



**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, 2013 and 2012**

**Prepared By
Finance Department
Patrick F. McFall, Secretary/Treasurer**



TAB #1

Introductory Section



Utility Commission
City of Fort Valley, Georgia
Comprehensive Annual Financial Report
For The Years Ended September 30, 2013 and 2012

TABLE OF CONTENTS

Introductory Section (Tab 1)

Table of Contents.....	i
Letter of Transmittal.....	iv
Elected Utility Commissioners.....	x
Appointed Officials/Advisors/Consultants.....	xi
Organization Chart.....	xii
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	xiii

Financial Section (Tab 2)

Independent Auditor’s Report	1
Management’s Discussion and Analysis (Unaudited)	3
Basic Financial Statements	
Comparative Statement of Net Position.....	12
Comparative Statement of Revenues, Expenses and Changes in Net Position.....	13
Comparative Statement of Cash Flows.....	14
Notes to the Basic Financial Statements.....	16

Supplementary Information

Combining Schedule of Operating Revenues and Expenses By Identifiable Activity – 2013 – After Cost Allocation.....	37
Combining Schedule of Operating Revenues and Expenses By Identifiable Activity – 2013 – Before Cost Allocation.....	38
Combining Schedule of Operating Revenues and Expenses By Identifiable Activity – 2012 – After Cost Allocation.....	39
Combining Schedule of Operating Revenues and Expenses By Identifiable Activity – 2012 – Before Cost Allocation.....	40
Comparative Schedule of Revenues and Expenses By Object Classification – Budget and Actual – Before Cost Allocation.....	41

Statistical Section (Tab 3)
(Unaudited)

Statistical Section Summary	44
--	----

Utility Commission
City of Fort Valley, Georgia
Comprehensive Annual Financial Report
For The Years Ended September 30, 2013 and 2012

Financial Trends (Tab 4)

Changes in Net Position – All Services.....	45
Operating Expenses – By Object – All Services.....	46
Nonoperating Revenues and Expenses – All Services.....	47
Annual Capital Contributions – By Source – All Services	48
Summary of Operating Revenue, Expenses and Income (Loss) – Natural Gas Service	49
Detailed Operating Revenues, Expenses and Income (Loss) – Natural Gas Service	50
Operating Expenses – By Object – Natural Gas Service.....	51
Summary of Operating Revenue, Expenses and Income (Loss) – Electric Service	52
Detailed Operating Revenues, Expenses and Income (Loss) – Electric Service.....	53
Operating Expenses – By Object – Electric Service	54
Summary of Operating Revenue, Expenses and Income (Loss) – Water Service.....	55
Detailed Operating Revenues, Expenses and Income (Loss) – Water Service.....	56
Operating Expenses – By Object – Water Service	57
Summary of Operating Revenue, Expenses and Income (Loss) – Sewer Service	58
Detailed Operating Revenues, Expenses and Income (Loss) – Sewer Service	59
Operating Expenses – By Object – Sewer Service.....	60
Net Position by Component – All Services.....	61

Revenue Capacity (Tab 5)

Consumption Billed – By Service.....	62
Natural Gas Service Rates	63
Electric Service Rates	64
Water Service Rates.....	65
Sewer Service Rates.....	66
Number of Customer Accounts at Year-end – By Service	67
Ten Largest Customers – Natural Gas Service	68
Ten Largest Customers – Electric Service.....	69
Ten Largest Customers – Water Service.....	70
Ten Largest Customers – Sewer Service.....	71

Debt Capacity (Tab 6)

Ratios of Total Debt Outstanding – By Type	72
Pledged Revenue Coverage	73

Demographic and Economic Information (Tab 7)

Demographic Statistics.....	74
Principal Employers.....	75

Operating Information (Tab 8)

Number of Employees – By Department, Elected Officials and Legal Counsel	76
Operating Indicators – By Service	77
Capital Asset Indicators – By Service.....	78

Utility Commission
City of Fort Valley, Georgia
Comprehensive Annual Financial Report
For The Years Ended September 30, 2013 and 2012

Financial Compliance Section (Tab 9)

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*79





UTILITY COMMISSION
City of Fort Valley, Georgia
500 Anthoine Street * P.O. Box 1529
Fort Valley, GA 31030-1529
(478) 825-7701 * FAX (478) 825-7704
www.fvutil.com

February 1, 2014

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, 2013 and 2012, 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, 2013 and 2012 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, 2013 and 2012, 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 **City of Fort Valley** was originally chartered in 1853, and new charters were enacted in 1856, 1873, and 1883. In 1890, the 1883 charter was amended to create the “**Board of Commissioners of Water and Sewers**” 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.”*

The present city charter was enacted in 1907. 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 charter did not mention the board of water and sewers, and the board continued to exist without interruption.

In 1909, the 1907 charter was amended to create a “**Board of Water and Light Commissioners**” with the same powers, duties and rights as the board of water and sewers under the 1890 charter provisions. The incumbent 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.”*

In 1945, the municipal charter was amended to provide that the mayor and council, with the approval of the 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”*. This amendment also contained a provision that neither the city nor either of these bodies *“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, the board was renamed the “**Utility Commission**” and given 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. 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 authority to set utility rates. 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 incur debt for the utility operations, whether by contract or borrowing, 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, 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 the City of Fort Valley 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 know 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 2013 estimated per capita personal income of \$32,183. This amount compares to the state estimated per capita personal income of \$35,325. 17.8% of the County's citizens have earned a college degree as compared to the state-wide average of 27.5%. About two-thirds of the County's citizens are home owners which is consistent with the state average. The County's estimated population is 27,672. The median age is 35.3. The school enrollment is 3,767. The unemployment rate is 6.8%.

Major Initiatives

There are three major initiatives that the Utility Commission worked on in 2012 and 2013.

- Plant Vogtle Nuclear Power Plant Expansion Project (MEAG Power)
- Fort Valley State University Water System Improvements (FVUC)
- Utility Commission Administration Building (FVUC)

Each project is described below.

Plant Vogtle Nuclear Power Plant Expansion Project (MEAG Power) – Based upon contractual commitments made by 41 of the Participants for which it provides wholesale electric power, MEAG Power announced June 17, 2008 that it will retain a 22.7% ownership interest in two new nuclear units to be constructed at Plant Vogtle. The cost of such ownership interest is estimated to be approximately \$3.1 billion.

To assist the Participants in matching future need with resource availability, MEAG Power has entered into 20 year sales contracts with JEA and PowerSouth Energy Cooperative, two consumer-owned electric utilities which are located in Jacksonville, Florida and Andalusia, Alabama. MEAG Power will sell approximately 40% of its share of the output in the proposed nuclear expansion to JEA and approximately 25% to PowerSouth Energy Cooperative for a 20 year term. JEA and PowerSouth Energy Cooperative have agreed to share in the construction and operating risks relating to their purchased share of the output during the term of the contracts.

This project is a significant step toward ensuring MEAG Power can meet its commitment to provide affordable and reliable power to its Participants while continuing to further diversify its generation portfolio. While the project still faces regulatory review, it is anticipated that the new nuclear units at Plant Vogtle will help satisfy the Participant's wholesale electric power needs for years to come.

The Utility Commission entered into two Power Purchase Agreements in fiscal year 2008 for a total of 5.209 megawatts from the Plant Vogtle Nuclear Power Plant Expansion Project. The Power Purchase Agreement Contract with JEA was for 3.243 megawatts and the Purchase Power Agreement 2 Contract with PowerSouth Energy Cooperative was for 1.966 megawatts.

The Utility Commission's total Plant Vogtle guaranteed expansion share was 1.487% of 500 megawatts, or 7.436 megawatts.

MEAG Power has studied each Participant's anticipated needs for the future and has recommended that the Utility Commission request 5.209 megawatts: none in 2016 and 5.209 in 2017. As a result of executing the two Purchase Power Agreements, the Utility Commission would have access to the 5.209 megawatts in 2037. The 5.209 megawatts do not account for the Utility Commission's rising energy and capacity needs going forward. We have power sales contracts in 4 other projects that can be altered to sustain normal growth. The Plant Vogtle addition is a sound business decision for the future and will be used as a supplement to our energy needs.

There are three important areas that continue to unfold: construction, scheduling and financing. The engineering, procurement and construction contractor has been given the go-ahead. Major equipment is being manufactured. Site clearing is complete. And, foundation excavation has begun. The Georgia Public Service Commission certification was received by Georgia Power Company. The Early Site Permit (ESP) and the Limited Work Authorization (LWA) was issued by the Nuclear Regulatory Commission. And, the Vogtle Combined Construction and Operating License (COL) is being reviewed and a decision is expected in early 2012. Three long-term financing options are under consideration. MEAG Power will no doubt use a combination of the three: long-term revenue bonds; Federal Loan Guarantee Program; Build America Bonds. Amendments to the Municipal Competitive Trust have been executed. The Amendments to the Trust's New Generation Funding Account will work to build up dedicated reserves that will protect credit ratings that ultimately impact interest rates. Power Sales Contracts and PPA Agreements will need to be modified and signed under a pressing time-table if DOE Federal Loan Guarantee monies become available.

2009 Milestones: March – Georgia Power received certification from the Georgia Public Service Commission to build new units at the site. April – Georgia Power provided the Westinghouse-Shaw consortium full notice to proceed on Plant Vogtle Units 3 and 4. Shaw and Westinghouse began mobilizing at the plant site and performing activities to support construction. May – Plant Vogtle Units 3 and 4 were named NuStart's reference plant for AP1000 technology. July – Southern Nuclear begins

training Operations instructors for Vogtle Units 3 and 4. August – Plant Vogtle Units 3 and 4 received an ESP from the Nuclear Regulatory Commission. The Vogtle ESP is the first in the industry to reference a specific technology and to come with a Limited Work Authorization which allows limited safety-related construction at the site prior to receiving the COL. August – Excavation of the area where the new units are planned began at the plant site.

2010 Milestones: February – President Obama and DOE Secretary Steven Chu announced the award of conditional loan guarantees for Vogtle Units 3 and 4. The DOE loan guarantees are expected to save Georgia Power’s customers millions in interest costs annually over the expected life of any guaranteed borrowing. March – Safety-related construction began with the first placement of backfill soil into the area excavated for Unit 3. June – Southern Company and the Department of Energy (DOE) announce that the final terms and conditions have been reached regarding the loan guarantees for the new Vogtle units.

2011 Milestones: March – The NRC completed its Final Supplemental Environmental Impact Statement for a Limited Work Authorization and the Combined Construction and Operating Licenses for the Vogtle units 3 and 4. There are no environmental impacts that would preclude issuing the LWA and the COL’s for the construction and operation of the proposed reactors at the site. April – The mud mats for units 3 and 4 were poured. July – The first AP1000 component was delivered by Shaw Modular Solutions to the Vogtle 3 and 4 sites. August – The NRC issued the Final Safety Evaluation Report for Westinghouse Electric Company’s AP1000 reactor design. Training classes began at a new state-of-the-art facility built for initial and continuing training of Vogtle units 3 and 4 employees. Southern Nuclear received the Final Safety Evaluation Report from the NRC’s technical staff for the Combined Construction and Operating Licenses for Vogtle units 3 and 4. December – The NRC certified Westinghouse Electric Company’s AP1000 design.

2012 Milestones: February – The condenser for Unit 3 arrives on-site in the first rail delivery of components for the Vogtle 3 and 4 project. February – Nuclear Regulatory Commission issues Construction and Operating Licenses for Vogtle units 3 and 4. August – Load test for the Heavy Lift Derrick is completed. October – Vogtle 3 and 4 project surpasses 10 million work hours at the site.

2013 Milestones: February – Vogtle Unit 3 deaerator arrives on site. March – First nuclear concrete placed for Unit 3 basemat. April – CR10 cradle placed in Unit 3 nuclear island. June – Containment vessel bottom head placed into Unit 3 nuclear island. August – Vogtle Unit 4 deaerator arrives on site. September – The 717-ton condenser A lower shell is placed into the Vogtle Unit 3 turbine island. November – First nuclear concrete placed for Unit 4 basemat. November – The National Nuclear Accrediting Board (NNAB) awarded initial accreditation for the Vogtle 3 and 4 Maintenance and Technical Programs. December – The CA04 module, also known as the reactor vessel cavity, was lifted into the Unit 3 nuclear island.

Unit 3 is expected to begin commercial operation in 2017. Unit 4 is expected to begin commercial operation in 2018.

Fort Valley State University Water System Improvements (FVUC) – On April 15, 2011, the Utility Commission committed to participate in a project with the United States Department of Agriculture Rural Development (USDA) to add a 500,000-gallon storage tank near the campus of Fort Valley State University (FVSU), a new well, and a chemical feed building. The USDA will loan the Utility Commission an amount not to exceed \$2,387,000 and will award a grant related to the project for \$1,848,000. The loan will be repayable over 40 years at an interest rate of 3.75%. The estimated monthly payment for debt service is \$9,620. The Utility Commission must go ahead with the construction project by April 15, 2012, or request an extension of the project by the USDA. Two six-month extensions were granted by USDA, the most recent one until April 15, 2013. At that time an additional 60 day extension was approved. The Utility Commission anticipates that no further extensions will be required. Construction will begin in calendar year 2014. The primary focus of this project is additional fire protection in the Utility Commission’s service delivery area.

Utility Commission Administration Building (FVUC) – On August 9, 2013, the Utility Commission acknowledged the acceptance of the proposal from DeLoach & Fry, Architects, of Macon, Georgia, for the design of the new Fort Valley Utility Commission Administration Building. Typically in the schematic design phase the floor plans, exterior elevations and a site plan study are prepared. At the July 8, 2013 regular meeting of the Utility Commission the Unrestricted Net Assets Financial Policy was adopted as presented. At the same meeting the Utility Commission unanimously consented to commit \$2 million of unrestricted net position (i.e. Equity) to construct a new administration building and to remodel the existing operations building.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Utility Commission for its CAFR for the fiscal year ended September 30, 2012.

This was the seventh year that the Utility Commission has submitted and received this prestigious award. The award is displayed in the Introductory Section (Tab 1) of this year's CAFR. In order to receive this award, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements. This award is valid for a period of one year only. We believe that our current CAFR continues to meet GFOA requirements, and we are submitting our 2013 CAFR to determine its eligibility for these certificates.

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's Department of Finance and the Utility Commission's Billing/Office Manager and the Information Technology Superintendent. We would like to express our sincere appreciation and thanks to all members of the Department and the Utility Commission Staff who assisted and contributed to its completion.

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,



Patrick F. McFall
Secretary/Treasurer

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

Elected Utility Commissioners

Chairman Robert T. Hunnicutt
West Ward - Post 2
In office since April 1980
Current term expires December 2015

Commissioner Jo Ann Dankel
At-Large Seat - Post 3
In office since January 2010
Current term expires December
2013

Vice Chairman Dollie Horton
At-Large Seat - Post 4
In office since January 1996
Current term expires December
2015

Commissioner Billy Jones
East Ward - Post 1
In office since January 2002
Current term expires December
2013

Mayor John E. Stumbo
Ex-Officio Member
In office since January 1998
Current term expires December
2013

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

Appointed Officials

Dan Thompson
Patrick F. McFall

General Manager
Secretary/Treasurer

Utility Commission Staff

Larry Dailey
Open Position
Keith Spillers
Zeke Harvey
Sue Roach
Jan Hornick
Zac Gowen

Electric & Gas Superintendent
Gas Superintendent
Water & Sewer Superintendent
Meter, Warehouse & Fleet Superintendent
Customer Service Manager
Billing & Office Manager
IT & Telecom Superintendent

Finance Department

Pam Lee
Sandra McGowan
Gwen Grace

Billing Coordinator
Accounting Coordinator
Accounting & Billing Coordinator

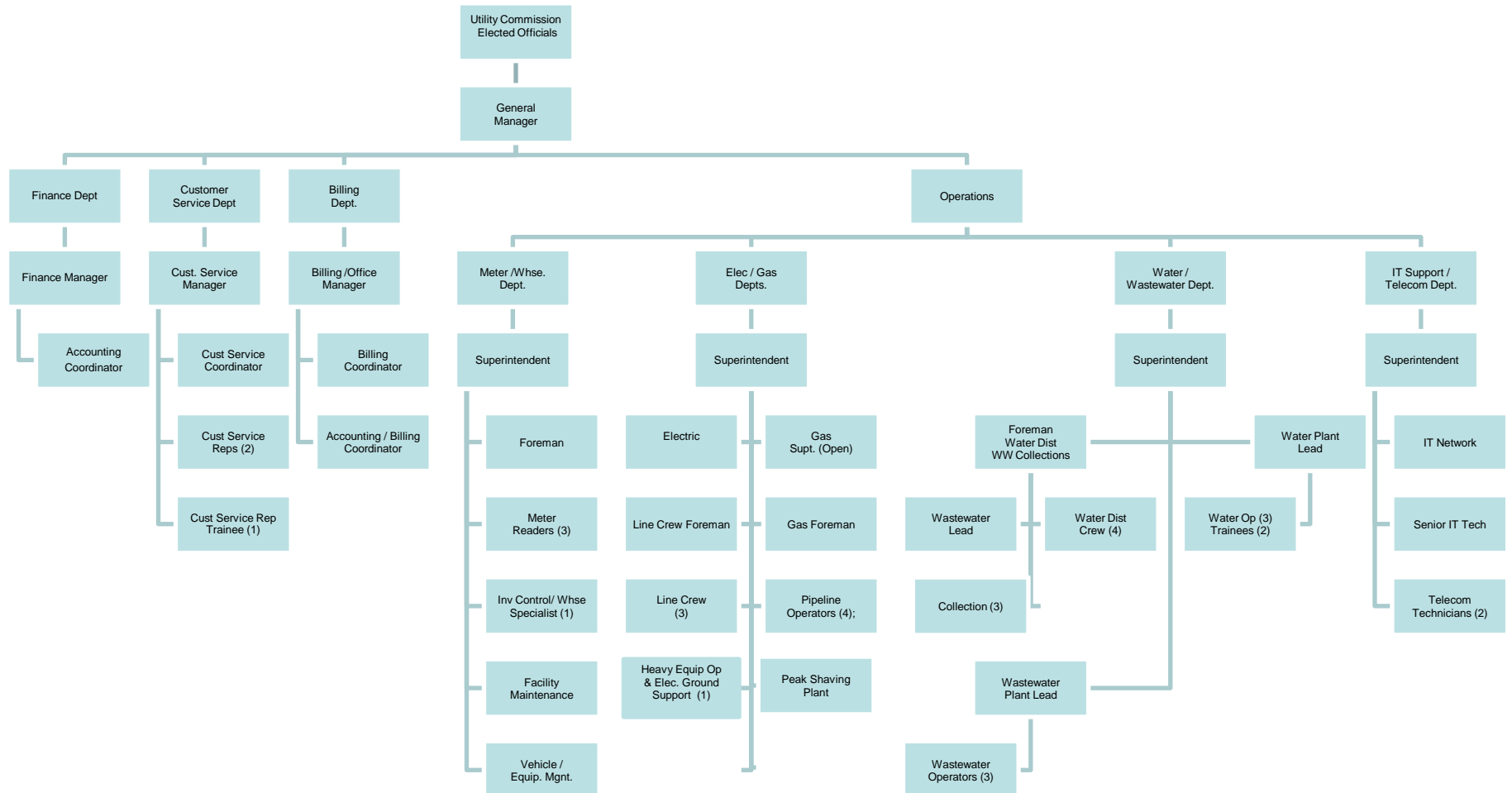
Advisors/Consultants

Charles E. Jones, Attorney
Butler, Williams & Wyche, LLP
Paul E. Glick
Carter & Sloope, Inc.

General Counsel
Independent Auditors
Financial Consultant
Consulting Engineers



Organization Chart Utility Commission City of Fort Valley, Georgia





Government Finance Officers Association

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

Presented to

**Fort Valley Utility Commission
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

TAB #2

Financial Section



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

January 31, 2014

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, 2013 and 2012, 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, 2013 and 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 11 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 January 31, 2014 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.

Butler, Williams & Ayche, LLP

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, 2013 and 2012. 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 \$37,113,802 (total net position) at September 30, 2013 and \$ 36,230,610 (total net position) at September 30, 2012.
- Total net position is comprised of the following:
 - Net investment in capital assets of \$24,167,429 at September 30, 2013 and of \$24,440,922 at September 30, 2012, 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, 2013 is \$2,558,901 as compared to \$561,130 at September 30, 2012.
 - Unrestricted net position of \$10,387,472 at September 30, 2013 and of \$11,228,558 at September 30, 2012, represents the portion available to maintain the Utility Commission's continuing obligations to citizens and creditors.
- Overall, the Utility Commission continues to maintain a strong financial position, in spite of suffering through the severest economic recession since the Great Depression and the federal budget sequestration in 2013.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Utility Commission, City of Fort Valley, Georgia
As of and For The Years Ended September 30, 2013 and 2012

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 last 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 last 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.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, 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 37.

Financial Analysis of the Utility Commission

The Utility Commission's total net position at September 30, 2013 are \$37,113,802 at September 30, 2012 are \$36,230,610 and \$36,135,948 at September 30, 2011. The following table provides a summary of the Utility Commission's net position:

Summary of Net Position

	<u>September 30, 2013</u>		<u>September 30, 2012</u>		<u>September 30, 2011</u>	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>
Assets:						
Current assets	\$ 12,534,347	29%	\$ 13,463,639	32%	\$ 13,123,930	31%
Noncurrent assets:						
Restricted assets	2,558,901	6%	561,130	1%	449,692	1%
Capital assets	27,421,646	65%	27,671,918	67%	28,136,900	68%
Total assets	<u>42,514,894</u>	<u>100%</u>	<u>41,696,687</u>	<u>100%</u>	<u>41,710,522</u>	<u>100%</u>
Liabilities:						
Current liabilities	2,177,798	40%	1,948,709	36%	1,811,061	32%
Noncurrent liabilities	3,223,294	60%	3,517,368	64%	3,763,512	68%
Total liabilities	<u>5,401,092</u>	<u>100%</u>	<u>5,466,077</u>	<u>100%</u>	<u>5,574,573</u>	<u>100%</u>
Net position:						
Net investment in capital assets	24,167,429	65%	24,440,922	67%	24,644,448	68%
Restricted	2,558,901	7%	561,130	2%	405,020	1%
Unrestricted	10,387,472	28%	11,228,558	31%	11,086,480	31%
Total net position	<u>\$ 37,113,802</u>	<u>100%</u>	<u>\$ 36,230,610</u>	<u>100%</u>	<u>\$ 36,135,948</u>	<u>100%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Utility Commission, City of Fort Valley, Georgia
As of and For The Years Ended September 30, 2013 and 2012

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, 2013 is 5.8 to 1; at September 30, 2012 is 6.9 to 1 and 7.3 to 1 at September 30, 2011. These ratios are strong.

The Utility Commission reported positive balances in total net position at September 30, 2013, 2012 and 2011. Total net position increased \$883,192 in fiscal year 2013, \$94,662 in fiscal year 2012 and by \$769,945 in fiscal year 2011.

Note that 65%, 67% and 68% of the 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 2013		Fiscal Year 2012		Fiscal Year 2011	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Revenues:						
Charges for services:						
Electric	\$ 11,572,372	54.4%	\$ 11,385,772	57.1%	\$ 11,087,686	54.8%
Gas	4,029,642	18.9%	3,511,207	17.6%	4,141,761	20.5%
Water	2,446,830	11.5%	2,347,287	11.8%	2,318,023	11.5%
Sewer	2,136,369	10.0%	1,849,170	9.3%	1,771,752	8.8%
Investment earnings	13,961	0.1%	30,322	0.2%	35,995	0.2%
Other	1,082,007	5.1%	803,309	3.9%	875,182	4.4%
Total revenues	<u>21,281,181</u>	<u>100.0%</u>	<u>19,927,067</u>	<u>100.0%</u>	<u>20,230,399</u>	<u>100.0%</u>
Expenses:						
Personal services	4,490,076	22.0%	4,295,278	21.7%	4,205,605	21.6%
Purchased services	2,101,462	10.3%	2,190,231	11.0%	2,049,218	10.5%
Materials and supplies	536,228	2.6%	518,231	2.6%	516,500	2.7%
Repairs and maintenance	857,651	4.2%	763,552	3.9%	901,954	4.6%
Gas and electric purchased for resale	10,923,283	53.5%	10,709,430	54.0%	10,259,569	52.7%
Depreciation	1,101,687	5.4%	1,128,816	5.7%	1,203,012	6.2%
Interest	64,787	0.3%	68,093	0.3%	71,283	0.4%
Loss on sale of capital assets	74,071	0.4%	1,050	0.0%	9,850	0.1%
Miscellaneous	280,364	1.3%	157,724	0.7%	244,743	1.3%
Total expenses	<u>20,429,609</u>	<u>100.0%</u>	<u>19,832,405</u>	<u>100.0%</u>	<u>19,461,734</u>	<u>100.0%</u>
Excess	851,572		94,662		768,665	
Capital contributions	<u>31,620</u>		<u>-</u>		<u>1,280</u>	
Net change in position	883,192		94,662		769,945	
Beginning net position	<u>36,230,610</u>		<u>36,135,948</u>		<u>35,366,003</u>	
Ending net position	<u>\$ 37,113,802</u>		<u>\$ 36,230,610</u>		<u>\$ 36,135,948</u>	

Financial Analysis of the Utility Commission's Operations

Fiscal Year 2013 Analysis (After Cost Allocations)

Overall Analysis – Total operating revenues increased \$1,370,475 or 6.9%. Operating expenses increased \$527,490 or 2.7%. In total, the operating income increased \$842,985. The increase in net position was caused by an increase in operating revenues exceeding the increase in operating expenses.

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

	<u>Amount</u>
Electric	\$ 1,140,023
Gas	397,776
Water	(267,195)
Sewer	(294,135)

The following includes an analysis of the fiscal year 2013 financial activities for each utility.

Electric Utility – The operating income of \$1,140,023 in fiscal year 2013 compares to operating income of \$763,079 in fiscal year 2012. This significant increase in operating income relates primarily to an increase in operating revenues and primarily to the cost of purchased electricity decrease of \$93,676 or 1.1%.

The fiscal year 2013 operating revenues increased \$461,021 or 3.9% over fiscal year 2012.

Operating expenses increased just \$84,077 or $\frac{3}{4}$ of 1%. The primary increase relates to the cost of personal services, which increased \$68,511 or 6.3% over fiscal year 2012. The cost of living allowance was 3%. Repairs and maintenance costs increased \$62,098 or 45.9%. Heavy equipment, other and buildings were up \$15,324, \$16,393 and \$24,650 respectively. Most of the other operating expenses were similar to those in fiscal year 2012.

Natural Gas Utility – The operating income of \$397,776 in fiscal year 2013 compares to operating income of \$111,343 in fiscal year 2012. This is an increase of 257.25%. Operating revenue was up \$516,746 or 13.9%, due primarily to an increase in consumption year over year of 644,862 hundred cubic feet of gas.

Operating expenses were up \$230,313 or 6.4%.

The reasons for the major changes in operating expenses are:

- Personal services increased \$20,427 or 2.6%.
- The cost of gas purchased increased \$286,194 or 14.5%, due primarily to an increase in the purchase of 605,260 hundred cubic of gas year over year because consumption increased.

Purchased services were down \$86,594 or 19.3%, due to professional other contractual service expense (line leaks and relocations) decreasing \$71,318.

Water Utility – The operating loss of \$267,195 in fiscal year 2013 compares to an operating loss of \$276,243 in fiscal year 2012. Operating revenues in fiscal year 2013 were \$104,809 or 4.4% more than the fiscal year 2012 amount. Operating expenses increased 3.6% (\$95,761) from fiscal year 2012.

More specifically, personal costs increased \$41,600 or 3.1%, due to the cost of living adjustment and retirement expenses. Purchased services were down \$10,585 or 2.3%, due to a decrease in water treatment plant utility expense.

Repairs and maintenance costs increased \$35,613 or 11.2% over the fiscal year 2012 due to the purchase of water treatment plant office equipment (PLC and chlorine monitoring); and other (14" pipe replacement at the Jones Plant).

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Utility Commission, City of Fort Valley, Georgia
As of and For The Years Ended September 30, 2013 and 2012

Sewer Utility – For the fourteenth year in a row, the sewer utility reported an operating loss, this year \$294,135 as compared to last years' operating loss of \$464,695.

Operating revenues for sewer increased \$287,899 or than 15.4%. This increase relates to fiscal year 2013 rate increases.

Total operating expenses increased \$117,339 or 5% over fiscal year 2012. The cost of personal services increased \$64,260 or 6.1%. This increase relates to the cost of living adjustment, retirement and group health insurance expense.

Fiscal Year 2012 Analysis (After Cost Allocations)

Overall Analysis – Total operating revenues decreased \$297,659 or 1.5%. Operating expenses increased \$382,660 or 2%. In total, the operating income decreased \$680,319. The change in net position was an increase of \$94,662.

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

	<u>Amount</u>
Electric	\$ 763,079
Gas	111,343
Water	(276,243)
Sewer	(464,695)

The following includes an analysis of the fiscal year 2012 financial activities for each utility.

Electric Utility – The operating income of \$763,079 in fiscal year 2012 compares to operating income of \$1,669,015 in fiscal year 2011. This significant reduction in operating income relates to an increase in operating expenses, primarily the cost of purchased electricity increase of \$1,229,267 or 16.2%. This increase relates to the increased cost of environmental regulations.

The fiscal year 2012 operating revenues increased \$327,222 or 2.8% over fiscal year 2011.

Operating expenses increased \$1,233,158 or 12.4%. The primary increase relates to the cost of electricity, which increased \$1,229,267 or 16.2% over fiscal year 2011. Purchased services increased \$41,208 due to physical inventory adjustments and the Electric Cities of Georgia budget stabilization reserve election. Most other expenses were similar to those in fiscal year 2011.

Natural Gas Utility – The operating income of \$111,343 in fiscal year 2012 compares to operating income of \$81,593 in fiscal year 2011. This is an increase of 36%. Operating revenue was down \$639,772 or 14.7%; and, operating expenses were down \$669,522 or 15.7%.

The reasons for the major changes in expenses are:

- Repairs and maintenance increased \$33,388 or 32%. Meters, road patches, vehicles and heavy equipment and gas mains.
- Gas purchased decreased \$750,070 or 27.5%. Extremely warm winter for fiscal year 2012.

Water Utility – The operating loss of \$276,243 in fiscal year 2012 compares to an operating loss of \$493,339 in fiscal year 2011. Operating revenues in fiscal year 2012 were \$29,435 more than the fiscal year 2011 amount. Operating expenses decreased 6.6% (\$187,661) from fiscal year 2011.

More specifically, purchased services were up \$104,268 or 29.2% due to leak detection survey underground lines, engineering fees and street patches. The cost of materials and supplies decreased \$30,382 or 17% because of a decrease in the consumption of general operating supplies, hand tools and small equipment at the various treatment plants.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Utility Commission, City of Fort Valley, Georgia
As of and For The Years Ended September 30, 2013 and 2012

Repairs and maintenance costs were reduced \$159,133 or 33.3% from fiscal year 2011. This decrease relates to major renovations to the McLean Water Treatment Plant, which were not duplicated in 2012. Depreciation costs decreased \$84,445 or 17.4%. This decrease is a result of existing capital assets, which are still in service, becoming fully depreciated.

Sewer Utility – For the thirteenth year in a row, the sewer utility reported an operating loss, this year \$464,695 as compared to last years' operating loss of \$443,466.

Operating revenues for sewer decreased \$14,544 or less than 1%.

Total operating expenses increased only \$6,685 over fiscal year 2011. The cost of materials and supplies increased \$33,219 or 15.3%. This increase results from the consumption of general operating supplies.

Capital Assets and Debt Administration

Capital Assets

The Utility Commission's investment in capital assets, net of accumulated depreciation, as of September 30, 2013, 2012 and 2011, was \$27,421,646, \$27,671,918 and \$28,136,900, respectively. See Note 3-C for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

The following table provides a summary of capital asset activity.

	Capital Assets					
	September 30, 2013		September 30, 2012		September 30, 2011	
	Amount	%	Amount	%	Amount	%
Non-depreciable assets:						
Land	\$ 133,761	23%	\$ 100,830	35%	\$ 100,830	51%
Construction in progress	437,818	77%	185,487	65%	95,665	49%
Total non-depreciable	<u>571,579</u>	<u>100%</u>	<u>286,317</u>	<u>100%</u>	<u>196,495</u>	<u>100%</u>
Depreciable assets:						
Buildings	335,744	1%	335,744	1%	335,744	1%
Distribution system	43,629,072	91%	43,352,387	91%	42,832,033	91%
Machinery and equipment	3,756,107	7%	3,616,674	7%	3,625,559	7%
Intangibles	277,484	1%	277,484	1%	277,484	1%
Total depreciable assets	<u>47,998,407</u>	<u>100%</u>	<u>47,582,289</u>	<u>100%</u>	<u>47,070,820</u>	<u>100%</u>
Less accumulated depreciation	<u>21,148,340</u>		<u>20,196,688</u>		<u>19,130,415</u>	
Book value - depreciable assets	<u>26,850,067</u>		<u>27,385,601</u>		<u>27,940,405</u>	
Percentage depreciated	<u>44%</u>		<u>42%</u>		<u>41%</u>	
Book value - all assets	<u>\$ 27,421,646</u>		<u>\$ 27,671,918</u>		<u>\$ 28,136,900</u>	

At September 30, 2013, the depreciable capital assets were 44% depreciated. This compares favorably to the September 30, 2012 and 2011 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Utility Commission, City of Fort Valley, Georgia
As of and For The Years Ended September 30, 2013 and 2012

At September 30, 2013, the construction in progress includes primarily engineering fees for various utility projects, including Fort Valley State University USDA Rural Development Water Project (\$279,618), Southwest Peach County Sewer Project (\$89,201), Hwy #49 Georgia Department of Transportation Relocation Project (\$57,026), #247 Connector Georgia Department of Transportation Roundabout Project (\$7,097), and Administration Building Project (4,875).

The major additions of \$396,671 (gross) to the distribution systems asset class relate to the following:

- Electric, Water and Natural Gas Automated Meters \$168,847
- Lines, Transformers and Poles \$72,996
- Water Upgrades \$65,931
- Telecom Fiber Projects \$31,043

The cost of machinery and equipment added in this fiscal year of \$243,553 (gross) primarily consisted of an excavator and trailer (\$74,550), a used bucket truck (\$57,230), two pickup trucks (\$37,598), a dump body for the jetter (\$23,399), and a truck wash station (\$12,978).

Long-term Debt

At September 30, 2013, the Utility Commission has three loans outstanding with the Georgia Environmental Finance Authority (GEFA), two with the Georgia Environmental Loan Acquisition Corporation (GELAC) and one capital lease with Polytec, Inc.

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

	Outstanding Long-term Debt		
	<u>September 30, 2013</u>	<u>September 30, 2012</u>	<u>September 30, 2011</u>
GEFA Loan - DW97-027	\$ 1,225,905	\$ 1,389,359	\$ 1,552,813
GEFA Loan - DW97-027A	257,263	287,411	316,671
GELAC Loan - 2006-L58WQ	704,472	736,775	767,776
GEFA Loan - DWSRF 04-004	247,076	261,185	275,019
GELAC Loan - 2007-L42WQ	523,105	544,115	564,282
Polytec, Inc., Capital Lease	6,543	12,151	15,892
Compensated Absences	<u>230,662</u>	<u>226,395</u>	<u>225,334</u>
Total	<u>\$ 3,195,026</u>	<u>\$ 3,457,391</u>	<u>\$ 3,717,787</u>

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

Economic Conditions Affecting the Utility Commission

Commercial and industrial growth within the City of Fort Valley, Georgia will continue to be limited, especially in light of the severest economic recession since the Great Depression and the federal budget sequestration in 2013.

Peach Regional Medical Center (PRMC) continued its effort to relocate to a physical site outside the service delivery area for our electric and sewer utility service. PRMC opened at its new location in July 2013.

Blue Bird Corporation and Fort Valley State University, the two economic engines in the City of Fort Valley, have both substantially weathered the economic impact of the recession in the past four years. Blue Bird, whose parent company is The Traxis Group, B.V (Cerberus Capital Management, L.P.) completed the expansion of their operations in Fort Valley to include Blue Bird South, which was the vacant Dan River, Inc. textile site.

Fort Valley State University (FVSU) enrollment dropped nearly 11% from the 3,568 students in the fall of 2012 to 3,180 students in the fall of 2013. FVSU full-time equivalent student enrollment in 2011 was about 3,000 students and enrollment in 2010 was 3,366. In 2009, the student enrollment was 2,984. In 2008, the student enrollment was 3,106. In 2007, the student enrollment was 2,562. In 2006, the student enrollment was 2,176. FVSU completed Wildcat Commons in 2008. The student-housing village accommodates 951 residents.

On April 15, 2011, the Utility Commission committed to participate in a project with the United States Department of Agriculture Rural Development (USDA) to add a 500,000-gallon storage tank near the campus of Fort Valley State University (FVSU), a new well, and a chemical feed building. The USDA will loan the Utility Commission an amount not to exceed \$2,387,000 and will award a grant related to the project for \$1,848,000. The loan will be repayable over 40 years at an interest rate of 3.75%. The estimated monthly payment for debt service is \$9,620. The Utility Commission must go ahead with the construction project by April 15, 2012, or request an extension of the project by the USDA. USDA granted two six-month extensions for the project; the most recent one until April 15, 2013; USDA approved an additional sixty-day extension beyond April 15, 2013. The Utility Commission anticipates that no further extensions will be required. Construction will begin in calendar year 2014. The primary focus of this project is additional fire protection in the Utility Commission's service delivery area.

The Southern Association of Colleges and Schools Commission (SACS) placed FVSU on warning for a year at its general meeting December 5, 2011 because the Commission's Board of Trustees determined FVSU failed to demonstrate compliance with three standards: faculty competence, control of finances, and Title IV responsibilities, which deal with federal student aid. The commission panel reaffirmed the school's accreditation for 10 years but wanted reforms in the administration of fiscal affairs. The institution's next review was December 2012, at which time the Board of Trustees considered its accreditation status. Officials at FVSU learned in December 2012 that it would remain accredited after SACS voted to lift the warning it gave to FVSU in 2011. This means that the accreditation now is without qualification of any kind. SACS made its decision to lift the warning as a response to actions FVSU had taken to correct those concerns, according to a statement from the University System of Georgia. In August 2013, President Ivelaw Griffith took the helm of FVSU to address the retention and graduation issues, financial challenges and a decline in enrollment.

In fiscal year 2007, electric rates were decreased, and water and sewer rates were increased, with a planned "revenue neutral" effect. The objective of the "revenue neutral" rate changes was for water operations and sewer operations to be individually self-supporting. In fiscal year 2008, a power cost adjustment, equal to \$0.004 per kWh, was implemented for electric rates, the purpose of which was to recoup the increased cost of purchased electricity for 2007, in 2008. Water and sewer rates remained unchanged in 2008. In fiscal year 2009, an additional power cost adjustment, equal to \$0.0065 per kWh, was implemented for electric rates, the purpose of which was to recoup the increased cost of purchased electricity for 2008, in 2009. Water and Sewer rates increased 3% in fiscal year 2009. The City Distribution Charge for firm natural gas increased 8% in fiscal year 2009. The City Distribution Charge for interruptible natural gas increased 6% in fiscal year 2009. In fiscal year 2010, an additional power cost adjustment, equal to \$0.009 per kWh, was implemented for electric rates, the purpose of which was to recoup the increased cost of purchased electricity for 2009, in 2010. The City Distribution Charge for firm natural gas increased \$0.01 per ccf. The City Distribution Charge for interruptible natural gas increased an average of 2%.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Utility Commission, City of Fort Valley, Georgia
As of and For The Years Ended September 30, 2013 and 2012

There were no rate increases effective for fiscal year ended September 30, 2011.

There were no rate increases effective for the fiscal year ended September 30, 2012, at the beginning of the fiscal year; however, \$0.01 of the existing power cost adjustment of \$0.0195, for electric utility rates, was moved to the rate per kilowatt hour across the board for all electric rate codes, leaving a power cost adjustment of \$0.0095 in effect for 2012. On March 1, 2012, there was an across the board electric utility rate increase implemented because of a cost of service study performed by Electric Cities of Georgia. At that time, the power cost adjustment was reset to \$0.0000.

On October 1, 2012, as a result of the Electric Cities of Georgia cost of service studies performed for all four utility services, there was an across the board rate increase for all utility services effective for fiscal year 2013. Electric increased \$0.0049 per kWh. Small commercial implemented a higher summer electric rate. The water and sewer rates, inside and outside, increased across the board. The base rates increased \$2.00 per month. The water tiers were increased \$0.24, \$0.81, and \$1.07 respectfully. The sewer tiers were increased \$0.39, \$0.78, and \$1.18 respectfully. The sewer meter component was increased from 80% of metered water to 90% of metered water. The sewer cap was reset at 125% from 110%. The firm natural gas winter rates were increased \$0.03 per ccf for the city distribution charge. The interruptible natural gas rate for fiscal year 2013 includes additional wholesale costs of delivering the natural gas to those interruptible customers, which were identified in the cost of service studies referred to above.

There are no rate increases effective for fiscal year ended September 30, 2014.

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 Finance Manager at 478/825-7701, extension 213. Please visit our web page at www.fvutil.com.



Utility Commission
City of Fort Valley, Georgia
Comparative Statement of Net Position
September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Current Assets:		
Cash and cash equivalents (Note 3-A)	\$ 259,179	\$ 215,843
Investments (Note 3-A)		
Natural Gas	542,241	616,365
Electric	8,646,682	7,995,447
Water	-	677,908
Receivables:		
Accounts (net of allowance for uncollectibles):		
Billed	1,269,839	1,306,099
Unbilled	1,063,389	1,862,072
Interest	903	20,089
Inventory (Note 1-E-3)	646,139	662,033
Prepaid expenses (Note 1-E-4)	105,974	107,783
Total Current Assets	<u>12,534,347</u>	<u>13,463,639</u>
Noncurrent Assets:		
Restricted assets (Note 1-E-5)		
Investments	2,558,901	561,130
Capital assets (Note 3-C)		
Nondepreciable	571,578	286,317
Depreciable, net	26,850,068	27,385,601
Total Noncurrent Assets	<u>29,980,546</u>	<u>28,233,048</u>
Total Assets	<u>42,514,894</u>	<u>41,696,687</u>
Liabilities		
Current Liabilities:		
Accounts payable	1,119,080	1,235,439
Accrued payroll	66,819	53,171
Payroll deductions payable	8,109	6,353
Sales taxes payable	111,713	135,324
Intergovernmental payable	158,555	149,912
Compensated absences payable	153,621	101,878
Construction loan payable (Note 3-E)	289,853	-
Notes payable (Note 3-F)	270,047	266,632
Total Current Liabilities	<u>2,177,798</u>	<u>1,948,709</u>
Noncurrent Liabilities:		
Customer deposits payable	451,935	428,487
Compensated absences payable (net of current portion)	77,041	124,517
Notes payable (net of current portion) (Note 3-F)	2,694,317	2,964,364
Total Noncurrent Liabilities	<u>3,223,294</u>	<u>3,517,368</u>
Total Liabilities	<u>5,401,092</u>	<u>5,466,077</u>
Net Position		
Net investment in capital assets (Note 3-H)	24,167,429	24,440,922
Restricted for new electric generation (Note 1-E-5)	800,892	561,130
Restricted for pledged collateral - construction loan (Note 1-E-5)	1,758,009	-
Unrestricted	10,387,472	11,228,558
Total Net Position	<u>\$ 37,113,802</u>	<u>\$ 36,230,610</u>

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, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating Revenues		
Charges for services	\$ 20,185,213	\$ 19,093,436
Miscellaneous	1,082,007	803,309
Total Operating Revenues	<u>21,267,220</u>	<u>19,896,745</u>
Operating Expenses		
Personal services	4,490,076	4,295,278
Purchased services	2,101,462	2,190,231
Materials and supplies	536,228	518,231
Repairs and maintenance	857,651	763,552
Gas and electric purchased for resale	10,923,283	10,709,430
Depreciation	1,101,687	1,128,816
Miscellaneous	280,364	157,723
Total Operating Expenses	<u>20,290,751</u>	<u>19,763,261</u>
Operating Income	<u>976,469</u>	<u>133,484</u>
Nonoperating Revenues (Expenses)		
Interest and fiscal charges	(64,787)	(68,093)
(Loss) on disposition of capital assets	(74,071)	(1,050)
Investment earnings	13,961	30,322
Total Nonoperating Revenues (Expenses)	<u>(124,897)</u>	<u>(38,822)</u>
Income Before Capital Contributions	851,572	94,662
Capital Contributions	<u>31,620</u>	<u>-</u>
Change in Net Position	883,192	94,662
Net Position Beginning of Year	<u>36,230,610</u>	<u>36,135,948</u>
Net Position End of Year	<u>\$ 37,113,802</u>	<u>\$ 36,230,610</u>

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, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	\$ 22,102,001	\$ 19,288,281
Cash payments for personal services	(4,470,404)	(4,289,310)
Cash payments for goods and services	<u>(14,813,462)</u>	<u>(14,181,573)</u>
Net Cash Provided by (Used in) Operating Activities	<u>2,818,135</u>	<u>817,398</u>
Cash Flows from Capital and Related Financing Activities		
Capital contributions	31,620	-
Proceeds from construction loan	289,853	-
Principal paid on notes payable	(266,632)	(261,456)
Interest paid on notes payable	(64,787)	(68,093)
Payments for capital acquisitions	<u>(901,027)</u>	<u>(643,278)</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(910,973)</u>	<u>(972,827)</u>
Cash Flows from Investing Activities		
Investment earnings	33,147	13,084
Net purchase of investments	<u>(1,896,974)</u>	<u>248,914</u>
Net Cash Provided (Used in) Investing Activities	<u>(1,863,827)</u>	<u>261,998</u>
Net Increase (Decrease) in Cash and Cash Equivalents	43,335	106,569
Cash and Cash Equivalents Beginning of Year	<u>215,843</u>	<u>109,274</u>
Cash and Cash Equivalents End of Year	<u>\$ 259,179</u>	<u>\$ 215,843</u>

(continued)

Utility Commission
City of Fort Valley, Georgia
Comparative Statement of Cash Flows
For the Years Ended September 30, 2013 and 2012

(continued)

	2013	2012
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	\$ 976,469	\$ 133,484
Adjustments:		
Depreciation	1,101,687	1,128,816
Amortization	-	49,042
(Increase) Decrease in Assets:		
Accounts receivable	834,943	(644,587)
Materials and supplies inventory	15,894	34,657
Prepaid expenses	1,809	(15,364)
Increase (Decrease) in Liabilities:		
Accounts payable	(140,819)	87,080
Accrued payroll	13,648	4,102
Payroll deductions payable	1,756	805
Sales taxes payable	(23,611)	18,087
Intergovernmental payable	8,643	2,179
Customer deposits	23,448	18,036
Compensated absences payable	4,267	1,061
Net Cash Provided by (Used in) Operating Activities	\$ 2,818,135	\$ 817,398
Noncash Capital Financing Activities:		
Purchase of equipment on account (in accounts payable @ year-end)	\$ 46,070	\$ 21,610

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, 2013 and 2012*

Index

Summary of Significant Accounting Policies	1
Reporting Entity.....	1-A
Basis of Presentation.....	1-B
Measurement Focus	1-C
Basis of Accounting.....	1-D
Assets, Liabilities and Net Position	1-E
Cash, Cash Equivalents and Investments.....	1-E-1
Receivables	1-E-2
Consumable Inventories.....	1-E-3
Prepaid Expenses	1-E-4
Restricted Assets.....	1-E-5
Capital Assets	1-E-6
Compensated Absences	1-E-7
Accrued Liabilities and Long-term Obligations.....	1-E-8
Net Position.....	1-E-9
Operating Revenues and Expenses	1-E-10
Contributions of Capital.....	1-E-11
Cost Allocations.....	1-E-12
Estimates.....	1-E-13
Comparative Data	1-E-14
Implementation of New GASB Standard.....	1-E-15
 Stewardship, Compliance and Accountability	 2
Budgetary Information	2-A
 Detailed Notes.....	 3
Deposits and Investments.....	3-A
Receivables	3-B
Capital Assets.....	3-C
Operating Leases.....	3-D
Construction Loan Payable	3-E
Long-Term Debt.....	3-F
Pension Plan.....	3-G
Net Investment in Capital Assets.....	3-H
 Other Notes	 4
Contract Commitments	4-A
Risk Management.....	4-B
Contingent Liabilities.....	4-C
Subsequent Events	4-D
Significant Customer.....	4-E

Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2013 and 2012

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, 2013 and 2012*

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, 2013. 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 Consumable Inventories

Inventory is recorded using the average unit cost method and expensed when consumed. Inventories include propane gas, meters, transformers, lines, poles, pipe and fittings.

1-E-4 Prepaid Expenses

Payments made to vendors for services (i.e., prepaid insurance) that will benefit periods beyond September 30, 2013, 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.

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2013 and 2012*

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-5 Restricted Assets

In 2012 and 2013 restricted assets consist of the new generation and capacity funding account (2012 - \$561,130 and 2013 \$800,892); and, at September 30, 2013, a construction loan certificate of deposit pledged as collateral (\$1,758,009).

1-E-6 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%

1-E-7 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-8 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-9 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

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2013 and 2012*

through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

Note 1 - Summary of Significant Accounting Policies (Continued)

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-10 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-11 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-12 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 27.50%; Sewer 19.50%; Gas 21.50%; Telecom 1.50% for both fiscal years 2013 and 2012.

Allocation of Telecom Department: The Utility Commission allocates 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%; Sewer 40%; Gas 10% for both fiscal years 2013 and 2012.

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-13 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-14 Comparative Data

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

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2013 and 2012*

Note 1 - Summary of Significant Accounting Policies (Continued)

I-E-15 Implementation of New GASB Standard

In fiscal year 2013, the Utility Commission implemented the following GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The adoption of this statement does not have any impact on the Utility Commission's financial statements.

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.

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, 2013, 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. At September 30, 2013, the bank balances were \$550,685 and the carrying amount was \$256,169.

At September 30, 2012, all bank balances were entirely insured or collateralized. At September 30, 2012, the bank balances were \$341,073 and the carrying amount was \$212,833.

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, 2013 and 2012

Note 3 - Detailed Notes (Continued)

At September 30, 2013 and September 30, 2012, 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
<u>2013</u>				
Certificates of Deposit	\$ 1,758,009	\$ -	\$ -	\$ 1,758,009
Money Market Account	542,241			
Municipal Competitive Trust	<u>9,447,574</u>			
Total	<u>\$ 11,747,824</u>			
<u>2012</u>				
Certificates of Deposit	\$ 1,723,869	\$ -	\$ 1,723,869	\$ -
Money Market Account	616,365			
Municipal Competitive Trust	<u>7,510,616</u>			
Total	<u>\$ 9,850,850</u>			

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, 2013 and 2012, 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.

(this page continued on the subsequent page)

**Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2013 and 2012**

Note 3 - Detailed Notes (Continued)

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

Bank:	September 30, 2013		September 30, 2012	
	Amount	% of Total	Amount	% of Total
CB&T Bank of Middle Georgia	\$ 1,758,009	100%	\$ 1,723,869	100%

Cash & Investment Reconciliation:

	September 30, 2013		September 30, 2012	
	Cash and Cash Equivalents	Investments	Cash and Cash Equivalents	Investments
Enterprise Fund Type Statement of Net Position				
Unrestricted	\$ 259,179	\$ 9,188,923	\$ 215,843	\$ 9,289,720
Restricted	-	2,558,901	-	561,130
Less cash on hand and petty cash	(3,010)	-	(3,010)	-
Total	\$ 256,169	\$ 11,747,824	\$ 212,833	\$ 9,850,850

3-B. Receivables

Receivables at September 30, 2013 and 2012 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 at September 30, 2013 was \$230,000 and at September 30, 2012 was \$290,000.

(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, 2013 and 2012

Note 3 - Detailed Notes (Continued)

3-C. Capital Assets

Capital asset activity for the year ended September 30, 2013, was as follows:

	Balance 10/1/2012	Additions	Deductions	Balance 9/30/2013
Business-type activities:				
Nondepreciable capital assets:				
Land	\$ 100,830	\$ 32,931	\$ -	\$ 133,761
Construction in progress	185,487	253,011	680	437,818
Total nondepreciable capital assets	286,317	285,942	680	571,579
Depreciable capital assets:				
Building	335,744	-	-	335,744
Distribution system	43,352,387	407,951	131,266	43,629,072
Machinery and equipment	3,616,674	232,273	92,840	3,756,107
Intangibles	277,484	-	-	277,484
Total depreciable capital assets	47,582,289	640,224	224,106	47,998,407
Total capital assets	47,868,606	926,166	224,786	48,569,986
Accumulated depreciation:				
Building	226,868	4,475	-	231,343
Distribution system	17,131,060	894,675	58,305	17,967,430
Machinery and equipment	2,644,090	175,729	91,730	2,728,089
Intangibles	194,670	26,808	-	221,478
Total accumulated depreciation	20,196,688	1,101,687	150,035	21,148,340
Business-type activities capital assets, net	\$ 27,671,918	\$ (175,521)	\$ 74,751	\$ 27,421,646

(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, 2013 and 2012

Note 3 - Detailed Notes (Continued)

Capital asset activity for the year ended September 30, 2012, was as follows:

	Balance 10/1/2011	Additions	Deductions	Balance 9/30/2012
Business-type activities:				
Nondepreciable capital assets:				
Land	\$ 100,830	\$ -	\$ -	\$ 100,830
Construction in progress	95,665	89,822	-	185,487
Total nondepreciable capital assets	196,495	89,822	-	286,317
Depreciable capital assets:				
Building	335,744	-	-	335,744
Distribution system	42,832,033	525,609	5,255	43,352,387
Machinery and equipment	3,625,559	49,453	58,338	3,616,674
Intangibles	277,484	-	-	277,484
Total depreciable capital assets	47,070,820	575,062	63,593	47,582,289
Total capital assets	47,267,315	664,884	63,593	47,868,606
Accumulated depreciation:				
Building	222,336	4,532	-	226,868
Distribution system	16,219,916	916,400	5,256	17,131,060
Machinery and equipment	2,520,301	181,076	57,287	2,644,090
Intangibles	167,862	26,808	-	194,670
Total accumulated depreciation	19,130,415	1,128,816	62,543	20,196,688
Business-type activities capital assets, net	<u>\$ 28,136,900</u>	<u>\$ (463,932)</u>	<u>\$ 1,050</u>	<u>\$ 27,671,918</u>

3-D. Operating Leases

The Utility Commission entered into an operating lease for a mailing system and a utility bill invoice stuffer in October of 2009. The lease is for 60 months at a rate of \$1,494 per calendar quarter. The following payments are due to the lessor on an annual basis for the term of the lease:

Fiscal Year	Amount
2014	<u>\$ 5,976</u>

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2013 and 2012*

Note 3 - Detailed Notes (Continued)

The Utility Commission entered into an operating lease for a document feeder, printer and cabinet in October of 2010. The lease is for 36 months at a rate of \$90 per month. The following payments are due to the lessor on an annual basis for the term of the lease:

Fiscal Year	Amount
2014	<u>\$ 90</u>

The Utility Commission entered into an operating lease for a copy machine in January 2009. The lease is for 60 months at a rate of \$165 per month. The following payments are due to the lessor on an annual basis for the term of the lease.

Fiscal Year	Amount
2014	<u>\$ 495</u>

The Utility Commission entered into an operating lease for a copy machine in November 2009. The lease is for 60 months at a rate \$268 per month. The following payments are due to the lessor on an annual basis for the term of the lease.

Fiscal Year	Amount
2014	\$ 3,216
2015	<u>268</u>
Total	<u>\$ 3,484</u>

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. This loan is partially financing a project at Fort Valley State University which includes installing a 500,000 elevated storage tank, a new well and chemical feed building, including a 12" water main. The loan is secured by a certificate of deposit totaling \$1,758,009. The United States Department of Agriculture will retire this loan and provide long-term financing through the issuance of 40-year municipal bonds in the amount of \$2,387,000 at 3.75%. The amount of the construction loan at September 30, 2013 is \$289,853.

3-F. Long-term Debt

At September 30, 2013, the Utility Commission has three loans outstanding with the Georgia Environmental Finance Authority (GEFA), two with the Georgia Environmental Loan Acquisition Corporation (GELAC) and one capital lease with Polytec, Inc.

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.

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2013 and 2012*

Note 3 - Detailed Notes (Continued)

Annual debt service requirements to amortize this loan as of September 30, 2013 follow:

Fiscal Year	Principal
2014	\$ 163,454
2015	163,454
2016	163,454
2017	163,454
2018	163,454
2019-2021	<u>408,635</u>
Total	<u>\$ 1,225,905</u>

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, 2013 follow:

Year	Principal	Interest	Total
2014	\$ 31,063	\$ 7,371	\$ 38,434
2015	32,005	6,428	38,433
2016	32,976	5,457	38,433
2017	33,976	4,457	38,433
2018	35,007	3,426	38,433
2019-2021	<u>92,236</u>	<u>3,847</u>	<u>96,083</u>
Total	<u>\$ 257,263</u>	<u>\$ 30,986</u>	<u>\$ 288,249</u>

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

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

(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, 2013 and 2012*

Note 3 – Detailed Notes (Continued)

Annual debt service requirements to amortize this loan as of September 30, 2013 follow:

Year	Principal	Interest	Total
2014	\$ 33,664	\$ 28,389	\$ 62,053
2015	35,077	26,976	62,053
2016	36,525	25,528	62,053
2017	38,106	23,946	62,052
2018	39,683	22,369	62,052
2019-2021	224,850	85,413	310,263
2022-2026	276,184	34,079	310,263
2028	20,383	248	20,631
Total	<u>\$ 704,472</u>	<u>\$ 246,948</u>	<u>\$ 951,420</u>

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

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

Annual debt service requirements to amortize this loan as of September 30, 2013 follow:

Year	Principal	Interest	Total
2014	\$ 14,375	\$ 4,569	\$ 18,944
2015	14,650	4,294	18,944
2016	14,927	4,017	18,944
2017	15,221	3,723	18,944
2018	15,509	3,435	18,944
2019-2023	82,118	12,602	94,720
2024-2028	90,276	4,425	94,701
Total	<u>\$ 247,076</u>	<u>\$ 37,065</u>	<u>\$ 284,141</u>

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.

Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2013 and 2012

Note 3 – Detailed Notes (Continued)

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, 2013 follow:

Year	Principal	Interest	Total
2014	\$ 21,888	\$ 21,039	\$ 42,927
2015	22,802	20,125	42,927
2016	23,755	19,172	42,927
2017	24,747	18,179	42,926
2018	25,781	17,146	42,927
2019-2023	145,991	68,642	214,633
2024-2028	179,145	35,488	214,633
2029-2030	78,996	3,280	82,276
Total	<u>\$ 523,105</u>	<u>\$ 203,071</u>	<u>\$ 726,175</u>

Polytec, Inc. Capital Lease – In fiscal year 2011, the Utility Commission entered into an equipment lease purchase agreement with Polytec, Inc., for chemical tanks and feed equipment. The lease is non-interest bearing and is payable bi-monthly with a final payment in June 2014. The Utility Commission agrees to use only Polytec chemicals in this equipment.

Annual debt service requirements to amortize this loan as of September 30, 2013 follow:

Fiscal Year	Principal
2014	<u>\$ 6,543</u>

(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, 2013 and 2012

Note 3 – Detailed Notes (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, 2013 and 2012:

	Outstanding 10/1/2012	Additions	Reductions	Outstanding 9/30/2013	Amounts Due in One Year	Long-term Portion
Business-Type Activities						
GEFA loan - DW97-027	\$ 1,389,359	\$ -	\$ 163,454	\$ 1,225,905	\$ 163,454	\$ 1,062,451
GEFA loan - DW97-027A	287,411	-	30,148	257,263	31,063	226,200
GELAC loan - 2006-L58WQ	736,775	-	32,303	704,472	33,659	670,813
GEFA loan - DWSRF 04-004	261,185	-	14,109	247,076	14,375	232,701
GELAC loan - 2007-L42WQ	544,115	-	21,010	523,105	21,888	501,217
Polytec, Inc. capital lease	12,151	-	5,608	6,543	5,608	935
Compensated absences	226,395	188,923	184,656	230,662	153,621	77,041
Total Business-Type Activities	\$ 3,457,391	\$ 188,923	\$ 451,288	\$ 3,195,026	\$ 423,668	\$ 2,771,358

	Outstanding 10/1/2011	Additions	Reductions	Outstanding 9/30/2012	Amounts Due in One Year	Long-term Portion
Business-Type Activities						
GEFA loan - DW97-027	\$ 1,552,813	\$ -	\$ 163,454	\$ 1,389,359	\$ 163,454	\$ 1,225,905
GEFA loan - DW97-027A	316,671	-	29,260	287,411	30,148	257,263
GELAC loan - 2006-L58WQ	767,776	-	31,001	736,775	32,303	704,472
GEFA loan - DWSRF 04-004	275,019	-	13,834	261,185	14,109	247,076
GELAC loan - 2007-L42WQ	564,282	-	20,167	544,115	21,010	523,105
Polytec, Inc. capital lease	15,892	-	3,741	12,151	5,608	6,543
Compensated absences	225,334	180,238	179,177	226,395	101,878	124,517
Total Business-Type Activities	\$ 3,717,787	\$ 180,238	\$ 440,635	\$ 3,457,391	\$ 368,510	\$ 3,088,881

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 and Provisions:

The Utility Commission’s defined benefit pension plan, the Fort Valley Utility Commission Retirement Plan (the Plan), provides retirement, disability and death benefits to Plan members and beneficiaries. The Plan is a non-contributory defined benefit plan, which is administered by the Georgia Municipal Employees Benefit System (GMEBS), a statewide agent multiple-employer type plan. The authority for establishing and amending benefits rests with the Utility Commission’s Board of Commissioners. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. The report may be obtained by writing to the Georgia Municipal Employees Benefit System, 201 Pryor Street SW, Atlanta, Georgia 30303, or by calling 1-404-688-0472.

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.

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2013 and 2012*

Note 3 – Detailed Notes (Continued)

The following is the plan membership for the last three actuarial valuations:

Valuation Date	<u>January 1, 2013</u>	<u>January 1, 2012</u>	<u>January 1, 2011</u>
Membership			
Active plan participants	49	48	48
Retirees and beneficiaries currently receiving benefits	25	24	21
Inactive plan participants or terminated plan participants entitled to, but not yet receiving benefits	<u>8</u>	<u>8</u>	<u>9</u>
Total	<u><u>82</u></u>	<u><u>80</u></u>	<u><u>78</u></u>

Funding Policy:

Employees are not required to contribute to the plan. The Utility Commission is required to make all contributions in accordance with the minimum funding standards of the Public Retirement Systems Standards Law. Section 47-20 of the Georgia Code sets forth the funding standards for state and local government pension plans. Administrative expenses are based on total covered payroll of plan members and are added to the annual funding requirement.

The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 1981 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are open for this plan year.

Annual Pension Cost – The Utility commission’s annual pension costs for the last six years are as follows:

Schedule of Employer Contributions				
Year Ended	Annual Required Contribution	Percentage Contributed	Annual Pension Cost	Percentage Contributed
9/30/2008	\$ 192,361	100%	\$ 192,361	100%
9/30/2009	256,310	100%	256,310	100%
9/30/2010	231,447	100%	231,447	100%
9/30/2011	239,702	100%	239,702	100%
9/30/2012	289,859	100%	289,859	100%
9/30/2013	280,703	100%	280,703	100%

For both 2012 and 2013, the Utility Commission’s annual pension costs of \$289,859 and \$280,703, respectively, were equal to the Utility Commission’s required and actual contributions. The Utility Commission’s contribution rates were 10.16% of the expected payroll for covered employees for fiscal year 2013 and 10.71% for fiscal year 2012.

Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2013 and 2012

Note 3 – Detailed Notes (Continued)

The following tables are presented here in lieu of presenting them as required supplementary information.

Schedule of Funding Progress						
Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL/(UAAL) (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll
9/1/2008	\$ 4,666,320	\$ 4,955,419	94.17%	\$ 289,099	\$ 2,330,694	12.40%
10/1/2009	4,613,269	5,323,081	86.67%	709,812	2,518,493	28.18%
1/1/2010	4,924,315	5,430,378	90.68%	506,063	2,518,493	20.09%
1/1/2011	5,252,973	5,801,534	90.54%	548,561	2,445,297	22.43%
1/1/2012	5,487,275	6,327,327	86.72%	840,052	2,561,787	32.79%
1/1/2013	5,774,573	6,432,558	89.77%	657,985	2,693,503	24.43%

Actuarial Valuation Information – The Utility Commission’s actuarial valuation information for the three most current actuarial valuations is as follows:

Current Valuation Date	January 1, 2013	January 1, 2012	January 1, 2011
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Closed Level Dollar	Closed Level Dollar	Closed Level Dollar
Remaining Amortization Period	Varies with Different Bases - With a Net Effective Amortization Period of 10 years	Varies with Different Bases - With a Net Effective Amortization Period of 11 years	Varies with Different Bases - With a Net Effective Amortization Period of 10 years
Asset Valuation Method	The Sum of the Actuarial Values Adjusted by Cash Flows and Investment Returns	The Sum of the Actuarial Values Adjusted by Cash Flows and Investment Returns	The Sum of the Actuarial Values Adjusted by Cash Flows and Investment Returns
Actuarial Assumptions:			
Investment Rate of Return	7.75%	7.75%	7.75%
Projected Salary Increases	3.50%	3.50%	3.50%
Expected Annual Inflation	0%	0%	0%

(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, 2013 and 2012*

Note 3 – Detailed Notes (Continued)

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, 2013 and 2012 as follows:

Net Investment in capital assets:	2013	2012
Cost of capital assets	\$ 48,569,986	\$ 47,868,606
Less accumulated depreciation	21,148,340	20,196,688
Book value	27,421,646	27,671,918
Less capital related debt	3,254,217	3,230,996
Net Investment in capital assets	\$ 24,167,429	\$ 24,440,922

Note 4 - Other Notes

4-A. Contract Commitments

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

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 \$68,618,954 at September 30, 2013 and \$69,578,114 at September 30, 2012. 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.

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 \$8,545,445 at September 30, 2013 and \$6,896,286 at September 30, 2012. 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, 2013 were \$793,034 and \$4,144,703; at September 30, 2012 they were \$2,022,851 and \$4,187,623, respectively. Due to the restrictions on the use of these two accounts, they are not presented on the comparative statement of Net position.

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2013 and 2012*

Note 4 - Other Notes (Continued)

Credits from the Municipal Competitive Trust for Power Supply Year 2013. 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 is \$1,157,508. The annual amount for the Utility Commission for 2011 is \$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 2014 is \$1,427,702.

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.

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, 2013 and 2012. 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.

The Utility Commission is contingently liable for their pro-rata share of the debt. The Utility Commission’s contingent contractual obligation total approximately \$4,664,635 at September 30, 2013 and \$5,773,230 at September 30, 2012. 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 near 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

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2013 and 2012*

granted an extension until October 15, 2012. On October 15, 2013 the USDA Rural Development granted a second extension until April 15, 2013. At that time an additional 60 day extension was approved. The Utility Commission anticipates that no further extensions will be required. Construction will begin in calendar year 2014.

Note 4 - Other Notes (Continued)

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, 2013 or 2012. 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.

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 Fort Valley Main Street Downtown Development Authority loan is current. A balloon payment is due in May 2014.

The Utility Commission placed a lift station on a parcel of land that is not owned by the Utility Commission and without the consent of the property owner. The lift station was placed on the property in 2007. The lift station sits on a 0.46 acre of land owned by Ms. Mary Beck Griffenhagen. The Heritage Pointe developer, Mr. Wendell Parker, was under the mistaken belief that he owned the land and he authorized the contactors to put the lift station on the property. The actual value of the parcel is estimated to be between two thousand and five thousand dollars. The Utility Commission has made an offer of ten thousand dollars, which was initially accepted, but subsequently refused. Utility Commission management is of the opinion the contingent liability is not likely to exceed eleven thousand dollars.

The Georgia Public Service Commission (GPSC) gave the Utility Commission notice of probable violation on August 29, 2013 regarding the alleged failure to follow its procedures required by its public awareness program and to establish its written plan with all requirements under this part. The GPSC Staff has reviewed the circumstances surrounding this alleged incident and has recommended a civil penalty in the amount of \$15,000. Utility Commission management is of the opinion the contingent liability is not likely to exceed five thousand dollars; and, may be less than five hundred dollars.

4-D. Subsequent Events

As a result of completing cost of service studies for all four utility services (natural gas, electric, water and sewer), the Utility Commission implemented the necessary rate increases to recover the costs of providing such services to its customers. The new rates were effective for billing cycle #1 in October 2012. Base charges were increased. Consumption charges were increased. Electric rates included an Environmental Compliance Cost Recovery (ECCR) element. Water and sewer rate tiers were expanded. And, additional costs were allocated to interruptible natural gas customers. No rate increases were implemented for billing cycle #1 in October 2013.

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2013 and 2012*

Note 4 - Other Notes (Continued)

The Utility Commission entered into a purchase agreement in October 2013 with Total Energy Corp. (Total Energy) to sell the propane air plant (peak shaving plant) located on South Camellia Boulevard, Fort Valley, Georgia. The sale is for eight 30,000 gallon 250 psi storage tanks, inclusive of the existing tank rims and approximately 100,000 gallons of propane contained in the storage tanks. It is the Utility Commission's intention to discontinue and divest itself of the business segment known as the Peak Shaving Plant operation in the Natural Gas Department in fiscal year 2014. This transaction will result in a gain on the sale of these capital assets in fiscal year 2014.

4-E. Significant Customer

The Peach Regional Medical Center (PRMC) is a top ten customer in all four utility services: natural gas, electric, water and sewer. PRMC began construction of a new facility during the 2012 fiscal year on the Hwy. 247 Connector at the intersection of John E. Sullivan Road and Walker Road. Electric service at that location will be provided by Flint Energies. Sewer collection will be provided by the City of Byron, Georgia. The Utility Commission will continue to provide water and natural gas service at the new location. PRMC relocated in July 2013.



Utility Commission
City of Fort Valley, Georgia
Combining Schedule of Operating Revenues and Expenses
(After Cost Allocation)
For the Year Ended September 30, 2013

	Natural				
	Gas	Electric	Water	Sewer	Total
Operating Revenues					
Charges for services	\$ 4,029,642	\$ 11,572,372	\$ 2,446,830	\$ 2,136,369	\$ 20,185,213
Miscellaneous	192,675	855,545	17,237	16,550	1,082,007
Total Operating Revenues	4,222,317	12,427,917	2,464,067	2,152,919	21,267,220
Operating Expenses					
Personal services	820,994	1,154,737	1,404,496	1,109,849	4,490,076
Purchased services	362,462	959,508	451,321	328,171	2,101,462
Materials and supplies	49,586	70,178	150,615	265,849	536,228
Repairs and maintenance	131,471	197,312	354,351	174,516	857,651
Gas and electric purchased for resale	2,263,093	8,708,725	(81,895)	33,360	10,923,283
Depreciation	136,236	113,325	373,171	478,956	1,101,687
Miscellaneous	60,699	84,109	79,203	56,353	280,364
Total Operating Expenses	3,824,541	11,287,894	2,731,262	2,447,054	20,290,751
Operating Income (Loss)	\$ 397,776	\$ 1,140,023	\$ (267,195)	\$ (294,135)	\$ 976,469

Utility Commission
City of Fort Valley, Georgia
Combining Schedule of Operating Revenues and Expenses
(Before Cost Allocation)
For the Year Ended September 30, 2013

	Natural	Electric	Water	Sewer	Telecom	Administrative, Meter and Warehouse Costs			Total	Total
	Gas					104	105	106	Administration	
Operating Revenues										
Charges for services	\$ 4,029,642	\$ 11,572,372	\$ 2,446,830	\$ 2,136,369	\$ 323,477	\$ -	\$ -	\$ -	\$ -	\$ 20,508,690
Miscellaneous	192,675	855,545	17,237	16,550	-	6,436	-	-	6,436	1,088,443
Total Operating Revenues	4,222,317	12,427,917	2,464,067	2,152,919	323,477	6,436	-	-	6,436	21,597,133
Operating Expenses										
Personal services	403,727	589,355	825,847	694,045	92,496	1,339,510	456,894	88,202	1,884,606	4,490,076
Purchased services	265,584	785,217	431,709	327,005	34,451	573,115	3,405	4,453	580,973	2,424,939
Materials and supplies	23,743	36,596	110,951	236,916	16,083	27,924	24,790	59,225	111,939	536,228
Repairs and maintenance	97,135	152,198	302,977	137,176	17,784	99,036	12,791	38,555	150,382	857,652
Gas and electric purchased for resale	2,253,776	8,708,725	(128,478)	(3,907)	93,166	-	-	-	-	10,923,282
Depreciation	111,623	89,604	313,364	433,087	74,938	79,071	-	-	79,071	1,101,687
Miscellaneous	-	-	-	-	-	286,800	-	-	286,800	286,800
Total Operating Expenses	3,155,588	10,361,695	1,856,370	1,824,322	328,918	2,405,456	497,880	190,435	3,093,771	20,620,664
Operating Income (Loss)	\$ 1,066,728	\$ 2,066,222	\$ 607,697	\$ 328,597	\$ (5,440)	\$ (2,399,020)	\$ (497,880)	\$ (190,435)	\$ (3,087,335)	\$ 976,469

Utility Commission
City of Fort Valley, Georgia
Combining Schedule of Operating Revenues and Expenses
(After Cost Allocation)
For the Year Ended September 30, 2012

	Natural				
	Gas	Electric	Water	Sewer	Total
Operating Revenues					
Charges for services	\$ 3,511,207	\$ 11,385,772	\$ 2,347,287	\$ 1,849,170	\$ 19,093,436
Miscellaneous	194,364	581,124	11,971	15,850	803,309
Total Operating Revenues	3,705,571	11,966,896	2,359,258	1,865,020	19,896,745
Operating Expenses					
Personal services	800,567	1,086,226	1,362,896	1,045,589	4,295,279
Purchased services	449,056	957,993	461,906	321,273	2,190,228
Materials and supplies	56,209	63,764	148,498	249,760	518,231
Repairs and maintenance	137,777	135,214	318,738	171,823	763,552
Gas and electric purchased for resale	1,976,899	8,802,401	(100,714)	30,844	10,709,430
Depreciation	139,574	110,900	399,618	478,724	1,128,817
Miscellaneous	34,143	47,319	44,559	31,702	157,724
Total Operating Expenses	3,594,228	11,203,817	2,635,501	2,329,715	19,763,261
Operating Income (Loss)	\$ 111,343	\$ 763,079	\$ (276,243)	\$ (464,695)	\$ 133,484

Utility Commission
City of Fort Valley, Georgia
Combining Schedule of Operating Revenues and Expenses
(Before Cost Allocation)
For the Year Ended September 30, 2012

	Natural	Electric	Water	Sewer	Telecom	Administrative, Meter and Warehouse Costs			Total	Total
	Gas					104	105	106	Administration	
Operating Revenues										
Charges for services	\$ 3,511,207	\$ 11,385,772	\$ 2,347,287	\$ 1,849,170	\$ 316,858	\$ -	\$ -	\$ -	\$ -	\$ 19,410,294
Miscellaneous	194,363	581,124	11,971	15,850	-	4,070	-	-	4,070	807,378
Total Operating Revenues	3,705,570	11,966,896	2,359,258	1,865,020	316,858	4,070	-	-	4,070	20,217,672
Operating Expenses										
Personal services	398,292	543,334	799,234	639,901	104,877	1,291,726	433,337	84,575	1,809,638	4,295,276
Purchased services	366,421	804,513	457,993	330,933	35,631	508,547	(990)	4,040	511,597	2,507,088
Materials and supplies	33,556	33,380	116,257	226,499	7,261	22,320	27,834	51,123	101,277	518,230
Repairs and maintenance	104,498	90,250	272,248	138,378	8,297	96,916	10,679	42,287	149,882	763,553
Gas and electric purchased for resale	1,968,539	8,802,401	(142,504)	(2,588)	83,580	-	-	-	-	10,709,428
Depreciation	113,990	85,967	338,186	431,655	75,906	83,109	-	-	83,109	1,128,813
Miscellaneous	-	-	-	-	-	161,800	-	-	161,800	161,800
Total Operating Expenses	2,985,296	10,359,845	1,841,414	1,764,778	315,552	2,164,418	470,860	182,025	2,817,303	20,084,188
Operating Income (Loss)	\$ 720,274	\$ 1,607,051	\$ 517,844	\$ 100,242	\$ 1,306	\$ (2,160,348)	\$ (470,860)	\$ (182,025)	\$ (2,813,233)	\$ 133,484

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, 2013 and 2012

Object Classification	2013				2012			
	Original Budget	Final Budget	Actual	Variance With Final Budget	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:								
Charges for services:								
Electric	\$ 13,163,039	\$ 13,163,039	\$ 11,582,170	\$ (1,580,869)	\$ 11,551,910	\$ 11,551,910	\$ 11,416,782	\$ (135,128)
Gas	3,777,616	3,777,616	4,029,642	252,026	4,508,199	4,508,199	3,523,642	(984,557)
Water	3,062,338	3,062,338	2,455,269	(607,069)	2,528,490	2,528,490	2,353,415	(175,075)
Sewer	2,206,766	2,206,766	2,143,728	(63,038)	1,823,980	1,823,980	1,855,892	31,912
Telecom	290,712	290,712	325,577	34,865	288,360	288,360	318,958	30,598
Fees	208,625	208,625	326,248	117,623	202,200	202,200	304,839	102,639
Investment earnings	48,277	48,277	13,959	(34,318)	13,800	13,800	30,322	16,522
Miscellaneous	373,861	373,861	762,195	388,334	367,434	367,434	502,539	135,105
Total Revenues	23,131,234	23,131,234	21,638,787	(1,492,446)	21,284,373	21,284,373	20,306,389	(977,984)
Expenses:								
Personal Services:								
Salaries and wages	3,027,485	3,027,485	2,878,293	149,192	2,892,946	2,892,946	2,736,310	156,636
Payroll taxes	229,215	229,215	207,815	21,400	218,922	218,922	198,935	19,987
Group insurance	1,324,082	1,324,082	1,076,462	247,620	1,200,729	1,200,729	1,083,784	116,945
Pension	289,858	289,858	308,960	(19,102)	239,703	239,703	239,702	1
Uniforms	23,424	23,424	14,542	8,882	23,058	23,058	32,390	(9,332)
Safety shoes	6,300	6,300	4,006	2,294	6,450	6,450	4,154	2,296
Total Personal Services	4,900,364	4,900,364	4,490,077	410,288	4,581,808	4,581,808	4,295,275	286,533
Purchased Services:								
Professional services - audit	39,000	39,000	38,866	134	38,000	38,000	38,698	(698)
Professional services - legal	7,200	7,200	6,643	557	7,200	7,200	7,782	(582)
Professional services - engineering	24,300	24,300	26,088	(1,788)	24,600	24,600	11,967	12,633
Professional services - other	366,519	366,519	397,929	(31,410)	345,000	345,000	540,230	(195,230)
Professional services - MEAG Power	46,000	46,000	34,604	11,395	45,000	45,000	17,682	27,319
Communications - postage	31,200	31,200	34,830	(3,630)	31,800	31,800	30,948	852
Communications - telephones	37,020	37,020	26,953	10,067	28,020	28,020	34,728	(6,708)
Utilities	481,164	481,164	460,857	20,307	497,400	497,400	480,242	17,158
Advertising	5,800	5,800	4,594	1,207	4,500	4,500	4,928	(428)
Transportation, room and board	24,900	24,900	13,682	11,218	21,300	21,300	14,313	6,987
Continuing professional education	26,700	26,700	14,028	12,672	28,200	28,200	12,956	15,244
Insurance	280,584	280,584	255,272	25,312	248,538	248,538	256,776	(8,238)
Vehicles and equipment - other	5,400	5,400	-	5,400	5,400	5,400	-	5,400
Total Purchased Services	1,375,787	1,375,787	1,314,346	61,441	1,324,958	1,324,958	1,451,250	(126,292)
Total Expenses Carried Forward	6,276,151	6,276,151	5,804,423	471,729	5,906,766	5,906,766	5,746,525	160,241

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, 2013 and 2012

Object Classification	2013				2012			
	Original Budget	Final Budget	Actual	Variance With Final Budget	Original Budget	Final Budget	Actual	Variance With Final Budget
Total Expenses Brought Forward	\$ 6,276,151	\$ 6,276,151	\$ 5,804,423	\$ 471,729	\$ 5,906,766	\$ 5,906,766	\$ 5,746,525	\$ 160,241
Materials and Supplies:								
General office	15,000	15,000	18,696	(3,696)	15,000	15,000	15,115	(115)
Printed forms	6,000	6,000	7,644	(1,644)	6,000	6,000	5,648	352
General operating	293,100	293,100	290,196	2,904	309,000	309,000	315,165	(6,165)
Hand tools and small equipment	31,500	31,500	57,792	(26,292)	37,200	37,200	26,605	10,595
Safety	12,300	12,300	16,336	(4,036)	12,300	12,300	8,662	3,638
Custodial	7,200	7,200	7,755	(555)	7,200	7,200	4,599	2,601
City of Fort Valley	5,100	5,100	4,164	936	5,100	5,100	5,148	(48)
Vehicles and equipment - fuel and oil	138,900	138,900	133,645	5,255	125,400	125,400	137,289	(11,889)
Total Materials and Supplies	509,100	509,100	536,228	(27,129)	517,200	517,200	518,231	(1,031)
Repairs and Maintenance:								
Metering service	10,800	10,800	15,434	(4,634)	9,900	9,900	19,132	(9,232)
Overhead lines	126,000	126,000	39,667	86,333	128,000	128,000	34,046	93,954
Underground lines	44,100	44,100	103,546	(59,446)	59,400	59,400	120,363	(60,963)
Stations	83,400	83,400	46,582	36,818	99,900	99,900	60,912	38,988
Office equipment	98,700	98,700	127,275	(28,575)	98,700	98,700	97,446	1,254
Vehicles	36,000	36,000	43,660	(7,660)	39,900	39,900	35,195	4,705
Heavy equipment	99,000	99,000	120,485	(21,485)	105,000	105,000	94,482	10,518
Communications	16,200	16,200	3,573	12,627	18,600	18,600	5,048	13,552
Buildings	104,600	104,600	74,850	29,750	62,800	62,800	52,240	10,560
Other	224,100	224,100	282,579	(58,479)	170,700	170,700	244,688	(73,988)
Total Repairs and Maintenance	842,900	842,900	857,651	(14,750)	792,900	792,900	763,552	29,348
Total Gas and Electric Purchased For Resale	12,338,179	12,338,179	10,923,283	1,414,896	12,297,609	12,297,609	10,709,428	1,588,181
Depreciation	1,105,716	1,105,716	1,101,687	4,029	1,229,049	1,229,049	1,128,814	100,235
Total Expenses Carried Forward	21,072,046	21,072,046	19,223,272	1,848,775	20,743,524	20,743,524	18,866,550	1,876,974

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, 2013 and 2012

Object Classification	2013				2012			
	Original Budget	Final Budget	Actual	Variance With Final Budget	Original Budget	Final Budget	Actual	Variance With Final Budget
Total Expenses Brought Forward	\$ 21,072,046	\$ 21,072,046	\$ 19,223,272	\$ 1,848,775	\$ 20,743,524	\$ 20,743,524	\$ 18,866,550	\$ 1,876,974
Miscellaneous:								
Operating	11,400	11,400	23,363	(11,963)	11,400	11,400	3,014	8,386
Non-operating	75,600	75,600	110,115	(34,515)	75,600	75,600	74,841	759
Interest	64,788	64,788	64,787	-	68,093	68,093	68,093	-
Bad debts	150,024	150,024	27,696	122,328	150,000	150,000	58,395	91,605
Franchise fees	935,268	935,268	954,673	(19,405)	969,773	969,773	965,963	3,810
Property and franchise taxes	3,000	3,000	-	3,000	3,000	3,000	-	3,000
City of Roberta collection fees	6,000	6,000	1,905	4,095	6,000	6,000	3,506	2,494
Aid to other governments	75,800	300,800	286,800	14,000	75,800	175,800	161,800	14,000
Total Miscellaneous	<u>1,321,880</u>	<u>1,546,880</u>	<u>1,469,339</u>	<u>77,540</u>	<u>1,359,666</u>	<u>1,459,666</u>	<u>1,335,612</u>	<u>124,054</u>
Total Expenses	<u>22,393,926</u>	<u>22,618,926</u>	<u>20,692,611</u>	<u>1,926,315</u>	<u>22,103,190</u>	<u>22,203,190</u>	<u>20,202,162</u>	<u>2,001,028</u>
Net Income - Budgetary Basis	<u>\$ 737,308</u>	<u>\$ 512,308</u>	946,176	<u>\$ 433,869</u>	<u>\$ (818,817)</u>	<u>\$ (918,817)</u>	104,227	<u>\$ 1,023,044</u>
Non-budgeted Items:								
Contributions			31,620				-	
Capitalized labor costs			23,615				8,882	
Loss on disposal of capital assets			(74,071)				(1,050)	
Inventory adjustments			(44,147)				(17,397)	
Change in Net Position - GAAP Basis			<u>\$ 883,192</u>				<u>\$ 94,662</u>	



TAB #3

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.



TAB #4

Financial Trends

(Unaudited)



Table S-1

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

Amounts ⁶							
Fiscal Year	Operating Revenue	Operating Expenses ^{1,7}	Operating Income	Total Net Nonoperating Revenue (Expense) ⁸	Income (Loss) Before Capital Contributions	Net Capital Contributions ²	Change in Net Position
2004	\$ 18,240,608	\$ 17,092,354	\$ 1,148,254	\$ 50,386	\$ 1,198,640	\$ 943,008	\$ 2,141,648
2005	18,524,667	17,802,517	722,150	140,038	862,188	245	862,433
2006	19,304,374	19,324,355	(19,981)	282,461	262,480	79,701	342,181
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) ⁴	51,039	905,427	956,466
2009	19,423,958	18,562,187	861,771	(313,784)	547,987	7,094,569 ⁵	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
Annual Percentage Change							
2004	2.6%	6.1%	-31.4%	-87.4%	-42.2%	2071.0%	5.7%
2005	1.6%	4.2%	-37.1%	177.9%	-28.1%	-100.0%	-59.7%
2006	4.2%	8.5%	-102.8%	101.7%	-69.6%	32431.0%	-60.3%
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%

Notes:

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

² Capital contributions were restated from a direct charge to net assets from 2002-2003.

³ Includes an extraordinary item - settlement of insurance claim \$514,782.

⁴ Includes a special item for early payment to MEAG for telecom MEAG debt.

⁵ Includes a cash contribution from Peach County from 2000 SPLOST funds for the Walter S. Lanter Reclamation Facility.

Data Sources:

⁶ Applicable years' annual financial report.

⁷ Table S-2

⁸ Table S-3

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

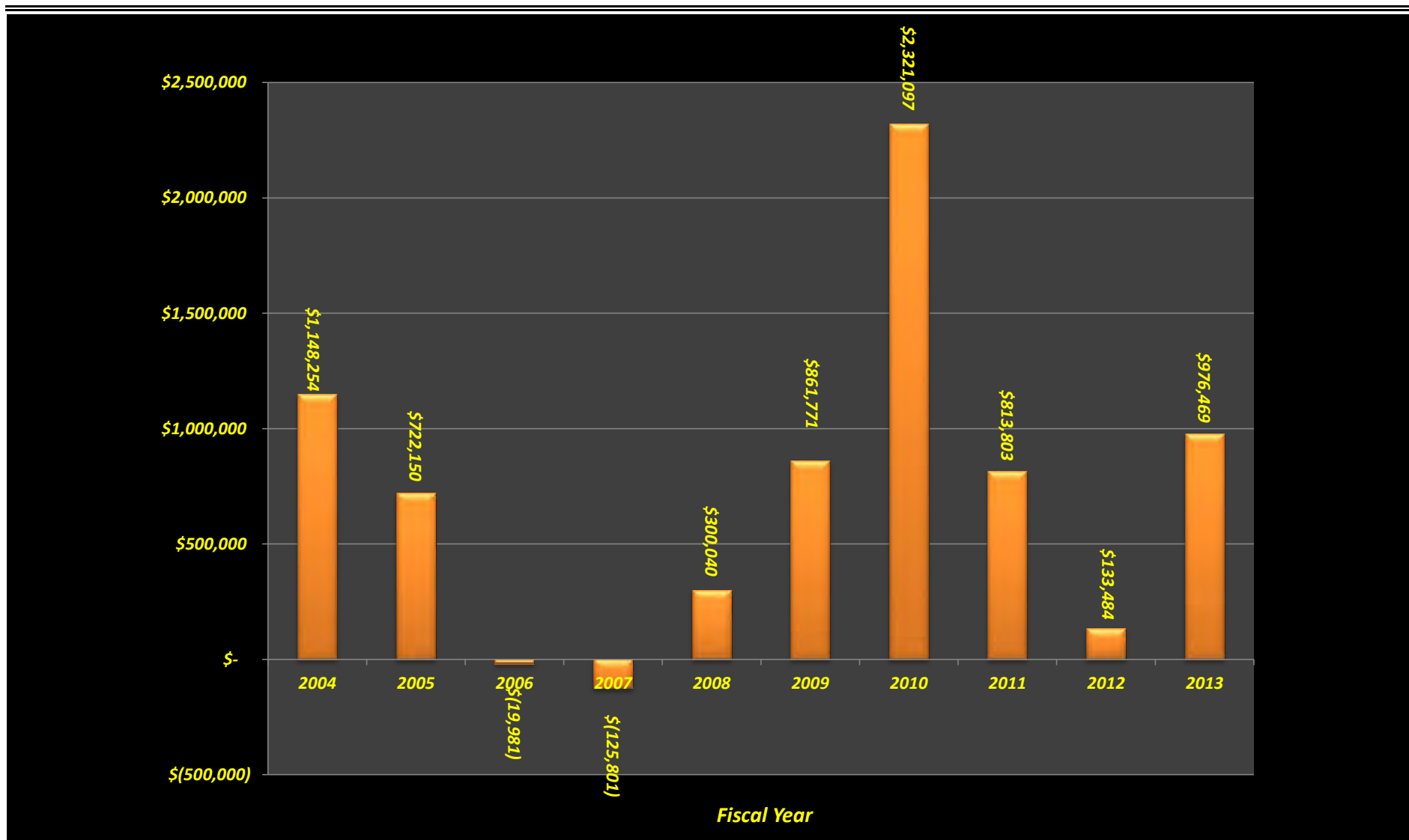


Table S-2

**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
2004	\$ 3,284,113	\$ 1,944,421	\$ 191,583	\$ 560,597	\$ 9,961,262	\$ 973,432	\$ 176,946	\$ 17,092,354
2005	3,341,728	1,797,278	301,316	652,604	10,539,105	1,027,611	142,875	17,802,517
2006	3,397,435	1,803,757	341,771	537,288	11,973,969	1,049,708	220,427	19,324,355
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	18,562,187
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
*	\$ 3,826,981	\$ 1,993,643	\$ 395,764	\$ 683,101	\$ 10,787,108	\$ 1,069,302	\$ 180,827	\$ 18,936,726
**	36.7%	8.1%	179.9%	53.0%	9.7%	13.2%	58.4%	18.7%
Annual Percentage Change								
2004	7.4%	1.1%	-28.9%	19.5%	5.2%	5.5%	100.0%	6.1%
2005	1.8%	-7.6%	57.3%	16.4%	5.8%	5.6%	-19.3%	4.2%
2006	1.7%	0.4%	13.4%	-17.7%	13.6%	2.2%	54.3%	8.5%
2007	1.0%	8.5%	0.4%	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%

* 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*⁵
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)
2004	\$ (12,818)	\$ 94,777	\$ (31,573)	\$ -	\$ 50,386
2005	(14,697)	155,796	(1,061)	-	140,038
2006	(13,977)	310,218	(13,780)	-	282,461
2007	(13,235)	418,387	(41,409) ¹	-	363,743
2008	(12,470)	342,470	-	(579,001) ²	(249,001)
2009	(40,488)	191,249	(464,545) ³	-	(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)	-	(38,822)
2013	(64,787)	13,961	(74,071) ⁴	-	(124,897)

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.

Data Source:

⁵ Applicable years' annual financial report.

Table S-4

**Utility Commission
City of Fort Valley, Georgia
Annual Capital Contributions - By Source - All Services ¹
Last Ten Fiscal Years**

Fiscal Year	Amounts ^{2, 5}				
	Developers	Peach County	State of Georgia ³	Other ⁴	Total
2004	\$ 245	\$ 940,408	\$ -	\$ 2,355	\$ 943,008
2005	245	-	-	-	245
2006	-	-	-	79,701	79,701
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

Notes:

¹ Capital contributions were restated from a direct charge to net assets in 2003.

² Negative capital contributions are transfers of capital assets to other entities or retirement of capital assets acquired with capital contributions.

³ Fiscal year 2008 includes a capital grant received from GEFA.

⁴ 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.

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	Operating Revenue ^{1,5}		Operating Expenses ⁵		Operating Income (Loss)	
	Amount	% Change	Amount	% Change	Amount	% Change
2004 ²	\$ 5,613,746	4.1%	\$ 5,043,903	11.8%	\$ 569,843	-35.1%
2005	5,930,287	5.6%	5,778,509	14.6%	151,778	-73.4%
2006 ³	6,420,638	8.3%	6,778,728	17.3%	(358,090)	-335.9%
2007 ⁴	5,829,802	-9.2%	5,531,818	-18.4%	297,984	183.2%
2008 ⁴	6,571,594	12.7%	6,327,670	14.4%	243,924	-18.1%
2009 ⁴	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	4,222,317	13.9%	3,824,541	6.4%	397,776	257.3%

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 operating loss results from the first quarter of 2006, when the city distribution charge was not billed to customers, due to the higher gas spot costs resulting from hurricanes in the Gulf of Mexico.

⁴ 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.

Data Source:

⁵ Table S-6

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

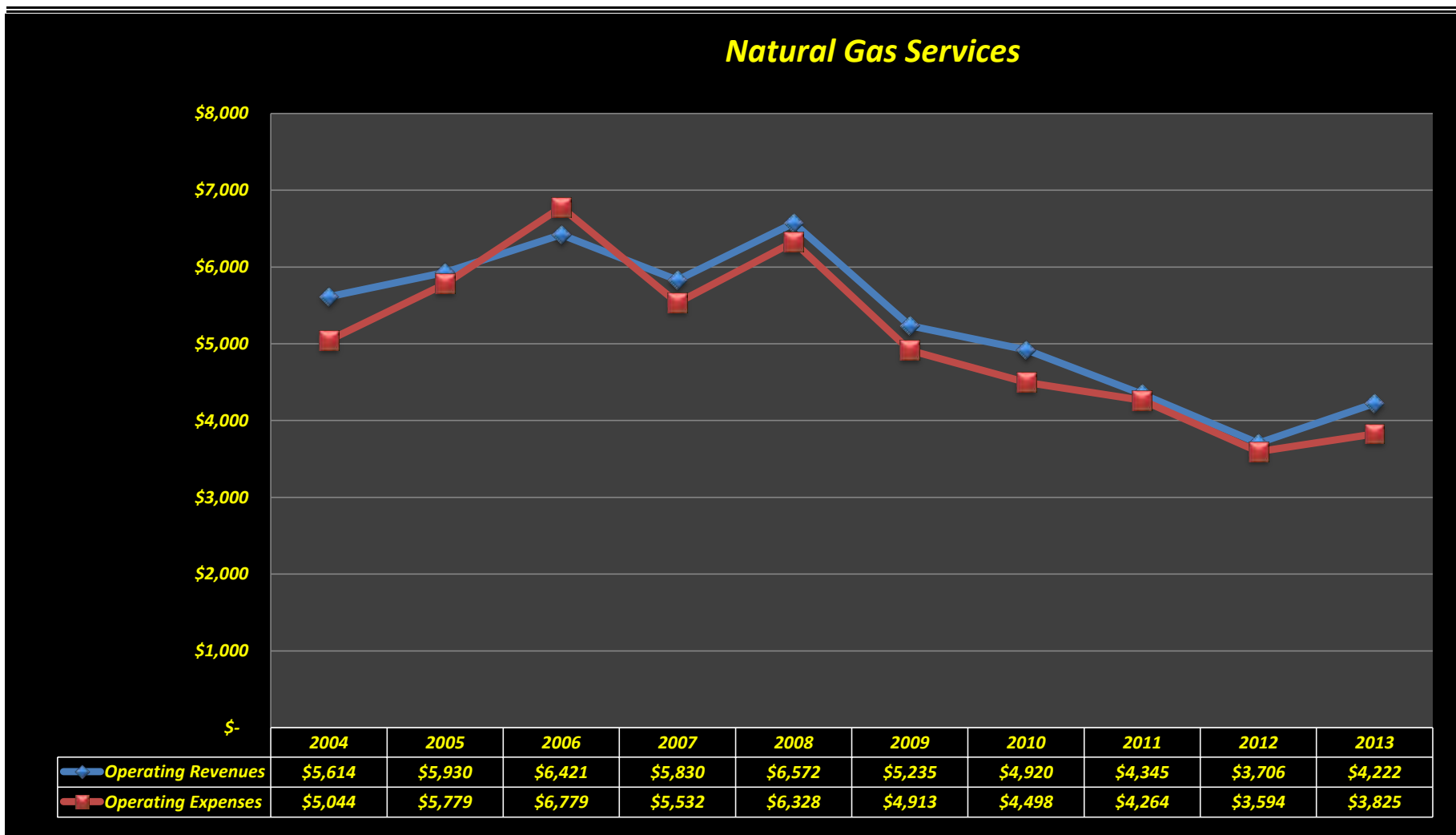


Table S-6

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Amounts ^{1,2,3}										
Operating Revenues	\$ 5,613,746	\$ 5,930,287	\$ 6,420,638	\$ 5,829,802	\$ 6,571,594	\$ 5,235,134	\$ 4,919,587	\$ 4,345,343	\$ 3,705,571	\$ 4,222,317
Operating Expenses:										
Personal services	637,048	665,922	685,637	676,803	741,776	756,275	710,216	757,987	800,567	820,994
Purchased services	423,775	399,856	398,355	460,739	426,795	467,309	375,117	436,300	449,059	362,462
Materials and supplies	11,846	36,018	40,582	37,160	45,380	33,649	34,414	46,865	56,209	49,586
Repairs and maintenance	77,167	80,021	71,856	77,892	70,025	67,766	67,916	104,389	137,777	131,471
Gas purchased for resale	3,759,336	4,452,161	5,411,654	4,119,499	4,917,956	3,451,573	3,130,824	2,726,969	1,976,899	2,263,093
Depreciation	96,749	118,691	122,690	118,284	115,257	113,888	126,914	138,254	139,574	136,236
Miscellaneous	37,982	25,840	47,954	41,441	10,481	22,481	52,651	52,986	34,143	60,699
Total Operating Expenses	5,043,903	5,778,509	6,778,728	5,531,818	6,327,670	4,912,941	4,498,052	4,263,750	3,594,228	3,824,541
Operating Income (Loss)	\$ 569,843	\$ 151,778	\$ (358,090)	\$ 297,984	\$ 243,924	\$ 322,193	\$ 421,535	\$ 81,593	\$ 111,343	\$ 397,776
Percentage of Total										
Operating Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Operating Expenses:										
Personal services	12.6%	11.5%	10.1%	12.2%	11.7%	15.4%	15.8%	17.8%	22.3%	21.5%
Purchased services	8.4%	6.9%	5.9%	8.3%	6.7%	9.5%	8.3%	10.2%	12.5%	9.5%
Materials and supplies	0.2%	0.6%	0.6%	0.7%	0.7%	0.7%	0.8%	1.1%	1.6%	1.3%
Repairs and maintenance	1.5%	1.4%	1.1%	1.4%	1.1%	1.4%	1.5%	2.4%	3.8%	3.4%
Gas purchased for resale	74.5%	77.0%	79.8%	74.5%	77.7%	70.3%	69.6%	64.0%	55.0%	59.2%
Depreciation	1.9%	2.1%	1.8%	2.1%	1.8%	2.3%	2.8%	3.2%	3.9%	3.6%
Miscellaneous	0.8%	0.4%	0.7%	0.7%	0.2%	0.5%	1.2%	1.2%	0.9%	1.5%
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	10.2%	2.6%	-5.6%	5.1%	3.7%	6.2%	8.6%	1.9%	3.0%	9.4%

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 an extremely cold winter. 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
2004	\$ 637,048	\$ 423,775	\$ 11,846	\$ 77,167	\$ 3,759,336	\$ 96,749	\$ 37,982	\$ 5,043,903
2005	665,922	399,856	36,018	80,021	4,452,161	118,691	25,840	5,778,509
2006	685,637	398,355	40,582	71,856	5,411,654	122,690	47,954	6,778,728
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	4,498,053
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
*	\$ 725,322	\$ 419,977	\$ 39,171	\$ 88,628	\$ 3,620,996	\$ 122,654	\$ 38,666	\$ 5,055,414
**	28.9%	-14.5%	318.6%	70.4%	-39.8%	40.8%	59.8%	-24.2%
Annual Percentage Change								
2004	15.5%	4.0%	-65.0%	104.0%	11.0%	-0.7%	0.0%	11.8%
2005	4.5%	-5.6%	204.1%	3.7%	18.4%	22.7%	100.0%	14.6%
2006	3.0%	-0.4%	12.7%	-10.2%	21.6%	3.4%	85.6%	17.3%
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%

* 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) ⁵
Electric Service
Last Ten Fiscal Years

Fiscal Year	Operating Revenue ¹		Operating Expenses		Operating Income (Loss)	
	Amount	% Change	Amount	% Change	Amount	% Change
2004 ²	\$ 9,704,630	1.8%	\$ 8,364,301	2.7%	\$ 1,340,329	-3.1%
2005	9,910,675	2.1%	8,268,050	-1.2%	1,642,625	22.6%
2006	9,973,653	0.6%	8,681,682	5.0%	1,291,971	-21.3%
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%

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.

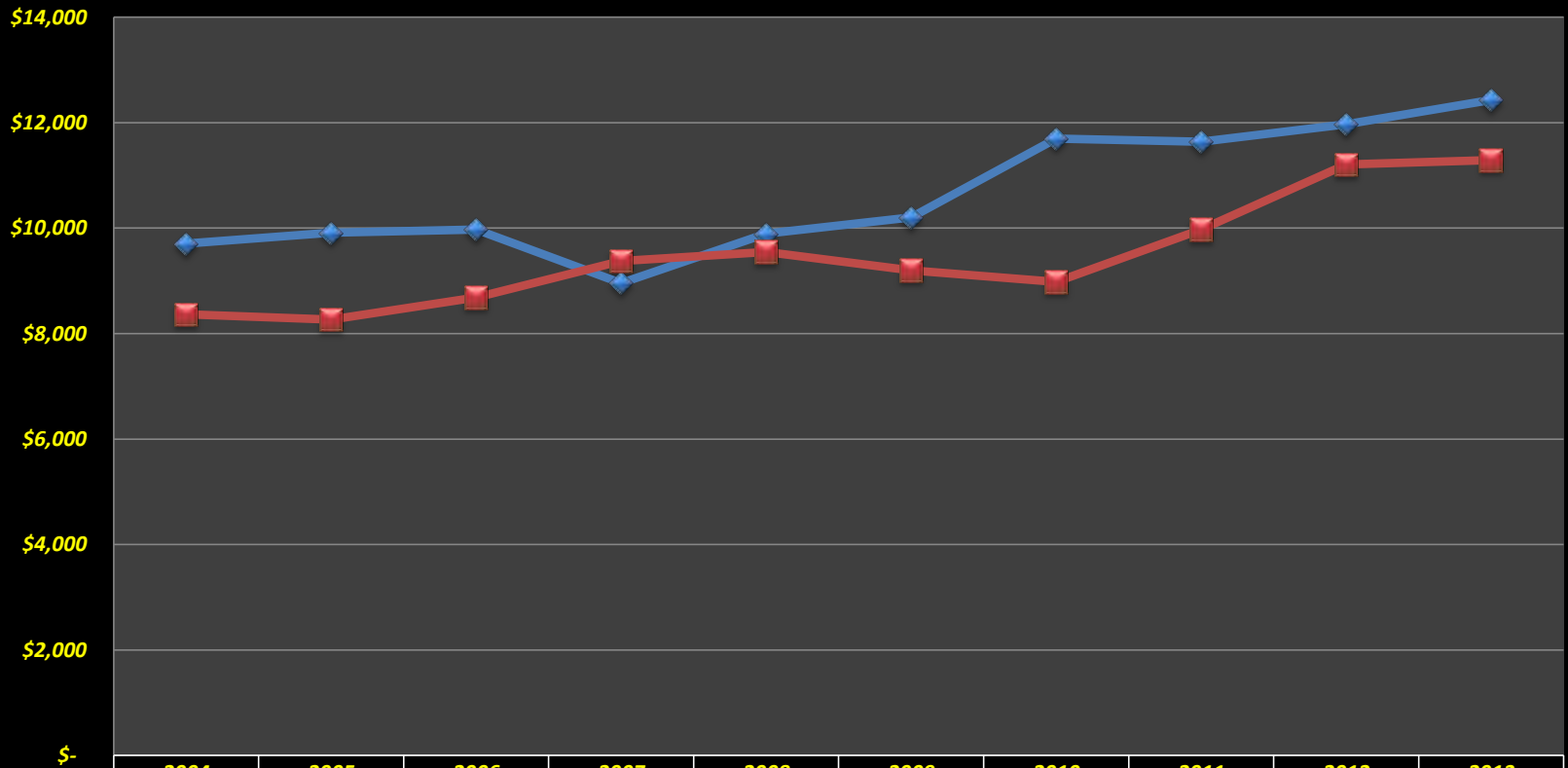
⁸ Fiscal year rate increase across the board effective October 2013.

Data Source:

⁵ 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



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Operating Revenues	\$9,705	\$9,911	\$9,974	\$8,955	\$9,895	\$10,200	\$11,698	\$11,640	\$11,967	\$12,428
Operating Expenses	\$8,364	\$8,268	\$8,682	\$9,376	\$9,545	\$9,198	\$8,983	\$9,971	\$11,204	\$11,288

Table S-9

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Amounts ^{1,2}										
Operating Revenues	\$ 9,704,630	\$ 9,910,675	\$ 9,973,653	\$ 8,954,698	\$ 9,895,391	\$ 10,200,263	\$ 11,698,443	\$ 11,639,674	\$ 11,966,896	\$ 12,427,917
Operating Expenses:										
Personal services	903,135	924,521	892,097	904,099	989,124	1,068,882	1,065,711	1,063,623	1,086,226	1,154,737
Purchased services	740,291	717,394	708,620	756,360	727,949	748,625	873,815	916,785	957,993	959,508
Materials and supplies	19,945	46,632	44,201	58,920	68,137	51,412	51,954	74,214	63,764	70,178
Repairs and maintenance	104,339	156,690	94,806	127,357	131,299	148,474	120,357	163,709	135,214	197,312
Electric purchased for resale	6,217,624	6,098,610	6,590,410	7,184,423	7,314,199	6,960,776	6,693,486	7,573,134	8,802,401	8,708,725
Depreciation	326,040	288,196	284,725	286,987	299,955	188,515	104,725	105,770	110,900	113,325
Miscellaneous	52,927	36,007	66,823	57,746	14,604	31,324	72,961	73,424	47,319	84,109
Total Operating Expenses	8,364,301	8,268,050	8,681,682	9,375,892	9,545,267	9,198,008	8,983,009	9,970,659	11,203,817	11,287,894
Operating Income (Loss)	\$ 1,340,329	\$ 1,642,625	\$ 1,291,971	\$ (421,194)	\$ 350,124	\$ 1,002,255	\$ 2,715,434	\$ 1,669,015	\$ 763,079	\$ 1,140,023
Percentage of Total										
Operating Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Operating Expenses:										
Personal services	10.8%	11.2%	10.3%	9.6%	10.4%	11.6%	11.9%	10.7%	9.7%	10.2%
Purchased services	8.9%	8.7%	8.2%	8.1%	7.6%	8.1%	9.7%	9.2%	8.6%	8.5%
Materials and supplies	0.2%	0.6%	0.5%	0.6%	0.7%	0.6%	0.6%	0.7%	0.6%	0.6%
Repairs and maintenance	1.2%	1.9%	1.1%	1.4%	1.4%	1.6%	1.3%	1.6%	1.2%	1.7%
Electric purchased for resale	74.3%	73.8%	75.9%	76.6%	76.6%	75.7%	74.5%	76.0%	78.6%	77.2%
Depreciation	3.9%	3.5%	3.3%	3.1%	3.1%	2.0%	1.2%	1.1%	1.0%	1.0%
Miscellaneous	0.6%	0.4%	0.8%	0.6%	0.2%	0.3%	0.8%	0.7%	0.4%	0.8%
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	13.8%	16.6%	13.0%	-4.7%	3.5%	9.8%	23.2%	14.3%	6.4%	9.2%

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	
2004	\$ 903,135	\$ 740,291	\$ 19,945	\$ 104,339	\$ 6,217,624	\$ 326,040	\$ 52,927	\$ 8,364,301	
2005	924,521	717,394	46,632	156,690	6,098,610	288,196	36,007	8,268,050	
2006	892,097	708,620	44,201	94,806	6,590,410	284,725	66,823	8,681,682	
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 ²	1,068,882	748,625	51,412	148,474	6,960,776	188,515	31,324	9,198,010	
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	
*	\$ 1,005,216	\$ 810,734	\$ 54,936	\$ 137,956	\$ 7,214,379	\$ 210,914	\$ 53,724	\$ 9,487,858	
**	27.9%	29.6%	251.9%	89.1%	40.1%	-65.2%	58.9%	35.0%	
Annual Percentage Change									
2004	12.1%	-5.6%	-57.1%	-5.5%	2.2%	3.2%	100.0%	2.7%	
2005	2.4%	-3.1%	133.8%	50.2%	-1.9%	-11.6%	-32.0%	-1.2%	
2006	-3.5%	-1.2%	-5.2%	-39.5%	8.1%	-1.2%	85.6%	5.0%	
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%	

* 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	Operating Revenue ¹		Operating Expenses		Operating Income (Loss)	
	Amount	% Change	Amount	% Change	Amount	% Change
2004 ²	\$ 1,729,698	12.1%	\$ 2,114,642	17.7%	\$ (384,944)	51.2%
2005	1,556,145	-10.0%	2,206,278	4.3%	(650,133)	-68.9%
2006	1,707,218	9.7%	2,178,846	-1.2%	(471,628)	27.5%
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%

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 2013.

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

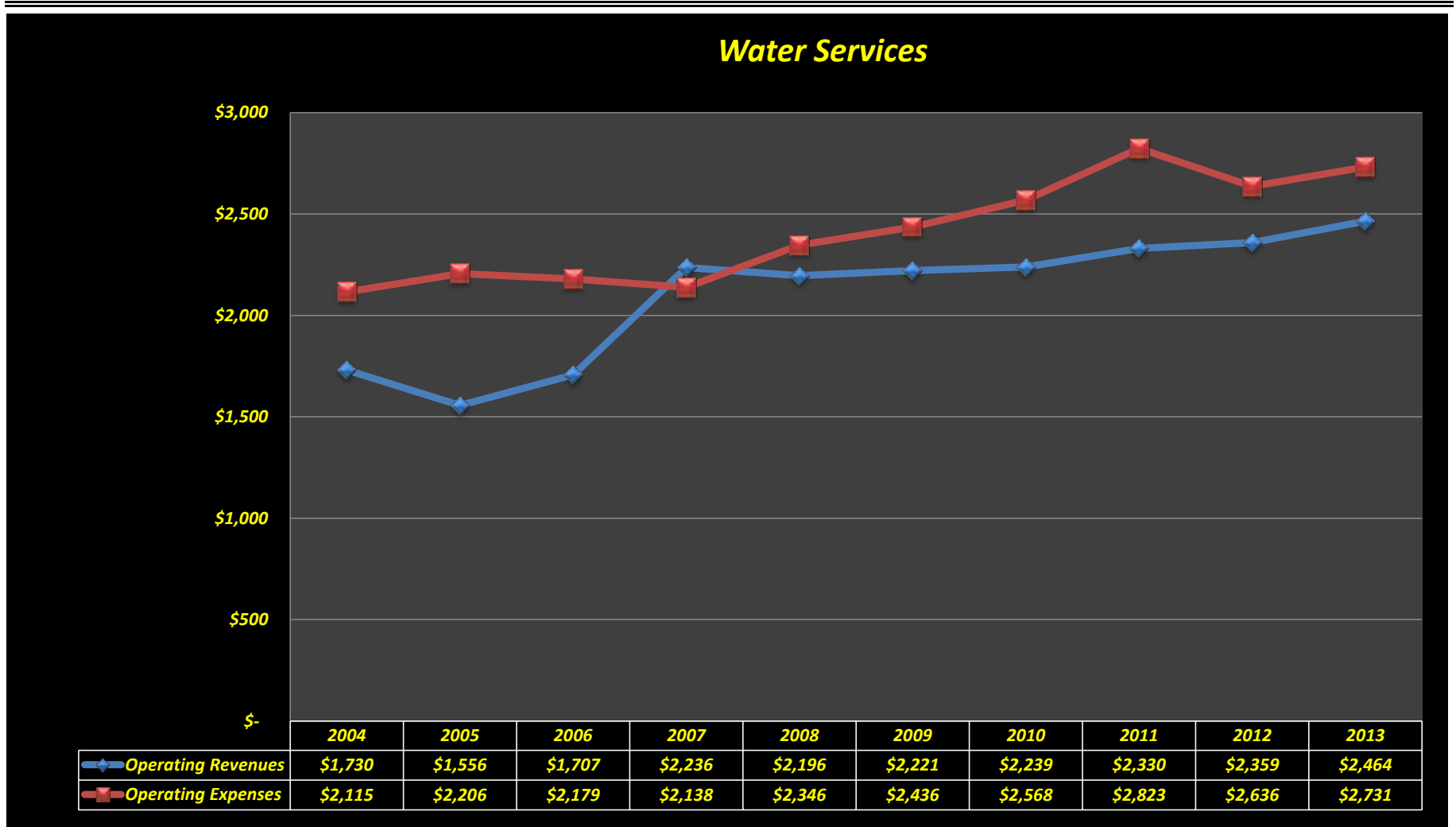


Table S-12

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

	2004 ²	2005	2006	2007	2008	2009	2010	2011	2012	2013
Amounts ^{1,3}										
Operating Revenues	\$ 1,729,698	\$ 1,556,145	\$ 1,707,218	\$ 2,235,606	\$ 2,196,077	\$ 2,221,367	\$ 2,238,516	\$ 2,329,823	\$ 2,359,258	\$ 2,464,067
Operating Expenses:										
Personal services	1,008,690	1,025,555	1,036,369	1,036,416	1,133,793	1,233,874	1,293,993	1,326,267	1,362,896	1,404,496
Purchased services	456,400	380,294	377,624	371,276	437,126	409,833	329,716	357,638	461,906	451,321
Materials and supplies	63,705	80,644	98,629	96,316	124,432	111,795	130,325	178,880	148,498	150,615
Repairs and maintenance	149,154	244,804	189,896	184,000	240,360	268,292	328,335	477,871	318,738	354,351
Cost of treated water contra expense	(6,750)	(3,385)	(15,613)	(43,458)	(57,364)	(103,167)	(70,152)	(70,698)	(100,714)	(81,895)
Depreciation	392,054	420,908	430,035	439,603	454,128	485,947	487,561	484,063	399,618	373,171
Miscellaneous	51,389	57,458	61,906	53,498	13,530	29,019	68,705	69,141	44,559	79,203
Total Operating Expenses	2,114,642	2,206,278	2,178,846	2,137,651	2,346,005	2,435,594	2,568,483	2,823,162	2,635,501	2,731,262
Operating Income (Loss)	\$ (384,944)	\$ (650,133)	\$ (471,628)	\$ 97,955	\$ (149,928)	\$ (214,227)	\$ (329,967)	\$ (493,339)	\$ (276,243)	\$ (267,195)
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	47.7%	46.5%	47.6%	48.5%	48.3%	50.7%	50.4%	47.0%	51.7%	51.4%
Purchased services	21.6%	17.2%	17.3%	17.4%	18.6%	16.8%	12.8%	12.7%	17.5%	16.5%
Materials and supplies	3.0%	3.7%	4.5%	4.5%	5.3%	4.6%	5.1%	6.3%	5.6%	5.5%
Repairs and maintenance	7.1%	11.1%	8.7%	8.6%	10.2%	11.0%	12.8%	16.9%	12.1%	13.0%
Cost of treated water contra expense	-0.3%	-0.2%	-0.7%	-2.0%	-2.4%	-4.2%	-2.7%	-2.5%	-3.8%	-3.0%
Depreciation	18.5%	19.1%	19.7%	20.6%	19.4%	20.0%	19.0%	17.1%	15.2%	13.7%
Miscellaneous	2.4%	2.6%	2.8%	2.5%	0.6%	1.2%	2.7%	2.4%	1.7%	2.9%
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	-22.3%	-41.8%	-27.6%	4.4%	-6.8%	-9.6%	-14.7%	-21.2%	-11.7%	-10.8%

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	Depreciation	Miscellaneous	Total
2004	\$ 1,008,690	\$ 456,400	\$ 63,705	\$ 149,154	\$ (6,750)	\$ 392,054	\$ 51,389	\$2,114,642
2005	1,025,555	380,294	80,644	244,804	(3,385)	420,908	57,458	2,206,278
2006	1,036,369	377,624	98,629	189,896	(15,613)	430,035	61,906	2,178,846
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	2,435,594
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
*	\$ 1,186,235	\$ 403,313	\$ 118,384	\$ 275,580	\$ (55,320)	\$ 436,709	\$ 52,841	\$2,417,742
**	39.2%	-1.1%	136.4%	137.6%	1113.3%	-4.8%	54.1%	29.2%
Annual Percentage Change								
2004	21.3%	18.6%	6.2%	-19.1%	100.0%	16.6%	100.0%	17.7%
2005	1.7%	-16.7%	26.6%	64.1%	-49.9%	7.4%	11.8%	4.3%
2006	1.1%	-0.7%	22.3%	-22.4%	361.3%	2.2%	7.7%	-1.2%
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%

* Dollar average for ten years.

** Percentage change in dollars over ten years.

Notes:

¹ Amounts presented after cost allocation.

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	Operating Revenue ¹		Operating Expenses		Operating Income (Loss)	
	Amount	% Change	Amount	% Change	Amount	% Change
2004 ²	\$ 1,192,534	-4.3%	\$ 1,569,508	22.8%	\$ (376,974)	-1080.7%
2005	1,127,560	-5.4%	1,549,681	-1.3%	(422,121)	-12.0%
2006	1,202,865	6.7%	1,685,101	8.7%	(482,237)	-14.2%
2007 ³	1,667,192	38.6%	1,767,738	4.9%	(100,546)	79.2%
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%

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 2013.

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

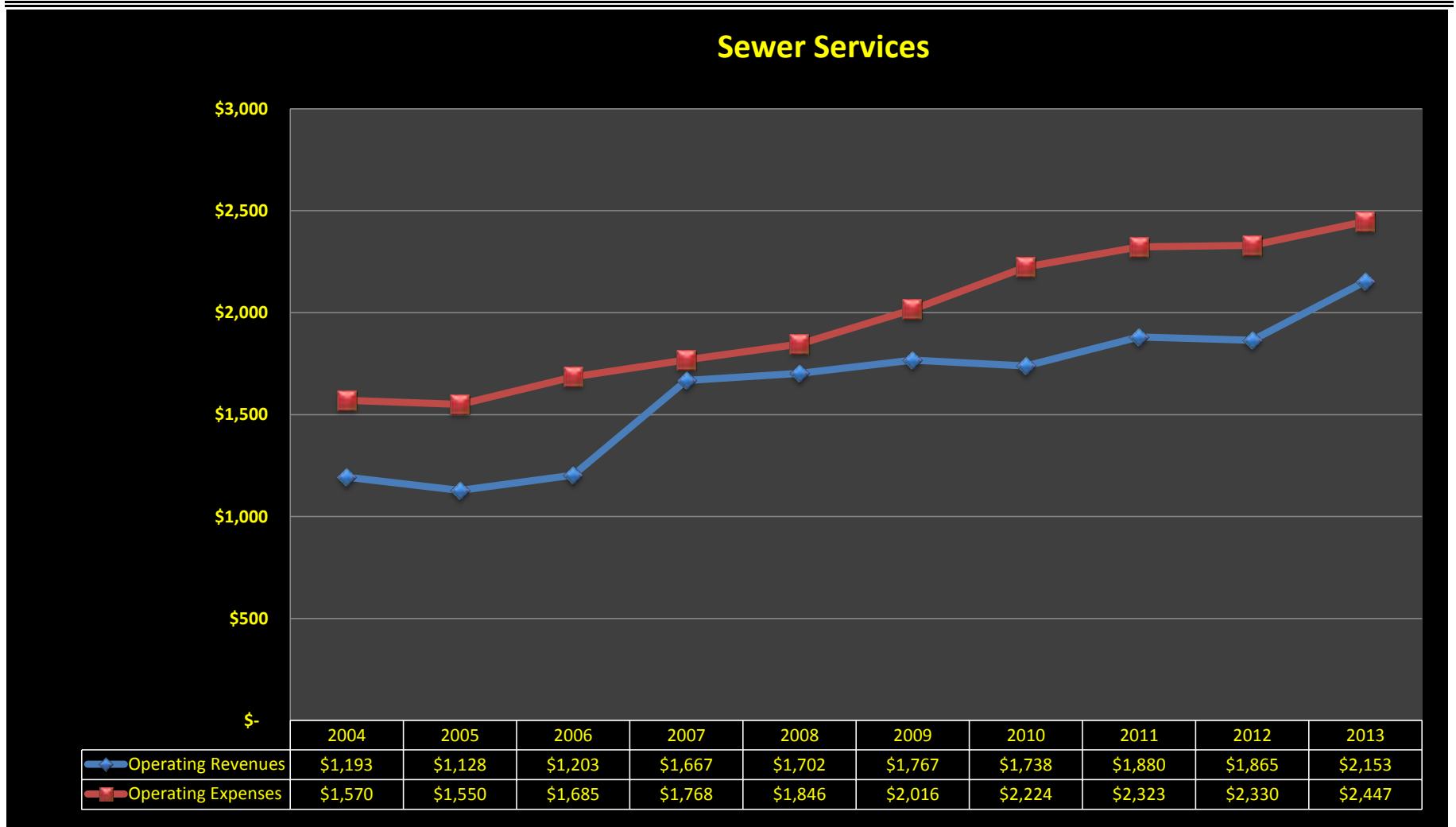


Table S-15

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

	2004 ²	2005	2006	2007	2008	2009	2010	2011	2012	2013
Amounts^{1,2,3}										
Operating Revenues	\$ 1,192,534	\$ 1,127,560	\$ 1,202,865	\$ 1,667,192	\$ 1,701,910	\$ 1,767,194	\$ 1,737,756	\$ 1,879,564	\$ 1,865,020	\$ 2,152,919
Operating Expenses:										
Personal services	735,241	725,730	783,332	814,717	872,630	923,452	1,033,815	1,057,728	1,045,589	1,109,849
Purchased services	323,954	299,734	319,158	369,272	408,998	474,570	412,566	338,495	321,273	328,171
Materials and supplies	96,086	138,022	158,359	150,876	167,858	186,780	202,602	216,541	249,760	265,849
Repairs and maintenance	229,937	171,089	180,731	188,671	181,427	192,042	163,147	155,985	171,823	174,516
Cost of treated sewer contra expense	(8,947)	(8,281)	(12,481)	(11,914)	(6,743)	(8,661)	33,188	30,164	30,844	33,360
Depreciation	158,589	199,816	212,258	218,314	212,260	226,956	329,461	474,925	478,724	478,956
Miscellaneous	34,648	23,571	43,744	37,802	9,560	20,505	48,882	49,192	31,702	56,353
Total Operating Expenses	1,569,508	1,549,681	1,685,101	1,767,738	1,845,990	2,015,644	2,223,661	2,323,030	2,329,715	2,447,054
Operating Income (Loss)	\$ (376,974)	\$ (422,121)	\$ (482,236)	\$ (100,546)	\$ (144,080)	\$ (248,450)	\$ (485,905)	\$ (443,465)	\$ (464,696)	\$ (294,135)
Annual Percentage Change										
Operating Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Operating Expenses:										
Personal services	46.8%	46.8%	46.5%	46.1%	47.3%	45.8%	46.5%	45.5%	44.9%	45.4%
Purchased services	20.6%	19.3%	18.9%	20.9%	22.2%	23.5%	18.6%	14.6%	13.8%	13.4%
Materials and supplies	6.1%	8.9%	9.4%	8.5%	9.1%	9.3%	9.1%	9.3%	10.7%	10.9%
Repairs and maintenance	14.7%	11.0%	10.7%	10.7%	9.8%	9.5%	7.3%	6.7%	7.4%	7.1%
Cost of treated sewer contra expense	-0.6%	-0.5%	-0.7%	-0.7%	-0.4%	-0.4%	1.5%	1.3%	1.3%	1.4%
Depreciation	10.1%	12.9%	12.6%	12.3%	11.5%	11.3%	14.8%	20.4%	20.5%	19.6%
Miscellaneous	2.2%	1.5%	2.6%	2.1%	0.5%	1.0%	2.2%	2.2%	1.5%	2.2%
Total Operating Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Operating Income (Loss) as a Percentage of Operating Revenues	-31.6%	-37.4%	-40.1%	-6.0%	-8.5%	-14.1%	-28.0%	-23.6%	-24.9%	-13.7%

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
2004	\$ 735,241	\$ 323,954	\$ 96,086	\$ 229,937	\$ (8,947)	\$ 158,589	\$ 34,648	\$ 1,569,508
2005	725,730	299,734	138,022	171,089	(8,281)	199,816	23,571	1,549,681
2006	783,332	319,158	158,359	180,731	(12,481)	212,258	43,744	1,685,101
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	2,329,714
2013	1,109,849	328,171	265,849	174,516	33,360	478,956	56,353	2,447,054
*	\$ 910,208	\$ 359,619	\$ 183,273	\$ 180,937	\$ 7,053	\$ 299,026	\$ 35,596	\$ 1,975,712
**	51.0%	1.3%	176.7%	-24.1%	-472.9%	202.0%	62.6%	55.9%
Annual Percentage Change								
2004	14.1%	16.3%	4.7%	87.0%	100.0%	13.6%	100.0%	22.8%
2005	-1.3%	-7.5%	43.6%	-25.6%	-7.4%	26.0%	-32.0%	-1.3%
2006	7.9%	6.5%	14.7%	5.6%	50.7%	6.2%	85.6%	8.7%
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%

* 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 ²

	September 30, 2004	September 30, 2005	September 30, 2006	September 30, 2007	September 30, 2008
Amounts ³					
Net Position Components					
Net investment in capital assets	\$ 14,288,507	\$ 14,325,743	\$ 14,127,148	\$ 14,611,182	\$ 15,313,192
Restricted	-	-	-	-	1,578,697
Unrestricted	8,686,437	9,511,634	10,052,410	9,947,118	8,622,877
Total Net Position	\$ 22,974,944	\$ 23,837,377	\$ 24,179,558	\$ 24,558,300	\$ 25,514,766
Percentage of Total					
Net Position Components					
Net investment in capital assets	62.2%	60.1%	58.4%	59.5%	60.0%
Restricted	0.0%	0.0%	0.0%	0.0%	6.2%
Unrestricted	37.8%	39.9%	41.6%	40.5%	33.8%
Total Net Position	100.0%	100.0%	100.0%	100.0%	100.0%
	September 30, 2009	September 30, 2010	September 30, 2011	September 30, 2012	September 30, 2013
Amounts ³					
Net Position Components					
Net investment in capital assets	\$ 24,185,587	\$ 24,499,732	\$ 24,644,448	\$ 24,440,922	\$ 24,167,429
Restricted	16,000	184,107	405,020	561,130	2,558,901
Unrestricted	8,955,736	10,682,164	11,086,480	11,228,558	10,387,472
Total Net Position	\$ 33,157,323	\$ 35,366,004	\$ 36,135,947	\$ 36,230,610	\$ 37,113,802
Percentage of Total					
Net Position Components					
Net investment in capital assets	72.9%	69.3%	68.2%	67.5%	65.1%
Restricted	0.1%	0.5%	1.1%	1.5%	6.9%
Unrestricted	27.0%	30.2%	30.7%	31.0%	28.0%
Total Net Position	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

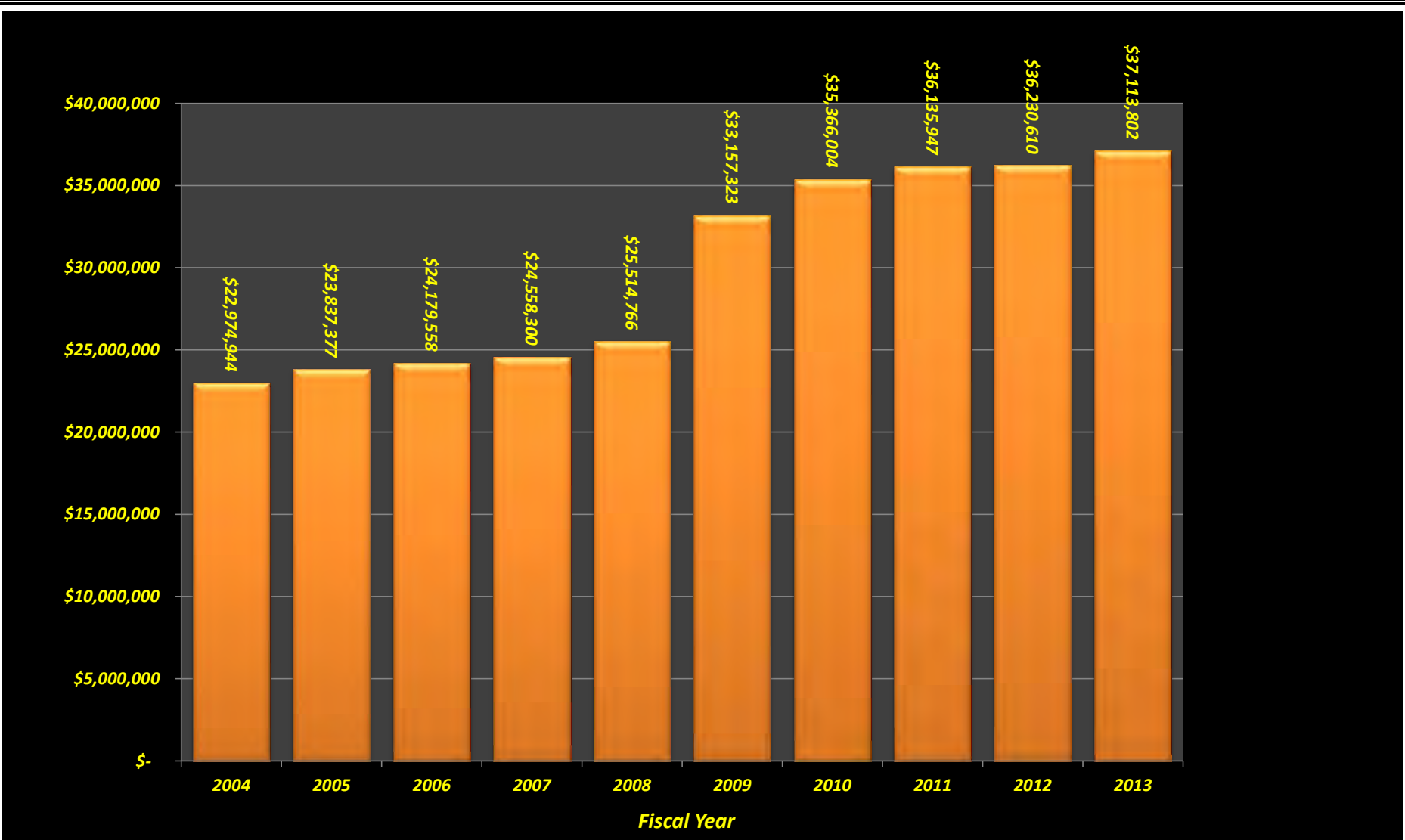
¹ Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted only when (1) an external party, such as the State of Georgia or the federal government,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

² The Utility Commission implemented GASB Statement No. 34 in fiscal year 2004.

Data Source:

³ Applicable years' annual financial report.

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





TAB #5

Revenue Capacity

(Unaudited)



Table S-18

**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
2004	529,210,800	-3.6%	123,550,551	-2.0%	466,269,540	5.5%	396,683,000	-18.2%
2005	495,073,800	-6.5%	124,160,704	0.5%	449,056,500	-3.7%	508,330,000	28.1%
2006	471,704,900	-4.7%	129,185,539	4.0%	491,383,500	9.4%	345,513,000	-32.0%
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%

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 - 2013 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**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Service:										
Base Charge	\$ 8.000	\$ 8.000	\$ 8.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000	\$ 12.000
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	0.37000	0.25000	0.25000	0.25000	0.25000	0.27000	0.28000	0.28000	0.28000	0.31000
Summer	0.60000	0.50000	0.50000	0.50000	0.50000	0.53000	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	1.4900	1.4900	1.4900	1.5800	1.6100	1.6100	1.6100	1.6100
Next 3000 Mcf	1.2400	1.2400	1.2400	1.2400	1.2400	1.3100	1.3400	1.3400	1.3400	1.3400
Next 6000 Mcf	0.9900	0.9900	0.9900	0.9900	0.9900	1.0500	1.0700	1.0700	1.0700	1.0700
Over 10,000 Mcf	0.8900	0.8900	0.8900	0.8900	0.8900	0.9400	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

	2004	2005	2006	2007 ²	2008	2009	2010	2011	2012 ³	2013
Residential:										
Winter Rates:										
Base Charge	\$ 8.50000	\$ 8.50000	\$ 8.50000	\$ 7.00000	\$ 7.00000	\$ 7.00000	\$ 7.00000	\$ 7.00000	\$ 9.50000	\$ 9.50000
First 650 kWh	0.06472	0.06472	0.06472	0.05200	0.05200	0.05200	0.05200	0.05200	0.07600	0.08090
Next 350 kWh	0.05794	0.05794	0.05794	0.04800	0.04800	0.04800	0.04800	0.04800	0.07200	0.07690
Over 1000 kWh	0.05730	0.05730	0.05730	0.04400	0.04400	0.04400	0.04400	0.04400	0.06800	0.07290
Summer Rates:										
Base Charge	8.50000	8.50000	8.50000	7.00000	7.00000	7.00000	7.00000	7.00000	9.50000	9.50000
First 650 kWh	0.05863	0.05863	0.05863	0.05200	0.05200	0.05200	0.05200	0.05200	0.07600	0.08090
Next 350 kWh	0.08942	0.08942	0.08942	0.06000	0.06000	0.06000	0.06000	0.06000	0.09600	0.10090
Over 1000 kWh	0.09213	0.09213	0.09213	0.06800	0.06800	0.06800	0.06800	0.06800	0.10400	0.10890
Small Commercial:										
Winter Rates:										
Base Charge	-	-	-	-	-	-	-	-	16.00000	16.00000
All kWh	-	-	-	-	-	-	-	-	0.13500	0.13990
Summer Rates:										
Base Charge	-	-	-	-	-	-	-	-	16.00000	16.490
All kWh	-	-	-	-	-	-	-	-	0.16000	0.16490
First 25 kWh	17.00000	17.00000	17.00000	15.00000	15.00000	15.00000	15.00000	15.00000	-	-
Next 475 kWh	0.12120	0.12120	0.12120	0.12000	0.12000	0.12000	0.12000	0.12000	-	-
Next 1000 kWh	0.11220	0.11220	0.11220	0.11200	0.11200	0.11200	0.11200	0.11200	-	-
Next 8500 kWh	0.10840	0.10840	0.10840	0.10800	0.10800	0.10800	0.10800	0.10800	-	-
All over 10000 kWh	0.09840	0.09840	0.09840	0.09800	0.09800	0.09800	0.09800	0.09800	-	-
Commercial:										
Base charge	19.50000	19.50000	19.50000	25.00000	25.00000	25.00000	25.00000	25.00000	35.00000	35.00000
First 200 X KW:										
First 3000 kWh	0.13219	0.13219	0.13219	0.13000	0.13000	0.13000	0.13000	0.13000	0.15000	0.15490
Next 7000 kWh	0.12262	0.12262	0.12262	0.12200	0.12200	0.12200	0.12200	0.12200	0.14000	0.14490
Next 190000 kWh	0.10804	0.10804	0.10804	0.10800	0.10800	0.10800	0.10800	0.10800	0.13000	0.13490
Over 200000 kWh	0.08778	0.08778	0.08778	0.08700	0.08700	0.08700	0.08700	0.08700	0.12000	0.12490
Next 200 X KW	0.02940	0.02940	0.02940	0.02900	0.02900	0.02900	0.02900	0.02900	0.06000	0.06490
Next 200 X KW	0.02652	0.02652	0.02652	0.02600	0.02600	0.02600	0.02600	0.02600	0.05600	0.06090
Over 600 X KW	0.02543	0.02543	0.02543	0.02500	0.02500	0.02500	0.02500	0.02500	0.05200	0.05690

(Continued)

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

	2004	2005	2006	2007 ²	2008	2009	2010	2011	2012 ³	2013
<i>Table S-20, Page 62-B</i>										
Institutional:										
Base Charge	17.55000	17.55000	17.55000	25.00000	25.00000	25.00000	25.00000	25.00000	33.25000	33.25000
First 200 X KW:										
First 3000 kWh	0.12558	0.12558	0.12558	0.12000	0.12000	0.12000	0.12000	0.12000	0.14250	0.14740
Next 7000 kWh	0.11649	0.11649	0.11649	0.11600	0.11600	0.11600	0.11600	0.11600	0.13300	0.13790
Next 190000 kWh	0.10264	0.10264	0.10264	0.10200	0.10200	0.10200	0.10200	0.10200	0.12350	0.12840
Over 200000 kWh	0.08339	0.08339	0.08339	0.08300	0.08300	0.08300	0.08300	0.08300	0.11400	0.11890
Next 200 X KW	0.02793	0.02793	0.02793	0.02700	0.02700	0.02700	0.02700	0.02700	0.05700	0.06190
Next 200 X KW	0.02519	0.02519	0.02519	0.02500	0.02500	0.02500	0.02500	0.02500	0.05320	0.05810
Over 600 X KW	0.02416	0.02416	0.02416	0.02400	0.02400	0.02400	0.02400	0.02400	0.04940	0.05430
Industrial Small/Large Power:										
Base Charge	19.00000	19.00000	19.00000	50.00000	50.00000	50.00000	50.00000	50.00000	50.00000	50.00000
First 200 X KW:										
First 3000 kWh	0.13670	0.13670	0.13670	0.13000	0.13000	0.13000	0.13000	0.13000	0.15000	0.15490
Next 7000 kWh	0.11570	0.11570	0.11570	0.11500	0.11500	0.11500	0.11500	0.11500	0.14000	0.14490
Next 190000 kWh	0.10270	0.10270	0.10270	0.10200	0.10200	0.10200	0.10200	0.10200	0.13000	0.13490
Over 200000 kWh	0.05270	0.05270	0.05270	0.05300	0.05300	0.05300	0.05300	0.05300	0.07500	0.07990
Next 200 X KW	0.03570	0.03570	0.03570	0.03500	0.03500	0.03500	0.03500	0.03500	0.06000	0.06490
Next 200 X KW	0.03170	0.03170	0.03170	0.03100	0.03100	0.03100	0.03100	0.03100	0.05600	0.06090
Over 600 X KW	0.02770	0.02770	0.02770	0.02700	0.02700	0.02700	0.02700	0.02700	0.05200	0.05690
Seasonal Power:										
Base Charge	24.00000	24.00000	24.00000	25.00000	25.00000	25.00000	25.00000	25.00000	-	-
First 200 X KW:										
First 3000 kWh	0.13219	0.13219	0.13219	0.13000	0.13000	0.13000	0.13000	0.13000	-	-
Next 7000 kWh	0.12262	0.12262	0.12262	0.12200	0.12200	0.12200	0.12200	0.12200	-	-
Next 190000 kWh	0.10804	0.10804	0.10804	0.10800	0.10800	0.10800	0.10800	0.10800	-	-
Over 200000 kWh	0.08778	0.08778	0.08778	0.08700	0.08700	0.08700	0.08700	0.08700	-	-
Next 200 X KW	0.02940	0.02940	0.02940	0.02900	0.02900	0.02900	0.02900	0.02900	-	-
Next 200 X KW	0.02652	0.02652	0.02652	0.02600	0.02600	0.02600	0.02600	0.02600	-	-
Over 600 X KW	0.02543	0.02543	0.02543	0.02500	0.02500	0.02500	0.02500	0.02500	-	-
Power Cost Adjustment										
Per kWh	0.00300	0.00300	0.00300	-	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 service.

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

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**

	2004	2005 ³	2006	2007	2008	2009	2010	2011	2012	2013
Inside city:										
Minimum charge	\$ 9.00	\$ 9.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.30	\$ 10.30	\$ 10.30	\$ 10.30	\$ 12.30
All CCF	1.7140	1.7140	1.7140	-	-	-	-	-	-	-
0 - 6 CCF	-	-	-	2.30000	2.30000	2.37000	2.37000	2.37000	2.37000	2.61000
Over 6 - 12 CCF	-	-	-	2.50000	2.50000	2.58000	2.58000	2.58000	2.58000	3.39000
Over 12 CCF	-	-	-	2.50000	2.50000	2.58000	2.58000	2.58000	2.58000	3.65000
Outside city:										
Minimum charge	\$ 11.75	\$ 11.75	\$ 12.75	\$ 10.00	\$ 10.00	\$ 10.30	\$ 10.30	\$ 10.30	\$ 10.30	\$ 12.30
All CCF	1.7140	1.7140	1.7140	-	-	-	-	-	-	-
0 - 6 CCF	-	-	-	2.30000	2.30000	2.37000	2.37000	2.37000	2.37000	2.61000
Over 6 - 12 CCF	-	-	-	2.50000	2.50000	2.58000	2.58000	2.58000	2.58000	3.39000
Over 12 CCF	-	-	-	2.50000	2.50000	2.58000	2.58000	2.58000	2.58000	3.65000
Direct cost	0.0828	-	-	-	-	-	-	-	-	-

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 In fiscal year 2005, the direct cost charge to customers outside the city was eliminated.

Data Source:

⁴ Utility Commission's rate and connection fee book.

Table S-22

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Monthly Rate:					
Inside city:					
Capacity charge	\$ 5.200	\$ 5.200	\$ 6.200	\$ 10.000	\$ 10.000
Commodity charge	2.204	2.204	2.204	-	-
0 - 6 ccf (80% Water ccf)	-	-	-	3.500	3.500
6 - 12 ccf (80% Water ccf)	-	-	-	3.900	3.900
Over 12 ccf (80% Water ccf)	-	-	-	3.900	3.900
Outside city:					
Capacity charge	6.200	6.200	7.200	10.000	10.000
Commodity charge	4.169	2.204	2.204	-	-
0 - 6 ccf (80% Water ccf)	-	-	-	3.500	3.500
6 - 12 ccf (80% Water ccf)	-	-	-	3.900	3.900
Over 12 ccf (80% Water ccf)				3.900	3.900
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 ²</u>
Monthly Rate:					
Inside city:					
Capacity charge	\$ 10.300	\$ 10.300	\$ 10.300	\$ 10.300	\$ 12.300
Commodity charge	-	-	-	-	-
0 - 6 ccf (80% Water ccf)	3.610	3.610	3.610	3.610	4.000
6 - 12 ccf (80% Water ccf)	4.020	4.020	4.020	4.020	4.800
Over 12 ccf (80% Water ccf)	4.020	4.020	4.020	4.020	5.200
Outside city:					
Capacity charge	10.300	10.300	10.300	10.300	12.300
Commodity charge	-	-	-	-	-
0 - 6 ccf (80% Water ccf)	3.610	3.610	3.610	3.610	4.000
6 - 12 ccf (80% Water ccf)	4.020	4.020	4.020	4.020	4.800
Over 12 ccf (80% Water ccf)	4.020	4.020	4.020	4.020	5.200

Notes:¹ Rates presented as of September 30 of the applicable year.² 90% of Water ccf; 125% Cap Effective November 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 ²
By Service
Last Ten Fiscal Years ¹

Fiscal Year	Natural Gas		Electric		Water		Sewer		Total	
	Number	% Change	Number	% Change	Number	% Change	Number	% Change	Number	% Change
2004	3,543	-	4,962	-	4,547	-	3,230	-	16,282	-
2005	3,396	-4.1%	4,703	-5.2%	4,452	-2.1%	3,108	-3.8%	15,659	-3.8%
2006	3,355	-1.2%	4,709	0.1%	4,489	0.8%	3,057	-1.6%	15,610	-0.3%
2007	3,266	-2.7%	4,690	-0.4%	4,511	0.5%	3,034	-0.8%	15,501	-0.7%
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%

Notes:

¹ Information prior to fiscal year 2004 not available.

Data Source:

² Utility Commission's billing department.

Table S-24

*Utility Commission
City of Fort Valley, Georgia
Ten Largest Customers - Natural Gas Service ¹
Fiscal Years 2004 & 2013*

Fiscal Year 2004					Fiscal Year 2013				
Rank	Customer	Consumption		Dollar %	Customer	Consumption		Dollar %	
		Cubic Feet	Amount ²			Cubic Feet	Amount ²		
1	Blue Bird Body Company	102,552,000	\$ 783,874	14.3%	Blue Bird Body Company	106,904,000	\$ 679,933	16.9%	
2	Fort Valley State University #1	44,617,000	517,996	9.5%	Fort Valley State University #2	23,372,000	260,954	6.5%	
3	Arriscraft International	57,256,000	417,774	7.6%	Fort Valley State University #1	18,353,000	201,253	5.0%	
4	Atlanta Sand & Supply	28,866,000	217,148	4.0%	Ariscraft International	29,354,000	193,530	4.8%	
5	Step 2	19,100,600	141,972	2.6%	Atlanta Sand & Supply Company	27,260,000	180,665	4.5%	
6	Peach Regional Medical Center	7,194,000	54,481	1.0%	Peach County Jail	4,842,100	53,856	1.3%	
7	Peach County Schools	4,292,900	49,504	0.9%	Peach Regional Medical Center	6,318,000	42,744	1.1%	
8	Fort Valley Housing Authority	3,770,000	43,796	0.8%	Lakeview Apartments	3,520,000	38,777	1.0%	
9	Brentwood Health Care	2,071,600	29,193	0.5%	Fort Valley Housing Authority	3,489,000	38,193	0.9%	
10	Roberta Health Care	1,707,000	19,801	0.4%	Peach County High School	2,854,000	31,300	0.8%	
Total Ten Largest Customers		271,427,100	2,275,540	41.5%	Total Ten Largest Customers	226,266,100	1,721,205	42.7%	
All Other Customers		257,783,700	3,205,110	58.5%	All Other Customers	180,830,200	2,308,437	57.3%	
Total ²		529,210,800	\$ 5,480,650	100.0%	Total ²	407,096,300	\$ 4,029,642	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 2004 & 2013*

Fiscal Year 2004					Fiscal Year 2013				
Rank	Customer	Consumption kWh	Amount ²	Dollar %	Customer	Consumption kWh	Amount ²	Dollar %	
1	Blue Bird Body Company	24,851,757	\$ 1,278,383	13.8%	Fort Valley State University	15,886,800	\$ 1,385,477	12.0%	
2	Fort Valley State University	14,608,800	869,824	9.4%	Blue Bird Body Company #1	16,058,079	1,287,305	11.1%	
3	Peach County Schools #1	1,257,200	130,250	1.4%	Metokote Corporation	2,575,521	252,186	2.2%	
4	Peach Regional Medical Center	1,770,960	114,336	1.2%	J. H. Harvey Company	1,567,680	147,175	1.3%	
5	Food Depot	1,610,640	97,465	1.1%	Peach County Jail	1,642,944	143,149	1.2%	
6	Peach County Schools #2	768,768	83,412	0.9%	Peach County High School	1,073,400	134,951	1.2%	
7	J. H. Harvey Company	1,238,100	73,696	0.8%	Food Depot	1,380,720	128,228	1.1%	
8	Lakeview Apartments	778,800	72,090	0.8%	Peach County Schools BOE	1,046,080	125,805	1.1%	
9	Utility Commission WWTP	1,005,120	60,154	0.6%	Peach Regional Medical Center	1,258,880	115,694	1.0%	
10	McDonalds	567,920	41,873	0.5%	Lakeview Apartments	906,000	102,920	0.9%	
Total Ten Largest Customers		48,458,065	2,821,484	30.4%	Total Ten Largest Customers	43,396,104	3,822,890	33.0%	
All Other Customers		75,092,486	6,452,190	69.6%	All Other Customers	77,802,705	7,749,482	67.0%	
Total ²		123,550,551	\$ 9,273,674	100.0%	Total ²	121,198,809	\$ 11,572,372	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 2004 & 2013*

Fiscal Year 2004					Fiscal Year 2013				
Rank	Customer	Consumption Gallons	Amount ²	Dollar %	Customer	Consumption Gallons	Amount ²	Dollar %	
1	Fort Valley State University	34,360,500	\$ 78,377	4.7%	Fort Valley State University #1	74,045,250	\$ 360,408	14.7%	
2	Blue Bird Body Company	13,456,500	30,861	1.8%	Blue Bird Body Company	28,905,750	140,729	5.8%	
3	Lakeview Apartments	10,658,250	24,390	1.5%	Utility Commission WSLRF 2"	12,239,250	59,618	2.4%	
4	Indian Oaks Apartments LTD	9,998,250	22,851	1.4%	Lakeview Apartments	8,259,750	40,251	1.6%	
5	Fort Valley State University	5,746,500	19,583	1.2%	Indian Oaks Apartments LTD	7,092,750	34,572	1.4%	
6	Peach Regional Medical Center	8,378,250	19,255	1.2%	Utility Commission Filter House	5,323,500	25,962	1.1%	
7	HSI Management Inc	5,106,000	11,730	0.7%	Utility Commission Jones Plant	5,101,500	24,881	1.0%	
8	Utility Commission WWTP	4,609,500	10,542	0.6%	820 State University Drive, LLC	4,775,250	23,294	1.0%	
9	Peach County Schools	4,244,250	8,735	0.5%	Peach Regional Medical Center	4,708,500	22,958	0.9%	
10	Fresenius Medical Care	1,074,750	2,564	0.2%	Magnolia Terrace	4,608,750	22,483	0.9%	
Total Ten Largest Customers		97,632,750	228,888	13.7%	Total Ten Largest Customers	155,060,250	755,156	30.9%	
All Other Customers		368,636,790	1,444,971	86.3%	All Other Customers	322,850,250	1,691,674	69.1%	
Total ²		466,269,540	\$ 1,673,859	100.0%	Total ²	477,910,500	\$ 2,446,830	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 2004 & 2013*

Fiscal Year 2004					Fiscal Year 2013			
Rank	Customer	Collection Gallons ³	Amount ²	Dollar %	Customer	Collection Gallons	Amount ²	Dollar %
1	Fort Valley State University	N/A	\$ 107,163	9.1%	Fort Valley State University #1	65,708,250	\$ 455,610	21.3%
2	Indian Oaks Apartments LTD	N/A	38,536	3.3%	Blue Bird Body Company	25,787,250	178,824	8.4%
3	Blue Bird Body Company	N/A	36,077	3.1%	Lakeview Apartments	7,357,500	51,044	2.4%
4	Lakeview Apartments	N/A	30,368	2.6%	Indian Oaks Apartments LTD	6,306,000	43,754	2.0%
5	Peach Regional Medical Center	N/A	27,968	2.4%	Magnolia Terrace	5,049,750	35,044	1.6%
6	HSI Management Inc	N/A	18,686	1.6%	820 State University Drive, LLC	4,262,250	29,584	1.4%
7	Utility Commission WWTP	N/A	13,004	1.1%	Peach Regional Medical Center	4,194,000	29,102	1.4%
8	Fort Valley State University	N/A	10,420	0.9%	College Square Apartments	2,781,750	19,319	0.9%
9	Blue Bird Wanderlodge	N/A	9,086	0.7%	Brentwood Health Care	1,548,750	10,770	0.5%
10	OMI - Fort Valley, Georgia	N/A	2,921	0.2%	Peach County Jail	1,546,500	10,755	0.5%
Total Ten Largest Customers		N/A	294,230	25.0%	Total Ten Largest Customers	124,542,000	863,806	40.4%
All Other Customers		N/A	886,767	75.0%	All Other Customers	160,062,000	1,272,563	59.6%
Total ²		N/A	\$ 1,180,997	100.0%	Total ²	284,604,000	\$ 2,136,369	100.0%

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



TAB #6

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			
2004	\$ 3,195,727	\$ -	\$ 3,195,727	0.005%	24,818	\$ 129
2005	3,229,151	-	3,229,151	0.005%	24,756	130
2006	3,254,391	-	3,254,391	0.005%	25,510	128
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	0.004%	27,474	129
2010	3,731,088	-	3,731,088	0.005%	27,695	135
2011	3,476,560	15,892	3,492,452	0.004%	27,570	127
2012	3,218,844	12,153	3,230,997	0.004%	27,622	117
2013	2,957,821	6,543	2,964,364	0.003%	27,672	107

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 Nine Fiscal Years ^{1,4}

Fiscal Year	Revenues ²	Less Operating Expenses ³	Net Available Revenues	Principal	Interest	Total	Fixed Charges Coverage Ratio ⁵
2005	\$ 18,680,463	\$ 16,771,168	\$ 1,909,295	\$ 206,109	\$ 14,697	\$ 220,806	8.65
2006	19,614,592	18,270,909	1,343,683	206,852	13,977	220,829	6.08
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

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.

TAB #7

**Demographic and
Economic Information**

(Unaudited)



**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
2004	24,818	\$ 616,546	\$ 24,843	N/A	4005	4.1%	4.8%	5.4%
2005	24,756	641,766	25,924	N/A	4055	4.8%	5.4%	5.0%
2006	25,510	682,543	26,756	N/A	4197	4.3%	4.7%	4.5%
2007	26,467	747,427	28,240	N/A	4227	4.1%	4.8%	4.7%
2008	27,222	792,231	29,103	N/A	4077	5.6%	6.7%	6.1%
2009	27,474	796,160	28,979	N/A	3981	7.2%	10.3%	9.8%
2010	27,695	815,020	29,354	N/A	3988	7.7%	10.1%	9.5%
2011	27,570	866,102	31,415	35.3	3898	8.0%	10.0%	9.0%
2012	27,622	878,283	31,797	N/A	3768	7.3%	8.7%	7.8%
2013	27,672	890,579	32,183	N/A	3767	6.8%	7.7%	7.2%

¹ 2004 - 2012 - U.S Bureau of Economic Analysis, Peach County 2013 estimated by management

<http://www.bea.gov/iTable/iTable.cfm?reqid=70&step=1&isuri=1&acrdrn=3#reqid=70&step=30&isuri=1&7028=-1&7040=-1&7083=levels&7031=13000&7022=20&7023=7&7024=non-industry&7025=4&7026=13225&7027=2012,2011,2010,2009,2008,2007,2006,2005,2004&7001=720&7029=20&7090=70&7033=-1>

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

³ GA Department of Education - http://app.doe.k12.ga.us/ows-bin/owa/fte_pack_ethnicsex.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

**Utility Commission
City of Fort Valley, Georgia
Principal Employers ²
For the Fiscal Years Ended September 30, 2006 and 2013**

2006 ¹					2013 ⁴				
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	1,400	1	12.86%	Blue Bird Body Company	Manufacturing	1,500	1	14.14%
Fort Valley State University	Education	654	2	6.01%	Fort Valley State University	Education	658	2	6.20%
Peach County Board of Education	Education	582	3	5.35%	Peach County Board of Education	Education	481	3	4.53%
Peach Regional Medical Center	Medical	180	4	1.65%	Lane Southern Orchards	Agribusiness	300	4	2.83%
Peach County Commission	Local Government	172	5	1.58%	Peach County Commission	Local Government	186	5	1.75%
City of Fort Valley	Local Government	128	6	1.18%	Peach Regional Medical Center	Medical	173	6	1.63%
Step 2	Manufacturing	96	7	0.88%	City of Fort Valley	Local Government	132	7	1.24%
Food Depot	Retail Sales	63	8	0.58%	The Wire Shop	Manufacturing	76	8	0.72%
The Wire Shop	Manufacturing	60	9	0.55%	Arriscraft Inteerntional	Manufacturing	75	9	0.71%
Harvey's Supermarket	Retail Sales	45	10	0.41%	Valley Industrial Products	Manufacturing	25	10	0.24%
Total for Principal Employers		3,380		31.05%	Total for Principal Employers		3,606		33.99%
Total for Other Employers ³		7,505		68.95%	Total for Other Employers ³		7,004		66.01%
Total for All Employers		10,885		100.00%	Total for All Employers ⁴		10,610		100.00%

Notes:

¹ This year is the oldest year available.

Data Source:

² The Development Authority of Peach County, Georgia and each individual employer.

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

⁴ This data is estimated by management and is the same as last year, 2012.

TAB #8

Operating Information

(Unaudited)



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,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<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	4.0	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	1.0
Finance	2.5	3.5	3.5	3.5	3.5	3.0	3.0	3.0	3.0	3.0
Customer service	7.5	4.5	3.5	3.5	3.5	3.0	3.0	3.0	3.0	4.0
IT support/telecom	5.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Electric	7.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Gas	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Water	10.0	10.0	10.0	11.0	11.0	11.0	11.0	11.0	11.0	12.0
Sewer	7.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Meter reading	6.0	6.0	6.0	6.0	6.0	6.0	5.5	5.0	5.0	5.0
Warehouse	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	1.0
Total	63.0	59.0	58.0	59.0	59.0	59.0	58.5	58.0	58.0	59.0
Percentage Change From Prior Year	2.4%	-6.3%	-1.7%	1.7%	0.0%	0.0%	-0.8%	-0.9%	0.0%	1.7%

Data Source:
 Utility Commission Human Resources Department

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

Utility Service	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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)	1,559,350	1,481,681	1,475,649	1,362,614	1,394,282	1,387,584	1,358,603	1,232,512	1,005,808	1,171,633
Average percent of capacity used	93.4%	88.8%	88.4%	81.6%	83.5%	83.1%	81.4%	73.8%	60.3%	70.2%
Winter peak demand day (cubic feet)	5,251,707	5,152,195	3,981,463	4,599,024	4,944,390	5,300,488	4,889,756	4,988,000	3,969,000	3,573,000
Electric Service:										
Coincident peak (kW)	29,756	27,781	29,605	31,171	31,064	26,248	29,316	29,279	27,115	25,614
Reserves (kW)	3,051	2,755	3,028	2,344	2,433	2,558	2,480	3,040	2,236	2,262
Total requirements (kW)	32,807	30,536	32,633	33,515	33,497	28,806	31,796	32,319	29,351	27,876
Southeastern Power Administration (kW)	9,417	9,417	9,417	9,110	9,143	9,143	9,143	9,143	9,143	9,143
MEAG projects 1, 2, 3 & 4 (kW)	22,299	22,299	22,299	21,486	21,562	21,562	21,506	21,488	21,488	22,170
MEAG combined cycle (kW)	3,872	3,872	3,872	3,858	3,826	3,826	3,826	3,865	3,865	3,825
Total resources (kW)	35,588	35,588	35,588	34,454	34,531	34,531	34,475	34,496	34,496	35,138
Excess capacity (deficit) (kW)	2,781	5,052	2,955	939	1,034	5,725	2,679	2,177	5,145	7,262
Percent reserve of capacity	28.7%	42.5%	29.6%	14.9%	15.8%	48.4%	25.6%	25.9%	41.1%	57.8%
Water Service:										
Daily average consumption	1,277,451	1,230,292	1,346,256	1,442,928	1,406,283	1,449,349	1,471,732	1,462,270	1,498,175	1,309,344
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	1,100,000	1,100,000	1,100,000	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	1,000,000	1,000,000	1,000,000	1,200,000	1,200,000	1,200,000	1,200,000
Unused capacity	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,000,000	1,000,000	1,000,000	1,000,000
Percentage of capacity used	45.5%	45.5%	45.5%	45.5%	45.5%	45.5%	54.5%	54.5%	54.5%	54.5%

Notes:

N/A Not Available

Data Source:

Applicable Department

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

Utility Service/Department	2004	2005	2006	2007	2008	2009	2010	2011	2012¹	2013
Natural Gas Service:										
Miles of natural gas mains	84	84	84	84	84	84	89	89	141	141
Peak shaving plant	1	1	1	1	1	1	1	1	1	1
Propane storage tanks (30,000 gallons)	8	8	8	8	8	8	8	8	8	8
Electric Service:										
Miles of line	140	140	140	140	140	142	142	142	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	1	1	1	-	-	-	-	-
Water Service:										
Miles of water mains	153	153	153	153	157	157	157	157	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	5	5	5	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	52	52	55	55	57	57	67	67	72	72
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of lift stations	5	6	7	6	7	7	10	10	10	10

Data Source:

Various Departments

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



TAB #9

Financial Compliance

Section



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

January 31, 2014

**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 years ended September 30, 2013 and 2012, 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 January 31, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Butler, Williams & Wyche, LLP

Macon, GA

