

# City of Moultrie, Georgia

## ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2017



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**For the Year Ended September 30, 2017**  
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**City of Moultrie, Georgia  
Principal Officials  
For the Year Ended September 30, 2017**

**ELECTED**

William M. McIntosh, Mayor

Lisa Clarke Hill, Council Member

Angela Castellow, Council Member

Susie Thomas, Council Member

Cecil Barber, Council Member

Wilma Hadley, Council Member

Daniel L. Dunn, Council Member

**STAFF**

Peter F. Dillard, City Manager

Gary McDaniel, Finance Director



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## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moultrie, Georgia, as of, and for the year ended, September 30, 2017, and the related notes to the financial statements which collectively comprise the City of Moultrie, Georgia's basic financial statements, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moultrie, Georgia, as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 to 21 and the Required Supplementary Information on pages 88 to 89 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the schedule of pension investment returns that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Moultrie, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The accompanying schedule of Special Purpose Local Option Sales Tax Expenditures is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121, and is not a required part of the basic financial statements. The schedule of Special Purpose Local Option Sales Tax Expenditures is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report DATE XX, 2018, on our consideration of the City of Moultrie, Georgia's internal control over financial reporting. The purpose of that report is to describe the scope of our testing of internal control over financial reporting, and not to provide an opinion on internal control over financial reporting. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Moultrie, Georgia's internal control over financial reporting.

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

Carr, Riggs & Ingram, LLC  
Certified Public Accountants  
March 29, 2018

# City of Moultrie, Georgia

## Management's Discussion and Analysis

### September 30, 2017

As management of the City of Moultrie, Georgia, we offer readers of our financial statements this narrative overview and analysis of the financial activities of the City for the year ended September 30, 2016. We encourage readers to read the information presented here in conjunction with the City's financial statements, which follow this narrative.

#### **FINANCIAL HIGHLIGHTS**

- The City has \$134.46 million in total assets of which \$74.32 million are capital assets.
- The City has \$31.62 million in total liabilities of which \$27.43 million are long-term.
- The City's net position at the close of the most recent fiscal year was \$102.27 million (net position). Of this amount, \$46.66 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors while \$55.6 million is invested in capital assets net of related debt.
- The City's total net position increased by \$6.97 million this year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$10.56 million, an increase of \$1.56 million in comparison with the prior year. Of this amount \$6.639 million was from the General Fund, a \$1.35 million increase from the prior year. This improvement was due to increased revenues in the General Fund.
- The City's long-term liabilities increased by \$1.07 million during the current fiscal year as a result of the increased debt from the completion of the new Sewer Plant.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

#### **Government-Wide Financial Statements**

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

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



# City of Moultrie, Georgia

## Management's Discussion and Analysis

### September 30, 2017

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

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

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

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

#### **Fund Financial Statements**

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

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

#### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term*

**City of Moultrie, Georgia**  
**Management's Discussion and Analysis**  
**September 30, 2017**

*inflows* and *outflows* of spendable resources, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains six (6) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund only, because it is considered to be a major fund. Data from the other five (5) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

#### Proprietary Funds

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

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



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Fiduciary Funds

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

Notes to the Financial Statements

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

**City of Moultrie, Georgia**  
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Table 1 below summarizes the major features of the basic financial statements.

**Table 1**  
**Major Features of the Basic Financial Statements**

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

**City of Moultrie, Georgia**  
**Management's Discussion and Analysis**  
**September 30, 2017**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Condensed Statement of Net position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$102.74 million at the close of the most recent fiscal year.

A large portion of the City's net position (50.75%) 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 \$46.65 million or 45.62% in unrestricted net position.

Table 2 below presents the City's condensed statement of net position as of September 30, 2017 and 2016.

**Table 2**  
**Condensed Statement of Net position**

<i>September 30,</i>	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2017	2016 (Restated)	2017	2016 (Restated)	2017	2016 (Restated)
Current and other assets	\$ 14,464,344	\$ 14,343,328	\$ 45,688,541	\$ 33,957,866	\$ 60,152,885	\$ 48,301,194
Capital assets	22,850,460	23,221,775	51,465,207	55,413,500	74,315,667	78,635,275
Deferred outflows of resources	3,003,961	3,508,039	788,508	890,365	3,792,469	4,398,404
<b>Total assets and deferred outflows</b>	<b>40,318,765</b>	<b>41,073,142</b>	<b>97,942,256</b>	<b>90,261,731</b>	<b>138,261,021</b>	<b>131,334,873</b>
Other liabilities	1,023,435	1,649,048	3,165,381	3,155,780	4,188,816	4,804,828
Long-term liabilities	4,917,267	5,215,456	22,510,277	21,139,958	27,427,544	26,355,414
Deferred inflows of resources	4,159,443	4,698,244	206,159	177,417	4,365,602	4,875,661
<b>Total liabilities and deferred inflows</b>	<b>10,100,145</b>	<b>11,562,748</b>	<b>25,881,817</b>	<b>24,473,155</b>	<b>35,981,962</b>	<b>36,035,903</b>
<b>Net position:</b>						
Net investment in capital assets	22,266,199	22,382,180	29,635,958	35,374,556	51,902,157	57,756,736
Restricted	3,715,403	7,038,815	-	-	3,715,403	7,038,815
Unrestricted	4,232,378	89,399	42,424,481	30,414,020	46,656,859	30,503,419
<b>Total net position</b>	<b>\$ 30,213,980</b>	<b>\$ 29,510,394</b>	<b>\$ 72,060,439</b>	<b>\$ 65,788,576</b>	<b>\$ 102,274,419</b>	<b>\$ 95,298,970</b>

Net position may serve over time as a useful indicator of a government's financial position. The City's combined net position exceed liabilities by \$102.274 million for 2017 as compared to \$95.298 million for 2016 for an increase of \$6.98 million. Of this amount, \$72.06 million came from business-type activities and \$30.213 million came from governmental activities.



**City of Moultrie, Georgia**  
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An additional portion of the City's net position (3.63%) or \$3.715 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$46.66 million) may be used to meet the City's ongoing obligations to citizens and creditors. This is an increase of \$16.15 million or 34.62%.

For governmental activities, the City reported a balance of \$4.23 million in unrestricted net position. This is an increase of \$4.14 million from 2016 due to a reduction in restricted assets. The business-type activities unrestricted net position was \$42.42 million, an increase of \$12.01 million from 2016 due to an increase in current assets.

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

**City of Moultrie, Georgia**  
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**Condensed Statement of Activities**

Table 3 below presents the City's condensed statement of activities for the years ended September 30, 2017 and 2016. Over time, increases or decreases in net position measure whether the City's financial position is improving or deteriorating.

**Table 3**  
**Condensed Statement of Activities**

<i>Year ended September 30,</i>	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2017	2016 (Restated)	2017	2016 (Restated)	2017	2016 (Restated)
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 1,788,141	\$ 1,248,926	\$ 41,426,991	\$ 43,871,346	\$ 43,215,132	\$ 45,120,272
Operating grants and contributions	514,487	687,254	909,919		1,424,406	687,254
Capital grants and contributions	1,924,880	2,047,075	45,162	4,142,257	1,970,042	6,189,332
General revenues:						
Property taxes	4,119,671	3,977,614	-	-	4,119,671	3,977,614
Sales taxes	327,551	317,522	-	-	327,551	317,522
Other taxes	1,849,696	1,843,073	-	-	1,849,696	1,843,073
Payments in lieu of taxes	28,164	28,164	-	-	28,164	28,164
Investment income	26,076	24,336	164,718	236,349	190,794	260,685
Other revenues	256,019	162,226	582,170	74,499	838,189	236,725
<b>Total revenues</b>	<b>10,834,685</b>	<b>10,336,190</b>	<b>43,128,960</b>	<b>48,324,451</b>	<b>53,963,645</b>	<b>58,660,641</b>
<b>Expenses</b>						
Governmental activities:						
General government	2,292,081	3,692,045	-	-	2,292,081	3,692,045
Judicial	402,907	-	-	-	402,907	-
Public safety	6,413,542	6,100,039	-	-	6,413,542	6,100,039
Public works	3,030,323	6,195,224	-	-	3,030,323	6,195,224
Parks and recreation	1,348,601	1,527,364	-	-	1,348,601	1,527,364
Community development	685,994	328,367	-	-	685,994	328,367
Interest on long-term debt	20,846	32,513	-	-	20,846	32,513
Business-type activities:						
Water & sewer	-	-	4,758,090	4,640,590	4,758,090	4,640,590
Electric revenue	-	-	19,726,714	21,024,858	19,726,714	21,024,858
Gas revenue	-	-	1,741,358	1,550,641	1,741,358	1,550,641
Cable TV	-	-	3,016,609	4,285,067	3,016,609	4,285,067
Solid waste	-	-	2,392,856	2,310,173	2,392,856	2,310,173
Airport	-	-	232,514	212,269	232,514	212,269
Telecomm	-	-	652,909	939,130	652,909	939,130
Telephony	-	-	208,487	192,923	208,487	192,923
Mass transit	-	-	64,365	56,541	64,365	56,541
<b>Total expenses</b>	<b>14,194,294</b>	<b>17,875,552</b>	<b>32,793,902</b>	<b>35,212,192</b>	<b>46,988,196</b>	<b>53,087,744</b>
Increase (decrease) in net position before transfers	(3,359,609)	(7,539,362)	10,335,058	13,112,259	6,975,449	5,572,897
Transfers	4,063,195	4,109,102	(4,063,195)	(4,109,102)	-	-
Increase (decrease) in net position	703,586	(3,430,260)	6,271,863	9,003,157	6,975,449	5,572,897
<b>Net position, beginning (restated)</b>	<b>29,510,394</b>	<b>32,940,654</b>	<b>65,788,576</b>	<b>56,785,419</b>	<b>95,298,970</b>	<b>89,726,073</b>
<b>Net position, ending</b>	<b>\$ 30,213,980</b>	<b>\$ 29,510,394</b>	<b>\$ 72,060,439</b>	<b>\$ 65,788,576</b>	<b>\$ 102,274,419</b>	<b>\$ 95,298,970</b>

**City of Moultrie, Georgia**  
**Management's Discussion and Analysis**  
**September 30, 2017**

Governmental activities during the fiscal year ended September 30, 2017 increased the City's net position by \$703 Thousand. Business-type activities during the same period increased net position by \$6.27 million. The net change in net position was an increase of \$6.975 million. The table above shows the revenues and expenses by activity for the total primary government. This table shows total 2017 revenues from governmental activities at \$10.83 million while expenses were \$14.19 million. Business-type activities total revenues for 2017 were \$43.13 million while expenses were \$32.79 million. The largest revenue source for governmental activities came from property tax revenues of \$4.12 million, which is 27.65% of the total governmental activity funding. Transfers from Business-type activities are the next largest governmental activity revenue source at \$4.06 million or 27.27%. Capital Grants and contributions are the third largest governmental activity revenue source at \$1.925 million or 12.92%. Revenues from Other Taxes are the fourth largest governmental activity revenue source at \$1.85 million or 12.42%. Business-type activities program revenues exceeded expenses by \$10.335 million before internal transfers to support the governmental activities.



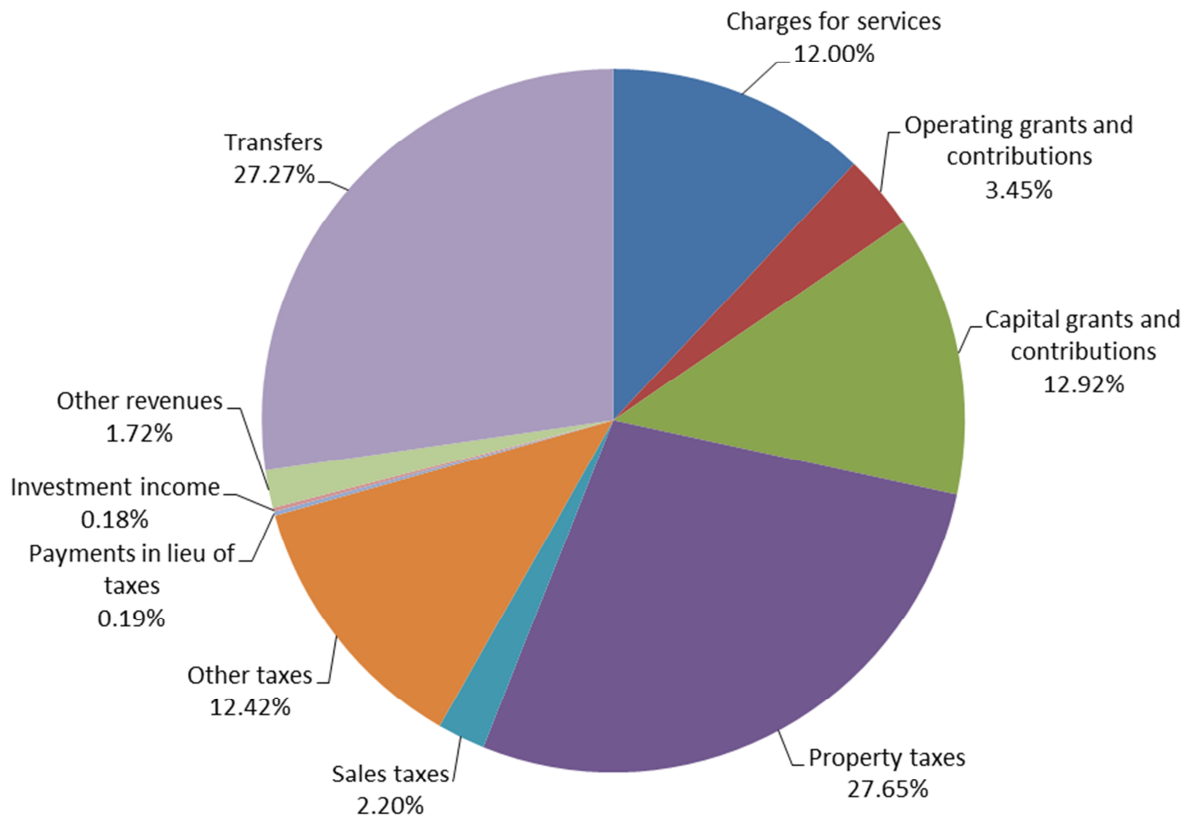
**City of Moultrie, Georgia**  
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**Program Revenues and Expenses for Governmental Activities**

**Governmental Activities - Revenues by Source**

The following chart shows the governmental activities revenues by major source and includes revenues from transfers. It is easy to see from the chart that governmental activities are funded to a great degree through transfers from the business-type activities. These transfers are 27.27% of the funding for the primary government just behind Property taxes at 27.65% of governmental revenues. Capital Grants and Contributions revenues provided 12.92% of the governmental activities funding in 2017. Transfers from business-type activities and Property Taxes provide the greatest funding sources for the governmental activities. While transfers from business-type activities decreased in 2017, property taxes increased slightly. 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, 2017, transfers were \$4.06 million, a decrease of \$45.9 thousand from \$4.109 million in the year ended September 30, 2016. This decrease is a continued step to reduce the transfer of business type funding for the General fund.

**Governmental Activities - Revenues by Source**

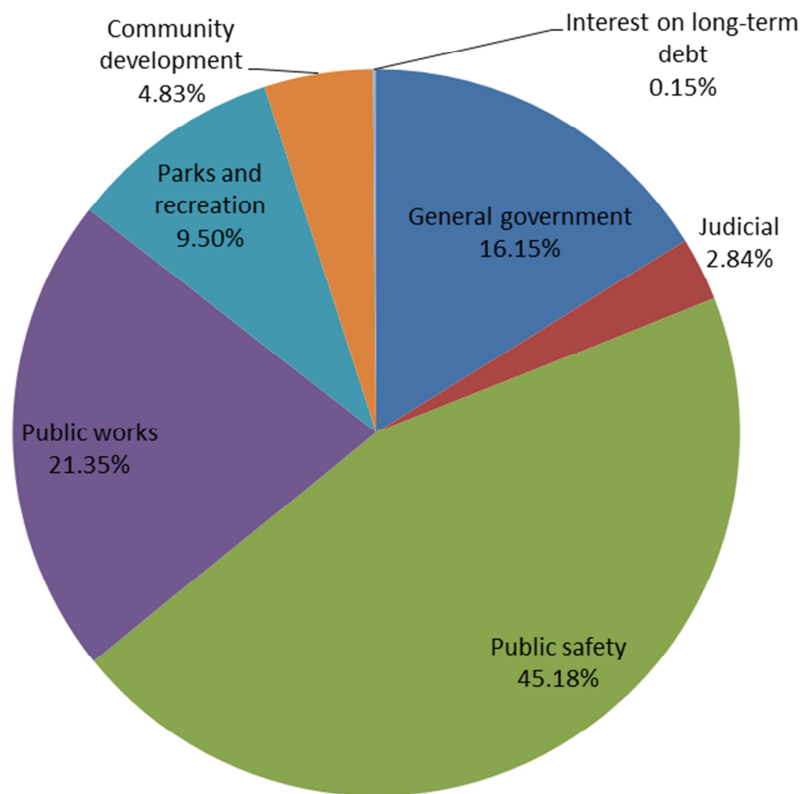


**City of Moultrie, Georgia**  
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Governmental Activities – Expenses by Source

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 \$6.41 million or 45.18% in 2017. The next largest governmental expense was for Public Works at \$3.03 million or 21.35%. 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, Public Works and Recreation capital equipment in addition to the construction costs of the new Sewer plant added to the costs. Capital Leases for General Fund equipment purchases help to reduce the initial impact on capital costs not funded through SPLOST funds or grants.

**Governmental Activities - Expenses by Source**



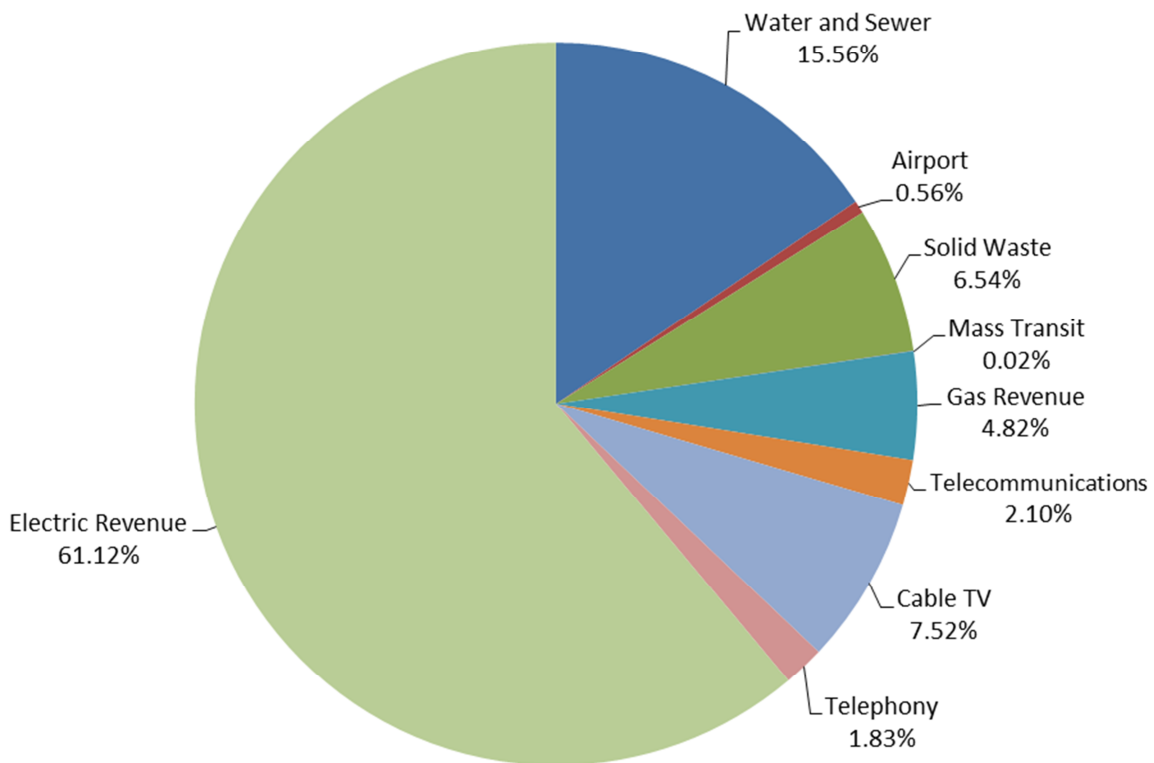
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**Program Revenues and Expenses for Business-Type Activities**

**Business-Type Activities – Revenues by Source**

The business-type activities largest revenue source is from the Electric Fund. By far, more revenues (61.12%) or \$26.36 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 15.56% or \$6.71 million.

**Business-Type Activities - Revenues by Source**

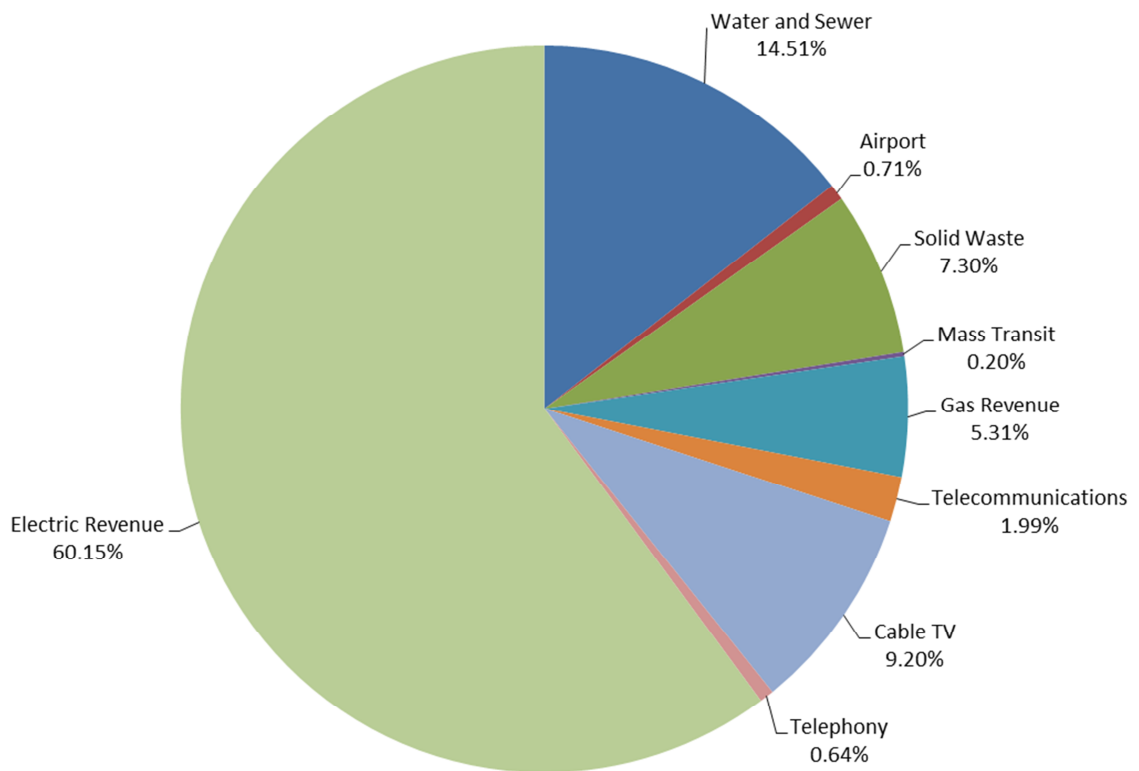


# City of Moultrie, Georgia Management's Discussion and Analysis September 30, 2017

## Business-Type Activities – Expenses by Source

As expected, the Electric Fund also has the largest amount of expenses at 60.15% or \$19.73 million, but it generated net income of \$6.6 million before its transfers to governmental activities. The Water and Sewer Fund generated net income of \$1.95 million before transfers including revenues from operating and Capital grants but had the second largest amount of expenses at \$4.2 million. It is these two funds that provide the largest portion of the transfers to the Governmental funds.

### **Business-Type Activities - Expenses by Source**



## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

### **Governmental Funds**

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

At September 30, 2017, the General Fund had a fund balance of \$6.64 million. This is an increase of \$1.35 million from the beginning fund balance as of October 1, 2016. The increase in the fund balance was due to several factors. General fund revenues were \$635 thousand more than 2016 primarily due to increases in Municipal Court and other revenues as well as property taxes. While the General Fund still receives much of its funding from transfers that amount was reduced by \$50 thousand from 2016 and there was no long term debt issued.

At September 30, 2017, the SPLOST Fund had a fund balance of \$2.64 million. This is an increase of \$197 thousand from the beginning fund balance as of October 1, 2016. SPLOST revenues were more than in 2017 than expenditures for approved Public Works, New Sewer Plant Construction and Recreation projects. The fund balances of the other governmental funds increased by \$5.7 thousand to \$1.28 million primarily due to increased grant revenues and taxes. The final fund balance for all these funds was \$10.56 million which is an increase of \$1.55million from 2016.

### **Proprietary Funds**

The Propriety Funds, which include the City's Water & Sewer Fund, Electric Fund, and Cable TV Fund, and the non-major funds consisting of the Solid Waste Fund, Airport Fund, Gas Fund, Mass Transit Fund, Telephony Fund, Utility Deposit Fund and Telecommunications Funds, showed a combined cash balance of \$18.9 million for the year ended September 30, 2017. Total combined assets increased by \$2.83 million to \$110.46 million due to the final construction of the new sewer plant and repayment of internal debt. The total net position increased by \$6.27 million from \$65.79 to \$72.06 million.

The Water and Sewer Fund had an ending cash balance of \$14.66 million after accounting for funds owed to the Electric, Gas and Other Enterprise Funds and expenditures for the acquisition and construction of the new sewer plant and payments on the long term debt related to this construction at September 30, 2017. The total net position in this fund increased by \$1.80 million from \$24.17 million in 2016 to \$25.967 million in 2017.

The Electric Fund had an ending cash and investment balance of \$17.40 million after accounting for funds owed from the Water and Gas funds and transfers to the General Fund. This was an increase of \$129 thousand from 2016. The primary reason for this increase is the payoff of the internal debt from the CNS Cable Fund due to the sale of the CNS operations to the South Georgia Governmental Services Authority. These funds are available to draw on for operations and capital projects and to loan to other funds. These funds will be used primarily for additional acquisition and construction of capital assets, operational costs and the costs of power and the transfer of funds to the General

**City of Moultrie, Georgia**  
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Fund. The Electric Fund has kept property taxes level by its transfer of a large part of its profits to the General Fund. The Electric Fund has also provided funding for community projects that could not have been completed without its help.

The Cable TV Fund had an ending cash balance of \$1.52 million which is an increase of \$102 thousand from the beginning cash balance at the end of 2016. The CNS TV operations were sold to the South Georgia Governmental Services Authority in April of 2017 and going forward the City will only do the billing and provide customer service with no other operational costs.

The combined cash balance of the non-major propriety funds at the end of the year was \$2.22 million. This is an increase of \$925 thousand from the beginning cash balance. The increase is due to the sale of the Telecom operations which were a part of the sale of the CNS TV Fund assets to the SGGSA.

#### **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 2017 related to the transfer of budgeted amounts between departments and did not result in additional appropriations.

The actual revenues of the General Fund were less than the final budgeted amounts by \$169 thousand for the year ended September 30, 2017 while actual expenditures were \$1.372 million less than budgeted for the same period. The major factors contributing to the expenditure difference were reduced actual Public Works expenditures of \$122 thousand and Public Safety expenditures of \$582 thousand and General Government expenses of \$327 thousand. The actual combined revenue and expenditures translated into a \$983 thousand increase in fund balance more than was budgeted for 2017.

#### **CAPITAL ASSET AND DEBT ADMINISTRATION**

##### **Capital Assets**

At September 30, 2017, governmental activities and business-type activities had capital assets of \$74.32 million (net of accumulated depreciation) invested in land, buildings, system improvements, machinery and equipment and recreation and park facilities.

The net capital assets from governmental activities decreased \$371 thousand from \$23.22 million to \$22.85 in 2017. Factors attributing to this decrease are the disposal of vehicles and equipment, accumulated depreciation of existing assets, and the purchase of new vehicles and equipment. The net capital assets from business-type activities decreased by \$3.95 million from the prior year due

**City of Moultrie, Georgia**  
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to less construction in process primarily for the new sewer plant and the sale of the CNS TV and Telecom operations.

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, 2017, the City had \$4.92 million in outstanding long-term liabilities related to governmental activities of which 4.26 million was due to the new requirement of including the City's net pension liability. The City also had \$22.51 million of long-term liabilities related to business-type activities for a total of \$27.43 million compared to the previous year's total of \$26.36 million. This is a total combined increase of 1.07 million primarily due to increased debt for the new Sewer Plant.

The City's component unit also had \$1.615 million in long-term debt outstanding in connection with Downtown Development Authority Revenue Bonds used to construct a United States Post Office and a Georgia Department of Labor office. The Post Office long term debt was paid off in April of 2017 and the property was transferred to the United States Postal Service. Under a lease agreement with the Department of Labor, the Department of Labor is to make rental payments to be used for the purpose of paying the principal and interest payments on the bonds for a period of twenty-three years.

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

**FACTORS AFFECTING THE 2016 BUDGET**

As in previous years the Mayor and Council of the City of Moultrie are faced with opportunities and challenges when approving the City's budget. The Nation's economy has continued to grow at a faster pace than previous years which will hopefully encourage growth in South Georgia and the City of Moultrie. Health care costs continue to rise and place an increasing burden on the City's self-funded Health Insurance costs. At the same time property and workers compensation insurance premiums are rising at an ever increasing rate. Personnel costs are the greatest cost of the City's operating budget. It is a challenge to provide the services its citizens require and expect without raising property taxes but the City has been able to do so thus far but we are always looking for other revenues to pay for all these costs.

Actual General Fund expenditures increased \$434 thousand from 2016 but actual revenues increased by \$636 thousand This increase along with the transfer from the Electric and Water and Sewer Fund increased the ending fund balance by \$1.35 million from \$5.28 million in 2016 to \$6.64

**City of Moultrie, Georgia**  
**Management's Discussion and Analysis**  
**September 30, 2017**

million this year. With the General Fund's financial condition continuing to improve it's rating on its bonds should remain at an A Stable Rating.

There was also \$1.677 million in Special Local Option Sales Tax proceeds collected in 2017, but these revenues are restricted for special projects and cannot be used for regular governmental operations. Even with the improved status of the General Fund Mayor and Council and City Staff will continue to have to search for other revenue sources in the coming years as well as find ways to reduce governmental expenditures with the least amount of reduction in services delivered. Also the construction of two additional units at Plant Vogtle will add additional costs to the City's Electric fund while reducing investment in the City's Electric Reserves which has up to now helped to maintain the transfer from the Electric Fund to the General Fund.

The use of capital leases and funding from grants and SPLOST 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 sale of the City's Cable TV system to the South Georgia Governmental Service Authority provided the necessary funding to pay off the outstanding internal loan between the Cable TV Fund and the Electric Fund. It is projected that after this sale distributions from the City's continued ownership as a member in the Authority will provide additional needed revenues to the City's General Fund in future years.

The construction of a Medical School in Moultrie in the near future will provide a needed boost in economic growth beyond the school itself to Moultrie.

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, Georgia**  
**Statement of Net Position**  
**For the Year Ended September 30, 2017**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
<b>ASSETS</b>				
Cash and cash equivalents	12,219,832	\$ 17,500,124	\$ 29,719,956	\$ 134,328
Investments	-	16,890,789	16,890,789	-
Accounts receivable, net	663,679	4,312,721	4,976,400	-
Property tax receivable	3,024,880	-	3,024,880	-
Inventories	69,242	1,106,700	1,175,942	-
Other current assets	268,977	182,494	451,471	1,908
Due from other governments	198,930	-	198,930	-
Due from component unit	-	235,000	235,000	-
Internal balances	(3,270,340)	3,270,340	-	-
Restricted assets:				
Cash and cash equivalents	828,045	1,403,824	2,231,869	126,282
Investments	-	-	-	-
Sales tax receivable	312,087	-	312,087	-
Program receivables	149,012	-	149,012	-
Investment in SGBDA	-	786,549	786,549	-
Other noncurrent assets	-	-	-	67,251
Capital assets:				
Land	1,394,670	1,209,381	2,604,051	709,191
Construction in progress	-	22,368,770	22,368,770	-
Other capital assets, net of accumulated depreciation	21,455,790	27,887,056	49,342,846	1,190,552
<b>Total assets</b>	<b>\$ 37,314,804</b>	<b>\$ 97,153,748</b>	<b>\$ 134,468,552</b>	<b>\$ 2,229,512</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension cost	\$ 3,003,961	\$ 788,508	\$ 3,792,469	\$ -
Deferred charge on refunding	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>\$ 3,003,961</b>	<b>\$ 788,508</b>	<b>\$ 3,792,469</b>	<b>\$ -</b>

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

**City of Moultrie, Georgia**  
**Statement of Net Position**  
**For the Year Ended September 30, 2017**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
<b>LIABILITIES</b>				
Accounts payable	\$ 792,218	\$ 1,879,467	\$ 2,671,685	\$ 27
Accrued expenses	91,909	93,576	185,485	33,108
Lines of credit	-	-	-	-
Customer deposits	-	900,521	900,521	-
Due to other governments	139,308	291,817	431,125	-
Due to primary government	-	-	-	235,000
Short-term notes payable	-	-	-	-
Long-term liabilities:				
Net pension liability	4,255,533	1,080,161	5,335,694	-
Due within one year	160,204	1,550,147	1,710,351	100,000
Due in more than one year	501,530	19,879,969	20,381,499	1,515,000
<b>Total liabilities</b>	<b>5,940,702</b>	<b>25,675,658</b>	<b>31,616,360</b>	<b>1,883,135</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows - pension	1,020,253	206,159	1,226,412	-
Deferred property tax	3,007,998	-	3,007,998	-
Unavailable revenue	131,192	-	131,192	-
<b>Total deferred inflows of resources</b>	<b>4,159,443</b>	<b>206,159</b>	<b>4,365,602</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	22,266,199	29,635,958	51,902,157	-
Restricted for:				
Debt service	-	-	-	-
Capital projects	2,684,727	-	2,684,727	-
Public services	1,030,676	-	1,030,676	-
Unrestricted (deficit)	4,232,378	42,424,481	46,656,859	346,377
<b>Total net position</b>	<b>\$ 30,213,980</b>	<b>\$ 72,060,439</b>	<b>\$ 102,274,419</b>	<b>\$ 346,377</b>

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

**City of Moultrie, Georgia**  
**Statement of Activities**  
**For the Year Ended September 30, 2017**

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 2,292,081	1,224,076	\$ 38,584	\$ 1,679,077	\$ 649,656
Judicial	402,907	406,994			4,087
Public safety	6,413,542	19,919	3,403	14,324	(6,375,896)
Public works	3,030,323	-	-	189,564	(2,840,759)
Parks and recreation	1,348,601	137,152	472,500	-	(738,949)
Community development	685,994	-	-	41,915	(644,079)
Interest on long-term debt	20,846	-	-	-	(20,846)
<b>Total governmental activities</b>	<b>14,194,294</b>	<b>1,788,141</b>	<b>514,487</b>	<b>1,924,880</b>	<b>(9,966,786)</b>
Business-type activities:					
Water and sewer	4,758,090	5,824,791	864,331	-	1,931,032
Electric revenue	19,726,714	26,198,474	20,755	-	6,492,515
Gas revenue	1,741,358	2,079,425	-	-	338,067
Cable TV	3,016,609	3,241,743	-	-	225,134
Solid waste	2,392,856	2,789,275	24,833	-	421,252
Airport	232,514	159,398	-	45,162	(27,954)
Telecomm	652,909	873,212	-	-	220,303
Telephony	208,487	253,173	-	-	44,686
Mass transit	64,365	7,500	-	-	(56,865)
<b>Total business-type activities</b>	<b>32,793,902</b>	<b>41,426,991</b>	<b>909,919</b>	<b>45,162</b>	<b>9,588,170</b>
<b>Total primary government</b>	<b>\$ 46,988,196</b>	<b>\$ 43,215,132</b>	<b>\$ 1,424,406</b>	<b>\$ 1,970,042</b>	<b>\$ (378,616)</b>
Component unit:					
Downtown Development Authority	309,755	\$ 297,055	\$ -	\$ -	\$ (12,700)

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

**City of Moultrie, Georgia**  
**Statement of Activities**  
**For the Year Ended September 30, 2017**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
Change in net position:				
Net (expense) revenue	\$ (9,966,786)	\$ 9,588,170	\$ (378,616)	\$ (12,700)
General revenues:				
Taxes:				
Property taxes	4,119,671	-	4,119,671	-
Sales taxes	327,551	-	327,551	-
Other taxes	1,849,696	-	1,849,696	-
Payments in lieu of taxes	28,164	-	28,164	-
Investment income	26,076	164,718	190,794	527
Gain on disposal of capital assets	-	574,710	574,710	-
Other revenues	256,019	7,460	263,479	-
Transfers	4,063,195	(4,063,195)	-	-
<b>Total general revenues and transfers</b>	<b>10,670,372</b>	<b>(3,316,307)</b>	<b>7,354,065</b>	<b>527</b>
Change in net position	703,586	6,271,863	6,975,449	(12,173)
Net position, beginning of year (restated)	29,510,394	65,788,576	95,298,970	358,550
<b>Net position, end of year</b>	<b>\$ 30,213,980</b>	<b>\$ 72,060,439</b>	<b>\$ 102,274,419</b>	<b>\$ 346,377</b>

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

**City of Moultrie, Georgia**  
**Balance Sheet – Governmental Funds**  
**September 30, 2017**

	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 9,455,166	\$ 2,518,644	\$ 246,022	\$ 12,219,832
Investments	-	-	-	-
Accounts receivable, net	314,234	-	55,105	369,339
Property tax receivable	3,024,880	-	-	3,024,880
Inventories	69,071	-	-	69,071
Prepaid expenses	251,665	-	1,764	253,429
Other assets	4,640	-	-	4,640
Due from other governments	198,930	-	-	198,930
Due from other funds	6,283,559	-	21,089	6,304,648
Restricted assets:				
Cash and cash equivalents	-	-	828,045	828,045
Investments	-	-	-	-
Sales tax receivable	180,960	131,127	-	312,087
Program receivables	-	-	149,012	149,012
<b>Total assets</b>	<b>\$ 19,783,105</b>	<b>\$ 2,649,771</b>	<b>\$ 1,301,037</b>	<b>\$ 23,733,913</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 628,874	\$ 13,295	\$ 9,927	\$ 652,096
Accrued expenses	68,567	-	1,989	70,556
Due to other governments	139,308	-	-	139,308
Due to other funds	8,447,809	-	7,160	8,454,969
Advance from other funds	720,000	-	-	720,000
Notes payable	-	-	-	-
<b>Total liabilities</b>	<b>10,004,558</b>	<b>13,295</b>	<b>19,076</b>	<b>10,036,929</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	3,007,998	-	-	3,007,998
Unavailable revenue - other income	131,192	-	-	131,192
<b>Total deferred inflows of resources</b>	<b>3,139,190</b>	<b>-</b>	<b>-</b>	<b>3,139,190</b>
<b>Fund balances</b>				
Nonspendable:				
Inventories	69,071	-	-	69,071
Prepaid insurance	251,665	-	1,764	253,429
Restricted for:				
Debt service	-	-	-	-
Community development	-	-	1,247,342	1,247,342
Public safety	-	-	32,855	32,855
Capital projects	-	2,636,476	-	2,636,476
Unassigned, reported in:				
General fund	6,318,621	-	-	6,318,621
Capital projects funds	-	-	-	-
Special revenue funds	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>6,639,357</b>	<b>2,636,476</b>	<b>1,281,961</b>	<b>10,557,794</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 19,783,105</b>	<b>\$ 2,649,771</b>	<b>\$ 1,301,037</b>	<b>\$ 23,733,913</b>

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

**City of Moultrie, Georgia**  
**Reconciliation of the Balance Sheet of**  
**Governmental Funds to the Statement of Net Position**  
**September 30, 2017**

Total governmental fund balances \$ 10,557,794

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 22,850,460

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

Capital leases	(584,261)
Compensated absences	(76,743)
Net pension liability	(3,727,421)
Deferred inflows - pension	(909,017)
Deferred pension cost	2,623,590
Other	728

An internal service fund is used by management to charge the costs of the City's services to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. (521,150)

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Net position of governmental activities \$ 30,213,980

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**City of Moultrie, Georgia**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances – Governmental Funds**  
**For the Year Ended September 30, 2017**

	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property taxes	\$ 4,119,671	\$ -	\$ -	\$ 4,119,671
Local option sales taxes	-	-	-	-
Other taxes	1,849,696	-	327,551	2,177,247
Licenses and permits	806,144	-	-	806,144
Fines and forfeitures	394,252	-	12,742	406,994
Charges for services	335,513	-	8,457	343,970
Investment income	17,212	1,343	8,864	27,419
Intergovernmental	704,552	1,677,734	45,318	2,427,604
Other revenues	446,375	-	79,261	525,636
<b>Total revenues</b>	<b>8,673,415</b>	<b>1,679,077</b>	<b>482,193</b>	<b>10,834,685</b>
<b>Expenditures</b>				
Current:				
General government	2,490,565	-	-	2,490,565
Public safety	5,750,106	-	7,363	5,757,469
Public works	2,399,293	-	-	2,399,293
Parks and recreation	1,109,634	-	-	1,109,634
Housing and development	249,767	-	-	249,767
Community development	-	-	419,703	419,703
Capital outlays	-	599,607	41,915	641,522
Debt service:				
Principal	255,222	-	-	255,222
Interest	20,846	-	-	20,846
<b>Total expenditures</b>	<b>12,275,433</b>	<b>599,607</b>	<b>468,981</b>	<b>13,344,021</b>
Excess (deficiency) of revenues over expenditures	(3,602,018)	1,079,470	13,212	(2,509,336)
<b>Other Financing Sources (Uses)</b>				
Transfers	4,952,843	(882,148)	(7,500)	4,063,195
Sale of capital assets	-	-	-	-
Long term debt issued	-	-	-	-
Other	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>4,952,843</b>	<b>(882,148)</b>	<b>(7,500)</b>	<b>4,063,195</b>
Net change in fund balances	1,350,825	197,322	5,712	1,553,859
Fund balances (deficit), beginning of year	5,288,532	2,439,154	1,276,249	9,003,935
<b>Fund balances (deficit), end of year</b>	<b>\$ 6,639,357</b>	<b>\$ 2,636,476</b>	<b>\$ 1,281,961</b>	<b>\$ 10,557,794</b>

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

**City of Moultrie, Georgia**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of**  
**Governmental Funds to the Statement of Activities**  
**For the Year Ended September 30, 2017**

Net change in fund balances - total governmental funds \$ 1,553,859

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

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

Capital asset purchases capitalized	1,082,301
Proceeds from disposal of capital assets	(32,593)
Depreciation expense	(1,421,023)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of premiums and discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items.

Debt payments made	255,334
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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.

Pension cost	(574,508)
Increase in compensated absences	42,078

An internal service fund is used by management to charge the costs of the City's services to	(201,862)
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Change in net position of governmental activities	\$ 703,586
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*The accompanying footnotes are an integral part of these financial statements.*



**City of Moultrie, Georgia**  
**Statement of Revenues, Expenditures, and Changes in Fund**  
**Balances – Budget and Actual – General Fund**  
**For the Year Ended September 30, 2017**

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Property taxes	\$ 4,064,500	\$ 4,064,500	\$ 4,119,671	\$ 55,171
Local option sales taxes	-	-	-	-
Other taxes	1,763,378	1,763,378	1,849,696	86,318
Licenses and permits	760,000	760,000	806,144	46,144
Fines and forfeitures	464,128	464,128	394,252	(69,876)
Charges for services	268,592	268,592	335,513	66,921
Investment income	22,000	22,000	17,212	(4,788)
Intergovernmental	862,052	862,052	704,552	(157,500)
Other revenues	637,640	637,640	446,375	(191,265)
<b>Total revenues</b>	<b>8,842,290</b>	<b>8,842,290</b>	<b>8,673,415</b>	<b>(168,875)</b>
<b>Expenditures</b>				
<b>Current:</b>				
<b>General government</b>				
City council	813,666	813,666	725,481	88,185
City manager	209,318	209,318	208,186	1,132
Finance	336,126	336,126	316,914	19,212
Purchasing	64,260	64,260	53,997	10,263
Legal	-	-	-	-
Information systems	-	-	-	-
Municipal court	464,128	464,128	394,227	69,901
Human resources	209,286	209,286	153,161	56,125
Health claims administration	-	-	-	-
City hall	229,175	229,175	210,206	18,969
Main street program	-	-	-	-
Engineering	381,595	381,595	318,470	63,125
General administration	109,923	109,923	109,923	-
<b>Total general government</b>	<b>2,817,477</b>	<b>2,817,477</b>	<b>2,490,565</b>	<b>326,912</b>
<b>Public Safety</b>				
Police	3,464,672	3,464,672	3,164,429	300,243
Fire	2,867,634	2,867,634	2,585,677	281,957
<b>Total public safety</b>	<b>6,332,306</b>	<b>6,332,306</b>	<b>5,750,106</b>	<b>582,200</b>

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

**City of Moultrie, Georgia**  
**Statement of Revenues, Expenditures, and Changes in Fund**  
**Balances – Budget and Actual – General Fund**  
**For the Year Ended September 30, 2017**

	Final Budget	Final Budget	Actual	Variance With Final Budget
<b>Public works</b>				
Office of the director	322,168	322,168	333,496	(11,328)
Streets and sidewalks Beautification	2,199,283	2,199,283	2,065,797	133,486
	-	-	-	-
Total public works	2,521,451	2,521,451	2,399,293	122,158
<b>Parks and recreation</b>				
Recreation	1,371,477	1,371,477	1,098,449	273,028
Parks and cemetery	2,970	2,970	2,970	-
Other	2,242	2,242	8,215	(5,973)
Total parks and recreation	1,376,689	1,376,689	1,109,634	267,055
<b>Housing and development</b>				
Planning and zoning	294,410	294,410	249,767	44,643
Total housing and development	294,410	294,410	249,767	44,643
<b>Debt service:</b>				
Principal	283,420	283,420	255,222	28,198
Interest	21,623	21,623	20,846	777
Total expenditures	13,647,376	13,647,376	12,275,433	1,371,943
Excess (deficiency) of revenues over expenditures	(4,805,086)	(4,805,086)	(3,602,018)	1,203,068
<b>Other Financing Sources (Uses)</b>				
Transfers	5,052,846	5,052,846	4,952,843	(100,003)
Sale of capital assets	-	-	-	-
Long term debt issued	120,000	120,000	-	(120,000)
Other	-	-	-	-
Total other financing sources (uses)	5,172,846	5,172,846	4,952,843	(220,003)
Net change in fund balances	367,760	367,760	1,350,825	983,065
Fund balances, beginning of year	5,288,532	5,288,532	5,288,532	-
Fund balances, end of year	\$ 5,656,292	\$ 5,656,292	\$ 6,639,357	\$ 983,065

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

**City of Moultrie, Georgia**  
**Statement of Net Position – Proprietary Funds**  
**September 30, 2017**

	Business Type Activities - Enterprise Funds					Governmental
	Water and Sewer Fund	Electric Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
<b>Assets</b>						
Current assets						
Cash and cash equivalents	\$ 13,988,611	\$ 100	\$ 1,515,835	\$ 1,995,578	\$ 17,500,124	\$ -
Investments	-	16,890,789	-	-	16,890,789	-
Restricted assets - investments	-	-	-	-	-	-
Accounts receivable, net	715,086	2,882,527	322,268	392,840	4,312,721	294,340
Due from other funds	24,533	7,571,443	28,577	7,132,232	14,756,785	6,404,301
Advance to other funds	-	1,824,485	-	-	1,824,485	-
Due from component unit	235,000	-	-	-	235,000	-
Inventories	184,683	850,426	-	71,591	1,106,700	171
Other current assets	28,016	20,797	3,564	130,117	182,494	10,908
<b>Total current assets</b>	<b>15,175,929</b>	<b>30,040,567</b>	<b>1,870,244</b>	<b>9,722,358</b>	<b>56,809,098</b>	<b>6,709,720</b>
Non - current assets						
Investment in SGBDA	-	-	786,549	-	786,549	-
Restricted assets - cash	672,288	511,159	-	220,377	1,403,824	-
Restricted assets - investments	-	-	-	-	-	-
Capital assets:						
Land	80,027	1,112,569	-	16,785	1,209,381	-
Construction in progress	22,368,770	-	-	-	22,368,770	-
Other capital assets, net of accumulated depreciation	17,243,089	5,844,029	-	4,799,938	27,887,056	-
<b>Total non - current assets</b>	<b>40,364,174</b>	<b>7,467,757</b>	<b>786,549</b>	<b>5,037,100</b>	<b>53,655,580</b>	<b>-</b>
<b>Total assets</b>	<b>55,540,103</b>	<b>37,508,324</b>	<b>2,656,793</b>	<b>14,759,458</b>	<b>110,464,678</b>	<b>6,709,720</b>
<b>Deferred Outflows of Resources</b>						
Deferred pension cost	-	420,280	-	368,228	788,508	380,371
Deferred charge on refunding	-	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>420,280</b>	<b>-</b>	<b>368,228</b>	<b>788,508</b>	<b>380,371</b>

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

**City of Moultrie, Georgia**  
**Statement of Net Position – Proprietary Funds**  
**September 30, 2017**

	Business Type Activities - Enterprise Funds				Total	Governmental
	Water and Sewer Fund	Electric Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds		Internal Service Fund
<b>Liabilities</b>						
Current liabilities						
Accounts payable	22,705	1,509,967	54,355	292,440	1,879,467	140,122
Accrued expenses	70,042	12,225	-	11,309	93,576	26,722
Lines of credit	-	-	-	-	-	-
Short - term notes payable	-	-	-	-	-	-
Current portion of long - term debt	1,327,496	-	-	222,651	1,550,147	-
Customer deposits	-	-	-	900,521	900,521	-
Due to other governments	1,280	-	259,123	31,414	291,817	-
Advance from other funds	-	-	700,000	404,485	1,104,485	-
Due to other funds	8,816,832	585,942	55,737	2,747,934	12,206,445	6,804,320
<b>Total current liabilities</b>	<b>10,238,355</b>	<b>2,108,134</b>	<b>1,069,215</b>	<b>4,610,754</b>	<b>18,026,458</b>	<b>6,971,164</b>
Long - term debt, net of current portion	19,334,310	-	-	540,307	19,874,617	-
Compensated absences	-	4,241	-	1,111	5,352	729
Net pension liability	-	576,982	-	503,179	1,080,161	528,112
<b>Total liabilities</b>	<b>29,572,665</b>	<b>2,689,357</b>	<b>1,069,215</b>	<b>5,655,351</b>	<b>38,986,588</b>	<b>7,500,005</b>
<b>Deferred Inflows of Resources</b>						
Deferred inflows - pension	-	111,971	-	94,188	206,159	111,236
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>111,971</b>	<b>-</b>	<b>94,188</b>	<b>206,159</b>	<b>111,236</b>
<b>Net Position</b>						
Net investment in capital assets	19,030,080	6,956,598	-	3,649,280	29,635,958	-
Restricted for debt service	-	-	-	-	-	-
Unrestricted (deficit)	6,937,358	28,170,678	1,587,578	5,728,867	42,424,481	(521,150)
<b>Total net position</b>	<b>\$ 25,967,438</b>	<b>\$ 35,127,276</b>	<b>\$ 1,587,578</b>	<b>\$ 9,378,147</b>	<b>\$ 72,060,439</b>	<b>\$ (521,150)</b>

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

**City of Moultrie, Georgia**  
**Statement of Revenues, Expenses, and**  
**Changes in Fund Net Position – Proprietary Funds**  
**For the Year Ended September 30, 2017**

	Business Type Activities - Enterprise Funds				Total	Governmental
	Water and Sewer Fund	Electric Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds		Internal Service Fund
<b>Operating Revenues</b>						
Utility revenues	\$ -	\$ 26,187,232	\$ -	\$ -	\$ 26,187,232	\$ -
Charges for services	5,752,950	-	3,234,535	5,841,997	14,829,482	1,136,424
Miscellaneous	71,841	11,242	7,208	327,446	417,737	5,814
Intergovernmental	864,331	20,755	-	69,995	955,081	-
<b>Total operating revenues</b>	<b>6,689,122</b>	<b>26,219,229</b>	<b>3,241,743</b>	<b>6,239,438</b>	<b>42,389,532</b>	<b>1,142,238</b>
<b>Operating Expenses</b>						
Salaries and wages	66	940,469	339	834,979	1,775,853	932,523
Operating, administrative and maintenance	2,773,183	18,100,890	2,602,462	3,896,425	27,372,960	411,577
Depreciation	1,421,795	668,648	240,172	543,973	2,874,588	-
<b>Total operating expenses</b>	<b>4,195,044</b>	<b>19,710,007</b>	<b>2,842,973</b>	<b>5,275,377</b>	<b>32,023,401</b>	<b>1,344,100</b>
Operating income (loss)	2,494,078	6,509,222	398,770	964,061	10,366,131	(201,862)
<b>Non-Operating Income (Expenses)</b>						
Interest income	20,324	141,184	1,354	1,856	164,718	-
Interest expense	(561,961)	-	(4,181)	(17,112)	(583,254)	-
Issuance costs	(1,085)	-	-	-	(1,085)	-
Gain on disposition of capital assets	-	-	536,870	37,840	574,710	-
Other non-operating income (loss)	-	(16,707)	(169,455)	-	(186,162)	-
Income (loss) before contributions and transfers	1,951,356	6,633,699	763,358	986,645	10,335,058	(201,862)
Transfers	(155,092)	(3,089,803)	(158,472)	(659,828)	(4,063,195)	-
Capital contributions	-	-	-	-	-	-
Change in net position	1,796,264	3,543,896	604,886	326,817	6,271,863	(201,862)
Net position (deficit), beginning of year (restated)	24,171,174	31,583,380	982,692	9,051,330	65,788,576	(319,288)
Net position (deficit), end of year	\$ 25,967,438	\$ 35,127,276	\$ 1,587,578	\$ 9,378,147	\$ 72,060,439	\$ (521,150)

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

**City of Moultrie, Georgia**  
**Statement of Cash Flows – Proprietary Funds**  
**For the Year Ended September 30, 2017**

	Business Type Activities - Enterprise Funds				Total	Governmental
	Water and Sewer Fund	Electric Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds		Internal Service Fund
<b>Cash Flows from Operating Activities</b>						
Cash received from customers and users	\$ 5,736,546	\$ 25,627,642	\$ 3,536,821	\$ 5,984,316	\$ 40,885,325	\$ 1,044,898
Other operating receipts	71,841	31,997	7,208	173,569	284,615	5,814
Cash payments to employees	(66)	(939,139)	(339)	(827,028)	(1,766,572)	(932,523)
Cash payments to suppliers	(2,767,426)	(18,020,812)	(2,391,446)	(3,829,591)	(27,009,275)	(314,953)
Intergovernmental receipts	864,331	-	-	69,995	934,326	-
New customer utility deposits	-	-	-	212,702	212,702	-
Refunded customer utility deposits	-	-	-	(171,049)	(171,049)	-
Net cash provided (used) by operating activities	3,905,226	6,699,688	1,152,244	1,612,914	13,370,072	(196,764)
<b>Cash Flows from Noncapital Financing Activities</b>						
Transfers from other funds	-	325,745	-	-	325,745	-
Transfers to other funds	(1,037,240)	(3,415,548)	(158,472)	(659,828)	(5,271,088)	-
Principal payments on debt	-	-	-	-	-	-
Net change in due from other funds	3,306	5,283,991	2,787	(400,623)	4,889,461	(188,266)
Net change in due from component unit	-	-	-	-	-	-
Net change in due to other funds	652,669	22,861	(5,821,222)	195,776	(4,949,916)	155,061
Net cash provided (used) by noncapital financing activities	(381,265)	2,217,049	(5,976,907)	(864,675)	(5,005,798)	(33,205)

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

**City of Moultrie, Georgia**  
**Statement of Cash Flows – Proprietary Funds**  
**For the Year Ended September 30, 2017**

	Business Type Activities - Enterprise Funds				Total	Governmental
	Water and Sewer Fund	Electric Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds		Internal Service Fund
<b>Cash Flows from Capital and Related Financing Activities</b>						
Debt issuance costs	-	-	-	52,136	52,136	-
Proceeds from issuance of long - term debt	1,141,124	-	-	-	1,141,124	-
Proceeds from sale of assets	-	-	5,410,133	477,545	5,887,678	-
Proceeds from capital contributions	-	-	-	-	-	-
Transfers from SPLOST Fund	882,148	-	-	-	882,148	-
Acquisition and construction of capital assets	(243,307)	(677,258)	-	(135,898)	(1,056,463)	-
Principal payments on debt	(2,256,850)	-	(480,521)	(201,386)	(2,938,757)	-
Interest paid	(577,341)	-	(4,181)	(17,112)	(598,634)	-
Net cash provided (used) by capital and related financing activities	(1,054,226)	(677,258)	4,925,431	175,285	3,369,232	-
<b>Cash Flows from Investing Activities</b>						
Change in deferred charges	-	70,767	-	-	70,767	82,981
Purchase of investments	-	(8,322,945)	-	-	(8,322,945)	-
Proceeds from sale of investments	-	-	-	-	-	-
Interest received	20,324	141,184	1,354	1,856	164,718	-
Net cash provided (used) by investing activities	20,324	(8,110,994)	1,354	1,856	(8,087,460)	82,981
Net increase (decrease) in cash and cash equivalents	2,490,059	128,485	102,122	925,380	3,646,046	(146,988)
Cash and cash equivalents, beginning of year	12,170,840	382,774	1,413,713	1,290,575	15,257,902	146,988
Cash and cash equivalents, end of year	\$ 14,660,899	\$ 511,259	\$ 1,515,835	\$ 2,215,955	\$ 18,903,948	\$ -

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

**City of Moultrie, Georgia**  
**Statement of Cash Flows – Proprietary Funds**  
**For the Year Ended September 30, 2017**

	Business Type Activities - Enterprise Funds				Total	Governmental
	Water and Sewer Fund	Electric Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds		Activity Internal Service Fund
<b>Reconciliation of Net Operating Income to Net Cash Provided (Used) By Operating Activities</b>						
Operating income (loss)	\$ 2,494,078	\$ 6,509,222	\$ 398,770	\$ 964,061	\$ 10,366,131	\$ (201,862)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	1,421,795	668,648	240,172	543,973	2,874,588	-
Changes in assets and liabilities:						
(Increase) decrease in:						
Utility deposits	-	-	-	41,653	41,653	-
Accounts receivable	(16,404)	(445,955)	302,286	56,052	(104,021)	(91,526)
Deferred charges	-	-	-	-	-	-
Inventories	26,894	90,665	97,307	17,751	232,617	17,204
Other current assets	(5,069)	1,189	3,650	1,517	1,287	2,861
Increase (decrease) in:						
Accounts payable	(16,068)	(125,411)	(192,013)	(44,412)	(377,904)	76,559
Accrued expenses	-	1,330	302,072	32,319	335,721	-
Compensated absences liability	-	-	-	-	-	-
Due to general fund	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
 Net cash provided (used) by operating activities	 \$ 3,905,226	 \$ 6,699,688	 \$ 1,152,244	 \$ 1,612,914	 \$ 13,370,072	 \$ (196,764)

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



**City of Moultrie, Georgia**  
**Statement of Cash Flows – Proprietary Funds**  
**For the Year Ended September 30, 2017**

	Business Type Activities - Enterprise Funds				Total	Governmental
	Water and Sewer Fund	Electric Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds		Internal Service Fund
<b>NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Capital assets purchased with debt	\$ 2,445,841	\$ -	\$ -	\$ 736,962	\$ 3,182,803	\$ -
Capital contributions	-	-	-	-	-	-
 Total non-cash capital and related financing activities	 \$ 2,445,841	 \$ -	 \$ -	 \$ 736,962	 \$ 3,182,803	 \$ -

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

**City of Moultrie, Georgia**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**September 30, 2017**

	Pension Trust Fund	Agency Fund- Municipal Court
<b>Assets</b>		
Cash and cash equivalents	\$ 510,962	202,855
Investments:		
U.S. Government securities	954,555	-
Corporate bonds	1,906,131	-
Municipal bonds	1,246,165	-
Equities - common stock	7,137,968	-
Mutual funds	-	-
Asset-backed securities	1,181,471	-
Certificate of deposit	200,903	-
Receivables:		
Accounts receivable, net	-	-
Employer and employee's contribution	-	-
Accrued investment income	38,248	-
Other assets	-	1,045
<b>Total assets</b>	<b>13,176,403</b>	<b>203,900</b>
<b>Deferred Outflows of Resources</b>		
Deferred pension cost	-	-
<b>Liabilities</b>		
Settlements payable	-	-
Accounts payable	-	10,322
Accrued expenses	-	1,231
Due to others	-	192,347
Net pension liability	-	-
<b>Total liabilities</b>	<b>-</b>	<b>203,900</b>
<b>Net position</b>		
Held in trust for pension benefits (a schedule of funding progress is presented in the notes to financial statements)	\$ 13,176,403	\$ -

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

**City of Moultrie, Georgia**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Fund**  
**For the Year Ended September 30, 2017**

	<b>Pension Trust Fund</b>
<hr/>	
<b>Additions</b>	
Contributions	
Employer	\$ 236,500
Participants	224,604
<hr/>	
Total contributions	461,104
<hr/>	
Investment income	
Net appreciation in fair value of investments	694,484
Interest and dividends	339,536
Less - investment expenses	(114,562)
<hr/>	
Net investment income	919,458
<hr/>	
Total additions	1,380,562
<hr/>	
<b>Deductions</b>	
Net depreciation in fair value of investments	-
Pension benefits paid	853,317
Administrative expenses	34,012
<hr/>	
Total deductions	887,329
<hr/>	
Net increase	493,233
<hr/>	
Net assets held in trust for pension benefits	
Beginning of year	12,683,170
<hr/>	
End of Year	\$ 13,176,403
<hr/>	

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

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Moultrie, Georgia (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

***Reporting Entity***

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

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

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

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

*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.

***Government-Wide and Fund Financial Statements***

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

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

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

***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

*Government – Wide Financial Statements*

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

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

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

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

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

*Fund Financial Statements*

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

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

The City reports the following major governmental funds:

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

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

Additionally, the City reports the following governmental fund types:

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

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

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

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

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

The City reports the following major enterprise funds:

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

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

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

The City reports the following internal service funds:

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

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

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

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



**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

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

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

*Budgets*

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

*Cash and Cash Equivalents*

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

*Investments*

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

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

*Receivables*

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

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

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

*Inventories*

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

*Prepaid Items*

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

*Interfund Receivables / Payables*

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

*Restricted Assets*

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

*Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks and similar items) acquired prior to September 30, 1980, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City's policy has set the capitalization threshold at \$5,000 for reporting capital assets and \$25,000 for infrastructure assets. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

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

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest capitalized is calculated by offsetting interest expense incurred (from the date of borrowing until the date of completion of the project) with interest earned on investment proceeds over the same period. During the year ended September 30, 2017, \$67,251 of interest was capitalized within the component unit.

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

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

*Governmental Assets:*

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

*Business-type Assets:*

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

*Deferred Outflows of Resources*

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

*Deferred Inflows of Resources*

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

*Compensated Absences*

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

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

Employees earn sick leave in proportion to actual hours worked. Sick leave, however, is not paid upon termination if termination is by manner other than death or retirement. Employees can accrue up to a maximum of 720 hours of sick leave and will be paid up to 50% of the hours accrued at the time of retirement based on the age of the employee at retirement. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds when it is expected to be liquidated with expendable available resources.

*Deferred Compensation Plan*

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Total contributions for the year ended September 30, 2017 were \$98,034.

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

*Long-Term Obligations*

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

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

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

*Fund Equity*

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

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

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

*Encumbrances*

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve the portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Fund, and Capital Projects Funds. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at the end of the year. Encumbrances are re-appropriated in the following year, except for encumbrances in the Capital Projects Funds which are continuing. Encumbrances do not represent GAAP expenditures. At September 30, 2017, there were no encumbrances outstanding.

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

*Use of Estimates*

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

*Subsequent Events*

The City has performed an evaluation of subsequent events, as defined under FASB ASC 855-10, through March 29, 2018 which is the date the financial statements were available to be issued.

**NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING**

***Budget Process***

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

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

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

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

***Capital Projects Budget***

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

***Deficit Fund Balances / Retained Earnings in Individual Funds***

The following funds had deficit fund balances / retained earnings as of September 30, 2017:

Fund	Deficit
Utilities Deposit Fund	\$ (276,399)
Internal Service Fund	(521,150)

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

***Excess of Expenditures Over Appropriations in Departments and Individual Funds***

The following funds incurred actual expenditures in excess of budgeted amounts for the year ended September 30, 2017:

Department/Fund	Excess of Expenditures Over Budgeted Amounts
Multiple Grants Fund	\$ 845
Confiscated assets	6,518

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

**NOTE 3 - DEPOSITS AND INVESTMENTS**

Total deposits and investments as of September 30, 2017, are summarized as follows:

	<b>Deposits with</b>		
	<b>Financial</b>		
	<b>Institutions</b>	<b>Investments</b>	<b>Total</b>
Cash and cash equivalents	\$ 30,433,773	\$ -	\$ 30,433,773
Restricted cash and cash equivalents	2,231,869	-	2,231,869
Investments	-	29,517,982	29,517,982
	\$ 32,665,642	\$ 29,517,982	\$ 62,183,624

**Interest Rate Risk**

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

**Credit Risk**

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

**Custodial Credit Risk – Deposits**

The City does not have a formal custodial credit risk policy. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government or bonds of public authorities, counties or municipalities. As of September 30, 2017, the City had no uncollateralized deposits.

**Custodial Credit Risk – Investments**

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



**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

September 30, 2017

Primary government:

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

*Governmental Activities:*

Cash and cash equivalents	\$	12,219,832
Restricted cash and cash equivalents		828,045

*Business Type Activities:*

Cash and cash equivalents		17,500,124
Investments		16,890,789
Restricted cash and cash equivalents		1,403,824

Amounts as presented on the Statement of Fiduciary Net Position

Cash and cash equivalents		713,817
Investments		12,627,193

<b>Total primary government</b>	<b>\$</b>	<b>62,183,624</b>
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Component units:

Cash and cash equivalents		134,328
Restricted cash and cash equivalents		126,282

<b>Total component units</b>	<b>\$</b>	<b>260,610</b>
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**Investments**

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

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

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

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, 2017, the City's balance in the discretionary stabilization fund was \$14,509,584.

Investments are categorized into three categories of credit risk:

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

As of September 30, 2017, the City's investments were classified as follows:

	Category			Fair Value
	1	2	3	
<b>Pension Trust Fund</b>				
U.S. Government Securities	\$ 805,118	\$ 1,144,598	\$ -	\$ 1,949,716
Corporate Bonds	1,311,060	443,723	-	1,754,783
Municipal Bonds	-	1,246,166	-	1,246,166
Equities - Common Stock	6,989,638	-	-	6,989,638
Mutual Funds	148,336	-	-	148,336
Asset-backed Securities	-	337,651	-	337,651
Certificate of Deposit	200,903	-	-	200,903
<b>Proprietary Funds</b>				
Municipal Competitive Trust	-	16,890,789	-	16,890,789
	<u>\$ 9,455,055</u>	<u>\$ 20,062,927</u>	<u>\$ -</u>	<u>\$ 29,517,982</u>

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

As of September 30, 2017, the City's Credit and Interest Rate Risk related to the City's investments were as follows:

	Maturities	Credit Quality
<b>Pension Trust Fund</b>		
U.S. Government Securities	2018-2025	Unavailable
Corporate Bonds	2018-2022	Various
Municipal Bonds	2018-2029	Various
Equities - Common Stock	N/A	Unavailable
Mutual Funds	2023-2044	AAA
Asset-backed Securities	7/10/1905	Unavailable
Certificate of Deposit		
<b>Proprietary Funds</b>		
Municipal Competitive Trust	2018-2040	Unavailable

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

**NOTE 4 – RECEIVABLES AND TAX REVENUE**

***Property Tax***

Property taxes were levied in September 2016 and payable before December 2016 for the fiscal year 2017 tax. Property tax revenues are recognized when levied to the extent they result in current receivables. The City's fiscal year 2017 tax was levied prior to September 30, 2017 and was recorded as taxes receivable and deferred revenue within the City's General Fund.

The tax rate levied during fiscal year 2017 for the City's operations was 9.9358 mills (mill equals \$1 per thousand dollars of assessed value).

The City maintains no allowance for uncollectible property taxes at September 30, 2017.

***Sales Tax***

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

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

**Receivables**

Receivables as of September 30, 2017 are as follows:

	General Fund	SPLOST	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Revenue Fund
Receivables					
Accounts	314,234	\$ -	\$ 55,105	\$ 1,445,483	\$ 4,180,299
Property tax	3,024,880	-	-	-	-
Sales tax	268,738	131,127	-	-	-
Program	-	-	236,524	-	-
Gross receivables	3,607,852	131,127	291,629	1,445,483	4,180,299
Less allowance for uncollectibles	(87,778)		(87,512)	(730,397)	(1,297,772)
Total net receivables	\$ 3,520,074	\$ 131,127	\$ 204,117	\$ 715,086	\$ 2,882,527

	Cable TV Fund	Internal Service Fund	Nonmajor Enterprise Funds	Total
Receivables				
Accounts	\$ 1,657,471	294,340	971,139	\$ 8,918,071
Property tax	-	-	-	3,024,880
Sales tax	-	-	-	399,865
Program	-	-	-	236,524
Gross receivables	1,657,471	294,340	971,139	12,579,340
Less allowance for uncollectibles	(1,335,203)	-	(578,299)	(4,116,961)
Total net receivables	\$ 322,268	\$ 294,340	\$ 392,840	\$ 8,462,379

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

**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, 2017 is as follows:

Due to	Due From				
	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Revenue Fund
General Fund	\$ -	\$ -	\$ 5,856	\$ 16,632	\$ 502,042
SPLOST Fund	-	-	-	-	-
Nonmajor Governmental Funds	8,090	-	100	-	-
Water and Sewer Fund	-	-	-	-	-
Electric Revenue Fund	-	-	1,082	6,979,258	-
Cable TV Fund	91	-	-	2,896	-
Nonmajor Enterprise Funds	4,432,073	-	10	1,690,085	138
Internal Service Fund	4,007,555	-	112	127,961	83,762
<b>Total</b>	<b>\$ 8,447,809</b>	<b>\$ -</b>	<b>\$ 7,160</b>	<b>\$ 8,816,832</b>	<b>\$ 585,942</b>

Due to	Due From			Total
	Cable TV Fund	Nonmajor Enterprise Fund	Internal Service Fund	
General Fund	\$ -	\$ -	\$ 5,759,029	\$ 6,283,559
SPLOST Fund	-	-	-	-
Nonmajor Governmental Funds	-	12,899	-	21,089
Water and Sewer Fund	-	22,809	1,724	24,533
Electric Revenue Fund	10,554	580,390	159	7,571,443
Cable TV Fund	-	25,590	-	28,577
Nonmajor Enterprise Funds	-	1,009,786	140	7,132,232
Internal Service Fund	45,183	1,096,460	1,043,268	6,404,301
<b>Total</b>	<b>\$ 55,737</b>	<b>\$ 2,747,934</b>	<b>\$ 6,804,320</b>	<b>\$ 27,465,734</b>

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

Interfund advances result from interfund loans and are expected to be repaid within a reasonable period of time. The composition of interfund receivables and payables as of September 30, 2017 is as follows:

<b>Advance from</b>	<b>Advance To</b>		
	<b>General Fund</b>	<b>Cable TV Fund</b>	<b>Gas Fund</b>
Electric Fund	\$ 720,000	\$ 700,000	\$ 404,485

The composition of receivables and payables between the City and its component unit as of September 30, 2017 is as follows:

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

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

***Interfund Transfers***

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

Interfund transfers for the year ended September 30, 2017, consisted of the following:

<b>Transfer From</b>	<b>Transfer To</b>				
	<b>General Fund</b>	<b>SPLOST Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Water and Sewer Fund</b>	<b>Electric Revenue Fund</b>
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
SPLOST Fund	-	-	-	882,148	-
Nonmajor Governmental Funds	7,500	-	-	-	-
Water and Sewer Fund	774,033	-	-	-	263,207
Electric Revenue Fund	3,415,548	-	-	-	-
Cable TV Fund	158,472	-	-	-	-
Nonmajor Enterprise Funds	597,290	-	-	-	62,538
Internal Service Fund	-	-	-	-	-
<b>Total</b>	<b>\$ 4,952,843</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 882,148</b>	<b>\$ 325,745</b>

<b>Transfer From</b>	<b>Transfer To</b>			<b>Total</b>
	<b>Cable TV Fund</b>	<b>Nonmajor Enterprise Fund</b>	<b>Internal Service Fund</b>	
General Fund	\$ -	\$ -	\$ -	\$ -
SPLOST Fund	-	-	-	882,148
Nonmajor Governmental Funds	-	-	-	7,500
Water and Sewer Fund	-	-	-	1,037,240
Electric Revenue Fund	-	-	-	3,415,548
Cable TV Fund	-	-	-	158,472
Nonmajor Enterprise Funds	-	-	-	659,828
Internal Service Fund	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,160,736</b>



**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

**NOTE 6 – CAPITAL ASSETS**

The following is a summary of capital asset activity as of September 30, 2017:

***Primary Government***

<b>Primary Government: Governmental Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
Nondepreciable					
Land and improvements	\$ 1,394,670	\$ -	\$ -	\$ -	\$ 1,394,670
Construction in progress	-	-	-	-	-
<b>Total nondepreciable capital assets</b>	<b>1,394,670</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,394,670</b>
Other capital assets					
Buildings and improvements	12,212,130	-	-	-	12,212,130
Machinery & equipment	8,447,348	446,696	(148,210)	-	8,745,834
Infrastructure	49,231,621	635,605	-	-	49,867,226
<b>Total other capital assets at cost</b>	<b>69,891,099</b>	<b>1,082,301</b>	<b>(148,210)</b>	<b>-</b>	<b>70,825,190</b>
Less accumulated depreciation for depreciation for:					
Buildings and improvements	(6,925,169)	(407,397)	-	-	(7,332,566)
Machinery & equipment	(6,522,977)	(502,566)	115,617	-	(6,909,926)
Infrastructure	(34,615,848)	(511,060)	-	-	(35,126,908)
<b>Total accumulated depreciation</b>	<b>(48,063,994)</b>	<b>(1,421,023)</b>	<b>115,617</b>	<b>-</b>	<b>(49,369,400)</b>
<b>Other capital assets, net</b>	<b>21,827,105</b>	<b>(338,722)</b>	<b>(32,593)</b>	<b>-</b>	<b>21,455,790</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 23,221,775</b>	<b>\$ (338,722)</b>	<b>\$ (32,593)</b>	<b>\$ -</b>	<b>\$ 22,850,460</b>

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

<b>Primary Government: Business-type Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
Nondepreciable					
Land and improvements	\$ 1,209,382		\$ -	\$ -	\$ 1,209,382
Construction in progress	19,922,929	2,445,841	-	-	22,368,770
<b>Total nondepreciable capital assets</b>	<b>21,132,311</b>	<b>2,445,841</b>	<b>-</b>	<b>-</b>	<b>23,578,152</b>
Other capital assets					
Buildings	6,071,790	-	(153,796)	-	5,917,994
Other Improvements	74,085,154	397,817	(9,600,491)	-	64,882,480
Machinery & equipment	11,083,556	1,395,608	(2,039,374)	-	10,439,790
<b>Total other capital assets at cost</b>	<b>91,240,500</b>	<b>1,793,425</b>	<b>(11,793,661)</b>	<b>-</b>	<b>81,240,264</b>
Less accumulated depreciation for:					
Buildings	(3,130,212)	(167,812)	108,469	-	(3,189,555)
Other improvements	(45,773,069)	(2,111,523)	4,662,776	-	(43,221,816)
Machinery & equipment	(8,056,030)	(595,253)	1,709,446	-	(6,941,837)
<b>Total accumulated depreciation</b>	<b>(56,959,311)</b>	<b>(2,874,588)</b>	<b>6,480,691</b>	<b>-</b>	<b>(53,353,208)</b>
<b>Other capital assets, net</b>	<b>34,281,189</b>	<b>(1,081,163)</b>	<b>(5,312,970)</b>	<b>-</b>	<b>27,887,056</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 55,413,500</b>	<b>\$ 1,364,678</b>	<b>\$ (5,312,970)</b>	<b>\$ -</b>	<b>\$ 51,465,208</b>

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$ 141,461
Public safety	361,809
Public works	662,810
Parks and recreation	249,503
Community Development	5,440

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<b>Total governmental activities depreciation expense</b>	<b>\$ 1,421,023</b>
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Business-type activities:

Water & Sewer	\$ 1,421,795
Electric	668,648
Gas	95,848
Cable TV	240,172
Sanitation	281,504
Airport operations	83,116
Telecomm	28,786
Mass transit	54,719

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<b>Total business-type activities depreciation expense</b>	<b>\$ 2,874,588</b>
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**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

**Component Units**

Capital asset activity for the Downtown Development Authority of the City of Moultrie, a discretely presented component unit, for the year ended September 30, 2017 is as follows:

*Governmental Activities:*

The Authority had no governmental capital asset activity for the year ended September 30, 2017.

<b>Component Unit:</b>								
<b><i>Business-type Activities</i></b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>			
Nondepreciable								
Land and improvements	\$ 709,191	\$ -	\$ -	\$ -	\$ 709,191			
Construction in progress	-	-	-	-	-			
<b>Total nondepreciable capital assets</b>	<b>709,191</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>709,191</b>			
Other capital assets								
Buildings	4,087,357	-	-	-	4,087,357			
Other Improvements	58,418	-	-	-	58,418			
Machinery & equipment	-	-	-	-	-			
<b>Total other capital assets at cost</b>	<b>4,145,775</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,145,775</b>			
Less accumulated depreciation for:								
Buildings	(2,741,689)	(186,597)	-	-	(2,928,286)			
Other improvements	(13,468)	(13,469)	-	-	(26,937)			
Machinery & equipment	-	-	-	-	-			
<b>Total accumulated depreciation</b>	<b>(2,755,157)</b>	<b>(200,066)</b>	<b>-</b>	<b>-</b>	<b>(2,955,223)</b>			
<b>Other capital assets, net</b>	<b>1,390,618</b>	<b>(200,066)</b>	<b>-</b>	<b>-</b>	<b>1,190,552</b>			
Business-type activities capital assets, net	\$ 2,099,809	\$ (200,066)	\$ -	\$ -	\$ 1,899,743			

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

**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, 2017, are as follows:

Enterprise Fund and Description	Original Amount	Interest Rate	Due Date	Amount
Water and Sewer Fund - Refunding Project, Series 2009	\$ 5,440,000	2.00–3.50%	2018	\$ 1,300,000
Water and Sewer Fund – South Georgia Governmental Services Authority, Series 2012	12,775,000	2.00–3.750%	2042	10,510,000
				11,810,000
			Unamortized discount / premium / loss	(112,564)
			Less current portion	(1,165,000)
				<b>\$ 10,532,436</b>

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

*South Georgia Governmental Services Authority Revenue Bonds, Series 2009*

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

*South Georgia Governmental Services Authority Revenue Bonds, Series 2012*

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

The annual debt service requirement to maturity of the Revenue Bonds at September 30, 2017 is as follows:

Year Ending September 30	Principal	Interest	Total
2018	\$ 1,165,000	\$ 183,506	\$ 1,348,506
2019	1,295,000	175,781	1,470,781
2020	75,000	169,331	244,331
2021	75,000	168,394	243,394
2022	75,000	167,456	242,456
2023-2027	420,000	821,056	1,241,056
2028-2032	575,000	786,598	1,361,598
2033-2037	3,460,000	649,313	4,109,313
2038-2042	4,670,000	269,156	4,939,156
	<u>\$ 11,810,000</u>	<u>\$ 3,390,591</u>	<u>\$ 15,200,591</u>

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

*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, 2017, are as follows:

	Original Amount	Interest Rate	Due Date	Amount
Downtown Development Authority – Series B	\$ 2,410,000	4.92%	2028	\$ 1,615,000
			Less current portion	(100,000)
				<u>\$ 1,515,000</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.

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
2018	\$ 100,000	\$ 79,458	\$ 179,458
2019	105,000	74,538	179,538
2020	110,000	69,372	179,372
2021	120,000	63,960	183,960
2022	125,000	58,056	183,056
2023-2027	715,000	192,372	907,372
2028-2032	340,000	25,338	365,338
	<u>\$ 1,615,000</u>	<u>\$ 563,094</u>	<u>\$ 2,178,094</u>

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

***Other Long-Term Debt***

At September 30, 2017, 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, 2017 was \$826,139. The debt is being used for the rehabilitation of the existing wastewater treatment facility.

At September 30, 2017, 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, 2017 was \$1,053,576. The debt is being used for the renovation of the existing wastewater treatment facility.

At September 30, 2017, 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, 2017 was \$1,588,926. The debt is being used to finance the costs of acquiring, constructing, and installing environmental facilities. The project is still in the construction phase; therefore a payment schedule has not been determined at September 30, 2017.

At September 30, 2017, the Water and Sewer Fund entered into an agreement with the Georgia Environmental Facilities Authority whereby it may borrow up to \$6,100,000. At September 30, 2017 there had been \$5,320,000 drawn on the note. The debt is being used to finance the costs of acquiring, constructing, and installing environmental facilities. The project is still in the construction phase; therefore a payment schedule has not been determined at September 30, 2017.

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

Year Ending September 30	Principal	Interest	Total
2018	\$ 104,871	\$ 54,957	\$ 159,828
2019	108,061	51,768	159,829
2020	111,347	48,481	159,828
2021	114,734	45,094	159,828
2022	118,224	41,604	159,828
2023-2027	647,296	151,845	799,141
2028-2032	658,374	48,510	706,884
2033-2037	16,808	85	16,893
	<u>\$ 1,879,715</u>	<u>\$ 442,344</u>	<u>\$ 2,322,059</u>



**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

Debt service requirements of \$1,981,491 do not include the Water and Sewer Fund agreement with the Georgia Environmental Facilities Authority of \$1,588,926 and \$5,320,000 as these notes are not yet in repayment status and no amortization schedules are available.

***Capital Leases***

The City has entered into several lease agreements as lessee for financing the acquisition of equipment and a fire station through the Georgia Municipal Association direct installment program. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term) and have been recorded at the present values of the future minimum lease payments as of the date of their inception. These leases are being serviced by General Fund, 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, 2017:

	Governmental Activities	Business-type Activities	
		Water and Sewer Fund	Solid Waste Fund
Buildings and Improvements	\$ -	\$ -	\$ -
Equipment	1,339,962	288,015	1,480,310
Less accumulated amortization	(662,491)	(111,170)	(524,785)
<b>Carrying value</b>	<b>677,471</b>	<b>176,845</b>	<b>955,525</b>

	Governmental Activities	Business-type Activities	
		Water and Sewer Fund	Solid Waste Fund
Current amortization	\$ 101,947	\$ 102,498	\$ 35,799

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments at September 30, 2017:

Year Ending September 30	Governmental Activities	Business-type Activities	
		Water and Sewer Fund	Solid Waste Fund
2018	\$ 173,823	\$ 60,123	\$ 220,153
2019	130,003	60,123	220,153
2020	62,010	60,123	160,998
2021	62,010	-	154,853
2022	62,010	-	38,714
2023	139,984	-	-
Total minimum lease payments	629,840	180,369	794,871
Less amount representing interest	(45,579)	(4,640)	(31,913)
	\$ 584,261	\$ 175,729	\$ 762,958

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

***Changes in Long-Term Liabilities***

Long-term liability activity for the year ended September 30, 2017, was as follows:

	<b>Beginning Balance (Restated)</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<i>Governmental activities:</i>					
Notes payable	\$ -	\$ -	\$ -	\$ -	\$ -
Capital leases	839,595	-	(255,334)	584,261	160,204
Compensated absences	118,821	-	(41,348)	77,473	-
<hr/>					
Governmental activities long-term liabilities	958,416	-	(296,682)	661,734	160,204
<hr/>					
<i>Business-type activities:</i>					
Bonds payable	12,965,000	-	(1,155,000)	11,810,000	1,165,000
Less deferred amounts: issuance discount	(113,214)	-	650	(112,564)	-
<hr/>					
Total bonds payable	12,851,786	-	(1,154,350)	11,697,436	1,165,000
<hr/>					
Notes payable	6,607,488	3,586,964	(1,405,811)	8,788,641	104,871
Capital leases	579,670	736,963	(377,946)	938,687	280,276
Compensated absences	20,549	-	(15,197)	5,352	-
<hr/>					
Business-type activities long-term liabilities	\$ 20,059,493	\$ 4,323,927	\$ (2,953,304)	\$ 21,430,116	\$ 1,550,147

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

Long-term liability activity for the City's component unit for the year ended September 30, 2017, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Business-type activities:</i>					
Bonds payable	1,955,000	\$ -	\$ (340,000)	\$ 1,615,000	\$ 100,000
<i>Business-type activities</i>					
long-term liabilities	\$ 1,955,000	\$ -	\$ (340,000)	\$ 1,615,000	\$ 100,000

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

**NOTE 9 – LEASING ACTIVITIES**

As part of the issuance of the Downtown Development Authority revenue bonds, the Authority entered into a lease agreement with the 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, 2017, the amount of property and buildings leased by the DOL which is included on the Statement of Net Position of the Downtown Development Authority is \$2,301,101, net of accumulated depreciation of \$787,731.

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

At September 30, 2017, the minimum future lease payments to be received under the operating lease are as follows:

Year Ending September 30	Total
2018	\$ 179,460
2019	179,460
2020	179,460
2021	179,460
2022	179,460
2023-2027	897,300
2028	14,955
	\$ 1,809,555

**NOTE 10 – RESTRICTIONS OF FUND BALANCES**

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

Fund balance restrictions at September 30, 2017 include:

**Capital Projects Funds**

Restricted for specific projects to reflect	
resources funded by SPLOST and Federal Grants	\$ 2,636,476
Community development	1,022,758

**Special Revenue Funds**

Restricted to reflect resources legally restricted for:	
Community development	224,584
Public safety	32,855

Total restricted net position	\$ 3,916,673
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**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

**NOTE 11 – PENSION PLAN**

***Plan Description***

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

The Plan covers all full-time employees of the City of Moultrie, Georgia. Employees become eligible to participate in the Plan after six months and are fully vested after ten years. Prior to October 1, 1994, the Plan excluded employees for whom the City made contributions directly or indirectly to another retirement program. Employees in this category (firefighters and police officers) became participants in the Plan on October 1, 1994, if they filed an application to participate. Benefit provisions are established by City Ordinance. The Plan provides retirement, disability and death benefits to Plan members and beneficiaries. At October 1, 2016, the date of the most recent actuarial valuation, there were 273 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	91
Vested terminated employees not yet receiving benefits	13
Active employees	159
<hr/>	
Total	263
<hr/>	

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

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

***Summary of Significant Accounting Policies***

***Basis of Accounting***

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

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

*Method Used to Value Investments*

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

*Contributions*

The City and individual participants make contributions to the Plan. Effective February 1, 2005, all employees are required to contribute 4.42% of their annual earnings to the Plan. Prior to February 1, 2005, participants contributed 3.5% of their annual earnings. The City's funding policy is to contribute the amount in excess of employee's contribution required to fund the Plan benefits as determined by the Plan actuary. Administrative costs are financed through investment earnings.

The annual required contribution for the year ended September 30, 2017 was determined as part of the October 1, 2016, actuarial valuation using the entry age method. The actuarial assumptions included a) an interest rate of 7.25%, net of investment expenses, b) projected salary increases of 3.25% per year and c) no inflation rate assumption. Mortality rates were based on the RP-2000 Mortality Table projected with Scale AA.

The discount rate used to measure the total pension liability was 5.25%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made based on the average 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.

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

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

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

Changes in Net Pension Liability:

The total pension liability was determined by an actuarial valuation as of October 1, 2016 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2017. Changes in the net pension liability for the year ended September 30, 2017 were as follows:

	Increase (Decrease)		
	Total Pension Liability (TPL)	Fiduciary Net Position (FNP)	Net Pension Liability (NPL)
	(a)	(b)	(a) - (b)
Balances at September 30, 2016	\$ 18,214,543	\$ (12,877,038)	\$ 5,337,505
Changes for the year:			
Service cost	\$ 618,598	\$ -	\$ 618,598
Expected interest growth	968,914	(668,516)	300,398
Differences between expected and actual experience	-	-	-
Demographic experience	(87,072)	-	(87,072)
Contributions - employer	-	(372,201)	(372,201)
Contributions - employee	-	(224,604)	(224,604)
Unexpected investment income	-	(250,942)	(250,942)
Benefit payments and refunds	(853,317)	853,317	-
Assumption changes	-	-	-
Administrative expense	-	34,012	34,012
Net changes	647,123	(628,934)	18,189
Balances at September 30, 2017	\$ 18,861,666	\$ (13,505,972)	\$ 5,355,694



**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

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

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

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>4.25%</b>	<b>Discount Rate</b>	<b>6.25%</b>
		<b>5.25%</b>	
Total pension liability	\$ 21,401,927	\$ 18,861,666	\$ 16,773,805
Less fiduciary net position	(13,505,972)	(13,505,972)	(13,505,972)
Net pension liability	\$ 7,895,955	\$ 5,355,694	\$ 3,267,833

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

At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred</b>	<b>Deferred</b>
	<b>Outflows of</b>	<b>Inflows of</b>
	<b>Resources</b>	<b>Resources</b>
Balances at September 30, 2016	\$ 4,398,404	\$ 1,055,432
Changes for the year:		
Amortization payments	(605,935)	(167,035)
Investment gain/loss	-	250,942
Demographic gain/loss	-	87,073
Assumption changes	-	-
Net changes	(605,935)	170,980
Balances at September 30, 2017	\$ 3,792,469	\$ 1,226,412

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at September 30, 2017 will be recognized in pension expense as follows:

<b>Fiscal Year Ending,</b>	<b>Total</b>
2018	\$ 438,900
2019	438,902
2020	143,506
2021	171,143
2022	221,333
Thereafter	1,152,273
	<b>\$ 2,566,057</b>

***Peace Officers' Annuity and Benefit Fund of Georgia***

Plan Description:

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

Actuarial Assumptions:

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

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

The long-term expected rate of return on pension plan investments was calculated by the POABFG's investment manager as 6.66% using a Monte Carlo simulation in which best estimate ranges of

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

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

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

Net Pension Liability:

At September 30, 2016, the City did not have a liability for a proportionate share of the net pension liability (asset) of the POABFG because of the related support from the State of Georgia. The amount of the State's proportionate share of the net pension liability (asset) associated with the City was \$17,973 as of September 30, 2017.

Pension Expense:

For the year ended September 30, 2017 the City recognized pension expense related to the POABFG of \$5,249 and revenue of \$5,249 for support provided by the State of Georgia.

***Georgia Firefighters' Pension Fund***

Plan Description:

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

Actuarial Assumptions:

The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2016. The total pension liability in the actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

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.

The discount rate used to measure the total pension liability was 6.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability:

At September 30, 2017, the City did not have a liability for a proportionate share of the net pension liability of the GPPF because of the related support from the State of Georgia. The amount of the State's proportionate share of the net pension liability associated with the City was \$628,257 as of September 30, 2017.

Pension Expense:

For the year ended September 30, 2017, the City recognized pension expense related to the GPPF of \$100,914 and revenue of \$100,914 for support provided by the State of Georgia.

**NOTE 12 – DEFINED CONTRIBUTION PLAN**

A 457(a) retirement plan has been established for all full time employees whereby they can contribute up to the allowable annual contribution of \$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, 2017, the City contributed \$14,284 to the 457(a) plan on behalf of the City Manager and Finance Director.

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

**NOTE 13 – JOINT VENTURES**

Under Georgia law, the City, in conjunction with other cities and counties in the eight county west central Georgia area, is a member of the Southwest Georgia Regional Commission and is required to pay annual dues thereto. During the year ended September 30, 2017, the City paid \$15,810 in such dues. Membership in a Regional Commission is required by the Official Code of Georgia Annotated (OCGA), Section 50-8-34, which provides for the organizational structure of the Regional Commission in Georgia. The Regional Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission. Separate financial statements may be obtained from:

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

The City of Moultrie, Georgia in conjunction with the Cities of Cairo, Camilla and Thomasville, who provide distribution of broadband cable television and internet services under the trade name “CNS”, created the South Georgia Governmental Services Authority (SGGSA). The SGGSA was created and activated under the provisions of the Development Authority Law of the State of Georgia (O.C.G.A. 36-62-1) for the purpose of providing governmental, proprietary and administrative services and facilities to the Cities of Cairo, Camilla, Moultrie, and Thomasville and other subdivisions, agencies and authorities within its area of operation. Each member city has contracted with the SGBDA to provide management and marketing services for its individually owned broadband communications system. Pursuant to the agreement, the SGBDA procures certain goods and services on behalf of the member cities when cost effective. The SGBDA is reimbursed by each member city for any expense incurred on its behalf. The member cities provide funding on an annual basis to the SGBDA in the form of dues and contributed capital. The City paid the SGBDA \$18,155 in such dues for the year ended September 30, 2017. The City of Moultrie’s equity investment in the SGBDA is \$786,549 and is recorded within the Cable TV enterprise fund. The SGBDA board is made up of eight members, two appointed by each participating city for one year terms. Separate financial statements may be obtained from:

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

Through July of 2017, 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 \$68,750 for the year ended September 30, 2017. 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,

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

industrial and commercial enterprises to locate in Moultrie and Colquitt County. Beginning in August of 2017, the Moultrie – Colquitt County Development 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 14 – RELATED ORGANIZATION**

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

**NOTE 15 – HOTEL / MOTEL LODGING TAX**

The City has levied a 7% lodging tax. For the year ended September 30, 2017, \$327,551 of hotel/motel tax was collected and \$46,793 or 15% was remitted to the Chamber of Commerce and the Colquitt County Arts Center for tourism related activities. Management represents that 100% of the lodging tax received during the year ended September 30, 2017 was used for the promotion of tourism, conventions, or trade shows.

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

**NOTE 16 - RISK MANAGEMENT**

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

***Property and General Liability and Workers' Compensation***

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

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

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

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

***Group Medical Benefits***

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

	Year Ended September 30,	
	2016	2017
Unpaid claims, beginning of year	\$ 358,535	\$ 274,239
Incurred claims (including IBNRs)	2,459,960	2,010,232
Claim Payments	(3,092,734)	(2,114,766)
Unpaid claims, end of year	\$ 274,239	\$ 169,705

***Settlements***

During the year ended September 30, 2017, 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, 2015, 2016, and 2017.

**NOTE 17 – COMMITMENTS AND CONTINGENCIES**

***Litigation***

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

***Grants from Governments***

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



**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

***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, 2017, the City is an electric utility participant in MEAG and obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all of its future power and energy requirements in excess of that received by the City through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by the Authority. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating City has guaranteed a portion of the unpaid debt based on its individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts amounted to \$17,282,950 in 2017.

At September 30, 2017, the outstanding debt of MEAG was approximately \$6.08 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$132.9 million at September 30, 2017.

***Agreements with the Municipal Gas Authority of Georgia***

The City has entered into a contract for the purchase of wholesale natural gas supplies and related services with the Municipal Gas Authority of Georgia (MGAG) that requires the City to purchase all of its natural gas from MGAG. The gas supply contract with MGAG authorizes MGAG to establish rates and charges so as to produce revenues sufficient to cover its operating costs and retire its bonds issued to acquire long-term gas supplies for sale to its members, including the City. In the event that revenues are insufficient to cover all costs and retire bonds issued by MGAG, the City is obligated to pay its obligation share of the costs of the gas supply and related services MGAG provides to the City, which costs include amounts equal to principal and interest on MGAG's bonds. These obligations, which extend through the year 2019, are general obligations of the City to which the City's full faith, credit and taxing powers are pledged. The City's obligation to MGAG for gas supply costs are based on MGAG costs to provide such supply, including bonds issues to purchase long-term rights to bulk supply. The total payments under these contracts amounted to \$1,137,918 for the year ended September 30, 2017.

At September 30, 2017, MGAG's bonds to which the City's obligation share is applicable were outstanding in the approximate principal amount of \$220 million. The City's obligation share of that amount totals approximately \$2.1 million at September 30, 2017.

**City of Moultrie, Georgia**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2017**

**NOTE 18 – TERMINATION BENEFITS**

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

At September 30, 2017, one employee was eligible and receiving benefits under the Plan. For the year ended September 30, 2017, the cost of premiums for providing post-retirement health care was \$557. The Plan is considered immaterial for financial reporting as defined by GASB Statement 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

**NOTE 19 – PRIOR PERIOD ADJUSTMENTS**

An error resulting in the misstatement of deferred inflows from pensions was discovered during fiscal year end September 30, 2017. An adjustment totaling \$(1,055,432) was recorded to restate net position at September 30, 2016.

An error resulting in the misstatement of notes payable was discovered during fiscal year end September 30, 2017. An adjustment totaling \$(1,939,043) was recorded to restate net position at September 30, 2016.

The following summarizes the prior period adjustments referred to above:

	<b>Net Position as Previously Reported</b>	<b>Prior Period Adjustment</b>	<b>Net Position as Restated</b>
Governmental Activities	\$ 30,388,410	\$ (878,016)	\$ 29,510,394
Business-type Activities	67,905,035	(2,116,459)	65,788,576
<b>Total Government Wide</b>	<b>98,293,445</b>	<b>(2,994,475)</b>	<b>95,298,970</b>
Water and Sewer Fund	26,110,216	(1,939,042)	24,171,174
Electric Fund	31,679,741	(96,361)	31,583,380
Gas Fund	1,383,832	(34,934)	1,348,898
Solid Waste Fund	3,165,029	(46,122)	3,118,907
Internal Service Fund	(223,559)	(95,729)	(319,288)
<b>Total Enterprise Funds</b>	<b>\$ 62,115,259</b>	<b>\$ (2,212,188)</b>	<b>\$ 59,903,071</b>

**City of Moultrie, Georgia**  
**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**For the Year Ended September 30, 2017**

	2017	2016	2015
Total pension liability			
Service cost	\$ 618,598	\$ 637,338	\$ 767,916
Expected interest growth	968,914	991,563	963,275
Demographic experience	(87,072)	(1,023,159)	-
Benefit payments	(853,317)	(1,019,237)	(869,797)
Changes in benefit terms	-	(438)	-
Assumption changes	-	-	4,133,302
Net change in pension liability	647,123	(413,933)	4,994,696
Total pension liability - beginning	18,214,543	18,628,476	13,633,780
Total pension liability - ending (a)	18,861,666	18,214,543	18,628,476
Plan fiduciary net position			
Employer contributions	372,201	329,067	316,934
Employee contributions	224,604	257,851	260,494
Expected interest growth	668,516	647,050	707,704
Unexpected investment income	250,942	138,195	(1,476,972)
Administrative expenses	(34,012)	(27,721)	(21,577)
Benefit payments	(853,317)	(1,019,237)	(869,797)
Net change in fiduciary net position	628,934	325,205	(1,083,214)
Plan fiduciary net position - beginning	12,877,038	12,551,833	13,635,047
Plan fiduciary net position - ending (b)	13,505,972	12,877,038	12,551,833
Net pension liability (a) - (b)	\$ 5,355,694	\$ 5,337,505	\$ 6,076,643
Plan fiduciary net position as a percentage of the total pension liability	71.61%	70.70%	67.38%
Covered-employee payroll	\$ 4,836,938	\$ 5,044,899	\$ 6,087,185
Net pension liability as a percentage of covered-employee payroll	110.72%	105.80%	99.83%

Notes to the Schedule

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

**City of Moultrie, Georgia**  
**Required Supplementary Information**  
**Schedule of Employer Contributions –Pension Plan**  
**For the Year Ended September 30, 2017**

	2017	2016	2015
Actuarially determined contribution	\$ 336,892	\$ 329,067	\$ 316,934
Contributions in relation to the actuarially determined contribution	336,892	329,067	316,934
<b>Contribution deficiency (excess)</b>		-	-
Covered-employee payroll	\$ 4,836,938	\$ 5,044,899	\$ 6,087,185
Contributions as a percentage of covered-employee payroll	6.96%	6.52%	5.21%

Notes to the Schedule

(1) Actuarial assumptions

Valuation date	October 1, 2016
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 Moultrie, Georgia**  
**Combining Balance Sheet – Nonmajor Governmental Funds**  
**September 30, 2017**

	Special Revenue Funds			Capital Projects Funds		Total Nonmajor Governmental Funds
	Multiple Grants	Confiscated Assets	Hotel Motel Tax	Community Development	Paving Program	
<b>Assets</b>						
Cash and cash equivalents	\$ 100	\$ 32,955	\$ 212,967	\$ -	\$ -	\$ 246,022
Accounts receivable, net	-	-	-	55,105	-	55,105
Prepaid expenses	-	-	1,764	-	-	1,764
Due from other funds	20,893	-	-	-	196	21,089
Restricted assets:						-
Cash and cash equivalents	9,075	-	-	818,970	-	828,045
Program receivables	-	-	-	149,012	-	149,012
<b>Total assets</b>	<b>30,068</b>	<b>32,955</b>	<b>214,731</b>	<b>1,023,087</b>	<b>196</b>	<b>1,301,037</b>
<b>Liabilities</b>						
Accounts payable	4,640	-	5,067	220	-	9,927
Accrued expenses	-	-	1,989	-	-	1,989
Due to other funds	1,077	100	5,678	205	100	7,160
Due to component units	-	-	-	-	-	-
<b>Total liabilities</b>	<b>5,717</b>	<b>100</b>	<b>12,734</b>	<b>425</b>	<b>100</b>	<b>19,076</b>
<b>Fund Balances</b>						
Nonspendable:						
Prepaid expenses	-	-	1,764	-	-	1,764
Restricted for:						
Community development	24,351	-	200,233	1,022,662	96	1,247,342
Public safety	-	32,855	-	-	-	32,855
Unassigned	-	-	-	-	-	-
<b>Total fund balances</b>	<b>24,351</b>	<b>32,855</b>	<b>201,997</b>	<b>1,022,662</b>	<b>96</b>	<b>1,281,961</b>
<b>Total liabilities and fund balances</b>	<b>\$ 30,068</b>	<b>\$ 32,955</b>	<b>\$ 214,731</b>	<b>\$ 1,023,087</b>	<b>\$ 196</b>	<b>\$ 1,301,037</b>

**City of Moultrie, Georgia**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances – Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2017**

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
	Multiple Grants	Confiscated Assets	Hotel Motel Tax	Community Development	Paving Program		
<b>Revenues</b>							
Taxes	\$ -	\$ -	\$ 327,551	\$ -	\$ -	\$ 327,551	
Fines, forfeitures and fees	-	12,742	-	-	-	12,742	
Charges for services	-	-	8,457	-	-	8,457	
Intergovernmental	45,318	-	-	-	-	45,318	
Investment income	-	26	-	8,838	-	8,864	
Other revenues	-	-	79,261	0	-	79,261	
<b>Total revenues</b>	<b>45,318</b>	<b>12,768</b>	<b>415,269</b>	<b>8,838</b>	<b>-</b>	<b>482,193</b>	
<b>Expenditures</b>							
Current:							
Community development	-	-	419,582	121	-	419,703	
Capital outlays	41,915	-	-	-	-	41,915	
Public safety	845	6,518	-	-	-	7,363	
<b>Total expenditures</b>	<b>42,760</b>	<b>6,518</b>	<b>419,582</b>	<b>121</b>	<b>-</b>	<b>468,981</b>	
Excess (deficiency) of revenues							
over (under) expenditures	2,558	6,250	(4,313)	8,717	-	13,212	
<b>Other Financing Sources (Uses)</b>							
Transfers	-	-	(7,500)	-	-	(7,500)	
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(7,500)</b>	<b>-</b>	<b>-</b>	<b>(7,500)</b>	
<b>Net change in fund balances</b>	<b>2,558</b>	<b>6,250</b>	<b>(11,813)</b>	<b>8,717</b>	<b>-</b>	<b>5,712</b>	
Fund balances (deficits),							
beginning of year	21,793	26,605	213,810	1,013,945	96	1,276,249	
Fund balances (deficits),							
end of year	\$ 24,351	\$ 32,855	\$ 201,997	\$ 1,022,662	\$ 96	\$ 1,281,961	

**City of Moultrie, Georgia**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balances – Budget and Actual**  
**Multiple Grants Fund**  
**For the Year Ended September 30, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final Amended		
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures and fees	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	45,318	45,318
Investment income	-	-	-	-
Other revenues	-	-	-	-
<hr/>				
Total revenues	-	-	45,318	45,318
<hr/>				
<b>Expenditures</b>				
Current:				
Community development	-	-	-	-
Public safety	-	-	845	(845)
Capital outlays	41,915	41,915	41,915	-
<hr/>				
Total expenditures	41,915	41,915	42,760	(845)
<hr/>				
Excess (deficiency) of revenues over expenditures	(41,915)	(41,915)	2,558	44,473
<hr/>				
<b>Other Financing Sources (Uses)</b>				
Transfers	-	-	-	-
<hr/>				
Total other financing sources (uses)	-	-	-	-
<hr/>				
Net change in fund balance	(41,915)	(41,915)	2,558	44,473
<hr/>				
Fund balance, beginning of year	21,793	21,793	21,793	43,586
<hr/>				
Fund balance, end of year	\$ (20,122)	\$ (20,122)	\$ 24,351	\$ 88,059

**City of Moultrie, Georgia**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balances – Budget and Actual**  
**Confiscated Assets Fund**  
**For the Year Ended September 30, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final Amended		
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures and fees	-	-	12,742	12,742
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	-	-	26	26
Other revenues	-	-	-	-
<b>Total revenues</b>	-	-	12,768	12,768
<b>Expenditures</b>				
Current:				
Community development	-	-	-	-
Public safety	-	-	6,518	(6,518)
Capital outlays	-	-	-	-
<b>Total expenditures</b>	-	-	6,518	(6,518)
Excess (deficiency) of revenues over expenditures	-	-	6,250	6,250
<b>Other Financing Sources (Uses)</b>				
Transfers	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-
Net change in fund balance	-	-	6,250	6,250
Fund balance, beginning of year	26,605	26,605	26,605	53,210
<b>Fund balance, end of year</b>	<b>\$ 26,605</b>	<b>\$ 26,605</b>	<b>\$ 32,855</b>	<b>\$ 59,460</b>



**City of Moultrie, Georgia**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balances – Budget and Actual**  
**Hotel/Motel Tax Fund**  
**For the Year Ended September 30, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final Amended		
<b>Revenues</b>				
Taxes	\$ 320,000	\$ 320,000	\$ 327,551	\$ 7,551
Fines, forfeitures and fees	-	-	-	-
Charges for services	-	-	8,457	8,457
Intergovernmental	-	-	-	-
Investment income	-	-	-	-
Other revenues	46,860	46,860	79,261	32,401
<b>Total revenues</b>	<b>366,860</b>	<b>366,860</b>	<b>415,269</b>	<b>48,409</b>
<b>Expenditures</b>				
Current:				
Community development	448,138	448,138	419,582	28,556
Public safety	-	-	-	-
Capital outlays	-	-	-	-
<b>Total expenditures</b>	<b>448,138</b>	<b>448,138</b>	<b>419,582</b>	<b>28,556</b>
Excess (deficiency) of revenues over expenditures	(81,278)	(81,278)	(4,313)	76,965
<b>Other Financing Sources (Uses)</b>				
Transfers	(7,500)	(7,500)	(7,500)	-
<b>Total other financing sources (uses)</b>	<b>(7,500)</b>	<b>(7,500)</b>	<b>(7,500)</b>	<b>-</b>
Net change in fund balance	(88,778)	(88,778)	(11,813)	76,965
Fund balance, beginning of year	213,810	213,810	213,810	427,620
<b>Fund balance, end of year</b>	<b>\$ 125,032</b>	<b>\$ 125,032</b>	<b>\$ 201,997</b>	<b>\$ 504,585</b>

**City of Moultrie, Georgia**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**September 30, 2017**

	<b>Business Type Activities - Enterprise Funds</b>							
	<b>Solid Waste Fund</b>	<b>Airport Fund</b>	<b>Tele- Comm Fund</b>	<b>Utilities Deposit Fund</b>	<b>Mass Transit Fund</b>	<b>Gas Fund</b>	<b>Telephony Fund</b>	<b>Total</b>
<b>Assets</b>								
Current assets:								
Cash and cash equivalents	\$ -	\$ -	\$ 1,981,360	\$ -	\$ 14,218	\$ -	\$ -	\$ 1,995,578
Accounts receivable, net	156,426	6,280	17,303	1,641	625	189,878	20,687	392,840
Due from other funds	3,200,799	803,825	5,982	643,181	-	1,468,659	1,009,786	7,132,232
Inventories	-	-	-	-	-	71,591	-	71,591
Other current assets	29,480	9,981	84,621	-	-	6,035	-	130,117
<b>Total current assets</b>	<b>3,386,705</b>	<b>820,086</b>	<b>2,089,266</b>	<b>644,822</b>	<b>14,843</b>	<b>1,736,163</b>	<b>1,030,473</b>	<b>9,722,358</b>
Noncurrent assets:								
Restricted assets - cash	-	-	-	-	-	220,377	-	220,377
Capital assets								-
Land	-	-	-	-	-	16,785	-	16,785
Construction in progress	-	-	-	-	-	-	-	-
Other capital assets, net of accumulated depreciation	1,819,974	728,827	-	-	1,559,328	691,809	-	4,799,938
<b>Total noncurrent assets</b>	<b>1,819,974</b>	<b>728,827</b>	<b>-</b>	<b>-</b>	<b>1,559,328</b>	<b>928,971</b>	<b>-</b>	<b>5,037,100</b>
<b>Total assets</b>	<b>5,206,679</b>	<b>1,548,913</b>	<b>2,089,266</b>	<b>644,822</b>	<b>1,574,171</b>	<b>2,665,134</b>	<b>1,030,473</b>	<b>14,759,458</b>
<b>Deferred Outflows of Resources</b>								
Deferred pension cost	232,413	-	-	-	-	135,815	-	368,228
Refunding of debt	-	-	-	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>232,413</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>135,815</b>	<b>-</b>	<b>368,228</b>

**City of Moultrie, Georgia**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**September 30, 2017**

	Business Type Activities - Enterprise Funds							
	Solid Waste Fund	Airport Fund	Tele- Comm Fund	Utilities Deposit Fund	Mass Transit Fund	Gas Fund	Telephony Fund	Total
<b>Liabilities</b>								
Current liabilities payable from								
current assets:								
Accounts payable	\$ 102,946	\$ 3,580	\$ -	\$ 42,804	-	\$ 91,694	51,416	\$ 292,440
Accrued expenses	6,873	87	-	-	-	4,349	-	11,309
Lines of credit	-	-	-	-	-	-	-	-
Current portion of long term deb	222,651	-	-	-	-	-	-	222,651
Customer deposits	-	7,668	-	878,417	-	-	14,436	900,521
Due to other governments	-	-	13,404	-	-	-	18,010	31,414
Due to other funds	1,042,324	60,161	1,034,603	-	8,259	602,587	-	2,747,934
Advance from other funds	-	-	-	-	-	404,485	-	404,485
<b>Total current liabilities payable from current assets</b>	<b>1,374,794</b>	<b>71,496</b>	<b>1,048,007</b>	<b>921,221</b>	<b>8,259</b>	<b>1,103,115</b>	<b>83,862</b>	<b>4,610,754</b>
Long-term liabilities:								
Long term debt	540,307	-	-	-	-	-	-	540,307
Compensated absences	1,111	-	-	-	-	-	-	1,111
Net pension liability	314,088	-	-	-	-	189,091	-	503,179
<b>Total long-term liabilities</b>	<b>855,506</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>189,091</b>	<b>-</b>	<b>1,044,597</b>
<b>Total liabilities</b>	<b>2,230,300</b>	<b>71,496</b>	<b>1,048,007</b>	<b>921,221</b>	<b>8,259</b>	<b>1,292,206</b>	<b>83,862</b>	<b>5,655,351</b>
<b>Deferred Inflows of Resources</b>								
Deferred inflows - pension	53,594	-	-	-	-	40,594	-	94,188
<b>Total deferred inflows of resources</b>	<b>53,594</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,594</b>	<b>-</b>	<b>94,188</b>
<b>Net Position</b>								
Net investment in capital assets	1,057,016	728,827	-	-	1,559,328	304,109	-	3,649,280
Restricted for debt service	-	-	-	-	-	-	-	-
Unrestricted	2,098,182	748,590	1,041,259	(276,399)	6,584	1,164,040	946,611	5,728,867
<b>Total net position</b>	<b>\$ 3,155,198</b>	<b>\$ 1,477,417</b>	<b>\$ 1,041,259</b>	<b>\$ (276,399)</b>	<b>\$ 1,565,912</b>	<b>\$ 1,468,149</b>	<b>\$ 946,611</b>	<b>\$ 9,378,147</b>

**City of Moultrie, Georgia**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Fund Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2017**

	Business Type Activities - Enterprise Funds							Total
	Solid Waste Fund	Airport Fund	Tele-Comm Fund	Utilities Deposit Fund	Mass Transit Fund	Gas Fund	Telephony Fund	
<b>Operating Revenues</b>								
Utility revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	2,689,884	-	839,122	-	-	2,059,818	253,173	5,841,997
Miscellaneous	106,851	159,398	34,090	-	7,500	19,607	-	327,446
Intergovernmental	24,833	45,162	-	-	-	-	-	69,995
<b>Total operating revenues</b>	<b>2,821,568</b>	<b>204,560</b>	<b>873,212</b>	<b>-</b>	<b>7,500</b>	<b>2,079,425</b>	<b>253,173</b>	<b>6,239,438</b>
<b>Operating Expenses</b>								
Salaries and wages	500,759	875	-	-	-	332,211	1,134	834,979
Operating, administrative, and maintenance	1,595,060	148,523	624,123	-	9,646	1,313,299	205,774	3,896,425
Depreciation	281,504	83,116	28,786	-	54,719	95,848	-	543,973
<b>Total operating expenses</b>	<b>2,377,323</b>	<b>232,514</b>	<b>652,909</b>	<b>-</b>	<b>64,365</b>	<b>1,741,358</b>	<b>206,908</b>	<b>5,275,377</b>
Operating income (loss)	444,245	(27,954)	220,303	-	(56,865)	338,067	46,265	964,061
<b>Nonoperating Revenues (Expenses)</b>								
Interest income	-	-	778	-	-	1,078	-	1,856
Interest expense	(15,533)	-	-	-	-	-	(1,579)	(17,112)
Gain on disposition of assets	-	37,840	-	-	-	-	-	37,840
Other nonoperating income	-	-	-	-	-	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>(15,533)</b>	<b>37,840</b>	<b>778</b>	<b>-</b>	<b>-</b>	<b>1,078</b>	<b>(1,579)</b>	<b>22,584</b>
Income (loss) before transfers and capital contributions	428,712	9,886	221,081	-	(56,865)	339,145	44,686	986,645
Transfers	(392,421)	(5,040)	(42,473)	-	-	(219,894)	-	(659,828)
Capital Contributions	-	-	-	-	-	-	-	-
<b>Change in net position</b>	<b>36,291</b>	<b>4,846</b>	<b>178,608</b>	<b>-</b>	<b>(56,865)</b>	<b>119,251</b>	<b>44,686</b>	<b>326,817</b>
Net position, beginning of year	3,118,907	1,472,571	862,651	(276,399)	1,622,777	1,348,898	901,925	9,051,330
<b>Net position, end of year</b>	<b>\$ 3,155,198</b>	<b>\$ 1,477,417</b>	<b>\$ 1,041,259</b>	<b>\$ (276,399)</b>	<b>\$ 1,565,912</b>	<b>\$ 1,468,149</b>	<b>\$ 946,611</b>	<b>\$ 9,378,147</b>

**City of Moultrie, Georgia**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2017**

	<b>Business Type Activities - Enterprise Funds</b>							<b>Total</b>
	<b>Solid Waste fund</b>	<b>Airport Fund</b>	<b>Tele-Comm Fund</b>	<b>Utilities Deposit Fund</b>	<b>Mass Transit fund</b>	<b>Gas Fund</b>	<b>Telephony Fund</b>	
<b>Cash Flows from Operating Activities</b>								
Cash received from customers and users	\$ 2,712,407	\$ 162,518	\$ 837,590	\$ -	\$ -	\$ 2,037,575	\$ 234,226	\$ 5,984,316
Other operating receipts	106,851	-	34,090	6,146	6,875	19,607	-	173,569
Cash payments to employees	(493,613)	(788)	-	-	-	(331,493)	(1,134)	(827,028)
Cash payments to suppliers	(1,636,793)	(158,048)	(627,368)	-	(9,645)	(1,302,008)	(95,729)	(3,829,591)
Intergovernmental receipts	24,833	45,162	-	-	-	-	-	69,995
New customer utility deposits	-	-	-	212,702	-	-	-	212,702
Refunded customer utility deposits	-	-	-	(171,049)	-	-	-	(171,049)
Net cash provided (used) by operating activities	713,685	48,844	244,312	47,799	(2,770)	423,681	137,363	1,612,914
<b>Cash Flows from Noncapital Financing Activities</b>								
Transfers	(392,421)	(5,040)	(42,473)	-	-	(219,894)	-	(659,828)
Net change in due from other funds	(29,007)	(81,839)	-	(47,799)	-	(106,194)	(135,784)	(400,623)
Net change in due from component unit	-	-	-	-	-	-	-	-
Net change in due to other funds	(6,550)	195	135,784	-	-	66,347	-	195,776
Net cash provided (used) by noncapital financing activities	(427,978)	(86,684)	93,311	(47,799)	-	(259,741)	(135,784)	(864,675)

**City of Moultrie, Georgia**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2017**

	Business Type Activities - Enterprise Funds							Total
	Solid Waste fund	Airport Fund	Tele- Comm Fund	Utilities Deposit Fund	Mass Transit fund	Gas Fund	Telephony Fund	
<b>Cash Flows from Capital and Related Financing Activities</b>								
Change in deferred costs	26,479	-	-	-	-	25,657	-	52,136
Proceeds from issuance of long - term debt	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	37,840	439,705	-	-	-	-	477,545
Proceeds from capital contributions	-	-	-	-	-	-	-	-
Acquisition and construction of capital assets	(95,267)	-	-	-	-	(40,631)	-	(135,898)
Principal payments on debt	(201,386)	-	-	-	-	-	-	(201,386)
Interest paid	(15,533)	-	-	-	-	-	(1,579)	(17,112)
Net cash provided (used) by capital and related financing activities	(285,707)	37,840	439,705	-	-	(14,974)	(1,579)	175,285
<b>Cash Flows from Investing Activities</b>								
Purchase of investments	-	-	-	-	-	-	-	-
Loan disbursements	-	-	-	-	-	-	-	-
Interest received	-	-	778	-	-	1,078	-	1,856
Net cash provided (used) by investing activities	-	-	778	-	-	1,078	-	1,856
Net increase (decrease) in cash and cash equivalents	-	-	778,106	-	(2,770)	150,044	-	925,380
Cash and cash equivalents, beginning of year	-	-	1,203,254	-	16,988	70,333	-	1,290,575
Cash and cash equivalents, end of year	\$ -	\$ -	\$ 1,981,360	\$ -	\$ 14,218	\$ 220,377	\$ -	\$ 2,215,955

**City of Moultrie, Georgia**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2017**

Business Type Activities - Enterprise Funds								
	Solid Waste fund	Airport Fund	Tele- Comm Fund	Utilities Deposit Fund	Mass Transit fund	Gas Fund	Telephony Fund	Total
<b>Reconciliation of Net Operating Income to Net Cash Provided (Used) By Operating Activities</b>								
Operating income (loss)	\$ 444,245	\$ (27,954)	\$ 220,303	\$ -	\$ (56,865)	\$ 338,067	\$ 46,265	\$ 964,061
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								-
Depreciation	281,504	83,116	28,786	-	54,719	95,848	-	543,973
New customer utility deposits	-	-	-	212,702	-	-	-	212,702
Refunded customer utility deposits	-	-	-	(171,049)	-	-	-	(171,049)
Changes in assets and liabilities:								-
(Increase) decrease in:								-
Accounts receivable	22,523	2,070	(1,532)	-	-	(22,243)	55,234	56,052
Deferred charges	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	5,201	12,550	17,751
Other current assets	2,157	(1,225)	-	-	-	585	-	1,517
Increase (decrease) in:								-
Accounts payable	(43,890)	(8,300)	(16,649)	6,146	(624)	5,504	13,401	(44,412)
Accrued expenses	7,146	1,137	13,404	-	-	719	9,913	32,319
Compensated absences liability	-	-	-	-	-	-	-	-
Net cash provided (used) by operating activities	\$ 713,685	\$ 48,844	\$ 244,312	\$ 47,799	\$ (2,770)	\$ 423,681	\$ 137,363	\$ 1,612,914
<b>NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Capital assets purchased with debt	\$ 736,962	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 736,962
Total non-cash capital and related financing activities	\$ 736,962	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 736,962

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moultrie, Georgia, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise The City of Moultrie, Georgia 's basic financial statements and have issued our report thereon dated March 29, 2018.

**Internal Control Over Financial Reporting**

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

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



A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. [2017-1, 2017-2]

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### **Compliance and Other Matters**

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

### **The City of Moultrie, Georgia's Response to Findings**

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

## Purpose of this Report

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

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

March 29, 2018  
Tifton, Georgia

**City of Moultrie, Georgia**  
**Summary Schedule of Financial Statement Findings**  
**For the Year Ended September 30, 2017**

**SECTION II FINDINGS – FINANCIAL STATEMENT AUDIT**

Finding noted on the Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

Material Weaknesses

**2017-1**

**Criteria:**

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

**Condition:**

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

**Cause of Condition:**

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

**Effect of Condition:**

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

**Response of Management:**

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

**City of Moultrie, Georgia**  
**Summary Schedule of Financial Statement Findings**  
**For the Year Ended September 30, 2017**

**2017-2**

**Criteria:**

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

**Condition:**

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

**Cause of Condition:**

Adjusting journal entries were required for reporting in accordance with generally accepted accounting principles.

**Effect of Condition:**

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

**Response of Management:**

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

**City of Moultrie, Georgia**  
**Summary Schedule of Prior Financial Statement Findings**  
**For the Year Ended September 30, 2017**

**SECTION II FINDINGS – FINANCIAL STATEMENT AUDIT**

Finding noted on the Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

**2016-1**

**Condition:**

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

**Status:**

The above finding is included as finding 2017-1 in the current year Schedule of Financial Statement Findings.

**2016-2**

**Condition:**

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

**Status:**

The above finding is included as finding 2017-2 in the current year Schedule of Financial Statement Findings.

**City of Moultrie, Georgia**  
**Schedule of Special Purpose Local Option Sales Tax Expenditures**  
**For the Year Ended September 30, 2017**

Special Purpose Local Option Sales Tax - 2006	Estimated Cost		Expenditures		
	Original	Revised	Prior Years	Current Year	Total
Wastewater treatment improvement	\$ 9,725,000	\$ -	\$ 9,725,000	\$ 525,775	\$ 10,250,775
Streets and drainage	2,000,000	-	2,550,998	-	2,550,998
<b>Total</b>	<b>\$ 11,725,000</b>	<b>\$ -</b>	<b>\$ 12,275,998</b>	<b>\$ 525,775</b>	<b>\$ 12,801,773</b>

Special Purpose Local Option Sales Tax - 2013	Estimated Cost		Expenditures		
	Original	Revised	Prior Years	Current Year	Total
Wastewater treatment improvement	\$ 7,891,000	\$ -	\$ 6,338,149	\$ 882,148	\$ 7,220,297
Road, bridge and drainage	2,000,000	-	557,249	73,832	631,081
Joint project - City of Moultrie recreational facilities	1,500,000	-	363,260	-	363,260
<b>Total</b>	<b>\$ 11,391,000</b>	<b>\$ -</b>	<b>\$ 7,258,658</b>	<b>\$ 955,980</b>	<b>\$ 8,214,638</b>