CITY OF MOULTRIE, GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2020

CITY OF MOULTRIE
TABLE OF CONTENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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

	PAGE
COMBINING AND INDIVIDUAL FUND SCHEDULES	66
OTHER GOVERNMENTAL FUNDS:	
Schedule of Assets, Liabilities and Fund Balance	67
Schedule of Revenues, Expenditures and Changes in Fund Balance	68
BUDGETARY COMPARISON SCHEDULES:	
Confiscated Assets Fund	69
Multiple Grants Fund	70
Hotel/Motel Tax Fund	71
NONMAJOR ENTERPRISE FUNDS	
Statement of Net Position	72 - 73
Statement of Revenue, Expenses, and Changes in Fund Net Position	74
Statement of Cash Flows	75 - 76
STATE COMPLIANCE SECTION	77
One Percent Special Purpose Sales Tax Project Cost Schedules	78 - 80
FEDERAL COMPLIANCE SECTION	81
Schedule of Expenditures of Federal Awards	82
Notes to Schedule of Expenditures of Federal Awards	83
Independent Auditor's Report on Internal Conrrol over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	84 - 85
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	86 - 87

VALENTI, RACKLEY
& ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moultrie, Georgia ("the City") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the pension related schedules 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 other 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and the One Percent Special Purpose Local Option Sales Tax Project Cost Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund statements and schedules, the schedules of Special Purpose Local Option Sales Tax Expenditures, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, the schedule of Special Purpose Local Option Sales Tax Expenditures, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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* in considering the City's internal control over financial reporting and compliance.

Respectfully submitted,

Valenti, Rackley & Assoc., LLC

Valenti, Rackley & Associates, LLC
Certified Public Accountants

April 8, 2021

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, 2020. 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 $151.75 million in total assets and deferred outflow of resources of which $66.11 million are capital assets.
- The City has $31.961 million in total liabilities and deferred inflows of resources of which $22.37 million are long-term.
- The City's net position at the close of the most recent fiscal year was $119.79 million (net assets). Of this amount, $64.51 million (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors while $47.81 million is invested in capital assets net of related debt.
- The City's total assets and deferred outflows increased by $4.198 million this year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $22.282 million, an increase of $2.808 million in comparison with the prior year. Of this amount, $14.81 million was from the General Fund, a $1.3 million increase from the prior year. This improvement was primarily due to an increase in cash and investment funds in the General Fund.
- The City's long-term liabilities increased by $209 thousand during the current fiscal year as a result of the payments on long-term debt but there was an increase of $544 million in net pension liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

Governmental Funds

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

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

The City maintains 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, CNS Broadband Fund, Solid Waste Fund, Airport Fund, Mass Transit Fund and the Utilities Deposit Fund. The City uses its internal service fund to account for its equipment services and other services. Because the services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

Fiduciary Funds

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

Notes to the Financial Statements

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

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

Table 1
Major Features of the Basic Financial Statements

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

OVERNMENT-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 $119.785 million at the close of the most recent fiscal year.

A large portion of the City's net assets 55.19% 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 $64.506 million or 53.85% in unrestricted net assets.

Table 2 below presents the City's condensed statement of net assets as of September 30, 2020 and 2019. Balances for 2019 have been restated to reflect the restatements on page 56.

Table 2
Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
September 30,	2020	2019	2020	2019	2020	2019
Current and other assets	$ 29,216,354	$ 26,168,581	$ 52,186,107	$ 47,995,856	$ 81,402,461	$ 74,164,437
Capital assets	20,810,600	21,985,353	45,294,439	47,243,621	66,105,039	69,228,974
Deferred outflows of resources	2,807,067	2,751,535	1,431,933	1,403,605	4,239,000	4,155,140
Total assets and deferred outflows	52,834,021	50,905,469	98,912,479	96,643,082	151,746,500	147,548,551
Other liabilities	5,179,693	4,638,366	3,320,653	1,919,430	8,500,346	6,557,796
Long-term liabilities	3,260,251	2,764,494	19,106,165	19,393,148	22,366,416	22,157,642
Deferred inflows of resources	772,685	815,472	321,318	363,238	1,094,003	1,178,710
Total liabilities and deferred inflows	9,212,629	8,218,332	22,748,136	21,675,816	31,960,765	29,894,148
Net position:						
Net investment in capital assets	20,256,476	21,583,235	27,552,123	29,020,421	47,808,599	50,603,656
Restricted	7,470,813	5,989,630	-	-	7,470,813	5,989,630
Unrestricted	15,894,103	15,114,272	48,612,220	45,946,845	64,506,323	61,061,117
Total net position	$ 43,621,392	$ 42,687,137	$ 76,164,343	$ 74,967,266	$ 119,785,735	$ 117,654,403

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 $119.786 million for 2020 as compared to $117.654 million for 2019 for an increase of $2.132 million. Of this amount, $1.197 million came from business-type activities and $934,255 thousand came from governmental activities.

An additional portion of the City's net assets (6.24%) or $7.471 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($64.506 million) may be used to meet the City's ongoing obligations to citizens and creditors. This is an increase of $3.45 million or 5.64%.

For governmental activities, the City reported a balance of $15.894 million in unrestricted net assets. This is an increase of $779.8 thousand from 2019 due to an increase in current assets. The business-type activities unrestricted net assets were $48.612 million, an increase of 2.665 million from 2019 due to an increase in capital assets.

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, 2020 and 2019. Over time, increases or decreases in net assets measure whether the City's financial position is improving or deteriorating. Revenues and expenses for 2019 have been restated to reflect the restatements on page 56.

Table 3
Condensed Statement of Activities

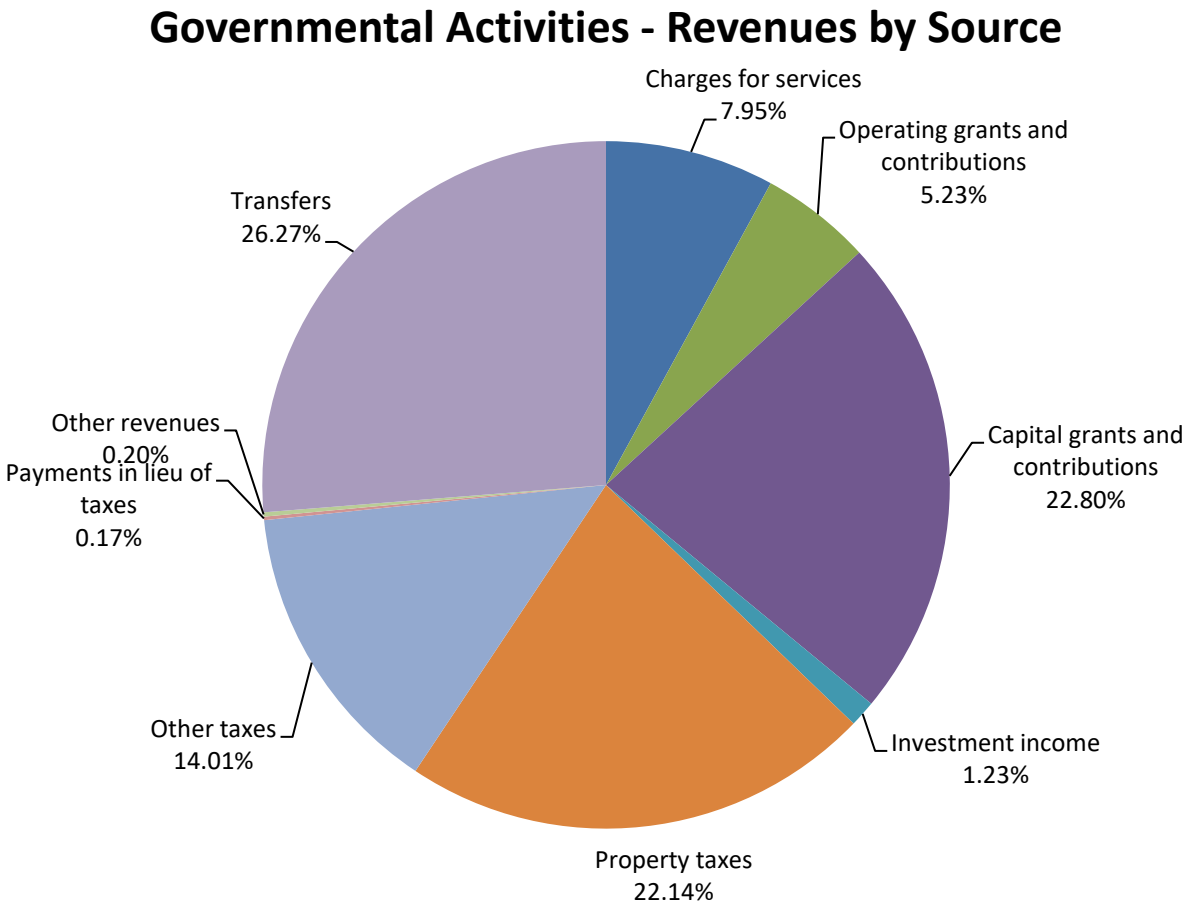
	Governmental Activities		Business-type Activities		Total	
Year ended September 30,	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	$ 1,345,261	$ 1,222,182	$ 36,136,158	$ 38,655,548	$ 37,481,419	$ 39,877,730
Operating grants and contributions	883,802	197,760	-	-	883,802	197,760
Capital grants and contributions	3,855,499	3,534,331	-	452,797	3,855,499	3,987,128
General revenues:						
Property taxes	3,745,123	3,373,104	-	-	3,745,123	3,373,104
Other taxes	2,369,016	2,310,410	-	-	2,369,016	2,310,410
Payments in lieu of taxes	28,164	27,714	-	-	28,164	27,714
Investment income	208,245	114,112	276,207	615,315	484,452	729,427
Other revenues	34,557	1,136,514	52,330	9,054	86,887	1,145,568
Total revenues	12,469,667	11,916,127	36,464,695	39,732,714	48,934,362	51,648,841
Expenses						
Governmental activities:						
General government	2,626,209	2,594,881	-	-	2,626,209	2,594,881
Judicial	298,451	284,688	-	-	298,451	284,688
Public safety	6,668,236	6,657,878	-	-	6,668,236	6,657,878
Public works	2,563,947	2,673,694	-	-	2,563,947	2,673,694
Parks and recreation	859,495	393,408	-	-	859,495	393,408
Community development	1,228,273	1,177,563	-	-	1,228,273	1,177,563
Interest on long-term debt	12,783	16,774	-	-	12,783	16,774
Business-type activities:						
Water & sewer	-	-	5,738,317	6,097,847	5,738,317	6,097,847
Electric revenue	-	-	19,228,046	19,838,226	19,228,046	19,838,226
Gas revenue	-	-	1,688,976	2,107,491	1,688,976	2,107,491
Broadband	-	-	98,749	446,387	98,749	446,387
Solid waste	-	-	2,106,745	2,366,363	2,106,745	2,366,363
Airport	-	-	1,903,944	3,141,436	1,903,944	3,141,436
Mass transit	-	-	60,327	60,318	60,327	60,318
Total expenses	14,257,394	13,798,886	30,825,104	34,058,068	45,082,498	47,856,954
Increase (decrease) in net position before transfers	(1,787,727)	(1,882,759)	5,639,591	5,674,646	3,851,864	3,791,887
Special Items	(1,720,532)	-	-	-	(1,720,532)	-
Transfers	4,442,514	4,609,445	(4,442,514)	(4,609,445)	-	-
Increase (decrease) in net position	934,255	2,726,686	1,197,077	1,065,201	2,131,332	3,791,887
Net position, beg. (restated)	42,687,137	39,960,451	74,967,266	73,902,065	117,654,403	113,862,516
Net position, ending	$ 43,621,392	$ 42,687,137	$ 76,164,343	$ 74,967,266	$ 119,785,735	$ 117,654,403

Governmental activities during the fiscal year ended September 30, 2020 increased the City's net position by $934 thousand. Business-type activities during the same period increased net position by $1.197 million. The net change in net position was an increase of $2.131 million. The table above shows the revenues and expenses by activity for the total primary government. This table shows total 2020 revenues from governmental activities at $12.50 million while expenses were $14.257 million. Business-type activities total revenues for 2020 were $36.465 million while expenses were $30.825 million. The third largest revenue source for governmental activities came from property tax revenues of $3.745 million, which is 22.14% of the total governmental activity funding. Transfers from Business-type activities are the largest governmental activity revenue source at $4.443 million or 26.22%. Capital Grants and contributions are the second largest governmental activity revenue source at $3.855 million or 22.80%. Revenues from Other Taxes are the fourth largest governmental activity revenue source at $2.369 million or 14.01%. Business-type activities program revenues exceeded expenses by $5.64 million before internal transfers to support the governmental activities.

Program Revenues and Expenses for Governmental Activities

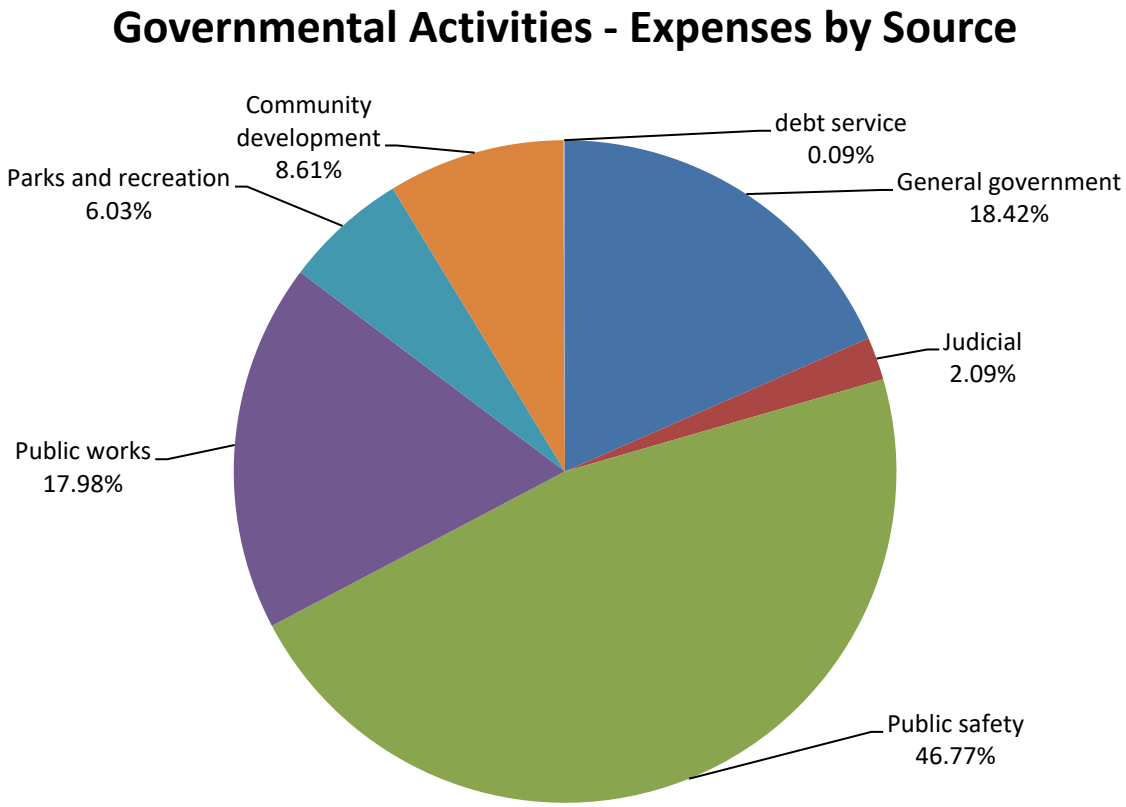
Governmental Activities - Revenues by Source

The following chart shows the governmental activities revenues by major source and includes revenues from transfers. It is easy to see from the chart that governmental activities receive it's funding to a great degree through transfers from the business-type activities. These transfers are 26.27% of the funding for the primary government ahead of Property taxes at 22.14% of governmental revenues. Capital Grants and Contributions revenues provided 22.80% of the governmental activities funding in 2020. Transfers from business-type activities and Property Taxes provide the greatest funding sources for the governmental activities along with Capital Grants. Transfers from business-type activities decreased in 2020 while property taxes increased by 372 thousand even though the mileage rate decreased due an increase in net property values and new developments. The majority of funding for capital projects comes from Special local option sales taxes and without this funding there would be, few capital projects completed. For the year, ended September 30, 2020, transfers were $4.442 million, a decrease of $167 thousand from $4.609 million in the year ended September 30, 2019. This decrease is due to the additional revenues provided by property taxes.


Governmental Activities - Revenues by Source
Charges for services
7.95%
Operating grants and
contributions
5.23%
Capital grants and
contributions
22.80%
Investment income
1.23%
Property taxes
22.14%
Other taxes
14.01%
Payments in lieu of
taxes
0.17%
Other revenues
0.20%
Transfers
26.27%

Governmental Activities – Expenses by Source

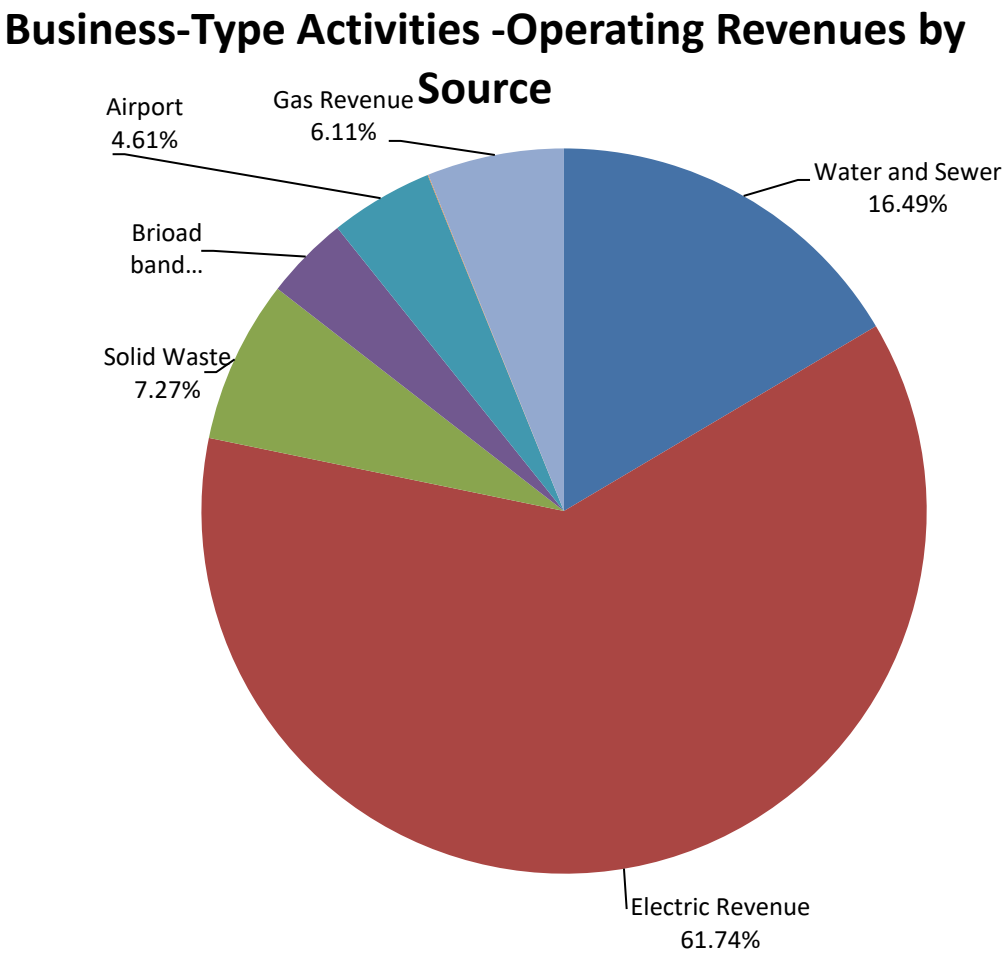
The following chart shows the governmental activities expenses by source. The City of Moultrie spent the greatest amount of its available funding on Public Safety at $6.668 million or 46.77% in 2020. The next largest governmental expense was for General Government at $2.626 million or 18.42%. A major part of the expenses for all the governmental sources is in personnel cost of salaries and benefits which includes the ever-increasing cost of providing Health care to its employees. The Purchase of Public Safety and Public Works capital equipment added to the costs. The General Fund has benefited greatly by the use of SPLOST funding for its Capital equipment purchases, which reduces the impact on the General operating budget, which holds down any possible increases in property taxes or transfers from Business Type activities.



Program Revenues and Expenses for Business-Type Activities

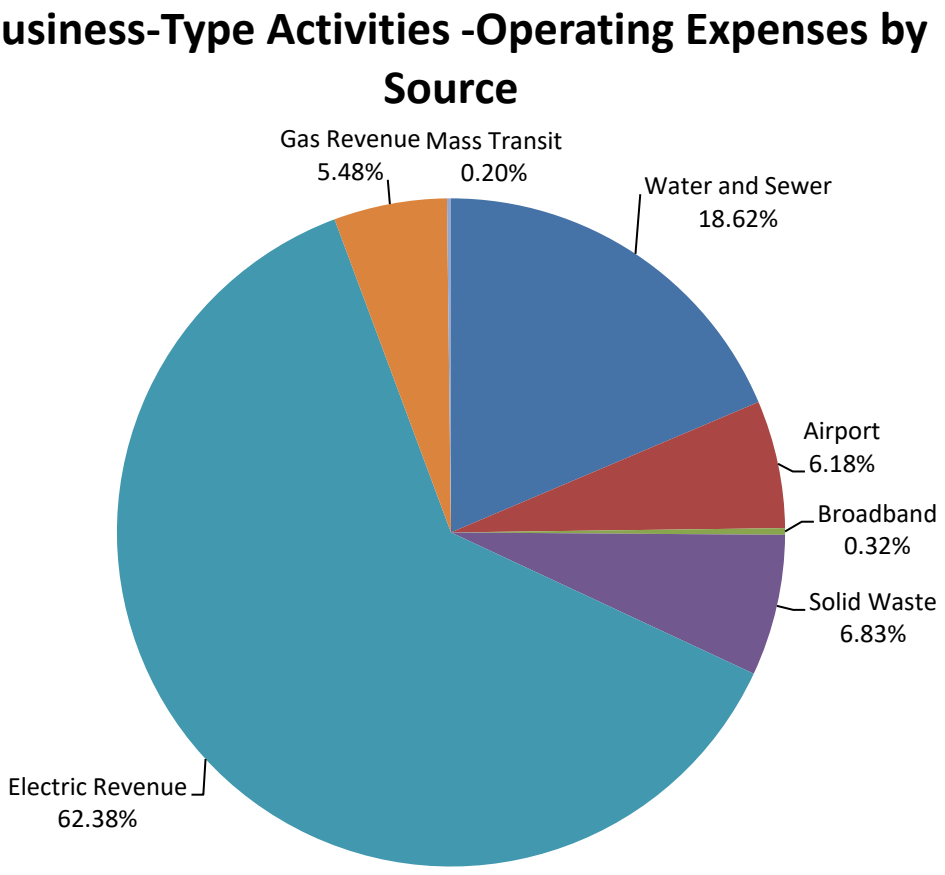
Business-Type Activities – Revenues by Source

The business-type activities largest revenue source is from the Electric Fund. By far, more revenues (61.74%) or $22.31 million is generated by this fund, which is more than all other business-type activity funds combined. The next largest business-type revenue source comes from the Water & Sewer Fund at 16.49% or $5.958 million.



Business-Type Activities – Expenses by Source

As expected, the Electric Fund also has the largest amount of expenses at 62.38% or $19.228 million, but it generated net income of $3.083 million before its transfers to governmental activities. The Water and Sewer Fund generated net income of $219 thousand before transfers. This is a reduction due to increased operating and depreciation expenses from the completed new sewer plant and other water and sewer projects. This fund had the second largest amount of expenses at $5.738 million. The Water and Sewer, Electric, Solid Waste and Gas funds provided the largest portion of the transfers to the General fund at $4.32 million.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

The City of Moultrie has three significant governmental funds, which include the General Fund and SPLOST and T-SPLOST Funds.

At September 30, 2020, the General Fund had a fund balance of $14.811 million. This is an increase of $1.327 million from the restated beginning fund balance as of October 1, 2019. The increase in the fund balance was due to a reduction in principal and interest payments on leases, increased property tax revenue, and increased transfers.

At September 30, 2020, the SPLOST and T-SPLOST Funds had a combined fund balance of $6.70 million. This is an increase of $1.66 million from the beginning fund balance as of October 1, 2019. SPLOST revenues were only $49,290 more than expenditures in 2020 as public safety equipment, recreation projects and road improvement projects were completed. Those revenues must be used for approved Public Works equipment and roads, Fire and Police equipment and building renovations and recreational projects. The fund balances of the other governmental funds were $770 thousand at year-end primarily due to grant revenues and Hotel- motel and tourism taxes. The final fund balance for all these funds was $7.472 million at year-end 2020.

Proprietary Funds

The Propriety Funds include the City's major enterprise funds consisting of the Water & Sewer Fund and the Electric Fund. The non-major enterprise funds consist of the Solid Waste Fund, Airport Fund, Gas Fund, Mass Transit Fund, Utility Deposit Fund and CNS Broadband Fund. The combined Net Position for all Propriety funds was $76.164 million for the year ended September 30, 2020. This is an increase of $1.197 million due to the addition at completion of the new sewer plant, other utility infrastructure improvements and additions, increased investments due to the repayment of internal debt and increased investment in the South Georgia Governmental Authority from the sale of the CNS Broadband operations.

The Water and Sewer Fund had an ending net position was $25.922 million. It had a net income before transfers of $239 thousand. The total net position in this fund decreased by $572 thousand from $26.494 million (restated) down to $25.922 million in 2020 due to increased costs of the new sewer plant including depreciation expense and increased debt service from loans, bonds and the construction of additional water and sewer improvements and extensions.

The Electric Fund had an ending net position of $38.388 million after transfers to the General Fund. This was an increase of $680 thousand from 2019. These funds are used primarily for additional acquisition and construction of capital assets, operational costs and the costs of power and the transfer of funds to the General Fund. The Electric Fund has kept property taxes level by its transfer of a large part of its profits to the General Fund. The Electric Fund has also provided funding for community projects that would not have been completed without its help including the extension of electric service to the new PCOM Medical School.

The Cable TV Fund operations was sold to the South Georgia Governmental Services Authority in April of 2017 and going forward the City is only responsible for the billing and collection of CNS revenues, opening new accounts and providing customer service on existing accounts. The City is still responsible for the uncollectible accounts, credit card fees and Telecom fees from the State and Federal government as well as the costs of the Business Operations Department attributable to the CNS Fund. As a member of the Authority, the City does receive a distribution of a portion of net profits and has an investment in the SGGSA of $2.073 million at the end of 2020.

The combined net position of the non-major propriety funds at the end of 2020 was $11.854 million. This is an increase of $1.088 million from 2019. This increase is primarily due to the net income before transfers of $106 thousand from the Gas Fund, $135 thousand from the Solid Waste Fund and the investment income of $1.356 million from the SGGSA for the CNS Broadband Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

Generally, budget amendments fall into one of the following categories: 1) amendments made to adjust the estimates that were used to prepare the original budget once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Amendments to the original budget for 2020 related to the transfer of budgeted amounts between departments did not result in additional appropriations.

The actual revenues of the General Fund were more than the final budgeted amounts by $1.035 million for the year ended September 30, 2020 while actual expenditures were $735 thousand less than budgeted for the same period. In total including transfers to the General Fund, there was a net increase of $1.584 million increase over budget in fund balance. Each Department did an excellent job watching their expenditures. The major factors contributing to the expenditure difference were reduced actual Public Works expenditures of $244 thousand, Public Safety expenditures of $210 thousand and General Government expenses of $150 thousand. Actual transfers from other funds were $186 thousand more than the amount that was budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2020, governmental activities and business-type activities had capital assets of $66.105 million (net of accumulated depreciation) invested in land, buildings, system improvements, machinery and equipment and facilities.

The net capital assets from governmental activities decreased 1.175 million from $21.985 down to $20.810 million in 2020. Factors attributing to this decrease are the disposal of vehicles and equipment, accumulated depreciation of existing assets, and the transfer of all the recreation buildings and infrastructure to the Moultrie Colquitt County Recreational Authority. The purchases of new vehicles and equipment and infrastructure consisting of the addition of the Main Street

Parking lot renovations downtown limited the extent of this reduction. The net capital assets from business-type activities decreased by $1.949 million from the prior year due to less construction in process primarily for the new sewer plant, disposal of vehicles and equipment, accumulated depreciation on existing assets and fewer major utility projects.

Additional information on the City's capital assets can be found in Note 6 of the Notes to Financial Statements.

Long-term Debt

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

At September 30, 2020, the City had $3.26 million in outstanding long-term liabilities related to governmental activities of which 2.67 million was due to the City's net pension liability. The City also had $19.11 million of long-term liabilities related to business-type activities for a total of $22.366 million compared to the previous year's total of $22.157 million. This is a total combined increase of $209 thousand and is primarily due to an increase in the net pension Liability.

The City's component unit also had $1.30 million in long-term debt outstanding in connection with Downtown Development Authority Revenue Bonds used to construct the Georgia Department of Labor. Under a lease agreement with the Department of Labor, the Department of Labor is to make rental payments to be used for the purpose of paying the principal and interest payments on the bonds for a period of twenty-three years maturing in 2028.

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

FACTORS AFFECTING THE 2020 BUDGET

The City of Moultrie's fiscal year 2019-20 was a year like no other with the COVID pandemic at its peak. It caused the City to make many changes to protect the safety of its employees as well as its citizens as much as possible while providing the same services its citizens expect. Meetings were cancelled or held remotely. Yearly events were cancelled including the Sunbelt Expo, which brings thousands of visitors to Moultrie for three days in October. No holiday events of the Christmas season as well as the Spring Fling activities took place. Financially, the pandemic had little impact on the City's finances with the assistance of the Cares Act funding. Mayor and Council were even able to reduce the City's property tax millage from 9.75 mills down to 8.14 mills. The City was fortunate that its health care costs were not impacted drastically with the pandemic, as the City's health insurance for its employees is self- funded. Although we did have a few employees contract the virus, none had to be hospitalized. Personnel costs are the greatest cost of the City's operating budget. It is a challenge every year to provide the services its citizens require and expect without raising property taxes or utility rates to provide the needed funds.

There was $3.456 million in Special Local Option Sales Tax and T-SPLOST proceeds collected in 2020, but these revenues are restricted for special projects and cannot be used for regular governmental operations. Although restricted the SPLOST and T-SPLOST Funds are very important to the city's overall operations as these funds provide funding for projects that may not have been funded without them or would have required an increase in property taxes if funded. The City must also set aside reserve funds in its Electric Fund in order to offset the expected increases in costs passed on by the City's Electric power provider MEAG due to the completion of two additional nuclear units at Plant Vogtle. The City has used capital leases and GEFA loan proceeds in the Water and Sewer Fund to purchase equipment, improve our sewer plant and extend water and sewer infrastructure.

The Philadelphia College of Osteopathic Medicine Medical School of South Georgia opened its campus in Moultrie in August of 2018 providing a needed boost in economic growth beyond the school itself to Moultrie. This has resulted in the development of a number of apartment units that have added to the City's tax digest and provided additional tax dollars to the City without an increase in its tax millage. The construction of a 55 plus senior apartments with 48 units has now been completed downtown at an estimated cost of $5.4 million dollars. There have been an estimated $4.2 million dollars spent in renovations to existing apartment units and additional apartment units are planned for next year. In addition, there have been over $1.6 million dollars invested in improvements to downtown parking lot improvements, construction of downtown parks and redevelopment of blighted properties completed. The City made $210,000 in improvements to Mack J. McCormick and the Northwest Basketball court and Park to provide a nice place for our families and their children.

The Coronavirus pandemic has not had a measurable effect on Moultrie's economy and there are no major reductions planned in the City's upcoming Budget.

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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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

CITY OF MOULTRIE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Cash and cash equivalents	$ 9,136,817	$ 19,677,920	$ 28,814,737	$ 146,541
Investments	8,232,953	20,462,242	28,695,195	-
Accounts receivable, net	3,922,172	4,179,216	8,101,388	-
Inventories	64,140	1,101,023	1,165,163	-
Prepaid insurance	208,552	90,352	298,904	1,523
Due from component unit	53	235,000	235,053	-
Restricted assets:				
Restricted cash	7,559,635	232,162	7,791,797	138,329
Sales tax receivable	92,032	-	92,032	
Investment in SGGSA	-	2,073,051	2,073,051	-
Other noncurrent assets	-	-	-	48,900
Capital assets:				
Land and other nondepreciable assets	1,394,670	1,209,382	2,604,052	311,895
Construction in progress	287,097	109,577	396,674	54,625
Other capital assets, net of accumulated depreciation	19,128,833	43,975,480	63,104,313	906,015
Total assets	50,026,954	93,345,405	143,372,359	1,607,828
Deferred outflows of resources related to pensions	2,807,067	1,431,933	4,239,000	-
Total assets and deferred outflows of resources	52,834,021	94,777,338	147,611,359	1,607,828

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
GOVERNMENT-WIDE STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Accounts payable and accrued expenses	1,044,552	2,290,896	3,335,448	81,290
Due to primary government	-	-	-	235,053
Internal balances	4,135,141	(4,135,141)	-	-
Unearned revenue	-	98,257	98,257	
Customer deposits	-	931,500	931,500	-
Long-term liabilities:				
Net pension liability	2,673,597	1,363,849	4,037,446	-
Due within one year	151,438	570,382	721,820	120,000
Due in more than one year	402,686	17,171,934	17,574,620	1,180,000
Compensated absences	32,530	-	32,530	-
Total liabilities	8,439,944	18,291,677	26,731,621	1,616,343
Deferred inflows of resources:				
Deferred inflows - pensions	629,891	321,318	951,209	-
Deferred inflows - other	142,794	-	142,794	-
Total deferred inflows of resources	772,685	321,318	1,094,003	-
Total liabilities and deferred inflows of resources	9,212,629	18,612,995	27,825,624	1,616,343
NET POSITION				
Net investment in capital assets	20,256,476	27,552,123	47,808,599	(27,465)
Restricted for:				
Community development	744,578	-	744,578	-
Public safety	24,646	-	24,646	-
Capital projects	6,701,589	-	6,701,589	-
Unrestricted	15,894,103	48,612,220	64,506,323	18,950
Total net position	$ 43,621,392	$ 76,164,343	$ 119,785,735	$ (8,515)

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			
Function/Programs:	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Unit
PRIMARY GOVERNMENT:								
Governmental activities:								
General government	2,626,209	$ 800,421	$ 743,913	$ 6,903	$ (1,074,972)		$ (1,074,972)	
Judicial	298,451	455,361	-	-	156,910		156,910	
Public safety	6,668,236	18,533	124,706	141,380	(6,383,617)		(6,383,617)	
Public works	2,563,947	50,000	15,183	2,897,440	398,676		398,676	
Parks and recreation	859,495	1,025	-	809,776	(48,694)		(48,694)	
Community development	1,228,273	19,921	-	-	(1,208,352)		(1,208,352)	
Interest - general long-term debt	12,783	-	-	-	(12,783)		(12,783)	
Total governmental activities	14,257,394	1,345,261	883,802	3,855,499	(8,172,832)		(8,172,832)	
Business-type activities:								
Water and sewer	5,738,317	5,957,682	-	-	-	219,365	219,365	
Electric	19,228,046	22,311,161	-	-	-	3,083,115	3,083,115	
Broadband	98,749	1,355,960	-	-	-	1,257,211	1,257,211	
Gas	1,688,976	2,206,805	-	-	-	517,829	517,829	
Solid waste	2,106,745	2,628,093	-	-	-	521,348	521,348	
Mass transit	60,327	12,138	-	-	-	(48,189)	(48,189)	
Airport	1,903,944	1,664,319	-	-	-	(239,625)	(239,625)	
Total business-type activities	30,825,104	36,136,158	-	-	-	5,311,054	5,311,054	
Total primary government	$45,082,498	$37,481,419	$ 883,802	$ 3,855,499	(8,172,832)	5,311,054	(2,861,778)	
COMPONENT UNIT								
Downtown Development Authority	$ 442,678	$ 187,404	$ -	$ 275,000				$ 19,726

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Program Revenues			Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Unit
General revenues:								
Taxes:								
Property taxes, levied for general purposes					3,773,287	-	3,773,287	-
Other taxes					2,369,016	-	2,369,016	-
Investment income					208,245	276,207	484,452	595
Gain on disposal of capital assets, net of losses					-	52,330	52,330	-
Other revenue					34,557	-	34,557	15,000
Total general revenues					6,385,105	328,537	6,713,642	15,595
Transfers					4,442,514	(4,442,514)	-	-
Total general revenues and transfers					10,827,619	(4,113,977)	6,713,642	15,595
Change in net position before special item					2,654,787	1,197,077	3,851,864	35,321
Special item								
Transfer of operations:								
Net position transferred					(1,720,532)	-	(1,720,532)	-
Change in net position after special item					934,255	1,197,077	2,131,332	35,321
Net position - beginning (restated)					42,687,137	74,967,266	117,654,403	(43,836)
Net position - ending					$ 43,621,392	$ 76,164,343	$ 119,785,735	$ (8,515)

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 9,027,027	$ -	$ 9,027,027
Accounts receivable, net	202,267	-	202,267
Property tax receivable	3,271,887	-	3,271,887
Intergovernmental receivables	-	417,026	417,026
Prepaid insurance	196,700	1,237	197,937
Due from other funds	6,402,057	17,150	6,419,207
Restricted assets:			
Cash and cash equivalents	-	7,559,635	7,559,635
Sales tax receivable	92,032	-	92,032
Program receivables	-	15,320	15,320
Investments	8,232,953	-	8,232,953
Total assets	$ 27,424,923	$ 8,010,368	$ 35,435,291
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Liabilities			
Accounts payable	$ 464,506	$ 90,539	$ 555,045
Accrued expenses	448,876	3,352	452,228
Due to other funds	9,673,718	444,427	10,118,145
Total liabilities	10,587,100	538,318	11,125,418
Deferred inflows of resources			
Deferred revenue - property taxes	1,884,273	-	1,884,273
Deferred revenue - other	142,794	-	142,794
Total deferred inflows of resources	2,027,067	-	2,027,067
Total liabilities and deferred inflows of resources	12,614,167	538,318	13,152,485
FUND BALANCES			
Nonspendable			
Prepaid insurance	196,700	1,237	197,937
Restricted for:			
Community development	-	744,578	744,578
Public safety	-	24,646	24,646
Capital projects	-	6,701,589	6,701,589
Unassigned	14,614,056	-	14,614,056
Total fund balances	14,810,756	7,472,050	22,282,806
Total liabilities, deferred inflows of resources and fund balances	$ 27,424,923	$ 8,010,368	$ 35,435,291

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

Fund Balance - Total Governmental Funds	$ 22,282,806
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	20,646,741
Long-term liabilities and related deferred revenues and costs are not due and payable in the current period and therefore are not reported in the funds:	
Capital leases	(554,124)
Compensated absences	(32,530)
Net pension liability	(1,728,220)
Deferred outflows of resources - pensions	1,814,495
Deferred inflows of resources - pensions	(407,163)
Deferred revenue - property taxes	1,884,273
An internal service fund is used by management to charge the costs of the City's services to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position	(284,886)
Net position of governmental activities	$ 43,621,392

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	$ 3,784,740	$ -	$ 3,784,740
Other taxes	2,060,798	308,218	2,369,016
Licenses and permits	789,318	-	789,318
Fines and forfeitures	442,437	12,924	455,361
Intergovernmental	1,166,440	3,463,369	4,629,809
Charges for services	79,207	1,025	80,232
Investment income	205,357	12,380	217,737
Other revenues	44,533	120,350	164,883
Total revenues	8,572,830	3,918,266	12,491,096
EXPENDITURES			
Current:			
General government	2,173,458	-	2,173,458
Judicial	298,451	-	298,451
Public safety	6,234,701	29,459	6,264,160
Public works	1,894,346	-	1,894,346
Community development	673,499	371,120	1,044,619
Capital outlays:			
General government	43,950	-	43,950
Public safety	300,838	129,459	430,297
Public works	577,350	967,338	1,544,688
Parks and recreation	-	809,776	809,776
Community development	-	175,037	175,037
Debt service	135,541	-	135,541
Total expenditures	12,332,134	2,482,189	14,814,323
Excess (deficiency) of revenues over (under) expenditures	(3,759,304)	1,436,077	(2,323,227)
OTHER FINANCING SOURCES			
Transfers, net	4,811,177	45,000	4,856,177
Proceeds from issuance of long-term debt	274,764	-	274,764
Total other financing resources	5,085,941	45,000	5,130,941
Net change in fund balances	1,326,637	1,481,077	2,807,714
Fund balances - beginning (restated)	13,484,119	5,990,973	19,475,092
Fund balances - ending	$ 14,810,756	$ 7,472,050	$ 22,282,806

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Net change in fund balances - total governmental funds	$ 2,807,714
Governmental funds report capital outlays as expenditures while govermental activities report depreciation expense to allocate those expenditures over the life of the assets.	
Assets capitalized	2,037,710
Basis in capital assets disposed of (including $1,720,532 in net position transferred to MCCPRA and reported as a special item)	(2,118,813)
Depreciation expense	(1,149,084)
The issurance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmenal funds. Neither transactions has any effect on net assets. Also, govermental funds report the effect of premiums and discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items.	
Proceeds from borrowing	(274,764)
Debt payments made	122,758
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in deferred revenue over prior year.	
Deferred revenue - property taxes	(11,453)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This the amount of the change in expenses over the prior year.	
Pension cost	(144,017)
Compensated absences	16,756
An internal service fund is used by management to charge the costs of the City's services to individual funds. The net revenues (expenses) of the internal service fund is reported with governmental activities in the statement of net position.	(352,552)
Change in net position of governmental activities	$ 934,255

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Business Type Activities - Enterprise Funds				Governmental Activity
	Water and Sewer Fund	Electric Revenue Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Current assets:					
Cash and cash equivalents	$ 18,549,691	$ 100	1,128,129	$ 19,677,920	$ 109,790
Investments	-	20,462,242	-	20,462,242	-
Accounts receivable, net	695,477	2,858,064	625,675	4,179,216	15,672
Due from other funds	445,210	10,521,225	8,256,678	19,223,113	5,387,335
Due from component unit	235,000	-	-	235,000	53
Inventories	184,622	851,283	65,118	1,101,023	64,140
Prepaid insurance	39,892	17,479	32,981	90,352	10,615
Total current assets	20,149,892	34,710,393	10,108,581	64,968,866	5,587,605
Noncurrent assets:					
Investment in SGGSA	-	-	2,073,051	2,073,051	-
Restricted assets - cash	-	11,441	220,721	232,162	-
Capital assets:					
Land	80,027	1,112,569	16,786	1,209,382	-
Construction in progress	67,443	13,840	28,294	109,577	-
Other capital assets, net of accumulated depreciation	35,192,223	4,766,969	4,016,288	43,975,480	163,859
Total noncurrent assets	35,339,693	5,904,819	6,355,140	47,599,652	163,859
Total assets	55,489,585	40,615,212	16,463,721	112,568,518	5,751,464
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows from pensions	245,013	584,134	602,786	1,431,933	992,572
Total deferred outflows of resources	245,013	584,134	602,786	1,431,933	992,572
Total assets and deferred outflows of resources	$ 55,734,598	$ 41,199,346	$ 17,066,507	$ 114,000,451	$ 6,744,036

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Business Type Activities - Enterprise Funds				Governmental Activity
	Water and Sewer Fund	Electric Revenue Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
LIABILITIES					
Current liabilities:					
Accounts payable	$ 62,254	$ 1,487,351	$ 287,206	$ 1,836,811	$ 18,583
Accrued expenses	13,360	20,866	17,601	51,827	18,696
Due to other governments	-	-	402,258	402,258	-
Unearned revenue	-	-	98,257	98,257	-
Notes payable, current	321,583	-	-	321,583	-
Bonds payable, current	75,000	-	-	75,000	-
Capital leases payable, current	-	-	173,799	173,799	-
Customer deposits	-	-	931,500	931,500	-
Due to other funds	12,029,188	615,330	2,443,454	15,087,972	5,823,538
Total current liabilities	12,501,385	2,123,547	4,354,075	18,979,007	5,860,817
Noncurrent liabilities:					
Bonds payable, net of current portion	9,097,414	-	-	9,097,414	-
Notes payable, net of current portion	7,925,402	-	-	7,925,402	-
Capital leases payable, net of current portion	-	-	149,118	149,118	-
Net pension liability	233,364	556,360	574,125	1,363,849	945,377
Total liabilities	29,757,565	2,679,907	5,077,318	37,514,790	6,806,194
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows from pensions	54,979	131,076	135,263	321,318	222,728
Total deferred inflows of resources	54,979	131,076	135,263	321,318	222,728
Total liabilities/def. inflows of resources	29,812,544	2,810,983	5,212,581	37,836,108	7,028,922
NET POSITION					
Net investment in capital assets	17,920,294	5,893,378	3,738,451	27,552,123	163,859
Unrestricted	8,001,760	32,494,985	8,115,475	48,612,220	(448,745)
Total net position	$ 25,922,054	$ 38,388,363	$ 11,853,926	$ 76,164,343	$ (284,886)

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business Type Activities - Enterprise Funds				Governmental Activity
	Water and Sewer Fund	Electric Revenue Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
OPERATING REVENUES					
Utility revenue	$ 5,887,241	$ 22,301,809	$ 4,824,582	$ 33,013,632	$ -
Charges for services	-	-	-	-	1,225,750
Income from joint venture	-	-	1,355,839	1,355,839	-
Intergovernmental	-	-	1,519,138	1,519,138	-
Other revenue	70,441	9,352	167,756	247,549	2,166
Total operating revenues	5,957,682	22,311,161	7,867,315	36,136,158	1,227,916
OPERATING EXPENSES					
Salaries and wages	-	1,142,966	984,238	2,127,204	1,036,533
Operating, administrative, and maintenance	3,006,093	17,474,874	4,407,369	24,888,336	531,687
Depreciation	2,253,921	610,206	459,529	3,323,656	12,248
Total operating expenses	5,260,014	19,228,046	5,851,136	30,339,196	1,580,468
Operating income (loss)	697,668	3,083,115	2,016,179	5,796,962	(352,552)
NONOPERATING INCOME (EXPENSES)					
Interest/investment income	10,944	261,606	3,657	276,207	-
Interest expense	(477,753)	-	(7,605)	(485,358)	-
Issuance costs	(550)	-	-	(550)	-
Gain on disposition of capital assets	8,822	-	43,508	52,330	-
Income before transfers	239,131	3,344,721	2,055,739	5,639,591	(352,552)
Transfers, net	(810,658)	(2,664,623)	(967,233)	(4,442,514)	-
Change in net position	(571,527)	680,098	1,088,506	1,197,077	(352,552)
Net position, beginning of year, (restated)	26,493,581	37,708,265	10,765,420	74,967,266	67,666
Net position (deficit), end of year	$ 25,922,054	$ 38,388,363	$ 11,853,926	$ 76,164,343	$ (284,886)

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business Type Activities - Enterprise Funds				Governmental Activity
	Water and Sewer Fund	Electric Revenue Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 5,982,961	$ 22,383,919	$ 6,556,406	$ 34,923,286	$ 1,238,161
Other receipts	452,797	101,279	1,159,500	1,713,576	-
Intergovernmental receipts (payments)	1,799,849	(1,815,765)	(804,488)	(820,404)	(25,131)
Payments to employees (or for their benefit) for services provided	19,447	(1,096,604)	(936,394)	(2,013,551)	(957,753)
Payments to suppliers for goods or services	(3,222,419)	(15,930,434)	(4,279,381)	(23,432,234)	(596,468)
Net cash provided (used) by operating activities	5,032,635	3,642,395	1,695,643	10,370,673	(341,191)
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers to other funds	(810,658)	(2,664,623)	(967,233)	(4,442,514)	-
Net cash provided (used) by noncapital financing activities)	(810,658)	(2,664,623)	(967,233)	(4,442,514)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from issuance of long-term debt	-	-	136,403	136,403	-
Issuance Costs	(550)	-	-	(550)	-
Proceeds from the sale of assets	9,318	-	47,369	56,687	-
Acquistion and construction of capital assets	(546,956)	(396,495)	(435,382)	(1,378,833)	(67,683)
Principal paid on capital debt	(446,364)	-	(160,921)	(607,285)	-
Interest paid on capital debt	(477,753)	-	(7,605)	(485,358)	-
Net cash provided (used) by noncapital financing activities	(1,462,305)	(396,495)	(420,136)	(2,278,936)	(67,683)

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business Type Activities - Enterprise Funds				Governmental Activity
	Water and Sewer Fund	Electric Revenue Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
CASH FLOWS FROM INVESTING ACTIVITIES					
Change in Investments	-	(842,878)	-	(842,878)	-
Interest/investment income	10,944	261,606	3,657	276,207	-
Net cash provided by investing activities	10,944	(581,272)	3,657	(566,671)	-
Net increase in cash	2,770,616	5	311,931	3,082,552	(408,874)
Balances - beginning	15,779,075	11,536	1,036,919	16,827,530	518,664
Balances - ending	$ 18,549,691	$ 11,541	$ 1,348,850	$ 19,910,082	$ 109,790
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	$ 697,668	$ 3,083,115	$ 2,016,179	$ 5,796,962	(352,552)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation expense	2,253,921	610,206	459,529	3,323,656	12,248
Change in assets and liabilities:					
Receivables, net	478,076	174,037	351,702	1,003,815	10,245
Due to/from other funds	1,799,849	(1,815,765)	(558,112)	(574,028)	(25,131)
Change in investments	-	-	(522,258)	(522,258)	-
Customer deposits	-	-	(18,843)	(18,843)	-
Prepaid expenses	(6,586.0)	2,088.0	4,230.0	(268.0)	718.0
Pension related balances	19,447	46,362	47,844	113,653	78,780
Accounts payable and accrued expenses	(196,521)	1,456,058	(85,849)	1,173,688	(24,588)
Inventory	(13,219)	86,294	1,221	74,296	(40,911)
Net cash provided by operating activities	$ 5,032,635	$ 3,642,395	$ 1,695,643	$ 10,370,673	$ (341,191)

Noncash activity: The water and sewer fund and the electric fund disposed of capital assets with costs of $1,299,654 and $580,995 and accumulated depreciation of $1,299,156 and $580,995, repectively. See the Statement of Cash Flows - Nonmajor Enterprise Funds for non cash activity of the nonmajor enterprise funds.

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
SEPTEMBER 30, 2020

	Pension Trust Fund
ASSETS	
Cash and cash equivalents	$ 585,253
Investments:	
U.S. Government securities	637,114
Corporate bonds	2,009,019
Municipal bonds	1,135,514
Equities	6,562,283
Mutual funds	474,763
Asset-backed securities	798,628
Certificate of deposit	515,797
Receivables:	
Employer contribution	273,254
Investment income	31,133
Total assets	13,022,758
LIABILITIES	-
NET POSITION	
Held in trust for pension benefits (a schedule of funding progress is presented in the notes to the financial statements)	$ 13,022,758

See accompanying notes to the basic financial statements.

CITY OF MOULTRIE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Pension Trust Fund
Additions	
Contributions:	
Employer	$ 316,844
Total contributions	316,844
Investment income:	
Net appreciation in fair value of investments	533,966
Interest and dividends	345,221
Less - investment expenses	(113,744)
Net investment income	765,443
Total additions	1,082,287
Deductions	
Pension benefits paid	1,140,237
Administrative expenses	8,780
Total deductions	1,149,017
Net increase (decrease)	(66,730)
Net assets held in trust for pension benefits, beginning of year	13,089,488
End of year	$ 13,022,758

See accompanying notes to the basic financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

Downtown Development Authority of the City of Moultrie

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government – Wide Financial Statements

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

provider have been met. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

Fund Financial Statements

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

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

The City reports the following 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Deferred Outflows of Resources

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

Deferred Inflows of Resources

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

Compensated Absences

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Encumbrances
Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve the portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Fund and Capital Projects Funds. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at the end of the year. Encumbrances are re-appropriated in the following year, except for encumbrances in the Capital Projects Funds which are continuing. Encumbrances do not represent GAAP expenditures. On September 30, 2020, there were no encumbrances outstanding.

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

NOTE 2 – BUDGETS AND BUDETARY ACCOUNTING

Budget Process

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

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

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

Capital Projects Budget

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

Deficit Fund Balances/Net Position in Individual Funds

The following funds had deficit net positions as of September 30, 2020:

Internal Service Fund - $284,886
Utilities Deposit Fund - $23,998

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

NOTE 2 – BUDGETS AND BUDETARY ACCOUNTING (CONTINUED)

Excess of Expenditures Over Appropriations in Departments and Individual Funds

No funds incurred actual expenditures in excess of budgeted amounts for the year ended September 30, 2020.

NOTE 3 – DEPOSITS AND INVESTMENTS – PRIMARY GOVERNMENT

Total primary government deposits and investments as of September 30, 2020, are summarized as follows:

	Deposits with Financial Institutions	Investments	Total
Cash and cash equivalents	$ 28,814,737	$ -	$ 28,814,737
Restricted cash and cash equivalents	7,791,797	-	7,791,797
Investments	-	28,695,195	28,695,195
Total	$ 36,606,534	$ 28,695,195	$ 65,301,729

Interest Rate Risk

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

Credit Risk

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

Custodial Credit Risk – Deposits

The City does not have a formal custodial credit risk policy. Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statues require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government or bond of public authorities, counties or municipalities. As of September 30, 2020, the City had no uncollateralized deposits.

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Investments

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

Primary government	
Amounts as presented on the entity-wide Statememt of Net Position	
Governmental activities:	
Cash and cash equivalents	$ 9,136,817
Restricted cash and cash equivalents	7,559,635
Investments	8,232,953
Business-type activities:	
Cash and cash equivalents	19,677,920
Investments	20,462,242
Restricted cash and cash equivalents	232,162
Total primary government	$ 65,301,729
Amounts as presented on the Statement of Fiduciary Net Position	
Cash and cash equivalents	$ 585,253
Investments	12,133,118
Total primary government	$ 12,718,371
Component unit:	
Cash and cash equivalents	$ 146,541
Restricted cash and cash equivalents	138,329
Total component unit	$ 284,870

Investments

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

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

The City is authorized to direct the MEAG to retain or use the discretionary funds. On September 30, 2020, the City's balance in the discretionary stabilization fund was $16,820,737.

Investments are categorized into three categories of credit risk:

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

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

See below for the categories and credit and interest rate of the City's investments as of September 30, 2020:

	Category			Credit	Average
	1	2	Fair Value	Quality	Maturities
General Fund					
Certificate of deposit	$ 8,232,953	$ -	$ 8,232,953	NR	1-4 years
Pension Trust Fund					
U.S. Gov. securities	637,114	-	637,114	Aaa	1-10 years
Corporate bonds	1,805,125	203,894	2,009,019	Baa1-Aaa	1-10 years
Municipal bonds	-	1,135,514	1,135,514	A3-Aa1	1-10+ years
Equities - common stock	6,562,283	-	6,562,283	NR	N/A
Mutual funds	474,763	-	474,763	NR	N/A
Asset-backed securities	-	798,628	798,628	NR	1-10+ years
Certificate of deposit	515,797	-	515,797	NR	3 years
Proprietary Funds					
Municipal Comp. Trust	-	20,462,242	20,462,242	NR	1-10+ years
Total	$ 18,228,035	$ 22,600,278	$40,828,313		

NOTE 4 – RECEIVABLES AND TAX REVENUE

Property Tax

Property taxes were levied in September 2019 and payable before December 2019 for the fiscal year 2020 tax. Property tax revenues are recognized when levied to the extent they result in current receivables. The City's fiscal year 2021 tax was levied on September 30, 2020 and was recorded as taxes receivable in the General Fund. The portion not collected within 60 days of year end is reported as deferred revenue.

The tax rate levied during the fiscal year 2020 for the City's operations was 9.75 mills (mill equals $1 per thousand dollars of assessed value).

The City maintains no allowance for uncollectible property taxes at September 30, 2020.

Sales Tax

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

NOTE 4 – RECEIVABLES AND TAX REVENUE (CONTINUED)

Receivables

Receivables as of September 30, 2020, are as follows:

	Governmental Activities	Business-Type Activities	Total
Receivables:			
Accounts			
General Fund	$ 202,267	$ -	$ 202,267
Internal Service Fund	15,672	-	15,672
Water and Sewer Fund	-	1,538,066	1,538,066
Electric Revenue Fund	-	4,369,499	4,369,499
Nonmajor enterprise funds	-	2,880,249	2,880,249
Property tax			
General Fund	3,271,887	-	3,271,887
Intergovernmental			
Nonmajor governmental funds	417,026	-	417,026
Sales tax			
General Fund	92,032	-	92,032
Program			
Nonmajor governmental funds	15,320	-	15,320
Gross receivables	4,014,204	8,787,814	12,802,018
Less allowance for uncollectibles			
Water and Sewer Fund	-	(842,589)	(842,589)
Electric Revenue Fund	-	(1,511,435)	(1,511,435)
Nonmajor enterprise funds	-	(2,254,574)	(2,254,574)
	-	(4,608,598)	(4,608,598)
Total net receivables	$4,014,204	$ 4,179,216	$ 8,193,420

NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

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, 2020 is as follows:

	Interfund Balances		
	Receivables	Payables	Net
Governmental activities:			
General fund:			
Nonmajor governmental funds	$ 305	$ (7,990)	$ (7,685)
Internal Service Fund	5,819,159	(4,043,799)	1,775,360
Water and Sewer Fund	41,262	-	41,262
Electric Revenue Fund	541,331	(720,000)	(178,669)
Nonmajor enterprise funds	-	(4,901,929)	(4,901,929)
Nonmajor Governmental Funds:			
General Fund	7,990	(305)	7,685
Nonmajor governmental funds	100	(100)	-
Internal Service Fund	-	(48)	(48)
Water and Sewer Fund	-	(442,897)	(442,897)
Electric Revenue Fund	801	(1,077)	(276)
Nonmajor enterprise funds	8,259	-	8,259
Internal Service Fund:			
General Fund	4,043,799	(5,819,159)	(1,775,360)
Nonmajor governmental funds	48	-	48
Water and Sewer Fund	129,102	(1,711)	127,391
Electric Revenue Fund	73,059	(2,081)	70,978
Nonmajor enterprise funds	1,141,327	(587)	1,140,740
Total governmental activities	11,806,542	(15,941,683)	(4,135,141)
Business-type activities:			
Water and Sewer Fund:			
General Fund	-	(41,262)	(41,262)
Nonmajor governmental funds	442,897	-	442,897
Internal Service Fund	1,711	(129,102)	(127,391)
Electric Revenue Fund	-	(8,505,145)	(8,505,145)
Nonmajor enterprise funds	602	(3,353,679)	(3,353,077)
Electric Revenue Fund:			
General Fund	720,000	(541,331)	178,669
Nonmajor governmental funds	1,077	(801)	276
Internal Service Fund	2,081	(73,059)	(70,978)
Water and Sewer Fund	8,505,145	-	8,505,145
Nonmajor enterprise Funds	1,292,922	(139)	1,292,783

NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS (CONTINUED)

	Interfund Balances		
	Receivables	Payables	Net
Nonmajor enterprise Funds:			
General Fund	4,901,929	-	4,901,929
Nonmajor governmental funds	-	(8,259)	(8,259)
Internal Service Fund	587	(1,141,327)	(1,140,740)
Water and Sewer Fund	3,353,679	(602)	3,353,077
Electric Revenue Fund	139	(1,292,922)	(1,292,783)
Nonmajor enterprise Funds:	344	(344)	-
Total business-type activities	19,223,113	(15,087,972)	4,135,141
Total	$31,029,655	$(31,029,655)	$ -

The composition of receivables and payables between the City and its component unit as of September 30, 2020 is as follows:

	Receivables	Payables	Net
Component Unit			
Internal Service Fund			
Downtown Development Authority	$ 53	$ -	$ 53
Water & Sewer Fund:			
Downtown Development Authority	235,000	-	235,000
Downtown Development Authority			
Internal Service Fund	-	(53)	(53)
Water & Sewer Fund	-	(235,000)	(235,000)
Total	$ 235,053	$ (235,053)	$ -

Interfund Transfers

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

NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS (CONTINUED)

Interfund transfers for the year ended September 30, 2020 consisted of the following:

	Transfers		
	In	Out	Net
Governmental activities:			
General fund:			
Nonmajor governmental funds	$ -	$ (15,000)	$ (15,000)
Water and Sewer Fund	786,180	-	786,180
Electric Revenue Fund	3,183,217	-	3,183,217
Nonmajor enterprise funds	856,780	-	856,780
Nonmajor Governmental Funds:			
General Fund	15,000	-	15,000
Water and Sewer Fund	-	(413,663)	(413,663)
Electric Revenue Fund	15,000	-	15,000
Nonmajor enterprise funds	15,000	-	15,000
Total governmental activities	4,871,177	(428,663)	4,442,514
Business-type activities:			
Water & Sewer Fund:			
General Fund	-	(786,180)	(786,180)
Nonmajor governmental Funds	413,663	-	413,663
Electric Revenue Fund	-	(438,141)	(438,141)
Electric Revenue Fund:			
General Fund	-	(3,183,217)	(3,183,217)
Nonmajor governmental Funds	-	(15,000)	(15,000)
Water and Sewer Fund	438,141	-	438,141
Nonmajor enterprise funds	95,453	-	95,453
Nonmajor Enterprise Funds:			
General Fund	-	(856,780)	(856,780)
Electric Revenue Fund		(95,453)	(95,453)
Nonmajor Governmental Funds		(15,000)	(15,000)
Total business-type activities	947,257	(5,389,771)	(4,442,514)
Total	$ 5,818,434	$ (5,818,434)	$ -

NOTE 6 – CAPITAL ASSETS

The following is a summary of capital asset activity as of September 30, 2020:

	Beginning Balance	Additions/ Transfers	Retirements/ Transfers	Ending Balance
Governmental activities:				
Capital assets not being depreciated				
Land and improvements	$ 1,394,670	$ -	$ -	$ 1,394,670
Construction in progress	339,814	287,097	(339,814)	287,097
Total capital assets not being depreciated	1,734,484	287,097	(339,814)	1,681,767
Capital assets being depreciated				
Buildings and improvements	12,219,630	6,635	(6,476,275)	5,749,990
Machinery & equipment	9,038,933	617,151	(2,067,540)	7,588,544
Infrastructure	50,778,251	1,194,510		51,972,761
Total assets being depreciated	72,036,814	1,818,296	(8,543,815)	65,311,295
Less accumulated depreciation for:				
Buildings and improvements	(8,117,287)	(208,340)	4,787,998	(3,537,629)
Machinery & equipment	(7,316,553)	(461,030)	1,976,818	(5,800,765)
Infrastructure	(36,352,105)	(491,963)	-	(36,844,068)
Total accumulated depreciation	(51,785,945)	(1,161,333)	6,764,816	(46,182,462)
Total capital assets being depreciated, net	20,250,869	656,963	(1,778,999)	19,128,833
Governmental activities capital assets, net	$ 21,985,353	$ 944,060	$ (2,118,813)	$ 20,810,600
Business-type activities:				
Capital assets not being depreciated				
Land and improvements	$ 1,209,382	$ -	$ -	$ 1,209,382
Construction in progress	11,450	109,577	(11,450)	109,577
Total capital assets not being depreciated	1,220,832	109,577	(11,450)	1,318,959
Capital assets being depreciated				
Buildings	5,917,994	-	-	5,917,994
Other improvements	88,582,802	856,394	(588,010)	88,851,186
Machinery & equipment	10,499,479	424,313	(3,558,525)	7,365,267
Total assets being depreciated	105,000,275	1,280,707	(4,146,535)	102,134,447

NOTE 6 – CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Retirements/ Deletions	Ending Balance
Less accumulated depreciation for:				
Buildings	(3,502,229)	(149,764)		(3,651,993)
Other improvements	(47,787,130)	(2,699,185)	588,010	(49,898,305)
Machinery & equipment	(7,688,127)	(474,706)	3,554,164	(4,608,669)
Total accumulated depreciation	(58,977,486)	(3,323,655)	4,142,174	(58,158,967)
Total capital assets being depreciated, net	46,022,789	(2,042,948)	(4,361)	43,975,480
Total business-type activities capital assets net	$ 47,243,621	$ (1,933,371)	$ (15,811)	$ 45,294,439

Depreciation expense was charged to divisions as follows:

Governmental activities:	
General government	$ 107,040
Public safety	319,549
Public works	664,762
Parks and recreation	68,054
Community development	1,928
Total depreciation expense - governmental activities	$ 1,161,333
Business-type activities	
Water and sewer	$ 2,253,920
Electric	610,206
Gas	92,172
Solid waste	231,041
Airport operations	81,596
Mass transit	54,720
Total depreciation expense - business-type activities	$ 3,323,655

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Component Unit

Capital asset activity for the Downtown Development Authority of the City of Moultrie, a discretely presented component unit, for the year ended September 30, 2020 is as follows:

	Beginning Balance	Additions	Retirements/ Deletions	Ending Balance
Component Unit:				
Business-type Activities				
Capital assets not being depreciated				
Land and improvements	$ 311,895	$ -	$ -	$ 311,895
Construction in progress	-	54,625	-	54,625
Total capital assets not being depreciated	311,895	54,625	-	366,520
Capital assets being depreciated				
Buildings	1,930,788	-	-	1,930,788
Other improvements	58,418	-	-	58,418
Total assets being depreciated	1,989,206	-	-	1,989,206
Less accumulated depreciation for:				
Buildings	(965,395)	(96,539)	-	(1,061,934)
Other improvements	(19,310)	(1,947)	-	(21,257)
Total accumulated depreciation	(984,705)	(98,486)	-	(1,083,191)
Total capital assets being depreciated, net	1,004,501	(98,486)	-	906,015
Governmental activities capital assets, net	$ 1,316,396	$ (43,861)	$ -	$ 1,272,535

NOTE 7 – LONG-TERM DEBT

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, 2020, are as follows:

South Georgia Governmental Services Authority Revenue Bonds, Series 2012

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

Description	Original Amount	Interest Rate	Due Date	Amount
Water and Sewer Fund:				
South Georgia Governmental Services Authority	$12,775,000	2.00-3.75%	2042	9,275,000
				$ 9,275,000
			Unamortized discount/premium/loss	(102,586)
			Less current portion	(75,000)
			Long-term portion, net of unamortized discount/premium/loss	$ 9,097,414

NOTE 7 – LONG-TERM DEBT (CONTINUED)

The annual debt service requirement to maturity of the Revenue Bonds on September 30, 2020 is as follows:

Year Ending September 30	Principal	Interest	Total
2021	$ 75,000	$ 336,788	$ 411,788
2022	75,000	334,913	409,913
2023	80,000	330,037	410,037
2024	80,000	330,798	410,798
2025	85,000	328,557	413,557
2026-2030	455,000	1,603,191	2,058,191
2031-2035	2,115,000	1,476,294	3,591,294
2036-2040	4,340,000	868,806	5,208,806
2041-2042	1,970,000	111,562	2,081,562
Total	$ 9,275,000	$ 5,720,946	$ 14,995,946

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

The City's component unit's revenue bonds outstanding on September 30, 2020 are as follows:

Description	Original Amount	Interest Rate	Due Date	Amount
Downtown Development Authority				
Series B	$ 2,410,000	4.92%	2028	$ 1,300,000
			Less current portion	(120,000)
			Long-term portion	$ 1,180,000

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

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

NOTE 7 – LONG-TERM DEBT (CONTINUED)

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

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

Year Ending September 30	Principal	Interest	Total
2021	$ 120,000	$ 63,960	$ 183,960
2022	125,000	58,056	183,056
2023	130,000	51,906	181,906
2024	135,000	45,510	180,510
2025	145,000	38,868	183,868
2026-2029	645,000	81,426	726,426
Total	$ 1,300,000	$ 339,726	$ 1,639,726

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Other Long-Term Debt

On September 30, 2020, the Water and Sewer Fund had a note payable to the Georgia Environmental Facilities Authority whereby it may borrow up to $3,384,500. The outstanding balance on September 30, 2020 was $703,638. The debt is being used for the rehabilitation of the existing wastewater treatment facility.

On September 30, 2020, the Water and Sewer Fund had a note payable to the Georgia Environmental Facilities Authority whereby it may borrow up to $3,500,000. The outstanding balance on September 30, 2020 was $879,948. The debt is being used for the renovation of the existing wastewater treatment facility.

On September 30, 2020, the Water and Sewer Fund entered into an agreement with the Georgia Environmental Facilities Authority whereby it may borrow up to $2,750.000. The outstanding balance on September 30, 2020 was $1,367,191. The debt is being used to finance the costs of acquiring, constructing, and installing environmental facilities.

On September 30, 2020, the Water and Sewer Fund entered into an agreement with Georgia Environmental Facilities Authority whereby it may borrow up to $6,100,000. The outstanding balance on September 30, 2020 was $5,296,208. The debt is being used to finance the costs of acquiring, constructing, and installing environmental facilities.

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

Year Ending June 30	Principal	Interest	Total
2021	$ 321,583	$ 130,513	$ 452,096
2022	437,064	165,730	602,794
2023	446,741	156,053	602,794
2024	456,649	146,146	602,795
2025	466,792	136,002	602,794
2026-2030	2,494,803	519,169	3,013,972
2031-2035	2,290,322	248,719	2,539,041
2036-2039	1,333,031	55,911	1,388,942
Total	$ 8,246,985	$ 1,558,243	$ 9,805,228

Note: GEFA modified the above loans to provide a 6-month payment deferral for the period of July 1 to December 1, 2020. The above debt service requirements reflect no payments due for the period of October 1 to December 1, 2020.

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Capital Leases

The City has entered into several lease agreements as lessee for financing the acquisition of equipment and a fire station through the Georgia Municipal Association direct installment program. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term) and have been recorded at the present values of the future minimum lease payments as of the date of their inceptions. These leases are being serviced by General Fund, Water and Sewer Fund and Solid Waste Fund payments with annual interest rates varying from 1.62% to 2.94%.

The following is an analysis of equipment leased under capital leases as of September 30, 2020:

	Governmental Activities	Business-Type Activities Solid Waste Fund
Vehicles	$ 999,331	$ 630,393
Less accumulated amortization	(337,141)	(203,279)
Carrying value	$ 662,190	$ 427,114
Current amortization	$ 88,961	$ 55,052

The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments on September 30, 2020.

Year Ending September 30	Governmental Activities	Business-Type Activities Solid Waste Fund
2021	$ 151,438	$ 179,388
2022	111,427	64,205
2023	111,427	24,534
2024	111,427	24,534
2025	66,537	24,534
2026	37,063	18,400
Total minimum lease payments	589,319	335,595
Less amount representing interest	(35,195)	(12,678)
	$ 554,124	$ 322,917

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases	$ 402,118	$ 274,764	$ (122,758)	$ 554,124	$ 138,905
Compensated absences	49,286	17,500	(34,256)	32,530	15,000
Total governmental actvities	451,404	292,264	(157,014)	586,654	153,905
Business-type activities:					
Bonds payable*	9,350,000	-	(75,000)	9,275,000	75,000
Less deferred amounts:					
Issuance discount	(107,249)	-	4,663	(102,586)	(4,663)
Total bonds payable	9,242,751	-	(70,337)	9,172,414	70,337
Notes payable	8,563,344	-	(316,359)	8,246,985	321,583
Capital leases	407,105	136,403	(220,591)	322,917	173,799
Total business-type activities	$ 18,213,200	$ 136,403	$ (607,287)	$ 17,742,316	$ 565,719

**The beginning balance has been restated to reflect the proper beginning balance. See Note 18.*

Long-term liability activity for the City's component unit for the year ended September 30, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Bonds payable	$ 1,410,000	$ -	$ (110,000)	$ 1,300,000	$ 120,000
Total business-type actvities	$ 1,410,000	$ -	$ (110,000)	$ 1,300,000	$ 120,000

Compensated absences are liquidated by the General Fund.

NOTE 8 – LEASING ACTIVITIES

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

On September 30, 2020, the amount of property and buildings lease by the DOL which is included on the Statement of Net Position of the Downtown Development Authority is $2,301,101, with accumulated depreciation of $1,083,191.

On September 30, 2020, the minimum future lease payments to be received under the operating lease are as follows.

Year Ended September 30	Governmental Activities
2021	$ 179,460
2022	179,460
2023	179,460
2024	179,460
2025	179,460
2026 - 2028	358,920
	$ 1,256,220

NOTE 9 – RESTRICTIONS OF FUND BALANCES

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

Fund balance restrictions on September 30, 2020 include:

Capital projects funds	
Restricted for specific projects to reflect resources funded by SPLOST and Federal Grants	$6,701,589
Community development	487,991
Special Revenue Funds	
Restricted to reflect resources legally restricted for:	
Community development	256,587
Public safety	24,646
Total restricted net position	$7,470,813

NOTE 10 – PENSION PLAN

Plan Description

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

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

At October 1, 2019, the date of the most recent actuarial valuation, there were 244 participants consisting of the following:

Retires and benficiaries currently receving benefits	105
Vested terminiated employees not yet receiving benefits	10
Active employees	112
Total	227

Method used to Value Investments

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

NOTE 10 – PENSION PLAN (CONTINUED)

Contributions

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

The annual required contribution for the year ended September 30, 2020 was determined as part of the October 1, 2019, actuarial valuation using the entry age method. The actuarial assumptions included a) an interest rate of 6.5%, net of investment expenses, b) projected salary increases of 3.25% per year and c) no inflation rate assumption. Mortality rates were based on the RP-2000 Mortality Table projected with Scale AA.

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

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equities	50%	5.00%
Domestic fixed income	50%	1.50%
Total or weighted arithmetic average	100%	3.25%

NOTE 10 – PENSION PLAN (CONTINUED)

Changes in Net Pension Liability:

The total pension liability was determined by an actuarial valuation as of October 1, 2019 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2020. Changes in the net pension liability for the year ended September 30, 2020 were as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2018	$ 16,582,526	$ (13,089,488)	$ 3,493,038
Changes for the year:			
Service costs	-	-	-
Interest	842,108	(665,633)	176,475
Unexpected investment income	-	(99,810)	(99,810)
Difference between expected and actual experience	775,807	-	775,807
Contributions - employer	-	(316,844)	(316,844)
Net investment income	-	-	-
Benefit payments	(1,140,237)	1,140,237	-
Adminstrative expense	-	8,780	8,780
Other	-	-	-
Net changes	477,678	66,730	544,408
Balances at September 30, 2019	$ 17,060,204	$ (13,022,758)	$ 4,037,446

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

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

	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)
Net pension liability	$ 6,260,458	$ 4,037,446	$ 2,234,233

NOTE 10 – PENSION PLAN (CONTINUED)

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

On September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following source:

	Deferred Outflows of Resources	Deferred Inflows Resources
Balances at September 30, 2019	$ 4,155,140	$ 1,075,307
Changes for the year:		
Amortization payments	(691,946)	(223,908)
Investment gain/loss	-	99,810
Demographic gain/loss	775,806	-
Assumption changes	-	-
Net changes	83,860	(124,098)
Balances at September 30, 2020	$ 4,239,000	$ 951,209

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at September 30, 2019 will be recognized in pension expense as follows:

Fical Year Ending:	Total	Total
2021	$ 691,946	$ 196,268
2022	691,946	168,065
2023	691,948	126,864
2024	660,478	126,536
2025	648,670	93,147
Thereafter	854,012	240,329
	$ 4,239,000	$ 951,209

NOTE 10 – PENSION PLAN (CONTINUED)

Peace Officers' Annuity and Benefit Fund of Georgia

Plan Description:

The Peace Officers' Annuity and Benefit Fund of Georgia (POABFG) is a cost-sharing multiple-employer defined benefit created in 1950 by the General Assembly of Georgia to provide retirement benefits to peace officers. Members of the POABFG are employed by units of government throughout the State of Georgia. The employers of the POABFG's members do not make contributions to the POABFG. The State of Georgia provides non-employer contributions to the POABFG through the collection of court fines and forfeitures. Detailed information about the benefits provided to members is available in the separately issued POABFG financial report which is publicly available.

Actuarial Assumptions:

The net position liability was measured as of September 30, 2019 and the total pension liability used to calculate the net pension liability was based on an actuarial valuation as of that date. The total pension liability in the actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	1.9%
Salary Increases	n/a
Investment rate of return	6.50%
Mortality rates	RP-2014 Healthy Mortality Table

The long-term expected rate of return on pension plan investments was calculated by the POABFG's investment manager as 7.27% using a Monte Carlo simulation in which best estimate ranges of expected future real rate of return (expected nominal returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The POABFG's administrator determined that 6.50% was a reasonable assumption for the long-term rate of return on plan assets based on the calculation by the POABGF's investment manager.

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

NOTE 10 – PENSION PLAN (CONTINUED)

Net Pension Liability:

On September 30, 2020, the City did not have a liability for a proportionate share of the net pension liability (asset) of the POABFG because of the related support from the State of Georgia. The amount of the State's proportionate share of the net pension liability (asset) associated with the City was $7,171 as of September 30, 2020.

Pension Expense:

For the year ended September 30, 2019 the City recognized pension expense related to the POABFG of $6,684 and revenue of $6,684 for support provided by the State of Georgia.

Georgia Firefighter's Pension Fund

Plan Description:

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

Actuarial Assumptions:

The net pension liability was measured as of September 30, 2019 and the total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. The total pension liability in the actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	n/a
Investment rate of return	6.00%
Mortality rates	RP-2000 Employee Mortality Table

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTE 10 – PENSION PLAN (CONTINUED)

The discount rate used to measure the total pension liability was 6.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability:

On September 30, 2020, the City did not have a liability for proportionate share of the net pension liability of the GFPF because of the related support from the State of Georgia. The amount of the State's proportionate share of the net pension liability associated with the City was $412,821 as of September 30, 2020.

Pension Expense:

For the year ended September 30, 2020, the City recognized pension expense related to the GFPF of $118,021 and revenue of $118,021 for support provided by the State of Georgia.

NOTE 11 – DEFINED CONTRIBUTION PLAN

A 457(a) retirement plan has been established for all full-time employees whereby they can contribute up to the allowable annual contribution of $18,500 if they choose and can use the catchup allowable amount during their final years before retiring. The plan also serves as the retirement plan for the City Manager and the Finance Director. For the year ended September 30, 2020, the city contributed $14,430 to the 457(a) plan on behalf of the City Manager and Finance Director.

NOTE 12 – JOINT VENTURES

Southwest Georgia Regional Commission

Under Georgia law, the City, in conjunction with other cities and counties in the eight county Southwest Georgia area, is a member of the Southwest Georgia Regional Commission and is required to pay annual dues thereto. During the year ended September 30, 2020, the City paid $15,578 in such dues.

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

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

South Georgia Governmental Services Authority

The South Georgia Governmental Services Authority (SGGSA) was created by the South Georgia Governmental Services Authority Act (State of Georgia, House Bill 879) in March of 2001 for the purpose of providing governmental, proprietary and administrative services and facilities to the Cities of Moultrie, Camilla, Cairo, and Thomasville and other subdivisions, agencies and authorities within its area of operation. The SGGSA provides video, internet, telephony and telecom services under the trade name "CNS". Moultrie is a member of the SGGSA along with the cities of Camilla, Cairo and Thomasville, Georgia. SGGSA is accounted for as a joint venture with equity interests by the members and is recorded in the CNS Broadband enterprise fund. The fiscal year of the SGGSA ends December 31. These financial statements included Moultrie's share of SGGSA net income for the SGGSA fiscal year ended December 31, 2019 in the amount of $1,304,477. The investment has a carrying value of $3,015,448 on September 30, 2020, which is the amount of Moultrie's share of book value of the entity plus or minus capital contributions made or distributions received from January 1, 2020 through September 30, 2020. The SGGSA board is made up of eight members, two appointed by each participating city for four-year terms.

Separate financial statements may be obtained from:

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

NOTE 12 – JOINT VENTURES (CONTINUED)

Moultrie – Colquitt County Development Authority

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

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

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

NOTE 13 – RELATED ORGANIZATION

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

NOTE 14 – HOTEL/MOTEL TAX

The City has levied a 7% lodging tax. For the year ended September 30, 2020, $308,218 of hotel/motel tax was collected. Management represents that 100% of the lodging tax received during the year ended September 30, 2020 was used for the promotion of tourism, conventions, or trade shows.

NOTE 15 – RISK MANAGEMENT

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

Property and General Liability and Worker's Compensation

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

NOTE 15 – RISK MANAGEMENT (CONTINUED)

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

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

Group Medical Benefits

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

	Unpaid Claims	
	2020	2019
Unpaid claims, beginning of year	140,033	128,683
Incurred claims (including IBNRs)	2,284,026	1,463,190
Claim payments	(2,280,468)	(1,451,840)
Unpaid claims, end of year	$ 143,591	$ 140,033

Settlements

During the year ended September 30, 2020, 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, 2018, 2019 and 2020.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

Litigation

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

Grants from Governments

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

Agreements with the Municipal Electric Authority of Georgia

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

As of September 30, 2020, the City is an electric utility participant in MEAG and obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all of its future power and energy requirements in excess of that received by the City through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by the Authority. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating City has guaranteed a portion of the unpaid debt based on its individual entitlement shares of the output and services of generating units acquired to constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts amounted to $16,791,16 in for the year ended September 30, 2020.

On September 30, 2020, the outstanding debt of MEAG was approximately $8.1 billion. The City's guarantee varies by individual projects undertaken by MEAG and total approximately $178.2 million on September 30, 2020.

NOTE 16 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreements with the Municipal Gas Authority of Georgia

The City has entered into a contract for the purchase of wholesale natural gas supplies and related services with the Municipal Gas Authority of Georgia (MGAG) that requires the City to purchase all of its natural gas from MGAG. The gas supply contract with MGAG authorizes MGAG to establish rates and charges so as to produce revenues sufficient to cover its operating costs and retire its bonds issued to acquire long-term gas supplies for sale to its members, including the City. In the event that revenues are insufficient to cover all costs and retire bonds issued by MGAG, the City is obligated to pay its obligation share of the costs of the gas supply and related services MGAG provides to the City, which costs include amounts equal to principal and interest on MGAG's bonds. These obligations, which extend through the year 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 bond issues to purchase long-term rights to bulk supply. The total payments under these contracts amounted to $1,059,858 for the year ended September 30, 2020.

On September 30, 2020, MGAG's bonds to which the City's obligation share is applicable were outstanding in the approximate principal amount of $175 million. The City's obligation share of that amount totals approximately $1.7 million on September 30, 2020.

NOTE 18 – ADJUSTMENTS TO PREVIOUSLY ISSUED FINANCIAL STATEMENTS

After the issuance of its financial statements for the year ended September 30, 2019, the City discovered various errors. The City has restated beginning net positions and fund balances on September 30, 2019, as follows to correct the errors:

	Fund Financial Statements				
Beginning Fund Balance or Net Position	General Fund	Other Governmental Funds	Total Governmental Funds	Internal Service Fund	Governmental Activities
Beginning balance, September 30, 2019	$ 13,706,983	$ 5,990,973	$ 19,697,956	$ 248,187	$ 43,090,523
Overstatement of:					
Inventory	(63,062)	-	(63,062)	-	(63,062)
Accounts receivable	(123,845)	-	(123,845)	(180,521)	(304,366)
Understatement of:					
Liability	(35,957)	-	(35,957)	-	(35,958)
Change in net position	(222,864)	-	(222,864)	(180,521)	(403,386)
Beginning balance, September 30, 2019, restated	$ 13,484,119	$ 5,990,973	$ 19,475,092	$ 67,666	$ 42,687,137

	Enterprise Funds				Business-Type
Beginning Net Position	Water and Sewer Fund	Electric Revenue Fund	Nonmajor Enterprise Funds	Total	Activities
Beginning balance, September 30, 2019	$ 26,403,990	$ 39,230,144	$ 10,919,210	$ 76,553,344	$ 76,553,344
Overstatement of:					
Accounts receivable	(373,206)	(1,521,879)	(153,790)	(2,048,875)	(2,048,875)
Bonds payable	10,000	-	-	10,000	10,000
Understatement of:					
Intergovernmental receivables	452,797	-	-	452,797	452,797
Change in net position	89,591	(1,521,879)	(153,790)	(1,586,078)	(1,586,078)
Beginning balance, September 30, 2019, restated	$ 26,493,581	$ 37,708,265	$ 10,765,420	$ 74,967,266	$ 74,967,266

NOTE 19 – SPECIAL ITEM – TRANSFER OF OPERATIONS

On October 1, 2017, the City transferred various parks and recreation department assets (excluding real estate) and a liability to Moultrie-Colquitt County Parks and Recreation Authority ("MCCPRA") in a governmental transfer of operations. Following the original transfer, the City leased its parks and recreational related land and buildings to MCCPRA.

On January 21, 2020, the City transferred its parks and recreational related land and buildings to MCCPRA through a deed of trust. The net position transferred, $1,720,532, consists of the carrying value of the capital assets transferred and is reported on the government-wide statement of activities as a special item.

NOTE 20 – COVID-19 AND SUBSEQUENT EVENTS

The COVID-19 pandemic developed rapidly in 2020 and continues into 2021, with a significant number of cases. Measures taken by various governments to contain the virus has affected economic activity. Depending on the duration of the COVID-19 crisis and continued negative impact on economic activity, the City could experience negative results and liquidity restraints. The exact impact on the City in the subsequent fiscal year cannot be predicted.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MOULTRIE
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	$ 3,412,745	$ 3,412,745	$ 3,784,740	$ 371,995
Other taxes	1,948,658	1,948,658	2,060,798	112,140
Licenses and permits	795,000	795,000	789,318	(5,682)
Fines and forfeitures	480,000	480,000	442,437	(37,563)
Intergovernmental	338,517	561,691	1,166,440	604,749
Charges for services	40,000	40,000	79,207	39,207
Investment income	75,000	75,000	205,357	130,357
Proceeds from borrowing	-	274,764	274,764	-
Other revenues	225,000	225,000	44,533	(180,467)
Total revenues	7,314,920	7,812,858	8,847,594	1,034,736
Expenditures				
Current				
General government				
City council	810,688	816,688	724,687	(92,001)
City manager	242,742	242,742	237,498	(5,244)
Finance	387,495	387,495	376,479	(11,016)
Purchasing	66,024	66,024	59,863	(6,161)
Human resources	265,184	265,184	271,918	6,734
City hall	47,356	54,856	50,800	(4,056)
Facilities maintenance	226,660	226,660	213,449	(13,211)
Engineering	307,771	307,771	282,714	(25,057)
Total general government	2,353,920	2,367,420	2,217,408	(150,012)
Judicial				
Municipal court	370,928	370,928	298,451	(72,477)
Total judicial	370,928	370,928	298,451	(72,477)
Public safety				
Police	3,385,981	3,389,981	3,202,856	(187,125)
Fire	2,939,972	3,355,954	3,332,683	(23,271)
Total public safety	6,325,953	6,745,935	6,535,539	(210,396)
Public works				
Office of the director	384,130	384,130	366,462	(17,668)
Streets and sidewalks	1,285,917	1,285,917	1,438,046	152,129
Beautification	835,912	1,045,378	667,188	(378,190)
Total public works	2,505,959	2,715,425	2,471,696	(243,729)
Community development				
Planning and zonning	449,731	449,731	423,499	(26,232)
Total community development	449,731	449,731	423,499	(26,232)

CITY OF MOULTRIE
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance
	Original	Final	Actual Amounts	with Final Budget
Debt service				
Principal	129,688	137,702	122,758	(14,944)
Interest	13,506	30,173	12,783	(17,390)
Total debt service	143,194	167,875	135,541	(32,334)
Total expenditures	12,149,685	12,817,314	12,082,134	(735,180)
Excess (deficiency) of revenus over expenditures				
Other Financing Sources (Uses)				
Transfers	4,747,011	4,747,011	4,561,177	(185,834)
Total other financing sources (uses)	4,747,011	4,747,011	4,561,177	(185,834)
Net change in fund balances	(87,754)	(257,445)	1,326,637	1,584,082
Fund balances, beginning of year, (restated)	13,484,119	13,484,119	13,484,119	-
Fund balances, end of year	$ 13,396,365	$13,226,674	$14,810,756	$ 1,584,082

Budget-to-Actual Reconciliation

An explanation of the difference between budgetary inflows and outflows and revenues and expenditures determine in accordance with generally accepted accounting principles are as follows:

Sources/inflows of resources:	
Actual amount (budgetary basis) of revenue from above	$ 8,847,594
Difference - budget to GAAP:	
Proceeds from borrowing are reported as other financing resources	(274,764)
Total revenues ans reported on the statement of revenues, expenditures, and changes in fund balances - govermental funds	$ 8,572,830
Uses/outflows of resources:	
Actual amounts (budgetary basis) "toal expenditures from above	$12,082,134
Difference - budget to GAAP:	
Funds provided to a component unit are reported as expenditures in the funds instead of transfers as budgeted	250,000
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - govermental funds	$12,332,134

CITY MOULTRIE
SCHEDULE OF CHANGES IN GMEBS NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN YEARS*
SEPTEMBER 30, 2020

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

CITY OF MOULTRIE
SCHEDULE OF CHANGES IN GMEBS NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
LAST TEN YEARS*
SEPTEMBER 30, 2020

Notes to Schedule

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

CITY OF MOULTIRE
SCHEDULE OF GMEBS RETIREMENT PLAN CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 316,844	$ 227,628	$ 84,313	$ 372,201	$ 329,067
Contribution in relation to the actuarially determined contribution	$ 250,495	$ 135,000	$ 189,682	$ 152,555	$ 329,067
Contribution deficiency (excess)	$ 66,349	$ 92,628	$ (105,369)	$ 219,646	$ -
Covered-employee payroll	$ 4,147,176	$ 4,377,466	$4,922,494	$ 4,836,938	$5,044,899
Contribution as a % of covered employee payroll	7.64%	5.20%	1.71%	7.69%	6.52%

Notes to the Schedule

(1) Actuarial assumptions

Valuation date	October 1, 2019
Actuarial cost method	Entry age
Actuarial asset valuation method	Market value of assets
Assumed rate of retun on investments	3.25%
Projected salary increases	3.25%
Inflation rate	2.00%
Amortization method	20 years level

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

CITY OF MOULTIRE
SCHEDULE OF GFPF COLLECTIVE NET PENSION AND EMPLOYER LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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

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

CITY OF MOULTIRE
SCHEDULE OF POABF NET PENSION AND EMPLOYER LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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

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

COMBINING AND INDIVIDUAL FUND SCHEDULES

CITY OF MOULTIRE
SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Special Revenue Funds			Capital Projects Funds				Total
	Confiscated Assets	Multiple Grants	Hotel Motel Tax	Paving Program	SPLOST	T-SPLOST	Community Development	Governmental Funds
ASSETS								
Restricted cash/cash equivalents	$ 25,708	$ 470,411	$ 227,347	$ -	$2,880,566	$3,413,495	$542,108	$ 7,559,635
Intergovernmental receivables	-	-	-	-	278,332	138,694	-	417,026
Prepaid expenses	-	-	1,237	-	-	-	-	1,237
Due from other funds	-	16,153	801	196	-	-	-	17,150
Program receivables	-	-	-	-	-	-	15,320	15,320
Total assets	$ 25,708	$ 486,564	$ 229,385	$ 196	$3,158,898	$3,552,189	$557,428	$ 8,010,368
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	$ 962	$ -	$ 10,751	-	$ 9,498	$ -	69,328	$ 90,539
Accrued expenses	-	-	3,352	-	-	-	-	3,352
Due to other funds	100	443,974	48	100	-	-	205	444,427
Total liabilities	1,062	443,974	14,151	100	9,498	-	69,533	538,318
Fund balance:								
Nonspendable:								
Prepaid expenses	-	-	1,237	-	-	-	-	1,237
Restricted for:								
Community development	-	42,590	213,997	96	-	-	487,895	744,578
Public safety	24,646	-	-	-	-	-	-	24,646
Capital projects	-	-	-	-	3,149,400	3,552,189	-	6,701,589
Total fund balances	24,646	42,590	215,234	96	3,149,400	3,552,189	487,895	7,472,050
Total liabilities and fund balance	$ 25,708	$ 486,564	$ 229,385	$ 196	$3,158,898	$3,552,189	557,428	$ 8,010,368

CITY OF MOULTRIE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds			Capital Projects Funds				Total
	Confiscated Assets	Multiple Grants	Hotel Motel Tax	Paving Program	SPLOST	T-SPLOST	Community Development	Governmental Funds
REVENUES								
Taxes	$ -	$ -	$ 308,218	$ -	$ -	$ -	$ -	$ 308,218
Fines, foreitures and fees	12,924	-	-	-	-	-	-	12,924
Charges for services	-	-	1,025	-	-	-	-	1,025
Intergovernmental	-	6,903	-	-	1,851,732	1,604,734	-	3,463,369
Investment income	32	-	-	-	4,131	5,361	2,856	12,380
Other revenues	429	-	19,921	-	100,000	-	-	120,350
Total revenues	13,385	6,903	329,164	-	1,955,863	1,610,095	2,856	3,918,266
EXPENDITURES								
Current:								
Public safety	29,459	-	-	-	-	-	-	29,459
Community development	-	6,903	364,217	-	-	-	-	371,120
Capital outlays:								
Public safety	-	-	-	-	129,459	-	-	129,459
Public works	-	-	-	-	967,338	-	-	967,338
Parks and recreation	-	-	-	-	809,776	-	-	809,776
Community development	-	-	-	-	-	-	175,037	175,037
Total expenditures	29,459	6,903	364,217	-	1,906,573	-	175,037	2,482,189
Excess (deficiency) of revenues over (under) expenditures	(16,074)	-	(35,053)	-	49,290	1,610,095	(172,181)	1,436,077
OTHER FINANCING SOURCES (USES)								
Transfers	-	-	45,000	-	-	-	-	45,000
Total other financing sources (uses)	-	-	45,000	-	-	-	-	45,000
Net change in fund balances	(16,074)	-	9,947	-	49,290	1,610,095	(172,181)	1,481,077
Fund balances - beginning	40,720	42,590	205,287	96	3,100,110	1,942,094	660,076	5,990,973
Fund balances - ending	$ 24,646	$ 42,590	$ 215,234	$ 96	$ 3,149,400	$ 3,552,189	$ 487,895	7,472,050

CITY OF MOULTRIE
BUDGETARY COMPARISON SCHEDULE – CONFISCATED ASSETS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts Original and Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues			
Fines, forfeitures and fees	$ 12,924	$ 12,924	$ -
Other income	429	429	-
Investment income	32	32	-
Total revenues	13,385	13,385	-
Expenditures			
Current:			
Public safety	29,459	29,459	-
Total expenditures	29,459	29,459	-
Excess (deficiency) of revenues over expenditures	(16,074)	(16,074)	-
Fund balance, beginning of year	40,720	40,720	-
Fund balance, end of year	$ 24,646	$ 24,646	$ -

CITY OF MOULTRIE
BUDGETARY COMPARISON SCHEDULE – MULTIPLE GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts Original and Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues			
Intergovernmental	$ 6,903	$ 6,903	$ -
Total revenues	6,903	6,903	-
Expenditures			
Current:			
Community development	6,903	6,903	-
Total expenditures	6,903	6,903	-
Excess (deficiency) of revenues over expenditures	-	-	-
Fund balance, beginning of year	42,590	42,590	-
Fund balance, end of year	$ 42,590	$ 42,590	$ -

CITY OF MOULTRIE
BUDGETARY COMPARISON SCHEDULE – HOTEL/MOTEL TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues				
Taxes	$ 355,000	$ 355,000	$ 308,218	$ (46,782)
Charges for services	12,500	12,500	1,025	(11,475)
Other revenues	18,500	18,500	19,921	1,421
Total revenues	386,000	386,000	329,164	(56,836)
Expenditures				
Current:				
Community development	422,420	447,420	364,217	83,203
Total expenditures	422,420	447,420	364,217	83,203
Excess (deficiency) of revenues over expenditures	(36,420)	(61,420)	(35,053)	26,367
Other financing sources (uses)				
Transfers	45,000	45,000	45,000	-
Net change in fund balance	8,580	(16,420)	9,947	26,367
Fund balance, beginning of year	205,287	205,287	205,287	-
Fund balance, end of year	$ 213,867	$ 188,867	$ 215,234	$ 26,367

CITY OF MOULTRIE
STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Gas Fund	Utilities Deposit Fund	CNS Broadband Fund	Solid Waste Fund	Mass Transit Fund	Airport Fund	Total
ASSETS							
Current assets:							
Cash and cash equivalents	$ -	$ -	$1,101,409	$ -	$ 26,720	$ -	$ 1,128,129
Accounts receivable, net	198,192	1,641	298,240	127,602	-	-	625,675
Due from other funds	2,738,020	1,039,864	43,697	3,878,579	-	556,518	8,256,678
Inventories	65,118	-	-	-	-	-	65,118
Prepaid insurance	5,519	-	-	21,020	-	6,442	32,981
Total current assets	3,006,849	1,041,505	1,443,346	4,027,201	26,720	562,960	10,108,581
Noncurrent assets:							
Investment in SGGSA	-	-	2,073,051	-	-		2,073,051
Restricted assets - cash	220,721	-	-	-	-		220,721
Capital assets:					-		
Land	16,786	-	-	-	-	-	16,786
Construction in progress	-	-	-	-	-	28,294	28,294
Other capital assets, net of accumulated depreciation	479,562	-	-	1,451,766	1,395,169	689,791	4,016,288
Total noncurrent assets	717,069	-	2,073,051	1,451,766	1,395,169	718,085	6,355,140
Total assets	3,723,918	1,041,505	3,516,397	5,478,967	1,421,889	1,281,045	16,463,721
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows from pensions	131,833	-	-	470,953	-	-	602,786
Total deferred inflows of resources	131,833	-	-	470,953	-	-	602,786
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 3,855,751	$ 1,041,505	$3,516,397	$ 5,949,920	$ 1,421,889	$ 1,281,045	$ 17,066,507

CITY OF MOULTRIE
STATEMENT OF NET POSITION (CONTINUED)
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Gas Fund	Utilities Deposit Fund	CNS Broadband Fund	Solid Waste Fund	Mass Transit Fund	Airport Fund	Total
LIABILITIES							
Current liabilities payable from current assets:							
Accounts payable	$ 100,968	$ 55,629	$ 29,829	$ 70,203	$ -	$ 30,577	$ 287,206
Accrued expenses	6,058	-	-	11,543	-	-	17,601
Current portion of long-term debt	-	-	-	173,799	-	-	173,799
Customer deposits	-	911,617	14,514	-	-	5,369	931,500
Unearned revenue	-	98,257	-	-	-	-	98,257
Due to other governments	-	-	402,258	-	-	-	402,258
Due to other funds	1,303,149	-	54,348	1,018,754	8,259	58,944	2,443,454
Total current liabilities payable from current assets	1,410,175	1,065,503	500,949	1,274,299	8,259	94,890	4,354,075
Long-term liabilities:							
Long-term debt	-	-	-	149,118	-	-	149,118
Net pension liability	125,565	-	-	448,560	-	-	574,125
Total long-term liabilities	125,565	-	-	597,678	-	-	723,243
Total liabilities	1,535,740	1,065,503	500,949	1,871,977	8,259	94,890	5,077,318
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows from pensions	29,583	-	-	105,680	-	-	135,263
Total deferred inflows of resources	29,583	-	-	105,680	-	-	135,263
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,565,323	1,065,503	500,949	1,977,657	8,259	94,890	5,212,581
NET POSITION:							
Net investment in capital assets	496,348	-	-	1,128,849	1,395,169	718,085	3,738,451
Unrestricted	1,794,080	(23,998)	3,015,448	2,843,414	18,461	468,070	8,115,475
Total net position	$ 2,290,428	$ (23,998)	$ 3,015,448	$ 3,972,263	$ 1,413,630	$ 1,186,155	$ 11,853,926

CITY OF MOULTRIE
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Gas Fund	Utilities Deposit Fund	CNS Broadband Fund	Solid Waste Fund	Mass Transit Fund	Airport Fund	Total
OPERATING REVENUES							
Utility revenue	$ 2,206,788	$ -	$ -	$ 2,617,794	$ -	$ -	$ 4,824,582
Income from joint venture	-	-	1,355,839	-	-	-	1,355,839
Intergovernmental	-	-	-	-	-	1,519,138	1,519,138
Other revenues	17	-	121	10,299	12,138	145,181	167,756
Total operating revenues	2,206,805	-	1,355,960	2,628,093	12,138	1,664,319	7,867,315
OPERATING EXPENSES							
Personnel costs	344,689	-	-	639,549	-	-	984,238
Operating, administrative, and maintenance	1,252,115	-	98,644	1,228,655	5,607	1,822,348	4,407,369
Depreciation	92,172	-	-	231,041	54,720	81,596	459,529
Total operating expenses	1,688,976	-	98,644	2,099,245	60,327	1,903,944	5,851,136
Operating income (loss)	517,829	-	1,257,316	528,848	(48,189)	(239,625)	2,016,179
NONOPERATING REVENUE (EXPENSES)							
Gains (loss) on disposal of capital assets	(148)	-	-	43,656	-	-	43,508
Interest income	3,657	-	-	-	-	-	3,657
Interest expense	-	-	(105)	(7,500)	-	-	(7,605)
Total nonoperating revenue (expenses)	3,509	-	(105)	36,156	-	-	39,560
Income (loss) before transfers	521,338	-	1,257,211	565,004	(48,189)	(239,625)	2,055,739
Transfers	(414,653)	-	(118,694)	(429,476)	-	(4,410)	(967,233)
Change in net position	106,685	-	1,138,517	135,528	(48,189)	(244,035)	1,088,506
Net position (deficit) , beginning of year, restated	2,183,743	(23,998)	1,876,931	3,836,735	1,461,819	1,430,190	10,765,420
Net position (deficit), end of year	$ 2,290,428	$ (23,998)	$3,015,448	$ 3,972,263	$1,413,630	$ 1,186,155	$ 11,853,926

CITY OF MOULTRIE
STATEMENTS OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Gas Fund	Utilities Deposit Fund	CNS Broadband Fund	Solid Waste Fund	Mass Transit Fund	Airport Fund	Total
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts from customers and users	$2,226,768	$ 18,995	$ -	$2,632,934	$ 13,390	$ 1,664,319	$6,556,406
Other receipts	-	-	868,500	291,000	-	-	1,159,500
Payments to employees (or for their benefit) for services provided	(334,225)	-	-	(602,169)	-	-	(936,394)
Payments to suppliers for goods or services	(1,161,004)	104,193	(190,963)	(1,222,454)	(6,225)	(1,802,928)	(4,279,381)
Intergovernmental receipts (payments)	(297,527)	(123,188)	(254,082)	(455,590)	-	325,899	(804,488)
Net cash provided (used) by operating activities	434,012	-	423,455	643,721	7,165	187,290	1,695,643
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers to other funds	(414,653)	-	(118,694)	(429,476)	-	(4,410)	(967,233)
Net cash provided (used) by noncapital financing activities	(414,653)	-	(118,694)	(429,476)	-	(4,410)	(967,233)
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from disposal of capital assets	193	-	-	47,176	-	-	47,369
Acquisition and construction of capital assets	(23,099)	-	-	(229,403)	-	(182,880)	(435,382)
Proceeds from issurance of long-term debt	-	-	-	136,403	-	-	136,403
Principal paid on capital debt	-	-	-	(160,921)	-	-	(160,921)
Interest paid on capital debt/other	-	-	(105)	(7,500)	-	-	(7,605)
Net cash provided (used) by capital and related financing activities	(22,906)	-	(105)	(214,245)	-	(182,880)	(420,136)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest income	3,657	-	-	-	-	-	3,657
Net cash provided by investing activities	3,657	-	-	-	-	-	3,657
Net increase in cash	110	-	304,656	-	7,165	-	311,931
Balances - beginning	220,611	-	796,753	-	19,555	-	1,036,919
Balances - ending	$ 220,721	$ -	$ 1,101,409	$ -	$ 26,720	$ -	$1,348,850

CITY OF MOULTRIE
STATEMENTS OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Gas Fund	Utilities Deposit Fund	CNS Broadband Fund	Solid Waste Fund	Mass Transit Fund	Airport Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES							
Operating income (loss)	$ 517,829	$ -	$ 1,257,316	$ 528,848	$ (48,189)	$ (239,625)	$2,016,179
Adjustments to reconcile operating income to net cash provided by operating activities:							-
Depreciation expense	92,172	-	-	231,041	54,720	81,596	459,529
Change in assets and liabilities:							
Receivables, net	19,963	1	34,645	295,841	1,252	-	351,702
Prepaid expense	825	-	-	35	-	3,370	4,230
Investment in joint venture	-	-	(522,258)	-	-	-	(522,258)
Due to/from other funds	(297,527)	123,188	(254,082)	(455,590)	-	325,899	(558,112)
Customer deposits	-	(18,996)	153	-	-	-	(18,843)
Pension related balances	10,464	-	-	37,380	-	-	47,844
Accounts payable and accrued expenses	89,065	(104,193)	(92,319)	6,166	(618)	16,050	(85,849)
Inventory	1,221	-	-	-	-	-	1,221
Net cash provided by operating activities	$ 434,012	$ -	$ 423,455	$ 643,721	$ 7,165	$ 187,290	$1,695,643

Non-cash activity: capital assets were disposed of with costs of $774,784 and $1,333,534 and accumulated depreciation of $774,443 and $1,333,534, in the Gas Fund and Solid Waste Fund, respectively. In the CNS Broadband Fund non-cash income of $522,258 was received which increased the City's investment in SGGSA joint venture.

STATE COMPLIANCE SECTION

CITY OF MOULTRIE
ONE PERCENT SPECIAL PURPOSE SALES TAX
PROJECT COST SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Project	Original Estimated Cost	Expenditures Prior Years	Expenditures Current Period	Expenditures Total	Estimated Percent Completed
SPLOST - 2013 Issue					
Referendum Expenditures:					
Wastewater treatment*	$ 7,891,000	$ 6,034,250	$ 413,663	$ 6,447,913	
Road, bridge and drainage	2,000,000	1,442,630	275,529	1,718,159	
Joint project - City of Moultrie recreational facilities	1,500,000	520,163	809,776	1,329,939	
Totals	$11,391,000	$ 7,997,043	$1,498,968	$ 9,496,011	83.36%

CITY OF MOULTRIE
ONE PERCENT SPECIAL PURPOSE SALES TAX (CONTINUED)
PROJECT COST SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Project	Original Estimated Cost	Expenditures			Estimated Percent Completed
		Prior Years	Current Period	Total	
SPLOST - 2019 Issue					
Referendum Expenditures:					
Utility infrastructure					
improvements	$ 870,000	$ -	$ -	$ -	
Public safety:					
Relocation of fire station #2	1,500,000	-	-	-	
Fire Dept. ladder truck/vehicles	565,000	-	30,205	30,205	
Police Dept. vehicles***	385,000	43,994	99,254	143,248	
Certified Police Dept. firing range***	50,000	4,500	-	4,500	
Other infrastructure improvements:					
Streets**	1,250,000	-	178,146	178,146	
Storm drainage	1,250,000	-	-	-	
Sidewalks	1,000,000	-	-	-	
Traffic control	100,000	-	-	-	
Streetscape	560,000	-	-	-	
Spence Field	500,000	-	-	-	
Public works:					
Equipment	867,376	-	-	-	
Totals	$ 8,897,376	$ 48,494	$ 307,605	$ 356,099	4.00%

CITY OF MOULTRIE
ONE PERCENT SPECIAL PURPOSE SALES TAX (CONTINUED)
PROJECT COST SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Project	Original Estimated Cost	Expenditures Prior Years	Expenditures Current Period	Expenditures Total	Estimated Percent Completed
TSPLOST - 2017 Issue					
Referendum Expenditures:					
Streets, resurfacing, repairs, utility relocation		$ -	$ -	$ -	
Culvert, bridge, drainage		-	-	-	
Railroad, school traffic, striping, roundabout		7,180	-	7,180	
Street equipment		95,277	-	95,277	
Totals	$ 7,399,113	$ 102,457	$ -	$ 102,457	1.38%

* Prior expenditures of the SPLOST 2013 wastewater treatment line item have been restated to correct for past reporting errors. For the year ended September 30, 2013, SPLOST 2006 expenditures in the amount of $344,579 were mistakenly reported as SPLOST 2013 expenditures. For the year ended September 30, 2016, expenditures in the amount of $2,720,044 funded by other sources were mistakenly included as SPLOST 2013 expenditures. As a result of these corrections, the previously reported amount of $9,098,873 has been restated to $6,034,250.

** 2019 SPLOST current period street infrastructure improvement cost have been reduced by $100,000 for a contribution from a private donor.

*** SPLOST 2019 prior year expenditures have been restated to reflect the proper referendum categories.

Prepared on the modified accrual basis of accounting.

FEDERAL COMPLIANCE SECTION

CITY OF MOULTRIE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA #	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
Community Facilities Loans and Grants Cluster				
United States Department of Agriculture				
Community Facilities Loans and Grants	10.766	N/A	$ -	$ 54,625
Total US Environmental Protection Agency			**-**	**54,625**
Other Programs				
Department of Homeland Security:				
Pass-Through Programs From:				
Georgia Department of Homeland Security				
Disaster Grants - Public Assistance				
(Presidentially Declared Disasters)	97.036	FEMA-4338-DR-GA		15,183
Total Department of Homeland Security			**-**	**15,183**
Department of Transportation:				
Pass-Through Programs From:				
Georgia Department of Transportation				
Airport Improvement Program	20.106	T007101	85,012	85,012
Airport Improvement Program	20.106	T006644	14,351	14,351
Airport Improvement Program	20.106	T006715	6,705	6,705
Total Department of Transportation			**106,068**	**106,068**
Department of Housing and Urban Development				
Pass-Through Programs From:				
State of Georgia				
Community Development Block Grants	14.228	13h-x-035-2-5562	-	6,903
Total Department of Housing and Urban Development			**-**	**6,903**
Department of the Treasury				
CARES Act Coronavirus Relief Fund	21.019	14583-CRF	**-**	**743,913**
Total Department of the Treasury			**-**	**743,913**
Total Other Programs			**106,068**	**872,067**
TOTAL - ALL PROGRAMS			**$ 106,068**	**$ 926,692**

CITY OF MOULTRIE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal award activity of the City under programs of the federal government for the year ended September 30, 2020. The information in this Schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

VALENTI, RACKLEY
& ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moultrie, Georgia ("the City"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise City's basic financial statements and have issued our report thereon dated April 8, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control that we consider to be material weaknesses. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002 to be material weaknesses.

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

Compliance and Other Matters

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

The City's Response to Findings

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

Purpose of this Report

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

Respectfully submitted,

Valenti, Rackley & Assoc., LLC

Valenti, Rackley & Associates, LLC
Certified Public Accountants

April 8, 2021

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

To the City Council
City of Moultrie, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Moultrie, Georgia's ("the City") compliance with the types of compliance requirements described in the *OMB 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, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance 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'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

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

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Respectfully submitted,

Valenti, Rackley & Assoc., LLC

Valenti, Rackley & Associates, LLC
Certified Public Accountants

April 8, 2021

CITY OF MOULTRIE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION 1 - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting

Material weakness(es) identified?	X yes	____ no
Significant deficiencies identified that are not considered to be material weakness(es)?	____ yes	X none reported
Noncompliance material to financial statements noted?	____ yes	X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	____ yes	X no
Significant deficiencies identified that are not considered to be material weakness(es)?	____ yes	X none reported

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

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

Identification of Major Program(s)

CFDA Number(s)	Name of Federal Program or Cluster
21.019	Department of the Treasury, Coronavirus Relief Fund

CITY OF MOULTRIE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

2020-001

Criteria: Proper segregation of accounting functions strengthens internal controls.

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

Cause: Limited staff size

Effect: Increased risk of misstatement or fraud

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

Management Response: See management's Corrective Action Plan.

2020-002

Criteria: As part of the year-end closing procedures, beginning net position and fund balances should be reconciled to the prior year audited financial statements and general ledger accounts should be reconciled to supporting documentation.

Condition: During the performance of our audit engagement procedures, we noted some beginning net position/fund balance accounts and other balance sheet accounts had not been adjusted or reconciled to supporting records.

Cause: The City's year end process does not adequately address the need to review and reconcile beginning net position/fund balances and other significant balance sheet accounts to ensure that they are in agreement with supporting records and are recorded in accordance with generally accepted accounting principles.

Effect: Various general ledger account balances required audit adjustments.

Recommendation: We recommend that management develop procedures, such as a year-end checklist, and assign responsibilities that ensure balances agree to supporting records at the end of the reporting period.

Management Response: See management's Corrective Action Plan.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF MOULTRIE
STATUS OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Audit Reference Number	
2019-001	Unable to be corrected, recited as 2019-001
2019-002	Partially corrected, recited as 2019-002
2019-003	Partially corrected, recited as 2019-002