

CITY OF MILLEDGEVILLE, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

Prepared by:
Finance Department

CITY OF MILLEDGEVILLE, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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INTRODUCTORY SECTION



MAYOR

Mary Parham-Copelan

ALDERMEN

M. Stephen Chambers

Collinda J. Lee

Richard Mullins, Jr.

Walter Reynolds

Denese R. Shinholster

Jeanette H. Walden

CITY MANAGER

Hank Griffeth

The City of Milledgeville

December 17, 2021

To the Honorable Mayor, Members of Council
and the Citizens of the City of Milledgeville

The Annual Comprehensive Financial Report (“ACFR”) of the City of Milledgeville (the “City”) for the fiscal year ended June 30, 2021, is hereby submitted in accordance with the Official Code of Georgia Annotated (“O.C.G.A.”) §36-81-7.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City of Milledgeville. To provide a reasonable basis for making these presentations, the City has established internal control procedures designed to protect the government’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City’s financial statements in accordance with generally accepted accounting principles (“GAAP”). Because the cost of internal control should not outweigh their benefits, the objective is to present reasonable rather than absolute assurance that the financial statements are free of material misstatement. We believe the data, as presented, is accurate in all material respects and is presented in a manner designed to help the reader understand the financial operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City’s financial activities have been included.

Mauldin & Jenkins, LLC, Certified Public Accountants, has issued an unmodified opinion on the City of Milledgeville’s financial statements for the fiscal year ended June 30, 2021. The independent auditor’s report is located at the front of the financial section of this report.

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

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

PROFILE OF THE GOVERNMENT

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

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

The City provides a full range of service to approximately 19,000 residents. These services include general administration, police and fire protection, the construction and maintenance of bridges, streets, and other infrastructure, culture and recreation, and planning and development services. Water and sewer, sanitation collection services and stormwater services are also provided.

The City is financially accountable for two (2) legally separate component units. These component units include: the Milledgeville-Baldwin County Allied Arts and the Milledgeville Downtown Development Authority. These components are reported separately within the City's financial statements. Additional information for these programs may be found in the Notes to Financial Statements.

The annual budget serves as the foundation for the City's financial planning and control. The budget process begins with departments and outside agencies submitting budget requests to the finance department in mid-February. The finance department uses these requests as the starting point for developing a proposed budget. A draft budget is submitted to the City Manager for consideration and approval. The City Manager then submits the budget to the Council for review in early May. Public hearings are required to be held before final adoption of the budget, with final adoption no later than June 30, the end of the fiscal year as required by law. Activities of the general fund, special revenue funds, the capital project funds, and the enterprise funds are included in the annual appropriated budget. The appropriated budget is prepared by fund and department. The City Manager may make transfers of appropriations within a department. Transfer of appropriations between departments and increases or decreases in appropriations require the special approval of the City Council.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

The Milledgeville-Baldwin County Development Authority and the Chamber of Commerce continue to work diligently to attract new business and industry into the area as well as offering support to existing business and industry. The City works with the County on attracting potential businesses to a modern 500-acre industrial park strategically located on Georgia Highway 22. A highly educated local work force is provided by the Georgia College and State University and Georgia Military College, both located in downtown Milledgeville as well as Central Georgia Technical College. These institutions provide both opportunities for potential employers and provide a consumer population for local businesses. In addition, the Milledgeville-Baldwin County Development Authority has purchased a tract of land on the west side of Baldwin County through the joint efforts of the City of Milledgeville and Baldwin County that will be developed into an industrial mega site. This site represents approximately 1,500 acres located on U.S. Highway 441.

Long-Term Financial Planning

The City is working toward increasing reserves and a pay-as-you-go strategy to avoid future long-term debt. This will provide strength to the City's financial position as well as some protection from fluctuations in the economy, or unforeseen natural disasters.

Major Initiatives

The City continues to work diligently to improve the quality of life of its citizens as we continue to develop our City. Even with the downturn in the economy, the City continues to extend utilities to expand our number of retail and wholesale customers. The City has also developed a close partnership with the Milledgeville-Baldwin County Development Authority to recruit more aggressively new and expanded industry and high paying jobs to the City so as to strengthen and expand our tax and employment base.

The City has developed a partnership with the Oconee River Greenway Authority with the goal to construct a series of parks along the Oconee River and to connect the parks with walking and biking trails. The initial park has been constructed in the City immediately south of the Hancock Street Bridge and extends to the Fishing Creek Bridge. The concept development phase to extend Greene Street to the parks has been completed and extends the park north of the Hancock Street Bridge.

The City was awarded state funding to enable the City to become a "wireless" community. In October 2009, the City's wireless service in a partnership with Sprint was launched to customers and the City's public safety service.

The City adopted an enterprise zone in conjunction with the State's opportunity zone designation for providing tax incentives to new and existing business in the central business district. New CDBG and other grant programs have assisted with some revitalization of the area.

The City is currently working with the State of Georgia, Georgia College and State University, local community leaders and our Federal Delegation on the redevelopment of the Campus of Central State Hospital on the south side of the City. This opportunity can breathe new life into not only the City but also Baldwin County and the surrounding region. With a philosophy and techniques used similar to that of the Department of Defense Base Realignment and Closure ("BRAC") Commission, this landmark property would be repurposed beginning with the Center of Excellence in Rural Healthcare Delivery as envisioned by the leadership of Georgia College and State University. It is hoped that this program with its concentration on Technology and Health Care Delivery would become the economic catalyst for the entire campus. We all anxiously await the implementation of this program. During fiscal year 2012, the State of Georgia enacted legislation to establish the Central State Hospital Local Redevelopment Authority (the "Authority"). This Authority has been charged with overseeing the efforts previously mentioned. The Authority consists of members who represent a broad faction of interest from education, business and healthcare. The Authority has worked with locally elected officials and community leaders and continues to make strides in repurposing the Central State Hospital campus for economic growth. During fiscal year 2014, the Bostic Building on the Central State Hospital campus was sold to Correct Health, LLC and plans were confirmed for the demolition of this facility with replacement with a new facility that will serve as a long-term care facility for parolees and inmates that are in the custody of the Georgia Department of Corrections. This facility will provide approximately 280 new jobs to the community and opened in the spring of 2017.

During fiscal year 2018, the city also contracted with the engineering firm, Goodwyn, Mills and Cawood, Inc. for the development and design of a water treatment facility to replace the two (2) current water treatment facilities. The Lamar-Hamm plant was constructed in 1953 and the James Baugh plant was constructed in 1906. The new facility will have a capacity to produce 12 million gallons per day ("MGD") which coincides with the City's permit from the Georgia EPD of 8.64 and 3.77 MGD, respectively. The City has secured financing from the Georgia Environmental Financing Authority ("GEFA") for the engineering costs and a pending application has been made to GEFA for construction costs.

During fiscal year 2020, the city also contracted with Goodwyn, Mills and Cawood, Inc. for the development of a stormwater utility. The stormwater utility was implemented in fiscal year 2020.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Milledgeville for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This is the thirty-fifth consecutive year that the City of Milledgeville has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certification.

The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated services of the entire staff of the Finance Department. In addition, we wish to express our sincere appreciation to the Mayor and Council for their support and to the City Manager and all City department heads and employees for their positive attitudes toward budgetary responsibility.

Respectfully submitted,

Chiquita O. Danzy

Chiquita O. Danzy
Finance Director
Governmental Funds



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Milledgeville
Georgia**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

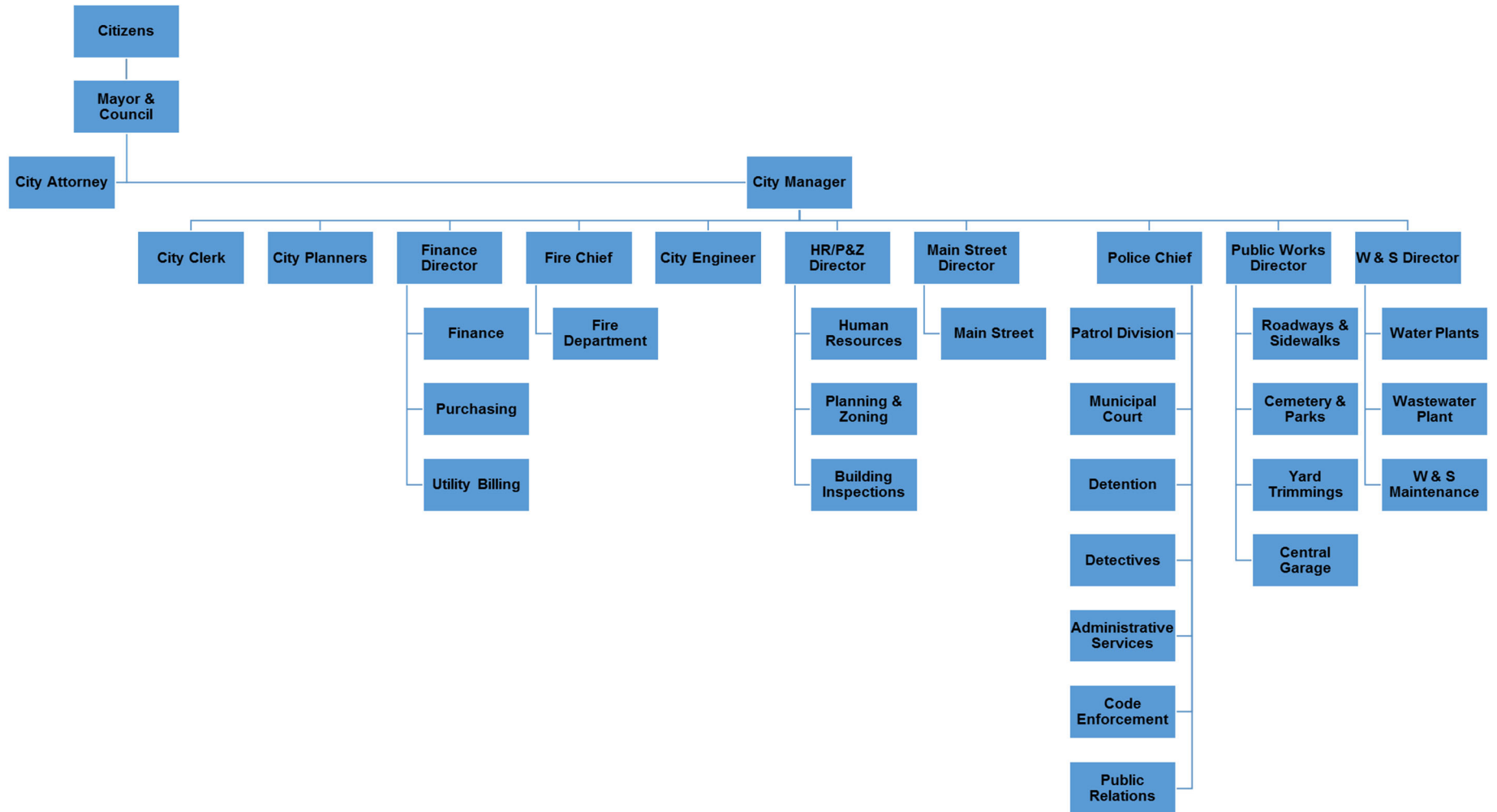
CITY OF MILLEDGEVILLE, GEORGIA

LIST OF PRINCIPAL OFFICIALS JUNE 30, 2021

Mayor	Mary Parham-Copelan
Mayor Pro-Tem	Denese R. Shinholster
Council	Dr. Collinda J. Lee Jeanette H. Walden Walter Reynolds Richard Mullins, Jr. Stephen Chambers
City Manager	Hank Griffeth
City Attorney	James D. Jordan
Municipal Court Judge	J. David McRee
City Clerk	Bo Danuser
City Engineer	Vacant
City Planners	Melba Hilson/Vacant
Accounting Managers	Chiquita Danzy/Vacant
Chief of Police	Acer D. Swicord
Fire Chief	William Collier
Public Utilities Director	Robert Hadden
Planning & Zoning Administrator/Human Resources Director	Mervin G. Graham
Public Works Director	Timothy Thomas
Customer Service Manager – Utility Billing, Taxes and Business Licenses	Patti Rushin
Mainstreet Director	Carlee Schulte

CITY OF MILLEDGEVILLE, GEORGIA

ORGANIZATIONAL CHART JUNE 30, 2021



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**Honorable Mayor and City Council
City of Milledgeville, Georgia
Milledgeville, Georgia**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Milledgeville, Georgia** (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison information for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities*, as of July 1, 2020. This standard significantly changed the accounting for the City's activities previously reported as agency funds. Our opinions are not modified with respect to this matter.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 – 17) and the Schedules of Required Supplementary Information (on pages 76 – 78) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, component unit statements, the statistical section, and the continuing disclosure information are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for additional analysis and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, the component unit statements, and the schedules of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the component unit statements, and the schedules of expenditures of special local option sales tax, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections and the continuing disclosure information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Macon, Georgia
December 17, 2021

CITY OF MILLEDGEVILLE, GEORGIA

MANAGEMENT'S DISCUSSION & ANALYSIS JUNE 30, 2021

The Management's Discussion and Analysis ("MD&A") provides a narrative overview and analysis of the financial activities of the City of Milledgeville (the "City") for the fiscal year ended June 30, 2021. We encourage readers to consider information presented here in conjunction with the letter of transmittal at the front of this report and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2021 by \$64,627,675. Of this amount, \$44,031,581 is the City's net investment in capital assets (net of depreciation and related debt). Total unrestricted net position is \$9,265,295 and may be used to meet the City's ongoing obligations. Unrestricted net position of governmental activities is \$3,251,924.
- As of June 30, 2021, the City's governmental funds reported combined ending fund balances of \$11,978,976. Approximately 32% of this total amount, \$3,838,666, is available for spending at the Council's discretion (unassigned fund balance). The governmental funds combined fund balance increased by \$2,946,995 from fiscal year ended June 30, 2020. The increase in fund balance may be primarily attributed to the financial contributions to the General Fund from the Water and Sewer fund.
- The total liabilities of the City's governmental and business-type activities outstanding at June 30, 2021 are \$1,931,541 and \$5,810,315, respectively. \$3,610,560 of the total \$7,741,856 represents liabilities that are due in one year or more, such as long-term debt and compensated absences. This is a decrease of \$1,658,804 for the governmental-type funds and a decrease of \$1,992,617 for the business-type activities from fiscal year ended June 30, 2020. In accordance with Governmental Accounting Standards Board ("GASB") No. 68, the City was required to record a net pension asset of \$3,238,240 at June 30, 2021, with deferred outflows and inflows related to the net pension liability of \$2,023,366 and \$5,155,835, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

MANAGEMENT'S DISCUSSION & ANALYSIS

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

The purpose of the **Statement of Net Position** (pages 18 – 20) is an attempt to report all of the assets held and liabilities owed by the City. The City reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred. The difference between total assets and total liabilities is labeled *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating.

The **Statement of Activities** (page 21), on the other hand, presents revenues and expenses of the City. Under the accrual basis of accounting mentioned earlier, revenues are recognized when earned and expenses when incurred in this statement. Thus, revenues are reported even when they may not be collected for several weeks after the accounting period and expenses are recorded even though they may not have used cash during the current period. The difference is described as *changes in net position*. The primary focus of the Statement of Activities is on *net costs* of various activities provided by the City and identifies the extent to which each function of the City draws from general revenues or is self-financing through fees, grants or other sources.

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

- **Governmental Activities** – Most of the City's basic services are reported under this category, including police, fire, public works and general administration. Sales tax, property taxes and intergovernmental revenues finance most of these services.
- **Business-type Activities** – The City charges fees to customers to assist in covering all or most of the costs for certain services it provides. The City's water and sewer system fees, refuse collection fees, and stormwater fees are reported in this category.
- **Discretely Presented Component Units** – *Component units are legally separate organizations for which the elected officials of the City are financially accountable. The City has two component units – Allied Arts and the Downtown Development Authority.*

The City's government-wide financial statements are presented on pages 18 – 21.

MANAGEMENT'S DISCUSSION & ANALYSIS

Fund Financial Statements. The focus of fund financial statements is directed to specific activities of the City and its most significant funds, not the City as a whole. A fund is an entity with a self-balancing set of accounts that the City uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the City's nonmajor funds can be found beginning on page 79. The City's funds are divided into three broad categories – governmental, proprietary, and fiduciary – and use different accounting approaches.

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

Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements and because of the different accounting methods used to prepare them, there are often significant differences between the totals presented in these financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The City's basic governmental fund financial statements are presented on pages 18 – 26 of this report.

The City maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and Special Purpose Local Option Sales Tax ("SPLOST") Fund which are considered major funds. Data for the other five governmental funds are combined in a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements on pages 79 and 80 of this report.

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

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

Internal service funds are an accounting device to account for services provided and billed on an internal basis. The City utilizes the Internal Service fund for Risk Management activities. Because of the nature of the City's Internal Service funds, they are allocated to both governmental activities and business-type activities on the government-wide statement.

The City's proprietary fund financial statements are presented on pages 30 – 37.

MANAGEMENT'S DISCUSSION & ANALYSIS

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

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

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

The City's fiduciary fund financial statements are presented on pages 38 and 39.

Budgetary Comparisons

The City adopts an annual appropriated budget for its General Fund and Special Revenue Funds. The budgetary comparison statements have been provided for each of these funds to demonstrate compliance with the budget. The General Fund budgetary comparison statements can be found on pages 27 – 29. The Special Revenue Fund budgetary comparison statements can be found on pages 81 and 83.

During fiscal year 2021, the General Fund budget required several amendments. The larger amendments included a transfer of \$29,834 to cover the cost of repairs and maintenance supplies to renovate the fire department building and grounds. Also included was overtime for the fire department due to COVID-19. The City charter allows for funds to be transferred from one (1) line item to another within a department with authorization from the City Manager; however, the transfer of funds from one (1) department to another requires an amendment and approval from the City Council. This amendment was adopted by the City Council and the overall budget was unaffected. Total revenues exceed budget projections by \$2,304,569 and total expenditures were \$780,859 less than projected.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 40 – 75 of this report.

MANAGEMENT'S DISCUSSION & ANALYSIS

Other Supplementary Information

Other supplementary information includes combining financial statements for nonmajor governmental, proprietary and fiduciary funds. These funds are added together by fund type and presented together in single columns in the basic financial statements but are not reported individually, as with major funds, on the government-wide financial statements. The combining and individual fund statements and schedules are presented immediately following the required supplementary information and can be found on pages 76 – 78 of this report.

The report includes one schedule (page 26) which reconciles the amounts on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting).

GOVERNMENT WIDE FINANCIAL ANALYSIS

The City's overall financial position and operations for the fiscal year is summarized in Table 1 below based on the information included in the government-wide financial statements (see pages 18 – 21).

City of Milledgeville Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current and other assets	\$ 15,430,294	\$ 10,318,506	\$ 14,541,105	\$ 13,493,032	\$ 29,971,399	\$ 23,811,538
Capital assets	14,156,366	14,172,296	31,374,235	31,971,957	45,530,601	46,144,253
Total assets	29,586,660	24,490,802	45,915,340	45,464,989	75,502,000	69,955,791
Deferred outflows of resources	1,396,123	1,439,092	627,243	587,798	2,023,366	2,026,890
LIABILITIES						
Long-term debt outstanding	465,796	2,446,912	3,145,154	5,091,067	3,610,950	7,537,979
Other liabilities	1,465,745	1,488,864	2,665,161	2,711,865	4,130,906	4,200,729
Total liabilities	1,931,541	3,935,776	5,810,315	7,802,932	7,741,856	11,738,708
Deferred inflows of resources	3,557,525	1,294,500	1,598,310	528,741	5,155,835	1,823,241
Net position						
Net investment in capital assets	14,156,366	14,172,296	29,875,215	29,143,451	44,031,581	43,315,747
Restricted	8,085,427	7,156,740	3,245,372	3,168,467	11,330,799	10,325,207
Unrestricted	3,251,924	(629,418)	6,013,371	5,409,196	9,265,295	4,779,778
Total net position	\$ 25,493,717	\$ 20,699,618	\$ 39,133,958	\$ 37,721,114	\$ 64,627,675	\$ 58,420,732

MANAGEMENT'S DISCUSSION & ANALYSIS

Net Position – As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2021, assets exceeded liabilities by \$64 million. However, much of the net position is either restricted as to the purpose for which they can be used, or is invested in capital assets.

The largest portion of the City's net position, \$44,031,581, represents investments in capital assets. The investment in capital assets includes land, buildings, machinery and equipment, as well as infrastructure acquired in past years. These capital assets are used to provide services to citizens; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional \$11,330,799 of the City's net position represents resources that are subject to external restrictions on how they are to be used.

MANAGEMENT'S DISCUSSION & ANALYSIS

Changes in Net Position – Governmental and business-type activities increased the City's net position by \$6,206,943 in fiscal year 2021. The following table indicates the changes in net position for the government and business-type activities in fiscal year 2021.

City of Milledgeville Changes in Net Position

	Governmental		Business-Type		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 1,647,749	\$ 1,737,662	\$ 11,262,230	\$ 10,100,040	\$ 12,909,979	\$ 11,837,702
Operating grants and contributions	204,226	302,621	-	-	204,226	302,621
Capital grants and contributions	1,672,765	585,693	-	271,866	1,672,765	857,559
General revenues:						
Property taxes	3,962,556	3,988,735	-	-	3,962,556	3,988,735
Sales tax	3,415,427	2,764,339	-	-	3,415,427	2,764,339
Other taxes	4,585,876	4,413,433	-	-	4,585,876	4,413,433
Investment earnings (loss)	23,331	20,500	42,589	95,584	65,920	116,084
Total revenues	<u>15,511,930</u>	<u>13,812,983</u>	<u>11,304,819</u>	<u>10,467,490</u>	<u>26,816,749</u>	<u>24,280,473</u>
Expenses						
General government	1,533,153	1,516,137	-	-	1,533,153	1,516,137
Judicial	196,037	212,827	-	-	196,037	212,827
Public safety	6,120,237	7,891,543	-	-	6,120,237	7,891,543
Public works	1,882,644	2,182,568	-	-	1,882,644	2,182,568
Housing and development	832,362	1,617,762	-	-	832,362	1,617,762
Culture and recreation	642,818	747,343	-	-	642,818	747,343
Water and sewer	-	-	6,924,601	7,639,461	6,924,601	7,639,461
Solid waste	-	-	2,067,996	2,277,803	2,067,996	2,277,803
Stormwater	-	-	409,958	281,262	409,958	281,262
Total expenses	<u>11,207,251</u>	<u>14,168,180</u>	<u>9,402,555</u>	<u>10,198,526</u>	<u>20,609,806</u>	<u>24,366,706</u>
Increase (decrease) in net position before transfers	4,304,679	(355,197)	1,902,264	268,964	6,206,943	(86,233)
Transfers	489,420	395,106	(489,420)	(395,106)	-	-
Change in net position	4,794,099	39,909	1,412,844	(126,142)	6,206,943	(86,233)
Net position, beginning of year	20,699,618	20,659,709	37,721,114	37,847,256	58,420,732	58,506,965
Net position, end of year	<u>\$ 25,493,717</u>	<u>\$ 20,699,618</u>	<u>\$ 39,133,958</u>	<u>\$ 37,721,114</u>	<u>\$ 64,627,675</u>	<u>\$ 58,420,732</u>

MANAGEMENT'S DISCUSSION & ANALYSIS

Governmental Activities – Governmental activities increased the City's net position by \$4,794,099 in fiscal year 2021. Key elements of this decrease are as follows:

- Revenues were \$15.5 million. Approximately 11% of the City's revenues came from fees charged for services, 22% from sales taxes, 26% from property taxes and 30% from other taxes.
- Expenses totaled \$11.2 million. Approximately 55% of the City's expenses are attributed to public safety, 17% to public works, 14% to general government and the remaining 15% to housing and development, judicial activities, and culture and recreation.

Business-Type Activities – The City's business-type activities increased net position by \$1,412,844 in fiscal year 2021.

Financial Analysis of the City Funds

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

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. For the fiscal year ended June 30, 2021, as noted earlier in this report, the City fully implemented GASB Statement No. 54 in regard to reporting of fund balance. The GASB Statement No. 54 recognizes the following designations for fund balances of governmental funds: Non-spendable, Restricted, Committed, Assigned and Unassigned.

At the end of fiscal year 2021, the combined ending fund balance of the City's governmental funds was \$11,978,976, a decrease of 33% from fiscal year 2020. Approximately \$3.8 million (32%) of combined fund balance consists of unassigned fund balance, which is available working capital for current spending in accordance with the purpose of the specific funds. The unassigned fund balance increased by \$2,013,017. Expenses were 3.5% lower than the previous year and revenues increased by 7.7%. This revenue amount does not include a funds transfer of \$1,000,000. The remainder of fund balance is duly designed to indicate that it is not available for new spending because it is committed to the following purposes: non-spendable for inventories, (\$54,883), restricted for capital projects (\$5,775,219), restricted for promotion of tourism (\$1,053,637), and restricted for public safety (\$287,211).

MANAGEMENT'S DISCUSSION & ANALYSIS

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

1. *General Fund* – This is the primary operating fund of the City of Milledgeville government. It accounts for many of the City's core services such as law enforcement, fire protection, roads and streets, culture and recreation and administration. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,838,666 which represents the total unassigned balance. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 32% of total fiscal year 2021 expenditures, while total fund balance is 39% of that same amount.
2. *SPLOST Fund* – This fund is a capital project fund accounting for the City's negotiated share of the special purpose local option sales taxes. This tax is voted by referendum to collect a penny on sales that occur within Baldwin County. The tax must be used for specific capital expenditures. The total fund balance of \$5,157,430 is designated as restricted and will be used to fund major capital projects. This is an increase of \$616,294 from fiscal year 2020. This can be attributed to now receiving SPLOST funds from the County for the 2018 Referendum, whereas funds were not received in the past two fiscal years.

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

Unrestricted net position of the City's major proprietary fund, the Water and Sewer Fund, totaled \$3,018,219. The total net assets increased by \$1,144,158.

Unrestricted net position of the City's other major proprietary fund, Solid Waste Fund, totaled \$1,961,516 which demonstrates continued improvement in the operation of the Solid Waste Fund. Solid Waste fees were restructured effective July 1, 2009 and this has positively impacted revenue for this fund. In addition, on January 1, 2013 the City entered into a new contract with Advanced Waste Disposal. This new contract implemented a reduction in the costs of providing solid waste collection services to the customers of the Solid Waste Fund. The Solid Waste Fund continues to operate with a positive margin. The City approved an extension of this contract in 2018, which retain the same rates with a CPI increase if applicable.

The City's nonmajor proprietary fund, the Stormwater Fund, has an unrestricted net position of \$459,092.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's budget is prepared according to the Georgia statutes and the City Code. The most significant budgeted fund is the General Fund.

MANAGEMENT'S DISCUSSION & ANALYSIS

In June 2020, the Council appropriated \$12.7 million for General Fund expenditures.

City of Milledgeville 2021 General Fund Budget

	Original Budget	Amendments	Final Budget	Actual
Revenues and other financing sources	\$ 12,773,704	\$ -	\$ 12,773,704	\$ 14,223,687
Expenditures and other financing uses	12,773,704	-	12,773,704	11,992,845

Budgetary amendments did not affect the total budgetary allowance for revenue nor expenditures due to the realignment between existing departments. The budget was amended to increase the principal and interest paid on behalf of the Development Authority of Milledgeville and Baldwin County. An additional amendment was made to allow for two (2) payments of dues to the Georgia Municipal Association. Actual revenues do not reflect budgeted transfers from other funds. Budgetary amendments were approved by the Council as required by State law and the City Code.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – The City has invested \$45,530,601 in capital assets (net of accumulated depreciation). Capital assets include infrastructure, land, land improvements, buildings and machinery and equipment. Approximately 70% of this investment is related to business-type activities while only 30% is related to governmental activities.

Capital assets held by the City at the end of the current fiscal year are summarized as follows:

City of Milledgeville Capital Assets (net of accumulated depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 2,468,098	\$ 2,468,098	\$ 181,310	\$ 181,310	\$ 2,649,408	\$ 2,649,408
Land improvements	88,039	19,632	249,396	186,870	337,435	206,502
Infrastructure	6,526,134	4,739,568	15,165,758	15,651,743	21,691,892	20,391,311
Buildings	3,355,306	3,416,836	11,146,197	11,456,856	14,501,503	14,873,692
Machinery and equipment	1,718,789	1,361,453	1,704,434	1,568,038	3,423,223	2,929,491
Construction in progress	-	2,166,709	2,927,140	2,927,140	2,927,140	5,093,849
Total capital assets	\$ 14,156,366	\$ 14,172,296	\$ 31,374,235	\$ 31,971,957	\$ 45,530,601	\$ 46,144,253

MANAGEMENT'S DISCUSSION & ANALYSIS

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

- Front Loader - \$13,475
- Ashphalt Roller and Paver - \$32,000
- Vehicles - \$358,192
- Other Equipment - \$47,558
- Site Improvements - \$9,000

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

- ABBA Bare Pump - \$265,0119
- Vehicles - \$44,876
- Site Improvements - \$219,952
- Machinery and Equipment - \$214,584

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

Long-term debt – At June 30, 2021, the City of Milledgeville had \$4,406,108 in bonds and notes outstanding, a decrease of \$1,318,970 from fiscal year 2020. These changes represent payments made to reduce bonds and notes outstanding.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The current debt limitation for the City is \$41.17 million.

Additional information on the City's long-term debt can be found in Note 6 on pages 60 – 62 of this report.

City of Milledgeville Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue bonds	\$ -	\$ -	\$ 1,185,000	\$ 2,317,606	\$ 1,185,000	\$ 2,317,606
Notes payable	-	-	3,221,108	3,407,472	3,221,108	3,407,472
Compensated absences	494,151	513,846	190,331	203,380	684,482	717,226
Net pension liability	-	1,356,017	-	553,866	-	1,909,883
Claims payable	491,618	1,394,577	-	-	491,618	1,394,577
	<u>\$ 985,769</u>	<u>\$ 3,264,440</u>	<u>\$ 4,596,439</u>	<u>\$ 6,482,324</u>	<u>\$ 5,582,208</u>	<u>\$ 9,746,764</u>

MANAGEMENT'S DISCUSSION & ANALYSIS

Economic Factors and Next Year's Budget

The following factors are expected to have an effect on the City's financial position of operations and were taken into account in developing the fiscal year 2021 Budget.

- The General Fund property taxes increased in fiscal 2019. During the budget process, the City Council agreed to a 1 mil increase when assessing property taxes to property owners in the City of Milledgeville. This increase produced approximately \$400,000 in additional tax revenue to help support the services provided to our citizens and reduce the City's dependence upon transfers in from the City's Water and Sewer fund.
- Utility revenues are anticipated to slightly decrease due to the transfer of residential customers to Baldwin County due to service delivery renegotiations. In addition, the City of Milledgeville reached an agreement with Baldwin County to bill for garbage service on behalf of the County for those customers who receive their water from the City. The City receives a \$1 administration fee for each account billed each month. This administration fee represents approximately \$18,000 annually in additional revenue for the Solid Waste Fund. In addition, as the initiative to realign and establish Central State Hospital as a viable operation that will serve multiple purposes for the City, Baldwin County and surrounding areas, we anticipate increased utilization for the City's water, sewer and solid waste services. We also anticipate growth in this area that will not only generate sales taxes as businesses open in the area but also the opportunity for assessment and collection of other tax revenues.

These actions are anticipated to:

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

The City continues to have retail business locating in the City limits and growth in the water and sewer system with new residential housing locating in the City and Baldwin County. For fiscal year 2021, the City has begun to see an increase in building permits primarily with the development of multi-housing units.

MANAGEMENT'S DISCUSSION & ANALYSIS

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City of Milledgeville's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this or additional financial information should be addressed to the Finance Department, P.O. Box 1900, Milledgeville, Georgia 31059-1900.

CITY OF MILLEDGEVILLE, GEORGIA

**STATEMENT OF NET POSITION
JUNE 30, 2021**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Allied Arts	Downtown Development Authority
ASSETS					
Cash and cash equivalents	\$ 12,431,917	\$ 8,243,899	\$ 20,675,816	\$ 180,417	\$ 43,201
Investments	107,293	-	107,293	26,752	61,277
Taxes receivable	514,494	-	514,494	-	-
Accounts receivable, net of allowances	17,744	1,237,843	1,255,587	-	-
Notes receivable	277,416	-	277,416	-	4,267
Due from other governments	366,706	-	366,706	-	-
Internal balances	(574,544)	574,544	-	-	-
Inventories	54,883	235,592	290,475	-	-
Restricted assets, cash and cash equivalents	-	2,205,459	2,205,459	-	-
Restricted assets, investments	-	1,039,913	1,039,913	-	-
Net pension asset	2,234,385	1,003,855	3,238,240	-	-
Capital assets, non-depreciable	2,468,098	3,108,450	5,576,548	60,792	-
Capital assets, depreciable, net of accumulated depreciation	11,688,268	28,265,785	39,954,053	-	-
Total assets	<u>29,586,660</u>	<u>45,915,340</u>	<u>75,502,000</u>	<u>267,961</u>	<u>108,745</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pensions	1,396,123	627,243	2,023,366	-	-
Total deferred outflows of resources	<u>1,396,123</u>	<u>627,243</u>	<u>2,023,366</u>	<u>-</u>	<u>-</u>

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

**STATEMENT OF NET POSITION
JUNE 30, 2021**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Allied Arts	Downtown Development Authority
LIABILITIES					
Accounts payable	\$ 708,477	\$ 612,947	\$ 1,321,424	\$ -	\$ 226
Accrued liabilities	237,295	101,727	339,022	1,251	-
Liabilities payable from restricted assets	-	1,684,202	1,684,202	-	-
Claims payable due within one year	322,312	-	322,312	-	-
Claims payable due in more than one year	169,306	-	169,306	-	-
Compensated absences due within one year	197,661	76,133	273,794	15,277	-
Compensated absences due in more than one year	296,490	114,198	410,688	-	-
Notes payable due within one year	-	190,152	190,152	-	-
Notes payable due in more than one year	-	3,030,956	3,030,956	-	-
Total liabilities	<u>1,931,541</u>	<u>5,810,315</u>	<u>7,741,856</u>	<u>16,528</u>	<u>226</u>
DEFERRED INFLOWS OF RESOURCES					
Pensions	<u>3,557,525</u>	<u>1,598,310</u>	<u>5,155,835</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>3,557,525</u>	<u>1,598,310</u>	<u>5,155,835</u>	<u>-</u>	<u>-</u>

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

**STATEMENT OF NET POSITION
JUNE 30, 2021**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Allied Arts	Downtown Development Authority
NET POSITION					
Net investment in capital assets	\$ 14,156,366	\$ 29,875,215	\$ 44,031,581	\$ 60,792	\$ -
Restricted for debt service	-	3,245,372	3,245,372	-	-
Restricted for capital projects	5,775,219	-	5,775,219	-	-
Restricted for public safety	287,211	-	287,211	-	-
Restricted for tourism	1,053,637	-	1,053,637	-	-
Restricted for housing and development	969,360	-	969,360	-	-
Unrestricted	3,251,924	6,013,371	9,265,295	190,641	108,519
Total net position	<u>\$ 25,493,717</u>	<u>\$ 39,133,958</u>	<u>\$ 64,627,675</u>	<u>\$ 251,433</u>	<u>\$ 108,519</u>

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

CITY OF MILLEDGEVILLE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Allied Arts	Downtown Development Authority
Primary government									
Governmental activities:									
General government	\$ 1,533,153	\$ 1,434,124	\$ 204,226	\$ 14,010	\$ 119,207	\$ -	\$ 119,207	\$ -	\$ -
Judicial	196,037	-	-	-	(196,037)	-	(196,037)	-	-
Public safety	6,120,237	213,625	-	438,574	(5,468,038)	-	(5,468,038)	-	-
Public works	1,882,644	-	-	1,220,181	(662,463)	-	(662,463)	-	-
Culture and recreation	642,818	-	-	-	(642,818)	-	(642,818)	-	-
Housing and development	832,362	-	-	-	(832,362)	-	(832,362)	-	-
Total governmental activities	<u>11,207,251</u>	<u>1,647,749</u>	<u>204,226</u>	<u>1,672,765</u>	<u>(7,682,511)</u>	<u>-</u>	<u>(7,682,511)</u>	<u>-</u>	<u>-</u>
Business-type activities									
Water and sewer	6,924,601	8,492,475	-	-	-	1,567,874	1,567,874	-	-
Solid waste	2,067,996	2,069,239	-	-	-	1,243	1,243	-	-
Stormwater	409,958	700,516	-	-	-	290,558	290,558	-	-
Total business-type activities	<u>9,402,555</u>	<u>11,262,230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,859,675</u>	<u>1,859,675</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 20,609,806</u>	<u>\$ 12,909,979</u>	<u>\$ 204,226</u>	<u>\$ 1,672,765</u>	<u>(7,682,511)</u>	<u>1,859,675</u>	<u>(5,822,836)</u>	<u>-</u>	<u>-</u>
Component units									
Allied Arts	\$ 185,253	\$ 21,673	\$ 203,554	\$ -	-	-	-	39,974	-
Downtown Development Authority	15,001	16,000	-	-	-	-	-	-	999
Total component units	<u>\$ 200,254</u>	<u>\$ 37,673</u>	<u>\$ 203,554</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,974</u>	<u>999</u>
General revenues:									
Property taxes					3,962,556	-	3,962,556	-	-
Sales taxes					3,415,427	-	3,415,427	-	-
Hotel/motel taxes					611,474	-	611,474	-	-
Franchise taxes					1,266,716	-	1,266,716	-	-
Insurance premium taxes					1,479,980	-	1,479,980	-	-
Alcoholic beverage taxes					536,934	-	536,934	-	-
Business and occupation taxes					641,425	-	641,425	-	-
Other taxes					49,347	-	49,347	-	-
Unrestricted investment earnings					23,331	42,589	65,920	210	1,584
Transfers					489,420	(489,420)	-	-	-
Total general revenues and transfers					<u>12,476,610</u>	<u>(446,831)</u>	<u>12,029,779</u>	<u>210</u>	<u>1,584</u>
Change in net position					<u>4,794,099</u>	<u>1,412,844</u>	<u>6,206,943</u>	<u>40,184</u>	<u>2,583</u>
Net position, beginning of year					<u>20,699,618</u>	<u>37,721,114</u>	<u>58,420,732</u>	<u>211,249</u>	<u>105,936</u>
Net position, end of year					<u>\$ 25,493,717</u>	<u>\$ 39,133,958</u>	<u>\$ 64,627,675</u>	<u>\$ 251,433</u>	<u>\$ 108,519</u>

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

CITY OF MILLEDGEVILLE, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

ASSETS	General	SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 4,428,013	\$ 5,438,987	\$ 1,912,824	\$ 11,779,824
Investments	-	107,293	-	107,293
Taxes receivable, net of allowance	443,671	-	70,823	514,494
Accounts receivable, net of allowances	17,744	-	-	17,744
Notes receivable	-	-	277,416	277,416
Due from other governments	366,706	-	-	366,706
Inventories	54,883	-	-	54,883
Total assets	<u>\$ 5,311,017</u>	<u>\$ 5,546,280</u>	<u>\$ 2,261,063</u>	<u>\$ 13,118,360</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 134,906	\$ 388,850	\$ 107,650	\$ 631,406
Accrued liabilities	237,295	-	-	237,295
Total liabilities	<u>372,201</u>	<u>388,850</u>	<u>107,650</u>	<u>868,701</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	270,683	-	-	270,683
Total deferred inflows of resources	<u>270,683</u>	<u>-</u>	<u>-</u>	<u>270,683</u>

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (CONTINUED)	<u>General</u>	<u>SPLOST</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
FUND BALANCES				
Fund balances:				
Nonspendable - inventory	\$ 54,883	\$ -	\$ -	\$ 54,883
Restricted for:				
Capital projects	617,789	5,157,430	-	5,775,219
Promotion of tourism	-	-	1,053,637	1,053,637
Housing and development programs	-	-	969,360	969,360
Public safety programs	156,795	-	130,416	287,211
Unassigned	<u>3,838,666</u>	<u>-</u>	<u>-</u>	<u>3,838,666</u>
Total fund balances	<u>4,668,133</u>	<u>5,157,430</u>	<u>2,153,413</u>	<u>11,978,976</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,311,017</u>	<u>\$ 5,546,280</u>	<u>\$ 2,261,063</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	14,156,366
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	270,683
Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	
These deferred outflows of resources consist of pension related differences between projected and actual earnings on investments and experience differences.	1,396,123
Internal service funds are used by management to charge the costs of workers' compensation insurance and related administrative costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(491,140)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated absences payable	(494,151)
Net pension asset	2,234,385
Deferred inflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds.	
These deferred inflows of resources consist of pension related experience differences.	<u>(3,557,525)</u>
Net position of governmental activities	<u>\$ 25,493,717</u>

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

CITY OF MILLEDGEVILLE, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>General</u>	<u>SPLOST</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 11,371,312	\$ -	\$ 611,474	\$ 11,982,786
Licenses and permits	295,961	-	-	295,961
Intergovernmental	193,267	2,034,417	-	2,227,684
Fines and forfeitures	213,625	-	-	213,625
Charges for services	20,994	-	-	20,994
Investment income	11,360	-	7,810	19,170
Other revenues	1,117,168	10,959	-	1,128,127
Total revenues	<u>13,223,687</u>	<u>2,045,376</u>	<u>619,284</u>	<u>15,888,347</u>
Expenditures				
Current:				
General government	1,492,839	-	-	1,492,839
Judicial	215,947	-	-	215,947
Public safety	7,325,520	-	2,995	7,328,515
Public works	1,916,566	-	-	1,916,566
Culture and recreation	672,066	-	-	672,066
Housing and development	369,907	-	516,430	886,337
Capital outlay	-	1,429,082	-	1,429,082
Total expenditures	<u>11,992,845</u>	<u>1,429,082</u>	<u>519,425</u>	<u>13,941,352</u>
Excess of revenues over expenditures	<u>1,230,842</u>	<u>616,294</u>	<u>99,859</u>	<u>1,946,995</u>

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>General</u>	<u>SPLOST</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources				
Transfers in	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Total other financing sources	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
 Net change in fund balance	2,230,842	616,294	99,859	2,946,995
 Fund balances, July 1	<u>2,437,291</u>	<u>4,541,136</u>	<u>2,053,554</u>	<u>9,031,981</u>
 Fund balances, June 30	<u><u>\$ 4,668,133</u></u>	<u><u>\$ 5,157,430</u></u>	<u><u>\$ 2,153,413</u></u>	<u><u>\$ 11,978,976</u></u>

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

CITY OF MILLEDGEVILLE, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 2,946,995
 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	
Capital outlay	1,373,669
Depreciation	(822,683)
 The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	 (566,916)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	 (380,578)
 Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in compensated absences	19,695
Change in net pension asset and related deferred inflows and outflows of resources	1,284,408
 Internal service funds are used by management to charge the costs of workers' compensation and related administrative costs to individual funds.	 <u>939,509</u>
	 <u>\$ 4,794,099</u>

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

CITY OF MILLEDGEVILLE, GEORGIA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 3,829,735	\$ 3,829,735	\$ 3,981,483	\$ 151,748
Sales tax	2,299,000	2,299,000	3,415,427	1,116,427
Other taxes	3,610,000	3,610,000	3,974,402	364,402
Licenses and permits	290,900	290,900	295,961	5,061
Intergovernmental	223,000	223,000	193,267	(29,733)
Charges for services	14,133	14,133	20,994	6,861
Fines and forfeitures	480,700	480,700	213,625	(267,075)
Interest revenue	14,250	14,250	11,360	(2,890)
Other revenue	157,400	157,400	1,117,168	959,768
Total revenues	<u>10,919,118</u>	<u>10,919,118</u>	<u>13,223,687</u>	<u>2,304,569</u>
Expenditures				
Current:				
General government:				
Legislative	176,440	176,440	131,829	44,611
Executive	542,810	542,810	452,112	90,698
Elections	-	92	92	-
Finance	450,418	450,418	402,866	47,552
Legal	207,060	163,138	115,384	47,754
Human resources	188,415	188,415	156,800	31,615
General government buildings and grounds	165,262	165,262	162,703	2,559
General engineering	-	1,148	1,139	9
General administration fees	75,500	75,500	69,914	5,586
Total general government	<u>1,805,905</u>	<u>1,763,223</u>	<u>1,492,839</u>	<u>270,384</u>
Judicial:				
Municipal court	234,889	234,889	215,947	18,942
Total judicial	<u>234,889</u>	<u>234,889</u>	<u>215,947</u>	<u>18,942</u>

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Expenditures (Continued)				
Current (Continued):				
Public safety:				
Police	\$ 4,487,414	\$ 4,422,214	\$ 4,142,939	\$ 279,275
Detention center	130,000	196,500	191,499	5,001
Police department buildings and grounds	234,543	234,543	145,700	88,843
Fire	2,773,002	2,781,378	2,780,826	552
Fire department buildings and grounds	34,730	64,564	64,556	8
Total public safety	<u>7,659,689</u>	<u>7,699,199</u>	<u>7,325,520</u>	<u>373,679</u>
Public works:				
Public works administration	257,397	281,888	275,408	6,480
Roadways and walkways	473,070	603,100	591,710	11,390
Storm drainage	-	212	211	1
Street lighting	375,000	375,703	375,702	1
Traffic engineering	46,100	46,100	29,417	16,683
Maintenance and shop	338,737	302,590	297,124	5,466
Cemetery	354,256	349,031	346,994	2,037
Total public works	<u>1,844,560</u>	<u>1,958,624</u>	<u>1,916,566</u>	<u>42,058</u>
Culture and recreation:				
Recreation	185,849	185,849	185,849	-
Parks	411,726	300,834	294,823	6,011
Twin Lakes Library	191,394	191,394	191,394	-
Total culture and recreation	<u>788,969</u>	<u>678,077</u>	<u>672,066</u>	<u>6,011</u>

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Expenditures (Continued)				
Current (Continued):				
Housing and development:				
Inspections	\$ 103,184	\$ 103,184	\$ 85,453	\$ 17,731
Planning and zoning	129,473	129,473	99,189	30,284
Mainstreet	207,035	207,035	185,265	21,770
Total housing and development	<u>439,692</u>	<u>439,692</u>	<u>369,907</u>	<u>69,785</u>
Total expenditures	<u>12,773,704</u>	<u>12,773,704</u>	<u>11,992,845</u>	<u>780,859</u>
Excess (deficiency) of revenues (under) over expenditures	<u>(1,854,586)</u>	<u>(1,854,586)</u>	<u>1,230,842</u>	<u>3,085,428</u>
Other financing sources				
Transfers in	<u>1,854,586</u>	<u>1,854,586</u>	<u>1,000,000</u>	<u>(854,586)</u>
Total other financing sources	<u>1,854,586</u>	<u>1,854,586</u>	<u>1,000,000</u>	<u>(854,586)</u>
Net change in fund balance	-	-	2,230,842	2,230,842
Fund balances, July 1	<u>2,437,291</u>	<u>2,437,291</u>	<u>2,437,291</u>	<u>-</u>
Fund balances, June 30	<u>\$ 2,437,291</u>	<u>\$ 2,437,291</u>	<u>\$ 4,668,133</u>	<u>\$ 2,230,842</u>

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

CITY OF MILLEDGEVILLE, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021**

ASSETS	Business-type Activities - Enterprise Funds			Totals	Governmental
	Water and Sewer Fund	Solid Waste Fund	Nonmajor Stormwater Fund		Internal Service Fund
CURRENT ASSETS					
Cash	\$ 5,946,437	\$ 2,108,741	\$ 188,721	\$ 8,243,899	\$ 652,093
Accounts receivable	986,627	171,417	79,799	1,237,843	-
Inventories	235,592	-	-	235,592	-
Restricted assets					
Cash	2,205,459	-	-	2,205,459	-
Investments	1,039,913	-	-	1,039,913	-
Total current assets	10,414,028	2,280,158	268,520	12,962,706	652,093
NON-CURRENT ASSETS					
Net pension asset	906,708	97,147	-	1,003,855	-
Capital assets:					
Land	181,310	-	-	181,310	-
Buildings	21,421,819	-	-	21,421,819	-
Site improvements	357,468	-	-	357,468	-
Machinery and equipment	6,761,618	-	-	6,761,618	-
Infrastructure	28,722,713	-	207,965	28,930,678	-
Construction in progress	2,927,140	-	-	2,927,140	-
Total capital assets	60,372,068	-	207,965	60,580,033	-
Less accumulated depreciation	(29,201,899)	-	(3,899)	(29,205,798)	-
Total capital assets (net of accumulated depreciation)	31,170,169	-	204,066	31,374,235	-
Total assets	42,490,905	2,377,305	472,586	45,340,796	652,093
DEFERRED OUTFLOWS OF RESOURCES					
Pension differences	566,543	60,700	-	627,243	-
Total deferred outflows of resources	566,543	60,700	-	627,243	-

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021**

LIABILITIES	Business-type Activities - Enterprise Funds				Governmental
	Water and Sewer Fund	Solid Waste Fund	Nonmajor Stormwater Fund	Totals	Internal Service Fund
CURRENT LIABILITIES					
Payable from current assets:					
Accounts payable	\$ 312,346	\$ 299,235	\$ 1,366	\$ 612,947	\$ 77,071
Compensated absences payable - current	66,808	6,662	2,663	76,133	-
Claims payable - current	-	-	-	-	322,312
Accrued liabilities	90,333	5,923	5,471	101,727	-
Current maturities of notes payable	190,152	-	-	190,152	-
	<u>659,639</u>	<u>311,820</u>	<u>9,500</u>	<u>980,959</u>	<u>399,383</u>
Payable from restricted assets:					
Current portion of revenue bonds	1,185,000	-	-	1,185,000	-
Accrued interest	5,925	-	-	5,925	-
Deposits	493,277	-	-	493,277	-
	<u>1,684,202</u>	<u>-</u>	<u>-</u>	<u>1,684,202</u>	<u>-</u>
Total current liabilities	<u>2,343,841</u>	<u>311,820</u>	<u>9,500</u>	<u>2,665,161</u>	<u>399,383</u>
NON-CURRENT LIABILITIES					
Compensated absences (net of current portion)	100,211	9,993	3,994	114,198	-
Claims payable (net of current portion)	-	-	-	-	169,306
Notes payable (net of current portion)	3,030,956	-	-	3,030,956	-
Total non-current liabilities	<u>3,131,167</u>	<u>9,993</u>	<u>3,994</u>	<u>3,145,154</u>	<u>169,306</u>
Total liabilities	<u>5,475,008</u>	<u>321,813</u>	<u>13,494</u>	<u>5,810,315</u>	<u>568,689</u>

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021**

	Business-type Activities - Enterprise Funds			Totals	Governmental Activities Internal Service Fund
	Water and Sewer Fund	Solid Waste Fund	Nonmajor Stormwater Fund		
DEFERRED INFLOWS OF RESOURCES					
Pension differences	\$ 1,443,634	\$ 154,676	\$ -	\$ 1,598,310	\$ -
Total deferred inflows of resources	<u>1,443,634</u>	<u>154,676</u>	<u>-</u>	<u>1,598,310</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	29,875,215	-	-	29,875,215	-
Restricted for debt service	3,245,372	-	-	3,245,372	-
Unrestricted	<u>3,018,219</u>	<u>1,961,516</u>	<u>459,092</u>	<u>5,438,827</u>	<u>83,404</u>
Total net position	<u>\$ 36,138,806</u>	<u>\$ 1,961,516</u>	<u>\$ 459,092</u>	\$ 38,559,414	<u>\$ 83,404</u>
				574,544	
				<u>\$ 39,133,958</u>	

Adjustment to reflect consolidation of internal service fund activities related to enterprise funds

Net position of business-type activities

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

CITY OF MILLEDGEVILLE, GEORGIA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-type Activities - Enterprise Funds				Governmental
	Water and Sewer Fund	Solid Waste Fund	Nonmajor Stormwater Fund	Totals	Internal Service Fund
Operating revenues					
Water sales	\$ 3,108,766	\$ -	\$ -	\$ 3,108,766	\$ -
Sewer sales	3,538,884	-	-	3,538,884	-
Sanitation fees	-	2,069,239	-	2,069,239	-
Stormwater fees	-	-	700,516	700,516	-
Tap fees	127,366	-	-	127,366	-
Late charges	126,872	-	-	126,872	-
Activation fees	39,425	-	-	39,425	-
Charges for services	-	-	-	-	512,479
Miscellaneous income	1,574,175	-	-	1,574,175	837,797
Total operating revenues	8,515,488	2,069,239	700,516	11,285,243	1,350,276
Operating expenses					
Water administration	150,951	-	-	150,951	-
Wastewater administration	141,228	-	-	141,228	-
Sanitary sewer maintenance	576,588	-	-	576,588	-
Sewer plants and lift station	1,499,037	-	-	1,499,037	-
Lamar Hamm Water Treatment Plant	1,291,943	-	-	1,291,943	-
James Baugh Water Treatment Plant	123,121	-	-	123,121	-
Distribution	1,032,388	-	-	1,032,388	-
Water meter	511,684	-	-	511,684	-
Solid waste collection	-	1,620,512	-	1,620,512	-
Yard trimmings collection and management	-	447,484	-	447,484	-
Stormwater	-	-	406,059	406,059	-
Insurance claims	-	-	-	-	437,940
Depreciation	1,436,560	-	3,899	1,440,459	-
Total operating expenses	6,763,500	2,067,996	409,958	9,241,454	437,940
Operating income	1,751,988	1,243	290,558	2,043,789	912,336

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-type Activities - Enterprise Funds			Totals	Governmental Activities Internal Service Fund
	Water and Sewer Fund	Solid Waste Fund	Nonmajor Stormwater Fund		
Non-operating revenues (expenses)					
Interest revenue	\$ 99,596	\$ -	\$ -	\$ 99,596	\$ 4,058
Interest and fiscal charges	(161,101)	-	-	(161,101)	-
Net decrease in fair value of investments	(56,905)	-	-	(56,905)	-
Total non-operating revenues (expenses)	<u>(118,410)</u>	<u>-</u>	<u>-</u>	<u>(118,410)</u>	<u>4,058</u>
Income before contributions and transfers	1,633,578	1,243	290,558	1,925,379	916,394
Capital contributions	510,580	-	-	510,580	-
Transfers out	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>	<u>-</u>
Change in net position (deficit)	1,144,158	1,243	290,558	1,435,959	916,394
Net position (deficit), July 1	<u>34,994,648</u>	<u>1,960,273</u>	<u>168,534</u>	<u>37,123,455</u>	<u>(832,990)</u>
Net position, June 30	<u>\$ 36,138,806</u>	<u>\$ 1,961,516</u>	<u>\$ 459,092</u>	<u>\$ 38,559,414</u>	<u>\$ 83,404</u>

**Reconciliation of change in net position of the enterprise funds to change
 in net position of business-type activities:**

Change in net position of enterprise funds (from above)	\$ 1,435,959
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds	<u>(23,115)</u>
Change in net position of business-type activities	<u>\$ 1,412,844</u>

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

CITY OF MILLEDGEVILLE, GEORGIA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-type Activities - Enterprise Funds				Governmental
	Water and Sewer Fund	Solid Waste Fund	Nonmajor Stormwater Fund	Totals	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 8,504,738	\$ 2,064,824	\$ 708,030	\$ 11,277,592	\$ -
Receipts from interfund providers	-	-	-	-	1,350,276
Payments to suppliers and service providers	(3,137,517)	(1,969,106)	(312,897)	(5,419,520)	(1,271,414)
Payments to employees	(2,390,302)	(237,070)	(104,585)	(2,731,957)	-
Net cash provided by (used in) operating activities	2,976,919	(141,352)	290,548	3,126,115	78,862
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(109,121)	-	-	(109,121)	-
Interest on investments	99,596	-	-	99,596	4,058
Net cash used in investing activities	(9,525)	-	-	(9,525)	4,058
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfer to other funds	(1,000,000)	-	-	(1,000,000)	-
Net cash used in non-capital financing activities	(1,000,000)	-	-	(1,000,000)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(124,193)	-	(207,965)	(332,158)	-
Interest and fiscal charges paid	(80,162)	-	-	(80,162)	-
Principal payments on long-term borrowings	(1,301,363)	-	-	(1,301,363)	-
Net cash used in capital and related financing activities	(1,505,718)	-	(207,965)	(1,713,683)	-
Increase (decrease) in cash	461,676	(141,352)	82,583	402,907	82,920
Cash, July 1	7,690,220	2,250,093	106,138	10,046,451	569,173
Cash, June 30	\$ 8,151,896	\$ 2,108,741	\$ 188,721	\$ 10,449,358	\$ 652,093

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-type Activities - Enterprise Funds				Governmental
	Water and Sewer Fund	Solid Waste Fund	Nonmajor Stormwater Fund	Totals	Internal Service Fund
Classified as:					
Cash	\$ 5,946,437	\$ 2,108,741	\$ 188,721	\$ 8,243,899	\$ 652,093
Restricted assets, cash	2,205,459	-	-	2,205,459	-
	<u>\$ 8,151,896</u>	<u>\$ 2,108,741</u>	<u>\$ 188,721</u>	<u>\$ 10,449,358</u>	<u>\$ 652,093</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income	\$ 1,751,988	\$ 1,243	\$ 290,558	\$ 2,043,789	\$ 912,336
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	1,436,560	-	3,899	1,440,459	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(9,241)	(4,415)	7,514	(6,142)	-
Decrease in inventory	289,500	-	-	289,500	-
Increase in deferred outflows of resources	(19,282)	(20,163)	-	(39,445)	-
Decrease in claims payable	-	-	-	-	(902,959)
Increase (decrease) in accounts payable	(9,802)	(106,899)	(8,789)	(125,490)	69,485
Increase in accrued wages payable	19,320	3,598	3,236	26,154	-
Increase (decrease) in compensated absences payable	(9,598)	2,419	(5,870)	(13,049)	-
Decrease in customer deposits	(1,509)	(135,345)	-	(136,854)	-
Increase (decrease) in net pension asset	(1,422,376)	118,210	-	(1,304,166)	-
Increase in deferred inflows of resources	951,359	-	-	951,359	-
Net cash provided by (used in) operating activities	<u>\$ 2,976,919</u>	<u>\$ (141,352)</u>	<u>\$ 290,548</u>	<u>\$ 3,126,115</u>	<u>\$ 78,862</u>

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-type Activities - Enterprise Funds			Totals	Governmental Activities Internal Service Fund
	Water and Sewer Fund	Solid Waste Fund	Nonmajor Stormwater Fund		
Non-cash investing, capital, and financing activities:					
Contributions of capital assets from SPLOST Fund	\$ 510,580	\$ -	\$ -	\$ 510,580	\$ -
Increase in fair value of investments	56,905	-	-	56,905	-
	<u>\$ 567,485</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 567,485</u>	<u>\$ -</u>

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

CITY OF MILLEDGEVILLE, GEORGIA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021**

		<u>Pension Trust Fund</u>	<u>Custodial Fund School Fund</u>
	ASSETS		
Cash and cash equivalents		\$ 710,719	\$ 48,776
Investments:			
Mutual bond funds		14,038,641	-
Mutual equity funds		18,939,552	-
Taxes receivable		-	61,604
Total assets		<u>33,688,912</u>	<u>110,380</u>
	LIABILITIES		
Accounts payable		503	-
Due to others		-	52,318
Uncollected taxes		-	42,628
Total liabilities		<u>503</u>	<u>94,946</u>
	NET POSITION		
Restricted for pension benefits		33,688,409	-
Restricted for other organizations		-	15,434
Total net position		<u>\$ 33,688,409</u>	<u>\$ 15,434</u>

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

CITY OF MILLEDGEVILLE, GEORGIA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Pension Trust Fund</u>	<u>Custodial Fund School Fund</u>
ADDITIONS		
Contributions - employer	\$ 1,486,193	\$ -
Taxes collected	-	427,516
Investment income		
Net appreciation in fair value of investments	5,837,973	-
Interest income	592,653	-
Total additions	<u>7,916,819</u>	<u>427,516</u>
DEDUCTIONS		
Benefits	1,246,315	-
Administrative expense	141,722	-
Taxes disbursed	-	416,794
Total deductions	<u>1,388,037</u>	<u>416,794</u>
Net increase	6,528,782	10,722
Net position, July 1, restated	<u>27,159,627</u>	<u>4,712</u>
Net position, June 30	<u>\$ 33,688,409</u>	<u>\$ 15,434</u>

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

CITY OF MILLEDGEVILLE, GEORGIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Milledgeville, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City operates under a council/manager form of government and provides the following services to its citizens: public safety, public works, sanitation, water and sewer, culture and recreation, municipal court, and general and administrative services. As required by generally accepted accounting principles, these financial statements present the primary government and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational and financial relationship with the City. In conformity with accounting principles generally accepted in the United States of America, as set forth in GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, the financial statements of the component units are discretely presented in the government-wide financial statements.

The Milledgeville-Baldwin County Allied Arts ("Allied Arts") is governed by a seven-member board, of which three members are appointed by the City, and one member is a joint appointment of the City and Baldwin County. The City approves the annual funding portion of the budget requested by Allied Arts, which is administered by the appointed Allied Arts Board. In addition, the City provides a substantial majority of funding for the operation of Allied Arts; therefore, Allied Arts is considered to be fiscally dependent on the City. Allied Arts is presented as a governmental fund type component unit. Separate statements are not prepared for the Milledgeville-Baldwin County Allied Arts.

The Milledgeville Downtown Development Authority (the "Authority") is governed by a six-member board, all of which are appointed by the City Council. The individual responsible for the day-to-day operations of the Authority is an employee of the City. The Authority is presented as a governmental fund type component unit. Separate statements are not prepared for the Milledgeville Downtown Development Authority.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Special Purpose Local Option Sales Tax Fund ("SPLOST")** accounts for the construction or acquisition of major capital facilities financed by SPLOST proceeds.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The City reports the following major business-type funds:

The **Water and Sewer Fund** accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

The **Solid Waste Fund** accounts for the provision of sanitation services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

Additionally, the City reports the following fund types:

The **Special Revenue Funds** account for specific revenues that are legally restricted to expenditures for particular purposes.

The **Enterprise Fund** accounts for the provision of stormwater services to the residents of the City.

The **Internal Service Fund** accounts for assets set aside for claim settlements for general liability and workers' compensation claims.

The **Pension Trust Fund** accounts for the activities of the City of Milledgeville Pension Plan, which accumulates resources for pension benefit payments to qualified employees.

The **Custodial Fund** accounts for the 1 mill tax collected by the City as an agent for Georgia Military College.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and the other functions of the government. Elimination of these charges would distort the direct costs reported for the various functions concerned.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Amounts reported as *program revenues* include: 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges for goods and services provided. Operating expenses of the enterprise fund include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. For purposes of the statement of cash flows, the enterprise funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Investments (Continued)

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

E. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

F. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (“FIFO”) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

G. Prepaid Expenditures/Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items. The cost of prepaid items is recorded as an expenditure/expense when consumed rather than when purchased.

H. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. In the case of the initial capitalization of infrastructure assets, the City chose to include all such items regardless of the acquisition date. The government was able to estimate the historical cost for the initial reporting of these assets through back trending.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Property, plant and equipment of the primary government, as well as the component unit, are depreciated using the straight-line method over the following useful lives:

<u>Asset</u>	<u>Years</u>
Land improvements	10
Buildings	10 – 50
Infrastructure	10 – 50
Machinery and equipment	3 – 50

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences

In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits because these benefits are paid upon the illness of an employee and the amount of such payments cannot be reasonably estimated. Accumulated unpaid vacation costs are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the straight-line method, which approximates the effective interest method. The gain on defeasance of bonds is presented as an addition to the face amount of bonds payable and is being amortized over the life of the bonds through interest expense. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources. Bond issuance costs, whether or not withheld from proceeds are reported as expenses/expenditures when incurred.

L. Deferred Outflows/Inflows

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City did not have any items that qualify for reporting in this category for the year ended June 30, 2021, with the exception of the pension items discussed on the following page.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows (Continued)

In addition to liabilities, the statement of net position and the balance sheet for governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category in addition to the pension items discussed below. This item arises only under the modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes and grants and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance constraints are classified as follows:

- **Non-spendable** – Fund balances are reported as non-spendable when amounts cannot be spent because they are either: a) not in spendable form (i.e., items that are not expected to be converted to cash, such as inventory or prepaid items), or b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments (e.g., grants or donations).
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund. City Council has the authority to assign fund balance.
- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criteria. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

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

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction, or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

N. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. LEGAL COMPLIANCE – BUDGETS

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to May 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means for financing them.
2. Public hearings are conducted at City Hall to obtain citizen comments.
3. Prior to July 1, the budget is legally enacted through passage of a resolution.
4. Transfers of budgeted amounts between line items in a department must be approved by the City Manager. Any revisions that alter the total expenditures of any department must be approved by City Council. Requests for additional personnel within a department must also be approved by City Council. Encumbrances at year-end are carried forward to the ensuing year's budget.
5. Budgets for the General and Special Revenue Funds are legally adopted on a departmental basis and on a basis consistent with GAAP and are presented in accordance with finance-related legal and contractual provisions. To ensure sound financial administration, the City Council also adopts an annual operating budget for the City's Enterprise Funds, the Water and Sewer Fund and Solid Waste Fund. The budget is not formally integrated with the accounts of the Enterprise Funds, but interim detailed management reports are developed which indicate specific variances from the planned budget for operations.
6. Budgeted amounts are as originally adopted on June 23, 2020, or as amended by the City Council. The supplementary budgetary appropriations made were not material.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS

Cash and investments are summarized as follows at June 30, 2021:

As reported in the financial statements	
Cash and cash equivalents	\$ 20,675,816
Investments	107,293
Restricted assets, cash	2,205,459
Restricted assets, investments	1,039,913
Cash and cash equivalents - Pension Trust Fund	710,719
Investments - Pension Trust Fund	32,978,193
Cash - Custodial Fund	48,776
	<u>\$ 57,766,169</u>
Cash deposited with financial institutions	\$ 23,640,770
Georgia Fund 1	107,293
Mutual equity funds	14,038,641
Mutual bond funds	18,939,552
U.S. treasury bonds	1,039,913
	<u>\$ 57,766,169</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

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

The City has no formal credit risk policy other than to only invest in obligations authorized by the State of Georgia.

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

At June 30, 2021, the City’s investments, categorized by credit risk and interest rate risk, were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>				<u>Rating</u>
		<u>Less than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>11 - 15</u>	
Government bonds	\$ 1,039,913	\$ 1,039,913	\$ -	\$ -	\$ -	AAA
Mutual bond funds	18,939,552	-	18,939,552	-	-	N/A
Mutual equity funds	14,038,641	14,038,641	-	-	-	N/A
Georgia Fund 1	107,293	107,293	-	-	-	AAAf
Total fair value	<u>\$ 34,125,399</u>	<u>\$ 15,185,847</u>	<u>\$ 18,939,552</u>	<u>\$ -</u>	<u>\$ -</u>	

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Investments of Allied Arts (component unit) consist of a certificate of deposit in the amount of \$26,752, which matures in December 2021. Investments of Milledgeville Downtown Development Authority (component unit) consist of certificates of deposit in the amount of \$61,277, which have maturities from February 2022 to February 2023. These amounts are not included in the above schedule.

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

The City has the following recurring fair value measurements as of June 30, 2021:

Investment	Level 1	Level 2	Level 3	Fair Value
Government bonds	\$ 696,992	\$ 342,921	\$ -	\$ 1,039,913
Mutual equity funds	18,939,552	-	-	18,939,552
Mutual bond funds	14,038,641	-	-	14,038,641
Total investments measured at fair value	\$ 33,675,185	\$ 342,921	\$ -	34,018,106
Investments not subject to level disclosure:				
Georgia Fund 1				107,293
				\$ 34,125,399

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

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

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

The reporting of investments at fair value in accordance with GASB Statement No. 31 resulted in an unrealized gain of \$56,905, which is reflected in the Water and Sewer Fund and an unrealized gain of \$2,700,127, which is reflected in the Pension Trust Fund.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2021, none of the City's deposits were exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

Receivables consisted of the following at June 30, 2021:

	General	Water and Sewer	Solid Waste	Nonmajor Governmental	Nonmajor Enterprise	Total
Receivables:						
Taxes	\$ 554,507	\$ -	\$ -	\$ 70,823	\$ -	\$ 625,330
Accounts	27,419	1,174,857	233,910	-	160,275	1,596,461
Gross receivables	581,926	1,174,857	233,910	70,823	160,275	2,221,791
Less allowance for uncollectibles	(120,511)	(188,230)	(62,493)	-	(80,476)	(451,710)
Net total receivables	\$ 461,415	\$ 986,627	\$ 171,417	\$ 70,823	\$ 79,799	\$ 1,770,081

Property taxes are levied by the City based on the assessed value of property as listed on the digest furnished by Baldwin County. Assessed values are 40% of market value and are based on current property value.

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

Property taxes attach as an enforceable lien on property as of January 1. Taxes were levied on October 31, 2020, and payable on or before December 31, 2020. A 5% penalty was assessed on unpaid balances as of January 7, 2021, with interest accrued at 5/12 of the prime rate each month. The City bills and collects its own property taxes. Property taxes for 2020 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the fiscal year ended June 30, 2021, and expected to be collected by August 31, 2021, are recognized as revenues in fiscal year 2021. Net receivables estimated to be collectible subsequent to August 31, 2021, are recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are re-evaluated annually.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021, is as follows:

	<u>Balance July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance June 30, 2021</u>
Primary Government					
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 2,468,098	\$ -	\$ -	\$ -	\$ 2,468,098
Construction in progress	2,166,709	-	(56,336)	(2,110,373)	-
Total	<u>4,634,807</u>	<u>-</u>	<u>(56,336)</u>	<u>(2,110,373)</u>	<u>2,468,098</u>
Capital assets, being depreciated:					
Buildings	6,875,318	166,946	-	(47,989)	6,994,275
Land improvements	165,737	-	-	71,145	236,882
Infrastructure	24,976,987	117,558	-	1,907,241	27,001,786
Machinery and equipment	10,295,977	1,089,165	(74,349)	(330,604)	10,980,189
Total	<u>42,314,019</u>	<u>1,373,669</u>	<u>(74,349)</u>	<u>1,599,793</u>	<u>45,213,132</u>
Less accumulated depreciation for:					
Buildings	3,458,482	180,487	-	-	3,638,969
Land improvements	146,105	2,738	-	-	148,843
Infrastructure	20,237,419	238,233	-	-	20,475,652
Machinery and equipment	8,934,524	401,225	(74,349)	-	9,261,400
Total	<u>32,776,530</u>	<u>822,683</u>	<u>(74,349)</u>	<u>-</u>	<u>33,524,864</u>
Total assets, being depreciated, net	<u>9,537,489</u>	<u>550,986</u>	<u>-</u>	<u>1,599,793</u>	<u>11,688,268</u>
Governmental activities capital assets, net	<u>\$ 14,172,296</u>	<u>\$ 550,986</u>	<u>\$ (56,336)</u>	<u>\$ (510,580)</u>	<u>\$ 14,156,366</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

	<u>Balance July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance June 30, 2021</u>
Primary Government					
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 181,310	\$ -	\$ -	\$ -	\$ 181,310
Construction in progress	2,927,140	-	-	-	2,927,140
Total	<u>3,108,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,108,450</u>
Capital assets, being depreciated:					
Buildings	21,298,180	13,663	-	109,976	21,421,819
Land improvements	293,031	64,437	-	-	357,468
Infrastructure	28,652,713	207,965	-	70,000	28,930,678
Machinery and equipment	6,384,922	46,092	-	330,604	6,761,618
Total	<u>56,628,846</u>	<u>332,157</u>	<u>-</u>	<u>510,580</u>	<u>57,471,583</u>
Less accumulated depreciation for:					
Buildings	9,841,324	434,298	-	-	10,275,622
Land improvements	106,161	1,911	-	-	108,072
Infrastructure	13,000,970	763,950	-	-	13,764,920
Machinery and equipment	4,816,884	240,300	-	-	5,057,184
Total	<u>27,765,339</u>	<u>1,440,459</u>	<u>-</u>	<u>-</u>	<u>29,205,798</u>
Total assets, being depreciated, net	<u>28,863,507</u>	<u>(1,108,302)</u>	<u>-</u>	<u>510,580</u>	<u>28,265,785</u>
Business-type activities capital assets, net	<u>\$ 31,971,957</u>	<u>\$ (1,108,302)</u>	<u>\$ -</u>	<u>\$ 510,580</u>	<u>\$ 31,374,235</u>

Included in transfers above are additions acquired through the use of SPLOST funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the City as follows:

**Primary Government
Governmental activities:**

General government	\$ 180,707
Public safety	266,458
Public works	371,156
Culture and recreation	<u>4,362</u>

Total depreciation expense - governmental activities \$ 822,683

Business-type activities:

Water and sewer	\$ 1,436,560
Stormwater	<u>3,899</u>

Total depreciation expense - business-type activities \$ 1,440,459

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT

Revenue Bonds – Business-type. In 1996, the City issued \$16,545,000 of serial bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Proceeds from these bonds were used to finance water and sewer system improvements. All operating revenues of the Water and Sewer Fund are pledged to secure the remaining outstanding balance of the bonds.

Revenue bonds outstanding at June 30, 2021 are as follows:

Purpose	Interest Rates	Terms	Due Date	Amount
Water and Sewer Improvements	3.60% - 6.00%	25 years	2022	\$ 1,185,000

Revenue bonds debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 1,185,000	\$ 35,500	\$ 1,220,500

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Notes Payable – Business-type. The City has incurred debt to the Georgia Environmental Finance Authority (“GEFA”) for various water and sewer system projects. These notes are as follows at June 30, 2021:

<u>Original Amount</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Due Date</u>	<u>Outstanding Balance</u>
\$ 351,518	3.00%	15 years	2027	\$ 145,467
444,477	0.81%	10 years	2029	325,811
3,000,000	2.25%	20 years	2040	2,749,830
				<u>\$ 3,221,108</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 190,152	\$ 67,125	\$ 257,277
2023	194,026	63,249	257,275
2024	197,991	59,285	257,276
2025	202,046	55,229	257,275
2026	206,195	51,080	257,275
2027 – 2031	825,017	200,558	1,025,575
2032 – 2036	794,236	115,055	909,291
2037 – 2040	611,445	24,968	636,413
	<u>\$ 3,221,108</u>	<u>\$ 636,549</u>	<u>\$ 3,857,657</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Long-term liability activity for the year ended June 30, 2021, is as follows:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Due within One year</u>
Governmental activities					
Compensated absences	\$ 513,846	\$ 252,790	\$ 272,485	\$ 494,151	\$ 197,661
Claims payable	1,394,577	368,455	1,271,414	491,618	322,312
Long-term liabilities	<u>\$ 1,908,423</u>	<u>\$ 621,245</u>	<u>\$ 1,543,899</u>	<u>\$ 985,769</u>	<u>\$ 519,973</u>
Business-type activities					
Revenue bonds payable	\$ 2,300,000	\$ -	\$ 1,115,000	\$ 1,185,000	\$ 1,185,000
Add deferred amounts for bond premium	17,606	-	17,606	-	-
Total bonds payable	2,317,606	-	1,132,606	1,185,000	1,185,000
Notes payable	3,407,472		186,364	3,221,108	190,152
Compensated absences	203,380	115,514	128,563	190,331	76,133
Long-term liabilities	<u>\$ 5,928,458</u>	<u>\$ 115,514</u>	<u>\$ 1,447,533</u>	<u>\$ 4,596,439</u>	<u>\$ 1,451,285</u>

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

For governmental funds, compensated absences is liquidated by the General Fund. For business-type activities, compensated absences is liquidated by the Water and Sewer Fund, the Solid Waste Fund, and the Stormwater fund. Claims payable are liquidated by the Internal Service Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND TRANSFERS

Transfers to	Transfers from	Amount
General Fund	Water and Sewer Fund	\$ 1,000,000

Transfers are used to: 1) move revenues from the fund that statute or budget requires collecting them to the fund that the statute or budget requires to expend them; 2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; and 3) move unrestricted revenues in the enterprise funds to provide operating funds for the General Fund.

During the year ended June 30, 2021, SPLOST funds totaling \$510,580 were used for capital expenditures of the Water and Sewer Fund. In the fund level financial statements, this amount is shown as capital contributions in the Water and Sewer Fund and as capital outlay in the SPLOST Fund. At the government-wide level, these amounts are reflected as a transfer between governmental activities and business-type activities.

NOTE 8. DEFINED BENEFIT PENSION PLAN

Plan Description

The City of Milledgeville maintains a single employer, defined benefit pension plan, the City of Milledgeville Retirement Plan (the “Plan”). The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The Plan covers all full-time government employees who have completed one year of service. Also, elected and appointed members, including municipal legal officers, are eligible immediately. The Plan does not issue separate financial statements.

Benefit provisions are established by City ordinance, which also grants the authority to establish and amend the contribution requirements of the City to the Plan’s Board of Trustees, subject to the approval of the City Council. The Plan is administered by a Board of Trustees, which includes the Mayor, Finance Director, Personnel Director and two City Council members.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Description (Continued)

Plan Membership. At July 1, 2020, the date of the most recent actuarial valuation, plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	102
Vested terminated employees not yet receiving benefits	41
Active employees	<u>167</u>
Total	<u><u>310</u></u>

Benefits Provided. The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. Retirement benefits for general plan members are calculated as the sum of 1.87% of the final average compensation, multiplied by years of service and .58% of the final average compensation in excess of \$10,000, multiplied by years of service (with a maximum of 30 years). Normal retirement is age 62. General members are eligible for early retirement at age 52 with 10 years of service. Elected and appointed members of the governing authority and municipal legal officers receive \$40, multiplied by years of service. If death occurs after meeting the requirements for normal or early retirement, a pension is payable for life, beginning immediately. The amount of the benefit is equivalent to the lump sum present value of the participant's accrued benefit as of the date of death. If an active participant becomes disabled during the course of his or her employment, the participant is entitled to receive a monthly benefit equal to his or her normal retirement benefit beginning at age 62.

Contributions. A City ordinance grants the authority to establish and amend the contribution requirements of the City to the Plan's Board of Trustees, subject to the approval of the City Council. The City makes all contributions to the Plan; Plan participants are not required to contribute. The contribution rate is established based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of the benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. For the fiscal year ended June 30, 2021, the City's contribution rate was 23.92% of annual covered payroll.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Description (Continued)

Investment policy. The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Plan's Board of Trustees. The Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Plan. No investment policy changes occurred during the fiscal year ended June 30, 2021.

Concentrations. Each of the following mutual fund investments represents 5% or more of the Plan's fiduciary net position: Baird Aggregate Bond Fund, Baird Core Plus Bond Fund, Fidelity Advisor Total Bond Fund, Pimco Funds Income Fund Institutional Class, Voya Intermediate Bond Fund, Vanguard Growth Index Fund, Dodge & Cox Income Fund, and Vanguard Value Index Fund.

Rate of Return. For the year ended June 30, 2021, the annual money-weighted rate of return on Plan investments, net of the Plan investment expenses was 23.67%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Description (Continued)

The Statement of Fiduciary Net Position for the Plan for the year ended June 30, 2021, is presented below.

	Pension Trust Fund
ASSETS	
Cash and cash equivalents	\$ 710,719
Investments:	
Mutual bond funds	14,038,641
Mutual equity funds	<u>18,939,552</u>
Total assets	<u>33,688,912</u>
LIABILITIES	
Accounts payable	<u>503</u>
Total liabilities	<u>503</u>
NET POSITION	
Restricted for pension benefits	<u><u>\$ 33,688,409</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Description (Continued)

The Statement of Changes in Fiduciary Net Position for the Plan for the year ended June 30, 2021, is presented below.

	<u>Pension Trust Fund</u>
ADDITIONS	
Contributions:	
Employer	\$ 1,486,193
Investment income:	
Net appreciation in fair value of investments	5,837,973
Interest income	<u>592,653</u>
Total additions	<u>7,916,819</u>
DEDUCTIONS	
Benefits	1,246,315
Administrative expense	<u>141,722</u>
Total deductions	<u>1,388,037</u>
Change in net position	6,528,782
NET POSITION, BEGINNING OF YEAR	<u>27,159,627</u>
NET POSITION, END OF YEAR	<u><u>\$ 33,688,409</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Asset of the City

The City's net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2020, with roll-forward procedures to June 30, 2021.

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

Inflation	2.00%
Salary increases	3.00%
Investment rate of return	7.00%

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

No experience study has been performed.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity securities	49.00%	7.00%
Fixed income securities	50.00%	3.00%
Cash - money market	1.00%	2.00%
	100.00%	

Expected Inflation: 2.00%

Using a building-block method in which best-estimate ranges of expense and inflation) are developed for each major asset weighting the expected future real rates of return by the target rebalancing/diversification. Best estimates of arithmetic real reversion as of June 30, 2021, are as follows:

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Asset of the City (Continued)

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

Changes in the Net Pension Asset of the City. The changes in the components of the net pension asset of the City for the year ended June 30, 2021, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balances at June 30, 2020	\$ 29,069,510	\$ 27,159,627	\$ 1,909,883
Changes for the year:			
Service cost	423,870	-	423,870
Interest	2,034,706	-	2,034,706
Differences between expected and actual experience	168,398	-	168,398
Contributions - employer	-	1,486,193	(1,486,193)
Net investment income	-	6,431,435	(6,431,435)
Benefit payments, including refunds of employee contributions	(1,246,315)	(1,246,315)	-
Administrative expense	-	(128,959)	128,959
Other	-	(13,572)	13,572
Net changes	1,380,659	6,528,782	(5,148,123)
Balances at June 30, 2021	<u>\$ 30,450,169</u>	<u>\$ 33,688,409</u>	<u>\$ (3,238,240)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Asset of the City (Continued)

Changes in the Net Pension Asset of the City (Continued). The required schedule of changes in the City's net pension asset and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of the Plan assets is increasing or decreasing over time relative to the total pension liability.

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's net pension asset	\$ 450,897	\$ (3,238,240)	\$ (6,365,874)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2021, and the current sharing pattern of costs between employer and employee.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Expense and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the City recognized pension income of \$325,812. At June 30, 2021, 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	\$ 2,023,366	\$ 1,594,957
Net difference between projected and actual earnings on pension plan investments	-	3,560,878
Total	\$ 2,023,366	\$ 5,155,835

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

<u>Year Ending June 30:</u>	
2022	\$ (886,737)
2023	(835,950)
2024	(816,557)
2025	(874,162)
2026	36,867
Thereafter	244,070
	\$ (3,132,469)

NOTES TO FINANCIAL STATEMENTS

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS

Employees who retire with at least ten years of employment and who are at least 52 years of age have the option of continuing their life insurance plan. The City will pay 100% of the monthly premium until such time as the retiree expires. The amounts associated with the plan are immaterial to the financial statements and, accordingly, the City has elected not to implement GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefit Plans Other Than Pensions*.

NOTE 10. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Beginning in 1992, the City elected to stop carrying commercial insurance because of its prohibitive cost and began covering all claim settlements and judgments out of its General Fund and Water and Sewer Fund resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

Liabilities include an amount for claims that have been incurred but not reported (“IBNRs”). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The liability for claims and judgments is reported in the Risk Management Fund because it is expected to be liquidated with expendable available financial resources. Change in the balances of claims liabilities during the past year are as follows:

	June 30, 2021	June 30, 2020
Unpaid claims, beginning of year	\$ 1,394,577	\$ 1,050,683
Incurred claims and changes in estimate	368,455	714,908
Claim payments	(1,271,414)	(371,014)
Unpaid claims, end of year	\$ 491,618	\$ 1,394,577

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OPERATING LEASE

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

<u>Fiscal Year Ending June 30,</u>	
2022	\$ 18,498
2023	13,340
2024	9,078
2025	8,736
2026	8,140
	<u>\$ 57,792</u>

Governmental activities rent expense for the fiscal year ended June 30, 2021, was \$12,807.

NOTE 12. COMMITMENTS AND CONTINGENCIES

Litigation

The City is involved in several small or pending lawsuits. In the opinion of management, based on consultations with legal counsel, an unfavorable outcome in excess of insurance coverage is unlikely.

Grant Contingencies

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

NOTES TO FINANCIAL STATEMENTS

NOTE 13. HOTEL/MOTEL LODGING TAX

The City has levied an 8% lodging tax. A summary of the transactions for the fiscal year ended June 30, 2021, are as follows:

Balance of lodging tax funds on hand at July 1, 2020	\$ 957,383
Lodging tax receipts	611,474
Disbursements to Convention and Visitors Bureau	<u>(515,220)</u>
Balance of lodging tax funds on hand at June 30, 2021	<u>\$ 1,053,637</u>

NOTE 14. RELATED ORGANIZATIONS

The City's governing board is responsible for all of the board appointments of the Milledgeville Housing Authority. However, the City has no further accountability for this organization.

NOTE 15. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the 11-county, 22-city middle Georgia area, is a member of the Middle Georgia Regional Commission ("RC") and is required to pay annual dues thereto. During its fiscal year ended June 30, 2021, the City paid \$24,198 in such dues. Membership in an RC is required by the O.C.G.A. §50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality in the area. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

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

NOTES TO FINANCIAL STATEMENTS

NOTE 16. RESTATEMENT FOR CHANGE IN ACCOUNTING PRINCIPLE

In conjunction with the implementation of GASB Statement No. 84, *Fiduciary Activities*, the City is required to reevaluate the accounting treatment of fiduciary activities. The new standard requires the City to determine if funds are still considered fiduciary, and if so, if they are considered custodial funds under the new definitions of GASB Statement No. 84. Therefore, in conjunction with the implementation of GASB Statement No. 84, the following restatement was required to the beginning net position of the Fiduciary Activities to properly report the custodial funds.

	Custodial Funds
Net position as of June 30, 2020, as previously reported	\$ -
Recognition of the beginning net position of the agency fund now reported as a custodial fund	<u>4,712</u>
Fund balance as of June 30, 2020, as restated	<u><u>\$ 4,712</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS FOR THE FISCAL YEAR ENDED JUNE 30,

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 423,870	\$ 453,685	\$ 427,568	\$ 448,504	\$ 430,634	\$ 261,754	\$ 273,435	\$ 286,087
Interest on total pension liability	2,034,706	1,952,280	1,937,429	1,798,678	1,710,065	1,499,115	1,324,357	1,286,529
Assumption changes	-	-	-	-	-	1,946,773	-	-
Differences between expected and actual experience	168,398	(1,159,340)	698,867	(112,881)	1,884,541	(383,212)	(466,536)	-
Benefit payments	(1,246,315)	(1,278,843)	(996,649)	(887,799)	(784,770)	(695,285)	(598,796)	(559,165)
Net change in total pension liability	1,380,659	(32,218)	2,067,215	1,246,502	3,240,470	2,629,145	532,460	1,013,451
Total pension liability - beginning	29,069,510	29,101,728	27,034,513	25,788,011	22,547,541	19,918,396	19,385,936	18,372,485
Total pension liability - ending	30,450,169	29,069,510	29,101,728	27,034,513	25,788,011	22,547,541	19,918,396	19,385,936
Plan fiduciary net position								
Contributions - employer	1,486,193	1,323,022	1,275,801	1,131,748	986,863	4,506,497	1,460,385	1,577,454
Net investment income	6,431,435	1,491,483	1,753,573	1,779,865	2,178,733	126,091	694,567	1,843,724
Benefit payments	(1,246,315)	(1,278,843)	(996,649)	(887,799)	(784,770)	(695,285)	(598,796)	(548,099)
Administrative expenses	(128,959)	-	(103,952)	(99,258)	(125,881)	(115,337)	(101,692)	(70,161)
Other	(13,572)	31,590	-	-	-	-	-	-
Net change in Plan fiduciary net position	6,528,782	1,567,252	1,928,773	1,924,556	2,254,945	3,821,966	1,454,464	2,802,918
Plan fiduciary net position - beginning	27,159,627	25,592,375	23,663,602	21,739,046	19,484,101	15,662,135	14,207,671	11,404,753
Plan fiduciary net position - ending	33,688,409	27,159,627	25,592,375	23,663,602	21,739,046	19,484,101	15,662,135	14,207,671
Net pension liability (asset) - ending	\$ (3,238,240)	\$ 1,909,883	\$ 3,509,353	\$ 3,370,911	\$ 4,048,965	\$ 3,063,440	\$ 4,256,261	\$ 5,178,265
Plan fiduciary net position as a percentage of total pension liability	110.63%	93.43%	87.94%	87.53%	84.30%	86.41%	78.63%	73.29%
Covered payroll	\$ 6,214,145	\$ 6,703,051	\$ 6,703,313	\$ 6,441,274	\$ 6,366,103	\$ 6,313,985	\$ 6,531,022	\$ 6,350,000
Net pension liability (asset) as a percentage of covered payroll	-52.11%	28.49%	52.35%	52.33%	63.60%	48.52%	65.17%	81.55%

Note to the Schedule:

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

CITY OF MILLEDGEVILLE, GEORGIA

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 593,782	\$ 727,382	\$ 851,940	\$ 857,961	\$ 849,017	\$ 822,217	\$ 867,486	\$ 1,014,005
Contribution in relation to the actuarially determined contribution	<u>1,486,193</u>	<u>1,323,022</u>	<u>1,275,801</u>	<u>1,131,748</u>	<u>986,863</u>	<u>4,506,497</u>	<u>1,460,385</u>	<u>1,569,685</u>
Contribution (excess)	<u>\$ (892,411)</u>	<u>\$ (595,640)</u>	<u>\$ (423,861)</u>	<u>\$ (273,787)</u>	<u>\$ (137,846)</u>	<u>\$ (3,684,280)</u>	<u>\$ (592,899)</u>	<u>\$ (555,680)</u>
Covered payroll	\$ 6,214,145	\$ 6,703,051	\$ 6,703,313	\$ 6,441,274	\$ 6,366,103	\$ 6,313,985	\$ 6,531,022	\$ 6,350,000
Contributions as a percentage of covered payroll	23.92%	19.74%	19.03%	17.57%	15.50%	71.37%	22.36%	24.72%

Notes to the Schedule:

Valuation date	July 1, Beginning of Year
Cost method	Projected Unit Credit
Actuarial Asset Valuation Method	5 year smoothed
Assumed rate of return on investments	7.00%
Projected salary increases	3.00%
Amortization method	Per Georgia Statute

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

CITY OF MILLEDGEVILLE, GEORGIA

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION INVESTMENT RETURNS
FOR THE FISCAL YEAR ENDED JUNE 30,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expenses for the City of Milledgeville's pension plan.	<u><u>23.67%</u></u>	<u><u>6.19%</u></u>	<u><u>7.67%</u></u>	<u><u>8.33%</u></u>	<u><u>10.77%</u></u>	<u><u>0.80%</u></u>	<u><u>4.88%</u></u>	<u><u>16.12%</u></u>

Note to the Schedule:

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

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Hotel/Motel Tax Fund – This fund is used to account for hotel/motel taxes collected.

Community Development Block Grant (“CDBG”) Program Income Fund – This fund is used to account for the activity of the City’s community development block grant programs. Financing was originally provided by a grant received from the U.S. Department of Housing and Urban Development through the State of Georgia Department of Community Affairs.

Confiscated Assets Fund – This fund is used to account for condemnation proceeds. Funds may be used for public safety purposes except for salaries

CITY OF MILLEDGEVILLE, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds			Total
	Hotel/Motel Tax Fund	CDBG Program Income Fund	Confiscated Assets Fund	
ASSETS				
Cash and cash equivalents	\$ 1,090,464	\$ 691,944	\$ 130,416	\$ 1,912,824
Taxes receivable	70,823	-	-	70,823
Notes receivable	-	277,416	-	277,416
Total assets	<u>\$ 1,161,287</u>	<u>\$ 969,360</u>	<u>\$ 130,416</u>	<u>\$ 2,261,063</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 107,650	\$ -	\$ -	\$ 107,650
Total liabilities	<u>107,650</u>	<u>-</u>	<u>-</u>	<u>107,650</u>
FUND BALANCES				
Restricted for housing and development programs	-	969,360	-	969,360
Restricted for promotion of tourism	1,053,637	-	-	1,053,637
Restricted for public safety programs	-	-	130,416	130,416
Total fund balances	<u>1,053,637</u>	<u>969,360</u>	<u>130,416</u>	<u>2,153,413</u>
Total liabilities and fund balances	<u>\$ 1,161,287</u>	<u>\$ 969,360</u>	<u>\$ 130,416</u>	<u>\$ 2,261,063</u>

CITY OF MILLEDGEVILLE, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds			Total
	Hotel/Motel Tax Fund	CDBG Program Income Fund	Confiscated Assets Fund	
Revenues				
Taxes	\$ 611,474	\$ -	\$ -	\$ 611,474
Interest revenue	-	7,581	229	7,810
Total revenues	<u>611,474</u>	<u>7,581</u>	<u>229</u>	<u>619,284</u>
Expenditures				
Current:				
Public safety	-	-	2,995	2,995
Housing and development	515,220	1,210	-	516,430
Total expenditures	<u>515,220</u>	<u>1,210</u>	<u>2,995</u>	<u>519,425</u>
Net change in fund balances	96,254	6,371	(2,766)	99,859
Fund balances, July 1	<u>957,383</u>	<u>962,989</u>	<u>133,182</u>	<u>2,053,554</u>
Fund balances, June 30	<u>\$ 1,053,637</u>	<u>\$ 969,360</u>	<u>\$ 130,416</u>	<u>\$ 2,153,413</u>

CITY OF MILLEDGEVILLE, GEORGIA

**SPECIAL REVENUE FUND
HOTEL/MOTEL TAX FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues, taxes	\$ 550,000	\$ 611,474	\$ 61,474
Expenditures, housing and development	<u>550,000</u>	<u>515,220</u>	<u>34,780</u>
Net change in fund balances	-	96,254	96,254
Fund balances, July 1	<u>957,383</u>	<u>957,383</u>	<u>-</u>
Fund balances, June 30	<u><u>\$ 957,383</u></u>	<u><u>\$ 1,053,637</u></u>	<u><u>\$ 96,254</u></u>

CITY OF MILLEDGEVILLE, GEORGIA

**SPECIAL REVENUE FUND
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM INCOME FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues, interest revenue	\$ 9,000	\$ 7,581	\$ (1,419)
Expenditures, housing and development	<u>9,000</u>	<u>1,210</u>	<u>7,790</u>
Net change in fund balances	-	6,371	6,371
Fund balances, July 1	<u>962,989</u>	<u>962,989</u>	<u>-</u>
Fund balances, June 30	<u><u>\$ 962,989</u></u>	<u><u>\$ 969,360</u></u>	<u><u>\$ 6,371</u></u>

CITY OF MILLEDGEVILLE, GEORGIA

**SPECIAL REVENUE FUND
CONFISCATED ASSETS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues, interest revenue	\$ 5,000	\$ 229	\$ (4,771)
Expenditures, public safety	<u>5,000</u>	<u>2,995</u>	<u>2,005</u>
Net change in fund balances	-	(2,766)	(2,766)
Fund balances, July 1	<u>133,182</u>	<u>133,182</u>	<u>-</u>
Fund balances, June 30	<u><u>\$ 133,182</u></u>	<u><u>\$ 130,416</u></u>	<u><u>\$ (2,766)</u></u>

COMPONENT UNITS

CITY OF MILLEDGEVILLE, GEORGIA
BALANCE SHEET
COMPONENT UNIT
MILLEDGEVILLE-BALDWIN COUNTY ALLIED ARTS
JUNE 30, 2021

ASSETS

Cash	\$ 180,417
Investments	<u>26,752</u>
Total assets	<u><u>\$ 207,169</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accrued liabilities	<u>\$ 1,251</u>
Total liabilities	<u>1,251</u>

FUND BALANCE

Unassigned	<u>205,918</u>
Total liabilities and fund balance	<u><u>\$ 207,169</u></u>

CITY OF MILLEDGEVILLE, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNIT
MILLEDGEVILLE-BALDWIN COUNTY ALLIED ARTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Revenues	
Intergovernmental	\$ 203,554
Interest revenue	210
Other revenues	<u>21,673</u>
Total revenues	225,437
Expenditures, culture and recreation	<u>206,544</u>
Net change in fund balance	18,893
Fund balance, July 1	<u>187,025</u>
Fund balance, June 30	<u><u>\$ 205,918</u></u>

CITY OF MILLEDGEVILLE, GEORGIA

**BALANCE SHEET
COMPONENT UNIT
DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2021**

ASSETS

Cash	\$	43,201
Investments		61,277
Note receivable		<u>4,267</u>
Total assets	\$	<u><u>108,745</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	<u>226</u>
Total liabilities		<u>226</u>

FUND BALANCE

Non-spendable, note receivable		4,267
Unassigned		<u>104,252</u>
Total fund balance		<u>108,519</u>
Total liabilities and fund balance	\$	<u><u>108,745</u></u>

CITY OF MILLEDGEVILLE, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNIT
DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Revenues

Other revenues

 MainStreet/DDA

\$ 16,000

Interest revenue

1,584

 Total revenues

17,584

Expenditures, community development

15,001

Net change in fund balance

2,583

Fund balance, July 1

105,936

Fund balance, June 30

\$ 108,519

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	88 – 93
<i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>	
Revenue Capacity	94 – 100
<i>These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.</i>	
Debt Capacity	101 – 105
<i>These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information	106 and 107
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</i>	
Operating Information	108 – 110
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.</i>	

CITY OF MILLEDGEVILLE, GEORGIA

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net investment in capital assets	\$ 12,531,495	\$ 12,404,051	\$ 12,782,442	\$ 12,967,998	\$ 12,895,220	\$ 12,553,724	\$ 13,730,225	\$ 13,788,608	\$ 14,172,296	\$ 14,156,366
Restricted	8,669,770	8,733,734	8,966,631	9,374,506	9,934,083	10,348,759	9,331,990	7,719,326	7,156,740	8,085,427
Unrestricted	2,802,036	2,669,122	3,823,775	(425,188)	212,929	(1,004,503)	(855,214)	(848,225)	(629,418)	3,251,924
Total governmental activities net position	<u>\$ 24,003,301</u>	<u>\$ 23,806,907</u>	<u>\$ 25,572,848</u>	<u>\$ 21,917,316</u>	<u>\$ 23,042,232</u>	<u>\$ 21,897,980</u>	<u>\$ 22,207,001</u>	<u>\$ 20,659,709</u>	<u>\$ 20,699,618</u>	<u>\$ 25,493,717</u>
Business-type activities:										
Net investment in capital assets	\$ 17,679,031	\$ 18,393,201	\$ 18,881,673	\$ 24,993,422	\$ 24,870,530	\$ 25,103,717	\$ 27,409,759	\$ 26,127,832	\$ 29,143,451	\$ 29,875,215
Restricted	2,860,657	2,774,745	2,808,746	2,857,768	2,942,071	2,934,352	2,938,323	3,056,028	3,168,467	3,245,372
Unrestricted	14,149,454	14,759,323	13,653,430	12,284,726	9,901,702	9,685,695	7,461,466	8,663,396	5,409,196	6,013,371
Total business-type activities net position	<u>\$ 34,689,142</u>	<u>\$ 35,927,269</u>	<u>\$ 35,343,849</u>	<u>\$ 40,135,916</u>	<u>\$ 37,714,303</u>	<u>\$ 37,723,764</u>	<u>\$ 37,809,548</u>	<u>\$ 37,847,256</u>	<u>\$ 37,721,114</u>	<u>\$ 39,133,958</u>
Primary government:										
Net investment in capital assets	\$ 30,210,526	\$ 30,797,252	\$ 31,664,115	\$ 37,961,420	\$ 37,765,750	\$ 37,657,441	\$ 41,139,984	\$ 39,916,440	\$ 43,315,747	\$ 44,031,581
Restricted	11,530,427	11,508,479	11,775,377	12,232,274	12,876,154	13,283,111	12,270,313	10,775,354	10,325,207	11,330,799
Unrestricted	16,951,490	17,428,445	17,477,205	11,859,538	10,114,631	8,681,192	6,606,252	7,815,171	4,779,778	9,265,295
Total primary government net position	<u>\$ 58,692,443</u>	<u>\$ 59,734,176</u>	<u>\$ 60,916,697</u>	<u>\$ 62,053,232</u>	<u>\$ 60,756,535</u>	<u>\$ 59,621,744</u>	<u>\$ 60,016,549</u>	<u>\$ 58,506,965</u>	<u>\$ 58,420,732</u>	<u>\$ 64,627,675</u>

CITY OF MILLEDGEVILLE, GEORGIA

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 1,495,140	\$ 2,285,587	\$ 3,142,186	\$ 1,852,823	\$ 2,053,836	\$ 1,644,150	\$ 1,982,462	\$ 2,546,410	\$ 1,516,137	\$ 1,533,153
Judicial	146,991	182,533	(166,137)	208,742	241,322	176,387	216,408	193,964	212,827	196,037
Public safety	3,045,049	6,646,040	6,238,021	6,640,146	7,843,559	7,300,387	6,988,244	6,982,282	7,891,543	6,120,237
Public works	2,043,705	2,019,753	2,084,730	2,507,855	2,804,015	2,656,473	2,369,163	2,938,467	2,182,568	1,882,644
Culture and recreation	791,132	717,454	685,882	688,462	739,380	598,062	777,544	703,391	747,343	642,818
Housing and development	958,338	762,757	1,187,907	1,103,247	1,254,964	1,652,993	1,593,297	1,967,390	1,617,762	832,362
Interest on long-term debt	-	9,480	11,905	8,397	4,833	1,213	-	-	-	-
Total governmental activities	<u>8,480,355</u>	<u>12,623,604</u>	<u>13,184,495</u>	<u>13,009,672</u>	<u>14,941,909</u>	<u>14,029,665</u>	<u>13,927,118</u>	<u>15,331,904</u>	<u>14,168,180</u>	<u>11,207,251</u>
Business-type activities:										
Water and sewer	6,154,110	6,533,598	6,494,885	6,582,033	7,601,541	7,699,817	8,000,483	7,965,927	7,639,461	6,924,601
Solid waste	1,510,933	1,544,717	1,686,590	1,734,466	1,648,559	1,687,646	1,774,871	2,133,251	2,277,803	2,067,996
Stormwater	-	-	-	-	-	-	-	-	281,262	409,958
Total business-type activities	<u>7,665,043</u>	<u>8,078,315</u>	<u>8,181,475</u>	<u>8,316,499</u>	<u>9,250,100</u>	<u>9,387,463</u>	<u>9,775,354</u>	<u>10,099,178</u>	<u>10,198,526</u>	<u>9,402,555</u>
Total primary government	<u>\$ 16,145,398</u>	<u>\$ 20,701,920</u>	<u>\$ 21,365,970</u>	<u>\$ 21,326,171</u>	<u>\$ 24,192,009</u>	<u>\$ 23,417,128</u>	<u>\$ 23,702,472</u>	<u>\$ 25,431,082</u>	<u>\$ 24,366,706</u>	<u>\$ 20,609,806</u>
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 450,552	\$ 423,925	\$ 555,219	\$ 454,871	\$ 548,216	\$ 566,304	\$ 537,009	\$ 510,828	\$ 1,289,262	\$ 1,434,124
Public safety	476,043	-	-	-	-	-	-	-	-	-
Public works	-	623,061	688,920	605,797	563,503	462,026	464,659	527,579	448,400	213,625
Operating grants and contributions	34,005	173,327	188,074	203,794	127,028	163,452	759,860	382,674	302,621	204,226
Capital grants and contributions	2,499,914	2,767,155	2,377,722	2,279,054	2,049,785	2,375,184	2,095,794	1,168,482	585,693	1,672,765
Total governmental activities	<u>3,460,514</u>	<u>3,987,468</u>	<u>3,809,935</u>	<u>3,543,516</u>	<u>3,288,532</u>	<u>3,566,966</u>	<u>3,857,322</u>	<u>2,589,563</u>	<u>2,625,976</u>	<u>3,524,740</u>
Business-type activities:										
Charges for services:										
Water and sewer	7,476,414	7,307,245	7,143,250	8,008,398	7,622,657	7,847,663	7,619,323	7,664,549	7,540,451	8,492,475
Solid waste	1,933,713	1,953,473	1,957,462	1,922,922	1,989,356	2,009,578	2,071,650	2,119,419	2,109,793	2,069,239
Stormwater	-	-	-	-	-	-	-	-	449,796	700,516
Capital grants and contributions	9,250,100	9,612,013	-	6,300,000	-	-	216,579	453,260	271,866	-
Total business-type activities	<u>18,660,227</u>	<u>18,872,731</u>	<u>9,100,712</u>	<u>16,231,320</u>	<u>9,612,013</u>	<u>9,857,241</u>	<u>9,907,552</u>	<u>10,237,228</u>	<u>10,371,906</u>	<u>11,262,230</u>
Total primary government	<u>\$ 22,120,741</u>	<u>\$ 22,860,199</u>	<u>\$ 12,910,647</u>	<u>\$ 19,774,836</u>	<u>\$ 12,900,545</u>	<u>\$ 13,424,207</u>	<u>\$ 13,764,874</u>	<u>\$ 12,826,791</u>	<u>\$ 12,997,882</u>	<u>\$ 14,786,970</u>
Net (expense)/revenue										
Governmental activities	\$ (5,019,841)	\$ (8,636,136)	\$ (9,374,560)	\$ (9,466,156)	\$ (11,653,377)	\$ (10,462,699)	\$ (10,069,796)	\$ (12,742,341)	\$ (11,542,204)	\$ (7,682,511)
Business-type activities	10,995,184	10,794,416	919,237	7,914,821	361,913	469,778	132,198	138,050	173,380	1,859,675
Total primary government net expense	<u>\$ 5,975,343</u>	<u>\$ 2,158,280</u>	<u>\$ (8,455,323)</u>	<u>\$ (1,551,335)</u>	<u>\$ (11,291,464)</u>	<u>\$ (9,992,921)</u>	<u>\$ (9,937,598)</u>	<u>\$ (12,604,291)</u>	<u>\$ (11,368,824)</u>	<u>\$ (5,822,836)</u>

(Continued)

CITY OF MILLEDGEVILLE, GEORGIA

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 2,831,319	\$ 2,900,540	\$ 3,197,025	\$ 3,108,846	\$ 3,104,119	\$ 3,086,186	\$ 3,459,389	\$ 3,965,214	\$ 3,988,735	\$ 3,962,556
Sales taxes	2,582,539	2,333,680	2,355,152	2,420,390	2,420,423	2,433,043	2,523,041	2,626,209	2,764,339	3,415,427
Hotel/motel taxes	468,985	429,068	517,620	513,056	558,902	604,253	632,912	629,050	602,491	611,474
Franchise taxes	1,287,559	1,202,256	1,182,415	1,288,061	1,419,557	1,334,579	1,291,418	1,345,152	1,337,086	1,266,716
Insurance premium taxes	830,908	882,563	948,217	991,321	1,059,064	1,147,172	1,222,132	1,320,908	1,403,392	1,479,980
Alcoholic beverage taxes	471,834	442,809	442,809	446,363	468,167	458,228	470,293	470,734	466,432	536,934
Business and occupation taxes	562,008	580,395	580,395	594,765	626,965	581,787	627,848	623,816	556,035	641,425
Other taxes	55,023	72,509	179,624	95,037	108,500	38,111	29,830	32,807	47,997	49,347
Unrestricted investment earnings	92,635	62,492	36,721	40,217	71,595	31,380	28,326	21,248	20,500	23,331
Transfers	(703,115)	(466,569)	1,700,522	1,768,342	2,930,125	453,850	93,628	159,911	395,106	489,420
Total governmental activities	<u>8,479,695</u>	<u>8,439,743</u>	<u>11,140,500</u>	<u>11,266,398</u>	<u>12,767,417</u>	<u>10,168,589</u>	<u>10,378,817</u>	<u>11,195,049</u>	<u>11,582,113</u>	<u>12,476,610</u>
General Revenues and Other										
Changes in Net Position										
Business-type activities:										
Unrestricted investment earnings	260,807	(81,966)	197,865	43,720	146,599	(6,467)	47,214	59,569	95,584	42,589
Transfers	703,115	466,569	(1,700,522)	(1,768,342)	(2,930,125)	(453,850)	(93,628)	(159,911)	(395,106)	(489,420)
Total business-type activities	<u>963,922</u>	<u>384,603</u>	<u>(1,502,657)</u>	<u>(1,724,622)</u>	<u>(2,783,526)</u>	<u>(460,317)</u>	<u>(46,414)</u>	<u>(100,342)</u>	<u>(299,522)</u>	<u>(446,831)</u>
Total primary government	<u>\$ 9,443,617</u>	<u>\$ 8,824,346</u>	<u>\$ 9,637,843</u>	<u>\$ 9,541,776</u>	<u>\$ 9,983,891</u>	<u>\$ 9,708,272</u>	<u>\$ 10,332,403</u>	<u>\$ 11,094,707</u>	<u>\$ 11,282,591</u>	<u>\$ 12,029,779</u>
Change in Net Position										
Governmental activities	\$ 3,459,854	\$ (196,393)	\$ 1,765,940	\$ 1,800,242	\$ 1,114,040	\$ (294,110)	\$ 309,021	\$ (1,547,292)	\$ 39,909	\$ 4,794,099
Business-type activities	11,959,106	11,179,019	(583,420)	6,190,199	(2,421,613)	9,461	85,784	37,708	(126,142)	1,412,844
Total primary government	<u>\$ 15,418,960</u>	<u>\$ 10,982,625</u>	<u>\$ 1,182,520</u>	<u>\$ 7,990,441</u>	<u>\$ (1,307,573)</u>	<u>\$ (284,649)</u>	<u>\$ 394,805</u>	<u>\$ (1,509,584)</u>	<u>\$ (86,233)</u>	<u>\$ 6,206,943</u>

CITY OF MILLEDGEVILLE, GEORGIA

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

<u>Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Other Taxes</u>	<u>Alcoholic Beverage Taxes</u>	<u>Business and Occupation Taxes</u>	<u>Franchise Tax</u>	<u>Insurance Premium Tax</u>	<u>Total</u>
2012	\$ 2,831,319	\$ 2,582,539	\$ 524,008	\$ 471,834	\$ 562,008	\$ 1,287,559	\$ 830,908	\$ 9,090,175
2013	2,900,540	2,333,680	501,577	442,809	580,395	1,202,256	882,563	8,843,820
2014	3,197,025	2,355,152	697,244	442,809	580,395	1,182,415	948,217	9,403,257
2015	3,108,846	2,420,390	608,093	446,363	594,765	1,288,061	991,321	9,457,839
2016	3,104,119	2,420,423	667,402	468,167	626,965	1,419,557	1,059,064	9,765,697
2017	3,086,186	2,433,043	642,364	458,228	581,787	1,334,579	1,147,172	9,683,359
2018	3,459,389	2,523,041	662,742	470,293	627,848	1,291,418	1,222,132	10,256,863
2019	3,965,214	2,626,209	661,857	470,734	623,816	1,345,152	1,320,908	11,013,890
2020	3,988,735	2,764,339	650,488	466,432	556,035	1,337,086	1,403,392	11,166,507
2021	3,962,556	3,415,427	660,821	536,934	641,425	1,266,716	1,479,980	11,963,859

CITY OF MILLEDGEVILLE, GEORGIA

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Non-spendable	\$ 37,241	\$ 43,348	\$ 490,113	\$ 460,095	\$ 40,705	\$ 33,457	\$ 55,235	\$ 47,715	\$ 49,592	\$ 54,883
Restricted	76,409	224,970	244,055	76,409	271,698	189,739	106,946	376,234	562,050	774,584
Assigned	595	595	595	595	-	112	-	-	-	-
Unassigned	2,733,297	2,039,603	2,336,893	3,263,168	2,787,745	2,365,528	2,746,938	2,055,049	1,825,649	3,838,666
Total General Fund	<u>\$ 2,847,542</u>	<u>\$ 2,308,516</u>	<u>\$ 3,071,656</u>	<u>\$ 3,800,267</u>	<u>\$ 3,100,148</u>	<u>\$ 2,588,836</u>	<u>\$ 2,909,119</u>	<u>\$ 2,478,998</u>	<u>\$ 2,437,291</u>	<u>\$ 4,668,133</u>
All Other Governmental Funds:										
Non-spendable	\$ -	\$ -	\$ -	\$ 416,668	\$ 386,111	\$ 354,938	\$ -	\$ -	\$ -	\$ -
Restricted	8,599,830	8,508,764	8,722,576	9,308,873	9,662,385	10,159,020	9,225,044	7,343,092	6,594,690	7,310,843
Unassigned	(175)	(175)	(175)	(44)	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 8,599,655</u>	<u>\$ 8,508,589</u>	<u>\$ 8,722,401</u>	<u>\$ 9,725,497</u>	<u>\$ 10,048,496</u>	<u>\$ 10,513,958</u>	<u>\$ 9,225,044</u>	<u>\$ 7,343,092</u>	<u>\$ 6,594,690</u>	<u>\$ 7,310,843</u>

CITY OF MILLEDGEVILLE, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 8,894,399	\$ 9,012,286	\$ 9,399,917	\$ 9,588,307	\$ 9,693,482	\$ 9,758,189	\$ 10,222,913	\$ 10,949,114	\$ 11,112,327	\$ 11,982,786
Licenses and permits	224,119	227,542	225,058	281,354	406,460	410,604	327,319	271,777	255,180	295,961
Intergovernmental	1,568,104	2,609,052	2,915,192	2,478,568	2,128,203	2,268,965	2,944,343	1,298,726	823,268	2,227,684
Fines and forfeitures	476,043	623,061	688,920	605,797	563,503	462,026	464,659	527,579	448,400	213,625
Charges for services	8,859	8,225	13,613	16,390	15,344	12,576	61,952	33,247	19,108	20,994
Interest income	102,409	89,998	82,584	75,650	176,580	122,683	82,194	103,418	19,727	19,170
Other revenues	220,782	83,021	212,908	157,358	126,456	150,624	147,738	205,804	1,063,042	1,128,127
Total revenues	11,494,715	12,653,185	13,538,192	13,203,424	13,110,028	13,185,667	14,251,118	13,389,665	13,741,052	15,888,347
Expenditures										
General government	1,466,667	1,742,340	1,656,806	1,607,019	1,961,392	1,613,293	1,732,999	1,704,244	1,661,370	1,492,839
Judicial	168,463	177,121	188,821	206,345	243,036	200,969	212,801	214,504	233,301	215,947
Public safety	5,713,620	6,124,832	6,435,912	6,490,072	8,125,227	6,796,594	6,868,748	7,289,958	7,540,016	7,328,515
Public works	1,578,008	1,668,403	1,787,725	1,818,825	2,197,906	2,060,791	2,196,704	2,012,586	1,968,005	1,916,566
Culture and recreation	752,410	729,728	698,193	700,970	761,153	678,545	720,706	717,840	697,300	672,066
Housing and development	967,856	778,061	1,205,334	1,126,934	1,313,159	1,566,725	1,592,144	2,042,995	1,624,789	886,337
Capital outlay	620,172	3,086,814	2,367,435	1,590,938	1,590,111	1,291,761	3,395,647	2,635,414	1,306,380	1,429,082
Debt service:										
Principal	-	270,000	233,957	233,957	233,957	233,957	-	-	-	-
Total expenditures	11,267,196	14,577,299	14,574,183	13,775,060	16,425,941	14,442,635	16,719,749	16,617,541	15,031,161	13,941,352
Excess (deficiency) of revenues over (under) expenditures	227,519	(1,924,114)	(1,035,991)	(571,636)	(3,315,913)	(1,256,968)	(2,468,631)	(3,227,876)	(1,290,109)	1,946,995
Other Financing Sources (Uses)										
Proceeds from capital leases	-	1,170,000	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-	-	415,803	-	-
Transfers in from other funds	-	600,000	1,536,965	1,886,775	3,355,361	1,211,218	1,500,000	500,000	500,000	1,000,000
Transfers out to other funds	(435,056)	-	-	-	-	(100)	-	-	-	-
Total other financing sources (uses)	(435,056)	1,770,000	1,536,965	1,886,775	3,355,361	1,211,118	1,500,000	915,803	500,000	1,000,000
Net change in fund balances	\$ (207,537)	\$ (154,114)	\$ 500,974	\$ 1,315,139	\$ 39,448	\$ (45,850)	\$ (968,631)	\$ (2,312,073)	\$ (790,109)	\$ 2,946,995
Debt service as a percentage of noncapital expenditures	0.00%	2.09%	1.81%	1.90%	1.51%	1.67%	0.00%	0.00%	0.00%	0.00%

CITY OF MILLEDGEVILLE, GEORGIA

**GENERAL GOVERNMENTAL TAX REVENUE BY SOURCE ⁽¹⁾
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

<u>Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Other Taxes ⁽²⁾</u>	<u>Franchise Tax</u>	<u>Insurance Premium Tax</u>	<u>Total</u>
2012	\$ 2,635,543	\$ 2,582,539	\$ 1,557,850	\$ 1,287,559	\$ 830,908	\$ 8,894,399
2013	3,069,006	2,333,680	1,524,781	1,202,256	882,563	9,012,286
2014	3,193,685	2,355,152	1,720,448	1,182,415	948,217	9,399,917
2015	3,239,314	2,420,390	1,649,221	1,288,061	991,321	9,588,307
2016	3,239,314	2,420,390	1,649,221	1,288,061	991,321	9,588,307
2017	3,161,015	2,433,043	1,682,380	1,334,579	1,147,172	9,758,189
2018	3,425,438	2,523,041	1,760,884	1,291,418	1,222,132	10,222,913
2019	3,900,437	2,626,209	1,756,408	1,345,152	1,320,908	10,949,114
2020	3,934,555	2,764,339	1,672,956	1,337,086	1,403,392	11,112,328
2021	3,981,483	3,415,427	1,839,181	1,266,716	1,479,980	11,982,787

Notes:

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

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

CITY OF MILLEDGEVILLE, GEORGIA

**DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Direct</u>	<u>Overlapping</u>			<u>Total Direct and Overlapping Rates</u>
	<u>City</u>	<u>State of Georgia</u>	<u>Baldwin County⁽¹⁾</u>	<u>Baldwin County School Board⁽²⁾</u>	
2012	1.00%	4.00%	1.00%	1.00%	7.00%
2013	1.00%	4.00%	1.00%	1.00%	7.00%
2014	1.00%	4.00%	1.00%	1.00%	7.00%
2015	1.00%	4.00%	1.00%	1.00%	7.00%
2016	1.00%	4.00%	1.00%	1.00%	7.00%
2017	1.00%	4.00%	1.00%	1.00%	7.00%
2018	1.00%	4.00%	1.00%	1.00%	7.00%
2019	1.00%	4.00%	1.00%	1.00%	7.00%
2020	1.00%	4.00%	1.00%	1.00%	7.00%
2021	1.00%	4.00%	1.00%	1.00%	7.00%

Source: Georgia Department of Revenue, Sales and Use Tax Division

Notes:

(1) Current 1% SPLOST expires March 31, 2018.

(2) A new 1% SPLOST referendum was passed and will go into effect April 1, 2018.

CITY OF MILLEDGEVILLE, GEORGIA

**TAXABLE SALES TAX DISTRIBUTION BY CATEGORY
LAST TEN CALENDAR YEARS ⁽¹⁾**

By Category	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Food	\$ 1,054,756	\$ 1,111,073	\$ 1,249,958	\$ 1,329,741	\$ 1,414,399	\$ 1,375,297	\$ 1,485,583	\$ 1,482,684	\$ 1,535,990	\$ 1,593,161
Apparel	386,256	246,782	328,246	445,861	843,979	846,827	925,511	954,340	957,960	1,778,113
General	1,244,568	1,751,605	1,375,000	1,296,104	1,271,759	1,166,178	1,168,001	1,229,836	1,331,067	1,778,112
Automotive	725,499	520,306	148,892	134,704	150,893	186,453	192,184	192,346	196,947	246,239
Home	376,257	461,261	548,986	528,255	586,954	634,859	685,544	697,338	647,213	789,074
Lumber	515,641	218,318	50,792	23,045	26,111	44,051	48,477	29,415	36,135	62,838
Miscellaneous service	286,425	274,205	355,825	357,884	373,487	382,230	377,688	410,827	402,836	454,765
Manufacturers	238,279	166,332	255,975	202,246	244,887	228,368	233,112	192,783	218,723	231,874
Utilities	560,033	520,370	540,283	501,205	566,928	405,177	437,668	474,742	484,253	501,306
Miscellaneous	575,641	196,990	355,825	147,863	175,933	171,904	256,532	470,532	476,304	554,433
	<u>\$ 5,963,355</u>	<u>\$ 5,467,242</u>	<u>\$ 5,209,782</u>	<u>\$ 4,966,908</u>	<u>\$ 5,655,330</u>	<u>\$ 5,441,344</u>	<u>\$ 5,810,300</u>	<u>\$ 6,134,843</u>	<u>\$ 6,287,428</u>	<u>\$ 7,989,915</u>

Source: Georgia Department of Revenue, Local Government Services Division

Note:

(1) Information only available for Baldwin County.

CITY OF MILLEDGEVILLE, GEORGIA

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Residential Property	Commercial Property	Motor Vehicle	Other ⁽¹⁾	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2012	\$ 154,944,259	\$ 152,597,416	\$ 20,325,590	\$ 769,116	\$ 1,396,199	\$ 327,240,182	9.12	\$ 818,100,455	40%
2013	136,035,873	167,159,373	21,070,740	735,984	1,636,536	323,365,434	9.12	808,413,585	40%
2014	133,274,251	198,316,313	21,418,250	602,828	2,549,035	351,062,607	9.12	877,656,518	40%
2015	135,938,798	195,619,246	19,134,130	568,496	2,415,427	348,845,243	9.12	872,113,108	40%
2016	131,183,888	199,629,373	12,256,620	509,987	2,247,783	341,332,085	9.12	853,330,213	40%
2017	131,032,445	202,488,113	9,256,380	489,323	3,316,684	339,949,577	9.12	849,873,943	40%
2018	151,669,649	253,919,810	6,950,710	482,629	4,818,562	408,204,236	9.12	1,020,510,590	40%
2019	145,487,542	254,572,058	5,347,120	497,199	4,233,677	401,670,242	10.12	1,004,175,605	40%
2020	144,942,631	261,228,450	4,409,040	463,480	5,318,338	405,725,263	10.12	1,014,313,158	40%
2021	150,646,932	261,527,460	3,514,630	480,989	4,489,509	411,680,502	10.12	1,029,201,255	40%

Source: Baldwin County Tax Commissioner

Note:

(1) Includes mobile homes and heavy equipment.

CITY OF MILLEDGEVILLE, GEORGIA

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

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
City of Milledgeville:										
Maintenance and Operations	8.12	8.12	8.12	8.12	8.12	8.12	8.12	9.12	9.12	9.12
School Fund	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
Total City	9.12	9.12	9.12	9.12	9.12	9.12	9.12	10.12	10.12	10.12
Baldwin County	8.78	8.84	9.84	9.85	9.85	9.85	9.85	9.86	9.83	10.50
Baldwin County School District	17.06	17.06	17.06	17.06	17.06	17.06	17.06	15.65	15.60	15.29
State of Georgia	<u>0.25</u>	<u>0.20</u>	<u>0.15</u>	<u>0.10</u>	<u>0.10</u>	<u>0.10</u>	<u>0.10</u>	<u>0.10</u>	<u>0.10</u>	<u>0.10</u>
Total	<u><u>35.21</u></u>	<u><u>35.22</u></u>	<u><u>36.17</u></u>	<u><u>36.13</u></u>	<u><u>36.13</u></u>	<u><u>36.13</u></u>	<u><u>36.13</u></u>	<u><u>35.73</u></u>	<u><u>35.65</u></u>	<u><u>36.01</u></u>

Source: City of Milledgeville financial records

CITY OF MILLEDGEVILLE, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
GEO	\$ 16,145,032	1	4.33%			
Georgia Power	15,586,149	2	4.18%	\$ 9,233,551	1	2.78%
Bostick Holdings LLC	7,054,327	3	1.89%	-		-
ASLM LLC	6,866,434 (a)	4	1.84%	-		-
Walmart Real Estate Business	4,148,544	5	1.11%	5,075,720	3	1.53%
Walmart	3,240,517	6	0.87%	3,479,825	6	1.05%
Prospect B LLC	3,233,908 (c)	7	0.87%	-		-
Wallace J Holdings	3,181,800 (d)	8	0.85%	-		-
Campus Crest of Milledgeville	3,151,337	9	0.85%	5,585,509	2	1.68%
Milledgeville Ventures LLC	2,900,904 (b)	10	0.78%	-		-
Magnolia Park	-		-	4,704,128	4	1.42%
Alltell	-		-	3,608,441	5	1.09%
K-Mart Corporation	-		-	3,370,320	7	1.02%
Lowe's	-		-	2,791,520	8	0.84%
Gordon Giles	-		-	2,733,136	9	0.82%
Woodland Terrace Apartments	-		-	2,688,285	10	0.80%
Totals	<u>\$ 65,508,952</u>		<u>17.58%</u>	<u>\$ 43,270,435</u>		<u>13.03%</u>

Source: City of Milledgeville and Baldwin County records

Note:

- (a) ASLM, LLC opened apartment housing in fiscal year 2020.
- (b) Milledgeville Ventures, LLC owns various apartment housing.
- (c) Prospect B LLC opened apartment housing in fiscal year 2020.
- (d) Wallace J Holdings opened apartment housing in fiscal year 2020.

CITY OF MILLEDGEVILLE, GEORGIA

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 3,028,188	\$ 2,647,406	87.4 %	\$ 182,107	\$ 2,829,513	93.4 %
2013	2,810,927	2,612,252	92.9	-	2,612,252	92.9
2014	3,183,792	3,006,653	94.4	19,534	3,026,187	95.0
2015	2,996,695	2,885,702	96.3	2,794	2,888,496	96.4
2016	2,992,600	2,845,261	95.1	107,722	2,952,983	98.7
2017	3,013,250	2,985,546	99.1	4,427	2,989,973	99.2
2018	3,632,942	3,461,962	95.3	131,254	3,593,216	98.9
2019	3,610,992	3,374,331	93.4	137,939	3,512,270	97.3
2020	4,062,163	3,785,694	93.2	-	3,785,694	93.2
2021	3,984,220	3,680,223	92.4	212,446	3,892,669	97.7

Source: City of Milledgeville financial records

CITY OF MILLEDGEVILLE, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year Ended	Governmental Activities		Business-type Activities		Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
	General Obligation Bonds	Capital Lease Obligations	Water and Sewer Notes	Revenue Bonds			
2012	\$ -	\$ -	\$ 340,595	\$ 9,462,719	\$ 9,803,314	3.41%	\$ 553.39
2013	-	900,000	281,304	8,731,917	9,913,221	4.64%	559.59
2014	-	680,263	301,663	7,956,148	8,938,074	4.14%	486.24
2015	-	457,054	281,304	7,135,379	7,873,737	4.28%	409.86
2016	-	230,318	260,325	6,269,610	6,760,253	3.72%	357.10
2017	-	-	287,690	5,360,424	5,648,114	3.02%	298.32
2018	-	-	660,913	4,402,818	5,063,731	N/A	272.61
2019	-	-	3,447,430	3,390,212	6,837,642	N/A	367.34
2020	-	-	3,407,472	2,317,606	5,725,078	N/A	306.09
2021	-	-	3,221,108	1,185,000	4,406,108	N/A	258.12

Source: City of Milledgeville financial records

Note:

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

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

N/A - Not Available

CITY OF MILLEDGEVILLE, GEORGIA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ended	General Obligation Bonds	Percentage of Actual Property Value ⁽²⁾	Per Capita ⁽¹⁾
2012	\$ -	\$ -	\$ -
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-

Source: City of Milledgeville financial records

Notes:

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

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property.

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF MILLEDGEVILLE, GEORGIA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable⁽¹⁾	Estimated Share of Overlapping Debt
Debt repaid with property taxes: Baldwin County	\$ -	36.00%	\$ -
Subtotal, overlapping debt	-	-	-
City of Milledgeville direct debt	-	-	-
Total direct and overlapping debt	-	-	\$ -

Source: Assessed value data used to estimate applicable percentages provided by the Baldwin County Tax Assessors Office.

Debt outstanding data is for fiscal year ended June 30, 2020, as provided by Baldwin County Commissioners' Office.

Note:

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the City's boundaries and dividing it by the County's total taxable assessed value.

CITY OF MILLEDGEVILLE, GEORGIA

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Legal debt limit	\$ 35,761	\$ 35,438	\$ 35,106	\$ 34,844	\$ 34,133	\$ 33,994	\$ 40,820	\$ 40,167	\$ 40,573	\$ 41,168
Total net debt applicable to debt limit	-	-	900	680	459	230	-	-	-	-
Legal debt margin	<u>\$ 35,761</u>	<u>\$ 35,438</u>	<u>\$ 34,206</u>	<u>\$ 34,164</u>	<u>\$ 33,674</u>	<u>\$ 33,764</u>	<u>\$ 40,820</u>	<u>\$ 40,167</u>	<u>\$ 40,573</u>	<u>\$ 41,168</u>
Legal debt margin as a percentage of the debt limit	0.00%	0.00%	2.56%	1.95%	1.34%	0.68%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed value	\$ 411,681
Debt limit (10% of assessed value)	41,168
Debt applicable to limit:	
Capital lease obligation	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 41,168</u>

Notes:

Under state finance law, the City's outstanding general obligation debt should not exceed 10% of total assessed property value.

By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying the general obligation bonds.

These amounts do not include revenue bonds that are being repaid from the Enterprise Fund.

CITY OF MILLEDGEVILLE, GEORGIA

**PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2012	\$ 7,463,178	\$ 4,449,441	\$ 3,013,737	\$ 665,000	\$ 623,618	2.34
2013	7,307,245	4,927,190	3,013,737	700,000	511,918	2.49
2014	7,530,819	4,878,654	2,652,165	745,000	472,734	2.18
2015	8,069,277	4,826,896	3,242,381	790,000	422,139	2.67
2016	7,628,862	5,720,752	1,908,110	835,000	377,443	1.57
2017	7,808,384	5,867,159	1,941,225	885,000	334,228	1.59
2018	7,604,493	6,156,699	1,447,794	940,000	282,667	1.18
2019	7,727,646	6,076,629	1,651,017	995,000	294,841	1.28
2020	7,698,515	5,845,651	1,852,864	1,055,000	224,742	1.45
2021	8,515,488	5,326,940	3,188,548	1,115,000	161,101	2.50

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Utility service charges include tap fees, but exclude interest.

Operating expenses do not include interest, depreciation, or amortization expense.

CITY OF MILLEDGEVILLE, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population ⁽¹⁾	Personal Income (amounts expressed in thousands)	Per Capita Personal Income ⁽¹⁾	School Enrollment ⁽²⁾	Unemployment Rate ⁽³⁾
2012	17,715	N/A	\$ 13,074	6,674	13.70
2013	17,715	N/A	13,074	6,678	12.90
2014	18,382	N/A	13,074	6,776	10.80
2015	19,211	N/A	13,398	6,780	7.30
2016	18,931	N/A	13,342	6,998	10.00
2017	18,933	N/A	13,317	6,934	5.90
2018	18,575	N/A	14,188	6,956	5.26
2019	18,614	N/A	20,846	6,358	5.00
2020	18,704	N/A	20,305	6,322	4.00
2021	17,070	N/A	28,632	6,558	6.90

Sources:

(1) U.S. Bureau of the Census

(2) Baldwin County Board of Education, John Milledge Academy, GMC Prep School, Sinclair Christian Academy (closed, no information available), EBL Academy

(3) Georgia Department of Labor

N/A - Not Available

CITY OF MILLEDGEVILLE, GEORGIA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

Employer ⁽¹⁾	2021			2012		
	Employees	Rank	Percentage of Total County Employment	Employees ⁽¹⁾	Rank	Percentage of Total County Employment ⁽¹⁾
Georgia College & State University	N/A	N/A	N/A	805	3	8.69%
Triumph Aerostructures (Vought Aircraft)	N/A	N/A	N/A	573	5	6.18%
Primecare Home Care Services, Inc	N/A	N/A	N/A	-		-
Navicent Health Oconee LLC	N/A	N/A	N/A	-		-
Georgia Military College	N/A	N/A	N/A	385	7	4.15%
United Veteran Services of Georgia	N/A	N/A	N/A	-		-
GA Dept of Behavioral Health & Dev. Disabilities	N/A	N/A	N/A	-		-
Geo Corrections & Detention, Inc	N/A	N/A	N/A	-		-
A W Holdings, LLC	N/A	N/A	N/A	-		-
Walmart	N/A	N/A	N/A	418	6	4.51%
Central State Hospital	N/A	N/A	N/A	2177	1	23.50%
Oconee Center	N/A	N/A	N/A	300	10	3.20%
Baldwin County Board of Education	N/A	N/A	N/A	807	2	8.70%
Georgia Department of Corrections	N/A	N/A	N/A	310	9	3.35%
Mohawk	N/A	N/A	N/A	315	8	3.40%
Oconee Regional Medical Center	N/A	N/A	N/A	701	4	7.56%

Source:

(1) Georgia Department of Labor. Information for fiscal year 2021 not available

N/A - Not Available - Georgia Department of Labor will only provide the name of the top ten employers, not the number of employees beginning with fiscal year 2017.

CITY OF MILLEDGEVILLE, GEORGIA

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

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government:										
Administrative	4	4	4	5	5	5	5	5	5	5
Finance	7	7	7	7	7	7	7	7	7	5
Personnel	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Planning	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Other	4	4	4	4	4	4	4	4	4	4
Police										
Officers	52	52	52	52	52	52	52	52	57	57
Civilians	9	10	10	10	11	12	12	12	1	1
Fire										
Firefighters	34	34	34	34	34	34	34	34	42	42
Public Works:										
Administrative	3	3	3	3	3	3	3	3	3	3
Maintenance	13	13	13	13	13	13	13	13	13	13
Parks and Recreation	10	10	10	10	10	10	10	10	10	10
Water	35	35	35	35	35	35	35	35	35	35
Wastewater	16	16	16	16	16	16	16	16	16	16
Refuse	9	9	9	9	9	9	9	9	9	9
Stormwater	-	-	-	-	-	-	-	-	5	5
Total	202	203	203	204	205	206	206	206	213	211

Source: City of Milledgeville Human Resources Department

Notes:

In fiscal year 2012, the City added an additional position for a Public Works Supervisor.

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

In fiscal year 2019, the City eliminated its jail operations and added five police officers.

CITY OF MILLEDGEVILLE, GEORGIA

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police:										
Parking violations	3,123	2,892	3,617	2,472	2,469	2,381	2,993	2,729	814	1,432
Traffic violations	3,611	3,966	6,364	4,766	4,328	3,409	3,558	4,262	1,164	1,594
Fire:										
Number of calls answered	1,124	1,297	1,409	1,562	1,677	1,614	1,630	1,761	1,652	1,117
Number of inspections conducted	2,168	2,271	2,219	2,187	2,068	2,057	2,054	584	351	347
Highways and streets:										
Street resurfacing (miles)	0.5	0.6	0.3	5.5	0.34	0.3	6.9	0.3	0.2	0.2
Potholes repaired	540.0	672.0	353.0	940.0	1,047.0	952.0	545.0	102.0	608.0	754.0
Sanitation:										
Yard trimmings collected (tons/day)	9	9	9	4	6	3	4	4	4	4
Water:										
Number of service connections	7,956	7,960	7,938	7,897	7,856	7,724	8,057	8,009	8,066	7,612
Average daily consumption (thousands of gallons)	6,340	6,331	6,330	6,335	6,334	4,518	3,979	4,105	4,128	4,410
Sewer:										
Number of service connections	6,075	6,077	6,191	6,184	6,186	6,370	6,423	6,387	6,412	6,454
Average daily sewage treatment (thousands of gallons)	3,197	3,201	4,191	2,722	2,986	3,015	3,006	3,528	3,578	3,317

Source: City of Milledgeville records

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

CITY OF MILLEDGEVILLE, GEORGIA

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	59	59	59	57	57	57	57	57	57	52
Fire stations	2	2	2	2	2	2	2	2	2	2
Highways and streets:										
Miles of streets	120	120	120	120	120	120	120	120	120	120
Number of street lights	1,547	1,547	1,547	1,548	1,560	1,560	1,560	1,560	1,560	1,560
Water:										
Water mains (miles)	200	200	200	200	200	200	200	200	200	200
Number of water plants	2	2	2	2	2	2	2	2	2	2
Fire hydrants	728	728	728	728	728	728	728	728	728	728
Maximum daily capacity (thousands of gallons both plants)	12,440	12,440	12,440	12,440	12,440	12,440	12,440	12,440	12,440	12,440
Sewer:										
Sanitary sewers (miles)	233	233	233	233	233	233	233	233	233	233
Storm sewers (miles)	30	30	30	30	30	30	30	30	30	30
Maximum daily capacity (thousands of gallons)	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500

Source: City of Milledgeville records

Notes:

Indicators are not available for the general government function

In 2020, the City police department wrecked five vehicles which will be replaced in the next budget year.

CONTINUING DISCLOSURE INFORMATION

CITY OF MILLEDGEVILLE, GEORGIA

PRINCIPAL WATER CUSTOMERS CURRENT YEAR AND NINE YEARS AGO

	2021			2012		
	Amount Billed for 12 Months	Rank	Estimated Percentage of Total Water Billings	Amount Billed for 12 Months	Rank	Estimated Percentage of Total Water Billings
Baldwin State Prison	\$ 204,265	1	6.52%			
Georgia College	183,072	2	5.85%	\$ 150,424	4	4.04%
GEO Riverbend	100,039	3	3.19%	-		-
Zschimmer & Schwarz, Inc.	87,054	4	2.78%	234,059	3	6.28%
Villamar Townhome Apartments	40,050	5	1.28%	59,089	8	1.59%
Arcadia on the River	36,683	6	1.17%	-		-
Magnolia Park SH LLC	30,767	7	0.98%	76,621	7	2.06%
Riverbend Apartments	28,960	8	0.92%	-		-
Triumph -Vought Aircraft Industries (Northrup-Grumman)	25,183	9	0.80%	84,341	5	2.26%
Tidal Wave Auto Spa of Milledgeville	23,131	10	0.74%	-		-
Central State Hospital	-		-	429,279	1	11.52%
Chemtex Division	-		-	-		-
Mohawk	-		-	271,907	2	7.29%
Edgewood Park Ltd.	-		-	47,205	9	1.27%
The Grove	-		-	-		-
Pine Knoll Apartments	-		-	79,018	6	2.12%

Source: City of Milledgeville records

Notes:

Baldwin County has built its own water system.

Mohawk closed its operations in 2019 but have small essential staff on-site.

CITY OF MILLEDGEVILLE, GEORGIA

**PRINCIPAL SEWER CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO**

	2021			2012		
	Amount Billed for 12 Months	Rank	Estimated Percentage of Total Sewer Billings	Amount Billed for 12 Months	Rank	Estimated Percentage of Total Sewer Billings
Baldwin County Commissioners	\$ 361,794	1	11.15%	\$ 271,657	3	8.36%
Baldwin State Prison	306,909	2	9.46%	-		-
Georgia College	212,813	3	6.56%	150,423	5	4.63%
GEO - Riverbend	139,992	4	4.32%	-		-
Zschimmer & Schwarz, Inc.	120,873	5	3.73%	234,059	4	7.20%
Villamar Townhome Apartments	55,972	6	1.73%	59,088	9	1.82%
Arcadia on the River	51,295	7	1.58%	-		-
Magnolia Park SH LLC	35,438	8	1.09%	76,621	8	2.36%
Riverbend Apartments	37,122	9	1.14%	271,907	2	8.37%
Tidal Wave Auto Spa	31,942	10	0.98%	-		-
Triump - (Vought Aircraft Industries) (Nortrup-Grumman)	-		-	84,341	6	2.60%
Central State Hospital	-		-	426,969	1	13.14%
Chemtex Divison	-		-	-		-
Pine Knoll Apartments	-		-	79,018	7	2.43%
Edgewood Park Ltd.	-		-	47,205	10	1.45%

Source: City of Milledgeville records

COMPLIANCE SECTION



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

**Honorable Mayor and City Council
City of Milledgeville, Georgia
Milledgeville, Georgia**

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Milledgeville, Georgia** (the "City") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 17, 2021. Our report also includes a reference to the change in accounting principal resulting from the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, as of July 1, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Macon, Georgia
December 17, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and City Council
City of Milledgeville, Georgia
Milledgeville, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Milledgeville, Georgia's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2021. The City'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City'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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 a major federal program occurred. An audit includes examining, on a test basis, evidence about the City'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's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of 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, 2021.

Report on Internal Control Over Compliance

Management of the City 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's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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'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 a 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 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
December 17, 2021

CITY OF MILLEDGEVILLE, GEORGIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor/ Pass-Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Grantor's Number</u>	<u>Expenditures</u>
U.S. Department of Treasury			
COVID-19 Coronavirus Relief Fund	21.019		\$ 979,111
Total U.S. Department of Treasury			<u>979,111</u>
U.S. Department of Justice			
Bulletproof Vest Grant Program	16.607	2003BUBX03017606	<u>3,168</u>
Total U.S. Department of Justice			<u>3,168</u>
 Total Expenditures of Federal Awards			 <u><u>\$ 982,279</u></u>

CITY OF MILLEDGEVILLE, GEORGIA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2021

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Milledgeville, Georgia (the "City"), and is presented on the modified accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The City chose not to use the 10% de minimis cost rate for the year ended June 30, 2021.

NOTE 3. NON-CASH AWARDS

The City did not receive non-cash federal awards during the year ended June 30, 2021.

NOTE 4. SUBRECIPIENTS

The City did not pass through any funds to subrecipients during the year ended June 30, 2021.

CITY OF MILLEDGEVILLE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
Material weaknesses identified? ___ Yes X No

Significant deficiencies identified not considered to be material weaknesses? ___ Yes X None Reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:
Material weaknesses identified? ___ Yes X No

Significant deficiencies identified not considered to be material weaknesses? ___ Yes X None Reported

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? ___ Yes X No

CITY OF MILLEDGEVILLE, GEORGIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SECTION I
SUMMARY OF AUDIT RESULTS (CONTINUED)**

Federal Awards (Continued)

Identification of major program:

CFDA Number	Name of Federal Program or Cluster	
20.019	U.S. Department of Treasury	Coronavirus Relief Fund ("CARES ACT")

Dollar threshold used to distinguish between
Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes No

CITY OF MILLEDGEVILLE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II
FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III
FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None reported.

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED JUNE 30, 2021

2020-001. Accounting Processes – Component Unit – Central State Hospital Local Redevelopment Authority

Criteria: Generally accepted accounting principles (“GAAP”) require revenues to be recognized in the accounting period in which they are earned. As a part of these processes, the Central State Hospital Local Redevelopment Authority (the “Authority”) should review all revenue transactions to determine reporting in the proper period. Additionally, GAAP requires reporting of all long-term debt in a timely manner.

Condition: The Authority failed to record grant revenues in a prior period and did not record any activity associated with the issuance of a note payable and the related capital outlay.

Auditee Response/Status: Resolved.

STATE COMPLIANCE SECTION

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS – 2011 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Project	Estimated Cost		Expenditures		Total
	Original	Current	Prior Years	Current Year	
Public works	\$ 3,795,000	\$ 3,795,000			
Improvements	-	-	\$ 406,523	\$ -	\$ 406,523
Equipment and vehicles	-	-	3,488,348	-	3,488,348
City facilities	1,014,600	1,014,600			
Improvements	-	-	369,585	13,356	382,941
Equipment and vehicles	-	-	80,394	-	80,394
Public safety	3,090,400	3,090,400			
Improvements	-	-	31,584	418,147	449,731
Equipment and vehicles	-	-	1,023,326	-	1,023,326
Improvements - water system, water treatment and waste treatment	4,350,000	4,350,000	2,853,246	489,871	3,343,117
	<u>\$ 12,250,000</u>	<u>\$ 12,250,000</u>	<u>\$ 8,253,006</u>	<u>\$ 921,374</u>	<u>\$ 9,174,380</u>

CITY OF MILLEDGEVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS – 2006 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Project	Estimated Cost		Expenditures		Total
	Original	Current	Prior Years	Current Year	
Public works	\$ 3,400,000	\$ 3,400,000			
Improvements	-	-	\$ 1,148,431	\$ 439,441	\$ 1,587,872
Equipment and vehicles	-	-	1,074,885	-	1,074,885
City facilities	3,000,000	3,000,000			
Improvements	-	-	2,474,695	-	2,474,695
Equipment and vehicles	-	-	129,906	-	129,906
Public safety	2,000,000	2,000,000			
Improvements	-	-	222,449	-	222,449
Equipment and vehicles	-	-	1,524,854	-	1,524,854
Improvements - water system, water treatment and waste treatment	4,000,000	4,000,000	4,401,665	20,709	4,422,374
	\$ 12,400,000	\$ 12,400,000	\$ 10,976,885	\$ 460,150	\$ 11,437,035

Note: Capital outlay and debt service expenditures in the SPLOST Fund totaled \$1,429,082; however, only \$1,381,524 was attributed to the spending of actual SPLOST Funds. The remaining expenditures of \$47,558 were expenditures paid with grant funds.