CITY OF MILLEDGEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2015

Prepared by:

Finance Department

CITY OF MILLEDGEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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INTRODUCTORY SECTION

MAYOR
Gary L. Thrower

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

December 16, 2015

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, 2015, 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, is accurate in all material respects and is 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, has issued an unqualified opinion on the City of Milledgeville's financial statements for the fiscal year ended June 30, 2015. 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 toward 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 parolees 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, 2014. This is the twenty-ninth 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

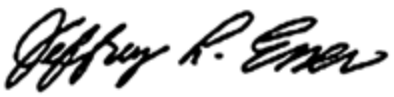
Presented to

City of Milledgeville

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014



Executive Director/CEO

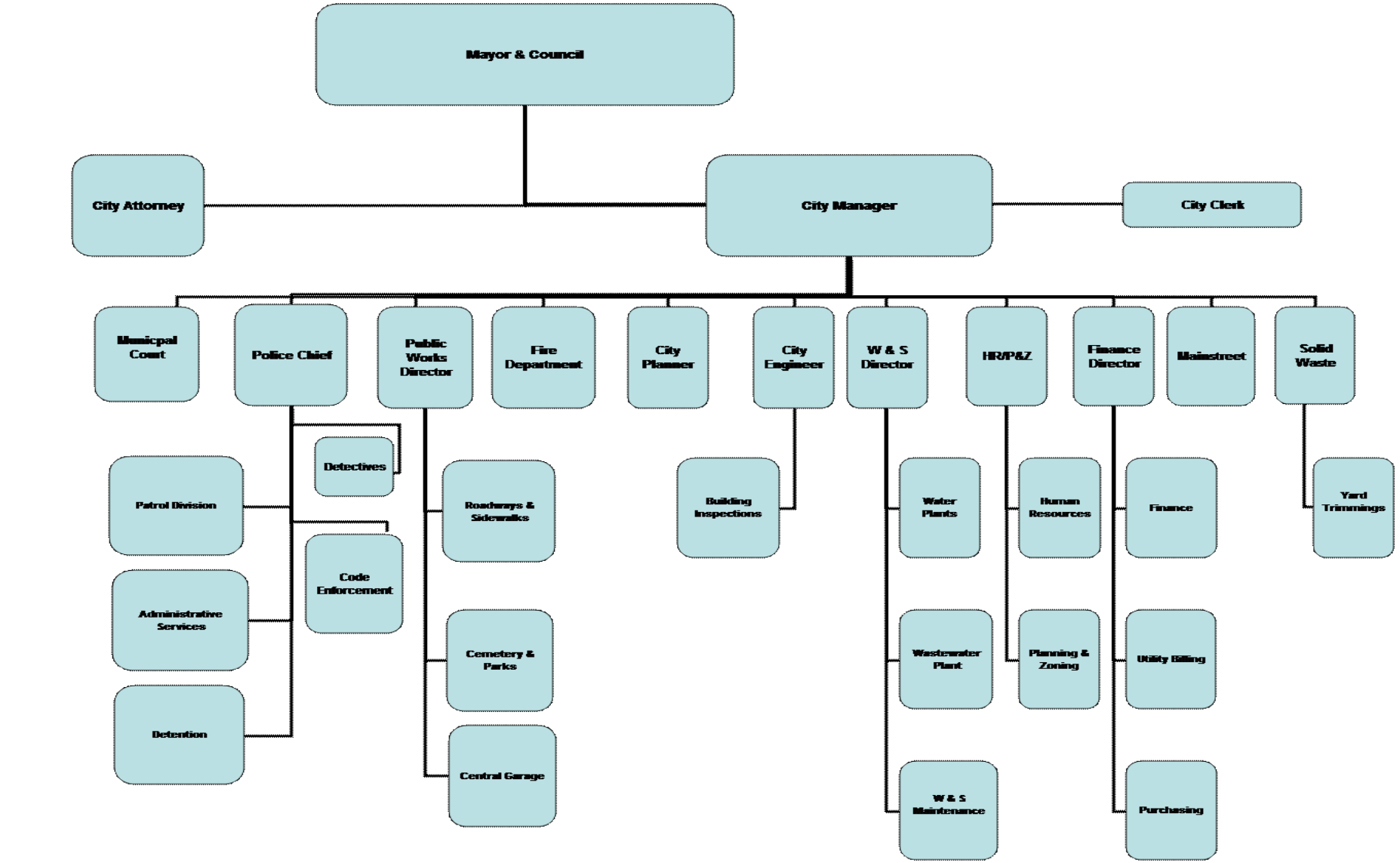
CITY OF MILLEDGEVILLE, GEORGIA

LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2015

Mayor	Vacant
Mayor Pro-Tem	Jeanette H. Walden
Council	Dr. Collinda J. Lee Denese R. Shinholster Walter Reynolds 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 Engineer	Mark Patrick
City Planner	Melba Hilson/Hank Griffeth
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, GEORGIA

ORGANIZATIONAL CHART
JUNE 30, 2015



FINANCIAL SECTION

MAULDIN & JENKINS

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, 2015, 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison information for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 8, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68*, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27,* as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014. These standards significantly changed the accounting for the City's net pension liability and the related disclosures. Our opinions are 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 – 15) and the Schedules of Required Supplementary Information (on page 73 - 75) 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 and schedules, 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 and schedules, 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 and schedules, 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 14, 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 14, 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, 2015. 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, 2015 by $62,064,108, of this amount $37,961,420 is invested in capital assets (net of depreciation and related debt). Total unrestricted net assets are $11,859,538 and may be used to meet the City's ongoing obligations. Unrestricted net assets from the governmental activities are ($425,188).

- As of June 30, 2015, Milledgeville's governmental funds reported combined ending fund balances of $13,109,196. Approximately 25% of this total amount, $3,263,124 is available for spending at the City Council's discretion (unassigned fund balance). The governmental funds combined fund balance increased by $1,315,139 from fiscal year ending June 30, 2014. The increase in fund balance may be primarily attributed to financial contributions to the general fund from the water and sewer fund. 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 activities outstanding at June 30, 2015 are $5,302,279 and $9,442,097, respectively. $12,241,124 of the total $14,744,376 represents liabilities that are due in one year or more, such as long-term debt and compensated absences. This is a decrease of $287,523 for the governmental-type funds and a decrease of $885,301 for the business-type activities from fiscal year ending June 30, 2014. While the business-type funds did not incur any new debt, in accordance with GASB No. 68, the funds were required to record a liability for the unfunded portion of the pension liability which represented $1,149,188.

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 nonmajor 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 16 – 18) 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 19) 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 Unit*** – 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 16 - 19.

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 nonmajor funds can be found beginning on page 76. The City's funds are divided in to three broad categories – governmental, proprietary, and fiduciary – and use different accounting approaches.

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

  Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements and because of the different accounting methods used to prepare them, there are often significant differences between the totals presented in these financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The City's basic governmental fund financial statements are presented on pages 16 - 24 of this report.

  The City of Milledgeville maintains seven (7) individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and SPLOST Fund which are considered major funds. Data for the other five (5) governmental funds are combined in a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements on pages 76 and 77 of this report.

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

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

  Internal service funds are an accounting device to account for services provided and billed on an internal basis. The City utilizes the internal service fund for Risk Management activities. Because of the nature of the City's internal service fund, it is 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 28 - 35.

- ***Fiduciary Funds –*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources 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 only be used 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 36 and 37.

Budgetary Comparisons

The City of Milledgeville adopts an annual appropriated budget for its General Fund and 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 statement can be found on pages 25 - 27. The Special Revenue Fund budgetary comparison statements can be found on pages 78 - 82.

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 38 - 72 of this report.

Other Supplementary Information

Other supplementary information includes combining financial statements for nonmajor 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 76 - 84 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 the following table based on the information included in the government-wide financial statements (see pages 16 - 19).

City of Milledgeville Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Current and other assets	$ 13,929,749	$ 13,035,688	$ 17,213,893	$ 17,335,553	$ 31,143,642	$ 30,371,241
Capital assets	13,425,052	13,462,705	32,410,105	27,139,484	45,835,157	40,602,189
Total assets	27,354,801	26,498,393	49,623,998	44,475,037	76,978,799	70,973,430
Deferred outflows of resources	194,923	-	72,095	-	267,018	-
Long-term debt outstanding	4,426,593	5,387,187	7,814,531	8,948,775	12,241,124	14,335,962
Other liabilities	875,686	983,256	1,627,566	1,580,545	2,503,252	2,563,801
Total liabilities	5,302,279	6,370,443	9,442,097	10,529,320	14,744,376	16,899,763
Deferred inflows of resources	319,253	-	118,080	-	437,333	-
Net position						
Net investment in capital assets	12,967,998	12,782,442	24,993,422	18,881,673	37,961,420	31,664,115
Restricted	9,385,382	8,966,631	2,857,768	2,808,746	12,243,150	11,775,377
Unrestricted	(425,188)	(1,621,123)	12,284,726	12,255,298	11,859,538	10,634,175
Total net postion	$ 21,928,192	$ 20,127,950	$ 40,135,916	$ 33,945,717	$ 62,064,108	$ 54,073,667

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, 2015, assets exceeded liabilities by $62 million. However, much of net position is either restricted as to purpose for which it can be used, or is invested in capital assets.

The largest portion of the City's net position, $37,961,420 represents investment 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 $12,243,150 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 assets for the business-type activities is related to the transfer of funds to the general fund.

Although the net position of our business-type activities represents 65% ($40,135,196) of total net position, these resources cannot be used to add to the net position surplus in governmental activities. The City generally can only use this net position to finance the continuing operations of the business-type activities. The significant changes in the distribution of fund balance presented in the financial statements for the year ending June 30, 2015 from prior years are due to the reclassification of fund balance due to the implementation of GASB Statement No. 54 which redefines the distinction of fund balances for governmental funds.

City of Milledgeville Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues						
Charges for services	$ 1,060,668	$ 1,244,139	$ 9,931,320	$ 9,100,712	$ 10,991,988	$ 10,344,851
Operating grants and contributions	203,794	188,074	-	-	203,794	188,074
Capital grants and contributions	2,279,054	2,377,722	6,300,000	-	8,579,054	2,377,722
General revenues						
Property taxes	3,108,846	3,197,025	-	-	3,108,846	3,197,025
Sales tax	2,420,390	2,355,152	-	-	2,420,390	2,355,152
Other taxes	3,928,603	3,851,080	-	-	3,928,603	3,851,080
Investment earnings	40,217	36,721	43,720	197,865	83,937	234,586
Total revenues	13,041,572	13,249,913	16,275,040	9,298,577	29,316,612	22,548,490
Expenses						
General government	1,852,823	3,142,186	-	-	1,852,823	3,142,186
Judicial	208,742	(166,137)	-	-	208,742	(166,137)
Public safety	6,640,146	6,238,021	-	-	6,640,146	6,238,021
Public works	2,507,855	2,084,730	-	-	2,507,855	2,084,730
Housing and development	1,103,247	1,187,907	-	-	1,103,247	1,187,907
Culture and recreation	688,462	685,882	-	-	688,462	685,882
Interest on long-term debt	8,397	11,905	-	-	8,397	11,905
Water and sewer	-	-	6,582,033	6,494,885	6,582,033	6,494,885
Solid waste	-	-	1,734,466	1,686,590	1,734,466	1,686,590
Total expenses	13,009,672	13,184,494	8,316,499	8,181,475	21,326,171	21,365,969
Increase (decrease) in net position before transfers	31,900	65,419	7,958,541	1,117,102	7,990,441	1,182,521
Transfers	1,768,342	1,700,522	(1,768,342)	(1,700,522)	-	-
Change in net postion	1,800,242	1,765,941	6,190,199	(583,420)	7,990,441	1,182,521
Net position, beginning of year, restated	20,127,950	18,362,009	33,945,717	34,529,137	54,073,667	52,891,146
Net position, end of year	$ 21,928,192	$ 20,127,950	$ 40,135,916	$ 33,945,717	$ 62,064,108	$ 54,073,667

Changes in Net Position – Governmental and business-type activities increased the City's net assets by $7,990,441 in fiscal year 2015. The contribution from the State of Georgia of the water and sewer system located on the Central State Hospital campus attributed to $6.3 million of this increase. The preceding table indicates the changes in net position for the government and business-type activities in fiscal year 2015.

Governmental Activities – Governmental activities increased the City's net position by $1,800,242 in fiscal year 2015. Key elements of this increase are as follows:

- Revenues were $13 million. Approximately 9% of the City's revenues came from fees charged for services, 19% from sales taxes, 24% from property taxes and 31% from other taxes. Investment earnings increased by 9% during the year compared to a decrease of 41% in 2014.
- Expenses totaled $13 million. Approximately 51% of the City's expenses go to public safety, 20% to public works, 15% to general government and the remaining 14% to housing and development, judicial activities, and culture and recreation. Public safety expenditures were increased by the addition of unsettled workers' compensation claims. 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, increased net position by $6,190,199 in fiscal year 2015. This increase is primarily attributable to the contribution of the CSH water and sewer system.

Financial Analysis of the City Funds

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

Governmental Funds – The focus of the City of Milledgeville's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. For the fiscal year ending June 30, 2011 as noted earlier in this report, the City of Milledgeville fully implemented GASB Statement No. 54 in regard to reporting of fund balance. The GASB Statement No. 54 recognizes the following designations for fund balances for governmental funds: Nonspendable, Restricted, Committed, Assigned and Unassigned.

At the end of fiscal year 2015, the combined ending fund balance of the City's governmental funds was $13,109,196, an increase of 10% from fiscal year 2014. Approximately $3.3 million (25%) 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 $926,406. Expenses were 1% lower than the previous year and revenues also decreased by 1%. This revenue amount does not included a funds transfer of $1,886,775 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: nonspendable for inventories ($43,427); restricted to nonspendable note receivable ($416,668); restricted for capital projects ($8,354,007); restricted for promotion of tourism ($424,537); restricted for housing & development programs ($511,770); restricted for public safety ($84,192); restricted for employee wellness ($10,876); assigned for park improvements ($595); and unassigned ($3,263,124).

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 $3,263,168, while total fund balance was $3,383,599. 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 25% of total fiscal year 2015 expenditures, while total fund balance is 26% of that same amount.

2. *SPLOST Fund* – This fund is a capital projects fund accounting for the City's negotiated share of the special purpose local option sales tax. 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 $8,354,007 is 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 $10,635,149. Total net position increased by $6,058,647. An increase of approximately 12% is attributable to the contribution of the water and sewer system on the Central State Hospital campus.

Unrestricted net position of the City's other proprietary fund, Solid Waste Fund, totaled $1,842,829 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. The City approved an extension of this contract in 2015, which retains the same rates with a CPI increase if applicable.

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 2014, the City Council appropriated $12.8 million for general fund expenditures.

City of Milledgeville 2015 General Fund Budget

	Original Budget	Amendments	Final Budget	Actual
Revenues and other financing sources	$ 12,835,920	-	$ 12,835,920	$ 12,291,608
Expenditures and other financing uses	12,835,920	(20,915)	12,815,005	11,533,046

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 $45,835,157 in capital assets (net of accumulated depreciation). Capital assets include infrastructure, land, land improvements, buildings and machinery and equipment. Approximately 71% of this investment is related to business-type activities while only 29% 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	
	2015	2014	2015	2014	2015	2014
Land	$ 2,468,098	$ 2,468,098	$ 181,310	$ 181,310	$ 2,649,408	$ 2,649,408
Land improvements	38,149	45,294	95,948	92,038	134,097	137,332
Infrastructure	6,403,910	5,895,300	16,929,422	11,382,961	23,333,332	17,278,261
Buildings	2,427,460	2,583,296	13,616,995	13,822,215	16,044,455	16,405,511
Machinery and equipment	1,440,778	1,824,060	1,421,378	1,528,440	2,862,156	3,352,500
Construction in progress	646,657	646,657	165,052	132,520	811,709	779,177
Total capital assets	$ 13,425,052	$ 13,462,705	$ 32,410,105	$ 27,139,484	$ 45,835,157	$ 40,602,189

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

- Dehumidifier - $13,100
- Street Resurfacing - $602,578
- Renovation Elks Bldg. - Economic Development Center - $23,084
- E-One Rescue Truck - $295,945
- Tack Machine - $4,900
- Total Station - $6,055

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

- Infrastructure - $12,099.92
- Construction in Progress - $32,532.46
- Site Improvements - $17,441.50
- Machinery - $17,265.00
- Building Improvements - $39,094.51

Additional information on the City of Milledgeville's capital assets can be found in Note 5 on pages 55 - 57 of this report.

Long-term Debt – At June 30, 2015, the City of Milledgeville had $7,873,737 in bonds, notes and capital leases outstanding, a decrease of $1,064,337 over last year, representing payments made to reduce bonds and notes outstanding.

State statutes limit the amount of general obligation debt a governmental entity may issue to ten percent (10%) of its total assessed valuation. The current debt limitation for the City of Milledgeville is $35 million.

Additional information on the City's long-term debt can be found in Note 6 on pages 58 - 61 of this report.

City of Milledgeville Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Capital leases	$ 457,054	$ 680,263	$ -	$ -	$ 457,054	$ 680,263
Revenues bonds	-	-	7,135,379	7,956,148	7,135,379	7,956,148
Notes payable	-	-	281,304	301,663	281,304	301,663
Compensated absences	458,552	445,889	174,395	171,988	632,947	617,877
Net pension liability	3,107,063	3,439,555	1,149,188	1,272,164	4,256,251	4,711,719
Claims payable	853,287	967,705	-	-	853,287	967,705
	$ 4,875,956	$ 5,533,412	$ 8,740,266	$ 9,701,963	$ 13,616,222	$ 15,235,375

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 2015 Budget.

- The General Fund property taxes are expected to remain static due to the current assessment of property; however, the city has seen a slight increase in requests for building permits and the increase in activity for economic development within the city.

- Utility revenues are anticipated to slightly increase due to the addition of commercial customers and the renegotiation of sewer treatment rates with Baldwin County. 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.
- Allow the City to meet its debt service coverage and start a more active repair and replacement program for the City's infrastructure.
- 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 businesses 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, 2015

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Allied Arts	Downtown Development Authority	Central State Hospital Local Redevelopment Authority
ASSETS						
Cash and cash equivalents	$ 9,407,421	$ 9,374,723	$ 18,782,144	$ 120,735	$ 154,728	$ 34,178
Investments	3,723,908	2,671,334	6,395,242	25,639	15,441	-
Taxes receivable	300,847	-	300,847	-	-	-
Accounts receivable, net of allowances	70,068	1,163,974	1,234,042	-	2,780	-
Notes receivable	416,668	-	416,668	-	38,779	-
Due from other governments	736,131	203,964	940,095	-	-	-
Internal balances	(768,721)	768,721	-	-	-	-
Inventories	43,427	173,409	216,836	-	-	-
Restricted assets, cash and cash equivalents	-	1,631,744	1,631,744	-	-	-
Restricted assets, investments	-	1,226,024	1,226,024	-	-	-
Capital assets, non-depreciable	3,114,755	346,362	3,461,117	-	-	-
Capital assets, depreciable, net of accumulated depreciation	10,310,297	32,063,743	42,374,040	6,490	-	-
Total assets	27,354,801	49,623,998	76,978,799	152,864	211,728	34,178
DEFERRED OUTFLOWS OF RESOURCES						
Pension investment return	194,923	72,095	267,018	-	-	-
Total deferred outflows of resources	194,923	72,095	267,018	-	-	-

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Allied Arts	Downtown Development Authority	Central State Hospital Local Redevelopment Authority
LIABILITIES						
Accounts payable	$ 239,484	$ 239,903	$ 479,387	$ -	$ -	$ 4,000
Accrued liabilities	186,839	72,928	259,767	3,880	-	2,459
Liabilities payable from restricted assets	-	1,224,000	1,224,000	-	-	-
Capital leases due within one year	226,736	-	226,736	-	-	-
Capital leases due in more than one year	230,318	-	230,318	-	-	-
Claims payable due within one year	39,206	-	39,206	-	-	-
Claims payable due in more than one year	814,081	-	814,081	-	-	-
Compensated absences due within one year	183,421	69,757	253,178	14,962	-	-
Compensated absences due in more than one year	275,131	104,638	379,769	-	-	-
Notes payable due within one year	-	20,978	20,978	-	-	-
Notes payable due in more than one year	-	260,326	260,326	-	-	-
Bonds payable due in more than one year	-	6,300,379	6,300,379	-	-	-
Net pension liability	3,107,063	1,149,188	4,256,251	-	-	-
Total liabilities	5,302,279	9,442,097	14,744,376	18,842	-	6,459
DEFERRED INFLOWS OF RESOURCES						
Pension experience differences	319,253	118,080	437,333	-	-	-
Total deferred inflows of resources	319,253	118,080	437,333	-	-	-

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Allied Arts	Downtown Development Authority	Central State Hospital Local Redevelopment Authority
NET POSITION						
Net investment in capital assets	$ 12,967,998	$ 24,993,422	$ 37,961,420	$ 6,490	$ -	$ -
Restricted for debt service	-	2,857,768	2,857,768	-	-	-
Restricted for capital projects	8,354,007	-	8,354,007	-	-	-
Restricted for public safety	84,192	-	84,192	-	-	-
Restricted for health and welfare programs	10,876	-	10,876	-	-	-
Restricted for tourism	424,537	-	424,537	-	-	-
Restricted for housing and development	511,770	-	511,770	-	-	-
Unrestricted	(425,188)	12,284,726	11,859,538	127,532	211,728	27,719
Total net position	$ 21,928,192	$ 40,135,916	$ 62,064,108	$ 134,022	$ 211,728	$ 27,719

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, 2015

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 Local Redevelopment Authority
Primary government:										
Governmental activities:										
General government	$ 1,852,823	$ 454,871	$ 47,176	$ 51,707	$ (1,299,069)	$ -	$ (1,299,069)	$ -	$ -	$ -
Judicial	208,742	-	-	-	(208,742)	-	(208,742)	-	-	-
Public safety	6,640,146	605,797	-	424,123	(5,610,226)	-	(5,610,226)	-	-	-
Public works	2,507,855	-	156,618	1,803,224	(548,013)	-	(548,013)	-	-	-
Culture and recreation	688,462	-	-	-	(688,462)	-	(688,462)	-	-	-
Housing and development	1,103,247	-	-	-	(1,103,247)	-	(1,103,247)	-	-	-
Interest on long-term debt	8,397	-	-	-	(8,397)	-	(8,397)	-	-	-
Total governmental activities	13,009,672	1,060,668	203,794	2,279,054	(9,466,156)	-	(9,466,156)	-	-	-
Business-type activities:										
Water and sewer	6,582,033	8,008,398	-	6,300,000	-	7,726,365	7,726,365	-	-	-
Solid waste	1,734,466	1,922,922	-	-	-	188,456	188,456	-	-	-
Total business-type activities	8,316,499	9,931,320	-	6,300,000	-	7,914,821	7,914,821	-	-	-
Total primary government	$ 21,326,171	$ 10,991,988	$ 203,794	$ 8,579,054	$ (9,466,156)	$ 7,914,821	$ (1,551,335)	$ -	$ -	$ -
Component units:										
Allied Arts	$ 202,131	$ 32,157	$ 166,000	$ -	$ -	$ -	$ -	$ (3,974)	$ -	$ -
Downtown Development Authority	177,484	223,724	-	-	-	-	-	-	46,240	-
CSH Local Redevelopment Authority	239,982	-	224,748	-	-	-	-	-	-	(15,234)
Total component units	$ 619,597	$ 255,881	$ 390,748	$ -	$ -	$ -	$ -	$ (3,974)	$ 46,240	$ (15,234)
General revenues:										
Property taxes					$ 3,108,846	$ -	$ 3,108,846	$ -	$ -	$ -
Sales taxes					2,420,390	-	2,420,390	-	-	-
Hotel/motel taxes					513,056	-	513,056	-	-	-
Franchise taxes					1,288,061	-	1,288,061	-	-	-
Insurance premium taxes					991,321	-	991,321	-	-	-
Alcoholic beverage taxes					446,363	-	446,363	-	-	-
Business and occupation taxes					594,765	-	594,765	-	-	-
Other taxes					95,037	-	95,037	-	-	-
Unrestricted investment earnings					40,217	43,720	83,937	285	2,941	-
Transfers					1,768,342	(1,768,342)	-	-	-	-
Total general revenues and transfers					11,266,398	(1,724,622)	9,541,776	285	2,941	-
Change in net position					1,800,242	6,190,199	7,990,441	(3,689)	49,181	(15,234)
Net position, beginning of year, as restated					20,127,950	33,945,717	54,073,667	137,711	162,547	42,953
Net position, end of year					$ 21,928,192	$ 40,135,916	$ 62,064,108	$ 134,022	$ 211,728	$ 27,719

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

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

ASSETS	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 1,902,317	$ 5,688,717	$ 983,172	$ 8,574,206
Investments	1,349,036	2,374,872	-	3,723,908
Taxes receivable, net of allowance	253,416	-	47,431	300,847
Accounts receivable, net of allowances	70,068	-	-	70,068
Note receivable	-	-	416,668	416,668
Due from other governments	203,559	532,572	-	736,131
Due from other funds	25,288	-	-	25,288
Inventories	43,427	-	-	43,427
Total assets	$ 3,847,111	$ 8,596,161	$ 1,447,271	$ 13,890,543
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 142,173	$ 6,352	$ 75,681	$ 224,206
Accrued liabilities	182,025	-	-	182,025
Due to other funds	-	25,288	-	25,288
Total liabilities	324,198	31,640	75,681	431,519
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	139,314	-	-	139,314
Unavailable revenue - grants	-	210,514	-	210,514
Total deferred inflows of resources	139,314	210,514	-	349,828

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

FUND BALANCES	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Fund balances:				
Nonspendable - inventory	$ 43,427	$ -	$ -	$ 43,427
Nonspendable - note receivable	-	-	416,668	416,668
Restricted for:				
Capital projects	-	8,354,007	-	8,354,007
Promotion of tourism	-	-	424,537	424,537
Housing and development programs	-	-	511,770	511,770
Public safety programs	65,633	-	18,559	84,192
Health and welfare programs	10,776	-	100	10,876
Assigned for park improvements	595	-	-	595
Unassigned (deficit)	3,263,168	-	(44)	3,263,124
Total fund balances	3,383,599	8,354,007	1,371,590	13,109,196
Total liabilities, deferred inflows of resources, and fund balances	$ 3,847,111	$ 8,596,161	$ 1,447,271	

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.	13,425,052
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	349,828
Deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds. These deferred outflows of resources consist of pension related differences between projected and actual earnings on plan investments.	194,923
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.	(804,071)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Capital leases payable	(457,054)
Compensated absences payable	(458,552)
Accrued interest payable	(4,814)
Net pension liability	(3,107,063)
Deferred inflows of resources are not available to pay for current period expenditures and therefore are not reported in the funds. These deferred inflows of resources consist of pension related experience differences.	(319,253)
Net position of governmental activities	$ 21,928,192

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, 2015

	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 9,075,251	$ -	$ 513,056	$ 9,588,307
Licenses and permits	281,354	-	-	281,354
Intergovernmental	245,563	2,233,005	-	2,478,568
Fines and forfeitures	604,085	-	1,712	605,797
Charges for services	16,390	-	-	16,390
Interest revenue	25,063	40,462	10,125	75,650
Other revenues	157,127	-	231	157,358
Total revenues	10,404,833	2,273,467	525,124	13,203,424
Expenditures				
Current:				
General government	1,607,019	-	-	1,607,019
Judicial	206,345	-	-	206,345
Public safety	6,489,572	-	500	6,490,072
Public works	1,818,825	-	-	1,818,825
Culture and recreation	700,970	-	-	700,970
Housing and development	710,315	-	416,619	1,126,934
Debt service	-	233,957	-	233,957
Capital outlay	-	1,590,938	-	1,590,938
Total expenditures	11,533,046	1,824,895	417,119	13,775,060
Excess (deficiency) of revenues over expenditures	(1,128,213)	448,572	108,005	(571,636)

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Other financing sources				
Transfers in	$ 1,886,775	$ -	$ -	$ 1,886,775
Total other financing sources	1,886,775	-	-	1,886,775
Net change in fund balance	758,562	448,572	108,005	1,315,139
Fund balances, July 1	2,625,037	7,905,435	1,263,585	11,794,057
Fund balances, June 30	$ 3,383,599	$ 8,354,007	$ 1,371,590	$ 13,109,196

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, 2015

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	1,315,139
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 depreciation exceeded capital outlay in the current period.		
Capital outlay		1,432,095
Depreciation		(1,469,748)
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		223,209
Change in accrued interest payable		2,351
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(166,881)
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		(12,663)
Change in net pension liability and related deferred inflows and outflows of resources		548,741
Internal service funds are used by management to charge the costs of workers' compensation and related administrative costs to individual funds.		(72,001)
	$	1,800,242

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, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 3,046,000	$ 3,046,000	$ 3,239,314	$ 193,314
Sales tax	2,300,000	2,300,000	2,420,390	120,390
Other taxes	3,385,000	3,385,000	3,415,547	30,547
Licenses and permits	247,200	247,200	281,354	34,154
Intergovernmental	396,000	396,000	245,563	(150,437)
Charges for services	14,300	14,300	16,390	2,090
Fines and forfeitures	640,000	640,000	604,085	(35,915)
Interest revenue	30,000	30,000	25,063	(4,937)
Other revenue	184,000	184,000	157,127	(26,873)
Total revenues	10,242,500	10,242,500	10,404,833	162,333
Expenditures:				
Current:				
General government:				
Legislative	195,914	195,914	133,493	62,421
Executive	619,136	584,132	488,120	96,012
Elections	3,600	15,774	14,516	1,258
Finance	479,209	479,209	350,677	128,532
Legal	143,920	154,920	154,412	508
Human resources	169,805	169,805	143,300	26,505
General government buildings and grounds	170,680	170,680	139,071	31,609
General engineering	131,842	131,842	118,690	13,152
General administration fees	60,500	66,745	64,740	2,005
Total general government	1,974,606	1,969,021	1,607,019	362,002
Judicial:				
Municipal court	193,588	210,598	206,345	4,253
Total judicial	193,588	210,598	206,345	4,253

(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, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures (Continued):				
Current (Continued):				
Public safety:				
Police	$ 4,046,714	$ 4,029,704	$ 3,807,498	$ 222,206
Detention center	309,943	309,943	253,964	55,979
Police department buildings and grounds	209,400	209,400	141,903	67,497
Fire	2,394,786	2,394,786	2,261,083	133,703
Fire department buildings and grounds	41,200	41,200	25,124	16,076
Total public safety	7,002,043	6,985,033	6,489,572	495,461
Public works:				
Public works administration	241,551	241,551	211,295	30,256
Roadways and walkways	715,042	715,042	619,515	95,527
Storm drainage	39,000	39,000	30,442	8,558
Street lighting	360,000	365,585	365,582	3
Traffic engineering	53,000	53,000	10,308	42,692
Maintenance and shop	328,700	328,700	294,537	34,163
Cemetery	342,464	342,464	287,146	55,318
Total public works	2,079,757	2,085,342	1,818,825	266,517
Culture and recreation:				
Recreation	239,086	239,086	239,086	-
Parks	332,643	332,643	262,933	69,710
Twin Lakes Library	198,951	198,951	198,951	-
Total culture and recreation	770,680	770,680	700,970	69,710

(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, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures (Continued):				
Current (Continued):				
Housing and development				
Inspections	$ 97,696	$ 97,696	$ 84,230	$ 13,466
Planning and zoning	128,568	128,568	94,133	34,435
Mainstreet	245,097	224,182	188,104	36,078
Economic development	343,885	343,885	343,848	37
Total housing and development	815,246	794,331	710,315	84,016
Total expenditures	12,835,920	12,815,005	11,533,046	1,281,959
Deficiency of revenues over expenditures	(2,593,420)	(2,572,505)	(1,128,213)	1,444,292
Other financing sources:				
Transfers in	2,593,420	2,593,420	1,886,775	(706,645)
Total other financing sources	2,593,420	2,593,420	1,886,775	(706,645)
Net change in fund balance	-	20,915	758,562	737,647
Fund balances, July 1	2,625,037	2,625,037	2,625,037	-
Fund balances, June 30	$ 2,625,037	$ 2,645,952	$ 3,383,599	$ 737,647

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

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

ASSETS	Business-type Activities - Enterprise Funds: Water and Sewer Fund	Business-type Activities - Enterprise Funds: Solid Waste Fund	Business-type Activities - Enterprise Funds: Totals	Governmental Activities: Internal Service Fund
CURRENT ASSETS				
Cash	$ 7,485,918	$ 1,888,805	$ 9,374,723	$ 833,215
Investments	2,671,334	-	2,671,334	-
Accounts receivable	998,100	165,874	1,163,974	-
Due from other governments	203,964	-	203,964	-
Inventories	173,409	-	173,409	-
Restricted assets				
Cash	1,631,744	-	1,631,744	-
Investments	1,226,024	-	1,226,024	-
Total current assets	14,390,493	2,054,679	16,445,172	833,215
NONCURRENT ASSETS				
Capital assets				
Land	181,310	-	181,310	-
Buildings	21,298,180	-	21,298,180	-
Site improvements	179,841	-	179,841	-
Machinery and equipment	4,379,846	-	4,379,846	-
Infrastructure	26,244,797	-	26,244,797	-
Construction in progress	165,052	-	165,052	-
	52,449,026	-	52,449,026	-
Less accumulated depreciation	(20,038,921)	-	(20,038,921)	-
Total capital assets (net of accumulated depreciation)	32,410,105	-	32,410,105	-
Advance to other funds	961,973	-	961,973	-
Total assets	47,762,571	2,054,679	49,817,250	833,215
DEFERRED OUTFLOWS OF RESOURCES				
Pension investment return	66,755	5,340	72,095	-
Total deferred outflows of resources	66,755	5,340	72,095	-

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

LIABILITIES	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
CURRENT LIABILITIES				
Payable from current assets:				
Accounts payable	$ 135,384	$ 104,519	$ 239,903	$ 15,278
Compensated absences payable - current	64,887	4,870	69,757	-
Claims payable - current	-	-	-	39,206
Accrued liabilities	66,305	6,623	72,928	-
Current maturities of notes payable	20,978	-	20,978	-
	287,554	116,012	403,566	54,484
Payable from restricted assets:				
Current portion of revenue bonds	835,000	-	835,000	-
Accrued interest	35,050	-	35,050	-
Deposits	353,950	-	353,950	-
	1,224,000	-	1,224,000	-
Total current liabilities	1,511,554	116,012	1,627,566	54,484
NONCURRENT LIABILITIES				
Advance from other funds	-	-	-	961,973
Compensated absences (net of current portion)	97,332	7,306	104,638	-
Claims payable (net of current portion)	-	-	-	814,081
Revenue bonds payable (net of current portion)	6,300,379	-	6,300,379	-
Notes payable (net of current portion)	260,326	-	260,326	-
Net pension liability	1,064,063	85,125	1,149,188	-
Total noncurrent liabilities	7,722,100	92,431	7,814,531	1,776,054
Total liabilities	9,233,654	208,443	9,442,097	1,830,538

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Business-type Activities - Enterprise Funds			Governmental Activities
DEFERRED INFLOWS OF RESOURCES	**Water and Sewer Fund**	**Solid Waste Fund**	**Totals**	**Internal Service Fund**
Pension experience differences	$ 109,333	$ 8,747	$ 118,080	$ -
Total deferred inflows of resources	109,333	8,747	118,080	-
NET POSITION				
Net investment in capital assets	24,993,422	-	24,993,422	-
Restricted for debt service	2,857,768	-	2,857,768	-
Unrestricted	10,635,149	1,842,829	12,477,978	(997,323)
Total net position	$ 38,486,339	$ 1,842,829	$ 40,329,168	$ (997,323)
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds			(193,252)	
Net position of business-type activities			$ 40,135,916	

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, 2015

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
Operating revenues:				
Water sales	$ 3,508,985	$ -	$ 3,508,985	$ -
Sewer sales	3,706,849	-	3,706,849	-
Sanitation fees	-	1,922,922	1,922,922	-
Tap fees	61,944	-	61,944	-
Late charges	135,915	-	135,915	-
Activation fees	45,575	-	45,575	-
Charges for services	-	-	-	103,350
Miscellaneous charges	610,009	-	610,009	4,987
Total operating revenues	8,069,277	1,922,922	9,992,199	108,337
Operating expenses:				
Water administration	82,712	-	82,712	-
Wastewater administration	98,785	-	98,785	-
Sanitary sewer maintenance	367,571	-	367,571	-
Sewer plants and lift station	1,525,075	-	1,525,075	-
Lamar Hamm Water Treatment Plant	1,121,982	-	1,121,982	-
James Baugh Water Treatment Plant	369,180	-	369,180	-
Distribution	728,635	-	728,635	-
Water meter	532,956	-	532,956	-
Solid waste collection	-	1,395,952	1,395,952	-
Yard trimmings collection and management	-	338,514	338,514	-
Insurance claims	-	-	-	246,246
Depreciation	1,332,998	-	1,332,998	-
Total operating expenses	6,159,894	1,734,466	7,894,360	246,246
Operating income (loss)	1,909,383	188,456	2,097,839	(137,909)

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
Non-operating revenues (expenses):				
Interest revenue	$ 93,658	$ -	$ 93,658	$ 9,004
Interest and fiscal charges	(422,139)	-	(422,139)	-
Net decrease in fair value of investments	(53,913)	-	(53,913)	-
Total non-operating revenues (expenses)	(382,394)	-	(382,394)	9,004
Income (loss) before contributions and transfers	1,526,989	188,456	1,715,445	(128,905)
Capital contributions	6,418,433	-	6,418,433	-
Transfers out	(1,886,775)	-	(1,886,775)	-
Change in net position	6,058,647	188,456	6,247,103	(128,905)
Net position, July 1, as restated	32,427,692	1,654,373	34,082,065	(868,418)
Net position, June 30	$ 38,486,339	$ 1,842,829	$ 40,329,168	$ (997,323)

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)	$ 6,247,103
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds	(56,904)
Change in net position of business-type activities	$ 6,190,199

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, 2015

	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	$ 7,878,377	$ 1,969,049	$ 9,847,426	$ -
Receipts from interfund providers	-	-	-	108,337
Payments to suppliers and service providers	(3,071,959)	(1,558,977)	(4,630,936)	(359,540)
Payments to employees	(1,938,006)	(177,171)	(2,115,177)	-
Net cash provided by (used in) operating activities	2,868,412	232,901	3,101,313	(251,203)
CASH FLOWS FROM INVESTING ACTIVITIES				
Maturities of investments	2,136,777	-	2,136,777	998,126
Interest on investments	93,658	-	93,658	9,004
Net cash provided by investing activities	2,230,435	-	2,230,435	1,007,130
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Change in interfund balances	1,010,389	-	1,010,389	(1,038,027)
Transfer to other funds	(1,886,775)	-	(1,886,775)	-
Net cash used in noncapital financing activities	(876,386)	-	(876,386)	(1,038,027)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(185,186)	-	(185,186)	-
Interest and fiscal charges paid	(459,059)	-	(459,059)	-
Principal payments on long-term borrowings	(810,359)	-	(810,359)	-
Net cash used in capital and related financing activities	(1,454,604)	-	(1,454,604)	-
Increase (decrease) in cash	2,767,857	232,901	3,000,758	(282,100)
Cash, July 1	6,349,805	1,655,904	8,005,709	1,115,315
Cash, June 30	$ 9,117,662	$ 1,888,805	$ 11,006,467	$ 833,215

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
Classified as:				
Cash	$ 7,485,918	$ 1,888,805	$ 9,374,723	$ 833,215
Restricted assets, cash	1,631,744	-	1,631,744	-
	$ 9,117,662	$ 1,888,805	$ 11,006,467	$ 833,215
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	$ 1,909,383	$ 188,456	$ 2,097,839	$ (137,909)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,332,998	-	1,332,998	-
Changes in assets and liabilities:				
Decrease in accounts receivable	1,389	46,127	47,516	-
Decrease in due from other funds	-	11,074	11,074	-
Increase in due from other governments	(203,964)	-	(203,964)	-
Decrease in inventories	12,214	-	12,214	-
Increase in deferred outflows of resources	(66,755)	(5,340)	(72,095)	-
Decrease in claims payable	-	-	-	(114,418)
Increase (decrease) in accounts payable	(13,608)	3,533	(10,075)	1,124
Increase in accrued wages payable	3,788	1,205	4,993	-
Increase (decrease) in compensated absences payable	2,463	(56)	2,407	-
Decrease in due to other funds	-	(2,405)	(2,405)	-
Increase (decrease) in customer deposits	11,675	(9,109)	2,566	-
Decrease in net pension liability	(113,867)	(584)	(114,451)	-
Decrease in deferred inflows of resources	(7,304)	-	(7,304)	-
Net cash provided by (used in) operating activities	$ 2,868,412	$ 232,901	$ 3,101,313	$ (251,203)

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
Noncash investing, capital, and financing activities:				
Contributions of capital assets from State of Georgia	$ 6,300,000	$ -	$ 6,300,000	$ -
Contributions of capital assets from SPLOST Fund	118,433	-	118,433	-
Increase in fair value of investments	53,913	-	53,913	-
	$ 6,472,346	$ -	$ 6,472,346	$ -

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

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	Pension Trust Fund	Agency Fund School Fund
ASSETS		
Cash and cash equivalents	$ 635,676	$ 18,205
Investments		
U.S. government agencies	121	-
Mutual bond funds	8,481,935	-
Mutual equity funds	6,674,532	-
Taxes receivable	-	39,426
Total assets	15,792,264	57,631
LIABILITIES		
Accounts payable	130,128	-
Due to others	-	18,205
Uncollected taxes	-	39,426
Total liabilities	130,128	57,631
NET POSITION		
Net position - restricted for pension benefits	$ 15,662,136	$ -

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, 2015

ADDITIONS		
Contributions - employer	$	1,460,385
Investment income		
Net appreciation in fair value of investments		342,467
Investment income		352,101
Total additions		2,154,953
DEDUCTIONS		
Benefits		598,796
Administrative expense		101,692
Total deductions		700,488
Net increase		1,454,465
Net position, July 1		14,207,671
Net position, June 30	$	15,662,136

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 Local 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 Local 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 consider 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). The investment in the Georgia Fund 1, created by OCGA 36-83-8, represents the City's portion of a pooled investment account operated by the Office of the State Treasurer. The pool consists of U.S. treasury obligations, securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities, banker's acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The investment in the Georgia Fund 1 is valued at fair market 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, 2015, 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, 2015.

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

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 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, 2015 with the exception of the pension items discussed below.

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 in addition to the pension items discussed below. This item arises only under the 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 grants and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

The City also has deferred inflows and outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period.

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:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

- ***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.

- ***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 both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the 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 comments.

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 10, 2014 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 Community Home Improvement Program (CHIP) Fund had a fund balance deficit of $44, 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 $997,323 at June 30, 2015. 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, 2015, 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, 2015:

As reported in the financial statements		
Cash and cash equivalents	$	18,782,144
Investments		6,395,242
Restricted assets, cash		1,631,744
Restricted assets, investments		1,226,024
Cash and cash equivalents - Pension Trust Fund		635,676
Investments - Pension Trust Fund		15,156,588
Cash - Agency Fund		18,205
	$	43,845,623
Cash deposited with financial institutions	$	19,180,993
Georgia Fund 1		101,038
Certificates of deposit		6,480,910
Mutual equity funds		6,674,532
Mutual U.S. treasury fund		1,415,885
Insurance annuities		284,185
Mutual bond funds		8,481,935
U.S. government agency obligations		121
U.S. treasury bonds		1,226,024
	$	43,845,623

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, 2015, the City's investments, categorized by credit risk and interest rate risk, were as follows:

		Investment Maturities (in Years)				
Investment Type	**Fair Value**	**Less than 1**	**1 - 5**	**6 - 10**	**11 - 15**	**Rating**
Government agencies	$ 121	$ -	$ 121	$ -	$ -	AAA
Government bonds	1,226,024	-	-	1,226,024	-	AAA
Mutual equity funds	8,481,935	-	-	-	-	N/A
Mutual bond funds	6,674,532	-	6,674,532	-	-	N/A
Insurance annuities	284,185	-	-	-	-	N/A
Other mutual funds	1,415,885	-	-	-	-	N/A
Certificates of deposit	6,480,910	-	6,480,910	-	-	N/A
Georgia Fund 1	101,038	101,038	-	-	-	AAAf
Total fair value	$ 24,664,630	$ 101,038	$ 13,155,563	$ 1,226,024	$ -	

Investments of the component units are certificates of deposit totaling $41,080 with maturities ranging from November 2015 through February 2016. 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 $53,913, which is reflected in the Water and Sewer Fund and an unrealized gain of $342,467, 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 assets: Pimco Funds Pacific Investment Management Fund and Pimco Funds Income Fund Institutional Class.

NOTE 4. RECEIVABLES

Receivables consisted of the following at June 30, 2015:

	General	Water and Sewer	Solid Waste	Other Governmental	Total
Receivables:					
Taxes	$ 324,268	$ -	$ -	$ 47,431	$ 371,699
Accounts	82,302	1,089,417	179,928	-	1,351,647
Gross receivables	406,570	1,089,417	179,928	47,431	1,723,346
Less allowance for uncollectibles	(83,086)	(91,317)	(14,054)	-	(188,457)
Net total receivables	$ 323,484	$ 998,100	$ 165,874	$ 47,431	$ 1,534,889

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 15, 2014, and payable on or before December 16, 2014. Penalties were assessed on unpaid balances as of December 19, 2014 and interest began accruing on unpaid balances on December 22, 2014. The City bills and collects its own property taxes. Property taxes for 2014 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the fiscal year ended June 30, 2015 and expected to be collected by August 31, 2015, are recognized as revenues in fiscal year 2015. Net receivables estimated to be collectible subsequent to August 31, 2015, 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, 2015, is as follows:

	Balance July 1, 2014	Increases	Decreases	Transfers	Balance June 30, 2015
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 2,468,098	$ -	$ -	$ -	$ 2,468,098
Construction in progress	646,657	-	-	-	646,657
Total	3,114,755	-	-	-	3,114,755
Capital assets, being depreciated:					
Buildings	5,146,154	-	-	-	5,146,154
Land improvements	147,814	-	-	-	147,814
Infrastructure	23,817,244	1,096,314	-	-	24,913,558
Machinery and equipment	8,160,168	335,781	-	-	8,495,949
Total	37,271,380	1,432,095	-	-	38,703,475
Less accumulated depreciation for:					
Buildings	2,562,858	155,836	-	-	2,718,694
Land improvements	102,520	7,145	-	-	109,665
Infrastructure	17,921,944	587,704	-	-	18,509,648
Machinery and equipment	6,336,108	719,063	-	-	7,055,171
Total	26,923,430	1,469,748	-	-	28,393,178
Total assets, being depreciated, net	10,347,950	(37,653)	-	-	10,310,297
Governmental activities capital assets, net	$ 13,462,705	$ (37,653)	$ -	$ -	$ 13,425,052

NOTE 5. CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2014	Increases	Decreases	Transfers	Balance June 30, 2015
Business-type activities					
Capital assets, not being depreciated:					
Land	$ 181,310	$ -	$ -	$ -	$ 181,310
Construction in progress	132,520	32,532	-	-	165,052
Total	313,830	32,532	-	-	346,362
Capital assets, being depreciated:					
Buildings	21,259,086	39,094	-	-	21,298,180
Land improvements	163,750	16,091	-	-	179,841
Infrastructure	19,940,946	6,303,851	-	-	26,244,797
Machinery and equipment	4,167,795	212,051	-	-	4,379,846
Total	45,531,577	6,571,087	-	-	52,102,664
Less accumulated depreciation for:					
Buildings	7,436,871	244,314	-	-	7,681,185
Land improvements	71,712	12,181	-	-	83,893
Infrastructure	8,557,985	757,390	-	-	9,315,375
Machinery and equipment	2,639,355	319,113	-	-	2,958,468
Total	18,705,923	1,332,998	-	-	20,038,921
Total assets, being depreciated, net	26,825,654	5,238,089	-	-	32,063,743
Business-type activities capital assets, net	$ 27,139,484	$ 5,270,621	$ -	$ -	$ 32,410,105

Included in increases above is $118,433 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	$ 293,950
Judicial	14,697
Public safety	470,319
Public works	690,782
Total depreciation expense - governmental activities	$ 1,469,748
Business-type activities:	
Water and sewer	$ 1,332,998
Total depreciation expense - business-type activities	$ 1,332,998

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, 2015 excluding the bond premium of $125,379 are as follows:

Purpose	Interest Rates	Terms	Due Date	Amount
Water & Sewer Improvements	3.60% - 6.00%	25 years	2021	$ 7,010,000

Revenue bonds debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	1,055,000	169,650	1,224,650
2021-2022	2,300,000	140,050	2,440,050
	$ 7,010,000	$ 1,569,550	$ 8,579,550

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, 2015:

Original Amount	Interest Rate	Term	Due Date	Outstanding Balance
$ 351,518	3.00%	15 years	2026	$ 281,304

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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	23,649	5,481	29,130
2021-2025	129,483	16,168	145,651
2026-2027	40,353	915	41,268
	$ 281,304	$ 51,266	$ 332,570

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, 2015:

	Governmental Activities
Machinery and equipment	$ 1,170,000
Less: Accumulated depreciation	(468,000)
	$ 702,000

Current year depreciation 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,	
2016	$ 233,957
2017	233,957
Total minimum lease payments	467,914
Less amount representing interest	(10,860)
Present value of minimum lease payments	$ 457,054

NOTE 6. LONG-TERM DEBT (CONTINUED)

Long-term liability activity for the year ended June 30, 2015, is as follows:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due within One year
Governmental activities					
Capital lease	$ 680,263	$ -	$ 223,209	$ 457,054	$ 226,736
Compensated absences	445,889	360,408	347,745	458,552	183,421
Net pension liability	3,439,555	-	332,492	3,107,063	-
Claims payable	967,705	173,290	287,708	853,287	85,239
Long-term liabilities	$ 5,533,412	$ 533,698	$ 1,191,154	$ 4,875,956	$ 495,396
Business-type activities					
Revenue bonds payable	$ 7,800,000	$ -	$ 790,000	$ 7,010,000	$ 835,000
Add deferred amounts for bond premium	156,148	-	30,769	125,379	-
Total bonds payable	7,956,148	-	820,769	7,135,379	835,000
Notes payable	301,663	-	20,359	281,304	20,978
Net pension liability	1,272,164	-	122,976	1,149,188	-
Compensated absences	171,988	117,765	115,358	174,395	69,757
Long-term liabilities	$ 9,701,963	$ 117,765	$ 1,079,462	$ 8,740,266	$ 925,735

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 and the net pension liability are liquidated by the General Fund. For business-type activities, compensated absences and the net pension liability 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, 2015, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	SPLOST Fund	$ 25,288

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.

Additionally, at June 30, 2015, the City's Water and Sewer Fund has advanced the Internal Service Fund $961,973 anticipated to be reduced by interfund charges.

Transfers to	Transfers from	Amount
General Fund	Water and Sewer Fund	$ 1,886,775

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 provides retirement, disability, and death benefits to plan members and beneficiaries. 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. The Plan does not issue separate financial statements.

Benefit provisions are established by City ordinance, which also 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 Plan is administered by a board of trustees, which includes the Mayor, Finance Director, Personnel Director and two Council members.

Plan Membership. At July 1, 2014, the date of the most recent actuarial valuation, there were 303 participants consisting of:

Retirees and beneficiaries currently receiving benefits	81
Vested terminated employees not yet receiving benefits	38
Active employees	184
Total	303

Benefits Provided. The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. Retirement benefits for general plan members are calculated as the sum of 1.6% of the final average compensation, multiplied by years of service and .5% of the final average compensation in excess of $10,000, multiplied by years of service (with a maximum of 35 years). Normal retirement is age 62. General members are eligible for early retirement at age 52 with 10 years of service. Elected and appointed members of the governing authority and municipal legal officers receive $40, multiplied by years of service. If death occurs after meeting the requirements for Normal or Early retirement, a pension is payable for life, beginning immediately. The amount of the benefit is equivalent to the lump sum present value of the participant's accrued benefit as of the date of death. If an active participant becomes disabled during the course of his employment, the participant is entitled to receive a monthly benefit equal to his normal retirement benefit beginning at age 62.

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Description (Continued)

Contributions. A 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, 2015, the City's contribution rate was 22.36% of annual covered payroll.

Net Pension Liability of the City

Effective July 1, 2014, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27,* as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68,* which significantly changed the City's accounting for pension amounts. The information disclosed below is presented in accordance with this new standard.

The City's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	None
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)

Actuarial Assumptions (Continued). The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are: Equity Securities – 8.85%, Fixed Income Securities – 5.06% and Cash – 1.00%.

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.

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the year ended June 30, 2015, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2014	$ 19,385,936	$ 14,207,671	$ 5,178,265
Changes for the year:			
Service cost	273,435	-	273,435
Interest	1,324,357	-	1,324,357
Differences between expected and actual experience	(466,536)	-	(466,536)
Contributions—employer	-	1,460,385	(1,460,385)
Net investment income	-	694,567	(694,567)
Benefit payments, including refunds of employee contributions	(598,796)	(598,796)	-
Administrative expense	-	(101,682)	101,682
Net changes	532,460	1,454,474	(922,014)
Balances at June 30, 2015	$ 19,918,396	$ 15,662,145	$ 4,256,251

The Plan's fiduciary net position as a percentage of the total pension liability 78.63%

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.

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

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	$ 6,576,040	$ 4,256,251	$ 1,668,775

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, 2015 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the City recognized pension expense of $708,685. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 437,333
Net difference between projected and actual earnings on pension plan investments	267,018	-
Total	$ 267,018	$ 437,333

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Expense and Deferred Inflows of Resources Related to Pensions (Continued)

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

Year Ended June 30:	
2016	$ 37,541
2017	37,541
2018	37,541
2019	37,539
2020	(29,214)
Thereafter	(291,263)
Total	$ (170,315)

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS

Employees who retire with at least 10 years of employment and who are at least 52 years of age have the option of continuing their life insurance plan. The City will pay 100% of the monthly premium until such time as the retiree expires. The amounts associated with the plan are immaterial to the financial statements, and accordingly, the City has elected not to implement Governmental Accounting Standards Board Statement 43, *Financial Reporting for Postretirement Benefit Plans Other Than Pension Plans.*

NOTE 10. 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, 2015	June 30, 2014
Unpaid claims, beginning of year	$ 967,705	$ 546,202
Incurred claims and changes in estimate	173,290	704,980
Claim payments	(287,708)	(283,477)
Unpaid claims, end of year	$ 853,287	$ 967,705

NOTE 11. OPERATING LEASE

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

Fiscal Year Ending June 30,	
2016	$ 8,161
2017	5,569
2018	2,635
2019	1,032
	$ 17,397

Governmental activities rent expense for the fiscal year ended June 30, 2015 was $8,161.

NOTE 12. 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 13. HOTEL/MOTEL LODGING TAX

The City has levied an 8% lodging tax. A summary of the transactions for the fiscal year ending June 30, 2015, are as follows:

Balance of lodging tax funds on hand at July 1, 2014	$	325,935
Lodging tax receipts		513,056
Disbursements to Convention and Visitors Bureau		(414,454)
Balance of lodging tax funds on hand at June 30, 2015	$	424,537

NOTE 14. 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 15. 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, 2015, the City paid $21,341 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality in the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

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

NOTE 16. CHANGES IN ACCOUNTING PRINCIPLES

The City has determined that a restatement to the July 1, 2014 beginning net position was required to recognize the change in accounting principle for implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014, through which accounting for pension plans and the related disclosure requirements were modified. This adjustment resulted in a change to the beginning net position of the City as follows:

	Governmental Activities	Business-type Activities
Beginning net position, July 1, 2014, as previously reported	$ 25,572,848	$ 35,343,849
Change in accounting principle due to the implementation of GASB Statement No. 68	(5,444,898)	(1,398,132)
Beginning net position, July 1, 2014, as restated	$ 20,127,950	$ 33,945,717

	Water and Sewer Fund	Solid Waste Fund	Total
Beginning net position, July 1, 2014, as previously reported	$ 33,722,259	$ 1,757,938	$ 35,480,197
Change in accounting principle due to the implementation of GASB Statement No. 68	(1,294,567)	(103,565)	(1,398,132)
Beginning net position, July 1, 2014, as restated	$ 32,427,692	$ 1,654,373	$ 34,082,065

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MILLEDGEVILLE, GEORGIA

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

	June 30, 2015	June 30, 2014
Total Pension Liability		
Service cost	$ 273,435	$ 286,087
Interest on total pension liability	1,324,357	1,286,529
Differences between expected and actual experience	(466,536)	-
Benefit payments	(598,796)	(559,165)
Net change in total pension liability	532,460	1,013,451
Total pension liability - beginning	19,385,936	18,372,485
Total pension liability - ending	$ **19,918,396**	$ **19,385,936**
Plan fiduciary net position		
Contributions - employer	$ 1,460,385	$ 1,577,454
Net investment income	694,567	1,843,724
Benefit payments	(598,796)	(548,099)
Administrative expenses	(101,682)	(70,161)
Net change in plan fiduciary net position	1,454,474	2,802,918
Plan fiduciary net position - beginning	14,207,671	11,404,753
Plan fiduciary net position - ending	$ **15,662,145**	$ **14,207,671**
Net pension liability - ending	$ **4,256,251**	$ **5,178,265**
Plan fiduciary net position as a percentage of total pension liability		
Covered employee payroll	$ 6,531,022	$ 6,350,000
Net pension liability as a percentage of covered employee payroll	65.17%	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, 2015	June 30, 2014
Actuarially determined contribution	$ 867,486	$ 1,014,005
Contribution in relation to the actuarially determined contribution	1,460,385	1,569,685
Contribution deficiency (excess)	$ (592,899)	$ (555,680)
Covered employee payroll	$ 6,531,022	$ 6,350,000
Contributions as a percentage of covered employee payroll	22.36%	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, 2015	June 30, 2014
Annual money-weighted rate of return, net of investment expenses for the City of Milledgeville's pension plan.	7.00%	7.00%

Note to the Schedule:

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

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, 2015

	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	$ 452,743	$ 100	$ 511,770	$ 18,559	$ -	$ 983,172
Taxes receivable	47,431	-	-	-	-	47,431
Note receivable	-	-	416,668	-	-	416,668
Total assets	$ 500,174	$ 100	$ 928,438	$ 18,559	$ -	$ 1,447,271
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 75,637	$ -	$ -	$ -	$ 44	$ 75,681
Total liabilities	75,637	-	-	-	44	75,681
FUND BALANCES						
Nonspendable	-	-	416,668	-	-	416,668
Restricted for health and welfare programs	-	100	-	-	-	100
Restricted for housing and development programs	-	-	511,770	-	-	511,770
Restricted for promotion of tourism	424,537	-	-	-	-	424,537
Restricted for public safety programs	-	-	-	18,559	-	18,559
Unassigned (deficit)	-	-	-	-	(44)	(44)
Total fund balances (deficits)	424,537	100	928,438	18,559	(44)	1,371,590
Total liabilities and fund balances	$ 500,174	$ 100	$ 928,438	$ 18,559	$ -	$ 1,447,271

CITY OF MILLEDGEVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	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	$ 513,056	$ -	$ -	$ -	$ -	$ 513,056
Fines and forfeitures	-	-	-	1,712	-	1,712
Interest revenue	-	-	10,105	20	-	10,125
Other revenues	-	131	-	-	100	231
Total revenues	513,056	131	10,105	1,732	100	525,124
Expenditures:						
Current:						
Public safety	-	-	-	500	-	500
Housing and development	414,454	-	2,165	-	-	416,619
Total expenditures	414,454	-	2,165	500	-	417,119
Net change in fund balances	98,602	131	7,940	1,232	100	108,005
Fund balances (deficits), July 1	325,935	(31)	920,498	17,327	(144)	1,263,585
Fund balances (deficits), June 30	$ 424,537	$ 100	$ 928,438	$ 18,559	$ (44)	$ 1,371,590

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, 2015

	Original and Final Budget	Actual	Variance with Final Budget
Revenues, taxes	$ 435,000	$ 513,056	$ 78,056
Expenditures, housing and development	435,000	414,454	20,546
Net change in fund balances	-	98,602	98,602
Fund balances, July 1	325,935	325,935	-
Fund balances, June 30	$ 325,935	$ 424,537	$ 98,602

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, 2015

	Original and Final Budget	Actual	Variance with Final Budget
Revenues, other revenues	$ -	$ 131	$ 131
Expenditures, general government	-	-	-
Net change in fund balances	-	131	131
Fund balances (deficits), July 1	(31)	(31)	-
Fund balances (deficits), June 30	$ (31)	$ 100	$ 131

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, 2015

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	$ 65,000	$ -	$ (65,000)
Interest revenue	9,000	10,105	1,105
Total revenues	74,000	10,105	(63,895)
Expenditures, housing and development	74,000	2,165	71,835
Net change in fund balances	-	7,940	7,940
Fund balances, July 1	920,498	920,498	-
Fund balances, June 30	$ 920,498	$ 928,438	$ 7,940

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, 2015

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and forfeitures	$ 5,050	$ 1,712	$ (3,338)
Interest revenue	-	20	20
Total revenues	5,050	1,732	(3,318)
Expenditures, public safety	5,050	500	4,550
Net change in fund balances	-	1,232	1,232
Fund balances, July 1	17,327	17,327	-
Fund balances, June 30	$ 17,327	$ 18,559	$ 1,232

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, 2015

	Original and Final Budget	Actual	Variance with Final Budget
Revenues, other revenues	$ -	$ 100	$ 100
Expenditures, housing and development	-	-	-
Net change in fund balances	-	100	100
Fund balances, July 1	(144)	(144)	-
Fund balances, June 30	$ (144)	$ (44)	$ 100

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, 2015

	School Fund
ASSETS	
Cash	$ 18,205
Taxes receivable	39,426
Total assets	$ 57,631
LIABILITIES	
Due to others	$ 18,205
Uncollected taxes	39,426
Total liabilities	$ 57,631

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

School Fund	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
Cash	$ 20,327	$ 397,289	$ 399,411	$ 18,205
Taxes receivable	48,053	398,251	406,878	39,426
Total assets	$ 68,380	$ 795,540	$ 806,289	$ 57,631
Due to others	$ 20,327	$ 397,289	$ 399,411	$ 18,205
Uncollected taxes	48,053	398,251	406,878	39,426
Total liabilities	$ 68,380	$ 795,540	$ 806,289	$ 57,631

COMPONENT UNITS

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - MILLEDGEVILLE-BALDWIN COUNTY ALLIED ARTS
JUNE 30, 2015

ASSETS	
Cash	$ 120,735
Investments	25,639
Total assets	$ 146,374
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accrued liabilities	$ 3,880
Total liabilities	3,880
FUND BALANCE	
Unassigned	142,494
Total liabilities and fund balance	$ 146,374

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, 2015

Revenues		
Intergovernmental	$	166,000
Interest revenue		285
Other revenues		32,157
Total revenues		198,442
Expenditures, culture and recreation		205,358
Net change in fund balance		(6,916)
Fund balance, July 1		149,410
Fund balance, June 30	$	142,494

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2015

ASSETS		
Cash	$	154,728
Investments		15,441
Accounts receivable		2,780
Note receivable		38,779
Total assets	$	211,728
FUND BALANCE		
Nonspendable, note receivable	$	38,779
Unassigned		172,949
Total fund balance	$	211,728

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, 2015

Revenues		
Other revenues		
MainStreet/DDA	$	52,895
Deep Roots festival		149,490
Sounds of the South event		18,039
BOOST revenues		3,300
Interest revenue		2,941
Total revenues		226,665
Expenditures, community development		177,484
Net change in fund balance		49,181
Fund balance, July 1		162,547
Fund balance, June 30	$	211,728

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - CENTRAL STATE HOSPITAL LOCAL REDEVELOPMENT AUTHORITY
JUNE 30, 2015

ASSETS	
Cash	$ 34,178
Total assets	$ 34,178
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	$ 4,000
Accrued liabilities	2,459
Total liabilities	$ 6,459
FUND BALANCE	
Unassigned	27,719
Total liabilities and fund balance	$ 34,178

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, 2015

Revenues		
Intergovernmental	$	223,192
Other revenues		1,556
Total revenues		224,748
Expenditures, community development		239,982
Net change in fund balance		(15,234)
Fund balance, July 1		42,953
Fund balance, June 30	$	27,719

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 ..... **91 - 96**

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 ..... **97 - 103**

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

Debt Capacity ..... **104 - 108**

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 ..... **109 and 110**

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 ..... **111 - 113**

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.

CITY OF MILLEDGEVILLE, GEORGIA

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Net investment in capital assets	$ 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	$ 12,967,998
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	9,374,506
Unrestricted	(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	(425,188)
Total governmental activities net position	$ 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	$ 21,917,316
Business-type activities:										
Net investment in capital assets	$ 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	$ 24,993,422
Restricted	485,662	474,415	522,712	1,752,286	1,887,114	2,587,344	2,860,657	2,774,745	2,808,746	2,857,768
Unrestricted	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	12,284,726
Total business-type activities net position	$ 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	$ 40,135,916
Primary government:										
Net investment in capital assets	$ 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	$ 37,961,420
Restricted	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	12,232,274
Unrestricted	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	11,859,538
Total primary government net position	$ 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	$ 62,053,232

CITY OF MILLEDGEVILLE, GEORGIA

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

	Fiscal Year									
	2006	2007	2008	2009 (1)	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	$ 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	$ 1,852,823
Judicial	138,253	144,191	146,822	157,986	150,767	160,324	146,991	182,533	(166,137)	208,742
Public safety	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	6,640,146
Public works	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	2,507,855
Culture and recreation	899,585	1,006,164	990,400	888,255	916,789	753,213	791,132	717,454	685,882	688,462
Housing and development	723,575	798,266	896,363	820,562	1,027,572	1,135,550	958,338	762,757	1,187,907	1,103,247
Interest on long-term debt	762	-	-	-	-	-	-	9,480	11,905	8,397
Total governmental activities	9,570,558	11,282,547	11,145,583	11,963,517	13,030,762	12,596,327	8,480,355	12,623,605	13,184,495	13,009,672
Business-type activities:										
Water and sewer	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	6,582,033
Solid waste	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	1,734,466
Total business-type activities	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	8,316,499
Total primary government	$ 16,240,660	$ 18,273,150	$ 18,491,897	$ 19,564,322	$ 20,713,725	$ 20,120,149	$ 16,145,398	$ 20,701,920	$ 21,365,970	$ 21,326,171
Program revenues										
Governmental activities:										
Charges for services:										
General government	$ 339,402	$ 288,359	$ 360,551	276,769	325,864	323,490	$ 450,552	$ 423,925	$ 555,219	$ 454,871
Public safety	615,218	619,075	695,843	609,284	703,910	623,963	476,043	-	-	-
Public works	-	-	-	-	-	-	-	623,061	688,920	605,797
Other activities	2,362	2,567	2,838	2,962	553	-	-	-	-	-
Operating grants and contributions	62,420	73,463	81,578	58,876	63,744	290,553	34,005	173,327	188,074	203,794
Capital grants and contributions	653,838	432,839	51,118	1,710,191	2,869,600	2,382,085	2,499,914	2,767,155	2,377,722	2,279,054
Total governmental activities	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	3,543,516
Business-type activities:										
Charges for services:										
Water and sewer	$ 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	$ 8,008,398
Solid waste	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	1,922,922
Capital grants and contributions	1,266,640	324,771	75,366	207,652	2,029,935	32,377	9,931,320	-	-	6,300,000
Total business-type activities	9,312,359	8,469,065	9,251,645	9,759,638	10,965,095	9,165,593	19,341,447	9,260,718	9,100,712	16,231,320
Total primary government	$ 10,985,599	$ 9,885,368	$ 10,443,573	$ 12,417,720	$ 14,928,766	$ 12,785,684	$ 22,801,961	$ 13,248,186	$ 12,910,647	$ 19,774,836
Net (expense)/revenue										
Governmental activities	$ (7,897,318)	$ (9,866,244)	$ (9,953,655)	$ (9,305,435)	$ (9,067,091)	$ (8,976,237)	$ (5,019,841)	$ (8,636,137)	$ (9,374,560)	$ (9,466,156)
Business-type activities	2,642,257	1,478,462	1,905,331	2,158,833	3,282,132	1,641,771	11,676,404	1,182,403	919,237	7,914,821
Total primary government net expense	$ (5,255,061)	$ (8,387,782)	$ (8,048,324)	$ (7,146,602)	$ (5,784,959)	$ (7,334,466)	$ 6,656,563	$ (7,453,734)	$ (8,455,323)	$ (1,551,335)

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

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

	Fiscal Year									
	2006	2007	2008	2009 (1)	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 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	$ 3,108,846
Sales taxes	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	2,420,390
Hotel/motel taxes	253,303	262,255	282,549	262,328	365,766	461,852	468,985	429,068	517,620	513,056
Franchise taxes	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	1,288,061
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	991,321
Alcoholic beverage taxes	-	-	-	507,557	459,052	497,143	471,834	442,809	442,809	446,363
Business and occupation taxes	-	-	-	568,177	626,357	561,109	562,008	580,395	580,395	594,765
Other taxes	1,021,223	1,078,493	1,075,530	46,779	116,819	108,996	55,023	72,509	179,624	95,037
Unrestricted investment earnings	120,737	404,965	422,827	143,965	94,254	122,072	92,635	62,492	36,721	40,217
Transfers	(803,536)	(77,217)	(607,877)	1,378,682	923,307	(387,127)	(703,115)	(466,569)	1,700,522	1,768,342
Total governmental activities	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	11,266,398
General Revenues and Other Changes in Net Position										
Business-type activities:										
Unrestricted investment earnings	(48,225)	240,408	324,590	171,525	230,951	97,346	260,807	(81,966)	197,865	43,720
Transfers	803,536	77,217	607,877	(1,378,682)	(923,307)	387,127	703,115	466,569	(1,700,522)	(1,768,342)
Total business-type activities	755,311	317,625	932,467	(1,207,157)	(692,356)	484,473	963,922	384,603	(1,502,657)	(1,724,622)
Total primary government	$ 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	$ 9,541,776
Change in Net Position										
Governmental activities	$ 1,482,782	$ 1,132,754	$ 667,033	$ 1,174,809	$ 1,231,737	$ 18,516	$ 3,459,854	$ (196,394)	$ 1,765,940	$ 1,800,242
Business-type activities	3,397,568	1,796,087	2,837,798	951,676	2,589,776	2,126,244	12,640,326	1,567,006	(583,420)	6,190,199
Total primary government	$ 4,880,350	$ 2,928,841	$ 3,504,831	$ 2,126,485	$ 3,821,513	$ 2,144,760	$ 16,100,180	$ 1,370,612	$ 1,182,520	$ 7,990,441

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

CITY OF MILLEDGEVILLE, GEORGIA

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

Year	Property Tax	Sales Tax (2)	Other Taxes (1)	Alcoholic Beverage Taxes (1)	Business and Occupation Taxes (1)	Franchise Tax	Insurance Premium Tax	Total
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
2015	3,108,846	2,420,390	608,093	446,363	594,765	1,288,061	991,321	9,457,839

(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) 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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ 33,740	$ 37,241	$ 43,348	$ 490,113	$ 460,095
Restricted	-	-	-	-	-	76,409	76,409	224,970	244,055	76,409
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	595	595	595	595	595
Unassigned	-	-	-	-	-	3,439,189	2,733,297	2,039,603	2,336,893	3,263,168
Reserved	51,978	111,763	120,157	121,144	364,158	-	-	-	-	-
Unreserved	1,462,210	1,842,682	2,048,211	2,967,390	3,219,511	-	-	-	-	-
Total General Fund	$ 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	$ 3,800,267
All Other Governmental Funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 416,668
Restricted	-	-	-	-	-	8,104,832	8,599,830	8,508,764	8,722,576	9,308,873
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(31)	(175)	(175)	(175)	(44)
Reserved	5,793,736	6,926,294	7,616,855	411,055	652,007	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	(2,814)	(260)	(294)	(276)	7,322,120	-	-	-	-	-
Capital projects funds	(280)	-	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 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	$ 9,725,497

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Taxes	$ 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	$ 9,588,307
Licenses and permits	302,250	245,612	269,421	254,397	224,487	216,867	224,119	227,542	225,058	281,354
Intergovernmental	558,486	502,644	132,696	1,729,507	2,810,262	2,612,167	1,568,104	2,609,052	2,915,192	2,478,568
Fines and forfeitures	615,218	619,075	695,843	609,284	703,910	623,963	476,043	623,061	688,920	605,797
Charges for services	14,972	7,919	5,934	4,889	7,794	8,272	8,859	8,225	13,613	16,390
Interest income	120,242	400,066	416,981	142,533	204,046	134,765	102,409	89,998	82,584	75,650
Other revenues	24,542	41,053	88,034	20,445	94,136	98,351	220,782	83,021	212,908	157,358
Total revenues	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	13,203,424
Expenditures:										
General government	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	1,607,019
Judicial	134,956	139,081	145,044	157,390	162,685	150,765	168,463	177,121	188,821	206,345
Public safety	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	6,490,072
Public works	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	1,818,825
Culture and recreation	876,398	975,299	964,602	866,518	891,330	797,390	752,410	729,728	698,193	700,970
Housing and development	723,538	788,626	892,385	808,239	1,015,304	1,136,659	967,856	778,061	1,205,334	1,126,934
Capital outlay	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	1,590,938
Debt service:										
Principal	47,302	-	-	-	-	-	-	270,000	233,957	233,957
Interest	762	-	-	-	-	-	-	-	-	-
Total expenditures	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	13,775,060
Excess of revenues over (under) expenditures	803,036	1,652,866	801,580	242,676	(771,794)	96,938	227,519	(1,924,114)	(1,035,991)	(571,636)
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	1,886,775
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	1,886,775
Net change in fund balances	$ 803,036	$ 1,575,649	$ 904,450	$ 1,621,358	$ 151,513	$ 96,938	$ (207,537)	$ (154,114)	$ 500,974	$ 1,315,139
Debt service as a percentage of noncapital expenditures	0.51%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.09%	1.81%	1.90%

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
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 (3)	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
2015	3,239,314	2,420,390	1,649,221	1,288,061	991,321	9,588,307

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

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

(3) 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
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%
2015	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)

By Category	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Food	$ 1,484,331	$ 1,702,562	$ 1,789,423	$ 1,549,438	$ 1,106,221	$ 1,044,749	$ 1,054,756	$ 1,111,073	$ 1,249,958	$ 1,329,741
Apparel	96,057	96,479	101,552	103,119	110,742	122,828	386,256	246,782	328,246	445,861
General	1,273,629	1,319,042	1,344,124	1,313,985	1,231,299	1,211,914	1,244,568	1,751,605	1,375,000	1,296,104
Automotive	1,115,842	1,227,571	1,234,576	1,380,494	722,402	768,607	725,499	520,306	148,892	134,704
Home	289,122	362,778	310,193	276,404	110,742	260,032	376,257	461,261	548,986	528,255
Lumber	570,625	722,251	674,450	556,832	425,172	556,683	515,641	218,318	50,792	23,045
Miscellaneous Service	208,836	243,942	232,113	240,512	315,552	334,584	286,425	274,205	355,825	357,884
Manufacturers	151,253	186,704	133,567	139,918	325,454	260,032	238,279	166,332	255,975	202,246
Utilities	507,428	564,852	586,667	666,444	509,435	541,669	560,033	520,370	540,283	501,205
Miscellaneous	375,626	428,756	450,685	422,043	412,752	334,584	575,641	196,990	355,825	147,863
	$ 6,072,749	$ 6,854,937	$ 6,857,350	$ 6,649,189	$ 5,269,771	$ 5,435,682	$ 5,963,355	$ 5,467,242	$ 5,209,782	$ 4,966,908

Source: Georgia Department of Revenue, Local Government Services Division

Notes:

(1) 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
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%
2015	135,938,798	195,619,246	19,134,130	568,496	2,415,427	348,845,243	9.12	872,113,108	40%

Source: Baldwin County Tax Commissioner

(1) Includes mobile homes and heavy equipment.

CITY OF MILLEDGEVILLE, GEORGIA

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City of Milledgeville										
Maintenance & Operations	8.75	8.22	8.22	8.12	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	9.22	9.22	9.12	9.12	9.12	9.12	9.12	9.12	9.12
Baldwin County	13.58	8.80	8.80	8.64	8.64	8.64	8.78	8.78	8.84	9.84
Baldwin County School District	14.57	16.07	16.07	16.07	16.07	16.07	17.06	17.06	17.06	17.06
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.20	0.15	0.10
Total	38.15	34.34	34.34	34.08	34.08	34.08	35.21	35.16	35.17	36.12

Source: City of Milledgeville financial records

CITY OF MILLEDGEVILLE, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	2015			2006		
	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	$ 16,628,172	1	4.77%			
Georgia Power	10,152,479	2	2.91%	$ 7,350,270	1	2.53%
Campus Crest of Milledgeville	5,534,502	3	1.59%			
AT&T	4,887,014	4	1.40%	5,862,186	3	2.02%
Walmart Real Estate Business	4,835,680	5	1.39%	4,531,782	5	1.56%
Magnolia Park	4,620,142	6	1.32%			
RATH Refractories	3,685,456	7	1.06%			
Walmart	3,145,800	8	0.90%			
Halpern Properties LLC	3,055,609	9	0.88%			
Winstream	2,700,280	10	0.77%			
Milledgeville Fiddling Company				7,114,480	2	2.45%
Lowe's of Milledgeville				5,454,226	4	1.88%
Heritage Walk Investments				3,417,094	6	1.18%
Shaw Industries				3,110,662	7	1.07%
Hatcher Square Mall				2,074,382	8	0.71%
Bruno's Inc.				1,853,313	9	0.64%
Century Bank				1,842,357	10	0.63%
Totals	$ 59,245,134		16.99%	$ 42,610,752		14.67%

Source: City of Milledgeville and Baldwin County records

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
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
2015	2,996,695	2,885,702	96.3	2,794	2,888,496	96.4

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)	Per Capita (1)
	General Obligation Bonds	Capital Lease Obligations	Water & Sewer Notes	Revenue Bonds			
2006	-	$ -	$ 919,978	$ 13,135,377	$ 14,055,355	2.94%	$ 749.34
2007	-	-	843,621	12,599,745	13,443,366	2.78%	716.71
2008	-	-	763,291	12,038,348	12,801,639	N/A	682.50
2009	-	-	678,577	11,446,147	12,124,724	3.61%	646.41
2010	-	-	629,603	10,828,104	11,457,707	3.41%	610.85
2011	-	-	847,144	10,159,465	11,006,609	4.64%	621.32
2012	-	-	340,595	9,462,719	9,803,314	4.14%	553.39
2013	-	900,000	281,304	8,731,917	9,913,221	4.28%	559.59
2014	-	680,263	301,663	7,956,148	8,938,074	3.72%	486.24
2015	-	458,552	174,395	7,135,379	7,768,326	3.02%	404.37

Source: City of Milledgeville financial records

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

Note: 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)
2006	-	-	-
2007	-	-	-
2008	-	-	-
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-

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.

CITY OF MILLEDGEVILLE, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015

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			$ 458,552
Total direct and overlapping debt			$ 458,552

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, 2015 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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Legal debt limit	$ 27,011	$ 32,126	$ 34,315	$36,034	$ 35,217	$ 36,081	$ 35,761	$ 35,438	$ 35,106	$ 35,438
Total net debt applicable to debt limit	-	-	-	-	-	-	-	900	680	459
Legal debt margin	$ 27,011	$ 32,126	$ 34,315	$ 36,034	$ 35,217	$ 36,081	$ 35,761	$ 34,538	$ 34,426	$ 34,979
Legal debt margin as a percentage of the debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.54%	1.94%	1.30%

Legal Debt Margin Calculation for Fiscal Year 2015	
Assessed value	$ 348,845
Debt limit (10% of assessed value)	34,885
Debt applicable to limit:	
Capital lease obligation	459
Total net debt applicable to limit	459
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	
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
2015	8,069,277	4,826,896	3,242,381	790,000	422,139	2.67

Notes: 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)
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
2015	19,211	N/A	13,398	6,780	7.30

(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

	2015			2006		
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	1,228	3	6.17%
Triumph Aerostructures	766	2	N/A	513	7	2.58%
Baldwin County School System	760	3	N/A	900	5	4.52%
Oconee Regional Medical Center	597	4	N/A	710	6	3.57%
Georgia Military College	430	5	N/A	400	10	2.01%
Georgia Department of Corrections	352	6	N/A	1,225	4	6.16%
Mohawk	350	7	N/A			
Primecare Home Care Services	350	8	N/A			
Walmart	340	9	N/A			
Baldwin County	338	10	N/A			
Central State Hospital				2,238	1	11.25%
Rheem Manufacturing				1,550	2	7.79%
Bill Ireland YDC				435	8	2.19%
United Veterans Services of Georgia				425	9	2.14%

(1) Source: Milledgeville Baldwin County Chamber of Commerce

(2) Source: City of Milledgeville records

(3) Source: Georgia Department of Labor

N/A - Not Available

CITY OF MILLEDGEVILLE, GEORGIA

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function/Program										
General Government										
Administrative	3	3	3	3	2.5	4	4	4	4	5
Finance	7	7	7	8	7	6	7	7	7	7
Personnel	2	2	1	1	1	2	1.5	1.5	1.5	1.5
Planning	5	5	5	5	4	4	4.5	4.5	4.5	4.5
Other	7	8	8	8	3	3	4	4	4	4
Police										
Officers	49	49	49	51	51	52	52	52	52	52
Civilians	14	13	13	13	9	9	9	10	10	10
Fire										
Firefighters	31	33	33	34	34	33	34	34	34	34
Civilians	1	1	1	0	0	0	0	0	0	0
Public Works										
Administrative	2	2	2	2	2	2	3	3	3	3
Maintenance	16	12	12	16	13	13	13	13	13	13
Parks and Recreation	6	10	10	10	11	9	10	10	10	10
Water	39	39	39	35	32.5	32	35	35	35	35
Wastewater	18	18	18	21	18	16	16	16	16	16
Refuse	9	9	9	9	7	7	9	9	9	9
Total	209	211	210	216	195	192	202	203	203	204

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.
In FY 2015, the City added an additional position for a City Planner.

CITY OF MILLEDGEVILLE, GEORGIA

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year									
Function/Program	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Police										
Parking violations	3,008	2,360	3,737	3,891	4,598	3,103	3,123	2,892	3,617	2,472
Traffic violations	4,387	5,335	6,155	5,520	5,558	4,503	3,611	3,966	6,364	4,766
Fire										
Number of calls answered	1,043	1,015	971	988	989	1,155	1,124	1,297	1,409	1,562
Number of inspections conducted	1,404	2,091	2,302	2,327	2,025	1,855	2,168	2,271	2,219	2,187
Highways and streets										
Street resurfacing (miles)	1.5	1.0	0.5	0.0	1.4	2.3	0.5	0.6	0.3	5.5
Potholes repaired	53	157	191	290	338	351	540	672	353	940
Sanitation										
Yard trimmings collected (tons/day)	1.5	2.7	3.8	3.8	3.2	3.4	8.5	8.8	8.9	4.1
Water										
Number of service connections	7,008	7,231	7,388	7,746	7,564	7,589	7,956	7,960	7,938	7,897
Average daily consumption (thousands of gallons)	6,706	6,638	6,515	6,432	6,325	6,336	6,340	6,331	6,330	6,335
Sewer										
Number of service connections	5,777	5,792	6,000	6,125	6,071	6,072	6,075	6,077	6,191	6,184
Average daily sewage treatment (thousands of gallons)	4,360	3,750	4,043	4,380	4,369	4,372	3,197	3,201	4,191	2,722

Source: City of Milledgeville records

Notes: Indicators are not available for the general government function.

CITY OF MILLEDGEVILLE, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
Function	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	50	50	50	42	50	59	59	59	57	57
Fire stations	2	2	2	2	2	2	2	2	2	2
Highways and streets										
Miles of streets	117	117	119	120	120	120	120	120	120	120
Number of street lights	1,536	1,541	1,547	1,547	1,547	1,547	1,547	1,547	1,548	1,560
Water										
Water mains (miles)	190	190	194	196	196	200	200	200	200	200
Number of water plants	2	2	2	2	2	2	2	2	2	2
Fire hydrants	678	678	715	728	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)	232	232	233	233	233	233	233	233	233	233
Storm sewers (miles)	27	28	30	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 lights 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

	2015			2006		
	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	$ 392,725	1	11.19%	$ 469,208	2	12.00%
Zschimmer & Schwarz, Inc.	256,613	2	7.31%			
Mohawk	241,221	3	6.87%	61,356	5	1.57%
Georgia College	204,936	4	5.84%	138,253	3	3.54%
Baldwin State Prison	115,963	5				
Triumph -Vought Aircraft Industries	108,159	6	3.08%	47,866	6	1.22%
Pine Knoll Apartments	86,918	7	2.48%	28,262	10	0.72%
GEO Riverbend	76,930	8				
Magnolia Park Student Housing, LLC	75,942	9	2.16%			
Villamar Town Home Apartments	57,377	10	1.64%			
Baldwin County				907,999	1	23.23%
Concord Fabrics				134,059	4	3.43%
Shaw Industries				40,514	7	1.04%
Bill Ireland, YDC				38,792	8	0.99%
Rheem Manufacturing				34,882	9	0.89%

Source: City of Milledgeville records

Notes: Bill E. Ireland closed in the Spring of 2010.
Baldwin County has built its own water system.

CITY OF MILLEDGEVILLE, GEORGIA

PRINCIPAL SEWER CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

	2015			2006		
	Amount Billed for Twelve Months	Rank	Estimated Percentage of Total Sewer Billings	Amount Billed for Twelve Months	Rank	Estimated Percentage of Total Sewer Billings
Baldwin County	$ 507,144	1	13.68%			
Central State Hospital	317,576	2	8.57%			
Zschimmer & Schwarz, Inc.	256,613	3	6.92%			
Georgia College	204,936	4	5.53%	$ 107,254	2	5.49%
Mohawk	139,041	5	3.75%	61,356	3	3.14%
Baldwin State Prison	115,963	6	3.13%			
Triumph -Vought Aircraft Industries	108,159	7	2.92%	47,671	4	2.44%
Pine Knoll Apartments	86,918	8	2.34%	28,262	7	1.45%
GEO Riverbend	76,930	9	2.08%			
Villamar Town Home Apartments	57,377	10	1.55%	23,634	9	1.21%
Oconee Regional Medical Center				16,917	10	0.87%
Concord Fabrics				134,059	1	6.87%
Bill Ireland, YDC				38,792	5	1.99%
Rheem Manufacturing				34,882	6	1.79%
Shaw Industries				26,970	8	1.38%

Source: City of Milledgeville records

Notes: Bill E. Ireland closed in the Spring of 2010.
Baldwin County has built its own water system.

COMPLIANCE SECTION

MAULDIN & JENKINS

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

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, 2015, 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 14, 2015. Our report includes a reference to the changes in accounting principles resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014.

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 a certain deficiency in internal control that we consider to be a material weakness.

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 *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. 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 2015–001 to be a material weakness.

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 is described in the accompanying schedule of findings and responses as item 2015-002.

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 14, 2015

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

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

Federal Awards

A single audit was not performed for the fiscal year ended June 30, 2015 due to the City not expending $500,000 or more of federal funds.

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II FINANCIAL STATEMENT FINDINGS

2015-001. Accounting Processes – Component Units

Criteria: The City's component units are all considered governmental type entities and therefore should be maintaining their general ledgers on the modified accrual basis of accounting whereby revenues are recognized as soon as they are both measureable and available and expenditures are generally recognized when a liability is incurred

Condition: The City's component units – Allied Arts, MainStreet/DDA and the Central State Hospital Local Redevelopment Authority are maintaining their books and records on the cash basis and are not adjusting the records to the modified accrual basis at year-end for financial reporting purposes. Accounts receivable, accounts payable and accrued salaries were not properly recorded in the general ledgers of the component units at June 30, 2015. Additionally, audit adjustments from the prior year were either not posted, or not properly posted in the general ledgers.

Context: We addressed this matter with personnel of each of the component units and they were able to determine the appropriate adjustments needed at June 30, 2015 to properly record prior year audit adjustments, receivables, payables and accrued salaries.

Effect: Audit adjustments were required to be recorded in each of the component units as follows:

a) **Allied Arts** - An adjustment to record prior year audit entries increased fund balance by $24,278. Adjustments were also recorded to accrued payroll ($1,134) and accounts receivable ($270), and accrued annual leave ($3,263).

b) **MainStreet/DDA** - An adjustment to record prior year audit entries decreased fund balance by $8,596. Adjustments were also recorded to accounts receivable (net of $2,220), notes receivable ($2,889), and cash ($3,500).

c) **Central State Hospital Local Redevelopment Authority** - An adjustment to record prior year audit entries increased fund balance by $22,598. Adjustments were also recorded to accounts payable ($4,000) and to correct accrued payroll ($4,064) and related payroll tax accounts ($4,999).

Recommendation: We recommend management of each of the component units provide those charged with the accounting function the necessary training to properly maintain the general ledgers on the modified accrual basis of accounting.

Views of responsible officials and planned corrective action: Management concurs with this finding. Effective July 1, 2015, the City will be assuming the accounting function for Allied Arts. Additionally, the accounting function for the DDA has been outsourced to a local accounting firm.

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II FINANCIAL STATEMENT FINDINGS (CONTINUED)

2015-002. 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; (f) the local government investment pool established by Code Section 36-83-8; (g) repurchase agreements; and (h) obligations of other political subdivisions of the State of Georgia.

Condition: During the prior year, the City invested funds in annuity contracts and mutual funds. At June 30, 2015, the City still held investments in one annuity contract.

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

Recommendation: We recommend management transfer the investment in an annuity contract 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 investment in an annuity contract was transferred to another type of investment 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, 2015

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

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.

Auditee Response/Status: Resolved.

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

Condition: 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. MainStreet/DDA did not properly address this 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.

Auditee Response/Status: Unresolved. Refer to current year finding at 2015-001.

2014-3. Investments

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

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

Auditee Response/Status: Unresolved. Refer to current year finding at 2015-002.

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, 2015

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, 2015

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Public works	$ 3,400,000	$ 3,400,000	-	-	-
Improvements	-	-	$ 106,851	$ 856,686	$ 963,537
Equipment and vehicles	-	-	899,985	4,900	904,885
City facilities	3,000,000	3,000,000			
Improvements	-	-	1,392,507	36,184	1,428,691
Equipment and vehicles	-	-	102,727	-	102,727
Public safety	2,000,000	2,000,000			
Improvements	-	-	221,599	850	222,449
Equipment and vehicles	-	-	1,111,919	295,945	1,407,864
Improvements - water system, water treatment and waste treatment	4,000,000	4,000,000	4,283,232	118,433	4,401,665
	$ 12,400,000	$ 12,400,000	$ 8,118,820	$ 1,312,998	$ 9,431,818

CITY OF MILLEDGEVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS – 2000 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Sewer, flood control	$ 3,000,000	$ 3,000,000	$ 3,002,308	$ -	$ 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	1,979,253	-	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	$ 8,048,007	$ -	$ 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, 2015

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 $1,824,895; however, only $1,312,998 was attributed to the spending of actual SPLOST Funds. Of the remaining expenditures, $233,957 were debt service payments for a capital lease expensed in its entirety in the schedule for the 2011 Issue and $277,940 were expenditures paid by grant funds.