CITY OF MILLEDGEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2016

Prepared by:

Finance Department

CITY OF MILLEDGEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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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

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, 2016, 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, 2016. 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.

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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. In addition, the Industrial Development Authority has purchased a tract of land on the west side of Baldwin County through the joint efforts of the City of Milledgeville and Baldwin County that will be developed into an industrial mega site.

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 and is set to open in the fall of 2016.

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, 2015. This is the thirtieth 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, 2015

Executive Director/CEO

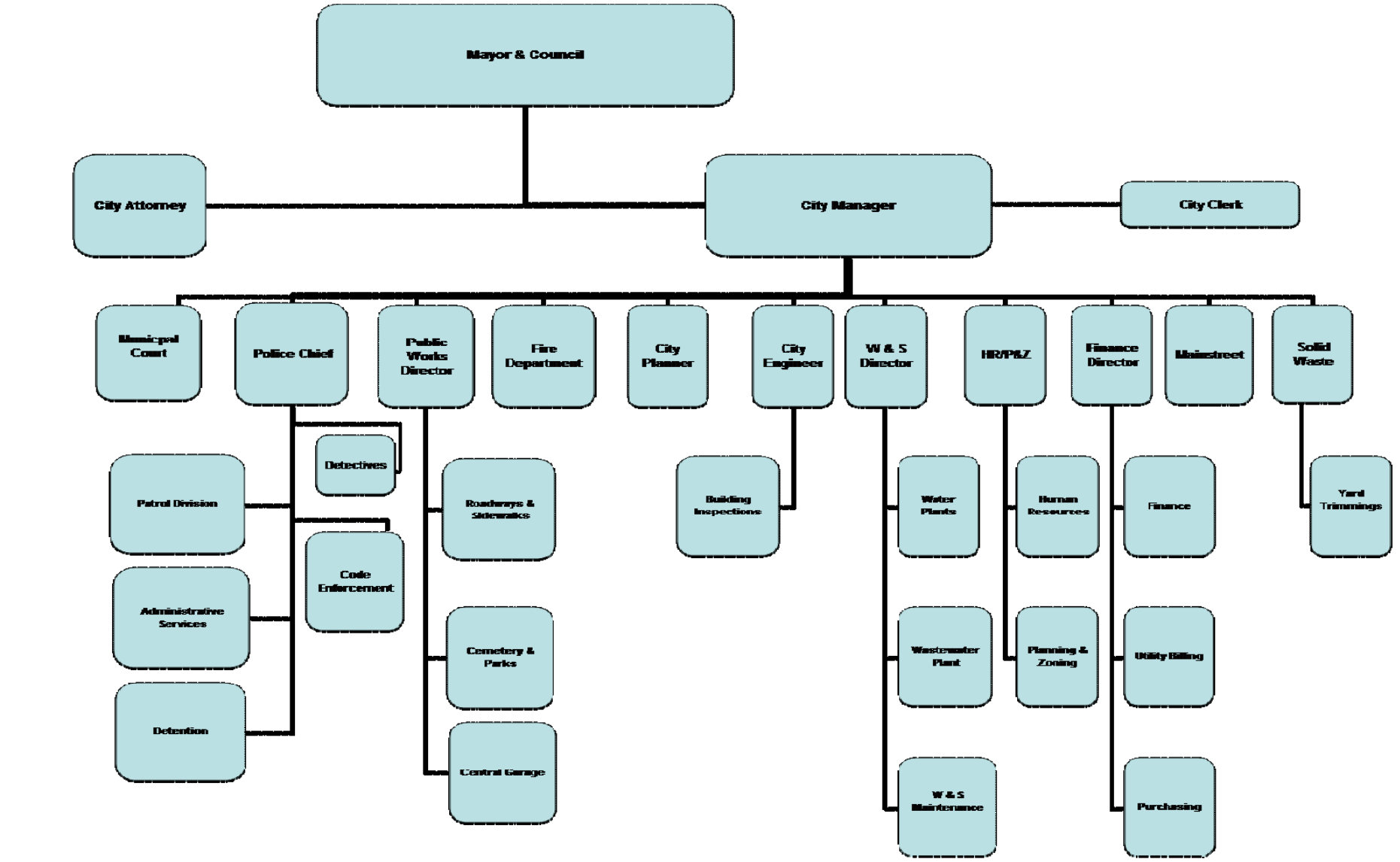
CITY OF MILLEDGEVILLE, GEORGIA

LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2016

Mayor	Gary L. Thrower
Mayor Pro-Tem	Denese R. Shinholster
Council	Dr. Collinda J. Lee Jeanette H. Walden 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, 2016



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, 2016, 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, 2016, 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.

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 74 - 76) 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 15, 2016, 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 15, 2016

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, 2016. 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, 2016 by $60,756,535 of this amount $37,765,750 is invested in capital assets (net of depreciation and related debt). Total unrestricted net position is $10,114,631 and may be used to meet the City's ongoing obligations. Unrestricted net position of governmental activities is $212,929.

- As of June 30, 2016, Milledgeville's governmental funds reported combined ending fund balances of $13,148,644. Approximately 21% of this total amount, $2,787,745 is available for spending at the City Council's discretion, (unassigned fund balance). The governmental funds combined fund balance increased by $39,448 from fiscal year ending June 30, 2015. 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 and business-type activities outstanding at June 30, 2016 are $4,248,958 and $8,238,285 respectively. $8,295,248 of the total $12,532,243 represents liabilities that are due in one year or more, such as long-term debt and compensated absences. This is a decrease of $1,053,321 for the governmental-type funds and a decrease of $1,158,812 for the business-type activities from fiscal year ending June 30, 2015. While the business-type funds did not incur any new debt, in accordance with GASB No. 68, the fund was required to record a liability for the unfunded portion of the pension plan which represented $827,189.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The purpose of the ***Statement of Net Position*** (pages 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 service are reported under this category, including police, fire, public works and general administration. Sales tax, property taxes and intergovernmental revenues finance most of these services.

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

- ***Discretely Presented Component Units*** – Component Units are legally separate organizations for which the elected officials of the City are financially accountable. The City has three component units – Allied Arts, the Downtown Development Authority and the Central State Hospital Local Redevelopment Authority.

The City's government-wide financial statements are presented on pages 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 non-major funds can be found beginning on page 77. 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 non-major governmental funds is provided in the form of combining statements on pages 77 and 78 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 funds, they are allocated to both governmental activities and business-type activities on the government-wide statement.

  The City's proprietary fund financial statements are presented on pages 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 be used only for the trust or agent beneficiaries.

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

The City's fiduciary fund financial statements are presented on pages 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 statements can be found on pages 25 - 27. The Special Revenue Fund budgetary comparison statements can be found on pages 79 - 83.

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 - 73 of this report.

Other Supplementary Information

Other supplementary information includes combining financial statements for non-major governmental, proprietary and fiduciary funds. These funds are added together by fund type and presented together in single columns in the basic financial statements but are not reported individually, as with major funds, on the government-wide financial statements. The combining and individual fund statements and schedules are presented immediately following the notes to the financial statements and can be found on pages 77 - 85 of this report.

The report includes two (2) schedules (pages 21 and 24) which reconcile the amounts on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting).

GOVERNMENT WIDE FINANCIAL ANALYSIS

The City's overall financial position and operations for the fiscal year is summarized in Table 1 below based on the information included in the government-wide financial statements (see pages 16 - 19).

City of Milledgeville Net Position

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	$ 13,991,824	$ 13,929,749	$ 14,532,831	$ 17,213,893	$ 28,524,655	$ 31,143,642
Capital assets	13,425,052	13,425,052	31,400,465	32,410,105	44,825,517	45,835,157
Total assets	27,416,876	27,354,801	45,933,296	49,623,998	73,350,172	76,978,799
Deferred outflows of resources	734,123	194,923	271,525	72,095	1,005,648	267,018
Long-term debt outstanding	3,062,499	4,426,593	6,559,106	7,814,531	9,621,605	12,241,124
Other liabilities	1,186,459	875,686	1,724,179	1,627,566	2,910,638	2,503,252
Total liabilities	4,248,958	5,302,279	8,283,285	9,442,097	12,532,243	14,744,376
Deferred inflows of resources	560,295	319,253	207,233	118,080	767,528	437,333
Net position						
Net investment in capital assets	12,895,220	12,967,998	24,870,530	24,993,422	37,765,750	37,961,420
Restricted	9,934,083	9,385,382	2,942,071	2,857,768	12,876,154	12,243,150
Unrestricted	212,929	(425,188)	9,901,702	12,284,726	10,114,631	11,859,538
Total net postion	$ 23,042,232	$ 21,928,192	$ 37,714,303	$ 40,135,916	$ 60,756,535	$ 62,064,108

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, 2016, assets exceeded liabilities by $60.76 million. However, much of those net position are either restricted as to purpose for which they can be used, or are invested in capital assets.

The largest portion of the City's net position, $37,765,750 represents investments in capital assets. The investment in capital assets includes land, buildings, machinery and equipment, as well as infrastructure acquired in past years. These capital assets are used to provide services to citizens; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional $12,876,154 of the City's net position represents resources that are subject to external restrictions on how they are to be used. The increase in unrestricted assets for the business-type activities is related to the reduction of long-term debt.

Although the net position of our business-type activities represent 62% ($24,870,530) of total net position, these resources cannot be used to add to the net position surplus in governmental activities. The City generally can only use this net position to finance the continuing operations of the business-type activities.

Changes in Net Position – Governmental and business-type activities decreased the City's net position by $1,307,573 in fiscal year 2016. The following table indicates the changes in net position for the government and business-type activities in fiscal year 2016.

City of Milledgeville Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues						
Charges for services	$ 1,111,719	$ 1,060,668	$ 9,612,013	$ 9,931,320	$ 10,723,732	$ 10,991,988
Operating grants and contributions	127,028	203,794	-	-	127,028	203,794
Capital grants and contributions	2,049,785	2,279,054	-	6,300,000	2,049,785	8,579,054
General revenues						
Property taxes	3,104,119	3,108,846	-	-	3,104,119	3,108,846
Sales tax	2,420,423	2,420,390	-	-	2,420,423	2,420,390
Other taxes	4,241,155	3,928,603	-	-	4,241,155	3,928,603
Investment earnings	71,595	40,217	146,599	43,720	218,194	83,937
Total revenues	13,125,824	13,041,572	9,758,612	16,275,040	22,884,436	29,316,612
Expenses						
General government	2,053,836	1,852,823	-	-	2,053,836	1,852,823
Judicial	241,322	208,742	-	-	241,322	208,742
Public safety	7,843,559	6,640,146	-	-	7,843,559	6,640,146
Public works	2,804,015	2,507,855	-	-	2,804,015	2,507,855
Housing and development	739,380	1,103,247	-	-	739,380	1,103,247
Culture and recreation	1,254,964	688,462	-	-	1,254,964	688,462
Interest on long-term debt	4,833	8,397	-	-	4,833	8,397
Water and sewer	-	-	7,601,541	6,582,033	7,601,541	6,582,033
Solid waste	-	-	1,648,559	1,734,466	1,648,559	1,734,466
Total expenses	14,941,909	13,009,672	9,250,100	8,316,499	24,192,009	21,326,171
Increase (decrease) in net position before transfers	(1,816,085)	31,900	508,512	7,958,541	(1,307,573)	7,990,441
Transfers	2,930,125	1,768,342	(2,930,125)	(1,768,342)	-	-
Change in net postion	1,114,040	1,800,242	(2,421,613)	6,190,199	(1,307,573)	7,990,441
Net position, beginning of year, restated	21,928,192	21,928,192	40,135,916	40,135,916	62,064,108	62,064,108
Net position, end of year	$ 23,042,232	$ 21,928,192	$ 37,714,303	$ 40,135,916	$ 60,756,535	$ 62,064,108

Governmental Activities – Governmental activities increased the City's net position by $1,114,040 in fiscal year 2016. 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 33% from other taxes. Investment earnings increased by 43% during the year compared to an increase of 9% in 2015.
- Expenses totaled $14.9 million. Approximately 53% of the City's expenses go to public safety, 19% to public works, 14% to general government and the remaining 14% to housing and development, judicial activities, and culture and recreation. Public safety expenditures increased due to additional costs associated with funding the pension plan. The City maintains an internal service fund for risk management that included workers' compensation and general liability.

Business-Type Activities – The City's major business-type activities, the Water and Sewer Revenue Fund and Solid Waste Fund, decreased net position by $2,421,613 in fiscal year 2016. This reduction is due primarily due to the transfer of funds to the General Fund.

Financial Analysis of the City Funds

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

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

At the end of fiscal year 2016, the combined ending fund balance of the City's governmental funds was $13,148,644, an increase of 1% from fiscal year 2015. Approximately $2.79 million (23%) of combined fund balance consists of unassigned fund balance, which is available working capital for current spending in accordance with the purpose of the specific funds. The unassigned fund balance decreased by $475,379. Expenses were 18% higher than the previous year and revenues also increased by 1%. This revenue amount does not include a funds transfer of $2,695,139 out of the Water & Sewer Fund for expenditures incurred by the General Fund on behalf of the Water & Sewer Fund. The remainder of fund balance is duly designed to indicate that it is not available for new spending because it is committed to the following purposes: non-spendable for inventories,($40,705), restricted to non-spendable note receivable ($386,111) restricted for capital projects ($8,717,842), restricted for promotion of tourism ($524,047), restricted for housing & development programs ($549,819) restricted for public safety ($134,275), restricted for employee wellness ($8,100), and unassigned ($2,787,745).

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

1. *General Fund* – This is the primary operating fund of the City of Milledgeville government. It accounts for many of the City's core services such as law enforcement, fire protection, roads and streets, culture and recreation and administration. At the end of the current fiscal year, unassigned fund balance of the General Fund was $2,787,745 while total fund balance was $3,100,148. 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 22% of total fiscal year 2016 expenditures, while total fund balance is 23% of that same amount.

2. *SPLOST Fund* – This fund is a capital project fund accounting for the City's negotiated share of the special purpose local option sales taxes. This tax is voted by referendum to collect a penny on sales that occur within Baldwin County. The tax must be used for specific capital expenditures. The total fund balance of $8,569,842 is designated as restricted and will be used to fund major capital projects.

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

Unrestricted net position of the City's major proprietary fund, the Water and Sewer Fund, totaled $8,576,886. The total net position decreased by $2,096,852. Unrestricted net position of the City's other proprietary fund, Solid Waste Fund, totaled $1,523,404 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 2015, the City Council appropriated $13.2 million for General Fund expenditures.

City of Milledgeville 2016 General Fund Budget

	Original Budget	Amendments	Final Budget	Actual
Revenues and other financing sources	$ 13,231,943	2,818,393	$ 16,050,336	$ 13,830,855
Expenditures and other financing uses	13,231,943	2,818,393	16,050,336	14,114,306

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 $44,526,003 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	
	2016	2015	2016	2015	2016	2015
Land	$ 2,468,098	$ 2,468,098	$ 181,310	$ 181,310	$ 2,649,408	$ 2,649,408
Land improvements	31,004	38,149	88,684	92,038	119,688	130,187
Infrastructure	5,807,143	6,403,910	16,259,971	11,382,961	22,067,114	17,786,871
Buildings	2,841,312	2,427,460	13,183,954	13,822,215	16,025,266	16,249,675
Machinery and equipment	1,287,128	1,440,778	1,512,494	1,528,440	2,799,622	2,969,218
Construction in progress	690,853	646,657	174,052	132,520	864,905	779,177
Total capital assets	$ 13,125,538	$ 13,425,052	$ 31,400,465	$ 27,139,484	$ 44,526,003	$ 40,564,536

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

- Renovation to City Hall - $559,766
- Park Improvements - $44,196
- Vehicles - $142,263
- Street Sweeper - $170,000
- Construction- in- Progress - $53,196

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

- Infrastructure - $29,246
- Construction in Progress - $9,000
- Machinery - $426,161
- CSH – Infrastructure - $29,300

Additional information on the City of Milledgeville's capital assets can be found in Note 5 on pages 57 - 59 of this report.

Long-term debt – At June 30, 2016, the City of Milledgeville had $6,760,253 in bonds, notes and capital leases outstanding, a decrease of $1,113,484 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 $33.9 million.

Additional information on the City's long-term debt can be found in Note 6 on pages 60 - 63 of this report.

City of Milledgeville Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Capital leases	$ 230,318	$ 457,054	$ -	$ -	$ 230,318	$ 457,054
Revenues bonds	-	-	6,269,610	7,135,379	6,269,610	7,135,379
Notes payable	-	-	260,325	281,304	260,325	281,304
Compensated absences	484,992	458,552	182,076	174,395	667,068	632,947
Net pension liability	2,236,312	3,107,063	827,129	1,149,188	3,063,441	4,256,251
Claims payable	781,872	853,287	-	-	781,872	853,287
	$ 3,733,494	$ 4,875,956	$ 7,539,140	$ 8,740,266	$ 11,272,634	$ 13,616,222

Economic Factors and Next Year's Budget

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 2016 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 request 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.
- These increases will allow the City to once again meet its debt service coverage and start a more active repair and replacement program for the City's infrastructure.
- To continue the implementation of a pay as you go budget to reduce the dependency on borrowed funds.

Growth in the City-wide gross taxable values is projected to remain constant with little or no growth in the value of a mill.

The City continues to have retail business locating in the City limits and growth in the water and sewer system with new residential housing locating in Milledgeville and Baldwin County. For FY2016, the city has begun to see an increase in building permits primarily with the development of multi-housing units.

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, 2016

	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	$ 11,157,016	$ 7,604,753	$ 18,761,769	$ 130,778	$ 57,687	$ 18,547
Investments	2,159,622	1,465,006	3,624,628	25,858	-	-
Taxes receivable	287,625	-	287,625	-	-	16,917
Accounts receivable, net of allowances	39,138	1,272,881	1,312,019	-	630	-
Notes receivable	386,111	-	386,111	-	33,896	-
Due from other governments	684,992	120,003	804,995	-	-	-
Internal balances	(763,385)	763,385	-	-	-	-
Inventories	40,705	364,732	405,437	-	-	-
Restricted assets, cash and cash equivalents	-	1,697,058	1,697,058	-	-	-
Restricted assets, investments	-	1,245,013	1,245,013	-	-	-
Capital assets, non-depreciable	3,158,951	355,362	3,514,313	-	-	-
Capital assets, depreciable, net of accumulated depreciation	9,966,587	31,045,103	41,011,690	4,130	-	-
Total assets	27,117,362	45,933,296	73,050,658	160,766	92,213	35,464
DEFERRED OUTFLOWS OF RESOURCES						
Pension investment return	734,123	271,525	1,005,648	-	-	-
Total deferred outflows of resources	734,123	271,525	1,005,648	-	-	-

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2016

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Allied Arts	Downtown Development Authority	Central State Hospital Local Redevelopment Authority
LIABILITIES						
Accounts payable	$ 332,477	$ 241,462	$ 573,939	$ -	$ 885	$ -
Accrued liabilities	182,987	76,052	259,039	3,399	-	2,296
Liabilities payable from restricted assets	-	1,311,631	1,311,631	-	-	-
Capital leases due within one year	230,318	-	230,318	-	-	-
Capital leases due in more than one year	-	-	-	-	-	-
Claims payable due within one year	246,680	-	246,680	-	-	-
Claims payable due in more than one year	535,192	-	535,192	-	-	-
Compensated absences due within one year	193,997	73,418	267,415	7,142	-	10,592
Compensated absences due in more than one year	290,995	108,658	399,653	-	-	-
Notes payable due within one year	-	21,616	21,616	-	-	-
Notes payable due in more than one year	-	238,709	238,709	-	-	-
Bonds payable due in more than one year	-	5,384,610	5,384,610	-	-	-
Net pension liability	2,236,312	827,129	3,063,441	-	-	-
Total liabilities	4,248,958	8,283,285	12,532,243	10,541	885	12,888
DEFERRED INFLOWS OF RESOURCES						
Pension experience differences	560,295	207,233	767,528	-	-	-
Total deferred inflows of resources	560,295	207,233	767,528	-	-	-

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2016

	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	$ 12,895,220	$ 24,870,530	$ 37,765,750	$ 10,620	$ -	$ -
Restricted for debt service	-	2,942,071	2,942,071	-	-	-
Restricted for capital projects	8,717,842	-	8,717,842	-	-	-
Restricted for public safety	134,275	-	134,275	-	-	-
Restricted for health and welfare programs	8,100	-	8,100	-	-	-
Restricted for tourism	524,047	-	524,047	-	-	-
Restricted for housing and development	549,819	-	549,819	-	-	-
Unrestricted	212,929	9,901,702	10,114,631	139,605	91,328	22,576
Total net position	$ 23,042,232	$ 37,714,303	$ 60,756,535	$ 150,225	$ 91,328	$ 22,576

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, 2016

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	$ 2,053,836	$ 548,216	$ (29,590)	$ 818,853	$ (716,357)	$ -	$ (716,357)	$ -	$ -	$ -
Judicial	241,322	-	-	-	(241,322)	-	(241,322)	-	-	-
Public safety	7,843,559	563,503	-	166,535	(7,113,521)	-	(7,113,521)	-	-	-
Public works	2,804,015	-	156,618	1,038,237	(1,609,160)	-	(1,609,160)	-	-	-
Culture and recreation	739,380	-	-	-	(739,380)	-	(739,380)	-	-	-
Housing and development	1,254,964	-	-	26,160	(1,228,804)	-	(1,228,804)	-	-	-
Interest on long-term debt	4,833	-	-	-	(4,833)	-	(4,833)	-	-	-
Total governmental activities	14,941,909	1,111,719	127,028	2,049,785	(11,653,377)	-	(11,653,377)	-	-	-
Business-type activities:										
Water and sewer	7,601,541	7,622,657	-	-	-	21,116	21,116	-	-	-
Solid waste	1,648,559	1,989,356	-	-	-	340,797	340,797	-	-	-
Total business-type activities	9,250,100	9,612,013	-	-	-	361,913	361,913	-	-	-
Total primary government	$ 24,192,009	$ 10,723,732	$ 127,028	$ 2,049,785	$ (11,653,377)	$ 361,913	$ (11,291,464)	$ -	$ -	$ -
Component units:										
Allied Arts	$ 177,789	$ 22,606	$ 171,096	$ -	$ -	$ -	$ -	$ 15,913	$ -	$ -
Downtown Development Authority	22,872	6,827	-	-	-	-	-	-	(16,045)	-
CSH Local Redevelopment Authority	263,682	-	258,539	-	-	-	-	-	-	(5,143)
Total component units	$ 464,343	$ 29,433	$ 429,635	$ -	$ -	$ -	$ -	$ 15,913	$ (16,045)	$ (5,143)
General revenues:										
Property taxes					$ 3,104,119	$ -	$ 3,104,119	$ -	$ -	$ -
Sales taxes					2,420,423	-	2,420,423	-	-	-
Hotel/motel taxes					558,902	-	558,902	-	-	-
Franchise taxes					1,419,557	-	1,419,557	-	-	-
Insurance premium taxes					1,059,064	-	1,059,064	-	-	-
Alcoholic beverage taxes					468,167	-	468,167	-	-	-
Business and occupation taxes					626,965	-	626,965	-	-	-
Other taxes					108,500	-	108,500	-	-	-
Unrestricted investment earnings					71,595	146,599	218,194	290	2,889	-
Special item					-	-	-	-	(107,244)	-
Transfers					2,930,125	(2,930,125)	-	-	-	-
Total general revenues, special items and transfers					12,767,417	(2,783,526)	9,983,891	290	(104,355)	-
Change in net position					1,114,040	(2,421,613)	(1,307,573)	16,203	(120,400)	(5,143)
Net position, beginning of year					21,928,192	40,135,916	62,064,108	134,022	211,728	27,719
Net position, end of year					$ 23,042,232	$ 37,714,303	$ 60,756,535	$ 150,225	$ 91,328	$ 22,576

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

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

ASSETS	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 3,147,258	$ 6,134,434	$ 1,118,568	$ 10,400,260
Investments	-	2,159,622	-	2,159,622
Taxes receivable, net of allowance	234,716	-	52,909	287,625
Accounts receivable, net of allowances	39,138	-	-	39,138
Note receivable	-	-	386,111	386,111
Due from other governments	205,514	479,478	-	684,992
Due from other funds	25,288	-	-	25,288
Inventories	40,705	-	-	40,705
Total assets	$ 3,692,619	$ 8,773,534	$ 1,557,588	$ 14,023,741
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 200,379	$ 26,170	$ 78,934	$ 305,483
Accrued liabilities	180,561	-	-	180,561
Due to other funds	-	25,288	-	25,288
Total liabilities	380,940	51,458	78,934	511,332
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	211,531	-	-	211,531
Unavailable revenue - grants	-	152,234	-	152,234
Total deferred inflows of resources	211,531	152,234	-	363,765

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

FUND BALANCES	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Fund balances:				
Nonspendable - inventory	$ 40,705	$ -	$ -	$ 40,705
Nonspendable - note receivable	-	-	386,111	386,111
Restricted for:				
Capital projects	148,000	8,569,842	-	8,717,842
Promotion of tourism	-	-	524,047	524,047
Housing and development programs	-	-	549,819	549,819
Public safety programs	115,698	-	18,577	134,275
Health and welfare programs	8,000	-	100	8,100
Unassigned	2,787,745	-	-	2,787,745
Total fund balances	3,100,148	8,569,842	1,478,654	13,148,644
Total liabilities, deferred inflows of resources, and fund balances	$ 3,692,619	$ 8,773,534	$ 1,557,588	
Amounts reported for governmental activities in the statement of net position				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				13,125,538
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.				363,765
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.				734,123
Internal service funds are used by management to charge the costs of workers' compensation insurance and related administrative cost to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net				(815,495)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.				
Capital leases payable				(230,318)
Compensated absences payable				(484,992)
Accrued interest payable				(2,426)
Net pension liability				(2,236,312)
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.				(560,295)
Net position of governmental activities				$ 23,042,232

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, 2016

	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 9,134,579	$ -	$ 558,903	$ 9,693,482
Licenses and permits	406,460	-	-	406,460
Intergovernmental	168,984	1,933,059	26,160	2,128,203
Fines and forfeitures	563,503	-	-	563,503
Charges for services	15,344	-	-	15,344
Interest revenue	60,212	106,844	9,524	176,580
Other revenues	126,412	-	44	126,456
Total revenues	10,475,494	2,039,903	594,631	13,110,028
Expenditures				
Current:				
General government	1,961,392	-	-	1,961,392
Judicial	243,036	-	-	243,036
Public safety	8,125,227	-	-	8,125,227
Public works	2,197,906	-	-	2,197,906
Culture and recreation	761,153	-	-	761,153
Housing and development	825,592	-	487,567	1,313,159
Debt service	-	233,957	-	233,957
Capital outlay	-	1,590,111	-	1,590,111
Total expenditures	14,114,306	1,824,068	487,567	16,425,941
Excess (deficiency) of revenues over expenditures	(3,638,812)	215,835	107,064	(3,315,913)

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Other financing sources				
Transfers in	$ 3,355,361	$ -	$ -	$ 3,355,361
Total other financing sources	3,355,361	-	-	3,355,361
Net change in fund balance	(283,451)	215,835	107,064	39,448
Fund balances, July 1	3,383,599	8,354,007	1,371,590	13,109,196
Fund balances, June 30	$ 3,100,148	$ 8,569,842	$ 1,478,654	$ 13,148,644

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, 2016

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	39,448
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		901,579
Depreciation		(1,201,093)
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		226,736
Change in accrued interest payable		2,388
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		13,937
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		(26,440)
Change in net pension liability and related deferred inflows and outflows of resources		1,168,909
Internal service funds are used by management to charge the costs of workers' compensation and related administrative costs to individual funds.		(11,424)
	$	1,114,040

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, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 3,335,000	$ 3,335,000	$ 3,031,903	$ (303,097)
Sales tax	2,300,000	2,300,000	2,420,423	120,423
Other taxes	3,447,250	3,449,695	3,682,253	232,558
Licenses and permits	262,500	262,500	406,460	143,960
Intergovernmental	178,000	178,000	168,984	(9,016)
Charges for services	21,800	21,800	15,344	(6,456)
Fines and forfeitures	665,000	665,000	563,503	(101,497)
Interest revenue	20,000	20,000	60,212	40,212
Other revenue	184,000	2,370,448	126,412	(2,244,036)
Total revenues	10,413,550	12,602,443	10,475,494	(2,126,949)
Expenditures:				
Current:				
General government:				
Legislative	199,964	217,217	156,947	60,270
Executive	628,693	754,687	639,722	114,965
Elections	36,500	36,500	20,657	15,843
Finance	493,603	569,275	455,312	113,963
Legal	145,920	159,860	121,294	38,566
Human resources	174,803	201,193	177,533	23,660
General government buildings and grounds	176,124	185,961	176,510	9,451
General engineering	133,442	160,322	151,566	8,756
General administration fees	60,500	62,945	61,851	1,094
Total general government	2,049,549	2,347,960	1,961,392	386,568
Judicial:				
Municipal court	201,444	243,616	243,036	580
Total judicial	201,444	243,616	243,036	580

(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, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures (Continued):				
Current (Continued):				
Public safety:				
Police	$ 4,136,722	$ 4,918,281	$ 4,707,317	$ 210,964
Detention center	403,236	495,367	429,214	66,153
Police department buildings and grounds	224,963	253,529	228,929	24,600
Fire	2,480,929	3,002,556	2,730,402	272,154
Fire department buildings and grounds	38,800	38,800	29,365	9,435
Total public safety	7,284,650	8,708,533	8,125,227	583,306
Public works:				
Public works administration	246,122	304,013	259,905	44,108
Roadways and walkways	697,701	803,218	795,773	7,445
Storm drainage	39,500	39,735	39,733	2
Street lighting	360,000	350,495	347,612	2,883
Traffic engineering	25,800	35,305	30,770	4,535
Maintenance and shop	345,579	405,360	353,928	51,432
Cemetery	358,542	414,539	370,185	44,354
Total public works	2,073,244	2,352,665	2,197,906	154,759
Culture and recreation:				
Recreation	231,236	231,236	231,236	-
Parks	363,642	419,639	330,966	88,673
Twin Lakes Library	198,951	198,951	198,951	-
Total culture and recreation	793,829	849,826	761,153	88,673

(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, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures (Continued):				
Current (Continued):				
Housing and development				
Inspections	$ 96,712	$ 112,414	$ 100,398	$ 12,016
Planning and zoning	132,224	157,857	126,255	31,602
Mainstreet	253,281	300,955	265,197	35,758
Economic development	347,010	347,010	333,742	13,268
Total housing and development	829,227	918,236	825,592	92,644
Total expenditures	13,231,943	15,420,836	14,114,306	1,306,530
Deficiency of revenues over expenditures	(2,818,393)	(2,818,393)	(3,638,812)	(820,419)
Other financing sources:				
Transfers in	2,818,393	2,818,393	3,355,361	536,968
Total other financing sources	2,818,393	2,818,393	3,355,361	536,968
Net change in fund balance	-	-	(283,451)	(283,451)
Fund balances, July 1	3,383,599	3,383,599	3,383,599	-
Fund balances, June 30	$ 3,383,599	$ 3,383,599	$ 3,100,148	$ (283,451)

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

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

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	$ 6,057,259	$ 1,547,494	$ 7,604,753	$ 756,756
Investments	1,465,006	-	1,465,006	-
Accounts receivable	1,110,765	162,116	1,272,881	-
Due from other governments	120,003	-	120,003	-
Inventories	364,732	-	364,732	-
Restricted assets				
Cash	1,697,058	-	1,697,058	-
Investments	1,245,013	-	1,245,013	-
Total current assets	12,059,836	1,709,610	13,769,446	756,756
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	4,806,006	-	4,806,006	-
Infrastructure	26,303,343	-	26,303,343	-
Construction in progress	174,052	-	174,052	-
	52,942,732	-	52,942,732	-
Less accumulated depreciation	(21,542,267)	-	(21,542,267)	-
Total capital assets (net of accumulated depreciation)	31,400,465	-	31,400,465	-
Advance to other funds	961,973	-	961,973	-
Total assets	44,422,274	1,709,610	46,131,884	756,756
DEFERRED OUTFLOWS OF RESOURCES				
Pension investment return	251,412	20,113	271,525	-
Total deferred outflows of resources	251,412	20,113	271,525	-

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

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	$ 132,770	$ 108,692	$ 241,462	$ 26,994
Compensated absences payable - current	68,548	4,870	73,418	-
Claims payable - current	-	-	-	246,680
Accrued liabilities	65,750	10,302	76,052	-
Current maturities of notes payable	21,616	-	21,616	-
	288,684	123,864	412,548	273,674
Payable from restricted assets:				
Current portion of revenue bonds	885,000	-	885,000	-
Accrued interest	31,526	-	31,526	-
Deposits	395,105	-	395,105	-
	1,311,631	-	1,311,631	-
Total current liabilities	1,600,315	123,864	1,724,179	273,674
NONCURRENT LIABILITIES				
Advance from other funds	-	-	-	961,973
Compensated absences (net of current portion)	102,823	5,835	108,658	-
Claims payable (net of current portion)	-	-	-	535,192
Revenue bonds payable (net of current portion)	5,384,610	-	5,384,610	-
Notes payable (net of current portion)	238,709	-	238,709	-
Net pension liability	765,860	61,269	827,129	-
Total noncurrent liabilities	6,492,002	67,104	6,559,106	1,497,165
Total liabilities	8,092,317	190,968	8,283,285	1,770,839

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	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	$ 191,882	$ 15,351	$ 207,233	$ -
Total deferred inflows of resources	191,882	15,351	207,233	-
NET POSITION				
Net investment in capital assets	24,870,530	-	24,870,530	-
Restricted for debt service	2,942,071	-	2,942,071	-
Unrestricted	8,576,886	1,523,404	10,100,290	(1,014,083)
Total net position	$ 36,389,487	$ 1,523,404	$ 37,912,891	$ (1,014,083)
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds			(198,588)	
Net position of business-type activities			$ 37,714,303	

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, 2016

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
Operating revenues:				
Water sales	$ 3,343,061	$ -	$ 3,343,061	$ -
Sewer sales	3,595,590	-	3,595,590	-
Sanitation fees	-	1,989,356	1,989,356	-
Tap fees	113,832	-	113,832	-
Late charges	128,932	-	128,932	-
Activation fees	45,925	-	45,925	-
Charges for services	-	-	-	250,008
Miscellaneous charges	401,522	-	401,522	112,057
Total operating revenues	7,628,862	1,989,356	9,618,218	362,065
Operating expenses:				
Water administration	120,051	-	120,051	-
Wastewater administration	120,345	-	120,345	-
Sanitary sewer maintenance	493,989	-	493,989	-
Sewer plants and lift station	1,587,315	-	1,587,315	-
Lamar Hamm Water Treatment Plant	1,555,510	-	1,555,510	-
James Baugh Water Treatment Plant	430,827	-	430,827	-
Distribution	760,396	-	760,396	-
Water meter	652,319	-	652,319	-
Solid waste collection	-	1,287,668	1,287,668	-
Yard trimmings collection and management	-	360,891	360,891	-
Insurance claims	-	-	-	381,553
Depreciation	1,503,346	-	1,503,346	-
Total operating expenses	7,224,098	1,648,559	8,872,657	381,553
Operating income	404,764	340,797	745,561	(19,488)

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
Non-operating revenues (expenses):				
Interest revenue	$ 91,952	$ -	$ 91,952	$ 2,728
Interest and fiscal charges	(377,443)	-	(377,443)	-
Net decrease in fair value of investments	53,778	-	53,778	-
Total non-operating revenues (expenses)	(231,713)	-	(231,713)	2,728
Income before contributions and transfers	173,051	340,797	513,848	(16,760)
Capital contributions	425,236	-	425,236	-
Transfers out	(2,695,139)	(660,222)	(3,355,361)	-
Change in net position	(2,096,852)	(319,425)	(2,416,277)	(16,760)
Net position, July 1	38,486,339	1,842,829	40,329,168	(997,323)
Net position, June 30	$ 36,389,487	$ 1,523,404	$ 37,912,891	$ (1,014,083)

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)	$ (2,416,277)
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds	(5,336)
Change in net position of business-type activities	$ (2,421,613)

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, 2016

	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	$ 7,641,313	$ 1,993,114	$ 9,634,427	$ -
Receipts from interfund providers	-	-	-	362,065
Payments to suppliers and service providers	(3,976,767)	(1,478,360)	(5,455,127)	(441,252)
Payments to employees	(2,328,933)	(195,843)	(2,524,776)	-
Net cash provided by (used in) operating activities	1,335,613	318,911	1,654,524	(79,187)
CASH FLOWS FROM INVESTING ACTIVITIES				
Maturities of investments	1,241,117	-	1,241,117	-
Interest on investments	91,952	-	91,952	2,728
Net cash provided by investing activities	1,333,069	-	1,333,069	2,728
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer to other funds	(2,695,139)	(660,222)	(3,355,361)	-
Net cash used in noncapital financing activities	(2,695,139)	(660,222)	(3,355,361)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(68,470)	-	(68,470)	-
Interest and fiscal charges paid	(412,439)	-	(412,439)	-
Principal payments on long-term borrowings	(855,979)	-	(855,979)	-
Net cash used in capital and related financing activities	(1,336,888)	-	(1,336,888)	-
Decrease in cash	(1,363,345)	(341,311)	(1,704,656)	(76,459)
Cash, July 1	9,117,662	1,888,805	11,006,467	833,215
Cash, June 30	$ 7,754,317	$ 1,547,494	$ 9,301,811	$ 756,756

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
Classified as:				
Cash	$ 6,057,259	$ 1,547,494	$ 7,604,753	$ 756,756
Restricted assets, cash	1,697,058	-	1,697,058	-
	$ 7,754,317	$ 1,547,494	$ 9,301,811	$ 756,756
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	$ 404,764	$ 340,797	$ 745,561	$ (19,488)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation	1,503,346	-	1,503,346	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(112,665)	3,758	(108,907)	-
Decrease in due from other governments	83,961	-	83,961	-
Increase in inventories	(191,323)	-	(191,323)	-
Increase in deferred outflows of resources	(184,657)	(14,773)	(199,430)	-
Decrease in claims payable	-	-	-	(71,415)
Increase (decrease) in accounts payable	(2,614)	4,173	1,559	11,716
Increase in accrued wages payable	148	3,679	3,827	-
Increase (decrease) in compensated absences payable	9,152	(1,471)	7,681	-
Increase (decrease) in customer deposits	41,155	(23,856)	17,299	-
Increase (decrease) in net pension liability	(298,203)	6,604	(291,599)	-
Increase in deferred inflows of resources	82,549	-	82,549	-
Net cash provided by (used in) operating activities	$ 1,335,613	$ 318,911	$ 1,654,524	$ (79,187)

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	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 SPLOST Fund	$ 425,236	$ -	$ 425,236	$ -
Decrease in fair value of investments	(53,778)	-	(53,778)	-
	$ 371,458	$ -	$ 371,458	$ -

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

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	Pension Trust Fund	Agency Fund School Fund
ASSETS		
Cash and cash equivalents	$ 1,046,965	$ 23,505
Investments		
U.S. government agencies	84	-
Mutual bond funds	9,386,160	-
Mutual equity funds	9,086,632	-
Taxes receivable	-	36,049
Total assets	19,519,841	59,554
LIABILITIES		
Accounts payable	35,740	-
Due to others	-	23,505
Uncollected taxes	-	36,049
Total liabilities	35,740	59,554
NET POSITION		
Net position - restricted for pension benefits	$ 19,484,101	$ -

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, 2016

ADDITIONS		
Contributions - employer	$	4,506,497
Investment income		
Net depreciation in fair value of investments		(354,534)
Investment income		480,625
Total additions		4,632,588
DEDUCTIONS		
Benefits		695,285
Administrative expense		115,338
Total deductions		810,623
Net increase		3,821,965
Net position, July 1		15,662,136
Net position, June 30	$	19,484,101

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.

The local government investment pool, "Georgia Fund 1", created by OCGA 36-83-8 is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share. The pool also adjusts the value of its investments to fair market value as of year-end and the City's investment in Georgia Fund 1 is reported at fair value.

The remaining investments are reported at fair value, which is determined using selected bases. Increases or decreases in the fair value during the year are recognized as a component of interest income.

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, 2016, 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, 2016.

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, 2016 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 23, 2015 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 Risk Management Internal Service Fund had a deficit net position of $1,014,083 at June 30, 2016. This deficit will be eliminated through increased charges to other funds.

NOTE 3. CASH AND INVESTMENTS

Cash and investments are summarized as follows at June 30, 2016:

As reported in the financial statements		
Cash and cash equivalents	$	18,761,769
Investments		3,624,628
Restricted assets, cash		1,697,058
Restricted assets, investments		1,245,013
Cash and cash equivalents - Pension Trust Fund		1,046,965
Investments - Pension Trust Fund		18,472,876
Cash - Agency Fund		23,505
	$	44,871,814
Cash deposited with financial institutions	$	20,180,261
Georgia Fund 1		101,313
Certificates of deposit		2,058,309
Mutual equity funds		9,086,632
Mutual U.S. treasury fund		1,465,006
Mutual bond funds		9,386,160
U.S. government agency obligations		84
U.S. treasury bonds		1,245,013
	$	43,522,778

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Credit Risk. State statutes authorize the City to invest in U.S. Government obligations; U.S. Government agency (or other corporation of the U.S. Government) obligations; obligations fully insured or guaranteed by the U.S. Government or a U.S. Government agency; obligations of the State of Georgia or other states; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America; prime bankers' acceptances; repurchase agreements; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

The City of Milledgeville Retirement Plan (the Plan) is authorized to invest in U.S. Government obligations; U.S. Government agency (or other corporation of the U.S. Government) obligations; obligations fully insured or guaranteed by the U.S. Government or a U.S. Government agency; obligations of the State of Georgia or other states; collateralized mortgage obligations; asset and mortgage-backed securities; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America; prime bankers' acceptances; repurchase agreements; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds. Additionally, the Plan is authorized to invest in common stocks, money market instruments, and corporate bonds and debentures, which are not in default as to principal and interest.

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, 2016, 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	$ 84	$ -	$ 121	$ -	$ -	AAA
Government bonds	1,245,013	-	-	1,245,013	-	AAA
Mutual bond funds	9,386,160	-	9,386,160	-	-	N/A
Mutual equity funds	9,086,632	-	-	-	-	N/A
Other mutual funds	1,465,006	-	-	-	-	N/A
Certificates of deposit	2,058,309	-	2,058,309	-	-	N/A
Georgia Fund 1	101,313	101,313	-	-	-	AAAf
Total fair value	$ 23,342,517	$ 101,313	$ 11,444,590	$ 1,245,013	$ -	

Investments of the component units include a certificate of deposit in the amount of $25,858 that matures in December 2016. This amount is not included in the above schedule.

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

The City has the following recurring fair value measurements as of June 30, 2016:

Investment	Level 1	Level 2	Level 3	Fair Value
Government agencies	-	84	-	84
Government bonds	921,702	323,311	-	1,245,013
Mutual equity funds	9,386,160	-	-	9,386,160
Mutual bond funds	9,086,632	-	-	9,086,632
Other mutual funds	1,465,006	-	-	1,465,006
Total investments measured at fair value	$ 20,859,500	$ 323,395	$ -	$ 21,182,895
Investments not subject to level disclosure:				
Georgia Fund 1				101,313
Certificates of deposit				2,058,309
				$ 23,342,517

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. Investments classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy.

The reporting of investments at fair value in accordance with GASB Statement No. 31 resulted in an unrealized loss of $96,707, which is reflected in the Water and Sewer Fund and an unrealized loss of $806,652, which is reflected in the Pension Trust Fund.

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

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, 2016, 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.

Concentration. For the City's defined benefit pension plan, each of the following mutual fund investments represents 5% or more of plan assets: Baird Fund Income Short Term Fund, Thornburg Limited Term Income Fund, Pimco Funds Pacific Investment Management Fund, Pimco Funds Income Fund Institutional Class, Allianz Growth Institutional Focused Growth Fund, Clearbridge Large-Cap Growth Fund, and Glenmede Large-Cap Growth Fund.

NOTE 4. RECEIVABLES

Receivables consisted of the following at June 30, 2016:

	General	Water and Sewer	Solid Waste	Other Governmental	Total
Receivables:					
Taxes	$ 296,807	$ -	$ -	$ 52,909	$ 349,716
Accounts	48,812	1,199,539	187,147	-	1,435,498
Gross receivables	345,619	1,199,539	187,147	52,909	1,785,214
Less allowance for uncollectibles	(71,765)	(88,774)	(25,031)	-	(185,570)
Net total receivables	$ 273,854	$ 1,110,765	$ 162,116	$ 52,909	$ 1,599,644

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 September 28, 2015, and payable on or before November 30, 2015. Penalties were assessed on unpaid balances as of December 14, 2015 and interest began accruing on unpaid balances on December 16, 2015. The City bills and collects its own property taxes. Property taxes for 2015 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the fiscal year ended June 30, 2016 and expected to be collected by August 31, 2016, are recognized as revenues in fiscal year 2016. Net receivables estimated to be collectible subsequent to August 31, 2016, 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, 2016, is as follows:

	Balance July 1, 2015	Increases	Decreases	Transfers	Balance June 30, 2016
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 2,468,098	$ -	$ -	$ -	$ 2,468,098
Construction in progress	646,657	53,196	-	(9,000)	690,853
Total	3,114,755	53,196	-	(9,000)	3,158,951
Capital assets, being depreciated:					
Buildings	5,146,154	559,766	-	-	5,705,920
Land improvements	147,814	-	-	-	147,814
Infrastructure	24,913,558	19,630	-	(19,630)	24,913,558
Machinery and equipment	8,495,949	694,223	-	(396,606)	8,793,566
Total	38,703,475	1,273,619	-	(416,236)	39,560,858
Less accumulated depreciation for:					
Buildings	2,718,694	145,914	-	-	2,864,608
Land improvements	109,665	7,145	-	-	116,810
Infrastructure	18,509,648	596,767	-	-	19,106,415
Machinery and equipment	7,055,171	451,267	-	-	7,506,438
Total	28,393,178	1,201,093	-	-	29,594,271
Total assets, being depreciated, net	10,310,297	72,526	-	(416,236)	9,966,587
Governmental activities capital assets, net	$ 13,425,052	$ 125,722	$ -	$ (425,236)	$ 13,125,538

NOTE 5. CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2015	Increases	Decreases	Transfers	Balance June 30, 2016
Business-type activities					
Capital assets, not being depreciated:					
Land	$ 181,310	$ -	$ -	$ -	$ 181,310
Construction in progress	165,052	-	-	9,000	174,052
Total	346,362	-	-	9,000	355,362
Capital assets, being depreciated:					
Buildings	21,298,180	-	-	-	21,298,180
Land improvements	179,841	-	-	-	179,841
Infrastructure	26,244,797	38,916	-	19,630	26,303,343
Machinery and equipment	4,379,846	29,554	-	396,606	4,806,006
Total	52,102,664	68,470	-	416,236	52,587,370
Less accumulated depreciation for:					
Buildings	7,681,185	433,041	-	-	8,114,226
Land improvements	83,893	7,264	-	-	91,157
Infrastructure	9,315,375	727,997	-	-	10,043,372
Machinery and equipment	2,958,468	335,044	-	-	3,293,512
Total	20,038,921	1,503,346	-	-	21,542,267
Total assets, being depreciated, net	32,063,743	(1,434,876)	-	416,236	31,045,103
Business-type activities capital assets, net	$ 32,410,105	$ (1,434,876)	$ -	$ 425,236	$ 31,400,465

Included in transfers above are 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	$ 240,219
Judicial	12,011
Public safety	384,350
Public works	564,513
Total depreciation expense - governmental activities	$ 1,201,093
Business-type activities:	
Water and sewer	$ 1,503,346
Total depreciation expense - business-type activities	$ 1,503,346

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. Proceeds from these bonds were used to finance water and sewer system improvements. All operating revenues of the Water and Sewer Fund are pledged to secure the remaining outstanding balance of the bonds.

Revenue bonds outstanding at June 30, 2016 excluding the bond premium of $94,610 are as follows:

Purpose	Interest Rates	Terms	Due Date	Amount
Water & Sewer Improvements	3.60% - 6.00%	25 years	2021	$ 6,175,000

Revenue bonds debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	1,115,000	104,550	1,219,550
2022	1,185,000	35,500	1,220,500
	$ 6,175,000	$ 1,174,000	$ 7,349,000

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, 2016:

Original Amount	Interest Rate	Term	Due Date	Outstanding Balance
$ 351,518	3.00%	15 years	2026	$ 260,325

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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	24,368	4,762	29,130
2022-2026	133,421	12,230	145,651
2027	12,046	91	12,137
	$ 260,325	$ 43,114	$ 303,439

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, 2016:

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

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,	
2017	$ 233,957
Less amount representing interest	(3,639)
Present value of minimum lease payments	$ 230,318

NOTE 6. LONG-TERM DEBT (CONTINUED)

Long-term liability activity for the year ended June 30, 2016, is as follows:

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due within One year
Governmental activities					
Capital lease	$ 457,054	$ -	$ 226,736	$ 230,318	$ 230,318
Compensated absences	458,552	377,980	351,540	484,992	193,997
Net pension liability	3,107,063	2,790,775	3,661,526	2,236,312	-
Claims payable	853,287	302,324	373,739	781,872	246,680
Long-term liabilities	$ 4,875,956	$ 3,471,079	$ 4,613,541	$ 3,733,494	$ 670,995
Business-type activities					
Revenue bonds payable	$ 7,010,000	$ -	$ 835,000	$ 6,175,000	$ 885,000
Add deferred amounts for bond premium	125,379	-	30,769	94,610	-
Total bonds payable	7,135,379	-	865,769	6,269,610	885,000
Notes payable	281,304	-	20,979	260,325	21,616
Net pension liability	1,149,188	1,032,205	1,354,264	827,129	-
Compensated absences	174,395	140,384	132,703	182,076	73,418
Long-term liabilities	$ 8,740,266	$ 1,172,589	$ 2,373,715	$ 7,539,140	$ 980,034

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, 2016, 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, 2016, 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	$ 2,695,139
General Fund	Solid Waste Fund	660,222
		$ 3,355,361

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, 2015, the date of the most recent actuarial valuation, there were 311 participants consisting of:

Retirees and beneficiaries currently receiving benefits	87
Vested terminated employees not yet receiving benefits	42
Active employees	182
Total	311

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 1.87% of the final average compensation, multiplied by years of service and .58% of the final average compensation in excess of $10,000, multiplied by years of service (with a maximum of 30 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, 2016, the City's contribution rate was 71.37% of annual covered payroll.

Net Pension Liability of the City

The City's net pension liability was measured as of June 30, 2016, 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, 2016 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 and an adjustment for rebalancing/diversification. 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, 2016 are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity securities	50.00%	6.95%
Fixed income securities	47.00%	2.80%
Cash - money market	3.00%	0.50%
	100.00%	

Expected Inflation: 2.35%

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, 2016, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2015	$ 19,918,396	$ 15,662,135	$ 4,256,261
Changes for the year:			
Service cost	261,754	-	261,754
Interest	1,499,115	-	1,499,115
Differences between expected and actual experience	(383,212)	-	(383,212)
Assumption changes	1,946,773	-	1,946,773
Contributions—employer	-	4,506,497	(4,506,497)
Net investment income	-	126,091	(126,091)
Benefit payments, including refunds of employee contributions	(695,285)	(695,285)	-
Administrative expense	-	(115,338)	115,338
Net changes	2,629,145	3,821,965	(1,192,820)
Balances at June 30, 2016	$ 22,547,541	$ 19,484,100	$ 3,063,441

The Plan's fiduciary net position as a percentage of the total pension liability 86.41%

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	$ 6,176,858	$ 3,063,441	$ 653,916

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, 2016 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, 2016, the City recognized pension expense of $2,849,915. At June 30, 2016, 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	$ -	$ 767,528
Net difference between projected and actual earnings on pension plan investments	1,005,648	-
Total	$ 1,005,648	$ 767,528

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:	
2017	$ 208,575
2018	208,579
2019	208,579
2020	167,851
2021	(53,016)
Thereafter	(502,448)
Total	$ 238,120

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, 2016	June 30, 2015
Unpaid claims, beginning of year	**$ 853,287**	$ 967,705
Incurred claims and changes in estimate	**302,324**	173,290
Claim payments	**(373,739)**	(287,708)
Unpaid claims, end of year	**$ 781,872**	$ 853,287

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,		
2017	$	6,598
2018		6,223
2019		4,620
2020		3,588
2021		2,093
	$	23,122

Governmental activities rent expense for the fiscal year ended June 30, 2016 was $4,505.

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.

Encumbrances

At June 30, 2016, the City has encumbered amounts in the General Fund of $720 and the Special Purpose Local Option Sales Tax Fund of $78,156 that they intend to honor in the subsequent year. For the General Fund this amount is reported as assigned for purchases on order. For the Special Purpose Local Option Sales Tax Fund, the amount is included as part of restricted fund balance.

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, 2016, are as follows:

Balance of lodging tax funds on hand at July 1, 2015	$	424,537
Lodging tax receipts		558,903
Disbursements to Convention and Visitors Bureau		(459,393)
Balance of lodging tax funds on hand at June 30, 2016	$	524,047

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, 2016, the City paid $23,107 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality in the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MILLEDGEVILLE, GEORGIA

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

	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability			
Service cost	$ 261,754	$ 273,435	$ 286,087
Interest on total pension liability	1,499,115	1,324,357	1,286,529
Assumption changes	1,946,773	-	-
Differences between expected and actual experience	(383,212)	(466,536)	-
Benefit payments	(695,285)	(598,796)	(559,165)
Net change in total pension liability	2,629,145	532,460	1,013,451
Total pension liability - beginning	19,918,396	19,385,936	18,372,485
Total pension liability - ending	$ **22,547,541**	$ 19,918,396	$ 19,385,936
Plan fiduciary net position			
Contributions - employer	$ 4,506,497	$ 1,460,385	$ 1,577,454
Net investment income	126,091	694,567	1,843,724
Benefit payments	(695,285)	(598,796)	(548,099)
Administrative expenses	(115,338)	(101,682)	(70,161)
Net change in plan fiduciary net position	3,821,965	1,454,474	2,802,918
Plan fiduciary net position - beginning	15,662,135	14,207,671	11,404,753
Plan fiduciary net position - ending	$ **19,484,100**	$ 15,662,145	$ 14,207,671
Net pension liability - ending	$ **3,063,441**	$ 4,256,251	$ 5,178,265
Plan fiduciary net position as a percentage of total pension liability			
Covered employee payroll	$ 6,313,985	$ 6,531,022	$ 6,350,000
Net pension liability as a percentage of covered employee payroll	48.52%	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, 2016	June 30, 2015	June 30, 2014
Actuarially determined contribution	$ 822,217	$ 867,486	$ 1,014,005
Contribution in relation to the actuarially determined contribution	4,506,497	1,460,385	1,569,685
Contribution deficiency (excess)	$ (3,684,280)	$ (592,899)	$ (555,680)
Covered employee payroll	$ 6,313,985	$ 6,531,022	$ 6,350,000
Contributions as a percentage of covered employee payroll	71.37%	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

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, 2016	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%	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, 2016

	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	$ 550,072	$ 100	$ 549,819	$ 18,577	$ -	$ 1,118,568
Taxes receivable	52,909	-	-	-	-	52,909
Note receivable	-	-	386,111	-	-	386,111
Total assets	$ 602,981	$ 100	$ 935,930	$ 18,577	$ -	$ 1,557,588
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 78,934	$ -	$ -	$ -	$ -	$ 78,934
Total liabilities	78,934	-	-	-	-	78,934
FUND BALANCES						
Nonspendable - long-term note receivable	-	-	386,111	-	-	386,111
Restricted for health and welfare programs	-	100	-	-	-	100
Restricted for housing and development programs	-	-	549,819	-	-	549,819
Restricted for promotion of tourism	524,047	-	-	-	-	524,047
Restricted for public safety programs	-	-	-	18,577	-	18,577
Total fund balances	524,047	100	935,930	18,577	-	1,478,654
Total liabilities and fund balances	$ 602,981	$ 100	$ 935,930	$ 18,577	$ -	$ 1,557,588

CITY OF MILLEDGEVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	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	$ 558,903	$ -	$ -	$ -	$ -	$ 558,903
Intergovernmental	-	-	26,160	-	-	26,160
Interest revenue	-	-	9,506	18	-	9,524
Other revenues	-	-	-	-	44	44
Total revenues	558,903	-	35,666	18	44	594,631
Expenditures:						
Current:						
Housing and development	459,393	-	28,174	-	-	487,567
Total expenditures	459,393	-	28,174	-	-	487,567
Net change in fund balances	99,510	-	7,492	18	44	107,064
Fund balances (deficits), July 1	424,537	100	928,438	18,559	(44)	1,371,590
Fund balances, June 30	$ 524,047	$ 100	$ 935,930	$ 18,577	$ -	$ 1,478,654

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, 2016

	Original and Final Budget	Actual	Variance with Final Budget
Revenues, taxes	$ 470,000	$ 558,903	$ 88,903
Expenditures, housing and development	470,000	459,393	10,607
Net change in fund balances	-	99,510	99,510
Fund balances, July 1	424,537	424,537	-
Fund balances, June 30	$ 424,537	$ 524,047	$ 99,510

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, 2016

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

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, 2016

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	$ 65,000	$ 26,160	$ (38,840)
Interest revenue	9,000	9,506	506
Total revenues	74,000	35,666	(38,334)
Expenditures, housing and development	74,000	28,174	45,826
Net change in fund balances	-	7,492	7,492
Fund balances, July 1	928,438	928,438	-
Fund balances, June 30	$ 928,438	$ 935,930	$ 7,492

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, 2016

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and forfeitures	$ 5,050	$ -	$ (5,050)
Interest revenue	-	18	18
Total revenues	5,050	18	(5,032)
Expenditures, public safety	5,050	-	5,050
Net change in fund balances	-	18	18
Fund balances, July 1	18,559	18,559	-
Fund balances, June 30	$ 18,559	$ 18,577	$ 18

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, 2016

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

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, 2016

	School Fund
ASSETS	
Cash	$ 23,505
Taxes receivable	36,049
Total assets	$ 59,554
LIABILITIES	
Due to others	$ 23,505
Uncollected taxes	36,049
Total liabilities	$ 59,554

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

School Fund	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
Cash	$ 18,205	$ 388,569	$ 383,269	$ 23,505
Taxes receivable	39,426	373,347	376,724	36,049
Total assets	$ 57,631	$ 761,916	$ 759,993	$ 59,554
Due to others	$ 18,205	$ 388,569	$ 383,269	$ 23,505
Uncollected taxes	39,426	373,347	376,724	36,049
Total liabilities	$ 57,631	$ 761,916	$ 759,993	$ 59,554

COMPONENT UNITS

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - MILLEDGEVILLE-BALDWIN COUNTY ALLIED ARTS
JUNE 30, 2016

ASSETS	
Cash	$ 130,778
Investments	25,858
Total assets	$ 156,636
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accrued liabilities	$ 3,399
Total liabilities	3,399
FUND BALANCE	
Unassigned	153,237
Total liabilities and fund balance	$ 156,636

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, 2016

Revenues		
Intergovernmental	$	171,096
Interest revenue		290
Other revenues		22,606
Total revenues		193,992
Expenditures, culture and recreation		183,249
Net change in fund balance		10,743
Fund balance, July 1		142,494
Fund balance, June 30	$	153,237

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2016

ASSETS		
Cash	$	57,687
Accounts receivable		630
Note receivable		33,896
Total assets	$	92,213
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	$	885
Total liabilities		885
FUND BALANCE		
Nonspendable, note receivable	$	33,896
Unassigned		57,432
Total fund balance		91,328
Total liabilities and fund balance	$	92,213

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, 2016

Revenues		
Other revenues		
MainStreet/DDA	$	3,127
BOOST revenues		3,700
Interest revenue		2,889
Total revenues		9,716
Expenditures, community development		22,872
Deficiency of revenues over expenditures		(13,156)
Special item		
Transfer of Deep Roots Festival activity to an outside organization		(107,244)
Net change in fund balance		(120,400)
Fund balance, July 1		211,728
Fund balance, June 30	$	91,328

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - CENTRAL STATE HOSPITAL LOCAL REDEVELOPMENT AUTHORITY
JUNE 30, 2016

ASSETS		
Cash	$	18,547
Accounts receivable		16,917
Total assets	$	35,464
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accrued liabilities	$	2,296
Total liabilities	$	2,296
FUND BALANCE		
Unassigned		33,168
Total liabilities and fund balance	$	35,464

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, 2016

Revenues		
Intergovernmental	$	243,000
Other revenues		15,539
Total revenues		258,539
Expenditures, community development		253,090
Net change in fund balance		5,449
Fund balance, July 1		27,719
Fund balance, June 30	$	33,168

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 ..... **92 - 97**

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 ..... **98 - 104**

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

Debt Capacity ..... **105 - 109**

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 ..... **110 and 111**

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 ..... **112 - 114**

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Net investment in capital assets	$ 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	$ 12,895,220
Restricted	6,520,856	7,186,892	-	7,487,107	7,527,182	8,669,770	8,733,734	8,966,631	9,374,506	9,934,083
Unrestricted	(2,397,339)	(1,950,090)	6,982,499	(8,962)	(347,928)	2,802,036	2,669,122	3,823,775	(425,188)	212,929
Total governmental activities net position	$ 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	$ 23,042,232
Business-type activities:										
Net investment in capital assets	$ 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	$ 24,870,530
Restricted	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	2,942,071
Unrestricted	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	9,901,702
Total business-type activities net position	$ 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	$ 37,714,303
Primary government:										
Net investment in capital assets	$ 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	$ 37,765,750
Restricted	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	12,876,154
Unrestricted	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	10,114,631
Total primary government net position	$ 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	$ 60,756,535

CITY OF MILLEDGEVILLE, GEORGIA

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

	Fiscal Year									
	2007	2008	2009 (1)	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government	$ 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	$ 2,053,836
Judicial	144,191	146,822	157,986	150,767	160,324	146,991	182,533	(166,137)	208,742	241,322
Public safety	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	7,843,559
Public works	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	2,804,015
Culture and recreation	1,006,164	990,400	888,255	916,789	753,213	791,132	717,454	685,882	688,462	739,380
Housing and development	798,266	896,363	820,562	1,027,572	1,135,550	958,338	762,757	1,187,907	1,103,247	1,254,964
Interest on long-term debt	-	-	-	-	-	-	9,480	11,905	8,397	4,833
Total governmental activities	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	14,941,909
Business-type activities:										
Water and sewer	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	7,601,541
Solid waste	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	1,648,559
Total business-type activities	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	9,250,100
Total primary government	$ 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	$ 24,192,009
Program revenues										
Governmental activities:										
Charges for services:										
General government	$ 288,359	$ 360,551	276,769	325,864	323,490	$ 450,552	$ 423,925	$ 555,219	$ 454,871	$ 548,216
Public safety	619,075	695,843	609,284	703,910	623,963	476,043	-	-	-	-
Public works	-	-	-	-	-	-	623,061	688,920	605,797	563,503
Other activities	2,567	2,838	2,962	553	-	-	-	-	-	-
Operating grants and contributions	73,463	81,578	58,876	63,744	290,553	34,005	173,327	188,074	203,794	127,028
Capital grants and contributions	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	2,049,785
Total governmental activities	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	3,288,532
Business-type activities:										
Charges for services:										
Water and sewer	$ 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	$ 7,622,657
Solid waste	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	1,989,356
Capital grants and contributions	324,771	75,366	207,652	2,029,935	32,377	9,250,100	9,612,013	-	6,300,000	-
Total business-type activities	8,469,065	9,251,645	9,759,638	10,965,095	9,165,593	18,660,227	18,872,731	9,100,712	16,231,320	9,612,013
Total primary government	$ 9,885,368	$ 10,443,573	$ 12,417,720	$ 14,928,766	$ 12,785,684	$ 22,120,741	$ 22,860,199	$ 12,910,647	$ 19,774,836	$ 12,900,545
Net (expense)/revenue										
Governmental activities	$ (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)	$ (11,653,377)
Business-type activities	1,478,462	1,905,331	2,158,833	3,282,132	1,641,771	10,995,184	10,794,416	919,237	7,914,821	361,913
Total primary government net expense	$ (8,387,782)	$ (8,048,324)	$ (7,146,602)	$ (5,784,959)	$ (7,334,466)	$ 5,975,343	$ 2,158,279	$ (8,455,323)	$ (1,551,335)	$ (11,291,464)

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

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

	Fiscal Year									
	2007	2008	2009 (1)	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 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	$ 3,104,119
Sales taxes	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	2,420,423
Hotel/motel taxes	262,255	282,549	262,328	365,766	461,852	468,985	429,068	517,620	513,056	558,902
Franchise taxes	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	1,419,557
Insurance premium taxes	982,864	1,025,237	1,049,796	1,040,054	1,009,723	830,908	882,563	948,217	991,321	1,059,064
Alcoholic beverage taxes	-	-	507,557	459,052	497,143	471,834	442,809	442,809	446,363	468,167
Business and occupation taxes	-	-	568,177	626,357	561,109	562,008	580,395	580,395	594,765	626,965
Other taxes	1,078,493	1,075,530	46,779	116,819	108,996	55,023	72,509	179,624	95,037	108,500
Unrestricted investment earnings	404,965	422,827	143,965	94,254	122,072	92,635	62,492	36,721	40,217	71,595
Transfers	(77,217)	(607,877)	1,378,682	923,307	(387,127)	(703,115)	(466,569)	1,700,522	1,768,342	2,930,125
Total governmental activities	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	12,767,417
General Revenues and Other Changes in Net Position										
Business-type activities:										
Unrestricted investment earnings	240,408	324,590	171,525	230,951	97,346	260,807	(81,966)	197,865	43,720	146,599
Transfers	77,217	607,877	(1,378,682)	(923,307)	387,127	703,115	466,569	(1,700,522)	(1,768,342)	(2,930,125)
Total business-type activities	317,625	932,467	(1,207,157)	(692,356)	484,473	963,922	384,603	(1,502,657)	(1,724,622)	(2,783,526)
Total primary government	$ 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	$ 9,983,891
Change in Net Position										
Governmental activities	$ 1,132,754	$ 667,033	$ 1,174,809	$ 1,231,737	$ 18,516	$ 3,459,854	$ (196,394)	$ 1,765,940	$ 1,800,242	$ 1,114,040
Business-type activities	1,796,087	2,837,798	951,676	2,589,776	2,126,244	11,959,106	11,179,019	(583,420)	6,190,199	(2,421,613)
Total primary government	$ 2,928,841	$ 3,504,831	$ 2,126,485	$ 3,821,513	$ 2,144,760	$ 15,418,960	$ 10,982,625	$ 1,182,520	$ 7,990,441	$ (1,307,573)

(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
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
2016	3,104,119	2,420,423	667,402	468,167	626,965	1,419,557	1,059,064	9,765,697

(1) Includes hotel/motel taxes, alcoholic beverages taxes and business and occupation taxes for the years 2007-2008. 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Nonspendable	$ -	$ -	$ -	$ -	$ 33,740	$ 37,241	$ 43,348	$ 490,113	$ 460,095	$ 40,705
Restricted	-	-	-	-	76,409	76,409	224,970	244,055	76,409	271,698
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	595	595	595	595	595	-
Unassigned	-	-	-	-	3,439,189	2,733,297	2,039,603	2,336,893	3,263,168	2,787,745
Reserved	111,763	120,157	121,144	364,158	-	-	-	-	-	-
Unreserved	1,842,682	2,048,211	2,967,390	3,219,511	-	-	-	-	-	-
Total General Fund	$ 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	$ 3,100,148
All Other Governmental Funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 416,668	$ 386,111
Restricted	-	-	-	-	8,104,832	8,599,830	8,508,764	8,722,576	9,308,873	9,662,385
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(31)	(175)	(175)	(175)	(44)	-
Reserved	6,926,294	7,616,855	411,055	652,007	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	(260)	(294)	(276)	7,322,120	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 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	$ 10,048,496

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Taxes	$ 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	$ 9,693,482
Licenses and permits	245,612	269,421	254,397	224,487	216,867	224,119	227,542	225,058	281,354	406,460
Intergovernmental	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	2,128,203
Fines and forfeitures	619,075	695,843	609,284	703,910	623,963	476,043	623,061	688,920	605,797	563,503
Charges for services	7,919	5,934	4,889	7,794	8,272	8,859	8,225	13,613	16,390	15,344
Interest income	400,066	416,981	142,533	204,046	134,765	102,409	89,998	82,584	75,650	176,580
Other revenues	41,053	88,034	20,445	94,136	98,351	220,782	83,021	212,908	157,358	126,456
Total revenues	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	13,110,028
Expenditures:										
General government	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	1,961,392
Judicial	139,081	145,044	157,390	162,685	150,765	168,463	177,121	188,821	206,345	243,036
Public safety	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	8,125,227
Public works	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	2,197,906
Culture and recreation	975,299	964,602	866,518	891,330	797,390	752,410	729,728	698,193	700,970	761,153
Housing and development	788,626	892,385	808,239	1,015,304	1,136,659	967,856	778,061	1,205,334	1,126,934	1,313,159
Capital outlay	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	1,590,111
Debt service:										
Principal	-	-	-	-	-	-	270,000	233,957	233,957	233,957
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	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	16,425,941
Excess of revenues over (under) expenditures	1,652,866	801,580	242,676	(771,794)	96,938	227,519	(1,924,114)	(1,035,991)	(571,636)	(3,315,913)
Other Financing Sources (Uses)										
Proceeds from capital leases	-	-	-	-	-	-	1,170,000	-	-	-
Transfers in from other funds	-	102,870	1,716,847	923,307	-	-	600,000	1,536,965	1,886,775	3,355,361
Transfers out to other funds	(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	3,355,361
Net change in fund balances	$ 1,575,649	$ 904,450	$ 1,621,358	$ 151,513	$ 96,938	$ (207,537)	$ (154,114)	$ 500,974	$ 1,315,139	$ 39,448
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.09%	1.81%	1.90%	1.51%

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
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
2016	3,031,903	2,420,423	1,762,535	1,419,557	1,059,064	9,693,482

(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
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%
2016	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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Food	$ 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	$ 1,414,399
Apparel	96,479	101,552	103,119	110,742	122,828	386,256	246,782	328,246	445,861	843,979
General	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	1,271,759
Automotive	1,227,571	1,234,576	1,380,494	722,402	768,607	725,499	520,306	148,892	134,704	150,893
Home	362,778	310,193	276,404	110,742	260,032	376,257	461,261	548,986	528,255	586,954
Lumber	722,251	674,450	556,832	425,172	556,683	515,641	218,318	50,792	23,045	26,111
Miscellaneous Service	243,942	232,113	240,512	315,552	334,584	286,425	274,205	355,825	357,884	373,487
Manufacturers	186,704	133,567	139,918	325,454	260,032	238,279	166,332	255,975	202,246	244,887
Utilities	564,852	586,667	666,444	509,435	541,669	560,033	520,370	540,283	501,205	566,928
Miscellaneous	428,756	450,685	422,043	412,752	334,584	575,641	196,990	355,825	147,863	175,933
	$ 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	$ 5,655,330

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
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%
2016	131,183,888	199,629,373	12,256,620	509,987	2,247,783	341,332,085	9.12	853,330,213	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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
City of Milledgeville										
Maintenance & Operations	8.22	8.22	8.12	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	9.22	9.22	9.12	9.12	9.12	9.12	9.12	9.12	9.12	9.12
Baldwin County	8.80	8.80	8.64	8.64	8.78	8.78	8.84	9.84	9.85	9.85
Baldwin County School District	16.07	16.07	16.07	16.07	16.07	17.06	17.06	17.06	17.06	17.06
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.20	0.15	0.10	0.10
Total	34.34	34.34	34.08	34.08	34.22	35.21	35.22	36.17	36.13	36.13

Source: City of Milledgeville financial records

CITY OF MILLEDGEVILLE, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	2016			2007		
	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	$ 16,344,453	1	3.81%			
Georgia Power	11,153,168	2	2.60%	$ 7,860,909	1	2.45%
Campus Crest of Milledgeville	5,539,252	3	1.29%			
Walmart Real Estate Business	4,835,680	4	1.13%			
Magnolia Park	4,602,575	5	1.07%			
AT&T	3,956,058	6	0.92%	5,876,956	2	1.83%
RATH Refractories	3,761,185	7	0.88%			
Walmart	3,474,533	8	0.81%	4,491,161	5	1.40%
Halpern Properties LLC	3,010,720	9	0.70%			
Winstream	2,772,220	10	0.65%			
Lowe's of Milledgeville				5,318,058	3	1.66%
Woodland Terrace Properties				1,761,864	10	0.55%
Heritage Walk Investments				3,208,480	6	1.00%
Shaw Industries				3,103,664	7	0.97%
Hatcher Square Mall				2,070,400	8	0.64%
Exchange Bank				1,778,240	9	0.55%
Eric S. Zorn, Trustee				4,904,680	4	1.53%
Totals	$ 59,449,844		13.86%	$ 40,374,412		12.58%

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	$ 2,608,910	$ 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
2016	2,992,600	2,845,261	95.1	107,722	2,952,983	98.7

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			
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	-	457,054	281,304	7,135,379	7,873,737	3.02%	404.37
2016	-	230,318	260,325	6,269,610	6,760,253	N/A	357.10

Source: City of Milledgeville financial records

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.
N/A - Not Available

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)
2007	-	-	-
2008	-	-	-
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-

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, 2016

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			$ 230,318
Total direct and overlapping debt			$ 230,318

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, 2016 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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Legal debt limit	$ 32,125	$ 34,315	$ 36,034	$35,217	$ 36,081	$ 35,761	$ 35,438	$ 35,106	$ 35,438	$ 34,133
Total net debt applicable to debt limit	-	-	-	-	-	-	900	680	459	230
Legal debt margin	$ 32,125	$ 34,315	$ 36,034	$ 35,217	$ 36,081	$ 35,761	$ 34,538	$ 34,426	$ 34,979	$ 33,903
Legal debt margin as a percentage of the debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.54%	1.94%	1.30%	0.67%

Legal Debt Margin Calculation for Fiscal Year 2015	
Assessed value	$ 341,332
Debt limit (10% of assessed value)	34,133
Debt applicable to limit:	
Capital lease obligation	230
Total net debt applicable to limit	230
Legal debt margin	$ 33,903

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	
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
2016	7,628,862	5,720,752	1,908,110	835,000	377,443	1.57

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)
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
2016	18,931	N/A	13,342	6,998	10.00

(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

	2016			2007		
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	2.59%
Baldwin County School System	760	3	N/A	900	5	4.54%
Oconee Regional Medical Center	597	4	N/A	710	6	3.58%
Georgia Military College	430	5	N/A	400	10	2.02%
Georgia Department of Corrections	352	6	N/A	1,225	4	6.17%
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	11.28%
Rheem Manufacturing				1,550	2	7.81%
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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function/Program										
General Government										
Administrative	3	3	3	2.5	4	4	4	4	5	5
Finance	7	7	8	7	6	7	7	7	7	7
Personnel	2	1	1	1	2	1.5	1.5	1.5	1.5	1.5
Planning	5	5	5	4	4	4.5	4.5	4.5	4.5	4.5
Other	8	8	8	3	3	4	4	4	4	4
Police										
Officers	49	49	51	51	52	52	52	52	52	52
Civilians	13	13	13	9	9	9	10	10	10	11
Fire										
Firefighters	33	33	34	34	33	34	34	34	34	34
Civilians	1	1	0	0	0	0	0	0	0	0
Public Works										
Administrative	2	2	2	2	2	3	3	3	3	3
Maintenance	12	12	16	13	13	13	13	13	13	13
Parks and Recreation	10	10	10	11	9	10	10	10	10	10
Water	39	39	35	32.5	32	35	35	35	35	35
Wastewater	18	18	21	18	16	16	16	16	16	16
Refuse	9	9	9	7	7	9	9	9	9	9
Total	211	210	216	195	192	202	203	203	204	205

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

Function/Program	Fiscal Year 2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Parking violations	2,360	3,737	3,891	4,598	3,103	3,123	2,892	3,617	2,472	2,469
Traffic violations	5,335	6,155	5,520	5,558	4,503	3,611	3,966	6,364	4,766	4,328
Fire										
Number of calls answered	1,015	971	988	989	1,155	1,124	1,297	1,409	1,562	1,677
Number of inspections conducted	2,091	2,302	2,327	2,025	1,855	2,168	2,271	2,219	2,187	2,068
Highways and streets										
Street resurfacing (miles)	1.0	0.5	0.0	1.4	2.3	0.5	0.6	0.3	5.5	0.3
Potholes repaired	157	191	290	338	351	540	672	353	940	1,047
Sanitation										
Yard trimmings collected (tons/day)	2.7	3.8	3.8	3.2	3.4	8.5	8.8	8.9	4.1	6.3
Water										
Number of service connections	7,231	7,388	7,746	7,564	7,589	7,956	7,960	7,938	7,897	7,856
Average daily consumption (thousands of gallons)	6,638	6,515	6,432	6,325	6,336	6,340	6,331	6,330	6,335	6,334
Sewer										
Number of service connections	5,792	6,000	6,125	6,071	6,072	6,075	6,077	6,191	6,184	6,186
Average daily sewage treatment (thousands of gallons)	3,750	4,043	4,380	4,369	4,372	3,197	3,201	4,191	2,722	2,986

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	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	50	50	42	50	59	59	59	57	57	57
Fire stations	2	2	2	2	2	2	2	2	2	2
Highways and streets										
Miles of streets	117	119	120	120	120	120	120	120	120	120
Number of street lights	1,541	1,547	1,547	1,547	1,547	1,547	1,547	1,548	1,560	1,560
Water										
Water mains (miles)	190	194	196	196	200	200	200	200	200	200
Number of water plants	2	2	2	2	2	2	2	2	2	2
Fire hydrants	678	715	728	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	233	233	233	233	233	233	233	233	233
Storm sewers (miles)	28	30	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
Baldwin State Prison	$ 356,208	1	10.66%			
Mohawk	248,218	2	7.42%	$ 126,411	4	3.23%
GEO Riverbend	240,516	3	7.19%			
Georgia College	192,556	4	5.76%	257,496	3	6.58%
Zschimmer & Schwarz, Inc.	190,520	5	5.70%			
Pine Knoll Apartments	80,584	6	2.41%	61,445	10	1.57%
Magnolia Park Student Housing, LLC	78,165	7	2.34%			
Villamar Town Home Apartments	76,496	8	2.29%	81,879	6	2.09%
Triumph - Vought Aircraft Industries	74,409	9	2.23%	71,007	8	1.81%
Tidal Wave Auto Spa of Milledgeville	49,038	10	1.47%			
Central State Hospital				335,346	2	8.57%
Baldwin County Commissioners				1,014,512	1	25.92%
Bill Ireland, YDC				92,309	5	2.36%
Rheem Manufacturing				64,941	9	1.66%
Oconee Regional Medical Center				73,364	7	1.87%

Source: City of Milledgeville records

Notes: Bill E. Ireland closed in the Spring of 2010.
Baldwin County has built its own water system.
Rheem Manufacturing closed its Milledgeville plant in 2009.
Oconee Regional Medical Center now obtains its water from other sources.

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 Commissioners	$ 413,790	1	11.51%	$ 52,429	10	2.09%
Baldwin State Prison	356,208	2	9.91%			
GEO Riverbend	240,516	3	6.69%			
Georgia College	192,556	4	5.36%	222,327	1	8.85%
Zschimmer & Schwarz, Inc.	190,520	5	5.30%			
Mohawk	141,828	6	3.94%	95,873	2	3.82%
Pine Knoll Apartments	80,584	7	2.24%	61,445	8	2.45%
Magnolia Park Student Housing, LLC	78,165	8	2.17%			
Villamar Town Home Apartments	76,496	9	2.13%	81,879	4	3.26%
Triump - (Vought Aircraft Industries)	74,409	10	2.07%	71,500	5	2.85%
Oconee Regional Medical Center				66,428	6	2.65%
Bill Ireland, YDC				92,309	3	3.68%
Rheem Manufacturing				65,147	7	2.59%
Shaw Industries				55,186	9	2.20%

Source: City of Milledgeville records

Notes: Bill E. Ireland closed in the Spring of 2010.

Rheem Manufacturing closed its Milledgeville plant in 2009.

Oconee Regional Medical Center now obtains its sewer services from other sources.

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, 2016, 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 15, 2016.

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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2016-001 and 2016-002 that we consider to be material weaknesses.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

City of Milledgeville's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
December 15, 2016

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	X Yes ____ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes X None reported
Noncompliance material to financial statements noted?	____ Yes X No

Federal Awards

A single audit was not performed for the fiscal year ended June 30, 2016 due to the City not expending $750,000 or more of federal funds.

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SECTION II FINANCIAL STATEMENT FINDINGS

2016-001. 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 and recording all audit adjustments so that their general ledgers are in agreement with final audited financial statements.

Condition: The City's component units – Allied Arts 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. Fund balance accounts, accrued payroll and accrued annual leave were not properly recorded in the general ledgers of the component units at June 30, 2016. Certain 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, 2016 to properly record prior year audit adjustments, receivables, payables and accrued payroll.

Effect: Adjustments were required to be recorded as follows:

a) **Allied Arts** - An adjustment to record prior year audit entries decreased fund balance by $13,419. Adjustments were also recorded to accrued payroll ($2,639) and accrued annual leave ($7,142).

b) **Central State Hospital Local Redevelopment Authority** - An adjustment to record prior year audit entries increased fund balance by $4,829. Adjustments were also recorded to correct accrued payroll tax accounts ($2,398).

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 and should make sure that all audit entries are posted to the general ledger in a timely manner

Views of responsible officials and planned corrective action: For Allied Arts, management concurs with this finding and will provide training for both staff and management for maintaining our records on a modified accrual basis including fund balance, accrued payroll and annual leave to be posted in the general ledger in a timely manner. For the Central State Hospital Local Redevelopment Authority, management concurs with the finding and has retained outside accounting assistance to ensure we are in compliance with approved modified accrual accounting processes.

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SECTION II FINANCIAL STATEMENT FINDINGS

2016-002. Expenditure Procedures and Use of Debit Card – Component Unit

Criteria: Good, sound internal controls require procedures to be in place for the approval of expenditures and the maintenance of supporting documentation for each expenditure.

Condition: During our audit we noted that the City's component unit –Central State Hospital Local Redevelopment Authority continues to use a debit card for a significant number of its expenditures, thereby allowing for the immediate disbursement of funds from the Authority's bank account. Documentation for many of these expenditures is not being maintained. As part of our audit procedures we randomly selected twenty-five (25) disbursements to test for proper approval and proper supporting documentation. Eleven (11) of the disbursements tested were debit card transaction, for which no supporting invoice, receipt or other documentation could be located and no approval for the expenditure was documented. Of the remaining fourteen (14) disbursements, we noted one (1) for which no supporting invoice or approval could be located.

Effect: While the use of a debit card for Authority expenses is convenient method, it circumvents purchasing and expenditures processes necessary for strong internal controls and carries risks that do not come into play when using credit cards or payment by check. Protection offered for debit cards are fewer, and fraudulent activity could be costly the Authority. Additionally, the recording of expenditures to the Authority's general ledger is made difficult without supporting documentation that has been properly approved.

Recommendation: We recommend the Authority discontinue the use of a debit card for Authority expenditures and make a concerted effort to maintain invoices, receipts, or other supporting documentation for every disbursement. Additionally, the supporting documentation should be initialed by management or a Board member noting approval of the expenditure prior to payment.

Views of responsible officials and planned corrective action: Management concurs with this finding. A debit card is no longer being used for expenses. A monthly expense report by all employees on a monthly basis is submitted and approved by the Secretary/Treasurer and reimbursed by check for authorized expenses after approval.

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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, 2016

2015-001. Accounting Processes – Component Units

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.

Auditee Response/Status: Unresolved. Refer to current year finding 2016-001.

2015-002. Investments

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 and mutual funds, the City is not in compliance with state law.

Auditee Response/Status: Resolved.

STATE COMPLIANCE SECTION

CITY OF MILLEDGEVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS – 2011 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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	20,775	1,203,943
City facilities	1,014,600	1,014,600	-	-	-
Improvements	-	-	-	-	-
Equipment and vehicles	-	-	-	-	-
Public safety	3,090,400	3,090,400	-	-	-
Improvements	-	-	-	6,800	6,800
Equipment and vehicles	-	-	-	6,024	6,024
				-	
Improvements - water system, water treatment and waste treatment	4,350,000	4,350,000	-	431,263	431,263
	$ 12,250,000	$ 12,250,000	$ 1,183,168	$ 464,862	$ 1,648,030

CITY OF MILLEDGEVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS – 2006 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Public works	$ 3,400,000	$ 3,400,000	$ -	$ -	$ -
Improvements	-	-	963,537	184,894	1,148,431
Equipment and vehicles	-	-	904,885	170,000	1,074,885
City facilities	3,000,000	3,000,000			
Improvements	-	-	1,428,691	612,793	2,041,484
Equipment and vehicles	-	-	102,727	25,506	128,233
Public safety	2,000,000	2,000,000			
Improvements	-	-	222,449	-	222,449
Equipment and vehicles	-	-	1,407,864	116,990	1,524,854
Improvements - water system, water treatment and waste treatment	4,000,000	4,000,000	4,401,665	-	4,401,665
	$ 12,400,000	$ 12,400,000	$ 9,431,818	$ 1,110,183	$ 10,542,001

Note: Capital outlay and debt service expenditures in the SPLOST Fund totaled $1,824,068; however, only $1,575,045 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 $15,066 were expenditures paid with grant funds.