CITY OF MOULTRIE, GEORGIA

Annual Financial Report

For the Year Ended September 30, 2008

CITY OF MOULTRIE, GEORGIA
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CITY OF MOULTRIE, GEORGIA
PRINCIPAL OFFICIALS
September 30, 2008

ELECTED

William M. McIntosh, Mayor

George Walker, Council Member

Angela Castellow, Council Member

Betty Haggins, Council Member

Cecil Barber, Council Member

Ronald D. Wilson, Sr., Council Member

Daniel L. Dunn, Council Member

STAFF

Mike Scott, City Manager

Gary McDaniel, Finance Director

Bowen, Phillips, Carmichael, Davis & Sims

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moultrie, Georgia, as of, and for the year ended, September 30, 2008, which collectively comprise the City of Moultrie, Georgia's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City of Moultrie, Georgia's elected officials and management. Our responsibility is to express opinions on these financial statements, based on our audit. We did not audit the financial statements of the Pension Trust Fund, which statements reflect total assets of $9,782,996, as of September 30, 2008, and revenues of $892,154, for the year then ended. Those financial statements were audited by other auditors, whose report have been furnished to us, and, in our opinion, insofar as it relates to the amounts included for the Pension Trust Fund, are based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit, to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moultrie, Georgia, as of September 30, 2008, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the general fund, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report, dated June 11, 2009, on our consideration of the City of Moultrie, Georgia's internal control over financial reporting and, on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

The accompanying schedule of special purpose local option sales tax expenditures is presented, as required by the Official Code of Georgia Annotated. The schedule of special purpose local option sales tax expenditures is not a required part of the basic financial statements. The combining and individual fund financial statements and schedules and the schedule of special purpose local option sales tax expenditures have been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

Bowen, Phillips, Carmichael, Davis & Sims, LLP

June 11, 2009
Tifton, Georgia

Management's Discussion and Analysis

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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, 2008. 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 $62.7 million in total assets of which $36.9 million are capital assets.
- The City has $23.7 million in total liabilities of which $14.6 million are long-term.
- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $39.0 million (net assets). Of this amount, $16.4 million (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors while $20.5 million is invested in capital assets net of related debt.
- The City's total net assets increased by $3.9 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $4.4 million, an increase of $1.8 million in comparison with the prior year. This amount consists of $1.0 million reserved for specific projects and public services and an unreserved balance of $1.2 million.
- At the end of the current fiscal year, unreserved fund balance for the general fund was $1.2 million, or 10.5% of total general fund expenditures.
- The City's long-term debt decreased by $927 thousand during the current fiscal year as a result of scheduled principal payments and the issuance of additional debt for capital assets and infrastructure.

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, public safety, public works, parks and recreation, community development, and interest on long-term debt. The business-type activities of the City include water and sewer, electric, gas, cable TV, solid waste, airport operations, and telecommunications.

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

Fund Financial Statements

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

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

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

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

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

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

Proprietary Funds

The City maintains one type of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer Fund, Electric Revenue Fund, Gas Revenue Fund, Cable TV Fund, Solid Waste Fund, Airport Fund, Telecommunications Fund, Warehouse Fund and the Utilities Deposit Fund.

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, Gas Revenue Fund, and the Cable TV Fund, all of which are considered to be major funds of the City. Conversely, the non-major enterprise funds are combined into single, aggregated presentations in the proprietary fund financial statements. Individual fund data for the non-major enterprise funds is provided in the form of *combining statements* elsewhere in this report.

Fiduciary Funds

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

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 $39 million at the close of the most recent fiscal year.

By far the largest portion of the City's net assets (53%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are 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.

Table 2 below presents the City's condensed statement of net assets as of September 30, 2008 and 2007.

Table 2
Condensed Statement of Net Assets

	Governmental Activities		Business – type Activities		Total	
	2008	2007	2008	2007	2008	2007
Assets						
Current and other assets	$ 8,993,006	$ 6,514,430	$ 16,811,288	$ 15,500,667	$ 25,804,294	$ 22,015,097
Capital assets	13,930,137	13,763,254	23,012,091	22,677,348	36,942,228	36,440,602
Total assets	22,923,143	20,277,684	39,823,379	38,178,015	62,746,522	58,455,699
Liabilities						
Other liabilities	4,174,201	3,570,001	4,950,334	4,270,279	9,124,535	7,840,280
Long-term liabilities	842,979	1,118,698	13,748,957	14,399,805	14,591,936	15,518,503
Total liabilities	5,017,180	4,688,699	18,699,291	18,670,084	23,716,471	23,358,783
Net assets						
Invested in capital assets, net of related debt	13,097,009	12,823,893	7,400,666	8,941,612	20,497,675	21,765,505
Restricted	1,738,922	1,813,962	427,257	736,695	2,166,179	2,550,657
Unrestricted	3,070,032	951,130	13,296,165	9,829,624	16,366,197	10,780,754
Total net assets	$ 17,905,963	$ 15,588,985	$ 21,124,088	$ 19,507,931	$ 39,030,051	$ 35,096,906

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 $39.03 million for 2008 as compared to $35.096 million for 2007 for an increase of 11.21%. Of this amount $21.1 million came from business-type activities and $17.91 million came from governmental activities.

An additional portion of the City's net assets (5.55%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($16.37 million) may be used to meet the City's ongoing obligations to citizens and creditors. This is an increase of $5.59 million or 34.13%.

For governmental activities, the City reported a balance of $3.07 million in unrestricted net assets. This is an increase of $2.118 million from 2007. The business-type activities unrestricted net assets were $13.30 million, an increase of $3.47 million from 2007.

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, 2008 and 2007. 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	
	2008	2007	2008	2007	2008	2007
Revenues						
Program revenues:						
Charges for services	$ 990,804	$ 1,257,924	$ 34,855,874	$ 32,329,490	$ 35,846,678	$ 33,587,414
Operating grants and contributions	1,388,655	1,332,943	109,424	--	1,498,079	1,332,943
Capital grants and contributions	6,636	329,698		--	6,636	329,698
General revenues:						
Property taxes	2,975,494	2,855,795	--	--	2,975,494	2,855,795
Local option sales taxes	2,117,086	1,780,008	--	--	2,117,086	1,780,008
Other taxes	2,067,628	2,111,948	--	--	2,067,628	2,111,948
Investment income	96,508	67,308	142,499	170,324	239,007	237,632
Other revenues(loss)	257,693	246,309	(105,512)	--	152,181	246,309
Total revenues	9,900,504	9,981,933	35,002,285	32,499,814	44,902,789	42,481,747
Expenses						
General government	3,093,707	2,759,623	--	--	3,093,707	2,759,623
Public safety	5,783,178	5,687,677	--	--	5,783,178	5,687,677
Public works	2,152,763	1,960,031	--	--	2,152,763	1,960,031
Parks and recreation	1,148,812	1,355,076	--	--	1,148,812	1,355,076
Community development	94,152	151,074	--	--	94,152	151,074
Elections	4,282	--	--	--	4,282	--
Interest - long-term debt	25,814	20,455	--	--	25,814	20,455
Water and sewer	--	--	3,109,262	3,072,513	3,109,262	3,072,513
Electric revenue	--	--	13,599,054	13,986,729	13,599,054	13,986,729
Gas revenue	--	--	4,379,671	3,758,894	4,379,671	3,758,894
Cable TV	--	--	3,839,402	2,882,894	3,839,402	2,882,894
Solid waste	--	--	2,308,966	2,088,365	2,308,966	2,088,365
Airport	--	--	190,570	266,701	190,570	266,701
Telecommunications	--	--	1,240,021	263,012	1,240,021	263,012
Warehouse	--	--	--	13,147	--	13,147
Total expenses	12,302,708	11,933,936	28,666,946	26,332,255	40,969,654	38,266,191
Increase (decrease) in net assets before transfers	(2,402,204)	(1,952,003)	6,335,339	6,167,559	3,933,135	4,215,556
Transfers	4,719,182	3,319,206	(4,719,182)	(3,319,206)	--	--
Change in net assets	$ 2,316,978	$ 1,367,203	$ 1,616,157	$ 2,848,353	$ 3,933,135	$ 4,215,556

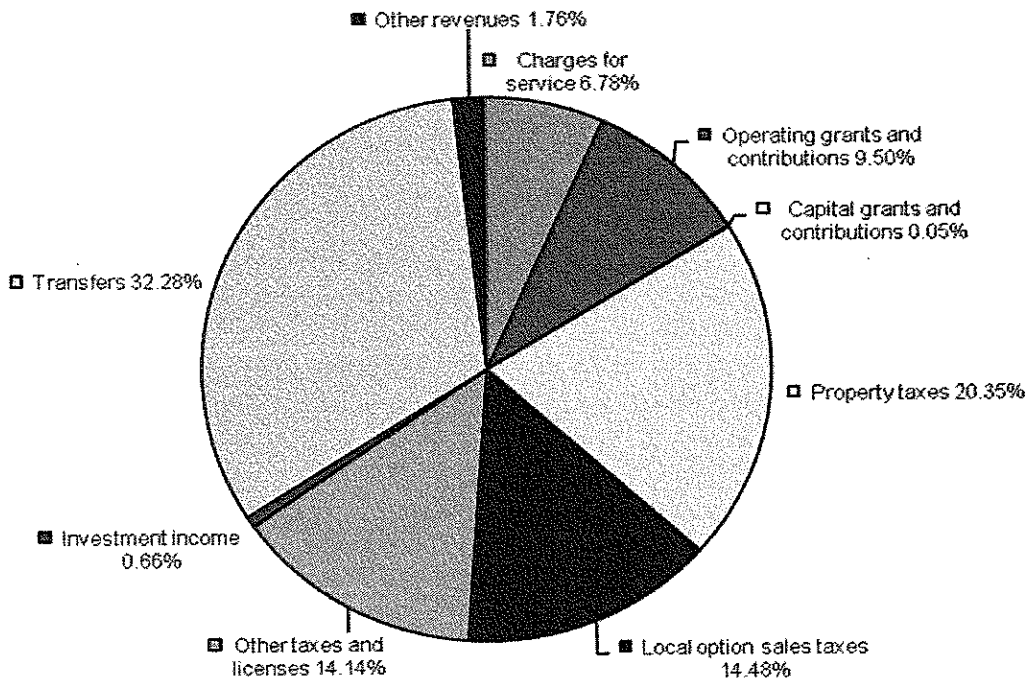
Governmental activities during the fiscal year ended September 30, 2008, increased the City's net assets by $2.32 million. Business-type activities during the same period increased net assets by $1.62 million. The net change in net assets was an increase of $3.93 million. The Table above shows the revenue and expenses by activity for the total primary government. This Table shows total 2008 revenues from governmental activities at $9.90 million while expenses were $12.30 million. Business-type activities total revenues for 2008 were $35.00 million while expenses were $28.67 million. The largest revenue source for governmental activities comes from transfers from business-type activities of $4.72 million which is 32.27% of the total governmental activity funding. Property Taxes are the next largest governmental activity revenue source at $2.98 million or 20.35%. Revenues from Special Local Option Sales Taxes are the second largest governmental activity revenue source at $2.12 million or 14.48%. Business-type activities program revenues exceeded expenses by $6.3 million before internal transfers to support the governmental activities.

Program Revenues and Expenses for Governmental Activities

Governmental Activities - Revenues by Source

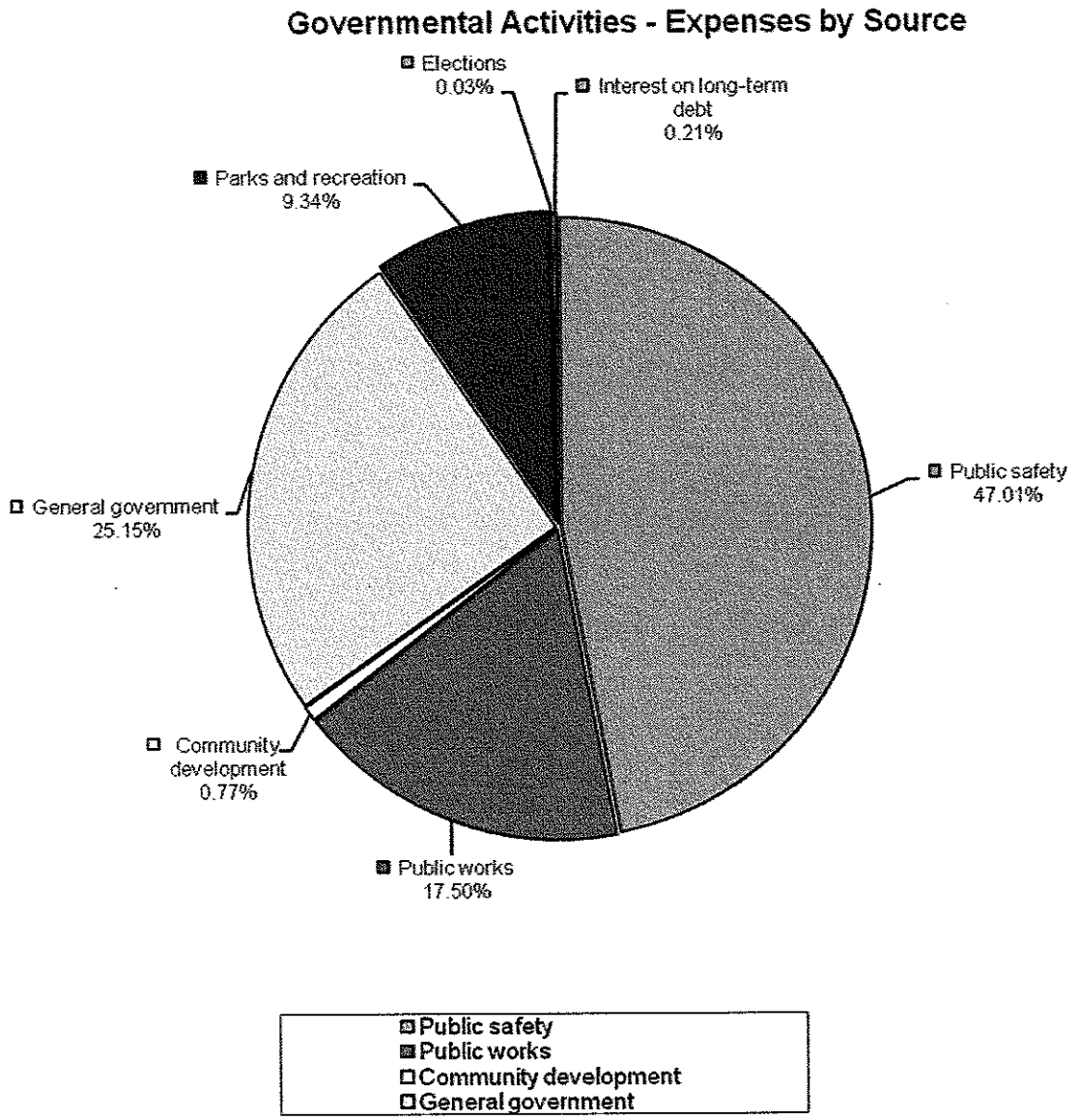
The following chart shows the governmental activities revenues by major source and includes revenues from transfers. It is easy to see from the chart that governmental activities are funded to a great degree through transfers from the business-type activities. These transfers are 32.28% of the funding for the primary government. The second largest source of funding, property taxes only provided 20.35% of the Governmental Activities funding in 2008. Due to a slow economy and falling property values, the necessity for the Business-type activities to provide funding for the Governmental activities will increase in future years without an increase in other revenue sources and funding through grants and assistance from the Federal Government. For the year ended September 30, 2008, these transfers were $4.72 million.

Governmental Activities - Revenues by Source



Governmental Activities – Expenses by Source

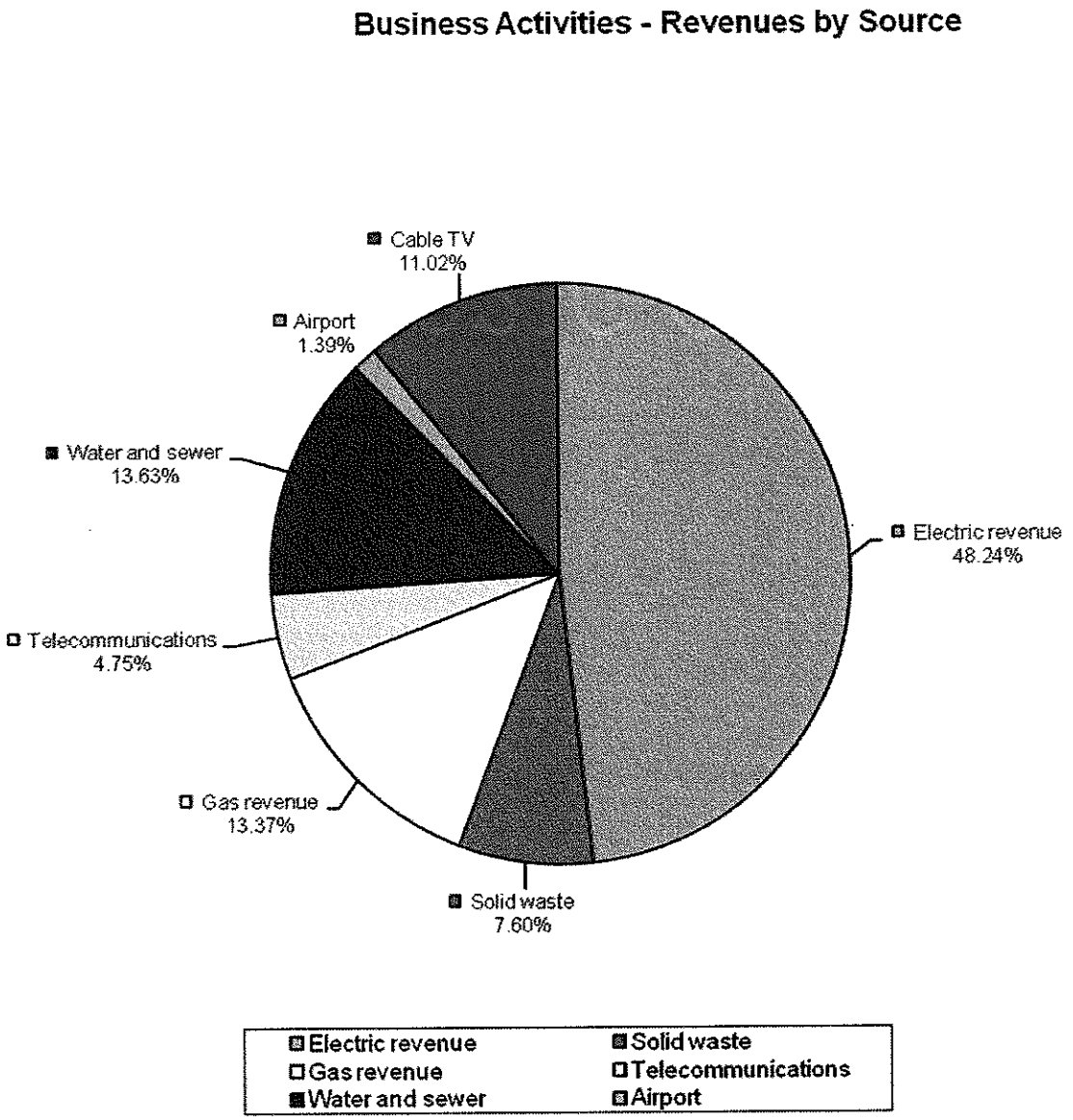
The following chart shows the governmental activities expenses by source. The City of Moultrie spent the greatest amount of its available funding on Public Safety at $5.8 million or 47.01%. The next largest governmental expense was for General Governmental administration at $3.1 million or 25.15%.



Program Revenues and Expenses for Business-Type Activities

Business-Type Activities – Revenues by Source

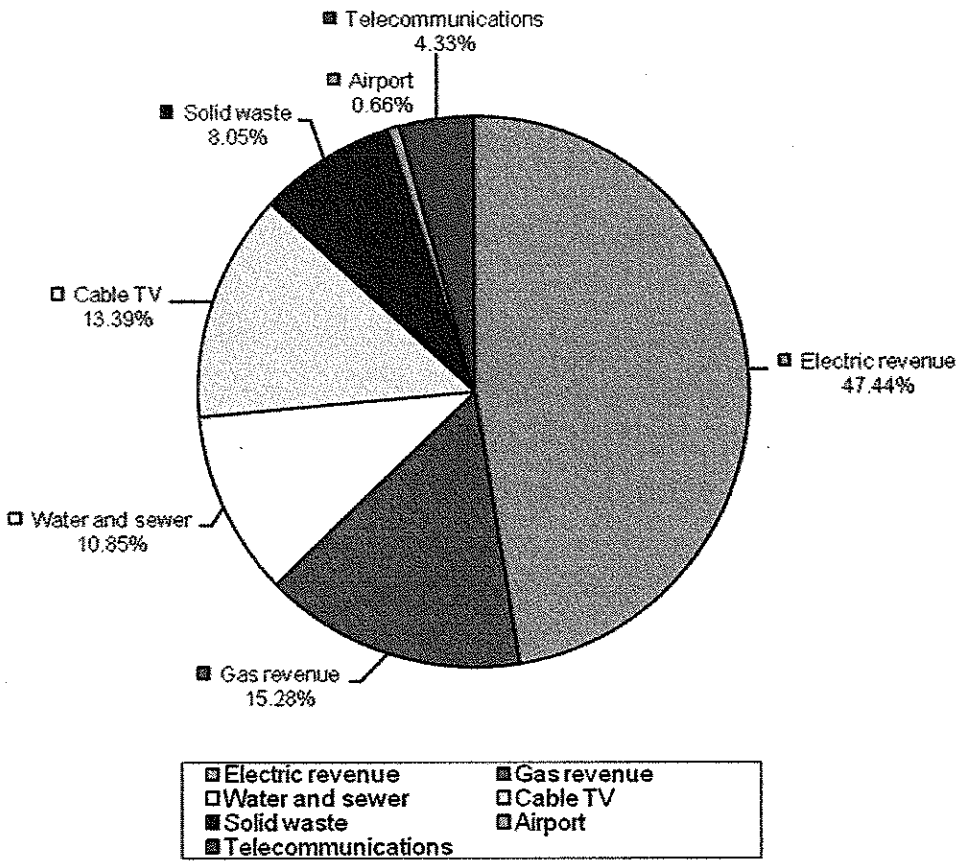
The business-type activities largest revenue source is from the Electric Fund. More revenues by far (48.24%) or $16.39 million are generated by this Fund than any other business-type activity fund. The next largest business-type revenue source comes from the Water & Sewer Fund at 13.63% or $4.70 million.



Business-Type Activities – Expenses by Source

The Electric fund also has the largest amount of expenses as expected at 47.44% or $13.60 million but it generated profits of $3.23 million before its transfers to governmental activities.

Business Activities - Expenses by Source



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

The City of Moultrie has only one major governmental fund which is the General Fund. At September 30, 2008, the General Fund had a fund balance of $1.2 million. This is an increase of $445 thousand from the beginning fund balance as of October 1, 2007. The reason for the increase in the fund balance was due primarily to increased revenues from property taxes, and other taxes as well as primary source of revenues from intergovernmental transfers.

The fund balances for the other governmental funds increased by $1.37 million. The primary reasons for this increase were from the proceeds of intergovernmental revenues and Special Local Option Sales Taxes. The final fund balance for these funds was $3.24 million at the end of the year.

Enterprise Funds

The Enterprise Funds, which include the City's Water & Sewer Fund, Electric Fund, Gas Fund, Cable TV Fund, and the non-major enterprise funds consisting of the Solid Waste, Airport, and Telecommunications Funds, showed a combined cash balance of $7.10 million for the year ended September 30, 2008. This was an increase of $1.103 million from the previous year.

The Water and Sewer Fund had an ending cash balance of $5.8 million at September 30, 2008. This was an increase of $638 thousand from the previous year.

The Electric Fund had an ending cash balance of $113 thousand. This is a decrease of $399 thousand from the previous year due the increase of its transfer to the General Fund.

The Gas Fund had an ending cash balance of $218 thousand. Its cash balance increased $2,500 from the beginning of the year.

The Cable TV Fund showed an ending cash balance of $467 thousand which is an increase of $461 thousand from the beginning cash balance.

The combined cash balance of the non-major enterprise funds at the end of the year was $512 thousand. This is an increase of $402 thousand from the beginning cash balance. The cash balance is principally from the operations of the City's Telecommunications Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

Generally, budget amendments fall into one of the following categories: 1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Amendments to the original budget for 2008 related to the transfer of budgeted amounts between departments and did not result in additional appropriations.

The actual revenues of the General Fund exceeded the final budgeted amounts by $414 thousand for the year ended September 30, 2008. The major factors contributing to this difference were additional revenues from fines, forfeitures and fees and intergovernmental revenues.

The actual expenditures of the General Fund were less than final budgeted amounts by $495 thousand for the year ended September 30, 2008. The major factors contributing to this difference were a decrease in actual expenditures for public safety and parks and recreation and public works which all came in under the approved budget for the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2008, governmental activities and business-type activities had capital assets of $36.94 million (net of accumulated depreciation) invested in land, buildings, system improvements, machinery and equipment and recreation and park facilities.

The net capital assets from governmental activities increased $167 thousand from the 2007 amount due to the purchase of vehicles, equipment and infrastructure improvements. The net capital assets from business-type activities increased by $335 thousand from the prior year due to the construction of additional water and sewer projects and other infrastructure system improvements. There were also several major equipment expenditures during this period.

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

Long-term Debt

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

At September 30, 2008, the City had $842 thousand of outstanding long-term liabilities related to governmental activities and $13.75 million of long-term liabilities related to business-type activities for a total of $14.592 million compared to the previous year's total of $15.519 million. This is a decrease of $927 thousand as a result of payments toward the retirement of this debt.

The City's component unit also had $3.428 million in long-term debt outstanding in connection with Downtown Development Authority Revenue Bonds used to construct a United States Post Office and a Georgia Department of Labor. Under a lease agreement with the Postal Service, the Postal Service is to make rental payments to be used for the purpose of paying the principal and interest payments on the bonds until November of 2017. Under a lease agreement with the Department of Labor, the Department of Labor is to make rental payments to be used for the purpose of paying the principal and interest payments on the bonds for a period of twenty three years.

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

FACTORS AFFECTING THE 2008 BUDGET

The Mayor and Council of the City of Moultrie considered many factors when approving the City's 2008 budget and are very aware of present economic conditions and their effect on its citizens. Because Mayor and Council raised property taxes in 2007 they were very reluctant to raise them again in 2008 thus they were forced to increase transfers to fund governmental activities from the business-type activities funds. It will be important to find other revenue sources in the coming years to slow the transfers from those business-type activities funds to maintain positive balances in the future. No additional borrowing from the reserves of certain business-type activities was necessary in 2008 to fund the bond payments for other business-type activities as the restructuring and reductions in costs and increased rates have allowed those funds to become self reliant without additional borrowing. Capital leases and bank loans have also been used to spread out the costs of capital assets to increase the fund balances in the governmental activities as well as business-type activities.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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

Basic Financial Statements

CITY OF MOULTRIE, GEORGIA
STATEMENT OF NET ASSETS
September 30, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
ASSETS				
Cash and cash equivalents	$ 4,219,114	$ 4,755,910	$ 8,975,024	$ 1,813,387
Investments	-	1,692,104	1,692,104	-
Accounts receivable, net	451,289	3,193,236	3,644,525	-
Property tax receivable	3,000,756	-	3,000,756	-
Inventories	562,604	1,512,768	2,075,372	-
Other current assets	202,885	108,423	311,308	2,852
Due from other governments	25,764	-	25,764	-
Due from component unit	-	-	-	-
Internal balances	(772,851)	772,851	-	-
Restricted assets:				
Cash and cash equivalents	290,047	2,346,750	2,636,797	268,991
Investments	-	1,412,610	1,412,610	-
Sales tax receivable	49,714	-	49,714	-
Program receivables	567,426	-	567,426	-
Investment in SGBDA	-	1,016,636	1,016,636	-
Other noncurrent assets	396,258	-	396,258	122,336
Capital assets:			-	
Land	1,394,670	1,328,053	2,722,723	397,296
Construction in progress	-	-	-	-
Other capital assets, net of accumulated depreciation	12,535,467	21,684,038	34,219,505	953,295
Total assets	22,923,143	39,823,379	62,746,522	3,558,157
LIABILITIES				
Accounts payable	655,124	2,117,442	2,772,566	622
Accrued expenses	115,618	269,879	385,497	87,460
Lines of Credit	-	910,000	910,000	-
Customer deposits	-	593,013	593,013	-
Deferred revenues	3,104,868	-	3,104,868	-
Due to other governments	271,495	-	271,495	-
Due to primary government	-	-	-	-
Liabilities payable from restricted assets	27,096	1,060,000	1,087,096	-
Long-term liabilities:				
Due within one year	120,182	315,971	436,153	185,000
Due in more than one year	722,797	13,432,986	14,155,783	3,242,520
Total liabilities	5,017,180	18,699,291	23,716,471	3,515,602
NET ASSETS				
Invested in capital assets, net of related debt	13,097,009	7,400,666	20,497,675	(2,076,929)
Restricted for:				
Debt service	-	427,257	427,257	-
Capital projects	1,772,354	-	1,772,354	-
Public services	(33,432)	-	(33,432)	-
Unrestricted (deficit)	3,070,032	13,296,165	16,366,197	2,119,484
Total net assets	$ 17,905,963	$ 21,124,088	$ 39,030,051	$ 42,555

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2008

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary Government:					
Governmental activities:					
General government	$ 3,093,707	$ 839,611	$ 470,377	$ -	$ (1,783,719)
Public safety	5,783,178	42,068	161,559	-	(5,579,551)
Public works	2,152,763	-	-	6,636	(2,146,127)
Parks and recreation	1,148,812	109,125	756,719	-	(282,968)
Community development	94,152	-	-	-	(94,152)
Elections	4,282	-	-	-	(4,282)
Interest on long-term debt	25,814	-	-	-	(25,814)
Total governmental activities	12,302,708	990,804	1,388,655	6,636	(9,916,613)
Business-type activities:					
Water and sewer	3,109,262	4,701,397	-	-	1,592,135
Electric revenue	13,599,054	16,717,180	109,424	-	3,227,550
Gas revenue	4,379,671	4,670,896	-	-	291,225
Cable TV	3,839,402	3,964,044	-	-	124,642
Solid waste	2,308,966	2,660,133	-	-	351,167
Airport	190,570	480,249	-	-	289,679
Telecommunications	1,240,021	1,661,975	-	-	421,954
Warehouse	-	-	-	-	-
Total business-type activities	28,666,946	34,855,874	109,424	-	6,298,352
Total primary government	40,969,654	35,846,678	1,498,079	6,636	(3,618,261)
Component unit:					
Downtown Development Authority	$ 304,907	$ 219,631	$ -	$ -	$ (85,276)

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF ACTIVITIES (continued)
For the Year Ended September 30, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
Change in net assets:				
Net (expense) revenue	$ (9,916,613)	$ 6,298,352	$ (3,618,261)	$ (85,276)
General revenues:				
Taxes:				
Property taxes	2,975,494	-	2,975,494	-
Local option sales taxes	2,117,086	-	2,117,086	-
Other taxes	2,067,628	-	2,067,628	-
Investment income	96,508	142,499	239,007	24,864
Gain (loss) on disposal of capital assets	-	(105,512)	(105,512)	-
Other revenues	257,693	-	257,693	-
Transfers	4,719,182	(4,719,182)	-	-
Total general revenues and transfers	12,233,591	(4,682,195)	7,551,396	24,864
Change in net assets	2,316,978	1,616,157	3,933,135	(60,412)
Net assets, beginning of year	15,588,985	19,507,931	35,096,916	102,967
Net assets, end of year	$ 17,905,963	$ 21,124,088	$ 39,030,051	$ 42,555

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2008

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 1,889,811	$ 2,329,303	$ 4,219,114
Investments	-	-	-
Accounts receivable, net	261,151	1,251	262,402
Property tax receivable	3,000,756	-	3,000,756
Inventories	87,766	-	87,766
Other current assets	202,885	-	202,885
Due from other governments	25,764	-	25,764
Due from component unit	-	-	-
Due from general fund	-	179,831	179,831
Due from other funds	1,387,258	-	1,387,258
Restricted assets:		-	-
Cash and cash equivalents	-	290,047	290,047
Investments	-	-	-
Sales tax receivable	49,714	-	49,714
Program receivables	-	567,426	567,426
Total assets	6,905,105	3,367,858	10,272,963
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	601,613	7,530	609,143
Accrued expenses	96,312	1,781	98,093
Customer deposits	-	-	-
Deferred revenues	3,031,891	72,977	3,104,868
Due to other governments	253,904	17,591	271,495
Due to General Fund	-	2,939	2,939
Due to other funds	1,729,839	1,626	1,731,465
Liabilities payable from restricted assets	-	27,096	27,096
Total liabilities	5,713,559	131,540	5,845,099
Fund balances			
Reserved for:			
Debt service	-	-	-
Specific projects	-	960,695	960,695
Public services	-	21,323	21,323
Unreserved (deficit), reported in			-
General Fund	1,191,546	-	1,191,546
Capital projects funds	-	2,254,300	2,254,300
Total fund balances (deficit)	1,191,546	3,236,318	4,427,864
Total liabilities and fund balances (deficit)	$ 6,905,105	$ 3,367,858	$ 10,272,963

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
September 30, 2008

Total governmental fund balances	$	4,427,864
Amounts reported for governmental activities in the statement of activities are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		13,930,137
Net pension asset that is not a financial asset in governmental activities and therefore not reported in governmental funds		396,258
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued expenses		(5,317)
Capital leases		(190,444)
Notes payable		(642,684)
Compensated absences		(9,851)
Net assets of governmental activities	$	17,905,963

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2008

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	$ 2,975,494	$ -	$ 2,975,494
Local option sales taxes	-	2,117,086	2,117,086
Other taxes and licenses	1,912,056	155,572	2,067,628
Fines, forfeitures and fees	839,611	-	839,611
Charges for services	151,193	-	151,193
Investment income	33,026	63,482	96,508
Intergovernmental	960,921	434,370	1,395,291
Other revenues	161,129	33,693	194,822
Total revenues	7,033,430	2,804,203	9,837,633
EXPENDITURES			
Current:			
General government	2,504,388	211,238	2,715,626
Public safety	5,782,728	-	5,782,728
Public works	1,895,320	-	1,895,320
Parks and recreation	1,002,392	-	1,002,392
Capital outlays	-	1,217,197	1,217,197
Debt service:			
Principal	106,233	-	106,233
Interest	25,814	-	25,814
Total expenditures	11,316,875	1,428,435	12,745,310
Excess (deficiency) of revenues over expenditures	(4,283,445)	1,375,768	(2,907,677)
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	4,728,732	-	4,728,732
Transfers to other funds	-	(9,550)	(9,550)
Sale of capital assets	-	-	-
Long - term debt issued	-	-	-
Total other financing sources (uses)	4,728,732	(9,550)	4,719,182
Net change in fund balances	445,287	1,366,218	1,811,505
Fund balances (deficit), beginning of year	746,259	1,870,100	2,616,359
Fund balances (deficit), end of year	$ 1,191,546	$ 3,236,318	$ 4,427,864

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2008

Net change in fund balances - total governmental funds	$	1,811,505
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.		
Capital asset purchases capitalized		1,139,027
Depreciation expense		(972,144)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt issued		
Debt payments made		106,233
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Increase in net pension obligation		62,871
Decrease in compensated absences		169,486
Change in net assets of governmental activities	$	2,316,978

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Property taxes	2,948,452	2,948,452	$ 2,975,494	$ 27,042
Local option sales taxes	-	-	-	-
Other taxes and licenses	1,870,123	1,870,123	1,912,056	41,933
Fines, forfeitures and fees	636,795	636,795	839,611	202,816
Charges for services	184,739	184,739	151,193	(33,546)
Investment income	16,000	16,000	33,026	17,026
Intergovernmental	837,960	837,960	960,921	122,961
Other revenues	125,000	125,000	161,129	36,129
Total revenues	6,619,069	6,619,069	7,033,430	414,361
EXPENDITURES				
Current:				
General government				
City council	697,877	697,877	800,911	(103,034)
City manager	186,775	186,775	159,711	27,064
Finance	302,734	302,734	301,233	1,501
Purchasing	167,095	167,095	164,159	2,936
Legal	37,810	37,810	25,565	12,245
Information systems	226,058	226,058	344,578	(118,520)
Municipal court	-	-	-	-
Human resources	175,361	175,361	173,053	2,308
City hall	70,743	70,743	67,712	3,031
Main street program	133,738	133,738	133,300	438
Engineering	347,879	347,879	334,166	13,713
Garage	-	-	-	-
Total general government	2,346,070	2,346,070	2,504,388	(158,318)
Public safety				
Police	2,818,912	2,818,912	2,937,797	(118,885)
Fire	2,854,039	2,854,039	2,471,120	382,919
Planning and zoning	393,284	393,284	373,811	19,473
Total public safety	6,066,235	6,066,235	5,782,728	283,507
Public works				
Office of the director	177,322	177,322	177,322	-
Streets and sidewalks	1,260,851	1,260,851	968,098	292,753
Beautification	801,755	801,755	749,900	51,855
Total public works	2,239,928	2,239,928	1,895,320	344,608
Parks and recreation				
Recreation	1,079,520	1,079,520	925,118	154,402
Parks and cemetery	27,265	27,265	24,196	3,069
Northwest Community Center	53,078	53,078	53,078	-
Total parks and recreation	1,159,863	1,159,863	1,002,392	157,471

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget
Debt service:				
Principal	-	-	106,233	(106,233)
Interest	-	-	25,814	(25,814)
Total expenditures	11,812,096	11,812,096	11,316,875	495,221
Excess (deficiency) of revenues over expenditures	(5,193,027)	(5,193,027)	(4,283,445)	909,582
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	4,198,446	4,198,446	4,728,732	530,286
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	4,198,446	4,198,446	4,728,732	530,286
Net change in fund balances	(994,581)	(994,581)	445,287	1,439,868
Fund balances (deficit), beginning of year	746,259	746,259	746,259	-
Fund balances (deficit), end of year	$ (248,322)	(248,322)	$ 1,191,546	$ 1,439,868

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2008

	Business Type Activities - Enterprise Funds						Governmental Activity
	Water and Sewer Fund	Electric Revenue Fund	Gas Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
ASSETS							
Current assets							
Cash and cash equivalents	$ 3,776,560	$ -	$ -	$ 466,941	$ 512,409	$ 4,755,910	$ -
Investments	-	1,692,104	-	-	-	1,692,104	-
Accounts receivable, net	528,031	1,789,295	328,858	378,332	168,720	3,193,236	188,887
Inventories	180,459	1,084,310	247,999	-	-	1,512,768	474,838
Other current assets	38,655	17,773	5,929	3,506	42,560	108,423	-
Total current assets	4,523,705	4,583,482	582,786	848,779	723,689	11,262,441	663,725
Non - current assets							
Due from general fund	44,527	-	-	-	1,505,581	1,550,108	-
Due from other funds	-	4,387,671	606,229	-	187,171	5,181,071	741,311
Due from component unit	-	-	-	-	-	-	-
Investment in SGBDA	-	-	-	1,016,636	-	1,016,636	-
Restricted assets - cash	2,015,213	113,420	218,117	-	-	2,346,750	-
Restricted assets - investments	538,770	-	-	873,840	-	1,412,610	-
Capital assets:							
Land	94,590	1,143,589	89,874	-	-	1,328,053	-
Construction in progress	-	-	-	-	-	-	-
Other capital assets, net of accumulated depreciation	8,860,256	4,029,077	347,654	6,479,766	1,967,285	21,684,038	-
Total assets	16,077,061	14,257,239	1,844,660	9,219,021	4,383,726	45,781,707	1,405,036
LIABILITIES							
Current liabilities							
Accounts payable	193,763	1,234,505	250,544	266,957	171,673	2,117,442	45,981
Accrued expenses	149,175	14,494	3,419	84,489	18,302	269,879	12,208
Lines of credit	-	-	-	910,000	-	910,000	-
Current portion of long - term debt	217,951	-	-	-	98,020	315,971	-
Customer deposits	-	-	-	-	593,013	593,013	-
Due to other governments	-	-	-	-	-	-	-
Due to general fund	-	36,699	773	-	-	37,472	1,346,847
Due to other funds	2,056,435	19,583	379,416	2,842,625	622,797	5,920,856	-
Liabilities payable from restricted assets:							
Current portion of long - term debt	405,000	-	-	655,000	-	1,060,000	-
Total current liabilities	3,022,324	1,305,281	634,152	4,759,071	1,503,805	11,224,633	1,405,036
Long - term debt, net of current portion	5,937,419	-	-	7,151,713	238,854	13,327,986	-
Other liabilities - environmental remediation	105,000	-	-	-	-	105,000	-
Total liabilities	9,064,743	1,305,281	634,152	11,910,784	1,742,659	24,657,619	1,405,036
NET ASSETS							
Invested in capital assets, net of related debt	2,395,970	5,172,666	437,528	(2,236,947)	1,631,449	7,400,666	-
Restrcited for debt service	427,257	-	-	-	-	427,257	-
Unrestricted (deficit)	4,189,091	7,779,292	772,980	(454,816)	1,009,618	13,296,165	-
Total net assets	$ 7,012,318	$12,951,958	$ 1,210,508	$ (2,691,763)	$ 2,641,067	$21,124,088	$ -

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended September 30, 2008

	Business Type Activities - Enterprise Funds						Governmental Activity
	Water and Sewer Fund	Electric Revenue Fund	Gas Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
OPERATING REVENUES							
Utility revenues	$ -	$16,717,180	$ 4,670,896	$ -	$ -	$21,388,076	$ -
Charges for services	4,701,397	-	-	3,964,044	4,802,357	13,467,798	1,152,447
Intergovernmental	-	109,424	-	-	-	109,424	-
Total operating revenues	4,701,397	16,826,604	4,670,896	3,964,044	4,802,357	34,965,298	1,152,447
OPERATING EXPENSES							
Salaries and wages	676,481	757,374	203,526	-	703,535	2,340,916	416,117
Operating, administrative and maintenance	1,484,673	12,442,568	4,101,492	3,005,331	2,726,172	23,760,236	736,330
Depreciation	633,556	399,112	74,653	393,093	303,226	1,803,640	-
Total operating expenses	2,794,710	13,599,054	4,379,671	3,398,424	3,732,933	27,904,792	1,152,447
Operating income (loss)	1,906,687	3,227,550	291,225	565,620	1,069,424	7,060,506	-
NON - OPERATING INCOME (EXPENSES)							
Interest income	68,603	59,268	9,054	3,788	1,786	142,499	-
Interest expense	(314,552)	-	-	(440,978)	(6,624)	(762,154)	-
Gain (loss) on disposal of capital assets	-	-	-	(111,062)	5,550	(105,512)	-
Income (loss) before contributions and transfers	1,660,738	3,286,818	300,279	17,368	1,070,136	6,335,339	-
Capital contributions	-	-	-	-	-	-	-
Transfers from other funds	-	297,136	-	-	-	297,136	-
Transfers to other funds	(1,005,377)	(2,803,424)	(488,447)	(272,410)	(446,660)	(5,016,318)	-
Change in net assets	655,361	780,530	(188,168)	(255,042)	623,476	1,616,157	-
Net assets (deficit), beginning of year	6,356,957	12,171,428	1,398,676	(2,436,721)	2,017,591	19,507,931	-
Net assets (deficit), end of year	$ 7,012,318	$12,951,958	$ 1,210,508	$ (2,691,763)	$ 2,641,067	$21,124,088	$ -

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2008

	Business Type Activities - Enterprise Funds						Governmental Activity
	Water and Sewer Fund	Electric Revenue Fund	Gas Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received from customers and users	$ 4,605,663	$ 16,896,367	$ 4,547,790	$ 4,054,173	$ 4,835,591	$ 34,939,584	$ 1,023,492
Other operating receipts	-	109,424	-	-	-	109,424	-
Cash payments to employees	(673,412)	(752,720)	(202,485)	-	(698,521)	(2,327,138)	(408,045)
Cash payments to suppliers	(1,462,124)	(12,249,644)	(4,015,139)	(2,720,385)	(2,625,882)	(23,073,174)	(907,985)
Net cash provided (used) by operating activities	2,470,127	4,003,427	330,166	1,333,788	1,511,188	9,648,696	(292,538)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from other funds	-	297,136	-	-	-	297,136	-
Transfers to other funds	(1,005,377)	(2,803,424)	(488,447)	(272,410)	(446,660)	(5,016,318)	-
Net change in due from general fund	(9,033)	132,745	11,980	-	(278,970)	(143,278)	-
Net change in due from other funds		(1,182,411)	93,960	-	(6,444)	(1,094,895)	(191,141)
Net change in due from component unit	-	-		-	-	-	-
Net change in due to general fund	-	36,699	269	(106,943)	-	(69,975)	483,679
Net change in due to other funds	440,416	19,583	79,206	604,112	142,719	1,286,036	-
Net cash provided (used) by noncapital financing activities	(573,994)	(3,499,672)	(303,032)	224,759	(589,355)	(4,741,294)	292,538
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from issuance of long - term debt	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	5,550	5,550	-
Proceeds from capital contributions	-	-	-	-	-	-	-
Acquisition and construction of capital assets	(552,876)	(595,365)	(22,694)	(37,229)	(395,056)	(1,603,220)	-
Principal payments on long - term debt	(458,427)	(15,356)	(10,983)	(617,755)	(125,706)	(1,228,227)	-
Interest paid	(315,522)	-	-	(446,678)	(6,624)	(768,824)	-
Net cash provided (used) by capital and related financing activities	(1,326,825)	(610,721)	(33,677)	(1,101,662)	(521,836)	(3,594,721)	-
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from sale of investments	-	-	-	-	-	-	-
Purchase of investments	-	(351,272)	-	-	-	(351,272)	-
Loan disbursements	-	-	-	-	-	-	-
Interest received	68,603	59,268	9,054	3,788	1,786	142,499	-
Net cash provided (used) by investing activities	68,603	(292,004)	9,054	3,788	1,786	(208,773)	-
Net increase (decrease) in cash and cash equivalents	637,911	(398,970)	2,511	460,673	401,783	1,103,908	-
Cash and cash equivalents, beginning of year	5,153,862	512,390	215,606	6,268	110,626	5,998,752	-
Cash and cash equivalents, end of year	$ 5,791,773	$ 113,420	$ 218,117	$ 466,941	$ 512,409	$ 7,102,660	$ -

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2008

	Business Type Activities - Enterprise Funds						Governmental Activity
	Water and Sewer Fund	Electric Revenue Fund	Gas Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES							
Operating income (loss)	$ 1,906,687	$ 3,227,550	$ 291,225	$ 565,620	$ 1,069,424	$ 7,060,506	$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	633,556	399,112	74,653	393,093	303,226	1,803,640	-
Unrealized (gain) loss on investment	(11,748)	-	-	-	-	(11,748)	-
Changes in assets and liabilities:							
(Increase) decrease in:							
Accounts receivable	(83,986)	179,187	(123,106)	90,129	12,259	74,483	(128,955)
Deferred charges	15,925	-	-	126,291	-	142,216	
Inventories	-	-	2,812	-	-	2,812	(189,502)
Other current assets	(6,347)	1,264	(423)	(142)	(4,290)	(9,938)	
Due from general fund	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from component unit	-	-	-	-	-	-	-
Increase (decrease) in:							
Accounts payable	12,971	191,660	83,964	159,884	104,580	553,059	17,847
Accrued expenses	3,069	4,654	1,041	(1,087)	25,989	33,666	8,072
Due to general fund	-	-	-	-	-	-	0
Due to other funds	-	-	-	-	-	-	-
Net cash provided (used) by operating activities	$ 2,470,127	$ 4,003,427	$ 330,166	$ 1,333,788	$ 1,511,188	$ 9,648,696	$ (292,538)

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
September 30, 2008

	Pension Trust Fund	Agency Fund-Municipal Court
ASSETS		
Cash and cash equivalents	$ 1,610,477	69,181
Investments:		
U.S. Government securities	1,585,910	-
Corporate bonds	1,129,497	-
Municipal bonds	1,482,211	-
Equities - common stock	3,039,153	-
Mutual funds	553,804	-
Certificate of deposit	325,000	-
Receivables:		
Accounts receivable, net	-	-
Employer and employee's contribution	-	-
Accrued investment income	56,944	-
Total assets	9,782,996	69,181
LIABILITIES		
Settlements payable	-	-
Due to others	-	69,181
Total liabilities	-	69,181
NET ASSETS		
Held in trust for pension benefits (a schedule of funding progress is presented in the notes to financial statements)	$ 9,782,996	$ -

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
For the Year Ended September 30, 2008

	Pension Trust Fund
ADDITIONS	
Contributions	
Employer	$ 268,492
Participants	268,492
Total contributions	536,984
Investment income	
Net appreciation in fair value of investments	-
Interest and dividends	433,650
Less - investment expenses	(78,480)
Net investment income	355,170
Total additions	892,154
DEDUCTIONS	
Net depreciation in fair value of investments	1,102,270
Pension benefits paid	460,107
Administrative expenses	22,568
Total deductions	1,584,945
Net increase	(692,791)
Net assets held in trust for pension benefits	
Beginning of year	10,475,787
End of Year	$ 9,782,996

See accompanying notes to financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

I. Reporting Entity

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

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

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

Downtown Development Authority of the City of Moultrie

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

II. Government-Wide and Fund Financial Statements

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

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

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

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

Government – Wide Financial Statements

The City's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of Governmental and Business-Type activities for the City. Fiduciary activities of the City are not included in these statements.

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

Certain eliminations have been made as prescribed by GASB Statement of Accounting Standards No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments* in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Assets 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 expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City reports the following major governmental funds:

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

Additionally, the City reports the following governmental fund types:

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

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

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

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

The City reports the following major enterprise funds:

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

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

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

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

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

> The *Pension Trust Fund* is used to account for the activities of the City's Employee Retirement Plan, which accumulates resources for pension benefit payments to qualified City employees.
>
> The *Municipal Court Agency Fund* is used to account for assets held by the County as an agent for individuals, private organizations, other governments, and the County departments.

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

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

Budgets

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

Cash and Cash Equivalents

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

Investments

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

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

Receivables

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

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

Inventories

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

Prepaid Items

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

Interfund Receivables / Payables

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

Restricted Assets

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

Capital Assets

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

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

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest capitalized is calculated by offsetting interest expense incurred (from the date of borrowing until the date of completion of the project) with interest earned on investment proceeds over the same period. During the year ended September 30, 2008, $122,336 of interest was capitalized within the component unit.

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

Governmental Assets:

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

Business-type Assets:

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

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.)

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

Deferred Compensation Plan

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

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, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, 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 reported as deferred charges and amortized over the term of the related debt.

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

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserved fund balances represent those portions of fund equity legally segregated for a specific future use or otherwise not appropriable for expenditure. Designated fund balances represent tentative management plans for future use of financial resources that are subject to change.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve the portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Fund and Capital Projects Funds. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at the end of the year. Encumbrances are re-appropriated in the following year, except for encumbrances in the Capital Projects Funds which are continuing. Encumbrances do not represent GAAP expenditures. At September 30, 2008, 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 B - BUDGETS AND BUDGETARY ACCOUNTING

I. Budget Process

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

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

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

II. Capital Projects Budget

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

III. Excess of Expenditures Over Appropriations in Individual Funds

The following General Fund departments incurred actual expenditures in excess of budgeted amounts for the year ended September 30, 2008:

Department		Excess of Expenditures Over Budgeted Amounts
City Council	$	103,034
Information Systems	$	118,520
Police	$	118,885
Debt Service	$	132,047

These over expenditures were funded by greater than anticipated revenues, transfers and by available fund balance.

The following funds had deficit fund balances / retained earnings as of September 30, 2008:

Fund		Deficit
Cable TV Fund	$	2,691,763

The fund deficits above are expected to be reduced through increased user charges and General Fund appropriations.

NOTE C - DEPOSITS AND INVESTMENTS

I. Cash on Deposit

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

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

The Georgia Code requires that depository institutions collateralize cash deposits of public funds. Depositories of public funds may secure deposits by the insurance of the F.D.I.C., pledged securities, or a combination of

these methods. The market value of pledged securities shall be equal to or not less than 100 percent of the deposited public funds.

As of September 30, 2008, the carrying amount of the City's deposits was $13,291,479 and the bank balance was $10,963,702. The deposits were classified as follows:

	Category			
	1	2	3	Total
Bank balance	$ 657,751	$ 10,305,951	$ --	$ 10,963,702

As of September 30, 2008, the carrying amount of deposits for the Downtown Development Authority was $2,082,378 and the bank balances were $2,100,170. The deposits were classified as follows:

	Category			
	1	2	3	Total
Bank balance	$ 500,000	$ 1,600,170	$ --	$ 2,100,170

II. Investments

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

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

The City is a participant in the Municipal Electric Authority of Georgia (MEAG). The MEAG board approves an annual system budget from which MEAG bills its participants. At the end of the year, adjustments are made by MEAG to each participant's billings to agree with actual cost. Whenever MEAG recovers funds from the City in excess of its actual costs to serve the City, the City can elect to have their funds deposited in MEAG's voluntary flexible operating account fund in lieu of receiving a refund. This voluntary stabilization fund is used to reduce future costs of the City at its discretion while also earning interest. The City is authorized to direct the MEAG to retain or use the discretionary funds. At September 30, 2008, the City's balance in the discretionary stabilization fund was $1,692,104.

Investments are categorized into three categories of credit risk:

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

As of September 30, 2008, the City's investments were classified as follows:

	Category				
	1	2	3	Cost	Fair Value
Pension Trust Fund					
U.S. Government Securities	$ --	$ 1,585,910	$ --	$ 1,595,312	$ 1,585,910
Municipal Bonds	--	1,482,211	--	1,507,695	1,482,211
Corporate Bonds	--	1,129,497	--	1,192,430	1,129,497
Equities – Common Stock	--	3,039,153	--	3,951,725	3,039,153
Mutual Funds	--	298,959	--	536,100	298,959
Certificate of Deposit	--	325,000	--	325,000	325,000
Asset-Backed Securities	--	254,845	--	254,054	254,845
Proprietary Funds					
U.S. Government Securities		1,412,610		1,400,862	1,412,610
Municipal Competitive Trust – Short -term	--	1,692,104	--	1,692,104	1,692,104
				$ 12,455,282	$ 11,220,289

As of September 30, 2008, the City's Credit and Interest Rate Risk related to the City's investments were as follows:

	Fair Value	Maturities	Credit Quality
Pension Trust Fund			
U.S. Government Securities	$ 1,585,910	November 6, 2014 thru June 8, 2020	Unavailable
Municipal Bonds	1,482,211	January 1, 2012 thru July 1, 2023	Unavailable
Corporate Bonds	1,129,497	November 1, 2008 thru December 1, 2015	Unavailable
Equities – Common Stock	3,039,153	Not applicable	Unavailable
Mutual Funds	298,959	Not applicable	Unavailable
Certificate of Deposit	325,000	August 13, 2009	Unavailable
Asset-Backed Securities	254,845	October 1, 2021	
Proprietary Funds			
U.S. Government Securities	1,412,610	October 1, 2008 thru October 10, 2010	Unavailable
Municipal Competitive Trust– Short -term	1,692,104	Not applicable	AAA
	$ 11,220,289		

III. Reconciliation of Cash and Investments to Financial Statement Presentation

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

Cash – Primary Government from above	$ 13,291,479
Investments from above	11,220,289
Total	$ 24,511,768
Amounts as presented on the entity-wide Statement of Net Assets	
Governmental Activities:	
Cash and cash equivalents	$ 4,219,114
Restricted cash and cash equivalents	290,047
Business-type Activities:	
Cash and cash equivalents	4,755,910
Investments	1,692,104
Restricted cash and cash equivalents	2,346,750
Restricted investments	1,412,610
Amounts as presented on the Statement of Fiduciary Net Assets	
Cash and cash equivalents	1,679,658
Investments	8,115,575
Total	$ 24,511,768

NOTE D – RECEIVABLES AND TAX REVENUE

I. Property Tax

Property taxes were levied in September 2007 and payable before December 2007 for the fiscal year 2008 tax. Property tax revenues are recognized when levied to the extent they result in current receivables. The City's fiscal year 2008 tax was levied prior to September 30, 2008 and was recorded as taxes receivable and deferred revenue within the City's General Fund.

The tax rate levied during fiscal year 2008 for the City's operations were 10.902 mills (mill equals $1 per thousand dollars of assessed value).

The City maintains no allowance for uncollectible property taxes at September 30, 2008.

II. Sales Tax

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

III. Receivables

Receivables as of September 30, 2008 are as follows:

	General Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Revenue Fund	Gas Revenue Fund
Accounts Receivable	$ 310,836	$ 1,251	$ 732,218	$ 2,406,389	$ 464,221
Property Tax Receivable	3,000,756	--	--	--	--
Sales Tax Receivable	115,190	--	--	--	--
Program Receivables	--	654,938	--	--	--
Gross Receivables	3,426,782	656,189	732,218	2,406,389	464,221
Less: Allowance for Uncollectibles	(115,161)	(87,512)	(204,187)	(617,094)	(135,363)
Net Total Receivables	$ 3,311,621	$ 568,677	$ 528,031	$ 1,789,295	$ 328,858

	Cable TV Fund	Nonmajor Enterprise Funds	Total
Accounts Receivable	$ 721,912	$ 279,140	$ 4,915,967
Property Tax Receivable	--	--	3,000,756
Sales Tax Receivable	--	--	115,190
Program Receivables	--	--	654,938
Gross Receivables	721,912	279,140	8,686,851
Less: Allowance for Uncollectibles	(343,580)	(110,420)	(1,613,317)
Net Total Receivables	$ 378,332	$ 168,720	$ 7,073,534

NOTE E – DUE FROM OTHER GOVERNMENTS

Due from other governments on the General Fund as of September 30, 2008 consisted of $25,764 due from the State of Georgia for grant program reimbursements.

NOTE F – INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

I. Interfund Receivables and Payables

Interfund receivables and payables result from timing differences related to payroll and other year end transactions which normally clear within one to two months. The composition of interfund receivables and payables as of September 30, 2008 is as follows:

	Due From				
Due To	General Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Revenue Fund	Gas Revenue Fund
General Fund	$ --	$ 2,939	$ --	$ 36,699	$ 773
Nonmajor Governmental Funds	179,731	100	--	--	--
Water and Sewer Fund	44,527	--	--	--	--
Electric Revenue Fund	--	--	1,396,079	--	371,645
Gas Revenue Fund	--	--	456,229	--	--
Cable TV Fund	--	--	--	--	--
Nonmajor Enterprise Funds	1,505,581	--	187,171	--	--
Internal Service Fund	--	1,526	16,956	19,583	7,771
Total	$ 1,729,839	$ 4,565	$ 2,056,435	$ 56,282	$ 380,189

	Due From			
Due To	Cable TV Fund	Nonmajor Enterprise Funds	Internal Service Fund	Total
General Fund	$ --	$ --	$ 1,346,847	$ 1,387,258
Nonmajor Governmental Funds	--	--	--	179,831
Water and Sewer Fund	--	--	--	44,527
Electric Revenue Fund	2,619,947	--	--	4,387,671
Gas Revenue Fund	150,000	--	--	606,229
Cable TV Fund	--	--	--	--
Nonmajor Enterprise Funds	--	--	--	1,692,752
Internal Debt Service	72,678	622,797	--	741,311
Total	$ 2,842,625	$ 622,797	$ 1,346,847	$ 9,039,579

The composition of receivables and payables between the City and its component unit as of September 30, 2008 is as follows:

Due To	Due From Downtown Development Authority
General Fund	$ --
Total	$ --

I. Interfund Transfers

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

Interfund transfers for the year ended September 30, 2008, consisted of the following:

	Transfer To				
Transfer From	General Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Revenue Fund	Gas Revenue Fund
General Fund	$ --	$ --	$ --	$ --	$ --
Nonmajor Governmental Funds	9,550	--	--	--	--
Water and Sewer Fund	865,488	--	--	139,889	--
Electric Revenue Fund	2,803,424	--	--	--	--
Gas Revenue Fund	417,012	--	--	71,435	--
Cable TV Fund	186,598	--	--	85,812	--
Nonmajor Enterprise Funds	446,660	--	--	--	--
Total	$ 4,728,732	$ --	$ --	$ 297,136	$ --

	Transfer To		
Transfer From	Cable TV Fund	Nonmajor Enterprise Funds	Total
General Fund	$ --	$ --	$ --
Nonmajor Governmental Funds	--	--	9,550
Water and Sewer Fund	--	--	1,005,377
Electric Revenue Fund	--	--	2,803,424
Gas Revenue Fund	--	--	488,447
Cable TV Fund	--	--	272,410
Nonmajor Enterprise Funds	--	--	446,660
Total	$ --	$ --	$ 5,025,868

Transfers between the City and its component unit for the year ended September 30, 2008 is as follows:

Transfer From	Transfer To Downtown Development Authority
General Fund	$ --
Total	$ --

NOTE G – CAPITAL ASSETS

The following is a summary of capital asset activity as of September 30, 2008:

Primary Government

Governmental Activities:

	Balance September 30, 2007	Increases	Decreases	Balance September 30, 2008
Capital assets, not being depreciated:				
Land and land improvements	$ 1,394,670	$ --	$ --	$ 1,394,670
Construction in progress	--	--	--	--
Total capital assets not being depreciated	1,394,670	--	--	1,394,670
Other capital assets				
Buildings and improvements	12,915,446	24,937	--	12,940,383
Machinery and equipment	5,844,847	482,336	--	6,327,183
Infrastructure	3,129,219	631,754	--	3,760,973
Total other capital assets at cost	21,889,512	1,139,027	--	23,028,539
Less accumulated depreciation for				
Buildings and improvements	(4,826,518)	(408,079)	--	(5,234,597)
Machinery and equipment	(4,074,814)	(411,417)	--	(4,486,231)
Infrastructure	(619,596)	(152,648)	--	(772,244)
Total accumulated depreciation	(9,520,928)	(972,144)	--	(10,493,072)
Other capital assets, net	12,368,584	166,883	--	12,535,467
Governmental activities capital assets, net	$ 13,763,254	$ 166,883	$ --	$ 13,930,137

Business-type activities:

	Balance September 30, 2007	Increases	Decreases	Balance September 30, 2008
Capital assets, not being depreciated:				
Land and land improvements	$ 1,328,053	$ --	$ --	$ 1,328,053
Construction in progress	--	--	--	--
Total capital assets not being depreciated	1,328,053	--	--	1,328,053
Other capital assets				
Buildings	2,210,422	159,069	--	2,369,491
Improvements other than buildings	48,549,738	733,361	--	49,283,099
Machinery and equipment	7,180,723	1,245,953	(30,823)	8,395,853
Total other capital assets at cost	57,940,883	2,138,383	(30,823)	60,048,443
Less accumulated depreciation for				
Buildings	(1,261,353)	(72,129)	--	(1,333,482)
Improvements other than buildings	(29,707,174)	(1,280,967)	--	(30,988,141)
Machinery and equipment	(5,623,061)	(450,544)	30,823	(6,042,782)
Total accumulated depreciation	(36,591,588)	(1,803,640)	30,823	(38,364,405)
Other capital assets, net	21,349,295	334,743	--	21,684,038
Business-type activities capital assets, net	$ 22,677,348	$ 334,743	$ --	$ 23,012,091

Depreciation expense was charged to functions as follows:

Governmental activities	
General government	$ 105,826
Public safety	311,302
Public works	334,249
Parks and recreation	216,008
Community development	4,759
Total governmental activities depreciation expense	972,144
Business-type activities	
Water and sewer	633,556
Electric	399,112
Gas	74,653
Cable TV	393,092
Sanitation	131,412
Airport operations	86,095
Telecommunications	85,720
Total business-type activities depreciation expense	1,803,640
Total depreciation expense	$ 2,775,784

Component Units

Capital asset activity for the Downtown Development Authority of the City of Moultrie, a discretely presented component unit for the year ended September 30, 2008 is as follows:

Governmental Activities:

The Authority had no governmental capital asset activity for the year ended September 30, 2008.

Business-type activities:

	Balance September 30, 2007	Increases	Decreases	Balance September 30, 2008
Capital assets, not being depreciated:				
Land	$ 397,296	$ --	$ --	$ 397,296
Total capital assets not being depreciated	397,296	--	--	397,296
Other capital assets				
Buildings	2,156,568	--	--	2,156,568
Total other capital assets at cost	2,156,568	--	--	2,156,568
Less accumulated depreciation for				
Buildings	(1,095,445)	(107,828)	--	(1,203,273)
Total accumulated depreciation	(1,095,445)	(107,828)	--	(1,203,273)
Other capital assets, net	1,061,123	(107,828)	--	953,295
Business-type activities capital assets, net	$ 1,458,419	$ (107,828)	$ --	$ 1,350,591

Depreciation expense was charged to functions as follows:

Governmental activities	$ --
Business-type activities	107,828
Total depreciation expense	$ 107,828

NOTE H – SHORT TERM DEBT

At September 30, 2008, the Cable TV Fund had revolving line of credit agreements with banks whereby it may borrow up to $1 million at 5.12% to fund short term budget deficits. The revolving line of credit agreements mature on December 4, 2008.

Short-term liability activity for the year ended September 30, 2008, was as follows:

	Balance September 30, 2007	Increases	Decreases	Balance September 30, 2008
Business-type activities:				
Lines of Credit	$ 910,000	$ --	$ --	$ 910,000
Business-type activities short-term liabilities	$ 910,000	$ --	$ --	$ 910,000

NOTE I – LONG TERM DEBT

I. Revenue Bonds

The City issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. The City's enterprise funds' revenue bonds outstanding at September 30, 2008, are as follows:

Enterprise Fund and Description	Original Amount	Interest Rate	Due Date	Amount
Water and Sewer Fund - Combined Utility, Series 1998	$ 8,500,000	4.00 – 4.55%	2018	$ 5,935,000
Cable TV Fund – South Georgia Governmental Services Authority, Series 2004	10,180,000	2.00 – 5.00%	2016	8,435,000
				14,370,000
		Unamortized discount / premium / issuance costs / loss		(788,858)
		Less current portion		(1,060,000)
				$ 12,521,142

Combined Utility Revenue Bonds, Series 1998

The City of Moultrie Combined Utility Revenue Bonds, Series 1998 were issued November 1, 1998. The Series 1998 bonds were issued to provide funds to finance the cost of adding to, extending, improving and equipping the water and sewer facilities of the City's utility system and costs of issuing the 1998 bonds.

South Georgia Governmental Services Authority Revenue Bonds, Series 2004

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

The issuance of the Series 2004 bonds effectively paid off, via an advance refunding, the City's outstanding Moultrie-Colquitt County Development Authority Revenue Bonds, Series 2000 in the amount of $8.55 million. The defeased Series 2000 bonds are outstanding at September 30, 2008 in the amount of $8.55 million.

The annual debt service requirement to maturity of the Revenue Bonds at September 30, 2008 is as follows:

Year Ending September 30	Principal	Interest	Total
2009	$ 1,060,000	$ 567,256	$ 1,627,256
2010	1,190,000	527,009	1,717,009
2011	1,310,000	482,504	1,792,504
2012	1,440,000	431,451	1,871,451
2013-2018	9,370,000	1,343,825	10,713,825
	$ 14,370,000	$ 3,352,045	$ 17,722,045

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

The City's component unit's revenue bonds outstanding at September 30, 2008, are as follows:

	Original Amount	Interest Rate	Due Date	Amount
Downtown Development Authority – Series A	$ 1,580,000	5.95%	2017	$ 1,300,000
Downtown Development Authority – Series B	$ 2,410,000	4.92%	2028	$ 2,345,000
				3,645,000
			Unamortized issuance and refunding costs	(217,480)
			Less current portion	(185,000)
				$ 3,242,520

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

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

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

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

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

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

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

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

Year Ending September 30	Principal	Interest	Total
2009	$ 195,000	$ 189,526	$ 374,526
2010	205,000	178,347	378,347
2011	215,000	166,625	376,625
2012	225,000	154,605	369,605
2013	235,000	141,744	371,744
2014-2018	1,055,000	498,411	1,708,411
2019-2023	590,000	288,804	878,804
2024-2029	925,000	120,294	1,045,294
	$ 3,645,000	$ 1,738,356	$ 5,503,356

II. Other Long-Term Debt

The Water and Sewer Fund has incurred debt to the Georgia Environmental Facilities Authority for utility system improvements. This note is as follows at September 30, 2008:

Original Amount	Interest Rate	Due Date	Amount
$ 727,730	5.43%	2018	$ 459,678
		Less Current Portion	(35,633)
			$ 424,045

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

Year Ending September 30	Principal	Interest	Total
2009	$ 35,633	$ 24,242	$ 59,875
2010	37,607	22,268	59,875
2011	39,691	20,184	59,875
2012	41,891	17,984	59,875
2013	44,212	15,663	59,875
2014-2018	260,644	38,734	299,378
	$ 459,678	$ 139,075	$ 598,753

The General Fund has incurred debt to a bank for the purchase of real estate. This note is as follows at September 30, 2008:

Original Amount	Interest Rate	Due Date	Amount
$ 700,000	4.25%	2017	$ 642,684
		Less Current Portion	(59,801)
			$ 582,883

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

Year Ending September 30	Principal	Interest	Total
2009	$ 59,801	$ 27,853	$ 87,654
2010	62,393	25,261	87,654
2011	65,097	22,557	87,654
2012	67,918	19,736	87,654
2013	70,862	16,792	87,654
2014-2018	316,613	35,101	351,714
	$ 642,684	$ 147,300	$ 789,984

III. Capital Leases

The City has entered into several lease agreements as lessee for financing the acquisition of equipment and a fire station through the Georgia Municipal Association direct installment program. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term) and have been recorded

at the present values of the future minimum lease payments as of the date of their inceptions. These leases are being serviced by General Fund, Water and Sewer Fund, Solid Waste Fund, and Telecommunications Fund payments with annual interest rates varying from 2.57% to 4.71%.

The following is an analysis of equipment leased under capital leases as of September 30, 2008:

		Business-type Activities		
	Governmental Activities	Water and Sewer	Solid Waste Fund	Tele-communications Fund
Buildings and improvements	$ 451,026	$ --	$ --	$ --
Equipment	1,272,538	239,865	493,801	434,488
Less accumulated depreciation	(1,023,444)	(3,998)	(137,887)	(377,316)
Carrying value	$ 700,120	$ 235,867	$ 355,914	$ 57,172

The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments at September 30, 2008:

		Business-type Activities			
	Governmental Activities	Water and Sewer	Solid Waste Fund	Tele-communications Fund	Totals
Year Ending September 30,					
2009	$ 66,726	$ 84,270	$ 108,892	$ --	$ 259,888
2010	66,362	84,270	52,967	--	203,599
2011	57,683	63,204	52,904	--	173,791
2012	11,955	--	52,838	--	64,793
2013	--	--	52,473	--	52,473
2014-2017	--	--	40,569	--	40,569
Total minimum lease payments	202,726	231,744	360,643	--	795,113
Less amount representing interest	(12,282)	(11,976)	(24,806)	--	(49,064)
Present value of future Minimum lease payments	$ 190,444	$ 219,768	$ 335,837	$ --	$ 746,049

IV. Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2008, was as follows:

	Balance September 30, 2007	Increases	Decreases	Balance September 30, 2008	Due Within One Year
Governmental activities:					
Notes Payable	$ 700,000	$ --	$ (57,316)	$ 642,684	$ 59,801
Capital leases	239,361	203,512	(252,429)	190,444	60,381
Compensated absences	179,337	--	(169,486)	9,851	--
Governmental activities long-term liabilities	$ 1,118,698	$ 203,512	$ (479,231)	$ 842,979	$ 120,182
Business-type activities:					
Revenue bonds	15,330,000	--	(960,000)	14,370,000	1,060,000
Less deferred amounts:					
For issuance discounts	$ (883,318)	$ --	$ 94,460	$ (788,858)	$ --
Total bonds payable	14,446,682	--	(865,540)	13,581,142	1,060,000
Notes payable	493,439	--	(33,761)	459,678	35,633
Capital leases	153,162	535,163	(274,936)	413,389	175,338
Compensated absences	56,522	--	(53,990)	2,532	--
Environmental remediation liability	210,000	--	--	210,000	105,000
Business –type activities long-term liabilities	$ 15,359,805	$ 535,163	$ (1,228,227)	$ 14,666,741	$ 1,375,971

Long-term liability activity for the City's component unit for the year ended September 30, 2008, was as follows:

	Balance September 30, 2007	Increases	Decreases	Balance September 30, 2008	Due Within One Year
Business-type activities:					
Revenue bonds	$ 3,945,000	$ --	$ (300,000)	$ 3,645,000	$ 185,000
Less deferred amounts:					
For issuance and refunding costs	(232,140)	--	14,660	(217,480)	--
Governmental activities long-term liabilities	$ 3,712,860	$ --	$ (285,340)	$ 3,427,520	$ 185,000

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

NOTE J – LEASING ACTIVITIES

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

At September 30, 2008, the amount of property and buildings leased by the USPS which is included on the statement of net assets of the Downtown Development Authority is $953,295, net of accumulated depreciation of $1,203,285.

At September 30, 2008, the minimum future lease payments to be received under the operating lease are as follows:

Year Ending September 30	Total
2009	$ 213,505
2010	213,505
2011	213,505
2012	213,505
2013	213,505
2014	213,505
2015-2018	854,020
	$ 2,135,050

NOTE K – RESERVATIONS OF FUND BALANCES

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

Fund balance reservations at September 30, 2008 include:

Capital Projects Funds	
Reserved for specific projects to reflect resources funded by Special Purpose Local Option Sales Tax and Federal grants	$ 960,695
Special Revenue Funds	
Reserved for restricted purposes to reflect resources legally restricted for specific purposes	$ 21,323

NOTE L – PENSION PLAN

I. Plan Description

The City of Moultrie 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 and the board of trustees. The board of trustees acts in the dual capacity of the administrator of the Plan and the trustee of the trust fund created in accordance with the Plan and the Trust Agreement. Benefit provisions and contributions are established and may be amended by the City Council.

The Plan covers all full-time employees of the City of Moultrie. Employees become eligible to participate in the Plan after six months and are fully vested after ten years. Prior to October 1, 1994, the Plan excluded employees for whom the City made contributions directly or indirectly to another retirement program. Employees in this category (firefighters and police officers) became participants in the Plan on October 1, 1994, if they filed an application to participate. Benefit provisions are established by City Ordinance. The Plan provides retirement, disability and death benefits to Plan members and beneficiaries. At October 1, 2007, the date of the most recent actuarial valuation, there were 294 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	52
Vested terminated employees not yet receiving benefits	31
Active employees	211
Total	294

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

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

II. Summary of Significant Accounting Policies

Basis of Accounting

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

Method Used to Value Investments

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. Investments that do not have an established market are reported at estimated fair value.

Contributions

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

The annual required contribution for the year ended September 30, 2008 was determined as part of the October 1, 2007, actuarial valuation using the aggregate actuarial cost method. This method does not identify or separately amortize unfunded actuarial liabilities. The actuarial assumptions included a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually and net of investment expenses, b) projected salary increases of 3.75% per year and c) no inflation rate assumption.

Annual Pension Cost and Net Pension Obligation

	For the Plan Year Ending September 30,		
	2006	2007	2008
Annual required contribution	$ 175,665	$ 140,774	$ 236,165
Interest on net pension obligation	(15,486)	(15,486)	(24,171)
Adjustment to annual required contribution	7,543	7,543	17,841
Annual pension cost	167,722	132,831	229,835
Contributions made	(205,476)	(272,648)	(292,706)
Increase (decrease) in net pension obligation	(37,754)	(139,817)	(62,871)
Net pension (asset), beginning of year	(155,816)	(193,570)	(333,387)
Net pension (asset), end of year	$ (193,570)	$ (333,387)	$ (396,258)

Schedule of Employer Contributions

Year Ended September 30,	Annual Required Contribution	Percentage of Annual Required Contribution Contributed
2004	$ 240,377	100%
2005	$ 219,405	100%
2006	$ 140,774	100%
2007	$ 236,165	100%
2008	$ 219,581	100%

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded (Excess) AAL (UAAL) (b – a)	Funded Ratio (a / b)	Covered Payroll (c)	Unfunded (Excess) as a Percentage Of Covered Payroll ((b-a) / c)
10/1/05	9,085,219	5,707,097	(3,378,122)	159.2%	5,350,039	(63.1)%
10/1/06	9,340,945	7,073,745	(2,267,200)	132.1%	6,171,145	(36.7)%
10/1/07	10,475,787	7,862,735	(2,613,052)	133.2%	6,238,450	(41.9)%

NOTE M – JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the eight county west central Georgia area, is a member of the Southwest Georgia Regional Development Center (RDC) and is required to pay annual dues thereto. During the year ended September 30, 2008, the City paid $13,050 in such dues. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA), Section 50-8-34, which provides for the organizational structure of the RDC in Georgia. The RDC 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 RDC. Separate financial statements may be obtained from:

Southwest Georgia Regional Development Center
P.O. Box 346
Camilla, Georgia 31730

The City of Moultrie, in conjunction with the Cities of Cairo, Camilla and Thomasville, who provide distribution of broadband cable television and internet services under the trade name "CNS", created the South Georgia Business Development Authority (SGBDA). The SGBDA was created and activated under the provisions of the Development Authority Law of the State of Georgia (O.C.G.A. 36-62-1) for the purpose of providing governmental, proprietary and administrative services and facilities to the Cities of Cairo, Camilla, Moultrie, and Thomasville and other subdivisions, agencies and authorities within its area of operation. Each member city has contracted with the SGBDA to provide management and marketing services for its individually owned broadband communications system. Pursuant to the agreement, the SGBDA procures certain goods and services on behalf of the member cities when cost effective. The SGBDA is reimbursed by each member city for any expense incurred on its behalf. The member cities provide funding on an annual basis to the SGBDA in the form of dues and contributed capital. The City paid the SGBDA $35,729 in such dues for the year ended September 30, 2008. The City of Moultrie's equity investment in the SGBDA is $1,016,636 and is recorded within the Cable TV enterprise fund. The SGBDA board is made up of eight members, two appointed by each participating city for one year terms. Separate financial statements may be obtained from:

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

Under an agreement with the Moultrie – Colquitt County Development Authority (MCCDA) in conjunction with Colquitt County, the City of Moultrie provides funding on an annual basis to the MCCDA. The City paid the MCCDA $75,000 for the year ended September 30, 2008. The MCCDA board is made up of eleven members, four appointed by the County, four appointed by the City and three appointed by the previously appointed eight. The MCCDA is charged with promoting industry and the development of trade, by inducing manufacturing, industrial and commercial enterprises to locate in Moultrie and Colquitt County. Separate financial statements may be obtained from:

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

NOTE N – RELATED ORGANIZATION

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

NOTE O – HOTEL / MOTEL LODGING TAX

The City has levied a 5% lodging tax. Of this percentage, 2% is allocated each year to the Moultrie/Colquitt County Chamber of Commerce for use in the promotion of tourism within the City. For the year ended September 30, 2008, $155,229 of hotel/motel tax was collected and $30,675 was remitted to the Chamber of Commerce.

NOTE P - RISK MANAGEMENT

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

Property and General Liability and Workers' Compensation

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

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

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

Group Medical Benefits

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

	Year Ended September 30, 2007	Year Ended September 30, 2008
Unpaid claims, beginning of year	$ 352,594	$ 214,016
Incurred claims (including IBNRs)	1,786,790	3,114,207
Claim Payments	(1,925,368)	(3,067,223)
Unpaid claims, end of year	$ 214,016	$ 261,000

Settlements

During the year ended September 30, 2008, 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, 2006, 2007 and 2008.

NOTE Q – COMMITMENTS AND CONTINGENCIES

Litigation

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

Grants from Governments

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

Agreements with the Municipal Electric Authority of Georgia

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

As of September 30, 2008, the City is an electric utility participant in MEAG and obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all of its future power and energy requirements in excess of that received by the City through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by the Authority. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating City has guaranteed a portion of the unpaid debt based on its individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts amounted to $11,384,753 in 2008.

At September 30, 2008, the outstanding debt of MEAG was approximately $3.42 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately $93 million at September 30, 2008.

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 2016, are general obligations of the City to

which the City's full faith, credit and taxing powers are pledged. The City's obligation to MGAG for gas supply costs are based on MGAG costs to provide such supply, including bonds issues to purchase long-term rights to bulk supply. The total payments under these contracts amounted to $3,739,239 for the year ended September 30, 2008.

At September 30, 2008, MGAG's bonds to which the City's obligation share is applicable were outstanding in the approximate principal amount of $110 million. The City's obligation share of that amount totals approximately $1.45 million at September 30, 2008.

NOTE R – POST RETIREMENT HEALTH CARE

From September 1, 2007 through October 15, 2007, the City of Moultrie offered enrollment for post retirement health insurance benefits under the City's self-insured group medical plan (the Plan) covering employees that were 55 years of age, had completed 15 years of service with the City and had elected retirement by November 1, 2007. Participants are required to contribute a portion of the premiums and are eligible for benefits until the age at which they qualify for Medicare.

At September 30, 2008, five employees were eligible and receiving benefits under the Plan. For the year ended September 30, 2008, the cost of premiums for providing post-retirement health care was $31,160.

Supplementary Information

CITY OF MOULTRIE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2008

	Special Revenue Funds		Capital Projects Funds			
	Multiple Grants	Hotel / Motel Tax	SPLOST	Paving Program	Community Development	Total
ASSETS						
Cash and cash equivalents	$ -	$ 31,292	$ 2,298,011	$ -	$ -	$ 2,329,303
Investments	-	-	-	-	-	-
Accounts receivable, net	-	1,251	-	-	-	1,251
Property tax receivable	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Due from component unit	-	-	-	-	-	-
Due from general fund	100	-	-	179,731	-	179,831
Due from other funds	-	-	-	-	-	-
Restricted assets:						-
Cash and cash equivalents	3,161	-	-	196	286,690	290,047
Investments	-	-	-	-	-	-
Sales tax receivable	-	-	-	-	-	-
Program receivables	-	-	-	-	567,426	567,426
Total assets	3,261	32,543	2,298,011	179,927	854,116	3,367,858
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	-	7,530	-	-	-	7,530
Accrued expenses	-	1,781	-	-	-	1,781
Customer deposits	-	-	-	-	-	-
Deferred revenues	-	-	-	-	72,977	72,977
Due to other governments	-	-	17,591	-	-	17,591
Due to General Fund	670	-	2,169	-	100	2,939
Due to other funds	-	-	1,526	100	-	1,626
Liabilities payable from restricted assets	4,500	-	22,425	-	171	27,096
Total liabilities	5,170	9,311	43,711	100	73,248	131,540
Fund balances						
Reserved for:						
Debt service	-	-	-	-	-	-
Specific projects	-	-	-	179,827	780,868	960,695
Public services	(1,909)	23,232	-	-	-	21,323
Unreserved	-		2,254,300	-	-	2,254,300
Total fund balances (deficit)	(1,909)	23,232	2,254,300	179,827	780,868	3,236,318
Total liabilities and fund balances	$ 3,261	$ 32,543	$ 2,298,011	$ 179,927	$ 854,116	$ 3,367,858

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2008

	Special Revenue Funds		Capital Projects Funds			
	Multiple Grants	Hotel / Motel Tax	SPLOST	Paving Program	Community Development	Total
REVENUES						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Local option sales taxes	-	-	2,117,086	-	-	2,117,086
Other taxes and licenses	-	155,572	-	-	-	155,572
Fines, forfeitures and fees	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	-	-	36,591	-	26,891	63,482
Intergovernmental	427,734	-	-	6,636	-	434,370
Other revenues	-	33,693	-	-	-	33,693
Total revenues	427,734	189,265	2,153,677	6,636	26,891	2,804,203
EXPENDITURES						
Current:						
General government	-	211,238	-	-	-	211,238
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Nondepartmental	-	-	-	-	-	-
Capital outlays	496,463	-	711,036	9,419	279	1,217,197
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	496,463	211,238	711,036	9,419	279	1,428,435
Excess (deficiency) of revenues over expenditures	(68,729)	(21,973)	1,442,641	(2,783)	26,612	1,375,768
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	(9,550)	-	-	-	(9,550)
Sale of capital assets	-	-	-	-	-	-
Long - term debt issued	-	-	-	-	-	-
Total other financing sources (uses)	-	(9,550)	-	-	-	(9,550)
Net change in fund balances	(68,729)	(31,523)	1,442,641	(2,783)	26,612	1,366,218
Fund balances (deficit), beginning of year	66,820	54,755	811,659	182,610	754,256	1,870,100
Fund balances (deficit), end of year	$ (1,909)	$ 23,232	$ 2,254,300	$ 179,827	$ 780,868	$ 3,236,318

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MULTIPLE GRANTS FUND
For the Year Ended September 30, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Local option sales taxes	-	-	-	-
Other taxes and licenses	-	-	-	-
Fines, forfeitures and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income		-	-	-
Intergovernmental	427,734	427,734	427,734	-
Other revenues	-	-	-	-
Total revenues	427,734	427,734	427,734	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Nondepartmental	-	-	-	-
Capital outlays	491,450	491,450	496,463	(5,013)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	491,450	491,450	496,463	(5,013)
Excess (deficiency) of revenues over expenditures	(63,716)	(63,716)	(68,729)	(5,013)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(63,716)	(63,716)	(68,729)	(5,013)
Fund balances, beginning of year	66,820	66,820	66,820	-
Fund balances, end of year	$ 3,104	3,104	$ (1,909)	$ (5,013)

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HOTEL / MOTEL TAX FUND
For the Year Ended September 30, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Property taxes	$ -	-	$ -	$ -
Local option sales taxes	-	-	-	-
Other taxes and licenses	153,000	153,000	155,572	2,572
Fines, forfeitures and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Intergovernmental	-	-	-	-
Other revenues	38,000	38,000	33,693	(4,307)
Total revenues	191,000	191,000	189,265	(1,735)
EXPENDITURES				
Current:				
General government	217,445	217,445	211,238	6,207
Public safety	-	-	-	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Nondepartmental	-	-	-	-
Capital outlays	-	-	-	-
Debt service:				-
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	217,445	217,445	211,238	6,207
Excess (deficiency) of revenues over expenditures	(26,445)	(26,445)	(21,973)	4,472
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Transfers to other funds	(13,403)	(13,403)	(9,550)	3,853
Sale of capital assets	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	(13,403)	(13,403)	(9,550)	3,853
Net change in fund balances	(39,848)	(39,848)	(31,523)	8,325
Fund balances, beginning of year	54,755	54,755	54,755	-
Fund balances, end of year	$ 14,907	14,907	$ 23,232	$ 8,325

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
September 30, 2008

	Business Type Activities - Enterprise Funds					
	Solid Waste Fund	Airport Fund	Tele-Communications Fund	Warehouse Fund	Utilities Deposit Funds	Total
ASSETS						
Current assets						
Cash and cash equivalents	$ -	$ -	$ 512,409	$ -	$ -	$ 512,409
Investments	-	-	-	-	-	-
Accounts receivable, net	160,320	1,460	6,940	-	-	168,720
Inventories	-	-	-	-	-	-
Other current assets	30,674	11,886	-	-	-	42,560
Total current assets	190,994	13,346	519,349	-	-	723,689
Non - current assets						
Due from general fund	943,057	100,104	6,005	-	456,415	1,505,581
Due from other funds	-	-	-	-	187,171	187,171
Due from component unit	-	-	-	-	-	-
Investment in SGBDA	-	-	-	-	-	-
Restricted assets - cash	-	-	-	-	-	-
Restricted assets - investments	-	-	-	-	-	-
Capital assets:						
Land	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-
Other capital assets, net of accumulated depreciation	907,222	883,000	177,063	-	-	1,967,285
Total assets	2,041,273	996,450	702,417	-	643,586	4,383,726
LIABILITIES						
Current liabilities						
Accounts payable	121,013	3,366	47,294	-	-	171,673
Accrued expenses	12,794	5,508	-	-	-	18,302
Lines of credit	-	-	-	-	-	-
Current portion of long - term debt	98,020	-	-	-	-	98,020
Customer deposits	-	-	-	-	593,013	593,013
Due to other governments	-	-	-	-	-	-
Due to general fund	-	-	-	-	-	-
Due to other funds	574,491	48,306	-	-	-	622,797
Liabilities payable from restricted assets:						
Current portion of long term debt	-	-	-	-	-	-
Total current liabilities	806,318	57,180	47,294	-	593,013	1,503,805
Long - term debt, net of current portion	238,854	-	-	-	-	238,854
Other liabilities - environmental remediation	-	-	-	-	-	-
Total liabilities	1,045,172	57,180	47,294	-	593,013	1,742,659
NET ASSETS						
Invested in capital assets, net of related debt	571,386	883,000	177,063	-	-	1,631,449
Restrcited for debt service	-	-	-	-	-	-
Unrestricted (deficit)	424,715	56,270	478,060	-	50,573	1,009,618
Total net assets	$ 996,101	$ 939,270	$ 655,123	$ -	$ 50,573	$ 2,641,067

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2008

	Business Type Activities - Enterprise Funds					
	Solid Waste Fund	Airport Fund	Tele-Communications Fund	Warehouse Fund	Utilities Deposit Funds	Total
OPERATING REVENUES						
Utility revenues	$ -	$ -	$ -	$ -	$ -	$ -
Charges for services	2,660,133	480,249	1,661,975	-	-	4,802,357
Intergovernmental	-	-	-	-	-	-
Total operating revenues	2,660,133	480,249	1,661,975	-	-	4,802,357
OPERATING EXPENSES						
Salaries and wages	682,498	21,037	-	-	-	703,535
Operating, administrative and maintenance	1,488,432	83,439	1,154,301	-	-	2,726,172
Depreciation	131,412	86,094	85,720	-	-	303,226
Total operating expenses	2,302,342	190,570	1,240,021	-	-	3,732,933
Operating income (loss)	357,791	289,679	421,954	-	-	1,069,424
NON - OPERATING INCOME (EXPENSES)						
Interest income	-	-	1,786	-	-	1,786
Interest expense	(6,624)	-	-	-	-	(6,624)
Gain (loss) on disposal of capital assets	-	5,550	-	-	-	5,550
Income (loss) before contributions and transfers	351,167	295,229	423,740	-	-	1,070,136
Capital contributions	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	(245,408)	(98,439)	(102,813)	-	-	(446,660)
Change in net assets	105,759	196,790	320,927	-	-	623,476
Net assets, beginning of year	890,342	742,480	334,196	-	50,573	2,017,591
Net assets, end of year	$ 996,101	$ 939,270	$ 655,123	$ -	$ 50,573	$ 2,641,067

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2008

	Business Type Activities - Enterprise Funds					
	Solid Waste Fund	Airport Fund	Tele-Communications Fund	Warehouse Fund	Utilities Deposit Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers and users	$ 2,659,221	$ 494,954	$ 1,660,536	$ -	$ 20,880	$ 4,835,591
Other operating receipts	-	-	-	-	-	-
Cash payments to employees	(677,484)	(21,037)	-	-	-	(698,521)
Cash payments to suppliers	(1,436,653)	(82,222)	(1,107,007)	-	-	(2,625,882)
Net cash provided (used) by operating activities	545,084	391,695	553,529	-	20,880	1,511,188
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	(245,408)	(98,439)	(102,813)	-	-	(446,660)
Net change in due from general fund	(291,828)	27,294	-	-	(14,436)	(278,970)
Net change in due from other funds	-	-	-	-	(6,444)	(6,444)
Net change in due from component unit	-	-	-	-	-	-
Net change in due to general fund	-	-	-	-	-	-
Net change in due to other funds	139,926	2,793	-	-	-	142,719
Net cash provided (used) by noncapital financing activities	(397,310)	(68,352)	(102,813)	-	(20,880)	(589,355)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from issuance of long - term debt	-	-	-	-	-	-
Proceeds from sale of assets	-	5,550	-	-	-	5,550
Proceeds from capital contributions	-	-	-	-	-	-
Acquisition and construction of capital assets	(16,918)	(327,419)	(50,719)	-	-	(395,056)
Principal payments on long - term debt	(124,232)	(1,474)		-	-	(125,706)
Interest paid	(6,624)	-	-	-	-	(6,624)
Net cash provided (used) by capital and related financing activities	(147,774)	(323,343)	(50,719)	-	-	(521,836)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of investments	-	-	-	-	-	-
Purchase of investments	-	-	-	-	-	-
Loan disbursements	-	-	-	-	-	-
Interest received	-	-	1,786	-	-	1,786
Net cash provided (used) by investing activities	-	-	1,786	-	-	1,786
Net increase (decrease) in cash and cash equivalents	-	-	401,783	-	-	401,783
Cash and cash equivalents, beginning of year	-	-	110,626	-	-	110,626
Cash and cash equivalents, end of year	$ -	$ -	$ 512,409	$ -	$ -	$ 512,409

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2008

	Business Type Activities - Enterprise Funds					
	Solid Waste Fund	Airport Fund	Tele-Communications Fund	Warehouse Fund	Utilities Deposit Funds	Total
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	$ 357,791	$ 289,679	$ 421,954	$ -	$ -	$ 1,069,424
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	131,412	86,094	85,720	-	-	303,226
Changes in assets and liabilities:						
(Increase) decrease in:						
Accounts receivable	(912)	14,610	(1,439)	-	-	12,259
Inventories	-	-	-		-	-
Other current assets	(3,616)	(674)	-	-	-	(4,290)
Due from general fund	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from component unit	-	-	-	-	-	-
Increase (decrease) in:						
Accounts payable	55,395	1,891	47,294		-	104,580
Accrued expenses	5,014	95	-		20,880	25,989
Due to general fund	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Net cash provided (used) by operating activities	$ 545,084	$ 391,695	$ 553,529	$ -	$ 20,880	$ 1,511,188

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CASH FLOWS
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
For the Year Ended September 30, 2008

	Downtown Development Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers and users	$ 219,631
Other operating receipts	-
Cash payments to employees	-
Cash payments to suppliers	(6,048)
Net cash provided (used) by operating activities	213,583
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	-
Transfers to other funds	-
Net change in due from general fund	-
Net change in due from other funds	-
Net change in due from component unit	-
Net change in due to general fund	(23,960)
Net change in due to other funds	-
Net cash provided (used) by noncapital financing activities	(23,960)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	-
Principal payments - revenue bonds	(285,340)
Proceeds from bond offering	-
Defeasance of revenue bonds	-
Payment of bond issuance costs	-
Interest paid	(184,395)
Net cash provided (used) by capital and related financing activities	(469,735)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of investments	-
Purchase of investments	-
Loan disbursements	-
Interest received	24,864
Net cash provided (used) by investing activities	24,864
Net increase (decrease) in cash and cash equivalents	(255,248)
Cash and cash equivalents, beginning of year	2,337,626
Cash and cash equivalents, end of year	$ 2,082,378

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CASH FLOWS
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
For the Year Ended September 30, 2008

	Downtown Development Authority
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	$ 99,119
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and amortization	113,945
Changes in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	-
Inventories	-
Other current assets	(103)
Due from general fund	-
Due from other funds	-
Due from component unit	-
Increase (decrease) in:	
Accounts payable	622
Accrued expenses	-
Due to general fund	-
Due to other funds	-
Net cash provided (used) by operating activities	$ 213,583

See independent auditors' report.

Compliance Section

Bowen, Phillips, Carmichael, Davis & Sims

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

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

We have audited 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, as of and for the year ended September 30, 2008, which collectively comprise the City of Moultrie Georgia's basic financial statements and have issued our report thereon dated June 11, 2009. We did not audit the financial statements of the Pension Trust Fund, which statements reflect total assets of $9,782,996 as of September 30, 2008 and revenues of $892,154 for the year then ended. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Fund, is based on the report of the other auditors. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Moultrie, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Moultrie, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Moultrie, Georgia's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Moultrie, Georgia's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Moultrie, Georgia's financial statements that is more than inconsequential will not be prevented or detected by the City of Moultrie, Georgia's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Moultrie, Georgia's internal control.
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that

might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Moultrie Georgia's financial statements are free of 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.*

This report is intended solely for the information and use of the Mayor and City Council of the City of Moultrie, Georgia, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bowen, Phillips, Carmichael, Davis & Sims, LLP

June 11, 2009

Tifton, Georgia

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
For the Year Ended September 30, 2008

FINANCIAL STATEMENT FINDINGS

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

2008-1

Criteria:

Policies, procedures and monitoring controls should be in place to provide for the recording of transactions to capital asset accounts.

Condition:

The City's policies and procedures for recording an monitoring capital assets and accumulated depreciation did not prevent misstatements in the enterprise funds.

Cause of Condition:

The City's monitoring controls were not implemented.

Effect of Condition:

Capital assets and accumulated depreciation were misstated in the enterprise funds.

Response of Management:

Management concurs with this finding and is developing additional policies and procedures and monitoring activities over capital assets.

2008-2

Criteria:

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

Condition:

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

Cause of Condition:

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

Effect of Condition:

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

Response of Management:

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

2008-3

Criteria:

Policies, procedures and monitoring controls should be in place to provide for the recording of accruals.

Condition:

The City's policies and procedures for recording an monitoring accruals did not prevent misstatements in the funds.

Cause of Condition:

The City's monitoring controls were not implemented.

Effect of Condition:

Accruals were misstated in the funds.

Response of Management:

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

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
For the Year Ended September 30, 2008

FINANCIAL STATEMENT FINDINGS

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

2008-4

Criteria:

Policies, procedures and monitoring controls should be in place to provide for the recording of transactions to accounts receivable.

Condition:

The City's policies and procedures for recording an monitoring accounts receivable did not prevent misstatements in the funds.

Cause of Condition:

The City's monitoring controls were not implemented.

Effect of Condition:

Accounts receivable were misstated in the funds.

Response of Management:

Management concurs with this finding and is developing additional policies and procedures and monitoring activities over accounts receivable.

2008-5

Criteria:

Policies, procedures and monitoring controls should be in place to provide for the recording of transactions to the investment accounts.

Condition:

The City's policies and procedures for recording an monitoring the investment accounts did not prevent misstatements in the funds.

Cause of Condition:

The City's monitoring controls were not implemented.

Effect of Condition:

Investment accounts were misstated in the funds.

Response of Management:

Management concurs with this finding and is developing additional policies and procedures and monitoring activities over the investment accounts.

2008-6

Criteria:

Policies, procedures and monitoring controls should be in place to provide for the recording of transactions to accounts payable.

Condition:

The City's policies and procedures for recording an monitoring accounts payable did not prevent misstatements in the funds.

Cause of Condition:

The City's monitoring controls were not implemented.

Effect of Condition:

Accounts payable were misstated in the funds.

Response of Management:

Management concurs with this finding and is developing additional policies and procedures and monitoring activities over accounts payable.

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
For the Year Ended September 30, 2008

FINANCIAL STATEMENT FINDINGS

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

2008-7

Criteria:

Policies, procedures and monitoring controls should be in place to provide for the recording of transactions to interfund accounts.

Condition:

The City's policies and procedures for recording an monitoring interfund accounts did not prevent misstatements in the funds.

Cause of Condition:

The City's monitoring controls were not implemented.

Effect of Condition:

Interfund accounts were misstated in the funds.

Response of Management:

Management concurs with this finding and is developing additional policies and procedures and monitoring activities over interfund accounts.

2008-8

Criteria:

Policies, procedures and monitoring controls should be in place to provide for the recording of transactions to long term debt accounts.

Condition:

The City's policies and procedures for recording an monitoring long term debt accounts did not prevent misstatements in the funds.

Cause of Condition:

The City's monitoring controls were not implemented.

Effect of Condition:

Long term debt accounts were misstated in the funds.

Response of Management:

Management concurs with this finding and is developing additional policies and procedures and monitoring activities over long term debt accounts.

2008-9

Criteria:

Policies, procedures and monitoring controls should be in place to provide for the recording of transactions to fund balances.

Condition:

The City's policies and procedures for recording an monitoring fund balances did not prevent misstatements in the funds.

Cause of Condition:

The City's monitoring controls were not implemented.

Effect of Condition:

Fund balances were misstated.

Response of Management:

Management concurs with this finding and is developing additional policies and procedures and monitoring activities over fund balances.

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
For the Year Ended September 30, 2008

FINANCIAL STATEMENT FINDINGS

Findings noted on the Report on Compliance and on Internal Control Over Financial Reporting
Based on an Audit of Financial Statements Performed in Accordance With
Government Auditing Standards.

2008-10

Criteria:

Policies, procedures and monitoring controls should be in place to provide for the recording of transactions to prepaid asset accounts.

Condition:

The City's policies and procedures for recording an monitoring prepaid asset accounts did not prevent misstatements in the funds.

Cause of Condition:

The City's monitoring controls were not implemented.

Effect of Condition:

Prepaid asset accounts were misstated in the funds.

Response of Management:

Management concurs with this finding and is developing additional policies and procedures and monitoring activities over prepaid asset accounts.

2008-11

Criteria:

Cash receipts should be deposited intact promptly or stored in a secure location.

Condition:

The City's policies and procedurs for depositing funds did not prevent delays in the deposits of cash receipts.

Cause of Condition:

The City's monitoring controls were not implemented.

Effect of Condition:

Delays in the depositing of cash receipts were not prevented in the utility department.

Response of Management:

Management concurs with this finding and is developing additional policies and procedures and monitoring activities over cash receipts.

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX EXPENDITURES
For the Year Ended September 30, 2008

	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Special Purpose Local Option Sales Tax - 2001						
Recreation:						
SW/NW gym	$ -	$ 309,304	$ 308,734	-	$ 308,734	100%
New recreation office	-	222,466	224,730	-	224,730	100%
SW/NW pools	-	421,000	420,852	-	420,852	100%
McCrary Complex	120,000	180,200	187,813	-	187,813	100%
Park improvements	10,618	58,000	54,500	-	54,500	94%
William Bryant Park (Drew Field)	291,000	109,861	163,088	-	163,088	100%
Magnolia Sports Complex	367,000	1,025,980	839,218	-	839,218	82%
Goff Complex	609,500	1,065,884	1,357,857	-	1,357,857	100%
Pedestrian Plazas	-	144,000	52,240	-	52,240	36%
Youth centers	-	50,797	98,013	-	98,013	100%
Plazas	97,000	97,000	-	-	-	0%
Concession stand - Magnolia Complex	-	210,000	196,552	-	196,552	94%
Northwest Community Center	250,000	420,085	480,475	-	480,475	100%
City Hall - renovation	79,701	-	656,350	-	656,350	n/a
Westside Drain - improvement	140,422	-	263	-	263	n/a
SW drainage ditch	85,193	-	4,415	-	4,415	n/a
GYMS HVAC upgrade	-	-	112,213	-	112,213	n/a
Police Dept Building - renovation	106,600	-	1,923,606	-	1,923,606	n/a
Eng. Fees 94 Recreation projects	-	15,488	15,488	-	15,488	100%
Total recreation	2,157,034	4,330,065	7,096,407	-	7,096,407	
Roads:						
Driveway entrance to youth complex	-	221,375	188,552	-	188,552	85%
RD resurfacing / paving / drainage	-	120,000	1,258,662	136,874	1,395,536	100%
Magnolia Sports parking lot	112,500	112,500	66,751	-	66,751	59%
Magnolia Sports parking lot driveway	38,982	30,921	35,751	-	35,751	100%
Goff Drive	-	138,918	228,372	-	228,372	100%
Flintridge upgrade	-	7,165	111,518	-	111,518	100%
Second Street, N.W.	-	13,621	17,987	-	17,987	100%
Magnolia Lane - complete street	160,530	160,530	171,307	-	171,307	100%
Magnolia Lane - curb and gutter	13,380	13,380	-	-	-	0%
Third Street, S.E.	36,000	36,000	38,057	-	38,057	100%
Fire Station #3 street improvements	-	-	22,465	-	22,465	n/a
Westside drainage improvements	380,000	380,000	531,692		531,692	100%
Fifth Ave. N.W. storm drainage	10,000	10,000	5,616	-	5,616	56%
Grant Chapel storm drainage	15,000	15,000	10,532	-	10,532	70%
Paving Group I	492,149	922,702	911,384	-	911,384	99%
Paving Group II	257,176	380,244	917,378	-	917,378	100%
Resurfacing Group III	73,444	258,238	-	-	-	0%
Paving Group III	269,567	269,567	411,777	-	411,777	100%
Resurfacing Group III	64,739	64,739	-	-	-	0%
Paving Group IV	244,537	244,537	-	-	-	0%
CDBG SE Paving Grant - transfer	150,446	150,446	213,358	-	213,358	100%
Total roads	2,318,450	3,549,883	5,141,159	136,874	5,278,033	
Grand total	$ 4,475,484	$ 7,879,948	$ 12,237,566	$ 136,874	$ 12,374,440	
Special Purpose Local Option Sales Tax - 2006						
Waste water treatment improvement Project	9,725,000	-	-	114,723	114,723	1%
Streets and drainage project	2,000,000	-	-	459,439	459,439	23%
	$ 11,725,000	$ -	$ -	$ 574,162	$ 574,162	

See independent auditors' report.