

City of Moultrie, Georgia

ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2016



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Annual Financial Report
For the Year Ended September 30, 2016
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**City of Moultrie, Georgia
Principal Officials
For the Year Ended September 30, 2016**

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

Peter F. Dillard, City Manager

Gary McDaniel, Finance Director



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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council
City of Moultrie
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, 2016, 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.

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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 to 24 and the Required Supplementary Information on pages 91 to 92 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.

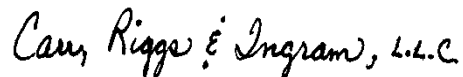
The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing 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 and schedules 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 March 29, 2017, on our consideration of the City of Moultrie, Georgia's internal control over financial reporting. The purpose of that report is to describe the scope of our testing of internal control over financial reporting, and not to provide an opinion on internal control over financial reporting. 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.



Carr, Riggs & Ingram, LLC
Certified Public Accountants
March 29, 2017

City of Moultrie, Georgia

Management's Discussion and Analysis

September 30, 2016

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, 2016. 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 \$126.9 million in total assets of which \$78.64 million are capital assets.
- The City has \$29.18 million in total liabilities of which \$24.38 million are long-term.
- The City's net position at the close of the most recent fiscal year was \$98.30 million (net assets). Of this amount, \$31.56 million (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors while \$59.70 million is invested in capital assets net of related debt.
- The City's total net assets increased by \$8.89 million this year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9 million, a decrease of \$1.8 million in comparison with the prior year. Of this amount \$5.28 million was from the General Fund, a \$1.51 million increase from the prior year. This improvement was a combination of reduced expenditures, increased revenues and the issuance of long term debt.
- The City's long-term liabilities increased by \$4.28 million during the current fiscal year as a result of the increased debt on the new Sewer Plant.

• **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 assets* 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?

City of Moultrie, Georgia

Management's Discussion and Analysis

September 30, 2016

The *statement of net assets* presents information on all the City's assets and liabilities, with the difference between the two reported as net assets. The statement is a tool to measure the City's financial health or financial position. Over time, increases or decreases in net assets 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.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets 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*

City of Moultrie, Georgia
Management's Discussion and Analysis
September 30, 2016

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 six (6) 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 only, because it is considered to be a major fund. 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.

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.



City of Moultrie, Georgia
Management's Discussion and Analysis
September 30, 2016

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.

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.

City of Moultrie, Georgia
Management's Discussion and Analysis
September 30, 2016

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 Assets Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances		Statement of Net Assets Statement of Revenues, Expenditures, and Changes in Net Assets Statement of Cash Flows	Statement of Fiduciary Net Assets Statement of Changes in Fiduciary Net Assets
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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Condensed Statement of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$98.30 million at the close of the most recent fiscal year.

A large portion of the City's net assets (60.07%) 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 \$31.56 million or 32.11% in unrestricted net assets.

City of Moultrie, Georgia
Management's Discussion and Analysis
September 30, 2016

Table 2 below presents the City's condensed statement of net assets as of September 30, 2016 and 2015

Table 2
Condensed Statement of Net Assets

<i>September 30,</i>	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 14,343,328	\$ 15,205,550	\$33,957,866	\$39,451,137	\$48,301,194	\$54,656,687
Capital assets	23,221,775	23,413,665	55,413,500	38,958,762	78,635,275	62,372,427
Deferred outflows of resources	3,508,039	-	890,365	186,542	4,398,404	186,542
Total assets and deferred outflows	41,073,142	38,619,215	90,261,731	78,596,441	131,334,873	117,215,656
Other liabilities	1,649,048	1,324,255	3,155,780	3,504,791	4,804,828	4,829,046
Long-term liabilities	5,215,456	1,140,240	19,200,916	23,833,988	24,416,372	24,974,228
Deferred inflows of resources	3,820,228	3,262,553	-	-	3,820,228	3,262,553
Total liabilities and deferred inflows	10,684,732	5,727,048	22,356,696	27,338,779	33,041,428	33,065,827
Net position:						
Net investment in capital assets	22,382,180	22,895,923	37,313,598	15,664,601	59,695,778	38,560,524
Restricted	7,038,815	8,202,150	-	-	7,038,815	8,202,150
Unrestricted	967,415	1,794,094	30,591,437	35,593,061	31,558,852	37,387,155
Total net position	\$ 30,388,410	\$ 32,892,167	\$67,905,035	\$51,257,662	\$98,293,445	\$84,149,829

Net Assets may serve over time as a useful indicator of a government's financial position. The City's combined net assets exceed liabilities by \$98.30 million for 2016 as compared to \$89.40 million for 2015 for an increase of 8.89 million. Of this amount, \$67.91 million came from business-type activities and \$30.39 million came from governmental activities.

An additional portion of the City's net assets (7.16%) or \$7.04 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$31.56 million) may be used to meet the City's ongoing obligations to citizens and creditors. This is a decrease of \$2.74 million or 8.7%.



City of Moultrie, Georgia
Management's Discussion and Analysis
September 30, 2016

For governmental activities, the City reported a balance of \$973 thousand in unrestricted net assets. This is a decrease of \$1.10 million from 2015 due to pension fund liabilities. The business-type activities unrestricted net assets were \$30.59 million, a decrease of 1.63 million from 2015 due to investment in capital assets and pension fund liability.

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

Condensed Statement of Activities

Table 3 below presents the City's condensed statement of activities for the years ended September 30, 2016 and 2015. Over time, increases or decreases in net assets measure whether the City's financial position is improving or deteriorating.

City of Moultrie, Georgia
Management's Discussion and Analysis
September 30, 2016

Table 3
Condensed Statement of Activities

<i>Year ended September 30,</i>	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues:						
Charges for services	\$ 1,248,926	\$ 1,006,659	\$ 43,871,346	\$ 43,960,470	\$ 45,120,272	\$ 44,967,129
Operating grants and contributions	687,254	716,145	1,939,042	98,810	2,626,296	814,955
Capital grants and contributions	2,047,075	1,972,749	4,142,257	1,365,885	6,189,332	3,338,634
General revenues:						
Property taxes	3,977,614	4,024,185	-	-	3,977,614	4,024,185
Sales taxes	317,522	305,233	-	-	317,522	305,233
Other taxes	1,843,073	1,690,073	-	-	1,843,073	1,690,073
Payments in lieu of taxes	28,164	28,164	-	-	28,164	28,164
Investment income	24,336	34,398	236,349	790,805	260,685	825,203
Other revenues	162,226	239,308	74,499	43,066	236,725	282,374
Total revenues	10,336,190	10,016,914	50,263,493	46,259,036	60,599,683	56,275,950
Expenses						
Governmental activities:						
General government	2,808,070	2,900,243	-	-	2,808,070	2,900,243
Public safety	6,100,039	6,839,870	-	-	6,100,039	6,839,870
Public works	6,195,224	3,140,738	-	-	6,195,224	3,140,738
Parks and recreation	1,527,364	1,230,638	-	-	1,527,364	1,230,638
Community development	328,367	311,662	-	-	328,367	311,662
Interest on long-term debt	32,513	17,772	-	-	32,513	17,772
Business-type activities:						
Water & sewer	-	-	4,640,590	4,946,711	4,640,590	4,946,711
Electric revenue	-	-	20,928,497	21,076,559	20,928,497	21,076,559
Gas revenue	-	-	1,515,707	1,859,456	1,515,707	1,859,456
Cable TV	-	-	4,285,067	4,637,299	4,285,067	4,637,299
Solid waste	-	-	2,264,051	2,222,722	2,264,051	2,222,722
Airport	-	-	212,269	613,487	212,269	613,487
Telecomm	-	-	939,130	965,097	939,130	965,097
Telephony	-	-	192,923	192,587	192,923	192,587
Mass transit	-	-	56,541	62,308	56,541	62,308
Total expenses	16,991,577	14,440,923	35,034,775	36,576,226	52,026,352	51,017,149
Increase (decrease) in net position before transfers	(6,655,387)	(4,424,009)	15,228,718	9,682,810	8,573,331	5,258,801
Transfers	4,109,102	4,155,053	(4,109,102)	(4,155,053)	-	-
Increase (decrease) in net position	(2,546,285)	(268,956)	11,119,616	5,527,757	8,573,331	5,258,801
Net position, beginning (restate)	32,940,654	32,892,167	56,785,419	51,257,662	89,726,073	84,149,829
Net position, ending	\$ 30,394,369	\$ 32,623,211	\$ 67,905,035	\$ 56,785,419	\$ 98,299,404	\$ 89,408,630

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September 30, 2016

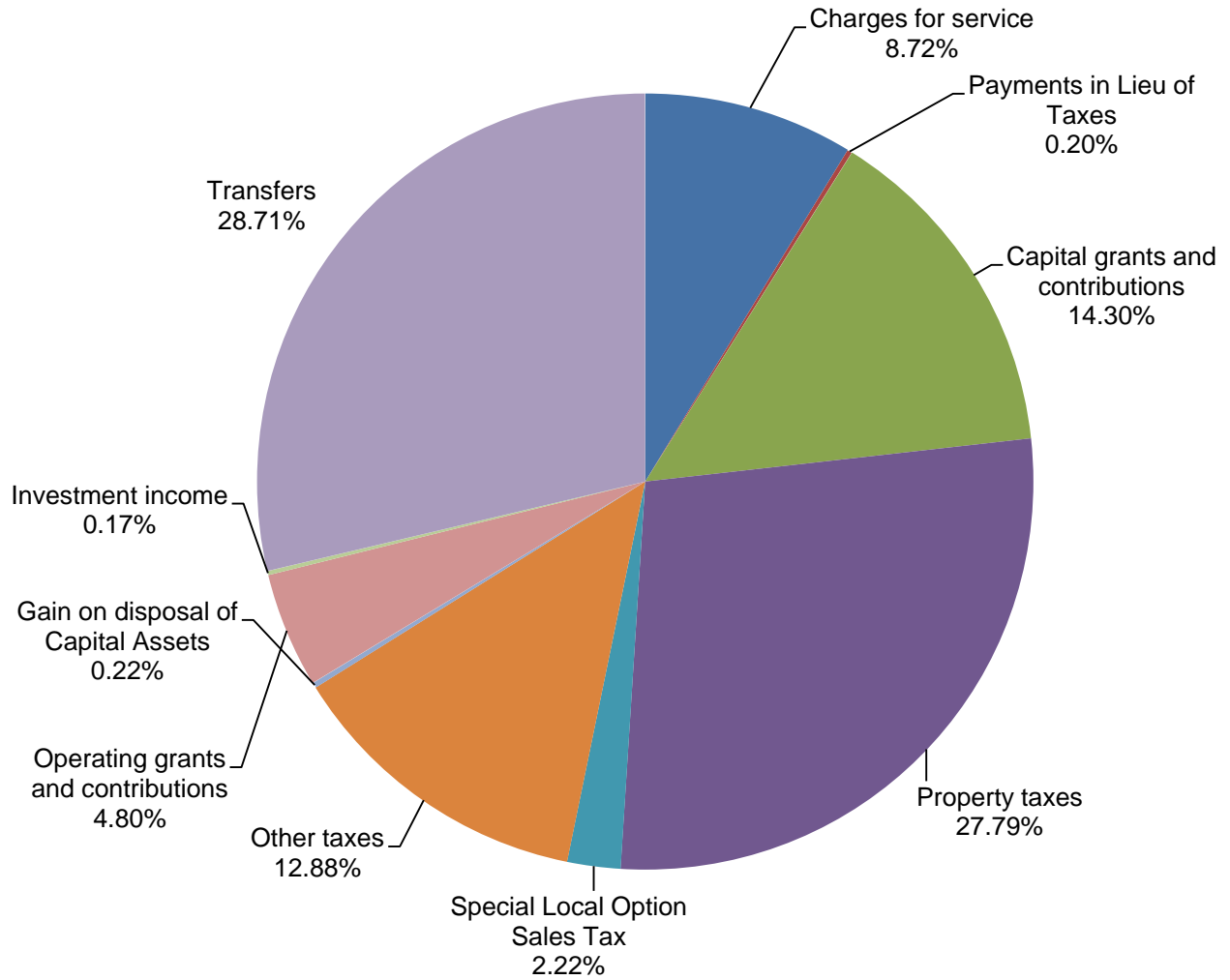
Governmental activities during the fiscal year ended September 30, 2016 decreased the City's net position by \$2.55 million. Business-type activities during the same period increased net position by \$11.086 million. The net change in net position was an increase of \$8.54 million. The table above shows the revenues and expenses by activity for the total primary government. This table shows total 2016 revenues from governmental activities at \$10.34 million while expenses were \$16.99 million. Business-type activities total revenues for 2016 were \$50.26 million while expenses were \$35.67 million. The largest revenue source for governmental activities comes from transfers from business-type activities of \$4.11 million, which is 28.4% of the total governmental activity funding. Property taxes are the next largest governmental activity revenue source at \$3.98 million or 27.5%. Capital Grants and contributions are the third largest governmental activity revenue source at \$2.05 million or 14.17%. Revenues from Other Taxes are the fourth largest governmental activity revenue source at \$1.84 million or 12.76%. Business-type activities program revenues exceeded expenses by \$15.195 million before internal transfers to support the governmental activities.

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 28.71% of the funding for the primary government. The second largest source of funding, Property taxes provided 27.79% of governmental revenues. Capital Grants and Contributions revenues provided 14.30% of the governmental activities funding in 2016. Transfers from business-type activities and Property Taxes provide the greatest funding sources for the governmental activities. Both of these sources decreased in 2016. The majority of funding for capital projects comes from Special local option sales taxes and without this funding there would be few capital projects completed. For the year ended September 30, 2016, transfers were \$4.10 million, a decrease of \$45.9 thousand from \$4.155 million in the year ended September 30, 2015. This decrease is a step to reduce the transfer of business type funding for the General fund.

Governmental Activities - Revenues by Source

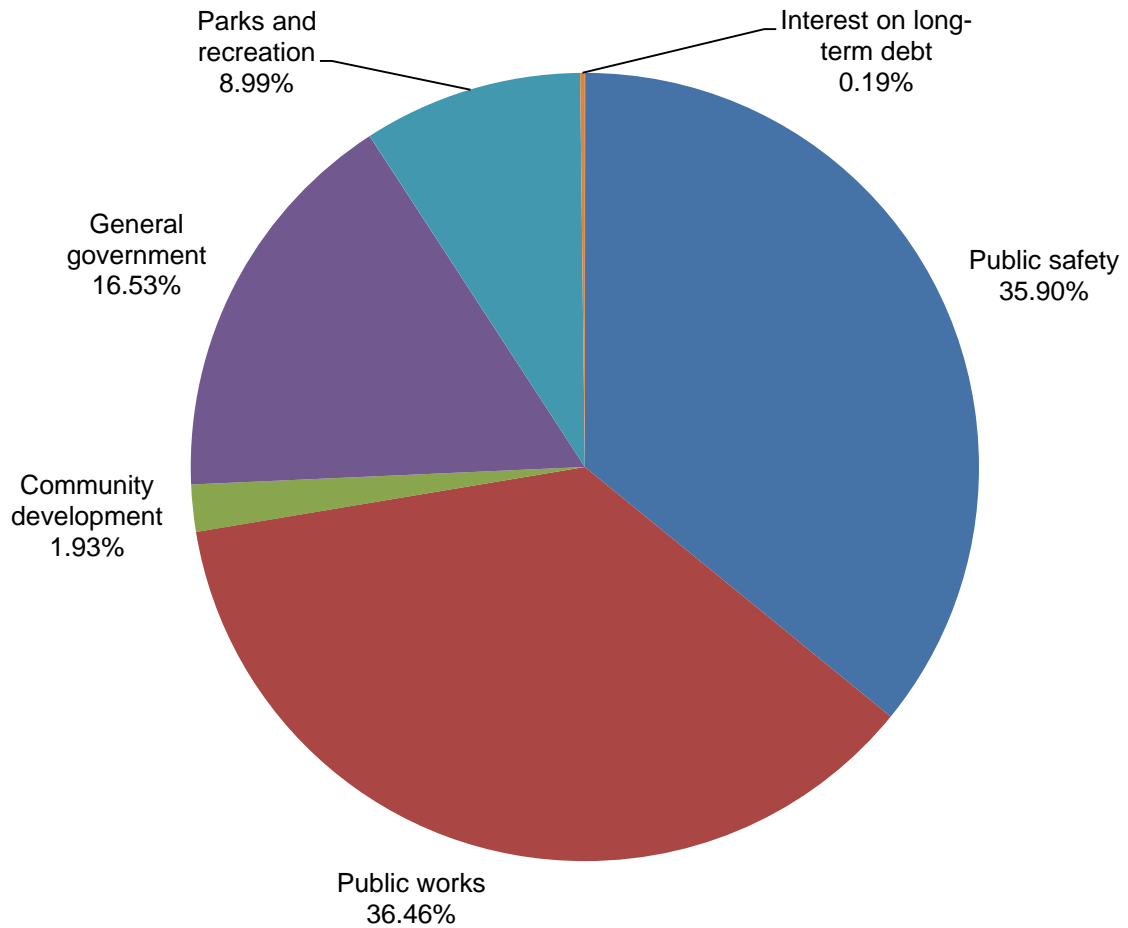


City of Moultrie, Georgia
Management's Discussion and Analysis
September 30, 2016

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 Works at \$6.20 million or 36.46% in 2016. This increase was primarily due to public works equipment purchases and the new Sewer plant construction funded by SPLOSTS funds. The next largest governmental expense was for Public Safety at \$6.1 million or 35.90%. A major part of the expenses for all the governmental sources is in personnel cost of salaries and benefits which includes the ever increasing cost of providing Health care to its employees. The Purchase of Public Works and Recreation capital equipment in addition to the construction costs of the new Sewer plant added to the costs. Capital Leases for General Fund equipment purchase help to reduce the initial impact on capital costs not funded through SPLOST funds or grants.

Governmental Activities - Expenses by Source



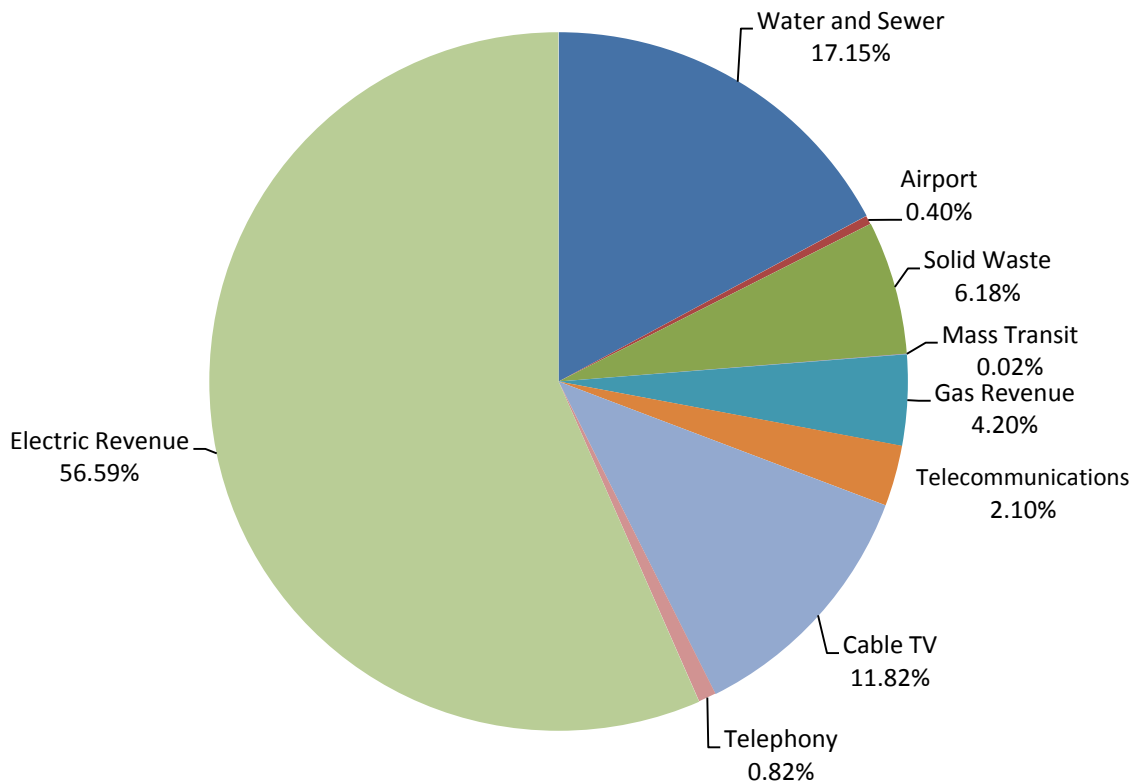
City of Moultrie, Georgia
Management's Discussion and Analysis
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Program Revenues and Expenses for Business-Type Activities

Business-Type Activities – Revenues by Source

The business-type activities largest revenue source is from the Electric Fund. By far, more revenues (59.15%) or \$25.95 million is 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 13.55% or \$5.95 million.

Business-Type Activities - Revenues by Source

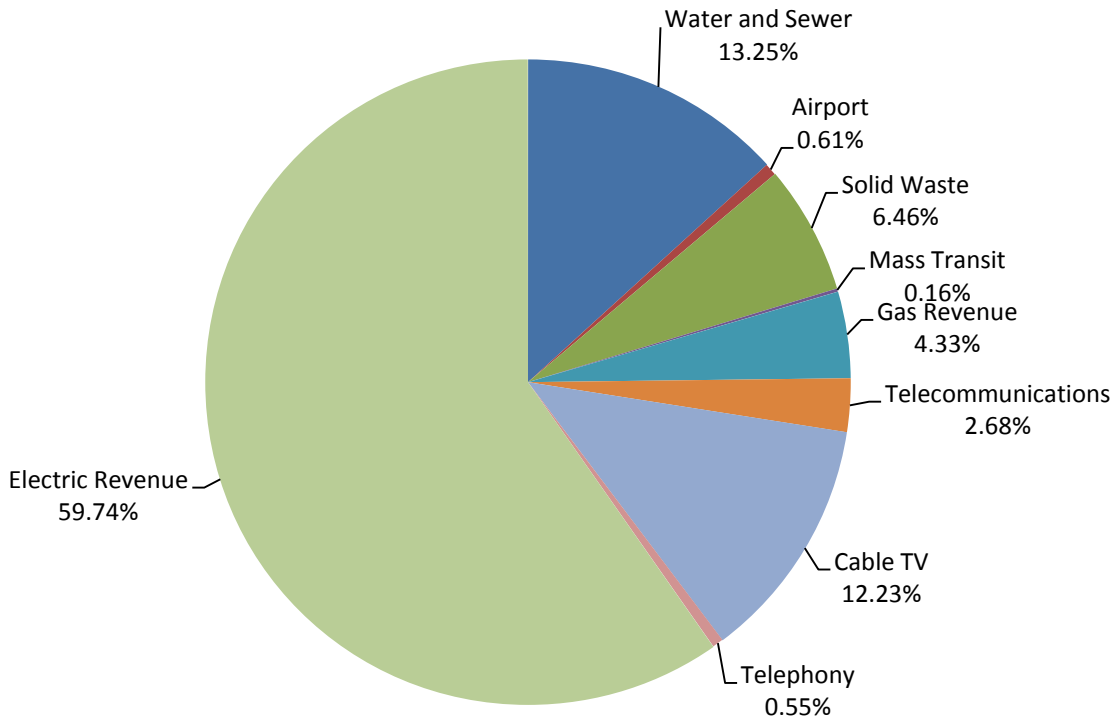


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Business-Type Activities – Expenses by Source

As expected, the Electric Fund also has the largest amount of expenses at 59.78% or \$20.928 million, but it generated net income of \$5.02 million before its transfers to governmental activities. The Water and Sewer Fund generated net income of 7.39 million before transfers including revenues from operating and Capital grants but had the second largest amount of expenses at \$4.64 million. It is these two funds that provide the largest portion of the transfers to the Governmental funds.

Business-Type Activities - Expenses by Source



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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, 2016, the General Fund had a fund balance of \$5.28 million. This is an increase of \$1.51 million from the beginning fund balance as of October 1, 2015. The increase in the fund balance was due to several factors. General fund expenditures were \$401 thousand less than 2015 primarily due to a reduction in Public Safety and Public Works expenses. Revenues were \$170.8 thousand more due to increases in Licenses and permits, Intergovernmental revenues, and other revenues.

At September 30, 2016, the SPLOST Fund had a fund balance of \$2.44 million. This is a decrease of \$3.355 million from the beginning fund balance as of October 1, 2015. This decrease in the fund balance was due to expenditures for approved Public Works, New Sewer Plant Construction and Recreation projects. The fund balance of the other governmental funds increased by \$32 thousand to \$1.276 million primarily due to reduced grant expenditures. The final fund balance for all these funds was \$9.0 million which is a decrease of \$1.8 million from 2015 due mainly to increased expenditures on SPLOST funded projects.

Proprietary Funds

The Proprietary Funds, which include the City's Water & Sewer Fund, Electric Fund, and Cable TV Fund, and the non-major 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 \$14.60 million for the year ended September 30, 2016. Total combined assets increased by \$7.39 million to \$107.63 million due to construction of the new sewer plant and total net position increased by 11.13 million from \$56.78 to \$67.91 million.

The Water and Sewer Fund had an ending cash balance of \$11.509 million after accounting for funds owed to the Electric, Gas and Other Enterprise Funds and expenditures for the acquisition and construction of the new sewer plant and payments on the long term debt related to this construction at September 30, 2016. The total net position in this fund increased by \$7.14 million from \$18.97 to 26.11 million in 2016.

The Electric Fund had a \$383 thousand ending cash balance after accounting for funds owed from the Water and Gas funds and transfers to the General Fund. This was an increase of \$87 thousand from 2015. It also had investments of \$8.58 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. The Electric Fund has kept property taxes level by its transfer of a large part of its



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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 \$1.41 million which is an increase of \$673 thousand from the beginning cash balance even though there were increasing programming costs, expansion of the system and improvements and necessary equipment upgrades at the central head end. With the final bond payment this year this fund should show improvement and no longer need to borrow funds from the Electric Fund to fund operations and bond payments.

The combined cash balance of the non-major propriety funds at the end of the year was \$1.29 million. This is an increase of \$448 thousand from the beginning cash balance. The increase is due to increased operating revenues and non-operating income within these funds.

City of Moultrie, Georgia
Management's Discussion and Analysis
September 30, 2016

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 2016 related to the transfer of budgeted amounts between departments and did not result in additional appropriations.

The actual revenues of the General Fund were more than the final budgeted amounts by \$538 thousand for the year ended September 30, 2016 while actual expenditures were \$1.517 million less than budgeted for the same period. The major factors contributing to the expenditure difference were reduced actual Public Works expenditures of 591 thousand and Public Safety expenditures of 560 thousand and General Government expenses of 281 thousand. The actual combined revenue and expenditures translated into a \$1.514 million increase in fund balance more than was budgeted for 2016.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2016, governmental activities and business-type activities had capital assets of \$78.64 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 \$427 thousand from 2015 due to the disposal of vehicles and equipment and accumulated depreciation of existing assets while limiting the purchase of new vehicles and equipment. The net capital assets from business-type activities increased by \$8.3 million from the prior year due to the continued construction of the new sewer plant.

Additional information on the City's capital assets can be found in Note 6 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, 2016, the City had \$5.16 million in outstanding long-term liabilities related to governmental activities of which 4.22 million was due to the new requirement of including the City's net pension liability. The City also had \$19.2 million of long-term liabilities related to business-type activities for a total of \$24.38 million compared to the previous year's total of \$28.67 million. This is a total combined decrease of 4.29 million.

City of Moultrie, Georgia
Management's Discussion and Analysis
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The City's component unit also had \$1.955 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 April of 2017 at which time the property will be deeded to the Post office upon payoff of the bond on the Post office. 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.

Additional information on the City's long-term debt can be found in Note 7 of the Notes to Financial Statements.

FACTORS AFFECTING THE 2016 BUDGET

The Mayor and Council of the City of Moultrie are faced with opportunities and challenges when approving the City's budget each year and this will not change in the coming years. The Nation's economy seems to be growing at a faster pace than previous years which will hopefully encourage growth in South Georgia and the City of Moultrie. Health care costs continue to rise and place an increasing burden on the City's self-funded Health Insurance costs. At the same time property and workers compensation insurance premiums are rising at an ever increasing rate. Personnel costs are the greatest cost of the City's operating budget. 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.

Actual General Fund expenditures decreased \$401 thousand from 2015 while actual revenues increased by \$171 thousand which increased the ending fund balance by \$1.51 million from 3.77 million in 2015 to \$5.29 million this year. With the General Fund's financial condition continuing to improve it's rating on its bonds should remain at an A Stable Rating.

There was also \$1.87 million in Special Local Option Sales Tax proceeds collected in 2016, but these revenues are restricted for special projects and cannot be used for regular governmental operations. Even with the improved status of the General Fund Mayor and Council and City Staff will continue to have to search for other revenue sources in the coming years as well as find ways to reduce governmental expenditures with the least amount of reduction in services delivered. Also the construction of two additional units at Plant Vogtle will add additional costs to the City's Electric fund while reducing investment in the City's Electric Reserves which has up to now helped to maintain the transfer from the Electric Fund to the General Fund.

The use of capital leases and funding from grants and SPLOST for capital projects have funded projects that could not have been funded through operations. Reductions in overall governmental expenditures, including personnel costs, will be necessary in coming years to truly achieve the spending levels that can be funded by the present revenues available.



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Management's Discussion and Analysis
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The proposed sale of the City's Cable TV system to the South Georgia Governmental Service Authority will provide funding to pay off most of the outstanding internal loan between the Cable TV Fund and the Electric Fund as well as providing continued revenues from the City's ownership in the Authority in future years.

Although the City's present financial position is sound, City Staff as well as Mayor and Council will continue to have to make the tough decisions to maintain the City in Future years.

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

City of Moultrie, Georgia
Statement of Net Position
For the Year Ended September 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
ASSETS				
Cash and cash equivalents	\$ 11,493,596	\$ 14,143,157	\$ 25,636,753	\$ 88,859
Investments	-	8,584,551	8,584,551	-
Accounts receivable, net	576,274	4,203,903	4,780,177	-
Property tax receivable	3,687,380	-	3,687,380	-
Inventories	105,141	1,339,317	1,444,458	-
Other current assets	272,798	167,132	439,930	4,361
Due from other governments	-	-	-	-
Due from component unit	-	235,000	235,000	-
Internal balances	(3,214,057)	3,214,057	-	-
Restricted assets:				
Cash and cash equivalents	749,216	453,007	1,202,223	331,449
Investments	-	661,738	661,738	-
Sales tax receivable	447,766	-	447,766	-
Program receivables	225,214	-	225,214	-
Investment in SGBDA	-	956,004	956,004	-
Other noncurrent assets	-	-	-	73,368
Capital assets:				
Land	1,394,670	1,209,382	2,604,052	709,191
Construction in progress	-	19,922,929	19,922,929	-
Other capital assets, net of accumulated depreciation	21,827,105	34,281,189	56,108,294	1,390,618
Total assets	\$ 37,565,103	\$ 89,371,366	\$ 126,936,469	\$ 2,597,846
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension cost	\$ 3,508,039	\$ 890,365	\$ 4,398,404	\$ -
Deferred charge on refunding	-	-	-	6,824
Total deferred outflows of resources	\$ 3,508,039	\$ 890,365	\$ 4,398,404	\$ 6,824

The accompanying footnotes are an integral part of these financial statements.

City of Moultrie, Georgia
Statement of Net Position
For the Year Ended September 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
LIABILITIES				
Accounts payable	\$ 1,419,668	\$ 2,197,029	\$ 3,616,697	\$ 14,990
Accrued expenses	89,982	91,688	181,670	41,130
Lines of credit	-	-	-	-
Customer deposits	-	865,621	865,621	-
Due to other governments	139,398	1,442	140,840	-
Due to primary government	-	-	-	235,000
Short-term notes payable	-	-	-	-
Long-term liabilities:				
Net pension liability	4,257,040	1,080,465	5,337,505	-
Due within one year	259,832	1,762,496	2,022,328	280,000
Due in more than one year	698,584	16,357,955	17,056,539	1,675,000
Total liabilities	6,864,504	22,356,696	29,221,200	2,246,120
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	3,820,228	-	3,820,228	-
NET POSITION				
Net investment in capital assets	22,382,180	37,313,598	59,695,778	-
Restricted for:				
Debt service	-	-	-	-
Capital projects	6,026,757	-	6,026,757	-
Public services	1,012,058	-	1,012,058	-
Unrestricted (deficit)	967,415	30,591,437	31,558,852	358,550
Total net position	\$ 30,388,410	\$ 67,905,035	\$ 98,293,445	\$ 358,550

The accompanying footnotes are an integral part of these financial statements.

City of Moultrie, Georgia
Statement of Activities
For the Year Ended September 30, 2016

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	\$ 2,814,029	\$ 1,037,137	\$ 74,293	\$ 1,867,775	\$ 165,176
Public safety	6,100,039	35,384	845	11,160	(6,052,650)
Public works	6,195,224	-	-	144,715	(6,050,509)
Parks and recreation	1,527,364	176,405	612,116	-	(738,843)
Community development	328,367	-	-	23,425	(304,942)
Elections	-	-	-	-	-
Interest on long-term debt	32,513	-	-	-	(32,513)
Total governmental activities	16,997,536	1,248,926	687,254	2,047,075	(13,014,281)
Business-type activities:					
Water and sewer	4,640,590	5,946,206	1,939,042	4,142,257	7,386,915
Electric revenue	20,928,497	25,949,297	-	-	5,020,800
Gas revenue	1,515,707	1,916,490	-	-	400,783
Cable TV	4,285,067	5,371,331	-	-	1,086,264
Solid waste	2,264,051	2,817,091	-	-	553,040
Airport	212,269	185,474	-	-	(26,795)
Telecomm	939,130	1,298,610	-	-	359,480
Telephony	192,923	378,722	-	-	185,799
Mass transit	56,541	8,125	-	-	(48,416)
Total business-type activities	35,034,775	43,871,346	1,939,042	4,142,257	14,917,870
Total primary government	\$ 52,032,311	\$ 45,120,272	\$ 2,626,296	\$ 6,189,332	\$ 1,903,589
Component unit:					
Downtown Development Authority	314,434	\$ 403,409	\$ -	\$ -	\$ 88,975

The accompanying footnotes are an integral part of these financial statements.

City of Moultrie, Georgia
Statement of Activities
For the Year Ended September 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
Change in net position:				
Net (expense) revenue	\$ (13,014,281)	\$ 14,917,870	\$ 1,903,589	\$ 88,975
General revenues:				
Taxes:				
Property taxes	3,977,614	-	3,977,614	-
Sales taxes	317,522	-	317,522	-
Other taxes	1,843,073	-	1,843,073	-
Payments in lieu of taxes	28,164	-	28,164	-
Investment income	24,336	236,349	260,685	346
Gain on disposal of capital assets	31,698	74,499	106,197	-
Other revenues	130,528	-	130,528	-
Transfers	4,109,102	(4,109,102)	-	-
Total general revenues and transfers	10,462,037	(3,798,254)	6,663,783	346
Change in net position	(2,552,244)	11,119,616	8,567,372	89,321
Net position, beginning of year (restated)	32,940,654	56,785,419	89,726,073	269,229
Net position, end of year	\$ 30,388,410	\$ 67,905,035	\$ 98,293,445	\$ 358,550

The accompanying footnotes are an integral part of these financial statements.

City of Moultrie, Georgia
Balance Sheet – Governmental Funds
September 30, 2016

	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 8,392,800	\$ 2,706,177	\$ 247,631	\$ 11,346,608
Investments	-	-	-	-
Accounts receivable, net	331,764	-	46,337	378,101
Property tax receivable	3,687,380	-	-	3,687,380
Inventories	87,766	-	-	87,766
Other current assets	257,682	-	1,347	259,029
Due from other funds	6,314,331	-	16,449	6,330,780
Restricted assets:				
Cash and cash equivalents	-	-	749,216	749,216
Investments	-	-	-	-
Sales tax receivable	177,458	270,308	-	447,766
Program receivables	-	-	225,214	225,214
Total assets	\$ 19,249,181	\$ 2,976,485	\$ 1,286,194	\$ 23,511,860
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 816,295	\$ 537,331	\$ 2,479	\$ 1,356,105
Accrued expenses	74,518	-	1,422	75,940
Due to other governments	139,398	-	-	139,398
Due to other funds	8,332,456	-	6,044	8,338,500
Advance from other funds	777,754	-	-	777,754
Notes payable	-	-	-	-
Total liabilities	10,140,421	537,331	9,945	10,687,697
Deferred Inflows of Resources				
Unavailable revenue - property taxes	3,687,380	-	-	3,687,380
Unavailable revenue - other income	132,848	-	-	132,848
Total deferred inflows of resources	3,820,228	-	-	3,820,228
Fund balances				
Nonspendable:				
Inventories	87,766	-	-	87,766
Prepaid insurance	277,176	-	1,347	278,523
Restricted for:				
Debt service	-	-	-	-
Community development	-	-	1,248,297	1,248,297
Public safety	-	-	26,605	26,605
Capital projects	-	2,439,154	-	2,439,154
Unassigned, reported in:				
General fund	4,923,590	-	-	4,923,590
Capital projects funds	-	-	-	-
Special revenue funds	-	-	-	-
Total fund balances (deficit)	5,288,532	2,439,154	1,276,249	9,003,935
Total liabilities, deferred inflows of resources and fund balances	\$ 19,249,181	\$ 2,976,485	\$ 1,286,194	\$ 23,511,860

The accompanying footnotes are an integral part of these financial statements.

City of Moultrie, Georgia
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Position
September 30, 2016

Total governmental fund balances \$ 9,003,935

Amounts reported for governmental activities in the statement of activities are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds. 23,221,775

Long-term liabilities and related deferred costs are not due and payable in the current period and therefore are not reported in the funds:

Capital leases	(839,595)
Compensated absences	(118,821)
Net pension liability	(3,728,763)
Deferred pension cost	3,072,709
Other	729

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. (223,559)

Net position of governmental activities \$ 30,388,410

City of Moultrie, Georgia
Statement of Revenues, Expenditures, and
Changes in Fund Balances – Governmental Funds
For the Year Ended September 30, 2016

	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 3,977,614	\$ -	\$ -	\$ 3,977,614
Local option sales taxes	-	-	-	-
Other taxes	1,843,073	-	317,522	2,160,595
Licenses and permits	830,625	-	-	830,625
Fines and forfeitures	95,396.00	-	1,768	97,164
Charges for services	307,309	-	13,828	321,137
Investment income	11,583	2,693	12,753	27,029
Intergovernmental	796,155	1,868,417	24,270	2,688,842
Other revenues	176,102	-	25,384	201,486
Total revenues	8,037,857	1,871,110	395,525	10,304,492
Expenditures				
Current:				
General government	2,713,682	-	-	2,713,682
Public safety	5,928,627	-	3,083	5,931,710
Public works	1,595,343	-	-	1,595,343
Parks and recreation	1,324,042	-	-	1,324,042
Community development	-	-	346,590	346,590
Capital outlays	-	4,339,436	6,475	4,345,911
Debt service:				
Principal	247,470	-	-	247,470
Interest	32,513	-	-	32,513
Total expenditures	11,841,677	4,339,436	356,148	16,537,261
Excess (deficiency) of revenues over expenditures	(3,803,820)	(2,468,326)	39,377	(6,232,769)
Other Financing Sources (Uses)				
Transfers	5,003,565	(886,963)	(7,500)	4,109,102
Sale of capital assets	31,698	-	-	31,698
Long term debt issued	283,029	-	-	283,029
Other	-	-	-	-
Total other financing sources (uses)	5,318,292	(886,963)	(7,500)	4,423,829
Net change in fund balances	1,514,472	(3,355,289)	31,877	(1,808,940)
Fund balances (deficit), beginning of year	3,774,060	5,794,443	1,244,372	10,812,875
Fund balances (deficit), end of year	\$ 5,288,532	\$ 2,439,154	\$ 1,276,249	\$ 9,003,935

The accompanying footnotes are an integral part of these 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, 2016

Net change in fund balances - total governmental funds \$ (1,808,940)

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	688,271
Proceeds from disposal of capital assets	(31,698)
Gain from disposal of capital assets	31,698
Depreciation expense	(1,433,338)

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	(283,029)
Debt payments made	247,469

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.

Pension cost	6,654
Increase in compensated absences	(22,570)
Other	729

An internal service fund is used by management to charge the costs of the City's services to	52,510
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Change in net position of governmental activities	\$ (2,552,244)
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The accompanying footnotes are an integral part of these 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, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Property taxes	3,899,317	\$ 3,899,317	\$ 3,977,614	\$ 78,297
Local option sales taxes	-	-	-	-
Other taxes	1,711,500	1,711,500	1,843,073	131,573
Licenses and permits	728,000	728,000	830,625	102,625
Fines and forfeitures	-	-	95,396	95,396
Charges for services	235,124	235,124	307,309	72,185
Investment income	19,000	19,000	11,583	(7,417)
Intergovernmental	710,088	710,088	796,155	86,067
Other revenues	197,054	197,054	176,102	(20,952)
Total revenues	7,500,083	7,500,083	8,037,857	537,774
Expenditures				
Current:				
General government				
City council	907,243	907,243	783,364	123,879
City manager	246,306	272,806	260,912	11,894
Finance	335,949	335,949	322,644	13,305
Purchasing	143,814	148,266	133,257	15,009
Legal	-	-	-	-
Information systems	-	-	-	-
Municipal court	-	-	-	-
Human resources	209,395	212,995	214,409	(1,414)
Health claims administration	526,329	526,329	463,256	63,073
City hall	214,817	214,817	206,973	7,844
Main street program	-	-	-	-
Engineering	377,079	377,079	328,867	48,212
Garage	-	-	-	-
Total general government	2,960,932	2,995,484	2,713,682	281,802
Public Safety				
Police	3,309,333	3,363,933	3,099,904	264,029
Fire	2,859,981	2,859,981	2,591,749	268,232
Planning and zoning	264,846	264,846	236,974	27,872
Total public safety	6,434,160	6,488,760	5,928,627	560,133

The accompanying footnotes are an integral part of these 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, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Public works				
Office of the director	306,617	302,165	285,382	16,783
Streets and sidewalks	1,884,619	1,884,619	1,309,961	574,658
Beautification	-	-	-	-
Total public works	2,191,236	2,186,784	1,595,343	591,441
Parks and recreation				
Recreation	1,406,782	1,406,782	1,299,351	107,431
Parks and cemetery	-	-	24,691	(24,691)
Northwest Community Center	-	-	-	-
Total parks and recreation	1,406,782	1,406,782	1,324,042	82,740
Debt service:				
Principal	245,743	245,743	247,470	(1,727)
Interest	36,100	36,100	32,513	3,587
Total expenditures	13,274,953	13,359,653	11,841,677	1,517,976
Excess (deficiency) of revenues over expenditures	(5,774,870)	(5,859,570)	(3,803,820)	2,055,750
Other Financing Sources (Uses)				
Transfers	5,116,056	5,116,056	5,003,565	(112,491)
Sale of capital assets	-	-	31,698	31,698
Long term debt issued	-	-	283,029	283,029
Other	-	-	-	-
Total other financing sources (uses)	5,116,056	5,116,056	5,318,292	202,236
Net change in fund balances	(658,814)	(743,514)	1,514,472	2,257,986
Fund balances, beginning of year	3,774,060	3,774,060	3,774,060	-
Fund balances, end of year	\$ 3,115,246	\$ 3,030,546	\$ 5,288,532	\$ 2,257,986

The accompanying footnotes are an integral part of these financial statements.

City of Moultrie, Georgia
Statement of Net Position – Proprietary Funds
September 30, 2016

	Business Type Activities - Enterprise Funds				Total	Governmental
	Water and Sewer Fund	Electric Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds		Activity Internal Service Fund
Assets						
Current assets						
Cash and cash equivalents	\$ 11,509,102	\$ 100	\$ 1,413,713	\$ 1,220,242	\$ 14,143,157	\$ 146,988
Investments	-	8,584,551	-	-	8,584,551	-
Restricted assets - investments	-	-	-	-	-	-
Accounts receivable, net	698,644	2,432,438	624,554	448,267	4,203,903	198,173
Due from other funds	27,877	7,131,766	31,364	6,729,426	13,920,433	6,220,676
Advance to other funds	-	7,552,186	-	-	7,552,186	-
Due from component unit	235,000	-	-	-	235,000	-
Inventories	211,577	941,091	97,307	89,342	1,339,317	17,375
Other current assets	22,947	21,986	7,214	114,985	167,132	13,769
Total current assets	12,705,147	26,664,118	2,174,152	8,602,262	50,145,679	6,596,981
Non - current assets						
Investment in SGBDA	-	-	956,004	-	956,004	-
Restricted assets - cash	-	382,674	-	70,333	453,007	-
Restricted assets - investments	661,738	-	-	-	661,738	-
Capital assets:					-	
Land	80,027	1,112,569	-	16,786	1,209,382	-
Construction in progress	19,922,929	-	-	-	19,922,929	-
Other capital assets, net of accumulated depreciation	18,421,578	5,835,419	5,113,435	4,910,757	34,281,189	-
Total non - current assets	39,086,272	7,330,662	6,069,439	4,997,876	57,484,249	-
Total assets	51,791,419	33,994,780	8,243,591	13,600,138	107,629,928	6,596,981
Deferred Outflows of Resources						
Deferred pension cost	-	475,602	-	414,763	890,365	435,330
Deferred charge on refunding	-	-	-	-	-	-
Total deferred outflows of resources	-	475,602	-	414,763	890,365	435,330

City of Moultrie, Georgia
Statement of Net Position – Proprietary Funds
September 30, 2016

	Business Type Activities - Enterprise Funds				Total	Governmental
	Water and Sewer Fund	Electric Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds		Activity Internal Service Fund
Liabilities						
Current liabilities						
Accounts payable	38,666	1,635,378	203,112	319,873	2,197,029	63,563
Accrued expenses	70,042	10,895	-	10,751	91,688	14,042
Lines of credit	-	-	-	-	-	-
Short - term notes payable	-	-	-	-	-	-
Current portion of long - term debt	1,296,898	-	364,819	100,779	1,762,496	-
Customer deposits	-	-	-	865,621	865,621	-
Due to other governments	1,387	-	55	-	1,442	-
Due to other funds	8,164,163	562,980	6,576,959	2,954,460	18,258,562	6,649,259
Total current liabilities	9,571,156	2,209,253	7,144,945	4,251,484	23,176,838	6,726,864
Long - term debt, net of current portion	16,094,850	-	115,954	126,602	16,337,406	-
Compensated absences	15,197	4,241	-	1,111	20,549	729
Net pension liability	-	577,147	-	503,318	1,080,465	528,277
Total liabilities	25,681,203	2,790,641	7,260,899	4,882,515	40,615,258	7,255,870
Net Position						
Net investment in capital assets	21,032,786	6,947,988	4,632,662	4,700,162	37,313,598	-
Restricted for debt service	-	-	-	-	-	-
Unrestricted (deficit)	5,077,430	24,731,753	(3,649,970)	4,432,224	30,591,437	(223,559)
Total net position	\$ 26,110,216	\$ 31,679,741	\$ 982,692	\$ 9,132,386	\$ 67,905,035	\$ (223,559)

The accompanying footnotes are an integral part of these financial statements.

City of Moultrie, Georgia
Statement of Revenues, Expenses, and
Changes in Fund Net Position – Proprietary Funds
For the Year Ended September 30, 2016

	Business Type Activities - Enterprise Funds					Governmental
	Water and Sewer Fund	Electric Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
Operating Revenues						
Utility revenues	\$ -	\$ 25,948,199	\$ -	\$ -	\$ 25,948,199	\$ -
Charges for services	5,883,627	-	5,356,143	6,361,152	17,600,922	1,224,160
Miscellaneous	62,579	1,098	15,188	243,360	322,225	1,248
Intergovernmental	1,939,042	-	-	-	1,939,042	-
Total operating revenues	7,885,248	25,949,297	5,371,331	6,604,512	45,810,388	1,225,408
Operating Expenses						
Salaries and wages	12,477	896,082	85,135	930,325	1,924,019	865,596
Operating, administrative and maintenance	2,598,165	19,378,060	3,716,820	3,732,479	29,425,524	307,302
Depreciation	1,432,380	654,355	395,833	509,343	2,991,911	-
Total operating expenses	4,043,022	20,928,497	4,197,788	5,172,147	34,341,454	1,172,898
Operating income (loss)	3,842,226	5,020,800	1,173,543	1,432,365	11,468,934	52,510
Non-Operating Income (Expenses)						
Interest income	20,500	84,460	522	1,303	106,785	-
Interest expense	(596,518)	-	(41,772)	(8,474)	(646,764)	-
Issuance costs	(1,050)	-	(45,507)	-	(46,557)	-
Other non-operating income (loss)	2,878	67,335	81,887	51,963	204,063	-
Income (loss) before contributions and transfers	3,268,036	5,172,595	1,168,673	1,477,157	11,086,461	52,510
Transfers	(274,259)	(3,150,164)	-	(684,679)	(4,109,102)	-
Capital contributions	4,142,257	-	-	-	4,142,257	-
Change in net position	7,136,034	2,022,431	1,168,673	792,478	11,119,616	52,510
Net position (deficit), beginning of year	18,974,182	29,657,310	(185,981)	8,339,908	56,785,419	(276,069)
Net position (deficit), end of year	\$ 26,110,216	\$ 31,679,741	\$ 982,692	\$ 9,132,386	\$ 67,905,035	\$ (223,559)

The accompanying footnotes are an integral part of these financial statements.

City of Moultrie, Georgia
Statement of Cash Flows – Proprietary Funds
For the Year Ended September 30, 2016

	Business Type Activities - Enterprise Funds				Total	Governmental
	Water and Sewer Fund	Electric Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds		Activity Internal Service Fund
Cash Flows from Operating Activities						
Cash received from customers and users	\$ 7,822,061	\$ 26,490,997	\$ 5,344,373	\$ 6,346,223	\$ 46,003,654	\$ 1,148,096
Other operating receipts	62,579	-	15,188	243,358	321,125	1,248
Cash payments to employees	(12,477)	(927,567)	(85,135)	(956,145)	(1,981,324)	(883,367)
Cash payments to suppliers	(4,691,053)	(19,280,208)	(3,769,939)	(3,756,215)	(31,497,415)	(269,631)
New customer utility deposits	-	-	-	(18,231)	(18,231)	-
Refunded customer utility deposits	-	-	-	(24,098)	(24,098)	-
Net cash provided (used) by operating activities	3,181,110	6,283,222	1,504,487	1,834,892	12,803,711	(3,654)
Cash Flows from Noncapital Financing Activities						
Transfers from other funds	2,066,585	416,449	-	-	2,483,034	-
Transfers to other funds	(2,340,844)	(3,566,613)	-	(684,679)	(6,592,136)	-
Principal payments on debt	-	-	-	-	-	-
Net change in due from other funds	(22,196)	(2,047,007)	(61)	(974,505)	(3,043,769)	(1,624,265)
Net change in due from component unit	-	-	-	-	-	-
Net change in due to other funds	1,318,419	30,148	599,487	867,510	2,815,564	1,668,892
Net cash provided (used) by noncapital financing activities	1,021,964	(5,167,023)	599,426	(791,674)	(4,337,307)	44,627

The accompanying footnotes are an integral part of these financial statements.

City of Moultrie, Georgia
Statement of Cash Flows – Proprietary Funds
For the Year Ended September 30, 2016

	Business Type Activities - Enterprise Funds				Total	Governmental
	Water and Sewer Fund	Electric Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds		Activity Internal Service Fund
Cash Flows from Capital and Related Financing Activities						
Debt issuance costs	-	-	-	-	-	-
Proceeds from issuance of long - term debt	-	-	47,763	-	47,763	-
Proceeds from sale of assets	2,878	43,084	-	51,963	97,925	-
Proceeds from capital contributions	4,142,257	-	-	-	4,142,257	-
Transfers from SPLOST Fund	-	-	-	-	-	-
Acquisition and construction of capital assets	(11,072,347)	(472,086)	(86,682)	(524,409)	(12,155,524)	-
Principal payments on debt	(1,301,533)	-	(2,193,716)	(116,249)	(3,611,498)	-
Interest paid	(597,568)	-	(70,016)	(8,474)	(676,058)	-
Net cash provided (used) by capital and related financing activities	(8,826,313)	(429,002)	(2,302,651)	(597,169)	(12,155,135)	-
Cash Flows from Investing Activities						
Change in deferred charges	(114,586)	1,679	(9,173)	825	(121,255)	3,998
Purchase of investments	(14,044)	(733,658)	-	-	(747,702)	-
Proceeds from sale of investments	-	47,677	880,346	-	928,023	-
Interest received	20,500	84,460	522	1,303	106,785	-
Net cash provided (used) by investing activities	(108,130)	(599,842)	871,695	2,128	165,851	3,998
Net increase (decrease) in cash and cash equivalents	(4,731,369)	87,355	672,957	448,177	(3,522,880)	44,971
Cash and cash equivalents, beginning of year	16,240,471	295,419	740,756	842,398	18,119,044	102,017
Cash and cash equivalents, end of year	\$ 11,509,102	\$ 382,774	\$ 1,413,713	\$ 1,290,575	\$ 14,596,164	\$ 146,988

The accompanying footnotes are an integral part of these financial statements.

City of Moultrie, Georgia
Statement of Cash Flows – Proprietary Funds
For the Year Ended September 30, 2016

	Business Type Activities - Enterprise Funds				Total	Governmental
	Water and Sewer Fund	Electric Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds		Activity Internal Service Fund
Reconciliation of Net Operating Income to Net Cash Provided (Used) By Operating Activities						
Operating income (loss)	\$ 3,842,226	\$ 5,020,800	\$ 1,173,543	\$ 1,432,365	\$ 11,468,934	\$ 52,510
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	1,432,380	654,355	395,833	509,343	2,991,911	-
Changes in assets and liabilities: (Increase) decrease in:				-		
Utility deposits	-	-	-	(42,329)	(42,329)	-
Accounts receivable	(608)	541,700	(11,770)	(17,065)	512,257	(76,064)
Deferred charges	-	-	-	-	-	-
Inventories	19,249	76,141	44,025	846	140,261	4,744
Other current assets	16,724	7,815	(2,365)	5,311	27,485	5,346
Increase (decrease) in:						
Accounts payable	(2,128,861)	13,896	(94,779)	(29,426)	(2,239,170)	27,581
Accrued expenses	-	(21,096)	-	(25,264)	(46,360)	(18,500)
Compensated absences liability	-	(10,389)	-	1,111	(9,278)	729
Due to general fund	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
 Net cash provided (used) by operating activities	 \$ 3,181,110	 \$ 6,283,222	 \$ 1,504,487	 \$ 1,834,892	 \$ 12,803,711	 \$ (3,654)

The accompanying footnotes are an integral part of these financial statements.

City of Moultrie, Georgia
Statement of Cash Flows – Proprietary Funds
For the Year Ended September 30, 2016

	Business Type Activities - Enterprise Funds				Total	Governmental
	Water and Sewer Fund	Electric Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds		Activity Internal Service Fund
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital assets purchased with debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital contributions	4,142,257	-	-	-	4,142,257	-
 Total non-cash capital and related financing activities	 \$ 4,142,257	 \$ -	 \$ -	 \$ -	 \$ 4,142,257	 \$ -

The accompanying footnotes are an integral part of these financial statements.

City of Moultrie, Georgia
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2016

	Pension Trust Fund	Agency Fund- Municipal Court
Assets		
Cash and cash equivalents	\$ 825,424	\$ 98,126
Investments:		
U.S. Government securities	840,254	-
Corporate bonds	1,970,505	-
Municipal bonds	1,382,476	-
Equities - common stock	5,895,805	-
Mutual funds	-	-
Asset-backed securities	1,529,325	-
Certificate of deposit	200,603	-
Receivables:		
Accounts receivable, net	-	-
Employer and employee's contribution	-	-
Accrued investment income	38,778	-
Other assets		858
Total assets	12,683,170	98,984
Deferred Outflows of Resources		
Deferred pension cost	-	-
Liabilities		
Settlements payable	-	-
Accounts payable	-	28,029
Accrued expenses	-	1,073
Due to others	-	-
Net pension liability	-	-
Total liabilities	-	29,102
Net position		
Held in trust for pension benefits (a schedule of funding progress is presented in the notes to financial statements)	\$ 12,683,170	\$ 69,882

The accompanying footnotes are an integral part of these financial statements.

City of Moultrie, Georgia
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended September 30, 2016

	Pension Trust Fund
<hr/>	
Additions	
Contributions	
Employer	\$ 245,122
Participants	257,851
<hr/>	
Total contributions	502,973
<hr/>	
Investment income	
Net appreciation in fair value of investments	602,780
Interest and dividends	295,371
Less - investment expenses	(112,906)
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Net investment income	785,245
<hr/>	
Total additions	1,288,218
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Deductions	
Net depreciation in fair value of investments	-
Pension benefits paid	1,019,237
Administrative expenses	27,721
<hr/>	
Total deductions	1,046,958
<hr/>	
Net increase	241,260
<hr/>	
Net assets held in trust for pension benefits	
Beginning of year	12,441,910
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End of Year	\$ 12,683,170
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The accompanying footnotes are an integral part of these financial statements.

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

NOTE 1 - 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. The more significant of the government's accounting policies are described below.

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.

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

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.

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.

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.

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

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, 2016

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.

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

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.

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.

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

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.

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.

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

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 \$5,000 for reporting capital assets and \$25,000 for 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.

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, 2016, \$73,368 of interest was capitalized within the component unit.

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

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 two items that qualify for reporting in this category. The first 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. The second is outflows from changes in the net pension liability.

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, 2016

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 720 hours of sick leave and will be paid up to 50% 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, 2016 were \$124,062.

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, 2016

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, 2016, there were no encumbrances outstanding.

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

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.

Subsequent Events

The City has performed an evaluation of subsequent events, as defined under FASB ASC 855-10, through March 29, 2017 which is the date the financial statements were available to be issued.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

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 Finance Director and approved by the City Manager before 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.

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

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.

Deficit Fund Balances / Retained Earnings in Individual Funds

The following funds had deficit fund balances / retained earnings as of September 30, 2016:

Fund	Deficit
Utilities Deposit Fund	\$ 276,399
Internal Service Fund	219,507

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

Excess of Expenditures Over Appropriations in Departments and Individual Funds

The following funds incurred actual expenditures in excess of budgeted amounts for the year ended September 30, 2015:

Department/Fund	Excess of Expenditures Over Budgeted Amounts
Human resources	\$ 1,414
Parks and cemetery	24,691
Multiple Grants Fund	6,000
Confiscated assets	2,610
Debt service	1,727

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

NOTE 3 - DEPOSITS AND INVESTMENTS

Total deposits and investments as of September 30, 2016, are summarized as follows:

	Deposits with Financial Institutions		Investments	Total
Cash and cash equivalents	\$ 26,649,162	\$ -	\$ 26,649,162	
Restricted cash and cash equivalents	1,533,672	-	1,533,672	
Investments	-	20,403,519	20,403,519	
Restricted investments	-	661,738	661,738	
	\$ 28,182,834	\$ 21,065,257	\$ 49,248,091	

Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivision of the State of Georgia.

Custodial Credit Risk – Deposits

The City does not have a formal custodial credit risk policy. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government or bonds of public authorities, counties or municipalities. As of September 30, 2016, the City had no uncollateralized deposits.

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities.

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

September 30, 2016

Primary government:

Amounts as presented on the entity-wide Statement of Net Position

Governmental Activities:

Cash and cash equivalents	\$	11,493,596
Restricted cash and cash equivalents		749,216

Business Type Activities:

Cash and cash equivalents		14,143,157
Investments		8,584,551
Restricted cash and cash equivalents		453,007
Restricted investments		661,738

Amounts as presented on the Statement of Fiduciary Net Position

Cash and cash equivalents		923,550
Investments		11,818,968

Total primary government		48,827,783
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Component units:

Cash and cash equivalents		88,859
Restricted cash and cash equivalents		331,449

Total component units		420,308
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Total	\$	49,248,091
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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.

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

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, 2016, the City's balance in the discretionary stabilization fund was \$6,229,487.

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, 2016

As of September 30, 2016, the City's investments were classified as follows:

	Category			Cost	Fair Value
	1	2	3		
Pension Trust Fund					
U.S. Government Securities	\$ 840,254			\$ 840,254	\$ 840,254
Corporate Bonds	1,970,505			1,970,505	1,970,505
Municipal Bonds	1,382,476			1,382,476	1,382,476
Equities - Common Stock	5,895,805			5,895,805	5,895,805
Mutual Funds	-			-	-
Asset-backed Securities	1,529,325			1,529,325	1,529,325
Certificate of Deposit	200,603			200,603	200,603
Proprietary Funds					
U.S. Government Securities		-		-	-
Cash		661,738		661,738	661,738
Municipal Competitive Trust		8,584,551		8,584,551	8,584,551
	<u>\$ 11,818,968</u>	<u>\$ 9,246,289</u>	<u>\$ -</u>	<u>\$ 21,065,257</u>	<u>\$ 21,065,257</u>

As of September 30, 2016, 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	\$ 840,254	2018-2025	Unavailable
Corporate Bonds	1,970,505	2017-2022	Various
Municipal Bonds	1,382,476	2018-2029	Various
Equities - Common Stock	5,895,805	N/A	Unavailable
Asset-backed Securities	1,529,325	2023-2044	AAA
Certificate of Deposit	200,603	2016	Unavailable
Proprietary Funds			
U.S. Government Securities	-	N/A	AAA
Cash	661,738	N/A	
Municipal Competitive Trust			
Short-term	6,229,487	2016-2017	Unavailable
Long-term	2,355,064	2016-2040	Unavailable
	<u>\$ 21,065,257</u>		

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

NOTE 4 – RECEIVABLES AND TAX REVENUE

Property Tax

Property taxes were levied in September 2015 and payable before December 2015 for the fiscal year 2016 tax. Property tax revenues are recognized when levied to the extent they result in current receivables. The City's fiscal year 2016 tax was levied prior to September 30, 2016 and was recorded as taxes receivable and deferred revenue within the City's General Fund.

The tax rate levied during fiscal year 2016 for the City's operations was 12.818 mills (mill equals \$1 per thousand dollars of assessed value).

The City maintains no allowance for uncollectible property taxes at September 30, 2016.

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, 2016

Receivables

Receivables as of September 30, 2016 are as follows:

	General Fund	SPLOST	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Revenue Fund
Receivables					
Accounts	331,764	\$ -	\$ 46,337	\$ 1,377,146	\$ 3,141,185
Property tax	3,687,380	-	-	-	-
Sales tax	264,236	270,308	-	-	-
Program	-	-	312,726	-	-
Gross receivables	4,283,380	270,308	359,063	1,377,146	3,141,185
Less allowance for uncollectibles	(86,778)		(87,512)	(678,502)	(708,747)
Total net receivables	\$ 4,196,602	\$ 270,308	\$ 271,551	\$ 698,644	\$ 2,432,438

	Cable TV Fund	Internal Service Fund	Nonmajor Enterprise Funds	Total
Receivables				
Accounts	\$ 1,858,615	\$ 214,542	974,623	\$ 7,944,212
Property tax	-	-	-	3,687,380
Sales tax	-	-	-	534,544
Program	-	-	-	312,726
Gross receivables	1,858,615	214,542	974,623	12,478,862
Less allowance for uncollectibles	(1,234,061)	(16,369)	(526,356)	(3,338,325)
Total net receivables	\$ 624,554	\$ 198,173	\$ 448,267	\$ 9,140,537

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

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, 2016 is as follows:

Due to	Due From				
	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Revenue Fund
General Fund			\$ 19,599	\$ 75,042	\$ 479,025
SPLOST Fund					
Nonmajor Governmental Funds	8,090		100		
Water and Sewer Fund					
Electric Revenue Fund	777,754		1,082	6,602,859	
Cable TV Fund	2,911			2,863	
Nonmajor Enterprise Funds	5,197,907			1,381,420	89
Internal Service Fund	3,988,475		137	125,358	74,579
Total	\$ 9,975,137	\$ -	\$ 20,918	\$ 8,187,542	\$ 553,693

Due to	Due From			Total
	Cable TV Fund	Nonmajor Enterprise Fund	Internal Service Fund	
General Fund		\$ 83	\$ 5,740,582	\$ 6,314,331
SPLOST Fund				-
Nonmajor Governmental Funds		8,259		16,449
Water and Sewer Fund		22,809	5,068	27,877
Electric Revenue Fund	6,530,132	921,966	159	14,833,952
Cable TV Fund			25,590	31,364
Nonmajor Enterprise Funds		10		6,579,426
Internal Service Fund	42,488	1,107,404	882,235	6,220,676
Total	\$ 6,572,620	\$ 2,060,531	\$ 6,653,634	\$ 34,024,075

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

The composition of receivables and payables between the City and its component unit as of September 30, 2016 is as follows:

Due To	Due From
	Downtown
	Development
	Authority
Water and Sewer Fund	\$ 235,000

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

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, 2016, consisted of the following:

Transfer From	Transfer To				
	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Revenue Fund
General Fund	\$ 190,000				
SPLOST Fund				2,066,585	
Nonmajor Governmental Funds	7,500				
Water and Sewer Fund	823,494				337,728
Electric Revenue Fund	3,566,613				
Cable TV Fund					
Nonmajor Enterprise Funds	605,958				
Internal Service Fund					
Total	\$ 5,193,565	\$ -	\$ -	\$ 2,066,585	\$ 337,728

Transfer From	Transfer To			Total
	Cable TV Fund	Nonmajor Enterprise Fund	Internal Service Fund	
General Fund				\$ 190,000
SPLOST Fund				2,066,585
Nonmajor Governmental Funds				7,500
Water and Sewer Fund				1,161,222
Electric Revenue Fund		78,721		3,645,334
Cable TV Fund				-
Nonmajor Enterprise Funds				605,958
Internal Service Fund				-
Total	\$ -	\$ 78,721	\$ -	\$ 7,676,599

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

NOTE 6 – CAPITAL ASSETS

The following is a summary of capital asset activity as of September 30, 2016:

Primary Government

Primary Government: Governmental Activities	Beginning Balance (restated)	Increases	Decreases	Transfers	Ending Balance
Nondepreciable					
Land and improvements	\$ 1,394,670	\$ -	\$ -	\$ -	\$ 1,394,670
Construction in progress	-	-	-	-	-
Total nondepreciable capital assets	1,394,670	-	-	-	1,394,670
Other capital assets					
Buildings and improvements	11,723,332	488,798	-	-	12,212,130
Machinery & equipment	8,463,593	145,490	(161,735)	-	8,447,348
Infrastructure	49,177,639	53,982	-	-	49,231,621
Total other capital assets at cost	69,364,564	688,270	(161,735)	-	69,891,099
Less accumulated depreciation for depreciation for:					
Buildings and improvements	(6,518,396)	(406,773)	-	-	(6,925,169)
Machinery & equipment	(6,166,076)	(518,636)	161,735	-	(6,522,977)
Infrastructure	(34,107,919)	(507,929)	-	-	(34,615,848)
Total accumulated depreciation	(45,593,360)	(1,433,338)	161,735	-	(48,063,994)
Other capital assets, net	22,018,995	(745,068)	-	-	21,827,105
Governmental activities capital assets, net	\$ 23,413,665	\$ (745,068)	\$ -	\$ -	\$ 23,221,775

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

Primary Government: Business-type Activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Nondepreciable					
Land and improvements	\$ 1,209,382	\$ -	\$ -	\$ -	\$ 1,209,382
Construction in progress	9,369,568	10,693,383	-	(140,022)	19,922,929
Total nondepreciable capital assets	2,416,143	10,693,383	-	(140,022)	21,132,311
Other capital assets					
Buildings	6,071,790	-	-	-	6,071,790
Other Improvements	73,385,025	560,107	-	140,022	74,085,154
Machinery & equipment	10,566,444	902,032	(384,920)	-	11,083,556
Total other capital assets at cost	88,247,138	1,462,139	(384,920)	140,022	91,240,500
Less accumulated depreciation for:					
Buildings	(2,956,196)	(174,016)	-	-	(3,130,212)
Other improvements	(43,473,448)	(2,299,621)	-	-	(45,773,069)
Machinery & equipment	(7,899,253)	(518,272)	361,495	-	(8,056,030)
Total accumulated depreciation	(51,704,519)	(2,991,909)	361,495	-	(56,959,311)
Other capital assets, net	36,542,619	(1,529,770)	(23,425)	140,022	34,281,189
Business-type activities capital assets, net	\$ 38,958,762	\$ 9,163,613	\$ (23,425)	\$ -	\$ 55,413,500

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$ 145,645
Public safety	342,797
Public works	682,413
Parks and recreation	256,883
Community Development	5,600

Total governmental activities depreciation expense	\$ 1,433,338
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Business-type activities:

Water & Sewer	\$ 1,432,380
Electric	654,355
Gas	88,303
Cable TV	395,833
Sanitation	223,078
Airport operations	97,795
Telecomm	45,448
Mass transit	54,717

Total business-type activities depreciation expense	\$ 2,991,909
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City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

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, 2016 is as follows:

Governmental Activities:

The Authority had no governmental capital asset activity for the year ended September 30, 2016.

Component Unit:	Beginning				Ending	
<i>Business-type Activities</i>	Balance (restated)	Increases	Decreases	Transfers	Balance	Balance
Nondepreciable						
Land and improvements	\$ 709,191	\$ -	\$ -	\$ -	\$ -	\$ 709,191
Construction in progress	-	-	-	-	-	-
Total nondepreciable capital assets	709,191	-	-	-	-	709,191
Other capital assets						
Buildings	4,087,357	-	-	-	-	4,087,357
Other Improvements	58,418	-	-	-	-	58,418
Machinery & equipment	-	-	-	-	-	-
Total other capital assets at cost	4,145,775	-	-	-	-	4,145,775
Less accumulated depreciation for:						
Buildings	(2,537,321)	(204,368)	-	-	-	(2,741,689)
Other improvements	(11,521)	(1,947)	-	-	-	(13,468)
Machinery & equipment	-	-	-	-	-	-
Total accumulated depreciation	(2,548,842)	(206,315)	-	-	-	(2,755,157)
Other capital assets, net	1,596,933	(206,315)	-	-	-	1,390,618
Business-type activities capital assets, net	\$ 2,306,124	\$ (206,315)	\$ -	\$ -	\$ -	\$ 2,099,809

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

Depreciation expense was charged to functions as follows:

<u>Governmental activities</u>	\$	--
<u>Business-type activities</u>		206,315
<u>Total depreciation expense</u>	\$	<u>206,315</u>

NOTE 7 – LONG TERM DEBT

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, 2016, 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	\$ 1,950,000
Water and Sewer Fund – South Georgia Governmental Services Authority, Series 2012	12,775,000	2.00–3.750%	2042	11,015,000
				12,965,000
			Unamortized discount / premium / loss	(113,214)
			Less current portion	(1,135,000)
				\$ 11,716,786

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

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 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.

The annual debt service requirement to maturity of the Revenue Bonds at September 30, 2016 is as follows:

Year Ending September 30	Principal	Interest	Total
2017	\$ 1,135,000	\$ 220,294	\$ 1,355,294
2018	1,165,000	205,794	1,370,794
2019	1,315,000	187,506	1,502,506
2020	75,000	169,331	244,331
2021	75,000	168,394	243,394
2022-2026	405,000	826,741	1,231,741
2027-2031	470,000	794,282	1,264,282
2032-2036	2,820,000	700,181	3,520,181
2037-2041	4,500,000	353,531	4,853,531
2042-2043	1,005,000	18,844	1,023,844
	<u>\$ 12,965,000</u>	<u>\$ 3,644,898</u>	<u>\$ 16,609,898</u>

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

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, 2016, are as follows:

	Original Amount	Interest Rate	Due Date	Amount
Downtown Development Authority – Series A	\$ 1,580,000	5.95%	2017	\$ 245,000
Downtown Development Authority – Series B	\$ 2,410,000	4.92%	2028	\$ 1,710,000
				1,955,000
		Less current portion		(280,000)
				<u>\$ 1,675,000</u>

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 April 3, 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.

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

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:

Year Ending September 30	Principal	Interest	Total
2017	\$ 280,000	\$ 90,869	\$ 370,869
2018	160,000	78,784	238,784
2019	105,000	71,955	176,955
2020	110,000	66,666	176,666
2021	120,000	61,008	181,008
2022-2026	685,000	209,223	894,223
2027-2030	495,000	37,545	532,545
	<u>\$ 1,955,000</u>	<u>\$ 616,050</u>	<u>\$ 2,571,050</u>

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

Other Long-Term Debt

At September 30, 2016, the Cable TV Fund had a note payable to a bank totaling \$155,252 to fund budget deficits. The note bears interest at 3.34% and is due on December 3, 2016. The note was renewed on December 3, 2015 for \$155,000 with monthly interest only payments and will mature with principal and interest due on December 2, 2016.

At September 30, 2016, the Cable TV Fund had a note payable to a bank totaling \$155,000 to fund budget deficits. The note bears interest at 3.34% and is due on December 3, 2016. The note was renewed on December 3, 2015 for \$155,000 with monthly interest only payments and will mature with principal and interest due on December 2, 2016.

At September 30, 2016, the South Georgia Governmental Services Authority had a note payable to the City of Camilla, Georgia totaling \$218,653 to fund the acquisition of a building. Of that amount, \$50,914 is the obligation of the City of Moultrie at September 30, 2016. The note bears interest at 2.25% and is due in quarterly installments of principal and interest through June 1, 2020.

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

Year Ending September 30	Principal	Interest	Total
2017	\$ 323,351	\$ 11,213	\$ 334,564
2018	13,397	729	14,126
2019	13,701	425	14,126
2020	10,465	287	10,752
2021	-	-	-
2022-2026	-	-	-
2027-2030	-	-	-
	<u>\$ 360,914</u>	<u>\$ 12,654</u>	<u>\$ 373,568</u>

At September 30, 2016, 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, 2016 was \$868,241. The debt is being used for the rehabilitation of the existing wastewater treatment facility.

At September 30, 2016, 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, 2016 was \$1,113,250. The debt is being used for the renovation of the existing wastewater treatment facility.

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

At September 30, 2016, 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, 2016 was \$2,057,047. 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, 2016.

At September 30, 2016, 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, 2016 there had been \$268,994 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, 2016.

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

Year Ending September 30	Principal	Interest	Total
2017	\$ 101,775	\$ 58,052	\$ 159,827
2018	104,870	54,957	159,827
2019	108,061	51,767	159,828
2020	111,348	48,481	159,829
2021	114,734	45,094	159,828
2022-2026	628,189	170,952	799,141
2027-2031	729,714	69,427	799,141
2032-2036	82,800	1,667	84,467
2037-2041	-	-	-
2042-2043	-	-	-
	<u>\$ 1,981,491</u>	<u>\$ 500,397</u>	<u>\$ 2,481,888</u>

Debt service requirements of \$1,981,491 do not include the Water and Sewer Fund agreement with the Georgia Environmental Facilities Authority of \$2,057,047 and \$268,994 as these notes are not yet in repayment status and no amortization schedules are available.

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,

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

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, 2016:

	Governmental Activities	Business-type Activities		
		Water and Sewer Fund	Solid Waste Fund	Cable TV Fund
Buildings and Improvements	\$ -	\$ -	\$ -	\$ -
Equipment	1,339,962	288,015	743,347	195,286
Less accumulated amortization	(474,901)	(55,585)	(400,090)	(75,427)
Carrying value	865,061	232,430	343,257	119,859

	Governmental Activities	Business-type Activities		
		Water and Sewer Fund	Solid Waste Fund	Cable TV Fund
Current amortization	\$ 187,590	\$ 55,585	\$ 124,695	\$ 38,148

The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments at September 30, 2016:

Year Ending September 30	Governmental Activities	Business-type Activities		
		Water and Sewer Fund	Solid Waste Fund	Cable TV Fund
2017	\$ 259,832	\$ 60,123	\$ 100,779	\$ 41,468
2018	189,846	60,123	65,300	41,468
2019	130,003	60,123	65,300	41,468
2020	62,010	60,123	6,145	-
2021	62,010	-	-	-
2022 - 2026	208,783	-	-	-
Total minimum lease payments	912,484	240,492	237,524	124,404
Less amount representing interest	(72,889)	(8,062)	(10,143)	(4,545)
	\$ 839,595	\$ 232,430	\$ 227,381	\$ 119,859

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2016, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental activities:</i>					
Notes payable	\$ -	\$ -	\$ -	\$ -	\$ -
Capital leases	804,036	283,029	(247,470)	839,595	259,832
Compensated absences	96,251	22,570	-	118,821	-
<i>Governmental activities</i>					
long-term liabilities	900,287	305,599	(247,470)	958,416	259,832
<i>Business-type activities:</i>					
Bonds payable	16,030,000	-	(3,065,000)	12,965,000	1,135,000
Less deferred amounts:					
issuance discount	(66,101)	-	(47,113)	(113,214)	-
Total bonds payable	15,963,899	-	(3,112,113)	12,851,786	1,135,000
Notes payable	4,957,849	-	(289,403)	4,668,446	425,126
Capital leases	789,652	-	(209,982)	579,670	202,370
Compensated absences	29,827	1,111	(10,389)	20,549	-
<i>Business-type activities</i>					
long-term liabilities	\$ 21,741,227	\$ 1,111	\$ (3,621,887)	\$ 18,120,451	\$ 1,762,496

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

Long-term liability activity for the City's component unit for the year ended September 30, 2016, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Business-type activities:</i>					
Bonds payable	2,225,000	\$ -	\$ (270,000)	\$ 1,955,000	\$ 280,000
Business-type activities					
long-term liabilities	\$ -	\$ -	\$ -	\$ -	\$ -

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

NOTE 9 – 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, 2016, 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 \$2,065,914.

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

At September 30, 2016, the minimum future lease payments to be received under the operating lease are as follows:

Year Ending September 30	Total
2017	\$ 213,505
2018	--
2019	--
2020	--
2021	--
	\$ 213,505

NOTE 10 – 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 appropriable for expenditure or is legally segregated for a specific future use. The remaining portion is unassigned.

Fund balance restrictions at September 30, 2016 include:

Capital Projects Funds

Restricted for specific projects to reflect resources funded by SPLOST and Federal Grants	\$ 2,439,154
Community development	1,014,041

Special Revenue Funds

Restricted to reflect resources legally restricted for:	
Community development	234,256
Public safety	26,605

Total restricted net position	\$ 3,714,056
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City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

NOTE 11 – PENSION PLAN

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, 2015, the date of the most recent actuarial valuation, there were 273 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	82
Vested terminated employees not yet receiving benefits	19
Active employees	172
<hr/>	
Total	273

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

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.

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

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, 2016 was determined as part of the October 1, 2015, actuarial valuation using the aggregate cost method. This method does not identify or separately amortize unfunded actuarial liabilities. The actuarial assumptions included a) an interest rate of 7.25%, net of investment expenses, b) projected salary increases of 3.25% per year and c) no inflation rate assumption. Mortality rates were based on the RP-2000 Mortality Table projected with Scale AA.

The discount rate used to measure the total pension liability was 5.25%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made based on the average County contribution made to the Plan over the prior five years. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	50%	5.00%
Domestic fixed income	50%	1.50%
Total or weighted arithmetic average	100%	3.25%

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

Changes in Net Pension Liability:

Changes in the net pension liability for the year ended September 30, 2016 were as follows:

	Increase (Decrease)		
	Total Pension Liability (TPL)	Fiduciary Net Position (FNP)	Net Pension Liability (NPL)
	(a)	(b)	(a) - (b)
Balances at September 30, 2015	\$ 18,628,476	\$ (12,551,833)	\$ 6,076,643
Changes for the year:			
Service cost	\$ 637,338	\$ -	\$ 637,338
Expected interest growth	991,563	(647,050)	344,513
Differences between expected and actual experience	-	-	-
Demographic experience	(1,023,159)	-	(1,023,159)
Contributions - employer	-	(329,067)	(329,067)
Contributions - employee	-	(257,851)	(257,851)
Unexpected investment income	-	(138,195)	(138,195)
Benefit payments and refunds	(1,019,237)	1,019,237	-
Assumption changes	(438)		(438)
Administrative expense	-	27,721	27,721
Net changes	(413,933)	(325,205)	(739,138)
Balances at September 30, 2016	\$ 18,214,543	\$ (12,877,038)	\$ 5,337,505

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following table presents the net pension liability of the City, calculated using the discount rate of 5.25%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate.

	Current Discount Rate		
	1% Decrease 4.25%	5.25%	1% Increase 6.25%
Total pension liability	\$ 20,793,435	\$ 18,214,543	\$ 16,108,029
Less fiduciary net position	(12,877,038)	(12,877,038)	(12,877,038)
Net pension liability	\$ 7,916,397	\$ 5,337,505	\$ 3,230,991

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Balances at September 30, 2015	\$ 5,004,339
Changes for the year:	
Amortization payments	(605,935)
Investment gain/loss	-
Demographic gain/loss	-
Assumption changes	-
Net changes	(605,935)
Balances at September 30, 2016	\$ 4,398,404

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at September 30, 2016 will be recognized in pension expense as follows:

Fiscal Year Ending,	Total
2017	\$ 605,935
2018	605,935
2019	605,937
2020	310,541
2021	310,541
Thereafter	1,959,515
	\$ 4,398,404

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

Peace Officers' Annuity and Benefit Fund of Georgia

Plan Description:

The Peace Officers' Annuity and Benefit Fund of Georgia (POABFG) is a cost-sharing multiple employer defined benefit created in 1950 by the General Assembly of Georgia to provide retirement benefits to peace officers. Members of the POABFG are employed by units of government throughout the State of Georgia. The employers of the POABFG's members do not make contributions to the POABFG. The State of Georgia provides nonemployer contributions to the POABFG through the collection of court fines and forfeitures. Detailed information about the benefits provided to members is available in the separately issued POABFG financial report which is publicly available.

Actuarial Assumptions:

The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was based on an actuarial valuation as of that date. The total pension liability in the actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	n/a
Investment rate of return	7.00%
Mortality rates	RP-2000, Combined

The long-term expected rate of return on pension plan investments was calculated by the POABFG's investment manager as 6.66% using a Monte Carlo simulation in which best estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The POABFG's administrator determined that 7.00% was a reasonable assumption for the long-term rate of return on plan assets based on the calculation by the POABFG's investment manager.

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumes revenues will remain level. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

to determine the total pension liability.

Net Pension Liability:

At September 30, 2016, the City did not have a liability for a proportionate share of the net pension liability (asset) of the POABFG because of the related support from the State of Georgia. The amount of the State's proportionate share of the net pension liability (asset) associated with the City was \$3,780 as of September 30, 2016.

Pension Expense:

For the year ended September 30, 2015 the City recognized pension expense related to the POABFG of \$1,427 and revenue of \$1,427 for support provided by the State of Georgia.

Georgia Firefighters' Pension Fund

Plan Description:

The Georgia Firefighters' Pension Fund (GFPF) is a cost-sharing multiple employer defined benefit created by the General Assembly of Georgia to provide retirement benefits to firefighters. Members of the GFPF are employed by units of government throughout the state of Georgia. Detailed information about the benefits provided to members is available in the separately issued GFPF financial report which is publicly available.

Actuarial Assumptions:

The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2015. The total pension liability in the actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	n/a
Investment rate of return	6.50%
Mortality rates	RP-2000, Combined

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability:

At September 30, 2016, the City did not have a liability for a proportionate share of the net pension liability of the GPPF because of the related support from the State of Georgia. The amount of the State's proportionate share of the net pension liability associated with the City was \$468,885 as of September 30, 2016.

Pension Expense:

For the year ended September 30, 2016, the City recognized pension expense related to the GPPF of \$64,628 and revenue of \$64,628 for support provided by the State of Georgia.

NOTE 12 – DEFINED CONTRIBUTION PLAN

A 457(a) retirement plan has been established for all full time employees whereby they can contribute up to the allowable annual contribution of 8% of salary if they choose. The plan also serves as the retirement plan for the City Manager and the Finance Director. For the year ended September 30, 2015, the City contributed \$14,707 to the 457(a) plan on behalf of the City Manager and Finance Director.

NOTE 13 – 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, 2016, the City paid \$15,922 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:

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

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 \$18,155 in such dues for the year ended September 30, 2016. The City of Moultrie's equity investment in the SGBDA is \$956,004 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, 2016. 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 14 – 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, 2016

NOTE 15 – HOTEL / MOTEL LODGING TAX

The City has levied a 7% lodging tax. For the year ended September 30, 2016, \$317,522 of hotel/motel tax was collected and \$47,867 or 15% was remitted to the Chamber of Commerce. Management represents that 100% of the lodging tax received during the year ended September 30, 2016 was used for the promotion of tourism, conventions, or trade shows.

NOTE 16 - 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.

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

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:

	Year Ended September 30,	
	2015	2016
Unpaid claims, beginning of year	\$ 296,264	\$ 358,535
Incurred claims (including IBNRs)	3,191,096	2,459,960
Claim Payments	(3,128,825)	(3,092,734)
Unpaid claims, end of year	\$ 358,535	\$ 274,239

Settlements

During the year ended September 30, 2016, 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, 2014, 2015, and 2016.

NOTE 17 – 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.

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

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, 2016, 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 \$18,645,546 in 2016.

At September 30, 2016, the outstanding debt of MEAG was approximately \$6.41 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$142.5 million at September 30, 2016.

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 \$939,274 for the year ended September 30, 2016.

At September 30, 2016, MGAG's bonds to which the City's obligation share is applicable were outstanding in the approximate principal amount of \$260 million. The City's obligation share of that amount totals approximately \$2.5 million at September 30, 2016.

City of Moultrie, Georgia
Notes to Financial Statements
For the Year Ended September 30, 2016

NOTE 18 – 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, 2016, one employee was eligible and receiving benefits under the Plan. For the year ended September 30, 2016, the cost of premiums for providing post-retirement health care was \$557. 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 19 – PRIOR PERIOD ADJUSTMENTS

An error resulting in the misstatement of capital assets was discovered during fiscal year end September 30, 2015. An adjustment totaling \$317,443 was recorded to restate governmental activities net position at September 30, 2016.

An error resulting in the misstatement of capital assets was discovered during fiscal year end September 30, 2015. An adjustment totaling \$(206,316) was recorded to restate the component unit net position at September 30, 2016.

The following summarizes the prior period adjustments referred to above:

	Net Position as Previously Reported	Prior Period Adjustment	Net Position as Restated
Governmental Activities	\$ 32,623,211	\$ 317,443	\$ 32,940,654
Total Government Wide	32,623,211	317,443	32,940,654
Downtown Development Authority	475,545	(206,316)	269,229

City of Moultrie, Georgia
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended September 30, 2016

	2016	2015
Total pension liability		
Service cost	\$ 637,338	\$ 767,916
Expected interest growth	991,563	963,275
Demographic experience	(1,023,159)	-
Benefit payments	(1,019,237)	(869,797)
Changes in benefit terms	(438)	-
Assumption changes	-	4,133,302
Net change in pension liability	(413,933)	4,994,696
Total pension liability - beginning	18,628,476	13,633,780
Total pension liability - ending (a)	18,214,543	18,628,476
Plan fiduciary net position		
Employer contributions	329,067	316,934
Employee contributions	257,851	260,494
Expected interest growth	647,050	707,704
Unexpected investment income	138,195	(1,476,972)
Administrative expenses	(27,721)	(21,577)
Benefit payments	(1,019,237)	(869,797)
Net change in fiduciary net position	325,205	(1,083,214)
Plan fiduciary net position - beginning	12,551,833	13,635,047
Plan fiduciary net position - ending (b)	12,877,038	12,551,833
Net pension liability (a) - (b)	\$ 5,337,505	\$ 6,076,643
Plan fiduciary net position as a percentage of the total pension liability	70.70%	67.38%
Covered-employee payroll	\$ -	\$ -
Net pension liability as a percentage of covered-employee payroll	105.80%	99.83%

Notes to the Schedule

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

City of Moultrie, Georgia
Required Supplementary Information
Schedule of Employer Contributions –Pension Plan
For the Year Ended September 30, 2016

	2016		2015
Actuarially determined contribution	\$ 329,067	\$	316,934
Contributions in relation to the actuarially determined contribution	329,067		316,934
Contribution deficiency (excess)	-		-
Covered-employee payroll	\$ 5,044,899	\$	6,087,185
Contributions as a percentage of covered-employee payroll	6.52%		5.21%

Notes to the Schedule

(1) Actuarial assumptions

Valuation date	October 1, 2015
Actuarial cost method	Aggregate cost method
Actuarial asset valuation method	Market value of assets
Assumed rate of return on investments	3.25%
Projected salary increases	3.25%
Inflation rate	2.00%
Amortization method	20 years level

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

City of Moultrie, Georgia
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2016

	Special Revenue Funds			Capital Projects Funds		Total Nonmajor Governmental Funds
	Multiple Grants	Confiscated Assets	Hotel Motel Tax	Community Development	Paving Program	
Assets						
Cash and cash equivalents	\$ 100	\$ 26,705	\$ 220,826	\$ -	\$ -	\$ 247,631
Accounts receivable, net	-	-	-	46,337	-	46,337
Other current assets	-	-	1,347	-	-	1,347
Due from other funds	16,253	-	-	-	196	16,449
Restricted assets:						-
Cash and cash equivalents	6,517	-	-	742,699	-	749,216
Program receivables	-	-	-	225,214	-	225,214
Total assets	22,870	26,705	222,173	1,014,250	196	1,286,194
Liabilities						
Accounts payable	-	-	2,379	100	-	2,479
Accrued expenses	-	-	1,422	-	-	1,422
Due to other funds	1,077	100	4,562	205	100	6,044
Due to component units	-	-	-	-	-	-
Total liabilities	1,077	100	8,363	305	100	9,945
Fund Balances						
Nonspendable:						
Prepaid expenses	-	-	1,347	-	-	1,347
Restricted for:						
Community development	21,793	-	212,463	1,013,945	96	1,248,297
Public safety	-	26,605	-	-	-	26,605
Unassigned	-	-	-	-	-	-
Total fund balances	21,793	26,605	213,810	1,013,945	96	1,276,249
Total liabilities and fund balances	\$ 22,870	\$ 26,705	\$ 222,173	\$ 1,014,250	\$ 196	\$ 1,286,194

City of Moultrie, Georgia
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2016

	Special Revenue Funds			Capital Projects Funds		Total Nonmajor Governmental Funds
	Multiple Grants	Confiscated Assets	Hotel Motel Tax	Community Development	Paving Program	
Revenues						
Taxes	\$ -	\$ -	\$ 317,522	\$ -	\$ -	\$ 317,522
Fines, forfeitures and fees	-	1,768	-	-	-	1,768
Charges for services	-	-	13,451	377	-	13,828
Intergovernmental	24,270	-	-	-	-	24,270
Investment income	-	20	-	12,733	-	12,753
Other revenues	-	-	24,651	733	-	25,384
Total revenues	24,270	1,788	355,624	13,843	-	395,525
Expenditures						
Current:						
Community development	23,425	-	322,582	583	-	346,590
Capital outlays	-	-	6,475	-	-	6,475
Public safety	-	3,083	-	-	-	3,083
Total expenditures	23,425	3,083	329,057	583	-	356,148
Excess (deficiency) of revenues						
over (under) expenditures	845	(1,295)	26,567	13,260	-	39,377
Other Financing Sources (Uses)						
Transfers	-	-	(7,500)	-	-	(7,500)
Total other financing sources (uses)	-	-	(7,500)	-	-	(7,500)
Net change in fund balances	845	(1,295)	19,067	13,260	-	31,877
Fund balances (deficits),						
beginning of year	20,948	27,900	194,743	1,000,685	96	1,244,372
Fund balances (deficits),						
end of year	\$ 21,793	\$ 26,605	\$ 213,810	\$ 1,013,945	\$ 96	\$ 1,276,249

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, 2016

	Budget		Actual	Variance With Final Budget
	Original	Final Amended		
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures and fees	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	24,270	24,270
Investment income	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	24,270	24,270
Expenditures				
Current:				
Community development	-	-	23,425	(23,425)
Public safety	-	-	-	-
Capital outlays	-	17,425	-	17,425
Total expenditures	-	17,425	23,425	(6,000)
Excess (deficiency) of revenues over expenditures	-	(17,425)	845	18,270
Other Financing Sources (Uses)				
Transfers	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	(17,425)	845	18,270
Fund balance, beginning of year	20,948	20,948	20,948	41,896
Fund balance, end of year	\$ 20,948	\$ 3,523	\$ 21,793	\$ 60,166

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, 2016

	<u>Budget</u>		Actual	Variance With Final Budget
	Original	Final Amended		
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures and fees	-	-	1,768	1,768
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	-	-	20	20
Other revenues	-	-	-	-
Total revenues	-	-	1,788	1,788
Expenditures				
Current:				
Community development	-	-	-	-
Public safety	-	473	3,083	(2,610)
Capital outlays	-	-	-	-
Total expenditures	-	473	3,083	(2,610)
Excess (deficiency) of revenues over expenditures	-	(473)	(1,295)	(822)
Other Financing Sources (Uses)				
Transfers	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	(473)	(1,295)	(822)
Fund balance, beginning of year	27,900	27,900	27,900	55,800
Fund balance, end of year	\$ 27,900	\$ 27,427	\$ 26,605	\$ 54,978

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, 2016

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final Amended</u>		
Revenues				
Taxes	\$ 320,000	\$ 320,000	\$ 317,522	\$ (2,478)
Fines, forfeitures and fees	-	-	-	-
Charges for services	15,000	15,000	13,451	(1,549)
Intergovernmental	-	-	-	-
Investment income	-	-	-	-
Other revenues	31,860	31,860	24,651	(7,209)
Total revenues	366,860	366,860	355,624	(11,236)
Expenditures				
Current:				
Community development	350,338	350,338	322,582	27,756
Public safety	-	-	-	-
Capital outlays	-	-	6,475	(6,475)
Total expenditures	350,338	350,338	329,057	21,281
Excess (deficiency) of revenues over expenditures	16,522	16,522	26,567	10,045
Other Financing Sources (Uses)				
Transfers	-	-	(7,500)	(7,500)
Total other financing sources (uses)	-	-	(7,500)	(7,500)
Net change in fund balance	16,522	16,522	19,067	2,545
Fund balance, beginning of year	194,743	194,743	194,743	389,486
Fund balance, end of year	\$ 211,265	\$ 211,265	\$ 213,810	\$ 392,031

City of Moultrie, Georgia
Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2016

	Business Type Activities - Enterprise Funds							
	Solid Waste Fund	Airport Fund	Tele- Comm Fund	Utilities Deposit Fund	Mass Transit Fund	Gas Fund	Telephony Fund	Total
Assets								
Current assets:								
Cash and cash equivalents	\$ -	\$ -	\$ 1,203,254	\$ -	\$ 16,988	\$ -	\$ -	\$ 1,220,242
Accounts receivable, net	178,949	8,350	15,771	1,641	-	167,635	75,921	448,267
Due from other funds	3,171,652	721,986	5,982	595,382	-	1,362,465	871,959	6,729,426
Inventories	-	-	-	-	-	76,792	12,550	89,342
Other current assets	31,637	8,756	67,972	-	-	6,620	-	114,985
Total current assets	3,382,238	739,092	1,292,979	597,023	16,988	1,613,512	960,430	8,602,262
Noncurrent assets:								
Restricted assets - cash	-	-	-	-	-	70,333	-	70,333
Capital assets								-
Land	-	-	-	-	-	16,786	-	16,786
Construction in progress	-	-	-	-	-	-	-	-
Other capital assets, net of accumulated depreciation	1,269,248	811,943	468,491	-	1,614,048	747,027	-	4,910,757
Total noncurrent assets	1,269,248	811,943	468,491	-	1,614,048	834,146	-	4,997,876
Total assets	4,651,486	1,551,035	1,761,470	597,023	1,631,036	2,447,658	960,430	13,600,138
Deferred Outflows of Resources								
Deferred pension cost	258,892	-	-	-	-	155,871	-	414,763
Refunding of debt	-	-	-	-	-	-	-	-
Total deferred outflows of resources	258,892	-	-	-	-	155,871	-	414,763

City of Moultrie, Georgia
Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2016

	Business Type Activities - Enterprise Funds							
	Solid Waste Fund	Airport Fund	Tele- Comm Fund	Utilities Deposit Fund	Mass Transit Fund	Gas Fund	Telephony Fund	Total
Liabilities								
Current liabilities payable from current assets:								
Accounts payable	\$ 146,836	\$ 11,880	\$ -	\$ 36,658	-	\$ 86,190	38,309	\$ 319,873
Accrued expenses	7,120	-	-	-	-	3,631	-	10,751
Lines of credit	-	-	-	-	-	-	-	-
Short-term notes payable	-	-	-	-	-	-	-	-
Customer deposits	-	6,618	-	836,764	-	-	22,239	865,621
Due to other governments	-	-	-	-	-	-	-	-
Due to other funds	1,048,734	59,966	898,819	-	8,259	940,725	(2,043)	2,954,460
Long term debt - current	100,779	-	-	-	-	-	-	100,779
Total current liabilities payable from current assets	1,303,469	78,464	898,819	873,422	8,259	1,030,546	58,505	4,251,484
Long-term liabilities:								
Long term debt	126,602	-	-	-	-	-	-	126,602
Compensated absences	1,111	-	-	-	-	-	-	1,111
Net pension liability	314,167	-	-	-	-	189,151	-	503,318
Total long-term liabilities	441,880	-	-	-	-	189,151	-	631,031
Total liabilities	1,745,349	78,464	898,819	873,422	8,259	1,219,697	58,505	4,882,515
Net Position								
Net investment in capital assets	1,041,867	811,943	468,491	-	1,614,048	763,813	-	4,700,162
Restricted for debt service	-	-	-	-	-	-	-	-
Unrestricted	2,123,162	660,628	394,160	(276,399)	8,729	620,019	901,925	4,432,224
Total net position	\$ 3,165,029	\$ 1,472,571	\$ 862,651	\$ (276,399)	\$ 1,622,777	\$ 1,383,832	\$ 901,925	\$ 9,132,386

City of Moultrie, Georgia
Combining Statement of Revenues, Expenses, and
Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended September 30, 2016

	Business Type Activities - Enterprise Funds							Total
	Solid Waste Fund	Airport Fund	Tele- Comm Fund	Utilities Deposit Fund	Mass Transit Fund	Gas Fund	Telephony Fund	
Operating Revenues								
Utility revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	2,816,974	-	1,251,284	-	-	1,914,172	378,722	6,361,152
Miscellaneous	117	185,474	47,326	-	8,125	2,318	-	243,360
Intergovernmental	-	-	-	-	-	-	-	-
Total operating revenues	2,817,091	185,474	1,298,610	-	8,125	1,916,490	378,722	6,604,512
Operating Expenses								
Salaries and wages	634,398	3,671	-	-	-	289,877	2,379	930,325
Operating, administrative, and maintenance	1,398,153	110,803	893,682	-	1,822	1,137,527	190,492	3,732,479
Depreciation	223,078	97,795	45,448	-	54,719	88,303	-	509,343
Total operating expenses	2,255,629	212,269	939,130	-	56,541	1,515,707	192,871	5,172,147
Operating income (loss)	561,462	(26,795)	359,480	-	(48,416)	400,783	185,851	1,432,365
Nonoperating Revenues (Expenses)								
Interest income	-	-	445	-	-	858	-	1,303
Interest expense	(8,422)	-	-	-	-	-	(52)	(8,474)
Other nonoperating income	33,370	-	-	-	-	18,593	-	51,963
Total nonoperating revenues (expenses)	24,948	-	445	-	-	19,451	(52)	44,792
Income (loss) before transfers and capital contributions	586,410	(26,795)	359,925	-	(48,416)	420,234	185,799	1,477,157
Transfers	(371,199)	(5,025)	(42,473)	-	-	(265,982)	-	(684,679)
Capital Contributions	-	-	-	-	-	-	-	-
Change in net position	215,211	(31,820)	317,452	-	(48,416)	154,252	185,799	792,478
Net position, beginning of year	2,949,818	1,504,391	545,199	(276,399)	1,671,193	1,229,580	716,126	8,339,908
Net position, end of year	\$ 3,165,029	\$ 1,472,571	\$ 862,651	\$ (276,399)	\$ 1,622,777	\$ 1,383,832	\$ 901,925	\$ 9,132,386

City of Moultrie, Georgia
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2016

	Business Type Activities - Enterprise Funds							Total
	Solid Waste fund	Airport Fund	Tele-Comm Fund	Utilities Deposit Fund	Mass Transit fund	Gas Fund	Telephony Fund	
Cash Flows from Operating Activities								
Cash received from customers and users	\$ 2,798,104	\$ (3,145)	\$ 1,250,866	\$ -	\$ -	\$ 1,935,357	\$ 365,041	\$ 6,346,223
Other operating receipts	117	185,474	47,325	-	8,126	2,316	-	243,358
Cash payments to employees	(653,744)	(3,671)	-	-	-	(296,351)	(2,379)	(956,145)
Cash payments to suppliers	(1,369,241)	(103,100)	(956,167)	-	(2,460)	(1,144,117)	(181,130)	(3,756,215)
New customer utility deposits	-	-	-	(18,231)	-	-	-	(18,231)
Refunded customer utility deposits	-	-	-	(24,098)	-	-	-	(24,098)
Net cash provided (used) by operating activities	775,236	75,558	342,024	(42,329)	5,666	497,205	181,532	1,834,892
Cash Flows from Noncapital Financing Activities								
Transfers from other funds	-	-	-	-	-	-	-	-
Transfers to other funds	(371,199)	(5,025)	(42,473)	-	-	(265,982)	-	(684,679)
Net change in due from other funds	45,512	(70,840)	-	42,329	-	(812,167)	(179,339)	(974,505)
Net change in due from component unit	-	-	-	-	-	-	-	-
Net change in due to other funds	12,629	307	181,480	-	-	675,235	(2,141)	867,510
Net cash provided (used) by noncapital financing activities	(313,058)	(75,558)	139,007	42,329	-	(402,914)	(181,480)	(791,674)

City of Moultrie, Georgia
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2016

	Business Type Activities - Enterprise Funds							Total
	Solid Waste fund	Airport Fund	Tele-Comm Fund	Utilities Deposit Fund	Mass Transit fund	Gas Fund	Telephony Fund	
Cash Flows from Capital and Related Financing Activities								
Change in deferred costs	-	-	-	-	-	-	-	-
Proceeds from issuance of long - term debt	-	-	-	-	-	-	-	-
Proceeds from sale of assets	33,370	-	-	-	-	18,593	-	51,963
Proceeds from capital contributions	-	-	-	-	-	-	-	-
Acquisition and construction of capital assets	(373,924)	-	(39,000)	-	-	(111,485)	-	(524,409)
Principal payments on debt	(116,249)	-	-	-	-	-	-	(116,249)
Interest paid	(8,422)	-	-	-	-	-	(52)	(8,474)
Net cash provided (used) by capital and related financing activities	(465,225)	-	(39,000)	-	-	(92,892)	(52)	(597,169)
Cash Flows from Investing Activities								
Change in deferred costs	3,047	-	-	-	-	(2,222)	-	825
Purchase of investments	-	-	-	-	-	-	-	-
Loan disbursements	-	-	-	-	-	-	-	-
Interest received	-	-	445	-	-	858	-	1,303
Net cash provided (used) by investing activities	3,047	-	445	-	-	(1,364)	-	2,128
Net increase (decrease) in cash and cash equivalents	-	-	442,476	-	5,666	35	-	448,177
Cash and cash equivalents, beginning of year	-	-	760,778	-	11,322	70,298	-	842,398
Cash and cash equivalents, end of year	\$ -	\$ -	\$ 1,203,254	\$ -	\$ 16,988	\$ 70,333	\$ -	\$ 1,290,575

City of Moultrie, Georgia
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2016

Business Type Activities - Enterprise Funds

	Solid Waste fund	Airport Fund	Tele- Comm Fund	Utilities Deposit Fund	Mass Transit fund	Gas Fund	Telephony Fund	Total
Reconciliation of Net Operating Income to Net Cash Provided (Used) By Operating Activities								
Operating income (loss)	\$ 561,462	\$ (26,795)	\$ 359,480	\$ -	\$ (48,416)	\$ 400,783	\$ 185,851	\$ 1,432,365
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								-
Depreciation	223,078	97,795	45,448	-	54,719	88,303	-	509,343
New customer utility deposits	-	-	-	(18,231)	-	-	-	(18,231)
Refunded customer utility deposits	-	-	-	(24,098)	-	-	-	(24,098)
Changes in assets and liabilities:								-
(Increase) decrease in:								-
Accounts receivable	(18,870)	(2,795)	(418)	-	-	21,185	(16,167)	(17,065)
Deferred charges	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	(1,457)	2,303	846
Other current assets	6,861	(3,041)	-	-	-	1,491	-	5,311
Increase (decrease) in:								-
Accounts payable	22,051	10,744	(62,486)	-	(637)	(6,626)	7,528	(29,426)
Accrued expenses	(20,457)	(350)	-	-	-	(6,474)	2,017	(25,264)
Compensated absences liability	1,111	-	-	-	-	-	-	1,111
Net cash provided (used) by operating activities	\$ 775,236	\$ 75,558	\$ 342,024	\$ (42,329)	\$ 5,666	\$ 497,205	\$ 181,532	\$ 1,834,892
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES								
Capital assets purchased with debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total non-cash capital and related financing activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**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 *GOVERNMENT AUDITING STANDARDS***

To the Honorable Mayor and 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 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, 2016, 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 29, 2017.

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. [2016-1, 2016-2]

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 financial statement findings. 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.

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

March 29, 2017
Tifton, Georgia

City of Moultrie, Georgia
Summary Schedule of Financial Statement Findings
For the Year Ended September 30, 2016

SECTION II FINDINGS – FINANCIAL STATEMENT AUDIT

Finding 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

2016-1

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 and 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 access to assets that could result in losses that are material to the financial statements.

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
Summary Schedule of Financial Statement Findings
For the Year Ended September 30, 2016

2016-2

Criteria:

Generally accepted accounting principles require fund financial statements to be reported using the modified accrual basis of accounting in the governmental funds and the accrual basis of accounting in the proprietary funds.

Condition:

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

Cause of Condition:

Adjusting journal 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
Summary Schedule of Prior Financial Statement Findings
For the Year Ended September 30, 2016

SECTION II FINDINGS – FINANCIAL STATEMENT AUDIT

Finding 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*.

2015-1

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 2015-1 in the current year Schedule of Financial Statement Findings.

2015-2

Condition:

Generally accepted accounting principles require debt to be reported using the modified accrual basis of accounting in the governmental funds and the accrual basis of accounting in the proprietary funds.

Status:

The above finding is included as finding 2015-2 in the current year Schedule of Financial Statement Findings.

City of Moultrie, Georgia

Schedule of Special Purpose Local Option Sales Tax Expenditures
For the Year Ended September 30, 2016

Special Purpose Local Option Sales Tax - 2006	Estimated Cost		Expenditures		
	Original	Revised	Prior Years	Current Year	Total
Wastewater treatment improvement	\$ 9,725,000	\$ -	\$ 8,389,538	\$ 1,335,462	\$ 9,725,000
Streets and drainage	2,000,000	-	2,464,247	86,751	2,550,998
Total	\$ 11,725,000	\$ -	\$ 10,853,785	\$ 1,422,213	\$ 12,275,998

Special Purpose Local Option Sales Tax - 2013	Estimated Cost		Expenditures		
	Original	Revised	Prior Years	Current Year	Total
Wastewater treatment improvement	\$ 7,891,000	\$ -	\$ 2,731,142	\$ 3,607,007	\$ 6,338,149
Road, bridge and drainage	2,000,000	-	391,196	166,053	557,249
Joint project - City of Moultrie recreational facilities	1,500,000	-	332,134	31,126	363,260
Total	\$ 11,391,000	\$ -	\$ 3,454,472	\$ 3,804,186	\$ 7,258,658