

**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, 201* and 201)**

Utility Commission
City of Fort Valley, Georgia
Comprehensive Annual Financial Report
For the Years Ended September 30, 2016 and 2015

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(Unaudited)

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INTRODUCTORY SECTION



FORT VALLEY UTILITY COMMISSION

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March 24, 2017

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, 2016 and 2015, 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, 2016 and 2015 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, 2016 and 2015, 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. The Commission Charter empowered such Board with "*full power to make all contracts necessary to employ labor for the construction of and proper keeping of the water works and sewers, and in every respect to have full and entire control of the construction and management of said works. They shall fix water rates to all persons using water from the water-works, and collect the same, pay the necessary expenses of the water, and any surplus remaining in their hands they shall pay into the*

treasury of the town and take proper receipt therefore, at such times annually as the mayor and council may request them to do so.”

In 1907, the Town of Fort Valley was reincorporated by an act of the Georgia General Assembly (such act, as amended from time to time, the present city charter). Section 28 of the charter as originally enacted provided that the mayor and council *“shall have full power and authority to establish and maintain a system of water-works and sanitary sewage . . . and also a system of telephones and electric lights for said city”* and granted to mayor and council full police powers over the system. They were also given *“full power and authority to fix the price and regulate the terms covering the payment of same on all water rents, electric light dues, sewage connections and telephone charges within said city.”* The 1907 City Charter did not mention the board of water and sewers, and the board continued to exist without interruption.

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”** with the same powers, duties and rights as the Board of Commissioners of Water and Sewers under the 1890 Commission Charter. 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. The powers of the new commission were extended to include *“the lighting plant and the entire subject and business of the city in furnishing lights for the street and for private use.”* Such 1909 act also separately amended the City Charter to expand its corporate limits.

In 1945, the City Charter and 1909 Commission Charter Amendment were amended to provide that the mayor and council, with the approval of the Board of Water and Light Commissioners, *“may use, expend or invest revenue derived from the operation of utilities . . . for any cause or purpose in promotion of the common welfare of said city or its citizens,”* subject to the requirement that *“a majority of each body shall agree to such use and the amount to be used in each instance”*, effectively codifying that general fund and other transfers from the fund of the Board of Water and Light Commissioners is permitted after satisfaction of certain conditions. This amendment also contained a provision that neither the City nor the Board of Water and Light Commissioners *“may sell, lease or otherwise dispose of its electrical distribution system or its water pumping, water storing or water distribution system, or grant any franchise, privilege or right to sell or distribute electric current . . . or grant any franchise to pump, store or distribute water . . . Unless and until not less than 75% of the qualified voters of said city vote in favor of such sale, lease or other disposition of said public facilities at an election called for that purpose.”*

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”** with the same powers, duties and rights as the Board of Commissioners of Water and Sewers and the Board of Water and Light Commissioners under the Commission Charter. Such act provided that the Utility Commission has *the same powers, duties and rights as the prior boards “as to all public utilities including sewers, water, lights, electricity, natural gas and any other utility that the City of Fort Valley may engage in lawfully in any manner whatsoever”*.

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.

In 2004, The Utility Commission and the City of Fort Valley reached consensus on the following operational issues. The Mayor and Council of the City of Fort Valley has the authority to engage in providing utility services and may withdraw from providing such services at any time within the limitations provided by law. The Utility Commission has full authority to determine job descriptions and personnel policies and to make personnel decisions regarding the utility operations. Land purchased by the Utility Commission should be titled in the name of the City of Fort Valley. All purchases of land, except purchases of easements, should be done by joint resolution.

The Utility Commission has the power and authority to maintain, operate, repair and extend the utility systems as in its judgment may seem proper, and the power and authority to (a) enter into contracts and acquire property necessary to fulfill its purposes respecting the utility systems and within the limits provided in the Commission Charter, (b) acquire, construct and install additions, extensions and improvements to the utility systems within the limits provided in the Commission Charter, (c) operate and maintain the System for the use of the public, and (d) prescribe, revise and collect rates, fees, tolls and charges for the services, facilities and commodities furnished by the utility systems. The Mayor and Council have the authority to review prospective rates. The Utility Commission has the authority to set the annual budget for the utility operations. A copy of the budget shall be presented to the Mayor and Council prior to final adoption. The Mayor and Council have the authority to appoint legal council for the utility operations. The Mayor and Council have the authority to issue bonds for the utility operations in which the term of the debt is longer than one year.

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 Utility Commission is a discretely presented component unit of the City of Fort Valley, Georgia, for accounting purposes, since the City believes it would be misleading to omit the Utility Commission from the City's annual financial report.

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 2015 estimated median household income of \$42,949. This amount compares to the state estimated household income of \$51,244. The County's estimated population is 26,655. The median age is 35. The unemployment rate is 7.2%.

Major Initiatives

There are two major initiatives that the Utility Commission worked on in 2015 and 2016.

- Utility Commission Administration Building (FVUC)
- Superoxygenation System Project

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 will enhance its ability to serve by purchasing and renovating a 2600 SF building located on Knoxville Street. This building will house the Customer Service, Financial Services and Metering departments. The current building will be 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.

Superoxygenation System Project The project entitled “Speece Cone Superoxygenation System to serve the Lanter Water Reclamation Facility” involves installation of a superoxygenation system, a side stream submersible pump station, an oxygen feed system, and a building to store oxygen cylinders. The work also includes piping, valves, fittings, site work, and any other work necessary to produce a complete system. The project is located at the Lanter Water Reclamation Facility, which is currently operated by the Fort Valley Utility Commission. This project was designed for the purposes of meeting new EPD permit requirements for the Water Reclamation Facility. The project is currently under construction and scheduled to be complete in September 2017. The project is funded both by a GEFA State Revolving Funds loan and an EPA Special Appropriations Project grant. The EPA grant was given to the FVUC at a cost share equal to 40.42% of project costs. The remaining project costs will be reimbursed through the GEFA loan. The total cost of the project is estimated to be \$839,000.

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

Vice Chairman Robert T. Hunnicutt

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*

Chairman Dollie D. Horton

At-Large Seat – Post 4

In office since January 1996

*Current term expires December
2019*

Commissioner Linda D.

Johnson

East Ward – Post 1

In office since October 2014

*Current term expires December
2019*

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
Gwen Grace
Alvin Wallace

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

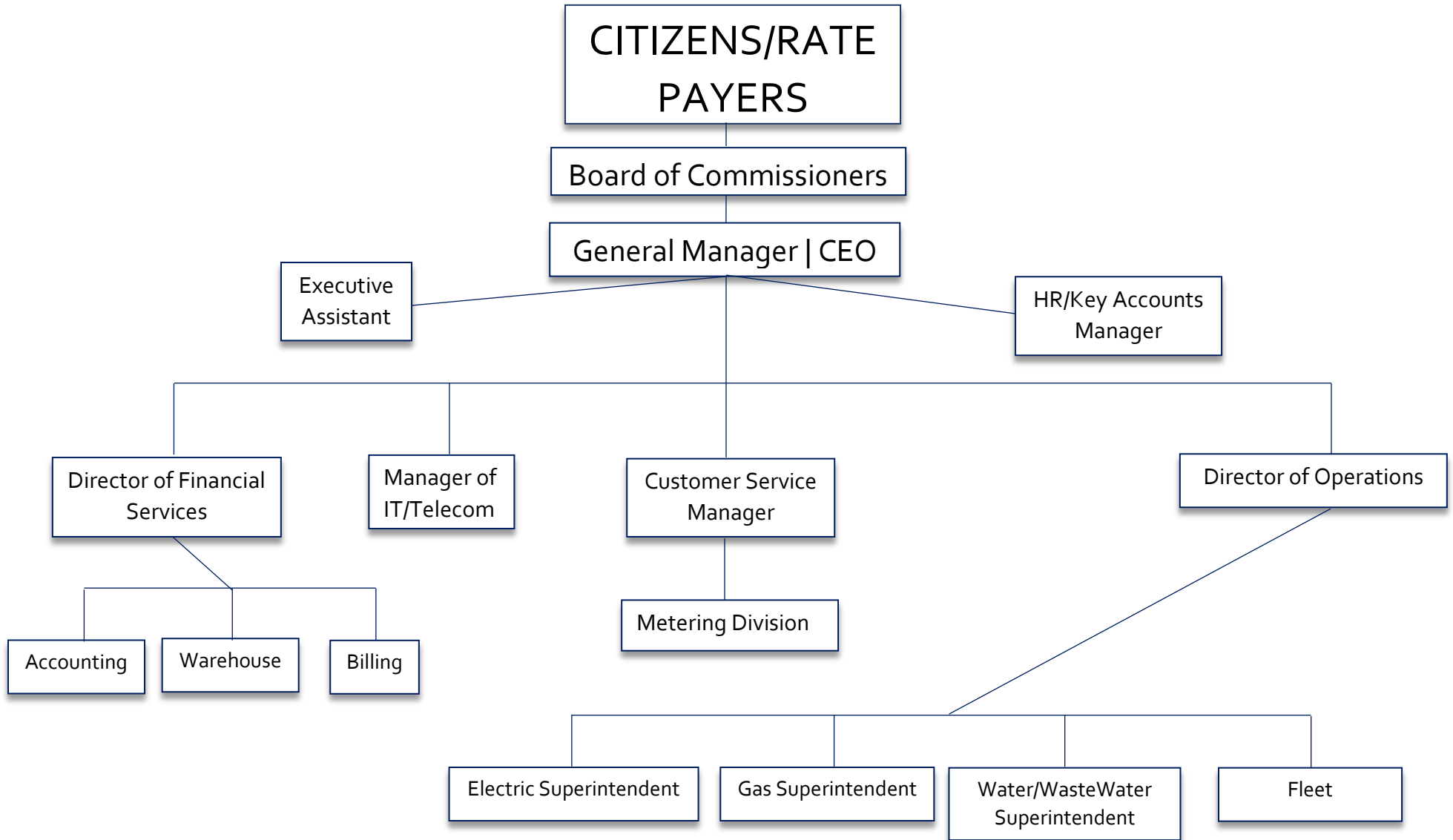
Advisors/Consultants

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

General Counsel
Independent Auditors
Consulting Engineers

FORT VALLEY UTILITY COMMISSION

Organizational Chart



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

March 24, 2017

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, 2016 and 2015, 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, 2016 and 2015, 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.

Emphasis of Matter

As described in Note I-E-18, the Utility Commission implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, as of October 1, 2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (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 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 March 24, 2017 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, 2016 and 2015. 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 \$40,901,094 (total net position) at September 30, 2016 and \$ 40,292,055 (total net position) at September 30, 2015.
- Total net position is comprised of the following:
 - Net investment in capital assets of \$28,585,600 at September 30, 2016 and of \$27,873,499 at September 30, 2015, 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, 2016 is \$2,732,719 as compared to \$3,089,084 at September 30, 2015.
 - Unrestricted net position of \$9,582,775 at September 30, 2016 and of \$9,329,472 at September 30, 2015, 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, 2016 and 2015

Financial Analysis of the Utility Commission

The Utility Commission's total net position at September 30, 2016 is \$40,901,094; \$40,292,055 at September 30, 2015; and \$38,175,613 at September 30, 2014. The following table provides a summary of the Utility Commission's net position:

Summary of Net Position						
	September 30, 2016		September 30, 2015		September 30, 2014	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Assets:						
Current assets	\$ 13,215,461	28%	\$ 13,309,393	28%	\$ 13,241,230	30%
Noncurrent assets:						
Restricted assets	2,732,720	6%	3,089,084	7%	2,835,546	6%
Capital assets	31,353,033	66%	30,731,184	65%	27,724,956	63%
Deferred Outflows of Resources	254,904	1%	58,980	0%	-	0%
Total assets and deferred outflows of Resources	47,556,118	100%	47,188,641	100%	43,801,732	100%
Liabilities:						
Current liabilities	1,914,714	29%	2,538,347	37%	2,651,392	47%
Noncurrent liabilities	4,408,745	66%	3,881,891	56%	2,974,727	53%
Deferred Inflows of Resources	331,565	5%	476,348	7%	-	0%
Total liabilities and deferred inflows of Resources	6,655,024	100%	6,896,586	100%	5,626,119	100%
Net position:						
Net investment in capital assets	28,585,600	70%	27,873,499	69%	24,629,201	65%
Restricted	2,732,719	7%	3,089,084	8%	2,835,546	7%
Unrestricted	9,582,775	23%	9,329,472	23%	10,710,866	28%
Total net position	\$ 40,901,094	100%	\$ 40,292,055	100%	\$ 38,175,613	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, 2016 is 6.9 to 1; 5.2 to 1 at September 30, 2015; and 5.0 to 1 at September 30, 2014. These ratios are strong.

The Utility Commission reported positive balances in total net position at September 30, 2016, 2015 and 2014. Total net position increased \$609,039 in fiscal year 2016, \$4,394,797 in fiscal year 2015 and by \$1,061,811 in fiscal year 2014. Note that 70% , 69% and 65% 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 2016		Fiscal Year 2015		Fiscal Year 2014	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Operating Revenues						
Charges for services	\$20,304,421	95%	\$ 19,995,211	96%	\$ 21,167,522	95%
Miscellaneous	1,055,719	5%	821,444	4%	1,079,751	5%
Total Operating Revenues	<u>21,360,140</u>	<u>100%</u>	<u>20,816,655</u>	<u>100%</u>	<u>22,247,273</u>	<u>100%</u>
Operating Expenses						
Personal services	4,622,006	22%	3,846,579	19%	4,432,613	21%
Purchased services	2,586,219	12%	2,161,236	11%	2,244,440	11%
Materials and supplies	462,810	2%	470,193	2%	565,726	3%
Repairs and maintenance	924,647	4%	925,007	5%	764,319	4%
Gas and electric purchased for resale	11,456,048	54%	11,170,507	56%	11,742,660	55%
Depreciation	1,217,664	6%	1,120,006	6%	1,098,466	5%
Miscellaneous	105,983	0%	125,447	1%	458,400	2%
Total Operating Expenses	<u>21,375,377</u>	<u>100%</u>	<u>19,818,975</u>	<u>100%</u>	<u>21,306,624</u>	<u>100%</u>
Operating Income	<u>(15,237)</u>		<u>997,680</u>		<u>940,649</u>	
Nonoperating Revenues (Expenses)						
Interest and fiscal charges	(56,883)		(57,827)		(61,372)	
(Loss) on disposition of capital assets	-		-		(8,761)	
Investment earnings	374,315		218,775		145,845	
Total Nonoperating Revenues (Expenses)	<u>317,432</u>		<u>160,948</u>		<u>75,712</u>	
Income Before Capital Contributions	<u>302,195</u>		<u>1,158,628</u>		<u>1,016,361</u>	
Capital Contributions	<u>306,844</u>		<u>3,236,169</u>		<u>45,450</u>	
Change in Net Position	<u>609,039</u>		<u>4,394,797</u>		<u>1,061,811</u>	
Net Position Beginning of Year	<u>40,292,055</u>		<u>38,175,613</u>		<u>37,113,802</u>	
Prior period adjustment: Pension	<u>-</u>		<u>(2,278,355)</u>		<u>-</u>	
Net Position End of Year	<u>\$ 40,901,094</u>		<u>\$ 40,292,055</u>		<u>\$ 38,175,613</u>	

Financial Analysis of the Utility Commission's Operations

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.

Fiscal Year 2015 Analysis (After Cost Allocations)

Overall Analysis – Total operating revenues decreased \$1,576,463. Operating expenses decreased \$1,557,782. In total, the operating income decreased \$18,681. The increase in net position was caused by a reduction in operating expenses.

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

	<u>Amount</u>
Electric	\$ 933,035
Gas	393,670
Water	138,668
Sewer	(467,697)

The following includes an analysis of the fiscal year 2015 financial activities for each utility.

Electric Utility – The operating income of \$933,035 in fiscal year 2015 compares to operating income of \$988,509 in fiscal year 2014. This slight decrease in operating income relates primarily to a decrease in operating revenues and increase in operating expenses.

The fiscal year 2015 operating revenues decreased \$15,348 over fiscal year 2014.

Operating expenses increased just \$40,126. The primary increase relates to the cost of purchased for resale which was \$318,006 over fiscal year 2014. Repairs and maintenance costs increased \$1,723.

Natural Gas Utility – The operating income of \$393,670 in fiscal year 2015 compares to operating income of \$420,613 in fiscal year 2014. This is a decrease of \$26,943. Operating revenue was down \$1,103,553 due primarily to having a warm winter.

Operating expenses were down \$1,076,611.

The reasons for the major changes in operating expenses are:

- Personal services decreased \$127,663
- The cost of gas purchased decreased \$876,092, due primarily to a decreased in the purchase of gas year over year because consumption decreased.

Water Utility – The operating income of \$138,668 in fiscal year 2015 compares to an operating income of \$52,487 in fiscal year 2014. Operating revenues in fiscal year 2015 were \$155,430 less than the fiscal year 2014 amount. Operating expenses decreased \$241,610 from fiscal year 2014.

More specifically, personal costs decreased \$150,071. Purchased services were down \$49,222 due to a decrease in water treatment facility cost.

Repairs and maintenance costs increased \$98,304 over the fiscal year 2014.

Sewer Utility – For the sixteenth year in a row, the sewer utility reported an operating loss, this year \$467,697 as compared to last years' operating loss of \$520,959.

Operating revenues for sewer decreased \$156,291 and operating expenses decreased \$209,553 from fiscal year 2014. This decrease relates to a decrease in waste water consumption and lower waste water treatment facility expenses.

Capital Assets and Debt Administration

Capital Assets

The Utility Commission's investment in capital assets, net of accumulated depreciation, as of September 30, 2016, 2015, and 2014 was \$31,353,033, \$30,731,185, and \$27,724,957 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.

	September 30, 2016		September 30, 2015		September 30, 2014	
	Amount	%	Amount	%	Amount	%
Non-depreciable assets:						
Land	\$ 146,486	8%	\$ 146,486	18%	\$ 146,486	19%
Construction in progress	1,660,005	92%	675,053	82%	624,861	81%
Total non-depreciable	<u>1,806,491</u>	<u>100%</u>	<u>821,539</u>	<u>100%</u>	<u>771,347</u>	<u>100%</u>
Depreciable assets:						
Building	335,744	1%	335,744	1%	335,744	1%
Distribution system	48,585,810	91%	48,197,897	91%	44,163,228	91%
Machinery and equipment	4,415,080	8%	3,948,432	7%	3,983,217	8%
Intangibles	277,484	1%	277,484	1%	277,484	1%
Total depreciable capital assets	<u>53,614,118</u>	<u>100%</u>	<u>52,759,557</u>	<u>100%</u>	<u>48,759,673</u>	<u>100%</u>
Total capital assets	<u>55,420,609</u>		<u>53,581,096</u>		<u>49,531,020</u>	
Accumulated depreciation:						
Building	244,768		240,293		235,818	
Distribution system	20,448,276		19,433,424		18,513,357	
Machinery and equipment	3,100,484		2,903,396		2,808,494	
Intangibles	274,048		272,798		248,395	
Total accumulated depreciation	<u>\$ 24,067,576</u>		<u>\$ 22,849,911</u>		<u>\$ 21,806,064</u>	
Business-type activities capital assets, net	<u>\$ 31,353,033</u>		<u>\$ 30,731,185</u>		<u>\$ 27,724,957</u>	

At September 30, 2016, the depreciable capital assets were 45% depreciated. This compares favorably to the September 30, 2015 and 2014 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, 2016, the construction in progress includes primarily the USDA RD FVSU Water Project, the SW Peach County Sewer Project, and the Administration Building Project.

The additions to the distribution systems asset class were \$387,913 from 2015.

The cost of machinery and equipment added in this fiscal year of \$466,648 (gross) primarily consisted of three new vehicles, a new bucket truck, and a generator.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Utility Commission, City of Fort Valley, Georgia
As of and For The Years Ended September 30, 2016 and 2015

Long-term Debt

At September 30, 2016, the Utility Commission has four 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		
	<u>September 30, 2016</u>	<u>September 30, 2015</u>	<u>September 30, 2014</u>
GEFA Loan - DW97-027	\$ 735,543	\$ 898,997	\$ 1,062,451
GEFA Loan - DW97-027A	161,219	194,195	226,200
GELAC Loan - 2006-L58WQ	599,195	635,741	670,814
GEFA Loan - DWSRF 04-004	203,127	218,052	232,702
GELAC Loan - 2007-L42WQ	454,660	478,415	501,217
GEFA Loan - DW14-001	613,689	-	-
Compensated Absences	<u>275,652</u>	<u>278,609</u>	<u>259,913</u>
Total	<u><u>\$ 3,043,084</u></u>	<u><u>\$ 2,704,009</u></u>	<u><u>\$ 2,953,297</u></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. Blue Bird recently announced a \$4.4 million dollar grant award that will be used to develop a zero-emission electric school bus and is actively seeking additional employees in order to fill upcoming new contracts. 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.

The Commission staff is excited about current efforts to secure the location of a customer, that if we are successful, will greatly enhance the revenue stream of the Commission within the next 5 -7 years.

After reviewing a distribution margin analysis presented by MGAG (Municipal Gas Authority of Georgia), the Commission voted to increase the base charge for gas customers from \$12.00 to \$14.00 and to remove the summer and winter seasons from the rate structure. Changes went into effect July 1, 2016.

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.

FINANCIAL SECTION

Utility Commission
City of Fort Valley, Georgia
Comparative Statement of Net Position
September 30, 2016 and 2015

	2016	2015
Assets		
Current Assets:		
Cash and cash equivalents (Note 3-A)	\$ 621,586	\$ 365,883
Investments (Note 3-A)		
Natural Gas	27,985	252,963
Electric	9,073,953	9,717,277
Receivables:		
Accounts (net of allowance for uncollectibles):		
Billed	1,625,827	1,347,504
Unbilled	1,153,930	973,004
Interest	1,110	11,845
Inventory (Note 1-E-3)	528,727	532,385
Prepaid expenses (Note 1-E-4)	182,343	108,532
Total Current Assets	13,215,461	13,309,393
Noncurrent Assets:		
Restricted assets (Note 1-E-5)		
Investments	2,732,720	3,089,084
Capital assets (Note 3-C)		
Nondepreciable	1,806,491	821,539
Depreciable, net	29,546,542	29,909,645
Total Noncurrent Assets	34,085,753	33,820,268
Total Assets	47,301,214	47,129,661
Deferred Outflows of Resources		
Deferred outflows of resources from pension amounts	254,904	58,980
Total Assets and Deferred Outflows of Resources	47,556,118	47,188,641
Liabilities		
Current Liabilities:		
Accounts payable	1,116,325	1,341,976
Accrued payroll	114,944	90,355
Payroll deductions payable	14,094	10,909
Sales and excise taxes payable	47,726	46,632
Intergovernmental payable	162,451	158,977
Compensated absences payable	183,584	185,554
Construction loan payable (Note 3-E)	-	432,287
Notes payable (Note 3-F)	275,590	271,657
Total Current Liabilities	1,914,714	2,538,347
Noncurrent Liabilities:		
Net pension liability	1,332,202	1,163,212
Customer deposits payable	492,632	471,883
Compensated absences payable (net of current portion)	92,068	93,055
Notes payable (net of current portion) (Note 3-F)	2,491,843	2,153,741
Total Noncurrent Liabilities	4,408,745	3,881,891
Total Liabilities	6,323,459	6,420,238
Deferred Inflows of Resources		
Deferred inflows of resources from pension amounts	331,565	476,348
Total Liabilities and Deferred Inflows of Resources	6,655,024	6,896,586
Net Position		
Net investment in capital assets (Note 3-H)	28,585,600	27,873,499
Restricted for new electric generation (Note 1-E-6)	1,382,135	1,324,452
Restricted for pledged collateral - construction loan (Note 1-E-6)	1,350,584	1,764,632
Unrestricted	9,582,775	9,329,472
Total Net Position	\$ 40,901,094	\$ 40,292,055

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, 2016 and 2015

	2016	2015
Operating Revenues		
Charges for services	\$ 20,304,421	\$ 19,995,211
Miscellaneous	1,055,719	821,444
Total Operating Revenues	21,360,140	20,816,655
Operating Expenses		
Personal services	4,622,006	3,846,579
Purchased services	2,586,219	2,161,236
Materials and supplies	462,810	470,193
Repairs and maintenance	924,647	925,007
Gas and electric purchased for resale	11,456,048	11,170,507
Depreciation	1,217,664	1,120,006
Miscellaneous	105,983	125,447
Total Operating Expenses	21,375,377	19,818,975
Operating Income	(15,237)	997,680
Nonoperating Revenues (Expenses)		
Interest and fiscal charges	(56,883)	(57,827)
Investment earnings	374,315	218,775
Total Nonoperating Revenues (Expenses)	317,432	160,948
Income Before Capital Contributions	302,195	1,158,628
Capital Contributions	306,844	3,236,169
Change in Net Position	609,039	4,394,797
Net Position Beginning of Year	40,292,055	35,897,258
Net Position End of Year	\$ 40,901,094	\$ 40,292,055

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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	\$ 20,922,734	\$ 20,980,717
Cash payments for personal services	(4,768,906)	(4,513,930)
Cash payments for goods and services	(15,828,037)	(14,979,919)
Net Cash Provided by (Used in) Operating Activities	<u>325,791</u>	<u>1,486,868</u>
Cash Flows from Capital and Related Financing Activities		
Capital contributions	306,844	150,024
Proceeds from construction loan	(432,287)	29,915
Principal paid on notes payable	342,035	(267,984)
Interest paid on notes payable	(56,883)	(57,827)
Payments for capital acquisitions	(1,839,513)	(1,040,093)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(1,679,804)</u>	<u>(1,185,965)</u>
Cash Flows from Investing Activities		
Investment earnings	385,050	212,228
Net purchase of investments	1,224,666	(319,565)
Net Cash Provided (Used in) Investing Activities	<u>1,609,716</u>	<u>(107,337)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	255,703	193,566
Cash and Cash Equivalents Beginning of Year	<u>365,883</u>	<u>172,316</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 621,586</u></u>	<u><u>\$ 365,883</u></u>

(continued)

Utility Commission
City of Fort Valley, Georgia
Comparative Statement of Cash Flows
For the Years Ended September 30, 2016 and 2015

(continued)

	<u>2016</u>	<u>2015</u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	\$ (15,237)	\$ 997,680
Adjustments:		
Depreciation	1,217,664	1,120,006
(Increase) Decrease in Assets:		
Accounts receivable	(459,249)	157,218
Materials and supplies inventory	3,658	47,332
Prepaid expenses	(73,811)	(6,572)
Deferred outflows of resources from pension amounts	(195,924)	19,659
Increase (Decrease) in Liabilities:		
Accounts payable	(225,651)	(155,486)
Retainage payable	-	(13,538)
Accrued payroll	24,589	10,231
Payroll deductions payable	3,185	1,497
Sales and excise taxes payable	1,094	(2,522)
Intergovernmental payable	3,474	735
Customer deposits	20,749	9,366
Compensated absences payable	(2,957)	18,696
Net pension liability	168,990	(572,909)
Deferred inflows of resources from pension amounts	(144,783)	(144,525)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 325,791</u>	<u>\$ 1,486,868</u>
Noncash Capital Financing Activities:		
Purchase of equipment on account (in accounts payable @ year-end)	\$ -	\$ 67,097
Developer Contributions	-	\$ 3,086,146

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, 2016 and 2015*

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Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2016 and 2015

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, 2016 and 2015*

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, 2016. 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 an 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 Promissee, on June 13th 2014.

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2016 and 2015*

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.

On August 10, 2015 the Utility Commission reduced the Downtown Development Authority note by \$21,075. The Downtown Development Authority was current on the note as of September 30, 2016 and the balance of the promissory note was \$80,500 at September 30, 2016.

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, 2016, 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 2015 and 2016 restricted assets consist of the new generation and capacity funding account (2015 – \$1,324,452 and 2016 – \$1,382,135) and at September 30, 2015 and 2016, a construction loan certificate of deposit pledged as collateral for 2015 and 2016 in the amount of \$1,764,632 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 fair market values as of the date received. The Utility Commission maintains a capitalization threshold of five 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%

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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, 2016 and 2015**

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 2016 and Electric 30.00%; Water 27.50%; Sewer 19.50%; Gas 21.50%; Telecom 1.50% for fiscal year 2015.

Allocation of Telecom Department: For fiscal year 2015, the Utility Commission allocated the net cost of operating the Telecom Department on the basis of Supervisory Control and Data Acquisition (SCADA) services provided to each of the other operating departments. The allocation rates are: Water 50% and Sewer 50% for fiscal year 2015.

An analytical cost study performed by the Utility Commission concluded that the major customer of the Telecom Department was the Utility Commission. The major service provided was that of Supervisory Control and Data Acquisition (SCADA) processes to monitor various Utility Commission operational functions. The sale of internet access to residential and commercial customers was incidental to the overall operation of the Telecom Department; and, merely serves to reduce the net cost of the Supervisory Control and Data Acquisition service provided.

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.

1-E-18 Implementation of New GASB Standards

In fiscal year 2015, the Utility Commission implemented Statement No. 68, *Accounting and Financial Reporting for Pensions*. The adoption of this statement has an impact on the Utility Commission's financial statements for fiscal year 2015. Please see note 3-G *Pension Plan* and 4-F *Cumulative Effect of Adoption of Accounting Principle*.

In fiscal year 2016, the Utility Commission implemented GASB Statement No. 72, *Fair Value Measurement and Application*. Statement No. 72 provides guidance for determining fair value for financial reporting, the principles for measuring fair value and guidelines for the disclosure of fair value measurements. The adoption of Statement No. 72 did not impact the financial statements for fiscal year 2016. See Note 3-A for required disclosures regarding fair value measurements.

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2016 and 2015*

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, 2016, 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, 2016, the bank balances were \$630,512 and the carrying amount was \$618,576.

At September 30, 2015, all bank balances were entirely insured or collateralized. At September 30, 2015, the bank balances were \$519,277 and the carrying amount was \$362,873.

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, 2016 and 2015

Note 3 - Detailed Notes (Continued)

3-A. Deposits and Investments (Continued)

At September 30, 2015 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
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			
2015				
Certificates of Deposit	\$ 1,764,632	\$ -	\$ 1,764,632	\$ -
Money Market Account	252,963			
Municipal Competitive Trust	11,041,730			
Total	\$ 13,059,325			

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, 2016 and 2015, 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, 2016		September 30, 2015	
	Amount	% of Total	Amount	% of Total
CB&T Bank of Middle Georgia	\$ 1,350,584	100%	\$ 1,764,632	100%

Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2016 and 2015

Note 3 - Detailed Notes (Continued)

3-A. Deposits and Investments (Continued)

Cash & Investment Reconciliation:

	September 30, 2016		September 30, 2015	
	Cash and	Investments	Cash and	Investments
Enterprise Fund Type Statement of Net Position	Cash Equivalents		Cash Equivalents	
Unrestricted	\$ 621,586	\$ 9,101,938	\$ 365,883	\$ 9,970,240
Restricted	-	2,732,719	-	3,089,085
Less cash on hand and petty cash	(3,010)	-	(3,010)	-
Total	<u>\$ 618,576</u>	<u>\$ 11,834,657</u>	<u>\$ 362,873</u>	<u>\$ 13,059,325</u>

3-B. Receivables

Receivables at September 30, 2016 and 2015 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, 2016 and 2015. The allowance for uncollectibles for intergovernmental notes receivable was \$92,000 as of September 30, 2015. There was no allowance for uncollectibles for intergovernmental notes receivable as of September 30, 2016 as the Downtown Development Authority was current on its note and full collection of the 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, 2016 and 2015

Note 3 - Detailed Notes (Continued)

3-C. Capital Assets

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

	Balance 10/1/2015	Additions	Deductions	Balance 9/30/2016
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

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

	Balance 10/1/2014	Additions	Deductions	Balance 9/30/2015
Business-type activities:				
Nondepreciable capital assets:				
Land	\$ 146,486	\$ -	\$ -	\$ 146,486
Construction in progress	624,861	3,285,313	3,235,121	675,053
Total nondepreciable capital assets	771,347	3,285,313	3,235,121	821,539
Depreciable capital assets:				
Building	335,744	-	-	335,744
Distribution system	44,163,228	4,034,669	-	48,197,897
Machinery and equipment	3,983,216	41,374	76,158	3,948,432
Intangibles	277,484	-	-	277,484
Total depreciable capital assets	48,759,672	4,076,043	76,158	52,759,557
Total capital assets	49,531,019	7,361,356	3,311,279	53,581,096
Accumulated depreciation:				
Building	235,818	4,475	-	240,293
Distribution system	18,513,357	920,067	-	19,433,424
Machinery and equipment	2,808,492	171,062	76,158	2,903,396
Intangibles	248,395	24,403	-	272,798
Total accumulated depreciation	21,806,062	1,120,007	76,158	22,849,911
Business-type activities capital assets, net	\$ 27,724,957	\$ 6,241,349	\$ 3,235,121	\$ 30,731,185

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2016 and 2015*

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
2017	\$9,960.00
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
2017	\$5,208.00
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, 2015, the Utility Commission has four 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, 2016 follow:

Fiscal Year	Principal
2017	163,454
2018	163,454
2019	163,454
2020	163,454
2021	81,727
Total	<u>\$ 735,543</u>

Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2016 and 2015

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, 2016 follow:

Year	Principal	Interest	Total
2017	33,976	4,457	38,433
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	\$ 161,219	\$ 11,731	\$ 172,950

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, 2016 follow:

Year	Principal	Interest	Total
2017	38,146	23,946	62,092
2018	39,683	22,369	62,052
2019	41,349	20,703	62,052
2020	43,067	18,986	62,053
2021	44,911	17,142	62,053
2022-2026	254,378	55,885	310,263
2027-2029	137,661	7,015	144,676
Total	\$ 599,195	\$ 166,046	\$ 765,241

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, 2016 follow:

Year	Principal	Interest	Total
2017	15,266	3,678	18,944
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
2022-2026	86,931	7,789	94,720
2027-2028	37,089	783	37,872
Total	\$ 203,127	\$ 24,185	\$ 227,312

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2016 and 2015*

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, 2016 follow:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	24,748	18,179	42,927
2018	25,781	17,146	42,927
2019	26,858	16,068	42,926
2020	27,980	14,946	42,926
2021	29,149	13,777	42,926
2022-2026	165,064	49,569	214,633
2027-2030	155,080	13,049	168,129
Total	<u>\$ 454,660</u>	<u>\$ 142,734</u>	<u>\$ 597,394</u>

GEFA Loan — DW14001 – 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 Speece Cone Superoxygenation System project. During the current period, the Utility Commission received disbursements of \$920,533 from the total amount approved. A subsidy in the amount of \$306,844 was received during fiscal year 2016 and applied to the principal balance of the disbursements. The unpaid principal balance was \$613,689 as of September 30, 2016. Principal payments will not begin until all draws against the approved amount have been taken. The final maturity date is September 1, 2028.

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*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2016 and 2015*

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, 2016 and 2015:

	Outstanding 10/1/2015	Additions	Reductions	Outstanding 9/30/2016	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	\$ 2,704,009	\$ 795,188	\$ 456,113	\$ 3,043,084	\$ 459,175	\$ 2,583,911
	Outstanding 10/1/2014	Additions	Reductions	Outstanding 9/30/2015	Amounts Due in One Year	Long-term Portion
Business-Type Activities						
GEFA loan - DW97-027	\$ 1,062,451	\$ -	\$ 163,454	\$ 898,997	\$ 163,454	\$ 735,543
GEFA loan - DW97-027A	226,200	-	32,005	194,195	32,976	161,219
GELAC loan - 2006-L58WQ	670,814	-	35,073	635,741	36,545	599,196
GEFA loan - DWSRF 04-004	232,702	-	14,650	218,052	14,927	203,125
GELAC loan - 2007-L42WQ	501,217	-	22,802	478,415	23,755	454,660
Compensated absences	259,913	195,488	176,792	278,609	185,554	93,055
Total Business-Type Activities	\$ 2,953,297	\$ 195,488	\$ 444,776	\$ 2,704,009	\$ 457,211	\$ 2,246,799

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, 2016, the plan had 53 active employees, 8 vested former employees, and 26 retired participants or beneficiaries currently receiving benefits. At September 30, 2015, the plan had 52 active employees, 7 vested former employees, and 28 retired participants or beneficiaries currently receiving benefits.

*Utility Commission
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Notes to the Basic Financial Statements
For the Years Ended September 30, 2016 and 2015*

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, 2015 and 2016 was 10.07 and 8.19 percent of covered payroll. The Commission’s contribution to the plan for the years ended September 30, 2015 and 2016 was \$276,637 and \$255,122. 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, 2015 and 2016, the Commission reported a net pension liability of \$1,163,212 and \$1,332,202. The net pension liability was measured as of September 30, 2014 and 2015, 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, 2015 and 2016.

For the year ended September 30, 2015, the Commission recognized pension expense of \$125,925. At September 30, 2015, the Commission had deferred outflows from differences between expected and actual experience of \$58,980 and deferred inflows of resources related to pensions from the following sources:

Changes in Assumptions	\$ (305,292)
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	(171,056)
Total Deferred Inflows	<u>\$ (476,348)</u>

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>

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>
2017	\$ 105,629	\$ (187,207)
2018	105,629	(187,207)
2019	85,969	(85,443)
2020	85,969	-
2021	-	-
2022 and Thereafter	-	-
	<u>\$ 383,196</u>	<u>\$ (459,857)</u>

Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2016 and 2015

Note 3 – Detailed Notes (Continued)

3-G. Pension Plan (Continued)

Actuarial Assumptions – The total pension liability in the September 30, 2014 and 2015 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, 2014 and 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	50%	5.95%
International Equity	15	6.45
Fixed Income	25	1.55
Real Estate	10	3.75
Cash	-	-
	<hr/>	
	100%	
	<hr/>	

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

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*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2016 and 2015*

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, 2016 and 2015 were as follows:

	Total Pension Liability	Fidiciary 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

	Total Pension Liability	Fidiciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at October 1, 2014	\$ 7,563,133	\$ 5,827,012	\$ 1,736,121
Changes for the Year:			
Service Costs	117,458	-	117,458
Interest	575,409	-	575,409
Differences between expected and actual experience	78,639	-	78,639
Contributions - employer	-	281,466	(281,466)
Contributions - employee	-	-	-
Net investment income	-	665,224	(665,224)
Benefit payments, including refunds of employee contributions	(276,999)	(276,999)	-
Administrative expense	-	(9,329)	9,329
Other	(407,054)	-	(407,054)
Net changes	87,453	660,362	(572,909)
Balances at September 30, 2015	\$ 7,650,586	\$ 6,487,374	\$ 1,163,212

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2016 and 2015*

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	09/30/16 Net Pension Liability	09/30/15 Net Pension Liability
1 Percent Decrease	6.75%	\$ 2,175,274	\$ 1,993,243
Current Discount Rate	7.75%	1,332,202	1,163,212
1 Percent Increase	8.75%	613,524	456,529

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, 2016 and 2015 as follows:

	2016	2015
Net Investment in capital assets:		
Cost of capital assets	\$ 55,420,609	\$ 53,581,096
Less accumulated depreciation	(24,067,576)	(22,849,913)
Book Value	31,353,033	30,731,183
Less capital related debt	(2,767,433)	(2,857,686)
Net Investment in capital assets	<u>\$ 28,585,600</u>	<u>\$ 27,873,497</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 \$69,528,571 at September 30, 2016 and \$74,236,886 at September 30, 2015. 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, 2016 and 2015*

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 \$9,073,952 at September 30, 2016 and \$9,635,451 at September 30, 2015. 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, 2016 were \$0 and \$1,287,047, respectively; at September 30, 2015 the balances were \$134 and \$2,316,249, 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.

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 \$1,382,135 for 2016 and \$1,307,692 for 2015.

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, 2016 and 2015. 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, 2016 and 2015*

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 \$3,817,344 at September 30, 2016 and \$5,339,919 at September 30, 2015. 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. The Utility Commission anticipates that no further extensions will be required. Construction began in calendar year 2015.

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, 2016 or 2015. 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 "Speece Cone Superoxygenation System to serve the Lanter Water Reclamation Facility" project, which was under construction as of September 30, 2016 and scheduled to be completed in September 2017, involves installation of a superoxygenation system, a side stream submersible pump station, an oxygen feed system, and a building to store oxygen cylinders. The work also includes piping, valves, fittings, site work, and any other work necessary to produce a complete system. The project is located at the Lanter Water Reclamation Facility, which is currently operated by the Utility Commission. This project was designed for the purposes of meeting new EPD permit requirements for the Water Reclamation Facility. The project is funded both by a GEFA State Revolving Funds loan and an EPA Special Appropriations Project grant. The EPA grant was given to the Utility Commission at a cost share equal to 40.42% of project costs. The remaining project costs will be reimbursed through the GEFA loan. The total cost of the project is estimated to be \$839,000.

***Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2016 and 2015***

Note 4 - Other Notes (Continued)

4-D. Subsequent Event (Continued)

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 plans to purchase and renovate a 2600 SF building located on Knoxville Street. This building will house the Customer Service, Financial Services and Metering departments. The current building will be 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.

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, 2016

Total Pension Liability	2016	2015
Service Cost	\$ 119,251	\$ 117,458
Interest	582,211	575,409
Differences between expected and actual experience	(170,715)	78,639
Changes of assumptions	-	(407,054)
Changes of benefit terms	-	-
Benefit payments, including refunds of employee contributions	(276,361)	(276,999)
Net change in total pension liability	254,386	87,453
Total pension liability - beginning	7,650,586	7,563,133
Total pension liability - ending	<u>\$ 7,904,972</u>	<u>\$ 7,650,586</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 300,029	\$ 281,466
Contributions - Employee	-	-
Net Investments Income	73,390	665,224
Benefit Payments, including refunds of employee contributions	(276,361)	(276,999)
Administrative expense	(11,662)	(9,329)
Net change in fiduciary net position	85,396	660,362
Plan fiduciary net position - beginning	6,487,374	5,827,012
Plan fiduciary net position - ending	<u>\$ 6,572,770</u>	<u>\$ 6,487,374</u>
Net Pension Liability		
Net pension liability - ending	\$ 1,332,202	\$ 1,163,212
Plan's fiduciary net position as a percentage of the total pension liability	83.15%	84.80%
Covered-employee payroll	\$ 3,044,224	\$ 3,042,462
Net pension liability as a percentage of covered-employee payroll	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, 2016

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

--* 2016 information will be determined after fiscal year end and will be included in the 2017 valuation report.

This information is not available in the current actuarial report.

Utility Commission
City of Fort Valley, Georgia
Schedule of Contributions
Fort Valley Utility Commission Retirement Plan
For the Year Ended September 30, 2016

1. Notes to Required Supplementary Information

Valuation Date	The actuarially-determined contribution rate was determined as of January 1, 2016, 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, 2017.
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed Level Dollar for Remaining Unfunded Liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at 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 has changed from one year to immediate. 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%.

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, 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
Combining Schedule of Operating Revenues and Expenses
(After Cost Allocation)
For the Year Ended September 30, 2015

	Natural Gas	Electric	Water	Sewer	Total
Operating Revenues					
Charges for services	\$ 3,611,960	\$ 12,000,496	\$ 2,394,756	\$ 1,987,999	\$ 19,995,211
Miscellaneous	177,616	615,005	16,119	12,700	821,440
Total Operating Revenues	3,789,576	12,615,501	2,410,875	2,000,699	20,816,651
Operating Expenses					
Personal services	680,836	966,681	1,213,156	985,906	3,846,579
Purchased services	412,847	976,193	342,002	430,194	2,161,236
Materials and supplies	45,247	64,612	127,147	233,187	470,193
Repairs and maintenance	144,166	158,092	377,244	245,505	925,007
Gas and electric purchased for resale	1,961,721	9,354,234	(190,990)	45,542	11,170,507
Depreciation	124,118	125,020	368,209	502,659	1,120,006
Miscellaneous	26,971	37,634	35,439	25,403	125,447
Total Operating Expenses	3,395,906	11,682,466	2,272,207	2,468,396	19,818,975
Operating Income (Loss)	\$ 393,670	\$ 933,035	\$ 138,668	\$ (467,697)	\$ 997,676

Utility Commission
City of Fort Valley, Georgia
Combining Schedule of Operating Revenues and Expenses
(Before Cost Allocation)
For the Year Ended September 30, 2015

	Natural Gas	Electric	Water	Sewer	Telecom
Operating Revenues					
Charges for services	\$ 3,611,960	\$ 12,000,496	\$ 2,394,756	\$ 1,987,999	\$ 372,492
Miscellaneous	177,616	615,005	16,119	12,700	-
Total Operating Revenues	3,789,576	12,615,501	2,410,875	2,000,699	372,492
Operating Expenses					
Personal services	288,738	419,568	635,033	553,679	125,850
Purchased services	291,893	807,421	379,513	512,711	(20,385)
Materials and supplies	24,558	35,743	94,128	207,865	11,671
Repairs and maintenance	102,399	99,812	309,374	193,176	25,979
Gas and electric purchased for resale	1,961,721	9,354,234	(239,204)	(2,673)	96,429
Depreciation	106,746	100,781	307,889	448,802	74,990
Miscellaneous	-	-	-	-	-
Total Operating Expenses	2,776,055	10,817,559	1,486,733	1,913,560	314,534
Operating Income (Loss)	\$ 1,013,521	\$ 1,797,942	\$ 924,142	\$ 87,139	\$ 57,958

Administrative, Meter and Warehouse Costs			Total	
104	105	106	Administration	Total
\$ -	\$ -	\$ -	\$ -	\$ 20,367,703
24,553	-	-	24,553	845,993
24,553	-	-	24,553	21,213,696
1,293,894	448,900	80,918	1,823,712	3,846,580
550,081	6,473	6,020	562,574	2,533,727
25,400	16,041	54,787	96,228	470,193
150,877	9,808	33,583	194,268	925,008
-	-	-	-	11,170,507
80,798	-	-	80,798	1,120,006
150,000	-	-	150,000	150,000
2,251,050	481,222	175,308	2,907,580	20,216,021
\$ (2,226,497)	\$ (481,222)	\$ (175,308)	\$ (2,883,027)	\$ 997,675

Utility Commission
City of Fort Valley, Georgia
Allocation of Administration and Telecom
For the Year Ended September 30, 2016

DO NOT PRINT THIS SHEET

Administration Allocation Percentages
(per Cathy Johnson)

20.00% 30.00% 28.50% 20.00% 1.50%

	Natural Gas	Electric	Water	Sewer	Telecom	104	105	106	Total Administration	Total
Per Trial Balances:										
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	-	22,632	-	-	22,632	1,078,351
Total Operating Revenues	3,322,854	13,041,534	2,627,719	1,973,729	394,304	22,632	-	-	22,632	21,382,772
Operating Expenses										
Personal services	443,324	639,560	881,449	607,344	122,382	1,473,325	370,494	84,128	1,927,947	4,622,006
Purchased services	287,867	791,991	345,374	525,753	3,718	613,472	10,577	7,467	631,516	2,586,219
Materials and supplies	39,599	39,249	75,640	200,300	14,664	31,565	11,604	50,189	93,358	462,810
Repairs and maintenance	111,828	129,972	238,630	199,279	9,198	179,950	12,350	43,440	235,740	924,647
Gas and electric	1,415,539	9,954,882	-	-	85,627	-	-	-	-	11,456,048
Depreciation	114,452	126,281	314,041	532,450	78,877	51,563	-	-	51,563	1,217,664
Miscellaneous	-	-	-	-	-	128,615	-	-	128,615	128,615
Total Operating Expenses	2,412,609	11,681,935	1,855,134	2,065,126	314,466	2,478,490	405,025	185,224	3,068,739	21,398,009
Operating Income (Loss)	\$ 910,245	\$ 1,359,599	\$ 772,585	\$ (91,397)	\$ 79,838	\$ (2,455,858)	\$ (405,025)	\$ (185,224)	\$ (3,046,107)	\$ (15,237)
Administration Allocation										
Operating Expenses										
Personal services	\$ 385,589	\$ 578,384	\$ 549,465	\$ 385,589	\$ 28,919				\$ 1,927,947	
Purchased services	126,303	189,455	179,982	126,303	9,473				631,516	
Materials and supplies	18,672	28,007	26,607	18,672	1,400				93,358	
Repairs and maintenance	47,148	70,722	67,186	47,148	3,536				235,740	
Depreciation	10,313	15,469	14,695	10,313	773				51,563	
Miscellaneous	21,197	31,795	30,205	21,197	1,590				105,983	
	\$ 609,221	\$ 913,832	\$ 868,140	\$ 609,221	\$ 45,692				\$ 3,046,107	

Totals With Administration Allocation

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	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
Totals With Allocations	\$ 3,021,830	\$ 12,595,767	\$ 2,723,274	\$ 2,674,347	\$ 360,158	\$ 21,375,377

Pdw Cathy Johnson, FVUC no longer allocates Telecom below: (as of FYE2016)

Telecom Allocation

Telecom Allocation Percentages	0.00%	0.00%	0.00%	0.00%
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Telecom Allocation**Operating Expenses**

Personal services	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased services*	-	-	-	-	-
Materials and supplies	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-
Gas and electric	-	-	-	-	-
Depreciation	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Telecom Allocation	\$ -	\$ -	\$ -	\$ -	\$ -

*Allocated charges for services to this object consistent with 2008.

	Natural				
Grand Totals With All Allocations	Gas	Electric	Water	Sewer	Total
Personal services	\$ 828,913	\$ 1,217,944	\$ 1,430,914	\$ 992,933	\$ 4,470,704
Purchased services	414,170	981,446	525,356	652,056	2,573,028
Materials and supplies	58,271	67,256	102,247	218,972	446,746
Repairs and maintenance	158,976	200,694	305,816	246,427	911,913
Gas and electric	1,415,539	9,954,882	-	-	11,370,421
Depreciation	124,765	141,750	328,736	542,763	1,138,014
Miscellaneous	21,197	31,795	30,205	21,197	104,394
Grand Totals With All Allocations	\$ 3,021,831	\$ 12,595,767	\$ 2,723,274	\$ 2,674,348	\$ 21,015,220

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, 2016 and 2015

Object Classification	2016			Variance With Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for services:				
Electric	\$ 12,673,386	\$ 12,673,386	\$ 12,197,497	\$ (475,889)
Gas	3,533,850	3,533,850	3,166,380	(367,470)
Water	2,869,978	2,869,978	2,610,395	(259,583)
Sewer	2,239,555	2,239,555	1,974,657	(264,898)
Telecom	391,860	391,860	396,016	4,156
Fees	304,043	304,043	378,633	74,590
Investment earnings	98,769	98,769	374,315	275,546
Miscellaneous	401,000	401,000	791,720	390,720
Total Revenues	22,512,441	22,512,441	21,889,613	(622,828)
Expenses:				
Personal Services:				
Salaries and wages	3,400,324	3,400,324	3,239,219	161,105
Payroll taxes	257,701	257,701	235,657	22,044
Group insurance	966,545	966,545	962,828	3,717
Pension	319,005	319,005	118,288	200,717
Uniforms	81,276	81,276	52,576	28,700
Safety shoes	10,000	10,000	13,437	(3,437)
Total Personal Services	5,034,851	5,034,851	4,622,005	412,846
Purchased Services:				
Professional services - audit	41,000	41,000	49,249	(8,249)
Professional services - legal	17,400	17,400	20,535	(3,135)
Professional services - engineering	18,600	18,600	23,881	(5,281)
Professional services - other	374,400	374,400	378,109	(3,709)
Professional services - MEAG Power	46,800	46,800	25,564	21,236
Communications - postage	40,200	40,200	37,818	2,382
Communications - telephones	37,380	37,380	57,809	(20,429)
Utilities	623,400	623,400	597,682	25,718
Advertising	9,000	9,000	7,526	1,474
Transportation, room and board	54,600	54,600	57,967	(3,367)
Continuing professional education	59,400	59,400	36,862	22,538
Insurance	272,316	272,316	245,806	26,510
Vehicles and equipment - other	-	-	-	-
Total Purchased Services	1,594,496	1,594,496	1,538,808	55,688
Total Expenses Carried Forward	6,629,347	6,629,347	6,160,813	468,534

2015			
Original Budget	Final Budget	Actual	Variance With Final Budget
\$ 12,536,335	\$ 12,536,335	\$ 12,014,876	\$ (521,459)
4,090,703	4,090,703	3,620,288	(470,415)
2,869,978	2,869,978	2,403,118	(466,860)
2,239,555	2,239,555	1,996,842	(242,713)
332,000	332,000	374,592	42,592
238,900	238,900	279,066	40,166
52,875	52,875	218,775	165,900
514,165	514,165	566,928	52,763
22,874,511	22,874,511	21,474,485	(1,400,026)
3,364,079	3,364,079	3,097,521	266,558
254,965	254,965	224,973	29,992
935,755	935,755	878,640	57,115
362,963	362,963	(383,579)	746,542
38,400	38,400	24,589	13,811
6,450	6,450	4,435	2,015
4,962,612	4,962,612	3,846,579	1,116,033
41,000	41,000	39,387	1,613
28,800	28,800	33,610	(4,810)
25,200	25,200	23,029	2,171
430,900	430,900	285,783	145,117
46,800	46,800	29,891	16,909
38,100	38,100	38,462	(362)
32,580	32,580	35,434	(2,854)
609,600	609,600	615,239	(5,639)
7,500	7,500	5,911	1,589
43,200	43,200	28,102	15,098
47,900	47,900	29,812	18,088
265,393	265,393	256,608	8,785
6,600	6,600	462	6,138
1,623,573	1,623,573	1,421,730	201,843
6,586,185	6,586,185	5,268,309	1,317,876

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, 2016 and 2015

Object Classification	2016			Variance With Final Budget
	Original Budget	Final Budget	Actual	
Total Expenses Brought Forward	\$ 6,629,347	\$ 6,629,347	\$ 6,160,813	\$ 468,534
Materials and Supplies:				
General office	15,000	15,000	21,989	(6,989)
Printed forms	7,200	7,200	6,696	504
General operating	348,120	348,120	264,365	83,755
Hand tools and small equipment	82,550	82,550	62,490	20,060
Safety	23,700	23,700	17,452	6,248
Custodial	12,600	12,600	6,110	6,490
City of Fort Valley	7,800	7,800	9,739	(1,939)
Vehicles and equipment - fuel and oil	111,000	111,000	73,969	37,031
Total Materials and Supplies	607,970	607,970	462,810	145,160
Repairs and Maintenance:				
Metering service	48,200	48,200	39,076	9,124
Overhead lines	72,000	72,000	51,048	20,952
Underground lines	167,400	167,400	118,935	48,465
Stations	75,600	75,600	44,967	30,633
Office equipment	135,900	135,900	147,511	(11,611)
Vehicles	49,200	49,200	52,167	(2,967)
Heavy equipment	107,700	107,700	110,825	(3,125)
Communications	12,600	12,600	5,002	7,598
Buildings	93,000	93,000	76,417	16,583
Other	294,100	294,100	278,699	15,401
Total Repairs and Maintenance	1,055,700	1,055,700	924,647	131,053
Total Gas and Electric Purchased For Resale	12,548,863	12,548,863	11,456,048	1,092,815
Depreciation	1,230,795	1,230,795	1,217,665	13,130
Total Expenses Carried Forward	22,072,675	22,072,675	20,221,983	1,850,692

2015			
Original Budget	Final Budget	Actual	Variance With Final Budget
\$ 6,586,185	\$ 6,586,185	\$ 5,268,309	\$ 1,317,876
15,000	15,000	16,329	(1,329)
7,200	7,200	6,089	1,111
339,120	339,120	284,041	55,079
69,900	69,900	40,636	29,264
24,600	24,600	11,135	13,465
13,200	13,200	7,778	5,422
6,000	6,000	10,749	(4,749)
143,400	143,400	92,973	50,427
618,420	618,420	469,729	148,690
23,100	23,100	47,097	(23,997)
80,400	80,400	40,503	39,897
138,900	138,900	133,907	4,993
87,000	87,000	63,215	23,785
167,400	167,400	125,197	42,203
46,500	46,500	48,604	(2,104)
97,200	97,200	134,499	(37,299)
12,600	12,600	2,500	10,100
97,200	97,200	60,030	37,170
329,500	329,500	269,456	60,044
1,079,800	1,079,800	925,007	154,792
13,045,925	13,045,925	11,170,507	1,875,418
1,135,209	1,135,209	1,120,006	15,203
22,465,539	22,465,539	18,953,558	3,511,979

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, 2016 and 2015

Object Classification	2016			Variance With Final Budget
	Original Budget	Final Budget	Actual	
Total Expenses Brought Forward	<u>\$ 22,072,675</u>	<u>\$ 22,072,675</u>	<u>\$ 20,221,983</u>	<u>\$ 1,850,692</u>
Miscellaneous:				
Operating	11,700	11,700	4,680	7,020
Non-operating	101,600	101,600	56,679	44,921
Interest	54,154	54,154	56,883	(2,729)
Bad debts	90,000	90,000	40,523	49,477
Franchise fees	998,882	998,882	999,760	(878)
Property and franchise taxes	3,600	3,600	(3,090)	6,690
City of Roberta collection fees	6,000	6,000	5,500	500
Aid to other governments	100,000	100,000	220,615	(120,615)
Total Miscellaneous	<u>1,365,936</u>	<u>1,365,936</u>	<u>1,381,550</u>	<u>(15,614)</u>
Total Expenses	<u>23,438,611</u>	<u>23,438,611</u>	<u>21,603,533</u>	<u>1,835,078</u>
Net Income - Budgetary Basis	<u>\$ (926,170)</u>	<u>\$ (926,170)</u>	286,080	<u>\$ 1,212,250</u>
Non-budgeted Items:				
Contributions			306,844	
Capitalized labor costs			(3,162)	
Inventory adjustments			19,277	
Change in Net Position - GAAP Basis			<u>\$ 609,039</u>	

2015			
Original Budget	Final Budget	Actual	Variance With Final Budget
\$ 22,465,539	\$ 22,465,539	\$ 18,953,558	\$ 3,511,979
(20,600)	(20,600)	7,774	(28,374)
99,800	99,800	87,266	12,534
57,827	57,827	57,827	-
120,000	120,000	42,013	77,987
1,050,987	1,050,987	1,058,376	(7,389)
3,600	3,600	-	3,600
6,000	6,000	2,594	3,406
100,000	150,000	150,000	-
1,417,614	1,467,614	1,405,850	61,764
23,883,153	23,933,153	20,359,408	3,573,743
\$ (1,008,642)	\$ (1,058,642)	1,115,077	\$ 2,173,717
		3,236,169	
		30,963	
		12,588	
		\$ 4,394,797	

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
2007	\$ 18,687,298	\$ 18,813,099	\$ (125,801)	\$ 363,743	\$ 237,942	\$ 140,800	\$ 378,742
2008	20,364,972	20,064,932	300,040	(249,001) ²	51,039	905,427	956,466
2009	19,423,958	18,562,186	861,772	(313,784)	547,988	7,094,569 ³	7,642,557
2010	20,594,302	18,273,205	2,321,097	(16,736)	2,304,361	(95,681)	2,208,680
2011	20,194,404	19,380,601	813,803	(45,138)	768,665	1,280	769,945
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
Annual Percentage Change							
2007	-3.2%	-2.6%	-529.6%	28.8%	-9.3%	76.7%	10.7%
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%	-101.3%	-71.1%
2011	-1.9%	6.1%	-64.9%	-169.7%	-66.6%	101.3%	-65.1%
2012	-1.5%	2.0%	-83.6%	14.0%	-87.7%	-100.0%	-87.7%
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%

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

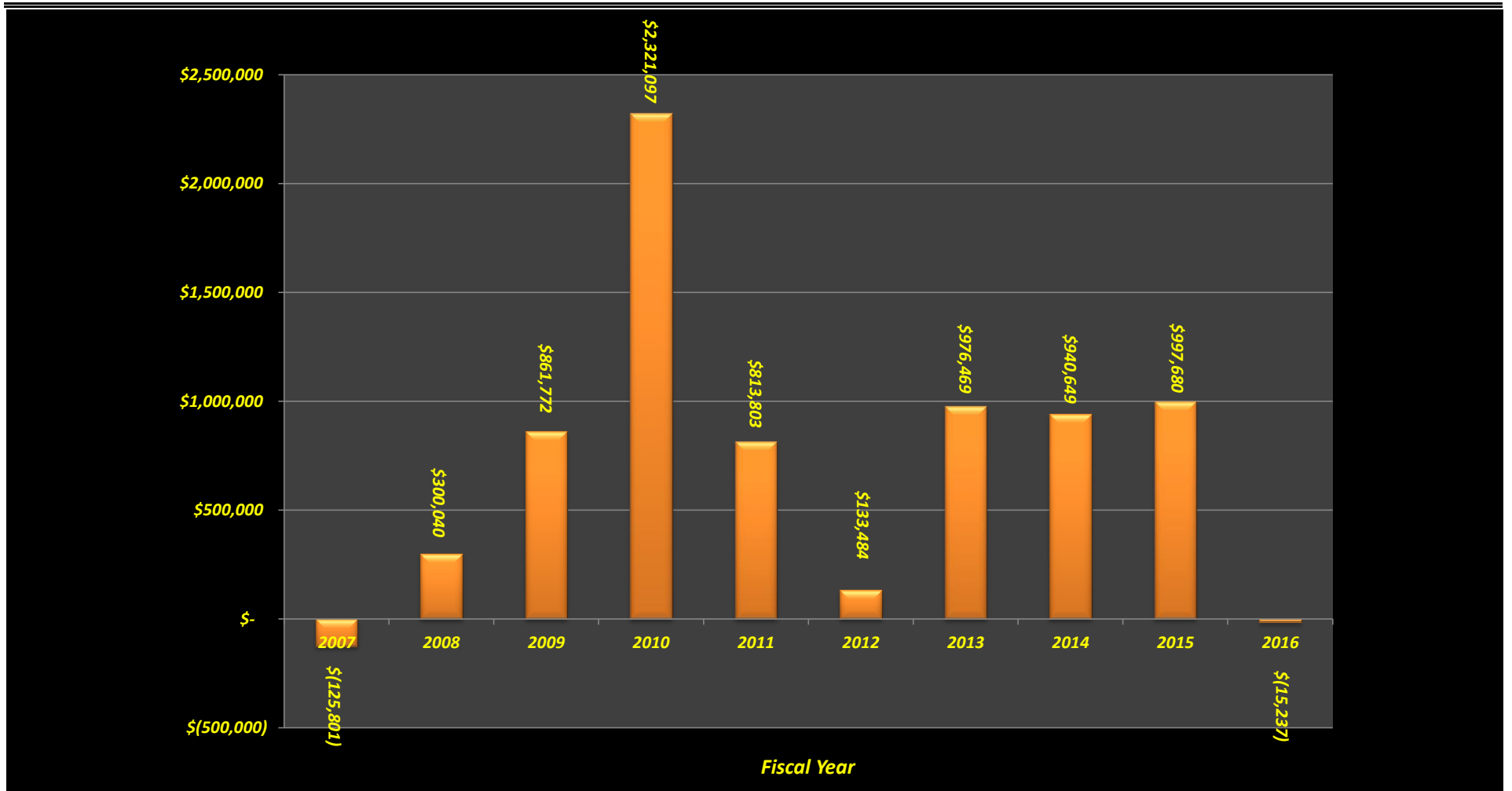


Table S-2

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
2007	\$ 3,432,035	\$ 1,957,647	\$ 343,272	\$ 577,920	\$ 11,248,550	\$ 1,063,188	\$ 190,487	\$ 18,813,099
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
*	\$ 4,114,773	\$ 2,138,287	\$ 462,170	\$ 769,449	\$ 10,976,596	\$ 1,107,841	\$ 195,785	\$ 19,764,901
**	34.7%	32.1%	34.8%	60.0%	1.8%	14.5%	-44.4%	13.6%
Annual Percentage Change								
2007	1.0%	8.5%	40.0%	7.6%	-6.1%	1.3%	-13.6%	-2.6%
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%

* 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)
2007	\$ (13,235)	\$ 418,387	\$ (41,409)	\$ -	\$ 363,743
2008	(12,470)	342,470	-	(579,001) [#]	(249,001)
2009	(40,488)	191,249	(464,545)	-	(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)	-	(124,897)
2014	(61,372)	145,845	(8,761)	-	75,712
2015	(57,827)	218,775	-	-	160,948
2016	(56,883)	374,315	-	-	317,432

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}			
	Developers	State of Georgia ²	Other ^{3,4}	Total
2007	\$ 140,800	\$ -	\$ -	\$ 140,800
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

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 and 2016 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 Year ²	Operating Revenue ^{1, 5}		Operating Expenses ⁵		Operating Income (Loss)	
	Amount	% Change	Amount	% Change	Amount	% Change
2007 ³	\$ 5,829,802	-9.2%	\$ 5,531,818	-18.4%	\$ 297,984	183.2%
2008 ³	6,571,594	12.7%	6,327,670	14.4%	243,924	-18.1%
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%

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.

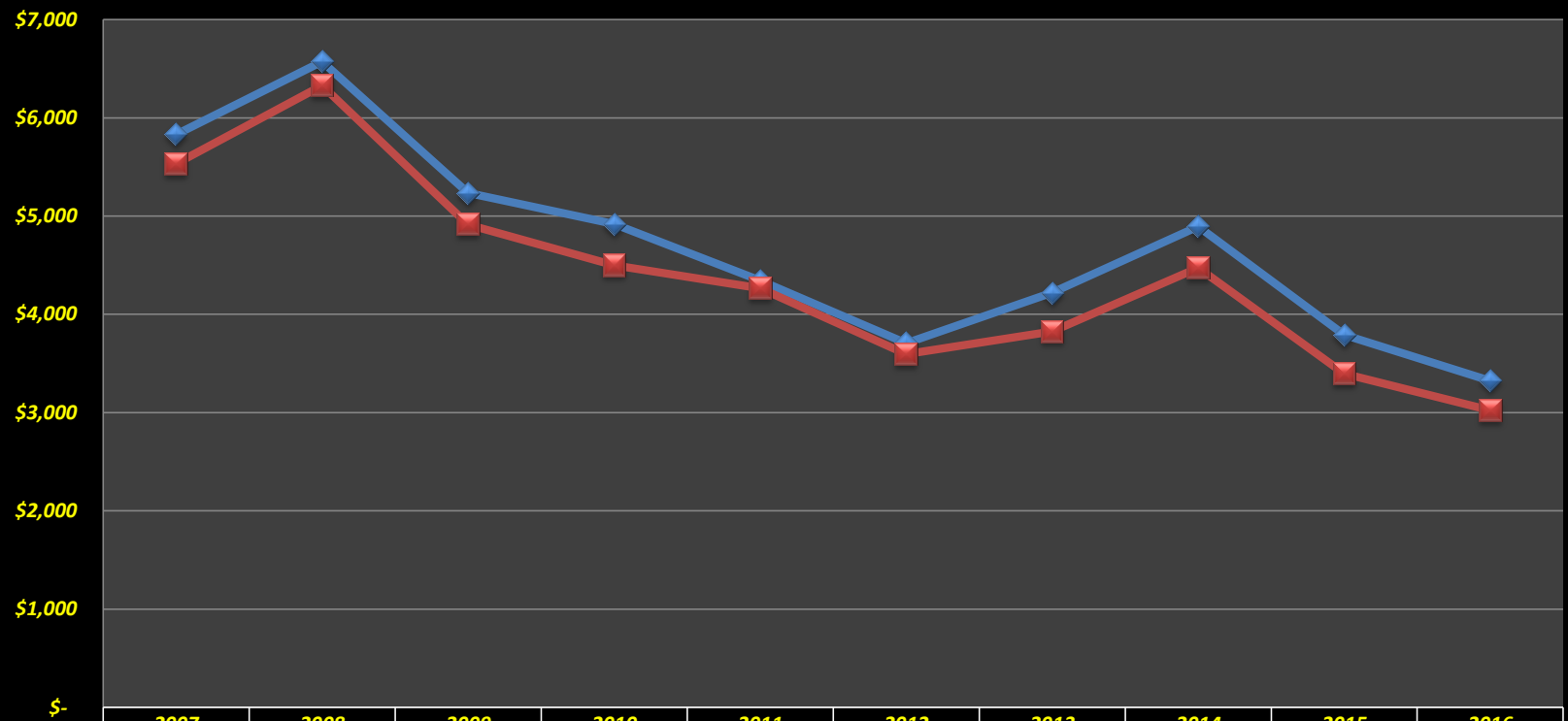
⁴ Fiscal year rate increase across the board effective October 2012.

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

Natural Gas Services



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Operating Revenues	\$5,830	\$6,572	\$5,235	\$4,920	\$4,345	\$3,706	\$4,222	\$4,893	\$3,790	\$3,323
Operating Expenses	\$5,532	\$6,328	\$4,913	\$4,498	\$4,264	\$3,594	\$3,825	\$4,473	\$3,396	\$3,022

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	\$ 3,789,576	\$ 3,322,854
Operating Expenses:										
Personal services	676,803	741,776	756,275	710,216	757,987	800,567	820,994	808,499	680,836	828,913
Purchased services	460,739	426,795	467,309	375,117	436,300	449,059	362,462	415,124	412,847	414,170
Materials and supplies	37,160	45,380	33,649	34,414	46,865	56,209	49,586	58,221	45,247	58,271
Repairs and maintenance	77,892	70,025	67,766	67,916	104,389	137,777	131,471	133,135	144,166	158,976
Gas purchased for resale	4,119,499	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
Depreciation	118,284	115,257	113,888	126,914	138,254	139,574	136,236	121,169	124,118	124,765
Miscellaneous	41,441	10,481	22,481	52,651	52,986	34,143	60,699	98,556	26,971	21,197
Total Operating Expenses	5,531,818	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
Operating Income (Loss)	\$ 297,984	\$ 243,924	\$ 322,193	\$ 421,535	\$ 81,593	\$ 111,343	\$ 397,776	\$ 420,612	\$ 393,670	\$ 301,024
Percentage of Total										
Operating Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Operating Expenses:										
Personal services	12.2%	11.7%	15.4%	15.8%	17.8%	22.3%	21.5%	18.1%	20.0%	27.4%
Purchased services	8.3%	6.7%	9.5%	8.3%	10.2%	12.5%	9.5%	9.3%	12.2%	13.7%
Materials and supplies	0.7%	0.7%	0.7%	0.8%	1.1%	1.6%	1.3%	1.3%	1.3%	1.9%
Repairs and maintenance	1.4%	1.1%	1.4%	1.5%	2.4%	3.8%	3.4%	3.0%	4.2%	5.3%
Gas purchased for resale	74.5%	77.7%	70.3%	69.6%	64.0%	55.0%	59.2%	63.5%	57.8%	46.8%
Depreciation	2.1%	1.8%	2.3%	2.8%	3.2%	3.9%	3.6%	2.7%	3.7%	4.1%
Miscellaneous	0.7%	0.2%	0.5%	1.2%	1.2%	0.9%	1.6%	2.2%	0.8%	0.7%
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	5.1%	3.7%	6.2%	8.6%	1.9%	3.0%	9.4%	8.6%	10.4%	9.1%

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
2007	\$ 676,803	\$ 460,739	\$ 37,160	\$ 77,892	\$ 4,119,499	\$ 118,284	\$ 41,441	\$ 5,531,818
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	21,197	3,021,830
*	\$ 758,287	\$ 421,992	\$ 46,500	\$ 109,351	\$ 2,880,189	\$ 125,846	\$ 42,161	\$ 4,384,325
**	22.5%	-10.1%	56.8%	104.1%	-65.6%	5.5%	-48.9%	-45.4%
Annual Percentage Change								
2007	-1.3%	15.7%	-8.4%	8.4%	-23.9%	-3.6%	-13.6%	-18.4%
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%

* 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.

Table S-8

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
2007 ³	\$ 8,954,698	-10.2%	\$ 9,375,892	8.0%	\$ (421,194)	-132.6%
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%

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 lower user charges for electric services.

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

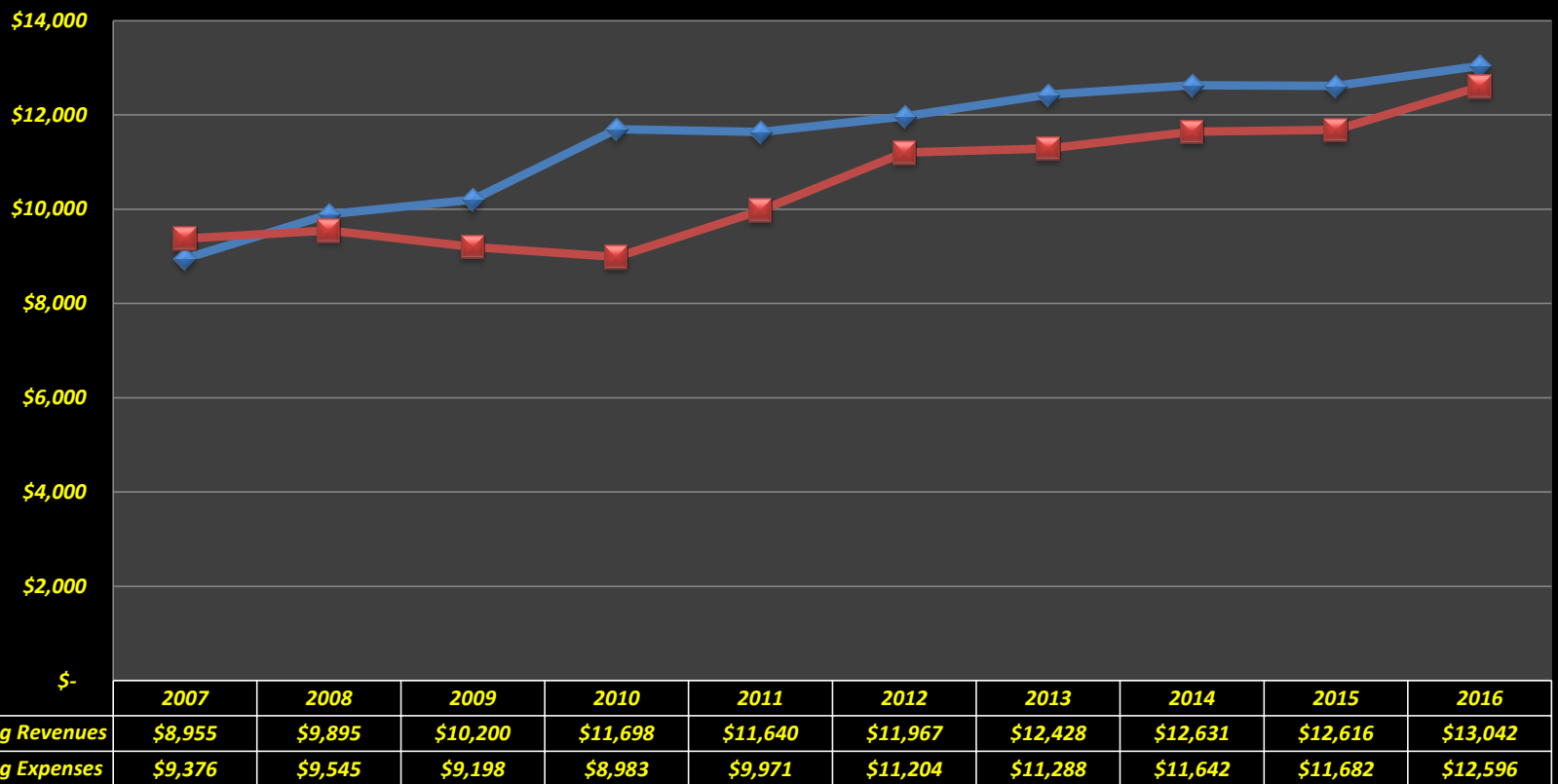


Table S-9

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Amounts ^{1,2}										
Operating Revenues	\$ 8,954,698	\$ 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
Operating Expenses:										
Personal services	904,099	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
Purchased services	756,360	727,949	748,625	873,815	916,785	957,993	959,508	981,592	976,193	981,446
Materials and supplies	58,920	68,137	51,412	51,954	74,214	63,764	70,178	77,645	64,612	67,256
Repairs and maintenance	127,357	131,299	148,474	120,357	163,709	135,214	197,312	156,369	158,092	200,694
Electric purchased for resale	7,184,423	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
Depreciation	286,987	299,955	188,515	104,725	105,770	110,900	113,325	117,347	125,020	141,750
Miscellaneous	57,746	14,604	31,324	72,961	73,424	47,319	84,109	137,520	37,634	31,795
Total Operating Expenses	9,375,892	9,545,267	9,198,008	8,983,009	9,970,659	11,203,817	11,287,894	11,642,340	11,682,466	12,595,767
Operating Income (Loss)	\$ (421,194)	\$ 350,124	\$ 1,002,255	\$ 2,715,434	\$ 1,669,015	\$ 763,079	\$ 1,140,023	\$ 988,509	\$ 933,035	\$ 445,767
Percentage of Total										
Operating Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Operating Expenses:										
Personal services	9.6%	10.4%	11.6%	11.9%	10.7%	9.7%	10.2%	9.8%	8.3%	9.7%
Purchased services	8.1%	7.6%	8.1%	9.7%	9.2%	8.6%	8.5%	8.4%	8.4%	7.8%
Materials and supplies	0.6%	0.7%	0.6%	0.6%	0.7%	0.6%	0.6%	0.7%	0.6%	0.5%
Repairs and maintenance	1.4%	1.4%	1.6%	1.3%	1.6%	1.2%	1.7%	1.3%	1.4%	1.6%
Electric purchased for resale	76.6%	76.6%	75.7%	74.5%	76.0%	78.6%	77.2%	77.6%	80.1%	79.0%
Depreciation	3.1%	3.1%	2.0%	1.2%	1.1%	1.0%	1.0%	1.0%	1.1%	1.1%
Miscellaneous	0.6%	0.2%	0.3%	0.8%	0.7%	0.4%	0.7%	1.2%	0.4%	0.4%
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	-4.7%	3.5%	9.8%	23.2%	14.3%	6.4%	9.2%	7.8%	7.4%	3.4%

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
2007	\$ 904,099	\$ 756,360	\$ 58,920	\$ 127,357	\$ 7,184,423	\$ 286,987	\$ 57,746	\$ 9,375,892
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	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
*	\$ 1,065,267	\$ 888,027	\$ 64,809	\$ 153,888	\$ 8,158,249	\$ 159,429	\$ 58,844	\$ 10,548,512
**	34.7%	29.8%	14.1%	57.6%	38.6%	-50.6%	-44.9%	34.3%
Annual Percentage Change								
2007	1.3%	6.7%	33.3%	34.3%	9.0%	0.8%	-13.6%	8.0%
2008	9.4%	-3.8%	15.6%	3.1%	1.8%	4.5%	-74.7%	1.8%
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%

* 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
2007 ³	\$ 2,235,606	31.0%	\$ 2,137,651	-1.9%	\$ 97,955	120.8%
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%

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

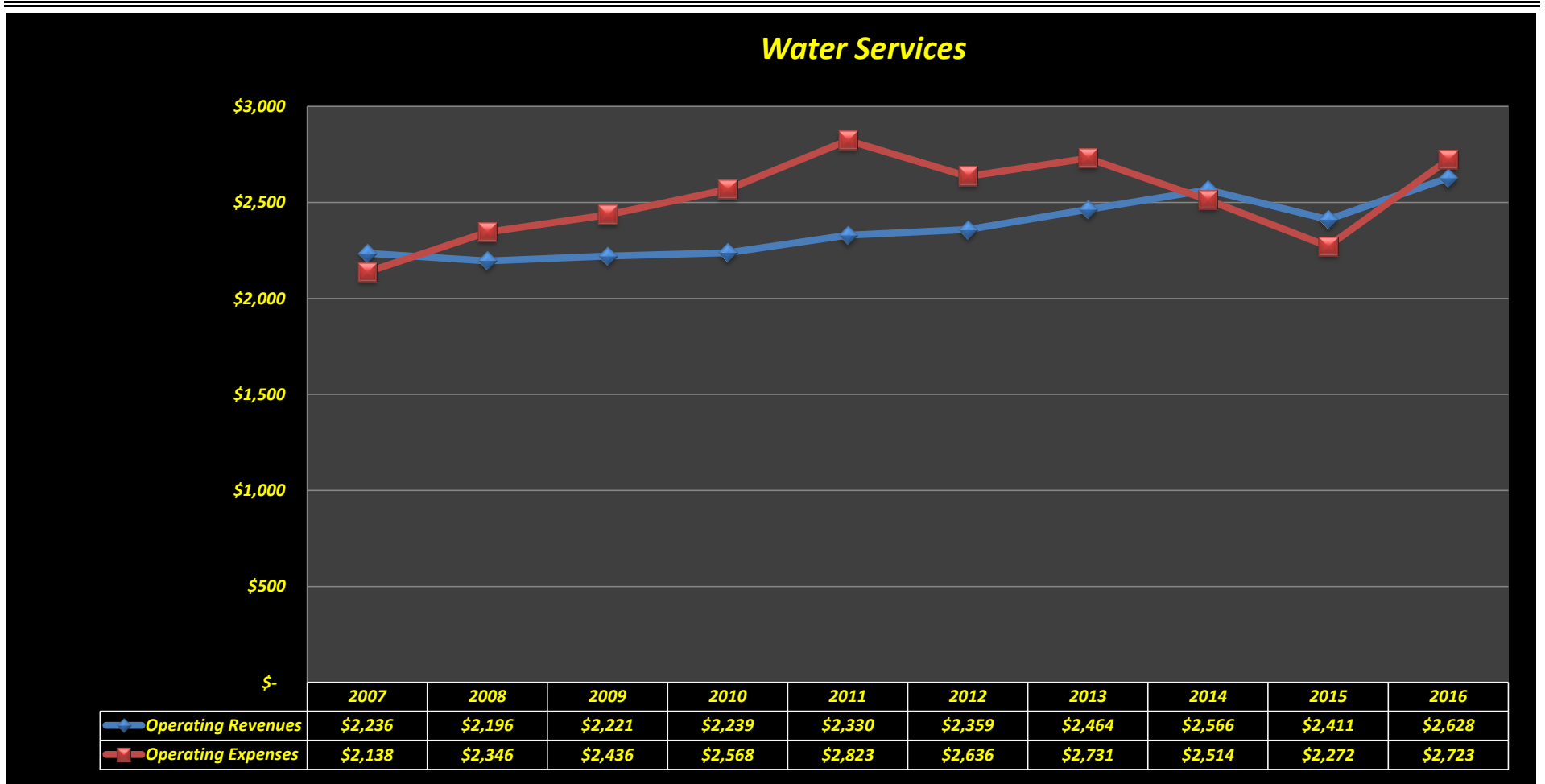


Table S-12

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Amounts ^{1,2,3}										
Operating Revenues	\$ 2,235,606	\$ 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
Operating Expenses:										
Personal services	1,036,416	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
Purchased services	371,276	437,126	409,833	329,716	357,638	461,906	451,321	391,224	342,002	525,356
Materials and supplies	96,316	124,432	111,795	130,325	178,880	148,498	150,615	158,497	127,147	102,247
Repairs and maintenance	184,000	240,360	268,292	328,335	477,871	318,738	354,351	278,940	377,244	305,816
Cost of treated water contra expense	(43,458)	(57,364)	(103,167)	(70,152)	(70,698)	(100,714)	(81,895)	(176,501)	(190,990)	-
Depreciation	439,603	454,128	485,947	487,561	484,063	399,618	373,171	368,932	368,209	328,736
Miscellaneous	53,498	13,530	29,019	68,705	69,141	44,559	79,203	129,499	35,439	30,205
Total Operating Expenses	2,137,651	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
Operating Income (Loss)	\$ 97,955	\$ (149,928)	\$ (214,226)	\$ (329,967)	\$ (493,339)	\$ (276,243)	\$ (267,195)	\$ 52,487	\$ 138,668	\$ (95,555)
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	48.5%	48.3%	50.7%	50.4%	47.0%	51.7%	51.4%	54.2%	53.4%	52.5%
Purchased services	17.4%	18.6%	16.8%	12.8%	12.7%	17.5%	16.5%	15.6%	15.1%	19.3%
Materials and supplies	4.5%	5.3%	4.6%	5.1%	6.3%	5.6%	5.5%	6.3%	5.6%	3.8%
Repairs and maintenance	8.6%	10.2%	11.0%	12.8%	16.9%	12.1%	13.0%	11.1%	16.6%	11.2%
Cost of treated water contra expense	-2.0%	-2.4%	-4.2%	-2.7%	-2.5%	-3.8%	-3.0%	-7.0%	-8.4%	0.0%
Depreciation	20.6%	19.4%	20.0%	19.0%	17.1%	15.2%	13.7%	14.7%	16.2%	12.1%
Miscellaneous	2.5%	0.6%	1.2%	2.7%	2.4%	1.7%	2.9%	5.2%	1.6%	1.1%
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	4.4%	-6.8%	-9.6%	-14.7%	-21.2%	-11.7%	-10.8%	2.0%	5.8%	-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

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
2007	\$ 1,036,416	\$ 371,276	\$ 96,316	\$ 184,000	\$ (43,458)	\$ 439,603	\$ 53,498	\$ 2,137,651
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
*	\$ 1,279,903	\$ 407,740	\$ 132,875	\$ 313,395	\$ (99,438)	\$ 429,026	\$ 58,066	\$ 2,518,696
**	38.1%	41.5%	6.2%	66.2%	339.5%	-16.2%	-33.8%	27.4%
Annual Percentage Change								
2007	0.0%	-1.7%	-2.3%	-3.1%	178.3%	2.2%	-13.6%	-1.9%
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%

* 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.

Table S-14

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
2007 ³	\$ 1,667,192	38.6%	\$ 1,767,738	4.9%	\$ (100,546)	79.1%
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%	2,674,347	8.3%	(700,618)	-49.8%

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

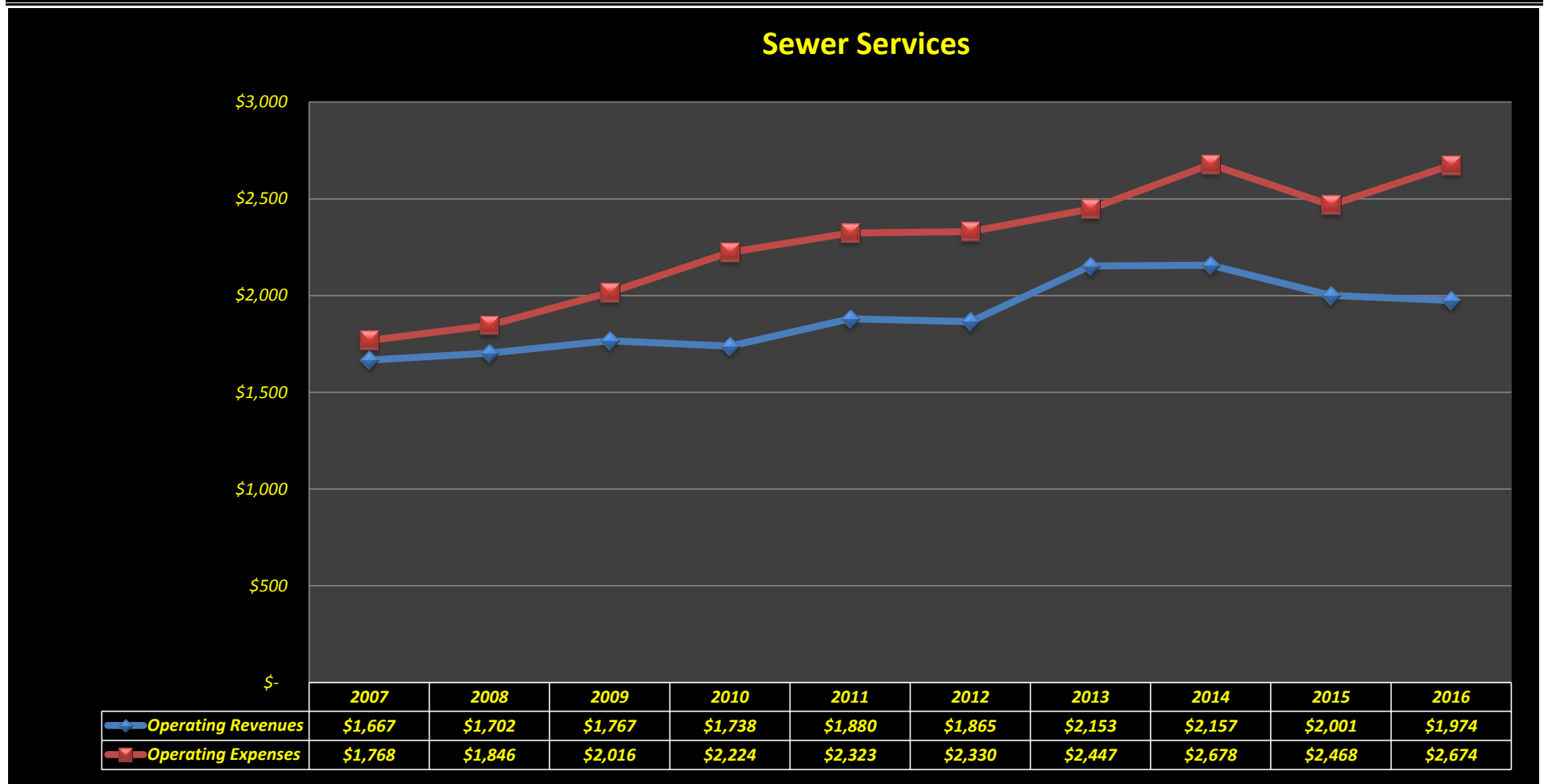


Table S-15

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	Amounts ^{1,2,3}									
Operating Revenues	\$ 1,667,192	\$ 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
Operating Expenses:										
Personal services	814,717	872,630	923,452	1,033,815	1,057,728	1,045,589	1,109,849	1,125,247	985,906	992,933
Purchased services	369,272	408,998	474,570	412,566	338,495	321,273	328,171	456,500	430,194	652,056
Materials and supplies	150,876	167,858	186,780	202,602	216,541	249,760	265,849	271,362	233,187	218,972
Repairs and maintenance	188,671	181,427	192,042	163,147	155,985	171,823	174,516	195,875	245,505	246,427
Cost of treated sewer contra expense	(11,914)	(6,743)	(8,661)	33,188	30,164	30,844	33,360	45,120	45,542	-
Depreciation	218,314	212,260	226,956	329,461	474,925	478,724	478,956	491,019	502,659	542,763
Miscellaneous	37,802	9,560	20,505	48,882	49,192	31,702	56,353	92,826	25,403	21,197
Total Operating Expenses	<u>1,767,738</u>	<u>1,845,990</u>	<u>2,015,644</u>	<u>2,223,661</u>	<u>2,323,030</u>	<u>2,329,715</u>	<u>2,447,054</u>	<u>2,677,949</u>	<u>2,468,396</u>	<u>2,674,347</u>
Operating Income (Loss)	<u>\$ (100,546)</u>	<u>\$ (144,080)</u>	<u>\$ (248,450)</u>	<u>\$ (485,905)</u>	<u>\$ (443,466)</u>	<u>\$ (464,695)</u>	<u>\$ (294,135)</u>	<u>\$ (520,959)</u>	<u>\$ (467,697)</u>	<u>\$ (700,618)</u>
	Annual Percentage Change									
Operating Revenues	<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 Expenses:										
Personal services	46.1%	47.3%	45.8%	46.5%	45.5%	44.9%	45.4%	42.0%	39.9%	37.1%
Purchased services	20.9%	22.2%	23.5%	18.6%	14.6%	13.8%	13.4%	17.0%	17.4%	24.4%
Materials and supplies	8.5%	9.1%	9.3%	9.1%	9.3%	10.7%	10.9%	10.1%	9.4%	8.2%
Repairs and maintenance	10.7%	9.8%	9.5%	7.3%	6.7%	7.4%	7.1%	7.3%	9.9%	9.2%
Cost of treated sewer contra expense	-0.7%	-0.4%	-0.4%	1.5%	1.3%	1.3%	1.4%	1.7%	1.8%	0.0%
Depreciation	12.3%	11.5%	11.3%	14.8%	20.4%	20.5%	19.6%	18.3%	20.4%	20.3%
Miscellaneous	2.1%	0.5%	1.0%	2.2%	2.1%	1.4%	2.3%	3.5%	1.0%	0.8%
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>-6.0%</u>	<u>-8.5%</u>	<u>-14.1%</u>	<u>-28.0%</u>	<u>-23.6%</u>	<u>-24.9%</u>	<u>-13.7%</u>	<u>-24.2%</u>	<u>-23.4%</u>	<u>-35.5%</u>

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
2007	\$ 814,717	\$ 369,272	\$ 150,876	\$ 188,671	\$ (11,914)	\$ 218,314	\$ 37,802	\$ 1,767,738
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	2,674,347
*	\$ 996,187	\$ 419,210	\$ 216,379	\$ 191,542	\$ 19,090	\$ 395,604	\$ 39,342	\$ 2,277,352
**	21.9%	76.6%	45.1%	30.6%	100.0%	148.6%	-43.9%	51.3%
Annual Percentage Change								
2007	4.0%	15.7%	-4.7%	4.4%	4.5%	2.9%	-13.6%	4.9%
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%

* 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, 2007	September 30, 2008	September 30, 2009	September 30, 2010	September 30, 2011
Amounts ²					
Net Position Components					
Net investment in capital assets	\$ 14,611,182	\$ 15,313,192	\$ 24,185,587	\$ 24,499,732	\$ 24,644,448
Restricted	-	1,578,697	16,000	184,107	405,020
Unrestricted	9,947,118	8,622,877	8,955,736	10,682,164	11,086,480
Total Net Position	\$ 24,558,300	\$ 25,514,766	\$ 33,157,323	\$ 35,366,003	\$ 36,135,948
Percentage of Total					
Net Position Components					
Net investment in capital assets	59.5%	60.0%	72.9%	69.3%	68.2%
Restricted	0.0%	6.2%	0.0%	0.5%	1.1%
Unrestricted	40.5%	33.8%	27.0%	30.2%	30.7%
Total Net Position	100.0%	100.0%	100.0%	100.0%	100.0%
	September 30, 2012	September 30, 2013	September 30, 2014	September 30, 2015	September 30, 2016
Amounts ²					
Net Position Components					
Net investment in capital assets	\$ 24,440,922	\$ 24,167,429	\$ 24,629,201	\$ 27,873,499	\$ 28,585,600
Restricted	561,130	2,558,901	2,835,546	3,089,084	2,732,719
Unrestricted	11,228,558	10,387,472	10,710,866	9,329,472	9,582,775
Total Net Position	\$ 36,230,610	\$ 37,113,802	\$ 38,175,613	\$ 40,292,055	\$ 40,901,094
Percentage of Total					
Net Position Components					
Net investment in capital assets	67.5%	65.1%	64.5%	69.2%	69.9%
Restricted	1.5%	6.9%	7.4%	7.7%	6.7%
Unrestricted	31.0%	28.0%	28.1%	23.2%	23.4%
Total Net Position	100.0%	100.0%	100.0%	100.0%	100.0%

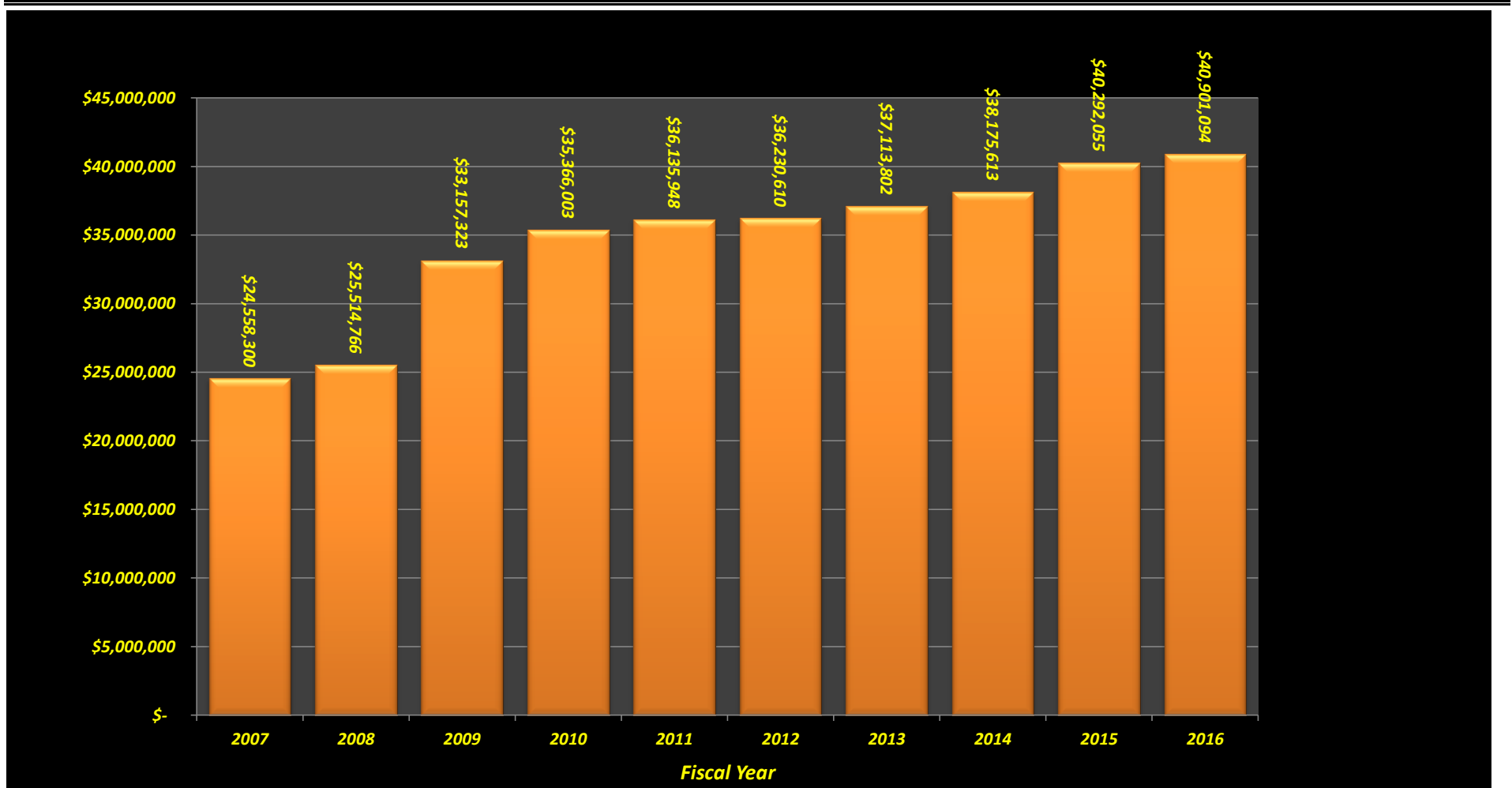
Notes:

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
2007	478,204,800	1.4%	127,834,705	-1.0%	526,668,750	7.2%	263,665,500	-23.7%
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%

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>2007</i>	<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>
General Service:										
Base Charge	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 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	0.25000	0.27000	0.28000	0.28000	0.28000	0.31000	0.31000	0.31000	0.31000
Summer	0.50000	0.50000	0.53000	0.54000	0.54000	0.54000	0.54000	0.54000	0.54000	0.54000
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	1.4900	1.5800	1.6100	1.6100	1.6100	1.6100	1.6100	1.6100	1.6100
Next 3000 Mcf	1.2400	1.2400	1.3100	1.3400	1.3400	1.3400	1.3400	1.3400	1.3400	1.3400
Next 6000 Mcf	0.9900	0.9900	1.0500	1.0700	1.0700	1.0700	1.0700	1.0700	1.0700	1.0700
Over 10,000 Mcf	0.8900	0.8900	0.9400	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.

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.

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

	2007 ²	2008	2009	2010	2011	2012 ³	2013 ⁵	2014	2015	2016
Residential:										
Winter Rates:										
Base Charge	\$ 7.00000	\$ 7.00000	\$ 7.00000	\$ 7.00000	\$ 7.00000	\$ 9.50000	\$ 9.50000	\$ 9.50000	\$ 9.50000	\$ 9.50000
First 650 kWh	0.05200	0.05200	0.05200	0.05200	0.05200	0.07600	0.08090	0.08090	0.08090	0.08090
Next 350 kWh	0.04800	0.04800	0.04800	0.04800	0.04800	0.07200	0.07690	0.07690	0.07690	0.07690
Over 1000 kWh	0.04400	0.04400	0.04400	0.04400	0.04400	0.06800	0.07290	0.07290	0.07290	0.07290
Summer Rates:										
Base Charge	7.00000	7.00000	7.00000	7.00000	7.00000	9.50000	9.50000	9.50000	9.50000	9.50000
First 650 kWh	0.05200	0.05200	0.05200	0.05200	0.05200	0.07600	0.08090	0.08090	0.08090	0.08090
Next 350 kWh	0.06000	0.06000	0.06000	0.06000	0.06000	0.09600	0.10090	0.10090	0.10090	0.10090
Over 1000 kWh	0.06800	0.06800	0.06800	0.06800	0.06800	0.10400	0.10890	0.10890	0.10890	0.10890
Small Commercial:										
Winter Rates:										
Base Charge	-	-	-	-	-	16.00000	16.00000	16.00000	16.00000	16.00000
All kWh	-	-	-	-	-	0.13500	0.13990	0.13990	0.13990	0.13990
Summer Rates:										
Base Charge	-	-	-	-	-	16.00000	16,490	16,490	16,490	16.00000
All kWh	-	-	-	-	-	0.16000	0.16490	0.16490	0.16490	0.16490
First 25 kWh	15.00000	15.00000	15.00000	15.00000	15.00000	-	-	-	-	-
Next 475 kWh	0.12000	0.12000	0.12000	0.12000	0.12000	-	-	-	-	-
Next 1000 kWh	0.11200	0.11200	0.11200	0.11200	0.11200	-	-	-	-	-
Next 8500 kWh	0.10800	0.10800	0.10800	0.10800	0.10800	-	-	-	-	-
All over 10000 kWh	0.09800	0.09800	0.09800	0.09800	0.09800	-	-	-	-	-
Commercial:										
Base charge	25.00000	25.00000	25.00000	25.00000	25.00000	35.00000	35.00000	35.00000	35.00000	35.00000
First 200 X KW:										
First 3000 kWh	0.13000	0.13000	0.13000	0.13000	0.13000	0.15000	0.15490	0.15490	0.15490	0.15490
Next 7000 kWh	0.12200	0.12200	0.12200	0.12200	0.12200	0.14000	0.14490	0.14490	0.14490	0.14490
Next 19000 kWh	0.10800	0.10800	0.10800	0.10800	0.10800	0.13000	0.13490	0.13490	0.13490	0.13490
Over 200000 kWh	0.08700	0.08700	0.08700	0.08700	0.08700	0.12000	0.12490	0.12490	0.12490	0.12490
Next 200 X KW	0.02900	0.02900	0.02900	0.02900	0.02900	0.06000	0.06490	0.06490	0.06490	0.06490
Next 200 X KW	0.02600	0.02600	0.02600	0.02600	0.02600	0.05600	0.06090	0.06090	0.06090	0.06090
Over 600 X KW	0.02500	0.02500	0.02500	0.02500	0.02500	0.05200	0.05690	0.05690	0.05690	0.05690

(Continued)

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

	<i>2007</i> ²	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i> ³	<i>2013</i> ⁵	<i>2014</i>	<i>2015</i>	<i>2016</i>
<i>Table S-20, Page 72-B</i>										
<i>Institutional:</i>										
Base Charge		25.00000	25.00000	25.00000	25.00000	33.25000	33.25000	33.25000	33.25000	33.25000
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
Next 7000 kWh		0.11600	0.11600	0.11600	0.11600	0.13300	0.13790	0.13790	0.13790	0.13790
Next 19000 kWh		0.10200	0.10200	0.10200	0.10200	0.12350	0.12840	0.12840	0.12840	0.12840
Over 200000 kWh		0.08300	0.08300	0.08300	0.08300	0.11400	0.11890	0.11890	0.11890	0.11890
Next 200 X KW		0.02700	0.02700	0.02700	0.02700	0.05700	0.06190	0.06190	0.06190	0.06190
Next 200 X KW		0.02500	0.02500	0.02500	0.02500	0.05320	0.05810	0.05810	0.05810	0.05810
Over 600 X KW		0.02400	0.02400	0.02400	0.02400	0.04940	0.05430	0.05430	0.05430	0.05430
<i>Industrial Small/Large Power:</i>										
Base Charge		50.00000	50.00000	50.00000	50.00000	50.00000	50.00000	50.00000	50.00000	50.00000
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
Next 7000 kWh		0.11500	0.11500	0.11500	0.11500	0.14000	0.14490	0.14490	0.14490	0.14490
Next 19000 kWh		0.10200	0.10200	0.10200	0.10200	0.13000	0.13490	0.13490	0.13490	0.13490
Over 200000 kWh		0.05300	0.05300	0.05300	0.05300	0.07500	0.07990	0.07990	0.07990	0.07990
Next 200 X KW		0.03500	0.03500	0.03500	0.03500	0.06000	0.06490	0.06490	0.06490	0.06490
Next 200 X KW		0.03100	0.03100	0.03100	0.03100	0.05600	0.06090	0.06090	0.06090	0.06090
Over 600 X KW		0.02700	0.02700	0.02700	0.02700	0.05200	0.05690	0.05690	0.05690	0.05690
<i>Seasonal Power:</i>										
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 19000 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	-	-	-	-	-
<i>Power Cost Adjustment</i>										
Per kWh		0.00400	0.01050	0.01950	0.01950	-	-	-	-	-

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

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.

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>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013 ³</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>
Inside city:										
Minimum charge	\$ 10.00	\$ 10.00	\$ 10.30	\$ 10.30	\$ 10.30	\$ 10.30	\$ 12.30	\$ 12.30	\$ 12.30	\$ 12.30
All CCF	-	-	-	-	-	-	-	-	-	-
0 - 6 CCF	2.30000	2.30000	2.37000	2.37000	2.37000	2.37000	2.61000	2.61000	2.61000	2.61000
Over 6 - 12 CCF	2.50000	2.50000	2.58000	2.58000	2.58000	2.58000	3.39000	3.39000	3.39000	3.39000
Over 12 CCF	2.50000	2.50000	2.58000	2.58000	2.58000	2.58000	3.65000	3.65000	3.65000	3.65000
Outside city:										
Minimum charge	\$ 10.00	\$ 10.00	\$ 10.30	\$ 10.30	\$ 10.30	\$ 10.30	\$ 12.30	\$ 12.30	\$ 12.30	\$ 12.30
All CCF	-	-	-	-	-	-	-	-	-	-
0 - 6 CCF	2.30000	2.30000	2.37000	2.37000	2.37000	2.37000	2.61000	2.61000	2.61000	2.61000
Over 6 - 12 CCF	2.50000	2.50000	2.58000	2.58000	2.58000	2.58000	3.39000	3.39000	3.39000	3.39000
Over 12 CCF	2.50000	2.50000	2.58000	2.58000	2.58000	2.58000	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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Monthly Rate:					
Inside city:					
Capacity charge	\$ 10.000	\$ 10.000	\$ 10.300	\$ 10.300	\$ 10.300
Commodity charge	-	-	-	-	-
0 - 6 ccf (80% Water ccf)	3.500	3.500	3.610	3.610	3.610
6 - 12 ccf (80% Water ccf)	3.900	3.900	4.020	4.020	4.020
Over 12 ccf (80% Water ccf)	3.900	3.900	4.020	4.020	4.020
Outside city:					
Capacity charge	10.000	10.000	10.300	10.300	10.300
Commodity charge	-	-	-	-	-
0 - 6 ccf (80% Water ccf)	3.500	3.500	3.610	3.610	3.610
6 - 12 ccf (80% Water ccf)	3.900	3.900	4.020	4.020	4.020
Over 12 ccf (80% Water ccf)	3.900	3.900	4.020	4.020	4.020
	<u>2012</u>	<u>2013^{2, 4}</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Monthly Rate:					
Inside city:					
Capacity charge	\$ 10.300	\$ 12.300	\$ 12.300	\$ 12.300	\$ 12.300
Commodity charge	-	-	-	-	-
0 - 6 ccf (80% Water ccf)	3.610	4.000	4.000	4.000	4.000
6 - 12 ccf (80% Water ccf)	4.020	4.800	4.800	4.800	4.800
Over 12 ccf (80% Water ccf)	4.020	5.200	5.200	5.200	5.200
Outside city:					
Capacity charge	10.300	12.300	12.300	12.300	12.300
Commodity charge	-	-	-	-	-
0 - 6 ccf (80% Water ccf)	3.610	4.000	4.000	4.000	4.000
6 - 12 ccf (80% Water ccf)	4.020	4.800	4.800	4.800	4.800
Over 12 ccf (80% Water ccf)	4.020	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
2007	3,266	-1.2%	4,690	0.1%	4,511	0.8%	3,034	-1.6%	15,501	-0.3%
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%

Data Source:

¹ Utility Commission's billing department.

*Utility Commission
City of Fort Valley, Georgia
Ten Largest Customers - Natural Gas Service ¹
Fiscal Years 2007 & 2016*

Fiscal Year 2007					Fiscal Year 2016			
Rank	Customer	Consumption Cubic Feet	Amount ²	Dollar %	Customer	Consumption Cubic Feet	Amount ²	Dollar %
1	Blue Bird Body Company	91,964,000	\$ 806,055	14.2%	Blue Bird Body Company	123,771,000	\$ 615,506	19.5%
2	Arriscraft International	53,702,000	507,714	8.9%	Atlanta Sand & Supply Company	43,787,000	228,618	7.2%
3	Fort Valley State University #2	28,476,000	368,218	6.5%	Fort Valley State University #2	17,416,000	162,515	5.2%
4	Atlanta Sand & Supply	29,301,000	264,716	4.7%	Arriscraft International	28,091,000	147,983	4.7%
5	Fort Valley State University #1	17,682,000	225,117	4.0%	Fort Valley State University #1	6,675,000	60,690	1.9%
6	Step 2	22,714,000	205,195	3.6%	Peach County Jail	2,947,000	27,110	0.9%
7	Peach Regional Medical Center	7,491,000	69,098	1.2%	Peach County Board of Education	3,021,800	27,106	0.9%
8	Peach County Schools	4,894,600	62,304	1.1%	Lakeview Apartments	2,794,000	25,964	0.8%
9	Fort Valley Housing Authority	3,674,000	47,061	0.8%	Fort Valley Housing Authority	2,821,000	25,922	0.8%
10	Lakeview Apartments	3,335,000	43,098	0.8%	Blue Bird Body Company	2,668,300	23,140	0.7%
Total Ten Largest Customers		263,233,600	2,598,576	45.7%	Total Ten Largest Customers	233,992,100	1,344,554	42.6%
All Other Customers		214,971,200	3,090,420	54.3%	All Other Customers	154,907,000	1,808,811	57.4%
Total ²		478,204,800	\$ 5,688,996	100.0%	Total ²	388,899,100	\$ 3,153,365	100.0%

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

Table S-25

Utility Commission
City of Fort Valley, Georgia
Ten Largest Customers - Electric Service ¹
Fiscal Years 2007 & 2016

Fiscal Year 2007					Fiscal Year 2016				
Rank	Customer	Consumption kWh	Amount ²	Dollar %	Customer	Consumption kWh	Amount ²	Dollar %	
1	Blue Bird Body Company	22,390,444	\$ 1,086,839	12.7%	Blue Bird Body Company #1	18,640,017	\$ 1,442,543	12.3%	
2	Fort Valley State University	16,705,200	933,702	10.9%	Fort Valley State University	15,123,600	1,320,019	11.2%	
3	Metokote Corporation	3,412,916	219,155	2.6%	Metokote Corporation	2,547,183	238,300	2.0%	
4	Peach County Schools #1	1,501,600	144,170	1.7%	BI - LO, LLC (J. H. Harvey Company)	1,595,680	151,929	1.3%	
5	Peach Regional Medical Center	1,910,040	113,737	1.3%	Peach County High School	1,147,600	142,599	1.2%	
6	J. H. Harvey Company	1,729,280	104,658	1.2%	Peach County Jail	1,408,512	131,573	1.1%	
7	Peach County Schools #2	937,728	97,075	1.1%	Food Depot	1,391,160	125,765	1.1%	
8	Food Depot	1,617,480	95,270	1.1%	Peach County Schools BOE	881,760	107,987	0.9%	
9	Lakewood Apartments	780,600	67,307	0.8%	Utility Commission - Sewer Plant	1,117,680	106,220	0.9%	
10	Utility Commission WSLRF	819,936	53,004	0.6%	Peach County Fort Valley Middle School	809,856	102,043	0.9%	
Total Ten Largest Customers		51,805,224	2,914,917	34.2%	Total Ten Largest Customers	44,663,048	3,868,978	32.9%	
All Other Customers		76,029,481	5,618,847	65.8%	All Other Customers	74,516,027	7,884,795	67.1%	
Total ²		127,834,705	\$ 8,533,764	100.0%	Total ²	119,179,075	\$ 11,753,773	100.0%	

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 2007 & 2016

Fiscal Year 2007					Fiscal Year 2016				
Rank	Customer	Consumption Gallons	Amount ²	Dollar %	Customer	Consumption Gallons	Amount ²	Dollar %	
1	Fort Valley State University	56,583,750	\$ 188,718	8.7%	Fort Valley State University #1	43,790,912	\$ 213,740	8.5%	
2	Blue Bird Body Company	21,761,250	72,643	3.3%	Blue Bird Body Company	31,034,520	151,493	6.0%	
3	Utility Commission WWTP 2"	12,453,750	41,618	1.9%	Utility Commission WSLRF 2"	19,180,964	93,651	3.7%	
4	Indian Oaks Apartments LTD	10,900,500	36,441	1.7%	Utility Commission Vienna Clarifier	10,689,668	52,216	2.1%	
5	Fort Valley State University	8,371,500	28,011	1.3%	Utility Commission Main W/W Office	10,255,080	50,096	2.0%	
6	Lakeview Apartments	6,897,000	23,096	1.1%	Lakeview Apartments	8,258,668	40,354	1.6%	
7	Peach County Schools	6,500,250	21,773	1.0%	Indian Oaks Apartments LTD	6,448,508	31,521	1.3%	
8	Peach Regional Medical Center	4,449,000	14,936	0.7%	College Square Apartments	5,059,472	24,743	1.0%	
9	Fort Valley State University	4,188,000	14,066	0.6%	Utility Commission Jones Plant	4,456,584	21,801	0.9%	
10	HSI Management Inc	4,119,000	13,836	0.6%	Utility Commission R/R Alley	3,199,196	15,665	0.6%	
Total Ten Largest Customers		136,224,000	455,138	21.0%	Total Ten Largest Customers	142,373,572	695,277	27.6%	
All Other Customers		390,444,750	1,714,031	79.0%	All Other Customers	304,314,824	1,821,735	72.4%	
Total ²		526,668,750	\$ 2,169,169	100.0%	Total ²	446,688,396	\$ 2,517,012	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 2007 & 2016

Fiscal Year 2007					Fiscal Year 2016				
Rank	Customer	Collection Gallons ³	Amount ²	Dollar %	Customer	Collection Gallons	Amount ²	Dollar %	
1	Fort Valley State University	N/A	\$ 117,615	7.1%	Fort Valley State University #1	39,411,372	\$ 274,015	13.8%	
2	Blue Bird Body Company	N/A	90,622	5.5%	Blue Bird Body Company	26,604,864	184,986	9.3%	
3	Indian Oaks Apartments LTD	N/A	45,437	2.7%	Lakeview Apartments	7,433,624	51,710	2.6%	
4	Fort Valley State University	N/A	34,910	2.1%	Indian Oaks Apartments LTD	5,805,228	40,390	2.0%	
5	Lakeview Apartments	N/A	27,508	1.7%	College Square Apartments	4,553,824	31,690	1.6%	
6	OMI - Fort Valley, Georgia	N/A	25,288	1.5%	FYFFE Construction Co	1,935,824	13,490	0.7%	
7	Peach Regional Medical Center	N/A	18,601	1.1%	820 State University Drive, LLC	1,823,624	12,710	0.6%	
8	HSI Management Inc	N/A	17,228	1.0%	Peach County Jail	1,802,680	12,564	0.6%	
9	Utility Commission WWTP	N/A	15,348	0.9%	Brentwood Healthcare	1,703,196	11,873	0.6%	
10	Magnolia Terrace	N/A	9,931	0.6%	Magnolia Terrace	1,593,988	11,114	0.6%	
Total Ten Largest Customers		N/A	402,488	24.4%	Total Ten Largest Customers	245,296,876	1,978,720	32.4%	
All Other Customers		N/A	1,249,954	75.6%	All Other Customers	246,890,864	\$ 1,989,834	100.1%	
Total ²		N/A	\$ 1,652,442	100.0%	Total ²	492,187,740	\$ 1,987,999	132.5%	

Data Source:¹ Utility Commission billing department.² Applicable year total charges for services.³ Collection gallons by individual customer not available until 2007.

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			
2007	\$ 3,816,976	\$ -	\$ 3,816,976	0.005%	26,467	144
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%	26,720	104

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
2007	\$ 19,105,685	\$ 17,746,173	\$ 1,359,512	\$ 245,894	\$ 13,235	\$ 259,129	5.25
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	21,340,151	19,763,409	1,576,742	271,657	56,883	328,540	4.80

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) Personal Income ¹	Per Capita Personal Income ¹	Median Age ²	School Enrollment ³	Unemployment Rates		
						Peach County ⁴	State of Georgia ⁴	United States ⁵
2007	26,467	\$ 710,497	\$ 26,845	N/A	4227	4.1%	4.8%	4.7%
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%

¹ 2007 - 2015 - U.S Bureau of Economic Analysis, Peach County 2016 estimated by management

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 - <http://data.bls.gov/cgi-bin/surveymost?la+13>

⁵ U.S. Department of Labor, Bureau of Labor Statistics,
http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data_tool=latest_numbers&series_id=LNS14000000
N/A - Not Available

Table S-31

Utility Commission
City of Fort Valley, Georgia
Principal Employers ²
For the Fiscal Years Ended September 30, 2007 and 2016

2007					2016				
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	1,159	1	10.01%	Blue Bird Body Company	Manufacturing	2,400	1	20.61%
Fort Valley State University	Education	640	2	5.53%	Fort Valley State University	Education	674	2	5.79%
Peach County Board of Education	Education	600	3	5.18%	Peach County Board of Education	Education	471	3	4.04%
Peach Regional Medical Center	Medical	202	4	1.74%	Lane Southern Orchards	Agribusiness	325	4	2.79%
Peach County Commission	Local Government	160	5	1.38%	NavicentHealth (MCPC)	Medical	187	5	1.61%
City of Fort Valley	Local Government	143	6	1.24%	Peach County Commission	Local Government	185	6	1.59%
Coachworks Holdings, Inc.	Manufacturing	131	7	1.13%	Spherion Staffing	Human Resources	150	7	1.29%
Step 2	Retail Sales	125	8	1.08%	City of Fort Valley	Local Government	129	8	1.11%
Food Depot	Manufacturing	65	9	0.56%	Pyrotechnic Specialties	Manufacturing	109	9	0.94%
Harvey's Supermarket	Retail Sales	55	10	0.48%	Wire Shop	Manufacturing	99	10	0.85%
Total for Principal Employers		3,280		28.33%	Total for Principal Employers		4,729		40.60%
Total for Other Employers ³		8,298		71.67%	Total for Other Employers ³		6,918		59.40%
Total for All Employers		11,578		100.00%	Total for All Employers ⁴		11,647		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. http://dol.georgia.gov/sites/dol.georgia.gov/files/related_files/document/laborforce.pdf, Peach County.

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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<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	1.0	2.0
Finance	3.5	3.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0
Customer service	3.5	3.5	3.0	3.0	3.0	3.0	4.0	4.0	4.0	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	6.0	7.0	7.0
Gas	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Water	11.0	11.0	11.0	11.0	11.0	11.0	12.0	12.0	12.0	12.0
Sewer	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	7.0
Meter reading	6.0	6.0	6.0	5.5	5.0	5.0	5.0	5.0	5.0	3.0
Warehouse	1.0	1.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0
Total	59.0	59.0	59.0	58.5	58.0	58.0	59.0	59.0	60.0	60.0
<i>Percentage Change From Prior Year</i>	1.7%	0.0%	0.0%	-0.8%	-0.9%	0.0%	1.7%	0.0%	1.7%	0.0%

Data Source:

Utility Commission Human Resources Department

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	3,984,390
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	1,669,268
Average daily consumption of available natural gas (cubic feet)	1,362,614	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
Average percent of capacity used	81.6%	83.5%	83.1%	81.4%	73.8%	60.3%	70.2%	77.6%	73.2%	74.0%
Winter peak demand day (cubic feet)	4,599,024	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
Electric Service:										
Coincident peak (kW)	31,171	31,064	26,248	29,316	29,279	27,115	25,614	22,784	24,422	26,204
Reserves (kW)	2,344	2,433	2,558	2,480	3,040	2,236	2,262	2,104	2,139	2,121
Total requirements (kW)	33,515	33,497	28,806	31,796	32,319	29,351	27,876	24,888	26,561	28,325
Southeastern Power Administration (kW)	9,110	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)	21,486	21,562	21,562	21,506	21,488	21,488	22,170	22,170	22,763	22,763
MEAG combined cycle (kW)	3,858	3,826	3,826	3,826	3,865	3,865	3,825	3,825	3,819	3,798
Total resources (kW)	34,454	34,531	34,531	34,475	34,496	34,496	35,138	35,138	35,725	35,704
Excess capacity (deficit) (kW)	939	1,034	5,725	2,679	2,177	5,145	7,262	10,250	9,164	7,379
Percent reserve of capacity	14.9%	15.8%	48.4%	25.6%	25.9%	41.1%	57.8%	90.6%	74.0%	55.7%
Water Service:										
Daily average consumption	1,442,928	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
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)	1,100,000	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	1,000,000	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	1,200,000	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%	45.5%	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

Utility Service/Department	2007	2008	2009	2010	2011	2012 ¹	2013	2014	2015	2016
Natural Gas Service:										
Miles of natural gas mains	84	84	84	89	89	141	141	141	141	141
Peak shaving plant	1	1	1	1	1	1	1	-	-	-
Propane storage tanks (30,000 gallons)	8	8	8	8	8	8	8	-	-	-
Electric Service:										
Miles of line	140	140	142	142	142	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	1	-	-	-	-	-	-	-	-
Water Service:										
Miles of water mains	153	157	157	157	157	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	5	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	55	57	57	67	67	72	72	72	72	72
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of lift stations	6	7	7	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**

March 24, 2017

**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, 2016, 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 March 24, 2017.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider to be material weaknesses. 2016-001.

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

*Utility Commission
City of Fort Valley, Georgia
Schedule of Findings
For the Year Ended September 30, 2016*

2016-001 *Criteria* – Internal controls should be in place to ensure that revenues and expenses and related balance sheet accounts are recognized as incurred in accordance with generally accepted accounting principles (GAAP).

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.

Cause of Condition – During our testing, we noted audit adjustments that were needed to properly reflect end of year account balances, as follows:

- Accounts payable was overstated due to the recording of franchise fees. An audit adjustment totaling approximately \$75,500 was needed to adjust the payable and related expense accounts.
- Principal forgiveness was not accounted for in the long term loan payable and related revenues. Audit adjustments totaling approximately \$307,000 was required to properly reflect loans payable and revenue.

Effect of Condition – Accounts were misstated by material amounts. Audit adjustments were required to correct these misstatements.

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/Corrective Action Plan – We concur. We will put measures in place to ensure that revenue, expenses and the related balance sheet accounts are recorded in accordance with GAAP.

*Utility Commission
City of Fort Valley, Georgia
Schedule of Prior Year Findings
For the Year Ended September 30, 2016*

None reported.