

**ANNUAL FINANCIAL REPORT**  
**CITY OF TIFTON, GEORGIA**  
**FOR THE FISCAL YEAR ENDING**  
**JUNE 30, 2009**



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Tifton, Georgia

June 30, 2009

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council  
Tifton, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Tifton, Georgia, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Tifton's management. Our responsibility is to express opinions on these financial statements based on our audit.

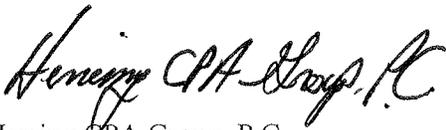
We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Tifton, Georgia, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated November 30, 2009, on our consideration of the City of Tifton, Georgia's internal control structure and on our test of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and is important in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 18 and 67 and 68 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Tifton's basic financial statements. The combining and individual fund financial statements, the Schedule of Projects Constructed with Special Sales Tax Proceeds, as required by the Official Code of Georgia Annotated Section 48-8-121, and the statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of the City of Tifton, Georgia. The combining and individual fund financial statements, the Schedule of Projects Constructed with Special Sales Tax Proceeds, as required by the Official Code of Georgia Annotated Section 48-8-121, and the Schedule of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statement and accordingly, we express no opinion on it.



Herring CPA Group, P.C.  
Tifton, Georgia  
November 30, 2009

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2009

This section of the City of Tifton's Annual Financial report presents a discussion and analysis of the City's financial performance during the fiscal year ending June 30, 2009. This discussion is intended to: assist the readers in understanding significant financial issues; provide an overview of the city's financial activities; identify changes in the financial position; identify material deviations from the original budget and identify individual fund's issues or concerns,

We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our financial statement section and the notes to the financial statements.

### FINANCIAL HIGHLIGHTS

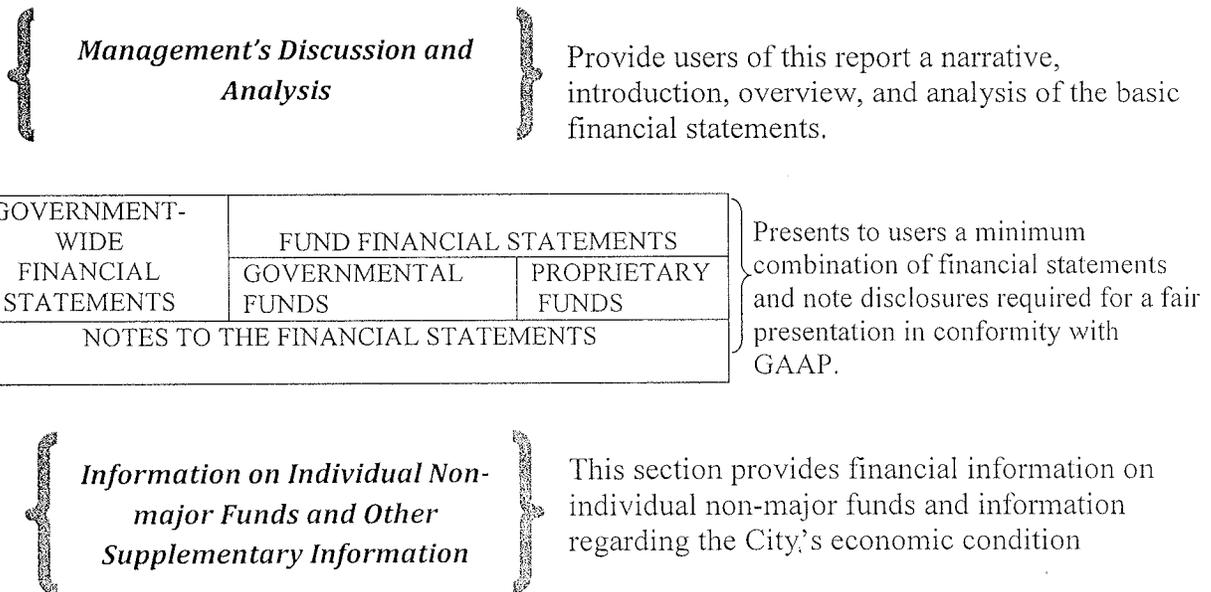
1. The total Assets of the City of Tifton were \$95.0 million, which exceeded its liabilities of \$23.6 million at the close of the most recent fiscal year 2009 by \$71.3 million. ( See table 1)
2. The total Assets of the City's component unit, DDA (Downtown Development Authority), were \$4.1 million, which exceeded its liabilities of \$1.7 million at the close of the most recent fiscal year 2009 by \$2.4 million. (See Table 1).
3. During the year, the City had governmental program expenses that were \$14.96 million which is \$303 thousand less than generated in tax and other revenues, before internal transfers. (See table 2).
4. At the close of the fiscal year 2009, the City of Tifton's Governmental Fund Balance was \$11.3 million as compared to \$11.6 million at June 30, 2008. Of this amount, \$4.94million was available for spending at the City's discretion (Unreserved Fund Balance) as compared to \$5.4 million at June 30, 2008.
5. The City's business-type activities had program expenses that were \$21.0 million, which is \$2.0 million more than \$19.0 million generated from charges for services and other revenues, before internal transfers
6. The General Fund, on a current financial resources basis, reported expenditures more than the revenues and other financing resources of \$1.1million for the fiscal year ending June 30, 2009, compared to \$153,486 of revenue over expenditures for the fiscal year ending June 30, 2008.
7. The General fund does not have any General Obligations Bond outstanding
8. Use of unreserved fund balances of \$1.2 million to cover the citywide unfunded liability for the retirement fund as required by GASB 46.

## Overview of the Financial Statements

Within this section of the City of Tifton, Georgia's (the City) annual financial report, in the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended June 30, 2009. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section

The City's annual financial report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and under the guiding principle of the Governmental Accounting Standard Board (GASB).

To help facilitate the understanding of the organization of this report, we are providing the following illustration:



The Management's Discussion and Analysis document is intended to serve as an introduction to City of Tifton's basic financial statements. The City of Tifton's basic financial statements comprise three components: 1) Government-Wide financial statements, 2) Fund financial Statements, and 3) Notes to the Financial Statements. This report contains other supplementary information in addition to the basic financial statements themselves.

### **Government-wide Financial Statements.**

The basic financial statements include two government-wide statements, which are, the *Statement of Net Assets and the Statement of Activities*. These statements both provide long-term and short-term information about the City's overall financial status. The government-wide financial statements are designed to provide readers with a broader overview of the City's finances, in a manner similar to private sector business reporting. All governmental and business-type activities are combined to arrive at a total for the primary government.

The first of these government-wide statements is the *Statement of Net Assets*. This is the government-wide statement of positions presenting information that includes all of the City's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. Evaluation of the overall health of the City would extend to other non-financial factors such as diversification of the taxpayer base or the condition of the City infrastructure, in addition to the financial information provided in this report.

The *Statement of Activities*, report information about the City as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting which is the accounting method used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

In the Statement of Net Assets and Statement of Activities, the City's activities are divided into two types:

**Governmental Activities** - Most of the City's basic services are reported here, which include General Government, Public Safety, Public Works, Culture and Recreation, Health and Welfare, and Internal Service Fund. Property Taxes, sales taxes, Insurance premium taxes and franchise fees finance the majority of these activities.

**Business-type Activities** - Include the Water and Sewer Utility, Gas, Solid Waste/Landfill, and Telecommunications. These services charge fees to customers to help cover all or most of the costs of services it provides.

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

The government-wide financial statements are presented on pages 19 to 25 of this report.

### **Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. The Fund Financial Statements on pages 26 through 39 provide detailed information about the most significant funds, not the City of Tifton as a whole. Some funds are required to be established by the City's charter. However, the City of Tifton Council establishes many other funds to help control and manage financial activities for particular purposes such as the Capital Projects Fund and Special Revenue Fund to show that it is meeting legal responsibilities for using grants and other money, such as grants from the State and Federal Government.

The City of Tifton's funds are divided into three categories: Governmental, Proprietary and Fiduciary.

**Governmental Funds** (shown on page 26 through 30) - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds. The balances left at year-end are available for spending. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental Fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship or differences between the governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds are described in the reconciliation at the bottom of the Fund Financial Statements on pages 27 and 29.

The City of Tifton adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance.

**Proprietary Funds** (shown on page 31 through 39) - When the City charges customers for services it provides, whether, to outside customers or to other units of the City, these services are generally reported in the proprietary funds. Proprietary funds are reported using the full accrual accounting method. The City of Tifton maintains two types of Proprietary Funds.

1. Enterprise fund statements are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows.

The City of Tifton has five (5) Enterprise Funds: Solid Waste Collection and Disposal Fund, Sewer Fund, Water Fund, Gas Fund, and Telecommunication Fund.

2. The Internal Service Fund is used to accumulate and allocate costs internally among the City's various functions. The City uses the Internal Service Fund to account for the financing of goods and services provided to the other departments or funds of the City. The estimated cost of operating the Service Fund is charged to separate departments during the fiscal year and allocated at year-end based on the movement of inventory, shop charges, and space occupied in the maintenance warehouse complex and in the City Hall, and is accounted for in the governmental activities of the Government-wide Financial Statements.

**Fiduciary Funds** (shown on pages, 40 and 41) - The City is the trustee, or fiduciary, for its employees' pension plans. These activities are excluded from the City's other financial statements as the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**Notes to the Financial Statements.** The financial statement includes notes that explain some of the information in the financial statements and provides information that is more detailed. The notes are essential to a full understanding of the government-wide and fund financial statements. The Notes to the financial statements can be found on pages 42-66 of this report.

**Required Supplementary Information**

Budgetary comparison statements are included as required supplementary information. These statements and schedules demonstrate compliance with the City's adopted and final revised budget and can be found on page 67. The combining statements in connection with the non-major governmental funds are presented immediately following the required supplementary information.

The following table reflects the combined net assets as of June 30, 2009 and 2008. For detailed information, see Statement of Net Assets on page 19.

Table 1.  
Summary of Government - Wide Net Assets

CITY OF TIFTON'S NET ASSETS

	Primary Government					
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and Other Assets	\$ 14,062,436	\$ 14,255,562	\$ 11,039,482	\$ 11,547,357	\$ 25,101,918	\$ 25,802,919
Non-Current Assets	33,710,815	34,329,680	36,106,972	36,249,220	69,817,787	70,578,900
<b>Total Assets</b>	<b>\$ 47,773,251</b>	<b>\$ 48,585,242</b>	<b>\$ 47,146,454</b>	<b>\$ 47,796,577</b>	<b>\$ 94,919,705</b>	<b>\$ 96,381,819</b>
Current Liabilities	\$ 2,224,133	\$ 1,610,587	\$ 2,445,382	\$ 2,151,429	\$ 4,669,515	\$ 3,762,016
Non-Current Liabilities	1,302,436	1,725,814	17,682,569	17,908,770	18,985,005	19,634,584
<b>Total Liabilities</b>	<b>\$ 3,526,569</b>	<b>\$ 3,336,401</b>	<b>\$ 20,127,951</b>	<b>\$ 20,060,199</b>	<b>\$ 23,654,520</b>	<b>\$ 23,396,600</b>
<b>Net Assets</b>						
Invested in Capital Assets net of related debt	\$ 31,809,855	\$ 32,153,822	\$ 20,474,043	\$ 21,477,258	\$ 52,283,898	\$ 53,631,080
Restricted for:						
Capital Projects	6,426,125	5,599,991	-	-	6,426,125	5,599,991
Unrestricted	6,010,702	7,495,028	6,544,460	6,259,120	12,555,162	13,754,148
<b>TOTAL NET ASSETS</b>	<b>\$ 44,246,682</b>	<b>\$ 45,248,841</b>	<b>\$ 27,018,503</b>	<b>\$ 27,736,378</b>	<b>\$ 71,265,185</b>	<b>\$ 72,985,219</b>

**Net Assets.** The City of Tifton's combined net assets decreased by 2.36% from \$73.0 million at June 30, 2008 to \$71.3 million at June 30, 2009 (See Table 1). Unrestricted net assets, the portion of the net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, totaled \$12.56 million at June 30, 2009. This does not mean that the City of Tifton has resources available beyond its long term commitments. Rather, it is the result of having currently available resources that are greater than current liabilities.

Net assets of the City of Tifton's governmental activities decreased to \$44.2 million. Much of those net assets either are restricted as to the purposes for which they can be used, or are invested in capital assets (buildings, roads, and such). Several particular aspects of the City's financial operations positively influenced the total unrestricted governmental net assets: continued diligence in the collection of property taxes by maintaining a collection percentage of 99% for real and personal property, continued low cost of debt, continued diligence in the maintenance of 90 to 120 day unreserved fund balance in the general fund, conservative

revenue budgeting, freezing of some expenditures, and salary savings resulting from position vacancies throughout the year.

The Net Assets of business-type activities decreased by \$717,875. These resources cannot be used to add to the net assets in governmental activities, it can only be used to finance the continuing operations of the enterprise funds.

**Changes in Net Assets.** The City's total revenues were decreased by 7% to \$34.3 million in FY2009. (See Table 2 on page 9). Key elements of this decrease are as follows;

- Sales tax, which comprised of 24% of the total revenues, were down by 15% due continued economic downturn, closing of major industries such as COI (Commissary Operations, Inc), a food distribution company, Tifton Aluminum, a section of Shaw/Queen carpet.
- Investment Earnings were down 66% due to interest earnings falling down from 3% to less than 1%. However, The City has earned interest more than is should due to the 1% floor granted by our investment bank as a result of the proposal for banking services.
- Alcoholic and beverage Taxes were down by 3% as compared from prior year due to closing of some small local businesses affected by slowing economy.
- Property tax, which is 6.59% of the total revenue, increased by 1% in collection. Most of this increase is due to diligence of the staff in collecting taxes and sending out the bills timely.
- Charges for services account for 64% of the total revenues is down 5%, and the balance of 7.5% is from capital grants and contributions, investment earnings and other miscellaneous revenue and transfers.

The total cost of all programs and services for the year ending June 30, 2009 was \$36 million as compared to \$34.1 million for the year ending June 30, 2008. The City's expenses cover a range of service, with about 20% of the total expenses related to public safety. (See Table 2 on the following page).

Table 2  
Comparison of Activities and Changes in Net Assets

FUNCTIONS/PROGRAMS	PRIMARY GOVERNMENT						TOTAL %
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL		CHANGE
	2009	2008	2009	2008	2009	2008	INC/(DEC) 2008-2009
<b>REVENUES</b>							
Program Revenues:							
Charges for Services	\$ 3,138,471	\$ 3,050,384	\$ 18,773,994	\$ 20,080,165	\$ 21,912,465	\$ 23,130,549	-5.40%
Operating Grants and Contribution	98,847	308,570	-	-	98,847	308,570	-218.35%
Capital Grants and Contributions	500,456	455,646	-	-	500,456	455,646	9.83%
Total Program Revenues	\$ 3,737,774	\$ 3,814,600	\$ 18,773,994	\$ 20,080,165	\$ 22,511,768	\$ 23,894,765	-5.79%
General Revenues:							
Property Taxes	\$ 2,258,027	\$ 2,233,683	\$ -	\$ -	2,258,027	2,233,683	1.09%
Sales Taxes	5,824,479	6,872,295	-	-	5,824,479	6,872,295	-15.25%
Hotel Motel Taxes	711,296	695,493	-	-	711,296	695,493	2.27%
Alcoholic Beverage Taxes	454,292	466,862	-	-	454,292	466,862	-2.69%
Insurance Premium Tax	842,881	823,163	-	-	842,881	823,163	2.40%
Franchise Fees	1,173,931	1,108,148	-	-	1,173,931	1,108,148	5.94%
Investment Earnings	137,668	335,367	119,535	431,110	257,203	766,477	-66.44%
Miscellaneous Revenue	124,801	177,293	94,438	-	219,239	177,293	23.66%
Total General Revenues	11,527,375	12,712,304	213,973	431,110	11,741,348	13,143,414	-10.67%
Total Revenues	\$ 15,265,149	\$ 16,526,904	\$ 18,987,967	\$ 20,511,275	\$ 34,253,116	\$ 37,038,179	-7.52%
<b>EXPENSES</b>							
Governmental Activities:							
General Government	\$ 3,322,688	\$ 3,117,671	\$ -	\$ -	3,322,688	3,117,671	6.58%
Public Safety	7,539,915	6,755,076	-	-	7,539,915	6,755,076	11.62%
Public Works	3,267,817	2,912,100	-	-	3,267,817	2,912,100	12.22%
Culture and Recreation	616,926	547,036	-	-	616,926	547,036	12.78%
Health and Welfare	190,564	142,994	-	-	190,564	142,994	33.27%
Interest on Long-Term Debt	24,295	72,299	-	-	24,295	72,299	-66.40%
Total Governmental Activities	\$ 14,962,205	\$ 13,547,176	\$ -	\$ -	\$ 14,962,205	\$ 13,547,176	11.32%
Business-type Activities:							
Water	\$ -	\$ -	\$ 2,998,758	\$ 2,861,267	2,998,758	2,861,267	4.81%
Sewer	-	-	3,635,006	3,430,752	3,635,006	3,430,752	5.95%
Gas	-	-	5,030,007	5,444,229	5,030,007	5,444,229	-7.61%
Solid Waste	-	-	4,382,726	4,305,101	4,382,726	4,305,101	1.80%
Telecommunications	-	-	4,964,448	4,535,783	4,964,448	4,535,783	9.45%
Total Business-Type Activities	-	-	21,010,945	20,577,132	21,010,945	20,577,132	4.71%
Total Expenses	\$ 14,962,205	\$ 13,547,176	\$ 21,010,945	\$ 20,577,132	\$ 35,973,150	\$ 34,124,308	7.33%
EXCESS(DEFICIENCY)	\$ 302,944	\$ 2,979,728	\$ (2,022,978)	\$ (65,857)	\$ (1,720,034)	\$ 2,913,871	-159.03%
Transfers - Internal Activities	(1,305,103)	(54,943)	1,305,103	54,943	-	-	0.00%
Change in Net Assets	\$ (1,002,159)	\$ 2,924,785	\$ (717,875)	\$ (10,914)	\$ (1,720,034)	\$ 2,913,871	-159.03%
NET ASSETS-BEGINNING OF THE YEAR	\$ 45,248,841	\$ 42,324,056	\$ 27,736,378	\$ 27,747,292	\$ 72,985,219	\$ 70,071,348	36.74%
NET ASSETS -END OF THE YEAR	\$ 44,246,682	\$ 45,248,841	\$ 27,018,503	\$ 27,736,378	\$ 71,265,185	\$ 72,985,219	-2.36%

### Governmental Activities – Revenue by Source

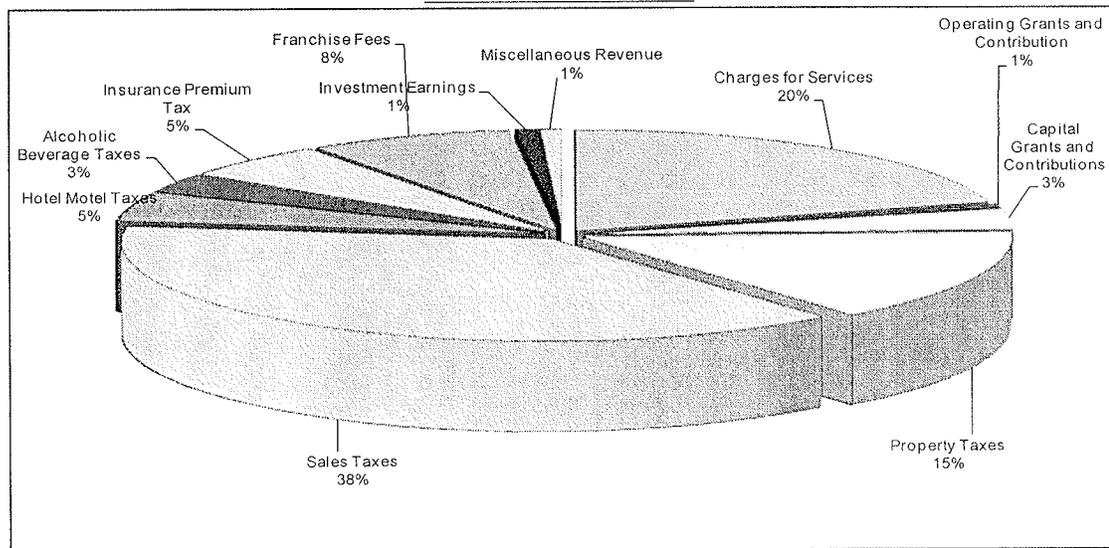
The city's governmental activities are heavily reliant on property and sales tax to support governmental operations. Revenues for the City of Tifton's governmental activities, including internal transfer, decreased 7.63% to \$15.3 million, while total expenses increased 10.45% to \$14.96 million. Taxes such as Property taxes, sales tax, and franchise fees, Insurance Premium Tax, Bed Tax and Alcoholic Beverage Tax are the major revenue sources, contributing 74% or 11.3 million of the City's governmental revenues.

The reduction was due to budgeting revenue sources an equity transfer of \$1.2 million, of which, \$600 thousand was from the Service fund to pay the \$1.2 million unfunded liability for retirement.

**Table 3**  
**Governmental Activities - Revenue by Source**

	<u>PRIMARY GOVERNMENT</u> <u>GOVERNMENTAL ACTIVITIES</u>		
	<u>2009</u>	<u>2008</u>	<u>DIFFERENCE</u>
<b>REVENUES</b>			
Functions / Program Revenues:			
Charges for Services	\$ 3,138,471	3,050,384	\$ 88,087
Operating Grants and Contribution	98,847	308,570	(209,723)
Capital Grants and Contributions	500,456	455,646	44,810
Property Taxes	2,258,027	2,233,683	24,344
Sales Taxes	5,824,479	6,872,295	(1,047,816)
Hotel Motel Taxes	711,296	695,493	15,803
Alcoholic Beverage Taxes	454,292	466,862	(12,570)
Insurance Premium Tax	842,881	823,163	19,718
Franchise Fees	1,173,931	1,108,148	65,783
Investment Earnings	137,668	335,367	(197,699)
Miscellaneous Revenue	124,801	177,293	(52,492)
<b>Total Governmental Revenues</b>	<b>\$ 15,265,149</b>	<b>\$ 16,526,904</b>	<b>\$ (1,261,755)</b>

**Pie chart for Table 3**



**Governmental Activities - Program Expense by Function**

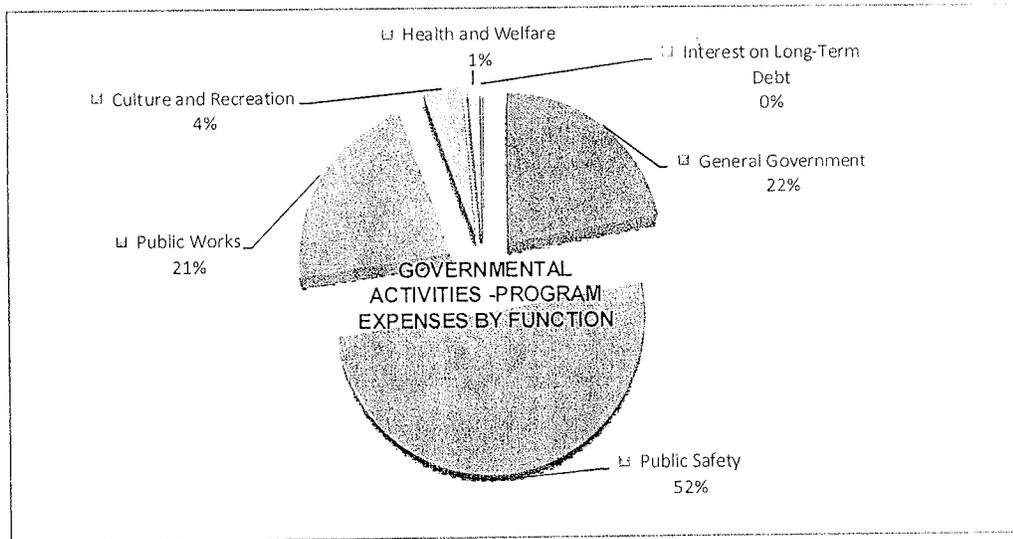
The following table presents the cost of each of the City's six largest programs- public safety, general government, public works, culture and recreation, and interest on long-term debt. The cost of governmental activities this year was \$15 million, a \$1.4 million increase from prior year ending June 30, 2008. However, the amount that taxpayers paid for these activities through City taxes was only \$2.2 million. Some of the cost was paid by:

- Those who benefited from the programs (charges for services) - \$3 million
- Taxes other than property taxes - \$9.7 million
- Grants and Contribution - \$764 thousand as compared to \$96 thousand in FY2007.

**Table 4.**  
**GOVERNMENTAL ACTIVITIES PROGRAM EXPENSE BY FUNCTION**

Governmental Activities:	TOTAL COST OF SERVICE		
	2009	2008	DIFFERENCE
General Government	\$ 3,322,688	\$ 3,117,671	\$ 205,017
Public Safety	7,539,915	6,755,076	784,839
Public Works	3,267,817	2,912,100	355,717
Culture and Recreation	616,926	547,036	69,890
Health and Welfare	190,564	142,994	47,570
Interest on Long-Term Debt	24,295	72,299	(48,004)
<b>Total Governmental Activities</b>	<b>\$ \$ 14,962,205</b>	<b>\$ \$ 13,547,176</b>	<b>\$ \$ 1,415,029</b>

**Pie Chart for Table 4**



**Business-type Activities**

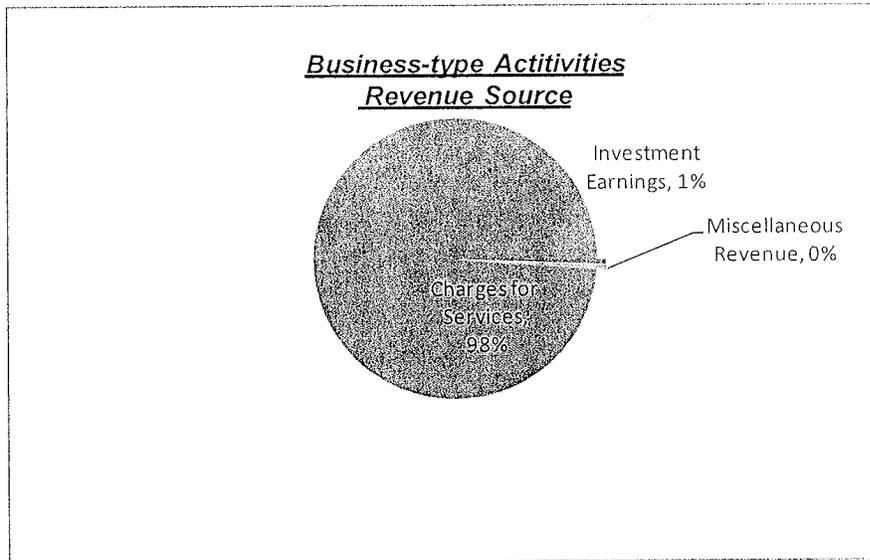
Operating revenues of the business-type activities decreased by \$1.5 million, from \$20.5 million to \$19.0 million during the year ended June 30, 2009. The decreases in the revenue was due to a combination of,

- Reduced volume of waste dumps in the landfill due to closures of major industries.
- Reduced cable customers affected by the sale of Telecommunications business to a private company.
- Lower gas consumption related to the drought and closure of industries who are one of the major users of Gas.
- Lower consumption of water of water due to closing of big industries.
- Lower interest rates on earnings due to economic downturn.

**Table 5**  
**BUSINESS-TYPE ACTIVITIES REVENUE SOURCE**

<b>REVENUES</b>	<u>2009</u>	<u>2008</u>	<u>DIFFERENCE</u>
Program Revenues:			
Charges for Services	\$ 18,773,994	\$ 20,080,165	\$ -1,306,171
Investment Earnings	119,535	431,110	-311,575
Miscellaneous Revenue	94,438		94,438
<b>Total Revenues</b>	<b>\$ \$18,987,967</b>	<b>\$ \$20,511,275</b>	<b>\$ (\$1,523,308)</b>

**Pie Chart for Table 5**

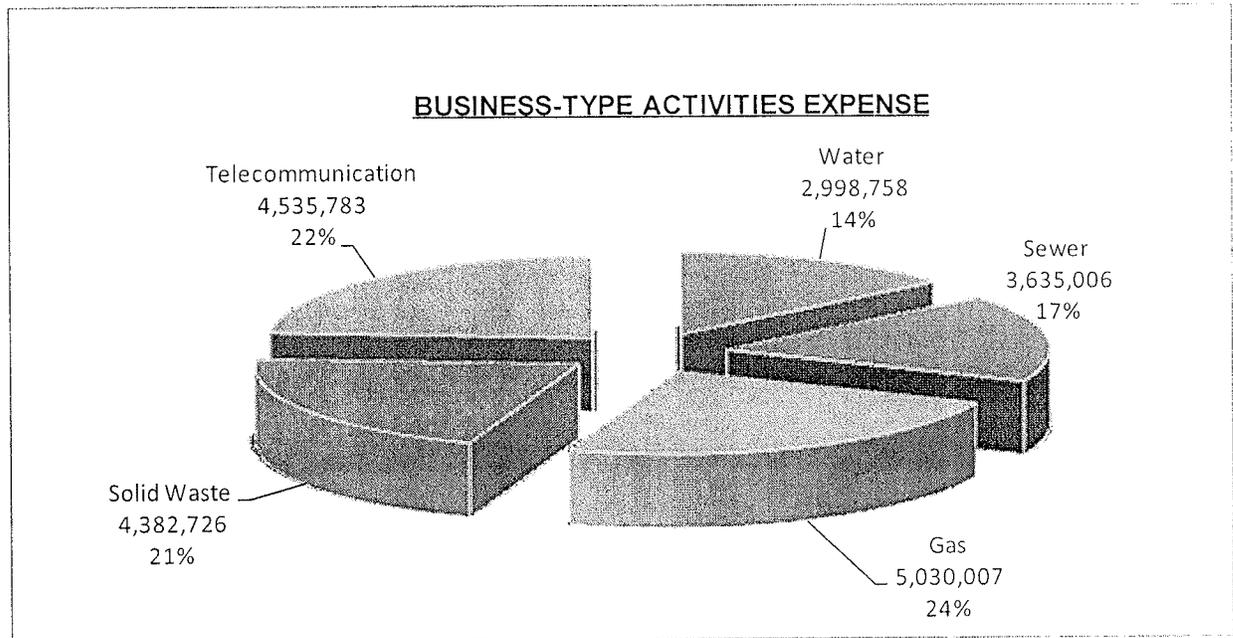


The cost of all Proprietary (Business Type) activities this year increased by \$434 thousand, from \$20.6 million to \$21.0 million for the year ending June 30, 2009. As shown in the Statement of Activities and Changes in Net assets on page 22, the amounts paid by the users of the system was \$218.8 million, \$119 thousand from investment earnings, \$1.3 million from internal transfers, and 94 thousand from sale of capital assets that were declared surplus.

**Table 6**  
**BUSINESS-TYPE ACTIVITIES EXPENSE**

	<u>2009</u>		<u>2008</u>		DIFFERENCE
Business-type Activities:					
Water	\$ 2,998,758	\$	2,861,267	\$	137,491
Sewer	3,635,006		3,430,752		204,254
Gas	5,030,007		5,444,229		(414,222)
Solid Waste	4,382,726		4,305,101		77,625
Telecommunications	4,964,448		4,535,783		428,665
<b>Total Business-Type Activities</b>	<b>\$ 21,010,945</b>	<b>\$</b>	<b>20,577,132</b>	<b>\$</b>	<b>433,813</b>

Pie chart for Table 6



## FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

As noted earlier, City of Tifton uses fund accounting to ensure and demonstrate compliance with the finance-related legal requirements.

**Governmental Funds.** The focus of the City of Tifton's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the City completed the year, its governmental funds (presented in the balance sheet on page 26) reported a combined fund balance of \$11.4 million, as compared to \$11.6 million as of June 30, 2008, which was a \$200 thousand decrease from prior year. Approximately \$4.9 million of the fund balance constitutes unreserved fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is reserved to indicate that it is not available for spending because it has already been committed for other items.

The *General fund* is the chief operating fund of the City of Tifton. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$4.43 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to the total fund expenditures. Unreserved fund balances represents 36% of total General Fund's expenditures.

The fund balance of the City's General Fund decreased by \$1.1 million during the current fiscal year. This was mainly due to payment of unfunded liability for retirement for the whole City to include enterprise funds.

The Capital Projects fund or SPLOST3 and SPLOST4 accounts for the financial resources provided from one percent Special Purpose Local Option Sales Tax. These resources must be used for various building projects, sewer, water, and storm drainage and road improvements throughout the City. At the end of the 2009 fiscal year, the SPLOST Capital Projects Fund had a reserved fund balance of \$6.4 million, an increase of \$800 thousand from prior year. The increased in the fund balance is mainly due to the increased collections running just higher than expenditures each month.

The Hotel-Motel tax fund increased revenue by \$11,501 due to a combination of: net proceeds from the borrowed money to pay for the new street named Boo Drive Street along the newly constructed Hilton Garden Inn, as the City's contribution to the economic development project along I-75/82. The total amount of the project is \$394,451, which will be paid out of Bed Tax collections.

**Proprietary Funds.** The City's proprietary fund statements, beginning on page 31 provide the same type of information found in the government-wide financial statements but in more detail. It reports both short-term and long-term information about the financial status of the funds.

The total net assets were \$27 million at year-end, a decrease of \$718 thousand from the prior year. Of the total net assets, \$20.5 million were invested in Capital Assets net of related debt, and \$6.5 million are unrestricted.

Operating revenues were \$1.3 million less than in fiscal year 2008 and operating expenses is \$434 thousand over the fiscal year 2008 due to the depreciation of the new landfill pit and

expenses for major projects and expansion projects for telecommunication to Omega school, which, funding of this project was not realized.

## GENERAL FUND'S BUDGETARY HIGHLIGHTS

During the year, the City of Tifton revised the City's budget on several occasions. Generally, budget amendments are done to:

1. Appropriate fund balance for encumbrances from prior years,
2. To adjust the estimates that are used to prepare the original budget resolution once the exact information is available,
3. To recognize new funding sources from external sources, such as Federal and State grants,
4. To appropriate increases that become necessary to maintain services, and
5. To transfer appropriations between departments. This category has no effect on the final budget and, therefore, is not addressed in the narrative.

## Revenues and Expenditures

In comparison to final with the estimated revenue, actual revenues were less than estimated. (refer to page 71) . Budgeted revenues such as property tax, sales tax, insurance premium tax, franchise taxes, which are some of the major sources of revenues, were all down due to combinations of: decline in economy resulting in higher unemployment rate due to closings of some businesses in the City, lower earnings rate. Fines and forfeitures were down due to aggressive projection of two Red Light cameras installed on intersection of HWY 82 and Virginia Avenue and I-75 Exit 62 and intersection HWY82, respectively. Charges of services are charges for Fire protection provided to the County as one of the inter-governmental agreements was down due to postponement of the projects and implementation of spending and hiring freeze. The City is utilizing GovDeals in disposing off some surplus properties. The transfer from the Gas Fund of \$600,000 was approved to meet the current cash flow of the General Fund in an affect to stabilize service levels, however, only \$300 thousand was transferred due to a decline in the revenue of the Gas fund. This budgeted transfer lowers down the millage rate by 1.8 mills. Not shown below is \$1.2 million one-time fund transfer from fund balance to fund the unfunded liability for the retirement fund.

Table 7

**SUMMARY OF GENERAL FUND BUDGET**  
ORIGINAL AND FINAL ESTIMATED REVENUES AND EXPENDITURES  
(NON - GAAP BUDGETARY BASIS)

	Budgeted Revenues		Change	Actual Revenues	Variance Over/(Under)
	Original	Final			Final Budget
<b>Revenues:</b>					
Taxes, Net	\$ 7,772,969	\$ 7,772,969	-	\$ 7,290,751	\$ (482,218)
Licenses and Permits	837,000	837,000	-	798,206	\$ (38,794)
Intergovernmental	38,472	88,702	50,230	98,847	\$ 10,145
Charges for Services	1,622,849	1,892,799	269,950	1,562,496	\$ (330,303)
Fines & forfeitures	933,000	992,386	59,386	775,612	\$ (216,774)
Miscellaneous Income	183,200	199,448	16,248	235,586	\$ 36,138
<b>Total Revenues</b>	<b>\$ 11,387,490</b>	<b>\$ 11,783,304</b>	<b>\$ 395,814</b>	<b>\$ 10,761,498</b>	<b>\$ (1,021,806)</b>
<b>Expenditures:</b>					
Council	\$ 75,957	\$ 79,746	3,789	\$ 79,249	\$ 497
General Government	1,893,483	2,061,749	168,266	2,057,988	\$ 3,761
Tax Office	131,377	131,377	-	111,183	\$ 20,194
Municipal Court	199,711	206,844	7,133	204,979	\$ 1,865
Police	4,319,304	4,342,328	23,024	4,036,619	\$ 305,709
Fire	2,764,699	3,034,649	269,950	2,740,867	\$ 293,782
Public Works	227,189	227,189	-	221,968	\$ 5,221
Street	1,875,992	1,875,992	-	1,737,624	\$ 138,368
Traffic Control	389,528	372,256	(17,272)	283,499	\$ 88,757
Senior Citizens Center	109,829	116,022	6,193	113,326	\$ 2,696
Nutrition Program	52,900	57,845	4,945	56,101	\$ 1,744
Park and Cemetery	559,338	560,338	1,000	541,745	\$ 18,593
<b>Total Expenditures</b>	<b>12,599,307</b>	<b>13,066,335</b>	<b>467,028</b>	<b>12,185,148</b>	<b>881,187</b>

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2009, the City of Tifton had invested \$128.8 million before depreciation, \$69.4 million, net of depreciation, in a broad range of capital assets for its governmental and business type activities. This investment in capital assets includes land, building, public utility systems, machinery and equipment, and park facilities.

The City has completed its inventory and analysis of its roads, highways, and bridges acquired prior to July 1, 2003, the implementation date of GASB 34, as capital assets of the City. As a result, the value of the City's assets as presented on the report does include these infrastructure items. More detailed information about the City of Tifton's capital assets is presented in Note 4 to the Basic Financial statements on page 51.

TABLE 8  
SUMMARY OF CAPITAL ASSETS

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2009	2008	2009	2008	2009	2008
<b>NON-DEPRECIABLE ASSETS:</b>						
LAND	\$2,522,664	\$2,522,664	\$ 567,835	\$ 567,835	\$ 3,090,499	\$ 3,090,499
CONSTRUCTION IN PROGRESS	599,168	273,713	-	-	599,168	273,713
<b>TOTAL NON-DEPRECIABLE ASSETS</b>	<b>\$ 3,121,832</b>	<b>\$ 2,796,377</b>	<b>\$ 567,835</b>	<b>\$ 567,835</b>	<b>\$ 3,689,667</b>	<b>\$ 3,364,212</b>
<b>DEPRECIABLE ASSETS</b>						
LANDFILL	\$ -	\$ -	\$ 6,802,366	\$ 6,759,987	\$ 6,802,366	\$ 6,759,987
BUILDINGS AND IMPROVEMENTS	7,448,193	7,448,193	1,262,332	1,262,332	8,710,525	8,710,525
MACHINERY & EQUIPMENT	9,425,877	9,126,286	10,486,058	10,120,867	19,911,935	19,247,153
DISTRIBUTION SYSTEM			62,069,133	60,236,015	62,069,133	60,236,015
INFRASTRUCTURE	27,664,979	27,390,169			27,664,979	27,390,169
<b>TOTAL DEPRECIABLE ASSETS</b>	<b>\$ 44,539,049</b>	<b>\$ 43,964,648</b>	<b>\$ 80,619,889</b>	<b>\$ 78,379,201</b>	<b>\$ 125,158,938</b>	<b>\$ 122,343,849</b>
LESS: ACCUMULATED DEPRECIATION	14,129,410	12,610,689	45,310,309	42,941,215	59,439,719	55,551,904
<b>NET BOOK VALUE-DEPRECIABLE ASSETS</b>	<b>\$ 30,409,639</b>	<b>\$ 31,353,959</b>	<b>\$ 35,309,580</b>	<b>\$ 35,437,986</b>	<b>\$ 65,719,219</b>	<b>\$ 66,791,945</b>
PERCENTAGED DEPRECIATED	32%	29%	56%	55%	47%	45%
<b>TOTAL CAPITAL ASSETS BEFORE DEPRECIATION</b>	<b>\$ 47,660,881</b>	<b>\$ 46,761,025</b>	<b>\$ 81,187,724</b>	<b>\$ 78,947,036</b>	<b>\$ 128,848,605</b>	<b>\$ 125,708,061</b>
<b>TOTAL CAPITAL ASSETS NET OF DEPRECIATION</b>	<b>\$ 33,531,471</b>	<b>\$ 34,150,336</b>	<b>\$ 35,877,415</b>	<b>\$ 36,005,821</b>	<b>\$ 69,408,886</b>	<b>\$ 70,156,157</b>

### Debt Administration

The City's long-term debt consists of revenue bonds, long-term notes, capital leases and accrued vacation pay. As of the end of the year ended June 30, 2009, the City had \$16.4 million in bonds, notes and leases outstanding, an decrease of \$215 thousand over last year. The City does not have general obligation debt.

More detailed information about the City's long-term liabilities is presented in the Notes to Financial Statements included in this annual financial report on pages 56 through 59.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET & RATES

The City of Tifton's elected and appointed officials considered many factors when setting the fiscal year 2010 budget, tax rates, grants and fees charged for business-type activities. The key economic indicators reflect the growth and prosperity of the City as follows;

- One of these factors is the economy and increasing cost of personnel.
- In Tifton, it reported an unemployment rate of 8.5%. These numbers are the highest it's been since 1997, but the Department of Labor has been working hard to get job listings to those affected through job fairs and one-on-one counseling. Tifton's Department of Labor employees are seeing more people walk through their doors. "New claims have increased 35%.
- In this fiscal year, the monthly Sales tax collection decreased at an average rate of 15% over 2009.
- Sale of Telecommunication funds at a loss contributed to a new liability of \$6.5 million, payment of which will be coming from contributions from all funds including General Fund.

- Business-type activities are looking for increased charges on services due to rising cost of services and rising cost of gasoline but it was held momentarily.
- In 2009 the millage rate remains the same at 6.759 mills.
- The 2010 tax digest is expected to drop due to bank's foreclosures as a result of the closing of industries, increasing unemployment rate and reassessments.

The City of Tifton places significant emphasis on the encouraging economic development, particularly on retail, service industries, and tourism. Some of the largest retail stores include Wal-Mart Stores, Inc., and Lowe's, Inc., Hotel chains and other food chains. Construction activity continues to increase, including increase of construction of several commercial establishments, annexation of new developments into the City limits, and expansion of medical facilities. These indicators were taken into consideration when adopting the General Fund budget for fiscal year 2010.

However, because of ever increasing demands for service, the City revenue stream has not kept pace with the cost of the services. This is particularly true for the City's General Fund through which most of the basic municipal services are provided, such as police, fire, and public works. These services, by and large, rely upon revenue derived from local option sales tax, property tax, and various other fees and permits. The General Fund is where we face the greatest difficulties. City Council, with staff recommendation, has enacted certain revenue enhancements in order to provide adequate personnel and to accommodate normal levels of services.

#### REQUEST FOR INFORMATION

The financial report was designed to provide the City of Tifton's citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional information, contact the City's Finance Director at the City of Tifton, P.O. Box 229, Tifton Georgia, 31793-0229.

STATEMENT OF NET ASSETS

Government-Wide  
Tifton, Georgia

June 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<u>ASSETS</u>				
Current Assets:				
Cash on Hand and in Banks	\$11,607,858	\$ 8,983,776	\$20,591,634	\$ 544,334
Restricted Cash	0	516	516	0
Receivables - Net	1,408,565	1,927,421	3,335,986	146,942
Internal Balances	(127,769)	127,769	0	0
Inventory at Cost	723,571	0	723,571	0
Prepaid Expenses	450,211	0	450,211	0
Total Current Assets	<u>14,062,436</u>	<u>11,039,482</u>	<u>25,101,918</u>	<u>691,276</u>
Non-Current Assets:				
Bond Cost - Net	0	229,557	229,557	0
Capital Assets - Nondepreciable	3,121,832	567,835	3,689,667	282,751
Capital Assets - Depreciable - Net	30,409,639	35,309,580	65,719,219	1,844,847
Notes Receivable	0	0	0	1,331,819
Due from Component Unit	<u>179,344</u>	<u>0</u>	<u>179,344</u>	<u>0</u>
Total Non-Current Assets	<u>33,710,815</u>	<u>36,106,972</u>	<u>69,817,787</u>	<u>3,459,417</u>
Total Assets	<u>47,773,251</u>	<u>47,146,454</u>	<u>94,919,705</u>	<u>4,150,693</u>

The accompanying notes are an integral part of these statements.

STATEMENT OF NET ASSETS

Government-Wide  
Tifton, Georgia

June 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	1,096,422	938,574	2,034,996	56,421
Accrued Expenses	178,429	115,630	294,059	5,980
Notes and Leases Payable	867,546	353,763	1,221,309	76,746
Customer Deposits	0	767,415	767,415	0
Deferred Revenue	81,736	0	81,736	0
Revenue Bonds Payable	0	270,000	270,000	0
Total Current Liabilities	<u>2,224,133</u>	<u>2,445,382</u>	<u>4,669,515</u>	<u>139,147</u>
Long-Term Liabilities:				
Accrued Vacation Pay	442,966	171,331	614,297	0
Revenue Bonds Payable	0	10,375,825	10,375,825	0
Long-Term Notes Payable	859,470	3,652,704	4,512,174	1,433,485
Due to Primary Government	0	0	0	179,344
Accrued Postclosure Cost	0	3,482,709	3,482,709	0
Total Long-Term Liabilities	<u>1,302,436</u>	<u>17,682,569</u>	<u>18,985,005</u>	<u>1,612,829</u>
Total Liabilities	<u>3,526,569</u>	<u>20,127,951</u>	<u>23,654,520</u>	<u>1,751,976</u>

(Continued on next page)

The accompanying notes are an integral part of these statements.

STATEMENT OF NET ASSETS

Government-Wide  
Tifton, Georgia

June 30, 2009

	Primary Government		Component Unit
	Governmental Activities	Business-Type Activities	
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$31,809,855	\$20,474,043	\$52,283,898
Restricted for:			
Capital Projects	6,426,125	0	6,426,125
Unrestricted	<u>6,010,702</u>	<u>6,544,460</u>	<u>12,555,162</u>
<b>TOTAL NET ASSETS</b>	<u>\$44,246,682</u>	<u>\$27,018,503</u>	<u>\$71,265,185</u>
			<u>\$1,769,549</u>
			<u>629,168</u>
			<u>\$2,398,717</u>

The accompanying notes are an integral part of these statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Government-Wide  
Tifton, Georgia

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General Government	\$ 3,322,688	\$ 922,217	\$ 37,461
Public Safety	7,539,915	2,121,312	61,386
Public Works	3,267,817	54,374	0
Culture and Recreation	616,926	0	0
Health and Welfare	190,564	40,568	0
Interest on Long-Term Debt	24,295	0	0
Total Governmental Activities	<u>14,962,205</u>	<u>3,138,471</u>	<u>98,847</u>
Business-Type Activities:			
Water	2,998,758	2,990,639	0
Sewer	3,635,006	2,941,068	0
Gas	5,030,007	5,071,390	0
Solid Waste	4,382,726	4,272,572	0
Telecommunications	4,964,448	3,498,325	0
Total Business-Type Activities	<u>21,010,945</u>	<u>18,773,994</u>	<u>0</u>
Total Primary Government	<u>\$ 35,973,150</u>	<u>\$21,912,465</u>	<u>\$ 98,847</u>
Component Unit:			
Downtown Development Authority	<u>\$ 481,468</u>	<u>\$ 188,215</u>	<u>\$ 219,001</u>
General Revenues:			
Property Taxes			
Sales Taxes			
Hotel Motel Taxes			
Alcoholic Beverage Taxes			
Insurance Premium Tax			
Franchise Fees			

(Continued on next page)

The accompanying notes are an integral part of these statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended  
June 30, 2009

Program Revenues		Net (Expenses) Revenues and Changes in Net Assets			
		Primary Government			Component Unit
Capital Grants and Contributions	Total	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
\$ 0	\$ 959,678	\$ (2,363,010)	\$ 0	\$ (2,363,010)	\$ 0
0	2,182,698	(5,357,217)	0	(5,357,217)	0
365,456	419,830	(2,847,987)	0	(2,847,987)	0
0	0	(616,926)	0	(616,926)	0
135,000	175,568	(14,996)	0	(14,996)	0
<u>0</u>	<u>0</u>	<u>(24,295)</u>	<u>0</u>	<u>(24,295)</u>	<u>0</u>
<u>500,456</u>	<u>3,737,774</u>	<u>(11,224,431)</u>	<u>0</u>	<u>(11,224,431)</u>	<u>0</u>
0	2,990,639	0	(8,119)	(8,119)	0
0	2,941,068	0	(693,938)	(693,938)	0
0	5,071,390	0	41,383	41,383	0
0	4,272,572	0	(110,154)	(110,154)	0
<u>0</u>	<u>3,498,325</u>	<u>0</u>	<u>(1,466,123)</u>	<u>(1,466,123)</u>	<u>0</u>
<u>0</u>	<u>18,773,994</u>	<u>0</u>	<u>(2,236,951)</u>	<u>(2,236,951)</u>	<u>0</u>
<u>\$ 500,456</u>	<u>\$ 22,511,768</u>	<u>(11,224,431)</u>	<u>(2,236,951)</u>	<u>(13,461,382)</u>	<u>0</u>
<u>\$ 0</u>	<u>\$ 407,216</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(74,252)</u>
		2,258,027	0	2,258,027	0
		5,824,479	0	5,824,479	252,280
		711,296	0	711,296	0
		454,292	0	454,292	0
		842,881	0	842,881	0
		1,173,931	0	1,173,931	0

The accompanying notes are an integral part of these statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Government-Wide  
Tifton, Georgia

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Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Gain on Sale of Capital Assets			
Investment Earnings			
Miscellaneous Revenue			
Transfers - Internal Activities			
Total General Revenues and Transfers			
Change in Net Assets			
Net Assets - July 1, 2008			
NET ASSETS - JUNE 30, 2009			

The accompanying notes are an integral part of these statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended  
June 30, 2009

Program Revenues		Net (Expenses) Revenues and Changes in Net Assets			
		Primary Government			Component Unit
Capital Grants and Contributions	Total	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
		\$ 34,884	\$ 94,438	\$ 129,322	\$ 0
		137,668	119,535	257,203	0
		89,917	0	89,917	0
		<u>(1,305,103)</u>	<u>1,305,103</u>	<u>0</u>	<u>0</u>
		<u>10,222,272</u>	<u>1,519,076</u>	<u>11,741,348</u>	<u>252,280</u>
		(1,002,159)	(717,875)	(1,720,034)	178,028
		<u>45,248,841</u>	<u>27,736,378</u>	<u>72,985,219</u>	<u>2,220,689</u>
		<u>\$44,246,682</u>	<u>\$ 27,018,503</u>	<u>\$71,265,185</u>	<u>\$2,398,717</u>

The accompanying notes are an integral part of these statements.

COMBINING BALANCE SHEET

Governmental Funds  
Tifton, Georgia

June 30, 2009

	General Fund	Special Purpose Local Option Sales Tax	Other Governmental Funds	Total
<u>ASSETS</u>				
Cash on Hand and in Banks	\$3,526,607	\$6,519,516	\$ 336,402	\$10,382,525
Property Taxes Receivable	74,103	0	0	74,103
Accounts Receivable - Net	685,519	506,641	103,297	1,295,457
Internal Balances	894,968	(205,360)	(4,651)	684,957
Due from Component Unit	<u>0</u>	<u>0</u>	<u>179,344</u>	<u>179,344</u>
 TOTAL ASSETS	 <u>\$5,181,197</u>	 <u>\$6,820,797</u>	 <u>\$ 614,392</u>	 <u>\$12,616,386</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts Payable	\$ 479,149	\$ 394,672	\$ 97,627	\$ 971,448
Accrued Expenses	123,210	0	0	123,210
Deferred Revenue	<u>151,240</u>	<u>0</u>	<u>0</u>	<u>151,240</u>
 Total Liabilities	 <u>753,599</u>	 <u>394,672</u>	 <u>97,627</u>	 <u>1,245,898</u>
Fund Balance:				
Reserved for:				
Capital Projects	0	6,426,125	0	6,426,125
Unreserved	4,427,598	0	0	4,427,598
Unreserved Reported in Nonmajor Special Revenue Fund	<u>0</u>	<u>0</u>	<u>516,765</u>	<u>516,765</u>
 Total Fund Balance	 <u>4,427,598</u>	 <u>6,426,125</u>	 <u>516,765</u>	 <u>11,370,488</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$5,181,197</u>	 <u>\$6,820,797</u>	 <u>\$ 614,392</u>	 <u>\$12,616,386</u>

The accompanying notes are an integral part of these statements.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET

TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

City of Tifton  
Tifton, Georgia

June 30, 2009

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TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$11,370,488
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Amounts reported for Governmental Activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources; therefore, they are not reported in the Governmental Funds Balance Sheet.

Cost of Capital Assets	43,197,759
Accumulated Depreciation	(11,231,324)

Deferred revenues for delinquent property taxes deferred in the Governmental Funds because they will not be received within sixty days of the Consolidated Government's year end.

	69,504
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An internal service fund is used by management to charge the costs of various administrative activities, inventory and purchasing, and maintenance shop, to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Government-Wide Statement of Net Assets.

	2,766,580
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Long-term liabilities are not due and payable in the current period; therefore, they are not reported in the Governmental Funds Balance Sheet, but are recorded in the Government-Wide Statement of Net Assets.

Notes and Leases Payable	(1,552,666)
Compensated Absences	(363,216)
Accrued Interest	<u>(10,443)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$44,246,682</u>
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The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES

Governmental Funds  
Tifton, Georgia

Year Ended  
June 30, 2009

	General Fund	Special Purpose Local Option Sales Tax	Other Governmental Funds	Total
<b>Revenues:</b>				
Taxes - Net	\$ 7,290,751	\$ 0	\$ 711,296	\$ 8,002,047
Licenses and Permits	798,206	0	0	798,206
Intergovernmental Revenues	98,847	3,270,479	500,456	3,869,782
Charges for Services	1,562,496	0	2,157	1,564,653
Fines and Forfeitures	775,612	0	0	775,612
Miscellaneous	<u>235,586</u>	<u>77,431</u>	<u>4,432</u>	<u>317,449</u>
<b>Total Revenues</b>	<u>10,761,498</u>	<u>3,347,910</u>	<u>1,218,341</u>	<u>15,327,749</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	2,361,746	108,146	826,957	3,296,849
Public Safety	7,076,776	348,766	0	7,425,542
Public Works	1,884,851	861,159	254,950	3,000,960
Culture and Recreation	537,630	0	64,055	601,685
Health and Welfare	56,101	0	135,000	191,101
<b>Debt Service:</b>				
Principal	268,044	0	140,168	408,212
Interest	<u>0</u>	<u>0</u>	<u>24,295</u>	<u>24,295</u>
<b>Total Expenditures</b>	<u>12,185,148</u>	<u>1,318,071</u>	<u>1,445,425</u>	<u>14,948,644</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(1,423,650)	2,029,839	(227,084)	379,105
<b>Other Financing Sources (Uses):</b>				
Proceeds from Long-Term Debt	0	0	238,585	238,585
Transfers In	900,000	0	0	900,000
Transfers Out	<u>(578,555)</u>	<u>(1,203,705)</u>	<u>0</u>	<u>(1,782,260)</u>
<b>Net Change in Fund Balance</b>	(1,102,205)	826,134	11,501	(264,570)
<b>Fund Balance - July 1, 2008</b>	<u>5,529,803</u>	<u>5,599,991</u>	<u>505,264</u>	<u>11,635,058</u>
<b>FUND BALANCE - JUNE 30, 2009</b>	<u>\$ 4,427,598</u>	<u>\$ 6,426,125</u>	<u>\$ 516,765</u>	<u>\$11,370,488</u>

The accompanying notes are an integral part of these statements.

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

City of Tifton	Year Ended
Tifton, Georgia	June 30, 2009

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NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (264,570)
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Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	1,045,631
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Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, this amount of depreciation expense is not reported as an expenditure in Governmental Funds.	(1,399,700)
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Governmental funds report the gross proceeds from the sale of capital assets. The Government wide statement of activities and changes in net assets the gain or loss on the sale is reported. This is the basis in capital assets sold this year.	(78,264)
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Because some property taxes will not be collected for several months after the City's fiscal year end, they are not considered "available" revenues, and are deferred in the Governmental Funds. Deferred tax revenues increased by this amount this year.	15,664
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Long-term compensated absences are reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in Governmental Funds. This year vacation leave earned exceeded vacation leave paid by this amount.	(58,742)
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Loan proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Assets. This is the amount of loan proceeds received this year by the Governmental Funds.	(238,585)
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Repayment of principal on long-term debt is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Assets. This is the amount of principal paid on long-term debt this year by the Governmental Funds.	408,212
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(Continued on next page)

The accompanying notes are an integral part of these statements.

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

City of Tifton  
Tifton, Georgia

Year Ended  
June 30, 2009

Interest on long-term debt in the Government-Wide Statement of Activities differs from the amount reported in the Governmental Funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Government-Wide Statement of Activities interest expense is recognized as the interest accrues, regardless of when it is due. This year interest accrued exceeded the interest paid by this amount.	\$ (8,962)
The net revenue (expense) of the internal service fund is included in the Government -Wide Statement of Activities and Changes in Net Assets. During the year, there were no net internal transfers between the Governmental funds and the Internal Service fund.	<u>(422,843)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (1,002,159)</u>

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF NET ASSETS

Proprietary Funds  
Tifton, Georgia

June 30, 2009

	Water Revenue	Sewer Revenue	Gas Revenue	Solid Waste Collection and Disposal Revenue	Telecom- munication Revenue	Total	Governmental Activities Service Fund
<u>Current Assets:</u>							
Cash	\$ 581,173	\$ 751,090	\$1,512,470	\$ 5,992,695	\$ 146,348	\$ 8,983,776	\$ 1,225,333
Accounts Receivable - Net	446,646	364,799	275,759	503,348	336,869	1,927,421	39,005
Due from Other Funds	319,210	79,656	1,599,513	0	0	1,998,379	1,053,504
Prepaid Expense	0	0	0	0	0	0	450,211
Restricted Assets:							
Cash	0	0	0	0	516	516	0
Inventory	0	0	0	0	0	0	723,571
<u>Total Current Assets</u>	<u>1,347,029</u>	<u>1,195,545</u>	<u>3,387,742</u>	<u>6,496,043</u>	<u>483,733</u>	<u>12,910,092</u>	<u>3,491,624</u>
<u>Non-Current Assets:</u>							
Capital Assets not Being Depreciated	65,660	389,873	102,302	0	10,000	567,835	50,445
Capital Assets Being Depreciated - Net	7,555,430	14,822,705	2,143,334	4,786,538	6,001,573	35,309,580	1,514,591
Advances to Other Funds	0	0	2,259,756	0	0	2,259,756	0
Bond Cost	0	0	0	0	229,557	229,557	0
<u>Total Non-Current Assets</u>	<u>7,621,090</u>	<u>15,212,578</u>	<u>4,505,392</u>	<u>4,786,538</u>	<u>6,241,130</u>	<u>38,366,728</u>	<u>1,565,036</u>
<u>Total Assets</u>	<u>8,968,119</u>	<u>16,408,123</u>	<u>7,893,134</u>	<u>11,282,581</u>	<u>6,724,863</u>	<u>51,276,820</u>	<u>5,056,660</u>

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF NET ASSETS

Proprietary Funds  
Tifton, Georgia

June 30, 2009

	Water Revenue	Sewer Revenue	Gas Revenue	Solid Waste Collection and Disposal Revenue	Telecom- munication Revenue	Total	Governmental Activities Service Fund
Current Liabilities:							
Payable from Current Assets:							
Accounts Payable	81,355	110,547	348,001	159,221	239,450	938,574	124,974
Due to Other Funds	33,569	162,591	39,363	91,607	1,543,480	1,870,610	1,866,230
Notes Payable	0	301,468	0	0	52,295	353,763	99,870
Accrued Expenses	18,056	49,201	7,627	27,205	13,541	115,630	44,776
Customer Deposits	319,681	235,934	151,187	60,613	0	767,415	0
Revenue Bonds Payable	0	0	0	0	270,000	270,000	0
Total Current Liabilities	452,661	859,741	546,178	338,646	2,118,766	4,315,992	2,135,850
Long-Term Liabilities:							
Notes Payable	0	3,529,116	0	0	123,588	3,652,704	74,480
Advances Due Other Funds	0	0	0	0	2,259,756	2,259,756	0
Accrued Vacation Pay	37,365	33,339	17,830	58,072	24,725	171,331	79,750
Accrued Postclosure Cost	0	0	0	3,482,709	0	3,482,709	0
Revenue Bonds Payable	0	0	0	0	10,375,825	10,375,825	0
Total Long-Term Liabilities	37,365	3,562,455	17,830	3,540,781	12,783,894	19,942,325	154,230
Total Liabilities	490,026	4,422,196	564,008	3,879,427	14,902,660	24,258,317	2,290,080

(Continued on next page)

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF NET ASSETS

Proprietary Funds  
Tifton, Georgia

June 30, 2009

	Water Revenue	Sewer Revenue	Gas Revenue	Solid Waste Collection and Disposal Revenue	Telecom- munication Revenue	Total	Governmental Activities Service Fund
Invested in Capital Assets, Net of Related Debt	\$7,621,090	\$11,381,994	\$2,245,636	\$4,035,458	\$(4,810,135)	\$20,474,043	\$ 1,390,686
Unrestricted	<u>857,003</u>	<u>603,933</u>	<u>5,083,490</u>	<u>3,367,696</u>	<u>(3,367,662)</u>	<u>6,544,460</u>	<u>1,375,894</u>
<b>TOTAL NET ASSETS</b>	<u>\$8,478,093</u>	<u>\$11,985,927</u>	<u>\$7,329,126</u>	<u>\$7,403,154</u>	<u>\$(8,177,797)</u>	<u>\$27,018,503</u>	<u>\$ 2,766,580</u>

NET ASSETS

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF REVENUES,

EXPENSES, AND CHANGES IN NET ASSETS

Proprietary Funds  
Tifton, Georgia

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	Water Revenue	Sewer Revenue
Operating Revenues:		
Charges for Services	\$ 2,990,639	\$ 2,941,068
Operating Expenses:		
Personnel Services	1,082,949	1,165,586
Public Utility Services	269,264	247,054
Repairs and Maintenance	441,641	438,321
Supplies and Purchases	247,485	167,029
Insurance	68,020	90,309
Warehouse and Inventory Control	120,816	83,016
Administrative and Clerical	384,994	384,994
Professional Services	10,530	33,554
Depreciation	367,618	831,636
Miscellaneous	5,441	8,531
Total Operating Expenses	<u>2,998,758</u>	<u>3,450,030</u>
Operating Income (Loss)	<u>(8,119)</u>	<u>(508,962)</u>
Non-Operating Revenues (Expenses):		
Interest Income	7,493	8,018
Revenue Bond Expense	0	0
Interest Expense	0	(178,168)
Gain/Loss on Sale of Capital Assets	<u>0</u>	<u>(6,808)</u>
Net Non-Operating Revenues (Expenses)	<u>7,493</u>	<u>(176,958)</u>
Net Income (Loss) Before Transfers	(626)	(685,920)
Transfers In (Out)	<u>310,243</u>	<u>717,049</u>
Change in Net Assets	309,617	31,129
Net Assets - July 1, 2008	<u>8,168,476</u>	<u>11,954,798</u>
NET ASSETS - JUNE 30, 2009	<u>\$ 8,478,093</u>	<u>\$11,985,927</u>

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF REVENUES,

EXPENSES, AND CHANGES IN NET ASSETS

Year Ended  
June 30, 2009

Gas Revenue	Solid Waste Collection and Disposal Revenue	Telecom- munication Revenue	Total	Governmental Activities Service Fund
<u>\$ 5,071,390</u>	<u>\$4,272,572</u>	<u>\$ 3,498,325</u>	<u>\$18,773,994</u>	<u>\$ 3,316,272</u>
418,470	1,672,189	902,089	5,241,283	2,471,382
13,710	26,766	135,061	691,855	98,006
94,251	535,282	89,308	1,598,803	234,884
3,956,640	648,122	1,990,581	7,009,857	173,940
15,452	260,313	51,558	485,652	48,227
27,735	105,946	40,865	378,378	0
384,994	384,995	384,994	1,924,971	0
8,985	24,895	89,839	167,803	51,279
106,822	716,636	752,446	2,775,158	219,647
<u>2,948</u>	<u>7,582</u>	<u>16,562</u>	<u>41,064</u>	<u>18,907</u>
<u>5,030,007</u>	<u>4,382,726</u>	<u>4,453,303</u>	<u>20,314,824</u>	<u>3,316,272</u>
<u>41,383</u>	<u>(110,154)</u>	<u>(954,978)</u>	<u>(1,540,830)</u>	<u>0</u>
27,810	74,395	1,819	119,535	0
0	0	(511,145)	(511,145)	0
0	0	0	(178,168)	0
<u>0</u>	<u>94,438</u>	<u>0</u>	<u>87,630</u>	<u>0</u>
<u>27,810</u>	<u>168,833</u>	<u>(509,326)</u>	<u>(482,148)</u>	<u>0</u>
69,193	58,679	(1,464,304)	(2,022,978)	0
<u>(263,607)</u>	<u>462,721</u>	<u>78,697</u>	<u>1,305,103</u>	<u>(422,843)</u>
(194,414)	521,400	(1,385,607)	(717,875)	(422,843)
<u>7,523,540</u>	<u>6,881,754</u>	<u>(6,792,190)</u>	<u>27,736,378</u>	<u>3,189,423</u>
<u>\$ 7,329,126</u>	<u>\$7,403,154</u>	<u>\$(8,177,797)</u>	<u>\$27,018,503</u>	<u>\$ 2,766,580</u>

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF CASH FLOWS

Proprietary Funds  
Tifton, Georgia

	Water Revenue	Sewer Revenue
<b>Cash Flows from Operating Activities:</b>		
Cash Receipts from Customers	\$ 3,049,857	\$ 3,029,547
Cash Receipts from Interfund Services	0	0
Cash Payments for Personnel Services	(1,075,094)	(1,157,215)
Cash Payments for Other Operating Expenses	(987,922)	(1,009,195)
Cash Payments for Interfund Services	<u>(600,473)</u>	<u>(484,088)</u>
Net Cash Provided (Used) by Operating Activities	<u>386,368</u>	<u>379,049</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Net Advances to/from Other Funds	0	0
Transfers In (Out)	<u>57,655</u>	<u>96,699</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>57,655</u>	<u>96,699</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Purchases of Capital Assets	(754,676)	(883,261)
Proceeds from Sale of Capital Assets	0	9,421
Interest Paid on Revenue Bonds	0	0
Bond Cost	0	0
Proceeds from Long-Term Debt	0	245,630
Principal Paid on Long-Term Debt	0	(281,440)
Interest Paid on Debt	0	(179,974)
Transfers In	<u>252,588</u>	<u>620,350</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(502,088)</u>	<u>(469,274)</u>
<b>Cash Flows from Investing Activities:</b>		
Interest Received	<u>7,493</u>	<u>8,018</u>
Net Increase (Decrease) in Cash and Restricted Cash	(50,572)	14,492
Cash and Restricted Cash - July 1, 2008	<u>631,745</u>	<u>736,598</u>
CASH AND RESTRICTED CASH - JUNE 30, 2009	<u>\$ 581,173</u>	<u>\$ 751,090</u>

(Continued on next page)

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF CASH FLOWS

Year Ended  
June 30, 2009

Gas Revenue	Solid Waste Collection and Disposal Revenue	Telecom- munication Revenue	Total	Governmental Activities Service Fund
\$ 5,369,633	\$ 4,289,339	\$3,555,395	\$ 19,293,771	\$ 8,387
0	0	0	0	3,457,795
(418,855)	(1,660,265)	(902,503)	(5,213,932)	(2,468,349)
(4,160,338)	(1,539,160)	(2,402,247)	(10,098,862)	(411,464)
<u>(450,735)</u>	<u>(576,645)</u>	<u>(263,007)</u>	<u>(2,374,948)</u>	<u>0</u>
<u>339,705</u>	<u>513,269</u>	<u>(12,362)</u>	<u>1,606,029</u>	<u>586,369</u>
(662,539)	0	662,539	0	0
<u>(263,607)</u>	<u>131,954</u>	<u>78,697</u>	<u>101,398</u>	<u>(600,000)</u>
<u>(926,146)</u>	<u>131,954</u>	<u>741,236</u>	<u>101,398</u>	<u>(600,000)</u>
(259,394)	(459,511)	(307,406)	(2,664,248)	(33,115)
0	95,705	0	105,126	0
0	0	(478,809)	(478,809)	0
0	0	(500)	(500)	0
0	0	118,876	364,506	(99,870)
0	0	(28,504)	(309,944)	0
0	0	0	(179,974)	0
<u>0</u>	<u>330,767</u>	<u>0</u>	<u>1,203,705</u>	<u>0</u>
<u>(259,394)</u>	<u>(33,039)</u>	<u>(696,343)</u>	<u>(1,960,138)</u>	<u>(132,985)</u>
<u>27,810</u>	<u>74,395</u>	<u>1,819</u>	<u>119,535</u>	<u>0</u>
(818,025)	686,579	34,350	(133,176)	(146,616)
<u>2,330,495</u>	<u>5,306,116</u>	<u>112,514</u>	<u>9,117,468</u>	<u>1,371,949</u>
<u>\$ 1,512,470</u>	<u>\$ 5,992,695</u>	<u>\$ 146,864</u>	<u>\$ 8,984,292</u>	<u>\$1,225,333</u>

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF CASH FLOWS

Proprietary Funds  
Tifton, Georgia

	Water Revenue	Sewer Revenue
<hr/>		
Reconciliation of Operating Income (Loss) to Net Cash		
Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (8,119)	\$ (508,962)
Adjustments to Reconcile Operating Income (Loss) to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation	367,618	831,636
Changes in Assets and Liabilities:		
Receivables, Net	43,832	73,917
Prepaid Expense	0	0
Inventory	0	0
Accounts Payable	54,459	(24,397)
Customer Deposits	15,386	14,562
Accrued Expenses	7,855	8,371
Due to/from Other Funds	<u>(94,663)</u>	<u>(16,078)</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 <u>\$ 386,368</u>	 <u>\$ 379,049</u>

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF CASH FLOWS

Year Ended  
June 30, 2009

Gas Revenue	Solid Waste Collection and Disposal Revenue	Telecom- munication Revenue	Total	Governmental Activities Service Fund
\$ 41,383	\$ (110,154)	\$ (954,978)	\$ (1,540,830)	\$ 0
106,822	716,636	752,446	2,775,158	219,647
273,395	(1,916)	57,070	446,298	(7,630)
0	0	0	0	31,542
0	0	0	0	225,280
(68,352)	(36,200)	(29,338)	(103,828)	(43,043)
24,848	18,683	0	73,479	0
(385)	11,924	(414)	27,351	3,032
<u>(38,006)</u>	<u>(85,704)</u>	<u>162,852</u>	<u>(71,599)</u>	<u>157,541</u>
<u>\$ 339,705</u>	<u>\$ 513,269</u>	<u>\$ (12,362)</u>	<u>\$ 1,606,029</u>	<u>\$ 586,369</u>

The accompanying notes are an integral part of these statements.

STATEMENT OF FIDUCIARY NET ASSETS

Pension Trust Fund  
Tifton, Georgia

June 30, 2009

ASSETS

Cash and Cash Equivalents	\$ 4,245,846
Investments, at Fair Market Value:	
Domestic Common Stocks	3,634,001
Treasury and Agency Securities	991,828
Municipal Obligations	2,062,791
Domestic Corporate Bonds	<u>1,460,075</u>
 TOTAL ASSETS	 <u>\$12,394,541</u>

LIABILITIES AND FUND BALANCE

Liabilities	<u>\$ 0</u>
 NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	 <u>\$12,394,541</u>

The accompanying notes are an integral part of these statements.

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

Pension Trust Fund Tifton, Georgia	Year Ended June 30, 2009
<hr/>	
Additions:	
Contributions-Employer	\$ 3,622,319
Contributions-Employee	12,654
Investment Income:	
Interest and Dividends	418,964
Net Depreciation in Fair Market Value of Investments	<u>(1,974,805)</u>
 Total Additions	 <u>2,079,132</u>
 Deductions:	
Retiree Benefits	1,565,565
Administrative Expenses	<u>133,230</u>
 Total Deductions	 <u>1,698,795</u>
 Net Increase	 380,337
 Net Assets Held in Trust for Pension Benefits - July 1, 2008	 <u>12,014,204</u>
 NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - JUNE 30, 2009	 <u>\$12,394,541</u>

The accompanying notes are an integral part of these statements.

## NOTES TO FINANCIAL STATEMENTS

City of Tifton  
Tifton, Georgia

June 30, 2009

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Tifton, county seat of Tift County, was incorporated by an act of the Georgia Legislature on August 14, 1920. The City is governed by a council-mayor form of government. The following services are provided to the citizens of Tifton and Tift County; public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, education, public improvements, planning and community development, and general administrative services.

The financial statements of the City of Tifton have been prepared in conformity with generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The City's reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989. Listed below is a summary of the more significant policies:

#### A. REPORTING ENTITY

The financial statements of the reporting entity include those of the City of Tifton, Georgia (the primary government) and its component unit. An entity is a component unit of the City of Tifton, Georgia, if the City is financially accountable for the entity or the exclusion of such entity would cause the City's financial statements to be misleading or incomplete. Financial accountability exist if the City appoints a voting majority of the entity's governing body and either the City can impose its will on the entity or the potential exists for the entity to provide specific financial benefits or impose specific financial burdens on the City. Below is a brief description of the component unit of the City of Tifton, Georgia.

The Downtown Development Authority operates the Tift Theatre and the Mainstreet programs. Its governing board is appointed by the City and the City has assumed financial responsibility for its operations. The Downtown Development Authority's financial data is discretely presented in these financial statements. The Downtown Development Authority does not issue stand alone financial statements.

The Tifton Housing Authority is considered a related organization of the City. The City appoints its governing board but is not able to impose its will on the board nor is the board accountable financially to the City.

#### B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements, which are the statement of net assets and the statement of activities and changes in net assets, report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, 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

## NOTES TO FINANCIAL STATEMENTS

City of Tifton  
Tifton, Georgia

June 30, 2009

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Rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from its legally separate component unit for which the primary government is financially responsible.

The statement of activities and changes in net assets demonstrates the degree to which the direct expenses of a given function or activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. 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 activity and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. 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.

### C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The City's government-wide financial statements include a statement of net assets and a statement of activities and changes in net assets. These statements present summaries of governmental and business-type activities for the City. Fiduciary activities of the City are not included in these statements.

These statements are reported using the economic resources measurement focus and accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Accordingly, all the City's assets and liabilities, including capital assets, as well as infrastructure assets purchased since July 1, 2003, and long-term liabilities, are included in the accompanying statement of net assets. The statement of activities presents changes in assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues 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.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the statement of net assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the statement of activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. Governmental activities, which 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.

## NOTES TO FINANCIAL STATEMENTS

City of Tifton  
Tifton, Georgia

June 30, 2009

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### Governmental 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 presents 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. Those revenues susceptible to accrual are property taxes, sales taxes, licenses, interest revenue, and charges for services. Sales taxes collected and held by the state at year end on behalf of the government also are recognized as revenue. Fines are not susceptible to accrual because generally they are not measurable until received in cash. The City considers taxes as available in the period for which they were levied if they are collected within 60 days after year end. A 60 day availability period is also used for revenue recognition for all other governmental fund revenues.

The City reports the general fund and the special purpose local option sales tax fund as its major governmental funds.

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

The special purpose local option sales tax fund is used to account for projects supported by the special purpose local option sales tax including construction of roads, sidewalks, water and sewer system improvements, landfill development, fire fighting equipment, and construction of municipal buildings. This fund is a capital projects type fund.

Additionally, the City reports the following governmental fund types:

**Special Revenue Funds:** These funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The City's non-major special revenue funds are the community development revolving loan fund, which uses rents collected and interest income to make housing loans to low income individuals, and the hotel/motel tax fund, which uses hotel/motel tax funds for promotion of the City for tourism and contributes to other local programs.

**Capital Projects Funds:** These 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, loan proceeds, sales tax proceeds, and capital leases. The City's non-major capital projects fund is the grant fund, which accounts for grant proceeds used to construct water, street, and drainage improvements in low and moderate income neighborhoods and other general government capital projects.

## NOTES TO FINANCIAL STATEMENTS

City of Tifton  
Tifton, Georgia

June 30, 2009

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### Proprietary Fund Financial Statements

Proprietary fund financial statements include a statement of net assets, statement of revenues, expenses, and changes in net assets, and a statement of cash flows. Proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Enterprise Funds: Enterprise fund operations are financed and accounted for in a manner similar to a private business - where the intent of the governing body is that the expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The following funds are accounted for as enterprise funds and all are considered major funds.

Water Revenue Fund - to account for the City's water services.

Sewer Revenue Fund - to account for the City's collection and treatment of waste water.

Gas Revenue Fund - to account for the City's natural gas services.

Solid Waste Collection and Disposal Revenue Fund - to account for the City's collection and disposal of solid waste.

Telecommunication Revenue Fund - to account for the City's cable television, high speed data transmission, and internet services.

Internal Service Fund: This fund is used to account for the financing of goods or services provided to the other departments or funds of the City. The estimated costs of operating the service fund are charged to the separate departments and funds during the year. At the end of the year, a cost allocation for the services provided is computed based on the movement of inventory, shop charges, and space occupied in the maintenance warehouse complex and the city hall. Any differences in the estimated costs charged during the year and the computed, allocated costs at the end of the year are accounted for as an interfund receivable or payable of the quasi-external classification. These costs are recorded as administrative and clerical expense and warehouse and inventory control expense.

### Fiduciary Fund Financial Statements

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent for another entity or person. The pension trust fund is the City's only trust fund and accounts for the retirement benefits for City employees.

NOTES TO FINANCIAL STATEMENTS

City of Tifton  
Tifton, Georgia

June 30, 2009

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D. BUDGETS AND BUDGETARY ACCOUNTING

The City's established budgetary process is as follows:

- a. In February the department heads are furnished with a worksheet to submit their proposed budget for the upcoming fiscal year to the director of budgets and finance.
- b. The budgets are reviewed and compiled by the director of budgets and finance and submitted to the mayor and city council.
- c. Budget hearings are held with the mayor and city council, the city manager, and the director of budgets and finance for final review and revisions.
- d. A public hearing is then held for the proposed budget with adoption of the budget around the first of June.
- e. Formal budgetary integration is the management tool used as a control device during the year for the general and proprietary funds.

During the year, as the need arises, the director of budgets and finance is authorized to transfer budget amounts within departments; however, any revisions that alter the total expenditures/expenses must be approved by the mayor and city council.

All annual appropriations lapse at fiscal year end.

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting involves the reserving of applicable appropriations for purchase orders, contracts, and other commitments for the expenditure of resources. 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 during the subsequent year. The City of Tifton does not employ encumbrance accounting.

The City budgets the capital projects funds on a project basis with the term of the project being longer than the City's fiscal year. The City budgets its special revenue funds on a basis consistent with generally accepted accounting principles.

E. INVENTORIES

All the inventories of the City are recorded in the service fund at average cost. Perpetual inventory records are maintained by the inventory control department on a cost basis and the cost of each inventory item is billed to the requisitioning fund.

F. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond June 30, 2009, are recorded as prepaid items.

NOTES TO FINANCIAL STATEMENTS

City of Tifton  
Tifton, Georgia

June 30, 2009

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G. CAPITAL ASSETS

Capital assets, which include property, plant, and equipment 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 for reporting capital assets as follows: equipment-\$5,000; public utility extensions-\$20,000; land and buildings-\$100,000; roads, bridges, and drainage system-\$250,000. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

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

Depreciation is computed over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Distribution Systems	45-50 years
Telecommunication System	10-15 years
Buildings and Improvements	20-50 years
Machinery and Equipment	5-10 years
Infrastructure Assets	30-50 years

H. ACCOUNTS RECEIVABLE - UNBILLED REVENUE

Unbilled service revenues of the water, sewer, gas, solid waste collection and disposal, and telecommunication revenue funds are accrued at the end of the year by prorating actual subsequent billings.

I. COMPENSATED ABSENCES

It is the policy of the City to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements.

J. LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as bond cost and amortized over the term of the related debt.

NOTES TO FINANCIAL STATEMENTS

City of Tifton  
Tifton, Georgia

June 30, 2009

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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 issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

K. DEFERRED REVENUE

Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

L. CASH AND CASH EQUIVALENTS

The City has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agent with original maturities of three months or less. Additionally, each fund’s equity in the City’s investment pool is considered to be a cash equivalent since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

M. PROPERTY TAX

The City Council establishes the tax millage rate annually. The property tax calendar for the fiscal year ended June 30, 2009, is as follows:

	<u>2007 Levy</u>
Lien Date	1/01/08
Levy Date	9/02/08
Due Date	11/15/08
Delinquent Date	11/16/08
Collection Dates	9/02/08-11/15/08

N. FUND BALANCE RESERVES

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. Fund balance reserves have been established for capital projects as prescribed by the special purpose local option sales tax ordinance.

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 needed.

NOTES TO FINANCIAL STATEMENTS

City of Tifton  
Tifton, Georgia

June 30, 2009

O. ESTIMATES

The preparation of the financial statements in conformity with generally accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

2. DEPOSITS AND INVESTMENTS

It is the investment policy of the City of Tifton, with the exception of the pension trust fund, to invest all of its cash in checking accounts, certificates of deposit, and with Georgia Fund 1. These accounts are reported at cost which equals market value. The pension trust fund invests in cash, publicly traded stocks, and both governmental and corporate debt instruments. These investments are valued at market and are based on quoted market prices.

Georgia Fund 1, created by OCGA 36-83-8 and managed by the Office of Treasury and Fiscal Services, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAM rated money market funds. However, it 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 following is a summary of the City's deposits and investments.

	Governmental Activities	Business-Type Activities	Pension Trust Fund
Cash and Investments	\$11,607,858	\$8,983,776	\$12,394,541
Restricted Assets	<u>0</u>	<u>516</u>	<u>0</u>
 Total	 <u>\$11,607,858</u>	 <u>\$8,984,292</u>	 <u>\$12,394,541</u>

The breakdown between deposits and investments for the City is as follows:

Primary Government:	
Cash on Hand	\$ 332,238
Bank Deposits (checking accounts, savings accounts, and certificates of deposits)	9,911,772
Georgia Fund 1	<u>10,348,140</u>
Total Primary Government	<u>\$20,592,150</u>

NOTES TO FINANCIAL STATEMENTS

City of Tifton  
Tifton, Georgia

June 30, 2009

Pension Trust Fund:

Bank Deposits (checking account)	\$ 286,373
Pooled Money Markets Funds	3,959,473
U.S. Government Treasury and Agency Securities	991,828
Municipal Bonds	2,062,791
Domestic Corporate Bonds	1,460,075
Domestic Common Stocks	<u>3,634,001</u>

Total Pension Trust Fund	<u>\$12,394,541</u>
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Credit Risk:

The City limits the credit risk of the primary government by investing the majority of its cash with Georgia Fund 1 and bank deposits, which are covered by federal depository insurance.

The City's pension trust limits its credit risk to the extent possible by investing in quality domestic common stocks, U. S. Government Treasury and Agency Securities with a Standard and Poors AAA rating and in domestic corporate bonds with a Standard and Poors rating of BBB or better.

Interest Rate Risk:

The investments of the primary government are invested in highly liquid investments with maturities of three months or less and, as such, are limited to the risk of interest rate fluctuations. The pension trust funds, bank deposits, and pooled money market funds have daily maturities. The domestic common stocks are publicly traded stocks and are subject to the daily fluctuations of the market. The weighted average maturity of the City deposits and investments is as follows:

	<u>Maturity Dates</u>	<u>Fair Market Value</u>
Georgia Fund 1	28 days or less	\$10,348,140
U. S. Government Treasury and Agency Securities	1 year or less	0
	1 to 5 years	160,032
	6 to 9 years	831,796
Municipal Bonds	1 to 5 years	208,462
	6 to 10 years	1,137,137
	11 to 15 years	717,192
Domestic Corporate Bonds	1 to 5 years	1,279,726
	10 years	180,347

NOTES TO FINANCIAL STATEMENTS

City of Tifton  
Tifton, Georgia

June 30, 2009

3. RECEIVABLES

Receivables at June 30, 2009, of the primary government, consist of the following:

	<u>General</u>	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Service</u>	<u>Total</u>
Property Taxes	\$ 74,103	\$ 0	\$ 0	\$ 0	\$ 0	\$ 74,103
Accounts	<u>707,256</u>	<u>526,619</u>	<u>83,319</u>	<u>2,858,033</u>	<u>39,005</u>	<u>4,214,232</u>
Gross Receivables	781,359	526,619	83,319	2,858,033	39,005	4,288,335
Less Allowance for Uncollectables	<u>(21,737)</u>	<u>0</u>	<u>0</u>	<u>(930,612)</u>	<u>0</u>	<u>(952,349)</u>
Net Receivables	<u>\$759,622</u>	<u>\$526,619</u>	<u>\$83,319</u>	<u>\$1,927,421</u>	<u>\$39,005</u>	<u>\$3,335,986</u>

The receivables at June 30, 2009, for the Downtown Development Authority consist of \$1,478,761 in notes and accounts receivable and all are considered collectable.

4. CAPITAL ASSETS

The following schedule represents the changes in the capital assets of the City for the year ending June 30, 2009.

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance June 30, 2009</u>
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$ 2,522,664	\$ 0	\$ 0	\$ 2,522,664
Construction in Process	<u>273,713</u>	<u>325,455</u>	<u>0</u>	<u>599,168</u>
Total Capital Assets not being Depreciated	<u>2,796,377</u>	<u>325,455</u>	<u>0</u>	<u>3,121,832</u>
Capital Assets being Depreciated:				
Buildings and Improvements	7,448,193	0	0	7,448,193
Machinery and Equipment	9,126,286	478,481	(178,890)	9,425,877
Infrastructure	<u>27,390,169</u>	<u>274,810</u>	<u>0</u>	<u>27,664,979</u>
Total Capital Assets being Depreciated	<u>43,964,648</u>	<u>753,291</u>	<u>(178,890)</u>	<u>44,539,049</u>

NOTES TO FINANCIAL STATEMENTS

City of Tifton  
Tifton, Georgia

June 30, 2009

	Balance July 1, 2008	<u>Additions</u>	Transfers/ <u>Deletions</u>	Balance June 30, 2009
Less Accumulated Depreciation :				
Buildings and Improvements	(1,811,364)	(166,405)	0	(1,977,769)
Machinery and Equipment	(5,793,392)	(719,324)	100,626	(6,412,090)
Infrastructure	<u>(5,005,933)</u>	<u>(733,618)</u>	<u>0</u>	<u>(5,739,551)</u>
 Total Accumulated Depreciation	 <u>(12,610,689)</u>	 <u>(1,619,347)</u>	 <u>100,626</u>	 <u>(14,129,410)</u>
 Net Capital Assets being Depreciated	 <u>31,353,959</u>	 <u>(866,056)</u>	 <u>(78,264)</u>	 <u>30,409,639</u>
 Total Capital Assets, Net	 <u>\$34,150,336</u>	 <u>\$ (540,601)</u>	 <u>\$ (78,264)</u>	 <u>\$33,531,471</u>

Depreciation expense of the general fund was charged to governmental functions as follows:

General Government	\$ 19,344
Public Safety	458,288
Public Works	907,919
Culture and Recreation	<u>14,149</u>
 Total	 <u>\$1,399,700</u>

Total depreciation of the service fund, in the amount of \$219,647, is charged to the various governmental functions and business-type activities.

	Balance July 1, 2008	<u>Additions</u>	Transfers/ <u>Deletions</u>	Balance June 30, 2009
Business Type Activities:				
Capital Assets not being Depreciated:				
Land	\$ 567,835	\$ 0	\$ 0	\$ 567,835
Capital Assets being Depreciated:				
Landfill	6,759,987	42,379	0	6,802,366
Buildings and Improvements	1,262,332	0	0	1,262,332
Distribution System	60,236,015	1,833,118	0	62,069,133
Machinery and Equipment	<u>10,120,867</u>	<u>788,751</u>	<u>(423,560)</u>	<u>10,486,058</u>
 Total Capital Assets being Depreciated	 <u>78,379,201</u>	 <u>2,664,248</u>	 <u>(423,560)</u>	 <u>80,619,889</u>

NOTES TO FINANCIAL STATEMENTS

City of Tifton  
Tifton, Georgia

June 30, 2009

	Balance July <u>1, 2008</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	Balance June <u>30, 2009</u>
Less Accumulated Depreciation:				
Landfill	(3,909,843)	(197,758)	0	(4,107,601)
Buildings and Improvements	(446,589)	(43,791)	0	(490,380)
Distribution System	(31,421,074)	(1,758,748)	0	(33,179,822)
Machinery and Equipment	<u>(7,163,709)</u>	<u>(774,861)</u>	<u>406,064</u>	<u>(7,532,506)</u>
Total Accumulated Depreciation	<u>(42,941,215)</u>	<u>(2,775,158)</u>	<u>406,064</u>	<u>(45,310,309)</u>
Net Capital Assets being Depreciated	<u>35,437,986</u>	<u>(110,910)</u>	<u>(17,496)</u>	<u>35,309,580</u>
Total Capital Assets, Net	<u>\$36,005,821</u>	<u>\$ (110,910)</u>	<u>\$ (17,496)</u>	<u>\$ 35,877,415</u>
Component Unit:				
Capital Assets not being Depreciated:				
Land	\$ 250,583	\$ 32,168	\$ 0	\$ 282,751
Construction in Process	<u>32,168</u>	<u>0</u>	<u>(32,168)</u>	<u>0</u>
Total Assets not being Depreciated	<u>282,751</u>	<u>32,168</u>	<u>(32,168)</u>	<u>282,751</u>
Capital Assets being Depreciated:				
Buildings and Improvements	2,207,535	90,564	0	2,298,099
Furniture and Fixtures	<u>20,090</u>	<u>0</u>	<u>0</u>	<u>20,090</u>
Total Capital Assets being Depreciated	<u>2,227,625</u>	<u>90,564</u>	<u>0</u>	<u>2,318,189</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(426,310)	(44,150)	0	(470,460)
Furniture and Fixtures	<u>(873)</u>	<u>(2,009)</u>	<u>0</u>	<u>(2,882)</u>
Total Accumulated Depreciated	<u>(427,183)</u>	<u>(46,159)</u>	<u>0</u>	<u>(473,342)</u>
Net Capital Assets being Depreciated	<u>1,800,442</u>	<u>44,405</u>	<u>0</u>	<u>1,844,847</u>
Total Capital Assets, Net	<u>\$2,083,193</u>	<u>\$ 76,573</u>	<u>\$ (32,168)</u>	<u>\$ 2,127,598</u>

NOTES TO FINANCIAL STATEMENTS

City of Tifton  
Tifton, Georgia

June 30, 2009

5. INTERNAL BALANCES

During the year various transactions occurred between the different funds of the City, which give rise to interfund receivable and payable balances. These transactions include charges for services, the purchase of goods and services, short-term cash advances and long-term loans for the purchase of capital assets. During the course of the year, these balances will be paid with the exception of the long-term loans. The long-term portion of the internal balances is as follows: gas revenue fund due from \$2,259,756, telecommunication revenue fund due to \$2,259,756. Total individual interfund balances at June 30, 2009, were as follows:

	<u>Due From</u>	<u>Due To</u>
Governmental Funds:		
General Fund:		
Grant Fund	\$ 210,011	\$ 0
Water Revenue Fund	17,219	0
Sewer Revenue Fund	17,118	0
Solid Waste Collection and Disposal Revenue Fund	17,118	0
Gas Revenue Fund	32,144	0
Telecommunication Revenue Fund	639,505	0
Internal Service Fund	<u>2,851</u>	<u>40,998</u>
Total General Fund	<u>935,966</u>	<u>40,998</u>
Special Purpose Local Option Sales Tax Fund:		
Grant Fund	<u>0</u>	<u>205,360</u>
Grant Fund:		
Special Purpose Local Option Sales Tax Fund	205,360	0
General Fund	<u>0</u>	<u>210,011</u>
Total Grant Fund	<u>205,360</u>	<u>210,011</u>
Proprietary Funds:		
Enterprise Funds:		
Water Revenue Fund:		
General Fund	0	17,219
Sewer Revenue Fund	135,000	0
Internal Service Fund	<u>184,210</u>	<u>16,350</u>
Total Water Revenue Fund	<u>319,210</u>	<u>33,569</u>

NOTES TO FINANCIAL STATEMENTS

City of Tifton  
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June 30, 2009

	<u>Due From</u>	<u>Due To</u>
Sewer Revenue Fund:		
General Fund	0	17,118
Water Revenue Fund	0	135,000
Internal Service Fund	<u>79,656</u>	<u>10,473</u>
Total Sewer Revenue Fund	<u>79,656</u>	<u>162,591</u>
Gas Revenue Fund:		
General Fund	0	32,144
Telecommunication Revenue Fund	2,259,756	0
Internal Service Fund	<u>1,599,513</u>	<u>7,219</u>
Total Gas Revenue Fund	<u>3,859,269</u>	<u>39,363</u>
Solid Waste Collection and Disposal Revenue Fund:		
General Fund	0	17,118
Service Fund	<u>0</u>	<u>74,489</u>
Total Solid Waste Collection and Disposal Revenue Fund	<u>0</u>	<u>91,607</u>
Telecommunication Revenue Fund:		
General Fund	0	639,505
Gas Revenue Fund	0	2,259,756
Service Fund	<u>0</u>	<u>903,975</u>
Total Telecommunication Revenue Fund	<u>0</u>	<u>3,803,236</u>
Internal Service Fund:		
General Fund	40,998	2,851
Special Purpose Local Option Sales Tax	0	0
Water Revenue Fund	16,350	184,210
Sewer Revenue Fund	10,473	79,656
Gas Revenue Fund	7,219	1,599,513
Solid Waste Collection and Disposal Revenue Fund	74,489	0
Telecommunication Revenue Fund	<u>903,975</u>	<u>0</u>
Total Internal Service Fund	<u>1,053,504</u>	<u>1,866,230</u>
Total Primary Government	<u>\$6,452,965</u>	<u>\$6,452,965</u>
Component Unit:		
Downtown Development Authority:		
Community Development Revolving Loan Fund	\$ 0	\$ 179,344
Community Development Revolving Loan Fund:		
Downtown Development Authority	<u>179,344</u>	<u>0</u>
Total Component Unit	<u>\$ 179,344</u>	<u>\$ 179,344</u>

NOTES TO FINANCIAL STATEMENTS

City of Tifton  
Tifton, Georgia

June 30, 2009

6. LONG-TERM DEBT

A. CHANGES IN LONG-TERM DEBT

The following is a summary of the changes in long-term debt of the City, including obligations under capital leases, for the year ended June 30, 2009:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due in One Year</u>
Governmental Activities:					
Notes Payable	\$ 1,110,826	\$ 238,585	\$ 140,168	\$ 1,209,243	\$542,469
Capital Leases	885,688	0	367,915	517,773	325,077
Compensated Absences	<u>387,824</u>	<u>442,966</u>	<u>387,824</u>	<u>442,966</u>	<u>0</u>
Total Governmental Activities	<u>\$ 2,384,338</u>	<u>\$ 681,551</u>	<u>\$ 895,907</u>	<u>\$ 2,169,982</u>	<u>\$867,546</u>
Business-Type Activities:					
Revenue Bonds	10,720,000	0	0	10,720,000	0
Notes Payable	3,785,170	0	226,058	3,559,112	237,152
Capital Leases	166,733	364,506	83,884	447,355	116,611
Compensated Absences	156,268	171,331	156,268	171,331	0
Landfill Postclosure	<u>3,482,709</u>	<u>0</u>	<u>0</u>	<u>3,482,709</u>	<u>0</u>
Total Business-Type Activities	<u>\$18,310,880</u>	<u>\$ 535,837</u>	<u>\$ 466,210</u>	<u>\$18,380,507</u>	<u>\$353,763</u>

The revenue bonds are shown on the Statement of Net Assets at a carrying value of \$10,645,825. This carrying value is the result of adding the unamortized bond premium of \$3,087 and subtracting the unamortized loss on defeased bonds of \$77,262.

The long-term debt of the service fund is included in the governmental activities section above. For governmental activities, compensated absences are liquidated by the general and service funds.

B. REVENUE BONDS

The City has issued \$8,470,000 in Series 2006A revenue bonds and \$2,230,000 in Series 2006B revenue bonds, through the Tift County Development Authority dated September 25, 2006. The proceeds of the bonds were used to retire debt previously issued to construct and equip a cable television information network, and to provide funds for further expansion of the network. The interest rate on the Series 2006A revenue bonds ranges from 4.0% to 4.25% and the interest rate on the Series 2006B revenue bonds is 5.36%. The bonds were issued at a premium of \$3,599, which is being amortized over the life of the bonds. These bonds are being accounted for in the telecommunication revenue fund. The City is in compliance with all significant limitations and restrictions.

NOTES TO FINANCIAL STATEMENTS

City of Tifton  
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C. NOTES PAYABLE

The following is a listing of the notes payable of the City of Tifton, Georgia, at June 30, 2009.

Governmental Activities:

Ameris Bank dated February 20, 2004, for \$1,440,639 to be used for improvements to the local airport and lighting on Interstate 75. Loan is to be repaid in 130 monthly installments of \$13,705 including interest at 66.6% of the prime rate, which equates to 2.2% at June 30, 2009. Collateral-Unsecured. Balance-\$814,792.

Ameris Bank dated June 19, 2008, for \$400,000 to be used for street improvement. The loan is to be repaid on November 21, 2009, plus interest at 66.6% of the prime rate, which equates to 2.2% at June 30, 2009. Collateral-Unsecured. Balance \$394,451.

Business-Type Activities:

Georgia Environmental Facilities Authority dated April 1, 2002, for \$1,216,338 to be used for sewer system improvements. Loan is to be repaid in 56 quarterly installments of \$29,065 including interest at 4.43% beginning May 1, 2002. Collateral-Unsecured. Balance-\$675,084.

Georgia Environmental Facilities Authority dated May 1, 2004, for \$3,351,507 to be used for sewer system improvements. Loan is to be repaid in 69 quarterly installments of \$73,050 including interest at 5.05% beginning February 1, 2006. Collateral-Unsecured. Balance-\$2,884,028.

D. ANNUAL DEBT SERVICE REQUIREMENTS

The schedule below and on the following page represents the annual requirements to amortize the revenue bonds outstanding as of June 30, 2009.

TELECOMMUNICATION REVENUE BONDS

SERIES 2006A

Year Ending <u>June 30</u>	Principal <u>Due 1/1</u>	Interest Due		Total <u>Requirements</u>
		<u>7/1</u>	<u>1/1</u>	
2010	\$ 0	\$ 0	\$ 179,641	\$ 179,641
2011	45,000	179,641	179,641	404,282
2012	50,000	178,741	178,741	407,482
2013	50,000	177,741	177,741	405,482
2014-2018	1,770,000	841,672	841,672	3,453,344
2019-2023	3,840,000	533,747	533,747	4,907,494
2024-2026	<u>2,735,000</u>	<u>117,937</u>	<u>117,937</u>	<u>2,970,874</u>
Total	<u>\$8,490,000</u>	<u>\$2,029,479</u>	<u>\$2,209,120</u>	<u>\$12,728,599</u>

NOTES TO FINANCIAL STATEMENTS

City of Tifton  
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SERIES 2006B

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u> <u>Due 1/1</u>	<u>Interest Due</u>		<u>Total</u> <u>Requirements</u>
		<u>7/1</u>	<u>1/1</u>	
2010	\$ 270,000	\$ 0	\$ 59,764	\$ 329,764
2011	280,000	52,528	52,528	385,056
2012	300,000	45,024	45,024	390,048
2013	315,000	36,984	36,984	388,968
2014-2016	<u>1,065,000</u>	<u>58,156</u>	<u>58,156</u>	<u>1,181,312</u>
Total	<u>\$2,230,000</u>	<u>\$192,692</u>	<u>\$252,456</u>	<u>\$2,675,148</u>

The schedules below represent the annual requirements to amortize all notes payable outstanding as of June 30, 2009.

GOVERNMENTAL ACTIVITIES

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 542,469	\$ 25,120	\$ 567,589
2011	151,308	13,152	164,460
2012	154,658	9,802	164,460
2013	158,117	6,343	164,460
2014	161,621	2,839	164,460
2015	<u>41,070</u>	<u>151</u>	<u>41,221</u>
Total	<u>\$1,209,243</u>	<u>\$ 57,407</u>	<u>\$1,266,650</u>

BUSINESS-TYPE ACTIVITIES

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 237,152	\$ 171,305	\$ 408,457
2011	248,794	159,663	408,457
2012	261,009	147,448	408,457
2013	273,825	134,632	408,457
2014	287,273	121,185	408,458
2015-2019	1,258,494	405,956	1,664,450
2020-2023	<u>992,565</u>	<u>103,168</u>	<u>1,095,733</u>
Total	<u>\$3,559,112</u>	<u>\$1,243,357</u>	<u>\$4,802,469</u>

7. DEFEASED DEBT

On September 25, 2006, the City, through proceeds obtained through the issuance of its Series 2006A revenue bonds, advance refunded its Tift County Development Authority revenue bonds dated July 1, 1998. The advance refunding met the requirements of an in-substance debt defeasance and the bonds were removed from the City's financial statements.

NOTES TO FINANCIAL STATEMENTS

City of Tifton  
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As a result of the advance refunding, the City reduced its debt service requirements on the refunded bonds by \$192,754, resulting in an economic loss of \$113,620, which is being amortized over the life of the refunded bonds.

8. CAPITAL LEASE

The City has entered into a lease agreement as lessee with the Georgia Municipal Association to finance the acquisition of equipment for various funds of the City. The City has available \$4,444,000 under the lease agreement for the purchase of equipment. During the year ended June 30, 2009, the City used \$364,506 in lease proceeds. Gross amount of assets recorded under capital leases is \$2,094,420 for governmental activities and \$980,893 for business-type activities. The future minimum lease payments under the capital lease consist of the following at June 30, 2009:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2010	\$349,671	\$138,978
2011	156,157	123,284
2012	47,816	89,443
2013	0	80,205
2014	<u>0</u>	<u>76,563</u>
Total Minimum Lease Payments	553,644	508,473
Less Amounts Representing Interest	<u>(35,871)</u>	<u>(61,118)</u>
Present Value of Net Minimum Lease Payments	<u>\$517,773</u>	<u>\$447,355</u>

9. PENSION PLAN

A. PLAN DESCRIPTION

The City of Tifton has a defined benefit retirement plan covering all full time employees as a single employer PERS. The plan is titled Retirement Plan for the employees of the City of Tifton, Georgia. The plan is administered for the City. The plan is established and maintained in accordance with ordinance 97-02 as adopted by the City's governing authority. The plan also meets the funding requirements of Section 47-20-10 of The Official Code of Georgia, annotated. The plan's financial statement is included in this report as a pension trust fund. The plan does not issue stand alone financial statements.

The normal retirement age for plan participants ranges from ages 55 to age 67, though earlier or later retirement is permitted in most cases. The retirement benefit for city employees is either 1.5% or 2% of the five highest years average earnings times years of credited service. The retirement benefit for members of the governing authority is \$60 times years of credited service. The retirement benefit for those retiring before normal retirement age is generally reduced for each year that early retirement precedes normal retirement. City employees are 100% vested after ten years of service. Elected or appointed officials are 100% vested after three years of service.

NOTES TO FINANCIAL STATEMENTS

City of Tifton  
Tifton, Georgia

June 30, 2009

B. CONTRIBUTIONS

Contributions to the plan are made annually by the employer and are established by City ordinance. Employee contributions are required for those individuals who are hired after June 30, 2008 at the rates of 5% of pay. Contributions to the plan are made in accordance with an actuarial evaluation performed as of July 1, 2007 (the most recent actuarial valuation). Under the aggregate cost method, the minimum required contribution is equal to the plan's normal cost. The following is a schedule of employer contributions.

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>
2005	\$ 756,387	100%	\$ 756,387	100%
2006	1,208,963	99%	1,208,963	99%
2007	2,236,445	98%	2,236,723	98%

C. SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Plan Assets</u>	<u>Actuarial Accrued Liability *</u>	<u>Unfunded Actuarial Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percentage of Annual Covered Payroll</u>
7/1/07	\$12,934,096	\$26,729,532	\$13,795,436	48.39%	\$7,535,451	183.07%
7/1/05	10,574,057	10,574,057	0	100%	7,037,220	0%
1/1/04	10,137,574	13,560,936	0	100%	6,114,470	0%
1/1/02	8,578,391	12,432,451	0	100%	5,166,229	0%
1/1/00	8,133,000	12,850,000	0	100%	4,353,000	0%
1/1/98	7,431,700	7,431,700	0	100%	4,368,000	0%

- After 2006, the Actuarial Accrued Liability has been calculated under the entry age normal cost method.

D. ACCOUNTING POLICIES AND ACTUARIAL ASSUMPTIONS

Actuarial Cost Method	Aggregate Method
Asset Valuation Method	Five Year Smoothed Market
Amortization Method	Level Percentage, open
Remaining Amortization Period	30 Years
Investment Rate of Return	7.75%
Projected Salary Increases	4.0%

NOTES TO FINANCIAL STATEMENTS

City of Tifton  
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E. ADDITIONAL INFORMATION

1. Plan Membership:	
Actively Employed	270
Retirees and Beneficiaries	115
Terminated/Vested Employees	<u>24</u>
 Total	 <u>409</u>
 2. Development of the Net Pension Obligation (NPO)	
ARC	\$2,236,445
Interest on NPO	719
Adjustment to ARC	<u>(441)</u>
Annual Pension Cost	2,236,723
Contributions made (w/interest to EOY)	<u>(2,196,273)</u>
Increase (decrease) in NPO	40,450
NPO-July 1,2006	<u>9,274</u>
 NPO-July 1, 2007	 <u>\$ 49,724</u>

10. DEFERRED COMPENSATION PLAN

The City of Tifton 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.

11. CONTINGENT LIABILITIES

A. FILED AND THREATENED LITIGATION

The City of Tifton is subject to various claims and legal disputes which arise in the normal course of its operation. In the opinion of management and legal counsel, the outcome of any of these items would not have a material effect on the City's financial condition.

B. FEDERAL AND STATE ASSISTED GRANT PROGRAMS

Federal Department of Housing and Urban Development, Federal Emergency Management Agency, State Department of Transportation, and State Department of Administrative Service are among the federal and state assisted grant programs participated in by the City of Tifton. The revenues and disbursements from these grants have been included in this report. A review of the City's compliance with the grant requirements from the cognizant agency is possible in the future. Any amount of expenditures which might be disallowed would not be material to the City.

NOTES TO FINANCIAL STATEMENTS

City of Tifton  
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12. DEFICIT BALANCES

The telecommunication revenue fund showed a deficit net asset balance of \$8,177,797. This deficit is attributable to depreciation of fixed assets and low revenues in the first years of operation. When an adjustment is made to the financial position for these items, the financial picture is much more favorable.

13. INTERNAL TRANSFERS

Internal transfers for the year ended June 30, 2009, were as follows:

	<u>Transfer In</u>		<u>Transfer Out</u>	
Governmental Funds:				
General Fund:				
Water Revenue Fund	\$ 0		\$ 77,655	(a)
Sewer Revenue Fund	0		76,699	(a)
Solid Waste Collection and Disposal Fund	0		131,954	(a)
Gas Revenue Fund	300,000	(b)	36,393	(a)
Telecommunication Revenue Fund	0		78,697	(a)
Internal Service Fund	<u>600,000</u>	(b)	<u>177,157</u>	(a)
Total General Fund	<u>900,000</u>		<u>578,555</u>	
Internal Service Fund:				
General Fund	<u>177,157</u>	(a)	<u>600,000</u>	(b)
Capital Projects Fund:				
Special Purpose Local Option Sales Tax Fund:				
Water Revenue Fund	\$ 0		\$ 252,588	(c)
Sewer Revenue Fund	0		620,350	(c)
Solid Waste Collection and Disposal Fund	<u>0</u>		<u>330,767</u>	(d)
Total Special Purpose Local Option Sales Tax Fund	<u>0</u>		<u>1,203,705</u>	
Proprietary Funds:				
Water Revenue Fund:				
General Fund	77,655	(a)	0	
Sewer Revenue Fund	0		20,000	(e)
Special Purpose Local Option Sales Tax Fund	<u>252,588</u>	(c)	<u>0</u>	
Total Water Revenue Fund	<u>330,243</u>		<u>20,000</u>	

NOTES TO FINANCIAL STATEMENTS

City of Tifton  
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	<u>Transfer In</u>		<u>Transfer Out</u>
Sewer Revenue Fund:			
General Fund	76,699	(a)	0
Water Revenue Fund	20,000	(e)	0
Special Purpose Local Option Sales Tax Fund	<u>620,350</u>	(c)	<u>0</u>
Total Sewer Revenue Fund	<u>717,049</u>		<u>0</u>
Gas Revenue Fund:			
General Fund	<u>36,393</u>	(a)	<u>300,000</u> (b)
Solid Waste Collection and Disposal Fund:			
General Fund	131,954	(a)	0
Special Purpose Local Option Sales Tax Fund	<u>330,767</u>	(d)	<u>0</u>
Total Solid Waste Collection and Disposal Fund	<u>462,721</u>		<u>0</u>
Telecommunication Revenue Fund:			
General Fund	<u>78,697</u>	(a)	<u>0</u>
<b>TOTAL ALL FUNDS</b>	<u><b>\$2,702,260</b></u>		<u><b>\$2,702,260</b></u>

- (a) To transfer funds for retirement plan contributions
- (b) To transfer funds for various general government expenditures
- (c) To transfer funds for system extensions
- (d) To transfer funds for capital asset purchases
- (e) To transfer funds for operating expenditures

14. LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The City has accrued a \$3,482,709 liability for landfill closure and postclosure care cost at June 30, 2009. This represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of an old landfill site and 30% of the estimated capacity of a new landfill site. This new site is estimated to have a remaining life of 9 years. During the year, the City expended \$28,050 in monitoring the old landfill site.

## NOTES TO FINANCIAL STATEMENTS

City of Tifton  
Tifton, Georgia

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The City will recognize the remaining estimated cost of closure and postclosure care of \$512,166 as the remaining estimated capacity of the new landfill is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2009. Actual costs could vary due to inflation, changes in technology, or changes in regulations.

### 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. 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 Georgia Municipal Association Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the pools, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the pools being required to pay any claim of loss.

The City is also to allow the pools' 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 pools.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgement, and all expenses incurred for investigation, negotiation, or defense.

### 16. JOINT VENTURES

Tift County and the City of Tifton, Georgia, have entered into an agreement concerning the maintenance and operation of the solid waste collection and disposal revenue fund. This agreement calls for the City of Tifton to manage and operate the fund. It is the intent of the parties for these operations to be self-supporting through user charges and any surplus generated by these operations be accumulated and used for future use in these operations. The costs of any deficits are to be shared equally. The financial statements for this operation are included as a part of this report.

Tift County and the City of Tifton have also entered into an agreement combining the water and sewer operations of both entities. The City of Tifton will manage and operate these activities. The financial statements of these operations are included as a part of this report as the water revenue fund and the sewer revenue fund. The title to all capital assets and any related debt remain with the respective entities; therefore, those items belonging to Tift County are not included in this report.

NOTES TO FINANCIAL STATEMENTS

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Tifton, Georgia

June 30, 2009

The City of Tifton, in conjunction with cities and counties in the ten county South Georgia area are members of the South Georgia Regional Development Center (RDC). Membership in an RDC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RDCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RDC. The City paid annual dues in the amount of \$26,679 to the RDC for the year ended June 30, 2009. The RDC Board membership includes the chief elected official of each county and the chief elected official of each municipality. The county board members and municipal board members from the same county elect one member of the board who is a resident (but not an elected or appointed official or employee of the county or municipality) to serve as the nonpublic board member from a county. Financial information on the RDC maybe obtained by writing RDC, P.O. Box 1223, Valdosta, Georgia 31603.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RDCs as "public agencies and instrumentalities of their members." Georgia laws also provide that the member governments are liable for any debts or obligations of an RDC beyond its resources. (O.C.G.A. 50-8-39.1)

17. HOTEL/MOTEL TAX

The City imposes a 5% hotel/motel tax on lodging facilities within the city. Revenues collected during the fiscal year ended June 30, 2009, were \$695,493. Of this amount, \$278,197 was paid to the Tifton-Tift County Tourism Association for the promotion of tourism. The hotel/motel tax funds were expended by the City in accordance with O.C.G.A. 48-13-51.

18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. DESCRIPTION OF BENEFITS

In addition to the pension benefits described in Note 9 to the financial statements, the City has adopted the City of Tifton Postemployment Group Term Life Insurance Benefit Plan to provide postemployment group term life insurance benefits in accordance with statutes established by the City of Tifton City Council. The benefits are available to all employees who retire from the City of Tifton after attaining age fifty-five and meet the eligibility requirements to receive benefits under the City's retirement plan. Currently 93 retirees meet those eligibility requirements. The City contributes 100% of the cost of the plan. The City also offers continued health insurance benefits to two grandfathered retirees through age 65. The retirees are required to reimburse the City for the total cost of the benefit.

B. ANNUAL REQUIRED CONTRIBUTIONS

	<u>June 30, 2008</u>
Normal Cost	\$22,000
Amortization of UAAL	38,000
Amortization Of Net OPEB Obligation	<u>0</u>
Total ARC	<u>\$60,000</u>

NOTES TO FINANCIAL STATEMENTS

City of Tifton  
Tifton, Georgia

June 30, 2009

C. SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Year Ended June 30</u>	<u>ARC</u>	<u>% Contributed</u>	<u>Annual OPEB Cost</u>	<u>% Contributed</u>
2008	\$60,000	25%	\$60,000	25%

D. SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL As % of Covered Payroll</u>
July 1, 2008	\$0	\$409,000	\$409,000	0.0%	\$7,535,000	5.4%

E. ACTUARIAL METHODS AND ASSUMPTIONS

Valuation Date	July 1, 2008
Actuarial Cost Method	Projected Unit Credit
Amortization Method	15-year Open Period; Level-Dollar Payment
Investment Return	4.50% per annum (includes inflation at 3.00% per annum)
Healthcare Cost Trend Rates(s)	
Select Rates	<u>Medical</u> 8.00% for 2007/08 Graded to 5.50% for 2012/13
Ultimate Rate	5.00% per annum

19. SUBSEQUENT EVENTS

On September 30, 2009, the city sold the infrastructure assets and system of its telecommunication revenue fund. As a part of this sale the City advance refunded its Tift County Development Authority revenue bonds series 2006A and 2006B. The advance refunding meets the requirements of an in-substance debt defeasance. To accommodate this debt defeasement, the city put in place a \$6,060,000 loan from First Community Bank of Tifton. The loan is to be amortized over 20 years and bearing interest rates ranging from 5.15% to 5.75%.

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

General Fund Tifton, Georgia	Year Ended June 30, 2009			
	Budget		Actual	Variance Over (Under)
	Original	Final		
Revenues:				
Taxes - Net	\$ 7,772,969	\$7,772,969	\$7,290,751	\$ (482,218)
Licenses and Permits	837,000	837,000	798,206	(38,794)
Intergovernmental Revenues	38,472	88,702	98,847	10,145
Charges for Services	1,622,849	1,892,799	1,562,496	(330,303)
Fines and Forfeitures	933,000	992,386	775,612	(216,774)
Miscellaneous	<u>183,200</u>	<u>199,448</u>	<u>235,586</u>	<u>36,138</u>
Total Revenues	<u>11,387,490</u>	<u>11,783,304</u>	<u>10,761,498</u>	<u>(1,021,806)</u>
Expenditures:				
General Government	2,210,646	2,388,894	2,361,746	27,148
Public Safety	7,673,242	7,956,077	7,265,964	690,113
Public Works	2,103,181	2,103,181	1,959,592	143,589
Culture and Recreation	559,338	560,338	541,745	18,593
Health and Welfare	<u>52,900</u>	<u>57,845</u>	<u>56,101</u>	<u>1,744</u>
Total Expenditures	<u>12,599,307</u>	<u>13,066,335</u>	<u>12,185,148</u>	<u>881,187</u>
Excess of Revenues Over (Under) Expenditures	(1,211,817)	(1,283,031)	(1,423,650)	(140,619)
Other Financing Sources (Uses):				
Transfers In	1,200,000	1,200,000	900,000	(300,000)
Transfers Out	<u>(588,183)</u>	<u>(588,183)</u>	<u>(578,555)</u>	<u>9,628</u>
Net Change in Fund Balance	(600,000)	(671,214)	(1,102,205)	(430,991)
Budget Fund Balance - July 1, 2008	<u>5,529,803</u>	<u>5,529,803</u>	<u>5,529,803</u>	<u>0</u>
BUDGET FUND BALANCE - JUNE 30, 2009	<u>\$ 4,929,803</u>	<u>\$4,858,589</u>	<u>\$4,427,598</u>	<u>\$ (430,991)</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

City of Tifton  
Tifton, Georgia

June 30, 2009

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1. BUDGETARY BASIS

The City of Tifton adopts its budget on the modified accrual basis of accounting and is in compliance with generally accepted accounting principles.

COMBINING BALANCE SHEET

Non-Major Governmental Funds  
Tifton, Georgia

June 30, 2009

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	
	Community Development Revolving Loan Fund	Hotel/Motel Tax Fund	Grant Fund		Total
Cash	\$ 12,026	\$ 324,376	\$ 0		\$ 336,402
Accounts Receivable	0	83,319	19,978		103,297
Due from Other Funds	0	0	205,360		205,360
Advances to Component Unit	<u>179,344</u>	<u>0</u>	<u>0</u>		<u>179,344</u>
<b>TOTAL ASSETS</b>	<u>\$191,370</u>	<u>\$ 407,695</u>	<u>\$225,338</u>		<u>\$824,403</u>
 <u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ 0	\$ 82,300	\$ 15,327		\$ 97,627
Due to Other Funds	<u>0</u>	<u>0</u>	<u>210,011</u>		<u>210,011</u>
Total Liabilities	0	82,300	225,338		307,638
Fund Balance:					
Unreserved	<u>191,370</u>	<u>325,395</u>	<u>0</u>		<u>516,765</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$191,370</u>	<u>\$ 407,695</u>	<u>\$225,338</u>		<u>\$824,403</u>

COMBINING SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES

Non-Major Governmental Funds Tifton, Georgia	Special Revenue Funds				Capital Projects Fund		Year Ended June 30, 2009
	Community Development Revolving Loan Fund	Hotel/Motel Tax Fund	Grant Fund	Grant Fund	Total		
Revenues:							
Taxes	\$ 0	\$ 711,296	\$ 0	\$ 0	\$ 711,296		
Grant Proceeds	0	0	500,456	500,456	500,456		
Interest	14	4,418	0	0	4,432		
Rent	2,157	0	0	0	2,157		
Total Revenues	<u>2,171</u>	<u>715,714</u>	<u>500,456</u>	<u>500,456</u>	<u>1,218,341</u>		
Expenditures:							
General Government	0	477,866	349,091	349,091	826,957		
Public Works	0	238,585	16,365	16,365	254,950		
Culture and Recreation	0	64,055	0	0	64,055		
Health and Welfare	0	0	135,000	135,000	135,000		
Debt Service:							
Principal	0	140,168	0	0	140,168		
Interest	0	24,295	0	0	24,295		
Total Expenditures	<u>0</u>	<u>944,969</u>	<u>500,456</u>	<u>500,456</u>	<u>1,445,425</u>		
Excess of Revenues Over (Under) Expenditures	2,171	(229,255)	0	0	(227,084)		
Other Financing Sources (Uses):							
Proceeds from Long-Term Debt	0	238,585	0	0	238,585		
Net Change in Fund Balance	2,171	9,330	0	0	11,501		
Fund Balance - July 1, 2008	189,199	316,065	0	0	505,264		
FUND BALANCE - JUNE 30, 2009	<u>\$ 191,370</u>	<u>\$ 325,395</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 516,765</u>		

BALANCE SHEET

General Fund  
Tifton, Georgia

June 30, 2009

ASSETS

Cash on Hand and in Banks		\$3,526,607
Property Taxes Receivable		74,103
Accounts Receivable	\$ 707,256	
Less Allowance for Uncollectible Accounts	<u>(21,737)</u>	685,519
Due from Other Funds		<u>935,966</u>
 TOTAL ASSETS		 <u>\$5,222,195</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts Payable		\$ 479,149
Accrued Expenses		123,210
Due to Other Funds		40,998
Deferred Revenue		<u>151,240</u>
 Total Liabilities		 794,597
 Fund Balance:		
Unreserved		<u>4,427,598</u>
 TOTAL LIABILITIES AND FUND BALANCE		 <u>\$5,222,195</u>

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

General Fund Tifton, Georgia				Year Ended
				June 30, 2009
	Budget		Actual	Variance Over (Under)
Original	Final			
<b>Revenues:</b>				
Net Advalorem Taxes	\$ 2,011,777	\$2,011,777	\$2,015,995	\$ 4,218
General Government Revenues	9,225,713	9,621,527	8,689,698	(931,829)
Interest Income	<u>150,000</u>	<u>150,000</u>	<u>55,805</u>	<u>(94,195)</u>
Total Revenues	<u>11,387,490</u>	<u>11,783,304</u>	<u>10,761,498</u>	<u>(1,021,806)</u>
<b>Expenditures:</b>				
Council	75,957	79,746	79,249	497
General Government	1,893,483	2,061,749	2,057,988	3,761
Tax Office	131,377	131,377	111,183	20,194
Municipal Court	199,711	206,844	204,979	1,865
Police	4,319,304	4,342,328	4,036,619	305,709
Fire	2,764,699	3,034,649	2,740,867	293,782
Public Works	227,189	227,189	221,968	5,221
Street	1,875,992	1,875,992	1,737,624	138,368
Traffic Control	389,528	372,256	283,499	88,757
Senior Citizens Center	109,829	116,022	113,326	2,696
Nutrition Program	52,900	57,845	56,101	1,744
Parks and Cemetery	<u>559,338</u>	<u>560,338</u>	<u>541,745</u>	<u>18,593</u>
Total Expenditures	<u>12,599,307</u>	<u>13,066,335</u>	<u>12,185,148</u>	<u>881,187</u>
Excess of Revenues Over (Under) Expenditures	(1,211,817)	(1,283,031)	(1,423,650)	(140,619)
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,200,000	1,200,000	900,000	(300,000)
Transfers Out	<u>(588,183)</u>	<u>(588,183)</u>	<u>(578,555)</u>	<u>9,628</u>
Net Change in Fund Balance	(600,000)	(671,214)	(1,102,205)	(430,991)
Budget Fund Balance - July 1, 2008	<u>5,529,803</u>	<u>5,529,803</u>	<u>5,529,803</u>	<u>0</u>
<b>BUDGET FUND BALANCE - JUNE 30, 2009</b>	<u><b>\$ 4,929,803</b></u>	<u><b>\$4,858,589</b></u>	<u><b>\$4,427,598</b></u>	<u><b>\$ (430,991)</b></u>

SCHEDULE OF REVENUES

General Fund Tifton, Georgia	Year Ended June 30, 2009
Sales Tax	\$ 2,554,000
Net Advalorem Tax	2,015,995
Advalorem Tax on Vehicles	213,723
Intangible Tax	23,284
Insurance Premium Tax	842,881
Franchise Tax	1,173,931
Licenses and Permits	798,206
Alcoholic Beverage Tax	454,292
Mobile Home Tax	12,645
Interest and Penalties	30,887
Fines, Bond Forfeitures, and Cost	775,612
Interest Income	55,805
Sale of Cemetery Lots	55,500
Fire Protection - Tift County	1,227,676
Miscellaneous Charges for Services	279,320
Intergovernmental	98,847
Sale of Capital Assets	113,148
Miscellaneous	<u>35,746</u>
 TOTAL REVENUES	 <u>\$10,761,498</u>

SCHEDULE OF EXPENDITURES - COUNCIL

General Fund Tifton, Georgia	Year Ended June 30, 2009
Personnel Services	\$ 59,829
Utilities	2,903
Insurance	769
Travel and Training	<u>15,748</u>
 TOTAL	 <u>\$ 79,249</u>

SCHEDULE OF EXPENDITURES - GENERAL GOVERNMENT

General Fund Tifton, Georgia	Year Ended June 30, 2009
Street Lights	\$ 213,824
Traffic Lights	17,280
Code Enforcement	296,442
Canine Control	154,495
E-911	380,616
Dues and Subscriptions	32,184
Emergency Management	100,364
Supplies	20,479
Landfill Charges	24,638
Mosquito Control	38,209
Professional Services	204,623
Public Library	145,920
Literacy Volunteers of America	16,320
American Red Cross	10,000
Prisoners Per Diem	286,615
Administrative and Clerical	97,579
Other	<u>18,400</u>
 TOTAL	 <u>\$2,057,988</u>

SCHEDULE OF EXPENDITURES - TAX OFFICE

General Fund Tifton, Georgia	Year Ended June 30, 2009
Personnel Services	\$ 80,963
Utilities	498
Repairs and Maintenance	6,567
Supplies	2,206
Insurance	586
Professional Services	12,593
Postage	2,207
Administrative and Clerical	5,102
Other	<u>461</u>
 TOTAL	 <u>\$111,183</u>

SCHEDULE OF EXPENDITURES - MUNICIPAL COURT

General Fund Tifton, Georgia	Year Ended June 30, 2009
Personnel Services	\$ 152,926
Recorders Court Judge	33,597
Utilities	856
Repairs and Maintenance	50
Supplies	5,241
Professional Fees	1,418
Insurance	894
Postage	318
Travel and Training	600
Administrative and Clerical	8,713
Other	<u>366</u>
 TOTAL	 <u>\$ 204,979</u>

SCHEDULE OF EXPENDITURES - POLICE DEPARTMENT

General Fund Tifton, Georgia	Year Ended June 30, 2009
Personnel Services	\$3,205,239
Utilities	52,766
Repairs and Maintenance	78,160
Supplies	62,090
Insurance	144,220
Gas, Oil, and Grease	93,088
Travel and Training	4,997
Professional Services	25,563
Prisoners Medical	11,003
Uniforms	23,000
Administrative and Clerical	187,589
Debt Service	147,191
Other	<u>1,713</u>
 TOTAL	 <u>\$4,036,619</u>

SCHEDULE OF EXPENDITURES - FIRE DEPARTMENT

General Fund Tifton, Georgia	Year Ended June 30, 2009
Personnel Services	\$2,183,446
Utilities	83,738
Repairs and Maintenance	101,057
Supplies	30,090
Insurance	99,250
Gas, Oil, and Grease	31,651
Travel and Training	3,288
Professional Services	3,440
Administrative and Clerical	113,931
Capital Outlay	86,445
Other	<u>4,531</u>
 TOTAL	 <u>\$2,740,867</u>

SCHEDULE OF EXPENDITURES - PUBLIC WORKS COMPLEX

General Fund Tifton, Georgia	Year Ended June 30, 2009
Personnel Services	\$ 194,300
Utilities	1,247
Repairs and Maintenance	3,882
Supplies	3,621
Travel and Training	727
Professional Services	4,050
Gas, Oil, and Grease	887
Insurance	4,262
Administrative and Clerical	8,817
Other	<u>175</u>
 TOTAL	 <u>\$221,968</u>

SCHEDULE OF EXPENDITURES - STREET DEPARTMENT

General Fund Tifton, Georgia	Year Ended June 30, 2009
Personnel Services	\$ 967,612
Equipment Repairs and Maintenance	191,353
Street Repairs and Maintenance	114,941
Supplies	46,239
Travel and Training	560
Professional Services	1,400
Insurance	77,017
Gas, Oil, and Grease	74,867
Landfill Charges	40,951
Capital Outlay	47,349
Administrative and Clerical	98,299
Debt Service	74,741
Other	<u>2,295</u>
 TOTAL	 <u>\$1,737,624</u>

SCHEDULE OF EXPENDITURES - TRAFFIC CONTROL

General Fund Tifton, Georgia	Year Ended June 30, 2009
Personnel Services	\$ 136,326
Utilities	1,494
Repairs and Maintenance	26,714
Supplies	19,231
Travel and Training	752
Traffic Signs and Lights	21,231
Insurance	9,729
Gas, Oil, and Grease	3,814
Administrative and Clerical	22,062
Debt Service	41,997
Other	<u>149</u>
TOTAL	<u>\$ 283,499</u>

SCHEDULE OF EXPENDITURES - SENIOR CITIZENS CENTER

General Fund Tifton, Georgia	Year Ended June 30, 2009
Personnel Services	\$ 75,939
Utilities	9,936
Repairs and Maintenance	6,960
Supplies	11,990
Travel and Training	295
Insurance	3,304
Administrative and Clerical	3,811
Other	<u>1,091</u>
 TOTAL	 <u>\$113,326</u>

SCHEDULE OF EXPENDITURES - NUTRITION PROGRAM

General Fund Tifton, Georgia	Year Ended June 30, 2009
Personnel Services	\$ 37,852
Meal Delivery	12,910
Utilities	4,084
Insurance	219
Supplies	1,007
Other	<u>29</u>
 TOTAL	 <u>\$ 56,101</u>

SCHEDULE OF EXPENDITURES - PARK AND CEMETERY

General Fund Tifton, Georgia	Year Ended June 30, 2009
Personnel Services	\$393,867
Utilities	19,541
Repairs and Maintenance	32,487
Supplies	34,918
Professional Services	125
Insurance	19,432
Gas, Oil, and Grease	13,942
Landfill Charges	1,294
Administrative and Clerical	16,247
Capital Outlay	5,446
Debt Service	4,115
Other	<u>331</u>
TOTAL	<u>\$ 541,745</u>

BALANCE SHEET

Community Development Revolving Loan Fund  
Tifton, Georgia

June 30, 2009

ASSETS

Cash	\$ 12,026
Advances to Component Unit	<u>179,344</u>
 TOTAL ASSETS	 <u>\$191,370</u>

LIABILITIES AND FUND BALANCE

Liabilities	\$ 0
 Fund Balance:	
Unreserved	<u>191,370</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$191,370</u>

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE

Community Development Revolving Loan Fund Tifton, Georgia	Year Ended June 30, 2009
Revenues:	
Rent	\$ 2,157
Interest	<u>14</u>
Total Revenues	2,171
Expenditures	<u>0</u>
Net Change in Fund Balance	2,171
Fund Balance - July 1, 2008	<u>189,199</u>
FUND BALANCE - JUNE 30, 2009	<u>\$ 191,370</u>

BALANCE SHEET

Hotel/Motel Tax Fund  
Tifton, Georgia

June 30, 2009

ASSETS

Cash	\$ 324,376
Accounts Receivable	<u>83,319</u>
 TOTAL ASSETS	 <u>\$ 407,695</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts Payable	\$ 82,300
 Fund Balance:	
Unreserved	<u>325,395</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 407,695</u>

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE

Hotel/Motel Tax Fund Tifton, Georgia	Year Ended June 30, 2009
<hr/> <hr/>	
Revenues:	
Taxes	\$ 711,296
Interest	<u>4,418</u>
Total Revenues	<u>715,714</u>
Expenditures:	
General Government	477,866
Public Works	238,585
Culture and Recreation	64,055
Debt Service:	
Principal	140,168
Interest	<u>24,295</u>
Total Expenditures	<u>944,969</u>
Excess of Expenditures Over Revenues	(229,255)
Other Financing Sources (Uses):	
Proceeds from Long-Term Debt	<u>238,585</u>
Net Change in Fund Balance	9,330
Fund Balance - July 1, 2008	<u>316,065</u>
FUND BALANCE - JUNE 30, 2009	<u>\$ 325,395</u>

BALANCE SHEET

Special Purpose Local Option Sales Tax Fund  
Tifton, Georgia

June 30, 2009

ASSETS

Cash	\$6,519,516
Accounts Receivable	<u>506,641</u>
 TOTAL ASSETS	 <u>\$7,026,157</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts Payable	\$ 394,672
Due to Other Funds	<u>205,360</u>
 Total Liabilities	 600,032
 Fund Balance	 <u>6,426,125</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$7,026,157</u>

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE

Special Purpose Local Option Sales Tax Fund Tifton, Georgia	Year Ended June 30, 2009
<hr/> <hr/>	
Revenues:	
Sales Tax	\$3,270,479
Interest	<u>77,431</u>
 Total Revenues	 <u>3,347,910</u>
Expenditures:	
General Government	108,146
Public Safety	348,766
Public Works	<u>861,159</u>
 Total Expenditures	 <u>1,318,071</u>
Excess of Revenues Over Expenditures	2,029,839
Other Financing Sources (Uses):	
Transfers Out	<u>(1,203,705)</u>
Excess of Revenues Over Expenditures and Other Financing Uses	826,134
Fund Balance - July 1, 2008	<u>5,599,991</u>
FUND BALANCE - JUNE 30, 2009	<u>\$6,426,125</u>

BALANCE SHEET

Grant Fund  
Tifton, Georgia

June 30, 2009

ASSETS

Accounts Receivable	\$ 19,978
Due from Other Funds	<u>205,360</u>
 TOTAL ASSETS	 <u>\$225,338</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts Payable	\$ 15,327
Due to Other Funds	<u>210,011</u>
 Total Liabilities	 225,338
 Fund Balance	 <u>0</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$225,338</u>

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE

Grant Fund Tifton, Georgia	Year Ended June 30, 2009
<hr/> <hr/>	
Revenues:	
Grant Proceeds	<u>\$500,456</u>
Expenditures:	
General Government	349,091
Public Works	16,365
Health and Welfare	<u>135,000</u>
Total Expenditures	<u>500,456</u>
Net Change in Fund Balance	0
Fund Balance - July 1, 2008	<u>0</u>
FUND BALANCE - JUNE 30, 2009	<u>\$ 0</u>

SCHEDULE OF NET ASSETS

Water Revenue Fund  
Tifton, Georgia

June 30, 2009

ASSETS

Current Assets:

Cash		\$ 581,173
Accounts Receivable	\$ 554,813	
Less Allowance for Uncollectible Accounts	<u>(108,167)</u>	446,646
Due from Other Funds		<u>319,210</u>

Total Current Assets 1,347,029

Capital Assets:

Land		65,660
Buildings	60,486	
Less Accumulated Depreciation	<u>(58,899)</u>	1,587
Machinery and Equipment	1,657,714	
Less Accumulated Depreciation	<u>(1,366,845)</u>	290,869
Distribution System	13,330,479	
Less Accumulated Depreciation	<u>(6,067,505)</u>	<u>7,262,974</u>

Net Capital Assets 7,621,090

Total Assets 8,968,119

LIABILITIES

Current Liabilities:

Accounts Payable		81,355
Accrued Expenses		18,056
Due to Other Funds		33,569
Customer Deposits		<u>319,681</u>

Total Current Liabilities 452,661

Long-Term Liabilities:

Accrued Vacation		<u>37,365</u>
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Total Liabilities 490,026

NET ASSETS

Invested in Capital Assets, Net of Related Debt		7,621,090
Unrestricted		<u>857,003</u>

TOTAL NET ASSETS \$8,478,093

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Water Revenue Fund Tifton, Georgia	Year Ended June 30, 2009
<hr/>	
Operating Revenues:	
Water Sales	\$2,736,065
Water Penalties and Fines	153,786
Water Meters	68,114
Water Extensions	804
Miscellaneous	<u>31,870</u>
Total Operating Revenues	<u>2,990,639</u>
Operating Expenses:	
Personnel Services	1,082,949
Utilities	269,264
Equipment Repairs and Maintenance	118,426
System Repairs and Maintenance	323,215
Supplies	61,250
Insurance	68,020
Gas, Oil, and Grease	54,509
Professional Services	10,530
Chemicals	100,822
Depreciation	367,618
Warehouse and Inventory Control	120,816
Administrative and Clerical	384,994
Postage	30,904
Miscellaneous	<u>5,441</u>
Total Operating Expenses	<u>2,998,758</u>
Operating Loss	(8,119)
Non-Operating Revenues (Expenses):	
Interest Income	<u>7,493</u>
Loss before Transfers	(626)
Transfers In	330,243
Transfers Out	<u>(20,000)</u>
Change in Net Assets	309,617
Net Assets - July 1, 2008	<u>8,168,476</u>
NET ASSETS - JUNE 30, 2009	<u>\$8,478,093</u>

SCHEDULE OF CASH FLOWS

Water Revenue Fund Tifton, Georgia	Year Ended June 30, 2009
<hr/>	
Cash Flows from Operating Activities:	
Cash Receipts from Customers	\$3,049,857
Cash Payments for Personnel Services	(1,075,094)
Cash Payments for Other Operating Expenses	(987,922)
Cash Payments for Interfund Services	<u>(600,473)</u>
Net Cash Provided by Operating Activities	<u>386,368</u>
Cash Flows from Noncapital Financing Activities:	
Transfers In/Out	<u>57,655</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	(754,676)
Transfers In	<u>252,588</u>
Net Cash Used by Capital and Related Financing Activities	<u>(502,088)</u>
Cash Flows from Investing Activities:	
Interest Received	<u>7,493</u>
Net Decrease in Cash	(50,572)
Cash - July 1, 2008	<u>631,745</u>
CASH - JUNE 30, 2009	<u>\$ 581,173</u>
Reconciliation of Operating Loss to Net Cash	
Provided by Operating Activities:	
Operating Loss	\$ (8,119)
Adjustments to Reconcile Operating Loss to Net	
Cash Provided by Operating Activities:	
Depreciation	367,618
Change in Assets and Liabilities:	
Receivables, Net	43,832
Accounts Payable	54,459
Customer Deposits	15,386
Accrued Expenses	7,855
Due to/from Other Funds	<u>(94,663)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 386,368</u>

SCHEDULE OF NET ASSETS

Sewer Revenue Fund  
Tifton, Georgia

June 30, 2009

ASSETS

Current Assets:

Cash		\$ 751,090
Accounts Receivable	\$ 515,141	
Less Allowance for Uncollectible Accounts	<u>(150,342)</u>	364,799
Due from Other Funds		<u>79,656</u>

Total Current Assets 1,195,545

Capital Assets:

Land		389,873
Buildings	47,546	
Less Accumulated Depreciation	<u>(39,289)</u>	8,257
Machinery and Equipment	2,230,905	
Less Accumulated Depreciation	<u>(1,747,514)</u>	483,391
Distribution System	31,921,340	
Less Accumulated Depreciation	<u>(17,590,283)</u>	<u>14,331,057</u>

Net Capital Assets 15,212,578

Total Assets 16,408,123

LIABILITIES

Current Liabilities:

Accounts Payable		110,547
Accrued Expenses		49,201
Due to Other Funds		162,591
Note Payable		301,468
Customer Deposits		<u>235,934</u>

Total Current Liabilities 859,741

Long-Term Liabilities:

Note Payable		3,529,116
Accrued Vacation		<u>33,339</u>

Total Long-Term Liabilities 3,562,455

Total Liabilities 4,422,196

(Continued on next page)

SCHEDULE OF NET ASSETS

Sewer Revenue Fund  
Tifton, Georgia

June 30, 2009

NET ASSETS

Invested in Capital Assets, Net of Related Debt	\$ 11,381,994
Unrestricted	<u>603,933</u>
 TOTAL NET ASSETS	 <u>\$ 11,985,927</u>

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Sewer Revenue Fund Tifton, Georgia	Year Ended June 30, 2009
Operating Revenues:	
Sewer Sales	\$ 2,852,730
Sewer Penalties	43,045
Sewer Extensions	25,310
Lab Fees	12,753
Miscellaneous	<u>7,230</u>
Total Operating Revenues	<u>2,941,068</u>
Operating Expenses:	
Personnel Services	1,165,586
Utilities	247,054
Equipment Repairs and Maintenance	76,443
System Repairs and Maintenance	361,878
Supplies	97,909
Insurance	90,309
Gas, Oil, and Grease	43,473
Professional Services	33,554
Depreciation	831,636
Postage	25,647
Warehouse and Inventory Control	83,016
Administrative and Clerical	384,994
Miscellaneous	<u>8,531</u>
Total Operating Expenses	<u>3,450,030</u>
Operating Loss	(508,962)
Non-Operating Revenues (Expenses):	
Interest Income	8,018
Interest Expense	(178,168)
Loss on Sale of Capital Assets	<u>(6,808)</u>
Loss before Transfers	(685,920)
Transfers In	<u>717,049</u>
Change in Net Assets	31,129
Net Assets - July 1, 2008	<u>11,954,798</u>
NET ASSETS - JUNE 30, 2009	<u>\$11,985,927</u>

SCHEDULE OF CASH FLOWS

Sewer Revenue Fund Tifton, Georgia	Year Ended June 30, 2009
<hr/>	
Cash Flows from Operating Activities:	
Cash Receipts from Customers	\$3,029,547
Cash Payments for Personnel Services	(1,157,215)
Cash Payments for Other Operating Expenses	(1,009,195)
Cash Payments for Interfund Services	<u>(484,088)</u>
Net Cash Provided by Operating Activities	<u>379,049</u>
Cash Flows from Noncapital Financing Activities:	
Transfers In	<u>96,699</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	(883,261)
Proceeds from Sale of Capital Assets	9,421
Transfers from Other Funds	620,350
Interest Paid on Debt	(179,974)
Principal Paid on Long-Term Debt	(281,440)
Proceeds from Long-Term Debt	<u>245,630</u>
Net Cash Used by Capital and Related Financing Activities	<u>(469,274)</u>
Cash Flows from Investing Activities:	
Interest Received	<u>8,018</u>
Net Increase in Cash	14,492
Cash - July 1, 2008	<u>736,598</u>
CASH - JUNE 30, 2009	<u>\$ 751,090</u>
Reconciliation of Operating Loss to Net Cash	
Provided by Operating Activities:	
Operating Loss	\$ (508,962)
Adjustments to Reconcile Operating Loss to Net	
Cash Provided by Operating Activities:	
Depreciation	831,636
Change in Assets and Liabilities:	
Receivables, Net	73,917
Accounts Payable	(24,397)
Customer Deposits	14,562
Accrued Expenses	8,371
Due to Other Funds	<u>(16,078)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 379,049</u>

SCHEDULE OF NET ASSETS

Gas Revenue Fund  
Tifton, Georgia

June 30, 2009

ASSETS

Current Assets:

Cash		\$1,512,470
Accounts Receivable	\$ 387,617	
Less Allowance for Uncollectible Accounts	<u>(111,858)</u>	275,759
Due from Other Funds		<u>1,599,513</u>

Total Current Assets 3,387,742

Capital Assets:

Land		102,302
Buildings	226,006	
Less Accumulated Depreciation	<u>(156,761)</u>	69,245
Machinery and Equipment	744,271	
Less Accumulated Depreciation	<u>(700,987)</u>	43,284
Distribution System	4,282,865	
Less Accumulated Depreciation	<u>(2,252,060)</u>	<u>2,030,805</u>

Net Capital Assets 2,245,636

Other Assets:

Advances to Other Funds 2,259,756

Total Assets 7,893,134

LIABILITIES

Current Liabilities:

Accounts Payable		348,001
Accrued Expenses		7,627
Due to Other Funds		39,363
Customer Deposits		<u>151,187</u>

Total Current Liabilities 546,178

Long-Term Liabilities:

Accrued Vacation 17,830

Total Liabilities 564,008

(Continued on next page)

SCHEDULE OF NET ASSETS

Gas Revenue Fund  
Tifton, Georgia

June 30, 2009

NET ASSETS

Invested in Capital Assets, Net of Related Debt	\$2,245,636
Unrestricted	<u>5,083,490</u>
 TOTAL NET ASSETS	 <u>\$7,329,126</u>

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Gas Revenue Fund Tifton, Georgia	Year Ended June 30, 2009
<hr/>	
Operating Revenues:	
Gas Sales	\$ 5,044,674
Gas Penalties and Fines	20,909
Miscellaneous	<u>5,807</u>
Total Operating Revenues	<u>5,071,390</u>
Operating Expenses:	
Cost of Gas Sold	3,854,577
Personnel Services	418,470
Utilities	13,710
Equipment Repairs and Maintenance	30,864
System Repairs and Maintenance	63,387
Supplies	36,707
Insurance	15,452
Gas, Oil, and Grease	18,604
Professional Services	8,985
Depreciation	106,822
Postage	11,589
Marketing	35,163
Warehouse and Inventory Control	27,735
Administrative and Clerical	384,994
Miscellaneous	<u>2,948</u>
Total Operating Expenses	<u>5,030,007</u>
Operating Income	41,383
Non-Operating Revenues (Expenses):	
Interest Income	<u>27,810</u>
Income before Transfers	69,193
Transfers Out	(300,000)
Transfers In	<u>36,393</u>
Change in Net Assets	(194,414)
Net Assets - July 1, 2008	<u>7,523,540</u>
NET ASSETS - JUNE 30, 2009	<u>\$ 7,329,126</u>

SCHEDULE OF CASH FLOWS

Gas Revenue Fund	Year Ended
Tifton, Georgia	June 30, 2009

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Cash Flows from Operating Activities:	
Cash Receipts from Customers	\$ 5,369,633
Cash Payments for Personnel Services	(418,855)
Cash Payments for Other Operating Expenses	(4,160,338)
Cash Payments for Interfund Services	<u>(450,735)</u>
Net Cash Provided by Operating Activities	<u>339,705</u>
Cash Flows from Noncapital Financing Activities:	
Advances to Other Funds	(662,539)
Transfers Out	(300,000)
Transfers In	<u>36,393</u>
Net Cash Used by Noncapital Financing Activities	<u>(926,146)</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	<u>(259,394)</u>
Cash Flows from Investing Activities:	
Interest Received	<u>27,810</u>
Net Decrease In Cash	(818,025)
Cash - July 1, 2008	<u>2,330,495</u>
CASH - JUNE 30, 2009	<u>\$ 1,512,470</u>
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities:	
Operating Income	\$ 41,383
Adjustments to Reconcile Operating Income to Net	
Cash Provided by Operating Activities:	
Depreciation	106,822
Changes in Assets and Liabilities:	
Receivables, Net	273,395
Accounts Payable	(68,352)
Customer Deposits	24,848
Accrued Expenses	(385)
Due from Other Funds	<u>(38,006)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 339,705</u>

SCHEDULE OF NET ASSETS

Solid Waste Collection and Disposal Revenue Fund  
Tifton, Georgia

June 30, 2009

ASSETS

Current Assets:

Cash		\$ 5,992,695
Accounts Receivable	\$ 789,788	
Less Allowance for Uncollectible Accounts	<u>(286,440)</u>	<u>503,348</u>
 Total Current Assets		 <u>6,496,043</u>

Capital Assets:

Landfill	6,802,366	
Less Accumulated Depreciation	<u>(4,107,601)</u>	2,694,765
Buildings	149,778	
Less Accumulated Depreciation	<u>(71,116)</u>	78,662
Equipment	5,457,367	
Less Accumulated Depreciation	<u>(3,444,256)</u>	<u>2,013,111</u>

Net Capital Assets 4,786,538

Total Assets 11,282,581

LIABILITIES

Current Liabilities:

Accounts Payable		159,221
Accrued Expenses		27,205
Due to Other Funds		91,607
Customer Deposits		<u>60,613</u>
 Total Current Liabilities		 <u>338,646</u>

Long-Term Liabilities:

Accrued Vacation		58,072
Accrued Postclosure Cost		<u>3,482,709</u>

Total Long-Term Liabilities 3,540,781

Total Liabilities 3,879,427

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SCHEDULE OF NET ASSETS

Solid Waste Collection and Disposal Revenue Fund  
Tifton, Georgia

June 30, 2009

NET ASSETS

Invested in Capital Assets, Net of Related Debt	\$4,035,458
Unrestricted	<u>3,367,696</u>
 TOTAL NET ASSETS	 <u>\$7,403,154</u>

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Solid Waste Collection and Disposal Revenue Fund Tifton, Georgia	Year Ended June 30, 2009
Operating Revenues:	
Charges	\$ 4,190,548
Penalties and Fines	61,562
Miscellaneous	<u>20,462</u>
Total Operating Revenues	<u>4,272,572</u>
Operating Expenses:	
Personnel Services	1,672,189
Public Utilities	26,766
Repairs and Maintenance	535,282
Supplies	173,659
Insurance	260,313
Gas, Oil, and Grease	306,031
Professional Services	24,895
Contract Services	124,528
Postclosure Cost	28,050
Depreciation	716,636
Postage	15,854
Warehouse and Inventory Control	105,946
Administrative and Clerical	384,995
Miscellaneous	<u>7,582</u>
Total Operating Expenses	<u>4,382,726</u>
Operating Loss	(110,154)
Non-Operating Revenues (Expenses):	
Interest Income	74,395
Gain on Sale of Fixed Assets	<u>94,438</u>
Loss before Transfers	58,679
Transfers In	<u>462,721</u>
Change in Net Assets	521,400
Net Assets - July 1, 2008	<u>6,881,754</u>
NET ASSETS - JUNE 30, 2009	<u>\$ 7,403,154</u>

SCHEDULE OF CASH FLOWS

Solid Waste Collection and Disposal Revenue Fund  
Tifton, Georgia

Year Ended  
June 30, 2009

Cash Flows from Operating Activities:	
Cash Receipts from Customers	\$4,289,339
Cash Payments for Personnel Services	(1,660,265)
Cash Payments for Other Operating Expenses	(1,539,160)
Cash Payments for Interfund Services	<u>(576,645)</u>
Net Cash Provided by Operating Activities	<u>513,269</u>
Cash Flows from Noncapital Financing Activities	
Transfers In	<u>131,954</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	(459,511)
Transfers In	330,767
Proceeds from Sale of Capital Assets	<u>95,705</u>
Net Cash Used by Capital and Related Financing Activities	<u>(33,039)</u>
Cash Flows from Investing Activities:	
Interest Received	<u>74,395</u>
Net Increase In Cash	686,579
Cash - July 1, 2008	<u>5,306,116</u>
CASH - JUNE 30, 2009	<u>\$5,992,695</u>
Reconciliation of Operating Loss to Net Cash	
Provided by Operating Activities:	
Operating Loss	\$ (110,154)
Adjustments to Reconcile Operating Loss to Net	
Cash Provided by Operating Activities:	
Depreciation	716,636
Changes in Assets and Liabilities:	
Receivables, Net	(1,916)
Accounts Payable	(36,200)
Customer Deposits	18,683
Accrued Expenses	11,924
Due to Other Funds	<u>(85,704)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 513,269</u>

SCHEDULE OF NET ASSETS

Telecommunication Revenue Fund  
Tifton, Georgia

June 30, 2009

ASSETS

Current Assets:

Cash		\$ 146,348
Accounts Receivable	\$ 610,674	
Less Allowance for Uncollectable Accounts	<u>(273,805)</u>	336,869

Restricted Assets:

Cash		<u>516</u>
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Total Current Assets		<u>483,733</u>
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Capital Assets:

Land		10,000
Buildings	778,516	
Less Accumulated Depreciation	<u>(164,315)</u>	614,201
Machinery and Equipment	395,801	
Less Accumulated Depreciation	<u>(272,904)</u>	122,897
Distribution System	12,534,449	
Less Accumulated Depreciation	<u>(7,269,974)</u>	5,264,475

Net Capital Assets		<u>6,011,573</u>
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Other Assets:

Bond Cost		<u>229,557</u>
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Total Assets		<u>6,724,863</u>
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LIABILITIES

Current Liabilities:

Payable from Current Assets:

Accounts Payable		239,450
Accrued Expenses		13,541
Due to Other Funds		1,543,480
Note Payable		52,295
Revenue Bonds Payable		<u>270,000</u>

Total Current Liabilities		<u>2,118,766</u>
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SCHEDULE OF NET ASSETS

Telecommunication Revenue Fund  
Tifton, Georgia

June 30, 2009

Long-Term Liabilities:

Bonds Payable	\$10,375,825
Note Payable	123,588
Accrued Vacation	24,725
Advances Due Other Funds	<u>2,259,756</u>

Total Long-Term Liabilities 12,783,894

Total Liabilities 14,902,660

NET ASSETS

Invested in Capital Assets, Net of Related Debt and Restrictions (4,810,135)  
Unrestricted (3,367,662)

TOTAL NET ASSETS \$ (8,177,797)

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Telecommunication Revenue Fund Tifton, Georgia	Year Ended June 30, 2009
Operating Revenues:	
Sales	\$ 3,455,740
Penalties and Fees	23,702
Miscellaneous	<u>18,883</u>
Total Operating Revenues	<u>3,498,325</u>
Operating Expenses:	
Program Costs and Fees	1,856,292
Personnel Services	902,089
Utilities	135,061
Repairs and Maintenance	89,308
Supplies	108,663
Insurance	51,558
Gas, Oil, and Grease	25,626
Professional Services	89,839
Depreciation	752,446
Marketing	13,086
Warehouse and Inventory Control	40,865
Administrative and Clerical	384,994
Miscellaneous	<u>3,476</u>
Total Operating Expenses	<u>4,453,303</u>
Operating Loss	(954,978)
Non-Operating Revenues (Expenses):	
Interest Income	1,819
Revenue Bond Expense	<u>(511,145)</u>
Loss before Transfers	(1,464,304)
Transfer In	<u>78,697</u>
Change in Net Assets	(1,385,607)
Net Assets - July 1, 2008	<u>(6,792,190)</u>
NET ASSETS - JUNE 30, 2009	<u><u>\$ (8,177,797)</u></u>



SCHEDULE OF NET ASSETS

Service Fund  
Tifton, Georgia

June 30, 2009

ASSETS

Current Assets:

Cash		\$ 1,225,333
Accounts Receivable		39,005
Inventory		723,571
Due from Other Funds		1,053,504
Prepaid Expenses		<u>450,211</u>
Total Current Assets		<u>3,491,624</u>

Capital Assets:

Land		50,445
Buildings	\$2,157,578	
Less Accumulated Depreciation	<u>(1,156,230)</u>	1,001,348
Machinery and Equipment	2,315,632	
Less Accumulated Depreciation	<u>(1,802,389)</u>	<u>513,243</u>

Net Capital Assets		<u>1,565,036</u>
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Total Assets		<u>5,056,660</u>
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LIABILITIES

Current Liabilities:

Accounts Payable		124,974
Accrued Expenses		44,776
Due to Other Funds		1,866,230
Note Payable		<u>99,870</u>
Total Current Liabilities		<u>2,135,850</u>

Long-Term Liabilities:

Accrued Vacation		79,750
Note Payable		<u>74,480</u>
Total Long-Term Liabilities		<u>154,230</u>

Total Liabilities		<u>2,290,080</u>
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NET ASSETS

Invested in Capital Assets, Net of Related Debt		1,390,686
Unrestricted		<u>1,375,894</u>
TOTAL NET ASSETS		<u>\$2,766,580</u>

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Service Fund Year Ended  
Tifton, Georgia June 30, 2009

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Operating Revenues:

Charges for Services and Facilities \$ 3,316,272

Operating Expenses:

Administrative:

Personnel Services	560,987
Insurance	8,667
Professional Services	8,314
Depreciation	63,219
Postage	3,318
Travel and Training	4,296
Public Utility Services	27,022
General Supplies	45,383
Repairs and Maintenance	58,083
Miscellaneous	<u>361</u>
Total	<u>779,650</u>

Human Resources:

Personnel Services	163,404
Insurance	844
Reception and Awards	17,149
Public Utility Services	1,035
Depreciation	163
Travel and Training	768
Professional Services	42,605
General Supplies	3,050
Miscellaneous	<u>47</u>
Total	<u>229,065</u>

Management:

Personnel Services	387,756
Insurance	3,271
Depreciation	6,930
Public Utility Services	4,611
Repairs and Maintenance	12,750
Election Expense	80
Travel	1,285
Training	1,575
General Supplies	5,621
Miscellaneous	<u>960</u>
Total	<u>424,839</u>

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SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Service Fund  
Tifton, Georgia

Year Ended  
June 30, 2009

Customer Service:

Personnel Services	\$ 330,017
Insurance	1,774
Public Utility Services	1,029
Postage	554
General Supplies	8,153
Miscellaneous	<u>1,404</u>
Total	<u>342,931</u>

Management Information Systems:

Personnel Services	183,366
Public Utility Services	12,240
Insurance	708
Repairs and Maintenance	81,923
Depreciation	80,279
Rent	3,318
General Supplies	29,722
Miscellaneous	<u>495</u>
Total	<u>392,051</u>

Engineering:

Personnel Services	91,364
Insurance	2,900
Public Utility Services	1,281
Depreciation	7,793
Travel and Training	820
Professional Fees	360
Repairs and Maintenance	934
General Supplies	3,306
Miscellaneous	<u>18</u>
Total	<u>108,776</u>

Inventory Control:

Personnel Services	138,776
Insurance	4,476
Public Utility Services	509
Repairs and Maintenance	295
Depreciation	3,599
General Supplies	13,383
Miscellaneous	<u>34</u>
Total	<u>161,072</u>

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SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Service Fund Year Ended  
Tifton, Georgia June 30, 2009

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Utilities Complex:

Personnel Services	\$ 299,367
Insurance	10,260
Depreciation	10,276
Repairs and Maintenance	18,997
Travel and Training	1,050
Public Utility Services	11,468
General Supplies	26,655
Miscellaneous	<u>304</u>
Total	<u>378,377</u>

Harrison-Walker Complex:

Personnel Services	25,440
Insurance	7,935
Public Utility Services	24,484
Depreciation	37,060
Repairs and Maintenance	29,602
General Supplies	8,201
Miscellaneous	<u>1,516</u>
Total	<u>134,238</u>

Shop:

Personnel Services	290,905
Insurance	7,392
Depreciation	10,328
Public Utility Services	14,327
Repairs and Maintenance	32,300
General Supplies	9,445
Miscellaneous	<u>576</u>
Total	<u>365,273</u>

(Continued on next page)

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Service Fund Tifton, Georgia	Year Ended June 30, 2009
Total Operating Expenses	<u>3,316,272</u>
Operating Income	0
Transfer In	177,157
Transfer Out	<u>(600,000)</u>
Change in Net Assets	(422,843)
Net Assets - July 1, 2008	<u>3,189,423</u>
NET ASSETS - JUNE 30, 2009	<u>\$ 2,766,580</u>

SCHEDULE OF CASH FLOWS

Service Fund Tifton, Georgia	Year Ended June 30, 2009
<hr/>	
Cash Flows from Operating Activities:	
Cash Receipts from Customers	\$ 8,387
Cash Receipts from Interfund Services Provided	3,280,638
Cash Payments for Personnel Services	(2,468,349)
Cash Payments for Other Operating Expenses	<u>(411,464)</u>
Net Cash Provided by Operating Activities	<u>409,212</u>
Cash Flows from Noncapital Financing Activities:	
Transfer from Other Funds	177,157
Transfer to Other Funds	<u>(600,000)</u>
Net Cash Used by Noncapital Financing Activities	<u>(422,843)</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	(33,115)
Principal Paid on Long-Term Debt	<u>(99,870)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(132,985)</u>
Net Decrease In Cash	(146,616)
Cash - July 1, 2008	<u>1,371,949</u>
CASH - JUNE 30, 2009	<u>\$ 1,225,333</u>
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities:	
Operating Income	\$ 0
Adjustments to Reconcile Operating Income to Net	
Cash Provided by Operating Activities:	
Depreciation	219,647
Change in Assets and Liabilities:	
Receivables, Net	(7,630)
Inventory	225,280
Prepaid Expense	31,542
Accounts Payable	(43,043)
Accrued Expenses	3,032
Due to/from Other Funds	<u>(19,616)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 409,212</u>

SCHEDULE OF NET ASSETS

Downtown Development Authority  
Tifton, Georgia

June 30, 2009

ASSETS

Current Assets:

Cash		\$ 544,334
Accounts Receivable		48,418
Notes Receivable		<u>98,524</u>
Total Current Assets		<u>691,276</u>

Capital Assets:

Land		282,751
Buildings and Improvements	\$2,298,099	
Less Accumulated Depreciation	<u>(470,460)</u>	1,827,639
Furniture and Fixtures	20,090	
Less Accumulated Depreciation	<u>(2,882)</u>	<u>17,208</u>
Net Capital Assets		<u>2,127,598</u>

Other Assets:

Notes Receivable		<u>1,331,819</u>
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Total Assets		<u>4,150,693</u>
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LIABILITIES

Current Liabilities:

Accounts Payable		56,421
Accrued Expenses		5,980
Notes Payable		<u>76,746</u>
Total Current Liabilities		<u>139,147</u>

Long-Term Liabilities:

Notes Payable		1,433,485
Due to Primary Government		<u>179,344</u>
Total Long-Term Liabilities		<u>1,612,829</u>

Total Liabilities		<u>1,751,976</u>
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SCHEDULE OF NET ASSETS

Downtown Development Authority  
Tifton, Georgia

June 30, 2009

NET ASSETS

Invested in Capital Assets, Net of Related Debt	\$ 1,769,549
Unrestricted	<u>629,168</u>
 TOTAL NET ASSETS	 <u>\$ 2,398,717</u>

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Downtown Development Authority Tifton, Georgia	Year Ended June 30, 2009
Operating Revenues:	
Charges for Services	\$ 106,282
Intergovernmental	219,001
Special Purpose Local Option Sales Tax	252,280
Interest	<u>81,933</u>
 Total Operating Revenues	 <u>659,496</u>
 Operating Expenses:	
Personnel Services	168,434
Utilities	40,309
Insurance	5,866
Repairs and Maintenance	29,491
Interest	80,354
Production and Program Cost	42,574
Supplies	21,960
Travel and Training	4,996
Depreciation	46,159
Professional Fees	24,458
Advertising	16,368
Miscellaneous	<u>499</u>
 Total Operating Expenses	 <u>481,468</u>
 Operating Income	 178,028
 Net Assets - July 1, 2008	 <u>2,220,689</u>
 NET ASSETS - JUNE 30, 2009	 <u>\$2,398,717</u>

SCHEDULE OF CASH FLOWS

Downtown Development Authority Tifton, Georgia:	Year Ended June 30, 2009
<hr/>	
Cash Flows from Operating Activities:	
Cash Receipts from Customers	\$ 186,680
Cash Receipts from Other Governments	502,040
Cash Payments for Personnel Services	(159,056)
Cash Payments for Other Operating Expenses	<u>(235,153)</u>
Net Cash Provided by Operating Activities	<u>294,511</u>
Cash Flows from Noncapital Financing Activities:	
Loaned on Notes Receivable	(91,192)
Received on Notes Receivable	82,200
Principal Paid on Long-Term Debt	(86,126)
Proceeds from Long-Term Debt	<u>88,692</u>
Net Cash Used by Noncapital Financing Activities	<u>(6,426)</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(90,564)
Principal Paid on Long-Term Debt	<u>(8,831)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(99,395)</u>
Cash Flows from Investing Activities	<u>0</u>
Net Increase in Cash	188,690
Cash - July 1, 2008	<u>355,644</u>
CASH - JUNE 30, 2009	<u>\$ 544,334</u>
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities:	
Operating Income	\$ 178,028
Adjustments to Reconcile Operating Income to Net	
Cash Provided by Operating Activities:	
Depreciation	46,159
Change in Assets and Liabilities:	
Receivables, Net	29,223
Accounts Payable	39,346
Accrued Expenses	<u>1,755</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 294,511</u>

SCHEDULE OF PROJECTS CONSTRUCTED WITH

SPECIAL SALES TAX PROCEEDS

City of Tifton  
Tifton, Georgia

Year Ended  
June 30, 2009

Project	Original Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage Completion
<u>2001 REFERENDUM</u>					
Street and Sidewalk Improvements	\$ 1,000,000	\$ 630,709	\$ 17,666	\$ 648,375	65%
New Fire Station	650,000	0	120	120	0%
New Fire Trucks	500,000	507,985	183,505	691,490	100%
Sewer System Improvements	1,000,000	636,442	36,171	672,613	67%
Water System Improvements	1,000,000	923,312	157,420	1,080,732	100%
Drainage Improvements	590,000	435,033	10,121	445,154	75%
Police Department Building	3,021,000	3,132,477	0	3,132,477	100%
Visitor Information Center	300,000	447,562	0	447,562	100%
Public Parking	<u>679,000</u>	<u>495,053</u>	<u>0</u>	<u>495,053</u>	73%
TOTAL	<u>\$ 8,740,000</u>	<u>\$7,208,573</u>	<u>\$ 405,003</u>	<u>\$7,613,576</u>	

(Continued on next page)

SCHEDULE OF PROJECTS CONSTRUCTED WITH

SPECIAL SALES TAX PROCEEDS

City of Tifton  
Tifton, Georgia

Year Ended  
June 30, 2009

Project	Original Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage Completion
<u>2006 REFERENDUM</u>					
Street and Sidewalk Improvements	\$ 2,670,000	\$ 247,617	\$ 725,183	\$ 972,800	36%
New Fire Station and Equipment	2,660,000	0	36,234	36,234	1%
Police Equipment	414,000	179,323	128,906	308,229	74%
Sewer System Improvements	6,831,000	45,202	574,566	619,768	9%
Water System Improvements	5,200,000	34,015	95,167	129,182	2%
Drainage Improvements	2,500,000	134,260	106,425	240,685	10%
Senior Center Improvements	750,000	0	0	0	0%
City Hall Renovations	1,000,000	48,913	24,762	73,675	7%
Recycling Facility Improvements	450,000	135,245	106,746	241,991	54%
Landfill/Sanitation Equipment	650,000	358,754	224,021	582,775	90%
Park and Cemetery Improvements	200,000	0	0	0	0%
Maintenance Warehouse Improvements	650,000	216,553	29,486	246,039	38%
M. I. S. Improvements	<u>1,850,000</u>	<u>18,279</u>	<u>53,896</u>	<u>72,175</u>	4%
<b>TOTAL</b>	<b><u>\$25,825,000</u></b>	<b><u>\$1,418,161</u></b>	<b><u>\$2,105,392</u></b>	<b><u>\$3,523,553</u></b>	

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

City of Tifton  
Tifton, Georgia

Year Ended  
June 30, 2009

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Grantor's Number	Federal Expenditures
U. S. Department of Justice:			
Edward Byne Memorial Justice Assistance Grant	16.579	2005-DJ-BX-1544	\$ 5,172
Edward Byne Memorial Justice Assistance Grant	16.579	2006-DJ-BX-0919	6,113
Edward Byne Memorial Justice Assistance Grant	16.579	2008-DD-BX-0607	23,024
Total U. S. Department of Justice			<u>34,309</u>
U. S. Environmental Protection Agency:			
Brownsfield Assessment and Cleanup	66.818	BF-96458506-0	<u>38,583</u>
U. S. Department of Housing and Urban Development:			
Pass-Through Georgia Department of Community Affairs:			
CDBG Small Cities Program	14.228	03RD-X-137-2-2922	278,810
CDBG Small Cities Program	14.228	05P-X-137-2-3086	16,063
CDBG Small Cities Program	14.228	08P-X-137-2-5074	<u>14,000</u>
Subtotal			<u>308,873</u>
Community Home Investment Program	14.239	07M-X-137-2-2952	<u>153,000</u>
Total U. S. Department of Housing and Urban Development			<u>461,873</u>
Total Expenditures of Federal Awards			<u>\$ 534,765</u>

This schedule of expenditures of federal awards includes the federal grant activity of the City of Tifton, Georgia, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used, in the preparation of the basic financial statements.

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

The Honorable Mayor and City Council  
Tifton, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Tifton, Georgia, as of and for the year ended June 30, 2009, and have issued our report thereon dated November 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Tifton, Georgia's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Tifton, Georgia's financial statements that is more than inconsequential will not be prevented or detected by the City of Tifton, Georgia's internal control. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs, to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Tifton, Georgia's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiency described above is not a material weakness.

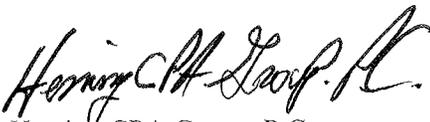
#### Compliance and Other Matters

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

We noted certain matters that we reported to the management of the City of Tifton, Georgia, in a separate letter dated November 30, 2009.

The City of Tifton, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City of Tifton, Georgia's responses and, accordingly, we express no opinions on them.

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



Herring CPA Group, P.C.  
Tifton, Georgia  
November 30, 2009

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Mayor and City Council  
Tifton, Georgia

Compliance

We have audited the compliance of the City of Tifton, Georgia, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to the major federal program for the year ended June 30, 2009. The City of Tifton, Georgia's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirement of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the City of Tifton, Georgia's management. Our responsibility is to express an opinion on the City of Tifton, Georgia's compliance based on our audit.

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

In our opinion, the City of Tifton, Georgia, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2009.

Internal Control Over Compliance

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

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control .

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

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

This report is intended solely for the information and use of management, the city council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Herring CPA Group, P.C.  
Tifton, Georgia  
November 30, 2009

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

City of Tifton  
Tifton, Georgia

Year Ended  
June 30, 2009

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### SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the City of Tifton, Georgia.
2. One significant deficiency was disclosed during the audit of the general purpose financial statements and is reported in the "Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards". This significant deficiency is not considered a material weakness.
3. No instances of noncompliance, material to general purpose financial statements of the City of Tifton, Georgia, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award program are reported in the "Report on Compliance with Requirements Applicable to each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133".
5. The auditor's report on compliance for the major federal award program for the City of Tifton, Georgia, expresses an unqualified opinion on all major programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.
7. The program tested as a major program was: The Department of Housing and Urban Development CDBG Small Cities Program CFDA No. 14.228.
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The City of Tifton, Georgia, was not determined to be a low-risk auditee.

### FINDINGS-FINANCIAL STATEMENTS AUDIT

#### 09-1 Segregation of Duties (Repeat)

Some departments of the City of Tifton, Georgia, do not employ sufficient personnel to provide for the adequate segregation of duties.

Criteria-Weakness in internal control.

Effect-Improper segregation of duties can allow for the misappropriation of funds.

Recommendation-Additional personnel should be hired and any conflicting duties segregated.

Management's Response-Management agrees with the finding; however, it is not economically feasible to hire additional personnel. The City is currently reviewing these departments to reassign personnel and their duties where feasible. Also, the financial records of these departments are reviewed periodically by City personnel.

### FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAM AUDIT

None Reported

ASSESSED AND ESTIMATED ACTUAL VALUES OF

TAXABLE PROPERTY

City of Tifton  
Tifton, Georgia

June 30, 2009

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Year	Assessed Value of Taxable Property	Estimated Actual Value of Taxable Property
2008	\$ 327,723,382	\$ 819,308,455
2007	322,136,925	805,342,312
2006	313,001,279	782,503,198
2005	296,575,064	741,437,660
2004	287,231,815	718,079,537
2003	287,239,764	718,099,410
2002	246,585,341	616,463,352
2001	220,995,804	552,489,510
2000	211,485,815	528,714,537
1999	204,294,753	510,736,882

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PROPERTY TAX RATES

City of Tifton  
Tifton, Georgia

June 30, 2009

Year	City of Tifton	Tift County	School Board
2008	6.76	10.39	14.96
2007	6.76	10.39	14.46
2006	6.76	10.39	14.46
2005	7.00	10.71	14.96
2004	4.45	10.71	11.96
2003	4.45	9.43	11.96
2002	4.45	11.26	13.74
2001	4.50	11.31	13.74
2000	4.50	9.54	13.75
1999	4.50	8.97	13.75

PRINCIPAL TAXPAYERS

City of Tifton  
Tifton, Georgia

June 30, 2009

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1.	Wal-Mart Stores, Inc.	\$ 54,864
2.	Lowes Home Center, Inc.	34,179
3.	Georgia Power Company	28,609
4.	BellSouth	20,811
5.	General Electric Capital Corp.	19,540
6.	RCG Tifton, Inc.	19,414
7.	Fulwood Wright Shopping Center	14,825
8.	Peter Garvey	13,475
9.	Tifton Inn, LLC	12,372
10.	Williams Investment Company	9,969

DEBT LIMITATION

City of Tifton  
Tifton, Georgia

June 30, 2009

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The City of Tifton's present constitutional limit on direct obligation debt is an amount equivalent to 10% of the net assessed valuation of taxable property for debt service purposes. The computation of the unused legal debt margin is presented below:

Net Assessed Valuation of Taxable Property for Debt Service - June 30, 2009	<u>\$ 327,723,382</u>
10% of Taxable Value	\$ 32,772,338
General Obligation Bonded Debt - June 30, 2009	<u>0</u>
Legal Debt Margin	<u>\$ 32,772,338</u>