ANNUAL FINANCIAL REPORT

CITY OF TIFTON, GEORGIA

FOR THE FISCAL YEAR ENDED

JUNE 30, 2011

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Tifton, Georgia

June 30, 2011

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
Tifton, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Tifton, Georgia, as of and for the year ended June 30, 2011, 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, 2011, 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 January 30, 2012, 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, the accompanying schedule of federal awards as required by U.S. Office of Management and Budget Circular A-133 Audits of State and Local Governments, 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, the accompanying schedule of federal awards as required by U.S. Office of Management and Budget Circular A-133 Audits of State and Local Governments, 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.

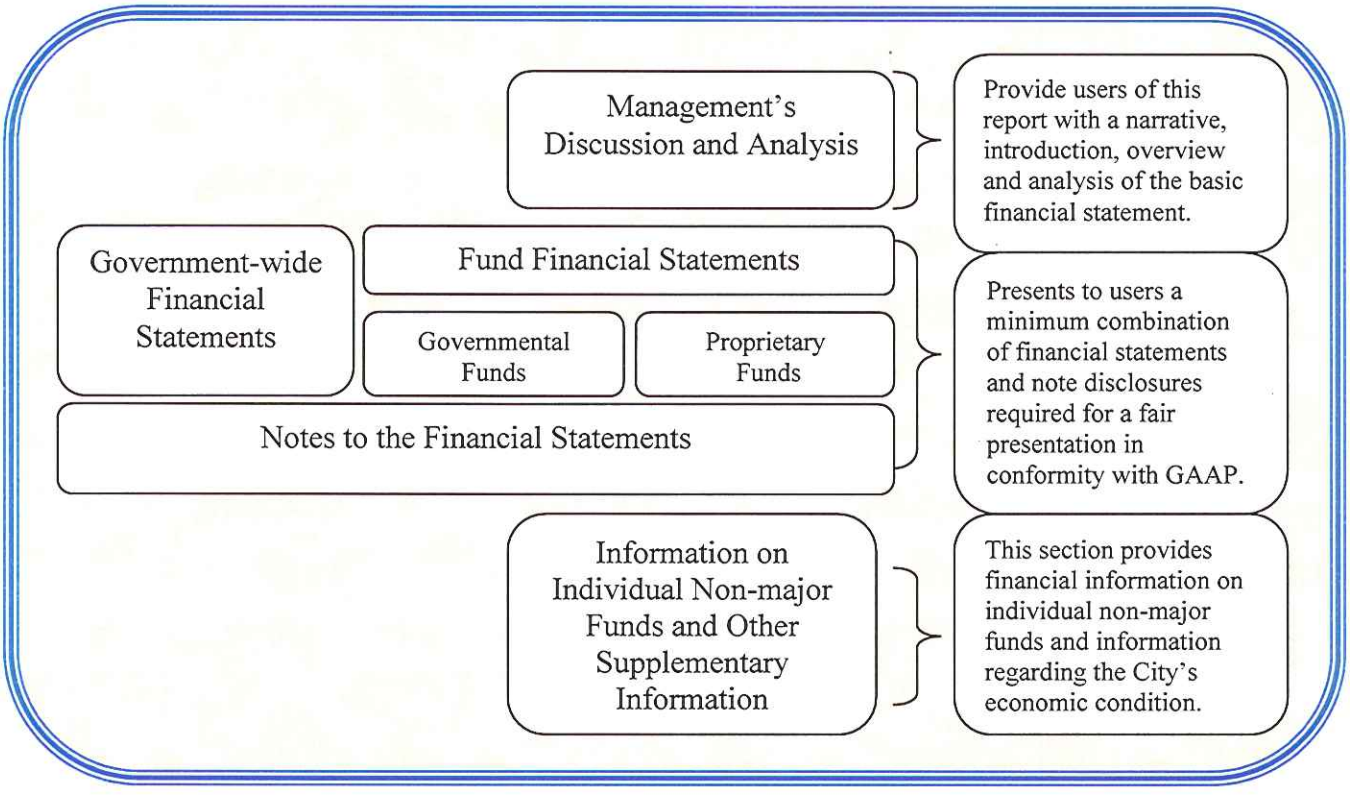
Herring CPA Group, P.C.
Tifton, Georgia
January 30, 2012

Management Discussion and Analysis

As management of the City of Tifton, GA., we offer readers of Tifton's financial statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2011. This discussion intends to; 1) assist the reader in understanding significant financial issues; 2) provide an overview of the City's financial activities; 3) identify changes in the City's financial position; 4) identify material deviations from the original budget; and 5) identify individual fund issues and concerns. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Financial Statement section and the Notes to the Financial Statements.

Overview of the Financial Statements

This Annual Financial Report has been in prepared accordance with Generally Accepted Accounting Principles (GAAP) and under the guiding principle of the Governmental Accounting Standards Board (GASB). To help facilitate the understanding of the organization of this report we are providing the following illustration:



The Management Discussion and Analysis (MD&A) document is intended to serve as an introduction to the City of Tifton's basic financial statements. The Basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements and (4) required supplementary information.

1. Government-wide Financial Statements

The City's basic financial statements include two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to private-sector business reporting. All governmental and business-type activities are combined to arrive at a total for the Primary Government. There are two government-wide statements, the statement of net assets and the statement of activities, which are described below.

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

The *Statement of Activities,* reports how the City's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

In the Statement of Net Assets and the Statement of Activities, the City is divided into three kinds of activities:

Governmental activities - Most of the City's basic services are reported here, including the council, municipal court, police, fire, public works, senior citizen center, nutrition program, and environmental management & community development, and, general administration. Property taxes, sales taxes, franchise fees and insurance premiums tax finance the majority of these activities.

Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water system, sewer system, solid waste and landfill, and, gas system are reported here.

Component units – The City include one additional separate legal entity in its report – the Downtown Development Authority (DDA). DDA has two (2) programs which are the Main Street and Tift Theatre. Although legally separate, this "component unit" is important because the City has some degree of financial accountability. The employees on these programs are under the City's payroll with the same benefits as the City's benefits. The City is funding portion of their budget from Hotel-Motel Tax revenues.

The Government-Wide Financial Statements are presented on pages 21 to 27 of this report.

2. 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 28 through 41 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 28 through 32) – 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 29 and 31.

Proprietary Funds (shown on page 33 through 41) – 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 four (4) Enterprise Funds: Solid Waste Collection and Disposal Fund, Sewer Fund, Water Fund, Gas 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 actual expenses of the different departments therein, and is accounted for in the Governmental Activities of the Government-Wide Financial Statements.

Fiduciary Funds (shown on pages, 42 and 43) – 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.

3. **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 44 through 67 of this report.

4. **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 is shown on page 68. The Combining Statements in connection with the Non-Major Governmental Funds are presented immediately following the required supplementary information.

Financial Highlights

- The Total Assets of the City of Tifton were $91.0 million, which exceeded its liabilities of $18.8 million at the close of the most recent fiscal year 2011 by $72.2 million. Of this amount, $7 million (unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors. (See table 1 on page 8).

  Total Net Assets are comprised of the following;
  - Capital Assets, net of related debt of $63.4 million, include property and equipment, net of accumulated depreciation, reduced for outstanding debt related to the purchase or construction of capital assets.
  - Net Assets of $1.8 million restricted by constraints imposed from outside the City such as laws or regulations, debt covenants.
  - At the end of the current fiscal year, unrestricted net assets increased from $68 million in fiscal year 2010 to $72.2 million.

- In the Governmental Activities, the Total Assets in FY2011 is $1.5 million less than FY2010. The non-current liabilities in FY2011 increased by $817 thousand from FY2010 mainly due to, inclusion of the net pension obligation as required by GASB 27. The City's management has programmed to fund this obligation in the next four (4) years by funding $255 thousand more to the annual required contribution, to reduce the obligation and make it fully funded.

- During the year, the City had governmental program revenue of $16 million which is $2.5 more than the expenses of $13.5 million before internal transfers (See Table 2 on page 9).

- At the end of the fiscal year 2011, the City of Tifton's Governmental Fund Balance was $ 6.5 million as compared to $5.7 million at June 30, 2010. Of this amount, $402 thousand was available for spending at the City's discretion (Unassigned Fund Balance). GASB 54 requires Fund balance to be categorized into five (5) categories and this is the initial year to implement it.

- The General Fund, on a current financial resources basis, reported expenditures more than the revenues and other financing resources of $$484 thousand for the fiscal year ending June 30, 2011 before transfers, compared to $254 thousand for the fiscal year ending June 30, 2010. This is due to the unbudgeted purchase of Police vehicles later approved by the City Council and the amortization of the prepaid bandwidth connectivity cost.

- The General Fund assumed the Telecommunication debt of $6.06 million. However, citizens voted for SPLOST 5 in March 2011, which included an amount of $4.5 million for the repayment of the debt. The term of the debt is for twenty (20) years, however, with the SPLOST proceeds, the terms are shortening down to seven (7) years. The City has paid $700 thousand total principal and interest since FY2011.

- The General fund amortizes the 10-year prepaid bandwidth connectivity that was granted free to the City as part of the sale agreement. The annual amortization of $250,000 is shown as part of the General Fund's use of the unrestricted fund balance.

- The Council voted on lowering down the garbage rate for Senior Citizens from $12.5

- The total Assets of the City's component unit, DDA (Downtown Development Authority), were $5.4 million, which exceeded its liabilities of $2.3 million at the close of the most recent fiscal year 2011 by $3.1 million. (See pages 21, 22 & 23).

The following table reflects the combined net assets as of June 30, 2011 and 2010. For detailed information, see Statement of Net Assets on page 21.

Table 1
City of Tifton's Summary of Government - Wide Net Assets

	Primary Government					
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and Other Assets	$ 7,957,964	$ 8,142,655	$ 12,459,059	$ 11,070,463	$ 20,417,023	$ 19,213,118
Non-Current Assets	33,642,805	35,005,681	36,983,455	34,498,078	$ 70,626,260	$ 69,503,759
Total Assets	$ 41,600,769	$ 43,148,336	$ 49,442,514	$ 45,568,541	$ 91,043,283	$ 88,716,877
Current Liabilities	$ 1,481,406	$ 3,081,516	$ 1,779,072	$ 1,835,016	$ 3,260,478	$ 4,916,532
Non-Current Liabilities	8,345,562	7,528,727	7,241,679	7,261,028	$ 15,587,241	$ 14,789,755
Total Liabilities	$ 9,826,968	$ 10,610,243	$ 9,020,751	$ 9,096,044	$ 18,847,719	$ 19,706,287
Net Assets						
Invested in Capital Assets net of related debt	$ 30,410,576	$ 31,428,182	$ 32,958,194	$ 30,490,405	$ 63,368,770	$ 61,918,587
Restricted for:						
Capital Projects	1,775,104	835,905	-	-	$ 1,775,104	$ 835,905
Unrestricted	(411,881)	274,006	7,463,569	5,982,092	$ 7,051,688	$ 6,256,098
TOTAL NET ASSETS	$ 31,773,799	$ 32,538,093	$ 40,421,763	$ 36,472,497	$ 72,195,562	$ 69,010,590

Net Assets. The largest portion of the City's net assets (87%) at June 30, 2011, reflects its investments in capital assets (e.g. land, buildings, machinery infrastructures, and equipment) less any related outstanding debts, used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the City's net assets (2%) represents resources that are subject to external restrictions on how they may be used.

The remaining balance of unrestricted net assets (11% or $7.0 million) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as its separate governmental and business-type activities. Growth in net assets is an indication for the City's financial position has improved over fiscal year 2011.

Changes in Net Assets. The City's total revenues were increased by $1.3 million in FY2011 as shown on the Table 2. Key elements of this increase are as follows;

- Capital Grants and contributions, which is 16.42% of the total revenue increase by $1.4 million, which comprised mostly of sales tax distribution from the County, federal and state grants and contributions for various projects of the City's General Government, Public Safety, Public Works and Health and welfare.
- Property Taxes, which is 7% of the total revenue increased by 3% due to collections from prior year's taxes. The FY2011 collection percent is above 100% of what was budget.
- Franchise Fees, which is 4% of the total revenue, increased by $75 thousand due to increased collection in the electrical franchise taxes.
- All other revenues, such as sales tax, hotel-motel tax, sin taxes, insurance premiums tax and investment earnings were down due to economic downturn.

The total cost of all programs and services for the year ending June 30, 2011 was $28.7 million as compared to $32 million for the year ending June 30, 2010. The City's expenses cover ranges of service, with about 24.26% of the total expenses are related to public safety.

Table 2

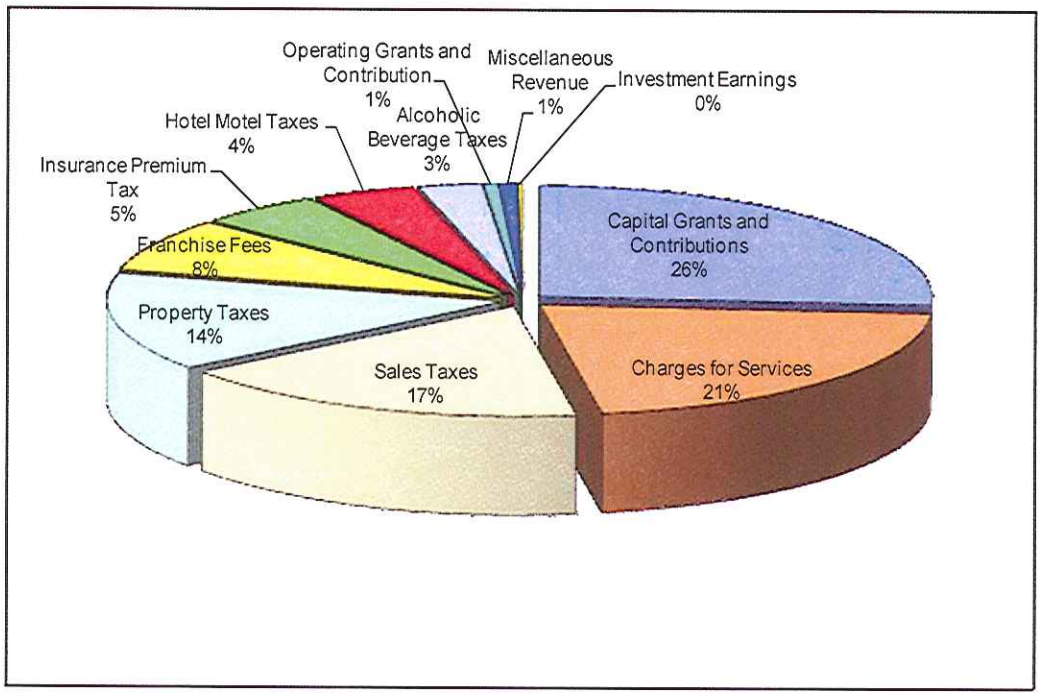
City of Tifton's Comparison of Activities and Changes in Net Assets

FUNCTIONS/PROGRAMS	PRIMARY GOVERNMENT						TOTAL % CHANGE INC/(DEC)
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL		
	2011	2010	2011	2010	2011	2010	2010-2011
REVENUES							
Program Revenues:							
Charges for Services	$ 3,411,410	$ 3,193,018	$ 15,236,857	$ 15,705,169	$ 18,648,267	$ 18,898,187	-1.32%
Operating Grants and Contribution	90,181	156,891	-	-	90,181	156,891	-42.52%
Capital Grants and Contributions	4,167,730	3,950,487	1,200,000	-	5,367,730	3,950,487	35.88%
Total Program Revenues	$ 7,669,321	$ 7,300,396	$ 16,436,857	$ 15,705,169	$ 24,106,178	$ 23,005,565	4.78%
General Revenues:							
Property Taxes	$ 2,285,321	$ 2,227,462	$ -	$ -	2,285,321	2,227,462	2.60%
Sales Taxes	2,730,376	2,789,424	-	-	2,730,376	2,789,424	-2.12%
Hotel Motel Taxes	682,634	699,748	-	-	682,634	699,748	-2.45%
Alcoholic Beverage Taxes	417,644	431,468	-	-	417,644	431,468	-3.20%
Insurance Premium Tax	810,707	834,973	-	-	810,707	834,973	-2.91%
Franchise Fees	1,228,407	1,153,500	-	-	1,228,407	1,153,500	6.49%
Investment Earnings	29,568	52,622	94,343	82,003	123,911	134,625	-7.96%
Miscellaneous Revenue	121,308	85,387	174,803	-	296,111	85,387	246.79%
Total General Revenues	8,305,965	8,274,584	269,146	82,003	8,575,111	8,356,587	2.61%
Total Revenues	$ 15,975,286	$ 15,574,980	$ 16,706,003	$ 15,787,172	$ 32,681,289	$ 31,362,152	4.21%
EXPENSES							
Governmental Activities:							
General Government	$ 3,198,248	$ 2,835,816	$ -	$ -	3,198,248	2,835,816	12.78%
Public Safety	6,917,648	6,899,803			6,917,648	6,899,803	0.26%
Public Works	2,561,956	4,600,186	-	-	2,561,956	4,600,186	-44.31%
Culture and Recreation	476,099	565,739	-	-	476,099	565,739	-15.84%
Health and Welfare	181,196	213,955	-	-	181,196	213,955	-15.31%
Interest on Long-Term Debt	336,735	287,538	-	-	336,735	287,538	17.11%
Total Governmental Activities	$ 13,671,882	$ 15,403,037	$ -	$ -	$ 13,671,882	$ 15,403,037	-11.24%
Business-type Activities:							
Water	$ -	$ -	$ 3,381,905	$ 3,001,321	3,381,905	3,001,321	12.68%
Sewer	-	-	3,795,073	3,659,619	3,795,073	3,659,619	3.70%
Gas	-	-	3,738,589	4,447,482	3,738,589	4,447,482	-15.94%
Solid Waste	-	-	4,098,624	4,043,142	4,098,624	4,043,142	1.37%
Telecommunications	-	-	-	1,327,220	-	1,327,220	-100.00%
Total Business-Type Activities	-	-	15,014,191	16,478,784	15,014,191	16,478,784	-8.89%
Total Expenses	$ 13,671,882	$ 15,403,037	$ 15,014,191	$ 16,478,784	$ 28,686,073	$ 31,881,821	-10.02%
EXCESS(DEFICIENCY)	**$ 2,303,404**	**$ 171,943**	**$ 1,691,812**	**$ (691,612)**	**$ 3,995,216**	**$ (519,669)**	-868.80%
Transfers - Internal Activities	(2,257,454)	(11,880,532)	2,257,454	11,880,532	-	-	
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)	-100.00%
Change in Net Assets	$ 45,950	$ (11,708,589)	$ 3,949,266	$ 9,453,994	$ 3,995,216	$ (2,254,595)	-277.20%
NET ASSETS-BEGINNING OF THE YEAR	$ 31,727,849	$ 44,246,682	$ 36,472,497	$ 27,018,503	$ 68,200,346	$ 71,265,185	-4.30%
NET ASSETS - END OF THE YEAR	**$ 31,773,799**	**$ 32,538,093**	**$ 40,421,763**	**$ 36,472,497**	**$ 72,195,562**	**$ 69,010,590**	4.62%

Table 3

City of Tifton's Governmental Activities - Revenue by Source

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES		
	2011	2010	DIFFERENCE
REVENUES			
Functions / Program Revenues:			
Capital Grants and Contributions	4,167,730	3,950,487	$217,243
Charges for Services	$ 3,411,410	$ 3,193,018	$218,392
Sales Taxes	2,730,376	2,789,424	($59,048)
Property Taxes	2,285,321	2,227,462	$57,859
Franchise Fees	1,228,407	1,153,500	$74,907
Insurance Premium Tax	810,707	834,973	($24,266)
Hotel Motel Taxes	682,634	699,748	($17,114)
Alcoholic Beverage Taxes	417,644	431,468	($13,824)
Operating Grants and Contribution	90,181	156,891	($66,710)
Miscellaneous Revenue	121,308	85,387	$35,921
Investment Earnings	29,568	52,622	($23,054)
Total Governmental Revenues	**$ 15,975,286**	**$ 15,574,980**	**$ 400,306**



Governmental Activities – Revenue by Source

Program revenues showing capital grants and contributions, as the highest source; mostly fund the City's Governmental activities. Program revenues cover 48% of governmental expenses. This means that the City taxpayer's and the City's other general fund revenues fund 52% of the governmental activities. As a result the general economy and the local businesses have a major impact on the City's revenue streams. Revenues for the City's governmental activities excluding transfers, increased to $16 million as compared to $15.6 million for FY2010, mainly because of the

capital grants that the City have received from the federal, state and local government. 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.

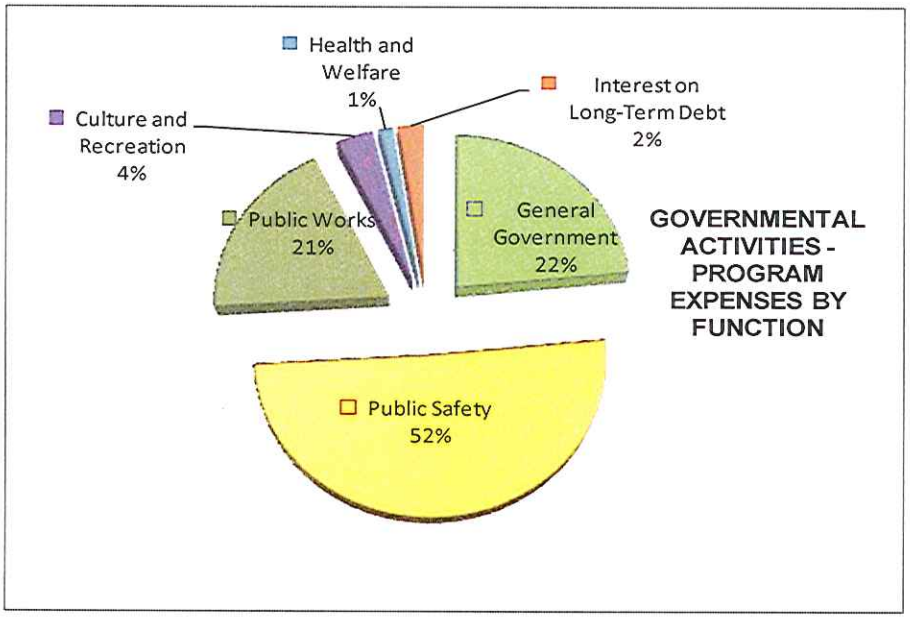
Governmental Activities – Program Expenses by Function

Table 4 below; present the cost of each of the City's programs. The most significant governmental expenses for the City is providing Public Safety services such as Fire, Police, Environmental Management/Code Enforcement and Municipal court. This comprises 52% of the total governmental expenses. Revenues collected from a variety of sources offset portion of the public safety expenses such as fines and forfeitures. The next largest City cost is the General Government and Public works, totaling 42% or $5.8 million of the governmental expenses.

The cost of the governmental activities this fiscal year was $13.7 million as compared to $15.4 in FY2010. The revenue amount that paid for most of these activities came from general revenues of the city such as property taxes, sales taxes, franchise fees, insurance premiums tax, bed taxes, and sin taxes. Some other costs were paid by those who benefited directly from the programs and subsidies from other governments and organizations through grants and/or contributions.

Table 4.
GOVERNMENTAL ACTIVITIES PROGRAM EXPENSE BY FUNCTION

Governmental Activities:	TOTAL COST OF SERVICE		
	2011	2010	DIFFERENCE
General Government	$ 3,198,248	2,835,816	$ 362,432
Public Safety	6,917,648	6,899,803	17,845
Public Works	2,561,956	4,600,186	(2,038,230)
Culture and Recreation	476,099	565,739	(89,640)
Health and Welfare	181,196	213,955	(32,759)
Interest on Long-Term Debt	336,735	287,538	49,197
Total Governmental Activities	**$ $ 13,671,882**	**$ 15,403,037**	**$ (S1,731,155)**

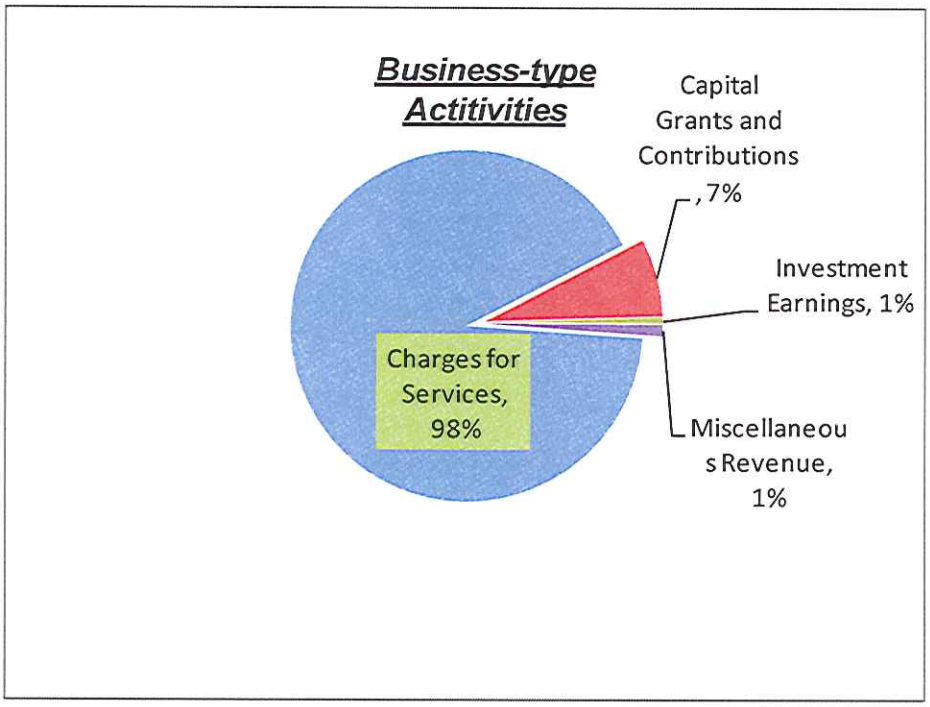


Business-type Activities – Revenue Source

Operating revenues of the business-type activities increased to $16.7 million from $15.8 million in FY2010. This is mainly due to the Capital grant awarded to the City for the rehabilitation for our wastewater system. The ARRA grant was for $2.0 million and 60% of each principal and interest is forgiven.

Table 5
BUSINESS-TYPE ACTIVITIES REVENUE SOURCE

		2011	2010		DIFFERENCE
REVENUES					
Program Revenues:					
Charges for Services	$	15,236,857	15,705,169	$	(468,312)
Capital Grants and Contributions		1,200,000	0		1,200,000
Investment Earnings		94,343	82,003		12,340
Miscellaneous Revenue		174,803	0		174,803
Total Revenues	**$**	**$16,706,003**	**$15,787,172**	**$**	**918,831**

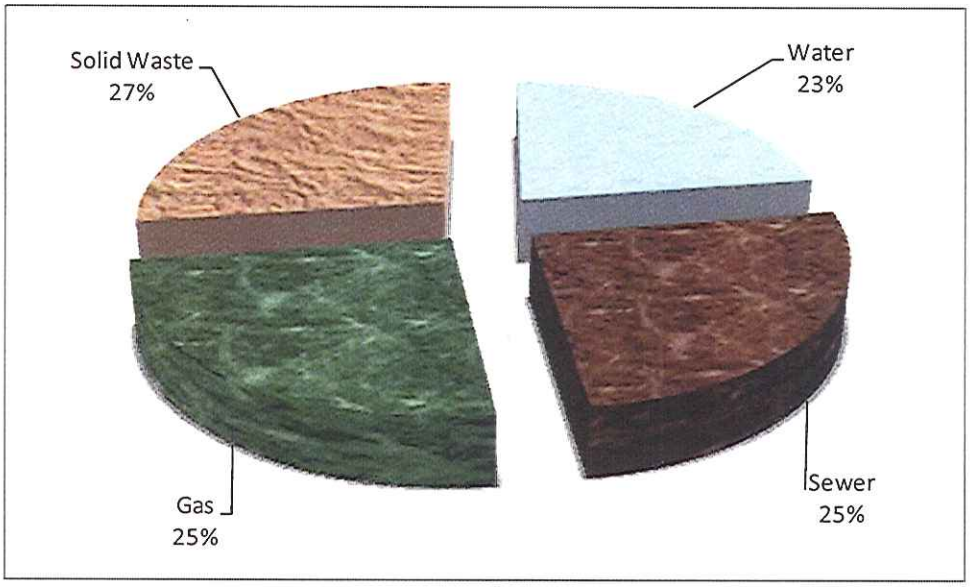


Business-type Activities – Expense

The cost of all Proprietary (Business-type) activities this fiscal year was $15 million as shown on Table 6 and Table 2 (Summary of Changes in Net Assets), the amounts paid by the users of the systems were $15.2 million, additionally the business-type had received grant for $1.2 million, and $269 thousand from idle cash. With the total business-type activities reported an increase in net assets of $3.9 million.

Table 6
BUSINESS-TYPE ACTIVITIES EXPENSE

		2011	2010		DIFFERENCE
Business-type Activities:					
Water	$	3,381,905	3,001,321	$ $	$380,584
Sewer		3,795,073	3,659,619		$135,454
Gas		3,738,589	4,447,482		($708,893)
Solid Waste		4,098,624	4,043,142		$55,482
Telecommunications		-	1,327,220		($1,327,220)
Total Business-Type Activities	**$**	**15,014,191**	**16,478,784**	**$**	**($1,464,593)**



Financial Analysis of the City's 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 28) reported a Combined Fund Balance of $6.5 million as compared to $5.7 million, as of June 30, 2010, which was a $800 thousand increase from prior year. Approximately $819 thousand of the fund balance constitutes Unassigned, which is available for spending at the City's discretion, Non-spendable of $2.1 million reserved to amortize the prepaid bandwidth connectivity. The remainder of the Fund Balance, which is restricted, committed and assigned, indicates that it is not available for spending because it has already been committed for other items.

The *General fund* is the City's primary operating fund as the largest source of day-to-day service delivery. At the end of the current fiscal year, unassigned fund balance of the General Fund was $402 thousand. As a measure of the general funds' liquidity, it may be useful to compare the unassigned fund balance to the total fund expenditures. Unassigned fund balance represents 3.5% of the total general fund. This percentage is equivalent to one-half (½) month of general fund's operating expense. Pre-GASB54, the FY2010 unreserved fund balance represents 20% of the total general fund's expenditures. This current fiscal year is the implementation of GASB54, which requires how fund balance are categorized based on availability.

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 2011 fiscal year, the SPLOST Capital Projects Fund had a Restricted Fund Balance of $1.8 million, an increase of $940 thousand, from prior year. The increase in the Fund Balance is mainly due to freezing/halt on some capital projects to build up the reserve required for the projects which were paid mainly on a "pay-as-you-go" basis utilizing the cash collections proceeds from SPLOST.

The *Hotel-Motel Tax Fund* is the 5% bed tax, of which 2% is used to promote tourism. Currently, this 2% was appropriated to Tifton-Tift county Tourism Board to promote tourism. Unassigned Fund Balance increased by $79 thousand as compared to prior year, mainly due to reduction in the contribution to outside agencies.

Proprietary Funds. The Proprietary Fund shares the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. As shown on the Combining Statement of Revenues and Expenses, the City's Proprietary Fund Statements, beginning on page 36 provide the same type of information found in the Government-Wide Financial Statements but in more detail.

The total net assets were $40 million at year-end, an increase of $4 million from the prior year. Of the total net assets, $33 million were invested in Capital Assets net of related debt, and $7.5 million are unrestricted.

Operating revenues were $468 thousand less than fiscal year 2010 and operating expenses is $1.4 million lion less than the fiscal year 2010. However, if we are to compare just the revenue of the existing funds not to include the Telecommunications revenues in FY2010 of $711 thousand, the operating revenues of the current proprietary funds increased by 2% revenue. The sale of Telecommunication fund in 2010 had made an impact in the decrease of the revenues and decrease in the expenses.

The *Water and Sewer fund's* operating revenues are 15% over those in FY2010 and operating expenses are 8% more than FY2010. This increase in revenues is due to efforts in programs to account for water loss and the implementation of the new meter reading devices which was installed in some areas of the City and County. In this current fiscal year FY2011, the meter reading devices are partially complete in the installation countywide. The increase in operating expenses is due to rising cost of the personnel and supplies and the cost of the continuing depreciation of the capital assets.

The *Gas Fund's* operating income decreased by 12% due to continued decreasing demand due to closing of some our industrial business. Consequently, lower demand of gas results in lower cost of operation due to lower quantity of natural gas purchased. The operating decreased by $709 thousand, or 19%. Also, this FY2011 is the last year where Gas fund is contributing to the General Fund to help lower the millage rate. In the past years, Gas Fund have been allocating from $600 thousand down to $100 thousand to the General fund.

The *SWCD (Solid Waste Collection & Disposal) Fund*'s operating revenues decreased by $161 thousand as compared to FY2010 of $4.3 million. Operating expenses were 1% higher than last year mainly due to rising cost of supplies and personnel expenses.

BUDGETARY HIGHLIGHTS

The **General Fund's Revenue and Expenditures.** The final approved revenue budget for FY2011 was $11.0 million. The original approved revenue budget was $11.0 million including other financing sources. The City collected $49 thousand less than the budgeted amount for taxes as shown on page 68. This is due to lesser collection of Public utility tax, mobile home tax and real estate transfer tax. There was a decrease in intergovernmental revenues due to outstanding collection from the county's 50% share of fire protection services. The General Funds' final approved expenditures after other financing sources is $11.4 million which is more than the final approved revenue by $300 thousand due to amortization of the prepaid bandwidth connectivity that was not budgeted. This amount was reflected as general government expenditures at year end. Also, this year is the last year that the Gas fund is appropriating monies to the general fund to help the millage rate down by 1.5 mills. This year's approved contribution from the gas fund is $100 thousand, to meet the current cash flow of the General fund in an effect to stabilize service levels.

Generally, amendments are done to (1) appropriate fund balance for encumbrance 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 resources, such as Federal, State and local grants (4) to appropriate increases that become necessary to maintain services and (5) to provide appropriations between departments.

As the economy continued to struggle and the recession deepened, the City council was unwilling to compound the effect on its citizens by; a) significant expenditure reduction and use of Fund Balance to fund the budget deficit, b) freezing the current retirement plan and maximized the contribution to catch up for the baggage from prior year's investment losses, c) shorten the period for the effective date for merit increases and d) utilizing the current resources by not filling vacant position. In July of 2010, the City Council voted to keep the 2011 millage rate at the 2010 levels of 6.759 mills.

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	$ 7,507,738	$ 7,507,738	-	$ 7,458,734	($49,004)
Licenses and Permits	737,305	737,305	-	816,427	$79,122
Intergovernmental	387,000	387,000	-	369,324	($17,676)
Charges for Services	1,488,295	1,488,295	-	1,506,867	$18,572
Fines & forfeitures	662,799	675,949	13,150	745,908	$69,959
Miscellaneous Income	53,982	53,982	-	123,982	$70,000
Total Revenues	**$ 10,837,119**	**$ 10,850,269**	**$ 13,150**	**$ 11,021,242**	**$170,973**

	Budgeted Expenditures			Actual Expenditures	Variance Over/(Under)
	Original	Final	Change		Final Budget
Expenditures:					
Council	$ 76,345	$ 76,345	-	$ 73,131	$3,214
General Government	2,262,686	2,262,686	-	2,540,343	($277,657)
Tax Office	40,994	40,994	-	24,848	$16,146
Municipal Court	150,036	169,191	19,155	170,500	($1,309)
Police	3,551,063	3,871,061	319,998	3,791,187	$79,874
Fire	2,530,499	2,530,499	-	2,511,815	$18,684
Public Works	204,691	204,691	-	186,040	$18,651
Street	1,364,995	1,317,395	(47,600)	1,317,453	($58)
Traffic Control	229,246	245,915	16,669	273,828	($27,913)
Senior Citizens Center	104,620	110,420	5,800	111,015	($595)
Nutrition Program	52,131	50,567	(1,564)	50,559	$8
Park and Cemetery	490,489	490,489	-	454,475	$36,014
			-		$0
Total Expenditures	**11,057,795**	**11,370,253**	**312,458**	**11,505,194**	**($134,941)**

TABLE 8
SUMMARY OF CAPITAL ASSETS

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2011	2010	2011	2010	2011	2010
NON-DEPRECIABLE ASSETS:						
LAND	$2,522,664	$2,522,664	$ 557,835	$ 557,835	$ 3,080,499	$ 3,080,499
CONSTRUCTION IN PROGRESS	212,989	204,717			212,989	$ 204,717
TOTAL NON-DEPRECIABLE ASSETS	$ 2,735,653	$ 2,727,381	$ 557,835	$ 557,835	$ 3,293,488	$ 3,285,216
DEPRECIABLE ASSETS						
LANDFILL	$ -	$ -	$ 6,816,760	$ 6,814,785	$ 6,816,760	$ 6,814,785
BUILDINGS AND IMPROVEMENTS	7,326,036	7,448,193	727,665	506,288	$ 8,053,701	$ 7,954,481
DISTRIBUTION SYSTEM	0	0	59,833,685	55,828,358	$ 59,833,685	$ 55,828,358
MACHINERY & EQUIPMENT	9,920,764	9,861,888	10,191,356	10,228,465	$ 20,112,120	$ 20,090,353
INFRASTRUCTURE	28,264,147	28,059,430			$ 28,264,147	$ 28,059,430
TOTAL DEPRECIABLE ASSETS	$ 45,510,947	$ 45,369,511	$ 77,569,466	$ 73,377,896	$ 123,080,413	$ 118,747,407
LESS: ACCUMULATED DEPRECIATION	16,602,139	15,357,655	41,143,854	39,437,653	$ 57,745,993	$ 54,795,308
NET BOOK VALUE-DEPRECIABLE ASSETS	$ 28,908,808	$ 30,011,856	$ 36,425,612	$ 33,940,243	$ 65,334,420	$ 63,952,099
PERCENTAGED DEPRECIATED	36%	34%	53%	54%	47%	46%
TOTAL CAPITAL ASSETS BEFORE DEPRECIATION	$ 48,246,600	$ 48,096,892	$ 78,127,301	$ 73,935,731	$ 126,373,901	$ 122,032,623
TOTAL CAPITAL ASSETS NET OF DEPRECIATION	$ 31,644,461	$ 32,739,237	$ 36,983,447	$ 34,498,078	$ 68,627,908	$ 67,237,315

Capital Assets and Debt Administration

Capital Assets.

The investments of the City's capital assets, net of accumulated depreciation and related debt for governmental and business-like activities as of June 30, 2011 was $31.6 million and $37 million, respectively, as compared to last year of $32.7 million and $34.5 million, respectively. The decline in the governmental assets is primarily due to aging of the infrastructures. There are some road paving improvements, paving of new roads and sidewalks that were done during the year but the cost did not meet the capitalization threshold. The business-like increased by $2.5 million due to waste-water plant improvements, water meter change out to automate reading of water meters and gas meters by way of driving by process.

At June 30, 2011, the depreciable capital assets for governmental activities were 36% depreciated while the business-like's depreciable assets are 53% depreciated. More detailed information about the City of Tifton's capital assets is presented in Note 4 to the Basic Financial statements on pages 53-55.

TABLE 9
SUMMARY OF OUTSTANDING OBLIGATIONS

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2011	2010	2011	2010	2011	2010
NOTES PAYABLES	$ 6,997,867	$ 7,125,255	$ 3,872,557	$ 3,800,518	10,870,424	$ 10,925,773
CAPITAL LEASES	237,743	220,800	152,704	207,155	390,447	427,955
COMPENSATED ABSENCES	344,449	381,152	134,874	134,874	479,323	516,026
NET PENSION OBLIGATIONS	983,881				983,881	-
LANDFILL POSTCLOSURE	-	-	3,421,726	3,421,726	3,421,726	3,421,726
TOTAL OUTSTANDING DEBT	**$ 8,563,940**	**$ 7,727,207**	**$ 7,581,861**	**$ 7,564,273**	**$ 16,145,801**	**$ 15,291,480**

Long-Term Debt.

The State of Georgia limits the amount of General Obligation that a unit of government can issue to ten percent (10%) of the total assessed value of the taxable property within the City's boundaries. The legal debt margin for the City is $36.9 million based on the 2011 City's Gross digest. However, the City has no General obligation bond.

The City's long-term debt consists of notes payable, capital leases, post-closure cost and accrued vacation pay. In the governmental activities, $6.0 million of the notes payable was incurred by the City's Telecommunications fund to pay off the revenue bonds. The General Fund assumed the debt when Telecommunication fund was sold in 2009. This note is for twenty (20) years, backed by the full faith credit of the Tifton residents. However, with SPLOST 5 that starts in 2013, the voters agreed to include $4.5 million in the referendum to help pay-off the debt. With this amount, it was projected that the note will be paid off in 6.5 years. The outstanding debt also includes the net pension obligation. The net pension obligation of the City was programmed to be paid in five years, and the City has paid $255 thousand in FY2011.

For the business-like activities, the notes payables are GEFA loans for the improvements of the existing sewer system. On GEFA Loans dated November 2, 2009. The total amount that the City had received was for $2.0 million but 60% of which was a grant to the City as part of the agreement, which leaves a balance of $800 thousand.

Additional information about the City of Tifton's Long-Term Debt is presented in Note 6 to the Basic Financial statements on pages 57-60.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET & RATES

The City of Tifton elected and appointed officials considered many factors when adopting the fiscal year 2012 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 the increasing cost of personnel.
- The unemployment rate in Tifton, GA is 12%, with a job growth of 5.11%. Future job growth over the next ten years is projected to be 38%

- In 2011, the City's millage rate remains the same at 6.759 mills. The City resident taxes went up due to increase in the county millage rate imposed to the City residents from 10.39 mills to 12.183 mills.
- The population growth of 9%, from 15,036 to 16,350 and the economic well being of the City and the county as a whole.
- Re-negotiation of Local Option Sales tax, currently the City is receiving 33 1/3 of LOST over the last ten years.
- Increase in the tax digest for 2011 due to new establishments.

Budget Highlights for the Fiscal Year Ending June 30, 2012

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. The newly constructed Publix building and restaurants, stores contributes to the coming of new retail stores and other establishments. These indicators were taken into consideration when adopting the General Fund budget for fiscal year 2012.

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. The following are some of the initiatives;

- ✓ Continued to freeze the defined benefit retirement system to lower down the net pension obligation. In addition, the City is contributing additional amounts on top of the annual required contribution to catch-up with the baggage for the pension to be fully funded.
- ✓ Reduced some of the workforce and delayed hiring of vacant positions, thus filling positions only for half of the year.
- ✓ Eliminated funding for some outside agencies and reduced the funding for the remaining agencies.
- ✓ Tift County took over complete operational and funding control of our county-wide services of 911, Animal Control, Emergency Management Services and mosquito Control. The dollars used to support these services with the County can now be utilized to focus on our number one priority-ENHANCED PUBLIC SAFETY.
- ✓ In connection with public safety, the City established its own City's Environmental Management and Code enforcement to ensure that our neighborhoods are maintained up to the level the code requires and identifying and removing blighted areas and houses which allow crime to exist.
- ✓ The merit increase of 2% is scheduled to be given six months after the start of the fiscal year.
- ✓ Business-type activities include water, sewer, gas and solid waste collection and disposal.
    - Gas fund eliminated funding to the General Fund to minimize use of reserves and to accumulate more funds for future expansion and system maintenance improvements.
    - Solid Waste collection and disposal include, landfill, recycling garbage pick-up. It is included in the budget to hire a consultant to evaluate the garbage operation and study

the rates and effectiveness of the operations. The result of the study was to close two collection sites and let everyone pay for dumping in the inert landfill collection sites. The enhancement is to be evaluated by the Council members, as this is a county-wide service operation.

- Water and Sewer Fund is continuing the biggest project they have which is replacing all water meter to a drive-by water meters, county-wide.
- Overall, there is no increase in the utility rates.

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, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
ASSETS				
Current Assets:				
Cash on Hand and in Banks	$ 4,665,019	$11,117,212	$ 15,782,231	$ 907,757
Receivables - Net	1,564,113	1,794,857	3,358,970	216,020
Internal Balances	800,977	(800,977)	0	0
Inventory at Cost	143,480	347,967	491,447	0
Prepaid Expenses	784,373	0	784,373	0
Total Current Assets	7,957,962	12,459,059	20,417,021	1,123,777
Non-Current Assets:				
Prepaid Expenses	1,819,000	0	1,819,000	0
Capital Assets - Nondepreciable	2,735,653	557,835	3,293,488	307,751
Capital Assets - Depreciable - Net	28,908,808	36,425,620	65,334,428	1,845,293
Notes Receivable	0	0	0	2,109,573
Due from Component Unit	179,344	0	179,344	0
Total Non-Current Assets	33,642,805	36,983,455	70,626,260	4,262,617
Total Assets	41,600,767	49,442,514	91,043,281	5,386,394

The accompanying notes are an integral part of these statements.

STATEMENT OF NET ASSETS

Government-Wide
Tifton, Georgia

June 30, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
LIABILITIES				
Current Liabilities:				
Accounts Payable	697,615	495,695	1,193,310	13,058
Accrued Expenses	504,320	121,425	625,745	7,083
Notes and Leases Payable	243,125	339,864	582,989	169,589
Customer Deposits	0	822,088	822,088	0
Deferred Revenue	36,346	0	36,346	0
Total Current Liabilities	1,481,406	1,779,072	3,260,478	189,730
Long-Term Liabilities:				
Accrued Vacation Pay	344,499	134,556	479,055	0
Long-Term Notes Payable	7,017,185	3,685,397	10,702,582	2,146,182
Due to Primary Government	0	0	0	179,344
Accrued Postclosure Cost	0	3,421,726	3,421,726	0
Net Pension Obligation	983,878	0	983,878	0
Total Long-Term Liabilities	8,345,562	7,241,679	15,587,241	2,325,526
Total Liabilities	9,826,968	9,020,751	18,847,719	2,515,256

(Continued on next page)

The accompanying notes are an integral part of these statements.

STATEMENT OF NET ASSETS

Government-Wide
Tifton, Georgia

June 30, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	$30,410,576	$32,958,194	$63,368,770	$1,814,337
Restricted for:				
Capital Projects	1,775,104	0	1,775,104	0
Unrestricted	(411,881)	7,463,569	7,051,688	1,056,801
TOTAL NET ASSETS	$31,773,799	$40,421,763	$72,195,562	$2,871,138

The accompanying notes are an integral part of these statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Government-Wide
Tifton, Georgia

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General Government	$ 3,198,248	$ 1,249,052	$ 17,114
Public Safety	6,917,648	2,076,888	73,067
Public Works	2,561,956	40,845	0
Culture and Recreation	476,099	0	0
Health and Welfare	181,196	44,625	0
Interest on Long-Term Debt	336,735	0	0
Total Governmental Activities	13,671,882	3,411,410	90,181
Business-Type Activities:			
Water	3,381,905	3,646,603	0
Sewer	3,795,073	3,453,770	0
Gas	3,738,589	4,006,031	0
Solid Waste	4,098,624	4,130,453	0
Total Business-Type Activities	15,014,191	15,236,857	0
Total Primary Government	$ 28,686,073	$18,648,267	$ 90,181
Component Unit:			
Downtown Development Authority	$ 535,632	$ 221,437	$ 202,715
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, 2011

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
$3,706,328	$ 4,972,494	$ 1,774,246	$ 0	$ 1,774,246	$ 0
0	2,149,955	(4,767,693)	0	(4,767,693)	0
0	40,845	(2,521,111)	0	(2,521,111)	0
0	0	(476,099)	0	(476,099)	0
461,402	506,027	324,831	0	324,831	0
0	0	(336,735)	0	(336,735)	0
4,167,730	7,669,321	(6,002,561)	0	(6,002,561)	0
0	3,646,603	0	264,698	264,698	0
1,200,000	4,653,770	0	858,697	858,697	0
0	4,006,031	0	267,442	267,442	0
0	4,130,453	0	31,829	31,829	0
1,200,000	16,436,857	0	1,422,666	1,422,666	0
$5,367,730	$24,106,178	(6,002,561)	1,422,666	(4,579,895)	0
$ 207,769	$ 694,921	0	0	0	159,289
		2,285,321	0	2,285,321	0
		2,730,376	0	2,730,376	0
		682,634	0	682,634	0
		417,644	0	417,644	0
		810,707	0	810,707	0
		1,228,407	0	1,228,407	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			
Change in Net Assets			
Net Assets - July 1, 2010 (As Restated)			
NET ASSETS - JUNE 30, 2011			

The accompanying notes are an integral part of these statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended
June 30, 2011

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
		29,568	94,343	123,911	2,195
		121,308	174,803	296,111	0
		(2,257,454)	2,257,454	0	0
		6,048,511	2,526,600	8,575,111	2,195
		45,950	3,949,266	3,995,216	161,484
		31,727,849	36,472,497	68,200,346	2,709,654
		$31,773,799	$40,421,763	$72,195,562	$2,871,138

The accompanying notes are an integral part of these statements.

COMBINING BALANCE SHEET

Governmental Funds
Tifton, Georgia

June 30, 2011

	General Fund	Special Purpose Local Option Sales Tax	Other Governmental Funds	Total
ASSETS				
Cash on Hand and in Banks	$2,301,790	$1,156,710	$ 267,089	$ 3,725,589
Property Taxes Receivable	96,436	0	0	96,436
Accounts Receivable - Net	519,448	656,881	284,279	1,460,608
Due from Other Funds	218,841	6,000	0	224,841
Due from Component Unit	0	0	179,344	179,344
Prepaid Items	2,069,000	0	0	2,069,000
TOTAL ASSETS	$5,205,515	$1,819,591	$ 730,712	$ 7,755,818
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts Payable	$ 449,606	$ 44,487	$ 87,299	$ 581,392
Accrued Expenses	144,550	0	0	144,550
Due to Other Funds	205,828	0	224,841	430,669
Deferred Revenue	99,768	0	2,231	101,999
Total Liabilities	899,752	44,487	314,371	1,258,610
Fund Balance:				
Nospendable:				
Prepaid Items	$2,069,000	$ 0	$ 0	$ 2,069,000
Restricted:				
Capital Projects	0	1,775,104	0	1,775,104
Comitted:				
Technology Enhancements	75,009	0	0	75,009
Assigned:				
Capital Improvements	953,684	0	0	953,684
Debt Service	729,080	0	0	729,080
Insurance	76,522	0	0	76,522
Unassigned:				
Special Revenue Funds	0	0	416,341	416,341
General Fund	402,468	0	0	402,468
Total Fund Balance	4,305,763	1,775,104	416,341	6,497,208
TOTAL LIABILITIES AND FUND BALANCE	$5,205,515	$1,819,591	$ 730,712	$ 7,755,818

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, 2011
TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 6,497,208
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	43,739,149
Accumulated Depreciation	(13,383,703)
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.	65,653
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.	3,677,462
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	(7,252,892)
Compensated Absenses	(268,683)
Accrued Interest	(316,517)
Net Pension Obligation	(983,878)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	$31,773,799

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, 2011

	General Fund	Special Purpose Local Option Sales Tax	Other Governmental Funds	Total
Revenues:				
Taxes - Net	$ 7,458,734	$ 0	$ 682,634	$ 8,141,368
Licenses and Permits	816,427	0	0	816,427
Intergovernmental Revenues	369,324	3,496,305	739,833	4,605,462
Charges for Services	1,506,867	0	2,157	1,509,024
Fines and Forfeitures	745,908	0	0	745,908
Miscellaneous	123,982	7,626	1,031	132,639
Total Revenues	11,021,242	3,503,931	1,425,655	15,950,828
Expenditures:				
Current:				
General Government	2,403,152	27,634	687,413	3,118,199
Public Safety	6,747,330	30,971	51,294	6,829,595
Public Works	1,427,666	245,540	7,221	1,680,427
Culture and Recreation	450,360	0	23,830	474,190
Health and Welfare	50,559	0	130,500	181,059
Debt Service:				
Principal	137,308	0	93,813	231,121
Interest	288,819	0	47,916	336,735
Total Expenditures	11,505,194	304,145	1,041,987	12,851,326
Excess of Revenues Over (Under) Expenditures	(483,952)	3,199,786	383,668	3,099,502
Other Financing Sources (Uses):				
Proceeds from Long-Term Debt	120,676	0	0	120,676
Transfers In	100,000	0	0	100,000
Transfers Out	0	(2,260,587)	(304,402)	(2,564,989)
Net Change in Fund Balance	(263,276)	939,199	79,266	755,189
Fund Balance - July 1, 2010	4,569,039	835,905	337,075	5,742,019
FUND BALANCE - JUNE 30, 2011	$ 4,305,763	$ 1,775,104	$ 416,341	$ 6,497,208

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, 2011

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 755,189
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.	535,829
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.	(1,376,340)
Because some property taxes will not be collected for several months after the City's fiscal year end, they are not considered "available" revenues, and are deferred in the Governmental Funds. Deferred tax revenues increased by this amount this year.	31,958
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.	35,559
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.	(120,676)
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.	231,121

(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, 2011

The (increase) or decrease in the net pension obligation for the city's employee retirement plan is not reflected in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance but is recorded in the Government-Wide Statement of Activities and Changes in Net Assets.	$ (173,634)
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.	(80,591)
The net revenue (expense) of the internal service fund is included in the Government-Wide Statement of Activities and Changes in Net Assets.	207,535
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ 45,950

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF NET ASSETS

Proprietary Funds
Tifton, Georgia

June 30, 2011

	Water Revenue	Sewer Revenue	Gas Revenue	Solid Waste Collection and Disposal Revenue	Total	Governmental Activities Service Fund
ASSETS						
Current Assets:						
Cash	$ 1,297,222	$ 1,327,127	$1,118,807	$ 7,374,056	$11,117,212	$ 939,430
Accounts Receivable - Net	614,005	433,321	263,729	483,802	1,794,857	7,069
Due from Other Funds	0	0	0	0	0	1,006,805
Prepaid Expense	0	0	0	0	0	534,373
Inventory	117,223	24,801	205,943	0	347,967	143,480
Total Current Assets	2,028,450	1,785,249	1,588,479	7,857,858	13,260,036	2,631,157
Non-Current Assets:						
Capital Assets not Being Depreciated	65,660	389,873	102,302	0	557,835	50,445
Capital Assets Being Depreciated - Net	11,022,143	19,184,902	2,049,801	4,168,774	36,425,620	1,238,570
Total Non-Current Assets	11,087,803	19,574,775	2,152,103	4,168,774	36,983,455	1,289,015
Total Assets	13,116,253	21,360,024	3,740,582	12,026,632	50,243,491	3,920,172

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF NET ASSETS

Proprietary Funds
Tifton, Georgia

June 30, 2011

	Water Revenue	Sewer Revenue	Gas Revenue	Solid Waste Collection and Disposal Revenue	Total	Governmental Activities Service Fund
LIABILITIES						
Current Liabilities:						
Payable from Current Assets:						
Accounts Payable	88,328	73,706	166,515	167,146	495,695	116,223
Due to Other Funds	278,187	65,469	115,216	342,105	800,977	0
Notes Payable	0	339,864	0	0	339,864	7,418
Accrued Expenses	24,020	64,352	6,962	26,091	121,425	43,253
Customer Deposits	337,509	252,176	153,306	79,097	822,088	0
Total Current Liabilities	728,044	795,567	441,999	614,439	2,580,049	166,894
Long-Term Liabilities:						
Notes Payable	0	3,685,397	0	0	3,685,397	0
Accrued Vacation Pay	41,431	36,004	10,307	46,814	134,556	75,816
Accrued Postclosure Cost	0	0	0	3,421,726	3,421,726	0
Total Long-Term Liabilities	41,431	3,721,401	10,307	3,468,540	7,241,679	75,816
Total Liabilities	769,475	4,516,968	452,306	4,082,979	9,821,728	242,710

(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, 2011

	Water Revenue	Sewer Revenue	Gas Revenue	Solid Waste Collection and Disposal Revenue	Total	Governmental Activities Service Fund
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	$ 11,087,803	$15,549,514	$2,152,103	$ 4,168,774	$32,958,194	$ 1,281,597
Unrestricted	1,258,975	1,293,542	1,136,173	3,774,879	7,463,569	2,395,865
TOTAL NET ASSETS	$ 12,346,778	$16,843,056	$3,288,276	$ 7,943,653	$40,421,763	$ 3,677,462

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	$ 3,646,603	$ 3,453,770
Operating Expenses:		
Personnel Services	1,145,435	1,178,981
Public Utility Services	419,658	258,220
Repairs and Maintenance	461,059	470,292
Supplies and Purchases	279,141	168,991
Insurance	91,882	89,093
Administrative and Clerical	401,041	401,041
Professional Services	30,988	144,229
Depreciation	546,768	918,512
Miscellaneous	5,933	7,411
Total Operating Expenses	3,381,905	3,636,770
Operating Income (Loss)	264,698	(183,000)
Non-Operating Revenues (Expenses):		
Interest Income	7,396	9,637
Sale of Capital Assets	18,456	14,585
Grant Proceeds	0	1,200,000
Interest Expense	0	(158,303)
Net Non-Operating Revenues (Expenses)	25,852	1,065,919
Net Income (Loss) Before Transfers	290,550	882,919
Transfers In (Out)	832,061	1,525,393
Change in Net Assets	1,122,611	2,408,312
Net Assets - July 1, 2010	11,224,167	14,434,744
NET ASSETS - JUNE 30, 2011	$12,346,778	$16,843,056

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	Total	Year Ended June 30, 2011 Governmental Activities Service Fund
$ 4,006,031	$ 4,130,453	$ 15,236,857	$ 2,159,698
			1,287,679
383,208	1,449,062	4,156,686	134,842
75,089	85,905	838,872	223,240
95,242	464,615	1,491,208	164,426
2,635,222	496,486	3,579,840	52,932
21,192	152,806	354,973	0
401,041	401,041	1,604,164	0
30,623	342,617	548,457	70,496
95,012	698,968	2,259,260	217,085
1,960	7,124	22,428	8,998
3,738,589	4,098,624	14,855,888	2,159,698
267,442	31,829	380,969	0
8,135	69,175	94,343	0
9,674	132,088	174,803	0
0	0	1,200,000	0
0	0	(158,303)	0
17,809	201,263	1,310,843	0
285,251	233,092	1,691,812	0
(100,000)	0	2,257,454	207,535
185,251	233,092	3,949,266	207,535
3,103,025	7,710,561	36,472,497	3,469,927
$ 3,288,276	$ 7,943,653	$ 40,421,763	$ 3,677,462

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	$ 3,472,709	$ 3,387,536
Cash Receipts from Interfund Services	0	0
Cash Payments for Personnel Services	(1,140,664)	(1,179,460)
Cash Payments for Other Operating Expenses	(1,281,844)	(1,255,340)
Cash Payments for Interfund Services	(129,246)	(282,607)
Net Cash Provided (Used) by Operating Activities	920,955	670,129
Cash Flows from Noncapital Financing Activities:		
Transfers In (Out)	0	0
Cash Flows from Capital and Related Financing Activities:		
Purchase of Capital Assets	(1,085,783)	(3,040,272)
Proceeds from Sale of Capital Assets	18,456	14,585
Grant Proceeds	0	1,200,000
Proceeds from Long-Term Debt	0	321,442
Principal Paid on Long-Term Debt	0	(303,854)
Interest Paid on Debt	0	(141,003)
Transfers In	832,061	1,525,393
Net Cash Provided (Used) by Capital and Related Financing Activities	(235,266)	(423,709)
Cash Flows from Investing Activities:		
Interest Received	7,399	9,637
Net Increase (Decrease) in Cash and Restricted Cash	693,088	256,057
Cash and Restricted Cash - July 1, 2010	604,134	1,071,070
CASH AND RESTRICTED CASH - JUNE 30, 2011	$ 1,297,222	$ 1,327,127

(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	Total	Governmental Activities Service Fund
			Year Ended June 30, 2011
$ 3,975,339	$ 4,142,047	$ 14,977,631	$ 23,590
0	0	0	1,306,568
(389,085)	(1,455,159)	(4,164,368)	(1,291,687)
(2,835,634)	(1,565,179)	(6,937,997)	(621,367)
(282,520)	(196,737)	(891,110)	0
468,100	924,972	2,984,156	(582,896)
(100,000)	0	(100,000)	207,535
(74,508)	(761,831)	(4,962,394)	(126,381)
9,674	349,842	392,557	163,210
0	0	1,200,000	0
0	0	321,442	0
0	0	(303,854)	0
0	0	(141,003)	0
0	0	2,357,454	0
(64,834)	(411,989)	(1,135,798)	36,829
8,135	69,175	94,346	0
311,401	582,158	1,842,704	(338,532)
807,406	6,791,898	9,274,508	1,277,962
$ 1,118,807	$ 7,374,056	$ 11,117,212	$ 939,430

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)	$ 264,698	$ (183,000)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	546,768	918,512
Changes in Assets and Liabilities:		
Receivables, Net	(183,335)	(75,635)
Prepaid Expense	0	0
Inventory	22,453	75
Accounts Payable	(15,636)	(117,179)
Customer Deposits	9,441	9,401
Accrued Expenses	4,771	(479)
Due to/from Other Funds	271,795	118,434
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 920,955	$ 670,129

The accompanying notes are an integral part of these statements.

COMBINING STATEMENT OF CASH FLOWS

Gas Revenue	Solid Waste Collection and Disposal Revenue	Total	Governmental Activities Service Fund
		Year Ended June 30, 2011	
$ 267,442	$ 31,829	$ 380,969	$ 0
95,012	698,968	2,259,260	217,085
(25,565)	3,061	(281,474)	19,384
0	0	0	(11,771)
0	0	22,528	62,080
23,694	(15,626)	(124,747)	(16,742)
(5,127)	8,533	22,248	0
(5,877)	(6,097)	(7,682)	(4,008)
118,521	204,304	713,054	(848,924)
$ 468,100	$ 924,972	$ 2,984,156	$ (582,896)

The accompanying notes are an integral part of these statements.

STATEMENT OF FIDUCIARY NET ASSETS

Pension Trust Fund
Tifton, Georgia — June 30, 2011

ASSETS

Cash and Cash Equivalents	$ 613,488
Investments, at Fair Market Value:	
Domestic Common Stocks	8,240,081
Treasury and Agency Securities	2,025,602
Municipal Obligations	2,595,811
Domestic Corporate Bonds	1,907,815
Asset Backed Securities	424,174
TOTAL ASSETS	$15,806,971

LIABILITIES AND FUND BALANCE

Liabilities	$ 0
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	$15,806,971

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, 2011
Additions:	
Contributions-Employer	$ 1,426,811
Contributions-Employee	20,630
Investment Income:	
Interest and Dividends	589,905
Net Apreciation in Fair Market Value of Investments	1,896,005
Total Additions	3,933,351
Deductions:	
Retiree Benefits	1,879,895
Administrative Expenses	135,690
Total Deductions	2,015,585
Net Increase	1,917,766
Net Assets Held in Trust for Pension Benefits - July 1, 2010	13,889,205
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - JUNE 30, 2011	$15,806,971

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.

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, 2011, 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-$10,000; 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, 2011, is as follows:

	2010 Levy
Lien Date	1/01/10
Levy Date	9/02/10
Due Date	11/15/10
Delinquent Date	11/16/09
Collection Dates	9/02/10-11/15/10

N. FUND BALANCE RESERVES

In the fund financial statement, governmental fund balance is presented in five possible categories:

Nonspendable-resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

Restricted-resources with constraints placed on the use of resources are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed-resources which are subject to limitations the government imposes upon itself by action of city council and that remain binding unless removed in the same manner

Assigned-resources neither restricted nor committed for which the city 's management has a stated intended use.

Unassigned-resources which cannot be properly classified in one of the other four categories.

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	$4,665,019	$11,117,212	$15,806,971

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

Primary Government:	
Cash on Hand	$ 31,380
Bank Deposits (checking accounts, savings accounts, and certificates of deposits)	15,102,672
Georgia Fund 1	648,179
Total Primary Government	$15,782,231

Pension Trust Fund:	
Bank Deposits (checking account)	$ 15,727
Pooled Money Markets Funds	597,761
U.S. Government Treasury and Agency Securities	2,025,602
Municipal Bonds	2,595,811
Domestic Corporate Bonds	1,907,815
Asset Backed Securities	424,174
Domestic Common Stocks	8,240,081
Total Pension Trust Fund	$15,806,971

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	$ 648,179
Others Bonds and Securities	1 year or less	380,408
	1 to 3 years	457,477
	3 to 7 years	4,342,495
	7 to14 years	1,258,526
	14 plus years	514,495

3. RECEIVABLES

Receivables at June 30, 2011, of the primary government, consist of the following:

	General	Capital Projects	Special Revenue	Enterprise	Service	Total
Property Taxes	$ 96,436	$ 0	$ 0	$ 0	$ 0	$ 96,436
Accounts	561,544	870,438	70,722	2,554,510	7,069	4,064,283
Gross Receivables	657,980	870,438	70,722	2,554,510	7,069	4,160,719
Less Allowance for Uncollectables	(42,096)	0	0	(759,653)	0	(801,749)
Net Receivables	$615,884	$870,438	$70,722	$1,794,857	$7,069	$3,358,970

The receivables at June 30, 2011, for the Downtown Development Authority consist of $2,061,313 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, 2011.

	Balance July 1, 2010	Additions	Transfers/ Deletions	Balance June 30, 2011
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	$ 2,522,664	$ 0	$ 0	$ 2,522,664
Construction in Process	204,717	212,989	(204,717)	212,989
Total Capital Assets not being Depreciated	2,727,381	212,989	(204,717)	2,735,653
Capital Assets being Depreciated:				
Buildings and Improvements	7,448,193	86,264	(208,421)	7,326,036
Machinery and Equipment	9,861,888	449,221	(390,345)	9,920,764
Infrastructure	28,059,430	204,717	0	28,264,147
Total Capital Assets being Depreciated	45,369,511	740,202	(598,766)	45,510,947

	Balance July 1, 2010	Additions	Transfers/ Deletions	Balance June 30, 2011
Less Accumulated Depreciation :				
Buildings and Improvements	(2,144,053)	(161,098)	65,072	(2,240,079)
Machinery and Equipment	(6,714,381)	(667,539)	283,869	(7,098,051)
Infrastructure	(6,499,221)	(764,788)	0	(7,264,009)
Total Accumulated Depreciation	(15,357,655)	(1,593,425)	348,941	(16,602,139)
Net Capital Assets being Depreciated	30,011,856	(853,223)	(249,825)	28,908,808
Total Capital Assets, Net	$32,739,237	$ (640,234)	$ (454,542)	$31,644,461

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

General Government	$ 16,407
Public Safety	468,646
Public Works	883,365
Culture and Recreation	7,922
Total	$1,376,340

Total depreciation of the service fund, in the amount of $217,085, is charged to the various governmental functions and business-type activities.

	Balance July 1, 2010	Additions	Transfers/ Deletions	Balance June 30, 2011
Business Type Activities:				
Capital Assets not being Depreciated:				
Land	$ 557,835	$ 0	$ 0	$ 557,835
Capital Assets being Depreciated:				
Landfill	6,814,785	1,975	0	6,816,760
Buildings and Improvements	506,288	221,377	0	727,665
Distribution System	55,828,358	4,005,327	0	59,833,685
Machinery and Equipment	10,228,465	733,715	(770,824)	10,191,356
Total Capital Assets being Depreciated	73,377,896	4,962,394	(770,824)	77,569,466

	Balance July 1, 2010	Additions	Transfers/ Deletions	Balance June 30, 2011
Less Accumulated Depreciation:				
Landfill	(4,319,959)	(224,360)	0	(4,544,319)
Buildings and Improvements	(336,786)	(90,504)	0	(427,290)
Distribution System	(27,020,991)	(1,342,184)	0	(28,363,175)
Machinery and Equipment	(7,759,917)	(602,212)	553,059	(7,809,070)
Total Accumulated Depreciation	(39,437,653)	(2,259,260)	553,059	(41,143,854)
Net Capital Assets being Depreciated	33,940,247	2,703,134	(217,765)	36,425,612
Total Capital Assets, Net	$34,498,078	$ 2,703,134	$ (217,765)	$ 36,983,447
Component Unit:				
Capital Assets not being Depreciated:				
Land	$ 307,751	$ 0	$ 0	$ 307,751
Capital Assets being Depreciated:				
Buildings and Improvements	2,423,039	0	0	2,423,039
Furniture and Fixtures	20,090	0	0	20,090
Total Capital Assets being Depreciated	2,443,129	0	0	2,443,129
Less Accumulated Depreciation:				
Buildings and Improvements	(539,193)	(51,743)	0	(500,936)
Furniture and Fixtures	(4,891)	(2,009)	0	(6,900)
Total Accumulated Depreciated	(544,084)	(53,752)	0	(597,836)
Net Capital Assets being Depreciated	1,899,045	(53,752)	0	1,845,293
Total Capital Assets, Net	$ 2,206,796	$ (53,752)	$ 0	$ 2,153,044

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, 2011, were as follows:

	Due From	Due To
Governmental Funds:		
General Fund:		
Grant Fund	$ 218,841	$ 0
Internal Service Fund	0	205,828
Total General Fund	218,841	205,828
Special Purpose Local Option Sales Tax Fund:		
Grant Fund	6,000	0
Grant Fund:		
Special Purpose Local Option Sales Tax Fund	0	6,000
General Fund	0	218,841
Total Grant Fund	0	224,841
Proprietary Funds:		
Enterprise Funds:		
Water Revenue Fund:		
Internal Service Fund	0	278,187
Sewer Revenue Fund:		
Internal Service Fund	0	65,469
Gas Revenue Fund:		
Internal Service Fund	0	115,216
Solid Waste Collection and Disposal Revenue Fund:		
Service Fund	0	342,105

	Due From	Due To
Internal Service Fund:		
General Fund	205,828	0
Water Revenue Fund	278,187	0
Sewer Revenue Fund	65,469	0
Gas Revenue Fund	115,216	0
Solid Waste Collection and Disposal Revenue Fund	342,105	0
Total Internal Service Fund	1,006,805	0
Total Primary Government	$1,231,646	$1,231,646
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, 2011:

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Governmental Activities:					
Notes Payable	$ 7,125,255	$ 0	$ 127,388	$ 6,997,867	$133,413
Capital Leases	220,800	120,676	103,733	237,743	109,712
Compensated Absences	381,152	344,449	381,152	344,449	0
Total Governmental Activities	$ 7,727,207	$ 465,125	$ 612,273	$ 7,580,059	$243,125

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Business-Type Activities:					
Notes Payable	$3,800,518	$321,442	$249,403	$3,872,557	$285,413
Capital Leases	207,155	0	54,451	152,704	54,451
Compensated Absences	134,874	134,556	134,874	134,556	0
Landfill Postclosure	3,421,726	0	0	3,421,726	0
Total Business-Type Activities	$7,564,273	$455,998	$438,728	$7,581,543	$339,864

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, 2011.

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-$996,442.

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-$6,001,425.

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-$495,535.

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-$2,577,022.

Georgia Environmental Facilities Authority dated November 2, 2009, for $800,000 to be used for sewer system improvements. Loan is to be repaid in 239 monthly installments of $4,437 including interest at 3% beginning September 1, 2011. Collateral-Unsecured. Balance-$800,000.

The schedules below represent the annual requirements to amortize all notes payable outstanding as of June 30, 2011.

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Principal	Interest	Total
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	380,171	340,838	721,009
2017-2021	1,994,871	1,401,821	3,396,692
2022-2026	1,998,848	939,052	2,937,900
2027-2030	2,045,155	305,165	2,350,320
Total	$6,997,867	$4,374,971	$11,372,838

BUSINESS-TYPE ACTIVITIES

Year Ending June 30	Principal	Interest	Total
2012	$ 285,652	$ 167,174	$ 452,587
2013	304,221	157,478	461,938
2014	318,594	143,105	461,699
2015	333,659	128,041	461,700
2016	320,383	112,251	432,634
2017-2021	1,358,151	369,054	1,727,205
2022-2026	697,369	79,578	776,947
2027-2032	254,528	20,553	275,081
Total	$3,872,557	$1,177,234	$5,049,791

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.

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, 2011, the City used $120,676 in lease proceeds. Gross amount of assets recorded under capital leases is $2,215,096 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, 2011:

Year Ending June 30	Governmental Activities	Business-Type Activities
2012	$114,181	$ 62,087
2013	70,418	54,039
2014	67,218	51,582
2015	0	0
2016	0	0
Total Minimum Lease Payments	251,817	167,708
Less Amounts Representing Interest	(14,074)	(15,004)
Present Value of Net Minimum Lease Payments	$237,743	$152,704

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, 2011 (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	Net Pension Obligation (NPO)
2009	$2,226,747	163%	$2,271,596	159%	$650,948
2010	2,311,662	94%	2,327,374	93%	810,244
2011	1,583,242	90%	1,600,445	89%	983,878

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%	$6,920,405	197.25%
7/1/10	16,088,699	2,711,265	11,023,954	59.34%	6,562,475	167.98%
7/1/11	16,234,618	27,133,004	10,898,386	59.83%	6,076,604	179.35%

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%
Inflation Rate	3.5%

Additional Information

Valuation Date	July 1, 2011
Actuarial Cost Method	Aggregate Method
Amortization Method	Level Percentage, open
Remaining Amortization Period	30 Years
Asset Valuation Method	Five Year Smoothed Market
Discount Rate	7.75%
Salary Increase Rate	3.50%

E. ACTUARIAL PRESENT VALUE OF ACCRUED BENEFITS

	As of July 1, 2010	As of July 1, 2011
Vested Benefits		
Participants currently receiving benefits	$17,442,328	$20,026,408
Other Participants	10,256,380	7,744,380
Sub-total	27,698,708	27,770,788
Non-Vested Benefits	576,257	468,895
Total Benefits	$28,274,965	$28,239,683
Funded Percentage (based on the market value of assets)	49.12%	55.97%

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

Actuarial Present Value as of July 1, 2010	$28,274,965
Increase (Decrease) Due To:	
Interest	2,191,310
Benefits Accumulated	(467,677)
Benefits Paid	(1,879,895)
Plan Amendments	120,980
Changes in Actuarial Methods and Assumptions	0
Net Increase (Decrease)	(35,282)
Actuarial Present Value as of July 1, 2011	$28,239,683

G. ADDITIONAL INFORMATION

1. Plan Membership:

Actively Employed	212
Retirees and Beneficiaries	147
Terminated/Vested Employees	28
Total	387

2. Development of the Net Pension Obligation (Asset)

Net Pension Obligation (Asset) as of July 1, 2010	$ 810,244
Annual Pension Cost for the 2010/11 Plan Year	1,600,445
Employer Contributions for the 2010/11 Plan Year	(1,426,811)
Net Increase (Decrease) in NPO	173,634
Net Pension Obligation (Asset) as of July 1, 2011	983,878

3. Development of the Annual Required Contribution (ARC) for the 2011/12 Plan Year

Normal Cost	$ 1,560,366
Amortization of the UAAL	(55,361)
Amortization of the Net Pension Obligation (Asset)	55,361
Interest Adjustment	61,481
Annual Required Contribution (ARC)	$ 1,621,847

4. Development of the Annual Pension Cost (APC) for the 2011/12 Plan Year

Annual Required Contribution (ARC)	$ 1,621,847
Interest on the Net Pension Obligation (Asset)	76,251
Adjustment to the ARC	(55,361)
Annual Pension Cost (APC)	$ 1,642,737

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, 2011, were as follows:

	Transfer In		Transfer Out	
Governmental Funds:				
General Fund:				
Gas Revenue Fund	$ 100,000	(a)	$ 0	
Internal Service Fund:				
Special Purpose Local Option Sales Tax Fund	207,535	(b)	0	
Capital Projects Funds:				
Special Purpose Local Option Sales Tax Fund:				
Internal Service Fund	0		207,535	(b)
Water Revenue Fund	0		832,061	(c)
Sewer Revenue Fund	0		1,220,991	(c)
Total Special Purpose Local Option Sales Tax Fund	0		2,260,587	
Grant Fund:				
Sewer Revenue Fund	0		304,402	(f)
Proprietary Funds:				
Water Revenue Fund:				
Special Purpose Local Option Sales Tax Fund	832,061	(c)	0	
Sewer Revenue Fund:				
Grant Fund	304,402	(c)	0	
Special Purpose Local Option Sales Tax Fund	1,220,991	(f)	0	
Total Sewer Revenue Fund	1,525,393		0	
Gas Revenue Fund:				
General Fund	0		100,000	(a)
TOTAL ALL FUNDS	$2,664,989		$2,664,989	

(a) To transfer funds for various general government expenditures
(b) To transfer funds for capital asset purchases
(c) 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, 2011. 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 42% of the estimated capacity of a new landfill site. This new site is estimated to have a remaining life of 7 years. During the year, the City expended $34,070 in monitoring the old landfill site.

The City will recognize the remaining estimated cost of closure and postclosure care of $567,070 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 2011. 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, 2011. 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, 2011, were $683,665. Of this amount, $273,225 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.

17. RESTATED NET ASSETS

The beginning net assets for the governmental activities on the Government-Wide Statement of Activities and Changes in Net Assets has been reduced by $810,244. This represents the beginning net pension obligation for the city employees' retirement plan.

18. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Several departments' expenditures exceeded the appropriated budget amounts by $307,522. This over expenditure is primarily the result of the amortization of prepaid telecommunication services not included in the budget.

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

General Fund
Tifton, Georgia

Year Ended
June 30, 2011

	Budget			Variance Over (Under)
	Original	Final	Actual	
Revenues:				
Taxes - Net	$ 7,507,738	$7,507,738	$ 7,458,734	$ (49,004)
Licenses and Permits	737,305	737,305	816,427	79,122
Intergovernmental Revenues	387,000	387,000	369,324	(17,676)
Charges for Services	1,488,295	1,488,295	1,506,867	18,572
Fines and Forfeitures	662,799	675,949	745,908	69,959
Miscellaneous	53,982	53,982	123,982	70,000
Total Revenues	10,837,119	10,850,269	11,021,242	170,973
Expenditures:				
General Government	2,484,645	2,490,445	2,749,337	(258,892)
Public Safety	6,460,844	6,816,666	6,747,330	69,336
Public Works	1,569,686	1,522,086	1,503,493	18,593
Culture and Recreation	490,489	490,489	454,475	36,014
Health and Welfare	52,131	50,567	50,559	8
Total Expenditures	11,057,795	11,370,253	11,505,194	(134,941)
Excess of Revenues Over (Under) Expenditures	(220,676)	(519,984)	(483,952)	36,032
Other Financing Sources (Uses):				
Proceeds from Long-Term Debt	120,676	120,676	120,676	0
Transfers In	100,000	100,000	100,000	0
Net Change in Fund Balance	0	(299,308)	(263,276)	36,032
Budget Fund Balance - July 1, 2010	4,569,039	4,569,039	4,569,039	0
BUDGET FUND BALANCE - JUNE 30, 2011	$ 4,569,039	$4,269,731	$ 4,305,763	$ 36,032

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, 2011

	Special Revenue Funds		Capital Projects Fund	
	Community Development Revolving Loan Fund	Hotel/Motel Tax Fund	Grant Fund	Total
ASSETS				
Cash	$ 16,340	$ 202,880	$ 47,869	$ 267,089
Accounts Receivable	0	70,722	213,557	284,279
Advances to Component Unit	179,344	0	0	179,344
TOTAL ASSETS	$195,684	$ 273,602	$261,426	$ 730,712
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts Payable	$ 0	$ 52,945	$ 34,354	$ 87,299
Deferred Revenue	0	0	2,231	2,231
Due to Other Funds	0	0	224,841	224,841
Total Liabilities	0	52,945	261,426	314,371
Fund Balance:				
Unreserved	195,684	220,657	0	416,341
TOTAL LIABILITIES AND FUND BALANCE	$195,684	$ 273,602	$261,426	$ 730,712

COMBINING SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES

Non-Major Governmental Funds
Tifton, Georgia

Year Ended
June 30, 2011

	Special Revenue Funds		Capital Projects Fund	
	Community Development Revolving Loan Fund	Hotel/Motel Tax Fund	Grant Fund	Total
Revenues:				
Taxes	$ 0	$ 682,634	$ 0	$ 682,634
Grant Proceeds	0	0	739,833	739,833
Interest	0	1,031	0	1,031
Rent	2,157	0	0	2,157
Total Revenues	2,157	683,665	739,833	1,425,655
Expenditures:				
General Government	0	433,776	253,637	687,413
Public Safety	0	0	51,294	51,294
Public Works	0	7,221	0	7,221
Culture and Recreation	0	23,830	0	23,830
Health and Welfare	0	0	130,500	130,500
Debt Service:				
Principal	0	93,813	0	93,813
Interest	0	47,916	0	47,916
Total Expenditures	0	606,556	435,431	1,041,987
Excess of Revenues Over (Under) Expenditures	2,157	77,109	304,402	383,668
Other Financing Sources (Uses):				
Transfers Out	0	0	(304,402)	(304,402)
Net Change in Fund Balance	2,157	77,109	0	79,266
Fund Balance - July 1, 2010	193,527	143,548	0	337,075
FUND BALANCE - JUNE 30, 2011	$ 195,684	$ 220,657	$ 0	$ 416,341

BALANCE SHEET

General Fund
Tifton, Georgia — June 30, 2011

ASSETS

Cash on Hand and in Banks		$2,301,790
Property Taxes Receivable		96,436
Accounts Receivable	$ 561,544	
Less Allowance for Uncollectible Accounts	(42,096)	519,448
Due from Other Funds		218,841
Prepaid Items		2,069,000
TOTAL ASSETS		$5,205,515

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts Payable	$ 449,606
Accrued Expenses	144,550
Due to Other Funds	205,828
Deferred Revenue	99,768
Total Liabilities	899,752
Fund Balance:	
Nonspendable:	
Prepaid Items	2,069,000
Restricted:	
Capital Projects	0
Comitted:	
Technology Enhancements	75,009
Assigned:	
Capital Improvements	953,684
Debt Service	729,080
Insurance	76,522
Total Assigned	1,759,286
Unassigned:	
General Fund	402,468
Total Fund Balance	4,305,763
TOTAL LIABILITIES AND FUND BALANCE	$5,205,515

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

General Fund
Tifton, Georgia

Year Ended
June 30, 2011

	Budget			Variance Over (Under)
	Original	Final	Actual	
Revenues:				
Net Advalorem Taxes	$ 1,926,724	$1,926,724	$2,036,866	$ 110,142
General Government Revenues	8,902,395	8,915,545	8,963,465	47,920
Interest Income	8,000	8,000	20,911	12,911
Total Revenues	10,837,119	10,850,269	11,021,242	170,973
Expenditures:				
Council	76,345	76,345	73,131	3,214
General Government	2,262,686	2,262,686	2,540,343	(277,657)
Tax Office	40,994	40,994	24,848	16,146
Municipal Court	150,036	169,191	170,500	(1,309)
Police	3,551,063	3,871,061	3,791,187	79,874
Fire	2,530,499	2,530,499	2,511,815	18,684
Public Works	204,691	204,691	186,040	18,651
Street	1,364,995	1,317,395	1,317,453	(58)
Traffic Control	229,246	245,915	273,828	(27,913)
Senior Citizens Center	104,620	110,420	111,015	(595)
Nutrition Program	52,131	50,567	50,559	8
Parks and Cemetery	490,489	490,489	454,475	36,014
Total Expenditures	11,057,795	11,370,253	11,505,194	(134,941)
Excess of Revenues Over (Under) Expenditures	(220,676)	(519,984)	(483,952)	36,032
Other Financing Sources (Uses):				
Proceeds from Long-Term Debt	120,676	120,676	120,676	0
Transfers In	100,000	100,000	100,000	0
Net Change in Fund Balance	0	(299,308)	(263,276)	36,032
Budget Fund Balance - July 1, 2010	4,569,039	4,569,039	4,569,039	0
BUDGET FUND BALANCE - JUNE 30, 2011	$ 4,569,039	$4,269,731	$4,305,763	$ 36,032

SCHEDULE OF REVENUES

General Fund Tifton, Georgia	Year Ended June 30, 2011
Sales Tax	$ 2,730,376
Net Advalorem Tax	2,036,866
Advalorem Tax on Vehicles	205,407
Intangible Tax	18,237
Insurance Premium Tax	810,707
Franchise Tax	1,228,407
Licenses and Permits	816,427
Alcoholic Beverage Tax	417,644
Mobile Home Tax	11,090
Interest and Penalties	32,037
Fines, Bond Forfeitures, and Cost	745,908
Interest Income	20,911
Sale of Cemetery Lots	49,410
Bond Width Connectivity	347,551
Fire Protection - Tift County	1,235,206
Miscellaneous Charges for Services	222,251
Intergovernmental	21,773
Sale of Capital Assets	47,619
Miscellaneous	23,415
TOTAL REVENUES	$ 11,021,242

SCHEDULE OF EXPENDITURES - COUNCIL

General Fund Tifton, Georgia	Year Ended June 30, 2011
Personnel Services	$48,635
Utilities	5,299
Insurance	2,325
Travel and Training	16,872
TOTAL	$73,131

SCHEDULE OF EXPENDITURES - GENERAL GOVERNMENT

General Fund Tifton, Georgia	Year Ended June 30, 2011
Street Lights	$ 261,993
Traffic Lights	19,165
Code Enforcement	247,238
Canine Control	140,603
E-911	383,359
Dues and Subscriptions	11,175
Emergency Management	83,955
Supplies	4,563
Broad Band Connectivity	250,000
Landfill Charges	3,626
Debt Services	23,791
Mosquito Control	25,706
Professional Services	219,470
Public Library	138,715
Literacy Volunteers of America	4,896
American Red Cross	3,000
Prisoners Per Diem	273,337
Debt Service	346,185
Administrative and Clerical	73,310
Other	26,256
TOTAL	$2,540,343

SCHEDULE OF EXPENDITURES - TAX DEPARTMENT

General Fund Tifton, Georgia	Year Ended June 30, 2011
Personnel Services	$ 9,780
Utilities	222
Insurance	1,073
Professional Services	13,717
Postage	56
TOTAL	$ 24,848

SCHEDULE OF EXPENDITURES - MUNICIPAL COURT

General Fund Tifton, Georgia	Year Ended June 30, 2011
Personnel Services	$ 120,937
Recorders Court Judge	33,597
Utilities	1,770
Supplies	1,907
Professional Fees	1,760
Insurance	2,116
Postage	404
Travel and Training	1,217
Administrative and Clerical	6,792
TOTAL	$ 170,500

SCHEDULE OF EXPENDITURES - POLICE DEPARTMENT

General Fund Tifton, Georgia	Year Ended June 30, 2011
Personnel Services	$2,748,475
Utilities	74,569
Repairs and Maintenance	78,647
Supplies	79,444
Insurance	226,950
Gas, Oil, and Grease	128,779
Capital Outlay	284,459
Travel and Training	6,268
Professional Services	5,692
Prisoners Medical	9,262
Uniforms	13,957
Administrative and Clerical	131,381
Other	3,304
TOTAL	$3,791,187

SCHEDULE OF EXPENDITURES - FIRE DEPARTMENT

General Fund Tifton, Georgia	Year Ended June 30, 2011
Personnel Services	$1,923,354
Utilities	112,546
Repairs and Maintenance	109,535
Supplies	56,846
Insurance	114,876
Gas, Oil, and Grease	48,796
Travel and Training	5,454
Professional Services	3,181
Administrative and Clerical	96,932
Capital Outlay	38,381
Other	1,914
TOTAL	$2,511,815

SCHEDULE OF EXPENDITURES - PUBLIC WORKS COMPLEX

General Fund Tifton, Georgia	Year Ended June 30, 2011
Personnel Services	$ 165,883
Utilities	2,710
Repairs and Maintenance	683
Supplies	1,627
Insurance	1,611
Travel and Training	516
Professional Services	4,750
Gas, Oil, and Grease	400
Administrative and Clerical	7,860
TOTAL	$ 186,040

SCHEDULE OF EXPENDITURES - STREET DEPARTMENT

General Fund Tifton, Georgia	Year Ended June 30, 2011
Personnel Services	$ 784,734
Equipment Repairs and Maintenance	103,192
Street Repairs and Maintenance	113,725
Supplies	23,810
Travel and Training	125
Professional Services	2,143
Insurance	91,238
Gas, Oil, and Grease	65,363
Landfill Charges	29,876
Administrative and Clerical	52,296
Debt Service	49,830
Other	1,121
TOTAL	$1,317,453

SCHEDULE OF EXPENDITURES - TRAFFIC CONTROL

General Fund
Tifton, Georgia

	Year Ended June 30, 2011
Personnel Services	$ 140,605
Utilities	3,315
Repairs and Maintenance	16,098
Supplies	25,708
Travel and Training	70
Traffic Signs and Lights	23,856
Insurance	24,716
Gas, Oil, and Grease	4,680
Administrative and Clerical	8,783
Debt Service	25,997
TOTAL	$ 273,828

SCHEDULE OF EXPENDITURES - SENIOR CITIZENS CENTER

General Fund Tifton, Georgia	Year Ended June 30, 2011
Personnel Services	$ 68,937
Utilities	12,679
Repairs and Maintenance	13,807
Supplies	5,185
Travel and Training	140
Insurance	3,442
Administrative and Clerical	5,976
Other	849
TOTAL	$111,015

SCHEDULE OF EXPENDITURES - NUTRITION PROGRAM

General Fund Tifton, Georgia	Year Ended June 30, 2011
Personnel Services	$31,280
Meal Delivery	11,979
Utilities	5,297
Supplies	1,116
Repairs and Maintenance	6
Insurance	881
TOTAL	$50,559

SCHEDULE OF EXPENDITURES - PARK AND CEMETERY

General Fund Tifton, Georgia	Year Ended June 30, 2011
Personnel Services	$314,747
Utilities	26,808
Repairs and Maintenance	24,365
Supplies	24,959
Professional Services	3,245
Insurance	21,378
Gas, Oil, and Grease	15,318
Landfill Charges	771
Administrative and Clerical	18,769
Debt Service	4,115
TOTAL	$454,475

BALANCE SHEET

Community Development Revolving Loan Fund
Tifton, Georgia

June 30, 2011

ASSETS

Cash	$ 16,340
Advances to Component Unit	179,344
TOTAL ASSETS	$195,684

LIABILITIES AND FUND BALANCE

Liabilities	$ 0
Fund Balance:	
Unreserved	195,684
TOTAL LIABILITIES AND FUND BALANCE	$195,684

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE

Community Development Revolving Loan Fund Tifton, Georgia	Year Ended June 30, 2011
Revenues:	
Rent	$ 2,157
Expenditures	0
Net Change in Fund Balance	2,157
Fund Balance - July 1, 2010	193,527
FUND BALANCE - JUNE 30, 2011	$ 195,684

BALANCE SHEET

Hotel/Motel Tax Fund
Tifton, Georgia

June 30, 2011

ASSETS

Cash	$ 202,880
Accounts Receivable	70,722
TOTAL ASSETS	$ 273,602

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts Payable	$ 52,945
Fund Balance:	
Unreserved	220,657
TOTAL LIABILITIES AND FUND BALANCE	$ 273,602

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE

Hotel/Motel Tax Fund Tifton, Georgia	Year Ended June 30, 2011
Revenues:	
Taxes	$ 682,634
Interest	1,031
Total Revenues	683,665
Expenditures:	
General Government	433,776
Culture and Recreation	23,830
Public Works	7,221
Debt Service:	
Principal	93,813
Interest	47,916
Total Expenditures	606,556
Net Change in Fund Balance	77,109
Fund Balance - July 1, 2010	143,548
FUND BALANCE - JUNE 30, 2011	$ 220,657

BALANCE SHEET

Special Purpose Local Option Sales Tax Fund
Tifton, Georgia

June 30, 2011

ASSETS

Cash	$ 1,156,710
Accounts Receivable	656,881
Due from Other Funds	6,000
TOTAL ASSETS	$ 1,819,591

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts Payable	$ 44,487
Fund Balance	1,775,104
TOTAL LIABILITIES AND FUND BALANCE	$ 1,819,591

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE

Special Purpose Local Option Sales Tax Fund Tifton, Georgia	Year Ended June 30, 2011
Revenues:	
Sales Tax	$3,496,305
Interest	7,626
Total Revenues	3,503,931
Expenditures:	
General Government	27,634
Public Safety	30,971
Public Works	245,540
Total Expenditures	304,145
Excess of Revenues Over Expenditures	3,199,786
Other Financing Sources (Uses):	
Transfers Out	(2,260,587)
Excess of Expenditures and Other Financing Uses Over Revenues	939,199
Fund Balance - July 1, 2010	835,905
FUND BALANCE - JUNE 30, 2011	$1,775,104

BALANCE SHEET

Grant Fund
Tifton, Georgia

June 30, 2011

ASSETS

Cash	$ 47,869
Accounts Receivable	213,557
TOTAL ASSETS	$261,426

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts Payable	$ 34,354
Deferred Revenue	2,231
Due to Other Funds	224,841
Total Liabilities	261,426
Fund Balance	0
TOTAL LIABILITIES AND FUND BALANCE	$261,426

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE

Grant Fund Tifton, Georgia	Year Ended June 30, 2011
Revenues:	
Grant Proceeds	$739,833
Expenditures:	
General Government	253,637
Public Safety	51,294
Health and Welfare	130,500
Total Expenditures	435,431
Excess of Revenues Over Expenditures	304,402
Other Financing (Uses):	
Transfers Out	(304,402)
Net Change in Fund Balance	0
Fund Balance - July 1, 2010	0
FUND BALANCE - JUNE 30, 2011	$ 0

SCHEDULE OF NET ASSETS

Water Revenue Fund
Tifton, Georgia

June 30, 2011

ASSETS

Current Assets:		
Cash		$ 1,297,222
Accounts Receivable	$ 763,007	
Less Allowance for Uncollectible Accounts	(149,002)	614,005
Inventory		117,223
Total Current Assets		2,028,450
Capital Assets:		
Land		65,660
Buildings	268,908	
Less Accumulated Depreciation	(129,151)	139,757
Machinery and Equipment	1,701,324	
Less Accumulated Depreciation	(1,546,239)	155,085
Distribution System	17,553,375	
Less Accumulated Depreciation	(6,826,074)	10,727,301
Net Capital Assets		11,087,803
Total Assets		13,116,253

LIABILITIES

Current Liabilities:	
Accounts Payable	88,328
Accrued Expenses	24,020
Due to Other Funds	278,187
Customer Deposits	337,509
Total Current Liabilities	728,044
Long-Term Liabilities:	
Accrued Vacation	41,431
Total Liabilities	769,475

NET ASSETS

Invested in Capital Assets, Net of Related Debt	11,087,803
Unrestricted	1,258,975
TOTAL NET ASSETS	$ 12,346,778

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Water Revenue Fund Tifton, Georgia	Year Ended June 30, 2011
Operating Revenues:	
Water Sales	$ 3,344,248
Water Penalties and Fines	160,549
Water Meters	117,267
Miscellaneous	24,539
Total Operating Revenues	3,646,603
Operating Expenses:	
Personnel Services	1,145,435
Utilities	419,658
Equipment Repairs and Maintenance	184,517
System Repairs and Maintenance	276,542
Supplies	98,295
Insurance	91,882
Gas, Oil, and Grease	65,605
Professional Services	30,988
Chemicals	92,142
Depreciation	546,768
Administrative and Clerical	401,041
Postage	23,099
Miscellaneous	5,933
Total Operating Expenses	3,381,905
Operating Income	264,698
Non-Operating Revenues (Expenses):	
Interest Income	7,396
Sale of Capital Assets	18,456
Net Non-Operating Revenues (Expenses)	25,852
Income before Transfers	290,550
Transfers In	832,061
Change in Net Assets	1,122,611
Net Assets - July 1, 2010	11,224,167
NET ASSETS - JUNE 30, 2011	$12,346,778

SCHEDULE OF CASH FLOWS

Water Revenue Fund Tifton, Georgia	Year Ended June 30, 2011
Cash Flows from Operating Activities:	
Cash Receipts from Customers	$3,472,709
Cash Payments for Personnel Services	(1,140,664)
Cash Payments for Other Operating Expenses	(1,281,844)
Cash Payments for Interfund Services	(129,246)
Net Cash Provided by Operating Activities	920,955
Cash Flows from Noncapital Financing Activities	0
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(1,085,783)
Transfers In	832,061
Proceeds from Sale of Capital Assets	18,456
Net Cash Used by Capital and Related Financing Activities	(235,266)
Cash Flows from Investing Activities:	
Interest Received	7,399
Net Increase in Cash	693,088
Cash - July 1, 2010	604,134
CASH - JUNE 30, 2011	$1,297,222
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating Income	$ 264,698
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	546,768
Change in Assets and Liabilities:	
Receivables, Net	(183,335)
Inventory	22,453
Accounts Payable	(15,636)
Customer Deposits	9,441
Accrued Expenses	4,771
Due to/from Other Funds	271,795
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 920,955

SCHEDULE OF NET ASSETS

Sewer Revenue Fund
Tifton, Georgia

June 30, 2011

ASSETS

Current Assets:		
Cash		$ 1,327,127
Accounts Receivable	$ 603,037	
Less Allowance for Uncollectible Accounts	(169,716)	433,321
Inventory		24,801
Total Current Assets		1,785,249
Capital Assets:		
Land		389,873
Buildings	82,973	
Less Accumulated Depreciation	(43,038)	39,935
Machinery and Equipment	2,336,344	
Less Accumulated Depreciation	(1,969,480)	366,864
Distribution System	37,889,041	
Less Accumulated Depreciation	(19,110,938)	18,778,103
Net Capital Assets		19,574,775
Total Assets		21,360,024

LIABILITIES

Current Liabilities:	
Accounts Payable	73,706
Accrued Expenses	64,352
Due to Other Funds	65,469
Note Payable	339,864
Customer Deposits	252,176
Total Current Liabilities	795,567
Long-Term Liabilities:	
Note Payable	3,685,397
Accrued Vacation	36,004
Total Long-Term Liabilities	3,721,401
Total Liabilities	4,516,968

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SCHEDULE OF NET ASSETS

Sewer Revenue Fund
Tifton, Georgia

June 30, 2011

NET ASSETS

Invested in Capital Assets, Net of Related Debt	$ 15,549,514
Unrestricted	1,293,542
TOTAL NET ASSETS	$ 16,843,056

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Sewer Revenue Fund Tifton, Georgia	Year Ended June 30, 2011
Operating Revenues:	
Sewer Sales	$ 3,294,311
Sewer Penalties	37,105
Sewer Extensions	96,595
Lab Fees	12,890
Miscellaneous	12,869
Total Operating Revenues	3,453,770
Operating Expenses:	
Personnel Services	1,178,981
Utilities	258,220
Equipment Repairs and Maintenance	76,822
System Repairs and Maintenance	393,470
Supplies	111,499
Insurance	89,093
Gas, Oil, and Grease	37,795
Professional Services	144,229
Depreciation	918,512
Postage	19,697
Administrative and Clerical	401,041
Miscellaneous	7,411
Total Operating Expenses	3,636,770
Operating Loss	(183,000)
Non-Operating Revenues (Expenses):	
Interest Income	9,637
Sale of Capital Assets	14,585
Grants	1,200,000
Interest Expense	(158,303)
Net Non-Operating Income Expense	1,065,919
Income before Transfers	882,919
Transfers In	1,525,393
Change in Net Assets	2,408,312
Net Assets - July 1, 2010	14,434,744
NET ASSETS - JUNE 30, 2011	$16,843,056

SCHEDULE OF CASH FLOWS

Sewer Revenue Fund Tifton, Georgia	Year Ended June 30, 2011
Cash Flows from Operating Activities:	
Cash Receipts from Customers	$3,387,536
Cash Payments for Personnel Services	(1,179,460)
Cash Payments for Other Operating Expenses	(1,255,340)
Cash Payments for Interfund Services	(282,607)
Net Cash Provided by Operating Activities	670,129
Cash Flows from Noncapital Financing Activities	0
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(3,040,272)
Sale of Capital Assets	14,585
Transfers from Other Funds	1,525,393
Capital Grants	1,200,000
Interest Paid on Debt	(141,003)
Principal Paid on Long-Term Debt	(303,854)
Proceeds from Long-Term Debt	321,442
Net Cash Used by Capital and Related Financing Activities	(423,709)
Cash Flows from Investing Activities:	
Interest Received	9,637
Net Increase in Cash	256,057
Cash - July 1, 2010	1,071,070
CASH - JUNE 30, 2011	$1,327,127
Reconciliation of Operating Loss to Net Cash	
Provided by Operating Activities:	
Operating Loss	$ (183,000)
Adjustments to Reconcile Operating Loss to Net	
Cash Provided by Operating Activities:	
Depreciation	918,512
Change in Assets and Liabilities:	
Receivables, Net	(75,635)
Inventory	75
Accounts Payable	(117,179)
Customer Deposits	9,401
Accrued Expenses	(479)
Due to Other Funds	118,434
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 670,129

SCHEDULE OF NET ASSETS

Gas Revenue Fund
Tifton, Georgia — June 30, 2011

ASSETS

Current Assets:		
Cash		$1,118,807
Accounts Receivable	$ 389,426	
Less Allowance for Uncollectible Accounts	(125,697)	263,729
Inventory		205,943
Total Current Assets		1,588,479
Capital Assets:		
Land		102,302
Buildings	226,006	
Less Accumulated Depreciation	(164,017)	61,989
Machinery and Equipment	713,417	
Less Accumulated Depreciation	(690,711)	22,706
Distribution System	4,391,269	
Less Accumulated Depreciation	(2,426,163)	1,965,106
Net Capital Assets		2,152,103
Total Assets		3,740,582

LIABILITIES

Current Liabilities:	
Accounts Payable	166,515
Accrued Expenses	6,962
Due to Other Funds	115,216
Customer Deposits	153,306
Total Current Liabilities	441,999
Long-Term Liabilities:	
Accrued Vacation	10,307
Total Liabilities	452,306

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SCHEDULE OF NET ASSETS

Gas Revenue Fund
Tifton, Georgia

June 30, 2011

NET ASSETS

Invested in Capital Assets, Net of Related Debt	$2,152,103
Unrestricted	1,136,173
TOTAL NET ASSETS	$3,288,276

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Gas Revenue Fund Tifton, Georgia	Year Ended June 30, 2011
Operating Revenues:	
Gas Sales	$ 3,983,518
Gas Penalties and Fines	18,505
Miscellaneous	4,008
Total Operating Revenues	4,006,031
Operating Expenses:	
Cost of Gas Sold	2,572,558
Personnel Services	383,208
Utilities	75,089
Equipment Repairs and Maintenance	22,607
System Repairs and Maintenance	72,635
Supplies	15,014
Insurance	21,192
Gas, Oil, and Grease	18,300
Professional Services	30,623
Depreciation	95,012
Postage	8,400
Marketing	20,950
Administrative and Clerical	401,041
Miscellaneous	1,960
Total Operating Expenses	3,738,589
Operating Income	267,442
Non-Operating Revenues:	
Interest Income	8,135
Sale of Capital Assets	9,674
Total Non-Operating Revenues	17,809
Income before Transfers	285,251
Transfers Out	(100,000)
Change in Net Assets	185,251
Net Assets - July 1, 2010	3,103,025
NET ASSETS - JUNE 30, 2011	$ 3,288,276

SCHEDULE OF CASH FLOWS

Gas Revenue Fund Tifton, Georgia	Year Ended June 30, 2011
Cash Flows from Operating Activities:	
Cash Receipts from Customers	$ 3,975,339
Cash Payments for Personnel Services	(389,085)
Cash Payments for Other Operating Expenses	(2,835,634)
Cash Payments for Interfund Services	(282,520)
Net Cash Provided by Operating Activities	468,100
Cash Flows from Noncapital Financing Activities:	
Transfers Out	(100,000)
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(74,508)
Proceeds from Sale of Capital Assets	9,674
Net Cash Used by Capital and Related Financial Activities:	(64,834)
Cash Flows from Investing Activities:	
Interest Received	8,135
Net Increase In Cash	311,401
Cash - July 1, 2010	807,406
CASH - JUNE 30, 2011	$ 1,118,807
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities:	
Operating Income	$ 267,442
Adjustments to Reconcile Operating Income to Net	
Cash Provided by Operating Activities:	
Depreciation	95,012
Changes in Assets and Liabilities:	
Receivables, Net	(25,565)
Inventory	0
Accounts Payable	23,694
Customer Deposits	(5,127)
Accrued Expenses	(5,877)
Due from Other Funds	118,521
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 468,100

SCHEDULE OF NET ASSETS

Solid Waste Collection and Disposal Revenue Fund
Tifton, Georgia

June 30, 2011

ASSETS

Current Assets:		
Cash		$7,374,056
Accounts Receivable	$ 799,040	
Less Allowance for Uncollectible Accounts	(315,238)	483,802
Total Current Assets		7,857,858
Capital Assets:		
Landfill	6,816,760	
Less Accumulated Depreciation	(4,544,319)	2,272,441
Buildings	149,778	
Less Accumulated Depreciation	(91,084)	58,694
Equipment	5,440,271	
Less Accumulated Depreciation	(3,602,632)	1,837,639
Net Capital Assets		4,168,774
Total Assets		12,026,632

LIABILITIES

Current Liabilities:	
Accounts Payable	167,146
Accrued Expenses	26,091
Due to Other Funds	342,105
Customer Deposits	79,097
Total Current Liabilities	614,439
Long-Term Liabilities:	
Accrued Vacation	46,814
Accrued Postclosure Cost	3,421,726
Total Long-Term Liabilities	3,468,540
Total Liabilities	4,082,979

(Continued on next page)

SCHEDULE OF NET ASSETS

Solid Waste Collection and Disposal Revenue Fund
Tifton, Georgia

June 30, 2011

NET ASSETS

Invested in Capital Assets, Net of Related Debt	$4,168,774
Unrestricted	3,774,879
TOTAL NET ASSETS	$7,943,653

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Solid Waste Collection and Disposal Revenue Fund Tifton, Georgia	Year Ended June 30, 2011
Operating Revenues:	
Charges	$ 4,059,782
Penalties and Fines	66,614
Miscellaneous	4,057
Total Operating Revenues	4,130,453
Operating Expenses:	
Personnel Services	1,449,062
Public Utilities	85,905
Repairs and Maintenance	464,615
Supplies	127,862
Insurance	152,806
Gas, Oil, and Grease	356,847
Professional Services	78,208
Contract Services	198,616
Postclosure Cost	65,793
Depreciation	698,968
Postage	11,777
Administrative and Clerical	401,041
Miscellaneous	7,124
Total Operating Expenses	4,098,624
Operating Income	31,829
Non-Operating Revenues (Expenses):	
Interest Income	69,175
Sale of Capital Assets	132,088
Net Non-Operating Revenues (Expenses)	201,263
Change in Net Assets	233,092
Net Assets - July 1, 2010	7,710,561
NET ASSETS - JUNE 30, 2011	$ 7,943,653

SCHEDULE OF CASH FLOWS

Solid Waste Collection and Disposal Revenue Fund Tifton, Georgia	Year Ended June 30, 2011
Cash Flows from Operating Activities:	
Cash Receipts from Customers	$4,142,047
Cash Payments for Personnel Services	(1,455,159)
Cash Payments for Other Operating Expenses	(1,565,179)
Cash Payments for Interfund Services	(196,737)
Net Cash Provided by Operating Activities	924,972
Cash Flows from Noncapital Financing Activities	0
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(761,831)
Proceeds from Sale of Capital Assets	349,842
Net Cash Used by Capital and Related Financing Activities	(411,989)
Cash Flows from Investing Activities:	
Interest Received	69,175
Net Increase In Cash	582,158
Cash - July 1, 2009	6,791,898
CASH - JUNE 30, 2011	$7,374,056
Reconciliation of Operating Loss to Net Cash	
Provided by Operating Activities:	
Operating Income	$ 31,829
Adjustments to Reconcile Operating Loss to Net	
Cash Provided by Operating Activities:	
Depreciation	698,968
Changes in Assets and Liabilities:	
Receivables, Net	3,061
Accounts Payable	(15,626)
Customer Deposits	8,533
Accrued Expenses	(6,097)
Due to Other Funds	204,304
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 924,972

SCHEDULE OF NET ASSETS

Service Fund
Tifton, Georgia

June 30, 2011

ASSETS

Current Assets:		
Cash		$ 939,430
Accounts Receivable		7,069
Inventory		143,480
Due from Other Funds		1,006,805
Prepaid Expenses		534,373
Total Current Assets		2,631,157
Capital Assets:		
Land		50,445
Buildings	$2,035,421	
Less Accumulated Depreciation	(1,207,305)	828,116
Machinery and Equipment	2,421,585	
Less Accumulated Depreciation	(2,011,131)	410,454
Net Capital Assets		1,289,015
Total Assets		3,920,172

LIABILITIES

Current Liabilities:	
Accounts Payable	116,223
Accrued Expenses	43,253
Note Payable	7,418
Total Current Liabilities	166,894
Long-Term Liabilities:	
Accrued Vacation	75,816
Total Liabilities	242,710

NET ASSETS

Invested in Capital Assets, Net of Related Debt	1,281,597
Unrestricted	2,395,865
TOTAL NET ASSETS	$3,677,462

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Service Fund Tifton, Georgia	Year Ended June 30, 2011
Operating Revenues:	
Charges for Services and Facilities	$ 2,159,698
Operating Expenses:	
Management:	
Personnel Services	418,312
Insurance	11,592
Election Expense	117
Depreciation	3,598
Travel and Training	3,840
Public Utility Services	14,119
General Supplies	6,890
Repairs and Maintenance	10,658
Miscellaneous	570
Total	469,696
Administrative:	
Personnel Services	406,328
Insurance	9,519
Repairs and Maintenance	61,510
General Supplies	19,669
Public Utility Services	55,008
Depreciation	66,611
Travel and Training	2,543
Professional Services	8,971
Postage	1,639
Miscellaneous	589
Total	632,387
Management Information Systems:	
Personnel Services	88,364
Insurance	5,027
General Supplies	31,014
Depreciation	103,439
Public Utility Services	13,656
Repairs and Maintenance	119,884
Total	361,384

(Continued on next page)

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Service Fund Tifton, Georgia	Year Ended June 30, 2011
Human Resources:	
Personnel Services	$ 126,777
Professional Services	61,525
Insurance	2,004
Repairs and Maintenance	1,034
Public Utility Services	6,092
Postage	240
Depreciation	41
General Supplies	1,302
Travel and Training	634
Miscellaneous	45
Total	199,694
Inventory Control:	
General Supplies	86,751
Harrison-Walker Complex:	
Personnel Services	23,544
Insurance	16,918
Public Utility Services	29,528
Depreciation	36,118
Repairs and Maintenance	25,078
General Supplies	4,569
Total	135,755
Shop:	
Personnel Services	224,354
Insurance	7,872
Depreciation	7,278
Public Utility Services	16,439
Repairs and Maintenance	5,076
General Supplies	12,352
Miscellaneous	660
Total	274,031
Total Operating Expenses	2,159,698
Operating Income	0
Transfer In	207,535

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SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Service Fund Tifton, Georgia	Year Ended June 30, 2011
Change in Net Assets	207,535
Net Assets - July 1, 2010	3,469,927
NET ASSETS - JUNE 30, 2011	$ 3,677,462

SCHEDULE OF CASH FLOWS

Service Fund Tifton, Georgia	Year Ended June 30, 2011
Cash Flows from Operating Activities:	
Cash Receipts from Customers	$ 23,590
Cash Receipts from Interfund Services Provided	1,306,568
Cash Payments for Personnel Services	(1,291,687)
Cash Payments for Other Operating Expenses	(621,367)
Net Cash Used by Operating Activities	(582,896)
Cash Flows from Noncapital Financing Activities:	
Transfer from Other Funds	207,535
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(126,381)
Proceeds from Sale of Capital Assets	163,210
Net Cash Provided by Capital and Related Financing Activities	36,829
Net Decrease In Cash	(338,532)
Cash - July 1, 2010	1,277,962
CASH - JUNE 30, 2011	$ 939,430
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	217,085
Change in Assets and Liabilities:	
Receivables, Net	19,384
Inventory	62,080
Prepaid Expense	(11,771)
Accounts Payable	(16,742)
Accrued Expenses	(4,008)
Due to/from Other Funds	(848,924)
NET CASH USED BY OPERATING ACTIVITIES	$ (582,896)

SCHEDULE OF NET ASSETS

Downtown Development Authority
Tifton, Georgia

June 30, 2011

ASSETS

Current Assets:		
Cash		$ 907,757
Accounts Receivable		54,874
Notes Receivable		161,146
Total Current Assets		1,123,777
Capital Assets:		
Land		307,751
Buildings and Improvements	$2,423,039	
Less Accumulated Depreciation	(590,936)	1,832,103
Furniture and Fixtures	20,090	
Less Accumulated Depreciation	(6,900)	13,190
Net Capital Assets		2,153,044
Other Assets:		
Notes Receivable		2,109,573
Total Assets		5,386,394

LIABILITIES

Current Liabilities:	
Accounts Payable	13,058
Accrued Expenses	7,083
Notes Payable	169,589
Total Current Liabilities	189,730
Long-Term Liabilities:	
Notes Payable	2,146,182
Due to Primary Government	179,344
Total Long-Term Liabilities	2,325,526
Total Liabilities	2,515,256

(Continued on next page)

SCHEDULE OF NET ASSETS

Downtown Development Authority
Tifton, Georgia

June 30, 2011

NET ASSETS

Invested in Capital Assets, Net of Related Debt	$ 1,814,337
Unrestricted	1,056,801
TOTAL NET ASSETS	$ 2,871,138

SCHEDULE OF REVENUES, EXPENSES,

AND CHANGES IN NET ASSETS

Downtown Development Authority Tifton, Georgia	Year Ended June 30, 2011
Operating Revenues:	
Charges for Services	$ 101,990
Intergovernmental	202,715
Special Purpose Local Option Sales Tax	270,769
Interest	121,642
Total Operating Revenues	697,116
Operating Expenses:	
Personnel Services	178,481
Utilities	39,408
Insurance	9,384
Repairs and Maintenance	30,910
Interest	114,660
Production and Program Cost	43,503
Supplies	12,537
Travel and Training	4,648
Depreciation	53,752
Professional Fees	26,026
Promotional Expense	20,818
Miscellaneous	1,505
Total Operating Expenses	535,632
Operating Income	161,484
Net Assets - July 1, 2010	2,709,654
NET ASSETS - JUNE 30, 2011	$2,871,138

SCHEDULE OF CASH FLOWS

Downtown Development Authority Tifton, Georgi:	Year Ended June 30, 2011
Cash Flows from Operating Activities:	
Cash Receipts from Customers	$ 221,048
Cash Receipts from Other Governments	481,384
Cash Payments for Personnel Services	(178,481)
Cash Payments for Other Operating Expenses	(324,876)
Net Cash Provided by Operating Activities	199,075
Cash Flows from Noncapital Financing Activities:	
Loaned on Notes Receivable	(400,000)
Received on Notes Receivable	147,429
Principal Paid on Long-Term Debt	(158,534)
Proceeds from Long-Term Debt	400,000
Net Cash Used by Noncapital Financing Activities	(11,105)
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	0
Principal Paid on Long-Term Debt	(9,952)
Net Cash Used by Capital and Related Financing Activities	(9,952)
Cash Flows from Investing Activities	0
Net Increase in Cash	178,018
Cash - July 1, 2010	729,739
CASH - JUNE 30, 2011	$ 907,757
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	$ 161,484
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	53,752
Change in Assets and Liabilities:	
Receivables, Net	5,766
Accounts Payable	(21,519)
Accrued Expenses	42
Deferred Revenue	(450)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 199,075

SCHEDULE OF PROJECTS CONSTRUCTED WITH

SPECIAL SALES TAX PROCEEDS

City of Tifton
Tifton, Georgia

Year Ended
June 30, 2011

Project	Original Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage Completion
		2001 REFERENDUM			
Street and Sidewalk Improvements	$ 1,000,000	$ 676,279	$ 12,220	$ 688,499	69%
New Fire Station	650,000	174	0	174	0%
New Fire Trucks	500,000	691,490	0	691,490	100%
Sewer System Improvements	1,000,000	707,661	2,489	710,150	71%
Water System Improvements	1,000,000	1,150,534	0	1,150,534	100%
Drainage Improvements	590,000	454,870	9,410	464,280	79%
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	$ 7,756,100	$ 24,119	$ 7,780,219	

(Continued on next page)

SCHEDULE OF PROJECTS CONSTRUCTED WITH

SPECIAL SALES TAX PROCEEDS

City of Tifton
Tifton, Georgia

Year Ended
June 30, 2011

Project	Original Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage Completion
		2006 REFERENDUM			
Street and Sidewalk Improvements	$ 2,670,000	$ 2,010,626	$ 7,316	$ 2,017,942	76%
New Fire Station and Equipment	2,660,000	581,234	30,971	612,205	23%
Police Equipment	414,000	308,229	0	308,229	74%
Sewer System Improvements	6,831,000	3,284,215	1,218,502	4,502,717	66%
Water System Improvements	5,200,000	2,986,325	832,061	3,818,386	73%
Drainage Improvements	2,500,000	1,326,217	216,595	1,542,812	62%
Senior Center Improvements	750,000	3,740	27,631	31,371	4%
City Hall Renovations	1,000,000	79,845	127,837	207,682	20%
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	287,004	15,396	302,400	46%
M. I. S. Improvements	1,850,000	875,500	64,304	939,804	51%
TOTAL	$25,825,000	$12,567,701	$2,540,613	$15,108,314	

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

City of Tifton
Tifton, Georgia

Year Ended
June 30, 2011

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Grantor's Number	Federal Expenditures
U. S. Department of Justice:			
Edward Byrne Memorial Justice Assistance Grant	16.579	2007-DJ-BX-0543	$ 6,937
Edward Byrne Memorial Justice Assistance Grant	16.579	2008-DJ-BX-0074	12,183
Edward Byrne Memorial Justice Assistance Grant	16.579	2008-DD-BX-0607	14,836
Edward Byrne Memorial Justice Assistance Grant	16.579	2009-DJ-BX-1265	29,965
Total U. S. Department of Justice			63,921
U. S. Department of Energy:			
Energy Efficiency and Conservation Block Grant Program	81.128	DE-EE-0000806	210,073
U. S. Department of Housing and Urban Development:			
Pass-Through Georgia Department of Community Affairs:			
CDBG Small Cities Program	14.228	10P-X-137-2-5252	13,000
CDBG Small Cities Program	14.228	08P-X-137-2-5074	307,403
Community Home Investment Program	14.239	09M-X-137-2-6029	103,500
Community Home Investment Program	14.239	09M-X-2011-825	37,500
Total U. S. Department of Housing and Urban Development			461,403
Total Expenditures of Federal Awards			$ 735,397

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Tifton, Georgia, under programs of the federal government for the year ended June 30, 2011. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the Schedule presents only a selected portion of the operations of the City of Tifton, Georgia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Tifton, Georgia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting.

HERRING
CPA GROUP, P.C.
Certified Public Accountants & Consultants

GERALD N. HERRING, JR., C.P.A.
CHARLES W. POWELL, III, C.P.A.
DAVID L. DEARISO, C.P.A.
TONY QUINNEY, C.P.A.
JAMES H. HERRING, C.P.A.
JANE L. GRAY, C.P.A.

BRENDA T. MCALLISTER, C.P.A.
R. CHAD ALEXANDER, C.P.A.
BRANDON N. MONTGOMERY, C.P.A.

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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, 2011, and have issued our report thereon dated January 30, 2012. 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.

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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 January 30, 2012.

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
January 30, 2012

HERRING
CPA GROUP, P.C.
Certified Public Accountants & Consultants

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

The Honorable Mayor and City Council
Tifton, Georgia

We have audited the City of Tifton, Georgia's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the City of Tifton, Georgia's major federal programs for the year ended June 30, 2011. The City of Tifton, Georgia's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Tifton, Georgia's management. Our responsibility is to express an opinion on the City of Tifton, Georgia's compliance based on our audit.

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

In our opinion, the City of Tifton, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of the City of Tifton, Georgia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Tifton, Georgia's internal control

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over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Tifton, Georgia's internal control over compliance.

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

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

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

This report is intended solely for the information and use of management, city council, others within the entity, 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
January 30, 2012

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Tifton, Georgia.

2. Two significant deficiencies are reported in the "Report on Internal Control Over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards".

3. No instances of noncompliance material to the financial statements of the City of Tifton, Georgia, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.

4. No significant deficiencies in internal control over major federal award programs are reported in the report on compliance with requirements that could have a direct and material effect on each major program and on internal control compliance in accordance with OMB Circular A-133.

5. The auditor's report on compliance for the major federal award programs for the City of Tifton, Georgia expresses an unqualified opinion on all major federal programs.

6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.

7. The program tested as major programs: The Department of Housing and Urban Development CDBG Small Cities Program CFDA No. 14.228 and The Department of Energy-Energy Efficiency and Conservation Block Grant Program CFDA No. 81.128.

8. The threshold used for distinguishing between Type A and B programs was $300,000.

9. The City of Tifton, Georgia was not determined to be a low-risk auditee.

FINDINGS-FINANCIAL STATEMENTS AUDIT

11-1 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.

11-2 Reconciliation of Inventory to General Ledger

The city maintains various items of inventory including fuel. Monthly reconciliations of the city's fuel usage and inventory balances were not reconciled to the general ledger.
Criteria-Weakness in internal control.
Effect-Financial statements do not reflect actual fuel usage and any misappropriation of city assets would not be detected on a timely basis.
Recommendation-Fuel usage and quantities on hand should be reconciled to the general ledger on a monthly basis.
Management Response-Management agrees with the finding and the recommendation and is putting such procedures in place.

FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD AUDIT

None Reported

TIFTON Georgia
The Friendly City

204 North Ridge Ave
Post Office Box 229
Tifton, Georgia 31793

http://www.tifton.net

ELECTED OFFICIALS:

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

JOHNNY TERRELL, JR.
VICE MAYOR
DISTRICT 3

MARIANNA KEESEE
DISTRICT 1

CHRISTOPHER PARROTT
DISTRICT 2

JULIE B. SMITH
DISTRICT 4





FINANCE
DEPARTMENT

Carmina G. Turner
Finance Director
Ph: 229-391-3896
Fax: 229-556-7429
e-mail:
turnercg@tifton.net

March 23, 2011

U.S. Department of Housing and Urban Development
Department of Energy

The City of Tifton, Georgia, respectfully submits the following corrective action plan for the year ended June 30, 2011.

Name and address of independent public accounting firm:
Herring CPA Group, P.C. P.O. Box 7328 Tifton, GA., 31793

Audit Period: June 30, 2011

The findings from the June 30, 2011 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS-FINANCIAL STATEMENT AUDIT

11-1 Segregation of Duties (Repeat)

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

Action Taken: The management reviews the department involved periodically and conflicting duties segregated. Those departments, where this is not possible, some additional oversight procedures are implemented to overcome these findings.

11-2 Reconciliation of Inventory to the General Ledger

Recommendation: Fuel usage and quantities on hand should be reconciled to the General Ledger on a monthly basis.

Action Taken: Due to reduction in workforce and implementation of the Early Retirement Incentive Program (ERIP), this function was not fully delegated, nor was the processes or the methods not fully demonstrated. Policies and procedures are in place with the new employee in-charge and made aware of the importance of this function.

FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD AUDIT

None Noted.

Thank you.

Respectfully yours,

CARMINA G. TURNER
Finance Director