, water treatment and waste treatment	4,000,000	4,000,000	2,616,129	915,956	3,532,085
	$ 12,400,000	$ 12,400,000	$ 4,831,134	$ 1,207,624	$ 6,038,758

CITY OF MILLEDGEVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS – 2000 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Sewer, flood control	$ 3,000,000	$ 3,000,000	$ 2,826,613	$ 125,108	$ 2,951,721
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	1,588,575	215,542	1,804,117
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			272,782	-	272,782
Public safety equipment			946,492	-	946,492
	$ 8,000,000	$ 8,000,000	$ 7,481,634	$ 340,650	$ 7,822,284

CITY OF MILLEDGEVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS – 1996 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Way of Life Building	$ 75,000	$ 75,000	$ 69,074	$ -	$ 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	1,635,249	-	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	$ 4,506,533	$ -	$ 4,506,533

Note: Capital outlay and debt service expenditures in the SPLOST Fund totaled $3,356,814; however, only $2,731,442 was attributed to the spending of actual SPLOST Funds. Of the remaining expenditures, $270,000 was debt service payments for a capital lease expensed in its entirety in the schedule for the 2011 Issue, and $355,372 was associated with grants received for specific projects. The grants are utilized to fund a portion of the projects, with the remaining costs covered by SPLOST funds.