



**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, 2014 and 2013**

**Prepared By
Finance Department
Patrick F. McFall, Finance Manager**



TAB #1

Introductory Section



Utility Commission
City of Fort Valley, Georgia
Comprehensive Annual Financial Report
For The Years Ended September 30, 2014 and 2013

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February 1, 2015

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, 2014 and 2013, 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, 2014 and 2013 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, 2014 and 2013, 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 2014 estimated per capita personal income of \$32,963. 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 27,000. The median age is 35.3. The estimated school enrollment is 3,668. The unemployment rate is 7.1%.

Major Initiatives

There are three major initiatives that the Utility Commission worked on in 2013 and 2014.

- 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.

2014 Milestones: February – The U.S. Department of Energy and Georgia Power closed on loan guarantees for the construction of Vogtle units 3 & 4, providing customers approximately \$250 million of present value benefit. March – 202 million-pound CA20 module placed into Vogtle Unit 3 nuclear island; Plant Vogtle Unit 1 begins planned refueling and maintenance outage. April – Upgrades to Plant Vogtle Unit 1 enhance the production of low-cost, carbon-free electricity. May – 1.8 million-pound containment vessel bottom head placed at Vogtle Unit 4. July – Plant Vogtle Unit 2 marks 25 years of operation. September – Plant Vogtle Unit 2 begins planned refueling and maintenance outage. October – Upgrades to Plant Vogtle Unit 2 enhance the production of low-cost, carbon-free electricity; Nuclear Science Week returns to Georgia and Plant Vogtle focusing on nuclear science, education and careers; Containment Vessel Lower Ring was placed into the Unit 3 nuclear island; 180,000 pound CA05 structural module placed at Vogtle Unit 3. November – The first vertical structural steel was installed in the Unit 4 turbine island.

Engineering, procurement and construction milestones are approximately 59 percent complete. Procurement of major components is essentially complete. Unit 3 is expected to begin commercial operation in late 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 USDA Rural Development to add a 500,000 gallon elevated storage tank on the campus of Fort Valley State University, a new well and a chemical feed building. The USDA Rural Development will loan the Utility Commission an amount not to exceed \$2,387,000 and will award a grant for the project for \$1,848,000. The loan will be repayable over 40 years at an interest rate of 3.75%. The monthly payment is estimated at \$9,620. On April 15, 2012, the USDA Rural Development granted an extension until October 15, 2012. On October 15, 2012 the USDA Rural Development granted a second extension until April 15, 2013. At that time an additional 60 day extension was approved. As of November 13, 2014 plans and specifications have been approved by USDA. The status of the legal services agreement, preliminary title opinion, updated litigation and judgment agreement and lease agreement with the City of Fort Valley are all open. The Utility Commission anticipates that no further extensions will be required. Construction will begin in calendar year 2015. 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. As of September 30, 2014 the Utility Commission has \$91,685 in construction in progress for the capital project; primarily consisting of architectural and legal fees. The focus has shifted to an alternative site where the old Peach Regional Medical Center was formerly located embracing the concept of a municipal campus and complex with the City of Fort Valley, Georgia.

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, 2013.

This was the eighth 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 2014 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. 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
Finance Manager

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

Elected Utility Commissioners

Vice Chairman Robert T. Hunnicutt

West Ward - Post 2

In office since April 1980

Current term expires December 2015

Commissioner Jo Ann Dankel

At-Large Seat - Post 3

In office since January 2010

*Current term expires December
2017*

Chairman Dollie D. Horton

At-Large Seat - Post 4

In office since January 1996

*Current term expires December
2015*

Commissioner Billy Jones

East Ward - Post 1

In office since January 2002

*Current term expires December
2017 (Deceased May 2014)*

Mayor Barbara B. Williams

Ex-Officio Member

In office since January 2014

*Current term expires December
2017*

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

Appointed Officials

Dan Thompson
Patrick F. McFall

General Manager
Finance Manager

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

Joel Bentley, Jr., Attorney
Butler, Williams & Wyche, LLP
Paul E. Glick
Carter & Sloope, Inc.

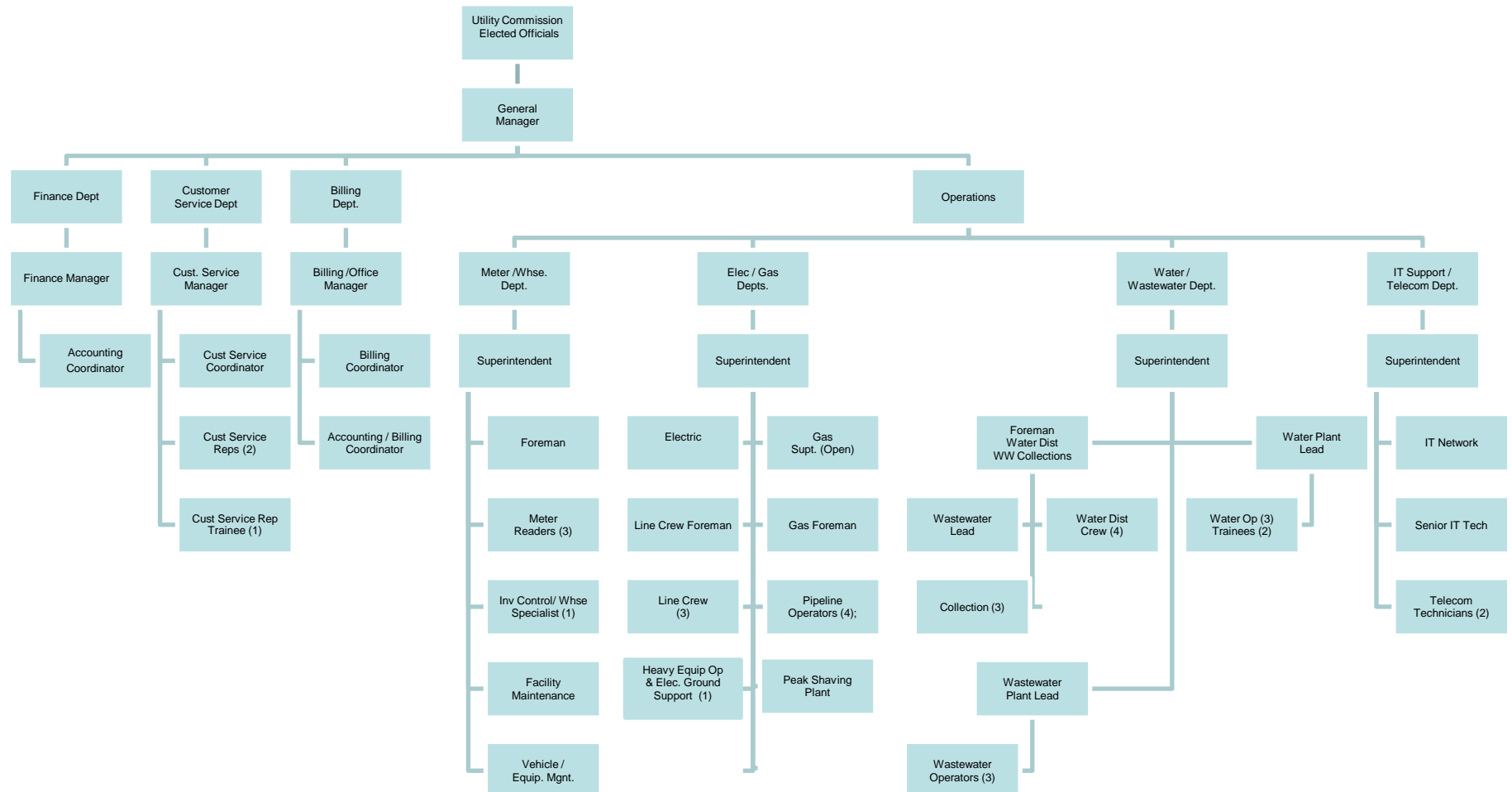
General Counsel
Independent Auditors
Financial Consultant
Consulting Engineers



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, 2013

Executive Director/CEO

TAB #2

Financial Section



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

January 31, 2015

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, 2014 and 2013, 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, 2014 and 2013, 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, 2015 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.

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

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, 2014 and 2013. 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 \$38,175,613 (total net position) at September 30, 2014 and \$ 37,113,802 (total net position) at September 30, 2013.
- Total net position is comprised of the following:
 - Net investment in capital assets of \$24,629,201 at September 30, 2014 and of \$24,167,429 at September 30, 2013, 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, 2014 is \$2,835,546 as compared to \$2,558,901 at September 30, 2013.
 - Unrestricted net position of \$10,710,866 at September 30, 2014 and of \$10,387,442 at September 30, 2013, 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, 2014 and 2013

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

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

Notes to the Basic Financial Statements

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

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, 2014 is \$38,175,613; \$36,113,802 at September 30, 2013; and, \$36,230,610 at September 30, 2012. The following table provides a summary of the Utility Commission's net position:

Summary of Net Position

	September 30, 2014		September 30, 2013		September 30, 2012	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Assets:						
Current assets	\$ 13,241,230	30%	\$ 12,534,347	29%	\$ 13,463,639	32%
Noncurrent assets:						
Restricted assets	2,835,546	6%	2,558,901	6%	561,130	1%
Capital assets	27,724,956	64%	27,421,646	67%	27,671,918	68%
Total assets	43,801,732	100%	42,514,894	100%	41,696,687	100%
Liabilities:						
Current liabilities	2,651,392	47%	2,177,798	40%	1,948,709	36%
Noncurrent liabilities	2,974,727	53%	3,223,294	60%	3,517,368	64%
Total liabilities	5,626,119	100%	5,401,092	100%	5,466,077	100%
Net position:						
Net investment in capital assets	24,629,201	65%	24,167,429	65%	24,440,922	67%
Restricted	2,835,546	7%	2,558,901	7%	561,130	2%
Unrestricted	10,710,866	28%	10,387,472	28%	11,228,558	31%
Total net position	\$ 38,175,613	100%	\$ 37,113,802	100%	\$ 36,230,610	100%

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Utility Commission, City of Fort Valley, Georgia
As of and For The Years Ended September 30, 2014 and 2013

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, 2014 is 5.0 to 1; 5.7 to 1 at September 30, 2013; and, 6.9 to 1 at September 30, 2012. These ratios are strong.

The Utility Commission reported positive balances in total net position at September 30, 2014, 2013 and 2012. Total net position increased \$1,061,811 in fiscal year 2014, \$883,192 in fiscal year 2013 and by \$94,662 in fiscal year 2012. Note that 65%, 65% and 67% of total net position is classified as "*net investment in capital assets*," for each of the respective years presented. The Utility Commission uses these capital assets to provide utility services and these assets generate revenues for this fund. See the following table for a summary of changes in total net position for business – type activities.

Summary of Changes in Total Net Position

	Fiscal Year 2014		Fiscal Year 2013		Fiscal Year 2012	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Revenues:						
Charges for services:						
Electric	\$ 11,881,625	53.1%	\$ 11,572,372	54.4%	\$ 11,385,772	57.1%
Gas	4,596,500	20.5%	4,029,642	18.9%	3,511,207	17.6%
Water	2,544,680	11.4%	2,446,830	11.5%	2,347,287	11.8%
Sewer	2,144,717	9.6%	2,136,369	10.0%	1,849,170	9.3%
Investment earnings	145,845	0.7%	13,961	0.1%	30,322	0.2%
Other	1,079,751	4.8%	1,082,007	5.0%	803,309	3.8%
Total revenues	22,393,118	100.0%	21,281,181	100.0%	19,927,067	100.0%
Expenses:						
Personal services	4,432,613	20.7%	4,490,076	22.0%	4,295,278	21.7%
Purchased services	2,244,440	10.5%	2,101,462	10.3%	2,190,231	11.0%
Materials and supplies	565,726	2.6%	536,228	2.6%	518,231	2.6%
Repairs and maintenance	764,319	3.5%	857,651	4.2%	763,552	3.9%
Gas and electric purchased for resale	11,742,660	54.9%	10,923,283	53.5%	10,709,430	54.0%
Depreciation	1,098,466	5.1%	1,101,687	5.4%	1,128,816	5.7%
Interest	61,372	0.3%	64,787	0.3%	68,093	0.3%
Loss on sale of capital assets	8,761	0.0%	74,071	0.4%	1,050	0.0%
Miscellaneous	458,400	2.1%	280,364	1.3%	157,724	0.8%
Total expenses	21,376,757	100.0%	20,429,609	100.0%	19,832,405	100.0%
Excess	1,016,361		851,572		94,662	
Capital contributions	45,450		31,620		-	
Net change in position	1,061,811		883,192		94,662	
Beginning net position	37,113,802		36,230,610		36,135,948	
Ending net position	\$ 38,175,613		\$ 37,113,802		\$ 36,230,610	

Financial Analysis of the Utility Commission's Operations

Fiscal Year 2014 Analysis (After Cost Allocations)

Overall Analysis – Total operating revenues increased \$980,053 or 4.6%. Operating expenses increased \$1,015,873 or 5.0%. In total, the operating income decreased \$35,820. The increase in net position was caused by an increase in operating revenues and investment earnings exceeding the increase in operating expenses.

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

	<u>Amount</u>
Electric	\$ 988,509
Gas	420,612
Water	52,487
Sewer	(520,959)

The following includes an analysis of the fiscal year 2014 financial activities for each utility.

Electric Utility – The operating income of \$988,509 in fiscal year 2014 compares to operating income of \$1,140,023 in fiscal year 2013. This decrease in operating income relates primarily to just an 1.6% increase in operating revenues and primarily to the cost of purchased electricity increase of \$327,503 or 3.81%.

The fiscal year 2014 operating revenues increased \$202,932 or 1.6% over fiscal year 2013.

Operating expenses increased \$354,446 or 3.1%. As indicated above, the primary increase relates to the cost of electricity.

All of the other operating expenses were similar to those in fiscal year 2013, up \$26,943 year over year. Personal services were down due primarily a reduction of group health insurance. Repair and maintenance was down. Purchased services, materials and supplies, depreciation and miscellaneous were up.

Natural Gas Utility – The operating income of \$420,613 in fiscal year 2014 compares to operating income of \$397,776 in fiscal year 2013. This is an increase of 5.7%. Operating revenue was up \$670,812 or 15.9%, due primarily to an increase in consumption year over year of 328,525 hundred cubic feet of gas due to winter weather.

Operating expenses were up \$647,976 or 16.9%.

The reasons for the major changes in operating expenses are:

- Purchased services increased \$52,662 or 14.5% primarily because the City of Fort Valley franchise fees increased \$25,920.
- The cost of gas purchased increased \$574,720 or 25.4%, due primarily to an increase in the purchase of 450,250 hundred cubic of gas year over year because consumption increased due to winter weather.

Water Utility – The operating income of \$52,487 in fiscal year 2014 compares to an operating loss of \$267,195 in fiscal year 2013. Operating revenues in fiscal year 2014 were \$102,238 or 4.1% more than the fiscal year 2013 amount. Operating expenses decreased 8% (\$217,444) from fiscal year 2013.

Personal costs decreased \$41,269 or 2.9%, due to the decrease of group health insurance. Purchased services were down \$60,097 or 13.3%, due primarily to decreases in inventory adjustments, other contractual expense, and miscellaneous operating expense.

Repairs and maintenance costs decreased \$75,411 or 21.3% from fiscal year 2013 for meters and underground lines, office equipment and heavy equipment, and other repair and maintenance expense items.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Utility Commission, City of Fort Valley, Georgia
As of and For The Years Ended September 30, 2014 and 2013

Sewer Utility – For the fifteenth year in a row, the sewer utility reported an operating loss, this year \$520,959 as compared to last years' operating loss of \$294,135.

Operating revenues were about the same as those in fiscal year 2013.

Total operating expenses increased \$230,895 or 9.4% over fiscal year 2013. The cost of purchased services increased \$128,329 or 39.1% over the prior year due to engineering fees, franchise fees, and utilities. Repairs and maintenance costs increased \$21,359 or 12.2% due to underground lines and lift stations.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Utility Commission, City of Fort Valley, Georgia
As of and For The Years Ended September 30, 2014 and 2013

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).

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.

Capital Assets and Debt Administration

Capital Assets

The Utility Commission's investment in capital assets, net of accumulated depreciation, as of September 30, 2014, 2013 and 2012, was \$27,724,956, \$27,421,646 and \$27,671,918, 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, 2014		September 30, 2013		September 30, 2012	
	Amount	%	Amount	%	Amount	%
Non-depreciable assets:						
Land	\$ 146,486	19%	\$ 133,761	23%	\$ 100,830	35%
Construction in progress	624,861	81%	437,818	77%	185,487	65%
Total non-depreciable	771,347	100%	571,579	100%	286,317	100%
Depreciable assets:						
Buildings	335,744	1%	335,744	1%	335,744	1%
Distribution system	44,163,228	91%	43,629,072	91%	43,352,387	91%
Machinery and equipment	3,983,217	7%	3,756,107	7%	3,616,674	7%
Intangibles	277,484	1%	277,484	1%	277,484	1%
Total depreciable assets	48,759,673	100%	47,998,407	100%	47,582,289	100%
Less accumulated depreciation	21,806,064		21,148,340		20,196,688	
Book value - depreciable assets	26,953,609		26,850,067		27,385,601	
Percentage depreciated	45%		44%		42%	
Book value - all assets	\$ 27,724,956		\$ 27,421,646		\$ 27,671,918	

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Utility Commission, City of Fort Valley, Georgia
As of and For The Years Ended September 30, 2014 and 2013

At September 30, 2014, the depreciable capital assets were 45% depreciated. This compares favorably to the September 30, 2013 and 2012 percentages. This comparison indicates that the Utility Commission is replacing its assets at approximately the same rate as they are depreciating, which is a positive indicator.

At September 30, 2014, the construction in progress includes primarily the USDA RD FVSU Water Project, the SW Peach County Sewer Project, and the Administration Building Project.

The major additions of \$1,041,531 (gross) to the distribution systems asset class relate to the following:

- Electric, Water and Natural Gas Automated Meters \$125,307
- Lines, Transformers, and Poles \$245,904
- Pipe Lining, Open Cut, and Pipe Bursting Projects \$318,000
- Various Fiber Optic New Customer Projects \$46,940

The cost of machinery and equipment added in this fiscal year of \$340,903 (gross) primarily consisted of seven new vehicles at a cost of \$220,285

.The Utility Commission discontinued its propane air plant (peak shaving) business segment and sold the related assets in 2014.

Long-term Debt

At September 30, 2014, the Utility Commission has three loans outstanding with the Georgia Environmental Finance Authority (GEFA) and two with the Georgia Environmental Loan Acquisition Corporation (GELAC).

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

Outstanding Long-term Debt			
	<u>September 30, 2014</u>	<u>September 30, 2013</u>	<u>September 30, 2012</u>
GEFA Loan - DW97-027	\$ 1,062,451	\$ 1,225,905	\$ 1,389,359
GEFA Loan - DW97-027A	226,200	257,263	287,411
GELAC Loan - 2006-L58WQ	670,814	704,472	736,775
GEFA Loan - DWSRF 04-004	232,702	247,076	261,185
GELAC Loan - 2007-L42WQ	501,217	523,105	544,115
Polytec, Inc., Capital Lease	-	6,543	12,151
Compensated Absences	<u>259,913</u>	<u>230,662</u>	<u>226,395</u>
Total	<u><u>\$ 2,953,297</u></u>	<u><u>\$ 3,195,026</u></u>	<u><u>\$ 3,457,391</u></u>

See Note 3-F 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.

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 five years. Blue Bird, whose parent company was 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.

Blue Bird Corporation, announced in September 2014, that it will become a public company and its stock will be traded on the Nasdaq stock exchange. Blue Bird's management team, 1,600 employees, and the facility will remain in Fort Valley. Texas-based Hennessy Capital Acquisition Corporation announced it plans to buy Blue Bird in a deal worth \$490 million.

Fort Valley State University, announced in September 2014, that it is facing an enrollment decline and a resulting loss of \$7 million in revenue, is laying-off 14 employees, and taking other measures to reduce costs. The University's enrollment declined 25 percent from the 2013 fall semester and 38 percent from a high of 3,186 students in the fall of 2011. Projected enrollment this fall semester is 2,400 students. To help reduce costs, the University is accelerating its "green energy" initiatives, closing a residence hall, cutting campus mail delivery, reorganizing departments, suspending non-essential faculty and staff searches, deferring all non-essential travel, and requiring all faculty to teach full course loads to reduce the number of part-time faculty.

On April 15, 2011, the Utility Commission committed to participate in a project with the USDA Rural Development to add a 500,000 gallon elevated storage tank on the campus of Fort Valley State University, a new well and a chemical feed building. The USDA Rural Development will loan the Utility Commission an amount not to exceed \$2,387,000 and will award a grant for the project for \$1,848,000. The loan will be repayable over 40 years at an interest rate of 3.75%. The monthly payment is estimated at \$9,620. On April 15, 2012, the USDA Rural Development granted an extension until October 15, 2012. On October 15, 2012, the USDA Rural Development granted a second extension until April 15, 2013. At that time, an additional 60-day extension was approved. As of November 13, 2014, USDA has approved plans and specifications. The status of the legal services agreement, preliminary title opinion, updated litigation and judgment agreement and lease agreement with the City of Fort Valley are all open. The Utility Commission anticipates that no further extensions will be required. Construction will begin in calendar year 2015. The primary focus of this project is additional fire protection in the Utility Commission's service delivery area.

In fiscal year 2007, electric rates decreased, and water and sewer rates 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%.

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

There are no rate increases effective for fiscal year ended September 30, 2015.

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, 2014 and 2013

	2014	2013
Assets		
Current Assets:		
Cash and cash equivalents (Note 3-A)	\$ 172,316	\$ 259,179
Investments (Note 3-A)		
Natural Gas	17,646	542,241
Electric	9,886,567	8,646,682
Receivables:		
Accounts (net of allowance for uncollectibles):		
Billed	1,468,773	1,269,839
Unbilled	1,008,953	1,063,389
Interest	5,298	903
Inventory (Note 1-E-3)	579,717	646,139
Prepaid expenses (Note 1-E-4)	101,960	105,974
Total Current Assets	13,241,230	12,534,346
Noncurrent Assets:		
Restricted assets (Note 1-E-5)		
Investments	2,835,546	2,558,901
Capital assets (Note 3-C)		
Nondepreciable	771,347	571,578
Depreciable, net	26,953,609	26,850,068
Total Noncurrent Assets	30,560,502	29,980,547
Total Assets	43,801,732	42,514,893
Liabilities		
Current Liabilities:		
Accounts payable	1,497,463	1,119,081
Retainage payable	13,538	-
Accrued payroll	80,124	66,819
Payroll deductions payable	9,412	8,109
Sales and excise taxes payable	49,154	111,713
Intergovernmental payable	158,242	158,555
Compensated absences payable	173,102	153,621
Construction loan payable (Note 3-E)	402,372	289,853
Notes payable (Note 3-F)	267,984	270,047
Total Current Liabilities	2,651,391	2,177,798
Noncurrent Liabilities:		
Customer deposits payable	462,517	451,935
Compensated absences payable (net of current portion)	86,811	77,041
Notes payable (net of current portion) (Note 3-F)	2,425,399	2,694,317
Total Noncurrent Liabilities	2,974,727	3,223,293
Total Liabilities	5,626,118	5,401,091
Net Position		
Net investment in capital assets (Note 3-H)	24,629,201	24,167,429
Restricted for new electric generation (Note 1-E-5)	1,077,537	800,892
Restricted for pledged collateral - construction loan (Note 1-E-5)	1,758,009	1,758,009
Unrestricted	10,710,866	10,387,472
Total Net Position	\$ 38,175,613	\$ 37,113,802

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, 2014 and 2013

	2014	2013
Operating Revenues		
Charges for services	\$ 21,167,522	\$ 20,185,213
Miscellaneous	1,079,751	1,082,007
Total Operating Revenues	22,247,273	21,267,220
Operating Expenses		
Personal services	4,432,613	4,490,076
Purchased services	2,244,440	2,101,462
Materials and supplies	565,726	536,228
Repairs and maintenance	764,319	857,651
Gas and electric purchased for resale	11,742,660	10,923,283
Depreciation	1,098,466	1,101,687
Miscellaneous	458,400	280,364
Total Operating Expenses	21,306,624	20,290,751
Operating Income	940,649	976,469
Nonoperating Revenues (Expenses)		
Interest and fiscal charges	(61,372)	(64,787)
(Loss) on disposition of capital assets	(8,761)	(74,071)
Investment earnings	145,845	13,961
Total Nonoperating Revenues (Expenses)	75,712	(124,897)
Income Before Capital Contributions	1,016,361	851,572
Capital Contributions	45,450	31,620
Change in Net Position	1,061,811	883,192
Net Position Beginning of Year	37,113,802	36,230,610
Net Position End of Year	\$ 38,175,613	\$ 37,113,802

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, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	\$ 22,050,798	\$ 22,102,001
Cash payments for personal services	(4,388,754)	(4,470,404)
Cash payments for goods and services	(15,313,502)	(14,813,462)
Net Cash Provided by (Used in) Operating Activities	<u>2,348,542</u>	<u>2,818,135</u>
Cash Flows from Capital and Related Financing Activities		
Capital contributions	45,450	31,620
Proceeds from construction loan	112,519	289,853
Principal paid on notes payable	(270,982)	(266,632)
Interest paid on notes payable	(61,372)	(64,787)
Casualty insurance proceeds and other reclassifications	(59,344)	-
Proceeds from the sale of capital assets	231,010	-
Payments for capital acquisitions	(1,582,202)	(901,027)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(1,584,921)</u>	<u>(910,973)</u>
Cash Flows from Investing Activities		
Investment earnings	141,450	33,147
Net purchase of investments	(991,935)	(1,896,974)
Net Cash Provided (Used in) Investing Activities	<u>(850,485)</u>	<u>(1,863,827)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(86,863)	43,335
Cash and Cash Equivalents Beginning of Year	<u>259,178</u>	<u>215,843</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 172,316</u></u>	<u><u>\$ 259,178</u></u>

(continued)

Utility Commission
City of Fort Valley, Georgia
Comparative Statement of Cash Flows
For the Years Ended September 30, 2014 and 2013

(continued)

	<u>2014</u>	<u>2013</u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	\$ 940,649	\$ 976,469
Adjustments:		
Depreciation	1,098,467	1,101,687
(Increase) Decrease in Assets:		
Accounts receivable	(144,498)	834,943
Materials and supplies inventory	66,422	15,894
Prepaid expenses	4,014	1,809
Increase (Decrease) in Liabilities:		
Accounts payable	378,382	(140,819)
Retainage payable	13,538	-
Accrued payroll	13,305	13,648
Payroll deductions payable	1,303	1,756
Sales and excise taxes payable	(62,559)	(23,611)
Intergovernmental payable	(313)	8,643
Customer deposits	10,582	23,448
Compensated absences payable	29,251	4,267
Net Cash Provided by (Used in) Operating Activities	<u>\$ 2,348,542</u>	<u>\$ 2,818,135</u>
Noncash Capital Financing Activities:		
Purchase of equipment on account (in accounts payable @ year-end)	\$ 19,066	\$ 46,070
Purchase of equipment on account (in retainage payable @ year-end)	13,538	-

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, 2014 and 2013*

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Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2014 and 2013

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, 2014 and 2013

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, 2014. Unbilled service receivables represent the estimated amount of accounts receivable for services that have not been billed as of the comparative statement of net position date. The amounts are a result of a timing difference between the end of the financial statement cycle and the billing cycle. The receivables are reported net of an allowance for uncollectibles, where applicable (Note 3-B).

1-E-3 Intergovernmental Note Receivable

The Utility Commission guaranteed the cost of certain architect plans and fees up to the amount of \$180,000 incurred by the Fort Valley Main Street Downtown Development Authority (City of Fort Valley, Georgia) relative to the renovation of the Fort Valley High School building on Knoxville Street in Fort Valley, Georgia. The proposed renovation would have housed the future School of Business Administration program at Fort Valley State University, which is an historically black State and Land-Grant Institution and a member of the University System of Georgia. Short-term financing, for which the Utility Commission has guaranteed repayment, has been provided by a local Community Bank. The project has been abandoned. The Fort Valley Main Street Downtown Development Authority loan was current for fiscal year 2013. A balloon payment was due in May 2014.

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2014 and 2013*

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The Fort Valley Main Street Downtown Development Authority paid the Utility Commission \$11,550.67 on August 19th 2014.

As a result of the above circumstances, the Utility Commission has recorded an intergovernmental note receivable, in the amount of \$136,075; and, recorded an offsetting allowance for uncollectibles in an amount equal to the intergovernmental note receivable.

1-E-4 Consumable Inventories

Inventory is recorded using the average unit cost method and expensed when consumed. Inventories include propane gas for fiscal year 2013 only, and meters, transformers, lines, poles, pipe and fittings for both fiscal years.

1-E-5 Prepaid Expenses

Payments made to vendors for services (i.e., prepaid insurance) that will benefit periods beyond September 30, 2014, are recorded as prepaid expenses using the consumption method by recording an asset for the prepaid amount and reflecting the expense in the year in which services are consumed.

1-E-6 Restricted Assets

In 2013 and 2014 restricted assets consist of the new generation and capacity funding account (2013 - \$800,892 and 2014 \$1,077,537) and at September 30, 2013 and 2014, a construction loan certificate of deposit pledged as collateral for both 2013 and 2014 in the amount of \$1,758,009.

1-E-7 Capital Assets

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

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2014 and 2013*

Note 1 - Summary of Significant Accounting Policies (Continued)

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

<u>Asset Class</u>	<u>Depreciation Rate</u>
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-8 Compensated Absences

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

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

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

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

1-E-10 Net Position

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

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

1-E-11 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.

**Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2014 and 2013**

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-12 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-13 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 2014 and 2013.

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 fiscal year 2013; and, Water 50% and Sewer 50% for fiscal year 2014.

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-14 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-15 Comparative Data

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

1-E-16 Implementation of New GASB Standard

In fiscal year 2014, the Utility Commission implemented Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The adoption of this statement has an impact on the Utility Commission's financial statements for fiscal year 2014. Please see note 1-E-3 *Intergovernmental Note Receivable*.

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2014 and 2013*

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, 2014, 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, 2014, the bank balances were \$493,687 and the carrying amount was \$169,306.

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

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2014 and 2013*

Note 3 - Detailed Notes (Continued)

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

Note 3 - Detailed Notes (Continued)

At September 30, 2014 and September 30, 2013, 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
<hr/> 2014 <hr/>				
Certificates of Deposit	\$ 1,758,009	\$ -	\$ 1,758,009	\$ -
Money Market Account	17,646			
Municipal Competitive Trust	<u>10,964,104</u>			
Total	<u>\$ 12,739,759</u>			
<hr/> 2013 <hr/>				
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>			

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, 2014 and 2013, 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.

Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2014 and 2013

Note 3 - Detailed Notes (Continued)

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

Bank:	September 30, 2014		September 30, 2013	
	Amount	% of Total	Amount	% of Total
CB&T Bank of Middle Georgia	\$ 1,758,009	100%	\$ 1,758,009	100%

Cash & Investment Reconciliation:

	September 30, 2014		September 30, 2013	
	Cash and Cash Equivalents	Investments	Cash and Cash Equivalents	Investments
Enterprise Fund Type Statement of Net Position				
Unrestricted	\$ 172,316	\$ 9,904,213	\$ 259,179	\$ 9,188,923
Restricted	-	2,835,546	-	2,558,901
Less cash on hand and petty cash	(3,010)	-	(3,010)	-
Total	\$ 169,306	\$ 12,739,759	\$ 256,169	\$ 11,747,824

3-B. Receivables

Receivables at September 30, 2014 and 2013 consisted of interest and customer accounts (billings for user charges, including unbilled utility receivables).

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

The allowance for uncollectibles for accounts receivable was \$230,000 at September 30, 2014 and 2013 was \$230,000. The allowance for uncollectibles for intergovernmental notes receivable was \$136,075 at September 30, 2014.

Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2014 and 2013

Note 3 - Detailed Notes (Continued)

3-C. Capital Assets

Capital asset activity for the year ended September 30, 2014, was as follows:

	10/1/2013	Additions	Deductions	9/30/2014
Business-type activities:				
Nondepreciable capital assets:				
Land	\$ 133,761	\$ 12,725	\$ -	\$ 146,486
Construction in progress	437,818	256,931	69,888	624,861
Total nondepreciable capital assets	571,579	269,656	69,888	771,347
Depreciable capital assets:				
Building	335,744	-	-	335,744
Distribution system	43,629,072	1,041,531	507,375	44,163,228
Machinery and equipment	3,756,107	340,903	113,793	3,983,217
Intangibles	277,484	-	-	277,484
Total depreciable capital assets	47,998,407	1,382,434	621,168	48,759,673
Total capital assets	48,569,986	1,652,090	691,056	49,531,020
Accumulated depreciation:				
Building	231,343	4,475	-	235,818
Distribution system	17,967,430	892,066	346,139	18,513,357
Machinery and equipment	2,728,089	175,008	94,603	2,808,494
Intangibles	221,478	26,917	-	248,395
Total accumulated depreciation	21,148,340	1,098,466	440,742	21,806,064
Business-type activities capital assets, net	\$ 27,421,646	\$ 553,624	\$ 250,314	\$ 27,724,956

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Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2014 and 2013

Note 3 - Detailed Notes (Continued)

3-C. Capital Assets (Continued)

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

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2014 and 2013*

Note 3 - Detailed Notes (Continued)

3-D. Operating Leases

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.

<u>Fiscal Year</u>	<u>Amount</u>
2015	<u>\$ 268</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 loan drawn down at September 30, 2014 is \$402,372. The amount of loan draw down at September 30, 2013 was \$289,853. The construction loan will be renewed in 2015.

3-F. Long-term Debt

At September 30, 2014, the Utility Commission has three loans outstanding with the Georgia Environmental Finance Authority (GEFA) and two with the Georgia Environmental Loan Acquisition Corporation (GELAC).

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

Annual debt service requirements to amortize this loan as of September 30, 2014 follow:

<u>Fiscal Year</u>	<u>Principal</u>
2015	\$ 163,454
2016	163,454
2017	163,454
2018	163,454
2019	163,454
2020-2021	<u>245,181</u>
Total	<u>\$ 1,062,451</u>

Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2014 and 2013

Note 3 - Detailed Notes (Continued)

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

Annual debt service requirements to amortize this loan as of September 30, 2014 follow:

Year	Principal	Interest	Total
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	36,069	2,364	38,433
2020-2021	56,167	1,484	57,651
Total	<u>\$ 226,200</u>	<u>\$ 23,616</u>	<u>\$ 249,816</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.

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Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2014 and 2013

Note 3 – Detailed Notes (Continued)

Annual debt service requirements to amortize this loan as of September 30, 2014 follow:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	41,349	20,703	62,052
2020-2024	234,279	75,984	310,263
2025-2029	<u>245,795</u>	<u>23,049</u>	<u>268,844</u>
Total	<u>\$ 670,814</u>	<u>\$ 218,555</u>	<u>\$ 889,369</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, 2014 follow:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	15,806	3,138	18,944
2020-2024	83,690	11,029	94,719
2025-2028	<u>72,899</u>	<u>2,859</u>	<u>75,758</u>
Total	<u>\$ 232,702</u>	<u>\$ 32,495</u>	<u>\$ 265,197</u>

Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2014 and 2013

Note 3 – Detailed Notes (Continued)

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

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

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

Annual debt service requirements to amortize this loan as of September 30, 2014 follow:

Year	Principal	Interest	Total
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	26,858	16,068	42,926
2020-2024	152,090	62,543	214,633
2025-2029	186,629	28,004	214,633
2030	38,555	795	39,350
Total	<u>\$ 501,217</u>	<u>\$ 182,032</u>	<u>\$ 683,249</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 Utility Commission agrees to use only Polytec chemicals in this equipment. The lease was retired in this fiscal year.

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Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2014 and 2013

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, 2014 and 2013:

	Outstanding 10/1/2013	Additions	Reductions	Outstanding 9/30/2014	Amounts Due in One Year	Long-term Portion
Business-Type Activities						
GEFA loan - DW97-027	\$ 1,225,905	\$ -	\$ 163,454	\$ 1,062,451	\$ 163,454	\$ 898,997
GEFA loan - DW97-027A	257,263	-	31,063	226,200	32,005	194,194
GELAC loan - 2006-L58WQ	704,472	-	33,659	670,814	35,073	635,741
GEFA loan - DWSRF 04-004	247,076	-	14,375	232,702	14,650	218,051
GELAC loan - 2007-L42WQ	523,105	-	21,888	501,217	22,802	478,415
Polytec, Inc. capital lease	6,543	-	6,543	-	-	-
Compensated absences	230,662	192,001	162,750	259,913	173,102	86,811
Total Business-Type Activities	<u>\$ 3,195,026</u>	<u>\$ 192,001</u>	<u>\$ 433,732</u>	<u>\$ 2,953,297</u>	<u>\$ 441,087</u>	<u>\$ 2,512,210</u>
	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	77,040
Total Business-Type Activities	<u>\$ 3,457,391</u>	<u>\$ 188,923</u>	<u>\$ 451,288</u>	<u>\$ 3,195,026</u>	<u>\$ 423,669</u>	<u>\$ 2,771,357</u>

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

3-G. Pension Plan

Plan Description 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, 2014 and 2013

Note 3 – Detailed Notes (Continued)

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

Valuation Date	January 1, 2014	January 1, 2013	January 1, 2012
Membership			
Active plan participants	48	49	48
Retirees and beneficiaries currently receiving benefits	26	25	24
Inactive plan participants or terminated plan participants entitled to, but not yet receiving benefits	7	8	8
Total	81	82	80

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. Georgia code section 47-20-10 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
9/30/2009	\$ 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%
9/30/2014	276,637	100%	276,637	100%

For both 2013 and 2014, the Utility Commission’s annual pension costs of \$280,703 and \$276,637, respectively, were equal to the Utility Commission’s required and actual contributions. The Utility Commission’s contribution rates were 10.07% of the expected payroll for covered employees for fiscal year 2014 and 10.16% for fiscal year 2013.

Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2014 and 2013

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
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%
1/1/2014	6,199,470	6,803,396	91.12%	603,926	2,678,108	22.55%

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, 2014	January 1, 2013	January 1, 2012
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%

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2014 and 2013*

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, 2014 and 2013 as follows:

Net Investment in capital assets:	2014	2013
Cost of capital assets	\$ 49,531,020	\$ 48,569,986
Less accumulated depreciation	21,806,064	21,148,340
Book value	27,724,956	27,421,646
Less capital related debt	3,095,755	3,254,217
Net Investment in capital assets	<u>\$ 24,629,201</u>	<u>\$ 24,167,429</u>

Note 4 - Other Notes

4-A. Contract Commitments

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

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

MEAG has issued bonds for the purpose of building generation, transmission, and telecommunications facilities. Each participant, such as the Utility Commission, is contingently liable for their pro rata share of the bonds as a power purchase cost until they are retired. The Utility Commission’s contingent contractual obligation varies by individual MEAG project and totals approximately \$67,824,903 at September 30, 2014 and \$68,618,954 at September 30, 2013. 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 \$9,787,817 at September 30, 2014 and \$8,545,445 at September 30, 2013. 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, 2014 were \$132 and \$3,545,946; at September 30, 2013 the balances were \$793,034 and \$4,144,703, 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, 2014 and 2013*

Note 4 - Other Notes (Continued)

Credits from the Municipal Competitive Trust for Power Supply Year 2014. In accordance with the First Amendment of the Municipal Competitive Trust, MEAG Power withdrew funds from the credit support operation account and the reserve funded debt account on behalf of the Participants for the purpose of lowering the annual generation charges for the period of January 1, 2009 through December 31, 2018. The annual amount for the Utility Commission for 2009 was \$1,202,727. The annual amount for the Utility Commission for 2010 was \$1,157,508. The annual amount for the Utility Commission for 2011 was \$1,387,086. The annual amount for the Utility Commission for 2012 was \$769,170. The annual amount for the Utility Commission for 2013 was \$1,463,662. The annual amount for the Utility Commission for 2014 was \$1,427,702. The annual amount for the Utility Commission for 2015 is \$1,183,043.

In accordance with the Second Amendment of the Municipal Competitive Trust, effective August 10, 2009, MEAG Power amended the restrictions and broadened the circumstances under which a Participant may withdraw funds from the New Generation Trust, which was established earlier in 2009 to provide for the future funding of the construction of new power generation facilities, including, but not limited to the Plant Vogtle expansion project. The voluntary funding of the New Generation Trust by Participants will improve the overall credit rating of MEAG Power in the municipal bond market, both now and in the future. The Generation Trust Account is displayed as a restricted investment asset in the comparative statement of net position. The amounts were \$1,057,312 for 2014 and \$780,157 for 2013.

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, 2014 and 2013. 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 \$5,973,457 at September 30, 2014 and \$4,664,635 at September 30, 2013. 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.

*Utility Commission
City of Fort Valley, Georgia
Notes to the Basic Financial Statements
For the Years Ended September 30, 2014 and 2013*

Note 4 - Other Notes (Continued)

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

4-B. Risk Management

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

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

4-C. Contingent Liabilities

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

The Utility Commission was not a defendant in any lawsuits at September 30, 2014 or 2013. In the opinion of the Utility Commission's management, there are no legal contingencies which will have a material effect on the financial position of the Utility Commission in subsequent years.

4-D. Subsequent Event

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 or for billing cycle #1 in October 2014.

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 was 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 2014. This transaction was completed in fiscal year 2014.

4-E. Significant Customers

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



Utility Commission
City of Fort Valley, Georgia
Combining Schedule of Operating Revenues and Expenses
(After Cost Allocation)
For the Year Ended September 30, 2014

	Natural				
	Gas	Electric	Water	Sewer	Total
Operating Revenues					
Charges for services	\$ 4,596,500	\$ 11,881,625	\$ 2,544,680	\$ 2,144,717	\$ 21,167,522
Miscellaneous	296,629	749,224	21,625	12,273	1,079,751
Total Operating Revenues	4,893,129	12,630,849	2,566,305	2,156,990	22,247,273
Operating Expenses					
Personal services	808,499	1,135,639	1,363,227	1,125,247	4,432,613
Purchased services	415,124	981,592	391,224	456,500	2,244,440
Materials and supplies	58,222	77,645	158,497	271,362	565,726
Repairs and maintenance	133,135	156,369	278,940	195,875	764,319
Gas and electric purchased for resale	2,837,813	9,036,228	(176,501)	45,120	11,742,660
Depreciation	121,168	117,347	368,932	491,019	1,098,466
Miscellaneous	98,556	137,520	129,498	92,826	458,400
Total Operating Expenses	4,472,517	11,642,340	2,513,818	2,677,949	21,306,624
Operating Income (Loss)	\$ 420,613	\$ 988,509	\$ 52,487	\$ (520,959)	\$ 940,649

Utility Commission
City of Fort Valley, Georgia
Combining Schedule of Operating Revenues and Expenses
(Before Cost Allocation)
For the Year Ended September 30, 2014

	Natural Gas	Electric	Water	Sewer	Telecom	Administrative, Meter and Warehouse Costs			Total Administration	Total
						104	105	106		
Operating Revenues										
Charges for services	\$ 4,596,500	\$ 11,881,625	\$ 2,544,680	\$ 2,144,717	\$ 342,249	\$ -	\$ -	\$ -	\$ -	\$ 21,509,771
Miscellaneous	296,631	749,224	21,625	12,273	-	13,363	-	-	13,363	1,093,116
Total Operating Revenues	4,893,131	12,630,849	2,566,305	2,156,990	342,249	13,363	-	-	13,363	22,602,887
Operating Expenses										
Personal services	419,037	592,205	787,684	694,620	127,617	1,287,930	441,875	81,644	1,811,449	4,432,612
Purchased services	292,544	810,550	407,717	518,604	(12,866)	563,718	2,099	4,321	570,138	2,586,687
Materials and supplies	32,377	41,583	115,967	238,448	17,143	28,012	23,718	68,478	120,208	565,726
Repairs and maintenance	99,318	109,182	227,057	156,576	14,897	113,000	14,704	29,586	157,290	764,320
Gas and electric purchased for resale	2,837,813	9,036,228	(224,888)	(3,267)	96,775	-	-	-	-	11,742,661
Depreciation	103,169	92,233	308,064	436,848	74,437	83,716	-	-	83,716	1,098,467
Miscellaneous	-	-	-	-	-	471,765	-	-	471,765	471,765
Total Operating Expenses	3,784,258	10,681,981	1,621,601	2,041,829	318,003	2,548,141	482,396	184,029	3,214,566	21,662,238
Operating Income (Loss)	\$ 1,108,873	\$ 1,948,868	\$ 944,704	\$ 115,161	\$ 24,246	\$ (2,534,778)	\$ (482,396)	\$ (184,029)	\$ (3,201,203)	\$ 940,649

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	<u>4,222,317</u>	<u>12,427,917</u>	<u>2,464,067</u>	<u>2,152,919</u>	<u>21,267,220</u>
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	<u>3,824,541</u>	<u>11,287,894</u>	<u>2,731,262</u>	<u>2,447,054</u>	<u>20,290,751</u>
Operating Income (Loss)	<u>\$ 397,776</u>	<u>\$ 1,140,023</u>	<u>\$ (267,195)</u>	<u>\$ (294,135)</u>	<u>\$ 976,469</u>

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 Gas	Electric	Water	Sewer	Telecom	Administrative, Meter and Warehouse Costs			Total Administration	Total
						104	105	106		
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
*Comparative Schedule of Revenues and Expenses by Object Classification - Budget and Actual
(Before Cost Allocation)
For the Years Ended September 30, 2014 and 2013*

Object Classification	2014				2013			
	Original Budget	Final Budget	Actual	Variance With Final Budget	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:								
Charges for services:								
Electric	\$ 12,516,212	\$ 12,516,212	\$ 11,909,404	\$ (606,808)	\$ 13,163,039	\$ 13,163,039	\$ 11,582,170	\$ (1,580,869)
Gas	3,960,279	3,960,279	4,610,242	649,963	3,777,616	3,777,616	4,029,642	252,026
Water	2,859,197	2,859,197	2,560,419	(298,778)	3,062,338	3,062,338	2,455,269	(607,069)
Sewer	2,234,092	2,234,092	2,157,096	(76,996)	2,206,766	2,206,766	2,143,728	(63,038)
Telecom	306,000	306,000	344,349	38,349	290,712	290,712	325,577	34,865
Fees	232,900	232,900	289,488	56,588	208,625	208,625	326,248	117,623
Investment earnings	47,896	47,896	145,845	97,949	48,277	48,277	13,959	(34,318)
Miscellaneous	403,220	403,220	803,628	400,408	373,861	373,861	762,195	388,334
Total Revenues	22,559,796	22,559,796	22,820,471	260,676	23,131,234	23,131,234	21,638,787	(1,492,446)
Expenses:								
Personal Services:								
Salaries and wages	3,219,687	3,219,687	3,065,167	154,520	3,027,485	3,027,485	2,878,293	149,192
Payroll taxes	243,919	243,919	222,872	21,047	229,215	229,215	207,815	21,400
Group insurance	927,921	927,921	811,940	115,981	1,324,082	1,324,082	1,076,462	247,620
Pension	335,850	335,850	309,676	26,174	289,858	289,858	308,960	(19,102)
Uniforms	26,000	26,000	18,962	7,038	23,424	23,424	14,542	8,882
Safety shoes	6,300	6,300	3,995	2,305	6,300	6,300	4,006	2,294
Total Personal Services	4,759,677	4,759,677	4,432,612	327,065	4,900,364	4,900,364	4,490,077	410,288
Purchased Services:								
Professional services - audit	40,000	40,000	40,516	(516)	39,000	39,000	38,866	134
Professional services - legal	8,400	8,400	29,801	(21,401)	7,200	7,200	6,643	557
Professional services - engineering	24,300	24,300	46,034	(21,734)	24,300	24,300	26,088	(1,788)
Professional services - other	345,408	345,408	312,468	32,940	366,519	366,519	397,929	(31,410)
Professional services - MEAG Power	46,800	46,800	46,098	701	46,000	46,000	34,604	11,396
Communications - postage	37,800	37,800	39,277	(1,477)	31,200	31,200	34,830	(3,630)
Communications - telephones	32,220	32,220	31,052	1,168	37,020	37,020	26,953	10,067
Utilities	475,164	475,164	615,811	(140,647)	481,164	481,164	460,857	20,307
Advertising	4,500	7,000	6,379	621	5,800	5,800	4,594	1,207
Transportation, room and board	35,400	35,400	23,185	12,215	24,900	24,900	13,682	11,218
Continuing professional education	35,700	35,700	26,088	9,612	26,700	26,700	14,028	12,672
Insurance	264,232	264,232	252,442	11,790	280,584	280,584	255,272	25,312
Vehicles and equipment - other	6,600	6,600	-	6,600	5,400	5,400	-	5,400
Total Purchased Services	1,356,524	1,359,024	1,469,151	(110,127)	1,375,787	1,375,787	1,314,346	61,441
Total Expenses Carried Forward	6,116,201	6,118,701	5,901,762	216,939	6,276,151	6,276,151	5,804,423	471,729

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, 2014 and 2013

Object Classification	2014				2013			
	Original Budget	Final Budget	Actual	Variance With Final Budget	Original Budget	Final Budget	Actual	Variance With Final Budget
Total Expenses Brought Forward	\$ 6,116,201	\$ 6,118,701	\$ 5,901,762	\$ 216,939	\$ 6,276,151	\$ 6,276,151	\$ 5,804,423	\$ 471,729
Materials and Supplies:								
General office	18,000	18,000	16,892	1,108	15,000	15,000	18,696	(3,696)
Printed forms	7,200	7,200	7,085	115	6,000	6,000	7,644	(1,644)
General operating	330,000	330,000	319,464	10,536	293,100	293,100	290,196	2,904
Hand tools and small equipment	44,400	44,400	47,064	(2,664)	31,500	31,500	57,792	(26,292)
Safety	16,800	16,800	26,889	(10,089)	12,300	12,300	16,336	(4,036)
Custodial	10,800	10,800	8,930	1,870	7,200	7,200	7,755	(555)
City of Fort Valley	6,000	6,000	5,337	663	5,100	5,100	4,164	936
Vehicles and equipment - fuel and oil	138,000	138,000	134,065	3,935	138,900	138,900	133,645	5,255
Total Materials and Supplies	571,200	571,200	565,726	5,472	509,100	509,100	536,228	(27,129)
Repairs and Maintenance:								
Metering service	12,000	12,000	16,386	(4,386)	10,800	10,800	15,434	(4,634)
Overhead lines	84,000	84,000	36,353	47,647	126,000	126,000	39,667	86,333
Underground lines	73,200	73,200	114,790	(41,590)	44,100	44,100	103,546	(59,446)
Stations	68,400	68,400	43,502	24,898	83,400	83,400	46,582	36,818
Office equipment	99,000	99,000	115,029	(16,029)	98,700	98,700	127,275	(28,575)
Vehicles	44,100	44,100	56,534	(12,434)	36,000	36,000	43,660	(7,660)
Heavy equipment	106,500	106,500	75,112	31,388	99,000	99,000	120,485	(21,485)
Communications	10,200	10,200	3,196	7,004	16,200	16,200	3,573	12,627
Buildings	71,400	71,400	72,892	(1,492)	104,600	104,600	74,850	29,750
Other	278,400	278,400	230,524	47,876	224,100	224,100	282,579	(58,479)
Total Repairs and Maintenance	847,200	847,200	764,318	82,882	842,900	842,900	857,651	(14,750)
Total Gas and Electric Purchased For Resale	13,065,358	13,065,358	11,742,660	1,322,698	12,338,179	12,338,179	10,923,283	1,414,896
Depreciation	1,114,410	1,114,410	1,098,466	15,944	1,105,716	1,105,716	1,101,687	4,029
Total Expenses Carried Forward	21,714,369	21,716,869	20,072,932	1,643,935	21,072,046	21,072,046	19,223,272	1,848,775

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, 2014 and 2013

Object Classification	2014				2013			
	Original Budget	Final Budget	Actual	Variance With Final Budget	Original Budget	Final Budget	Actual	Variance With Final Budget
Total Expenses Brought Forward	\$ 21,714,369	\$ 21,716,869	\$ 20,072,932	\$ 1,643,935	\$ 21,072,046	\$ 21,072,046	\$ 19,223,272	\$ 1,848,775
Miscellaneous:								
Operating	(11,400)	(11,400)	13,522	(24,922)	11,400	11,400	23,363	(11,963)
Non-operating	87,600	87,600	98,853	(11,253)	75,600	75,600	110,115	(34,515)
Interest	61,368	61,368	61,372	(4)	64,788	64,788	64,787	1
Bad debts	115,500	115,500	71,738	43,762	150,024	150,024	27,696	122,328
Franchise fees	1,022,916	1,022,916	1,009,264	13,652	935,268	935,268	954,673	(19,405)
Property and franchise taxes	3,600	3,600	-	3,600	3,000	3,000	-	3,000
City of Roberta collection fees	6,000	6,000	890	5,110	6,000	6,000	1,905	4,095
Aid to other governments	85,800	486,265	471,765	14,500	75,800	300,800	286,800	14,000
Total Miscellaneous	1,371,384	1,771,849	1,727,404	44,445	1,321,880	1,546,880	1,469,339	77,541
Total Expenses	23,085,753	23,488,718	21,800,336	1,688,381	22,393,926	22,618,926	20,692,611	1,926,316
Net Income - Budgetary Basis	<u>\$ (525,957)</u>	<u>\$ (928,922)</u>	1,020,135	<u>\$ 1,949,056</u>	<u>\$ 737,308</u>	<u>\$ 512,308</u>	946,176	<u>\$ 433,869</u>
Non-budgeted Items:								
Contributions			45,450				31,620	
Capitalized labor costs			27,041				23,615	
Loss on disposal of capital assets			(8,761)				(74,071)	
Inventory adjustments			(22,054)				(44,147)	
Change in Net Position - GAAP Basis			<u>\$ 1,061,811</u>				<u>\$ 883,192</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 ⁵							
Fiscal Year	Operating Revenue	Operating Expenses ^{1, 6}	Operating Income	Total Net Nonoperating Revenue (Expense) ⁷	Income (Loss) Before Capital Contributions	Net Capital Contributions	Change in Net Position
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) ³	51,039	905,427	956,466
2009	19,423,958	18,562,187	861,771	(313,784)	547,987	7,094,569 ⁴	7,642,557
2010	20,594,302	18,273,205	2,321,097	(16,736)	2,304,361	(95,681)	2,208,680
2011	20,194,404	19,380,601	813,803	(45,138)	768,665	1,280	769,945
2012	19,896,745	19,763,261	133,484	(38,822)	94,662	-	94,662
2013	21,267,220	20,290,751	976,469	(124,897)	851,572	31,620	883,192
2014	22,247,273	21,306,624	940,649	75,712	1,016,361	45,450	1,061,811
Annual Percentage Change							
2005	1.6%	4.2%	-37.1%	177.9%	-28.1%	-100.1%	-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%
2014	4.6%	5.0%	-3.7%	160.6%	19.4%	43.7%	20.2%

Notes:

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

² Includes an extraordinary item - settlement of insurance claim \$514,782.

³ Includes a special item for early payment to MEAG for telecom MEAG debt.

⁴ Includes a cash contribution from Peach County from 2000 SPLOST funds for the Walter S. Lanter Reclamation Facility.

Data Sources:

⁵ Applicable years' annual financial report.

⁶ Table S-2

⁷ Table S-3

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

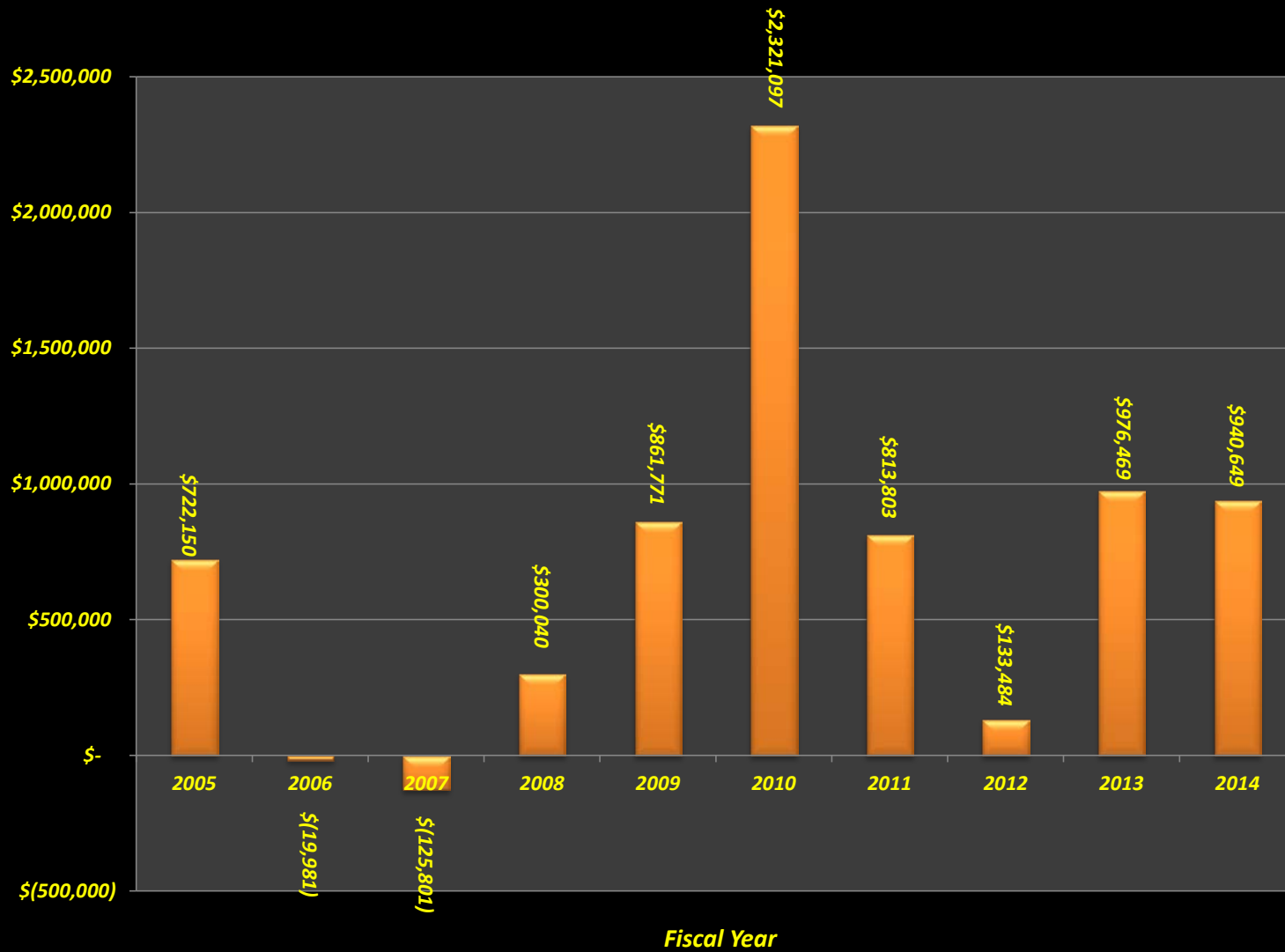


Table S-2

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
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
2014	4,432,612	2,244,440	565,725	764,319	11,742,660	1,098,467	458,401	21,306,624
*	\$ 3,941,831	\$ 2,023,645	\$ 433,178	\$ 703,473	\$ 10,965,248	\$ 1,081,806	\$ 208,972	\$ 19,358,153
**	32.6%	24.9%	87.8%	17.1%	11.4%	6.9%	220.8%	19.7%
Annual Percentage Change								
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%
2014	-1.3%	6.8%	5.5%	-10.9%	7.5%	-0.3%	63.5%	5.0%

* 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)
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)
2014	(61,372)	145,845	(8,761) ⁵	-	75,712

Notes:

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

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

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

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

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

Data Source:

⁵ Applicable years' annual financial report.

Table S-4

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

Amounts ^{1, 4}				
Fiscal Year	Developers	State of Georgia ²	Other ³	Total
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
2014	-	-	45,450	45,450

Notes:

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

² Fiscal year 2008 includes a capital grant received from GEFA.

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

Data Source:

⁴ Applicable years' annual financial report.

Table S-5

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

Fiscal Year²	Operating Revenue^{1, 5}		Operating Expenses⁵		Operating Income (Loss)	
	Amount	% Change	Amount	% Change	Amount	% Change
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 ⁶	4,222,317	13.9%	3,824,541	6.4%	397,776	257.3%
2014	4,893,129	15.9%	4,472,517	16.9%	420,612	5.7%

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.

⁶ Fiscal year rate increase across the board effective October 2012.

Data Source:

⁵ Table S-6

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

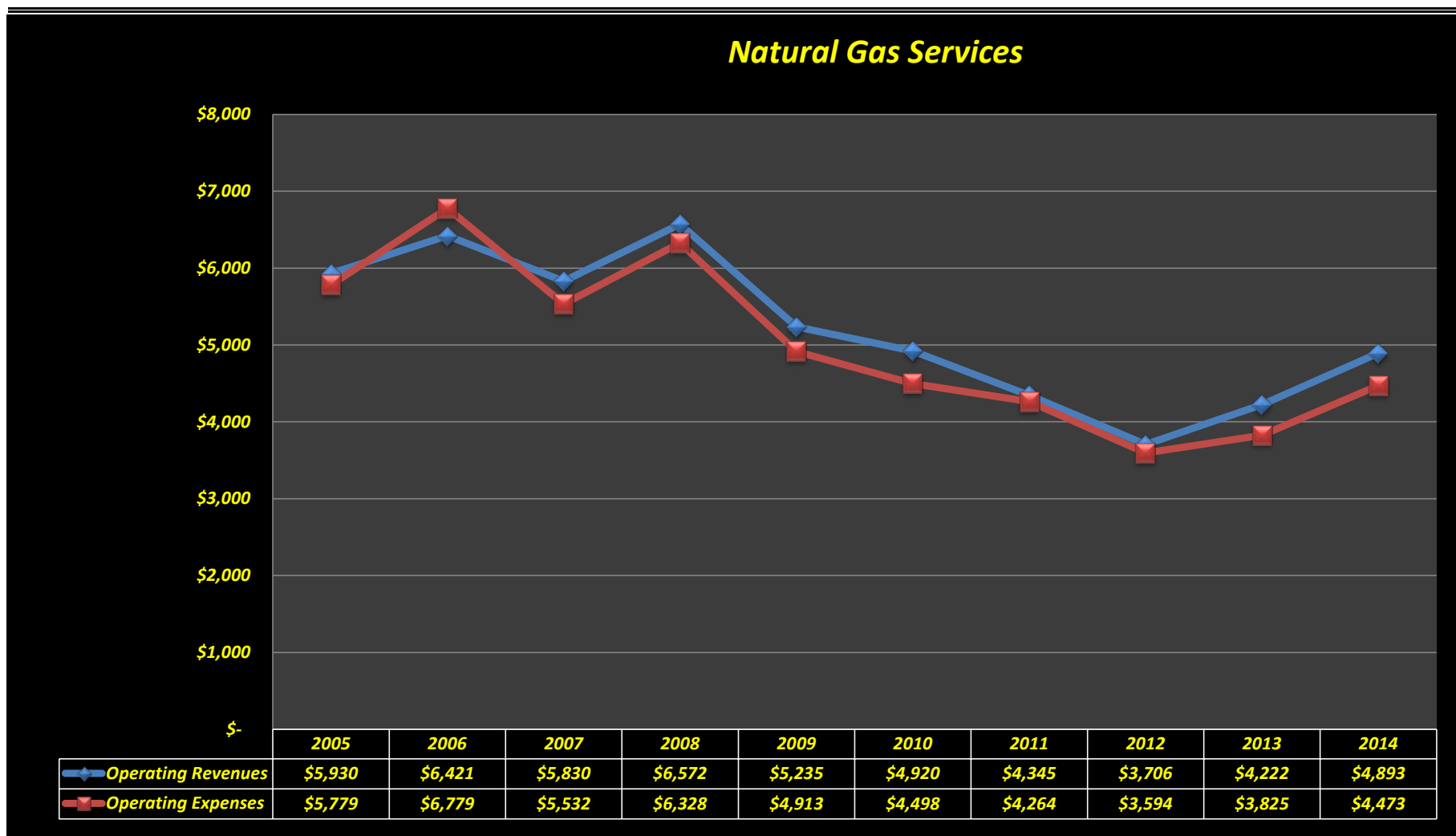


Table S-6

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Amounts ^{1,2,3}										
Operating Revenues	\$ 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	\$ 4,893,129
Operating Expenses:										
Personal services	665,922	685,637	676,803	741,776	756,275	710,216	757,987	800,567	820,994	808,499
Purchased services	399,856	398,355	460,739	426,795	467,309	375,117	436,300	449,059	362,462	415,124
Materials and supplies	36,018	40,582	37,160	45,380	33,649	34,414	46,865	56,209	49,586	58,221
Repairs and maintenance	80,021	71,856	77,892	70,025	67,766	67,916	104,389	137,777	131,471	133,135
Gas purchased for resale	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	2,837,813
Depreciation	118,691	122,690	118,284	115,257	113,888	126,914	138,254	139,574	136,236	121,169
Miscellaneous	25,840	47,954	41,441	10,481	22,481	52,651	52,986	34,143	60,699	98,556
Total Operating Expenses	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	4,472,517
Operating Income (Loss)	\$ 151,778	\$ (358,090)	\$ 297,984	\$ 243,924	\$ 322,193	\$ 421,535	\$ 81,593	\$ 111,343	\$ 397,776	\$ 420,612
Percentage of Total										
Operating Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Operating Expenses:										
Personal services	11.5%	10.1%	12.2%	11.7%	15.4%	15.8%	17.8%	22.3%	21.5%	18.1%
Purchased services	6.9%	5.9%	8.3%	6.7%	9.5%	8.3%	10.2%	12.5%	9.5%	9.3%
Materials and supplies	0.6%	0.6%	0.7%	0.7%	0.7%	0.8%	1.1%	1.6%	1.3%	1.3%
Repairs and maintenance	1.4%	1.1%	1.4%	1.1%	1.4%	1.5%	2.4%	3.8%	3.4%	3.0%
Gas purchased for resale	77.0%	79.8%	74.5%	77.7%	70.3%	69.6%	64.0%	55.0%	59.2%	63.5%
Depreciation	2.1%	1.8%	2.1%	1.8%	2.3%	2.8%	3.2%	3.9%	3.6%	2.7%
Miscellaneous	0.4%	0.7%	0.7%	0.2%	0.5%	1.2%	1.2%	0.9%	1.5%	2.1%
Total Operating Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Operating Income (Loss)										
as a Percentage of										
Operating Revenues	2.6%	-5.6%	5.1%	3.7%	6.2%	8.6%	1.9%	3.0%	9.4%	8.6%

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

Table S-7

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

Amounts ^{1, 2}								
Fiscal Year	Personal Services	Purchased Services	Materials and Supplies	Repairs and Maintenance	Gas Purchased	Depreciation	Miscellaneous	Total
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
2014	808,499	415,124	58,221	133,135	2,837,813	121,169	98,556	4,472,517
*	\$ 742,468	\$ 419,111	\$ 43,808	\$ 94,225	\$ 3,528,844	\$ 125,096	\$ 44,723	\$ 4,998,276
**	21.4%	3.8%	61.6%	66.4%	-36.3%	2.1%	281.4%	-22.6%
Annual Percentage Change								
2005	4.5%	-5.6%	204.1%	3.7%	18.4%	22.7%	-32.0%	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%
2014	-1.5%	14.5%	17.4%	1.3%	25.4%	-11.1%	62.4%	16.9%

* 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 ²	Operating Revenue ¹		Operating Expenses		Operating Income (Loss)	
	Amount	% Change	Amount	% Change	Amount	% Change
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%
2014	12,630,849	1.6%	11,642,340	3.1%	988,509	-13.3%

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 lower user charges for electric services.

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

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

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

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

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

Data Source:

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

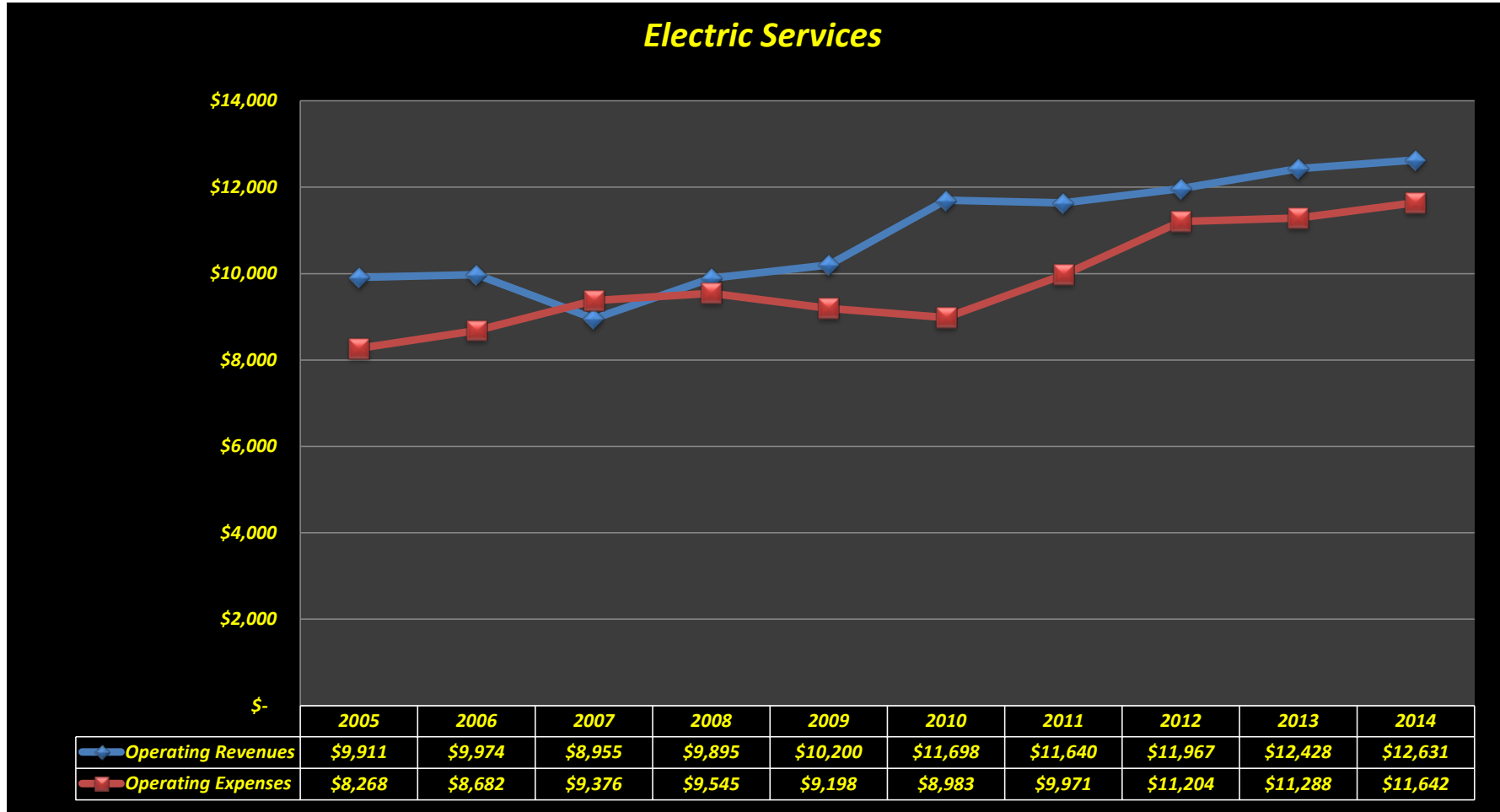


Table S-9

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Amounts ^{1,2}										
Operating Revenues	\$ 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	\$ 12,630,849
Operating Expenses:										
Personal services	924,521	892,097	904,099	989,124	1,068,882	1,065,711	1,063,623	1,086,226	1,154,737	1,135,639
Purchased services	717,394	708,620	756,360	727,949	748,625	873,815	916,785	957,993	959,508	981,592
Materials and supplies	46,632	44,201	58,920	68,137	51,412	51,954	74,214	63,764	70,178	77,645
Repairs and maintenance	156,690	94,806	127,357	131,299	148,474	120,357	163,709	135,214	197,312	156,369
Electric purchased for resale	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	9,036,228
Depreciation	288,196	284,725	286,987	299,955	188,515	104,725	105,770	110,900	113,325	117,347
Miscellaneous	36,007	66,823	57,746	14,604	31,324	72,961	73,424	47,319	84,109	137,520
Total Operating Expenses	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	11,642,340
Operating Income (Loss)	\$ 1,642,625	\$ 1,291,971	\$ (421,194)	\$ 350,124	\$ 1,002,255	\$ 2,715,434	\$ 1,669,015	\$ 763,079	\$ 1,140,023	\$ 988,509
Percentage of Total										
Operating Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Operating Expenses:										
Personal services	11.2%	10.3%	9.6%	10.4%	11.6%	11.9%	10.7%	9.7%	10.2%	9.8%
Purchased services	8.7%	8.2%	8.1%	7.6%	8.1%	9.7%	9.2%	8.6%	8.5%	8.4%
Materials and supplies	0.6%	0.5%	0.6%	0.7%	0.6%	0.6%	0.7%	0.6%	0.6%	0.7%
Repairs and maintenance	1.9%	1.1%	1.4%	1.4%	1.6%	1.3%	1.6%	1.2%	1.7%	1.3%
Electric purchased for resale	73.8%	75.9%	76.6%	76.6%	75.7%	74.5%	76.0%	78.6%	77.2%	77.6%
Depreciation	3.5%	3.3%	3.1%	3.1%	2.0%	1.2%	1.1%	1.0%	1.0%	1.0%
Miscellaneous	0.4%	0.8%	0.6%	0.2%	0.3%	0.8%	0.7%	0.4%	0.8%	1.3%
Total Operating Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Operating Income (Loss) as a Percentage of Operating Revenues	16.6%	13.0%	-4.7%	3.5%	9.8%	23.2%	14.3%	6.4%	9.2%	7.8%

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	
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	
2014	1,135,639	981,592	77,645	156,369	9,036,228	117,347	137,520	11,642,340	
*	\$ 1,028,466	\$ 834,864	\$ 60,706	\$ 143,159	\$ 7,496,239	\$ 190,044	\$ 62,184	\$ 9,815,662	
**	22.8%	36.8%	66.5%	-0.2%	48.2%	-59.3%	281.9%	40.8%	
Annual Percentage Change									
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%	
2014	-1.7%	2.3%	10.6%	-20.8%	3.8%	3.5%	63.5%	3.1%	

* Dollar average for ten years.

** Percentage change in dollars over ten years.

Notes:

¹ Amounts presented after cost allocation.

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

Data Source:

³ Table S-9.

Table S-11

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

Fiscal Year ²	Operating Revenue ¹		Operating Expenses		Operating Income (Loss)	
	Amount	% Change	Amount	% Change	Amount	% Change
2005	\$ 1,556,145	-10.4%	\$ 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%
2014	2,566,305	4.1%	2,513,818	-8.0%	52,487	119.6%

Notes:

¹ Includes charges for services and miscellaneous revenue.

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

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

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

Data Source:

⁵ Table S-12

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

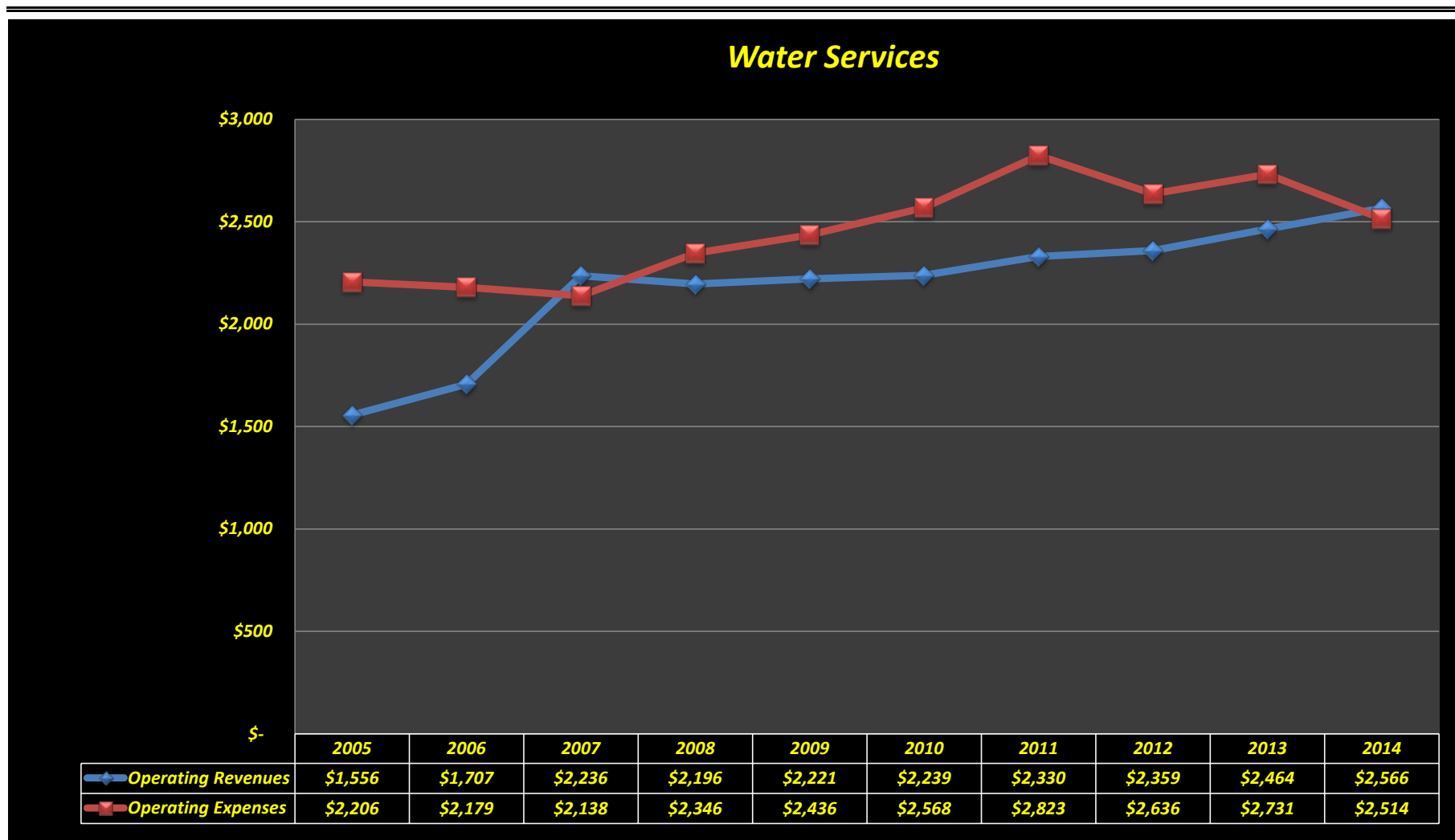


Table S-12

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Amounts ^{1,2,3}										
Operating Revenues	<u>\$ 1,556,145</u>	<u>\$ 1,707,218</u>	<u>\$ 2,235,606</u>	<u>\$ 2,196,077</u>	<u>\$ 2,221,367</u>	<u>\$ 2,238,516</u>	<u>\$ 2,329,823</u>	<u>\$ 2,359,258</u>	<u>\$ 2,464,067</u>	<u>\$ 2,566,305</u>
Operating Expenses:										
Personal services	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	1,363,227
Purchased services	380,294	377,624	371,276	437,126	409,833	329,716	357,638	461,906	451,321	391,224
Materials and supplies	80,644	98,629	96,316	124,432	111,795	130,325	178,880	148,498	150,615	158,497
Repairs and maintenance	244,804	189,896	184,000	240,360	268,292	328,335	477,871	318,738	354,351	278,940
Cost of treated water contra expense	(3,385)	(15,613)	(43,458)	(57,364)	(103,167)	(70,152)	(70,698)	(100,714)	(81,895)	(176,501)
Depreciation	420,908	430,035	439,603	454,128	485,947	487,561	484,063	399,618	373,171	368,932
Miscellaneous	57,458	61,906	53,498	13,530	29,019	68,705	69,141	44,559	79,203	129,499
Total Operating Expenses	<u>2,206,278</u>	<u>2,178,846</u>	<u>2,137,651</u>	<u>2,346,005</u>	<u>2,435,594</u>	<u>2,568,483</u>	<u>2,823,162</u>	<u>2,635,501</u>	<u>2,731,262</u>	<u>2,513,818</u>
Operating Income (Loss)	<u>\$ (650,133)</u>	<u>\$ (471,628)</u>	<u>\$ 97,955</u>	<u>\$ (149,928)</u>	<u>\$ (214,227)</u>	<u>\$ (329,967)</u>	<u>\$ (493,339)</u>	<u>\$ (276,243)</u>	<u>\$ (267,195)</u>	<u>\$ 52,487</u>
Percentage of Totals										
Operating Revenues	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Operating Expenses:										
Personal services	46.5%	47.6%	48.5%	48.3%	50.7%	50.4%	47.0%	51.7%	51.4%	54.2%
Purchased services	17.2%	17.3%	17.4%	18.6%	16.8%	12.8%	12.7%	17.5%	16.5%	15.6%
Materials and supplies	3.7%	4.5%	4.5%	5.3%	4.6%	5.1%	6.3%	5.6%	5.5%	6.3%
Repairs and maintenance	11.1%	8.7%	8.6%	10.2%	11.0%	12.8%	16.9%	12.1%	13.0%	11.1%
Cost of treated water contra expense	-0.2%	-0.7%	-2.0%	-2.4%	-4.2%	-2.7%	-2.5%	-3.8%	-3.0%	-7.0%
Depreciation	19.1%	19.7%	20.6%	19.4%	20.0%	19.0%	17.1%	15.2%	13.7%	14.7%
Miscellaneous	2.6%	2.8%	2.5%	0.6%	1.2%	2.7%	2.4%	1.7%	2.9%	5.1%
Total Operating Expenses	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Operating Income (Loss) as a Percentage of Operating Revenues	<u>-41.8%</u>	<u>-27.6%</u>	<u>4.4%</u>	<u>-6.8%</u>	<u>-9.6%</u>	<u>-14.7%</u>	<u>-21.2%</u>	<u>-11.7%</u>	<u>-10.8%</u>	<u>2.0%</u>

Notes:

¹ Amounts presented after cost allocation.

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

Data Source:

³ Applicable years' annual financial

Table S-13

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

Amounts ^{1, 2}								
Fiscal Year	Personal Services	Purchased Services	Materials and Supplies	Repairs and Maintenance	Treated Water Contra Expense ³	Depreciation	Miscellaneous	Total
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
2014	1,363,227	391,224	158,497	278,940	(176,501)	368,932	129,499	2,513,818
*	\$ 1,221,689	\$ 396,796	\$ 127,863	\$ 288,559	\$ (72,295)	\$ 434,397	\$ 60,652	\$2,457,660
**	32.9%	2.9%	96.5%	13.9%	5114.2%	-12.3%	125.4%	13.9%
Annual Percentage Change								
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%
2014	-2.9%	-13.3%	5.2%	-21.3%	115.5%	-1.1%	63.5%	-8.0%

* Dollar average for ten years.

** Percentage change in dollars over ten years.

Notes:

¹ Amounts presented after cost allocation.

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

Data Source:

² Table S-12.

Table S-14

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

Fiscal Year ²	Operating Revenue ¹		Operating Expenses		Operating Income (Loss)	
	Amount	% Change	Amount	% Change	Amount	% Change
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%
2014	2,156,990	0.2%	2,677,949	9.4%	(520,959)	-77.1%

Notes:

¹ Includes charges for services and miscellaneous revenue.

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

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

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

Data Source:

⁵ Table S-15

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

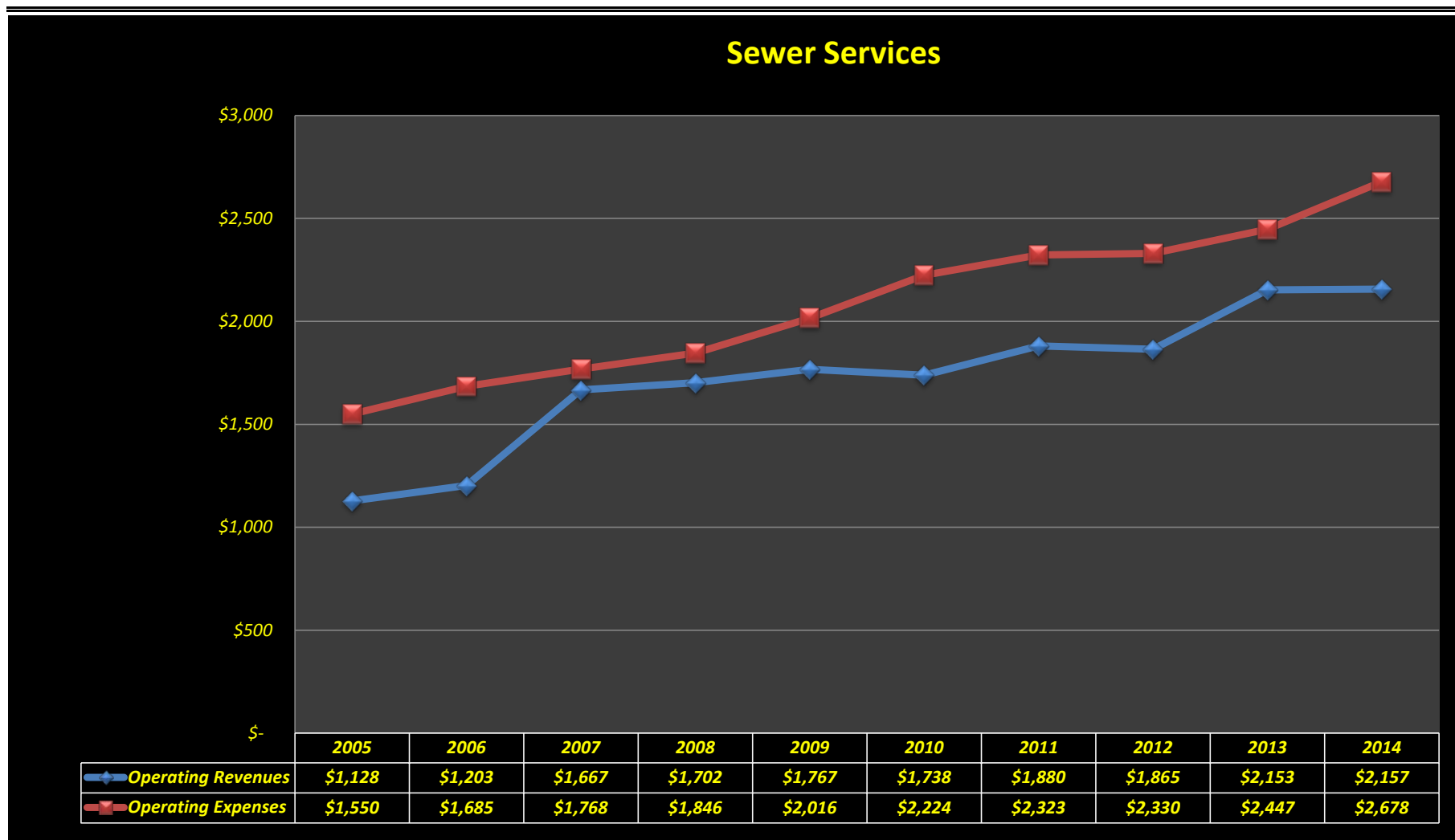


Table S-15

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	Amounts ^{1,2,3}									
Operating Revenues	\$ 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	\$ 2,156,990
Operating Expenses:										
Personal services	725,730	783,332	814,717	872,630	923,452	1,033,815	1,057,728	1,045,589	1,109,849	1,125,247
Purchased services	299,734	319,158	369,272	408,998	474,570	412,566	338,495	321,273	328,171	456,500
Materials and supplies	138,022	158,359	150,876	167,858	186,780	202,602	216,541	249,760	265,849	271,362
Repairs and maintenance	171,089	180,731	188,671	181,427	192,042	163,147	155,985	171,823	174,516	195,875
Cost of treated sewer contra expense	(8,281)	(12,481)	(11,914)	(6,743)	(8,661)	33,188	30,164	30,844	33,360	45,120
Depreciation	199,816	212,258	218,314	212,260	226,956	329,461	474,925	478,724	478,956	491,019
Miscellaneous	23,571	43,744	37,802	9,560	20,505	48,882	49,192	31,702	56,353	92,826
Total Operating Expenses	<u>1,549,681</u>	<u>1,685,101</u>	<u>1,767,738</u>	<u>1,845,990</u>	<u>2,015,644</u>	<u>2,223,661</u>	<u>2,323,030</u>	<u>2,329,715</u>	<u>2,447,054</u>	<u>2,677,949</u>
Operating Income (Loss)	<u>\$ (422,121)</u>	<u>\$ (482,236)</u>	<u>\$ (100,546)</u>	<u>\$ (144,080)</u>	<u>\$ (248,450)</u>	<u>\$ (485,905)</u>	<u>\$ (443,465)</u>	<u>\$ (464,696)</u>	<u>\$ (294,135)</u>	<u>\$ (520,959)</u>
	Annual Percentage Change									
Operating Revenues	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Operating Expenses:										
Personal services	46.8%	46.5%	46.1%	47.3%	45.8%	46.5%	45.5%	44.9%	45.4%	42.0%
Purchased services	19.3%	18.9%	20.9%	22.2%	23.5%	18.6%	14.6%	13.8%	13.4%	17.0%
Materials and supplies	8.9%	9.4%	8.5%	9.1%	9.3%	9.1%	9.3%	10.7%	10.9%	10.1%
Repairs and maintenance	11.0%	10.7%	10.7%	9.8%	9.5%	7.3%	6.7%	7.4%	7.1%	7.3%
Cost of treated sewer contra expense	-0.5%	-0.7%	-0.7%	-0.4%	-0.4%	1.5%	1.3%	1.3%	1.4%	1.7%
Depreciation	12.9%	12.6%	12.3%	11.5%	11.3%	14.8%	20.4%	20.5%	19.6%	18.3%
Miscellaneous	1.5%	2.6%	2.1%	0.5%	1.0%	2.2%	2.2%	1.5%	2.2%	3.5%
Total Operating Expenses	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Operating Income (Loss) as a Percentage of Operating Revenues	<u>-37.4%</u>	<u>-40.1%</u>	<u>-6.0%</u>	<u>-8.5%</u>	<u>-14.1%</u>	<u>-28.0%</u>	<u>-23.6%</u>	<u>-24.9%</u>	<u>-13.7%</u>	<u>-24.2%</u>

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	
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	
2014	1,125,247	456,500	271,362	195,875	45,120	491,019	92,826	2,677,949	
*	\$ 949,209	\$ 372,874	\$ 200,801	\$ 177,531	\$ 12,460	\$ 332,269	\$ 41,414	\$ 2,086,556	
**	55.1%	52.3%	96.6%	14.5%	644.9%	145.7%	293.8%	72.8%	
Annual Percentage Change									
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%	
2014	1.4%	39.1%	2.1%	12.2%	35.3%	2.5%	64.7%	9.4%	

* Dollar average for ten years.

** Percentage change in dollars over ten years.

Notes:

¹ Amounts presented after cost allocation.

Data Source:

² Table S-15.

Table S-17

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

	September 30, 2005	September 30, 2006	September 30, 2007	September 30, 2008	September 30, 2009
Amounts ²					
Net Position Components					
Net investment in capital assets	\$ 14,325,743	\$ 14,127,148	\$ 14,611,182	\$ 15,313,192	\$ 24,185,587
Restricted	-	-	-	1,578,697	16,000
Unrestricted	9,511,634	10,052,410	9,947,118	8,622,877	8,955,736
Total Net Position	\$ 23,837,377	\$ 24,179,558	\$ 24,558,300	\$ 25,514,766	\$ 33,157,323
Percentage of Total					
Net Position Components					
Net investment in capital assets	60.1%	58.4%	59.5%	60.0%	72.9%
Restricted	0.0%	0.0%	0.0%	6.2%	0.0%
Unrestricted	39.9%	41.6%	40.5%	33.8%	27.0%
Total Net Position	100.0%	100.0%	100.0%	100.0%	100.0%
	September 30, 2010	September 30, 2011	September 30, 2012	September 30, 2013	September 30, 2014
Amounts ²					
Net Position Components					
Net investment in capital assets	\$ 24,499,732	\$ 24,644,448	\$ 24,440,922	\$ 24,167,429	\$ 24,629,201
Restricted	184,107	405,020	561,130	2,558,901	2,835,546
Unrestricted	10,682,164	11,086,480	11,228,558	10,387,472	10,710,866
Total Net Position	\$ 35,366,004	\$ 36,135,948	\$ 36,230,609	\$ 37,113,802	\$ 38,175,613
Percentage of Total					
Net Position Components					
Net investment in capital assets	69.3%	68.2%	67.5%	65.1%	64.5%
Restricted	0.5%	1.1%	1.5%	6.9%	7.4%
Unrestricted	30.2%	30.7%	31.0%	28.0%	28.1%
Total Net Position	99.9%	100.0%	100.0%	100.0%	100.0%

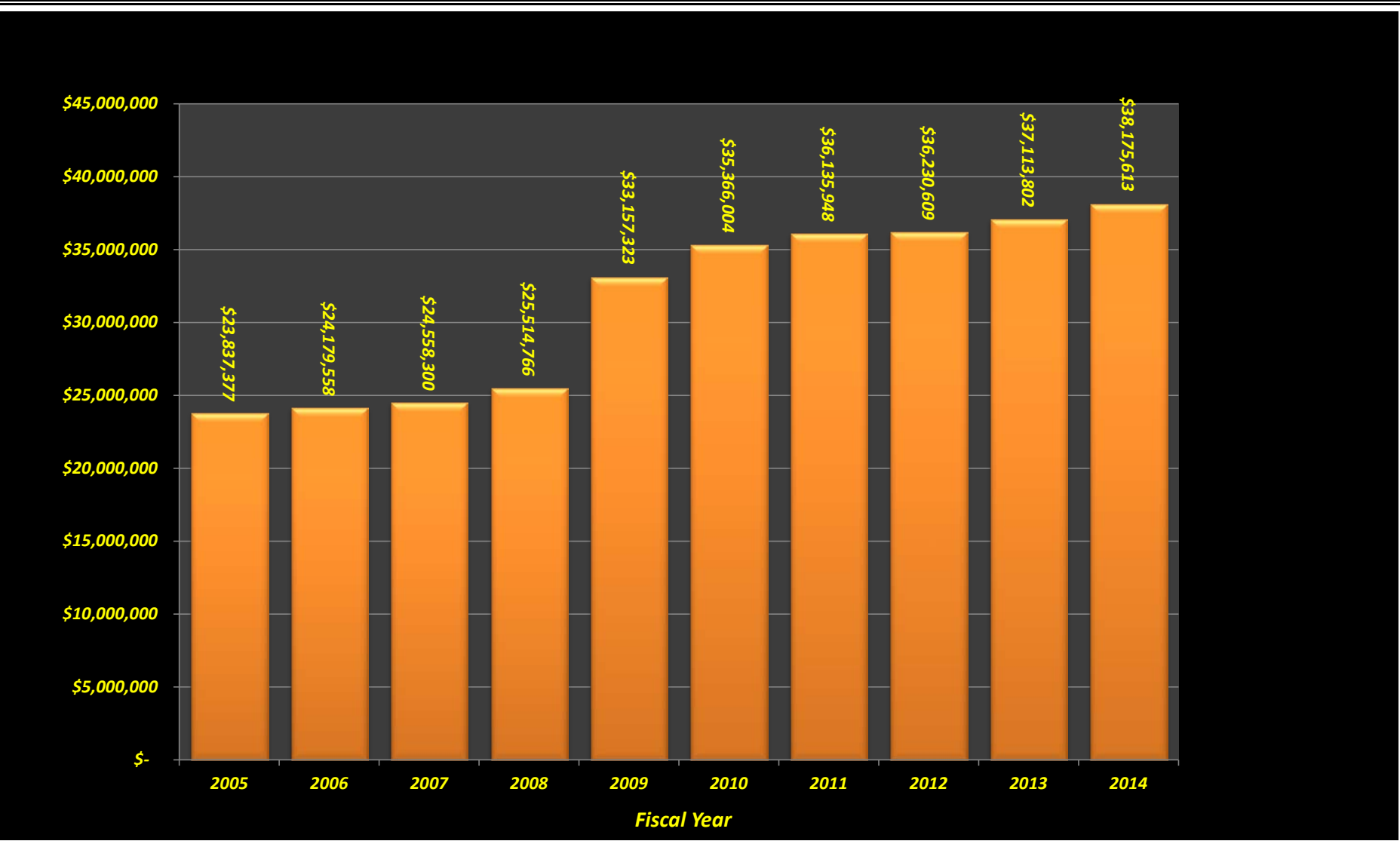
Notes:

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

Data Source:

² Applicable years' annual financial report.

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





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	Gallons²	% Change
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%
2014	439,949,800	8.1%	120,435,659	-0.6%	492,803,250	3.1%	276,865,500	-2.7%

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 - 2014 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**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Service:										
Base Charge	\$ 8.000	\$ 8.000	\$ 12.000	\$ 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	0.25000	0.25000	0.25000	0.25000	0.27000	0.28000	0.28000	0.28000	0.31000	0.31000
Summer	0.50000	0.50000	0.50000	0.50000	0.53000	0.54000	0.54000	0.54000	0.54000	0.54000
Interruptible Gas Service:										
Spot market natural gas price	Note #3	Note #3	Note #3	Note #3	Note #3	Note #3	Note #3	Note #3	Note #3	Note #3
Commission distribution charge:										
First 1000 Mcf	1.4900	1.4900	1.4900	1.4900	1.5800	1.6100	1.6100	1.6100	1.6100	1.6100
Next 3000 Mcf	1.2400	1.2400	1.2400	1.2400	1.3100	1.3400	1.3400	1.3400	1.3400	1.3400
Next 6000 Mcf	0.9900	0.9900	0.9900	0.9900	1.0500	1.0700	1.0700	1.0700	1.0700	1.0700
Over 10,000 Mcf	0.8900	0.8900	0.8900	0.8900	0.9400	0.9600	0.9600	0.9600	0.9600	0.9600

Notes:

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

² Beginning in fiscal year 2004, the distribution charge varied for summer and winter seasons.

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

Data Source:

⁴ Utility Commission's rate and connection fee book.

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

	2005	2006	2007 ²	2008	2009	2010	2011	2012 ³	2013 ⁵	2014
Residential:										
Winter Rates:										
Base Charge	\$ 8.50000	\$ 8.50000	\$ 7.00000	\$ 7.00000	\$ 7.00000	\$ 7.00000	\$ 7.00000	\$ 9.50000	\$ 9.50000	\$ 9.50000
First 650 kWh	0.06472	0.06472	0.05200	0.05200	0.05200	0.05200	0.05200	0.07600	0.08090	0.08090
Next 350 kWh	0.05794	0.05794	0.04800	0.04800	0.04800	0.04800	0.04800	0.07200	0.07690	0.07690
Over 1000 kWh	0.05730	0.05730	0.04400	0.04400	0.04400	0.04400	0.04400	0.06800	0.07290	0.07290
Summer Rates:										
Base Charge	8.50000	8.50000	7.00000	7.00000	7.00000	7.00000	7.00000	9.50000	9.50000	9.50000
First 650 kWh	0.05863	0.05863	0.05200	0.05200	0.05200	0.05200	0.05200	0.07600	0.08090	0.08090
Next 350 kWh	0.08942	0.08942	0.06000	0.06000	0.06000	0.06000	0.06000	0.09600	0.10090	0.10090
Over 1000 kWh	0.09213	0.09213	0.06800	0.06800	0.06800	0.06800	0.06800	0.10400	0.10890	0.10890
Small Commercial:										
Winter Rates:										
Base Charge	-	-	-	-	-	-	-	16.00000	16.00000	16.00000
All kWh	-	-	-	-	-	-	-	0.13500	0.13990	0.13990
Summer Rates:										
Base Charge	-	-	-	-	-	-	-	16.00000	16,490	16,490
All kWh	-	-	-	-	-	-	-	0.16000	0.16490	0.16490
First 25 kWh	17.00000	17.00000	15.00000	15.00000	15.00000	15.00000	15.00000	-	-	-
Next 475 kWh	0.12120	0.12120	0.12000	0.12000	0.12000	0.12000	0.12000	-	-	-
Next 1000 kWh	0.11220	0.11220	0.11200	0.11200	0.11200	0.11200	0.11200	-	-	-
Next 8500 kWh	0.10840	0.10840	0.10800	0.10800	0.10800	0.10800	0.10800	-	-	-
All over 10000 kWh	0.09840	0.09840	0.09800	0.09800	0.09800	0.09800	0.09800	-	-	-
Commercial:										
Base charge	19.50000	19.50000	25.00000	25.00000	25.00000	25.00000	25.00000	35.00000	35.00000	35.00000
First 200 X KW:										
First 3000 kWh	0.13219	0.13219	0.13000	0.13000	0.13000	0.13000	0.13000	0.15000	0.15490	0.15490
Next 7000 kWh	0.12262	0.12262	0.12200	0.12200	0.12200	0.12200	0.12200	0.14000	0.14490	0.14490
Next 190000 kWh	0.10804	0.10804	0.10800	0.10800	0.10800	0.10800	0.10800	0.13000	0.13490	0.13490
Over 200000 kWh	0.08778	0.08778	0.08700	0.08700	0.08700	0.08700	0.08700	0.12000	0.12490	0.12490
Next 200 X KW	0.02940	0.02940	0.02900	0.02900	0.02900	0.02900	0.02900	0.06000	0.06490	0.06490
Next 200 X KW	0.02652	0.02652	0.02600	0.02600	0.02600	0.02600	0.02600	0.05600	0.06090	0.06090
Over 600 X KW	0.02543	0.02543	0.02500	0.02500	0.02500	0.02500	0.02500	0.05200	0.05690	0.05690

(Continued)

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

	2005	2006	2007 ²	2008	2009	2010	2011	2012 ³	2013 ⁵	2014
<i>Table S-20, Page 64-B</i>										
<i>Institutional:</i>										
Base Charge	17.55000	17.55000	25.00000	25.00000	25.00000	25.00000	25.00000	33.25000	33.25000	33.25000
First 200 X KW:										
First 3000 kWh	0.12558	0.12558	0.12000	0.12000	0.12000	0.12000	0.12000	0.14250	0.14740	0.14740
Next 7000 kWh	0.11649	0.11649	0.11600	0.11600	0.11600	0.11600	0.11600	0.13300	0.13790	0.13790
Next 190000 kWh	0.10264	0.10264	0.10200	0.10200	0.10200	0.10200	0.10200	0.12350	0.12840	0.12840
Over 200000 kWh	0.08339	0.08339	0.08300	0.08300	0.08300	0.08300	0.08300	0.11400	0.11890	0.11890
Next 200 X KW	0.02793	0.02793	0.02700	0.02700	0.02700	0.02700	0.02700	0.05700	0.06190	0.06190
Next 200 X KW	0.02519	0.02519	0.02500	0.02500	0.02500	0.02500	0.02500	0.05320	0.05810	0.05810
Over 600 X KW	0.02416	0.02416	0.02400	0.02400	0.02400	0.02400	0.02400	0.04940	0.05430	0.05430
<i>Industrial Small/Large Power:</i>										
Base Charge	19.00000	19.00000	50.00000	50.00000	50.00000	50.00000	50.00000	50.00000	50.00000	50.00000
First 200 X KW:										
First 3000 kWh	0.13670	0.13670	0.13000	0.13000	0.13000	0.13000	0.13000	0.15000	0.15490	0.15490
Next 7000 kWh	0.11570	0.11570	0.11500	0.11500	0.11500	0.11500	0.11500	0.14000	0.14490	0.14490
Next 190000 kWh	0.10270	0.10270	0.10200	0.10200	0.10200	0.10200	0.10200	0.13000	0.13490	0.13490
Over 200000 kWh	0.05270	0.05270	0.05300	0.05300	0.05300	0.05300	0.05300	0.07500	0.07990	0.07990
Next 200 X KW	0.03570	0.03570	0.03500	0.03500	0.03500	0.03500	0.03500	0.06000	0.06490	0.06490
Next 200 X KW	0.03170	0.03170	0.03100	0.03100	0.03100	0.03100	0.03100	0.05600	0.06090	0.06090
Over 600 X KW	0.02770	0.02770	0.02700	0.02700	0.02700	0.02700	0.02700	0.05200	0.05690	0.05690
<i>Seasonal Power:</i>										
Base Charge	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	0.13000	0.13000	0.13000	0.13000	0.13000	-	-	-
Next 7000 kWh	0.12262	0.12262	0.12200	0.12200	0.12200	0.12200	0.12200	-	-	-
Next 190000 kWh	0.10804	0.10804	0.10800	0.10800	0.10800	0.10800	0.10800	-	-	-
Over 200000 kWh	0.08778	0.08778	0.08700	0.08700	0.08700	0.08700	0.08700	-	-	-
Next 200 X KW	0.02940	0.02940	0.02900	0.02900	0.02900	0.02900	0.02900	-	-	-
Next 200 X KW	0.02652	0.02652	0.02600	0.02600	0.02600	0.02600	0.02600	-	-	-
Over 600 X KW	0.02543	0.02543	0.02500	0.02500	0.02500	0.02500	0.02500	-	-	-
<i>Power Cost Adjustment</i>										
Per kWh	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

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

⁵ Cost of Service Study implemented October 1, 2012.

Data Source:

⁴ Utility Commission's rate and connection fee book.

Table S-21

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

	<i>2005</i> ³	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i> ⁵	<i>2014</i>
Inside city:										
Minimum charge	\$ 9.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.30	\$ 10.30	\$ 10.30	\$ 10.30	\$ 12.30	\$ 12.30
All CCF	1.7140	1.7140	-	-	-	-	-	-	-	-
0 - 6 CCF	-	-	2.30000	2.30000	2.37000	2.37000	2.37000	2.37000	2.61000	2.61000
Over 6 - 12 CCF	-	-	2.50000	2.50000	2.58000	2.58000	2.58000	2.58000	3.39000	3.39000
Over 12 CCF			2.50000	2.50000	2.58000	2.58000	2.58000	2.58000	3.65000	3.65000
Outside city:										
Minimum charge	\$ 11.75	\$ 12.75	\$ 10.00	\$ 10.00	\$ 10.30	\$ 10.30	\$ 10.30	\$ 10.30	\$ 12.30	\$ 12.30
All CCF	1.7140	1.7140	-	-	-	-	-	-	-	-
0 - 6 CCF	-	-	2.30000	2.30000	2.37000	2.37000	2.37000	2.37000	2.61000	2.61000
Over 6 - 12 CCF	-	-	2.50000	2.50000	2.58000	2.58000	2.58000	2.58000	3.39000	3.39000
Over 12 CCF	-	-	2.50000	2.50000	2.58000	2.58000	2.58000	2.58000	3.65000	3.65000
Direct cost	-	-	-	-	-	-	-	-	-	-

Notes:

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

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

³ In fiscal year 2005, the direct cost charge to customers outside the city was eliminated.

⁵ Cost of Service Study implemented October 1, 2012.

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Monthly Rate:					
Inside city:					
Capacity charge	\$ 5.200	\$ 6.200	\$ 10.000	\$ 10.000	\$ 10.300
Commodity charge	2.204	2.204	-	-	-
0 - 6 ccf (80% Water ccf)	-	-	3.500	3.500	3.610
6 - 12 ccf (80% Water ccf)	-	-	3.900	3.900	4.020
Over 12 ccf (80% Water ccf)	-	-	3.900	3.900	4.020
Outside city:					
Capacity charge	6.200	7.200	10.000	10.000	10.300
Commodity charge	2.204	2.204	-	-	-
0 - 6 ccf (80% Water ccf)	-	-	3.500	3.500	3.610
6 - 12 ccf (80% Water ccf)	-	-	3.900	3.900	4.020
Over 12 ccf (80% Water ccf)			3.900	3.900	4.020
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 ^{2, 4}</u>	<u>2014</u>
Monthly Rate:					
Inside city:					
Capacity charge	\$ 10.300	\$ 10.300	\$ 10.300	\$ 12.300	\$ 12.300
Commodity charge	-	-	-	-	-
0 - 6 ccf (80% Water ccf)	3.610	3.610	3.610	4.000	4.000
6 - 12 ccf (80% Water ccf)	4.020	4.020	4.020	4.800	4.800
Over 12 ccf (80% Water ccf)	4.020	4.020	4.020	5.200	5.200
Outside city:					
Capacity charge	10.300	10.300	10.300	12.300	12.300
Commodity charge	-	-	-	-	-
0 - 6 ccf (80% Water ccf)	3.610	3.610	3.610	4.000	4.000
6 - 12 ccf (80% Water ccf)	4.020	4.020	4.020	4.800	4.800
Over 12 ccf (80% Water ccf)	4.020	4.020	4.020	5.200	5.200

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

Table S-23

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

Fiscal Year	Natural Gas		Electric		Water		Sewer		Total	
	Number	% Change	Number	% Change	Number	% Change	Number	% Change	Number	% Change
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%
2014	2,941	-2.0%	4,634	-1.0%	4,541	-0.4%	2,983	-1.1%	15,099	-1.0%

Data Source:

¹ Utility Commission's billing department.

Table S-24

*Utility Commission
City of Fort Valley, Georgia
Ten Largest Customers - Natural Gas Service ¹
Fiscal Years 2005 & 2014*

Fiscal Year 2005					Fiscal Year 2014			
Rank	Customer	Consumption Cubic Feet	Amount ²	Dollar %	Customer	Consumption Cubic Feet	Amount ²	Dollar %
1	Blue Bird Body Company	72,836,000	\$ 637,547	11.2%	Blue Bird Body Company	120,947,000	\$ 861,191	18.7%
2	Arriscraft International	50,072,000	479,219	8.4%	Atlanta Sand & Supply Company	34,899,000	255,839	5.6%
3	Metokote Corporation	35,955,000	325,069	5.7%	Fort Valley State University #2	21,596,000	248,518	5.4%
4	Atlanta Sand & Supply	32,563,000	290,388	5.1%	Ariscraft International	29,059,000	211,058	4.6%
5	Fort Valley State University #1	23,195,000	268,813	4.7%	Fort Valley State University #1	12,137,000	138,337	3.0%
6	Fort Valley State University #2	21,724,400	254,255	4.5%	Peach County Jail	3,855,700	44,157	1.0%
7	Step 2	18,027,000	162,504	2.8%	Fort Valley Housing Authority	3,668,000	41,536	0.9%
8	Peach Regional Medical Center	6,905,000	63,005	1.1%	Lakeview Apartments	3,591,000	41,110	0.9%
9	Peach County Schools	4,547,200	52,263	0.9%	Peach County High School	3,167,300	36,144	0.8%
10	Fort Valley Housing Authority	3,955,000	46,266	0.8%	Fort Valley State University #3	2,345,900	27,104	0.6%
Total Ten Largest Customers		269,779,600	2,579,329	45.2%	Total Ten Largest Customers	235,265,900	1,904,993	41.4%
All Other Customers		225,294,200	3,127,883	54.8%	All Other Customers	204,683,900	2,691,507	58.6%
Total ²		495,073,800	\$ 5,707,212	100.0%	Total ²	439,949,800	\$ 4,596,500	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 2005 & 2014*

Fiscal Year 2005					Fiscal Year 2014				
Rank	Customer	Consumption kWh	Amount ²	Dollar %	Customer	Consumption kWh	Amount ²	Dollar %	
1	Blue Bird Body Company	32,540,384	\$ 1,480,157	15.7%	Blue Bird Body Company #1	17,985,334	1,415,180	11.9%	
2	Fort Valley State University	15,339,600	926,517	9.8%	Fort Valley State University	14,535,600	1,300,906	10.9%	
3	Metokote Corporation	2,867,789	196,030	2.1%	Metokote Corporation	2,529,866	253,161	2.1%	
4	Peach County Schools #1	1,282,000	134,079	1.4%	Peach County Schools BOE	1,030,880	132,025	1.1%	
5	Peach Regional Medical Center	1,784,280	115,755	1.2%	Peach County Jail	1,485,312	131,295	1.1%	
6	Food Depot	1,623,000	100,107	1.1%	Peach County High School	1,003,800	129,583	1.1%	
7	Peach County Schools #2	785,280	84,767	0.9%	Food Depot	1,392,000	126,267	1.1%	
8	J. H. Harvey Company	1,250,500	75,491	0.8%	Utility Commission - Sewer Plant	1,215,960	106,790	0.9%	
9	Lakeview Apartments	763,800	69,533	0.7%	J. H. Harvey Company	1,033,280	101,404	0.9%	
10	Utility Commission WWTP	900,000	57,925	0.6%	Blue Bird Body Company #2	1,033,800	96,047	0.8%	
Total Ten Largest Customers		59,136,633	3,240,360	34.4%	Total Ten Largest Customers	43,245,832	3,792,657	31.9%	
All Other Customers		65,024,071	6,192,414	65.6%	All Other Customers	77,189,827	8,088,968	68.1%	
Total ²		124,160,704	\$ 9,432,774	100.0%	Total ²	120,435,659	\$ 11,881,625	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 2005 & 2014*

Fiscal Year 2005					Fiscal Year 2014				
Rank	Customer	Consumption Gallons	Amount ²	Dollar %	Customer	Consumption Gallons	Amount ²	Dollar %	
1	Fort Valley State University	28,073,250	\$ 64,265	4.3%	Fort Valley State University #1	65,509,500	\$ 318,867	12.5%	
2	Blue Bird Body Company	18,612,000	42,643	2.8%	Blue Bird Body Company	36,157,500	176,021	6.9%	
3	Indian Oaks Apartments LTD	12,180,750	27,945	1.9%	Utility Commission WSLRF 2"	18,265,500	88,946	3.5%	
4	Lakeview Apartments	6,228,000	14,341	1.0%	Utility Commission Vienna Clarifier	9,704,250	47,281	1.9%	
5	Peach Regional Medical Center	5,398,500	12,445	0.8%	Lakeview Apartments	6,749,250	32,900	1.3%	
6	HSI Management Inc	5,244,750	12,094	0.8%	Utility Commission Central R/R Alley	6,693,750	32,622	1.3%	
7	Peach County Schools	4,938,000	10,715	0.7%	Indian Oaks Apartments LTD	6,012,000	29,312	1.2%	
8	Utility Commission WWTP	4,629,000	10,687	0.7%	Peach County School Football Field	5,821,500	28,385	1.1%	
9	Fort Valley State University	4,147,500	9,619	0.6%	Fort Valley State University #2	5,289,750	25,797	1.0%	
10	Frensenius Medical Care	1,308,750	3,099	0.2%	Utility Commission Jones Plant	4,926,750	24,031	0.9%	
Total Ten Largest Customers		90,760,500	207,853	13.8%	Total Ten Largest Customers	165,129,750	804,163	31.6%	
All Other Customers		358,296,000	1,300,907	86.2%	All Other Customers	327,673,500	1,740,517	68.4%	
Total ²		449,056,500	\$ 1,508,760	100.0%	Total ²	492,803,250	\$ 2,544,680	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 2005 & 2014*

Fiscal Year 2005					Fiscal Year 2014			
Rank	Customer	Collection Gallons ³	Amount ²	Dollar %	Customer	Collection Gallons	Amount ²	Dollar %
1	Fort Valley State University	N/A	\$ 116,028	10.3%	Fort Valley State University #1	57,487,500	\$ 398,612	18.6%
2	Blue Bird Body Company	N/A	44,331	3.9%	Blue Bird Body Company	32,542,500	225,660	10.5%
3	Indian Oaks Apartments LTD	N/A	33,981	3.0%	Lakeview Apartments	6,075,750	42,158	2.0%
4	Lakeview Apartments	N/A	24,368	2.2%	Indian Oaks Apartments LTD	5,412,000	37,556	1.8%
5	OMI - Fort Valley, Georgia	N/A	20,532	1.8%	Fort Valley State University #2	4,512,000	31,316	1.5%
6	Peach Regional Medical Center	N/A	19,177	1.7%	College Square Apartments	3,540,750	24,582	1.1%
7	HSI Management Inc	N/A	15,948	1.4%	820 State University Drive, LLC	3,279,000	22,767	1.1%
8	Utility Commission WWTP	N/A	13,462	1.2%	Peach County Jail	2,777,250	19,288	0.9%
9	Fort Valley State University	N/A	11,226	1.0%	Magnolia Terrace	2,240,250	15,565	0.7%
10	Blue Bird Wanderlodge	N/A	9,199	0.8%	Fort Valley State University #3	2,034,000	14,135	0.7%
Total Ten Largest Customers		N/A	308,251	27.4%	Total Ten Largest Customers	119,901,000	831,638	38.8%
All Other Customers		N/A	816,709	72.6%	All Other Customers	156,964,500	1,313,079	61.2%
Total ²		N/A	\$ 1,124,960	100.0%	Total ²	276,865,500	\$ 2,144,717	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			
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%	27,568	127
2012	3,218,844	12,153	3,230,997	0.004%	27,571	117
2013	2,957,821	6,543	2,964,364	0.003%	27,014	110
2014	2,693,384	-	2,693,384	0.003%	27,000	100

Notes:

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

Data Source:

² Applicable years' annual financial report.

^{3,4} Table S-30

Table S-29

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

Fiscal Year	Revenues ²	Less Operating Expenses ³	Net Available Revenues	Principal	Interest	Total	Fixed Charges Coverage Ratio ⁵
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
2014	22,393,118	20,208,158	2,184,960	264,439	61,372	325,811	6.71

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)



Table S-30

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

Year	Population ¹	(thousands of dollars) Personal Income ¹	Per Capita Personal Income ¹	Median Age ²	School Enrollment ³	Unemployment Rates		
						Peach County ⁴	State of Georgia ⁴	United States ⁵
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	7.6%	10.1%	9.5%
2011	27,568	866,102	31,415	35.3	3898	7.9%	10.0%	9.0%
2012	27,571	878,283	31,797	N/A	3768	7.2%	8.6%	7.8%
2013	27,014	883,748	32,714	N/A	3767	7.0%	7.8%	7.2%
2014	27,000	890,000	32,963	N/A	3668	7.1%	7.4%	5.9%

¹ 2005 - 2013 - U.S Bureau of Economic Analysis, Peach County 2014 estimated by management

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

³ GA Department of Education - 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

Table S-31

Utility Commission
City of Fort Valley, Georgia
Principal Employers ²
For the Fiscal Years Ended September 30, 2006 and 2014

2006 ¹					2014				
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	1,600	1	13.10%
Fort Valley State University	Education	654	2	6.01%	Fort Valley State University	Education	620	2	5.08%
Peach County Board of Education	Education	582	3	5.35%	Peach County Board of Education	Education	437	3	3.58%
Peach Regional Medical Center	Medical	180	4	1.65%	Lane Southern Orchards	Agribusiness	300	4	2.46%
Peach County Commission	Local Government	172	5	1.58%	Peach County Commission	Local Government	185	5	1.52%
City of Fort Valley	Local Government	128	6	1.18%	NavicentHealth (MCPC)	Medical	146	6	1.20%
Step 2	Manufacturing	96	7	0.88%	City of Fort Valley	Local Government	138	7	1.13%
Food Depot	Retail Sales	63	8	0.58%	The Wire Shop	Manufacturing	81	8	0.66%
The Wire Shop	Manufacturing	60	9	0.55%	Arriscraft International	Manufacturing	78	9	0.64%
Harvey's Supermarket	Retail Sales	45	10	0.41%	Food Depot	Retail Sales	60	10	0.49%
Total for Principal Employers		3,380		31.05%	Total for Principal Employers		3,645		29.85%
Total for Other Employers ³		7,505		68.95%	Total for Other Employers ³		7,004		57.36%
Total for All Employers		10,885		100.00%	Total for All Employers ⁴		12,211		87.21%

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 provided by the Georgia Department of Labor as of 2013.

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,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>Elected Officials/Legal Counsel/Departments</u>										
Board of Commissioners	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Commission attorney	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Management	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Finance	3.5	3.5	3.5	3.5	3.0	3.0	3.0	3.0	3.0	3.0
Customer service	4.5	3.5	3.5	3.5	3.0	3.0	3.0	3.0	4.0	4.0
IT support/telecom	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Electric	7.0	6.0	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	11.0	11.0	11.0	11.0	11.0	11.0	12.0	12.0
Sewer	8.0	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	5.5	5.0	5.0	5.0	5.0
Warehouse	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	1.0	1.0
Total	59.0	58.0	59.0	59.0	59.0	58.5	58.0	58.0	59.0	59.0
<i>Percentage Change From Prior Year</i>	-6.3%	-1.7%	1.7%	0.0%	0.0%	-0.8%	-0.9%	0.0%	1.7%	0.0%

Data Source:

Utility Commission Human Resources Department

Table S-33

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

Utility Service	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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)	1,481,681	1,475,649	1,362,614	1,394,282	1,387,584	1,358,603	1,232,512	1,005,808	1,171,633	1,294,989
Average percent of capacity used	88.8%	88.4%	81.6%	83.5%	83.1%	81.4%	73.8%	60.3%	70.2%	77.6%
Winter peak demand day (cubic feet)	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	5,359,000
Electric Service:										
Coincident peak (kW)	27,781	29,605	31,171	31,064	26,248	29,316	29,279	27,115	25,614	22,784
Reserves (kW)	2,755	3,028	2,344	2,433	2,558	2,480	3,040	2,236	2,262	2,104
Total requirements (kW)	30,536	32,633	33,515	33,497	28,806	31,796	32,319	29,351	27,876	24,888
Southeastern Power Administration (kW)	9,417	9,417	9,110	9,143	9,143	9,143	9,143	9,143	9,143	9,143
MEAG projects 1, 2, 3 & 4 (kW)	22,299	22,299	21,486	21,562	21,562	21,506	21,488	21,488	22,170	22,170
MEAG combined cycle (kW)	3,872	3,872	3,858	3,826	3,826	3,826	3,865	3,865	3,825	3,825
Total resources (kW)	35,588	35,588	34,454	34,531	34,531	34,475	34,496	34,496	35,138	35,138
Excess capacity (deficit) (kW)	5,052	2,955	939	1,034	5,725	2,679	2,177	5,145	7,262	10,250
Percent reserve of capacity	42.5%	29.6%	14.9%	15.8%	48.4%	25.6%	25.9%	41.1%	57.8%	90.6%
Water Service:										
Daily average consumption	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	1,350,146
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	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Reservoir storage capacity (gallons)	675,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000
Sewer Service:										
Maximum daily capacity of treatment plant (gallons)	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000
Daily average treatment (gallons)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Unused capacity	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Percentage of capacity used	45.5%	45.5%	45.5%	45.5%	45.5%	54.5%	54.5%	54.5%	54.5%	54.5%

Notes:

N/A Not Available

Data Source:

Applicable Department

Table S-34

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

Utility Service/Department	2005	2006	2007	2008	2009	2010	2011	2012 ¹	2013	2014
Natural Gas Service:										
Miles of natural gas mains	84	84	84	84	84	89	89	141	141	141
Peak shaving plant	1	1	1	1	1	1	1	1	1	-
Propane storage tanks (30,000 gallons)	8	8	8	8	8	8	8	8	8	-
Electric Service:										
Miles of line	140	140	140	140	142	142	142	144	144	144
Service area (square miles)	20	20	20	20	20	20	20	20	20	20
Number of sub-stations	3	3	3	3	3	3	3	3	3	3
3 megawatt generator	1	1	1	1	-	-	-	-	-	-
Water Service:										
Miles of water mains	153	153	153	157	157	157	157	152	152	152
Number of wells	6	6	6	6	6	6	6	6	6	6
Number of treatment plants	3	3	3	3	3	3	3	3	3	3
Number of elevated tanks	5	5	5	6	6	6	6	6	6	6
Number of reservoirs	2	2	2	2	2	2	2	2	2	2
Sewer Service:										
Miles of sanitary sewers	52	55	55	57	57	67	67	72	72	72
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of lift stations	6	7	6	7	7	10	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, 2015

**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, 2014 and 2013, 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, 2015.

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

