CITY OF MILLEN, GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2015

CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of net position	11
Statement of activities	12
Fund Financial Statements:	
Governmental Funds	
Balance sheet - governmental funds	13
Statement of revenues, expenditures and changes in fund balances - governmental funds	15
Statement of revenues, expenditures and changes in fund balances - budget to actual - General Fund	17
Proprietary Funds	
Statement of net position	18
Statement of revenues, expenses and changes in fund net position	19
Statement of cash flows	20
Notes to the financial statements	22
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of changes in the city's net pension liability and related ratios	48
Schedule of city contributions	49
SUPPLEMENTARY DATA	
Combining and Individual Fund Statements and Schedules	
Governmental Funds:	
Non-major Governmental Funds	50
Combining balance sheet	51
Combining statement of revenues, expenditures and changes in fund balances	52
General Fund	
Schedule of revenues, expenditures and changes in fund balances - budget to actual	53
Special Revenue Funds	
E-911 Fund	
Schedule of revenues, expenditures and changes in fund balances - budget to actual	55
Confiscated Assets Fund	
Schedule of revenues, expenditures and changes in fund balances - budget to actual	56
Capital Projects Funds	
SPLOST V Fund	
Schedule of revenues, expenditures and changes in fund balances - budget to actual	57
SPLOST VI Fund	
Schedule of revenues, expenditures and changes in fund balances - budget to actual	58
2012 Community Development Block Grant	
Schedule of revenues, expenditures and changes in fund balances - budget to actual	59
Project cost schedule	60
TIA SPLOST Fund	
Schedule of revenues, expenditures and changes in fund balances - budget to actual	61

(Continued)

Page

SUPPLEMENTARY DATA (continued)
Combining and Individual Fund Statements and Schedules (continued)
Proprietary Funds:
Water and Sewer Fund
Comparative statement of revenues, expenses and changes in fund net position 62
Comparative statement of cash flows 63
Gas Fund
Comparative statement of revenues, expenses and changes in fund net position 65
Comparative statement of cash flows 66
Solid Waste Fund
Comparative statement of revenues, expenses and changes in fund net position 68
Comparative statement of cash flows 69

OTHER REPORTS
Independent auditors' 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* 70
Independent auditors' report on compliance for each major program and on internal control over compliance in accordance with OMB Circular A-133 72
Schedule of expenditures of federal awards 74
Schedule of findings and questioned costs 75
Schedule of projects constructed with Special Purpose Local Option Sales Tax Proceeds 77

REDDICK, RIGGS
HUNTER AND KENNEDY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

TERRELL T. REDDICK
1947-2005
JAMES S. RIGGS
PATRICIA H. HUNTER
J. BRIAN KENNEDY

INDEPENDENT AUDITORS' REPORT

Mayor and City Council
City of Millen, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Millen, Georgia (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

23 SIEBALD STREET ♦ POST OFFICE BOX 725 ♦ STATESBORO, GEORGIA 30459-0725
912-764-9843 FAX 912-489-3036
MEMBERS: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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 discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Millen, Georgia as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary data on pages 4 through 10 and pages 48 through 49, respectively, 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 response 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 of Millen, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is also not a required part of the basic financial statements of the City of Millen, Georgia. The accompanying Schedule of Projects Constructed with Special Purpose Local Option Tax Proceeds is presented for purposes of additional analysis and is also not a required part of the basic financial statements of the City of Millen, Georgia.

The combining and individual nonmajor fund financial statements, the Schedule of Expenditures of Federal Awards, and the Schedule of Projects Constructed with Special Purpose Local Option Tax Proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and the Schedule of Projects Constructed with Special Purpose Local Option Tax Proceeds and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 26, 2016, on our consideration of the City's internal control over financial reporting and 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* and in considering the City of Millen, Georgia's internal control over financial reporting and compliance.

Reddick, Riggs, Hunter and Kennedy, P. C.

Statesboro, Georgia
February 26, 2016

This discussion and analysis is intended to be an easily readable analysis of the City of Millen, Georgia's (the City's) financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements that follow.

Overview of the Financial Statements

The City's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to the basic financial statements. The *government-wide financial statements* present an overall picture of the City's financial position and results of operations. The *fund financial statements* present financial information for the City's major funds. The *notes to financial statements* provide additional information concerning the City's finances that are not disclosed in the government-wide or fund financial statements.

Government-wide Financial Statements

The City's financial report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. The *Statement of Activities* reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

In the Statement of Net Position and Statement of Activities, the City is divided into two kinds of activities:

- *Governmental activities* - Most of the City's basic services are reported here, including the police, fire, community development, information services and general administration. These activities are primarily supported by property taxes, sales taxes, other taxes, federal and state grants, and charges for services.
- *Business-type activities* - Business-type activities include the City's water and sewer system, gas system, and solid waste activities. These activities are supported by charges to the users of the activities.

The government-wide financial statements are presented on pages 11 and 12 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

Overview of the Financial Statements (continued)

Fund Financial Statements (continued)

The City has two kinds of funds:

Governmental Funds: The majority of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances of spendable resources available at year-end. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The government fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between governmental activities (reported in the Statement of Net Position and Statement of Activities) and governmental funds is detailed in a reconciliation following the fund financial statements.

The basic governmental fund financial statements are presented on pages 13 through 17 of this report.

The City maintains two major and six non-major governmental funds. The City's major governmental funds are the General Fund, and the 2012 CDBG Fund. The City's non-major governmental funds are the E-911 Fund, the Confiscated Assets Fund, the SPLOST V Fund, the SPLOST VI Fund, the 2014 CDBG Fund and the TIA SPLOST Fund.

Proprietary Funds: The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the City's enterprise funds are identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. These are reported in the fund financial statements and generally report services for which the fund essentially encompasses the same functions reported as business-type activities in the government-wide statements.

The basic enterprise fund financial statements are presented on pages 18 through 21 of this report.

The City maintains three enterprise funds: Water and Sewer, Gas and Solid Waste.

Notes to the Basic Financial Statements

The notes to the financial statements explain some of the information in the financial statements and provide information that is more detailed. The notes are essential to a full understanding of the government-wide and fund financial statements. The notes begin on page 22 of this report.

Budgetary Presentations

A budgetary comparison statement is included as "basic financial statements" for the General Fund. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

Supplementary Financial Information

As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented as supplementary financial information of this report beginning on page 50.

Financial Analysis of the City as a Whole

The City's net position at fiscal year-end is $12,307,645, as compared to $12,078,070 at June 30, 2014. The following table provides a summary of the City's net position.

Summary of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets:						
Current and other assets	$ 1,649,380	$ 1,344,942	$ 637,682	$ 1,417,644	$ 2,287,062	$ 2,762,586
Capital assets	2,263,616	2,082,551	13,258,691	12,966,655	15,522,307	15,049,206
Total assets	3,912,996	3,427,493	13,896,373	14,384,299	17,809,369	17,811,792
Deferred outflows of resources	58,290	-	22,512	-	80,802	-
Liabilities:						
Long-term liabilities	404,661	339,912	4,679,076	5,193,535	5,083,737	5,533,447
Other liabilities	280,726	(188,163)	139,963	229,829	420,689	41,666
Total liabilities	685,387	151,749	4,819,039	5,423,364	5,504,426	5,575,113
Deferred inflows of resources	56,342	-	21,758	158,609	78,100	158,609
Net position:						
Net investment in capital assets	2,168,616	2,082,551	8,700,872	7,901,447	10,869,488	9,983,998
Restricted	267,828	204,779	22,874	22,874	290,702	227,653
Unrestricted	793,113	988,414	354,342	878,005	1,147,455	1,866,419
Total Net Position	$ 3,229,557	$ 3,275,744	$ 9,078,088	$ 8,802,326	$ 12,307,645	$ 12,078,070

The current ratio is used to measure an entity's ability to meet current obligations. The City of Millen, Georgia has a 5.88 to 1 ratio for governmental activities as compared to (7.15) to 1 at June 30, 2014. The current ratio for business-type activities is 4.56 to 1, as compared to 6.17 to 1 at June 30, 2014. The City's financial position continued to remain strong due to conservative spending and management's continuous oversight of the departmental budgets.

The City reported positive balances in net position for both governmental and business-type activities. Analyzing the net position of governmental and business-type activities separately, the business-type activities net position is $9,078,088. The table below focuses on the net position and revenues and expenses of the City's governmental and business-type activities. Net position increased $206,788 for governmental activities and increased $373,599 for business-type activities. The City's overall financial position improved during the year ended June 30, 2015.

Financial Analysis of the City as a Whole (continued)

The following table provides a summary of the City's changes in net position:

Summary of Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program						
Charges for services	$ 416,301	$ 475,040	$ 4,841,680	$ 2,144,666	$ 5,257,981	$ 2,619,706
Operating grants	148,627	28,564	-	-	148,627	28,564
Capital grants / contributions	585,610	549,843	195,333	813,696	780,943	1,363,539
General						
Property taxes	364,332	362,042	-	-	364,332	362,042
Sales taxes	211,766	223,018	-	-	211,766	223,018
Franchise taxes	184,201	175,045	-	-	184,201	175,045
Insurance premium taxes	168,277	160,942	-	-	168,277	160,942
Financial institution taxes	7,832	8,170	-	-	7,832	8,170
Alcoholic beverage taxes	89,458	92,106	-	-	89,458	92,106
Intangible and other taxes	29,715	21,076	-	-	29,715	21,076
Interest	1,374	1,135	57	27	1,431	1,162
Gain (loss) on sale of assets	8,821	4,700	1,500	-	10,321	4,700
Other income	29,068	32,258	-	-	29,068	32,258
Total revenues	2,245,382	2,133,939	5,038,570	2,958,389	7,283,952	5,092,328
Program expenses:						
General government	646,217	562,413	-	-	646,217	562,413
Judicial	7,483	8,712	-	-	7,483	8,712
Public safety	1,100,575	978,449	-	-	1,100,575	978,449
Public works	728,443	636,302	-	-	728,443	636,302
Interest	46	-	-	-	46	-
Water and sewer	-	-	918,455	756,430	918,455	756,430
Gas	-	-	3,062,051	548,567	3,062,051	548,567
Solid waste	-	-	240,295	206,747	240,295	206,747
Total expenses	2,482,764	2,185,876	4,220,801	1,511,744	6,703,565	3,697,620
Increase (decrease) in net position before transfers	(237,382)	(51,937)	817,769	1,446,645	580,387	1,394,708
Transfers	444,170	408,887	(444,170)	(408,887)	Nil	Nil
Increase (decrease) in net position	206,788	356,950	373,599	1,037,758	580,387	1,394,708
Beginning net position	3,022,769	2,918,794	8,704,489	7,764,568	11,727,258	10,683,362
Ending net position	$ 3,229,557	$ 3,275,744	$ 9,078,088	$ 8,802,326	$ 12,307,645	$ 12,078,070

Governmental Revenues

The City's governmental activities are heavily reliant on property taxes and sales taxes, which collectively make up 25.68% of governmental revenues. Note that program revenues made up 62.87% of the City's total revenues.

Governmental Expenses

The above table presents the costs of each of the City's programs. Public safety, water and sewer, and gas were the most costly. Public safety made up 16.42% of the City's total expenses, while water and sewer and gas made up 13.70% and 45.68% respectively.

Financial Analysis of the City as a Whole (continued)

There was a deficit of $237,382 in governmental activities and an excess of $817,769 in business-type activities. Transfers to (from) governmental activities resulted in a total excess in governmental activities of $206,788 and a total excess in business-type activities of $373,599. The total change in net position was $580,387. As stated earlier, the financial position of the City improved in the year ended June 30, 2015.

Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements.

Governmental funds reported ending fund balances of $1,358,480. Of this year-end total, $213,723 is restricted for capital projects and $54,105 is restricted for public safety. The unassigned portion of governmental fund balances was $775,018. The total ending fund balances of governmental funds shows an increase of $127,992, or a 10.40% increase.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund reported ending fund balance of $1,098,466, of which $7,814 is restricted for public safety, $315,634 is assigned for capital projects, and $775,018 is unassigned. The total ending fund balance of the general fund shows an increase of $62,603. The increase in the current year was a result of responsible fiscal control over spending at the departmental level.

Total revenues of the General Fund were $1,687,254, an increase of $180,771 from fiscal year 2014. This equates to a 12.00% increase in total revenues. This increase was due to increased property tax collections and an increase in intergovernmental revenues.

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Operating revenues for the proprietary funds were $4,841,680, increase of $2,697,014 over fiscal year 2014. The increase was the result of increased gas revenues, due to the startup of a new large gas customer during 2015. After considering expenditures, the net income of these funds before capital contributions and transfers is $622,436.

Budgetary Highlights

Revenues in the General Fund were over the budget by $97,938. This increase resulted from increased tax collections and an increase in intergovernmental funds collected.

Expenditures in the General Fund were under the budget by $254,604. The decrease resulted primarily from management's oversight of responsible fiscal spending at the departmental level.

A budget amendment was adopted during the year ended June 30, 2015 which transferred expenditures to various departments within the General Fund budget but did not increase overall expenditures.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, as of June 30, 2015, was $15,522,307 as follows:

Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2015	(As Restated) 2014	2015	(As Restated) 2014	2015	(As Restated) 2014
Nondepreciable assets:						
Land	$ 313,405	$ 313,041	$ -	$ -	$ 313,405	$ 313,041
Construction in progress	115,199	30,234	6,800	4,432,825	121,999	4,463,059
Book value - nondepreciable assets	428,604	343,275	6,800	4,432,825	435,404	4,776,100
Depreciable assets:						
Land and improvements	1,117,643	1,087,457	-	-	1,117,643	1,087,457
Buildings and plant	980,584	980,584	15,893,108	11,166,898	16,873,692	12,147,482
Machinery and equipment	712,986	637,876	1,298,512	930,357	2,011,498	1,568,233
Office equipment	359,578	359,578	9,137	9,137	368,715	368,715
Vehicles	987,696	802,199	293,739	293,739	1,281,435	1,095,938
Total depreciable assets	4,158,487	3,867,694	17,494,496	12,400,131	21,652,983	16,267,825
Less accumulated depreciation	2,323,475	2,128,418	4,242,605	3,866,301	6,566,080	5,994,719
Book value - depreciable assets	1,835,012	1,739,276	13,251,891	8,533,830	15,086,903	10,273,106
Percentage depreciated	55.87 %	55.03 %	24.25 %	31.18 %	30.32 %	36.85 %
Total Capital Assets	$ 2,263,616	$ 2,082,551	$ 13,258,691	$ 12,966,655	$ 15,522,307	$ 15,049,206

For more information on the changes in capital assets, see Note 3.D.

Capital Assets and Debt Administration (continued)

Debt Outstanding

As of June 30, 2015, the City had total outstanding long-term debt of $5,083,737 as follows:

	Long-Term Debt					
	Governmental Activities		Business-Type Activities		Total	
		(As Restated)		(As Restated)		(As Restated)
	2015	2014	2015	2014	2015	2014
Accumulated leave benefits	$ 56,042	$ 50,726	$ 23,311	$ 16,645	$ 79,353	$ 67,371
Net pension liability	253,619	289,186	97,946	111,682	351,565	400,868
Notes payable						
Loan - Community Facilities	95,000	-	-	-	95,000	-
GEFA Loan	-	-	770,368	802,957	770,368	802,957
Capital leases						
Public works equipment	-	-	72,401	-	72,401	-
Other equipment	-	-	2,962,164	3,500,000	2,962,164	3,500,000
Revenue Bonds Payable						
USDA Bonds, Series 1992	-	-	752,886	762,251	752,886	762,251
Total Long-Term Debt	$ 404,661	$ 339,912	$ 4,679,076	$ 5,193,535	$ 5,083,737	$ 5,533,447

During the year ended June 30, 2015, the City issued notes payable of $95,000. The City retired $630,700 of existing debt.

For more information on the City's long-term debt, see Note 3.G.

Economic Conditions Affecting the City

The City of Millen has steadily been rebounding from the economic lows the City saw in the early to mid- 2000's. The City has several large local construction projects taking place in the community, from the construction of a new school and County Jail to the upgrading of several roads and infrastructure projects inside the City. The City has had two new industrial businesses open, with numerous inquiries from other manufacturing companies. With the increased construction traffic and available opportunities, the City expects to see an increase in revenues from sales tax, hotel/ motel fees, and service fees, over the next few years.

Financial Contact

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City Manager at P. O. Box 929, Millen, GA 30442.

CITY OF MILLEN, GEORGIA
Statement of Net Position
June 30, 2015

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Unit
ASSETS				
Current Assets				
Cash	$ 1,518,665	$ 214,618	$ 1,733,283	$ 50
Receivables, net of allowance for uncollectibles:				
Taxes	8,951	-	8,951	-
Intergovernmental	288,839	-	288,839	-
Other	84,235	144,468	228,703	-
Accrued interest receivable	32	-	32	-
Internal balances	(251,342)	251,342	-	-
Restricted assets: Cash	-	27,254	27,254	-
Noncurrent Assets				
Capital assets:				
Nondepreciable assets	428,604	6,800	435,404	6,350
Depreciable assets, net	1,835,012	13,251,891	15,086,903	36,548
Total Assets	3,912,996	13,896,373	17,809,369	42,948
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - Pension related	58,290	22,512	80,802	42,948
LIABILITIES				
Current Liabilities				
Accounts payable	244,801	33,317	278,118	2,370
Accrued salaries	13,065	3,589	16,654	-
Accrued interest payable	46	11,231	11,277	195
Other accrued expenses	22,814	17,331	40,145	-
Deposits to secure services	-	74,495	74,495	-
Noncurrent Liabilities				
Due within one year:				
Compensated absences	11,208	4,662	15,870	-
Notes payable	12,213	33,684	45,897	2,334
Capital lease payable	-	341,017	341,017	-
Revenue bonds payable	-	9,796	9,796	-
Due in more than one year:				
Compensated absences, net of current portion	44,834	18,649	63,483	-
Notes payable, net of current portion	82,787	736,684	819,471	41,381
Capital lease payable, net of current portion	-	2,693,548	2,693,548	-
Revenue bonds payable, net of current portion	-	743,090	743,090	-
Net pension liability	253,619	97,946	351,565	-
Total Liabilities	685,387	4,819,039	5,504,426	46,280
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - Pension related	56,342	21,758	78,100	46,280
NET POSITION				
Net investment in capital assets	2,168,616	8,700,872	10,869,488	(817)
Restricted for:				
Capital projects	213,723	-	213,723	-
Debt service	-	22,874	22,874	-
Public safety	54,105	-	54,105	-
Unrestricted	793,113	354,342	1,147,455	(2,515)
Total Net Position	$ 3,229,557	$ 9,078,088	$ 12,307,645	$ (3,332)

The Notes to Financial Statements are an integral part of these statements.

CITY OF MILLEN, GEORGIA
Statement of Activities
For the Year Ended June 30, 2015

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total	Component Unit
Governmental activities:								
General government	$ 646,217	$ 74,742	$ 28,564	$ -	$ (542,911)	$ -	$ (542,911)	
Judicial	7,483	-	-	-	(7,483)	-	(7,483)	
Public safety	1,100,575	341,559	120,063	6,000	(632,953)	-	(632,953)	
Public works	728,443	-	-	579,610	(148,833)	-	(148,833)	
Interest on long-term debt	46	-	-	-	(46)	-	(46)	
Total governmental activities	2,482,764	416,301	148,627	585,610	(1,332,226)	Nil	(1,332,226)	
Business-type activities:								
Water and sewer	918,455	954,268	-	195,333	-	231,146	231,146	
Gas	3,062,051	3,434,400	-	-	-	372,349	372,349	
Solid waste	240,295	453,012	-	-	-	212,717	212,717	
Total business-type activities	4,220,801	4,841,680	Nil	195,333	Nil	816,212	816,212	
Total - Primary Government	$ 6,703,565	$ 5,257,981	$ 148,627	$ 780,943	(1,332,226)	816,212	(516,014)	
Component Unit								
Downtown Development Authority	$ 4,482	$ 5,100	-	-	-	-	-	$ 618
General Revenues								
Property taxes					364,332	-	364,332	-
Sales taxes					211,766	-	211,766	-
Franchise taxes					184,201	-	184,201	-
Insurance premium taxes					168,277	-	168,277	-
Financial institution taxes					7,832	-	7,832	-
Alcoholic beverage taxes					89,458	-	89,458	-
Intangible and other taxes					29,715	-	29,715	-
Interest					1,374	57	1,431	-
Other revenues					29,068	-	29,068	-
Gain (loss) on sale of assets					8,821	1,500	10,321	-
Total general revenues					1,094,844	1,557	1,096,401	-
Transfers					444,170	(444,170)	-	-
Total general revenues and transfers					1,539,014	(442,613)	1,096,401	-
Change in net position					206,788	373,599	580,387	618
Net position, beginning of year (as restated)					3,022,769	8,704,489	11,727,258	(3,950)
Net position, end of year					$ 3,229,557	$ 9,078,088	$12,307,645	$ (3,332)

The Notes to Financial Statements are an integral part of these statements.

CITY OF MILLEN, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	CDBG 2012 Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	$ 1,291,109	$ 100	$ 227,455	$ 1,518,664
Receivables:				
Taxes receivable	8,951	-	-	8,951
Intergovernmental receivables	89,721	175,983	23,135	288,839
Other receivables	63,176	-	21,059	84,235
Accrued interest receivable	32	-	-	32
Interfund receivables	125,942	-	13,993	139,935
Total Assets	$ 1,578,931	$ 176,083	$ 285,642	$ 2,040,656
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Accounts payable	$ 183,023	$ 38,196	$ 23,580	$ 244,799
Accrued salaries	13,065	-	-	13,065
Other liabilities	22,814	-	-	22,814
Interfund payables	251,342	137,887	2,048	391,277
Total Liabilities	470,244	176,083	25,628	671,955
Deferred Inflows of Resources	10,221	-	-	10,221
Total Liabilities and Deferred Inflows of Resources	480,465	176,083	25,628	682,176
FUND BALANCES				
Restricted for:				
Capital projects	-	-	213,723	213,723
Public safety	7,814	-	46,291	54,105
Assigned to:				
Capital projects	315,634	-	-	315,634
Unassigned	775,018	-	-	775,018
Total Fund Balances	1,098,466	Nil	260,014	1,358,480
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,578,931	$ 176,083	$ 285,642	$ 2,040,656

The Notes to Financial Statements are an integral part of these statements.

CITY OF MILLEN, GEORGIA
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2015

Total Governmental Fund Balances		$ 1,358,480
Amounts reported in governmental activities in the statements of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.		
Cost	$ 4,587,091	
Accumulated depreciation	(2,323,475)	2,263,616
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
Property taxes		10,220
Accrued interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(46)
Deferred outflows	$ 58,290	
Deferred inflows	(56,342)	1,948
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Notes payable	$ (95,000)	
Compensated absences	(56,042)	
Net pension liability	(253,619)	(404,661)
Total Net Position of Governmental Activities		$ 3,229,557

The Notes to Financial Statements are an integral part of these statements.

CITY OF MILLEN, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	General Fund	2012 CDBG Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property taxes	$ 291,561	$ -	$ -	$ 291,561
Motor vehicle and title advalorem taxes	83,836	-	-	83,836
Mobile home taxes	4,022	-	-	4,022
Franchise taxes	184,201	-	-	184,201
Sales and use taxes	211,766	-	-	211,766
Alcoholic beverage taxes	89,458	-	-	89,458
Business and occupation taxes	28,498	-	-	28,498
Insurance premium taxes	168,277	-	-	168,277
Financial institution taxes	7,832	-	-	7,832
Other taxes	5,725	-	-	5,725
Licenses and permits	6,944	-	-	6,944
Intergovernmental revenues	288,042	175,982	227,529	691,553
Charges for services	39,921	-	94,190	134,111
Fees, fines and forfeitures	221,402	-	-	221,402
Investment income	1,365	-	160	1,525
Other revenues	54,404	-	-	54,404
Total revenues	1,687,254	175,982	321,879	2,185,115
EXPENDITURES				
Current operations:				
General city government	618,975	-	-	618,975
Judicial	7,483	-	-	7,483
Public safety	825,900	-	158,850	984,750
Public works	867,631	-	-	867,631
Capital:				
General city government	-	-	10,148	10,148
Public safety	-	-	32,433	32,433
Public works	-	175,982	125,111	301,093
Total expenditures	2,319,989	175,982	326,542	2,822,513
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(632,735)	-	(4,663)	(637,398)
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	95,000	-	-	95,000
Sale of capital assets	8,821	-	-	8,821
Transfers in	661,569	-	70,052	731,621
Transfers out	(70,052)	-	-	(70,052)
NET CHANGE IN FUND BALANCES	62,603	Nil	65,389	127,992
FUND BALANCES, beginning of year	1,035,863	Nil	194,625	1,230,488
FUND BALANCES, end of year	$ 1,098,466	$ Nil	$ 260,014	$ 1,358,480

The Notes to Financial Statements are an integral part of these statements.

CITY OF MILLEN, GEORGIA
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2015

Net change in fund balances - total governmental funds		$ 127,992
Amounts reported in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.		396,458
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.		(215,761)
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 net pension liability and related deferred inflows and outflows of resources		1,670
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt consumes current financial resources of governmental funds.		
Issuance of long-term debt		(95,000)
Accrued interest expense on long-term debt is reported in the government-wide statement of activities does not require the use of current financial resources and therefore is not reported as expenditures in governmental funds.		
Accrued interest on long-term debt at June 30, 2015	$ 46	
Accrued interest on long-term debt at June 30, 2014	-	(46)
Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund operating statements.		
Deferred property taxes at June 30, 2015	$ 10,221	
Deferred property taxes at June 30, 2014	(13,430)	(3,209)
Compensated absences reported in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Liability at June 30, 2015	$ (56,042)	
Liability at June 30, 2014	50,726	(5,316)
Change in net position in governmental funds		$ 206,788

The Notes to Financial Statements are an integral part of these statements.

CITY OF MILLEN, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes:				
Property taxes	$ 279,700	$ 279,700	$ 291,561	$ 11,861
Motor vehicle and title advalorem taxes	68,000	68,000	83,836	15,836
Mobile home taxes	3,800	3,800	4,022	222
Franchise taxes	189,762	189,762	184,201	(5,561)
Sales and use taxes	216,000	216,000	211,766	(4,234)
Alcoholic beverage taxes	85,500	85,500	89,458	3,958
Business and occupation taxes	25,100	25,100	28,498	3,398
Insurance premium taxes	160,000	160,000	168,277	8,277
Financial institution taxes	8,076	8,076	7,832	(244)
Other taxes	2,700	2,700	5,725	3,025
Licenses and permits	6,300	6,300	6,944	644
Intergovernmental revenues	95,178	95,178	288,042	192,864
Charges for services	37,000	37,000	39,921	2,921
Fees, fines and forfeitures	298,000	298,000	221,402	(76,598)
Investment income	800	800	1,365	565
Other revenues	113,400	113,400	54,404	(58,996)
Total revenues	1,589,316	1,589,316	1,687,254	97,938
EXPENDITURES				
Current operations:				
General city government	785,782	785,782	618,975	166,807
Judicial	16,550	16,550	7,483	9,067
Public safety	1,114,850	1,114,850	825,900	288,950
Public works	650,411	650,411	867,631	(217,220)
Debt service:				
General city government	7,000	7,000	-	7,000
Total expenditures	2,574,593	2,574,593	2,319,989	254,604
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(985,277)	(985,277)	(632,735)	352,542
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	95,000	95,000
Sale of capital assets	262,000	262,000	8,821	(253,179)
Transfers in	721,577	721,577	661,569	(60,008)
Transfers out	-	-	(70,052)	(70,052)
NET CHANGE IN FUND BALANCES	(1,700)	(1,700)	62,603	64,303
FUND BALANCES, beginning of year	1,035,863	1,035,863	1,035,863	Nil
FUND BALANCES, end of year	$ 1,034,163	$ 1,034,163	$ 1,098,466	$ 64,303

The Notes to Financial Statements are an integral part of these statements.

CITY OF MILLEN, GEORGIA
Statement of Net Position
Proprietary Funds
June 30, 2015

	Water and Sewer Fund	Gas Fund	Solid Waste Fund	Total
ASSETS				
Current Assets				
Cash	$ 100	$ 214,518	$ -	$ 214,618
Accounts receivable	81,535	27,395	35,538	144,468
Restricted assets: Cash	27,254	-	-	27,254
Interfund receivables	251,342	-	-	251,342
Total current assets	360,231	241,913	35,538	637,682
Noncurrent Assets				
Capital assets:				
Nondepreciable assets	6,800	-	-	6,800
Depreciable assets, net	9,766,039	3,393,948	91,904	13,251,891
Total noncurrent assets	9,772,839	3,393,948	91,904	13,258,691
Total Assets	10,133,070	3,635,861	127,442	13,896,373
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferred outflows of resources	7,741	6,626	8,145	22,512
LIABILITIES				
Current Liabilities				
Accounts payable	17,684	5,561	10,072	33,317
Accrued salaries	1,877	801	911	3,589
Accrued interest payable	4,346	6,885	-	11,231
Compensated absences	1,654	1,150	1,858	4,662
Other liabilities	-	17,331	-	17,331
Notes payable - current portion	33,684	-	-	33,684
Capital lease payable - current portion	6,528	334,489	-	341,017
Revenue bonds payable - current portion	9,796	-	-	9,796
Deposits to secure service	41,378	33,117	-	74,495
Total current liabilities	116,947	399,334	12,841	529,122
Noncurrent Liabilities				
Compensated absences	6,617	4,599	7,433	18,649
Notes payable, net of current portion	736,684	-	-	736,684
Capital lease payable, net of current portion	65,873	2,627,675	-	2,693,548
Revenue bonds payable, net of current portion	743,090	-	-	743,090
Net Pension Liability	33,680	28,828	35,438	97,946
Total noncurrent liabilities	1,585,944	2,661,102	42,871	4,289,917
Total Liabilities	1,702,891	3,060,436	55,712	4,819,039
DEFERRED INFLOWS OF RESOURCES				
Pension related deferred inflows of resources	7,482	6,404	7,872	21,758
NET POSITION				
Net investment in capital assets	8,177,184	431,784	91,904	8,700,872
Restricted for debt service	22,874	-	-	22,874
Unrestricted	230,380	143,863	(19,901)	354,342
Total Net Position	$ 8,430,438	$ 575,647	$ 72,003	$ 9,078,088

The Notes to Financial Statements are an integral part of these statements.

CITY OF MILLEN, GEORGIA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Water and Sewer Fund	Gas Fund	Solid Waste Fund	Total
OPERATING REVENUES				
Customer charges	$ 912,207	$ 3,371,705	$ 442,345	$ 4,726,257
Installation charges	9,445	1,200	-	10,645
Penalties	31,604	12,294	10,667	54,565
Miscellaneous	1,012	30,008	-	31,020
Recovery of bad debts	-	19,193	-	19,193
Total operating revenues	954,268	3,434,400	453,012	4,841,680
OPERATING EXPENSES				
Salaries	154,487	92,285	101,874	348,646
Employee benefits	48,969	27,744	43,938	120,651
Contractual services	105,730	10,771	30	116,531
Repairs, maintenance and other contractual services	19,375	10,319	13,901	43,595
Gas purchases	-	2,723,560	-	2,723,560
Communications	3,249	2,553	370	6,172
Liability and property insurance	11,526	5,031	2,488	19,045
Travel and training	1,350	1,088	-	2,438
Supplies and materials	63,264	23,291	24,808	111,363
Utilities	99,344	-	-	99,344
Vehicle gasoline	10,301	4,866	22,641	37,808
Depreciation	309,329	84,841	13,491	407,661
Other expenses	31,384	8,212	16,754	56,350
Total operating expenses	858,308	2,994,561	240,295	4,093,164
NET INCOME FROM OPERATIONS	95,960	439,839	212,717	748,516
NONOPERATING REVENUES (EXPENSES)				
Interest earned	33	24	-	57
Interest expense	(60,147)	(67,490)	-	(127,637)
Gain (loss) on sale of assets	1,500	-	-	1,500
Total nonoperating revenues (expenses)	(58,614)	(67,466)	Nil	(126,080)
INCOME (LOSS) BEFORE TRANSFERS	37,346	372,373	212,717	622,436
Capital contributions	412,732	-	-	412,732
Transfers out	(350,000)	(87,505)	(224,064)	(661,569)
CHANGE IN NET POSITION	100,078	284,868	(11,347)	373,599
NET POSITION, beginning of year (as restated)	8,330,360	290,779	83,350	8,704,489
NET POSITION, end of year	$ 8,430,438	$ 575,647	$ 72,003	$ 9,078,088

The Notes to Financial Statements are an integral part of these statements.

CITY OF MILLEN, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Water and Sewer Fund	Gas Fund	Solid Waste Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	$ 967,599	$ 3,437,176	$ 449,835	$ 4,854,610
Cash paid for goods and services	(397,524)	(3,039,678)	(120,294)	(3,557,496)
Cash paid to employees for services	(152,909)	(90,824)	(101,708)	(345,441)
Customer deposits received (refunded)	3,055	1,866	-	4,921
Net cash provided by operating activities	420,221	308,540	227,833	956,594
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Net borrowings from other funds	(20,275)	-	-	(20,275)
Net transfers in (out)	(350,000)	(87,504)	(224,064)	(661,568)
Net cash used by noncapital financing activities	(370,275)	(87,504)	(224,064)	(681,843)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Contributed capital	149,258	-	-	149,258
Purchase of property and equipment	(250,757)	(153,767)	(3,769)	(408,293)
Proceeds from sale of property and equipment	1,500	-	-	1,500
Retirement of revenue bonds	(9,365)	-	-	(9,365)
Retirement of other long-term debt	(32,589)	-	-	(32,589)
Capital lease principal payments	(1,607)	(537,836)	-	(539,443)
Interest and fiscal charges paid	(60,648)	(69,196)	-	(129,844)
Net cash used by capital and related financing activities	(204,208)	(760,799)	(3,769)	(968,776)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Dividends and interest earned	33	24	-	57
Net cash provided by investing activities	33	24	Nil	57
NET DECREASE IN CASH AND CASH EQUIVALENTS	(154,229)	(539,739)	Nil	(693,968)
CASH AND EQUIVALENTS, beginning of year	181,583	754,257	Nil	935,840
CASH AND EQUIVALENTS, end of year	$ 27,354	$ 214,518	$ Nil	$ 241,872

The Notes to Financial Statements are an integral part of these statements.

CITY OF MILLEN, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Water and Sewer Fund	Gas Fund	Solid Waste Fund	Total
Reconciliation of net income to net cash provided by operating activities:				
NET INCOME FROM OPERATIONS	$ 95,960	$ 439,839	$ 212,717	$ 748,516
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Provision for losses on receivables	26,823	-	-	26,823
Depreciation	309,329	84,841	13,491	407,661
Decrease (increase) in operating assets:				
Accounts receivable	(13,494)	(16,418)	(3,178)	(33,090)
Pension related deferred outflows of resources	(2,981)	(2,553)	(3,136)	(8,670)
Increase (decrease) in operating liabilities:				
Accounts payable	(2,809)	(211,403)	4,870	(209,342)
Accrued salaries	(1,044)	(919)	(1,496)	(3,459)
Accrued leave benefits	2,623	2,380	1,662	6,665
Deposits for services	3,055	1,866	-	4,921
Crisis Intervention Fund	-	8,546	-	8,546
Net pension liability	(4,723)	(4,043)	(4,969)	(13,735)
Pension related deferred inflows of resources	7,482	6,404	7,872	21,758
Total adjustments	324,261	(131,299)	15,116	208,078
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 420,221	$ 308,540	$ 227,833	$ 956,594
Supplemental Disclosure of Cash Flow Information				
Noncash investing and financing activities:				
Property and equipment acquired through capital lease	$ 74,008	$ Nil	$ Nil	$ 74,008
Noncash contribution of property and equipment	$ 217,399	$ Nil	$ Nil	$ 217,399

The Notes to Financial Statements are an integral part of these statements.

Note 1. Summary of Significant Accounting Policies

The City of Millen, Georgia was incorporated in 1881 under the laws of the State of Georgia and operates under an elected Mayor-Council form of government. The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November, 1989, to its governmental and business-type activities at the government-wide level and to its proprietary funds at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds and departments that are not legally separate from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt.

Using the above criteria, the City has one component unit as described below:

Millen Downtown Development Authority (the Authority) - The Authority works to promote the economic development and revitalization of the downtown area. The City Council appoints the board members and is legally obligated or has otherwise assumed financial responsibility for the organization. Therefore, the Authority is fiscally dependent on the City. Complete financial statements for the Authority can be obtained directly from the Millen Downtown Development Authority at 549 Cotton Avenue, Millen, Georgia 30442.

The following are related organizations of the City which are excluded from the reporting entity:

Housing Authority of the City of Millen - The City Council appoints the Authority's governing board. The Authority's operations are financed primarily through grants and rent revenues and the City has no ongoing financial requirement to support the Authority. Additionally, the City does not hold title to the Authority's assets, nor does it have any rights to the Authority's surpluses. During the year ended June 30, 2015, the Authority paid the City $6,074 for payment in lieu of taxes. Financial statements for the Authority may be obtained through the Housing Authority Director at 570 Wallace Street, Waynesboro, Georgia 30830.

Note 1. Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

The following are joint ventures or jointly governed organizations which are excluded from the reporting entity:

Central Savannah River Area Regional Commission - Under Georgia law, the City, in conjunction with other cities and counties in a 13-county region in the eastern portion of central Georgia, is a member of the Central Savannah River Regional Commission (RC) and is required to pay annual dues thereto. In addition, the City contracts with the RC for specific services which are billed based on standard hourly rates. During the year ended June 30, 2015, the City paid the RC $35,156 for grant administration and other services. 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 of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Financial statements for the Commission may be obtained directly from the RC at 3023 Riverwatch Parkway, Suite A, Augusta, Georgia 30907.

B. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide financial statements - The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the primary government. As a general rule, the effect of interfund activity, within the governmental and business-type activities, has been removed from these statements. Fiduciary activities are not included at the government-wide reporting level. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and intergovernmental revenues, from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City and for each major component unit. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses.

For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which functions the revenues are *restricted.*

Taxes and other revenue sources not properly included in program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Fund financial statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at a more detailed level. Each fund is considered to be a separate accounting entity with a self-balancing set of accounts. Fund financial statements are provided for governmental and proprietary funds.

Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance. The City's major governmental funds are:

General Fund - The general fund accounts for all financial resources except those required to be accounted for in other funds. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Georgia.

2012 Community Development Block Grant Fund - To account for the costs of certain public facility improvements, including sidewalks, flood and drainage facilities, and water and sewer facilities, which will benefit low and moderate income persons. Financing is being provided through a Community Development Block Grant (CDBG) program.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise funds.

Water and Sewer Fund - This fund is used to account for the operation of the City's water and sewer system which renders services to the residents and businesses located within the City.

Gas Fund - This fund is used to account for the operation of the City's gas system which renders services to the residents and businesses located within the City.

Solid Waste Fund - This fund is used to account for the operation of the City's solid waste and sanitation program.

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus

Government-wide Financial Statements - The government-wide statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statements of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses), in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial statements and reported on the financial statement. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. The City considers revenues to be available if they are collected within 60 days after year end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales tax, property taxes, grants and donations. On an accrual basis, revenue from sales tax is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the calendar year for which the taxes are levied. Revenue from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e. collected by year end or within 60 days) before it can be recognized. Under the modified accrual basis, the revenues susceptible to accrual are property taxes, franchise taxes, licenses, and intergovernmental revenues. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue.

Note 1. Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred, if measurable. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

E. Assets, Liabilities and Net Position or Equity

1. Cash, Cash Equivalents and Investments

The City's cash and equivalents are considered to be cash on hand, demand deposits and short-term investments with a maturity date within three months of the date acquired by the government.

State statute authorizes municipalities to invest in the following types of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the government or governmental agency
- Obligations of any corporations of the government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

It is the City's policy to invest all cash in insured deposit accounts. Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of State or U. S. obligations.

2. Receivables

Receivables are stated net of an allowance for uncollectible accounts. Delinquent taxes receivable are offset by the deferral of the related revenues until payment is received except amounts received within 60 days of the balance sheet date.

3. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities column of the government-wide statement of net position, except that any residual balances between the governmental activities and the business-type activities are reported on the government-wide financial statements as "internal balances."

Note 1. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities and Net Position or Equity (continued)

4. Interfund Activities

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the nonoperating revenues/expenses section in proprietary funds. Repayments from funds responsible for expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated. Transfers between governmental and business-type activities are eliminated from the total column.

5. Inventories and Prepaid Expenses

The purchase method is used to account for inventories of materials. Under the purchase method, inventories are recorded as expenditures when purchased; however, material amounts of inventories are reported as assets of their respective funds. Reported inventories in these funds are equally offset by a fund balance reserve, which indicates the assets are unavailable for appropriation even though they are a component of reported assets.

Payments by the City in the current year to provide services occurring in the subsequent fiscal year are recorded under the purchase method. Therefore, no prepaid balance has been reflected at year end.

6. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds or contributions. The City reports these assets in the governmental activities column of the government-wide statement of net position, but does not report these assets in the governmental fund statements. Capital assets utilized by proprietary funds are reported both in the business-type column of the government-wide statement of net position and in the proprietary fund's statement of net position. General infrastructure assets (i.e., roads, bridges, right of ways, and similar items) acquired prior to July 1, 2003 are not reported.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their estimated fair market value as of the date received. The City maintains a capitalization threshold of $10,000 for infrastructure, and a capitalization threshold of $500 for other capital assets. The City's infrastructure consists of roads, bridges, storm sewers, sidewalks, traffic islands, street lights, traffic signals, and street signs. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Note 1. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities and Net Position or Equity (continued)

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following estimated useful lives:

Asset Category	Estimated Useful Life
Buildings and plant	40 to 50 years
Land improvements	15 to 50 years
Machinery and equipment	5 to 10 years
Office furnishings and equipment	5 to 7 years
Vehicles	5 to 7 years

7. Deferred Outflows/Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance 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 type of item that qualifies for reporting in this category under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes and intergovernmental revenues as these amounts are deferred and will be recognized as inflow of resources in the period in which the amounts become available.

The City also has deferred inflows of resources and deferred outflows of resources 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. Additionally, any contributions made by the City to the pension plan before year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources.

8. Compensated Absences

City policy provides for the accumulation of unused vacation days up to a maximum of 30 days. It also provides for the accumulation of sick days up to a maximum of 60 days. It is the City's policy to pay employees for unused vacation when there is a separation from service. Accumulated sick pay does not vest and is not paid upon termination.

Leave benefits are accrued when incurred in the government-wide and proprietary fund statements as these amounts will be paid to employees upon termination or retirement A liability for compensated absences is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements. All compensated absence liabilities include salary-related payments, where applicable.

Note 1. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities and Net Position or Equity (continued)

9. 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 bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received are reported as debt service expenditures.

10. Fund Net Position or Equity

Fund equity at the governmental fund reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance - Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund 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 balances are classified as follows:

- **Nonspendable** - Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e. items that are not expected to be converted to cash) 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 and regulations of other governments.

- **Committed** - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. The City Council also 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, but are neither restricted nor committed. City Council has adopted policies which authorize the City Manager to assign fund balances.

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

Note 1. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities and Net Position or Equity (continued)

10. Fund Net Position or Equity (continued)

Flow Assumptions - When both restricted and unrestricted fund balances are available for use, it is the City's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Net Position - Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed by creditors, grantors or laws or regulations of other governments. The balance of the net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for which both restricted and unrestricted net position is available.

11. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating revenues and expenses. Operating revenues are those revenues generated directly from the primary activity of the proprietary fund. For the City, these revenues are charges for services for the use of the water, gas and solid waste programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of each fund. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses, including investment earnings, interest expense, and the gain or loss on the disposition of capital assets.

12. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Millen, Georgia's Municipal Employees Benefit System (GMEBS) plans and additions to/deductions from the Plan's fiduciary net pension have been determined on the same basis as they are reported by GMEBS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. Use of 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 and disclosures. Accordingly, actual results could differ from those estimates.

14. Comparative Data

Comparative total data for the prior year has been presented only for individual funds in the fund financial statements and schedules in order to provide an understanding of the changes in financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

Note 2. Stewardship, Compliance and Accountability

A. Budgetary Information

The City adopts an annual operating budget for all governmental funds except the capital projects funds, which have an adopted project budget. The budgets are adopted on a basis consistent with GAAP, except that no provision is made to reserve for encumbrances. All annual appropriations lapse at fiscal year end.

The City's budgetary process requires that expending agencies and department heads submit appropriation requests to the City Manager. After review by the City Manager, the requests are combined and an operating budget is submitted to the City Council prior to March for the fiscal year commencing the following July 1. Once received by the City Council, public hearings are advertised and conducted at City Hall to obtain taxpayer comments. Prior to June 30, the budget is legally enacted through passage of an ordinance. The final budget can be amended by the City Council through the year.

During the fiscal year ended June 30, 2015, City Council approved a budget amendment which transferred expenditures to various departments within the General Fund budget but did not increase overall expenditures.

The legal level of budgetary control is the department level.

The City does not use encumbrance accounting, whereby commitments for goods and services at the end of the year are recorded as encumbrances for budgetary control.

B. Excess of Expenditures over Appropriations

In governmental funds, operating expenditures exceeded the budget as follows:

General Fund		
Public works: Streets	$	223,889

Note 3. Detailed Notes on All Funds

A. Deposits and Investments

At June 30, 2015, the carrying amount of the City's deposits was $1,760,537 which is reflected as cash of $1,733,283 and restricted cash of $27,254. The related bank balance was $1,958,617. Of this bank balance, $606,086 was FDIC insured. The uninsured portion was collateralized at 110% with State or U.S. Government securities held by a third party.

B. Receivables

Receivables at June 30, 2015, including the applicable allowance for uncollectible accounts, consisted of taxes, interest, accounts (billings for user charges) and intergovernmental receivables arising from grants.

Property taxes at June 30, 2015 consist of the following:

Taxes receivable - Current	$	7,381
Prior		5,478
Gross receivables		12,859
Allowance for uncollectible accounts		3,908
Total	$	8,951

Note 3. Detailed Notes on All Funds (continued)

B. Receivables (continued)

Other receivables at June 30, 2015, consisted of the following:

	General Fund	2012 CDBG Fund	Other Governmental Funds	Enterprise Funds	Total
Intergovernmental receivables	$ 89,721	$ 175,983	$ 23,135	$ -	$ 288,839
Other receivables	63,176	-	21,059	213,316	297,551
Gross receivables	152,897	175,983	44,194	213,316	586,390
Allowance for uncollectible	-	-	-	68,848	68,848
Total	$ 152,897	$ 175,983	$ 44,194	$ 144,468	$ 517,542

Intergovernmental receivables consist of SPLOST revenues due from Jenkins County, Georgia, reimbursements for program expenditures under the City's Safety Enhancement Grant program and reimbursements due under the City's Community Development Block Grant.

Other receivables in the General Fund consist primarily of franchise taxes, local option sales taxes and alcoholic beverage taxes.

C. Property Taxes

Property taxes are levied on October 20, based on the assessed value of property as listed on the previous January 1 and are due December 20. On December 21, the bill becomes delinquent and interest may be assessed by the government. Penalties may be assessed 30 days after that date.

At the fund reporting level, if delinquent taxes are not paid within 60 days of year-end, they are recorded as deferred revenue since they are not available to finance current expenditures. The City has adopted the policy of writing off all taxes receivable over seven years old.

Note 3. Detailed Notes on All Funds (continued)

D. Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	Restated Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015
Governmental Activities:				
Nondepreciable capital assets:				
Land (as restated)	$ 313,041	$ 364	$ -	$ 313,405
Construction-in-progress	30,234	302,364	217,399	115,199
Total nondepreciable capital assets	343,275	302,728	217,399	428,604
Depreciable assets: (as restated)				
Land improvements	1,087,457	30,186	-	1,117,643
Buildings and plant	980,584	-	-	980,584
Machinery and equipment	637,876	75,110	-	712,986
Office equipment	359,578	-	-	359,578
Vehicles	802,199	206,201	20,704	987,696
Total depreciable capital assets	3,867,694	311,497	20,704	4,158,487
Total capital assets	4,210,969	614,225	238,103	4,587,091
Accumulated depreciation: (as restated)				
Land improvements	124,262	31,624	-	155,886
Buildings and plant	708,535	25,058	-	733,593
Machinery and equipment	438,226	57,331	-	495,557
Office equipment	314,341	36,901	-	351,242
Vehicles	543,054	64,847	20,704	587,197
Total accumulated depreciation	2,128,418	215,761	20,704	2,323,475
Governmental activities capital assets, net	$ 2,082,551	$ 398,464	$ 217,399	$ 2,263,616

Governmental activities depreciation expense:	
General city government	$ 27,471
Public safety	138,450
Public works	49,840
Total governmental activities depreciation expense	$ 215,761

Note 3. Detailed Notes on All Funds (continued)

D. Capital Assets (continued)

	Restated Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015
Business-Type Activities:				
Nondepreciable capital assets:				
Construction-in-progress	$ 4,432,825	$ 69,195	$ 4,495,220	$ 6,800
Total nondepreciable capital assets	4,432,825	69,195	4,495,220	6,800
Depreciable capital assets:				
Buildings and plant	11,166,898	4,726,210	-	15,893,108
Machinery and equipment	930,357	399,513	31,358	1,298,512
Office equipment	9,137	-	-	9,137
Vehicles	293,739	-	-	293,739
Total depreciable capital assets	12,400,131	5,125,723	31,358	17,494,496
Total capital assets	16,832,956	5,194,918	4,526,578	17,501,296
Accumulated depreciation:				
Buildings and plant	3,079,824	311,782	-	3,391,606
Machinery and equipment	597,067	78,667	31,358	644,376
Office equipment	9,137	-	-	9,137
Vehicles	180,273	17,213	-	197,486
Total accumulated depreciation	3,866,301	407,662	31,358	4,242,605
Business-type capital assets, net	$ 12,966,655	$ 4,787,256	$ 4,495,220	$ 13,258,691

Business-type activities depreciation expense:

Water and sewer	$ 309,330
Gas	84,841
Solid waste	13,491
Total business-type activities depreciation expense	$ 407,662

E. Deferred Inflows of Resources

In addition to liabilities, the City reflects certain items as deferred inflows of resources. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City currently reflects unavailable revenue in this manner. The unavailable revenues from property taxes in the amount of $10,221 are reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reflects unavailable revenues in its proprietary funds for a grant for which all conditions have not been met at year end.

Note 3. Detailed Notes on All Funds (continued)

F. Interfund Balances and Transfers

A summary of interfund receivables/payables at June 30, 2015, is as follows:

	Payable to:			
		Capital Projects	Proprietary Funds	
	General Fund	SPLOST V Fund	Water and Sewer Fund	Total
Payable from:				
Governmental Funds:				
General Fund	$ -	$ -	$ 251,342	$ 251,342
E-911 Fund	1,848	-	-	1,848
SPLOST VI Fund	100	-	-	100
2012 CDBG	123,894	13,993	-	137,887
2014 CDBG Fund	100	-	-	100
Total	$ 125,942	$ 13,993	$ 251,342	$ 391,277

Amounts due from the General Fund to the Water and Sewer Fund represent amounts loaned which will be repaid in subsequent periods.

Amounts due to the General Fund from the 2012 Community Development Block Grant, the SPLOST V Fund, and the Multiple Grants Fund represent amounts advanced to open various bank accounts.

A summary of interfund transfers during the year ended June 30, 2015, is as follows:

	Transfers to:		
		Special Revenue	
	General Fund	E-911 Fund	Total
Transfers from:			
Governmental funds:			
General Fund	$ -	$ 70,052	$ 70,052
Total governmental funds	-	70,052	70,052
Proprietary funds:			
Water and Sewer Fund	350,000	-	350,000
Gas Fund	87,505	-	87,505
Solid Waste Fund	224,064	-	224,064
Total proprietary funds	661,569	Nil	661,569
Total	$ 661,569	$ 70,052	$ 731,621

Amounts transferred to the General Fund from the enterprise funds and amounts transferred from the General Fund to the enterprise funds represent net cash transactions of those funds deposited into or paid from the General Fund.

Amounts transferred to the E-911 Fund represent amounts due under the City's intergovernmental agreement with Jenkins County to provide for administration of the program.

Note 3. Detailed Notes on All Funds (continued)

G. Long-Term Debt

1. Notes Payable

Notes payable of the City at June 30, 2015 consisted of the following:

Governmental Activities:	
Note payable to the United States Department of Agriculture, Rural Development issued June 25, 2015 in the original amount of $95,000 due in annual installments of approximately $15,538 through June 25, 2022 with interest at 3.5%	$ 95,000
Total governmental activities	95,000
Business-type Activities:	
Note payable to the Georgia Environmental Facilities Authority, issued August 16, 2011 in the original amount of $857,458 due on monthly installments of $4,889.60 through September, 2032 with interest at 3.31%.	770,368
Total	$ 865,368

These notes payable of the business-type activities were obtained for the purpose of improving the City's water and sewer systems.

Annual debt service requirements to amortize all notes payable are as follows:

Year ending June 30	Governmental Activities		Business-Type Activities		
	Principal	Interest	Principal	Interest	Total
2016	$ 12,213	$ 3,325	$ 33,684	$ 24,991	$ 74,213
2017	12,640	2,898	34,816	23,859	74,213
2018	13,083	2,455	35,986	22,689	74,213
2019	13,541	1,997	37,195	21,480	74,213
2020	14,505	1,033	38,445	20,230	74,213
2021 - 2025	29,018	2,058	212,498	80,878	324,452
2026 - 2030	-	-	250,687	42,689	293,376
2031 - 2034	-	-	127,057	4,962	132,019
Total	$ 95,000	$ 13,766	$ 770,368	$ 241,778	$ 1,120,912

Note 3. Detailed Notes on All Funds (continued)

G. Long-Term Debt (continued)

2. Bonds Payable

At June 30, 2015, bonds payable consisted of the following:

Revenue Bonds:	
Water and Sewerage Revenue Bonds, Series 2009, issued March 2, 2009 in the original amount of $805,000, due in monthly installments of $3,623 through February 2, 2049, with interest at 4.5%	$ 752,886
Total	$ 752,886

The revenue bonds were issued through the United States Department of Agriculture, Rural Development (formerly Farmers Home Administration) to provide funding for expansion and renovation of the City's wastewater treatment facility. The amortization schedule below includes principal and interest on the outstanding balance. The bonds are payable from the net revenues of the water and sewer system and are not general obligations of the City.

The annual requirements to each debt type to amortize bonds outstanding at June 30, 2015, are as follows:

Year ending June 30	Business-Type Activities Principal	Interest	Total
2016	$ 9,796	$ 33,680	$ 43,476
2017	10,247	33,229	43,476
2018	10,717	32,759	43,476
2019	11,210	32,266	43,476
2020	11,725	31,751	43,476
2021 - 2025	67,215	150,165	217,380
2026 - 2030	84,139	133,241	217,380
2031 - 2035	105,325	112,055	217,380
2036 - 2040	131,845	85,535	217,380
2041 - 2045	165,043	52,337	217,380
2046 - 2050	145,624	12,518	158,142
Total	$ 752,886	$ 709,536	$ 1,462,422

Note 3. Detailed Notes on All Funds (continued)

G. Long-Term Debt (continued)

3. Obligation Under Capital Leases

The City has the following capital lease obligations at June 30, 2015:

Capital lease payable to BankCorp South due in monthly installments of $689, including interest at 2.45%, through April, 2020, for the acquisition of various equipment	$ 72,401
Capital lease payable to Regions Equipment Finance due in monthly installments of $23,393, including interest at 2.6957%, through July, 2024, for the acquisition of various gas property and equipment	2,255,385
Capital lease payable to Regions Equipment Finance due in monthly installments ranging from $12,708 to $9,429, including interest at 3.49%, through July, 2024, for the various gas property and equipment	706,779
Total	$ 3,034,565

The leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The assets acquired through the capital leases are included in the City's capital assets. The amortization of this equipment has been included in the City's depreciation. The assets acquired through the lease are as follows:

	Business-Type Activities
Various equipment	$ 79,750
Gas facilities	2,849,295
Gas equipment	279,605
Total original cost	3,208,650
Accumulated depreciation	68,656
Total	$ 3,139,994

The leases qualify as a capital lease for accounting purposes and therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2015, were as follows:

Year ending June 30	Business-Type Activities
2016	$ 425,005
2017	420,952
2018	416,959
2019	412,967
2020	446,935
2021 - 2025	1,292,323
Total minimum lease payments	3,415,141
Less: amount representing interest	380,576
Total	$ 3,034,565

Note 3. Detailed Notes on All Funds (continued)

G. Long-Term Debt (continued)

4. Changes in Long-Term Debt

Transactions for the year ended June 30, 2015 are summarized as follows:

	Restated June 30, 2014	Additions	Retirements	Balance June 30, 2015	Amounts Due Within One Year
Governmental Activities:					
Notes payable	$ -	$ 95,000	$ -	$ 95,000	$ 12,213
Compensated absences	50,726	5,316	-	56,042	11,208
Net pension liability	289,186	-	35,567	253,619	-
Total governmental activities	339,912	100,316	35,567	404,661	23,421
Business-Type Activities:					
Capital leases	3,500,000	74,008	539,443	3,034,565	341,017
Notes payable	802,957	-	32,589	770,368	33,684
Revenue bonds	762,251	-	9,365	752,886	9,796
Compensated absences	16,645	6,666	-	23,311	4,662
Net pension liability	111,682	-	13,736	97,946	-
Total business-type activities	5,193,535	80,674	595,133	4,679,076	389,159
Total	$ 5,533,447	$ 180,990	$ 630,700	$ 5,083,737	$ 412,580

Principal and interest for notes and bonds payable of the Water and Sewer Fund are financed from income derived from the operation of the City's Water and Sewer system. The compensated absences liability will be paid from the proprietary fund from which the employee's salaries are paid. Compensated absences for governmental activities will be paid from the General Fund. The capital lease obligations will be paid from income derived from the operation of the City's various proprietary funds. The net pension liability for governmental activities will be liquidated by the General Fund. For business-type activities, the net pension liability will be liquidated by the various proprietary funds.

5. Pledged Revenues

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay revenue bonds in the original amount of $805,000 as described at 3.G.2. Proceeds from the bonds provided financing for various water and sewer system improvements and expansion. The bonds are payable solely from water and sewer customer net revenues and are payable through 2049. The total principal and interest remaining to be paid on the bonds is $1,462,422. Principal and interest paid for the current year and total customer net revenues were $43,476 and $954,268, respectively.

6. Interest

Interest incurred during the year ended June 30, 2015 in governmental activities was $46, which was charged to expense during the year. Interest incurred during the year ended June 30, 2015, in business-type activities was $153,981, of which $127,637 was charged to expense during the year and $26,344 was capitalized as "Construction in Progress."

Note 3. Detailed Notes on All Funds (continued)

H. Pension Plan

1. Plan Description

The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Millen Retirement Plan) covering all full-time employees. The City's pension plan is affiliated with the Georgia Municipal Employees Benefits System (GMEBS), an agent multiple-employer plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to the Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Prior Street, SW, Atlanta, Georgia 30303 or by calling (404)688-0472.

As provided by state law, benefit provisions for participants in GMEBS are established and amended by the respective employers. As authorized by City Council, the plan provides pension benefits and death and disability benefits for plan members and beneficiaries. All full-time employees are immediately eligible to participate. Benefits vest after 10 years. Members with 10 years of total service are eligible to retire at age 55 with reduced retirement benefits. Members with five years of total service are eligible to retire at age 65 with full retirement benefits.

Plan Membership: At January 1, 2015, the date of the most recent actuarial valuation there were 86 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	28
Terminated vested participants not yet receiving benefits	12
Active employees - vested	19
Active employees - nonvested	27
Total	86

Contributions. Participating employees are not required to contribute to the plan. The City is subject to the minimum funding standards of the Georgia Public Retirement Systems Standards law (Georgia Code Section 47-20-10). The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the plan is to contribute an amount equal to or greater than the recommended contribution described below. For 2015, the actuarially determined contribution rate was 6.09% of covered payroll. For 2015, the City's contribution to the Plan was $73,697.

2. Net Pension Liability

Effective July 1, 2014 the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, which significantly changed the City's accounting for pension amounts. The information disclosed below is presented in accordance with this new standard.

The City's net pension liability was measured as of September 30, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2014.

Note 3. Detailed Notes on All Funds (continued)

H. Pension Plan (continued)

Actuarial Assumptions. The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25 %
Salary increases	3.25 %
Investment rate of return	7.75 %

Mortality rates for the January 1, 2015 valuation were based on the RP-2000 Combined Healthy Mortality Rates with sex-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the January 1, 2015 were based on the results of an actuarial experience study for the period January 1, 2010 - June 30, 2014.

The salary increase assumptions range from 3.75% to 8.00% and include an inflation assumption of 3.25%. Cost of living adjustments were assumed to be 0.00%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 are summarized in the table below:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Long-Term Nominal Real Rate of Return
Domestic equity	50 %	5.95 %	9.20 %
International equity	15 %	6.45 %	9.70 %
Fixed income	25 %	1.55 %	4.80 %
Real Estate	10 %	3.75 %	7.00 %
Total	100 %		

Discount Rate. The discount rate used to measure the total pension liability was 7.75%. The discount rates did not change since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that City contribution will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 3. Detailed Notes on All Funds (continued)

H. Pension Plan (continued)

3. Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2013	$ 2,685,502	$ 2,284,634	$ 400,868
Changes for the year:			
Service cost	39,087	-	39,087
Interest	201,771	-	201,771
Differences between expected and actual experience	36,290	-	36,290
Contributions - employer	-	66,947	(66,947)
Contributions - employee	-	-	-
Net investment income	-	257,940	(257,940)
Benefit payments, including refunds of employee contributions	(164,017)	(164,017)	-
Administrative expense	-	(10,993)	10,993
Other	(12,557)	-	(12,557)
Net changes	100,574	149,877	(49,303)
Balances at September 30, 2014	$ 2,786,076	$ 2,434,511	$ 351,565

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.

Changes in the Net Pension Liability of the City. 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 September 30, 2014.

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 rates of 7.75%, 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 (6.75%) or 1 percentage point higher (8.75%) than the current rate.

	1% Decrease 6.75 %	Current Discount Rate 7.75 %	1% Increase 8.75 %
City's net pension liability	$ 665,291	$ 351,565	$ 85,390

Note 3. Detailed Notes on All Funds (continued)

H. Pension Plan (continued)

4. Pension Expense and Deferred Outflows / Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the City recognized pension expense of $66,712. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 29,032	$ -
Changes in assumptions	-	10,044
Net difference between projected and actual earnings on pension plan investments	-	68,056
City contributions subsequent to the measurement date	51,770	-
Total	$ 80,802	$ 78,100

City contributions subsequent to the measurement date of $51,770 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30	
2016	$ (12,267)
2017	(12,267)
2018	(12,267)
2019	(12,267)
Total	$ (49,068)

I. Equity

Net investment in capital assets on the government-wide statement of assets as of June 30, 2015, is as follows:

	Governmental Activities	Business-Type Activities	Total
Cost of capital assets	$ 4,587,091	$ 17,501,296	$ 22,088,387
Accumulated depreciation	2,323,475	4,242,605	6,566,080
Book value	2,263,616	13,258,691	15,522,307
Capital related debt	95,000	4,557,819	4,652,819
Net capital related debt	95,000	4,557,819	4,652,819
Net investment in capital assets	$ 2,168,616	$ 8,700,872	$ 10,869,488

Note 3. Detailed Notes on All Funds (continued)

I. Equity (continued)

The Statement of Net Position shows certain amounts as restricted. These amounts are restricted in their use by parties outside the City such as creditors, grantors, or contributors, or restricted by law or regulation. Components of restricted net position includes:

Activity	Restricted By	Governmental Activities	Business-Type Activities	Total
Capital projects				
SPLOST capital projects	Law	$ 66,449	$ -	$ 66,449
TIA SPLOST capital projects	Law	147,274	-	147,274
Total capital projects		213,723	-	213,723
Debt service	Bond covenants	-	22,874	22,874
Other restrictions				
Public safety	Law	54,105	-	54,105
Total other		54,105	-	54,105
Total restricted net position		$ 267,828	$ 22,874	$ 290,702

Note 4. Other Notes

A. 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 for which the City carries the following insurance coverages. There were no significant reductions of insurance coverage compared to the prior year. Settled claims have not exceeded the commercial excess coverage in any of the past three fiscal years.

The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA), a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The amount of insurance coverage has been adequate over the last three fiscal years to cover any settlements. The City is required to pay all premiums, applicable deductibles and assessments billed by GIRMA. The City is also responsible for following loss reduction and prevention procedures established by GIRMA and reporting as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. GIRMA's responsibility includes paying claims and representing the City in defense and settlement of claims within the scope of loss protection furnished by the funds. GIRMA's basis for estimating the liabilities for unpaid claims is "IBNR" established by an actuary. The City has not compiled a record of the claims paid up to the applicable deductible for the prior year or the current fiscal year. The City is unaware of any claims for which the City is liable (up to the applicable deductible) which were outstanding and unpaid at June 30, 2015. No provisions have been made in the financial statements for the year ended June 30, 2015 for any estimate of potential unpaid claims.

Note 4. Other Notes (continued)

A. Risk Management (continued)

The City has elected to be a member of the Georgia Municipal Association Workers' Compensation Self-Insurance Fund (GMAWCSIF), a risk management agency created under Georgia law. As a participant in the GMAWCSIF, the City has no obligation to pay its own workers' compensation claims. The City is required to make an annual contribution to the fund in an amount that is determined on the basis of actuarial projections of losses. With payment of the City's annual contribution, the City has effectively transferred the risk and responsibility for payment of its workers' compensation claims. However, the enabling statute creating the GMAWCSIF permits the fund to levy an assessment upon its members to make up any deficiency the fund may have in surplus or reserves. No amount has been recorded in the financial statements for this contingency as management believes the likelihood for assessment is remote.

The City pays unemployment claims to the Georgia Department of Labor on a reimbursement basis. Liabilities for such claims are immaterial and are not accrued.

B. Contingencies and Pending Litigation

The City has received several federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based on prior experience, management of the City believes such disallowances, if any, will not be significant.

At the date of this report, no other litigation, claims or contingencies are pending.

C. Commitments

The City is involved in a continuing plan for improvements to the water and sewer system. As of June 30, 2015, the City had the following commitments with respect to unfinished capital projects:

	Total Project Cost	Remaining Construction Commitment	Expected Date of Completion
Streetscape improvements	$ 1,250,000	$ 1,206,000	September, 2017
Photovoltaic panels - Wastewater Treatment Plant	1,200,000	1,193,000	September, 2016
Utility relocation for Highway 67 widening	350,000	350,000	January, 2016
Stormwater drainage improvements	562,778	543,000	September, 2016
Total	$ 3,362,778	$ 3,292,000	

It is anticipated that the streetscape improvements will be funded through a Transportation Enhancement Grant as well as SPLOST funds.

It is anticipated that the solar voltaic panels will be financed through a loan from the Georgia Environmental Facilities Authority, which will be forgiven over future periods. The remaining funding will come from local funds.

It is anticipated that the utility relocation will be funded through grants from the Georgia Department of Transportation..

It is anticipated that the stormwater drainage improvements will be funded through a Community Development Block Grant as well as SPLOST funds.

Note 4. Other Notes (continued)

D. Landfill

The Georgia Environmental Protection Division has completed its evaluation of the technical and administrative data for the closure of the Millen landfill for compliance with the Georgia Comprehensive Solid Waste Management Act of 1990 and rules and regulations promulgated thereunder.

The landfill was closed in February, 1988 and was therefore not required to implement a closure/postclosure plan.

After closing the landfill, the City has used the Jenkins County landfill and pays monthly fees for such use. Landfill fees for the year ended June 30, 2015 totaled $12,577.

E. Restatement of Prior Year Data

During the year ended June 20, 2015, the City implemented the provisions of GASB No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27,* as well as GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date - an amendment of GASB No. 68.* The new standards significantly changed the city's accounting for pension amounts. As a result of this change in accounting principle, the City was required to restate beginning net position.

The effect of the restatement on the government-wide financial statements is as follows:

	Governmental Activities	Business-Type Activities
Net position as previously reported	$ 3,275,744	$ 8,802,326
City's net pension liability beginning balance	(289,186)	(111,681)
Deferred outflows of resources, pension related items, beginning balances	35,847	13,844
Other adjustments	364	-
Beginning net position, restated	$ 3,022,769	$ 8,704,489

The effect of the restatement on the fund financial is as follows:

	Water Fund	Gas Fund	Solid Waste Fund
Net position as previously reported	$ 8,364,002	$ 319,575	$ 118,749
City's net pension liability beginning balance	(38,403)	(32,871)	(40,408)
Deferred outflows of resources, pension related items, beginning balances	4,761	4,075	5,009
Beginning net position, restated	$ 8,330,360	$ 290,779	$ 83,350

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MILLEN, GEORGIA
Required Supplementary Information

Schedule of Changes in the City's Net Pension Liability and Related Ratios

	2015
Total pension liability	
Service cost	$ 39,087
Interest on total pension liability	201,771
Difference between expected and actual experience	36,290
Changes of assumptions	(12,557)
Benefit payments, including refund of employee contributions	(164,017)
Net change in total pension liability	100,574
Total pension liability - beginning	2,685,502
Total pension liability - ending (a)	$ 2,786,076
Plan fiduciary net position	
Contributions - employer	$ 66,947
Net investment income	257,940
Benefit payments, including refunds of member contributions	(164,017)
Administrative expenses	(10,993)
Net change in plan fiduciary net position	149,877
Plan fiduciary net position - beginning	2,284,634
Plan fiduciary net position - ending (b)	$ 2,434,511
City's net pension liability - ending (a)-(b)	$ 351,565
Plan fiduciary net position as a percentage of the total pension liability	87.38 %
Covered-employee payroll	$ 1,191,462
Net pension liability as a % of covered-employee payroll	29.51 %

Notes to the schedule:

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

CITY OF MILLEN, GEORGIA
Required Supplementary Information
Schedule of City Contributions

	2015
Actuarially determined contribution	*
Contributions in relation to the actuarially determined contribution	*
Contribution deficiency (excess)	*
Covered-employee payroll	*
Contributions as a percentage of covered-employee payroll	*

** 2015 Information will be determined after fiscal year end and will be included in the 2016 valuation report*

Notes to schedule of Contributions:

Valuation Date:	The actuarially determined contribution rate was determined as of January 1, 2015, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2016.

Methods and assumptions used to determine contribution rates

Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Net Investment Rate of Return	7.75%
Projected salary increases	3.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age	Normal retirement age is 65 with 5 years of service; early retirement age is 55 with 10 years of service.
Changes in methods and assumptions:	Based on the results of an actuarial experience study covering the period January 1, 2010 to June 30, 2014, the following assumptions were changed in this valuation:

The mortality table for disabled participants was changed to remove the two-year set-forward for males and the one-year set forward for females.

The turnover rates were updated to introduce select rates for service less than five years and to reduce the ultimate rate by 15% and to assume no turnover on and after age 55. The select period rates were further constrained to not be less than the ultimate rates.

The retirement rates where normal retirement is only available on or after age 65 were changed from the prior assumption of 100% at age 65 to the new assumption of 60% at ages 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65, the rates were changed from the prior assumption of 100% at earliest unreduced age, but not below age 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70. If retirement is not available at a given age or a participant does not meet the plan's service criteria to retire at a given age, no retirement is assumed at that age.

The inflation assumption was decreased from 3.50% to 3.25%.

The salary increase assumption was changed from select period rates during the first five years of service, followed by age-related rates to an assumption based on new service-related rates. Under the prior assumption, the salary increases ranged from 4% to 11% and included an inflation assumption of 3.50%. Under the new assumption, the salary increases range from 3.75% to 8.00% and include an inflation assumption of 3.25%.

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NON-MAJOR GOVERNMENTAL FUNDS

Special revenue funds are established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

E-911 Fund - To account for revenues and expenditures of the E-911 system under an operating agreement with the Jenkins County Board of Commissioners. Operations are funded through fees assessed on telephone charges within Jenkins County.

Confiscated Assets Fund - To account for receipts from sale of confiscated properties in drug-related cases. Proceeds are restricted to use by law enforcement for drug investigation and control.

Capital projects funds are established to account for major capital expenditures not financed by enterprise funds, internal service funds or trust funds.

SPLOST V Fund - This fund is used to account for the proceeds of a Special Purpose Local Option Sales Tax received under an intergovernmental agreement with Jenkins County, Georgia. Proceeds are restricted to use for certain public facility improvements, including water and sewer facilities or improvements, as well as public safety equipment.

SPLOST VI Fund - This fund is used to account for the proceeds of a Special Purpose Local Option Sales Tax received under an intergovernmental agreement with Jenkins County, Georgia. Proceeds are restricted to use for certain public facility improvements, including water and sewer facilities or improvements, as well as public safety equipment.

2014 Community Development Block Grant Fund - To account for the costs of certain public facility improvements, including sidewalks, flood and drainage facilities, and water and sewer facilities, which will benefit low and moderate income persons. Financing is being provided through a Community Development Block Grant (CDBG) program.

TIA SPLOST Fund - This fund is used to account for the proceeds of a Transportation Special Purpose Local Option Sales Tax. Proceeds are restricted to use for certain road improvements.

CITY OF MILLEN, GEORGIA
Combining Balance Sheet
Non-Major Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue Funds		Capital Projects				
	E-911 Fund	Confiscated Assets Fund	SPLOST V Fund	SPLOST VI Fund	2014 CDBG Grant	TIA SPLOST Fund	Total
ASSETS							
Cash	$ 24,729	$ 5,267	$ -	$ 62,492	$ 100	$ 134,867	$ 227,455
Intergovernmental receivables	-	-	-	10,728	-	12,407	23,135
Other receivables	21,059	-	-	-	-	-	21,059
Interfund receivables	-	-	13,993	-	-	-	13,993
Total assets	$ 45,788	$ 5,267	$ 13,993	$ 73,220	$ 100	$ 147,274	$ 285,642
LIABILITIES							
Accounts payable	$ 2,919	$ -	$ 13,993	$ 6,671	$ -	$ -	$ 23,580
Interfund payables	1,848	-	-	100	100	-	2,048
Total liabilities	4,767	Nil	13,993	6,771	100	Nil	25,628
FUND BALANCES							
Restricted for:							
Capital projects	-	-	-	66,449	-	147,274	213,723
Public safety	41,021	5,267	-	-	-	-	46,291
Total fund balances	41,021	5,267	Nil	66,449	Nil	147,274	260,014
Total liabilities and fund balances	$ 45,788	$ 5,267	$ 13,993	$ 73,220	$ 100	$ 147,274	$ 285,642

CITY OF MILLEN, GEORGIA
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue Funds		Capital Projects				
	E-911 Fund	Confiscated Assets Fund	SPLOST V Fund	SPLOST VI Fund	2014 CDBG Grant	TIA SPLOST Fund	Total
REVENUES							
Intergovernmental revenues	$ -	$ -	$ -	$ 153,103	$ -	$ 74,426	$ 227,529
Charges for services	94,190	-	-	-	-	-	94,190
Investment income	9	-	14	137	-	-	160
Total revenues	94,199	Nil	14	153,240	Nil	74,426	321,879
EXPENDITURES							
Current operations:							
Public safety	158,850	-	-	-	-	-	158,850
Capital:							
General city government	-	-	163	9,985	-	-	10,148
Public safety	-	-	-	32,433	-	-	32,433
Public works	-	-	28,125	71,782	-	25,207	125,111
Total expenditures	158,850	Nil	28,288	114,200	Nil	25,207	326,542
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(64,651)	Nil	(28,274)	39,040	Nil	49,219	(4,663)
OTHER FINANCING SOURCES (USES)							
Transfers in	70,052	-	-	-	-	-	70,052
NET CHANGE IN FUND BALANCES	5,401	Nil	(28,274)	39,040	Nil	49,219	65,389
FUND BALANCES, beginning of year	35,620	5,267	28,274	27,409	Nil	98,055	194,625
FUND BALANCES, end of year	$ 41,021	$ 5,267	$ Nil	$ 66,449	$ Nil	$ 147,274	$ 260,014

CITY OF MILLEN, GEORGIA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended June 30, 2015
With Comparative Totals for the Year Ended June 30, 2014

	2015				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2014 Actual
REVENUES					
Taxes:					
Property taxes	$ 279,700	$ 279,700	$ 291,561	$ 11,861	$ 284,373
Motor vehicle and title advalorem taxes	68,000	68,000	83,836	15,836	83,767
Mobile home taxes	3,800	3,800	4,022	222	3,499
Franchise taxes	189,762	189,762	184,201	(5,561)	175,045
Sales and use taxes	216,000	216,000	211,766	(4,234)	223,018
Alcoholic beverage taxes	85,500	85,500	89,458	3,958	92,106
Business and occupation taxes	25,100	25,100	28,498	3,398	27,597
Insurance premium taxes	160,000	160,000	168,277	8,277	160,942
Financial institution taxes	8,076	8,076	7,832	(244)	8,170
Other taxes	2,700	2,700	5,725	3,025	2,564
Licenses and permits	6,300	6,300	6,944	644	4,924
Intergovernmental revenues	95,178	95,178	288,042	192,864	76,065
Charges for services	37,000	37,000	39,921	2,921	37,289
Fees, fines and forfeitures	298,000	298,000	221,402	(76,598)	271,356
Investment income	800	800	1,365	565	1,130
Other revenues	113,400	113,400	54,404	(58,996)	54,638
Total revenues	1,589,316	1,589,316	1,687,254	97,938	1,506,483
EXPENDITURES					
Current operations:					
General city government					
Legislative	57,800	64,850	52,034	12,816	44,742
Elections	2,000	2,000	56	1,944	10,174
Administration	725,982	718,932	566,885	152,047	478,813
Judicial					
Municipal court	16,550	16,550	7,483	9,067	8,712
Public safety					
Police	613,300	613,300	528,089	85,211	521,675
Fire	474,300	474,300	280,460	193,840	237,507
Animal control	27,250	27,250	17,352	9,898	19,308
Public works					
Street	578,461	578,461	802,350	(223,889)	544,560
Maintenance	71,950	71,950	65,280	6,670	65,071
Debt service:					
General city government	7,000	7,000	-	7,000	-
Total expenditures	2,574,593	2,574,593	2,319,989	254,604	1,930,562

(Continued)

CITY OF MILLEN, GEORGIA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended June 30, 2015
With Comparative Totals for the Year Ended June 30, 2014

	2015				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2014 Actual
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (985,277)	$ (985,277)	$ (632,735)	$ 352,542	$ (424,079)
OTHER FINANCING SOURCES (USES)					
Proceeds of long-term debt	-	-	95,000	95,000	-
Sale of capital assets	12,000	12,000	8,821	(3,179)	4,700
Use (return) of prior year surplus	250,000	250,000	-	(250,000)	-
Transfers in	721,577	721,577	661,569	(60,008)	793,328
Transfers out	-	-	(70,052)	(70,052)	(46,963)
NET CHANGE IN FUND BALANCES	(1,700)	(1,700)	62,603	64,303	326,986
FUND BALANCES, beginning of year	1,035,863	1,035,863	1,035,863	Nil	708,877
FUND BALANCES, end of year	$ 1,034,163	$ 1,034,163	$ 1,098,466	$ 64,303	$ 1,035,863

CITY OF MILLEN, GEORGIA
E-911 Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended June 30, 2015
With Comparative Totals for the Year Ended June 30, 2014

	2015			
	Budget (Original and Final)	Actual	Variance with Final Budget	2014 Actual
REVENUES				
Charges for services				
E-911 Fees	$ 104,811	$ 94,190	$ (10,621)	$ 111,494
Investment income	100	9	(91)	5
Total revenues	104,911	94,199	(10,712)	111,499
EXPENDITURES				
Current operations:				
Public safety				
Salaries and related benefits	91,520	112,052	(20,532)	88,963
Repairs and maintenance - building	-	3,011	(3,011)	891
Repairs and maintenance - equipment	2,000	4,592	(2,592)	3,342
Communications	41,000	35,211	5,789	38,273
Other services	2,689	1,417	1,272	-
Supplies	300	1,307	(1,007)	222
Equipment	21,056	1,260	19,796	-
Total expenditures	158,565	158,850	(285)	131,691
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(53,654)	(64,651)	(10,997)	(20,192)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	70,052	70,052	46,963
NET CHANGE IN FUND BALANCES	(53,654)	5,401	59,055	26,771
FUND BALANCES, beginning of year	35,620	35,620	Nil	8,849
FUND BALANCES, end of year	$ (18,034)	$ 41,021	$ 59,055	$ 35,620

CITY OF MILLEN, GEORGIA
Confiscated Assets Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended June 30, 2015
With Comparative Totals for the Year Ended June 30, 2014

	2015			
	Budget (Original and Final)	**Actual**	**Variance with Final Budget**	**2014 Actual**
REVENUES				
Fees, fines and forfeitures:				
Seizures and condemnations	$ Nil	$ Nil	$ Nil	$ Nil
EXPENDITURES				
Public safety				
Drug enforcement expenditures	Nil	Nil	Nil	Nil
NET CHANGE IN FUND BALANCES	Nil	Nil	Nil	Nil
FUND BALANCES, beginning of year	Nil	5,267	5,267	5,267
FUND BALANCES, end of year	$ Nil	$ 5,267	$ 5,267	$ 5,267

CITY OF MILLEN, GEORGIA
SPLOST V Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended June 30, 2015
With Comparative Totals for the Year Ended June 30, 2014

	2015			
	Budget (Original and Final)	Actual	Variance with Final Budget	2014 Actual
REVENUES				
Intergovernmental revenues:				
SPLOST revenues	$ 262,500	$ -	$ (262,500)	$ 131,788
Investment income	-	14	14	84
Total revenues	262,500	14	(262,486)	131,872
EXPENDITURES				
Public safety	-	-	-	18,051
Capital:				
General city government	16,667	163	16,504	-
Public safety	33,333	-	33,333	30,734
Public works	212,500	28,125	184,375	129,891
Total expenditures	262,500	28,288	234,212	178,676
NET CHANGE IN FUND BALANCES	Nil	(28,274)	(28,274)	(46,804)
FUND BALANCES, beginning of year	28,274	28,274	Nil	75,078
FUND BALANCES, end of year	$ 28,274	$ Nil	$ (28,274)	$ 28,274

CITY OF MILLEN, GEORGIA
SPLOST VI Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended June 30, 2015
With Comparative Totals for the Year Ended June 30, 2014

	2015			
	Budget (Original and Final)	**Actual**	**Variance with Final Budget**	**2014 Actual**
REVENUES				
Intergovernmental revenues:				
SPLOST revenues	$ 166,250	$ 153,103	$ (13,147)	$ 27,409
Investment income	-	137	137	-
Total revenues	166,250	153,240	(13,010)	27,409
EXPENDITURES				
Capital:				
General city government	19,210	9,985	9,225	-
Public safety	47,040	32,433	14,607	-
Public works	100,000	71,782	28,218	-
Total expenditures	166,250	114,200	52,050	Nil
NET CHANGE IN FUND BALANCES	Nil	39,040	39,040	27,409
FUND BALANCES, beginning of year	27,409	27,409	Nil	Nil
FUND BALANCES, end of year	$ 27,409	$ 66,449	$ 39,040	$ 27,409

CITY OF MILLEN, GEORGIA
2012 Community Development Block Grant
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
From Inception and For the Year Ended June 30, 2015

	Project Budget	Prior Years	Current Year	Total to Date
REVENUES				
Intergovernmental revenues:				
CDBG Grant	$ 462,054	$ 286,072	$ 175,982	$ 462,054
Total revenues	462,054	286,072	175,982	462,054
EXPENDITURES				
Capital:				
Public works				
Flood and drainage facilities	13,500	-	13,500	13,500
Sewer facilities	422,400	284,067	138,333	422,400
Grant administration	26,154	2,005	24,149	26,154
Total expenditures	462,054	286,072	175,982	462,054
NET CHANGE IN FUND BALANCES	Nil	Nil	Nil	Nil
FUND BALANCES, beginning of year	Nil	Nil	Nil	Nil
FUND BALANCES, end of year	$ Nil	$ Nil	$ Nil	$ Nil

CITY OF MILLEN, GEORGIA
2012 Community Development Block Grant
Project Cost Schedule
From Inception and For the Year Ended June 30, 2015

Program Activity	Activity Number	Latest Approved Budget CDBG Funds	Latest Accumulated Expenditures to Date		Grand Total Expenditures to Date	Questioned Costs
			CDBG Funds	Other Funds		
Public Facilities Grant (Grant number 09-p-x-082-2-5131)						
Construction						
Sewer facilities	P-03J-02	$ 422,400	$ 422,400	$ 20,292	$ 442,692	$ -
Flood and drainage facilities	P-03K-02	13,500	13,500	-	13,500	-
Grant administration	A-21A-00	26,154	26,154	-	26,154	-
Engineering - cash match		-	-	57,500	57,500	-
Grand Total		$ 462,054	$ 462,054	$ 77,792	$ 539,846	$ Nil

Source of other funds: General Fund and SPLOST Funds

CITY OF MILLEN, GEORGIA
TIA SPLOST Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended June 30, 2015
With Comparative Totals for the Year Ended June 30, 2014

	2015			
	Budget (Original and Final)	**Actual**	**Variance with Final Budget**	**2014 Actual**
REVENUES				
Intergovernmental revenues:				
TSPLOST Revenues	$ 84,789	$ 74,426	$ (10,363)	$ 71,113
Total revenues	84,789	74,426	(10,363)	71,113
EXPENDITURES				
Capital:				
Public works				
Street construction	84,789	25,207	59,582	4,301
Total expenditures	84,789	25,207	59,582	4,301
NET CHANGE IN FUND BALANCES	Nil	49,219	49,219	66,812
FUND BALANCES, beginning of year	98,055	98,055	Nil	31,243
FUND BALANCES, end of year	$ 98,055	$ 147,274	$ 49,219	$ 98,055

CITY OF MILLEN, GEORGIA
Water and Sewer Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended June 30, 2015 and 2014

	2015	2014
OPERATING REVENUES		
Customer charges	$ 912,207	$ 924,314
Installation charges	9,445	11,103
Penalties	31,604	23,315
Miscellaneous	1,012	452
Total operating revenues	954,268	959,184
OPERATING EXPENSES		
Salaries	154,487	122,804
Employee benefits	48,969	39,684
Contractual services	105,730	72,905
Repairs, maintenance and other contractual services	19,375	21,059
Communications	3,249	2,907
Liability and property insurance	11,526	6,557
Travel and training	1,350	335
Supplies and materials	63,264	43,787
Utilities	99,344	89,686
Vehicle gasoline	10,301	12,979
Depreciation	309,329	277,150
Other expenses	31,384	5,025
Total operating expenses	858,308	694,878
NET INCOME FROM OPERATIONS	95,960	264,306
NONOPERATING REVENUES (EXPENSES)		
Interest earned	33	21
Interest expense	(60,147)	(61,551)
Gain (loss) on sale of assets	1,500	-
Total nonoperating revenues (expenses)	(58,614)	(61,530)
INCOME (LOSS) BEFORE TRANSFERS	37,346	202,776
Capital contributions	412,732	1,198,136
Transfers out	(350,000)	(350,000)
CHANGE IN NET POSITION	100,078	1,050,912
NET POSITION, beginning of year (as restated)	8,330,360	7,313,090
NET POSITION, end of year	$ 8,430,438	$ 8,364,002

CITY OF MILLEN, GEORGIA
Water and Sewer Fund
Comparative Statement of Cash Flows
For the Years Ended June 30, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 967,599	$ 964,772
Cash paid for goods and services	(397,524)	(300,394)
Cash paid to employees for services	(152,909)	(125,181)
Customer deposits received (refunded)	3,055	3,232
Net cash provided by operating activities	420,221	542,429
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Net borrowings from other funds	(20,275)	302,693
Net transfers in (out)	(350,000)	(350,000)
Net cash used by noncapital financing activities	(370,275)	(47,307)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Contributed capital - capital grants	149,258	859,771
Purchase of property and equipment	(250,757)	(1,089,685)
Proceeds from sale of property and equipment	1,500	-
Retirement of revenue bonds	(9,365)	(8,953)
Retirement of other long-term debt	(32,589)	(31,529)
Capital lease principal payments	(1,607)	-
Interest and fiscal charges paid	(60,648)	(61,669)
Net cash used by capital and related financing activities	(204,208)	(332,065)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends and interest earned	33	21
Net cash provided by investing activities	33	21
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(154,229)	163,078
CASH AND EQUIVALENTS, beginning of year	181,583	18,505
CASH AND EQUIVALENTS, end of year	$ 27,354	$ 181,583

(Continued)

CITY OF MILLEN, GEORGIA
Water and Sewer Fund
Comparative Statement of Cash Flows
For the Years Ended June 30, 2015 and 2014

	2015	2014
Reconciliation of net income to net cash provided by operating activities:		
NET INCOME FROM OPERATIONS	$ 95,960	$ 264,306
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Provision for losses on receivable	26,823	-
Depreciation	309,329	277,150
Decrease (increase) in operating assets:		
Accounts receivable	(13,494)	5,589
Pension related deferred outflows of resources	(2,981)	-
Increase (decrease) in operating liabilities:		
Accounts payable	(2,809)	(5,471)
Accrued salaries	(1,044)	334
Accrued leave benefits	2,623	(2,711)
Deposits for services	3,055	3,232
Net pension liability	(4,723)	-
Pension related deferred inflows of resources	7,482	-
Total adjustments	324,261	278,123
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 420,221	$ 542,429

Supplemental Disclosure of Cash Flow Information

Noncash investing and financing activities:		
Property and equipment acquired through capital lease	$ 74,008	$ Nil
Contribution of capital: Capital projects through SPLOST and CDBG Funds	$ 217,399	$ 384,440

CITY OF MILLEN, GEORGIA
Gas Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended June 30, 2015 and 2014

	2015	2014
OPERATING REVENUES		
Customer charges	$ 3,371,705	$ 716,807
Installation charges	1,200	1,200
Penalties	12,294	18,292
Miscellaneous	30,008	692
Recovery of bad debts	19,193	-
Total operating revenues	3,434,400	736,991
OPERATING EXPENSES		
Salaries	92,285	89,771
Employee benefits	27,744	27,210
Contractual services	10,771	11,312
Repairs, maintenance and other contractual services	10,319	6,301
Gas purchases	2,723,560	368,011
Communications	2,553	1,813
Liability and property insurance	5,031	3,467
Travel and training	1,088	36
Supplies and materials	23,291	9,837
Vehicle gasoline	4,866	5,983
Depreciation	84,841	20,675
Other expenses	8,212	4,150
Total operating expenses	2,994,561	548,566
NET INCOME FROM OPERATIONS	439,839	188,425
NONOPERATING REVENUES (EXPENSES)		
Interest earned	24	6
Interest expense	(67,490)	-
Total nonoperating revenues (expenses)	(67,466)	6
INCOME (LOSS) BEFORE TRANSFERS	372,373	188,431
Transfers out	(87,505)	(188,563)
CHANGE IN NET POSITION	284,868	(132)
NET POSITION, beginning of year	290,779	319,707
NET POSITION, end of year	$ 575,647	$ 319,575

CITY OF MILLEN, GEORGIA
Gas Fund
Comparative Statement of Cash Flows
For the Years Ended June 30, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 3,437,176	$ 745,892
Cash paid for goods and services	(3,039,678)	(464,432)
Cash paid to employees for services	(90,824)	(88,395)
Customer deposits received (refunded)	1,866	619
Net cash provided by operating activities	308,540	193,684
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Net transfers in (out)	(87,504)	(188,563)
Net cash used by noncapital financing activities	(87,504)	(188,563)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of property and equipment	(153,767)	(2,755,939)
Proceeds from issuance of long-term debt	-	3,500,000
Capital lease principal payments	(537,836)	-
Interest and fiscal charges paid	(69,196)	-
Net cash provided (used) by capital and related financing activities	(760,799)	744,061
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends and interest earned	24	6
Net cash provided by investing activities	24	6
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(539,739)	749,188
CASH AND EQUIVALENTS, beginning of year	754,257	5,069
CASH AND EQUIVALENTS, end of year	$ 214,518	$ 754,257

(Continued)

CITY OF MILLEN, GEORGIA
Gas Fund
Comparative Statement of Cash Flows
For the Years Ended June 30, 2015 and 2014

	2015	2014
Reconciliation of net income to net cash provided by operating activities:		
NET INCOME FROM OPERATIONS	$ 439,839	$ 188,425
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Depreciation	84,841	20,675
Decrease (increase) in operating assets:		
Accounts receivable	(16,418)	8,900
Pension related deferred outflows of resources	(2,553)	-
Increase (decrease) in operating liabilities:		
Accounts payable	(211,403)	(27,074)
Accrued salaries	(919)	70
Accrued leave benefits	2,380	1,306
Accrued sales tax	-	(776)
Deposits for services	1,866	619
Crisis Intervention Fund	8,546	1,539
Net pension liability	(4,043)	-
Pension related deferred inflows of resources	6,404	-
Total adjustments	(131,299)	5,259
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 308,540	$ 193,684

Supplemental Disclosure of Cash Flow Information

Noncash investing and financing activities:		
Property and equipment purchased/constructed on open account	$ Nil	$ 223,854

CITY OF MILLEN, GEORGIA
Solid Waste Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended June 30, 2015 and 2014

	2015	2014
OPERATING REVENUES		
Customer charges	$ 442,345	$ 437,451
Penalties	10,667	11,040
Total operating revenues	453,012	448,491
OPERATING EXPENSES		
Salaries	101,874	83,655
Employee benefits	43,938	32,666
Contractual services	30	30
Repairs, maintenance and other contractual services	13,901	11,581
Communications	370	402
Liability and property insurance	2,488	2,037
Supplies and materials	24,808	18,191
Vehicle gasoline	22,641	30,896
Depreciation	13,491	13,348
Other expenses	16,754	13,942
Total operating expenses	240,295	206,748
NET INCOME FROM OPERATIONS	212,717	241,743
NONOPERATING REVENUES (EXPENSES)		
INCOME (LOSS) BEFORE TRANSFERS	212,717	241,743
Transfers out	(224,064)	(254,765)
CHANGE IN NET POSITION	(11,347)	(13,022)
NET POSITION, beginning of year	83,350	131,771
NET POSITION, end of year	$ 72,003	$ 118,749

CITY OF MILLEN, GEORGIA
Solid Waste Fund
Comparative Statement of Cash Flows
For the Years Ended June 30, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 449,835	$ 444,188
Cash paid for goods and services	(120,294)	(108,159)
Cash paid to employees for services	(101,708)	(81,264)
Net cash provided by operating activities	227,833	254,765
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Net transfers in (out)	(224,064)	(254,765)
Net cash used by noncapital financing activities	(224,064)	(254,765)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of property and equipment	(3,769)	-
Net cash used by capital and related financing activities	(3,769)	Nil
NET INCREASE IN CASH AND CASH EQUIVALENTS	Nil	Nil
CASH AND EQUIVALENTS, beginning of year	Nil	Nil
CASH AND EQUIVALENTS, end of year	$ Nil	$ Nil
Reconciliation of net income to net cash provided by operating activities:		
NET INCOME FROM OPERATIONS	$ 212,717	$ 241,743
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Depreciation	13,491	13,349
Decrease (increase) in operating assets:		
Accounts receivable	(3,178)	(4,303)
Pension related deferred outflows of resources	(3,136)	-
Increase (decrease) in operating liabilities:		
Accounts payable	4,870	1,585
Accrued salaries	(1,496)	800
Accrued leave benefits	1,662	1,591
Net pension liability	(4,969)	-
Pension related deferred inflows of resources	7,872	-
Total adjustments	15,116	13,022
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 227,833	$ 254,765

OTHER REPORTS

REDDICK, RIGGS
HUNTER AND KENNEDY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

TERRELL T. REDDICK
1947-2005
JAMES S. RIGGS
PATRICIA H. HUNTER
J. BRIAN KENNEDY

INDEPENDENT AUDITORS' 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*

Mayor and City Council
City of Millen, Georgia
Millen, Georgia

We have audited, in accordance with the 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 discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Millen, Georgia as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 26, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Millen, 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 of Millen, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Millen, Georgia'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 entity'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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

23 SIEBALD STREET ♦ POST OFFICE BOX 725 ♦ STATESBORO, GEORGIA 30459-0725
912-764-9843 FAX 912-489-3036
MEMBERS: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Millen, Georgia'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 test disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as Findings 2014-3.

City of Millen, Georgia's Response to Findings

The City of Millen, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Millen, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Reddick, Riggs, Hunter and Kennedy, P. C.

Statesboro, Georgia
February 26, 2016

REDDICK, RIGGS
HUNTER AND KENNEDY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

TERRELL T. REDDICK
1947-2005
JAMES S. RIGGS
PATRICIA H. HUNTER
J. BRIAN KENNEDY

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Mayor and City Council
City of Millen, Georgia
Millen, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Millen, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Millen, Georgia's major federal programs for the year ended June 30, 2015. The City of Millen, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Millen, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Millen, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Millen, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Millen, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

23 SIEBALD STREET ♦ POST OFFICE BOX 725 ♦ STATESBORO, GEORGIA 30459-0725
912-764-9843 FAX 912-489-3036
MEMBERS: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Internal Control Over Compliance

Management of the City of Millen, Georgia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Millen, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Millen, Georgia's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control report over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Reddick, Riggs, Hunter and Kennedy, P. C.

Statesboro, Georgia
February 26, 2016

CITY OF MILLEN, GEORGIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U. S. Department of Agriculture			
Direct Programs			
Community Facilities Loan	10.766		$ 95,000
Community Facilities Grant	10.766		25,000
Total			120,000
U. S. Department of Commerce			
Direct programs:			
Investments for Public Works and Economic Development Facilities	11.300		36,724
Total			36,724
U. S. Department of Housing and Urban Development			
Pass-through programs from:			
Georgia Department of Community Affairs			
States-Administered CDBG Cluster			
Community Development Block Grant	14.228	12p-x-082-02-5529	175,982
Total			175,982
U. S. Department of Transportation			
Pass-through programs from:			
Georgia Department of Transportation			
Off-System Safety Improvement Project	20.205	0012733	117,632
Total			117,632
U. S. Department of Homeland Security			
Pass-through programs from:			
Georgia Emergency Management Agency:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-DR-4165-DR-GA	57,722
Total			57,722
Total expenditures of federal awards			$ 508,060

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Millen, Georgia and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

CITY OF MILLEN, GEORGIA
Schedule of Findings and Questioned Costs
June 30, 2015

SECTION 1 - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to the financial statements noted?	Yes

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with Circular A-133, Section 510(a)?	No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
10.766	Community Facility Loans and Grants
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

Threshold used for distinguishing between Type A and B programs:	$ 300,000
Auditee qualified as low-risk auditee?	No

Schedule of Findings and Questioned Costs (continued)

Financial Statements

Finding 2015 - 001:*

Criteria:	State law requires municipalities to annually adopt a balanced budget for all funds. Once adopted, these budgets act as legal spending authorizations or appropriation limits.
Condition:	While the City's overall spending was under the budgeted amount, the street department exceeded its budget.
Context:	Total street expenditures exceeded budget by $223,889.
Cause:	It appears the City did not accrue certain expenditures related to its Safety Enhancement Grant prior to amending the budget. In addition, certain equipment purchased for the street department was incorrectly recorded and was not reflected in the expenditures used to create the amended budget.
Effect:	Because these items were not contemplated in the budget amendment approved by Council, the street department exceeded its spending authorization.
Recommendation:	We recommend that in future years, the City verify that all significant items have been properly recorded prior to adopting an amended budget near year-end.
Comments:	Management agrees with the finding.

Federal Awards

None Reported

** Indicates uncorrected prior year finding*

CITY OF MILLEN, GEORGIA
Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds
For the Year Ended June 30, 2015

Project	Original Estimated Cost	Estimated Cost	Prior Years	Current Year	Total
SPLOST V					
Administrative capital (capital lease)	$ 100,000	$ 107,727	$ 107,564	$ 163	$ 107,727
Water tank	420,000	199,814	199,814	-	199,814
Water and sewer capital	420,000	843,867	831,674	12,193	843,867
Public safety capital	200,000	123,892	123,892	-	123,892
Street department capital	435,000	837,098	821,166	15,932	837,098
Total	$ 1,575,000	$ 2,112,398	$ 2,084,110	$ 28,288	$ 2,112,398
SPLOST VI					
Administrative capital	115,263	116,976	-	9,985	9,985
Public safety equipment	282,237	286,428	-	32,433	32,433
Public works equipment	300,000	304,456	-	40,080	40,080
Utility improvements	300,000	304,456	-	31,702	31,702
Total	$ 997,500	$ 1,012,316	$ Nil	$ 114,200	$ 114,200