CITY OF MOULTRIE, GEORGIA

Annual Financial Report

For the Year Ended September 30, 2009

CITY OF MOULTRIE, GEORGIA
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CITY OF MOULTRIE, GEORGIA
PRINCIPAL OFFICIALS
September 30, 2009

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, 2009, 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 $10,098,311, as of September 30, 2009, and revenues of $903,296, 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, 2009, 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 May 25, 2010, 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

May 25, 2010
Tifton, Georgia

Management's Discussion and Analysis

CITY OF MOULTRIE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2009

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, 2009. 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 $75.7 million in total assets of which $49.9 million are capital assets.
- The City has $22.7 million in total liabilities of which $13.09 million are long-term.
- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $52.9 million (net assets). Of this amount, $15.5 million (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors while $34.2 million is invested in capital assets net of related debt.
- The City's total net assets increased by $1.6 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $4.99 million, an increase of $550 thousand in comparison with the prior year. This amount consists of $1.03 million reserved for specific projects and public services and an unreserved balance of $1.56 million.
- At the end of the current fiscal year, unreserved fund balance for the general fund was $1.56 million, or 13% of total general fund expenditures.
- The City's long-term debt decreased by $1.49 million 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 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 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	Revenues for which cash is received during or soon after the end	All revenues and expenses during the year, regardless of when	All revenues and expenses during the year, regardless of when

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 $52.9 million at the close of the most recent fiscal year.

By far the largest portion of the City's net assets (65.9%) 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, 2009 and 2008.

Table 2
Condensed Statement of Net Assets

	Governmental Activities		Business – type Activities		Total	
	2009	2008 (restated)	2009	2008	2009	2008 (restated)
Assets						
Current and other assets	$ 9,478,876	$ 8,993,006	$ 16,301,356	$ 16,811,288	$ 25,780,232	$ 25,804,294
Capital assets	25,836,339	26,222,632	24,059,115	23,012,091	49,895,454	49,234,723
Total assets	35,315,215	35,215,638	40,360,471	39,823,379	75,675,686	75,039,017
Liabilities						
Other liabilities	4,033,003	4,174,201	5,598,982	4,950,334	9,631,985	9,124,535
Long-term liabilities	1,276,131	842,979	11,817,634	13,748,957	13,093,765	14,591,936
Total liabilities	5,309,134	5,017,180	17,416,616	18,699,291	22,725,750	23,716,471
Net assets						
Invested in capital assets, net of related debt	24,605,810	25,389,504	9,588,292	7,400,666	34,194,102	32,790,170
Restricted	3,261,615	1,738,922	--	427,257	3,261,615	2,166,179
Unrestricted	2,138,656	3,070,032	13,355,563	13,296,166	15,494,219	16,366,197

An additional portion of the City's net assets (6.16%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($15.49 million) may be used to meet the City's ongoing obligations to citizens and creditors. This is a decrease of $872 thousand or 5.63%.

For governmental activities, the City reported a balance of $2.14 million in unrestricted net assets. This is a decrease of $931 thousand from 2008. The business-type activities unrestricted net assets were $13.36 million, an increase of $59.4 thousand from 2008.

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, 2009 and 2008. 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	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for services	$ 697,626	$ 990,804	$ 35,720,864	$ 34,855,874	$ 36,418,490	$ 35,846,678
Operating grants and contributions	1,147,765	1,388,655	205,858	109,424	1,353,623	1,498,079
Capital grants and contributions	5,593	6,636		--	5,593	6,636
General revenues:						
Property taxes	3,201,803	2,975,494	--	--	3,201,803	2,975,494
Local option sales taxes	1,035,045	2,117,086	--	--	1,035,045	2,117,086
Other taxes	2,075,091	2,067,628	--	--	2,075,091	2,067,628
Investment income	79,579	96,508	67,601	142,499	147,180	239,007
Other revenues(loss)	490,214	257,693	23,830	(105,512)	514,044	152,181
Total revenues	8,732,716	9,900,504	36,018,153	35,002,285	44,750,869	44,902,789
Expenses						
General government	2,960,942	3,093,707	--	--	2,960,942	3,093,707
Public safety	6,237,582	5,783,178	--	--	6,237,582	5,783,178
Public works	3,490,153	2,152,763	--	--	3,490,153	2,152,763
Parks and recreation	812,989	1,148,812	--	--	812,989	1,148,812
Community development	7,683	94,152	--	--	7,683	94,152
Elections	2,700	4,282	--	--	2,700	4,282
Interest - long-term debt	35,893	25,814	--	--	35,893	25,814
Water and sewer	--	--	3,583,043	3,109,262	3,583,043	3,109,262
Electric revenue	--	--	15,624,313	13,599,054	15,624,313	13,599,054
Gas revenue	--	--	3,359,232	4,379,671	3,359,232	4,379,671
Cable TV	--	--	3,476,950	3,839,402	3,476,950	3,839,402
Solid waste	--	--	2,177,401	2,308,966	2,177,401	2,308,966
Airport	--	--	481,619	190,570	481,619	190,570
Telecommunications	--	--	689,150	1,240,021	689,150	1,240,021
Telephony	--	--	183,829	--	183,829	--
Total expenses	13,547,942	12,302,708	29,575,537	28,666,946	43,123,479	40,969,654
Increase (decrease) in net assets before transfers	(4,815,226)	(2,402,204)	6,442,616	6,335,339	1,627,390	3,933,135
Transfers	4,622,849	4,719,182	(4,622,849)	(4,719,182)	--	--
Change in net assets	$ (192,377)	$ 2,316,978	$ 1,819,767	$ 1,616,157	$ 1,627,390	$ 3,933,135

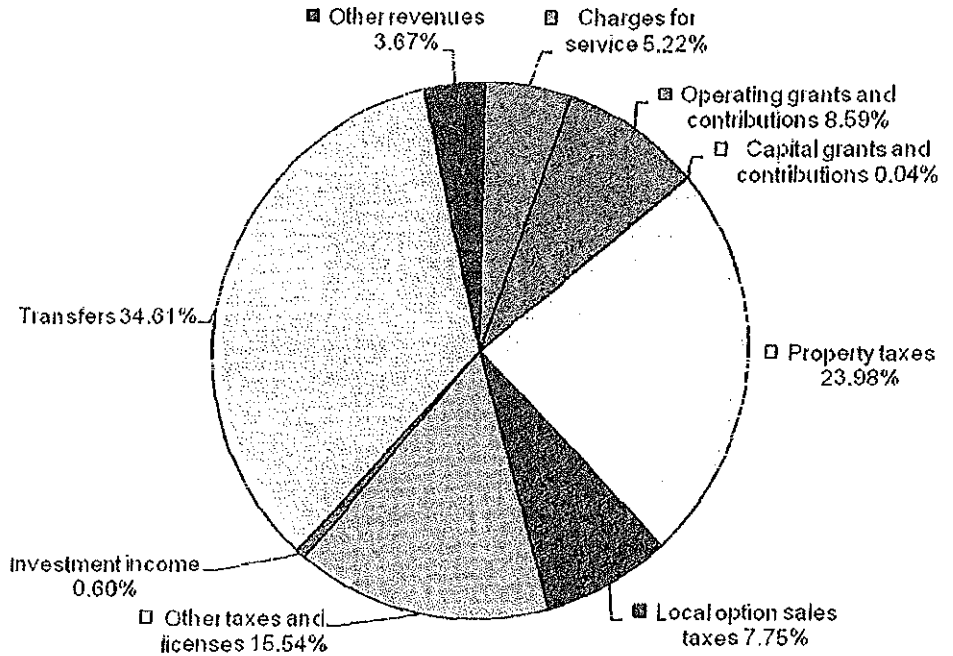
Governmental activities during the fiscal year ended September 30, 2009, decreased the City's net assets by $192 thousand. Business-type activities during the same period increased net assets by $1.82 million. The net change in net assets was an increase of $1.63 million. The Table above shows the revenue and expenses by activity for the total primary government. This Table shows total 2009 revenues from governmental activities at $8.73 million while expenses were $13.55 million. Business-type activities total revenues for 2009 were $36.02 million while expenses were $29.58 million. The largest revenue source for governmental activities comes from transfers from business-type activities of $4.62 million which is 34.61% of the total governmental activity funding. Property Taxes are the next largest governmental activity revenue source at $3.20 million or 23.97%. Revenues from Other Taxes are the second largest governmental activity revenue source at $2.08 million or 15.54%. Business-type activities program revenues exceeded expenses by $6.44 million before internal transfers to support the governmental activities.

Program Revenues and Expenses for Governmental Activities

Governmental Activities - Revenues by Source

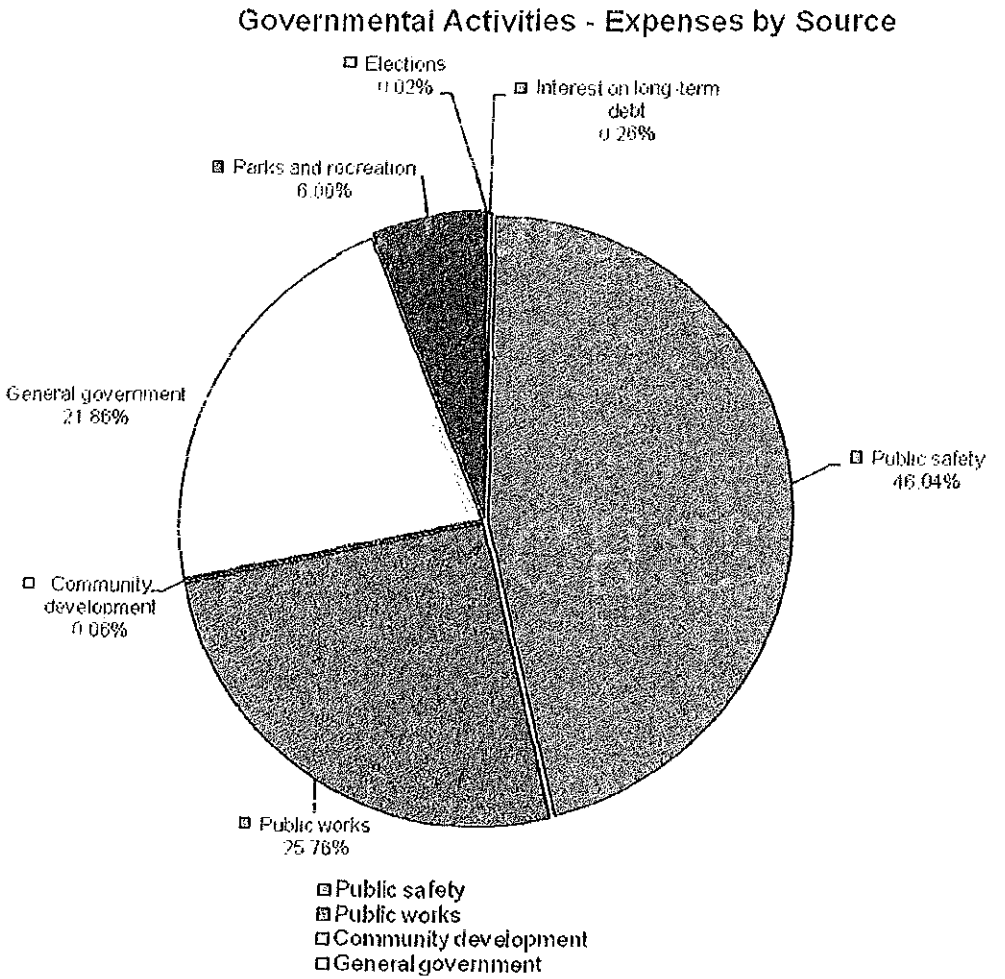
The following chart shows the governmental activities revenues by major source and includes revenues from transfers. It is easy to see from the chart that governmental activities are funded to a great degree through transfers from the business-type activities. These transfers are 34.61% of the funding for the primary government. The second largest source of funding, property taxes only provided 23.97% of the Governmental Activities funding in 2009. 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, 2009, these transfers were $4.62 million.

Governmental Activities - Revenues by Source



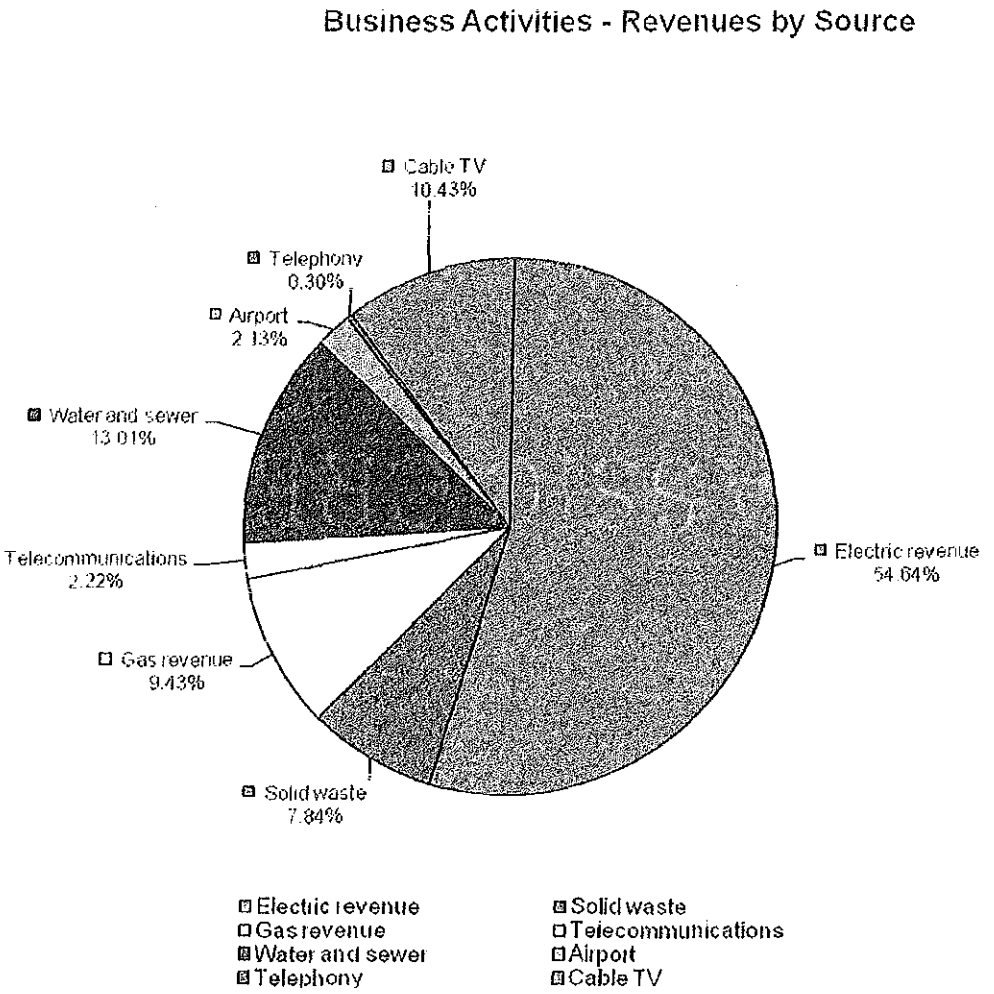
Governmental Activities – Expenses by Source

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 $6.24 million or 46.04%. The next largest governmental expense was for Public Works at $3.49 million or 25.76%.



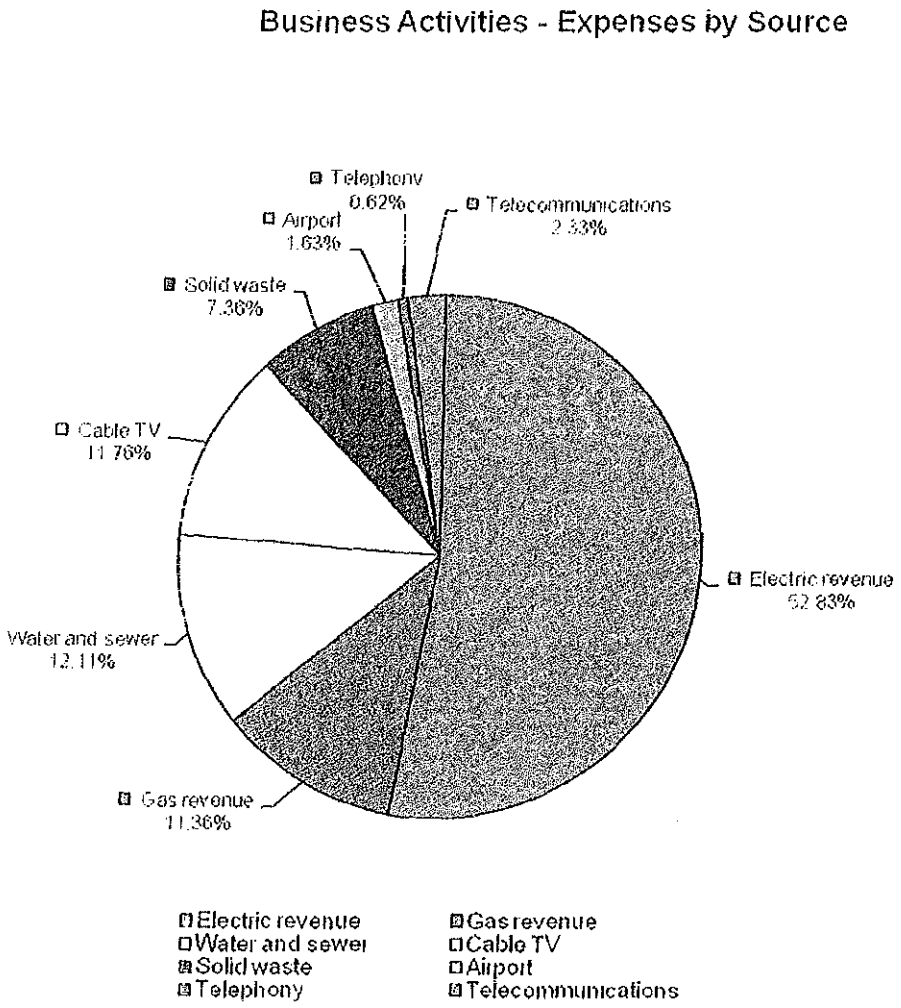
Program Revenues and Expenses for Business-Type Activities

Business-Type Activities – Revenues by Source
The business-type activities largest revenue source is from the Electric Fund. More revenues by far (54.63%) or $19.68 million are generated by this Fund than all other business-type activity funds combined. The next largest business-type revenue source comes from the Water & Sewer Fund at 13% or $4.69 million.



Business-Type Activities – Expenses by Source

The Electric fund also has the largest amount of expenses as expected at 52.83% or $15.62 million but it generated profits of $3.99 million before its transfers to governmental activities.



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, 2009, the General Fund had a fund balance of $1.56 million. This is an increase of $367 thousand from the beginning fund balance as of October 1, 2008. The increase in the fund balance was due primarily to increased revenues from property taxes, other taxes and revenues as well as the primary source of revenues from intergovernmental transfers.

The fund balances for the other governmental funds increased by $203 thousand. The primary reasons for this increase were from the proceeds of intergovernmental revenues. The final fund balance for these funds was $3.44 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 $3.15 million for the year ended September 30, 2009. This was a decrease of $3.95 million from the previous year.

The Water and Sewer Fund had an ending cash balance of $2.41 million at September 30, 2009. This was a decrease of $3.38 million from the previous year due to a $6.58 million principal payment on water/sewer bonds under a restructuring of the Water & Sewer Fund's long term debt.

The Electric Fund had an ending cash balance of $169 thousand. This is an increase of $56 thousand from the previous year due to a change in transfers to the General Fund.

The Gas Fund had an ending cash balance of $666. Its cash balance decreased $217,451 from the beginning of the year due to reduced revenues and a continued transfer to the General Fund on the same level as the previous year.

The Cable TV Fund showed an ending cash balance of $152 thousand which is a decrease of $315 thousand from the beginning cash balance due to increasing bond payments paid on long term debt

The combined cash balance of the non-major enterprise funds at the end of the year was $418 thousand. This is a decrease of $94 thousand from the beginning cash balance. The decrease in cash balance is principally from the acquisition and construction of capital assets in the Solid Waste and Airport funds.

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

The actual expenditures of the General Fund were less than final budgeted amounts by $368 thousand for the year ended September 30, 2009. The major factors contributing to this difference were a decrease in actual expenditures for public safety and public works which came in under the approved budget for the year by a combined total of $420 thousand.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2009, governmental activities and business-type activities had capital assets of $49.90 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 $11.91 million from the 2008 amount due to the purchase of vehicles, equipment and infrastructure improvements plus the retroactive reporting of infrastructure assets which increased the capital assets by $12.29 million. The net capital assets from business-type activities increased by $1.05 million 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 as well as the purchase of a new building to house all the utility services for the City.

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, 2009, the City had $1.28 million of outstanding long-term liabilities related to governmental activities and $11.82 million of long-term liabilities related to business-type activities for a total of $13.10 million compared to the previous year's total of $14.59 million. This is a decrease of $1.49 million as a result of payments toward the retirement of this debt.

The City's component unit also had $3.38 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 2009 BUDGET

The Mayor and Council of the City of Moultrie considered many factors when approving the City's 2009 budget and are very aware of present economic conditions and their effect on its citizens. Because of a reevaluation of property values property tax collections increased in 2009 while Mayor and Council made no changes to the property tax rate for the year. General Fund expenses increased $1.245 million over 2008 while revenues for the same period decreased $1.167 million over the same period. While a decrease of Special Local option Sales tax proceeds attributed to $1.082 million of the reduced revenues and these revenues are restricted for special projects the impact is still felt by a negative change in net Assets for Governmental activities and this must be corrected. It will be very important to find other revenue sources in the coming years to slow the transfers from the business-type activities funds to the Governmental Activities Funds which will allow them to maintain positive balances themselves in the future. The use of capital leases and funding from grants will spread or reduce the City's expenses but there will also have to be reductions in the overall Governmental expenditures to make the necessary reductions in transfers possible and avoid any property tax increases to offset these reductions. A combination of rate increases and reductions in expenditures in the CNS Fund must be achieved to bring this fund back to a positive asset position and prevent additional borrowing from internal and external sources to keep it solvent in the future. In the present economic climate with the State and Federal Government passing more and more costs down to the City as they struggle to balance their budgets it will present some challenges for the City of Moultrie and its citizens in the future.

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, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
ASSETS				
Cash and cash equivalents	$ 6,658,310	$ 1,937,634	$ 8,595,944	$ 72,068
Investments		3,145,148	3,145,148	-
Accounts receivable, net	539,930	4,002,543	4,542,473	17,903
Property tax receivable	2,805,942		2,805,942	
Inventories	103,240	1,705,890	1,809,130	
Other current assets	213,633	94,089	307,722	1,832
Due from other governments	25,764	-	25,764	
Due from component unit	-	-		-
Internal balances	(2,288,506)	2,288,506		
Restricted assets:				
Cash and cash equivalents	331,724	1,213,240	1,544,964	218,884
Investments		873,840	873,840	-
Sales tax receivable	66,266	-	66,266	-
Program receivables	581,522		581,522	-
Investment in SGBDA	-	1,040,466	1,040,466	-
Other noncurrent assets	441,051		441,051	116,219
Capital assets:				
Land	1,394,670	1,282,470	2,677,140	709,191
Construction in progress		-	-	-
Other capital assets, net of accumulated depreciation	24,441,669	22,776,645	47,218,314	2,776,243
Total assets	35,315,215	40,360,471	75,675,686	3,912,340
LIABILITIES				
Accounts payable	470,547	1,920,625	2,391,172	
Accrued expenses	137,381	264,275	401,656	78,969
Lines of Credit	-	910,000	910,000	-
Customer deposits		629,082	629,082	
Deferred revenues	3,088,655		3,088,655	-
Due to other governments	289,151	-	289,151	
Due to primary government	-		-	-
Liabilities payable from restricted assets	47,269	1,315,000	1,362,269	
Short-term notes payable	-	560,000	560,000	-
Long-term liabilities:				
Due within one year	270,302	143,859	414,161	200,000
Due in more than one year	1,005,829	11,673,775	12,679,604	3,177,180
Total liabilities	5,309,134	17,416,616	22,725,750	3,456,149
NET ASSETS				

CITY OF MOULTRIE, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2009

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	$ 2,960,942	$ 543,946	$ 403,050	$ 5,593	$ (2,008,353)
Public safety	6,237,582	40,427	52,690		(6,144,465)
Public works	3,490,153	-		-	(3,490,153)
Parks and recreation	812,989	113,253	692,025	-	(7,711)
Community development	7,683	-	-		(7,683)
Elections	2,700	-			(2,700)
Interest on long-term debt	35,893		-	-	(35,893)
Total governmental activities	13,547,942	697,626	1,147,765	5,593	(11,696,958)
Business-type activities:					
Water and sewer	3,583,043	4,627,241	-	-	1,044,198
Electric revenue	15,624,313	19,617,239	57,874		4,050,800
Gas revenue	3,359,232	3,394,557	-		35,325
Cable TV	3,476,950	3,731,102			254,152
Solid waste	2,177,401	2,676,574	147,984	-	647,157
Airport	481,619	768,490	-		286,871
Telecommunications	689,150	796,694		-	107,544
Warehouse	183,829	108,967	-	-	(74,862)
Total business-type activities	29,575,537	35,720,864	205,858	-	6,351,185
Total primary government	43,123,479	36,418,490	1,353,623	5,593	(5,345,773)
Component unit:					
Downtown Development Authority	$ 440,214	$ 846,870	$	$ -	$ 406,656

CITY OF MOULTRIE, GEORGIA
STATEMENT OF ACTIVITIES (continued)
For the Year Ended September 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
Change in net assets:				
Net (expense) revenue	$ (11,696,958)	$ 6,351,185	$ (5,345,773)	$ 406,656
General revenues:				
Taxes:				
Property taxes	3,201,803		3,201,803	-
Local option sales taxes	1,035,045		1,035,045	
Other taxes	2,075,091		2,075,091	
Investment income	79,579	67,601	147,180	6,980
Gain (loss) on disposal of capital assets		23,830	23,830	-
Other revenues	490,214		490,214	-
Transfers	4,622,849	(4,622,849)	-	-
Total general revenues and transfers	11,504,581	(4,531,418)	6,973,163	6,980
Change in net assets	(192,377)	1,819,767	1,627,390	413,636
Net assets, beginning of year (restated)	30,198,458	21,124,088	51,322,546	42,555
Net assets, end of year	$ 30,006,081	$ 22,943,855	$ 52,949,936	$ 456,191

CITY OF MOULTRIE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2009

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 4,193,778	$ 2,464,532	$ 6,658,310
Investments			-
Accounts receivable, net	332,120		332,120
Property tax receivable	2,805,942		2,805,942
Inventories	87,766	-	87,766
Other current assets	202,887	1,315	204,202
Due from other governments	25,764	-	25,764
Due from component unit		-	-
Due from general fund		188,744	188,744
Due from other funds	1,444,256	100	1,444,356
Restricted assets:			
Cash and cash equivalents		331,724	331,724
Investments		-	-
Sales tax receivable	66,266	-	66,266
Program receivables	-	581,522	581,522
Total assets	9,158,779	3,567,937	12,726,716
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	393,951	4,153	398,104
Accrued expenses	113,763	2,202	115,965
Customer deposits	-	-	-
Deferred revenues	3,015,678	72,977	3,088,655
Due to other governments	289,151		289,151
Due to General Fund		770	770
Due to other funds	3,787,671	1,629	3,789,300
Liabilities payable from restricted assets	-	47,269	47,269
Total liabilities	7,600,214	129,000	7,729,214
Fund balances			
Reserved for:			
Debt service	-		
Specific projects	-	984,083	984,083
Public services		46,464	46,464
Unreserved (deficit), reported in			
General Fund	1,558,565	-	1,558,565
Capital projects funds		2,408,390	2,408,390
Total fund balances (deficit)	1,558,565	3,438,937	4,997,502
Total liabilities and fund balances (deficit)	$ 9,158,779	$ 3,567,937	$ 12,726,716

CITY OF MOULTRIE, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
September 30, 2009

Total governmental fund balances	$	4,997,502
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.		25,836,339
Net pension asset that is not a financial asset in governmental activities and therefore not reported in governmental funds		441,051
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.		12,637
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		(660,283)
Notes payable		(582,883)
Compensated absences		(32,965)
Net assets of governmental activities	$	30,006,081

CITY OF MOULTRIE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2009

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	$ 3,201,803	$ -	$ 3,201,803
Local option sales taxes		-	-
Other taxes and licenses	1,925,744	149,347	2,075,091
Fines, forfeitures and fees	543,946	-	543,946
Charges for services	153,680		153,680
Investment income	41,186	38,393	79,579
Intergovernmental	778,028	1,410,375	2,188,403
Other revenues	407,661	37,760	445,421
Total revenues	7,052,048	1,635,875	8,687,923
EXPENDITURES			
Current:			
General government	2,349,248	220,577	2,569,825
Public safety	6,034,347	-	6,034,347
Public works	2,589,902	-	2,589,902
Parks and recreation	802,567	-	802,567
Capital outlays		1,106,001	1,106,001
Debt service:			
Principal	156,233		156,233
Interest	35,893		35,893
Total expenditures	11,968,190	1,326,578	13,294,768
Excess (deficiency) of revenues over expenditures	(4,916,142)	309,297	(4,606,845)
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	5,122,527	21,727	5,144,254
Transfers to other funds	(393,000)	(128,405)	(521,405)
Sale of capital assets	-		
Long - term debt issued	553,634		553,634
Total other financing sources (uses)	5,283,161	(106,678)	5,176,483
Net change in fund balances	367,019	202,619	569,638
Fund balances (deficit), beginning of year	1,191,546	3,236,318	4,427,864
Fund balances (deficit), end of year	$ 1,558,565	$ 3,438,937	$ 4,997,502

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, 2009

Net change in fund balances - total governmental funds	$	569,638
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		1,269,513
Capital asset disposals		(1,437,220)
Depreciation expense		(1,347,400)
Loss on disposal of capital assets		1,128,814
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		(553,634)
Debt payments made		156,233
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		44,793
Increase in compensated absences		(23,114)
Change in net assets of governmental activities	$	(192,377)

CITY OF MOULTRIE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Property taxes	$ 3,227,096	$ 3,227,096	$ 3,201,803	$ (25,293)
Local option sales taxes				
Other taxes and licenses	1,884,792	1,884,792	1,925,744	40,952
Fines, forfeitures and fees	644,892	644,892	543,946	(100,946)
Charges for services	134,220	134,220	153,680	19,460
Investment income	27,500	27,500	41,186	13,686
Intergovernmental	764,820	764,820	778,028	13,208
Other revenues	161,741	161,741	407,661	245,920
Total revenues	6,845,061	6,845,061	7,052,048	206,987
EXPENDITURES				
Current:				
General government				
City council	838,798	838,798	799,614	39,184
City manager	214,323	214,323	220,910	(6,587)
Finance	348,983	348,983	343,735	5,248
Purchasing	149,061	149,061	150,560	(1,499)
Legal	-	-		
Information systems		-		
Municipal court				
Human resources	177,914	177,914	203,990	(26,076)
City hall	54,962	54,962	48,807	6,155
Main street program	237,269	237,269	226,512	10,757
Engineering	358,552	358,552	355,120	3,432
Garage		-	-	-
Total general government	2,379,862	2,379,862	2,349,248	30,614
Public safety				
Police	3,220,346	3,220,346	3,029,319	191,027
Fire	2,676,699	2,676,699	2,644,516	32,183
Planning and zoning	421,085	421,085	360,512	60,573
Total public safety	6,318,130	6,318,130	6,034,347	283,783
Public works				
Office of the director	180,162	180,162	180,828	(666)
Streets and sidewalks	1,456,343	1,456,343	1,423,409	32,934
Beautification	1,089,292	1,089,292	985,665	103,627
Total public works	2,725,797	2,725,797	2,589,902	135,895
Parks and recreation				

CITY OF MOULTRIE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget
Debt service:				
Principal		-	156,233	(156,233)
Interest		-	35,893	(35,893)
Total expenditures	12,335,823	12,335,823	11,968,190	367,633
Excess (deficiency) of revenues over expenditures	(5,490,762)	(5,490,762)	(4,916,142)	574,620
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	4,521,795	4,521,795	5,122,527	600,732
Transfers to other funds		-	(393,000)	(393,000)
Sale of capital assets		-	-	-
Long - term debt issued		-	553,634	553,634
Total other financing sources (uses)	4,521,795	4,521,795	5,283,161	761,366
Net change in fund balances	(968,967)	(968,967)	367,019	1,335,986
Fund balances (deficit), beginning of year	1,191,546	1,191,546	1,191,546	-
Fund balances (deficit), end of year	$ 222,579	222,579	$ 1,558,565	$ 1,335,986

CITY OF MOULTRIE, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2009

	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	$ 1,368,059	$	$	$ 151,685	$ 417,890	$ 1,937,634	$
Investments		3,145,148				3,145,148	
Accounts receivable, net	649,430	2,531,472	237,579	374,223	417,649	4,210,353	207,810
Inventories	207,495	1,139,413	200,040	136,184	38,232	1,721,364	15,474
Other current assets	25,210	18,798	5,117	5,223	49,172	103,520	9,431
Total current assets	2,250,194	6,834,831	442,736	667,315	922,943	11,118,019	232,715
Non - current assets							
Due from general fund	225,256	1,084,310	92,647	23	2,196,691	3,598,927	
Due from other funds	1,567,451	3,571,277	150,000		1,456,043	6,744,771	1,147,498
Due from component unit							
Investment in SGBDA				1,040,466		1,040,466	
Restricted assets - cash	1,043,055	169,519	668			1,213,240	
Restricted assets - investments				873,840		873,840	
Capital assets:							
Land	80,027	1,112,569	89,874			1,282,470	
Construction in progress							
Other capital assets, net of accumulated depreciation	8,771,044	5,305,903	347,075	6,086,282	2,266,341	22,776,645	
Total non - current assets	11,686,833	11,243,578	680,262	8,000,611	5,919,075	37,530,359	1,147,498
Total assets	13,937,027	18,078,409	1,122,998	8,667,926	6,842,018	48,648,378	1,380,213
LIABILITIES							
Current liabilities							
Accounts payable	79,634	1,300,551	172,432	237,868	202,584	1,993,069	72,443
Accrued expenses	149,284	14,841	5,085	77,939	33,225	280,374	16,099
Lines of credit				910,000		910,000	
Short - term notes payable		560,000				560,000	
Current portion of long - term debt	80,171				70,803	150,974	7,115
Customer deposits					629,082	629,082	
Due to other governments							
Due to general fund	36,843	87,309	7,636		1,311,598	1,443,386	1,277,295
Due to other funds	1,102,301	1,638,151	236,830	2,897,854	868,205	6,743,341	1,739
Liabilities payable from restricted assets:							
Current portion of long - term debt	550,000			765,000		1,315,000	
Total current liabilities	1,998,233	3,600,852	421,983	4,888,661	3,115,497	14,025,226	1,374,691
Long - term debt, net of current portion	4,819,798			6,465,249	289,250	11,574,297	5,522
Other liabilities - environmental remediation	105,000					105,000	
Total liabilities	6,923,031	3,600,852	421,983	11,353,910	3,404,747	25,704,523	1,380,213

CITY OF MOULTRIE, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended September 30, 2009

	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	$	$ 19,617,239	$ 3,394,557	$	$	$ 23,011,796	$
Charges for services	4,627,241	-		3,731,102	4,350,725	12,709,068	1,300,502
Intergovernmental		57,874	-		147,984	205,858	
Total operating revenues	4,627,241	19,675,113	3,394,557	3,731,102	4,498,709	35,926,722	1,300,502
OPERATING EXPENSES							
Salaries and wages	744,068	743,115	205,695		634,629	2,327,505	486,118
Operating, administrative and maintenance	1,553,397	14,461,021	3,084,228	2,667,564	2,586,259	24,352,469	814,236
Depreciation	675,219	420,177	69,309	401,085	297,886	1,863,676	-
Total operating expenses	2,972,682	15,624,313	3,359,232	3,068,649	3,518,774	28,543,650	1,300,354
Operating income (loss)	1,654,559	4,050,800	35,325	662,453	979,935	7,383,072	148
NON - OPERATING INCOME (EXPENSES)							
Interest income	58,004	3,315	3,207	1,549	1,526	67,601	
Interest expense	(610,361)			(408,301)	(13,225)	(1,031,887)	(148)
Gain (loss) on disposal of capital assets				23,830		23,830	
Income (loss) before contributions and transfers	1,102,202	4,054,115	38,532	279,531	968,236	6,442,616	
Capital contributions							
Transfers from other funds	13,616	309,200	3,988		142,639	468,543	
Transfers to other funds	(1,114,140)	(2,837,716)	(551,113)	(273,752)	(314,671)	(5,091,392)	
Change in net assets	1,678	1,525,599	(509,493)	5,779	796,204	1,819,767	
Net assets (deficit), beginning of year	7,012,318	12,951,958	1,210,508	(2,691,763)	2,641,067	21,124,088	
Net assets (deficit), end of year	$ 7,013,996	$ 14,477,557	$ 701,015	$ (2,685,984)	$ 3,437,271	$ 22,943,855	$

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2009

	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	$ 5,081,455	$ 16,920,189	$ 3,492,699	$ 3,790,893	$ 4,334,442	$ 35,619,678	$ 1,281,579
Other operating receipts		57,874			147,984	205,858	
Cash payments to employees	(737,975)	(742,768)	(204,029)		(634,653)	(2,319,425)	(564,462)
Cash payments to suppliers	(1,522,966)	(14,878,169)	(3,112,829)	(2,754,052)	(2,637,109)	(24,905,125)	(250,840)
Net cash provided (used) by operating activities	2,820,514	3,357,126	175,841	1,036,841	1,210,664	8,600,986	466,277
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from other funds	13,616	309,200	3,088		142,639	468,543	
Transfers to other funds	(1,114,140)	(2,837,716)	(551,113)	(273,752)	(314,671)	(5,091,392)	
Net change in due from general fund	(180,729)	(1,084,310)	(93,387)	(23)	(691,110)	(2,049,559)	
Net change in due from other funds	(1,567,451)	816,394	456,229		(121,374)	(416,202)	(414,488)
Net change in due from component unit							
Net change in due to general fund		(696)			34,300	33,604	(69,552)
Net change in due to other funds	(1,085,249)	1,618,568	(142,586)	55,229	243,129	689,091	5,274
Net cash provided (used) by noncapital financing activities	(3,933,953)	(1,178,560)	(327,769)	(218,546)	(707,087)	(6,365,915)	(478,766)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from issuance of long - term debt	5,440,000	560,000				6,000,000	16,380
Proceeds from sale of assets							
Proceeds from capital contributions							
Acquisition and construction of capital assets	(572,043)	(1,246,975)	(68,730)	(67,027)	(517,970)	(2,472,745)	
Principal payments on long - term debt	(6,582,820)			(719,483)	(68,427)	(7,370,730)	(2,743)
Interest paid	(610,361)			(348,590)	(13,225)	(972,176)	(148)
Net cash provided (used) by capital and related financing activities	(2,325,224)	(686,975)	(68,730)	(1,135,100)	(599,622)	(4,815,651)	12,489
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from sale of investments		477,157				477,157	
Purchase of investments		(1,915,964)				(1,915,964)	
Loan disbursements							
Interest received	58,004	3,315	3,207	1,549	1,526	67,601	
Net cash provided (used) by investing activities	58,004	(1,435,492)	3,207	1,549	1,526	(1,371,206)	
Net increase (decrease) in cash and cash equivalents	(3,380,659)	56,099	(217,451)	(315,256)	(94,519)	(3,951,786)	
Cash and cash equivalents, beginning of year	5,791,773	113,420	218,117	466,941	512,409	7,102,660	
Cash and cash equivalents, end of year	$ 2,411,114	$ 169,519	$ 666	$ 151,685	$ 417,890	$ 3,150,874	$

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2009

	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)	$ 1,654,559	$ 4,050,600	$ 35,325	$ 662,453	$ 979,935	$ 7,383,072	$ 148
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	675,219	420,177	69,309	401,085	297,886	1,863,676	
Unrealized (gain) loss on investment	538,770	(14,237)				524,533	
Changes in assets and liabilities:							
(Increase) decrease in:							
Accounts receivable	(121,399)	(742,177)	91,279	4,109	(41,119)	(809,307)	(18,923)
Deferred charges	131,115					131,115	
Inventories		(55,103)	47,959		(22,758)	(29,902)	456,097
Other current assets	13,445	(1,025)	812	(1,717)	2,819	14,334	
Due from general fund							
Due from other funds							
Due from component unit							
Increase (decrease) in:							
Accounts payable	(114,129)	66,046	(78,112)	(29,089)	(28,361)	(183,645)	25,064
Accrued expenses	6,091	347	1,666		23,660	31,764	3,891
Due to general fund							
Due to other funds							
Net cash provided (used) by operating activities	$ 2,783,671	$ 3,724,828	$ 168,238	$ 1,036,841	$ 1,212,062	$ 8,925,640	$ 466,277

CITY OF MOULTRIE, GEORGIA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
September 30, 2009

	Pension Trust Fund	Agency Fund-Municipal Court
ASSETS		
Cash and cash equivalents	$ 1,560,901	$ 55,973
Investments:		
U.S. Government securities	959,117	-
Corporate bonds	1,333,610	
Municipal bonds	2,088,112	
Equities - common stock	2,668,154	
Mutual funds	1,070,977	
Certificate of deposit	335,559	
Receivables:		
Accounts receivable, net		
Employer and employee's contribution		-
Accrued investment income	81,881	
Total assets	10,098,311	55,973
LIABILITIES		
Settlements payable		
Due to others	-	56,631
Total liabilities		56,631
NET ASSETS		
Held in trust for pension benefits (a schedule of funding progress is presented in the notes to financial statements)	$ 10,098,311	$ (658)

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
For the Year Ended September 30, 2009

	Pension Trust Fund
ADDITIONS	
Contributions	
Employer	$ 283,924
Participants	283,924
Total contributions	567,848
Investment income	
Net appreciation in fair value of investments	
Interest and dividends	405,360
Less - investment expenses	(69,912)
Net investment income	335,448
Total additions	903,296
DEDUCTIONS	
Net depreciation in fair value of investments	95,779
Pension benefits paid	474,321
Administrative expenses	17,881
Total deductions	587,981
Net increase	315,315
Net assets held in trust for pension benefits	
Beginning of year	9,782,996
End of Year	$ 10,098,311

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.

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

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.

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.

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, 2009, $116,219 of interest

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

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, 2009, 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.

Subsequent Events

The City adopted the provisions of Statement of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 855-10, Subsequent Events effective December 31, 2009. FASB ASC 855-10 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. It requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date. The City has performed an evaluation of subsequent events, as defined under FASB ASC 855-10, through May 25, 2010, which is the date the financial statements were available to be issued, and determined that there are no subsequent events that are required to be adjusted to, or disclosed in, the financial statements.

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.

General Fund, Special Revenue Fund, Capital Projects Funds and the Enterprise Funds.

7) Budgets for the General Fund, Special Revenue Fund and the Enterprise Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

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, 2009:

Department		Excess of Expenditures Over Budgeted Amounts
City Manager	$	6,587
Purchasing	$	1,499
Human Resources	$	26,076
Public Works	$	666
Parks and Cemetery	$	19,435
Debt Service	$	192,126
Transfer to Other Funds	$	393,000

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, 2009:

Fund		Deficit
Cable TV Fund	$	2,685,984
Telephony Fund	$	76,260

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

NOTE C - DEPOSITS AND INVESTMENTS

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, 2009, the carrying amount of the City's deposits was $11,728,766 and the bank balance was $10,367,166. The deposits were classified as follows:

	Category			
	1	2	3	Total
Bank balance	$ 593,174	$ 9,773,992	$ --	$ 10,367,166

As of September 30, 2009, the carrying amount of deposits for the Downtown Development Authority was $290,952 and the bank balances were $293,236. The deposits were classified as follows:

	Category			
	1	2	3	Total
Bank balance	$ 293,236	$ --	$ --	$ 293,236

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

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, 2009, the City's investments were classified as follows:

	Category				
	1	2	3	Cost	Fair Value
Pension Trust Fund					
U.S. Government Securities	$ --	$ 959,117	$ --	$ 951,180	$ 959,117
Municipal Bonds	--	2,088,112	--	2,048,461	2,088,112
Corporate Bonds	--	1,333,610	--	1,266,509	1,333,610
Equities – Common Stock	--	2,668,154	--	2,894,430	2,668,154
Mutual Funds	--	439,579	--	439,350	439,579
Certificate of Deposit	--	335,559	--	335,559	335,559
Asset-Backed Securities	--	631,398	--	615,698	631,398
Proprietary Funds					
U.S. Government Securities	--	873,840	--	873,840	873,840
Municipal Competitive Trust – Short -term	--	3,145,148	--	3,145,148	3,145,148
				$ 12,570,175	$ 12,474,517

As of September 30, 2009, 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	$ 959,117	April 17, 2014 thru October 15, 2021	Unavailable
Municipal Bonds	2,088,112	December 1, 2009 thru July 1, 2023	Unavailable
Corporate Bonds	1,333,610	March 15, 2011 thru September 1, 2019	Unavailable
Equities – Common Stock	2,668,154	Not applicable	Unavailable
Mutual Funds	439,579	Not applicable	Unavailable
Certificate of Deposit	335,559	August 13, 2010	Unavailable
Asset-Backed Securities	631,398	October 1, 2021 thru June 1, 2028	
Proprietary Funds			
U.S. Government Securities	873,840	October 1, 2009 thru October 10, 2010	Unavailable
Municipal Competitive Trust– Short -term	3,145,148	Not applicable	AAA

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	$ 11,728,766
Investments from above	12,474,517
Total	$ 24,203,283
Amounts as presented on the entity-wide Statement of Net Assets	
Governmental Activities:	
Cash and cash equivalents	$ 6,643,802
Restricted cash and cash equivalents	331,724
Business-type Activities:	
Cash and cash equivalents	1,937,634
Investments	3,145,148
Restricted cash and cash equivalents	1,213,240
Restricted investments	873,840
Amounts as presented on the Statement of Fiduciary Net Assets	
Cash and cash equivalents	1,602,366
Investments	8,455,529
Total	$ 24,203,283

NOTE D – RECEIVABLES AND TAX REVENUE

i. Property Tax

Property taxes were levied in September 2008 and payable before December 2008 for the fiscal year 2009 tax. Property tax revenues are recognized when levied to the extent they result in current receivables. The City's fiscal year 2009 tax was levied prior to September 30, 2009 and was recorded as taxes receivable and deferred revenue within the City's General Fund.

The tax rate levied during fiscal year 2009 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, 2009.

II. Sales Tax

Colquitt County, Georgia has levied three 1% Special Purpose Local Option Sales Tax Programs (SPLOST)

III. Receivables

Receivables as of September 30, 2009 are as follows:

	General Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Revenue Fund	Gas Revenue Fund
Accounts Receivable	$ 381,805	$ --	$ 917,334	$ 3,228,176	$ 390,787
Property Tax Receivable	2,805,942	--	--	--	--
Sales Tax Receivable	140,582	--	--	--	--
Program Receivables	--	669,034	--	--	--
Gross Receivables	3,328,329	669,034	917,334	3,228,176	390,787
Less: Allowance for Uncollectibles	(124,001)	(87,512)	(267,904)	(696,704)	(153,208)
Net Total Receivables	$ 3,204,328	$ 581,522	$ 649,430	$ 2,531,472	$ 237,579

	Cable TV Fund	Nonmajor Enterprise Funds	Total
Accounts Receivable	$ 1,089,523	$ 602,270	$ 6,609,895
Property Tax Receivable	--	--	2,805,942
Sales Tax Receivable	--	--	140,582
Program Receivables	--	--	669,034
Gross Receivables	1,089,523	602,270	10,225,453
Less: Allowance for Uncollectibles	(715,300)	(184,621)	(2,229,250)
Net Total Receivables	$ 374,223	$ 417,649	$ 7,996,203

NOTE E – DUE FROM OTHER GOVERNMENTS

Due from other governments on the General Fund as of September 30, 2009 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, 2009 is as follows:

	Due From				
Due To	General Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Revenue Fund	Gas Revenue Fund
General Fund	$ --	$ 770	$ 36,843	$ 87,309	$ 7,636
Nonmajor Governmental Funds	188,744	100	--	--	--
Water and Sewer Fund	225,256	--	--	1,564,615	925
Electric Revenue Fund	1,084,310	3	743,153	--	206,602
Gas Revenue Fund	92,647	--	--	--	--
Cable TV Fund	23	--	--	--	--
Nonmajor Enterprise Funds	2,196,691	--	210,977	--	--
Internal Service Fund	--	1,526	148,171	73,536	29,303
Total	$ 3,787,671	$ 2,399	$ 1,139,144	$ 1,725,460	$ 244,466

	Due From			
Due To	Cable TV Fund	Nonmajor Enterprise Funds	Internal Service Fund	Total
General Fund	$ --	$ 34,303	$ 1,277,295	$ 1,444,156
Nonmajor Governmental Funds	--	--	--	188,844
Water and Sewer Fund	113	251	1,547	1,792,707
Electric Revenue Fund	2,621,398	116	5	4,655,587
Gas Revenue Fund	150,000		--	242,647
Cable TV Fund	--	--	--	23
Nonmajor				

The composition of receivables and payables between the City and its component unit as of September 30, 2009 is as follows:

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

II. 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, 2009, 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	$ 378,000	$ 15,000	$ --	$ --	$ --
Nonmajor Governmental Funds	--	--	--	--	--
Water and Sewer Fund	962,114	--	--	152,026	--
Electric Revenue Fund	2,778,792	6,727	13,616	21,259	3,088
Gas Revenue Fund	504,100	--	--	47,013	--
Cable TV Fund	184,850	--	--	88,902	--
Nonmajor Enterprise Funds	314,671	--	--	--	--
Total	$ 5,122,527	$ 21,727	$ 13,616	$ 309,200	$ 3,088

	Transfer To		
Transfer From	Cable TV Fund	Nonmajor Enterprise Funds	Total
General Fund	$ --	$ --	$ 393,000
Nonmajor Governmental Funds	--	128,405	128,405
Water and Sewer Fund	--	--	1,114,140
Electric Revenue Fund	--	14,234	2,837,716
Gas Revenue Fund	--	--	551,113
Cable TV Fund	--	--	273,752
Nonmajor Enterprise Funds	--	--	314,671

Transfers between the City and its component unit for the year ended September 30, 2009 is as follows:

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

NOTE G – CAPITAL ASSETS

As discussed in Note S, the City has determined that a restatement of the assets of the governmental activities is required to reflect the retroactive reporting of infrastructure assets to beginning balances of capital assets. The restatement increased capital assets by $12,292,495. The following is a summary of capital asset activity as of September 30, 2009:

Primary Government

Governmental Activities:

	Balance September 30, 2008, restated	Increases	Decreases	Transfers	Balance September 30, 2009
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	12,940,383	19,331	(11,270)	(2,374,936)	10,573,508
Machinery and equipment	6,327,183	792,855	(72,991)	(20,206)	7,026,841
Infrastructure	45,501,259	457,327	--	1,042,183	47,000,769
Total other capital assets at cost	64,768,825	1,269,513	(84,261)	(1,352,959)	64,601,118
Less accumulated depreciation for					
Buildings and improvements	(5,234,597)	(399,445)	4,143	1,573,493	(4,056,406)
Machinery and equipment	(4,486,231)	(450,312)	72,991	17,804	(4,845,748)
Infrastructure	(30,220,035)	(497,643)	--	(539,617)	(31,257,295)
Total accumulated depreciation	(39,940,863)	(1,347,400)	77,134	1,051,680	(40,159,449)
Other capital assets, net	24,827,962	(77,887)	(7,127)	(301,279)	24,441,669
Governmental activities capital assets, net	$ 26,222,632	$ (77,887)	$ (7,127)	$ (301,279)	$ 25,836,339

Business-type activities:

	Balance September 30, 2008	Increases	Decreases	Transfers	Balance September 30, 2009
Capital assets, not being depreciated:					
Land and land improvements	$ 1,328,053	$ 281,000	$ (326,583)	$ --	$ 1,282,470
Construction in progress	--	--	--	--	--
Total capital assets not being depreciated	1,328,053	281,000	(326,583)	--	1,282,470
Other capital assets					
Buildings	2,369,491	547,405	--	983,025	3,944,815
Improvements other than buildings	49,283,099	1,467,143	(62,975)	855,813	51,026,077
Machinery and equipment	8,395,853	664,033	--	(467,007)	9,090,710
Total other capital assets at cost	60,048,443	2,678,581	(62,975)	1,371,831	64,061,602
Less accumulated depreciation for					
Buildings	(1,333,482)	(95,532)	--	(683,927)	(2,131,973)
Improvements other than buildings	(30,988,141)	(1,307,840)	7,293	(536,038)	(33,024,791)
Machinery and equipment	(6,042,782)	(428,199)	--	149,413	(6,547,201)
Total accumulated depreciation	(38,364,405)	(1,831,571)	7,293	(1,070,552)	(41,703,965)
Other capital assets, net	21,684,038	847,010	(55,682)	301,279	22,357,637
Business-type activities capital assets, net	$ 23,012,091	$ 1,128,010	$ (382,265)	$ 301,279	$ 24,059,115

Depreciation expense was charged to functions as follows:

Governmental activities	
General government	$ 375,786
Public safety	336,235
Public works	355,036
Parks and recreation	274,238
Community development	6,105
Total governmental activities depreciation expense	1,347,400
Business-type activities	
Water and sewer	675,219
Electric	420,077
Gas	69,309
Cable TV	401,086
Sanitation	138,176
Airport operations	110,705
Telecommunications	16,999
Total business-type activities depreciation expense	1,831,571

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, 2009 is as follows:

Governmental Activities:

The Authority had no governmental capital asset activity for the year ended September 30, 2009.

Business-type activities:

	Balance September 30, 2008	Increases	Decreases	Balance September 30, 2009
Capital assets, not being depreciated:				
Land	$ 397,296	$ 311,895	$ --	$ 709,191
Total capital assets not being depreciated	397,296	311,895	--	709,191
Other capital assets				
Buildings	2,156,568	1,930,788	--	4,087,356
Total other capital assets at cost	2,156,568	1,930,788	--	4,087,356
Less accumulated depreciation for				
Buildings	(1,203,273)	(107,840)	--	(1,311,113)
Total accumulated depreciation	(1,203,273)	(107,840)	--	(1,311,113)
Other capital assets, net	953,295	1,822,948	--	2,776,243
Business-type activities capital assets, net	$ 1,350,591	$ 2,134,843	$ --	$ 3,485,434

Depreciation expense was charged to functions as follows:

Governmental activities	$ --
Business-type activities	107,840
Total depreciation expense	$ 107,840

NOTE H – SHORT TERM DEBT

At September 30, 2009, the Cable TV Fund had revolving line of credit agreements with banks whereby it may borrow up to $1 million at 4.45% to fund short term budget deficits. The revolving line of credit agreements mature on December 3, 2009.

At September 30, 2009, the Electric Fund had a short term note with a bank for $560,000 to fund short term budget deficits. The short term note payable agreement matures on December 20, 2009.

Short-term liability activity for the year ended September 30, 2009, was as follows:

	Balance September 30, 2008	Increases	Decreases	Balance September 30, 2009
Business-type activities:				
Lines of Credit	$ 910,000	$ --	$ --	$ 910,000
Note Payable	--	560,000	--	560,000
Business-type activities short-term debt	$ 910,000	$ 560,000	$ --	$ 1,470,000

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, 2009, are as follows:

Enterprise Fund and Description	Original Amount	Interest Rate	Due Date	Amount
Water and Sewer Fund - Refunding Project, Series 2009	$ 5,440,000	2.00 – 3.50%	2018	$ 5,440,000
Cable TV Fund – South Georgia Governmental Services Authority, Series 2004	10,180,000	2.00 – 5.00%	2016	7,780,000
				13,220,000
		Unamortized discount / premium / issuance costs / loss		(693,988)
			Less current portion	(1,315,000)
				$ 11,211,012

South Georgia Governmental Services Authority Revenue Bonds, Series 2009

The City of Moultrie Revenue Bonds, Water and Sewer Refunding Project, Series 2009 were issued September 17, 2009. The Series 2009 bonds were issued to provide funds to refund and redeem the City of Moultrie

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, 2009 in the amount of $8.55 million.

The annual debt service requirement to maturity of the Revenue Bonds at September 30, 2009 is as follows:

Year Ending September 30	Principal	Interest	Total
2010	$ 1,315,000	$ 459,642	$ 1,774,642
2011	1,430,000	412,506	1,842,506
2012	1,555,000	366,606	1,921,606
2013	1,605,000	324,481	1,929,481
2015	1,655,000	278,259	1,933,259
2015-2018	5,660,000	448,513	6,108,513
	$ 13,220,000	$ 2,290,007	$ 15,510,007

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, 2009, are as follows:

	Original Amount	Interest Rate	Due Date	Amount
Downtown Development				

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, 2009, $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
2010	$ 200,000	$ 178,347	$ 378,347
2011	210,000	166,625	376,625

II. Other Long-Term Debt

The General Fund has incurred debt to a bank for the purchase of real estate. This note is as follows at September 30, 2009:

Original Amount	Interest Rate	Due Date	Amount
$ 700,000	4.25%	2017	$ 582,883
		Less Current Portion	(62,393)
			$ 520,490

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

Year Ending September 30	Principal	Interest	Total
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	73,932	13,722	87,654
2015-2018	242,681	21,379	264,060
	$ 582,883	$ 119,447	$ 702,330

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 3.27% to 4.71%.

The following is an analysis of equipment leased under capital leases as of September 30, 2009:

		Business-type Activities		
	Governmental Activities	Water and Sewer	Solid Waste Fund	Tele-communications Fund
Buildings and Improvements	$ --	$ --	$ --	$ --
Equipment	837,551	239,865	593,095	434,488
Less accumulated depreciation	(105,321)	(3,998)	(65,786)	(434,488)

The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments at September 30, 2009:

		Business-type Activities			
Year Ending September 30,	Governmental Activities	Water and Sewer	Solid Waste Fund	Tele-communications Fund	Totals
2010	$ 221,508	$ 84,270	$ 75,438	$ --	$ 381,216
2011	208,890	63,204	75,438	--	347,532
2012	139,602	--	75,438	--	215,040
2013	94,648	--	75,438	--	170,086
2014	27,482	--	61,766	--	89,248
2015-2018	--	--	15,561	--	15,561
Total minimum lease payments	692,130	147,474	379,079	--	1,218,683
Less amount representing interest	(44,483)	(5,024)	(34,239)	--	(83,746)
Present value of future Minimum lease payments	$ 647,647	$ 142,450	$ 344,840	$ --	$ 1,134,937

IV. Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2009, was as follows:

	Balance September 30, 2008	Increases	Decreases	Balance September 30, 2009	Due Within One Year
Governmental activities:					
Notes Payable	$ 642,684	$ --	$ (59,801)	$ 582,883	$ 62,393
Capital leases	190,444	569,013	(99,174)	660,283	207,909
Compensated absences	9,851	23,114	--	32,965	--
Governmental activities long-term liabilities	$ 842,979	$ 576,748	$ (156,232)	$ 1,276,131	$ 270,302
Business-type activities:					
Revenue bonds	$ 14,370,000	$ 5,440,000	$ (6,590,000)	$ 13,220,000	$ 1,315,000
Less deferred amounts:					
For issuance discounts	(788,858)	94,870	--	(693,988)	--
Total bonds payable	13,581,142	5,534,870	(6,590,000)	12,526,012	1,315,000
Notes payable	459,678	560,000	(459,678)	560,000	560,000
Capital leases	413,389	127,143	(40,606)	499,926	206,137
Compensated absences	2,532	11,801	--	14,333	--
Environmental remediation liability	210,000	--	(105,000)	105,000	105,000
Business –type activities long-term liabilities	$ 14,666,741	$ 6,233,814	$ (7,195,284)	$ 13,705,271	$ 2,186,137

Long-term liability activity for the City's component unit for the year ended September 30, 2009, was as follows:

	Balance September 30, 2008	Increases	Decreases	Balance September 30, 2009	Due Within One Year
Business-type activities:					
Revenue bonds	$ 3,645,000	$ --	$ (65,000)	$ 3,580,000	$ 200,000
Less deferred amounts:					
For issuance and refunding costs	(217,480)	--	14,660	(202,820)	--
Governmental activities long-term liabilities	$ 3,427,520	$ --	$ (50,340)	$ 3,377,180	$ 200,000

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

At September 30, 2009, 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 $2,776,243, net of accumulated depreciation of $1,311,114.

At September 30, 2009, the minimum future lease payments to be received under the operating lease are as follows:

Year Ending September 30	Total
2010	$ 213,505
2011	213,505
2012	213,505
2013	213,505
2014	213,505
2015-2018	854,020
	$ 1,921,545

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, 2009 include:

Capital Projects Funds	
Reserved for specific projects to reflect resources funded by Special Purpose Local Option Sales Tax and Federal grants	$ 984,083
Special Revenue Funds	
Reserved for restricted purposes to reflect resources legally restricted for specific purposes	$ 45,724

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

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 289 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	58
Vested terminated employees not yet receiving benefits	34
Active employees	197
Total	289

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, 2009 was determined as part of the October

Annual Pension Cost and Net Pension Obligation

	For the Plan Year Ending September 30,		
	2007	2008	2009
Annual required contribution	$ 140,774	$ 236,165	$ 240,786
Interest on net pension obligation	(15,486)	(24,171)	(28,729)
Adjustment to annual required contribution	7,543	17,841	21,205
Annual pension cost	132,831	229,835	233,262
Contributions made	(272,648)	(292,706)	(278,055)
Increase (decrease) in net pension obligation	(139,817)	(62,871)	(44,793)
Net pension (asset), beginning of year	(193,570)	(333,387)	(396,258)
Net pension (asset), end of year	$ (333,387)	$ (396,258)	$ (441,051)

Schedule of Employer Contributions

Year Ended September 30,	Annual Required Contribution	Percentage of Annual Required Contribution Contributed
2005	$ 219,405	100%
2006	$ 140,774	100%
2007	$ 236,165	100%
2008	$ 240,786	100%
2009	$ 307,810	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)
10/1/06	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)%
10/1/08	9,782,996	8,160,870	(1,622,126)	119.9%	5,856,540	(27.7)%

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, 2009, the City paid $13,587 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, 2009. The City of Moultrie's equity investment in the SGBDA is $1,040,466 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, 2009. 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

NOTE O – HOTEL / MOTEL LODGING TAX

The City has levied a 5% lodging tax. Of this percentage, 1% is allocated each year to the Moultrie/Colquitt County Chamber of Commerce and 1% to the Main Street Program for use in the promotion of tourism within the City. For the year ended September 30, 2009, $149,347 of hotel/motel tax was collected and $34,455 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:

Settlements

During the year ended September 30, 2009, 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, 2007, 2008 and 2009.

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, 2009, 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 $13,192,631 in 2009.

At September 30, 2009, the outstanding debt of MEAG was approximately $3.68 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately $98 million at September 30, 2009.

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 $2,584,019 for the year ended September 30, 2009.

At September 30, 2009, 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 $5.27 million at September 30, 2009.

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, 2009, three employees were eligible and receiving benefits under the Plan. For the year ended September 30, 2009, the cost of premiums for providing post-retirement health care was $53,501.

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.

NOTE S – RETROACTIVE REPORTING OF INFRASTRUCTURE ASSETS

The City has determined that a restatement of the assets of the governmental activities is required to reflect the retroactive reporting of infrastructure assets to beginning balances of capital assets. The restatement increased capital assets by $12,292,496.

Accordingly, the City has restated its previously reported net assets for Governmental Activities as follows:

Net Assets of Governmental Activities At September 30, 2008, as previously reported	$ 17,905,963
Adjustment for retroactive reporting of infrastructure assets	12,292,496
Net Assets of Governmental Activities at September 30, 2008, as restated	$ 30,198,458

Supplementary Information

CITY OF MOULTRIE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2009

	Special Revenue Funds		Capital Projects Funds			
	Multiple Grants	Hotel / Motel Tax	SPLOST	Paving Program	Community Development	Total
ASSETS						
Cash and cash equivalents	$	$ 16,532	$ 2,448,000	$ -	$ -	$ 2,464,532
Investments	-	-	-	-		-
Accounts receivable, net	-		-	-		
Property tax receivable	-			-		
Inventories	-		-			-
Other current assets	-	1,315		-	-	1,315
Due from other governments	-		-	-	-	-
Due from component unit	-			-	-	-
Due from general fund		-	9,013	179,731	-	188,744
Due from other funds	100	-		-	-	100
Restricted assets:						
Cash and cash equivalents	35,545		-	196	295,983	331,724
Investments	-			-	-	-
Sales tax receivable					-	-
Program receivables	-				581,522	581,522
Total assets	35,645	17,847	2,457,013	179,927	877,505	3,567,937
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	-	4,153	-			4,153
Accrued expenses	-	2,202	-	-	-	2,202
Customer deposits		-		-	-	-
Deferred revenues					72,977	72,977
Due to other governments	-	-		-	-	-
Due to General Fund	670		-	-	100	770
Due to other funds		3	1,526	100	-	1,629
Liabilities payable from restricted assets	-	-	47,097		172	47,269
Total liabilities	670	6,358	48,623	100	73,249	129,000
Fund balances						
Reserved for:						
Debt service	-	-	-		-	-
Specific projects	-			179,827	804,256	984,083
Public services	34,975	11,489		-	-	46,464
Unreserved	-		2,408,390			2,408,390
Total fund balances (deficit)	34,975	11,489	2,408,390	179,827	804,256	3,438,937
Total liabilities and fund balances	$ 35,645	$ 17,847	$ 2,457,013	$ 179,927	$ 877,505	$ 3,567,937

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2009

	Special Revenue Funds		Capital Projects Funds			
	Multiple Grants	Hotel / Motel Tax	SPLOST	Paving Program	Community Development	Total
REVENUES						
Property taxes	$	$	$ -	$	$ -	$
Local option sales taxes			-	-		-
Other taxes and licenses	-	149,347			-	149,347
Fines, forfeitures and fees				-	-	-
Charges for services	-			-		
Investment income			12,977	-	25,416	38,393
Intergovernmental	375,330		1,035,045			1,410,375
Other revenues	-	37,760	-	-		37,760
Total revenues	375,330	187,107	1,048,022		25,416	1,635,875
EXPENDITURES						
Current:						
General government		220,577	-		-	220,577
Public safety						-
Public works	-					-
Parks and recreation	-			-		
Nondepartmental		-				
Capital outlays	210,041		893,932		2,028	1,106,001
Debt service:						
Principal	-					
Interest					-	
Total expenditures	210,041	220,577	893,932		2,028	1,326,578
Excess (deficiency) of revenues over expenditures	165,289	(33,470)	154,090		23,388	309,297
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	-	21,727			-	21,727
Transfers to other funds	(128,405)		-			(128,405)
Sale of capital assets	-		-			
Long - term debt issued	-				-	-
Total other financing sources (uses)	(128,405)	21,727		-	-	(106,678)
Net change in fund balances	36,884	(11,743)	154,090	-	23,388	202,619
Fund balances (deficit), beginning of year	(1,909)	23,232	2,254,300	179,827	780,868	3,236,318
Fund balances (deficit), end of year	$ 34,975	$ 11,489	$ 2,408,390	$ 179,827	$ 804,256	$ 3,438,937

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, 2009

	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	375,330	375,330	375,330	
Other revenues	-	-		-
Total revenues	375,330	375,330	375,330	-
EXPENDITURES				
Current:				
General government				-
Public safety				-
Public works	-		-	-
Parks and recreation		-		-
Nondepartmental			-	-
Capital outlays	279,997	279,997	210,041	69,956
Debt service:				
Principal	-			-
Interest	-		-	
Total expenditures	279,997	279,997	210,041	69,956
Excess (deficiency) of revenues over expenditures	95,333	95,333	165,289	69,956
OTHER FINANCING SOURCES (USES)				
Transfers from other funds				
Transfers to other funds	(128,405)	(128,405)	(128,405)	
Sale of capital assets		-		
Long - term debt issued			-	-
Total other financing sources (uses)	(128,405)	(128,405)	(128,405)	
Net change in fund balances	(33,072)	(33,072)	36,884	69,956
Fund balances, beginning of year	(1,909)	(1,909)	(1,909)	-
Fund balances, end of year	$ (34,981)	$ (34,981)	$ 34,975	$ 69,956

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, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Property taxes	$	$	$	$
Local option sales taxes	-		-	
Other taxes and licenses	155,000	155,000	149,347	(5,653)
Fines, forfeitures and fees	-	-	-	-
Charges for services	-		-	-
Investment income	-		-	-
Intergovernmental	-		-	-
Other revenues	38,000	38,000	37,760	(240)
Total revenues	193,000	193,000	187,107	(5,893)
EXPENDITURES				
Current:				
General government	231,161	231,161	220,577	10,584
Public safety	-	-	-	-
Public works	-		-	-
Parks and recreation		-	-	-
Nondepartmental		-	-	
Capital outlays		-	-	
Debt service:				
Principal			-	
Interest		-	-	-
Total expenditures	231,161	231,161	220,577	10,584
Excess (deficiency) of revenues over expenditures	(38,161)	(38,161)	(33,470)	4,691
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	15,000	15,000	21,727	6,727
Transfers to other funds			-	
Sale of capital assets			-	-
Long - term debt issued		-	-	-
Total other financing sources (uses)	15,000	15,000	21,727	6,727
Net change in fund balances	(23,161)	(23,161)	(11,743)	11,418
Fund balances, beginning of year	23,232	23,232	23,232	-
Fund balances, end of year	$ 71	$ 71	$ 11,489	$ 11,418

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
September 30, 2009

	Business Type Activities - Enterprise Funds						
	Solid Waste Fund	Airport Fund	Tele-Communications Fund	Warehouse Fund	Utilities Deposit Funds	Telephony Fund	Total
ASSETS							
Current assets							
Cash and cash equivalents	$	$	$ 417,890	$	$	$	$ 417,890
Investments			-	-		-	
Accounts receivable, net	149,497	105	43,030	207,810		17,207	417,649
Inventories				15,474		22,758	38,232
Other current assets	33,940	5,801	-	9,431		-	49,172
Total current assets	183,437	5,906	460,920	232,715		39,965	922,943
Non - current assets							
Due from general fund	1,501,373	231,868	6,005		457,445		2,196,691
Due from other funds			97,568	1,147,498	210,977		1,456,043
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	932,693	1,166,283	167,365				2,266,341
Total assets	2,617,503	1,404,057	731,858	1,380,213	668,422	39,965	6,842,018
LIABILITIES							
Current liabilities							
Accounts payable	101,378	2,358	8,264	72,443	-	18,141	202,584
Accrued expenses	12,818	4,308		16,099			33,225
Lines of credit	-			-			-
Current portion of long - term debt	63,688			7,115	-		70,803
Customer deposits	-				617,849	11,233	629,082
Due to other governments	-					-	
Due to general fund	34,303			1,277,295		-	1,311,598
Due to other funds	728,847	52,166		1,739		85,453	868,205
Liabilities payable from restricted assets:							
Current portion of long term debt				-			-
Total current liabilities	941,034	58,832	8,264	1,374,691	617,849	114,827	3,115,497
Long - term debt, net of current portion	283,728			5,522	-		289,250
Other liabilities - environmental remediation					-		
Total liabilities	1,224,762	58,832	8,264	1,380,213	617,849	114,827	3,404,747
NET ASSETS							
Invested in capital assets, net of related debt	587,853	1,166,283	167,365		-		1,921,501

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2009

	Business Type Activities - Enterprise Funds						
	Solid Waste Fund	Airport Fund	Tele-Communications Fund	Warehouse Fund	Utilities Deposit Funds	Telephony Fund	Total
OPERATING REVENUES							
Utility revenues	$	$	$	$	$	$	$
Charges for services	2,676,574	768,490	796,694			108,967	4,350,725
Intergovernmental	147,984					-	147,984
Total operating revenues	2,824,558	768,490	796,694		-	108,967	4,498,709
OPERATING EXPENSES							
Salaries and wages	630,933	3,696					634,629
Operating, administrative and maintenance	1,395,088	331,540	675,823	-		183,808	2,586,259
Depreciation	138,176	146,383	13,327	-		-	297,886
Total operating expenses	2,164,197	481,619	689,150			183,808	3,518,774
Operating income (loss)	660,361	286,871	107,544	-	-	(74,841)	979,935
NON - OPERATING INCOME (EXPENSES)							
Interest income			1,526	-			1,526
Interest expense	(13,204)		-			(21)	(13,225)
Gain (loss) on disposal of capital assets			-			-	-
Income (loss) before contributions and transfers	647,157	286,871	109,070			(74,862)	968,236
Capital contributions							-
Transfers from other funds	14,234	128,405				-	142,639
Transfers to other funds	(264,751)	(9,321)	(40,599)		-	-	(314,671)
Change in net assets	396,640	405,955	68,471		-	(74,862)	796,204
Net assets, beginning of year	996,101	939,270	655,123		50,573	-	2,641,067
Net assets, end of year	$ 1,392,741	$ 1,345,225	$ 723,594	$	$ 50,573	$ (74,862)	$ 3,437,271

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2009

	Business Type Activities - Enterprise Funds						
	Solid Waste Fund	Airport Fund	Tele-Communications Fund	Warehouse Fund	Utilities Deposit Funds	Telephony Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received from customers and users	$ 2,687,397	$ 769,845	$ 760,604	$	$ 24,836	$ 91,760	$ 4,334,442
Other operating receipts	147,984						147,984
Cash payments to employees	(630,957)	(3,696)					(634,653)
Cash payments to suppliers	(1,416,003)	(327,663)	(714,853)			(178,590)	(2,637,109)
Net cash provided (used) by operating activities	788,421	438,486	45,751		24,836	(86,830)	1,210,664
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from other funds	14,234	128,405					142,639
Transfers to other funds	(264,751)	(9,321)	(40,599)				(314,671)
Net change in due from general fund	(558,316)	(131,764)			(1,030)		(691,110)
Net change in due from other funds			(97,568)		(23,806)		(121,374)
Net change in due from component unit					-		
Net change in due to general fund	34,300						34,300
Net change in due to other funds	152,418	3,860			-	86,851	243,129
Net cash provided (used) by noncapital financing activities	(622,115)	(8,820)	(138,167)		(24,836)	86,851	(707,087)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from issuance of long - term debt							
Proceeds from sale of assets							
Proceeds from capital contributions							
Acquisition and construction of capital assets	(84,675)	(429,666)	(3,629)				(517,970)
Principal payments on long - term debt	(68,427)						(68,427)
Interest paid	(13,204)				-	(21)	(13,225)
Net cash provided (used) by capital and related financing activities	(166,306)	(429,666)	(3,629)			(21)	(599,622)
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from sale of investments							
Purchase of investments							
Loan disbursements						-	
Interest received			1,526			-	1,526
Net cash provided (used) by investing activities			1,526			-	1,526
Net increase (decrease) in cash and cash equivalents	-		(94,519)				(94,519)
Cash and cash equivalents, beginning of year			512,409				512,409
	$	$	$ 417,890	$	$	$	$ 417,890

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2009

	Business Type Activities - Enterprise Funds						
	Solid Waste Fund	Airport Fund	Tele-Communications Fund	Warehouse Fund	Utilities Deposit Funds	Telephony Fund	Total
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES							
Operating income (loss)	$ 660,361	$ 286,871	$ 107,544	$	$	$ (74,841)	$ 979,935
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	138,176	146,383	13,327				297,886.00
Changes in assets and liabilities:							
(Increase) decrease in:							
Accounts receivable	10,823	1,355	(36,090)	-	-	(17,207)	(41,119)
Inventories	-					(22,758)	(22,758)
Other current assets	(3,266)	6,085					2,819
Due from general fund						-	
Due from other funds							-
Due from component unit							
Increase (decrease) in:							
Accounts payable	(17,697)	(1,008)	(39,030)			29,374	(28,361)
Accrued expenses	24	(1,200)			24,836		23,660
Due to general fund							-
Due to other funds							
Net cash provided (used) by operating activities	$ 788,421	$ 438,486	$ 45,751	$ -	$ 24,836	$ (85,432)	$ 1,212,062

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CASH FLOWS
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
For the Year Ended September 30, 2009

	Downtown Development Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers and users	$ 846,870
Other operating receipts	
Cash payments to employees	
Cash payments to suppliers	(66,486)
Net cash provided (used) by operating activities	780,384
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	-
Net change in due to other funds	-
Net cash provided (used) by noncapital financing activities	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(2,248,299)
Principal payments - revenue bonds	(65,000)
Proceeds from bond offering	-
Defeasance of revenue bonds	
Payment of bond issuance costs	-
Interest paid	(265,491)
Net cash provided (used) by capital and related financing activities	(2,578,790)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of investments	
Purchase of investments	-
Loan disbursements	
Interest received	6,980
Net cash provided (used) by investing activities	6,980
Net increase (decrease) in	

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CASH FLOWS
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
For the Year Ended September 30, 2009

	Downtown Development Authority
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	$ 672,146
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and amortization	107,840
Changes in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	-
Inventories	-
Other current assets	1,020
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	$ 780,384

Compliance Section

Bowen, Phillips, Carmichael, Davis & Sims

Certified Public Accountants & Consultants

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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, 2009, which collectively comprise the City of Moultrie Georgia's basic financial statements and have issued our report thereon dated May 25, 2010. We did not audit the financial statements of the Pension Trust Fund, which statements reflect total assets of $10,098,311 as of September 30, 2009 and revenues of $903,296 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

accompanying schedule of financial statement findings to be significant deficiencies in internal control over financial reporting.

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 consider the significant deficiencies described above to be material weaknesses.

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*.

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

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

May 25, 2010

Tifton, Georgia

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
For the Year Ended September 30, 2009

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.

2009-1

Criteria:

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

Condition:

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

Cause of Condition:

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

2009-2

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.

2009-3

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:

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
For the Year Ended September 30, 2009

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.

2009-4

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 and 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.

2009-5

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.

2009-6

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:

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX EXPENDITURES
For the Year Ended September 30, 2009

	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	1,532,410	81,922	1,614,332	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%