CITY OF MOULTRIE, GEORGIA

Annual Financial Report

For the Year Ended September 30, 2010

CITY OF MOULTRIE, GEORGIA
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CITY OF MOULTRIE, GEORGIA
PRINCIPAL OFFICIALS
September 30, 2010

ELECTED

William M. McIntosh, Mayor

George Walker, Council Member

Angela Castellow, Council Member

Susie Thomas, 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

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, 2010, 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 $10,894,418, as of September 30, 2010, and revenues of $1,276,284, 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 solely 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 the 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, 2010, 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 March 29, 2011 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 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 considered in assessing the results of our audit.

ADVISORS AND CPAS 202 LOVE AVENUE PO BOX 7650 TIFTON, GEORGIA 31793 P 229 382 8576 F 229 238 0643
MEMBER OF CPAMERICA INTERNATIONAL

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Moultrie, Georgia's financial statements as a whole. The combining and individual nonmajor 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 financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The accompanying schedule of special purpose local option sales tax expenditures is presented, as required by the Official Code of Georgia Annotated and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the schedule of special purpose local option sales tax expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Bowen Phillips, LLP

March 29, 2011
Tifton, Georgia

Management's Discussion and Analysis

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, 2010. 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 $85.7 million in total assets of which $54.1 million are capital assets.
- The City has $26.2 million in total liabilities of which $15.5 million are long-term.
- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $59.5 million (net assets). Of this amount, $22.4 million (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors while $36.3 million is invested in capital assets net of related debt.
- The City's total net assets increased by $6.6 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $5.4 million, an increase of $373 thousand in comparison with the prior year. This amount consists of $1.01 million reserved for specific projects and public services and an unreserved balance of $4.33 million.
- At the end of the current fiscal year, unreserved fund balance for the general fund was $468 thousand, or 3.9% of total general fund expenditures.
- The City's long-term debt increased by $2.8 million during the current fiscal year as a result of the issuance of additional debt for capital assets and infrastructure.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

Fiduciary Funds

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

Notes to the Financial Statements

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

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

Table 1
Major Features of the Basic Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Condensed Statement of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $59.5 million at the close of the most recent fiscal year.

By far the largest portion of the City's net assets (60.9%) 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, 2010 and 2009.

Table 2
Condensed Statement of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Assets						
Current and other assets	$ 10,248,027	$ 9,478,876	$ 21,391,875	$ 16,301,356	$ 31,639,902	$ 25,780,232
Capital assets	25,554,241	25,836,339	28,496,538	24,059,115	54,050,779	49,895,454
Total assets	35,802,268	35,315,215	49,888,413	40,360,471	85,690,681	75,675,686
Liabilities						
Other liabilities	4,768,039	4,033,003	5,897,270	5,598,982	10,665,309	9,631,985
Long-term liabilities	842,447	1,276,131	14,648,782	11,817,634	15,491,229	13,093,765
Total liabilities	5,610,486	5,309,134	20,546,052	17,416,616	26,156,538	22,725,750
Net assets						
Invested in capital assets, net of related debt	24,410,931	24,605,810	11,858,045	9,588,292	36,268,976	34,194,102
Restricted	860,687	3,261,615	-	-	860,687	3,261,615
Unrestricted	4,920,164	2,138,656	17,484,316	13,355,563	22,404,480	15,494,219
Total net assets	$ 30,191,782	$ 30,006,081	$ 29,342,361	$ 22,943,855	$ 59,534,143	$ 52,949,936

Net assets may serve over time as a useful indicator of a government's financial position. The City's combined net assets exceed liabilities by $59.53 million for 2010 as compared to $52.95 million for 2009 for an increase of 12.4%. Of this amount $29.34 million came from business-type activities and $30.19 million came from governmental activities.

An additional portion of the City's net assets (1.45%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($22.40 million) may be used to meet the City's ongoing obligations to citizens and creditors. This is an increase of $6.91 million or 44.6%.

For governmental activities, the City reported a balance of $4.92 million in unrestricted net assets. This is a increase of $2.78 million from 2009. The business-type activities unrestricted net assets were $17.48 million, an increase of $4.13 million from 2009.

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, 2010 and 2009. 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

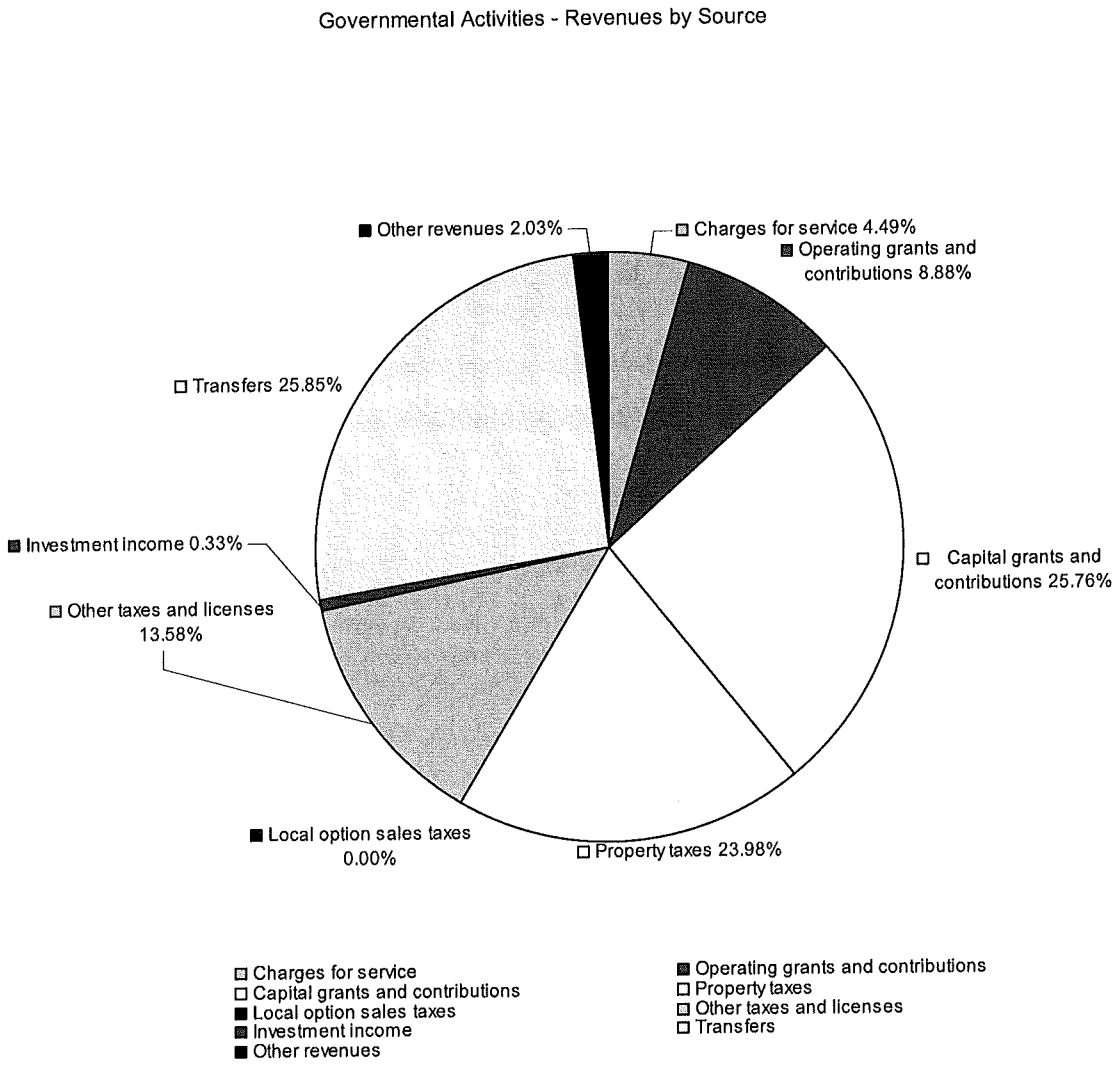
	Governmental Activities		Business - type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues:						
Charges for services	$ 708,771	$ 697,626	$ 40,258,873	$ 35,720,864	$ 40,967,644	$ 36,418,490
Operating grants and contributions	1,401,608	1,147,765	23,770	205,858	1,425,378	1,353,623
Capital grants and contributions	4,064,459	5,593	--	--	4,064,459	5,593
General revenues:						
Property taxes	3,008,921	3,201,803	--	--	3,008,921	3,201,803
Local option sales taxes	--	1,035,045	--	--	--	1,035,045
Other taxes	2,142,513	2,075,091	--	--	2,142,513	2,075,091
Investment income	52,613	79,579	23,315	67,601	75,928	147,180
Other revenues(loss)	320,733	490,214	(78,700)	23,830	242,033	514,044
Total revenues	11,699,618	8,732,716	40,227,258	36,018,153	51,926,876	44,750,869
Expenses						
General government	2,941,998	2,960,942	--	--	2,941,998	2,960,942
Public safety	6,235,708	6,237,582	--	--	6,235,708	6,237,582
Public works	5,125,828	3,490,153	--	--	5,125,828	3,490,153
Parks and recreation	1,075,393	812,989	--	--	1,075,393	812,989
Community development	160,329	7,683	--	--	160,329	7,683
Elections	4,909	2,700	--	--	4,909	2,700
Interest - long-term debt	48,541	35,893	--	--	48,541	35,893
Water and sewer	--	--	3,436,909	3,583,043	3,436,909	3,583,043
Electric revenue	--	--	16,120,945	15,624,313	16,120,945	15,624,313
Gas revenue	--	--	2,825,691	3,359,232	2,825,691	3,359,232
Cable TV	--	--	3,867,860	3,476,950	3,867,860	3,476,950
Solid waste	--	--	2,225,264	2,177,401	2,225,264	2,177,401
Airport	--	--	326,064	481,619	326,064	481,619
Telecommunications	--	--	747,565	689,150	747,565	689,150
Telephony	--	--	199,665	183,829	199,665	183,829
Total expenses	15,592,706	13,547,942	29,749,963	29,575,537	45,342,669	43,123,479
Increase (decrease) in net assets before transfers	(3,893,088)	(4,815,226)	10,477,295	6,442,616	6,584,207	1,627,390
Transfers	4,078,789	4,622,849	(4,078,789)	(4,622,849)	--	--
Change in net assets	$ 185,701	$ (192,377)	$ 6,398,506	$ 1,819,767	$ 6,584,207	$ 1,627,390

Governmental activities during the fiscal year ended September 30, 2010, increased the City's net assets by $186 thousand. Business-type activities during the same period increased net assets by $6.4 million. The net change in net assets was an increase of $6.58 million. The Table above shows the revenue and expenses by activity for the total primary government. This Table shows total 2010 revenues from governmental activities at $11.70 million while expenses were $15.59 million. Business-type activities total revenues for 2010 were $40.23 million while expenses were $29.75 million. The largest revenue source for governmental activities comes from transfers from business-type activities of $4.08 million which is 25.85% of the total governmental activity funding. Capital Grants and contributions are the next largest governmental activity revenue source at 4.06 million or 25.76%. Property Taxes are the second largest governmental activity revenue source at $3 million or 19.07%. Revenues from Other Taxes are the third largest governmental activity revenue source at $2.14 million or 13.58%. Business-type activities program revenues exceeded expenses by $10.45 million before internal transfers to support the governmental activities.

Program Revenues and Expenses for Governmental Activities

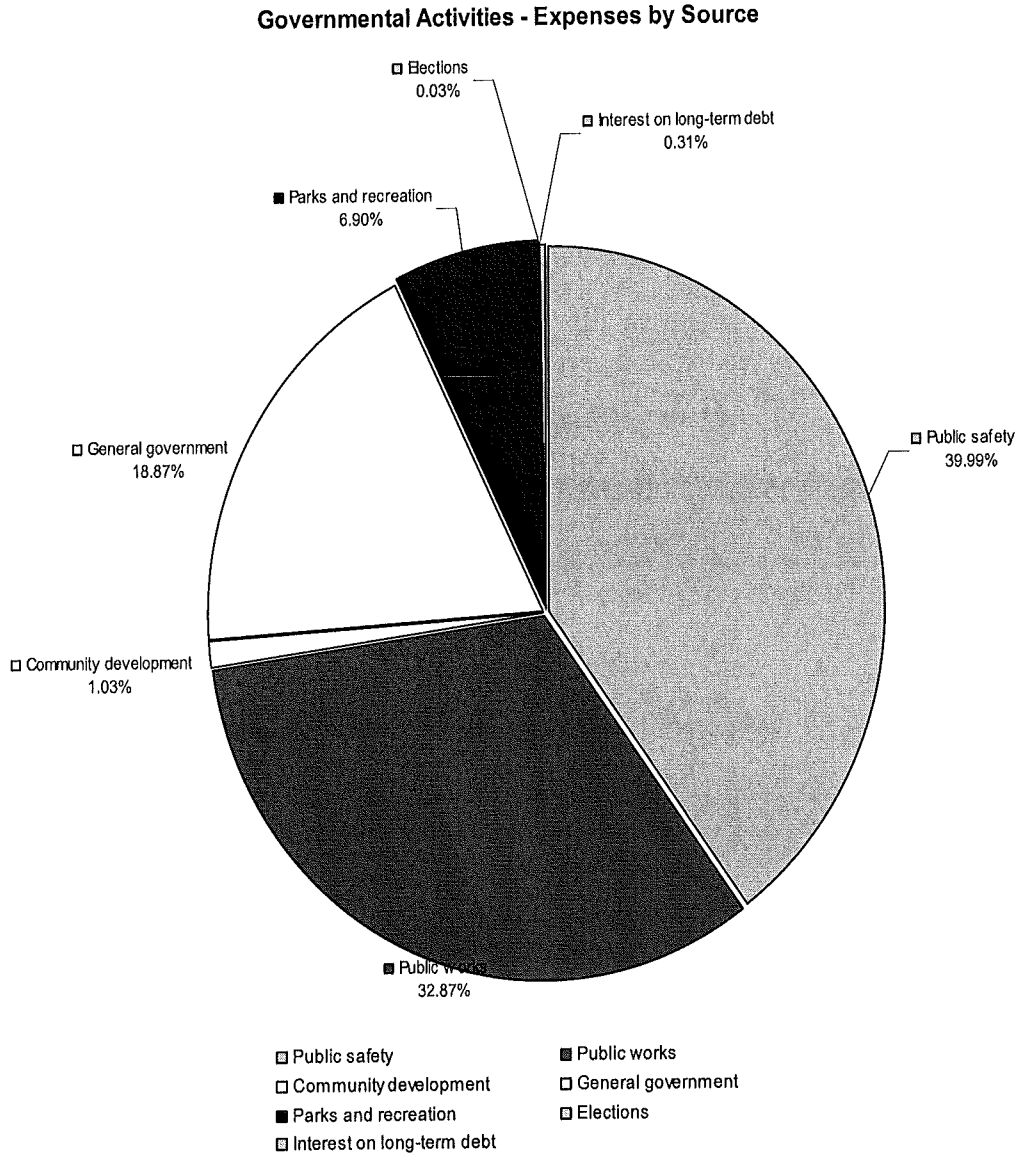
Governmental Activities - Revenues by Source

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 25.85% of the funding for the primary government. The second largest source of funding, Capital grants and contributions provided 25.76% of governmental revenues. Property taxes only provided 19.07% of the Governmental Activities funding in 2010. Due to a slow economy and falling property values, the necessity for the Business-type activities to provide funding for the Governmental activities continues to increase. Other revenue sources and funding through grants will have to fill this void. For the year ended September 30, 2010, transfers were $4.08 million.



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 39.99%. The next largest governmental expense was for Public Works at $5.125 million or 32.87 %.

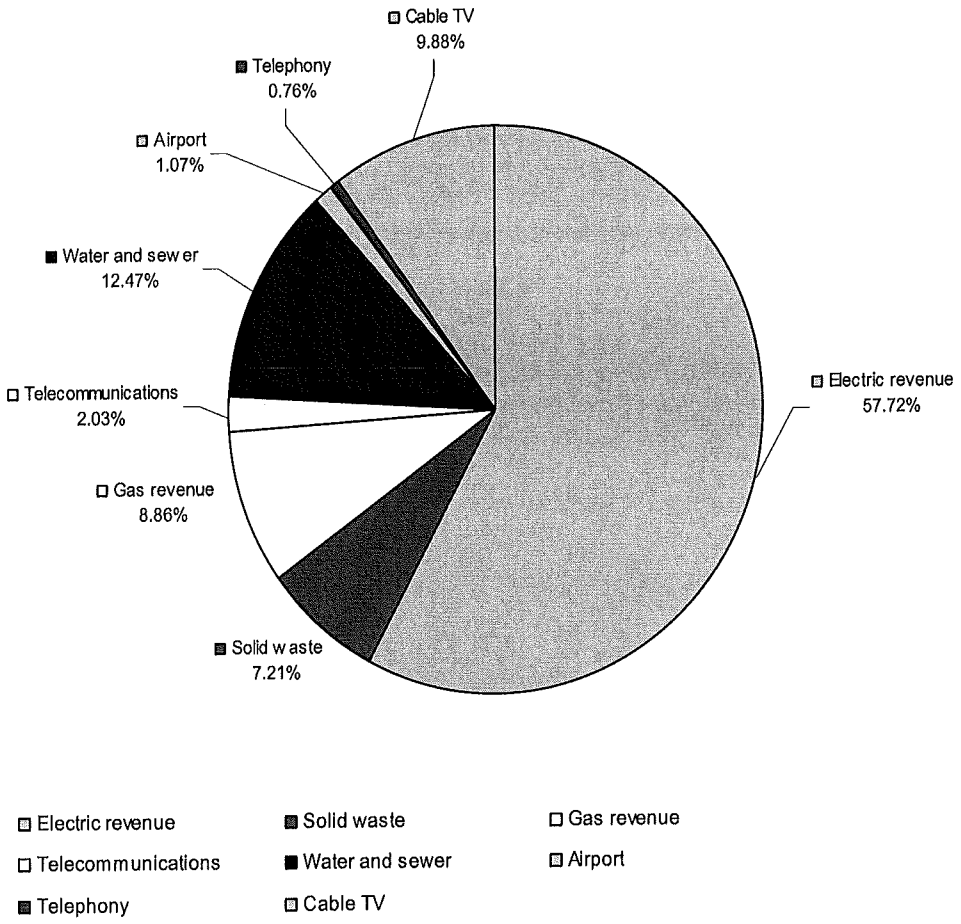


Program Revenues and Expenses for Business-Type Activities

Business-Type Activities – Revenues by Source

The business-type activities largest revenue source is from the Electric Fund. More revenues by far (57.779%) or $23.24 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 12.47% or $5.04 million.

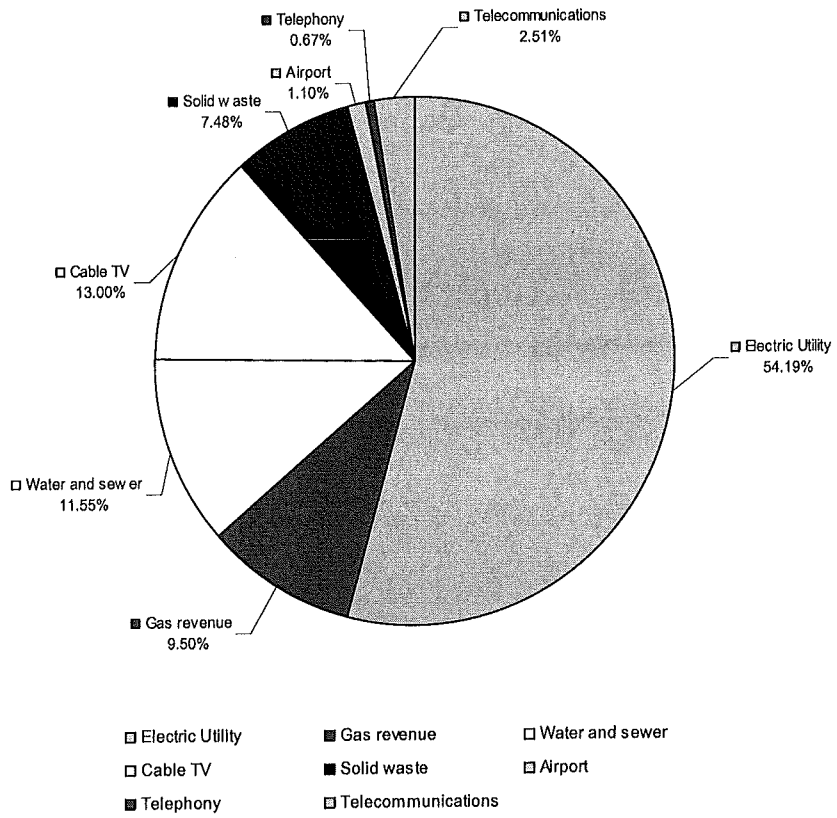
Business Activities - Revenues by Source



Business-Type Activities – Expenses by Source

The Electric fund also has the largest amount of expenses as expected at 54.19% or $16.12 million but it generated net income of $7.13 million before its transfers to governmental activities.

Business Activities - Expenses by Source



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

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

At September 30, 2010, the General Fund had a fund balance of $468 thousand. This is a decrease of $1.1 million from the beginning fund balance as of October 1, 2009. The decrease in the fund balance was due primarily to increased expenditures General Government operations, increased debt service payments, less long term debt issued and a decrease in the primary source of revenues from intergovernmental transfers.

At September 30, 2010, the SPLOST Fund had a fund balance of $3.88 million. This is an increase of $1.48 million from the beginning fund balance as of October 1, 2009. The primary reasons for this increase were from the proceeds from SPLOST revenues and governmental Grants.

The fund balances for the other governmental funds decreased by $3 thousand. The final fund balance for these funds was $1.03 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 $5.50 million for the year ended September 30, 2010. This was an increase of $2.35 million from the previous year.

The Water and Sewer Fund had an ending cash balance of $4.90 million at September 30, 2010. This was an increase of $2.49 million from the previous year due to no bond payments maturing during the year.

The Electric Fund had an ending cash balance of $170 thousand. This is an increase of $1 thousand from the previous year due to additional acquisition and construction of capital assets and increased costs of long term debt payments though the fund had an increase in revenues from service charges.

The Cable TV Fund showed an ending cash balance of $6 thousand which is a decrease of $146 thousand from the beginning cash balance due to increasing bond payments paid on long term debt and increasing programming costs.

The combined cash balance of the non-major enterprise funds at the end of the year was $420 thousand. This is an increase of $2 thousand from the beginning cash balance. The increase in cash balance is principally from the acquisition and construction of capital assets in the Solid Waste and Airport funds plus the addition of the Gas Fund to the non-major enterprise 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 to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Amendments to the original budget for 2010 related to the transfer of budgeted amounts between departments and did not result in additional appropriations.

The actual revenues of the General Fund exceeded the final budgeted amounts by $226 thousand for the year ended September 30, 2010. The major factors contributing to this difference were additional revenues from other taxes, fines and forfeitures and fees, charges for services and other revenues.

The actual expenditures of the General Fund were less than final budgeted amounts by $1.01 million for the year ended September 30, 2010. The major factors contributing to this difference were a decrease in actual expenditures for public safety, public works, Recreation and General Government operations which came in under the approved budget for the year by a combined total of $1.275 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2010, governmental activities and business-type activities had capital assets of $54.05 million (net of accumulated depreciation) invested in land, buildings, system improvements, machinery and equipment and recreation and park facilities.

The net capital assets from governmental activities decreased $282 thousand from the 2009 amount due to fewer purchases of vehicles, equipment and infrastructure improvements and the depreciation of existing assets already on the books. The net capital assets from business-type activities increased by $4.44 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 F 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, 2010, the City had $1.16 million of outstanding long-term liabilities related to governmental activities and $14.85 million of long-term liabilities related to business-type activities for a total of $16.01 million compared to the previous year's total of $13.10 million. This is a increase of $2.91 million as a result of debt incurred to finance water and sewer projects.

The City's component unit also had $3.19 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 H of the Notes to Financial Statements.

FACTORS AFFECTING THE 2010 BUDGET

The Mayor and Council of the City of Moultrie considered many factors when approving the City's 2010 budget and are very aware of present economic conditions and their effect on its citizens. Property Tax collections for 2010 decreased by $192,882 due to the reevaluation of property values and Council maintaining the same property tax rate for the year. General Fund expenses only increased $176,515 over 2009 but revenues decreased $233,144 over the same period. While there were $3.87 million in Special Local option Sales tax proceeds collected in 2010 these revenues are restricted for special projects and can not be used for regular governmental expenditures so the impact of a static revenue stream while regular governmental expenditures are increasing each year is still felt in a negative way and this must be corrected. It will be very important to find other revenue sources in the coming years as well as to look very closely at governmental expenditures to find where costs may be reduced with the least amount of reduction in services delivered. Increasing the transfers from the business-type activities funds to the Governmental Funds has maintained these funds up until now but these transfers have reached a level that it will take utility rate increases to continue to fund these transfers to the governmental funds at the present pace while at the same time maintaining a positive balance in these business activities funds. The use of capital leases and funding from grants are some ways to spread or reduce the City's expenses but the City can no longer avoid 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 continuation of the combination of programming 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, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
ASSETS				
Cash and cash equivalents	$ 6,785,071	$ 4,120,786	$ 10,905,857	$ 23,136
Investments	-	5,323,591	5,323,591	-
Accounts receivable, net	338,833	4,297,698	4,636,531	15,616
Property tax receivable	2,832,177	-	2,832,177	-
Inventories	116,895	1,738,946	1,855,841	-
Other current assets	192,480	86,545	279,025	2,523
Due from other governments	-	-	-	-
Due from component unit	-	453,269	453,269	-
Internal balances	(1,462,285)	1,462,285	-	-
Restricted assets:				
Cash and cash equivalents	362,770	1,372,628	1,735,398	282,401
Investments	-	1,495,015	1,495,015	-
Sales tax receivable	93,119	-	93,119	-
Program receivables	563,428	-	563,428	-
Investment in SGBDA	-	960,793	960,793	-
Other noncurrent assets	425,539	80,319	505,858	116,219
Capital assets:				
Land	1,394,670	1,282,470	2,677,140	709,191
Construction in progress	-	4,247,057	4,247,057	-
Other capital assets, net of accumulated depreciation	24,159,571	22,967,011	47,126,582	2,628,508
Total assets	$ 35,802,268	$ 49,888,413	$ 85,690,681	$ 3,777,594
LIABILITIES				
Accounts payable	$ 1,016,949	$ 2,011,440	$ 3,028,389	$ -
Accrued expenses	232,610	227,032	459,642	75,549
Lines of Credit	-	910,000	910,000	-
Customer deposits	-	681,584	681,584	-
Deferred revenues	3,073,749	-	3,073,749	-
Due to other governments	126,137	-	126,137	-
Due to primary government	-	-	-	453,269
Liabilities payable from restricted assets	-	1,415,000	1,415,000	-
Short-term notes payable	-	448,000	448,000	-
Long-term liabilities:				
Due within one year	318,594	204,214	522,808	210,000
Due in more than one year	842,447	14,648,782	15,491,229	2,981,837
Total liabilities	5,610,486	20,546,052	26,156,538	3,720,655
NET ASSETS				
Invested in capital assets, net of related debt	24,410,931	11,858,045	36,268,976	145,862
Restricted for:				
Debt service	-	-	-	-
Capital projects	860,687	-	860,687	-
Public services	-	-	-	-
Unrestricted (deficit)	4,920,164	17,484,316	22,404,480	(88,923)
Total net assets	$ 30,191,782	$ 29,342,361	$ 59,534,143	$ 56,939

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2010

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	$ 2,941,998	$ 481,318	$ 717,857	$ 4,014,577	$ 2,271,754
Public safety	6,235,708	78,089	1,825	-	(6,155,794)
Public works	5,125,828	-	-	49,882	(5,075,946)
Parks and recreation	1,075,393	149,364	681,926	-	(244,103)
Community development	160,329	-	-	-	(160,329)
Elections	4,909	-	-	-	(4,909)
Interest on long-term debt	48,541	-	-	-	(48,541)
Total governmental activities	15,592,706	708,771	1,401,608	4,064,459	(9,417,868)
Business-type activities:					
Water and sewer	3,436,909	5,020,246	20,876	-	1,604,213
Electric revenue	16,120,945	23,239,346	-	-	7,118,401
Gas revenue	2,825,691	3,565,110	-	-	739,419
Cable TV	3,867,860	3,977,697	-	-	109,837
Solid waste	2,225,264	2,901,102	2,894	-	678,732
Airport	326,064	429,860	-	-	103,796
Telecommunications	747,565	818,123	-	-	70,558
Warehouse	199,665	307,389	-	-	107,724
Total business-type activities	29,749,963	40,258,873	23,770	-	10,532,680
Total primary government	$ 45,342,669	$ 40,967,644	$ 1,425,378	$ 4,064,459	$ 1,114,812
Component unit:					
Downtown Development Authority	$ 841,534	$ 383,117	$ -	$ 58,418	$ (399,999)

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF ACTIVITIES (continued)
For the Year Ended September 30, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
Change in net assets:				
Net (expense) revenue	$ (9,417,868)	$ 10,532,680	$ 1,114,812	$ (399,999)
General revenues:				
Taxes:				
Property taxes	3,008,921	-	3,008,921	-
Local option sales taxes	-	-	-	-
Other taxes	2,142,513	-	2,142,513	-
Investment income	52,613	23,315	75,928	747
Gain (loss) on disposal of capital assets	(475)	(78,700)	(79,175)	-
Other revenues	321,208	-	321,208	-
Transfers	4,078,789	(4,078,789)	-	-
Total general revenues and transfers	9,603,569	(4,134,174)	5,469,395	747
Change in net assets	185,701	6,398,506	6,584,207	(399,252)
Net assets, beginning of year	30,006,081	22,943,855	52,949,936	456,191
Net assets, end of year	$ 30,191,782	$ 29,342,361	$ 59,534,143	$ 56,939

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2010

	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 2,771,349	$ 3,967,509	$ 46,213	$ 6,785,071
Investments	-	-	-	-
Accounts receivable, net	298,214	-	-	298,214
Property tax receivable	2,832,177	-	-	2,832,177
Inventories	87,766	-	-	87,766
Other current assets	182,233	-	1,134	183,367
Due from other governments	-	-	-	-
Due from component unit	-	-	-	-
Due from general fund	-	-	179,731	179,731
Due from other funds	1,439,846	-	2,258	1,442,104
Restricted assets:				
Cash and cash equivalents	-	-	362,770	362,770
Investments	-	-	-	-
Sales tax receivable	93,119	-	-	93,119
Program receivables	-	-	563,428	563,428
Total assets	$ 7,704,704	$ 3,967,509	$ 1,155,534	$ 12,827,747
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 892,614	$ 37,426	$ 25,646	$ 955,686
Accrued expenses	204,343	-	2,393	206,736
Customer deposits	-	-	-	-
Deferred revenues	3,000,772	-	72,977	3,073,749
Due to other governments	126,137	-	-	126,137
Due to general fund	-	53,460	25,752	79,212
Due to other funds	3,012,880	1,526	1,180	3,015,586
Liabilities payable from restricted assets	-	-	-	-
Total liabilities	7,236,746	92,412	127,948	7,457,106
Fund balances				
Reserved for:				
Debt service	-	-	-	-
Specific projects	-	-	1,005,764	1,005,764
Public services	-	-	37,892	37,892
Unreserved (deficit), reported in				
General Fund	467,958	-	-	467,958
Capital projects funds	-	3,875,097	(16,070)	3,859,027
Total fund balances (deficit)	467,958	3,875,097	1,027,586	5,370,641
Total liabilities and fund balances (deficit)	$ 7,704,704	$ 3,967,509	$ 1,155,534	$ 12,827,747

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
September 30, 2010

Total governmental fund balances	$	5,370,641
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.		25,554,241
Net pension asset that is not a financial asset in governmental activities and therefore not reported in governmental funds.		425,539
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued expenses		(5,318)
Capital leases		(607,840)
Notes payable		(517,916)
Compensated absences		(27,565)
Net assets of governmental activities	$	30,191,782

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010

	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 3,008,921	$ -	$ -	$ 3,008,921
Local option sales taxes	-	3,865,215	-	3,865,215
Other taxes and licenses	1,975,445	-	167,068	2,142,513
Fines, forfeitures and fees	474,252	-	2,820	477,072
Charges for services	216,315	-	-	216,315
Investment income	28,789	-	23,824	52,613
Intergovernmental	838,746	7,066	762,106	1,607,918
Other revenues	276,436	-	68,602	345,038
Total revenues	6,818,904	3,872,281	1,024,420	11,715,605
EXPENDITURES				
Current:				
General government	2,565,814	-	248,581	2,814,395
Public safety	5,825,961	-	56	5,826,017
Public works	2,604,417	-	-	2,604,417
Parks and recreation	814,371	-	-	814,371
Capital outlays	-	2,396,561	818,081	3,214,642
Debt service:				
Principal	285,601	-	-	285,601
Interest	48,541	-	-	48,541
Total expenditures	12,144,705	2,396,561	1,066,718	15,607,984
Excess (deficiency) of revenues over expenditures	(5,325,801)	1,475,720	(42,298)	(3,892,379)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	4,064,454	-	39,335	4,103,789
Transfers to other funds	(25,000)	-	-	(25,000)
Sale of capital assets	5,900	-	-	5,900
Long - term debt issued	180,828	-	-	180,828
Total other financing sources (uses)	4,226,182	-	39,335	4,265,517
Net change in fund balances	(1,099,619)	1,475,720	(2,963)	373,138
Fund balances (deficit), beginning of year	1,567,577	2,399,377	1,030,549	4,997,503
Fund balances (deficit), end of year	$ 467,958	$ 3,875,097	$ 1,027,586	$ 5,370,641

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2010

Net change in fund balances - total governmental funds	$	373,138
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		1,144,990
Transfer of capital assets from business-type activities		22,064
Depreciation expense		(1,442,777)
Total proceeds from sale or disposal		(5,900)
Loss on disposal of capital assets		(475)
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		(180,828)
Debt payments made		285,601
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		(15,512)
Decrease in compensated absences		5,400
Change in net assets of governmental activities	$	185,701

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Property taxes	$ 3,056,346	$ 3,056,346	$ 3,008,921	$ (47,425)
Local option sales taxes	-	-	-	-
Other taxes and licenses	1,931,479	1,931,479	1,975,445	43,966
Fines, forfeitures and fees	428,400	428,400	474,252	45,852
Charges for services	147,020	147,020	216,315	69,295
Investment income	30,000	30,000	28,789	(1,211)
Intergovernmental	838,747	838,747	838,746	(1)
Other revenues	160,569	160,569	276,436	115,867
Total revenues	6,592,561	6,592,561	6,818,904	226,343
EXPENDITURES				
Current:				
General government				
City council	1,036,926	1,036,926	950,233	86,693
City manager	245,357	245,357	240,656	4,701
Finance	379,080	379,080	364,019	15,061
Purchasing	161,518	161,518	150,737	10,781
Legal	-	-	-	-
Information systems	-	-	-	-
Municipal court	-	-	-	-
Human resources	204,365	204,365	198,072	6,293
City hall	57,641	57,641	46,373	11,268
Main street program	250,922	250,922	224,537	26,385
Engineering	393,013	393,013	391,187	1,826
Garage	-	-	-	-
Total general government	2,728,822	2,728,822	2,565,814	163,008
Public safety				
Police	3,310,485	3,310,485	2,926,026	384,459
Fire	2,754,265	2,754,265	2,504,851	249,414
Planning and zoning	418,975	418,975	395,084	23,891
Total public safety	6,483,725	6,483,725	5,825,961	657,764
Public works				
Office of the director	207,408	207,408	190,257	17,151
Streets and sidewalks	1,594,069	1,594,069	1,448,370	145,699
Beautification	1,047,025	1,047,025	965,790	81,235
Total public works	2,848,502	2,848,502	2,604,417	244,085
Parks and recreation				
Recreation	1,022,315	1,022,315	809,265	213,050
Parks and cemetery	5,106	5,106	5,106	-
Northwest Community Center	-	-	-	-
Total parks and recreation	1,027,421	1,027,421	814,371	213,050

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
Debt service:				
Principal	-	-	285,601	(285,601)
Interest	65,695	65,695	48,541	17,154
Total expenditures	13,154,165	13,154,165	12,144,705	1,009,460
Excess (deficiency) of revenues over expenditures	(6,561,604)	(6,561,604)	(5,325,801)	1,235,803
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	3,756,458	3,756,458	4,064,454	307,996
Transfers to other funds	(25,000)	(25,000)	(25,000)	-
Sale of capital assets	3,538	3,538	5,900	2,362
Long - term debt issued	-	-	180,828	180,828
Total other financing sources (uses)	3,734,996	3,734,996	4,226,182	491,186
Net change in fund balances	(2,826,608)	(2,826,608)	(1,099,619)	1,726,989
Fund balances (deficit), beginning of year	1,567,577	1,567,577	1,567,577	-
Fund balances (deficit), end of year	$ (1,259,031)	(1,259,031)	$ 467,958	$ 1,726,989

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2010

	Business Type Activities - Enterprise Funds					Governmental Activity
	Water and Sewer Fund	Electric Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
ASSETS						
Current assets						
Cash and cash equivalents	$ 3,913,946	$ -	$ 5,935	$ 200,905	$ 4,120,786	$ -
Investments	-	5,323,591	-	-	5,323,591	-
Restricted assets - cash	-	-	-	-	-	-
Restricted assets - investments	550,000	-	865,000	-	1,415,000	-
Accounts receivable, net	673,559	2,812,420	347,067	464,652	4,297,698	40,619
Due from general fund	6,802	-	26	2,826,320	2,833,148	-
Due from other funds	72,042	4,890,079	47,628	527,980	5,537,729	1,480,046
Due from component unit	235,000	-	-	218,269	453,269	-
Inventories	202,496	1,059,411	241,973	235,066	1,738,946	29,129
Other current assets	24,765	20,401	4,409	36,970	86,545	9,113
Total current assets	5,678,610	14,105,902	1,512,038	4,510,162	25,806,712	1,558,907
Non - current assets						
Investment in SGBDA	-	-	960,793	-	960,793	-
Restricted assets - cash	983,333	169,866	-	219,429	1,372,628	-
Restricted assets - investments	71,175	-	8,840	-	80,015	-
Deferred charges	80,319	-	-	-	80,319	-
Capital assets:						
Land	80,027	1,112,569	-	89,874	1,282,470	-
Construction in progress	3,879,442	367,615	-	-	4,247,057	-
Other capital assets, net of accumulated depreciation	8,538,981	5,781,912	5,698,194	2,947,924	22,967,011	-
Total non - current assets	13,633,277	7,431,962	6,667,827	3,257,227	30,990,293	-
Total assets	$ 19,311,887	$ 21,537,864	$ 8,179,865	$ 7,767,389	$ 56,797,005	$ 1,558,907
LIABILITIES						
Current liabilities						
Accounts payable	$ 68,713	$ 1,277,427	$ 435,784	$ 229,516	$ 2,011,440	$ 61,263
Accrued expenses	103,424	26,300	65,088	32,220	227,032	20,556
Lines of credit	-	-	910,000	-	910,000	-
Short - term notes payable	-	448,000	-	-	448,000	-
Current portion of long - term debt	62,278	-	-	141,936	204,214	5,100
Customer deposits	-	-	-	681,584	681,584	-
Due to other governments	-	-	-	-	-	-
Due to general fund	-	59,118	-	6,325	65,443	1,295,190
Due to other funds	2,439,673	142,125	2,927,176	1,334,175	6,843,149	174,178
Liabilities payable from restricted assets:						
Current portion of long - term debt	550,000	-	865,000	-	1,415,000	-
Total current liabilities	3,224,088	1,952,970	5,203,048	2,425,756	12,805,862	1,556,287
Long - term debt, net of current portion	8,438,086	-	5,678,785	469,331	14,586,202	2,620
Other liabilities - environmental remediation	62,580	-	-	-	62,580	-
Total liabilities	11,724,754	1,952,970	10,881,833	2,895,087	27,454,644	1,558,907
NET ASSETS						
Invested in capital assets, net of related debt	3,454,984	6,814,096	(845,591)	2,434,556	11,858,045	(4,917)
Restricted for debt service	-	-	-	-	-	-
Unrestricted (deficit)	4,132,149	12,770,798	(1,856,377)	2,437,746	17,484,316	4,917
Total net assets	$ 7,587,133	$ 19,584,894	$ (2,701,968)	$ 4,872,302	$ 29,342,361	$ -

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended September 30, 2010

	Business Type Activities - Enterprise Funds					Governmental Activity
	Water and Sewer Fund	Electric Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
OPERATING REVENUES						
Utility revenues	$ -	$ 23,239,346	$ -	$ -	$ 23,239,346	$ -
Charges for services	5,020,246	-	3,977,697	8,021,584	17,019,527	1,097,691
Intergovernmental	20,876	-	-	2,894	23,770	-
Total operating revenues	5,041,122	23,239,346	3,977,697	8,024,478	40,282,643	1,097,691
OPERATING EXPENSES						
Salaries and wages	795,071	744,932	43,146	811,308	2,394,457	532,899
Operating, administrative and maintenance	1,920,583	14,885,719	3,051,409	5,153,037	25,010,748	564,399
Depreciation	690,467	486,552	402,866	341,569	1,921,454	-
Total operating expenses	3,406,121	16,117,203	3,497,421	6,305,914	29,326,659	1,097,298
Operating income (loss)	1,635,001	7,122,143	480,276	1,718,564	10,955,984	393
NON - OPERATING INCOME (EXPENSES)						
Interest income	13,637	7,133	1,148	1,397	23,315	-
Interest expense	(30,788)	(3,742)	(370,439)	(18,335)	(423,304)	(393)
Gain (loss) on disposal of capital assets	-	-	(77,991)	(709)	(78,700)	-
Income (loss) before contributions and transfers	1,617,850	7,125,534	32,994	1,700,917	10,477,295	-
Capital contributions	-	-	-	-	-	-
Transfers from other funds	-	334,634	495,000	320,000	1,149,634	-
Transfers to other funds	(1,044,713)	(2,352,831)	(543,978)	(1,286,901)	(5,228,423)	-
Change in net assets	573,137	5,107,337	(15,984)	734,016	6,398,506	-
Net assets (deficit), beginning of year	7,013,996	14,477,557	(2,685,984)	4,138,286	22,943,855	-
Net assets (deficit), end of year	$ 7,587,133	$ 19,584,894	$ (2,701,968)	$ 4,872,302	$ 29,342,361	$ -

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2010

	Business Type Activities - Enterprise Funds					Governmental Activity
	Water and Sewer Fund	Electric Revenue Fund	Cable TV Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers and users	$ 4,996,327	$ 22,958,398	$ 4,004,853	$ 8,029,186	$ 39,988,764	$ 1,264,882
Other operating receipts	20,876	-	-	2,894	23,770	-
Cash payments to employees	(789,917)	(733,473)	(40,121)	(796,860)	(2,360,371)	(582,265)
Cash payments to suppliers	(1,919,318)	(14,830,444)	(2,958,468)	(5,229,464)	(24,937,694)	(535,093)
New customer utility deposits	-	-	-	2,825	2,825	-
Refunded customer utility deposits	-	-	-	-	-	-
Net cash provided (used) by operating activities	2,307,968	7,394,481	1,006,264	2,008,581	12,717,294	147,524
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	-	334,634	495,000	320,000	1,149,634	-
Transfers to other funds	(1,044,713)	(2,352,831)	(543,978)	(1,264,837)	(5,206,359)	-
Net change in due from general fund	206,568	1,082,277	(3)	(542,942)	745,900	(3,805,229)
Net change in due from other funds	1,495,409	(1,318,802)	(47,628)	(58,119)	70,860	(332,548)
Net change in due from component unit	(235,000)	-	-	(218,269)	(453,269)	-
Net change in due to general fund	(24,957)	(26,158)	-	(28,244)	(79,359)	3,823,125
Net change in due to other funds	1,337,372	(1,496,026)	29,322	230,864	101,532	172,438
Net cash provided (used) by noncapital financing activities	1,734,679	(3,776,906)	(67,287)	(1,561,547)	(3,671,061)	(142,214)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Change in deferred charges	(80,319)	-	-	-	(80,319)	-
Proceeds from issuance of long - term debt	3,669,399	-	-	-	3,669,399	
Proceeds from sale of assets	-	-	-	-	-	-
Proceeds from capital contributions	-	-	-	-	-	-
Acquisition and construction of capital assets	(4,337,846)	(1,721,605)	(14,778)	(307,421)	(6,381,650)	-
Principal payments on long - term debt	(106,565)	(112,000)	(793,662)	(120,897)	(1,133,124)	(4,917)
Interest paid	(93,613)	(3,742)	(279,117)	(18,335)	(394,807)	(393)
Net cash provided (used) by capital and related financing activities	(948,944)	(1,837,347)	(1,087,557)	(446,653)	(4,320,501)	(5,310)
CASH FLOWS FROM INVESTING ACTIVITIES						
Sale of investment securities	-	843,790	1,682	-	845,472	-
Purchase of investments	(621,175)	(2,630,804)	-	-	(3,251,979)	-
Loan disbursements	-	-	-	-	-	-
Interest received	13,637	7,133	1,148	1,397	23,315	-
Net cash provided (used) by investing activities	(607,538)	(1,779,881)	2,830	1,397	(2,383,192)	-
Net increase (decrease) in cash and cash equivalents	2,486,165	347	(145,750)	1,778	2,342,540	-
Cash and cash equivalents, beginning of year	2,411,114	169,519	151,685	418,556	3,150,874	-
Cash and cash equivalents, end of year	$ 4,897,279	$ 169,866	$ 5,935	$ 420,334	$ 5,493,414	$ -

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2010

	Business Type Activities - Enterprise Funds					Governmental Activity
	Water and Sewer Fund	Electric 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)	$ 1,635,001	$ 7,122,143	$ 480,276	$ 1,718,564	$ 10,955,984	$ 393
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	690,467	486,552	402,866	341,569	1,921,454	-
New customer utility deposits	-	-	-	2,825	2,825	-
Refunded customer utility deposits	-	-	-	-	-	-
Unrealized (gain) loss on investment	-	-	-	-	-	-
Changes in assets and liabilities:						
(Increase) decrease in:						
Accounts receivable	(23,919)	(280,948)	27,156	(17,234)	(294,945)	167,191
Deferred charges	-	-	-	-	-	-
Inventories	11,951	80,002	(105,789)	(12,268)	(26,104)	(13,655)
Other current assets	235	(1,603)	814	7,888	7,334	318
Due from general fund	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from component unit	-	-	-	-	-	-
Increase (decrease) in:						
Accounts payable	(10,921)	(23,124)	197,916	(73,057)	90,814	(11,180)
Accrued expenses	10,013	11,459	3,025	34,845	59,342	4,457
Compensated absences liability	(4,859)	-	-	5,449	590	-
Due to general fund	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Net cash provided (used) by operating activities	$ 2,307,968	$ 7,394,481	$ 1,006,264	$ 2,008,581	$ 12,717,294	$ 147,524
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES						
Transfer of capital assets to general fund	-	-	-	22,064	-	-
Total non-cash capital and related financing activities	$ -	$ -	$ -	$ 22,064	$ -	$ -

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
September 30, 2010

	Pension Trust Fund	Agency Fund-Municipal Court
ASSETS		
Cash and cash equivalents	$ 1,509,937	$ 83,805
Investments:		
U.S. Government securities	975,498	-
Corporate bonds	1,474,264	-
Municipal bonds	1,923,844	-
Equities - common stock	3,992,300	-
Mutual funds	616,706	-
Certificate of deposit	335,000	-
Receivables:		
Accounts receivable, net	-	-
Employer and employee's contribution	-	-
Accrued investment income	66,869	-
Total assets	10,894,418	83,805
LIABILITIES		
Settlements payable	-	-
Due to others	-	83,805
Total liabilities	-	83,805
NET ASSETS		
Held in trust for pension benefits (a schedule of funding progress is presented in the notes to financial statements)	$ 10,894,418	$ -

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
For the Year Ended September 30, 2010

	Pension Trust Fund
ADDITIONS	
Contributions	
Employer	$ 297,115
Participants	297,115
Total contributions	594,230
Investment income	
Net appreciation in fair value of investments	396,599
Interest and dividends	362,015
Less - investment expenses	(76,560)
Net investment income	682,054
Total additions	1,276,284
DEDUCTIONS	
Net depreciation in fair value of investments	-
Pension benefits paid	453,602
Administrative expenses	26,575
Total deductions	480,177
Net increase	796,107
Net assets held in trust for pension benefits	
Beginning of year	10,098,311
End of Year	$ 10,894,418

See accompanying notes to financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

I. Reporting Entity

The City of Moultrie, Georgia was created in December, 1879, under the provisions of an act by the General Assembly of the State of Georgia. The City's Charter provides for a Council/Manager form of government. The City Manager is the head of the administrative branch of government and is responsible for the day-to-day operations of the city government. The legislative authority of the City is vested in the Mayor and six Council members with an appointed City Manager. The City provides the following services and operations as authorized by its charter: public safety (police and fire), public works, airport, recreation, animal control, emergency management, and public utilities (water and sewer, gas, electric, solid waste, 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, Georgia (the primary government) and its component unit. A component unit is a legally separate organization for which the primary government is financially accountable or for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. In evaluating how to define the government for financial reporting purposes, management has considered all component units.

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

Downtown Development Authority of the City of Moultrie

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

II. Government-Wide and Fund Financial Statements

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

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

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

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

Government – Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

The City reports the following major governmental funds:

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

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

Additionally, the City reports the following governmental fund types:

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

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

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

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

The City reports the following major enterprise funds:

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

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

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

The City reports the following internal service funds:

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

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

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

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

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

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

Budgets

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

Cash and Cash Equivalents

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

Investments

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

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

Receivables

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

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

Inventories

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

Prepaid Items

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

Interfund Receivables / Payables

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

Restricted Assets

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

Capital Assets

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

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

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest capitalized is calculated by offsetting interest expense incurred (from the date of borrowing until the date of completion of the project) with interest earned on investment proceeds over the same period. During the year ended September 30, 2010, $116,219 of interest was capitalized within the component unit.

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

Governmental Assets:

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

Business-type Assets:

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

Compensated Absences

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

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

Deferred Compensation Plan

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

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

Long-Term Obligations

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

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

Fund Equity

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve the portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Fund, and Capital Projects Funds. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at the end of the year. Encumbrances are re-appropriated in the following year, except for encumbrances in the Capital Projects Funds which are continuing. Encumbrances do not represent GAAP expenditures. At September 30, 2010, 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 March 29, 2011, 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.
2) Proposed budgets are reviewed and prepared by the City Manager for submission to the Mayor and the City Council in August.
3) Public hearings on the proposed budget are held in August and September.
4) The budget is legally adopted by the Mayor and the City Council in September.
5) All budget revisions must be approved as required by Georgia law and administrative policy. Transfer of budgeted amounts in excess of $5,000 between object categories within departments requires the approval of the City Council. This is consistent with the legal level of budgetary control as the budget is adopted at the object category level. Revisions that alter the total expenditures of any department or fund must be approved by the City Council.
6) Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Fund, Capital Projects Funds, and the Enterprise Funds.
7) Budgets for the General Fund, Special Revenue Fund, and the Enterprise Funds are adopted on a basis consistent with accounting 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, 2010:

Department		Excess of Expenditures Over Budgeted Amounts
Debt Service	$	285,601

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, 2010:

Fund		Deficit
Cable TV Fund	$	2,701,968
Multiple Grants		16,070

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

NOTE C - DEPOSITS AND INVESTMENTS

I. Cash on Deposit

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

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

The Georgia Code requires that depository institutions collateralize cash deposits of public funds. Depositories of public funds may secure deposits by the insurance of the F.D.I.C., pledged securities, or a combination of these methods. The market value of pledged securities shall be equal to or not less than 100 percent of the deposited public funds.

As of September 30, 2010, the carrying amount of the City's deposits was $14,234,997 and the bank balance was $12,954,276. The deposits were classified as follows:

	Category 1	2	3	Total
Bank balance	$ 535,742	$ 12,418,534	$ --	$ 12,954,276

As of September 30, 2010, the carrying amount of deposits for the Downtown Development Authority was $305,537 and the bank balances were $305,537. The deposits were classified as follows:

	Category 1	2	3	Total
Bank balance	$ 305,537	$ --	$ --	$ 305,537

II. Investments

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

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

The City is a participant in the Municipal Electric Authority of Georgia (MEAG). The MEAG board approves an annual system budget from which MEAG bills its participants. At the end of the year, adjustments are made by MEAG to each participant's billings to agree with actual cost. Whenever MEAG recovers funds from the City in excess of its actual costs to serve the City, the City can elect to have their funds deposited in MEAG's voluntary flexible operating account fund in lieu of receiving a refund. This voluntary stabilization fund is used to reduce future costs of the City at its discretion while also earning interest. The City is authorized to direct the MEAG to retain or use the discretionary funds. At September 30, 2010, the City's balance in the discretionary stabilization fund was $5,323,591.

Investments are categorized into three categories of credit risk:

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

As of September 30, 2010, the City's investments were classified as follows:

	Category				
	1	2	3	Cost	Fair Value
Pension Trust Fund					
U.S. Government Securities	$ - -	$ 975,498	$ - -	$ 948,419	$ 975,498
Municipal Bonds	- -	1,923,844	- -	1,858,850	1,923,844
Corporate Bonds	- -	1,474,264	- -	1,390,331	1,474,264
Equities – Common Stock	- -	3,992,300	- -	3,722,458	3,992,300
Mutual Funds	- -	152,171	- -	139,574	152,171
Certificate of Deposit	- -	335,000	- -	335,000	335,000
Asset - Backed Securities	- -	464,535	- -	455,635	464,535
Proprietary Funds					
U.S. Government Securities	- -	1,495,015	- -	1,495,015	1,495,015
Municipal Competitive Trust – Short -term	- -	5,323,591	- -	5,323,591	5,323,591
				$ 15,668,873	$ 16,136,218

As of September 30, 2010, 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	$ 975,498	April 17, 2014 thru October 15, 2020	Unavailable
Municipal Bonds	1,923,844	December 1, 2012 thru December 1, 2021	Unavailable
Corporate Bonds	1,474,264	March 15, 2011 thru April 15, 2018	Unavailable
Equities – Common Stock	3,992,300	Not applicable	Unavailable
Mutual Funds	152,171	Not applicable	Unavailable
Certificate of Deposit	335,000	August 13, 2011	Unavailable
Asset - Backed Securities	464,535	October 1, 2021 thru June 1, 2028	
Proprietary Funds			
U.S. Government Securities	1,495,015	October 1, 2010 thru October 10, 2011	Unavailable
Municipal Competitive Trust– Short -term	5,323,591	Not applicable	AAA
	$ 16,136,218		

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	$	14,234,997
Investments from above		16,136,218
Total	$	30,371,215
Amounts as presented on the entity-wide Statement of Net Assets		
Governmental Activities:		
Cash and cash equivalents	$	6,785,071
Restricted cash and cash equivalents		362,770
Business-Type Activities:		
Cash and cash equivalents		4,120,786
Investments		5,323,591
Restricted cash and cash equivalents		1,372,628
Restricted investments		1,495,015
Amounts as presented on the Statement of Fiduciary Net Assets		
Cash and cash equivalents		1,593,742
Investments		9,317,612
Total	$	30,371,215

NOTE D - RECEIVABLES AND TAX REVENUE

I. Property Tax

Property taxes were levied in September 2009 and payable before December 2009 for the fiscal year 2010 tax. Property tax revenues are recognized when levied to the extent they result in current receivables. The City's fiscal year 2010 tax was levied prior to September 30, 2010 and was recorded as taxes receivable and deferred revenue within the City's General Fund.

The tax rate levied during fiscal year 2010 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, 2010.

II. Sales Tax

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

III. Receivables

Receivables as of September 30, 2010 are as follows:

	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Revenue Fund
Accounts Receivable	$ 331,898	$ --	$ --	$ 914,412	$ 3,453,955
Property Tax Receivable	2,832,177	--	--	--	--
Sales Tax Receivable	162,739	--	--	--	--
Program Receivables	--	--	650,940	--	--
Gross Receivables	3,326,814	--	650,940	914,412	3,453,955
Less: Allowance for Uncollectibles	(103,304)	--	(87,512)	(240,853)	(641,535)
Net Total Receivables	$ 3,223,510	$ --	$ 563,428	$ 673,559	$ 2,812,420

	Cable TV Fund	Nonmajor Enterprise Funds	Total
Accounts Receivable	$ 1,026,917	$ 767,059	$ 6,494,241
Property Tax Receivable	--	--	2,832,177
Sales Tax Receivable	--	--	162,739
Program Receivables	--	--	650,940
Gross Receivables	1,026,917	767,059	10,140,097
Less: Allowance for Uncollectibles	(679,850)	(302,407)	(2,055,461)
Net Total Receivables	$ 347,067	$ 464,652	$ 8,084,636

NOTE E - 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, 2010 is as follows:

	Due From				
Due To	General Fund	SPLOST Funds	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Revenue Fund
General Fund	$ --	$ 53,460	$ 25,752	$ --	$ 59.118
SPLOST Fund	--	--	--	--	--
Nonmajor Governmental Funds	179,731	--	100	--	--
Water and Sewer Fund	6,802	--	--	--	--
Electric Revenue Fund	--	--	1,080	1,949,127	--
Cable TV Fund	26	--	--	--	--
Nonmajor Enterprise Funds	2,826,320	--	--	326,063	--
Internal Service Fund	--	1,526	--	164,483	142,125
Total	$ 3,012,879	$ 54,986	$ 26,932	$ 2,439,673	$ 201,243

	Due From			
Due To	Cable TV Fund	Nonmajor Enterprise Funds	Internal Service Fund	Total
General Fund	$ --	$ 6,325	$ 1,295,191	$ 1,439,846
SPLOST Fund	--	--	--	--
Nonmajor Governmental Funds	--	--	2,158	181,989
Water and Sewer Fund	167	358	71,516	78,843
Electric Revenue Fund	2,627,964	262,149	49,759	4,890,079
Cable TV Fund	--	32,661	14,967	47,654
Nonmajor Enterprise Funds	150,000	16,141	35,776	3,354,300
Internal Service Fund	149,045	1,022,867	--	1,480,046
Total	$ 2,927,176	$ 1,340,501	$ 1,469,367	$ 11,472,757

The composition of receivables and payables between the City and its component unit as of September 30, 2010 is as follows:

Due To	Due From Downtown Development Authority
Water and Sewer Fund	$ 235,000
Gas Fund	218,269
Total	$ 453,269

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, 2010, consisted of the following:

	Transfer To				
Transfer From	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Revenue Fund
General Fund	$ --	$ --	$ 25,000	$ --	$ --
SPLOST Fund	--	--	--	--	--
Nonmajor Governmental Funds	--	--	--	--	--
Water and Sewer Fund	868,034	--	--	--	176,679
Electric Revenue Fund	2,338,496	--	14,335	--	--
Cable TV Fund	120,660	--	--	--	103,318
Nonmajor Enterprise Funds	737,264	--	--	--	54,637
Total	$ 4,064,454	$ --	$ 39,335	$ --	$ 334,634

	Transfer To		
Transfer From	Cable TV Fund	Nonmajor Enterprise Funds	Total
General Fund	$ --	$ --	$ 25,000
SPLOST Fund	--	--	--
Nonmajor Governmental Funds	--	--	--
Water and Sewer Fund	--	--	1,044,713
Electric Revenue Fund	--	--	2,352,831
Cable TV Fund	--	320,000	543,978
Nonmajor Enterprise Funds	495,000	--	1,286,901
Total	$ 495,000	$ 320,000	$ 5,253,423

NOTE F - CAPITAL ASSETS

The following is a summary of capital asset activity as of September 30, 2010:

Primary Government

Governmental Activities:

	Balance September 30, 2009	Increases	Decreases	Transfers	Balance September 30, 2010
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	10,573,508	393,793	(6,512)	--	10,960,789
Machinery and equipment	7,026,841	680,565	(1,389,191)	151,730	6,469,945
Infrastructure	47,000,769	70,632	--	--	47,071,401
Total other capital assets at cost	64,601,118	1,144,990	(1,395,703)	151,730	64,502,135
Less accumulated depreciation for					
Buildings and improvements	(4,056,406)	(399,874)	6,512	(33,134)	(4,482,902)
Machinery and equipment	(4,845,748)	(527,309)	1,382,816	(96,532)	(4,086,773)
Infrastructure	(31,257,295)	(515,594)	--	--	(31,772,889)
Total accumulated depreciation	(40,159,449)	(1,442,777)	1,389,328	(129,666)	(40,342,564)
Other capital assets, net	24,441,669	(297,787)	(6,375)	22,064	24,159,571
Governmental activities capital assets, net	$ 25,836,339	$ (297,787)	$ (6,375)	$ 22,064	$ 25,554,241

Business-Type Activities:

	Balance September 30, 2009	Increases	Decreases	Transfers	Balance September 30, 2010
Capital assets, not being depreciated:					
Land and land improvements	$ 1,282,470	$ --	$ --	$ --	$ 1,282,470
Construction in progress	--	4,247,057	--	--	4,247,057
Total capital assets not being depreciated	1,282,470	4,247,057	--	--	5,529,527
Other capital assets					
Buildings	3,899,921	--	--	(93,444)	3,806,477
Improvements other than buildings	51,543,080	1,286,241	--	66,143	52,895,464
Machinery and equipment	8,592,879	848,352	(164,959)	(124,429)	9,151,843
Total other capital assets at cost	64,035,880	2,134,593	(164,959)	(151,730)	65,853,784
Less accumulated depreciation for					
Buildings	(2,156,794)	(107,931)	--	89,065	(2,175,660)
Improvements other than buildings	(32,780,873)	(962,728)	--	(95,764)	(33,839,365)
Machinery and equipment	(6,321,568)	(850,795)	164,250	136,365	(6,871,748)
Total accumulated depreciation	(41,259,235)	(1,921,454)	164,250	129,666	(42,886,773)
Other capital assets, net	22,776,645	213,139	(709)	(22,064)	22,967,011
Business-type activities capital assets, net	$ 24,059,115	$ 4,460,196	$ (709)	$ (22,064)	$ 28,496,538

Depreciation expense was charged to functions as follows:

Governmental activities	
General government	$ 135,821
Public safety	366,076
Public works	670,500
Parks and recreation	264,301
Community development	6,079
Total governmental activities depreciation expense	1,442,777
Business-type activities	
Water and sewer	690,467
Electric	486,552
Gas	64,733
Cable TV	402,866
Sanitation	169,704
Airport operations	96,903
Telecommunications	10,229
Total business-type activities depreciation expense	1,921,454
Total depreciation expense	$ 3,364,231

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, 2010 is as follows:

Governmental Activities:

The Authority had no governmental capital asset activity for the year ended September 30, 2010.

Business-type activities:

	Balance September 30, 2009	Increases	Decreases	Balance September 30, 2010
Capital assets, not being depreciated:				
Land	$ 709,191	$ --	$ --	$ 709,191
Total capital assets not being depreciated	709,191	--	--	709,191
Other capital assets				
Buildings	4,087,356	58,418	--	4,145,774
Total other capital assets at cost	4,087,356	58,418	--	4,145,774
Less accumulated depreciation for				
Buildings	(1,311,113)	(206,153)	--	(1,517,266)
Total accumulated depreciation	(1,311,113)	(206,153)	--	(1,517,266)
Other capital assets, net	2,776,243	(147,735)	--	2,628,508
Business-type activities capital assets, net	$ 3,485,434	$ (147,735)	$ --	$ 3,337,699

Depreciation expense was charged to functions as follows:

Governmental activities	$ --
Business-type activities	206,153
Total depreciation expense	$ 206,153

NOTE G - SHORT TERM DEBT

At September 30, 2010, 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 10, 2010.

At September 30, 2010, the Electric Fund had a short term note with a bank for $448,000 to fund short term budget deficits. The short term note payable agreement matures on December 19, 2010.

Short-term liability activity for the year ended September 30, 2010, was as follows:

	Balance September 30, 2009	Increases	Decreases	Balance September 30, 2010
Business-type activities:				
Lines of Credit	$ 910,000	$ --	$ --	$ 910,000
Note Payable	560,000	--	(112,000)	448,000
Business-type activities short-term debt	$ 1,470,000	$ --	$ (112,000)	$ 1,358,000

NOTE H - 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, 2010, 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	7,015,000
				12,455,000
		Unamortized discount / premium / issuance costs / loss		(599,426)
			Less current portion	(1,415,000)
				$ 10,440,574

South Georgia Governmental Services Authority Revenue Bonds, Series 2009

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

South Georgia Governmental Services Authority Revenue Bonds, Series 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, 2010 in the amount of $8.55 million.

The annual debt service requirement to maturity of the Revenue Bonds at September 30, 2010 is as follows:

Year Ending September 30	Principal	Interest	Total
2011	$ 1,415,000	$ 429,042	$ 1,844,042
2012	1,545,000	377,906	1,922,906
2013	1,595,000	335,981	1,930,981
2014	1,640,000	291,421	1,931,421
2015	1,700,000	232,263	1,932,263
2016-2019	4,560,000	311,638	4,871,638
	$ 12,455,000	$ 1,978,251	$ 14,433,251

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, 2010, are as follows:

	Original Amount	Interest Rate	Due Date	Amount
Downtown Development Authority – Series A	$ 1,580,000	5.95%	2017	$ 1,170,000
Downtown Development Authority – Series B	$ 2,410,000	4.92%	2028	$ 2,210,000
				3,380,000
			Unamortized issuance and refunding costs	(188,163)
			Less current portion	(210,000)
				$ 2,981,837

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, Georgia 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, Georgia to the Georgia Department of Labor for a period of twenty years.

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

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

Year Ending September 30	Principal	Interest	Total
2011	$ 210,000	$ 172,486	$ 382,486
2012	215,000	160,615	375,615
2013	230,000	148,174	378,174
2014	240,000	135,041	375,041
2015	260,000	121,068	381,068
2016-2020	925,000	414,527	1,339,527
2021-2025	655,000	242,187	897,187
2026-2030	645,000	65,589	710,589
	$ 3,380,000	$ 1,459,687	$ 4,839,687

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, 2010:

Original Amount	Interest Rate	Due Date	Amount
$ 700,000	4.25%	2017	$ 517,916
		Less Current Portion	(65,097)
			$ 452,819

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

Year Ending September 30	Principal	Interest	Total
2011	$ 65,097	$ 22,556	$ 87,653
2012	67,918	19,735	87,653
2013	70,861	16,792	87,653
2014	73,932	13,721	87,653
2015	77,136	10,517	87,653
2016-2019	162,972	10,861	173,833
	$ 517,916	$ 94,182	$ 612,098

At September 30, 2010, the Water and Sewer Fund had a note payable to the Georgia Environmental Facilities Authority whereby it may borrow up to$3,384,500. The outstanding balance at September 30, 2010 was $1,579,100. The debt is being used for the rehabilitation of the existing wastewater treatment facility. The project is still in the construction phase; therefore, a payment schedule has not been determined at September 30, 2010.

At September 30, 2010, the Water and Sewer Fund had a note payable to the Georgia Environmental Facilities Authority whereby it may borrow up to $3,500,000. The outstanding balance at September 30, 2010 was $2,090,299. The debt is being used for the renovation of the existing wastewater treatment facility. The project is still in the construction phase; therefore, a payment schedule has not been determined at September 30, 2010.

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, 2010:

		Business-type Activities	
	Governmental Activities	Water and Sewer	Solid Waste Fund
Buildings and improvements	$ --	$ --	$ --
Equipment	1,039,221	239,865	590,695
Less accumulated depreciation	(256,812)	(51,971)	(115,092)
Carrying value	$ 782,409	$ 187,894	$ 475,603

The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments at September 30, 2010:

		Business-type Activities		
	Governmental Activities	Water and Sewer	Solid Waste Fund	Totals
Year Ending September 30,				
2011	$ 273,227	$ 63,203	$ 162,615	$ 225,818
2012	192,305	--	163,520	163,520
2013	137,071	--	153,280	153,280
2014	49,604	--	126,412	126,412
2015	--	--	42,954	42,954
2016-2020	--	--	5,389	5,389
Total minimum lease payments	652,207	63,203	654,170	717,373
Less amount representing interest	(36,647)	(925)	(50,927)	(51,852)
Present value of future Minimum lease payments	$ 615,560	$ 62,278	$ 603,243	$ 665,521

IV. Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2010, was as follows:

	Balance September 30, 2009	Increases	Decreases	Balance September 30, 2010	Due Within One Year
Governmental activities:					
Notes payable	$ 582,883	$ --	$ (64,967)	$ 517,916	$ 65,097
Capital leases	660,283	180,828	(225,551)	615,560	253,497
Compensated absences	32,965	--	(5,400)	27,565	--
Governmental activities long-term liabilities	$ 1,276,131	$ 180,828	$ (295,918)	$ 1,161,041	$ 318,594
Business-type activities:					
Revenue bonds	$ 13,220,000	$ --	$ (765,000)	$ 12,455,000	$ 1,415,000
Less deferred amounts: For issuance discounts	(693,988)	--	94,562	(599,426)	--
Total bonds payable	12,526,012	--	(670,438)	11,855,574	1,415,000
Notes payable	--	3,669,399	--	3,669,399	--
Capital leases	499,926	379,299	(213,704)	665,521	204,214
Compensated absences	14,333	589	--	14,922	--
Environmental remediation liability	105,000	--	(42,420)	62,580	--
Business -type activities long-term liabilities	$ 13,145,271	$ 4,049,287	$ (926,562)	$ 16,267,996	$ 1,619,214

Long-term liability activity for the City's component unit for the year ended September 30, 2010, was as follows:

	Balance September 30, 2009	Increases	Decreases	Balance September 30, 2010	Due Within One Year
Business-type activities:					
Revenue bonds	$ 3,580,000	$ --	$ (200,000)	$ 3,380,000	$ 210,000
Less deferred amounts: For issuance and refunding costs	(202,820)	--	14,657	(188,163)	--
Governmental activities long-term liabilities	$ 3,377,180	$ --	$ (185,343)	$ 3,191,837	$ 210,000

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

NOTE I - LEASING ACTIVITIES

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

At September 30, 2010, 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 $2,628,508, net of accumulated depreciation of $1,517,266.

At September 30, 2010, the minimum future lease payments to be received under the operating lease are as follows:

Year Ending September 30	Total
2011	$ 213,505
2012	213,505
2013	213,505
2014	213,505
2015	213,505
2016-2019	640,515
	$ 1,708,040

NOTE J - 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, 2010 include:

Capital Projects Funds	
Reserved for specific projects to reflect resources funded by Special Purpose Local Option Sales Tax and Federal grants	$ 1,005,764
Special Revenue Funds	
Reserved for restricted purposes to reflect resources legally restricted for specific purposes	$ 37,892

NOTE K - PENSION PLAN

I. Plan Description

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

The Plan covers all full-time employees of the City of Moultrie, Georgia. Employees become eligible to participate in the Plan after six months and are fully vested after ten years. Prior to October 1, 1994, the Plan excluded employees for whom the City made contributions directly or indirectly to another retirement program. Employees in this category (firefighters and police officers) became participants in the Plan on October 1, 1994, if they filed an application to participate. Benefit provisions are established by City Ordinance. The Plan provides retirement, disability and death benefits to Plan members and beneficiaries. At October 1, 2009, the date of the most recent actuarial valuation, there were 289 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	62
Vested terminated employees not yet receiving benefits	41
Active employees	220
Total	323

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, 2010 was determined as part of the October 1, 2009, actuarial valuation using the aggregate actuarial cost method. This method does not identify or separately amortize unfunded actuarial liabilities. The actuarial assumptions included a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually and net of investment expenses, b) projected salary increases of 3.75% per year and c) no inflation rate assumption.

Annual Pension Cost and Net Pension Obligation

	For the Plan Year Ending September 30,		
	2008	2009	2010
Annual required contribution	$ 236,165	$ 240,786	$ 307,810
Interest on net pension obligation	(24,171)	(28,729)	(31,976)
Adjustment to annual required contribution	17,841	21,205	23,602
Annual pension cost	229,835	233,262	299,436
Contributions made	(292,706)	(278,055)	(283,924)
Increase (decrease) in net pension obligation	(62,871)	(44,793)	15,512
Net pension (asset), beginning of year	(333,387)	(396,258)	(441,051)
Net pension (asset), end of year	$ (396,258)	$ (441,051)	$ (425,539)

Schedule of Employer Contributions

Year Ended September 30,	Annual Required Contribution	Percentage of Annual Required Contribution Contributed
2004	$ 240,377	100%
2005	$ 219,405	100%
2006	$ 140,774	100%
2007	$ 236,165	100%
2008	$ 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)
10/1/04	8,225,344	8,225,344	- -	100.00%	5,539,824	0.00%
10/1/05	9,085,219	9,085,219	- -	100.00%	5,350,039	0.00%
10/1/06	9,340,945	9,340,945	- -	100.00%	6,171,145	0.00%
10/1/07	10,475,787	10,412,673	- -	100.61%	6,238,450	0.00%
10/1/08	9,782,996	10,773,223	990,227	90.81%	5,856,540	0.00%
10/1/09	10,836,296	10,491,991	- -	103.28%	6,355,366	0.00%

Actuarial Valuation Information

Current Valuation Date	October 1, 2009
Actuarial Cost Method	Aggregate cost method
Amortization Method	Level percentage, open
Remaining Amortization Period	30 years
Actuarial Assumptions:	
Investment Rate of Return	7.25%
Projected Salary Increases	3.75%
Expected Annual Inflation	0%

NOTE L - 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, 2010, the City paid $15,199 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, Georgia in conjunction with the Cities of Cairo, Camilla and Thomasville, who provide distribution of broadband cable television and internet services under the trade name "CNS", created the South Georgia 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 $34,102 in such dues for the year ended September 30, 2010. The City of Moultrie's equity investment in the SGBDA is $960,793 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, 2010. The MCCDA board is made up of eleven members, four appointed by the County, four appointed by the City and three appointed by the previously appointed eight. The MCCDA is charged with promoting industry and the development of trade, by inducing manufacturing, industrial and commercial enterprises to locate in Moultrie and Colquitt County. Separate financial statements may be obtained from:

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

NOTE M - RELATED ORGANIZATION

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

NOTE N - 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, 2010, $167,068 of hotel/motel tax was collected and $33,186 was remitted to the Chamber of Commerce.

NOTE O - RISK MANAGEMENT

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

Property and General Liability and Workers' Compensation

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

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

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

Group Medical Benefits

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

	Year Ended September 30, 2009	Year Ended September 30, 2010
Unpaid claims, beginning of year	$ 261,000	$ 115,381
Incurred claims (including IBNRs)	2,836,882	3,005,408
Claim Payments	(3,213,263)	(2,574,016)
Unpaid claims, end of year	$ 115,381	$ 546,773

Settlements

During the year ended September 30, 2010, 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, 2008, 2009, and 2010.

NOTE P - 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, 2010, 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 $13,891,114 in 2010.

At September 30, 2010, the outstanding debt of MEAG was approximately $5.2 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately $131 million at September 30, 2010.

Agreements with the Municipal Gas Authority of Georgia

The City has entered into a contract for the purchase of wholesale natural gas supplies and related services with the Municipal Gas Authority of Georgia (MGAG) that requires the City to purchase all of its natural gas from MGAG. The gas supply contract with MGAG authorizes MGAG to establish rates and charges so as to produce revenues sufficient to cover its operating costs and retire its bonds issued to acquire long-term gas supplies for sale to its members, including the City. In the event that revenues are insufficient to cover all costs and retire bonds issued by MGAG, the City is obligated to pay its obligation share of the costs of the gas supply and related services MGAG provides to the City, which costs include amounts equal to principal and interest on MGAG's bonds. These obligations, which extend through the year 2016, are general obligations of the City to which the City's full faith, credit and taxing powers are pledged. The City's obligation to MGAG for gas supply costs are based on MGAG costs to provide such supply, including bonds issues to purchase long-term rights to bulk supply. The total payments under these contracts amounted to $2,219,110 for the year ended September 30, 2010.

At September 30, 2010, MGAG's bonds to which the City's obligation share is applicable were outstanding in the approximate principal amount of $289 million. The City's obligation share of that amount totals approximately $3.3 million at September 30, 2010.

NOTE Q - POST RETIREMENT HEALTH CARE

From September 1, 2007 through October 15, 2007, the City of Moultrie, Georgia 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, 2010, three employees were eligible and receiving benefits under the Plan. For the year ended September 30, 2010, the cost of premiums for providing post-retirement health care was $53,501.

Supplementary Information

CITY OF MOULTRIE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2010

	Special Revenue Funds			Capital Projects Funds		
	Multiple Grants	Confiscated Assets	Hotel / Motel Tax	Community Development	Paving Program	Total
ASSETS						
Cash and cash equivalents	$ -	$ 11,217	$ 34,996	$ -	$ -	$ 46,213
Investments	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-
Property tax receivable	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Other current assets	-	-	1,134	-	-	1,134
Due from other governments	-	-	-	-	-	-
Due from component unit	-	-	-	-	-	-
Due from general fund	-	-	-	-	179,731	179,731
Due from other funds	100	-	2,158	-	-	2,258
Restricted assets:						
Cash and cash equivalents	26,256	-	-	336,318	196	362,770
Investments	-	-	-	-	-	-
Sales tax receivable	-	-	-	-	-	-
Program receivables	-	-	-	563,428	-	563,428
Total assets	$ 26,356	$ 11,217	$ 38,288	$ 899,746	$ 179,927	$ 1,155,534
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	$ 15,797	$ -	$ 9,117	$ 732	$ -	$ 25,646
Accrued expenses	-	-	2,393	-	-	2,393
Customer deposits	-	-	-	-	-	-
Deferred revenues	-	-	-	72,977	-	72,977
Due to other governments	-	-	-	-	-	-
Due to general fund	25,552	100	-	100	-	25,752
Due to other funds	1,077	-	3	-	100	1,180
Liabilities payable from restricted assets	-	-	-	-	-	-
Total liabilities	42,426	100	11,513	73,809	100	127,948
Fund balances						
Reserved for:						
Debt service	-	-	-	-	-	-
Specific projects	-	-	-	825,937	179,827	1,005,764
Public services	-	11,117	26,775	-	-	37,892
Unreserved	(16,070)	-	-	-	-	(16,070)
Total fund balances (deficit)	(16,070)	11,117	26,775	825,937	179,827	1,027,586
Total liabilities and fund balances	$ 26,356	$ 11,217	$ 38,288	$ 899,746	$ 179,927	$ 1,155,534

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010

	Special Revenue Funds			Capital Projects Funds		
	Multiple Grants	Confiscated Assets	Hotel / Motel Tax	Community Development	Paving Program	Total
REVENUES						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Local option sales taxes	-	-	-	-	-	-
Other taxes and licenses	-	-	167,068	-	-	167,068
Fines, forfeitures and fees	-	-	-	2,820	-	2,820
Charges for services	-	-	-	-	-	-
Investment income	-	33	-	23,791	-	23,824
Intergovernmental	712,224	-	-	-	49,882	762,106
Other revenues	-	11,138	57,464	-	-	68,602
Total revenues	712,224	11,171	224,532	26,611	49,882	1,024,420
EXPENDITURES						
Current:						
General government	-	-	248,581	-	-	248,581
Public safety	-	56	-	-	-	56
Public works	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Nondepartmental	-	-	-	-	-	-
Capital outlays	763,269	-	-	4,930	49,882	818,081
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	763,269	56	248,581	4,930	49,882	1,066,718
Excess (deficiency) of revenues over expenditures	(51,045)	11,115	(24,049)	21,681	-	(42,298)
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	-	-	39,335	-	-	39,335
Transfers to other funds	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Long - term debt issued	-	-	-	-	-	-
Total other financing sources (uses)	-	-	39,335	-	-	39,335
Net change in fund balances	(51,045)	11,115	15,286	21,681	-	(2,963)
Fund balances (deficit), beginning of year	34,975	2	11,489	804,256	179,827	1,030,549
Fund balances (deficit), end of year	$ (16,070)	$ 11,117	$ 26,775	$ 825,937	$ 179,827	$ 1,027,586

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MULTIPLE GRANTS FUND
For the Year Ended September 30, 2010

	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	712,224	712,224	712,224	-
Other revenues	-	-	-	-
Total revenues	712,224	712,224	712,224	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Nondepartmental	-	-	-	-
Capital outlays	763,269	763,269	763,269	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	763,269	763,269	763,269	-
Excess (deficiency) of revenues over expenditures	(51,045)	(51,045)	(51,045)	-
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(51,045)	(51,045)	(51,045)	-
Fund balances, beginning of year	34,975	34,975	34,975	-
Fund balances, end of year	$ (16,070)	$ (16,070)	$ (16,070)	$ -

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HOTEL / MOTEL TAX FUND
For the Year Ended September 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Local option sales taxes	-	-	-	-
Other taxes and licenses	155,000	155,000	167,068	12,068
Fines, forfeitures and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Intergovernmental	-	-	-	-
Other revenues	68,000	68,000	57,464	(10,536)
Total revenues	223,000	223,000	224,532	1,532
EXPENDITURES				
Current:				
General government	257,612	257,612	248,581	9,031
Public safety	-	-	-	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Nondepartmental	-	-	-	-
Capital outlays	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	257,612	257,612	248,581	9,031
Excess (deficiency) of revenues over expenditures	(34,612)	(34,612)	(24,049)	10,563
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	25,000	25,000	39,335	14,335
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	25,000	25,000	39,335	14,335
Net change in fund balances	(9,612)	(9,612)	15,286	24,898
Fund balances, beginning of year	11,489	11,489	11,489	-
Fund balances, end of year	$ 1,877	$ 1,877	$ 26,775	$ 24,898

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CONFISCATED ASSETS FUND
For the Year Ended September 30, 2010

	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	-	-	33	33
Intergovernmental	-	-	-	-
Other revenues	-	-	11,138	11,138
Total revenues	-	-	11,171	11,171
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	56	(56)
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Nondepartmental	-	-	-	-
Capital outlays	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	56	(56)
Excess (deficiency) of revenues over expenditures	-	-	11,115	11,115
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	11,115	11,115
Fund balances, beginning of year	2	2	2	-
Fund balances, end of year	$ 2	$ 2	$ 11,117	$ 11,115

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
September 30, 2010

	Business Type Activities - Enterprise Funds							
	Solid Waste Fund	Airport Fund	Tele-Communications Fund	Warehouse Fund	Utilities Deposit Funds	Gas Fund	Telephony Fund	Total
ASSETS								
Current assets								
Cash and cash equivalents	$ -	$ -	$ 200,905	$ -	$ -	$ -	$ -	$ 200,905
Investments	-	-	-	-	-	-	-	-
Accounts receivable, net	218,471	6,180	6,575	-	-	184,982	48,444	464,652
Due from general fund	2,013,892	346,538	5,982	-	459,885	-	23	2,826,320
Due from other funds	23,201	327	-	-	258,214	230,097	16,141	527,980
Due from component unit	-	-	-	-	-	218,269	-	218,269
Inventories	-	-	-	-	-	230,042	5,024	235,066
Other current assets	27,538	4,700	-	-	-	4,732	-	36,970
Total current assets	2,283,102	357,745	213,462	-	718,099	868,122	69,632	4,510,162
Non - current assets								
Investment in SGBDA	-	-	-	-	-	-	-	-
Restricted assets - cash	-	-	-	-	-	219,429	-	219,429
Restricted assets - investments	-	-	-	-	-	-	-	-
Capital assets:								
Land	-	-	-	-	-	89,874	-	89,874
Construction in progress	-	-	-	-	-	-	-	-
Other capital assets, net of accumulated depreciation	1,187,969	1,129,209	333,005	-	-	297,741	-	2,947,924
Total assets	$ 3,471,071	$ 1,486,954	$ 546,467	$ -	$ 718,099	$ 1,475,166	$ 69,632	$ 7,767,389
LIABILITIES								
Current liabilities								
Accounts payable	$ 74,177	$ 4,234	$ 16,122	$ -	$ -	$ 112,286	$ 22,697	$ 229,516
Accrued expenses	20,199	5,318	-	-	-	6,703	-	32,220
Lines of credit	-	-	-	-	-	-	-	-
Current portion of long - term debt	141,936	-	-	-	-	-	-	141,936
Customer deposits	-	-	-	-	667,526	-	14,058	681,584
Due to other governments	-	-	-	-	-	-	-	-
Due to general fund	-	-	-	-	-	6,325	-	6,325
Due to other funds	928,426	56,779	49,297	-	-	299,658	15	1,334,175
Liabilities payable from restricted assets:								
Current portion of long - term debt	-	-	-	-	-	-	-	-
Total current liabilities	1,164,738	66,331	65,419	-	667,526	424,972	36,770	2,425,756
Long - term debt, net of current portion	463,693	-	-	-	-	5,638	-	469,331
Other liabilities - environmental remediation	-	-	-	-	-	-	-	-
Total liabilities	1,628,431	66,331	65,419	-	667,526	430,610	36,770	2,895,087
NET ASSETS								
Invested in capital assets, net of related debt	584,727	1,129,209	333,005	-	-	387,615	-	2,434,556
Restricted for debt service	-	-	-	-	-	-	-	-
Unrestricted (deficit)	1,257,913	291,414	148,043	-	50,573	656,941	32,862	2,437,746
Total net assets	$ 1,842,640	$ 1,420,623	$ 481,048	$ -	$ 50,573	$ 1,044,556	$ 32,862	$ 4,872,302

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2010

	Business Type Activities - Enterprise Funds							
	Solid Waste Fund	Airport Fund	Tele-Communications Fund	Warehouse Fund	Utilities Deposit Funds	Gas Fund	Telephony Fund	Total
OPERATING REVENUES								
Utility revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charges for services	2,901,102	429,860	818,123	-	-	3,565,110	307,389	8,021,584
Intergovernmental	2,894	-	-	-	-	-	-	2,894
Total operating revenues	2,903,996	429,860	818,123	-	-	3,565,110	307,389	8,024,478
OPERATING EXPENSES								
Salaries and wages	584,625	3,297	-	-	-	223,386	-	811,308
Operating, administrative and maintenance	1,452,890	225,864	737,336	-	-	2,537,572	199,375	5,153,037
Depreciation	169,704	96,903	10,229	-	-	64,733	-	341,569
Total operating expenses	2,207,219	326,064	747,565	-	-	2,825,691	199,375	6,305,914
Operating income (loss)	696,777	103,796	70,558	-	-	739,419	108,014	1,718,564
NON - OPERATING INCOME (EXPENSES)								
Interest income	-	-	885	-	-	512	-	1,397
Interest expense	(18,045)	-	-	-	-	-	(290)	(18,335)
Gain (loss) on disposal of capital assets	-	(709)	-	-	-	-	-	(709)
Income (loss) before contributions and transfers	678,732	103,087	71,443	-	-	739,931	107,724	1,700,917
Capital contributions	-	-	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	320,000	-	320,000
Transfers to other funds	(228,833)	(27,689)	(313,989)	-	-	(716,390)	-	(1,286,901)
Change in net assets	449,899	75,398	(242,546)	-	-	343,541	107,724	734,016
Net assets, beginning of year	1,392,741	1,345,225	723,594	-	50,573	701,015	(74,862)	4,138,286
Net assets, end of year	$ 1,842,640	$ 1,420,623	$ 481,048	$ -	$ 50,573	$ 1,044,556	$ 32,862	$ 4,872,302

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2010

	Business Type Activities - Enterprise Funds							
	Solid Waste Fund	Airport Fund	Tele-Communications Fund	Warehouse Fund	Utilities Deposit Funds	Gas Fund	Telephony Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash received from customers and users	$ 2,832,128	$ 423,785	$ 854,578	$ -	$ 24,836	$ 3,617,707	$ 276,152	$ 8,029,186
Other operating receipts	2,894	-	-	-	-	-	-	2,894
Cash payments to employees	(577,433)	(3,297)	-	-	-	(216,130)	-	(796,860)
Cash payments to suppliers	(1,473,689)	(221,877)	(729,478)	-	-	(2,627,335)	(177,085)	(5,229,464)
New customer utility deposits	-	-	-	-	-	-	2,825	2,825
Redunded customer utility deposits	-	-	-	-	-	-	-	-
Net cash provided (used) by operating activities	783,900	198,611	125,100	-	24,836	774,242	101,892	2,008,581
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Transfers from other funds	-	-	-	-	-	320,000	-	320,000
Transfers to other funds	(228,833)	(5,625)	(313,989)	-	-	(716,390)	-	(1,264,837)
Net change in due from general fund	(512,519)	(114,670)	(5,982)	-	(1,030)	91,282	(23)	(542,942)
Net change in due from other funds	(23,201)	(327)	85,453	-	(23,806)	(80,097)	(16,141)	(58,119)
Net change in due from component unit	-	-	-	-	-	(218,269)	-	(218,269)
Net change in due to general fund	(34,303)	-	6,005	-	-	54	-	(28,244)
Net change in due to other funds	199,579	4,613	49,282	-	-	62,828	(85,438)	230,864
Net cash provided (used) by noncapital financing activities	(599,277)	(116,009)	(179,231)	-	(24,836)	(540,592)	(101,602)	(1,561,547)
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	(45,681)	(82,602)	(163,739)	-	-	(15,399)	-	(307,421)
Principal payments on long - term debt	(120,897)	-	-	-	-	-	-	(120,897)
Interest paid	(18,045)	-	-	-	-	-	(290)	(18,335)
Net cash provided (used) by capital and related financing activities	(184,623)	(82,602)	(163,739)	-	-	(15,399)	(290)	(446,653)
CASH FLOWS FROM INVESTING ACTIVITIES								
Proceeds from sale of investments	-	-	-	-	-	-	-	-
Purchase of investments	-	-	-	-	-	-	-	-
Loan disbursements	-	-	-	-	-	-	-	-
Interest received	-	-	885	-	-	512	-	1,397
Net cash provided (used) by investing activities	-	-	885	-	-	512	-	1,397
Net increase (decrease) in cash and cash equivalents	-	-	(216,985)	-	-	218,763	-	1,778
Cash and cash equivalents, beginning of year	-	-	417,890	-	-	666	-	418,556
Cash and cash equivalents, end of year	$ -	$ -	$ 200,905	$ -	$ -	$ 219,429	$ -	$ 420,334

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2010

	Business Type Activities - Enterprise Funds							
	Solid Waste Fund	Airport Fund	Tele-Communications Fund	Warehouse Fund	Utilities Deposit Funds	Gas Fund	Telephony Fund	Total
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES								
Operating income (loss)	$ 696,777	$ 103,796	$ 70,558	$ -	$ -	$ 739,419	$ 108,014	$ 1,718,564
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation and amortization	169,704	96,903	10,229	-	-	64,733	-	341,569
New customer deposits liability	-	-	-	-	-	-	2,825	2,825
Refunded customer utility deposit	-	-	-	-	-	-	-	-
Changes in assets and liabilities:								
(Increase) decrease in:								
Accounts receivable	(68,974)	(6,075)	36,455	-	-	52,597	(31,237)	(17,234)
Inventories	-	-	-	-	-	(30,002)	17,734	(12,268)
Other current assets	6,402	1,101	-	-	-	385	-	7,888
Due from general fund	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from component unit	-	-	-	-	-	-	-	-
Increase (decrease) in:								
Accounts payable	(27,201)	1,876	7,858	-	-	(60,146)	4,556	(73,057)
Accrued expenses	7,381	1,010	-	-	24,836	1,618	-	34,845
Compensated absences liabitlity	(189)	-	-	-	-	5,638	-	5,449
Due to general fund	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Net cash provided (used) by operating activities	$ 783,900	$ 198,611	$ 125,100	$ -	$ 24,836	$ 774,242	$ 101,892	$ 2,008,581
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES								
Transfer of capital assets to general fund	-	(22,064)	-	-	-	-	-	-
Total non-cash capital and related financing activities	$ -	$ (22,064)	$ -	$ -	$ -	$ -	$ -	$ -

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CASH FLOWS
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
For the Year Ended September 30, 2010

	Downtown Development Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers and users	$ 385,404
Other operating receipts	58,418
Cash payments to employees	-
Cash payments to suppliers	(440,898)
Net cash provided (used) by operating activities	2,924
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	453,269
Net cash provided (used) by noncapital financing activities	453,269
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(58,418)
Principal payments - revenue bonds	(200,000)
Proceeds from bond offering	-
Defeasance of revenue bonds	-
Payment of bond issuance costs	-
Interest paid	(183,937)
Net cash provided (used) by capital and related financing activities	(442,355)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of investments	-
Purchase of investments	-
Loan disbursements	-
Interest received	747
Net cash provided (used) by investing activities	747
Net increase (decrease) in cash and cash equivalents	14,585
Cash and cash equivalents, beginning of year	290,952
Cash and cash equivalents, end of year	$ 305,537

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CASH FLOWS
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
For the Year Ended September 30, 2010

	Downtown Development Authority
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	$ (212,659)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and amortization	206,153
Changes in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	2,287
Inventories	-
Other current assets	7,143
Due from general fund	-
Due from other funds	-
Due from component unit	-
Increase (decrease) in:	
Accounts payable	-
Accrued expenses	-
Due to general fund	-
Due to other funds	-
Net cash provided (used) by operating activities	$ 2,924

See independent auditors' report.

Compliance Section

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, 2010, which collectively comprise the City of Moultrie, Georgia's basic financial statements and have issued our report thereon dated March 29, 2011. We did not audit the financial statements of the Pension Trust Fund, which statements reflect total assets of $10,894,418 as of September 30, 2010 and revenues of $1,276,284 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses, have been identified. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies 2010-1 through 2010-6 described in the accompanying schedule of findings and questioned costs to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies, 2010-1 through 2010-6, described in the accompanying schedule of findings and questioned costs to be significant deficiencies.

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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 findings and questioned costs.. 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.

Bauon Phillips, LLP

March 29, 2011
Tifton, Georgia

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the City of Moultrie, Georgia's compliance, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010. The City of Moultrie, Georgia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs, is the responsibility of the City of Moultrie, Georgia's management. Our responsibility is to express an opinion on the City of Moultrie, Georgia's compliance, based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and *OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements, referred to above, that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Moultrie, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Moultrie, Georgia's compliance with those requirements.

In our opinion, the City of Moultrie, Georgia complied, in all material respects, with the compliance requirements referred to above, that could have a direct and immaterial effect on each of its major federal programs, for the year ended September 30, 2010.

Internal Control over Compliance

Management of the City of Moultrie, Georgia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Moultrie, Georgia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Moultrie, Georgia's internal control over compliance.

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MEMBER OF CPAMERICA INTERNATIONAL

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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, LLP

March 29, 2011
Tifton, Georgia

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2010

Federal / Grantor / Pass - Through Grantor / Program Title	Federal CFDA Number	Grant Identification Number	Program or Award Amount	Expenditures
Department of Housing and Urban Development				
Passed through the Georgia Department of Community Affairs				
Community Development Block Grant	14.228	09p-x-035-2-5114	$ 500,000	$ 18,982
Community Home Investment Program Grant	14.239	04m-x-035-2-2911	300,000	15,842
Total funding passed through DCA				34,824
Total Department of Housing and Urban Development				34,824
U.S. Environmental Protection Agency				
Passed through the Georgia Environmental Facilities Authority				
ARRA - Capitalization Grants for Clean Water State Revolving Funds	66.458	CWSRF 09-036	3,500,000	2,090,299
ARRA - Capitalization Grants for Clean Water State Revolving Funds	66.458	CWSRF 09-035	3,384,500	1,579,100
Total U.S. Environmental Protection Agency				3,669,399
U. S. Department of Justice				
ARRA - Edward Byrne Justice Assistance Grant Program	16.803	2009-SB-B9-0920	120,802	118,394
Edward Byrne Justice Assistance Grant Program	16.803	2009-DJ-BX-0442	21,259	19,514
Edward Byrne Justice Assistance Grant Program	16.803	2010-DJ-BX-1144	17,576	-
				137,908
COPS Hiring Recovery Program	16.710	2009RKWX0272	278,186	63,135
COPS Technology Grant	16.710	2008CKWX0127	327,355	63,028
COPS Technology Grant	16.710	2009CKWZ0346	350,000	290,378
				416,541
Total U. S. Department of Justice				554,449
Total Expenditures of Federal Awards				$ 4,258,672

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Schedule of Expenditures of Federal Awards is prepared using the modified accrual basis of accounting.

Measurement Focus

The determination of when an award is expended is based on when the activity related to the award occurs.

Program Type Determination

Type A programs are defined as Federal programs with Federal expenditures exceeding the larger of $300,000 or three percent of total Federal expenditures. The threshold of $300,000 was used in distinguishing between Type A and Type B programs.

Method of Major Program Selection

The risk based approach was used in the selection of federal programs to be tested as major programs. The City did not qualify as a low - risk auditee for the year ended September 30, 2010.

Amount Provided to Sub recipients

The City had no major programs that provided amounts to sub recipients.

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2010

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:		*[unqualified]*	
Internal control over financial reporting:			
Material weakness(es) identified?		X yes	____ no
Significant deficiencies identified not considered to be material weaknesses?		____ yes	X none reported
Noncompliance material to financial statements noted?		____ yes	X no

Federal Awards

Internal Control over major programs:			
Material weakness(es) identified?		____ yes	X no
Significant deficiencies identified not considered to be material weaknesses?		____ yes	X none reported
Type of auditors' report issued on compliance for major programs:		*[unqualified]*	
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A - 133, Section 510(a)?		____ yes	X no
Identification of major programs:			
Name of Federal Program of Cluster	CFDA Number		
COPS Technology Grant	16.710		
ARRA - Capitalization Grants for Clean Water State Revolving Funds	16.458		
Dollar threshold used to distinguish between Type A and Type B programs:	$ 300,000		
Auditee qualified as low-risk auditee?		____ yes	X no

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2010

SECTION II FINDINGS - FINANCIAL STATEMENT AUDIT

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.

Material Weaknesses

2010-1

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.

2010-2

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 and 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, procedures, and monitoring activities over accruals.

2010-3

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:

The City's monitoring controls were not implemented.

Effect of Condition:

Accounts receivable were misstated in the funds.

Response of Management:

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

See independent auditors' report.

SECTION II FINDINGS - FINANCIAL STATEMENT AUDIT (CONTINUED)

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.*

Material Weaknesses

2010-4

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, procedures, and monitoring activities over the investment accounts.

2010-5

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, procedures, and monitoring activities over interfund accounts.

2010-6

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:

The City's monitoring controls were not implemented.

Effect of Condition:

Long term debt accounts were misstated in the funds.

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR AWARDS PROGRAM AUDIT

Findings noted on the Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control over Compliance in Accordance With *OMB Circular A - 133.*

none reported

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended September 31, 2010

SECTION II FINDINGS - FINANCIAL STATEMENT AUDIT

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

Condition:

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

Status:

The above finding is included as finding 2010-1 in the current year Schedule of Findings and Questioned Costs.

2009-2

Condition:

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

Status:

The above finding is included as finding 2010-2 in the current year Schedule of Findings and Questioned Costs.

2009-3

Condition:

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

Status:

The above finding is included as finding 2010-3 in the current year Schedule of Findings and Questioned Costs.

2009-4

Condition:

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

Status:

The above finding is included as finding 2010-4 in the current year Schedule of Findings and Questioned Costs.

2009-5

Condition:

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

Status:

The above finding is included as finding 2010-5 in the current year Schedule of Findings and Questioned Costs.

2009-6

Condition:

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

Status:

The above finding is included as finding 2010-6 in the current year Schedule of Findings and Questioned Costs.

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended September 31, 2010

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR AWARDS PROGRAM AUDIT

Findings noted on the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance With *OMB Circular A - 133.*

not applicable

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX EXPENDITURES
For the Year Ended September 30, 2010

	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	98,366	102,781	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	98,366	7,194,773	
Roads:						
Driveway entrance to youth complex	-	221,375	188,552	-	188,552	85%
RD resurfacing / paving / drainage	-	120,000	1,395,536	-	1,395,536	100%
Magnolia Sports parking lot	112,500	112,500	66,751	-	66,751	59%
Magnolia Sports parking lot driveway	38,982	30,921	35,751	-	35,751	100%
Goff Drive	-	138,918	228,372	-	228,372	100%
Flintridge upgrade	-	7,165	111,518	-	111,518	100%
Second Street, N.W.	-	13,621	17,987	-	17,987	100%
Magnolia Lane - complete street	160,530	160,530	171,307	-	171,307	100%
Magnolia Lane - curb and gutter	13,380	13,380	-	-	-	0%
Third Street, S.E.	36,000	36,000	38,057	-	38,057	100%
Fire Station # 3 street improvements	-	-	22,465	-	22,465	n/a
Westside drainage improvements	380,000	380,000	531,692	-	531,692	100%
Fifth Ave. N.W. storm drainage	10,000	10,000	5,616	-	5,616	56%
Grant Chapel storm drainage	15,000	15,000	10,532	-	10,532	70%
Paving Group I	492,149	922,702	911,384	-	911,384	99%
Paving Group II	257,176	380,244	917,378	-	917,378	100%
Resurfacing Group III	73,444	258,238	-	63,091	63,091	24%
Paving Group III	269,567	269,567	411,777	-	411,777	100%
Resurfacing Group III	64,739	64,739	-	-	-	0%
Paving Group IV	244,537	244,537	-	-	-	0%
CDBG SE Paving Grant - transfer	150,446	150,446	213,358	-	213,358	100%
Total roads	2,318,450	3,549,883	5,278,033	63,091	5,341,124	
Grand total	$ 4,475,484	$ 7,879,948	$ 12,374,440	$ 161,457	$ 12,535,897	
Special Purpose Local Option Sales Tax - 2006						
Waste water treatment improvement Project	9,725,000	-	229,982	2,193,910	2,423,892	25%
Streets and drainage project	2,000,000	-	1,156,190	41,194	1,197,384	60%
	$ 11,725,000	$ -	$ 1,386,172	$ 2,235,104	$ 3,621,276	

See independent auditors' report.