

CITY OF MOULTRIE, GEORGIA

Annual Financial Report

For the Year Ended September 30, 2013

CITY OF MOULTRIE, GEORGIA
TABLE OF CONTENTS
For the Year Ended September 30, 2013

	<u>Page No.</u>
INTRODUCTORY SECTION	
List of Principal Officials	1
INDEPENDENT AUDITORS' REPORT	2-4
MANAGEMENT'S DISCUSSION AND ANALYSIS	5-19
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	20
Statement of Activities.....	21-22
Fund Financial Statements:	
Governmental Fund Financial Statements:	
Balance Sheet – Governmental Funds	23
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	24
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund.....	27-28
Proprietary Fund Financial Statements:	
Statement of Net Position – Proprietary Funds	29
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	30
Statement of Cash Flows – Proprietary Funds	31-32
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position– Fiduciary Funds.....	33
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	34
Notes to Financial Statements	35-73
SUPPLEMENTARY INFORMATION	
Nonmajor Governmental Funds:	
Combining Balance Sheet – Nonmajor Governmental Funds.....	74
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	75
Special Revenue Funds:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Multiple Grants Fund.....	76
Hotel / Motel Tax Fund.....	77
Confiscated Assets Fund	78

CITY OF MOULTRIE, GEORGIA
TABLE OF CONTENTS
For the Year Ended September 30, 2013

	<u>Page No.</u>
Nonmajor Enterprise Funds:	
Combining Statement of Net Position – Nonmajor Enterprise Funds.....	79-80
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Enterprise Funds.....	81-82
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	83-86
Component Unit:	
Statement of Cash Flows – Component Unit – Downtown Development Authority.....	87-88
COMPLIANCE SECTION	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	89-90
Independent Auditors' Report on Compliance for Each Major Program And on Internal Control Over Compliance Required by OMB Circular A-133	91-92
Schedule of Expenditures of Federal Awards.....	93-94
Schedule of Findings and Questioned Costs.....	95-97
Summary Schedule of Prior Audit Findings and Questioned Costs	98-99
State of Georgia Reports:	
Schedule of Special Purpose Local Option Sales Tax Expenditures	100

ELECTED

William M. McIntosh, Mayor

Lisa Clarke Hill, Council Member

Angela Castellow, Council Member

Susie Thomas, Council Member

Cecil Barber, Council Member

Wilma Hadley, Council Member

Daniel L. Dunn, Council Member

STAFF

Mike Scott, City Manager

Gary McDaniel, Finance Director

INDEPENDENT AUDITORS' REPORT

To: The Honorable Mayor and
Members of the City Council
City of Moultrie, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moultrie, Georgia, as of, and for the year ended, September 30, 2013, and the related notes to the financial statements which collectively comprise the City of Moultrie, Georgia's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moultrie, Georgia, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note A to the financial statements, in 2013 the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Moultrie, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

The accompanying schedule of Special Purpose Local Option Sales Tax Expenditures is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121, and is not a required part of the basic financial statements. The schedule of Special Purpose Local Option Sales Tax Expenditures is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2014, on our consideration of the City of Moultrie, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Moultrie, Georgia's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

March 21, 2014

Tifton, Georgia



Management's Discussion and Analysis

CITY OF MOULTRIE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2013

As management of the City of Moultrie, Georgia, we offer readers of our financial statements this narrative overview and analysis of the financial activities of the City for the year ended September 30, 2013. We encourage readers to read the information presented here in conjunction with the City's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

- The City has \$115.5 million in total assets of which \$62.79 million are capital assets.
- The City has \$31.40 million in total liabilities of which \$27.12 million are long-term.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$81.32 million (net position). Of this amount, \$36.39 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors while \$36.36 million is invested in capital assets.
- The City's total net position increased by \$8.17 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$10.42 million, an increase of \$2.27 million in comparison with the prior year with \$1.94 million unassigned in the General Fund.
- At the end of the current fiscal year, the General Fund had a fund balance of \$2.22 million which is a \$1.59 million increase from the prior year. This improvement was achieved through a combination of increased transfers from reserve funds, property taxes and reduced expenditures.
- The City's long-term debt increased by \$814 thousand during the current fiscal year as a result of the issuance of additional debt to provide the funding to finance the expansion of the City's wastewater treatment plant and the City's water and sewer system as a whole.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—*management's discussion and analysis* (which serves as an introduction to the City's basic financial statements), the *basic financial statements*, and *supplementary information* that presents combining statements for nonmajor governmental funds and nonmajor enterprise funds as well as other selected information. The City's basic financial statements consist of three components: 1) Government-Wide financial statements, 2) Fund financial statements and 3) Notes to financial statements.

Government-Wide Financial Statements

The primary role of the government-wide financial statements is to demonstrate operational accountability. Operational accountability requires that a government demonstrate the extent to which it has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to do so.

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Moultrie's finances, in a manner similar to a private-sector business. It provides both long-term and short-term information about the City's overall financial status. The *statement of net position* and the *statement of activities* report information about the City as a whole and about its activities in a way that helps answer the question - is the City's financial health improving or deteriorating?

The *statement of net position* presents information on all the City's assets, deferred outflows, liabilities and deferred inflows with the difference reported as net position. The statement is a tool to measure the City's financial health or financial position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The reader would need to consider other non-financial factors, such as changes in the City's property tax base and the condition of the City's infrastructure to assess the overall health of the City.

CITY OF MOULTRIE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2013

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, parks and recreation, community development, and interest on long-term debt. The business-type activities of the City include water and sewer, electric, gas, cable TV, solid waste, airport operations, telecommunications and mass transit.

The government-wide financial statements include not only the City of Moultrie itself (known as the *primary government*), but also a legally separate Downtown Development Authority, for which the City has some degree of financial accountability. Financial information for the *component unit* is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

The primary role of the Fund financial statements is to demonstrate fiscal accountability. Fiscal accountability requires that a government demonstrate compliance with public decisions concerning the raising and spending of public monies in the short term (usually one budgetary cycle or one year).

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows* and *outflows* of spendable resources, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains seven (7) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and SPLOST Fund, because they are considered to be major funds. Data from the other five (5) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

CITY OF MOULTRIE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2013

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds

The City maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer Fund, Electric Revenue Fund, Gas Revenue Fund, Cable TV Fund, Solid Waste Fund, Airport Fund, Telecommunications Fund, Internal Service Fund, Mass Transit Fund and the Utilities Deposit Fund. The City uses its internal service fund to account for its equipment services and other services. Because the services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, Electric Revenue Fund, and the Cable TV Fund, all of which are considered to be major funds of the City. Conversely, the non-major enterprise funds are combined into single, aggregated presentations in the proprietary fund financial statements. Individual fund data for the non-major enterprise funds is provided in the form of *combining statements* elsewhere in this report.

Fiduciary Funds

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

CITY OF MOULTRIE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2013

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Table 1 below summarizes the major features of the basic financial statements.

Table 1
Major Features of the Basic Financial Statements

	Fund Financial Statements			
	Government-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds) and the City's component units	Activities of the City that are not proprietary or fiduciary	Activities of the City that are operated similar to private business	Instances where the City is the trustee or agent for someone else's resources
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenditures, and Changes in Net Position Statement of Cash Flows	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

CITY OF MOULTRIE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Condensed Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$81.32 million at the close of the most recent fiscal year.

A large portion of the City's net position (44.72%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City also had \$36.39 million or 44.75% in unrestricted net position.

CITY OF MOULTRIE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2013

Table 2 below presents the City's condensed statement of net position as of September 30, 2013 and 2012.

Table 2
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012 (Restated)	2013	2012 (Restated)
Assets						
Current and other assets	\$ 15,127,757	\$ 12,922,445	\$ 37,596,516	\$ 36,147,250	\$ 52,724,273	\$ 49,069,695
Capital assets	23,705,233	24,456,762	39,085,840	34,698,013	62,791,073	59,154,775
Total assets	38,832,990	37,379,207	76,682,356	70,845,263	115,515,346	108,224,470
Deferred Outflows of Resources						
Deferred charge on refunding	-	-	279,814	373,086	279,814	373,086
Liabilities						
Other liabilities	1,180,515	4,282,757	3,106,011	4,487,969	4,286,526	8,770,726
Long-term liabilities	1,005,339	1,072,558	26,111,246	25,230,324	27,116,585	26,302,882
Total liabilities	2,185,854	5,355,315	29,217,257	29,718,293	31,403,111	35,073,608
Deferred Inflows of Resources						
Unavailable revenue	3,069,309	-	-	-	3,069,309	-
Net position						
Net investment in capital assets	22,747,611	23,404,269	13,616,351	6,803,331	36,363,962	30,207,600
Restricted for:						
Prepaid expenses	206,793	203,365	-	-	206,793	203,365
Inventory	96,564	-	-	-	96,564	-
Capital projects	8,076,605	7,309,222	-	-	8,076,605	7,309,222
Public services	187,842	20,031	-	-	187,842	20,031
Unrestricted	2,262,412	1,087,005	34,128,562	34,323,639	36,390,974	35,410,644
Total net position	\$ 33,577,827	\$ 32,023,892	\$ 47,744,913	\$ 41,126,970	\$ 81,322,740	\$ 73,150,862

Net position may serve over time as a useful indicator of a government's financial position. The City's combined net position and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$81.32 million for 2013 as compared to \$73.15 million for 2012 for an increase of 11.17%. Of this amount, \$47.74 million came from business-type activities and \$33.58 million came from governmental activities.

An additional portion of the City's net position (10.54%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$36.39 million) may be used to meet the City's ongoing obligations to citizens and creditors. This is an increase of \$980 thousand or 2.77%.

For governmental activities, the City reported a balance of \$2.26 million in unrestricted net position. This is an increase of \$1.18 million from 2012 due to an increase in capital projects and reduced total liabilities. The business-type activities unrestricted net position was \$34.13 million, a decrease of \$195 thousand from 2012.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities.

CITY OF MOULTRIE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2013

Condensed Statement of Activities

Table 3 below presents the City's condensed statement of activities for the years ended September 30, 2013 and 2012. Over time, increases or decreases in net position measure whether the City's financial position is improving or deteriorating.

Table 3
Condensed Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues:						
Charges for services	\$ 1,108,029	\$ 1,266,335	\$ 40,797,825	\$ 38,604,241	\$ 41,905,854	\$ 39,870,576
Operating grants and contributions	1,008,943	2,230,872	404,054	335,283	1,412,997	2,566,155
Capital grants and contributions	650,415	135,669	3,109,287	4,654,321	3,759,702	4,789,990
General revenues:						
Property taxes	3,579,396	3,586,729	-	-	3,579,396	3,586,729
Sales taxes	2,064,634	974,626	-	-	2,064,634	974,626
Other taxes	1,852,165	1,394,204	-	-	1,852,165	1,394,204
Investment income	42,168	35,765	75,321	17,635	117,489	53,400
Other revenues	437,345	217,462	102,758	155,147	540,103	372,609
Total revenues	10,743,095	9,841,662	44,489,245	43,766,627	55,232,340	53,608,289
Expenses						
General government	2,561,258	2,933,062	-	-	2,561,258	2,933,062
Public safety	6,398,743	6,564,644	-	-	6,398,743	6,564,644
Public works	3,794,958	4,430,458	-	-	3,794,958	4,430,458
Parks and recreation	987,847	1,134,958	-	-	987,847	1,134,958
Community development	293,003	870,933	-	-	293,003	870,933
Elections	-	-	-	-	-	-
Interest - long term debt	27,471	35,262	-	-	27,471	35,262
Water and sewer	-	-	4,603,430	3,559,053	4,603,430	3,559,053
Electric revenue	-	-	19,509,804	18,823,388	19,509,804	18,823,388
Gas revenue	-	-	1,872,509	2,773,441	1,872,509	2,773,441
Cable TV	-	-	3,540,893	3,738,055	3,540,893	3,738,055
Solid waste	-	-	2,093,272	2,252,619	2,093,272	2,252,619
Airport	-	-	354,519	544,435	354,519	544,435
Telecommunications	-	-	763,382	732,881	763,382	732,881
Telephony	-	-	199,352	204,620	199,352	204,620
Mass Transit	-	-	60,021	14,669	60,021	14,669
Total expenses	14,063,280	15,969,317	32,997,182	32,643,161	47,060,462	48,612,478
Increase (decrease) in net position before transfers	(3,320,185)	(6,127,655)	11,492,063	11,123,466	8,171,878	4,995,811
Transfers	4,874,120	6,306,560	(4,874,120)	(6,306,560)	-	-
Change in net position	\$ 1,553,935	\$ 178,905	\$ 6,617,943	\$ 4,816,906	\$ 8,171,878	\$ 4,995,811

CITY OF MOULTRIE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2013

Governmental activities during the fiscal year ended September 30, 2013 increased the City's net position by \$1.55 million. Business-type activities during the same period increased net position by \$6.62 million. The change in net position was an increase of \$8.17 million. The table above shows the revenues and expenses by activity for the total primary government. This table shows total 2013 revenues from governmental activities at \$10.74 million while expenses were \$14.06 million. Business-type activities total revenues for 2013 were \$44.49 million while expenses were \$33.00 million. The largest revenue source for governmental activities comes from transfers from business-type activities of \$4.87 million, which is 31.21% of the total governmental activity funding. Property taxes are the next largest governmental activity revenue source at \$3.58 million or 22.92%. Sales Taxes are the third largest governmental activity revenue source at \$2.06 million or 13.22%. Revenues from Other Taxes are the fourth largest governmental activity revenue source at \$1.85 million or 11.86%. Business-type activities program revenues exceeded expenses by \$11.49 million before internal transfers to support the governmental activities.

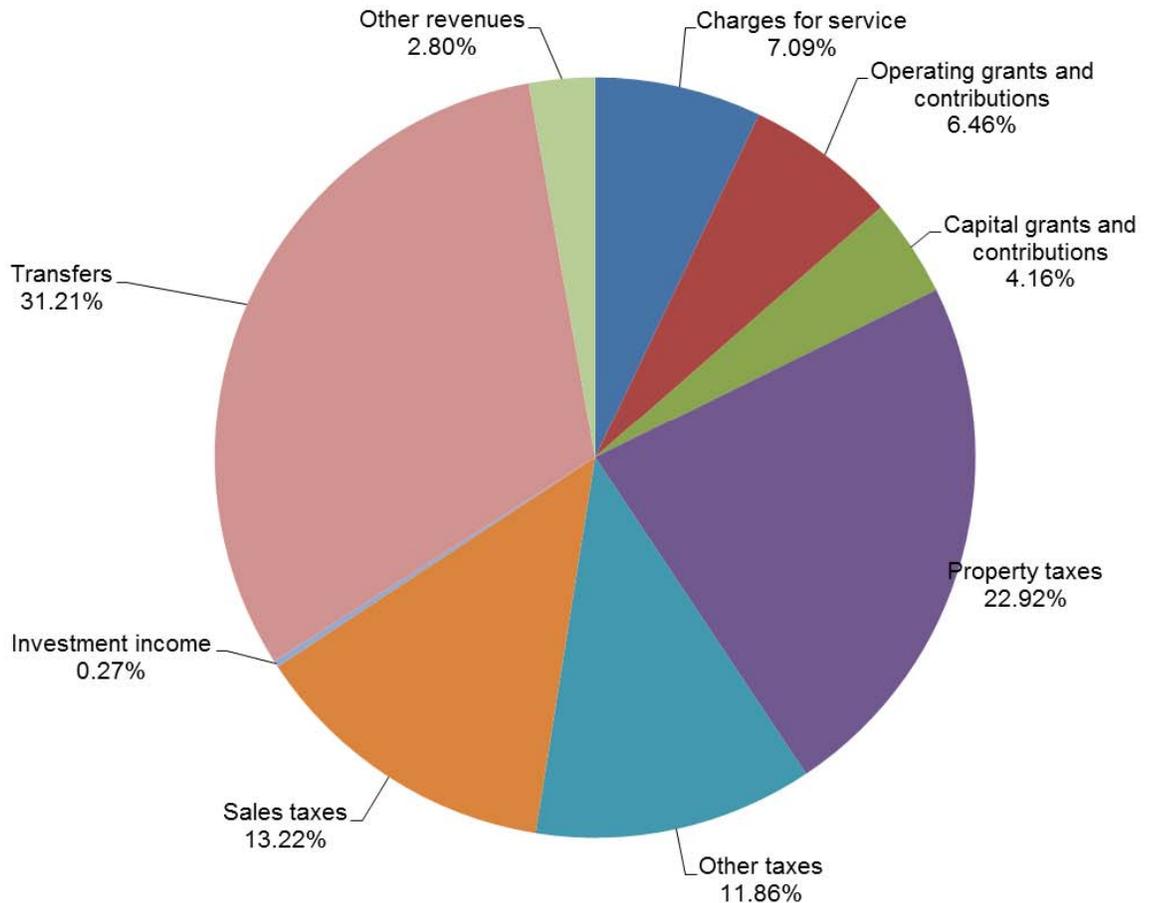
CITY OF MOULTRIE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2013

Program Revenues and Expenses for Governmental Activities

Governmental Activities - Revenues by Source

The following chart shows the governmental activities revenues by major source and includes revenues from transfers. It is easy to see from the chart that governmental activities are funded to a great degree through transfers from the business-type activities. These transfers are 31.21% of the funding for the primary government. The second largest source of funding, Property taxes provided 22.92% of governmental revenues. Sales Tax revenues provided 13.22% of the governmental activities funding in 2013. Because of the continuing slow economy and limited funding from other revenue sources such as grants, transfers from business-type activities provide the greatest funding source for the governmental activities although the amount did decrease in 2013. The majority of funding for capital projects comes from sales taxes and without it there would be few capital projects completed. For the year ended September 30, 2013, transfers were \$4.87 million, a decrease of \$1.43 million from \$6.31 million over the year ended September 30, 2012. This decrease is necessary to reduce the burden on the Business Type Activities.

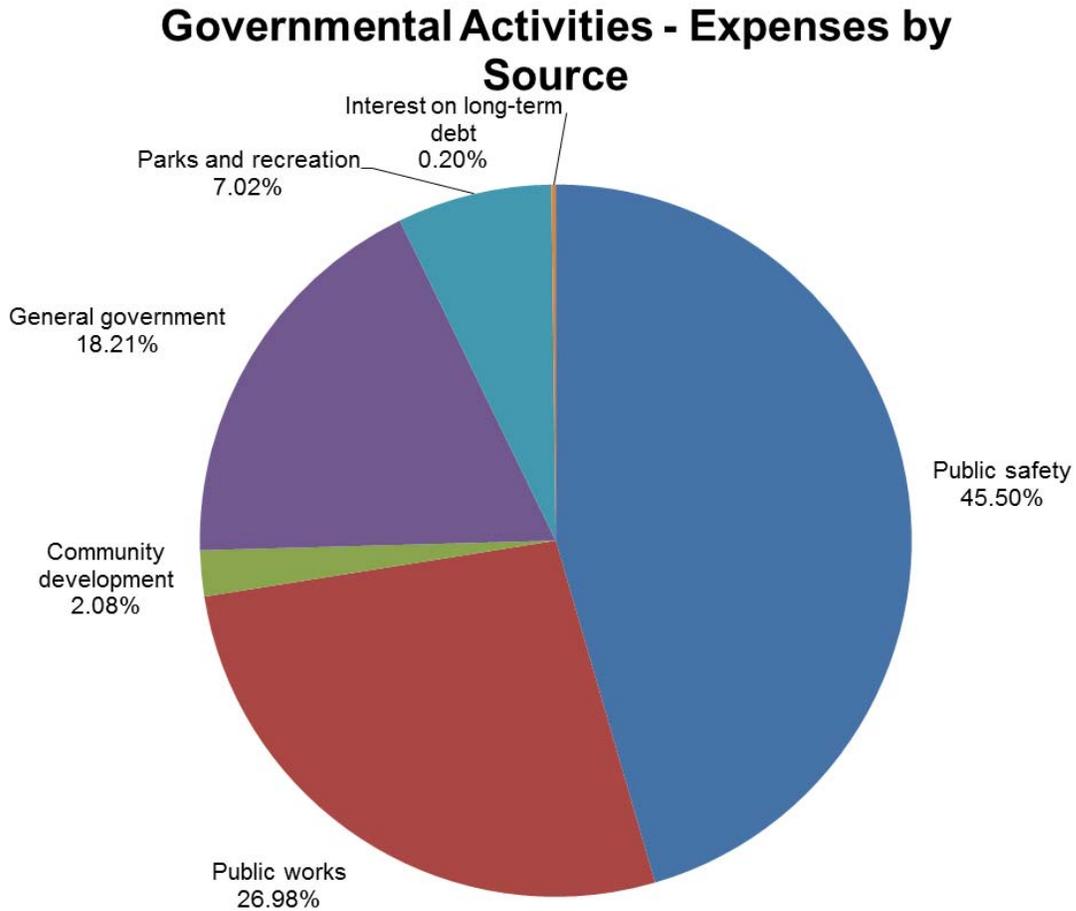
Governmental Activities - Revenues by Source



CITY OF MOULTRIE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2013

Governmental Activities – Expenses by Source

The following chart shows the governmental activities expenses by source. The City of Moultrie spent the greatest amount of its available funding on Public Safety at \$6.40 million or 45.50%. The next largest governmental expense was for Public Works at \$3.79 million or 26.98%. A major expense of all the governmental sources is in personnel cost of salaries and benefits.

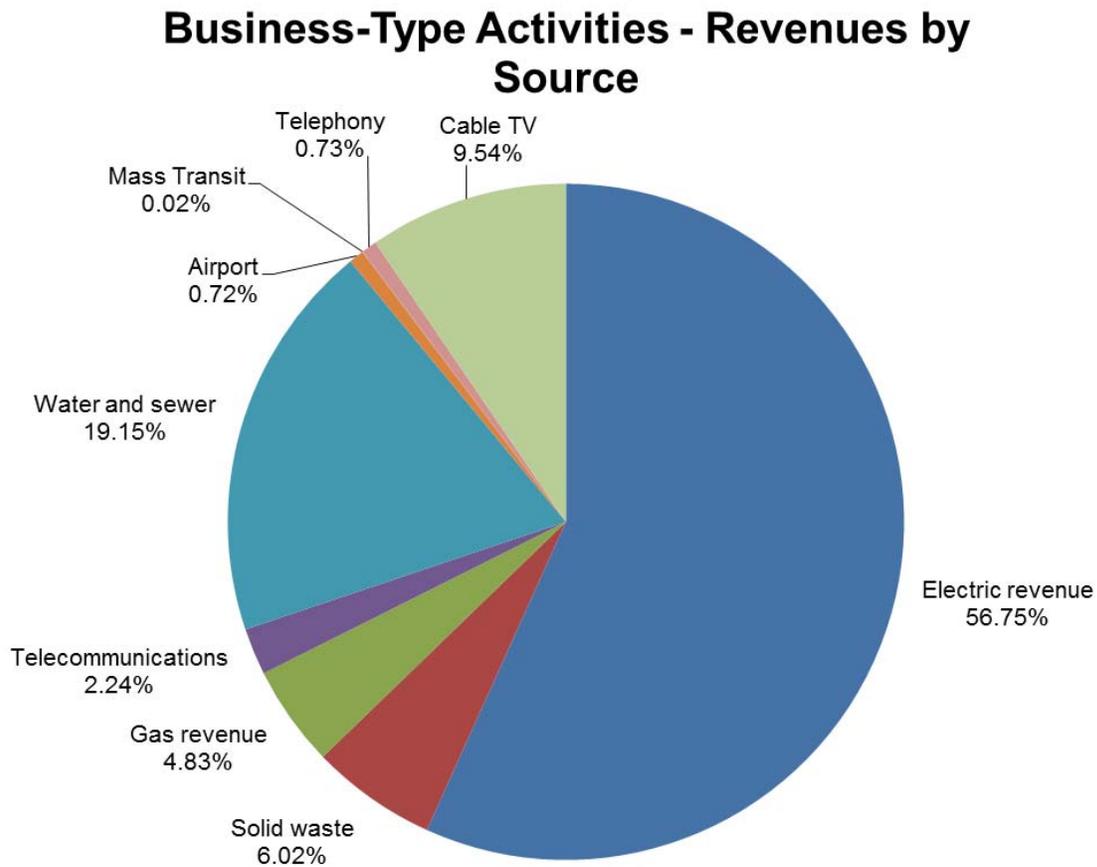


CITY OF MOULTRIE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2013

Program Revenues and Expenses for Business-Type Activities

Business-Type Activities – Revenues by Source

The business-type activities largest revenue source is from the Electric Fund. By far, more revenues (56.75%) or \$25.25 million are generated by this fund which is more than all other business-type activity funds combined. The next largest business-type revenue source comes from the Water & Sewer Fund at 19.15% or \$8.52 million.

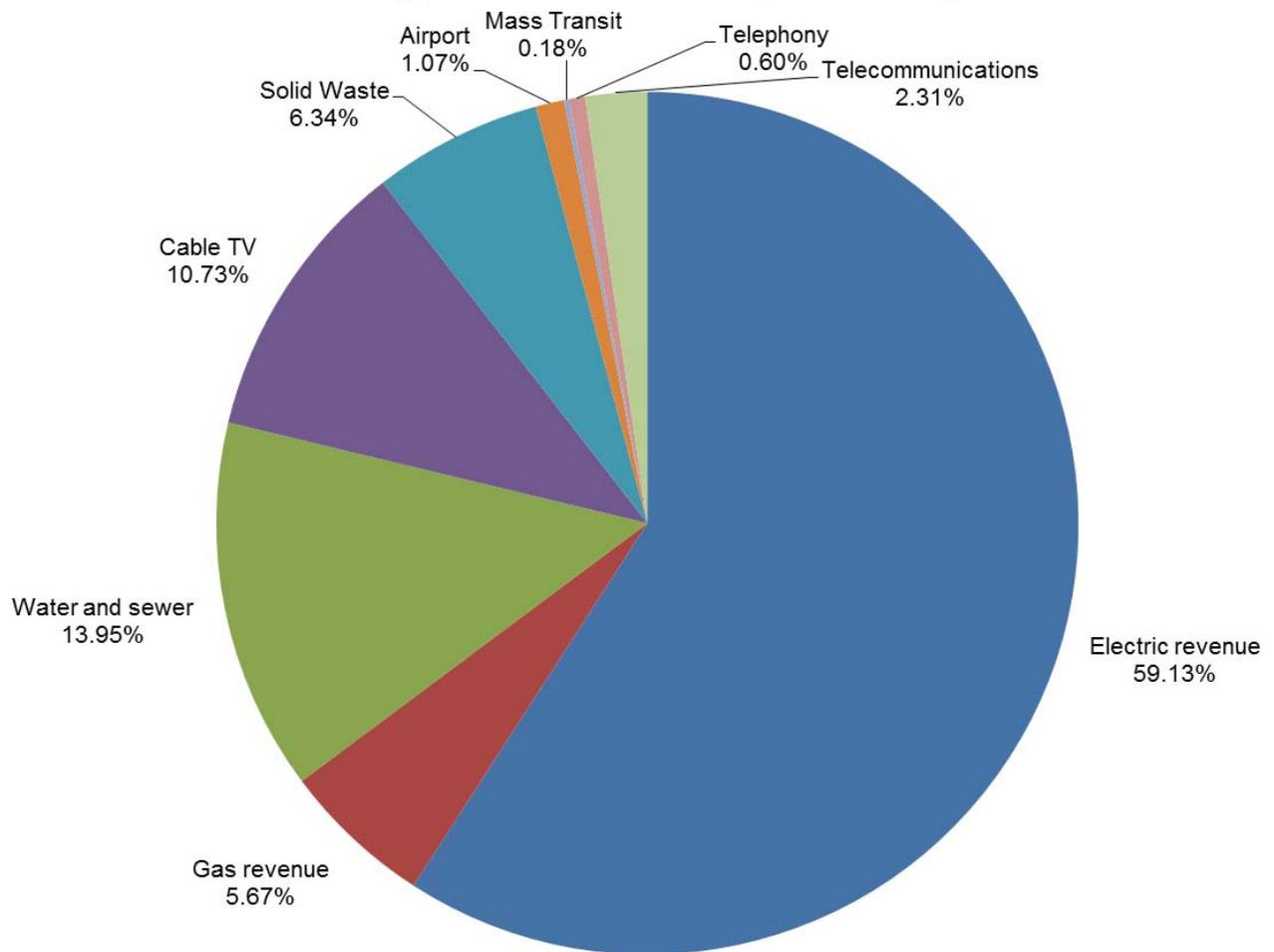


CITY OF MOULTRIE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2013

Business-Type Activities – Expenses by Source

As expected, the Electric Fund also has the largest amount of expenses at 59.13% or \$19.51 million, with income of \$5.74 million before transfers to other funds. The Water and Sewer Fund generated net income of \$807 thousand before transfers but had the second largest amount of expenses at \$4.60 million. It is these two funds that provide the largest portion of the transfers to the Governmental funds.

Business-Type Activities - Expenses by Source



CITY OF MOULTRIE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2013

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

The City of Moultrie has two major governmental funds which include the General Fund and SPLOST Fund.

At September 30, 2013, the General Fund had a fund balance of \$2.22 million. This is an increase of \$1.59 million from the beginning fund balance as of October 1, 2012. The increase in the fund balance was due to several factors. General fund expenditures were \$452 thousand less than 2012. Revenues increased \$787 thousand while transfers from other funds decreased by \$363 thousand.

At September 30, 2013, the SPLOST Fund had a fund balance of \$7.1 million. This is an increase of \$679 thousand from the beginning fund balance as of October 1, 2012. This increase in the fund balance was due primarily to the beginning of the collection of the 2013 SPLOST funds. Fewer approved projects were begun in 2013 as many projects were still in the pre-construction stages and only engineering fees have been paid. There was no significant change in the fund balance of other governmental funds with an ending balance of \$1.10 million. The final fund balance for the total governmental funds was \$10.42 million primarily due to the increase in the General Fund balance and the beginning of collections for the 2013 SPLOST.

Enterprise Funds

The Enterprise Funds, which include the City's Water & Sewer Fund, Electric Fund, and Cable TV Fund, and the non-major enterprise funds consisting of the Solid Waste Fund, Airport Fund, Gas Fund, Mass Transit Fund, Telephony Fund, Utility Deposit Fund and Telecommunications Funds, showed a combined cash balance of \$19.84 million for the year ended September 30, 2013. Total combined assets and deferred outflows of resources increased by \$5.74 million to \$76.96 million and total net position increased from \$41.13 million to \$47.74 million.

The Water and Sewer Fund had an ending cash balance of \$18.46 million after accounting for funds owed to the Electric, Gas and Other Enterprise Funds at September 30, 2013. The total net position in this fund increased by \$3.35 million which was \$13.35 million in 2012 to \$16.70 million in 2013.

The Electric Fund had a \$434 thousand ending cash balance after accounting for funds owed from the Water and Sewer Fund and Gas Fund and transfers to other funds. This was an increase of \$384 thousand from 2012. It also had investments of \$7.32 million to draw on for operations and capital projects and to loan to other funds. These funds will be used primarily for additional acquisition and construction of capital assets, operational costs and the costs of power and the transfer of funds to the General Fund and interfund loans to the Cable TV Fund. The Electric Fund has kept property taxes level by its transfer of a large part of its profits to the General Fund. The Electric Fund has also provided funding for community projects that could not have been completed without its help.

The Cable TV Fund had an ending cash balance of \$230 thousand which is a decrease of \$344 thousand from the beginning cash balance due to increasing programming costs, expansion of the system and improvements at the central head end. This fund continues to hold its own with the help of interfund loans from the Electric Fund but will continue to struggle until its large bond debt service is paid off in 2017.

The combined cash balance of the non-major proprietary funds at the end of the year was \$715 thousand. This is an increase of \$393 thousand from the beginning cash balance. The increase is due to reduced operating costs within these funds and transfers to other funds.

CITY OF MOULTRIE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2013

GENERAL FUND BUDGETARY HIGHLIGHTS

Generally, budget amendments fall into one of the following categories: 1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Amendments to the original budget for 2013 related to the transfer of budgeted amounts between departments and did not result in additional appropriations.

The actual revenues of the General Fund exceeded the final budgeted amounts by \$613 thousand for the year ended September 30, 2013. The major factors contributing to this difference were additional revenues from property taxes and other revenues.

The actual expenditures of the General Fund were less than final budgeted amounts by \$1.16 million for the year ended September 30, 2013. The major factors contributing to this difference were lower actual expenditures as compared to the approved budget for general government, public safety, public works and recreation operations. The actual transfers to the General Fund from other funds were also \$280 thousand less than budgeted which is a step in the right direction.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2013, governmental activities and business-type activities had capital assets of \$62.79 million (net of accumulated depreciation) invested in land, buildings, system improvements, machinery and equipment and recreation and park facilities.

The net capital assets from governmental activities decreased \$752 thousand from 2012 due to fewer purchases of vehicles, equipment and infrastructure improvements and the depreciation of existing assets already on the books. The net capital assets from business-type activities increased by \$4.39 million from the prior year due to construction of water and sewer projects and improvements to the City's wastewater facility and equipment and infrastructure system improvements in the electric and Cable TV funds.

Additional information on the City's capital assets can be found in Note F of the Notes to Financial Statements.

Long-term Debt

The City's total long-term debt consists of revenue bonds, long-term notes, capital leases, compensated absences and other long-term liabilities.

At September 30, 2013, the City had \$1.01 million of outstanding long-term liabilities related to governmental activities and \$26.11 million of long-term liabilities related to business-type activities for a total of \$27.12 million compared to the previous year's total of \$26.30 million. This is an increase of \$814 thousand as a result of the issuance of additional debt to provide the funding to finance the expansion of the City's wastewater treatment plant and the City's water and sewer system as a whole.

The City's component unit also had \$2.73 million in long-term debt outstanding in connection with Downtown Development Authority Revenue Bonds used to construct a United States Post Office and a Georgia Department of Labor. Under a lease agreement with the Postal Service, the Postal Service is to make rental payments to be used for the purpose of paying the principal and interest payments on the bonds until November of 2017. Under a lease agreement with the Department of Labor, the Department of Labor is to make rental payments to be used for the purpose of paying the principal and interest payments on the bonds for a period of twenty-three years.

CITY OF MOULTRIE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2013

Additional information on the City's long-term debt can be found in Note H of the Notes to Financial Statements.

FACTORS AFFECTING THE 2013 BUDGET

The Mayor and Council of the City of Moultrie continue to face many challenges when approving the City's budget. The economy continues to grow at a slow pace which limits revenues while health care costs and property and workers compensation insurance premiums and claims rise at an ever increasing rate. It is becoming harder to provide the services its citizens require and expect without additional property taxes and other revenues to pay for all these costs. After an increase in property tax collections in 2012 of \$111 thousand compared to 2011, there was a reduction of \$7 thousand in collections in 2013. On the positive side General Fund expenditures decreased \$451 thousand from 2012 while revenue collections other than property taxes increased by \$1.10 million over the same period. This resulted in an ending fund balance of \$2.2 million, an increase of \$1.59 million over the fund balance at 2012. The improvement in the General Fund's financial condition resulted in a revision of the Bond Rating on its bonds from A negative to A stable in December 2013. There were \$2.06 million in Special Local Option Sales Tax proceeds collected in 2013, but these revenues are restricted for special projects and cannot be used for regular governmental operations. It is imperative that Mayor and Council and City Staff continue to search for other revenue sources in the coming years as well as finding ways to reduce governmental expenditures with the least amount of reduction in services delivered. Increasing the transfers from the business- type activities to the governmental activities has maintained these funds up until now but this trend cannot continue with increasing environmental regulations driving utilities costs up and reducing their overall profit margin. With utility rates already increasing due to this regulation the City's customers are faced with increasing financial pressure. Any additional transfers can't be facilitated by more utility rate increases. This funding will have to come from reserve funds which cannot be sustained very long and should be avoided. The use of capital leases and funding from grants and SPLOST for capital projects are some ways to spread or reduce the City's expenditures. However reductions in overall governmental expenditures, including personnel costs, are the only way to truly achieve the spending level that can be funded by the present revenues available. A continuation of the combination of programming rate increases and reductions in expenditures in the Cable TV Fund have been beneficial for this fund and this trend must continue. The present expansion of the system is a positive step but will take some time to pay for itself. Until the Cable Bond is paid off in 2017 this fund will struggle to remain solvent without the need for funding from internal and external sources. In the present economic climate, with the State and Federal Government passing more and more costs down to the City as they struggle to balance their own budgets, Mayor and Council will have to make some tough choices to take the City of Moultrie and its citizens into the future.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions about this report or requests for additional information may be addressed to:

City Finance Department
City of Moultrie
P. O. Box 3368
Moultrie, Georgia 31776



Basic Financial Statements

CITY OF MOULTRIE, GEORGIA
STATEMENT OF NET POSITION
September 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
ASSETS				
Cash and cash equivalents	\$ 11,629,451	\$ 19,009,849	\$ 30,639,300	56,397
Investments	-	7,321,594	7,321,594	-
Accounts receivable, net	402,539	4,148,438	4,550,977	15,617
Property tax receivable	3,113,115	-	3,113,115	-
Inventories	96,564	1,576,723	1,673,287	-
Other current assets	379,592	88,225	467,817	2,539
Due from other governments	-	-	-	-
Due from component unit	-	235,000	235,000	-
Internal balances	(2,064,244)	2,064,244	-	-
Restricted assets:				
Cash and cash equivalents	312,534	829,635	1,142,169	312,495
Investments	-	1,530,064	1,530,064	-
Sales tax receivable	135,280	-	135,280	-
Program receivables	608,383	-	608,383	-
Investment in SGBDA	-	792,744	792,744	-
Other noncurrent assets	514,543	-	514,543	91,719
Capital assets:				
Land	1,394,670	1,209,382	2,604,052	709,191
Construction in progress	-	1,252,309	1,252,309	-
Other capital assets, net of accumulated depreciation	22,310,563	36,624,149	58,934,712	2,009,563
Total assets	\$ 38,832,990	\$ 76,682,356	\$ 115,515,346	\$ 3,197,521
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	\$ -	\$ 279,814	\$ 279,814	27,293
LIABILITIES				
Accounts payable	\$ 814,946	\$ 1,988,563	\$ 2,803,509	\$ -
Accrued expenses	226,261	180,426	406,687	59,060
Lines of Credit	-	-	-	-
Customer deposits	-	825,022	825,022	-
Due to other governments	139,308	-	139,308	-
Due to primary government	-	-	-	235,000
Liabilities payable from restricted assets	-	-	-	-
Short-term notes payable	-	112,000	112,000	-
Long-term liabilities:				
Due within one year	323,239	2,008,101	2,331,340	240,000
Due in more than one year	682,100	24,103,145	24,785,245	2,485,000
Total liabilities	2,185,854	29,217,257	31,403,111	3,019,060
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	3,069,309	-	3,069,309	-
NET POSITION				
Net investment in capital assets	22,747,611	13,616,351	36,363,962	(6,246)
Restricted for:				
Prepaid expenses	206,793	-	206,793	-
Inventory	96,564	-	96,564	-
Debt service	-	-	-	-
Capital projects	8,076,605	-	8,076,605	-
Public services	187,842	-	187,842	-
Unrestricted (deficit)	2,262,412	34,128,562	36,390,974	212,000
Total net position	\$ 33,577,827	\$ 47,744,913	\$ 81,322,740	\$ 205,754

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2013

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 2,561,258	\$ 844,039	\$ 81,477	\$ -	\$ (1,635,742)
Public safety	6,398,743	88,710	89,893	93,976	(6,126,164)
Public works	3,794,958	-	131,149	556,439	(3,107,370)
Parks and recreation	987,847	160,620	681,924	-	(145,303)
Community development	293,003	14,660	24,500	-	(253,843)
Elections	-	-	-	-	-
Interest on long-term debt	27,471	-	-	-	(27,471)
Total governmental activities	14,063,280	1,108,029	1,008,943	650,415	(11,295,893)
Business-type activities:					
Water and sewer	4,603,430	4,946,109	404,054	3,109,287	3,856,020
Electric revenue	19,509,804	25,189,476	-	-	5,679,672
Gas revenue	1,872,509	2,139,591	-	-	267,082
Cable TV	3,540,893	4,242,599	-	-	701,706
Solid waste	2,093,272	2,667,634	-	-	574,362
Airport	354,519	315,693	-	-	(38,826)
Telecommunications	763,382	963,876	-	-	200,494
Telephony	199,352	325,647	-	-	126,295
Mass transit	60,021	7,200	-	-	(52,821)
Total business-type activities	32,997,182	40,797,825	404,054	3,109,287	11,313,984
Total primary government	\$ 47,060,462	\$ 41,905,854	\$ 1,412,997	\$ 3,759,702	\$ 18,091
Component unit:					
Downtown Development Authority	370,812	400,909	\$ -	\$ -	\$ 30,097

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF ACTIVITIES (continued)
For the Year Ended September 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
Change in net position:				
Net (expense) revenue	\$ (11,295,893)	\$ 11,313,984	\$ 18,091	\$ 30,097
General revenues:				
Taxes:				
Property taxes	3,579,396	-	3,579,396	-
Sales taxes	2,064,634	-	2,064,634	-
Other taxes	1,852,165	-	1,852,165	-
Payments in lieu of taxes	28,164	-	28,164	-
Investment income	42,168	75,321	117,489	272
Gain on disposal of capital assets	-	3,750	3,750	-
Other revenues	409,181	99,008	508,189	-
Transfers	4,874,120	(4,874,120)	-	-
Total general revenues and transfers	12,849,828	(4,696,041)	8,153,787	272
Change in net position	1,553,935	6,617,943	8,171,878	30,369
Net position, beginning of year (restated)	32,023,892	41,126,970	73,150,862	175,385
Net position, end of year	\$ 33,577,827	\$ 47,744,913	\$ 81,322,740	\$ 205,754

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2013

	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	4,289,053	7,108,436	\$ 120,342	\$ 11,517,831
Investments	-	-	-	-
Accounts receivable, net	264,894	-	58,860	323,754
Property tax receivable	3,113,115	-	-	3,113,115
Inventories	87,766	-	-	87,766
Other current assets	193,886	-	1,027	194,913
Due from other governments	-	-	-	-
Due from component unit	-	-	-	-
Due from other funds	6,191,441	6,289	16,449	6,214,179
Restricted assets:				
Cash and cash equivalents	-	-	312,534	312,534
Investments	-	-	-	-
Sales tax receivable	135,280	-	-	135,280
Program receivables	-	-	608,383	608,383
Total assets	<u>\$ 14,275,435</u>	<u>\$ 7,114,725</u>	<u>\$ 1,117,595</u>	<u>\$ 22,507,755</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	722,193	7,900	\$ 10,268	\$ 740,361
Accrued expenses	193,448	-	2,739	196,187
Customer deposits	-	-	-	-
Due to other governments	139,308	-	-	139,308
Due to other funds	7,934,094	1,526	7,737	7,943,357
Liabilities payable from restricted assets	-	-	-	-
Total liabilities	<u>8,989,043</u>	<u>9,426</u>	<u>20,744</u>	<u>9,019,213</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	<u>3,069,309</u>	<u>-</u>	<u>-</u>	<u>3,069,309</u>
Fund balances				
Nonspendable:				
Inventories	87,766	-	-	87,766
Prepaid insurance	193,886	-	1,027	194,913
Restricted for:				
Debt service	-	-	-	-
Community development	-	-	1,082,112	1,082,112
Public safety	-	-	13,712	13,712
Capital projects	-	7,105,299	-	7,105,299
Unassigned, reported in:				
General fund	1,935,431	-	-	1,935,431
Capital projects funds	-	-	-	-
Special revenue funds	-	-	-	-
Total fund balances (deficit)	<u>2,217,083</u>	<u>7,105,299</u>	<u>1,096,851</u>	<u>10,419,233</u>
Total liabilities , deferred inflows of resources and fund balances	<u>\$ 14,275,435</u>	<u>\$ 7,114,725</u>	<u>\$ 1,117,595</u>	<u>\$ 22,507,755</u>

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
September 30, 2013

Total governmental fund balances	\$ 10,419,233
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	23,705,233
Net pension asset that is not a financial asset in governmental activities and therefore not reported in governmental funds.	514,543
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Capital leases	(648,664)
Notes payable	(308,958)
Compensated absences	(47,717)
An internal service fund is used by management to charge the costs of the City's services to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	<u>(55,843)</u>
Net position of governmental activities	<u>\$ 33,577,827</u>

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES****GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2013

	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 3,579,396	\$ -	\$ -	\$ 3,579,396
Local option sales taxes	-	-	-	-
Other taxes	1,604,775	-	247,390	1,852,165
Licenses and permits	705,574	-	-	705,574
Fines and forfeitures	103,731	-	38,674	142,405
Charges for services	297,247	-	28,647	325,894
Investment income	21,076	7,179	21,092	49,347
Intergovernmental	1,061,990	2,057,455	534,555	3,654,000
Other revenues	375,625	-	31,853	407,478
Total revenues	<u>7,749,414</u>	<u>2,064,634</u>	<u>902,211</u>	<u>10,716,259</u>
EXPENDITURES				
Current:				
General government	2,409,842	-	-	2,409,842
Public safety	6,003,758	-	169,307	6,173,065
Public works	2,428,139	-	-	2,428,139
Parks and recreation	801,357	-	-	801,357
Community development	-	-	280,263	280,263
Capital outlays	-	638,712	459,374	1,098,086
Debt service:				
Principal	334,835	-	-	334,835
Interest	27,471	-	-	27,471
Total expenditures	<u>12,005,402</u>	<u>638,712</u>	<u>908,944</u>	<u>13,553,058</u>
Excess (deficiency) of revenues over expenditures	<u>(4,255,988)</u>	<u>1,425,922</u>	<u>(6,733)</u>	<u>(2,836,799)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	5,740,643	226,599	6,570	5,973,812
Transfers to other funds	(126,570)	(973,122)	-	(1,099,692)
Sale of capital assets	-	-	-	-
Long term debt issued	239,964	-	-	239,964
Other	(10,033)	-	-	(10,033)
Total other financing sources (uses)	<u>5,844,004</u>	<u>(746,523)</u>	<u>6,570</u>	<u>5,104,051</u>
Net change in fund balances	1,588,016	679,399	(163)	2,267,252
Fund balances (deficit), beginning of year (restated)	629,067	6,425,900	1,097,014	8,151,981
Fund balances (deficit), end of year	<u>\$ 2,217,083</u>	<u>\$ 7,105,299</u>	<u>\$ 1,096,851</u>	<u>\$ 10,419,233</u>

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2013

Net change in fund balances - total governmental funds	\$ 2,267,252
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.	
Capital asset purchases capitalized	683,538
Transfer of capital assets from business-type activities	-
Depreciation expense	(1,435,067)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of premiums and discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items.	
Debt issued	(239,964)
Debt payments made	334,835
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Increase in net pension asset	26,836
Increase in compensated absences	(27,652)
An internal service fund is used by management to charge the costs of the City's services to individual funds. The net revenues (expenses) of the internal service fund is reported with governmental activities in the statement of net position.	
	<u>(55,843)</u>
Change in net position of governmental activities	<u>\$ 1,553,935</u>

CITY OF MOULTRIE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Property taxes	\$ 3,375,122	\$ 3,375,122	\$ 3,579,396	\$ 204,274
Local option sales taxes	-	-	-	-
Other taxes	1,603,229	1,603,229	1,604,775	1,546
Licenses and permits	666,750	666,750	705,574	38,824
Fines and forfeitures	105,731	105,731	103,731	(2,000)
Charges for services	259,663	259,663	297,247	37,584
Investment income	16,500	16,500	21,076	4,576
Intergovernmental	843,419	1,063,619	1,061,990	(1,629)
Other revenues	125,000	45,419	375,625	330,206
Total revenues	6,995,414	7,136,033	7,749,414	613,381
EXPENDITURES				
Current:				
General government				
City council	841,802	841,802	809,802	32,000
City manager	255,595	255,595	235,902	19,693
Finance	377,596	377,596	362,922	14,674
Purchasing	151,663	151,663	142,312	9,351
Legal	-	-	-	-
Information systems	-	-	-	-
Municipal court	-	-	-	-
Human resources	191,620	191,620	184,435	7,185
City hall	309,942	309,942	263,638	46,304
Main street program	-	-	-	-
Engineering	421,520	421,520	410,831	10,689
Garage	-	-	-	-
Total general government	2,549,738	2,549,738	2,409,842	139,896
Public safety				
Police	3,366,653	3,366,653	3,023,445	343,208
Fire	2,846,205	2,846,205	2,637,552	208,653
Planning and zoning	395,452	395,452	342,761	52,691
Total public safety	6,608,310	6,608,310	6,003,758	604,552
Public works				
Office of the director	267,926	267,926	253,197	14,729
Streets and sidewalks	2,447,892	2,447,892	2,174,942	272,950
Beautification	-	-	-	-
Total public works	2,715,818	2,715,818	2,428,139	287,679
Parks and recreation				
Recreation	889,398	913,959	788,583	125,376
Parks and cemetery	-	12,774	12,774	-
Northwest Community Center	-	-	-	-
Total parks and recreation	889,398	926,733	801,357	125,376

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Debt service:				
Principal	-	337,695	334,835	2,860
Interest	-	30,721	27,471	3,250
Total expenditures	<u>12,763,264</u>	<u>13,169,015</u>	<u>12,005,402</u>	<u>1,163,613</u>
Excess (deficiency) of revenues over expenditures	<u>(5,767,850)</u>	<u>(6,032,982)</u>	<u>(4,255,988)</u>	<u>1,776,994</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	6,020,643	6,020,643	5,740,643	(280,000)
Transfers to other funds	(6,570)	(126,570)	(126,570)	-
Sale of capital assets	-	-	-	-
Long term debt issued	167,320	167,320	239,964	72,644
Other	-	(3,689)	(10,033)	(6,344)
Total other financing sources (uses)	<u>6,181,393</u>	<u>6,057,704</u>	<u>5,844,004</u>	<u>(213,700)</u>
Net change in fund balances	413,543	24,722	1,588,016	1,563,294
Fund balances, beginning of year (restated)	<u>629,067</u>	<u>629,067</u>	<u>629,067</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,042,610</u>	<u>\$ 653,789</u>	<u>\$ 2,217,083</u>	<u>\$ 1,563,294</u>

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2013

	Business Type Activities - Enterprise Funds					Governmental Activity
	Water and Sewer Fund	Electric Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
ASSETS						
Current assets						
Cash and cash equivalents	18,135,530	\$ -	229,575	\$ 644,744	\$ 19,009,849	111,620
Investments	-	7,321,594	-	-	7,321,594	-
Restricted assets - investments	-	-	-	-	-	-
Accounts receivable, net	661,137	2,692,814	432,328	362,159	4,148,438	78,785
Due from other funds	188,106	8,072,236	27,328	4,944,493	13,232,163	5,413,560
Due from component unit	235,000	-	-	-	235,000	-
Inventories	221,768	1,022,327	124,166	208,462	1,576,723	8,798
Other current assets	29,624	17,441	5,339	35,821	88,225	184,679
Total current assets	19,471,165	19,126,412	818,736	6,195,679	45,611,992	5,797,442
Non - current assets						
Investment in SGBDA	-	-	792,744	-	792,744	-
Restricted assets - cash	325,244	434,229	-	70,162	829,635	-
Restricted assets - investments	639,275	-	890,789	-	1,530,064	-
Capital assets:						
Land	80,027	1,112,569	-	16,786	1,209,382	-
Construction in progress	1,234,536	-	17,773	-	1,252,309	-
Other capital assets, net of accumulated depreciation	20,075,019	6,593,361	4,885,058	5,070,711	36,624,149	-
Total non - current assets	22,354,101	8,140,159	6,586,364	5,157,659	42,238,283	-
Total assets	\$ 41,825,266	\$ 27,266,571	\$ 7,405,100	\$ 11,353,338	\$ 87,850,275	\$ 5,797,442
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	-	-	279,814	-	279,814	-
LIABILITIES						
Current liabilities						
Accounts payable	62,032	1,504,600	150,764	\$ 271,167	\$ 1,988,563	74,585
Accrued expenses	99,768	28,220	25,617	26,821	180,426	30,074
Lines of credit	-	-	-	-	-	-
Short - term notes payable	-	112,000	-	-	112,000	-
Current portion of long - term debt	728,027	-	1,067,243	212,831	2,008,101	-
Customer deposits	-	-	-	825,022	825,022	-
Due to other governments	-	-	-	-	-	-
Due to other funds	4,452,465	528,390	3,625,490	2,561,574	11,167,919	5,748,626
Liabilities payable from restricted assets:						
Current portion of long - term debt	-	-	-	-	-	-
Total current liabilities	5,342,292	2,173,210	4,869,114	3,897,415	16,282,031	5,853,285
Long - term debt, net of current portion	19,767,269	-	3,924,262	379,857	24,071,388	-
Compensated absences	14,651	14,198	-	2,908	31,757	-
Other liabilities	-	-	-	-	-	-
Total liabilities	25,124,212	2,187,408	8,793,376	4,280,180	40,385,176	5,853,285
NET POSITION						
Net investment in capital assets	894,286	7,705,930	521,326	4,494,809	13,616,351	-
Restricted for debt service	-	-	-	-	-	-
Unrestricted (deficit)	15,806,768	17,373,233	(1,629,788)	2,578,349	34,128,562	(55,843)
Total net position	\$ 16,701,054	\$ 25,079,163	\$ (1,108,462)	\$ 7,073,158	\$ 47,744,913	\$ (55,843)

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

For the Year Ended September 30, 2013

	Business Type Activities - Enterprise Funds					Governmental Activity
	Water and Sewer Fund	Electric Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
OPERATING REVENUES						
Utility revenues	\$ -	25,189,476	\$ -	\$ -	\$ 25,189,476	\$ -
Charges for services	4,946,109	-	4,242,599	6,096,748	15,285,456	1,174,459
Miscellaneous	42,056	235	70	239,713	282,074	-
Intergovernmental	404,054	-	-	139,827	543,881	-
Total operating revenues	5,392,219	25,189,711	4,242,669	6,476,288	41,300,887	1,174,459
OPERATING EXPENSES						
Salaries and wages	1,046,581	1,057,993	107,862	946,872	3,159,308	896,815
Operating, administrative and maintenance	1,780,992	17,824,886	2,813,639	3,941,561	26,361,078	333,487
Depreciation	1,131,127	580,378	347,359	440,866	2,499,730	-
Total operating expenses	3,958,700	19,463,257	3,268,860	5,329,299	32,020,116	1,230,302
Operating income (loss)	1,433,519	5,726,454	973,809	1,146,989	9,280,771	(55,843)
NON - OPERATING INCOME (EXPENSES)						
Interest income	18,709	55,801	401	144	75,055	-
Interest expense	(644,230)	(4,779)	(183,253)	(13,490)	(845,752)	-
Issuance costs	(500)	-	(45,517)	-	(46,017)	-
Gain (loss) on investments	-	(41,768)	(43,263)	-	(85,031)	-
Gain (loss) on disposal of capital assets	-	-	-	3,750	3,750	-
Income (loss) before contributions and transfers	807,498	5,735,708	702,177	1,137,393	8,382,776	(55,843)
Capital contributions	3,109,287	-	-	-	3,109,287	-
Transfers from other funds	973,122	902,985	400,000	-	2,276,107	-
Transfers to other funds	(1,541,696)	(4,587,080)	(400,000)	(621,451)	(7,150,227)	-
Change in net position	3,348,211	2,051,613	702,177	515,942	6,617,943	(55,843)
Net position (deficit), beginning of year (restated)	13,352,843	23,027,550	(1,810,639)	6,557,216	41,126,970	-
Net position (deficit), end of year	\$ 16,701,054	\$ 25,079,163	\$ (1,108,462)	\$ 7,073,158	\$ 47,744,913	\$ (55,843)

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2013

	Business Type Activities - Enterprise Funds				Governmental Activity	
	Water and Sewer Fund	Electric Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers and users	\$ 5,052,958	\$ 25,973,753	\$ 4,260,142	\$ 6,559,466	\$ 41,846,319	\$ 1,177,176
Other operating receipts	446,110	235	70	11,176	457,591	-
Cash payments to employees	(1,048,876)	(1,058,807)	(109,563)	(947,916)	(3,165,162)	(894,830)
Cash payments to suppliers	(1,964,419)	(17,953,598)	(3,036,416)	(3,954,083)	(26,908,516)	(306,992)
New customer utility deposits	-	-	-	39,452	39,452	-
Refunded customer utility deposits	-	-	-	-	-	-
Net cash provided (used) by operating activities	2,485,773	6,961,583	1,114,233	1,708,095	12,269,684	(24,646)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	973,122	902,985	400,000	-	2,276,107	-
Transfers to other funds	(1,541,696)	(4,587,080)	(400,000)	(621,451)	(7,150,227)	-
Net change in due from other funds	140,540	(800,048)	-	(428,709)	(1,088,217)	(4,633,045)
Net change in due from component unit	-	-	-	-	-	-
Net change in due to other funds	839,939	630	18	3,003	843,590	4,644,258
Net cash provided (used) by noncapital financing activities	411,905	(4,483,513)	18	(1,047,157)	(5,118,747)	11,213
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Debt issuance costs	650	-	(45,517)	-	(44,867)	-
Proceeds from issuance of long - term debt	2,141,317	-	91,250	294,557	2,527,124	-
Proceeds from sale of assets	-	-	-	3,750	3,750	-
Proceeds from capital contributions	-	-	-	-	-	-
Acquisition and construction of capital assets	(2,909,263)	(368,209)	(129,485)	(371,373)	(3,778,330)	-
Principal payments on debt	(1,001,530)	(112,000)	(1,123,018)	(180,117)	(2,416,665)	-
Interest paid	(644,729)	(4,779)	(193,865)	(14,678)	(858,051)	-
Net cash provided (used) by capital and related financing activities	(2,413,555)	(484,988)	(1,400,635)	(267,861)	(4,567,039)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Sale of investment securities	-	-	-	-	-	-
Purchase of investments	-	(1,665,190)	(58,230)	-	(1,723,420)	-
Loan disbursements	-	-	-	-	-	-
Interest received	10,109	55,801	401	410	66,721	-
Net cash provided (used) by investing activities	10,109	(1,609,389)	(57,829)	410	(1,656,699)	-
Net increase (decrease) in cash and cash equivalents	494,232	383,693	(344,213)	393,487	927,199	(13,433)
Cash and cash equivalents, beginning of year	17,966,542	50,536	573,788	321,419	18,912,285	125,053
Cash and cash equivalents, end of year	\$ 18,460,774	\$ 434,229	\$ 229,575	\$ 714,906	\$ 19,839,484	\$ 111,620

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2013

	Business Type Activities - Enterprise Funds					Governmenta
	Water and Sewer Fund	Electric Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds	Total	Activity Internal Service Fund
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ 1,433,519	\$ 5,726,454	\$ 973,809	\$ 352,166	\$ 8,485,948	\$ (55,843)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	1,131,127	580,378	347,359	131,444	2,190,308	-
New customer utility deposits	-	-	-	-	-	-
Refunded customer utility deposits	-	-	-	-	-	-
Change in estimate	-	-	-	-	-	-
Changes in assets and liabilities:						
(Increase) decrease in:						
Accounts receivable	106,849	784,277	17,541	53,908	962,575	2,717
Deferred charges	-	-	-	-	-	-
Inventories	4,821	22,885	27,942	(21,205)	34,443	4,404
Other current assets	(2,384)	1,018	(292)	(597)	(2,255)	(1,316)
Due from general fund	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from component unit	-	-	-	-	-	-
Increase (decrease) in:						
Accounts payable	(185,864)	(152,615)	(250,425)	2,216	(586,688)	23,407
Accrued expenses	920	(2,053)	(1,701)	1,693	(1,141)	1,985
Compensated absences liability	(3,215)	1,239	-	(1,268)	(3,244)	-
Due to general fund	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ 2,485,773</u>	<u>\$ 6,961,583</u>	<u>\$ 1,114,233</u>	<u>\$ 518,357</u>	<u>\$ 11,079,946</u>	<u>\$ (24,646)</u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES						
Refinancing of notes payable	\$ -	\$ -	\$ 710,000	\$ -	\$ 710,000	\$ -
Transfer of capital assets from governmental funds	3,109,287	-	-	-	3,109,287	-
Total non-cash capital and related financing activities	<u>\$ 3,109,287</u>	<u>\$ -</u>	<u>\$ 710,000</u>	<u>\$ -</u>	<u>\$ 3,819,287</u>	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
September 30, 2013

	Pension Trust Fund	Agency Fund- Municipal Court
ASSETS		
Cash and cash equivalents	\$ 1,998,278	127,832
Investments:		
U.S. Government securities	719,838	-
Corporate bonds	2,653,253	-
Municipal bonds	1,872,888	-
Equities - common stock	4,813,935	-
Mutual funds	273,447	-
Asset-backed securities	395,870	-
Certificate of deposit	338,850	-
Receivables:		
Accounts receivable, net	-	-
Employer and employee's contribution	-	-
Accrued investment income	61,147	-
Other assets		994
Total assets	<u>13,127,506</u>	<u>128,826</u>
LIABILITIES		
Settlements payable	-	-
Accounts payable	-	101,192
Accrued expenses	-	2,094
Due to others	-	25,540
Total liabilities	<u>-</u>	<u>128,826</u>
NET ASSETS		
Held in trust for pension benefits (a schedule of funding progress is presented in the notes to financial statements)	<u>\$ 13,127,506</u>	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
For the Year Ended September 30, 2013

	Pension Trust Fund
ADDITIONS	
Contributions	
Employer	\$ 308,402
Participants	292,951
Total contributions	<u>601,353</u>
Investment income	
Net appreciation in fair value of investments	464,839
Interest and dividends	371,074
Less - investment expenses	<u>(115,312)</u>
Net investment income	<u>720,601</u>
Total additions	<u>1,321,954</u>
DEDUCTIONS	
Net depreciation in fair value of investments	-
Pension benefits paid	543,986
Administrative expenses	<u>33,051</u>
Total deductions	<u>577,037</u>
Net increase	744,917
Net assets held in trust for pension benefits	
Beginning of year	<u>12,382,589</u>
End of Year	<u>\$ 13,127,506</u>

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Moultrie, Georgia (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. With respect to proprietary activities, including component units, the City has adopted GASB Statement of Accounting Standards No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*. The City has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) Opinions, issued on or before November 30, 1989 unless those pronouncements are inconsistent with GASB pronouncements. The more significant of the government's accounting policies are described below.

I. Reporting Entity

The City of Moultrie, Georgia was created in December, 1879, under the provisions of an act by the General Assembly of the State of Georgia. The City's Charter provides for a Council/Manager form of government. The City Manager is the head of the administrative branch of government and is responsible for the day-to-day operations of the city government. The legislative authority of the City is vested in the Mayor and six Council members with an appointed City Manager. The City provides the following services and operations as authorized by its charter: public safety (police and fire), public works, airport, recreation, animal control, emergency management, and public utilities (water and sewer, gas, electric, solid waste, cable TV and mass transit).

The financial reporting entity has been determined by management in accordance with generally accepted accounting principles to be the City of Moultrie, Georgia (the primary government) and its component unit. A component unit is a legally separate organization for which the primary government is financially accountable or for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. In evaluating how to define the government for financial reporting purposes, management has considered all component units.

The criteria used to determine financial accountability are the ability of the primary government to appoint a voting majority of the organization's governing body, and effectively impose its will on the organization. Also, if there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government, financial accountability would exist. Based upon the application of these criteria, the following is a brief review of the component unit included in the City's reporting unit as a discretely presented component unit.

Downtown Development Authority of the City of Moultrie

The Downtown Development Authority of the City of Moultrie (the Authority) plans and develops the downtown area of the City in order to attract new business and residences. The City possesses the authority to review, approve and revise the budget and governs collection and disbursement of funds. The Authority is reported as a proprietary fund type component unit. Separate financial statements are not issued.

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

II. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Changes in Net Position) report information on all non-fiduciary activities of the primary government and its component unit. As a general rule, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is accountable.

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

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

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government – Wide Financial Statements

The City's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental and business-type activities for the City. Fiduciary activities of the City are not included in these statements.

These statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements. Accordingly, all the City's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services to customers who directly benefit from goods, services or privileges provided by a given function, 2) operating grants and contributions that are restricted to meeting the operational needs requirements of a particular function, and 3) capital grants and contributions that are restricted to meeting the capital needs requirements of a particular function. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Certain eliminations have been made as prescribed by GASB Statement of Accounting Standards No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments* in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated, however, those transactions between governmental and business-type activities have not been eliminated. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

Fund Financial Statements

Governmental Fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. Governmental Fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures, and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. The City considers revenues to be available if they are collected within sixty days after year end. Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, and investment income. All other revenue items are considered to be measurable and available only when cash is received by the City. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City reports the following major governmental funds:

The *General Fund* is the principal fund of the City and is used to account for all of its activities not otherwise accounted for by a specified fund.

The *SPLOST Capital Projects Fund* is used to account for financial resources for the acquisition or construction of major capital facilities and improvements. These projects are financed through budget appropriations, sales tax proceeds and general obligation sales tax, and capital leases. The City's *SPLOST Capital Projects Fund* is used to account for the collection and disbursement of the 1% Special Purpose Local Option Sales Tax (SPLOST).

Additionally, the City reports the following governmental fund types:

The *Special Revenue Funds* are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

The *Capital Projects Funds* are used to account for financial resources for the acquisition or construction of major capital facilities and improvements other than those financed by Proprietary Funds. These projects are financed through budget appropriations, revenue bonds, sales tax proceeds and general obligation sales tax, and capital leases.

Proprietary Funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting* and are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Enterprise Funds account for activities that are usually self-sustaining, principally through user charges for services rendered.

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

The City reports the following major enterprise funds:

The *Water and Sewer Fund* accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

The *Electric Revenue Fund* accounts for the provisions of electrical services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

The *Cable TV Fund* accounts for the provision of cable television services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

The City reports the following internal service funds:

The *Internal Service Fund* is used to account for equipment services for the departments of the City on a cost reimbursement basis.

Fiduciary Funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting* and are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The City reports the following fiduciary funds:

The *Pension Trust Fund* is used to account for the activities of the City's Employee Retirement Plan, which accumulates resources for pension benefit payments to qualified City employees.

The *Municipal Court Agency Fund* is used to account for assets held by the County as an agent for individuals, private organizations, other governments, and the County departments.

Component Units: All component units are reported using the *economic resources measurement focus basis* and the *accrual basis of accounting*. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

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

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles except that encumbrances are treated as budgeted expenditures in the year of the incurrence of the commitment to purchase. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored through subsequent years' budget appropriations.

Cash and Cash Equivalents

Cash and cash equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents and investments with an original maturity at three months or less.

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

Investments

Statutes authorize the City to invest in obligations of the U.S. Treasury, other U.S. Government agencies, the State of Georgia, other counties, municipal corporations and political subdivisions of the State of Georgia, and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. The fair values of investments in external investment pools are the same as the value of the pool shares.

Receivables

Receivables and Due from Other Governments represent funds to be received from other local governments, state grant in aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

All trade and property tax receivables have been reduced to their estimated net realizable value and are shown net of an allowance for doubtful accounts. Estimated uncollectible amounts are based upon historical experience rates.

Inventories

Inventory in enterprise funds is valued at the lower of cost or market, using the first-in, first-out method. Inventory in the General Fund is valued at cost and consists of expendable supplies held for consumption. The City accounts for inventory on the purchase basis.

Prepaid Items

Payments made to vendors for services that will benefit future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements.

Interfund Receivables / Payables

Outstanding balances between funds at the end of the fiscal year are referred to as either "Due From Other Funds" or "Due To Other Funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "Internal Balances".

Restricted Assets

Proceeds from certain revenues and other resources in the General Fund, Special Revenue Funds, and Capital Projects Funds are classified as restricted assets on the balance sheet because they are maintained in separate accounts and their use is limited by applicable statutes or agreements. The Water and Sewer Fund and Cable TV Fund, based on certain bond covenants, are required to establish and maintain prescribed amounts of resources, consisting of cash and temporary investments that can be used only to service outstanding debt.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks and similar items) acquired prior to September 30, 1980, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City's policy has set the capitalization threshold at \$1,000 for reporting capital assets and infrastructure assets. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

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

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest capitalized is calculated by offsetting interest expense incurred (from the date of borrowing until the date of completion of the project) with interest earned on investment proceeds over the same period. During the year ended September 30, 2013, \$91,719 of interest was capitalized within the component unit.

Depreciation is provided on the straight-line method over the following estimated useful lives:

Governmental Assets:

Buildings and improvements	50 years
Machinery and equipment	5 – 15 years
Infrastructure	25 years

Business-type Assets:

Buildings	5 – 50 years
Improvements other than buildings	2 – 50 years
Machinery and equipment	3 – 50 years

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future periods and thus, will not be recognized as an outflow of resources (expense) until then. The City has only one item that qualifies for reporting in this category. It is the deferred charge on refunding in the government-wide statement of net position and the Proprietary Funds Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred Inflows of Resources

In addition to liabilities, the City will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds and government-wide statement of net position report unavailable revenues from property taxes, grants and fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

City employees accrue vacation in different amounts, according to the number of years of service. Employees under ten years of service accrue two weeks of vacation each year. Upon reaching ten years of service, employees can accrue three weeks per year. These days can be taken either by time off or by payment upon retirement. (Employees who are terminated forfeit all vacation time they have not taken at the time of termination.)

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

Employees earn sick leave in proportion to actual hours worked. Sick leave, however, is not paid upon termination if termination is by manner other than death or retirement. Employees can accrue up to a maximum of 960 hours of sick leave and will be paid up to 65% of the hours accrued at the time of retirement based on the age of the employee at retirement. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds when it is expected to be liquidated with expendable available resources.

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Total contributions for the year ended September 30, 2013 were \$123,845.

Pursuant to GASB Statement of Accounting Standards No. 32 *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the City does not have a fiduciary relationship with the Plan. Accordingly, the balances and transactions of the City's 457 plan are not reported in the City's financial statements.

Long-Term Obligations

In the government-wide financial statements, proprietary fund types in the fund financial statements, long-term debt, other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method, which is not significantly different than the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the issue is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

Fund Equity

Beginning with fiscal year 2011, the City implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a formal action of the City Council through adoption of a resolution. Only the City Council may modify or rescind the commitment;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of the City to generally consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the City that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts. In both instances, when a proposed expenditure is made with specific balances identified as the source of the funding, that specific fund balance will be used.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve the portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Fund, and Capital Projects Funds. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at the end of the year. Encumbrances are re-appropriated in the following year, except for encumbrances in the Capital Projects Funds which are continuing. Encumbrances do not represent GAAP expenditures. At September 30, 2013, there were no encumbrances outstanding.

Use of Estimates

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

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

Subsequent Events

The City has performed an evaluation of subsequent events, as defined under FASB ASC 855-10, through March 21, 2014, which is the date the financial statements were available to be issued.

Implementation of GASB Statement Nos. 63 and 65

The City implemented GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and early implemented GASB No. 65, *Items Previously Reported as Assets and Liabilities* during the year ended September 30, 2013. These statements require changes in account captions in the statement of net position. In addition, the requirements for acquisition costs to be capitalized and charged to expense in proportion to premium revenue recognized were eliminated. Instead, acquisition costs are expensed in the period incurred. The effect of the change is described in Note R.

NOTE B - BUDGETS AND BUDGETARY ACCOUNTING

I. Budget Process

The annual budget document is the financial plan for the operation of the City. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the City's financial position. An annual operating budget is prepared for the General Fund, Special Revenue Fund, and Enterprise Funds.

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

- 1) Budget requests are completed in July.
- 2) Proposed budgets are reviewed and prepared by the City Manager for submission to the Mayor and the City Council in August.
- 3) Public hearings on the proposed budget are held in August and September.
- 4) The budget is legally adopted by the Mayor and the City Council in September.
- 5) All budget revisions must be approved as required by Georgia law and administrative policy. Transfer of budgeted amounts in excess of \$5,000 between object categories within departments requires the approval of the City Council. This is consistent with the legal level of budgetary control as the budget is adopted at the object category level. Revisions that alter the total expenditures of any department or fund must be approved by the City Council.
- 6) Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Fund, Capital Projects Funds, and the Enterprise Funds.
- 7) Budgets for the General Fund, Special Revenue Fund, and the Enterprise Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

II. Capital Projects Budget

The construction of certain major capital facilities and improvements, which are accounted for by the City in the Capital Projects Fund, are subject to budgetary control on a project basis. The budgets are approved by the City Council and are generally subject to specific provisions of voter referendums, State Statutes, and/or grant agreements. Appropriations for a specific project do not lapse until completion of the project.

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

III. Deficit Fund Balances / Retained Earnings in Individual Funds

The following funds had deficit fund balances / retained earnings as of September 30, 2013:

<u>Fund</u>	<u>Deficit</u>
Cable TV Fund	\$ 1,108,462
Utilities Deposit Fund	276,399
Internal Service Fund	55,843

The fund deficits above are expected to be reduced through increased user charges and transfers from reserve and utility funds.

NOTE C - DEPOSITS AND INVESTMENTS

I. Cash on Deposit

The City's deposits include cash on deposit with financial institutions, cash equivalents, including money market accounts, and cash invested in the State of Georgia's local government investment pool, Georgia Fund 1. Cash equivalents subject to federal and state depository insurance are classified as deposits. For cash deposits, the bank balance is classified into three categories of credit risk:

- 1) Cash that is insured or collateralized with securities held by the government or by its agent in the government's name.
- 2) Cash collateralized with securities held by the pledging financial institution's trust department or agent in the government's name.
- 3) Cash collateralized with securities held by the pledging financial institution's trust department or agent, but not in the government's name, or uncollateralized.

The Georgia Code requires that depository institutions collateralize cash deposits of public funds. Depositories of public funds may secure deposits by the insurance of the F.D.I.C., pledged securities, or a combination of these methods. The market value of pledged securities shall be equal to or not less than 100 percent of the deposited public funds.

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

As of September 30, 2013, the carrying amount of the City's deposits was \$33,907,579 and the bank balance was \$34,037,865. The deposits were classified as follows:

	<u>Category</u>						<u>Total</u>
	<u>1</u>	<u>2</u>	<u>3</u>				
Bank balance	\$ 34,037,865	\$ --	\$ --				\$ 34,037,865

As of September 30, 2013, the carrying amount of deposits for the Downtown Development Authority was \$368,892 and the bank balances were \$368,892. The deposits were classified as follows:

	<u>Category</u>						<u>Total</u>
	<u>1</u>	<u>2</u>	<u>3</u>				
Bank balance	\$ 368,892	\$ --	\$ --				\$ 368,892

II. Investments

The City's investment policies are authorized by State Statutes and City Ordinances. Permissible investments include securities of the United States Treasury, agencies and instrumentalities, repurchase agreements, and the Georgia Fund 1 investment pool regulated by the Georgia Office of the State Treasurer.

Georgia Fund I, created by OCGA 36-83-8, is a stable net asset value investment pool that follows Standard and Poor's criteria for AAA rated money market funds. However, Georgia Fund I operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity, and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share.

The City is a participant in the Municipal Electric Authority of Georgia (MEAG). The MEAG board approves an annual system budget from which MEAG bills its participants. At the end of the year, adjustments are made by MEAG to each participant's billings to agree with actual cost. Whenever MEAG recovers funds from the City in excess of its actual costs to serve the City, the City can elect to have their funds deposited in MEAG's voluntary flexible operating account fund in lieu of receiving a refund. This voluntary stabilization fund is used to reduce future costs of the City at its discretion while also earning interest. The City is authorized to direct the MEAG to retain or use the discretionary funds. At September 30, 2013, the City's balance in the discretionary stabilization fund was \$5,321,827.

Investments are categorized into three categories of credit risk:

- 1) Insured or registered, or securities held by the City or its agent in the City's name.
- 2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- 3) Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the City's name.

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

As of September 30, 2013, the City's investments were classified as follows:

	Category			Cost	Fair Value
	1	2	3		
Pension Trust Fund					
U.S. Government Securities	\$ 719,838			\$ 701,194	\$ 719,838
Corporate Bonds	2,653,253			2,606,982	2,653,253
Municipal Bonds	1,872,888			1,790,228	1,872,888
Equities - Common Stock	4,813,935			3,961,530	4,813,935
Mutual Funds	273,448			281,012	273,448
Asset-Backed Securities	395,869			391,986	395,869
Certificate of Deposit	338,850			338,850	338,850
Proprietary Funds					
U.S. Government Securities	-	860,335		850,847	860,335
Cash	-	669,729		669,729	669,729
Municipal Competitive Trust - Short-term	-	7,321,594		7,321,594	-
				<u>7,321,594</u>	<u>7,321,594</u>
				\$ 18,913,952	\$ 19,919,739

As of September 30, 2013, the City's Credit and Interest Rate Risk related to the City's investments were as follows:

	Fair Value	Maturities	Credit Quality
Pension Trust Fund			
U.S. Government Securities	\$ 719,838	4/17/14 thru 11/22/2021	Unavailable
Corporate Bonds	2,653,253	10/27/14 thru 8/1/2022	Unavailable
Municipal Bonds	1,872,888	10/1/13 thru 12/1/2021	Unavailable
Equities - Common Stock	4,813,935	Not applicable	Unavailable
Mutual Funds	273,448	Unavailable	Unavailable
Asset-Backed Securities	395,869	10/1/2021 thru 10/25/2034	Unavailable
Certificate of Deposit	338,850	2/13/2014	Unavailable
Proprietary Funds			
U.S. Government Securities	860,335	October 31, 2013	Unavailable
Cash	669,729	Not applicable	Unavailable
Municipal Competitive Trust			
Short-term	5,321,827	Not applicable	AAA
Long-term	<u>1,999,767</u>	Not applicable	AAA
	<u>19,919,739</u>		

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

III. Reconciliation of Cash and Investments to Financial Statement Presentation

A reconciliation of cash and investments of the primary government as shown above to the corresponding amounts shown on the Statement of Net Position is as follows:

Cash - Primary Government from above	\$ 33,907,579
Investments from above	<u>19,919,739</u>
Total	<u>\$ 53,827,318</u>
Amounts as presented on the entity-wide Statement of Net Position	
<i>Governmental Activities:</i>	
Cash and cash equivalents	\$ 11,629,451
Restricted cash and cash equivalents	312,534
<i>Business-Type Activities:</i>	
Cash and cash equivalents	19,009,849
Investments	7,321,594
Restricted cash and cash equivalents	829,635
Restricted investments	1,530,064
Amounts as presented on the Statement of Fiduciary Net Position	
Cash and cash equivalents	2,126,110
Investments	<u>11,068,081</u>
Total	<u>\$ 53,827,318</u>

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

NOTE D – RECEIVABLES AND TAX REVENUE

I. Property Tax

Property taxes were levied in September 2012 and payable before December 2012 for the fiscal year 2013 tax. Property tax revenues are recognized when levied to the extent they result in current receivables. The City's fiscal year 2013 tax was levied prior to September 30, 2013 and was recorded as taxes receivable and deferred revenue within the City's General Fund.

The tax rate levied during fiscal year 2013 for the City's operations was 10.968 mills (mill equals \$1 per thousand dollars of assessed value).

The City maintains no allowance for uncollectible property taxes at September 30, 2013.

II. Sales Tax

Colquitt County, Georgia has levied four 1% Special Purpose Local Option Sales Tax Programs (SPLOST) which were passed by referendum in 1994, 2001, 2006 and 2013. The proceeds from these sales tax programs are used to finance various capital projects. The SPLOST programs are administered by Colquitt County, Georgia.

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

III. Receivables

Receivables as of September 30, 2013 are as follows:

	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Revenue Fund
Accounts Receivable	\$ 264,894	\$ -	\$ 58,860	\$ 1,180,725	\$ 3,645,864
Property Tax Receivable	3,113,115	-	-	-	-
Sales Tax Receivable	218,675	-	-	-	-
Program Receivables	-	-	695,895	-	-
Gross Receivables	3,596,684	-	754,755	1,180,725	3,645,864
Less: Allowance for Uncollectibles	(83,395)	-	(87,512)	(519,588)	(953,050)
Net Total Receivables	<u>\$ 3,513,289</u>	<u>\$ -</u>	<u>\$ 667,243</u>	<u>\$ 661,137</u>	<u>\$ 2,692,814</u>
	Cable TV Fund	Nonmajor Enterprise Funds			Total
Accounts Receivable	\$ 1,361,139	\$ 816,705			\$ 7,328,187
Property Tax Receivable	-				3,113,115
Sales Tax Receivable	-				218,675
Program Receivables	-				695,895
Gross Receivables	1,361,139	816,705			11,355,872
Less: Allowance for Uncollectibles	(928,811)	(454,546)			(3,026,902)
Net Total Receivables	<u>\$ 432,328</u>	<u>\$ 362,159</u>			<u>\$ 8,328,970</u>

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

NOTE E – INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

I. Interfund Receivables and Payables

Interfund receivables and payables result from timing differences related to payroll and other year end transactions which normally clear within one to two months. The composition of interfund receivables and payables as of September 30, 2013 is as follows:

Due To	Due From				
	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Revenue Fund
General Fund	\$ -	\$ -	\$ 6,552	\$ 6,975	\$ 454,820
SPLOST Fund	6,289	-	-	-	-
Nonmajor Governmental Funds	8,090	-	100	-	-
Water and Sewer Fund	-	-	-	-	-
Electric Revenue Fund	-	-	5	3,799,382	-
Cable TV Fund	91	-	-	-	-
Nonmajor Enterprise Funds	3,878,069	-	-	514,929	-
Internal Service Fund	4,041,555	1,526	1,080	131,179	73,570
Total	\$ 7,934,094	\$ 1,526	\$ 7,737	\$ 4,452,465	\$ 528,390

Due To	Due From			Total
	Cable TV Fund	Nonmajor Enterprise Funds	Internal Service Fund	
General Fund	\$ -	\$ 285	\$ 5,722,809	\$ 6,191,441
SPLOST Fund	-	-	-	6,289
Nonmajor Governmental Funds	-	8,259	-	16,449
Water and Sewer Fund	192	186,190	1,724	188,106
Electric Revenue Fund	3,429,953	841,617	1,279	8,072,236
Cable TV Fund	-	27,237	-	27,328
Nonmajor Enterprise Funds	153,787	373,817	23,891	4,944,493
Internal Service Fund	41,558	1,124,169	(1,077)	5,413,560
Total	\$ 3,625,490	\$ 2,561,574	\$ 5,748,626	\$ 24,859,902

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

The composition of receivables and payables between the City and its component unit as of September 30, 2013 is as follows:

<u>Due To</u>	<u>Due From</u> <u>Downtown</u> <u>Development</u> <u>Authority</u>
Water and Sewer Fund	<u>235,000</u>
Total	<u>\$ 235,000</u>

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

II. Interfund Transfers

Interfund transfers are used to move revenues from the fund that Statute or budget requires to collect them to the fund that the Statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund and Enterprise Funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers for the year ended September 30, 2013, consisted of the following:

Transfer From	Transfer To				
	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Revenue Fund
General Fund	\$ -	\$ -	\$ 6,570	\$ -	\$ 120,000
SPLOST Fund	-	-	-	973,122	-
Nonmajor Governmental Funds	-	-	-	-	-
Water and Sewer Fund	932,112	226,599	-	-	382,985
Electric Revenue Fund	4,187,080	-	-	-	-
Cable TV Fund	-	-	-	-	400,000
Nonmajor Enterprise Funds	621,451	-	-	-	-
Internal Service Fund	-	-	-	-	-
Total	\$ 5,740,643	\$ 226,599	\$ 6,570	\$ 973,122	\$ 902,985

Transfer From	Transfer To			Total
	Cable TV Fund	Nonmajor Enterprise Funds	Internal Service Fund	
General Fund	\$ -	\$ -	\$ -	\$ 126,570
SPLOST Fund	-	-	-	973,122
Nonmajor Governmental Funds	-	-	-	-
Water and Sewer Fund	-	-	-	1,541,696
Electric Revenue Fund	400,000	-	-	4,587,080
Cable TV Fund	-	-	-	400,000
Nonmajor Enterprise Funds	-	-	-	621,451
Internal Service Fund	-	-	-	-
Total	\$ 400,000	\$ -	\$ -	\$ 8,249,919

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

NOTE F – CAPITAL ASSETS

The following is a summary of capital asset activity as of September 30, 2013:

Primary Government

<i>Governmental Activities:</i>	Balance September 30, 2012	Increases	Decreases	Transfers	Balance September 30, 2013
Capital assets, not being depreciated:					
Land and land improvements	\$ 1,394,670	\$ -	\$ -	\$ -	\$ 1,394,670
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	1,394,670	-	-	-	1,394,670
Other capital assets					
Buildings and improvements	11,510,595	107,669	-	-	11,618,264
Machinery and equipment	7,259,195	346,365	(153,477)	-	7,452,083
Infrastructure	47,321,146	229,504	-	-	47,550,650
Total other capital assets at cost	66,090,936	683,538	(153,477)	-	66,620,997
Less accumulated depreciation for					
Buildings and improvements	(5,289,314)	(411,024)	-	-	(5,700,338)
Machinery and equipment	(4,941,302)	(520,464)	153,477	-	(5,308,289)
Infrastructure	(32,798,228)	(503,579)	-	-	(33,301,807)
Total accumulated depreciation	(43,028,844)	(1,435,067)	153,477	-	(44,310,434)
Other capital assets, net	23,062,092	(751,529)	-	-	22,310,563
Governmental activities capital assets, net	\$ 24,456,762	\$ (751,529)	\$ -	\$ -	\$ 23,705,233

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

Depreciation expense was charged to functions as follows:

Governmental activities	
General government	\$ 142,859
Public safety	365,384
Public works	669,361
Parks and recreation	251,969
Community development	<u>5,494</u>
Total governmental activities	
depreciation expense	<u>1,435,067</u>
Business-type activities	
Water and sewer	1,131,127
Electric	580,378
Gas	76,723
Cable TV	347,359
Sanitation	197,843
Airport operations	89,498
Telecommunications	22,081
Mass transit	<u>54,721</u>
Total business-type activities	
depreciation expense	<u>2,499,730</u>
Total depreciation expense	<u>\$ 3,934,797</u>

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

Component Units

Capital asset activity for the Downtown Development Authority of the City of Moultrie, a discretely presented component unit, for the year ended September 30, 2013 is as follows:

Governmental Activities:

The Authority had no governmental capital asset activity for the year ended September 30, 2013.

Business-type activities:

	Balance September 30, 2012	Increases	Decreases	Transfers	Balance September 30, 2013
Capital assets, not being depreciated:					
Land and land improvements	\$ 709,191	\$ -	\$ -	\$ -	\$ 709,191
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	709,191	-	-	-	709,191
Other capital assets					
Buildings	4,145,775	-	-	-	4,145,775
Total other capital assets at cost	4,145,775	-	-	-	4,145,775
Less accumulated depreciation for Buildings	(1,929,897)	(206,315)	-	-	(2,136,212)
Total accumulated depreciation	(1,929,897)	(206,315)	-	-	(2,136,212)
Other capital assets, net	2,215,878	(206,315)	-	-	2,009,563
Business-type activities capital assets, net	\$ 2,925,069	\$ (206,315)	\$ -	\$ -	\$ 2,718,754

Depreciation expense was charged to functions as follows:

Governmental activities	\$ -
Business-type activities	206,315
Total depreciation expense	\$ 206,315

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

NOTE G – SHORT TERM DEBT

At September 30, 2012, the Cable TV Fund had short term note agreements with banks for \$710,000. The short term note agreements matured in December 2013 and were refinanced with maturity dates in December 2014. These notes are recorded in the Cable TV Fund statement of net position as long-term debt at September 30, 2013.

At September 30, 2013, the Electric Fund had a short term note with a bank for \$112,000 to fund short term budget deficits. The short term note payable agreement matures on December 13, 2013.

Short-term liability activity for the year ended September 30, 2013, was as follows:

	Balance September 30, 2012	Increases	Decreases	Balance September 30, 2013
Business-type activities:				
Lines of Credit	\$ 710,000	\$ --	\$ (710,000)	\$ --
Notes Payable	224,000	--	(112,000)	112,000
	<u>934,000</u>	<u>--</u>	<u>(822,000)</u>	<u>112,000</u>
Business-type activities short-term debt	\$ <u>934,000</u>	\$ <u>--</u>	\$ <u>(822,000)</u>	\$ <u>112,000</u>

NOTE H – LONG TERM DEBT

I. Revenue Bonds

The City issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. The City's enterprise funds' revenue bonds outstanding at September 30, 2013, are as follows:

Enterprise Fund and Description	Original Amount	Interest Rate	Due Date	Amount
Water and Sewer Fund - Refunding Project, Series 2009	\$ 5,440,000	2.00–3.50%	2018	\$ 3,740,000
Cable TV Fund – South Georgia Governmental Services Authority, Series 2004	10,180,000	2.00–5.00%	2016	4,150,000
Water and Sewer Fund – South Georgia Governmental Services Authority, Series 2012	12,775,000	2.00–3.750%	2042	<u>12,460,000</u>
				20,350,000
			Unamortized discount / premium / loss	28,109
			Less current portion	<u>(1,640,000)</u>
				<u>\$ 18,738,109</u>

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

South Georgia Governmental Services Authority Revenue Bonds, Series 2009

The City of Moultrie Revenue Bonds, Water and Sewer Refunding Project, Series 2009 were issued September 17, 2009. The Series 2009 bonds were issued to provide funds to refund and redeem the City of Moultrie Combined Utility Revenue Bonds, Series 1998 and provide funds to prepay an outstanding loan made to the City by the Georgia Environmental Facilities Authority and pay certain costs of issuing the hereinafter described bonds.

South Georgia Governmental Services Authority Revenue Bonds, Series 2004

The Series 2004 bonds were issued on April 1, 2004 and were issued in the total amount of \$35,405,000 (of which only \$10,180,000 is applicable to the City of Moultrie). The bonds were issued for the purpose of providing funds 1) to the City of Cairo, the City of Camilla, the City of Moultrie and the City of Thomasville to pay, on behalf of each of the Cities, certain intergovernmental contract obligations and bonds outstanding incurred to acquire, construct, and equip cable television and telecommunications systems for said Cities, 2) to the City of Cairo, the City of Camilla, the City of Thomasville for the acquisition, construction, and equipping of additional equipment and facilities to be used in connection with the cable television and communications systems for said Cities, 3) to fund a reserve for payment of the Bonds, and 4) to pay the necessary costs of issuing the Bonds. The Series 2004 bonds are limited obligations of the South Georgia Governmental Services Authority (the Authority) and are payable solely from and secured by the Trust Estate which includes rentals, revenues, earnings and funds of the Authority arising from the individual City projects as provided in the leases between the Authority and each of the Cities. The City of Moultrie's obligation to make lease payments under the lease contract sufficient to pay the principal of, premium, if any, and interest on the 2004 Series bonds is absolute and unconditional and will not expire so long as any of the Series 2004 bonds remain outstanding and unpaid. Under the lease contract, the City has agreed to levy ad valorem property taxes, subject to millage limits prescribed by law, on all property in the City subject to such tax as may be necessary to make the payments required by the lease contract.

The issuance of the Series 2004 bonds effectively paid off, via an advance refunding, the City's outstanding Moultrie-Colquitt County Development Authority Revenue Bonds, Series 2000 in the amount of \$8.55 million.

South Georgia Governmental Services Authority Revenue Bonds, Series 2012

The City of Moultrie South Georgia Governmental Services Authority Revenue Bonds (City of Moultrie Water and Sewer Projects), Series 2012 were issued September 18, 2012. The Series 2012 bonds were issued to provide funds to finance upgrades, refurbishment, renovations, and expansion of the City's wastewater treatment plant, and additions, improvements, and equipment for the water and sewer system of the City, and pay certain costs of issuing the bonds.

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

The annual debt service requirement to maturity of the Revenue Bonds at September 30, 2013 is as follows:

Year Ending September 30	Principal	Interest	Total
2014	\$ 1,640,000	\$ 705,533	\$ 2,345,533
2015	2,170,000	638,525	2,808,525
2016	3,090,000	576,900	3,666,900
2017	1,125,000	448,012	1,573,012
2018	1,155,000	416,637	1,571,637
2019-2023	2,045,000	1,735,399	3,780,399
2024-2028	420,000	1,636,091	2,056,091
2029-2033	575,000	1,563,617	2,138,617
2034-2038	3,460,000	1,235,391	4,695,391
2039-2043	4,670,000	450,632	5,120,632
	<u>\$ 20,350,000</u>	<u>\$ 9,406,737</u>	<u>\$ 29,756,737</u>

Downtown Development Authority of Moultrie Taxable Revenue Bonds, Series 2006 A & B – Component Unit

The City's component unit's revenue bonds outstanding at September 30, 2013, are as follows:

	Original Amount	Interest Rate	Due Date	Amount
Downtown Development Authority – Series A	\$ 1,580,000	5.95%	2017	\$ 745,000
Downtown Development Authority – Series B	\$ 2,410,000	4.92%	2028	\$ <u>1,980,000</u>
				2,725,000
			Less current portion	<u>(240,000)</u>
				<u>\$ 2,485,000</u>

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

Downtown Development Authority of Moultrie Taxable Refunding Revenue Bonds, Series 2006 A

The Downtown Development Authority of Moultrie Taxable Refunding Revenue Series 2006 A bonds were issued to provide funds to advance refund the Downtown Development Authority of Moultrie Taxable Revenue Bonds, Series 1996 and to pay the cost of the acquisition, construction and equipping of a post office located in the urban redevelopment area of the City. The post office facility is leased by the Downtown Development Authority of Moultrie, as assignee of the City of Moultrie, Georgia to the United States Postal Service until 2017. The term of the lease is from February 5, 1996 through November 2, 2017.

The Series 2006 A bonds are limited obligations of the Downtown Development Authority of Moultrie. The bonds are payable solely from payments to be made to the Authority by the U.S. Postal Service under the lease. The City has agreed, in the event of default by the U.S. Postal Service, to levy an ad valorem tax at a rate not to exceed 3 mills upon all property located in the City subject to taxation for bond purposes.

The net proceeds of \$1,615,054 from the Downtown Development Authority of Moultrie of the Series 2006 A bonds maturing in November 2017 were deposited in irrevocable trusts with an escrow agent to provide all future debt service payments on the refunded bonds and to achieve certain debt service savings. The result of this transaction is a decrease in future debt service payments of \$282,808 resulting in a net present value savings to the City of \$142,750. At September 30, 2009, \$1,540,000 of outstanding revenue bonds were considered defeased.

Downtown Development Authority of Moultrie Taxable Revenue Bonds, Series 2006 B

The Downtown Development Authority of Moultrie Taxable Revenue Series 2006 B bonds were issued to provide funds for the purpose of financing the acquisition, construction, installation and equipping of a building for lease to the Georgia Department of Labor. The facility will be leased by the Downtown Development Authority of Moultrie, as assignee of the City of Moultrie, Georgia to the Georgia Department of Labor for a period of twenty years.

The Series 2006 B bonds are limited obligations of the Downtown Development Authority of Moultrie. The bonds are payable solely from payments to be made to the Authority by the Georgia Department of Labor under the lease. The City has agreed, in the event of default by the Georgia Department of Labor, to levy an ad valorem tax at a rate not to exceed 3 mills upon all property located in the City subject to taxation for bond purposes.

The Series 2006 A and B revenue bond debt service requirements to maturities, including interest, are as follows:

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

II. Other Long-Term Debt

The General Fund has incurred debt to a bank for the purchase of real estate. This note is as follows at September 30, 2013:

<u>Original Amount</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Amount</u>
\$ 700,000	4.25%	2017 Less Current Portion	\$ 308,958 <u>(74,503)</u>
			\$ <u>234,455</u>

The General Fund long-term debt service requirements to maturity, including interest are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 74,503	\$ 11,897	\$ 86,400
2015	77,732	8,668	86,400
2016	81,100	5,300	86,400
2017	75,623	1,774	77,397
2018	-	-	-
	<u>\$ 308,958</u>	<u>\$ 27,639</u>	<u>\$ 336,597</u>

At September 30, 2013, the Cable TV Fund had a note payable to a bank totaling \$305,000 to fund budget deficits. The note bears interest at 3.5% and is due on December 6, 2013. The note was renewed on December 6, 2013 for \$255,000 with monthly interest only payments and will mature with principal and interest due on December 5, 2014.

At September 30, 2013, the Cable TV Fund had a note payable to a bank totaling \$305,000 to fund budget deficits. The note bears interest at 3.5% and is due on December 6, 2013. The note was renewed on December 6, 2013 with monthly interest only payments and will mature with principal and interest due on December 5, 2014.

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

The Cable TV Fund note payable debt service requirements to maturities, including interest, are as follows:

Year Ending September 30	Principal	Interest	Total
2014	\$ 50,000	\$ 20,435	\$ 70,435
2015	560,000	3,406	563,406
2016	-	-	-
2017	-	-	-
2018	-	-	-
	<u>\$ 610,000</u>	<u>\$ 23,841</u>	<u>\$ 633,841</u>

At September 30, 2013, the Water and Sewer Fund had a note payable to the Georgia Environmental Facilities Authority whereby it may borrow up to \$3,384,500. The outstanding balance at September 30, 2013 was \$987,235. The debt is being used for the rehabilitation of the existing wastewater treatment facility.

At September 30, 2013, the Water and Sewer Fund had a note payable to the Georgia Environmental Facilities Authority whereby it may borrow up to \$3,500,000. The outstanding balance at September 30, 2013 was \$1,281,908. The debt is being used for the renovation of the existing wastewater treatment facility.

At September 30, 2013, the Water and Sewer Fund entered into an agreement with the Georgia Environmental Facilities Authority whereby it may borrow up to \$2,750,000. The outstanding balance at September 30, 2013 was \$2,141,317. The debt is being used to finance the costs of acquiring, constructing, and installing environmental facilities. The project is still in the construction phase; therefore a payment schedule has not been determined at September 30, 2013.

At September 30, 2013, the Water and Sewer Fund entered into an agreement with the Georgia Environmental Facilities Authority whereby it may borrow up to \$6,100,000. At September 30, 2013 there had been no amounts drawn on the note. The debt is being used to finance the costs of acquiring, constructing, and installing environmental facilities. The project is still in the construction phase; therefore a payment schedule has not been determined at September 30, 2013.

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

The Water and Sewer Fund note payable debt service requirements to maturities, including interest, are as follows:

Year Ending September 30	Principal	Interest	Total
2014	\$ 93,027	\$ 66,802	\$ 159,829
2015	95,855	63,972	159,827
2016	98,771	61,057	159,828
2017	101,775	58,052	159,827
2018	104,870	54,957	159,827
2019-2023	574,187	224,955	799,142
2024-2028	666,984	132,156	799,140
2029-2033	533,674	30,277	563,951
	<u>\$ 2,269,143</u>	<u>\$ 692,228</u>	<u>\$ 2,961,371</u>

Debt service requirements of \$2,961,371 do not include the Water and Sewer Fund agreement with the Georgia Environmental Facilities Authority of \$2,141,317 as this note is not yet in repayment status and no amortization schedule is available.

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

III. Capital Leases

The City has entered into several lease agreements as lessee for financing the acquisition of equipment and a fire station through the Georgia Municipal Association direct installment program. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term) and have been recorded at the present values of the future minimum lease payments as of the date of their inception. These leases are being serviced by General Fund, Water and Sewer Fund and Solid Waste Fund payments with annual interest rates varying from 2.45% to 4.71%.

The following is an analysis of equipment leased under capital leases as of September 30, 2013:

	Governmental Activities	Business-type Activities	
		Water and Sewer Fund	Solid Waste Fund
Buildings and improvements	\$ -	\$ -	\$ -
Equipment	1,863,787	299,602	1,083,457
Less accumulated depreciation	<u>(905,737)</u>	<u>(111,393)</u>	<u>(305,701)</u>
Carrying value	<u>\$ 958,050</u>	<u>\$ 188,209</u>	<u>\$ 777,756</u>

The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments at September 30, 2013:

Year Ending September 30	Governmental Activities	Business-type Activities		Totals
		Water and Sewer Fund	Solid Waste Fund	
2014	\$ 260,459	\$ -	\$ 227,744	\$ 488,203
2015	189,760	-	143,378	333,138
2016	126,613	-	100,098	226,711
2017	71,590	-	76,209	147,799
2018	25,469	-	40,729	66,198
2019	-	-	40,728	40,728
Total minimum lease payments	673,891	-	628,886	1,302,777
Less amount representing interest	<u>(25,227)</u>	<u>-</u>	<u>(36,197)</u>	<u>(61,424)</u>
Present value of future minimum lease payments	<u>\$ 648,664</u>	<u>\$ -</u>	<u>\$ 592,689</u>	<u>\$ 1,241,353</u>

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

IV. Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2013, was as follows:

	Balance September 30, 2012 (Restated)	Increases	Decreases	Balance September 30, 2013	Due Within One Year
Governmental activities:					
Notes payable	\$ 378,913		\$ (69,955)	\$ 308,958	\$ 74,503
Capital leases	673,580	239,964	(264,880)	648,664	248,736
Compensated absences	20,065	47,717	(20,065)	47,717	-
Governmental activities long-term liabilities	<u>1,072,558</u>	<u>287,681</u>	<u>(354,900)</u>	<u>1,005,339</u>	<u>323,239</u>
Business-type activities:					
Revenue bonds	22,270,000	-	(1,920,000)	20,350,000	1,640,000
Less deferred amounts: For issuance discount/ (premium)	75,214	-	(47,105)	28,109	-
Total bonds payable	22,345,214	-	(1,967,105)	20,378,109	1,640,000
Notes payable	2,350,191	2,942,567	(184,067)	5,108,691	155,270
Capital leases	498,731	294,557	(200,599)	592,689	212,831
Compensated absences	36,188	31,757	(36,188)	31,757	-
Business –type activities long-term liabilities	<u>\$ 25,230,324</u>	<u>\$ 3,268,881</u>	<u>\$ (2,387,959)</u>	<u>\$ 26,111,246</u>	<u>\$ 2,008,101</u>

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

Long-term liability activity for the City's component unit for the year ended September 30, 2013, was as follows:

	Balance September 30, 2012	Increases	Decreases	Balance September 30, 2013	Due Within One Year
Business-type activities:					
Revenue bonds	\$ 2,955,000	\$ -	\$ (230,000)	\$ 2,725,000	\$ 240,000
Less deferred amounts: For refunding (restated)	-	-	-	-	-
Business-type activities long-term liabilities	<u>\$ 2,955,000</u>	<u>\$ -</u>	<u>\$ (230,000)</u>	<u>\$ 2,725,000</u>	<u>\$ 240,000</u>

Compensated absences are liquidated by the General Fund and Enterprise Funds for which the liability is incurred.

NOTE I – LEASING ACTIVITIES

As part of the issuance of the Downtown Development Authority revenue bonds, the Authority entered into a lease agreement with the United States Postal Service (USPS) to lease certain property and buildings for use by the USPS. Under the terms of the lease, the USPS will make rental payments in the amount of \$213,505 annually, which shall be paid to the City as agent for the Authority in equal installments at the end of each month. The lease payments will be used for the purpose of paying the principal of, redemption premium (if any) and interest on the Downtown Development Authority bonds. The property and building is leased under an operating lease, which expires on November 2, 2017.

At September 30, 2013, the amount of property and buildings leased by the USPS which is included on the Statement of Net Position of the Downtown Development Authority is \$2,553,865, net of accumulated depreciation of \$1,742,428.

At September 30, 2013, the minimum future lease payments to be received under the operating lease are as follows:

Year Ending September 30	Total
2014	\$ 213,505
2015	213,505
2016	213,505
2017	213,505
2018	-
	<u>\$ 854,020</u>

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

NOTE J – RESTRICTIONS OF FUND BALANCES

In the governmental fund financial statements, fund balances consist of nonspendable, restricted and unassigned amounts. Restrictions of fund balances represent that portion which is not appropriate for expenditure or is legally segregated for a specific future use. The remaining portion is unassigned.

Fund balance restrictions at September 30, 2013 include:

Capital Projects Funds

Restricted for specific projects to reflect resources funded by Special Purpose Local Option Sales Tax and Federal grants	\$	7,105,299
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Special Revenue Funds

Restricted to reflect resources legally restricted for:		
Community development	\$	1,082,112
Public safety		13,712

NOTE K – PENSION PLAN

I. Plan Description

The City of Moultrie, Georgia maintains a single-employer defined benefit pension plan, the Retirement Plan for Employees of the City of Moultrie (the Plan). The Plan is administered by a board of trustees in accordance with a trust agreement between the City of Moultrie, Georgia and the board of trustees. The board of trustees acts in the dual capacity as the administrator of the Plan and the trustee of the trust fund created in accordance with the Plan and the Trust Agreement. Benefit provisions and contributions are established and may be amended by the City Council.

The Plan covers all full-time employees of the City of Moultrie, Georgia. Employees become eligible to participate in the Plan after six months and are fully vested after ten years. Prior to October 1, 1994, the Plan excluded employees for whom the City made contributions directly or indirectly to another retirement program. Employees in this category (firefighters and police officers) became participants in the Plan on October 1, 1994, if they filed an application to participate. Benefit provisions are established by City Ordinance. The Plan provides retirement, disability and death benefits to Plan members and beneficiaries. At October 1, 2011, the date of the most recent actuarial valuation, there were 311 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	61
Vested terminated employees not yet receiving benefits	26
Active employees	<u>224</u>
Total	<u>311</u>

The Plan issues a separate financial report, which can be obtained by writing to:

The Retirement Plan for the Employees of the City of Moultrie
P.O. Box 3368
Moultrie, Georgia 31776

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

II. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared using the accrual basis of accounting. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments

Investments are reported at their fair values. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrued basis. Dividend income is accrued on the ex-dividend date.

Contributions

The City and individual participants make contributions to the Plan. Effective February 1, 2005, all employees are required to contribute 4.2% of their annual earnings to the Plan. Prior to February 1, 2005, participants contributed 3.5% of their annual earnings. The City's funding policy is to contribute the amount in excess of employee's contribution required to fund the Plan benefits as determined by the Plan actuary. Administrative costs are financed through investment earnings.

The annual required contribution for the year ended September 30, 2013 was determined as part of the October 1, 2012, actuarial valuation using the aggregate actuarial cost method. This method does not identify or separately amortize unfunded actuarial liabilities. The actuarial assumptions included a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually and net of investment expenses, b) projected salary increases of 3.25% per year and c) no inflation rate assumption.

Annual Pension Cost and Net Pension Obligation

	<u>For the Plan Year Ending September 30,</u>		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
Annual required contribution	\$ 251,750	\$ 326,824	\$ 290,601
Interest on net pension obligation	(30,852)	(33,549)	(35,359)
Adjustment to annual required contribution	<u>22,029</u>	<u>23,955</u>	<u>26,739</u>
Annual pension cost	242,927	317,230	281,981
Contributions made	<u>(280,137)</u>	<u>(342,188)</u>	<u>(342,188)</u>
Increase (decrease) in net pension obligation	(37,210)	(24,958)	(26,836)
Net pension (asset), beginning of year	<u>(425,539)</u>	<u>(462,749)</u>	<u>(487,707)</u>
Net pension (asset), end of year	<u>\$ (462,749)</u>	<u>\$ (487,707)</u>	<u>\$ (514,543)</u>

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

Schedule of Employer Contributions

<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage of Annual Required Contribution Contributed</u>
2007	\$ 236,165	124%
2008	240,786	115%
2009	307,810	92%
2010	251,750	111%
2011	326,824	105%
2012	290,601	106%

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Projected Unit Credit (b)</u>	<u>Unfunded (Excess) AAL (UAAL) (b - a)</u>	<u>Funded Ratio (a / b)</u>	<u>Covered Payroll (c)</u>	<u>Unfunded (Excess) as a Percentage Of Covered Payroll ((b-a) / c)</u>
10/1/07	\$ 10,475,787	\$ 10,412,673	\$ --	100.61%	\$ 6,238,450	0.00%
10/1/08	9,782,996	10,773,223	990,227	90.81%	5,856,540	16.91%
10/1/09	10,836,296	10,491,991	--	103.28%	6,355,366	0.00%
10/1/10	11,058,536	11,085,137	26,601	99.76%	6,740,870	0.39%
10/1/11	11,279,493	11,249,614	--	100.27%	6,576,521	0.00%
10/1/12	11,639,649	11,353,084	--	102.52%	6,391,083	0.00%

Actuarial Valuation Information

Current Valuation Date	<u>October 1, 2011</u>
Actuarial Cost Method	Aggregate cost method
Amortization Method	Level percentage, open
Remaining Amortization Period	30 years
Asset Valuation Method	Five-year smoothed market
Actuarial Assumptions:	
Investment Rate of Return	7.25%
Projected Salary Increases	3.25%
Expected Annual Inflation	0%

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

NOTE L – JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the eight county west central Georgia area, is a member of the Southwest Georgia Regional Commission and is required to pay annual dues thereto. During the year ended September 30, 2013, the City paid \$14,595 in such dues. Membership in a Regional Commission is required by the Official Code of Georgia Annotated (OCGA), Section 50-8-34, which provides for the organizational structure of the Regional Commission in Georgia. The Regional Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission. Separate financial statements may be obtained from:

Southwest Georgia Regional Commission
P.O. Box 346
Camilla, Georgia 31730

The City of Moultrie, Georgia in conjunction with the Cities of Cairo, Camilla and Thomasville, who provide distribution of broadband cable television and internet services under the trade name "CNS", created the South Georgia Business Development Authority (SGBDA). The SGBDA was created and activated under the provisions of the Development Authority Law of the State of Georgia (O.C.G.A. 36-62-1) for the purpose of providing governmental, proprietary and administrative services and facilities to the Cities of Cairo, Camilla, Moultrie, and Thomasville and other subdivisions, agencies and authorities within its area of operation. Each member city has contracted with the SGBDA to provide management and marketing services for its individually owned broadband communications system. Pursuant to the agreement, the SGBDA procures certain goods and services on behalf of the member cities when cost effective. The SGBDA is reimbursed by each member city for any expense incurred on its behalf. The member cities provide funding on an annual basis to the SGBDA in the form of dues and contributed capital. The City paid the SGBDA \$40,592 in such dues for the year ended September 30, 2013. The City of Moultrie's equity investment in the SGBDA is \$792,744 and is recorded within the Cable TV enterprise fund. The SGBDA board is made up of eight members, two appointed by each participating city for one year terms. Separate financial statements may be obtained from:

South Georgia Business Development Authority
P.O. Box 1676
Thomasville, Georgia 31799

Under an agreement with the Moultrie – Colquitt County Development Authority (MCCDA) in conjunction with Colquitt County, the City of Moultrie provides funding on an annual basis to the MCCDA. The City paid the MCCDA \$75,000 for the year ended September 30, 2013. The MCCDA board is made up of eleven members, four appointed by the County, four appointed by the City and three appointed by the previously appointed eight. The MCCDA is charged with promoting industry and the development of trade, by inducing manufacturing, industrial and commercial enterprises to locate in Moultrie and Colquitt County. Separate financial statements may be obtained from:

Moultrie – Colquitt County Development Authority
P.O. Box 487
Moultrie, Georgia 31776

NOTE M – RELATED ORGANIZATION

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

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

NOTE N – HOTEL / MOTEL LODGING TAX

The City has levied a 5% lodging tax. For the year ended September 30, 2013, \$247,390 of hotel/motel tax was collected and \$35,378 or 14% was remitted to the Chamber of Commerce. Management represents that 100% of the lodging tax received during the year ended September 30, 2013 was used for the promotion of tourism, conventions, or trade shows.

NOTE O - RISK MANAGEMENT

The City is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and General Liability and Workers' Compensation

The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds and to report as promptly as possible and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the Worker's Compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment and all expenses incurred for investigation, negotiation or defense.

Group Medical Benefits

The City is self-insured for group medical and dental benefits up to \$50,000 annually per participant. The self-insurance program is administered by a third party insurance service company. Administrative costs are allocated among the General Fund, Water and Sewer Fund, Electric Revenue Fund, Gas Revenue Fund, Solid Waste Fund, and the Airport Fund. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic social factors. The liability for claims payable is reported in the General Fund. The change in the balance of claim liabilities during the past two years is as follows:

	<u>Year Ended September 30,</u>	
	<u>2012</u>	<u>2013</u>
Unpaid claims, beginning of year	\$ 333,429	\$ 270,087
Incurred claims (including IBNRs)	2,412,641	2,006,286
Claim Payments	<u>(2,475,983)</u>	<u>(2,032,023)</u>
Unpaid claims, end of year	<u>\$ 270,087</u>	<u>\$ 244,350</u>

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

Settlements

During the year ended September 30, 2013, there were no significant reductions in insurance coverage from the prior year and there have been no settlements exceeding insurance coverage in the years ended September 30, 2011, 2012, and 2013.

NOTE P – COMMITMENTS AND CONTINGENCIES

Litigation

The City is involved in a number of legal matters, which either have or could result in litigation. The City has accrued amounts related to litigation where an outcome unfavorable to the City is probable and the amount can be estimated. In the opinion of the City attorney, the ultimate outcome of these contingencies will not have a material impact on the financial position of the City.

Grants from Governments

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The City expects such disallowed amounts, if any, would not have a material impact on the financial position of the City.

Agreements with the Municipal Electric Authority of Georgia

The Municipal Electric Authority of Georgia (MEAG) is a public corporation and an instrumentality of the State of Georgia created to supply electricity to local government electric distribution systems. As provided by State law, MEAG establishes rates and charges so as to produce revenues sufficient to cover its costs, including debt service, but it may not operate any of its projects for profit, unless any such profits inure to the benefit of the public.

As of September 30, 2013, the City is an electric utility participant in MEAG and obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all of its future power and energy requirements in excess of that received by the City through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by the Authority. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating City has guaranteed a portion of the unpaid debt based on its individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts amounted to \$17,204,137 in 2013.

At September 30, 2013, the outstanding debt of MEAG was approximately \$5.90 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$133 million at September 30, 2013.

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

Agreements with the Municipal Gas Authority of Georgia

The City 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 City to purchase all of its natural gas from 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 City. In the event that revenues are insufficient to cover all costs and retire bonds issued by MGAG, the City is obligated to pay its obligation share of the costs of the gas supply and related services MGAG provides to the City, which costs include amounts equal to principal and interest on MGAG's bonds. These obligations, which extend through the year 2019, are general obligations of the City to which the City's full faith, credit and taxing powers are pledged. The City's obligation to MGAG for gas supply costs are based on MGAG costs to provide such supply, including bonds issues to purchase long-term rights to bulk supply. The total payments under these contracts amounted to \$1,276,570 for the year ended September 30, 2013.

At September 30, 2013, MGAG's bonds to which the City's obligation share is applicable were outstanding in the approximate principal amount of \$302 million. The City's obligation share of that amount totals approximately \$3.5 million at September 30, 2013.

NOTE Q – TERMINATION BENEFITS

The City offered enrollment for post retirement health insurance benefits under the City's self-insured group medical plan (the Plan) from September 1, 2007 through October 15, 2007 for the purpose of encouraging eligible employees considering an early leave decision to accelerate their retirement plans. Eligible employees included those age 55 with 15 years of service and had elected retirement by October 15, 2007. Participants are required to contribute a portion of the premiums and are eligible for benefits until the age of 65.

At September 30, 2012, two employees were eligible and receiving benefits under the Plan. For the year ended September 30, 2012, the cost of premiums for providing post-retirement health care was \$12,399. The Plan is considered immaterial for financial reporting as defined by GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

NOTE R – PRIOR PERIOD ADJUSTMENTS

As the result of implementing GASB Statement Nos. 63 and 65, the City and the Downtown Development Authority have restated the beginning net position in the government-wide Statement of Net Position. The decrease results from no longer deferring and amortizing bond issuance costs. Further, the City has restated its long-term liabilities to reflect that a component of those liabilities – deferred charge on refunding – is now reported as a deferred outflow of resources on the government-wide Statement of Net Position.

In 2013, the City determined that costs which were reported in the Water and Sewer fund and Gas fund as operating expenses should have been capitalized. As a result, construction in progress, other capital assets and beginning net position have been restated.

In 2013, the City determined that interfund transactions between the SPLOST Fund and the General Fund which were reported as interfund balances should have been recognized as revenues and expenditures. As a result, beginning fund balances have been restated.

CITY OF MOULTRIE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2013

The effect on beginning balances is as follows:

	2012 Previously Presented	Restatement	2012 Restated
<u>Primary Government</u>			
General Fund:			
Fund balance	\$ 545,145	\$ 83,922	\$ 629,067
SPLOST Fund:			
Fund balance	6,509,822	(83,922)	6,425,900
Water and Sewer Fund:			
Deferred charges	535,663	(535,663)	-
Construction in progress	1,316,383	2,685,987	4,002,370
Net position	11,202,519	2,150,324	13,352,843
Cable Fund			
Deferred charges	132,085	241,001	373,086
Long term debt	4,987,942	373,086	5,361,028
Net position	(1,678,554)	(132,085)	(1,810,639)
Gas Fund			
Other capital assets	346,809	387,646	734,455
Net position	77,366	387,646	465,012
Business-type Activities			
Deferred charges	667,748	(294,662)	373,086
Construction in progress	2,181,687	2,685,987	4,867,674
Other capital assets	28,233,311	387,646	28,620,957
Long term debt	23,262,238	373,086	23,635,324
Net position	38,721,085	2,405,885	41,126,970
<u>Component Unit</u>			
Downtown Development Authority			
Deferred charges	124,727	(90,611)	34,116
Long-term liabilities	2,920,884	34,116	2,955,000
Net position	300,112	(124,727)	175,385



Supplementary Information

CITY OF MOULTRIE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2013

	<u>Special Revenue Funds</u>			<u>Capital Projects Funds</u>		<u>Total</u>
	<u>Multiple Grants</u>	<u>Confiscated Assets</u>	<u>Hotel / Motel Tax</u>	<u>Community Development</u>	<u>Paving Program</u>	
ASSETS						
Cash and cash equivalents	\$ -	20,059	100,283	\$ -	\$ -	\$ 120,342
Investments	-	-	-	-	-	-
Accounts receivable, net	-	-	-	58,860	-	58,860
Property tax receivable	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Other current assets	-	-	1,027	-	-	1,027
Due from other governments	-	-	-	-	-	-
Due from component unit	-	-	-	-	-	-
Due from other funds	16,253	-	-	-	196	16,449
Restricted assets:						
Cash and cash equivalents	8,262	-	-	304,272	-	312,534
Investments	-	-	-	-	-	-
Sales tax receivable	-	-	-	-	-	-
Program receivables	-	-	-	608,383	-	608,383
Total assets	\$ 24,515	\$ 20,059	\$ 101,310	\$ 971,515	\$ 196	\$ 1,117,595
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	10,168	100	\$ -	\$ 10,268
Accrued expenses	-	-	2,739	-	-	2,739
Customer deposits	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Due to other funds	1,077	6,347	8	205	100	7,737
Liabilities payable from restricted assets	-	-	-	-	-	-
Total liabilities	1,077	6,347	12,915	305	100	20,744
Fund balances						
Nonspendable:						
Prepaid expenses	-	-	1,027	-	-	1,027
Restricted for:						
Debt service	-	-	-	-	-	-
Community development	23,438	-	87,368	971,210	96	1,082,112
Public safety	-	13,712	-	-	-	13,712
Unassigned	-	-	-	-	-	-
Total fund balances (deficit)	23,438	13,712	88,395	971,210	96	1,096,851
Total liabilities and fund balances	\$ 24,515	\$ 20,059	\$ 101,310	\$ 971,515	\$ 196	\$ 1,117,595

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2013

	Special Revenue Funds			Capital Projects Funds		
	Multiple Grants	Confiscated Assets	Hotel / Motel Tax	Community Development	Paving Program	Total
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-	-	-	-
Other taxes	-	-	247,390	-	-	247,390
Fines, forfeitures and fees	-	38,674	-	-	-	38,674
Charges for services	-	-	13,987	14,660	-	28,647
Investment income	-	8	-	21,084	-	21,092
Intergovernmental	519,555	-	15,000	-	-	534,555
Other revenues	-	-	31,853	-	-	31,853
Total revenues	519,555	38,682	308,230	35,744	-	902,211
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	89,537	79,770	-	-	-	169,307
Public works	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Community development	-	-	271,348	8,915	-	280,263
Capital outlays	438,354	13,900	7,120	-	-	459,374
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	527,891	93,670	278,468	8,915	-	908,944
Excess (deficiency) of revenues over expenditures	(8,336)	(54,988)	29,762	26,829	-	(6,733)
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	-	-	6,570	-	-	6,570
Transfers to other funds	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Long - term debt issued	-	-	-	-	-	-
Total other financing sources (uses)	-	-	6,570	-	-	6,570
Net change in fund balances	(8,336)	(54,988)	36,332	26,829	-	(163)
Fund balances (deficit), beginning of year	31,774	68,700	52,063	944,381	96	1,097,014
Fund balances (deficit), end of year	\$ 23,438	\$ 13,712	\$ 88,395	\$ 971,210	\$ 96	\$ 1,096,851

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MULTIPLE GRANTS FUND
For the Year Ended September 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-	-
Other taxes	-	-	-	-
Fines, forfeitures and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Intergovernmental	-	519,555	519,555	-
Other revenues	-	-	-	-
Total revenues	-	519,555	519,555	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	89,537	89,537	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Community development	-	-	-	-
Capital outlays	-	438,355	438,354	1
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	527,892	527,891	1
Excess (deficiency) of revenues over expenditures	-	(8,337)	(8,336)	1
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	(8,337)	(8,336)	1
Fund balances (deficit), beginning of year	31,774	31,774	31,774	-
Fund balances, end of year	\$ 31,774	\$ 23,437	\$ 23,438	\$ 1

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CONFISCATED ASSETS FUND
For the Year Ended September 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-	-
Other taxes	-	-	-	-
Fines, forfeitures and fees	-	38,674	38,674	-
Charges for services	-	-	-	-
Investment income	-	-	8	8
Intergovernmental	-	-	-	-
Other revenues	-	-	-	-
Total revenues	<u>-</u>	<u>38,674</u>	<u>38,682</u>	<u>8</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	79,773	79,770	3
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Community development	-	-	-	-
Capital outlays	-	13,900	13,900	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>-</u>	<u>93,673</u>	<u>93,670</u>	<u>3</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(54,999)</u>	<u>(54,988)</u>	<u>11</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(54,999)	(54,988)	11
Fund balances, beginning of year	<u>68,700</u>	<u>68,700</u>	<u>68,700</u>	<u>-</u>
Fund balances, end of year	<u>\$ 68,700</u>	<u>\$ 13,701</u>	<u>\$ 13,712</u>	<u>\$ 11</u>

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HOTEL / MOTEL TAX FUND
For the Year Ended September 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	-	-	-	-
Other taxes	234,000	234,000	247,390	13,390
Fines, forfeitures and fees	-	-	-	-
Charges for services	15,000	27,000	13,987	(13,013)
Investment income	-	-	-	-
Intergovernmental	-	15,000	15,000	-
Other revenues	32,000	32,000	31,853	(147)
Total revenues	<u>281,000</u>	<u>308,000</u>	<u>308,230</u>	<u>230</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Community development	271,647	271,647	271,348	299
Capital outlays	7,200	7,200	7,120	80
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>278,847</u>	<u>278,847</u>	<u>278,468</u>	<u>379</u>
Excess (deficiency) of revenues over expenditures	<u>2,153</u>	<u>29,153</u>	<u>29,762</u>	<u>609</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	13,140	13,140	6,570	(6,570)
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	<u>13,140</u>	<u>13,140</u>	<u>6,570</u>	<u>(6,570)</u>
Net change in fund balances	15,293	42,293	36,332	(5,961)
Fund balances, beginning of year	<u>52,063</u>	<u>52,063</u>	<u>52,063</u>	<u>-</u>
Fund balances, end of year	<u>\$ 67,356</u>	<u>\$ 94,356</u>	<u>\$ 88,395</u>	<u>\$ (5,961)</u>

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
September 30, 2013

	Business Type Activities - Enterprise Funds			
	Solid Waste Fund	Airport Fund	Tele- Communications Fund	Utilities Deposit Fund
ASSETS				
Current assets				
Cash and cash equivalents	\$ -	\$ -	\$ 634,921	\$ -
Investments	-	-	-	-
Accounts receivable, net	161,982	7,030	11,224	1,531
Due from other funds	2,925,951	541,570	5,982	546,197
Due from component unit	-	-	-	-
Inventories	-	-	-	-
Other current assets	24,887	5,060	-	-
Total current assets	<u>3,112,820</u>	<u>553,660</u>	<u>652,127</u>	<u>547,728</u>
Non - current assets				
Investment in SGBDA	-	-	-	-
Restricted assets - cash	-	-	-	-
Restricted assets - investments	-	-	-	-
Capital assets:				
Land	-	-	-	-
Construction in progress	-	-	-	-
Other capital assets, net of accumulated depreciation	1,280,060	903,492	401,263	-
Total assets	<u>\$ 4,392,880</u>	<u>\$ 1,457,152</u>	<u>\$ 1,053,390</u>	<u>\$ 547,728</u>
LIABILITIES				
Current liabilities				
Accounts payable	118,439	7,602	22,722	20,216
Accrued expenses	17,709	-	-	-
Lines of credit	-	-	-	-
Current portion of long - term debt	212,831	-	-	-
Customer deposits	-	6,218	-	803,911
Due to other governments	-	-	-	-
Due to other funds	1,043,497	59,873	400,667	-
Liabilities payable from restricted assets:				
Current portion of long - term debt	-	-	-	-
Total current liabilities	<u>1,392,476</u>	<u>73,693</u>	<u>423,389</u>	<u>824,127</u>
Long - term debt, net of current portion	379,857	-	-	-
Compensated absences	1,092	-	-	-
Other liabilities	-	-	-	-
Total liabilities	<u>1,773,425</u>	<u>73,693</u>	<u>423,389</u>	<u>824,127</u>
NET POSITION				
Net investment in capital assets	687,372	903,492	401,263	-
Restricted for debt service	-	-	-	-
Unrestricted (deficit)	1,932,083	479,967	228,738	(276,399)
Total net position	<u>\$ 2,619,455</u>	<u>\$ 1,383,459</u>	<u>\$ 630,001</u>	<u>\$ (276,399)</u>

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
September 30, 2013

	Business Type Activities - Enterprise Funds			
	Mass Transit Fund	Gas Fund	Telephony Fund	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 9,823	\$ -	\$ -	\$ 644,744
Investments	-	-	-	-
Accounts receivable, net	600	143,661	36,131	362,159
Due from other funds	-	547,199	377,594	4,944,493
Due from component unit	-	-	-	-
Inventories	-	202,430	6,032	208,462
Other current assets	-	5,874	-	35,821
Total current assets	10,423	899,164	419,757	6,195,679
Non - current assets				
Investment in SGBDA	-	-	-	-
Restricted assets - cash	-	70,162	-	70,162
Restricted assets - investments	-	-	-	-
Capital assets:				
Land	-	16,786	-	16,786
Construction in progress	-	-	-	-
Other capital assets, net of accumulated depreciation	1,778,206	707,690	-	5,070,711
Total assets	1,788,629	1,693,802	419,757	\$ 11,353,338
LIABILITIES				
Current liabilities				
Accounts payable	-	83,301	18,887	\$ 271,167
Accrued expenses	-	9,112	-	26,821
Lines of credit	-	-	-	-
Current portion of long - term debt	-	-	-	212,831
Customer deposits	-	-	14,893	825,022
Due to other governments	-	-	-	-
Due to other funds	8,259	1,047,331	1,947	2,561,574
Liabilities payable from restricted assets:				
Current portion of long - term debt	-	-	-	-
Total current liabilities	8,259	1,139,744	35,727	3,897,415
Long - term debt, net of current portion	-	-	-	379,857
Compensated absences	-	1,816	-	2,908
Other liabilities	-	-	-	-
Total liabilities	8,259	1,141,560	35,727	4,280,180
NET POSITION				
Net investment in capital assets	1,778,206	724,476	-	4,494,809
Restricted for debt service	-	-	-	-
Unrestricted (deficit)	2,164	(172,234)	384,030	2,578,349
Total net position	\$ 1,780,370	\$ 552,242	\$ 384,030	\$ 7,073,158

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2013

	Business Type Activities - Enterprise Funds			
	Solid Waste Fund	Airport Fund	Tele- Communications Fund	Utilities Deposit Fund
OPERATING REVENUES				
Utility revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	2,667,634	-	963,876	-
Miscellaneous	11,870	176,166	33,301	-
Intergovernmental	-	139,827	-	-
Total operating revenues	<u>2,679,504</u>	<u>315,993</u>	<u>997,177</u>	<u>-</u>
OPERATING EXPENSES				
Salaries and wages	650,759	4,173	-	-
Operating, administrative and maintenance	1,231,348	260,848	741,301	-
Depreciation	197,843	89,498	22,081	-
Total operating expenses	<u>2,079,950</u>	<u>354,519</u>	<u>763,382</u>	<u>-</u>
Operating income (loss)	599,554	(38,526)	233,795	-
NON - OPERATING INCOME (EXPENSES)				
Interest income	-	-	410	-
Interest expense	(13,322)	-	-	-
Gain (loss) on disposal of capital assets	-	3,750	-	-
Income (loss) before contributions and transfers	<u>586,232</u>	<u>(34,776)</u>	<u>234,205</u>	<u>-</u>
Capital contributions	-	-	-	-
Transfers from other funds	-	-	-	-
Transfers to other funds	(390,576)	(5,616)	(34,231)	-
Change in net position	195,656	(40,392)	199,974	-
Net position, beginning of year	<u>2,423,799</u>	<u>1,423,851</u>	<u>430,027</u>	<u>(276,399)</u>
Net position, end of year	<u>\$ 2,619,455</u>	<u>\$ 1,383,459</u>	<u>\$ 630,001</u>	<u>\$ (276,399)</u>

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2013

	Business Type Activities - Enterprise Funds			
	Mass Transit Fund	Gas Fund	Telephony Fund	Total
OPERATING REVENUES				
Utility revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	-	2,139,591	325,647	6,096,748
Miscellaneous	7,200	11,176	-	239,713
Intergovernmental	-	-	-	139,827
Total operating revenues	7,200	2,150,767	325,647	6,476,288
OPERATING EXPENSES				
Salaries and wages	-	291,940	-	946,872
Operating, administrative and maintenance	5,301	1,503,579	199,184	3,941,561
Depreciation	54,720	76,724	-	440,866
Total operating expenses	60,021	1,872,243	199,184	5,329,299
Operating income (loss)	(52,821)	278,524	126,463	1,146,989
NON - OPERATING INCOME (EXPENSES)				
Interest income	-	(266)	-	144
Interest expense	-	-	(168)	(13,490)
Gain (loss) on disposal of capital assets	-	-	-	3,750
Income (loss) before contributions and transfers	(52,821)	278,258	126,295	1,137,393
Capital contributions	-	-	-	-
Transfers from other funds	-	-	-	-
Transfers to other funds	-	(191,028)	-	(621,451)
Change in net position	(52,821)	87,230	126,295	515,942
Net position, beginning of year (restated)	1,833,191	465,012	257,735	6,557,216
Net position, end of year	\$ 1,780,370	\$ 552,242	\$ 384,030	\$ 7,073,158

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2013

	Business Type Activities - Enterprise Funds			
	Solid Waste Fund	Airport Fund	Tele- Communications Fund	Utilities Deposit Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 2,690,579	\$ 320,975	\$ 1,021,360	\$ -
Other operating receipts	-	-	-	-
Cash payments to employees	(651,274)	(4,173)	-	-
Cash payments to suppliers	(1,227,665)	(261,254)	(739,112)	1,804
New customer utility deposits	-	-	-	38,498
Refunded customer utility deposits	-	-	-	-
Net cash provided (used) by operating activities	<u>811,640</u>	<u>55,548</u>	<u>282,248</u>	<u>40,302</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	-	-	-
Transfers to other funds	(390,576)	(5,616)	(34,231)	-
Net change in due from other funds	(199,621)	(53,685)	-	(40,302)
Net change in due from component unit	-	-	-	-
Net change in due to general fund	-	-	-	-
Net change in due to other funds	41	3	134,762	-
Net cash provided (used) by noncapital financing activities	<u>(590,156)</u>	<u>(59,298)</u>	<u>100,531</u>	<u>(40,302)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from issuance of long - term debt	294,557	-	-	-
Proceeds from sale of assets	-	3,750	-	-
Proceeds from capital contributions	-	-	-	-
Acquisition and construction of capital assets	(321,414)	-	-	-
Principal payments on long - term debt	(180,117)	-	-	-
Interest paid	(14,510)	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(221,484)</u>	<u>3,750</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	-	-	-	-
Purchase of investments	-	-	-	-
Loan disbursements	-	-	-	-
Interest received	-	-	410	-
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>410</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	-	-	383,189	-
Cash and cash equivalents, beginning of year	-	-	251,732	-
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 634,921</u>	<u>\$ -</u>

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2013

	Business Type Activities - Enterprise Funds			
	Solid Waste Fund	Airport Fund	Tele- Communications Fund	Utilities Deposit Fund
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 599,554	\$(38,526)	\$ 233,795	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	197,843	89,498	22,081	-
New customer deposits liability	-	-	-	-
Refunded customer utility deposit	-	-	-	-
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	11,075	(750)	24,183	-
Inventories				
Other current assets	1,941	(406)		
Due from general fund	-	-	-	-
Due from other funds	-	-	-	-
Due from component unit	-	-	-	-
Increase (decrease) in:				
Accounts payable	1,742	5,732	2,189	1,804
Accrued expenses	(515)			38,498
Compensated absences liability		-	-	-
Due to general fund	-	-	-	-
Due to other funds	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ 811,640</u>	<u>\$ 55,548</u>	<u>\$ 282,248</u>	<u>\$ 40,302</u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfer of capital assets to general fund	-	-	-	-
Total non-cash capital and related financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2013

	Business Type Activities - Enterprise Funds			
	Mass Transit Fund	Gas Fund	Telephony Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 7,200	\$ 2,192,559	\$ 326,793	\$ 6,559,466
Other operating receipts	-	11,176	-	11,176
Cash payments to employees	-	(292,469)	-	(947,916)
Cash payments to suppliers	(5,241)	(1,529,489)	(193,126)	(3,954,083)
New customer utility deposits	-	-	954	39,452
Refunded customer utility deposits	-	-	-	-
Net cash provided (used) by operating activities	1,959	381,777	134,621	1,708,095
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	(191,028)	-	(621,451)
Net change in due from other funds	-	(363)	(134,738)	(428,709)
Net change in due from component unit	-	-	-	-
Net change in due to other funds	8,259	(140,347)	285	3,003
Net cash provided (used) by noncapital financing activities	8,259	(331,738)	(134,453)	(1,047,157)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from issuance of long - term debt	-	-	-	294,557
Proceeds from sale of assets	-	-	-	3,750
Proceeds from capital contributions	-	-	-	-
Acquisition and construction of capital assets	-	(49,959)	-	(371,373)
Principal payments on long - term debt	-	-	-	(180,117)
Interest paid	-	-	(168)	(14,678)
Net cash provided (used) by capital and related financing activities	-	(49,959)	(168)	(267,861)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	-	-	-	-
Purchase of investments	-	-	-	-
Loan disbursements	-	-	-	-
Interest received	-	-	-	410
Net cash provided (used) by investing activities	-	-	-	410
Net increase (decrease) in cash and cash equivalents	10,218	80	-	393,487
Cash and cash equivalents, beginning of year	(395)	70,082	-	321,419
Cash and cash equivalents, end of year	\$ 9,823	\$ 70,162	\$ -	\$ 714,906

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2013

	Business Type Activities - Enterprise Funds			
	Mass Transit Fund	Gas Fund	Telephony Fund	Total
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (52,821)	\$ 278,524	\$ 126,463	\$ 352,166
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	54,720	76,724	-	131,444
New customer deposits liability	-	-	-	-
Refunded customer utility deposit	-	-	-	-
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	60	52,702	1,146	53,908
Inventories	-	(26,522)	5,317	(21,205)
Other current assets	-	(597)	-	(597)
Due from general fund	-	-	-	-
Due from other funds	-	-	-	-
Due from component unit	-	-	-	-
Increase (decrease) in:				
Accounts payable	-	1,475	741	2,216
Accrued expenses	-	739	954	1,693
Compensated absences liability	-	(1,268)	-	(1,268)
Due to general fund	-	-	-	-
Due to other funds	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ 1,959</u>	<u>\$ 381,777</u>	<u>\$ 134,621</u>	<u>\$ 518,357</u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfer of capital assets from governmental funds	-	-	-	-
Total non-cash capital and related financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CASH FLOWS
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
For the Year Ended September 30, 2013

	Downtown Development Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers and users	\$ 413,646
Other operating receipts	-
Cash payments to employees	-
Cash payments to suppliers	(8,812)
	<u>404,834</u>
Net cash provided (used) by operating activities	<u>404,834</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	-
Transfers to other funds	-
Net change in due from other funds	-
Net change in due from component unit	-
Net change in due to general fund	-
Net change in due to primary government	-
	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	-
Principal payments - revenue bonds	(230,000)
Proceeds from bond offering	-
Defeasance of revenue bonds	-
Payment of bond issuance costs	-
Interest paid	(161,043)
	<u>(391,043)</u>
Net cash provided (used) by capital and related financing activities	<u>(391,043)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of investments	-
Purchase of investments	-
Loan disbursements	-
Interest received	272
	<u>272</u>
Net cash provided (used) by investing activities	<u>272</u>
Net increase (decrease) in cash and cash equivalents	14,063
Cash and cash equivalents, beginning of year	<u>354,829</u>
Cash and cash equivalents, end of year	<u>\$ 368,892</u>

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CASH FLOWS
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
For the Year Ended September 30, 2013

	<u>Downtown Development Authority</u>
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ 410,395
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and amortization	
Changes in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	-
Inventories	-
Other current assets	(203)
Due from general fund	-
Due from other funds	-
Due from component unit	-
Increase (decrease) in:	
Accounts payable	-
Accrued expenses	(5,358)
Due to general fund	-
Due to other funds	-
	<hr/>
Net cash provided (used) by operating activities	<u>\$ 404,834</u>



Compliance Section

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

To: The Honorable Mayor and
Members of the City Council
City of Moultrie, 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 governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Moultrie, Georgia, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise The City of Moultrie, Georgia's basic financial statements and have issued our report thereon dated March 21, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Moultrie, Georgia'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 City of Moultrie, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Moultrie, Georgia's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. [2013-1, 2013-2, 2013-3]

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Moultrie, Georgia'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*.

The City of Moultrie, Georgia's Response to Findings

The City of Moultrie, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Moultrie, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Car, Riggs & Ingram, L.L.C.

March 21, 2014
Tifton, Georgia

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To: The Honorable Mayor and
Members of the City Council
City of Moultrie, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Moultrie, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Moultrie, Georgia's major federal programs for the year ended September 30, 2013. The City of Moultrie, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Moultrie, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Moultrie, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Moultrie, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Moultrie, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013.

Report on Internal Control Over Compliance

Management of The City of Moultrie, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Moultrie, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of

expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Moultrie, Georgia's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

March 21, 2014
Tifton, Georgia

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2013

<u>Federal / Grantor / Pass - Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Identification Number</u>	<u>Program or Award Amount</u>	<u>Expenditures</u>
Department of Housing and Urban Development				
<i>Passed through the Georgia Department of Community Affairs</i>				
Community Development Block Grant	14.228	09p-x-035-2-5114	\$ 500,000	\$ -
Community Development Block Grant	14.228	11-p-x-035-2-5363	465,422	<u>429,662</u>
<i>Total funding passed through DCA</i>				<u>429,662</u>
Total Department of Housing and Urban Development				<u>429,662</u>
U.S. Environmental Protection Agency				
<i>Passed through the Georgia Environmental Facilities Authority</i>				
ARRA - Capitalization Grants for Clean Water State Revolving Funds	66.458	CWSRF 11-005	2,750,000	2,141,089
ARRA - Capitalization Grants for Clean Water State Revolving Funds	66.458	CWSRF 09-036	3,500,000	-
ARRA - Capitalization Grants for Clean Water State Revolving Funds	66.458	CWSRF 09-035	3,384,500	<u>143,981</u>
Total U.S. Environmental Protection Agency				<u>2,285,070</u>
U. S. Department of Justice				
Edward Byrne Justice Assistance Grant Program	16.803	2012-DJ-BX-0664	10,826	<u>10,826</u>
				10,826
COPS Hiring Recovery Program	16.710	2009RKWX0272	278,186	33,899
COPS Hiring Recovery Program	16.710	2011UMWX0046	295,340	<u>53,505</u>
				87,404
Total U. S. Department of Justice				<u>98,230</u>
U.S. Department of Homeland Security				
<i>Passed through the Georgia Emergency Management Agency</i>				
2010 Homeland Security Grant		EMW-2010-SS-TO-0034	14,786	14,786
2010 Homeland Security Grant		EMW-2011-SS-00081-S01	10,000	<u>4,854</u>
Total U.S. Department of Homeland Security				19,640
Total Expenditures of Federal Awards				<u>\$ 2,832,602</u>

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Schedule of Expenditures of Federal Awards is prepared using the modified accrual basis of accounting.

Measurement Focus

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

Program Type Determination

Type A programs are defined as Federal programs with Federal expenditures exceeding the larger of \$300,000 or three percent of total Federal expenditures. The threshold of \$300,000 was used in distinguishing between Type A and Type B programs.

Method of Major Program Selection

The risk based approach was used in the selection of federal programs to be tested as major programs. The City did not qualify as a low - risk auditee for the year ended September 30, 2013.

Amount Provided to Sub recipients

The City had no major programs that provided amounts to sub recipients.

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2013

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: *[unqualified]*

Internal control over financial reporting:
Material weakness(es) identified? X yes no

Significant deficiencies identified not
considered to be material weaknesses? yes X none reported

Noncompliance material to financial
statements noted? yes X no

Federal Awards

Internal Control over major programs:
Material weakness(es) identified? yes X no

Significant deficiencies identified not
considered to be material weaknesses? yes X none reported

Type of auditors' report issued on
compliance for major programs: *[unqualified]*

Any audit findings disclosed that are
required to be reported in accordance
with OMB Circular A - 133, Section 510(a)? yes X no

Identification of major programs:

Name of Federal Program or Cluster	CFDA Number
ARRA - Capitalization Grants for Clean Water State Revolving Funds	66.458
Community Development Block Grant	14.228

Dollar threshold used to distinguish
between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? yes X no

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2013

SECTION II FINDINGS - FINANCIAL STATEMENT AUDIT

Findings noted on the 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*.

Material Weaknesses

2013-1

Criteria:

Duties should be segregated between employees so that the responsibility for authorizing transactions, recording transactions, and maintaining custody of assets are assigned to different personnel.

Condition:

The City of Moultrie, Georgia is a small local government and has a limited amount of resources and employees. Therefore, the City does not have an adequate number of employees to provide for the proper segregation of duties.

Cause of Condition:

Since the City is a small local government, it is not financially feasible for the City to hire additional employees to provide for an adequate segregation of duties.

Effect of Condition:

The City's internal control structure does not contain adequate safeguarding controls provided by segregation of duties that would provide for the prevention or timely detection of unauthorized transactions and unauthorized access to assets that could result in losses that are material to the financial statements.

Response of Management:

Management concurs with the finding and is continually working to improve controls to mitigate the risks associated with this condition.

2013-2

Criteria:

Generally accepted accounting principles require Governmental Fund financial statements to be reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Condition:

The City's year end closing policies and procedures did not prevent a misstatement.

Cause of Condition:

Additional adjusting entries were required for reporting in accordance with generally accepted accounting principles.

Effect of Condition:

Audit adjustments were required for reporting in accordance with generally accepted accounting principles.

Response of Management:

Management concurs with this finding and is developing additional policies and procedures and monitoring activities over financial reporting.

2013-3

Criteria:

Generally accepted accounting principles require Proprietary Fund financial statements to be reported using the economic resources measurement focus and the accrual basis of accounting.

Condition:

The City's year end closing policies and procedures did not prevent a misstatement.

Cause of Condition:

Additional adjusting entries were required for reporting in accordance with generally accepted accounting principles.

Effect of Condition:

Audit adjustments were required for reporting in accordance with generally accepted accounting principles.

Response of Management:

Management concurs with this finding and is developing additional policies and procedures and monitoring activities over financial reporting.

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2013

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR AWARDS PROGRAM AUDIT

Findings noted on the Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control over Compliance in Accordance With *OMB Circular A - 133*.

none reported

CITY OF MOULTRIE, GEORGIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2013

SECTION II FINDINGS - FINANCIAL STATEMENT AUDIT

Findings noted on the 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*.

2012-1

Condition:

The City of Moultrie, Georgia is a small local government and has a limited amount of resources and employees. Therefore, the City does not have an adequate number of employees to provide for the proper segregation of duties.

Status:

The above finding is included as finding 2013-1 in the current year Schedule of Findings and Questioned Costs.

2012-2

Condition:

The City's policies and procedures for recording and monitoring long term debt did no prevent misstatements in the funds.

Status:

The above finding is included in finding 2013-3 in the current year Schedule of Findings and Questioned Costs.

CITY OF MOULTRIE, GEORGIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2013

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR AWARDS PROGRAM AUDIT

Findings noted on the Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with *OMB Circular A - 133*.

None reported

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL
OPTION SALES TAX EXPENDITURES
For the Year Ended September 30, 2013

	Original Estimated Cost	Revised Estimated Cost	Expenditures		Estimated Percentage of Completion	
			Prior Years	Current Year		
Special Purpose Local Option						
Sales Tax - 2001						
Recreation:						
SW/NW gym	\$ -	\$ 309,304	\$ 308,734	\$ -	\$ 308,734	100%
New recreation office	-	222,466	224,730	-	224,730	100%
SW/NW pools	-	421,000	420,852	-	420,852	100%
McCrary Complex	120,000	180,200	187,813	-	187,813	100%
Park improvements	10,618	58,000	54,500	-	54,500	94%
William Bryant Park (Drew Field)	291,000	109,861	163,088	-	163,088	100%
Magnolia Sports Complex	367,000	1,025,980	839,218	-	839,218	82%
Goff Complex	609,500	1,065,884	1,357,857	-	1,357,857	100%
Pedestrian Plazas	-	144,000	52,240	-	52,240	36%
Youth centers	-	50,797	98,013	-	98,013	100%
Plazas	97,000	97,000	-	-	-	0%
Concession stand - Magnolia Complex	-	210,000	196,552	-	196,552	94%
Northwest Community Center	250,000	420,085	480,475	-	480,475	100%
City Hall - renovation	79,701	-	656,350	-	656,350	n/a
Westside Drain - improvement	140,422	-	263	-	263	n/a
SW drainage ditch	85,193	-	102,781	-	102,781	n/a
GYMS HVAC upgrade	-	-	112,213	-	112,213	n/a
Police Dept Building - renovation	106,600	-	1,923,606	-	1,923,606	n/a
Eng. Fees 94 Recreation projects	-	15,488	15,488	-	15,488	100%
Total recreation	2,157,034	4,330,065	7,194,773	-	7,194,773	
Roads:						
Driveway entrance to youth complex	-	221,375	188,552	-	188,552	85%
RD resurfacing / paving / drainage	-	120,000	1,477,458	-	1,477,458	100%
Magnolia Sports parking lot	112,500	112,500	66,751	-	66,751	59%
Magnolia Sports parking lot driveway	38,982	30,921	35,751	-	35,751	100%
Goff Drive	-	138,918	228,372	-	228,372	100%
Flintridge upgrade	-	7,165	111,518	-	111,518	100%
Second Street, N.W.	-	13,621	17,987	-	17,987	100%
Magnolia Lane - complete street	160,530	160,530	171,307	-	171,307	100%
Magnolia Lane - curb and gutter	13,380	13,380	-	-	-	0%
Third Street, S.E.	36,000	36,000	38,057	-	38,057	100%
Fire Station #3 street improvements	-	-	22,465	-	22,465	n/a
Westside drainage improvements	380,000	380,000	722,657	150,737	873,394	100%
Fifth Ave. N.W. storm drainage	10,000	10,000	5,616	-	5,616	56%
Grant Chapel storm drainage	15,000	15,000	10,532	-	10,532	70%
Paving Group I	492,149	922,702	911,384	-	911,384	99%
Paving Group II	257,176	380,244	957,949	-	957,949	100%
Resurfacing Group III	73,444	258,238	131,206	7,149	138,355	54%
Paving Group III	269,567	269,567	411,777	-	411,777	100%
Resurfacing Group III	64,739	64,739	-	-	-	0%
Paving Group IV	244,537	244,537	165,056	-	165,056	67%
CDBG SE Paving Grant - transfer	150,446	150,446	213,358	-	213,358	100%
Total roads	2,318,450	3,549,883	5,887,753	157,886	6,045,639	
Total Sales Tax - 2001	\$ 4,475,484	\$ 7,879,948	\$ 13,082,526	\$ 157,886	\$ 13,240,412	
Special Purpose Local Option						
Sales Tax - 2006						
Waste water treatment improvement Project	9,725,000	-	6,568,839	700,437	7,269,276	75%
Streets and drainage project	2,000,000	-	1,707,258	56,383	1,763,641	88%
	\$ 11,725,000	\$ -	\$ 8,276,097	\$ 756,820	\$ 9,032,917	
Special Purpose Local Option						
Sales Tax - 2013						
Wastewater treatment plant upgrades, refurbishment, renovation and expansion, including associated equipment requirements	7,891,000	-	-	624,000	624,000	8%
Road, bridge and drainage projects and associated public works equipment	2,000,000	-	-	28,730	28,730	1%
Joint Project - facility upgrades to existing City of Moultrie recreational facilities	1,500,000	-	-	44,398	44,398	3%
	\$ 11,391,000	\$ -	\$ -	\$ 697,128	\$ 697,128	

See independent auditors' report.