

CITY OF MOULTRIE, GEORGIA
FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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FOR THE YEAR ENDED SEPTEMBER 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Moultrie, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moultrie, Georgia ("the City") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the pension related schedules 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 other 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's basic financial statements. The combining and individual fund financial statements and schedules and the One Percent Special Purpose Local Option Sales Tax Project Cost Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules and the schedules of Special Purpose Local Option Sales Tax Expenditures 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 fund statements and schedules and the schedule of Special Purpose Local Option Sales Tax Expenditures are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Respectfully submitted,

Valenti, Rackley & Assoc., LLC

Valenti, Rackley & Associates, LLC
Certified Public Accountants

June 30, 2020

CITY OF MOULTRIE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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, 2019. 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 \$146.20 million in total assets of which \$69.22 million are capital assets.
- The City has \$26.55 million in total liabilities of which \$22.17 million are long-term.
- The City's net position at the close of the most recent fiscal year was \$119.64 million (net assets). Of this amount, \$68.74 million (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors while \$44.91 million is invested in capital assets net of related debt.
- The City's total net assets increased by \$8.52 million this year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19.70 million, an increase of \$4.21 million in comparison with the prior year. Of this amount, \$13.707 million was from the General Fund, a \$3.03 million increase from the prior year. This improvement was due to the restating of the fund balance from the previous year in the General Fund.
- The City's long-term liabilities decreased by \$576 thousand during the current fiscal year as a result of the payments on long term debt but there was an increase of 1.24 million in net pension liability.

- **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
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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 inflows and outflows* of spendable resources, as well as on *balances of spendable resources* available at the end

CITY OF MOULTRIE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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, 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 CNS Broadband Fund, which are considered major funds of the City. Conversely, the non-major enterprise funds are combined into single, aggregated presentations in the proprietary fund financial statements. Individual fund data for the non-major enterprise funds is provided in the form of *combining statements* elsewhere in this report.

Fiduciary Funds

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

CITY OF MOULTRIE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Notes to the Financial Statements

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

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

Table 1
Major Features of the Basic Financial Statements

	Fund Financial Statements			
	Government-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds) and the City's component units	Activities of the City that are not proprietary or fiduciary	Activities of the City that are operated similar to private business	Instances where the City is the trustee or agent for someone else's resources
Required financial statements	Statement of Net 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

CITY OF MOULTRIE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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 \$119.64 million at the close of the most recent fiscal year.

A large portion of the City's net assets (37.54%) 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 \$68.742 million or 57.46% in unrestricted net position.

Table 2 below presents the City's condensed statement of net assets as of September 30, 2018 and 2017.

Table 2
Condensed Statement of Net Assets

City of Moultrie – Net Position

<i>September 30,</i>	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other	\$ 26,536,009	\$ 20,180,935	\$ 46,277,197	\$ 47,462,148	\$ 72,813,206	\$ 67,643,083
Capital assets	21,985,353	21,789,433	47,243,621	50,061,429	69,228,974	71,850,862
Deferred outflows of resources	2,751,535	2,444,364	1,403,605	1,246,913	4,155,140	3,691,277
Total assets and deferred outfl	51,272,897	44,414,732	94,924,423	98,770,490	146,197,320	143,185,222
Other liabilities	4,602,408	1,280,236	(1,395,307)	3,613,440	3,207,101	4,893,676
Long-term liabiliti	2,764,494	2,141,611	19,403,148	20,604,693	22,167,642	22,746,304
Deferred inflows of resources	815,472	3,992,571	363,238	432,132	1,178,710	4,424,703
Total liabilities and deferred inflc	8,182,374	7,414,418	18,371,079	24,650,265	26,553,453	32,064,683
Net position:						
Net investment in						
capital asset:						
Restricted	21,583,235	21,204,254	23,328,411	30,218,617	44,911,646	51,422,871
Unrestricted	5,989,630	4,812,594	-	-	5,989,630	4,812,594
Unrestricted	15,517,658	10,983,466	53,224,933	43,901,608	68,742,591	54,885,074
Total net position	\$ 43,090,523	\$ 37,000,314	\$ 76,553,344	\$ 74,120,225	119,643,867	111,120,539

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 \$119.643 million for 2019 as compared to \$111.120 million

CITY OF MOULTRIE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

for 2018 for an increase of 8.523 million. Of this amount, \$76.553 million came from business-type activities and \$43.090 million came from governmental activities.

An additional portion of the City's net assets (5.01%) or \$5.989 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$54.885 million) may be used to meet the City's ongoing obligations to citizens and creditors. This is an increase of \$8.228 million or 20.16%.

For governmental activities, the City reported a balance of \$15.518 million in unrestricted net assets. This is an increase of \$4.53 million from 2018 due to an increase in current assets. The business-type activities unrestricted net assets were \$53.225 million, an increase of 9.343 million from 2018 due to a decrease in total liabilities.

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, 2019 and 2018. Over time, increases or decreases in net assets measure whether the City's financial position is improving or deteriorating.

Table 3
Condensed Statement of Activities

City of Moultrie – Changes in Net Position

<i>Year ended September 30,</i>	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	\$ 1,526,548	\$ 1,710,657	\$ 40,704,423	\$ 34,487,219	\$ 42,230,971	\$ 36,197,876
Operating grants and contributions	197,760	14,457	-	105,391	\$ 197,760	\$ 119,848
Capital grants and contributions	3,534,331	2,142,759	-	390,820	\$ 3,534,331	\$ 2,533,579
General revenues:						
Property taxes	3,373,104	3,322,871	-	-	\$ 3,373,104	\$ 3,322,871
Sales taxes	-	887,051	-	-	\$ -	\$ 887,051
Other taxes	2,310,410	1,892,746	-	-	\$ 2,310,410	\$ 1,892,746
Payments in lieu of taxes	27,714	28,164	-	-	\$ 27,714	\$ 28,164
Investment income	114,112	39,899	615,315	310,585	\$ 729,427	\$ 350,484
Other revenues	1,136,514	211,230	9,054	761,539	\$ 1,145,568	\$ 972,769
Total revenues	12,220,493	10,249,834	41,328,792	36,055,554	\$ 53,549,285	\$ 46,305,388
Expenses						
Governmental activities:						
General government	2,531,819	1,934,698	-	-	2,531,819	1,934,698
Judicial	284,688	280,493	-	-	284,688	280,493
Public safety	6,621,920	4,732,563	-	-	6,621,920	4,732,563
Public works	2,673,694	1,481,211	-	-	2,673,694	1,481,211
Parks and recreation	393,408	309,035	-	-	393,408	309,035
Community development	1,177,563	723,675	-	-	1,177,563	723,675
Interest on long-term debt	16,774	20,985	-	-	16,774	20,985
Business-type activities:						
Water & sewer	-	-	6,107,847	4,812,174	6,107,847	4,812,174
Electric revenue	-	-	19,838,226	18,706,206	19,838,226	18,706,206
Gas revenue	-	-	2,107,491	1,742,749	2,107,491	1,742,749
Cable TV	-	-	446,387	227,843	446,387	227,843
Solid waste	-	-	2,366,363	1,844,061	2,366,363	1,844,061
Airport	-	-	3,141,436	247,210	3,141,436	247,210
Telecomm	-	-	-	3,126	-	3,126
Telephony	-	-	-	69,350	-	69,350
Mass transit	-	-	60,318	62,260	60,318	62,260
Total expenses	13,699,866	9,482,660	34,068,068	27,714,979	47,767,934	37,197,639
Increase (decrease) in net position before transfers	(1,479,373)	767,174	7,260,724	8,340,575	5,781,351	9,107,749
Transfers	4,609,445	5,754,640	(4,609,445)	(5,754,640)	-	-
Increase (decrease) in net position	3,130,072	6,521,814	2,651,279	2,585,935	5,781,351	9,107,749
Net position, beginning (restate)	39,960,451	30,478,500	73,902,065	71,534,290	113,862,516	102,012,790
Net position, ending	\$ 43,090,523	\$ 37,000,314	\$ 76,553,344	\$ 74,120,225	119,643,867	111,120,539

CITY OF MOULTRIE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Governmental activities during the fiscal year ended September 30, 2019 increased the City's net position by \$6.09 million. Business-type activities during the same period increased net position by \$2.433 million. The net change in net position was an increase of \$8.523 million. The table above shows the revenues and expenses by activity for the total primary government. This table shows total 2019 revenues from governmental activities at \$12.22 million while expenses were \$13.699 million. Business-type activities total revenues for 2019 were \$41.328 million while expenses were \$34.068 million. The third largest revenue source for governmental activities came from property tax revenues of \$3.373 million, which is 27.60% of the total governmental activity funding. Transfers from Business-type activities are the largest governmental activity revenue source at \$4.609 million or 37.72%. Capital Grants and contributions are the second largest governmental activity revenue source at \$3.534 million or 28.92%. Revenues from Other Taxes are the fourth largest governmental activity revenue source at \$2.310 million or 18.91%. Business-type activities program revenues exceeded expenses by \$7.26 million before internal transfers to support the governmental activities.

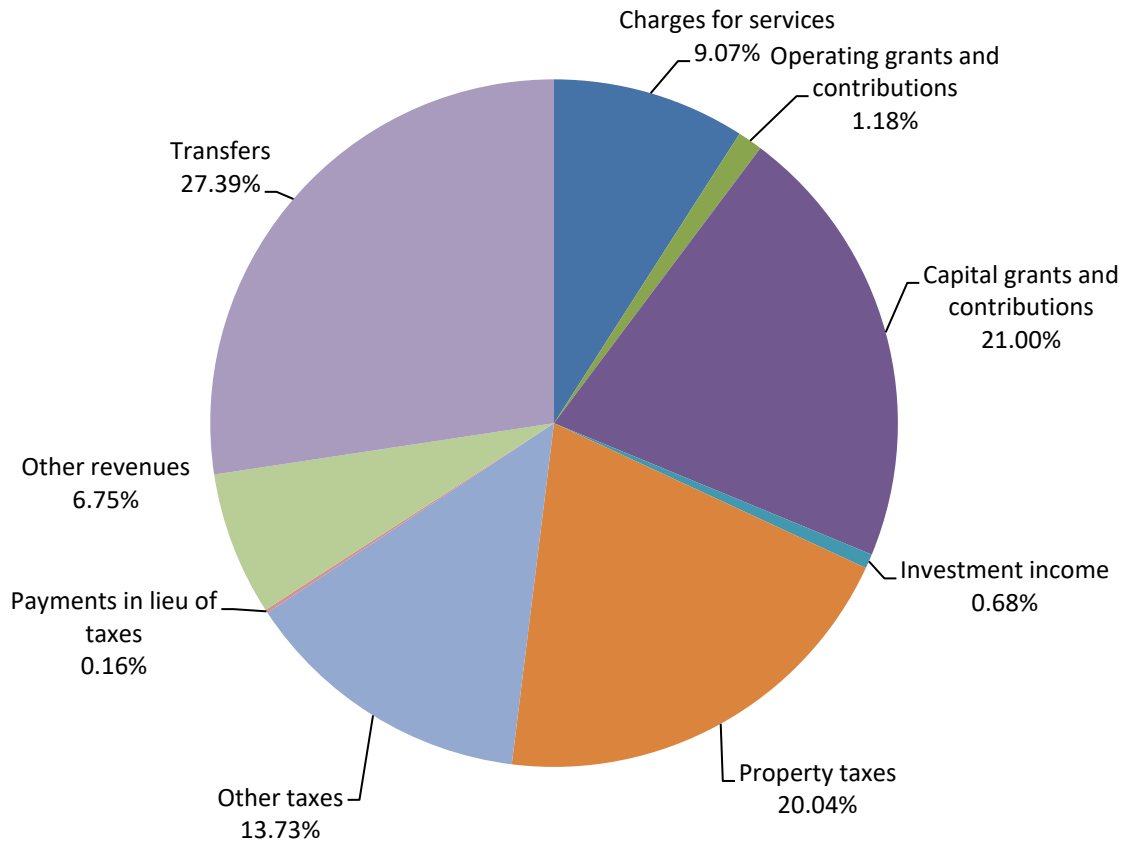
Program Revenues and Expenses for Governmental Activities

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 receive it's funding to a great degree through transfers from the business-type activities. These transfers are 27.39% of the funding for the primary government ahead of Property taxes at 20.04% of governmental revenues. Capital Grants and Contributions revenues provided 21.00% of the governmental activities funding in 2019. Transfers from business-type activities and Property Taxes provide the greatest funding sources for the governmental activities along with Capital Grants. Transfers from business-type activities decreased in 2019 while property taxes increased by 50 thousand due to a small reduction in mileage rates and an increase in net property values. 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, 2019, transfers were \$4.609 million, a decrease of \$1.145 million from \$5.754 million in the year ended September 30, 2018. This decrease is due to no transfer from the CNS TV fund as its operations were sold to the South Georgia Governmental Authority during FY 2017-18.

CITY OF MOULTRIE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Governmental Activities - Revenues by Source

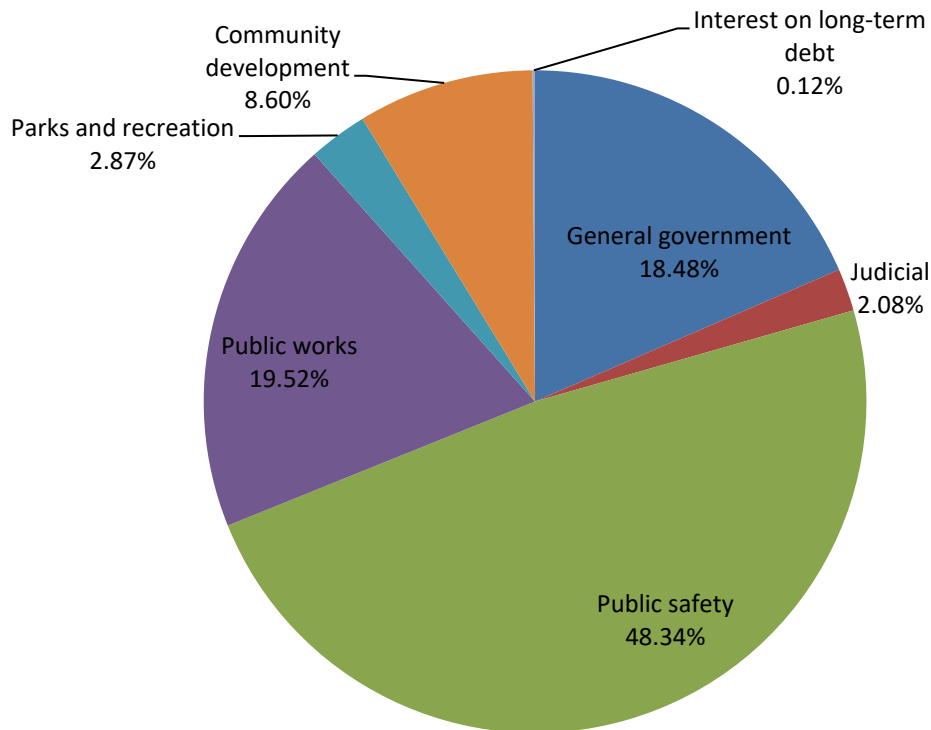


CITY OF MOULTRIE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Governmental Activities – Expenses by Source

The following chart shows the governmental activities expenses by source. The City of Moultrie spent the greatest amount of its available funding on Public Safety at \$6.621 million or 48.34% in 2019. The next largest governmental expense was for Public Works at \$2.673 million or 19.52%. 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 Safety and Public Works capital equipment added to the costs. The General Fund has benefited greatly by the use of SPLOST funding for its Capital equipment purchases, which reduces the impact on the General operating budget, which holds down any possible increases in property taxes or transfers from Business Type activities.

Governmental Activities - Expenses by Source



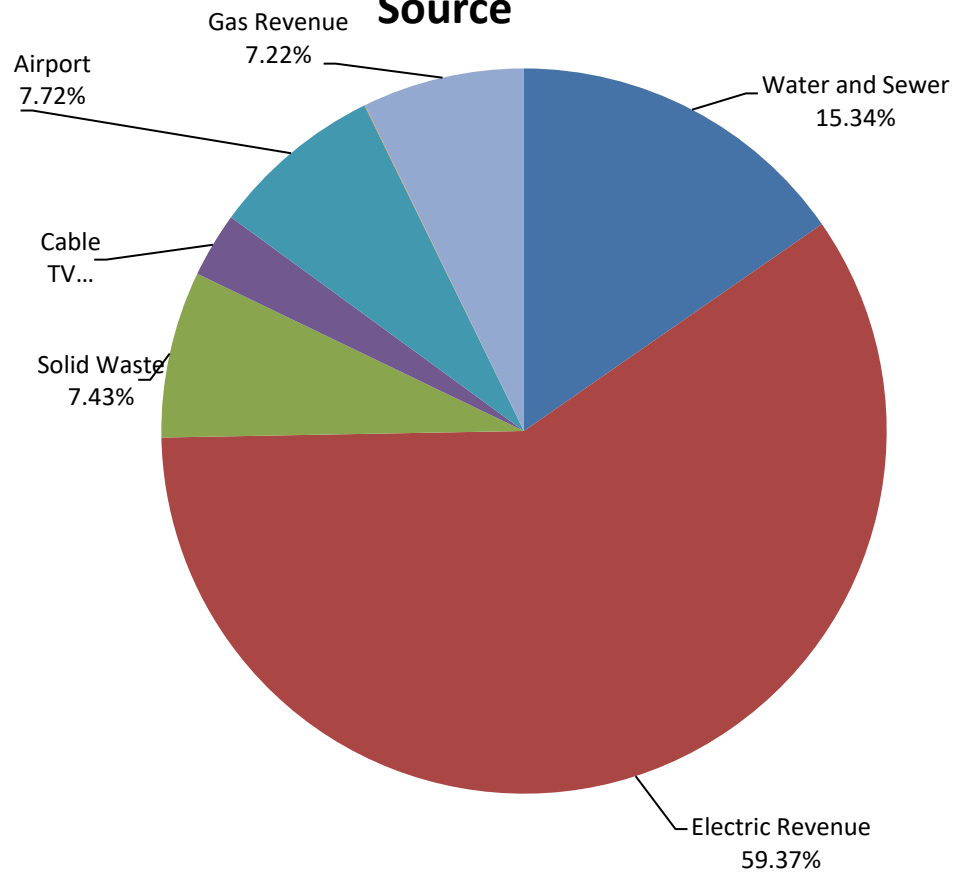
CITY OF MOULTRIE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Program Revenues and Expenses for Business-Type Activities

Business-Type Activities – Operating Revenues by Source

The business-type activities largest revenue source is from the Electric Fund. By far, more revenues (59.37%) or \$24.167 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 15.34% or \$6.243 million.

Business-Type Activities -Operating Revenues by Source

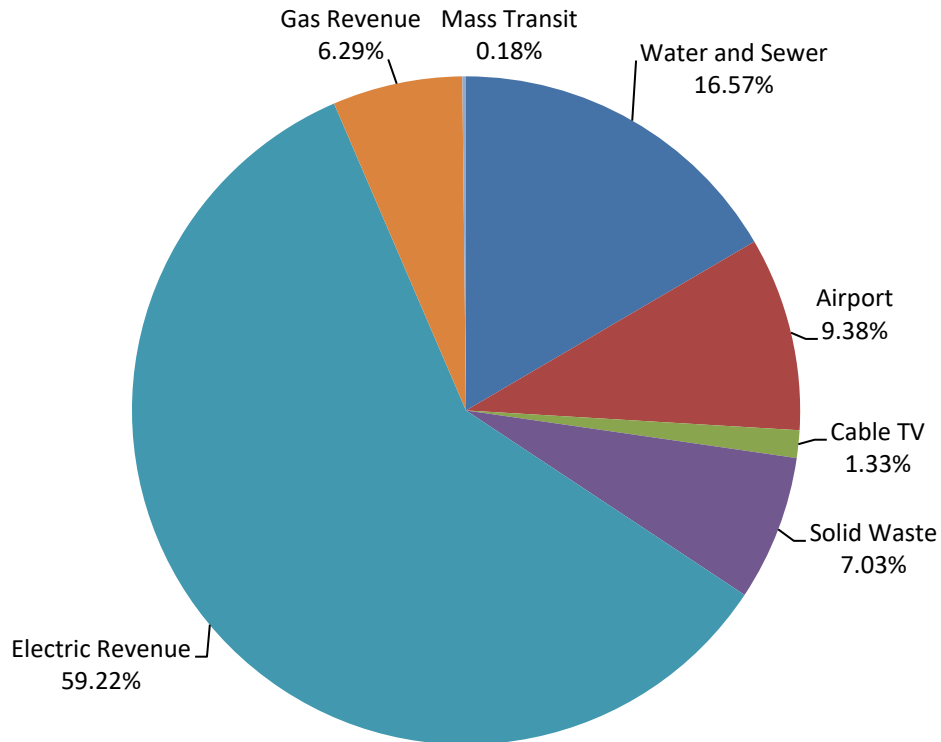


CITY OF MOULTRIE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Business-Type Activities – Operating Expenses by Source

As expected, the Electric Fund also has the largest amount of expenses at 59.22% or \$19.838 million, but it generated net income of \$4.329 million before its transfers to governmental activities. The Water and Sewer Fund generated net income of \$692 thousand before transfers. This is a reduction due to increased operating and depreciation expenses from the completed new sewer plant and other water and sewer projects. This fund had the second largest amount of expenses at \$5.552 million. The Water and Sewer, Electric and Cable funds provided the largest portion of the transfers to the General fund at \$3.91 million.

Business-Type Activities -Operating Expenses by Source



CITY OF MOULTRIE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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 and T-SPLOST Funds.

At September 30, 2019, the General Fund had a fund balance of \$13.707 million. This is an increase of \$1.537 million from the restated beginning fund balance as of October 1, 2018. The increase in the fund balance was due to a reduction in principal and interest payments on leases and the restated fund balance from 2018.

At September 30, 2019, the SPLOST and T-SPLOST Funds had a combined fund balance of \$5.042 million. This is an increase of \$2.074 million from the beginning fund balance as of October 1, 2018. SPLOST revenues were \$1.503 million more than expenditures in 2019. Those revenues must be used for approved Public Works equipment and roads, Fire and Police equipment and building renovations and recreational projects. The fund balances of the other governmental funds were \$949 thousand at year-end primarily due to increased grant revenues and Hotel- motel and tourism taxes. The final fund balance for all these funds was \$19.698 million at year-end 2019.

Proprietary Funds

The Proprietary Funds include the City's major enterprise funds consisting of the Water & Sewer Fund, Electric Fund, and CNS Broadband Fund, and the non-major enterprise funds consisting of the Solid Waste Fund, Airport Fund, Gas Fund, Mass Transit Fund, and Utility Deposit Fund showed a combined Net Position of \$76.553 million for the year ended September 30, 2019. This is an increase of \$2.433 million due to the addition at completion of the new sewer plant, other utility infrastructure improvements and additions, increased investments due to the repayment of internal debt and increased investment in the South Georgia Governmental Authority from the sale of the CNS Broadband operations.

The Water and Sewer Fund had an ending net position was \$26.404 million. It had a net income before transfers of \$166 thousand. The total net position in this fund decreased by \$33 thousand from \$26.438 (restated) to \$26.403 million in 2019 due to increased costs of the new sewer plant and increased debt service from loans and the bonds and the construction of additional water and sewer improvements and extensions

The Electric Fund had an ending net position of \$39.230 million after transfers to the General Fund. This was an increase of \$2.117 million from 2018. These funds are 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 profits to the General Fund. The Electric Fund has also provided funding for community projects that would not have been completed without its help including the extension of electric service to the new PCOM Medical School.

CITY OF MOULTRIE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

The Cable TV Fund operations was sold to the South Georgia Governmental Services Authority in April of 2017 and going forward the City is only responsible for the billing and collection of CNS revenues, opening new accounts and providing customer service on existing accounts. The City is still responsible for the uncollectible accounts, credit card fees and Telecom fees from the State and Federal government as well as the costs of the Business Operations Department attributable to the CNS Fund. Accounting for these expenditures resulted in a \$175 thousand loss in the CNS Fund for 2019. As a member of the Authority, the City does receive a distribution of a portion of net profits and has an investment in the SGGSA of \$1.551 million at the end of 2019.

The combined net position of the non-major propriety funds at the end of 2019 was \$9.042 million. This is an increase of \$743 Thousand from 2018. This increase is primarily due to the net income before transfers of \$836 thousand from the Gas Fund and \$657 thousand from the Solid Waste Fund.

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 2019 related to the transfer of budgeted amounts between departments did not result in additional appropriations.

The actual revenues of the General Fund were more than the final budgeted amounts by \$494 thousand for the year ended September 30, 2019 while actual expenditures were \$647 thousand less than budgeted for the same period. In total including transfers to the General Fund, there was a net increase of \$2.14 million increase in fund balance. Each Department did an excellent job watching their expenditures. The major factors contributing to the expenditure difference were reduced actual Public Works expenditures of 50 thousand, Public Safety expenditures of 466 thousand and General Government expenses of 50 thousand. The major increase came from the transfers from other funds to the General Fund of almost \$1 million over the budgeted amount of which the majority came from the distribution revenues from the Cable TV fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2019, governmental activities and business-type activities had capital assets of \$69.23 million (net of accumulated depreciation) invested in land, buildings, system improvements, machinery and equipment and facilities.

The net capital assets from governmental activities increased 196 thousand from \$21.789 to \$21.985 million in 2019. Factors attributing to this increase are the disposal of vehicles and equipment, accumulated depreciation of existing assets, and purchases of new vehicles and equipment and infrastructure consisting of the addition of the Mule Park Parking lot renovations downtown. The net capital assets from business-type activities decreased by \$2.82 million from the prior year due to less

CITY OF MOULTRIE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

construction in process primarily for the new sewer plant, disposal of vehicles and equipment, accumulated depreciation on existing assets and fewer major utility projects.

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, 2019, the City had \$2.76 million in outstanding long-term liabilities related to governmental activities of which 2.313 million was due to the City's net pension liability. The City also had \$19.40 million of long-term liabilities related to business-type activities for a total of \$22.167 million compared to the previous year's total of \$22.746 million. This is a total combined decrease of 579 thousand is primarily due to payments on the debt for the new Sewer Plant and bond payments. The City's component unit also had \$1.410 million in long-term debt outstanding in connection with Downtown Development Authority Revenue Bonds used to construct the Georgia Department of Labor. 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 maturing in 2028.

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

FACTORS AFFECTING THE 2019 BUDGET

As in previous years, the Mayor and Council of the City of Moultrie were faced with opportunities and challenges when approving the City's budget. Health care costs continue to rise and place an increasing burden on the City's self-funded Health Insurance plan. Personnel costs are the greatest cost of the City's operating budget. It is a challenge to provide the services its citizens require and expect without raising property taxes or utility rates to provide the needed funds. Through conservative spending, the City has lowered its property taxes to its citizens for the last four years but is always looking for other revenues to pay the ever-increasing costs to run the City.

There was \$3.257 million in Special Local Option Sales Tax and T-SPLOST proceeds collected in 2019, but these revenues are restricted for special projects and cannot be used for regular governmental operations. Although restricted the SPLOST and T-SPLOST Funds are very important to the city's overall operations as these funds provide funding for projects that may not have been funded without them or would have required an increase in property taxes if funded. Even with the improved status of the General Fund Mayor and Council and City Staff are always working to reduce spending and search for other revenue sources to offset any increases in expenditures so that the City can continue providing the level of services our citizens desire. At the same time, additional reserves must be set aside in order to offset the expected increases in costs passed on by the City's Electric power provider MEAG due to the completion of two additional nuclear units at Plant Vogtle.

CITY OF MOULTRIE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

The use of capital leases and funding from grants and SPLOST funding 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.

The Philadelphia College of Osteopathic Medicine Medical School of South Georgia opened its campus in Moultrie in August of 2018 providing a needed boost in economic growth beyond the school itself to Moultrie. As a result of this addition to the community there are 80 apartment units under construction at a total estimated cost of 8 million dollars to provide the housing needs of its students. There is also a 55 plus senior apartments with 48 units under construction downtown at an estimated cost of \$5.4 million dollars. Also there is an estimated 4.2 million dollars in renovations to existing apartment units underway. In addition, there have been over 1.6 million dollars invested in improvements to downtown parking lot improvements, construction of downtown parks and redevelopment of blighted properties completed or under construction to draw people to the City's downtown. There have been 12 new businesses opened downtown creating 35 jobs.

Additionally, the City's Main Street program has attracted over 220,000 visitors to the downtown to attend civic events.

At this time, the Coronavirus pandemic has not had a measurable effect on Moultrie's economy and there are no major reductions planned in the City's upcoming Budget.

The City's present financial position is sound and City Staff as well as Mayor and Council are working hard to keep it that way 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
GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS AND DEFERRED				
OUTFLOWS OF RESOURCES				
Cash and cash equivalents	\$ 8,189,745	\$ 16,595,483	\$ 24,785,228	\$ 125,992
Investments	8,050,182	19,619,364	27,669,546	-
Accounts receivable, net	3,903,257	6,779,107	10,682,364	-
Inventories	86,291	1,175,319	1,261,610	-
Prepaid insurance	209,414	90,084	299,498	1,384
Due from component unit	53	235,000	235,053	-
Restricted assets:				
Restricted cash	5,882,041	232,047	6,114,088	131,333
Sales tax receivable	215,026	-	215,026	-
Investment in SGGSA	-	1,550,793	1,550,793	-
Other noncurrent assets	-	-	-	55,017
Capital assets:				
Land and other nondepreciable assets	1,394,670	1,209,382	2,604,052	311,895
Construction in progress	339,814	11,450	351,264	-
Other capital assets, net of accumulated depreciation	20,250,869	46,022,789	66,273,658	1,004,501
Total assets	<u>48,521,362</u>	<u>93,520,818</u>	<u>142,042,180</u>	<u>1,630,122</u>
Deferred outflows of resources related to pensions	<u>2,751,535</u>	<u>1,403,605</u>	<u>4,155,140</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>51,272,897</u>	<u>94,924,423</u>	<u>146,197,320</u>	<u>1,630,122</u>

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
GOVERNMENT-WIDE STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2019

	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
LIABILITIES AND DEFERRED				
INFLOWS OF RESOURCES				
Accounts payable and accrued expenses	1,287,671	1,007,079	2,294,750	28,905
Due to primary government	-	-	-	235,053
Internal balances	3,314,737	(3,314,737)	-	-
Customer deposits	-	912,351	912,351	-
Long-term liabilities:				
Net pension liability	2,313,090	1,179,948	3,493,038	-
Due within one year	142,033	713,214	855,247	110,000
Due in more than one year	260,085	17,509,986	17,770,071	1,300,000
Compensated absences	49,286	-	49,286	-
Total liabilities	<u>7,366,902</u>	<u>18,007,841</u>	<u>25,374,743</u>	<u>1,673,958</u>
Deferred inflows of resources:				
Deferred inflows - pensions	712,069	363,238	1,075,307	-
Deferred inflows - other	103,403	-	103,403	-
Total deferred inflows of resources	<u>815,472</u>	<u>363,238</u>	<u>1,178,710</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>8,182,374</u>	<u>18,371,079</u>	<u>26,553,453</u>	<u>1,673,958</u>
NET POSITION				
Net investment in capital assets	21,583,235	23,328,411	44,911,646	(93,604)
Restricted for:				
Community development	906,706	-	906,706	-
Public safety	40,720	-	40,720	-
Capital projects	5,042,204	-	5,042,204	-
Unrestricted	15,517,658	53,224,933	68,742,591	49,768
Total net position	<u>\$ 43,090,523</u>	<u>\$ 76,553,344</u>	<u>\$ 119,643,867</u>	<u>\$ (43,836)</u>

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Function/Programs:	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
PRIMARY GOVERNMENT:								
Governmental activities:								
General government	2,531,819	\$ 886,551	\$ 10,055	\$ 164,869	\$ (1,470,344)		\$ (1,470,344)	
Judicial	284,688	508,402	-	-	223,714		223,714	
Public safety	6,621,920	118,828	9,939	48,494	(6,444,659)		(6,444,659)	
Public works	2,673,694	-	177,766	3,127,297	631,369		631,369	
Parks and recreation	393,408	-	-	156,903	(236,505)		(236,505)	
Community development	1,177,563	12,767	-	36,768	(1,128,028)		(1,128,028)	
Interest - general long-term debt	16,774	-	-	-	(16,774)		(16,774)	
Total governmental activities	<u>13,699,866</u>	<u>1,526,548</u>	<u>197,760</u>	<u>3,534,331</u>	<u>(8,441,227)</u>		<u>(8,441,227)</u>	
Business-type activities:								
Water and sewer	6,107,847	6,243,347	-	-	-	135,500	135,500	
Electric	19,838,226	24,167,010	-	-	-	4,328,784	4,328,784	
Broadband	446,387	1,176,650	-	-	-	730,263	730,263	
Gas	2,107,491	2,940,419	-	-	-	832,928	832,928	
Solid waste	2,366,363	3,024,038	-	-	-	657,675	657,675	
Mass transit	60,318	10,985	-	-	-	(49,333)	(49,333)	
Airport	3,141,436	3,141,974	-	-	-	538	538	
Total business-type activities	<u>34,068,068</u>	<u>40,704,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,636,355</u>	<u>6,636,355</u>	
Total primary government	<u>\$47,767,934</u>	<u>\$42,230,971</u>	<u>\$ 197,760</u>	<u>\$ 3,534,331</u>	<u>(8,441,227)</u>	<u>6,636,355</u>	<u>(1,804,872)</u>	
COMPONENT UNIT								
Downtown Development Authority	<u>\$ 192,506</u>	<u>\$ 187,404</u>	<u>\$ -</u>	<u>\$ -</u>				<u>\$ (5,102)</u>

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Program Revenues			Primary Government			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
General revenues:							
Taxes:							
Property taxes, levied for general purposes				3,373,104	-	3,373,104	-
Other taxes				2,310,410	-	2,310,410	-
Payment in lieu of taxes				27,714	-	27,714	-
Investment income				114,112	615,315	729,427	1,575
Gain on disposal of capital assets, net of losses				26,227	9,054	35,281	-
Other revenue				1,110,287	-	1,110,287	-
Total general revenues				6,961,854	624,369	7,586,223	1,575
Transfers				4,609,445	(4,609,445)	-	-
Total general revenues and transfers				11,571,299	(3,985,076)	7,586,223	1,575
Change in net position				3,130,072	2,651,279	5,781,351	(3,527)
Net position - beginning (restated)				39,960,451	73,902,065	113,862,516	(40,309)
Net position - ending				\$ 43,090,523	\$ 76,553,344	\$ 119,643,867	\$ (43,836)

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	General Fund	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 7,671,081	\$ -	\$ 7,671,081
Accounts receivable, net	242,884	-	242,884
Property tax receivable	3,096,360	-	3,096,360
Intergovernmental receivables	74,142	258,758	332,900
Inventories	63,062	-	63,062
Prepaid insurance	196,738	1,343	198,081
Due from other funds	6,594,143	17,249	6,611,392
Restricted assets:			
Cash and cash equivalents	-	5,882,041	5,882,041
Sales tax receivable	215,026	-	215,026
Program receivables	-	24,675	24,675
Investments	8,050,182	-	8,050,182
Total assets	<u>\$ 26,203,618</u>	<u>\$ 6,184,066</u>	<u>\$ 32,387,684</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Liabilities			
Accounts payable	\$ 708,430	\$ 184,623	\$ 893,053
Accrued expenses	330,755	1,996	332,751
Due to other funds	9,458,321	6,474	9,464,795
Total liabilities	<u>10,497,506</u>	<u>193,093</u>	<u>10,690,599</u>
Deferred inflows of resources			
Deferred revenue - property taxes	1,895,726	-	1,895,726
Deferred revenue - other	103,403	-	103,403
Total deferred inflows of resources	<u>1,999,129</u>	<u>-</u>	<u>1,999,129</u>
Total liabilities and deferred inflows of resources	<u>12,496,635</u>	<u>193,093</u>	<u>12,689,728</u>
FUND BALANCES			
Nonspendable			
Inventories	63,062	-	63,062
Prepaid insurance	196,738	1,343	198,081
Restricted for:			
Community development	-	906,706	906,706
Public safety	-	40,720	40,720
Capital projects	-	5,042,204	5,042,204
Unassigned	13,447,183	-	13,447,183
Total fund balances	<u>13,706,983</u>	<u>5,990,973</u>	<u>19,697,956</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 26,203,618</u>	<u>\$ 6,184,066</u>	<u>\$ 32,387,684</u>

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-
WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

Fund Balance - Total Governmental Funds	\$ 19,697,956
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	21,876,929
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Long-term liabilities and related deferred revenues and costs are not due and payable in the current period and therefore are not reported in the funds:

Capital leases	(402,118)
Compensated absences	(49,286)
Net pension liability	(1,495,187)
Deferred outflows of resources - pensions	1,778,599
Deferred inflows of resources - pensions	(460,283)
Deferred revenue - property taxes	1,895,726

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 the governmental activities in the statement of net position	<u>248,187</u>
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Net position of governmental activities	<u><u>\$ 43,090,523</u></u>
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See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	General Fund	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Property taxes	\$ 3,165,186	\$ -	\$ 3,165,186
Other taxes	1,948,890	361,520	2,310,410
Licenses and permits	822,094	-	822,094
Fines and forfeitures	499,337	9,065	508,402
Intergovernmental	409,034	3,284,574	3,693,608
Charges for services	84,924	12,767	97,691
Investment income	108,402	13,881	122,283
Other revenues	483,086	36,768	519,854
Total revenues	<u>7,520,953</u>	<u>3,718,575</u>	<u>11,239,528</u>
EXPENDITURES			
Current:			
General government	2,311,618	-	2,311,618
Judicial	284,688	-	284,688
Public safety	5,807,576	9,081	5,816,657
Public works	1,880,630	-	1,880,630
Community development	371,122	416,463	787,585
Capital outlays:			
General government	38,074	-	38,074
Public safety	35,443	48,494	83,937
Public works	554,183	1,549,856	2,104,039
Parks and recreation	-	156,903	156,903
Community development	-	365,889	365,889
Debt service	199,834	-	199,834
Total expenditures	<u>11,483,168</u>	<u>2,546,686</u>	<u>14,029,854</u>
Excess (deficiency) of revenues over (under) expenditures	(3,962,215)	1,171,889	(2,790,326)
OTHER FINANCING SOURCES			
Transfers, net	5,486,508	(5,000)	5,481,508
Proceeds - disposal of capital assets	13,299	-	13,299
Total other financing resources	<u>5,499,807</u>	<u>(5,000)</u>	<u>5,494,807</u>
Net change in fund balances	1,537,592	1,166,889	2,704,481
Fund balances - beginning (restated)	12,169,391	4,824,084	16,993,475
Fund balances - ending	<u>\$ 13,706,983</u>	<u>\$ 5,990,973</u>	<u>\$ 19,697,956</u>

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

Net change in fund balances - total governmental funds \$ 2,704,481

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.

Assets capitalized	1,142,119
Basis in capital assets disposed of	(34,722)
Depreciation expense	(1,366,184)

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 the governmental funds. Neither transactions 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 payments made	183,060
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in deferred revenue over prior year.

Deferred revenue - property taxes	207,918
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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. This the amount of the change in expenses over the prior year.

Pension cost	(539,551)
Compensated absences	13,606

An internal service fund is used by management to charge the costs of the City's services to individual funds. The net revenues (expenses) of the internal service fund is reported with governmental activities in the statement of net position.

819,345

Change in net position of governmental activities	<u>\$ 3,130,072</u>
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See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019

	Business Type Activities - Enterprise Funds					Governmental
	Water and Sewer Fund	Electric Revenue Fund	CNS Broadband Fund	Nonmajor Enterprise Funds	Total	Activity Internal Service Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Current assets:						
Cash and cash equivalents	\$ 15,779,075	\$ 100	\$ 796,753	19,555	\$ 16,595,483	\$ 518,664
Investments	-	19,619,364	-	-	19,619,364	-
Accounts receivable, net	1,093,962	4,452,701	332,885	507,280	6,386,828	206,438
Intergovernmental receivable	-	101,279	-	291,000	392,279	-
Due from other funds	2,414	8,710,371	2,896	7,567,126	16,282,807	5,349,713
Due from component unit	235,000	-	-	-	235,000	53
Inventories	171,403	937,577	-	66,339	1,175,319	23,229
Prepaid insurance	33,306	19,567	-	37,211	90,084	11,333
Total current assets	<u>17,315,160</u>	<u>33,840,959</u>	<u>1,132,534</u>	<u>8,488,511</u>	<u>60,777,164</u>	<u>6,109,430</u>
Noncurrent assets:						
Investment in SGGSA	-	-	1,550,793	-	1,550,793	-
Restricted assets - cash	-	11,436	-	220,611	232,047	-
Capital assets:						
Land	80,027	1,112,569	-	16,786	1,209,382	-
Construction in progress	11,450	-	-	-	11,450	-
Other capital assets, net of accumulated depreciation	<u>36,955,679</u>	<u>4,994,520</u>	<u>-</u>	<u>4,072,590</u>	<u>46,022,789</u>	<u>108,424</u>
Total noncurrent assets	<u>37,047,156</u>	<u>6,118,525</u>	<u>1,550,793</u>	<u>4,309,987</u>	<u>49,026,461</u>	<u>108,424</u>
Total assets	<u>54,362,316</u>	<u>39,959,484</u>	<u>2,683,327</u>	<u>12,798,498</u>	<u>109,803,625</u>	<u>6,217,854</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows from pensions	240,166	572,578	-	590,861	1,403,605	972,936
Total deferred outflows of resources	<u>240,166</u>	<u>572,578</u>	<u>-</u>	<u>590,861</u>	<u>1,403,605</u>	<u>972,936</u>
Total assets and deferred outflows of resources	<u>\$ 54,602,482</u>	<u>\$ 40,532,062</u>	<u>\$ 2,683,327</u>	<u>\$ 13,389,359</u>	<u>\$ 111,207,230</u>	<u>\$ 7,190,790</u>

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
SEPTEMBER 30, 2019

	Business Type Activities - Enterprise Funds					Governmental Activity
	Water and Sewer Fund	Electric Revenue Fund	CNS Broadband Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 256,753	\$ 34,917	\$ 69,938	\$ 145,165	\$ 506,773	\$ 31,786
Accrued expenses	15,382	17,242	-	13,214	45,838	30,081
Due to other governments	-	-	454,468	-	454,468	-
Notes payable, current	422,968	-	-	-	422,968	-
Bonds payable, current	75,000	-	-	-	75,000	-
Capital leases payable, current	59,670	-	-	155,576	215,246	-
Customer deposits	-	-	14,361	897,990	912,351	-
Due to other funds	9,786,543	620,241	267,629	2,293,657	12,968,070	5,811,047
Total current liabilities	<u>10,616,316</u>	<u>672,400</u>	<u>806,396</u>	<u>3,505,602</u>	<u>15,600,714</u>	<u>5,872,914</u>
Noncurrent liabilities:						
Bonds payable, net of current portion	9,177,751	-	-	-	9,177,751	-
Notes payable, net of current portion	8,140,376	-	-	-	8,140,376	-
Capital leases payable, net of current portion	-	-	-	191,859	191,859	-
Net pension liability	201,897	481,341	-	496,710	1,179,948	817,903
Total liabilities	<u>28,136,340</u>	<u>1,153,741</u>	<u>806,396</u>	<u>4,194,171</u>	<u>34,290,648</u>	<u>6,690,817</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows from pensions	62,152	148,177	-	152,909	363,238	251,786
Total deferred inflows of resources	<u>62,152</u>	<u>148,177</u>	<u>-</u>	<u>152,909</u>	<u>363,238</u>	<u>251,786</u>
Total liabilities/def. inflows of resources	<u>28,198,492</u>	<u>1,301,918</u>	<u>806,396</u>	<u>4,347,080</u>	<u>34,653,886</u>	<u>6,942,603</u>
NET POSITION						
Net investment in capital assets	27,311,767	6,107,089	-	4,089,376	37,508,232	108,424
Unrestricted	(907,777)	33,123,055	1,876,931	4,952,903	39,045,112	139,763
Total net position	<u>\$ 26,403,990</u>	<u>\$ 39,230,144</u>	<u>\$ 1,876,931</u>	<u>\$ 9,042,279</u>	<u>\$ 76,553,344</u>	<u>\$ 248,187</u>

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business Type Activities - Enterprise Funds				Governmental	
	Water and Sewer Fund	Electric Revenue Fund	CNS Broadband Fund	Nonmajor Enterprise Funds	Total	Activity Internal Service Fund
OPERATING REVENUES						
Utility revenue	\$ 6,143,881	\$ 23,900,541	\$ -	\$ -	\$ 30,044,422	\$ -
Charges for services	-	-	-	5,596,351	5,596,351	1,935,178
Income from joint venture	-	-	1,176,641	-	1,176,641	-
Intergovernmental	-	216,251	-	3,350,489	3,566,740	-
Other revenue	99,466	50,218	9	170,576	320,269	3,336
Total operating revenues	<u>6,243,347</u>	<u>24,167,010</u>	<u>1,176,650</u>	<u>9,117,416</u>	<u>40,704,423</u>	<u>1,938,514</u>
OPERATING EXPENSES						
Salaries and wages	-	1,082,572	-	917,158	1,999,730	768,523
Operating, administrative, and maintenance	3,306,580	18,093,049	445,837	6,257,077	28,102,543	472,366
Depreciation	2,244,981	662,605	-	489,720	3,397,306	2,780
Total operating expenses	<u>5,551,561</u>	<u>19,838,226</u>	<u>445,837</u>	<u>7,663,955</u>	<u>33,499,579</u>	<u>1,243,669</u>
Operating income (loss)	691,786	4,328,784	730,813	1,453,461	7,204,844	694,845
NONOPERATING INCOME (EXPENSES)						
Interest income	30,367	581,788	65	3,095	615,315	-
Interest expense	(555,736)	-	(550)	(11,653)	(567,939)	-
Issuance costs	(550)	-	-	-	(550)	-
Gain (loss) on disposition of capital assets	-	9,197	-	(143)	9,054	-
Income before transfers	165,867	4,919,769	730,328	1,444,760	7,260,724	694,845
Transfers, net	(199,586)	(2,802,642)	(905,325)	(701,892)	(4,609,445)	124,500
Change in net position	(33,719)	2,117,127	(174,997)	742,868	2,651,279	819,345
Net position (deficit), beginning of year, (restated)	26,437,709	37,113,017	2,051,928	8,299,411	73,902,065	(571,158)
Net position, end of year	<u>\$ 26,403,990</u>	<u>\$ 39,230,144</u>	<u>\$ 1,876,931</u>	<u>\$ 9,042,279</u>	<u>\$ 76,553,344</u>	<u>\$ 248,187</u>

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business Type Activities - Enterprise Funds					Governmental
	Water and	Electric Revenue	CNS Broadband	Nonmajor	Total	Activity
	Sewer Fund	Fund	Fund	Enterprise Funds		Internal Service Fund
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 5,959,531	\$ 22,625,546	\$ 2,771	\$ 8,731,924	\$ 37,319,772	\$ 1,752,716
Other receipts	-	-	905,325	-	905,325	-
Intergovernmental receipts (payments)	(770,731)	1,214,429	219,271	(422,799)	240,170	40,524
Payments to employees (or for their benefit) for services provided	32,935	(1,004,052)	-	(836,132)	(1,807,249)	(930,747)
Payments to suppliers for goods or services	(3,198,236)	(19,715,549)	(290,736)	(6,295,633)	(29,500,154)	(482,121)
Net cash provided (used) by operating activities	<u>2,023,499</u>	<u>3,120,374</u>	<u>836,631</u>	<u>1,177,360</u>	<u>7,157,864</u>	<u>380,372</u>
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers to other funds	(199,586)	(2,802,642)	(905,325)	(701,892)	(4,609,445)	124,500
Net cash provided (used) by noncapital financing activities	<u>(199,586)</u>	<u>(2,802,642)</u>	<u>(905,325)</u>	<u>(701,892)</u>	<u>(4,609,445)</u>	<u>124,500</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from issuance of long-term debt	280,000	-	-	-	280,000	-
Issuance Costs	(550)	-	-	-	(550)	-
Proceeds from the sale of assets	-	22,000	-	37,139	59,139	-
Acquisition and construction of capital assets	(417,665)	(259,683)	-	(289,051)	(966,399)	(111,204)
Principal paid on capital debt	(1,689,484)	-	-	(210,129)	(1,899,613)	-
Interest paid on capital debt	(555,736)	-	(550)	(11,653)	(567,939)	-
Net cash provided (used) by noncapital financing activities	<u>(2,383,435)</u>	<u>(237,683)</u>	<u>(550)</u>	<u>(473,694)</u>	<u>(3,095,362)</u>	<u>(111,204)</u>

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business Type Activities - Enterprise Funds					Governmental
	Water and Sewer Fund	Electric Revenue Fund	CNS Broadband Fund	Nonmajor Enterprise Funds	Total	Activity Internal Service Fund
	CASH FLOWS FROM INVESTING ACTIVITIES					
Change in Investments	-	(1,161,809)	-	-	(1,161,809)	-
Interest/investment income	30,367	581,788	65	3,095	615,315	-
Net cash provided by investing activities	30,367	(580,021)	65	3,095	(546,494)	-
Net increase in cash	(529,155)	(499,972)	(69,179)	4,869	(1,093,437)	393,668
Balances - beginning	16,308,230	511,508	865,932	235,297	17,920,967	124,996
Balances - ending	<u>\$ 15,779,075</u>	<u>\$ 11,536</u>	<u>\$ 796,753</u>	<u>\$ 240,166</u>	<u>\$ 16,827,530</u>	<u>\$ 518,664</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ 691,786	\$ 4,328,784	\$ 730,813	\$ 1,453,461	\$ 7,204,844	694,845
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation expense	2,244,981	662,605	-	489,720	3,397,306	2,780
Change in assets and liabilities:						
Receivables, net	(283,816)	(1,541,464)	3,417	(404,237)	(2,226,100)	(185,798)
Due to/from other funds	(770,731)	1,214,429	219,271	(377,309)	285,660	40,577
Change in investments	-	-	(271,316)	-	(271,316)	0
Customer deposits	-	-	(655)	(21,741)	(22,396)	-
Prepaid expenses	1,992.0	(1,191.0)	-	1,963.0	2,764.0	(736.0)
Pension related balances	32,935	78,520	-	81,026	192,481	(162,224)
Accounts payable and accrued expenses	106,059	(1,578,106)	155,101	(46,820)	(1,363,766)	13,968
Inventory	293	(43,203)	-	1,297	(41,613)	(23,040)
Net cash provided by operating activities	<u>\$ 2,023,499</u>	<u>\$ 3,120,374</u>	<u>\$ 836,631</u>	<u>\$ 1,177,360</u>	<u>\$ 7,157,864</u>	<u>\$ 380,372</u>

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
SEPTEMBER 30, 2019

	Pension Trust Fund
ASSETS	
Cash and cash equivalents	\$ 600,880
Investments:	
U.S. Government securities	865,518
Corporate bonds	2,099,242
Municipal bonds	1,033,243
Equities	6,655,485
Mutual funds	465,500
Asset-backed securities	875,301
Certificate of deposit	253,747
Receivables:	
Employer contribution	206,905
Accrued investment income	33,667
Total assets	13,089,488
 LIABILITIES	 -
 NET POSITION	
Held in trust for pension benefits (a schedule of funding progress is presented in the notes to the financial statements)	\$ 13,089,488

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Pension Trust Fund
Additions	
Contributions:	
Employer	\$ 227,628
Total contributions	<u>227,628</u>
Investment income:	
Net appreciation in fair value of investments	296,203
Interest and dividends	347,586
Less - investment expenses	<u>(115,817)</u>
Net investment income	<u>527,972</u>
Total additions	<u>755,600</u>
Deductions	
Pension benefits paid	1,184,596
Administrative expenses	<u>14,786</u>
Total deductions	<u>1,199,382</u>
Net increase (decrease)	(443,782)
Net assets held in trust for pension benefits, beginning of year	<u>13,533,270</u>
End of year	<u><u>\$ 13,089,488</u></u>

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 State 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, animal control, emergency management, and public utilities (water and sewer, gas electric, solid waste, broadband services and mass transit).

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

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

Downtown Development Authority of the City of Moultrie

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

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 what 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.

These statements are reported using the *economic 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

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, payable, 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.

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 expenditure, as well as expenditure related to compensated absences and claims and judgements, 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.

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additionally, the City reports the following governmental fund types:

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

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

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

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

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

The *CNS Broadband Fund* is used to account for the City's investment in the South Georgia Governmental Services Authority joint venture.

The *Fiduciary Fund* is reported using the *economic resources measurement focus* and the *accrual basis of accounting* and is 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 fund:

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.

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and 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 statements 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 and the State of Georgia, other countries, 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 are 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 to these receivables.

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

Inventories

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

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 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 the 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. No interest was capitalized during the year.

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and improvements	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 future periods and thus, will not be recognized as an outflow or 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. The 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 the 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
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 debt 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.

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:

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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 balances – 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, 2019, there were no encumbrances outstanding.

Use of Estimates

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

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 2 – BUDGETS AND BUDETARY 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 the 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 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 State of America.

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 Statues, and/or grant agreements. Appropriations for a specific project do not lapse until completion of the project.

Deficit Fund Balances/Net Position in Individual Funds

The following fund had a deficit fund balances / net position as of September 30, 2019:

Utilities Deposit Fund - \$23,998

The fund/net position deficit above is expected to be reduced through transfers from reserve and utility funds.

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 2 – BUDGETS AND BUDETARY ACCOUNTING (CONTINUED)

Excess of Expenditures Over Appropriations in Departments and Individual Funds

No funds incurred actual expenditures in excess of budgeted amounts for the year ended September 30, 2019.

NOTE 3 – DEPOSITS AND INVESTMENTS – PRIMARY GOVERNMENT

Total primary government deposits and investments as of September 30, 2019, are summarized as follows:

	Deposits with Financial Institutions	Investments	Total
	<u> </u>	<u> </u>	<u> </u>
Cash and cash equivalents	\$ 24,785,228	\$ -	\$ 24,785,228
Restricted cash and cash equivalents	6,114,088	-	6,114,088
Investments	<u>-</u>	<u>27,669,546</u>	<u>27,669,546</u>
 Total	 <u>\$ 30,899,316</u>	 <u>\$27,669,546</u>	 <u>\$ 58,568,862</u>

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 statues 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 a 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 statues 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 bond of public authorities, counties or municipalities. As of September 30, 2019, the City had no uncollateralized deposits.

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

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.

Primary government

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

Governmental activities:

Cash and cash equivalents	\$ 8,189,745
Restricted cash and cash equivalents	5,882,041
Investments	8,050,182

Business-type activities:

Cash and cash equivalents	16,595,483
Investments	19,619,364
Restricted cash and cash equivalents	232,047

Total primary government	<u>\$ 58,568,862</u>
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Amounts as presented on the Statement of Fiduciary Net Position

Cash and cash equivalents	\$ 600,880
Investments	<u>12,248,036</u>
Total primary government	<u>\$ 12,848,916</u>

Component unit:

Cash and cash equivalents	\$ 125,992
Restricted cash and cash equivalents	<u>131,333</u>
Total component unit	<u>\$ 257,325</u>

Investments

The City's investment policies are authorized by State Statues 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.

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Georgia Fund 1, 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 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity, and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share.

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

The City is authorized to direct the MEAG to retain or use the discretionary funds. At September 30, 2019, the City's balance in the discretionary stabilization fund was \$16,648,889.

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 counter party, or by its trust department or agent, but not in the City's name.

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

See below for the categories and credit and interest rate of the City’s investments as of September 30, 2019:

	Category		Fair Value	Credit Quality	Average Maturities
	1	2			
General Fund					
Certificate of deposit	\$ 8,050,182	\$ -	\$ 8,050,182	NR	1-4 years
Pension Trust Fund					
U.S. Gov. securities	613,318	252,200	865,518	Aaa	1-10 years
Corporate bonds	1,899,216	200,026	2,099,242	Baa1-Aaa	1-10 years
Municipal bonds	-	1,033,243	1,033,243	A3-Aa1	1-10+ years
Equities - common stock	6,655,485	-	6,655,485	NR	N/A
Mutual funds	465,500	-	465,500	NR	N/A
Asset-backed securities	-	875,301	875,301	NR	1-10+ years
Certificate of deposit	253,747	-	253,747	NR	3 years
Proprietary Funds					
Municipal Comp. Trust	-	19,619,364	19,619,364	NR	1-10+ years
Total	<u>\$ 17,937,448</u>	<u>\$ 21,980,134</u>	<u>\$ 39,917,582</u>		

NOTE 4 – RECEIVABLES AND TAX REVENUE

Property Tax

Property taxes were levied in September 2018 and payable before December 2018 for the fiscal year 2019 tax. Property tax revenues are recognized when levied to the extent they result in current receivables. The City’s fiscal year 2020 tax was levied in September 30, 2019 and was recorded as taxes receivable in the General Fund. The portion not collected within 60 days of year end is reported as deferred revenue.

The tax rate levied during the fiscal year 2019 for the City’s operations was 9.85 mills (mill equals \$1 per thousand dollars of assessed value).

The City maintains no allowance for uncollectible property taxes at September 30, 2019.

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, 2013 and 2018. 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
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 4 – RECEIVABLES AND TAX REVENUE (CONTINUED)

Receivables

Receivables as of September 30, 2019, are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Receivables:			
Accounts			
General Fund	\$ 242,884	\$ -	\$ 242,884
Internal Service Fund	206,438	-	206,438
Water and Sewer Fund	-	1,906,350	1,906,350
Electric Revenue Fund	-	5,875,505	5,875,505
CNS Broadband Fund	-	1,916,703	1,916,703
Nonmajor enterprise funds	-	1,086,958	1,086,958
Property tax			
General Fund	3,185,750	-	3,185,750
Intergovernmental			
General Fund	74,142	-	74,142
Nonmajor governmental funds	258,758	-	258,758
Electric Revenue Fund	-	101,279	101,279
Nonmajor enterprise funds	-	291,000	291,000
Sales tax			
General Fund	215,026	-	215,026
Program			
Nonmajor governmental funds	45,166	-	45,166
Gross receivables	<u>4,228,164</u>	<u>11,177,795</u>	<u>15,405,959</u>
Less allowance for uncollectibles			
General Fund	(89,390)	-	(89,390)
Nonmajor governmental funds	(20,491)	-	(20,491)
Water and Sewer Fund	-	(812,388)	(812,388)
Electric Revenue Fund	-	(1,422,804)	(1,422,804)
CNS Broadband Fund	-	(1,583,818)	(1,583,818)
Nonmajor enterprise funds	-	(579,678)	(579,678)
	<u>(109,881)</u>	<u>(4,398,688)</u>	<u>(4,508,569)</u>
Total net receivables	<u>\$4,118,283</u>	<u>\$ 6,779,107</u>	<u>\$ 10,897,390</u>

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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, 2019 is as follows:

	Interfund Balances		
	Receivables	Payables	Net
Governmental activities:			
General fund:			
Nonmajor governmental funds	\$ 5,149	\$ (8,090)	\$ (2,941)
Internal Service Fund	5,806,187	(4,006,903)	1,799,284
Water and Sewer Fund	23,200	-	23,200
Electric Revenue Fund	546,326	(720,000)	(173,674)
CNS Broadband Fund	213,281	-	213,281
Nonmajor enterprise funds	-	(4,723,328)	(4,723,328)
Nonmajor Governmental Funds:			
General Fund	8,089	(4,944)	3,145
Nonmajor governmental funds	100	(305)	(205)
Internal Service Fund	-	(48)	(48)
Water and Sewer Fund	-	(100)	(100)
Electric Revenue Fund	801	(1,077)	(276)
Nonmajor enterprise funds	8,259	-	8,259
Internal Service Fund:			
General Fund	4,006,903	(5,806,187)	(1,799,284)
Nonmajor governmental funds	48	-	48
Water and Sewer Fund	128,460	(1,711)	126,749
Electric Revenue Fund	72,975	(2,573)	70,402
CNS Broadband Fund	42,509	-	42,509
Nonmajor enterprise funds	1,098,818	(576)	1,098,242
Total governmental activities	<u>11,961,105</u>	<u>(15,275,842)</u>	<u>(3,314,737)</u>
Business-type activities:			
Water and Sewer Fund:			
General Fund	-	(23,201)	(23,201)
Nonmajor governmental funds	100	-	100
Internal Service Fund	1,712	(128,459)	(126,747)
Electric Revenue Fund	-	(6,530,648)	(6,530,648)
CNS Broadband Fund	-	(2,896)	(2,896)
Nonmajor enterprise funds	602	(3,101,339)	(3,100,737)
Electric Revenue Fund:			
General Fund	720,000	(546,326)	173,674
Nonmajor governmental funds	1,077	(801)	276
Internal Service Fund	2,573	(72,975)	(70,402)
Water and Sewer Fund	6,789,248	-	6,789,248
CNS Broadband Fund	11,839	-	11,839
Nonmajor enterprise Funds	1,185,634	(139)	1,185,495

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS (CONTINUED)

	Interfund Balances		
	Receivables	Payables	Net
CNS Broadband Fund:			
General Fund	-	(213,281)	(213,281)
Internal Service Fund	-	(42,509)	(42,509)
Water and Sewer Fund	2,896	-	2,896
Electric Revenue Fund	-	(11,839)	(11,839)
Nonmajor enterprise Funds:			
General Fund	4,723,328	-	4,723,328
Nonmajor governmental funds	-	(8,259)	(8,259)
Internal Service Fund	576	(1,098,817)	(1,098,241)
Water and Sewer Fund	2,842,738	(602)	2,842,136
Electric Revenue Fund	139	(1,185,634)	(1,185,495)
Nonmajor enterprise Funds:	345	(345)	-
Total business-type activities	<u>16,282,807</u>	<u>(12,968,070)</u>	<u>3,314,737</u>
Total	<u>\$ 28,243,912</u>	<u>\$(28,243,912)</u>	<u>\$ -</u>

The composition of receivables and payables between the City and its component unit as of September 30, 2019 is as follows:

Component Unit	Receivables	Payables	Net
Internal Service Fund			
Downtown Development Authority	\$ 53	\$ -	\$ 53
Water & Sewer Fund:			
Downtown Development Authority	235,000	-	235,000
Downtown Development Authority			
Internal Service Fund	-	(53)	(53)
Water & Sewer Fund	-	(235,000)	(235,000)
Total	<u>\$ 235,053</u>	<u>\$ (235,053)</u>	<u>\$ -</u>

Interfund Transfers

Interfund transfers are used to move revenues from the fund that Statue of budget requires to collect them to the fund that the Statue 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.

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS (CONTINUED)

Interfund transfers for the year ended September 30, 2019 consisted of the following:

	Transfers		
	In	Out	Net
Governmental activities:			
General fund:			
Internal Service Fund	\$ -	\$ (105,000)	\$ (105,000)
Water and Sewer Fund	765,412	-	765,412
Electric Revenue Fund	3,312,719	-	3,312,719
CNS Broadband Fund	905,325	-	905,325
Nonmajor enterprise funds	608,052	-	608,052
Nonmajor Governmental Funds:			
Internal Service Fund	-	(5,000)	(5,000)
Water and Sewer Fund	-	(996,563)	(996,563)
Internal Service Fund			
General Fund	105,000	-	105,000
Nonmajor governmental funds	5,000	-	5,000
Electric Revenue Fund	14,500	-	14,500
Total governmental activities	<u>5,716,008</u>	<u>(1,106,563)</u>	<u>4,609,445</u>
Business-type activities:			
Water & Sewer Fund:			
General Fund	-	(765,412)	(765,412)
Nonmajor Governmental Funds	996,563	-	996,563
Electric Revenue Fund	-	(430,737)	(430,737)
Electric Revenue Fund:			
General Fund	-	(3,312,719)	(3,312,719)
Internal Service Fund	-	(14,500)	(14,500)
Water and Sewer Fund	430,737	-	430,737
Nonmajor enterprise funds	93,840	-	93,840
CNS Broadband Fund			
General Fund	-	(905,325)	(905,325)
Nonmajor Enterprise Funds:			
General Fund	-	(608,052)	(608,052)
Electric Revenue Fund	-	(93,840)	(93,840)
Nonmajor Governmental Funds	-	-	-
Total business-type activities	<u>1,521,140</u>	<u>(6,130,585)</u>	<u>(4,609,445)</u>
Total	<u>\$ 7,237,148</u>	<u>\$ (7,237,148)</u>	<u>\$ -</u>

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 6 – CAPITAL ASSETS

The following is a summary of capital asset activity as of September 30, 2019:

	Beginning Balance	Additions/ Transfers	Retirements/ Transfers	Ending Balance
Governmental activities:				
Capital assets not being depreciated				
Land and improvements	\$ 1,394,670	\$ -	\$ -	\$ 1,394,670
Construction in progress*	339,814	-	-	339,814
Total capital assets not being depreciated	1,734,484	-	-	1,734,484
Capital assets being depreciated				
Buildings and improvements	12,212,130	7,500	-	12,219,630
Machinery & equipment*	8,830,933	382,779	(174,779)	9,038,933
Infrastructure*	49,915,205	863,046	-	50,778,251
Total assets being depreciated	70,958,268	1,253,325	(174,779)	72,036,814
Less accumulated depreciation for:				
Buildings and improvements*	(7,735,201)	(382,086)	-	(8,117,287)
Machinery & equipment*	(6,966,774)	(489,836)	140,057	(7,316,553)
Infrastructure*	(35,855,063)	(497,042)	-	(36,352,105)
Total accumulated depreciation	(50,557,038)	(1,368,964)	140,057	(51,785,945)
Total capital assets being depreciated, net	20,401,230	(115,639)	(34,722)	20,250,869
Governmental activities capital assets, net	<u>\$ 22,135,714</u>	<u>\$ (115,639)</u>	<u>\$ (34,722)</u>	<u>\$ 21,985,353</u>
Business-type activities:				
Capital assets not being depreciated				
Land and improvements	\$ 1,209,382	\$ -	\$ -	\$ 1,209,382
Construction in progress*	123,851	11,450	(123,851)	11,450
Total capital assets not being depreciated	1,333,233	11,450	(123,851)	1,220,832
Capital assets being depreciated				
Buildings	5,917,994	-	-	5,917,994
Other improvements	87,851,773	731,029	-	88,582,802
Machinery & equipment	10,345,791	347,769	(194,081)	10,499,479
Total assets being depreciated	104,115,558	1,078,798	(194,081)	105,000,275

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 6 – CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Retirements/ Deletions	Ending Balance
Less accumulated depreciation for:				
Buildings	(3,346,310)	(155,919)	-	(3,502,229)
Other improvements	(45,071,885)	(2,715,245)	-	(47,787,130)
Machinery & equipment	(7,305,981)	(526,142)	143,996	(7,688,127)
Total accumulated depreciation	<u>(55,724,176)</u>	<u>(3,397,306)</u>	<u>143,996</u>	<u>(58,977,486)</u>
Total capital assets being depreciated, net	<u>48,391,382</u>	<u>(2,318,508)</u>	<u>(50,085)</u>	<u>46,022,789</u>
Total business-type activities capital assets net	<u>\$ 49,724,615</u>	<u>\$ (2,307,058)</u>	<u>\$ (173,936)</u>	<u>\$ 47,243,621</u>

* See Note 18 for restatement of beginning balances

Depreciation expense was charged to divisions as follows:

Governmental activities:		
General government		\$ 109,042
Public safety		337,272
Public works		686,145
Parks and recreation		236,505
Total depreciation expense - governmental activities		<u>\$ 1,368,964</u>
Business-type activities		
Water and sewer		\$ 2,244,981
Electric		662,605
Gas		93,778
Sanitation		260,140
Airport operations		81,082
Mass transit		54,720
Total depreciation expense - business-type activities		<u>\$ 3,397,306</u>

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Component Unit

Capital asset activity for the Downtown Development Authority of the City of Moultrie, a discretely presented component unit, for the year ended September 30, 2019 is as follows:

	Balance	Additions	Deletions	Balance
Component Unit:				
<i>Business-type Activities</i>				
Capital assets not being depreciated				
Land and improvements*	\$ 311,895	\$ -	\$ -	\$ 311,895
Total capital assets not being depreciated	311,895	-	-	311,895
Capital assets being depreciated				
Buildings*	1,930,788	-	-	1,930,788
Other improvements	58,418	-	-	58,418
Total assets being depreciated	1,989,206	-	-	1,989,206
Less accumulated depreciation for:				
Buildings*	(868,855)	(96,540)	-	(965,395)
Other improvements	(17,363)	(1,947)	-	(19,310)
Total accumulated depreciation	(886,218)	(98,487)	-	(984,705)
Total capital assets being depreciated, net	1,102,988	(98,487)	-	1,004,501
Governmental activities capital assets, net	\$ 1,414,883	\$ (98,487)	\$ -	\$ 1,316,396

* See Note 18 for restatement of beginning balances

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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, 2019, are as follows:

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 water and sewer system of the City and pay certain costs of issuing the bonds.

<u>Description</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Amount</u>
Water and Sewer Fund:				
South Georgia Governmental Services Authority	\$ 12,775,000	2.00-3.75%	2042	<u>9,360,000</u>
				\$ 9,360,000
			Unamortized discount/premium/loss	(107,249)
			Less current portion	<u>(75,000)</u>
			Long-term portion, net of unamortized discount/premium/loss	<u><u>\$ 9,177,751</u></u>

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 7 – LONG-TERM DEBT (CONTINUED)

The annual debt service requirement to maturity of the Revenue Bonds at September 30, 2019 is as follows:

Year Ending September 30	Principal	Interest	Total
2020	\$ 75,000	\$ 338,662	\$ 413,662
2021	75,000	336,788	411,788
2022	75,000	334,913	409,913
2023	80,000	330,037	410,037
2024	80,000	330,798	410,798
2025-2029	445,000	1,616,992	2,061,992
2030-2034	1,430,000	1,527,156	2,957,156
2035-2039	4,185,000	1,023,763	5,208,763
2040-2042	2,915,000	220,500	3,135,500
Total	<u>\$ 9,360,000</u>	<u>\$ 6,059,609</u>	<u>\$ 15,419,609</u>

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

The City's component unit's revenue bonds outstanding at September 30, 2019 are as follows:

Description	Original Amount	Interest Rate	Due Date	Amount
Downtown Development Authority				
Series B	\$ 2,410,000	4.92%	2028	\$ 1,410,000
			Less current portion	<u>(110,000)</u>
			Long-term portion	<u>\$ 1,300,000</u>

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.

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 7 – LONG-TERM DEBT (CONTINUED)

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
2020	\$ 110,000	\$ 69,372	\$ 179,372
2021	120,000	63,960	183,960
2022	125,000	58,056	183,056
2023	130,000	51,096	181,096
2024	135,000	45,510	180,510
2025-2029	790,000	120,294	910,294
Total	<u>\$ 1,410,000</u>	<u>\$ 408,288</u>	<u>\$ 1,818,288</u>

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Other Long-Term Debt

At September 30, 2019, 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, 2019 was \$738,054. The debt is being used for the rehabilitation of the existing wastewater treatment facility.

At September 30, 2019, 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, 2019 was \$928,729. The debt is being used for the renovation of the existing wastewater treatment facility.

At September 30, 2019, 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, 2019 was \$1,428,409. The debt is being used to finance the costs of acquiring, constructing, and installing environmental facilities.

At September 30, 2019, the Water and Sewer Fund entered into an agreement with Georgia Environmental Facilities Authority whereby it may borrow up to \$6,100,000. The outstanding balance at September 30, 2019 was \$5,468,151. The debt is being used to finance the costs of acquiring, constructing, and installing environmental facilities.

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

Year Ending June 30	Principal	Interest	Total
2020	\$ 422,968	\$ 179,827	\$ 602,795
2021	432,310	170,474	602,784
2022	441,875	160,920	602,795
2023	451,666	151,128	602,794
2024	461,691	141,104	602,795
2025-2029	2,467,405	546,557	3,013,962
2030-2034	2,346,081	275,873	2,621,954
2035-2039	1,539,348	71,077	1,610,425
Total	<u>\$ 8,563,344</u>	<u>\$ 1,696,960</u>	<u>\$ 10,260,304</u>

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Capital Leases

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

The following is an analysis of equipment leased under capital leases as of September 30, 2019:

	Governmental Activities	Business-Type Activities	
		Water and Sewer Fund	Solid Waste Fund
Vehicles	\$ 724,567	\$ 288,015	\$ 357,991
Less accumulated amortization	<u>(248,180)</u>	<u>(124,806)</u>	<u>(216,656)</u>
Carrying value	<u>\$ 476,387</u>	<u>\$ 163,209</u>	<u>\$ 141,335</u>
Current amortization	<u>\$ 78,279</u>	<u>\$ 28,801</u>	<u>\$ 35,799</u>

The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments at September 30, 2019.

Year Ending September 30	Governmental Activities	Business-Type Activities	
		Water and Sewer Fund	Solid Waste Fund
2020	\$ 142,033	\$ 60,123	\$ 161,025
2021	82,016	-	154,854
2022	62,010	-	39,734
2023	62,010	-	-
2024	62,010	-	-
2025	<u>16,679</u>	<u>-</u>	<u>-</u>
Total minimum lease payments	426,758	60,123	355,613
Less amount representing interest	<u>(24,640)</u>	<u>(453)</u>	<u>(8,178)</u>
	<u>\$ 402,118</u>	<u>\$ 59,670</u>	<u>\$ 347,435</u>

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Capital leases	\$ 585,179	\$ -	\$ (183,061)	\$ 402,118	\$ 132,167
Compensated absences	<u>62,892</u>	<u>27,997</u>	<u>(41,603)</u>	<u>49,286</u>	<u>15,000</u>
Total governmental activities	<u>648,071</u>	<u>27,997</u>	<u>(224,664)</u>	<u>451,404</u>	<u>147,167</u>
Business-type activities:					
Bonds payable	10,675,000	-	(1,315,000)	9,360,000	75,000
Less deferred amounts:					
Issuance discount	<u>(111,912)</u>	<u>-</u>	<u>4,663</u>	<u>(107,249)</u>	<u>(4,663)</u>
Total bonds payable	10,563,088	-	(1,310,337)	9,252,751	70,337
Notes payable	8,604,005	280,000	(320,661)	8,563,344	422,968
Capital leases	<u>675,719</u>	<u>-</u>	<u>(268,614)</u>	<u>407,105</u>	<u>215,246</u>
Total business-type activities	<u>\$ 19,842,812</u>	<u>\$ 280,000</u>	<u>\$ (1,899,612)</u>	<u>\$ 18,223,200</u>	<u>\$ 708,551</u>

Long-term liability activity for the City's component unit for the year ended September 30, 2019 was as follows:

	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One Year</u>
Business-type activities					
Bonds payable	\$ 1,515,000	\$ -	\$ (105,000)	\$ 1,410,000	\$ 110,000
Total business-type activities	<u>\$ 1,515,000</u>	<u>\$ -</u>	<u>\$ (105,000)</u>	<u>\$ 1,410,000</u>	<u>\$ 110,000</u>

Compensated absences are liquidated by the General Fund.

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 8 – LEASING ACTIVITIES

As part of the issuance of Downtown Development Authority revenue bonds, the Authority entered into a lease agreement with the Georgia Department of Labor (DOL) to lease certain property and buildings for use by the DOL. Under the terms of the lease, the DOL will make rental payments in the amount of \$179,460 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 1, 2028.

At September 30, 2019, the amount of property and buildings lease by the DOL which is included on the Statement of Net Position of the Downtown Development Authority is \$2,301,101, with accumulated depreciation of \$984,704.

At September 30, 2019, the minimum future lease payments to be received under the operating lease are as follows;

Year Ended September 30	Governmental Activities
2020	\$ 179,460
2021	179,460
2022	179,460
2023	179,460
2024	179,460
2025 - 2028	553,335
	<u>\$ 1,450,635</u>

NOTE 9 – RESTRICTIONS OF FUND BALANCES

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

Fund balance restrictions at September 30, 2019 include:

Capital projects funds	
Restricted for specific projects to reflect resources funded by SPLOST and Federal Grants	\$ 5,042,204
Community development	660,172
Special Revenue Funds	
Restricted to reflect resources legally restricted for:	
Community development	246,534
Public safety	40,720
Total restricted net position	<u>\$ 5,989,630</u>

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 10 – 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. No stand-alone financial report is issued. (See pages 14 and 15 of this report for the plan's financial statements.)

The Plan covers all full-time employees of the City of Moultrie, Georgia who were hired prior to January 1, 2019. 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. As of January 1, 2018, the plan is closed to new entrants.

At October 1, 2018, the date of the most recent actuarial valuation, there were 244 participants consisting of the following:

Retires and beneficiaries currently receiving benefits	104
Vested terminated employees not yet receiving benefits	11
Active employees	<u>129</u>
Total	<u><u>244</u></u>

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.

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 10 – PENSION PLAN (CONTINUED)

Contributions

The City (and individual participants prior to 2018) makes contributions to the Plan. Effective February 1, 2005, all employees were required to contribute 4.42% of their annual earnings to the Plan. The City’s funding policy is to contribute the amount required to fund the Plan benefits as determined by the Plan actuary. Administrative costs are financed through investment earnings.

The annual require contribution for the year ended September 30, 2019 was determined as part of the October 1, 2018, actuarial valuation using the entry age method. The actuarial assumptions included a) an interest rate of 6.50%, 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 City 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.

Under Georgia law, the pension board is vested with the authority to select the actuarial assumptions. The board makes decisions based on the advice of the plan’s actuary. No experience study has been performed since the plan is very small. Because there are not enough plan participants to develop their own tables, the board relies on generally applicable assumptions.

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 dates 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 buy 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:

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

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 10 – PENSION PLAN (CONTINUED)

Changes in Net Pension Liability:

The total pension liability was determined by an actuarial valuation as of October 1, 2018 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2019. Changes in the net pension liability for the year ended September 30, 2019 were as follows:

	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at September 30, 2018	\$ 15,788,691	\$ (13,533,270)	\$ 2,255,421
Changes for the year:			
Service costs	-	-	-
Interest	800,188	(685,314)	114,874
Unexpected investment income	-	157,342	157,342
Difference between expected and actual experience	1,178,243	-	1,178,243
Contributions - employer	-	(227,628)	(227,628)
Net investment income	-	-	-
Benefit payments	(1,184,596)	1,184,596	-
Administrative expense	-	14,786	14,786
Other	-	-	-
Net changes	<u>793,835</u>	<u>443,782</u>	<u>1,237,617</u>
Balances at September 30, 2019	<u>\$ 16,582,526</u>	<u>\$ (13,089,488)</u>	<u>\$ 3,493,038</u>

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

The following table represents 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.

	<u>1% Decrease (4.25%)</u>	<u>Current Discount Rate (5.25%)</u>	<u>1% Increase (6.25%)</u>
Net pension liability	\$ 5,587,818	\$ 3,493,038	\$ 1,791,382

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 10 – PENSION PLAN (CONTINUED)

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 position liability was measured as of September 30, 2018 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	2.50%
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 calculated by the POABFG's investment manager as 6.66% using a Monte Carlo simulation in which best estimate ranges of expected future real rate 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 6.50%. The projection of cash flows used to determine the discount rate assumes revenues will remain level. Based on those assumptions, the pension plans' 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.

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 10 – PENSION PLAN (CONTINUED)

Net Pension Liability:

At September 30, 2019, 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 \$3,222 as of September 30, 2019.

Pension Expense:

For the year ended September 30, 2019 the City recognized pension expense related to the POABFG of \$2,961 and revenue of \$2,961 for support provided by the State of Georgia.

Georgia Firefighter's Pension Fund

Plan Description:

The Georgia Firefighter's 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 September 30, 2018 and the total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2018. The total pension liability in the actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	n/a
Investment rate of return	6.00%
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
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 10 – PENSION PLAN (CONTINUED)

The discount rate used to measure the total pension liability was 6.00%. 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 plans' 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, 2019, the City did not have a liability for proportionate share of the net pension liability of the GFPF 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 \$393,285 as of September 30, 2019.

Pension Expense:

For the year ended September 30, 2019, the City recognized pension expense related to the GFPF of \$99,625 and revenue of \$99,625 for support provided by the State of Georgia.

NOTE 11 – 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 \$18,500 if they choose and can use the catchup allowable amount during their final years before retiring. The plan also serves as the retirement plan for the City Manager and the Finance Director. For the year ended September 30, 2019, the city contributed \$13,690 to the 457(a) plan on behalf of the City Manager and Finance Director.

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 12 – JOINT VENTURES

Southwest Georgia Regional Commission

Under Georgia law, the City, in conjunction with other cities and counties in the eight county Southwest 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, 2019, the City paid \$15,742 in such dues.

Membership in the Commission is required by the Official Code of Georgia Annotated (OCGA), Section 50-8-34, which provides for the organizational structure of the Commission in Georgia. The 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 Commission. Separate financial statements may be obtained from:

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

South Georgia Governmental Services Authority

The South Georgia Governmental Services Authority (SGGSA) was created by the South Georgia Governmental Services Authority Act (State of Georgia, House Bill 879) in March of 2001 for the purpose of providing governmental, proprietary and administrative services and facilities to the Cities of Moultrie, Camilla, Cairo, and Thomasville and other subdivisions, agencies and authorities within its area of operation. The SGGSA provides video, internet, telephony and telecom services under the trade name "CNS". Moultrie is a member of the SGGSA along with the cities of Camilla, Cairo and Thomasville, Georgia. SGGSA is accounted for as a joint venture with equity interests by the members and is recorded in the CNS Broadband enterprise fund. The fiscal year of the SGGSA ends December 31. These financial statements included Moultrie's share of SGGSA net income for the SGGSA fiscal year ended December 31, 2018 in the amount of \$1,176,641. The investment has a carrying value of \$1,876,931 at September 30, 2019 which is the amount of Moultrie's share of book value of the entity plus or minus capital contributions made or distributions received from January 1, 2019 through September 30, 2019. The SGGSA board is made up of eight members, two appointed by each participating city for four-year terms.

Separate financial statements may be obtained from:

South Georgia Governmental Services Authority
P.O. Box 1676
Thomasville, GA 31799

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 12 – JOINT VENTURES (CONTINUED)

Moultrie – Colquitt County Development Authority

Through July of 2018, under an agreement with the Moultrie – Colquitt County Development Authority (MCCDA) in conjunction with Colquitt County, the City of Moultrie provided funding on an annual basis to the MCCDA. The City paid the MCCDA \$19,943 for the year ended September 30, 2019. 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.

Beginning in August 2018, the Moultrie – Colquitt County Development Authority was supported by property tax revenues. Separate financial statements may be obtained from:

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

NOTE 13 – RELATED ORGANIZATION

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

NOTE 14 – HOTEL/MOTEL TAX

The City has levied a 7% lodging tax. For the year ended September 30, 2019, \$361,520 of hotel/motel tax was collected. Management represents that 100% of the lodging tax received during the year ended September 30, 2019 was used for the promotion of tourism, conventions, or trade shows.

NOTE 15 – 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 Worker's 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 Worker's Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 15 – RISK MANAGEMENT (CONTINUED)

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 the entry of judgment and all expenses incurred for investigation, negotiation or defense.

Group Medical Benefits

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

	Unpaid Claims	
	2018	2019
Unpaid claims, beginning of year	169,705	128,683
Incurred claims (including IBNRs)	1,999,693	1,463,190
Claim payments	(2,040,715)	(1,451,840)
Unpaid claims, end of year	\$ 128,683	\$ 140,033

Settlements

During the year ended September 30, 2019, 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, 2017, 2018 and 2019.

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 16 – COMMITMENTS AND CONTINGENCIES

Litigation

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

Grants from Governments

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

Agreements with the Municipal Electric Authority of Georgia

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

As of September 30, 2019, 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 to 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 \$16,671,631 in 2019.

At September 30, 2019, the outstanding debt of MEAG was approximately \$6.07 billion. The City's guarantee varies by individual projects undertaken by MEAG and total approximately \$132.9 million at September 30, 2019.

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 16 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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 bond issues to purchase long-term rights to bulk supply. The total payments under these contracts amounted to \$1, 290,704 for the year ended September 30, 2019.

At September 30, 2019, MGAG's bonds to which the City's obligation share is applicable were outstanding in the approximate principal amount of \$196 million. The City's obligation share of that amount totals approximately \$1.8 million at September 30, 2019.

NOTE 17 – CHANGE IN PRESENTATION

Previously, the City's investment in South Georgia Governmental Services Authority (joint venture) was reported in three separate funds: Cable TV Fund, Telecom Fund and Telephony Fund. These financial statements present the joint venture in one fund: CNS Broadband Fund. Beginning net positions of \$2,068,655, \$778,934 deficit, and \$916,938 have been combined for a beginning net position of \$2,206,659 prior to being restated above.

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 18 – ADJUSTMENTS TO PREVIOUSLY ISSUED FINANCIAL STATEMENTS

After the issuance of its financial statements for the year ended September 30, 2018, the City discovered various errors. The City has restated beginning net positions and fund balances at September 30, 2018, as follows to correct the errors:

<u>Beginning Fund Balance or Net Position</u>	Fund Financial Statements			<u>Internal Service Fund</u>	<u>Governmental Activities</u>	<u>Component Unit</u>
	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>			
Beginning balance, September 30, 2018	\$ 10,676,271	\$ 4,813,900	\$ 15,490,171	\$ 5,373	\$ 37,000,314	\$ 356,987
Overstatement of:						
Amounts due from Moultrie-Colquitt						
County Parks and Recreation Authority	(205,559)	-	(205,559)	(4,493)	(210,052)	-
Allowance for bad debt	-	-	-	(572,038)	(572,038)	-
Capital assets	-	-	-	-	-	(397,296)
Payables	38,230	10,184	48,414	-	48,414	-
Sales tax payable	170,171	-	170,171	-	170,171	-
Amount due to County E-911	139,308	-	139,308	-	139,308	-
Deferred revenue - property taxes	1,336,308	-	1,336,308	-	3,024,116	-
Pension plan contribution liability	35,593	-	35,593	-	35,593	-
Understatement of:						
Capital assets	-	-	-	-	6,467	-
Construction in progress	-	-	-	-	339,814	-
Accrued expenses	-	-	-	-	(725)	-
Payroll liabilities	(20,931)	-	(20,931)	-	(20,931)	-
Change in net position	<u>1,493,120</u>	<u>10,184</u>	<u>1,503,304</u>	<u>(576,531)</u>	<u>2,960,137</u>	<u>(397,296)</u>
Beginning balance, September 30, 2018, restated	<u>\$ 12,169,391</u>	<u>\$ 4,824,084</u>	<u>\$ 16,993,475</u>	<u>\$ (571,158)</u>	<u>\$ 39,960,451</u>	<u>\$ (40,309)</u>

CITY OF MOULTRIE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 18 – ADJUSTMENTS TO PREVIOUSLY ISSUED FINANCIAL STATEMENTS (CONTINUED)

Beginning Net Position	Enterprise Funds				Total	Business- Type Activities
	Water and Sewer Fund	Electric Revenue Fund	CNS Broadband Fund	Nonmajor Enterprise Funds		
Beginning balance, September 30, 2018	\$ 26,460,689	\$ 37,456,863	\$ 2,206,659	\$ 7,996,014	\$ 74,120,225	\$ 74,120,225
Overstatement of:						
Amounts due from Moultrie-Colquitt						
County Parks and Recreation Authority	-	(4,032)	-	-	(4,032)	(4,032)
Various accounts receivable net of						
liability accounts	-	-	(154,731)	-	(154,731)	(154,731)
Construction in progress	-	(339,814)	-	-	(339,814)	(339,814)
Payables	53,950	-	-	303,397	357,347	357,347
Understatement of:						
Construction in progress	3,000	-	-	-	3,000	3,000
Payables	(79,930)	-	-	-	(79,930)	(79,930)
Change in net position	(22,980)	(343,846)	(154,731)	303,397	(218,160)	(218,160)
Beginning balance, September 30, 2018, restated	<u>\$ 26,437,709</u>	<u>\$ 37,113,017</u>	<u>\$ 2,051,928</u>	<u>\$ 8,299,411</u>	<u>\$ 73,902,065</u>	<u>\$ 73,902,065</u>

NOTE 19 – SUBSEQUENT EVENTS

On January 1, 2020, the City conveyed title of City owned parks and recreation capital assets, with a cost of \$6,771,008 and accumulated depreciation of \$4,982,422, to the Moultrie-Colquitt County Parks and Recreation Authority to be held in trust.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MOULTRIE
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 3,300,000	\$ 3,300,000	\$ 3,165,186	\$ (134,814)
Other taxes	1,854,265	1,854,265	1,948,890	94,625
Licenses and permits	800,000	800,000	822,094	22,094
Fines and forfeitures	515,000	515,000	499,337	(15,663)
Intergovernmental	280,164	280,164	409,034	128,870
Charges for services	19,919	19,919	84,924	65,005
Investment income	33,000	33,000	108,402	75,402
Other revenues	225,000	225,000	483,086	258,086
Total revenues	7,027,348	7,027,348	7,520,953	493,605
Expenditures				
Current				
General government				
City council	701,676	702,711	876,268	173,557
City manager	237,317	237,317	233,145	(4,172)
Finance	402,745	402,745	374,450	(28,295)
Purchasing	61,912	61,912	56,231	(5,681)
Municipal court	434,117	434,117	284,688	(149,429)
Human resources	257,870	257,870	251,758	(6,112)
City hall	68,172	72,544	66,659	(5,885)
Facilities maintenance	178,744	178,744	167,527	(11,217)
Engineering	336,686	336,686	323,654	(13,032)
Total general government	2,679,239	2,684,646	2,634,380	(50,266)
Public safety				
Police	3,491,557	3,501,913	3,141,617	(360,296)
Fire	2,807,151	2,807,151	2,701,402	(105,749)
Total public safety	6,298,708	6,309,064	5,843,019	(466,045)
Public works				
Office of the director	411,506	411,506	355,534	(55,972)
Streets and sidewalks	2,072,928	2,072,928	2,079,279	6,351
Total public works	2,484,434	2,484,434	2,434,813	(49,621)
Community development				
Planning and zoning	405,942	405,942	371,122	(34,820)
Total community development	405,942	405,942	371,122	(34,820)

CITY OF MOULTRIE
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Debt service				
Principal	225,647	225,647	183,060	(42,587)
Interest	20,676	20,676	16,774	(3,902)
Total debt service	<u>246,323</u>	<u>246,323</u>	<u>199,834</u>	<u>(46,489)</u>
Total expenditures	<u>12,114,646</u>	<u>12,130,409</u>	<u>11,483,168</u>	<u>(647,241)</u>
Excess (deficiency) of revenues over expenditures				
Other Financing Sources (Uses)				
Transfers	4,604,787	4,499,787	5,486,508	986,721
Proceeds - disposal of capital assets	-	-	13,299	13,299
Total other financing sources (uses)	<u>4,604,787</u>	<u>4,499,787</u>	<u>5,499,807</u>	<u>1,000,020</u>
Net change in fund balances	(482,511)	(603,274)	1,537,592	2,140,866
Fund balances, beginning of year, (restated)	<u>12,169,391</u>	<u>12,169,391</u>	<u>12,169,391</u>	<u>-</u>
Fund balances, end of year	<u>\$ 11,686,880</u>	<u>\$ 11,566,117</u>	<u>\$ 13,706,983</u>	<u>\$ 2,140,866</u>

CITY MOULTRIE
SCHEDULE OF CHANGES IN GMEBS NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN YEARS*
SEPTEMBER 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Year Ended September 30				
Total Pension Liability				
Service cost	\$ -	\$ 293,623	\$ 618,598	\$ 637,338
Expected interest growth	800,188	979,243	968,914	991,563
Demographic experience	1,178,243	(138,722)	(87,072)	(1,023,159)
Benefit payments	(1,184,596)	(882,473)	(853,317)	(1,019,237)
Changes in benefit terms	-	(3,903,182)	-	(438)
Assumption changes		578,536	-	-
Net Change in total pension liability	<u>793,835</u>	<u>(3,072,975)</u>	<u>647,123</u>	<u>(413,933)</u>
Total Pension Liability				
Beginning	<u>15,788,691</u>	<u>18,861,666</u>	<u>18,214,543</u>	<u>18,628,476</u>
Ending	<u>16,582,526</u>	<u>15,788,691</u>	<u>18,861,666</u>	<u>18,214,543</u>
Plan fiduciary net position				
Contributions - employer	227,628	84,313	372,201	329,067
Contributions - employee	-	51,771	224,604	257,851
Expected interest growth	685,314	689,403	668,516	647,195
Unexpected investment income	(157,342)	206,005	141,019	138,195
Administrative expenses	(14,786)	(11,798)	(34,012)	(27,721)
Benefit payments	(1,184,596)	(882,473)	(853,317)	(1,019,237)
Net change in plan fiduciary net position	<u>(443,782)</u>	<u>137,221</u>	<u>519,011</u>	<u>325,350</u>
Plan fiduciary net position				
Beginning	<u>13,533,270</u>	<u>13,396,049</u>	<u>12,877,038</u>	<u>12,551,833</u>
Ending	<u>13,089,488</u>	<u>13,533,270</u>	<u>13,396,049</u>	<u>12,877,183</u>
Net pension liability - ending	<u>\$ 3,493,038</u>	<u>\$ 2,255,421</u>	<u>\$ 5,465,617</u>	<u>\$ 5,337,360</u>
Plan fiduciary net position as a % of total pension liability	78.94%	85.70%	71.02%	70.70%
Covered-employee payroll	\$ 4,377,466	\$ 4,922,494	\$ 4,836,938	\$ 5,044,899
Net pension liability as a % of covered employee payroll	79.8%	45.8%	113.0%	105.8%

CITY OF MOULTRIE
SCHEDULE OF CHANGES IN GMEBS NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
LAST TEN YEARS*
SEPTEMBER 30, 2019

Notes to Schedule

*Year 2015 was the 1st year of implementation; therefore, only five years are shown.

CITY OF MOULTIRE
 SCHEDULE OF GMEBS RETIREMENT PLAN CONTRIBUTIONS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 227,628	\$ 336,699	\$ 336,892	\$ 329,067
Contribution in relation to the actuarially determined contribution	\$ 135,000	\$ 84,313	\$ 372,201	\$ 329,067
Contribution deficiency (excess)	\$ 92,628	\$ 252,386	\$ (35,309)	\$ (8,994)
Covered-employee payroll	\$ 4,377,466	\$4,922,494	\$ 4,836,938	\$5,044,899
Contribution as a % of covered employee payroll	5.20%	6.84%	6.96%	6.52%

Notes to the Schedule

(1) Actuarial assumptions

Valuation date	October 1, 2018
Actuarial cost method	Entry age
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 MOULTIRE
SCHEDULE OF GPPF COLLECTIVE NET PENSION AND EMPLOYER LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Used for the year ended September 30	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
State of Georgia's proportionate share of the net pension liability (asset) associated with the City	\$ 393,285	\$ 418,022	\$ 628,257	\$ 468,885	\$ 264,420
City's covered-employee payroll	n/a	n/a	n/a	n/a	n/a
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	n/a	n/a	n/a	n/a	n/a
entity's porportionate share of collective					
Plan fiduciary net position as a percentage of the total pension liability (asset)	83.95%	83.74%	79.03%	83.06%	89.72%

** The State makes all contribution to the plan on behalf of employees of the participating employers. The proportionate share percentage has been determined based on these contributions.

CITY OF MOULTIRE
 SCHEDULE OF POABF NET PENSION AND EMPLOYER LIABILITY AND RELATED RATIOS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

Used for the year ended September 30	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
State of Georgia's proportionate share of the net pension liability (asset) associated with the City	\$ (3,222)	\$ (2,778)	\$ 17,973	\$ 3,780	Unknown
City's covered-employee payroll	n/a	n/a	n/a	n/a	n/a
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	n/a	n/a	n/a	n/a	n/a
entity's porportionate share of collective					
Plan fiduciary net position as a percentage of the total pension liability (asset)	101.79%	101.62%	92.18%	98.28%	103.75%

** The State makes all contribution to the plan on behalf of employees of the participating employers. The proportionate share percentage has been determined based on these contributions.

COMBINING AND INDIVIDUAL FUND SCHEDULES

CITY OF MOULTIRE
SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	Special Revenue Funds			Capital Projects Funds			Total Governmental Funds	
	Confiscated Assets	Multiple Grants	Hotel Motel Tax	Paving Program	SPLOST	T-SPLOST		Community Development
ASSETS								
Restricted cash/cash equivalents	\$ 40,820	\$ 27,515	\$ 217,555	\$ -	\$3,031,136	\$1,819,473	\$745,542	\$ 5,882,041
Accounts receivable, net	-	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	136,137	122,621	-	258,758
Prepaid expenses	-	-	1,343	-	-	-	-	1,343
Due from other funds	-	16,252	801	196	-	-	-	17,249
Program receivables	-	-	-	-	-	-	24,675	24,675
Total assets	<u>\$ 40,820</u>	<u>\$ 43,767</u>	<u>\$ 219,699</u>	<u>\$ 196</u>	<u>\$3,167,273</u>	<u>\$1,942,094</u>	<u>\$770,217</u>	<u>\$ 6,184,066</u>
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ 7,524	-	\$ 67,163	\$ -	109,936	\$ 184,623
Accrued expenses	-	-	1,996	-	-	-	-	1,996
Due to other funds	100	1,177	4,892	100	-	-	205	6,474
Total liabilities	<u>100</u>	<u>1,177</u>	<u>14,412</u>	<u>100</u>	<u>67,163</u>	<u>-</u>	<u>110,141</u>	<u>193,093</u>
Fund balance:								
Nonspendable:								
Prepaid expenses	-	-	1,343	-	-	-	-	1,343
Restricted for:								
Community development	-	42,590	203,944	96	-	-	660,076	906,706
Public safety	40,720	-	-	-	-	-	-	40,720
Capital projects	-	-	-	-	3,100,110	1,942,094	-	5,042,204
Total fund balances	<u>40,720</u>	<u>42,590</u>	<u>205,287</u>	<u>96</u>	<u>3,100,110</u>	<u>1,942,094</u>	<u>660,076</u>	<u>5,990,973</u>
Total liabilities and fund balance	<u>\$ 40,820</u>	<u>\$ 43,767</u>	<u>\$ 219,699</u>	<u>\$ 196</u>	<u>\$3,167,273</u>	<u>\$1,942,094</u>	<u>770,217</u>	<u>\$ 6,184,066</u>

CITY OF MOULTRIE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds			Capital Projects Funds			Total Governmental Funds	
	Confiscated Assets	Multiple Grants	Hotel Motel Tax	Paving Program	SPLOST	T-SPLOST		Community Development
REVENUES								
Taxes	\$ -	\$ -	\$ 361,520	\$ -	\$ -	\$ -	\$ -	\$ 361,520
Fines, forfeitures and fees	9,065	-	-	-	-	-	-	9,065
Charges for services	-	-	12,767	-	-	-	-	12,767
Intergovernmental	-	34,883	-	-	1,771,851	1,477,840	-	3,248,574
Investment income	31	-	-	-	2,760	5,411	5,679	13,881
Other revenues	-	-	36,768	-	-	-	-	36,768
Total revenues	9,096	34,883	411,055	-	1,774,611	1,483,251	5,679	3,718,575
EXPENDITURES								
Current:								
Public safety	9,081	-	-	-	-	-	-	9,081
Community development	-	19,769	396,694	-	-	-	-	416,463
Capital outlays:								
Public safety	-	-	-	-	48,494	-	-	48,494
Public works	-	-	-	-	1,447,399	102,457	-	1,549,856
Parks and recreation	-	-	-	-	156,903	-	-	156,903
Community development	-	-	-	-	-	-	365,889	365,889
Total expenditures	9,081	19,769	396,694	-	1,652,796	102,457	365,889	2,546,686
Excess (deficiency) of revenues over (under) expenditures	15	15,114	14,361	-	121,815	1,380,794	(360,210)	1,171,889
OTHER FINANCING SOURCES (USES)								
Transfers	-	-	(5,000)	-	-	-	-	(5,000)
Total other financing sources (uses)	-	-	(5,000)	-	-	-	-	(5,000)
Net change in fund balances	15	15,114	9,361	-	121,815	1,380,794	(360,210)	1,166,889
Fund balances - beginning, restated	40,705	27,476	195,926	96	2,978,295	561,300	1,020,286	4,824,084
Fund balances - ending	\$ 40,720	\$ 42,590	\$ 205,287	\$ 96	\$ 3,100,110	\$ 1,942,094	\$ 660,076	5,990,973

CITY OF MOULTRIE
 BUDGETARY COMPARISON SCHEDULE – CONFISCATED ASSETS FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
Revenues			
Fines, forfeitures and fees	\$ 9,065	\$ 9,065	\$ -
Investment income	<u>31</u>	<u>31</u>	<u>-</u>
Total revenues	<u>9,096</u>	<u>9,096</u>	<u>-</u>
Expenditures			
Current:			
Public safety	<u>9,081</u>	<u>9,081</u>	<u>-</u>
Total expenditures	<u>9,081</u>	<u>9,081</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>15</u>	<u>15</u>	<u>-</u>
Fund balance, beginning of year	<u>40,705</u>	<u>40,705</u>	<u>-</u>
Fund balance, end of year	<u>\$ 40,720</u>	<u>\$ 40,720</u>	<u>\$ -</u>

CITY OF MOULTRIE
 BUDGETARY COMPARISON SCHEDULE – MULTIPLE GRANTS FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
Revenues			
Intergovernmental	\$ 34,883	\$ 34,883	\$ -
Total revenues	<u>34,883</u>	<u>34,883</u>	<u>-</u>
Expenditures			
Current:			
Community development	19,769	19,769	-
Total expenditures	<u>19,769</u>	<u>19,769</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>15,114</u>	<u>15,114</u>	<u>-</u>
Fund balance, beginning of year	<u>27,476</u>	<u>27,476</u>	<u>-</u>
Fund balance, end of year	<u>\$ 42,590</u>	<u>\$ 42,590</u>	<u>\$ -</u>

CITY OF MOULTRIE
 BUDGETARY COMPARISON SCHEDULE – HOTEL/MOTEL TAX FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues			
Taxes	\$ 320,000	\$ 361,520	\$ 41,520
Charges for services	12,500	12,767	267
Other revenues	<u>25,360</u>	<u>36,768</u>	<u>11,408</u>
Total revenues	<u>357,860</u>	<u>411,055</u>	<u>53,195</u>
Expenditures			
Current:			
Community development	<u>408,754</u>	<u>396,694</u>	<u>12,060</u>
Total expenditures	<u>408,754</u>	<u>396,694</u>	<u>12,060</u>
Excess (deficiency) of revenues over expenditures	<u>(50,894)</u>	<u>14,361</u>	<u>65,255</u>
Other financing sources (uses)			
Transfers	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>
Net change in fund balance	(50,894)	9,361	60,255
Fund balance, beginning of year	<u>195,926</u>	<u>195,926</u>	<u>-</u>
Fund balance, end of year	<u>\$ 145,032</u>	<u>\$ 205,287</u>	<u>\$ 60,255</u>

CITY OF MOULTRIE
STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business Type Activities - Enterprise Funds					Total
	Gas Fund	Utilities Deposit Fund	Solid Waste Fund	Mass Transit Fund	Airport Fund	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 19,555	\$ -	\$ 19,555
Accounts receivable, net	371,945	1,640	132,443	1,252	-	507,280
Intergovernmental receivable	-	-	291,000	-	-	291,000
Due from other funds	2,345,012	916,676	3,423,021	-	882,417	7,567,126
Inventories	66,339	-	-	-	-	66,339
Prepaid insurance	6,344	-	21,055	-	9,812	37,211
Total current assets	<u>2,789,640</u>	<u>918,316</u>	<u>3,867,519</u>	<u>20,807</u>	<u>892,229</u>	<u>8,488,511</u>
Noncurrent assets:						
Investment in SGGSA	-	-	-	-	-	-
Restricted assets - cash	220,611	-	-	-	-	220,611
Capital assets:						
Land	16,786	-	-	-	-	16,786
Other capital assets, net of accumulated depreciation	548,976	-	1,456,924	1,449,889	616,801	4,072,590
Total noncurrent assets	<u>786,373</u>	<u>-</u>	<u>1,456,924</u>	<u>1,449,889</u>	<u>616,801</u>	<u>4,309,987</u>
Total assets	<u>3,576,013</u>	<u>918,316</u>	<u>5,324,443</u>	<u>1,470,696</u>	<u>1,509,030</u>	<u>12,798,498</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows from pensions	129,225	-	461,636	-	-	590,861
Total deferred inflows of resources	<u>129,225</u>	<u>-</u>	<u>461,636</u>	<u>-</u>	<u>-</u>	<u>590,861</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 3,705,238</u>	<u>\$ 918,316</u>	<u>\$ 5,786,079</u>	<u>\$ 1,470,696</u>	<u>\$ 1,509,030</u>	<u>\$ 13,389,359</u>

CITY OF MOULTRIE
STATEMENT OF NET POSITION (CONTINUED)
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business Type Activities - Enterprise Funds					Total
	Gas Fund	Utilities Deposit Fund	Solid Waste Fund	Mass Transit Fund	Airport Fund	
LIABILITIES						
Current liabilities payable from current assets:						
Accounts payable	\$ 13,535	\$ 49,693	\$ 66,792	\$ 618	\$ 14,527	\$ 145,165
Accrued expenses	4,426		8,788	-	-	13,214
Current portion of long-term debt	-		155,576	-	-	155,576
Customer deposits	-	892,621	-	-	5,369	897,990
Due to other governments	-					-
Due to other funds	1,207,668	-	1,018,786	8,259	58,944	2,293,657
Total current liabilities payable from current assets	<u>1,225,629</u>	<u>942,314</u>	<u>1,249,942</u>	<u>8,877</u>	<u>78,840</u>	<u>3,505,602</u>
Long-term liabilities:						
Long-term debt	-	-	191,859	-	-	191,859
Net pension liability	108,634	-	388,076	-	-	496,710
Total long-term liabilities	<u>108,634</u>	<u>-</u>	<u>579,935</u>	<u>-</u>	<u>-</u>	<u>688,569</u>
Total liabilities	<u>1,334,263</u>	<u>942,314</u>	<u>1,829,877</u>	<u>8,877</u>	<u>78,840</u>	<u>4,194,171</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows from pensions	33,442	-	119,467	-	-	152,909
Total deferred inflows of resources	<u>33,442</u>	<u>-</u>	<u>119,467</u>	<u>-</u>	<u>-</u>	<u>152,909</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,367,705	942,314	1,949,344	8,877	78,840	4,347,080
NET POSITION:						
Net investment in capital assets	565,762	-	1,456,924	1,449,889	616,801	4,089,376
Unrestricted	1,771,771	(23,998)	2,379,811	11,930	813,389	4,952,903
Total net position	<u>\$ 2,337,533</u>	<u>\$ (23,998)</u>	<u>\$ 3,836,735</u>	<u>\$ 1,461,819</u>	<u>\$ 1,430,190</u>	<u>\$ 9,042,279</u>

CITY OF MOULTRIE
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Business Type Activities - Enterprise Funds

	Gas Fund	Utilities Deposit Fund	Solid Waste Fund	Mass Transit Fund	Airport Fund	Total
OPERATING REVENUES						
Utility revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	2,935,254	-	2,661,097	-	-	5,596,351
Other revenues	5,165	-	6,165	10,985	148,261	170,576
Intergovernmental	-	-	356,776	-	2,993,713	3,350,489
Total operating revenues	<u>2,940,419</u>	<u>-</u>	<u>3,024,038</u>	<u>10,985</u>	<u>3,141,974</u>	<u>9,117,416</u>
OPERATING EXPENSES						
Personnel costs	271,054	-	644,213	-	1,891	917,158
Operating, administrative, and maintenance	1,742,659	-	1,450,357	5,598	3,058,463	6,257,077
Depreciation	93,778	-	260,140	54,720	81,082	489,720
Total operating expenses	<u>2,107,491</u>	<u>-</u>	<u>2,354,710</u>	<u>60,318</u>	<u>3,141,436</u>	<u>7,663,955</u>
Operating income (loss)	832,928	-	669,328	(49,333)	538	1,453,461
NONOPERATING REVENUE (EXPENSES)						
Loss on disposal of capital assets	-	-	(143)	-	0	(143)
Interest income	3,095	-	-	-	-	3,095
Interest expense	-	-	(11,653)	-	-	(11,653)
Total nonoperating revenue (expenses)	<u>3,095</u>	<u>-</u>	<u>(11,796)</u>	<u>-</u>	<u>-</u>	<u>(8,701)</u>
Income (loss) before transfers	836,023	-	657,532	(49,333)	538	1,444,760
Transfers	(289,904)	-	(407,488)	-	(4,500)	(701,892)
Change in net position	546,119	-	250,044	(49,333)	(3,962)	742,868
Net position (deficit) , beginning of year, restated	1,791,414	(23,998)	3,586,691	1,511,152	1,434,152	8,299,411
Net position (deficit), end of year	<u>\$ 2,337,533</u>	<u>\$ (23,998)</u>	<u>\$ 3,836,735</u>	<u>\$ 1,461,819</u>	<u>\$ 1,430,190</u>	<u>\$ 9,042,279</u>

CITY OF MOULTRIE
STATEMENTS OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business Type Activities - Enterprise Funds					Total
	Gas Fund	Utilities Deposit Fund	Solid Waste Fund	Mass Transit Fund	Airport Fund	
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 2,796,517	\$ 20,243	\$ 2,758,050	\$ 10,358	\$ 3,146,756	\$ 8,731,924
Payments to employees (or for their benefit) for services provided	(253,333)	-	(580,908)	-	(1,891)	(836,132)
Payments to suppliers for goods or services	(1,822,150)	2,502	(1,422,802)	(5,612)	(3,047,571)	(6,295,633)
Intergovernmental receipts (payments)	(412,102)	(22,745)	55,142	-	(43,094)	(422,799)
Net cash provided (used) by operating activities	<u>308,932</u>	<u>-</u>	<u>809,482</u>	<u>4,746</u>	<u>54,200</u>	<u>1,177,360</u>
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers to other funds	(289,904)	-	(407,488)	-	(4,500)	(701,892)
Net cash provided (used) by noncapital financing activities	<u>(289,904)</u>	<u>-</u>	<u>(407,488)</u>	<u>-</u>	<u>(4,500)</u>	<u>(701,892)</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from sale of assets	-	-	37,139	-	-	37,139
Acquisition and construction of capital assets	(22,000)	-	(217,351)	-	(49,700)	(289,051)
Principal paid on capital debt	-	-	(210,129)	-	-	(210,129)
Interest paid on capital debt	-	-	(11,653)	-	-	(11,653)
Net cash provided (used) by capital and related financing activities	<u>(22,000)</u>	<u>-</u>	<u>(401,994)</u>	<u>-</u>	<u>(49,700)</u>	<u>(473,694)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest income	3,095	-	-	-	-	3,095
Net cash provided by investing activities	<u>3,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,095</u>
Net increase in cash	123	-	(0)	4,746	-	4,869
Balances - beginning	220,488	-	-	14,809	-	235,297
Balances - ending	<u>\$ 220,611</u>	<u>\$ -</u>	<u>\$ (0)</u>	<u>\$ 19,555</u>	<u>\$ -</u>	<u>\$ 240,166</u>

CITY OF MOULTRIE
STATEMENTS OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH

PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income (loss)	\$ 832,928	\$ -	\$ 669,328	\$ (49,333)	\$ 538	\$1,453,461
Adjustments to reconcile operating income to net cash provided by operating activities:						-
Depreciation expense	93,778	-	260,140	54,720	81,082	489,720
Change in assets and liabilities:						
Receivables, net	(143,902)	(1)	(265,988)	(627)	6,281	(404,237)
Prepaid expense	(587)	-	5,328	-	(2,778)	1,963
Due to/from other funds	(412,102)	22,745	55,142	-	(43,094)	(377,309)
Customer deposits	-	(20,242)	-	-	(1,499)	(21,741)
Pension related balances	17,721	-	63,305	-	-	81,026
Accounts payable and accrued expenses	(80,201)	(2,502)	22,227	(14)	13,670	(46,820)
Inventory	1,297	-	-	-	-	1,297
Net cash provided by operating activities	<u>\$ 308,932</u>	<u>\$ -</u>	<u>\$ 809,482</u>	<u>\$ 4,746</u>	<u>\$ 54,200</u>	<u>\$1,177,360</u>

STATE COMPLIANCE SECTION

CITY OF MOULTRIE
ONE PERCENT SPECIAL PURPOSE SALES TAX
PROJECT COST SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Project	Original Estimated Cost	Expenditures			Estimated Percent Completed
		Prior Years	Current Period	Total	
SPLOST - 2013 Issue					
Referendum Expenditures:					
Wastewater treatment	\$ 7,891,000	\$ 8,102,310	\$ 996,563	\$ 9,098,873	
Road, bridge and drainage*	2,000,000	1,080,161	362,469	1,442,630	
Joint project - City of Moultrie recreational facilities	1,500,000	363,260	156,903	520,163	
Totals	<u>\$ 11,391,000</u>	<u>\$ 9,545,731</u>	<u>\$ 1,515,935</u>	<u>\$ 11,061,666</u>	97.11%

CITY OF MOULTRIE
ONE PERCENT SPECIAL PURPOSE SALES TAX (CONTINUED)
PROJECT COST SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Project	Original Estimated Cost	Expenditures			Estimated Percent Completed
		Prior Years	Current Period	Total	
SPLOST - 2019 Issue					
Referendum Expenditures:					
Utility infrastructure					
improvements	\$ 870,000	\$ -	\$ -	\$ -	
Public safety:					
Relocation of fire station #2	1,500,000	-	43,994	43,994	
Fire Dept. ladder truck	565,000	-	-	-	
Police Dept. vehicles	385,000	-	-	-	
Certified Police Dept. firing range	50,000	-	-	-	
Other infrastructure improvements:					
Streets	1,250,000	-	-	-	
Storm drainage	1,250,000	-	-	-	
Sidewalks	1,000,000	-	-	-	
Traffic control	100,000	-	-	-	
Streetscape	560,000	-	-	-	
Spence Field	500,000	-	-	-	
Public works:					
Equipment	867,376	-	4,500	4,500	
Totals	<u>\$ 8,897,376</u>	<u>\$ -</u>	<u>\$ 48,494</u>	<u>\$ 48,494</u>	0.55%

CITY OF MOULTRIE
ONE PERCENT SPECIAL PURPOSE SALES TAX (CONTINUED)
PROJECT COST SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Project	Original Estimated Cost	Expenditures			Estimated Percent Completed
		Prior Years	Current Period	Total	
TSPLOST - 2017 Issue					
Referendum Expenditures:					
General transportation projects	\$ 7,399,113	\$ -	\$ 102,457	\$ 102,457	
Totals	<u>\$ 7,399,113</u>	<u>\$ -</u>	<u>\$ 102,457</u>	<u>\$ 102,457</u>	1.38%

* Cost of \$88,367 funded by the County is excluded
Prepared on the modified accrual basis of accounting.

FEDERAL COMPLIANCE SECTION

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

To the Honorable Mayor and 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moultrie, Georgia ("the City"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise City's basic financial statements and have issued our report thereon dated June 30, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the 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. We did identify certain deficiencies in internal control that we consider to be material weaknesses. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2019-001, 2019-002, and 2019-003 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City'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.

Respectfully submitted,



Valenti, Rackley & Associates, LLC
Certified Public Accountants

June 30, 2020

CITY OF MOULTRIE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

2019-001

Criteria: Proper segregation of accounting functions strengthens internal controls.

Condition: Inadequate segregation of accounting duties among personnel. Certain functions are not segregated.

Cause: Limited staff size

Effect: Increased risk of misstatement or fraud

Recommendation: We recommend that increased management oversight of the accounting function be utilized to mitigate risk.

Management Response: See management's Corrective Action Plan.

2019-002

Criteria: Beginning balances should be reconciled to the prior year audited financial statements and rolled forward.

Condition: Many beginning balances were not in agreement with the prior year audited financial statements.

Cause: The general ledger was not reconciled to the audited financial statements.

Effect: Many beginning balances were materially misstated and required audit adjustments.

Recommendation: We recommend that management ensure that audit adjustments are properly posted and beginning balances agree to the prior year audited financial statements.

Management Response: See management's Corrective Action Plan.

CITY OF MOULTRIE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

2019-003

Criteria: As part of the year-end closing procedures, the general ledger accounts should be reconciled to supporting documentation.

Condition: During the performance of our audit engagement procedures, we noted multiple balance sheet accounts had not been adjusted to supporting records.

Cause: The City does not have a system of internal controls that fully records transactions in accordance with generally accepted accounting principles (GAAP).

Effect: Various general ledger account balances required audit adjustments.

Recommendation: We recommend that management develop procedures and assign responsibilities that ensure balances agree to supporting records at the end of the reporting period.

Management Response: See management's Corrective Action Plan.

CITY OF MOULTRIE
STATUS OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Audit Reference
Number

2018-001	Unable to be corrected, recited as 2019-001
2018-002	Uncorrected, recited as 2019-002
2018-003	Uncorrected, recited as 2019-003
2018-004	Uncorrected, recited as 2019-003
2018-005	Uncorrected, recited as 2019-003
2018-006	Uncorrected, recited as 2019-003
2018-007	Corrected
2018-008	Uncorrected, recited as 2019-003
2018-009	Uncorrected, recited as 2019-003