ANNUAL FINANCIAL REPORT

CITY OF TIFTON, GEORGIA

FOR THE FISCAL YEAR ENDED

JUNE 30, 2010

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Tifton, Georgia — June 30, 2010

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TIFTON, GEORGIA
SYLVESTER, GEORGIA

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, 2010, 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, 2010, 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 April 29, 2011, 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.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 21 and page 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was 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 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, 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.

Herring CPA Group, P.C.
Tifton, Georgia
April 29, 2011

TIFTON Georgia
The Friendly City

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http://www.tifton.net

ELECTED OFFICIALS:

J. G. "JAMIE" CATER, JR.
MAYOR

W. JOE LEWIS
VICE-MAYOR
DISTRICT 4

MARIANNA KEESEE
DISTRICT 1

DAVE HETZEL
DISTRICT 2

JOHNNY TERRELL, JR.
DISTRICT 3

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) of the Annual Financial Statement of Tifton, GA (the "Government") provides an overall narrative and analysis of the City's Financial Statements for the fiscal year ended June 30, 2010. This discussion and analysis is designed to look at the City's financial performance as a whole.

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 $89.0 million, which exceeded its liabilities of $20 million at the close of the most recent fiscal year 2010 by $69 million.(See table 1)

2. The total Assets of the City's component unit, DDA (Downtown Development Authority), were $5 million, which exceeded its liabilities of $2.3 million at the close of the most recent fiscal year 2010 by $2.7 million. (See pages 19, 20 & 21).

3. During the year, the City had governmental program expenses that were $15.4 million which is $172 thousand less than generated in tax and other revenues, before internal transfers (See table 2).

4. At the end of the fiscal year 2010, the City of Tifton's Governmental Fund Balance was $5.7 million as compared to $11.3 million at June 30, 2009. Of this amount, $2.6 million was available for spending at the City's discretion (Unreserved Fund Balance) as compared to $4.94 million at June 30, 2009.

5. The General Fund, on a current financial resources basis, reported expenditures more than the revenues and other financing resources of $$254 thousand for the fiscal year ending June 30, 2010 before transfers, compared to $1.4 million for the fiscal year ending June 30, 2009.

6. The Telecommunication Bonds Series A & B was defeased due to the sale of the CityNet. The CityNet was sold to a local company by bid process for a loss.

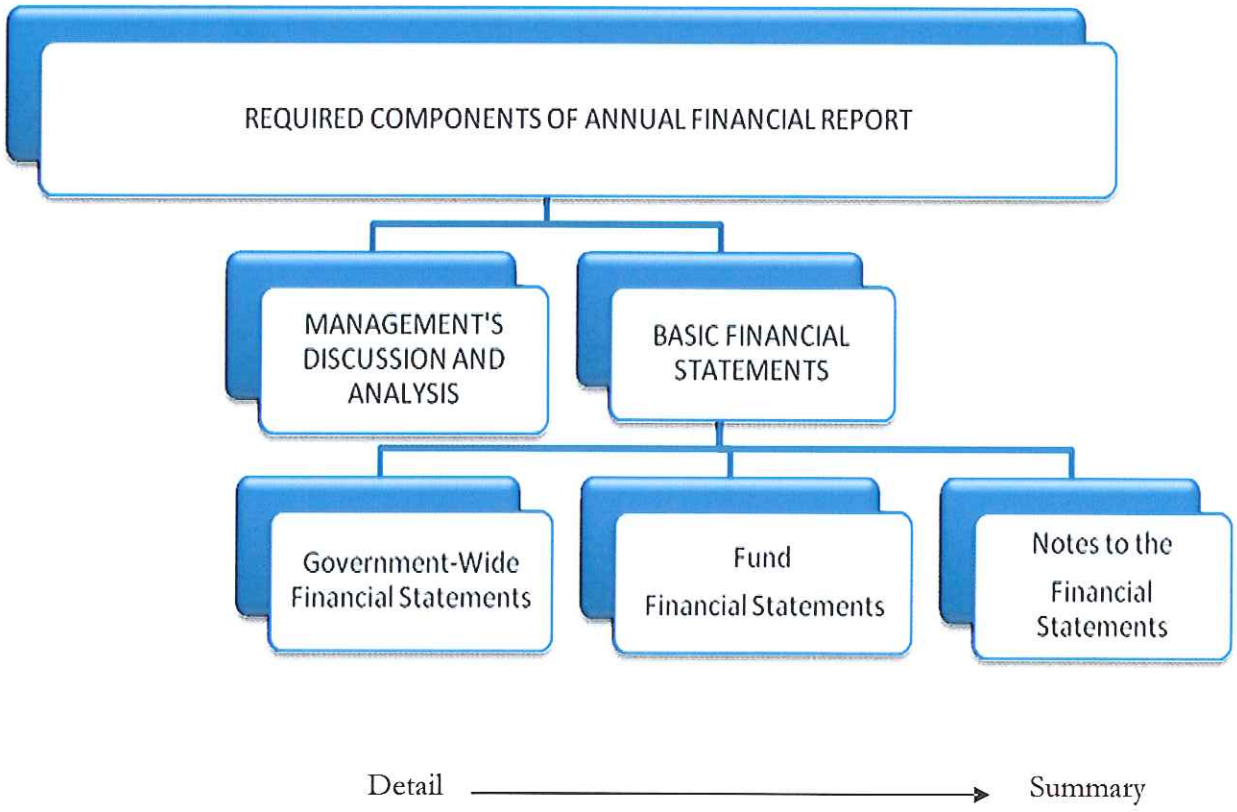
7. The General Fund assumed the Telecommunication debt of $6 million. However, citizens voted for SPLOST 5 in March 2011, which included an amount of $4.5 million for the repayment of the debt.

8. The City's business-type activities had program expenses that were $16.5 million, which is 692 thousand more than $15.8 million generated from charges for services and other revenues, before internal transfers

9. The sale of CityNet and the dissolution of the Telecommunication Fund resulted in numerous interfund transfers required to facilitate the event and resolved interfund receivables that were accumulated over several years.

Overview of the Financial Statements

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. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City.



BASIC FINANCIAL STATEMENTS

The basic financial statements are the **Government-Wide Financial Statements, Fund Financial Statements and the Notes to the Financial Statements.**

Government-Wide Financial Statement. It provides the broad view of the City's operation in a manner similar to a private sector business. The statements provide both short-term and long-term information about the City's financial position, which assists in assessing the economic condition at the end of the fiscal year. These statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. This means the statements take into account all revenues and expenses connected with the fiscal year even if cash involved has not been received or paid. The Government-Wide Financial Statements include the following two statements:

The ***Statement of Net Assets*** presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. 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 presents*** information showing the City's net assets changed during the most recent fiscal year. All changes in net asset are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal period (e.g. uncollected taxes and earned but unused vacation leave). This statement also presents a comparison between direct expense and program revenues for each function of the City.

The Government-Wide Statements are divided into three categories:

Governmental Activities – Most of the City's basic services are reported here, which in 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.

Component Units - 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 22 to 28* of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Fund Financial Statements focus on individual parts of the government, reporting the City's operations in more detail than the Government-Wide Statements. Major Funds are reported separately, while all others are combined into a single, aggregated presentation. The Fund Statements *on pages 29 through 42* 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 29 through 33*) – 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. Governmental 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 30 and 32.*

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 34 through 42)* – 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 *45-68* 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, 2010 and 2009. 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	
	2010	2009	2010	2009	2010	2009
Current and Other Assets	$ 8,142,655	$ 14,062,436	$ 11,070,463	$ 11,039,482	$ 19,213,118	$ 25,101,918
Non-Current Assets	35,005,681	33,710,815	34,498,078	36,106,972	$ 69,503,759	$ 69,817,787
Total Assets	$ 43,148,336	$ 47,773,251	$ 45,568,541	$ 47,146,454	$ 88,716,877	$ 94,919,705
Current Liabilities	$ 3,081,516	$ 2,224,133	$ 1,835,016	$ 2,445,382	$ 4,916,532	$ 4,669,515
Non-Current Liabilities	7,528,727	1,302,436	7,261,028	17,682,569	$ 14,789,755	$ 18,985,005
Total Liabilities	$ 10,610,243	$ 3,526,569	$ 9,096,044	$ 20,127,951	$ 19,706,287	$ 23,654,520
Net Assets						
Invested in Capital Assets net of related debt	$ 31,428,182	$ 31,809,855	$ 30,490,405	$ 20,474,043	$ 61,918,587	$ 52,283,898
Restricted for:						
Capital Projects	835,905	6,426,125	-	-	$ 835,905	$ 6,426,125
Unrestricted	274,006	6,010,702	5,982,092	6,544,460	$ 6,256,098	$ 12,555,162
TOTAL NET ASSETS	$ 32,538,093	$ 44,246,682	$ 36,472,497	$ 27,018,503	$ 69,010,590	$ 71,265,185

Net Assets. The City of Tifton's combined net assets exceeded liabilities by 69 million. decreased by 3.16% from $71.3 million at June 30, 2009 to $69.0 million at June 30, 2010 (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 $6.3 million at June 30, 2010. 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 $32.5 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, equipment, infrastructures, 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 or more days 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 *increased* by $9.45 million. 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 9.22% to $31.4 million in FY2010. (See Table 2 on *page 10*). Key elements of this decrease are as follows;

- Charges for Services, which comprise of 60.25% of the total revenue is down by 14% due to industrial businesses closings, who are the vital consumers of the system. This is also due to the sale of the CityNet and closing of the Telecommunication Fund.

- Capital Grants and contribution, which is 12.6% of the total revenue increased by 179,552, which comprised mostly of sales tax received from the county, a few from federal and state grants and contribution for various projects of the City's General Government, Public Safety, Public Works and Health and Welfare.

- Sales tax, which comprised of 8.89% of the total revenues, were down by 9% due continued economic downturn, closing of major industries such as COI (Commissary Operations, Inc), a food distribution company, Tifton Aluminum, and Shaw/Queen carpet.

- Property Tax, which is 7.10% of the total revenues, is down by 1.35%. Assessment of properties and unemployment due to closures of industries contributed to foreclosures of some residential properties.

- Investment Earnings were down 47% due to a continued fall of interest earnings rates. However, The City has earned interest more than it should due to the 1% floor granted by our investment bank as a result of the new request for proposal for banking services.

The total cost of all programs and services for the year ending June 30, 2010 was $32 million as compared to $36 million for the year ending June 30, 2009. The City's expenses cover a range of service, with about 22% 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 % CHANGE INC/(DEC)
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL		
	2010	2009	2010	2009	2010	2009	2009-2010
REVENUES							
Program Revenues:							
Charges for Services	$ 3,193,018	$ 3,138,471	$ 15,705,169	$ 18,773,994	$ 18,898,187	$ 21,912,465	-13.76%
Operating Grants and Contribution	156,891	98,847	-	-	156,891	98,847	58.72%
Capital Grants and Contributions	3,950,487	3,770,935	-	-	3,950,487	3,770,935	4.76%
Total Program Revenues	$ 7,300,396	$ 7,008,253	$ 15,705,169	$ 18,773,994	$ 23,005,565	$ 25,782,247	-10.77%
General Revenues:							
Property Taxes	$ 2,227,462	$ 2,258,027	$ -	$ -	2,227,462	2,258,027	-1.37%
Sales Taxes	2,789,424	2,554,000	-	-	2,789,424	2,554,000	8.44%
Hotel Motel Taxes	699,748	711,296	-	-	699,748	711,296	-1.65%
Alcoholic Beverage Taxes	431,468	454,292	-	-	431,468	454,292	-5.29%
Insurance Premium Tax	834,973	842,881	-	-	834,973	842,881	-0.95%
Franchise Fees	1,153,500	1,173,931	-	-	1,153,500	1,173,931	-1.77%
Investment Earnings	52,622	137,668	82,003	119,535	134,625	257,203	-91.05%
Miscellaneous Revenue	85,387	124,801	-	94,438	85,387	219,239	-156.76%
Total General Revenues	8,274,584	8,256,896	82,003	213,973	8,356,587	8,470,869	-1.37%
Total Revenues	$ 15,574,980	$ 15,265,149	$ 15,787,172	$ 18,987,967	$ 31,362,152	$ 34,253,116	-9.22%
EXPENSES							
Governmental Activities:							
General Government	$ 2,835,816	$ 3,322,688	$ -	$ -	2,835,816	3,322,688	-14.65%
Public Safety	6,899,803	7,539,915		-	6,899,803	7,539,915	-8.49%
Public Works	4,600,186	3,267,817	-	-	4,600,186	3,267,817	40.77%
Culture and Recreation	565,739	616,926	-	-	565,739	616,926	-8.30%
Health and Welfare	213,955	190,564	-	-	213,955	190,564	12.27%
Interest on Long-Term Debt	287,538	24,295	-	-	287,538	24,295	1083.53%
Total Governmental Activities	$ 15,403,037	$ 14,962,205	$ -	$ -	$ 15,403,037	$ 14,962,205	2.95%
Business-type Activities:							
Water	$ -	$ -	$ 3,001,321	$ 2,998,758	3,001,321	2,998,758	0.09%
Sewer	-	-	3,659,619	3,635,006	3,659,619	3,635,006	0.68%
Gas	-	-	4,447,482	5,030,007	4,447,482	5,030,007	-11.58%
Solid Waste	-	-	4,043,142	4,382,726	4,043,142	4,382,726	-7.75%
Telecommunications	-	-	1,327,220	4,964,448	1,327,220	4,964,448	-73.27%
Total Business-Type Activities	-	-	16,478,784	21,010,945	16,478,784	21,010,945	-21.57%
Total Expenses	$ 15,403,037	$ 14,962,205	$ 16,478,784	$ 21,010,945	$ 31,881,821	$ 35,973,150	-11.37%
EXCESS(DEFICIENCY)	$ 171,943	$ 302,944	$ (691,612)	$ (2,022,978)	$ (519,669)	$ (1,720,034)	-69.79%
Transfers - Internal Activities	(11,880,532)	(1,305,103)	11,880,532	1,305,103	-	-	
Special Items:							
Loss on Defeasement of bonded Debt			(1,224,028)		(1,224,028)	-	100.00%
Loss on Sale of Capital Assets			(510,898)		(510,898)	0	100.00%
Change in Net Assets	$ (11,708,589)	$ (1,002,159)	$ 9,453,994	$ (717,875)	$ (2,254,595)	$ (1,720,034)	31.08%
NET ASSETS-BEGINNING OF THE YEAR	$ 44,246,682	$ 45,248,841	$ 27,018,503	$ 27,736,378	$ 71,265,185	$ 72,985,219	-2.36%
NET ASSETS - END OF THE YEAR	$ 32,538,093	$ 44,246,682	$ 36,472,497	$ 27,018,503	$ 69,010,590	$ 71,265,185	-3.16%

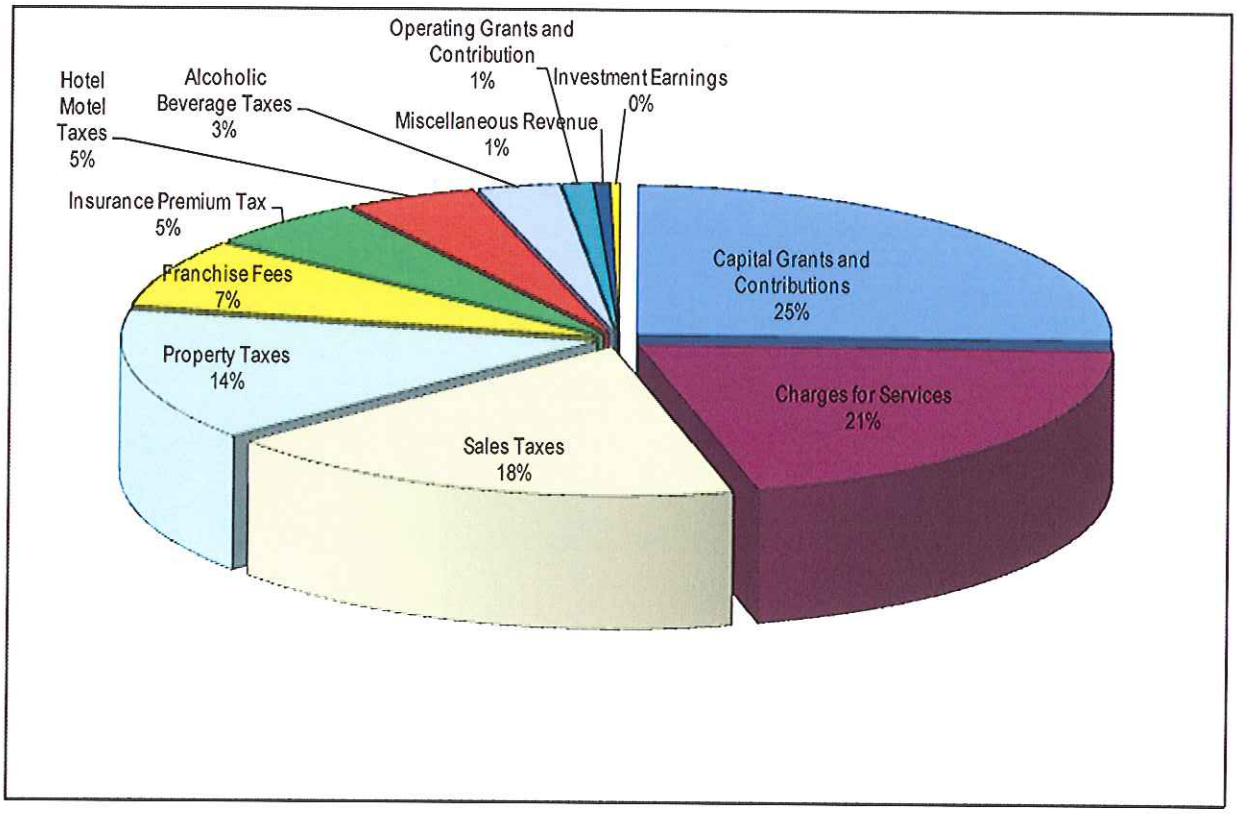
Governmental Activities – Revenue by Source

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, excluding internal transfer, increased by to $15.6 million, or 1.87% as compared to 15.3 million for FY2009, mainly because of the capital grants that the City have received from the federal, state and local government. The significant difference in the Capital Grants and contributions was due to changes in how the SPLOST proceeds are reported in the Statement of Activities and Changes in Net Assets in the Government-Wide Activities. Charges for Services include 50% share of the County in the Fire Services provided by the City and the School Resource Officer's services to Tift County School Board.

Table 3
Governmental Activities - Revenue by Source

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES		
	2010	2009	DIFFERENCE
REVENUES			
Functions / Program Revenues:			
Capital Grants and Contributions	3,950,487	3,770,935	$ 179,552
Charges for Services	$ 3,193,018	$ 3,138,471	$ 54,547
Sales Taxes	2,789,424	2,554,000	$ 235,424
Property Taxes	2,227,462	2,258,027	$ (30,565)
Franchise Fees	1,153,500	1,173,931	$ (20,431)
Insurance Premium Tax	834,973	842,881	$ (7,908)
Hotel Motel Taxes	699,748	711,296	$ (11,548)
Alcoholic Beverage Taxes	431,468	454,292	$ (22,824)
Operating Grants and Contribution	156,891	98,847	$ 58,044
Miscellaneous Revenue	85,387	124,801	$ (39,414)
Investment Earnings	52,622	137,668	$ (85,046)
Total Governmental Revenues	**$ 15,574,980**	**$ 15,265,149**	**$ 309,831**

Pie chart for Table 3



Governmental Activities – Program Expense by Function

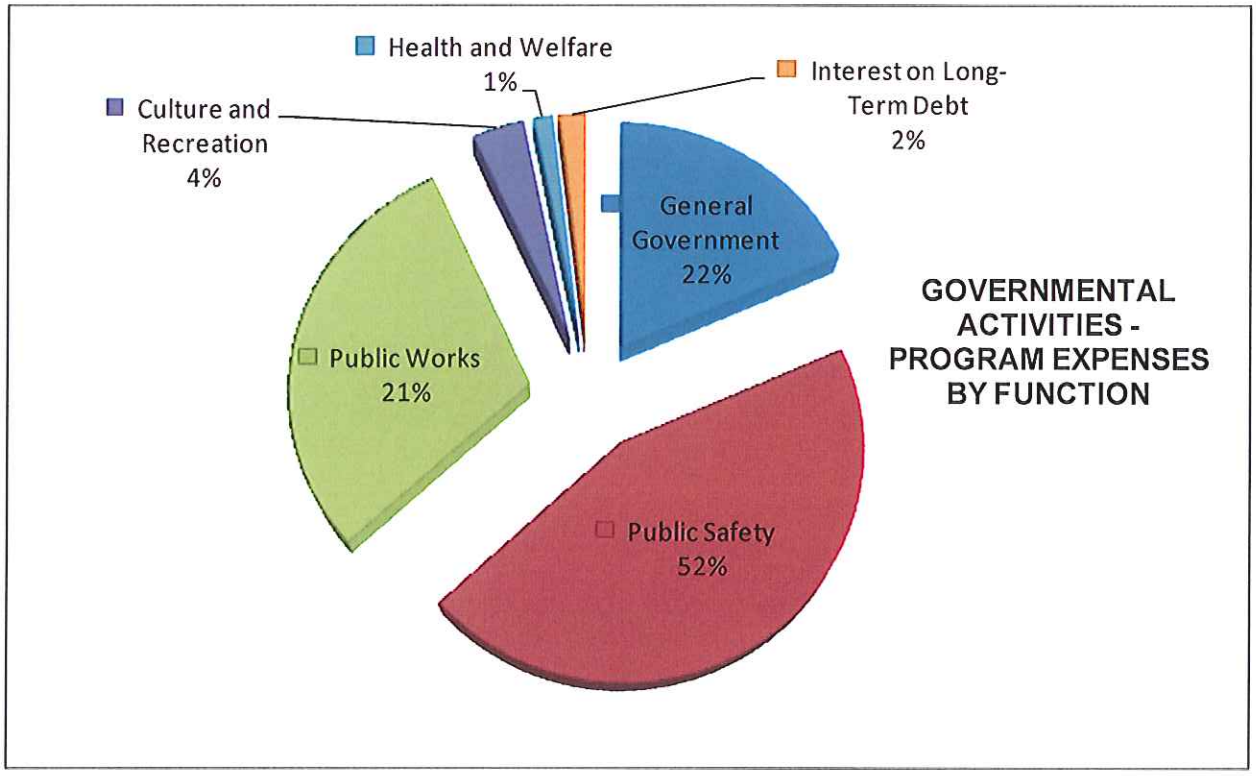
As reflected in the summary of Changes in Net Assets, and on Table 4 below, the City expended 73% of the appropriation on Public Safety and Public works. The City continues to commit substantial financial resources for the safety of the citizens. Other expenditures accounted for presents the cost of general government, culture and recreation, and interest on long-term debt. The cost of Governmental Activities this year was $15.4 million, a $723 thousand increase from prior year ending June 30, 2009. However, the amount that taxpayers paid for these activities through City property taxes was only $2.2 million. Some of the cost was paid by:

- Those who benefited from the programs (charges for services) - $3.2 million
- Sales Tax from retailers - $2.8 million
- Taxes other than property and sales taxes - $3.1 million
- Grants and Contribution - $4.1 million as compared to $3.9 million in FY2009.

Table 4.
GOVERNMENTAL ACTIVITIES PROGRAM EXPENSE BY FUNCTION

Governmental Activities:	TOTAL COST OF SERVICE		
	2010	2009	DIFFERENCE
General Government	$ 2,835,816	3,322,688	$ (486,872)
Public Safety	6,899,803	7,539,915	784,839
Public Works	4,600,186	3,267,817	355,717
Culture and Recreation	565,739	616,926	69,890
Health and Welfare	213,955	190,564	47,570
Interest on Long-Term Debt	287,538	24,295	(48,004)
Total Governmental Activities	**$ $ 15,403,037**	**$ 14,962,205**	**$ $ 723,140**

Pie Chart for Table 4



Business-type Activities

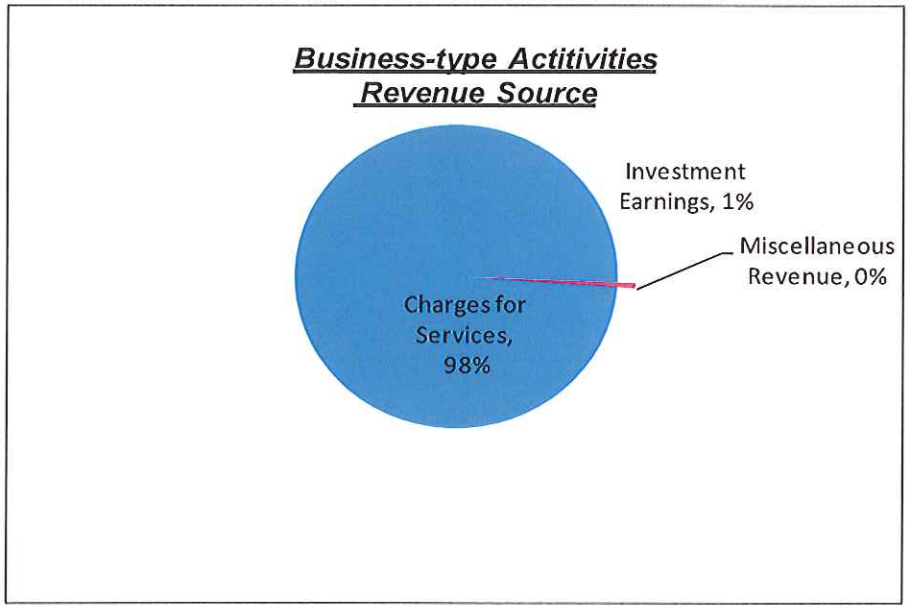
Operating revenues of the business-type activities decreased by $3.2 million, from $19.0 million to $15.8 million during the year ended June 30, 2010. The decreases in the revenue was due to a combination of;

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

Table 5
BUSINESS-TYPE ACTIVITIES REVENUE SOURCE

	2010	2009	DIFFERENCE
REVENUES			
Program Revenues:			
Charges for Services	$ 15,705,169	$ 18,773,994	$ (3,068,825)
Investment Earnings	82,003	119,535	(37,532)
Miscellaneous Revenue	0	94,438	(94,438)
Total Revenues	**$ $15,787,172**	**$ $18,987,967**	**$ ($3,200,795)**

Pie Chart for Table 5

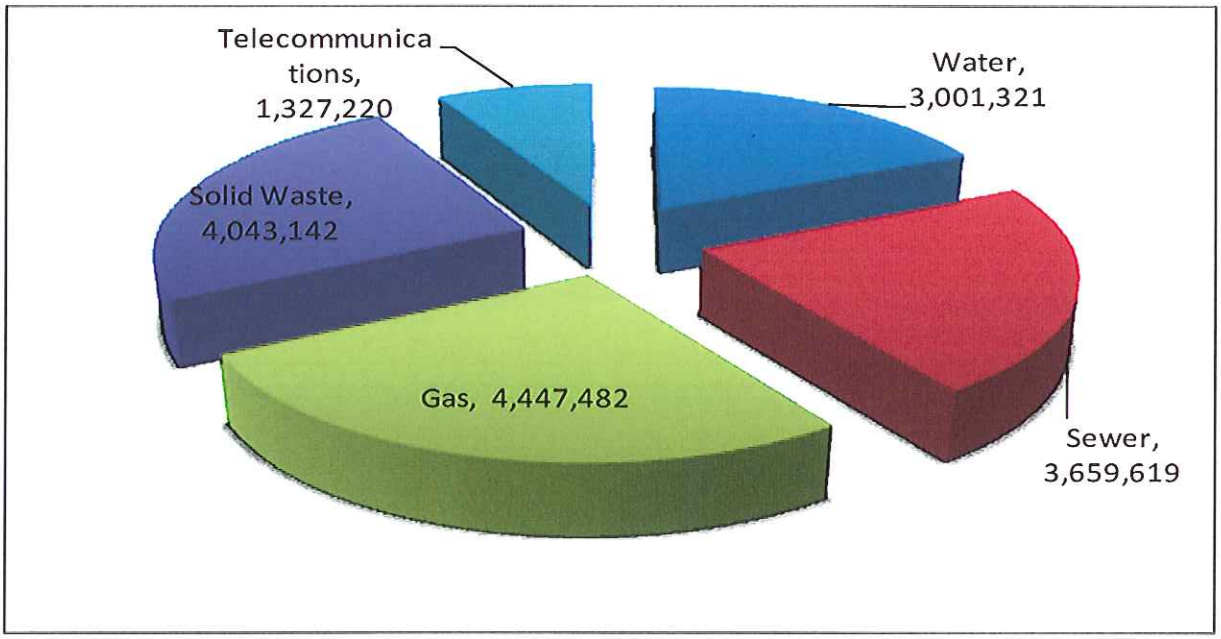


The cost of all Proprietary (Business Type) activities this year decreased by $4.5 million, from $21.0 million to $16.5 million for the year ending June 30, 2010. As shown in the Statement of Activities and Changes in Net Assets on *page 22*, the amounts paid by the users of the system were $15.7 million, 82 thousand from investment earnings and the remaining portion was from internal transfers.

Table 6
BUSINESS-TYPE ACTIVITIES EXPENSE

	2010	2009	DIFFERENCE
Business-type Activities:			
Water	$ 3,001,321	$ 2,998,758	$ 2,563
Sewer	3,659,619	3,635,006	24,613
Gas	4,447,482	5,030,007	(582,525)
Solid Waste	4,043,142	4,382,726	(339,584)
Telecommunications	1,327,220	4,964,448	(3,637,228)
Total Business-Type Activities	**$ 16,478,784**	**$ 21,010,945**	**$ (4,532,161)**

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 29*) reported a Combined Fund Balance of $5.7 million as compared to $11.4 million, as of June 30, 2009, which was a $5.63 million decrease from prior year. Approximately $2.69 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 $2.25 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 20% of total General Fund's expenditures as compared 36% from last year. This percentage is equivalent to two months of General Fund's operating expense. The Fund Balance of the City's General Fund increased by $141 thousand, due to a combination of; the management's decision to do a mid-year budget cuts, the equity transfer contribution from the Gas Fund and freeze hiring during the current fiscal year.

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 2010 fiscal year, the SPLOST Capital Projects Fund had a Reserved Fund Balance of $835 thousand, a decrease of 5.6 million from prior year. The decrease in the Fund Balance is mainly due to the water meter change-out projects and the renovation of the wastewater treatment plant, which were paid on a "pay-as-you-go" basis, utilizing the cash collection proceeds from SPLOST.

The *Hotel-Motel Tax Fund* is the 5% bed tax, of which 2% is the Tifton-Tift county Tourism Board's share as voted by the Council. Fund Balance decreased by $179,690 due to additional obligation/loan payments for the amount borrowed to construct a new road by the newly built Hilton Garden Inn as the City's contribution to the economic development project along I-75/Hwy. 82.

Proprietary Funds. The significant event in the Proprietary Fund is the sale of the Telecommunication services to the local business by a bid process, for a loss of over half a million dollars. The sale resulted in the early defeasance of the Telecommunication Bond and clearing of inter-fund receivable and payables as shown in detail on the Notes to Financial Statements #12 on *page 65*. The clearance was deemed by the council members as necessary as majority of the amount of the internal transfer was for the Telecommunication services.

As shown on the Combining Statement of Revenues and Expenses, the City's Proprietary Fund Statements, beginning on *page 37* 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 shown in detail on *page 34*.

The total net assets were $36 million at year-end, an increase of $9.45 million from the prior year. Of the total net assets, $30.49 million were invested in Capital Assets net of related debt, and $6.00 million are unrestricted.

Operating revenues were $3.2 million less than in fiscal year 2009 and operating expenses is $4.53 million lion less than the fiscal year 2009 due to sale of the Telecommunication services. The operating revenues and expense shown is only for three months. The result of the sale and defeasance of the bond is a loss of $1.7 million.

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 $115 thousand more than estimated (refer to *page 69*). 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. 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 a spending and hiring freeze. The transfer from the Gas Fund of $450,000 was approved to meet the current cash flow of the General Fund in an affect to stabilize service levels, this budgeted transfer lowers down the millage rate by 1.5 mills. The other $133,460 is the transfer from Hotel-Motel Tax to help fund for the Telecommunication loan that was assumed by the General Fund.

As the economy continued to struggle and the recession deepened, the City council was unwilling to compound the effect on its citizens by considering a tax increase and approved significant expenditure reduction and use of Fund Balance to fund the budget deficit. In July of 2009, the City Council voted to keep the 2010 millage rate at the 2009 levels.

Table 7

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

	Budgeted Revenues			Actual Revenues	Variance Over/(Under)
	Original	Final	Change		Final Budget
Revenues:					
Taxes, Net	$ 7,948,979	$ 7,586,644	(362,335)	$ 7,495,605	$ (91,039)
Licenses and Permits	845,800	761,151	(84,649)	807,092	$ 45,941
Intergovernmental	27,500	25,000	(2,500)	125,134	$ 100,134
Charges for Services	1,620,277	1,602,822	(17,455)	1,552,845	$ (49,977)
Fines & forfeitures	933,000	791,665	(141,335)	830,864	$ 39,199
Miscellaneous Income	64,700	49,813	(14,887)	120,384	$ 70,571
Total Revenues	**$ 11,440,256**	**$ 10,817,095**	**$ (623,161)**	**$ 10,931,924**	**$ 114,829**

	Budgeted Expenditures			Actual Expenditures	Variance Over/(Under)
	Original	Final	Change		Final Budget
Expenditures:					
Council	$ 82,402	$ 80,342	(2,060)	$ 74,735	$ 5,607
General Government	1,940,445	2,070,615	130,170	1,968,352	$ 102,263
Tax Office	133,120	135,582	2,462	130,040	$ 5,542
Municipal Court	204,878	197,559	(7,319)	194,948	$ 2,611
Police	3,925,890	3,761,580	(164,310)	3,723,560	$ 38,020
Fire	2,751,554	2,674,147	(77,407)	2,527,539	$ 146,608
Public Works	212,780	204,795	(7,985)	203,658	$ 1,137
Street	1,648,871	1,519,261	(129,610)	1,441,441	$ 77,820
Traffic Control	291,753	274,514	(17,239)	235,985	$ 38,529
Senior Citizens Center	101,254	118,417	17,163	118,320	$ 97
Nutrition Program	54,173	54,494	321	53,913	$ 581
Park and Cemetery	543,136	530,447	(12,689)	513,214	$ 17,233
			-		-
Total Expenditures	**11,890,256**	**11,621,753**	**(268,503)**	**11,185,705**	**436,048**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2010, the City of Tifton had invested $122.0 million before depreciation, $67.2 million, net of depreciation, in a broad range of capital assets for its Governmental and Business Type Activities, as compared to last year of $128.9 million before depreciation, $69.4 million net of depreciation. The reason of the decline was due to a combination of: sale of Telecommunication Fund assets and aging of infrastructures. 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 54.*

TABLE 8
SUMMARY OF CAPITAL ASSETS

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2010	2009	2010	2009	2010	2009
NON-DEPRECIABLE ASSETS:						
LAND	$2,522,664	$2,522,664	$ 557,835	$ 567,835	$ 3,080,499	$ 3,090,499
CONSTRUCTION IN PROGRESS	204,717	599,168			204,717	$ 599,168
TOTAL NON-DEPRECIABLE ASSETS	$ 2,727,381	$ 3,121,832	$ 557,835	$ 567,835	$ 3,285,216	$ 3,689,667
DEPRECIABLE ASSETS						
LANDFILL	$ -	$ -	$ 6,814,785	$ 6,802,366	$ 6,814,785	$ 6,802,366
BUILDINGS AND IMPROVEMENTS	7,448,193	7,448,193	506,288	1,262,332	$ 7,954,481	$ 8,710,525
DISTRIBUTION SYSTEM			55,828,358	62,069,133	$ 55,828,358	$ 62,069,133
MACHINERY & EQUIPMENT	9,861,888	9,425,877	10,228,465	10,486,058	$ 20,090,353	$ 19,911,935
INFRASTRUCTURE	28,059,430	27,664,979			$ 28,059,430	$ 27,664,979
TOTAL DEPRECIABLE ASSETS	$ 45,369,511	$ 44,539,049	$ 73,377,896	$ 80,619,889	$118,747,407	$ 125,158,938
LESS: ACCUMULATED DEPRECIATION	15,357,655	14,129,410	39,437,653	45,310,309	$ 54,795,308	$ 59,439,719
NET BOOK VALUE-DEPRECIABLE ASSETS	$ 30,011,856	$ 30,409,639	$ 33,940,243	$ 35,309,580	$ 63,952,099	$ 65,719,219
PERCENTAGED DEPRECIATED	34%	32%	54%	56%	46%	47%
TOTAL CAPITAL ASSETS BEFORE DEPRECIATION	$ 48,096,892	$ 47,660,881	$ 73,935,731	$ 81,187,724	$122,032,623	$ 128,848,605
TOTAL CAPITAL ASSETS NET OF DEPRECIATION	$ 32,739,237	$ 33,531,471	$ 34,498,078	$ 35,877,415	$ 67,237,315	$ 69,408,886

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, 2010, the City had $15.32 million in bonds, notes and leases outstanding, a decrease of $1.08 million over last year. The General Fund assumed the Telecommunication debt which is backed by the full faith credit of the City of Tifton citizens.

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 58 through 60.*

ECONOMIC FACTORS AND NEXT YEAR'S (FY2011) BUDGET & RATES

The City of Tifton's elected and appointed officials considered many factors when setting the fiscal year 2011 budget such as, 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.
- Tifton reported an unemployment rate of 10%. 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.
- In this fiscal year, the monthly Sales Tax collection decreased at an average rate of 15% over 2009.
- Sale of the Telecommunication Fund at a loss contributed to a new liability of $6.5 million, a 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 the rising cost of services and the rising cost of gasoline, but it was held momentarily.
- In 2010 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 the 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 difficulty. City Council, with staff recommendation, has enacted certain revenue enhancements in order to provide adequate personnel and to accommodate normal levels of services. How we achieved savings:

- Continued to put all merit increases on hold.
- Foregoing raises allowed us to keep our jobs and possibly prevent furloughs.
- Travel and Training were reduced in half.
- Implementation of ERIP (Early Retirement Incentive Plan) to eligible employees.
- Scheduled a hard freeze of retirement benefits thus contribution was reduced by 7%, from 27% to 20%.
- The City entered into an agreement with the County to collect and bill the City's Property Taxes, which resulted in a reduction in the budget of $87,686.
- Reduced some of the workforce and did freeze hiring for all vacant positions except for Garbage pick-up.

On the other hand, the City is showing an increase in the Business Licensing for new retailers, restaurants and hotel businesses. The City being the center hub of major highways, such as HWY82, I-75, HWY 319 and HWY 41, has the possibility of improved economic growth. To name a few of the new industries that just relocated to the County's industrial business park was American Textile, which manufactures pillows exclusively for big retail stores such as Wal-Mart, Publix had announced their project to open a new store in the City, Logan's restaurant is opening its business soon.

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, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
ASSETS				
Current Assets:				
Cash on Hand and in Banks	$ 5,684,518	$ 9,274,508	$14,959,026	$ 729,739
Receivables - Net	1,410,153	1,513,383	2,923,536	185,987
Internal Balances	87,922	(87,922)	0	0
Inventory at Cost	205,560	370,494	576,054	0
Prepaid Expenses	754,502	0	754,502	0
Total Current Assets	8,142,655	11,070,463	19,213,118	915,726
Non-Current Assets:				
Prepaid Expenses	2,087,100	0	2,087,100	0
Capital Assets - Nondepreciable	2,727,381	557,835	3,285,216	307,751
Capital Assets - Depreciable - Net	30,011,856	33,940,243	63,952,099	1,899,045
Notes Receivable	0	0	0	1,892,801
Due from Component Unit	179,344	0	179,344	0
Total Non-Current Assets	35,005,681	34,498,078	69,503,759	4,099,597
Total Assets	43,148,336	45,568,541	88,716,877	5,015,323

The accompanying notes are an integral part of these statements.

STATEMENT OF NET ASSETS

Government-Wide
Tifton, Georgia — June 30, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
LIABILITIES				
Current Liabilities:				
Accounts Payable	2,402,575	620,442	3,023,017	34,577
Accrued Expenses	425,351	111,489	536,840	7,041
Notes and Leases Payable	223,480	303,245	526,725	129,541
Customer Deposits	0	799,840	799,840	0
Deferred Revenue	30,110	0	30,110	450
Total Current Liabilities	3,081,516	1,835,016	4,916,532	171,609
Long-Term Liabilities:				
Accrued Vacation Pay	381,152	134,874	516,026	0
Long-Term Notes Payable	7,147,575	3,704,428	10,852,003	1,954,716
Due to Primary Government	0	0	0	179,344
Accrued Postclosure Cost	0	3,421,726	3,421,726	0
Total Long-Term Liabilities	7,528,727	7,261,028	14,789,755	2,134,060
Total Liabilities	10,610,243	9,096,044	19,706,287	2,305,669

(Continued on next page)

The accompanying notes are an integral part of these statements.

STATEMENT OF NET ASSETS

Government-Wide
Tifton, Georgia

June 30, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	$31,428,182	$30,490,405	$61,918,587	$1,858,137
Restricted for:				
Capital Projects	835,905	0	835,905	0
Unrestricted	274,006	5,982,092	6,256,098	851,517
TOTAL NET ASSETS	$32,538,093	$36,472,497	$69,010,590	$2,709,654

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	$ 2,835,816	$ 892,331	$ 98,809
Public Safety	6,899,803	2,218,814	53,082
Public Works	4,600,186	48,062	0
Culture and Recreation	565,739	0	0
Health and Welfare	213,955	33,811	5,000
Interest on Long-Term Debt	287,538	0	0
Total Governmental Activities	15,403,037	3,193,018	156,891
Business-Type Activities:			
Water	3,001,321	3,004,833	0
Sewer	3,659,619	3,192,192	0
Gas	4,447,482	4,505,927	0
Solid Waste	4,043,142	4,291,024	0
Telecommunications	1,327,220	711,193	0
Total Business-Type Activities	16,478,784	15,705,169	0
Total Primary Government	$ 31,881,821	$18,898,187	$ 156,891
Component Unit:			
Downtown Development Authority	$ 510,826	$ 203,398	$ 244,707
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, 2010

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
$3,628,399	$ 4,619,539	$ 1,783,723	$ 0	$ 1,783,723	$ 0
16,817	2,288,713	(4,611,090)	0	(4,611,090)	0
145,229	193,291	(4,406,895)	0	(4,406,895)	0
0	0	(565,739)	0	(565,739)	0
160,042	198,853	(15,102)	0	(15,102)	0
0	0	(287,538)	0	(287,538)	0
3,950,487	7,300,396	(8,102,641)	0	(8,102,641)	0
0	3,004,833	0	3,512	3,512	0
0	3,192,192	0	(467,427)	(467,427)	0
0	4,505,927	0	58,445	58,445	0
0	4,291,024	0	247,882	247,882	0
0	711,193	0	(616,027)	(616,027)	0
0	15,705,169	0	(773,615)	(773,615)	0
$3,950,487	$23,005,565	(8,102,641)	(773,615)	(8,876,256)	0
$ 276,658	$ 724,763	0	0	0	213,937
		2,227,462	0	2,227,462	0
		2,789,424	0	2,789,424	0
		699,748	0	699,748	0
		431,468	0	431,468	0
		834,973	0	834,973	0
		1,153,500	0	1,153,500	0

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
Investment Earnings			
Miscellaneous Revenue			
Transfers - Internal Activities			
Total General Revenues and Transfers			
Special Items:			
Loss on Defeasement of Bonded Debt			
Loss on Sale of Capital Assets			
Total Special Items			
Change in Net Assets			
Net Assets - July 1, 2009			
NET ASSETS - JUNE 30, 2010			

The accompanying notes are an integral part of these statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended
June 30, 2010

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
		52,622	82,003	134,625	0
		85,387	0	85,387	0
		(11,880,532)	11,880,532	0	0
		(3,605,948)	11,962,535	8,356,587	0
		0	(1,224,028)	(1,224,028)	0
		0	(510,898)	(510,898)	0
		0	(1,734,926)	(1,734,926)	0
		(11,708,589)	9,453,994	(2,254,555)	213,937
		44,246,682	27,018,503	71,265,185	2,495,717
		$32,538,093	$36,472,497	$69,010,590	$2,709,654

The accompanying notes are an integral part of these statements.

COMBINING BALANCE SHEET

Governmental Funds
Tifton, Georgia — June 30, 2010

	General Fund	Special Purpose Local Option Sales Tax	Other Governmental Funds	Total
ASSETS				
Cash on Hand and in Banks	$2,196,613	$2,059,670	$ 150,273	$ 4,406,556
Property Taxes Receivable	76,746	0	0	76,746
Accounts Receivable - Net	506,160	627,940	172,854	1,306,954
Due from Other Funds	11,542	81,427	0	92,969
Due from Component Unit	0	0	179,344	179,344
Prepaid Items	2,319,000	0	0	2,319,000
TOTAL ASSETS	$5,110,061	$2,769,037	$ 502,471	$ 8,381,569
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts Payable	$ 264,403	$1,932,780	$ 72,427	$ 2,269,610
Accrued Expenses	143,267	0	0	143,267
Due to Other Funds	69,607	352	92,969	162,928
Deferred Revenue	63,745	0	0	63,745
Total Liabilities	541,022	1,933,132	165,396	2,639,550
Fund Balance:				
Reserved for:				
Capital Projects	0	835,905	0	835,905
Prepaid Items	2,319,000	0	0	2,319,000
Unreserved	2,250,039	0	0	2,250,039
Unreserved Reported in Nonmajor				
Special Revenue Fund	0	0	337,075	337,075
Total Fund Balance	4,569,039	835,905	337,075	5,742,019
TOTAL LIABILITIES AND FUND BALANCE	$5,110,061	$2,769,037	$ 502,471	$ 8,381,569

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, 2010
TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 5,742,019
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	43,385,272
Accumulated Depreciation	(12,188,955)
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.	33,635
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.	3,469,927
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	(7,363,637)
Compensated Absenses	(304,242)
Accrued Interest	(235,926)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	$32,538,093

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, 2010

	General Fund	Special Purpose Local Option Sales Tax	Other Governmental Funds	Total
Revenues:				
Taxes - Net	$ 7,495,605	$ 3,572,346	$ 699,748	$11,767,699
Licenses and Permits	807,092	0	0	807,092
Intergovernmental Revenues	125,134	0	378,141	503,275
Charges for Services	1,552,845	0	2,157	1,555,002
Fines and Forfeitures	830,864	0	0	830,864
Miscellaneous	120,384	24,106	2,405	146,895
Total Revenues	10,931,924	3,596,452	1,082,451	15,610,827
Expenditures:				
Current:				
General Government	2,291,447	3,742	524,167	2,819,356
Public Safety	6,525,787	545,060	16,817	7,087,664
Public Works	1,565,203	2,160,972	0	3,726,175
Culture and Recreation	508,815	0	48,390	557,205
Health and Welfare	53,913	0	160,042	213,955
Debt Service:				
Principal	225,207	0	118,988	344,195
Interest	15,333	0	46,700	62,033
Total Expenditures	11,185,705	2,709,774	915,104	14,810,583
Excess of Revenues Over (Under) Expenditures	(253,781)	886,678	167,347	800,244
Other Financing Sources (Uses):				
Proceeds from Long-Term Debt	6,155,166	0	0	6,155,166
Transfers In	633,460	0	381,652	1,015,112
Transfers Out	(6,393,404)	(6,476,898)	(728,689)	(13,598,991)
Net Change in Fund Balance	141,441	(5,590,220)	(179,690)	(5,628,469)
Fund Balance - July 1, 2009	4,427,598	6,426,125	516,765	11,370,488
FUND BALANCE - JUNE 30, 2010	$ 4,569,039	$ 835,905	$ 337,075	$ 5,742,019

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, 2010
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ (5,628,469)
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.	570,675
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.	(1,340,793)
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 decreased by this amount this year.	(35,869)
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 paid exceeded vacation leave earned by this amount.	58,974
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.	(6,155,166)
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.	344,195

(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, 2010
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.	$ (225,483)
The net revenue (expense) of the internal service fund is included in the Government -Wide Statement of Activities and Changes in Net Assets.	703,347
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ (11,708,589)

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF NET ASSETS

Proprietary Funds
Tifton, Georgia

June 30, 2010

	Water Revenue	Sewer Revenue	Gas Revenue	Solid Waste Collection and Disposal Revenue	Telecom-munication Revenue	Total	Governmental Activities Service Fund
ASSETS							
Current Assets:							
Cash	$ 604,134	$ 1,071,070	$ 807,406	$ 6,791,898	$ 0	$ 9,274,508	$ 1,277,962
Accounts Receivable - Net	430,670	357,686	238,164	486,863	0	1,513,383	26,453
Due from Other Funds	8,754	60,358	9,396	0	0	78,508	236,390
Prepaid Expense	0	0	0	0	0	0	522,602
Inventory	139,676	24,876	205,943	0	0	370,495	205,560
Total Current Assets	1,183,234	1,513,990	1,260,909	7,278,761	0	11,236,894	2,268,967
Non-Current Assets:							
Capital Assets not Being Depreciated	65,660	389,873	102,302	0	0	557,835	50,445
Capital Assets Being Depreciated - Net	10,483,131	17,063,142	2,070,305	4,323,665	0	33,940,243	1,492,475
Total Non-Current Assets	10,548,791	17,453,015	2,172,607	4,323,665	0	34,498,078	1,542,920
Total Assets	11,732,025	18,967,005	3,433,516	11,602,426	0	45,734,972	3,811,887

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF NET ASSETS

Proprietary Funds
Tifton, Georgia — June 30, 2010

	Water Revenue	Sewer Revenue	Gas Revenue	Solid Waste Collection and Disposal Revenue	Telecom-munication Revenue	Total	Governmental Activities Service Fund
LIABILITIES							
Current Liabilities:							
Payable from Current Assets:							
Accounts Payable	103,964	190,885	142,821	182,772	0	620,442	132,965
Due to Other Funds	15,146	7,393	6,091	137,801	0	166,431	78,509
Notes Payable	0	303,245	0	0	0	303,245	7,418
Accrued Expenses	22,489	48,589	11,502	28,909	0	111,489	46,158
Customer Deposits	328,068	242,775	158,433	70,564	0	799,840	0
Total Current Liabilities	469,667	792,887	318,847	420,046	0	2,001,447	265,050
Long-Term Liabilities:							
Notes Payable	0	3,704,428	0	0	0	3,704,428	0
Accrued Vacation Pay	38,191	34,946	11,644	50,093	0	134,874	76,910
Accrued Postclosure Cost	0	0	0	3,421,726	0	3,421,726	0
Total Long-Term Liabilities	38,191	3,739,374	11,644	3,471,819	0	7,261,028	76,910
Total Liabilities	507,858	4,532,261	330,491	3,891,865	0	9,262,475	341,960

(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, 2010

	Water Revenue	Sewer Revenue	Gas Revenue	Solid Waste Collection and Disposal Revenue	Telecom-munication Revenue	Total	Governmental Activities Service Fund
NET ASSETS							
Invested in Capital Assets, Net of Related Debt	$10,548,791	$13,445,342	$2,172,607	$4,323,665	$ 0	$30,490,405	$ 1,535,502
Unrestricted	675,376	989,402	930,418	3,386,896	0	5,982,092	1,934,425
TOTAL NET ASSETS	$11,224,167	$14,434,744	$3,103,025	$7,710,561	$ 0	$36,472,497	$ 3,469,927

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF REVENUES,

EXPENSES, AND CHANGES IN NET ASSETS

Proprietary Funds
Tifton, Georgia

	Water Revenue	Sewer Revenue
Operating Revenues:		
Charges for Services	$ 3,004,833	$ 3,192,192
Operating Expenses:		
Personnel Services	976,012	1,068,991
Public Utility Services	285,346	224,061
Repairs and Maintenance	423,971	453,309
Supplies and Purchases	230,045	177,561
Insurance	79,984	77,347
Warehouse and Inventory Control	123,341	84,797
Administrative and Clerical	480,173	480,174
Professional Services	25,435	86,184
Depreciation	372,616	852,235
Miscellaneous	4,398	7,928
Total Operating Expenses	3,001,321	3,512,587
Operating Income (Loss)	3,512	(320,395)
Non-Operating Revenues (Expenses):		
Interest Income	5,815	6,322
Revenue Bond Expense	0	0
Interest Expense	0	(147,032)
Net Non-Operating Revenues (Expenses)	5,815	(140,710)
Net Income (Loss) Before Transfers and Special Items	9,327	(461,105)
Transfers In (Out)	2,736,747	2,909,922
Special Items:		
Loss on Defeasement of Bonded Debt	0	0
Loss on Sale of Capital Assets	0	0
Change in Net Assets	2,746,074	2,448,817
Net Assets - July 1, 2009	8,478,093	11,985,927
NET ASSETS - JUNE 30, 2010	$11,224,167	$14,434,744

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF REVENUES,

EXPENSES, AND CHANGES IN NET ASSETS

Gas Revenue	Solid Waste Collection and Disposal Revenue	Telecom-munication Revenue	Total	Governmental Activities Service Fund
			Year Ended June 30, 2010	
$ 4,505,927	$4,291,024	$ 711,193	$15,705,169	$ 2,995,196
421,623	1,432,540	193,634	4,092,800	2,072,496
13,835	26,424	37,564	587,230	95,234
87,000	516,774	25,050	1,506,104	218,771
3,270,196	510,201	649,529	4,837,532	226,261
17,058	154,141	18,324	346,854	57,605
26,981	119,278	6,519	360,916	0
480,173	480,173	0	1,920,693	0
19,481	96,974	86,329	314,403	111,369
106,925	702,292	188,310	2,222,378	208,791
4,210	4,345	1,758	22,639	4,669
4,447,482	4,043,142	1,207,017	16,211,549	2,995,196
58,445	247,882	(495,824)	(506,380)	0
10,210	59,525	131	82,003	0
0	0	(120,203)	(120,203)	0
0	0	0	(147,032)	0
10,210	59,525	(120,072)	(185,232)	0
68,655	307,407	(615,896)	(691,612)	0
(4,294,756)	0	10,528,619	11,880,532	703,347
0	0	(1,224,028)	(1,224,028)	0
0	0	(510,898)	(510,898)	0
(4,226,101)	307,407	8,177,797	9,453,994	703,347
7,329,126	7,403,154	(8,177,797)	27,018,503	2,766,580
$ 3,103,025	$7,710,561	$ 0	$36,472,497	$ 3,469,927

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF CASH FLOWS

Proprietary Funds
Tifton, Georgia

	Water Revenue	Sewer Revenue
Cash Flows from Operating Activities:		
Cash Receipts from Customers	$ 3,029,196	$ 3,206,146
Cash Receipts from Interfund Services	0	0
Cash Payments for Personnel Services	(970,753)	(1,066,102)
Cash Payments for Other Operating Expenses	(1,166,246)	(970,928)
Cash Payments for Interfund Services	(571,481)	(565,871)
Net Cash Provided (Used) by Operating Activities	320,716	603,245
Cash Flows from Noncapital Financing Activities:		
Net Advances to/from Other Funds	260,000	(135,000)
Transfers In (Out)	(260,000)	135,000
Net Cash Provided (Used) by Noncapital Financing Activities	0	0
Cash Flows from Capital and Related Financing Activities:		
Purchase of Capital Assets	(3,300,317)	(3,092,672)
Proceeds from Sale of Capital Assets	0	0
Interest Paid on Revenue Bonds	0	0
Bond Cost	0	0
Defeasement of Revenue Bonds	0	0
Proceeds from Long-Term Debt	0	478,558
Principal Paid on Long-Term Debt	0	(301,468)
Interest Paid on Debt	0	(148,927)
Transfers In	2,996,747	2,774,922
Net Cash Provided (Used) by Capital and Related Financing Activities	(303,570)	(289,587)
Cash Flows from Investing Activities:		
Interest Received	5,815	6,322
Net Increase (Decrease) in Cash and Restricted Cash	22,961	319,980
Cash and Restricted Cash - July 1, 2009	581,173	751,090
CASH AND RESTRICTED CASH - JUNE 30, 2010	$ 604,134	$ 1,071,070

(Continued on next page)

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF CASH FLOWS

Gas Revenue	Solid Waste Collection and Disposal Revenue	Telecom-munication Revenue	Total	Governmental Activities Service Fund
			Year Ended June 30, 2010	
$ 4,550,768	$ 4,317,460	$ 1,048,062	$16,151,632	$ 27,588
0	0	0	0	1,884,579
(423,934)	(1,438,815)	(231,900)	(4,131,504)	(1,936,870)
(3,822,903)	(1,346,291)	(1,058,004)	(8,364,372)	(272,408)
(475,309)	(553,257)	(39,049)	(2,204,967)	0
(171,378)	979,097	(280,891)	1,450,789	(297,111)
3,784,756	0	0	3,909,756	0
(4,294,756)	0	9,054,065	4,634,309	703,347
(510,000)	0	9,054,065	8,544,065	703,347
(33,896)	(239,419)	(8,786)	(6,675,090)	(186,675)
0	0	3,000,000	3,000,000	0
0	0	(119,703)	(119,703)	0
0	0	(500)	(500)	0
0	0	(11,615,297)	(11,615,297)	0
0	0	0	478,558	0
0	0	(175,883)	(477,351)	(166,932)
0	0	0	(148,927)	0
0	0	0	5,771,669	0
(33,896)	(239,419)	(8,920,169)	(9,786,641)	(353,607)
10,210	59,525	131	82,003	0
(705,064)	799,203	(146,864)	290,216	52,629
1,512,470	5,992,695	146,864	8,984,292	1,225,333
$ 807,406	$ 6,791,898	$ 0	$ 9,274,508	$1,277,962

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF CASH FLOWS

Proprietary Funds
Tifton, Georgia

	Water Revenue	Sewer Revenue
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	$ 3,512	$ (320,395)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	372,616	852,235
Changes in Assets and Liabilities:		
Receivables, Net	15,976	7,113
Prepaid Expense	0	0
Inventory	(139,676)	(24,876)
Accounts Payable	22,609	80,338
Customer Deposits	8,387	6,841
Accrued Expenses	5,259	2,890
Due to/from Other Funds	32,033	(901)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 320,716	$ 603,245

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF CASH FLOWS

Gas Revenue	Solid Waste Collection and Disposal Revenue	Telecom-munication Revenue	Total	Governmental Activities Service Fund
			Year Ended June 30, 2010	
$ 58,445	$ 247,882	$ (495,824)	$ (511,450)	$ 0
106,925	702,292	188,310	2,222,378	208,791
37,595	16,485	336,869	414,038	12,552
0	0	0	0	(72,391)
(205,943)	0	0	(370,495)	518,011
(205,180)	23,551	(239,450)	(318,132)	7,991
7,246	9,951	0	32,425	0
(2,311)	(67,258)	(38,266)	(99,686)	(1,458)
31,845	46,194	(32,530)	76,641	(970,607)
$ (171,378)	$ 979,097	$ (280,891)	$ 1,445,719	$ (297,111)

The accompanying notes are an integral part of these statements.

STATEMENT OF FIDUCIARY NET ASSETS

Pension Trust Fund
Tifton, Georgia — June 30, 2010

ASSETS

Cash and Cash Equivalents	$ 957,133
Investments, at Fair Market Value:	
Domestic Common Stocks	5,939,885
Treasury and Agency Securities	2,132,692
Municipal Obligations	2,206,175
Domestic Corporate Bonds	2,050,746
Asset Backed Securities	602,574
TOTAL ASSETS	$13,889,205

LIABILITIES AND FUND BALANCE

Liabilities	$ 0
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	$13,889,205

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, 2010
Additions:	
Contributions-Employer	$ 2,168,078
Contributions-Employee	31,447
Investment Income:	
Interest and Dividends	482,610
Net Apreciation in Fair Market Value of Investments	548,381
Total Additions	3,230,516
Deductions:	
Retiree Benefits	1,597,493
Administrative Expenses	138,359
Total Deductions	1,735,852
Net Increase	1,494,664
Net Assets Held in Trust for Pension Benefits - July 1, 2009	12,394,541
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - JUNE 30, 2010	$13,889,205

The accompanying notes are an integral part of these statements.

1. 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

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.

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.

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.

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

Inventories of the City are recorded in the various funds at average cost. Perpetual inventory records are maintained by the inventory control department.

F. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond June 30, 2010, are recorded as prepaid items.

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
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, and solid waste collection and disposal 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.

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, 2010, is as follows:

	2009 Levy
Lien Date	1/01/09
Levy Date	9/02/09
Due Date	11/15/09
Delinquent Date	11/16/09
Collection Dates	9/02/09-11/15/09

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.

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	$5,684,518	$9,274,508	$13,889,205

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

Primary Government:	
Cash on Hand	$ 3,438
Bank Deposits (checking accounts, savings accounts, and certificates of deposits)	14,001,857
Georgia Fund 1	953,731
Total Primary Government	$14,959,026

Pension Trust Fund:	
Bank Deposits (checking account)	$ 52,324
Pooled Money Markets Funds	904,809
U.S. Government Treasury and Agency Securities	2,132,692
Municipal Bonds	2,206,175
Domestic Corporate Bonds	2,050,746
Asset Backed Securities	602,574
Domestic Common Stocks	5,939,885
Total Pension Trust Fund	$13,889,205

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:

	Maturity Dates	Fair Market Value
Georgia Fund 1	28 days or less	$ 953,731
Others Bonds and Securities	1 year or less	438,675
	1 to 3 years	498,758
	3 to 7 years	2,665,117
	7 to14 years	2,957,424
	14 plus years	432,213

3. RECEIVABLES

Receivables at June 30, 2010, of the primary government, consist of the following:

	General	Capital Projects	Special Revenue	Enterprise	Service	Total
Property Taxes	$ 76,746	$ 0	$ 0	$ 0	$ 0	$ 76,746
Accounts	538,793	730,185	70,609	2,205,226	26,453	3,571,266
Gross Receivables	615,539	730,185	70,609	2,205,226	26,453	3,648,012
Less Allowance for Uncollectables	(32,633)	0	0	(691,843)	0	(724,476)
Net Receivables	$582,906	$730,185	$70,609	$1,513,383	$26,453	$2,923,536

The receivables at June 30, 2010, for the Downtown Development Authority consist of $2,078,788 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, 2010.

	Balance July 1, 2009	Additions	Transfers/ Deletions	Balance June 30, 2010
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	$ 2,522,664	$ 0	$ 0	$ 2,522,664
Construction in Process	599,168	0	(394,451)	204,717
Total Capital Assets not being Depreciated	3,121,832	0	(394,451)	2,727,381
Capital Assets being Depreciated:				
Buildings and Improvements	7,448,193	0	0	7,448,193
Machinery and Equipment	9,425,877	757,350	(321,339)	9,861,888
Infrastructure	27,664,979	394,451	0	28,059,430
Total Capital Assets being Depreciated	44,539,049	1,151,801	(321,339)	45,369,511

	Balance July 1, 2009	Additions	Transfers/ Deletions	Balance June 30, 2010
Less Accumulated Depreciation :				
Buildings and Improvements	(1,977,769)	(166,284)	0	(2,144,053)
Machinery and Equipment	(6,412,090)	(623,630)	321,339	(6,714,381)
Infrastructure	(5,739,551)	(759,670)	0	(6,499,221)
Total Accumulated Depreciation	(14,129,410)	(1,549,584)	321,339	(15,357,655)
Net Capital Assets being Depreciated	30,409,639	(397,783)	0	30,011,856
Total Capital Assets, Net	$33,531,471	$ (397,783)	$ (394,451)	$32,739,237

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

General Government	$ 19,099
Public Safety	424,474
Public Works	885,238
Culture and Recreation	11,982
Total	$1,340,793

Total depreciation of the service fund, in the amount of $208,791, is charged to the various governmental functions and business-type activities.

	Balance July 1, 2009	Additions	Transfers/ Deletions	Balance June 30, 2010
Business Type Activities:				
Capital Assets not being Depreciated:				
Land	$ 567,835	$ 0	$ (10,000)	$ 557,835
Capital Assets being Depreciated:				
Landfill	6,802,366	12,419	0	6,814,785
Buildings and Improvements	1,262,332	22,472	(778,516)	506,288
Distribution System	62,069,133	6,293,674	(12,534,449)	55,828,358
Machinery and Equipment	10,486,058	346,525	(604,118)	10,228,465
Total Capital Assets being Depreciated	80,619,889	6,675,090	(13,917,083)	73,377,896

	Balance July 1, 2009	Additions	Transfers/ Deletions	Balance June 30, 2010
Less Accumulated Depreciation:				
Landfill	(4,107,601)	(212,358)	0	(4,319,959)
Buildings and Improvements	(490,380)	(14,961)	168,555	(336,786)
Distribution System	(33,179,822)	(1,287,229)	7,446,060	(27,020,991)
Machinery and Equipment	(7,532,506)	(707,830)	480,419	(7,759,917)
Total Accumulated Depreciation	(45,310,309)	(2,222,378)	8,095,034	(39,437,653)
Net Capital Assets being Depreciated	35,309,580	4,452,712	(5,822,049)	33,940,243
Total Capital Assets, Net	$35,877,415	$ 4,452,712	$ (5,832,049)	$ 34,498,078
Component Unit:				
Capital Assets not being Depreciated:				
Land	$ 307,751	$ 0	$ 0	$ 307,751
Capital Assets being Depreciated:				
Buildings and Improvements	2,388,099	34,940	0	2,423,039
Furniture and Fixtures	20,090	0	0	20,090
Total Capital Assets being Depreciated	2,408,189	34,940	0	2,443,129
Less Accumulated Depreciation:				
Buildings and Improvements	(488,460)	(50,733)	0	(539,193)
Furniture and Fixtures	(2,882)	(2,009)	0	(4,891)
Total Accumulated Depreciated	(491,342)	(52,742)	0	(544,084)
Net Capital Assets being Depreciated	1,916,847	(17,802)	0	1,899,045
Total Capital Assets, Net	$ 2,224,598	$ (17,802)	$ 0	$ 2,206,796

The beginning balances for the component unit have been restated to reflect building and land omitted in prior years.

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. Total individual interfund balances at June 30, 2010, were as follows:

	Due From	Due To
Governmental Funds:		
General Fund:		
Grant Fund	$ 11,542	$ 0
Internal Service Fund	0	69,607
Total General Fund	11,542	69,607
Special Purpose Local Option Sales Tax Fund:		
Grant Fund	81,427	0
Internal Service Fund	0	352
Total Special Purpose Local Option Sales Tax Fund	81,427	352
Grant Fund:		
Special Purpose Local Option Sales Tax Fund	0	81,427
General Fund	0	11,542
Total Grant Fund	0	92,969
Proprietary Funds:		
Enterprise Funds:		
Water Revenue Fund:		
Internal Service Fund	8,754	15,146
Sewer Revenue Fund:		
Internal Service Fund	60,358	7,393
Gas Revenue Fund:		
Internal Service Fund	9,396	6,091
Solid Waste Collection and Disposal Revenue Fund:		
Service Fund	0	137,801

	Due From	Due To
Internal Service Fund:		
General Fund	69,607	0
Special Purpose Local Option Sales Tax	352	0
Water Revenue Fund	15,146	8,754
Sewer Revenue Fund	7,393	60,358
Gas Revenue Fund	6,091	9,396
Solid Waste Collection and Disposal Revenue Fund	137,801	0
Total Internal Service Fund	236,390	78,508
Total Primary Government	$ 407,867	$ 407,867
Component Unit:		
Downtown Development Authority:		
Community Development Revolving Loan Fund	$ 0	$ 179,344
Community Development Revolving Loan Fund:		
Downtown Development Authority	179,344	0
Total Component Unit	$ 179,344	$ 179,344

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, 2010:

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Governmental Activities:					
Notes Payable	$ 1,209,243	$ 6,060,000	$ 118,988	$ 7,150,255	$128,702
Capital Leases	517,773	95,166	392,139	220,800	94,778
Compensated Absences	442,966	381,152	442,966	381,152	0
Total Governmental Activities	$ 2,169,982	$ 6,536,318	$ 954,093	$ 7,752,207	$223,480

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Business-Type Activities:					
Revenue Bonds	$10,720,000	$ 0	$10,720,000	$ 0	$ 0
Notes Payable	3,559,112	478,558	237,152	3,800,518	248,794
Capital Leases	447,355	0	240,200	207,155	54,451
Compensated Absences	171,331	134,874	171,331	134,874	0
Landfill Postclosure	3,482,709	0	60,983	3,421,726	0
Total Business-Type Activities	$18,380,507	$ 613,432	$ 11,429,666	$ 7,564,273	$303,245

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. NOTES PAYABLE

The following is a listing of the notes payable of the City of Tifton, Georgia, at June 30, 2010.

Governmental Activities:

Ameris Bank dated December 15, 2009, for $1,135,651 to be used for improvements to streets, the local airport, and lighting on Interstate 75. The loan is to be repaid in 120 monthly installments of $11,811 including interest at 4.51%. Collateral-Assignment of revenues. Balance-$1,090,255.

First Community Bank of Tifton dated September 30, 2009, for $6,060,000 to be used for retirement of telecommunications revenue fund debt. The loan is to be repaid in 20 annual installments including interest. The loan is extended under four promissory notes with payments as follows:

Years	Annual Payment	Interest Rate
1-5	$ 350,000	5.15%
6-10	$ 579,277	5.35%
11-15	$ 583,522	5.50%
16-20	$ 587,580	5.75%

Collateral-the taxing authority of the City of Tifton. Balance-$6,035,000.

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-$587,287.

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-$2,734,673.

Georgia Environmental Facilities Authority dated November 2, 2009, for $2,000,000 to be used for sewer system improvements. Loan is to be repaid in 239 monthly installments, commencing at the amortization commencement date, when the loan is fully disbursed. Installment amount including interest at 3% will be determined at that time. Interest is payable monthly, beginning May 1, 2010. Collateral-Unsecured. Balance-$478,558.

The schedules below represent the annual requirements to amortize all notes payable outstanding as of June 30, 2010.

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Principal	Interest	Total
2011	$ 128,702	$ 363,027	$ 491,729
2012	134,786	356,943	491,729
2013	140,548	351,182	491,730
2014	148,172	343,557	491,729
2015	155,316	336,413	491,729
2016-2020	2,036,507	1,497,664	3,534,171
2021-2025	1,894,764	1,022,846	2,917,610
2026-2030	2,486,460	451,440	2,937,900
Total	$7,125,255	$4,723,072	$11,848,327

BUSINESS-TYPE ACTIVITIES

Year Ending June 30	Principal	Interest	Total
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	301,385	107,073	408,458
2016-2020	1,203,807	344,385	1,548,192
2021-2023	1,224,425	57,682	1,282,107
Total	$3,800,518	$1,072,068	$4,872,586

7. DEFEASED DEBT

On September 30, 2009, the City advance refunded its Tift County Development Authority revenue bonds dated September 28, 2006. The advance refunding met the requirements of an in-substance debt defeasance and the bonds were removed from the City's financial statements.

As a result of the advance refunding, the City incurred an economic loss of $1,224,028. This loss is reported in the current year as a special item.

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, 2010, the City used $0 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, 2010:

Year Ending June 30	Governmental Activities	Business-Type Activities
2011	$ 99,964	$ 64,809
2012	82,729	62,087
2013	26,170	54,039
2014	24,981	51,582
2015	0	0
Total Minimum Lease Payments	233,844	232,517
Less Amounts Representing Interest	(13,044)	(25,362)
Present Value of Net Minimum Lease Payments	$220,800	$207,155

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 proceeds normal retirement. City employees are 100% vested after ten years of service. Elected or appointed officials are 100% vested after three years of service.

The plan also provides a $5,000 group life insurance benefit for retires.

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 rate of 5% of pay. Contributions to the plan are made in accordance with an actuarial evaluation performed as of July 1, 2009 (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.

Year Ended June 30	Annual Required Contribution	Percentage Contributed	Annual Pension Cost	Percentage Contributed
2006	$ 1,208,963	99%	$1,208,963	99%
2007	2,236,445	98%	2,236,723	98%
2008	2,141,103	9%	2,142,217	9%
2009	2,226,747	163%	2,271,596	159%

C. SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability *	Unfunded Actuarial Liability	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Annual Covered Payroll
7/1/09	$14,793,218	$28,443,711	$13,650,493	52.01%	$6,920,400	197.25%
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%

* 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
Discount Rate	8.5%
Projected Salary Increases	3.5%

E. ACTUARIAL PRESENT VALUE OF ACCRUED BENEFITS

	As of July 1, 2007	As of July 1, 2009
Vested Benefits		
Participants currently receiving benefits	$12,109,681	$13,604,723
Other Participants	8,688,845	11,148,231
Sub-total	20,798,526	24,752,954
Non-Vested Benefits	1,694,366	544,729
Total Benefits	$22,492,892	$25,297,683
Funded Percentage (based on the market value of assets)	52.26%	48.99%

F. STATEMENT OF CHANGE IN ACTUARIAL PRESENT VALUE OF ACCRUED BENEFITS

Actuarial Present Value as of July 1, 2007	$22,492,892
Increase (Decrease) Due To:	
Interest	3,621,496
Benefits Accumulated	3,639,854
Benefits Paid	(2,853,634)
Plan Amendments	129,013
Changes in Actuarial Methods and Assumptions	(1,731,938)
Net Increase (Decrease)	2,804,791
Actuarial Present Value as of July 1, 2009	$25,297,683

G. ADDITIONAL INFORMATION

1. Plan Membership:

Actively Employed	267
Retirees and Beneficiaries	127
Terminated/Vested Employees	30
Total	424

2. Development of the Net Pension Obligation (Asset)

Net Pension Obligation (Asset) as of July 1, 2007	$ 49,724
Annual Pension Cost for the 2007/08 Plan Year	2,142,217
Employer Contributions for the 2007/08 Plan Year	(190,270)
Net Increase (Decrease) in NPO	1,951,947
Net Pension Obligation (Asset) as of July 1, 2008	2,001,671

Annual Pension Cost for the 2008/09 Plan Year	2,271,596
Employer Contributions for the 2008/09 Plan Year	(3,622,319)
Net Increase (Decrease) in NPO	(1,350,723)
Net Pension Obligation (Asset) as of July 1, 2009	$ 650,948

3. Development of the Annual Required Contribution (ARC) for the 2009/10 Plan Year

Normal Cost	$ 2,311,662
Amortization of the UAAL	(39,619)
Amortization of the Net Pension Obligation (Asset)	39,619
Interest Adjustment	0
Annual Required Contribution (ARC)	$ 2,311,662

4. Development of the Annual Pension Cost (APC) for the 2009/10 Plan Year

Annual Required Contribution (ARC)	$ 2,311,662
Interest on the Net Pension Obligation (Asset)	55,331
Adjustment to the ARC	(39,619)
Annual Pension Cost (APC)	$ 2,327,374

Note: There is a special one-time adjustment to the employer contribution for the 2007/08 fiscal year to reflect a change from reporting the employer contributions on an accrual basis to reporting the employer contributions on a cash basis.

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.

12. INTERNAL TRANSFERS

Internal transfers for the year ended June 30, 2010, were as follows:

	Transfer In		Transfer Out	
Governmental Funds:				
General Fund:				
Hotel/Motel Tax Fund	$ 183,460	(a)	$ 0	
Gas Revenue Fund	450,000	(b)	0	
Telecommunication Revenue Fund	0		6,393,404	(c)
Total General Fund	633,460		6,393,404	
Internal Service Fund:				
Special Purpose Local Option Sales Tax Fund	850,458	(d)	0	
Hotel/Motel Tax Fund	0		381,652	(a)
Water Revenue Fund	125,000	(e)	0	
Gas Revenue Fund	1,525,000	(e)	0	
Telecommunication Revenue Fund	0		1,415,459	(c)
Total Internal Service Fund	2,500,458		1,797,111	
Capital Projects Funds:				
Special Purpose Local Option Sales Tax Fund:				
Internal Service Fund	0		850,458	(d)
Water Revenue Fund	0		2,926,945	(f)
Sewer Revenue Fund	0		2,699,495	(f)
Total Special Purpose Local Option Sales Tax Fund	0		6,476,898	
Grant Fund:				
Water Revenue Fund	0		69,802	(f)
Sewer Revenue Fund	0		75,427	(f)
Total Grant Fund	0		145,229	

	Transfer In		Transfer Out	
Hotel/Motel Tax Fund:				
General Fund	$ 0		$ 183,460	(a)
Internal Service Fund	381,652	(a)	0	
Telecommunications Revenue Fund	0		400,000	(c)
Total Hotel/Motel Tax Fund	381,652		583,460	
Proprietary Funds:				
Water Revenue Fund:				
Internal Service Fund	0		125,000	(e)
Sewer Revenue Fund	0		135,000	(e)
Special Purpose Local Option Sales Tax Fund	2,926,945	(f)	0	
Grant Fund	69,802	(f)	0	
Total Water Revenue Fund	2,996,747		260,000	
Sewer Revenue Fund:				
Grant Fund	75,427	(f)	0	
Water Revenue Fund	135,000	(e)	0	
Special Purpose Local Option Sales Tax Fund	2,699,495	(f)	0	
Total Sewer Revenue Fund	2,909,922		0	
Gas Revenue Fund:				
General Fund	0		450,000	(b)
Internal Service Fund	0		1,525,000	(e)
Telecommunications Revenue Fund	0		2,319,756	(c)
Total Gas Revenue Fund	0		4,294,756	
Telecommunication Revenue Fund:				
General Fund	6,393,404	(c)	0	
Hotel/Motel Tax Fund	400,000	(c)	0	
Gas Revenue Fund	2,319,756	(c)	0	
Internal Service Fund	1,415,459	(c)	0	
Total Telecommunication Revenue Fund	10,528,619		0	
TOTAL ALL FUNDS	$19,950,858		$19,950,858	

(a) To transfer funds for debt retirement
(b) To transfer funds for various general government expenditures
(c) To transfer funds for defeasement of revenue bonds
(d) To transfer funds for capital asset purchases
(e) To transfer funds to cover advances made at fund's inception
(f) To transfer funds for system extensions

13. 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 $3,421,726 liability for landfill closure and postclosure care cost at June 30, 2010. This represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of an old landfill site and approximately 19% of the estimated capacity of a new landfill site. This new site is estimated to have a remaining life of 8 years. During the year, the City expended $37,627 in monitoring the old landfill site.

The City will recognize the remaining estimated cost of closure and postclosure care of $574,332 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 2010. Actual costs could vary due to inflation, changes in technology, or changes in regulations.

14. 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.

15. JOINT VENTURES

Tift County and the City of Tifton 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.

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 $53,370 to the RDC for the year ended June 30, 2010. 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)

16. 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, 2010, were $699,748. Of this amount, $284,880 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.

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

General Fund
Tifton, Georgia

Year Ended
June 30, 2010

	Budget			Variance Over (Under)
	Original	Final	Actual	
Revenues:				
Taxes - Net	$ 7,948,979	$7,586,644	$7,495,605	$ (91,039)
Licenses and Permits	845,800	761,151	807,092	45,941
Intergovernmental Revenues	27,500	25,000	125,134	100,134
Charges for Services	1,620,277	1,602,822	1,552,845	(49,977)
Fines and Forfeitures	933,000	791,665	830,864	39,199
Miscellaneous	64,700	49,813	120,384	70,571
Total Revenues	11,440,256	10,817,095	10,931,924	114,829
Expenditures:				
General Government	2,257,221	2,404,956	2,291,447	113,509
Public Safety	7,174,075	6,907,800	6,682,032	225,768
Public Works	1,861,651	1,724,056	1,645,099	78,957
Culture and Recreation	543,136	530,447	513,214	17,233
Health and Welfare	54,173	54,494	53,913	581
Total Expenditures	11,890,256	11,621,753	11,185,705	436,048
Excess of Revenues Over (Under) Expenditures	(450,000)	(804,658)	(253,781)	550,877
Other Financing Sources (Uses):				
Proceeds from Long-Term Debt	0	6,155,166	6,155,166	0
Transfers In	450,000	633,460	633,460	0
Transfers Out	0	(6,393,404)	(6,393,404)	0
Net Change in Fund Balance	0	(409,436)	141,441	550,877
Budget Fund Balance - July 1, 2009	4,427,598	4,427,598	4,427,598	0
BUDGET FUND BALANCE - JUNE 30, 2010	$ 4,427,598	$4,018,162	$4,569,039	$ 550,877

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, 2010

	Special Revenue Funds		Capital Projects Fund	
	Community Development Revolving Loan Fund	Hotel/Motel Tax Fund	Grant Fund	Total
ASSETS				
Cash	$ 14,183	$ 130,277	$ 5,813	$ 150,273
Accounts Receivable	0	70,609	102,245	172,854
Advances to Component Unit	179,344	0	0	179,344
TOTAL ASSETS	$193,527	$ 200,886	$108,058	$ 502,471
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts Payable	$ 0	$ 57,338	$ 15,089	$ 72,427
Due to Other Funds	0	0	92,969	92,969
Total Liabilities	0	57,338	108,058	165,396
Fund Balance:				
Unreserved	193,527	143,548	0	337,075
TOTAL LIABILITIES AND FUND BALANCE	$193,527	$ 200,886	$108,058	$ 502,471

COMBINING SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES

Non-Major Governmental Funds
Tifton, Georgia

Year Ended
June 30, 2010

	Special Revenue Funds		Capital Projects Fund	
	Community Development Revolving Loan Fund	Hotel/Motel Tax Fund	Grant Fund	Total
Revenues:				
Taxes	$ 0	$ 699,748	$ 0	$ 699,748
Grant Proceeds	0	0	378,141	378,141
Interest	0	2,405	0	2,405
Rent	2,157	0	0	2,157
Total Revenues	2,157	702,153	378,141	1,082,451
Expenditures:				
General Government	0	468,114	56,053	524,167
Public Safety	0	0	16,817	16,817
Culture and Recreation	0	48,390	0	48,390
Health and Welfare	0	0	160,042	160,042
Debt Service:				
Principal	0	118,769	0	118,769
Interest	0	46,919	0	46,919
Total Expenditures	0	682,192	232,912	915,104
Excess of Revenues Over (Under) Expenditures	2,157	19,961	145,229	167,347
Other Financing Sources (Uses):				
Transfers In	0	381,652	0	381,652
Transfers Out	0	(583,460)	(145,229)	(728,689)
Net Change in Fund Balance	2,157	(181,847)	0	(179,690)
Fund Balance - July 1, 2009	191,370	325,395	0	516,765
FUND BALANCE - JUNE 30, 2010	$ 193,527	$ 143,548	$ 0	$ 337,075

BALANCE SHEET

General Fund
Tifton, Georgia — June 30, 2010

ASSETS

Cash on Hand and in Banks		$2,196,613
Property Taxes Receivable		76,746
Accounts Receivable	$ 538,793	
Less Allowance for Uncollectible Accounts	(32,633)	506,160
Due from Other Funds		11,542
Prepaid Items		2,319,000
TOTAL ASSETS		$5,110,061

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts Payable	$ 264,403
Accrued Expenses	143,267
Due to Other Funds	69,607
Deferred Revenue	63,745
Total Liabilities	541,022
Fund Balance:	
Unreserved	2,250,039
Reserved for Prepaid Items	2,319,000
Total Fund Balance	4,569,039
TOTAL LIABILITIES AND FUND BALANCE	$5,110,061

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

General Fund
Tifton, Georgia

Year Ended
June 30, 2010

	Budget			Variance Over (Under)
	Original	Final	Actual	
Revenues:				
Net Advalorem Taxes	$ 2,011,750	$2,011,750	$2,051,027	$ 39,277
General Government Revenues	9,408,506	8,795,514	8,854,786	59,272
Interest Income	20,000	9,831	26,111	16,280
Total Revenues	11,440,256	10,817,095	10,931,924	114,829
Expenditures:				
Council	82,402	80,342	74,735	5,607
General Government	1,940,445	2,070,615	1,968,352	102,263
Tax Office	133,120	135,582	130,040	5,542
Municipal Court	204,878	197,559	194,948	2,611
Police	3,925,890	3,761,580	3,723,560	38,020
Fire	2,751,554	2,674,147	2,527,539	146,608
Public Works	212,780	204,795	203,658	1,137
Street	1,648,871	1,519,261	1,441,441	77,820
Traffic Control	291,753	274,514	235,985	38,529
Senior Citizens Center	101,254	118,417	118,320	97
Nutrition Program	54,173	54,494	53,913	581
Parks and Cemetery	543,136	530,447	513,214	17,233
Total Expenditures	11,890,256	11,621,753	11,185,705	436,048
Excess of Revenues Over (Under) Expenditures	(450,000)	(804,658)	(253,781)	550,877
Other Financing Sources (Uses):				
Proceeds from Long-Term Debt	0	6,155,166	6,155,166	0
Transfers In	450,000	633,460	633,460	0
Transfers Out	0	(6,393,404)	(6,393,404)	0
Net Change in Fund Balance	0	(409,436)	141,441	550,877
Budget Fund Balance - July 1, 2009	4,427,598	4,427,598	4,427,598	0
BUDGET FUND BALANCE - JUNE 30, 2010	$ 4,427,598	$4,018,162	$4,569,039	$ 550,877

SCHEDULE OF REVENUES

General Fund Tifton, Georgia	Year Ended June 30, 2010
Sales Tax	$ 2,789,424
Net Advalorem Tax	2,051,027
Advalorem Tax on Vehicles	201,664
Intangible Tax	22,909
Insurance Premium Tax	834,973
Franchise Tax	1,153,500
Licenses and Permits	807,092
Alcoholic Beverage Tax	431,468
Mobile Home Tax	10,640
Interest and Penalties	37,035
Fines, Bond Forfeitures, and Cost	830,864
Interest Income	26,111
Sale of Cemetery Lots	52,640
Fire Protection - Tift County	1,268,289
Miscellaneous Charges for Services	231,916
Intergovernmental	125,134
Miscellaneous	57,238
TOTAL REVENUES	$10,931,924

SCHEDULE OF EXPENDITURES - COUNCIL

General Fund Tifton, Georgia	Year Ended June 30, 2010
Personnel Services	$ 51,338
Utilities	5,137
Supplies	63
Insurance	1,299
Travel and Training	16,898
TOTAL	$ 74,735

SCHEDULE OF EXPENDITURES - GENERAL GOVERNMENT

General Fund Tifton, Georgia	Year Ended June 30, 2010
Street Lights	$ 213,614
Traffic Lights	19,840
Code Enforcement	248,744
Canine Control	142,174
E-911	430,795
Dues and Subscriptions	53,370
Emergency Management	86,795
Supplies	13,223
Landfill Charges	57,795
Mosquito Control	31,092
Professional Services	140,423
Public Library	142,272
Literacy Volunteers of America	9,547
American Red Cross	5,850
Prisoners Per Diem	282,690
Administrative and Clerical	84,222
Other	5,906
TOTAL	$1,968,352

SCHEDULE OF EXPENDITURES - TAX OFFICE

General Fund Tifton, Georgia	Year Ended June 30, 2010
Personnel Services	$ 101,781
Utilities	1,093
Repairs and Maintenance	6,296
Supplies	1,884
Insurance	739
Professional Services	10,753
Postage	2,530
Administrative and Clerical	4,610
Other	354
TOTAL	$ 130,040

SCHEDULE OF EXPENDITURES - MUNICIPAL COURT

General Fund Tifton, Georgia	Year Ended June 30, 2010
Personnel Services	$ 147,902
Recorders Court Judge	33,597
Utilities	1,099
Supplies	649
Professional Fees	1,800
Insurance	1,661
Postage	314
Travel and Training	237
Administrative and Clerical	7,689
TOTAL	$ 194,948

SCHEDULE OF EXPENDITURES - POLICE DEPARTMENT

General Fund Tifton, Georgia	Year Ended June 30, 2010
Personnel Services	$3,002,571
Utilities	48,124
Repairs and Maintenance	82,149
Supplies	39,870
Insurance	131,113
Gas, Oil, and Grease	101,672
Travel and Training	7,569
Professional Services	22,888
Prisoners Medical	8,672
Uniforms	14,206
Administrative and Clerical	156,873
Debt Service	104,354
Other	3,499
TOTAL	$3,723,560

SCHEDULE OF EXPENDITURES - FIRE DEPARTMENT

General Fund Tifton, Georgia	Year Ended June 30, 2010
Personnel Services	$2,045,567
Utilities	87,037
Repairs and Maintenance	97,238
Supplies	71,138
Insurance	81,347
Gas, Oil, and Grease	32,376
Travel and Training	2,698
Professional Services	220
Administrative and Clerical	95,026
Capital Outlay	13,120
Other	1,772
TOTAL	$2,527,539

SCHEDULE OF EXPENDITURES - PUBLIC WORKS COMPLEX

General Fund Tifton, Georgia	Year Ended June 30, 2010
Personnel Services	$183,478
Utilities	1,484
Repairs and Maintenance	273
Supplies	1,371
Insurance	1,133
Travel and Training	2,565
Professional Services	1,047
Gas, Oil, and Grease	4,624
Administrative and Clerical	7,683
TOTAL	$203,658

SCHEDULE OF EXPENDITURES - STREET DEPARTMENT

General Fund Tifton, Georgia	Year Ended June 30, 2010
Personnel Services	$ 803,176
Equipment Repairs and Maintenance	137,113
Street Repairs and Maintenance	143,254
Supplies	10,302
Travel and Training	475
Professional Services	1,034
Insurance	62,507
Gas, Oil, and Grease	59,606
Landfill Charges	29,553
Administrative and Clerical	118,205
Debt Service	74,741
Other	1,475
TOTAL	$1,441,441

SCHEDULE OF EXPENDITURES - TRAFFIC CONTROL

General Fund Tifton, Georgia	Year Ended June 30, 2010
Personnel Services	$102,912
Utilities	1,580
Repairs and Maintenance	22,108
Supplies	16,045
Travel and Training	170
Traffic Signs and Lights	20,781
Insurance	9,504
Gas, Oil, and Grease	3,266
Administrative and Clerical	17,622
Debt Service	41,997
TOTAL	$235,985

SCHEDULE OF EXPENDITURES - SENIOR CITIZENS CENTER

General Fund Tifton, Georgia	Year Ended June 30, 2010
Personnel Services	$ 74,856
Utilities	11,575
Repairs and Maintenance	8,775
Supplies	13,194
Travel and Training	90
Insurance	2,500
Administrative and Clerical	6,002
Professional Services	765
Other	563
TOTAL	$118,320

SCHEDULE OF EXPENDITURES - NUTRITION PROGRAM

General Fund Tifton, Georgia	Year Ended June 30, 2010
Personnel Services	$35,381
Meal Delivery	13,778
Utilities	3,503
Supplies	864
Repairs and Maintenance	14
Insurance	373
TOTAL	$53,913

SCHEDULE OF EXPENDITURES - PARK AND CEMETERY

General Fund Tifton, Georgia	Year Ended June 30, 2010
Personnel Services	$366,493
Utilities	19,613
Repairs and Maintenance	27,080
Supplies	22,239
Professional Services	1,945
Insurance	23,026
Gas, Oil, and Grease	14,615
Landfill Charges	597
Capital Outlay	12,555
Administrative and Clerical	20,936
Debt Service	4,115
TOTAL	$513,214

BALANCE SHEET

Community Development Revolving Loan Fund
Tifton, Georgia — June 30, 2010

ASSETS

Cash	$ 14,183
Advances to Component Unit	179,344
TOTAL ASSETS	$193,527

LIABILITIES AND FUND BALANCE

Liabilities	$ 0
Fund Balance:	
Unreserved	193,527
TOTAL LIABILITIES AND FUND BALANCE	$193,527

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE

Community Development Revolving Loan Fund Tifton, Georgia	Year Ended June 30, 2010
Revenues:	
Rent	$ 2,157
Expenditures	0
Net Change in Fund Balance	2,157
Fund Balance - July 1, 2009	191,370
FUND BALANCE - JUNE 30, 2010	$193,527

BALANCE SHEET

Hotel/Motel Tax Fund
Tifton, Georgia — June 30, 2010

ASSETS

Cash	$ 130,277
Accounts Receivable	70,609
TOTAL ASSETS	$ 200,886

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts Payable	$ 57,338
Fund Balance:	
Unreserved	143,548
TOTAL LIABILITIES AND FUND BALANCE	$ 200,886

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE

Hotel/Motel Tax Fund Tifton, Georgia	Year Ended June 30, 2010
Revenues:	
Taxes	$ 699,748
Interest	2,405
Total Revenues	702,153
Expenditures:	
General Government	468,114
Culture and Recreation	48,390
Debt Service:	
Principal	118,988
Interest	46,700
Total Expenditures	682,192
Excess of Revenues Over Expenditures	19,961
Other Financing Sources (Uses):	
Transfer In	381,652
Transfers Out	(583,460)
Net Change in Fund Balance	(181,847)
Fund Balance - July 1, 2009	325,395
FUND BALANCE - JUNE 30, 2010	$ 143,548

BALANCE SHEET

Special Purpose Local Option Sales Tax Fund
Tifton, Georgia — June 30, 2010

ASSETS

Cash	$2,059,670
Accounts Receivable	627,940
Due from Other Funds	81,427
TOTAL ASSETS	$2,769,037

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts Payable	$1,932,780
Due to Other Funds	352
Total Liabilities	1,933,132
Fund Balance	835,905
TOTAL LIABILITIES AND FUND BALANCE	$2,769,037

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE

Special Purpose Local Option Sales Tax Fund Tifton, Georgia	Year Ended June 30, 2010
Revenues:	
Sales Tax	$3,572,346
Interest	24,106
Total Revenues	3,596,452
Expenditures:	
General Government	3,742
Public Safety	545,060
Public Works	2,160,972
Total Expenditures	2,709,774
Excess of Revenues Over Expenditures	886,678
Other Financing Sources (Uses):	
Transfers Out	(6,476,898)
Excess of Expenditures and Other Financing Uses Over Revenues	(5,590,220)
Fund Balance - July 1, 2009	6,426,125
FUND BALANCE - JUNE 30, 2010	$ 835,905

BALANCE SHEET

Grant Fund
Tifton, Georgia — June 30, 2010

ASSETS

Cash	$ 5,813
Accounts Receivable	102,245
TOTAL ASSETS	$108,058

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts Payable	$ 15,089
Due to Other Funds	92,969
Total Liabilities	108,058
Fund Balance	0
TOTAL LIABILITIES AND FUND BALANCE	$108,058

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE

Grant Fund Tifton, Georgia	Year Ended June 30, 2010
Revenues:	
Grant Proceeds	$378,141
Expenditures:	
General Government	56,053
Public Safety	16,817
Health and Welfare	160,042
Total Expenditures	232,912
Excess of Revenues Over Expenditures	145,229
Other Financing (Uses):	
Transfers Out	(145,229)
Net Change in Fund Balance	0
Fund Balance - July 1, 2009	0
FUND BALANCE - JUNE 30, 2010	$ 0

SCHEDULE OF NET ASSETS

Water Revenue Fund
Tifton, Georgia — June 30, 2010

ASSETS

Current Assets:		
Cash		$ 604,134
Accounts Receivable	$ 542,028	
Less Allowance for Uncollectible Accounts	(111,358)	430,670
Due from Other Funds		8,754
Inventory		139,676
Total Current Assets		1,183,234
Capital Assets:		
Land		65,660
Buildings	60,486	
Less Accumulated Depreciation	(59,425)	1,061
Machinery and Equipment	1,646,519	
Less Accumulated Depreciation	(1,438,497)	208,022
Distribution System	16,630,796	
Less Accumulated Depreciation	(6,356,748)	10,274,048
Net Capital Assets		10,548,791
Total Assets		11,732,025

LIABILITIES

Current Liabilities:	
Accounts Payable	103,964
Accrued Expenses	22,489
Due to Other Funds	15,146
Customer Deposits	328,068
Total Current Liabilities	469,667
Long-Term Liabilities:	
Accrued Vacation	38,191
Total Liabilities	507,858

NET ASSETS

Invested in Capital Assets, Net of Related Debt	10,548,791
Unrestricted	675,376
TOTAL NET ASSETS	$ 11,224,167

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Water Revenue Fund Tifton, Georgia	Year Ended June 30, 2010
Operating Revenues:	
Water Sales	$ 2,772,947
Water Penalties and Fines	154,756
Water Meters	38,300
Miscellaneous	38,830
Total Operating Revenues	3,004,833
Operating Expenses:	
Personnel Services	976,012
Utilities	285,346
Equipment Repairs and Maintenance	180,867
System Repairs and Maintenance	243,104
Supplies	68,268
Insurance	79,984
Gas, Oil, and Grease	51,260
Professional Services	25,435
Chemicals	87,804
Depreciation	372,616
Warehouse and Inventory Control	123,341
Administrative and Clerical	480,173
Postage	22,713
Miscellaneous	4,398
Total Operating Expenses	3,001,321
Operating Income	3,512
Non-Operating Revenues (Expenses):	
Interest Income	5,815
Income before Transfers	9,327
Transfers In	2,996,747
Transfers Out	(260,000)
Change in Net Assets	2,746,074
Net Assets - July 1, 2009	8,478,093
NET ASSETS - JUNE 30, 2010	$11,224,167

SCHEDULE OF CASH FLOWS

Water Revenue Fund Tifton, Georgia	Year Ended June 30, 2010
Cash Flows from Operating Activities:	
Cash Receipts from Customers	$3,029,196
Cash Payments for Personnel Services	(970,753)
Cash Payments for Other Operating Expenses	(1,166,246)
Cash Payments for Interfund Services	(571,481)
Net Cash Provided by Operating Activities	320,716
Cash Flows from Noncapital Financing Activities:	
Net Advances to/from Other Funds	260,000
Transfers Out	(260,000)
Net Cash Provided by Noncapital Financing Activities	0
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(3,300,317)
Transfers In	2,996,747
Net Cash Used by Capital and Related Financing Activities	(303,570)
Cash Flows from Investing Activities:	
Interest Received	5,815
Net Increase in Cash	22,961
Cash - July 1, 2009	581,173
CASH - JUNE 30, 2010	$ 604,134
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating Income	$ 3,512
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	372,616
Change in Assets and Liabilities:	
Receivables, Net	15,976
Inventory	(139,676)
Accounts Payable	22,609
Customer Deposits	8,387
Accrued Expenses	5,259
Due to/from Other Funds	32,033
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 320,716

SCHEDULE OF NET ASSETS

Sewer Revenue Fund
Tifton, Georgia

June 30, 2010

ASSETS

Current Assets:		
Cash		$ 1,071,070
Accounts Receivable	$ 516,885	
Less Allowance for Uncollectible Accounts	(159,199)	357,686
Inventory		24,876
Due from Other Funds		60,358
Total Current Assets		1,513,990
Capital Assets:		
Land		389,873
Buildings	70,018	
Less Accumulated Depreciation	(39,500)	30,518
Machinery and Equipment	2,317,267	
Less Accumulated Depreciation	(1,846,802)	470,465
Distribution System	34,880,801	
Less Accumulated Depreciation	(18,318,642)	16,562,159
Net Capital Assets		17,453,015
Total Assets		18,967,005

LIABILITIES

Current Liabilities:	
Accounts Payable	190,885
Accrued Expenses	48,589
Due to Other Funds	7,393
Note Payable	303,245
Customer Deposits	242,775
Total Current Liabilities	792,887
Long-Term Liabilities:	
Note Payable	3,704,428
Accrued Vacation	34,946
Total Long-Term Liabilities	3,739,374
Total Liabilities	4,532,261

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SCHEDULE OF NET ASSETS

Sewer Revenue Fund
Tifton, Georgia

June 30, 2010

NET ASSETS

Invested in Capital Assets, Net of Related Debt	$13,445,342
Unrestricted	989,402
TOTAL NET ASSETS	$14,434,744

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Sewer Revenue Fund Tifton, Georgia	Year Ended June 30, 2010
Operating Revenues:	
Sewer Sales	$ 2,927,553
Sewer Penalties	40,698
Sewer Extensions	205,768
Lab Fees	13,473
Miscellaneous	4,700
Total Operating Revenues	3,192,192
Operating Expenses:	
Personnel Services	1,068,991
Utilities	224,061
Equipment Repairs and Maintenance	88,783
System Repairs and Maintenance	364,526
Supplies	120,878
Insurance	77,347
Gas, Oil, and Grease	37,287
Professional Services	86,184
Depreciation	852,235
Postage	19,396
Warehouse and Inventory Control	84,797
Administrative and Clerical	480,174
Miscellaneous	7,928
Total Operating Expenses	3,512,587
Operating Loss	(320,395)
Non-Operating Revenues (Expenses):	
Interest Income	6,322
Interest Expense	(147,032)
Loss before Transfers	(461,105)
Transfers In	2,909,922
Change in Net Assets	2,448,817
Net Assets - July 1, 2009	11,985,927
NET ASSETS - JUNE 30, 2010	$14,434,744

SCHEDULE OF CASH FLOWS

Sewer Revenue Fund Tifton, Georgia	Year Ended June 30, 2010
Cash Flows from Operating Activities:	
Cash Receipts from Customers	$3,206,146
Cash Payments for Personnel Services	(1,066,102)
Cash Payments for Other Operating Expenses	(970,928)
Cash Payments for Interfund Services	(565,871)
Net Cash Provided by Operating Activities	603,245
Cash Flows from Noncapital Financing Activities:	
Net Advances to/from Other Funds	(135,000)
Transfers In	135,000
Net Cash Provided by Noncapital Financing Activities	0
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(3,092,672)
Transfers from Other Funds	2,774,922
Interest Paid on Debt	(148,927)
Principal Paid on Long-Term Debt	(301,468)
Proceeds from Long-Term Debt	478,558
Net Cash Used by Capital and Related Financing Activities	(289,587)
Cash Flows from Investing Activities:	
Interest Received	6,322
Net Increase in Cash	319,980
Cash - July 1, 2009	751,090
CASH - JUNE 30, 2010	$1,071,070
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating Loss	$ (320,395)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	852,235
Change in Assets and Liabilities:	
Receivables, Net	7,113
Inventory	(24,876)
Accounts Payable	80,338
Customer Deposits	6,841
Accrued Expenses	2,890
Due to Other Funds	(901)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 603,245

SCHEDULE OF NET ASSETS

Gas Revenue Fund
Tifton, Georgia

June 30, 2010

ASSETS

Current Assets:		
Cash		$ 807,406
Accounts Receivable	$ 357,255	
Less Allowance for Uncollectible Accounts	(119,091)	238,164
Inventory		205,943
Due from Other Funds		9,396
Total Current Assets		1,260,909
Capital Assets:		
Land		102,302
Buildings	226,006	
Less Accumulated Depreciation	(156,761)	69,245
Machinery and Equipment	744,271	
Less Accumulated Depreciation	(714,371)	29,900
Distribution System	4,316,761	
Less Accumulated Depreciation	(2,345,601)	1,971,160
Net Capital Assets		2,172,607
Total Assets		3,433,516

LIABILITIES

Current Liabilities:	
Accounts Payable	142,821
Accrued Expenses	11,502
Due to Other Funds	6,091
Customer Deposits	158,433
Total Current Liabilities	318,847
Long-Term Liabilities:	
Accrued Vacation	11,644
Total Liabilities	330,491

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SCHEDULE OF NET ASSETS

Gas Revenue Fund
Tifton, Georgia

June 30, 2010

NET ASSETS

Invested in Capital Assets, Net of Related Debt	$2,172,607
Unrestricted	930,418
TOTAL NET ASSETS	$3,103,025

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Gas Revenue Fund Tifton, Georgia	Year Ended June 30, 2010
Operating Revenues:	
Gas Sales	$ 4,482,481
Gas Penalties and Fines	20,629
Miscellaneous	2,817
Total Operating Revenues	4,505,927
Operating Expenses:	
Cost of Gas Sold	3,196,462
Personnel Services	421,623
Utilities	13,835
Equipment Repairs and Maintenance	25,151
System Repairs and Maintenance	61,849
Supplies	17,675
Insurance	17,058
Gas, Oil, and Grease	18,445
Professional Services	19,481
Depreciation	106,925
Postage	8,644
Marketing	28,970
Warehouse and Inventory Control	26,981
Administrative and Clerical	480,173
Miscellaneous	4,210
Total Operating Expenses	4,447,482
Operating Income	58,445
Non-Operating Revenues (Expenses):	
Interest Income	10,210
Income before Transfers	68,655
Transfers Out	(4,294,756)
Change in Net Assets	(4,226,101)
Net Assets - July 1, 2009	7,329,126
NET ASSETS - JUNE 30, 2010	$ 3,103,025

SCHEDULE OF CASH FLOWS

Gas Revenue Fund Tifton, Georgia	Year Ended June 30, 2010
Cash Flows from Operating Activities:	
Cash Receipts from Customers	$ 4,550,768
Cash Payments for Personnel Services	(423,934)
Cash Payments for Other Operating Expenses	(3,822,903)
Cash Payments for Interfund Services	(475,309)
Net Cash Used by Operating Activities	(171,378)
Cash Flows from Noncapital Financing Activities:	
Advances to/from Other Funds	3,784,756
Transfers Out	(4,294,756)
Net Cash Used by Noncapital Financing Activities	(510,000)
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(33,896)
Cash Flows from Investing Activities:	
Interest Received	10,210
Net Decrease In Cash	(705,064)
Cash - July 1, 2009	1,512,470
CASH - JUNE 30, 2010	$ 807,406
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	$ 58,445
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	106,925
Changes in Assets and Liabilities:	
Receivables, Net	37,595
Inventory	(205,943)
Accounts Payable	(205,180)
Customer Deposits	7,246
Accrued Expenses	(2,311)
Due from Other Funds	31,845
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ (171,378)

SCHEDULE OF NET ASSETS

Solid Waste Collection and Disposal Revenue Fund
Tifton, Georgia

June 30, 2010

ASSETS

Current Assets:		
Cash		$6,791,898
Accounts Receivable	$ 789,058	
Less Allowance for Uncollectible Accounts	(302,195)	486,863
Total Current Assets		7,278,761
Capital Assets:		
Landfill	6,814,785	
Less Accumulated Depreciation	(4,319,959)	2,494,826
Buildings	149,778	
Less Accumulated Depreciation	(81,100)	68,678
Equipment	5,520,408	
Less Accumulated Depreciation	(3,760,247)	1,760,161
Net Capital Assets		4,323,665
Total Assets		11,602,426

LIABILITIES

Current Liabilities:	
Accounts Payable	182,772
Accrued Expenses	28,909
Due to Other Funds	137,801
Customer Deposits	70,564
Total Current Liabilities	420,046
Long-Term Liabilities:	
Accrued Vacation	50,093
Accrued Postclosure Cost	3,421,726
Total Long-Term Liabilities	3,471,819
Total Liabilities	3,891,865

(Continued on next page)

SCHEDULE OF NET ASSETS

Solid Waste Collection and Disposal Revenue Fund
Tifton, Georgia — June 30, 2010

NET ASSETS

Invested in Capital Assets, Net of Related Debt	$4,323,665
Unrestricted	3,386,896
TOTAL NET ASSETS	$7,710,561

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Solid Waste Collection and Disposal Revenue Fund Tifton, Georgia	Year Ended June 30, 2010
Operating Revenues:	
Charges	$ 4,214,384
Penalties and Fines	68,516
Miscellaneous	8,124
Total Operating Revenues	4,291,024
Operating Expenses:	
Personnel Services	1,432,540
Public Utilities	26,424
Repairs and Maintenance	516,774
Supplies	105,611
Insurance	154,141
Gas, Oil, and Grease	266,524
Professional Services	24,073
Contract Services	126,539
Postclosure Cost	72,901
Depreciation	702,292
Postage	11,527
Warehouse and Inventory Control	119,278
Administrative and Clerical	480,173
Miscellaneous	4,345
Total Operating Expenses	4,043,142
Operating Income	247,882
Non-Operating Revenues (Expenses):	
Interest Income	59,525
Change in Net Assets	307,407
Net Assets - July 1, 2009	7,403,154
NET ASSETS - JUNE 30, 2010	$ 7,710,561

SCHEDULE OF CASH FLOWS

Solid Waste Collection and Disposal Revenue Fund Tifton, Georgia	Year Ended June 30, 2010
Cash Flows from Operating Activities:	
Cash Receipts from Customers	$4,317,460
Cash Payments for Personnel Services	(1,438,815)
Cash Payments for Other Operating Expenses	(1,346,291)
Cash Payments for Interfund Services	(553,257)
Net Cash Provided by Operating Activities	979,097
Cash Flows from Noncapital Financing Activities	0
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(239,419)
Cash Flows from Investing Activities:	
Interest Received	59,525
Net Increase In Cash	799,203
Cash - July 1, 2009	5,992,695
CASH - JUNE 30, 2010	$6,791,898
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating Income	$ 247,882
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	702,292
Changes in Assets and Liabilities:	
Receivables, Net	16,485
Accounts Payable	23,551
Customer Deposits	9,951
Accrued Expenses	(67,258)
Due to Other Funds	46,194
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 979,097

SCHEDULE OF NET ASSETS

Telecommunication Revenue Fund
Tifton, Georgia

June 30, 2010

ASSETS

Total Assets	$ 0

LIABILITIES

Total Liabilities	0

NET ASSETS

TOTAL NET ASSETS	$ 0

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Telecommunication Revenue Fund Tifton, Georgia	Year Ended June 30, 2010
Operating Revenues:	
Sales	$ 701,762
Penalties and Fees	6,370
Miscellaneous	3,061
Total Operating Revenues	711,193
Operating Expenses:	
Program Costs and Fees	575,848
Personnel Services	193,634
Utilities	37,564
Repairs and Maintenance	25,050
Supplies	66,126
Insurance	18,324
Gas, Oil, and Grease	4,897
Professional Services	86,329
Depreciation	188,310
Marketing	2,658
Warehouse and Inventory Control	6,519
Miscellaneous	1,758
Total Operating Expenses	1,207,017
Operating Loss	(495,824)
Non-Operating Revenues (Expenses):	
Interest Income	131
Revenue Bond Expense	(120,203)
Loss before Transfers and Special Items	(615,896)
Transfers In	10,528,619
Special Items:	
Loss on Defeasment of Bonded Debt	(1,224,028)
Loss on Sale of Capital Assets	(510,898)
Change in Net Assets	8,177,797
Net Assets - July 1, 2009	(8,177,797)
NET ASSETS - JUNE 30, 2010	$ 0

SCHEDULE OF CASH FLOWS

Telecommunication Revenue Fund Tifton, Georgia	Year Ended June 30, 2010
Cash Flows from Operating Activities:	
Cash Receipts from Customers	$ 1,048,062
Cash Payments for Personnel Services	(231,900)
Cash Payments for Other Operating Expenses	(1,058,004)
Cash Payments for Interfund Services	(39,049)
Net Cash Used by Operating Activities	(280,891)
Cash Flows from Noncapital Financing Activities:	
Advances from Other Funds	9,054,065
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(8,786)
Proceeds from Sale of Capital Assets	3,000,000
Interest Paid on Revenue Bonds	(119,703)
Bond Cost	(500)
Defeasement of Revenue Bonds	(11,615,297)
Principal Paid on Long-Term Debt	(175,883)
Net Cash Used by Capital and Related Financing Activities	(8,920,169)
Cash Flows from Investing Activities:	
Interest Received	131
Net Decrease In Cash and Restricted Cash	(146,864)
Cash and Restricted Cash - July 1, 2009	146,864
CASH AND RESTRICTED CASH - JUNE 30, 2010	$ 0
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating Loss	$ (495,824)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	188,310
Changes in Assets and Liabilities:	
Receivables, Net	336,869
Accounts Payable	(239,450)
Accrued Expenses	(38,266)
Due to Other Funds	(32,530)
NET CASH USED BY OPERATING ACTIVITIES	$ (280,891)

SCHEDULE OF NET ASSETS

Service Fund
Tifton, Georgia — June 30, 2010

ASSETS

Current Assets:		
Cash		$ 1,277,962
Accounts Receivable		26,453
Inventory		205,560
Due from Other Funds		236,390
Prepaid Expenses		522,602
Total Current Assets		2,268,967
Capital Assets:		
Land		50,445
Buildings	$2,157,578	
Less Accumulated Depreciation	(1,216,703)	940,875
Machinery and Equipment	2,503,597	
Less Accumulated Depreciation	(1,951,997)	551,600
Net Capital Assets		1,542,920
Total Assets		3,811,887

LIABILITIES

Current Liabilities:	
Accounts Payable	132,965
Accrued Expenses	46,158
Due to Other Funds	78,509
Note Payable	7,418
Total Current Liabilities	265,050
Long-Term Liabilities:	
Accrued Vacation	76,910
Total Liabilities	341,960

NET ASSETS

Invested in Capital Assets, Net of Related Debt	1,535,502
Unrestricted	1,934,425
TOTAL NET ASSETS	$3,469,927

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Service Fund Tifton, Georgia	Year Ended June 30, 2010
Operating Revenues:	
Charges for Services and Facilities	$ 2,995,196
Operating Expenses:	
Management:	
Personnel Services	430,391
Insurance	6,085
Election Expense	4,890
Depreciation	3,993
Travel and Training	3,944
Public Utility Services	5,995
General Supplies	6,442
Repairs and Maintenance	6,117
Miscellaneous	1,248
Total	469,105
Administrative:	
Personnel Services	493,564
Insurance	12,083
Repairs and Maintenance	43,419
General Supplies	24,323
Public Utility Services	23,882
Depreciation	63,097
Travel and Training	1,073
Professional Services	7,570
Postage	2,436
Miscellaneous	1,284
Total	672,731
Management Information Systems:	
Personnel Services	79,339
Insurance	1,737
General Supplies	100,760
Depreciation	80,231
Public Utility Services	8,760
Repairs and Maintenance	99,174
Professional Services	2,700
Rent	830
Miscellaneous	70
Total	373,601

(Continued on next page)

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Service Fund Tifton, Georgia	Year Ended June 30, 2010
Human Resources:	
Personnel Services	$ 137,084
Professional Services	101,099
Insurance	1,090
Public Utility Services	1,073
Postage	237
Depreciation	41
General Supplies	1,852
Travel and Training	505
Total	242,981
Engineering:	
Personnel Services	43,056
Insurance	2,440
Public Utility Services	870
Depreciation	5,941
Travel and Training	258
Repairs and Maintenance	1,639
General Supplies	1,391
Miscellaneous	18
Total	55,613
Customer Services:	
Personnel Services	268,925
Public Utility Services	1,344
Insurance	2,758
Repairs and Maintenance	392
Postage	890
General Supplies	3,912
Miscellaneous	979
Total	279,200
Inventory Control:	
Personnel Services	55,496
Insurance	3,669
Public Utility Services	391
Repairs and Maintenance	453
Depreciation	2,817
General Supplies	30,447
Total	93,273

(Continued on next page)

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Service Fund Tifton, Georgia	Year Ended June 30, 2010
Utilities Complex:	
Personnel Services	$ 297,959
Insurance	12,598
Depreciation	6,512
Repairs and Maintenance	31,232
Public Utility Services	11,564
General Supplies	25,374
Miscellaneous	200
Total	385,439
Harrison-Walker Complex:	
Personnel Services	29,386
Insurance	6,515
Public Utility Services	25,633
Depreciation	35,831
Repairs and Maintenance	31,502
General Supplies	5,710
Total	134,577
Shop:	
Personnel Services	237,296
Insurance	8,630
Depreciation	10,328
Public Utility Services	15,722
Repairs and Maintenance	4,843
General Supplies	11,817
Miscellaneous	40
Total	288,676
Total Operating Expenses	2,995,196
Operating Income	0
Transfer In	2,500,458
Transfer Out	(1,797,111)
Change in Net Assets	703,347
Net Assets - July 1, 2009	2,766,580
NET ASSETS - JUNE 30, 2010	$ 3,469,927

SCHEDULE OF CASH FLOWS

Service Fund Tifton, Georgia	Year Ended June 30, 2010
Cash Flows from Operating Activities:	
Cash Receipts from Customers	$ 27,588
Cash Receipts from Interfund Services Provided	1,884,579
Cash Payments for Personnel Services	(1,936,870)
Cash Payments for Other Operating Expenses	(272,408)
Net Cash Used by Operating Activities	(297,111)
Cash Flows from Noncapital Financing Activities:	
Transfer from Other Funds	2,500,458
Transfer to Other Funds	(1,797,111)
Net Cash Provided by Noncapital Financing Activities	703,347
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(186,675)
Principal Paid on Long-Term Debt	(166,932)
Net Cash Used by Capital and Related Financing Activities	(353,607)
Net Increase In Cash	52,629
Cash - July 1, 2009	1,225,333
CASH - JUNE 30, 2010	$1,277,962
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	208,791
Change in Assets and Liabilities:	
Receivables, Net	12,552
Inventory	518,011
Prepaid Expense	(72,391)
Accounts Payable	7,991
Accrued Expenses	(1,458)
Due to/from Other Funds	(970,607)
NET CASH USED BY OPERATING ACTIVITIES	$ (297,111)

SCHEDULE OF NET ASSETS

Downtown Development Authority
Tifton, Georgia

June 30, 2010

ASSETS

Current Assets:		
Cash		$ 729,739
Accounts Receivable		60,640
Notes Receivable		125,347
Total Current Assets		915,726
Capital Assets:		
Land		307,751
Buildings and Improvements	$2,423,039	
Less Accumulated Depreciation	(539,193)	1,883,846
Furniture and Fixtures	20,090	
Less Accumulated Depreciation	(4,891)	15,199
Net Capital Assets		2,206,796
Other Assets:		
Notes Receivable		1,892,801
Total Assets		5,015,323

LIABILITIES

Current Liabilities:	
Accounts Payable	34,577
Deferred Revenue	450
Accrued Expenses	7,041
Notes Payable	129,541
Total Current Liabilities	171,609
Long-Term Liabilities:	
Notes Payable	1,954,716
Due to Primary Government	179,344
Total Long-Term Liabilities	2,134,060
Total Liabilities	2,305,669

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SCHEDULE OF NET ASSETS

Downtown Development Authority
Tifton, Georgia

June 30, 2010

NET ASSETS

Invested in Capital Assets, Net of Related Debt	$ 1,858,137
Unrestricted	851,517
TOTAL NET ASSETS	$ 2,709,654

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Downtown Development Authority Tifton, Georgia	Year Ended June 30, 2010
Operating Revenues:	
Charges for Services	$ 95,703
Intergovernmental	244,707
Special Purpose Local Option Sales Tax	276,658
Interest	107,695
Total Operating Revenues	724,763
Operating Expenses:	
Personnel Services	167,070
Utilities	40,184
Insurance	7,917
Repairs and Maintenance	15,631
Interest	108,119
Production and Program Cost	50,476
Supplies	15,484
Travel and Training	7,516
Depreciation	52,742
Professional Fees	33,352
Advertising	10,373
Miscellaneous	1,962
Total Operating Expenses	510,826
Operating Income	213,937
Net Assets - July 1, 2009 (As Restated)	2,495,717
NET ASSETS - JUNE 30, 2010	$2,709,654

SCHEDULE OF CASH FLOWS

Downtown Development Authority Tifton, Georgia	Year Ended June 30, 2010
Cash Flows from Operating Activities:	
Cash Receipts from Customers	$ 203,703
Cash Receipts from Other Governments	509,277
Cash Payments for Personnel Services	(178,930)
Cash Payments for Other Operating Expenses	(299,926)
Net Cash Provided by Operating Activities	234,124
Cash Flows from Noncapital Financing Activities:	
Loaned on Notes Receivable	(700,000)
Received on Notes Receivable	112,195
Principal Paid on Long-Term Debt	(116,585)
Proceeds from Long-Term Debt	700,000
Net Cash Used by Noncapital Financing Activities	(4,390)
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(34,940)
Principal Paid on Long-Term Debt	(9,389)
Net Cash Used by Capital and Related Financing Activities	(44,329)
Cash Flows from Investing Activities	0
Net Increase in Cash	185,405
Cash - July 1, 2009	544,334
CASH - JUNE 30, 2010	$ 729,739
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	$ 213,937
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	52,742
Change in Assets and Liabilities:	
Receivables, Net	(12,222)
Accounts Payable	(21,844)
Accrued Expenses	1,061
Deferred Revenue	450
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 234,124

SCHEDULE OF PROJECTS CONSTRUCTED WITH

SPECIAL SALES TAX PROCEEDS

City of Tifton
Tifton, Georgia

Year Ended
June 30, 2010

Project	Original Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage Completion
		2001 REFERENDUM			
Street and Sidewalk Improvements	$ 1,000,000	$ 648,375	$ 27,904	$ 676,279	68%
New Fire Station	650,000	120	0	120	0%
New Fire Trucks	500,000	691,490	0	691,490	100%
Sewer System Improvements	1,000,000	672,613	35,048	707,661	71%
Water System Improvements	1,000,000	1,080,732	69,802	1,150,534	100%
Drainage Improvements	590,000	445,154	9,716	454,870	77%
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	679,000	495,053	0	495,053	73%
TOTAL	$ 8,740,000	$7,613,576	$ 142,470	$ 7,756,046	

(Continued on next page)

SCHEDULE OF PROJECTS CONSTRUCTED WITH

SPECIAL SALES TAX PROCEEDS

City of Tifton
Tifton, Georgia

Year Ended
June 30, 2010

Project	Original Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage Completion
		2006 REFERENDUM			
Street and Sidewalk Improvements	$ 2,670,000	$ 972,800	$1,037,826	$ 2,010,626	75%
New Fire Station and Equipment	2,660,000	36,234	545,000	581,234	22%
Police Equipment	414,000	308,229	0	308,229	74%
Sewer System Improvements	6,831,000	619,768	2,664,447	3,284,215	48%
Water System Improvements	5,200,000	129,182	2,857,143	2,986,325	57%
Drainage Improvements	2,500,000	240,685	1,085,532	1,326,217	53%
Senior Center Improvements	750,000	0	3,740	3,740	0%
City Hall Renovations	1,000,000	73,675	6,170	79,845	8%
Recycling Facility Improvements	450,000	241,991	0	241,991	54%
Landfill/Sanitation Equipment	650,000	582,775	0	582,775	90%
Park and Cemetery Improvements	200,000	0	0	0	0%
Maintenance Warehouse Improvements	650,000	246,039	40,965	287,004	44%
M. I. S. Improvements	1,850,000	72,175	803,325	875,500	47%
TOTAL	$25,825,000	$3,523,553	$9,044,148	$12,567,701	

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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, 2010, and have issued our report thereon dated April 29, 2011. 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.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that may be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of 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 April 29, 2011.

The City of Tifton, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. 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
April 29, 2011

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 basic 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 basic financial statements of the City of Tifton, Georgia, were disclosed during the audit.

4. The City of Tifton, Georgia, was not required to undergo a single audit for the fiscal year ending June 30, 2010.

FINDINGS-FINANCIAL STATEMENTS AUDIT

10-1 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.