CITY OF MOULTRIE, GEORGIA

Annual Financial Report

For the Year Ended September 30, 2012

CITY OF MOULTRIE, GEORGIA
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CITY OF MOULTRIE, GEORGIA
PRINCIPAL OFFICIALS
September 30, 2012

ELECTED

William M. McIntosh, Mayor

Lisa Clarke Hill, 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

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moultrie, Georgia, as of, and for the year ended, September 30, 2012, 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 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 provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moultrie, Georgia, as of September 30, 2012, 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 26, 2013 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.

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.

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

March 26, 2013
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, 2012. 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 $105.4 million in total assets of which $56.08 million are capital assets.
- The City has $34.7 million in total liabilities of which $24.33 million are long-term.
- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $70.74 million (net assets). Of this amount, $33 million (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors while $30.2 million is invested in capital assets net of related debt.
- The City's total net assets increased by $4.99 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $8.15 million, an increase of $1.11 million in comparison with the prior year with $255 thousand unassigned in the General Fund.
- At the end of the current fiscal year, the General Fund had a fund balance of $545 thousand as reported above which is a $909 thousand increase from the prior year. This improvement was achieved through a combination of increased transfers from reserve funds and reduced expenditures.
- The City's long-term debt increased by $10.96 million during the current fiscal year as a result of scheduled principal payments and the issuance of additional debt through Bonds to provide the funding to finance the expansion of the City's wastewater treatment plant and the City's water and sewer system as a whole.

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, telecommunications and mass transit.

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

Fund Financial Statements

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

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

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

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 $70.74 million at the close of the most recent fiscal year.

A large portion of the City's net assets (43%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City also had $33 million or 47% in unrestricted net assets.

Table 2 below presents the City's condensed statement of net assets as of September 30, 2012 and 2011.

Table 2
Condensed Statement of Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Assets						
Current and other assets	$ 12,922,445	$ 12,409,586	$ 36,441,912	$ 24,530,860	$ 49,364,357	$ 36,940,446
Capital assets	24,456,762	25,482,075	31,624,380	27,582,892	56,081,142	53,064,967
Total assets	37,379,207	37,891,661	68,066,292	52,113,752	105,445,499	90,005,413
Liabilities						
Other liabilities	4,282,757	5,204,340	6,082,969	6,195,024	10,365,726	11,399,364
Long-term liabilities	1,072,558	842,324	23,262,238	12,014,549	24,334,796	12,856,873
Total liabilities	5,355,315	6,046,664	29,345,207	18,209,573	34,700,522	24,256,237
Net assets						
Invested in capital assets, net of related debt	23,404,269	24,377,597	6,803,331	12,443,541	30,207,600	36,821,138
Restricted for:						
Prepaid expenses	203,365	278,909	-	-	203,365	278,909
Capital projects	7,309,222	3,710,626	-	-	7,309,222	3,710,626
Public services	20,031	(376,154)	-	-	20,031	(376,154)
Unrestricted	1,087,005	3,854,009	31,917,754	21,460,638	33,004,759	25,314,647
Total net assets	$ 32,023,892	$ 31,844,987	$ 38,721,085	$ 33,904,179	$ 70,744,977	$ 65,749,166

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 $70.74 million for 2012 as compared to $65.75 million for 2011 for an increase of 7%. Of this amount, $38.72 million came from business-type activities and $32.02 million came from governmental activities.

An additional portion of the City's net assets (11%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($33 million) may be used to meet the City's ongoing obligations to citizens and creditors. This is an increase of $7.69 million or 30%.

For governmental activities, the City reported a balance of $1.09 million in unrestricted net assets. This is a decrease of $2.77 million from 2011 due to a large investment in capital projects. The business-type activities unrestricted net assets were $31.92 million, an increase of $10.46 million from 2011.

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, 2012 and 2011. 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

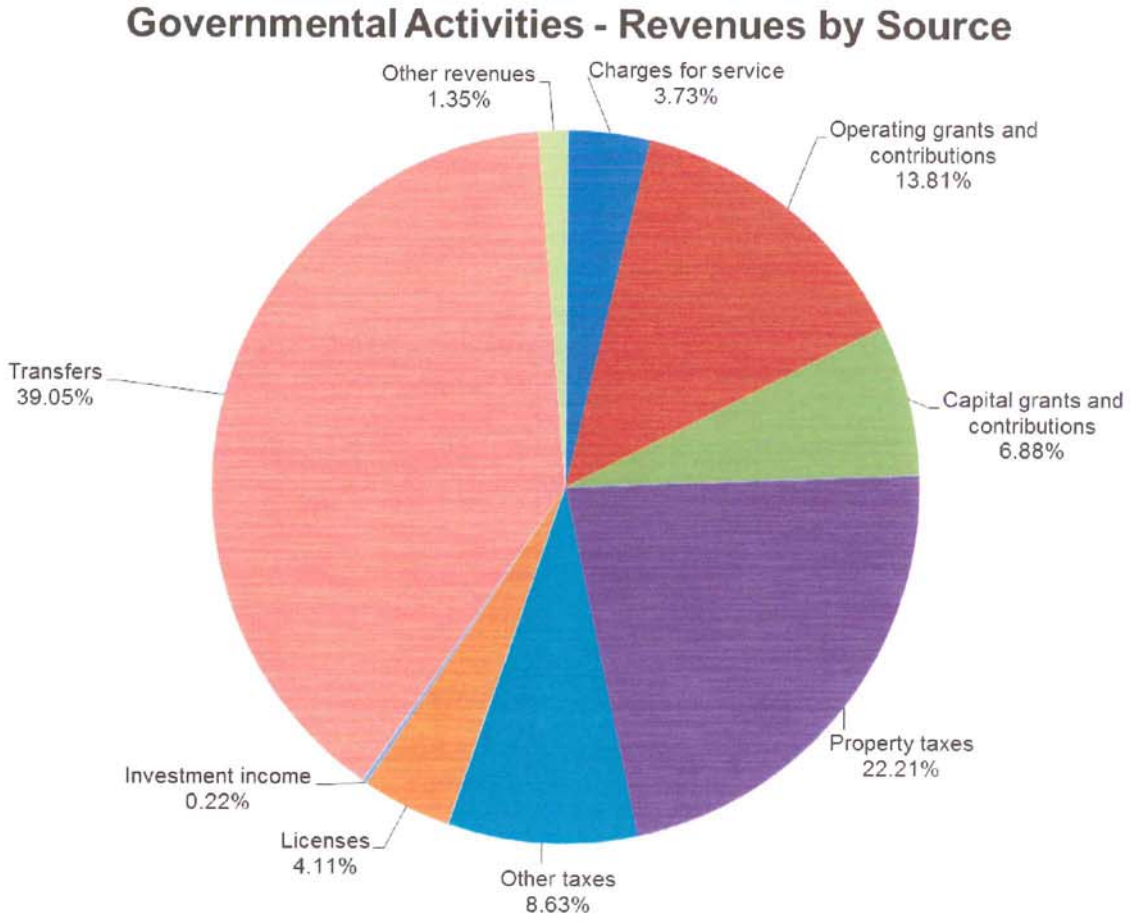
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program revenues:						
Charges for services	$ 602,106	$ 453,860	$ 38,604,241	$ 39,462,118	$ 39,206,347	$ 39,915,978
Operating grants and contributions	2,230,872	1,726,508	335,283	134,746	2,566,155	1,861,254
Capital grants and contributions	1,110,295	3,191,551	4,654,321	5,039,446	5,764,616	8,230,997
General revenues:						
Property taxes	3,586,729	3,475,811	-	-	3,586,729	3,475,811
Local option sales taxes						
Other taxes	1,394,204	1,502,910	-	-	1,394,204	1,502,910
Licenses and permits	664,229	630,929	-	-	664,229	630,929
Investment income	35,765	37,253	17,635	23,154	53,400	60,407
Other revenues (loss)	217,462	278,884	155,147	(73,578)	372,609	205,306
Total revenues	9,841,662	11,297,706	43,766,627	44,585,886	53,608,289	55,883,592
Expenses						
General government	2,933,062	2,646,333	-	-	2,933,062	2,646,333
Public safety	6,564,644	6,465,318	-	-	6,564,644	6,465,318
Public works	4,430,458	4,341,387	-	-	4,430,458	4,341,387
Parks and recreation	1,134,958	1,120,815	-	-	1,134,958	1,120,815
Community development	870,933	999,657	-	-	870,933	999,657
Elections	-	-	-	-	-	-
Interest - long term debt	35,262	40,036	-	-	35,262	40,036
Water and sewer	-	-	3,559,053	6,307,208	3,559,053	6,307,208
Electric revenue	-	-	18,823,388	17,976,806	18,823,388	17,976,806
Gas revenue	-	-	2,773,441	2,591,877	2,773,441	2,591,877
Cable TV	-	-	3,738,055	3,743,546	3,738,055	3,743,546
Solid waste	-	-	2,252,619	2,258,611	2,252,619	2,258,611
Airport	-	-	544,435	207,378	544,435	207,378
Telecommunications	-	-	732,881	748,063	732,881	748,063
Telephony	-	-	204,620	221,533	204,620	221,533
Mass Transit	-	-	14,669	-	14,669	-
Total expenses	15,969,317	15,613,546	32,643,161	34,055,022	48,612,478	49,668,568
Increase (decrease) in net assets before transfers	(6,127,655)	(4,315,840)	11,123,466	10,530,864	4,995,811	6,215,024
Transfers	6,306,560	5,969,046	(6,306,560)	(5,969,046)	-	-
Change in net assets	$ 178,905	$ 1,653,206	$ 4,816,906	$ 4,561,818	$ 4,995,811	$ 6,215,024

Governmental activities during the fiscal year ended September 30, 2012 increased the City's net assets by $179 thousand. Business-type activities during the same period increased net assets by $4.82 million. The net change in net assets was an increase of $5.00 million. The table above shows the revenues and expenses by activity for the total primary government. This table shows total 2012 revenues from governmental activities at $9.84 million while expenses were $15.97 million. Business-type activities total revenues for 2012 were $43.77 million while expenses were $32.64 million. The largest revenue source for governmental activities comes from transfers from business-type activities of $6.31 million, which is 39% of the total governmental activity funding. Property taxes are the next largest governmental activity revenue source at $3.59 million or 22%. Operating grants and contributions are the third largest governmental activity revenue source at $2.23 million or 14%. Revenues from capital grants and contributions are the fourth largest governmental activity revenue source at $1.11 million or 7%. Business-type activities program revenues exceeded expenses by $11.12 million before internal transfers to support the governmental activities.

Program Revenues and Expenses for Governmental Activities

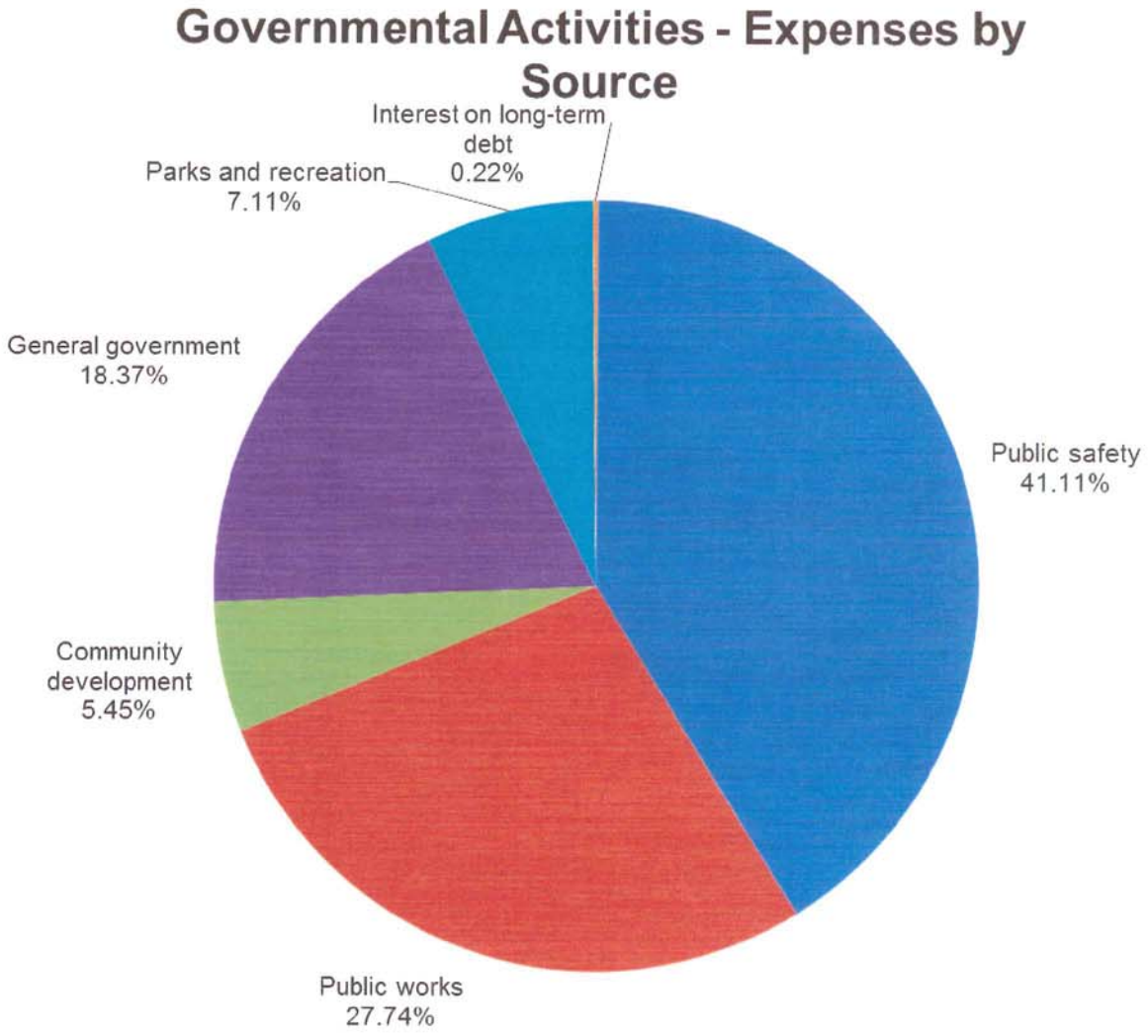
Governmental Activities - Revenues by Source

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 39.05% of the funding for the primary government. The second largest source of funding, Property taxes provided 22.21% of governmental revenues. Capital grants and contributions only provided 6.88% of the governmental activities funding in 2012. Due to a continuing slow economy and fewer revenues sources such as grants, 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 not fill this void. For the year ended September 30, 2012, transfers were $6.31 million, an increase of $338 thousand from $5.97 million over the year ended September 30, 2011.



Governmental Activities – Expenses by Source

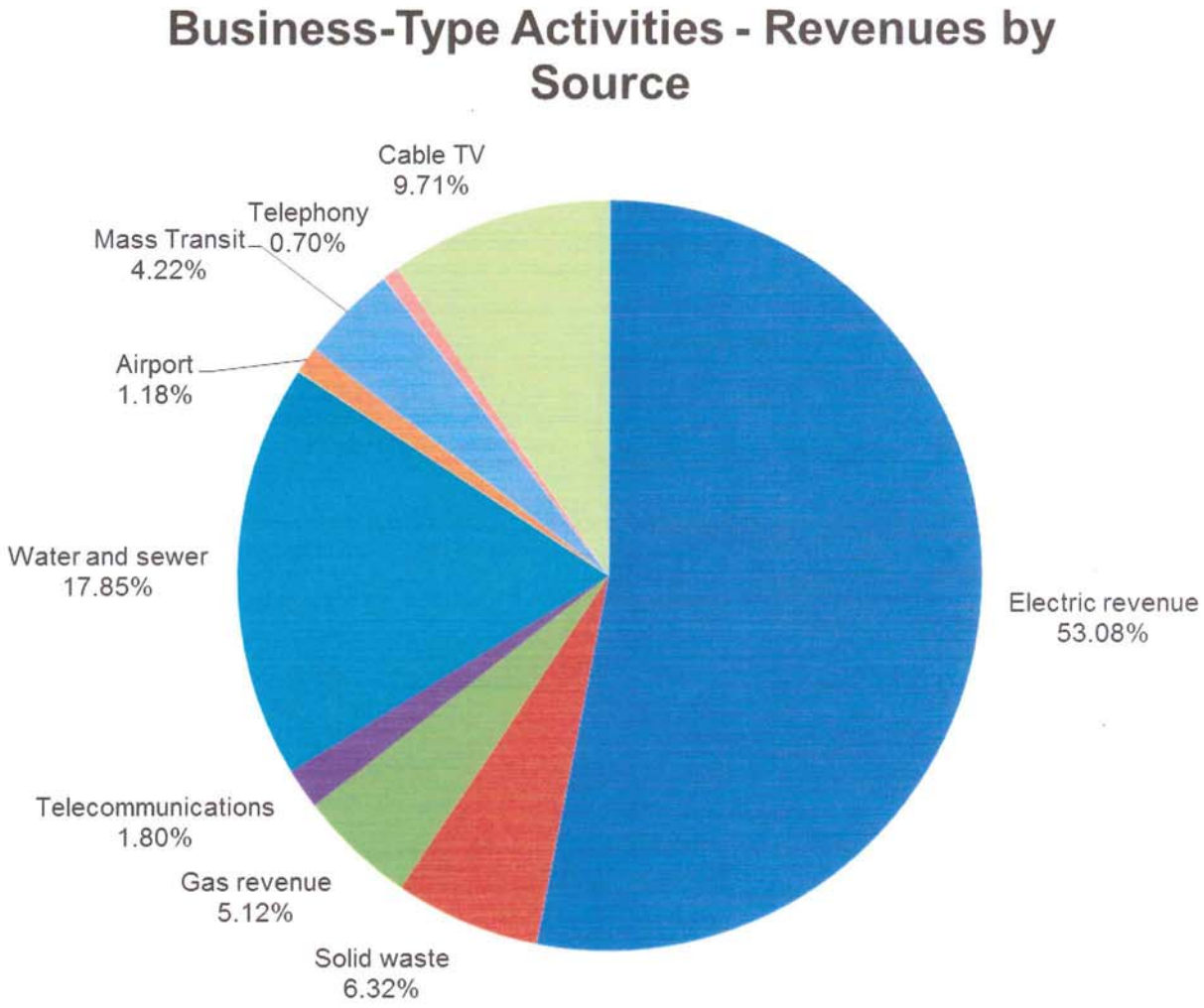
The following chart shows the governmental activities expenses by source. The City of Moultrie spent the greatest amount of its available funding on Public Safety at $6.56 million or 41.11%. The next largest governmental expense was for Public Works at $4.43 million or 27.74%.



Program Revenues and Expenses for Business-Type Activities

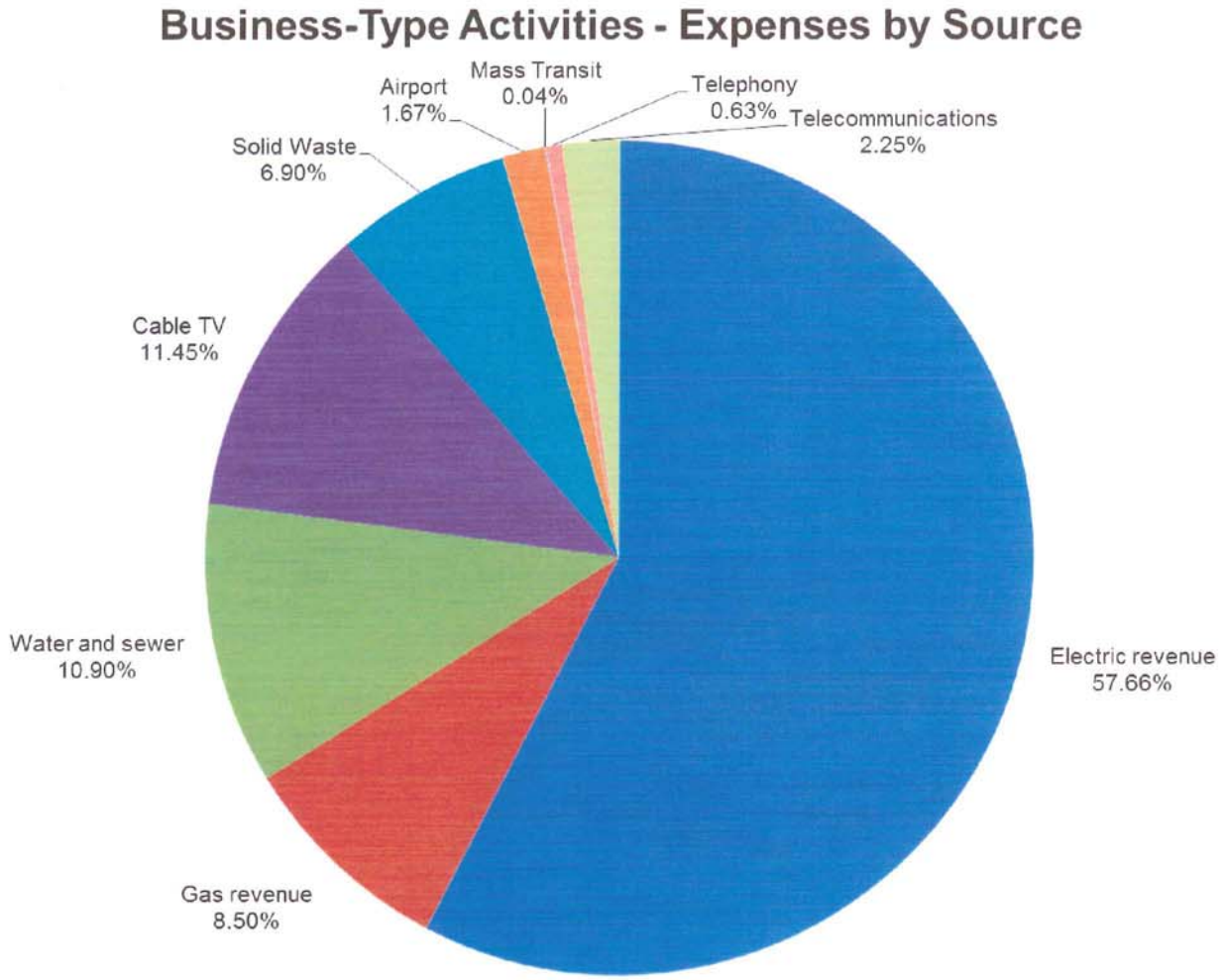
Business-Type Activities – Revenues by Source

The business-type activities largest revenue source is from the Electric Fund. By far, more revenues (53.08%) or $23.22 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 17.85% or $7.81 million.



Business-Type Activities – Expenses by Source

As expected, the Electric Fund also has the largest amount of expenses at 57.66% or $18.82 million, but it generated net income of $4.41 million before its transfers to governmental activities. The Water and Sewer Fund generated net income of $4.26 million before transfers with expenses of $3.56 million or 10.90%.



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, 2012, the General Fund had a fund balance of $545 thousand. This is an increase of $909 thousand from the beginning fund balance as of October 1, 2011. The increase in the fund balance was due to $1.92 million in additional transfers from utility funds primarily from the Electric Fund.

At September 30, 2012, the SPLOST Fund had a fund balance of $6.5 million. This is a decrease of $119 thousand from the beginning fund balance as of October 1, 2011. This decrease in the fund balance was due primarily to the ending of the collection of 2007 SPLOST funds even though the constructions of the specified projects were still in the pre-construction stages and only engineering fees have been paid. There was an increase in the fund balance of other governmental funds of $321 thousand due to increased funding from intergovernmental sources and reduced construction costs from capital projects as they were completed during the year funded by the grant revenues received. The final fund balance for these funds was $8.15 million at the end of the year primarily due to SPLOST and grant funds available for approved projects not yet completed.

Enterprise Funds

The Enterprise Funds, which include the City's Water & Sewer Fund, Electric Fund, and Cable TV Fund, and the non-major enterprise funds consisting of the Solid Waste Fund, Airport Fund, Gas Fund, Mass Transit Fund, Telephony Fund, Utility Deposit Fund and Telecommunications Funds, showed a combined cash balance of $18.91 million for the year ended September 30, 2012. This was an increase of $12.05 million from the previous year primarily due to bond funds for the new sewer plant not yet constructed.

The Water and Sewer Fund had an ending cash balance of $17.96 million after accounting for funds owed to the Electric, Gas and Other Enterprise Funds at September 30, 2012. The total increase in cash of $11.91 million from the prior year included new bond debt issued for the construction of a new sewer plant facility.

The Electric Fund had a $51 thousand ending cash balance after accounting for funds owed from the Water and Gas funds and transfers to the General Fund. It also had investments of $5.70 million to draw on for operations and capital projects. These funds will be used primarily for additional acquisition and construction of capital assets, operational costs and the costs of power and the transfer of funds to the General Fund and interfund loans to the Cable TV Fund. The Electric Fund has kept property taxes level by its transfer of a large part of its profits to the General Fund. The Electric Fund has also provided funding for community projects that could not have been completed without its help.

The Cable TV Fund had an ending cash balance of $574 thousand which is an increase of $282 thousand from the beginning cash balance due to increasing programming revenues and lower operating costs. This fund continues to hold its own with the help of interfund loans from the Electric Fund but will continue to struggle until its large bond debt service is paid off in 2017.

The combined cash balance of the non-major enterprise funds at the end of the year was $321 thousand. This is a decrease of $6 thousand from the beginning cash balance. The decrease is $86 thousand less than the previous year due to increased operating revenues and transfers to other 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 2012 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 $224 thousand for the year ended September 30, 2012. The major factors contributing to this difference were additional revenues from charges for services and other revenues.

The actual expenditures of the General Fund were less than final budgeted amounts by $733 thousand for the year ended September 30, 2012. The major factors contributing to this difference were lower actual expenditures as compared to the approved budget for general government, public safety, and public works operations.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2012, governmental activities and business-type activities had capital assets of $56.08 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 $1.03 million from the 2011 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 $4.04 million from the prior year due to construction of water and sewer projects and improvements to the City's wastewater facility and other infrastructure system improvements.

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, 2012, the City had $1.07 million of outstanding long-term liabilities related to governmental activities and $23.26 million of long-term liabilities related to business-type activities for a total of $24.33 million compared to the previous year's total of $12.86 million. This is an increase of $10.96 million as a result of increased borrowing for major infrastructure projects.

The City's component unit also had $2.92 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 2012 BUDGET

The Mayor and Council of the City of Moultrie faced many challenges when approving the City's 2012 budget and are very aware of present economic conditions and their effect on its citizens. Property tax collections for 2012 increased by $111 thousand compared to 2011. This is positive for development because Council maintained the same property tax rate for 2012. General Fund expenditures increased $133 thousand over 2011 but revenues actually decreased by $58,640 over the same period. While there were $984 thousand in Special Local Option Sales Tax proceeds collected in 2011, these revenues are restricted for special projects and cannot be used for regular governmental expenditures. It will be very important to continue to find other revenue sources in the coming years as well as monitoring 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 to the governmental activities has maintained these funds up until now. However, these transfers have reached a level that will mean utility rate increases while maintaining a positive balance in the business activities. The transfers to the General Fund for 2012 increased $1.93 million over 2011 and these transfers primarily came from reserve funds which cannot be sustained very long. 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 including personnel expenditures to make the necessary reductions in transfers possible and avoid property tax increases. A continuation of the combination of programming rate increases and reductions in expenditures in the Cable TV Fund have been beneficial for this fund and this trend must continue. This will reduce or eliminate the need for funding 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, Mayor and Council face some tough choices to take 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, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
ASSETS				
Cash and cash equivalents	$ 9,273,414	$ 18,234,843	$ 27,508,257	$ 63,338
Investments	-	5,698,175	5,698,175	-
Accounts receivable, net	465,446	5,144,196	5,609,642	15,617
Property tax receivable	2,953,974	-	2,953,974	-
Inventories	100,968	1,611,166	1,712,134	-
Other current assets	213,929	87,503	301,432	2,336
Due from other governments	-	-	-	-
Due from component unit	-	235,000	235,000	-
Internal balances	(1,819,618)	1,819,618	-	-
Restricted assets:				
Cash and cash equivalents	285,639	677,442	963,081	291,491
Investments	-	1,504,515	1,504,515	-
Sales tax receivable	130,080	-	130,080	-
Program receivables	658,107	-	658,107	-
Investment in SGBDA	-	761,706	761,706	-
Other noncurrent assets	660,506	667,748	1,328,254	222,563
Capital assets:				
Land	1,394,670	1,209,382	2,604,052	709,191
Construction in progress	-	2,181,687	2,181,687	-
Other capital assets, net of accumulated depreciation	23,062,092	28,233,311	51,295,403	2,215,878
Total assets	$ 37,379,207	$ 68,066,292	$ 105,445,499	$ 3,520,414
LIABILITIES				
Accounts payable	$ 777,888	$ 2,545,672	$ 3,323,560	$ -
Accrued expenses	228,373	212,064	440,437	64,418
Lines of Credit	-	710,000	710,000	-
Customer deposits	-	796,233	796,233	-
Deferred revenues	3,137,188	-	3,137,188	-
Due to other governments	139,308	-	139,308	-
Due to primary government	-	-	-	235,000
Liabilities payable from restricted assets	-	1,595,000	1,595,000	-
Short-term notes payable	-	224,000	224,000	-
Long-term liabilities:				
Due within one year	338,609	275,481	614,090	230,000
Due in more than one year	733,949	22,986,757	23,720,706	2,690,884
Total liabilities	5,355,315	29,345,207	34,700,522	3,220,302
NET ASSETS				
Invested in capital assets, net of related debt	23,404,269	6,803,331	30,207,600	-
Restricted for:				
Prepaid expenses	203,365	-	203,365	-
Debt service	-	-	-	-
Capital projects	7,309,222	-	7,309,222	-
Public services	20,031	-	20,031	-
Unrestricted (deficit)	1,087,005	31,917,754	33,004,759	300,112
Total net assets	$ 32,023,892	$ 38,721,085	$ 70,744,977	$ 300,112

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2012

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	$ 2,933,062	$ 269,345	$ 1,534,021	$ 1,100,645	$ (29,051)
Public safety	6,564,644	148,572	5,425	-	(6,410,647)
Public works	4,430,458	-	-	-	(4,430,458)
Parks and recreation	1,134,958	161,591	681,926	-	(291,441)
Community development	870,933	22,598	9,500	9,650	(829,185)
Elections	-	-	-	-	-
Interest on long-term debt	35,262	-	-	-	(35,262)
Total governmental activities	15,969,317	602,106	2,230,872	1,110,295	(12,026,044)
Business-type activities:					
Water and sewer	3,559,053	4,959,001	-	2,809,461	4,209,409
Electric revenue	18,823,388	23,222,895	-	-	4,399,507
Gas revenue	2,773,441	2,239,035	-	-	(534,406)
Cable TV	3,738,055	4,246,557	-	-	508,502
Solid waste	2,252,619	2,693,379	-	-	440,760
Airport	544,435	179,052	335,283	-	(30,100)
Telecommunications	732,881	754,653	-	-	21,772
Telephony	204,620	306,669	-	-	102,049
Mass transit	14,669	3,000	-	1,844,860	1,833,191
Total business-type activities	32,643,161	38,604,241	335,283	4,654,321	10,950,684
Total primary government	$ 48,612,478	$ 39,206,347	$ 2,566,155	$ 5,764,616	$ (1,075,360)
Component unit:					
Downtown Development Authority	$ 390,266	$ 634,795	$ -	$ -	$ 244,529

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF ACTIVITIES (continued)
For the Year Ended September 30, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
Change in net assets:				
Net (expense) revenue	$ (12,026,044)	$ 10,950,684	$ (1,075,360)	$ 244,529
General revenues:				
Taxes:				
Property taxes	3,586,729	-	3,586,729	-
Local option sales taxes	-	-	-	-
Other taxes	1,394,204	-	1,394,204	-
Licenses and permits	664,229	-	664,229	-
Investment income	35,765	17,635	53,400	323
Gain on disposal of capital assets	29,160	-	29,160	-
Other revenues	188,302	155,147	343,449	-
Transfers	6,306,560	(6,306,560)	-	-
Total general revenues and transfers	12,204,949	(6,133,778)	6,071,171	323
Change in net assets	178,905	4,816,906	4,995,811	244,852
Net assets, beginning of year	31,844,987	33,904,179	65,749,166	55,260
Net assets, end of year	$ 32,023,892	$ 38,721,085	$ 70,744,977	$ 300,112

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2012

	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 2,739,931	$ 6,271,152	$ 137,278	$ 9,148,361
Investments	-	-	-	-
Accounts receivable, net	354,771	-	29,173	383,944
Property tax receivable	2,953,974	-	-	2,953,974
Inventories	87,766	-	-	87,766
Other current assets	202,215	-	1,150	203,365
Due from other governments	-	-	-	-
Due from component unit	-	-	-	-
Due from general fund	-	156,275	92,011	248,286
Due from other funds	2,130,500	83,921	-	2,214,421
Restricted assets:				
Cash and cash equivalents	-	-	285,639	285,639
Investments	-	-	-	-
Sales tax receivable	130,080	-	-	130,080
Program receivables	-	-	658,107	658,107
Total assets	$ 8,599,237	$ 6,511,348	$ 1,203,358	$ 16,313,943
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 706,807	$ 1,526	$ 18,377	$ 726,710
Accrued expenses	197,625	-	2,659	200,284
Customer deposits	-	-	-	-
Deferred revenues	3,137,188	-	-	3,137,188
Due to other governments	139,308	-	-	139,308
Due to general fund	-	-	305	305
Due to other funds	3,873,164	-	85,003	3,958,167
Liabilities payable from restricted assets	-	-	-	-
Total liabilities	8,054,092	1,526	106,344	8,161,962
Fund balances				
Nonspendable:	-	-	-	-
Inventories	87,766	-	-	87,766
Prepaid insurance	202,215	-	1,150	203,365
Restricted for:				
Debt service	-	-	-	-
Community development	-	-	1,027,164	1,027,164
Public safety	-	-	68,700	68,700
Specific purposes	-	6,509,822	-	6,509,822
Unassigned, reported in:				
General fund	255,164	-	-	255,164
Capital projects funds	-	-	-	-
Special revenue funds	-	-	-	-
Total fund balances (deficit)	545,145	6,509,822	1,097,014	8,151,981
Total liabilities and fund balances (deficit)	$ 8,599,237	$ 6,511,348	$ 1,203,358	$ 16,313,943

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, 2012

Total governmental fund balances	$	8,151,981
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.		24,456,762
Net pension asset that is not a financial asset in governmental activities and therefore not reported in governmental funds.		487,707
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Capital leases		(673,580)
Notes payable		(378,913)
Compensated absences		(20,065)
Net assets of governmental activities	$	32,023,892

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, 2012

	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 3,586,729	$ -	$ -	$ 3,586,729
Local option sales taxes	-	-	-	-
Other taxes	1,209,654	-	184,550	1,394,204
Licenses and permits	664,229	-	-	664,229
Fines and forfeitures	2,150	-	-	2,150
Charges for services	467,419	-	22,598	490,017
Investment income	16,532	9,840	19,233	45,605
Intergovernmental	840,684	974,626	1,480,044	3,295,354
Other revenues	175,051	-	128,886	303,937
Total revenues	6,962,448	984,466	1,835,311	9,782,225
EXPENDITURES				
Current:				
General government	2,636,151	-	-	2,636,151
Public safety	6,119,463	-	167,403	6,286,866
Public works	2,417,906	-	-	2,417,906
Parks and recreation	903,069	-	-	903,069
Community development	-	-	265,392	265,392
Capital outlays	-	1,486,320	926,298	2,412,618
Debt service:				
Principal	345,076	-	-	345,076
Interest	35,262	-	-	35,262
Total expenditures	12,456,927	1,486,320	1,359,093	15,302,340
Excess (deficiency) of revenues over expenditures	(5,494,479)	(501,854)	476,218	(5,520,115)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	6,103,369	382,922	25,000	6,511,291
Transfers to other funds	(25,000)	-	(179,731)	(204,731)
Sale of capital assets	29,160	-	-	29,160
Long term debt issued	295,711	-	-	295,711
Total other financing sources (uses)	6,403,240	382,922	(154,731)	6,631,431
Net change in fund balances	908,761	(118,932)	321,487	1,111,316
Fund balances (deficit), beginning of year	(363,616)	6,628,754	775,527	7,040,665
Fund balances (deficit), end of year	$ 545,145	$ 6,509,822	$ 1,097,014	$ 8,151,981

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, 2012

Net change in fund balances - total governmental funds	$	1,111,316
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		472,625
Transfer of capital assets from business-type activities		-
Depreciation expense		(1,497,938)
Total proceeds from sale or disposal		(29,160)
Gain on disposal of capital assets		29,160
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. These amounts are the net effect of these differences in the treatment of long-term debt and related items.		
Debt issued		(295,711)
Debt payments made		347,696
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.		
Decrease in accrued expenses		2,699
Increase in net pension asset		24,958
Decrease in compensated absences		13,260
Change in net assets of governmental activities	$	178,905

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, 2012

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Property taxes	$ 3,507,540	$ 3,507,540	$ 3,586,729	$ 79,189
Local option sales taxes	-	-	-	-
Other taxes	1,330,478	1,330,478	1,209,654	(120,824)
Licenses and permits	637,180	637,180	664,229	27,049
Fines and forfeitures	2,000	2,000	2,150.00	150
Charges for services	285,179	285,179	467,419	182,240
Investment income	19,000	19,000	16,532	(2,468)
Intergovernmental	725,040	851,059	840,684	(10,375)
Other revenues	78,120	105,619	175,051	69,432
Total revenues	6,584,537	6,738,055	6,962,448	224,393
EXPENDITURES				
Current:				
General government				
City council	900,159	900,414	835,363	65,051
City manager	250,984	254,049	240,333	13,716
Finance	382,404	384,507	369,600	14,907
Purchasing	151,163	156,359	144,676	11,683
Legal	-	-	-	-
Information systems	-	-	-	-
Municipal court	-	-	-	-
Human resources	189,508	579,347	362,346	217,001
City hall	57,051	57,051	45,044	12,007
Main street program	263,113	263,839	229,030	34,809
Engineering	418,218	431,900	409,759	22,141
Garage	-	-	-	-
Total general government	2,612,600	3,027,466	2,636,151	391,315
Public safety				
Police	3,183,973	3,210,884	3,066,890	143,994
Fire	2,813,818	2,850,023	2,697,226	152,797
Planning and zoning	406,203	408,009	355,347	52,662
Total public safety	6,403,994	6,468,916	6,119,463	349,453
Public works				
Office of the director	212,358	229,945	211,028	18,917
Streets and sidewalks	1,351,770	1,357,555	1,242,799	114,756
Beautification	1,074,701	1,079,420	964,079	115,341
Total public works	2,638,829	2,666,920	2,417,906	249,014
Parks and recreation				
Recreation	924,955	988,796	903,069	85,727
Parks and cemetery	-	-	-	-
Northwest Community Center	-	-	-	-
Total parks and recreation	924,955	988,796	903,069	85,727

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, 2012

	Original Budget	Final Budget	Actual	Variance With Final Budget
Debt service:				
Principal	-	-	345,076	(345,076)
Interest	-	38,260	35,262	2,998
Total expenditures	12,580,378	13,190,358	12,456,927	733,431
Excess (deficiency) of revenues over expenditures	(5,995,841)	(6,452,303)	(5,494,479)	957,824
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	5,413,375	5,654,534	6,103,369	448,835
Transfers to other funds	(25,000)	(25,000)	(25,000)	-
Sale of capital assets	-	29,160	29,160	-
Long term debt issued	-	-	295,711	295,711
Total other financing sources (uses)	5,388,375	5,658,694	6,403,240	744,546
Net change in fund balances	(607,466)	(793,609)	908,761	1,702,370
Fund balances (deficit), beginning of year	(363,616)	(363,616)	(363,616)	-
Fund balances (deficit), end of year	$ (971,082)	$ (1,157,225)	$ 545,145	$ 1,702,370

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2012

	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	$ 17,409,718	$ -	$ 573,788	$ 251,337	$ 18,234,843	$ 125,053
Investments	-	5,698,175	-	-	5,698,175	-
Restricted assets - investments	-	-	-	-	-	-
Accounts receivable, net	767,986	3,477,091	449,869	449,250	5,144,196	81,502
Due from general fund	-	-	91	3,624,787	3,624,878	-
Due from other funds	328,646	7,272,188	27,237	890,997	8,519,068	1,368,221
Due from component unit	235,000	-	-	-	235,000	-
Inventories	226,589	1,045,212	152,108	187,257	1,611,166	13,202
Other current assets	27,240	18,459	5,045	36,759	87,503	10,564
Total current assets	18,995,179	17,511,125	1,208,138	5,440,387	43,154,829	1,598,542
Non - current assets						
Investment in SGBDA	-	-	761,706	-	761,706	-
Restricted assets - cash	556,824	50,536	-	70,082	677,442	-
Restricted assets - investments	630,675	-	873,840	-	1,504,515	-
Deferred charges	535,663	-	132,085	-	667,748	172,799
Capital assets:						
Land	80,027	1,112,570	-	16,785	1,209,382	-
Construction in progress	1,316,383	865,304	-	-	2,181,687	-
Other capital assets, net of accumulated depreciation	12,419,763	5,940,222	5,120,708	4,752,618	28,233,311	-
Total non - current assets	15,539,335	7,968,632	6,888,339	4,839,485	35,235,791	172,799
Total assets	$ 34,534,514	$ 25,479,757	$ 8,096,477	$ 10,279,872	$ 78,390,620	$ 1,771,341
LIABILITIES						
Current liabilities						
Accounts payable	$ 247,896	$ 1,657,215	$ 401,189	$ 239,372	$ 2,545,672	$ 51,178
Accrued expenses	98,848	30,273	50,428	32,515	212,064	28,089
Lines of credit	-	-	710,000	-	710,000	-
Short - term notes payable	-	224,000	-		224,000	-
Current portion of long - term debt	101,530	-	-	173,951	275,481	-
Customer deposits	-	-	-	796,233	796,233	-
Due to other governments	-	-	-	-	-	-
Due to general fund	7,584	454,224	-	-	461,808	1,668,387
Due to other funds	3,604,942	73,536	3,625,472	2,558,570	9,862,520	23,687
Liabilities payable from restricted assets:				-		
Current portion of long - term debt	575,000	-	1,020,000	-	1,595,000	-
Total current liabilities	4,635,800	2,439,248	5,807,089	3,800,641	16,682,778	1,771,341
Long - term debt, net of current portion	18,678,329	-	3,967,942	304,297	22,950,568	-
Compensated absences	17,866	12,959	-	5,364	36,189	-
Other liabilities - environmental remediation	-	-	-	-	-	-
Total liabilities	23,331,995	2,452,207	9,775,031	4,110,302	39,669,535	1,771,341
NET ASSETS						
Invested in capital assets, net of related debt	(5,538,686)	7,918,096	132,766	4,291,155	6,803,331	-
Restricted for debt service	-	-	-	-	-	-
Unrestricted (deficit)	16,741,205	15,109,454	(1,811,320)	1,878,415	31,917,754	-
Total net assets	$ 11,202,519	$ 23,027,550	$ (1,678,554)	$ 6,169,570	$ 38,721,085	$ -

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, 2012

	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	$ -	$ 23,222,895	$ -	$ -	$ 23,222,895	$ -
Charges for services	4,959,001	-	4,246,557	6,175,788	15,381,346	1,386,549
Miscellaneous	39,819	-	4,796	110,532	155,147	9,070
Intergovernmental	382,922	-	-	335,283	718,205	-
Total operating revenues	5,381,742	23,222,895	4,251,353	6,621,603	39,477,593	1,395,619
OPERATING EXPENSES						
Salaries and wages	761,907	804,622	73,145	751,916	2,391,590	547,505
Operating, administrative and maintenance	1,755,134	17,430,271	2,907,023	5,384,223	27,476,651	848,078
Depreciation	871,677	581,318	388,777	367,329	2,209,101	-
Total operating expenses	3,388,718	18,816,211	3,368,945	6,503,468	32,077,342	1,395,583
Operating income (loss)	1,993,024	4,406,684	882,408	118,135	7,400,251	36
NON - OPERATING INCOME (EXPENSES)						
Interest income	6,058	10,586	573	418	17,635	-
Interest expense	(170,335)	(7,177)	(305,179)	(19,197)	(501,888)	(36)
Gain (loss) on disposal of capital assets	-	-	(63,931)	-	(63,931)	-
Income (loss) before contributions and transfers	1,828,747	4,410,093	513,871	99,356	6,852,067	-
Capital contributions	2,426,539	-	-	1,844,860	4,271,399	-
Transfers from other funds	-	735,060	368,566	101,644	1,205,270	-
Transfers to other funds	(1,730,265)	(4,448,204)	(300,000)	(1,033,361)	(7,511,830)	-
Change in net assets	2,525,021	696,949	582,437	1,012,499	4,816,906	-
Net assets (deficit), beginning of year	8,677,498	22,330,601	(2,260,991)	5,157,071	33,904,179	-
Net assets (deficit), end of year	$ 11,202,519	$ 23,027,550	$ (1,678,554)	$ 6,169,570	$ 38,721,085	$ -

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2012

	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	$ 4,885,693	$ 22,460,773	$ 4,227,464	$ 6,269,694	$ 37,843,624	$ 1,433,794
Other operating receipts	422,741	-	4,796	445,815	873,352	9,070
Cash payments to employees	(759,946)	(788,915)	(73,145)	(754,339)	(2,376,345)	(639,387)
Cash payments to suppliers	(1,686,644)	(17,139,636)	(2,681,825)	(5,402,273)	(26,910,378)	(753,748)
New customer utility deposits	-	-	-	70,687	70,687	-
Refunded customer utility deposits	-	-	-	(739)	(739)	-
Net cash provided (used) by operating activities	2,861,844	4,532,222	1,477,290	628,845	9,500,201	49,729
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds		735,060	368,566	101,644	1,205,270	-
Transfers to other funds	(1,730,265)	(4,448,204)	(300,000)	(1,033,361)	(7,511,830)	-
Net change in due from general fund	28,254	-	4,759	(425,006)	(391,993)	2,746
Net change in due from other funds	(328,806)	(964,723)	(18,836)	(157,312)	(1,469,677)	30,402
Net change in due from component unit	-	-	-	218,269	218,269	-
Net change in due to general fund	7,584	433,269	-	-	440,853	(24,122)
Net change in due to other funds	93,581	(969)	336,360	984,990	1,413,962	25,411
Net cash provided (used) by noncapital financing activities	(1,929,652)	(4,245,567)	390,849	(310,776)	(6,095,146)	34,437
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Change in deferred charges	(454,959)	-	126,291	198,205	(130,463)	40,923
Proceeds from issuance of long - term debt	12,775,000	-		-	12,775,000	-
Proceeds from sale of assets	14,589	-	-	-	14,589	-
Proceeds from capital contributions	-	-	-		-	-
Acquisition and construction of capital assets	(565,111)	(1,083,429)	(22,003)	(323,336)	(1,993,879)	-
Principal payments on long - term debt	(636,185)	(112,000)	(1,330,775)	(180,161)	(2,259,121)	
Interest paid	(174,348)	(7,177)	(360,257)	(19,197)	(560,979)	(36)
Net cash provided (used) by capital and related financing activities	10,958,986	(1,202,606)	(1,586,744)	(324,489)	7,845,147	40,887
CASH FLOWS FROM INVESTING ACTIVITIES						
Sale of investment securities	-	785,608	-	-	785,608	-
Purchase of investments		-	-	-	-	-
Loan disbursements	-	-	-	-	-	-
Interest received	6,058	10,586	573	418	17,635	-
Net cash provided (used) by investing activities	6,058	796,194	573	418	803,243	-
Net increase (decrease) in cash and cash equivalents	11,897,236	(119,757)	281,968	(6,002)	12,053,445	125,053
Cash and cash equivalents, beginning of year	6,069,306	170,293	291,820	327,421	6,858,840	-
Cash and cash equivalents, end of year	$ 17,966,542	$ 50,536	$ 573,788	$ 321,419	$ 18,912,285	$ 125,053

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2012

	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)	$ 1,993,024	$ 4,406,684	$ 882,408	$ 118,135	$ 7,400,251	$ 36
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	871,677	581,318	388,777	367,329	2,209,101	-
New customer utility deposits	-	-	-	-	-	-
Refunded customer utility deposits	-	-	-	-	-	-
Change in estimate		-	-	-	-	-
Changes in assets and liabilities:				-		
(Increase) decrease in:						
Accounts receivable	(73,308)	(762,122)	(19,093)	21,883	(832,640)	47,245
Deferred charges	-	-	-		-	-
Inventories	(1,968)	33,041	84,701	72,998	188,772	(1,947)
Other current assets	(1,354)	3,226	844	4,744	7,460	(962)
Due from general fund	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from component unit	-	-	-	-	-	-
Increase (decrease) in:						
Accounts payable	83,551	254,368	139,653	(24,169)	453,403	7,157
Accrued expenses	(10,927)	2,748	-	70,488	62,309	(1,800)
Compensated absences liability	1,149	12,959	-	(2,563)	11,545	-
Due to general fund	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Net cash provided (used) by operating activities	$ 2,861,844	$ 4,532,222	$ 1,477,290	$ 628,845	$ 9,500,201	$ 49,729
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES						
Transfer of capital assets from governmental funds	2,426,539	-	-	1,844,860	4,271,399	-
Total non-cash capital and related financing activities	$ 2,426,539	$ -	$ -	$ 1,844,860	$ 4,271,399	$ -

See accompanying notes to financial statements.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
September 30, 2012

	Pension Trust Fund	Agency Fund-Municipal Court
ASSETS		
Cash and cash equivalents	$ 1,145,674	$ 47,230
Investments:		
U.S. Government securities	746,039	-
Corporate bonds	2,317,046	-
Municipal bonds	2,170,180	-
Equities - common stock	5,377,770	-
Mutual funds	-	-
Asset-backed securities	213,499	-
Certificate of deposit	338,170	-
Receivables:		
Accounts receivable, net	-	-
Employer and employee's contribution	-	-
Accrued investment income	74,211	-
Other assets		666
Total assets	12,382,589	47,896
LIABILITIES		
Settlements payable	-	-
Accounts payable	-	45,864
Accrued expenses	-	2,032
Due to others	-	-
Total liabilities	-	47,896
NET ASSETS		
Held in trust for pension benefits (a schedule of funding progress is presented in the notes to financial statements)	$ 12,382,589	$ -

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, 2012

	Pension Trust Fund
ADDITIONS	
Contributions	
Employer	$ 337,699
Participants	292,699
Total contributions	630,398
Investment income	
Net appreciation in fair value of investments	897,698
Interest and dividends	427,408
Less - investment expenses	(101,119)
Net investment income	1,223,987
Total additions	1,854,385
DEDUCTIONS	
Net depreciation in fair value of investments	-
Pension benefits paid	525,854
Administrative expenses	22,810
Total deductions	548,664
Net increase	1,305,721
Net assets held in trust for pension benefits	
Beginning of year	11,076,868
End of Year	$ 12,382,589

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, cable TV and mass transit).

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

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

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, 2012, $97,836 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. Total contributions for the year ended September 30, 2012 were $97,153.

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

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

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve the portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Fund, and Capital Projects Funds. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at the end of the year. Encumbrances

are re-appropriated in the following year, except for encumbrances in the Capital Projects Funds which are continuing. Encumbrances do not represent GAAP expenditures. At September 30, 2012, 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 has performed an evaluation of subsequent events, as defined under FASB ASC 855-10, through March 26, 2013, 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 the General Fund

The following General Fund departments incurred actual expenditures in excess of budgeted amounts for the year ended September 30, 2012:

Department		Excess of Expenditures Over Budgeted Amounts
Debt Service	$	345,076

These over expenditures were funded by greater than anticipated revenues and transfers.

IV. Excess of Expenditures Over Appropriations in Individual Funds

The following fund incurred actual expenditures in excess of budgeted amounts for the year ended September 30, 2012:

Department		Excess of Expenditures Over Budgeted Amounts
Hotel/Motel Tax Fund	$	1,960

The following funds had deficit fund balances / retained earnings as of September 30, 2012:

Fund		Deficit
Cable TV Fund	$	1,678,554
Utilities Deposit Fund		276,399

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

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, 2012, the carrying amount of the City's deposits was $29,664,242 and the bank balance was $30,521,156. The deposits were classified as follows:

	Category			
	1	2	3	Total
Bank balance	$ 30,521,156	$ --	$ --	$ 30,521,156

As of September 30, 2012, the carrying amount of deposits for the Downtown Development Authority was $354,829 and the bank balances were $354,830. The deposits were classified as follows:

	Category			
	1	2	3	Total
Bank balance	$ 354,830	$ --	$ --	$ 354,830

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 the State Treasurer.

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

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, 2012, the City's balance in the discretionary stabilization fund was $5,698,175.

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, 2012, the City's investments were classified as follows:

	Category				
	1	2	3	Cost	Fair Value
Pension Trust Fund					
U.S. Government Securities	$ 746,039	$ --	$ --	$ 707,818	$ 746,039
Corporate Bonds	2,317,046	--	--	2,143,633	2,317,046
Municipal Bonds	2,170,180	--	--	1,984,564	2,170,180
Equities – Common Stock	5,377,770	--	--	4,803,062	5,377,770
Mutual Funds	--	--	--	--	--
Asset – Backed Securities	213,499	--	--	201,689	213,499
Certificate of Deposit	338,170	--	--	338,170	338,170
Proprietary Funds					
U.S. Government Securities	--	858,665	--	865,964	858,665
Cash		645,850		645,850	645,850
Municipal Competitive Trust – Short -term	--	5,698,175	--	5,698,175	5,698,175
				$ 17,388,925	$ 18,365,394

As of September 30, 2012, 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	$ 746,039	April 17, 2014 thru September 30, 2026	Unavailable
Corporate Bonds	2,317,046	October 27, 2014 through August 1, 2022	Unavailable
Municipal Bonds	2,170,180	April 1, 2013 thru December 1, 2021	Unavailable
Equities – Common Stock	5,377,770	Not applicable	Unavailable
Mutual Funds	--	Not applicable	Unavailable
Asset – Backed Securities	213,499	October 1, 2021 thru June 1, 2028	Unavailable
Certificate of Deposit	338,170	February 13, 2013	Unavailable
Proprietary Funds			
U.S. Government Securities	858,665	October 25, 2011 thru October 25, 2012	Unavailable
Cash	645,850	Not applicable	Unavailable
Municipal Competitive Trust– Short -term	5,698,175	Not applicable	AAA
	$ 18,365,394		

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	$ 29,664,242
Investments from above	18,365,394
Total	$ 48,029,636
Amounts as presented on the entity-wide Statement of Net Assets	
Governmental Activities:	
Cash and cash equivalents	$ 9,273,414
Restricted cash and cash equivalents	285,639
Business-Type Activities:	
Cash and cash equivalents	18,234,843
Investments	5,698,175
Restricted cash and cash equivalents	677,442
Restricted investments	1,504,515
Amounts as presented on the Statement of Fiduciary Net Assets	
Cash and cash equivalents	1,192,904
Investments	11,162,704
Total	$ 48,029,636

NOTE D – RECEIVABLES AND TAX REVENUE

I. Property Tax

Property taxes were levied in September 2011 and payable before December 2011 for the fiscal year 2012 tax. Property tax revenues are recognized when levied to the extent they result in current receivables. The City's fiscal year 2012 tax was levied prior to September 30, 2012 and was recorded as taxes receivable and deferred revenue within the City's General Fund.

The tax rate levied during fiscal year 2012 for the City's operations were 10.904 mills (mill equals $1 per thousand dollars of assessed value).

The City maintains no allowance for uncollectible property taxes at September 30, 2012.

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, 2012 are as follows:

	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Revenue Fund
Accounts Receivable	$ 396,830	$ --	$ 29,173	$ 1,225,194	$ 4,301,704
Property Tax Receivable	2,953,974	--	--	--	--
Sales Tax Receivable	211,459	--	--	--	--
Program Receivables	--	--	745,619	--	--
Gross Receivables	3,562,263	--	774,792	1,225,194	4,301,704
Less: Allowance for Uncollectibles	(123,438)	--	(87,512)	(457,208)	(824,613)
Net Total Receivables	$ 3,438,825	$ --	$ 687,280	$ 767,986	$ 3,477,091

	Cable TV Fund	Nonmajor Enterprise Funds	Total
Accounts Receivable	$ 1,290,608	$ 857,382	$ 8,100,891
Property Tax Receivable	--	--	2,953,974
Sales Tax Receivable	--	--	211,459
Program Receivables	--	--	745,619
Gross Receivables	1,290,608	857,382	12,011,943
Less: Allowance for Uncollectibles	(840,739)	(408,132)	(2,741,642)
Net Total Receivables	$ 449,869	$ 449,250	$ 9,270,301

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, 2012 is as follows:

	Due From				
Due To	General Fund	SPLOST Funds	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Revenue Fund
General Fund	$ --	$ --	$ 305	$ 7,584	$ 454,224
SPLOST Fund	156,275	--	83,921	--	--
Nonmajor Governmental Funds	92,011	--	--	--	--
Water and Sewer Fund	--	--	--	--	--
Electric Revenue Fund	--	--	1,082	3,000,925	--
Cable TV Fund	91	--	--	--	--
Nonmajor Enterprise Funds	3,624,787	--	--	474,626	--
Internal Service Fund	--	--	--	129,391	73,536
Total	$ 3,873,164	$ --	$ 85,308	$ 3,612,526	$ 527,760

	Due From			
Due To	Cable TV Fund	Nonmajor Enterprise Funds	Internal Service Fund	Total
General Fund	$ --	$	$ 1,668,387	$ 2,130,500
SPLOST Fund	--	--	--	240,196
Nonmajor Governmental Funds	--	--	--	92,011
Water and Sewer Fund	193	328,453	--	328,646
Electric Revenue Fund	3,429,941	840,240	--	7,272,188
Cable TV Fund	--	27,237	--	27,328
Nonmajor Enterprise Funds	153,788	238,896	23,687	4,515,784
Internal Service Fund	41,550	1,123,744	--	1,368,221
Total	$ 3,625,472	$ 2,558,570	$ 1,692,074	$ 15,974,874

The composition of receivables and payables between the City and its component unit as of September 30, 2012 is as follows:

Due To	Due From Downtown Development Authority
Water and Sewer Fund	$ 235,000
Total	$ 235,000

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, 2012, consisted of the following:

	Transfer To				
Transfer From	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Electric Revenue Fund
General Fund	$ --	$ --	$ 179,731	$ 903,384	$ 4,148,204
SPLOST Fund	--	--	--	382,922	--
Nonmajor Governmental Funds	25,000	--	--	--	--
Water and Sewer Fund	--	--	--	--	--
Electric Revenue Fund	--	--	--	332,299	--
Cable TV Fund	--	--	--	10,016	300,000
Nonmajor Enterprise Funds	--	--	--	101,644	--
Internal Service Fund	--	--	--	--	--
Total	$ 25,000	$ --	$ 179,731	$ 1,730,265	$ 4,448,204

	Transfer To			
Transfer From	Cable TV Fund	Nonmajor Enterprise Funds	Internal Service Fund	Total
General Fund	$ --	$ 872,050	$ --	$ 6,103,369
SPLOST Fund	--	--	--	382,922
Nonmajor Governmental Funds	--	--	--	25,000
Water and Sewer Fund	--	--	--	--
Electric Revenue Fund	300,000	102,761	--	735,060
Cable TV Fund	--	58,550	--	368,566
Nonmajor Enterprise Funds	--	--	--	101,644
Internal Service Fund	--	--	--	--
Total	$ 300,000	$ 1,033,361	$ --	$ 7,716,561

NOTE F – CAPITAL ASSETS

The following is a summary of capital asset activity as of September 30, 2012:

Primary Government

Governmental Activities:

	Balance September 30, 2011	Increases	Decreases	Transfers	Balance September 30, 2012
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	11,485,296	25,299	--	--	11,510,595
Machinery and equipment	7,050,055	426,766	(217,626)	--	7,259,195
Infrastructure	47,300,586	20,560	--	--	47,321,146
Total other capital assets at cost	65,835,937	472,625	(217,626)	--	66,090,936
Less accumulated depreciation for					
Buildings and improvements	(4,900,857)	(388,457)	--	--	(5,289,314)
Machinery and equipment	(4,556,991)	(601,937)	217,626	--	(4,941,302)
Infrastructure	(32,290,684)	(507,544)	--	--	(32,789,228)
Total accumulated depreciation	(41,748,532)	(1,479,938)	217,626	--	(43,028,844)
Other capital assets, net	24,087,405	(1,025,313)	--	--	23,062,092
Governmental activities capital assets, net	$ 25,482,075	$ (1,025,313)	$ --	$ --	$ 24,456,762

Business-Type Activities:

	Balance September 30, 2011	Increases	Decreases	Transfers	Balance September 30, 2012
Capital assets, not being depreciated:					
Land and land improvements	$ 1,209,382	$ --	$ --	$ --	$ 1,209,382
Construction in progress	--	2,181,687	--	--	2,181,687
Total capital assets not being depreciated	1,209,382	2,181,687	--	--	3,391,069
Other capital assets					
Buildings	4,651,698	1,462,869	--	(112,380)	6,002,187
Improvements other than buildings	57,068,749	2,373,677	--	112,380	59,554,806
Machinery and equipment	9,537,356	246,949	(487,134)	--	9,297,171
Total other capital assets at cost	71,257,803	4,083,495	(487,134)	--	74,854,164
Less accumulated depreciation for					
Buildings	(2,274,863)	(157,849)	--	--	(2,432,712)
Improvements other than buildings	(35,612,556)	(1,554,079)	--	--	(37,166,635)
Machinery and equipment	(6,996,873)	(497,173)	472,540	--	(7,021,506)
Total accumulated depreciation	(44,884,292)	(2,209,101)	472,540	--	(46,620,853)
Other capital assets, net	26,373,511	1,874,394	(14,594)	--	28,233,311
Business-type activities capital assets, net	$ 27,582,893	$ 4,056,081	$ (14,594)	$ --	$ 31,624,380

Depreciation expense was charged to functions as follows:

Governmental activities	
General government	$ 149,118
Public safety	381,392
Public works	698,686
Parks and recreation	263,008
Community development	5,734
Total governmental activities depreciation expense	1,497,938
Business-type activities	
Water and sewer	871,677
Electric	581,318
Gas	60,582
Cable TV	388,777
Sanitation	187,585
Airport operations	91,004
Telecommunications	16,284
Mass transit	11,874
Total business-type activities depreciation expense	2,209,101
Total depreciation expense	$ 3,707,039

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, 2012 is as follows:

Governmental Activities:

The Authority had no governmental capital asset activity for the year ended September 30, 2012.

Business-type activities:

	Balance September 30, 2011	Increases	Decreases	Balance September 30, 2012
Capital assets, not being depreciated:				
Land	$ 709,191	$ --	$ --	$ 709,191
Total capital assets not being depreciated	709,191	--	--	709,191
Other capital assets				
Buildings	4,145,775	--	--	4,145,775
Total other capital assets at cost	4,145,775	--	--	4,145,775
Less accumulated depreciation for				
Buildings	(1,723,582)	(206,315)	--	(1,929,897)
Total accumulated depreciation	(1,723,582)	(206,315)	--	(1,929,897)
Other capital assets, net	2,422,193	(206,315)	--	2,215,878
Business-type activities capital assets, net	$ 3,131,384	$ (206,315)	$ --	$ 2,925,069

Depreciation expense was charged to functions as follows:

Governmental activities	$ - -
Business-type activities	206,315
Total depreciation expense	$ 206,315

NOTE G – SHORT TERM DEBT

At September 30, 2012, the Cable TV Fund had revolving line of credit agreements with banks whereby it may borrow up to $1 million at 4.18% to fund short term budget deficits. The revolving line of credit agreements mature on December 7, 2012. These notes were renewed in December 2012 and will mature in December 2013.

At September 30, 2011, the Cable TV Fund had a short term note with a bank for $250,775. The short term note payable agreement matured and was paid during the year ended September 30, 2012.

At September 30, 2012, the Electric Fund had a short term note with a bank for $224,000 to fund short term budget deficits. The short term note payable agreement matures on December 19, 2017.

Short-term liability activity for the year ended September 30, 2012, was as follows:

Business-type activities:	Balance September 30, 2011	Increases	Decreases	Balance September 30, 2012
Lines of Credit	$ 810,000	$ - -	$ (100,000)	$ 710,000
Notes Payable	586,775		(362,775)	224,000
Business-type activities short-term debt	$ 1,396,775	$	$ (462,775)	$ 934,000

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, 2012, 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	$ 4,325,000
Cable TV Fund – South Georgia Governmental Services Authority, Series 2004	10,180,000	2.00 – 5.00%	2016	5,170,000
Water and Sewer Fund – South Georgia Governmental Services Authority, Series 2012	12,775,000	2.00 – 3.750%	2042	12,775,000
				22,270,000
		Unamortized discount / premium / loss		(297,872)
		Less current portion		(1,595,000)
				$ 20,377,128

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, 2012 in the amount of $8.55 million.

South Georgia Governmental Services Authority Revenue Bonds, Series 2012

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

The annual debt service requirement to maturity of the Revenue Bonds at September 30, 2012 is as follows:

Year Ending September 30	Principal	Interest	Total
2013	$ 1,595,000	$ 559,680	$ 2,154,680
2014	1,955,000	705,493	2,660,493
2015	2,170,000	638,525	2,808,525
2016	3,090,000	576,900	3,666,900
2017	1,125,000	448,012	1,573,012
2018-2022	3,135,000	1,818,061	4,953,061
2023-2027	405,000	1,647,919	2,052,919
2028-2032	470,000	1,580,879	2,050,879
2033-2037	2,820,000	1,349,534	4,169,534
2038-2042	4,500,000	622,691	5,122,691
2043	1,005,000	18,723	1,023,723
	$ 22,270,000	$ 9,966,417	$ 32,236,417

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, 2012, are as follows:

	Original Amount	Interest Rate	Due Date	Amount
Downtown Development Authority – Series A	$ 1,580,000	5.95%	2017	$ 895,000
Downtown Development Authority – Series B	$ 2,410,000	4.92%	2028	$ 2,060,000
				2,955,000
			Unamortized issuance and refunding costs	(34,116)
			Less current portion	(230,000)
				$ 2,690,884

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 were 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
2013	$ 230,000	$ 148,174	$ 378,174
2014	240,000	135,041	375,041
2015	260,000	121,068	381,068
2016	270,000	106,253	376,253
2017	280,000	90,869	370,869
2018-2022	620,000	333,394	953,394
2023-2027	715,000	174,783	889,783
2028-2030	340,000	17,004	357,004
	$ 2,955,000	$ 1,126,586	$ 4,081,586

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, 2012:

Original Amount	Interest Rate	Due Date	Amount
$ 700,000	4.25%	2017	$ 378,913
		Less Current Portion	(71,408)
			$ 307,505

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

Year Ending September 30	Principal	Interest	Total
2013	$ 71,408	$ 14,992	$ 86,400
2014	74,503	11,897	86,400
2015	77,732	8,668	86,400
2016	81,100	5,300	86,400
2017	74,170	1,774	75,944
	$ 378,913	$ 42,631	$ 421,544

At September 30, 2012, 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, 2012 was $1,015,350. The debt is being used for the rehabilitation of the existing wastewater treatment facility.

At September 30, 2012, 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, 2012 was $1,334,841. The debt is being used for the renovation of the existing wastewater treatment facility.

At September 30, 2012, the Water and Sewer Fund entered into an agreement with the Georgia Environmental Facilities Authority whereby it may borrow up to $2,750,000. At September 30, 2012 there had been no amounts drawn on the note. The debt is being used to finance the costs of acquiring, constructing, and installing environmental facilities. The project is still in the construction phase; therefore a payment schedule has not been determined at September 30, 2012.

At September 30, 2012, the Water and Sewer Fund entered into an agreement with the Georgia Environmental Facilities Authority whereby it may borrow up to $6,100,000. At September 30, 2012 there had been no amounts drawn on the note. The debt is being used to finance the costs of acquiring, constructing, and installing environmental facilities. The project is still in the construction phase; therefore a payment schedule has not been determined at September 30, 2012.

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

Year Ending September 30	Principal	Interest	Total
2013	$ 81,048	$ 61,886	$ 142,934
2014	93,027	66,802	159,829
2015	95,855	63,972	159,827
2016	98,771	61,057	159,828
2017	101,775	58,052	159,827
2018-2022	557,237	241,903	799,140
2023-2027	647,296	151,845	799,141
2028-2032	658,375	48,512	706,887
2043	16,807	85	16,892
	$ 2,350,191	$ 754,114	$ 3,104,305

III. Capital Leases

The City has entered into several lease agreements as lessee for financing the acquisition of equipment and a fire station through the Georgia Municipal Association direct installment program. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term) and have been recorded at the present values of the future minimum lease payments as of the date of their inceptions. These leases are being serviced by General Fund, Water and Sewer Fund, Solid Waste Fund, and Telecommunications Fund payments with annual interest rates varying from 2.45% to 4.71%.

The following is an analysis of equipment leased under capital leases as of September 30, 2012:

		Business-type Activities	
	Governmental Activities	Water and Sewer Fund	Solid Waste Fund
Buildings and improvements	$ --	$ --	$ --
Equipment	1,637,611	299,602	788,900
Less accumulated depreciation	(663,913)	(111,393)	(233,525)
Carrying value	$ 973,698	$ 188,209	$ 555,375

The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments at September 30, 2012:

		Business-type Activities		
Year Ending September 30,	Governmental Activities	Water and Sewer Fund	Solid Waste Fund	Totals
2013	$ 284,153	$ 20,910	$ 187,281	$ 492,344
2014	195,775	--	161,891	357,666
2015	113,081	--	78,436	191,517
2016	59,747	--	40,865	100,612
2017	47,827	--	35,478	83,305
2018-2020	7,397	--	--	7,397
Total minimum lease payments	707,980	20,910	503,951	1,232,841
Less amount representing interest	(34,400)	(428)	(25,702)	(60,530)
Present value of future Minimum lease payments	$ 673,580	$ 20,482	$ 478,249	$ 1,172,311

IV. Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2012, was as follows:

	Balance September 30, 2011	Increases	Decreases	Balance September 30, 2012	Due Within One Year
Governmental activities:					
Notes payable	$ 451,177	$ --	$ (72,264)	$ 378,913	$ 71,408
Capital leases	653,301	295,711	(275,432)	673,580	267,201
Compensated absences	33,325	20,065	(33,325)	20,065	--
Governmental activities long-term liabilities	$ 1,137,803	$ 315,776	$ (381,021)	$ 1,072,558	$ 338,609
Business-type activities:					
Revenue bonds	$ 11,040,000	$ 12,775,000	$ (1,545,000)	$ 22,270,000	$ 1,595,000
Less deferred amounts:					
For issuance discount/(premium)	(199,486)	(139,890)	41,504	(297,872)	--
Total bonds payable	10,840,514	12,635,110	(1,503,496)	21,972,128	1,595,000
Notes payable	2,401,562	--	(51,371)	2,350,191	81,048
Capital leases	500,501	198,205	(199,975)	498,731	194,433
Compensated absences	24,643	36,188	(24,643)	36,188	--
Environmental remediation liability	11,739	--	(11,739)	--	--
Business –type activities long-term liabilities	$ 13,778,959	$ 12,869,503	$ (1,791,224)	$ 24,857,238	$ 1,870,481

Long-term liability activity for the City's component unit for the year ended September 30, 2012, was as follows:

	Balance September 30, 2011	Increases	Decreases	Balance September 30, 2012	Due Within One Year
Business-type activities:					
Revenue bonds	$ 3,170,000	$ --	$ (215,000)	$ 2,955,000	$ 230,000
Less deferred amounts:					
For refunding costs	(40,939)	--	6,823	(34,116)	--
Governmental activities long-term liabilities	$ 3,129,061	$ --	$ (208,177)	$ 2,920,884	$ 230,000

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, 2012, 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 $2,553,865, net of accumulated depreciation of $1,634,599.

At September 30, 2012, the minimum future lease payments to be received under the operating lease are as follows:

Year Ending September 30	Total
2013	$ 213,505
2014	213,505
2015	213,505
2016	213,505
2017	213,505
	$ 1,067,525

NOTE J – RESTRICTIONS OF FUND BALANCES

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

Fund balance reservations at September 30, 2012 include:

Capital Projects Funds	
Restricted for specific projects to reflect resources funded by Special Purpose Local Option Sales Tax and Federal grants	$ 7,454,299
Special Revenue Funds	
Restricted to reflect resources legally restricted for specific purposes	$ 152,537

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 as the administrator of the Plan and the trustee of the trust fund created in accordance with the Plan and the Trust Agreement. Benefit provisions and contributions are established and may be amended by the City Council.

The Plan covers all full-time employees of the City of Moultrie, Georgia. Employees become eligible to participate in the Plan after six months and are fully vested after ten years. Prior to October 1, 1994, the Plan excluded employees for whom the City made contributions directly or indirectly to another retirement program. Employees in this category (firefighters and police officers) became participants in the Plan on October 1, 1994, if they filed an application to participate. Benefit provisions are established by City Ordinance. The Plan provides retirement, disability and death benefits to Plan members and beneficiaries. At October 1, 2011, the date of the most recent actuarial valuation, there were 315 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	61
Vested terminated employees not yet receiving benefits	29
Active employees	225
Total	315

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

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

Contributions

The City and individual participants make contributions to the Plan. Effective February 1, 2005, all employees are required to contribute 4.2% 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, 2012 was determined as part of the October 1, 2011, 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 3.25% per year and c) no inflation rate assumption.

Annual Pension Cost and Net Pension Obligation

	For the Plan Year Ending September 30,		
	2010	2011	2012
Annual required contribution	$ 307,810	$ 251,750	$ 326,824
Interest on net pension obligation	(31,976)	(30,852)	(33,549)
Adjustment to annual required contribution	23,602	22,029	23,955
Annual pension cost	299,436	242,927	317,230
Contributions made	(283,924)	(280,137)	(342,188)
Increase (decrease) in net pension obligation	15,512	(37,210)	(24,958)
Net pension (asset), beginning of year	(441,051)	(425,539)	(462,749)
Net pension (asset), end of year	$ (425,539)	$ (462,749)	$ (487,707)

Schedule of Employer Contributions

Year Ended September 30,	Annual Required Contribution	Percentage of Annual Required Contribution Contributed
2006	$ 140,774	194%
2007	236,165	124%
2008	240,786	115%
2009	307,810	92%
2010	251,750	111%
2011	326,824	105%

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded (Excess) AAL (UAAL) (b – a)	Funded Ratio (a / b)	Covered Payroll (c)	Unfunded (Excess) as a Percentage Of Covered Payroll ((b-a) / c)
10/1/06	$ 9,340,945	$ 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	16.91%
10/1/09	10,836,296	10,491,991	- -	103.28%	6,355,366	0.00%
10/1/10	11,058,536	11,085,137	26,601	99.76%	6,740,870	0.39%
10/1/11	11,279,493	11,249,614	- -	100.27%	6,576,521	0.00%

Actuarial Valuation Information

	October 1, 2011
Current Valuation Date	
Actuarial Cost Method	Aggregate cost method
Amortization Method	Level percentage, open
Remaining Amortization Period	30 years
Asset Valuation Method	Five-year smoothed market
Actuarial Assumptions:	
Investment Rate of Return	7.25%
Projected Salary Increases	3.25%
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 Commission and is required to pay annual dues thereto. During the year ended September 30, 2012, the City paid $10,701 in such dues. Membership in a Regional Commission is required by the Official Code of Georgia Annotated (OCGA), Section 50-8-34, which provides for the organizational structure of the Regional Commission in Georgia. The Regional Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission. Separate financial statements may be obtained from:

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

The City of Moultrie, Georgia in conjunction with the Cities of Cairo, Camilla and Thomasville, who provide distribution of broadband cable television and internet services under the trade name "CNS", created the South Georgia 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 $34,264 in such dues for the year ended September 30, 2012. The City of Moultrie's equity investment in the SGBDA is $761,706 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, 2012. 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, 2012, $184,550 of hotel/motel tax was collected and $34,698 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,	
	2011	2012
Unpaid claims, beginning of year	$ 546,773	$ 333,429
Incurred claims (including IBNRs)	2,251,579	2,412,641
Claim Payments	(2,464,923)	(2,475,983)
Unpaid claims, end of year	$ 333,429	$ 270,087

Settlements

During the year ended September 30, 2012, 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, 2010, 2011, and 2012.

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, 2012, 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 $16,472,814 in 2012.

At September 30, 2012, the outstanding debt of MEAG was approximately $5.96 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately $135 million at September 30, 2012.

Agreements with the Municipal Gas Authority of Georgia

The City has entered into a contract for the purchase of wholesale natural gas supplies and related services with the Municipal Gas Authority of Georgia (MGAG) that requires the City to purchase all of its natural gas from MGAG. The gas supply contract with MGAG authorizes MGAG to establish rates and charges so as to produce revenues sufficient to cover its operating costs and retire its bonds issued to acquire long-term gas supplies for sale to its members, including the City. In the event that revenues are insufficient to cover all costs and retire bonds issued by MGAG, the City is obligated to pay its obligation share of the costs of the gas supply and related services MGAG provides to the City, which costs include amounts equal to principal and interest on MGAG's bonds. These obligations, which extend through the year 2019, are general obligations of the City to which the City's full faith, credit and taxing powers are pledged. The City's obligation to MGAG for gas supply costs are based on MGAG costs to provide such supply, including bonds issues to purchase long-term rights to bulk supply. The total payments under these contracts amounted to $1,545,193 for the year ended September 30, 2012.

At September 30, 2012, MGAG's bonds to which the City's obligation share is applicable were outstanding in the approximate principal amount of $373 million. The City's obligation share of that amount totals approximately $4.2 million at September 30, 2012.

NOTE Q – TERMINATION BENEFITS

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

At September 30, 2012, three employees were eligible and receiving benefits under the Plan. For the year ended September 30, 2012, the cost of premiums for providing post-retirement health care was $11,688.

NOTE R – POLLUTION REMEDIATION OBLIGATIONS

Governmental Accounting Standards Board Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations (GASB 49), provides guidance in estimating and reporting the potential costs of pollution remediation. While GASB 49 does not require the City to search for pollution, it does require the City to reasonably estimate and report a remediation liability when any of the following obligating events has occurred:

1) Pollution poses an imminent danger to the public and the City is compelled to take action,

2) The City is found in violation of a pollution related permit or license,

3) The City is named, or has evidence that it will be named as a responsible party by a regulator,

4) The City is named, or has evidence that it will be named in a lawsuit to enforce a cleanup, or

5) The City commences or legally obligates itself to conduct remediation activities.

The City has previously recorded in its financial statements a cost estimate for pollution remediation of the Bridgeport Brass Cleanup Project. The site has been identified by the Georgia Environmental Protection Division (GA EPD) as a location where historic uses have contributed to elevated levels of pollution in the soil. The City has previously recorded a liability, which totaled $11,739 at September 30, 2011 and was paid during 2012, to address required environmental cleanup costs associated with this site. The estimate of costs used to establish the liability was developed through extensive site analysis by independent engineers retained by the City and other parties. The liability could change due to price increases, changes in technology, or other factors.

Supplementary Information

CITY OF MOULTRIE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2012

	Special Revenue Funds			Capital Projects Funds		
	Multiple Grants	Confiscated Assets	Hotel / Motel Tax	Community Development	Paving Program	Total
ASSETS						
Cash and cash equivalents	$ -	$ 68,800	$ 68,478	$ -	$ -	$ 137,278
Investments	-	-	-	-	-	-
Accounts receivable, net	-	-	3,376	25,797	-	29,173
Property tax receivable	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Other current assets	-	-	1,150	-	-	1,150
Due from other governments	-	-	-	-	-	-
Due from component unit	-	-	-	-	-	-
Due from general fund	91,815	-	-	-	196	92,011
Due from other funds	-	-	-	-	-	-
Restricted assets:						
Cash and cash equivalents	24,857	-	-	260,782	-	285,639
Investments	-	-	-	-	-	-
Sales tax receivable	-	-	-	-	-	-
Program receivables	-	-	-	658,107	-	658,107
Total assets	$ 116,672	$ 68,800	$ 73,004	$ 944,686	$ 196	$ 1,203,358
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	$ -	$ -	$ 18,277	$ 100	$ -	$ 18,377
Accrued expenses	-	-	2,659	-	-	2,659
Customer deposits	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Due to general fund	-	100	-	205	-	305
Due to other funds	84,898	-	5	-	100	85,003
Liabilities payable from restricted assets	-	-	-	-	-	-
Total liabilities	84,898	100	20,941	305	100	106,344
Fund balances						
Nonspendable:						
Prepaid expenses	-	-	1,150	-	-	1,150
Restricted for:						
Debt service	-	-	-	-	-	-
Community development	31,774	-	50,913	944,381	96	1,027,164
Public safety	-	68,700	-	-	-	68,700
Unassigned	-	-	-	-	-	-
Total fund balances (deficit)	31,774	68,700	52,063	944,381	96	1,097,014
Total liabilities and fund balances	$ 116,672	$ 68,800	$ 73,004	$ 944,686	$ 196	$ 1,203,358

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, 2012

	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	-	-	184,550	-	-	184,550
Fines, forfeitures and fees	-	-	-	-	-	-
Charges for services	-	-	10,678	11,920	-	22,598
Investment income	-	29	-	19,204	-	19,233
Intergovernmental	1,470,394	-	9,650	-	-	1,480,044
Other revenues	-	100,099	28,787	-	-	128,886
Total revenues	1,470,394	100,128	233,665	31,124	-	1,835,311
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	119,293	48,110	-	-	-	167,403
Public works	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Community development	7,700	-	248,730	8,962	-	265,392
Capital outlays	900,167	26,131	-	-	-	926,298
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	1,027,160	74,241	248,730	8,962	-	1,359,093
Excess (deficiency) of revenues over expenditures	443,234	25,887	(15,065)	22,162	-	476,218
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	-	-	25,000	-	-	25,000
Transfers to other funds	-	-	-	-	(179,731)	(179,731)
Sale of capital assets	-	-	-	-	-	-
Long - term debt issued	-	-	-	-	-	-
Total other financing sources (uses)	-	-	25,000	-	(179,731)	(154,731)
Net change in fund balances	443,234	25,887	9,935	22,162	(179,731)	321,487
Fund balances (deficit), beginning of year	(411,460)	42,813	42,128	922,219	179,827	775,527
Fund balances (deficit), end of year	$ 31,774	$ 68,700	$ 52,063	$ 944,381	$ 96	$ 1,097,014

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, 2012

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Local option sales taxes	-	-	-	-
Other taxes	-	-	-	-
Fines, forfeitures and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Intergovernmental	1,470,056	1,470,056	1,470,394	338
Other revenues	-	-	-	-
Total revenues	1,470,056	1,470,056	1,470,394	338
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	119,293	119,293	119,293	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Community development	7,700	7,700	7,700	-
Capital outlays	900,169	900,169	900,167	2
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	1,027,162	1,027,162	1,027,160	2
Excess (deficiency) of revenues over expenditures	442,894	442,894	443,234	340
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	338	338	-	(338)
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	338	338	-	(338)
Net change in fund balances	443,232	443,232	443,234	2
Fund balances (deficit), beginning of year	(411,460)	(411,460)	(411,460)	-
Fund balances, end of year	$ 31,772	$ 31,772	$ 31,774	$ 2

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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, 2012

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Local option sales taxes	-	-	-	-
Other taxes	152,000	152,000	184,550	32,550
Fines, forfeitures and fees	-	-	-	-
Charges for services	16,000	16,000	10,678	(5,322)
Investment income	-	-	-	-
Intergovernmental	-	9,650	9,650	-
Other revenues	32,000	32,000	28,787	(3,213)
Total revenues	200,000	209,650	233,665	24,015
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Community development	196,937	246,770	248,730	(1,960)
Capital outlays	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	196,937	246,770	248,730	(1,960)
Excess (deficiency) of revenues over expenditures	3,063	(37,120)	(15,065)	22,055
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	25,000	25,000	25,000	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	25,000	25,000	25,000	-
Net change in fund balances	28,063	(12,120)	9,935	22,055
Fund balances, beginning of year	42,128	42,128	42,128	-
Fund balances, end of year	$ 70,191	$ 30,008	$ 52,063	$ 22,055

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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, 2012

	Original Budget	Final Budget	Actual	Variance With Final Budget
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Local option sales taxes	-	-	-	-
Other taxes	-	-	-	-
Fines, forfeitures and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	29	29
Intergovernmental	-	-	-	-
Other revenues	-	-	100,099	100,099
Total revenues	-	-	100,128	100,128
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	48,210	48,210	48,110	100
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Community development	-	-	-	-
Capital outlays	26,132	26,132	26,131	1
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	74,342	74,342	74,241	101
Excess (deficiency) of revenues over expenditures	(74,342)	(74,342)	25,887	100,229
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	(74,342)	(74,342)	25,887	100,229
Fund balances, beginning of year	42,813	42,813	42,813	-
Fund balances, end of year	$ (31,529)	$ (31,529)	$ 68,700	$ 100,229

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CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
September 30, 2012

	Business Type Activities - Enterprise Funds			
	Solid Waste Fund	Airport Fund	Tele-Communications Fund	Utilities Deposit Fund
ASSETS				
Current assets				
Cash and cash equivalents	$ -	$ -	$ 251,732	$ -
Investments	-	-	-	-
Accounts receivable, net	173,057	6,280	35,407	-
Due from general fund	2,703,129	487,558	5,982	31,269
Due from other funds	23,201	327	-	474,626
Due from component unit	-	-	-	-
Inventories	-	-	-	-
Other current assets	26,828	4,654	-	-
Total current assets	2,926,215	498,819	293,121	505,895
Non - current assets				
Investment in SGBDA	-	-	-	-
Restricted assets - cash	-	-	-	-
Restricted assets - investments	-	-	-	-
Capital assets:				
Land	-	-	-	-
Construction in progress	-	-	-	-
Other capital assets, net of accumulated depreciation	1,156,489	992,990	423,344	-
Total assets	$ 4,082,704	$ 1,491,809	$ 716,465	$ 505,895
LIABILITIES				
Current liabilities				
Accounts payable	$ 116,697	$ 2,170	$ 20,533	$ -
Accrued expenses	18,224	5,918	-	-
Lines of credit	-	-	-	-
Current portion of long - term debt	173,951	-	-	-
Customer deposits	-	-	-	782,294
Due to other governments	-	-	-	-
Due to general fund	-	-	-	-
Due to other funds	1,043,456	59,870	265,905	-
Liabilities payable from restricted assets:				
Current portion of long - term debt	-	-	-	-
Total current liabilities	1,352,328	67,958	286,438	782,294
Long - term debt, net of current portion	304,297	-	-	-
Compensated absences	2,280	-	-	-
Other liabilities - environmental remediation	-	-	-	-
Total liabilities	1,658,905	67,958	286,438	782,294
NET ASSETS				
Invested in capital assets, net of related debt	678,241	992,990	423,344	-
Restricted for debt service	-	-	-	-
Unrestricted (deficit)	1,745,558	430,861	6,683	(276,399)
Total net assets	$ 2,423,799	$ 1,423,851	$ 430,027	$ (276,399)

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
September 30, 2012

	Business Type Activities - Enterprise Funds			
	Mass Transit Fund	Gas Fund	Telephony Fund	Total
ASSETS				
Current assets				
Cash and cash equivalents	$ (395)	$ -	$ -	$ 251,337
Investments	-	-	-	-
Accounts receivable, net	600	196,629	37,277	449,250
Due from general fund	-	396,826	23	3,624,787
Due from other funds	-	150,010	242,833	890,997
Due from component unit	-	-	-	-
Inventories	-	175,908	11,349	187,257
Other current assets	-	5,277	-	36,759
Total current assets	205	924,650	291,482	5,440,387
Non - current assets				
Investment in SGBDA	-	-	-	-
Restricted assets - cash	-	70,082	-	70,082
Restricted assets - investments	-	-	-	-
Capital assets:				-
Land	-	16,785	-	16,785
Construction in progress	-	-	-	-
Other capital assets,				-
net of accumulated depreciation	1,832,986	346,809	-	4,752,618
Total assets	$ 1,833,191	$ 1,358,326	$ 291,482	$ 10,279,872
LIABILITIES				
Current liabilities				
Accounts payable	$ -	$ 81,826	$ 18,146	$ 239,372
Accrued expenses	-	8,373	-	32,515
Lines of credit	-	-	-	-
Current portion of long - term debt	-	-	-	173,951
Customer deposits	-	-	13,939	796,233
Due to other governments	-	-	-	-
Due to general fund	-	-	-	-
Due to other funds	-	1,187,677	1,662	2,558,570
Liabilities payable from restricted assets:				-
Current portion of long - term debt	-	-	-	-
Total current liabilities	-	1,277,876	33,747	3,800,641
Long - term debt, net of current portion	-	-	-	304,297
Compensated absences	-	3,084	-	5,364
Other liabilities - environmental remediation	-	-	-	-
Total liabilities	-	1,280,960	33,747	4,110,302
NET ASSETS				
Invested in capital assets, net of related debt	1,832,986	363,594	-	4,291,155
Restricted for debt service	-	-	-	-
Unrestricted (deficit)	205	(286,228)	257,735	1,878,415
Total net assets	$ 1,833,191	$ 77,366	$ 257,735	$ 6,169,570

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CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2012

	Business Type Activities - Enterprise Funds			
	Solid Waste Fund	Airport Fund	Tele-Communications Fund	Utilities Deposit Fund
OPERATING REVENUES				
Utility revenues	$ -	$ -	$ -	$ -
Charges for services	2,693,379	179,052	754,653	-
Miscellaneous	72,806	3,814	32,512	-
Intergovernmental	-	335,283	-	-
Total operating revenues	2,766,185	518,149	787,165	-
OPERATING EXPENSES				
Salaries and wages	525,641	3,544	-	-
Operating, administrative and maintenance	1,520,559	449,887	716,597	-
Depreciation	187,585	91,004	16,284	-
Total operating expenses	2,233,785	544,435	732,881	-
Operating income (loss)	532,400	(26,286)	54,284	-
NON - OPERATING				
INCOME (EXPENSES)				
Interest income	-	-	314	-
Interest expense	(18,834)	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	-
Income (loss) before contributions and transfers	513,566	(26,286)	54,598	-
Capital contributions	-	-	-	-
Transfers from other funds	-	-	-	101,644
Transfers to other funds	(220,896)	(5,616)	(32,952)	(428,616)
Change in net assets	292,670	(31,902)	21,646	(326,972)
Net assets, beginning of year	2,131,129	1,455,753	408,381	50,573
Net assets, end of year	$ 2,423,799	$ 1,423,851	$ 430,027	$ (276,399)

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CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2012

	Business Type Activities - Enterprise Funds			
	Mass Transit Fund	Gas Fund	Telephony Fund	Total
OPERATING REVENUES				
Utility revenues	$ -	$ -	$ -	$ -
Charges for services	3,000	2,239,035	306,669	6,175,788
Miscellaneous	-	1,400	-	110,532
Intergovernmental	-	-	-	335,283
Total operating revenues	3,000	2,240,435	306,669	6,621,603
OPERATING EXPENSES				
Salaries and wages	-	222,731	-	751,916
Operating, administrative and maintenance	2,795	2,490,128	204,257	5,384,223
Depreciation	11,874	60,582	-	367,329
Total operating expenses	14,669	2,773,441	204,257	6,503,468
Operating income (loss)	(11,669)	(533,006)	102,412	118,135
NON - OPERATING INCOME (EXPENSES)				
Interest income	-	104	-	418
Interest expense	-	-	(363)	(19,197)
Gain (loss) on disposal of capital assets	-	-	-	-
Income (loss) before contributions and transfers	(11,669)	(532,902)	102,049	99,356
Capital contributions	1,844,860	-	-	1,844,860
Transfers from other funds	-	-	-	101,644
Transfers to other funds	-	(345,281)	-	(1,033,361)
Change in net assets	1,833,191	(878,183)	102,049	1,012,499
Net assets, beginning of year	-	955,549	155,686	5,157,071
Net assets, end of year	$ 1,833,191	$ 77,366	$ 257,735	$ 6,169,570

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2012

	Business Type Activities - Enterprise Funds			
	Solid Waste Fund	Airport Fund	Tele-Communications Fund	Utilities Deposit Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	$ 2,685,373	$ 178,952	$ 726,156	$ -
Other operating receipts	72,806	339,097	32,512	-
Cash payments to employees	(526,337)	(3,544)	-	-
Cash payments to suppliers	(1,489,229)	(447,949)	(707,801)	-
New customer utility deposits	-	-	-	70,687
Refunded customer utility deposits	-	-	-	-
Net cash provided (used) by operating activities	742,613	66,556	50,867	70,687
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	-	-	101,644.00
Transfers to other funds	(220,896)	(5,616)	(32,952)	(428,616)
Net change in due from general fund	(397,831)	(61,053)		428,616
Net change in due from other funds	(23,201)	(327)		(172,331)
Net change in due from component unit	-	-	-	-
Net change in due to general fund	-	-		-
Net change in due to other funds	26,217	440	120,972	-
Net cash provided (used) by noncapital financing activities	(615,711)	(66,556)	88,020	(70,687)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from issuance of long - term debt	198,205	-	-	-
Proceeds from sale of assets	-		-	-
Proceeds from capital contributions	-	-	-	-
Acquisition and construction of capital assets	(126,112)		(144,942)	-
Principal payments on long - term debt	(180,161)	-	-	-
Interest paid	(18,834)	-	-	-
Net cash provided (used) by capital and related financing activities	(126,902)	-	(144,942)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	-	-	-	-
Purchase of investments	-	-	-	-
Loan disbursements	-	-	-	-
Interest received	-	-	314	-
Net cash provided (used) by investing activities	-	-	314	-
Net increase (decrease) in cash and cash equivalents	-	-	(5,741)	-
Cash and cash equivalents, beginning of year	-	-	257,473	-
Cash and cash equivalents, end of year	$ -	$ -	$ 251,732	$ -

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2012

	Business Type Activities - Enterprise Funds			
	Solid Waste Fund	Airport Fund	Tele-Communications Fund	Utilities Deposit Fund
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	$ 532,400	$ (26,286)	$ 54,284	$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	187,585	91,004	16,284	-
New customer deposits liability	-	-	-	
Refunded customer utility deposit	-	-	-	-
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(8,006)	(100)	(28,497)	-
Inventories	-	-	-	-
Other current assets	1,403	2,189	-	-
Due from general fund	-	-	-	-
Due from other funds	-	-	-	-
Due from component unit	-	-	-	-
Increase (decrease) in:				
Accounts payable	29,927	(651)	8,796	-
Accrued expenses	(557)	400	-	70,687
Compensated absences liability	(139)	-	-	-
Due to general fund	-	-	-	-
Due to other funds	-	-	-	-
Net cash provided (used) by operating activities	$ 742,613	$ 66,556	$ 50,867	$ 70,687
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfer of capital assets to general fund	-	-	-	-
Total non-cash capital and related financing activities	$ -	$ -	$ -	$ -

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CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2012

	Business Type Activities - Enterprise Funds			
	Mass Transit Fund	Gas Fund	Telephony Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	$ 2,400	$ 2,351,170	$ 325,643	$ 6,269,694
Other operating receipts	-	1,400	-	445,815
Cash payments to employees	-	(224,458)	-	(754,339)
Cash payments to suppliers	(2,795)	(2,535,108)	(219,391)	(5,402,273)
New customer utility deposits	-	-	-	70,687
Refunded customer utility deposits	-	-	(739)	(739)
Net cash provided (used) by operating activities	(395)	(406,996)	105,513	628,845
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-		-	101,644
Transfers to other funds	-	(345,281)	-	(1,033,361)
Net change in due from general fund	-	(394,738)	-	(425,006)
Net change in due from other funds	-	145,344	(106,797)	(157,312)
Net change in due from component unit	-	218,269	-	218,269
Net change in due to general fund	-	-	-	-
Net change in due to other funds	-	835,714	1,647	984,990
Net cash provided (used) by noncapital financing activities	-	459,308	(105,150)	(310,776)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from issuance of long - term debt	-	-	-	198,205
Proceeds from sale of assets	-	-	-	-
Proceeds from capital contributions	-	-	-	-
Acquisition and construction of capital assets	-	(52,282)	-	(323,336)
Principal payments on long - term debt	-	-	-	(180,161)
Interest paid	-	-	(363)	(19,197)
Net cash provided (used) by capital and related financing activities	-	(52,282)	(363)	(324,489)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	-	-	-	-
Purchase of investments	-	-	-	-
Loan disbursements	-	-	-	-
Interest received	-	104	-	418
Net cash provided (used) by investing activities	-	104	-	418
Net increase (decrease) in cash and cash equivalents	(395)	134	-	(6,002)
Cash and cash equivalents, beginning of year	-	69,948	-	327,421
Cash and cash equivalents, end of year	$ (395)	$ 70,082	$ -	$ 321,419

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2012

	Business Type Activities - Enterprise Funds			
	Mass Transit Fund	Gas Fund	Telephony Fund	Total
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	$ (11,669)	$ (533,006)	$ 102,412	$ 118,135
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	11,874	60,582	-	367,329
New customer deposits liability	-	-		-
Refunded customer utility deposit	-	-	-	-
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(600)	40,112	18,974	21,883
Inventories	-	72,023	975	72,998
Other current assets	-	1,152	-	4,744
Due from general fund	-	-	-	-
Due from other funds	-	-	-	-
Due from component unit	-	-	-	-
Increase (decrease) in:				
Accounts payable	-	(46,132)	(16,109)	(24,169)
Accrued expenses	-	697	(739)	70,488
Compensated absences liability	-	(2,424)	-	(2,563)
Due to general fund	-	-	-	-
Due to other funds	-	-	-	-
Net cash provided (used) by operating activities	$ (395)	$ (406,996)	$ 105,513	$ 628,845
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfer of capital assets from governmental funds	1,844,860	-	-	1,844,860
Total non-cash capital and related financing activities	$ 1,844,860	$ -	$ -	$ 1,844,860

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CASH FLOWS
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
For the Year Ended September 30, 2012

	Downtown Development Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers and users	$ 619,178
Other operating receipts	-
Cash payments to employees	-
Cash payments to suppliers	(8,390)
Net cash provided (used) by operating activities	610,788
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	(218,269)
Net cash provided (used) by noncapital financing activities	(218,269)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	-
Principal payments - revenue bonds	(215,000)
Proceeds from bond offering	-
Defeasance of revenue bonds	-
Payment of bond issuance costs	-
Interest paid	(160,514)
Net cash provided (used) by capital and related financing activities	(375,514)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of investments	-
Purchase of investments	-
Loan disbursements	-
Interest received	323
Net cash provided (used) by investing activities	323
Net increase (decrease) in cash and cash equivalents	17,328
Cash and cash equivalents, beginning of year	337,501
Cash and cash equivalents, end of year	$ 354,829

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
STATEMENT OF CASH FLOWS
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
For the Year Ended September 30, 2012

	Downtown Development Authority
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	$ 411,830
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and amortization	214,152
Changes in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	(15,617)
Inventories	-
Other current assets	423
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	$ 610,788

See independent auditors' report.

Compliance Section

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moultrie, Georgia, as of and for the year ended September 30, 2012, which collectively comprise the City of Moultrie, Georgia's basic financial statements and have issued our report thereon dated March 26, 2013. 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

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

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

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses in internal control over financial reporting. (Findings 2012-1 and 2012-2). A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 management, the Mayor and City Council of the City of Moultrie, Georgia, others within the entity, 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.

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

March 26, 2013
Tifton, Georgia

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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 the City of Moultrie Georgia's major federal programs for the year ended September 30, 2012. 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, 2012.

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.

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.

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

March 26, 2013
Tifton, Georgia

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2012

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	$ 12,765
EDI Special Project Grant		B-04-SP-GA-0204	521,903	-
Community Home Investment Program Grant	14.239	04m-x-035-2-2911	300,000	-
Total funding passed through DCA				12,765
Total Department of Housing and Urban Development				12,765
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	530,717
ARRA - Capitalization Grants for Clean Water State Revolving Funds	66.458	CWSRF 09-035	3,384,500	44,514
Total U.S. Environmental Protection Agency				575,231
U. S. Department of Justice				
ARRA - Edward Byrne Justice Assistance Grant Program	16.803	2009-SB-B9-0920	120,802	-
Edward Byrne Justice Assistance Grant Program	16.803	2009-DJ-BX-0442	21,259	-
Edward Byrne Justice Assistance Grant Program	16.803	2011-DJ-BX-2455	13,396	9,902
Edward Byrne Justice Assistance Grant Program	16.803	2009-DJ-BX-0490	200,000	-
Edward Byrne Justice Assistance Grant Program	16.803	2010-DJ-BX-1144	17,576	-
				9,902
COPS Hiring Recovery Program	16.710	2009RKWX0272	278,186	77,501
COPS Hiring Recovery Program	16.710	2011UMWX0046	295,340	28,657
COPS Technology Grant	16.710	2008CKWX0127	327,355	764
COPS Technology Grant	16.710	2009CKWZ0346	350,000	15,787
				122,709
Total U. S. Department of Justice				132,611
U.S. Department of Transportation				
Passed through the Georgia Department of Transportation				
AARA - Intermodal Facilities Program	20.500	GA-04-0017	1,560,770	868,765
Total U. S. Department of Transportation				868,765
Federal Emergency Management Agency				
Passed through the Georgia Emergency Management Agency				
Emergency Services		FEMA-1833-DR-GA	285,464	-
Total Federal Emergency Management Agency				-
U.S. Department of Homeland Security				
Passed through the Georgia Emergency Management Agency				
2009 Homeland Security Grant		GAN #2009-SS-T9-0047	10,000	5,139
Total U.S. Department of Homeland Security				5,139
Total Expenditures of Federal Awards				$ 1,594,511

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2012

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, 2012.

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, 2012

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 or Cluster	CFDA Number
ARRA - Capitalization Grants for Clean Water State Revolving Funds	66.458
AARA - Intermodal Facilities Program	20.500

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, 2012

SECTION II FINDINGS - FINANCIAL STATEMENT AUDIT

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

Material Weaknesses

2012-1

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.

2012-2

Criteria:

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

Condition:

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

Cause of Condition:

The City's monitoring controls were not implemented.

Effect of Condition:

Long term debt was misstated in the component unit and the water and sewer fund.

Response of Management:

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

See independent auditors' report.

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 30, 2012

SECTION II FINDINGS - FINANCIAL STATEMENT AUDIT

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

2011-1

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 2012-1 in the current year Schedule of Findings and Questioned Costs.

2011-2

Condition:

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

Status:

The City's monitoring controls were implemented.

2011-3

Condition:

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

Status:

The City's monitoring controls were implemented.

2011-4

Condition:

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

Status:

The City's monitoring controls were implemented.

2011-5

Condition:

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

Status:

The above finding is included as finding 2011-2 in the current year Schedule of Findings and Questioned Costs.

See independent auditors' report.

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 on Internal Control Over Compliance in Accordance with *OMB Circular A - 133.*

None reported

See independent auditors' report.

CITY OF MOULTRIE, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX EXPENDITURES
For the Year Ended September 30, 2012

	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	-	102,781	-	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	7,194,773	-	7,194,773	
Roads:						
Driveway entrance to youth complex	-	221,375	188,552	-	188,552	85%
RD resurfacing / paving / drainage	-	120,000	1,477,458	-	1,477,458	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	709,657	13,000	722,657	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	957,949	-	957,949	100%
Resurfacing Group III	73,444	258,238	131,206	-	131,206	51%
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	164,995	61	165,056	67%
CDBG SE Paving Grant - transfer	150,446	150,446	213,358	-	213,358	100%
Total roads	2,318,450	3,549,883	5,874,692	13,061	5,887,753	
Total Sales Tax - 2001	$ 4,475,484	$ 7,879,948	$ 13,069,465	$ 13,061	$ 13,082,526	
Special Purpose Local Option Sales Tax - 2006						
Waste water treatment improvement Project	9,725,000	-	5,221,496	1,347,343	6,568,839	68%
Streets and drainage project	2,000,000	-	1,581,342	125,916	1,707,258	85%
	$ 11,725,000	$ -	$ 6,802,838	$ 1,473,259	$ 8,276,097	

See independent auditors' report.