CITY OF MILLEDGEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

Prepared by:

Finance Department

CITY OF MILLEDGEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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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

November 27, 2017

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, 2017, 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 unmodified opinion on the City of Milledgeville's financial statements for the fiscal year ended June 30, 2017. The independent auditor's report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

Known as Georgia's Antebellum Capital, the City of Milledgeville was founded in 1803 by an Act of the General Assembly of Georgia and was named for the Honorable John Milledge, Governor of Georgia. Milledgeville served as Georgia's fourth capital from 1804-1868. In 1868, the state capital was moved to Atlanta. Milledgeville owns the distinction of being one of only two planned capital cities in the United States, the other being Washington, D. C. The City occupies 20.79 square miles and is the county seat for Baldwin County. Milledgeville is located 79 miles southeast of Atlanta and 30 miles northeast of Macon.

Milledgeville is governed by a mayor and six (6) council members elected by the citizens. The Mayor is elected at large serving a four (4) year term and presides over all meetings of the City, signs all official contracts, ordinances, and resolutions adopted by council. Members of the City Council are elected from districts and serve four year concurrent terms. Council members are responsible for passing ordinances, adopting the budget, establishing tax rates, appointing committees and hiring both the city's manager and attorney. The City has operated under a council-manager form of government since May, 2003 when the City's charter was changed. The City Manager advises the mayor and council, prepares the budget, appoints department heads, supervises all employees and is responsible for day-to-day operations of the City.

The City provides a full range of service to approximately 19,000 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. This site represents approximately 1,500 acres located on US Highway 441.

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 opened in the spring of 2017.

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, 2016. This is the thirty-first 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, 2016

Executive Director/CEO

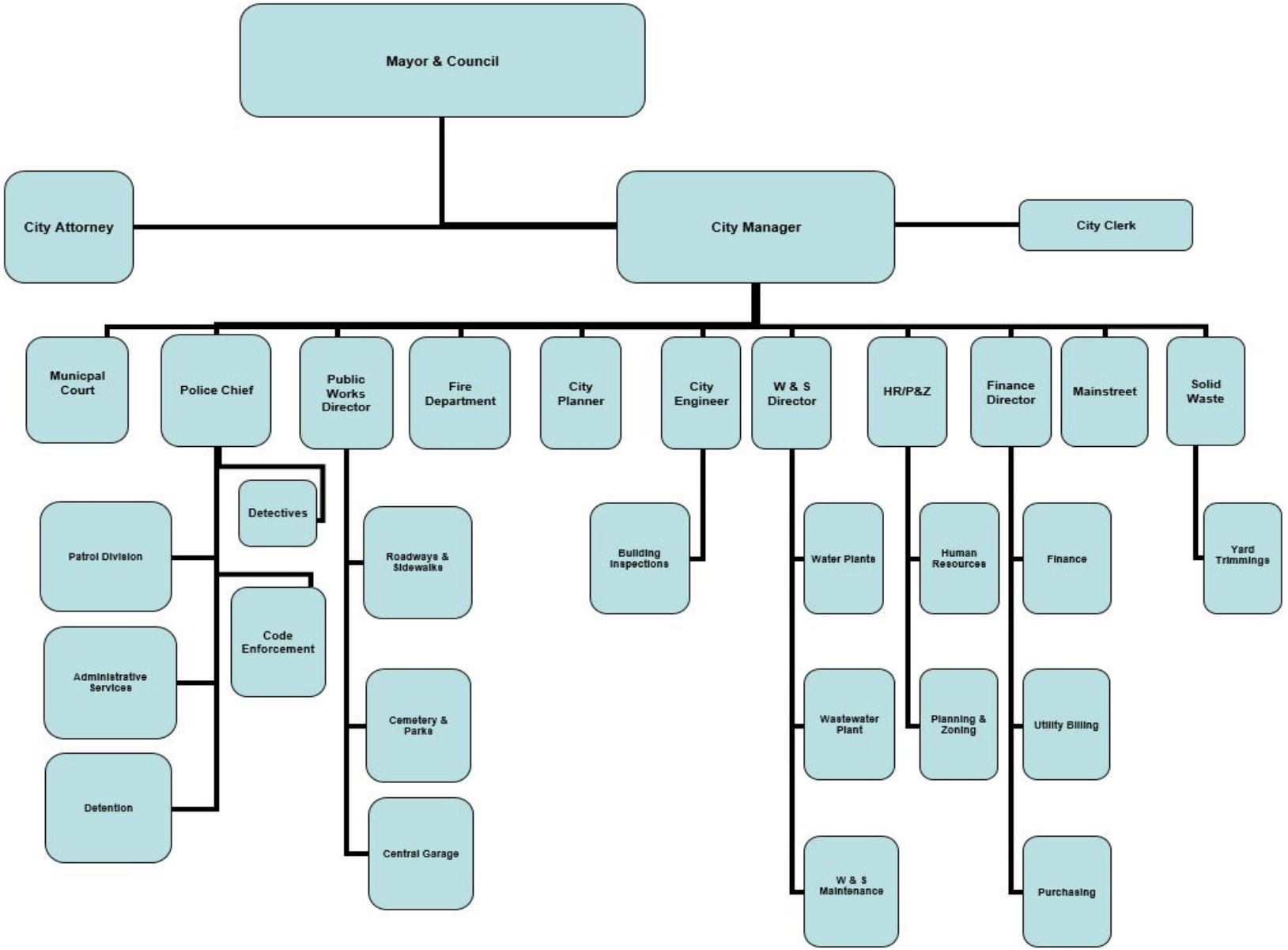
CITY OF MILLEDGEVILLE, GEORGIA

LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2017

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, 2017



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, 2017, 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, 2017, 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 sections 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 November 21, 2017, 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
November 21, 2017

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, 2017. 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 and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2017 by $59,621,744. Of this amount, $37,657,441 is the City's net investment in capital assets. Total unrestricted net position is $8,681,192 and may be used to meet the City's ongoing obligations. Unrestricted net position (deficit) from governmental activities is ($1,004,503).

- As of June 30, 2017, Milledgeville's governmental funds reported combined ending fund balances of $13,102,794. Approximately 15% of this total amount, $2,365,528 is available for spending at the City Council's discretion, (unassigned fund balance). The governmental funds combined fund balance decreased by $45,850 from fiscal year ending June 30, 2016. The decrease in fund balance may be primarily attributed to a reduction in the financial contributions to the General Fund from the Water and Sewer Fund.

- Total liabilities of the City's governmental-type and business-type activities outstanding at June 30, 2017 are $5,067,100 and $7,766,942 respectively. $10,048,723 of the total $12,834,042 represents liabilities that are due in one year or more, such as long-term debt and compensated absences. This is an increase of $225,718 for governmental activities and a decrease of $660,724 for the business-type activities from fiscal year ending June 30, 2016. The business-type funds secured a GEFA (Georgia Environmental Financing Authority) note payable for $530,000. For the period ending June 30, 2017, only $48,980 had been drawn with the remaining balance to be drawn in FY2018. In accordance with GASB No. 68, the City was required to record a net pension liability of $4,048,965 at June 30, 2017, with deferred inflows and deferred outflows related to the net pension liability of $1,829,365 and $714,512, respectively.

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 deferred outflows of resources and total liabilities and deferred inflows of resources 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) presents revenues and expenses of the City. Under the accrual basis of accounting mentioned earlier, revenues are recognized when earned and expenses when incurred in this statement. Thus, revenues are reported even when they may not be collected for several weeks after the accounting period and expenses are recorded even though they may not have used cash during the current period. The difference is described as *changes in net position.* The primary focus of the Statement of Activities is on *net costs* of various activities provided by the City and identifies the extent to which each function of the City draws from general revenues or is self-financing through fees, grants or other sources.

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

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

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

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

The City's government-wide financial statements are presented on pages 16 - 19.

Fund Financial Statements

The focus of fund financial statements is directed to specific activities of the City and its most significant funds, not the City as a whole. A fund is an entity with a self-balancing set of accounts that the City uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the City's 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 20 - 27 of this report.

  The City of Milledgeville maintains six (6) 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 four (4) 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's internal service fund is the Risk Management Fund. Because of the nature of the City's internal service fund, it is allocated to both governmental activities and business-type activities on the government-wide statement.

  The City's proprietary fund financial statements are presented on pages 28 - 35.

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

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

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

  The City's fiduciary fund financial statements are presented on pages 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 - 82.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38 - 73 of this report.

Other Supplementary Information

Other supplementary information includes combining financial statements for non-major governmental funds. These funds are added together by fund type and presented together in a single column in the basic financial statements rather than reported individually, as with major funds. The combining and individual fund statements and schedules are presented following the notes to the financial statements and can be found on pages 77 - 84 of this report.

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

GOVERNMENT WIDE FINANCIAL ANALYSIS

The City's overall financial position and operations for the fiscal year is summarized in the table 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	
	2017	2016	2017	2016	2017	2016
Current and other assets	$ 13,597,513	$ 13,991,824	$ 14,437,865	$ 14,532,831	$ 28,035,378	$ 28,524,655
Capital assets	12,553,724	13,125,538	30,751,831	31,400,465	43,305,555	44,526,003
Total assets	26,151,237	27,117,362	45,189,696	45,933,296	71,340,933	73,050,658
Deferred outflows of resources	1,335,436	734,123	493,929	271,525	1,829,365	1,005,648
Long-term debt outstanding	4,161,542	3,912,641	5,898,382	6,559,106	10,059,924	10,471,747
Other liabilities	905,558	1,186,459	1,868,560	1,724,179	2,774,118	2,910,638
Total liabilities	5,067,100	5,099,100	7,766,942	8,283,285	12,834,042	13,382,385
Deferred inflows of resources	521,593	560,295	192,919	207,233	714,512	767,528
Net position						
Net investment in capital assets	12,553,724	12,895,220	25,103,717	24,870,530	37,657,441	37,765,750
Restricted	10,348,759	9,934,083	2,934,352	2,942,071	13,283,111	12,876,154
Unrestricted	(1,004,503)	(637,213)	9,685,695	9,901,702	8,681,192	9,264,489
Total net position	$ 21,897,980	$ 22,192,090	$ 37,723,764	$ 37,714,303	$ 59,621,744	$ 59,906,393

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, 2017, assets exceeded liabilities by $59.1 million. However, much of the net position is either restricted as to purpose for which it can be used, or is invested in capital assets.

The largest portion of the City's net position, $37,657,441 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 $13,283,111 of the City's net position represents resources that are subject to external restrictions on how they are to be used.

Changes in Net Position – Governmental and business-type activities decreased the City's net position by $313,661 in fiscal year 2017. The following table indicates the changes in net position for the government and business-type activities in fiscal year 2017.

City of Milledgeville Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues						
Charges for services	$ 1,028,330	$ 1,111,719	$ 9,857,241	$ 9,612,013	$ 10,885,571	$ 10,723,732
Operating grants and contributions	163,452	127,028	-	-	163,452	127,028
Capital grants and contributions	2,375,184	2,049,785	-	-	2,375,184	2,049,785
General revenues						
Property taxes	3,086,186	3,104,119	-	-	3,086,186	3,104,119
Sales tax	2,433,043	2,420,423	-	-	2,433,043	2,420,423
Other taxes	4,164,130	4,241,155	-	-	4,164,130	4,241,155
Investment earnings (loss)	31,380	71,595	(6,467)	146,599	24,913	218,194
Total revenues	13,281,705	13,125,824	9,850,774	9,758,612	23,132,479	22,884,436
Expenses						
General government	1,644,150	2,053,836	-	-	1,644,150	2,053,836
Judicial	176,387	241,322	-	-	176,387	241,322
Public safety	7,300,387	7,843,559	-	-	7,300,387	7,843,559
Public works	2,656,473	2,804,015	-	-	2,656,473	2,804,015
Housing and development	1,652,993	739,380	-	-	1,652,993	739,380
Culture and recreation	598,062	1,254,964	-	-	598,062	1,254,964
Interest on long-term debt	1,213	4,833	-	-	1,213	4,833
Water and sewer	-	-	7,699,817	7,601,541	7,699,817	7,601,541
Solid waste	-	-	1,687,646	1,648,559	1,687,646	1,648,559
Total expenses	14,029,665	14,941,909	9,387,463	9,250,100	23,417,128	24,192,009
Increase (decrease) in net position before transfers	(747,960)	(1,816,085)	463,311	508,512	(284,649)	(1,307,573)
Transfers	453,850	2,930,125	(453,850)	(2,930,125)	-	-
Change in net position	(294,110)	1,114,040	9,461	(2,421,613)	(284,649)	(1,307,573)
Net position, beginning of year, restated	22,192,090	21,078,050	37,714,303	40,135,916	59,906,393	61,213,966
Net position, end of year	$ 21,897,980	$ 22,192,090	$ 37,723,764	$ 37,714,303	$ 59,621,744	$ 59,906,393

Governmental Activities – Governmental activities decreased the City's net position by $294,110 in fiscal year 2017. Key elements of this decrease are as follows:

- Revenues were $13.3 million. Approximately 8% of the City's revenues came from fees charged for services, 19% from sales taxes, 24% from property taxes and 32% from other taxes.
- Expenses totaled $14.0 million. Approximately 51% of the City's expenses are attributed to public safety, 20% to public works, 12% to general government and the remaining 17% to housing and development, judicial activities, and culture and recreation. Public safety expenditures decreased due to the addition of costs associated with funding the pension plan in the prior year.

Business-Type Activities – The City's business-type activities, the Water and Sewer Fund and Solid Waste Fund, increased net position by $9,461 in fiscal year 2017. This reduction is due primarily to the transfer of funds from the Water and Sewer Fund 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 2017, the combined ending fund balance of the City's governmental funds was $13,102,794 a decrease of .35% from fiscal year 2016. Approximately $2.37 million (18%) of combined fund balance consists of unassigned fund balance, which is available working capital for current spending in accordance with the purpose of the specific funds. The unassigned fund balance decreased by $422,217. Expenses were 12% lower than the previous year and revenues also increased by .02%. This revenue amount does not include a funds transfer of $1,211,118 out of the Water and Sewer Fund for expenditures incurred by the General Fund on behalf of the Water and 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 ($33,457), restricted to non-spendable note receivable ($354,938) restricted for capital projects ($9,101,610), restricted for promotion of tourism ($633,517), restricted for housing and development programs ($588,032) restricted for public safety ($25,600), and unassigned ($2,365,528).

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 $2,365,528 while total fund balance was $2,588,836. 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 19% of total fiscal year 2017 expenditures, while total fund balance is 21% 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 $8,911,871 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 $7,036,881. The total net position decreased by $1,314,537. Unrestricted net position of the City's other proprietary fund, the Solid Waste Fund, totaled $1,845,336 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 June 2016, the City Council appropriated $13.3 million for fiscal year 2017 General Fund expenditures.

City of Milledgeville 2017 General Fund Budget

	Original Budget	Amendments	Final Budget	Actual
Revenues and other financing sources	$ 13,372,898	$ 64,639	$ 13,372,898	$ 11,619,813
Expenditures and other financing uses	13,372,898	64,639	13,372,898	12,131,125

Budgetary amendments did not affect the total budgetary allowance for revenue nor expenditures due to the realignment between existing departments. The budget was amended to increase the principal and interest paid on behalf of the Milledgeville Baldwin County Development Authority. An additional amendment was made to allow for two (2) payments of dues to the Georgia Municipal Association. 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 $43,305,555 net investment in capital assets. 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 Net Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	$ 2,468,098	$ 2,468,098	$ 181,310	$ 181,310	$ 2,649,408	$ 2,649,408
Land improvements	23,859	31,004	139,770	88,684	163,629	119,688
Infrastructure	5,442,779	5,807,143	15,974,506	16,259,971	21,417,285	22,067,114
Buildings	2,731,825	2,841,312	12,750,913	13,183,954	15,482,738	16,025,266
Machinery and equipment	1,196,310	1,287,128	1,644,033	1,512,494	2,840,343	2,799,622
Construction in progress	690,853	690,853	61,299	174,052	752,152	864,905
Total capital assets	$ 12,553,724	$ 13,125,538	$ 30,751,831	$ 31,400,465	$ 43,305,555	$ 44,526,003

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

- Renovation to City Hall - $19,007
- Right of Way Improvements - $48,703
- Vehicles - $62,498
- Roof Improvement - $30,555

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

- Construction in Progress – High Service Pump - $23,560
- Construction in Progress – Sewer Lines - $37,274
- Infrastructure - $243,200
- Machinery and Equipment - $487,411
- Site Improvements - $58,350

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, 2017, the City of Milledgeville had $5,648,114 in bonds and notes payable outstanding, a decrease of $881,821 from last year representing payments made to reduce bonds, notes and capital leases outstanding.

State statutes limit the amount of general obligation debt a governmental entity may issue to ten percent (10%) of its total assessed valuation. The current debt limitation for the City of Milledgeville is $33.99 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	
	2017	2016	2017	2016	2017	2016
Capital leases	$ -	$ 230,318	$ -	$ -	$ -	$ 230,318
Revenues bonds	-	-	5,360,424	6,269,610	5,360,424	6,269,610
Notes payable	-	-	287,690	260,325	287,690	260,325
Compensated absences	487,050	484,992	199,071	182,076	686,121	667,068
Net pension liability	2,955,744	2,236,312	1,093,221	827,129	4,048,965	3,063,441
Claims payable	1,205,798	1,632,014	-	-	1,205,798	1,632,014
	$ 4,648,592	$ 4,583,636	$ 6,940,406	$ 7,539,140	$ 11,588,998	$ 12,122,776

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 2017 Budget.

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

- Utility revenues will increase slightly due to the addition of commercial customers and the renegotiation of sewer treatment rates with Baldwin County. In addition, the City of Milledgeville reached an agreement with Baldwin County to bill for garbage service on behalf of the County for those customers who receive their water from the City. The City receives a $1 administration fee for each account billed each month. This administration fee represents approximately $18,000 annually in additional revenue for the Solid Waste Fund. In addition, as the initiative to realign and establish Central State Hospital as a viable operation that will serve multiple purposes for the City, Baldwin County and surrounding areas, we anticipate increased utilization for the City's water, sewer and solid waste services. We also anticipate growth in this area that will not only generate sales taxes as businesses open in the area but also the opportunity for assessment and collection of other tax revenues.

These actions are anticipated to:

- Improve the fiscal health of the City by strengthening the enterprise funds.
- Allow the City to meet its debt service coverage and start a more active repair and replacement program for the City's infrastructure.
- Continue the implementation of a pay as you go budget to reduce the dependency on borrowed funds.

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

The City continues to have retail 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 FY2017, 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, 2017

	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	$ 10,749,531	$ 7,744,368	$ 18,493,899	$ 110,568	$ 62,593	$ 25,612
Investments	2,148,302	1,445,341	3,593,643	26,079	-	-
Taxes receivable	207,159	-	207,159	-	-	-
Accounts receivable, net of allowances	39,073	1,284,932	1,324,005	-	210	-
Notes receivable	354,938	-	354,938	-	28,660	-
Due from other governments	868,531	-	868,531	-	-	-
Internal balances	(803,478)	803,478	-	-	-	-
Inventories	33,457	225,394	258,851	-	-	-
Restricted assets, cash and cash equivalents	-	1,764,330	1,764,330	-	-	-
Restricted assets, investments	-	1,170,022	1,170,022	-	-	-
Capital assets, non-depreciable	3,158,951	242,609	3,401,560	-	-	-
Capital assets, depreciable, net of accumulated depreciation	9,394,773	30,509,222	39,903,995	2,950	-	-
Total assets	26,151,237	45,189,696	71,340,933	139,597	91,463	25,612
DEFERRED OUTFLOWS OF RESOURCES						
Pension investment return	1,335,436	493,929	1,829,365	-	-	-
Total deferred outflows of resources	1,335,436	493,929	1,829,365	-	-	-

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Allied Arts	Downtown Development Authority	Central State Hospital Local Redevelopment Authority
LIABILITIES						
Accounts payable	$ 268,385	$ 312,157	$ 580,542	$ -	$ 36	$ -
Accrued liabilities	150,123	62,627	212,750	1,322	-	3,268
Liabilities payable from restricted assets	-	1,391,752	1,391,752	-	-	-
Claims payable due within one year	303,431	-	303,431	-	-	-
Claims payable due in more than one year	902,367	-	902,367	-	-	-
Compensated absences due within one year	194,820	79,750	274,570	5,767	-	15,746
Compensated absences due in more than one year	292,230	119,321	411,551	-	-	-
Notes payable due within one year	-	22,274	22,274	-	-	-
Notes payable due in more than one year	-	265,416	265,416	-	-	-
Bonds payable due in more than one year	-	4,420,424	4,420,424	-	-	-
Net pension liability	2,955,744	1,093,221	4,048,965	-	-	-
Total liabilities	5,067,100	7,766,942	12,834,042	7,089	36	19,014
DEFERRED INFLOWS OF RESOURCES						
Pension experience differences	521,593	192,919	714,512	-	-	-
Total deferred inflows of resources	521,593	192,919	714,512	-	-	-

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2017

	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	$ 12,553,724	$ 25,103,717	$ 37,657,441	$ 7,080	$ -	$ -
Restricted for debt service	-	2,934,352	2,934,352	-	-	-
Restricted for capital projects	9,101,610	-	9,101,610	-	-	-
Restricted for public safety	25,600	-	25,600	-	-	-
Restricted for tourism	633,517	-	633,517	-	-	-
Restricted for housing and development	588,032	-	588,032	-	-	-
Unrestricted	(1,004,503)	9,685,695	8,681,192	125,428	91,427	6,598
Total net position	$ 21,897,980	$ 37,723,764	$ 59,621,744	$ 132,508	$ 91,427	$ 6,598

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, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Business-type Activities	Total	Component Units: Allied Arts	Component Units: Downtown Development Authority	Component Units: Central State Hospital Local Redevelopment Authority
Primary government:										
Governmental activities:										
General government	$ 1,644,150	$ 566,304	$ 6,834	$ 112,310	$ (958,702)	$ -	$ (958,702)	$ -	$ -	$ -
Judicial	176,387	-	-	-	(176,387)	-	(176,387)	-	-	-
Public safety	7,300,387	462,026	-	354,417	(6,483,944)	-	(6,483,944)	-	-	-
Public works	2,656,473	-	156,618	1,619,808	(880,047)	-	(880,047)	-	-	-
Culture and recreation	598,062	-	-	-	(598,062)	-	(598,062)	-	-	-
Housing and development	1,652,993	-	-	288,649	(1,364,344)	-	(1,364,344)	-	-	-
Interest on long-term debt	1,213	-	-	-	(1,213)	-	(1,213)	-	-	-
Total governmental activities	14,029,665	1,028,330	163,452	2,375,184	(10,462,699)	-	(10,462,699)	-	-	-
Business-type activities:										
Water and sewer	7,699,817	7,847,663	-	-	-	147,846	147,846	-	-	-
Solid waste	1,687,646	2,009,578	-	-	-	321,932	321,932	-	-	-
Total business-type activities	9,387,463	9,857,241	-	-	-	469,778	469,778	-	-	-
Total primary government	$ 23,417,128	$ 10,885,571	$ 163,452	$ 2,375,184	(10,462,699)	469,778	(9,992,921)	-	-	-
Component units:										
Allied Arts	$ 204,746	$ 22,797	$ 163,942	$ -	-	-	-	(18,007)	-	-
Downtown Development Authority	25,964	23,882	-	-	-	-	-	-	(2,082)	-
CSH Local Redevelopment Authority	435,035	-	419,057	-	-	-	-	-	-	(15,978)
Total component units	$ 665,745	$ 46,679	$ 582,999	$ -	-	-	-	(18,007)	(2,082)	(15,978)
		General revenues:								
		Property taxes			3,086,186	-	3,086,186	-	-	-
		Sales taxes			2,433,043	-	2,433,043	-	-	-
		Hotel/motel taxes			604,253	-	604,253	-	-	-
		Franchise taxes			1,334,579	-	1,334,579	-	-	-
		Insurance premium taxes			1,147,172	-	1,147,172	-	-	-
		Alcoholic beverage taxes			458,228	-	458,228	-	-	-
		Business and occupation taxes			581,787	-	581,787	-	-	-
		Other taxes			38,111	-	38,111	-	-	-
		Unrestricted investment earnings (loss)			31,380	(6,467)	24,913	290	2,281	-
		Transfers			453,850	(453,850)	-	-	-	-
		Total general revenues and transfers			10,168,589	(460,317)	9,708,272	290	2,281	-
		Change in net position			(294,110)	9,461	(284,649)	(17,717)	199	(15,978)
		Net position, beginning of year, as restated			22,192,090	37,714,303	59,906,393	150,225	91,228	22,576
		Net position, end of year			$ 21,897,980	$ 37,723,764	$ 59,621,744	$ 132,508	$ 91,427	$ 6,598

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

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

ASSETS	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 2,545,752	$ 6,520,413	$ 1,234,481	$ 10,300,646
Investments	-	2,148,302	-	2,148,302
Taxes receivable, net of allowance	148,913	-	58,246	207,159
Accounts receivable, net of allowances	39,073	-	-	39,073
Note receivable	-	-	354,938	354,938
Due from other governments	210,937	657,594	-	868,531
Due from other funds	55,843	-	-	55,843
Inventories	33,457	-	-	33,457
Total assets	$ 3,033,975	$ 9,326,309	$ 1,647,665	$ 14,007,949
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 158,314	$ 37,074	$ 45,578	$ 240,966
Accrued liabilities	150,123	-	-	150,123
Due to other funds	-	55,843	-	55,843
Total liabilities	308,437	92,917	45,578	446,932
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	136,702	-	-	136,702
Unavailable revenue - grants	-	321,521	-	321,521
Total deferred inflows of resources	136,702	321,521	-	458,223

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

FUND BALANCES	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Fund balances:				
Nonspendable - inventory	$ 33,457	$ -	$ -	$ 33,457
Nonspendable - note receivable	-	-	354,938	354,938
Restricted for:				
Capital projects	189,739	8,911,871	-	9,101,610
Promotion of tourism	-	-	633,517	633,517
Housing and development programs	-	-	588,032	588,032
Public safety programs	-	-	25,600	25,600
Assigned for purchases on order	112	-	-	112
Unassigned	2,365,528	-	-	2,365,528
Total fund balances	2,588,836	8,911,871	1,602,087	13,102,794
Total liabilities, deferred inflows of resources, and fund balances	$ 3,033,975	$ 9,326,309	$ 1,647,665	
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.				12,553,724
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.				458,223
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 investments and experience differences.				1,335,436
Internal service funds are used by management to charge the costs of workers' compensation insurance and related administrative costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.				(1,587,810)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.				
Compensated absences payable				(487,050)
Net pension liability				(2,955,744)
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.				(521,593)
Net position of governmental activities				$ 21,897,980

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, 2017

	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 9,153,935	$ -	$ 604,254	$ 9,758,189
Licenses and permits	410,604	-	-	410,604
Intergovernmental	205,452	1,774,864	288,649	2,268,965
Fines and forfeitures	462,026	-	-	462,026
Charges for services	12,576	-	-	12,576
Investment income	20,878	92,883	8,922	122,683
Other revenues	143,124	-	7,500	150,624
Total revenues	10,408,595	1,867,747	909,325	13,185,667
Expenditures				
Current:				
General government	1,613,293	-	-	1,613,293
Judicial	200,469	-	500	200,969
Public safety	6,796,594	-	-	6,796,594
Public works	2,060,791	-	-	2,060,791
Culture and recreation	678,545	-	-	678,545
Housing and development	781,433	-	785,292	1,566,725
Debt service	-	233,957	-	233,957
Capital outlay	-	1,291,761	-	1,291,761
Total expenditures	12,131,125	1,525,718	785,792	14,442,635
Excess (deficiency) of revenues over expenditures	(1,722,530)	342,029	123,533	(1,256,968)

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General	SPLOST	Other Governmental Funds	Total Governmental Funds
Other financing sources				
Transfers in	$ 1,211,218	$ -	$ -	$ 1,211,218
Transfers out	-	-	(100)	(100)
Total other financing sources	1,211,218	-	(100)	1,211,118
Net change in fund balance	(511,312)	342,029	123,433	(45,850)
Fund balances, July 1	3,100,148	8,569,842	1,478,654	13,148,644
Fund balances, June 30	$ 2,588,836	$ 8,911,871	$ 1,602,087	$ 13,102,794

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, 2017

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	(45,850)
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		468,495
Depreciation		(1,040,309)
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		230,318
Change in accrued interest payable		2,426
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		94,458
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		(2,058)
Change in net pension liability and related deferred inflows and outflows of resources		(79,417)
Internal service funds are used by management to charge the costs of workers' compensation and related administrative costs to individual funds.		77,827
	$	(294,110)

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, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 3,322,000	$ 3,322,000	$ 3,161,015	$ (160,985)
Sales tax	2,400,000	2,400,000	2,433,043	33,043
Other taxes	3,572,500	3,572,500	3,559,877	(12,623)
Licenses and permits	291,900	291,900	410,604	118,704
Intergovernmental	186,000	186,000	205,452	19,452
Charges for services	13,200	13,200	12,576	(624)
Fines and forfeitures	655,000	655,000	462,026	(192,974)
Interest revenue	50,000	50,000	20,878	(29,122)
Other revenue	144,000	144,000	143,124	(876)
Total revenues	10,634,600	10,634,600	10,408,595	(226,005)
Expenditures:				
Current:				
General government:				
Legislative	185,772	185,772	142,863	42,909
Executive	648,577	623,938	499,488	124,450
Elections	36,500	36,500	245	36,255
Finance	499,962	499,962	369,888	130,074
Legal	214,696	174,696	154,976	19,720
Human resources	190,920	190,920	157,241	33,679
General government buildings and grounds	176,499	177,824	162,473	15,351
General engineering	129,969	138,679	49,378	89,301
General administration fees	71,500	77,732	76,741	991
Total general government	2,154,395	2,106,023	1,613,293	492,730
Judicial:				
Municipal court	221,163	221,163	200,469	20,694
Total judicial	221,163	221,163	200,469	20,694

(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, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures (Continued):				
Current (Continued):				
Public safety:				
Police	$ 4,155,870	$ 4,147,160	$ 4,011,366	$ 135,794
Detention center	386,551	386,551	358,500	28,051
Police department buildings and grounds	229,618	229,618	200,812	28,806
Fire	2,403,794	2,403,794	2,199,948	203,846
Fire department buildings and grounds	38,700	38,700	25,968	12,732
Total public safety	7,214,533	7,205,823	6,796,594	409,229
Public works:				
Public works administration	250,270	250,270	229,263	21,007
Roadways and walkways	772,787	827,342	813,007	14,335
Storm drainage	39,500	39,500	34,663	4,837
Street lighting	375,000	375,000	311,166	63,834
Traffic engineering	35,800	35,800	27,476	8,324
Maintenance and shop	344,817	344,817	311,543	33,274
Cemetery	347,182	347,182	333,673	13,509
Total public works	2,165,356	2,219,911	2,060,791	159,120
Culture and recreation:				
Recreation	190,000	190,000	190,000	-
Parks	426,218	371,663	289,594	82,069
Twin Lakes Library	198,951	198,951	198,951	-
Total culture and recreation	815,169	760,614	678,545	82,069

(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, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures (Continued):				
Current (Continued):				
Housing and development				
Inspections	$ 94,330	$ 93,005	$ 84,771	$ 8,234
Planning and zoning	129,882	129,882	98,533	31,349
Mainstreet	246,247	246,247	207,900	38,347
Economic development	331,823	390,230	390,229	1
Total housing and development	802,282	859,364	781,433	77,931
Total expenditures	13,372,898	13,372,898	12,131,125	1,241,773
Deficiency of revenues over expenditures	(2,738,298)	(2,738,298)	(1,722,530)	1,015,768
Other financing sources:				
Transfers in	2,738,298	2,738,298	1,211,218	(1,527,080)
Total other financing sources	2,738,298	2,738,298	1,211,218	(1,527,080)
Net change in fund balance	-	-	(511,312)	(511,312)
Fund balances, July 1	3,100,148	3,100,148	3,100,148	-
Fund balances, June 30	$ 3,100,148	$ 3,100,148	$ 2,588,836	$ (511,312)

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

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

ASSETS	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
CURRENT ASSETS				
Cash	$ 5,846,896	$ 1,897,472	$ 7,744,368	$ 448,885
Investments	1,445,341	-	1,445,341	-
Accounts receivable	1,121,071	163,861	1,284,932	-
Inventories	225,394	-	225,394	-
Restricted assets				
Cash	1,764,330	-	1,764,330	-
Investments	1,170,022	-	1,170,022	-
Total current assets	11,573,054	2,061,333	13,634,387	448,885
NONCURRENT ASSETS				
Capital assets				
Land	181,310	-	181,310	-
Buildings	21,298,180	-	21,298,180	-
Site improvements	238,191	-	238,191	-
Machinery and equipment	5,293,418	-	5,293,418	-
Infrastructure	26,720,130	-	26,720,130	-
Construction in progress	61,299	-	61,299	-
	53,792,528	-	53,792,528	-
Less accumulated depreciation	(23,040,697)	-	(23,040,697)	-
Total capital assets (net of accumulated depreciation)	30,751,831	-	30,751,831	-
Total assets	42,324,885	2,061,333	44,386,218	448,885
DEFERRED OUTFLOWS OF RESOURCES				
Pension investment return	439,048	54,881	493,929	-
Total deferred outflows of resources	439,048	54,881	493,929	-

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

LIABILITIES	Business-type Activities - Enterprise Funds: Water and Sewer Fund	Business-type Activities - Enterprise Funds: Solid Waste Fund	Business-type Activities - Enterprise Funds: Totals	Governmental Activities: Internal Service Fund
CURRENT LIABILITIES				
Payable from current assets:				
Accounts payable	$ 204,164	$ 107,993	$ 312,157	$ 27,419
Compensated absences payable - current	74,880	4,870	79,750	-
Claims payable - current	-	-	-	303,431
Accrued liabilities	54,517	8,110	62,627	-
Current maturities of notes payable	22,274	-	22,274	-
	355,835	120,973	476,808	330,850
Payable from restricted assets:				
Current portion of revenue bonds	940,000	-	940,000	-
Accrued interest	27,047	-	27,047	-
Deposits	424,705	-	424,705	-
	1,391,752	-	1,391,752	-
Total current liabilities	1,747,587	120,973	1,868,560	330,850
NONCURRENT LIABILITIES				
Compensated absences (net of current portion)	112,321	7,000	119,321	-
Claims payable (net of current portion)	-	-	-	902,367
Revenue bonds payable (net of current portion)	4,420,424	-	4,420,424	-
Notes payable (net of current portion)	265,416	-	265,416	-
Net pension liability	971,752	121,469	1,093,221	-
Total noncurrent liabilities	5,769,913	128,469	5,898,382	902,367
Total liabilities	7,517,500	249,442	7,766,942	1,233,217

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	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	$ 171,483	$ 21,436	$ 192,919	$ -
Total deferred inflows of resources	171,483	21,436	192,919	-
NET POSITION				
Net investment in capital assets	25,103,717	-	25,103,717	-
Restricted for debt service	2,934,352	-	2,934,352	-
Unrestricted	7,036,881	1,845,336	8,882,217	(784,332)
Total net position	$ 35,074,950	$ 1,845,336	36,920,286	$ (784,332)
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds			803,478	
Net position of business-type activities			$ 37,723,764	

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, 2017

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
Operating revenues:				
Water sales	$ 3,391,974	$ -	$ 3,391,974	$ -
Sewer sales	3,715,273	-	3,715,273	-
Sanitation fees	-	2,009,578	2,009,578	-
Tap fees	103,960	-	103,960	-
Late charges	132,145	-	132,145	-
Activation fees	44,700	-	44,700	-
Charges for services	-	-	-	250,709
Miscellaneous charges	420,332	-	420,332	-
Total operating revenues	7,808,384	2,009,578	9,817,962	250,709
Operating expenses:				
Water administration	90,135	-	90,135	-
Wastewater administration	94,731	-	94,731	-
Sanitary sewer maintenance	571,833	-	571,833	-
Sewer plants and lift station	1,640,840	-	1,640,840	-
Lamar Hamm Water Treatment Plant	1,581,023	-	1,581,023	-
James Baugh Water Treatment Plant	293,530	-	293,530	-
Distribution	995,013	-	995,013	-
Water meter	600,054	-	600,054	-
Solid waste collection	-	1,314,140	1,314,140	-
Yard trimmings collection and management	-	373,506	373,506	-
Insurance claims	-	-	-	135,183
Depreciation	1,498,430	-	1,498,430	-
Total operating expenses	7,365,589	1,687,646	9,053,235	135,183
Operating income	442,795	321,932	764,727	115,526

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
Non-operating revenues (expenses):				
Interest revenue	$ 87,375	$ -	$ 87,375	$ 2,394
Interest and fiscal charges	(334,228)	-	(334,228)	-
Net decrease in fair value of investments	(94,656)	-	(94,656)	-
Total non-operating revenues (expenses)	(341,509)	-	(341,509)	2,394
Income before contributions and transfers	101,286	321,932	423,218	117,920
Capital contributions	757,268	-	757,268	-
Transfers in	-	-	-	961,973
Transfers out	(2,173,091)	-	(2,173,091)	-
Change in net position	(1,314,537)	321,932	(992,605)	1,079,893
Net position, July 1, as restated	36,389,487	1,523,404	37,912,891	(1,864,225)
Net position, June 30	$ 35,074,950	$ 1,845,336	$ 36,920,286	$ (784,332)

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)	$ (992,605)
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds	1,002,066
Change in net position of business-type activities	$ 9,461

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, 2017

	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	$ 7,947,681	$ 2,007,833	$ 9,955,514	$ -
Receipts from interfund providers	-	-	-	250,709
Payments to suppliers and service providers	(3,608,166)	(1,519,974)	(5,128,140)	(560,974)
Payments to employees	(2,045,807)	(137,881)	(2,183,688)	-
Net cash provided by (used in) operating activities	2,293,708	349,978	2,643,686	(310,265)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	87,375	-	87,375	2,394
Net cash provided by investing activities	87,375	-	87,375	2,394
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Change in interfund balances	961,973	-	961,973	(961,973)
Transfer from other funds	-	-	-	961,973
Transfer to other funds	(2,173,091)	-	(2,173,091)	-
Net cash used in noncapital financing activities	(1,211,118)	-	(1,211,118)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds of long-term borrowings	48,980	-	48,980	-
Acquisition and construction of capital assets	(92,528)	-	(92,528)	-
Interest and fiscal charges paid	(362,893)	-	(362,893)	-
Principal payments on long-term borrowings	(906,615)	-	(906,615)	-
Net cash used in capital and related financing activities	(1,313,056)	-	(1,313,056)	-
Increase (decrease) in cash	(143,091)	349,978	206,887	(307,871)
Cash, July 1	7,754,317	1,547,494	9,301,811	756,756
Cash, June 30	$ 7,611,226	$ 1,897,472	$ 9,508,698	$ 448,885

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Solid Waste Fund	Totals	Internal Service Fund
Classified as:				
Cash	$ 5,846,896	$ 1,897,472	$ 7,744,368	$ 448,885
Restricted assets, cash	1,764,330	-	1,764,330	-
	$ 7,611,226	$ 1,897,472	$ 9,508,698	$ 448,885
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income	$ 442,795	$ 321,932	$ 764,727	$ 115,526
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation	1,498,430	-	1,498,430	-
Changes in assets and liabilities:				
Increase in accounts receivable	(10,306)	(1,745)	(12,051)	-
Decrease in due from other governments	120,003	-	120,003	-
Decrease in inventories	139,338	-	139,338	-
Increase in deferred outflows of resources	(187,636)	(34,768)	(222,404)	-
Decrease in claims payable	-	-	-	(426,216)
Increase (decrease) in accounts payable	71,394	(699)	70,695	425
Decrease in accrued wages payable	(11,233)	(2,192)	(13,425)	-
Increase in compensated absences payable	15,830	1,165	16,995	-
Increase in customer deposits	29,600	60,200	89,800	-
Increase in net pension liability	205,892	6,085	211,977	-
Decrease in deferred inflows of resources	(20,399)	-	(20,399)	-
Net cash provided by (used in) operating activities	$ 2,293,708	$ 349,978	$ 2,643,686	$ (310,265)

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	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	$ 757,268	$ -	$ 757,268	$ -
Decrease in fair value of investments	(94,656)	-	(94,656)	-
	$ 662,612	$ -	$ 662,612	$ -

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

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	Pension Trust Fund	Agency Fund School Fund
ASSETS		
Cash and cash equivalents	$ 443,651	$ 39,109
Investments		
U.S. government agencies	44	-
Mutual bond funds	10,089,208	-
Mutual equity funds	11,241,883	-
Taxes receivable	-	25,510
Total assets	21,774,786	64,619
LIABILITIES		
Accounts payable	35,740	-
Due to others	-	39,109
Uncollected taxes	-	25,510
Total liabilities	35,740	64,619
NET POSITION		
Net position - restricted for pension benefits	$ 21,739,046	$ -

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, 2017

ADDITIONS		
Contributions - employer	$	986,863
Investment income		
Net appreciation in fair value of investments		1,768,583
Interest income		410,150
Total additions		3,165,596
DEDUCTIONS		
Benefits		784,770
Administrative expense		125,881
Total deductions		910,651
Net increase		2,254,945
Net position, July 1		19,484,101
Net position, June 30	$	21,739,046

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 GASB Statement 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 (SPLOST) Fund*** 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, 2017, 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 acquisition value. 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, 2017.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences

In accordance with the provisions of GASB 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, 2017 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 May 10, 2016 or as amended by the City Council. The supplementary budgetary appropriations made were not material.

NOTE 3. CASH AND INVESTMENTS

Cash and investments are summarized as follows at June 30, 2017:

As reported in the financial statements	
Cash and cash equivalents	$ 18,493,899
Investments	3,593,643
Restricted assets, cash	1,764,330
Restricted assets, investments	1,170,022
Cash and cash equivalents - Pension Trust Fund	443,651
Investments - Pension Trust Fund	21,331,135
Cash - Agency Fund	39,109
	$ 46,835,789

Cash deposited with financial institutions	$ 20,740,988
Georgia Fund 1	101,889
Certificates of deposit	2,046,413
Mutual equity funds	11,241,884
Mutual U.S. treasury fund	1,445,341
Mutual bond funds	10,089,208
U.S. government agency obligations	44
U.S. treasury bonds	1,170,022
	$ 46,835,789

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, 2017, the City's investments, categorized by credit risk and interest rate risk, were as follows:

Investment Type	Fair Value	Investment Maturities (in Years) Less than 1	1 - 5	6 - 10	11 - 15	Rating
Government agencies	$ 44	$ -	$ 44	$ -	$ -	AAA
Government bonds	1,170,022	-	-	1,170,022	-	AAA
Mutual bond funds	10,089,208	-	10,089,208	-	-	N/A
Mutual equity funds	11,241,884	-	-	-	-	N/A
Other mutual funds	1,445,341	-	-	-	-	N/A
Certificates of deposit	2,046,413	-	2,046,413	-	-	N/A
Georgia Fund 1	101,889	101,889	-	-	-	AAAf
Total fair value	$ 26,094,801	$ 101,889	$ 12,135,665	$ 1,170,022	$ -	

Investments of Allied Arts (component unit) consist of a certificate of deposit in the amount of $26,079 which matures in December 2018. 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, 2017:

Investment	Level 1	Level 2	Level 3	Fair Value
Government agencies	$ -	$ 44	$ -	$ 44
Government bonds	853,155	316,867	-	1,170,022
Mutual equity funds	10,089,208	-	-	10,089,208
Mutual bond funds	11,241,884	-	-	11,241,884
Other mutual funds	1,445,341	-	-	1,445,341
Total investments measured at fair value	$ 23,629,588	$ 316,911	$ -	23,946,499
Investments not subject to level disclosure:				
Georgia Fund 1				101,889
Certificates of deposit				2,046,413
				$ 26,094,801

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 $94,656, which is reflected in the Water and Sewer Fund and an unrealized gain of $1,528,426, 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, 2017, none of the City's deposits were exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

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

NOTE 4. RECEIVABLES

Receivables consisted of the following at June 30, 2017:

	General	Water and Sewer	Solid Waste	Other Governmental	Total
Receivables:					
Taxes	$ 211,207	$ -	$ -	$ 58,246	$ 269,453
Accounts	48,747	1,226,667	195,402	-	1,470,816
Notes	-	-	-	354,938	354,938
Gross receivables	259,954	1,226,667	195,402	413,184	2,095,207
Less allowance for uncollectibles	(71,968)	(105,596)	(31,541)	-	(209,105)
Net total receivables	$ 187,986	$ 1,121,071	$ 163,861	$ 413,184	$ 1,886,102

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 40% of market value and are based on current property value.

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

Property taxes attach as an enforceable lien on property as of January 1. Taxes were levied on October 7, 2016, and payable on or before December 9, 2016. A 5% penalty was assessed on unpaid balances as of April 1, 2017, and an additional 5% penalty was assessed on unpaid balances as of August 1, 2017, with interest accrued at 5/12 of the prime rate each month. The City bills and collects its own property taxes. Property taxes for 2016 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the fiscal year ended June 30, 2017 and expected to be collected by August 31, 2017, are recognized as revenues in fiscal year 2017. Net receivables estimated to be collectible subsequent to August 31, 2017, 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, 2017, is as follows:

	Balance July 1, 2016	Increases	Decreases	Transfers	Balance June 30, 2017
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 2,468,098	$ -	$ -	$ -	$ 2,468,098
Construction in progress	690,853	60,834	-	(60,834)	690,853
Total	3,158,951	60,834	-	(60,834)	3,158,951
Capital assets, being depreciated:					
Buildings	5,705,920	49,562	-	-	5,755,482
Land improvements	147,814	58,350	-	(58,350)	147,814
Infrastructure	24,913,558	291,903	-	(243,200)	24,962,261
Machinery and equipment	8,793,566	765,114	-	(394,884)	9,163,796
Total	39,560,858	1,164,929	-	(696,434)	40,029,353
Less accumulated depreciation for:					
Buildings	2,864,608	159,049	-	-	3,023,657
Land improvements	116,810	7,145	-	-	123,955
Infrastructure	19,106,415	413,067	-	-	19,519,482
Machinery and equipment	7,506,438	461,048	-	-	7,967,486
Total	29,594,271	1,040,309	-	-	30,634,580
Total assets, being depreciated, net	9,966,587	124,620	-	(696,434)	9,394,773
Governmental activities capital assets, net	$ 13,125,538	$ 185,454	$ -	$ (757,268)	$ 12,553,724

NOTE 5. CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2016	Increases	Decreases	Transfers	Balance June 30, 2017
Business-type activities					
Capital assets, not being depreciated:					
Land	$ 181,310	$ -	$ -	$ -	$ 181,310
Construction in progress	174,052	-	-	(112,753)	61,299
Total	355,362	-	-	(112,753)	242,609
Capital assets, being depreciated:					
Buildings	21,298,180	-	-	-	21,298,180
Land improvements	179,841	-	-	58,350	238,191
Infrastructure	26,303,343	-	-	416,787	26,720,130
Machinery and equipment	4,806,006	92,528	-	394,884	5,293,418
Total	52,587,370	92,528	-	870,021	53,549,919
Less accumulated depreciation for:					
Buildings	8,114,226	433,041	-	-	8,547,267
Land improvements	91,157	7,264	-	-	98,421
Infrastructure	10,043,372	702,252	-	-	10,745,624
Machinery and equipment	3,293,512	355,873	-	-	3,649,385
Total	21,542,267	1,498,430	-	-	23,040,697
Total assets, being depreciated, net	31,045,103	(1,405,902)	-	870,021	30,509,222
Business-type activities capital assets, net	$ 31,400,465	$ (1,405,902)	$ -	$ 757,268	$ 30,751,831

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	$ 208,062
Judicial	10,403
Public safety	332,899
Public works	488,945
Total depreciation expense - governmental activities	$ 1,040,309
Business-type activities:	
Water and sewer	$ 1,498,430
Total depreciation expense - business-type activities	$ 1,498,430

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, 2017 excluding the bond premium of $70,424 are as follows:

Purpose	Interest Rates	Terms	Due Date	Amount
Water and sewer improvements	3.60% - 6.00%	25 years	2021	$ 5,290,000

Revenue bonds debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	25,110	4,021	29,131
2023-2027	120,358	8,300	128,658
	$ 238,710	$ 35,600	$ 274,310

Capital Leases. The City previously 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 capital lease was paid in full during the current fiscal year.

NOTE 6. LONG-TERM DEBT (CONTINUED)

Notes Payable. The City has incurred debt to the Georgia Environmental Finance Authority (GEFA) for various water and sewer system projects. This note is as follows at June 30, 2017:

Original Amount	Interest Rate	Term	Due Date	Outstanding Balance
$ 351,518	3.00%	15 years	2026	$ 238,710
530,000	0.81%	10 years	2027	48,980

The $530,000 GEFA loan listed above is in the drawdown phase at June 30, 2017. Repayment will be determined when construction has been completed and all drawdowns have been made. This note is, therefore, not included in the maturity schedule shown below.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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	25,110	4,021	29,131
2023-2027	120,358	8,300	128,658
	$ 238,710	$ 35,600	$ 274,310

NOTE 6. LONG-TERM DEBT (CONTINUED)

Long-term liability activity for the year ended June 30, 2017, is as follows:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due within One year
Governmental activities					
Capital lease	$ 230,318	$ -	$ 230,318	$ -	$ -
Compensated absences	484,992	379,583	377,525	487,050	194,820
Net pension liability	2,236,312	3,003,721	2,284,289	2,955,744	-
Claims payable	1,632,014	134,758	560,974	1,205,798	303,431
Long-term liabilities	$ 4,583,636	$ 3,518,062	$ 3,453,106	$ 4,648,592	$ 498,251
Business-type activities					
Revenue bonds payable	$ 6,175,000	$ -	$ 885,000	$ 5,290,000	$ 940,000
Add deferred amounts for bond premium	94,610	-	24,186	70,424	-
Total bonds payable	6,269,610	-	909,186	5,360,424	940,000
Notes payable	260,325	48,980	21,615	287,690	22,274
Net pension liability	827,129	1,110,965	844,873	1,093,221	-
Compensated absences	182,076	153,535	136,540	199,071	79,750
Long-term liabilities	$ 7,539,140	$ 1,313,480	$ 1,912,214	$ 6,940,406	$ 1,042,024

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

NOTE 6. LONG-TERM DEBT (CONTINUED)

The beginning balance of claims payable has been adjusted to reflect a prior period restatement. See Note 16.

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, 2017, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	SPLOST Fund	$ 55,843

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Primarily, balances are attributed to expenditures paid by the General Fund to be reimbursed by the funds for which the expenditures benefit.

Transfers to	Transfers from	Amount
General Fund	Water and Sewer Fund	$ 1,211,118
General Fund	Silver-Haired Legislature Grant Fund	100
Internal Service Fund	Water and Sewer Fund	961,973
		$ 2,173,191

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; (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; and (3) use unrestricted revenues in the enterprise funds to provide operating funds for the General Fund.

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, 2016, the date of the most recent actuarial valuation, there were 319 participants consisting of:

Retirees and beneficiaries currently receiving benefits	94
Vested terminated employees not yet receiving benefits	40
Active employees	185
Total	319

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, 2017, the City's contribution rate was 15.50% of annual covered payroll.

Investment policy. The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Plan's Board of Trustees. Plan assets are manage on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Plan. No investment policy changes occurred during the fiscal year ending June 30, 2017.

Concentrations. Each of the following mutual fund investments represents 5% or more of the Plan's fiduciary net position: Baird Fund Income Short Term Fund, Thornburg Limited Term Income Fund, Baird Aggregate Bond Fund, Baird Core Plus Bond Fund, Pimco Funds Income Fund Institutional Class, Voya Intermediate Bond Fund, Allianz Growth Institutional Focused Growth Fund, Clearbridge Large-Cap Growth Fund, Columbia Contrarian Core Z Fund, Glenmede Large-Cap Growth Fund, Primecap Odyssey Aggressive Growth Fund, Principal Mid-Cap Institutional Fund, and American Beacon Large-Cap Value Institutional Fund.

Rate of Return. For the year ended June 30, 2017 the annual money-weighted rate of return on Plan investments, net of Plan investment expenses was 10.77%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the City

The City's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Actuarial Assumptions. The total pension liability 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.

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, 2017 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%

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

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

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, 2017, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2016	$ 22,547,541	$ 19,484,101	$ 3,063,440
Changes for the year:			
Service cost	430,634	-	430,634
Interest	1,710,065	-	1,710,065
Differences between expected and actual experience	1,884,541	-	1,884,541
Assumption changes	-	-	-
Contributions - employer	-	986,863	(986,863)
Net investment income	-	2,178,733	(2,178,733)
Benefit payments, including refunds of employee contributions	(784,770)	(784,770)	-
Administrative expense	-	(125,881)	125,881
Net changes	3,240,470	2,254,945	985,525
Balances at June 30, 2017	$ 25,788,011	$ 21,739,046	$ 4,048,965

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

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.

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's net pension liability	$ 7,368,152	$ 4,048,965	$ 1,218,994

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, 2017 and the current sharing pattern of costs between employer and employee.

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Expense and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2017, the City recognized pension expense of $1,059,220. At June 30, 2017, 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	$ 1,767,416	$ 714,512
Net difference between projected and actual earnings on pension plan investments	61,949	-
Total	$ 1,829,365	$ 714,512

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,	
2018	$ 161,700
2019	161,700
2020	94,945
2021	(99,895)
2022	64,109
Thereafter	732,294
Total	$ 1,114,853

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 GASB Statement No. 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, 2017	June 30, 2016
Unpaid claims, beginning of year	**$ 1,632,014**	$ 1,703,429
Incurred claims and changes in estimate	**134,758**	302,324
Claim payments	**(560,974)**	(373,739)
Unpaid claims, end of year	**$ 1,205,798**	$ 1,632,014

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,	
2018	$ 12,331
2019	10,728
2020	9,696
2021	8,201
2022	2,093
	$ 43,049

Governmental activities rent expense for the fiscal year ended June 30, 2017 was $10,613.

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, 2017, the City has an encumbered amount in the General Fund of $112 that they intend to honor in the subsequent year. This amount is reported as assigned for purchases on order.

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, 2017, are as follows:

Balance of lodging tax funds on hand at July 1, 2016	$	524,047
Lodging tax receipts		604,254
Disbursements to Convention and Visitors Bureau		(494,784)
Balance of lodging tax funds on hand at June 30, 2017	$	633,517

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, 2017, the City paid $24,974 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality in the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

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

NOTE 16. PRIOR PERIOD RESTATEMENT

During the current year, the City determined that an increase in the liability for claims payable of the Risk Management Fund was necessary to accurately reflect the estimated medical costs associated with a claim arising prior to the City obtaining excess insurance coverage. Because this claim existed prior to the current year, a prior period restatement of beginning net position is needed. The resulting adjustments to the financial statements are as follows:

Risk Management Fund	
Net position, June 30, 2016, as previously reported	$ (1,014,083)
Recording of an additional liability for estimated medical costs	(850,142)
Net position, June 30, 2017, as previously reported	$ (1,864,225)
Governmental Activities	
Net position, June 30, 2016, as previously reported	$ 23,042,232
Recording of an additional liability for estimated medical costs	(850,142)
Net position, June 30, 2017, as previously reported	$ 22,192,090

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MILLEDGEVILLE, GEORGIA

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

	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total pension liability				
Service cost	**$ 430,634**	$ 261,754	$ 273,435	$ 286,087
Interest on total pension liability	**1,710,065**	1,499,115	1,324,357	1,286,529
Assumption changes	**-**	1,946,773	-	-
Differences between expected and actual experience	**1,884,541**	(383,212)	(466,536)	-
Benefit payments	**(784,770)**	(695,285)	(598,796)	(559,165)
Net change in total pension liability	**3,240,470**	2,629,145	532,460	1,013,451
Total pension liability - beginning	**22,547,541**	19,918,396	19,385,936	18,372,485
Total pension liability - ending	**$ 25,788,011**	$ 22,547,541	$ 19,918,396	$ 19,385,936
Plan fiduciary net position				
Contributions - employer	**$ 986,863**	$ 4,506,497	$ 1,460,385	$ 1,577,454
Net investment income	**2,178,733**	126,091	694,567	1,843,724
Benefit payments	**(784,770)**	(695,285)	(598,796)	(548,099)
Administrative expenses	**(125,881)**	(115,337)	(101,682)	(70,161)
Net change in plan fiduciary net position	**2,254,945**	3,821,966	1,454,474	2,802,918
Plan fiduciary net position - beginning	**19,484,101**	15,662,135	14,207,671	11,404,753
Plan fiduciary net position - ending	**$ 21,739,046**	$ 19,484,101	$ 15,662,145	$ 14,207,671
Net pension liability - ending	**$ 4,048,965**	$ 3,063,440	$ 4,256,251	$ 5,178,265
Plan fiduciary net position as a percentage of total pension liability				
Covered employee payroll	**$ 6,366,103**	$ 6,313,985	$ 6,531,022	$ 6,350,000
Net pension liability as a percentage of covered employee payroll	**63.60%**	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, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Actuarially determined contribution	**$ 849,017**	$ 822,217	$ 867,486	$ 1,014,005
Contribution in relation to the actuarially determined contribution	**986,863**	4,506,497	1,460,385	1,569,685
Contribution deficiency (excess)	**$ (137,846)**	$ (3,684,280)	$ (592,899)	$ (555,680)
Covered employee payroll	**$ 6,366,103**	$ 6,313,985	$ 6,531,022	$ 6,350,000
Contributions as a percentage of covered employee payroll	**15.50%**	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, 2017	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.	**10.77%**	0.80%	4.88%	16.12%

Note to the Schedule:

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

OTHER SUPPLEMENTARY INFORMATION

CITY OF MILLEDGEVILLE, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue Funds				
ASSETS	**Hotel/Motel Tax Fund**	**Silver-Haired Legislature Grant Fund**	**CDBG Program Income Fund**	**Confiscated Assets Fund**	**Total**
Cash and cash equivalents	$ 620,849	$ -	$ 588,032	$ 25,600	$ 1,234,481
Taxes receivable	58,246	-	-	-	58,246
Note receivable	-	-	354,938	-	354,938
Total assets	$ 679,095	$ -	$ 942,970	$ 25,600	$ 1,647,665
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 45,578	$ -	$ -	$ -	$ 45,578
Total liabilities	45,578	-	-	-	45,578
FUND BALANCES					
Nonspendable - long-term note receivable	-	-	354,938	-	354,938
Restricted for housing and development programs	-	-	588,032	-	588,032
Restricted for promotion of tourism	633,517	-	-	-	633,517
Restricted for public safety programs	-	-	-	25,600	25,600
Total fund balances	633,517	-	942,970	25,600	1,602,087
Total liabilities and fund balances	$ 679,095	$ -	$ 942,970	$ 25,600	$ 1,647,665

CITY OF MILLEDGEVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Special Revenue Funds				
	Hotel/Motel Tax Fund	Silver-Haired Legislature Grant Fund	CDBG Program Income Fund	Confiscated Assets Fund	Total
Revenues:					
Taxes	$ 604,254	$ -	$ -	$ -	$ 604,254
Intergovernmental	-	-	288,649	-	288,649
Interest revenue	-	-	8,899	23	8,922
Other revenues	-	-	-	7,500	7,500
Total revenues	604,254	-	297,548	7,523	909,325
Expenditures:					
Current:					
Public safety	-	-	-	500	500
Housing and development	494,784	-	290,508	-	785,292
Total expenditures	494,784	-	290,508	500	785,792
Other financing uses					
Transfers out	-	(100)	-	-	(100)
Total other financing uses	-	(100)	-	-	(100)
Net change in fund balances	109,470	(100)	7,040	7,023	123,433
Fund balances, July 1	524,047	100	935,930	18,577	1,478,654
Fund balances, June 30	$ 633,517	$ -	$ 942,970	$ 25,600	$ 1,602,087

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.

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, 2017

	Original and Final Budget	Actual	Variance with Final Budget
Revenues, taxes	$ 571,760	$ 604,254	$ 32,494
Expenditures, housing and development	571,760	494,784	76,976
Net change in fund balances	-	109,470	109,470
Fund balances, July 1	524,047	524,047	-
Fund balances, June 30	$ 524,047	$ 633,517	$ 109,470

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, 2017

	Original and Final Budget	Actual	Variance with Final Budget
Revenues, other revenues	$ -	$ -	$ -
Expenditures, general government	-	-	-
Excess of revenues over expenditures	-	-	-
Other financing uses			
Transfers out	-	(100)	(100)
Total other financing uses	-	(100)	(100)
Net change in fund balances	-	(100)	(100)
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, 2017

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	$ 288,650	$ 288,649	$ (1)
Interest revenue	9,000	8,899	(101)
Total revenues	297,650	297,548	(102)
Expenditures, housing and development	297,650	290,508	7,142
Net change in fund balances	-	7,040	7,040
Fund balances, July 1	935,930	935,930	-
Fund balances, June 30	$ 935,930	$ 942,970	$ 7,040

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, 2017

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and forfeitures	$ 5,000	$ 7,500	$ 2,500
Interest revenue	-	23	23
Total revenues	5,000	7,523	2,523
Expenditures, public safety	5,000	500	4,500
Net change in fund balances	-	7,023	7,023
Fund balances, July 1	18,577	18,577	-
Fund balances, June 30	$ 18,577	$ 25,600	$ 7,023

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, 2017

	School Fund
ASSETS	
Cash	$ 39,109
Taxes receivable	25,510
Total assets	$ 64,619
LIABILITIES	
Due to others	$ 39,109
Uncollected taxes	25,510
Total liabilities	$ 64,619

CITY OF MILLEDGEVILLE, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

School Fund	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
Cash	$ 23,505	$ 323,857	$ 308,253	$ 39,109
Taxes receivable	36,049	310,461	321,000	25,510
Total assets	$ 59,554	$ 634,318	$ 629,253	$ 64,619
Due to others	$ 23,505	$ 323,857	$ 308,253	$ 39,109
Uncollected taxes	36,049	310,461	321,000	25,510
Total liabilities	$ 59,554	$ 634,318	$ 629,253	$ 64,619

COMPONENT UNITS

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - MILLEDGEVILLE-BALDWIN COUNTY ALLIED ARTS
JUNE 30, 2017

ASSETS	
Cash	$ 110,568
Investments	26,079
Total assets	$ 136,647
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accrued liabilities	$ 1,322
Total liabilities	1,322
FUND BALANCE	
Unassigned	135,325
Total liabilities and fund balance	$ 136,647

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, 2017

Revenues		
Intergovernmental	$	163,942
Interest revenue		290
Other revenues		22,797
Total revenues		187,029
Expenditures, culture and recreation		204,941
Net change in fund balance		(17,912)
Fund balance, July 1		153,237
Fund balance, June 30	$	135,325

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2017

ASSETS	
Cash	$ 62,593
Accounts receivable	210
Note receivable	28,660
Total assets	$ 91,463
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	$ 36
Total liabilities	36
FUND BALANCE	
Nonspendable, note receivable	28,660
Unassigned	62,767
Total fund balance	91,427
Total liabilities and fund balance	$ 91,463

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, 2017

Revenues		
Other revenues		
MainStreet/DDA	$	20,582
BOOST revenues		3,300
Interest revenue		2,281
Total revenues		26,163
Expenditures, community development		25,964
Net change in fund balance		199
Fund balance, July 1		91,228
Fund balance, June 30	$	91,427

CITY OF MILLEDGEVILLE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - CENTRAL STATE HOSPITAL LOCAL REDEVELOPMENT AUTHORITY
JUNE 30, 2017

ASSETS	
Cash	$ 25,612
Total assets	$ 25,612
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accrued liabilities	$ 3,268
Total liabilities	3,268
FUND BALANCE	
Unassigned	22,344
Total liabilities and fund balance	$ 25,612

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, 2017

Revenues		
Intergovernmental	$	233,000
Other revenues		186,057
Total revenues		419,057
Expenditures, community development		419,289
Net change in fund balance		(232)
Fund balance, July 1		22,576
Fund balance, June 30	$	22,344

STATISTICAL SECTION

This part of the City of Milledgeville's comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents ..... **Page**

Financial Trends ..... **91 - 96**

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

Revenue Capacity ..... **97 - 103**

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

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

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

Demographic and Economic Information ..... **109 and 110**

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

Operating Information ..... **111 - 113**

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

CITY OF MILLEDGEVILLE, GEORGIA

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
Net investment in capital assets	$ 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	$ 12,553,724
Restricted	7,186,892	-	7,487,107	7,527,182	8,669,770	8,733,734	8,966,631	9,374,506	9,934,083	10,348,759
Unrestricted	(1,950,090)	6,982,499	(8,962)	(347,928)	2,802,036	2,669,122	3,823,775	(425,188)	212,929	(1,004,503)
Total governmental activities net position	$ 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	$ 21,897,980
Business-type activities:										
Net investment in capital assets	$ 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	$ 25,103,717
Restricted	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	2,934,352
Unrestricted	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	9,685,695
Total business-type activities net position	$ 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	$ 37,723,764
Primary government:										
Net investment in capital assets	$ 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	$ 37,657,441
Restricted	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	13,283,111
Unrestricted	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	8,681,192
Total primary government net position	$ 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	$ 59,621,744

CITY OF MILLEDGEVILLE, GEORGIA

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government	$ 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	$ 1,644,150
Judicial	146,822	157,986	150,767	160,324	146,991	182,533	(166,137)	208,742	241,322	176,387
Public safety	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	7,300,387
Public works	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	2,656,473
Culture and recreation	990,400	888,255	916,789	753,213	791,132	717,454	685,882	688,462	739,380	598,062
Housing and development	896,363	820,562	1,027,572	1,135,550	958,338	762,757	1,187,907	1,103,247	1,254,964	1,652,993
Interest on long-term debt	-	-	-	-	-	9,480	11,905	8,397	4,833	1,213
Total governmental activities	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	14,029,665
Business-type activities:										
Water and sewer	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	7,699,817
Solid waste	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	1,687,646
Total business-type activities	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	9,387,463
Total primary government	$ 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	$ 23,417,128
Program revenues										
Governmental activities:										
Charges for services:										
General government	$ 360,551	276,769	325,864	323,490	$ 450,552	$ 423,925	$ 555,219	$ 454,871	$ 548,216	$ 566,304
Public safety	695,843	609,284	703,910	623,963	476,043	-	-	-	-	-
Public works	-	-	-	-	-	623,061	688,920	605,797	563,503	462,026
Other activities	2,838	2,962	553	-	-	-	-	-	-	-
Operating grants and contributions	81,578	58,876	63,744	290,553	34,005	173,327	188,074	203,794	127,028	163,452
Capital grants and contributions	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	2,375,184
Total governmental activities	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	3,566,966
Business-type activities:										
Charges for services:										
Water and sewer	$ 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	$ 7,847,663
Solid waste	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	2,009,578
Capital grants and contributions	75,366	207,652	2,029,935	32,377	9,250,100	9,612,013	-	6,300,000	-	-
Total business-type activities	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	9,857,241
Total primary government	$ 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	$ 13,424,207
Net (expense)/revenue										
Governmental activities	$ (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)	$ (10,462,699)
Business-type activities	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	469,778
Total primary government net expense	$ (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)	$ (9,992,921)

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	$ 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	$ 3,086,186
Sales taxes	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	2,433,043
Hotel/motel taxes	282,549	262,328	365,766	461,852	468,985	429,068	517,620	513,056	558,902	604,253
Franchise taxes	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	1,334,579
Insurance premium taxes	1,025,237	1,049,796	1,040,054	1,009,723	830,908	882,563	948,217	991,321	1,059,064	1,147,172
Alcoholic beverage taxes	-	507,557	459,052	497,143	471,834	442,809	442,809	446,363	468,167	458,228
Business and occupation taxes	-	568,177	626,357	561,109	562,008	580,395	580,395	594,765	626,965	581,787
Other taxes	1,075,530	46,779	116,819	108,996	55,023	72,509	179,624	95,037	108,500	38,111
Unrestricted investment earnings	422,827	143,965	94,254	122,072	92,635	62,492	36,721	40,217	71,595	31,380
Transfers	(607,877)	1,378,682	923,307	(387,127)	(703,115)	(466,569)	1,700,522	1,768,342	2,930,125	453,850
Total governmental activities	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	10,168,589
General revenues and other changes in net position										
Business-type activities:										
Unrestricted investment earnings	324,590	171,525	230,951	97,346	260,807	(81,966)	197,865	43,720	146,599	(6,467)
Transfers	607,877	(1,378,682)	(923,307)	387,127	703,115	466,569	(1,700,522)	(1,768,342)	(2,930,125)	(453,850)
Total business-type activities	932,467	(1,207,157)	(692,356)	484,473	963,922	384,603	(1,502,657)	(1,724,622)	(2,783,526)	(460,317)
Total primary government	$ 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	$ 9,708,272
Change in net position										
Governmental activities	$ 667,033	$ 1,174,809	$ 1,231,737	$ 18,516	$ 3,459,854	$ (196,394)	$ 1,765,940	$ 1,800,242	$ 1,114,040	$ (294,110)
Business-type activities	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)	9,461
Total primary government	$ 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)	$ (284,649)

(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
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
2017	3,086,186	2,433,043	642,364	458,228	581,787	1,334,579	1,147,172	9,683,359

(1) Includes hotel/motel taxes, alcoholic beverages taxes and business and occupation taxes for the year 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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Nonspendable	$ -	$ -	$ -	$ 33,740	$ 37,241	$ 43,348	$ 490,113	$ 460,095	$ 40,705	$ 33,457
Restricted	-	-	-	76,409	76,409	224,970	244,055	76,409	271,698	189,739
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	595	595	595	595	595	-	112
Unassigned	-	-	-	3,439,189	2,733,297	2,039,603	2,336,893	3,263,168	2,787,745	2,365,528
Reserved	120,157	121,144	364,158	-	-	-	-	-	-	-
Unreserved	2,048,211	2,967,390	3,219,511	-	-	-	-	-	-	-
Total General Fund	$ 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	$ 2,588,836
All Other Governmental Funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 416,668	$ 386,111	$ 354,938
Restricted	-	-	-	8,104,832	8,599,830	8,508,764	8,722,576	9,308,873	9,662,385	10,159,020
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(31)	(175)	(175)	(175)	(44)	-	-
Reserved	7,616,855	411,055	652,007	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	(294)	(276)	7,322,120	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 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	$ 10,513,958

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Taxes	$ 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	$ 9,758,189
Licenses and permits	269,421	254,397	224,487	216,867	224,119	227,542	225,058	281,354	406,460	410,604
Intergovernmental	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	2,268,965
Fines and forfeitures	695,843	609,284	703,910	623,963	476,043	623,061	688,920	605,797	563,503	462,026
Charges for services	5,934	4,889	7,794	8,272	8,859	8,225	13,613	16,390	15,344	12,576
Interest income	416,981	142,533	204,046	134,765	102,409	89,998	82,584	75,650	176,580	122,683
Other revenues	88,034	20,445	94,136	98,351	220,782	83,021	212,908	157,358	126,456	150,624
Total revenues	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	13,185,667
Expenditures:										
General government	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	1,613,293
Judicial	145,044	157,390	162,685	150,765	168,463	177,121	188,821	206,345	243,036	200,969
Public safety	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	6,796,594
Public works	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	2,060,791
Culture and recreation	964,602	866,518	891,330	797,390	752,410	729,728	698,193	700,970	761,153	678,545
Housing and development	892,385	808,239	1,015,304	1,136,659	967,856	778,061	1,205,334	1,126,934	1,313,159	1,566,725
Capital outlay	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	1,291,761
Debt service:										
Principal	-	-	-	-	-	270,000	233,957	233,957	233,957	233,957
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	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	14,442,635
Excess of revenues over (under) expenditures	801,580	242,676	(771,794)	96,938	227,519	(1,924,114)	(1,035,991)	(571,636)	(3,315,913)	(1,256,968)
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	1,211,218
Transfers out to other funds	-	(338,165)	-	-	(435,056)	-	-	-	-	(100)
Total other financing sources (uses)	102,870	1,378,682	923,307	-	(435,056)	1,770,000	1,536,965	1,886,775	3,355,361	1,211,118
Net change in fund balances	$ 904,450	$ 1,621,358	$ 151,513	$ 96,938	$ (207,537)	$ (154,114)	$ 500,974	$ 1,315,139	$ 39,448	$ (45,850)
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	2.09%	1.81%	1.90%	1.51%	1.67%

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
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	3,239,314	2,420,390	1,649,221	1,288,061	991,321	9,588,307
2017	3,161,015	2,433,043	1,682,380	1,334,579	1,147,172	9,758,189

(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
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%
2017	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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Food	$ 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	$ 1,375,297
Apparel	101,552	103,119	110,742	122,828	386,256	246,782	328,246	445,861	843,979	846,827
General	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	1,166,178
Automotive	1,234,576	1,380,494	722,402	768,607	725,499	520,306	148,892	134,704	150,893	186,453
Home	310,193	276,404	110,742	260,032	376,257	461,261	548,986	528,255	586,954	634,859
Lumber	674,450	556,832	425,172	556,683	515,641	218,318	50,792	23,045	26,111	44,051
Miscellaneous Service	232,113	240,512	315,552	334,584	286,425	274,205	355,825	357,884	373,487	382,230
Manufacturers	133,567	139,918	325,454	260,032	238,279	166,332	255,975	202,246	244,887	228,368
Utilities	586,667	666,444	509,435	541,669	560,033	520,370	540,283	501,205	566,928	405,177
Miscellaneous	450,685	422,043	412,752	334,584	575,641	196,990	355,825	147,863	175,933	171,904
	$ 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	$ 5,441,344

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
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%
2017	131,032,445	202,488,113	9,256,380	489,323	3,316,684	339,949,577	9.12	849,873,943	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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
City of Milledgeville										
Maintenance and Operations	8.22	8.12	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	9.12	9.12	9.12	9.12	9.12	9.12	9.12	9.12	9.12
Baldwin County	8.80	8.64	8.64	8.78	8.78	8.84	9.84	9.85	9.85	9.85
Baldwin County School District	16.07	16.07	16.07	16.07	17.06	17.06	17.06	17.06	17.06	17.06
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.20	0.15	0.10	0.10	0.10
Total	34.34	34.08	34.08	34.22	35.21	35.22	36.17	36.13	36.13	36.13

Source: City of Milledgeville financial records

CITY OF MILLEDGEVILLE, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
GEO Group	$ 16,204,736	1	1.91%			
Georgia Power	12,172,208	2	1.43%	$ 7,197,405	1	2.31%
Campus Crest of Milledgeville	5,469,126	3	0.64%	5,638,661	3	1.64%
Walmart Real Estate Business	4,835,680	4	0.57%	4,904,680	6	1.43%
Magnolia Park	4,593,410	5	0.54%	5,284,154	4	1.54%
Rath Refractories	3,502,040	6	0.41%			
Walmart	3,234,774	7	0.38%	4,355,671	7	1.27%
AT&T dba Bellsouth Telephone	2,908,941	8	0.34%			
Lowe's of Milledgeville	2,700,280	9	0.32%	5,251,151	5	1.53%
Halpern Properties	2,658,440	10	0.31%			
Winstream (Alltell)				5,664,326	2	1.65%
Heritage Walk Investments				3,209,350	9	0.94%
Shaw Industries				3,329,035	8	0.97%
Gordon Giles				2,867,687	10	0.84%
Totals	$ 58,279,635		6.85%	$ 47,702,120		14.12%

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
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
2017	3,013,250	2,985,546	99.1	4,427	2,989,973	99.2

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 and Sewer Notes	Revenue Bonds			
2008	-	$ -	$ 763,291	$ 12,038,348	$ 12,801,639	2.78%	$ 682.50
2009	-	-	678,577	11,446,147	12,124,724	N/A	646.41
2010	-	-	629,603	10,828,104	11,457,707	3.61%	610.85
2011	-	-	847,144	10,159,465	11,006,609	3.41%	621.32
2012	-	-	340,595	9,462,719	9,803,314	4.64%	553.39
2013	-	900,000	281,304	8,731,917	9,913,221	4.14%	559.59
2014	-	680,263	301,663	7,956,148	8,938,074	4.28%	559.59
2015	-	457,054	281,304	7,135,379	7,873,737	3.72%	486.24
2016	-	230,318	260,325	6,269,610	6,760,253	3.02%	404.37
2017	-	-	287,690	5,360,424	5,648,114	N/A	298.32

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)
2008	-	-	-
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-

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, 2017

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			$ -
Total direct and overlapping debt			$ -

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, 2017, 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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Legal debt limit	$ 34,315	$ 36,034	$35,217	$ 36,081	$ 35,761	$ 35,438	$ 35,106	$ 35,438	$ 34,133	$ 33,994
Total net debt applicable to debt limit	-	-	-	-	-	900	680	459	230	-
Legal debt margin	$ 34,315	$ 36,034	$ 35,217	$ 36,081	$ 35,761	$ 34,538	$ 34,426	$ 34,979	$ 33,903	$ 33,994
Legal debt margin as a percentage of the debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	2.54%	1.94%	1.30%	0.67%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2017	
Assessed value	$ 339,950
Debt limit (10% of assessed value)	33,995
Debt applicable to limit:	
Capital lease obligation	-
Total net debt applicable to limit	-
Legal debt margin	$ 33,995

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 10% 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	
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
2017	7,808,384	5,867,159	1,941,225	885,000	334,228	1.59

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)
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
2017	18,933	N/A	13,317	6,934	5.90

(1) Source: U. S. Bureau of the Census

(2) Source: Baldwin County Board of Education, John Milledge Academy, GMC Prep School, Sinclair Christian Academy, EBL Academy

(3) Source: Georgia Department of Labor

N/A - Not Available

CITY OF MILLEDGEVILLE, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2017			2008		
Employer (3)	Employees (1)	Rank	Percentage of Total County Employment (3)	Employees (2)	Rank	Percentage of Total County Employment (3)
Georgia College & State University	N/A	N/A	N/A	1,228	3	6.17%
Triumph Aerostructures	N/A	N/A	N/A	513	7	2.59%
Baldwin County School System	N/A	N/A	N/A	900	5	4.54%
Oconee Regional Medical Center	N/A	N/A	N/A	710	6	3.58%
Georgia Military College	N/A	N/A	N/A	400	10	2.02%
Georgia Department of Corrections	N/A	N/A	N/A	1,225	4	6.17%
Mohawk	N/A	N/A	N/A			
Primecare Home Care Services	N/A	N/A	N/A			
Walmart	N/A	N/A	N/A			
Baldwin County	N/A	N/A	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. Information for FY2017 not available.

(2) Source: City of Milledgeville records

(3) Source: Georgia Department of Labor

N/A - Not Available - Georgia Department of Labor will only provide the name of the top ten employers, not the number of employees beginning with FY2017.

CITY OF MILLEDGEVILLE, GEORGIA

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function/Program										
General government										
Administrative	3	3	2.5	4	4	4	4	5	5	5
Finance	7	8	7	6	7	7	7	7	7	7
Personnel	1	1	1	2	1.5	1.5	1.5	1.5	1.5	1.5
Planning	5	5	4	4	4.5	4.5	4.5	4.5	4.5	4.5
Other	8	8	3	3	4	4	4	4	4	4
Police										
Officers	49	51	51	52	52	52	52	52	52	52
Civilians	13	13	9	9	9	10	10	10	11	12
Fire										
Firefighters	33	34	34	33	34	34	34	34	34	34
Civilians	1	0	0	0	0	0	0	0	0	0
Public works										
Administrative	2	2	2	2	3	3	3	3	3	3
Maintenance	12	16	13	13	13	13	13	13	13	13
Parks and recreation	10	10	11	9	10	10	10	10	10	10
Water	39	35	32.5	32	35	35	35	35	35	35
Wastewater	18	21	18	16	16	16	16	16	16	16
Refuse	9	9	7	7	9	9	9	9	9	9
Total	210	216	195	192	202	203	203	204	205	206

Source: City of Milledgeville Human Resources Department

In 2009, the City added an additional accountant within the Finance Department, hired two police officers, reclassed a civilian to a firefighter, reclassed four employees from Water to Maintenance, and added three 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 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Parking violations	3,737	3,891	4,598	3,103	3,123	2,892	3,617	2,472	2,469	2,381
Traffic violations	6,155	5,520	5,558	4,503	3,611	3,966	6,364	4,766	4,328	3,409
Fire										
Number of calls answered	971	988	989	1,155	1,124	1,297	1,409	1,562	1,677	1,614
Number of inspections conducted	2,302	2,327	2,025	1,855	2,168	2,271	2,219	2,187	2,068	2,057
Highways and streets										
Street resurfacing (miles)	0.5	0.0	1.4	2.3	0.5	0.6	0.3	5.5	0.3	0.3
Potholes repaired	191	290	338	351	540	672	353	940	1,047	952
Sanitation										
Yard trimmings collected (tons/day)	3.8	3.8	3.2	3.4	8.5	8.8	8.9	4.1	6.3	3.1
Water										
Number of service connections	7,388	7,746	7,564	7,589	7,956	7,960	7,938	7,897	7,856	7,724
Average daily consumption (thousands of gallons)	6,515	6,432	6,325	6,336	6,340	6,331	6,330	6,335	6,334	4,518
Sewer										
Number of service connections	6,000	6,125	6,071	6,072	6,075	6,077	6,191	6,184	6,186	6,370
Average daily sewage treatment (thousands of gallons)	4,043	4,380	4,369	4,372	3,197	3,201	4,191	2,722	2,986	3,015

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	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	50	42	50	59	59	59	57	57	57	57
Fire stations	2	2	2	2	2	2	2	2	2	2
Highways and streets										
Miles of streets	119	120	120	120	120	120	120	120	120	120
Number of street lights	1,547	1,547	1,547	1,547	1,547	1,547	1,548	1,560	1,560	1,560
Water										
Water mains (miles)	194	196	196	200	200	200	200	200	200	200
Number of water plants	2	2	2	2	2	2	2	2	2	2
Fire hydrants	715	728	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)	233	233	233	233	233	233	233	233	233	233
Storm sewers (miles)	30	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.

In 2009, the City police department retired eight patrol cars and capacity at the City's Water Plant was increased due to capital improvements.

In 2010, the City police department acquired eight patrol cars to replace those retired in the previous year.

In 2011, the City police department added nine additional patrol units.

CONTINUING DISCLOSURE INFORMATION

CITY OF MILLEDGEVILLE, GEORGIA

PRINCIPAL WATER CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

	2017			2008		
	Amount Billed for 12 Months	Rank	Estimated Percentage of Total Water Billings	Amount Billed for 12 Months	Rank	Estimated Percentage of Total Water Billings
Baldwin State Prison	$ 378,337	1	11.15%			
Georgia College	323,504	2	9.54%			
Zschimmer & Schwarz, Inc.	268,244	3	7.91%			
Mohawk	257,011	4	7.58%	$ 104,759	4	2.34%
GEO Riverbend	241,248	5	7.11%	277,950	3	6.20%
Villamar Town Home Apartments	117,426	6	3.46%	89,687	5	2.00%
Magnolia Park SH LLC	92,364	7	2.72%	64,281	8	1.43%
College Station Properties	67,676	8	2.00%			
Triumph - Vought Aircraft Industries	66,581	9	1.96%	74,263	7	1.66%
Tidal Wave Auto Spa of Milledgeville	51,754	10	1.53%			
Pine Knoll Apartments				55,381	10	1.24%
Central State Hospital				474,819	2	10.59%
Baldwin County Commissioners				1,232,913	1	27.50%
Bill Ireland YDC				79,149	6	1.77%
Oconee Regional Medical Center				59,904	9	1.34%

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

	2017			2008		
	Amount Billed for 12 Months	Rank	Estimated Percentage of Total Sewer Billings	Amount Billed for 12 Months	Rank	Estimated Percentage of Total Sewer Billings
Baldwin County Commissioners	$ 378,558	1	10.19%	$ 233,967	3	9.05%
Baldwin State Prison	220,645	2	5.94%			
Georgia College	188,608	3	5.08%	250,175	2	9.68%
Zschimmer & Schwarz, Inc.	156,977	4	4.23%			
GEO - Riverbend	140,702	5	3.79%			
Mohawk	79,357	6	2.14%	77,364	6	2.99%
Villamar Townhome Apartments	68,417	7	1.84%	89,687	4	3.47%
Magnolia Park SH LLC	39,644	8	1.07%	57,255	9	2.22%
Triump - Vought Aircraft Industries	38,798	9	1.04%	73,516	7	2.84%
College Station Apartments	28,795	10	0.78%			
Pine Knoll Apartments				55,381	10	2.14%
Oconee Regional Medical Center				59,904	8	2.32%
Bill Ireland YDC				79,149	5	3.06%
Central State Hospital				402,296	1	15.56%

Source: City of Milledgeville records

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

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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 21, 2017.

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 2017-001 through 2017-003 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
November 21, 2017

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, 2017 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, 2017

SECTION II FINANCIAL STATEMENT FINDINGS

2017-001. Workers Compensation Insurance Claims Payable Liability

Criteria: Generally accepted accounting principles require the reporting of a liability for claims payable when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. This liability would include an estimate of all future expenses expected to be paid by a government in connection with an individual claim.

Condition: In prior years, for one of the on-going workers compensation claims, the City has recorded a liability for the estimated income benefits to be paid to an individual, but not the estimated medical costs.

Context: We addressed this matter with personnel of the City and they were able to determine the appropriate adjustment needed at June 30, 2017 to properly record the claims liability in the City's Risk Management Fund.

Effect: A prior period adjustment to increase claims payable and decrease the beginning balance of net position by $850,142 in the Risk Management Fund was required to be recorded. Additionally, because the adjustment is related to governmental activities, a prior period adjustment was also necessary to increase claims payable and decrease net position of governmental activities by $850,142.

Recommendation: We recommend City personnel obtain the information necessary to record the claims payable liability at the end of each fiscal year.

Views of responsible officials and planned corrective action: Management concurs with the finding. Information pertaining to insurance claims payable will be obtained and reviewed at the end each fiscal year to ensure the claims payable liability is properly adjusted.

SECTION II FINANCIAL STATEMENT FINDINGS (CONTINUED)

2017-002. Accounting Processes – Component Unit - Central State Hospital Local Redevelopment Authority

Criteria: The City's component units are 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 Central State Hospital Local Redevelopment Authority (the Authority) is maintaining its books and records on the cash basis and is not adjusting the records to the modified accrual basis at year-end for financial reporting purposes. Fund balance, grants receivable and related grant revenues, and accrued payroll and related payroll tax liabilities were not properly recorded in the general ledger of the Authority at June 30, 2017. An audit adjustment from the prior year was also not posted in the general ledger.

Context: We addressed this matter with personnel of the Authority and they were able to determine the appropriate adjustments needed at June 30, 2017 to properly record the prior year audit adjustment, and to adjust grant activity, and accrued payroll and related payroll tax liabilities.

Effect: Adjustments were required to be recorded as follows:

a) An adjustment to record a prior year audit entry increased fund balance by $2,398 and decreased payroll tax expense by the same amount
b) An adjustment to decrease grants receivable and grant revenue by $16,917
c) An adjustment to decrease payroll tax liabilities by $19,107, increase accrued payroll by $386 and decrease payroll expense by $18,721

Recommendation: We recommend management of the Authority provide those charged with the accounting function the necessary training to properly maintain the general ledger on the modified accrual basis of accounting and should ensure that all audit entries are posted to the general ledger in a timely manner.

Views of responsible officials and planned corrective action: Management concurs with the finding. The Executive Director has moved all accounting functions to a local accounting firm.

SECTION II FINANCIAL STATEMENT FINDINGS (CONTINUED)

2017-003. Expenditure Procedures and Use of Debit Card – Component Unit - Central State Hospital Local Redevelopment Authority

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 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 transactions or ATM withdrawals, for which no supporting invoice, receipt or other documentation could be located for three (3) of the disbursements. Additionally, of the twenty-five (25) disbursements tested, no evidence of approval for the disbursement was noted on the supporting documentation for fourteen (14) of the disbursements.

Effect: While the use of a debit card for Authority expenses is a 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 to 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 the finding. The debit card has been cancelled, and the Executive Director is now using a personal credit card for which he will request reimbursement for any Authority related expenditures on his monthly reimbursement report. Supporting documentation will accompany the expense report.

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

SECTION III – FINDINGS AND QUESTIONED COSTS

MAJOR FEDERAL AWARD PROGRAMS

Not Applicable

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

2016-001. Accounting Processes – Component Units

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 salaries.

Auditee Response/Status: Partially resolved. Refer to current year finding 2017-002.

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

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 transactions, 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.

Auditee Response/Status: Unresolved. See current year finding 2017-003.

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, 2017

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Public works	$ 3,795,000	$ 3,795,000	$ -	$ -	$ -
Improvements	-	-	-	17,143	17,143
Equipment and vehicles	-	-	1,203,943	149,074	1,353,017
City facilities	1,014,600	1,014,600	-	-	-
Improvements	-	-	-	-	-
Equipment and vehicles	-	-	-	-	-
Public safety	3,090,400	3,090,400	-	-	-
Improvements	-	-	6,800	4,765	11,565
Equipment and vehicles	-	-	6,024	240,355	246,379
				-	
Improvements - water system, water treatment and waste treatment	4,350,000	4,350,000	431,263	806,936	1,238,199
	$ 12,250,000	$ 12,250,000	$ 1,648,030	$ 1,218,273	$ 2,866,303

CITY OF MILLEDGEVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS – 2006 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Public works	$ 3,400,000	$ 3,400,000	$	$	$
Improvements	-	-	1,148,431	-	1,148,431
Equipment and vehicles	-	-	1,074,885	-	1,074,885
City facilities	3,000,000	3,000,000			
Improvements	-	-	2,041,484	70,815	2,112,299
Equipment and vehicles	-	-	128,233	1,673	129,906
Public safety	2,000,000	2,000,000			
Improvements	-	-	222,449	-	222,449
Equipment and vehicles	-	-	1,524,854	-	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	$ 10,542,001	$ 72,488	$ 10,614,489

Note: Capital outlay and debt service expenditures in the SPLOST Fund totaled $1,525,718; however, only $1,290,761 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 $1,000 were expenditures paid with grant funds.