



**Utility Commission
City of Fort Valley, Georgia**

**(A Discretely Presented Component Unit of the
City of Fort Valley, Georgia)**

**Comprehensive Annual Financial Report
For the Years Ended
September 30, 2017 and 2016**

Utility Commission
City of Fort Valley, Georgia
Comprehensive Annual Financial Report
For the Years Ended September 30, 2017 and 2016

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(Unaudited)

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INTRODUCTORY SECTION



FORT VALLEY UTILITY COMMISSION

P.O. BOX 1529 • FORT VALLEY, GEORGIA 31030-1529
(478)825-7701 • FAX(478) 825-7704 • www.fvutil.com

June 19, 2018

To the Utility Commissioners and the Customers of the Utility Commission:

This Comprehensive Annual Financial Report (CAFR) of the Utility Commission, City of Fort Valley, Georgia (the Utility Commission) for the fiscal years ended September 30, 2017 and 2016, is submitted herewith pursuant to the State of Georgia Statutes, 36-81-7.

The staff of the Utility Commission's Department of Finance prepared this CAFR. Responsibility for the accuracy of the data and the completeness and reliability of the presentation, including all disclosures, rests with the Utility Commission, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

We believe the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Utility Commission and that all disclosures necessary to enable the readers to gain the maximum understanding of the Utility Commission's financial activity have been included.

The Utility Commission's financial statements have been audited by Butler, Williams & Wyche, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Utility Commission for the fiscal years ended September 30, 2017 and 2016 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Utility Commission's financial statements for the fiscal years ended September 30, 2017 and 2016, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Utility Commission's MD&A can be found immediately following the report of the independent auditors.

Profile of the Commission

The **Town of Fort Valley** was originally chartered in 1853. In 1890, the Georgia General Assembly chartered (as amended and supplemented from time to time, the "Commission Charter") the "**Board of Commissioners of Water and Sewers**" which was formed after a referendum and election of the first Commissioners of such Board.

In 1909, an act of the Georgia General Assembly amended the Commission Charter (the "1909 Commission Charter Amendment") to reincorporate the Board of Commissioners of Water and Sewers as the "**Board of Water and Light Commissioners**". The incumbent Board of Commissioners of Water and Sewers were

designated as members of the new board, with specific provisions for future elections to four-year terms on a staggered basis.

In 1953, an act of the Georgia General Assembly further amended the Commission Charter (the “1953 Commission Charter Amendment”) to reincorporate the Board of Commissioners of Water and Sewers as the “**Utility Commission**”.

In 1954, the Mayor and Council enacted the Ordinance authorizing the Acquisition and Construction of a Gas System. The bond obligations issued to finance the construction of the natural gas system were subsequently paid in full (1983). The natural gas distribution system is currently unencumbered.

In 1999, the charter was amended under Home Rule provisions to provide full power and authority to own and operate a telecommunications systems network. This includes power to serve consumers within and outside the corporate limits of the city.

The Utility Commission has no taxing authority. Operational and maintenance costs are funded from customer fees and charges. The acquisition and construction of capital assets are funded by capital (cash and systems) contributions from customers, including developers and political subdivisions of the state of Georgia, Federal and State grants, subsidies and loans, and customer revenues.

The Mission

The mission of the Utility Commission is to provide quality utility service to all users in its customer service area at the best possible rates; to provide long range planning for upgrades and modernization of utility facilities, infrastructure and equipment; and, to take advantage of the latest usable and practical technology. Our Mission Statement serves as the foundation for the Utility Commission’s Strategic Plan, the operational and financial initiatives of our departments and functions, and the performance and development for our employees and systems. The comprehensive annual financial report is one of many tools used to communicate historical financial condition and performance results.

System Profile

The Utility Commission’s administrative offices are located in Fort Valley, Georgia, the capital seat of Peach County. The Utility Commission is located in the geographic area known as “Middle Georgia,” approximately 100 miles south of Atlanta, Georgia.

The electric, water, sewer, natural gas, and telecom systems are managed and operated by the Utility Commission. The Utility Commission provides utility services primarily to the City of Fort Valley and unincorporated Peach County. Also, natural gas service is provided to a portion of Crawford County and water service is provided to a portion of Macon County.

Local Economy

The City of Fort Valley (the City) and a portion of Peach County (the County) are the primary service delivery areas for the Utility Commission.

The County reports a 2016 estimated median household income of \$41,128. This amount compares to the state estimated household income of \$51,037. The County’s estimated population is 26,907. The median age is 34.9. The unemployment rate is 5.6%.

Major Initiatives

There are two major initiatives that the Utility Commission worked on in 2016 and 2017.

- Utility Commission Administration Building (FVUC)
- Southern Flavor Farms, LP

Each project is described below.

Utility Commission Administrative Building (FVUC) The Utility Commission has been operating in the current building without major renovation for 40+ years. The current building is in dire need of maintenance and renovation. The Utility Commission also needs an expansion of space, as it has outgrown the current building. The Commission previously set aside \$2.6 million for the renovation of the main administrative offices. The renovations will add a Public meeting space, where the Commissioners can hold Work sessions and Public meetings as well as public restrooms, a public consultation office and more efficient use of office space. The Utility Commission purchased and renovated a 2600 SF building located on Knoxville Street. This building houses the Customer Service, Financial Services and Metering departments. The current building is being renovated and expanded to add interior offices for all administrative and management positions, the public meeting space, and restrooms. The Utility Commission will plan to make the offices as energy efficient as possible. The new layout of the buildings will also enhance the ability of the administrative office and management staff to work together efficiently and better serve the community and customer base.

Southern Flavor Farms, LP In August of 2017, the Utility Commission entered into Utility Agreements with Southern Flavor Farms, LP, a subsidiary of the Canadian company Pure Flavor Foods, to provide all utility services to a new project that would be located on Hwy 96 E in Peach County, GA. Southern Flavor Farms has committed to purchasing up to 8 Megawatts of Power, Over 180,000 MCF of Natural Gas, Water, Waste Water and Telecom services from the Utility Commission for the first phase of their project. The project intends to build three phases over the next five years, which will triple the use of Electricity and Natural Gas by total completion. As part of the negotiation process, the Utility Commission agreed to install necessary distribution infrastructure to the project including electric infrastructure from a MEAG built substation on site, 6,000 feet of 6" gas main, an onsite waste water lift station and a water main tap to the site. The cost to the Utility Commission for adding the distribution infrastructure is \$2,288,000. A OneGeorgia Equity Fund Grant, awarded to the Development Authority of Peach County, will reimburse \$488,600 of the water and waste water infrastructure cost. The project will build 75 acres of hydroponic greenhouses housed under glass that will grow tomatoes and cucumbers to be distributed throughout the Southeast United States.

Acknowledgments

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Utility Commission. Credit must also be given to the Utility Commissioners and the Utility Commission's General Manager for their unfailing support of maintaining the highest standards of professionalism in the management of the Utility Commission and in the stewardship of its financial resources.

Respectively submitted,



Cathy Johnson
Director of Financial Services

***Utility Commission
City of Fort Valley, Georgia
(A Discretely Presented Component Unit of the City of
Fort Valley, Georgia)***

Elected Utility Commissioners

Chairman Dollie D. Horton

At-Large Seat – Post 4

In office since January 1996

Current term expires December 2019

**Vice Chairman Robert T.
Hunnicut**

West Ward – Post 2

In office since April 1980

*Current term expires December
2019*

Commissioner Jo Ann Dankel

At-Large Seat – Post 3

In office since January 2010

*Current term expires December
2017*

**Commissioner Linda D.
Johnson**

East Ward – Post 1

In office since October 2014

*Current term expires December
2017*

Mayor Barbara B. Williams

Ex-Officio Member

In office since January 2014

*Current term expires December
2017*

***Utility Commission
City of Fort Valley, Georgia
(A Discretely Presented Component Unit of the City of
Fort Valley, Georgia)***

Appointed Officials

Craig A. Mims

General Manager

Utility Commission Staff

Jason Johnson
Connie Tucker
Keith Spillers
Gary Moncrief
Sue Roach
Martha McAfee
Zac Gowen
Angie Luna
Cathy Johnson
Pentronia Burch

Electric Superintendent
Gas Superintendent
Sewer Superintendent
Water Superintendent
Customer Service Manager
HR/Key Accounts Manager
IT & Telecom Manager
Director of Operations
Director of Financial Services
Executive Assistant to the GM

Finance Department

Pam Lee
Lorenzo Reddick
Karina Ceballos
Alvin Wallace

Billing Coordinator
Staff Accountant
Accounting & Billing Coordinator
Warehouse and Purchasing Agent

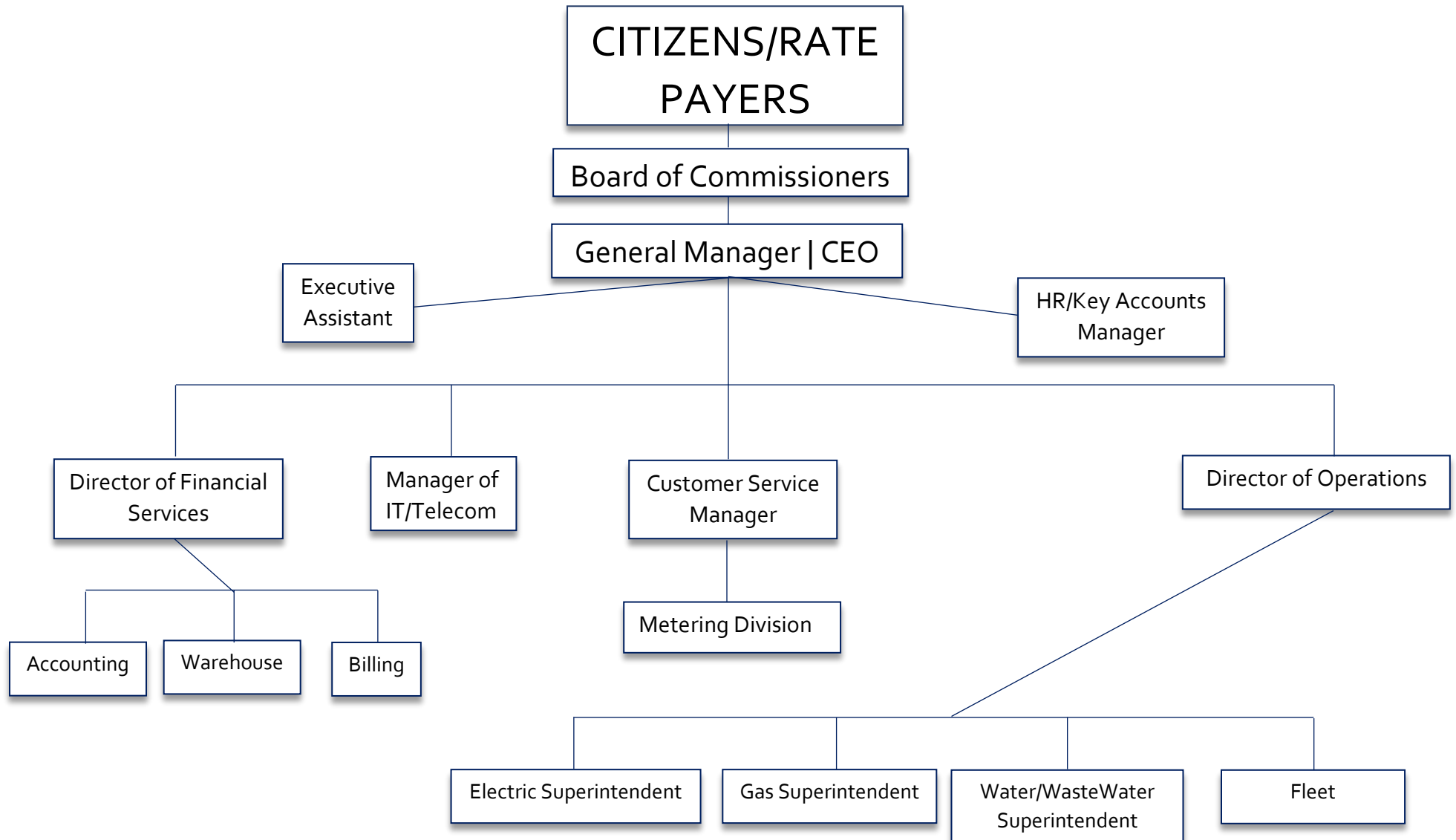
Advisors/Consultants

A. Joel Bentley, Jr., Attorney
Butler, Williams & Wyche, LLP
Carter & Sloope, Inc.

General Counsel
Independent Auditors
Consulting Engineers

FORT VALLEY UTILITY COMMISSION

Organizational Chart





Government Finance Officers Association

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

Presented to

**Fort Valley Utility Commission
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

BUTLER, WILLIAMS & WYCHE, LLP
CERTIFIED PUBLIC ACCOUNTANTS
915 HILL PARK
MACON, GEORGIA 31201

June 19, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of the Utility Commission
City of Fort Valley, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Utility Commission, a component unit of the City of Fort Valley, Georgia, as of and for the years ended September 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Utility Commission'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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 business-type activities of the Utility Commission, as of September 30, 2017 and 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 3 through 11), the Schedule of Changes in the Net Pension Liability and Related Ratios (page 37) and the Schedule of Contributions (pages 38 through 39) 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 Utility Commission's, a component unit of Fort Valley, Georgia, basic financial statements. The introductory section, supplementary information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The introductory section, supplementary information, and statistical section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The supplemental 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the basic financial statements and, accordingly, we do not express an opinion or provide assurance on those sections.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 19, 2018 on our consideration of the Utility Commission'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 Utility Commission's internal control over financial reporting and compliance.



Macon, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Utility Commission's, City of Fort Valley, Georgia (the Utility Commission) comprehensive annual financial report, the Utility Commission's management is pleased to provide this narrative discussion and analysis of the financial activities of the Utility Commission for the fiscal years ended September 30, 2017 and 2016. The Utility Commission's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The Utility Commission's assets exceeded its liabilities by \$42,241,672 (total net position) at September 30, 2017 and \$ 40,901,094 (total net position) at September 30, 2016.
- Total net position is comprised of the following:
 - Net investment in capital assets of \$29,695,761 at September 30, 2017 and of \$28,585,600 at September 30, 2016, include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - Restricted net position at September 30, 2017 is \$2,748,061 as compared to \$2,732,719 at September 30, 2016.
 - Unrestricted net position of \$9,797,850 at September 30, 2017 and of \$9,582,775 at September 30, 2016, represents the portion available to maintain the Utility Commission's continuing obligations to citizens and creditors.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Utility Commission's basic financial statements. The basic financial statements include: (1) comparative statement of net position, (2) comparative statement of revenues, expenses and changes in net position (3) comparative statement of cash flows, and (4) notes to the basic financial statements. The Utility Commission also includes in this report additional information to supplement the basic financial statements.

The Utility Commission is a single enterprise fund although it provides a variety of utility services. Services are provided to customers external to the Utility Commission organization for electric, gas, water, sewer and telecom utilities.

The comparative statement of net position includes all of the Utility Commission's assets and liabilities and provides information about the nature and amounts of investments in assets and the obligations to the Utility Commission creditors. It also provides the basis for computing the rate of return, evaluating the capital structure of the Utility Commission, and assessing the liquidity and financial flexibility of the Utility Commission.

All of the current year and prior years' revenues and expenses are accounted for in the comparative statement of revenues, expenses and changes in net position. This statement measures the success of the Utility Commission's operations over the past two years and can be used to determine whether the Utility Commission has successfully recovered all its costs through its user fees and charges. This statement measures the Utility Commission's profitability and credit worthiness.

The third required financial statement is a comparative statement of cash flows. The primary purpose of this statement is to provide information about the Utility Commission's cash receipts and cash disbursements during the past two years. This statement reports cash receipts, cash disbursements and net changes in cash resulting from operations, financing and investing activities, and provides answers to such questions as "where did cash come from, what was cash used for, and what was the change in the cash balances during the past two years?"

The basic enterprise fund financial statements are presented on pages 12, 13, 14 and 15 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the Utility Commission's basic financial statements. The notes to the basic financial statements begin on page 16 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Utility Commission's pension plan. This information begins on page 37.

Other Supplementary Information

In addition to the basic financial statements, accompanying notes and required supplementary information, this report also presents certain supplementary information concerning the Utility Commission's operating revenues and expenses before and after our cost allocations and the budget to actual presentations. This information begins on page 40.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Utility Commission, City of Fort Valley, Georgia
As of and For The Years Ended September 30, 2017 and 2016

Financial Analysis of the Utility Commission

The Utility Commission's total net position at September 30, 2017 is \$42,241,672; \$40,901,094 at September 30, 2016; and \$40,292,055 at September 30, 2015. The following table provides a summary of the Utility Commission's net position:

Summary of Net Position

	September 30, 2017		September 30, 2016		September 30, 2015	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Assets:						
Current assets	\$ 13,792,778	28%	\$ 13,215,461	28%	\$ 13,309,393	28%
Noncurrent assets:						
Restricted assets	2,748,061	6%	2,732,720	6%	3,089,084	7%
Capital assets	32,951,347	66%	31,353,033	66%	30,731,184	65%
Total assets	49,492,186		47,301,214		47,129,661	
Deferred outflows of resources	198,346	0%	254,904	1%	58,980	0%
Total assets and deferred outflows of resources	49,690,532	100%	47,556,118	100%	47,188,641	100%
Liabilities:						
Current liabilities	2,369,457	32%	1,914,714	29%	2,538,347	37%
Noncurrent liabilities	4,884,332	66%	4,408,745	66%	3,881,891	56%
Total liabilities	7,253,789		6,323,459		6,420,238	
Deferred inflows of resources	195,071	3%	331,565	5%	476,348	7%
Total liabilities and deferred inflows of resources	7,448,860	100%	6,655,024	100%	6,896,586	100%
Net position:						
Net investment in capital assets	29,695,761	70%	28,585,600	70%	27,873,499	69%
Restricted	2,748,061	7%	2,732,719	7%	3,089,084	8%
Unrestricted	9,797,850	23%	9,582,775	23%	9,329,472	23%
Total net position	\$ 42,241,672	100%	\$ 40,901,094	100%	\$ 40,292,055	100%

The Utility Commission continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio at September 30, 2017 is 5.8 to 1; 6.9 to 1 at September 30, 2016; and 5.2 to 1 at September 30, 2015. These ratios are strong.

The Utility Commission reported positive balances in total net position at September 30, 2017, 2016 and 2015. Total net position increased \$1,340,578 in fiscal year 2017, \$609,039 in fiscal year 2016 and by \$4,394,797 in fiscal year 2015. Note that 70% , 70% and 69% of total net position is classified as "*net investment in capital assets*," for each of the respective years presented. The Utility Commission uses these capital assets to provide utility services and these assets generate revenues for this fund. See the following table for a summary of changes in total net position for business – type activities.

Summary of Changes in Total Net Position

	Fiscal Year 2017		Fiscal Year 2016		Fiscal Year 2015	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Operating Revenues						
Charges for services	\$ 20,920,207	93%	\$20,304,421	95%	\$ 19,995,211	96%
Miscellaneous	1,545,864	7%	1,055,719	5%	821,444	4%
Total Operating Revenues	<u>22,466,071</u>	<u>100%</u>	<u>21,360,140</u>	<u>100%</u>	<u>20,816,655</u>	<u>100%</u>
Operating Expenses						
Personal services	4,326,871	20%	4,622,006	22%	3,846,579	19%
Purchased services	2,954,967	14%	2,586,219	12%	2,161,236	11%
Materials and supplies	469,665	2%	462,810	2%	470,193	2%
Repairs and maintenance	818,300	4%	924,647	4%	925,007	5%
Gas and electric purchased for resale	11,309,107	53%	11,456,048	54%	11,170,507	56%
Depreciation	1,237,390	6%	1,217,664	6%	1,120,006	6%
Miscellaneous	314,467	1%	105,983	0%	125,447	1%
Total Operating Expenses	<u>21,430,767</u>	<u>100%</u>	<u>21,375,377</u>	<u>100%</u>	<u>19,818,975</u>	<u>100%</u>
Operating Income	<u>1,035,304</u>		<u>(15,237)</u>		<u>997,680</u>	
Nonoperating Revenues (Expenses)						
Interest and fiscal charges	(60,463)		(56,883)		(57,827)	
(Loss) on disposition of capital assets	-		-		-	
Investment earnings	127,698		374,315		218,775	
Total Nonoperating Revenues (Expenses)	<u>67,235</u>		<u>317,432</u>		<u>160,948</u>	
Income Before Capital Contributions	<u>1,102,539</u>		<u>302,195</u>		<u>1,158,628</u>	
Capital Contributions	<u>238,039</u>		<u>306,844</u>		<u>3,236,169</u>	
Change in Net Position	<u>1,340,578</u>		<u>609,039</u>		<u>4,394,797</u>	
Net Position Beginning of Year	<u>40,901,094</u>		<u>40,292,055</u>		<u>38,175,613</u>	
Prior period adjustment: Pension	<u>-</u>		<u>-</u>		<u>(2,278,355)</u>	
Net Position End of Year	<u>\$ 42,241,672</u>		<u>\$ 40,901,094</u>		<u>\$ 40,292,055</u>	

Financial Analysis of the Utility Commission's Operations

Fiscal Year 2017 Analysis (After Cost Allocations)

Overall Analysis – Total operating revenues increased \$1,105,931. Operating expenses increased \$55,390. In total, the operating income increased \$1,050,541. The increase in net position was caused by an increase in revenues from gas and waste water charges for services.

After all cost allocations, the operating income (loss) for each utility was as follows:

	<u>Amount</u>
Electric	\$ 736,021
Gas	603,522
Water	(97,209)
Sewer	(309,289)
Telecom	102,260

The following includes an analysis of the fiscal year 2017 financial activities for each utility.

Electric Utility – The operating income of \$736,021 in fiscal year 2017 compares to operating income of \$445,767 in fiscal year 2016. This increase in operating income relates primarily to a decrease in operating expenses and primarily to the cost of purchased electricity decreasing \$514,884.

The fiscal year 2017 operating revenues decreased \$146,162 from fiscal year 2016.

Operating expenses decreased \$436,416. As indicated above, the primary decrease relates to the cost of electricity.

Natural Gas Utility – The operating income of \$603,522 in fiscal year 2016 compares to operating income of \$301,024 in fiscal year 2016. This is an increase of \$302,498. Operating revenue was up \$658,605. Increased revenue was primarily due to a rate increase effective January 1, 2017.

Operating expenses were up \$356,107. This increase in operating expenses relates primarily to an increase in the cost of purchased gas by \$388,933.

Water Utility – The operating loss of \$97,209 in fiscal year 2017 compares to an operating loss of \$95,555 in fiscal year 2016. Operating revenues in fiscal year 2017 were \$103,848 more than the fiscal year 2016 amount. Operating expenses increased \$105,502 from fiscal year 2016.

Repairs and maintenance costs decreased \$68,247 from fiscal year 2016.

Sewer Utility – For the eighteenth year in a row, the sewer utility reported an operating loss, this year \$309,289 as compared to last years' operating loss of \$700,618.

Operating revenues increased \$433,784 from fiscal year 2016.

Total operating expenses increased \$42,455 over fiscal year 2016. The cost of purchased services increased \$95,742 over the prior year. There was a decrease in repairs and maintenance of \$40,489.

Telecom – The operating income of \$102,260 in fiscal year 2017 compares to an operating income of \$34,146 in fiscal year 2016. Operating revenues in fiscal year 2017 were \$55,856 more than the fiscal year 2016 amount. Operating expenses decreased \$12,258 from fiscal year 2016.

Fiscal Year 2016 Analysis (After Cost Allocations)

Overall Analysis – Total operating revenues increased \$543,489. Operating expenses increased \$1,556,402. In total, the operating income decreased \$1,012,913. The increase in net position was caused by an increase in investment earnings.

After all cost allocations, the operating income (loss) for each utility was as follows:

	<u>Amount</u>
Electric	\$ 445,767
Gas	301,024
Water	(95,555)
Sewer	(700,618)
Telecom	34,146

The following includes an analysis of the fiscal year 2016 financial activities for each utility.

Electric Utility – The operating income of \$445,767 in fiscal year 2016 compares to operating income of \$933,035 in fiscal year 2015. This decrease in operating income relates primarily to an increase in operating expenses and primarily to the cost of purchased electricity increase of \$600,648.

The fiscal year 2016 operating revenues increased \$426,033 over fiscal year 2015.

Operating expenses increased \$913,301. As indicated above, the primary increase relates to the cost of electricity.

Natural Gas Utility – The operating income of \$301,024 in fiscal year 2016 compares to operating income of \$393,670 in fiscal year 2015. This is a decrease of \$92,646. Operating revenue was down \$466,722.

Operating expenses were down \$374,076. This decrease in operating expenses relates primarily to a decrease in the cost of purchased gas by \$546,182.

Water Utility – The operating loss of \$95,555 in fiscal year 2016 compares to an operating income of \$138,668 in fiscal year 2015. Operating revenues in fiscal year 2016 were \$216,844 more than the fiscal year 2015 amount. Operating expenses increased \$451,067 from fiscal year 2015.

Repairs and maintenance costs decreased \$71,428 from fiscal year 2015.

Sewer Utility – For the seventeenth year in a row, the sewer utility reported an operating loss, this year \$700,618 as compared to last years' operating loss of \$467,697.

Operating revenues decreased \$26,970 from fiscal year 2015.

Total operating expenses increased \$205,951 over fiscal year 2015. The cost of purchased services increased \$221,862 over the prior year. Repairs and maintenance remained about the same.

Telecom – In FYE16, the Utility Commission decided to no longer allocate the net cost of operating Telecom to Water and Sewer. The decision was made to have Telecom act as its own department in regards to recognizing revenues and expenses.

Capital Assets and Debt Administration

Capital Assets

The Utility Commission's investment in capital assets, net of accumulated depreciation, as of September 30, 2017, 2016, and 2015 was \$32,951,347, \$31,353,033, and \$30,731,185 respectively. See Note 3-C for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

The following table provides a summary of capital asset activity.

Capital Assets						
	September 30, 2017		September 30, 2016		September 30, 2015	
	Amount	%	Amount	%	Amount	%
Non-depreciable assets:						
Land	\$ 146,486	4%	\$ 146,486	8%	\$ 146,486	18%
Construction in progress	3,460,180	96%	1,660,005	92%	675,053	82%
Total non-depreciable	3,606,666	100%	1,806,491	100%	821,539	100%
Depreciable assets:						
Building	335,744	1%	335,744	1%	335,744	1%
Distribution system	49,415,106	90%	48,585,810	91%	48,197,897	91%
Machinery and equipment	4,612,694	8%	4,415,080	8%	3,948,432	7%
Intangibles	286,103	1%	277,484	1%	277,484	1%
Total depreciable capital assets	54,649,647	100%	53,614,118	100%	52,759,557	100%
Total capital assets	58,256,313		55,420,609		53,581,096	
Accumulated depreciation:						
Building	249,243		244,768		240,293	
Distribution system	21,471,334		20,448,276		19,433,424	
Machinery and equipment	3,308,995		3,100,484		2,903,396	
Intangibles	275,394		274,048		272,798	
Total accumulated depreciation	\$ 25,304,966		\$ 24,067,576		\$ 22,849,911	
Business-type activities capital assets, net	\$ 32,951,347		\$ 31,353,033		\$ 30,731,185	

At September 30, 2017, the depreciable capital assets were 46% depreciated. This compares favorably to the September 30, 2016 and 2015 percentages. This comparison indicates that the Utility Commission is replacing its assets at approximately the same rate as they are depreciating, which is a positive indicator.

At September 30, 2017, the construction in progress includes primarily the USDA RD FVSU Water Project, Software update, and the Administration Building Project.

The additions to the distribution systems asset class were \$829,296 from 2016.

The cost of machinery and equipment added in this fiscal year of \$197,614 (gross) primarily consisted of two new vehicles, a new sewer camera, and a tractor.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Utility Commission, City of Fort Valley, Georgia
As of and For The Years Ended September 30, 2017 and 2016

Long-term Debt

At September 30, 2017, the Utility Commission has five loans outstanding with the Georgia Environmental Finance Authority (GEFA) and two with the Georgia Environmental Loan Acquisition Corporation (GELAC).

The following schedule discloses the amount of outstanding long-term debt for the last two years.

	Outstanding Long-term Debt		
	September 30, 2017	September 30, 2016	September 30, 2015
GEFA Loan - DW97-027	\$ 572,089	\$ 735,543	\$ 898,997
GEFA Loan - DW97-027A	127,243	161,219	194,195
GELAC Loan - 2006-L58WQ	561,115	599,195	635,741
GEFA Loan - DWSRF 04-004	187,908	203,127	218,052
GELAC Loan - 2007-L42WQ	429,911	454,660	478,415
GEFA Loan - DW14-001	932,995	613,689	-
GEFA loan - CW2016025	444,325	-	-
Compensated Absences	258,587	275,652	278,609
Total	<u>\$ 3,514,172</u>	<u>\$ 3,043,085</u>	<u>\$ 2,704,009</u>

See Note 3-F for additional information about the Utility Commission's long-term debt.

Economic Conditions Affecting the Utility Commission

The Commission's top private industry customers are Blue Bird Body Company, Arriscraft and Atlanta Sand and Supply. These businesses continue to increase their growth in sales with the recovery of the economy from the 2008 setbacks. These businesses are key to the stability of the Commission.

Our top public customers include two educational institutions: The Peach County Board of Education and Fort Valley State University. The Board of Education has been approved to build a new high school which will eventually lead to additional usage. Both institutions have enrollment stats that remain consistent.

In August of 2017, the Utility Commission entered into Utility Agreements with Southern Flavor Farms, LP, a subsidiary of the Canadian company Pure Flavor Foods, to provide all utility services to a new project that would be located on Hwy 96 E in Peach County, GA. Southern Flavor Farms has committed to purchasing up to 8 Megawatts of Power, Over 180,000 MCF of Natural Gas, Water, Waste Water and Telecom services from the Utility Commission for the first phase of their project. The project intends to build three phases over the next five years, which will triple the use of Electricity and Natural Gas by total completion. As part of the negotiation process, the Utility Commission agreed to install necessary distribution infrastructure to the project including electric infrastructure from a MEAG built substation on site, 6,000 feet of 6" gas main, an onsite waste water lift station and a water main tap to the site. The cost to the Utility Commission for adding the distribution infrastructure is \$2,288,000. A OneGeorgia Equity Fund Grant, awarded to the Development Authority of Peach County, will reimburse \$488,600 of the water and waste water infrastructure cost. The project will build 75 acres of hydroponic greenhouses housed under glass that will grow tomatoes and cucumbers to be distributed throughout the Southeast United States.

Contacting the Utility Commission's Financial Management

This financial report is designed to provide a general overview of the Utility Commission's finances, comply with finance-related laws and regulations, and demonstrate the Utility Commission's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Utility Commission's Director of Financial Services at 478-825-7701, extension 245. Please visit our web page at www.fvutil.com.

Utility Commission
City of Fort Valley, Georgia
Comparative Statement of Net Position
September 30, 2017 and 2016

	2017	2016
Assets		
Current Assets:		
Cash and cash equivalents (Note 3-A)	\$ 1,321,590	\$ 621,586
Investments (Note 3-A)		
Natural Gas	2,628,016	27,985
Electric	6,622,645	9,073,953
Receivables:		
Accounts (net of allowance for uncollectibles):		
Billed	1,404,796	1,625,827
Unbilled	1,115,045	1,153,930
Interest	16,285	1,110
Inventory (Note 1-E-3)	574,628	528,727
Prepaid expenses (Note 1-E-4)	109,773	182,343
Total Current Assets	13,792,778	13,215,461
Noncurrent Assets:		
Restricted assets (Note 1-E-5)		
Investments	2,748,061	2,732,720
Capital assets (Note 3-C)		
Nondepreciable	3,606,666	1,806,491
Depreciable, net	29,344,681	29,546,542
Total Noncurrent Assets	35,699,408	34,085,753
Total Assets	49,492,186	47,301,214
Deferred Outflows of Resources		
Deferred outflows of resources from pension amounts	198,346	254,904
Total Assets and Deferred Outflows of Resources	49,690,532	47,556,118
Liabilities		
Current Liabilities:		
Accounts payable	1,599,748	1,116,325
Accrued payroll	112,428	114,944
Payroll deductions payable	3,480	14,094
Sales and excise taxes payable	39,307	47,726
Intergovernmental payable	162,846	162,451
Compensated absences payable	172,219	183,584
Construction loan payable (Note 3-E)	-	-
Notes payable (Note 3-F)	279,429	275,590
Total Current Liabilities	2,369,457	1,914,714
Noncurrent Liabilities:		
Net pension liability	1,303,483	1,332,202
Customer deposits payable	518,324	492,632
Compensated absences payable (net of current portion)	86,368	92,068
Notes payable (net of current portion) (Note 3-F)	2,976,157	2,491,843
Total Noncurrent Liabilities	4,884,332	4,408,745
Total Liabilities	7,253,789	6,323,459
Deferred Inflows of Resources		
Deferred inflows of resources from pension amounts	195,071	331,565
Total Liabilities and Deferred Inflows of Resources	7,448,860	6,655,024
Net Position		
Net investment in capital assets (Note 3-H)	29,695,761	28,585,600
Restricted for new electric generation (Note 1-E-6)	1,397,477	1,382,135
Restricted for pledged collateral - construction loan (Note 1-E-6)	1,350,584	1,350,584
Unrestricted	9,797,850	9,582,775
Total Net Position	\$ 42,241,672	\$ 40,901,094

See accompanying notes to the basic financial statements

Utility Commission
City of Fort Valley, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Net Position
For the Years Ended September 30, 2017 and 2016

	2017	2016
Operating Revenues		
Charges for services	\$ 20,920,207	\$ 20,304,421
Miscellaneous	1,545,864	1,055,719
Total Operating Revenues	22,466,071	21,360,140
Operating Expenses		
Personal services	4,326,871	4,622,006
Purchased services	2,954,967	2,586,219
Materials and supplies	469,665	462,810
Repairs and maintenance	818,300	924,647
Gas and electric purchased for resale	11,309,107	11,456,048
Depreciation	1,237,390	1,217,664
Miscellaneous	314,467	105,983
Total Operating Expenses	21,430,767	21,375,377
Operating Income	1,035,304	(15,237)
Nonoperating Revenues (Expenses)		
Interest and fiscal charges	(60,463)	(56,883)
Investment earnings	127,698	374,315
Total Nonoperating Revenues (Expenses)	67,235	317,432
Income Before Capital Contributions	1,102,539	302,195
Capital Contributions	238,039	306,844
Change in Net Position	1,340,578	609,039
Net Position Beginning of Year	40,901,094	40,292,055
Net Position End of Year	\$ 42,241,672	\$ 40,901,094

See accompanying notes to the basic financial statements

Utility Commission
City of Fort Valley, Georgia
Comparative Statement of Cash Flows
For the Years Ended September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	\$ 22,743,260	\$ 20,922,734
Cash payments for personal services	(4,465,721)	(4,768,906)
Cash payments for goods and services	<u>(15,356,019)</u>	<u>(15,828,037)</u>
Net Cash Provided by (Used in) Operating Activities	<u>2,921,520</u>	<u>325,791</u>
Cash Flows from Capital and Related Financing Activities		
Capital contributions	-	306,844
Principal paid on construction loan payable	-	(432,287)
Principal paid on notes payable	488,153	342,035
Interest paid on notes payable	(60,463)	(56,883)
Payments for capital acquisitions	<u>(2,597,665)</u>	<u>(1,839,513)</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(2,169,975)</u>	<u>(1,679,804)</u>
Cash Flows from Investing Activities		
Investment earnings	112,523	385,050
Net purchase of investments	<u>(164,064)</u>	<u>1,224,666</u>
Net Cash Provided (Used in) Investing Activities	<u>(51,541)</u>	<u>1,609,716</u>
Net Increase (Decrease) in Cash and Cash Equivalents	700,004	255,703
Cash and Cash Equivalents Beginning of Year	<u>621,586</u>	<u>365,883</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 1,321,590</u></u>	<u><u>\$ 621,586</u></u>

(continued)

Utility Commission
City of Fort Valley, Georgia
Comparative Statement of Cash Flows
For the Years Ended September 30, 2017 and 2016

(continued)

	<u>2017</u>	<u>2016</u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	\$ 1,035,304	\$ (15,237)
Adjustments:		
Depreciation	1,237,390	1,217,664
(Increase) Decrease in Assets:		
Accounts receivable	259,916	(459,249)
Materials and supplies inventory	(45,901)	3,658
Prepaid expenses	72,570	(73,811)
Deferred outflows of resources from pension amounts	56,558	(195,924)
Increase (Decrease) in Liabilities:		
Accounts payable	483,423	(225,651)
Accrued payroll	(2,516)	24,589
Payroll deductions payable	(10,614)	3,185
Sales and excise taxes payable	(8,419)	1,094
Intergovernmental payable	395	3,474
Customer deposits	25,692	20,749
Compensated absences payable	(17,065)	(2,957)
Net pension liability	(28,719)	168,990
Deferred inflows of resources from pension amounts	<u>(136,494)</u>	<u>(144,783)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 2,921,520</u>	<u>\$ 325,791</u>
Noncash Capital Financing Activities:		
Developer Contributions	\$ 238,039	\$ -

See accompanying notes to the basic financial statements

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2017 and 2016*

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Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2017 and 2016

In 1909, the City of Fort Valley's charter was amended to create a "Board of Water and Light Commissioners." In 1953, the Board was renamed the "Utility Commission." The Utility Commission of the City of Fort Valley (the Utility Commission) provides the following services: natural gas, electricity, water, and sewage collection and telecommunications to the City of Fort Valley and unincorporated Peach County. In addition, the Utility Commission provides natural gas service to a portion of Crawford County and provides water service to a portion of Macon County.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Utility Commission have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The Utility Commission has elected not to follow subsequent private-sector guidance.

The most significant of the Utility Commission's accounting policies are described below.

1-A. Reporting Entity

The Utility Commission was formed and operates pursuant to the charter of the City of Fort Valley, Georgia (the City) as amended and acts of the Georgia State Legislature. The Utility Commission consists of five members: the Mayor of the City is an ex-officio member and four popularly elected commissioners, two elected at large and two elected by ward (i.e., east and west). The Utility Commission is a legally separate entity because it has its own name, can sue and be sued in its own name and can buy, sell and lease property in its own name.

The City believes it would be misleading to omit the Utility Commission from its financial statements; therefore, the Utility Commission is reported as a discretely presented component unit of the City.

The Utility Commission has not included any other component units within its reporting entity.

1-B. Basis of Presentation

The Utility Commission's basic financial statements consist of a comparative statement of net position, a comparative statement of revenues, expenses and changes in net position and a comparative statement of cash flows.

Fund Accounting - The Utility Commission uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The Utility Commission uses a single fund, a proprietary fund.

The Proprietary Fund – The proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The proprietary fund is classified as an enterprise fund.

1-C. Measurement Focus

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the comparative statement of net position. The comparative statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in the total net position. The comparative statement of cash flows provides information about how the Utility Commission finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The enterprise fund financial statements are prepared using the accrual basis of accounting.

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place, if measurable. Charges for services are exchange transactions.

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2017 and 2016*

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenues – Non-exchange Transactions – Non-exchange transactions, in which the Utility Commission receives value without directly giving equal value in return, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Utility Commission must provide local resources to be used for a specified purpose, and expense requirements, in which the resources are provided to the Utility Commission on a reimbursement basis.

Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred, if measurable. For reporting purposes, bad debt expenses are offset against operating revenue.

1-E. Assets, Liabilities and Net Position

1-E-1 Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Utility Commission. For the statement of cash flow purposes, cash and cash equivalents and investments are included.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the Utility Commission to invest in the following type of obligations:

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

1-E-2 Receivables

Customer receivables represent various utility charges earned, billed, but not collected, at September 30, 2017. Unbilled service receivables represent the estimated amount of accounts receivable for services that have not been billed as of the comparative statement of net position date. The amounts are a result of a timing difference between the end of the financial statement cycle and the billing cycle. The receivables are reported net of an allowance for uncollectibles, where applicable (Note 3-B).

1-E-3 Intergovernmental Note Receivable

The Utility Commission guaranteed the cost of certain architect plans and fees up to the amount of \$180,000 incurred by the Fort Valley Main Street Downtown Development Authority (City of Fort Valley, Georgia) relative to the renovation of the Fort Valley High School building on Knoxville Street in Fort Valley, Georgia. The proposed renovation would have housed the future School of Business Administration program at Fort Valley State University, which is a historically black State and Land-Grant Institution and a member of the University System of Georgia. Short-term financing, for which the Utility Commission has guaranteed repayment, has been provided by a local Community Bank. The project has been abandoned.

The Utility Commission did not guarantee the renewal of the note to SunMark Community Bank on behalf of the Fort Valley Main Street Downtown Development Authority. In consideration of the payment by the Utility Commission in the amount of \$147,550.67 SunMark Community Bank transferred, assigned and conveyed to the Utility Commission all of its right, title, and interest in, to and under the certain Promissory Note dated May 2, 2011, between Fort Valley Main Street Downtown Development Authority, as Promissor and SunMark Community Bank, as Promisee, on June 13th 2014.

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2017 and 2016*

Note 1 - Summary of Significant Accounting Policies (Continued)

The Fort Valley Main Street Downtown Development Authority paid the Utility Commission \$11,550.67 on August 19th 2014 and the two entities began negotiations to modify the terms of the note.

The Utility Commission reduced the Downtown Development Authority note by \$23,000 during the current fiscal year. The Downtown Development Authority was current on the note as of September 30, 2017 and the balance of the promissory note was \$57,500 at September 30, 2017.

1-E-4 Consumable Inventories

Inventory is recorded using the average unit cost method and expensed when consumed. Inventories include meters, transformers, lines, poles, pipe and fittings for both fiscal years.

1-E-5 Prepaid Expenses

Payments made to vendors for services (i.e., prepaid insurance) that will benefit periods beyond September 30, 2017, are recorded as prepaid expenses using the consumption method by recording an asset for the prepaid amount and reflecting the expense in the year in which services are consumed.

1-E-6 Restricted Assets

In 2016 and 2017 restricted assets consist of the new generation and capacity funding account (2016 – \$1,382,135 and 2017 – \$1,397,477) and at September 30, 2016 and 2017, a construction loan certificate of deposit pledged as collateral for 2016 and 2017 in the amount of \$1,350,584 and \$1,350,584, respectively.

1-E-7 Capital Assets

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Utility Commission maintains a capitalization threshold of two thousand dollars. The Utility Commission's capital assets consist of the water distribution system, the sewerage collection system, the gas distribution system, the electric distribution system and the fiber optic system. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise fund is capitalized.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives presented as rates:

Asset Class	Depreciation Rate
Buildings	2%
Natural gas system	2%
Natural gas meters	2.5%
Natural gas equipment	5 - 20%
Electric system and equipment	3 - 10%
Water system and equipment	2.5 - 10%
Sewerage system and equipment	2.5 - 10%
Fiber optic system and equipment	2.5 - 10%
Intangible assets	10%

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2017 and 2016*

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-8 Compensated Absences

Annual leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

All compensated absence liabilities include salary-related payments, where applicable.

1-E-9 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the comparative statement of net position.

1-E-10 Net Position

Net position represents the difference between assets and liabilities. The portion of net position classified as "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Utility Commission or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

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

1-E-11 Deferred Outflows/Inflows of Resources

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) until then. The Commission has deferred outflows of resources related to pensions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of 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 Commission has deferred inflows of resources related to pensions.

1-E-12 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the Utility Commission, these revenues are charges for services for electric, gas, water, sewer and telecom. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of each utility. All other revenues and expenses are reported as non-operating, including investment earnings, interest expense and the gain or loss on the disposal of capital assets.

1-E-13 Pension

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

Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2017 and 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-14 Contributions of Capital

Contributions of capital in enterprise fund financial statements arise from outside contributions of capital assets, service connection fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-15 Cost Allocations

For reporting purposes, the Utility Commission conducts various allocations of costs within the operating accounts.

Allocation of Meter, Warehouse and Administrative Costs to the Electric, Water, Sewer, Gas and Telecom Departments:
The Utility Commission allocates the cost of operating its Meter Department, Warehouse Operation and Administrative Offices, which include Customer Service, Billing, Finance, Information Technology, Accounting and Operations, on the basis of the number of customers/meters served by each of the operating departments. The allocation rates are: Electric 30.00%; Water 28.50%; Sewer 20.00%; Gas 20.00%; Telecom 1.50% for fiscal year 2017 and Electric 30.00%; Water 28.50%; Sewer 20.00%; Gas 20.00%; Telecom 1.50% for fiscal year 2016.

1-E-16 Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1-E-17 Comparative Data

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

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2017 and 2016*

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information – The Utility Commission adopts an annual operating budget generally consistent with GAAP. However, bad debt expense is reported as an expense on the budgetary basis and offset against the revenue accounts on the GAAP basis. Also, certain revenues and expenditures are classified differently on the budget schedule as compared to the GAAP comparative statement of revenues, expenses and changes in net position.

The legal level of control (the level at which expenses may not legally exceed appropriations) for each adopted annual operating budget generally is the department level. Any change in total to a departmental appropriation requires approval of the Board of Utility Commissioners.

Either the Utility Commission General Manager or Finance Manager may approve budget transfers within departments.

Generally, all unexpended annual appropriations lapse at year-end. However, some capital appropriations may carry forward to the subsequent year automatically. During the year, the Board of Utility Commissioners amended the budget.

Note 3 - Detailed Notes

3-A. Deposits and Investments

The Utility Commission has adopted formal cash and investment policies.

State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

The Utility Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Municipal Competitive Trust is classified as Level 1 of the fair value hierarchy and is valued using prices quoted in active markets for those securities.

Deposits

Custodial Credit Risk – Deposits – The custodial credit risk for deposits is the risk that, in the event of a bank failure, the Utility Commission's deposits may not be recovered.

At September 30, 2017, all bank balances were entirely insured or collateralized. In October 2011 the Utility Commission elected to secure its deposits in a pool of pledged securities established and maintained by CB&T Bank of Middle Georgia, a division of Synovus Bank, in accordance with Georgia Uniform Commercial Code Chapter 8, Title 45, Code Section 45-8-1 and administered under the direction of the Georgia Office of Treasury and Fiscal Services. The Utility Commission opened two new accounts at BB&T during fiscal year 2016. BB&T also participates in a pool of pledged securities. At September 30, 2017, the bank balances were \$1,371,895 and the carrying amount was \$1,318,580.

At September 30, 2016, all bank balances were entirely insured or collateralized. At September 30, 2016, the bank balances were \$630,512 and the carrying amount was \$618,576.

Investments

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Utility Commission's investment policy does not formally limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates

Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2017 and 2016

Note 3 - Detailed Notes (Continued)

3-A. Deposits and Investments (Continued)

At September 30, 2017 and September 30, 2016, the Utility Commission had the following investments presented by maturity period:

Investment Type	Maturity Period			
	Fair Value	Three Months or Less	4 - 12 Months	1 - 5 Years
2017				
Certificates of Deposit	\$ 1,350,584	\$ -	\$ -	\$ 1,350,584
Money Market Account	2,628,016			
Municipal Competitive Trust	8,020,122			
Total	\$ 11,998,722			
2016				
Certificates of Deposit	\$ 1,350,584	\$ -	\$ -	\$ 1,350,584
Money Market Account	27,985			
Municipal Competitive Trust	10,456,088			
Total	\$ 11,834,657			

Credit Quality Risk – Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Utility Commission’s money market account and investment in the municipal competitive trust are not rated.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Utility Commission’s investments may not be recovered. The investment policies require securities to be held by an independent third-party custodian selected by the Utility Commission as evidenced by safekeeping receipts in the Utility Commission’s name. At September 30, 2017 and 2016, all investments were entirely insured or collateralized with securities held by the Utility Commission’s agent in the Utility Commission’s name.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the Utility Commission’s investment in a single issuer. The investment policies require that the investments be diversified by limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities); limiting investment in securities that have higher credit risks; investing in securities with varying maturities; and, continuously investing a portion of the portfolio in readily available funds, local government investment pools, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

The Utility Commission’s certificates of deposits are issued by the following bank:

Bank	September 30, 2017		September 30,	
	Amount	% of Total	Amount	% of Total
CB&T Bank of Middle Georgia	\$ 1,350,584	100	\$ 1,350,584	100%

Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2017 and 2016

3-A. Deposits and Investments (Continued)

Cash & Investment Reconciliation:

	<u>September 30, 2017</u>		<u>September 30, 2016</u>	
	<u>Cash and</u>		<u>Cash and</u>	
	<u>Cash Equivalents</u>	<u>Investments</u>	<u>Cash Equivalents</u>	<u>Investments</u>
Enterprise Fund Type Statement of Net Position				
Unrestricted	\$ 1,318,908	\$ 9,250,661	\$ 613,857	\$ 9,101,938
Restricted	2,681	2,748,062	7,730	2,732,719
Less cash on hand and petty cash	(3,010)	-	(3,010)	-
Total	<u>\$ 1,318,579</u>	<u>\$ 11,998,723</u>	<u>\$ 618,577</u>	<u>\$ 11,834,657</u>

3-B. Receivables

Receivables at September 30, 2017 and 2016 consisted of interest and customer accounts (billings for user charges, including unbilled utility receivables).

Receivables and payables are recorded on the Utility Commission's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

The allowance for uncollectibles for accounts receivable was \$230,000 at both September 30, 2017 and 2016. There was no allowance for uncollectibles for intergovernmental notes receivable as of September 30, 2017 and 2016 as the Downtown Development Authority was current on its note and full collection of the note is probable.

(This page is continued on the subsequent page)

Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2017 and 2016

Note 3 - Detailed Notes (Continued)

3-C. Capital Assets

Capital asset activity for the year ended September 30, 2017, was as follows:

	Balance 09/30/16	Additions	Deductions	Balance 09/30/17
Business-type activities:				
Nondepreciable capital assets:				
Land	\$ 146,486	\$ -	\$ -	\$ 146,486
Construction in progress	1,660,005	1,800,175	-	3,460,180
Total nondepreciable capital assets	1,806,491	1,800,175	-	3,606,666
Depreciable capital assets:				
Building	335,744	-	-	335,744
Distribution system	48,585,810	829,296	-	49,415,106
Machinery and equipment	4,415,080	197,614	-	4,612,694
Intangibles	277,484	8,619	-	286,103
Total depreciable capital assets	53,614,118	1,035,529	-	54,649,647
Total capital assets	55,420,609	2,835,704	-	58,256,313
Accumulated depreciation:				
Building	244,768	4,475	-	249,243
Distribution system	20,448,276	1,023,058	-	21,471,334
Machinery and equipment	3,100,484	208,511	-	3,308,995
Intangibles	274,048	1,346	-	275,394
Total accumulated depreciation	24,067,576	1,237,390	-	25,304,966
Business-type activities capital assets, net	\$ 31,353,033	\$ 1,598,314	\$ -	\$ 32,951,347

Capital asset activity for the year ended September 30, 2016, was as follows:

	Balance 10/01/15	Additions	Deductions	Balance 09/30/16
Business-type activities:				
Nondepreciable capital assets:				
Land	\$ 146,486	\$ -	\$ -	\$ 146,486
Construction in progress	675,053	984,952	-	1,660,005
Total nondepreciable capital assets	821,539	984,952	-	1,806,491
Depreciable capital assets:				
Building	335,744	-	-	335,744
Distribution system	48,197,897	387,913	-	48,585,810
Machinery and equipment	3,948,432	466,648	-	4,415,080
Intangibles	277,484	-	-	277,484
Total depreciable capital assets	52,759,557	854,561	-	53,614,118
Total capital assets	53,581,096	1,839,513	-	55,420,609
Accumulated depreciation:				
Building	240,293	4,475	-	244,768
Distribution system	19,433,424	1,014,852	-	20,448,276
Machinery and equipment	2,903,396	197,088	-	3,100,484
Intangibles	272,798	1,250	-	274,048
Total accumulated depreciation	22,849,911	1,217,665	-	24,067,576
Business-type activities capital assets, net	\$ 30,731,185	\$ 621,848	\$ -	\$ 31,353,033

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2017 and 2016*

Note 3 - Detailed Notes (Continued)

3-D. Operating Leases

The Utility Commission entered into an operating lease for a copy machine in June 2015. The lease is for 60 months at a rate of \$830 per month. The following payments are due to the lessor on a monthly basis for the term of the lease.

Fiscal Year	Amount
2018	9,960.00
2019	9,960.00
2020	7,470.00

The Utility Commission entered into an operating lease for a mailing system and utility bill stuffer in February 2015. The lease is for 60 months at a rate of \$434 per month. The following payments are due to the lessor on a quarterly basis for the term of the lease.

Fiscal Year	Amount
2018	5,208.00
2019	5,208.00
2020	1,302.00

3-E. Construction Loan Payable

On July 19, 2013, the Utility Commission entered into a construction loan with CB&T, a division of Synovus Bank with a maximum borrowing of \$2,387,000 at an interest rate of 1.4%, due January 19, 2015. The loan renewed on January 28, 2015. The renewed loan had a maximum borrowing of \$2,387,000 at an interest rate of 2.0% due on July 19, 2016. This loan was partially financing a project at Fort Valley State University which includes installing a 500,000 gallon elevated storage tank, a new well and chemical feed building, including a 12" water main. The renewed loan was secured by a certificate of deposit at CB&T. The amount of loan drawn down at September 30, 2015 is \$432,287. During fiscal year 2016, the Utility Commission made draws until the loan reached a balance of \$440,692. The loan balance was paid off in full on August 31, 2016 with a draft from the certificate of deposit at CB&T.

3-F. Long-term Debt

At September 30, 2017, the Utility Commission has five loans outstanding with the Georgia Environmental Finance Authority (GEFA) and two with the Georgia Environmental Loan Acquisition Corporation (GELAC).

GEFA Loan – DW97-027 – On May 19, 1999, the Utility Commission borrowed \$3.5 million in an interest free loan for water distribution system and wells. Payments are due quarterly with a final maturity date of February 1, 2021.

Annual debt service requirements to amortize this loan as of September 30, 2017 follow:

Fiscal Year	Principal
2018	163,454
2019	163,454
2020	163,454
2021	81,727
Total	<u>\$ 572,089</u>

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2017 and 2016*

Note 3 - Detailed Notes (Continued)

3-F. Long term Debt (Continued)

GEFA Loan — DW97-027A – On May 19, 1999, the Utility Commission borrowed \$550,000 at a 3% interest rate for water distribution system and wells. Payments are due quarterly with a final maturity date of February 1, 2021.

Annual debt service requirements to amortize this loan as of September 30, 2017 follow:

Year	Principal	Interest	Total
2018	35,007	3,426	38,433
2019	36,069	2,364	38,433
2020	37,164	1,270	38,434
2021	19,003	214	19,217
Total	<u>\$ 127,243</u>	<u>\$ 7,274</u>	<u>\$ 134,517</u>

GELAC Loan — 2006-L58WQ - On May 10, 2007 the Utility Commission received a loan commitment of \$920,000 at a 4.12% interest rate for a lift station and water and sewer lines in the Heritage Pointe Subdivision.

Payments of \$5,171 are due monthly with a final maturity date of January 1, 2029. The construction loan went into repayment on February 1, 2009, in the amount of \$844,499.

Annual debt service requirements to amortize this loan as of September 30, 2017 follow:

Year	Principal	Interest	Total
2018	39,684	22,369	62,053
2019	41,350	20,703	62,053
2020	43,067	18,986	62,053
2021	44,911	17,142	62,053
2022	46,780	15,273	62,053
2023-2027	265,058	45,204	310,262
2028-2029	80,260	2,422	82,682
Total	<u>\$ 561,110</u>	<u>\$ 142,099</u>	<u>\$ 703,209</u>

GEFA Loan — DWSRF 04-004 – In fiscal year 2007, the Utility Commission drew down \$631,650 at a 1.9% interest rate for an elevated water storage tank at Peach County High School and water main system improvements to serve Rolling Hills Trailer Park.

Payments of \$1,579 are due monthly with a final maturity date of September 1, 2028. During fiscal year 2008 the Utility Commission drew down \$513,350, to the maximum authorized borrowing of \$1,145,000. However, in fiscal year 2008, the Utility Commission received a \$500,000 GEFA DWSRF subsidy which was used to reduce the principal of this loan. And the Utility Commission made a balloon payment of \$330,000 in fiscal year 2008. During fiscal year 2009 the construction loan went into repayment on October 1, 2008, in the amount of \$315,000.

Annual debt service requirements to amortize this loan as of September 30, 2017 follow:

Year	Principal	Interest	Total
2018	15,509	3,435	18,944
2019	15,806	3,138	18,944
2020	16,106	2,838	18,944
2021	16,420	2,524	18,944
2022	16,732	2,212	18,944
2023-2027	88,597	6,122	94,719
2028	18,733	193	18,926
Total	<u>\$ 187,903</u>	<u>\$ 20,462</u>	<u>\$ 208,365</u>

Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2017 and 2016

Note 3 – Detailed Notes (Continued)

3-F. Long term Debt (Continued)

GELAC Loan – 2007-L42WQ – On December 14, 2008, the Utility Commission received a loan commitment of \$10,750,000 at 4.1% rate for 20 years for a reclamation facility, three sewage pump stations, force main sewer and gravity main sewer to serve east Peach County.

Payments of \$3,577 are due monthly with a final maturity date in 2030. During fiscal year 2008 the Utility Commission drew down \$1,815,208. During fiscal year 2009 the Utility Commission drew down \$6,445,045. During fiscal year 2010 the Utility Commission drew down \$912,965. On November 17, 2009 GEFA released the Utility Commission from the Debt Service Reserve account in accordance with Exhibit D of the loan contract. The item was waived in its entirety, retroactively to September 30, 2009.

The Utility Commission has received all of the \$7,500,000 from Peach County, Georgia for 2000 SPLOST funds allocated to it in the Intergovernmental Agreement. The Utility Commission made balloon payments with those funds during fiscal year 2009 totaling \$7,500,000. The Utility Commission made an additional balloon payment in August 2009 of \$588,000. Also, in fiscal year 2010, the Utility Commission made another balloon payment in November 2009 of \$500,000. During fiscal year 2010, the construction loan went into repayment in the amount of \$585,218.

Annual debt service requirements to amortize this loan as of September 30, 2017 follow:

Year	Principal	Interest	Total
2018	25,781	17,145	42,926
2017	26,858	16,068	42,926
2020	27,980	14,946	42,926
2021	29,149	13,777	42,926
2022	30,367	12,559	42,926
2023-2027	171,961	42,673	214,634
2028-2030	117,817	7,386	125,203
Total	<u>\$ 429,913</u>	<u>\$ 124,554</u>	<u>\$ 554,467</u>

GEFA Loan — DWI4001 – During fiscal year 2016, the Utility Commission was approved to borrow up to \$1,500,000 at a 1.03% interest rate in order to fund the Asbestos Water Main System project. During the current period, the Utility Commission received disbursements of \$478,936 from the total amount approved. During 2016 the Commission received disbursements of \$920,333. A subsidy in the amount of \$466,490 has been received thus far and applied to the principal balance of the disbursements. The unpaid principal balance was \$932,979 as of September 30, 2017 and \$613,689 as of September 30, 2016. The final draw was taken subsequent to year end in October 2017. The loan was converted from construction status to repayment status. Monthly payments of \$4,612 began on December 1, 2017. The final maturity date is September 1, 2028.

GEFA Loan — CW2016025 – During fiscal year 2017, the Utility Commission was approved to borrow up to \$1,000,000 at a 1.89% interest rate in order to fund the Speece Cone Superoxygenation System project. During the current period, the Utility Commission received disbursements of \$522,735 from the total amount approved. A subsidy in the amount of \$78,410 was received during fiscal year 2017 and applied to the principal balance of the disbursements. The unpaid principal balance was \$444,325 as of September 30, 2017. Principal payments will not begin until all draws against the approved amount have been taken. The final maturity date is September 1, 2028.

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2017 and 2016*

Note 3 – Detailed Notes (Continued)

3-F. Long-term Debt (Continued)

Changes in Long-term Debt - Changes in the Utility Commission's long-term obligations consisted of the following for the years ended September 30, 2017 and 2016:

	Outstanding 10/01/16	Additions	Reductions	Outstanding 09/30/17	Amounts Due in One Year	Long-term Portion
Business-Type Activities						
GEFA loan - DW97-027	\$ 735,543	\$ -	\$ 163,454	\$ 572,089	\$ 163,454	\$ 408,635
GEFA loan - DW97-027A	161,219	-	33,976	127,243	35,007	92,236
GELAC loan - 2006-L58WQ	599,195	-	38,079	561,115	39,678	521,437
GEFA loan - DWSRF 04-004	203,127	-	15,221	187,908	15,509	172,399
GELAC loan - 2007-L42WQ	454,660	-	24,749	429,911	25,781	404,130
GEFA loan - DW14-001	613,689	319,306	-	932,995	-	932,995
GEFA loan - CW2016025	-	444,325	-	444,325	-	444,325
Compensated absences	275,652	177,022	194,087	258,587	172,219	86,368
Total Business-Type Activities	<u>\$ 3,043,085</u>	<u>\$ 940,653</u>	<u>\$ 469,566</u>	<u>\$ 3,514,172</u>	<u>\$ 451,649</u>	<u>\$ 3,062,525</u>
	Outstanding 10/01/15	Additions	Reductions	Outstanding 09/30/16	Amounts Due in One Year	Long-term Portion
Business-Type Activities						
GEFA loan - DW97-027	\$ 898,997	\$ -	\$ 163,454	\$ 735,543	\$ 163,454	\$ 572,089
GEFA loan - DW97-027A	194,195	-	32,976	161,219	33,976	127,243
GELAC loan - 2006-L58WQ	635,741	-	36,545	599,195	38,146	561,049
GEFA loan - DWSRF 04-004	218,052	-	14,927	203,127	15,266	187,861
GELAC loan - 2007-L42WQ	478,415	-	23,755	454,660	24,748	429,912
GEFA loan - DW14-001	-	613,689	-	613,689	-	613,689
Compensated absences	278,609	181,499	184,456	275,652	183,584	92,068
Total Business-Type Activities	<u>\$ 2,704,009</u>	<u>\$ 795,188</u>	<u>\$ 456,113</u>	<u>\$ 3,043,085</u>	<u>\$ 459,174</u>	<u>\$ 2,583,912</u>

Charges for services are used to retire the above loans and capital leases. The compensated absences liability is retired from enterprise fund resources.

3-G. Pension Plan

Plan Description – The Fort Valley Utility Commission Retirement Plan (the Plan) is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The authority for establishing and amending benefits rests with the Utility Commission's Board of Commissioners.

Eligibility requirements are one year of service for all employees. The Plan allows for early retirement at age 55 if the employee has ten years of service. Normal retirement is at age 65 with five years of service. Benefits are dependent upon factors such as the number of years of credited service to the Utility Commission and the employee's final average earnings. Beginning January 1, 2003 employees' benefits vest at 50 percent after five years and 10 percent of additional vesting takes place each year thereafter until reaching 100% after ten years of service. These benefit provisions were established by a City ordinance dated September 26, 1974. The Utility Commission's plan was separated from the City's plan as of October 1, 1990.

At September 30, 2017, the plan had 52 active employees, 7 vested former employees, and 33 retired participants or beneficiaries currently receiving benefits. At September 30, 2016, the plan had 53 active employees, 8 vested former employees, and 26 retired participants or beneficiaries currently receiving benefits.

Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2017 and 2016

Note 3 – Detailed Notes (Continued)

3-G. Pension Plan (Continued)

Contributions – Required contributions are determined by the GMEBS based on actuarial calculations performed by an independent actuary. The actuarially-determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Commission's recommended contribution rate for the years ended September 30, 2016 and 2017 was 8.19 and 7.02 percent of covered payroll. The Commission's contribution to the plan for the years ended September 30, 2016 and 2017 was \$255,122 and \$218,749. Participants in the plan are not required to contribute.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At September 30, 2016 and 2017, the Commission reported a net pension liability of \$1,332,202 and \$1,303,483. The net pension liability was measured as of September 30, 2015 and 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The actuarial date was January 1, 2016 and 2017.

For the year ended September 30, 2016, the Commission recognized pension expense of \$128,312. At September 30, 2016, the Commission had deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 39,320	\$ (128,037)
Changes of Assumptions	-	(203,528)
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	215,584	-
	<u>\$ 254,904</u>	<u>\$ (331,565)</u>

For the year ended September 30, 2017, the Commission recognized pension expense of \$146,467. At September 30, 2017, the Commission had deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 198,346	\$ (85,358)
Changes of Assumptions	-	(101,764)
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	(7,949)
	<u>\$ 198,346</u>	<u>\$ (195,071)</u>

Note: Individual period investment outflows and inflows listed below are being shown netted in accordance with GASB 68 paragraph 33b.

Amounts reported as deferred outflows and inflows of resources will be recognized in pension expense as follows for the years ending September 30:

	<u>Outflows</u>	<u>Inflows</u>
2018	\$ 165,191	\$ (232,289)
2019	145,531	(130,525)
2020	145,531	(45,082)
2021	-	(45,082)
2022	-	-
2023 and Thereafter	-	-
	<u>\$ 456,253</u>	<u>\$ (452,978)</u>

Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2017 and 2016

Note 3 – Detailed Notes (Continued)

3-G. Pension Plan (Continued)

Actuarial Assumptions – The total pension liability in the September 30, 2015 and 2016 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25 percent
Salary Increases	3.25 percent, including inflation
Net Investment Rate of Return	7.75 percent

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2015 and 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.75%
International equity	20%	7.45%
Real estate	10%	4.55%
Global fixed income	5%	3.30%
Domestic fixed income	20%	1.75%
Cash	0%	
Total	100%	

Discount Rate – The discount rate used to measure the total pension liability was 7.75 percent.

(This page is continued on the subsequent page)

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2017 and 2016*

Note 3 – Detailed Notes (Continued)

3-G. Pension Plan (Continued)

Changes in Net Pension Liability – Changes in the Commission’s net pension liability for the year ended September 30, 2017 and 2016 were as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at October 1, 2016	\$ 7,904,972	\$ 6,572,770	\$ 1,332,202
Changes for the Year:			
Service Costs	109,755	-	109,755
Interest	598,733	-	598,733
Differences between expected and actual experience	238,247	-	238,247
Contributions - employer	-	255,122	(255,122)
Contributions - employee	-	-	-
Net investment income	-	730,391	(730,391)
Benefit payments, including refunds of employee contributions	(358,774)	(358,774)	-
Administrative expense	-	(10,059)	10,059
Other	-	-	-
Net changes	587,961	616,680	(28,719)
Balances at September 30, 2017	\$ 8,492,933	\$ 7,189,450	\$ 1,303,483

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at October 1, 2015	\$ 7,650,586	\$ 6,487,374	\$ 1,163,212
Changes for the Year:			
Service Costs	119,251	-	119,251
Interest	582,211	-	582,211
Differences between expected and actual experience	(170,715)	-	(170,715)
Contributions - employer	-	300,029	(300,029)
Contributions - employee	-	-	-
Net investment income	-	73,390	(73,390)
Benefit payments, including refunds of employee contributions	(276,361)	(276,361)	-
Administrative expense	-	(11,662)	11,662
Other	-	-	-
Net changes	254,386	85,396	168,990
Balances at September 30, 2016	\$ 7,904,972	\$ 6,572,770	\$ 1,332,202

Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2017 and 2016

Note 3 – Detailed Notes (Continued)

3-G. Pension Plan (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	Discount Rate	9/30/2017 Net Pension Liability	9/30/2016 Net Pension Liability
1 Percent Decrease	6.75%	\$ 2,199,839	\$ 2,175,274
Current Discount Rate	7.75%	1,303,483	1,332,202
1 Percent Increase	8.75%	539,125	613,524

Benefit Changes – Effective January 1, 2015, the plan was amended to provide for immediate participation for employees. This change had no impact on service credited under the plan and has no impact on benefits.

Plan Fiduciary Net Position – Detailed information about the plan’s fiduciary net position is available in the separately issued GMEBS financial report. That report may be obtained by writing to the Georgia Municipal Association or by calling (404) 688-0472.

3-H. Net Investment in Capital Assets

The “net investment in capital assets” amount is calculated on the comparative statement of net position as of September 30, 2017 and 2016 as follows:

	2017	2016
Net Investment in capital assets:		
Cost of capital assets	\$ 58,256,313	\$ 55,420,609
Less accumulated depreciation	(25,304,966)	(24,067,576)
Book Value	32,951,347	31,353,033
Less capital related debt	(3,255,586)	(2,767,433)
Net Investment in capital assets	<u>\$ 29,695,761</u>	<u>\$ 28,585,600</u>

Note 4 - Other Notes

4-A. Contract Commitments

The Utility Commission has commitments for contracts with four governmental organizations.

Municipal Electric Authority of Georgia – The Utility Commission has contracted for a period not to exceed 50 years, to purchase all of its electric power from the Municipal Electric Authority of Georgia (MEAG). MEAG agrees to provide the generating capacity necessary for reliable and economical power for the Utility Commission’s needs.

MEAG has issued bonds for the purpose of building generation, transmission, and telecommunications facilities. Each participant, such as the Utility Commission, is contingently liable for their pro rata share of the bonds as a power purchase cost until they are retired. The Utility Commission’s contingent contractual obligation varies by individual MEAG project and totals approximately \$64,511,069 at September 30, 2017 and \$69,528,571 at September 30, 2016. The contingent obligations are general obligations of the Utility Commission and the City to which the City’s full faith, credit and taxing powers are pledged.

On April 12, 1999 the Utility Commission adopted the provisions of a Municipal Competitive Trust agreement with MEAG. Under the agreement, MEAG established the Trust for the mutual benefit of MEAG and its wholesale customers (the participating Cities). The Trust was created to provide a means of accumulating funds to mitigate the expected differential between market rates for power and the associated costs of generating that power after the anticipated deregulation of the electric industry. The Trust provides for three types of accounts that are held by the trustee in the name of the Utility Commission.

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2017 and 2016*

Note 4 - Other Notes (Continued)

4-A. Contract Commitments (Continued)

The flexible operating trust account includes funds that are available for withdrawal at the discretion of the Utility Commission. This amount is included in investments and totals \$6,622,645 at September 30, 2017 and \$9,073,952 at September 30, 2016. The two additional accounts created were the credit support operating trust account and the reserve funded debt trust account. The funds in the credit support operating trust account can only be used to offset rate increases exceeding certain criteria and for loans for capital improvements that will reduce future operating costs.

The funds in the reserve funded debt trust account can only be used for charges related to MEAG's bond obligations. The balances in the credit support operating trust account and the reserve funded debt trust account at September 30, 2017 were \$0 and \$529,242, respectively; at September 30, 2016 the balances were \$0 and \$1,287,047, respectively. Due to the restrictions on the use of these two accounts, they are not presented on the comparative statement of net position.

Credits from the Municipal Competitive Trust for Power Supply Year 2014. In accordance with the First Amendment of the Municipal Competitive Trust, MEAG Power withdrew funds from the credit support operation account and the reserve funded debt account on behalf of the Participants for the purpose of lowering the annual generation charges for the period of January 1, 2009 through December 31, 2018. The annual amount for the Utility Commission for 2009 was \$1,202,727. The annual amount for the Utility Commission for 2010 was \$1,157,508. The annual amount for the Utility Commission for 2011 was \$1,387,086. The annual amount for the Utility Commission for 2012 was \$769,170. The annual amount for the Utility Commission for 2013 was \$1,463,662. The annual amount for the Utility Commission for 2015 was \$1,183,043. The annual amount for the Utility Commission for 2016 is \$1,038,756 and for 2017 was \$662,190.

In accordance with the Second Amendment of the Municipal Competitive Trust, effective August 10, 2009, MEAG Power amended the restrictions and broadened the circumstances under which a Participant may withdraw funds from the New Generation Trust, which was established earlier in 2009 to provide for the future funding of the construction of new power generation facilities, including, but not limited to the Plant Vogtle expansion project. The voluntary funding of the New Generation Trust by Participants will improve the overall credit rating of MEAG Power in the municipal bond market, both now and in the future. The Generation Trust Account is displayed as a restricted investment asset in the comparative statement of net position. The amounts were \$1,397,477 for 2017 and \$1,382,135 for 2016.

Georgia Public Web Membership – The Utility Commission and other members of MEAG's telecommunication project created Georgia Public Web (a Georgia not-for-profit corporation) to provide internet and telecommunication services to customers in Georgia. On October 10, 2000 the Utility Commission signed a 50-year commitment to pay each month a proportionate share of the difference between Georgia Public Web's budgeted costs and revenues. The Utility Commission's proportionate share is 2.315% at both September 30, 2017 and 2016. The contingent obligations are general obligations of the Utility Commission and the City to which the City's full faith, credit and taxing powers are pledged. However, in fiscal year 2008, the Utility Commission advance paid their total commitment (Georgia Public Web telecom debt issued on April 3, 2003).

Municipal Gas Authority of Georgia – The Utility Commission has entered into a contract for the purchase of wholesale natural gas supplies and related services with the Municipal Gas Authority of Georgia (MGAG) that requires the Utility Commission to purchase all of its natural gas from MGAG, other than any supplies that were under contract for delivery to the Utility Commission at the time of the execution of the contract with MGAG. The gas supply contract with MGAG authorizes MGAG to establish rates and charges so as to produce revenues sufficient to cover its operating costs and retire its bonds issued to acquire long-term gas supplies for sale to its members, including the Utility Commission. In the event that revenues are insufficient to cover all costs and retire bonds issued by MGAG, the Utility Commission is obligated to pay its share of the costs of the gas supply and related services MGAG provides to the Utility Commission, which costs include amounts equal to principal of and interest on MGAG's bonds.

The contingent obligations, which extend through the year 2058, are general obligations of the Utility Commission and the City to which the City's full faith, credit and taxing powers are pledged. The obligation to MGAG for gas supply costs are based on MGAG's costs to provide such supply, including bonds issued to purchase long-term gas supplies.

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2017 and 2016*

Note 4 - Other Notes (Continued)

4-A. Contract Commitments (Continued)

The Utility Commission is contingently liable for their pro-rata share of the debt. The Utility Commission's contingent contractual obligation total approximately \$3,204,955 at September 30, 2017 and \$3,817,344 at September 30, 2016. On December 12, 2002 an intergovernmental agreement was made between the Utility Commission and the City of Fort Valley related to the MGAG contract. Under this agreement, in the event of any required payments pursuant to the provisions of the Gas Supply Contract the payments shall be made first by the Utility Commission from its revenues and assets before any required payments are made by the City of Fort Valley.

USDA Rural Development – On April 15, 2011, the Utility Commission committed to participate in a project with the USDA Rural Development to add a 500,000 gallon elevated storage tank on the campus of Fort Valley State University, a new well and a chemical feed building. The USDA Rural Development will loan the Utility Commission an amount not to exceed \$2,387,000 and will award a grant for the project for \$1,848,000. The loan will be repayable over 40 years at an interest rate of 3.75%. The monthly payment is estimated at \$9,620. On April 15, 2012, the USDA Rural Development granted an extension until October 15, 2012. On October 15, 2012 the USDA Rural Development granted a second extension until April 15, 2013. At that time an additional 60 day extension was approved. As of November 13, 2014 plans and specifications have been approved by USDA. The status of the legal services agreement, preliminary title opinion, updated litigation and judgment agreement and lease agreement with the City of Fort Valley are all open. After no activity on the project for 2015 and 2016, the project was rebid in 2017 with construction to begin in 2018.

4-B. Risk Management

The Utility Commission maintains third party coverage for claims arising from property and casualty claims, general liability claims, and medical claims.

There were no significant reductions in insurance coverage from the prior year, and there have been no settlements that exceed the Utility Commission's insurance coverage during the past three years.

4-C. Contingent Liabilities

The Utility Commission has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the Utility Commission believes such disallowances, if any, will be immaterial.

The Utility Commission was not a defendant in any lawsuits at September 30, 2017 or 2016. In the opinion of the Utility Commission's management, there are no legal contingencies which will have a material effect on the financial position of the Utility Commission in subsequent years.

4-D. Subsequent Event

The Commission previously set aside \$2.6 million for the renovation of the main administrative offices. The renovations will add a Public meeting space, as well as public restrooms, a public consultation office and more efficient use of office space. The Utility Commission purchased and renovated a 2600 SF building located on Knoxville Street, which was completed in March 2017. This building houses the Customer Service, Financial Services and Metering departments. The current building is being renovated and expanded to add interior offices for all administrative and management positions, the public meeting space, and restrooms. The project is expected to be complete in January 2019.

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2017 and 2016*

Note 4 - Other Notes (Continued)

4-D. Subsequent Event (Continued)

In August of 2017, the Utility Commission entered into Utility Agreements with Southern Flavor Farms, LP, a subsidiary of the Canadian company Pure Flavor Foods, to provide all utility services to a new project that would be located on Hwy 96 E in Peach County, GA. Southern Flavor Farms has committed to purchasing up to 8 Megawatts of Power, Over 180,000 MCF of Natural Gas, Water, Waste Water and Telecom services from the Utility Commission for the first phase of their project. The project intends to build three phases over the next five years, which will triple the use of Electricity and Natural Gas by total completion. As part of the negotiation process, the Utility Commission agreed to install necessary distribution infrastructure to the project including electric infrastructure from a MEAG built substation on site, 6,000 feet of 6" gas main, an onsite waste water lift station and a water main tap to the site. The cost to the Utility Commission for adding the distribution infrastructure is \$2,288,000. A OneGeorgia Equity Fund Grant, awarded to the Development Authority of Peach County, will reimburse \$488,600 of the water and waste water infrastructure cost. The project will build 75 acres of hydroponic greenhouses housed under glass that will grow tomatoes and cucumbers to be distributed throughout the Southeast United States.

4-E. Significant Customers

The Utility Commission has two significant customers to which it provides natural gas, electric, water and sewer utility services: Blue Bird Body Company and Fort Valley State University.

Utility Commission
City of Fort Valley, Georgia
Schedule of Changes in the Net Pension Liability and Related Ratios
Fort Valley Utility Commission Retirement Plan
For the Year Ended September 30, 2017

Total Pension Liability	2017	2016	2015
Service Cost	\$ 109,755	\$ 119,251	\$ 117,458
Interest	598,733	582,211	575,409
Differences between expected and actual experience	238,247	(170,715)	78,639
Changes of assumptions	-	-	(407,054)
Changes of benefit terms	-	-	-
Benefit payments, including refunds of employee contributions	(358,774)	(276,361)	(276,999)
Net change in total pension liability	587,961	254,386	87,453
Total pension liability - beginning	7,904,972	7,650,586	7,563,133
Total pension liability - ending	<u>\$ 8,492,933</u>	<u>\$ 7,904,972</u>	<u>\$ 7,650,586</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 255,122	\$ 300,029	\$ 281,466
Contributions - Employee	-	-	-
Net Investments Income	730,391	73,390	665,224
Benefit Payments, including refunds of employee contributions	(358,774)	(276,361)	(276,999)
Administrative expense	(10,059)	(11,662)	(9,329)
Net change in fiduciary net position	616,680	85,396	660,362
Plan fiduciary net position - beginning	6,572,770	6,487,374	5,827,012
Plan fiduciary net position - ending	<u>\$ 7,189,450</u>	<u>\$ 6,572,770</u>	<u>\$ 6,487,374</u>
Net Pension Liability			
Net pension liability - ending	\$ 1,303,483	\$ 1,332,202	\$ 1,163,212
Plan's fiduciary net position as a percentage of the total pension liability	84.65%	83.15%	84.80%
Covered-employee payroll	\$ 2,951,168	\$ 3,044,224	\$ 3,042,462
Net pension liability as a percentage of covered-employee payroll	44.17%	43.76%	38.23%

Notes to the Schedule:

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

Utility Commission
City of Fort Valley, Georgia
Schedule of Contributions
Fort Valley Utility Commission Retirement Plan
For the Year Ended September 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 218,749	\$ 255,122	\$ 276,637
Contributions in relation to the actuarially determined contribution	<u>218,749</u>	<u>255,122</u>	<u>300,029</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (23,392)</u>
Covered-employee payroll	\$ 2,951,168	\$ 3,044,224	\$ 3,042,462
Contributions as a percentage of covered-employee payroll	7.41%	8.38%	9.86%

Notes to the Schedule:

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

Utility Commission
City of Fort Valley, Georgia
Schedule of Contributions
Fort Valley Utility Commission Retirement Plan
For the Year Ended September 30, 2017

1. Notes to Required Supplementary Information

Valuation Date	The actuarially-determined contribution rate was determined as of January 1, 2017, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially-determined contribution rate will be reported for the fiscal year ending September 30, 2018.
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed Level Dollar for Remaining Unfunded Liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 12 years
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Net Investment Rate of Return	7.75 Percent
Projected Salary Increases	3.25 Percent Plus Service Based Merit Increases
Cost of Living Adjustments	0.00 Percent
Retirement Age	65 with five years of service
Mortality	Mortality rates are based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females
Other Information	The eligibility assumption was updated for fiscal years beginning in 2016. The inflation assumption decreased from 3.5% to 3.25%. The salary increase assumption previously ranged from 4.00% to 11.00%, but changed to 3.75% to 8.00%. There were no change in benefit provisions in the last two fiscal years.

The accompanying schedules of the Commission's net pension liability and contributions to the Plan are required supplementary information to be presented for 10 years. However, until a full 10-year trend is compiled, information is presented in the schedules for those years for which information is available.

Utility Commission
City of Fort Valley, Georgia
Combining Schedule of Operating Revenues and Expenses
(After Cost Allocation)
For the Year Ended September 30, 2017

	Natural Gas	Electric	Water	Sewer	Telecom	Total
Operating Revenues						
Charges for services	\$ 3,806,423	\$ 11,899,094	\$ 2,713,875	\$ 2,065,995	\$ 434,820	\$ 20,920,207
Miscellaneous	175,036	996,278	17,692	341,518	15,340	1,545,864
Total Operating Revenues	3,981,459	12,895,372	2,731,567	2,407,513	450,160	22,466,071
Operating Expenses						
Personal services	755,144	1,086,737	1,437,961	918,996	128,033	4,326,871
Purchased services	459,537	1,102,807	623,754	747,798	21,072	2,954,967
Materials and supplies	40,804	60,873	113,383	227,812	26,792	469,665
Repairs and maintenance	127,713	225,650	237,569	205,938	21,430	818,300
Gas and electric purchased for resale	1,804,472	9,439,998	-	-	64,637	11,309,107
Depreciation	127,373	148,948	326,486	553,364	81,219	1,237,390
Miscellaneous	62,893	94,340	89,623	62,893	4,717	314,467
Total Operating Expenses	3,377,937	12,159,351	2,828,776	2,716,802	347,900	21,430,767
Operating Income (Loss)	\$ 603,522	\$ 736,021	\$ (97,209)	\$ (309,289)	\$ 102,260	\$ 1,035,304

Utility Commission
City of Fort Valley, Georgia
Combining Schedule of Operating Revenues and Expenses
(Before Cost Allocation)
For the Year Ended September 30, 2017

	Natural Gas	Electric	Water	Sewer	Telecom
Operating Revenues					
Charges for services	\$ 3,806,423	\$ 11,899,094	\$ 2,713,875	\$ 2,065,995	\$ 434,820
Miscellaneous	175,036	996,278	17,692	341,518	15,340
Total Operating Revenues	3,981,459	12,895,372	2,731,567	2,407,513	450,160
Operating Expenses					
Personal services	394,381	545,592	923,874	558,233	100,976
Purchased services	322,552	897,329	428,550	610,813	10,798
Materials and supplies	24,532	36,464	90,195	211,540	25,572
Repairs and maintenance	91,423	171,214	185,855	169,648	18,708
Gas and electric purchased for resale	1,804,472	9,439,998	-	-	64,637
Depreciation	116,613	132,808	311,153	542,604	80,412
Miscellaneous	-	-	-	-	-
Total Operating Expenses	2,753,973	11,223,405	1,939,627	2,092,838	301,103
Operating Income (Loss)	\$ 1,227,486	\$ 1,671,967	\$ 791,940	\$ 314,675	\$ 149,057

Administrative, Meter and Warehouse Costs			Total	
104	105	106	Administration	Total
\$ -	\$ -	\$ -	\$ -	\$ 20,920,207
39,430	-	-	39,430	1,585,294
39,430	-	-	39,430	22,505,501
1,471,839	247,542	84,434	1,803,815	4,326,871
661,037	17,157	6,731	684,925	2,954,967
31,453	10,059	39,850	81,362	469,665
146,693	9,771	24,988	181,452	818,300
-	-	-	-	11,309,107
53,800	-	-	53,800	1,237,390
353,897	-	-	353,897	353,897
2,718,719	284,529	156,003	3,159,251	21,470,197
\$ (2,679,289)	\$ (284,529)	\$ (156,003)	\$ (3,119,821)	\$ 1,035,304

Utility Commission
City of Fort Valley, Georgia
Combining Schedule of Operating Revenues and Expenses
(After Cost Allocation)
For the Year Ended September 30, 2016

	Natural Gas	Electric	Water	Sewer	Telecom	Total
Operating Revenues						
Charges for services	\$ 3,164,232	\$ 12,179,425	\$ 2,601,136	\$ 1,965,324	\$ 394,304	\$ 20,304,421
Miscellaneous	158,622	862,109	26,583	8,405	-	1,055,719
Total Operating Revenues	3,322,854	13,041,534	2,627,719	1,973,729	394,304	21,360,140
Operating Expenses						
Personal services	828,913	1,217,944	1,430,914	992,933	151,301	4,622,006
Purchased services	414,170	981,446	525,356	652,056	13,191	2,586,219
Materials and supplies	58,271	67,256	102,247	218,972	16,064	462,810
Repairs and maintenance	158,976	200,694	305,816	246,427	12,734	924,647
Gas and electric purchased for resale	1,415,539	9,954,882	-	-	85,627	11,456,048
Depreciation	124,765	141,750	328,736	542,763	79,650	1,217,664
Miscellaneous	21,197	31,795	30,205	21,197	1,590	105,983
Total Operating Expenses	3,021,830	12,595,767	2,723,274	2,674,347	360,158	21,375,377
Operating Income (Loss)	\$ 301,024	\$ 445,767	\$ (95,555)	\$ (700,618)	\$ 34,146	\$ (15,237)

Utility Commission
City of Fort Valley, Georgia
Combining Schedule of Operating Revenues and Expenses
(Before Cost Allocation)
For the Year Ended September 30, 2016

	Natural Gas	Electric	Water	Sewer	Telecom
Operating Revenues					
Charges for services	\$ 3,164,232	\$ 12,179,425	\$ 2,601,136	\$ 1,965,324	\$ 394,304
Miscellaneous	158,622	862,109	26,583	8,405	-
Total Operating Revenues	3,322,854	13,041,534	2,627,719	1,973,729	394,304
Operating Expenses					
Personal services	443,324	639,560	881,449	607,344	122,382
Purchased services	287,867	791,991	345,374	525,753	3,718
Materials and supplies	39,599	39,249	75,640	200,300	14,664
Repairs and maintenance	111,828	129,972	238,630	199,279	9,198
Gas and electric purchased for resale	1,415,539	9,954,882	-	-	85,627
Depreciation	114,452	126,281	314,041	532,450	78,877
Miscellaneous	-	-	-	-	-
Total Operating Expenses	2,412,609	11,681,935	1,855,134	2,065,126	314,466
Operating Income (Loss)	\$ 910,245	\$ 1,359,599	\$ 772,585	\$ (91,397)	\$ 79,838

Administrative, Meter and Warehouse Costs			Total	
104	105	106	Administration	Total
\$ -	\$ -	\$ -	\$ -	\$ 20,304,421
22,632	-	-	22,632	1,078,351
22,632	-	-	22,632	21,382,772
1,473,325	370,494	84,128	1,927,947	4,622,006
613,472	10,577	7,467	631,516	2,586,219
31,565	11,604	50,189	93,358	462,810
179,950	12,350	43,440	235,740	924,647
-	-	-	-	11,456,048
51,563	-	-	51,563	1,217,664
128,615	-	-	128,615	128,615
2,478,490	405,025	185,224	3,068,739	21,398,009
\$ (2,455,858)	\$ (405,025)	\$ (185,224)	\$ (3,046,107)	\$ (15,237)

Utility Commission
City of Fort Valley, Georgia
Comparative Schedule of Revenues and Expenses by Object Classification - Budget and Actual
(Before Cost Allocation)
For the Years Ended September 30, 2017 and 2016

Object Classification	2017			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Charges for services:				
Electric	\$ 12,151,881	\$ 12,151,881	\$ 11,915,791	\$ (236,090)
Gas	3,765,819	3,765,819	3,812,728	46,909
Water	1,123,849	1,123,849	2,722,175	1,598,326
Sewer	2,159,602	2,159,602	2,077,062	(82,540)
Telecom	426,625	426,625	434,820	8,195
Fees	304,062	304,062	299,040	(5,022)
Investment earnings	217,258	217,258	127,698	(89,560)
Miscellaneous	651,818	651,818	1,508,923	857,105
Total Revenues	20,800,914	20,800,914	22,898,237	2,097,323
Expenses:				
Personal Services:				
Salaries and wages	3,271,624	3,271,624	2,988,767	282,857
Payroll taxes	247,890	247,890	216,669	31,221
Group insurance	949,810	949,810	931,689	18,121
Pension	302,736	302,736	145,066	157,670
Uniforms	74,624	74,624	44,404	30,220
Safety shoes	16,750	16,750	275	16,475
Total Personal Services	4,863,434	4,863,434	4,326,870	536,564
Purchased Services:				
Professional services - audit	38,377	38,377	36,615	1,762
Professional services - legal	26,755	26,755	41,265	(14,510)
Professional services - engineering	23,100	23,100	105,428	(82,328)
Professional services - other	418,417	418,417	344,734	73,683
Professional services - MEAG Power	43,000	43,000	38,363	4,637
Communications - postage	39,222	39,222	41,195	(1,973)
Communications - telephones	41,558	41,558	64,103	(22,545)
Utilities	647,131	647,131	636,041	11,090
Advertising	10,778	10,778	7,915	2,863
Transportation, room and board	64,200	64,200	47,275	16,925
Continuing professional education	65,800	65,800	57,887	7,913
Insurance	245,380	245,380	240,434	4,946
Vehicles and equipment - other	-	-	-	-
Total Purchased Services	1,663,718	1,663,718	1,661,255	2,463
Total Expenses Carried Forward	6,527,152	6,527,152	5,988,125	539,027

2016			
Original Budget	Final Budget	Actual	Variance With Final Budget
\$ 12,673,386	\$ 12,673,386	\$ 12,197,497	\$ (475,889)
3,533,850	3,533,850	3,166,380	(367,470)
2,869,978	2,869,978	2,610,395	(259,583)
2,239,555	2,239,555	1,974,657	(264,898)
391,860	391,860	396,016	4,156
304,043	304,043	378,633	74,590
98,769	98,769	374,315	275,546
401,000	401,000	791,720	390,720
22,512,441	22,512,441	21,889,613	(622,828)
3,400,324	3,400,324	3,239,219	161,105
257,701	257,701	235,657	22,044
966,545	966,545	962,828	3,717
319,005	319,005	118,288	200,717
81,276	81,276	52,576	28,700
10,000	10,000	13,437	(3,437)
5,034,851	5,034,851	4,622,005	412,846
41,000	41,000	49,249	(8,249)
17,400	17,400	20,535	(3,135)
18,600	18,600	23,881	(5,281)
374,400	374,400	378,109	(3,709)
46,800	46,800	25,564	21,236
40,200	40,200	37,818	2,382
37,380	37,380	57,809	(20,429)
623,400	623,400	597,682	25,718
9,000	9,000	7,526	1,474
54,600	54,600	57,967	(3,367)
59,400	59,400	36,862	22,538
272,316	272,316	245,806	26,510
-	-	-	-
1,594,496	1,594,496	1,538,808	55,688
6,629,347	6,629,347	6,160,813	468,534

Utility Commission
City of Fort Valley, Georgia
Comparative Schedule of Revenues and Expenses by Object Classification - Budget and Actual
(Before Cost Allocation)
For the Years Ended September 30, 2017 and 2016

Object Classification	2017		
	Original Budget	Final Budget	Actual
Total Expenses Brought Forward	\$ 6,527,152	\$ 6,527,152	\$ 5,988,125
Materials and Supplies:			
General office	17,968	17,968	19,137
Printed forms	6,701	6,701	6,496
General operating	329,900	329,900	299,534
Hand tools and small equipment	60,500	60,500	30,062
Safety	25,100	25,100	23,996
Custodial	12,000	12,000	6,753
City of Fort Valley	12,500	12,500	3,645
Vehicles and equipment - fuel and oil	95,689	95,689	80,042
Total Materials and Supplies	560,358	560,358	469,665
Repairs and Maintenance:			
Metering service	64,000	64,000	34,340
Overhead lines	55,000	55,000	87,488
Underground lines	143,000	143,000	133,345
Stations	60,900	60,900	43,194
Office equipment	130,260	130,260	144,933
Vehicles	49,451	49,451	62,404
Heavy equipment	117,200	117,200	71,399
Communications	13,956	13,956	-
Buildings	85,035	85,035	54,878
Other	261,461	261,461	186,319
Total Repairs and Maintenance	980,263	980,263	818,300
Total Gas and Electric Purchased For Resale	12,674,042	12,674,042	11,309,106
Depreciation	1,196,610	1,196,610	1,237,390
Total Expenses Carried Forward	21,938,425	21,938,425	19,822,586

ctual

2016				
Variance With Final Budget	Original Budget	Final Budget	Actual	Variance With Final Budget
\$ 539,027	\$ 6,629,347	\$ 6,629,347	\$ 6,160,813	\$ 468,534
(1,169)	15,000	15,000	21,989	(6,989)
205	7,200	7,200	6,696	504
30,366	348,120	348,120	264,365	83,755
30,438	82,550	82,550	62,490	20,060
1,104	23,700	23,700	17,452	6,248
5,247	12,600	12,600	6,110	6,490
8,855	7,800	7,800	9,739	(1,939)
15,647	111,000	111,000	73,969	37,031
90,693	607,970	607,970	462,809	145,160
29,660	48,200	48,200	39,076	9,124
(32,488)	72,000	72,000	51,048	20,952
9,655	167,400	167,400	118,935	48,465
17,706	75,600	75,600	44,967	30,633
(14,673)	135,900	135,900	147,511	(11,611)
(12,953)	49,200	49,200	52,167	(2,967)
45,801	107,700	107,700	110,825	(3,125)
13,956	12,600	12,600	5,002	7,598
30,157	93,000	93,000	76,417	16,583
75,142	294,100	294,100	278,699	15,401
161,963	1,055,700	1,055,700	924,647	131,053
1,364,936	12,548,863	12,548,863	11,456,048	1,092,815
(40,780)	1,230,795	1,230,795	1,217,665	13,130
2,115,839	22,072,675	22,072,675	20,221,982	1,850,692

Utility Commission
City of Fort Valley, Georgia
Comparative Schedule of Revenues and Expenses by Object Classification - Budget and Actual
(Before Cost Allocation)
For the Years Ended September 30, 2017 and 2016

Object Classification	2017			Variance With Final Budget
	Original Budget	Final Budget	Actual	
Total Expenses Brought Forward	\$ 21,938,425	\$ 21,938,425	\$ 19,822,586	\$ 2,115,839
Miscellaneous:				
Operating	60,446	60,446	36,014	24,432
Non-operating	81,587	81,587	122,139	(40,552)
Interest	61,879	61,879	60,463	1,416
Bad debts	63,580	63,580	42,340	21,240
Franchise fees	1,147,065	1,147,065	1,135,992	11,073
Property and franchise taxes	3,600	3,600	-	3,600
City of Roberta collection fees	6,000	6,000	1,151	4,849
Aid to other governments	338,000	338,000	338,000	-
Total Miscellaneous	1,762,157	1,762,157	1,736,099	26,058
Total Expenses	23,700,582	23,700,582	21,558,685	2,141,897
Net Income - Budgetary Basis	<u>\$ (2,899,668)</u>	<u>\$ (2,899,668)</u>	1,339,552	<u>\$ 4,239,220</u>
Non-budgeted Items:				
Contributions			-	
Capitalized labor costs			-	
Inventory adjustments			1,026	
Change in Net Position - GAAP Basis			<u>\$ 1,340,578</u>	

2016			
Original Budget	Final Budget	Actual	Variance With Final Budget
\$ 22,072,675	\$ 22,072,675	\$ 20,221,982	\$ 1,850,692
11,700	11,700	4,680	7,020
101,600	101,600	56,679	44,921
54,154	54,154	56,883	(2,729)
90,000	90,000	40,523	49,477
998,882	998,882	999,761	(879)
3,600	3,600	(3,090)	6,690
6,000	6,000	5,500	500
100,000	100,000	220,615	(120,615)
1,365,936	1,365,936	1,381,551	(15,615)
23,438,611	23,438,611	21,603,533	1,835,077
<u>\$ (926,170)</u>	<u>\$ (926,170)</u>	286,080	<u>\$ 1,212,249</u>
		306,844	
		(3,162)	
		<u>19,277</u>	
		<u>\$ 609,039</u>	

STATISTICAL SECTION
(UNAUDITED)

Utility Commission
City of Fort Valley, Georgia
Statistical Section Summary
(Unaudited)

This statistical section of the Utility Commission's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information is unaudited.

Contents	Table
Financial Trends These tables contain trend information that may assist the reader in assessing the Utility Commission's current financial performance by placing it in a historical perspective.	S-1 - S-17
Revenue Capacity These tables contain information that may assist the reader in assessing the viability of the Utility Commission's most significant "own-source" revenue source, which is electric user charges. In addition, the Utility Commission has provided this information for each of its utilities.	S-18 - S-27
Debt Capacity These tables present information that may assist the reader in analyzing the affordability of the Utility Commission's current levels of outstanding debt and the Utility Commission's ability to issue additional debt in the future. The Utility Commission may not issue general obligation debt since it has no authority to levy property taxes. However, the Utility Commission may issue notes.	S-28 & S-29
Demographic and Economic Information These tables present demographic and economic information intended (1) to assist users in understanding the socioeconomic environment within which the Utility Commission operates and (2) to provide information that facilitates comparisons of financial statement information over time and among utility entities.	S-30 & S-31
Operating Information These tables contain service and infrastructure indicators that can inform one's understanding of how the information in the Utility Commission's financial statements relates to the services the Utility Commission provides and the activities it performs.	S-32 - S-34

Data Source:

Unless otherwise noted, the information in these tables is derived from the annual financial report for the applicable year. The Utility Commission implemented GASB Statement No. 34 in 2004, however, all reported periods have been restated to conform to this GASB statement.

FINANCIAL TRENDS
(UNAUDITED)

Table S-1

Utility Commission
City of Fort Valley, Georgia
Changes in Net Position - All Services
Last Ten Fiscal Years

Amounts ⁴							
Fiscal Year	Operating Revenue	Operating Expenses ^{1,5}	Operating Income	Total Net Nonoperating Revenue (Expense) ⁶	Income (Loss) Before Capital Contributions	Net Capital Contributions	Change in Net Position
2008	\$ 20,364,972	\$ 20,064,932	\$ 300,040	\$ (249,001)	\$ 51,039	\$ 905,427	\$ 956,466
2009	19,423,958	18,562,186	861,772	(313,784) ²	547,988	7,094,569	7,642,557
2010	20,594,302	18,273,205	2,321,097	(16,736)	2,304,361	280,000 ³	2,584,361
2011	20,194,404	19,380,601	813,803	(45,138)	768,665	(95,681)	672,984
2012	19,896,745	19,763,261	133,484	(38,822)	94,662	-	94,662
2013	21,267,220	20,290,751	976,469	(124,897)	851,572	31,620	883,192
2014	22,247,273	21,306,624	940,649	75,712	1,016,361	45,450	1,061,811
2015	20,816,655	19,818,975	997,680	160,948	1,158,628	3,236,169	4,394,797
2016	21,360,140	21,375,377	(15,237)	317,432	302,195	306,844	609,039
2017	22,466,071	21,430,767	1,035,304	67,235	1,102,539	238,040	1,340,579
Annual Percentage Change							
2008	9.0%	6.7%	338.5%	-168.5%	-78.5%	543.1%	152.5%
2009	-4.6%	-7.5%	-187.2%	26.0%	973.7%	683.6%	699.0%
2010	6.0%	-1.6%	169.3%	-94.7%	320.5%	-96.1%	-66.2%
2011	-1.9%	6.1%	-64.9%	-169.7%	-66.6%	-134.2%	-74.0%
2012	-1.5%	2.0%	-83.6%	14.0%	-87.7%	100.0%	-85.9%
2013	6.9%	2.7%	631.5%	-221.7%	799.6%	100.0%	833.0%
2014	4.6%	5.0%	-3.7%	160.6%	19.4%	43.7%	20.2%
2015	-6.4%	-7.0%	6.1%	-112.6%	14.0%	7020.3%	313.9%
2016	2.6%	7.9%	-101.5%	97.2%	-73.9%	-90.5%	-86.1%
2017	5.2%	0.3%	-6894.7%	-78.8%	264.8%	-22.4%	120.1%

Notes:

¹ Includes the allocation of funds to the City of Fort Valley, Georgia.

² Includes a special item for early payment to MEAG for telecom MEAG debt.

³ Includes a cash contribution from Peach County from 2000 SPLOST funds for the Walter S. Lanter Reclamation Facility.

Data Sources:

⁴ Applicable years' annual financial report.

⁵ Table S-2

⁶ Table S-3

Utility Commission
City of Fort Valley, Georgia
Chart - Total Operating Income (Loss)
Last Ten Fiscal Years

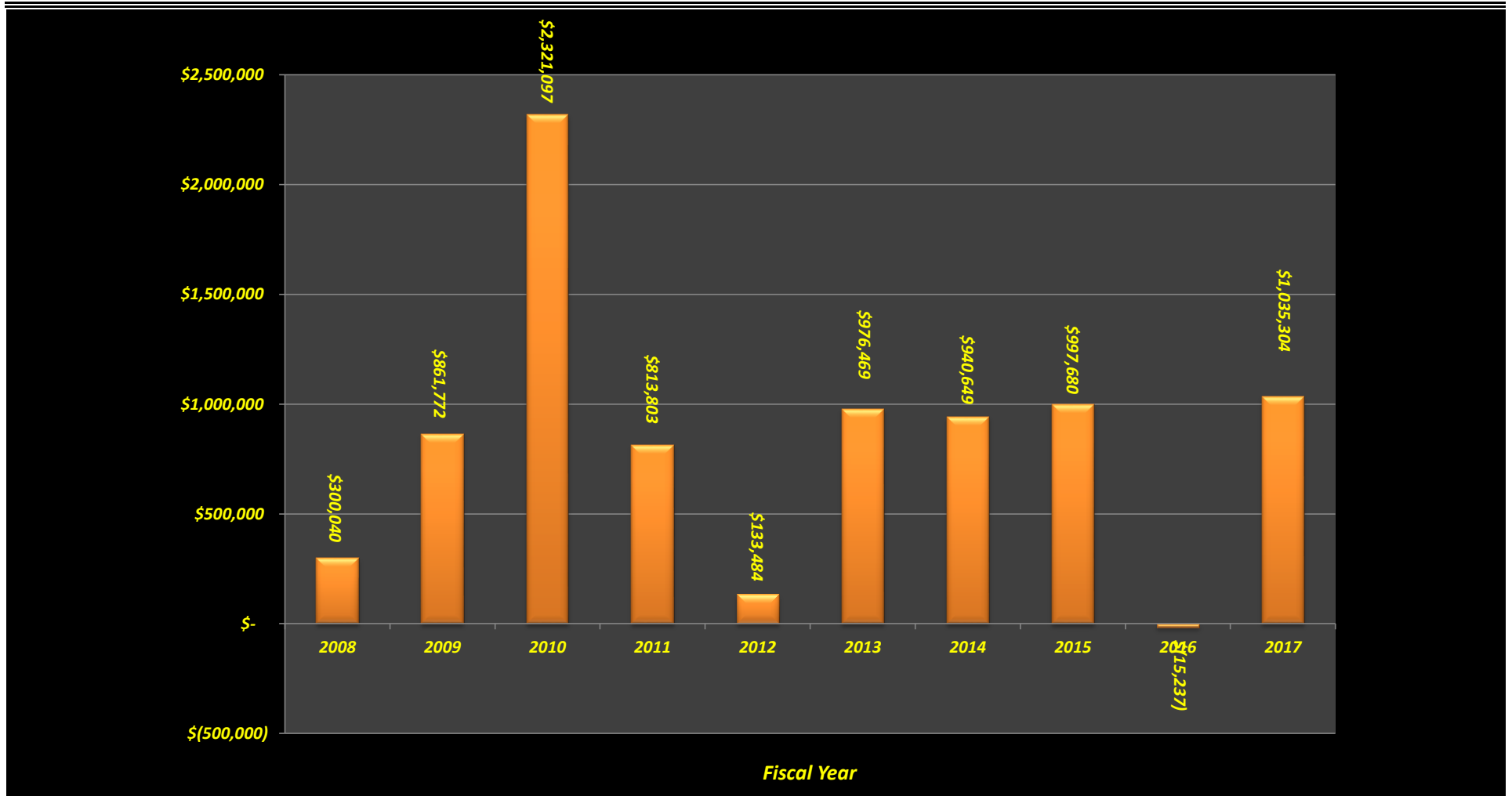


Table S-2

**Utility Commission
City of Fort Valley, Georgia
Operating Expenses - By Object
All Services
Last Ten Fiscal Years**

Amounts ^{1, 2}								
Fiscal Year	Personal Services	Purchased Services	Materials and Supplies	Repairs and Maintenance	Electric and Gas Purchased	Depreciation	Miscellaneous	Total
2008	\$ 3,737,322	\$ 2,000,868	\$ 405,808	\$ 623,110	\$ 12,168,047	\$ 1,081,601	\$ 48,176	\$ 20,064,932
2009	3,982,483	2,100,337	383,636	676,574	10,300,521	1,015,306	103,329	18,562,186
2010	4,103,735	1,991,214	419,295	679,755	9,787,346	1,048,661	243,199	18,273,205
2011	4,205,605	2,049,218	516,500	901,954	10,259,569	1,203,012	244,743	19,380,601
2012	4,295,278	2,190,231	518,231	763,552	10,709,430	1,128,816	157,723	19,763,261
2013	4,490,076	2,101,462	536,228	857,651	10,923,283	1,101,687	280,364	20,290,751
2014	4,432,613	2,244,440	565,726	764,319	11,742,660	1,098,466	458,400	21,306,624
2015	3,846,579	2,161,236	470,193	925,007	11,170,507	1,120,006	125,447	19,818,975
2016	4,622,006	2,586,219	462,810	924,647	11,456,048	1,217,664	105,983	21,375,377
2017	4,326,871	2,954,967	469,665	818,300	11,309,107	1,237,390	314,467	21,430,767
*	\$ 4,204,257	\$ 2,238,019	\$ 474,809	\$ 793,487	\$ 10,982,652	\$ 1,125,261	\$ 208,183	\$ 20,026,668
**	15.8%	47.7%	15.7%	31.3%	-7.1%	14.4%	552.7%	6.8%
Annual Percentage Change								
2008	8.9%	2.2%	18.2%	7.8%	8.2%	1.7%	-74.7%	6.7%
2009	6.6%	5.0%	-5.5%	8.6%	-15.3%	-6.1%	114.5%	-7.5%
2010	3.0%	-5.2%	9.3%	0.5%	-5.0%	3.3%	135.4%	-1.6%
2011	2.5%	2.9%	23.2%	32.7%	4.8%	14.7%	0.6%	6.1%
2012	2.1%	6.9%	0.3%	-15.3%	4.4%	-6.2%	-35.6%	2.0%
2013	4.5%	-4.1%	3.5%	12.3%	2.0%	-2.4%	77.8%	2.7%
2014	-1.3%	6.8%	5.5%	-10.9%	7.5%	-0.3%	63.5%	5.0%
2015	-13.2%	-3.7%	-16.9%	21.0%	-4.9%	2.0%	-72.6%	-7.0%
2016	20.2%	19.7%	-1.6%	0.0%	2.6%	8.7%	-15.5%	7.9%
2017	-6.4%	14.3%	1.5%	-11.5%	-1.3%	1.6%	196.7%	0.3%

* Dollar average for ten years.

** Percentage change in dollars over ten years.

Notes:

¹ Amounts presented after cost allocation.

Data Source:

² Applicable years' annual financial report.

Table S-3

Utility Commission
City of Fort Valley, Georgia
Nonoperating Revenues and Expenses ⁶
All Services
Last Ten Fiscal Years

Fiscal Year	Interest and Fiscal Charges	Investment Earnings	Gain (Loss) on Disposal of Capital Assets	Net Other Revenue (Expenses)	Net Nonoperating Revenues and (Expenses)
2008	\$ (12,470)	\$ 342,470	\$ -	\$ (579,001)	\$ (249,001)
2009	(40,488)	191,249	(464,545) ³	- ²	(313,784)
2010	(51,986)	38,522	(3,272)	-	(16,736)
2011	(71,283)	35,995	(9,850)	-	(45,138)
2012	(68,093)	30,322	(1,050)	-	(38,821)
2013	(64,787)	13,961	(74,071) ⁴	-	(124,897)
2014	(61,372)	145,845	(8,761) ⁵	-	75,712
2015	(57,827)	218,775	-	-	160,948
2016	(56,883)	374,315	-	-	317,432
2017	(60,463)	127,698	-	-	67,235

Notes:

¹ Includes a special item of \$18,218 for the loss on the sale of a lift station.

² A special item for early payment to MEAG for telecom MEAG debt.

³ The loss on the disposition of a three-megawatt generator restored in 1995.

⁴ The loss on the abandonment of the telecom 900 Mhz wireless system.

⁵ The loss on the sale of the Peach Shaving Plant = \$13,900.

Data Source:

⁶ Applicable years' annual financial report.

Table S-4

**Utility Commission
City of Fort Valley, Georgia
Annual Capital Contributions - By Source - All Services
Last Ten Fiscal Years**

Fiscal Year	Amounts ^{1, 5}				Total
	Developers	State of Georgia ²	Other ^{3,4}		
2008	\$ -	\$ 500,000	\$ 405,427	\$	905,427
2009	-	-	7,094,569		7,094,569
2010	280,000	-	-		280,000
2011	-	-	1,280		1,280
2012	-	-	-		-
2013	-	31,620	-		31,620
2014	-	-	45,450		45,450
2015	150,022	-	3,086,147		3,236,169
2016	-	306,844	-		306,844
2017	-	238,040	-		238,040

Notes:

¹ Negative capital contributions are transfers of capital assets to other entities or retirement of capital assets acquired with capital contributions.

² Fiscal year 2008, 2016, and 2017 includes a capital grant received from GEFA.

³ Includes a cash contribution from Peach County from 2000 SPLOST funds for the Walter S. Lanter Water Reclamation Facility and the East Peach County Sewer Project.

⁴ 2015 amount for Southwest Peach County Sewer Project.

Data Source:

⁵ Applicable years' annual financial report.

Table S-5

Utility Commission
City of Fort Valley, Georgia
Summary of Operating Revenue, Expenses and Operating Income (Loss)
Natural Gas Service
Last Ten Fiscal Years

Fiscal Year²	Operating Revenue^{1, 5}		Operating Expenses⁵		Operating Income (Loss)	
	Amount	% Change	Amount	% Change	Amount	% Change
2008 ³	\$ 6,571,594	-9.2%	\$ 6,327,670	-18.4%	\$ 243,924	183.2%
2009 ³	5,235,134	-20.3%	4,912,941	-22.4%	322,193	32.1%
2010	4,919,587	-6.0%	4,498,052	-8.4%	421,535	30.8%
2011	4,345,343	-11.7%	4,263,750	-5.2%	81,593	-80.6%
2012	3,705,571	-14.7%	3,594,228	-15.7%	111,343	36.5%
2013 ⁴	4,222,317	13.9%	3,824,541	6.4%	397,776	257.3%
2014	4,893,129	15.9%	4,472,517	16.9%	420,612	5.7%
2015	3,789,576	-22.6%	3,395,906	-24.1%	393,670	-6.4%
2016	3,322,854	-12.3%	3,021,830	-11.0%	301,024	-23.5%
2017	3,981,459	19.8%	3,377,937	11.8%	603,522	100.5%

Notes:

¹ Includes charges for services and miscellaneous revenue.

² Beginning in fiscal year 2004, the fiber optic service was allocated to each of the remaining services.

³ The spot market price of gas was down in 2007, resulting in less user charges. The average spot market price per Mmbtu for 2007, 2008 and 2009 was \$6.80, \$9.11 and \$4.72. July 2008 = \$13.29 and September 2009 = \$2.81.

⁴ Fiscal year rate increase across the board effective October 2012.

Data Source:

⁵ Table S-6

Utility Commission
City of Fort Valley, Georgia
Natural Gas Services
Chart - Operating Revenues and Expenses
(in \$1,000)
Last Ten Fiscal Years

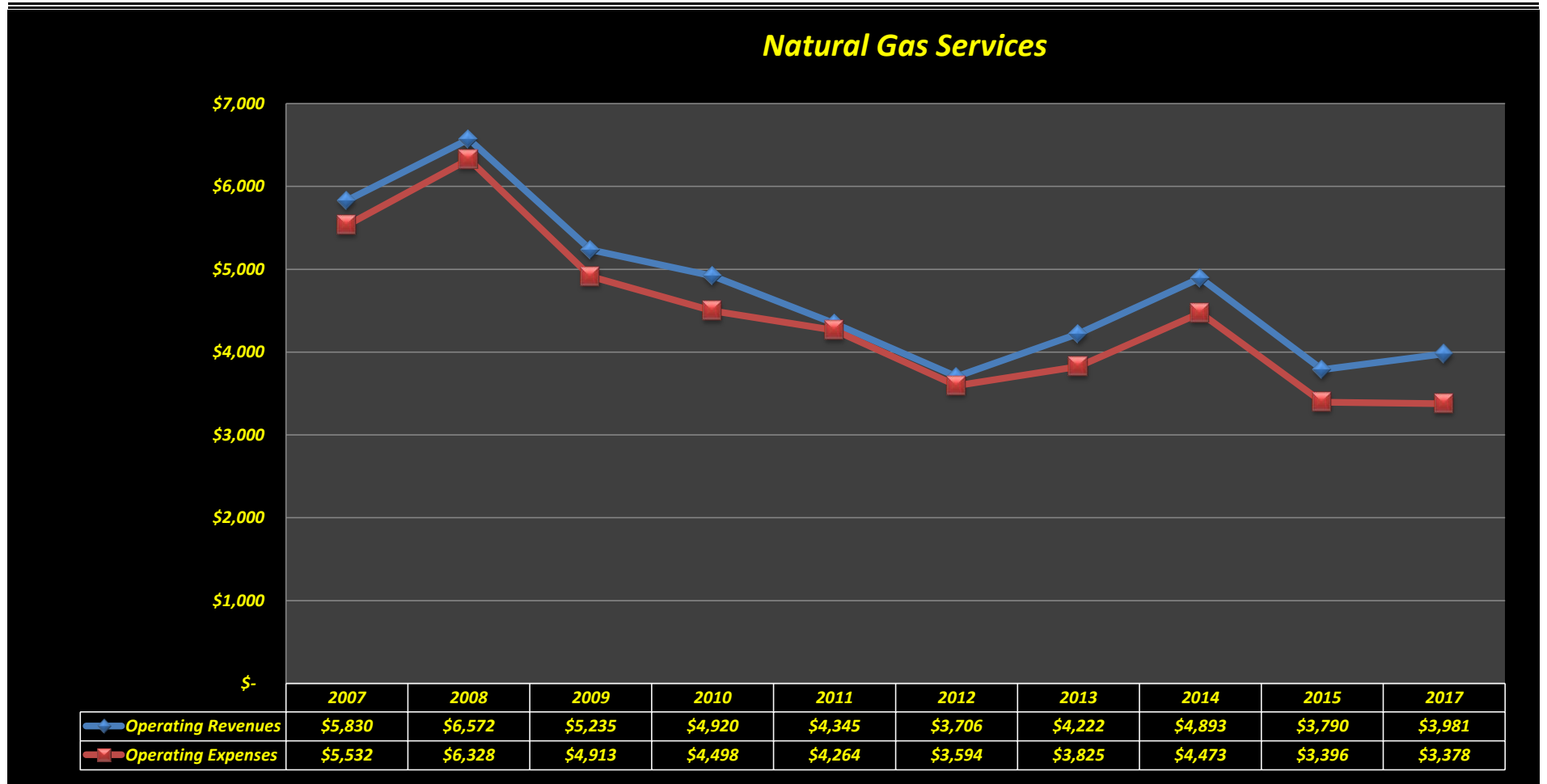


Table S-6

Utility Commission - City of Fort Valley, Georgia
Detailed Operating Revenues, Expenses and Operating Income (Loss)
Natural Gas Service
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Amounts ^{1,2,3}										
Operating Revenues	\$ 5,829,802	\$ 6,571,594	\$ 5,235,134	\$ 4,919,587	\$ 4,345,343	\$ 3,705,571	\$ 4,222,317	\$ 4,893,129	\$ 3,322,854	\$ 3,981,459
Operating Expenses:										
Personal services	741,776	756,275	710,216	757,987	800,567	820,994	808,499	680,836	828,913	755,144
Purchased services	426,795	467,309	375,117	436,300	449,059	362,462	415,124	412,847	414,170	459,537
Materials and supplies	45,380	33,649	34,414	46,865	56,209	49,586	58,221	45,247	58,271	40,804
Repairs and maintenance	70,025	67,766	67,916	104,389	137,777	131,471	133,135	144,166	158,976	127,713
Gas purchased for resale	4,917,956	3,451,573	3,130,824	2,726,969	1,976,899	2,263,093	2,837,813	1,961,721	1,415,539	1,804,472
Depreciation	115,257	113,888	126,914	138,254	139,574	136,236	121,169	124,118	124,765	127,373
Miscellaneous	10,481	22,481	52,651	52,986	34,143	60,699	98,556	26,971	21,196	62,893
Total Operating Expenses	6,327,670	4,912,941	4,498,052	4,263,750	3,594,228	3,824,541	4,472,517	3,395,906	3,021,830	3,377,937
Operating Income (Loss)	\$ (497,868)	\$ 1,658,653	\$ 737,082	\$ 655,837	\$ 751,115	\$ (118,970)	\$ (250,200)	\$ 1,497,223	\$ 301,024	\$ 603,522
Percentage of Total										
Operating Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Operating Expenses:										
Personal services	11.7%	15.4%	15.8%	17.8%	22.3%	21.5%	18.1%	20.0%	27.4%	22.4%
Purchased services	6.7%	9.5%	8.3%	10.2%	12.5%	9.5%	9.3%	12.2%	13.7%	13.6%
Materials and supplies	0.7%	0.7%	0.8%	1.1%	1.6%	1.3%	1.3%	1.3%	1.9%	1.2%
Repairs and maintenance	1.1%	1.4%	1.5%	2.4%	3.8%	3.4%	3.0%	4.2%	5.3%	3.8%
Gas purchased for resale	77.7%	70.3%	69.6%	64.0%	55.0%	59.2%	63.5%	57.8%	46.8%	53.4%
Depreciation	1.8%	2.3%	2.8%	3.2%	3.9%	3.6%	2.7%	3.7%	4.1%	3.8%
Miscellaneous	0.2%	0.5%	1.2%	1.2%	0.9%	1.6%	2.2%	2.2%	0.8%	1.9%
Total Operating Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	101.4%	100.1%	100.0%
Operating Income (Loss)										
as a Percentage of										
Operating Revenues	-8.5%	25.2%	14.1%	13.3%	17.3%	-3.2%	-5.9%	30.6%	9.1%	15.2%

Notes:¹ Amounts presented after cost allocation.² The major increases in revenue and the cost of natural gas purchased relates to seasonal adjustments, primarily due to extremely cold winters. Also, beginning in the fiscal year 2001, the billing base changed from a fixed price for CCF to a spot market gas price plus a city distribution charge.**Data Source:**³ Applicable years' annual financial report.

Table S-7

**Utility Commission
City of Fort Valley, Georgia
Operating Expenses - By Object
Natural Gas Service
Last Ten Fiscal Years**

Amounts ^{1, 2}								
Fiscal Year	Personal Services	Purchased Services	Materials and Supplies	Repairs and Maintenance	Gas Purchased	Depreciation	Miscellaneous	Total
2008	\$ 741,776	\$ 426,795	\$ 45,380	\$ 70,025	\$ 4,917,956	\$ 115,257	\$ 10,481	\$ 6,327,670
2009	756,275	467,309	33,649	67,766	3,451,573	113,888	22,481	4,912,941
2010	710,216	375,117	34,414	67,916	3,130,824	126,914	52,651	4,498,052
2011	757,987	436,300	46,865	104,389	2,726,969	138,254	52,986	4,263,750
2012	800,567	449,059	56,209	137,777	1,976,899	139,574	34,143	3,594,228
2013	820,994	362,462	49,586	131,471	2,263,093	136,236	60,699	3,824,541
2014	808,499	415,124	58,221	133,135	2,837,813	121,169	98,556	4,472,517
2015	680,836	412,847	45,247	144,166	1,961,721	124,118	26,971	3,395,906
2016	828,913	414,170	58,271	158,976	1,415,539	124,765	21,196	3,021,830
2017	755,144	459,537	40,804	127,713	1,804,472	127,373	62,893	3,377,937
*	\$ 766,121	\$ 421,872	\$ 46,865	\$ 114,333	\$ 2,648,686	\$ 126,755	\$ 44,306	\$ 4,168,937
**	1.8%	7.7%	-10.1%	82.4%	-63.3%	10.5%	500.1%	-46.6%
Annual Percentage Change								
2008	9.6%	-7.4%	22.1%	-10.1%	19.4%	-2.6%	-74.7%	14.4%
2009	2.0%	9.5%	-25.9%	-3.2%	-29.8%	-1.2%	114.5%	-22.4%
2010	-6.1%	-19.7%	2.3%	0.2%	-9.3%	11.4%	134.2%	-8.4%
2011	6.7%	16.3%	36.2%	53.7%	-12.9%	8.9%	0.6%	-5.2%
2012	5.6%	2.9%	19.9%	32.0%	-27.5%	1.0%	-35.6%	-15.7%
2013	2.6%	-19.3%	-11.8%	-4.6%	14.5%	-2.4%	77.8%	6.4%
2014	-1.5%	14.5%	17.4%	1.3%	25.4%	-11.1%	62.4%	16.9%
2015	-15.8%	-0.5%	-22.3%	8.3%	-30.9%	2.4%	-72.6%	-24.1%
2016	21.7%	0.3%	28.8%	10.3%	-27.8%	0.5%	-21.4%	-11.0%
2017	-8.9%	11.0%	-30.0%	-19.7%	27.5%	2.1%	196.7%	11.8%

* Dollar average for ten years.

** Percentage change in dollars over ten years.

Notes:

¹ Amounts presented after cost allocation.

Data Source:

² Table S-6.

Utility Commission
City of Fort Valley, Georgia
Summary of Operating Revenue, Expenses and Operating Income (Loss) ⁹
Electric Service
Last Ten Fiscal Years

Fiscal Year ²	Operating Revenue ¹		Operating Expenses		Operating Income (Loss)	
	Amount	% Change	Amount	% Change	Amount	% Change
2008 ⁴	\$ 9,895,391	10.5%	\$ 9,545,267	1.8%	\$ 350,124	183.1%
2009 ⁵	10,200,263	3.1%	9,198,008	-3.6%	1,002,255	-186.3%
2010 ⁶	11,698,443	14.7%	8,983,009	-2.3%	2,715,434	170.9%
2011	11,639,674	-0.5%	9,970,659	11.0%	1,669,015	-38.5%
2012 ⁷	11,966,896	2.8%	11,203,817	12.4%	763,079	-54.3%
2013 ⁸	12,427,917	3.9%	11,287,894	0.8%	1,140,023	49.4%
2014	12,630,849	1.6%	11,642,340	3.1%	988,509	-13.3%
2015	12,615,501	-0.1%	11,682,466	0.3%	933,035	-5.6%
2016	13,041,534	3.4%	12,595,767	7.8%	445,767	-52.2%
2017	12,895,372	-1.1%	12,159,351	-3.5%	736,021	65.1%

Notes:

¹ Includes charges for services and miscellaneous revenue.

⁴ Implemented a Power Cost Adjustment equal to \$0.004 per kWh.

⁵ Increased the Power Cost Adjustment by \$0.0065 per kWh to \$0.0105 per kWh.

⁶ Increased the Power Cost Adjustment by \$0.009 per kWh to \$0.0195 per kWh.

⁷ Mid-year rate increase March 1, 2012. Power Cost Adjustment included in new rates.

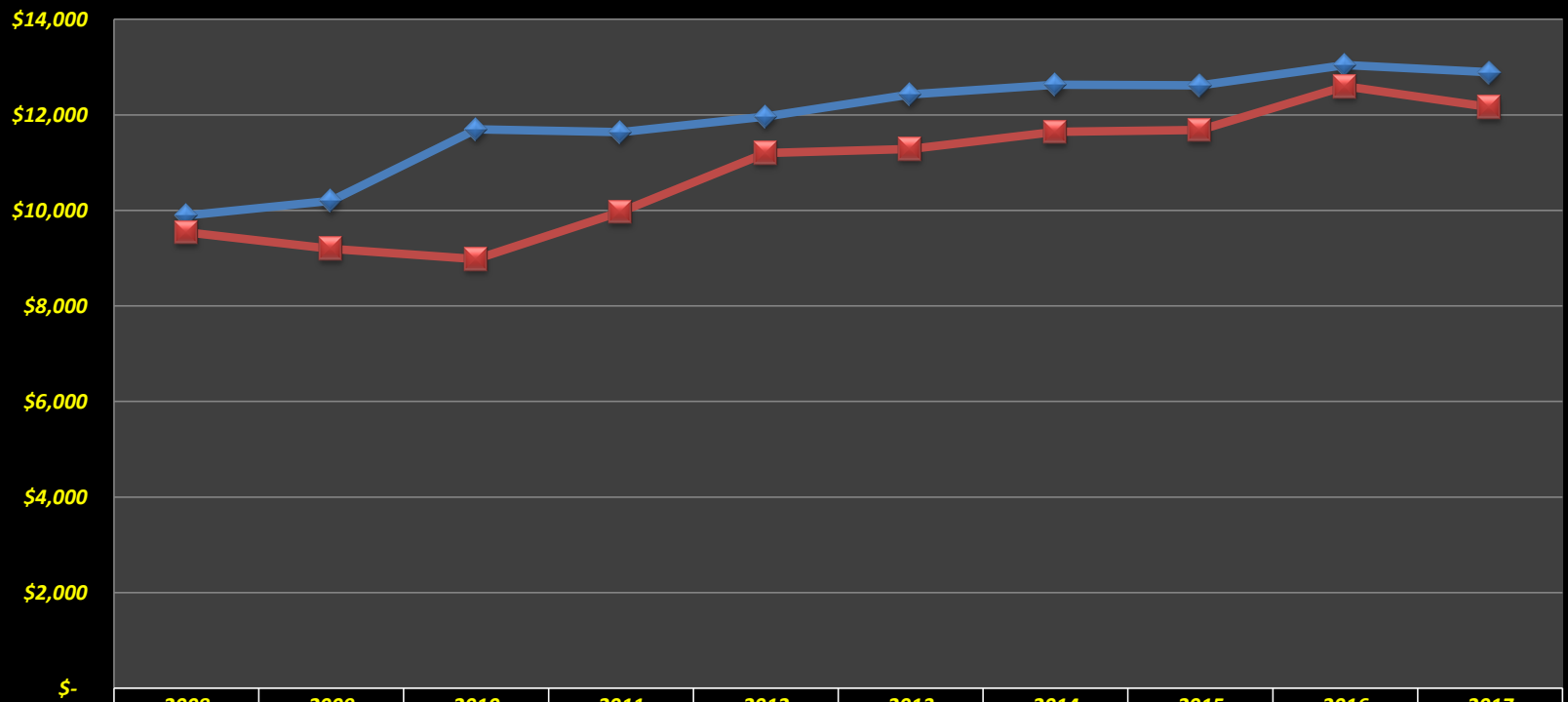
⁸ Fiscal year rate increase across the board effective October 2012.

Data Source:

⁹ Table S-9

Utility Commission
 City of Fort Valley, Georgia
 Electric Services
 Chart - Operating Revenues and Expenses
 (in \$1,000)
 Last Ten Fiscal Years

Electric Services



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Operating Revenues	\$9,895	\$10,200	\$11,698	\$11,640	\$11,967	\$12,428	\$12,631	\$12,616	\$13,042	\$12,895
Operating Expenses	\$9,545	\$9,198	\$8,983	\$9,971	\$11,204	\$11,288	\$11,642	\$11,682	\$12,596	\$12,159

Table S-9

Utility Commission - City of Fort Valley, Georgia
Detailed Operating Revenues, Expenses and Operating Income (Loss)
Electric Service
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	Amounts ^{1,2}									
Operating Revenues	\$ 9,895,391	\$ 10,200,263	\$ 11,698,443	\$11,639,674	\$ 11,966,896	\$12,427,917	\$ 12,630,849	\$ 12,615,501	\$ 13,041,534	\$ 12,895,372
Operating Expenses:										
Personal services	989,124	1,068,882	1,065,711	1,063,623	1,086,226	1,154,737	1,135,639	966,681	1,217,944	1,086,737
Purchased services	727,949	748,625	873,815	916,785	957,993	959,508	981,592	976,193	981,446	1,102,807
Materials and supplies	68,137	51,412	51,954	74,214	63,764	70,178	77,645	64,612	67,256	60,873
Repairs and maintenance	131,299	148,474	120,357	163,709	135,214	197,312	156,369	158,092	200,694	225,650
Electric purchased for resale	7,314,199	6,960,776	6,693,486	7,573,134	8,802,401	8,708,725	9,036,228	9,354,234	9,954,882	9,439,998
Depreciation	299,955	188,515	104,725	105,770	110,900	113,325	117,347	125,020	141,750	148,948
Miscellaneous	14,604	31,324	72,961	73,424	47,319	84,109	137,520	37,634	31,795	94,340
Total Operating Expenses	<u>9,545,267</u>	<u>9,198,008</u>	<u>8,983,009</u>	<u>9,970,659</u>	<u>11,203,817</u>	<u>11,287,894</u>	<u>11,642,340</u>	<u>11,682,466</u>	<u>12,595,767</u>	<u>12,159,351</u>
Operating Income (Loss)	<u>\$ 350,124</u>	<u>\$ 1,002,255</u>	<u>\$ 2,715,434</u>	<u>\$ 1,669,015</u>	<u>\$ 763,079</u>	<u>\$ 1,140,023</u>	<u>\$ 988,509</u>	<u>\$ 933,035</u>	<u>\$ 445,767</u>	<u>\$ 736,021</u>
	Percentage of Total									
Operating Revenues	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Operating Expenses:										
Personal services	10.4%	11.6%	11.9%	10.7%	9.7%	10.2%	9.8%	8.3%	9.7%	8.9%
Purchased services	7.6%	8.1%	9.7%	9.2%	8.6%	8.5%	8.4%	8.4%	7.8%	9.1%
Materials and supplies	0.7%	0.6%	0.6%	0.7%	0.6%	0.6%	0.7%	0.6%	0.5%	0.5%
Repairs and maintenance	1.4%	1.6%	1.3%	1.6%	1.2%	1.7%	1.3%	1.4%	1.6%	1.9%
Electric purchased for resale	76.6%	75.7%	74.5%	76.0%	78.6%	77.2%	77.6%	80.1%	79.0%	77.6%
Depreciation	3.1%	2.0%	1.2%	1.1%	1.0%	1.0%	1.0%	1.1%	1.1%	1.2%
Miscellaneous	0.2%	0.3%	0.8%	0.7%	0.4%	0.7%	1.2%	0.3%	0.4%	0.9%
Total Operating Expenses	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Operating Income (Loss) as a Percentage of Operating Revenues	<u>3.5%</u>	<u>9.8%</u>	<u>23.2%</u>	<u>14.3%</u>	<u>6.4%</u>	<u>9.2%</u>	<u>7.8%</u>	<u>7.4%</u>	<u>3.4%</u>	<u>5.7%</u>

Notes:¹ Amounts presented after cost allocation.**Data Source:**² Applicable years' annual financial report.

Table S-10

**Utility Commission
City of Fort Valley, Georgia
Operating Expenses - By Object
Electric Service
Last Ten Fiscal Years**

Amounts ^{1, 3}								
Fiscal Year	Personal Services	Purchased Services	Materials and Supplies	Repairs and Maintenance	Electric Purchased	Depreciation	Miscellaneous	Total
2008	\$ 989,124	\$ 727,949	\$ 68,137	\$ 131,299	\$ 7,314,199	\$ 299,955	\$ 14,604	\$ 9,545,267
2009	1,068,882	748,625	51,412	148,474	6,960,776	188,515	31,324	9,198,008
2010 ²	1,065,711	873,815	51,954	120,357	6,693,486	104,725	72,961	8,983,009
2011	1,063,623	916,785	74,214	163,709	7,573,134	105,770	73,424	9,970,659
2012	1,086,226	957,993	63,764	135,214	8,802,401	110,900	47,319	11,203,817
2013	1,154,737	959,508	70,178	197,312	8,708,725	113,325	84,109	11,287,894
2014	1,135,639	981,592	77,645	156,369	9,036,228	117,347	137,520	11,642,340
2015	966,681	976,193	64,612	158,092	9,354,234	125,020	37,634	11,682,466
2016	1,217,944	981,446	67,256	200,694	9,954,882	141,750	31,795	12,595,767
2017	1,086,737	1,102,807	60,873	225,650	9,439,998	148,948	94,340	12,159,351
*	\$ 1,083,530	\$ 922,671	\$ 65,004	\$ 163,717	\$ 8,383,806	\$ 145,626	\$ 62,503	\$ 10,826,858
**	9.9%	51.5%	-10.7%	71.9%	29.1%	-50.3%	546.0%	27.4%
Annual Percentage Change								
2008	1.3%	6.7%	33.3%	34.3%	9.0%	0.8%	-13.6%	8.0%
2009	8.1%	2.8%	-24.5%	13.1%	-4.8%	-37.2%	114.5%	-3.6%
2010	-0.3%	16.7%	1.1%	-18.9%	-3.8%	-44.4%	132.9%	-2.3%
2011	-0.2%	4.9%	42.8%	36.0%	13.1%	1.0%	0.6%	11.0%
2012	2.1%	4.5%	-14.1%	-17.4%	16.2%	4.9%	-35.6%	12.4%
2013	6.3%	0.2%	10.1%	45.9%	-1.1%	2.2%	77.7%	0.8%
2014	-1.7%	2.3%	10.6%	-20.8%	3.8%	3.5%	63.5%	3.1%
2015	-14.9%	-0.6%	-16.8%	1.1%	3.5%	6.5%	-72.6%	0.3%
2016	26.0%	0.5%	4.1%	26.9%	6.4%	13.4%	-15.5%	7.8%
2017	-10.8%	12.4%	-9.5%	12.4%	-5.2%	5.1%	196.7%	-3.5%

* Dollar average for ten years.

** Percentage change in dollars over ten years.

Notes:

¹ Amounts presented after cost allocation.

² The decrease in the 2009 depreciation expense is due primarily to the sale of the three-megawatt generator that was not fully depreciated and other infrastructure which became fully depreciated.

Data Source:

³ Table S-9.

Table S-11

Utility Commission
City of Fort Valley, Georgia
Summary of Operating Revenue, Expenses and Operating Income (Loss) ⁵
Water Service
Last Ten Fiscal Years

Fiscal Year ²	Operating Revenue ¹		Operating Expenses		Operating Income (Loss)	
	Amount	% Change	Amount	% Change	Amount	% Change
2008	\$ 2,196,077	-1.8%	\$ 2,346,005	9.7%	\$ (149,928)	-253.1%
2009	2,221,367	1.2%	2,435,593	3.8%	(214,226)	42.9%
2010	2,238,516	0.8%	2,568,483	5.5%	(329,967)	-54.0%
2011	2,329,823	4.1%	2,823,162	9.9%	(493,339)	-49.5%
2012	2,359,258	1.3%	2,635,501	-6.6%	(276,243)	44.0%
2013 ⁴	2,464,067	4.4%	2,731,262	3.6%	(267,195)	3.3%
2014	2,566,305	4.1%	2,513,818	-8.0%	52,487	119.6%
2015	2,410,875	-6.1%	2,272,207	-9.6%	138,668	-164.2%
2016	2,627,719	9.0%	2,723,274	19.9%	(95,555)	-168.9%
2017	2,731,567	4.0%	2,828,776	3.9%	(97,209)	1.7%

Notes:

¹ Includes charges for services and miscellaneous revenue.

² Beginning in fiscal year 2004, the fiber optic service was allocated to each of the remaining services.

³ Implemented a "Revenue Neutral Rate Equalization Plan" which resulted in higher user charges for water service.

⁴ Fiscal year rate increase across the board effective October 2012.

Data Source:

⁵ Table S-12

Utility Commission
 City of Fort Valley, Georgia
 Water Services
 Chart - Operating Revenues and Expenses
 (in \$1,000)
 Last Ten Fiscal Years

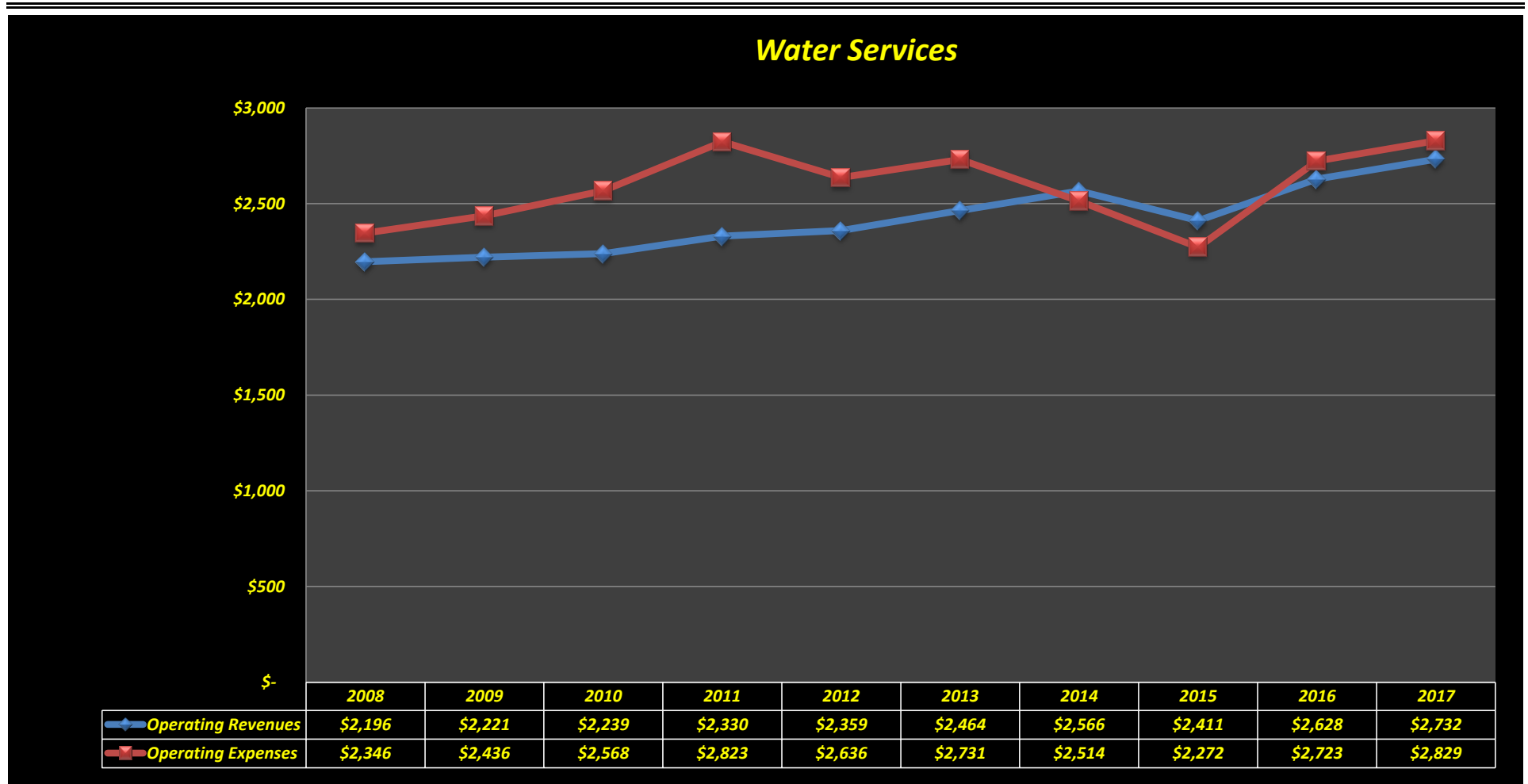


Table S-12

Utility Commission - City of Fort Valley, Georgia
Detailed Operating Revenues, Expenses and Operating Income (Loss)
Water Service
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Amounts ^{1,2,3}										
Operating Revenues	\$ 2,196,077	\$ 2,221,367	\$ 2,238,516	\$ 2,329,823	\$ 2,359,258	\$ 2,464,067	\$ 2,566,305	\$ 2,410,875	\$ 2,627,719	\$ 2,731,567
Operating Expenses:										
Personal services	1,133,793	1,233,874	1,293,993	1,326,267	1,362,896	1,404,496	1,363,227	1,213,156	1,430,914	1,437,961
Purchased services	437,126	409,833	329,716	357,638	461,906	451,321	391,224	342,002	525,356	623,754
Materials and supplies	124,432	111,795	130,325	178,880	148,498	150,615	158,497	127,147	102,247	113,383
Repairs and maintenance	240,360	268,292	328,335	477,871	318,738	354,351	278,940	377,244	305,816	237,569
Cost of treated water contra expense	(57,364)	(103,167)	(70,152)	(70,698)	(100,714)	(81,895)	(176,501)	(190,990)	-	-
Depreciation	454,128	485,947	487,561	484,063	399,618	373,171	368,932	368,209	328,736	326,486
Miscellaneous	13,530	29,019	68,705	69,141	44,559	79,203	129,499	35,439	30,205	89,623
Total Operating Expenses	2,346,005	2,435,593	2,568,483	2,823,162	2,635,501	2,731,262	2,513,818	2,272,207	2,723,274	2,828,776
Operating Income (Loss)	\$ (149,928)	\$ (214,226)	\$ (329,967)	\$ (493,339)	\$ (276,243)	\$ (267,195)	\$ 52,487	\$ 138,668	\$ (95,555)	\$ (97,209)
Percentage of Totals										
Operating Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Operating Expenses:										
Personal services	48.3%	50.7%	50.4%	47.0%	51.7%	51.4%	54.2%	53.4%	52.5%	50.8%
Purchased services	18.6%	16.8%	12.8%	12.7%	17.5%	16.5%	15.6%	15.1%	19.3%	22.1%
Materials and supplies	5.3%	4.6%	5.1%	6.3%	5.6%	5.5%	6.3%	5.6%	3.8%	4.0%
Repairs and maintenance	10.2%	11.0%	12.8%	16.9%	12.1%	13.0%	11.1%	16.6%	11.2%	8.4%
Cost of treated water contra expense	-2.4%	-4.2%	-2.7%	-2.5%	-3.8%	-3.0%	-7.0%	-8.4%	0.0%	0.0%
Depreciation	19.4%	20.0%	19.0%	17.1%	15.2%	13.7%	14.7%	16.2%	12.1%	11.5%
Miscellaneous	0.6%	1.2%	2.7%	2.4%	1.7%	2.9%	5.2%	1.6%	1.1%	3.2%
Total Operating Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Operating Income (Loss) as a Percentage of Operating Revenues	-6.8%	-9.6%	-14.7%	-21.2%	-11.7%	-10.8%	2.0%	5.8%	-3.6%	-3.6%

Notes:¹ Amounts presented after cost allocation.² Beginning in 2004, the fiber optic service was allocated to each of the remaining services.**Data Source:**³ Applicable years' annual financial report.

Table S-13

Utility Commission
City of Fort Valley, Georgia
Operating Expenses - By Object
Water Service
Last Ten Fiscal Years

Amounts ^{1, 2}									
Fiscal Year	Personal Services	Purchased Services	Materials and Supplies	Repairs and Maintenance	Treated Water Contra Expense ³	Depreciation	Miscellaneous	Total	
2008	\$ 1,133,793	\$ 437,126	\$ 124,432	\$ 240,360	\$ (57,364)	\$ 454,128	\$ 13,530	\$ 2,346,005	
2009	1,233,874	409,833	111,795	268,292	(103,167)	485,947	29,019	2,435,593	
2010	1,293,993	329,716	130,325	328,335	(70,152)	487,561	68,705	2,568,483	
2011	1,326,267	357,638	178,880	477,871	(70,698)	484,063	69,141	2,823,162	
2012	1,362,896	461,906	148,498	318,738	(100,714)	399,618	44,559	2,635,501	
2013	1,404,496	451,321	150,615	354,351	(81,895)	373,171	79,203	2,731,262	
2014	1,363,227	391,224	158,497	278,940	(176,501)	368,932	129,499	2,513,818	
2015	1,213,156	342,002	127,147	377,244	(190,990)	368,209	35,439	2,272,207	
2016	1,430,914	525,356	102,247	305,816	-	328,736	30,205	2,723,274	
2017	1,437,961	623,754	113,383	237,569	-	326,486	89,623	2,828,776	
*	\$ 1,320,058	\$ 432,988	\$ 134,582	\$ 318,752	\$ (94,609)	\$ 416,707	\$ 55,478	\$ 2,587,808	
**	26.8%	42.7%	-8.9%	-1.2%	-100.0%	-27.6%	123.2%	20.6%	
Annual Percentage Change									
2008	9.4%	17.7%	29.2%	30.6%	32.0%	3.3%	-74.7%	9.7%	
2009	8.8%	-6.2%	-10.2%	11.6%	79.8%	7.0%	114.5%	3.8%	
2010	4.9%	-19.5%	16.6%	22.4%	-32.0%	0.3%	136.8%	5.5%	
2011	2.5%	8.5%	37.3%	45.5%	0.8%	-0.7%	0.6%	9.9%	
2012	2.8%	29.2%	-17.0%	-33.3%	42.5%	-17.4%	-35.6%	-6.6%	
2013	3.1%	-2.3%	1.4%	11.2%	-18.7%	-6.6%	77.7%	3.6%	
2014	-2.9%	-13.3%	5.2%	-21.3%	115.5%	-1.1%	63.5%	-8.0%	
2015	-11.0%	-12.6%	-19.8%	35.2%	8.2%	-0.2%	-72.6%	-9.6%	
2016	17.9%	53.6%	-19.6%	-18.9%	-100.0%	-10.7%	-14.8%	19.9%	
2017	0.5%	18.7%	10.9%	-22.3%	0.0%	-0.7%	196.7%	3.9%	

* Dollar average for ten years.

** Percentage change in dollars over ten years.

Notes:

¹ Amounts presented after cost allocation.

³ FYE 2014 \$(176,501) is due to maintaining lift station flows on SR #96.

Data Source:

² Table S-12.

Utility Commission
City of Fort Valley, Georgia
Summary of Operating Revenue, Expenses and Operating Income (Loss) ⁵
Sewer Service
Last Ten Fiscal Years

Fiscal Year ²	Operating Revenue ¹		Operating Expenses		Operating Income (Loss)	
	Amount	% Change	Amount	% Change	Amount	% Change
2008	\$ 1,701,910	2.1%	\$ 1,845,990	4.4%	\$ (144,080)	-43.3%
2009	1,767,194	3.8%	2,015,644	9.2%	(248,450)	-72.4%
2010	1,737,756	-1.7%	2,223,661	10.3%	(485,905)	-95.6%
2011	1,879,564	8.2%	2,323,030	4.5%	(443,466)	8.7%
2012	1,865,020	-0.8%	2,329,715	0.3%	(464,695)	-4.8%
2013 ⁴	2,152,919	15.4%	2,447,054	5.0%	(294,135)	36.7%
2014	2,156,990	0.2%	2,677,949	9.4%	(520,959)	-77.1%
2015	2,000,699	-7.2%	2,468,396	-7.8%	(467,697)	10.2%
2016	1,973,729	-1.3%	2,674,348	8.3%	(700,619)	-49.8%
2017	2,407,513	22.0%	2,716,802	1.6%	(309,289)	55.9%

Notes:

¹ Includes charges for services and miscellaneous revenue.

² Beginning in fiscal year 2004, the fiber optic service was allocated to each of the remaining services.

³ Implemented a "Revenue Neutral Rate Equalization Plan " which resulted in higher user charges for sewer service.

⁴ Fiscal year rate increase across the board effective October 2012.

Data Source:

⁵ Table S-15

Utility Commission
City of Fort Valley, Georgia
Sewer Services
Chart - Operating Revenues and Expenses
(in \$1,000)
Last Ten Fiscal Years

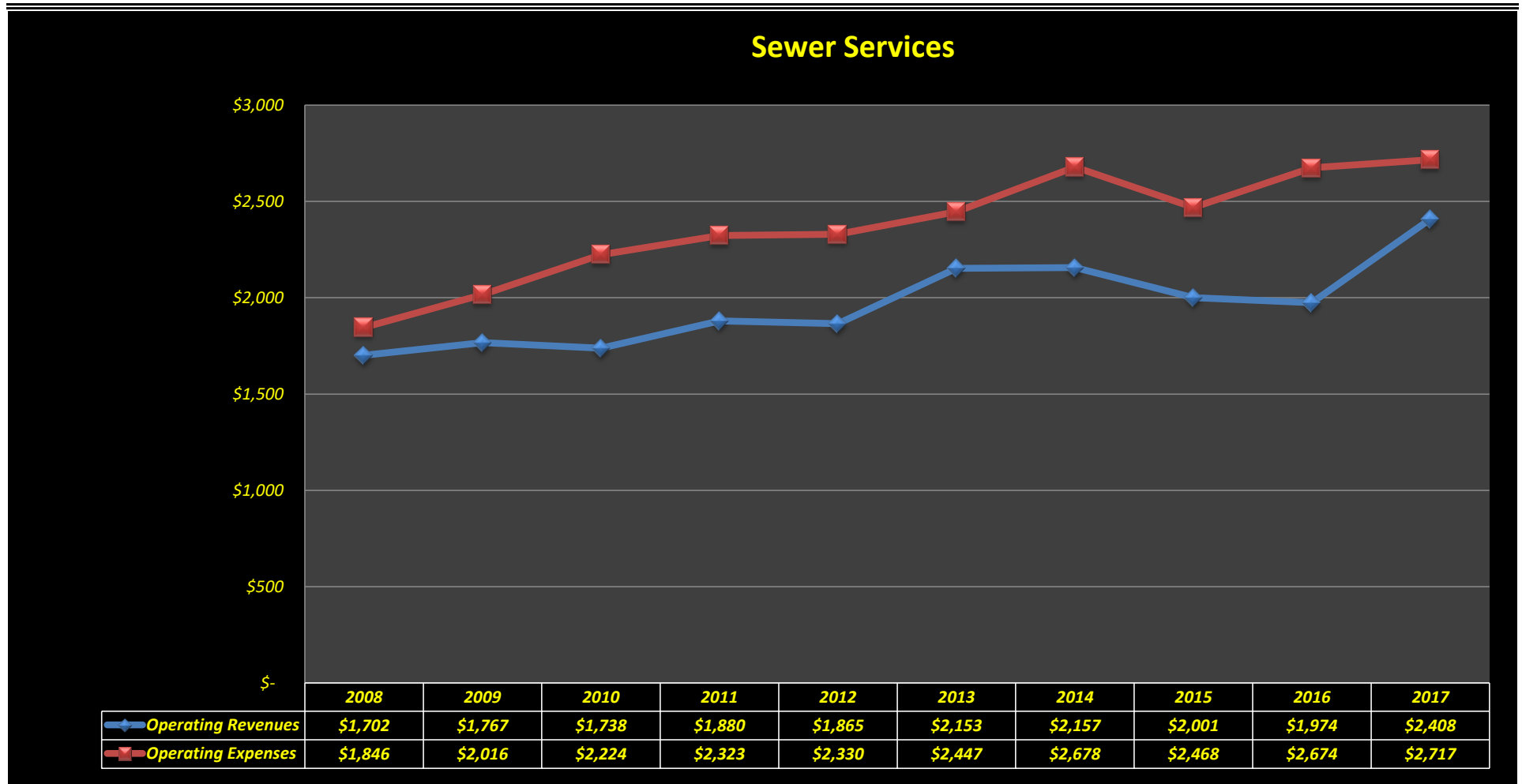


Table S-15

Utility Commission - City of Fort Valley, Georgia
Detailed Operating Revenues, Expenses and Operating Income (Loss)
Sewer Service
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	Amounts ^{1,2,3}									
Operating Revenues	\$ 1,701,910	\$ 1,767,194	\$ 1,737,756	\$ 1,879,564	\$ 1,865,020	\$ 2,152,919	\$ 2,156,990	\$ 2,000,699	\$ 1,973,729	\$ 2,407,513
Operating Expenses:										
Personal services	872,630	923,452	1,033,815	1,057,728	1,045,589	1,109,849	1,125,247	985,906	992,933	918,996
Purchased services	408,998	474,570	412,566	338,495	321,273	328,171	456,500	430,194	652,056	747,798
Materials and supplies	167,858	186,780	202,602	216,541	249,760	265,849	271,362	233,187	218,972	227,812
Repairs and maintenance	181,427	192,042	163,147	155,985	171,823	174,516	195,875	245,505	246,427	205,938
Cost of treated sewer contra expense	(6,743)	(8,661)	33,188	30,164	30,844	33,360	45,120	45,542	-	-
Depreciation	212,260	226,956	329,461	474,925	478,724	478,956	491,019	502,659	542,763	553,364
Miscellaneous	9,560	20,505	48,882	49,192	31,702	56,353	92,826	25,403	21,197	62,893
Total Operating Expenses	1,845,990	2,015,644	2,223,661	2,323,030	2,329,715	2,447,054	2,677,949	2,468,396	2,674,348	2,716,802
Operating Income (Loss)	\$ (144,080)	\$ (248,450)	\$ (485,905)	\$ (443,466)	\$ (464,695)	\$ (294,135)	\$ (520,959)	\$ (467,697)	\$ (700,619)	\$ (309,289)
	Annual Percentage Change									
Operating Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Operating Expenses:										
Personal services	47.3%	45.8%	46.5%	45.5%	44.9%	45.4%	42.0%	39.9%	37.1%	33.8%
Purchased services	22.2%	23.5%	18.6%	14.6%	13.8%	13.4%	17.0%	17.4%	24.4%	27.5%
Materials and supplies	9.1%	9.3%	9.1%	9.3%	10.7%	10.9%	10.1%	9.4%	8.2%	8.4%
Repairs and maintenance	9.8%	9.5%	7.3%	6.7%	7.4%	7.1%	7.3%	9.9%	9.2%	7.6%
Cost of treated sewer contra expense	-0.4%	-0.4%	1.5%	1.3%	1.3%	1.4%	1.7%	1.8%	0.0%	0.0%
Depreciation	11.5%	11.3%	14.8%	20.4%	20.5%	19.6%	18.3%	20.4%	20.3%	20.4%
Miscellaneous	0.5%	1.0%	2.2%	2.1%	1.4%	2.3%	3.5%	1.0%	0.8%	2.3%
Total Operating Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Operating Income (Loss) as a Percentage of Operating Revenues	-8.5%	-14.1%	-28.0%	-23.6%	-24.9%	-13.7%	-24.2%	-23.4%	-35.5%	-12.8%

Notes:¹ Amounts presented after cost allocation.² Beginning in fiscal year 2004, the fiber optic service was allocated to each of the remaining services.**Data Source:**³ Applicable years' annual financial report.

Table S-16

Utility Commission
City of Fort Valley, Georgia
Operating Expenses - By Object
Sewer Service
Last Ten Fiscal Years

Amounts ^{1, 2}								
Fiscal Year	Personal Services	Purchased Services	Materials and Supplies	Repairs and Maintenance	Treated Sewer Contra Expense	Depreciation	Miscellaneous	Total
2008	\$ 872,630	\$ 408,998	\$ 167,858	\$ 181,427	\$ (6,743)	\$ 212,260	\$ 9,560	\$ 1,845,990
2009	923,452	474,570	186,780	192,042	(8,661)	226,956	20,505	2,015,644
2010	1,033,815	412,566	202,602	163,147	33,188	329,461	48,882	2,223,661
2011	1,057,728	338,495	216,541	155,985	30,164	474,925	49,192	2,323,030
2012	1,045,589	321,273	249,760	171,823	30,844	478,724	31,702	2,329,715
2013	1,109,849	328,171	265,849	174,516	33,360	478,956	56,353	2,447,054
2014	1,125,247	456,500	271,362	195,875	45,120	491,019	92,826	2,677,949
2015	985,906	430,194	233,187	245,505	45,542	502,659	25,403	2,468,396
2016	992,933	652,056	218,972	246,427	-	542,763	21,197	2,674,348
2017	918,996	747,798	227,812	205,938	-	553,364	62,893	2,716,802
*	\$ 1,006,615	\$ 457,062	\$ 224,072	\$ 193,269	\$ 20,281	\$ 429,109	\$ 41,851	\$ 2,372,259
**	5.3%	82.8%	35.7%	13.5%	100.0%	160.7%	557.9%	47.2%
Annual Percentage Change								
2008	7.1%	10.8%	11.3%	-3.8%	43.4%	-2.8%	-74.7%	4.4%
2009	5.8%	16.0%	11.3%	5.9%	-28.4%	6.9%	114.5%	9.2%
2010	12.0%	-13.1%	8.5%	-15.0%	483.2%	45.2%	138.4%	10.3%
2011	2.3%	-18.0%	6.9%	-4.4%	9.1%	44.2%	0.6%	4.5%
2012	-1.1%	-5.1%	15.3%	10.2%	2.3%	0.8%	-35.6%	0.3%
2013	6.1%	2.1%	6.4%	1.6%	8.2%	0.0%	77.8%	5.0%
2014	1.4%	39.1%	2.1%	12.2%	35.3%	2.5%	64.7%	9.4%
2015	-12.4%	-5.8%	-14.1%	25.3%	0.9%	2.4%	-72.6%	-7.8%
2016	0.7%	51.6%	-6.1%	0.4%	-100.0%	8.0%	-16.6%	8.3%
2017	-7.4%	14.7%	4.0%	-16.4%	0.0%	2.0%	196.7%	1.6%

* Dollar average for ten years.

** Percentage change in dollars over ten years.

Notes:

¹ Amounts presented after cost allocation.

Data Source:

² Table S-15.

Table S-17

Utility Commission
City of Fort Valley, Georgia
Net Position by Component - All Services ¹
Last Ten Fiscal Years

	September 30, 2008	September 30, 2009	September 30, 2010	September 30, 2011	September 30, 2012
Amounts ²					
Net Position Components					
Net investment in capital assets	\$ 15,313,192	\$ 24,185,587	\$ 24,499,732	\$ 24,644,448	\$ 24,440,922
Restricted	1,578,697	16,000	184,107	405,020	561,130
Unrestricted	8,622,877	8,955,736	10,682,164	11,086,480	11,228,558
Total Net Position	\$ 25,514,766	\$ 33,157,323	\$ 35,366,003	\$ 36,135,948	\$ 36,230,610
Percentage of Total					
Net Position Components					
Net investment in capital assets	60.0%	72.9%	69.3%	68.2%	67.5%
Restricted	6.2%	0.0%	0.5%	1.1%	1.5%
Unrestricted	33.8%	27.0%	30.2%	30.7%	31.0%
Total Net Position	100.0%	100.0%	100.0%	100.0%	100.0%
	September 30, 2013	September 30, 2014	September 30, 2015	September 30, 2016	September 30, 2017
Amounts ²					
Net Position Components					
Net investment in capital assets	\$ 24,167,429	\$ 24,629,201	\$ 27,873,499	\$ 28,585,600	\$ 29,695,761
Restricted	2,558,901	2,835,546	3,089,084	2,732,719	2,748,061
Unrestricted	10,387,472	10,710,866	9,329,472	9,582,775	9,797,850
Total Net Position	\$ 37,113,802	\$ 38,175,613	\$ 40,292,055	\$ 40,901,094	\$ 42,241,672
Percentage of Total					
Net Position Components					
Net investment in capital assets	65.1%	64.5%	69.2%	69.9%	70.3%
Restricted	6.9%	7.4%	7.7%	6.7%	6.5%
Unrestricted	28.0%	28.1%	23.2%	23.4%	23.2%
Total Net Position	100.0%	100.0%	100.0%	100.0%	100.0%

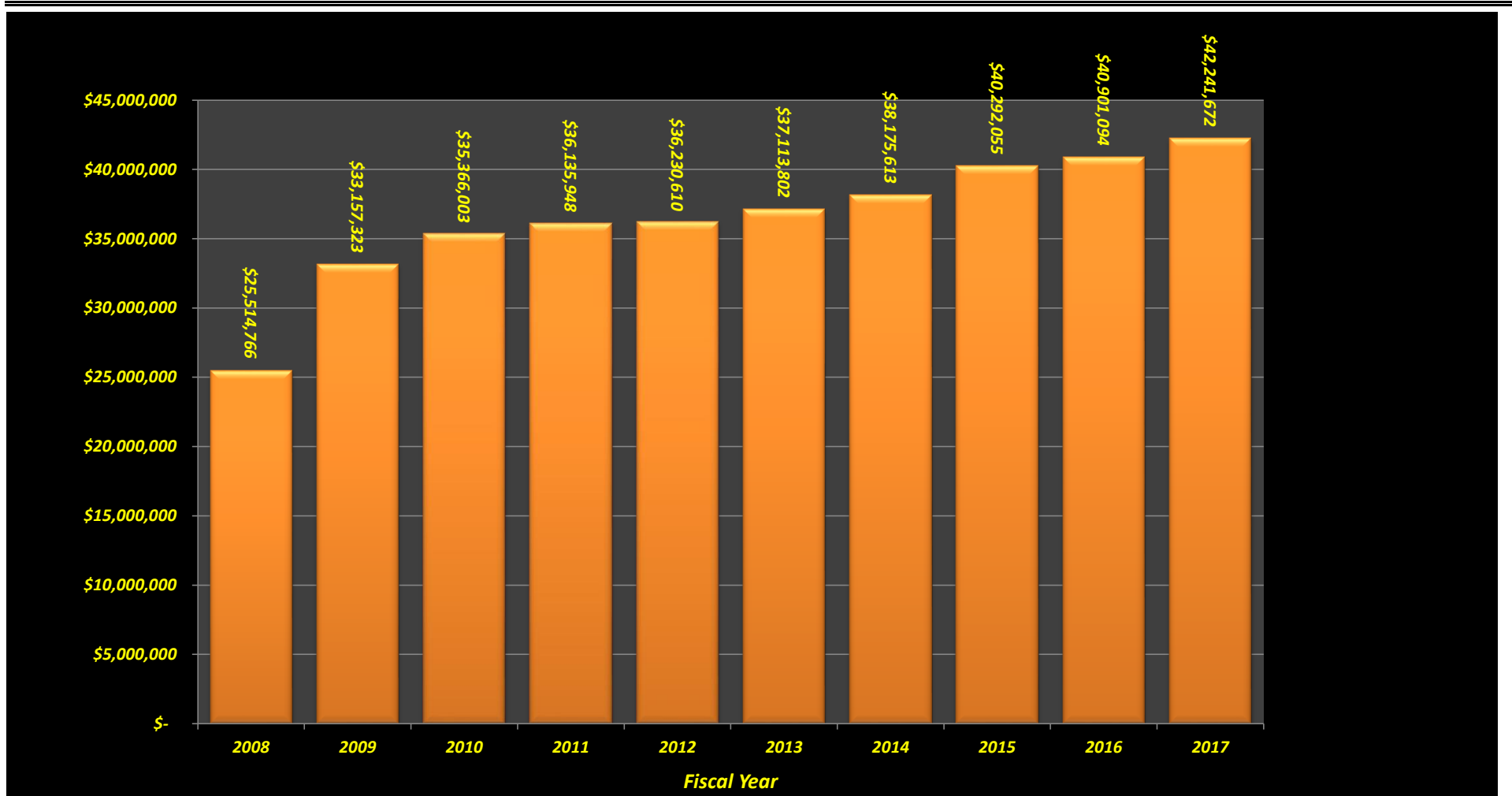
Notes:

¹ Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted only when (1) an external party, such as the State of Georgia or the federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the Utility Commission.

Data Source:

² Applicable years' annual financial report.

Utility Commission
City of Fort Valley, Georgia
Chart-Total Net Position
Last Ten Fiscal Years



REVENUE CAPACITY
(UNAUDITED)

Utility Commission
City of Fort Valley, Georgia
Consumption Billed ¹
By Service
Last Ten Fiscal Years

Fiscal Year	Natural Gas		Electric		Water		Sewer	
	Cubic Feet	% Change	kWh	% Change	Gallons	% Change	Gallons ²	% Change
2008	482,349,900	0.9%	130,967,821	2.5%	513,293,250	-2.5%	265,314,750	0.6%
2009	481,717,300	-0.1%	123,525,369	-5.7%	529,012,500	3.1%	274,432,500	3.4%
2010	474,495,400	-1.5%	126,757,995	2.6%	537,182,250	1.5%	267,770,250	-2.4%
2011	425,080,700	-10.4%	126,671,647	-0.1%	533,728,500	-0.6%	277,027,500	3.5%
2012	344,838,100	-18.9%	116,826,660	-7.8%	546,834,000	2.5%	270,162,000	-2.5%
2013	407,096,300	18.1%	121,198,809	3.7%	477,910,500	-12.6%	284,604,000	5.3%
2014	439,949,800	8.1%	120,435,659	-0.6%	492,803,250	3.1%	276,865,500	-2.7%
2015	429,268,000	-2.4%	122,058,556	1.3%	461,117,250	-6.4%	252,750,750	-8.7%
2016	388,899,100	-9.4%	119,179,075	-2.4%	446,688,396	-3.1%	246,890,864	-2.3%
2017	375,462,500	-3.5%	116,906,445	-1.9%	462,488,400	3.5%	252,915,256	2.4%

Notes:

2011 and 2012 - Short and warm winter seasons for Natural Gas.

Data Source:

¹ Utility Commission's billing department.

² From May - October in fiscal years 2007 - 2015 the consumption billed was capped.

Table S-19

Utility Commission
City of Fort Valley, Georgia
Natural Gas Service Rates^{1,4}
Last Ten Fiscal Years

	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>
General Service:										
Base Charge	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 14.000	\$ 14.000
Spot market natural gas price	Note #3	Note #3	Note #3	Note #3	Note #3	Note #3	Note #3	Note #3	Note #3	Note #3
City distribution charge ²										
Winter	0.25000	0.27000	0.28000	0.28000	0.28000	0.31000	0.31000	0.31000	0.31000	0.41000
Summer	0.50000	0.53000	0.54000	0.54000	0.54000	0.54000	0.54000	0.54000	0.54000	0.41000
Interruptible Gas Service:										
Spot market natural gas price	Note #3	Note #3	Note #3	Note #3	Note #3	Note #3	Note #3	Note #3	Note #3	Note #3
Commission distribution charge:										
First 1000 Mcf	1.4900	1.5800	1.6100	1.6100	1.6100	1.6100	1.6100	1.6100	1.6100	1.8000
Next 3000 Mcf	1.2400	1.3100	1.3400	1.3400	1.3400	1.3400	1.3400	1.3400	1.3400	1.5000
Next 6000 Mcf	0.9900	1.0500	1.0700	1.0700	1.0700	1.0700	1.0700	1.0700	1.0700	1.2000
Over 10,000 Mcf	0.8900	0.9400	0.9600	0.9600	0.9600	0.9600	0.9600	0.9600	0.9600	0.9600

Notes:

¹ Rates presented as of September 30 of the applicable year.

² Beginning in fiscal year 2004, the distribution charge varied for summer and winter seasons.
Beginning 7/1/16, the distribution charge is the same for all months.

³ The Spot Market Natural Gas Price of Natural Gas is the wholesale cost of gas. This price changes monthly.

Data Source:

⁴ Utility Commission's rate and connection fee book.

Table S-20

Utility Commission
City of Fort Valley, Georgia
Electric Service Rates ^{1, 4}
Last Ten Fiscal Years

	2008	2009	2010	2011	2012 ³	2013 ⁵	2014	2015	2016	2017 ⁶
Residential:										
Winter Rates:										
Base Charge	\$ 7.00000	\$ 7.00000	\$ 7.00000	\$ 7.00000	\$ 9.50000	\$ 9.50000	\$ 9.50000	\$ 9.50000	\$ 9.50000	\$ 15.00000
First 650 kWh	0.05200	0.05200	0.05200	0.05200	0.07600	0.08090	0.08090	0.08090	0.08090	0.07837
Next 350 kWh	0.04800	0.04800	0.04800	0.04800	0.07200	0.07690	0.07690	0.07690	0.07690	0.07439
Over 1000 kWh	0.04400	0.04400	0.04400	0.04400	0.06800	0.07290	0.07290	0.07290	0.07290	0.07038
Summer Rates:										
Base Charge	7.00000	7.00000	7.00000	7.00000	9.50000	9.50000	9.50000	9.50000	9.50000	15.00000
First 650 kWh	0.05200	0.05200	0.05200	0.05200	0.07600	0.08090	0.08090	0.08090	0.08090	0.07837
Next 350 kWh	0.06000	0.06000	0.06000	0.06000	0.09600	0.10090	0.10090	0.10090	0.10090	0.09837
Over 1000 kWh	0.06800	0.06800	0.06800	0.06800	0.10400	0.10890	0.10890	0.10890	0.10890	0.10637
Small Commercial:										
Winter Rates:										
Base Charge	-	-	-	-	16.00000	16.00000	16.00000	16.00000	16.00000	16.00000
All kWh	-	-	-	-	0.13500	0.13990	0.13990	0.13990	0.13990	0.14100
Summer Rates:										
Base Charge	-	-	-	-	16.00000	16,490	16,490	16,490	16.00000	16.00000
All kWh	-	-	-	-	0.16000	0.16490	0.16490	0.16490	0.16490	0.16600
First 25 kWh	15.00000	15.00000	15.00000	15.00000	-	-	-	-	-	-
Next 475 kWh	0.12000	0.12000	0.12000	0.12000	-	-	-	-	-	-
Next 1000 kWh	0.11200	0.11200	0.11200	0.11200	-	-	-	-	-	-
Next 8500 kWh	0.10800	0.10800	0.10800	0.10800	-	-	-	-	-	-
All over 10000 kWh	0.09800	0.09800	0.09800	0.09800	-	-	-	-	-	-
Commercial:										
Base charge	25.00000	25.00000	25.00000	25.00000	35.00000	35.00000	35.00000	35.00000	35.00000	50.00000
Demand charge	-	-	-	-	-	-	-	-	-	5.00000
First 200 X KW:										
First 3000 kWh	0.13000	0.13000	0.13000	0.13000	0.15000	0.15490	0.15490	0.15490	0.15490	0.13259
Next 7000 kWh	0.12200	0.12200	0.12200	0.12200	0.14000	0.14490	0.14490	0.14490	0.14490	0.11509
Next 190000 kWh	0.10800	0.10800	0.10800	0.10800	0.13000	0.13490	0.13490	0.13490	0.13490	0.09509
Over 200000 kWh	0.08700	0.08700	0.08700	0.08700	0.12000	0.12490	0.12490	0.12490	0.12490	0.07009
Next 200 X KW	0.02900	0.02900	0.02900	0.02900	0.06000	0.06490	0.06490	0.06490	0.06490	0.06009
Next 200 X KW	0.02600	0.02600	0.02600	0.02600	0.05600	0.06090	0.06090	0.06090	0.06090	0.04654
Over 600 X KW	0.02500	0.02500	0.02500	0.02500	0.05200	0.05690	0.05690	0.05690	0.05690	0.03214

(Continued)

Table S-20

Utility Commission
City of Fort Valley, Georgia
Electric Service Rates ^{1, 4}
Last Ten Fiscal Years

	2008	2009	2010	2011	2012 ³	2013 ⁵	2014	2015	2016	2017 ⁶
Institutional:										
Base Charge	25.00000	25.00000	25.00000	25.00000	33.25000	33.25000	33.25000	33.25000	33.25000	50.00000
Demand charge	-	-	-	-	-	-	-	-	-	5.00000
First 200 X KW:										
First 3000 kWh	0.12000	0.12000	0.12000	0.12000	0.14250	0.14740	0.14740	0.14740	0.14740	0.13259
Next 7000 kWh	0.11600	0.11600	0.11600	0.11600	0.13300	0.13790	0.13790	0.13790	0.13790	0.11509
Next 190000 kWh	0.10200	0.10200	0.10200	0.10200	0.12350	0.12840	0.12840	0.12840	0.12840	0.09509
Over 200000 kWh	0.08300	0.08300	0.08300	0.08300	0.11400	0.11890	0.11890	0.11890	0.11890	0.07009
Next 200 X KW	0.02700	0.02700	0.02700	0.02700	0.05700	0.06190	0.06190	0.06190	0.06190	0.06009
Next 200 X KW	0.02500	0.02500	0.02500	0.02500	0.05320	0.05810	0.05810	0.05810	0.05810	0.04654
Over 600 X KW	0.02400	0.02400	0.02400	0.02400	0.04940	0.05430	0.05430	0.05430	0.05430	0.03214
Industrial Small/Large Power:										
Base Charge	50.00000	50.00000	50.00000	50.00000	50.00000	50.00000	50.00000	50.00000	50.00000	50.00000
Demand charge	-	-	-	-	-	-	-	-	-	5.00000
First 200 X KW:										
First 3000 kWh	0.13000	0.13000	0.13000	0.13000	0.15000	0.15490	0.15490	0.15490	0.15490	0.13259
Next 7000 kWh	0.11500	0.11500	0.11500	0.11500	0.14000	0.14490	0.14490	0.14490	0.14490	0.11509
Next 190000 kWh	0.10200	0.10200	0.10200	0.10200	0.13000	0.13490	0.13490	0.13490	0.13490	0.09509
Over 200000 kWh	0.05300	0.05300	0.05300	0.05300	0.07500	0.07990	0.07990	0.07990	0.07990	0.07009
Next 200 X KW	0.03500	0.03500	0.03500	0.03500	0.06000	0.06490	0.06490	0.06490	0.06490	0.06009
Next 200 X KW	0.03100	0.03100	0.03100	0.03100	0.05600	0.06090	0.06090	0.06090	0.06090	0.04654
Over 600 X KW	0.02700	0.02700	0.02700	0.02700	0.05200	0.05690	0.05690	0.05690	0.05690	0.03214
Seasonal Power:										
Base Charge	25.00000	25.00000	25.00000	25.00000	-	-	-	-	-	-
First 200 X KW:										
First 3000 kWh	0.13000	0.13000	0.13000	0.13000	-	-	-	-	-	-
Next 7000 kWh	0.12200	0.12200	0.12200	0.12200	-	-	-	-	-	-
Next 190000 kWh	0.10800	0.10800	0.10800	0.10800	-	-	-	-	-	-
Over 200000 kWh	0.08700	0.08700	0.08700	0.08700	-	-	-	-	-	-
Next 200 X KW	0.02900	0.02900	0.02900	0.02900	-	-	-	-	-	-
Next 200 X KW	0.02600	0.02600	0.02600	0.02600	-	-	-	-	-	-
Over 600 X KW	0.02500	0.02500	0.02500	0.02500	-	-	-	-	-	-
Power Cost Adjustment										
Per kWh	0.00400	0.01050	0.01950	0.01950	-	-	-	-	-	0.00230

Notes:

¹ Rates presented as of September 30 of the applicable year.

² Implemented a "Revenue Neutral Rate Equalization Plan" which resulted in lower user rates for electric service.

³ During this fiscal year, there were two rate adjustments, October 1, 2011 and March 1, 2012. With the latter rate change, the seasonal power rate customers are incorporated into small commercial customers.

⁵ Cost of Service Study implemented October 1, 2012.

⁶ ECCCR increased from .00490 to .0060 per kWh. Environmental compliance cost recovery. Demand charge to rate structure implemented fiscal year 2017.

Data Source:

⁴ Utility Commission's rate and connection fee book.

Table S-21

**Utility Commission
City of Fort Valley, Georgia
Water Service Rates^{1, 2, 4}
Last Ten Fiscal Years**

	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013³</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>
Inside city:										
Minimum charge	\$ 10.00	\$ 10.30	\$ 10.30	\$ 10.30	\$ 10.30	\$ 12.30	\$ 12.30	\$ 12.30	\$ 12.30	\$ 12.30
All CCF	-	-	-	-	-	-	-	-	-	-
0 - 6 CCF	2.30000	2.37000	2.37000	2.37000	2.37000	2.61000	2.61000	2.61000	2.61000	2.61000
Over 6 - 12 CCF	2.50000	2.58000	2.58000	2.58000	2.58000	3.39000	3.39000	3.39000	3.39000	3.39000
Over 12 CCF	2.50000	2.58000	2.58000	2.58000	2.58000	3.65000	3.65000	3.65000	3.65000	3.65000
Outside city:										
Minimum charge	\$ 10.00	\$ 10.30	\$ 10.30	\$ 10.30	\$ 10.30	\$ 12.30	\$ 12.30	\$ 12.30	\$ 12.30	\$ 12.30
All CCF	-	-	-	-	-	-	-	-	-	-
0 - 6 CCF	2.30000	2.37000	2.37000	2.37000	2.37000	2.61000	2.61000	2.61000	2.61000	2.61000
Over 6 - 12 CCF	2.50000	2.58000	2.58000	2.58000	2.58000	3.39000	3.39000	3.39000	3.39000	3.39000
Over 12 CCF	2.50000	2.58000	2.58000	2.58000	2.58000	3.65000	3.65000	3.65000	3.65000	3.65000
Direct cost	-	-	-	-	-	-	-	-	-	-

Notes:

¹ Rates presented as of September 30 of the applicable year.

² In fiscal year 2001, the rate schedule was changed to a standard charge for CCF.

³ Cost of Service Study implemented October 1, 2012.

Data Source:

⁴ Utility Commission's rate and connection fee book.

Utility Commission
City of Fort Valley, Georgia
Sewer Service Rates^{1, 3}
Last Ten Fiscal Years

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Monthly Rate:					
Inside city:					
Capacity charge	\$ 10.000	\$ 10.300	\$ 10.300	\$ 10.300	\$ 10.300
Commodity charge	-	-	-	-	-
0 - 6 ccf (80% Water ccf)	3.500	3.610	3.610	3.610	3.610
6 - 12 ccf (80% Water ccf)	3.900	4.020	4.020	4.020	4.020
Over 12 ccf (80% Water ccf)	3.900	4.020	4.020	4.020	4.020
Outside city:					
Capacity charge	10.000	10.300	10.300	10.300	10.300
Commodity charge	-	-	-	-	-
0 - 6 ccf (80% Water ccf)	3.500	3.610	3.610	3.610	3.610
6 - 12 ccf (80% Water ccf)	3.900	4.020	4.020	4.020	4.020
Over 12 ccf (80% Water ccf)	3.900	4.020	4.020	4.020	4.020
	<u>2013^{2, 4}</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Monthly Rate:					
Inside city:					
Capacity charge	\$ 12.300	\$ 12.300	\$ 12.300	\$ 12.300	\$ 12.300
Commodity charge	-	-	-	-	-
0 - 6 ccf (80% Water ccf)	4.000	4.000	4.000	4.000	4.000
6 - 12 ccf (80% Water ccf)	4.800	4.800	4.800	4.800	4.800
Over 12 ccf (80% Water ccf)	5.200	5.200	5.200	5.200	5.200
Outside city:					
Capacity charge	12.300	12.300	12.300	12.300	12.300
Commodity charge	-	-	-	-	-
0 - 6 ccf (80% Water ccf)	4.000	4.000	4.000	4.000	4.000
6 - 12 ccf (80% Water ccf)	4.800	4.800	4.800	4.800	4.800
Over 12 ccf (80% Water ccf)	5.200	5.200	5.200	5.200	5.200

Notes:¹ Rates presented as of September 30 of the applicable year.² 90% of Water ccf; 125% Cap Effective November 2012.⁴ Cost of Service Study implemented October 1, 2012.**Data Source:**³ Utility Commission's rate and connection fee book.

Table S-23

Utility Commission
City of Fort Valley, Georgia
Number of Customer Accounts at Year-end ¹
By Service
Last Ten Fiscal Years

Fiscal Year	Natural Gas		Electric		Water		Sewer		Total	
	Number	% Change	Number	% Change	Number	% Change	Number	% Change	Number	% Change
2008	3,256	-0.3%	4,683	-0.1%	4,572	1.4%	3,049	0.5%	15,560	0.4%
2009	3,189	-2.1%	4,806	2.6%	4,614	0.9%	3,084	1.1%	15,693	0.9%
2010	3,151	-1.2%	4,803	-0.1%	4,618	0.1%	3,081	-0.1%	15,653	-0.3%
2011	3,101	-1.6%	4,738	-1.4%	4,577	-0.9%	3,037	-1.4%	15,453	-1.3%
2012	3,019	-2.6%	4,659	-1.7%	4,512	-1.4%	2,975	-2.0%	15,165	-1.9%
2013	3,002	-0.6%	4,680	0.5%	4,558	1.0%	3,016	1.4%	15,256	0.6%
2014	2,941	-2.0%	4,634	-1.0%	4,541	-0.4%	2,983	-1.1%	15,099	-1.0%
2015	2,924	-0.6%	4,654	0.4%	4,505	-0.8%	3,032	1.6%	15,115	0.1%
2016	2,889	-1.2%	4,602	-1.1%	4,475	-0.7%	3,036	0.1%	15,002	-0.7%
2017	2,912	0.8%	4,654	1.1%	4,546	1.6%	3,096	2.0%	15,208	1.4%

Data Source:

¹ Utility Commission's billing department.

Table S-24

Utility Commission
City of Fort Valley, Georgia
Ten Largest Customers - Natural Gas Service ¹
Fiscal Years 2008 & 2017

Fiscal Year 2008					Fiscal Year 2017			
Rank	Customer	Consumption Cubic Feet	Amount ²	Dollar %	Customer	Consumption Cubic Feet	Amount ²	Dollar %
1	Blue Bird Body Company	88,595,000	\$ 919,987	14.5%	Blue Bird Body Company	116,104,000	\$ 745,616	19.7%
2	Arriscraft International	55,977,000	610,931	9.6%	Atlanta Sand & Supply Company	46,620,000	306,549	8.1%
3	Fort Valley State University #2	30,419,000	418,584	6.6%	Fort Valley State University #2	21,474,000	248,095	6.5%
4	Step 2	32,765,000	361,897	5.7%	Ariscraft International	32,197,000	213,353	5.6%
5	Atlanta Sand & Supply Company	24,759,000	312,784	4.9%	Fort Valley State University	8,444,000	99,268	2.6%
6	Fort Valley State University #1	19,219,000	259,245	4.1%	Peach County Jail	3,169,700	36,966	1.0%
7	Peach Regional Medical Center	5,860,000	63,102	1.0%	Lakeview Apartments	2,643,000	32,638	0.9%
8	Peach County Schools	4,499,300	59,483	0.9%	Fort Valley State (Comp Sci)	2,707,900	31,389	0.8%
9	Fort Valley Housing Authority	3,934,000	52,777	0.8%	Fort Valley Housing Authority	2,550,000	29,608	0.8%
10	Lakeview Apartments	3,208,000	44,264	0.7%	Peach County Board of Education	2,516,000	29,220	0.8%
Total Ten Largest Customers		269,235,300	3,103,054	49.0%	Total Ten Largest Customers	238,425,600	1,772,703	46.7%
All Other Customers		213,114,600	3,233,923	51.0%	All Other Customers	137,036,900	2,019,566	53.3%
Total ²		482,349,900	\$6,336,977	100.0%	Total ²	375,462,500	\$ 3,792,269	100.0%

Data Source:

¹ Utility Commission billing department.

² Applicable year total charges for services.

Utility Commission
City of Fort Valley, Georgia
Ten Largest Customers - Electric Service ¹
Fiscal Years 2008 & 2017

Fiscal Year 2008					Fiscal Year 2017				
Rank	Customer	Consumption kWh	Amount ²	Dollar %	Customer	Consumption kWh	Amount ²	Dollar %	
1	Blue Bird Body Company	22,523,803	\$ 1,152,245	12.4%	Blue Bird Body Company	19,388,156	\$ 1,498,620	12.6%	
2	Fort Valley State University	17,136,000	1,020,635	11.0%	Fort Valley State University	14,103,600	1,172,553	9.9%	
3	Metokote Corporation	3,585,797	244,132	2.6%	Metokote Corporation	2,571,844	231,794	2.0%	
4	Peach County Schools #1	1,573,200	156,526	1.7%	BI - LO, LLC	1,641,440	156,210	1.3%	
5	Peach Regional Medical Center	1,756,920	118,861	1.3%	Peach County High School	1,141,600	137,120	1.2%	
6	J. H. Harvey Company	1,620,800	107,748	1.2%	Food Depot	1,413,480	126,947	1.1%	
7	Peach County Schools #2	971,904	104,766	1.1%	Peach County BD of Educ Hunt	946,720	110,669	0.9%	
8	Coachworks Holdings #1	1,062,720	102,206	1.1%	Peach County Jail	1,061,568	108,149	0.9%	
9	Food Depot	1,444,080	95,589	1.0%	Utility Commission 504 Vienna	1,103,760	104,286	0.9%	
10	Coachworks Holdings #2	939,600	78,374	0.8%	Peach County Fort Valley Middle School	843,264	102,221	0.9%	
Total Ten Largest Customers		52,614,824	3,181,082	34.3%	Total Ten Largest Customers	44,215,432	3,748,569	31.6%	
All Other Customers		78,352,997	6,090,777	65.7%	All Other Customers	72,691,013	8,117,395	68.4%	
Total ²		<u>130,967,821</u>	<u>\$9,271,859</u>	<u>100.0%</u>	Total ²	<u>116,906,445</u>	<u>\$11,865,964</u>	<u>100.0%</u>	

Data Source:¹ Utility Commission billing department.² Applicable year total charges for services.

Table S-26

Utility Commission
City of Fort Valley, Georgia
Ten Largest Customers - Water Service ¹
Fiscal Years 2008 & 2017

Fiscal Year 2008					Fiscal Year 2017			
Rank	Customer	Consumption Gallons	Amount ²	Dollar %	Customer	Consumption Gallons	Amount ²	Dollar %
1	Fort Valley State University #1	70,372,500	\$ 234,681	11.3%	Fort Valley State University	36,266,780	\$ 177,024	6.5%
2	Blue Bird Body Company	26,416,500	88,161	4.2%	Blue Bird Body Company	36,085,016	176,137	6.4%
3	Utility Commission WWTP 2"	17,147,250	57,263	2.8%	Utility Commission 504 Vienna	20,044,156	97,863	3.6%
4	Indian Oaks Apartments LTD	11,340,750	37,908	1.8%	Indian Oaks Apartments LTD	9,199,652	69,004	2.5%
5	Lakeview Apartments	6,546,750	21,928	1.1%	Utility Commission Main W/W Office	12,251,492	59,837	2.2%
6	Fort Valley State University #2	3,711,750	12,478	0.6%	Lakeview Apartments	9,129,340	58,624	2.1%
7	College Square Apartments	3,607,500	12,131	0.6%	Utility Commission Clarifier	10,252,088	50,081	1.8%
8	Peach County Schools	3,401,250	11,443	0.6%	College Square Apartments	4,977,940	33,201	1.2%
9	Utility Commission WSLRF	3,378,750	11,368	0.5%	Fort Valley State University Goat	5,976,520	29,218	1.1%
10	Fort Valley State University #3	3,349,500	11,271	0.5%	Utility Commission Jones Plant	4,630,868	22,651	0.8%
Total Ten Largest Customers		149,272,500	498,632	24.0%	Total Ten Largest Customers	148,813,852	773,641	28.2%
All Other Customers		364,020,750	1,581,611	76.0%	All Other Customers	313,674,548	1,965,311	71.8%
Total ²		513,293,250	\$ 2,080,243	100.0%	Total ²	462,488,400	\$ 2,738,952	100.0%

Data Source:¹ Utility Commission billing department.² Applicable year total charges for services.

Table S-27

Utility Commission
City of Fort Valley, Georgia
Ten Largest Customers - Sewer Service ¹
Fiscal Years 2008 & 2017

Fiscal Year 2008					Fiscal Year 2017				
Rank	Customer	Collection Gallons	Amount ²	Dollar %	Customer	Collection Gallons	Amount ²	Dollar %	
1	Fort Valley State University #1	51,461,250	\$ 267,690	16.1%	Fort Valley State University #1	32,641,224	\$ 226,950	10.8%	
2	Blue Bird Body Company	20,981,250	109,194	6.6%	Blue Bird Body Company	32,476,664	225,806	10.8%	
3	Indian Oaks Apartments LTD	9,035,250	47,075	2.8%	Indian Oaks Apartments LTD	8,280,360	81,655	3.9%	
4	Lakewood Apartments	5,223,750	27,255	1.6%	Lakeview Apts	8,216,032	71,171	3.4%	
5	OMI - Fort Valley, Georgia	3,800,086	19,784	1.2%	College Square Apartments	4,480,520	40,036	1.9%	
6	College Square Apartments	2,885,250	15,095	0.9%	FYFFE Construction Co	2,255,220	24,566	1.2%	
7	Utility Commission WWTP	2,702,250	14,143	0.8%	Westside Villas	1,876,732	19,574	0.9%	
8	Fort Valley State University #3	2,679,000	14,022	0.8%	Magnolia Terrace 714 Green	1,932,832	18,635	0.9%	
9	Peach Regional Medical Center	2,329,500	12,205	0.7%	Magnolia Terrace 718 Green	1,541,628	17,982	0.9%	
10	Brentwood Health Care	2,068,500	10,847	0.7%	Brentwood Healthcare	1,745,832	12,169	0.6%	
Total Ten Largest Customers		103,166,086	537,310	32.2%	Total Ten Largest Customers	95,447,044	738,545	35.3%	
All Other Customers		162,148,664	1,128,952	67.8%	All Other Customers	157,468,212	\$ 1,356,062	64.7%	
Total ²		265,314,750	\$ 1,666,262	100.0%	Total ²	252,915,256	\$ 1,987,999	100.0%	

Data Source:¹ Utility Commission billing department.² Applicable year total charges for services.

DEBT CAPACITY
(UNAUDITED)

Table S-28

Utility Commission
City of Fort Valley, Georgia
Ratios of Total Debt Outstanding - By Type
Last Ten Fiscal Years

Fiscal Year	Business-type Activities ²			Percentage of Personal Income ³	Estimated Population ⁴	Debt Per Capita
	GEFA/GELAC Loans ¹	Polytec, Inc.	Total			
2008	\$ 5,377,875	\$ -	\$ 5,377,875	0.007%	27,222	198
2009	3,552,598	-	3,552,598	0.005%	27,474	129
2010	3,731,088	-	3,731,088	0.005%	27,750	134
2011	3,476,560	15,892	3,492,452	0.004%	27,550	127
2012	3,218,844	12,153	3,230,997	0.004%	27,473	118
2013	2,957,821	6,543	2,964,364	0.003%	26,861	110
2014	2,693,384	-	2,693,384	0.003%	26,828	100
2015	2,425,398	-	2,425,398	0.003%	26,720	91
2016	2,767,433	-	2,767,433	0.003%	27,000	102
2017	3,255,586	-	3,255,586	0.006%	27,000	121

Notes:

¹ The loans from the Georgia Environmental Finance Authority (GEFA) and Georgia Environmental Loan Acquisition Corporation (GELAC) relate to water and sewer projects. In fiscal year 2011, the GEFA transferred proceeds from the sale of a portion of its loan portfolio to the GELAC, which is a wholly-owned nonprofit subsidiary corporation of GEFA.

Data Source:

² Applicable years' annual financial report.

^{3, 4} Table S-30

Table S-29

Utility Commission
City of Fort Valley, Georgia
Pledged Revenue Coverage
Last Ten Fiscal Years ^{1, 4}

Fiscal Year	Revenues ²	Less Operating Expenses ³	Net Available Revenues	Principal	Interest	Total	Fixed Charges Coverage Ratio ⁵
2008	\$ 20,707,442	\$ 18,979,593	\$ 1,727,849	\$ 340,688	\$ 12,470	\$ 353,158	4.89
2009	19,615,207	17,543,140	2,072,067	252,677	40,488	293,165	7.07
2010	20,632,825	17,220,805	3,412,020	254,546	51,986	306,532	11.13
2011	20,230,399	18,173,220	2,057,179	254,527	71,283	325,810	6.31
2012	19,927,067	18,585,403	1,341,664	257,716	68,093	325,809	4.12
2013	21,281,181	19,189,064	2,092,117	261,024	64,787	325,811	6.42
2014	22,393,118	20,208,158	2,184,960	264,439	61,372	325,811	6.71
2015	21,035,430	18,698,969	2,336,461	267,988	57,827	325,815	7.17
2016	21,734,455	20,157,713	1,576,742	271,657	56,883	328,540	4.80
2017	22,593,769	20,193,377	2,400,392	275,479	60,463	335,942	7.15

Notes:

¹ The fixed charges coverage applies to GEFA loan L08WQ which was initiated in fiscal year 2005 and the loan was repaid in fiscal year 2007, GEFA Loan DWSRF 04-004 which went into repayment on 10-01-08, GEFA Loan 2006-L58WQ which went into repayment on 02-01-09, and GEFA Loan 2007-L42WQ which went into repayment on 9/1/10.

² Includes all revenue of the Utility Commission excluding contributions.

³ Includes all operating expenses of the Utility Commission excluding depreciation and amortization.

⁴ In fiscal year 2011, GEFA transferred proceeds from the sale of a portion of its loan portfolio to GELAC, which is a wholly-owned nonprofit subsidiary corporation of GEFA. All payment terms remain the same. Loans 2006 - L58WQ and 2007 - L42WQ were affected by this transfer.

⁵ The Utility Commission is required to maintain a coverage ratio on this debt of 1.05.

**DEMOGRAPHIC AND
ECONOMIC INFORMATION**

(UNAUDITED)

Table S-30

**Utility Commission
City of Fort Valley, Georgia
Demographic Statistics
Last Ten Fiscal Years**

Year	Population ¹	(thousands of dollars)	Per Capita	Median Age ²	School Enrollment ³	Unemployment Rates		
		Personal Income ¹	Personal Income ¹			Peach County ⁴	State of Georgia ⁴	United States ⁵
2008	27,222	780,401	28,668	N/A	4077	5.6%	6.7%	6.1%
2009	27,474	778,623	28,340	N/A	3981	7.2%	10.3%	9.8%
2010	27,750	801,012	28,865	N/A	3988	7.6%	10.1%	9.5%
2011	27,550	849,416	30,832	35.3	3898	7.9%	10.0%	9.0%
2012	27,473	852,340	31,025	N/A	3768	7.2%	8.6%	7.8%
2013	26,861	863,878	32,161	N/A	3767	7.0%	7.8%	7.2%
2014	26,828	892,293	33,260	N/A	3668	7.1%	7.4%	5.9%
2015	26,720	935,916	35,027	N/A	3672	6.1%	6.1%	5.1%
2016	27,000	890,000	32,963	N/A	3672	5.6%	5.4%	4.9%
2017	27,099	562,195	20,746	N/A	3678	5.6%	4.5%	4.2%

¹ 2007 - 2015 - U.S Bureau of Economic Analysis, Peach County 2016 estimated by management
2017 - <https://www.census.gov/quickfacts/fact/table/peachcountygeorgia/PST045217>

² U.S. Census Bureau - State of Georgia - <http://www.census.gov/prod/cen2010/briefs/c2010br-03.pdf>

³ GA Department of Education - https://oraapp.doe.k12.ga.us/ows-bin/owa/fte_pack_enrollgrade.entry_form

⁴ U.S. Department of Labor, Bureau of Labor Statistics, Warner Robins, GA, Metropolitan Statistical Area - <https://data.bls.gov/map/MapToolServlet>

⁵ U.S. Department of Labor, Bureau of Labor Statistics, <https://data.bls.gov/cgi-bin/surveymost>

N/A - Not Available

Table S-31

Utility Commission
City of Fort Valley, Georgia
Principal Employers ²
For the Fiscal Years Ended September 30, 2008 and 2017

2008					2017				
Employer	Type of Business	Number of Employees	Rank	Percentage of Total County Employment	Employer	Type of Business	Number of Employees	Rank	Percentage of Total County Employment
Blue Bird Body Company	Manufacturing	1,295	1	11.70%	Blue Bird Body Company	Manufacturing	2,400	1	20.48%
Fort Valley State University	Education	650	2	5.87%	Fort Valley State University	Education	674	2	5.75%
Peach County Board of Education	Education	600	3	5.42%	Peach County Board of Education	Education	471	3	4.02%
Peach County Commission	Local Government	178	4	1.61%	Lane Southern Orchards	Agribusiness	325	4	2.77%
Coachworks Holdings, Inc.	Manufacturing	160	5	1.45%	CR Meyer	Engineering	200	5	1.71%
Peach Regional Medical Center	Medical	149	6	1.35%	Pure Flavor	Agribusiness	200	6	1.71%
City of Fort Valley	Local Government	144	7	1.30%	Medical Center of Peach County	Community Hospital	187	7	1.60%
Step 2	Manufacturing	130	8	1.17%	Spherion Staffing	Staffing Agency	150	8	1.28%
Food Depot	Retail Sales	60	9	0.54%	HSM Solutions	Manufacturing	110	9	0.94%
Wire Shop	Manufacturing	56	10	0.51%	Pyrotechnic Specialties	Manufacturing	109	10	0.93%
Total for Principal Employers		3,422		30.92%	Total for Principal Employers		4,826		41.18%
Total for Other Employers ³		7,645		69.08%	Total for Other Employers ³		6,894		58.82%
Total for All Employers		11,067		100.00%	Total for All Employers ⁴		11,720		100.00%

Data Source:

² The Development Authority of Peach County, Georgia and each individual employer. <http://peachcountydevelopment.com/largest-employers>

³ This data is estimated by management. <http://recenter.tamu.edu/data/empc/LAUCN132250.htm>

⁴ This data is provided by the Georgia Department of Labor. https://peachcountydevelopment.com/images/uploads/Civilian_Labor_Force_Estimates.pdf

OPERATING INFORMATION
(UNAUDITED)

Table S-32

Utility Commission
City of Fort Valley, Georgia
Number of Employees - By Department, Elected Officials and Legal Counsel
Last Ten Fiscal Years

	For the Fiscal Year Ended September 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>Elected Officials/Legal Counsel/Departments</u>										
Board of Commissioners	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Commission attorney	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Management	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0
Finance	3.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	3.0
Customer service	3.5	3.0	3.0	3.0	3.0	4.0	4.0	4.0	5.0	5.0
IT support/telecom	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Electric	6.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	5.0
Gas	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0
Water	11.0	11.0	11.0	11.0	11.0	12.0	12.0	12.0	12.0	13.0
Sewer	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	7.0	8.0
Meter reading	6.0	6.0	5.5	5.0	5.0	5.0	5.0	5.0	3.0	4.0
Warehouse	1.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0
Total	59.0	59.0	58.5	58.0	58.0	59.0	59.0	60.0	60.0	59.0
<i>Percentage Change From Prior Year</i>	1.7%	0.0%	-0.8%	-0.9%	0.0%	1.7%	0.0%	1.7%	0.0%	-1.7%

Data Source:

Utility Commission Human Resources Department

Utility Commission
City of Fort Valley, Georgia
Operating Indicators - By Service
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Utility Service										
Natural Gas Service:										
Maximum daily capacity of available natural gas (winter cf)	3,984,390	3,984,390	3,984,390	3,984,390	3,984,390	3,984,390	3,984,390	3,984,390	3,984,390	4,179,512
Maximum daily capacity of available natural gas (summer cf)	1,669,268	1,669,268	1,669,268	1,669,268	1,669,268	1,669,268	1,669,268	1,669,268	1,669,268	1,864,390
Average daily consumption of available natural gas (cubic feet)	1,394,282	1,387,584	1,358,603	1,232,512	1,005,808	1,171,633	1,294,989	1,222,529	1,235,000	1,134,372
Average percent of capacity used	83.5%	83.1%	81.4%	73.8%	60.3%	70.2%	77.6%	73.2%	74.0%	60.8%
Winter peak demand day (cubic feet)	4,944,390	5,300,488	4,889,756	4,988,000	3,969,000	3,573,000	5,359,000	4,598,000	4,381,000	4,004,000
Electric Service:										
Coincident peak (kW)	31,064	26,248	29,316	29,279	27,115	25,614	22,784	24,422	26,204	25,204
Reserves (kW)	2,433	2,558	2,480	3,040	2,236	2,262	2,104	2,139	2,121	2,104
Total requirements (kW)	33,497	28,806	31,796	32,319	29,351	27,876	24,888	26,561	28,325	27,308
Southeastern Power Administration (kW)	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,143
MEAG projects 1, 2, 3 & 4 (kW)	21,562	21,562	21,506	21,488	21,488	22,170	22,170	22,763	22,763	22,820
MEAG combined cycle (kW)	3,826	3,826	3,826	3,865	3,865	3,825	3,825	3,819	3,798	3,766
Total resources (kW)	34,531	34,531	34,475	34,496	34,496	35,138	35,138	35,725	35,704	35,729
Excess capacity (deficit) (kW)	1,034	5,725	2,679	2,177	5,145	7,262	10,250	9,164	7,379	8,421
Percent reserve of capacity	15.8%	48.4%	25.6%	25.9%	41.1%	57.8%	90.6%	74.0%	55.7%	65.5%
Water Service:										
Daily average consumption	1,406,283	1,449,349	1,471,732	1,462,270	1,498,175	1,309,344	1,350,146	1,263,335	1,223,804	1,267,092
Maximum daily capacity of wells (in gallons)	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Maximum daily capacity of plant (in gallons)	7,800,000	7,800,000	7,800,000	7,800,000	7,800,000	7,800,000	7,800,000	7,800,000	7,800,000	7,800,000
Elevated storage capacity (gallons)	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Reservoir storage capacity (gallons)	675,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000
Sewer Service:										
Maximum daily capacity of treatment plant (gallons)	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000
Daily average treatment (gallons)	1,000,000	1,000,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Unused capacity	1,200,000	1,200,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Percentage of capacity used	45.5%	45.5%	54.5%	54.5%	54.5%	54.5%	54.5%	54.5%	54.5%	54.5%

Notes:

N/A Not Available

Data Source:

Applicable Department

Table S-34

Utility Commission
City of Fort Valley, Georgia
Capital Asset Indicators - By Service
Last Ten Fiscal Years

<u>Utility Service/Department</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012 ¹</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Natural Gas Service:										
Miles of natural gas mains	84	84	89	89	141	141	141	141	141	141
Peak shaving plant	1	1	1	1	1	1	-	-	-	-
Propane storage tanks (30,000 gallons)	8	8	8	8	8	8	-	-	-	-
Electric Service:										
Miles of line	140	142	142	142	144	144	144	144	144	144
Service area (square miles)	20	20	20	20	20	20	20	20	20	20
Number of sub-stations	3	3	3	3	3	3	3	3	3	3
3 megawatt generator	1	-	-	-	-	-	-	-	-	-
Water Service:										
Miles of water mains	157	157	157	157	152	152	152	152	152	152
Number of wells	6	6	6	6	6	6	6	6	6	6
Number of treatment plants	3	3	3	3	3	3	3	3	3	3
Number of elevated tanks	6	6	6	6	6	6	6	6	6	6
Number of reservoirs	2	2	2	2	2	2	2	2	2	2
Sewer Service:										
Miles of sanitary sewers	57	57	67	67	72	72	72	72	72	72
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of lift stations	7	7	10	10	10	10	10	10	10	10

Data Source:

Various Departments

¹ Metadigm Engineering, Inc. Digital Map Projects Completed in 2011.

FINANCIAL COMPLIANCE

SECTION

**BUTLER, WILLIAMS & WYCHE, LLP
CERTIFIED PUBLIC ACCOUNTANTS
915 HILL PARK
MACON, GA 31201**

June 19, 2018

**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***

**To the Members of the Utility Commission
City of Fort Valley, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Utility Commission, a component unit of the City of Fort Valley, Georgia as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Utility Commission's basic financial statements, and have issued our report thereon dated June 19, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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.

Butler, Williams & Wyche, LLP

Macon, GA

BUTLER, WILLIAMS & WYCHE, LLP
CERTIFIED PUBLIC ACCOUNTANTS
915 HILL PARK
MACON, GEORGIA 31201

June 19, 2018

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

**To the Members of the Utility Commission
City of Fort Valley, Georgia**

Report on Compliance for Each Major Federal Program

We have audited the Fort Valley Utility Commission's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Fort Valley Utility Commission's major federal programs for the year ended September 30, 2017. The Fort Valley Utility Commission'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 Fort Valley Utility Commission'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 Fort Valley Utility Commission'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 Fort Valley Utility Commission's compliance.

Opinion on Each Major Federal Program

In our opinion, Fort Valley Utility Commission 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 September 30, 2017.

Report on Internal Control Over Compliance

Management of Fort Valley Utility Commission 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 Fort Valley Utility Commission'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 an 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 Fort Valley Utility Commission'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.

A handwritten signature in cursive script that reads "Butler, Williams & Hayche, LLP". The signature is written in dark ink on a light-colored background.

Macon, Georgia

Utility Commission
City of Fort Valley, Georgia
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2017

Federal Grantor / Passed-Through Grantor Program or Cluster Title	Federal CFDA Number	Passed-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Environmental Protection Agency</u>			
Passed-Through Georgia Environmental Finance Authority			
Capitalization Grant for the Clean Water			
State Revolving Loan Funds	66.458	CW2016025	\$ 137,698
Capitalization Grant for the Drinking Water			
State Revolving Loan Funds	66.468	DW14001	435,595
Total Passed through Georgia Environmental Finance Authority			<u>573,293</u>
Direct Program:			
Congressionally Mandated Projects	66.202	00D34815	339,418
Total U.S. Environmental Protection Agency			<u>912,711</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 912,711</u>

Utility Commission
City of Fort Valley, Georgia
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2017

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Utility Commission Fort Valley, Georgia, and is presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related liability is incurred. 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 this 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 Utility Commission has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Non-cash Awards

The Utility Commission did not have any non-cash awards during the fiscal year.

Note 4. Insurance

The Utility Commission did not receive insurance as part of any award during the fiscal year.

Note 5. Outstanding Loan Balances

During the fiscal year, a total of \$238,040 was forgiven by GEFA for the loans. The outstanding loan balance for CFDA # 66.458 - Clean Water State Revolving Loan Fund from the federal funding source is \$59,288, and the outstanding loan balance for CFDA# 66.468 - Drinking Water State Revolving Loan Fund from the federal funding sources is \$275,966.

Note 6. Measurement Focus

The determination of when an award is expended is based on when the activity related to the award occurred.

Note 7. Method of Major Program Selection

The risk based approach was used in the selection of federal program to be tested as major programs. The Utility Commission did qualify as high-risk auditee for the fiscal year ended September 30, 2017 due to first year requiring a Single Audit.

Utility Commission
City of Fort Valley, Georgia
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2017

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	-	Unmodified		
Internal control over financial reporting:				
Material weakness identified?	-	_____	Yes <u> X </u> No	
Significant deficiency identified that is not considered to be a material weakness?	-	_____	Yes <u> X </u> None reported	
Noncompliance material to financial statements noted?	-	_____	Yes <u> X </u> No	

Federal Awards

Internal control over major programs:				
Material weakness identified?	-	_____	Yes <u> X </u> No	
Significant deficiency identified that is not considered to be a material weakness?	-	_____	Yes <u> X </u> 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 2 CFR 200.516(a)?	-	_____	Yes <u> X </u> No	

Identification of major programs:	
<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
66.202	EPA Congressionally Mandated Projects
66.468	Capitalization Grans for Drinking Water State revolving funds

Dollar threshold used to distinguish between type A and type B programs:	-	\$750,000		
Auditee qualified as a low-risk auditee	-	_____	Yes <u> X </u> No	

Utility Commission
City of Fort Valley, Georgia
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2017

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

Utility Commission
City of Fort Valley, Georgia
Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2017

2016-001 **Condition** – The City’s internal controls were not adequate to determine the entries needed to properly reflect the City’s end of year account balances in revenues, expenses and liabilities.

Recommendation – We recommend that the Authority carefully review revenue, expenses and the related balance sheet accounts to ensure all transactions are properly reported in accordance with GAAP.

Response/Status – Resolved.