CITY OF MOULTRIE, GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2022

CITY OF MOULTRIE
TABLE OF CONTENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	PAGE
TABLE OF CONTENTS	*i - ii*
INDEPENDENT AUDITOR'S REPORT	*iii - v*
MANAGEMENT'S DISCUSSION AND ANALYSIS	*vi - xxii*
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
Government-wide Statement of Net Position	1 - 2
Government-wide Statement of Activities	3 - 4
FUND FINANCIAL STATEMENTS:	
Governmental Funds:	
Balance Sheet	5
Reconciliation of the Balance Sheet of Governmental Funds to the Government-wide Statement of Net Position	6
Statement of Revenues, Expenditures and Changes in Fund Balances	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities	8
Proprietary Funds - Enterprise Funds:	
Statement of Net Position	9 - 10
Statement of Revenues, Expenses, and Changes in Net Position	11
Statement of Cash Flows	12 - 13
Fiduciary Fund - Pension Trust Fund:	
Statement of Fiduciary Net Position	14
Statement of Changes in Fiduciary Net Position	15
NOTES TO FINANCIAL STATEMENTS	16 - 56
REQUIRED SUPPLEMENTARY INFORMATION:	57
Budgetary Comparison Schedule:	
General Fund	58 - 59
ARP Rescue Plan Fund	60
Schedule of Changes in GMEBS Net Pension Liability and Related Ratios	61 - 62
Schedule of GMEBS Retirement Plan Contributions	63
Schedule of GFPF Collective Net Pension and Employer Liability and Related Ratios	64
Schedule of POABF Net Pension and Employer Liability and Related Ratios	65

CITY OF MOULTRIE
TABLE OF CONTENTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	PAGE
COMBINING FUND SCHEDULES	66
OTHER GOVERNMENTAL FUNDS:	
Schedule of Assets, Liabilities and Fund Balance	67
Schedule of Revenues, Expenditures and Changes in Fund Balance	68
NONMAJOR ENTERPRISE FUNDS	
Statement of Net Position	69 - 70
Statement of Revenue, Expenses, and Changes in Fund Net Position	71
Statement of Cash Flows	72 - 73
STATE COMPLIANCE SECTION	74
One Percent Special Purpose Sales Tax Project Cost Schedules	75 - 77
FEDERAL COMPLIANCE SECTION	78
Schedule of Expenditures of Federal Awards	79
Notes to the Schedule of Expenditures of Federal Awards	80
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	81 - 83
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	84 - 85
Schedule of Findings and Questioned Costs	86 - 87
Summary Schedule of Prior Year Findings	88

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moultrie, Georgia ("the City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

208 W. Park Ave., Valdosta, GA 31602 Telephone: 229-247-8005, Fax: 229-247-8998

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages vi – xxii and budgetary comparison information and the pension related schedules on pages 58 - 65 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining nonmajor fund financial statements, One Percent Special Purpose Sales Tax Project Cost Schedules, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 nonmajor fund financial statements, the One Percent Special Purpose Sales Tax Project Cost Schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City 's internal control over financial reporting and compliance.

Respectfully submitted,

Valenti, Rackley & Assoc., LLC

Valenti, Rackley & Associates, LLC
Certified Public Accountants

April 4, 2023

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, 2022. 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 $161,960 million in total assets and deferred outflow of resources of which $67.94 million are capital assets.
- The City has $28.1 million in total liabilities and deferred inflows of resources of which $21.324 million are long-term.
- The City's net position at the close of the most recent fiscal year was $133.859 million (net assets). Of this amount, $69.301 million (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors while $50.906 million is invested in capital assets net of related debt.
- The City's total assets and deferred outflows increased by $7.994 million this year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $31.140 million, an increase of $3.471 million in comparison with the prior year. Of this amount, $17.487 million was from the General Fund, a $1.630 million increase from the prior year. This improvement was primarily due to an increase in cash, cash equivalents, and property tax receivables in the General Fund.
- The City's long-term liabilities increased by $957 thousand during the current fiscal year primarily due to increased pension liability of $1.662 million from the previous year which was somewhat offset by $685 thousand due to payments on long-term debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

Governmental Funds

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

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

The City maintains nine (9) 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, American Rescue Plan Fund, and TSPLOST Fund, because they are considered major funds. Data from the other six (6) 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, CNS Broadband Fund, Solid Waste Fund, Airport Fund, Mass Transit Fund and the Utilities Deposit Fund. The City uses its internal service fund to account for its equipment services and other services. Because the services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

Fiduciary Funds

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

Notes to the Financial Statements

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

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

Table 1
Major Features of the Basic Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Condensed Statement of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $133.859 million at the close of the most recent fiscal year.

A large portion of the City's net assets 38.03% 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 $69.301 million or 51.77% in unrestricted net assets.

Table 2 below presents the City's condensed statement of net assets as of September 30, 2022.

Table 2
Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
September 30,	2022	2021	2022	2021	2022	2021
Current and other assets	34,942,530	33,552,722	63,842,012	60,694,413	98,784,542	94,247,135
Capital assets	24,691,905	21,730,170	43,257,959	43,683,177	67,949,864	65,413,347
Deferred outflows of resources	2,958,107	2,348,861	1,508,982	1,198,194	4,467,089	3,547,055
Total assets and deferred outflows	62,592,542	57,631,753	108,608,953	105,575,784	171,201,495	163,207,537
Other liabilities	991,764	4,447,909	13,290,477	9,583,340	14,282,241	14,031,249
Long-term liabilities	3,170,315	2,171,401	18,153,735	18,195,233	21,324,050	20,366,634
Deferred inflows of resources	1,149,624	1,382,611	586,443	668,695	1,736,067	2,051,306
Total liabilities and deferred inflows	5,311,703	8,001,921	32,030,655	28,447,268	37,342,358	36,449,189
Net position:						
Net investment in capital assets	24,378,712	21,314,819	26,528,095	26,350,138	50,906,807	47,664,957
Restricted	13,651,318	11,809,943	0	0	13,651,318	11,809,943
Unrestricted	19,250,809	16,505,070	50,050,253	50,778,378	69,301,062	67,283,448
Total net position	57,280,839	49,629,832	76,578,348	77,128,516	133,859,187	126,758,348

Net Assets may serve over time as a useful indicator of a government's financial position. The City's combined net assets exceed liabilities by $133.859 million for 2022 as compared to $126.758 million for 2021 for an increase of $7.1 million. Of this amount, there was a decrease of $550.2 thousand in business-type activities and $7.65 million increase in governmental activities.

An additional portion of the City's net assets (10.20%) or $13.651 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($69.301 million) may be used to meet the City's ongoing obligations to citizens and creditors. This is an increase of $2.018 million or 2.91%.

For governmental activities, the City reported a balance of $19.250 million in unrestricted net assets. This is an increase of $2.746 million from 2021 due to an increase in current assets as well as capital assets and a decrease in total liabilities. The business-type activities unrestricted net assets were $50.050 million, a decrease of 728 thousand from 2021 due to an increase in pension liability.

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

Condensed Statement of Activities

Table 3 below presents the City's condensed statement of activities for the years ended September 30, 2022 and 2021. Over time, increases or decreases in net assets measure whether the City's financial position is improving or deteriorating.

Table 3
Condensed Statement of Activities

	Governmental Activities		Business-type Activities		Total	
Year ended September 30,	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	$1,478,238	$1,485,206	$35,345,580	$36,624,185	$36,823,818	$38,109,391
Operating grants and contributions	1,675,106	3,038,829		-	1,675,106	$3,038,829
Capital grants and contributions	6,354,269	4,121,823		-	6,354,269	4,121,823
General revenues:						
Property taxes	3,957,985	3,478,797		-	3,957,985	3,478,797
Other taxes	2,619,853	2,454,565		-	2,619,853	2,454,565
Payments in lieu of taxes	20,655	28,164		-	20,655	28,164
Investment income	130,469	217,473	201,390	64,600	331,859	282,073
Other revenues	219,150	316,398	183,062	93,427	402,212	409,825
Total revenues	16,455,725	15,141,255	35,730,032	36,782,212	52,185,757	51,923,467
Expenses						
Governmental activities:						
General government	3,153,843	2,763,758		-	2,763,758	2,763,758
Judicial	382,728	393,056		-	393,056	393,056
Public safety	6,954,316	6,877,818		-	6,877,818	6,877,818
Public works	2,633,887	2,782,213		-	2,782,213	2,782,213
Parks and recreation	0	103,459		-	103,459	103,459
Community development	1,060,907	901,342		-	901,342	901,342
Interest on long-term debt	10,429	13,825		-	13,825	13,825
Business-type activities:						
Water & sewer		-	6,207,284	6,304,293	6,304,293	6,304,293
Electric revenue		-	18,018,383	18,927,507	18,927,507	18,927,507
Gas revenue		-	3,135,233	2,158,625	2,158,625	2,158,625
Broadband		-	241,756	241,762	241,762	241,762
Solid waste		-	2,574,682	2,383,376	2,383,376	2,383,376
Airport		-	656,750	1,041,325	1,041,325	1,041,325
Mass transit		-	54,720	58,496	58,496	58,496
Total expenses	14,196,110	13,835,471	30,888,808	31,115,384	44,950,855	44,950,855
Increase (decrease) in net position before transfers	2,259,615	1,305,784	4,841,224	5,666,828	7,234,902	6,972,612
Special Items		0		0		0
Transfers	5,391,392	4,702,655	(5,391,392)	(4,702,655)	0	0
Increase (decrease) in net position	7,651,007	6,008,440	(550,168)	964,173	7,234,902	6,972,612
Net position, beg.	49,629,832	43,621,392	77,128,516	76,164,343	126,786,511	119,785,735
Net position,ending.	$57,280,839	$49,629,832	$76,578,348	$77,128,516	$133,859,187	$126,758,348

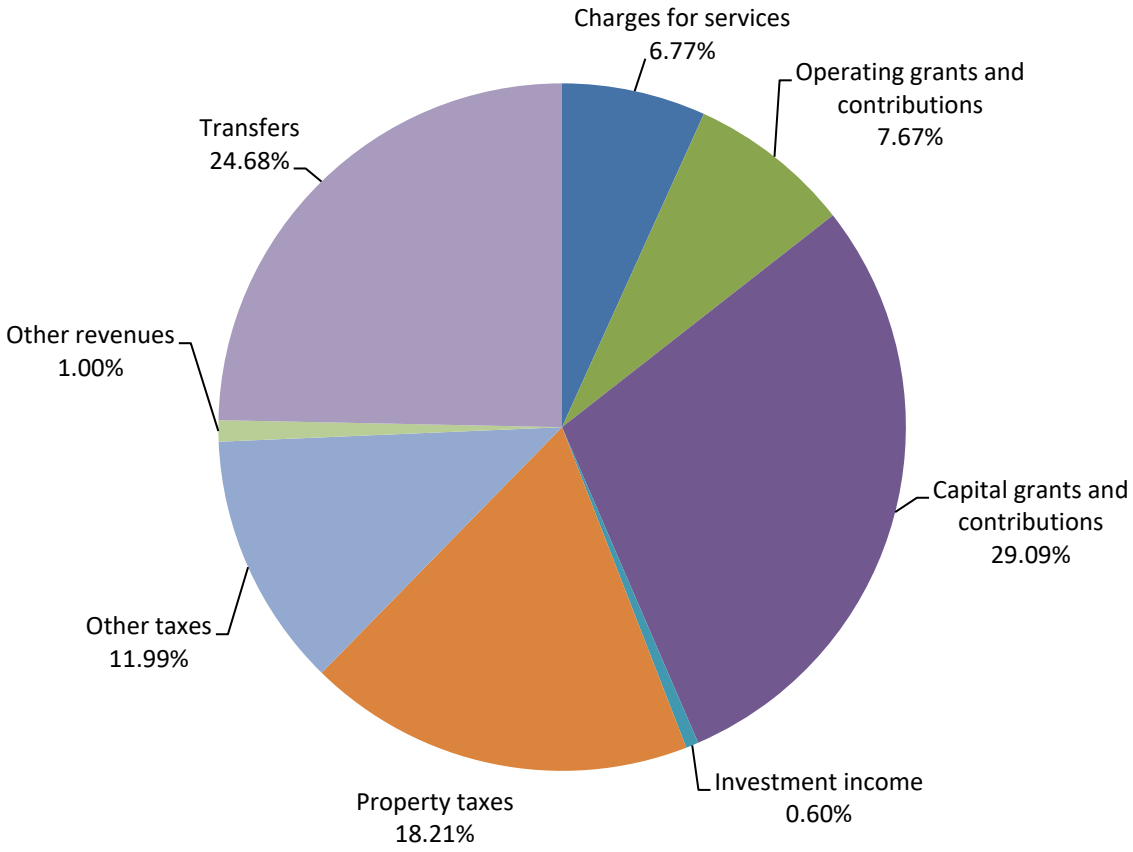
Governmental activities during the fiscal year ended September 30, 2022 increased the City's net position by $7.651 million. Business-type activities during the same period decreased net position by $550 Thousand. The net change in net position was an increase of $7.101 million. The table above shows the revenues and expenses by activity for the total primary government. This table shows total 2022 revenues from governmental activities at $16.456 million while expenses were $14.196 million. Business-type activities total revenues for 2022 were $35.730 million while expenses were $30.888 million. The largest revenue source for governmental activities came from the transfers from Business-type activities of $5.391 million, which is 24.68% of the total governmental activity funding. Revenues from Property Taxes for governmental activities were $3.978 million or 18.21%. Capital Grants and contributions are the second largest governmental activity revenue source at $6.354 million or 29.09%. Governmental activities received $3.20 million in American Rescue Plan Funding during 2022 for use for designated projects to offset the effects of Covid 19. Business-type activities program revenues exceeded expenses by $4.841 million before internal transfers to support the governmental activities.

Program Revenues and Expenses for Governmental Activities

Governmental Activities - Revenues by Source

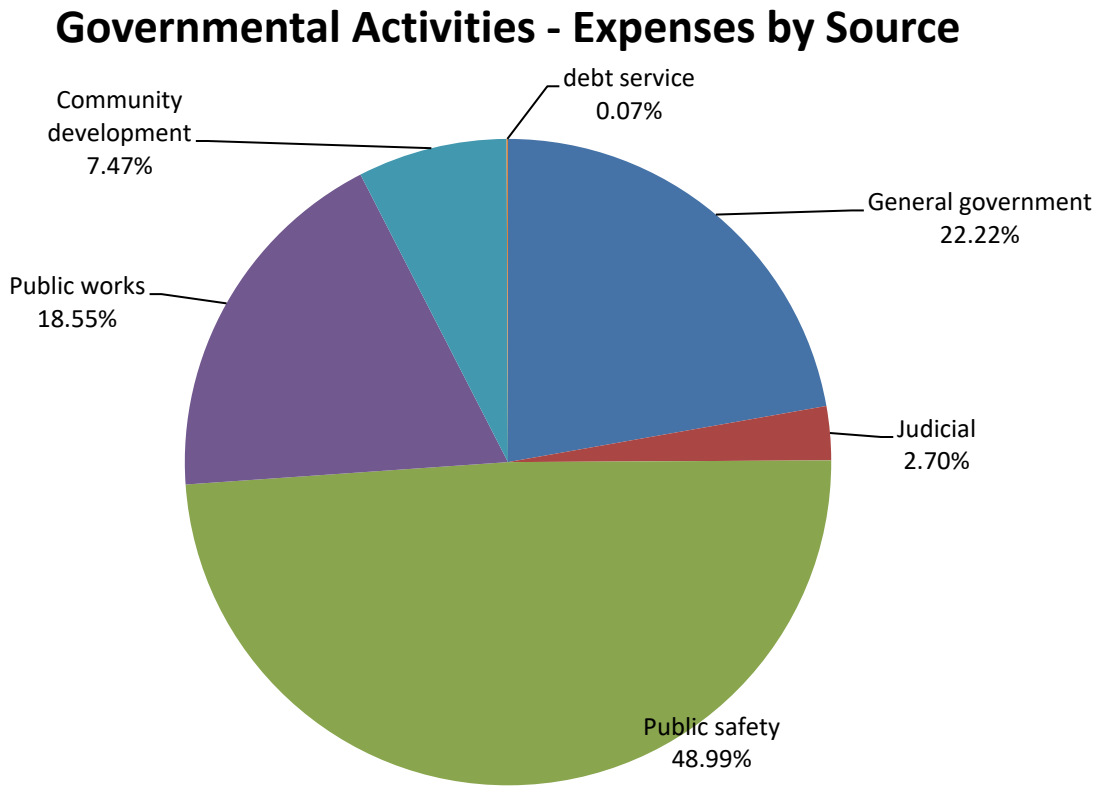
The following chart shows the governmental activities revenues by major source and includes revenues from transfers. It is easy to see from the chart that governmental activities receive it's funding to a great degree through transfers from the business-type activities. These transfers are 24.68% of the funding for the primary government ahead of Capital Grants and contributions at 29.09% and Property taxes at 18.21% of governmental revenues in 2022. Transfers from business-type activities, Property Taxes and Capital Grants provide the majority of the funding sources for the governmental activities. Transfers from business-type activities increased by 689 thousand in 2022 while property taxes increased by $472 thousand due to an increase in property values. The majority of funding for capital projects comes from Special local option sales taxes and American Rescue Plan funding. Without this funding there would be few capital projects completed. For the year, ended September 30, 2022 all other revenue sources for Governmental activities were 28.04 % of total revenues collected.

Governmental Activities - Revenues by Source



Governmental Activities – Expenses by Source

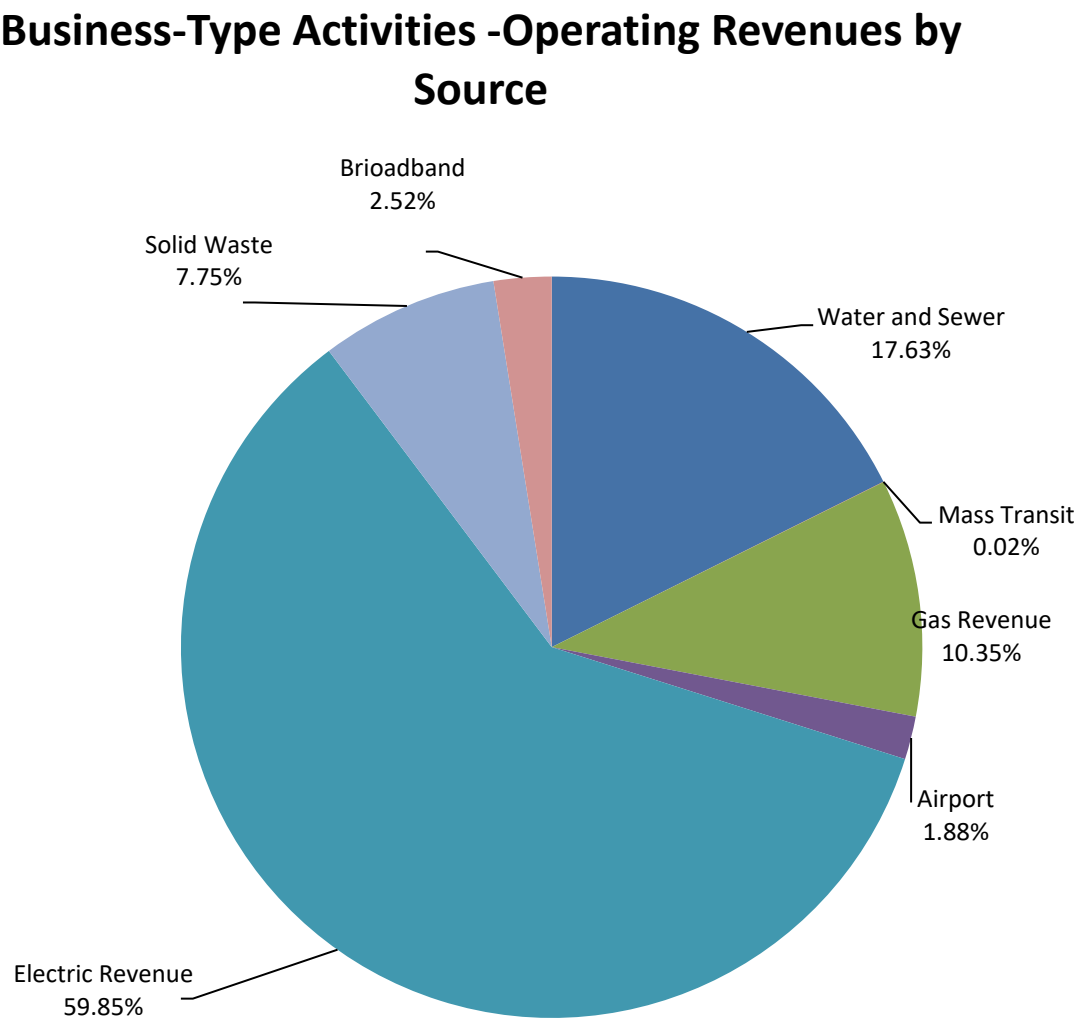
The following chart shows the governmental activities expenses by source. The City of Moultrie spent the greatest amount of its available funding on Public Safety at $6.954 million or 48.99% in 2022. The next largest governmental expense was for General Government at $3.153 million or 22.22%. The increase in General Government expenses was due to capital purchases using American Rescue Plan Funding. A major part of the expenses for all the governmental sources is in personnel cost of salaries and benefits which includes the ever-increasing cost of providing Health care to its employees. The Purchase of Public Safety and Public Works capital equipment added to the costs. The General Fund has benefited greatly by the use of SPLOST funding for its Capital equipment purchases, which reduces the impact on the General operating budget, which holds down any possible increases in property taxes or transfers from Business Type activities.



Program Revenues and Expenses for Business-Type Activities

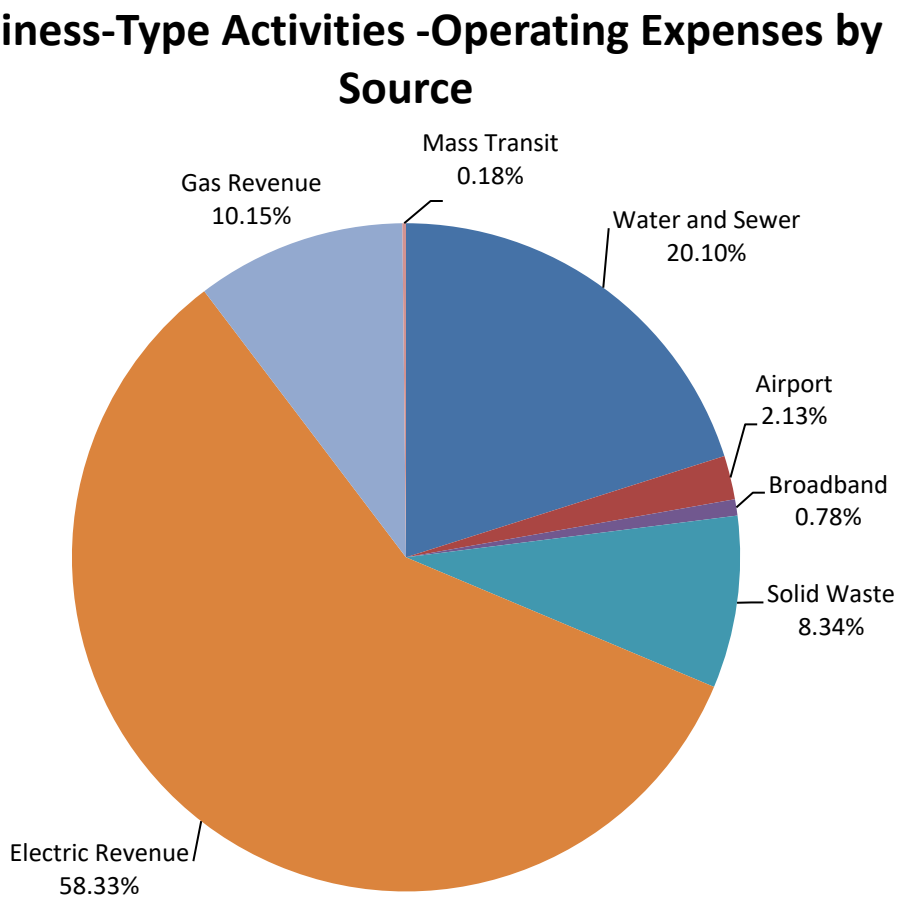
Business-Type Activities – Revenues by Source

The business-type activities largest revenue source is from the Electric Fund. By far, more revenues (59.85%) or $21.155 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 17.63% or $6.232 million.



Business-Type Activities – Expenses by Source

As expected, the Electric Fund also has the largest amount of expenses at 58.33% or $18.018 million, but it generated net income of $3.305 million before its transfers to governmental activities. The Water and Sewer Fund expenses were 20.10% or $6.207 million. This fund actually had a net loss of $789 Thousand due to increased operating and depreciation expenses from the completed new sewer plant and other water and sewer projects. The Water and Sewer, Electric, Solid Waste and Gas funds provided the largest portion of the transfers to the General fund at $5.391 million.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

The significant governmental activities funds for the City of Moultrie consists of the General Fund, American Rescue Fund and other governmental funds. Other governmental funds include the Special Revenue Funds of Confiscated Assets, Multiple Grants, Hotel/Motel Fund and the Paving Program and Capital Projects Funds, which include the SPLOST, T-SPLOST, and Community Development Funds.

At September 30, 2022, the General Fund had a fund balance of $17.487 million. This is an increase of $1.63 million from the beginning fund balance as of October 1, 2021. The increase in the fund balance was primarily due to increased transfers from Proprietary funds. Other revenues, fines and forfeitures and intergovernmental revenues increased slightly. The General Fund had increased operational costs in Public Safety while Public Works costs went down. Overall General Fund expenditures decreased $456 thousand from the previous year.

At September 30, 2022, the SPLOST and T-SPLOST Funds had a combined fund balance of $9.963 million. This is an increase of $922 thousand million from the beginning fund balance as of September 30, 2021. Major SPLOST expenditure for 2022 were for Public Safety and Public Works totaling $617 thousand. There were $2.492 million in T-SPLOST expenditures for road improvement projects in Public Works during this period. The American Rescue Fund had an ending fund balance of $3.179 million. There were $1.634 million in General Government, Public Safety and community development projects funded during FY 2022. The funds received for these three funds must be used for approved Public Works equipment and roads, Fire and Police equipment and building renovations, recreational projects, Water/Sewer projects, Premium pay for employees affected by the Pandemic, and communications projects. The fund balances of the other governmental funds were $509 thousand at year-end primarily due to grant revenues, and Hotel- motel and tourism taxes and completion of community development projects. The final fund balance for all the Governmental funds was $31.139 million at year-end 2022.

Proprietary Funds

The Propriety Funds include the City's major enterprise funds consisting of the Water & Sewer Fund Electric Fund and Gas Fund. The non-major enterprise funds consist of the Solid Waste Fund, Airport Fund, Mass Transit Fund, Utility Deposit Fund and CNS Broadband Fund. The combined Net Position for all Propriety funds was $76.578 million for the year ended September 30, 2022. This is a decrease of $550 thousand mainly due to an increase in transfers to governmental funds and a decrease in operating revenues. There was a decrease in operating expenditures of $794 thousand. The transfer to the General Fund and other funds of $5.75 million was an increase of $641 thousand, which affected the Net Position.

The Water and Sewer Fund had an ending net position was $24.101 million. It had a net operating income before transfers of $530 thousand. The total net position in this fund decreased by $789

thousand from $24.891 million in 2021 due to increased debt service costs and the fewer dispositions of capital assets and less capital contribution.

The Electric Fund had an ending net position of $40.306 million after transfers to the General Fund. This was an increase of $694 thousand from 2021. These funds are used primarily for additional acquisition and construction of capital assets, operational costs and the costs of power and the transfer of funds to the General Fund. The Electric Fund has kept property taxes level by its transfer of a large part of its profits to the General Fund. The Electric Fund has also provided funding for community projects that would not have been completed without its help. The Electric Fund had an decrease in operating revenue of $1.494 million while operating expenditures decreased by $1.448 million.

The Cable TV Fund operations was sold to the South Georgia Governmental Services Authority in April of 2017 and going forward the City is only responsible for the billing and collection of CNS revenues and opening new accounts and providing customer service on existing accounts. The City is still responsible for the uncollectible accounts, credit card fees and Telecom fees from the State and Federal government as well as the costs of the Business Operations Department attributable to the CNS Fund. As a member of the Authority, the City does receive a distribution of a portion of net profits and has an investment in the SGGSA of $2.970 million at the end of 2022.

The combined net position of the non-major proprietary funds at the end of 2022 was $9.336 million. This is a decrease of $3.290 million from 2021 due to the gas fund becoming a major enterprise fund in 2022. With the movement of the gas fund to a major enterprise fund, the remaining non major enterprise funds had an operating income of $4.299 million compared to $4.876 million in 2021. The Solid Waste fund contributed $2.738 million of the total operating income for these funds but experienced a $91 thousand loss after transfers due mainly to increased operating cost.

GENERAL FUND BUDGETARY HIGHLIGHTS

Generally, budget amendments fall into one of the following categories: 1) amendments made to adjust the estimates that were 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.

The actual revenues of the General Fund were more than the final budgeted amounts by $449 thousand for the year ended September 30, 2022 while actual expenditures were $1.267 million less than budgeted for the same period. In total including transfers to the General Fund, there was a net increase of $1.906 million increase over budget in fund balance. Each Department did an excellent job watching their expenditures. The major factors contributing to the expenditure difference were actual Public safety expenditures of $152 thousand and Public Works expenditures of $867 thousand. Actual transfers from other funds were $459 thousand more than the amount that was budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2022, governmental activities and business-type activities had capital assets of $67.949 million (net of accumulated depreciation) invested in land, buildings, system improvements, machinery and equipment and facilities.

The net capital assets from governmental activities increased 2.961 million from $21.730 million to $24.691 million in 2022. Factors attributing to this increase were the purchase of vehicles and equipment, building improvements at City Hall, and communications equipment for the wireless system downtown with ARP funding. The net capital assets from business-type activities decreased by $425 thousand from the prior year due to the deprecation of existing assets and the purchase of fewer capital assets.

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, pension liability and other long-term liabilities.

At September 30, 2022, the City had $3.170 million in outstanding long-term liabilities related to governmental activities of which 2.791 million was due to the City's net pension liability. The City also had $18.153 million of long-term liabilities related to business-type activities for a total of $21.323 million compared to the previous year's total of $20.366 million. This is a total combined increase of $957 thousand primarily due to an increase of $1.662 million in the net pension Liability

The City's component unit also had $1.055 million in long-term debt outstanding in connection with Downtown Development Authority Revenue Bonds used to construct the Georgia Department of Labor. Under a lease agreement with the Department of Labor, the Department of Labor is to make rental payments to be used for the purpose of paying the principal and interest payments on the bonds for a period of twenty-three years maturing in 2028.

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

FACTORS AFFECTING THE 2022 BUDGET

Fiscal year 2021-2022 was a year of transition for the City of Moultrie after the COVID-19 pandemic. Amazingly so financially the pandemic had little impact on the City's finances with the assistance of the Cares Act funding and the American Rescue Program funding. Mayor and Council were able to reduce the City's property tax millage from 8.12 mills down to 8.10 mills as well. The City's health insurance for its employees is self- funded and major claims impact the City's total budget. The City did experience several large claims during the pandemic which affected this budget. Personnel costs are the greatest cost to the City's operating budget of which health insurance is a major part. It is a challenge every year to provide the services its citizens require as well as hiring and providing a benefit package that keeps and retains employees without raising property taxes or utility rates to provide the needed funds.

There was $4.083 million in Special Local Option Sales Tax and T-SPLOST proceeds collected in 2022, but these revenues are restricted for special projects and cannot be used for regular governmental operations. Although restricted, the SPLOST and T-SPLOST Funds are very important to the city's overall operations as these funds provide funding for projects that may not have been funded without them or would have required an increase in property taxes or utility rates if funded. The City also received $2.653 million in American Rescue Act Plan (ARAP) funds that can be used for water/sewer, telecommunication, public safety and premium pay. Mayor and Council approved $324 thousand in premium pay to reward its employees for their dedication to the City during the pandemic. An additional $1.3 million of the ARAP funds went to telecommunications, public safety and city hall renovations to its drive-thru thus avoiding person to person contact in City Hall. The City continues to use bonds, capital leases and GEFA loan proceeds in the Water and Sewer Fund to purchase equipment, improve our sewer plant, and extend water and sewer infrastructure. We have also received a $3.2 million ARAP grant in addition to the second distribution of $2.653 million in ARAP funding which will allow the City to relocate its Spence Field Waste water treatment plant to comply with EDA requirements.

It seems our national or even global economy is headed in the wrong direction ever since Covid-19 decimated not only the work force, but prices and the supply chain too. Yet here in Moultrie, we seem to be thriving. Building supplies are at all all-time high, but we are experiencing a growth that is commendable and even enviable to other communities. We have not only restaurants being built, but department stores as well. We have apartments being constructed and single family homes as well. Hospital parks are being planned and developed. Here in Moultrie we are blessed to be experiencing admirable growth even in the face of trying times.

In Downtown Moultrie, 14 new businesses opened, three businesses expanded, and over 50 new jobs were created. In addition, ten new loft apartments were completed in 2022 and all have been leased and occupied.

We have state of the art medical facilities being built. The facilities offer in-house surgical units that would free up space in the hospital and would offer a more personal out-patient setting. Alongside the hospital itself, a multi-story educational center is being constructed.

Moultrie is not only thriving to have essential services such as medical facilities and fire stations built and upgraded, but blessed to have such a diverse variety of housing and restaurants and recreation.

The City's present financial position is sound and City Staff as well as Mayor and Council are working hard to keep it that way in Future years.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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

CITY OF MOULTRIE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Cash and cash equivalents	$ 13,860,955	$ 24,777,926	$ 38,638,881	$ 99,904
Investments	4,292,189	21,767,935	26,060,124	-
Accounts receivable, net	3,913,970	4,391,628	8,305,598	-
Inventories	113,707	1,232,400	1,346,107	-
Prepaid insurance	195,437	100,842	296,279	1,855
Prepayment on equipment	1,117,584	-	1,117,584	-
Internal balances	876,367	(876,367)	-	-
Due from component unit	68	235,000	235,068	-
Restricted assets:				
Restricted cash	10,572,253	-	10,572,253	142,570
Investment in SGGSA	-	2,970,883	2,970,883	-
Other noncurrent assets	-	-	-	36,666
Capital assets:				
Land and other nondepreciable assets	1,419,670	1,209,382	2,629,052	311,895
Construction in progress	119,331	1,653,979	1,773,310	-
Other capital assets, net of accumulated depreciation	23,152,904	40,394,598	63,547,502	757,046
Total assets	59,634,435	97,858,206	157,492,641	1,349,936
Deferred outflows of resources related to pensions	2,958,107	1,508,982	4,467,089	-
Total assets and deferred outflows of resources	62,592,542	99,367,188	161,959,730	1,349,936

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
GOVERNMENT-WIDE STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Accounts payable and accrued expenses	991,764	2,848,336	3,840,100	26,933
Due to primary government	-	-	-	235,068
Unearned revenue	-	258,298	258,298	-
Customer deposits	-	942,028	942,028	-
Long-term liabilities:				
Net pension liability	2,791,261	1,423,871	4,215,132	-
Due within one year	119,587	580,376	699,963	130,000
Due in more than one year	259,467	16,149,488	16,408,955	925,000
Total liabilities	4,162,079	22,202,397	26,364,476	1,317,001
Deferred inflows of resources:				
Deferred inflows - pensions	1,149,624	586,443	1,736,067	-
Total deferred inflows of resources	1,149,624	586,443	1,736,067	-
Total liabilities and deferred inflows of resources	5,311,703	22,788,840	28,100,543	1,317,001
NET POSITION				
Net investment in capital assets	24,378,712	26,528,095	50,906,807	13,941
Restricted for:				
Community development	488,182	-	488,182	-
American Rescue Plan expenditures	3,179,580	-	3,179,580	-
Public safety	20,470	-	20,470	-
Capital projects	9,963,086	-	9,963,086	-
Unrestricted	19,250,809	50,050,253	69,301,062	18,994
Total net position	$ 57,280,839	$ 76,578,348	$ 133,859,187	$ 32,935

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Function/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit
PRIMARY GOVERNMENT:								
Governmental activities:								
General government	3,153,843	$ 884,736	$ 1,456,742	$ 1,461,687	$ 649,322		$ 649,322	
Judicial	382,728	513,481	-	-	130,753		130,753	
Public safety	6,954,316	18,647	175,756	1,287,252	(5,472,661)		(5,472,661)	
Public works	2,633,887	50,000	33,326	2,693,199	142,638		142,638	
Community development	1,060,907	11,374	9,282	912,131	(128,120)		(128,120)	
Interest - general long-term debt	10,429	-	-	-	(10,429)		(10,429)	
Total governmental activities	14,196,110	1,478,238	1,675,106	6,354,269	(4,688,497)		(4,688,497)	
Business-type activities:								
Water and sewer	6,207,284	6,232,501	-	-	-	25,217	25,217	
Electric	18,018,383	21,155,339	-	-	-	3,136,956	3,136,956	
Broadband	241,756	889,464	-	-	-	647,708	647,708	
Gas	3,135,233	3,658,672	-	-	-	523,439	523,439	
Solid waste	2,574,682	2,738,471	-	-	-	163,789	163,789	
Mass transit	54,720	6,251	-	-	-	(48,469)	(48,469)	
Airport	656,750	664,882	-	-	-	8,132	8,132	
Total business-type activities	30,888,808	35,345,580	-	-	-	4,456,772	4,456,772	
Total primary government	$ 45,084,918	$ 36,823,818	$ 1,675,106	$ 6,354,269	(4,688,497)	4,456,772	(231,725)	
COMPONENT UNIT								
Downtown Development Authority	$ 187,769	$ 187,404	$ -	$ -				$ (365)

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Unit
General revenues:								
Taxes:								
Property taxes, levied for general purposes					3,957,985	-	3,957,985	-
Other taxes					2,619,853	-	2,619,853	-
Investment income					130,469	201,390	331,859	101
Contributions					20,655	-	20,655	-
Gain on disposal of capital assets					17,180	183,062	200,242	-
Other revenue					201,970	-	201,970	120
Total general revenues					6,948,112	384,452	7,332,564	221
Transfers and capital contributions, net					5,391,392	(5,391,392)	-	-
Total general revenues and transfers					12,339,504	(5,006,940)	7,332,564	221
Change in net position					7,651,007	(550,168)	7,100,839	(144)
Net position - beginning					49,629,832	77,128,516	126,758,348	33,079
Net position - ending					$ 57,280,839	$ 76,578,348	$ 133,859,187	$ 32,935

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	General Fund	American Rescue Plan Fund	TSPLOST Capital Projects Fd	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 11,076,559	$ 2,653,997	$ -	$ -	$ 13,730,556
Accounts receivable, net	161,922	-	-	-	161,922
Property tax receivable	3,381,495	-	-	-	3,381,495
Intergovernmental receivables	13,200	-	121,923	179,473	314,596
Prepaid insurance	184,846	-	-	1,005	185,851
Due from other funds	6,566,291	382,416	-	29,848	6,978,555
Restricted assets:					
Cash and cash equivalents	-	164,335	4,646,703	5,761,215	10,572,253
Investments	4,292,189	-	-	-	4,292,189
Total assets	$ 25,676,502	$ 3,200,748	$ 4,768,626	$ 5,971,541	$ 39,617,417
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
Liabilities					
Accounts payable	$ 305,237	$ 7,961	$ 204,449	$ 51,841	$ 569,488
Accrued expenses	370,884	-	-	5,309	376,193
Due to other funds	5,518,349	13,207	-	5,825	5,537,381
Total liabilities	6,194,470	21,168	204,449	62,975	6,483,062
Deferred inflows of resources					
Deferred revenue - property taxes	1,883,589	-	-	-	1,883,589
Deferred revenue - other	111,195	-	-	-	111,195
Total deferred inflows of resources	1,994,784	-	-	-	1,994,784
Total liabilities and deferred inflows of resources	8,189,254	21,168	204,449	62,975	8,477,846
FUND BALANCES					
Nonspendable					
Prepaid insurance	184,846	-	-	1,005	185,851
Restricted for:					
American Rescue Plan	-	3,179,580	-	-	3,179,580
Community development	-	-	-	488,182	488,182
Public safety	-	-	-	20,470	20,470
Capital projects	-	-	4,564,177	5,398,909	9,963,086
Unassigned	17,302,402	-	-	-	17,302,402
Total fund balances	17,487,248	3,179,580	4,564,177	5,908,566	31,139,571
Total liabilities, deferred inflows of resources and fund balances	$ 25,676,502	$ 3,200,748	$ 4,768,626	$ 5,971,541	$ 39,617,417

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

Fund Balance - Total Governmental Funds	$	31,139,571
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		24,502,142
Amount paid in advance for purchase an assets is reported as a use of current of resources in the fund statements but is reported as an asset in the govenmental activities.		1,117,584
Long-term liabilities and related deferred revenues and costs are not due and payable in the current period and therefore are not reported in the funds:		
Capital leases		(313,194)
Compensated absences		(65,862)
Net pension liability		(1,804,278)
Deferred outflows of resources - pensions		1,912,128
Deferred inflows of resources - pensions		(743,120)
Deferred revenue - property taxes		1,883,589
Deferred revenue - franchise fees		111,194
An internal service fund is used by management to charge the costs of the City's services to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position		(458,915)
Net position of governmental activities	$	57,280,839

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	General Fund	American Rescue Plan Fund	TSPLOST Capital Projects Fd	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	$ 3,698,405	$ -	$ -	$ -	$ 3,698,405
Other taxes	2,132,991	-	-	375,667	2,508,658
Licenses and permits	810,682	-	-	-	810,682
Fines and forfeitures	513,481	-	-	-	513,481
Intergovernmental	429,234	2,653,452	1,918,794	2,979,259	7,980,739
Charges for services	142,701	-	-	11,374	154,075
Contributions and donations	25,655	-	-	-	25,655
Investment income	130,387	545	13,997	19,894	164,823
Other revenues	201,970	-	-	9,282	211,252
Total revenues	8,085,506	2,653,997	1,932,791	3,395,476	16,067,770
EXPENDITURES					
Current:					
General government	2,467,349	324,037	-	-	2,791,386
Judicial	382,728	-	-	-	382,728
Public safety	6,662,797	-	-	55	6,662,852
Public works	1,931,580	-	-	-	1,931,580
Community development	475,691	-	-	570,878	1,046,569
Capital outlays:					
General government	-	93,207	-	-	93,207
Public safety	26,670	1,159,612	-	114,440	1,300,722
Public works	166,638	-	2,492,208	502,799	3,161,645
Community development	21,250	57,455	-	761,588	840,293
Debt service	112,587	-	-	45,657	158,244
Total expenditures	12,247,290	1,634,311	2,492,208	1,995,417	18,369,226
Excess (deficiency) of revenues over (under) expenditures	(4,161,784)	1,019,686	(559,417)	1,400,059	(2,301,456)
OTHER FINANCING SOURCES					
Transfers, net	5,774,920	(114,132)	-	95,000	5,755,788
Proceeds - disposal of capital assets	17,180	-	-	-	17,180
Total other financing resources	5,792,100	(114,132)	-	95,000	5,772,968
Net change in fund balances	1,630,316	905,554	(559,417)	1,495,059	3,471,512
Fund balances - beginning	15,856,932	2,274,026	5,123,594	4,413,507	27,668,059
Fund balances - ending	$ 17,487,248	$ 3,179,580	$ 4,564,177	$ 5,908,566	$ 31,139,571

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Net change in fund balances - total governmental funds	$ 3,471,512
Governmental funds report capital outlays as expenditures while govermental activities report depreciation expense to allocate those expenditures over the life of the assets.	
Assets capitalized	5,077,128
Depreciation expense	(1,048,374)
The issurance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmenal funds. Neither transactions has any effect on net assets. Also, govermental 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	102,158
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in deferred revenue over prior year.	
Deferred revenue - property taxes and franchise taxes	370,775
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This the amount of the change in expenses over the prior year.	
Pension cost	(213,690)
An internal service fund is used by management to charge the costs of the City's services to individual funds. The net revenues (expenses) of the internal service fund is reported with governmental activities in the statement of net position.	(108,502)
Change in net position of governmental activities	$ 7,651,007

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	Business Type Activities - Enterprise Funds					Governmental Activity
	Water and Sewer Fund	Electric Revenue Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Current assets:						
Cash and cash equivalents	$ 11,023,347	$ 10,080,427	$ 3,178,005	$ 496,147	$ 24,777,926	$ 130,399
Investments	-	21,767,935	0	-	21,767,935	-
Accounts receivable, net	834,422	2,604,304	452,229	373,301	4,264,256	55,957
Sales tax receivable	121,903	-	-	-	121,903	-
Intergovernmental receivables	-	-	-	5,469	5,469	-
Due from other funds	514,109	2,225,255	577,470	5,048,614	8,365,448	5,276,863
Due from component unit	235,000	-	-	-	235,000	68
Inventories	270,021	898,529	63,850	-	1,232,400	113,707
Prepaid insurance	47,193	15,082	4,774	33,793	100,842	9,586
Total current assets	13,045,995	37,591,532	4,276,328	5,957,324	60,871,179	5,586,580
Noncurrent assets:						
Investment in SGGSA	-	-		2,970,883	2,970,883	-
Capital assets:						
Land	80,027	1,112,569	16,786	-	1,209,382	-
Construction in progress	1,374,651	89,800	-	189,528	1,653,979	-
Other capital assets, net of accumulated depreciation	32,154,025	4,239,702	372,669	3,628,202	40,394,598	189,766
Total noncurrent assets	33,608,703	5,442,071	389,455	6,788,613	46,228,842	189,766
Total assets	46,654,698	43,033,603	4,665,783	12,745,937	107,100,021	5,776,346
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows from pensions	258,197	615,565	138,927	496,293	1,508,982	1,045,979
Total deferred outflows of resources	258,197	615,565	138,927	496,293	1,508,982	1,045,979
Total assets and deferred outflows of resources	$ 46,912,895	$ 43,649,168	$ 4,804,710	$ 13,242,230	$ 108,609,003	$ 6,822,325

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	Business Type Activities - Enterprise Funds					Governmental Activity
	Water and Sewer Fund	Electric Revenue Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
LIABILITIES						
Current liabilities:						
Accounts payable	$ 465,921	$ 1,359,566	$ 266,280	$ 336,921	$ 2,428,688	$ 21,056
Accrued expenses	14,152	34,569	6,941	19,321	74,983	25,027
Due to other governments	-	-	-	344,665	344,665	-
Unearned revenue	-	-	-	258,298	258,298	-
Notes payable, current	446,741	-	-	-	446,741	-
Bonds payable, current	75,337	-	-	-	75,337	-
Capital leases payable, current	-	-	-	58,298	58,298	-
Customer deposits	-	-	-	942,028	942,028	-
Due to other funds	5,467,673	1,128,578	1,511,606	1,133,958	9,241,815	5,841,670
Total current liabilities	6,469,824	2,522,713	1,784,827	3,093,489	13,870,853	5,887,753
Noncurrent liabilities:						
Bonds payable, net of current portion	8,956,403	-	-	-	8,956,403	-
Notes payable, net of current portion	7,041,597	-	-	-	7,041,597	-
Capital leases payable, net of current portion	-	-	-	151,488	151,488	-
Net pension liability	243,634	580,845	131,091	468,301	1,423,871	986,983
Total liabilities	22,711,458	3,103,558	1,915,918	3,713,278	31,444,212	6,874,736
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows from pensions	100,344	239,230	53,992	192,877	586,443	406,504
Total deferred inflows of resources	100,344	239,230	53,992	192,877	586,443	406,504
Total liabilities/def. inflows of resources	22,811,802	3,342,788	1,969,910	3,906,155	32,030,655	7,281,240
NET POSITION						
Net investment in capital assets	17,088,625	5,442,071	389,455	3,607,944	26,528,095	189,766
Unrestricted	7,012,468	34,864,309	2,445,345	5,728,131	50,050,253	(648,681)
Total net position	$ 24,101,093	$ 40,306,380	$ 2,834,800	$ 9,336,075	$ 76,578,348	$ (458,915)

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Business Type Activities - Enterprise Funds					Governmental Activity
	Water and Sewer Fund	Electric Revenue Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
OPERATING REVENUES						
Utility revenue	$ 6,159,181	$ 21,125,647	$ 3,623,233	$ 2,738,471	$ 33,646,532	$ -
Charges for services	5,132	-	-	-	5,132	1,391,495
Income from joint venture	-	-	-	855,014	855,014	-
Intergovernmental	-	-	-	483,259	483,259	-
Rental income	-	-	-	24,781	24,781	-
Excise tax	-	20,214	-	-	20,214	-
Other revenue	68,188	9,478	35,439	197,543	310,648	3,736
Total operating revenues	6,232,501	21,155,339	3,658,672	4,299,068	35,345,580	1,395,231
OPERATING EXPENSES						
Salaries and wages	-	1,321,436	263,337	757,828	2,342,601	976,626
Operating, administrative, and maintenance	3,485,040	15,548,282	2,787,533	2,352,646	24,173,501	492,025
Depreciation	2,217,186	569,007	84,363	411,675	3,282,231	35,082
Total operating expenses	5,702,226	17,438,725	3,135,233	3,522,149	29,798,333	1,503,733
Operating income (loss)	530,275	3,716,614	523,439	776,919	5,547,247	(108,502)
NONOPERATING INCOME (EXPENSES)						
Interest/investment income	27,638	162,195	11,557	-	201,390	-
Loss on investments	-	(579,658)	-	-	(579,658)	-
Issuance costs	(550)	-	-	-	(550)	-
Interest expense	(504,508)	-	-	(5,759)	(510,267)	-
Gain on disposition of capital assets	19,320	6,377	-	157,365	183,062	-
Income before transfers/capital contribution	72,175	3,305,528	534,996	928,525	4,841,224	(108,502)
Capital contribution	364,397	-		-	364,397	-
Transfers, net	(1,225,983)	(2,611,057)	(389,693)	(1,529,056)	(5,755,789)	-
Change in net position	(789,411)	694,471	145,303	(600,531)	(550,168)	(108,502)
Net position, beginning of year	24,890,504	39,611,909	2,689,497	9,936,606	77,128,516	(350,413)
Net position (deficit), end of year	$ 24,101,093	$ 40,306,380	$ 2,834,800	$ 9,336,075	$ 76,578,348	$ (458,915)

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Business Type Activities - Enterprise Funds					Governmental Activity
	Water and Sewer Fund	Electric Revenue Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts from customers and users	$ 5,989,103	$ 21,936,452	$ 3,477,816	$ 3,704,177	$ 35,107,548	$ 1,380,980
Other receipts	-	-		96,134	96,134	-
Intergovernmental receipts (payments)	1,875,821	1,633,771	718,104	(77,295)	4,150,401	38,996
Payments to employees (or for their benefit) for services provided	28,855	(1,252,644)	(247,811)	(702,364)	(2,173,964)	(859,732)
Payments to suppliers for goods or services	(3,231,220)	(15,663,473)	(2,666,458)	(2,309,879)	(23,871,030)	(539,933)
Net cash provided (used) by operating activities	4,662,559	6,654,106	1,281,651	710,773	13,309,089	20,311
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers/capital contributions to other funds, net	(1,271,640)	(2,611,057)	(389,693)	(1,529,056)	(5,801,446)	-
Net cash provided (used) by noncapital financing activities)	(1,271,640)	(2,611,057)	(389,693)	(1,529,056)	(5,801,446)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from the sale of assets	44,301	6,377	-	193,486	244,164	-
Acquistion and construction of capital assets	(1,794,268)	(250,939)	(46,347)	(507,819)	(2,599,373)	(85,647)
Issuance costs	(550)	-	-	-	(550)	-
Principal paid on capital debt	(507,402)	-	-	(95,775)	(603,177)	-
Interest paid on capital debt	(413,417)	-	-	(5,759)	(419,176)	-
Net cash provided (used) by noncapital financing activities	(2,671,336)	(244,562)	(46,347)	(415,867)	(3,378,112)	(85,647)

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Business Type Activities - Enterprise Funds					Governmental Activity
	Water and Sewer Fund	Electric Revenue Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
CASH FLOWS FROM INVESTING ACTIVITIES						
Change in Investments	-	(1,241,846)	-	590,498	(651,348)	-
Interest/investment income	27,638	162,195	11,557	-	201,390	-
Net cash provided by investing activities	27,638	(1,079,651)	11,557	590,498	(449,958)	-
Net increase in cash	747,221	2,718,836	857,168	(643,652)	3,679,573	(65,336)
Balances - beginning	10,276,126	7,361,591	2,320,837	1,139,799	21,098,353	195,735
Balances - ending	$ 11,023,347	$ 10,080,427	$ 3,178,005	$ 496,147	$ 24,777,926	$ 130,399
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	$ 530,275	$ 3,716,614	$ 523,439	$ 776,919	$ 5,547,247	(108,502)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation expense	2,217,186	569,007	84,363	411,675	3,282,231	35,082
Non-cash increase in investment in joint venture	-	-		(855,014)	(855,014)	-
Change in assets and liabilities:						
Receivables, net	(243,398)	781,113	(180,856)	52,462	409,321	(14,251)
Due to/from other funds	1,875,821	1,633,771	718,104	527,727	4,755,423	39,011
Customer deposits	-	-	-	(47,703)	(47,703)	-
Prepaid expenses	2,084	3,099	1,518	3,064	9,765	1,081
Pension related balances	28,855	68,792	15,526	55,464	168,637	116,894
Accounts payable and accrued expenses	312,670	(94,696)	124,860	(213,821)	129,013	4,204
Inventory	(60,934)	(23,594)	(5,303)	-	(89,831)	(53,208)
Net cash provided by operating activities	$ 4,662,559	$ 6,654,106	$ 1,281,651	$ 710,773	$ 13,309,089	$ 20,311

Noncash activity: The SPLOST Fund paid debt service of $45,657 and $318,740 for construction in progress on behalf of the Water and Sewer Fund.
See the Statement of Cash Flows - Nonmajor Enterprise Funds for non cash activity of the nonmajor enterprise funds.

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
SEPTEMBER 30, 2022

	Pension Trust Fund
ASSETS	
Cash and cash equivalents	$ 960,293
Investments:	
U.S. Government securities	1,294,220
Corporate bonds	2,104,315
Municipal bonds	1,049,015
Equities	5,334,979
Mutual funds	552,142
Asset-backed securities	437,754
Receivables:	
Employer contribution	111,247
Investment income	31,403
Total assets	11,875,368
LIABILITIES	
Total liabilities	-
NET POSITION	
Held in trust for pension benefits (a schedule of funding progress is presented in the notes to the financial statements)	$ 11,875,368

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Pension Trust Fund
Additions	
Contributions:	
Employer	$ 214,416
Total contributions	214,416
Investment income (loss):	
Net loss in fair value of investments	(1,535,678)
Interest and dividends	360,346
Less investment expenses	(123,073)
Net investment income	(1,298,405)
Total additions	(1,083,989)
Deductions	
Administrative expenses	20
Pension benefits paid	1,152,764
Total deductions	1,152,784
Net decrease	(2,236,773)
Net assets held in trust for pension benefits, beginning of year	14,112,141
End of year	$ 11,875,368

See accompanying notes to the basic financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

Downtown Development Authority of the City of Moultrie

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements

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

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

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

The emphasis in the fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expense of either fund category or the governmental and enterprise combined) for the determination of major funds. The City's major funds are the General Fund, American Rescue Plan Fund, TSPLOST Capital Projects Fund, Water and Sewer Fund, Electric Revenue Fund, and Gas Fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government – Wide Financial Statements

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

These statements are reported using the *economic measurement focus* and the *accrual basis of accounting,* as are the proprietary fund and the fiduciary fund financial statements. Accordingly, all the City's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a

liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services to customers who directly benefit from goods, services or privileges provided by a given function, 2) operating grants and contributions that are restricted to meeting the operational needs requirements of a particular function, and 3) capital grants and contributions that are restricted to meeting the capital needs requirements of a particular function. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

Fund Financial Statements

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

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

The City reports the following governmental fund types:

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

The City reports the following significant enterprise funds:

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

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

The *Gas Fund* is used to account for the provision of gas services to residents of the City. All activities necessary to provide such services are accounted for in this fund.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest capitalized is calculated by offsetting interest expense incurred (from the date of borrowing until the date of completion of the project) with interest earned on investment proceeds over the same period. No interest was capitalized during the year.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental Assets	
Buildings and improvements	50 years
Machinery and equipment	5 -15 years
Infrastructure	25 years
Business-type Assets	
Buildings and improvements	5 - 50 years
Improvements other than buildings	2 - 50 years
Machinery and equipment	3 - 50 years

Deferred Outflows of Resources

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

Deferred Inflows of Resources

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

Compensated Absences

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deferred Compensation Plan
The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Encumbrances
Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve the portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Fund and Capital Projects Funds. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at the end of the year. Encumbrances are re-appropriated in the following year, except for encumbrances in the Capital Projects Funds which are continuing. Encumbrances do not represent GAAP expenditures. On September 30, 2022, there were no encumbrances outstanding.

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

NOTE 2 – BUDGETS AND BUDETARY ACCOUNTING

Budget Process

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

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

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

Capital Projects Budget

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

Deficit Fund Balances/Net Position in Individual Funds

The following funds had deficit net positions as of September 30, 2022:

Internal Service Fund - $458,915
Utilities Deposit Fund - $23,998

The net position deficits above are expected to be reduced through interfund charges for the Internal Service Fund and through transfers from reserve and utility funds for the Utility Deposit Fund.

NOTE 3 – DEPOSITS AND INVESTMENTS – PRIMARY GOVERNMENT

Total primary government deposits and investments as of September 30, 2022, are summarized as follows:

	Deposits with Financial Institutions	Investments	Total
Cash and cash equivalents	$ 38,638,881	$ -	$ 38,638,881
Restricted cash and cash equivalents	10,572,253	-	10,572,253
Investments	-	26,060,124	26,060,124
Total	$ 49,211,134	$ 26,060,124	$ 75,271,258

Interest Rate Risk

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

Credit Risk

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

Custodial Credit Risk – Deposits

The City does not have a formal custodial credit risk policy. Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statues require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government or bond of public authorities, counties or municipalities. As of September 30, 2022, the City had no uncollateralized deposits.

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Investments

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

Primary government		
Amounts as presented on the entity-wide Statememt of Net Position		
Governmental activities:		
Cash and cash equivalents	$	13,860,955
Restricted cash and cash equivalents		10,572,253
Investments		4,292,189
Business-type activities:		
Cash and cash equivalents		24,777,926
Investments		21,767,935
Total primary government	$	75,271,258
Amounts as presented on the Statement of Fiduciary Net Position		
Cash and cash equivalents	$	960,293
Investments		10,772,425
Total primary government	$	11,732,718
Component unit:		
Cash and cash equivalents	$	99,904
Restricted cash and cash equivalents		142,570
Total component unit	$	242,474

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.

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool that follows Standard and Poor's criteria for AAA rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity, and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share.

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

The City is authorized to direct the MEAG to retain or use the discretionary funds. On September 30, 2022, the City's balance in the discretionary stabilization fund was $16,887,736.

Investments are categorized into three categories of credit risk:

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

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

See below for the categories and credit and interest rate of the City's investments as of September 30, 2022:

	Category			Credit	Average
	1	2	Fair Value	Quality	Maturities
General Fund					
Certificate of deposit	$ 4,292,189	$ -	$ 4,292,189	NR	1-4 years
Pension Trust Fund					
U.S. Gov. securities	1,294,220	-	1,294,220	Aaa	1-10 years
Corporate bonds	1,904,763	199,552	2,104,315	Baa1-Aaa	1-10 years
Municipal bonds	-	1,049,015	1,049,015	A1-Aa2	1-10+ years
Equities - common stock	5,334,979	-	5,334,979	NR	N/A
Mutual funds	552,142	-	552,142	NR	N/A
Asset-backed securities	-	437,754	437,754	NR	1-10+ years
Proprietary Funds					
Municipal Comp. Trust	-	21,767,935	21,767,935	NR	1-10+ years
Total	$ 13,378,293	$ 23,454,256	$ 36,832,549		

NOTE 4 – RECEIVABLES AND TAX REVENUE

Property Tax

Property taxes were levied in September 2021 and payable before December 2021 for the fiscal year 2022 tax. Property tax revenues are recognized when levied to the extent they result in current receivables. The City's fiscal year 2023 tax was levied on September 30, 2022 and was recorded as taxes receivable in the General Fund. The portion not collected within 60 days of year end is reported as deferred revenue.

The tax rate levied during the fiscal year 2022 for the City's operations was 8.12 mills (mill equals $1 per thousand dollars of assessed value).

The City maintains no allowance for uncollectible property taxes at September 30, 2022.

Sales Tax

Colquitt county, Georgia has levied four 1% Special Purpose Local Option Sales Tax Programs (SPLOST) which were passed by referendum in 1994, 2001, 2006, 2013 and 2018. The proceeds from these sales tax programs are used to finance various capital projects. The SPLOST programs are administered by Colquitt County, Georgia.

NOTE 4 – RECEIVABLES AND TAX REVENUE (CONTINUED)

Receivables

Receivables as of September 30, 2022, are as follows:

	Governmental Activities	Business-Type Activities	Total
Receivables:			
Accounts			
General Fund	$ 161,922	$ -	$ 161,922
Internal Service Fund	55,957	-	55,957
Water and Sewer Fund	-	1,702,331	1,702,331
Electric Revenue Fund	-	4,079,751	4,079,751
Gas Fund	-	573,814	573,814
Nonmajor enterprise funds	-	2,894,463	2,894,463
Property tax			
General Fund	3,381,495	-	3,381,495
Intergovernmental			
General Fund	13,200	-	13,200
T-SPLOST Fund	121,923	-	121,923
Nonmajor governmental funds	179,473	-	179,473
Nonmajor enterprise funds	-	5,469	5,469
Sales tax			
Water and Sewer Fund	-	121,903	121,903
Gross receivables	3,913,970	9,377,731	13,291,701
Less allowance for uncollectibles			
Water and Sewer Fund	-	(867,909)	(867,909)
Electric Revenue Fund	-	(1,475,447)	(1,475,447)
Gas Fund	-	(121,585)	(121,585)
Nonmajor enterprise funds	-	(2,521,162)	(2,521,162)
	-	(4,986,103)	(4,986,103)
Total net receivables	$ 3,913,970	$ 4,391,628	$ 8,305,598

NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS/CAPITAL CONTRIBUTIONS

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, 2022 is as follows:

	Interfund Balances		
	Receivables	Payables	Net
Governmental activities:			
General fund:			
Nonmajor governmental funds	$ 4,600	$ (10,688)	$ (6,088)
Internal Service Fund	5,837,383	(3,925,957)	1,911,426
Water and Sewer Fund	182,149	-	182,149
Electric Revenue Fund	542,159	(720,000)	(177,841)
Gas Fund	-	(385,867)	(385,867)
Nonmajor enterprise funds	-	(475,837)	(475,837)
American Rescue Plan Fund:			
Internal Service Fund	-	(13,207)	(13,207)
Water and Sewer Fund	382,416	-	382,416
Nonmajor Governmental Funds:			
General Fund	10,688	(100)	10,588
Nonmajor governmental funds	100	(4,600)	(4,500)
Internal Service Fund	-	(48)	(48)
Water and Sewer Fund	10,000	-	10,000
Electric Revenue Fund	801	(1,077)	(276)
Nonmajor enterprise funds	8,259	-	8,259
Internal Service Fund:			
General Fund	3,925,957	(5,837,383)	(1,911,426)
American Rescue Plan Fund	13,207	-	13,207
Nonmajor governmental funds	48	-	48
Water and Sewer Fund	129,483	(1,712)	127,771
Electric Revenue Fund	73,083	(2,304)	70,779
Gas Fund	21,967	(271)	21,696
Nonmajor enterprise funds	1,113,118	-	1,113,118
Total governmental activities	12,255,418	(11,379,051)	876,367
Business-type activities:			
Water and Sewer Fund:			
General Fund	-	(182,149)	(182,149)
American Rescue Plan Fund	-	(382,416)	(382,416)
Nonmajor governmental funds	-	(10,000)	(10,000)
Internal Service Fund	1,712	(129,483)	(127,771)
Electric Revenue Fund	512,397	-	512,397
Gas Fund	-	(191,322)	(191,322)
Nonmajor enterprise funds	-	(4,572,303)	(4,572,303)

NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS/CAPITAL CONTRIBUTIONS (CONTINUED)

	Interfund Balances		
	Receivables	Payables	Net
Business-type activities (Continued):			
Electric Revenue Fund:			
General Fund	720,000	(542,159)	177,841
Nonmajor governmental funds	1,077	(801)	276
Internal Service Fund	2,304	(73,083)	(70,779)
Water and Sewer Fund	-	(512,397)	(512,397)
Gas Fund	1,489,303	-	1,489,303
Nonmajor enterprise Funds	12,571	(138)	12,433
Gas Fund			
General Fund	385,867	-	385,867
Internal Service Fund	271	(21,967)	(21,696)
Water and Sewer Fund	191,322	-	191,322
Electric Revenue Fund	-	(1,489,303)	(1,489,303)
Nonmajor enterprise funds	10	(336)	(326)
Nonmajor enterprise Funds:			
General Fund	475,837	-	475,837
Nonmajor governmental funds	-	(8,259)	(8,259)
Internal Service Fund	-	(1,113,118)	(1,113,118)
Water and Sewer Fund	4,572,303	-	4,572,303
Electric Revenue Fund	138	(12,571)	(12,433)
Gas Fund	336	(10)	326
Total business-type activities	8,365,448	(9,241,815)	(876,367)
Total	$ 20,620,866	$ (20,620,866)	$ -

The composition of receivables and payables between the City and its component unit as of September 30, 2022 is as follows:

	Receivables	Payables	Net
Component Unit			
Internal Service Fund			
Downtown Development Authority	$ 68	$ -	$ 68
Water & Sewer Fund:			
Downtown Development Authority	235,000	-	235,000
Downtown Development Authority			
Internal Service Fund	-	(68)	(68)
Water & Sewer Fund	-	(235,000)	(235,000)
Total	$ 235,068	$ (235,068)	$ -

NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS/CAPITAL CONTRIBUTIONS (CONTINUED)

Interfund Transfers and Capital Contributions

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

Interfund transfers and capital contributions for the year ended September 30, 2022 consisted of the following:

	Transfers		
	In	Out	Net
Governmental activities:			
General fund:			
American Rescue Plan Fund	$ 114,132	$ -	$ 114,132
Nonmajor governmental funds	-	(65,000)	(65,000)
Water and Sewer Fund	783,044	-	783,044
Electric Revenue Fund	3,136,440	-	3,136,440
Gas Fund	292,248		292,248
Nonmajor enterprise funds	1,514,056	-	1,514,056
American Rescue Plan Fund:			
General Fund	-	(114,132)	(114,132)
Nonmajor Governmental Funds:			
General Fund	65,000	-	65,000
Electric Revenue Fund	15,000	-	15,000
Nonmajor enterprise funds	15,000	-	15,000
Total governmental activities	5,934,920	(179,132)	5,755,788
Business-type activities:			
Water & Sewer Fund:			
General Fund	-	(783,044)	(783,044)
Electric Revenue Fund	-	(442,938)	(442,938)
Electric Revenue Fund:			
General Fund	-	(3,136,440)	(3,136,440)
Nonmajor governmental Funds	-	(15,000)	(15,000)
Water and Sewer Fund	442,938	-	442,938
Gas Fund	97,445	-	97,445
Gas Fund:			
General Fund	-	(292,248)	(292,248)
Electric Revenue Fund	-	(97,445)	(97,445)
Nonmajor Enterprise Funds:			
General Fund	-	(1,514,056)	(1,514,056)
Nonmajor Governmental Funds	-	(15,000)	(15,000)
Total business-type activities	540,383	(6,296,171)	(5,755,788)
Total	$ 6,475,303	$ (6,475,303)	$ -

NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS/CAPITAL CONTRIBUTIONS (CONTINUED)

	Capital Contributions		
	In	Out	Net
Governmental activities:			
Nonmajor Governmental Funds:			
Water and Sewer Fund	$ -	$ (364,397)	$ (364,397)
Business-type activities:			
Water & Sewer Fund:			
Nonmajor governmental Funds	364,397	-	364,397
Total	$ 364,397	$ (364,397)	$ -

NOTE 6 – CAPITAL ASSETS

The following is a summary of capital asset activity as of September 30, 2022:

	Beginning Balance	Additions/ Transfers	Retirements/ Transfers	Ending Balance
Governmental activities:				
Capital assets not being depreciated				
Land and improvements	$ 1,419,670	$ -	$ -	$ 1,419,670
Construction in progress	89,746	119,331	(89,746)	119,331
Total capital assets not being depreciated	1,509,416	119,331	(89,746)	1,539,001
Capital assets being depreciated				
Buildings and improvements	6,085,643	876,045	-	6,961,688
Machinery & equipment	8,358,847	1,030,727	(116,500)	9,273,074
Infrastructure	53,015,927	2,427,573	(318,740)	55,124,760
Total assets being depreciated	67,460,417	4,334,345	(435,240)	71,359,522
Less accumulated depreciation for:				
Buildings and improvements	(3,674,360)	(145,241)	-	(3,819,601)
Machinery & equipment	(6,160,488)	(400,489)	116,500	(6,444,477)
Infrastructure	(37,404,815)	(537,725)	-	(37,942,540)
Total accumulated depreciation	(47,239,663)	(1,083,455)	116,500	(48,206,618)
Total capital assets being depreciated, net	20,220,754	3,250,890	(318,740)	23,152,904
Governmental activities capital assets, net	$ 21,730,170	$ 3,370,221	$ (408,486)	$ 24,691,905
Business-type activities:				
Capital assets not being depreciated				
Land and improvements	$ 1,209,382	$ -	$ -	$ 1,209,382
Construction in progress	203,903	1,564,179	(114,102)	1,653,980
Total capital assets not being depreciated	1,413,285	1,564,179	(114,102)	2,863,362
Capital assets being depreciated				
Buildings	5,985,253	11,415	-	5,996,668
Other improvements	89,328,507	917,354	-	90,245,861
Machinery & equipment	8,024,288	539,268	(554,254)	8,009,302
Total assets being depreciated	103,338,048	1,468,037	(554,254)	104,251,831

NOTE 6 – CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Retirements/ Deletions	Ending Balance
Less accumulated depreciation for:				
Buildings	(3,801,650)	(149,985)	-	(3,951,635)
Other improvements	(52,563,466)	(2,623,086)	-	(55,186,552)
Machinery & equipment	(4,703,040)	(509,159)	493,152	(4,719,047)
Total accumulated depreciation	(61,068,156)	(3,282,230)	493,152	(63,857,234)
Total capital assets being depreciated, net	42,269,892	(1,814,193)	(61,102)	40,394,597
Total business-type activities capital assets net	$ 43,683,177	$ (250,014)	$ (175,204)	$ 43,257,959

Depreciation expense was charged to divisions as follows:

Governmental activities:	
General government	$ 141,789
Public safety	260,483
Public works	674,215
Parks and recreation	-
Community development	6,968
Total depreciation expense - governmental activities	$ 1,083,455
Business-type activities	
Water and sewer	$ 2,217,185
Electric	569,007
Gas	84,363
Solid waste	268,513
Mass transit	54,720
Airport operations	88,442
Total depreciation expense - business-type activities	$ 3,282,230

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Component Unit

Capital asset activity for the Downtown Development Authority of the City of Moultrie, a discretely presented component unit, for the year ended September 30, 2022 is as follows:

	Beginning Balance	Additions	Retirements/ Deletions	Ending Balance
Component Unit:				
Business-type Activities				
Capital assets not being depreciated				
Land and improvements	$ 311,895	$ -	$ -	$ 311,895
Total capital assets not being depreciated	311,895	-	-	311,895
Capital assets being depreciated				
Buildings	1,930,788	-	-	1,930,788
Other improvements	58,418	-	-	58,418
Equipment	58,600	-		58,600
Total assets being depreciated	2,047,806	-	-	2,047,806
Less accumulated depreciation for:				
Buildings	(1,158,473)	(96,539)	-	(1,255,012)
Other improvements	(23,205)	(1,947)	-	(25,152)
Equipment	(2,093)	(8,503)		(10,596)
Total accumulated depreciation	(1,183,771)	(106,989)	-	(1,290,760)
Total capital assets being depreciated, net	864,035	(106,989)	-	757,046
Governmental activities capital assets, net	$ 1,175,930	$ (106,989)	$ -	$ 1,068,941

NOTE 7 – LONG-TERM DEBT

Revenue Bonds

The City issues bonds when 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, 2022, are as follows:

South Georgia Governmental Services Authority Revenue Bonds, Series 2012

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

Description	Original Amount	Interest Rate	Due Date	Amount
Water and Sewer Fund:				
South Georgia Governmental Services Authority	$ 12,775,000	2.00-3.75%	2042	9,200,000
				$ 9,125,000
Unamortized discount/premium/loss				(93,260)
				9,031,740
Plus current portion of unamortized discount/premium/loss			4,663.00	
Less current portion			(80,000.00)	
Current portion, net				(75,337)
Long-term portion, net of unamortized discount/premium/loss				$ 8,956,403

NOTE 7 – LONG-TERM DEBT (CONTINUED)

The annual debt service requirement to maturity of the Revenue Bonds on September 30, 2022 is as follows:

Year Ending September 30	Principal	Interest	Total
2023	$ 80,000	$ 330,037	$ 410,037
2024	80,000	330,798	410,798
2025	85,000	328,557	413,557
2026	85,000	326,177	411,177
2027	90,000	323,543	413,543
2028-2032	575,000	1,573,196	2,148,196
2033-2037	3,460,000	1,298,625	4,758,625
2038-2042	4,670,000	538,313	5,208,313
Total	$ 9,125,000	$ 5,049,246	$ 14,174,246

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

The City's component unit's revenue bonds outstanding on September 30, 2022 are as follows:

Description	Original Amount	Interest Rate	Due Date	Amount
Downtown Development Authority				
Series B	$ 2,410,000	4.92%	2028	$ 1,055,000
			Less current portion	(130,000)
			Long-term portion	$ 925,000

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.

NOTE 7 – LONG-TERM DEBT (CONTINUED)

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

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

Year Ending September 30	Principal	Interest	Total
2023	$ 130,000	$ 51,906	$ 181,906
2024	135,000	45,510	180,510
2025	145,000	38,868	183,868
2026	150,000	31,734	181,734
2027	155,000	24,354	179,354
2028-2029	340,000	25,338	365,338
Total	$ 1,055,000	$ 217,710	$ 1,272,710

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Other Long-Term Debt

On September 30, 2022, 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 on September 30, 2022 was $620,260. The debt is being used for the rehabilitation of the existing wastewater treatment facility.

On September 30, 2022, 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 on September 30, 2022 was $761,773. The debt is being used for the renovation of the existing wastewater treatment facility.

On September 30, 2022, 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 on September 30, 2022 was $1,222,133. The debt is being used to finance the costs of acquiring, constructing, and installing environmental facilities.

On September 30, 2022, the Water and Sewer Fund entered into an agreement with Georgia Environmental Facilities Authority whereby it may borrow up to $6,100,000. The outstanding balance on September 30, 2022 was $4,884,172. The debt is being used to finance the costs of acquiring, constructing, and installing environmental facilities.

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

Year Ending June 30	Principal	Interest	Total
2023	$ 446,741	$ 156,053	$ 602,794
2024	456,649	146,146	602,795
2025	466,792	136,002	602,794
2026	477,178	125,617	602,795
2027	487,812	114,982	602,794
2028-2032	2,561,279	406,567	2,967,846
2033-2037	1,946,192	162,791	2,108,983
2038-2039	645,695	13,842	659,537
Total	$ 7,488,338	$ 1,262,000	$ 8,750,338

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Capital Leases

The City has entered into several lease agreements as lessee for financing the acquisition of equipment and a fire station through the Georgia Municipal Association direct installment program. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term) and have been recorded at the present values of the future minimum lease payments as of the date of their inceptions. These leases are being serviced by General Fund, Water and Sewer Fund and Solid Waste Fund payments with annual interest rates varying from 1.90% to 2.56%.

The following is an analysis of equipment leased under capital leases as of September 30, 2022:

	Governmental Activities	Business-Type Activities Solid Waste Fund
Vehicles	$ 774,523	$ 316,250
Less accumulated amortization	(305,535)	(66,937)
Carrying value	$ 468,988	$ 249,313
Current amortization	$ 51,640	$ 30,127

The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments on September 30, 2022.

Year Ending September 30	Governmental Activities	Business-Type Activities Solid Waste Fund
2023	$ 111,427	$ 62,481
2024	111,427	62,481
2025	66,684	62,481
2026	36,880	31,161
Total minimum lease payments	326,418	218,604
Less amount representing interest	(13,226)	(8,847)
	$ 313,192	$ 209,757

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases	$ 415,351	$ -	$ (102,158)	$ 313,193	$ 104,587
Compensated absences	65,861	77,905	(77,905)	65,861	15,000
Total governmental actvities	$ 481,212	$ 77,905	$ (180,063)	$ 379,054	$ 119,587
Business-type activities:					
Bonds payable	$ 9,200,000	$ -	$ (75,000)	$ 9,125,000	$ 80,000
Less deferred amounts:					
Issuance discount	(97,923)	-	4,663	(93,260)	(4,663)
Total bonds payable	9,102,077	-	(70,337)	9,031,740	75,337
Notes payable	7,925,402	-	(437,064)	7,488,338	446,741
Capital leases	305,560	-	(95,775)	209,785	58,295
Total business-type activities	$ 17,333,039	$ -	$ (603,176)	$ 16,729,863	$ 580,373

Long-term liability activity for the City's component unit for the year ended September 30, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Bonds payable	$ 1,180,000	$ -	$ (125,000)	$ 1,055,000	$ 130,000
Total business-type actvities	$ 1,180,000	$ -	$ (125,000)	$ 1,055,000	$ 130,000

Compensated absences are liquidated by the General Fund.

NOTE 8 – LEASING ACTIVITIES

As part of the issuance of Downtown Development Authority revenue bonds, the Authority entered into a lease agreement with the Georgia Department of Labor (DOL) to lease certain property and buildings for use by the DOL. Under the terms of the lease, the DOL will make rental payments in the amount of $179,460 annually, which shall be paid to the City as agent for the Authority in equal installments at the end of each month. The lease payments will be used for the purpose of paying the principal of redemption premium (if any) and interest on the Downtown Development Authority bonds. The property and building are leased under an operating lease, which expires on November 1, 2028.

On September 30, 2022, the amount of property and buildings lease by the DOL which is included on the Statement of Net Position of the Downtown Development Authority is $2,359,701, with accumulated depreciation of $1,280,164.

On September 30, 2022, the minimum future lease payments to be received under the operating lease are as follows.

Year Ended September 30	Governmental Activities
2023	$ 179,460
2024	179,460
2025	179,460
2026	179,460
2027	179,460
2028	179,460
	$ 1,076,760

NOTE 9 – RESTRICTIONS OF FUND BALANCES

In the governmental fund financial statements, fund balances consist of nonspendable, restricted, and unassigned amounts. Restrictions of fund balances represent that potion which is not appropriable for expenditure or is legally segregated for a specific future use. The remaining portion is unassigned. Fund balance restrictions on September 30, 2022 include:

Capital projects funds	
Restricted for specific projects to reflect resources funded by SPLOST and Federal Grants	$ 9,780,120
Community development	182,966
Total capital projects funds	9,963,086
Special Revenue Funds	
Restricted to reflect resources legally restricted for:	
Restricted for American Rescue Plan expenditures	3,179,580
Community development	488,182
Public safety	20,470
Total special revenue funds	3,688,232
Total restricted net position	$ 13,651,318

NOTE 10 – PENSION PLAN

Plan Description

The City of Moultrie, Georgia maintains a single employer defined benefit pension plan, the Retirement Plan for Employees of the City of Moultrie (the Plan). The Plan is administered by a board of trustees in accordance with a trust agreement between the City of Moultrie, Georgia and the board of trustees. The board of trustees acts in the dual capacity as the administrator of the Plan and the trustee of the trust fund created in accordance with the Plan and the Trust Agreement. Benefit provisions and contributions are established and may be amended by the City Council. No stand-alone financial report is issued. (See pages 14 and 15 of this report for the plan's financial statements.)

The Plan covers all full-time employees of the City of Moultrie, Georgia who were hired prior to January 1, 2019. Employees become eligible to participate in the Plan after six months and are fully vested after ten years. Prior to October 1, 1994, the Plan excluded employees for whom the City made contributions directly or indirectly to another retirement program. Employees in this category (firefighters and police officers) became participants in the Plan on October 1, 1994, if they filed an application to participate. Benefit provisions are established by City Ordinance. The Plan provides retirement, disability and death benefits to Plan members and beneficiaries. As of January 1, 2018, the plan is closed to new entrants.

At October 1, 2021, the date of the most recent actuarial valuation, there were 216 participants consisting of the following:

Retires and benficiaries currently receving benefits	97
Vested terminiated employees not yet receiving benefits	11
Active employees	92
Total	200

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.

NOTE 10 – PENSION PLAN (CONTINUED)

Contributions

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

The annual required contribution for the year ended September 30, 2022 was determined as part of the October 1, 2021, actuarial valuation using the entry age method. The actuarial assumptions included a) an interest rate of 6.5%, net of investment expenses, b) projected salary increases of 3.25% per year and c) no inflation rate assumption. Mortality rates were based on the RP-2000 Mortality Table projected with Scale AA.

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

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

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

NOTE 10 – PENSION PLAN (CONTINUED)

Changes in Net Pension Liability:

The total pension liability was determined by an actuarial valuation as of October 1, 2021 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2022. Changes in the net pension liability for the year ended September 30, 2022 were as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2021	$ 16,664,525	$ (14,112,141)	$ 2,552,384
Changes for the year:			
Service costs	-	-	-
Interest	848,913	(716,570)	132,343
Unexpected investment income	-	2,014,975	2,014,975
Difference between expected and actual experience	(270,175)	-	(270,175)
Contributions - employer	-	(214,416)	(214,416)
Net investment income	-	-	-
Benefit payments	(1,152,764)	1,152,764	-
Adminstrative expense	-	20	20
Assumption changes	-	-	-
Net changes	(574,026)	2,236,773	1,662,747
Balances at September 30, 2022	$ 16,090,499	$ (11,875,368)	$ 4,215,131

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

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

	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)
Net pension liability	$ 6,208,825	$ 4,215,131	$ 2,578,756

NOTE 10 – PENSION PLAN (CONTINUED)

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

On September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following source:

	Deferred Outflows of Resources	Deferred Inflows Resources
Balances at September 30, 2021	$ 3,547,055	$ 1,979,561
Changes for the year:		
Amortization payments	(1,094,941)	(513,669)
Investment gain/loss	2,014,975	-
Demographic gain/loss	-	270,175
Assumption changes	-	-
Net changes	920,034	(243,494)
Balances at September 30, 2022	$ 4,467,089	$ 1,736,067

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at September 30, 2022 will be recognized in pension expense as follows:

Fical Year Ending:	Total	Total
2023	$ 1,094,943	$ 472,468
2024	1,063,473	472,140
2025	1,051,665	438,749
2026	850,198	146,176
2027	310,541	122,771
Thereafter	96,269	83,763
	$ 4,467,089	$ 1,736,067

For the year ended September 30, 2021, the City's required minimum contribution was $170,141. However, the City contributed $273,310 to the plan. The amount contributed above the required minimum contribution, $103,169, was recorded as an advanced employer contribution to the retirement plan on the general fund balance sheet as of September 30, 2021. For the year ended September 30, 2022, this advance of $103,169 has been recognized as an employer contribution along with the required minimum contribution of $111, 247, totaling contributions of $214,416.

NOTE 10 – PENSION PLAN (CONTINUED)

Peace Officers' Annuity and Benefit Fund of Georgia

Plan Description:

The Peace Officers' Annuity and Benefit Fund of Georgia (POABFG) is a cost-sharing multiple-employer defined benefit created in 1950 by the General Assembly of Georgia to provide retirement benefits to peace officers. Members of the POABFG are employed by units of government throughout the State of Georgia. The employers of the POABFG's members do not make contributions to the POABFG. The State of Georgia provides non-employer 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 collective total pension liability was determined by an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021. The roll forward calculation adds the normal costs (also called service costs), subtracts the actual benefit payments and refunds for the plan year, and then applies the discount rate for the year. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	n/a
Investment rate of return	6.50%
Mortality rates	PUB-2010 Mortality Table

The long-term expected rate of return on pension plan investments was calculated by the POABFG's investment manager as 6.50% using a Monte Carlo simulation in which best estimate ranges of expected future real rate of return (expected nominal returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The POABFG's administrator determined that 6.50% was a reasonable assumption for the long-term rate of return on plan assets based on the calculation by the POABGF's investment manager.

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumes revenues will remain level. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 10 – PENSION PLAN (CONTINUED)

Net Pension Liability:

On September 30, 2022, 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 $(767) as of September 30, 2022.

Pension Expense:

For the year ended September 30, 2021, the City recognized pension expense related to the POABFG of $29,290 and revenue of $29,290 for support provided by the State of Georgia.

Georgia Firefighter's Pension Fund

Plan Description:

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

Actuarial Assumptions:

The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was based on an actuarial valuation as of that date. The total pension liability in the actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	n/a
Investment rate of return	5.75%
Mortality rates	RP-2000 Employee Mortality Table

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.

NOTE 10 – PENSION PLAN (CONTINUED)

The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability:

On September 30, 2022, the City did not have a liability for proportionate share of the net pension liability of the GFPF because of the related support from the State of Georgia. The amount of the State's proportionate share of the net pension liability associated with the City was $102,474 as of September 30, 2022.

Pension Expense:

For the year ended September 30, 2022, the City recognized pension expense related to the GFPF of $61,356 and revenue of $61,356 for support provided by the State of Georgia.

NOTE 11 – DEFINED CONTRIBUTION PLAN

A defined contribution plan has been established for all full-time employees whereby they can contribute a portion of their salary up to the allowable annual contribution of $18,500. The City matches up to 5% of the employee's compensation. For the year ended September 30, 2022, the City contributed $302,747 to the plan.

NOTE 12 – JOINT VENTURES

Southwest Georgia Regional Commission

Under Georgia law, the City, in conjunction with other cities and counties in the eight county Southwest Georgia area, is a member of the Southwest Georgia Regional Commission and is required to pay annual dues thereto. During the year ended September 30, 2022, the City paid $16,337 in such dues.

Membership in the Commission is required by the Official Code of Georgia Annotated (OCGA), Section 50-8-34, which provides for the organizational structure of the Commission in Georgia. The Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Commission. Separate financial statements may be obtained from:

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

South Georgia Governmental Services Authority

The South Georgia Governmental Services Authority (SGGSA) was created by the South Georgia Governmental Services Authority Act (State of Georgia, House Bill 879) in March of 2001 for the purpose of providing governmental, proprietary and administrative services and facilities to the Cities of Moultrie, Camilla, Cairo, and Thomasville and other subdivisions, agencies and authorities within its area of operation. The SGGSA provides video, internet, telephony and telecom services under the trade name "CNS". Moultrie is a member of the SGGSA along with the cities of Camilla, Cairo and Thomasville, Georgia. SGGSA is accounted for as a joint venture with equity interests by the members and is recorded in the CNS Broadband enterprise fund. The fiscal year of the SGGSA ends December 31. These financial statements include Moultrie's share of SGGSA net income for the SGGSA fiscal year ended December 31, 2021, in the amount of $855,014. The investment has a carrying value of $2,970,883 on September 30, 2022, which is the amount of Moultrie's share of book value of the entity plus or minus capital contributions or distributions received from January 1, 2022 through September 30, 2022. The SGGSA board is made up of eight members, two appointed by each participating city for four-year terms.

Separate financial statements may be obtained from:

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

NOTE 12 – JOINT VENTURES (CONTINUED)

Moultrie – Colquitt County Development Authority

The MCCDA board is made up of eleven members, four appointed by the County, four appointed by the City and three appointed by the previously appointed eight. The MCCDA is charged with promoting industry and the development of trade, by inducing manufacturing, industrial and commercial enterprises to locate in Moultrie and Colquitt County.

The Moultrie – Colquitt County Development Authority is supported by property tax revenues. Separate financial statements may be obtained from:

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

NOTE 13 – RELATED ORGANIZATION

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

NOTE 14 – HOTEL/MOTEL TAX

The City has levied a 7% lodging tax. For the year ended September 30, 2022, $375,667 of hotel/motel tax was collected. Management represents that 100% of the lodging tax received during the year ended September 30, 2022 was used for the promotion of tourism, conventions, or trade shows.

NOTE 15 – RISK MANAGEMENT

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

Property and General Liability and Worker's Compensation

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

NOTE 15 – RISK MANAGEMENT (CONTINUED)

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

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

Group Medical Benefits

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

	Unpaid Claims	
September 30	2022	2021
Unpaid claims, beginning of year	417,733	143,591
Incurred claims (including IBNRs)	1,798,970	2,333,941
Claim payments	(2,091,876)	(2,059,799)
Unpaid claims, end of year	$ 124,827	$ 417,733

Settlements

During the year ended September 30, 2022, 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, 2020, 2021 and 2022.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

Litigation

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

Grants from Governments

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

Agreements with the Municipal Electric Authority of Georgia

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

As of September 30, 2022, the City is an electric utility participant in MEAG and obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all of its future power and energy requirements in excess of that received by the City through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by the Authority. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating City has guaranteed a portion of the unpaid debt based on its individual entitlement shares of the output and services of generating units acquired to constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts amounted to $14,746,045 in for the year ended September 30, 2022

On September 30, 2022, the outstanding debt of MEAG was approximately $8.8 billion. The City's guarantee varies by individual projects undertaken by MEAG and total approximately $193.4 million on September 30, 2022.

NOTE 16 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreements with the Municipal Gas Authority of Georgia

The City has entered into a contract for the purchase of wholesale natural gas supplies and related services with the Municipal Gas Authority of Georgia (MGAG) that requires the City to purchase all of its natural gas from MGAG. The gas supply contract with MGAG authorizes MGAG to establish rates and charges so as to produce revenues sufficient to cover its operating costs and retire its bonds issued to acquire long-term gas supplies for sale to its members, including the City. In the event that revenues are insufficient to cover all costs and retire bonds issued by MGAG, the City is obligated to pay its obligation share of the costs of the gas supply and related services MGAG provides to the City, which costs include amounts equal to principal and interest on MGAG's bonds. These obligations, which extend through the year 2060, are general obligations of the City to which the City's full faith, credit, and taxing powers are pledged. The City's obligation to MGAG for gas supply costs are based on MGAG costs to provide such supply, including. bond issues to purchase long-term rights to bulk supply. The total payments under these contracts amounted to $2,553,785 for the year ended September 30, 2022.

On September 30, 2022, MGAG's bonds to which the City's obligation share is applicable were outstanding in the approximate principal amount of $171.4 million. The City's obligation share of that amount totals approximately $1.034 million on September 30, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MOULTRIE
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	$ 3,675,359	$ 3,675,359	$ 3,698,405	$ 23,046
Other taxes	2,109,081	2,109,081	2,132,991	23,910
Licenses and permits	765,000	765,000	810,682	45,682
Fines and forfeitures	515,000	515,000	513,481	(1,519)
Intergovernmental	261,952	261,952	429,234	167,282
Charges for services	35,000	35,000	142,701	107,701
Contributions and donations	-	-	25,655	25,655
Investment income	100,000	100,000	130,387	30,387
Other revenues	175,000	175,000	201,970	26,970
Total revenues	7,636,392	7,636,392	8,085,506	449,114
Expenditures				
Current				
General government				
City council	807,583	1,031,335	975,199	(56,136)
City manager	245,687	245,687	237,837	(7,850)
Finance	397,162	397,162	373,036	(24,126)
Purchasing	280,346	280,346	258,025	(22,321)
Human resources	301,715	301,715	300,395	(1,320)
City hall	49,523	54,146	52,023	(2,123)
Engineering	330,077	330,077	270,834	(59,243)
Total general government	2,412,093	2,640,468	2,467,349	(173,119)
Judicial				
Municipal court	456,184	456,184	382,728	(73,456)
Total judicial	456,184	456,184	382,728	(73,456)
Public safety				
Police	3,484,095	3,515,661	3,532,610	16,949
Fire	3,251,972	3,325,346	3,156,857	(168,489)
Total public safety	6,736,067	6,841,007	6,689,467	(151,540)
Public works				
Office of the director	378,775	378,775	364,596	(14,179)
Streets and sidewalks	1,632,573	1,632,573	1,017,737	(614,836)
Beautification	954,256	954,256	715,885	(238,371)
Total public works	2,965,604	2,965,604	2,098,218	(867,386)
Community development				
Planning and zonning	472,198	504,540	496,941	(7,599)
Total community development	472,198	504,540	496,941	(7,599)

CITY OF MOULTRIE
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts			Variance
	Original	Final	Actual Amounts	with Final Budget
Debt service				
Principal	96,840	96,840	102,158	5,318
Interest	9,886	9,886	10,429	543
Total debt service	106,726	106,726	112,587	5,861
Total expenditures	13,148,872	13,514,529	12,247,290	(1,267,239)
Excess (deficiency) of revenus over expenditures				
Other Financing Sources (Uses)				
Proceeds from disposal of capital assets	-	-	17,180	17,180
Capital lease proceeds	287,000	287,000	-	(287,000)
Transfers, net	5,315,719	5,315,719	5,774,920	459,201
Total other financing sources (uses)	5,602,719	5,602,719	5,792,100	189,381
Net change in fund balances	90,239	(275,418)	1,630,316	1,905,734
Fund balances, beginning of year	15,856,932	15,856,932	15,856,932	-
Fund balances, end of year	$ 15,947,171	$ 15,581,514	$ 17,487,248	$ 1,905,734

CITY OF MOULTRIE
BUDGETARY COMPARISON SCHEDULE – AMERICAN RESCUE PLAN FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts Original and Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues			
Intergovernmental	$ 2,653,452	$ 2,653,452	$ -
Investment income	-	545	545
Total revenues	2,653,452	2,653,997	545
Expenditures			
Current:	2,274,026	1,634,311	(639,715)
Total expenditures	2,274,026	1,634,311	(639,715)
Excess (deficiency) of revenues over expenditures	379,426	1,019,686	640,260
Other financing sources (uses)			
Transfers	(2,653,452)	(114,132)	2,539,320
Net change in fund balance	(2,274,026)	905,554	3,179,580
Fund balance, beginning of year	2,274,026	2,274,026	-
Fund balance, end of year	$ -	$ 3,179,580	$ 3,179,580

CITY MOULTRIE
SCHEDULE OF CHANGES IN GMEBS NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN YEARS*
SEPTEMBER 30, 2022

Year Ended September 30	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability							
Service cost	$ -	$ -	$ -	$ -	$ 293,623	$ 618,598	$ 637,338
Expected interest growth	848,913	867,908	842,108	800,188	979,243	968,914	991,563
Demographic experience	(270,175)	(94,428)	775,807	1,178,243	(138,722)	(87,072)	(1,023,159)
Benefit payments	(1,152,764)	(1,128,179)	(1,140,237)	(1,184,596)	(882,473)	(853,317)	(1,019,237)
Changes in benefit terms	-	-	-	-	(3,903,182)	-	(438)
Assumption changes	-	(40,980)	-	-	578,536	-	-
Net Change in total pension liability	(574,026)	(395,679)	477,678	793,835	(3,072,975)	647,123	(413,933)
Total Pension Liability							
Beginning	16,664,525	17,060,204	16,582,526	15,788,691	18,861,666	18,214,543	18,628,476
Ending	16,090,499	16,664,525	17,060,204	16,582,526	15,788,691	18,861,666	18,214,543
Plan fiduciary net position							
Contributions - employer	214,416	170,141	316,844	227,628	84,313	372,201	329,067
Contributions - employee	-	-	-	-	51,771	224,604	257,851
Expected interest growth	716,570	658,868	665,633	685,314	689,403	668,516	647,195
Unexpected investment income	(2,014,975)	1,388,553	99,810	(157,342)	206,005	141,019	138,195
Administrative expenses	(20)	-	(8,780)	(14,786)	(11,798)	(34,012)	(27,721)
Benefit payments	(1,152,764)	(1,128,179)	(1,140,237)	(1,184,596)	(882,473)	(853,317)	(1,019,237)
Net change in plan fiduciary net position	(2,236,773)	1,089,383	(66,730)	(443,782)	137,221	519,011	325,350
Plan fiduciary net position							
Beginning	14,112,141	13,022,758	13,089,488	13,533,270	13,396,049	12,877,038	12,551,833
Ending	11,875,368	14,112,141	13,022,758	13,089,488	13,533,270	13,396,049	12,877,183
Net pension liability - ending	$ 4,215,131	$ 2,552,384	$ 4,037,446	$ 3,493,038	$ 2,255,421	$ 5,465,617	$ 5,337,360
Plan fiduciary net position as a % of total pension liability	73.80%	84.68%	76.33%	78.94%	85.70%	71.02%	70.70%
Covered-employee payroll	$ 3,862,756	$ 4,022,247	$ 4,147,176	$ 4,377,466	$ 4,922,494	$ 4,836,938	$ 5,044,899
Net pension liability as a % of covered employee payroll	109.1%	63.5%	97.4%	79.8%	45.8%	113.0%	105.8%

CITY OF MOULTRIE
SCHEDULE OF CHANGES IN GMEBS NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
LAST TEN YEARS*
SEPTEMBER 30, 2022

Notes to Schedule

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

CITY OF MOULTIRE
SCHEDULE OF GMEBS RETIREMENT PLAN CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 214,416	$ 170,141	$ 316,844	$ 227,628	$ 84,313	$ 372,201	$ 329,067
Contribution in relation to the actuarially determined contribution	$ 111,247	$ 273,310	$ 250,495	$ 135,000	$ 189,682	$ 152,555	$ 329,067
Contribution deficiency (excess)	$ 103,169	$ (103,169)	$ 66,349	$ 92,628	$ (105,369)	$ 219,646	$ -
Covered-employee payroll	$ 3,862,756	$ 4,022,247	$ 4,147,176	$ 4,377,466	$ 4,922,494	$ 4,836,938	$ 5,044,899
Contribution as a % of covered employee payroll	5.55%	4.23%	7.64%	5.20%	1.71%	7.69%	6.52%

Notes to the Schedule

(1) Actuarial assumptions

Valuation date	October 1, 2021
Actuarial cost method	Entry age
Actuarial asset valuation method	Market value of assets
Assumed rate of retun on investments	3.25%
Projected salary increases	3.25%
Inflation rate	2.00%
Amortization method	20 years level

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

CITY OF MOULTIRE
SCHEDULE OF GFPF COLLECTIVE NET PENSION AND EMPLOYER LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Used for the year ended September 30	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State of Georgia's proportionate share of the net pension liability (asset) associated with the City	$ 102,474	$ 563,295	$ 412,821	$ 393,285	$ 418,022	$ 628,257	$ 468,885	$ 264,420
City's covered-employee payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll entity's porportionate share of collective	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension liability (asset)	96.77%	80.82%	84.67%	83.95%	83.74%	79.03%	83.06%	89.72%

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

CITY OF MOULTIRE
SCHEDULE OF POABF NET PENSION AND EMPLOYER LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Used for the year ended September 30	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State of Georgia's proportionate share of the net pension liability (asset) associated with the City	$ (767)	$ 4,220	$ (7,171)	$ (3,222)	$ (2,778)	$ 17,973	$ 3,780	Unknown
City's covered-employee payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll entity's porportionate share of collective	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.33%	98.36%	102.93%	101.79%	101.62%	92.18%	98.28%	103.75%

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

COMBINING FUND SCHEDULES

CITY OF MOULTRIE
SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	Special Revenue Funds			Capital Projects Funds			Total
	Confiscated Assets	Multiple Grants	Hotel Motel Tax	Paving Program	SPLOST	Community Development	Governmental Funds
ASSETS							
Restricted cash/cash equivalents	$ 20,570	$ 1,258	$ 315,897	$ -	$ 5,244,180	$ 179,310	$ 5,761,215
Intergovernmental receivables	-	-	-	-	179,473	-	179,473
Prepaid expenses	-	-	1,005	-	-	-	1,005
Due from other funds	-	25,095	801	196	-	3,756	29,848
Total assets	$ 20,570	$ 26,353	$ 317,703	$ 196	$ 5,423,653	$ 183,066	$ 5,971,541
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	$ -	$ -	$ 26,997	-	$ 24,744	100	$ 51,841
Accrued expenses	-	-	5,309	-	-	-	5,309
Due to other funds	100	1,077	4,548	100	-	-	5,825
Total liabilities	100	1,077	36,854	100	24,744	100	62,975
Fund balance:							
Nonspendable:							
Prepaid expenses	-	-	1,005	-	-	-	1,005
Restricted for:							
Community development	-	25,276	279,844	96	-	182,966	488,182
Public safety	20,470	-	-	-	-	-	20,470
Capital projects	-	-	-	-	5,398,909	-	5,398,909
Total fund balances	20,470	25,276	280,849	96	5,398,909	182,966	5,908,566
Total liabilities and fund balance	$ 20,570	$ 26,353	$ 317,703	$ 196	$ 5,423,653	183,066	$ 5,971,541

CITY OF MOULTRIE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue Funds			Capital Projects Funds			Total
	Confiscated Assets	Multiple Grants	Hotel Motel Tax	Paving Program	SPLOST	Community Development	Governmental Funds
REVENUES							
Taxes	$ -	$ -	$ 375,667	$ -	$ -	$ -	$ 375,667
Charges for services	-	-	11,374	-	-	-	11,374
Intergovernmental	-	839,456	15,220	-	2,124,583	-	2,979,259
Investment income	25	-	-	-	19,812	57	19,894
Other revenues	-	-	9,282	-	-	-	9,282
Total revenues	25	839,456	411,543	-	2,144,395	57	3,395,476
EXPENDITURES							
Current:							
Public safety	55	-	-	-	-	-	55
Community development	-	127,868	442,179	-	-	831	570,878
Capital outlays:							
Public safety	-	-	-	-	114,440	-	114,440
Public works	-	-	-	-	502,799	-	502,799
Community development	-	761,588	-	-	-	-	761,588
Debt service:							
Public works	-	-	-	-	45,657	-	45,657
Total expenditures	55	889,456	442,179	-	662,896	831	1,995,417
Excess (deficiency) of revenues over (under) expenditures	(30)	(50,000)	(30,636)	-	1,481,499	(774)	1,400,059
OTHER FINANCING SOURCES (USES)							
Transfers	-	50,000	45,000	-	-	-	95,000
Total other financing sources (uses)	-	50,000	45,000	-	-	-	95,000
Net change in fund balances	(30)	-	14,364	-	1,481,499	(774)	1,495,059
Fund balances - beginning	20,500	25,276	266,485	96	3,917,410	183,740	4,413,507
Fund balances - ending	$ 20,470	$ 25,276	$ 280,849	$ 96	$ 5,398,909	$ 182,966	5,908,566

CITY OF MOULTRIE
STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Utilities Deposit Fund	CNS Broadband Fund	Solid Waste Fund	Mass Transit Fund	Airport Fund	Total
ASSETS						
Current assets:						
Cash and cash equivalents	$ -	$ 456,654	$ -	$ 39,493	$ -	$ 496,147
Accounts receivable, net	1,641	212,153	158,007	-	1,500	373,301
Intergovernmental receivables	-	-	-	-	5,469	5,469
Due from other funds	1,215,826	39,658	3,382,436	-	410,694	5,048,614
Prepaid insurance	-	-	25,626	-	8,167	33,793
Total current assets	1,217,467	708,465	3,566,069	39,493	425,830	5,957,324
Noncurrent assets:						
Investment in SGGSA	-	2,970,883	-	-	-	2,970,883
Capital assets:						
Construction in progress	-	-	-	-	189,528	189,528
Other capital assets, net of accumulated depreciation	-	-	1,701,423	1,285,730	641,049	3,628,202
Total noncurrent assets	-	2,970,883	1,701,423	1,285,730	830,577	6,788,613
Total assets	1,217,467	3,679,348	5,267,492	1,325,223	1,256,407	12,745,937
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows from pensions	-	-	496,293	-	-	496,293
Total deferred inflows of resources	-	-	496,293	-	-	496,293
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,217,467	$ 3,679,348	$ 5,763,785	$ 1,325,223	$ 1,256,407	$ 13,242,230

CITY OF MOULTRIE
STATEMENT OF NET POSITION (CONTINUED)
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Utilities Deposit Fund	CNS Broadband Fund	Solid Waste Fund	Mass Transit Fund	Airport Fund	Total
LIABILITIES						
Current liabilities payable from current assets:						
Accounts payable	$ 60,160	$ 113,302	$ 58,327	$ -	$ 105,132	$ 336,921
Accrued expenses	-	-	19,321	-	-	19,321
Current portion of long-term debt	-	-	58,298	-	-	58,298
Customer deposits	922,532	14,128	-	-	5,368	942,028
Unearned revenue	258,298	-	-	-	-	258,298
Due to other governments	-	344,665	-	-	-	344,665
Due to other funds	475	48,098	1,018,782	8,259	58,344	1,133,958
Total current liabilities payable from current assets	1,241,465	520,193	1,154,728	8,259	168,844	3,093,489
Long-term liabilities:						
Long-term debt	-	-	151,488	-	-	151,488
Net pension liability	-	-	468,301	-	-	468,301
Total long-term liabilities	-	-	619,789	-	-	619,789
Total liabilities	1,241,465	520,193	1,774,517	8,259	168,844	3,713,278
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows from pensions	-	-	192,877	-	-	192,877
Total deferred inflows of resources	-	-	192,877	-	-	192,877
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,241,465	520,193	1,967,394	8,259	168,844	3,906,155
NET POSITION:						
Net investment in capital assets	-	-	1,491,637	1,285,730	830,577	3,607,944
Unrestricted	(23,998)	3,159,155	2,304,754	31,234	256,986	5,728,131
Total net position	$ (23,998)	$ 3,159,155	$ 3,796,391	$ 1,316,964	$ 1,087,563	$ 9,336,075

CITY OF MOULTRIE
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Utilities Deposit Fund	CNS Broadband Fund	Solid Waste Fund	Mass Transit Fund	Airport Fund	Total
OPERATING REVENUES						
Utility revenue	$ -	$ -	$ 2,738,471	$ -	$ -	$ 2,738,471
Income from joint venture	-	855,014	-	-	-	855,014
Intergovernmental	-	-	-	-	483,259	483,259
Rental income	-	-	-	-	24,781	24,781
Other revenues	-	34,450	-	6,251	156,842	197,543
Total operating revenues	-	889,464	2,738,471	6,251	664,882	4,299,068
OPERATING EXPENSES						
Personnel costs	-	-	757,828	-	-	757,828
Operating, administrative, and maintenance	-	241,730	1,542,608	-	568,308	2,352,646
Depreciation	-	-	268,513	54,720	88,442	411,675
Total operating expenses	-	241,730	2,568,949	54,720	656,750	3,522,149
Operating income (loss)	-	647,734	169,522	(48,469)	8,132	776,919
NONOPERATING REVENUE (EXPENSES)						
Gains (loss) on disposal of capital assets	-	-	157,365	-	-	157,365
Interest expense	-	(26)	(5,733)	-	-	(5,759)
Total nonoperating revenue (expenses)	-	(26)	151,632	-	-	151,606
Income (loss) before transfers	-	647,708	321,154	(48,469)	8,132	928,525
Transfers	-	(1,112,200)	(412,423)	-	(4,433)	(1,529,056)
Change in net position	-	(464,492)	(91,269)	(48,469)	3,699	(600,531)
Net position (deficit), beginning of year	(23,998)	3,623,647	3,887,660	1,365,433	1,083,864	9,936,606
Net position (deficit), end of year	$ (23,998)	$ 3,159,155	$ 3,796,391	$ 1,316,964	$ 1,087,563	$ 9,336,075

CITY OF MOULTRIE
STATEMENTS OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Utilities Deposit Fund	CNS Broadband Fund	Solid Waste Fund	Mass Transit Fund	Airport Fund	Total
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts from customers and users	$ 300,252	$ -	$ 2,737,515	$ 6,875	$ 659,535	$ 3,704,177
Other receipts	-	96,134	-	-	-	96,134
Payments to employees (or for their benefit) for services provided	-	-	(702,364)	-	-	(702,364)
Payments to suppliers for goods or services	2,259	(224,938)	(1,586,242)	-	(500,958)	(2,309,879)
Intergovernmental receipts (payments)	(302,511)	5	172,120	-	53,091	(77,295)
Net cash provided (used) by operating activities	-	(128,799)	621,029	6,875	211,668	710,773
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers to other funds	-	(1,112,200)	(412,423)	-	(4,433)	(1,529,056)
Net cash provided (used) by noncapital financing activities	-	(1,112,200)	(412,423)	-	(4,433)	(1,529,056)
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from disposal of capital assets	-	-	193,486	-	-	193,486
Acquisition and construction of capital assets	-	-	(300,584)	-	(207,235)	(507,819)
Principal paid on capital debt	-	-	(95,775)	-	-	(95,775)
Interest paid on capital debt/other	-	(26)	(5,733)	-	-	(5,759)
Net cash provided (used) by capital and related financing activities	-	(26)	(208,606)	-	(207,235)	(415,867)
CASH FLOWS FROM INVESTING ACTIVITIES						
Distributions received from joint venture	-	590,498	-	-	-	590,498
Net cash provided by investing activities	-	590,498	-	-	-	590,498
Net increase in cash	-	(650,527)	-	6,875	-	(643,652)
Balances - beginning	-	1,107,181	-	32,618	-	1,139,799
Balances - ending	$ -	$ 456,654	$ -	$ 39,493	$ -	$ 496,147

CITY OF MOULTRIE
STATEMENTS OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Utilities Deposit Fund	CNS Broadband Fund	Solid Waste Fund	Mass Transit Fund	Airport Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	$ -	$ 647,734	$ 169,522	$ (48,469)	$ 8,132	$ 776,919
Adjustments to reconcile operating income to net cash provided by operating activities:						-
Depreciation expense	-	-	268,513	54,720	88,442	411,675
Noncash increase in investment in joint venture	-	(855,014)	-	-	-	(855,014)
Change in assets and liabilities:						
Receivables, net	(3,786)	61,927	(956)	624	(5,347)	52,462
Prepaid expense	-	-	3,013	-	51	3,064
Due to/from other funds	302,511	5	172,120	-	53,091	527,727
Customer deposits	(47,460)	(243)	-	-	-	(47,703)
Pension related balances	-	-	55,464	-	-	55,464
Accounts payable and accrued expenses	(251,265)	16,792	(46,647)	-	67,299	(213,821)
Net cash provided by operating activities	$ -	$ (128,799)	$ 621,029	$ 6,875	$ 211,668	$ 710,773

Non-cash activity: In the CNS Broadband Fund non-cash income of $855,014 was received, which increased the City's investment in SGGSA joint venture.

STATE COMPLIANCE SECTION

CITY OF MOULTRIE
ONE PERCENT SPECIAL PURPOSE SALES TAX
PROJECT COST SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Project	Original Estimated Cost	Expenditures Prior Years	Expenditures Current Period	Expenditures Total	Estimated Percent Completed
SPLOST - 2013 Issue					
Referendum Expenditures:					
Wastewater treatment	$ 7,891,000	$ 6,859,701	$ 45,657	$ 6,905,358	
Road, bridge and drainage	2,000,000	1,749,253	-	1,749,253	
Joint project - City of Moultrie recreational facilities	1,500,000	1,393,057	-	1,393,057	
Totals	$ 11,391,000	$ 10,002,011	$ 45,657	$ 10,047,668	88.21%

CITY OF MOULTRIE
ONE PERCENT SPECIAL PURPOSE SALES TAX (CONTINUED)
PROJECT COST SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Project	Original Estimated Cost	Expenditures Prior Years	Expenditures Current Period	Expenditures Total	Estimated Percent Completed
SPLOST - 2019 Issue					
Referendum Expenditures:					
Utility infrastructure improvements	$ 870,000	$ -	$ 318,740	$ 318,740	
Public safety:					
Relocation of fire station #2	1,500,000	14,400	63,636	78,036	
Fire Dept. ladder truck/vehicles	565,000	561,620	-	561,620	
Police Dept. vehicles	385,000	334,196	50,804	385,000	
Certified Police Dept. firing range	50,000	27,254	-	27,254	
Other infrastructure improvements:					
Streets	1,250,000	95,262	170,393	265,655	
Storm drainage	1,250,000	-	-	-	
Sidewalks	1,000,000	-	-	-	
Traffic control	100,000	-	-	-	
Streetscape	560,000	-	13,666	13,666	
Spence Field	500,000	-	-	-	
Public works:					
Equipment	867,376	-	-	-	
Totals	$ 8,897,376	$ 1,032,732	$ 617,239	$ 1,649,971	18.54%

CITY OF MOULTRIE
ONE PERCENT SPECIAL PURPOSE SALES TAX (CONTINUED)
PROJECT COST SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Project	Original Estimated Cost	Expenditures Prior Years	Expenditures Current Period	Expenditures Total	Estimated Percent Completed
TSPLOST - 2017 Issue					
Referendum Expenditures:					
Streets, resurfacing, repairs, utility relocation	$ 3,112,033	$ 264,004	$ 709,328	$ 973,332	
Culvert, bridge, drainage	2,385,000	6,164	1,229,112	1,235,276	
Railroad, school traffic, striping, roundabout	450,000	7,180	-	7,180	
Street equipment	$ 1,452,000	95,277	553,768	649,045	
Totals	$ 7,399,033	$ 372,625	$ 2,492,208	$ 2,864,833	38.72%

Prepared on the modified accrual basis of accounting.

FEDERAL COMPLIANCE SECTION

CITY OF MOULTRIE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA #	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
Department of Homeland Security:				
Pass-Through Programs From:				
Georgia Department of Homeland Security				
Homeland Security Grant Program	97.067	SP019-108	$ -	$ 13,200
Total Department of Homeland Security			**-**	**13,200**
Department of Transportation:				
Pass-Through Programs From:				
Georgia Department of Transportation				
Airport Improvement Program - ARPA	20.106	T007849	59,000	59,000
Airport Improvement Program - CRRSA	20.106	T007685	23,000	23,000
Airport Improvement Program	20.106	T007571	195,749	195,749
Total Department of Transportation			**277,749**	**277,749**
Department of Housing and Urban Development				
Pass-Through Programs From:				
State of Georgia				
Community Development Block Grants	14.228	21p-x-035-2-6206	-	767,746
Home Investment Partnership Program	14.239	2017-107	-	126,710
Total Department of Housing and Urban Development			**-**	**894,456**
Department of the Treasury				
Coronavirus State and Local Fiscal Recovery Fds	21.027	N/A	-	1,735,236
Pass-Through Programs From:				
State of Georgia				
Coronavirus State and Local Fiscal Recovery Fds	21.027	GA-0010977	-	74,279
Total Department of the Treasury			**-**	**1,809,515**
TOTAL - ALL PROGRAMS			**$ 277,749**	**$ 2,994,920**

CITY OF MOULTRIE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal award activity of the City under programs of the federal government for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operation of the City, it is not intended to or does not present the financial position, changes in net assets, or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reports as expenditures in prior years. The City has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Moultrie, Georgia's ("the City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with

208 W. Park Ave., Valdosta, GA 31602 Telephone: 229-247-8005, Fax: 229-247-8998

generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance. Our opinion on each major federal program is not modified with respect to these matters.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001 to be a material weakness.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Respectfully submitted,

Valenti, Rackley & Assoc., LLC

Valenti, Rackley & Associates, LLC
Certified Public Accountants

April 4, 2023

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moultrie, Georgia ("the City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise City's basic financial statements and have issued our report thereon dated April 4, 2023.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control that we consider to be a material weakness. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

Compliance and Other Matters

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

The City's Response to Findings

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

Purpose of this Report

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

Respectfully submitted,

Valenti, Rackley & Assoc., LLC

Valenti, Rackley & Associates, LLC
Certified Public Accountants

April 4, 2023

CITY OF MOULTRIE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

SECTION 1 - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statement audited were prepared in accordance with GAAP: unmodified

Internal control over financial reporting

Material weakness(es) identified?	X yes	____ no
Significant deficiency(ies) identified?	____ yes	X none reported
Noncompliance material to financial statements noted?	____ yes	X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	____ yes	X no
Significant deficiency(ies) identified?	____ yes	X none reported

Type of auditor's report issued on compliance for major federal programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ yes	X no

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.239	Department of Housing and Urban Development, Community Development Block Grant and Non-Entitlement Grants in Hawaii
21.027	Department of the Treasury, Coronavirus State and Local Fiscal Recovery Funds

Dollar theshold used to distinguish between typ A and B programs: $750,000

Auditee qalified as a low-risk auditee? _____ yes X no

SECTION II – FINANCIAL STATEMENT FINDINGS

2022-001

Criteria: Proper segregation of accounting functions strengthens internal controls.

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

Cause: Limited staff size

Effect: Increased risk of misstatement or fraud

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

Management Response: See management's Corrective Action Plan.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF MOULTRIE
STATUS OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Audit Reference Number	
2021-001	Unable to be corrected, recited as 2022-001
2021-002	Corrected
2021-003	Corrected