CITY OF MILLEDGEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2014

Prepared by:

Finance Department

CITY OF MILLEDGEVILLE, GEORGIA

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FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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INTRODUCTORY SECTION

MAYOR
Richard A. Bentley

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

The City of Milledgeville

CITY MANAGER
Barry Jarrett

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, 2014, 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, 2014. 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.

119 East Hancock Street • Post Office Box 1900 • Milledgeville, Georgia 31059-1900
Phone (478) 414-4010 • Fax (478) 414-4093
www.milledgevillega.us
Equal Opportunity Employer

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 three (3) legally separate component units. These component units include: the Central State Hospital Local Redevelopment Authority, the Milledgeville-Baldwin County Allied Arts 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 has been completed and extends the park north of the Hancock Street Bridge.

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. During fiscal year 2014, the Bostic Building on the CSH campus was sold to Correct Health, LLC and plans were confirmed for the demolition of this facility with replacement with a new facility that will serve as a long-term care facility for paroles and inmates that are in the custody of the Georgia Department of Corrections. This facility will provide approximately 280 new jobs to the community.

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, 2013. This is the twenty-eighth 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

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

Chiquita O. Danzy

Chiquita O. Danzy
Accounting Manager
Governmental Funds

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

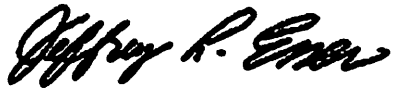
Presented to

City of Milledgeville

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013



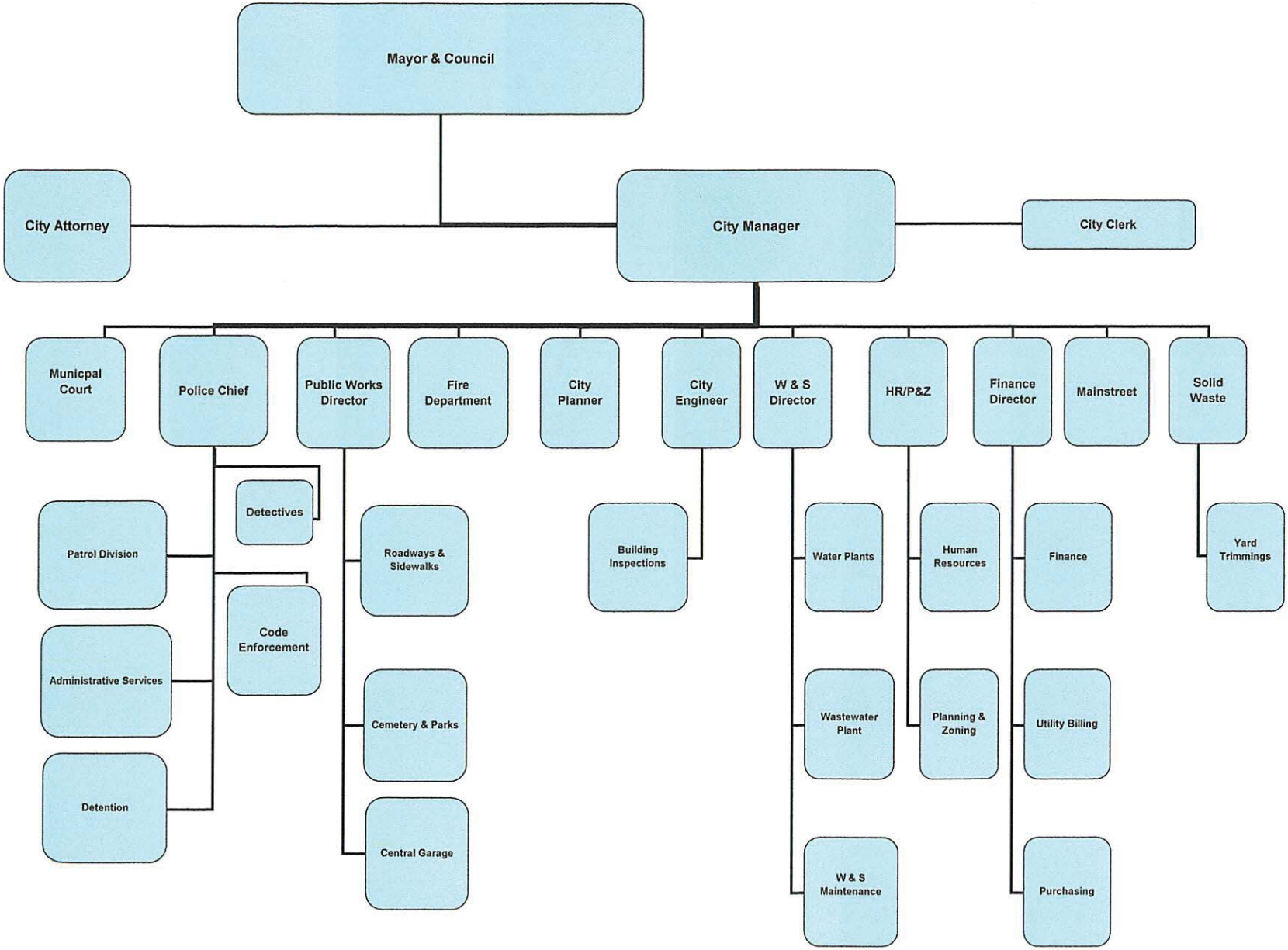
Executive Director/CEO

CITY OF MILLEDGEVILLE, GEORGIA

LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2014

Mayor	Richard A. Bentley
Mayor Pro-Tem	Jeanette H. Walden
Council	Dr. Collinda J. Lee Denese R. Shinholster Philip 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 Hilson
Accounting Managers	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 the 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, 2014, 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 8, the City implemented Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans,* effective July 1, 2013. This standard modified the reporting requirements for defined benefit pension plans. Our report 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 5 – 14) and the Schedules of Required Supplementary Information (on page 67 - 70) 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, component unit statements, the statistical section, and the continuing disclosure information are presented for the purpose 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, the component unit 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, the component unit statements, and the schedules of expenditures of special 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 10, 2014, on our consideration of the City'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's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 10, 2014

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, 2014. 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, 2014 by $60,916,697. Of this amount, $31,664,115 is invested in capital assets (net of depreciation and related debt). Total unrestricted net position is $17,477,205 and may be used to meet the City's ongoing obligations. Unrestricted net position from the governmental activities is $3,823,775.

- As of June 30, 2014, Milledgeville's governmental funds reported combined ending fund balances of $11,794,057. Approximately 20% of this total amount, $2,336,718 is available for spending at the City Council's discretion, (unassigned fund balance). The governmental funds combined fund balance increased by $500,974 from fiscal year ending June 30, 2013. 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 balances per GASB Statement No. 54).

- The total liabilities of the City's governmental-type and business-type funds outstanding at June 30, 2014 are $2,590,309 and $9,131,188, respectively. $9,157,697 of the total $11,721,497 represents liabilities that are due in one year or more, such as long-term debt and compensated absences. This is an increase of $225,518 for the governmental-type funds and a decrease of $838,298 for the business-type activities from fiscal year ending June 30, 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 15 and 16) 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 17) 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 Position 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 Units*** – Component units are legally separate organizations for which the elected officials of the City are financially accountable. The City has three component units – 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 15 - 17.

Fund Financial Statements

The focus of fund financial statements is directed to specific activities of the City and its most significant funds, not the City as a whole. A fund is an entity with a self-balancing set of accounts that the City uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the City's non-major funds can be found beginning on page 71. 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 18 - 25 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 beginning on page 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 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 26 - 32.

- ***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 33 and 34.

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 23 - 25. The non-major Special Revenue Fund budgetary comparison statements can be found on pages 73 - 77.

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 35 - 66 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 following the notes to the financial statements and can be found on pages 71- 79 of this report.

The report includes two (2) schedules (pages 19 and 22) 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 15 - 17).

City of Milledgeville Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	$ 14,700,452	$ 13,197,709	$ 17,335,553	$ 18,119,209	$ 30,371,241	$ 30,201,908
Capital Assets	13,462,705	13,304,051	27,139,484	27,145,218	42,266,953	41,865,599
Total Assets	28,163,157	26,501,760	44,475,037	45,565,747	72,368,194	72,067,507
Long-term debt outstanding	1,607,053	1,381,535	7,550,644	8,388,942	9,157,697	9,770,477
Other Liabilities	983,256	1,313,318	1,580,544	1,456,718	2,563,800	2,770,036
Total Liabilities	2,590,309	2,694,853	9,131,188	9,845,660	11,721,497	12,540,513
Net Position						
Net investment in capital assets	12,782,442	12,404,051	18,881,673	18,393,201	31,664,115	30,797,252
Restricted	8,966,631	8,733,734	2,808,746	2,774,745	11,775,377	11,984,457
Unrestricted	3,823,775	2,669,122	13,653,430	14,759,324	17,477,205	16,952,468
Total Net Position	$ 25,572,848	$ 23,806,907	$ 35,343,849	$ 35,927,270	$ 60,916,697	$ 59,734,177

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, 2014, assets exceeded liabilities by $60.9 million. However, much of the net position is either restricted as to purpose for which they can be used, or are invested in capital assets.

The largest portion of the City's net position, $31,664,115 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 $11,775,377 of the City's net position represents resources that are subject to external restrictions on how they are to be used. The decrease in unrestricted net position for the business-type activities is related to the forgiveness by the Water and Sewer Fund of $1.7 million due from the Risk Management Fund.

Although the net position of our business-type activities represents 58% ($35,343,849) 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.

Changes in Net Position – Governmental and business-type activities increased the City's net position by $1,182,521 in fiscal year 2014. The following table indicates the changes in net position for the government and business-type activities in fiscal year 2014.

City of Milledgeville Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
Revenues:	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Program Revenues:						
Charges for services	$1,244,139	$ 1,046,986	$9,100,712	$9,260,718	$10,344,851	$10,307,704
Operating grants and contributions	188,074	176,327			188,074	173,327
Capital grants and contributions	2,377,722	2,767,155			2,377,722	2,767,155
General Revenues:						
Property taxes	3,197,025	2,900,540			3,197,025	2,900,540
Sales taxes	2,355,152	2,333,680			2,355,152	2,333,680
Other taxes	3,851,080	3,609,600			3,851,080	3,609,600
Investment earnings	36,721	62,492	197,865	(81,966)	234,586	(19,474)
Total revenues	13,249,913	12,893,780	9,298,577	9,178,752	22,548,490	22,072,532
Expenses:						
General government	3,142,186	2,285,587			3,142,186	2,285,587
Judicial	(166,137)	182,533			(166,137)	182.,533
Public safety	6,238,021	6,656,040			6,238,021	6,646,040
Public works	2,084,730	2,019,753			2,084,730	2,019,753
Housing and development	1,187,907	762,757			1,187,907	762,757
Culture/recreation	685,882	717,454			685,882	717,454
Interest on long term debt	11,905	9,480			11,905	9,480
Water and sewer			6,494,885	6,533,598	6,494,885	6,533,598
Solid Waste			1,686,590	1,544,717	1,686,590	1,544,717
Total expenses	13,184,494	12,623,605	8,181,475	8,078,315	21,365,969	20,701,920
Increase (decrease) in net assets Before transfers	65,419	270,175	1,117,102	1,100,437	1,182,521	1,370,612
Transfers	1,700,522	(466,569)	(1,700,522)	466,569	0	0
Change in net position	1,765,941	(196,394)	(583,420)	1,567,006	1,182,521	1,370,612
Net position, beginning of year	23,806,907	24,003,301	35,927,269	34,360,263	59,734,176	58,363,564
Net position, end of year	$ 25,572,848	$23,806,907	$35,343,849	$ 35,927,269	$60,916,697	$59,734,176

Governmental Activities – Governmental activities increased the City's net position by $1,765,941 in fiscal year 2014. Key elements of this increase are as follows:

- Revenues were $13.2 million. Approximately 9% of the City's revenues came from fees charged for services, 18% from sales taxes, 24% from property taxes and 29% from other taxes. Investment earnings decreased by 41% during the year compared to a decrease of 33% in 2013. Capital grants and contributions increased due to the award of several grant funded projects.
- Expenses totaled $13.2 million. Approximately 47% of the City's expenses go to public safety, 16% to public works, 24% to general government and the remaining 13% to housing and development, judicial activities, and culture and recreation. Public safety expenditures were dramatically decreased to the settlement of an outstanding workers' compensation claim. 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 Revenue Fund and Solid Waste Fund, decreased net position by $583,420 in fiscal year 2014. This decrease is attributable to a transfer of $1.7 million to the General Fund.

Financial Analysis of the City Funds

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

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

At the end of fiscal year 2014, the combined ending fund balance of the City's governmental funds was $11,794,057 an increase of 7% from fiscal year 2013. Approximately $2.3 million (20%) 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 increased by $297,290. Expenses were 4% higher than the previous year while revenues were increased by 17%. This amount included a fund transfer of $1,700,522 out of the Water Fund for expenditures incurred by the General Fund on behalf of the Water & Sewer Fund. The remainder of fund balance is duly designed to indicate that it is not available for new spending because it is committed to the following purposes: non-spendable for inventories,($43,494), restricted to non-spendable note receivable ($446,619), restricted for capital projects ($8,073,081), restricted for promotion of tourism ($325,935), restricted for housing & development programs ($473,879), restricted for public safety ($82,960), restricted for employee wellness ($10,776), assigned for park improvements ($595), and unassigned ($2,336,718).

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 $2,336,893, while total fund balance was $2,625,037. 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 18% of total fiscal year 2014 expenditures, while total fund balance is 20% 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 $7,905,435 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 $12,031.840. Total net position decreased by $480,718. A decrease of approximately 4% is attributable to a transfer to the General Fund for expenditures from the General Fund on behalf of the Water and Sewer Fund.

Unrestricted net position of the City's other proprietary fund, Solid Waste Fund, totaled $1,757,938 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, 2013, 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 2013, the City Council appropriated $12.5 million for General Fund expenditures.

City of Milledgeville 2014 General Fund Budget

	Original Budget	Amendments	Final Budget	Actual
Revenues and other financing sources	12,547,413	700,500	12,547,913	11,755,205
Expenditures and other financing uses	12,547,413	635,081	12,547,913	11,438,684

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 $40,602,189 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	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
Land	$ 2,468,098	$ 2,468,098	$ 181,310	$ 181,310	$ 2,649,408	$ 2,649,408
Land improvements	45,294	56,249	92,038	36,012	137,332	92,261
Infrastructure	5,895,300	6,361,313	11,382,961	10,829,346	17,278,261	17,190,749
Buildings	2,583,296	1,837,794	13,822,215	14,450,192	16,405,511	16,287,986
Machinery and equipment	1,824,060	1,972,065	1,528,440	1,829,578	3,352,500	3,801,643
Construction in progress	646,657	608,532	132,520	120,010	779,177	728,542
Total Net Capital Assets	$13,462,705	$13,304,051	$27,139,484	$27,446,538	$40,602,189	$40,750,589

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 2011 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:

- Computers – $9,203
- Street Resurfacing – $70,225
- Renovation Elks Bldg. – Economic Development Center – $1,171,978
- Dump Truck – $48,115
- Tasers – $19,645
- New Roof – Life Enrichment Center – $26,375
- Flooring – Shaw Building - $8,445
- Construction in Progress – $646,657

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

- Infrastructure - $734,940
- Construction in Progress - $12,510
- Land Improvements - $63,015
- Machinery - $25,978

Additional information on the City of Milledgeville's capital assets can be found in Note 5 beginning on page 51 of this report.

Long-term debt – At June 30, 2014, the City of Milledgeville had $8,781,926 in bonds, notes and capital leases outstanding, a decrease of $984,494 over last year representing payments made to reduce bonds, notes and capital leases 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 million.

Additional information on the City's long-term debt can be found in Note 6 beginning on page 54 of this report.

City of Milledgeville Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenue bonds	$ -	$ -	$7,800,000	$8,545,000	$7,800,000	$8,545,000
Capital leases	680,263	900,000	-	-	680,263	900,000
Notes payable	-	-	301,663	321,420	301,663	321,420
Total	$ 680,263	$ 900,000	$8,101,663	$8,866,420	$8,781,926	$9,766,420

Economic Factors and Next Year's Budget

The City of Milledgeville ended the fiscal year with an excess of revenues over expenses/expenditures in all funds. The City adopted a Council-Manager form of government in 2003 and changed its fiscal year from December 31 to June 30. The following factors are expected to have an effect on the City's financial position of operations and were taken into account in developing the FY 2014 Budget.

The General Fund property taxes are expected to be static due to the slowdown 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, 2014

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Allied Arts	Downtown Development Authority	Central State Hospital Redevelopment Authority
ASSETS						
Cash and cash equivalents	$ 8,002,852	$ 6,435,193	$ 14,438,045	$ 128,742	$ 103,842	$ 35,973
Investments	5,201,798	4,849,818	10,051,616	25,414	15,372	-
Taxes receivable	372,250	-	372,250	-	-	16,917
Accounts receivable, net of allowances	48,913	1,211,490	1,260,403	-	-	-
Notes receivable	446,619	-	446,619	-	43,333	-
Due from other governments	764,445	-	764,445	270	-	-
Internal balances	(1,844,683)	1,844,683	-	-	-	-
Inventories	43,494	185,623	229,117	-	-	-
Restricted assets, cash and cash equivalents	-	1,570,516	1,570,516	-	-	-
Restricted assets, investments	-	1,238,230	1,238,230	-	-	-
Capital assets, non-depreciable	3,114,755	313,830	3,428,585	-	-	-
Capital assets, depreciable, net of accumulated depreciation	10,347,950	26,825,654	37,173,604	-	-	-
Other noncurrent asset	1,664,764	-	1,664,764	-	-	-
Total assets	28,163,157	44,475,037	72,638,194	154,426	162,547	52,890

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Allied Arts	Downtown Development Authority	Central State Hospital Redevelopment Authority
LIABILITIES						
Accounts payable	$ 319,713	$ 249,978	$ 569,691	$ -	$ -	$ -
Accrued liabilities	176,739	69,382	246,121	5,016	-	9,937
Liabilities payable from restricted assets	-	1,172,029	1,172,029	-	-	-
Capital leases due within one year	223,209	-	223,209	-	-	-
Capital leases due in more than one year	457,054	-	457,054	-	-	-
Claims payable due within one year	85,239	-	85,239	-	-	-
Claims payable due in more than one year	882,466	-	882,466	-	-	-
Compensated absences due within one year	178,356	68,796	247,152	11,699	-	-
Compensated absences due in more than one year	267,533	103,192	370,725	-	-	-
Notes payable due within one year	-	20,359	20,359	-	-	-
Notes payable due in more than one year	-	281,304	281,304	-	-	-
Bonds payable due in more than one year	-	7,166,148	7,166,148	-	-	-
Total liabilities	2,590,309	9,131,188	11,721,497	16,715	-	9,937
NET POSITION						
Net investment in capital assets	12,782,442	18,881,673	31,664,115	-	-	-
Restricted for debt service	-	2,808,746	2,808,746	-	-	-
Restricted for capital projects	8,073,081	-	8,073,081	-	-	-
Restricted for public safety	93,736	-	93,736	-	-	-
Restricted for tourism	325,935	-	325,935	-	-	-
Restricted for housing and development	473,879	-	473,879	-	-	-
Unrestricted	3,823,775	13,653,430	17,477,205	137,711	162,547	42,953
Total net position	$ 25,572,848	$ 35,343,849	$ 60,916,697	$ 137,711	$ 162,547	$ 42,953

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, 2014

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	Net (Expenses) Revenues and Changes in Net Position: Business-type Activities	Net (Expenses) Revenues and Changes in Net Position: Total	Component Units: Allied Arts	Component Units: Downtown Development Authority	Component Units: Central State Hospital Redevelopment Authority
Primary government:										
Governmental activities:										
General government	$ 3,142,186	$ 555,219	$ 188,074	$ 722,466	$ (1,676,427)	$ -	$ (1,676,427)	$ -	$ -	$ -
Judicial	(166,137)	-	-	-	166,137	-	166,137	-	-	-
Public safety	6,238,021	688,920	-	444,337	(5,104,764)	-	(5,104,764)	-	-	-
Public works	2,084,730	-	-	1,207,934	(876,796)	-	(876,796)	-	-	-
Culture and recreation	685,882	-	-	-	(685,882)	-	(685,882)	-	-	-
Housing and development	1,187,907	-	-	2,985	(1,184,922)	-	(1,184,922)	-	-	-
Interest on long-term debt	11,905	-	-	-	(11,905)		(11,905)			
Total governmental activities	13,184,494	1,244,139	188,074	2,377,722	(9,374,559)	-	(9,374,559)	-	-	-
Business-type activities:										
Water and sewer	6,494,885	7,143,250	-	-	-	648,365	648,365	-	-	-
Solid waste	1,686,590	1,957,462	-	-	-	270,872	270,872	-	-	-
Total business-type activities	8,181,475	9,100,712	-	-	-	919,237	919,237	-	-	-
Total primary government	$ 21,365,969	$ 10,344,851	$ 188,074	$ 2,377,722	$ (9,374,559)	$ 919,237	$ (8,455,322)	$ -	$ -	$ -
Component units:										
Allied Arts	$ 209,229	$ 39,163	$ 171,270	$ -	$ -	$ -	$ -	$ 1,204	$ -	$ -
Downtown Development Authority	196,797	210,135	-	-	-	-	-	-	13,338	-
CSH Local Redevelopment Authority	211,124	-	227,300	-	-	-	-	-	-	16,176
Total component units	$ 617,150	$ 249,298	$ 398,570	$ -	$ -	$ -	$ -	$ 1,204	$ 13,338	$ 16,176
General revenues:										
Property taxes					$ 3,197,025	$ -	$ 3,197,025	$ -	$ -	$ -
Sales taxes					2,355,152	-	2,355,152	-	-	-
Hotel/motel taxes					517,620	-	517,620	-	-	-
Franchise taxes					1,182,415	-	1,182,415	-	-	-
Insurance premium taxes					948,217	-	948,217	-	-	-
Alcoholic beverage taxes					442,809	-	442,809	-	-	-
Business and occupation taxes					580,395	-	580,395	-	-	-
Other taxes					179,624	-	179,624	-	-	-
Unrestricted investment earnings					36,721	197,865	234,586	198	3,212	-
Transfers					1,700,522	(1,700,522)	-	-	-	-
Total general revenues and transfers					11,140,500	(1,502,657)	9,637,843	198	3,212	-
Change in net position					1,765,941	(583,420)	1,182,521	1,402	16,550	16,176
Net position, beginning of year					23,806,907	35,927,269	59,734,176	136,309	145,997	26,777
Net position, end of year					$ 25,572,848	$ 35,343,849	$ 60,916,697	$ 137,711	$ 162,547	$ 42,953

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

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

ASSETS	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 1,237,329	$ 4,803,666	$ 846,542	$ 6,887,537
Investments	1,336,965	2,866,707	-	4,203,672
Taxes receivable, net of allowance	321,635	-	50,615	372,250
Accounts receivable, net of allowances	48,913	-	-	48,913
Note receivable	-	-	446,619	446,619
Due from other governments	198,354	566,091	-	764,445
Due from other funds	46,200	-	-	46,200
Inventories	43,494	-	-	43,494
Total assets	$ 3,232,890	$ 8,236,464	$ 1,343,776	$ 12,813,130
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 168,497	$ 58,814	$ 78,248	$ 305,559
Accrued liabilities	169,574	-	-	169,574
Due to other funds	-	25,288	1,943	27,231
Total liabilities	338,071	84,102	80,191	502,364
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	269,782	-	-	269,782
Unavailable revenue - grants	-	246,927	-	246,927
Total deferred inflows of resources	269,782	246,927	-	516,709

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

FUND BALANCES	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Fund balances:				
Nonspendable - inventory	$ 43,494	$ -	$ -	$ 43,494
Nonspendable - note receivable	-	-	446,619	446,619
Restricted for:				
Capital projects	167,646	7,905,435	-	8,073,081
Promotion of tourism	-	-	325,935	325,935
Housing and development programs	-	-	473,879	473,879
Public safety programs	65,633	-	17,327	82,960
Health/welfare programs	10,776	-	-	10,776
Assigned for park improvements	595	-	-	595
Unassigned	2,336,893	-	(175)	2,336,718
Total fund balances	2,625,037	7,905,435	1,263,585	11,794,057
Total liabilities, deferred inflows of resources, and fund balances	$ 3,232,890	$ 8,236,464	$ 1,343,776	
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.				13,462,705
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.				516,709
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.				(732,070)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.				
Capital leases payable				(680,263)
Compensated absences payable				(445,889)
Accrued interest payable				(7,165)
Net pension asset used in governmental activities is not a financial resource and, therefore, is not reported in the funds.				1,664,764
Net position of governmental activities				$ 25,572,848

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, 2014

	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 8,882,297	$ -	$ 517,620	$ 9,399,917
Licenses and permits	225,058	-	-	225,058
Intergovernmental	188,074	2,724,133	2,985	2,915,192
Fines and forfeitures	677,560	-	11,360	688,920
Charges for services	13,613	-	-	13,613
Interest income	18,741	52,971	10,872	82,584
Other revenues	212,897	-	11	212,908
Total revenues	10,218,240	2,777,104	542,848	13,538,192
Expenditures				
Current:				
General government	1,656,806	-	-	1,656,806
Judicial	188,821	-	-	188,821
Public safety	6,435,912	-	-	6,435,912
Public works	1,787,725	-	-	1,787,725
Culture and recreation	698,193	-	-	698,193
Housing and development	671,227	-	534,107	1,205,334
Debt service	-	233,957	-	233,957
Capital outlay	-	2,367,435	-	2,367,435
Total expenditures	11,438,684	2,601,392	534,107	14,574,183
Excess (deficiency) of revenues over (under) expenditures	(1,220,444)	175,712	8,741	(1,035,991)

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Other financing sources				
Transfers in	$ 1,536,965	$ -	$ -	$ 1,536,965
Total other financing sources	1,536,965	-	-	1,536,965
Net change in fund balance	316,521	175,712	8,741	500,974
Fund balances, July 1	2,308,516	7,729,723	1,254,844	11,293,083
Fund balances, June 30	$ 2,625,037	$ 7,905,435	$ 1,263,585	$ 11,794,057

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, 2014

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	500,974
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		1,618,780
Depreciation		(1,460,126)
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.		
Principal payments on capital lease		219,737
Change in accrued interest payable		2,315
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(454,988)
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		(20,772)
Change in net pension asset		549,754
Internal service funds are used by management to charge the costs of workers' compensation and related administrative costs to individual funds.		810,267
	$	1,765,941

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, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 3,021,762	$ 3,021,762	$ 3,193,685	$ 171,923
Sales tax	2,100,000	2,100,000	2,355,152	255,152
Other taxes	3,223,000	3,223,000	3,333,460	110,460
Licenses and permits	247,000	247,000	225,058	(21,942)
Intergovernmental	26,000	26,000	188,074	162,074
Charges for services	8,800	8,800	13,613	4,813
Fines and forfeitures	590,000	590,000	677,560	87,560
Interest revenue	30,000	30,000	18,741	(11,259)
Other revenue	302,600	302,600	212,897	(89,703)
Total revenues	9,549,162	9,549,162	10,218,240	669,078
Expenditures:				
Current:				
General government:				
Legislative	190,014	190,014	153,929	36,085
Executive	600,951	558,951	500,731	58,220
Elections	42,950	42,950	31,061	11,889
Finance	458,437	419,437	354,884	64,553
Legal	101,202	101,202	95,263	5,939
Human resources	164,780	164,780	141,866	22,914
General government buildings and grounds	143,053	143,053	140,368	2,685
General engineering	128,414	319,289	179,563	139,726
General administration fees	60,500	60,500	59,141	1,359
Total general government	1,890,301	2,000,176	1,656,806	343,370
Judicial:				
Municipal court	178,990	197,755	188,821	8,934
Total judicial	178,990	197,755	188,821	8,934

(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, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures: (Continued)				
Current: (Continued)				
Public safety:				
Police	$ 4,013,155	$ 3,976,142	$ 3,796,162	$ 179,980
Detention center	306,443	315,803	250,848	64,955
Police department buildings and grounds	204,151	213,039	172,450	40,589
Fire	2,408,761	2,263,508	2,191,592	71,916
Fire department buildings and grounds	40,700	40,700	24,860	15,840
Total public safety	6,973,210	6,809,192	6,435,912	373,280
Public works:				
Public works administration	242,151	242,151	236,083	6,068
Roadways and walkways	704,742	704,742	591,160	113,582
Storm drainage	29,000	29,000	23,592	5,408
Street lighting	360,000	360,000	340,030	19,970
Traffic engineering	53,000	53,000	33,288	19,712
Maintenance and shop	318,700	318,700	287,988	30,712
Cemetery	317,464	317,464	275,584	41,880
Total public works	2,025,057	2,025,057	1,787,725	237,332
Culture and recreation:				
Recreation	238,236	238,236	235,076	3,160
Parks	347,443	347,443	264,166	83,277
Twin Lakes Library	198,951	198,951	198,951	-
Total culture and recreation	784,630	784,630	698,193	86,437

(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, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures: (Continued)				
Current: (Continued)				
Housing and development				
Inspections	$ 99,092	$ 99,092	$ 77,621	$ 21,471
Planning and zoning	131,743	131,743	98,800	32,943
Mainstreet	124,130	159,508	159,343	165
Economic development	340,760	340,760	335,463	5,297
Total housing and development	695,725	731,103	671,227	59,876
Total expenditures	12,547,913	12,547,913	11,438,684	1,109,229
(Deficiency) of revenues over expenditures	(2,998,751)	(2,998,751)	(1,220,444)	1,778,307
Other financing sources:				
Transfers in	2,998,751	2,998,751	1,536,965	(1,461,786)
Total other financing sources	2,998,751	2,998,751	1,536,965	(1,461,786)
Net change in fund balance	-	-	316,521	316,521
Fund balances, July 1	3,583,669	3,583,669	2,308,516	(1,275,153)
Fund balances, June 30	$ 3,583,669	$ 3,583,669	$ 2,625,037	$ (958,632)

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

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

ASSETS	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
CURRENT ASSETS				
Cash	$ 4,779,289	$ 1,655,904	$ 6,435,193	$ 1,115,315
Investments	4,849,818	-	4,849,818	998,126
Accounts receivable	999,489	212,001	1,211,490	-
Due from other funds	500,000	11,074	511,074	-
Inventories	185,623	-	185,623	-
Restricted assets				
Cash	1,570,516	-	1,570,516	-
Investments	1,238,230	-	1,238,230	-
Total current assets	14,122,965	1,878,979	16,001,944	2,113,441
NONCURRENT ASSETS				
Capital assets				
Land	181,310	-	181,310	-
Buildings	21,259,086	-	21,259,086	-
Site improvements	163,750	-	163,750	-
Machinery and equipment	4,167,795	-	4,167,795	-
Infrastructure	19,940,946	-	19,940,946	-
Construction in progress	132,520	-	132,520	-
	45,845,407	-	45,845,407	-
Less accumulated depreciation	(18,705,923)	-	(18,705,923)	-
Total capital assets (net of accumulated depreciation)	27,139,484	-	27,139,484	-
Advance to other funds	1,500,000	-	1,500,000	-
Total assets	42,762,449	1,878,979	44,641,428	2,113,441

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

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	$ 148,992	$ 100,986	$ 249,978	$ 14,154
Compensated absences payable - current	63,903	4,893	68,796	-
Claims payable - current	-	-	-	85,239
Accrued liabilities	63,964	5,418	69,382	-
Current maturities of long-term debt	20,359	-	20,359	-
Due to other funds	27,638	2,405	30,043	500,000
	324,856	113,702	438,558	599,393
Payable from restricted assets:				
Current portion of revenue bonds	790,000	-	790,000	-
Accrued interest	39,754	-	39,754	-
Deposits	342,275	-	342,275	-
	1,172,029	-	1,172,029	-
Total current liabilities	1,496,885	113,702	1,610,587	599,393
NONCURRENT LIABILITIES				
Advance from other funds	-	-	-	1,500,000
Compensated absences (net of current portion)	95,853	7,339	103,192	-
Claims payable (net of current portion)	-	-	-	882,466
Revenue bonds payable (net of current portion)	7,166,148	-	7,166,148	-
Other long-term debt (net of current portion)	281,304	-	281,304	-
Total noncurrent liabilities	7,543,305	7,339	7,550,644	2,382,466
Total liabilities	9,040,190	121,041	9,161,231	2,981,859

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

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	$ 18,881,673	$ -	$ 18,881,673	$ -
Restricted for debt service	2,808,746	-	2,808,746	-
Unrestricted	12,031,840	1,757,938	13,789,778	(868,418)
Total net position	$ 33,722,259	$ 1,757,938	$ 35,480,197	$ (868,418)
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds			(136,348)	
Net position of business-type activities			$ 35,343,849	

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, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
Operating revenues:				
Water sales	$ 3,400,252	$ -	$ 3,400,252	$ -
Sewer sales	3,519,676	-	3,519,676	-
Sanitation fees	-	1,957,462	1,957,462	-
Tap fees	43,819	-	43,819	-
Late charges	156,309	-	156,309	-
Activation fees	48,525	-	48,525	-
Charges for services	-	-	-	103,651
Miscellaneous charges	362,238	-	362,238	55,950
Total operating revenues	7,530,819	1,957,462	9,488,281	159,601
Operating expenses:				
Water administration	94,610	-	94,610	-
Wastewater administration	96,341	-	96,341	-
Sanitary sewer maintenance	364,521	-	364,521	-
Sewer plants and lift station	1,442,274	-	1,442,274	-
Lamar Hamm Water Treatment Plant	1,213,538	-	1,213,538	-
James Baugh Water Treatment Plant	379,074	-	379,074	-
Distribution	697,305	-	697,305	-
Water meter	590,991	-	590,991	-
Solid waste collection	-	1,303,882	1,303,882	-
Yard trimmings collection and management	-	382,708	382,708	-
Insurance claims	-	-	-	744,011
Depreciation	1,143,497	-	1,143,497	-
Total operating expenses	6,022,151	1,686,590	7,708,741	744,011
Operating income (loss)	1,508,668	270,872	1,779,540	(584,410)

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
Nonoperating revenues (expenses):				
Interest revenue	$ 157,239	$ -	$ 157,239	$ 21,103
Interest and fiscal charges	(472,734)	-	(472,734)	-
Net increase in fair value of investments	26,631	-	26,631	-
Total nonoperating revenues (expenses)	(288,864)	-	(288,864)	21,103
Income before contributions and transfers	1,219,804	270,872	1,490,676	(563,307)
Capital contributions	836,443	-	836,443	-
Transfers in (out)	(2,536,965)	-	(2,536,965)	1,000,000
Change in net position	(480,718)	270,872	(209,846)	436,693
Net position, July 1	34,202,977	1,487,066	35,690,043	(1,305,111)
Net position, June 30	$ 33,722,259	$ 1,757,938	$ 35,480,197	$ (868,418)

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)	$ (209,846)
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds	(373,574)
Change in net position of business-type activities	$ (583,420)

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, 2014

	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	$ 7,540,768	$ 1,946,245	$ 9,487,013	$ -
Receipts from interfund providers	-	-	-	159,601
Payments to suppliers and service providers	(3,155,308)	(1,415,095)	(4,570,403)	(348,571)
Payments to employees	(1,772,762)	(196,980)	(1,969,742)	-
Net cash provided by (used in) operating activities	2,612,698	334,170	2,946,868	(188,970)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	(2,523,850)	-	(2,523,850)	-
Maturities of investments	-	-	-	19,487
Interest on investments	183,870	-	183,870	21,103
Net cash provided by (used in) investing activities	(2,339,980)	-	(2,339,980)	40,590
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Change in interfund balances	1,000,000	-	1,000,000	-
Transfer to other funds	(2,536,965)	-	(2,536,965)	-
Net cash used in noncapital financing activities	(1,536,965)	-	(1,536,965)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest and fiscal charges paid	(506,827)	-	(506,827)	-
Principal payments on long-term borrowings	(764,757)	-	(764,757)	-
Net cash used in capital and related financing activities	(1,271,584)	-	(1,271,584)	-
Increase (decrease) in cash	(2,535,831)	334,170	(2,201,661)	(148,380)

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
Cash, July 1	$ 8,885,636	$ 1,321,734	$ 10,207,370	$ 1,263,695
Cash, June 30	$ 6,349,805	$ 1,655,904	$ 8,005,709	$ 1,115,315
Classified as:				
Cash	$ 4,779,289	$ 1,655,904	$ 6,435,193	$ 1,115,315
Restricted assets, cash	1,570,516	-	1,570,516	-
	$ 6,349,805	$ 1,655,904	$ 8,005,709	$ 1,115,315
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	$ 1,508,668	$ 270,872	$ 1,779,540	$ (584,410)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,143,497	-	1,143,497	-
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	3,129	(11,217)	(8,088)	-
Increase in inventories	(52,458)	-	(52,458)	-
Increase in claims payable	-	-	-	421,503
Increase (decrease) in accounts payable	28,929	82,408	111,337	(26,063)
Decrease in accrued wages payable	(33,524)	(4,971)	(38,495)	-
Increase (decrease) in compensated absences payable	7,637	(2,922)	4,715	-
Increase in customer deposits	6,820	-	6,820	-
Net cash provided by (used in) operating activities	$ 2,612,698	$ 334,170	$ 2,946,868	$ (188,970)
Noncash investing, capital, and financing activities:				
Contributions of capital assets from SPLOST Fund	$ 836,443	$ -	$ 836,443	$ -
Increase in fair value of investments	(26,631)	-	(26,631)	-

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

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	Pension Trust Fund	Agency Fund School Fund
ASSETS		
Cash and cash equivalents	$ 276,014	$ 20,327
Investments		
U.S. government agencies	233	-
Mutual bond funds	6,768,601	-
Preferred stock	-	-
Mutual equity funds	7,198,563	-
Taxes receivable	-	48,053
Total assets	14,243,411	68,380
LIABILITIES		
Accounts payable	35,740	-
Due to others	-	20,327
Uncollected taxes	-	48,053
Total liabilities	35,740	68,380
NET POSITION		
Net position held in trust for pension benefits	$ 14,207,671	$ -

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, 2014

ADDITIONS		
Contributions - employer	$	1,577,454
Investment income		
Net appreciation in fair value of investments		1,536,437
Investment income		307,287
Total additions		3,421,178
DEDUCTIONS		
Benefits		548,099
Administrative expense		70,161
Total deductions		618,260
Net increase		2,802,918
Net position, July 1		11,404,753
Net position, June 30	$	14,207,671

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 Board ("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.

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 funds 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 are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). 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, 2014, 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, 2014.

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. Bond issuance costs, whether or not withheld from proceeds are reported as expenses/expenditures when incurred.

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, 2014.

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 June 11, 2013 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 and the Community Home Improvement Program (CHIP) Fund had fund balance deficits of $31 and $144, respectively, 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 $868,418 at June 30, 2014. 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, 2014, none of the City's deposits were exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

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.

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Cash and investments are summarized as follows at June 30, 2014:

As reported in the financial statements:		
Cash and cash equivalents	$	14,438,045
Investments		10,051,616
Restricted assets, cash		1,570,516
Restricted assets, investments		1,238,230
Cash and cash equivalents - Pension Trust Fund		276,014
Investments - Pension Trust Fund		13,967,397
Cash - Agency Fund		20,327
	$	41,562,145
Cash deposited with financial institutions	$	16,304,902
Georgia Fund 1		100,884
Certificates of deposit		3,082,321
Mutual equity funds		8,642,332
Insurance annuities		5,424,642
Mutual bond funds		6,768,601
U.S. government agency obligations		233
U.S. treasury bonds		1,238,230
	$	41,562,145

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.

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

At June 30, 2014, the City's investments, categorized by credit risk and interest rate risk, were as follows:

Investment Type	Fair Value	Investment Maturities (in Years) Less than 1	1 - 5	6 - 10	11 - 15	Rating
Government agencies	$ 233	$ -	$ 233	$	$ -	AAA
Government bonds	1,238,230	-	-	1,238,230	-	AAA
Mutual equity funds	8,642,332	-	-	-	-	N/A
Mutual bond funds	6,768,601	-	6,768,601	-	-	N/A
Insurance annuities	5,424,642	-	-	-	-	N/A
Certificates of deposit	3,082,321	1,245,211	1,837,110	-	-	N/A
Georgia Fund 1	100,884	100,884	-	-	-	AAAf
Total fair value	$ 25,257,243	$ 1,346,095	$ 8,605,944	$ 1,238,230	$ -	

Investments of the component units are certificates of deposit totaling $40,786 with maturities ranging from November 2014 through February 2015. These amounts are not included in the above schedule.

The reporting of investments at fair value in accordance with GASB Statement No. 31 resulted in an unrealized gain of $26,631, which is reflected in the Water and Sewer Fund and an unrealized gain of $549,862, which is reflected in the Pension Trust Fund.

Concentration. For the City's defined benefit pension plan, each of the following mutual fund 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 Fund, Ivy Funds High Income Fund, and Primecap Odyssey Funds.

NOTE 4. RECEIVABLES

Receivables consisted of the following at June 30, 2014:

	General	Water and Sewer	Solid Waste	Nonmajor Funds	Total
Receivables:					
Taxes	$ 394,454	$ -	$ -	$ 50,615	$ 445,069
Interest	-	19,126	-	-	19,126
Accounts	50,876	1,255,267	226,820	-	1,532,963
Gross receivables	445,330	1,274,393	226,820	50,615	1,997,158
Less allowance for uncollectibles	(74,782)	(274,904)	(14,819)	-	(364,505)
Net total receivables	$ 370,548	$ 999,489	$ 212,001	$ 50,615	$ 1,632,653

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 18, 2013, and payable on or before December 20, 2013. Penalties were assessed on unpaid balances as of December 19, 2013 and interest began accruing on unpaid balances on December 20, 2013. The City bills and collects its own property taxes. Property taxes for 2013 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the fiscal year ended June 30, 2014 and expected to be collected by August 31, 2014, are recognized as revenues in fiscal year 2014. Net receivables estimated to be collectible subsequent to August 31, 2014, 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, 2014, is as follows:

	Balance July 1, 2013	Increases	Decreases	Transfers	Balance June 30, 2014
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 2,468,098	$ -	$ -	$ -	$ 2,468,098
Construction in progress	608,532	38,125	-	-	646,657
Total	3,076,630	38,125	-	-	3,114,755
Capital assets, being depreciated:					
Buildings	4,254,115	892,039	-	-	5,146,154
Land improvements	147,814	-	-	-	147,814
Infrastructure	23,699,751	117,493	-	-	23,817,244
Machinery and equipment	7,589,045	571,123	-	-	8,160,168
Total	35,690,725	1,580,655	-	-	37,271,380
Less accumulated depreciation for:					
Buildings	2,416,321	146,537	-	-	2,562,858
Land improvements	91,565	10,955	-	-	102,520
Infrastructure	17,338,438	583,506	-	-	17,921,944
Machinery and equipment	5,616,980	719,128	-	-	6,336,108
Total	25,463,304	1,460,126	-	-	26,923,430
Total assets, being depreciated, net	10,227,421	120,529	-	-	10,347,950
Governmental activities capital assets, net	$ 13,304,051	$ 158,654	$ -	$ -	$ 13,462,705

NOTE 5. CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2013	Increases	Decreases	Transfers	Balance June 30, 2014
Business-type activities					
Capital assets, not being depreciated:					
Land	$ 181,310	$ -	$ -	$ -	$ 181,310
Construction in progress	120,010	12,510	-	-	132,520
Total	301,320	12,510	-	-	313,830
Capital assets, being depreciated:					
Buildings	21,259,086	-	-	-	21,259,086
Land improvements	100,735	63,015	-	-	163,750
Infrastructure	19,206,006	734,940	-	-	19,940,946
Machinery and equipment	4,141,817	25,978	-	-	4,167,795
Total	44,707,644	823,933	-	-	45,531,577
Less accumulated depreciation for:					
Buildings	6,808,894	627,977	-	-	7,436,871
Land improvements	64,723	6,989	-	-	71,712
Infrastructure	8,376,570	181,415	-	-	8,557,985
Machinery and equipment	2,312,239	327,116	-	-	2,639,355
Total	17,562,426	1,143,497	-	-	18,705,923
Total assets, being depreciated, net	27,145,218	(319,564)	-	-	26,825,654
Business-type activities capital assets, net	$ 27,446,538	$ (307,054)	$ -	$ -	$ 27,139,484

Included in increases above is $836,433 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	$ 290,891
Public safety	461,584
Public works	694,872
Judicial	12,779
Total depreciation expense - governmental activities	$ 1,460,126
Business-type activities:	
Water and sewer	$ 1,143,497
Total depreciation expense - business-type activities	$ 1,143,497

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, 2014 excluding the bond premium of $156,148 are as follows:

Purpose	Interest Rates	Terms	Due Date	Amount
Water & Sewer Improvements	3.60% - 6.00%	25 years	2021	$ 7,800,000

Revenue bonds debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2015	$ 790,000	$ 444,300	$ 1,234,300
2016	835,000	395,550	1,230,550
2017	885,000	343,950	1,228,950
2018	940,000	289,200	1,229,200
2019	995,000	231,150	1,226,150
2020-2022	3,355,000	309,700	3,664,700
	$ 7,800,000	$ 2,013,850	$ 9,813,850

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, 2014:

Original Amount	Interest Rate	Term	Due Date	Outstanding Balance
$ 351,518	3.00%	15 years	2026	$ 301,663

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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	22,951	6,179	29,130
2020-2024	125,661	19,990	145,651
2025-2027	67,824	2,575	70,399
	$ 301,663	$ 60,038	$ 361,701

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, 2014:

	Governmental Activities
Machinery and equipment	$ 1,170,000
Less: Accumulated depreciation	(234,000)
	$ 936,000

Current year deprecation of assets under capital lease totaled $234,000 and is included in depreciation expense within the public safety function of governmental activities on the statement of activities.

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

Fiscal Year Ending June 30,	
2015	$ 233,957
2016	233,957
2017	233,957
Total minimum lease payments	701,871
Less amount representing interest	(21,608)
Present value of minimum lease payments	$ 680,263

NOTE 6. LONG-TERM DEBT (CONTINUED)

Long-term liability activity for the year ended June 30, 2014, is as follows:

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due within One year
Governmental activities					
Capital lease	$ 900,000	$ -	$ 219,737	$ 680,263	$ 223,209
Compensated absences	425,117	342,342	321,570	445,889	178,356
Claims payable	546,202	704,980	283,477	967,705	85,239
Long-term liabilities	$ 1,871,319	$ 1,047,322	$ 824,784	$ 2,093,857	$ 486,804
Business-type activities					
Revenue bonds payable	$ 8,545,000	$ -	$ 745,000	$ 7,800,000	$ 790,000
Add deferred amounts:					
For bond premium	186,917	-	30,769	156,148	-
Total bonds payable	8,731,917	-	775,769	7,956,148	790,000
Notes payable	321,420	-	19,757	301,663	20,359
Compensated absences	167,273	128,672	123,957	171,988	68,796
Long-term liabilities	$ 9,220,610	$ 128,672	$ 919,483	$ 8,429,799	$ 879,155

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, 2014, 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	500,000
Solid Waste Fund	Water and Sewer Fund	11,074
		$ 557,274

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	$ 1,536,965
Internal Service Fund	Water and Sewer Fund	1,000,000
		$ 2,536,965

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

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. 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, 2013, the date of the most recent actuarial valuation, there were 303 participants consisting of:

Retirees and beneficiaries currently receiving benefits	86
Vested terminated employees not yet receiving benefits	30
Active employees	187
Total	303

City ordinance grants the authority to establish and amend the contribution requirements of the City to the Plan's Board of Trustees, subject to the approval of City Council. The City makes all contributions to the plan; plan participants are not required to contribute. The contribution rate is established based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of the benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. For the fiscal year ended June 30, 2014, the City's contribution rate was 16% of annual covered payroll.

Administrative costs of the Plan are financed through investment income.

Plan Disclosures

Effective July 1, 2013, the Plan implemented the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans – and amendment of GASB Statement No.* 25, which significantly changed the disclosures required related to the Plan. The information disclosed below is presented in accordance with this new standard. The Plan does not issue separate financial statements.

NOTE 8. DEFINED BENEFIT PENSION PLAN

Net Pension Liability of the City

The components of the net pension liability of the City at June 30, 2014 were as follows:

Total pension liability	$ 19,385,936
Plan fiduciary net position	(14,207,671)
City's net pension liability	$ 5,178,265
Plan fiduciary net position as a percentage of the total pension liability	73.3%

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of Plan assets is increasing or decreasing over time relative to the total pension liability.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2013 with update procedures performed by the actuary to roll forward to the total pension liability measured as of June 30, 2014. The following actuarial assumptions applied to all periods included in the measurement:

Inflation	None
Projected salary increases	3.00%
Investment rate of return	7.00%

Mortality rates were based on the 1994 Group Annuity Reserve Mortality Table.

No experience study has been performed.

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

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

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's net pension liability	$ 7,816,679	$ 5,081,729	$ 2,832,997

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, 2014.

Employer Disclosures

Until the City implements the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pension – an amendment of GASB Statement No. 27,* effective July 1, 2014, the provisions of GASB Statement No. 27 continue to be followed in the financial statements from the employer perspective. The information disclosed below is presented in accordance with GASB Statement No. 27 and these measures and disclosed amounts differ from those used by the Plan under GASB Statement No. 67 as previously discussed.

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Employer Disclosures (continued)

Annual Pension Cost and Net Pension Obligation: The annual required contribution, annual pension cost and net pension obligation (asset) for fiscal year 2014 was determined as part of the July 1, 2013 actuarial valuation. The chart below shows the components of the annual pension cost for the current year along with the percentage actually contributed by the City.

Required contribution	$ 1,014,005
Interest on net pension obligation (asset)	(78,051)
Adjustment to annual required contribution	83,977
Annual pension cost	1,019,931
Employer contributions for period ending June 30, 2014	(1,569,685)
Increase in net pension (asset)	(549,754)
Net pension (asset) beginning of year	(1,115,010)
Net pension (asset) end of year	$ (1,664,764)

The annual pension cost, actual contributions, and the net pension obligation (asset) for the current and previous two years are presented in the table below.

Trend Information for The Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Actual City Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
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)
6/30/14	1,019,931	1,569,685	154	(1,664,764)

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

As of the most recent valuation date, July 1, 2013, 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)
7/1/2013	$ 11,143,562	$ 15,616,470	$ 4,472,908	71.4 %	$ 6,350,000	70.4 %

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 assets is increasing or decreasing over time relative to the actuarial accrued liability.

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, 2013.

The assumptions used in the July 1, 2013 actuarial valuation are as follows.

Actuarial cost method	Projected Unit Credit
Actuarial asset valuation method	Market value
Amortization Method	Level percentage of projected payroll
Amortization Period	30 years, closed
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 tables

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, 2014	June 30, 2013
Unpaid claims, beginning of year	$ 546,202	$ 1,066,256
Incurred claims	442,438	125,423
Claim payments and changes in estimates	(20,935)	(645,477)
Unpaid claims, end of year	$ 967,705	$ 546,202

NOTE 10. OPERATING LEASE

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

Fiscal Year Ending June 30,	
2015	$ 9,775
2016	8,161
2017	5,569
2018	2,635
2019	1,032
	$ 27,172

NOTE 10. OPERATING LEASE (CONTINUED)

Governmental activities rent expense for the fiscal year ended June 30, 2014 was $8,743.

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, 2014, are as follows:

Balance of lodging tax funds on hand at July 1, 2013	$	332,124
Lodging tax receipts		517,620
Disbursements to Convention and Visitors Bureau		(523,809)
Balance of lodging tax funds on hand at June 30, 2014	$	325,935

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, 2014, the City paid $19,401 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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	June 30, 2014
Total Pension Liability	
Service cost	$ 286,087
Interest on total pension liability	1,286,529
Benefit payments	(559,165)
Net change in total pension liability	1,013,451
Total pension liability - beginning	18,372,485
Total pension liability - ending	$ **19,385,936**
Plan fiduciary net position	
Contributions - employer	$ 1,577,454
Net investment income	1,843,724
Benefit payments	(548,099)
Administrative expenses	(70,161)
Net change in plan fiduciary net position	2,802,918
Plan fiduciary net position - beginning	11,404,753
Plan fiduciary net position - ending	$ **14,207,671**
Net pension liability - ending	$ **5,178,265**
Plan fiduciary net position as a percentage of total pension liability	
Covered employee payroll	$ 6,350,000
Net pension liability as a percentage of covered employee payroll	81.55%

Note to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS

	June 30, 2014
Actuarially determined contribution	$ 1,014,005
Contribution in relation to the actuarially determined contribution	1,569,685
Contribution deficiency (excess)	$ (555,680)
Covered employee payroll	$ 6,350,000
Contributions as a percentage of covered employee payroll	24.72%

Notes to the Schedule:

Valuation date	July 1, Beginning of Year
Cost method	Projected Unit Credit
Actuarial Asset Valuation Method	5 year smoothed
Assumed rate of return on investments	7.00%
Projected salary increases	3.00%
Cost-of-living adjustment	-
Amortization method	30 years, closed
Remaining amortization period	

The schedule will present 10 years of information once it is accumulated.

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION INVESTMENT RETURNS

	June 30, 2014
Annual money-weighted rate of return, net of investment expenses for the City of Milledgeville's pension plan.	7.00%

Note to the Schedule:

The schedule will present 10 years of information once it is accumulated.

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
12/31/03	$ 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
07/01/13	11,143,562	15,616,470	4,472,908	71.4	6,350,000	70.4

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, 2014

	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	$ 353,524	$ 100	$ 473,879	$ 19,039	$ -	$ 846,542
Taxes receivable	50,615	-	-	-	-	50,615
Note receivable	-	-	446,619	-	-	446,619
Total assets	$ 404,139	$ 100	$ 920,498	$ 19,039	$ -	$ 1,343,776
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 78,204	$ -	$ -	$ -	$ 44	$ 78,248
Due to other funds	-	131	-	1,712	100	1,943
Total liabilities	78,204	131	-	1,712	144	80,191
FUND BALANCES						
Nonspendable	-	-	446,619	-	-	446,619
Restricted for housing and development	-	-	473,879	-	-	473,879
Restricted for promotion of tourism	325,935	-	-	-	-	325,935
Restricted for public safety	-	-	-	17,327	-	17,327
Unassigned (deficit)	-	(31)	-	-	(144)	(175)
Total fund balances (deficits)	325,935	(31)	920,498	17,327	(144)	1,263,585
Total liabilities and fund balances	$ 404,139	$ 100	$ 920,498	$ 19,039	$ -	$ 1,343,776

CITY OF MILLEDGEVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	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	$ 517,620	$ -	$ -	$ -	$ -	$ 517,620
Intergovernmental	-	-	2,985	-	-	2,985
Fines and forfeitures	-	-	-	11,360	-	11,360
Interest revenue	-	-	10,853	19	-	10,872
Other revenues	-	-	-	11	-	11
Total revenues	517,620	-	13,838	11,390	-	542,848
Expenditures:						
Current:						
Housing and development	523,809	-	10,298	-	-	534,107
Total expenditures	523,809	-	10,298	-	-	534,107
Net change in fund balances	(6,189)	-	3,540	11,390	-	8,741
Fund balances (deficits), July 1	332,124	(31)	916,958	5,937	(144)	1,254,844
Fund balances (deficits), June 30	$ 325,935	$ (31)	$ 920,498	$ 17,327	$ (144)	$ 1,263,585

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, 2014

	Original and Final Budget	Actual	Variance with Final Budget
Revenues, taxes	$ 531,007	$ 517,620	$ (13,387)
Expenditures, housing and development	531,007	523,809	7,198
Net change in fund balances	-	(6,189)	(6,189)
Fund balances, July 1	332,124	332,124	-
Fund balances, June 30	$ 332,124	$ 325,935	$ (6,189)

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, 2014

	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, 2014

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	$ 65,000	$ 2,985	$ (62,015)
Interest revenue	500	10,853	10,353
Total revenues	65,500	13,838	(51,662)
Expenditures, housing and development	65,500	10,298	55,202
Net change in fund balances	-	3,540	3,540
Fund balances, July 1	916,958	916,958	-
Fund balances, June 30	$ 916,958	$ 920,498	$ 3,540

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, 2014

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and forfeitures	$ 5,000	$ 11,360	$ 6,360
Interest revenue	50	19	(31)
Other revenues	-	11	11
Total revenues	5,050	11,390	6,340
Expenditures, public safety	5,050	-	5,050
Net change in fund balances	-	11,390	11,390
Fund balances, July 1	5,937	5,937	-
Fund balances, June 30	$ 5,937	$ 17,327	$ 11,390

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, 2014

	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, 2014

	School Fund
ASSETS	
Cash	$ 20,327
Taxes receivable	48,053
Total assets	$ 68,380
LIABILITIES	
Due to others	$ 20,327
Uncollected taxes	48,053
Total liabilities	$ 68,380

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

School Fund	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
Cash	$ 7,484	$ 348,765	$ 335,922	$ 20,327
Taxes receivable	76,916	328,894	357,757	48,053
Total assets	$ 84,400	$ 677,659	$ 693,679	$ 68,380
Due to others	$ 39,560	$ 342,379	$ 361,612	$ 20,327
Uncollected taxes	44,840	335,280	332,067	48,053
Total liabilities	$ 84,400	$ 677,659	$ 693,679	$ 68,380

COMPONENT UNITS

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - MILLEDGEVILLE BALDWIN COUNTY ALLIED ARTS
JUNE 30, 2014

ASSETS		
Cash	$	128,742
Investments		25,414
Due from other governments		270
Total assets	$	154,426
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accrued liabilities	$	5,016
Total liabilities		5,016
FUND BALANCE		
Unassigned		149,410
Total liabilities and fund balance	$	154,426

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, 2014

Revenues		
Intergovernmental	$	171,270
Interest revenue		198
Other revenues		39,163
Total revenues		210,631
Expenditures, culture and recreation		211,275
Net change in fund balance		(644)
Fund balance, July 1		150,054
Fund balance, June 30	$	149,410

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2014

ASSETS		
Cash	$	103,842
Investments		15,372
Note receivable		43,333
Total assets	$	162,547
FUND BALANCE		
Nonspendable, note receivable	$	43,333
Unassigned		119,214
Total fund balance	$	162,547

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, 2014

Revenues		
Other revenues		
MainStreet/DDA	$	42,007
Deep Roots festival		154,333
Junior Miss Scholarship event		2,395
BOOST revenues		11,400
Interest revenue		3,212
Total revenues		213,347
Expenditures, community development		196,797
Net change in fund balance		16,550
Fund balance, July 1		145,997
Fund balance, June 30	$	162,547

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - CENTRAL STATE HOSPITAL LOCAL REDEVELOPMENT AUTHORITY
JUNE 30, 2014

ASSETS	
Cash	$ 35,973
Accounts receivable	16,917
Total assets	$ 52,890
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accrued liabilities	$ 9,937
Total liabilities	$ 9,937
FUND BALANCE	
Unassigned	42,953
Total liabilities and fund balance	$ 52,890

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, 2014

Revenues		
Intergovernmental	$	225,500
Other revenues		1,800
Total revenues		227,300
Expenditures, community development		211,124
Net change in fund balance		16,176
Fund balance, July 1		26,777
Fund balance, June 30	$	42,953

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 ..... **86 - 91**

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 ..... **92 - 98**

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

Debt Capacity ..... **99 - 103**

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 ..... **104 and 105**

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 ..... **106 - 108**

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Net investment in capital assets	$ 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	$ 12,782,442
Restricted	-	5,360,037	6,520,856	7,186,892	-	7,487,107	7,527,182	8,669,770	8,733,734	8,966,631
Unrestricted	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	3,823,775
Total governmental activities net position	$ 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	$ 25,572,848
Business-type activities:										
Net investment in capital assets	$ 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	$ 18,881,673
Restricted	1,410,557	485,662	474,415	522,712	1,752,286	1,887,114	2,587,344	2,860,657	2,774,745	2,808,746
Unrestricted	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	13,653,430
Total business-type activities net position	$ 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	$ 35,343,849
Primary government:										
Net investment in capital assets	$ 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	$ 31,664,115
Restricted	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	11,775,377
Unrestricted	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	17,477,205
Total primary government net position	$ 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	$ 60,916,697

CITY OF MILLEDGEVILLE, GEORGIA

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

	Fiscal Year									
	2005 (1)	2006	2007	2008	2009 (2)	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	$ 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	$ 3,142,186
Judicial	60,911	138,253	144,191	146,822	157,986	150,767	160,324	146,991	182,533	(166,137)
Public safety	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	6,238,021
Public works	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	2,084,730
Culture and recreation	458,576	899,585	1,006,164	990,400	888,255	916,789	753,213	791,132	717,454	685,882
Housing and development	306,324	723,575	798,266	896,363	820,562	1,027,572	1,135,550	958,338	762,757	1,187,907
Interest on long-term debt	832	762	-	-	-	-	-	-	9,480	11,905
Total governmental activities	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	13,184,494
Business-type activities:										
Water and sewer	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	6,494,885
Solid waste	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	1,686,590
Total business-type activities	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	8,181,475
Total primary government	$ 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	$ 21,365,969
Program revenues										
Governmental activities:										
Charges for services:										
General government	$ 85,661	$ 339,402	$ 288,359	$ 360,551	276,769	325,864	323,490	$ 450,552	$ 423,925	$ 555,219
Public safety	248,591	615,218	619,075	695,843	609,284	703,910	623,963	476,043	-	-
Public works	17,535	-	-	-	-	-	-	-	623,061	688,920
Other activities	1,179	2,362	2,567	2,838	2,962	553	-	-	-	-
Operating grants and contributions	37,698	62,420	73,463	81,578	58,876	63,744	290,553	34,005	173,327	188,074
Capital grants and contributions	2,587,472	653,838	432,839	51,118	1,710,191	2,869,600	2,382,085	2,499,914	2,767,155	2,377,722
Total governmental activities	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	3,809,935
Business-type activities:										
Charges for services:										
Water and sewer	$ 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	$ 7,143,250
Solid waste	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	1,957,462
Capital grants and contributions	344,709	1,266,640	324,771	75,366	207,652	2,029,935	32,377	-	-	-
Total business-type activities	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	9,100,712
Total primary government	$ 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	$ 12,910,647
Net (expense)/revenue										
Governmental activities	$ (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)	$ (9,374,559)
Business-type activities	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	919,237
Total primary government net expense	$ (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)	$ (8,455,322)

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

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

	Fiscal Year									
	2005 (1)	2006	2007	2008	2009 (2)	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 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	$ 3,197,025
Sales taxes	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	2,355,152
Hotel/motel taxes	127,137	253,303	262,255	282,549	262,328	365,766	461,852	468,985	429,068	517,620
Franchise taxes	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	1,182,415
Insurance premium taxes	-	939,416	982,864	1,025,237	1,049,796	1,040,054	1,009,723	830,908	882,563	948,217
Alcoholic beverage taxes	-	-	-	-	507,557	459,052	497,143	471,834	442,809	442,809
Business and occupation taxes	-	-	-	-	568,177	626,357	561,109	562,008	580,395	580,395
Other taxes	705,067	1,021,223	1,078,493	1,075,530	46,779	116,819	108,996	55,023	72,509	179,624
Unrestricted investment earnings	39,105	120,737	404,965	422,827	143,965	94,254	122,072	92,635	62,492	36,721
Transfers	-	(803,536)	(77,217)	(607,877)	1,378,682	923,307	(387,127)	(703,115)	(466,569)	1,700,522
Total governmental activities	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	11,140,500
General Revenues and Other Changes in Net Position										
Business-type activities:										
Unrestricted investment earnings	100,554	(48,225)	240,408	324,590	171,525	230,951	97,346	260,807	(81,966)	197,865
Transfers	-	803,536	77,217	607,877	(1,378,682)	(923,307)	387,127	703,115	466,569	(1,700,522)
Total business-type activities	100,554	755,311	317,625	932,467	(1,207,157)	(692,356)	484,473	963,922	384,603	(1,502,657)
Total primary government	$ 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	$ 9,637,843
Change in Net Position										
Governmental activities	$ 2,263,224	$ 1,482,782	$ 1,132,754	$ 667,033	$ 1,174,809	$ 1,231,737	$ 18,516	$ 3,459,854	$ (196,394)	$ 1,765,941
Business-type activities	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	(583,420)
Total primary government	$ 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	$ 1,182,521

(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
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
2014	3,197,025	2,355,152	697,244	442,809	580,395	1,182,415	948,217	9,403,257

(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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ 33,740	$ 37,241	$ 43,348	$ 490,113
Restricted	-	-	-	-	-	-	76,409	76,409	224,970	244,055
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	595	595	595	595
Unassigned	-	-	-	-	-	-	3,439,189	2,733,297	2,039,603	2,336,893
Reserved	37,885	51,978	111,763	120,157	121,144	364,158	-	-	-	-
Unreserved	782,125	1,462,210	1,842,682	2,048,211	2,967,390	3,219,511	-	-	-	-
Total General Fund	$ 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	$ 3,071,656
All Other Governmental Funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	-	-	-	8,104,832	8,599,830	8,508,764	8,722,576
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(31)	(175)	(175)	(175)
Reserved	398,235	5,793,736	6,926,294	7,616,855	411,055	652,007	-	-	-	-
Unreserved, reported in:										
Special revenue funds	298	(2,814)	(260)	(294)	(276)	7,322,120	-	-	-	-
Capital projects funds	5,283,251	(280)	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 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	$ 8,722,401

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									
	2005 (1)	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Taxes	$ 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	$ 9,399,917
Licenses and permits	78,372	302,250	245,612	269,421	254,397	224,487	216,867	224,119	227,542	225,058
Intergovernmental	851,904	558,486	502,644	132,696	1,729,507	2,810,262	2,612,167	1,568,104	2,609,052	2,915,192
Fines and forfeitures	247,386	615,218	619,075	695,843	609,284	703,910	623,963	476,043	623,061	688,920
Charges for services	12,592	14,972	7,919	5,934	4,889	7,794	8,272	8,859	8,225	13,613
Interest income	38,946	120,242	400,066	416,981	142,533	204,046	134,765	102,409	89,998	82,584
Other revenues	26,003	24,542	41,053	88,034	20,445	94,136	98,351	220,782	83,021	212,908
Total revenues	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	13,538,192
Expenditures:										
General government	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	1,656,806
Judicial	58,765	134,956	139,081	145,044	157,390	162,685	150,765	168,463	177,121	188,821
Public safety	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	6,435,912
Public works	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	1,787,725
Culture and recreation	448,189	876,398	975,299	964,602	866,518	891,330	797,390	752,410	729,728	698,193
Housing and development	305,036	723,538	788,626	892,385	808,239	1,015,304	1,136,659	967,856	778,061	1,205,334
Capital outlay	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	2,367,435
Debt service:										
Principal	23,200	47,302	-	-	-	-	-	-	270,000	233,957
Interest	832	762	-	-	-	-	-	-	-	-
Total expenditures	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	14,574,183
Excess of revenues over (under) expenditures	(277,852)	803,036	1,652,866	801,580	242,676	(771,794)	96,938	227,519	(1,924,114)	(1,035,991)
Other Financing Sources (Uses)										
Proceeds from capital leases	-	-	-	-	-	-	-	-	1,170,000	-
Transfers in from other funds	-	54	-	102,870	1,716,847	923,307	-	-	600,000	1,536,965
Transfers out to other funds	-	(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	1,536,965
Net change in fund balances	$ (277,852)	$ 803,036	$ 1,575,649	$ 904,450	$ 1,621,358	$ 151,513	$ 96,938	$ (207,537)	$ (154,114)	$ 500,974
Debt service as a percentage of noncapital expenditures	1.81%	0.51%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.09%	1.81%

(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
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
2014	3,193,685	2,355,152	1,720,448	1,182,415	948,217	9,399,917

(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
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%
2014	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 TEN 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
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%
2014	133,274,251	198,316,313	21,418,250	602,828	2,549,035	351,062,607	9.12	877,646,518	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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
City of Milledgeville										
Maintenance & Operations	8.75	8.75	8.22	8.22	8.12	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	9.22	9.22	9.12	9.12	9.12	9.12	9.12	9.12
Baldwin County	9.80	13.58	8.80	8.80	8.64	8.64	8.64	8.64	8.64	9.94
Baldwin County School District	14.57	14.57	16.07	16.07	16.07	16.07	16.07	17.06	17.06	17.06
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.20	0.25
Total	34.37	38.15	34.34	34.34	34.08	34.08	34.08	35.07	35.02	36.37

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.

CITY OF MILLEDGEVILLE, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	2014			2005		
	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	$ 17,541,148	1	5.00%	N/A	N/A	N/A
Georgia Power	9,987,666	2	2.84%	N/A	N/A	N/A
Baldwin County Board of Education	7,931,164	3	2.26%	N/A	N/A	N/A
Central State Hospital	6,294,638	4	1.79%	N/A	N/A	N/A
Campus Crest	5,537,701	5	1.58%	N/A	N/A	N/A
Walmart Real Estate Business	4,835,680	6	1.38%	N/A	N/A	N/A
AT& T	4,704,196	7	1.34%	N/A	N/A	N/A
Magnolia Park	4,648,874	8	1.32%	N/A	N/A	N/A
RATH Refractories	4,382,034	9	1.25%	N/A	N/A	N/A
Milledgeville Housing Authority	3,702,433	10	1.05%	N/A	N/A	N/A
Totals	$ 69,565,534		19.81%	$ -		0.00%

Source: City of Milledgeville and Baldwin County records

Note: The City changed its fiscal year end in 2005 and filed a six month CAFR for the period ending June 30, 2005.

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

CITY OF MILLEDGEVILLE, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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
2014	3,183,792	3,006,653	94.4	19,534	3,026,187	95.0

Source: City of Milledgeville financial records.

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			
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	301,663	8,545,000	9,746,663	4.21%	550.19
2014	-	680,263	301,663	7,800,000	8,781,926	N/A	477.75

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 or 2014.

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)
2005	-	-	-
2006	-	-	-
2007	-	-	-
2008	-	-	-
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-

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, 2014

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			$ 680,263
Total direct and overlapping debt			$ 680,263

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, 2014 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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Legal debt limit	$ 26,813	$ 27,011	$ 32,126	$ 34,315	$36,034	$ 35,217	$ 36,081	$ 35,761	$ 35,438	$ 35,438
Total net debt applicable to debt limit	-	-	-	-	-	-	-	-	900	680
Legal debt margin	$ 26,813	$ 27,011	$ 32,126	$ 34,315	$ 36,034	$ 35,217	$ 36,081	$ 35,761	$ 34,538	$ 34,758
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%	2.54%	1.92%

Legal Debt Margin Calculation for Fiscal Year 2014	
Assessed value	$ 351,063
Debt limit (10% of assessed value)	35,106
Debt applicable to limit:	
Capital lease obligation	680
Total net debt applicable to limit	680
Legal debt margin	$ 34,426

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	
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
2014	7,530,819	4,878,654	2,652,165	745,000	472,734	2.18

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)
2005	18,757	$ 445,235	$ 23,737	6,032	5.60
2006	18,757	465,474	24,816	5,948	5.50
2007	18,757	N/A	25,134	5,582	5.90
2008	18,757	N/A	N/A	5,486	6.70
2009	18,757	N/A	17,481	6,807	11.60
2010	18,757	N/A	17,481	6,832	15.10
2011	17,715	N/A	13,074	6,623	14.70
2012	17,715	N/A	13,074	6,674	13.70
2013	17,715	N/A	13,074	6,678	12.90
2014	18,382	N/A	13,074	6,776	10.80

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

N/A - Not Available

CITY OF MILLEDGEVILLE, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2014			2005		
Employer	Employees (1)	Rank	Percentage of Total County Employment (3)	Employees (2)	Rank	Percentage of Total County Employment (3)
Georgia College & State University	1200	1	N/A	N/A	N/A	N/A
Triump Aerostructures	766	2	N/A	N/A	N/A	N/A
Baldwin County School System	760	3	N/A	N/A	N/A	N/A
Oconee Regional Medical Center	597	4	N/A	N/A	N/A	N/A
Georgia Military College	430	5	N/A	N/A	N/A	N/A
Georgia Department of Corrections	352	6	N/A	N/A	N/A	N/A
Mohawk	350	7	N/A	N/A	N/A	N/A
Primecare Home Care Services	350	8	N/A	N/A	N/A	N/A
Walmart	340	9	N/A	N/A	N/A	N/A
Baldwin County	338	10	N/A	N/A	N/A	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: The City filed a six (6) month CAFR for the period ended June 30, 2005 when it changed its fiscal year end from December 31 to June 30.

CITY OF MILLEDGEVILLE, GEORGIA

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Function/Program										
General Government										
Administrative	3	3	3	3	3	2.5	4	4	4	4
Finance	8	7	7	7	8	7	6	7	7	7
Personnel	2	2	2	1	1	1	2	1.5	1.5	1.5
Planning	5	5	5	5	5	4	4	4.5	4.5	4.5
Other	7	7	8	8	8	3	3	4	4	4
Police										
Officers	49	49	49	49	51	51	52	52	52	52
Civilians	14	14	13	13	13	9	9	9	10	10
Fire										
Firefighters	31	31	33	33	34	34	33	34	34	34
Civilians	1	1	1	1	0	0	0	0	0	0
Public Works										
Administrative	2	2	2	2	2	2	2	3	3	3
Maintenance	20	16	12	12	16	13	13	13	13	13
Parks and Recreation	6	6	10	10	10	11	9	10	10	10
Water	40	39	39	39	35	32.5	32	35	35	35
Wastewater	16	18	18	18	21	18	16	16	16	16
Refuse	5	9	9	9	9	7	7	9	9	9
Total	209	209	211	210	216	195	192	202	203	203

Source: City of Milledgeville Human Resources Department

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Parking violations	956	3,008	2,360	3,737	3,891	4,598	3,103	3,123	2,892	3,617
Traffic violations	2,196	4,387	5,335	6,155	5,520	5,558	4,503	3,611	3,966	6,364
Fire										
Number of calls answered	463	1,043	1,015	971	988	989	1,155	1,124	1,297	1,409
Number of inspections conducted	697	1,404	2,091	2,302	2,327	2,025	1,855	2,168	2,271	2,219
Highways and streets										
Street resurfacing (miles)	1.0	1.5	1.0	0.5	0.0	1.4	2.3	0.5	0.6	0.3
Potholes repaired	37	53	157	191	290	338	351	540	672	353
Sanitation										
Yard trimmings collected (tons/day)	1.5	1.5	2.7	3.8	3.8	3.2	3.4	8.5	8.8	8.9
Water										
Number of service connections	6,693	7,008	7,231	7,388	7,746	7,564	7,589	7,956	7,960	7,938
Average daily consumption (thousands of gallons)	6,668	6,706	6,638	6,515	6,432	6,325	6,336	6,340	6,331	6,330
Sewer										
Number of service connections	5,587	5,777	5,792	6,000	6,125	6,071	6,072	6,075	6,077	6,191
Average daily sewage treatment (thousands of gallons)	4,820	4,360	3,750	4,043	4,380	4,369	4,372	3,197	3,201	4,191

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.
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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	50	50	50	50	42	50	59	59	59	57
Fire stations	2	2	2	2	2	2	2	2	2	2
Highways and streets										
Miles of streets	116	117	117	119	120	120	120	120	120	120
Number of street lights	1,568	1,536	1,541	1,547	1,547	1,547	1,547	1,547	1,547	1,548
Water										
Water mains (miles)	187	190	190	194	196	196	200	200	200	200
Number of water plants	2	2	2	2	2	2	2	2	2	2
Fire hydrants	678	678	678	715	728	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)	278	232	232	233	233	233	233	233	233	233
Storm sewers (miles)	27	27	28	30	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

	2014			2005		
	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	$ 374,725	1	11.02%	N/A	N/A	N/A
Zschimmer & Schwarz, Inc.	350,925	2	10.32%	N/A	N/A	N/A
Mohawk	240,852	3	7.08%	N/A	N/A	N/A
Georgia College	186,769	4	5.49%	N/A	N/A	N/A
Triumph -Vought Aircraft Industries	117,183	5	3.45%	N/A	N/A	N/A
Pine Knoll Apartments	92,520	6	2.72%	N/A	N/A	N/A
Magnolia Park Student Housing	65,005	7	1.91%	N/A	N/A	N/A
Oconee Regional Medical Center	59,448	8	1.75%	N/A	N/A	N/A
Villamar Town Home Apartments	58,741	9	1.73%	N/A	N/A	N/A
Villamar Subdivision	45,081	10	1.30%	N/A	N/A	N/A

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.
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.
Pine Knoll Apartments has downsized since 2004.

CITY OF MILLEDGEVILLE, GEORGIA

PRINCIPAL SEWER CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

	2014			2005		
	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	$ 429,265	1	13.30%	N/A	N/A	N/A
Zschimmer & Schwarz, Inc.	350,925	2	10.90%	N/A	N/A	N/A
Georgia College	186,769	3	5.79%	N/A	N/A	N/A
Mohawk	143,316	4	4.45%	N/A	N/A	N/A
Triump - (Vought Aircraft Industries)	117,183	5	3.64%			
Villamar Townhome Apartments	103,823	6	3.22%	N/A	N/A	N/A
Pine Knoll Apartments	92,520	7	2.87%	N/A	N/A	N/A
Magnolia Park Student Housing	65,005	8	2.05%	N/A	N/A	N/A
Oconee Regional Medical Center	58,741	9	1.82%	N/A	N/A	N/A
Warehouse Solutions	44,641	10	1.38%	N/A	N/A	N/A

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.

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.

Pine Knoll has downsized since 2004.

COMPLIANCE SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORT 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, 2014, 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 10, 2014, which references the implementation of a new accounting standard which changed financial statement disclosures.

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 a 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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2014–1 to be material weaknesses.

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 deficiency described in the accompanying schedule of findings and responses as item 2014-2 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2014-3.

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 responses. The City's responses were not subject to the auditing procedures applied in the audit of the financial statements 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.

Mauldin & Jenkins, LLC

Macon, Georgia
December 10, 2014

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014

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?	__X__ yes ____ none reported
Noncompliance material to financial statements noted?	__X__ yes ____ no

Federal Awards

A single audit was not performed for the fiscal year ended June 30, 2014 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, 2014

SECTION II FINANCIAL STATEMENT FINDINGS

2014-1. Revenue Recognition (Repeat of 2013-2)

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. Additionally, in accordance with GASB Statement No. 33, revenue associated with formula driven grants should be recorded as revenue when received, regardless of the timing of related expenditures.

Condition: The City did not properly record as deferred revenue, those amounts not received within 60 days of the end of the fiscal year, and incorrectly recorded unspent LMIG grant funds (formula driven grant) as deferred revenue.

Context: We addressed this matter with City personnel and they were able to determine the appropriate adjustments needed at June 30, 2014 to properly record revenues, receivables, and deferred revenue.

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

a) An adjustment of $52,099 was required to be recorded in the SPLOST Fund to increase deferred revenue and increase accounts receivable for DOT reimbursements which were not received by the City within 60 days of year-end; and
b) An adjustment of $197,461 was required to be recorded to increase deferred revenue, decrease accounts receivable, and decrease revenue for TEA grant reimbursements which were not received by the City within 60 days of year-end; and
c) An adjustment of $167,646 was required to decrease deferred revenue and increase revenue for LMIG grant reimbursements received from the state 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.

SECTION II FINANCIAL STATEMENT FINDINGS (CONTINUED)

2014-2. Recording of Accruals (Component Unit – Mainstreet / DDA)

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

Condition: MainStreet / DDA did not properly address the above criteria as of June 30, 2014 as it relates to accounts payable.

Context: We addressed this matter with Mainstreet / DDA personnel and they were able to determine the appropriate adjustment needed to properly reflect the accounts payable balance at June 30, 2014.

Effect: An audit adjustment of $7,625 was required to be recorded to increase accounts payable and increase expenditures for invoices received subsequent to June 30, 2014 for services received during fiscal year 2014.

Recommendation: We recommend management of Mainstreet / DDA review disbursements subsequent to year-end to ensure transactions are reported in the proper period.

Views of responsible officials and planned corrective action: We concur with the finding and will review disbursements subsequent to year-end to ensure transactions are reported in the proper period.

2014-3. Investments

Criteria: The Official Code of Georgia (OCGA) Section 36-83-4 limits the investments of local governments (excluding investments of a pension trust fund) to (a) Obligations of the State of Georgia or of other states; (b) obligations issued by the United States government; (c) obligations fully insured or guaranteed by the United States government of a United States government agency; (d) obligations of any corporation of the United States government; (e) prime bankers' acceptances; the local government investment pool established by Code Section 36-83-8; (f) repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

Condition: During the year ended June 30, 2014, the City invested funds in annuity contracts and mutual funds.

SECTION II FINANCIAL STATEMENT FINDINGS (CONTINUED)

2014-3. Investments (Continued)

Effect: By investing City funds in annuity contracts and mutual funds, the City is not in compliance with state law.

Recommendation: We recommend management transfer the investments in annuity contracts and mutual funds to other investments as allowed for by state law.

Views of responsible officials and planned corrective action: We concur with the finding. Subsequent to year-end, the investments in annuity contracts and mutual funds were transferred to other types of investments as allowed for by state law.

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, 2014

2013-1. Reconciliation of Pooled Cash

Condition: The City's 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 recording of pooled cash at June 30, 2013.

Auditee Response/Status: Resolved.

2013-2. Revenue Recognition – General and 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, 2013.

Auditee Response/Status: Unresolved. Refer to current year finding at 2014-1.

2013-3. Management of Inventory Accounts

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,

Context: We addressed this matter with City personnel and they were able to determine the appropriate value of certain inventory items that were deemed to have incorrect unit values at June 30, 2013.

Auditee Response/Status: Resolved.

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

2013-4. Recording of Current Liabilities

Condition: The City did not properly record all current liabilities whose liquidation was expected to require the use of current assets when the goods had been received or services had been performed.

Context: We addressed this matter 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.

Auditee Response/Status: Resolved.

2013-5. Recording of Capital Lease Transaction

Condition: Capital leases entered into which represent the purchase or construction of capital assets were not shown as an expenditure and another financing source in a governmental fund.

Context: We addressed this matter with the City personnel and they were able to determine the appropriate adjustments needed to properly reflect the expenditure and other financing source at June 30, 2013.

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, 2014

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, 2014

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Public works	$ 3,400,000	$ 3,400,000			
Improvements			$ 106,851	$ -	$ 106,851
Equipment and vehicles			899,985	-	899,985
City facilities	3,000,000	3,000,000			
Improvements			220,529	1,171,978	1,392,507
Equipment and vehicles			102,727	-	102,727
Public safety	2,000,000	2,000,000			
Improvements			188,901	32,698	221,599
Equipment and vehicles			987,680	124,239	1,111,919
Improvements - water system, water treatment and waste treatment	4,000,000	4,000,000	3,532,085	751,147	4,283,232
	$ 12,400,000	$ 12,400,000	$ 6,038,758	$ 2,080,062	$ 8,118,820

CITY OF MILLEDGEVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS – 2000 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Sewer, flood control	$ 3,000,000	$ 3,000,000	$ 2,951,721	$ 50,587	$ 3,002,308
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	1,804,117	175,136	1,979,253
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	$ 7,822,284	$ 225,723	$ 8,048,007

CITY OF MILLEDGEVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS – 1996 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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 $2,601,392; however, only $2,367,435 was attributed to the spending of actual SPLOST Funds. Of the remaining expenditures, $233,957 was debt service payments for a capital lease expensed in its entirety in the schedule for the 2011 Issue.